

Finger Lakes Regional Land Bank Corporation

November 24th, 2020

Heroes 9-11-01 Conference Room

Conference Call/GoToMeeting.com

Directors Present: Jill Henry, Frank Sinicropi, Melissa Nesbit, Don Northrup, Cindy Lorenzetti, Kyle Barnhart

Directors Absent: Bob Hayssen

Staff: Joe McGrath

Other Attendees: Mitch Rowe

1. Called to order 4:01 p.m. by Chairperson Frank Sinicropi. A quorum was present.
2. Mr. Sinicropi called for a motion to approve the minutes from the October 24nd meeting and the special meeting from October 27th. The motion was made by Melissa Nesbit and seconded by Don Northrup. The minutes were approved 6-0.

3. Resolutions:

- **Resolution 20-32 Authorizing Sixth Payment to Habitat for Humanity:**
Moved by Sinicropi and seconded by Henry. Motion approved 6-0.

Mr. McGrath explained that this is the sixth payment for the renovation project at 16 Barker Street. Mr. McGrath explained this will hopefully be the last payment but there is still more to do. He stated that they are almost done with sheetrock and that the next big things that need to be done are floors, bathroom fixtures, kitchen fixtures, and finishing work. He said around that time is when the volunteers and client's family get involved. Mr. McGrath stated that Habitat has 15,250 more dollars to spend on the project according to the grant and co-development agreement. Mr. Sinicropi asked what the Habitat for Humanity will be reimbursing the Land Bank. Mr. McGrath explained that the Land Bank will receive 80% of the final purchase price.

- **Resolution 20-33 Resolution Approving 408 Railroad Avenue for Side-lot Sale**

Moved by Henry and seconded by Sinicropi. Motion approved 5-1.

Mr. McGrath explained that this resolution authorizes a side-lot sale to Mr. Roger Barto. Mr. McGrath explained that this has been discussed at the previous few meetings and the purchase price was to be \$1,500. The purchasers are just going to be making more yard or possibly garden space. The income qualification presented a challenge and the funders agreed that SSI statements would be acceptable for income qualification for below 100% AMI. This property is going to stay in the column of being sold below 100% AMI for grant reporting. This keeps more flexibility for the Virginia Street projects. Mrs. Lorenzetti asked if the Land Bank has any policy regarding selling properties to people with criminal records. Mrs. Lorenzetti went on to state she would be voting no on this resolution and explained her concerns regarding the purchaser. Mrs. Lorenzetti also stated that this would be true for anyone that has a criminal record. Mr. McGrath stated that he was not sure if there would be a discrimination issue with disqualifying people with criminal records and that it would be worth looking into. Frank Sinicropi stated that Joe should take some time and look into if there is anything in the law or policy about criminal records. Frank Sinicropi asked if the property was in both names of Roger and his mother or his mother's name only. Melissa Nesbit asked if the resolution could be amended to have Dorothy Coffin's name added to the resolution. Melissa motioned to amend the resolution and it was seconded by Mr. Sinicropi, 5 ayes and 1 nay. Frank Sinicropi moved to amend the motion with Henry seconding.

- **Resolution 20-34 Authorizing Performance Bond Amendment to the Purchase Offer at Varick Properties**

Moved by Sinicropi and seconded by Nesbit. Motion approved 6-0.

Mr. McGrath explained that the board accepted a purchase offer at the special meeting on August 31st that contained language for a mortgage to be placed on the property to ensure that the home is demolished at 5508 State Route 89. Mr. McGrath explained that two things need to be done to schedule the closing date including receiving the updated survey maps with the new owners name for the filing of the clerk's office. The second piece has to do with what this resolution is considering as part of the original purchase offer. There was a mortgage provision to ensure that the burned house be demolished and now the purchaser wants to transfer that mortgage to a performance bond. Mr. McGrath stated that he has his own demolition company and is more comfortable and familiar with this type of arrangement. Mr. McGrath explained that this would be an insurance policy that has the same conditions as the mortgage and that the Land Bank could file a claim against this policy. Mr. McGrath explained that the attorney's comment was that this would be acceptable. This is due to the fact that the purchaser has a business and some type of assets and that the mortgage would be preferable if someone did not have the demolition background of the assets. Mrs. Lorenzetti asked how the attorney knew about the assets. Mr. McGrath explained that he does not know specifically what they own but that they must have some means as owning a business and paying cash for lakefront property. Mrs. Lorenzetti asked how we know what the company is worth in order to gauge whether this insurance policy is

acceptable. Mr. McGrath explained that the bond is for \$50,000 and that the purchaser would need to put the deposit down and the company would ensure the performance. Jill Henry stated that it was her understanding that his business regularly posts performance bonds and has a performance bond company that regularly makes these bonds for him. Also, if the Land Bank were to make a claim against the bond, the purchaser's insurance rate would increase. Henry clarified that this was a resolution authorizing the performance bond. Frank Sinicropi asked if there were any more questions and with none, he motioned with Melissa Nesbit seconding.

