

Chemung County Property Development Corporation
Minutes of the Meeting
July 15, 2020

A meeting of the Chemung County Property Development Corporation convened on Wednesday, July 15, 2020 at 9:00 AM via teleconference.

Members present were: Jennifer Furman, Emma Miran, Joseph Roman, Nicolette Wagoner

Members excused were: Dawn Burlew and Thomas Sweet

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

Call to Order

Secretary E. Miran called the meeting to order at 9:09 AM in the absence of the Chairman and Vice Chairman. The call for a quorum was made, quorum was not met to proceed with the meeting. An additional call for quorum will be made.

There was discussion on the following outstanding projects.

OLD BUSINESS

407 West Clinton Street Purchase Update: D. Kenny reported that we are moving to closing on this property. H. Hussain received the documents last week. We should be able to close soon. Scope of work will begin soon. Arbor will have bids/contractors at September meeting for a vote.

909 Farnham Street Update: This property was passed by the Budget Committee and Legislature. It should be transferred from the County to the Land Bank by the end of the month. Arbor will work on scope of work. Project can move forward.

FINANCIAL REPORTS

Monthly Reports: D. Kenny discussed the balance sheet and income statements. There were no questions.

Disbursement Update: A. Wandell reported that the disbursement agreement has been signed and sent to Enterprise. Arbor is requesting \$82,620.53 to cover the final pay application for the property at 506 Franklin Street. The project was reviewed by Enterprise who had a few update requests that they would like done. The updates will be done and request resubmitted.

Insurance Audit: The insurance audit will be circulated to the board for review when received. They are looking at subcontractors and financial documentation, which Arbor staff is compiling data.

LISC GRANT PROGRESS

450 West Washington Avenue: Arbor is in the process of closing with a family on this property. The appraisal was done last week. There is no closing date yet. D. Kenny felt this would be a good opportunity to do a press release to show what the land bank does. She will check with the family purchasing the house to see if they are okay with having a ribbon cutting and media coverage. It would show that the land bank helps all types of families.

Secretary E. Miran called the meeting to order, again, at 9:15 AM in the absence of the Chairman and Vice Chairman. The call for a quorum was made, and a quorum has been verified.

APPROVAL OF MINUTES

A quorum has been verified. On a motion by N. Wagoner, seconded by J. Roman and unanimously carried, the minutes of the June 17, 2020 meeting were approved.

Lot Updates

759 East Second Street: There has been no interest except from a contractor that considered building a new single family house on the land. D. Kenny has not heard back from the contractor to see if he is still interested.

510 John Street: Arbor is awaiting the title and survey but expect to close by the end of the month.

ENTERPRISE GRANT PROGRESS

506 Franklin Street: The new appraisal came in. The sale price is \$79,000. There have been a few showings but no offers yet, but it has only been on the market two weeks. People did not love the neighborhood. They also felt the bathroom was very large, but the bedrooms were on the small side. There are two other properties in the transformation process across the street. This house was a Mr. Cooper property and received a \$20,000 grant towards the rehab.

329 Lorenzo Place: Griffin Construction estimates they will be done by the end of July on this rehab. Arbor will have its final walk through on July 28th. Floors have been refinished, walls painted and landscaping done. D. Kenny will ask the realtor to look at property so she can come up with a purchase price. The board should be able to vote on a purchase price next month.

212 Chapman Place: The permit was issued June 26th and contractor has started the rehab. The interior demo is complete. This project should take less than 3 months to complete.

1055 Admiral Place: There were two bidders on this project. Both bids were over \$100,000. Arbor asked both contractors to relook at their bids and try to reduce them. One contractor reduced his bid by \$20,000. Due to the pandemic, Arbor cannot collaborate with Habitat for Humanity, as they cannot get workers. The same contractor is working on Chapman Place and will start this rehab at the end of September.

320 Webber Place: Arbor closed with the new owner of the property. They will monitor his progress on this rehab over next twelve months.

424 Balsam Street: LCP was the only bidder on the demolition of this property. The bid is for \$25,000 plus \$1,429 for air monitoring. The neighbors sent in a purchase offer for the lot once demolition is complete. They would like all debris removed from the lot, which Arbor will do. The neighbor has offered \$3,000 for the lot. On a motion by J. Roman, seconded by N. Wagoner and unanimously carried, the bid from LCP for \$25,000 for demolition plus \$1,429 for air monitoring of the property at 424 Balsam Street was approved. On a motion N. Wagoner, seconded by J. Roman and unanimously carried, the property located at 424 Balsam Street to be sold for \$3,000 to Donald and Donna Bennett was approved.

410 & 412-414 Walnut Street: Arbor is working with deed restrictions on this property, which should be taken care of shortly. H. Hussain has spoken to the attorney and he will send the language that should be used. The sale of the properties should close in a few weeks. The deeds will need to be sent to Enterprise for review and will count toward the land banks deliverables.

Market Properties for Consideration

513 Walnut Street: Arbor's bid of \$20,000 for this property was rejected. The owner countered at \$30,000. Arbor is no longer pursuing this property.

957 Oak Street: Arbor offered \$5,000 for this project. The owner counter offered at \$13,000. R. Soda would like to counter back at \$10,000. Arbor was encouraged to look at other neighborhoods with Emma Miran. The City has CDBG/HOMES money that can be used on homes. The program comes with subsidies. E. Miran commented that the last rehab done through the CDBG/HOMES program was 80% subsidy but is typically 60%. On the low side, the house could sell for about \$6,500 but with the additional subsidies it should take care of it. The land bank is committed to eight rehabs with Enterprise. If we could acquire one more house at \$10,000 or below, that would satisfy Enterprise. A. Wandell has looked at the MLS and there are a few properties under \$40,000. It seems the owners are pretty willing to negotiate.

