

Doing Business with Cook County's Land Banks

Hosted by The Metropolitan Planning Council

Sponsored by The PrivateBank

Welcome

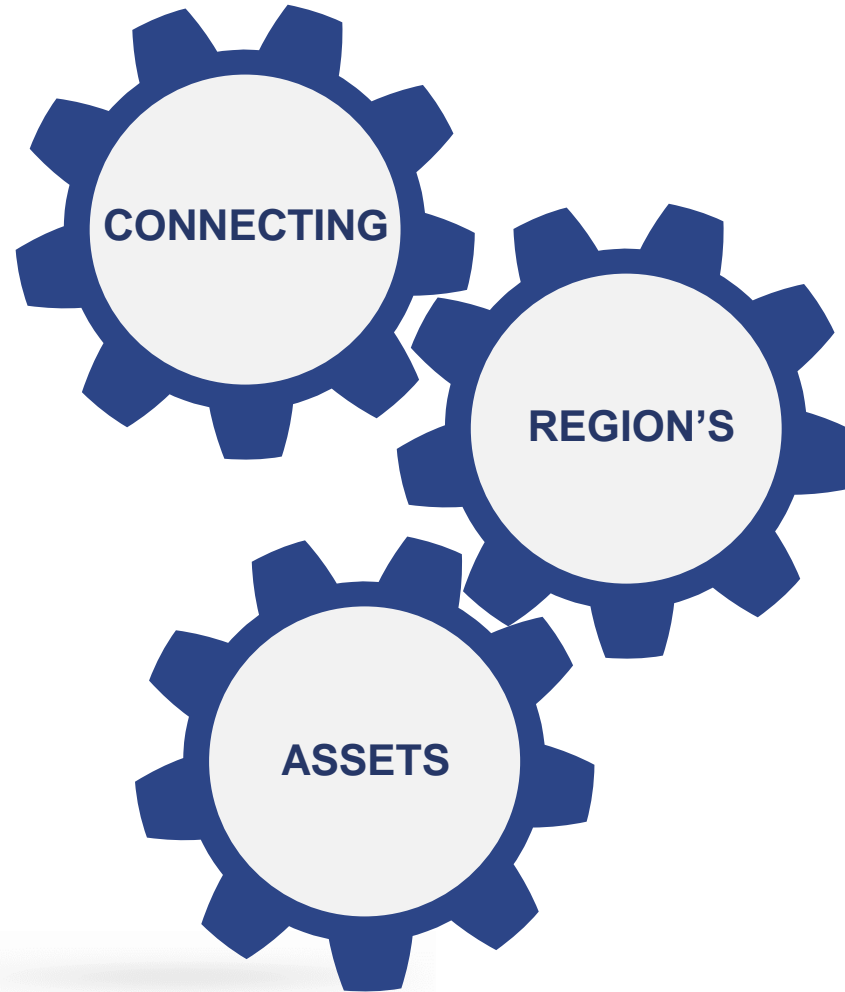
MarySue Barrett, President, Metropolitan Planning Council



Metropolitan **Planning** Council







Cook County's Land Banks

- Understanding the need
- Land banks as a solution
- Partners and engagement
- South Suburban Land Bank and Development Authority
- Cook County Land Bank Authority

Doing Business with Cook County's Land Banks

- How to utilize the Cook County and South Suburban land banks as a tool for repurposing land
- How organizations, individuals and businesses can be qualified to acquire or donate property to the land banks
- Best practices for researching a property's tax, ownership and title history, and financial resources for acquisition and rehab

Land Bank Workshop Partners



**South Suburban Land Bank and
Development Authority**



Helping create communities where people thrive

Ancel
Glink

DIAMOND BUSH
DiCIANNI
& KRAFTHOFER

Metropolitan **Planning Council**



Overview of Land Bank Goals, Policies and Operations

Brian White, Executive Director, Cook County Land Bank Authority

Russ Rydin, Executive Director, South Suburban Land Bank and Development Authority

Brent Denzin, Legal Counsel, Ancel Glink

10:20 A.M. - 11:00 A.M.

