

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

**October 9, 2015**

Land Transactions Committee of the Cook County Land Bank Authority met pursuant to notice on October 9, 2015 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**

Committee Chair Friedman called the meeting of the Land Transactions Committee to order.

**Present:** Directors Friedman, Gainer, Grisham, Jenkins, Ostenburg, Porras, Ware (7)

**Absent:** Directors Brawley, Helmer, Planey (3)

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

Chairman Friedman asked for a motion to allow Director Helmer to participate in the meeting via conference call. Director Gainer moved approval, seconded by Director Grisham. **The motion carried unanimously.**

Others Present: **Bob Benjamin** (*Cook County Treasurer's Office*), **Joe Chang** (*Icon Real Estate*), **Margaret Cox** (*Commissioner Bridget Gainer's Office*), **Dominic Diorio** (*Cook County Land Bank Authority*), **Cassidy Harper** (*Cook County Land Bank Authority*), **Florence Nussbaum** (*Concerned Citizen*), **Henry Torn** (*First Look Properties*), **Mustafaa Saleh** (*Cook County Land Bank Authority*), **Alex Simmons** (*Cook County Land Bank Authority*), **Michael Thomas** (*Securebio International, Inc.*), **Eric Williams** (*Cook County Land Bank Authority*)

**II. Public Speakers**

Committee Chair Friedman noted there were no public speakers registered.

**III. Land Transactions Report**

Robert Rose, Executive Director presented the Transactions Report, giving an inventory update of Acquisitions, Dispositions, Demolitions, Rehabs and Current Projects.

**Acquisitions: NSI update numbers**

1,620 properties have been presented via NSI/NCST between April 15 – September 30, 2015. 334 properties are located in CCLBA's focus communities, 516 offers submitted, 370 received. 128 offers accepted; 198 counter offers; 146 offers pending.

Chairman Friedman asked about counter offers on prospective CCLBA properties and the timing on the turnaround of offers being accepted. He also asked about the negotiation process. Director

Rose explained Fannie's mentality when it comes to selling middle tier properties as well as Fannie's bureaucracy. In response, Chairman Friedman asked about when CCLBA gets seller's response and decides the offer is not acceptable, how does CCLBA proceed? Director Rose responded that if the offer is not acceptable, the offer does not go through or is no longer pursued.

Director Rose gave details on the Acquisition pipeline. 62 presented via NCST/NSI; 20 via private donation; 11 via the City of Chicago forfeiture; 19 Over-the-counter tax sales; and 1 deed-in-lieu. Totaling 113 properties.

Director Rose followed-up with CCLBA's Disposition pipeline: 24 via NCST/NSI, 7 private donations; and 1 deed-in-lieu. Totaling 32 properties.

Sarah Ware inquired about deed-in-lieu transactions and a discussion commenced.

CCLBA has 10 houses slated for demolition. Four demolitions have been completed and the other six are in process. These homes have cleared permit hurdles and environmental concerns. CCLBA is on target to reach its demolition goal.

Chairman Friedman asked about demolition costs. Eric responded cost average is typically around \$35,000 but can vary with regards to the makeup of the building.

Director Rose discussed five properties that are in the rehabilitation process; these homes are between 40% - 90% complete.

Director Jenkins asked a question regarding occupant's tax bills and how they change throughout the rehab process. Rob Rose assured him that the taxes, as well as, building assessments evolve with the rehab of the house.

Director Ware asked whether rehab time increases, as well as costs, during the winter months.

Director Ostenburg. – wanted to know if the approximate cost of rehab is over \$20,000?

Director Jenkins asked if CCLBA is documenting the rehabbed properties with photographs. Eric responded that pictures have been taken of the property before the rehab but will need to wait to take pictures after the rehab is complete.

Chairman Friedman inquired about how much costs are divided between interior updates versus exterior updates? Eric Williams answered most costs go toward interior updates, specifically plumbing and electric.

Discussion regarding the type of buyers CCLBA sells to, i.e. developer versus homeowner.

Director Ware asked whether there is some sort of private appraisal that can be done post rehab in order to get the updated properties into MLS. Director Rose explained that the CCLBA does not

require the new owner to commission a private appraisal after the rehab process.

Discussion commenced regarding the CCLBA sharing information to Cook County public records and the City of Chicago public records to help boost the values of properties in different neighborhood

**Current Projects**

Director Rose discussed the Riverside Lawn project and how residents came out in support of buyout program. Director Rose mentioned the CCLBA engaged Midwest Appraisals for the project. Director Rose also stated that CCLBA is aiming for pre-work to begin appraising homes by the end of October, 2015. CCLBA is negotiating an IGA with MWRD and Bureau of Economic Development. The CCLBA can begin offers after everything is finalized. Cook County Forest Preserve will buy the land and create permanent green space land after demolition. Demolition and acquisition will not occur until confirmation is received from the Forest Preserve to move forward with project. Discussion was held regarding how purchase prices are set - market value, rehab costs, and taxes extinguished.

