

Agenda

Quad Cities Land Bank Authority - Board Meeting

City of Moline, City of Rock Island and City of East Moline



Quad Cities Land Bank Authority

City of Moline · City of East Moline · City of Rock Island

Monday, October 24, 2022, 10:30 a.m.

Moline City Hall

Committee of the Whole

619 16 Street

Moline, Illinois 61265

<https://moline.il.us/Archive.aspx?AMID=101>

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **PUBLIC COMMENT**

4. **LAND BANK BOARD MINUTES**

4.1 Approval of the October 10, 2022, Land Bank Board Minutes

5. **FINANCIAL REPORT**

5.1 Funding Status

5.2 Checks and Approvals

6. **LAND BANK PROGRAM MANAGER REPORT**

6.1 Review of Policies and Procedures Draft

7. **OLD BUSINESS**

7.1 Data Collection

7.2 RFP Update

7.3 Update on Program Branding/Website

7.4 State Advocacy Efforts

7.5 Municipal Contribution Timeline

8. **NEW BUSINESS**

8.1 Land Bank Site Visits

8.2 Land Bank Business Cards

9. **OTHER MISCELLANEOUS BUSINESS**

10. **EXECUTIVE SESSION (IF NECESSARY)**

11. **ADJOURN**

ATTENDANCE MEMBER	PRESENT	ABSENT
Brainard, Miles		
Whiting, Annaka		
Whitley, KJ		
Chappell, Mary		

*PUBLIC COMMENT - Members of the Public are permitted to speak after standing and stating their names. Anyone wishing to make public comment will need to sign in on the public comment sign-in sheet. Public comment will be limited to 3 minutes per person, per subject. Land Bank Board response to public comment is not required.

Comments may also be emailed until the day of the meeting, no later than 10:00 a.m., to mchappell@moline.il.us. Please type Public Comment in the subject line and these comments will be read at the Land Bank Board meeting.

Any person with disabilities who wishes to attend the meeting who requires a special accommodation in attending the meeting should notify Mary Chappell, 309-524-2043 mchappell@moline.il.us, at least 24 hours prior to the scheduled meeting.

Minutes

Quad Cities Land Bank Authority Board Meeting

City of Moline, City of Rock Island and City of East Moline

Monday, October 10, 2022, 10:30 a.m.

Moline City Hall

Committee of the Whole Room

619 16 Street

Moline, Illinois 61265

1. CALL TO ORDER

Chair Brainard called the meeting to order at 10:32 am

2. ROLL CALL

Board Members: Miles Brainard, KJ Whitley

Others present: Brent Denzin (remote), Scott Goldstein (remote),
Mary Chappell

BOARD MEMBER	Present	Absent
Brainard, Miles	X	
Whitley, KJ	X	
Whiting, Annaka		X
Chappell, Mary	X	

3. PUBLIC COMMENT

N/A

4. LAND BANK BOARD MINUTES

K. Whitley motioned to approve of the minutes from the September 26, 2022, meeting as presented. Motion was seconded by M. Brainard and passed 2-0.

BOARD MEMBER	Aye	Nay	Abstain
Brainard, Miles	X		
Whitley, KJ	X		
Whiting, Annaka	X		

5. FINANCIAL REPORT

5.1 Funding Status

In the absence of Treasurer A. Whiting, K. Whitney confirmed that a financial statement was received from the bank. Decision was made to defer any financial discussion to the next meeting when Treasurer Whiting was present.

6. LAND BANK PROGRAM MANAGER REPORT

6.1 FAQ Document (draft)

M. Chappell shared that in addition to working on policies and procedures she has been researching how other Land Banks promote themselves. Goal is to develop a few handouts or documents that describe how a Land Bank works and a document that offers answers to basic questions, similar to the provided FAQ sheet. Such information can be placed on City websites, circulated with various groups, and be utilized by Mayors and other officials. As discussed and with any new program, there is a need to define what a Land Bank is, and to highlight its benefit to the community.

Time was taken to review the visual handout and the FAQ sheet. Board members and Technical Advisors provided helpful comments and ideas for both items.

7. OLD BUSINESS

7.1 Data Collection

M. Chappell noted she has received GIS mapping data with helpful property layers from Moline and Rock Island. Contact has now been made with the East Moline GIS person who is working to provide the same information.

7.2 Land Bank Policies

M. Chappell confirmed that a draft of the QCLBA Policies and Procedures will be ready to a first review on the October 24, 2022, meeting agenda.

7.3 RFP Update

A sample RFP document for legal and property maintenance services is under development.