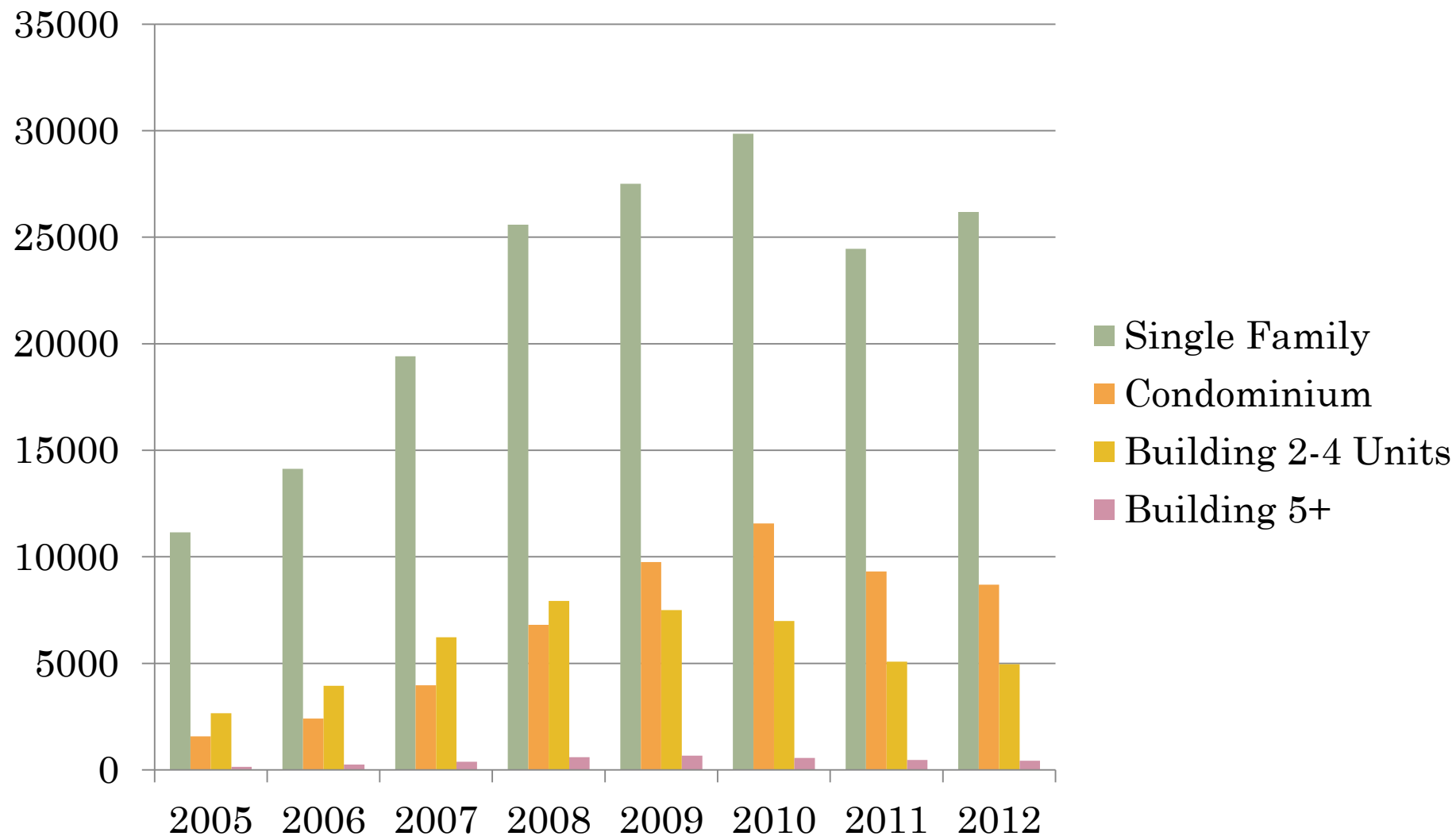
Cook County Land Bank Authority

Brian White, Executive Director

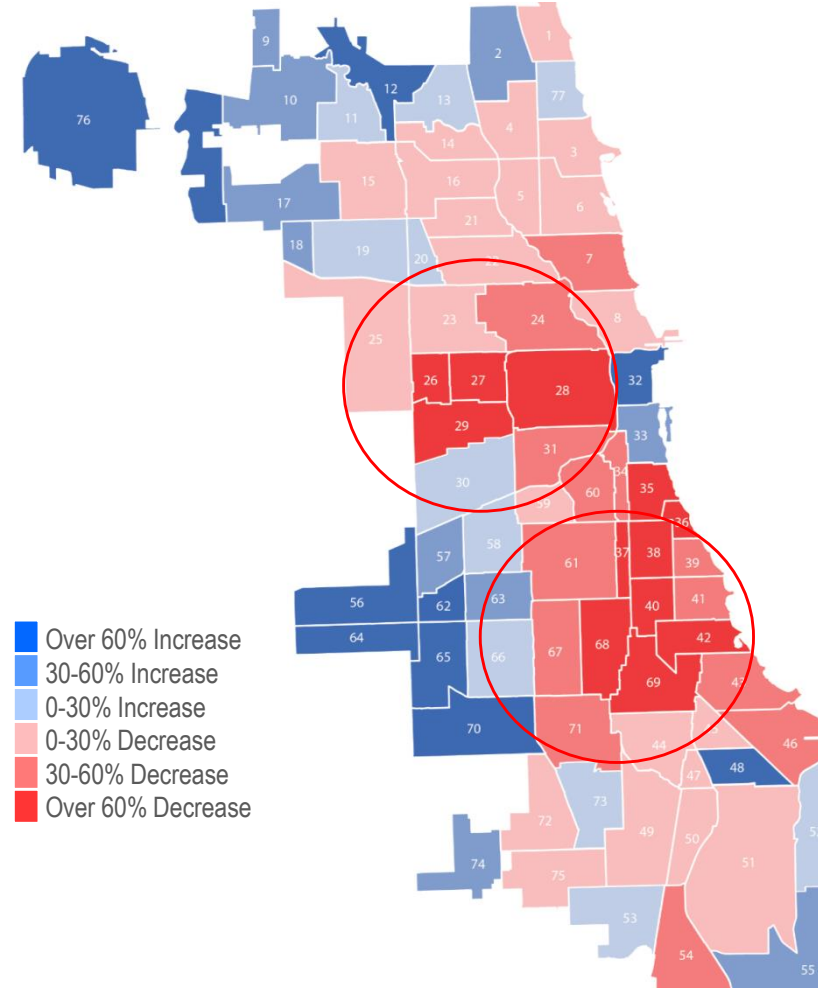
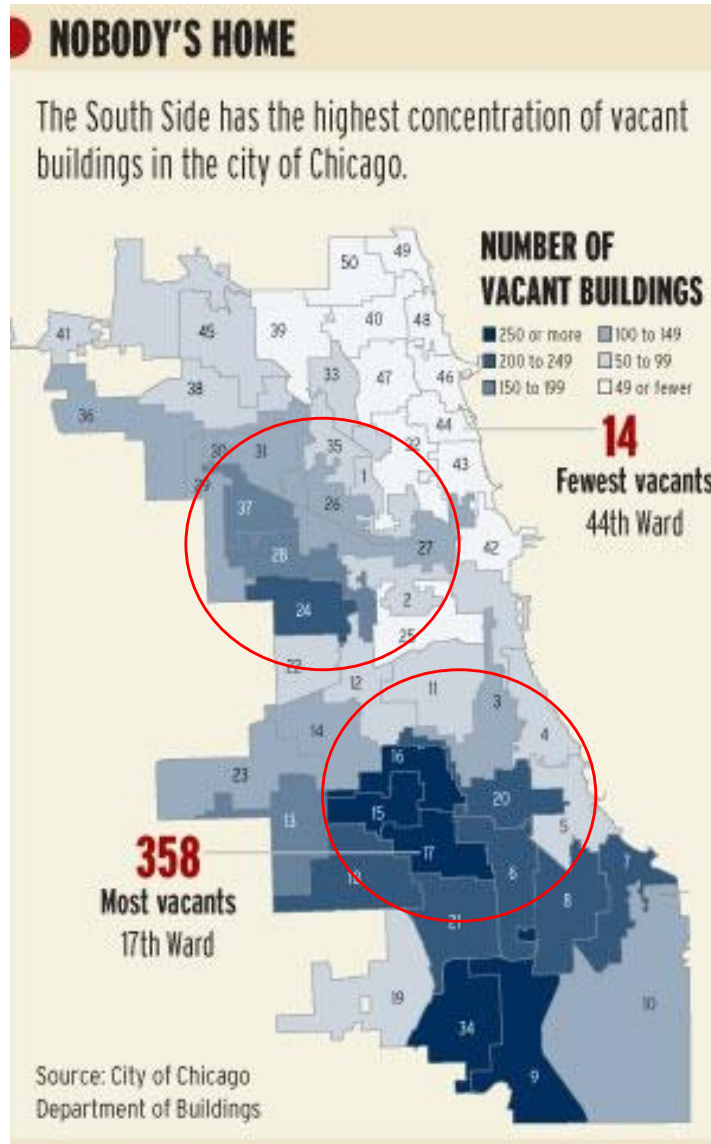




