

**MEETING MINUTES OF THE COOK COUNTY LAND BANK AUTHORITY**  
**BOARD OF DIRECTORS**

**December 17, 2015**

Board of Directors of the Cook County Land Bank Authority met pursuant to notice on December 17, 2015 at 10:00 AM in the offices of the Metropolitan Planning Council, 140 South Dearborn, Suite 1400, Chicago, Illinois.

**I. Call to Order and Roll Call**

Chairwoman Gainer called the meeting of the Board of Directors to order.

**Present:** Directors Brawley, Dworkin, Friedman, Gainer, Grisham, Jasso, Ostenburg, Planey, Porras, Sherwin(10)

**Absent:** Directors Helmer, Holmes Jenkins, Richardson, Ware (4)

Also Present: **Robert Rose** (*CCLBA Executive Director*)

Others Present: **Angela Allen** (*Washington, Pittman & McKeever, LLC*), **Bob Benjamin** (*Cook County Treasurer's Office*), **Larry Cherry** (*Landguan Eagle*), **Joe CIM** (*GSG*), **Natasha M. Cornog** (*Cook County Land Bank Authority*), **Brent Denzin** (*Ancel Glink*), **Dominic Diorio** (*Cook County Land Bank Authority*), **Cassidy Harper** (*Cook County Land Bank Authority*), **Brady Gott** (*Cleanslate*), **Ron Holakovsky** (*Cleanslate*), **Calvin Jackson** (*Chicago Anti-Eviction Campaign*), **B. Jasper** (*Resident Matters*), **Damon Perry** (*Arc Law Group*), **Emily Robinson** (*Elevated Energy*), **Mustafaa Saleh** (*Cook County Land Bank Authority*), **Elisha Sanders** (*Cook County Land Bank Authority*), **Alex Simmons** (*Cook County Land Bank Authority*), **Deborah Smith** (*United Englewood CDC*), **Vincent Waller** (*Cook County Environmental Control*), **Eric Williams** (*Cook County Land Bank Authority*), **Eric Wudtke** (*Carter Legal Group*)

**II. Public Speakers**

Chairwoman Gainer noted there was one (1) public speaker:

**Calvin Jackson** (*Chicago Anti-Eviction Campaign*)

**III. Presentation - Cleanslate (Brady Gott)**

The Cara Program has been in existence since 1991 preparing and motivating individuals to break the cycle of homelessness and poverty. The Cara Program helps individual develop sustainable life and career skills through incentives, customized training and internship opportunities. Providing the platform to help individuals build the skills to secure lasting careers. Cara Program is parent company to Cleanslate which began in 2005 with 10 interns in Auburn Gresham community doing sanitation work. Cleanslate has expanded their services through customer demand which has allowed Cleanslate to create more jobs and training. In 2008, Cleanslate started doing preservation work now servicing over 27 communities throughout

Cook County. Last year Cleanslate partnered with Cook County Land Bank Authority to perform property maintenance services. Over a 12 month time line for every 3-4 properties serviced this creates one job at Cleanslate thus providing a solid workforce. Over the last 10 years Cleanslate has created over 3,000 jobs. Thanks to the Cook County Land Bank for being a valuable partner.

#### **IV. Executive Director's Report (Robert Rose)**

Director Rose presented the Executive Directors Report focusing on the fiscal year 2015 end review. Director Rose stated that he has been with CCLBA for 9 month and CCLBA has accomplished a lot and the foundation that has been built to handle even more.

#### **Announcement**

Director Rose introduced CCLBA's newest staff members: Dominic Diorio and Elisha Sanders joined CCLBA as Acquisition Specialist and Mustafaa Saleh as the Asset Manager. Director Rose commended CCLBA Board of Directors for their strong and committed direction, guidance, and support. Acknowledging their impact in the different areas and recognition for work that they perform in addition to what is provided for CCLBA.

#### **Accomplishments**

Director Rose expounded on 2015 accomplishments CCLBA has developed and executed on a proactive strategy for focus communities; areas were identified where CCLBA resources would be utilized, Received a \$1,000,000.00 donation from Citi to support CCLBA's work, filled key staff positions which is critical to the success of the organization, Key participant with NSI, Received 1,260,000.00 in funding from IHDA for Blight Reduction to be applied to targeted demolition, and Engaged in extensive outreach and established strong relationships being. Reassuring to know that CCLBA mission is being heard and is resonating.

