

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

June 10, 2016

Land Transactions Committee of the Cook County Land Bank Authority met pursuant to notice on June 10, 2016 at 10:00 AM at the Cook County Building, 118 North Clark Street, 4th Floor, Chicago, Illinois.

I. Call to Order and Roll Call

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

Present: Directors Friedman, Jasso, Ostenburg, Porras (4)

Absent: Directors Helmer, Planey (2)

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

Others Present: **Bob Benjamin** (*Cook County Treasurer's Office*), **D'Angelo Boyland** (*Chicago for All Coalition*), **Natasha Cornog** (*Cook County Land Bank Authority*), **Dominic Diorio** (*Cook County Land Bank Authority*), **Drucilla Jordan** (*Concerned Citizen*), **Michelle Jordan** (*Commissioner Larry Suffredin's Office*), **Gerald McQuirter** (*DRB*), **Grady Norwood** (*Chicagoland Black Chamber of Commerce*), **Joel Reifer** (*MBR Wrecking*), **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*), **Tjvani Smith** (*TLS Global Consultants*.)

II. Public Speakers

Director Friedman noted there was no public speakers registered.

III. Land Transactions Report

Director Rose report gave an update of CCLBA's Staffing Plan, Core Business Activities, NSI program, Community Engagements, Commercial Projects, Scavenger Sales, and Fiscal Year 2016.

Staffing Plan

CCLBA has hired a Senior Acquisitions Manager, Darlene Dugo, slated to begin on July 11, 2016. The Marketing Specialist and Deputy Director positions will not be filled until FY 2017.

Director Porros: What task will the Marketing Specialist be responsible for? Director Rose: Marketing Specialist will handle CCLBA website, social media presence and press releases, manage CCLBA's outreach coordination with external organizations, and marketing.

Core Business Activities

The chart reflects CCLBA's activities levels keeping track of the outcomes, as well as, CCLBA's cumulative activities. For the month, there was a slowdown in acquisitions. CCLBA acquired six (6) properties for the month. There has been an increase in dispositions (20) properties sold, (3) properties demolished, and (5) properties rehab. Bring a grand total for rehabs to 23 for the fiscal year and cumulative total to 24. CCLBA has shifted spending measures to keep in line with CCLBA appropriation budget. CCLBA is working with NCST/Fannie Mae on ways to continue to purchase properties via simultaneous closing; the detail for simultaneous closing process is being worked through to have a full plan. CCLBA still has a robust pipeline. CCLBA will not be revising the acquisitions goals.

With it being the buying seasons, the market capitalization value created has increased to over half a million. The market capitalization value created represents the difference between the amount CCLBA sold the property to developer/homeowner and the value created after the rehab. This amount is captured through the sales price or estimated market value.

In terms of rehabs, a lot of the properties that were purchased in the latter half of 2015 are now completed. Acquisitions levels increased in the fall and have moved over to completed rehab category. Mustafaa Saleh, CCLBA's Asset Manager, is also overseeing all inspections; reporting that the type of rehabs have been of high quality and not substandard quality rehabs. This a standard chart reflecting cumulative numbers the plus number represents the month to month activity level.

Director Porros: How is the number generated for the marketing capitalization value created:
Director Rose: Market capitalization value is the difference of what CCLBA sold the property to the developer/rehabber/homeowner versus the post rehab price the property sales for.

Director Jasso: How is the Incremental Tax Benefit determined? Director Rose: This number is based on taxes that were not reflected prior to CCLBA owning the property vs. taxes that are now reflective once the property has been rehabbed. This will be the on-going benefit. Any taxes generated from here on out will be a reflection of the work CCLBA contributed by bring this property back online (possible considering a five-year horizon).

Acquisitions Breakdown

The chart reveals the source of where the acquisitions are obtained. The highest number of properties came through the scavenger sale. This chart details all the different ways that CCLBA is acquiring properties.

Disposition Breakdown

Disposition pipeline indicates the end-user; the different classification that CCLBA is selling the properties.

Porros: Regarding Scavenger Sales prospect can there be a breakdown down of the property types? Director Rose: CCLBA has the ability to know what the property is classified as now. CCLBA will have a project going on this summer to verify the classification of all properties.

E Property Plus is the software that CCLBA currently uses to house all of CCLBA's data regarding the properties that are acquired. applications are gathered, and pictures are uploaded etc.. This summer CCLBA will be working with an organization called NowPow that will be mapping some of the neighborhoods to determine what properties are vacant/abandoned before the property is published on CCLBA's website.

Acquisitions & Dispositions Monthly Breakdown

This is a snapshot of month to month the trend line activity. Blue is acquisition activity and Red is disposition activity.

Applications Monthly Breakdown

Application of demand, blue depicts application received month to month brown represents a cumulative total. CCLBA application process have been streamlined.

NSI Update

NSI began April of 2015; this is a year update. Rob and Alex are working on a report that will be given to FHFA/Fannie/Freddie of the year review of the pilot program. NCST has expanded to 18 other markets before year end. CCLBA will be given good feedback as well as suggested changes for the program to make the program even more effective.

Community Engagement

CCLBA is meeting with many organizations, community groups and elected officials, units of government, and municipalities.

Director Rose congratulated Mayor Ostenburg on his appointment to President of South Suburban Mayor and Managers Association.

Commercial Projects

Riverside Lawn located in unincorporated Cook County. CCLBA, Cook County Planning and Development, and MWRD are working together on a voluntary buyout program for this area . The second appraisals are completed. Going through and appraisal review process in many cases the two appraisers numbers were far apart on value and wanted to do some level setting to make sure the assumption were correct even if the appraisals were different in the valuation. 8 houses will require a third appraisal. CCLBA is in the process of getting an account setup for the reimbursement. Director Rose has executed the IGA with MWRD along with the resolution that was passed back in January, 2016. CCLBA is now waiting for MWRD to take the IGA to their board to be executed. Offers should be going out to homeowners by the end of next week.

