Omaha Municipal Land Bank Board

MINUTES

Wednesday, February 10, 2016

Regular Meeting:
9:00 AM, Jesse Lowe Conference Room – 3rd Floor
Omaha/Douglas Civic Center
1819 Farnam Street

Meeting Minutes: This document states the minutes before the Omaha Municipal Land Bank Board at the Public Hearing and Administrative meeting held on Wednesday, February 10, 2016.

Certification of Publication: Omaha Municipal Land Bank Board Administrator certifies publication of this agenda in the Daily Record, the official newspaper of the City of Omaha on Wednesday, February 3, 2016.

Members Present: Jamie Berglund, Chair
Tom McLeay
Ken Johnson
Antonio Zarazua
Rob Woodling
John Heine
Julie Stavneak
Mike Riedmann
Diane Battiato (arrived late)
James Thele, Planning Director

Members Not Present: Cathy Lang, Vice Chair
Randy Lenhoff
Julia Plucker

Director Present: N/A

Staff Present: Jennifer Taylor, City Law Department
Debbie Hightower, Recording Secretary
PUBLIC MEETING:

Jamie Berglund, Chair, called the meeting to order at 9:00am.

Berglund stated that the Nebraska Open Meetings Law is in effect and a copy is available in the room for review. She further stated that copies of the agenda are located in the corner of the room. Berglund explained the procedures of the meeting.

Roll call was taken with 10 board members present (Cathy Lang, Randy Lenhoff and Julia Plucker were absent). Diane Battiato arrived late.

Berglund informed the public that a notice of the meeting was published in the Daily Record on February 3, 2016.

Motion by Ken Johnson to approve the minutes from January 13, 2016 and the January 20 and February 1, 2016 special meetings as submitted with the exception of one correction. Tom McLeay seconded the motion.

AYES: McLeay, Johnson, Zarazua, Woodling, Berglund
MOTION CARRIED: 5-0

Rob Woodling, new board member, was introduced and shared a little about himself.

Berglund indicated that December 2015 financial report was prepared by Bland & Associates and asked for approval.

Motion by Tom McLeay to approve the December 2015 financial report. Ken Johnson seconded the motion.

AYES: McLeay, Johnson, Zarazua, Woodling, Berglund
MOTION CARRIED: 5-0

Berglund stated that there will be a meeting of the Finance/Audit Committee to include the creation and finalization of the 2016 budget. She added that the financial statements will be reformatted by year to date, month to month and budget versus actual. The contract plan with Bland & Associates expires at the end of March and will be reviewed at the March board meeting. Berglund stated that there will be assistance needed to create a budget to acquire tax certificates for the current year and service for 2017 and 2018. She further stated that she and Lang will meet with U.S. Assets (tax service and tax certificate investment firm) on February 11th and Jared Hollinger on February 19th to get more information on services that are provided to share with the committee. Berglund stated that a formal request will need to be submitted to the City regarding funding for the 2017 budget.

Berglund reported that the Executive Director Search Committee (Stavneak, McLeay, Woodling, Riedmann, Berglund) met twice and are close to appointing an interim director. The schedule for a permanent Director will depend on the interim strategy but with the hope of having someone in place within the next couple of months. A special board meeting will be held toward
the end of March to do interviews, pull together a panel of community leaders to assist with the candidate interviews, assessments of the individuals. The board will continue to work with Ted Ford Webb to assist in the search.

In response to Johnson, Berglund stated that ideally it would be best to have a full-time permanent Director in place by April. She added that the position will be posted soon and encouraged the board and community members to reach out to the masses and encourage qualified candidates to apply.

Riedmann stated that the board was probably prejudice toward local people during the first search by looking for someone with Land Bank experience and overlooked the connectivity with the community that is needed by the Director. He added that the search committee will be looking both nationally and locally with some favor to someone who has experience and knows their way around Omaha; there is such a ramp up period for someone coming from out of town.

Monique Cannon, NONA board, appeared before the board and questioned the gap between now and previously that needs to be filled to find the proper person that meets the needs of the Director.

Berglund answered that it is vital that a new Director is very strong at engaging with the community and building relationships and partnerships with neighborhood groups, non-profit organizations, contributing donors and being creative with the partnerships and having strong marketing promotional skills to be able to promote what the organization does and communicate clearly what the organization is doing and what the purpose and vision is and obviously being able to carry through the tactical functions of land banking and relying on volunteers in City and County and other departments to help execute, manage and build a team in a paid capacity or in a volunteer capacity. Stavneak added that there has been modifications made to the job description based on the past experience. Berglund stated that the job description will be available to the public to share and added that an additional attribute would be a strong sense of entrepreneurship.

Berglund reported that Marty Barnhart and Cathy Lang have voiced their interest in becoming the Interim Director. She added that the Interim Director is also free to apply for the permanent Executive Director position.

Motion by Tom McLeay to give the Executive Search Committee the authority to enter into a contract up to three months for an Interim Director up to $10,000.00 for a full compensation package. Rob Woodling seconded the motion.

