

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

June 17, 2016

Board of Directors of the Cook County Land Bank Authority met pursuant to notice on June 17, 2016 at 10:00 AM in the offices of Holland and Knight, 131 South Dearborn, Suite 3000, 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, Holmes, Jasso, Jenkins, Ostenburg, Porras, Richardson, Sherwin, Ware (12)

Absent: Directors Helmer, Planey (2)

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

Others Present: **Angela Allen** (*Washington, Pittman & McKeever, LLC*), **Natasha M. Cornog** (*Cook County Land Bank Authority*), **Dominic Diorio** (*Cook County Land Bank Authority*), **Adam Gross** (*BPI*), **Cassidy Harper** (*Cook County Land Bank Authority*), **Jacob Handelman** (*CIC*), **B. Jasper** (*Concerned Citizen*), **Rachel Kohler** (*NowPow/MAPSCorps*), **Nora Mahlberg** (*BPI*), **Emma Roberts** (*NowPow*), **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*), **Deborah Smith** (*United Englewood CDC*), **Vincent Waller** (*Cook County Environmental Control*), **Brian Weaver** (*IDFPR*)

II. Public Speakers

Chairwoman Gainer noted there was no registered public speaker:

III. Executive Director's Report (Robert Rose)

Announcements

Darlene Dugo has been hired as CCLBA's Senior Acquisitions Manager and will start on July 11, 2016.

Mayor Ostenburg has been elected as the President of South Suburban Mayors and Manager Association (2016-2017)

CCLBA, along with US Bank and the Greater Auburn Gresham Development Corporation will co-sponsor a Trolley Tour on Saturday, June 25, 2016. The tour will take place in Auburn Gresham neighborhood where three of the CCLBA homes and one home that has been completely renovated will be displayed. CCLBA will provide the inventory of homes, U.S. Bank

offering financing, and Auburn Gresham Development Corporation will oversee housing counseling.

FY 2016 Mid-Year Review

This is CCLBA mid-year review, the fiscal year ends November 30, 2016. Materials being presented represents everything thru May 31, 2016.

Primary program goals were to complete CCLBA's staffing plan to increase capacity and organizational efficiency. Claudette Shivers has been hired as our Closing Specialist and Darlene Dugo as Senior Acquisitions Manager. Deputy Director and Marketing Specialist positions will be delayed until 2017. CCLBA has a well -rounded team of nine employees.

Next goal was to broaden focus community strategy to target industrial, commercial, and open space. Last year, CCLBA focused on single-family dwellings 1-4 units. CCLBA closed its first industrial transaction in the Village of Bellwood in February, 2016 with three additional industrial transactions in process, along with several multi-family transactions in partnership with CMHDC.

Third goal was to expand CCLBA's homebuyer acquisition/rehab program. CCLBA in partnership with US Bank have developed an "American Dream" pilot program. This product offers financing for the purchase price of the home along with rehabilitation funding. Elisha Sanders (Acquisition Specialist) have been working with Chester Bell –US Bank to integrate CCLBA inventory with US Bank loan product. CCLBA primary target has been rehabbers, developers, and non-profit organizations. CCLBA is now expanding directly to homebuyers.

Fourth goal is to support Cook County projects and initiatives around the region. CCLBA has partnered with Bureau of Economic Development Planning and Development Department on the Riverside Lawn buyout program and using CDBG grant for target demolition, as well as, working with the Department of Building and Zoning on the Ford Heights IGA.

CCLBA is also a part of ULI CMAP Working on Groups focused on Barriers to Infill Investments. Also CCLBA continues to coordinate and support South Suburban Mayors and Managers Association and South Suburban Land Bank Development Authority.

Final goal was to exercise additional acquisition strategies on ways to obtain properties. Last year NSI/NCST was CCLBA primary source. CCLBA has secured 7,777 tax certificates via the 2015 Cook County Scavenger Sale, CCLBA is working closing with City of Chicago in lieu to forfeitures/abandonment cases, CCLBA played a major role in helping CMHDC to increase their portfolio acquisition utilizing IHDA donation tax credits and procedure implemented to process simultaneous closing with Fannie Mae reducing CCLBA transaction cost.

