Urban Land Institute
Public Policy Committee
Technical Assistance Panel Follow-Up

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Overview

This report covers an update of:

- Recap of the Challenge
- Panel Recommendations vs. Implementation
  - Mission
  - Governance
  - Staffing
  - Acquisition and Disposition Strategies
- Lessons Learned
- FY2015 Core Business Activities
- FY2016 Budget Highlights/Performance Targets

Recap of the Challenge

- Foreclosure crisis led to increased vacant and distressed properties in Cook County
- >85,000 foreclosure pending cases
- >60,000 vacant, abandoned parcels in Cook County
- >23,000 long-term (5-20 yrs.) tax delinquent parcels on scavenger sale list
- Communities in county dominated by cash-buyers and long-term vacancies (>24 months), both of which drive down housing prices and potential tax revenues
- Coupled with severe loss of jobs and income reversed many of the gains made in community and economic development







The CCLBA will acquire, hold and transfer interest in real property throughout Cook County for the following purposes:

- ✓ Promote redevelopment and reuse of vacant, abandoned, foreclosed or tax delinquent properties.
- ✓ Support targeted efforts to stabilize neighborhoods.
- ✓ Stimulate residential, commercial and industrial development; all in ways that are consistent with goals and priorities established by local government and community partners.
- ✓ *Promote affordable housing, economic development, conservation and job creation.*

Governance

PANEL RECOMMENDATION

Board of Directors

The Cook County Land Bank Authority is governed by a 9-member Board of Directors.

Composition of Board

- One City of Chicago designee
- One Chicago Alderman
- One Cook County designee
- Two suburban mayors
- One CDFI designee
- One private bank with REO servicing expertise
- One non-profit developer
- One commercial/industrial developer

IMPLEMENTATION

Board of Directors

The Cook County Land Bank Authority is governed by a 16-member Board of Directors.

Composition of Board

- One Cook County Commissioner – Ex Officio
- Three Suburban Cook County Mayors
- One City of Chicago designee
- One Cook County Bureau of Econ Dev designee
- One CDFI representative
- One banking representative
- One local or State Realtor representative
- One non-profit housing representative
- One commercial/industrial development representative
- One open land representative
- One City of Chicago community representative
- One Suburban Cook community representative
- One legal community representative
- One commercial retail developer

Staffing

PANEL RECOMMENDATION

Full-Time Employees

- An Executive Director
- General Counsel
- A Portfolio Manager
- Two Acquisition Managers
- Two Asset Managers
- A Demolition Specialist
- An administrative assistant

Contractual Services

- Web development
- Development officer
- Property manager
- CAD experts
- Accounting
- Design
- Legal services
- Insurance