7.4 Update on Program Branding/Website

M. Brainard noted that when available, he plans to add the provided brief introductory paragraph about the QCLBA on Rock Island's website under Boards and Commissions. There will be a link to the City of Moline's website where the meeting information is housed will be included. To remain consistent, he suggests that the same paragraph should be utilized by all three QCLBA members.

7.5 Municipal Contribution Timeline

Board members discussed the deadline for the municipal contribution. It was confirmed that deadline was March 2022, based on a year from when the intergovernmental agreement was signed.

8. NEW BUSINESS

8.1 State Advocacy Efforts

M. Brainard started the discussion stating he appreciated the recent meeting as it was good to hear from the various mayors, city managers, and the legislators who confirmed their support of Land Banks and their commitment to finding funding sources.

M. Brainard felt the comments from IDHA representatives were interesting, noting that while they have a role in helping Land banks there were not that enthusiast in taking a leadership role as the state agency to push for Land Bank assistance.

M. Brainard concluded that there needs to be a stronger State Land Bank Association of some kind to make advocacy efforts forceful, united, and pointed. The call highlighted that with current efforts Land Banks are speaking with nine voices – not with one - which is what an association could offer.

B. Denzin agreed and noted that is it important for Land Banks to bring in other stakeholders. This will help to push IDHA to see how important additional support will be in the coming years. Land Banks are tools that support the success of their programs which support community needs.

B. Denzin also suggested that each land bank should work locally to gather local support among all officials. This will help to build a brand for Land Banks that can be taken to the next level and collectively push for support.

M. Brainard asked about other state Land bank associations, and wondered if there were examples of best practices to review? What path was taken, how association was formed and structured. Also interested in the types of legislation other state associations have passed.

There was considerable discussion on various state departments and state association efforts. Land Banks in NY, PA, PA, and IN were referenced. M. Brainard asked B. Denzin and S. Goldstein were asked to provide examples of Land Bank Association in other states.

Working with the IL Municipal League (IML) was discussed. B. Denzin noted that the IML is a partner in developing the tools on how to support land banks. They have been supportive on all state legislation but have declined to take the lead as their priorities are blocking other priorities.

S. Goldstein stated that a practical approach is needed to push advocacy efforts. Gathering the data, showcasing success stories and impact, and educating about Land Banks is the key. Utilizing land banks can make all housing and other community programs successful. To show how the cost of doing nothing – only makes matters worse. Agreed that Illinois needs a champion that will support and push Land Banks as a key issue.

K. Whitley asked which of the IL Land Banks would be the best ones to visit. B. Denzin stated the Northern IL Land Bank and the South Suburban Land Bank would be best options. Board members hope to visit a Land Bank before the holidays.

9. OTHER MISCELLANEOUS BUSINESS

N/A

10. EXECUTIVE SESSION (IF NECESSARY)

N/A

11. ADJOURN

Motion made by K. Whitley, seconded by M. Brainard, to adjourn at 11:27 a.m. Motion Passed 2-0

BOARD MEMBER	Aye	Nay	Abstain
Brainard, Miles	X		
Whitley, KJ	X		
Whiting, Annaka			

Quad Cities Land Bank Authority

Profit and Loss

January 1 - October 19, 2022



	TOTAL
Income	
Services	90,070.25
Total Income	\$90,070.25
GROSS PROFIT	\$90,070.25
Expenses	
General business expenses	0.00
Continuing education	1,332.74
Total General business expenses	1,332.74
Supplies	0.00
Supplies & materials	28.00
Total Supplies	28.00
Total Expenses	\$1,360.74
NET OPERATING INCOME	\$88,709.51
Other Income	
Other income	0.00
Interest earned	19.99
Total Other Income	19.99
Total Other Income	\$19.99
NET OTHER INCOME	\$19.99
NET INCOME	\$88,729.50

Quad Cities Land Bank Authority

Blackhawk Bank & Trust, Period Ending 09/30/2022

RECONCILIATION REPORT

Reconciled on: 10/19/2022

Reconciled by: awhiting@eastmoline.com

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance	90,079.13
Interest earned	11.11
Checks and payments cleared (1)	-28.00
Deposits and other credits cleared (0)	0.00
Statement ending balance	<u>90,062.24</u>
Uncleared transactions as of 09/30/2022	-1,332.74
Register balance as of 09/30/2022	88,729.50

Details

Checks and payments cleared (1)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
09/30/2022	Expense		Harland Clarke Checks	-28.00
Total				-28.00

Additional Information

Uncleared checks and payments as of 09/30/2022

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
09/26/2022	Expense	1001	Mary Chappell	-1,332.74
Total				-1,332.74



