

Livingston County Land Bank Corporation
Board of Directors Meeting
October 27, 2017
Meeting Minutes

Members: WILLIAM BACON, Livingston County Office of Economic Development/IDA; IAN COYLE, Livingston County Administrator; ANGELA ELLIS, Livingston County Planning Department; WILLIAM FULLER, Real Property Tax Services; SHANNON HILLIER, Livingston County Attorney; AMY MANN, Livingston County Treasurer; DANIEL L. PANGRAZIO, Livingston County Board of Supervisors.

Staff: DAVID PAOLETTA, Planning Department; Linda Shanks, Planning Department

Agenda Item	Call to Order and Welcome
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Chairman Pangrazio called the meeting to order at 9:02 and welcomed the group.

Agenda Item	Approval of Minutes
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Chairman Pangrazio asked if there were any additions, corrections, or deletions to the Draft Minutes. Mr. Coyle indicated that the sentence, “The property is non-conforming, but Habitat for Humanity has spoken with the CEO and believes it can get approval for a single-family dwelling there.” should be stricken from the record.

Chairman Pangrazio asked for a motion to approve the minutes, as corrected.

A motion to approve the September 27, 2017 meeting minutes, as corrected, was made by Ms. Ellis and seconded by Mr. Fuller.

The motion carried.

Agenda Item	Public Authorities Reporting Information System (PARIS) Requirements
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Mr. Paoletta presented the 2017 and 2018 Budgets, per the distributed handout.

2017 Budget:

- As the State had indicated, the first year’s Budget will contain many zeros. Mr. Paoletta noted examples on the handout.
- The \$25,000 under *Municipal subsidies/grants* represents the amount the Livingston County Board of Supervisors has allocated to the Corporation. The amount appears in both 2017 and 2018 budget years, because it has not been spent so far.
- The only 2017 expenditures so far, have been for the publication of two public meeting notices and the cost of the incorporation. Mr. Paoletta was not sure where they should be shown in the Budget. Mr. Coyle suggested showing the expenditures under *Other Operating Expenditures*. Even though the amounts are small, they represent an expense related to the kickoff of the Corporation.
 - Responding to Ms. Hillier, Mr. Fuller reported that the Land Bank Corporation cannot be charged a filing fee for property transfers. It is exempt from all State fees, including property taxes. Mr. Paoletta added that the Corporation is exempted from paying State tax

on any revenues earned and that work on tax-exempt status at the federal level is ongoing. Mr. Fuller indicated that he would send Ms. Hillier a copy of the pertinent law.

2018 Budget

Mr. Coyle reported on possible sources of revenue.

- A formal request has been made to the State Attorney General for a distribution grant for the Land Bank, even though the Corporation was formed after the deadline for such grants passed. If such funding is awarded, the 2018 Budget will be amended to reflect the revenue.
- Another possible 2018 Budget amendment might be necessary if the State Land Bank Association is successful in its effort to get direct appropriation for Land Bank Corporations from the State Budget.
- Per a reminder from Ms. Ellis, around \$2 million is being sought as seed capital to the Land Bank, through the Upstate Revitalization Initiative for the Thrive-in-Livingston, Anti-Poverty Initiative.

Mr. Coyle concurred with Mr. Paoletta's estimation that seed capital will allow the Corporation to enjoy its first successes and will hopefully lead to more revenue and subsequent successes.

A motion to approve the proposed 2017 and 2018 Budgets was made by Mr. Coyle and seconded by Mr. Fuller.

The motion carried.

Ms. Mann indicated that the signature card to open the bank account has been signed. When the funding has been arranged, she will transfer the money to the Corporation's bank account and issue checks for reimbursement of expenditures.

Agenda Item	Authorities Budget Office (ABO) Board of Directors Training
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Mr. Paoletta described the training requirements for members of the Board of Directors, per the handout he distributed, adding that training must be completed within 18 months of incorporation.

Mr. Coyle indicated that he and Ms. Mann had already completed this training, per their membership in the Tobacco Assets Securitization Corporation (TASC).

The ABO training is a webinar and separate from the November 20th training in Binghamton. In response to Ms. Hillier's question, Mr. Paoletta explained that the November 20th training is an introduction to Land Banks and will provide basic information about them. He added that, from the registration list he's seen, most registrants are from the newer Land Banks. Presenters appear to be representatives of the more established Land Banks. He and Mr. Coyle concurred that the training is perfectly timed for members of this Board of Directors to learn what they need to know about Land Banks.

