



Essex County Land Bank Meeting

Minutes June 29, 2023

Essex County Land Bank Board Members present: Stuart Baker, Tom Schaffer, Nick Fitzgerald, James Monty

Staff present: PRIDE Executive Director Nicole Justice Green

Board President Stuart Baker called the meeting to order at 6:00pm.

Stu notes that items one through agenda items 1-4 prior to recording of meeting for minutes. The approval of minutes will be postponed till the next Land Bank meeting.

Executive Director Report:

Nicole is now an appointed member of Essex County Economic Development Committee, which requires her to go once a month to give a report on the Essex County Land Bank. Two properties have been pulled for the Land Bank: one in Ticonderoga, 175 The Portage and one in Lewis, 741 Stowersville Rd. We also pulled a lot on The Portage from Ticonderoga that was not up for auction. The Land Bank is looking at additionally acquiring Gravy Brooke Rd in North Elba and 56 Race Track Rd in Ticonderoga. There was a quick turn-around which made acquiring properties tricky. Next year the Essex County Treasurer will provide a list of for-closed properties well in advance.

James continues saying that there was about a month between the formation of the Land Bank and the auction, so very little time was available to process what needed to be done. We have to also factor in the loss of the recent Supreme Court case *Tyler v. Hennepin County*¹ which says that any profit from a tax auction must go back to the original owner. The current properties will be accessed at current value and when we do something with them, i.e. sell them, hopefully by then a decision will be as to how the money will be handled; if the profit has to be returned to the original owner or can it stay in the Land Bank to help with operations. The last auction had 19 properties up for auction and 14 properties sold and we made a profit of \$364,000.00 with only 5 properties not sold. Mountain Lake Services has several homes within Essex County that they are not utilizing and are looking to sell them. James would like to approach Mountain Lake Services if they would be willing to donate two of their Lewis properties to the Land Bank as a sign of good will toward the community. Take the homes and turn them into affordable housing which is in dire need.

Nicole stated that to fix up the homes, \$80,000.00 - \$120,000.00 will be spent. This will be counted against the excess proceeds. If we sold a home for \$120,000.00 but spent that much to restore it, then it does not count as profit. In the interim we will focus on what the Supreme Court says and on the property in Jay. Review the 56

¹ https://www.supremecourt.gov/opinions/22pdf/22-166_8n59.pdf

Race Track Rd bid and see if the Board wants to keep that bid. The County has the ability to reject a bid after an auction. The property has been used as a drug den for a number of years. PRIDE had received calls from tenants in that property even though it had been condemned. Mark Wright and the Board are deeply invested in making sure that property is sold to the Land Bank or a homeowner that will invest in the property and not allow it to become another drug den.

Nicole says that the estimated development costs are based on how much PRIDE has been putting into homes recently, pending lead and septic-type issues. We are looking at a shortfall of \$400,000.00 - \$500,000.00 give or take which is not a bad position to be in since the money from the selling of one home will go back into the land Bank for a new home. We stagger the home rehabs over the next 24th months pending what needs to be done about the court case. If we do this we will be hitting the benchmark of three homes a year.

Nicole explains that to apply for funding it is different for PRIDE. The Land Bank needs to have site controls, the property in your inventory, and you need to have a rough development cost. Once this rough amount is acquired, Nicole can go out and get funding for the properties. This was an important point that needed to be explained to the County Board of Directors. The court case's goal was not to target land banks. The county in question in the court case took from a homeowner who was then made homeless and that county profited from this. The Land Bank is taking vacant, condemned properties and restoring them to viable options for future homeowners.

James also added that the Land Bank needs to educate the communities within the county that they can also donate properties to the Land Bank.

Tom asks about the estimated development costs and who put them together.

Nicole responds that she did them along with Glen. She has gotten pretty good at assessing a home for an estimated value.

Tom asks if it's an educated guess?

Nicole responds yes plus 30% since that is how she budgets everything now since prices fluctuate. Glen's estimates are a little lower.

Land Bank Budget:

Nicole stated that it is very hard to develop a \$100,000.00 budget for an organization we have not run before. In order to submit the grant to HCR she needs a rough budget outline. It is \$400,000.00 for operational expenses. Crystal told Nicole a month ago that the grant should be submitted asap. She can submit it without having an EIN because we have the initial certificate of creation ESD resolution creating the Land Bank. We can just use the County's EIN. It will take them about July and August to draft up a contract. For this budget to work, Nicole suggests that for the first year it is reviewed every two-months. Budget amendments can be made based on pre-development costs. Maintenance, staff salary, and occupancy expenses are all going to be paid to PRIDE through an MOU because we are administering the Land Bank. This will cover Nicole and the new Land Bank project manager she is hoping to hire. One of PRIDE's tenants will be removed to allow for a Land Bank office to be set in in the back and have PRIDE move to the front of the building. This is set up similarly to how other Land Banks have their budgets set up. We are in new territory so she apologizes that the budget is not as formal as she'd like.