Quad Cities Land Bank Authority

Transaction Report

Created/Edited: September 19 - October 19, 2022

DATE	TRANSACTION TYPE	NUM	POSTING	NAME	MEMO/DESCRIPTION	ACCOUNT	AMOUNT	CLR
Expense								
09/26/2022	Expense	1001	Yes	Mary Chappell		Blackhawk Bank & Trust	-1,332.74	
09/30/2022	Expense		Yes	Harland Clarke Checks		Blackhawk Bank & Trust	-28.00	R
Total for Expense							\$ -1,360.74	

DRAFT B

QUAD CITIES LAND BANK AUTHORITY

POLICIES AND PROCEDURES MANUAL

As approved by the Board of Directors on _____

Contents

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I. Policies Governing the Acquisition of Properties

A. Criteria for Vetting Land Bank Acquisitions. In determining whether to acquire a parcel of real property, the QCLBA (or “Land Bank”) shall give consideration to the underlying value of the subject property, the property’s importance to local community, neighborhood, and economic development efforts, the financial resources available for acquisitions and/or ongoing management, the operational capacity of the Land Bank, and the projected length of time the property will be held by the Land Bank. Specifically:

1. The Land Bank will focus on properties with an identifiable end use that would (a) promote economic development and job creation; or (b) support the local government’s community development or land assembly plan.
2. The Land Bank will focus on projects where the Land Bank’s participation is necessary to complete the proposed redevelopment.
3. The Land Bank may acquire properties in incorporated or unincorporated areas that are not members of the Land Bank (i.e. outside of Member jurisdictions), but must have the approval of mayor/president or board/council of the governing jurisdiction before acquisition.
4. The Land Bank will focus on acquiring properties that have potential value that would generate operating resources for Land Bank operations.
5. The Land Bank will focus on acquiring properties that can be restored to productive use without substantial rehabilitation or demolition.
6. The Land Bank will focus on unoccupied properties. However, the Land Bank may acquire occupied structures if the Land Bank determines that it furthers the Land Bank’s purpose. If the Land Bank acquires an occupied property, the Land Bank Manager shall take necessary steps to mitigate financial and legal risks using a licensing or lease agreement with the occupant.
7. The Land Bank will consider acquiring blighted properties with structures that require demolition, if (a) demolition would be a strategic step in reducing blight in the local jurisdiction, and (b) the Land Bank has access to funds that are needed to pay for all demolition costs.
8. The Land Bank will consider acquiring vacant, non-conforming, or undevelopable properties that could be placed into a Side Lot Disposition Program or support local development and open space plans.
9. The Land Bank will consider acquiring properties that are environmentally contaminated, after completing necessary due diligence (i.e. Phase I EA). Acquisition will be based on factors including, but not limited to: remediation funding, management requirements, risk/liability protections, and strategic importance to the municipality and region.

B. Pre-Acquisition Investment; Deeds in Lieu of Foreclosure and Tax Abatement

1. To help facilitate rehabilitation, the Land Bank may provide or pay for predevelopment assistance (e.g. surveys, due diligence, etc.) and/or property maintenance/rehabilitation on non-Land Bank property. All costs incurred shall be secured by a mortgage or lien that would allow the Land Bank to recoup its investment or allow for Land Bank intervention via a foreclosure or deed-in-lieu of foreclosure.
 2. The Land Bank may acquire property by judicial deed or deed-in-lieu of foreclosure and complete all required notices to abate taxes pursuant to section 21-95 of the Property Tax Code, 35 ILCS 200/1-1 *et. seq.*
 3. Before deciding to abate tax liens pursuant to Section 21-95 of the Property Tax Code, 35 ILCS 200/1-1 *et. seq.*, the Land Bank Manager shall consider the likelihood that a future sale of the property could pay the existing tax debt. If the Land Bank Manager determines that the existing tax debt will prevent resale of the property, the Land Bank Manager is authorized to proceed with an acquisition strategy that would allow the Land Bank to acquire the property without the existing tax liens.
- C. Any exception to the policies governing property acquisition must be authorized by the Board of Directors.

