

## MEETING MINUTES OF THE COOK COUNTY LAND BANK AUTHORITY LAND TRANSACTIONS COMMITTEE

**April 8, 2016**

Land Transactions Committee of the Cook County Land Bank Authority met pursuant to notice on April 8, 2016 at 10:00 AM at the Cook County Building, 118 North Clark Street, 4<sup>th</sup> Floor, Chicago, Illinois.

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

Director Porras called the meeting of the Land Transactions Committee to order.

**Present:** Directors Brawley, Jasso, Ostenburg, Planey, Porras (5)

**Absent:** Committee Chair Friedman (1)

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

Others Present: **Melvin Bailey** (*CMEP*), **Bob Benjamin** (*Cook County Treasurer's Office*), **Geoff Guy** (*Vista/HFH*), **Natasha Cornog** (*Cook County Land Bank Authority*), **Jacob Handelman** (*CIC*), **Dominic Diorio** (*Cook County Land Bank Authority*), **Scott Henry** (*Chicago Metropolitan Housing Development Corporation*), **Kristin Horne** (*Chicago Metropolitan Housing Development Corporation*), **Mike Jondeh** (*TBI Contractors*), **Michelle Jordan** (*Commissioner Larry Suffredin's Office*), **Dan Kenu** (*Blue Sky Management*), **Rafael Leon** (*Chicago Metropolitan Housing Development Corporation*), **Khris McAfee** (*GSI*), **Emmett McCarthy** (*Concerned Citizen*), **Paris Riley** (*Concerned Citizen*), **Mustafaa Saleh** (*Cook County Land Bank Authority*), **Elisha Sanders** (*Cook County Land Bank Authority*), **Claudette Shivers** (*Cook County Land Bank Authority*), **Alex Simmons** (*Cook County Land Bank Authority*), **Charles Stevenson** (*Stevenson 37 West.*), **Tadas Zuka** (*Capitalis LLC*)

### **II. Public Speakers**

Director Porras noted there was no public speakers registered.

### **III. Land Transactions Report**

Director Rose report gave an update of CCLBA's Core Business Activities, NSI program, and Commercial Projects covering the period of December 1, 2015 through March 31, 2016.

#### **Core Business Activities**

CCLBA undertakes the following three activities: acquiring properties, selling properties, and demolishing properties.

Activity level have been explosive, the amount of acquisitions, dispositions and rehabs have skyrocketed within the last six (6) months. Being fully staffed has been very instrumental. CCLBA is getting market acceptance in our role of how CCLBA operates. People/organizations are better understanding how CCLBA can be a player in the community development space and with having a consistent strategy.

Acquisitions and Dispositions are cumulative; of the 273 properties CCLBA has purchased the last 104 of the 273 have been purchased within the last four (4) months. CCLBA does not handle rehab directly, however, CCLBA does track/monitor the rehab through dispositions and/or rentals. CCLBA will be tracking the market value created from the sale (this is the difference between the ultimate sale price and the amount CCLBA sells the property) as the taxes come in CCLBA will be able to measure the tax increments, what taxes are now being generated than before.

Director Porras: Define what disposition means. Director Rose disposition is CCLBA selling a property to a homeowner or rehabber. Sold/Rehab is the activity. Sold means the property was purchased from CCLBA, rehabbed, and sold to a homebuyer. CCLBA acquires the property, sales the property to a homeowner/rehabber, rehab work is completed, and buyer keeps the property or sales the property and CCLBA captures the value and this is how the properties moves through the pipeline.

Director Ostenburg: Are any of the demolitions deconstruction? Director Rose: CCLBA has one (1) partial deconstruction as CCLBA moves forward with Blight Reduction Program (BRP) CCLBA will have more deconstructions. Director Rose spoke with Willie Winter who oversees the Renew program through the Cook County Sheriff's office to start deconstruction in Suburban Cook County in Chicago Heights and Riverdale. Director Rose also had conversations with Chicago Cook Workforce Partnership they have a number of firms they have engagements with that handles deconstruction through a job/youth workforce development tool.

Director Porras: Let the meeting minutes reflect that Director Michael Jasso joined the meeting.

