

Chemung County Property Development Corporation
Minutes of the Meeting
July 17, 2019

Present: Dawn Burlew, Jennifer Furman, Jeanne Glass, Hyder Hussain, Danielle Kenny, Michael Rangstrom, Mary Rocchi, Joseph Roman, Thomas Sweet, Nicolette Wagoner, Adam Zaranko

Call to Order

Chairman T. Sweet called the meeting to order at 1:00 PM.

Adam Zaranko Presentation.

D. Kenny introduced Adam Zaranko, Executive Director of the Albany County Land Bank and the New York State Land Bank Association. He discussed best practices for land banks and answered questions from the board members. The Albany County Land is the largest in the state with over 1,000 properties. They work with 500-600 properties at one time. About 65% of their properties are land. They concentrate on four or five distressed neighborhoods in the City. The Albany land bank acquires all tax-foreclosed properties in the County. They do not choose which ones they want to acquire. They have rural, multi-acre, farmland and houses for property disposition. The Albany County Legislature provides \$250,000 in funding per year to the land bank for operating costs. They authorize the properties so they are free and clean for rehabbing. Sometimes they do take donated properties. They have a thorough application and a vetting process that interested parties need to go through. A decision is based on facts and merit. The Albany land bank has a real estate person on staff, which is less expensive than having an outside realtor. There are no staff benefits for selling a property. Albany uses Habitat For Humanity as a source to bring in a low cost model for a rehab. The Albany land bank has five categories they use for properties since they have over 1,000. They look for responsible buyers or first time homebuyers. Their contractors rehab a house in 12-15 months. They don't offer anything for stabilization of a property. If utilities are owed on a property in the land bank's possession, they add them to buyers expenses at closing. The Albany land bank has received some push back from other groups that have wanted to purchase properties that the land bank owned. A. Zaranko commented that you have to stay with your mission. The land bank is trying to help out the community. Albany had 123 properties its first year. Albany is looking into other sources of funding to keep the land bank operational, unless additional funding becomes available from the Attorney General's office. A capital reserve fund is in place for Albany, which is based on property sales over many years. A. Zaranko discussed insurance rates. He felt some of the extra policies that land bank insurance companies offer are not necessary for every land bank. A. Zaranko commented that the Albany land bank works with groups like Habitat for Humanity and others to keep it fair. T. Sweet commented that working with Habitat for Humanity and other groups was the initial concept of the land bank when it started in 2016. A. Zaranko commented that there is more flexibility for properties in the land banks power. Co-development agreements were discussed. There was further discussion.

Elmira Water Board

T. Sweet reported that he talked with the Elmira Water Board about the land bank properties that had outstanding water bills, which totaled about \$4,000. The Elmira Water Board has forgiven the unpaid bills. T. Sweet is not sure if they will forgive future outstanding bills or if this is a one-time exception.

Open Board Member Seat

T. Sweet said there is someone being considered for the vacant board seat, but has not heard anything further.

Visions & Goals for the Land Bank

D. Kenny presented the revised Visions and Goals for the land bank. J. Furman commented that she has not had a chance to review this policy since it was revised and asked that the adoption of the policy be tabled until the August meeting. On a motion by J. Furman, seconded by N. Wagoner and unanimously carried, the adoption of the Visions and Goals of the Land Bank was tabled until the August meeting.

Updated Memorandum of Understanding

D. Kenny reported that the MOU between Arbor Housing & Development and the Chemung County Property Development Corporation expires at the end of August and needs to be voted on prior to then to be in compliance. The dates were updated and the section where Arbor would supply a location for the board meeting was changed. On a motion by J. Roman, seconded by N. Wagoner and unanimously carried, the Memorandum of Understanding between Arbor Housing & Development and the Chemung County Property Development Corporation was approved.

Property Transfer Policy

J. Furman had previously forwarded a policy that Sullivan County land bank adopted for review by the board. Their policy is similar to what we do now. The County Legislature and County Executive would have to review the policy and approve it prior to it becoming a formalized policy with the Land bank. County Executive Moss is considering several ideas on policies. J. Furman noted that there are about 200 properties each year that are subject to tax foreclosure. About 100 of those properties are repurchased by the current owner. The County's goal is to keep the properties in the hands of the taxpayers. J. Furman sent her thoughts and information to the County Executive.

