

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

September 11, 2015

Land Transactions Committee of the Cook County Land Bank Authority met pursuant to notice on September 11, 2015 at 10:00 AM at the Cook County Building, 118 North Clark Street, 4th 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 Brawley, Friedman, Gainer, Grisham, Helmer, Planey, Porras, Ware (8)

Absent: Directors Jenkins, Ostenburg (2)

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 Israel** (*Concerned Citizen*), **Natasha M. Cornog** (*Cook County Land Bank Authority*), **Calvin Jackson** (*Chicago Anti-Eviction Campaign*), **Adrian Mobley** (*Concerned Citizen*), **Bishop Claude Porter** (*PLCCA*), **Joe Ratley** (*PLCCA*), **Paul Rogers** (*Inland*), **Alex Simmons** (*Cook County Land Bank Authority*), **Vincent Waller** (*Cook County Department of Environment Control*), **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, and Rehabs.

NSI is CCLBA's number one opportunity source to take on properties. Between April 15 – August 31, 2015 fewer than 1,300 have been presented via NSI/NCST. CCLBA has enough inventory to conclude that only 20% of the Fannie/Freddie properties are in CCLBA focus communities. Although fewer properties are being offered in the focus communities, CCLBA is submitting more offers because there is a larger amount of inventory coming through the pipeline. CCLBA is working with other groups to expand its scope/to take on more properties outside of the focus communities to ensure that CCLBA is impactful to region.

Alex Simmons has been tasked with keeping track of all property offers, counter-offers and declines and to evaluate how long properties sit unsold/vacant and to ultimately find out the properties sales price.

Director Gainer mentioned the six month launch of NSI – What should CCLBA report back to Fannie/Freddie with regards to the program. Director Rose responded that the program is not setup for volume buyers, rather is better suited for several approved buyers taking on smaller number of properties.

Acquisition Breakdown

There are a total of 88 properties in the pipeline. 45 under contract with NSI/NCST in progress to close, 12 private donations, 11 forfeitures (working with the City of Chicago), 19 Over-the-Counter Tax Sales, and 1 Deed-in-Lieu. These are all major avenues that CCLBA utilizes to acquire properties.

Disposition Breakdown

There are a total of 31 properties in the disposition pipeline. 22 via NCST/NSI, 8 private donations, and 1 Deed-in-Lieu.

Director Gainer asked the question “How has the City of Chicago’s engagement been with CCLBA”? Director Grisham responded CCLBA has been useful with identifying properties, having end use buyers in place in focus communities, and helping to accomplish the task of clearing title quicker than the City of Chicago.

Eric Williams, CCLBA’s Senior Acquisitions Manager, would like a more define process when working with the City of Chicago forfeitures “Troubled Building Initiative”; when CCLBA takes properties through judicial deed will that wipe out everything except water bills. Director Rose – It’s fair to say that it depends on the judge, the case, and circumstances. Also noting the City of Chicago Department Planning and Development and Department of Law has been flexible in working with CCLBA to get these properties back online.

Eric Williams brought to the Committee’s attention that CCLBA has been given opportunities to accept Private Donations from banks but the properties are in such bad shape, that the banks do not want to pay the taxes or contribute any monies toward the demolition; this will allow some properties to remain zombies because the banks do not want to provide maintenance. CCLBA has looked at a few cases, however, the deal breaks down when CCLBA request a cash donation.

Director Helmer replied: listing as a deed in lieu is typically the banks process for foreclosures. Are we buying the properties, are the properties being offered, or is the property coming to CCLBA some other way? Director Rose replied “it is a deed in lieu; there is no bank mortgage or if the bank is willing to release its mortgage”. CCLBA performs some sort of service (change the locks or cut the grass) and CCLBA in turn lien’s the property and the deed in lieu or foreclosure is signed over to CCLBA making the lien immediately due. This is CCLBA’s process; this is something that can be done if there is a cooperative owner with no mortgage in place. Helmer

asks if this allows CCLBA to wipe out accrued taxes? Director Rose: Yes this allows CCLBA to wipe out back taxes and the onus is on CCLBA to clear title and work through other mechanical liens.

