

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

**December 8, 2016**

Board of Directors of the Cook County Land Bank Authority met pursuant to notice on December 8, 2016 at 10:00 AM in the offices of Holland and Knight located 131 South Dearborn, 30<sup>th</sup> Floor, 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, Helmer, Holmes, Jasso, Jenkins, Planey, Porras, Reifman, Sherwin, Ware (13)

**Absent:** Directors Ostenburg, Richardson, (2)

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

Others Present: **Matt Cooper** (*Inner-City Underwriting*), **Natasha M. Cornog** (*Cook County Land Bank Authority*), **Dominic Diorio** (*Cook County Land Bank Authority*), **Darlene Dugo** (*Cook County Land Bank Authority*), **Cassidy Harper** (*Cook County Land Bank Authority*), **Anthony Ivy** (*A.C. Builders*), **Nora Mahlberg** (*BPI*), **Morris Reed** (*WHA*), **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*)

## **II. Public Speakers**

Chairwoman Gainer noted there was two registered public speaker:

Matt Cooper (*Inner-City Underwriting*)

Charles Stevenson (*Stevenson 37*)

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

Director Roses report covered CCLBA's year-end review (fiscal year ended November 30, 2016), Reviewed the goals that was set forth last year and what was done to support the goals, gave a recap of CCLBA Core Business Activities and stated CCLBA FY2017 Goals

## **Accomplishments**

CCLBA was able to generate nearly 7.5 million in earned program income, which is nearly a 200 percent increase over fiscal year 2015; moving CCLBA to a path of self-sufficiency. This is a very important factor. When CCLBA was awarded the \$4.5 million dollar grant from the Attorney General office through the National Mortgage Settlement, the intent was to provide CCLBA with the right-of-way of funds to create an organization and move that organization towards self-sustainability to prove the concept that a Land Bank could work in Cook County. 2016 depicts that CCLBA is well on the path to doing so.



CCLBA executed a key strategy by being a participant in the Cook County Scavenger Sales and bidding on properties through a no cash bid process. CCLBA was able to secure 7,777 tax certificates maximizing the opportunities for redevelopment. The redemption period is nearing and CCLBA have started to reach out to individuals who expressed an interest in purchasing the parcels. By the first of the year, CCLBA will be looking to publish the vacant lots on the website.

CCLBA has created nearly \$5.4 million in market revenue. This is a result of low-value distressed properties that has been rehabilitated and sold to a homeowner.

CCLBA celebrated the 75th rehabilitated home. CCLBA is well on the pathway of having 200 homes completely rehabbed by this time next year.

CCLBA received \$1.05 million dollars of additional funding for the Blight Reduction Program-Round 2. CCLBA in partnership with Greater Englewood CDC and the City of Chicago Heights will work on targeted demolition. CCLBA is looking to participate in Round 3 of BRP for FY2017.

### **Multi-year Revenue Review**

Director Rose presented a slide of the last three fiscal years: 2014, 2015 (based on audits conducted by Washington, Pittman, & McKeever) and 2016 (unaudited numbers) showing 2014 revenues equaled 94%, 2015 equaled 55% and 2016 equaled 12% this is the percentage of revenue generated from grant funding notating the decline each year. The chart also displayed earned income revenues generated from CCLBA activities that are recycled back into the organization: 2014 earned income generated was 6%, 2015 generated 45%, and 2016 generated 88% of earned income.

CCLBA still has \$500,000 to draw down from the \$4.5 million dollar grant from Attorney General.

### **Review of 2016 Program Goals**

As it relates to staffing plan, CCLBA accomplished two key hires to help with increase of capacity and organizational efficiencies with the onboarding of Claudette Shivers, Closing Specialist, and Darlene Dugo, Senior Acquisitions Manager.

CCLBA broaden the Focus Community Strategy from just single-family/residential properties to include industrial, commercial, and open space. CCLBA closed on the first industrial transaction in February, 2016 and currently have three industrial buildings under contract.

CCLBA is in a pilot phase of a Homebuyer Program working with U.S. Bank's American Dream purchase/rehab loan program.

CCLBA continues to support Cook County projects and initiatives CCLBA has partnered with Bureau of Economic Development on several projects including Riverside Lawn, CCLBA has an IGA with Ford Heights with connection to Department of Building and Zoning, and have partnered with Department of Planning and Development to handle targeted demolition.

