



Minutes

Greater Syracuse Property Development Corporation
BOARD OF DIRECTORS MEETING
Tuesday, April 15, 2014 8:00 A.M.
333 W. Washington Street, Suite 130
Syracuse, NY 13202

Board Members Present: Vito Sciscioli, Mary Beth Primo, Dwight L. Hicks, Daniel Barnaba, Jim Corbett

Others Present: Katelyn Wright, John Sidd, Anna Wilson, Crystal Cosentino, Jonathan Logan, Jennifer DeFio, Ben Gray, David Lapierre, Andrew Maxwell, Craig Swiecki, Kerry Quaglia, Stephanie Pasquale, Bob Morris, William Watkins

I. Call to order

Vito Sciscioli called the meeting to order at 8:07 A.M.

II. Roll Call

Mr. Sciscioli noted that all board members except Mary Beth Primo (who arrived later) were present.

III. Proof of Notice

Mr. Sciscioli noted that proper notice of the meeting had been posted.

IV. Minutes

Jim Corbett moved to approve the minutes from the March 18, 2014 meeting of the Board of Director. Dwight Hicks seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY VOTED TO APPROVE THE MINUTES OF THE MARCH 18, 2014 MEETING OF THE BOARD OF DIRECTORS.**

Mary Beth Primo arrived at 8:09 P.M.

V. Executive Summary/Chief Financial Officer's Report

Ms. Wright presented a summary of all properties currently in inventory and board members asked several questions asking for more detail regarding demolition candidates and occupied properties. Ms. Wright indicated that this summary would be a regular part of future executive summaries and that she would add detail in those two categories, as well.

Ms. Wright summarized the CFO's report outlining some changes in accounting procedures resulting from the recent audit and indicated that the previous month was the first month in which the Land Bank experienced positive net income (exclusive of grant income), but that she anticipates increases in maintenance costs to outpace increases in income as the Land Bank's inventory grows.

VI. New Business

Approve Contract with Onondaga County regulating \$500,000 allocated to the Land Bank by Onondaga County

Ms. Wright indicated that the County Legislature had passed legislation to release these funds to the Land Bank on the condition that they be restricted as follows:

- \$150,000 – to function as a guarantee for a loan fund for purchase and construction financing for landlord purchasers of Land Bank properties
- \$150,000 – acquisition and renovation in the Villages of Jordan, Elbridge, and Baldwinsville
- \$200,000 – for deconstruction

Ms. Wright explained that a 10% developer's fee would be earned on the second two lines but not the loan guarantee. She indicated that the restriction on the loan guarantee would expire after five years and the funds, if not expended, would become unrestricted.

She indicated that the villages chosen were those that had approached the Land Bank for assistance and that this fund would be supplemented by the County diverting up to 10 properties from the October tax auction and transferring them to the Land Bank for \$1 each. She indicated that she'd had positive conversations with the Village of Solvay the day prior and that she hopes to identify funding to assist that community as well and that their Codes official, due to negative experience with past tax auctions, expressed great interest in diverting properties there from the auction so that the Land Bank could stabilize the properties and screen the buyers.

Ms. Wright also indicated that while this was not stated in the funding contract, the County would prefer that the \$200,000 not fund several deconstructions in their entirety but that it be used to support the increased cost of deconstruction (over the typical demolition cost) in order to facilitate approximately 24 deconstructions. Ms. Wright described the challenges faced when selecting properties appropriate for deconstruction and suggested that the Land Bank may accomplish 5-6 this year and the remaining in 2015. Mary Beth Primo asked when the Land Bank would be able to start and Ms. Wright indicated that an RFP should be issued within 60 days.

Dan Barnaba moved to pass a resolution authorizing entering into a funding contract with Onondaga County. Mary Beth Primo seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION AUTHORIZING ENTERING INTO A FUNDING CONTRACT WITH ONONDAGA COUNTY.**

Approve Co-Development Agreement with Home HeadQuarters for the renovation of 40 single-family homes to be subsidized by grant funds from the Office of the New York Attorney General

Ms. Wright summarized the terms of the contract between the Land Bank and Home HeadQuarters. Mary Beth Primo asked how the funding would be delivered to the Land Bank and Ms. Wright described that the Attorney General would make quarterly transfers to the Land Bank based on how many units are scheduled to be completed and sold each quarter and that the subsidy check would be cut at closing, from which the gap in construction financing would be filled and the developers' fees be split. Home HeadQuarters will hold title to the properties during renovation and secure the project financing. Ms. Wright described a 60/40 split of the developers' fee as Home HeadQuarters will provide construction management oversight and the Land Bank will provide a steady stream of properties for renovation.

