

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

May 20, 2016

Land Transactions Committee of the Cook County Land Bank Authority met pursuant to notice on May 20, 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

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

Present: Directors Helmer, Ostenburg, Planey, Porras (4)

Absent: None

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

Others Present: **Bob Benjamin** (*Cook County Treasurer's Office*), **Ciere Boatright** (*Chicago Neighborhood Initiatives*), **Mark Carter** (*JACCAR*), **Natasha Cornog** (*Cook County Land Bank Authority*), **Patricia Davis** (*Concerned Citizen*), **Jacob Handelman** (*CIC*), **Dominic Diorio** (*Cook County Land Bank Authority*), **Courtney Jones** (*Chicago Homes Realty Group*), **Josh Koonce** (*South Suburban Mayor's & Managers Association*), **Leon Li** (*Chicago university Booth*), **S. Olivier** (*Economic Learning Center*), **Shonda Parks** (*Concerned Citizen*), **Chris Rinz** (*NEH/Officer of Attorney General*), **Emily Robinson** (*Elevate Energy*), **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*), **Charles Stevenson** (*Stevenson 37 West.*)

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 is staffed to plan, CCLBA budget included bring on a Deputy Director and Marketing Specialist these positions have been delayed until 2017. CCLBA is currently interviewing for a Senior Acquisitions Manager and hope to have this position filled by July 1, 2016.

Core Business Activities

The chart details the following cumulative activities beginning December 1, 2015 through April 30, 2016: Acquisitions 121 completed, 77 properties Sold, 11 properties have been Demolished and 18 Rehabs completed. CCLBA's first process was to fill the inventory pipeline and now CCLBA is starting to sell the inventory. After purchasing the properties CCLBA reviews the activity to determine whether the property should be demolished or rehabbed. Rehab is not an activity that CCLBA handles directly, but more so CCLBA monitors the rehabilitation of the properties. Four (4) houses have been rehabbed and sold to homeowners.

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 sells price or estimated market value.

As time progresses between the rehabs, CCLBA will be able to capture tax benefits. CCLBA knows what the tax amount was at purchase, but will be tracking taxes post rehab.

Cumulative Core Business Activities since inception through April 30, 2016

Acquisitions	290	Demolitions	19
Dispositions	110	Rehab	19
Inventory	180	Sold	4

Chairman Friedman: Will CCLBA meet demolishing goal? Director Rose: CCLBA will come close. CCLBA has a high number of demos in the Blight Reduction Program (BRP) pipeline. Currently there are 26 demolitions in progress these are properties acquired through forfeiture or deed-in-lieu things of that nature. CCLBA have 144 prospects that will be pulled through this activity. The court system weighs heavily on the pace of demolitions.

Director Ostenburg: What triggers the high number of demolitions? Is it the conditions of the building; whether it can or cannot be used or is it open land is a better economic development opportunity? Director Rose: If the building have structural issues or is a public hazard it must be taken down. If the property has been marketed and the price has been reduced and there are no takers for the property, the property becomes a candidate for demolition.

Director Helmer: How did you determine which properties to bid on? Director Rose: 35,457 properties where offered via the 2015 Scavenger Sales. CCLBA won bids on 7,777 properties. Developers and other organizations that where interest in tax delinquent properties contacted CCLBA and as a result 30 properties have been identified for end-users.

CCLBA will be engaging a group by the name of NowPow that works with the University of Chicago. NowPow uses a mapping process with their primary goal being areas of healthcare. NowPow goes out to various neighborhoods in the City of Chicago to map out doctor offices, grocery stores, and community asset. While NowPow is scanning the different neighborhoods and come across a CCLBA house, NowPow will perform a survey whether the home is occupied or vacant, what is the property type, is it boarded up or not board up. CCLBA staff will canvas the neighborhood that NowPow does not cover. The survey will help CCLBA to better understand what exactly is in our inventory. Properties that are occupied CCLBA will do a sale in error. This is the first step to breaking down the 7,777 properties to determine what properties should be pursued, let go, and what properties individuals have shown interest.