### **Core Business Activities**

This chart reflects CCLBA's activities from December 1, 2015- August 31, 2016. As of today, CCLBA has exceeded the goal of 150 dispositions and has completed 171 with 18 more to complete for the month. Demolition activities are increasing 34 completed with 3 more underway this is fueled by the Blight Reduction Program (BRP). CCLBA does not perform the rehab work on any of the properties, 46 homes have been rehabbed this calendar year with a goal of 50; 22 of the 46 have been completely rehabbed by developers or homeowners and put back into productive use.

### **Acquisition/Disposition Breakdown**

Acquisitions/Dispositions breakdown details the various ways of how property is acquired and disposed.

### **Application & Disposition Monthly Breakdown**

This chart depicts the cumulative acquisitions in blue and monthly dispositions of sales in brown over a twelve month period.

### **Application Monthly Breakdown**

To interact with CCLBA an applicant must first fill out an application. This chart represents the number of cumulative applications received over twelve months and a monthly breakdown.

### **Community Engagement**

The goal is to reach out to as many stakeholders as possible to see how CCLBA can be effective and partner with different organizations to bring about meaningful projects.

### **Commercial Projects**

Riverside Lawn Voluntary Buyout Program – effects homeowners near the Des Plaines Rivers these homeowners have opted to sell their homes because of the flood issues in this area. To date CCLBA has closed on two homes; the remainder contracts are scheduled to close between October 8th - November 30th, 2016. These homes will be demolished, converted to open space, and deeded over to Cook County Forest Preserve.

Chicago Neighborhood Initiatives – CCLBA enter into a land banking agreement with CNI to acquire 22 various property addresses throughout North Pullman in support of affordable housing.

### **Scavenger Sale**

CCLBA clustered the scavenger sales bid around CCLBA's focus communities. CCLBA was awarded 7,777 total tax certificates at the 2015 Scavenger Sale a total of 1,696 Cook County Suburban properties and a total of 6,081 City of Chicago properties. Moving into 2017,



CCLBA will be acquiring as many vacant and abandon properties as possible to reactivate and bring back online.

### **FY2016 Focus**

CCLBA has completed the 2016 staffing plan. The focus community strategy to target industrial, commercial, and open space has been broaden, primarily due to the scavenger sale. CCLBA has started a pilot program to expand the homebuyer acquisition/rehab program. CCLBA maintains support of Cook County (*all Cook County Agencies initiatives*) along with MPC, CMAP other planning initiatives that have regional plans. CCLBA continues to explore additional acquisition strategies.

### **IV. FY2017 Budget Presentation (Robert Rose)**

Director Calvin Holmes motioned the proposed 2017 Budget from the Finance Committee to Cook County Land Bank Authority's full Board for approval. This budget will be presented to Cook County Board of Commissioners on October 20, 2016. All Directors are welcome to attend Cook County budget hearings. In November, CCLBA's budget will be collapsed into Cook County's overall budget and passed as a part of Cook County's budget.

Each revenue line item and expense line item has been well researched and tested. Commissioner Gainer and Finance Chairman Calvin Holmes both separately reviewed the budget extensively. The Finance committee met regarding the budget and the program assumptions and recommends to CCLBA's full Board enthusiastically that this is realistically a solid budget. The budget content is documented.

CCLBA dollars are not tax dollars; these are revenue generated dollars from CCLBA's operations and private specific funding for projects. This gives CCLBA the nimbleness to be effective in our mission.

Regarding the Continuing Appropriations Resolution – this resolution will allow ongoing spending authority where additional revenue is generated. Cook County only allows CCLBA to spend what has been approved in the budget.

### **Goals**

CCLBA is looking to acquire 1,000 homes from Fannie Mae/Freddie Mac. Part of CCLBA's outreach/engagement efforts is for homeowners and developers to help absorb the inventory. Looking to create partnerships where deconstruction can be utilized as a way of creating economic and community development opportunities. CCLBA is committed to working with all neighborhoods.

CCLBA is looking to launch Homebuyer Program in 2017. Homeowners will come directly to CCLBA to purchase property and obtain a rehab loan.

Scavenger Sales redemption period ends December, 2016 for vacant lots/industrial/commercial building. In 2017, CCLBA will strategically acquire properties and work with alderman, Department of Planning & Development, Building and Suburban municipalities around acquisitions that make sense and have an identified a plan,



Staffing plan is to increase capacity and organizational efficiency. With the anticipated increase of inventory, CCLBA is looking to bring on another Acquisitions Specialist, Asset Manager, and an Administrative Assistant to help with compliance and intake. Business Manager, Marketing Specialist and Deputy Director to help build and round out the organizations as CCLBA grow and become more impactful.

