

Rochester Land Bank Corporation
Meeting Minutes
February 16, 2023
City Hall, Room 223B
30 Church St, Rochester, NY 14614

Board Members Present: Carol Wheeler, John Fornof, LaShay Harris, James Smith
and Eric Van Dusen

Board Members Absent: Erik Frisch and Kurt Martin

Non-Board Members Present: Paul Scuderi, Stephanie Prince, Maritza Mejias and Rianne A. Mitchell

The meeting was called to order at 3:03 pm by Carol Wheeler.

James Smith moved that the minutes from the last meeting held January 19, 2023 be approved; LaShay Harris seconded. The motion was approved by the board at 3:04 pm.

Eric Van Dusen joined the meeting at 3:06 pm.

John Fornof then presented the **Treasurer's Report and the Cash Disbursement Report for the month of February 2023**. Payments were listed on the cash disbursement report. Payments were made to Monroe County for Pure Waters Charges on Land Bank properties; payment was made Shuman Construction for roof repair at 88 Rosemary Drive; payments were made to the *Democrat and Chronicle* and the Daily Record for advertisement of the RFP for Property Manager; and payment was made to Center State CEO, fiduciary for the New York Land Bank Association, for 2023 association membership dues.

Treasurer's Report for the month of February classified the disbursement accordingly and reported revenue represented refunds from cancellations of sales from the 2022 City Tax Foreclosure Auction.

All reports were distributed to all members for review.

There were no items of business before the board. Carol Wheeler introduced the next item on the agenda **Review Draft Report to City Council**. It was noted that the Land Bank Board Chair will make the annual report to the municipality at the City Council Committee meeting on Wednesday, March 8th at 4:00pm. James Smith explained the change from previous years of presenting to City Council to presenting at a Work Session to this year's presentation at the Department of Neighborhood and Business Development Committee meeting as part of an effort City Council has made to be more transparent and accessible to the public. He explained that while the report was not part of the departmental approval process, City Council also view this monthly meeting as a time to hear presentations related to the activities of committee.

Rianne Mitchell presented the draft, explaining that the Land Bank is required by the Land Bank Act to annually report by March 15th to the municipality(ies) that formed it on the projects undertaken, the monies expended and the administrative activities of the Land Bank in the previous year. The format was dictated primarily by the categories of information required in the Land Bank Act, but begins with highlights which for 2023 included a Special Project to rehabilitate a property within a Historic Preservation District for use as affordable rental, the Land Bank Initiative funding application, and the completion of the Neighbors for Neighborhoods program.

The initial section of the report consisted of the Administrative Activities of the Land Bank. Carol Wheeler asked why there were two resolutions to approve the sale of 225-227 Michigan Street. Rianne Mitchell explained that this property was the final Neighbors for Neighborhoods program property and that the program had certain requirements for the purchasers – such as proximity to the property and the number of properties owned. A review of the initial purchaser revealed that not all the criteria had been met so the property was put back on the market and sold to a fully eligible purchaser.

The next section covered projects undertaken and discussed in greater detail the final Neighbors for Neighborhoods (N4N) project and the Special Project in the Susan B. Anthony neighborhood that were mentioned in the Highlights section. LaShay Harris asked why there was a difference in the length of the affordability term for the two rehabilitation projects. Rianne Mitchell explained that the terms were related to the funding sources. The N4N program required twenty years of affordability, but the Special Project was subsidized by funds with no designated affordability term. The Land Bank settled on a 10-year term as it provided half the subsidy that was provided by the N4N program. Carol Wheeler noted, for clarity, that none of the projects were funded by federal HOME dollars which have a 15-year affordability requirement. The final project noted was the stabilization of the roof of a Zombie property purchased by the Land Bank from a third-party lien holder to facilitate its ultimate sale for homeownership. Three additional activities mentioned included the Land Bank Initiative funding award from New York State Homes and Community Renewal, the Development Partner Request for Qualification for participation with the Land Bank in the 2022 City Tax Foreclosure Auction and the Request for Proposal for a Property Manager.

The Expenditures section is comprised of the Audited Financial Statements which were presented to the board at the Annual Meeting in September and are available on the Land Bank's website.