- Responding to further questions, Mr. Paoletta and Ms. Ellis indicated that newer Land Banks include Seneca and Wayne Counties.
- Mr. Paoletta will sign up Chairman Pangrazio for the training on November 20th and any other members who have not yet done so. Mr. Coyle will check his availability and register himself. The training will run from 10:00 a.m. to 4:00 p.m. Ms. Hillier will reserve the vehicles (the van and the Tahoe) to transport members to the training.

Mr. Fuller referred to the property lists previously distributed, explaining the contents of each one.

- One list is of County-owned properties. The second is of bank-owned properties with no water usage.
- In response to Mr. Coyle's question, Mr. Fuller explained that *well ND* signifies no public water, but a well on the property. *No-water* status cannot be verified, because of the presence of a well. Still, the property is bank-owned.
- Mr. Fuller suggested that the best way to proceed, once a property has been identified by the Group, is to contact the bank that owns the property or its attorney.
- Mr. Coyle suggested filtering the list further and then, talk with contacts in the pertinent communities, such as supervisors, mayors, municipal officials, etc., about the selected properties. He also suggested that Mr. Paoletta research the systematic approaches used by other Land Banks regarding property selection, with the goal of this Group establishing its own procedure.
 - Ms. Hillier added another parameter for selection: the presence of title issues. Mr. Coyle concurred, stating that legal fees and environmental issues should also be considered.
 - Mr. Fuller stated that he could quickly edit the list by identifying vacant properties and properties with single-family homes on them. The Corporation can then choose to work with a vacant lot or with rehabilitating a structure. At that point, the Group might choose a specific geographic area it wishes to work in. Mr. Fuller stated that he could reach out to local assessors, who will have a photo and file of each property.
 - Mr. Coyle suggested that further filtering should result in a refined list of properties that includes additional columns: *Municipality* and *Preliminary Questions* (potential issues). He added that the *Preliminary Questions* column entries might be represented by a score.
 - Mr. Fuller stated that his office could help identify title issues of any given property. Ms. Hillier introduced the issue of discovering all liens on a property, adding that, for a fee of usually \$40, title companies will search the foreclosure file on a property and provide copies of affidavits of service that show all the creditors.
- Mr. Fuller summarized the process discussed so far:
 - Further refine the list.
 - Choose one or two targeted properties to work with and do due diligence on backgrounds.
- Mr. Coyle stated that, optimally, the banks approached would be willing to get such properties off their rolls. Mr. Fuller added that new regulations requiring banks to maintain and report such properties work in the Land Bank's favor.

Mr. Paoletta noted the maps attached to the lists of properties.

- In response to Ms. Hillier's question, Mr. Fuller defined a zombie property as one that the owners have left and defaulted on the mortgage. The bank may be in the process of foreclosing on the property, but has not yet done so, and is still paying the property taxes. The property still appears under the owner's name on the tax roll. No red flags are apparent. The only indicator of the true situation might be public water/sewer usage. Mr. Fuller indicated that, in these instances, local code enforcement officers can be helpful, because they will know where such properties are located.

- Mr. Coyle added that zombie properties are usually the ones that get neighborhood complaints. The County cannot foreclose on them, because the taxes are still being paid. He asked how the Land Bank can acquire a property that is not being foreclosed on. Ms. Hillier replied that short sales would be used and explained that they involve negotiating through the owner with the bank, to pay off what is owed on the property. She added that short sales usually take a long time. However, the process is easier if payment is negotiated with the owner of the property. The mortgage is paid off, in exchange for the deed. It depends on the size of the mortgage amount. Mr. Fuller concurred with her statements.

Mr. Coyle asked for the Chair and Group's consensus on the idea of refining the list as discussed. They agreed and confirmed with Mr. Fuller that he add pages or tabs to the Excel file to add further property parameters – *Vacant/Single Family Homes, Town/Village, No Water* to those listed.

- In response to Ms. Ellis's question, Mr. Coyle agreed that environmental concerns should be added, if they are known. Regarding the *Preliminary Questions* column, he added that this could include anecdotal remarks compiled from feedback from local contacts. If the refined list is created within the next two weeks or so, pertinent mayors and supervisors can be contacted for their input before the next Land Bank meeting. Mr. Fuller indicated municipal staff can also help at that point and suggested that such requests for anecdotal information come from Mr. Coyle. Mr. Fuller confirmed Mr. Paoletta's statement that environmental lien information should be on file at the County Clerk's Office.