CCLBA will be more proactive around abandonment and foreclosed houses; working closely with the City of Chicago.

### **Budget Summary**

586 Standard Operating Budget – salaries and core of operations

814 Riverside Lawn – dedicated funds for funding this program. CCLBA received \$8 million from MWRD and \$4 million from CDBG-R (Disaster Recovery Grant). \$38 million is a combination of 586 operating of \$27 million and 814 RSL of \$11 million.

Director Reifman: Would you explain the revenue source of \$25 million? Director Rose: Cook County has a zero based budgeting process. Revenue is asked to be projected for the year. NSI is are primary source looking to acquire 1000 properties.

Director Gainer: The budget is realistic but also aspirational.

Actual budget for 2016 was \$6.4 million and 2017 projection of \$10 million is the carryover from CCLBA profiting more than what was actually spent; allowing CCLBA a larger budget for 2017. This carryover represents the growth and the acceptance of CCLBA, as well as, CCLBA being thoughtful of ways to engage in different activities.

### **2017 Performance Targets**

These numbers are based on assumption of inventory CCLBA is looking to carry. The total amount of inventory CCLBA is looking to acquire is going to increase by 500%, CCLBA anticipates acquiring seven times as many properties, selling four times more properties, the number of rehabs will increase, demolitions will remain steady (still have the funding from BRP), market value capitalization and tax benefits will be able to be measured in 2017 based on the work completed.

### **V. Approval of Cook County Land Bank Authority 2017 Budget along with Resolution for Continuing Appropriations**

Director Friedman seconded by Director Holmes moved to approve the 2017 Budget along with Resolution for Continuing Appropriations. **The motion carried unanimously**

### **VI. Approval of Cook County Land Bank Authority Resolution to Execute All Real Estate Documents Related to Acquisitions and Dispositions**

Director Holmes seconded by Director Helmer moved to approve the 2017 Budget along with Resolution for Continuing Appropriations. **The motion carried unanimously**

### **VII. Approval to enter a Land Banking Agreement with IFF**

Director Holmes seconded by Director Friedman moved to approve the Land Banking Agreement with Illinois Facilities Funds (IFF) for various properties. **The motion carried unanimously.**

### **VIII. Consent Agenda**

Director Ware, seconded by Director Planey, moved to approve the consent agenda which includes June 17, 2016 Cook County Land Bank Board of Directors meeting minutes. Director Reifman abstained from voting because he was not a part of CCLBA's board in June, 2016. **The motion carried unanimously.**

### **IX. Chairman Report (Commissioner Bridget Gainer)**

The vision for CCLBA was to be a self-sustaining entity that would have an impact and keep to our mission to reduce vacant/abandoned land and return the land to productive use, and to do so without relying solely on government funding. CCLBA has been able to create a process in cooperation with the City of Chicago, Suburbs Municipalities, and Cook County that has allowed CCLBA to remain self-sustaining.

There is a real opportunity with FHFA and Fannie Mae. Director Rose and Commissioner Gainer met with Mel Watt and others in Washington, DC. CCLBA is starting to see more activity. Fannie Mae remains the largest holder of vacant property in Cook County. With the housing crisis in the rearview, CCLBA has the opportunity to step up and be a wholesale entity. Grateful that CCLBA at this moment of development; hoping to see more proactive engagement from housing industry.

CCLBA along with Land Banks in Ohio and Michigan partnered to work on the Hardest Hit Funds. Hopefully CCLBA will partner to do strategic large-scale demolition of industrial/commercial, which will unlock potential in some of the neighborhoods

Commissioner gainer made mention of the Developers workshops taking place on October 1<sup>st</sup> and 15<sup>th</sup>. The purpose of the workshops is to bring developers together and inform them on how to work with CCLBA.

Director Reifman acknowledged the presence of Anthony Simpkins, Deputy Commissioner of the City of Chicago Housing Bureau, who will be working on all future projects and endeavors with CCLBA.

### **XI. Adjournment**

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

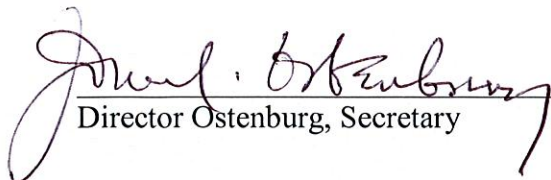
Respectfully submitted,  
Board of Directors of the Cook County Land Bank Authority





Bridget Gainer, Chairman

Attest.



Director Ostenburg, Secretary

