

Board Meeting Minutes
May 21, 2014

Board Members Present: Peter Lombardi, Vince DeJoy, James Caflisch, William Carlson, Jeffrey Gossett, John Hemmer, William Morrill

Board Members Absent: Steve Neratko, Fred Larson, Brian Lydic, Mike Bradshaw,

Guests: John Peterson & Mr. Peterson; Jamestown real estate developers/land lords

The meeting was called to order by Chairman Peter Lombardi at 9:05 am. Mr. Lombardi welcomed Gina Paradis, newly hired Administrative Director for the CCLBC, and reviewed the agenda and attachments for discussion at today's meeting. A motion to approve the 3/12/14 meeting minutes was unanimously approved by the Board.

Demolition Program

Chairman Lombardi summarized the components of the demolition program supported by funding from the Office of Attorney General (OAG). Mr. Geise further clarified that the funds provide a 50% match, up to a maximum of \$12,500 per property to assist with local municipality demolition costs. Municipalities are allowed to use local funding, Landfill Tipping Fee credits, and In-Kind services toward the match. He further explained that the OAG funding is intended to support approximately 40 demolitions in Jamestown, 20 in Dunkirk, and 20 across the rest of the county. Dunkirk and Jamestown have established processes for demolitions and fairly stringent requirements via HUD and their CBDG funding.

The rural communities are more challenging due to a lack of process and funding, but the Land Bank is working with them to come up with solutions; Mark outlined a program being developed by the Town of Ripley that would train town workers to complete the Asbestos inspections and assessments and participate in the rural demolitions as part of a shared services contract with the local municipalities. Details are still being worked out, but discussions have led to the identification of 9 rural demolition targets thus far.

Thus far, 49 properties have been identified as demolition targets in Dunkirk (17), Jamestown (28), and elsewhere (9). This list of properties was shared and reviewed with the board. A question was asked regarding whether the town/villages were contacted regarding the Land bank programs, and Mr. Geise and Chairman Lombardi both answered yes, a presentation was made to the Mayors & Supervisors group last year, but we will be scheduling another.

A discussion ensued regarding the tax burden associated with demolitions; currently, the Land Bank is obligated to pay the current year's taxes on each property it acquires. Additionally, there is a question of whether the Land bank is required by OAG to take title to the properties that are destined for demolition. These issues will be explored and

discussed more with OAG, stakeholders and the board. From the county's standpoint, ownership is preferred relevant to the parcel's disposition – Real Property Tax Dept. is more reluctant to pull it from the auction if there is not an identified purchaser. Several potential alternatives were discussed, but none without challenge. It was suggested that a thorough financial analysis be done on the taxable agreement between the County and the Land Bank to look at net financial impacts to both parties.

Mr. Abdella reviewed the Demolition agreement drafted for the cities of Dunkirk and Jamestown. These agreements assign general contractor responsibilities to the cities for the demolitions, and were necessary to incorporate all of the OAG, HUD and City Code requirements imposed on the Land Bank for the demolition funding agreement to be extended to the cities and their contractors.

Some additional discussion ensued regarding the forthcoming resolution related to the language which provides authority to the Chairman and Executive Director to approve properties for demolition, in addition to what was provided as initial targets, so that the board would not have to meet and approve the list each time a property was identified.

Resolution # 05-21-14-01

RESOLVED, that the Chautauqua County Land Bank Corporation ("the Land Bank") approves the funding match for the demolition targets proposed by the cities of Jamestown and Dunkirk, New York and other Chautauqua County municipalities, from grant monies received from the Office of Attorney General's ("the OAG's") Community Redevelopment Initiative. These properties include, but are not limited to, the attached list as of this date (see Attachment I);

and be it further

RESOLVED, that the Land Bank Chairman and Vice-Chairman are each individually authorized to enter into contracts, or execute and deliver any instrument pertaining thereto, assigning General Contractor responsibilities to municipal entities for the above-referenced demolition projects and other such projects approved by the Chairman or Vice-Chairman utilizing funding from the Office of Attorney General ("OAG"), provided that said contracts/agreements meet the specifications provided by the OAG for the work to be done; and be it further

RESOLVED, that the Land Bank hereby allocates monies from the OAG grant for demolition funding assistance, of up to 50% of the cost, but not to exceed \$12,500 per property, for a total not to exceed \$1,000,000 pursuant to the OAG grant; and be it further

RESOLVED, that the Land Bank Chairman, Peter A. Lombardi, and the Executive Director, Mark Geise, are hereby authorized and empowered to execute all payments to the municipalities based on the above match, pending successful completion of the demolitions according to those specifications provided in the contracts with each municipality.

Resolution passed unanimously.

Staffing

Mr. Abdella reviewed the background for the resolution to ratify the hiring of the Administrative Director, Gina Paradis, and the confirmation of Mark Geise as Executive Director. The latter has been accommodated in both budget and policy by amending the county code such that the Deputy Director of Planning and Economic Development (PED) will serve as the Executive Director for Land Bank, just as the Director of PED serves as the Executive Director of the IDA. Compensation for Mr. Geise has already been budgeted for as part of the Land Bank line item for county services (\$15,000), which also includes expenses for the County Legal and Real Property Tax Department.

