

MINUTES

Time: Wednesday, February 14, 12:00PM-1:00PM

Place: Annex 1st Floor Conference Room, 420 10th St.

Call to Order: Steve Anthony, 12:06pm

Attendance: Deidre Tilley, Steve Anthony, Michelle Williams, Alston Auten, Sherrie Aaron

Absent: Carson Cummings

Staff: Natalie Bouyett, Rob Scott, Kim Mitchell

Members of the Public: 8 – Kimberly Hinton-Poole, Karen Wilson, Ladina Sia, Nancy Cook, Calvin Brown, Jodece Smith, Libby Massiah, Dra White, Frank Johnson, and Anton Webb, MD

1. Approve Minutes from January 10, 2024

Motion to approve the minutes from January 10, 2024

1st – Alston Auten

2nd – Deidre Tilley

All Approved

2. Director's Report

Community Reinvestment Department staff went to DC for the NCDA conference and met with Representative Sanford Bishop. Director Scott will return at a future Land Bank meeting to discuss a blight tax discussed at City Council on February 13, 2024. He announced a "Save the Date" for April 1-5 (National Community Development Week). The Department will use this week to talk about all its projects, including Land Bank projects.

3. Event Announcement: Invest in Columbus

Ms. Bouyett announces the 2nd "Invest in Columbus" workshop for April 3, 2024. The event will be held at the Columbus Library. In March, Ms. Bouyett will visit the Savannah Land Bank staff. She invites board members to join this trip.

4. Discussion with NeighborWorks Regarding Future Holding Agreement

Ms. Bouyett clarified a question asked by Ms. Alton last meeting that the reason Habitat can hold properties in tax exempt status is due to the requirement to sell properties with a 0% mortgage. Habitat is the only nonprofit to offer 0% mortgage therefore the others must pay property tax.

The Board is asked to consider holding properties for NeighborWorks Columbus. Ms. Bouyett asks the board to consider the number of properties to be held, how long they would be held, etc. NeighborWorks would be responsible for maintaining the properties while they are being held by the Board.

Kimberly Hinton-Poole, Deputy Director for NeighborWorks Columbus and Karen Wilson, Asset Management Specialist ask that the board holds properties in the Winterfield neighborhood for 5 years, with an option to renew at the end of the 5 years. The properties are not viable for redevelopment right now, due to safety issues. NWC builds in that area have been vandalized. Vandalism adds costs that reduce their ability to sell the homes at affordable prices.

Winterfield includes the area south of Andrews Road, including Clover Lane.

Director Scott states that the City acquired 415 Mellon Street using CDBG for a pocket park to bring development to the area. The City may also use ARP funding to build up the park. The area is around 50% LMI.

Ms. Aaron asks for the plan if, after 5 years, the properties are still not developable.

NWC staff state that they want to quit claim the properties back to the land bank. They state that they do not want the properties. Returning the properties to the land bank would suspend the property taxes. Mr. Anthony asks for the amount of property taxes that they are currently paying. Ms. Poole states that they can talk to their accountant and email these figures to the board.

Ms. Bouyett states that if we hold the properties and sell them within the 5 years to another buyer, we will need something in the agreement to state who will receive the proceeds. Director Scott states that they can model this after the sale we recently completed with Albany State.

Ms. Poole states that they have tried to market the properties themselves but have not been successful. She states that they have run into issues when trying to sell to buyers when CDBG is used to acquire, due to the income stipulations on the buyer (must not exceed 80% AMI). Director Scott explains that NeighborWorks is looking to serve households whose income might exceed what can be served with federal funding. They serve up to 120% AMI.

NWC expressed an interest in having a fund to acquire Land Bank properties that do not use federal dollars.

Mr. Anthony asks about the costs of the quit claim. Ms. Bouyett states that as stated in the contract currently, the Land Bank will receive \$500 per property from NeighborWorks to cover the cost of the quit claim. Therefore, the Board can either charge them the \$500 per property or simply the cost of the quit claim.

Ms. Auten suggests that the Board needs a new agreement with NeighborWorks and the Board may need to return to this at a later date. Ms. Bouyett confirms that the Board sounds interested in holding the properties and marketing them.

