

Livingston County Land Bank Corporation
Board of Directors Meeting
February 28, 2019
Meeting Minutes

Members: IAN COYLE, Livingston County Administrator; ANGELA ELLIS, Deputy County Administrator, WILLIAM FULLER, Real Property Tax Services; SHANNON HILLIER, Livingston County Attorney; DANIEL L. PANGRAZIO, Livingston County Board of Supervisors.

Members not Present: WILLIAM BACON, Office of Economic Development; AMY DAVIES, Livingston County Treasurer

Guest in Attendance: RANDY SHEPARD, Bonadio & Company, LLP; JOSEPH GUNTHER, Livingston County Administrative Intern

Staff: PENNY TRIMM, Planning Department; JOE GUNTHER, Program Specialist; LINDA SHANKS, Planning Department.

Agenda Item	Call to Order and Welcome
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Chairman Pangrazio called the meeting to order at 1:30 p.m. and welcomed the group. He introduced Joe Gunther as the new Land Bank Program Specialist.

Agenda Item	Approval of Minutes from January 24, 2019
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Chairman Pangrazio asked if there were any additions, corrections, or deletions to the January 24, 2019, Draft Meeting Minutes. Hearing none, he asked for a motion to approve them.

A motion to approve the January 24, 2019, meeting minutes was made by Ms. Hillier and seconded by Mr. Fuller.

Motion carried.

Agenda Item	Treasurer's Report
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Chairman Pangrazio reported on behalf of Ms. Davies. The Balance Forward of the Livingston County Land Bank Corporation was \$25,487.31. Two expenditures were recorded for the month – \$600.00 to establish 501(c)(3) status and \$2,000.00 for NYLBA annual dues. The resulting Ending Balance equals \$22,887.31.

Hearing no comments or questions, Chairman Pangrazio asked for a motion to approve the Treasurer's Report.

A motion to approve the Treasurer's Report was made by Mr. Coyle and seconded by Mr. Fuller.

Motion carried.

Ms. Ellis explained that formally establishing 501(c)(3) status could take six to nine months. In response to Mr. Coyle's question, she stated that no motion is needed for the contract with CPP (Complete Payroll Services) for payroll services. An invoice should arrive in March. Mr. Gunther's paychecks should start arriving electronically around the middle of March.

Agenda Item	Financial Audit – The Bonadio Group
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Mr. Shepard of the Bonadio Group reported, referring to the distributed documents. He added the

following comments:

- The Opinion at the top of pg. 2 of the Report means that the audit was “clean”. There were no concerns.
- Services provided by Land Bank Directors in their roles as members of the Board of Directors do not count toward in-kind credit.
- A formal agreement with Livingston County for office space, telephone and equipment usage, etc., is recommended.

Mr. Shepard indicated that a signed representation letter is needed to finalize the Audit Report. Sending it electronically is acceptable.

Mr. Coyle made a motion to accept the Audit Report. Ms. Hillier seconded the motion.

Ms. Ellis indicated that she would sign the representation letter and send it to Mr. Shepard.

Agenda Item	Organizational Actions
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Referring to the distributed documents, Mr. Gunther explained that, per PARIS requirements, resolutions are necessary for the Election of Officers for 2019 and for Establishing the Meeting Calendar for 2019.

A motion to approve Resolution No. 1, Electing Officers for the Year 2019, was made by Ms. Hillier and seconded by Mr. Fuller.

The motion carried.

A motion to approve Resolution No. 2, Establishing the Meeting Calendar for 2019, was made by Mr. Fuller and seconded by Ms. Hillier.

Motion carried.

Mr. Gunther noted that Mr. Bacon will need to sign the approved Resolutions.

