

LAND BANK AUTHORITY

MINUTES - APPROVED

Time: Wednesday, August 14, 12:00PM-1:00PM

Place: Annex 1st Floor Conference Room, 420 10th St.

Call to Order: Sherrie Aaron, 12:06pm

Attendance (In Person): Sherrie Aaron, Steve Anthony, Alston Auton, Michelle Williams

Attendance (Virtual): Deidre Tilley

Absent: Carson Cummings

Staff: Natalie Bouyett, Rob Scott, Kim Mitchell, Emma Kimbrel

Members of the Public: 3

1. Introductions

2. Approve Minutes from July 10, 2024

Motion to approve the minutes from July 10, 2024

1st: Steve Anthony

2nd: Alston Auton

3. Review Property Bid and Proposal

1322 20th Street

Applicant: Moulin Desai

The applicant introduced himself and his project

The applicant is looking to do new build on a narrow lot. The home would be 25' x 25'. He plans to use a design team out of Knoxville. The applicant has a very limited history with development; he currently has two lots in early development in Roanoke, VA. He is looking at a sales price of \$95,000.

Steve asks the applicant if he has talked to the Planning department about the setbacks on this lot. Steve is concerned that the side setbacks are 8' feet on each side. The applicant says the architect may have to alter site plans based on the feedback from the Planning Department. He said that he selected this lot because it was close to amenities.

Natalie confirms that this parcel does not have to go through the Tax Commissioner's office. The City has owned this lot for at least 6 months.

Sherrie requests a contingency before approval, which states that the applicant must talk to the planning department first.

The applicant asks about the timeline of the donation process. Natalie says it may be 1-2 months for appraisal. The applicant states that his design team believes the construction timeline will include one month for permits and three months for construction.

Motion to approve the proposal based on the following contingencies: an approved plan with approved setbacks and design, a deposit of \$500 into escrow, a stipulation on the security deed stating that he has one year to complete work, presentation to the board once the project is complete, right of reversion.

1st: Steve

2nd: Sherrie

4. Director's Report

4.1. Charge to CRD

Rob shares that upon his hire in 2020, the Department struggled with operating the Land Bank. His initial goal was to make the land bank more profitable and sustainable. In May 2021, Rob and Inspections and Codes Director, Ryan Pruitt, were called to City Council to discuss blighted properties. The City Attorney recommended using the Land Bank as a solution. Rob stated that he worked to reconstitute the land bank board.

4.2. Human Resource (Natalie)

Rob states that Natalie was brought on and has built a strong foundation for the land bank. She helped develop a strategy for land bank (e.g., opportunity zones).

4.3. CRD Driven Capacity Development

CRD was audited internally. When the audit findings were presented at council, Councilwoman Tucker asked Rob to return to council with a vision for the land bank.

Prior to presenting this vision at council, the Land Bank held a meeting where the Tax Commissioner was in attendance. The Tax Commissioner stated/implied that she felt attacked at the Land Bank meeting – since the staff and LBA board were asking for a minimum commitment from their office. Tax Commissioner made comments on the incapacities of her office.

4.4. City Council Meeting (September 26)

On September 26, 2023, Rob, Natalie and Lance (former LBA board chair) went before council to present a vision for the land bank.

4.5. Formal Petition to Tax Commissioner

Natalie reached out to the Tax Commissioner via email on May 21st and May 24th. She received no immediate response. Months later the Tax Commissioner provided a response, stating that her office had no capacity to assist the Land Bank and that her office could not commit to any future capacity. Rob shared printed copies of the Tax Commissioner's email to Natalie.

4.6. Current State of Petition

Rob has advised Natalie not to continue to press the Tax Commissioner for efficiencies. The Tax Commissioner is a constitutional officer – she is not responsible to the Mayor, CM or Council. She is only responsible to the people. Transition will occur in January – her replacement will be David Britt.