#### Application Breakdown

Applications are the first step of activity with CCLBA. Individual go to the website and apply for properties, CCLBA works with the individual to get access to property, and engage to move forward with the purchase of the property.

Director Porras: Does CCLBA track how the individuals came to know about CCLBA? Director Rose: No not at this time, good suggestions. Thus far word of mouth and through meetings. Encourage everyone to sign up for our e-newsletter.

To chart over the last twelve months, CCLBA have increased the amount of properties CCLBA is purchasing/selling. CCLBA needed to have enough inventory in the pipeline to effect change in the neighborhoods, what CCLBA is seeing is an effective filling of the pipeline.



### **Core Business Activities**

Prospects and In-Process is a breakdown of the numbers where the acquisitions are coming from. The Scavenger sale has been included as a part of CCLBA's prospects (prospects are properties CCLBA is considering acquiring). NSI/NCST is still our number one source of purchasing properties. CCLBA is increasing City of Chicago Forfeitures, Riverside Lawn is a voluntary buyout program of flood prone properties in unincorporated Cook County.

Director Porras: Suggested CCLBA should track various sources, to see which have the most success rate.

### **Acquisitions Breakdown**

In Process are the properties that have contracts. NCST/NSI 42 of 189 in process, Private Donations 5 of 11, Bank REO properties 0 of 6, City of Chicago Forfeitures 2 of 15, Deed-in-Lieu 4, Over-the-Counter Tax Sale 19, Scavenger Sales 0 of the 7,777, Riverside Lawn 0 of 46, and IHDA BRP 16 of 20.

Director Ostenburg: Are the scavenger sale properties only in focus communities? Director Rose: The 7,000 plus properties are all over, CCLBA bid on properties located in the focus communities and other areas do to proximity of recent development, transportation nodes, community assets: properties near schools and parks.

Director Planey: Regarding the Scavenger Sales, when a private individual has a successful bid, does the individual pays Cook County the tax amount? Director Rose: The individual pays the amount he/she bids. Private individual can bid whatever amount they choose. The minimum bid is \$250, Private individuals pay \$250 on the day and the remainder of bid must be paid within 24 hours, then the individual owns the certificate. CCLBA does a No Cash Bid, as an agency of Cook County, so no money is exchanged. For the tax certificates that CCLBA takes to deed, CCLBA will wipe out back taxes and all other encumbrances through judicial deed and sell vacant and abandoned properties at a low cost to developers and homeowners.

Director Ostenburg: Other municipalities are bidding on scavenger sale properties, is there a coordination with other municipalities and CCLBA? Director Rose: Absolutely, this is a key part of making sure this strategy works. The No Cash Bid Program is the Cook County's interaction with the municipalities, none of CCLBA's PINS will be sold or conveyed to a municipality. It's important for the municipality to go through the set process for municipalities through Commissioner Simms program. CCLBA will sell to developers, homeowner, and other organizations such as South Suburban Land Bank Authority.

Scavenger Sale had two bidders Stephanie Milto on the behalf of Cook County, Alex Simmons, Dominic Diorio, and Rob Rose on the behalf of Cook County Land Bank Authority, there could only be one bidder in the seat, so the individuals had to swap out, because Cook County is one (1) bidder under the law representing two (2) different interest. Coordination took place through the bidding, reporting, and the take notices everything is being handled separately but together in coordination because of the interest.

### **Disposition Pipeline**

Disposition pipeline shows the organizations CCLBA is working with to sell properties.

Porras: The number that stands out is the small number of not-for-profits organization, this could be a function of capacity or lack of knowledge of CCLBA's processes/opportunities. Moving forward if CCLBA can dive deeper to find out why the number is so low? Director Rose: This is a snapshot of that day, CCLBA is working in strong partnership with NHS Chicago and CIC as court appointed receivers through the forfeiture program, so NHS Chicago and CIC will always be in the mix, the number of properties with these not-for-profits will fluctuate. CCLBA will be working with Chicago Neighborhood Initiatives, CMHDC and other groups to increase our interactions.