AYES: McLeay, Johnson, Zarazua, Woodling, Berglund
MOTION CARRIED: 5-0

Berglund stated that on January 29, 2016 several of the board members and other city, county and non-profit leaders got together to figure how to participate in the tax sale. There was great feedback and good discussion. The 2016 tax lien list has nearly 5,000 parcels and the goal was for each participant to review the list and think about strategic acquisitions and which parcels would be considered on their behalf with the goal of turning the property over to them in the
event the property forecloses. The vast majority of the properties will redeem but it is more about which ones should be acquired and which properties would be best to use the automatically accepted bid. She added that there should be approximately 150 parcels identified by the different organizations for consideration using the automatically accepted bid with a total cost of well over $100,000.00 to pay off the taxes. The finance committee will need to create a budget around the cost to acquire in 2016 but also to service in 2017 and 2018. By using the resources from the non-profits, the group will need to survey the property to assure that they meet the automatically bid criteria as listed in the policy and to figure out what percentage of the 150 parcels can reasonably be acquired. Berglund stated that February 29th is the date that the list of properties to be acquired before the tax sale will need to be presented to Dennis Rookstool, Douglas County Treasurer’s office, after a majority vote by the board supporting the list of properties. She added that the outstanding taxes will need to be paid at that time. In conclusion, before February 29th, the list will need to be reviewed, the partners will convene again and many details will need to be worked out.

In response to Johnson, Berglund stated that the list of tax lien properties was acquired from the non-profits. She stated that the State Legislation and the Land Bank policy states that the automatically accepted bid must meet more than one of the following criteria: 1) the property is not occupied by the owner or any lessee or licensee of the owner, 2) there are no utilities currently being provided to the property, 3) any buildings on the property have been deemed unfit for human habitation, occupancy, or use by local housing officials, 4) any buildings on the property are exposed to the elements such that deterioration of the building is occurring, 5) any buildings on the property are boarded up, 6) there have been previous efforts to rehabilitate any buildings on the property, 7) there is a presence of vermin, uncut vegetation, or debris accumulation on the property, 8) there have been past actions by the municipality to maintain the grounds or any building on the property, or 9) the property has been out of compliance with orders of local housing officials, or 10) the real property is contiguous to a parcel that meets more than one of the criteria or that is already owned by the land bank.

Ryan Basye, M.O.P.O.A., appeared before the board and questioned if property can be acquired if it is occupied. Berglund answered that an occupied property could potentially be acquired if it meets one of the other criteria as stated in the statute.

McLeay questioned the percentage of the properties that will be redeemed. Berglund answered that the percentage is approximately 97-99% as stated by Dennis Rookstool, Douglas County Treasurer’s office. Riedmann added that the Land Bank is purchasing the tax certificates for the worst of the worst properties. Berglund stated that Habitat for Humanity recommended that the Land Bank acquire a significant amount of tax certificates. Riedmann further added that there is a 14% interest rate paid by the property owner for certificates that are redeemed.

Carol Russell, appeared before the board and questioned what the process would be for a developer. She stated she is concerned when properties are developed that do not have a transportation line or access to health and food and fall into disrepair.

Gloria Austerberry, volunteer with Omaha Together One Community, appeared before the board and asked what non-profit agencies participated in the tax sale process. Berglund answered that the non-profits who are involved with the development of affordable housing were invited to
attend the meeting regarding the tax sale were Omaha Economic Development, Habitat for Humanity, Holy Name Housing Corporation, 75 North Revitalization, Omaha Housing Authority, Neighbor Works Solutions, GESU Housing, Rebuilding Together and the Builder Foundation but Abide Network was overlooked.

Berglund stated that a special board meeting will be held on February 29, 2016 to vote on the list of tax sale properties.

Berglund reported that Resolution Partners is working on the strategic plan and will be reaching out to board members to gain feedback on the process thus far. She added that once the Interim Director is secured, Resolution Partners will engage with other community engagement oriented organizations.

Berglund also reported that the Governance Committee is working on the procurement policy draft and depository agreement draft and will report to the board at the March meeting. She further explained that a quick overview of the depository agreement is the ability for a non-profit organization to take property that they own and transfer into the ownership or inventory of the Land Bank to be held tax free until the property is ready for development. She added that there will be more information at the March board meeting but the non-profits are very eager to get the depository agreement into place because of the significant amount of savings in property taxes.

Berglund stated there have been continued discussions and research regarding a data system. She stated that there will be more exploration including the use of E-Property Plus, an out-of-the-box data system, has proposed an initial fee and an annual fee to implement the system. Battiato volunteered to explore other data system possibilities. In response to Stavneak, Berglund stated that the initial cost for E-Property Plus is $18,000.00 and $15,000.00 annually for up to five users including maintenance, webinars and technical assistance.

It was the consensus of the Board to adjourn the meeting at 9:45am.

Debbie Hightower, Planning Department
Recording Secretary