



BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION
BOARD OF DIRECTORS MEETING MINUTES
December 20, 2018 – 11:00 AM
Brisbane Building Conference Room 521
403 Main St. Suite 602
Buffalo, New York 14203

Call to Order by Joseph Hogenkamp

ATTENDANCE:

Board Members Present: Joseph L. Maciejewski, Joseph Hogenkamp, Frank Krakowski, Donna J. Estrich, Timothy Ball, Michael Siragusa, Thomas Hersey, O.J. McFoy

Board Members *Excused*: Brendan Mehaffy, James Comerford Jr

Board Members *Absent*: Amanda Mays

Fiscal Agent Present: Robert Keating

BENLIC Counsel Present:

BENLIC Staff: Jocelyn Gordon, Ben Brown, Andrea Folgherait

Guests: Bill Parke – BURA, Joe Trapp – Third Estate Ventures

HAND OUTS:

Agenda; Minutes of November 2018 Board Meeting; November 2018 Treasurer's Report; Resolutions; BENLIC's Year in Review Info Graphic, and 2019 Proposed Meeting Schedule

NEW BUSINESS:

1. Roll Call
2. Approval of November 2018 Minutes – with Real Estate Committee Minutes of 12/13/2018: The minutes of the November 15th, 2018 Board of Directors Meeting were presented and reviewed. A motion to approve was made by Joseph Maciejewski, seconded by Donna Estrich, and unanimously carried as approved.
3. Treasurer's Report: Treasurer Joseph Maciejewski presented the November 2018 Treasurer's Report as of November 30th, 2018 with a balance of \$1,988,050.03 (M&T)

Bank). A motion was made to approve by Joseph Maciejewsk, seconded by OJ McFoy, and unanimously carried as approved.

4. Real Estate Committee Report:

A. Acquisitions:

Resolution #2018-82 – NCST / Mr. Cooper Donation 106 Treehaven Road, Buffalo NY

106 Treehaven was one of four donations from the National Community Stabilization Trust (NCST), a non-profit organization that works to achieve similar goals of eliminating property vacancy and abandonment throughout the United States. By settling REO Foreclosures, the NCST is able to donate, or sell property to community housing organizations. The property is in good condition and requires minor repairs before it is ready for resale, making it an appropriate candidate for acquisition. BENLIC staff believes the property would be marketable for first time homebuyers.

Additionally, each property has the potential to make use of rehab-specific grant funds through the *NCST Mr. Cooper Program*. Through settlements with Mr. Cooper (aka Nationstar), properties acquired through the NCST Mr. Cooper Program are eligible to receive up to \$20,000.00 in funds. Properties under this program are not income restricted. BENLIC would utilize these funds for stabilization repairs before an eventual resale. A motion to approve the acquisition of the two properties was made by OJ McFoy, seconded by Michael Siragusa, and unanimously carried to amend.

B. Dispositions:

Resolution #2018-75 (Amended)– Disposition of 234 Carl, City of Buffalo

BENLIC acquired the property of 234 Carl Street, 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 October 2018 at a price of \$79,900.00. As an OAG funded project, qualified offers must make no more than 100% the Erie County Area Median Income adjusted for household size. BENLIC Board authorized disposition to Serita and David Barry, using an FHA mortgage through KeyBank, and an offer price of \$88,000.00 – making net proceeds to BENLIC of \$83,000.00. There were some concerns surrounding the possibility of gentrification occurring in this neighborhood because of properties being sold seemingly higher than usual. However, considering that these are homes sold move-in-ready with new appliances, and BENLIC is providing a new supply of good quality housing opportunities for first time home buyers. BENLIC Board supported the disposition to the Barry’s; a motion to approve was made by Michael Siragusa, seconded by OJ McFoy, and unanimously carried as approved.

Resolution #2018-83- Disposition of 699 S Huth, Town of Cheektowaga

699 South Huth Avenue, Town of Cheektowaga was acquired via donation from the National Community Stabilization Trust (NCST). BENLIC utilized \$60,000 in rehab-specific grant funds through the *LISC Rehabilitation Grant Program*, and went above the match with an investment of \$72,391.00, totaling \$132,391.00 in rehab costs. Through OAG settlements with Bank of America, properties acquired through the NCST are eligible to receive renovation funds upon satisfactory

completion of the program. Properties under this program are income restricted to a low/moderate income buyer; qualified offers must make no more than 120% the Erie County Area Median Income (AMI) adjusted for household size.

