

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

**March 17, 2016**

Board of Directors of the Cook County Land Bank Authority met pursuant to notice on March 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, Grisham, Jasso, Ostenburg, Planey, Porras, Sherwin(10)

**Absent:** Directors Helmer, Holmes Jenkins, Richardson, Ware (4)

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

Others Present: **Angela Allen** (*Washington, Pittman & McKeever, LLC*), **Kreg Allison** (*IDFPR*), **Bob Benjamin** (*Cook County Treasurer's Office*), **Natasha M. Cornog** (*Cook County Land Bank Authority*), **Dominic Diorio** (*Cook County Land Bank Authority*), **J.R. Fleming** (*Chicago Anti-Eviction Campaign*), **Elaine Gaueych** (*Communities United*), **Cassidy Harper** (*Cook County Land Bank Authority*), **Shirley Henderson** (*Chicago South*), **Scott Henry** (*Chicago Metropolitan Housing Development Corporation*), **K. Hicks** (*Concerned Citizen*), **Manolita Huber** (*Communities United*), **Darren Hu** (*Icarus Investments*), **Nick Jefferson** (*Communities United*), **Rafael Leon** (*Chicago Metropolitan Housing Development Corporation*), **Diane Limas** (*Communities United*), **Gerald McQuirter** (*GMC Real Estate*), **Jah Ranu Menab** (*RBG*), **Domino Payne** (*LV*), **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 one (1) public speaker:

**Jah Ranu Menab** (*RBG*)

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

**Announcements**

Blight Reduction Program is a program where CCLBA works with a local non-profit or a unit of government to select homes for demolition. Two applications (Englewood Greater CDC and City of Chicago Heights) were submitted to IHDA for Blight Reduction Program Round #2. CCLBA was successfully award funding in the amount of 525,000.00 for each application. CCLBA were partnered in four (4) applications in Blight Reduction Program Round #1: Greater

Englewood CDC, Woodlawn-Sunshine Gospel Ministries, Village of Riverdale and City of Chicago Heights.

CCLBA hired a Closing Specialist, Ms. Claudette Shivers. Ms. Shivers started with CCLBA on March 7, 2016 and brings to a wealth of knowledge as a real estate paralegal to CCLBA. Ms. Shivers has come on board to help streamline CCLBA's closing process and execute closing transactions more effectively.

CCLBA's Executive Director, Rob Rose, was recognized as one of Chicago Defenders 2016 Men of Excellence. Thanks to everyone attended and helped to celebrate the honor.

### **Staffing Plan**

CCLBA's plan is to be staffed with 11 people for the year, CCLBA currently staffed at 8. The Senior Acquisitions Manager position is currently posted. CCLBA is hoping to bring onboard Marketing Specialist and Deputy Director by the end of 2016.

### **Core Business Activities**

This is the First quarter of activity from December 1, 2015 – February 29, 2016. The following activities help to move CCLBA forward: Acquisitions, Dispositions, Demolitions, and Rehabs. CCLBA purchases properties, Sell properties and demolish properties and keep track of the Rehab properties. CCLBA does not rehab properties directly. CCLBA is working with a group of developer/rehabbers/homeowners that purchase CCLBA inventory and the owner performs the rehab work. CCLBA has mechanism in place to make sure the rehab is completed in a timely period.

During the first quarter CCLBA has acquired 91 properties, sold 32 properties, demolished 9, and rehab 6. A year ago CCLBA had acquired 56 properties, sold 6 properties, no demolition or rehabs had been completed. Activity level has increased, more staff has been hired, and the strategy round having focus community is effective with the work that CCLBA performs.

Director Holmes: CCLBA mission is to affect workforce development. How is CCLBA educating developers that are working with? Are the developers hired locally or does CCLBA reach out to the unrepresented population of the construction trade? Director Rose: For the developers that CCLBA engage with, CCLBA does the due diligence to find out what experience the contractors have; for contractors that do not have experience CCLBA refers the contractors to Chicago Rehab Network, Chicago Community Loan Fund (CCLF) which both offers technical assistance training to help educate the developers on all levels, how to manage the construction monitoring, process draw request, change order request, how to prepare the company for a loan, and how to market property once rehab is completed. CCLBA is increasing this engagement. In April CCLBA will be having an orientation on "How to do Business with Cook County Land Bank Authority". Two of CCLBA's financial assistance partners (CCLF and Private Bank) will attend this event. As it relates to workforce development, one of the key areas that was known was rich with opportunity is deconstruction. Conversation is taking place with a number of groups that have a deconstruction platform to engage youth for summer employment opportunities. Part of this is being driven by the Blight Reduction Program in which CCLBA will be able to fund this activity.



