



BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION
BOARD OF DIRECTORS MEETING MINUTES

November 21st, 2019 – 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, Michael Siragusa, Joseph Hogenkamp, Donna J. Estrich, OJ. McFoy, Frank Krakowski

Board Members *Excused*: Timothy Ball

Board Members *Absent*: James Comerford Jr., Amanda Mays, Thomas Hersey

Fiscal Agent Present: Robert Keating

BENLIC Staff: Jocelyn Gordon, Ben Brown, Andrea Folgherait, Marjorie McAllister

HAND OUTS:

Agenda; Minutes of October 2019 Board Meeting; October 2019 Treasurer's Report; Note and Mortgage Discharges; Dispositions; Bid Approvals

NEW BUSINESS:

1. Roll Call
2. Approval of October 2019 Minutes: The minutes of the October 24th, 2019 Board of Directors Meeting were presented and reviewed. A motion to approve Michael Siragusa, seconded by Joseph Hogenkamp, and unanimously carried as approved.
3. Treasurer's Report: Chairman Mehaffy presented the October 2019 Treasurer's Report as of October 31st, 2019 with a balance of \$3,067,367.05. This includes the transfer of the \$1 million dollars from the CD into the account. A motion was made to approve by Joseph Hogenkamp, seconded by Michael Siragusa, and unanimously carried as approved.
4. Personnel Committee: This meeting will be continued prior to the December Board Meeting.

5. Real Estate Committee Report: Real Estate Sub Committee minutes of 11/13/2019 were recorded and a motion to approve was made by Donna Estrich, seconded by Michael Siragusa, and unanimously carried as approved.

A. *Executive Session*: A motion to move into Executive Session was made by Michael Siragusa, seconded by OJ McFoy, and unanimously carried as approved. There was no action taken in this session. A motion to exit Executive Session was made by Michael Siragusa.

B. Dispositions:

Resolution #2019- 52– Disposition of 34 Longnecker, City of Buffalo

The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) acquired the vacant lot at 36 Longnecker Street within the Lovejoy Community via the City of Buffalo Homesteading Program. BENLIC had plans to construct two detached single-family homes and contracted Sunset Custom Homes in August of 2018. BENLIC listed the home in September 2019 for a sale price of \$149,900.00, and later dropped to \$134,900.00. As an OAG funded project, qualified offers must make no more than 100% the Erie County Area Median Income adjusted for household size.

There was an offer made but later withdrawn on the front property (34 Longnecker) due to BENLIC acquiring it from the City of Buffalo with a Homestead Deed Restriction. This deed restriction requires the purchaser to live in the property for three (3) years or pay a fine of \$2,500.00 to the City. BENLIC received one (1) offer on the property for \$142,000.00, however, due to the 3-year requirement, the offeror remitted their offer. BENLIC stated the concern for the deed restriction affecting the sale of the property once relisted. The Board discussed many strategies on how to move forward with the buyer. There was discussion around what the next buyer would do if this restriction was still a part of the sale, and if more people would not make an offer because of it. It was proposed that BENLIC would pay the fine for both homes totaling \$5,000.00 in fines. This opened up discussion on whether BENLIC should pay the fine before an owner occupies the home, or once the owner left if before the 3-year mark.

Furthermore, the Board resolved for the BENLIC to remit the \$2,500.00 dollar payment to the City of Buffalo to remove the Homestead deed restriction for Resolution 2019-52 and Resolution 2019-53. A motion to amend the resolution was made by OJ McFoy, seconded by Joseph Hogenkamp, and unanimously carried out as resolved. A motion to approve as amended was made by Michael Siragusa, seconded by Frank Krakowski, and unanimously carried to approve as amended. A motion to amend as amended, was made by Donna Estrich, seconded by Joseph Hogenkamp, and unanimously amended as amended.

Resolution #2019-53– Disposition of 36 Longnecker, City of Buffalo

Similar to Resolution 2019-52, BENLIC acquired the vacant lot at 36 Longnecker Street, City of Buffalo via the City of Buffalo Homesteading Program. BENLIC successfully subdivided 36 Longnecker Street into two parcels, 34 and 36 Longnecker, and contracted Sunset Custom Homes in August of 2018. BENLIC granted an access easement onto both 34 and 36 Longnecker via BENLIC Resolution #2019-47 to allow future enjoyment of the shared driveway.

BENLIC listed the home in September 2019 at \$149,900.00, and later lowered the price to \$134,900.00. BENLIC received two (2) offers, \$137,000.00 and \$153,700.00. The higher offer was approved for \$153,700.00 with \$8,700.00 in concessions and \$145,000.00 net to BENLIC. The buyers will be using FHA Premium Mortgage, FHA requires the builder to provide a

warranty - which BENLIC confirmed with Sunset Custom Homes. A motion to approve the sale was made by Michael Siragusa, seconded by OJ McFoy, and unanimously carried as approved.

