

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

October 14, 2016

Land Transactions Committee of the Cook County Land Bank Authority met pursuant to notice on October 14, 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 Ostenburg, Planey, Porras(3)

Absent: Directors Helmer, Reifman (2)

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

Others Present: **Melvin Bailey** (*MKB Solutions*), **Bob Benjamin** (*Cook County Treasures Office*), **Natasha Cornog** (*Cook County Land Bank Authority*), **Darlene Dugo** (*Cook County Land Bank Authority*), **Dominic Diorio** (*Cook County Land Bank Authority*), **Mike Jorden** (*Jorden Investments*), **Emily Robinson** (*Elevated 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*), **MaKeisha Williams-Thompson** (*Destiny Changers Community Development.*), **Michael Thompson** (*SecureBio International*), **Ted Zukas** (*Capitalis LLC.*),

II. Public Speakers

Director Friedman noted there was no public speakers registered.

III. Land Transactions Report

Director Rose and Darlene Dugo gave an updated report of CCLBA's Announcements, Core Business Activities, Community Engagements, Current Commercial Projects, Scavenger Sales, and Fiscal Year 2016.

Announcements

Darlene Dugo, Sr. Acquisitions Manager, made an announcement regarding the second Developers Workshop being held at Captain Hard Times on Saturday, October 15, 2016 from 10:00 am – 12 noon. The purpose of this workshop is to enlighten interested developers on what CCLBA does as an organization and the concept of how to work with CCLBA. The first workshop was held on October 1, 2016 at Columbus Park Refectory where over 100 developers attended.

Core Business Activities

Within the last month CCLBA have acquired 6 additional homes, disposed of 9 additional homes, and rehabbed 8 homes. 23 transactions were completed for the month of September. CCLBA has reached 65% of Acquisitions goals; this number will begin to increase as CCLBA begin to receive more properties through NCST again, Dispositions are at 120%, Demolition 68% demolitions will pick up by the end of the month, and 54 projects have been completed bring rehab goal to 108%.

Cumulative Core Business Outcomes

Market Capitalization is created when the developer sells the property to a homebuyer. Currently CCLBA is at 57% of goal generating \$2.8 million of property value.

Cumulative Core Business Activities

Cumulative Core Business Activities from December 1, 2015 through September 30, 2016 are as follows: 349 Acquisitions, 42 Demolitions, 217 Dispositions, 55 Rehabs, 132 Inventory, and 20 Sold. These numbers will increase over the next 4-6 weeks.

Director Ostenburg: The sales that take place are they owner occupied or rentals? Darlene Dugo: Primarily the homes are owner occupied and this is how the program is promoted, however, there are a few homes that have been sold to an investor and CCLBA request that a property management agreement be put in place so CCLBA will know that the property is being maintained and our community second stays in place for three years.

Acquisition Breakdown:

This chart displays the different sources of how CCLBA acquires properties.

Director Rose and Commissioner Gainer attended a meeting with Mel Watt of FHFA and explained CCLBA mission and CCLBA's goal to acquire 1,000 properties. FHFA agreed to support CCLBA's efforts through NCST. CCLBA is working with Fannie/Freddie on the guidelines. This number will grow tremendously, fueling CCLBA's number of activities.

In 2017, CCLBA will be taking the Scavenger Sale properties to deed as end users for these parcels are identified. CCLBA is also increasing the Forfeiture program. CCLBA is working with the City to come up with a more formalized forfeiture strategy. Both agencies have agreed to utilize a form to initiate the process and working through a consent decree to put forth to the judges that will allow for smoother awarding of the properties to CCLBA. CCLBA is also looking to put together a tour of some of the City properties with the Judges to help them obtain a better understanding of how CCLBA operates.

Disposition Breakdown

This chart reflects the number of properties in process to be disposed, the number of properties that have been completely disposed, and the different end user classifications.

CCLBA is looking to increase effort with homeowners and municipalities. CCLBA along with US Bank and NHS attended an event geared toward homebuyers and introduced to interested homebuyers the purchase/rehab model of financing. CCLBA and US Bank is collaborating together to match CCLBA's inventory with US bank lending products. NHS will provide the construction manager to work with the homebuyers, providing guidance and technical assistance.

CCLBA also met with Associated Bank which offer a different set of lending options. CCLBA is beginning to increase the homebuyer options in terms of financing.

Acquisition/Disposition Monthly Breakdown

Over the past trailing twelve months, there have been a cumulative total of 349 acquisitions and 217 dispositions.

Application Monthly Breakdown

CCLBA has seen a lot of interest in our properties, for the month of September CCLBA received 128 applications. An applicant can apply for more than one property.