#### **Focus Communities**

Focus Communities Program: 13 Chicago neighborhoods and 14 Suburban communities where CCLBA is proactively banking inventory and marshaling resources for neighborhood stabilization.

#### **Core Business Activities**

CCLBA has acquired 138 properties, sold 29, demolished 8, and completed 1 rehab for the year. CCLBA does not control rehab directly, however, CCLBA will be tracking the rehab progress through completion. Currently there are 33 rehabs in progress. Activity of CCLBA has picked up tremendously with having a strategy in place and staffing up effectively. CCLBA have created a pipeline of activity and will continue to find opportunities that work along with CCLBA's mission.

Acquisition Breakdown 52% came from purchases, 38% from donations and 10% forfeitures.

Dispositions this process takes time to fill this pipeline because CCLBA must first purchase the property. CCLBA have become much more efficient as to how we acquire the property. Next step is to sell the property. CCLBA has been able to increase the interest in the properties by

streamlining its application process and sending out a list of the properties every two weeks with a list of our inventory.

CCLBA was slated to demolish 10 properties, there were a number of properties taken off of demo list, because individual expressed and interest to rehab and bring the properties up to code. Understanding demolition is not CCLBA's first option.

CCLBA has put procedures in place to ensure that rehabilitation is being completed. Utilizing a deed restriction providing a 12 month time frame for rehab to be completed and a utilize a soft mortgage as a compliance tool to prevent property from being sold without redevelopment and to hold buyers accountable to get rehab completed in a timely fashion. CCLBA is looking to see an even flow from the purchases, to dispositions, to rehab.

### **NSI Update**

Chicago was the pilot for Neighborhood Stabilization Initiative (NSI) since inception April 15 through November 30, 2015 almost 2,100 properties have been presented through this program, this comes out to almost 300 properties a week. CCLBA has been diligent about submitting offers, still working and challenging FHFA and Fannie on pricing. CCLBA has a project that is tracking all the counter offers that was put forth and that are still pending as it goes through the waterfall from first-look, to MLS, to auction and seeing where it ends up, to the extent if it is still out there CCLBA will go back and engage Fannie regarding these properties to when they are sold, and if sold to whom and for how much. Average price for property purchases have increased. Prices are firming up because available credit and sufficient demand.

Director Brawley wanted to know more about evaluation of application process and affordability vs market rate? Director Rose: Looking at the Chicago communities and most of the Suburban communities with the exception of Oak Lawn, Burbank, and Chicago Ridge the market rate is still below 80% AMI as an affordability standard. CCLBA does not have an affordability covenant in its Purchase Sales Agreement (PSA). CCLBA does not bid properties up. Minimum pricing is on the website, CCLBA has done an evaluation of what the property will be post rehab acknowledging the scope of work that gets the price down to minimum price. Individuals are encouraged to bid what they want once given the opportunity to inspect the property. CCLBA is not just going with the highest bidder. CCLBA review applicant capacity, previous workmanship, and references.

CCLBA making sure there is a networking relationship establish with different groups CCLBA is working with. CCLBA has a number of repeat buyers working through CCLBA's inventory because they have a geographic focus.

Director Porras: Out of the 33 rehabs how many are being rehab by prospective buyers vs third party developers? Director Rose: Four of the homes are being rehab by homeowners. Director Rose is looking to expand the homebuyer program being able to have more program to go direct to the homebuyer, there are a group of homes they CCLBA sees they would work well for homebuyers versus developers, it's about finding the correct source of funding.

**Strategic Plan**

Strategic Plan has remained true with stronger focus on single family homes. CCLBA has been opportunistic with Industrial/Commercial opportunities. CCLBA has increased the number of ways to acquire properties and target demolition was identified as a strategic plan to align with the Abandoned Property Program and the Blight Reduction Program. Green Space Conservation will definite be a part of CCLBA strategy moving forward as it relates to sustainability.

Staffing needs have increased based on the scope of work CCLBA is undertaking. The biggest change is the Construction Managers position has been replace with a Closing Specialist position to help with being more effective in acquiring and selling properties.

**Lessons Learned**

Cooperation and coordination is a must, CCLBA is doing ground breaking work and must be nimble and responsive keeping in mind that something takes longer than expected. Moving forward CCLBA plans to be fully staffed with 11 employees. Proactive around target industrial, commercial, and open space. To expand homebuyers program. Continue to support regional and local community initiatives. Exercise Additional Acquisition Strategies.

