



BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION
BOARD OF DIRECTORS MEETING MINUTES
September 20th, 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, Joseph L. Maciejewski, Joseph Hogenkamp, Frank Krakowski, Donna J. Estrich, Thomas Hersey

Board Members *Excused*: James Comerford Jr, Michael Siragusa, O.J. McFoy, Timothy Ball

Board Members *Absent*:

Fiscal Agent Present: Robert Keating

BENLIC Counsel Present: Martin Polowy

BENLIC Staff: Jocelyn Gordon, Ben Brown

BENLIC AmeriCorps: Andrea Folgherait

Guests: Bill Parke - BURA

HAND OUTS:

Agenda; Minutes of September 2018 Board Meeting; September 2018 Treasurer's Report; Resolutions; and a cross comparison chart displaying the *Original 2018 Request for Foreclosure (RFF) Submissions* submitted to BENLIC, and the *Proposed 2018 Erie County In-Rem Selections*.

NEW BUSINESS:

1. Roll Call
2. Approval of August 2018 Minutes – with Real Estate Committee Minutes of 9/12/2018: The minutes of the August 12th, 2018 Board of Directors Meeting were presented and reviewed. A motion to approve was made by Frank Krakowski, seconded, and unanimously carried as approved.
3. Treasurer's Report: Treasurer Joseph Maciejewski presented a Treasurer's Report as of August 31, 2018 with a balance of \$2,209,075.40 (M&T Bank). A motion was made by Joseph Maciejewski to approve, seconded by Joseph Hogenkamp, and unanimously carried as approved.
4. Real Estate Committee Report:

Resolution #2018-55 – Approval of Bid Properties at County of Erie In Rem Auction 2018

Buffalo Erie Niagara Land Improvement Corporation (BENLIC) conducts an annual Request for Foreclosure (RFF) Process. This process encourages representatives from Erie County municipalities to review eligible tax-delinquent parcels and present “candidates” to BENLIC Board of Directors for acquisition and return structures back to productive use. BENLIC engaged in the RFF process with the intent to obtain an inventory of properties for the purpose of achieving the return of the selected properties to productive use – including but not limited to stabilization, improvement and resale of residential property, sale of property to municipalities, sale of side lots to adjacent owners, etc.

BENLIC presented two lists to The Board – one displayed property that was originally apart of BENLIC’s Request for Foreclosure (RFF) Submissions. This list has properties differentiated to show which were requested by the municipality, however were not fit for BENLIC to acquire - there is also property that was lost due to tax redemption. The second list is composed of properties proposed for the 2018 Erie County In Rem Auction, some properties on this list were new properties submitted to BENLIC by municipalities by resolution after December.

BENLIC asked the Board to approve 47 acquisitions (knowing some will redeem) at the County Auction. BENLIC has the capacity to do more and this will help to fill out the slate of upcoming grant money. Board member, Joseph Maciejewski, motioned to make an amendment BENLIC have a property that was not fit for BENLIC acquisition, put back on the list for acquisition. The issue being Village of Depew originally wanted to take that property for a buyer who was interested in building apartments. However, owed back taxes. Maciejewski was able to confirm that it was not the interested buyer who owed taxes, but a family member. Following, Joseph Maciejewski made a motion to amend, seconded by Thomas Hersey, and unanimously carried out to amend. A motion to approve the acquisition of 47 properties at the 2018 Erie County In Rem 166 Tax Foreclosure auction was made again by Joseph Maciejewski, seconded by Thomas Hersey, and unanimously carried out as approved.

For more on the RFF process, please refer to BENLIC Rules and Procedures.

Resolution #2018-56 – Approval to Bid at County of Erie In Rem Auction 2018 – City of Buffalo Property

The City of Buffalo Office of Strategic Planning (OSP) identified 34 absentee-owned properties slated to be auctioned in Erie County’s In Rem sale 2018. OSP used data from the City’s Housing Opportunity Strategy to analyze property and block conditions. The properties and blocks were rated from 1 (highest) to 5 (lowest). The list of 34 identified properties comprised of properties rated *at* or *below* the various block’s average, with a strategy to consider acquisitions and improvement of properties that were adversely affecting the block.

There was discussion around the situation regarding City of Buffalo properties being at the County Auction, Board Chair and BENLIC Executive Director discussed having the policies and procedures reflect this change as well, instead of an exception and/or waiver each year. BENLIC Board Chair requested this as the last year there’s waiver, and for BENLIC to work with council to amend and reflect this change. A motion to approve bid of City of Buffalo Properties at Erie County In Rem was made by Frank Krakowski, seconded by Thomas Hersey, and unanimously carried out as approved.