II. **Policies Governing the Disposition of Properties**

- A. Disposition Requirements. When approving a sale of Land Bank property, the following considerations shall be made:
1. With the exception of Side Lot Sales, prior to disposing of any Land Bank property, the Land Bank shall: a) market the property to the general public for a minimum of ten (10) days using a publicly-available website, the **Multiple Listing Service (MLS)**, or another publicly available marketing platform (“Minimum Public Marketing Period”); or b) obtain approval from the Board for a conveyance without providing the Minimum Public Marketing Period (“Marketing Waiver”). Considerations for Board approval of a Marketing Waiver shall include, but not be limited to, a) whether the transferee is a local government, b) transferee is a party to an approved land banking agreement with the Land Bank, and c) the transferee is uniquely qualified to revitalize the property. Any sale that is not provided the Minimum Public Marketing Period shall be identified at a public meeting of the Board and approved in open session. **(Add signage)**
 2. With the approval of the Board of Directors with jurisdiction over the subject property, the Land Bank Manager may convey vacant parcels to adjacent landowners (“Side Lot Sales”) with terms and price set by the Land Bank Manager without the Minimum Public Marketing Period.
 3. The Land Bank’s disposition of property must be consistent with any/all Memorandums of Understanding with local municipalities.

4. The Board of Directors notified the Land Bank Manager that proposed transferee has unpaid citations, liens, fines, or violations of state and local codes and ordinances (outstanding government obligations); or b) tax delinquency.
 5. The Land Bank may consider alternative financing options (i.e. Land Bank financing) when selling property.
 6. The Land Bank may sell an option to purchase real estate, if the Land Bank Manager finds that the option terms are otherwise consistent with Land Bank policies and procedures. (Add right of first refusal language)
 7. At its discretion, the Land Bank may require a purchaser of property to provide a precise narrative description of future use of the property prior to disposition, to help the Land Bank Manager determine whether the use is consistent with local development plans and any current Memorandums of Understanding.
 8. The Land Bank Manager finds that the transferee has sufficient financial, organizational, and real estate development capacity necessary to proceed with any proposed development; and 2) transferee provides a statement identifying any conflict of interest, as established by the Land Bank's conflict of interest policy, or any familial or financial affiliation between any purchaser or member of the purchasing entity and the prior owner of the property (collectively "Red Flag Relationship"). Any purchaser and transaction with a Red Flag Relationship shall be brought by the Land Bank Manager to the Board of Directors for review and approval.
 9. If the Land Bank remediated environmental conditions or abated delinquent tax liens prior to disposing of the property, then the Land Bank may not convey the property or proceeds from any future sale back to any party that was wholly or partially responsible for previous environmental conditions or delinquent taxes.
 10. Any non-full time residents or entities of the state of Illinois may acquire Land Bank property only (1) with an enforceable plan to place the property into immediate productive use, meaning the property is to be occupied immediately or with the immediate commencement of some form of development project that fits the stated mission of the Land Bank; and (2) with representation by a local agent (i.e., a real estate agent, property manager or lawyer).
 11. Any transaction that contravenes any of the above policies must be approved by the Land Bank Board of Directors.
- B. Development Agreements; Deed Restrictions. In an effort to ensure that transferees promptly restore Land Bank properties to the intended use, the Land Bank may require property transfers to be subject to a development agreement or subject to deed restrictions.

1. Each development agreement should include, but not be limited to, the following components:
 - a. Project Description (including intended use)
 - b. Development Schedule
 - c. Financing Structure
 - d. Enforcement Mechanism (including conditions leading to title reversion, if deemed necessary by the Land Bank Manager)
2. Each development agreement will be drafted by the Land Bank and signed by both the Land Bank and the transferee at or before the time of transfer.
3. To the extent it is deemed necessary by the Land Bank Manager, the Land Bank may convey title subject to a deed restriction requiring the rehabilitation to be completed by a deadline and restricting future use of the property within the limits of the law.

III. Factors in Determining Consideration Due Upon Transfers

- A. For every transfer of real property, the Land Bank shall require good and valuable consideration in an amount determined by the Land Bank in its sole discretion.
- B. The Land Bank will consider the costs of Land Bank acquisition, maintenance, repair, demolition, and marketing, as well as indirect costs of the operations of the Land Bank allocable to the property ("Land Bank Costs") and fair market value when determining the required consideration for each property.
- C. The following factors shall constitute general guidelines for determination of the consideration to be received by the Land Bank for the transfer of properties:
 1. With the exceptions set forth in this section, properties shall be sold for their fair market value of the property or, at minimum, the Land Bank Costs.
 2. At its sole discretion, the Land Bank may accept consideration in the form of cash, deferred financing, performance of contractual obligations, imposition of restrictive covenants, or other obligations and responsibilities of the transferee, or any combination thereof.
 3. The transfer of any commercial, industrial, or residential (three (3) units or more) property will require some form of real estate evaluation (e.g. broker's price opinion, appraisal) to establish fair market value.
 4. Any exception to the policies governing consideration shall be approved by the Land Bank Board of Directors.
 5. The Land Bank's consideration of such factors is subject to the discretion of the Land Bank Board of Directors and support from the local unit of government where the property is located.