IMPLEMENTATION

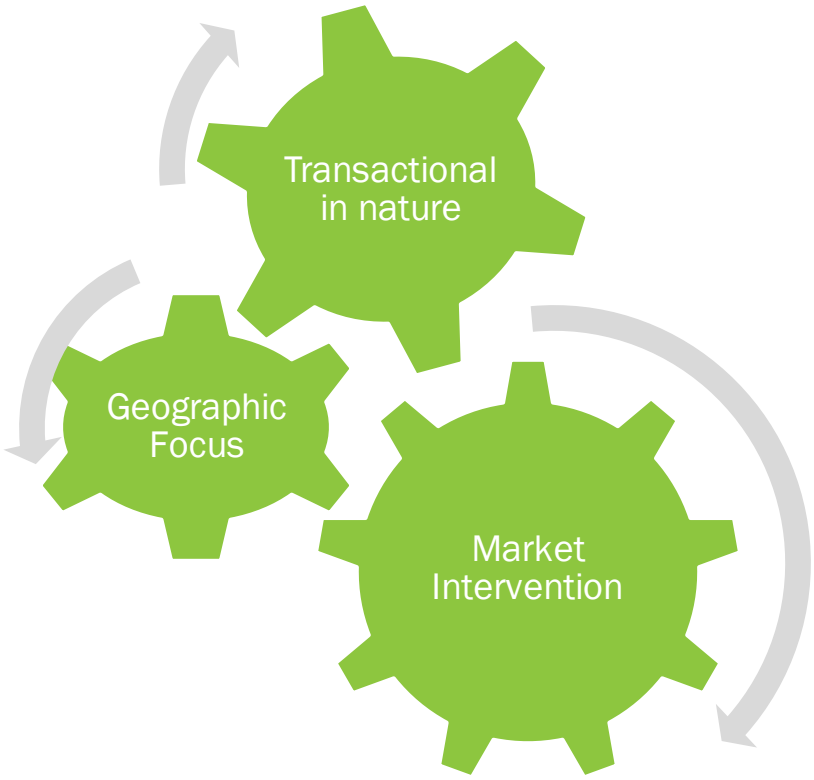
Full-Time Employees

- An Executive Director (independent contractor)
- A Deputy Director (open position)
- Sr. Acquisitions Manager
- Two Acquisitions Specialist
- An Asset Manager
- A Closing Specialist
- A Planning Analyst
- A Marketing Specialist (open position)
- An Executive Assistant

Contractual Services

- Accounting
- Property preservation
- Legal services (special assistant)
- Insurance
- Home inspectors
- Demolition services

Acquisition/Disposition Framework



Transactional in nature

- CCLBA is a property conduit between the current/future owner.
- Plans → Projects → Transactions → End-Use

Geographic Focus

- Align abundant supply with market demand.
- Seek strategic acquisitions to move redevelopment cycle forward and repurpose property for future use.