Resolution #2018-57 - Approval of BENLIC-City of Buffalo Bid Assignment Agreement

Moving from County Auction to City of Buffalo Auction, BENLIC presented to the Board the Buffalo Bid Agreement that BENLIC worked with council on. In order to enable a slight change to the Agreement – the existing Agreement allows BENLIC to take up to 10% of Buffalo properties, which resulted in BENLIC acquiring only three properties this past year. Two of these properties went to Habitat for Humanity, leaving BENLIC with only one property; this same problem is also expected again this year. The change to the language would still reflect BENLIC up to 10%, however, the option of a written request from the Executive Director of the Office of Strategic Planning (OSP) to give BENLIC the option to take more property. The property has to be identified and approved by both the OSP Executive Director and BENLIC’s Executive Director. The reason and purpose behind the changes to the language is to provide BENLIC with a larger volume of property. Processes and abilities NYS Land Banks have to dispose of property is at a much more effective and efficient rate. Whereas the City’s disposal of property is more burdensome and slower because of the mass amount, and the processes and procedures the City has to abide by. A motion to approve was made by Donna Estrich, seconded by Joseph Hogenkamp, and unanimously carried out as approved.

A. Dispositions:

Resolution #2018-58- 375 Northumberland, Buffalo – OAG Buffalo

BENLIC acquired 375 Northumberland Avenue, City of Buffalo via City of Buffalo In-Rem 54 in 2016. Using funding from the New York State Attorney General's (OAG) Office Community Revitalization Initiative grant award to rehabilitate the home. BENLIC listed the property for sale in August 2018 at a price of \$62,900. As an OAG funded project, qualified offers must make no more than 100% the Erie County Area Median Income adjusted for household size. BENLIC has reviewed offers, including both the Property Purchase Application and the Homebuyer Application.

Knowing that this property would receive high interest from a lot of first-time home buyers and all the paper work to review with prequalification's, BENLIC decided having a realtor to assist with collecting applications and reviewing all offers applications was necessary. BENLIC received eight complete offers. BENLIC Staff and realtor, Kiersten Minnick, met prior to the Board in order to review each offer thoroughly and deliver what BENLIC and Minnick agreed to be the best three priority offers. There was discussion around what qualified to be a priority offer, how the appraisal of the property would go, and how offers that vastly exceeded the asking price seemed unlikely to close. This was because the buyer would need to make up the difference depending on the appraisal, which was confirmed that many of the offerors couldn't do.

The Board also took into consideration having a down payment. If there was zero down payment the Board felt it would also be less likely to close. BENLIC initially wanted all three priority offers to be approved in case of one falling through, however, the Board declined to approve all three offerors due to arising issues with what the property could be appraised at. Depending what the property is appraised at and how the price changes would affect the second and third priority offers. BENLIC would need to be able to handle this situation as fair as possible, which could be difficult given the circumstances. In clarification, this means if an offeror couldn't make up the difference with the appraisal on the property, BENLIC would go to second priority offeror – where this person's original offer would/could technically have been lower than the first priority offer.

The Board was hesitant approving all three offerors not knowing that an appraisal could match or be lower than the second priority offeror. Due to the factors at play, the decision was to approve only one offeror. The first priority offeror, Domonique Gibson, with an offer of \$85,000, M&T as her lender, with 4% down. The Board accepts the offer of Domonique Gibson at \$85,000, and that the disposal of the property is in the amount of no less than \$72,900 (second priority offeror). The Board also authorizes Staff to go to \$72,900, however only based upon appraisal. A motion to approve was made by Joseph Hogenkamp, seconded by Joseph Maciejewski, and unanimously carried as approved.

Resolution #2018-59- 107 Longview, Buffalo – OAG Rehab

BENLIC acquired the property of 107 Longview Avenue, City of Buffalo via City of Buffalo In-Rem 54 in 2016. BENLIC used funding from the New York State Attorney General's (OAG) Office Community Revitalization Initiative grant award to rehabilitate the home. BENLIC listed the property for sale in August 2018 at a price of \$57,900. As an OAG funded project, qualified offers must make no more than 100% the Erie County Area Median Income adjusted for household size. Similar to 375 Northumberland, BENLIC Staff knew that 107 Longview would also receive high interest from first-time home buyers, and with all the paper work to review with prequalification's BENLIC decided having the same realtor, Kiersten Minnick, to assist with this sale was necessary.