The report also included anticipated upcoming activities such as a Phase II funding application of the Land Bank Initiative released in early February. Applications are due March 13th. John Fornof asked how long is the term for the Phase 2 LBI grant. The grant will be for a term of 18 months from award. Eric Van Dusen asked the total amount that will be made available and if we expect the process to be very competitive. HCR has \$20 million for Phase 2, but some will be withheld to support any additional Land Banks that are formed during the grant term. The funding is solely available to New York State Land Banks and there are currently 26, so there may be some competition but it is clear HCR wants to provide funds to every land bank that can use them. Carol Wheeler expressed her hope that the Land Bank's application would include a focus on geographic areas to complement the City's community revitalization investments. John Fornof asked if this process will be the model for Land Bank funding going forward and whether the Land Bank had adequate capacity to successfully compete for funding in a competitive environment.

Additional upcoming activities include the Land Bank's participation in the development and implementation of a workplan to increase racial equity in homeownership as part of the multi-city Closing the Gap (CTG) Network funded by a grant from Living Cities; and Rehabilitate the Dream in Rochester, a Land Bank partnership with HOME Headquarters the Land Bank's continued participation in the New York Land Bank Association and the City's Landlord Summits. A table detailing the Land Bank's property acquisitions and dispositions and appendices with photos of the highlighted activities concluded the report.

The next item of discussion was the Housing Quality Task Force recent update, led by Carol Wheeler, who is also co-chairperson of that task force. Eric Van Dusen also sits on the Task Force. Ms. Wheeler noted that the update on the City's response to the Task Force's initial recommendations is available on the City Website and that future updates are currently scheduled at 6-month intervals. The first update was regarding the increase in hiring for Code Enforcement. Several new Code Enforcement Officers have been added and a dedicated Housing Attorney has been hired. This has resulted in a significant reduction in response time for enforcement of violations and demolition defaults. There will be an RFQ to identify receivers so that the City may use

receivership to mitigate the need for litigation. LaShay Harris asked if the increase hiring was solely in response to current needs or if succession planning had been taken into account. Carol indicated that the recent hiring had focused on the current need, but that she would take the feedback on the need for succession planning back to the taskforce. Next was a discussion of strategizing. LaShay Harris who pays the cost of the demolitions performed by the City. Carol Wheeler explained that while the City fronts the cost of private demolitions that are ordered by the Housing Court, it bills the owners and if the bill is not paid in a timely manner adds the charge to the property taxes.

Next, Carol Wheeler pointed out that procedural changes were made at the City's Tax Foreclosure Auction to attempt to forestall purchase of properties by known bad actors and those without adequate resources to maintain the number of properties they own. A cross-functional team has been established and meets regularly to determine the appropriate strategies to keep track of and address privately-owned vacant property. The City is empowered to make emergency repairs to privately-owned rental property and, as with demolitions, charge the cost back to the property owner. The City scaled up its support of RENEW, a multi-agency program to increase resources for "whole house rehab." Eric Van Dusen pointed out that the ESL Foundation was able leverage the City's investment increase its own investment in RENEW to \$1 million over four-years. Finally, the City's vaunted Buy the Block program in which new homes are being constructed for affordable homeownership has its first six of a planned 24 properties under construction and now has a model available for viewing. LaShay Harris expressed that she was impressed with the layout when City Council was provided with a tour and asked how many models were available. Carol Wheeler informed her that there are six models - two ranch models, one of which is accessible, and four colonials.

Rianne Mitchell brought up a case regarding excess proceeds from tax foreclosure actions that the U.S. Supreme Court agreed to hear this session that will have an impact on how not just municipalities, but Land Banks will operate going forward. Paul Scuderi clarified that an adverse outcome could mean that the Land Bank would be prohibited from using the Preferred Bid to acquire properties. John Fornof brought up legislation regarding excess proceeds that has been introduced at the state level as part of this year's budget.

Rianne Mitchell noted that Land Banks staff was still working to schedule the training on public financing of large residential and mixed development projects based on a workshop that was conducted at the 2022 NYLBA conference in which the board expressed interest and hoped to be able to secure it for this spring.

Carol Wheeler brought the discussion to a close. John Fornof made the motion to adjourn the meeting, Eric Van Dusen seconded, all were in favor. The meeting adjourned at 3:58 pm.

ATTEST:


LaShay Harris, Secretary