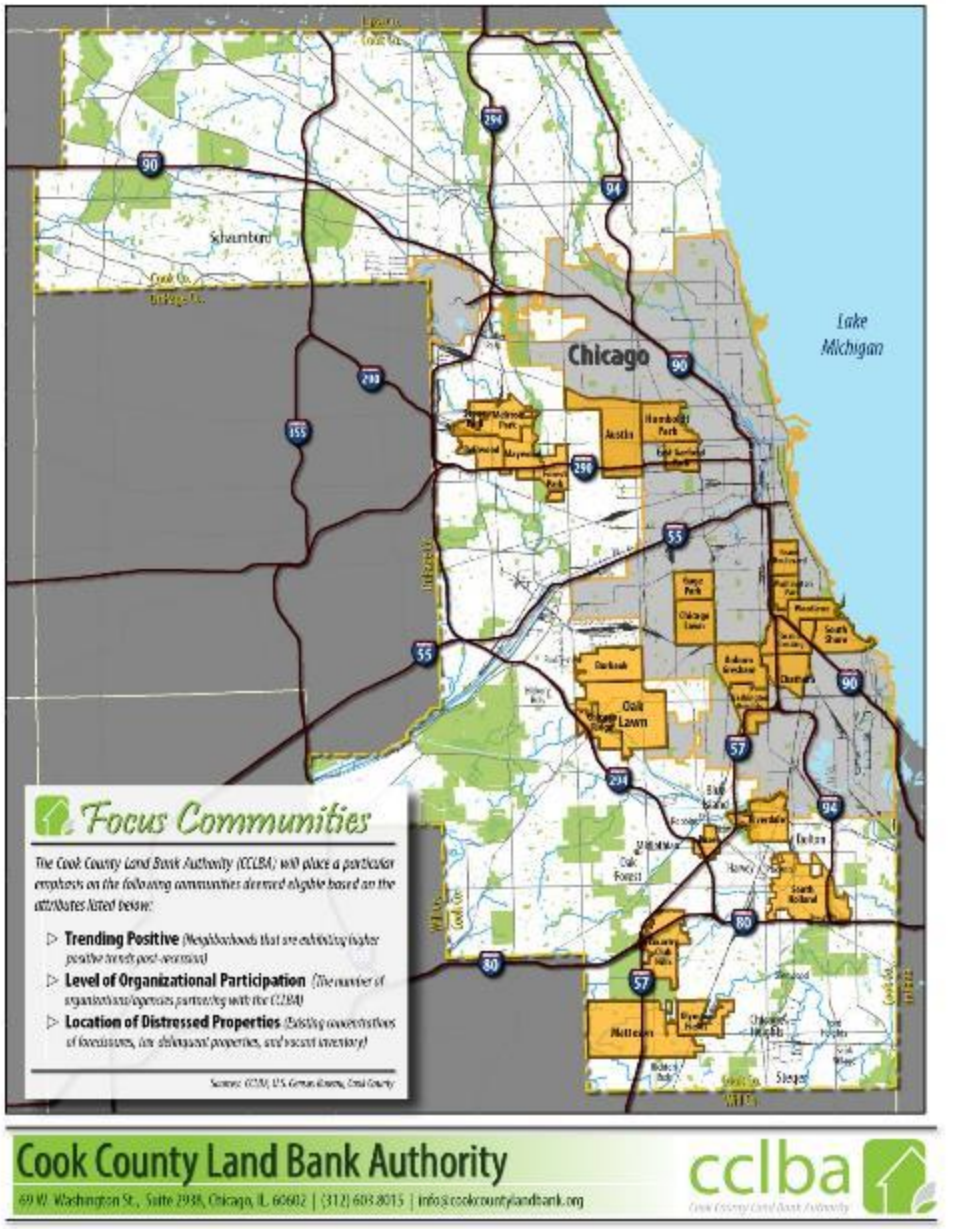
Market Intervention

- Improve title clearing process
- Streamline demolition and redevelopment process.
- Preserve property.
- "Unstick" inventory: alternative to lender "release of liens," and zombie properties.
- Support green and sustainable practices.

Focus Communities Program

CCLBA proactively acquires and "banks" inventory in the following Chicago neighborhoods and Suburban Cook County municipalities :

- Auburn Gresham
- Austin
- Chatham
- Chicago Lawn
- East Garfield Park
- Gage Park
- Grand Boulevard
- Greater Grand Crossing
- Humboldt Park
- South Shore
- Washington Heights
- Washington Park
- Woodlawn
- Bellwood
- Burbank
- Chicago Ridge
- Country Club Hills
- Forest Park
- Matteson
- Maywood
- Melrose Park
- Oak Lawn
- Olympia Fields
- Posen
- Riverdale
- South Holland
- Stone Park



Lessons Learned

Cooperation and coordination is a must

- Direct partnerships with municipalities, community organizations, banking partners
- Support local and regional plans and strategies

Imperative to be nimble and responsive

- Avoid being too bureaucratic
- Bottom-up and top-down feedback loops
- Limited resources require efficiency, transparency and focus

CCLBA is engaging in ground-breaking, innovative work

- Must be comfortable dealing with ambiguity
- Challenge 'the why"
- Requires full commitment

Everything takes longer than expected!

