

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

**May 8, 2020**

Land Transactions Committee of the Cook County Land Bank Authority met pursuant to notice on May 8, 2020 at 10:00 AM via Zoom.

## **I. Call to Order and Roll Call**

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

**Present:** Chairman Friedman, Director Monocchio, Director Planey and Rob Rose (CCLBA Executive Director, (4)

Others Present: **Alejandro Alvaro** (*Cook County Land Bank*), **Sabina Bokhari** (*Rise Strategy*), **David Doig** (*CNI*), **Darlene Dugo** (*Cook County Land Bank*), **Angela Hurlock** (*Claretian Associates*), **Gene Kelley** (*Cook County Land Bank*), **Michael Olszewski** (*Area Wide Realty Corp.*), **Alex Simmons** (*Cook County Land Bank Authority*), **Anthony Simpkins** (*City of Chicago*), **Daniel Taylor** (*Cook County Land Bank Authority*), **Perry Vietti** (*Interfaith Housing Development Corp.*), **Cindy Williams** (*Cook County Land Bank*)

## **II. Public Speakers**

Chairman Friedman noted that there were one (1) registered public speaker present, Mr. Jacob Carruthers.

Mr. Carruthers of Inner City Engagement wanted to commend CCLBA on a great job the CCLBA is doing. He also indicated that he wanted to introduce himself to the Land Bank.

## **III. Presentations**

**CHICAGO NEIGHBORHOOD INITIATIVES (CNI)** – Ms. Darlene Dugo briefly discussed that the Cook County Land Bank entered into a land banking agreement with CNI to acquire properties for a broader reach development strategy in the North Pullman area. Ms. Dugo indicated that CCLBA acquired 13 properties under this land banking agreement. Ms. Dugo also indicated that the City is being helpful in setting aside \$900K. This would reimburse CNI and the Land Bank for its acquisition and holding costs.

Mr. David Doig spoke briefly of the history of CNI. CNI is a not-for-profit community development organization that has been in existence for 10 years. Most of CNI's work is primarily done on the far south side, particularly in the historic Pullman neighborhood. CNI has developed the Method Soap Factory and the Whole Foods Distribution Center. Most recently, CNI has done a new greenhouse with Gotham Greens, and is currently under construction on a new Amazon distribution center. CNI has developed 30 properties over the last five to six years and have worked with the City on both the neighborhood stabilization program and the Attorney General's



foreclosure settlement program. The 30 properties represent the balance of the vacant buildings that remains in the North Pullman Historic District.

Mr. Doig is requesting for the Land Bank to transfer/sell 13 properties that's owned by the Land Bank to Mike Olszewski for redevelopment. This is an estimated timeframe of 2 to 3 years to complete the development which depends on market absorption.

Mr. Anthony Simpkins spoke about the history of CNI and how familiar their work is which concentrates on the south side in homeownership. They are excited to learn that Area Wide and CNI would be working together on this project. The project will be history making once its complete. To support this project, the City is providing a CDBG acquisition grant of \$900k to Area Wide in order to purchase the properties from CCLBA and CNI. For the 30 properties, the City will enter a redevelopment agreement with Area Wide. This will be recorded against each of the properties which will require each of the properties to be completely rehabbed within a certain timeframe as well as each to be sold at roughly half and half at 80 percent and 120 percent of area median income.

Mr. Mike Olszewski expressed that George Pullman developed the homes in the 1800's and 120 years later, the City of Chicago, CNI and CCLBA as well as himself will bring the properties back to life. The project is wonderful that will create one of a kind homes to be showcased for the City of Chicago.

Mr. Rob Rose mentioned that the Land Transactions meeting is where the initial screening and vetting takes place. The action to approve lies within the Board of Directors. The next Board of Directors meeting will take place on June 19<sup>th</sup>. This will be the first part of the approval process.

Chairman Friedman raised the question of "Would the agreement to transfer the property be the typical type of agreement with all of the protections that's usually received"? Mr. Rose indicated that in this case, no. The City does have a redevelopment agreement and the City also has the CGBD Funds. CCLBA would release all its claims and Mike Olszewski and Area Wide would be subject to the City's redevelopment agreement.