- **Resolution 20-35 Authorizing RFP for 101 Virginia Street**
Moved by Sinicropi and seconded by Barnhart. Motion approved 6-0.

Mr. McGrath explained that the Land Bank is pretty close to the point of issuing an RFP for the property. Mr. McGrath explained that the property is severely distressed and that the Land Bank received a grant from the Land Mark Society of WNY to have an architecture firm complete a feasibility study for a full rehab. In Site Architecture was hired to complete that study and they also completed an in depth roof study. The roof study found that replacement costs would be way outside the bounds of what the Land Bank could afford. The eventual project would also be required to have the same income requirements. The feasibility study took into account those limits. We need to get the RFP out as soon as possible, as there are no other actions the Land Bank can take at this point. Mr. McGrath explained that the attorney and he need to get on the same page regarding how the process will work for the RFP. Mr. McGrath explained that the broad outlines of the RFP will remain the same and the due date will be mid-February. Jill Henry asked the clarifying question that when the documents are ready, can the RFP can go out. The answer is yes. Frank Sinicropi suggested sending the RFP directly to the company doing the Huntington Building in Seneca Falls. Henry stated that this will be advertised far and wide. Mr. McGrath explained that there seems to be two different industries within the housing market. Nonprofit groups that work with state grants to rehab or build new for low income persons, such as the Huntington Building and then there are companies that do historic renovations for tax credits with no income restrictions. The 101 Virginia project is both of these things.

4. General Land Bank Updates:

- **Bowling Alley:** Mr. McGrath explained that there was a former dry cleaning facility next to the bowling alley site in Waterloo and that a Phase II was conducted where the chemical PCE was found on the Land Bank property. The Land Bank was advised to send a letter to the DEC and the neighboring property owner informing them of the contamination. The DEC is reviewing the information but moving very slowly due to the COVID19 pandemic. The DEC is looking into listing the dry cleaner as a potential or "p" site. LaBella and the representative from the DEC believe that there is little evidence that the former operators of the bowling alley caused the contamination and that the Land Bank should not be held liable for the clean-up. LISC put together a webinar for brownfield technical assistance with the Center for Creative Land Recycling. The Land Bank reached out and is working with CCLR and

has a follow-up call scheduled for the next week. LaBella and others are saying that we need to do testing. It is unclear what more testing will mean for our development process. The answer to that question is possible with the help of the next conference call with CCLR. Mr. McGrath stated that he wants to keep the door open to bringing in an environmental consultant to help guide the Land Bank through the process in the future.

- **Update on CFO Position:** Mr. McGrath stated that we have identified a few names, sent some emails, and posted it on the website. There has not been a response yet, but Mr. McGrath stated that the board should give his number to anyone they know that has a background in project financing that could be a part of the land bank. Mr. McGrath is hoping to have someone in place or in mind by the first meeting in 2021.
- **Update on Real Estate Closings:** Already covered the Varick Closings. The next issue is 16 Barker Street. When renovations are complete, we will be moving towards closing with the client's family. We are in need of one more piece of paper from the former lien holder prior to foreclosure. Mr. McGrath explained the details of the struggle of obtaining a will from the Queens County Surrogates Court. Mr. McGrath stated that this is a large priority. Jill Henry explained that everything is moving slow and blaming COVID19 and that even finding someone to deal with this has been a struggle. The last closing to speak of is 27 Tyler Avenue in Seneca Falls, which is not a Land Bank property but is supported by the Land Bank's Enterprise Grant. When the closing happens, the Land Bank will be receiving \$40,000.

5. CFO Report: Mr. McGrath stated that the CFO position is vacant. Mr. McGrath reviewed the position within the bank accounts.

6. Executive Session:

7. New/Old Business: Mr. McGrath explained that the 2021 tax foreclosure process is quickly approaching. Mr. McGrath wanted to raise the possibility that the Land Bank may not be able to acquire properties from that list if the pandemic situation gets worse and there are more moratoriums. Mr. McGrath explained that other Land Banks in other places have convinced their local judges and municipalities to only foreclose on vacant and abandoned properties. Syracuse has been successful at this but if the foreclosure process is paused, there will be an issue with grant performance with the Land Bank and money could potentially be left on the table.

5. Adjournment: A motion was made by Frank Sinicropi to adjourn at 4:40 p.m. and seconded by Jill Henry.

Respectfully Submitted,

Joe McGrath
CEO/President