

Finger Lakes Regional Land Bank Corporation

August 25th, 2020

Hero's Conference Room

Conference Call/GoToMeeting.com

Directors Present: Jill Henry, Frank Sinicropi, Kyle Barnhart, Melisa Nesbit, Cindy Lorenzetti, Robert Hayssen

Directors Absent: Don Northrup

Staff: Joe McGrath, Justin Gahn

Other Attendees: Mitch Rowe

1. Called to order 4:02 p.m. by Chairperson Frank Sinicropi. A quorum was present.
2. Mr. Sinicropi called for a motion to approve the minutes from the July 28th meeting and the August 11th Special meeting.
Motion – Cindy Lorenzetti Second – Kyle Barnhart
Minutes where approved 7-0
3. **CEO/President's Update and Discussion Items:** Mr. McGrath opened the meeting explaining that the many resolutions to be considered should be viewed in context with one another. Mr. McGrath then informed the Board that this is why he was changing the structure of the meeting to begin with updates and discussion.

Enterprise Grant Budget: Mr. McGrath explained that at the beginning of the pandemic, Enterprise informed the Land Bank that if grant funding was to be extended into 2021, the Land Bank would need to find eligible projects in 2020 to meet deliverables. These projects and the overall budget for the extension into 2021 needed to be submitted to Enterprise by the third quarter of this year. This is the culmination of that search. Mr. McGrath informed the Board that Enterprise had agreed to the extension pending the local approval.

Hamlet of Willard, Town of Ovid 1537 County Rd 132: Mr. McGrath explained that this property was an Enterprise demolition project in early 2020. The Town of Romulus committed to the Land Bank \$80,000 of NYS CDBG funds for a new build on the site. Mr. McGrath explained that there is a co-development agreement drafted with Habitat to construct a new build at this address. The co-development agreement incorporates the \$80,000 NYS CDGB funds and an additional \$20,000 in Enterprise funds. Mr. McGrath

explained that this co-development agreement will work the same as the co-development agreement at 16 Barker Street project. The Land Bank will deed the property to Habitat initially and prior to construction and when the property is sold to the future homeowner, 80% of the sale goes back to the Land Bank as revenue. Mr. McGrath explained that with the approval of the co-development agreement outlined in Resolution 20-22 the process can get started. The \$20,000 of Enterprise funds committed to the project also gives the Land Bank another new build in its list of deliverables for the grant.

Mr. McGrath explained that the next two projects will be for this current year of 2020. They meet project deliverables for the grant funding. Mr. McGrath explained that these projects are not Land Bank owned but do qualify as rehabs or new builds under the project deliverables to extend funding into 2021. Mr. McGrath explained the following projects:

27 Tyler Avenue Seneca Falls: Mr. McGrath explained that this co-development agreement is not the same as others because the Land Bank does not own the property. Mr. McGrath explained that the Land Bank is contributing \$40,000 of grant funds to this Habitat for Humanity project. Mr. McGrath explained that when Habitat sells the property to the client family that the Land Bank receives 100% of the contribution back as revenue. Mr. McGrath explained that his money goes in as restrictive funds but then comes back as unrestricted funds to be used to pay things such as debt and general operating costs. The information is outlined in Resolution 20-23.

3104 County Rd. 139 Ovid: Mr. McGrath explained that project is another co-development agreement rehab with Ithaca Neighborhood Housing Services (INHS). Mr. McGrath explained that INHS ran into a budgeting snag in completing the project. Mr. McGrath explained that the Land Bank can bridge the budget issues and keep the project moving forward. Mr. McGrath explained that at the closing of this property the Land Bank will get back 5% of its contribution. Mr. McGrath explained that the largest benefit of this agreement was adding another rehab deliverable to the list for the Enterprise grant. Rehabs are generally expensive and to deliver one for grant performance it can cost upwards of \$100,000. The Land Bank is getting a rehab grant deliverable for \$27,000. This allows for more flexibility other places within the budget. This is outlined in Resolution 20-24.

Enterprise Budget for Pandemic and 2021: Mr. McGrath then explained that in the reprogrammed Enterprise budget for 2021 there are six demolitions funded. These demolitions will be tax acquisitions from the foreclosure process. The budget lays out the pathway to meet the total grant deliverables by the end of the third quarter of 2021, including the previously discussed projects. Funds are programmed into the Enterprise budget for CEO/President salary in 2021 up to \$30,000 and that concept has been approved by Enterprise.

Land Bank Annual Budget: Mr. McGrath explained this was the annual budget for the corporation for consideration by the Board along with two years of projections. In the past, the auditors had commented that the budgets should be completed in the Fall of the previous year, so the Land Bank is moving to do that for this year. This budget and the projected budgets 2022/2023 will be submitted to PAAA by November 1st. The budget is outlined for all of 2021 reprogramming and other items not covered in the grant. Mr.

