

TROY COMMUNITY LAND BANK CORPORATION

MEETING MINUTES

Acquisition & Disposition Committee

12:00 PM Thursday August 01, 2019

200 Broadway, Suite 701

Troy, NY 12180

Call to Order

- Mr. Tozzi was asked to facilitate the meeting by Ms. King due to Mr. Barker's delay to attend the meeting.
- Mr. Tozzi called the toll and noted the following in attendance and absent:
 - o Attendees:
 - Brian Barker, Committee Chair
 - Heather King, Committee member
 - Jeanette Nicholson, Committee member
 - Kate Hedgeman, Committee counsel (attending by phone)
 - Tony Tozzi, Committee staff
 - Steve Strichman, City of Troy (public attendee)
 - Camila Fernandez, Enterprise Community Partners (public attendee)
 - o Absent:
 - Gregg Tobin, Ex-officio Committee member
- Mr. Tozzi declared a quorum present, with two of three non-ex officio member present.
- The meeting was declared to order at 12:10 PM.

City Tax Foreclosure Auction

- Mr. Tozzi indicated that the Land Bank needed to submit a list of properties to the City's Surplus Property Review Committee (SPRC) by the end of the day tomorrow. Mr. Tozzi stated that he has gone through the list of foreclosed parcels and has developed a list he would propose to submit to the SPRC, if the Committee was comfortable to do so. He stated that there obviously is not adequate time for the Board of Directors to review or act on foreclosed properties, but that he would feel more comfortable having the Committee discuss and provide feedback regarding what he is proposing.
- Mr. Tozzi handed out information regarding properties in North Central, near North Central, and not near North Central. He also handed out information of properties considered to be of "high value" that he proposed to request from the SPRC, to offset the losses likely to be realized to acquire other properties on the foreclosure list he is proposing.
- Mr. Tozzi provided a summary of properties currently owned by TCLB, and his suggestions for future programming of each.

- Mr. Tozzi explained changes to the City's property disposition process, wherein TCLB no longer needs to submit an application for each property it has an interest to acquire, but instead simply needs to submit a list of properties to the SPRC for their consideration, and that any properties transferred from the City to TCLB would be at no or nominal cost to TCLB.
- Mr. Tozzi suggested that the list TCLB submits to the SPRC includes a 'bundling' of properties, such that properties that can be improved at little expense to TCLB and that can be sold for a profit could partially offset properties where expenses would be substantial and that TCLB would realize a significant financial loss on after sale of said properties.
- Ms. King asked Mr. Strichman how the City would feel about the proposal Mr. Tozzi just described. He replied that he would be supporting the idea, and that he felt others on the SPRC would be as well, but that others on the SPRC and City Council might agree or disagree with his perspective. Mr. Strichman further commented that he feels that most tax foreclosed properties go to investors, and that even though TCLB would technically be considered an investor too, it would be more likely that TCLB would put most properties into the hands of future owner-occupants. He also stated that, by helping TCLB to work on more properties, it would put TCLB in a better position for future grant funding, which would further benefit the City.
- Ms. King stated that she supported the plan. Ms. Nicholson stated that she had no reservations with the plan, and that she felt it was a reasonable plan.
- Mr. Strichman and Mr. Tozzi discussed some specifics of properties to be placed on the list. Mr. Strichman suggested that the list include information regarding what TCLB would intend to do with each building.
- Ms. Hedgeman commented that the Albany County Land Bank and described how ACLB is doing 'cluster developments', and have hired a consultant to determine uses, and then ACLB puts said clusters out to bid to have work undertaken.
- Mr. Strichman stated that he felt people would not have much of an issue regarding distressed properties on the list and what the plan moving forward would be, but probably would have an issue with the non-distressed properties and what TCLB intends to do with them. Mr. Tozzi suggested that he could develop a program for the non-distressed properties that might include having Code Enforcement inspect to identify code violations that TCLB would correct, and make exterior improvements that would be beneficial to not only the subject property, but to the greater neighborhood because it would raise the overall aesthetic value of the neighborhood.
- Mr. Tozzi indicated that he had a conversation with Tania Beghini/Enterprise Community Partners, where she suggested keeping the list of acquired properties short, but to keep in mind that other properties could always be acquired in future foreclosure rounds. Ms. King noted that TCLB could always acquire properties that remain on the tax foreclosure list, in the future, prior to the next foreclosure round and that such properties could be considered as a 'B-list'.
- Mr. Tozzi stated that he regretted that SEAT was not yet under agreement because, if it were, their expertise would have been extremely helpful to forge a more informed list of properties.

- Mr. Tozzi indicated that he was not sure if a formal resolution was needed. Ms. King, Ms. Nicholson and Mr. Barker all stated they were in favor of the plan. No formal resolution motion was made.

