Minutes
Greater Syracuse Property Development Corporation
BOARD OF DIRECTORS MEETING
Tuesday, August 18, 2015 8:00 A.M.
431 E Fayette Street, Suite 375
Syracuse, NY 13202

Board Members Present: Vito Sciscioli, Daniel Barnaba, Dwight L. Hicks, and Jim Corbett

Board members Excused: Julie Cerio

Others Present: Katelyn Wright, John Sidd, Ben Gray, Pat Stanczyk, Jake Thorsen, Kerry Quaglia, Crystal Cosentino, Phil Berrigan, Honorable Bob Dougherty, Glenn Riemenschneider, Rich Puchalski, Stephanie Pasquale, Joe Saya, Owen Chaffer, Craig Swiecki

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I. Call to order

Vito Sciscioli called the meeting to order at 8:00 A.M.

II. Roll Call

Mr. Sciscioli noted that Julie Cerio was excused from today's meeting.

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 of the July 21, 2015 meeting. Dan Barnaba seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY VOTED TO APPROVE THE MINUTES OF THE JULY 21 MEETING.**

V. Executive Summary and CFO's Report

Katelyn Wright directed the board's attention to the June 2015 financial statements and noted that the Land Bank's expenditures to date were only 1/3 of the total budgeted for the year and explained that this was largely due to the slower than expected pace of foreclosures and because the monthly expense will grow exponentially over the course of the calendar year as the inventory expands. She noted that the rest of the summary referred to new business on today's agenda.

VI. New Business

A. Authorize the sale of multiple properties

Ms. Wright asked whether the board wished to go through the details of all 14 sales, which are summarized in Schedule A attached to the resolution authorizing their sale. Mr. Barnaba asked if she could provide a quick summary of each. She summarized the information contained in Schedule A and went through a slideshow of images showing each property.

After discussing the details of 122 Huron Street, Dwight Hicks asked if any of the smaller houses owned by the Land Bank could be used by A Tiny Home For Good, a local non-profit organization that is interested in providing safe and

private housing to individuals struggling with homelessness. The issue was briefly discussed with Third District Common Councilor Bob Dougherty, who is also a board member of A Tiny Home for Good.

Ms. Wright noted that David Dunlap's offer on 201 Craddock Street and 1423 W. Colvin St. is contingent on his being able to purchase both properties. She went on to explain that Dunlap intends to sell both properties to an owner occupant but requests the option to operate the properties as rentals for one year, if he does not get a reasonable offer within four months. Ms. Wright informed the Board that Dunlap purchased 409 Seeley from the Land Bank and suggested not to convey the houses until the mortgage of 409 Seeley is discharged, which will be subjected to an inspection in the near future. Councilor Dougherty inquired why the price for 201 Craddock was so low. Land Bank staff informed Dougherty and the board that house was part of the Home-Ownership Choice program and had been on the market for several months, but this was the only offer received so far despite several price adjustments. Ms. Wright noted that the City of Syracuse's Department of Neighborhood and Business Development identified these areas as priorities for owner occupancy. Ms. Wright noted that 1423 W. Colvin St. is the first house that is being sold with has Mandatory Minimum Renovation Specifications.

Ms. Wright noted that a typo was made in last month's agenda and 506-12 Avenue is presented again here, with the correct amount offered. Mr. Barnaba noted separate typo on the sale's supplement which Ms. Wright corrected to say that John Barden plans to invest $125,000 in renovations for 506-12 Park Avenue.

Ms. Wright informed the Board that the sale of 121 Wood Ave deviates from the normal disposition policy of the Land Bank, which normally requires that the Land Bank solicit competing offers. The house was not listed competitively because to do so would require that the property first be vacated. In this case, while the tenants did not have the means to purchase the home (but are given first right of refusal per the Residential Relocation Policy), their neighbor wishes to purchase the home and operate it as a rental so that they will not be displaced. Mr. Rowser plans to provide a new roof and exterior renovations to the house. Ms. Wright explained the Land Banks inclination to not displace the current tenants and that landlords who live next door to their rental property are more likely to maintain the property in good condition so this appeared to warrant the noncompetitive sale.