Demolition is also a charge of CCLBA to bring land back to productive use. CCLBA has completed four (4) demolitions including one (1) that used a source of deconstruction with seven (7) more demolitions in process. Demolition is a part of both Abandon Property Program and the Blight Reduction Program “BRP”. BRP will be utilized for Woodlawn, Englewood, Chicago Heights, and Riverdale which is a separate undertaking, so demolition activities will increase.

Director Planey: As a part of demolition is the foundation removed? Eric Williams responded that the foundations on current projects have been removed and CCLBA will continue to use the method. Under the Blight Reduction Program the foundations must be removed.

Director Brawley: What would it take to move more demolitions into deconstruction? Director Rose response: there is a cost issue for full deconstruction the only program that can be used is the Sheriff program. This program is cost effective to use, however it then becomes a capacity issue, also noting that the Sherriff’s Program only operates in Suburban Cook County and not in the City of Chicago and other municipalities are utilizing the services of this program; which has presented a full work load. The Sheriff Program will be used with the Blight Reduction Program for City of Chicago Heights. Director Rose met with Ford Heights who is also interest in using this program because of the cost structure. Director Rose also stated that deconstruction costs are twice as much as demolition cost.

Eric Williams mentioned a vendor that has a selective deconstruction option that CCLBA used in the first round of demolitions. The selective deconstruction option is a little more cost effective.

Chairman Friedman: What made the selective deconstruction an option? Eric Williams responded CCLBA tried this option as a test case to see what benefits selective deconstruction offered. Cost wise it was less than a full deconstruction. Items reclaimed/repurposed must be viable for resale.

Rehab

The property located: 8301 S. Cregier was a total rehabilitation project. CCLBA had an open house on June 17, 2015. The house received five offers with in the first week. House sold in August. Before and after pictures can be seen on CCLBA’s website.

Commercial Projects

Bellwood Mini Moves - 50,000 sq foot industrial building located: 2150-54 Madison, Bellwood, IL. CCLBA enter into a creative tri-party agreement with the owner/bank. The property had over \$1,000,000 in back taxes, the roof needs to be repaired, and mold issues to remediate. The owner was able to work with the bank to due a discounted pay-off, the bank agreed to a conditional release, and CCLBA took the property via Deed-in-Lieu. CCLBA now owns the property and taxes have been extinguished and the property is being marketed by Steve Kohn of Collier International. CCLBA has received a serious offer that is under negotiation and anticipates a sale

before November 30, 2015. Key components of the deal, CCLBA will be selling to a local company and bring in local jobs. Sales price will reflect amount of rehab needed.

The old Jackson funeral home located at 7346-54 South Cottage is another example of a property having back taxes and was slated for demolition. CCLBA worked with the Department of Law to vacate the demo order and executed a purchase/sales agreement with Clyde Martin to reopen Martin Memorials, LLC utilizing the property as it original use.

Citbank Donation

CCLBA received \$1,000,000 donation from the Department of Justice Settlement. CCLBA is considering projects to strategically leverage activity funding in area we are deeply engage with and to help advance CCLBA's mission. Possible neighborhoods: Humboldt Park, Chicago Lawn, Woodlawn, and City of Chicago Heights. **No action taken.**

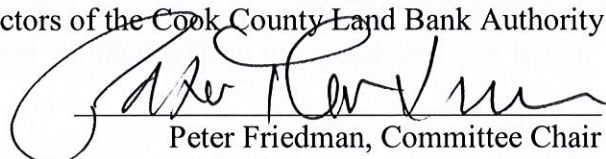
IV. Report from Committee Chair

Committee Chair Friedman reminded everyone of the Cook County Land Banks next Board of Directors meeting, scheduled for Thursday, September 24, 2014 at 10:00 am location MPC. Informed meeting participants that all documents from the meeting are available on the CCLBA website – www.CookCountyLandBank.org. **No action taken.**

VI. Adjournment

Director Grisham, 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