

Chemung County Property Development Corporation
Minutes of the Meeting
December 18, 2019

A meeting of the Chemung County Property Development Corporation convened on Wednesday, December 18, 2019 at 9:00 AM in the 5th floor conference room of the Hazlett Building, 203 Lake Street, Elmira, New York.

Members present were: Jennifer Furman, Emma Miran, Thomas Sweet and Nicolette Wagoner.

Excused: Dawn Burlew, Joseph Roman

Others present were: Hyder Hussain, Counsel to the Corporation; Michael Rangstrom, City of Elmira Code Enforcement; Jeanne Glass, Danielle Kenny, Rocco Soda, Arbor Housing and Development; Mary Rocchi, Recording Secretary to the Corporation.

Call to Order/Approval of Minutes

Chairman T. Sweet called the meeting to order at 9:00 AM. On a motion by N. Wagoner, seconded by E. Miran and unanimously carried, the minutes of the November 20, 2019 meeting were approved.

FINANCIAL REPORT

Monthly Financials: D. Kenny reported that there is \$224,000 in unrestricted funds. Arbor is waiting on sale of Washington Avenue property. A snow removal company has been hired to take care of properties still in the land banks possession. There is \$60,000 in the Enterprise account that hasn't been spent. The land bank board decided to terminate a contract with Farr Construction, for the Franklin Street property, when they failed to provide the proper paperwork. A new contractor has been hired to do the rehab. J. Furman asked if there is a way to project any shortfall's the land bank may have. D. Kenny commented that at the November meeting, Amanda Wandell had broken that down in the PARIS report she will be submitting. How long can the land bank sustain itself? EFPR Group provided Arbor with an engagement letter for \$3,850. EFPR will start the audit in mid-February and finish by the end of March. J. Furman suggested periodically putting an RFP out for bids every five years for services we use. She has a list of auditors she can provide Arbor for the RFP.

Disbursement Request: D. Kenny reported that Arbor did not ask for any disbursement last quarter as we still had \$62,000 we did not expend. We will spend about \$35,000 on work in the first quarter of 2020. D. Kenny is only asking for the amount of disbursement we will need for rehabs. The amount of disbursement request will be for \$9,432.46.

PENDING ITEMS

Open Board Member Seat: The seat is still awaiting an appointment by the County Executive.

Reappointment of Nicolette Wagoner and Emma Miran: Both terms expire December 31, 2019. N. Wagoner's appointment was done jointly by the County Executive and the City Mayor. E. Miran was appointed by the City Mayor. H. Hussain will ask the County Executive for a draft letter for him and the

Mayor to sign for both reappointments. T. Sweet commented that, according to the bylaws, they will continue to serve on the board until a replacement is chosen or they are reappointed.

LISC GRANT PROGRESS

450 West Washington Avenue: D. Kenny reported that they had a full price offer but the potential buyer did not qualify after everything was figured out. They came in at 120% rather than the 100% or lower range. D. Kenny said there have been no other offers on the house so they may hold another open house. There was discussion. R. Soda suggested asking LISC about the difference. D. Kenny will contact LISC and discuss the full price offer and buyer with them and see if they will consider selling it since there have not been any other offers.

303 Sutton Street: Arbor counter offered the neighbor interested in this lot at \$2,000. The neighbor agreed to the counter offer. The transaction should be closed by the end of January 2020. The Purchase and Sale Agreement has been signed. There are three lots left to sell from demolitions. On a motion by N. Wagoner, seconded by E. Miran and unanimously carried, a Resolution to approve the counter offer of \$2,000 for the vacant property to be purchased by a neighbor was approved.

506 Franklin Street: Bill Griffin has signed a contract for this project and will start in December, with a completion date of March 2020.

E. Miran has not run addresses on proposed properties that Arbor has looked at. We would need to increase deed restrictions if we go that route. We will try to keep the lead threshold low. Arbor and E. Miran will meet to discuss these properties.

329 Lorenzo Place: This rehab was discussed last month. J. Glass has been trying to reduce the scope to get the rehab price down. The original bid for rehab is \$120,000. When Enterprise visited the area, they thought that it would be taken care of by the market. Energy efficiency is important as the house has 55 windows. J. Glass commented that the windows that need to be addressed are in the living room, kitchen, bedrooms and bathroom. The floor would cost about \$800 to strip and refinish it. R. Soda suggested reaching out to Habitat for Humanity to do the painting. He suggested making a \$2,000 donation to them. Enterprise reviews scope of work. They cannot pay more than 30% of income for taxes, insurance and other debts. In the next tax foreclosure auction, Arbor will pick properties more strategically. If there is a house in a neighborhood that is blighted but the rest of the neighborhood is nice, rehab the blighted house. Enterprise is very receptive to our projects/ideas. The board suggested fixing the broken windows, sanding and refinishing the floor. They would like to keep the rehab under \$80,000 and let a new owner do what they want with the rest of the house. The replacement of the windows in the living room, kitchen, bedrooms and bathroom, as well as the sanding and refinishing of the floor will cost \$8,273.