Dan Barnaba suggested sending the slideshow to the board members along with the agenda packet and sales supplement prior to the meeting. Mr. Barnaba also suggested adding a field for days on market for each property on the Sales Supplement and tracking the average days on market for all sales.

Ms. Wright informed the board that the average price of homes in FY 2015 are far lower than 2014. She reminded the board of a discussion in January to amend the Disposition Policy to deny offers below 90% of the asking price in the first 60 days on market in order to discourage low offers. Ms. Wright suggested amending this policy to possibly extend the amount of time in which offers below 90% are not accepted and/or raising the asking prices of Land Bank houses to reverse this trend.

Mr. Barnaba raised the concern that Willowbank is the broker for all the sales this month excluding one sale by Reppi Real Estate. Ms. Wright explained that the Land Bank has been increasing the amount of listing with Reppi and Saya Real Estate but that they are still learning the process and working to increase their listing capacity. Mr. Barnaba suggested a more competitive brokerage process could increase the sales price of the properties.

Dan Barnaba moved to approve the resolution to sell multiple properties. Jim Corbett seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED THE RESOLUTION TO SELL MULTIPLE PROPERTIES.**

B. Accept 234 Hunt Ave via donation

Ms. Wright informed the Board that Ms. Joyce Bowles-Casler owner of 234 Hunt Ave wants to donate the property to the Land Bank. Ms. Wright mentioned that Ms. Bowles-Casler has given up on renovating the property and would likely next let it go into tax-delinquency and foreclosure. She suspected that it would be in the best interest of the Land Bank to accept the property before it further deteriorates. Ben Gray mentioned he was able to inspect the exterior of the house and look inside the windows but not complete a full inspection before the board meeting.

John Sidd asked if Ms. Bowles-Casler would be willing to pay the taxes for the property. Ms. Wright informed Mr. Sidd and the Board that she did not think she could afford to. Mr. Barnaba asked if she has tried to put the house on the market and sell it herself, which she has not. Ms. Sciscioli asked what the backed taxes on the house was, which there are none. Mr. Sciscioli recommended the approval of the donation contingent on if an inspection proves that the house in not a demolition candidate. Dan Barnaba moved to accept the donation of 234 Hunt Ave contingent on an inspection and determination that it is not a demolition candidate. Dwight Hicks seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED ACCEPTING THE DONATION OF 234 HUNT AVE CONTINGENT ON AN INSPECTION AND DETERMINATION THAT THE PROPERTY IS NOT CANDIDATE FOR DEMOLITION.**

C. Amend Terms of 409 Seeley Avenue Enforcement Mortgage

Ms. Wright explained that David Dunlap purchased 409 Seeley Ave from the Land Bank planning to renovate and flip it to an owner occupant. The board chose to sell it to him rather than the highest bidder, who bid $1,000 more, because his promise to sell to an owner occupant. He has experienced unexpected cost overruns and would like to operate the property as a rental instead. The current enforcement mortgage states he would have to complete the renovations and sell to an owner occupant in order for the Land Bank to discharge the mortgage. He requests that the terms be amended and he be allowed to pay the $1,000 difference between his and the higher bid and be allowed to operate the property as a rental. Dan Barnaba moved to authorize amending the enforcement mortgage for 409 Seeley Ave. James Corbett seconded the motion. **MR. SCISIOLI, MR. CORBETT, AND MR. BARNABA VOTED TO AMEND THE ENFORCEMENT MORTGAGE FOR 409 SEELEY AVE. MR. HICKS VOTED AGAINST THE RESOLUTION.**

D. Amend and Extend Co-Development Agreement with Home HeadQuarters, Inc. for Round 2 AG Funds and to Include Demolition Project Management

Ms. Wright explained that the Land Bank has an existing co-development agreement with Home HeadQuarters for the first round of AG funds, which are to be spent by the end of 2015. The current co-development agreement covers only for AG-funded renovations. The amended agreement would extend the term to cover Round 2 renovations (to be completed by the end of 2016) and would also cover Home HeadQuarters' management of AG-funded demolitions on the Land Banks behalf. The agreement also allows for a larger portion of the developers fee to be paid to HHQ for Round 2 renovations.

