

Chemung County Property Development Corporation
Minutes of the Board Meeting
March 23, 2022

A meeting of the Chemung County Property Development Corporation convened on Wednesday, March 23, 2022 at 9:00 AM at 203 Lake Street, 5th Floor Conference Room and via phone.

Members present were John Burin, Jennifer Furman, Kevin Meindl, Emma Miran and Joseph Roman.

Dawn Burlew and Thomas Sweet were excused.

Also present were Kim Middaugh, City of Elmira Zombie Properties; Kerry Quaglia and Tanya Leonard, Syracuse Land Bank; Hyder Hussain, Legal Counsel; Danielle Kenny and Terra Deitrick, Arbor Housing; and Mary Rocchi, Recording Secretary.

J. Burin, Vice Chair called the meeting to order at 9:10 AM. On a motion by J. Roman, seconded by J. Furman and unanimously carried, the minutes of the February 16, 2022 meeting were approved.

Special Guests

Zombie Property List: Kim Middaugh is working with the City of Elmira on the list. Zombie properties are residential abandoned homes with one to four units. The banks that own these properties are usually not local banks. A title search has to be conducted to find out who the mortgage owner is. Servicers are hired to minimally maintain properties. The City would have to establish a case that the properties are not being maintained and could take it to the Supreme Court to get the banks attention. The banks are paying the taxes but need to stop sitting on the properties. The land bank would like to review the list and possibly take title if deemed a good fit for the land bank to rehab it. The City should take title and offer to the land bank. The land bank cannot approach Zombie properties. If the taxes are being paid the property is not considered vacant. J. Burin asked if there was a way to obtain the Zombie property list or if we should move on without it. K. Middaugh will email list of Zombie properties. There was discussion on allowing Arbor to bid on houses for an authorized amount to bid on 630 West Gray Street.

Syracuse Land Bank: Kerry Quaglia and Tanya from the Syracuse Land Bank discussed a mortgage origination project to acquire and rehab properties. Home Headquarters was involved when the Syracuse Land Bank was formed. Syracuse land bank has renovated 100 properties. Home Headquarters only requires 2% down and does not operate like a bank or credit union. There is also a HUD 203K program they work with. The land bank or contractor provide a scope of work. Bids are taken to acquire property of land bank. Escrow funds are set aside until done. D. Kenny commented that inventory has been small due to eviction and foreclosure moratorium. Once our land bank gets more inventory they would like to work with us on a case by case basis. The mortgage goes to the end purchaser, investor or owner occupied property. Is this a bridge loan or personal financing? A fact sheet on the program will be sent to the board to review. Their typical term rate for a loan is 25 years, but is flexible. D. Kenny commented that Home Headquarters are CDFI and Arbor has worked with them before. They write the loans in house. They are really engaged. We have the HOME and CDBG funds

we can still apply to rehabs. HOME funds require a lead inspection and the property owner would have to be the grant recipient. They would have to pass a code and lead inspection. Another option is to sell the property to the home owner to complete rehab. There was discussion.

Audit/Governance Committees

Audit Committee: J. Furman reported that the Audit/Finance Committee met. The Audit and Finance Charters were combined as their duties are similar. There was a slight change in the Purpose, which now says Article III, Sections 1 and 3. On a motion by J. Roman, seconded by E. Miran and unanimously carried, the Audit and Finance Charter was approved with one amendment.

Governance Committee: H. Hussain reported that the Committee would meet again and to provide a report to the board on policies.

Old Business

2021 Production Report: T. Deitrick reported that the annual report was finished and will be brought to board in April. Arbor will revise prior to meeting. The audit and annual report were more pressing. J. Burin recommended sharing the report with the City Manager, Mayor and Council.

Reappointment Letters: H. Hussain discussed Dawn Burlew's reappointment letter with Chris Moss. Mr. Moss will reach out to D. Burlew to discuss her interest in remaining on the board. Tom Sweet has been reappointed. H. Hussain will get copy of letter for Arbor to file.

Policies and Bylaws/New Bylaws: The Governance Committee will set up another meeting next week.

Square Space: D. Kenny commented that this was previously approved. Arbor would like to update land bank website themselves so it is done in a timely manner. Currently a third party marketing firm updates the site. D. Kenny would like to discuss getting a County email address for the land bank but asked to table that discussion until Tom Sweet was present to give his thoughts on this topic. D. Kenny is happy to work with Aaron Dowd from IT. The cost is \$168.00 per year. There was discussion that Land Bank should be separate from the county. Arbor will move forward at the consensus of the board.

D. Kenny reported that Terra Deitrick was promoted to Project Coordinator of Real Estate Development. Arbor has hired a construction coordinator and other positions.

Financial Reports

Monthly Reports: J. Furman presented the financial report through February 28th. The land bank has \$461,529.23 in assets. Arbor's fiscal year runs from July 1 through June 30. Six months of prepaid insurance is in one year and the other six months is in the next year. The policy is based on production therefore the amount has not increased and is \$22,000 per year. When the policy renewal comes up in July the amount may change. J. Furman commented that we need to make sure the balance on the income statement does not exceed the FDIC amount. This will be detailed in the audit report. Total revenues are \$118,408.51. Total expenses were \$28,444.12. The land bank has a net surplus of \$89,964.39. D. Kenny talked with Arbor's CFO about budget items. She will break down numbers going

forward. If possible, J. Furman would like to see five years of financials on the report. On a motion by K. Meindl, seconded by J. Roman and unanimously carried, the financial report was approved.

Enterprise Grant Progress

407 West Clinton Street: The property was sold for \$110,000 and closed on March 4, 2022. HOME and CDBG reimbursements will be requested.

909 Farnham Street: The sale of this property closed on February 18, 2022 for a profit of \$1,425.61.

New Properties

525 West First Street: Bill Griffin signed agreement to rehab house starting April 1, 2022. Asbestos removal completed March 14, 2022.

385 Pennsylvania Avenue: This was a Cornerstone house purchased for \$10,000. Initially Arbor estimated the rehab at \$84,000. Due to the increase in materials and labor, the rehab cost rose to \$250,000. CDBG will allow up to \$25,000 per property rehab for an income qualified buyer. There are ongoing maintenance costs on the property. The board discussed selling the house on the open market. The land banks realtor suggested a selling price of \$45,000, which Arbor felt was too high if we want to move quickly to sell it. Arbor tried to scale back the cost of the rehab but it needs too much in repairs. There was discussion on the listing price. On a motion by J. Roman, seconded by J. Furman and unanimously carried, the land bank will list the property at 385 Pennsylvania Avenue for \$30,000, with Arbor given the ability to negotiate down to \$15,000 if necessary was approved. We could do a Development Enforcement Mortgage or sell it as is. The board agreed to sell it as is.

106 Oakdale: The sale of the house closed on March 18, 2022. It was purchased by a family for their daughter.

New Business

2021 Annual Report: The annual report for 2021 was reviewed.

NYSERDA: K. Meindl reported that NYSERDA has designated a program for distressed census tracts for a Heat Smart low cost energy program geared towards homeowners. This program would be presented to income qualified buyers for energy. Homeowners in Census Tracts 6, 7 and 10 could benefit from this program. K. Meindl will contact NSYERDA to speak at a future land bank meeting.

Next Meeting/Adjournment

The next meeting will be Wednesday, April 20, 2022 at 9:00 AM, Legislative Chambers, 5th floor conference room. There being no further business, the meeting adjourned at 10:23 AM.

Respectfully submitted,

Mary K. Rocchi
Recording Secretary