

MEETING MINUTES OF THE COOK COUNTY LAND BANK AUTHORITY
FINANCE COMMITTEE

September 13, 2017

Finance Committee of the Cook County Land Bank Authority met pursuant to notice on September 13, 2017 at 10:00 AM at the Cook County Administration Building, 69 West Washington, 22nd Floor, Suite "A" Chicago, Illinois 60602

I. Call to Order and Roll Call

Committee Chair Holmes called the meeting of the Finance Committee to order.

Present: Directors Holmes, Ostenburg (2)

Absent: Sherwin

Other Present: *Angela Allen (Washington, Pittman & McKeever, LLC), Bola Babatunde (Washington, Pittman & McKeever, LLC), Natasha M. Cornog (Cook County Land Bank Authority), Darlene Dugo (Cook County Land Bank Authority), Cassidy Harper (Cook County Land Bank Authority), Derrick Price (African American Community Trust)*

II. Public Speakers

Committee Chair Holmes noted there were no registered public speakers.

III. FY 2016 Audit Presentation (Washington, Pittman & McKeever)

Angela Allen of Washington Pittman and McKeever presented to CCLBA Board of Directors a draft of CCLBA's third year audit reports in June to those charged with governance. Ms. Allen mentioned one change related to the draft report the \$3.7 million used to purchase property for Riverside Lawn at the time the draft was presented those purchases were not included in the expenses. This change took the increase in total assets from \$5.6 million to 9.3 million. It was decided to classify this property as a separate line item classified as property held for transfer.

Management representation was received on August 30th as it relates to the audit of financial statements. CCLBA has a final audit report dated August 30, 2017.

It is the opinion of Washington, Pittman and McKeever that the financial statements referred to presents fairly, in all material respects, the financial position of the CCLBA as of November 30, 2016 and 2016, and the change in its net position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

For approval of the fiscal years audit, CCLBA Finance Committee chose to defer approval to September 28, 2017 CCLBA Full Board of Directors meeting.

Motion to Move 2016 Financial Audit to Full Board for Approval

Director Ostenburg, seconded by Chairman Holmes, moved to move the audit forward to the full board for approval. **The motion carried unanimously.**

FY2018 Proposed Budget (Cassidy Harper/Rob Rose)

Director Rose reiterated the process of CCLBA's budget approval. The process begins with CCLBA's Finance Committee and moves forward to CCLBA full Board, upon approval from CCLBA Board the budget is presented to Cook County Board of Commissioners. In November, CCLBA's budget will be approved and collapsed into Cook County's overall budget and passed as a part of Cook County's budget effective December 1, 2017. This budget presentation will be used as the presentation to Cook County Board of Commissioners.

CCLBA's mission is to reduce and return vacant and abandoned buildings back into reliable, sustainable community assets.

Summary of Activities as of August 31, 2017

Cumulative Activities

CCLBA have acquired have acquired 255 properties and sold 134. We have demolished 16 and have a current inventory of 257 properties.

Cumulative Outputs

Also, cumulatively from inception of the CCLBA through August 31st, 174 rehabs have been completed and 121 have been reoccupied for homeownership.

Cumulative Outcomes

This is the amount of wealth that has been created from the rehab of homes. CCLBA has created a Market value of \$14.8 million.

Acquisition & Disposition Monthly Breakdown

This is a treadline of the trailing 12 months. Acquisitions are growing. The dispositions are having a similar trendline although the dispositions have slowed down a bit from our acquisitions. Part of that is because we are also acquiring for projects like the Riverside Lawn project, so those properties will be held.

Application Monthly Breakdown

CCLBA tracks applications to monitor the demand. The application process starts the acquisitions or dispositions process with CCLBA. The number of applications is at a good steady clip. The Application numbers increased in February as a result of the vacant lot program announcement, which is a part of the 2015 Scavenger Sale.

FY2018 Budget Highlights

The highlights from this budget will include:

- Continuing Appropriations Resolution within the budget; meaning CCLBA will have the ability to continue to spend above the amount if CCLBA has earned the income.
- Acquiring 600 various properties types based on location and community impact: multi-family, vacant lots, commercial/industrial, deed-in-lieu, NSI, donations. This is a 20% increase over FY2017 acquisitions goals.
- Proactively Acquire properties via Abandonment/Forfeiture Cases
- Continue to Grow Homebuyer Direct Program
- Complete Staffing Plan to Increase Capacity and Organizational Efficiencies

- Deputy Director
- Attorney
- Business Manager
- Public Information Officer

Budget Summary

586 Standard Operating Budget – salaries and core of operations is a special purpose funds account that does not draw funds from the general account.

814 Riverside Lawn – dedicated funds for funding this program. CCLBA received \$8 million from MWRD and \$4 million from CDBG-R (Disaster Recovery Grant). CCLBA spent \$10 million to acquire the homes. The demolition is what is left to be completed and this will be the balance of this program and this line item will be closed out next year.

CCLBA anticipates selling 400 properties at an average of \$42,000, an earned program income of \$1,100,000.

CCLBA anticipates a total budget of \$22.3 million, \$19.6 million will be 586-Operations and \$2.7 million will be related to 814- Riverside Lawn project.

2018 Performance Targets

These numbers are based on assumption of inventory CCLBA is looking to carry. CCLBA is looking to acquire 600 properties, sell 400 properties, rehabbed 200 properties this year, demolish 75, creating market capitalization value of \$30 million and an incremental tax benefit of \$500,000 generated from the work completed.

2018 Performance Metrics

CCLBA has established the following metrics for the organization:

- Output Metrics (properties acquired)
- Efficiency Metrics (Average closing time (#days) per acquisition)
- Outcome Metrics (Community wealth and Percentage of properties sold for homeownership)
- Zero Based Budget Metrics (staff salary cost per disposition of properties)

V. Update on Line of Credit

Commissioner Gainer introduced the ordinance to Cook County Finance committee to be voted on at the October, 2017 Board meeting.

Finance Report (Cassidy Harper)

Revenue Collected by Month

This is the revenue captured what is collected primarily by sales. CCLBA has received 90% of the Illinois Attorney General grant; leaving \$100,000 balance to be collected after the 200th home is completed. CCLBA is averaging about \$835,000 per month in terms of collections.

Total Revenue by Fiscal Year

Total Revenue by fiscal year includes all receivable from the Riverside Lawn project and the Blight Reduction Program (BRP) bringing the total to \$8.9 million. CCLBA is closer to 92%-93% meaning CCLBA's grant funding is less than 10%.


VII. Consent Agenda

Director Ostenburg, seconded by Director Holmes, moved to approve the consent agenda which includes June 29, 2017 Finance Committee meeting minutes of the Cook County Land Bank Authority. **The motion carried unanimously.**

VIII. Adjournment

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

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


Calvin Holmes, Chairman, Finance Committee