- Staffing
- Funding
- Implementation
- Rehabilitation/Demolitions

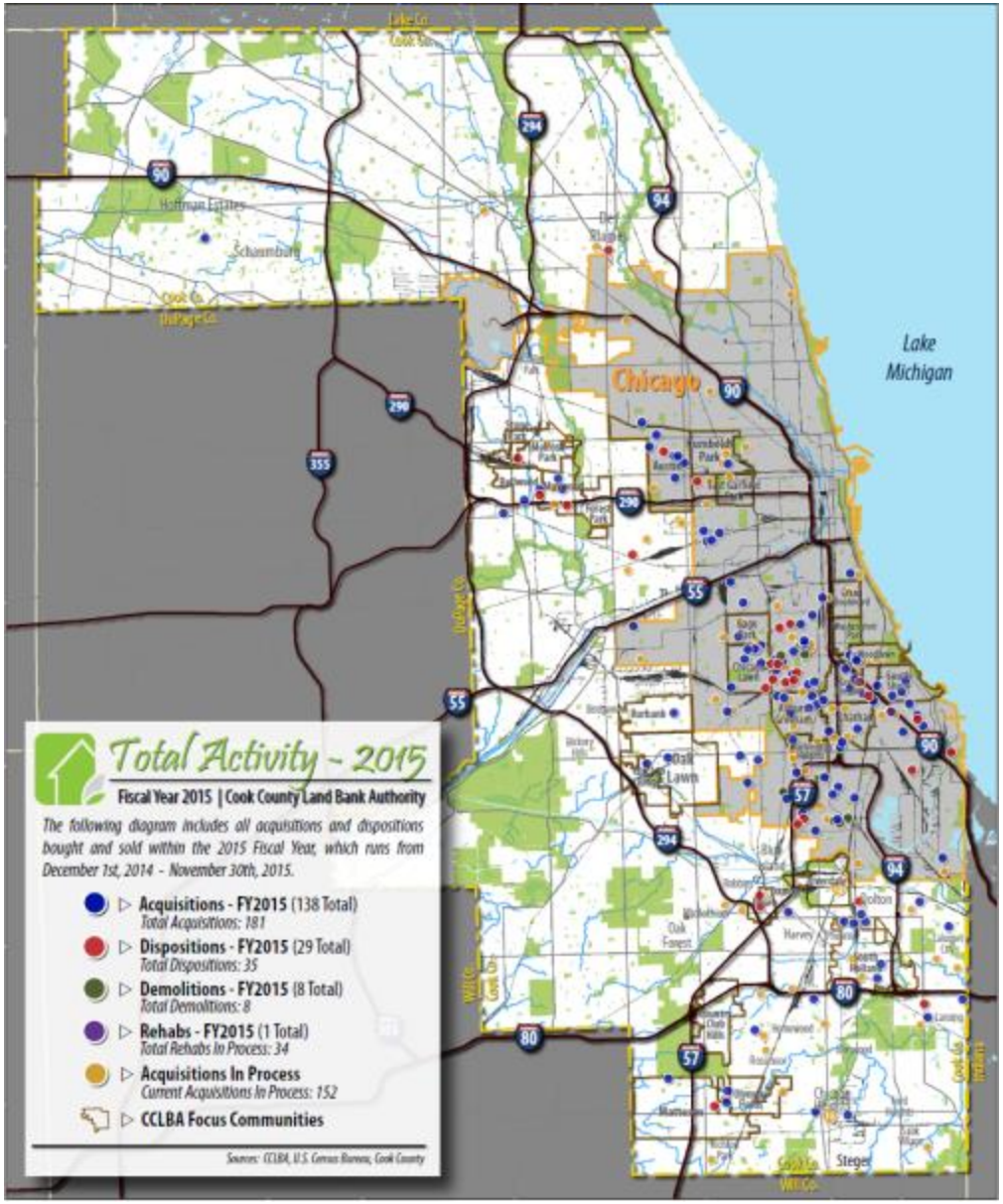
Core Business Activities

2015 Core Business Activities (Dec 1, 2014 – November 30, 2015)					
	Prospects	In Progress	Completed	Revised 2015 Goals	% Goal
Acquisition	260	152	138	130	106%
Disposition	127	73	29	40	73%
Demolition	75	44	8	10	80%
Rehab	104	33	1	10	10%

Proposed 2016 Outcomes
Two measures of CCLBA effectiveness. Targets will be developed for 2016.

- Market Capitalization Value – the difference between the CCLBA sales price and the end-user sales price. Represent real value added to the community.
- Incremental Tax Benefit – the amount of tax collected from previously tax-delinquent properties. Represents "extra" tax dollars generated by the community.

FY2015 Map of Activities



Neighborhood Stabilization Initiative Update

- 2,088 properties presented via Neighborhood Stabilization Initiative/National Community Stabilization Trust from April 15 – November 30, 2015
- 463 properties located in CCLBA Focus Communities (22.2% of properties)
  - In contrast, 39% of all 2013/2014 foreclosures were in focus communities
- 805 offers submitted (46.7% of properties located in Focus Communities) Plan is to be at 75%+ level.
- 975 offers received
- 203 offers accepted; 274 offers countered; 125 offers pending
  - 105 properties offered for $1
  - 476 offers declined
  - 24 offers awarded to other buyers
- $46,469 (+$4,541) Average – accepted offers
  - Avg. Discount of EFMV – 41.43%