Dwight Hicks moved to pass a resolution authorizing entering into a co-development agreement with Home HeadQuarters. Jim Corbett seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION AUTHORIZING A CO-DEVELOPMENT AGREEMENT WITH HOME HEADQUARTERS, INC.**

Ms. Wright noted that Mr. Hicks had resigned from the Home HeadQuarters board and that Mr. Sciscioli now held a non-voting seat on that board, whereas in the past both would have recused their selves from the vote.

Approve Co-Development Agreement with Onondaga County for the renovation of 10 single-family homes to be subsidized by grant funds from the Office of the New York Attorney General

This contract includes a 70/30 split of developers' fees as the County is responsible for acquiring the properties to be renovated.

Dan Barnaba moved to pass a resolution authorizing entering into a co-development agreement with Onondaga County. Dwight Hicks seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION AUTHORIZING A CO-DEVELOPMENT AGREEMENT WITH ONONDAGA COUNTY.**

Accept title to certain City-owned community gardens

Ms. Wright explained that the City is interested in transferring these gardens to the Land Bank so that all community gardens on 'surplus' public property be managed under one entity and she thought that having a few operating

community gardens would be good advertising for the Land Bank's community garden program and may help attract others to do the same. Vito Sciscioli asked if these were operating community gardens or just sites people were interested in gardening. Ms. Wright said that they'd been gardening on City-owned property for many years and that the gardeners were not opposed to the change in ownership.

Dan Barnaba moved to accept title to 314 Midland Ave and 612 W. Newell Street from the City of Syracuse. Mary Beth Primo seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION TO ACCEPT TITLE TO 314 MIDLAND AVE AND 612 W. NEWELL STREET FROM THE CITY OF SYRACUSE.**

Authorize Executive Director to enter into leases for Community Gardens

Ms. Wright explained that this template lease would allow her to enter into one-year leases with community garden groups but that longer terms would require approval of the board. Mr. Barnaba asked whether the lessees would assume responsibility for snow shoveling. Ms. Wright indicated that they would be responsible for all property maintenance including snow removal.

Mary Beth Primo moved to authorize the executive director to enter into community garden leases using the attached template lease. Dwight Hicks seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION TO ALLOW THE EXECUTIVE DIRECTOR TO ENTER INTO LEASES PER THE ATTACHED TEMPLATE LEASE WITH COMMUNITY GARDENS.**

Approve the Sale of Multiple Parcels of Real Property

Mr. Sidd explained that due to the volume of properties to be sold he recommended using one written resolution that would cover all possible scenarios – above market value, below market value, etc. – and attach the sales summary prepared for each meeting as Schedule A. After some discussion the board members agreed this was acceptable. Ms. Wright proceeded to summarize the offers received for each property. Ms. Primo asked about instances in which the sale is made to someone other than the highest bidder because they plan to occupy the property as their primary residence or immediately sell it to someone who will. Ms. Wright indicated that in many instances the Land Bank advertises that it will wait for such an offer before considering all competing offers for a property. Ms. Primo asked whether a restriction was being placed on the deed to ensure that it remains owner-occupied. Ms. Wright indicated that the enforcement mortgage is forgiven upon completion of the renovation and that they were reluctant to place restrictions on the deed that might complicate the title. Mr. Barnaba noted that in some instances the buyer may be unable to quickly sell to an owner occupant and feel compelled to lease the property for a period of time. Mr. Sidd suggested that the board may meet with counsel in private to discuss various options for enforcing this goal. Ms. Wright noted that there was a typo in the sales summary and 237 Harriette should also be bound by a mortgage to be discharged upon completion of the project as proposed.