Ms. Poole states that there is another neighborhood that they are developing called Beallwood. NWC is looking to use New Market Tax Credits and would like to acquire Beallwood properties from the Land Bank. The Land Bank has identified 7 lots in Beallwood that are tax delinquent that could be acquired through foreclosure. NWC staff inquired about a non-commercial, city-owned property at 1125 Alexander Street. Ms. Poole states that the acquisition of this property would help them qualify for the New Market Tax Credit. Without the Alexander Street property, the area might not be viable for the New Market Tax Credit.

Director Scott says there will have to be a conversation internally to discuss whether the city wants to dispossess 1125 Alexander Street.

Ms. Poole shared that Beallwood is considered “midtown” and would attract a mixed income. Ms. Tilley asks if they have a developer in mind. Ms. Poole states that the funding source determines how they find the developer. Some developments require newspaper advertising. Some projects work on individual homes, while others require multiple properties to be combined.

Ms. Tilley asks about a timeline to start development in Beallwood. Ms. Wilson says 2025. She states that Elliot’s Walk will be completed at the beginning of 2025 or end of 2024.

Director Scott states that we have a capacity issue – we will have to have city foreclosures and a city surplus process. He states that these processes might take a while.

Ms. Poole says they also build scattered site. If they cannot get the Beallwood project started right away, they can complete other scattered site projects.

Ms. Bouyett states that the Land Bank Board would have to decide whether they would take the 7 Beallwood properties because it will cost the board \$35,000 - \$40,000 to close on those, and NWC may change their plans.

Ms. Poole says they might put the funding in escrow to cover the cost of purchase at a later date. She mentions that HOME funding also helps with the development of their properties. It might also be a LIHTC. They have CHIP houses, Providence Pointe, Elliot’s Walk, etc. She notes they have multiple methods of funding their projects.

Ms. Tilley asks if the Board can merge the two issues, using revenue from the sale of the Winterfield properties to cover the costs of the Beallwood properties. Director Scott recommends that they treat these as separate issues, because there may not be sales of the Winterfield properties.

Mr. Anthony asks about the socioeconomic conditions in Beallwood. Ms. Poole states that Beallwood can thrive because of its proximity to midtown. The neighborhood does not have some of the same challenges as Winterfield. Mr. Anthony states that Beallwood does have some “rough edges” as well.

The Board postpones action on this item until additional updates can be made to the NWC agreement.

5. Nonprofit Partnerships

Ms. Bouyett shares that Habitat for Humanity owns several properties, and she has identified areas where their existing properties match up with properties that can be foreclosed on. Habitat’s board will review identified properties in the areas provided by Ms. Bouyett.

6. Review Property Bids and Proposals

6043 Boeing Drive

Applicant: Elizabeth “Libby” Massiah, Butcher Block and B-Board

Former owner passed away and the property currently has squatters. Ms. Massiah is a realtor. Neighbors have approached her group about buying other homes on the street. Their company buys homes in neighborhoods that need help. She states that they rehabilitate the homes they purchase. She also markets these properties. These properties are then sold at an affordable middle range on the market.

Ms. Aaron asks for pictures of the other developments. Ms. Massiah states that they have photos on Facebook. She reports that their homes go under contract in a day or a week.

Ms. Bouyett states that the property is less than 5 years tax delinquent, so the applicant must cover the liability of the legal fees if the deal does not go through. Ms. Massiah would also be responsible for returning to speak to the land bank to tell her success story.

Ms. Massiah informs the board that she does not sell to investment companies.

Mr. Anthony asks Ms. Massiah about her current budget. She states that her budget usually runs from \$40,000 to \$70,000. For \$70,000, they replace ceilings, flooring, etc.

Mr. Anthony asks how much they try to sell it for. Ms. Massiah states that based on the square footage, and compared to a similar unit she has just renovated, she could probably sell it for \$190,000.

Motion to approve the sale of 6043 Boeing Drive

1st – Michelle Williams

2nd – Sherrie Aaron

All Approve

945 Henry Avenue

In the interest of time, Mr. Anthony requests that since the applicant is not present the Board speak to the persons who are present.

2935 Schaul Street

Applicant: Pamela Brown, Saluda Lands & Investments, LLC

Ms. Brown was represented by Mr. Calvin Brown. Mr. Brown states that they plan to purchase and hold these properties. They want to rent them first for 5 years, then sell at 70% FMV.

Mr. Anthony asks if the applicant will replat the property, since there are two structures on one lot. Mr. Brown replies that they probably will when the move to sell. Mr. Brown shares that they plan to sell the property for only 70% of the appraisal value.