**2016 Target Goals**

180 properties in total inventory, 275 acquired properties, 150 properties sold, 50 properties rehabilitated, 50 properties demolished, creating \$5,000,000 in Market Capitalization and \$500,000 of Tax Benefits.

**V. 2016 Board of Directors Meeting Schedule**

Chairwoman Gainer made a motion to amended CCLBA’s Board of Directors meeting schedule as follows:

- March 17, 2016
- June 23, 2016
- September 22, 2016
- December 8, 2016

Director Sherwin, seconded by Porras, moved to approve the 2016 Board of Directors Meeting Schedule. **The motion carried unanimously.**

**VI. Consent Agenda**

Director Grisham, seconded by Director Ostenburg, moved to approve the consent agenda which includes:

- September 24, 2015 Cook County Land Bank Finance Committee meeting minutes
- September 24, 2015 Cook County Land Bank Board of Directors meeting minutes
- October 9, 2015 Cook County Land Bank Land Transactions Committee meeting minutes
- November 13, 2015 Cook County Land Bank Land Transactions Committee meeting minutes. **The motion carried unanimously.**

**VII. Conflict of Interest Policy**

Director Porras, seconded by Director Sherwin, moved to approve the Conflict of Interest Policy. **The motion carried unanimously.**

**VIII. Land Transactions Committee Report (Director Peter Friedman)**

Report was postponed. Director Friedman not present.

**IX. PSA with Icon Real Estate Corporation**

All commercial and industrial transaction must receive Board approval. The Land Transactions Committee is used to vet ideas. CCLBA had two presentation one with Joe Chang of Icon Real Estate Corporation for the property located: 3323 W. Grand, Chicago, IL. Mr. Chang wants to convert this property to market rate housing.

Director Grisham, seconded by Director Ostenburg, moved to approve the resolution to enter into a Purchase Sales Agreement with Icon Real Estate Corporation. **The motion carried unanimously.**

**X. PSA with West Humboldt Park**

Chet Jackson of West Humboldt Park Development Council is looking to acquire the commercial property located at 3525 West Chicago Avenue and shared his vision or purpose for the property:

Prospective Tenants

- Retail Unit 1 – **Brown Sugar Bakery Express** – retail presence on westside, up to ten employment opportunities for returning citizens.
- Retail Unit 2 – **Otis Fresh Market** – healthy corner store initiative, up to five employment opportunities for community residents, increase access to healthy organic food options, development of an organic garden, healthy cooking/packaging
- Retail Unit 3 – **Non Violent Offender Entrepreneur Program** – start up entrepreneurship program for returning citizens
- Retail Unit 4 – currently prospecting for tenant

The projected time line for this project from acquisition, construction start, to lease up is April 2016 – April 2017.

Director Brawley, seconded by Director Ware, moved to approve the resolution to enter into a Purchase Sales Agreement with West Humboldt Park. **The motion carried unanimously.**

**XI. Resolution**

Metropolitan Water Reclamation District (MWRD) project is the voluntary buyout program for the homes in unincorporated Cook County of Riverside Lawn (these homes flood every time it rains). As part of the Disaster Resilience Program, working with MWRD, Cook County Planning & Development, and the Bureau of Economic Development and using CCLBA resources to purchase the homes, demolish the homes, and convert into green space. Once everything is completed CCLBA will sell the land to Cook County Forest Preserve. CCLBA needs Board approval to enter into an Intergovernmental Agreement with MWRD. CCLBA's role is the actual

agency performing the work. The funding is coming from both CDBG-R funds and MWRD bonds specifically for this program.

Director Planey, seconded by Director Porros, moved to approve the Resolution to enter into an Intergovernmental Agreement with Metropolitan Water Reclamation District for the Riverside Lawn Project. **The motion carried unanimously.**