Agenda Item	Grant Contract Execution/ Due Diligence with Enterprise Community Partners, Inc.
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a) Insurance Options/Property Purchase Update

Ms. Ellis reported that she is waiting to hear from Enterprise regarding approval of coverage of the insurance costs. Per the Land Bank Association conference call she participated in earlier:

- All land banks are experiencing the same issue with being unable to get adequate insurance to fit the requirements. They are doing insurance independently, not as riders on their communities’ policies. The average cost is \$25,000.
- Force-placed insurance is required when purchasing property, especially with regard to rehabs.
- Many land banks are having trouble finding contractors who are willing to meet the insurance requirements. This is also impacting Habitat for Humanity’s relationship with land banks, because it is required to meet the same insurance requirements.
- The insurance issue will be part of the Advocacy Event planned for next week.
- There is an issue with the Scaffold Law that is significantly impacting the contractors who might work with land banks. Ms. Ellis stated that if the contractors bear the burden of workers’ liability, it will be up to the land banks to cover it or do the force-placed arrangement, which has significant costs. A short discussion ensued.

Mr. Coyle stated that the insurance needed to meet Enterprise standards has been set up and submitted to Enterprise for approval. It will cost the Land Bank almost \$17,000.

Ms. Ellis noted that an RFP is not necessary in this instance, due to the extenuating circumstances associated with the grant and due to the fact that the policy is through an insurance broker. She confirmed that the Board should take action on the matter.

A motion to accept the proposed insurance policy, subject to approval from Enterprise, was made by Ms. Hillier and seconded by Mr. Fuller.

Motion carried.

b) Status of Enterprise Check-in Conference Call and c) Update on Deed Restriction Requirements

Ms. Ellis reported that she, Ms. Hillier, and Mr. Gunther participated in the call with Enterprise. Much of the discussion centered around the insurance issue.

Ms. Hillier reported that the deed restriction language, which had concerned her, does not apply to every deed conveyed. Exempt properties include vacant properties or those that will become vacant after demolition. Deed restriction language would apply to any rehab.

- Ms. Ellis added specific information. Regarding the Grove Street property in Mt. Morris: If the Land Bank were to demolish the building and sell the lot to an adjoining property owner, deed restriction language would not apply to the purchaser's property after the two properties are combined.
 - Mr. Fuller suggested disclosing the Land Bank's plan to market the Grove Street property as a side lot to neighbors, to Enterprise, to forestall any requirement for the inclusion of deed restriction language. Other members agreed.

Ms. Ellis stated that, based on conference call discussion, an Enterprise review of any potential acquisition is advisable before the Land Bank finalizes the purchase. Mr. Gunther concurred.

Ms. Hillier stated that, in summary, land banks are not supposed to be in the business of rehabs and demos. Rather, they should act as a conduit for such projects, letting co-developers do the work, with ongoing oversight by the Land Bank and approval from Enterprise. Under such an arrangement, the suggested split from re-sale proceeds is 70-30.

- Members voiced their approval of this idea.
- In response to Chairman Pangrazio's question, Ms. Hillier stated that this practice is common among other land banks.

Ms. Ellis reminded the Board that no actions can be taken regarding the acquisition of potential properties until the insurance issue is resolved. She added that the Land Bank cannot independently cover the cost of insurance right now (with later reimbursement), because its budget has not yet been approved by Enterprise.

- Ms. Ellis reported that she has reached out to the owner of the Grove Street property to say that the Land Bank will be making a purchase offer on his property after grant details have been addressed. She told him that an offer would probably be made in March; and promised to call him in March with a status update, if any issues had been encountered.
- Ms. Hillier advised that Mr. Fuller contact the owner of Conesus property with a similar message – a purchase offer will be made after grant requirements are managed. A brief discussion ensued regarding the features of the property and its potential disposition options.

- Ms. Ellis confirmed for Mr. Coyle that Enterprise is aware that time is of the essence regarding their role in the insurance issue. She added that other land banks are in similar predicaments.
- Mr. Coyle discussed steps that could be taken with regard to potential properties, using a property in Dansville that has recently come to his attention as an example. He would like the process regarding this property to start immediately.
 - Ms. Ellis reported that an environmental review is part of any initial steps, per Enterprise grant requirements, and added that Enterprise has sent a checklist for use as a template.
 - Mr. Coyle suggested having James Montesano do a general inspection first to formulate a ballpark estimate of the cost to rehab or demolish the property. Ms. Ellis suggested that the local code enforcement officer accompany James Montesano on his inspection, because the CEO might be able to help with detection of issues and cost estimates. Additionally, the CEO will be the person to eventually sign off on the property. Mr. Fuller added that involving the CEO would also build a good rapport with an eye to future projects.
 - Ms. Ellis stated that, per the Land Bank Procurement Policy, three quotes are necessary. She added that she will be doing a disbursement request to Enterprise, but does not expect to receive any funds until 30 to 60 days after the request has been submitted.