Resolution #05-21-14-02

RESOLVED, that the Chautauqua County Land Bank Corporation ratifies the decision to hire Gina C. Paradis as Administrative Director for the Land Bank with an effective start date of 4/14/14; and be it further

RESOLVED, that the Chairman, Peter A. Lombardi and Executive Director, Mark Geise, are authorized and empowered to enter into any contract, or to execute and deliver any instrument pertaining thereto, for the retention of Ms. Paradis and provision for a salary and benefits package not to exceed \$80,000/per annum (see Attachment 3); and be it further

RESOLVED, that the Chairman, Peter A. Lombardi, is authorized and empowered to enter into any contract, or to execute and deliver any instrument pertaining thereto, for the retention of Mark Geise as Executive Director of the Chautauqua County Land Bank Corporation at an annual salary of \$6,500 per year.

Resolution passed unanimously.

Acquisitions

Mr. Geise and Ms. Paradis summarized the acquisition strategy for rehab properties and explained the formula upon the CCLBC model is founded upon. Ms. Paradis then reviewed the spreadsheet of potential acquisitions to clarify the coding and interpretation for the group. Mr. DeJoy noted that the City of Jamestown code enforcers will begin making exterior inspections of the properties, and Mr. Cafilisch noted that a letter from the code enforcement officer indicating that all code violations have been addressed, which is a requirement prior to any redemption.

Some discussion ensued regarding the original formula for Type A, B, and C properties, and the need to re-think this formula based on financial considerations and what is available each year from the foreclosure process, as well as the target goal for demolitions. A suggestion was made that we divorce the "C" properties (separate OAG initiatives from other non-OAG initiatives) from the formula since we really have a

separate demolition program now, which was acceptable to the group. The "A" and "B" properties then would be focused on to fulfill our mission.

Acquisition Timeline:

- Targets identified and confirmed by ad hoc Acquisition Committee: June 1
- Reacquisition Deadline: June 9
- CCLBC acquisitions submitted to Administrative Services Committee of the County Legislature: June 10
- Reviewed with Administrative Services Committee: June 16
- Auction: June 21
- County Legislature Ratifies transfer of properties to CCLBC: June 25 or July 23

The City of Jamestown is currently doing exterior inspections, and at this point, any redemptions are pending a letter from the code enforcement officer stating that the property owner has satisfied any code issues.

Evictions

Mark reviewed the current situation and challenges, how we have handled the eviction process thus far, and what some potential strategies may be going forward.

The primary issue of concern is the County and Land Bank's liability exposure when the previous owners/occupants continue to reside in the property after the Land Bank's acquisition. The Land Bank has neither the capacity nor interest in becoming a land lord, and cannot assume the liability for squatters remaining in the property after they have received notice to vacate.

One option is to contract with CODE to handle all evictions for the Land Bank, since they have the capacity, experience and resources to help transition the residents more effectively than the Land Bank staff.

It was the consensus of the Board that we needed to establish a formal and more aggressive process and communicate that to the residents going forward. This process should outline key actions and dates that we commit to. Mr. Abdella will develop an additional letter which will state a formal eviction date for our current squatters, and he and Gina will work on a formal process and communications for evictions going forward, taking into account that the legal process may take 60-90 days.

Gina and Mark, in the meantime, will discuss contract options with CODE and confirm whether that option is our most viable and cost-effective one.

The Land Bank Board also agreed that we should try to avoid acquiring properties that are knowingly occupied; however, complete avoidance of these properties was not agreed to. In some cases, it is unavoidable as it isn't clear whether properties are occupied or not.

Zombie Properties

Peter reviewed the proposed state legislation being proposed by the Office of Attorney General that assigns property maintenance and registry responsibilities to financial institutions who hold the mortgage on abandoned properties. The City of Jamestown recently passed a motion in Council to support this legislation. One concern is that there are costs associated with this responsibility that may translate into policy issues; the state needs to explore the potential impacts to mortgage lending approvals process and interest rates. It is not known yet whether the NYS Land Banks Association will develop a position on this, and whether this proposed legislation will impact our relationship with banks as we try to negotiate on REO properties, etc. That being the case, the CCLBC will wait to take a position on the issue.

Currently, the Land Bank Association is creating a list of policy issues to discuss during lobbying meetings with the State Legislature in June. Mark and Gina have tentatively agreed to attend this trip to Albany on 6/11-12.

Board Membership

Verbal resignations from Brian Lydic and Mike Bradshaw were discussed, along with the impending resignation/reappointment of the legislative seat being vacated by Fred Larson due to his appointment as a Jamestown City Court judge. Recommendations were solicited from the board to fill the empty seats; however, none were received. It was recommended that we do not invite a member of any of the housing agencies to join the board due to potential conflicts of interest in the acquisition and disposition of properties.

Year-End Audit

The final 2013 Year-end Audit was distributed. The audit was reviewed in detail at the March Board meeting.

.

The meeting was adjourned at 10:35 AM.