Mr. Corbett asked if the AG funded demolitions would count towards the benchmark number of demolitions set by the City of Syracuse. Ms. Wright explained that they would and that the funding contract with the City does not specify where the funding for demolitions needs to be drawn from, but just sets production benchmarks to be met during that fiscal year.

Mr. Barnaba asked Ms. Wright to recap the benchmarks to be met using AG funding and where the Land Bank stands in meeting those goals. Ms. Wright explained that Round 1 funding requires that 40 homes be renovated by the end of 2015 by HHQ and 10 by the County and that both are on track to meet those goals. Kerry Qualia explained that the Home HeadQuarters was near completion for all their remaining renovations. Ms. Wright explained that houses needed to be renovated and filled by an owner-occupant for the terms of the AG funds. Mr. Barnaba asked Mr. Qualia if these were their sole source of renovations funds. Mr. Qualia responded that they are just a portion of the renovation subsidy HHQ receives annually and their organization completes renovations outside this program with State Home Funds, State Affordable Housing Funds, and Community Development Block Grant Funds. Mr. Barnaba asked if the round 2 AG funds has a renovation obligation through next year. Ms. Wright explained when the round 2 AG funds were awarded the contract between the Land Bank and the AG's office was extended and amended to include benchmarks for both rounds of funding and that this resolution would do the same thing with Home HeadQuarters. Ms. Wright continued to say that the Land Bank has already completed nine of 20 demolitions required with Round 1 funding and would like Home Headquarters to manage the remaining 11 demolitions due before the end of 2015 and those that must be completed in 2016.

Mr. Sidd noted that Mr. Sciscioli is a non-voting member of the Home HeadQuarters board, but that the relationship should be mentioned in the conflict of interest certification signed for today's meeting and that he'd be sure to add it to the attachment. Mr. Corbett moved to amend and extend the co-development agreement with Home HeadQuarters for round 2 AG grant funds. Mr. Hicks seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE RESOLUTION TO AMEND AND EXTEND CO-DEVELOPMENT AGREEMENT WITH HOME HEADQUARTERS, INC. FOR ROUND 2 AG FUNDS.**

E. **Authorize Entering into a 2015 funding contract with Onondaga County**

Ms. Wright explained that the attached 2015 funding contract with Onondaga County for a total of $500,000 allows $300,000 for any Land Bank use and $200,000 for a 'revolving fund' for the purchase of bank owned properties (mortgage foreclosures). Of the $300,000 only 10% can be used for administrative expenses. None of the $200,000 can be used for administrative expenses. Mr. Barnaba expressed his concerned that the restrictions of the funds weren't clearly defined and could possibly lead to the Land Bank misspending the funds if both parties didn't interpret the contract the same way. Ms. Wright assured the board that all restricted grant funds are held in restricted accounts and the purpose of each draw is detailed in the payment voucher. Mr. Sciscioli asked if the funding contract had any mention of sewer use fees. Ms. Wright said that there was not.

Mr. Corbett moved to authorize the funding contract. Mr. Hicks seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE RESOLUTION TO AUTHORIZE ENTERING INTO A 2015 FUNDING CONTRACT WITH ONONDAGA COUNTY.**

Mr. Sciscioli suggested the board move agenda item F. "Renew ED's Employment Contract" to the end of the meeting so it could be discussed in executive session.