Foreclosures Filings by Property Type



Vacancy & Population Loss





*To Reduce and Return
Vacant Land and
Abandoned Buildings
Back Into Reliable and
Sustainable Community
Assets.*

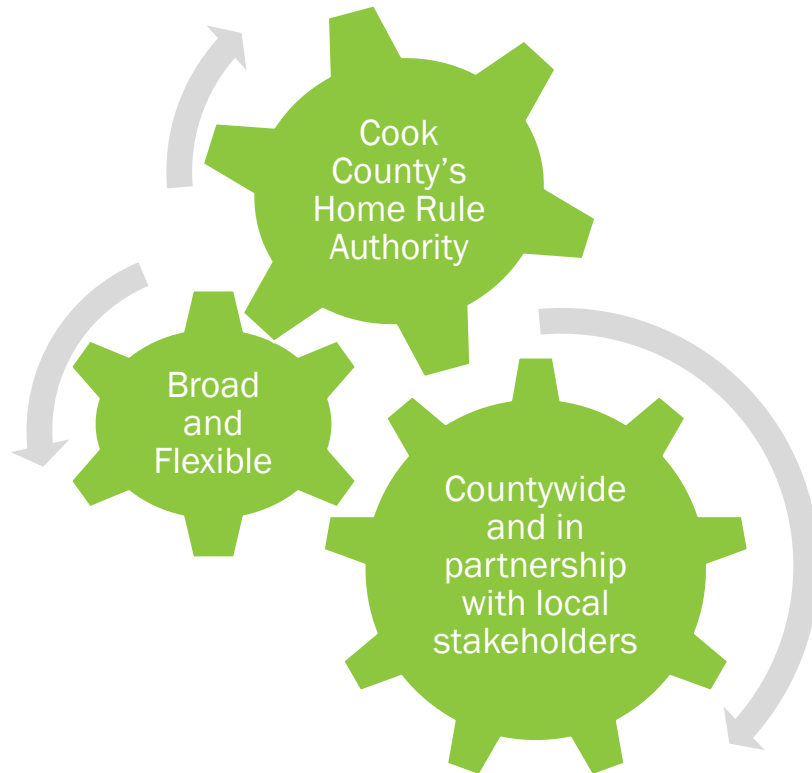


The CCLBA will acquire, hold and transfer interest in real property throughout Cook County for the following purposes:

- ✓ *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.*



Cook County Land Bank Framework



Countywide and in Partnership with Local Stakeholders

The Land Bank tends to the entirety of Cook County and strives to engage local entities and stakeholders in order to promote economic growth.

Established Using Cook County's Home Rule Authority

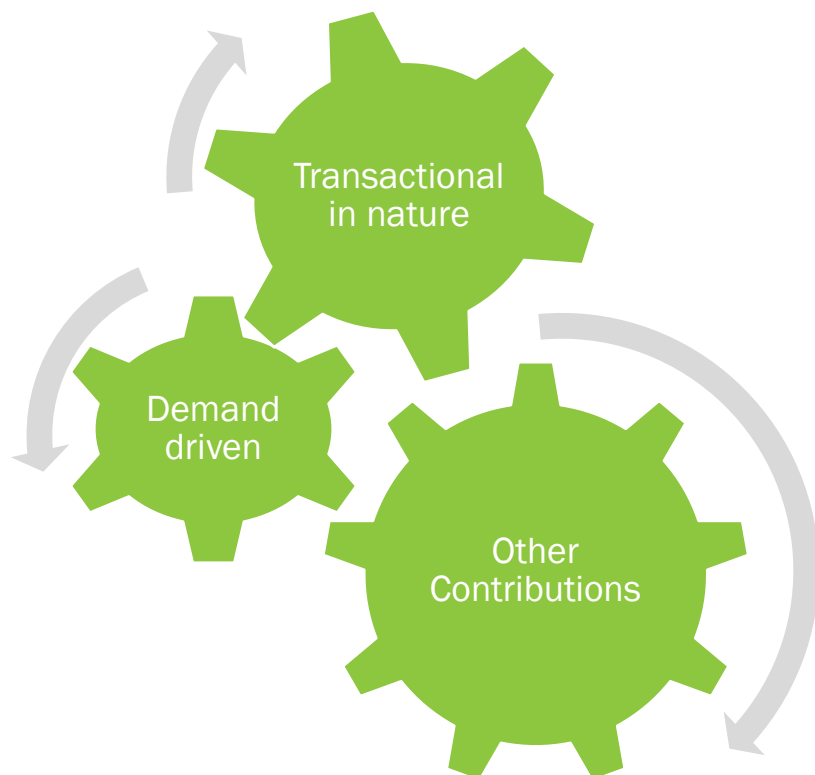
Created under the County's home rule authority instead of state enabling legislation, the Cook County Land Bank Authority is designed to address the critical problems facing communities as a result of the foreclosure crisis.