BENLIC listed the property for sale in November 2018 at a price of \$99,900 and received two offers very close in value. Jason Allen Jr., presented a slightly higher offer of \$110,250.00 using SONYMA through M&T Bank. A motion to approve was made by Joseph Maciejewski, seconded by Timothy Ball, and unanimously carried as approved.

Resolution #2018-84- Disposition of 13921 Quaker, Town of Collins

13921 Quaker Street, Town of Collins was also acquired via donation from the National Community Stabilization Trust (NCST). Similar to 699 S Huth, properties under this program are income restricted to a low/moderate income buyer; qualified offers must make no more than 120% the Erie County Area Median Income (AMI) adjusted for household size. BENLIC used \$60,000 in rehab-specific grant funds through the *LISC Rehabilitation Grant Program* and invested \$32,888.00 of BENLIC funds, totaling \$92,888.00 in rehab costs. BENLIC listed the property for sale in September 2018 at \$79,900.00 and received one offer from Richard Orzechowski and Brittany Lorrens. Orzechowski and Lorrens submitted a complete package and an offer price well above ask at \$87,000.00, they'll be using a USDA Rural Development loan type. A motion to approve was made by Donna Estrich, seconded by Michael Sirgusa, and unanimously carried as approved.

Resolution #2018-85- Disposition of 136 West Ferry, City of Buffalo

136 West Ferry, City of Buffalo via donation from the National Community Stabilization Trust (NCST). This single-family home was identified by Habitat for Humanity as a strategic acquisition for rehab and resale to an income-eligible family. Due to the distressed nature of the home Habitat will be utilizing additional grant funds provided by Local Initiatives Support Corporation (LISC). Habitat possesses the required experience and funding to undertake such a residential rehabilitation project and will have two years to finish the rehab and obtain a Certificate of Compliance. The organization plans to renovate the residence with the help of volunteers and staff members. BENLIC staff and Habitat for Humanity have negotiated a sale price of \$7,500.00, with already \$1,500.00 invested for stabilization. A motion to approve was made by Joseph Maciejewski, seconded by OJ McFoy, and unanimously carried as approved.

Resolution #2018-86- Disposition of 78 Avery, Town of Cheektowaga

78 Avery Place, Town of Cheektowaga was acquired via the 2017 Erie County In-Rem Foreclosure Auction. BENLIC has cleaned out the interior and installed proper security investing \$2,579.00 - there is an estimated \$30,300.00 remaining in repairs. BENLIC listed the property for sale in September 2018 at a price of \$38,000.00 under the Note and Mortgage Program with a lien value of \$26,846.00. BENLIC staff held property showings, collected offers, fielded property inquiries as opposed to third-party realtors, and have received one offer from Matthew Lijewski. Lijewski plans to perform a renovate and resale with the help of his father, and has a proposed investment of \$30,000.00. A motion to approve was made by Michael Siragusa, seconded by Timothy Ball, and unanimously carried as approved.

Resolution #2018-87- Disposition of 2 Redwood, Town of Cheektowaga

At the request of the Town of Cheektowaga, BENLIC acquired the property of 2 Redwood Drive, Cheektowaga NY at the 2017 Erie County In-Rem Auction. BENLIC proposes to dispose the property to The Town of Cheektowaga for \$37,500, intended for the Cheektowaga Office of Community Development to rehab the property with funds available through CDGB sponsored programs. On completion of the rehabilitation, the property will be resold to an income-eligible first-time homebuyer. Upon acquisition of the property, BENLIC obtained an appraisal for the property; the appraisal returned a value of \$45,000. The Town expressed concern over this value as the home would require extensive repairs and would be sold below fair market value.

The Town indicated that they would be amenable to complete repayment of County back taxes and associated costs BENLIC has incurred such as debris removal. The Board discussed to stay consistent with decisions of transferring property to municipalities at market value, as BENLIC has done in the past. However, some Board Members discussed if it is best for BENLIC to reduce the price in order for the Town to use CDBG funding for other necessary projects in their community, or to stay consistent. The Board discussed the need for precedent and not to base what BENLIC has done in the past with other communities to always be the case moving forward. The Board asked BENLIC to have a further discussion with the Town and explain that in order to stay consistent, the property may need to be transferred at the appraised value. A motion to receive and file was made by Frank Krakowski, seconded by Joseph Maciejewski, and unanimously carried as approved.