Director Monocchio, seconded by Director Planey moved to recommend the Board to approve the project and transfer of properties. **THE MOTION WAS CARRIED UNANIMOUSLY.**

**Sacred Apartments** – Ms. Darlene Dugo mentioned that the CCLBA has been communicating with Interfaith and Claretian for quite some time. Both has been putting a redevelopment project together in south Chicago at 92<sup>nd</sup> and Burley. There are five (5) parcels that they have asked CCLBA assistance in acquiring.

Mr. Perry Vetti spoke briefly about its non-profit organization. Mr. Vetti indicated in obtaining the parcels, a commercial grocery store will be added. They have entered into a partnership with Claretian Associates. That transaction was supported by the City of Chicago as well as with Illinois Department of Housing Authority (IDHA). Sacred is one of the projects that's bundled into the Pritzker Foundation Chicago Prize finalists. Claretian Associates has been in existence for a long



time. Claretian is a neighborhood based developer which has been working exclusively in the South Chicago neighborhood of Chicago for many years. Interfaith Housing Development Corp., is also a non-profit. Interfaith has done developments throughout metro Chicago. Interfaith has been in business for 28 years.

Director Monocchio, seconded by Director Planey moved to approve to recommend to the board of approval of the Land Banking Agreement with Sacred Apartments Developer. **THE MOTION WAS CARRIED UNANIMOUSLY.**

#### **IV. Land Transactions Report**

Darlene Dugo, Sr. Acquisitions Manager gave an update on the following CCLBA activities: Core Business Activities, Current Commercial Projects, Scavenger Sale, and FY 2019 Focus. The dashboard covers December 2019 through Fiscal Year Ending November 2020.

Ms. Dugo spoke of the social media launch for 250 property structures that was launched on March 29<sup>th</sup> and on March 30<sup>th</sup> through CCLBA's website. Since then, CCLBA has been seeing a lot of activity and interest in properties.

In terms of financing, some lenders have halted and are moving cautiously in lending to developers and home buyers. There are new guidelines set prior to moving forward with closings. Buyers are experiencing delays in getting financing.

Mr. Rose spoke about the uncertainty with hard money lenders, 203K lenders, community-based lenders and major banks. People want to preserve their cash on hand. Liquidity has become a key issue and rehab projects are taking time to pause. Extensions has been requested from lenders for projects that were approved, yet not closed on. CCLBA is honoring their request. Activity is still occurring. CCLBA Acquisition Specialists are still receiving many applications from prospective buyers.

Ms. Dugo indicated that CCLBA closed on the Matteson Auto Mall on May 1<sup>st</sup>. The CCLBA closed also on Maywood Funeral Home with Gerald Cannon.

With the clerk's office and courts being closed, CCLBA has received a lot of questions regarding the redemption period of tax certificates that has now elapsed. The redemption period for tax certificates of March 18<sup>th</sup> – May 4<sup>th</sup> will automatically be extended to June 19<sup>th</sup>. With the Recorder of Deeds office being closed as well, most people are unable to get deeds recorded. CCLBA is working diligently with Chicago Title. The Chicago Title can record deeds through their "land acquire services" department. For deeds that have expiring water bills or expiring documents, CCLBA is able to record those through Chicago Title's e-recording system. Currently, the CCLBA has 300 to 400 deeds awaiting recording.

CCLBA received approval from the Illinois Historic Preservation to demolish several properties funded by IHDA. The approval letter is needed in order to comply with IHDA's funding guidelines.

Fannie Mae is discontinuing business with NCST. Fannie Mae has started their own web-based channel called Community First.



Mr. Rose mentioned that there is a lot of interest in CCLBA commercial and industrial properties for marijuana growth and sales. The conversations include where possibly what areas may fit the bill. Mr. Rose also mentioned that since CCLBA has been working remotely since the week of March 16<sup>th</sup>, there has been an increase in applications.

Mr. Rose indicated that due to Government office closures there has been a slowdown with the tax certificate program. CCLBA is prioritizing and recording at a slower pace. The team members are working remotely, and everyone has the appropriate equipment to be able to operate in a remote environment. CCLBA is working with the County transition plan of returning in June. Prior to COVID-19, CCLBA was well poised to see explosive growth, activity, and engagement.

### **Core Business Activities**

The CBA report covers the period from December 1, 2019 through April 30, 2020. CCLBA acquired 421 homes, disposed of 76 homes, and demolished 4.