Broad and Flexible

The Cook County Land Bank Authority is committed to returning vacant and abandoned properties to productive use and maximizing community benefits.



Cook County Land Bank Framework



Transactional in nature

- A property conduit between current/future owner.
- Strategic acquisitions that advance redevelopment cycle and repurpose property for future use.

Demand driven

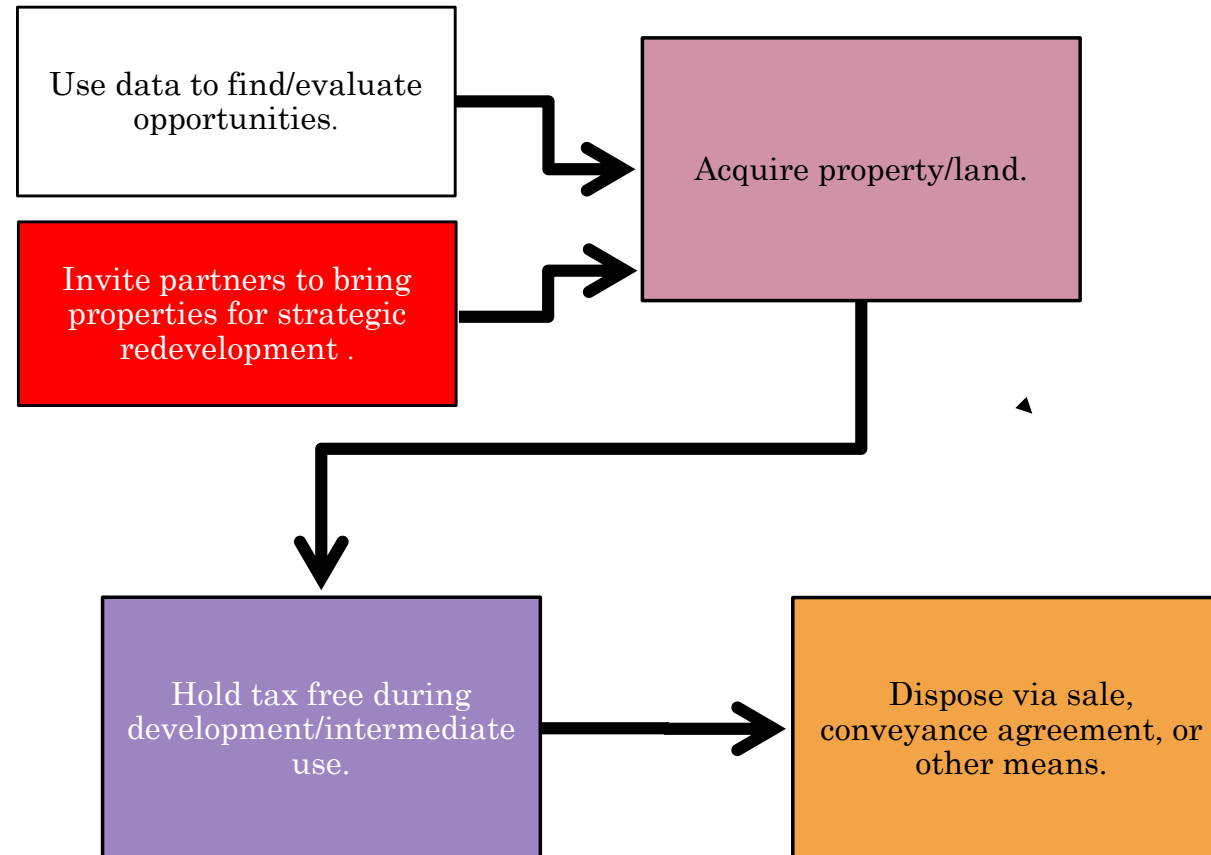
- Disposition drives acquisition.
- CCLBA is not intended to hold property indefinitely. Carrying costs passed on to future owner.

Other Contributions

- Improve title clearing process
- Streamline demolition and redevelopment process.
- Preserve property.
- Expand stakeholder capacity/understanding.
- Support special projects or pilots: alternative to lender “release of liens,” zombie properties, green and sustainable practices, other



The CCLBA Process Flow





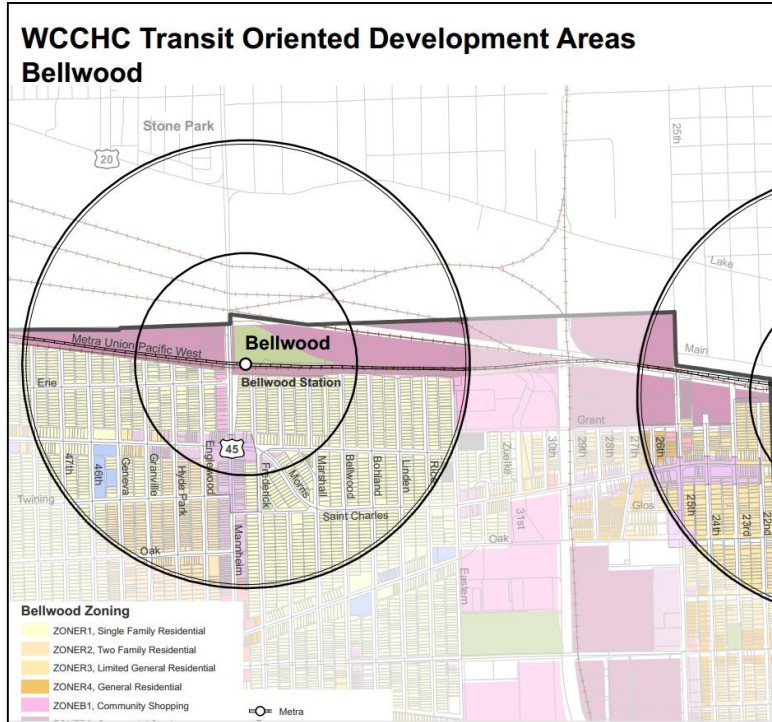
(At Least) Six Opportunities to Add Value

- Assist with assembly of parcels for redevelopment.
- Hold property tax free during redevelopment/prior to conveyance to third party.
- Participate in conduit agreement between parties.
- Work with other government partners to extinguish liens and back taxes.
- Support commitments for financing by pledging parcels.
- Contribute to implementation of community plans.
- Other ideas – bring them forward!



