



BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION
BOARD OF DIRECTORS MEETING MINUTES
May 24, 2018 – 11:00 AM
Brisbane Building Conference Room 521
403 Main St. Suite 602
Buffalo, New York 14203

Call to Order by Brendan Mehaffy

ATTENDANCE:

Board Members Present: Brendan Mehaffy, Timothy Ball, Michael Siragusa,
James Comerford Jr., O.J. McFoy, Joseph L.
Maciejewski, Donna J. Estrich, Michael Ball

Board Members *Excused*: Joseph Hogenkamp, Thomas Hersey, Frank
Krakowski

Board Members *Absent*:

Fiscal Agent Present: Robert Keating

BENLIC Counsel Present: Martin Polowy

BENLIC Staff: Jocelyn Gordon, Alex Carducci, Ben Brown

BENLIC AmeriCorps: Andrea Folgherait

Guests: Bill Parke - BURA

HAND OUTS:

Agenda; Minutes of May 2018 Board Meeting; May 2018 Treasurer's Report; Resolutions;
Rehab Grant Projects Inventory and Fund worksheet.

NEW BUSINESS:

1. Roll Call
2. Approval of April 2018 Minutes – with Real Estate Committee Minutes of 5/9/2018:
The minutes of the April 19, 2018 Board of Directors Meeting were presented and

reviewed. A motion to approve was made by Joseph Maciejewski, seconded by James Comerford, and unanimously carried as approved.

3. Treasurer's Report: Treasurer Joseph Maciejewski presented a Treasurer's Report as of March 29, 2018 with a balance of \$1,977,537.12 (M&T Bank). A motion was made by Joseph Maciejewski to approve, seconded by Timothy Ball, and unanimously carried as approved.
4. **Resolution #2018-28** – Budget Amendment #01

BENLIC has experienced and anticipates changes to operational and administrative activities affecting its 2018 budget. BENLIC Staff and the Corporations Audit and Finance Committee met previously last month on April 26, 2018 in order to discuss these budget items; previously meeting on an annual basis now will be meeting on a quarterly basis to review the budget in tighter timeframes. The Committee reviewed an up-to-date 2018 BENLIC Budget document including proposed changes to the 2018 budget, adopted in late 2017. Some of the items adjusted for BENLIC expenses are as follows: HR Consultants - EK Ward, changes regarding liability as well as changes for demolitions, and altering BENLIC's travel budget for attending the Center for Community Progress Conference in Milwaukee, WI. Additionally, the Corporation should recognize only so much new revenue to support the new spending - BENLIC received 5 REO/Property Donations line and cash concessions recognized to balance a new revenue figure of \$25,523.00. The Audit and Finance Committee of the Corporation recommends a budget amendment to reflect such changes. A motion was made to approve by Donna Estrich, seconded by James Comerford Jr, and unanimously carried as approved.

5. **Resolution #2018-33** – Major Rehab Projects – New Construction BENLIC In-House Sales Commission

BENLIC has begun to list, market, and dispose of property with the use of in-house staff. Currently, all sales have been through the BENLIC Note & Mortgage or Side Lot Programs. This allows BENLIC to have a hands-on approach when walking offerors through the purchase process, and explain questions surrounding the organization and its mission.

Historically, BENLIC has relied upon third-party realtors for major rehab and new construction sales; paying for the buyer's side finder's fee. This is an ordinary six-percent (6%) sales commission for brokers upon closing, per BENLIC's Brokerage Agreement. BENLIC now seeks to move away from paying the six percent (6%) finder's fee, by utilizing an in-house sales staff member. BENLIC realizes that local agents representing potential offerors are of value to the organization and can aid in fulfilling its mission to return property back to productive use. However, this enables BENLIC to limit realtor commissions as BENLIC staff do not receive any compensation for real property sales.

BENLIC's Note & Mortgage will remain at \$500.00 - less involved and cash buy, whereas BENLIC realizes Rehab and New Construction sales carry a more complex purchase process than a Note & Mortgage Sale. Interested offerors must access financing, document and verify income through the BENLIC Homebuyer Application, and successfully close on a home purchase. Therefore, in lieu of a standard commission, BENLIC wishes to provide a \$2,000.00 commission to any licensed buyer's agent participating in a BENLIC rehab or new construction in-house real estate sale. This commission would be exclusive only to in-house sales that are renovations/new

construction projects; the Board discussed whether this should be a policy adopted for either a renovation versus new construction projects.