Procurement

G. Payment of 15/16 City/School Tax Bills

a. Previously Contested Board Up Charges

i. $63,378.30 initially billed has now been waived for work completed prior to Land Bank's acquisition

ii. $2,589.12 paid 7/31/15 in order to avoid late charges (seeking retroactive approval)

Ms. Wright reminded that board that last month the Land Bank received the 15/16 City/School tax bills and there were a portion of the bills that did not treat the Land Bank as exempt. The Land Bank is currently grieving those charges. Ms. Wright continued to explain that there were another set of 'board up' charges which were grieved and ultimately waived because the charges were for the property before the Land Bank took title, but that $2,589.12 in charges were not waived and those bills need to be paid. The Land Bank is still waiting to receive some reissued bills reflecting their exempt status.

Mr. Barnaba moved to authorize the payment of the expenses above. Mr. Hicks seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE RESOLUTION FOR PAYMENT OF 15/16 CITY/SCHOOL TAX BILLS.**

H. Renew General Liability Coverage (Labor Law + Umbrella)

Ms. Wright explained that the Land Bank carries a premises based liability policy for slip and fall type claims, but that policy does not cover NY Labor Law the Land Bank carries an additional GL policy covering all subcontracted work, currently carried by Scottsdale, but that Brown & Brown had obtained a quote for this coverage through Admiral at a far lower rate. Scottsdale's quote for the coming year totaled $99,162 while Admiral quoted the same coverage for $40,301. The Land Bank carries an umbrella policy over this for an additional $1,000,000, but as of this morning the quotes have not yet come in and so she is also seeking approval from the board to procure which ever umbrella coverage is quoted the lowest (since the current policy expires August 31, 2015 before the board meets again).

Mr. Barnaba asked if the Land Bank's service contracts require subcontractor identification of the Land Bank and requires contractors to name the Land Bank as an additional insured. Ms. Wright responded that the Land Bank does and the Land Bank's insurance reviews the risk transfer language included in the Land Bank's property management contracts.

Mr. Corbett moved to renew general liability coverage and approve the lowest bid for umbrella coverage. Mr. Barnaba seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE RESOLUTION TO PROCURE GENERAL LIABILITY COVERAGE WITH ADMIRAL AND AN ADDITIONAL $1 MILLION UMBRELLA POLICY FROM THE LOWEST BIDDER.**

I. Renew Workers Compensation Coverage

Ms. Wright said that the Land Banks current workers compensation insurance provider (CNA) no longer covers this class of business. Ms. Wright stated that the Land Bank had received a quote from Selective whose rates are lower that were previously offered by CNA. Selective quoted at $4,472 for a year of coverage. Mr. Barnaba warned about the potential audit that insurance providers conduct and to make sure the Land Bank has coverage for their employees as well as proof of coverage for the contractors the Land Bank retains.

Mr. Hicks moved to authorize the procurement of workers compensation coverage with Selective. Mr. Corbett seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE RESOLUTION TO PROCURE WORKERS COMPENSATION INSURANCE THROUGH SELECTIVE.**

J. Renew Subscription to eProperty Plus (Increased Number of Licenses)

Ms. Wright explained that eProperty Plus is a web based software that the Land Bank uses as its property management database. The Land Bank staff has, up until this point, been able to get by sharing one user profile

although at this time they would like to expand to four user profiles because sharing is a violation of their usage contract and so that each employee will be managing their own work queue rather than a shared list of outstanding jobs. One of the changes implemented as a result of the joint City/County audit was to utilize eProperty plus to track all non-routine services performed at the properties and each employee will be better able to manage their role overseeing contractors with their own user profile.

The increased number of users would increase the cost of the software from approximately $3500 to $9000. Mr. Hicks and Mr. Barnaba asked if all employees needed subscriptions and if the price of the subscriptions had been negotiated. Ms. Wright said one of the user licenses is for a 'light' user so the price is reduced and the other three are full user licenses. Mr. Barnaba asked if there are competing products on the market. Ms. Wright answered that there is one other software developed specifically for land banks by the Cuyahoga Land Bank, but it is still under development and isn't yet as fully functional as eProperty Plus and that while its annual cost is lower it's up-front customization cost is high.