Core Business Activities

This chart represents a snapshot of activities and gives a status of how close CCLBA is to accomplishing set goals. By mid-year CCLBA would like to be at 50% or better related to the following activities: Acquisitions, CCLBA is nearing the 50% mark, Disposition goal has been

exceeded - 65%, lagging a bit with Demolition goals - 28%, however, within the next month expecting to be ahead, Rehabs close to being on track - 45%.

Director Jenkins: What does the number in parentheses represent: Director Rose: The number in parentheses represent a carryover from month to month from April to May: CCLBA has acquired 6 new properties, sold 20 properties, demolished 3 properties, and rehabbed 5 properties since the last report in April.

Cumulative Activities as of May 31, 2016, CCLBA has acquired 296 homes, sold 130 homes on track to meet the Disposition number of 150 homes sold. These numbers are a snapshot in time as all activities are increasing as CCLBA move forward.

Director Rose thanked the staff for all the hard work put forth to help CCLBA continue to progress.

Cumulative Business Outcomes – this number will always lag because this number is generated once CCLBA sells the properties to a developer/homeowner. Once the property is completely finished then the new value is created and captured. Tax benefits will be tracked with the second installment of taxes.

Acquisition/Disposition Breakdown

CCLBA is tracking all acquisitions/dispositions over a 12 month period. The increase in activity represents the capacity of staff being hired.

Application Monthly Breakdown

This chart displays the demand for CCLBA services. CCLBA's process to acquire a home begins with an application. In the beginning CCLBA was receiving 5-10 applications a week and now CCLBA is starting to receive 200-300 applications in a month. As CCLBA inventory becomes more compelling the market place is responding to what CCLBA has to offer.

Director Holmes: What is the rejection process? Director Rose: The application is an interest form, CCLBA receives 7-10 applications for one property. CCLBA chooses a primary buyer and a backup buyer, Acquisitions Specialist review the applicant applications go through the due diligence process and awards property to the strongest applicant. Circumstances that can cause your application to be rejected are: applicant owes Cook County back taxes, background check (accused of fraud), outstanding judgement against applicant etc.

Deed restrictions are not release until rehabilitation work has been completed and inspected to CCLBA quality standards. CCLBA have the right of re-entry if rehabilitation is not completed within a 12 – 18 month time frame.

Community Engagement

Details the various agencies that CCLBA is engaging to form relationship with and looking to collaborative work together.

Commercial Projects

Offers for the Riverside Lawn project are scheduled to go out to homeowners today. Voluntary Buyout program, these homes are located near the Des Plaines River

CMHDC will be purchasing 17 properties and CCLBA will come in as intermediary to facilitate donation tax credits, this will be the first transaction to demonstrate to Fannie how a simultaneous closing works.

Scavenger Scale

CCLBA was awarded 7,777 bids at the 2015 Scavenger Sale a total of 1,696 Cook County Suburban properties and a total of 6,081 City of Chicago properties. Take notices were mailed informing all homeowners that CCLBA acquired the tax certificate for the homeowner property. The notices outline an estimated amount needed for redemption and the timeframe in which the homeowner has to redeem the taxes in order to keep the property. By the end of the summer CCLBA will be able to classify each PIN with the help of MAPSCorps and NowPow.

IV. Presentation – NowPow – Rachel Kohler

MAPSCorp is a non-profit organization that collects accurate/detailed data and utilized technology (NowPow platform) and youth engagement to generate visibility of a community. CCLBA has partnered with MAPSCorp to classify the scavenger sales PINS awarded to CCLBA.

V. Presentation by Washington Pittman and McKeever – Angela Allen

Angela Allen thanked the CCLBA Board of Directors for allowing Washington, Pittman, and McKeever the opportunity to serve as CCLBA auditing firm for another year.

Included in packets is a draft of financial statement for period ending November 30, 2015. For the most part the audit has been completed there are a few items that need to still be reviewed/verified before the audit is finalized, as well as, obtain sign off from management of the final numbers and management representation numbers are needed prior to finalizing this year's audit. Washington Pittman and McKeever plan to issue an unmodified/unqualified opinion on the financial statement for the year ending November 30, 2015.