**XII. Presentation – Washington, Pittman, & McKeever (Angela Allen)**

Early this year CCLBA engaged the auditing firm of Washington, Pittman and McKeever to perform financial audits for 2014 and 2015. Angela Allen presented to CCLBA Board of Directors stating that it was the goal of Washington, Pittman, & McKeever to complete the 2014 audit by year end unfortunately that has not occurred. It's taking a little longer than expected. Washington Pittman and McKeever (WPMK) began 2014 audit on October 27, 2015 getting an understanding of transactions and performing some test work. No internal control issues or significant deficiencies were found at this time or needed to be reported. Majority of test work has been completed. WPMK had a call with Cook County Comptrollers to discuss how things were handled for the 2014 CAPER. As well as, arranged a meeting at the County Comptroller office to see how disbursements are handled. Cassidy Harper had to go back into 2014 to pull some transactions. Testing for payable and receivable were completed in November. What has held WPMK up is having a complete listing of properties including expenses and expenditures made on these properties to year end FY 2014. That test has been completed as well. WPMK is now trying to determine how to treat the cost of the properties conversation was had with Director Rose and Cassidy Harper to clear up miscommunication of how property is to be treated.

**XIII. Financial Report (Cassidy Harper)**

CCLBA can only present projected FY 2015 as County is in the closeout stage and CCLBA does not have access to the FMIS for finalize numbers. Special Purpose funds include proceeds from collections for sales of properties along with \$1,000,000 award from Citi. There has been an increase in staff salaries due to new staff members being hired. Property maintenance has increased because activity has gone from 30 properties to close to 140 properties. Abandoned Property Grant of \$250,000.00. CCLBA has submitted for its first round of reimbursements from IHDA Abandoned Property Program. MacArthur grant has been closed out and all reporting has been submitted. CCLBA has received its second installment from Illinois Attorney General Grant which is CCLBA largest source of funding. CCLBA has a balance of \$1.5 million to receive and will anticipate receiving by the beginning of first quarter 2016; our efforts are to receive the entire \$1.5 million at one time. CCLBA is in the first round of Blight Reduction Program 10 properties are in process for demolition and CCLBA will be submitting for reimbursement.

A more detailed breakdown of the budget has been included in your packets.

**XIV. Approval of Fiscal Year 2016 Budget**

Director Jasso, seconded by Director Ostenburg, moved to approve the Fiscal Year 2016 Budget. **The motion carried unanimously.**

**XV. Sustainability Committee (Director Emy Brawley)**

Director Brawley and Executive Director Rose have had conversations about ways of reinvigorating the Sustainability Committee. Looking at the focus structure, the role, desire to have the committee support operations, this idea still needs to be accessed out more and how to add regular non board members.

**XVI. Chairwoman Report (Commissioner Bridget Gainer)**

CCLBA has the ability to take on larger issues outside the traditional realm filled by City and County. For instance CCLBA can deal with the long standing exhausted list of tax delinquent issue. Municipalities do not necessarily have the planning skills and/or capacity to handle this cumbersome process. One of the ideas is to be proactive and address delinquent. One of the opportunities for CCLBA is to have the ability to evaluate large industrial site to see if they can be redeveloped or accessed for economic viable use.

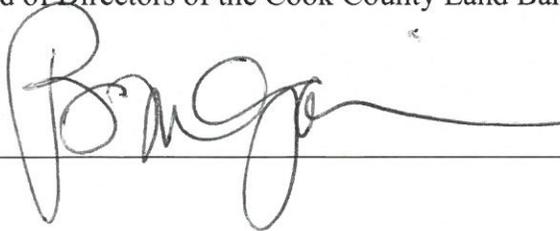
Dan Kildee to move \$2 billion from Home Affordable Mortgage Program (HAMP) funds, which will expire in 2016 into Hardest Hit funds which focuses on blight reduction.

Committee Structure Chairwoman Gainer expressed a desire to introduce outside experts to the Sustainability and Land Transactions Committees to supplement the current Board's expertise. Asking for a two-year commitment.

**XVII. Adjournment**

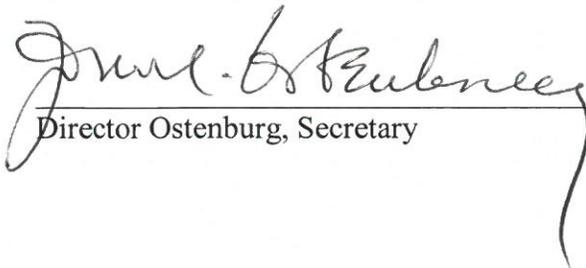
Director Brawley, seconded by Director Dworkin moved to adjourn. **The motion carried unanimously and the meeting was adjourned.**

Respectfully submitted,  
Board of Directors of the Cook County Land Bank Authority



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Attest.



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Director Osteburg, Secretary