Director Jasso: The Incremental Tax Benefits number represents properties that have been return to productive use? Director Rose, the nature of CCLBA transactions is to generate tax roll pretty quickly either CCLBA is clearing taxes or if it's a Fannie/Freddie property taxes are current. Once the property is purchased from CCLBA, the owner is responsible for paying next installment taxes.

### **Application Breakdown**

The chart reflects a cumulative number of applications CCLBA received. Red is the total number of applications received and blue represents the breakdown by month. The application process is the first step of interacting with CCLBA around the work that CCLBA performs. The number of applications is increasing and the ability to translate the application into activity is what is highlighted in the chart.

### **Acquisition & Disposition Breakdown**

The chart reflects cumulative acquisitions and dispositions of CCLBA property of inventory. The blue represents acquisitions and the red represents sales. There will always be a lag time because CCLBA will hold the property and then sell the property to an individual to put it back into productive use. The goal is to turn inventory, making sure there is enough inventory in the pipeline in various communities and not become stagnant.

### **NSI Initiative Update**

The program began on April 15, 2015 as a pilot program, that has become national with FHFA as the conservator and National Community Stabilization Trust (NCST) as the nonprofit to move the properties forward. These are properties coming from Fannie Mae/Freddie Mac through a First-Look program. CCLBA is an approved NCST buyer. CCLBA's challenge is to purchase inventory throughout Cook County and NCST has been CCLBA's number one acquisition channel. Within the last year nearly a 120 properties have come through this channel with 600 or more being in CCLBA focus communities. CCLBA have been working with NCST to give good pricing on these properties. CCLBA is tracking properties where offers were made, but the offer was rejected. CCLBA is tracking and having engaging conversation as to why the properties have not been sold and CCLBA is resubmitting the offer. CCLBA is putting together 20 homes that fit this situation. Fannie Mae/Freddie Mac are the number one lien holders in the County. CCLBA being able to acquire these properties in our focus communities and be a buffer there has been an amazing transformation and it speaks to the purpose of CCLBA. The issue with the South and West sides is over supply and making sure market value is not diminished. CCLBA securing agents to stabilize and bring communities back, as well as, finding different way to reduce the blight via demolition and rehab. The challenge on the Northwest side is different, the market is remarkably robust. The people who currently live there are now being priced out; so the challenge becomes affordability. CCLBA is working with groups around affordability challenges identifying another area of CCLBA flexibility.

### **Community Engagements**

CCLBA is connecting with as many communities, groups, and organization that need and want the support of CCLBA. As CCLBA builds a strong foundation of operations, it gives CCLBA more opportunities to look at more innovative ways to be of service.



## **Commercial Projects**

The highest profile commercial project CCLBA is work on in coordination with Metropolitan Water Reclamation District (MWRD) and Cook County Bureau of Economic Development is the Riverside Lawn Voluntary Buyout program. Riverside Lawn is a part of unincorporated Cook County that is located in a flood zone area. CCLBA has been engage to act as the real estate agent in this voluntary buyout program to put forth the offers to homeowners and perform/oversee the demolition of the homes. CCLBA's ability to execute the type of deal has made CCLBA an extremely valuable partner in this transaction.

CCLBA's first industrial deal: Bellwood Mini-Moves. CCLBA facilitated the transfer of a 50,000 square foot warehouse and put it back into productive use. The property was transferred to a local buyer who was looking to expand his business operations, creating 25 new jobs, maintaining local ownership. In addition, the owner is looking to take advantage of Cook County 6B tax incentive program that helps with industrial properties that have been vacant for over 24 months.