320 Webber Place: This property is a hard hit to the land bank. A developer is willing to purchase this property and rehab it. Demo costs came in high. Arbor should have an offer in January. The board discussed providing the developer with the environmental reports. A reverter clause needs to be provided if an offer is made on this property stating the property will be rehabbed within one year. D. Kenny commented that the land bank has spent \$6-7,000 on environmental reports for this property. A

quote for \$50,000 for an incidental report was also received. Arbor is hoping for an offer that covers what has already been put into the property. A question on whether the land bank has a legal obligation to clean up the property prior to the sale was asked. H. Hussain commented that if plaster has fallen then it could come back to the corporation if there is a problem with the asbestos issue. The problems stay with the recorded owner and the liability does not go away. Once the house is abated by a developer, Arbor will ask for a copy of the environmental report. On a motion by N. Wagoner, seconded by E. Miran and unanimously carried, Arbor will negotiate and accept a reasonable offer within Land Bank guidelines for the property located at 320 Webber Place.

410, 412-414 Walnut Street: Arbor, Andy Hughes, N. Wagoner and others walked through these properties. Mr. Hughes was asked if he would be interested in rehabbing this 2-unit apartment building. The land bank has about \$7,200 in environmental costs into these properties. There was discussion about using ESPRI money. There is \$75,000 left in the ESPRI grant. There was discussion on how to divide this between Mr. Hughes and James Capriotti who is rehabbing a house at 415 West Gray Street. The board felt that since there were two properties on Walnut, \$25,000 could be put towards each house. The board felt \$12,000 would be a fair price, but would charge less if buyer is interested. Arbor will ask Mr. Hughes to make an offer. R. Soda will hopefully have an offer from Mr. Hughes by the next meeting. He is finishing his West Church Street property now. He would have this rehab done within one year.

ENTERPRISE GRANT PROGRESS

Enterprise representatives commented that you should not demo a property if you don't have to. Arbor would like to reallocate the grants to do just rehabs. It is not a requirement of the Enterprise grant to do demolitions. We need to sell Walnut and Webber. We will demo a house if it is a hazard. Arbor will amend the budget to remove demos. We will need to draft a letter to LISC regarding Webber and Walnut properties. This would take the estimate out of funding. We have about \$100,000 in unrestricted funds.

OTHER BUSINESS

J. Furman reported that the tax foreclosure date is January 20, 2020, the repurchase date is February 29, 2020 and the auction date is March 31, 2020. D. Kenny commented that there must be a way to eliminate out of area landlords. The County is working on how to eliminate out of area/absentee landlords from buying properties. Changes to the foreclosure procedures will need to be done carefully. The County Executive and the County Legislature would have to weigh in. N. Wagoner suggested meeting to discuss terms and conditions of the foreclosure sale. It would be tight to try to change policy prior to 2020 sale. J. Furman will propose changes for consideration. H. Hussain commented that the new terms and conditions would need to be published in January/February to get on February agendas.

The board discussed how many rehabs are reasonable in a 12 month timeframe. Franklin Street will be done in March 2020; Admiral, April 2020; and Chapman, August 2020. The Balsam Street property needs further discussion as it is a multi-family unit and is outside of our normal focus area. A sale of the property would have conditions attached. Lorenzo will be done in the 2nd quarter. Arbor will look at properties with smaller, lighter rehabs. D. Kenny stated that Mr. Cooper will have another round of houses available. Arbor will start looking at properties in early February. We need to do three more

rehab to meet the eight we want to do next year. J. Furman noted that the County will foreclose on about 200 properties this year. Of those 200, approximately 100 will be repurchased by their owners. T. Sweet commented that the Buildings and Grounds committee meeting is on the fourth Monday in February and the Legislature meets on the first Monday of March. Any properties that are already vacant will probably remain on the list. M. Rangstrom will provide a copy of the list from the Department of Financial Services (DFS) for zombie properties. Cornerstone Realty lists properties that banks have foreclosed on. Some sell for less than \$20,000. On a motion by N. Wagoner, seconded by J. Furman and unanimously carried, Arbor will amend the Land Bank's agreement with Enterprise to undertake eight rehabs and zero demolitions, was approved.

2020 Legislative Update: T. Sweet reported that N. Wagoner spoke at the Annual meeting of Southern Tier Economic Growth and did a great job. New York State Association of Counties will hold its annual meeting in January. T. Sweet would like before and after pictures to show at the Buildings & Grounds meeting in February. He would also like investment numbers. N. Wagoner will provide a fifteen minute presentation.

D. Kenny discussed a question asked by the realtor. How are taxes owed on a home assessed? J. Furman commented that they should be done on a pro rata share based on the timing of the assessment roles for that period. They are the owner's responsibility.

Next Meeting: The next meeting is Wednesday, January 15, 2020 at 9:00 AM. There will be Audit, Finance and Governance committee meetings at 8:30 AM.

ADJOURNMENT

On a motion by N. Wagoner, seconded by E. Miran and unanimously carried, the meeting adjourned at 10:26 AM.

Respectfully submitted,

Mary K. Rocchi
Recording Secretary