Returning to the insurance issue, Chairman Pangrazio indicated that he would like to have Ms. Ellis do a budget amendment to the contract with Enterprise, which has not yet been executed, to allow administrative funds to be used to pay for the insurance.

Ms. Hillier moved to approve a budget amendment to the contract with Enterprise, allowing Land Bank administrative funds to be used to expenses other than personnel. Mr. Fuller seconded the motion.

Motion carried.

Mr. Fuller will take a look at the potential property in Conesus and take pictures of it. Ms. Ellis will provide maps of the property prepared by Shawn Rooney of the Planning Department. Ms. Hillier noted that, even if the property is donated, it will not be free, because a survey will have to be done on it.

d) Proposed Budget and Work Plan Modifications

Referring to the Organizational Budget handout, Ms. Ellis stated that the \$125,000 Administrative cost shown was dedicated for Joe Gunther's position and for construction services. It was not meant for insurance, website development, marketing promotion, fees, etc. costs. The motion just recently passed will allow Ms. Ellis to create a new budget that will allow the use of the \$125,000 for insurance and some of the other costs just noted.

Ms. Ellis will put together a revised budget and submit it to Enterprise for approval tomorrow. If any changes need to be made to the Acquisition, Rehab, and/or Demolition estimates, now is the time to make them. Any increases in these amounts would be "taken" from the Administration cost amount.

- Mr. Coyle confirmed for Ms. Hillier that the \$24,166.66 amount is the cost, per property, of acquisition only, and does not include any rehab or demolition. He added that the estimates for acquisition and rehab might be low. A discussion ensued regarding adjustments that could be

made to the number of acquired properties.

- Regarding acquisitions, Ms. Ellis indicated that Enterprise prefers acquisitions through the foreclosure process or by donation. Further, Enterprise seems to like rehab projects; most land banks prefer not.
- Members agreed that, as long as the total cost of acquisitions was \$145,000, individual properties need not all be held to the \$24,166.66 amount.
- A discussion ensued regarding rehabilitation of properties.

Ms. Ellis stated that budget amendments can be made as often as desired, but that each one must be approved by Enterprise. Members agreed that the only budget amendment to be done at this time will reflect changes in the breakdown of the Administration budget line, to cover costs, such as insurance, website development, marketing promotion, etc.

- Ms. Ellis noted that an invoice of about \$1,000 for website development will be coming from Seth Graham. She asked the Board if it prefers that the Land Bank incur that cost or that it become part of the revised Budget submitted to Enterprise for coverage. Members preferred that the cost be submitted to Enterprise as part of the revised Budget.

Agenda Item	Potential Land Bank Property
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a) Habitat for Humanity Proposed Properties/Potential Preferred Partner Resolution

Mr. Coyle stated that Habitat for Humanity has separate crews for rehabilitations vs. new builds. Habitat for Humanity has approached him regarding rehabilitations and asked the Board's opinion. He outlined the steps that might occur if the Land Bank acquired a property and Habitat for Humanity rehabilitated it. Habitat for Humanity would split any profit, 70-30 with the Land Bank.