Community Engagement

CCLBA Executive Director, Rob Rose, and CCLBA staff members continue to increase outreach efforts by meeting with the community groups, organizations, municipalities, and elected officials. Director Rose highlighted his meeting with Mel Watt of FHFA and staff's attending the Center for Community Progress "Reclaiming Vacant Buildings Conference" (this is the largest Land Banking conference in the country) that was held in Baltimore, MD September 28 – 30, 2016.

Commercial Projects

Riverside Lawn – 46 offers made, 16 offers were accepted, 12 declined, and waiting for 18 responses to the offers. Remaining closing will take place through November 30, 2016. CCLBA anticipates this project will be completed by summer of 2018. CCLBA will demolish the properties, remove the foundations and septic tanks, green and seed the parcels, and ultimately the land will be sold to Cook County Forest Preserve.

Humboldt Park

3323 Grand Avenue, Chicago, IL the City file was misplaced. CCLBA attorney's order all of the documents from the courts and shared the documents with the City attorneys, now both CCLBA's and the City attorneys are working to bring this property to forfeiture and once completed CCLBA can sell the property to an end user.

Grant Street Warehouses

Steve Kohn of Collier is the broker working with CCLBA to help get the three warehouse parcels disposed. Interest has been shown for the warehouse properties. CCLBA received 2 offers on 2715, (2) on 2801, and (1) offer on 2821. Evaluations of the offers will take place today and individuals of interest will be notified. CCLBA anticipates all three parcels being under contract within the next week or so if counter-offers are accepted.

Land Banking Agreement

CCLBA has a Land Banking Agreement with Chicago Neighborhood Initiatives (CNI) for the North Pullman area the goal is to hold the property for 36 month while financing is put in place for the closing of the transaction. This project involves 20 active Forfeiture cases and 1 Deed-in-Lieu of Foreclosure, in which, CCLBA attorney are in court working to have this case move forward as they come through the courts on a case by case basis and then have the properties deeded over to CCLBA. David Doig would like to have all properties acquired by end of year or early January, 2017.

The Board agreed to enter into a Land Banking Agreement with IFF, IFF is currently reviewing CCLBA's Land Bank Agreement, hopefully CCLBA will have an executed agreement with the next couple of weeks and CCLBA will begin acquiring the sites/lots for IFF's project.

Scavenger Sale

CCLBA receives numerous calls regarding the Scavenger Sales parcels. The redemption date will be extended for the non-residential parcels. CCLBA will start going to court in early 2017 for the parcels tax deed, extinguishing back taxes/encumbrances, and these parcel will then be published on CCLBA's website.

FY2016 Focus

2016 goals have been accomplished. The staffing plan was a critical part of CCLBA's success, adding another Acquisitions, Specialist, bring on board a Closing Specialist and replacing the Sr. Acquisitions Manager the staffing plan is completed, allowing CCLBA to be more effective and efficient.

Homebuyer program was not launched this year, however, there is a significant pilot program underway.

CCLBA continues to be supportive of many projects and agencies around the region.

2016 has been a very successful year in what CCLBA set to accomplish. 2017 CCLBA is well poised to be even more impact with impressive goals.

IV. Consent Agenda

Director Ostenburg, seconded by Director Planey moved to approve the Consent Agenda which includes August 12, 2016 and September 8, 2016 CCLBA Land Transactions Committee meeting minutes. **The motion carried unanimously.**

V. DISCUSSION OF CCLBA RESOLUTION for DELEGATION AUTHORITY

Regarding organization concerns, discussion were had regarding resetting the approval levels when an item is approved by Executive Director/Land Transactions Committee/CCLBA Board.

Currently the ordinance allows the Executive Director discretion on single family 1-4 units and the Executive Director make a decision and reports to the Land Transactions Committee and then report to the full board regarding the activity. On commercial property currently every transaction must go to full board for approval, Executive Director is proposing different levels of approval with appropriate measures based on the deal size of the transaction.

Transactions on vacant land/commercial and industrial/multi-family (*5 units or more*) approval discretion be granted as follows:

- | | |
|------------------------|----------------------------|
| • Less than \$50,000 | Executive Director |
| • \$50,000 - \$250,000 | Land Transaction Committee |
| • \$250,000 & above | Full Board |

This will allow CCLBA some speed of execution on smaller deals with appropriate oversight.

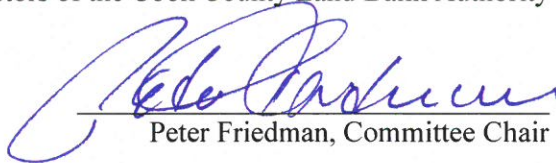
VI. Report from Director (Peter Friedman)

Director Porras reminded everyone of Cook County Land Banks next Land Transactions Committee meeting, scheduled for November 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.

VII. Adjournment

Director Ostenburg, seconded by Director Planey, 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