Regarding Land Transactions Policy

- Executive Director has authority to accept and convey single-family homes and vacant lots.
- Other transactions require review by Land Transactions Committee and CCLBA Board.
- CCLBA can create unique and creative conveyance agreements.
- CCLBA must recover its holding costs: aggregate property costs or fair market value.
- Keep it simple and focus on where CCLBA adds value.





How You Can Engage/Be Involved

- **Attend monthly meetings**
 - CCLBA Board Meetings: 4th Thursday of the month. Metropolitan Planning Council, 140 S. Dearborn, Chicago IL 60603
 - Committees: Land Transactions, Sustainability, Data & Analytics
 - Review Land Transactions Policy & CCLBA Enacting Ordinance (on website)
- **Sign-up for notices and updates**
www.cookcountylandbank.org
- **Offer your ideas and proposals**

South Suburban Land Bank and Development Authority

Russ Rydin, Executive Director



**South Suburban Land Bank and
Development Authority**



Mission Statement

The South Suburban Land Bank and Development Authority will facilitate the redevelopment of acquired properties through strategic partnerships with developers, community organizations, lenders, and local governments to improve quality of life, stabilize the tax base, and enhance economic activities that promote sustainable, healthy, and stable communities in a manner consistent with local government plans and priorities.



SSLBDA: Overview

- ❑ Intergovernmental Agency made up of member municipalities.
- ❑ Can work in Cook and Will Counties (with municipal support).
- ❑ Land Bank members appoint a representative to our Board of Directors.
- ❑ Can acquire, hold, redevelop, renovate, assemble, rent and sell properties.
- ❑ Quick acquisition and disposition process – more efficient than municipality.
- ❑ Over \$2,000,000 of Funding for acquisition, maintenance, renovations and disposition in place.
- ❑ Able to acquire residential and commercial properties.
- ❑ Acquisitions/Dispositions approved by Board or Committee.
- ❑ Flexible acquisition and donation parameters.
- ❑ Works closely with the Municipality and according to local plans and priorities.

SSLBDA: Member Communities

Oak Forest

Park Forest

Blue Island

Richton Park

Sauk Village

Midlothian

Hazel Crest

Phoenix

Summit

Dolton

Joliet

Steger

- More communities coming soon.
- Able to work throughout Southern Cook and Will Counties with support from the municipality.

South Suburban Land Bank and Development Authority

Snapshot of Current Inventory



Park Forest



Blue Island



Sauk Village



Oak Forest

- We have more inventory at www.SSLBDA.org. Many other properties coming soon!

South Suburban Land Bank and Development Authority

More information available at:

www.SSLBDA.org

Russell Rydin

Executive Director

russellrydin@sslbda.org

708-381-0871 office

630-886-6171 cell

How to Donate to and Acquire Property from the Land Banks

Brian White, Executive Director, Cook County Land Bank Authority

Russ Rydin, Executive Director, South Suburban Land Bank and Development Authority

Brent Denzin, Legal Counsel, Ancel Glink

11:00 A.M. – 11:40 A.M.

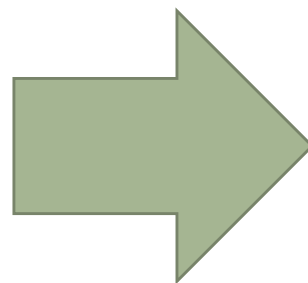


Mission is to reduce and return vacant land and abandoned buildings back into reliable and sustainable community assets.

- ✓ 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.



ACQUIRING PROPERTY FROM CCLBA





Eligible Acquirers

- ✓ **Individuals looking to occupy for personal use or acquire side-lots**
- ✓ **Non-profit and for-profit developers.**
- ✓ **Local governments and governmental bodies.**
- ✓ **Non-profit community and faith-based organizations.**



CCLBA Expectations

- ✓ **Proposed end-use aligns with CCLBA mission.**
- ✓ **Proposed end-use aligns with local interests and needs.**
- ✓ **Capacity to close, rehab and occupy in timely fashion.**
- ✓ **No tax delinquencies or outstanding code violations on other properties (past and present).**
- ✓ **Will pay CCLBA costs at closing – costs to acquire, hold, and convey.**



Common Questions

- ✓ **How can I see and research CCLBA properties?**

CCLBA will acquire property on a rolling basis and post information on available property via its website through our Property Inventory Tracking System.

- ✓ **Is property from CCLBA free?**

CCLBA is required to recover the aggregate cost to acquire, hold and convey land. If fair market value exceeds aggregate costs, CCLBA may charge fair market value.

- ✓ **Can CCLBA clear taxes and liens on property I already own?**

No.

- ✓ **Can I lease land or property owned by CCLBA?**

CCLBA will review these proposals on a case-by-case basis to ensure they align with our policies and procedures, budget, and mission.

- ✓ **Will CCLBA attach deed restrictions on the property once I acquire it?**

CCLBA will work with you to convey property without deed restrictions, where possible.

- ✓ **Does the CCLBA have to get approval to execute transactions?**

Final decision on CCLBA transactions is with CCLBA. CCLBA will consult with local authorities and stakeholders regarding transactions to the greatest extent possible.



Procedures

1. Complete and submit Pre-qualification form included in your packets today and online at www.cookcountylandbank.org.
2. CCLBA will review and follow-up to collect additional information to establish buyer is “qualified”.
3. Visit our website to identify property to acquire.
4. CCLBA will provide conveyance agreement (purchase contract) setting conditions of conveyance. Buyer will sign and place deposit.
5. Property is conveyed via Quit Claim and “as-is”, unless otherwise noted.