The Group confirmed Mr. Paoletta's statement that site visits to the prospective properties chosen should occur before determining their disposition: i.e., acquisition, demolition, rehabilitation, or sale.

Mr. Coyle outlined future steps to take

- Have the refined list to review at the next meeting (November)
 - Determine highest and best use of properties using Land Bank team scores.
 - Mr. Fuller suggested targeting "the worst house in the best neighborhood" by scoring the properties.
 - Per Chairman Pangrazio's suggestion, Mr. Fuller indicated that he could add photos of the properties to the refined list.
- At the December meeting, determine the properties to be visited and set up a schedule.
- Physically inspect the prospective properties chosen.

Chairman Pangrazio asked about the Cuylerville property. A discussion ensued about the consequences of the Leicester Zoning Board of Appeals denying the variance.

- Ms. Ellis noted that Habitat for Humanity has already advertised the property in the local *Pennysaver*. Mr. Coyle noted that Habitat for Humanity is aware of the risks involved on their part and asked if the County's input might be helpful in this situation.
- Mr. Bacon asked if the County should bring the matter before the Town of Leicester ZBA, since it is the owner of the property.
- Ms. Ellis stated that County intervention is possible and something to consider, but cautioned the Group about the precedent that might be set. Ms. Hillier agreed, adding that future purchases might anticipate such intervention as routine.
- In response to Mr. Coyle's question, Ms. Hillier explained that a Quitclaim deed could be used to

transfer the property from the County to the Land Bank Corporation. Mr. Coyle asked that it be done for the next meeting of the Ways and Means Committee, since it must be approved by a resolution of the Board of Supervisors.

- Ms. Ellis suggested that someone speak with Town of Leicester Supervisor, David Fanaro, to share the Land Bank’s decision about the property and the process that will occur as a result. Supervisor Fanaro can then share the information with the Town of Leicester’s Zoning Board of Appeals.
- Mr. Fuller answered Chairman Pangrazio’s question about the size of the area the property lacks that makes it non-conforming. It is not large, but the building envelope does not meet the requirements of local zoning regulations regarding setback and lot coverage.
- Ms. Ellis voiced a possible concern that it might reflect badly on the Corporation and affect its reputation, should this first Land Bank project fail because the variance is not approved by the Leicester ZBA.
 - Mr. Bacon suggested making the purchase contingent upon zoning and building approvals. In answer to Mr. Coyle’s question, Ms. Ellis stated that Habitat for Humanity, as an applicant, can pursue such approvals before purchasing the property.
- Mr. Coyle outlined the process regarding the Cuylerville property:
 - Do the Quitclaim deed and present to the Ways and Means Committee.
 - Ms. Hillier confirmed with Mr. Coyle that the language of the Quitclaim should state that the property “no longer has a purpose or public use”.
 - From Ways and Means, it will go before the Board of Supervisors for approval.
 - Once approved, it will go to the Land Bank Corporation.
 - The Land Bank then – potentially at its December meeting – creates the contingent purchase contract with Habitat for Humanity. The contract will state the Land Bank Corporation’s reasons for the contingent clause.
 - Ms. Mann asked if the tax balance owed should be included in the contract. Mr. Coyle replied that outstanding taxes owed should probably be written up and asked Ms. Mann to advise him of the total as soon as she has it.
 - Ms. Hillier stated that usually, the buyer presents a purchase offer. It is unusual for the seller to draft the purchase offer. Ms. Ellis stated her belief that Habitat for Humanity most likely uses a standard form of their own creation.
 - Mr. Coyle stated that the County will not get dollars from the sale of the property. Rather, the \$2,000 will be considered as in-kind services from the County and will go to the Land Bank. Language to this effect should be included in Ms. Mann’s write-up to show the in-kind.
 - Ms. Hillier noted that costs normally paid by the seller will be incurred for surveying and abstract work on the property. Mr. Coyle asked that she compile and total a list of such costs and present that at the next meeting, so that the asking price of the property can be adjusted to reflect those expenditures. Mr. Bacon suggested adding the costs to the purchase price and let the buyer pick up the expenses. He and Mr. Fuller stated that this is common practice for Habitat for Humanity purchases.