Resolution #2019-54– Disposition of 66 Burch, Town of West Seneca

BENLIC acquired the property of 66 Burch Avenue, Town of West Seneca via Erie County In-Rem Auction in 2017. BENLIC used funding from the New York State Attorney General’s (OAG) Office Community Revitalization Initiative grant to rehabilitate the home. As an OAG funded project, qualified offers must make no more than 100% of the Erie County Area Median Income adjusted for household size. The OAG contributed \$40,000.00 and BENLIC funded the remaining \$125,440.00. The property was listed for sale in October 2019 at \$114,900. One (1) offer was received for \$125,000.00 using a Conventional 1st priority financing type and is anticipated to close on 1/21/2020. A motion to approve the sale was made by OJ McFoy, seconded by Michael Siragusa, and unanimously carried as approved.

C. **Resolution #2019-55**– Driveway Agreement – 140 Toelsin, Town of Cheektowaga

BENLIC acquired the property at 140 Toelsin Road, Town of Cheektowaga via Erie County In-Rem 165. This was an opportunity to provide an affordable homeownership opportunity through the use of NYS OAG Community Revitalization grant funds. The bid was awarded for construction services via Resolution #2019-10. After reviewing a boundary survey of the property through services by Mark A. Fenter, it was discovered that a portion of the driveway encroached upon an adjacent property at 138 Toelsin Road. In order for future owners to have appropriate access to the property, BENLIC must execute a driveway agreement with the owner of 138 Toelsin Road. The driveway agreement shall be binding on subsequent owners. A motion to authorize the execution of the driveway agreement was motioned by OJ McFoy, seconded by Joseph Hogenkamp, and unanimously carried out to approve authorization.

6. A. Note and Mortgage Activity:

Resolution #2019-56– Extend Note Term – 22 Coe, City of Buffalo

BENLIC acquired the property of 22 Coe Place, City of Buffalo via City of Buffalo In-Rem 55. BENLIC disposed of the property via Resolution #2018-60 in September 2018 to Buffalove Holdings LLC. for \$12,500.00. BENLIC then approved a transfer of ownership to a related party, Little Wheel Holding Company LLC., via Resolution #2019-18 in April 2019. The Note and Mortgage Agreement is \$50,000.00. The extension of this term of Agreement would be 182 days, from January 15, 2020 to July 15, 2020.

Resolution #2019-57– Extend Note Term – 9389 Orange, Town of Evans

BENLIC acquired the property of 9389 Orange Street, City of Buffalo via the 2018 Erie County In Rem Auction. BENLIC disposed of the property via Resolution #2018-66 in October 2018 to MWE LLC. for \$15,000.00. The Note and Mortgage Agreement is \$50,000.00. The extension of this term of Agreement would be by six (6) months, from January 25, 2020 to July 25, 2020.

Resolution #2019-58 – Extend Note Term – 93 Lake, Town of Evans

BENLIC acquired the property of 93 Lake Street, Town of Evans via the 2017 Erie County In-Rem Foreclosure Auction. BENLIC disposed of the property via Resolution #2018-9 in March 2018 to Emmett and Kelley Lonergan for \$3,500.00. The property with a Note and Mortgage Agreement is \$24,067.00. A prior of 6-month extension was granted in July 2019 via Resolution #2019-36, this would extend the term of the Agreement by another six (6) months, from December 21, 2019 to June 20, 2020.

BENLIC Staff has recently inspected all three (3) properties and confirmed significant improvements within the BENLIC scope have been completed with every property. Both BENLIC Staff and the purchasers believe that the remaining required rehabilitation items will not be completed until after the current Agreement deadline expires. Therefore, the purchaser has requested a 6-month extension. A motion to approve the three extensions was made by OJ McFoy, seconded by Frank Krakowski, and unanimously carried out to approve extensions.

B. Discharges

- 119 Hedwig, Cheektowaga

On August 26, 2019, YM Property Group purchased the above property subject to a Note and Mortgage in the amount of \$27,265.00. YM Property Group sent a letter dated 11/21/19 informing BENLIC that all work has been completed on the property and requesting that the Note and Mortgage Lien be discharged.

- 44 Sandrock, City of Buffalo

On October 19, 2017, Ezra Littman purchased the above property subject to a Note and Mortgage in the amount of \$21,001.00. Ezra Littman sent a letter dated 11/1/19 informing BENLIC that all work has been completed on the property and requesting that the Note and Mortgage Lien be discharged.

- 100 Lordan, Cheektowaga

On May 29, 2019, Nicholas Giambra purchased the above property subject to a Note and Mortgage in the amount of \$46,412.00. Nicholas Giambra sent a letter dated 11/21/19 informing BENLIC that all work has been completed on the property and requesting that the Note and Mortgage Lien be discharged.

All three (3) of the properties have been inspected by the BENLIC property inspector, who found that all the required work from the Note and Mortgage documents has been completed in a proper and satisfactory manner. It is therefore recommended that the BENLIC Board of Directors approve the discharge of lien regarding the Note and Mortgage. A motion to release all 3 Note and Mortgage Liens was motioned by OJ McFoy, seconded by Frank Krakowski, and unanimously carried out to approve all 3 releases.

7. Executive Director's Report:

- BENLIC City-County Wide Tax Delinquency Report Status
- BENLIC Strategic Plan Update Status

Adjournment:

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

NEXT MEETING: Board of Directors – 11 a.m. December 19th, 2019

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 _____