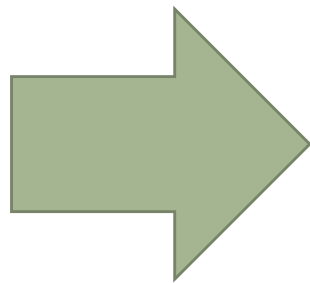


Notes for Acquirers

- 1. If available, CCLBA will provide inspection reports conducted as part of its due diligence and work to transfer property as quickly as it can.**
- 2. CCLBA properties will be listed with accrued expenses and acquirers will be notified of acquisition costs prior to closing.**
- 3. In the event more than one party wants a property, CCLBA will convey by auction to the highest bidder.**
- 4. CCLBA has ability to structure unique conveyance.**



CONVEYING PROPERTY TO CCLBA





Eligible Donors/Conveyers

- ✓ Individuals, non-profit and for-profit firms looking to donate vacant land or developed property.
- ✓ Local governments and governmental bodies wishing to have CCLBA hold property on their behalf.
- ✓ Real estate owned property within bank or GSE inventories.
- ✓ Others



Property Condition

- ✓ **Can have unpaid or delinquent taxes, liens, code violations or other encumbrances**
- ✓ **CCLBA will prioritize acquisitions with potential to repurpose or dispose within a reasonable time frame.**
- ✓ **Property that is obsolete, degraded beyond repair, structurally unsound, or otherwise a candidate for deconstruction/demolition will be accepted, but CCLBA may request cash donation to offset costs.**
- ✓ **Conditions under which CCLBA will accept are typically negotiated on a case-by-case basis, since every property is different.**



CCLBA Considerations when Acquiring

- ✓ **Potential end-use of property.**
- ✓ **Alignment between anticipated end-use and local plans and needs.**
- ✓ **Ability to clear title independently and with other government partners.**
- ✓ **Anticipated costs (and ability to estimate costs) to hold and convey for future use.**



Procedures

1. Complete Pre-qualification form (1 per property), with required disclosures concerning property condition, included in your packets today and online at www.cookcountylandbank.org.
2. CCLBA will review and follow-up to collect additional information, in order to determine if property meets criteria.
3. CCLBA will prepare conveyance agreement for CCLBA to accept property.
4. Move to close.



Common Questions

✓ Are there any property types CCLBA will not accept?

No.

✓ Will CCLBA accept all properties offered for donation?

No.

✓ Can CCLBA accept a portfolio of properties?

Yes. This is something CCLBA is interested to pursue with potential donors or conveyers.

✓ What types of property acquisitions does CCLBA pursue?

CCLBA accepts properties through foreclosure, abandonment, forfeiture, no-cash bid, and other means.



- ✓ Review CCLBA Land Transactions Policy.
- ✓ Review pre-qualification forms for donors and acquirers.

www.cookcountylandbank.org
(also in your resource guide)

Cook County Land Bank Authority
140 S. Dearborn, 14th Floor
Chicago IL 60603

Email: info@cookcountylandbank.org
Phone: (312) 870-9799

Break for Lunch

Sponsored by The PrivateBank

11:40 – 12:30

Recent Land Bank Transactions

Brian White, Executive Director, Cook County Land Bank Authority

Russ Rydin, Executive Director, South Suburban Land Bank and Development Authority

Brent Denzin, Legal Counsel, Ancel Glink

12:30 P.M. – 1:00 P.M.