Ms. Williams asks about the renovation timeline. Mr. Brown states that it will take 5 months. He says he is out of Atlanta. He adds that his company plans to use volunteers from a non-profit organization to help build.

Ms. Auten asks if they have renovated and sold properties before at 70% appraisal value. Mr. Brown replies that he has. Ms. Bouyett states that they can use security deeds to ensure this.

Ms. Williams asks about the \$16,534.41 in liens. Ms. Bouyett says that the board will waive the liens, since this is within the power of the Land Bank.

Ms. Aaron asks about the 2 houses on the same lot. Mr. Anthony explains that the property would be rented as one lot with 2 structures, but would be re-platted at sale.

Ms. Tilley asks if they are also buying other properties on today's list. Mr. Brown answers yes. Mr. Anthony asks about the applicant's funding. Mr. Brown says they plan to pay cash.

Ms. Aaron asks about there being 3 properties for sale. She asks about the development work on the properties since the applicant is out of Atlanta. Mr. Brown replies that the duplex on Schaul Street will not require regular work due to extensive damages, but all other properties will have daily work conducted.

Ms. Aaron asks about financing for all properties. Mr. Brown states that they have financing for the purchase of all properties.

Ms. Aaron asks for the timeline of completion for all three properties (Schaul Street, E. Wynnton Lane, Bamboo Street). Mr. Brown says there will be 5 months until completion for properties at Schaul Street, and 3 months for the other properties.

Ms. Auten asks if Mr. Brown is a general contractor. Mr. Brown replies that he is.

2708 E. Wynnton Lane

The Board looks at the property located at 2708 E. Wynnton Lane. Ms. Bouyett states that standard contingencies will apply for these properties, including 1 year for renovations, 5 years to rent.

2819 Bamboo Street

The Board looks at the property located at 2819 Bamboo Street. The applicant plans to renovate to live in this property. This will be a primary residence for Ms. Pamela Brown.

Ms. Williams asks if there is any other interest in these properties. Ms. Bouyett says no. Ms. Aaron asks for pictures of their previous work. Mr. Brown says he can provide pictures.

Ms. Auten asks to do two motions, one for the rental/sales units and one for the primary residence.

Motion to approve the sale of 3 properties, where Shaw and E. Wynnton will be rented for 5 years and sold at 70% of fair market value, and these two properties will contain the same stipulations, and where Bamboo will be renovated and used as a primary residence for buyer.

1st – Alston Auten
2nd - Michelle Williams
All Approve

1113 Ada Avenue, 2824 Marion Street, and 2734 Mimosa Street

Mr. Anthony states that a previous applicant was seeking to buy these properties. However, Ms. Bouyett shares that the original applicant was unable to come up with the funding.

Al Baker, as applicant, is represented by Mr. Calvin Brown. Mr. Brown states that Mr. Baker plans to purchase and renovate this property and rent it out for supplemental income. Mr. Brown will assist the applicant with the renovations of the property.

Mr. Anthony asks about the condition of Ada Avenue. Mr. Brown states that there are only minor repairs needed. However, Ms. Bouyett states that it has had squatters.

Ms. Bouyett shares with Mr. Brown and the Board that the Land Bank is marketing these properties and would be liable for legal costs if the property owner comes forward. Ms. Bouyett explains the foreclosure process to Mr. Brown. During the 60-day right of redemption, Ms. Bouyett recommends that the applicant does not enter the property or make any changes to the property, as this would be considered trespassing.

Ms. Williams asks if the applicant will have enough funding to purchase and renovate all three units. Mr. Brown states that they will do minimal renovations and rent them all out. He also states that he will clean up the yard.

Motion to sell properties at 1113 Ada Ave, 2824 Marion Street, 2734 Mimosa Street to Al Baker

1st – Steve Anthony
2nd – Deidre Tilley
All Approve

7. Foreclosure Updates

These 7 properties approved to foreclose on will be added to the current list and sent to the Tax Commissioner. Expected start date for next foreclosure and tax sale is unknown.

8. Resolution to Extinguish Taxes

This will take place at next meeting.

9. Properties Being Considered for Recapture

Ms. Bouyett briefly mentioned several properties that have not been developed according to the Security and are being considered for recapture.

Call to Adjourn

Made by Sherrie Aaron, 1:26pm