Current Commercial Projects

Current Commercial Projects Status Report		
Project Name	Address	Action Item
Granville Condominiums	1054-1070 W. Granville Chicago, IL	Closed on 12/7/2015.
Riverside Lawn (Voluntary buyout of homes in flood-prone area)	Various address in unincorporated Cook County	Held town hall meeting in November. Strong interest in buyout. Sent letter and interest forms. Negotiating IGA with MWRD/BOED. Started appraisals in early November.
Bellwood – MiniMoves	2150-54 Madison Bellwood, IL	CCLBA acquired the property in June of 2015. CCLBA has retained a real estate broker. Buyer in 30-day due diligence period. Should close 1Q 2016.
Martin Memorials LLC	7346-54 S. Cottage Grove Chicago, IL	Closed on 11/16/2015.
Humboldt Park	3323-3369 W. Grand Ave. Chicago, IL	Joe Chang presented opportunity. Land Transactions Committee approved PSA. Seeking full board approval in December 2015.
Humboldt Park	3525 W. Chicago Ave. Chicago, IL	Chet Jackson presented opportunity. Land Transactions Committee approved PSA. Seeking full board approval in December 2015.

FY2015 Accomplishments

- Developed and executed a proactive land banking strategy that will help to catalyze and maximize revitalization efforts within focus communities.
- Received $1,000,000 donation from Citi Community Capital to support the work of CCLBA.
- Filled key staff positions to build organizational capacity and efficiency.
- Key participant in the Neighborhood Stabilization Initiative, a pilot program sponsored by Federal Housing Finance Agency.
- Received $1,260,000 in funding from Illinois Housing Development Authority for blight reduction in partnership with Greater Englewood CDC, Sunshine Gospel Ministries, City of Chicago Heights, and Village of Riverdale.
- Engaged in extensive outreach and established strong relationships with municipalities, industry trade groups, community organizations, and experienced and local nonprofit and for-profit developers.

Open House celebrating the rehabilitation of the first CCLBA home at 8301 S Cregier Ave in the Avalon Park neighborhood of Chicago.



FY 2016 Budget Summary

	FY2014 Actual	FY2015 Projected YE	FY2016 Budget
Grants (Restricted)	$5,199,000	$3,207,671	$3,063,194
Special Purpose 586 Funds	106,500	2,250,000	3,450,000
Total Revenue	$5,305,500	$5,457,671	$6,513,194
Staff Salaries	$84,108	$650,000	$831,441
Personnel Benefits	25,154	84,500	111,357
Acquisitions/Demolitions	537,751	1,000,000	1,253,692
Property Maintenance	3,955	250,000	300,000
Contractual Services/Overhead	335,844	450,000	566,704
Net Income	4,318,688	3,023,171	3,450,000
Total Expenses	$5,305,500	$5,457,671	$6,513,194
Headcount	4	8	11

- CCLBA has adequate funding in grants and program income to add 3 additional FTEs.
- Special Purpose 586 Funds includes sales revenues from donations or other proceeds. CCLBA anticipates selling properties at an average of $10,000 per residential property and $1,000,000 in proceeds from the sale of commercial/industrial assets.

FY2016 Budget Highlights

Complete Staffing Plan to Increase Capacity and Organizational Efficiency

Broaden Focus Communities Strategy to Target Industrial, Commercial, and Open space

Expand Homebuyer Acquisition/Rehab Program

- Direct partnerships with banking partners and housing counseling agencies
- West Cook and South Suburban Housing Collaborative

Support Cook County Projects & Initiatives

- Bureau of Economic Development
  - Planning and Development
  - Buildings and Zoning
- Cook County Transit Oriented Development & Cargo Oriented Development
- Solar Market Pathways
- Urban agriculture and reuse of vacant land

Exercise Additional Acquisition Strategies

- Scavenger Sale opportunity purchases
- Portfolio acquisitions (ex. FHFA, bank REO)
- Abandonment/forfeiture cases (City of Chicago, Circuit Court)

FY2016 Performance Targets

	FY2014 Actual	FY2015 Actual	FY2016 Target
Total Inventory	25	134	180
Number of Properties Acquired	30	138	275
Number of Properties Sold	5	29	150
Number of Properties Rehabilitated	0	1	50
Number of Properties Demolished	0	8	50
Market Capitalization Value Created	----	$178,000	$5,000,000
Incremental Tax Benefit	----	----	$500,000

www.cookcountylandbank.org