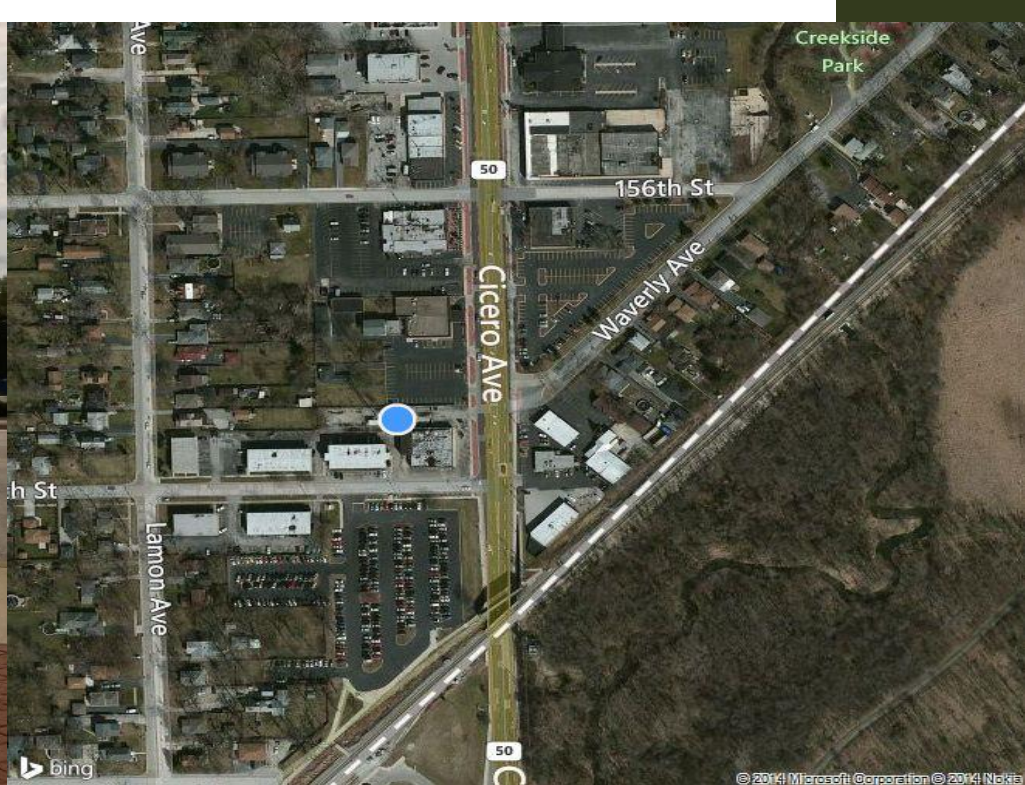
Recent Transactions

South Suburban Land Bank and Development Authority

Russ Rydin, Executive Director

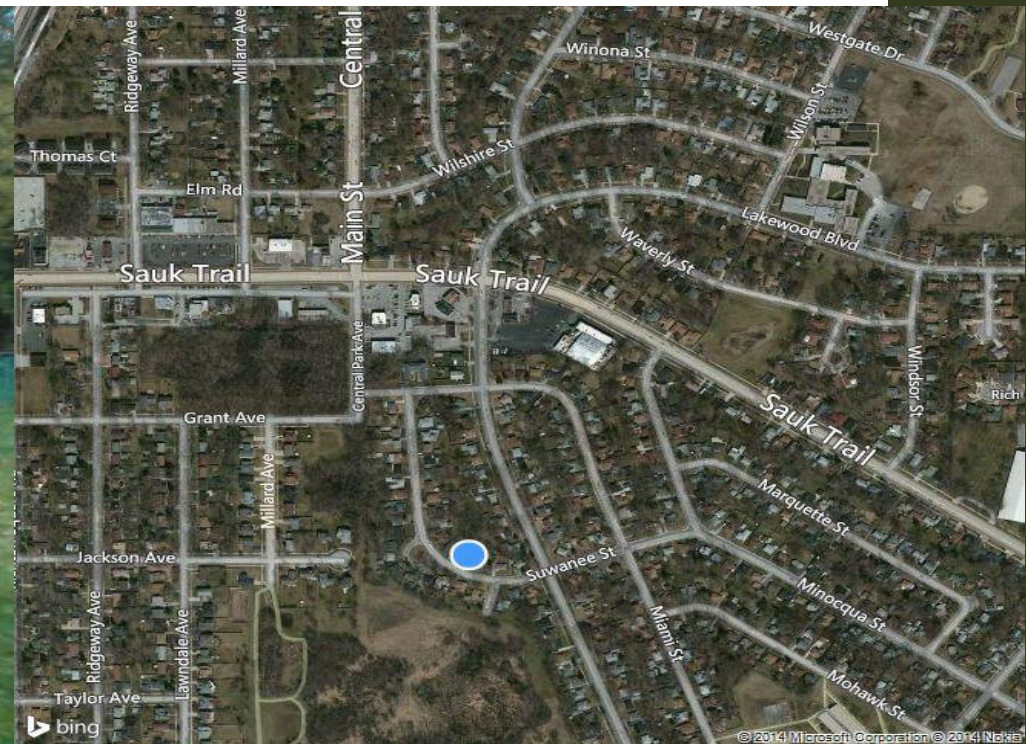


**South Suburban Land Bank and
Development Authority**



15644 S. Cicero, Oak Forest

- **Project Goal:** Redevelopment of existing vacant properties in a TOD into new construction & renovated rental housing.
- **Challenges:** Bank REO, waiting for tax credit funding commitment, attracting a quality developer
- **Sources of Funding:** City of Oak Forest, plus potential layered tax credit financing (developer).
- **Players:** Developer (Brinshore), City of Oak Forest, and the SSLBDA
- **How is Land Bank helpful:** SSLBDA able to act quickly to obtain site control on two properties and close on this property assisting the overall land assembly which included both privately owned and publically owned parcels.
- **Lessons learned:** Creation of a process and template of agreements & documents that can be replicated elsewhere.



406 Suwanee, Park Forest

- **Project Goal:** Acquisition and renovation of a vacant, foreclosed single family home. Potential rental to a Vista/AmeriCorps Volunteer who will be working and living in the community for the next year
- **Challenges:** Bank REO Donation process, identification of end use: sale or rental, only 2 bedrooms
- **Sources of Funding:** Property was donated by Bank of America & rehab provided by AG funding
- **Players:** Village of Park Forest and the SSLBDA
- **How is Land Bank helpful:** SSLBDA able to acquire a vacant home that will be renovated and occupied
- **Lessons learned:** first property acquired by a land bank in Illinois, getting through the donation process

Recent and Pending Transactions

Cook County Land Bank Authority

Brian White, Executive Director





Acquisitions via Donation

- Conservation of property and targeted demolition/deconstruction
- Engage partners to support community revitalization efforts
- Test run systems and increase volume



Acquisitions via Donation

- Bank-owned single family homes, 2-unit buildings, and vacant lots
- Low value properties with potential for rehab into owner-occupied or responsible rental
- Deconstruction candidates with salvage potential





Acquisitions by Purchase

- Securing homes at below-market values and coordinating redevelopment for community benefit.
- Engage partners
- Test run strategy for future use



Acquisitions by Purchase

- Single family homes
- Moderate value properties requiring modest rehab and potential to transfer for owner occupancy



Other Projects

- Pursuing properties through abandonment statute
- Commercial and industrial parcels for staged redevelopment
- Leveraging CCLBA to address
 - Water Management
 - TOD
 - Energy efficiency
 - Energy production
 - Urban agriculture
 - Workforce development
 - and other “social goods” problems.



www.cookcountylandbank.org

Cook County Land Bank Authority
140 S. Dearborn, 14th Floor
Chicago IL 60603

Email: info@cookcountylandbank.org

Phone: (312) 870-9799

Questions & Answers: Prequalification, Donation and Acquisition

Brian White, Executive Director, Cook County Land Bank

Russ Rydin, Executive Director, South Suburban Land Bank and Development Authority

Brent Denzin, Legal Counsel, Ancel Glink

1:00 P.M. – 1:30 P.M.

Researching Properties

Christopher Whitaker and Joshua Kalov, Smart Chicago Collaborative

1:30 – 2:10 P.M.

Researching Properties

1. Cook County Property Viewer
2. Cook Viewer
3. County Clerk Website
4. Cook County Recorder of Deeds Website
5. Chicago Building Violation Website
6. Second City Zoning
7. RedFin/Zillow

For more information, visit <http://www.smartchicagocollaborative.org/> and search “Land Bank”.

Training and Financial Resources to Support your Donation or Acquisition

Rachel Johnston, Chicago Rehab Network

Jack Crane, Community Investment Corporation

Jonah Hess, Neighborhood Housing Services

Rob Rose, Chicago Community Loan Fund

2:10 P.M. – 3:00 P.M.