Director Rose mentioned Humboldt Park as one of CCLBA focus community and that Joe Chang was present to present an opportunity in Humboldt Park for the property located at 3323-3369 West Grand Avenue, Chicago, IL.

**IV. Joe Chang of Icon Real Estate Presentation**

Mr. Chang presented pictures of the current state of building (i.e. exterior), floor plans and surrounding streets and buildings. Mr. Chang doubts if the timber of the building can be salvaged, The concrete building can be salvaged and has good bones. Mr. Chang explained that Icon plans to add additional stories and parking, approx 36 units total.

Icon is in the early stage of pre development work and plans to meet with Alderman Burnett with more information. Under the Affordable Housing Act Icon will incorporate 10% affordable housing into the building.

Icon Capitalization – Mr. Chang explained that Icon has enough capital through its partnerships that they can acquire the property and provide 45% equity.

Director Jenkins asked whether there are other rental buildings in the area. Mr. Chang responded, there are two flats and three flats but no large scale apartments.

Director Jenkins inquired whether closing on the sale is contingent on receiving proof of financing commitments? Director Rose responded CCLBA will be asking the judge to vacate the demolition order and then sell the property to Icon.

Director Rose stated the time-table of the rehabilitation is about 18 month time frame plus 6 month extension.

Director Rose explained CCLBA is involved in the purchase of the property because the Judge will not vacate the order without a municipal partner. Back taxes on the property are around half a million.

In the discussion about potential zoning change of the property, Mr. Chang does not believe one is necessary.

#### **Background of Buyers Discussion**

Director Rose discussed the process of obtaining the property and selling to it to Icon. Director Rose explained the CCLBA looks at how they are able to finance the project, without being an underwriter. The project must also have reasonable site control.

Director Jenkins asked whether the CCLBA does any reference checks, specifically from banking institutions. Director Rose answered yes, that there are reference checks done including seeing projects the buyer has previously done and checking the reference on applications. Director Rose included that the CCLBA has done this for Icon.

Eric Williams mentioned CCLBA's application process is the initial screener for potential buyers. The application process includes questions like experience and previously projects. The CCLBA is looking for earnest money from a company and likes when the buyer has something at stake, it gives the CCLBA more comfort. If an LLC is purchasing a CCLBA property the CCLBA does ask for a list of the members of the LLC.

Director Jenkins asked whether if CCLBA should be looking up members of an LLC? Eric Williams responded the looking up LLC members is permissible. However, CCLBA does not want to get into the underwriting business. Mr. Williams included that sometimes the entity hasn't been formed yet.

Director Grisham suggested it would be to better know who buyers are and who is buying CCLBA land. An economic disclosure may not be necessary.

Director Rose suggested that a more pragmatic background check of sorts should be instituted; providing comfort that CCLBA has done a strong screening of people. Director Rose stated a more substantial background check can be revisited. Director Rose also mentioned that CCLBA does not want a process that is too red tape heavy, discouraging people to work with CCLBA.

#### **IV. Consent Agenda**

Director Grisham, seconded by Director Ware, moved to approve the Consent Agenda which includes September 11, 2015 CCLBA Land Transactions Committee meeting minutes. **The motion carried unanimously.**

**VI. Approval of the Purchase Sales Agreement**

Director Porras seconded by Director Jenkins moved to approve the Purchase Sales Agreement with Icon Real Estate Corporation. **The motion carried unanimously.**

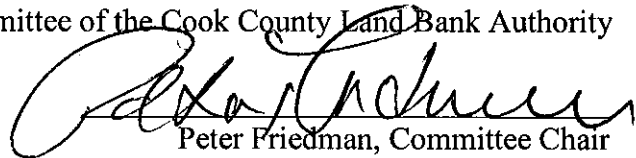
**VII. Report from Committee Chair**

Committee Chair Friedman reminded everyone of the Cook County Land Banks next Land Transactions Committee meeting, scheduled for Friday, November 13, 2015 at 10:00 am location Cook County Building. Informed meeting participants that all documents from the meeting are available on the CCLBA website – [www.CookCountyLandBank.org](http://www.CookCountyLandBank.org). **No action taken.**

**VIII. Adjournment**

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

Respectfully submitted,  
Land Transactions Committee of the Cook County Land Bank Authority



Peter Friedman, Committee Chair