Vacant Land and Commercial/Industrial properties redemption period will end December, 2016. CCLBA will have the ability to take Vacant Land and Industrial properties to deed in 2017. Residential properties cannot be taken to deed until 2018. All properties that are taken to deed, CCLBA will be able to wipe out all back taxes and encumbrances.

NSI Update

NSI started April 15, 2015. CCLBA has currently seen that pricing is going up and CCLBA discounts are decreasing. As it relates to our focus areas the amount of inventory is not in line with the amount of foreclosures in the region. Fannie/Freddie is not lending in these areas. Foreclosures in these areas are more related to predatory lending.

Community Engagement

Community Engagement lists the different organizations/groups CCLBA is working with throughout the City of Chicago and Suburban Cook County.

Commercial Projects

Riverside Lawn is one of CCLBA's larger commercial projects. It is a voluntary buyout program of homes in a flood zone area. CCLBA has made the first round of eight (8) offers to homeowners. A second appraisal was required, the second appraisal are completed and are under review. CCLBA hopes to have the second round of offers out to homeowners by the end of May, 2016. CCLBA is on track with being able to execute the plan of buying the home and demolishing the home, this project will go through the end of the year.

Scavenger Sale

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 is in the process of expanding the Homebuyer Acquisition/Rehab program. CCLBA have sold homes to homebuyers that have been fortunate enough to have a savings or means to rehab the homes. However, CCLBA is looking to expand this program to potential homebuyers that are in need of financial assistance to help purchase/rehab the home. CCLBA will provide direct partnerships with housing counseling agencies and financial institutions.

IV. Presentation by Chicago Neighborhood Initiatives (CNI) - (Ciere Boatright)

CNI is a catalyst for neighborhood improvement. CNI has Developed high impact real estate projects, Created opportunities for entrepreneurs, and Fostered long-term community partnerships (Bronzeville, Englewood, and Pullman). CNI has been award funds to redevelop 35 foreclosed Pullman rowhomes as for-sale affordable housing. CNI is requesting that CCLBA accept title to properties being acquired through the City forfeiture process, Hold the properties for 36 months, and Re-convey to CNI or multi-family partners.

V. Presentation by Elliott Capital LLC – Justin Elliott

Mr. Justin Elliott is a Program Director at CIC and has been a developer for the last 15 years. Mr. Elliott have developing many properties throughout the Chicagoland area. 6445 South St. Lawrence and 7743 South Yates, Chicago, IL are both six unit building that was converted into condominiums each unit having a separate mortgage. Both buildings became vacant/abandoned/hazardous and CIC was appointed receiver for the two properties. Mr. Elliot is looking to enter into a purchase/sales agreement with CCLBA to obtain both properties. De-converting units from condominium type to apartments. Mr. Elliot will execute construction within 3-4 months to revitalize the building, another 3-4 months to lease apartments to market rate or voucher program recipients, and to own the properties long term.

VI. Consent Agenda

Director Porras, seconded by Director Planey, moved to approve the Consent Agenda which includes April 8, 2016 CCLBA Land Transactions Committee meeting minutes. **The motion carried unanimously.**

VII. Motion to Carry to CCLBA Board Approval into of the Land Banking Agreement with Chicago Neighborhood Initiatives

Director Ostenburg seconded by Director Helmer moved to approve the motion to carry to CCLBA Board the approval to enter into a Land Banking Agreement with Chicago Neighborhood Initiatives (CNI). **The motion carried unanimously.**

VIII. Motion to Carry to CCLBA Board Approval into of the Purchase Sales Agreement

Director Helmer seconded by Director Planey moved to approve the motion to carry to CCLBA Board approval to enter into Purchase Sales Agreement with Elliott Capital LLC for the property locations of 6445 South St. Lawrence and 7743 South Yates. **The motion carried unanimously.**

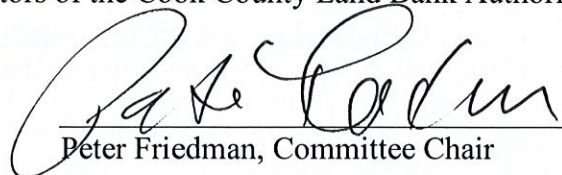
VI. Report from Committee Chair

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.**

X. 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