CCLBA is involved in a number of different arenas. NCST/NSI has received a large portion of CCLBA attention due to the large volume of properties that come through this channel, but CCLBA is also partner with the City of Chicago (Dept. of Planning and Development and Department of Law) with regards to the City's Forfeiture program. CCLBA is working very hard to develop a Tax Scavenger Sale strategy. CCLBA is working with different community organization to help realize their community plans. CCLBA is also working with different organizations and municipalities that received funding through IHDA Blight Reduction Program. As a small agency of eight (8) people, CCLBA is definitely keeping busy to reduce the number of vacant and abandoned properties throughout Cook County.

## **Scavenger Sale**

The Scavenger Sale took place December 28, 2015 through January 7, 2016. This is a sale that happens every two years. These property taxes have not been paid for at least three (3) years and can be forfeited. These taxes are offered at the annual sale, but were not purchased at the annual sale. This triggers these taxes to roll over to the Scavenger Sale. Most tax buyers are opportunist, looking to buy properties in areas of value. CCLBA was very aggressive at the Scavenger Sales. CCLBA have the ability to do a No Cash Bid (acquire a large number of tax certificates without cash) as an agency of Cook County. Some of these properties have sat vacant for 15-20 years. There were 35,000 PINS offered at the scavenger sales. CCLBA picked up 7,778 PINs. CCLBA is in the process of certifying these bids. CCLBA is working closely with Cook County Clerk and Treasures office to make sure all compliance measures are met in accordance with the statue to obtain the properties. CCLBA was active in both Suburban Cook County as well as City of Chicago. CCLBA have been engaged in conversations with different municipalities and the potential buyers and the strategy for the utilization of the PINs. There will be a number of strategies implemented.

Director Ostenburg: A lot of these properties are located in the South Suburbs. Is there any collaboration with the South Suburban Land Bank Authority (SSLBA)? Director Rose: Absolutely, SSLBA will acquire some of these properties from CCLBA.



Director Porras: Requested to have a profile of the properties to determine whether it is vacant land vs. improved land. Given CCLBA staff capacity how will the large volume of PINs be assessed? Director Rose: CCLBA currently have the winning bids on the PINs but not title. Prior to taking title the asset management portion will have to be answered. As CCLBA receive certificates, field audits will be performed. The classifications of the PINs have been provided by Cook County, but occupancy needs to be determined. Some redemption will take place so the number will vary. For the PINs that CCLBA take title, CCLBA will like to have a disposition strategy.

Director Dworkin: Some properties will be redeemed, but CCLBA can choose which PIN's to take Title? Director Rose: Correct and other PINs will go back to the Scavenger Sale. If the property is occupied, CCLBA will not take the property to deed. The idea is for CCLBA to focus on the vacant and abandoned properties and this must be demonstrated to the judge.

Chairwoman Gainer commented that this is a really transformative opportunity for CCLBA. It was not about what was available, but was highly and intentionally strategized on areas of opportunity where CCLBA can be effective, manage affordability, and to anticipate future development site (site control). Whether the properties are residential or commercial/industrial, this is one of the reasons CCLBA was created. It takes two years to redeem these PIN's but it gives CCLBA time to come up with a development plan and reach out developers. CCLBA cannot underestimate the importance of this opportunity. This was a great accomplishment for Rob and the staff.

Director Holmes: Expound on the interaction of the tax sales pins with city of Chicago and suburbs. Director Rose: CCLBA's focus communities are highlighted on the presentation and a key part of CCLBA's strategy was to acquire PINs within CCLBA's focus communities, around neighborhood development plans (MMRD) and transit orient development.

## **FY2016**

CCLBA is looking to complete staffing plan and Broaden Focus Community Strategies to Targeted Industrial, Commercial and Open Space,

Create Homebuyer Rehab program. This is a very important need as pricing is becoming firm across the region. There is more opportunity for homebuyers. CCLBA is looking to partner with lenders that are able to provide acquisition/rehab loans directly to the homebuyer and merit homebuyers with CCLBA inventory. This is a way CCLBA can expand the reach of Single Family Rehab and address a key need - how do individual that live in this community afford to live in these communities and what tools are made available for them?

CCLBA will continue to provide support the County of Cook in their endeavors to better the County with CCLBA serving as a facilitator to help make their development plans a reality.

CCLBA will exercise as many acquisition strategies as possible Donations, REO purchase via NSI, Scavenger Sale, Portfolio acquisitions, and working with City of Chicago and Circuit Courts around abandonment and forfeitures to activate long blighted properties throughout the

region. This is a true vision of what CCLBA can be and realizing a systemic solution to long term vacancy.