### **Cumulative Core Business Outcomes**

In terms of Community Wealth, CCLBA with its partners has created over \$112 million; 73% of our goal.

### **Cumulative Core Business Activities**

Cumulative Core Business Activities as of April 30, 2020 are as follows: 2,110 Acquisitions, 138 Demolitions, 986 Dispositions, 631 Rehabs, 1,124 properties in Inventory, 602 Properties Reoccupied.

### **Acquisitions/Disposition Monthly Breakdown**

CCLBA has acquired a cumulative total of 1,852 properties; 946 disposed properties over the last period.

### **Applications Monthly Breakdown**

CCLBA has received a cumulative total of 17,223 applications; 447 applications in April.

### **Commercial Projects**

The Stewart Building (6429 S. Stewart) – The Stewart Building has passed inspections for 12 units. The units should be completed by June. The other units are being worked on as well.

Washington Park National Bank Building (6300 S. Cottage Grove) – This property is set to close at the end of May. The water certs expire mid-May. The legal teams are starting to finalize the agreements. The capital is now in place.

Franklin Park – All agreements are in place for The Franklin Park voluntary flood buyout program. CCLBA has communicated with the owners who are looking to buyout.

Harvey Hotel Chicago China Gateway Development (171<sup>st</sup> and Halsted Street) – CCLBA is looking to acquire two (2) additional parcels hotels from the Scavenger Sale to the Harvey Hotel. Discussion is set in place with the developers and the City of Harvey to map the timeline. The parcels are currently caught in the delays of the court system.



IFF Homan Square Initiative – This is a land banking agreement with IFF. The agreement has been extended. CCLBA is in the process of taking those tax certificates to deed as those with Berwyn Development Corporation.

### **Scavenger Sale (26,540 bids)**

As of April 30, 2020, CCLBA has acquired 1,080 tax certificates.

As of April 30<sup>th</sup>, CCLBA has received 6,265 applications, a total of 2,223 PIN's applied for, 1,080 purchase agreements are in place and the delinquent taxes for 946 PIN's have been redeemed on the tax certificates.

### **Scavenger Sale Tax Redemptions**

~\$11.8 million is the current total which includes 946 owners that have redeemed taxes.

**Suburban Municipalities:** Bellwood, Chicago Heights, Country Club Hills, Dixmoor, Forest Park, Hazel Crest, Homewood, Matteson, Maywood, Melrose Park, Midlothian, Olympia Fields, Orland Hills, Posen, Riverdale, South Holland, and Stone Park.

**City of Chicago Neighborhoods:** Auburn Gresham, Austin, Belmont Cragin, Brighton Park, Chatham, Chicago Lawn, East Garfield Park, Englewood, Gage Park, Grand Boulevard, Greater Grand Crossing, Hermosa, Humboldt Park, Morgan Park, Pilsen, Roseland, South Shore, Washington Heights, Washington Park, West Pullman, Woodlawn, and Miscellaneous Neighborhoods.

### **FY2020 Focus**

CCLBA has a goal of acquiring 700 homes.

Homebuyer Direct Program: The program has been very successful and CCLBA continues to work with banking partners and housing counseling agencies to source and service such deals. The properties are listed on MLS by our acquisition specialist Tony Blakely.

CCLBA is focusing on proactively acquiring properties via Deed-in-Lieu/Abandonment/Forfeiture Cases/TBI De-Conversions as well as partnering with the City of Chicago's Department of Planning and Development and the Department of Law and Department of Buildings.

### **V. Consent Agenda**

Director Monocchio, seconded by Director Planey moved to approve the Consent Agenda which includes the minutes of the February 14, 2020 CCLBA Land Transactions Committee Meeting.

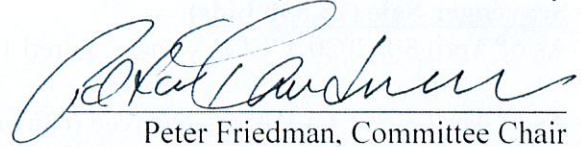
### **VI. Chairman Report**

There was no Chairman report to be given.

### **VII. Adjournment**

Director Monocchio, seconded by Director Planey moved to adjourn. **THE MOTION CARRIED UNANIMOUSLY AND THE MEETING WAS ADJOURNED.**

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

  
Peter Friedman, Committee Chair