Resolution #2018-88- 1040 Backus, Evans Note & Mortgage Extension

1040 Backus Road, Town of Evans was acquired via the 2017 Erie County In-Rem Foreclosure Auction. The Corporation disposed of the property in November 2017 to Queen City Home Repair for \$24,900, with a Note and Mortgage Agreement for \$59,926. BENLIC Building Inspector, John Good, has recently inspected the property and states that Mr. Orcutt completed a great deal of work required within the BENLIC scope. However, some items within the BENLIC scope were not complete and would not be completed by December 18, 2018. Because 90% of the work against the BENLIC scope is complete, a motion to approve extending the Term of Agreement ninety days from December 18th, 2018 to March 18th, 2019 was motioned by OJ McFoy, seconded by Joseph Maciejewski, and unanimously carried as approved.

Resolution #2018-79- Selection and Acquisition of Properties – City of Buffalo Super Bid Properties 2018

As forty-one properties were pre-emptively bid, BENLIC may acquire four properties. An additional three have been requested for retention by BENLIC, totaling seven properties selected for BENLIC acquisition. Out of the selected seven (7) properties, four (4) have been identified for future disposition to existing Buffalo Not-for-Profits. BENLIC will hold the remaining three (3) properties, all vacant lots, for future new housing construction. BENLIC has been awarded an NYS Office of the Attorney General Community Revitalization Initiative (CRI) grant. This grant will specifically explore new urban housing infill construction projects within the City of Buffalo. The properties selected by BENLIC are of strategic value to achieve the CRI grant. A motion to approve City of Buffalo Super Bid Properties for CRI grant was made by Donna Estrich, seconded by OJ McFoy, and unanimously carried as approved.

Resolution #2018-89- Bid Approval – 178 Mapleview, Tonawanda – Roof, Gutters, and Downspouts

178 Mapleview, City of Tonawanda was acquired through the 2018 County Auction to fill its inventory of rehab candidates. The single-family home was inspected by BENLIC Building Inspector who confirmed that the property requires immediate roof replacement to avoid further deterioration of the home. Included with the bid is an asbestos inspection of the roof, this is a common procedure done prior to roof removal and replacement. The bid was released on December 3rd, 2018 with a submission deadline of December 14th, 2018, it entails a tear off roof, new gutters, and downspouts. BENLIC received two bids, awarding the bid to Buffalo Roofing with a base of \$12,500.00 - well under the estimated \$17,000.00. MS Analytical, LLC (a WBE) was awarded the Asbestos Inspection for \$460.00. A motion to approve was made by Donna Estrich, seconded by Timothy Ball, and unanimously carried as approved.

Resolution #2018-90- Bid Approval – 97 Reo, Cheektowaga – Roof, Gutters, and Downspouts

97 Reo, Town of Cheektowaga was acquired through the 2018 County Auction to fill its inventory of rehab candidates. Similarly, the single-family home was inspected by the BENLIC Building Inspector who confirmed that the property requires immediate roof replacement to avoid further deterioration of the home. Included with the bid is an asbestos inspection of the roof, this is a common procedure done prior to roof removal and replacement. The bid was released on December 3rd, 2018 with a submission deadline of December 14th, 2018, it entails a tear off roof, new gutters, and downspouts. BENLIC received three bids, awarding the bid to House Crafters with a base of \$16,605.00 - under the estimated \$22,000.00. Similarly, to Mapleview, MS Analytical, LLC (a WBE) was awarded the asbestos inspection bid for \$395.00. A motion to approve was made by Joseph Maciejewski, seconded by Michael Siragusa, and unanimously carried as approved.

Approval of 2019 Board of Directors Meeting Schedule-

A motion to approve was made by Thomas Hersey, seconded by Frank Krakowski, and unanimously carried as approved.

Executive Director's Report:

- BENLIC Capital Reserve Investment _CD Purchase 6 months/ \$1 Million
- Adoption of BENLIC 2019 Budget
- Program Manager Job Posting
- 2018 Sales/ Real Estate Report

Adjournment:

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

NEXT MEETING: Board of Directors – 11 a.m. January 17, 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 _____