Online Tax Auction: J. Furman commented that the County's online auction has started. There are not a lot of bids on City properties. Other properties are getting several bids. She monitors the auction daily. The online auction runs from July 10th through July 23rd. Once all bids are in on July 23rd, they will be reviewed and a percentage of the property's assessed value will be considered as to whether the County holds onto that property or sells them. Holding onto properties costs the County money.

811 Winsor Avenue: Arbor initially looked at this house, located in a nice neighborhood, for a rehab. The property owner owes \$3,000 in back taxes. Arbor would need board approval to bid on any property. Arbor narrowed down the list to its top 10. A maximum that the land bank is willing to go would need to be voted on. J. Furman commented that this property has been getting several bids. The current bid is at \$6,300. The new owner would have to pay a prorated share of current taxes. Arbor estimated that about \$15,000 of exterior work needs to be done. The house is four bedrooms and two bathrooms. R. Soda estimates the total rehab would be \$96,000. There was discussion.

405 Philo Road: The property is a smaller, two bedroom, one bath home located in Horseheads. It has received several bids.

633 Reynolds: J. Furman felt this property would go for a lot since it is located in a not very blighted neighborhood. J. Furman asked how properties not in Census Tracts 6, 7 and 10 fit into the land banks goals. D. Kenny did an analysis and there were only two single family homes in those census tracts that were very blighted. Any opportunity to make money on a property out of a targeted area, helps sustain the land bank. We need to continue to move our mission forward outside targeted area.

On a motion by N Wagoner, seconded by E. Miran and unanimously carried, with J. Furman abstaining, Arbor Housing is authorized to bid up to \$15,000 on a property included in the County's online auction, was approved. H. Hussain commented that according to the bylaws, motions may be approved by a majority of those present, if there is an issue of a quorum vote.

NEW BUSINESS

Land Bank Goals: The land bank's strategy should be to target neighborhoods in Census Tracts 6, 7 and 10. There are other opportunities outside the City, in the County as a whole. N. Wagoner felt our goals were still holding pretty true and have aligned well. A. Wandell would like to talk with local lenders in terms of additional funding for the land bank. Grants are limited. The housing market was hit by COVID. Would the land bank approach local businesses to see if they want to invest in the land bank? N. Wagoner commented that Jim Capriotti has tried to get investors but people are not interested in investing in the housing market right now. We need to reach out to high poverty areas like Census Tracts 6, 7 and 10. N. Wagoner drafted Goals and Objectives for the Land Bank but they were never formally adopted. N. Wagoner has knowledge of the way the program works. The goals and objectives will be sent out to the board after today's meeting for the board to review and give feedback to Arbor. The board would like to approve the Goals and Objectives at its August meeting. The board can use data to guide decisions on what should be in the document. The objectives need to be vetted further.

Property Suggestions: Arbor staff asked the board to bring up any properties they feel should be considered by the land bank in New Business. What is the property? How did you find out about it? Arbor would like to develop a process of what that looks like.

224 West First Street: D. Kenny spoke with City Code Enforcement Officer, John McCracken regarding this property. He said the owner is interested in selling the property. He paid \$6,000 at the auction a few years ago and was planning to rehab it. The building is in very poor shape and needs to come down. LCP gave Arbor an estimated quote of \$90,000 plus the cost of air monitoring and other environmental reviews. This will cost over \$100,000 for demolition. The City can take the property down unless the owner stops paying taxes. Arbor, through the land bank, offered to count it towards their LISC grant for demo's a couple of years ago, but it was put back in the tax auction. The owner spent over \$450,000 on engineering reports for this property. This property is in the top 10 of properties the City would like to demolish. A suggestion was made that the City and Arbor partner to get this building demolished by putting a lien on the property. There was discussion about using unrestricted funds, but the board did not feel that was a good idea since we are not sure of future funding of the land bank. Arbor could amend the budget for 909 Farnham Street and use \$17,000 of unrestricted funds. D. Kenny commented

that the tipping fees are \$60,000 and fewer companies are taking asbestos. E. Miran commented that there is no money set aside for demolition, but she will look into it further. The land bank could draw from the Enterprise grant. Eventually \$90,000 would come back when Farnham Street sold. In the long run we are losing \$100,000. D. Kenny suggested splitting the cost. J. Glass suggested giving the City the lot and it could recoup its money in redeveloping it. If Enterprise money is used, does it limit who the property can be sold to? This could be a significant loss. A. Wandell commented that there is about \$389,000 in unrestricted funds. J. Furman suggested engaging others in this property. Look at developing the lot. Most developers want property that is ready to be developed. There was further discussion. J. Furman is not in a place to make that decision. The DRI money has all been allocated. This discussion was tabled until the August meeting.

Funds Allocations: A. Wandell talked with Enterprise regarding using their funds to demolish 424 Balsam Street. The properties on Clinton Street and Farnham Street met the deliverables. We need to meet goals with leftover funds in addition to rehabs. Unrestricted funds will be updated. Enterprise will be happy. A. Wandell further commented that due to COVID, there might be a potential extension into June 2021. Arbor is looking at the scope of work. They will let Enterprise know that we may need an extension.

ADJOURNMENT

Next Meeting: The next meeting will be on August 19, 2020 at 9:00 AM, most likely via teleconference. On a motion by N. Wagoner, seconded by J. Roman and unanimously carried, the meeting adjourned at 10:30 AM.

Respectfully submitted,

Mary K. Rocchi
Recording Secretary