Mr. Corbett moved to renew the subscription to eProperty Plus. Mr. Barnaba seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE RESOLUTION TO RENEW SUBSCRIPTION TO EPROPERTY PLUS.**

I. Amend Contract with Catholic Charities to Provide Additional Direct Relocation Assistance

Ms. Wright explained that the current contract with Catholic Charities provides funding for ¾ full time case worker who provides relocation services to occupants living in Land Bank properties, admin/overhead costs, and financial aid to occupants which would can cover first month's rent or security deposit. To date Catholic Charities has used all but $913 of the funds budgeted for financial aid to occupants. Ms. Wright mentioned that this financial aid helps occupants transition faster and smoother than they would without financial assistance. Ms. Wright proposes to add $9,000 to the budgeted financial aid and increase their administrative fee accordingly bringing the total increase to $10,079.80. Catholic Charities has relocated 33 households this year 18 of which have received financial assistance as well, at an average of $651.50 of financial assistance per household.

Mr. Barnaba moved to amend the contract with Catholic Charities. Mr. Corbett seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE RESOLUTION TO AMEND CONTRACT WITH CATHOLIC CHARITIES TO PROVDE ADDITIONAL FINANCIAL ASSISTANCE TO OCCUPANTS.**

VII. Old Business

A. Incorporation of the New York State Land Bank Association

Ms. Wright explained that the New State Land Bank Association members been debating whether or not the organization wanted to formally incorporate or remain an unincorporated association. They have chosen to incorporate and the association's members will be each of the ten current New York Land Banks, with each appointing a representative, likely its Executive Director, to serve on the board of directors. So far Ms. Wright has served as chair of the state association.

John Sidd proposed to the board would they support joining the New York State Land Bank Association as a member, pay dues on an annual basis as determined by the board of directors which are initially set at $1,500. Mr. Sciscioli suggested that the Land Bank does join due to the fact that they are an advocacy group for Land Banks as a unified voice to New York State. Mr. Sidd continued to say that the Association provides a forum for the Executive Directors to

bounce ideas off one another and is planning to incorporate as a 510(c)4 which has more advocacy abilities than a 501(c)3 organization.

Mr. Sidd commented that the association was very active this year in drafting amendments to the Land Bank Act which has passed the assembly and the senate and is waiting to be signed by the Governor. Ms. Wright mentioned that on October 22nd all ten Land Banks will convene in Syracuse for their annual summit. John Sidd informed the board that there is a certificate of incorporation filled out and ready as well as a drafted set of bylaws if the board wishes to view them. Mr. Barnaba moved authorize the Land Bank's membership in the New York State Association of Land Banks and to authorize the expenditure of $1,500 for dues. Mr. Hicks seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE LAND BANK'S MEMBERSHIP IN THE NEW YORK STATE LAND BANK ASSOCIATION AND PAYMENT OF 2015 DUES.**

VIII. Discussion

- **Review Management Response to County Comptroller/City Auditor Audit of Land Bank**

Ms. Wright distributed to the board a copy of the draft audit prepared by the Count Comptroller and City Auditor as well as a draft of Land Bank's management response. Ms. Wright noted that the management response contains a brief introduction, a response to each of the audits recommendations, and a final summary. The summary states that the Land Bank is a new organization which is adapting its policies and procedures as it grows and will continue to do so and will look to the audit in the future for guidance. It also covers accomplishments made by the Land Bank and describes the public benefits the organization provides. Ms. Wright reminded the board that early in the audit process Mr. Sciscioli sent a letter to the auditors stating that the Land Bank believed it was not legally obligated to participate in the audit process and that they submitted to it voluntarily. Ms. Wright asked they board if the board felt it was necessary to restate this in the management response. Mr. Sciscioli stated that including the Land Bank's belief that the Land Bank is not legally bound to participate in the audit would create a public record and help in any future litigation that may occur. Mr. Sciscioli stressed that it was important that the board vote to issue the management response quickly in order to proactively respond to the findings in the audit. Mr. Barnaba expressed that he would like more time to review that management response. Ms. Wright stated that the auditors are expecting the response to be submitted this afternoon as they are eager to issue their final report. Mr. Sidd recommended that the board authorize the Executive Director and the Chairman to submit the management response incorporating any feedback the rest of the board would like to provide later in the day.