Stu asks if the \$100,000.00 revenue will come from the HCR grant.

Nicole responds that it is similar to what PRIDE gets every year for. It is an annual allocation. It is \$100,000.00 just for operations and pre-development costs. That is why the budget does not have any rehab costs. That money is separate from this grant. That is the County's money which is \$300,000.00 to start with and then hopefully additional grants to build from.

James said that Nicole's salary will be contributed through the County for her Land Bank work.

Nicole continues that out of the \$300,000.00 budget, 5% will be Admin, 13% will be project delivery, and that is direct funding from the County.

James will be hoping to boost that \$300,000.00 in the near future.

Stu asks for any questions or comments on the proposed budget.

Stu introduces 2023/2024 Budget for the Land Bank.

James motions to adopt the budget. Seconded by Tom.

Budget passed unanimously.

New Board Member Discussion:

Nicole would like more County Board members on the Land Bank Board because the Land Bank is very political. She needs help lobbying at the county level to get the votes she needs for the money she wants. We had initially set up the Board to have Mark Wright as an alternate. That being said, Robin DeLoria, the Supervisor of Newcomb, has expressed a lot of interest in joining the Land bank Board. He is a strong supporter of the Land Bank and could help Nicole. There is a lot of pinning PRIDE against HAPEC happening at the County level right now.

Another advocate who has shown interest in joining the Land Bank Board is Alan Jones, ED of Adirondack Community Action Programs (ACAP). Alan is knowledgeable about funding sources. He is also a great advocate of the work being done. Nicole understands that some members should serve on one Board but not the other. She believes that the core PRIDE's Board of Directors should serve on both because she doesn't want to be answering to a board where the majority is not PRIDE but it is very different between Land Bank and PRIDE because of the political aspect of the Land Bank. To appoint a new member to the Land Bank Board the County Board of Supervisors has to approve them. That being said Nicole would like the Land Bank Board to also vote and consider adding these two new members to the Board.

James continues saying that Robin is a great advocate of the Land Bank. One of the more problematic members of the Board of Supervisors against the Land Bank will be leaving in the Fall. This may be a conflict of interest on his end given the personal stake some of his town board members have in various properties. Alan is very committed to the regional community and is a strong advocate to the people of Essex County. He has a plethora of knowledge that would be an asset to the Land Bank. Alan also has knowledge in funding sources.

Tom asks to clarify that these new members would just be on the Land Bank Board.

Nicole clarified that they would not be on PRIDE's Board but they will obviously be aware of what we will be doing and might have some insights and knowledge but will not sit on PRIDE Board meetings or be voting members in PRIDE business.

Stu asks how adding new members is done under the Land Bank's bylaws?

Nicole explains that it is done by the Board of Supervisors.

James explains that the Board of Supervisors can recommend but the Land Bank Board of Supervisors have to vote them in. James introduced a resolution to request that the two members join the Land Bank. We are able to vote yay or nay. If yay, the resolution will be moved to a regular meeting of the Board of Supervisors for final passage. If nay, the resolution will die. The Land Bank resolution would be to approve the appointment by the Board of Supervisors.

Tom states that we would basically be passing the baton to the Board of Supervisors for a final decision which James agreed to.

Stu states that the resolution would be to recommend that the County Board of Supervisors appoint Alan Jones and Robin DeLoria as Board members for the Essex County Land Bank.

Stu asked if the Board had any additional questions.

Nick asked if these two new Board members would be voting members for the Land Bank but once we move onto PRIDE business would they stay on as advisory roles or would they be able to leave.

Nicole answered that she would release them after the Land Bank business was concluded unless they wanted to stay and watch guests. PRIDE is technically subject to sunshine law since we are not a government entity though we do handle government funds. We aren't going to advocate for public meetings but they would be allowed to stay if they so chose to.

Stu motions to appoint the resolution. Seconded by Nick.

Resolution Passed with 3 yays, one abstention.

Stu motions to adjourn the meeting of the Essex County Land Bank.

Motion passed unanimously.

Board President Stuart Baker adjourns the meeting at 6:47 pm.

Respectfully Submitted,

Nicholas Fitzgerald
PRIDE Board Secretary