BENLIC to pay at closing a \$2,000.00 buyer's commission to licensed real estate agents acting on behalf of buyers of BENLIC real property listed in-house for new construction and complete rehab projects to amend, not to exceed, and at the discretion of the Board, was motioned by Micheal Siragusa, seconded by Joseph Maciejewski, and unanimously carried out as approved.

6. **Real Estate Committee Report:**

A. *Dispositions:*

- **Resolution #2018-34** – 9194 Lakeshore, Evans – Note and Mortgage Sale

The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) acquired the property of 9194 Lake Shore Road, Town of Evans via the 2017 Erie County In-Rem Foreclosure Auction. BENLIC listed the property for sale in April 2018 at a price of \$38,000, selected for in-house sales under the Note & Mortgage Program; BENLIC staff held property showings, collected offers, and fielded property inquiries as opposed to third-party realtors. Additionally, under BENLIC's Note & Mortgage Program, there are no income limit requirements for potential buyers.

BENLIC preformed necessary stabilization improvements to the property, investing \$4,953 for a new electrical service. The estimated cost of repairs is \$44,400 with a lien value of \$36,408. BENLIC received seven (7) offers, all cash offers, ranging from \$24,000-\$55,100. BENLIC Real Estate Subcommittee Members have reviewed all offers and support a disposition to Rebecca & Brandon Jones (owner occupants) who offered an original \$38,000, with an exceptional Purchase Application Package. BENLIC offered them the opportunity to counter because of their detailed redevelopment plan showing significant investment. The Jones's countered at \$55,100 – that partnered with the well-developed and thought out scope supported their offer.

Board of Directors authorizes the disposition of the property of 9194 Lake Shore in the amount of \$55,100 by an Agreement of Sale of Real Property with first priority to offeror, Rebecca & Brandon Jones, and in so doing follows the proper procedure for disposal of real property by negotiation as described in the Property Disposition Guidelines of the Corporation; motioned to approve by Joseph Comerford Jr., seconded by Donna Estrich, and unanimously carried as approved.

- **Resolution #2018-35**– 166 Pearl, Blasdell – Note and Mortgage Sale

The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) acquired the property of 166 Pearl Avenue, Village of Blasdell via the 2016 Erie County In-Rem Foreclosure Auction. BENLIC listed the property for sale in April 2018 at a price of \$35,000, selected for in-house sales under the Note & Mortgage Program; BENLIC staff held property showings, collected offers, and fielded property inquiries as opposed to third-party realtors. Additionally, under BENLIC's Note & Mortgage Program, there are no income limit requirements for potential buyers.

BENLIC made some stabilization improvements investing \$23,347 into the property, including debris removal, asbestos abatement, garage roof repair, new stairs, and glass block windows. The estimated cost of repairs is \$34,750 with a lien value of \$28,495. BENLIC received two (2) offers, both cash offers, E +R Horizons to operate as a rental with an offer price of \$32,000, and Mike Pilecki, an owner occupant with a offer price of \$35,000. BENLIC Real Estate Subcommittee Members have reviewed all offers and support a disposition to Mike Pilecki.

Board of Directors authorizes the disposition of the property of 166 Pearl Avenue, Village of Blasdell, NY in the amount of \$35,000 by an Agreement of Sale of Real Property, with first priority to offeror, Mike Pilecki, and in so doing follows the proper procedure for disposal of real property by negotiation as described in the Property Disposition Guidelines of the Corporation; motioned to approve by Joseph Maciejewski, seconded by Timothy Ball, and unanimously carried as approved.

- **Resolution #2018-36** – 41 Columbia, West Seneca – Note and Mortgage Sale

The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) acquired the property of 41 Columbia Parkway, Town of West Seneca via the 2017 Erie County In-Rem Foreclosure Auction. BENLIC listed the property for sale in April 2018 at a price of \$56,000, selected for in-house sales under the Note & Mortgage Program; BENLIC staff held property showings, collected offers, and fielded property inquiries as opposed to third-party realtors. Additionally, under BENLIC's Note & Mortgage Program, there are no income limit requirements for potential buyers.