IV. Land Banking Agreements

A. The Land Bank may acquire and hold title to property for a defined period not to exceed five (5) years, subject to terms and conditions of an agreement with a third-party transferee (“Land Banking Agreement”). The Land Banking Agreement must, at a minimum, identify the term of the land banking arrangement and require the transferee to pay all costs incurred by the Land Bank to acquire, manage and transfer the properties. The transferee cannot be the liable party for any past delinquent taxes or environmental conditions on the properties subject to the Land Banking Agreement.

B. All Land Banking Agreements shall be reviewed and approved by the Board of Directors.

V. **Committees.** The Quad Cities Land Bank Authority currently has no approved Board committees. If the Quad Cities Land Bank Authority creates a committee(s), this section will be amended to identify the composition, authority and term of the committee.

VI. Land Bank Manager Authority

A. The Board of Directors shall employ a Land Bank Manager to (1) ensure compliance with all governing laws, rules, and directives, and (2) conduct Land Bank business in a manner consistent with these policies and procedures.

B. *The Land Bank Manager has the authority to execute, on behalf of the Land Bank, all contracts, agreements, including land banking agreements, loan documents, and other documents necessary to close property acquisitions, sales, or other transfers.*

C. *The Land Bank Manager may assign through a grant of power of attorney or otherwise the authority to execute documents on behalf of the Land Bank to the Land Bank’s attorneys in order to facilitate acquisitions, sales, or other transfers of property and to otherwise advance the objectives of the Quad Cities Land Bank Authority.*

D. Acquisitions.

1. *Without Board approval, the Land Bank Manager may authorize the acquisition of, and spend or otherwise disburse the funds necessary to acquire, any property for which the total acquisition costs are \$10,000 or less.*

2. *Any agreement to expend more than \$10,000 to acquire property must be approved by the Board of Directors.*

E. Sales.

1. *For any industrial, commercial, or multi-family (three (3) units or more) property, the Land Bank Manager may, without further authorization, approve any sale of any property for consideration that is within 15% of the fair market value of the property, as determined by a real estate broker opinion or appraisal, so long as the transaction has the approval of the Director from the municipality in which the property is situated.*

2. *For any residential property that is two (2) units or less, the Land Bank Manager may, without further authorization, approve any sale, so long as the transaction has the approval of the Local Government Director from the municipality in which the property is situated.*
3. Any other sale must be approved by the Board of Directors.

F. Expense Approvals.

1. *The **Treasurer** of the Board of Directors shall be designated as signors on behalf of the Land Bank for all bank accounts maintained by the Land Bank.*
 2. *The Board Treasurer shall maintain a checkbook or equivalent linked to all bank accounts with checking privileges maintained by the Land Bank.*
 3. *The Land Bank Manager is authorized to spend up to \$2,000 per invoice, cost or other expenditure without written approval from a member of the Board of Directors. Expenditures over \$2,000 must be approved by the Board of Directors in writing.*
 4. *The Land Bank Manager may utilize the Land Bank's line of credit, if available, for the purposes of paying operating or property expenses, including but not limited to the acquisition, rehabilitation, or maintenance of a property, in an amount equal to or less than \$20,000 with approval from the Board of Directors. Any expenditure over \$20,000 shall be approved by the Board of Directors in writing.*
- G. In addition to the authority and limitations set forth herein, the Board of Directors may grant the Land Bank Manager additional authority in order to carry out the objectives of the Land Bank.

VII. Miscellaneous

- A. **Conflicts of Interest.** In addition to complying with the Conflict of Interest section 5.12 of the Land Bank's Intergovernmental Contract and By Laws, the Land Bank may not convey any legal interest in Land Bank property to a Land Bank Board members, staff member (including the Land Bank Manager) or any parent, spouse, child, partner, or sibling of a Board members or staff member.
- B. **Non-Discrimination; WBE and MBE Opportunities.** The Land Bank shall not provide services in a manner that discriminates against an individual because of the actual or perceived status, practice, or expression of that person's race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, gender identity or housing status; or the actual or perceived association with such a person.

The Land Bank shall not fail or refuse to hire, recruit, promote, demote, discharge, or otherwise discriminate against an individual with respect to employment, compensation, or a term, condition, or privilege of employment because of the actual or perceived status,

practice, or expression of that person's race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, gender identity or housing status; or the actual or perceived association with such a person.

The Land Bank will pursue opportunities to work with Women-Owned Business Entities (WBE) and Minority-Owned Business Entities (MBE) when issuing contacts for services and working with potential developers.