Mr. Barnaba moved to authorize the executive director and the chairman to submit the management response and include and comments provided by the board as they seem fit by the end of business today. Mr. Hicks seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED TO AUTHORIZE THE EXECUTIVE DIRECTOR AND THE CHAIRMAN TO SUBMIT THE MANAGEMENT RESPONSE TO THE DRAFT AUDIT UPON THEIR RECIEPT OF COMMENTS FROM THE BOARD BY THE END OF BUSINESS TODAY.**

- **2016 Funding Request of the County**

Ms. Wright directed the board to a funding request letter to the Onondaga County Executive included in their packet. She stated that she had worked with Mr. Sciscioli and Mr. Corbett to draft the letter, and all were concerned about its length, but thought it important to fully recap the purpose of the land bank and its dependence on the City and County governments. The letter requests $1.5 million from Onondaga County in their 2016 budget. Mr. Corbett noted that this was consistent with the audit's findings that both governments will need to provide greater financial support if the Land Bank is to perform the task ahead of it. All board members agreed with issuing the letter as drafted.

- **City 15-16 Funding Contract Between the City and Land Bank**

Ms. Wright noted that the Common Council has held a committee meeting to discuss the proposed 2015-16 funding contract between the City and the Land Bank, at which a wide range of topics were discussed. She noted that there didn't seem to be consensus around restricting funding to specific uses, but that several councilors were interested in expanding upon the performance benchmarks included in the contract. All wanted to review the audit report before additional revisions were to be proposed and no more progress would likely be made until after the audit report was issued. Ms. Wright noted that the Land Bank shouldn't vote to accept additional properties until it becomes clear whether the contract would include restrictions on the use of funds and whether the $750,000 claw-back provision that has been in the contract for the past two years would be removed. This way the land bank will know how much unrestricted funding it can count on before projecting future income and expenses associated with more acquisitions. She noted that the Land Bank should also know whether they would be exempted from sewer unit charges in 2016 before accepting additional properties. All board members present agreed this was a prudent course of action.

- **State Comptroller's Office of Research Project on Land Banks**

Ms. Wright informed the board that she was contracted by the State Comptroller's Office's Research Division and had conducted a two hour interview with two of their staffers who are seeking to better understand what land banks are and how they operate and will be issuing a report on NY Land Banks sometime next year.

- **Renewal of Executive Director's Employment Contract**

A motion was made by James Corbett to enter executive session for the purpose of discussing the employment history of the Executive Director, the motion was seconded by Dan Barnaba, and the motion passed on a unanimous vote of the directors present at 9:20 AM. Counsel was asked to attend.

A motion was made in executive session by Daniel Barnaba to renew the employment agreement of the Executive Director for an additional term of two years with a salary increase equal to 5% of the Executive Director's current salary in year one and a salary increase equal to 7.5% of the then current Executive Director's salary in year two. The motion was seconded by James Corbett and the motion passed on a unanimous vote of the directors present.

A motion was made in executive session by Daniel Barnaba to amend the current budget to accommodate the salary increase for the Executive Director as of September 1, 2015. The motion was seconded by Dwight L. Hicks and the motion passed on a unanimous vote of the directors present.

A motion was made by James Corbett to conclude the executive session, the motion was seconded by Daniel Barnaba and the motion passed on a unanimous vote of the directors present and the meeting resumed in open session at 10:08 AM.

A. Adjournment

Dwight Hicks motioned to adjourn. Dan Barnaba seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY AGREED TO ADJOURN THE MEETING AT 10:08 AM.**