



WATERBURY LAND BANK AUTHORITY BOARD OF DIRECTORS MEETING MINUTES

RE: Draft Board of Directors Meeting Minutes

Date: September 9, 2024

Location: Via Zoom

Call to Order: 9:00 AM, Chairperson, Frederick Luedke

Attendees: Directors - Fred Luedke (Chairman), Bob Polito (Treasurer), Joel Becker, Gaudys Grullon, Dr. James Gatling (Vice Chairman), Maggie Smith (Secretary), Dan Lauer
Staff - Nancy MacMillan (Executive Director), John Ewing (Planning & RE Analyst)

1) **Approval of Meeting Minutes:**

Minutes of the last meeting.

Chairman Luedke invited a motion to have the Board accept and approve the Board Meeting minutes of the August 12, 2024, meeting as presented. Joel Becker made the motion; Bob Polito seconded the motion. There was no further discussion. The motion passed unanimously. Board Meeting Minutes from August 12, 2024 (*See Attachment 1.*)

2) **Financial Report:**

Discussion regarding accounting.

Treasurer, Bob Polito, presented the monthly financial report prepared by our bookkeeper. Financial reports are prepared on QuickBooks which are reviewed prior to the Board Meeting. The review included that of the balance sheet and profit and loss statement.

The Treasurer reported that the financial report includes the balance sheet as well as a profit and loss statement. In-Kind Contributions or donations of properties was discussed and there were questions and discussion revolving around valuation of property that the Land Bank receives from the City of Waterbury. The Treasurer noted he wanted to confirm valuations are consistent. There was a recommendation to discuss the value of properties with the Land Bank's CPA firm. Properties are appraised in-house by a staff appraiser and are valued "as is" not "as restricted." The Land Bank acquires the properties at no cost so it was discussed that we should talk with our CPA regarding how these properties should be handled on the balance sheet.

The annual audit is underway with ZZS.

Chairman Luedke invited a motion to have the Board accept and approve the August 2024 Monthly Financial Report, subject to potential revision of the balance sheet. There was no further discussion. The motion passed unanimously.

Next the Board reviewed the Proposed 2024 Operating Budget as presented at our August 12, 2024 Board Meeting. The In-Kind Contributions were omitted from the 2024 Operating Budget.

Chairman Luedke invited a motion to have the Board accept and approve the Proposed 2024 Operating Budget as presented. There was no further discussion. The motion passed unanimously.

3) Executive Director's Report:

Chairman Luedke asked the Board of Directors if everyone had read the Executive Director's report prepared by Executive Director, Nancy MacMillan, and if anyone on the Board had any questions. There were no immediate specific questions from the Board.

After the discussion/presentation of the proposed budget, Nancy presented her report. Items discussed include:

1. Working with the Land Bank's book keeper and ZZS who are preparing the Financial Audit.
2. Communicating with attorneys regarding the transfer property, escrow agreements, and termination of sale contracts.
3. Analyzing values of appraised properties.
4. Inspecting properties, the dumping on sites owned, and maintenance on existing properties.
5. Meeting with Yahaira Escribano for Developers Training Program.
6. Meeting with potential buyers regarding 66 Burton Street.
7. Submitting a grant request of \$25,000 to M&T Bank Foundation.
8. Communicating with the City of Waterbury regarding Environmental Review for WOW Revitalization Project.
9. Follow-up with HUD representatives for environmental review and revised project scope of work.
10. Analyzing 66 Burton Street bids.
11. Attending ribbon cutting for NWNH Linden Street property.

Three items were highlighted in the report: the 2024 Proposed Budget; Escrow Agreement; Analysis of Bids for 66 Burton Street.

There was a lengthy discussion regarding the Land Bank's mission and community engagement and how the Land Bank can collaborate with community organizations to fulfill its mission. Turning properties around to buyers who can successfully execute the acquisition and rehabilitation of property fulfills the Land Bank's fiduciary responsibility to the City and transforms a dormant parcel into a productive piece of property.

Nancy presented the overview of the property and the three options the Land Bank had for the bids or buyers of 66 Burton Street as an example and the Board thoroughly analyzed the pros and cons of each. The general concerns of the property and the buyers of 66 Burton included: 1) the cost to rehab to the house which will likely exceed the market value of the property; 2) unless the buyer is also the contractor and the end user, the pool of buyers to purchase and resale of the property is limited because it is a three family home; 3) the 5-year residence restriction is a challenge; 4) the location within this neighborhood has a strong negative influence since there are adverse conditions in close proximity to the property; and 5) the constant dumping of various debris found on the property and occurring on the street. Costs are being incurred to keep the lot clear of debris.

Options for disposing of 66 Burton Street include:

- 1) The Land Bank selling the property "as is" to NEST in a cash sale. NEST has two potential "intended use" scenarios. NEST is ready to acquire the property "As Is", and they are well aware of the surrounding

neighborhood. The rehab of this property coincides with other properties they own in the area. They will require subsidy to rehab the structure which would not likely start for 2+ years.

2) The Land Bank selling the property to Alpha Ministries “As Is”. Alpha Ministries has a strong presence in Waterbury and is very supported by the community. This organization wants to rehab the house and use it for their staff. This is a viable option since the buyer’s organization has experience in housing rehabilitation and have contractors who work for them partially pro-bono to keep costs manageable. Utilizing the property in this way would greatly serve the neighborhood, and also benefit their church and its congregation. They are prepared to act quickly.

3) Procure a realtor and put it for sale on MLS with the expectation that the realtor will meet the Land Bank requirements and find a viable buyer. This may take time since the Land Bank needs to obtain a realtor who is comfortable in this neighborhood. It is assumed that the realtor will be effective in selling the property in accordance with the Land Bank's policies and procedures. In the meantime, the Land Bank will regularly inspect and maintain the property since there are issues with dumping on the lot. In waiting for a buyer, the Land Bank will need to create a better maintenance program and use the capital funds that are set aside for projects. In this case, the buyer may not have the same mission to serve the community. Sale price would require further analysis.

The Board voiced opinions regarding the options presented, and it was determined that since this was a specific case with a difficult property, that the Land Bank would look to a not-for-profit agency with financial capabilities to complete the rehabilitation in a swift and timely fashion, and one who could address the needs of the community. It was a decision between the two not for profit agencies and the deciding factor was that the Alpha Ministries has an advantage as to the readily available funding and contractors who could complete the project rehabilitation in a more expeditious time frame, keeping costs manageable.

Chairman Luedke invited a motion to have the Board accept and approve the selection of Alpha Ministries as the potential buyer, subject to this organization meeting with WLB and our attorney and meeting the requirements for the sale of 66 Burton Street. There was no further discussion. The motion passed unanimously.

Nancy continued with her report to discuss the need/reason for escrow to be held in our property dispositions. The escrow was developed as a level of protection for the Land Bank for non-reverter parcels.

- a. Vacant land sold to buyers, with no development plan, where the lot is merged to primary residence lot, does not require an escrow deposit.
- b. Parcels that are merged and have a development plan require an escrow agreement, as a level of protection for the Land Bank.
- c. Parcels improved with structures that are not merged do not require an escrow agreement since the Land Bank has a reversion clause to take back property.

Other brief discussions included follow-up items, old and new business.

Adjournment: Chairman Luedke introduced a motion to adjourn. The motion was seconded and approved unanimously. There being no further business, the meeting was adjourned at 9:56 AM.

This being a true and accurate record of the meeting of the Waterbury Land Bank Authority, as attested by:

/s/ Maggie Smith

Maggie Smith, Secretary

9-10-2024

Date