Rob stated that he believes nothing will happen for the remainder of this fiscal year and may not happen for the first 6 months of 2025.

4.7. Future of the Land Bank Authority

Rob wants the board to decide how to respond with the properties in escrow. Alston states that the investors' money has been sitting in an escrow account without either party benefiting from interest.

Steve asks about the future of the land bank because of the stalemate with the tax commissioner's office. He states that David has been good to work with. He says that the Land Bank board is a lame duck until the end of the year. Steve states that he is optimistic about a future relationship with David and building a bridge. He states that LBA needs to reach back out to investors and either refund money, give them first right of refusal, or hold their money and retain their place in line until next year. Alston reiterates that the Land Bank needs to communicate with the applicants.

Rob says he has talked to some applicants already and agreed to provide an update on what will happen next on Friday (August 16). Michelle suggests that the board give the applicants options.

Alston states that she is not optimistic about a 6-month timeline. Steve says 1 year may be too great of a timeline. Sherrie asks whether the board is sure that the Tax Commissioner is not going to do anything before her exit. The board replies that they do not believe she will.

Alston states that she believes in professionalism, noting that the Land Bank is holding money from 10 investors. She states that it is not fair to the City that people have a perception of the land bank when it is not the LBA's fault. Alston says these limitations should be presented to the City Council. Rob states that any presentation to Council cannot come from staff – it must come from the board.

Steve states that they do not want to sully the relationship with the Tax Commissioner's office. He asks if this conversation should be done this year while the current tax commissioner is still in office, or next year. He also asks if they can hold a meeting with David Britt. Sherrie says she will figure out how to get on Mr. Britt's calendar.

Michelle points out that they have invested in advertising, workshops, etc. and have done a lot of work. Rob reminds the board that they still have work to do. He shares that the heirs

property program will start in September. Steve says the LBA will just have limited capacity.

Rob suggests that the LBA board leverage their relationships but not risk relationships. Sherrie asks Alston to lead the discussion with David Britt. Alston says she has had a working relationship with Mr. Britt in the past. Steve asks if staff can intervene. Rob says no.

Deidre asks if the only option for these properties is through the Tax Commissioner's office. Rob replies that reaching out to private landowners is the Tax Commissioner's job.

Deidre asks if there is no incentive for Council to get the commissioner to do her job. Rob says this will become a "he said, she said" conversation. Deidre says that if David Britt leaves the position and another person comes on, the Land Bank board may be back in the same position. Rob states that this is true.

Alston states that in the future they can create SOPs and/or an agreement with the Tax Commissioner's office with the blessing of the council to give the board leverage.

Natalie asks about the maps and applications online showing properties eligible for foreclosure. She states she would prefer to take them off the website. The board concurs and asks her to take the properties off the website.

Alston/Steve suggest reaching out to David Britt before the end of the year to attempt to build a bridge.

Rob asks Natalie to craft an email that he will send out to investors informing them of their options with the money that has been held in escrow.

Alston and Steve compliment Natalie on her professional work for the Land Bank thus far.

Motion for CRD staff to reach out to investors and inform them that (1) the Land Bank is in a transition phase with Tax Commissioner's office and does not want to hold their money, (2) each investor has the option to either receive a refund and get first right of refusal when the properties become eligible again or leave their money in escrow for the approved properties and retain their place in line until next year.

1st: Steve Anthony

2nd: Michelle Williams

Steve asks if they should continue to meet each month. Natalie says they have a presentation next month from an applicant that has completed their project. After that, they can go on hiatus until December. In October, there is a conference on LBA in Missouri.

Natalie shares that DCM Hodge has asked to use the Annex 1st floor meeting room next month. They will meet at Citizens Service Center. Natalie states that the next meeting is scheduled for September 11th. Michelle and Sherrie will be absent on September 11th. Natalie will send out an email to check on quorum for the following Wednesday (Sept 18).

Call to Adjourn

Sherrie Aaron, 1:07pm