Chicago Rehab Network

- Mission: The Chicago Rehab Network (CRN) is a coalition dedicated to strengthening neighborhoods through the foundation of affordable housing
- Organizational Structure
- Legacy 35 Campaign
- Services and Resources to communities
- Cook County's Land Banks

Factors of Project Feasibility

- Zoning and Regulatory environment
- Location and neighborhood
- Accessibility and visibility
- Size, location and nature of improvements
- Legal constraints
- Occupancy
- Market area conditions and competition

Financial Resources

Predevelopment

- Chicago Community Loan Fund (CCLF)
- Community Investment Corporation (CIC)
- Jewish Council on Urban Affairs (JCUA)
- Local Initiatives Support Corporation (LISC)
- Cook County Department of Planning and Development
- Illinois Affordable Housing Donation Tax Credits

Construction Financing

- Chicago Community Loan Fund (CCLF)
- Community Investment Corporation (CIC)

Financial Resources

State

Illinois Housing Development Authority

Banks

- Urban Partnership Bank
- Bank of America 203K

Other Grants and Homebuyer Subsidies

- Federal Home Loan Bank
- Neighborhood Housing Services
- Illinois Clean Energy

Training & Technical Assistance

- Technical Assistance, Neighborhood Market Analysis
- ***2014-2015 Empowerment Series***
 - Starts Sept 17
- ***Successful Development of Vacant Homes: Project Feasibility and Analysis***
 - Monday, Sept 8, 8-10am
 - Tuesday, Sept 9, 6-8pm

Community Investment Corporation

- **Mission:** Community Investment Corporation (CIC) is the Chicago metropolitan region's leading lender for the acquisition, rehabilitation and preservation of affordable rental housing.
- **Priorities:** Provide innovative financial programs to make the Chicago region a better place to live, work and do business.
- **Land Bank partnership:** Provides private investors with acquisition and rehabilitation funds to create affordable rental housing.

\$26 Million Rental Redevelopment Loan Program

Investors:

- PNC Bank
- Northern Trust
- BMO Harris
- Urban Partnership Bank
- First Savings Bank of Hegewisch
- Leaders Bank
- First Eagle Bank
- Wintrust:
 - Northbrook Bank
 - Lake Forest Bank
 - Village Bank
 - North Shore Community Bank

Other investors and funders:

- MacArthur Foundation (Program-Related Investment)
- Attorney General (Foreclosure Settlement grant)

CIC Rental Redevelopment Program

- To maximize neighborhood impact and to facilitate responsible property management of 1-4 units
- Most of the properties should be located in a neighborhood cluster consisting of 32 blocks
(approximately 0.25 square mile).
- Properties should be in an area targeted by other investment and community anchors.

Community Investment corporation 1-4 unit Program

- **Term** 10 years
- **Amortization** 15 years
- **Loan-to-Value** 120% maximum
- **Loan to Cost** 80%
- **Debt Coverage** 1.25 minimum
- **Security** First mortgage
- **Min. Units Per Loan** 9 units (3 three flats, 9 SF homes, etc.)
- **Prepayment** No prepayment penalty
- **Recourse** Full recourse to the borrower



Neighborhood Housing Services

Mission: To help people Buy, Fix and Keep their Home

Priorities

- Providing Homeownership Counseling Services throughout the Midwest
- Provide Affordable Mortgages to Owner Occupants within targeted areas of Cook and Kane Counties
- Provide strategic redevelopment and stabilization of vacant buildings throughout Chicago

How NHS's work supports the Land Bank

- NHS provides financing for owner occupants who plan to buy and rehab a home acquired through the Land Bank and through our Home Buyer Education Classes we help to prequalify potential buyers of the Land Bank owned properties



Financial Resources

- Home Purchase Finance for owner occupants
- South Suburban NSP and IKE Communities
 - City of Chicago
 - Down Payment Assistance Grants



Financial Resources

- City of Chicago target communities
- Home buyer education
- Home buyer pipeline

Chicago Community Loan Fund

Mission:

- To provide flexible, affordable and responsible financing and technical assistance for community stabilization and development efforts and initiatives that benefit low- to moderate-income neighborhoods, families and individuals throughout metropolitan Chicago.

Priorities

- Finance small, emerging and grassroots organizations
- Spur economic development through community controlled development
- Be actively involved in environmentally-friendly and sustainable building

How CCLF's work will support the Land Bank

- Finance non owner-occupied 1-4 residential unit buildings (acq/rehab/perm)
- Provide project-specific technical assistance; link to referral network



Helping create communities where people thrive

Neighborhood Investor Lending Program

- Available for smaller scale developers to acquire and rehabilitate 1-4 unit buildings
- Partnership with Community Investment Corporation and Neighborhood Housing Services
- Focusing on City's Micro Market Recovery Program areas

Neighborhood Investor Lending Program

Parameters:

- Borrower must be a developer focused on affordable housing
- Project must be located within the Chicago metropolitan area (Illinois)
- Project must be in a census tract whose median household income is 80% or less of the median income and/or income of a project end-user could not exceed 100% of PMSA
- Technical assistance will be offered based on organizational need

Neighborhood Investor Lending Program

Loan Parameters:

- Loan term: up to 10 years
- Amortization: up to 30 years (Interest-only during construction)
- Loan to Cost: 90%
- Loan To Value: 80% – 120% (sliding scale)
- Debt Service Coverage Ratio: 1.2x – 1.4x (sliding scale)
- Interest Rate: 6% – 8%
- Fees: \$250 application fee; 2% origination fee

For More Information

- Please see your Land Bank Reference Guide for topical resources
- Cook County Land Bank Authority
Brian White, Executive Director
brian@cookcountylandbank.org
- South Suburban Land Bank and Development Authority
Russell Rydin, Executive Director
russellrydin@sslbda.org

Closing Remarks

Yonina Gray, Metropolitan Planning Council

Brant Ahrens, The PrivateBank

3:00 P.M.