



Land Bank Advisory Committee Meeting Notes
Cook County Dunne Administration Building
69 West Washington Street, 34th Floor Conference Room
November 5, 2012

The fourth Cook County Land Bank Advisory Committee meeting began with a continuation of the group's deliberation on the Mission, Powers, and Principles of the proposed land bank.

MPP

Mission --Having reached a consensus to accept changes reflected in the Mission section of the document revised following the last meeting on October 29th, the only change proposed and accepted by the group was to specify "real properties" in place of the initial reference to "properties" in the mission statement.

Principles -- Of particular note in this section was the language suggested by the subcommittee formed at the previous meeting and tasked with crafting a position reflecting the full committee's consensus on the importance of affordable housing and economic development outcomes in the activities of the proposed land bank.

Other changes reflected the group's movement away from duplicative references to specific outcomes (such as blight reduction, neighborhood stabilization and economic development) already specified in the Mission.

Another change in this section included language specifying "local governments and other community stakeholders" as recognized sources of local plans and priorities – a change consistent with language in the Mission.

There was also a consensus agreement to combine Principles 4 and 5 (as listed in the draft resulting from the last meeting on October 29th), stressing the importance of timely disposition of property to responsible parties in a manner consistent with the Mission.

Powers -- Substantive changes in this section centered around Power #6 on the topic of property rental. In addition to an agreement to use the term "lease" instead of "rent," there was a consensus agreement to list this as an option among the interim uses for real property owned and controlled by the land bank.

There was also concern raised about whether or not the proposed land bank should "participate in development either as a general or a limited partner," as expressed in Power #8 in the most recent version of the MPP document. A subcommittee was formed to review this issue and recommend a consensus position for the entire LBAC. Their recommended language will be reflected in the draft of the LBAC Report to the Cook County Board.

Governance

The subcommittee on Governance used the recommendations from the Urban Land Institute (ULI) Technical Assistance Panel (TAP) report as a baseline for their deliberations, addressing five major components in their recommendations to the entire LBAC.

Board size – The recommendation of 9 board members was consistent with preferences for a smaller and manageable number of participants while allowing for an odd number of votes to mitigate tie votes.

Appointment Authority – The recommendation of the subcommittee mirrors that of the ULI TAP with:

Five government appointments:

- (1) appointment by the Cook County Board President;
- (1) appointment by the Mayor of the City of Chicago;
- (1) Chicago alderman selected by the Chicago City Council
- (2) appointments by suburban Cook County Mayors --one by the Metropolitan Mayor's Caucus and one by the South Suburban Mayors and Managers Association (SSMMA);

Four non-government appointments:

- (1) Community Development Financial Institution representative;
- (1) private bank representative with REO/Servicing expertise appointed by the Mortgage Bankers Association;
- (1) non-profit development appointed by the Illinois Housing Council; and
- (1) commercial/industrial developer with large-scale national or significant regional experience appointed by ULI.

All board appointments, except those by the Mayor of the City of Chicago and the Chicago City Council, would be subject to approval by the Cook County Board President.

Composition – The subcommittee recommended that geographic priorities be considered as a priority in the board appointment process, with a specific reference to the sub regional land bank organization efforts already underway in the south suburbs. The group did not recommend a priority for board appointment based on race, ethnicity, gender, sexual orientation, religion or other protected class.

Term – The subcommittee recommended that terms be established at three years and staggered so that the terms of three members expire at a time. Board members would be limited to serving a maximum of two consecutive terms, becoming eligible for service again only after being off the board for a minimum of three years.

Quorum – Official board action at any meeting would only be allowed based on a minimum of the majority of the board present.

During discussion of the governance recommendations, concerns were raised about the County Board President's approval of all board members except those designated by the City of Chicago.

There was also concern raised about one of the suburban representatives being permanently designated for appointment by the SSMMA. There was a consensus change in the recommendation to allow for the Metropolitan Mayor's Caucus to make both suburban Mayoral appointments and that strong consideration be given to SSMMA because of their advanced work toward establishing the areas first sub-regional land bank.