BENLIC also received eight complete offers for this property, BENLIC Staff and Minnick met again prior to the Board in order to review each offer thoroughly and deliver what BENLIC and Minnick felt to be the best three priority offers. Taking in the same considerations as the previous property, 375 Northumberland, there were concerns around how the property would appraise. Considering closing costs, types of loan products, and the likeliness to successfully close, the Board and BENLIC wanted to remain consistent with the process of the previous offerors on Northumberland. In order to do so, the first priority offeror, Evelyn Jones submitted an offer of 75,000, \$4,500 concession, using LW Integrity Loan financing, and a 3.5% down payment. The Board accepts the offer of Evelyn Jones at \$75,000, and that the disposal of the property is in the amount of no less than \$67,401 dependent on appraisal. A motion to approve was made by Donna Estrich, seconded by Thomas Hersey, and unanimously carried as approved.

Resolution #2018-60- 22 Coe, Buffalo – Note & Mortgage Rehab

BENLIC acquired the property of 22 Coe Place, City of Buffalo via City of Buffalo In-Rem 55. The property was listed in-house, through the Note & Mortgage Program, by BENLIC staff in July 2018 at a price of \$12,500. To date, BENLIC has put in minimal investment of \$4,465 in order to secure and clean out the property of debris. BENLIC received one offeror, Buffalove Development LLC, at the listing price of \$12,500. Buffalove submitted a well-developed package, establishing experience operating 20 rental units in the City, having \$167,000 available in funds, and a planned investment of \$136,650. BENLIC sees this as a responsible buyer, given the experience, an estimated \$120,000 cost of repairs, and a lien value of \$50,000 on the property. A motion to dispose 22 Coe Place, Buffalo, NY in the amount of \$12,500 was made by Joseph Maciejewski, seconded by Thomas Hersey, and unanimously carried as approved.

Resolution #2018-61- 898 East Delavan, Buffalo – Note & Mortgage Rehab

BENLIC acquired the property of 898 East Delavan Avenue, City of Buffalo via City of Buffalo In-Rem. BENLIC listed the property for sale in August 2018 at a price of \$26,000. This property was listed by a third-party realtor as opposed to in-house by BENLIC staff. BENLIC has performed extensive stabilization repairs to the property totaling over \$85,000. The property has new siding, windows, tear-off roof, and minor stabilization improvements. The property received one offeror, Abdul Khalique, submitted an offer of \$26,786 with plans to renovate and occupy with his family. Khalique has \$142,000 in available funds and plans to invest \$73,200. Having rehab experience of homes outside of Erie County, BENLIC felt this to be a fair offer price due to there being an estimated \$131,200 cost of repairs and a lien value of \$50,000 on the property. A motion to dispose 898 E Delavan, Buffalo, NY in the amount of \$26,786 was made by Donna Estrich, seconded by Joseph Hogenkamp, and unanimously carried as approved.

Resolution #2018-62- 61 Mill, Angola – As Is Sale

BENLIC acquired the property of 61 Mill Street, Village of Angola via Erie County In-Rem 164. BENLIC listed the property for sale in July 2018 at a price of \$5,000. This property was listed in-house by BENLIC staff as an as-is sale. BENLIC received one offeror, Abdulla Alasri, submitted a package of \$5,199, with \$40,000 available in funds, and a planned investment of \$30,000 in materials. Alasri has experience renovating five properties prior and will be completing the work himself. A motion to dispose of 61 Mill Street, Village of Angola for \$5,199 was made by Frank Krakowski, seconded by Donna Estrich, and unanimously carried as approved.

B. Enforcement Lien Discharge (Actions):

- 121 Irwinwood, Lancaster/ 76 Chestnut, Evans – Enforcement Lien Discharges

Executive Director's Report:

- AG Grant Rd. 4 - \$1.9 M for 2019-2020. Award Notification 1st Week of Oct.
- Organizational Assessment Survey – Closed Tuesday, September 18th. Next Steps – Priority Action Plan
- Personnel Subcommittee prior to October Board Meeting
- October BOD Meeting Date Change – Thursday October 11th.

Adjournment:

A motion to adjourn the meeting was made by Joseph Hogenkamp, seconded by Thomas Hersey, and unanimously carried as adjourned.

NEXT MEETING: Board of Directors – 11 a.m. November 15th, 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 _____