

**STEBEN COUNTY LAND BANK CORPORATION (SCLBC)**

*Monday, August 6, 2018*

*11:00 a.m.*

*Legislative Committee Room  
Steuben County Office Building  
Bath, New York*

**\*\*MINUTES\*\***

**PRESENT:** Scott J. Van Etten, Chair, Steuben County Legislator – District 13  
Joseph J. Hauryski, Vice Chair, Steuben County Legislature Chairman – District 8  
Jack K. Wheeler, Steuben County Manager  
Pat Donnelly, Steuben County Commissioner of Finance  
Bill vonHagn, Mayor, Village of Bath  
John Buckley, Mayor, City of Hornell

**OTHERS:** Mitchell Alger, Steuben Deputy County Manager/SCLBC Executive Director  
Jennifer Prossick, Steuben Deputy County Attorney  
Tammy Hurd-Harvey, Steuben County Deputy Commissioner of Finance  
Jeanne Glass, Arbor Development  
Danielle Paladino, Arbor Development  
Rocco Soda, Arbor Development  
Kelly H. Fitzpatrick, Steuben County Legislator – District 3  
Frederick G. Potter, Steuben County Legislator – District 10  
Mary Perham

**ABSENT:** Mark Ryckman, Corning City Mayor

**I. CALL TO ORDER**

Mr. Van Etten called the meeting to order at 11:00 a.m.

**II. APPROVAL OF MINUTES**

**MOTION: APPROVING THE MINUTES OF THE JULY 2, 2018, MEETING MADE BY MR. WHEELER. SECONDED BY MAYOR BUCKLEY. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

**III. DISCUSSION/ACTION ITEMS**

A. **Rehab/Demo Updates** – Mr. Alger stated all of the rehab and demo projects have been completed. We did the final walkthrough of Onondaga and have the certificate of occupancy. That is now on the market for sale.

B. **Treasurer’s Report** – Mr. Alger distributed the Treasurer’s Report for review.

C. **Sales Update**

**MOTION: TO ADJOURN REGULAR SESSION AND RECONVENE IN EXECUTIVE SESSION PURSUANT TO PUBLIC OFFICERS’ LAW, ARTICLE 7§ 105.1.H. THE PROPOSED ACQUISITION, SALE OR LEASE OF REAL PROPERTY OR THE PROPOSED ACQUISITION OF SECURITIES, OR SALE OR EXCHANGE OF SECURITIES HELD BY SUCH PUBLIC BODY, BUT ONLY WHEN PUBLICITY WOULD SUBSTANTIALLY AFFECT THE VALUE THEREOF MADE BY MAYOR VONHAGN. SECONDED BY MAYOR BUCKLEY. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

**MOTION: TO ADJOURN EXECUTIVE SESSION AND RECONVENE IN REGULAR SESSION MADE BY MAYOR VONHAGN. SECONDED BY MR. DONNELLY. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

**MOTION: ACCEPTING AN OFFER OF \$178,750.00 FOR THE REHAB PROPERTY LOCATED 232 ONONDAGA STREET, CORNING, NY, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE A PURCHASE/SALE AGREEMENT MADE BY MR. WHEELER. SECONDED BY MR. HAURYSKI. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

D. **Affordability Grant Requirements** – Mr. Alger stated he wanted to have a discussion with the Board about the affordability grant requirements. For at least 80 percent of what we do, those properties have to be sold to a household that makes equal to or less than 100 percent of the area median income, as determined by the United States Department of Housing and Urban Development. For example, a family of four in Steuben County with an annual income of \$64,300 would be eligible to purchase a property from the land bank. Lenders typically do not allow more than 30 percent of a household's income to go towards housing. However, our focus and limitations are on what the household earns. After the sale of our current properties, any future property sales will have to meet these income guidelines.

Mr. Van Etten commented our strategy of cherry picking properties to rehab and sell to cover the costs of the projects is no longer valid. Mr. Alger replied they apparently do not want you to create a sustainable organization and are more focused on the goal of creating affordable housing opportunities. Mr. Wheeler stated if the State funding stops coming in, then at some point we will need to be self-sufficient.