There was also concern about the Cook County Board's potential willingness to take on primary responsibility and accountability for the actions and activities of the proposed land bank without sole authority for the composition of the land bank board.

Concern was raised about key categories of possible land bank end users, partners and beneficiaries not included among the statutorily recommended board seats. Of particular note was the fact that no “open space” advocates are designated for representation on the board.

In response, Calvin Holmes indicated that the ULI TAP considered that other areas of interests and expertise, while not expressly represented in the composition of the board, might be considered as additional and valuable perspectives within the framework of the recommended appointments. Additionally, he indicated that there might be opportunities to include particular areas of interest and expertise in the composition of an advisory committee as recommended by both the ULI TAP.

There was also a specific recommendation to stress clear and transparent rules pertaining to conflicts of interest for board members.

Budget & Revenue Options

Calvin Holmes, serving as spokesperson for the subcommittee on Budget and Revenue Options, presented three budget scenarios based on modest, mid-level and high performance thresholds for the proposed land bank over the course of its first three years of operation. The modest performance scenario envisioned a land bank entity that would be comprised of six full-time employees, with an annual operating budget of close to \$7.5 million and manage/dispose of an inventory of 2550 properties in its first three years. The mid-level performance scenario would have eight full-time employees with an annual operating budget of nearly \$10.5 million to manage/dispose 2550 properties in the first three years. The high performance scenario would involve 25 full-time employees with an annual operating budget that goes from approximately \$17 million in year one to more than \$28 million in year two to over \$56 million in year three while managing and disposing of 16,000 properties in those three years.

According to the subcommittee’s research of Woodstock Institute data, the modest and mid-level performance scenarios would impact approximately 4 percent of the foreclosed and vacant property market in Cook County. The high performance scenario would impact between seven and 32 percent of the market.

The subcommittee cautions that more detailed consideration should be devoted to the details and statutory feasibility of the activities proposed in each scenario and that the data presented by used strictly as a high level tool in considering broad issues related to Cook County’s approach to developing a land bank.

In response to the scenario’s presented, LBAC participants raised concerns about the need to detail costs for operations on “day one” of an established land bank, prior to any revenue being established.

There was also concern about the need to separate improved properties from vacant land when reviewing budgets costs and revenue considerations.

There was also a clear and definitive caution from LBAC members to account for prevailing wage requirements and other statutory costs unique to Illinois, Cook County and the City of Chicago in budgetary assumptions.

Outline & Directions for the LBAC Report to the Cook County Board

Maria Choca-Urban outlined a recommended format for the LBAC report due on November 20th. As currently envisioned, the report would include the following sections:

- Background on the LBAC -- including its origins, justifications, lead-up, supportive and parallel efforts and chronology of the LBAC deliberations
- Recommended mission, powers & principles
- Recommended organizational model -- including a summary of considerations and justifications
- Recommended governance model
- Recommended budget principles and considerations
- Recommended next steps

Herman Brewer added that there will be a briefing to present the recommendations of the LBAC, likely to occur in December.

Concerns about the short timeline for completing the report and having it appropriately reviewed and edited by members of the LBAC were answered by a consensus commitment by the members and the Chair, MarySue Barrett to add time (two hours) during the next full LBAC meeting on November 15th and a request that comments, key points and responses be forwarded to Maria and the staff on an ongoing basis and not wait until the next meeting or prescribed response period.

Attendees: MarySue Barrett, David Chandler, Pam Daniels – Halisi, David Doig, Julie Dworkin, William Goldsmith, Calvin Holmes, Michael Jasso, LaVon Johns, Mary Kenney, Craig Mizushima, Rich Monocchio, Bishop Dr. Claude Porter, Kathleen Ransford, Rich Sciortino, Jeff Sherwin, Julia Stasch, Gene Williams