Ms. Wright discussed neighborhood displeasure with permanent rental signs affixed to the exterior of residential buildings. She revealed a concern that such a term in the enforcement mortgage would only apply until the mortgage discharge. The board suggested that a promise be secured in writing and while it may not be enforceable over the long term, buyers interested in purchasing additional properties from the Land Bank in the future would likely continue to perform to remain in good stead with the organization. She suggested this restriction should be placed on 216 Boise and 269 Jamesville Ave and that 209 Boise should not be allowed to be used for parking. She discussed concern over balancing the dispositions in this neighborhood between rentals and those that would be owner occupied and Jonathan Logan, representing the Citizens Advisory Board, indicated that they had reviewed the applications for these properties and agreed that the Land Bank had some leverage over buyers wishing to purchase more properties in the future and hoped that would be utilized to encourage high quality renovations that improve the surrounding neighborhood. Ms. Wright noted that 232 Harriette would be renovated using AG funds for sale to an owner occupant.

Mary Beth Primo moved to approve the sale of multiple parcels of real property per the attached sales summary as amended. Dwight Hicks seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A**

RESOLUTION TO APPROVE THE SALE OF MULTIPLE PARCELS OF REAL PROPERTY PER THE ATTACHED SALES SUMMARY AS AMENDED.

Approve the sale of the following properties to Home Headquarters Inc. for renovation and sale to income-qualified owner-occupants using Community Initiative grant funds awarded to the Greater Syracuse Land Bank by the Office of the NY Attorney General.

Ms. Wright explained that the Land Bank's contract with the Attorney General requires the completion of 10 homes by September 30th and that six additional properties would likely be on next month's agenda.

- a. 141 Dawes Avenue
- b. 132 Fenton Street
- c. 307 Herbert Street
- d. 132 Bennington Drive

Jim Corbett moved to approve the sale of multiple parcels of real property to Home Headquarters, Inc. Dan Barnaba seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION TO APPROVE THE SALE OF MULTIPLE PARCELS OF REAL PROPERTY TO HOME HEADQUARTERS, INC.**

Adopt standards for energy efficiency upgrades required of properties sold for by the land bank for renovation and operation as residential rentals

Ms. Wright explained that quality and affordable housing was in short supply in Syracuse and that in most instances landlords have no incentive to insulate or make energy efficiency upgrades since tenants pay the utility bills. She explained that they wanted to address this by requiring basic energy efficiency upgrades of rental properties purchased from the Land Bank and that such requirements could be utilized as an educational guide for others purchasing property from the Land Bank. She hoped that such requirements would reduce utility bills but not be so onerous as to discourage landlords from purchasing properties from the Land Bank. Mr. Barnaba asked whether these requirements exceeded code and Andrew Erickson responded that most are required by code but that Energy Star appliances were not.

Dan Barnaba moved to adopt the standards for energy upgrades. Mr. Hicks seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION TO REQUIRE MINIMUM ENERGY EFFICIENCY UPGRADES OF BUYERS PLANNING TO OPERATE RESIDENTIAL RENTALS.**

4518 S. Salina Street sidewalk replacement

Ms. Wright indicated that the City of Syracuse had condemned and replaced the sidewalks at 4518 S. Salina Street and that the Land Bank had the option of paying the bill in full now or putting it on the tax bills and paying at 7% over several years. She noted that the property is currently listed for sale. Mr. Barnaba asked whether these costs would then be passed along to the buyer. Mr. Sidd indicated that the buyer would likely argue for a concession at closing. There was some debate over whether to pay in full or put the bill on the taxes.

Mr. Hicks moved to pay the bill in full. Mr. Barnaba seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION TO PAY THE BILL IN FULL.**

VII. Discussion

Ms. Wright reminded all present that there would be a budget hearing in Common Council Chambers the next day regarding \$1.5 million allocated for the Land Bank in the City's next budget and that a public hearing will be held at 6:00 PM on April 30th.

She indicated that regular meetings of the Finance Committee would be of great use and Mr. Barnaba agreed that a regular convening of this committee would be helpful to provide oversight of regular expenditures of the organization

as its inventory and maintenance expenses grow. He asked that Ms. Wright email the committee proposed regular meeting dates and she said that she would propose that the committee meeting on the fourth Tuesday of odd months starting in May.

Mr. Corbett congratulated Ms. Wright on being elected chairwoman of the NY Association of Land Banks and she said she looked forward to a role leading this group as land banks across NY develop their operations.

VIII. Adjournment

Mary Beth Primo moved to adjourn the meeting. Dwight Hicks seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY AGREED TO ADJOURN THE MEETING AT 9:26 AM.**