E. **Next Round of Funding Application** – Mr. Alger stated Arbor is working on the new funding application. This next round of funding will not be through LISC, but will come through Enterprise. They are a little stricter on how they manage their grants. With Enterprise, they require the affordability covenant to go for 10 years, instead of the current 5 years. Mr. Alger stated we are one of the only land banks that purchases property from the tax sale versus having the properties donated. We will try to make a case for cooperation between the land bank and the County and emphasize staff time and the costs for the demos.

Mr. Soda stated they will put together a draft application and budget for the land bank to review. There is a total of \$45 million available, with a maximum allocation of \$2 million per land bank. One of the notable differences with the new grantor is that your proceeds shall not exceed 15 percent of what your costs are.

Mr. Van Etten asked with the 5 year covenant through LISC for the income limit, what does that mean? If the buyer purchases and meets the income limit they cannot make more than that for five years? Mr. Donnelly replied no, the restriction is in the deed. Mr. Alger stated the limit with the new grantor will be 10 years. Mr. Van Etten asked what if the buyer loses their job and can no longer afford the home? Ms. Prossick replied they probably could go to LISC to ask for a waiver of the deed restriction.

F. **Insurance Discussion** – Mr. Alger stated when we were working on the Kingsbury property, we were notified that once we received the certificate of occupancy, the general liability policy would end and that was not disclosed in the beginning by our Broker. Colony agreed to extend the coverage through August 22, 2018 on Kingsbury. In the meantime, we received the certificate of occupancy for Onondaga and the carrier notified us they would not extend the coverage like they did for Kingsbury. He stated he purchased a general liability policy so that we have coverage on Onondaga until it sells. After all of this happened, he was notified by Rose & Kiernan that they would not get the quotes before our renewal date of August 22, 2018. He stated that is unacceptable to him and they did not give him a reason why they would not be able to complete that prior to the renewal date.

Mr. Alger stated ultimately he sent them a letter and terminated our services with them until the policy expires or we find something new. We are working with a different broker. We do have Directors & Officers coverage and we will migrate that over to a new broker. He stated he and Mr. Sprague are in the process of purchasing the correct type of coverage we need. The coverage we purchased the first time did not give us door to door coverage. We think now we are on the right tract.

Mr. Sprague stated he is working with the Kuhl Agency in Albany who is very familiar with land banks. We are coming up with full coverage from the time we purchase until the time we sell. He is expecting to get some figures from them mid-week. Mr. Van Etten commented it makes the most sense to have that kind of policy. He asked does the general liability you purchased cover the two vacant lots? Mr. Alger replied no. Mr. Sprague stated there is, however, liability coverage on the vacant lots through an existing policy. They will cancel that August 22, 2018 and Colony will not renew.

**IV. OTHER BUSINESS**

A. **Next Meeting** – The next meeting will be held on Monday, September 10, 2018, at 11:00 a.m. in the Legislative Committee Room.

**MOTION: TO ADJOURN REGULAR SESSION AND RECONVENE IN EXECUTIVE PURSUANT TO PUBLIC OFFICERS' LAW, ARTICLE 7§ 105.1.D. DISCUSSIONS REGARDING PROPOSED, PENDING OR CURRENT LITIGATION MADE BY MR. DONNELLY. SECONDED BY MAYOR VONHAGN. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

**MOTION: TO ADJOURN EXECUTIVE SESSION AND RECONVENE IN REGULAR SESSION MADE BY MR. DONNELLY. SECONDED BY MAYOR VONHAGN. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

**MOTION: TO ADJOURN MADE BY MAYOR VONHAGN. SECONDED BY MR. HAURYSKI. ALL BEING IN FAVOR. MOTION CARRIES 6-0.**

Respectfully Submitted by

Amanda L. Chapman  
Deputy Clerk  
Steuben County Legislature