Purchase Application Review

- 69 Rensselaer Street – TRIP
 - o Mr. Tozzi stated that this is a property where the City demolished a building on behalf of TCLB, and it is now a vacant lot. He further stated that TRIP is interested to purchase the property, and that they originally wanted to purchase it as a vacant lot, but now they intend to building on it. Mr. Tozzi indicated to Theresa Newton/TRIP that building lots are considered more valuable, and that the property has been listed on the MLS for \$3,500. TRIP emailed a higher purchase price of \$3,000, and did so prior to knowing the slightly higher amount that it is listed for.
 - o Ms. Nicholson asked if this would be for affordable housing, and Mr. Tozzi replied that it would be.
 - o Mr. Tozzi stated that earlier in the week he circulated information provided from Ms. Newton and that members could easily be confused due to the vast amount of information, which included TRIP’s overall development plan, not just 69 Rensselaer, but that when it all is ‘boiled-down’, the proposal is essentially for TRIP to purchase 69 Rensselaer Street at an amount of \$3,000 to construct new housing on. Mr. Tozzi also stated that TRIP’s Board met last night and authorized the higher purchase price of \$3,000.
 - o Ms. Nicholson made a motion to recommend that the Board of Directors sell the property to TRIP at their updated purchase offer of \$3,000. The motion was seconded by Ms. King and was unanimously passed 3-0 without discussion.
- 899 River Street – Alseidi and Alshogaa
 - o Mr. Tozzi indicated that when the Committee last considered the purchase application from this applicant, the stated reason the application was turned down was because the Committee wanted the property to be sold to an owner-occupant.
 - o Mr. Tozzi explained that the partners who submitted a purchase application for 899 River Street and who own property in the nearer vicinity would like to amend their application to note the property will be owner-occupied by one of the partners, and would like the Committee to reconsider their purchase offer.
 - o Committee members discussed various details of the application. It was noted that this property went out to bid and received a low bid in excess of \$350,000, and that the current application proposes to complete work for about 10% of that low bid amount. A member asked if anything else was being changed on the application, other than to offer to owner-occupy the property, and Mr. Tozzi replied that no other changes are being proposed at this time.

- After further discussion, Committee members indicated that they also had concerns that the application did not appear reasonable due to the very low anticipated cost of rehab and the low quality of materials proposed and that, although they may have stated the property should be owner-occupied, that there were also concern regarding insufficient financial planning for the property.
 - Ms. Nicholson motioned that Committee not recommend sale of the property by the Board on the basis that the financial costs proposed appear greatly insufficient, especially based on the previous amount bid compared to what is proposed in this application. Ms. King seconded the motion, which was passed unanimously 3-0.
- Mr. Tozzi indicated that he received an incomplete application from applicants who intended to flip the property, and that Mr. Tozzi indicated to the applicant that typically TCLB prefers to sell property to owner-occupants and the lowest priority is to sell property to people who would flip it, but that he wanted to discuss it with the Committee to ensure he is on the same page. Mr. King replied that it was her opinion that it someone wanted to flip the property to an owner-occupant, which would be fine with her because it would achieve the same result. Both other members concurred. There was discussion as to whether such a requirement could be stipulated as a condition of approval and Ms. Hedgeman indicated it could be. Mr. Tozzi responded that he was glad he brought the issue up with the Committee because it enabled him to understand its thinking, and that he would get back to the applicants to pass along the Committee's perspective.
 - Ms. Hedgeman indicated that the application paperwork and process will be changing so that the process is tightened up so applicants understand the disposition policy and other requirements.
 - Ms. Hedgeman reported on the status of properties approved for sale. She reported that the approved applicant to purchase the vacant lot at 140 President Street is not moving forward, so that property should be placed back on the market.
 - Ms. Hedgeman discussed the enforcement note requirements and asked Mr. Tozzi what progress he understands to have been made. Mr. Tozzi reported that 822 River Street has been thoroughly gutted, and that he saw some clean-out work being done at 836 River Street. Mr. Tozzi indicated that he felt a strong need to get the attention of the owner of 836 River Street and 785 River Street (both owned by the same person), and suggested that Ms. Hedgeman send the owner a letter.
 - Mr. Tozzi reported that 791 River Street appears to have had a design change because the original plan called for the cellar walls to be improved, which was not to take much work to do, but now the architect has indicated that Code Enforcement and he decided

to pour a concrete wall and cap around the interior perimeter of the basement.

Adjournment

- There being no further business to discuss Mr. Tozzi asked for a motion to adjourn. Chair Barker made a motion to adjourn, which was seconded by Ms. King and passed unanimously 3-0.
- Mr. Tozzi announced that the meeting was adjourned at 1:14 PM