Director Jasso gave accolades to CCLBA for partnering with Cook County on this very important program. Cook County received \$84 million dollars related to Disaster Recovery work. CCLBA having the ability to mitigate properties that are in flood areas, having an opportunity to do strategic acquisitions, address replacement housing, and put some of these historic problem areas to better use such as open areas. This is one activity that Cook County has always envisioned CCLBA being able to perform; to help the County thinking more strategically about the long term

viability of the land/communities. Bureau of Economic Development is very appreciative to Rob and the team.

Director Porros: Is this FEMA money? Director Rose: This is CDBG-R money Disaster Recovery money from HUD as opposed to funds from FEMA. There are very different program requirements. HUD money is more flexible and this money was targeted/link to the 2013 flood. Director Jasso: There are not sufficient fund between FEMA and Cook County to address all areas, so the County is being strategic as possible where there are discrete opportunities to do buyouts, whereas FEMA is a one off. The County is trying to get an amalgamation of enough units to be impactful in a given community.

Bellwood Mini-moves

The buyer of the warehouse is in the process of applying for 6b tax incentives. This project should be coming up to EDAC within the next month or so. This is a great project, being able to take a warehouse that had been vacant for 4 – 5 years and put it back into productive use, finding an active user that was looking to expand business operations, and create 25 jobs.

Humboldt Park

CCLBA is working to move toward acquisition on both locations in Humboldt Park; Chicago Avenue and Grand Avenue have received board approval. CCLBA is waiting to get the judicial deed. The next step will be to execute a Purchase Sales Agreement.

Director Porros: The phrase moving to acquire refers to Cook County process to take to title? Director Rose: Yes, both properties in West Humboldt Park were set to be demolished, there is a process that CCLBA goes through to request the judges to lift the demo order and allow CCLBA to acquire the properties which is a judicial deed and convey this property over to the buyer CCLBA has identified.

Scavenger Sale

Scavenger sale is an ongoing process. All 7,777 take notice have gone out via mail. A total of 1,696 bids were won on PIN's in the following Suburban Cook areas: Bellwood (49), Chicago Heights (685), Country Club Hills (41), Forest Park (3), Matteson (132), Maywood (245), Melrose Park (5), Olympia Fields (14), Posen (60), Riverdale (326), South Holland 130, Stone Park (6)

A total of 6,081 bids were won on PIN's in the following City of Chicago areas: Auburn Gresham (363), Austin (575), Belmont Cragin (9), Brighton Park (8), Chatham (155), Chicago Lawn (158), East Garfield Park (298), Englewood (1,611), Gage Park (27), Grand Boulevard (52), Greater Grand Crossing (471), Hermosa (3), Humboldt Park (326), Morgan Park (85), Pilsen (7), Roseland (555), South Shore (230), Washington Heights (158), Washington Park (71), West Pullman (682), Woodlawn (242).

FY2016

CCLBA has staffed to plan and Broaden the strategy to improved industrial/commercial space.

Homebuyer Acquisition/Rehab Program

CCLBA have been working with US Bank as a lender. US Bank have a purchase/rehab program and CCLBA have been working with US Bank to streamline the process around acquisition approval/funding and CCLBA inventory. CCLBA have a Trolley tour set-up with US Bank in the Auburn Gresham neighborhood scheduled for June 25, 2016.

In for order for CCLBA to be more impactful in the neighborhoods, CCLBA is looking to go to the homeowner directly and have the homeowner buy directly from CCLBA. Homeowners that have previously bought inventory from CCLBA had some means to purchase the properties or the homeowner was able to secure a 203K loan because the rehab was minimal for some of the tougher homes that need extensive rehab, these homes are not available. CCLBA has partnered with US Bank to be able to offer a product where if the purchase price is \$20,000 and the rehab cost are \$100,000 if the individual can qualify for a \$150,000 loan the homebuyer can purchase the home and complete the rehab with one loan and layer down payment assistance. CCLBA will be changing the website to reflect the all in cost and the range. CCLBA currently have nine (9) homes in the Auburn Gresham area that will be saved for the homebuyer program in particular, this will give individuals looking to purchase options within the neighborhood. Auburn Gresham is a pilot area for homebuyer program, the trolley tour will take individuals to all of the homes CCLBA has to offer in this area including one of CCLBA's homes that have been totally renovated and is now for sale. By the end of the year CCLBA is hoping to take this program from pilot stage to a full stage program, by demonstrating one of the ways to work with CCLBA is by buying direct.

Director Ostenburg: Will CCLBA envision doing the same in other areas? Director Rose: Absolutely, CCLBA is determining a suburban targeted area and that have enough product in a certain area.

IV. Consent Agenda

Director Porros, seconded by Director Ostenburg, moved to approve the Consent Agenda which includes May 20, 2016 CCLBA Land Transactions Committee meeting minutes. **The motion carried unanimously.**

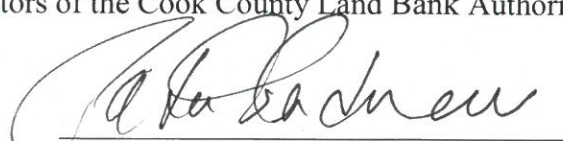
V. Report from Committee Chair

Chairman Friedman reminded everyone of Cook County Land Banks next Land Transactions Committee meeting, scheduled for June 10, 2016 at 10 am location Cook County Building. Informed meeting participants that all documents from the meeting are available on CCLBA website – www.CookCountyLandBank.org. **No action taken.**

VI. Adjournment

Director Ostenburg, seconded by Director Porras, 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