BENLIC made some stabilization improvements investing \$952.65 into the property. The estimated cost of repairs is \$39,750 with a lien value of \$32,595. BENLIC received four (4) offers, three (3) of which being cash offers, and one (1) 203K Financing. BENLIC and BENLIC Real Estate Subcommittee Members have reviewed all offeror packages, two homeowner applications in particular: Jason and Jessica Mitchell offer price \$53,000 and Fisayo Yomi-Odedvi offer price of \$35,000. BENLIC offered Yomi – Odedvi to counter; who then countered \$46,000.

BENLIC and BENLIC Real Estate Subcommittee Members recommended the higher offer of \$53,000 (\$3,000 seller concession), Jason and Jessica Mitchell, a veteran family using a 203K Loan to assist in converting the property into a Single-Family home. There was discussion around the offer not being the highest offeror; BENLIC saw this as an opportunity to support and promote a 203K financing loan –a first time project for BENLIC. BENLIC Board of Director authorize the Mitchell's the disposition of the property of 166 Pearl Avenue, Village of Blasdell, NY in the amount of \$56,000 by an Agreement of Sale of Real Property, with first priority to offeror, Jason and Jessica Mitchell, and in so doing follows the proper procedure for disposal of real property by negotiation as described in the Property Disposition Guidelines of the Corporation; motioned to approve by Michael Siragusa, seconded by James Comerford Jr., and unanimously carried as approved.

Bid Approvals

- **Resolution #2018-37** – 137 Griffith, Sloan – Roof – BENLIC Stabilization

BENLIC acquired 137 Griffith, Village of Sloan, NY 14212 via Erie County In-Rem 164 tax foreclosure auction. The property is a good candidate for BENLIC rehabilitation as a single-family home in a relatively stable neighborhood, would not only provide a new homeowner to the community but also investment into community stabilization efforts. The property has been cleaned out and abated of asbestos material.

The bid was written by the BENLIC Building Inspector and includes major items:

- Complete roof replacement;
- Expand soffit area for ventilation and side;
- Install new gutters and downspouts.

The bid was released on May 11, 2018, with a submission deadline of May 22, 2018. BENLIC received two (2) bids: Residential Construction Services bidding \$22,620, and Sunset Custom Homes bidding \$18,900 – just under BENLIC Building Inspectors estimate of \$20,000. BENLIC and BENLIC Board of Directors discussed the need for a more diverse and variety of contractors to place bids – which BENLIC is continuously making actions to reach out to local contractors in hopes of gaining more interest. Furthermore, BENLIC Board of Directors approves the bid from Sunset Custom Homes Inc. of \$18,900 with unit pricing as above and authorizes the execution of a contract for said amount to perform construction services for the benefit of BENLIC, was motioned to approve by James Comerford Jr., seconded by Michael Siragusa, and unanimously carried as approved.

- **Resolution #2018-38** – E Hazeltine, Kenmore – Roof, Porch, Foundation – BENLIC Stabilization

BENLIC's mission is to return vacant, abandoned and tax delinquent property to productive use. Fannie Mae has offered to donate the following property 56 E. Hazeltine Avenue, Village of Kenmore to BENLIC In September of 2017. BENLIC staff were contacted by Village of Kenmore officials regarding a potential bank donation. BENLIC Staff toured the property with Kenmore Building Inspector, Mike Burns, shortly after. Due to strong market conditions, manageable rehab scope/size, and strategic location to local amenities, staff believe the property to be an appropriate acquisition. BENLIC staff believe the property would be marketable for resale sold either as a Note & Mortgage, with potential stabilization work completed by BENLIC.

