

Chemung County Property Development Corporation
Special Meeting Minutes
February 24, 2021

A special meeting of the Chemung County Property Development Corporation convened at 12:00 PM on Wednesday, February 24, 2021 via Zoom.

Members present were Dawn Burlew, John Burin, Emma Miran, Joseph Roman and Thomas Sweet.

Excused Jennifer Furman

Also present were Hyder Hussain, Counsel to the Corporation; Jeanne Glass and Amanda Wandell, Arbor Housing and Mary Rocchi, Recording Secretary.

Chairman T. Sweet called the meeting to order at 12:00 PM to discuss the disposition of the property located at 410 Walnut Street.

J. Glass reviewed the Purchase and Sale Contract for Real Property. Mr. Olalekan Gidado, who purchased the property at 412-414 Walnut Street for \$10,000, is also interested in purchasing 410 Walnut Street. He has offered \$5,000 for this property and agreed to the 100% AMI restriction. He is also hoping to utilize the \$75,000 ESPRI funds, which expire in September 2021, if the property was sold to him quickly. After the cost of the environmental work and realtor's commission, we will have a net profit of about \$1,500. The realtor's commission was discussed. If a property sale is over a certain amount, commission is a percentage. If commission is under a certain amount, it is a flat rate. J. Glass discussed the difficulty Arbor has had finding realtors interested in working with land bank properties.

There was discussion on how Arbor will decipher whether materials purchased are for 410 Walnut Street or 412-414 Walnut Street, since it is the same developer. The ESPRI funds can be used on either building, as long as he rents to tenants under 100% AMI and the rehab is complete by September 2021. The other property, not using ESPRI funds, will need to be completed within one year of closing. Danielle Kenny will reconcile receipts before submitting to ESPRI. In order to receive the ESPRI disbursement Mr. Gidado would need to pay for 100% of the cost upfront and we would reimburse 75%. The developer is responsible for 25% of the cost. Arbor does periodic visits and takes pictures and records notes on the project. Mr. Gidado will need to set up separate accounts for both properties so there is no confusion. To receive the ESPRI \$75,000, he will have to complete and turn in receipts. H. Hussain suggested Mr. Gidado provide an itemized list as criteria for reimbursement as well as pictures. Rocco Soda or another Arbor staff member will do a walkthrough of the properties at a minimum of once per month.

On a motion by D. Burlew, seconded by J. Roman and unanimously carried, the offer for \$5,000 for the property at 410 Walnut Street was accepted and approved.

There being no further business, the meeting adjourned at 12:25 PM.

Respectfully submitted,

Mary K. Rocchi
Recording Secretary

Danielle Kenny provided additional information after the meeting.

412-414 Walnut was sold as an exception for the Enterprise program. This means that he is able to rent to any tenant and there is no deed restriction. He is still held to the 12 month timeframe for completion, but it will still count towards our deliverable.

410 Walnut is being sold per Enterprise affordability requirements, which is 10 years at 100% AMI. At this time, Mr. Gidado has the ESPRI application, but has not returned it or been approved for the ESPRI reimbursement. The sale of 410 Walnut to him would be outside the ESPRI program and the sale of this property is not contingent on ESPRI. Should he apply and be approved, a new deed will be drawn up to include those requirements; which would be a 5 year restriction and units would be rented to those at or below the poverty line (less than 50% AMI).

Should he be approved, any concerns over material costs will need to be decided upon at that time. Currently, I am only being given receipts for ESPRI projects when the project is complete (I have tried to get them as the project is moving along to no avail). I am not against him purchasing some items as bulk, but we would have to split out the 2 properties on our (my) end. Things like windows, bathroom and kitchen items are easily divided up. While we can't say 100% that all other materials will be billed properly, there is a scope of work that would be provided and followed. So for instance, if he budgeted \$5k for drywall and then submitted receipts for double that, we would question the expense. I have had to do this before with both Jim and Andy so it is not a new process on our end. Expenses incurred prior to approval of the project by ESPRI are also not eligible costs for reimbursement. So if he is working on 412-414 now and then tries to submit those expenses as costs for 410, we would be able to easily track that as well.