Mr. Coyle moved that the Cuylerville property be offered as contingent upon the buyer obtaining all requisite approvals from any governing municipal body regulating the development of the property, as well as upon the buyer paying the expenses associated with an abstract of title and instrument survey of the property". Mr. Bacon seconded the motion. The motion carried.

Ms. Hillier received confirmation that she should prepare the Quitclaim deed for the next Ways and Means Committee meeting, which, per Chairman Pangrazio, will be on November 13th.

Agenda Item	Land Bank Account/Funding Opportunities
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Ms. Mann reported that the Land Bank Account has been set up.

Mr. Paoletta restated that the State Attorney General's Office has been contacted regarding a grant; and that the Livingston County Land Bank Corporation, as part of the New York State Land Bank Association, is working to find potential sources of funding and to add Land Bank funding as a State Budget line item.

Mr. Paoletta will continue to monitor these avenues for any developments.

- Chairman Pangrazio asked if the State Senator could help. Mr. Coyle responded that, because of the number of Land Banks looking for funds, working across party lines with more than one representative might yield more favorable results. However, he agreed that Senator Young should be approached on the matter. He added that the Attorney General and the Governor are in favor of Land Banks, and giving them more funding would be good public relations.
- In response to Mr. Paoletta's question, Mr. Coyle indicated his belief that the letter sent to the Attorney General might have been cc'd to State representatives.

Mr. Coyle restated that, regarding the URI and Thrive-in-Livingston, a line item for Phase I includes seed capital for the Land Bank.

Agenda Item	General Discussion/Next Steps
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Mr. Coyle reminded members of the November 20th training in Binghamton.

Chairman Pangrazio outlined the expectations for the next meeting:

- Mr. Fuller will prepare refined inventory lists.
- Members who need to, should participate in one of the webinar training sessions.

Mr. Fuller asked about the desired frequency of reconciling the in-kind sheets.

- Ms. Ellis recommended a monthly submission, so the Planning Department can keep accurate records. Mr. Coyle and other members agreed.
- The Group agreed with Chairman Pangrazio and Mr. Coyle that the start date for in-kind should be September 1, 2017.
- Mr. Coyle suggested that everyone provide their September and October in-kind reports at the next Board of Directors meeting. The Group agreed.

Mr. Fuller reported that he has been approached by a local contractor, the spouse of an assessor, who would like to present his resume to the Land Bank Corporation. Should the Land Bank begin accepting resumes? Mr. Fuller recommended that it should accept resumes.

- Mr. Paoletta indicated that the resumes could be put on file.
- Ms. Ellis asked if other Land Banks have policies that address this. Mr. Paoletta stated that this Land Bank has such a policy.

- Mr. Coyle asked that a discussion of contracted services, such as contractors, realtors, title companies, surveyors, etc. and the Land Bank’s policy be added to the agenda for the next meeting.
 - Mr. Fuller indicated that, based on his experience, some of the service providers might work for free or a reduced rate when contracting with a not-for-profit organization.
- Responding to Mr. Fuller’s question, Mr. Coyle advised that resumes may be accepted, but not solicited. Chairman Pangrazio suggested waiting on such a decision until after the discussion at the next meeting.
 - Mr. Bacon agreed with Chairman Pangrazio’s suggestion, noting that proof of insurance and other vetting parameters should be considered when accepting resumes.
 - Chairman Pangrazio asked if the Land Bank Corporation is required to pay the prevailing wage, if a bid is secured through an RFP. Mr. Coyle indicated that the answer to that question would require some investigation.
 - In response to Mr. Coyle’s question, Mr. Bacon stated that IDA pays prevailing wage only if State or federal monies are involved.
 - Mr. Bacon asked if a line of credit should be established for the Land Bank, to get it started. Mr. Coyle indicated that the topic might be part of the discussion at the next meeting.

Agenda Item	Next Meeting
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After a short discussion, Chairman Pangrazio suggested that the next meeting of the Land Bank Board of Directors will be on Thursday, November 30, 2017, at 9:00 a.m.

Mr. Coyle moved to accept November 30, 2017, 9:00 a.m., as the date and time of the next Land Bank Corporation meeting. Mr. Bacon seconded the motion.

The motion carried.

Responding to Ms. Mann’s question, Chairman Pangrazio stated that the second meeting of the Ways and Means Committee will be on November 27th.

Agenda Item	Adjournment
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Chairman Pangrazio moved to adjourn the meeting. Mr. Fuller seconded the motion.

The meeting adjourned at 10:08 a.m.