- In response to Chairman Pangrazio's suggestion of a 60-40 split, Ms. Hillier indicated that such terms are negotiable. She reminded members that Enterprise is involved; which means that, even though the Land Bank has sold the property and transferred title to Habitat for Humanity, plans and potential buyers must be reviewed and approved by the Land Bank and by Enterprise.
- Mr. Coyle suggested an alternative process in which the Land Bank acquires a property, has Habitat for Humanity rehab it, and then splits the proceeds from re-sale with Habitat for Humanity. The question of insurance requirements from Enterprise in this scenario arose in response to this idea. If Enterprise funds are not used directly for rehabilitation, insurance costs might not be covered.
 - Chairman Pangrazio stated that, before any decision to make Habitat for Humanity a preferred partner can be made, he would like the answer to insurance coverage question.
- Ms. Ellis and Ms. Hillier confirmed for Mr. Coyle that if a private developer were to do the rehab work, insurance issues would arise because of Enterprise's restrictions and regulations. Ms. Ellis repeated that this problem is common among land banks and is actually holding up projects. Again, it will be part of the Advocacy Event in Albany next week.
 - Chairman Pangrazio and Mr. Coyle asked that clarification on these insurance issues be part of the next call with Enterprise.
- Mr. Coyle will talk with Habitat for Humanity regarding any insurance restrictions and/or impediments it might have on its end. Mr. Fuller added a question about its end-user financing.

Ms. Hillier inquired about the possibility of partnering with the BOCES Building Trades Program. A discussion ensued.

Chairman Pangrazio indicated that he would attempt to get the Ways and Means Committee to front

more money to the Land Bank, in order to free it from Enterprise restrictions.

Before moving on, Ms. Ellis indicated that action on Resolution No. 3 was needed. Ms. Hillier explained that the Resolution would make Habitat for Humanity a preferred partner, which would allow it to bypass the six-page application whenever it is interested in a Land Bank property. The Resolution would not make it a co-developer.

A motion to approve Resolution No. 3, declaring Habitat for Humanity a Preference Program according to the disposition of real and personal property policy was made by Mr. Fuller and seconded by Mr. Coyle.

Motion carried.

b) Update on Letters to Brokers

Mr. Gunther reported that there has been no response to the mailing sent to brokers.

Ms. Hillier indicated that she would be willing to meet in person with some real estate connections she has.

Mr. Coyle added that he will talk with Robin Smith.

If not prohibited by the Land Bank Procurement Policy, cooperation from a realtor would result in that realtor becoming the listing agent for the property. Mr. Gunther will check the Policy.

Agenda Item Website Progress Update

Mr. Gunther reported that he will begin putting updates on the website after he has viewed the tutorial from Seth Graham.

Agenda Item NYLBA Update/Other Organizational Activities/General Discussion/Next Steps

- a) Ms. Ellis reported that the 501(c)(3) was submitted by the Bonadio Group for the Land Bank; it was represented by the \$600 expenditure on the Treasurer's Report.
- b) Referring to the Accomplishments handout, Ms. Ellis stated that the Land Bank must provide a list of yearly accomplishments to PARIS and asked that the Board look over the list.
 - Per Mr. Coyle's suggestion with regard to #10: "Joined the NYS Land Bank Association" will be listed as *Completed* under Status, and will be separate from "Participated in activities of the NYS Land Bank Association", which will be listed as *Ongoing* under Status.
 - Per Ms. Hillier and others, add #19, Letter to Real Estate Brokers, *Completed*.

A motion to accept the 2018 Work Plan Accomplishments, as amended, was made by Ms. Hillier and seconded by Mr. Fuller.

Motion carried.

Mr. Gunther presented the 2019 Work Plan Priorities document.

A motion to approve the 2019 Work Plan Priorities document was made by Ms. Hillier and seconded by Mr. Fuller.

Motion carried.

Agenda Item Other Business

Mr. Fuller distributed an updated, potential inventory document.

Ms. Hillier reported that a first snapshot of the foreclosure list will be issued on or around March 5, 2019.

Ms. Trimm stated that in-kind sheets may be emailed to her, if that is preferred.

Agenda Item	Next Meeting
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Chairman Pangrazio announced that the next Land Bank meeting will be on March 28, 2019, at 1:30 p.m.

Agenda Item	Adjournment
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Ms. Hillier moved to adjourn the meeting. Mr. Fuller seconded the motion.

Motion carried.

The meeting adjourned at 2:48 p.m.

Respectfully submitted, William Bacon, Secretary

Recorded by Linda Shanks, Senior Typist, Planning Department