Neighborhood Stabilization Initiative (NSI) started April 15, 2015, approaching one year anniversary. Since April, 2015 through March, 2016 almost 3,000 properties have come through this channel. Fannie Mae original stated having 7,000 properties in the County that would come through this program, nearing the halfway mark CCLBA is seeing a slow down regarding the volume of properties coming through this channel and this corresponds to the foreclosure cases. Foreclosure filings are in line with pre-foreclosure levels. Fannie/Freddie have a very aggressive modification program in which Fannie/Freddie are working with NSI, the number of properties coming through is being affected by their efforts to keep people in their homes.

### **NSI Update Charts**

These charts reflects what is happening in the neighborhoods, CCLBA has seen a bottoming out of prices, at one point if an appraisal was completed and six months later another appraisal was done; those values were falling and the appraisals and prices were all over the place. CCLBA is now seeing a firming of those prices. Some neighborhoods are staying stable, some seeing recovery. The relative purchase price coming through NSI

### **Community Engagement**

This chart reflects the different ways in which CCLBA are partnering to work in the communities.

Country Club Hills is in the process of signing and Memorandum of Understanding (MOU) to work with CCLBA.

### **Commerical Projects**

Riverside Lawn Voluntary Buyout Program – July 30, 2015 was the first town hall meeting and the 1<sup>st</sup> buyout offers will be made by May, 2016. The big sticking point with this project was a second appraisal was needed. A second town hall meeting was held on March 30, 2016. The second appraisal should be completed within six weeks. CCLBA anticipates being able to make offers through the summer and by fall execute the sales and demolition of the homes. CCLBA will be conveying this land to Cook County Forest Preserves.



Bellwood minimoves – 50,000 square foot warehouse had been vacant for four (4) years. A local business was identified that was looking to expand their operations and an additional 25 jobs have been created. This property closed in February, 2016 and is now in the process of being rehabbed. 6B Tax Incentive application has been filed. CCLBA was able to activate an asset before being torn down and now this property has been reset to be put back on the tax role.

Two projects in Humboldt Park are moving forward, both were slated for demolition. Director Rose went to court, judge wants to make sure correct end users are in place. CCLBA is moving forward to have the City of Chicago sign over the judicial deed to move through the forfeiture process.

Scavenger Sale – CCLBA has received the tax certificates, Take Notices are to go out to the owners by May 13, 2016. Redemption period begins. CCLBA will not be able to go to deed on these properties until 2017. Timing for commercial/industrial/vacant land redemption would be December 18, 2016. CCLBA will be engaging with different organizations/community group in regards to the parcel. CCLBA and the City of Chicago will determine a strategy/process on how to partner with the right groups. There is a two year redemption period for residential property. Land Transactions Committee will be discussing the various strategies that will be presented to the Board of Directors.

Director Jasso: At this time, what is the nature of the property improve or unimproved? Director Rose: CCLBA would use summer interns to canvass the neighborhoods to determine classification, whether property is occupied or vacant, and confirm the condition.

### **Staffing Plan**

Complete the staffing plan, each staffer has added tremendously to CCLBA's capacity. Claudette Shivers has come aboard and streamlined our closing process and is working closely with our legal team, the number of CCLBA house closing has doubled. Director Rose is in the process of selecting a Senior Acquisitions Manager to help CCLBA be more effective.

Strategy to broaden industrial, commercial, and open space, Director Jasso is helping to coordinate an Industrial program with the City of Chicago to work on ways to better utilize our industrial assets, more discussions with Land Transactions Committee to take place. Open Space will be a part of the Sustainability Committee, Chaired by Emy Brawley looking to have urban agriculture as a resource. CCLBA can be a resource to give guidance/outline to municipalities to supplement municipality deficiencies.

### **IV. Q & A by Chicago Metropolitan Housing Development Corporation (CMHDC)**

Scott Henry and Rafael Deleon gave a review of the role in which CCLBA would have in helping CMHDC acquire 17 properties through NSI.

### **V. Report from Director (Stephen Porras)**

Director Porras reminded everyone of Cook County Land Banks next Land Transactions Committee meeting, scheduled for May 13, 2016 at 10 am location Cook County Building.



**VI. Adjournment**

Director Ostenburg, seconded by Director Planey, moved to adjourn. **THE MOTION CARRIED AND THE MEETING WAS ADJOURNED.**

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

  
Peter Friedman, Committee Chair