VI. Consent Agenda

Director Dworkin, seconded by Director Friedman, moved to approve the consent agenda which includes March 17, 2016 Cook County Land Bank Board of Directors meeting minutes. **The motion carried unanimously.**

VII. Approval of Cook County Land Bank Authority Resolution with IHDA

Director Friedman seconded by Director Holmes moved to approve the IHDA Blight Reduction Program Resolution Round One: Sunshine Gospel Ministries, Greater Englewood CDC, Village of Riverdale, and City of Chicago Heights. Round Two: Greater Englewood CDC and City of Chicago Heights. **The motion carried unanimously.**

VIII. Approval of Land Banking Agreement with Chicago Neighborhood Initiatives (NSI)

Director Jenkins seconded by Director Ostenburg moved to approve the Land Banking Agreement with Chicago Neighborhood Initiatives (NSI) for various properties. **The motion carried unanimously.**

IX. Approval of Purchase Sales Agreement with Elliott Capital LLC

Director Ware seconded by Director Holmes moved to approve the enter into a Purchase Sales Agreement with Elliott Capital LLC for the property locations: 6445 South St. Lawrence and 7743 South Yates, Chicago, IL. **The motion carried unanimously.**

X. Chairman Report (Commissioner Bridget Gainer)

One reason CCLBA was formed was to create greater community stability around Cook County and the City of Chicago. The connection between employment and stability is very high. CCLBA has been approached by several entities to create a connection between the two. Two things Chicago has is an abundance of unemployed young people and vacant housing. There is an opportunity for CCLBA to marry these two issues in a productive way by partnering with Arnie Duncan for what he is doing to partner unemployed youth with jobs. Start on a pilot basis and work to something small and see how CCLBA can move this initiative forward.

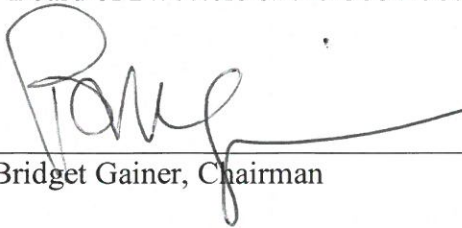
Regarding the efforts of CCLBA, Cleveland Land Bank and Detroit Land Bank, these three Land Banks lobbying efforts in Washington last year resulted in two billion dollars being transferred into the Hardest Hit Funds, of that two billion dollars, Illinois received \$286 million. Half of this money is at IHDA, the remaining funds is coming in July, 2016. Nationwide you see the Land Banks concept is incredibly impactful. \$286 million is for foreclosure prevention and blight reduction. CCLBA has a strong desire to look at the ability to due commercial and industrial demolition with some of these funds, however, \$286 million cannot be spent on residential demolition. CCLBA does support demolition, but these factories and warehouses they are no longer driving the economy in the Midwest and Chicago still stuck like an anchor around these neighborhoods. No one is spending a million dollars to take down a warehouse/factory with environmental issues in order to build development. As you have seen with the tax sale, the motive of CCLBA is to proactively build or demolish these properties, and upon this happening organizations/entities will begin reach out to CCLBA. CCLBA will continue to work with Cleveland and Detroit around this effort.

Chairman Gainer felt very hopeful. Chairman Gainer also had conversations with Director of IHDA concerning this matter. CCLBA is best suited for removing big structural impediments. On a granular basis, Chairman Gainer emphasized the need to measure comparable sales around CCLBA sold properties in order to capture the economic impact in the surrounding communities.

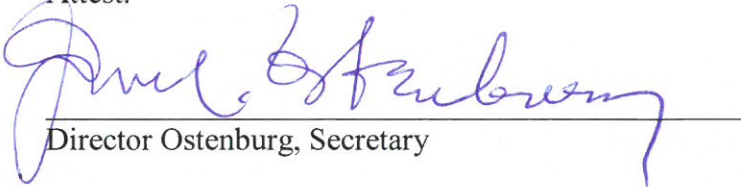
XI. Adjournment

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

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


Bridget Gainer, Chairman

Attest.


Director Ostenburg, Secretary