The bid was written by the BENLIC Building Inspector and includes major items:

- Basement Stabilization – removal of driveway and install of support pilasters on all basement walls;
- Complete roof replacement including fascia/ soffit and gutter work;
- Demolition of porch, install stairs to front entry door;

The bid was released on May 11, 2018, with a submission deadline of May 22, 2018. BENLIC received two (2) bids: Residential Construction Services bidding \$61,022, and Sunset Custom Homes bidding \$41,950– just above BENLIC Building Inspectors estimate of \$37,500. BENLIC Board of Directors approves the bid from Sunset Custom Homes Inc. of \$41,950 with unit pricing as above and authorizes the execution of a contract for said amount to perform construction services for the benefit of BENLIC, was motioned to approve by James Comerford Jr., seconded by Michael Siragusa, and unanimously carried as approved.

- **Resolution #2018-35** – 652 Lisbon, Buffalo – Complete Project – Re-bid – LISC Funded

BENLIC acquired 652 Lisbon in the City of Buffalo from the Buffalo tax foreclosure auction in October 2015. The property is a good candidate for LISC rehab funding, as it is a two-family home in a low-moderate income neighborhood. The property has already undergone a portion of the planned rehab work as BENLIC had previously engaged with a contractor for construction services. The prior contractor was unable to complete the project. BENLIC now wishes to complete the remaining improvements.

The bid was written by the BENLIC Building Inspector and includes major items:

- Complete roof replacement;
- New flooring, interior doors, and trim
- New hot water heater;
- Baths (2) and kitchen rebuild;
- Exterior – remove overgrowth including trees, new gutters, new entry doors, etc.

The bid was released on May 11, 2018, with a submission deadline of May 22, 2018. BENLIC received two (2) bids: Residential Construction Services bidding \$98,323, and Sunset Custom Homes bidding \$88,800– just above BENLIC Building Inspectors estimate of \$75,250. A scope change calling for windows prior to this estimate was amended by Michael Siragusa, seconded by Timothy Ball, and unanimously carried as approved. Furthermore, BENLIC Board of Directors approves the bid from Sunset Custom Homes Inc. of \$88,800 with unit pricing as above and authorizes the execution of a contract for said amount to perform construction services for the benefit of BENLIC, was motioned to approve by O.J. McFoy, seconded by Donna Estirch, and unanimously carried as approved.

- **Resolution #2018-35** – 375 Northumberland-Change Order-Complete Project – Window Replacement

BENLIC acquired 375 Northumberland in the City of Buffalo from the Buffalo tax foreclosure auction in October 2015. A bid for complete project rehab to Sunset Custom Homes was approved March 22, 2018. The contractor was given notice to proceed for the work on 4/30 and started roofing work about 5/8. Upon their start they discovered nearly all the existing windows, of which most were in acceptable condition, broken. The contractor submitted a quote for replacement of the sixteen (16) windows broken for \$8,000 or \$500 per window including trim around the exterior.

The completion date for this project is July 29.

The Board suggested to better secure homes with a new locking system in neighborhoods where BENLIC properties have been damaged and/or vandalized before. BENLIC Board of Directors wishes to amend its construction agreement with Sunset Custom Homes by \$8,000 to furnish and install sixteen (16) windows, increasing the agreement sum from \$69,700 to \$77,700 was motioned to approve by O.J. McFoy, seconded by Joseph Comerford Jr., and unanimously carried as approved.

7. **Executive Director's Report:**

- National Fuel Pilot Program – Subsidized Gas Equipment – BENLIC as PILOT partner - \$500,000 fund
- HR Consultants – Next Steps after Focus Group

8. **Media Report:**

- Thompson- Reuters, Washington DC Media Interview April 30th – national Land Bank Article under edit
- Ken-Ton Bee Article – published May 22nd
- Tonawanda Sun Article – published May 24th
- 2018 Center for Community Progress Reclaiming Vacant Properties Conference, Milwaukee, WI – Panel Presentation May 15th
- 2018 Inclusive Prosperity Conference, Rochester, NY – Panel Presentation May 22nd

Adjournment:

A motion to adjourn the meeting was made by Timothy Ball, seconded by Michael Siragusa, and unanimously carried as adjourned.

NEXT MEETING: Board of Directors – 11 a.m. June 21st , 2018
Location: Brisbane Building Conference Room 521 (403 Main St)

Recorded by: Andrea Folgherait, BENLIC Staff
Submitted for Approval: Jocelyn Gordon, Executive Director
Adopted by BENLIC Board Members on _____