759 East Second Street Property

There was a property policy transfer issue with this property. H. Hussain stated that the County will clear up the deed and title and get the deed from the owner and transfer it to the land bank. H. Hussain felt that the July 29, 2019 demolition of this property would be okay.

FINANCIAL REPORT

D. Kenny reviewed the financial report. The LISC money has been spent. The Enterprise grant started on July 1. There is about \$140,000 in unrestricted funds, which will cover the last demo and the last rehab. The sales of West Clinton Street and West Washington Avenue property will be put into unrestricted funds. On a motion by N. Wagoner, seconded by J. Roman and unanimously carried, the financial report was approved.

Grant Agreement & Disbursement Request

The Enterprise disbursement is ready to go and the request will be just under \$150,000. This will cover two quarters of administration, a demo and a rehab. The Franklin Street property will be the rehab. D. Kenny talked with Enterprise about its expectations and alternatives for environmental reports. On a

motion by J. Roman, seconded by N. Wagoner and unanimously carried, the financial report and Grant Agreement and Disbursement Request was approved.

PROPERTY UPDATES

Rehabs

450 West Washington Avenue: This rehab is 45% complete with a couple of change orders. One change order had to do with an electric issue and the other that is being worked on is a cracked water pipe. The cost to repair is an estimate until the issue is further investigated.

506 Franklin Street: This is the first rehab under the Enterprise grant. This is another Mr. Cooper property. A contractor, Farr Construction, was approved previously. The construction documents were approved through the insurance and a pro forma was done. No asbestos was found on the property so no abatement is required. The rehab will be started in August.

Demos

510 John Street: This is a Mr. Cooper property, which received a \$20,000 grant for demolition. The property will be demolished on July 29th.

LISC/ENTERPRISE GRANT PROCESS

D. Kenny reported that she is finalizing the LISC and Enterprise Grants starting with selling the property at 375 West Clinton Street to the Near Westside Neighborhood.

OTHER BUSINESS

814 West Clinton Street Update: The property has been on the market for three weeks. The land bank received two purchase offers immediately. The property is listed for 189,999. The offers received were for \$145,000 and \$160,000. D. Kenny then received an offer for \$180,000 but the buyer has asked that the land bank cover closing cost and replace a flex tube in the basement. There is no 6% contingency on the abstract and title search. The buyers have waived inspection. After commission, the land bank will profit \$19,000. H. Hussain commented that the abstract survey could cost between \$1,000 and \$4,000 and the deed will be \$3,000 to \$4,000 plus closing costs. J. Roman recommended that the land bank pay up to \$2,000 towards closing cost. On a motion by J. Furman, seconded by J. Roman and unanimously carried, the purchase price of \$180,000 less \$2,000 for closing costs was approved. This price is within the 10% of the asking price and Arbor can accept without further board approval.

320 Webber Place: J. Glass reported that this property ~~is more of an undertaking and~~ was slated for demo but after last meeting agreed to provide numbers for a stabilization rehab. R. Soda, N. Wagoner, J. Glass and M. Rangstrom visited the property to determine if a rehab was feasible. If Land Bank can stabilize and find developer to purchase and complete rehab would be a possible option. To totally renovate it, the cost would be about \$207,000, which you will not be able to sell it for in this neighborhood. To stabilize the roof, foundation, porches, paint it and clean it out will cost about \$70,000. The Land Bank could sell to a developer for \$50,000. N. Wagoner felt that demolishing a property in this neighborhood would not be a good idea. The property is located about four blocks from the LECOM building and could be suitable for a faculty member with a family or for students. This would

be a good property to investigate a collaboration with additional agencies. After discussion, D. Kenny will contact Sylvie Farr from Habitat for Humanity to see if they are interested in partnering in the rehab.

630 Gray Street: N. Wagoner discussed the property for possible rehab. This property is in a nice neighborhood. There is no one living in the property currently. Arbor will pursue this property further to get more details on it.

NEXT MEETING

The next meeting will be Wednesday, August 21, 2019 at 9:00 AM in the 5th floor conference room of the Hazlett building.

ADJOURNMENT

On a motion by J. Roman, seconded by N. Wagoner and unanimously carried, the meeting adjourned at 2:52 pm.

Respectfully submitted,

Mary K. Rocchi
Recording Secretary