#### **IV. Presentation – Communities United and CHMDC**

Albany Park Initiative - CMHDC currently owned 15 buildings prior to being invited to work on this initiative. CHMDC has acquired 8 eight additional buildings since becoming a part of the Albany Park initiative, equating to 20 units.

CMHDC is looking to build on this success by acquiring a bulk sale of an additional 17 buildings equating to 39 units investment is just over 6 million and 3.9 million is for the acquisition alone. CMHDC is hoping that CCLBA can help by purchasing the building directly through Fannie and in turn sell the buildings back to CMHDC at the same purchase price. CHMDC currently have 17 fully executed purchase sales agreements with Fannie Mae which allows CMHDC to assign the contracts to an interim purchaser. Only after all donation tax credits have been received will the assignment of the contracts to interim purchaser (potentially CCLBA) take place. CHMDC is requesting for CCLBA to purchase each of the 17 buildings one at a time with 17 separate closing with an aggregated cost of 3.9 million. Once the title transfers to CCLBA, as instantaneously as possible, CMHDC will close with CCLBA through one closing of all 17 properties for \$3.9 million. Once the closing occurs and the donation certificate is received by CCLBA; CCLBA will transfer the donation certificate to CMHDC. Turn around is expected to be less than 10 business days or less. CCLBA will not proceed until all tax credits have been received.

#### **V. Presentation by Washington Pittman and McKeever – Angela Allen**

Washington, Pittman, & McKeever, LLC was retained to perform CCLBA's 2014 audit from period of inception through November, 2014. Angela Allen presented to CCLBA's Board: Communications with Those Charged with Governance and overview Draft Financial Statements.

#### **VI. Consent Agenda**

Director Grisham, seconded by Director Friedman, moved to approve the consent agenda which includes:

- a. Approval of December 17, 2015 Cook County Land Bank Board of Directors meeting minutes
- b. Approval of February 11, 2016 Cook County Land Bank Land Transactions Committee meeting minutes. **The motion carried unanimously.**

#### **VII. Chairwoman Report (Commissioner Bridget Gainer)**

Chairwoman Gainer made the announcement that IHDA received \$118 million in Hardest Hit funds. CCLBA just received over one million dollars of these funds to work with Greater Englewood CDC and City of Chicago Heights. The 118 million is state wide, but this will help with blight removal and foreclosure prevention throughout the County. In addition to 118 million an unlimited number of states have the opportunity to apply for additional Hardest Hit funds. Last week IHDA completed a \$220 million dollar request. An award announcement should be made by late spring or early summer. These funds should be utilized for





transformative; to unlock potential in the communities. It was great to work in collaboration with the other Land Banks. Treasury is now adopting confidence in the Land Bank process.

The Scavenger Tax Sale is just a shape of things to come. Achieving the goals of justice, as well as, achieving the goals of opportunity for community development with some of CCLBA's community partners making more moves in that direction.

Restructuring of committees, Director Rose submitted the committees he would like for the Directors to serve on. Keep in mind any Director can attend any committee meeting.

Chairwoman Gainer extended congratulations to Rob for receiving the Men of Excellence Award and also announced this would be Lawrence Grisham last meeting with CCLBA. Director Grisham would be moving on to other things. Chairwoman Gainer expressed deep gratitude to Director Grisham for his participation to CCLBA Board.

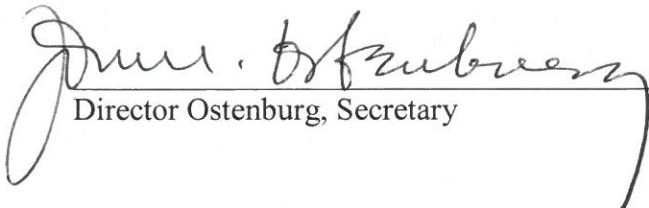
Lawrence Grisham: It has been an honor and I am proud to have served on CCLBA's Board of Directors under Commissioner Gainer leadership and work alongside other Board of Directors and congratulation to Director Rose for CCLBA's tremendous achievements.

### **XIII. Adjournment**

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

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

Attest.



Director Ostenburg, Secretary