McGrath explained that the net operating income at the end of 2021 will be about \$79,750 which should carry into 2022. The projected net operating income for 2022 is -\$25,600. Mr. McGrath stated that there should be enough in the bank to cover in the proposed draft for the MOA. This is outlined in Resolution 20-25.

Discussion on the MOA: Mr. McGrath explained that the draft MOA was written in context with the annual budget and the grant budget. The grant budget needed to be approved by the funders and that approval was granted on Thursday August 20, 2020. Mr. McGrath explained that the biggest differences from the previous MOA are the contributions to the County. Mr. McGrath acknowledged that under the previous MOA, the Land Bank was not making a significant contribution back to the County. He went on to explain that the draft or proposed 2021-2022 MOA has contributions back to the County that are higher than in previous years. He also acknowledged that the Land Bank continues to strive for self-sufficiency as was expressed in the original MOA. Mr. McGrath continued that the Land Bank has the ability, through the reprogrammed grant funds and general revenue, to start making a larger contribution to CEO/President salary and reimbursing the legal department for what has been claimed as in-kind in years past. The Land Bank also tentatively budgeted up to \$3,600 a year for a person within the County to serve as Chief Financial Officer (CFO). Jill Henry then opened for discussion a general conversation regarding the MOA. Ms. Henry clarified that the CFO position being filled from within the County was a new concept for considerations, but that this position could also be filled from outside the county government or administration as well. Cindy Lorenzetti asked what was spent over the last two years under the MOA and what would be spent in 2021 and 22. Jill Henry went over those numbers with the Board stating that the Land Bank contributed roughly \$8,000 in 2019 and will be contributing roughly \$9,000 in 2020 and in the proposed budget and 2021-2022 MOA the contribution could be \$83,000 over two years. There was some discussion amongst the Board on when and how the draft MOA would be presented to the Board of Supervisors. Mrs. Lorenzetti asked County Manager, Mitch Rowe, for his opinion. Mr. Rowe then expressed his concern that the proposed MOA is far from self-sustaining and that without being part of the prior discussions surrounding support from County Legal and Finance staff he did not feel he could endorse these concepts. Cindy Lorenzetti acknowledged his concerns and moved the discussion to possible alternatives and other general discussion about the MOA. With that, Mrs. Lorenzetti asked that the participation from County Legal Office and Finance Dept., for the CFO position, be eliminated from the draft 2021-2022 MOA. Ms. Henry stated those edits would be done. Mr. McGrath went on to discuss the importance of a two-year MOA for future funding opportunities. Jill Henry at this point also took the time to stress that even if funding were not to be renewed by 2022, the Land Bank would still have commitments and projects to complete. The Board then discussed, led by Jill Henry, the progress made in creating partnerships with IHNS and Habitat for Humanity. These partnerships may produce new models to bring properties back to productive use without significant monetary contributions from the Land Bank. This concept could be used to keep the "lights on" until future grant funding is identified. General discussion amongst the Board then turned to various issues of property tax and the role of the County in its collection.

- 4. Resolutions:** A motion was made by Kyle Barnhart seconded by Cindy Lorenzetti to adopt resolutions 20-21 Resolution Adopting Reprogrammed Enterprise Budget, 20-22 Resolution

Authorizing Co-Development Agreements with Habitat for Humanity for 1537 County Rd 132, 20-23 Resolution Authorizing Co-Development Agreements with Habitat for Humanity for 27 Tyler Avenue Seneca Falls, 20-24 Resolution Authorizing Co-Development Agreements with Ithaca Neighborhood Housing Services for 3104 County Rd. 139, 20-25 Resolution Adopting the 2021 Annual Budget of The Finger Lakes Regional Land Bank Corp., and 20-26 Resolution Authorizing Execution of Agreement with Seneca County for Land-Banking Services for 2021-2022. All Resolutions Carried 7-0.

- 5. CFO Report:** No CFO Report was given. Mr. McGrath explained that all members of Land Bank Board had a copy of the financial statements. Mr. McGrath explained that the Land Bank needs to fill the CFO position. He explained that it would only be for 4-5 hours a month for someone to look at the financial statements and come up with a report. There was some discussion amongst the Board on how to fill the vacancy.

- 6. New Business:** Mr. McGrath informed the Land Bank Board on the parcels for sale on Rt. 89 in Varick and presented a new offer from the interested party The Board discussed that they would like to see a higher offer.

- 5. Adjournment:** A motion was made by Frank Sinicropi to adjourn at 4:54 p.m. and seconded by Jill Henry.

Respectfully Submitted,

Justin M Gahn
Staff Resources Assistant