

SAVANNAH-CHATHAM LAND BANK AUTHORITY
Regular Meeting Minutes
Via Teleconference (Zoom)
Tuesday, August 10, 2021
10:00 a.m.

I. CALL TO ORDER & ROLL CALL

The August 10, 2021, Regular Meeting was called to order at 10:03am by Chairperson Gregori S. Anderson.

A. Board-members:

Present:	Gregori S. Anderson Martin Fretty Richard M. Evans Gregory A. Scott	Chairperson Vice Chairperson Secretary Board Member
-----------------	--	--

Absent:	Vacant	Board Member
----------------	--------	--------------

B. Members of the Advisory Board:

Present:	Victoria Tumlin Cindy Kelley Attorney Bates Lovett	Chatham County Tax Commissioner CSAH Special Counsel
-----------------	--	--

Absent:	Larry O. Jackson Rafaella Nutini Zarik Samples	Savannah Chatham Board of Education Savannah Housing Authority Coastal Habitat for Humanity
----------------	--	---

<u>Others attending:</u>	Alison Goldey Tara Hicks Patrece Grant Anita Smith-Dixon Denton Hill Scott Robinson Sue Adler Ryan Arvay Naser Jaber Briana Grosicki Mark Gjekaj Lauren Knight	Land Bank Director Housing and Neighborhood Services Housing and Neighborhood Services CHSA City of Savannah Community Services Housing and Neighborhood Services CEO of Historic Savannah Foundation Director of Preservation & Historic Prop. GIT Developer South Streets, LLC Rentsavannah.net, LLC Public
---------------------------------	---	--

II. **ACTION ITEMS:**

A. **Approval of Minutes for June 08, 2021:**

Martin Fretty moved for approval of the June 08, 2021 minutes.

Gregory Scott seconded the motion.

Motion carried unanimously.

III. **FINANCIAL REPORT (2ND QUARTER):**

Mrs. Goldey presented to the Board the Chatham County/City of Savannah LBA's Financials and Statements of Activities (included in the agenda package) for the Fiscal Year 2021 which highlights the operating budget expenses and the fund revenue report.

A. **Quarterly Report:**

- Year End Budget to Date is \$284,412.00.
- Year to Date Actuals - \$162,558.86.
- Open Purchase Orders – 10,250.00 (money allocated for 2018-2020 audits).

Fund Revenue Report:

- Annual Budget - \$75,000.00.
- Year-to-Date Actuals - \$59,744.97. (for sale of land and property).
- Year-to-Date Interest Earned - \$149.72.
- General Fund Contribution from the City of Savannah - \$73,968.10.
- Chatham County's Contribution - \$22,500.00. (For Fiscal Year 2021)

LBA Investment Fund Balance:

- Begin Balance - \$666,580.48
- Ending Balance - \$535,259.31.

IV. PROPERTY ACQUISITION & DISPOSITION UPDATE:

Mrs. Goldey presented a brief summary updating the Board members on the activities for the LBA as of July 30, 2021. The LBA acquired 2 properties and 5 properties are under contract/option. The LBA has 2 contracts pending and has disposed of 14 properties since the first of the year.

V. ACQUISITION AND DISPOSITION POLICIES AND PROCEDURES:

Mrs. Goldey updated the Board on acquisition and disposition policies and procedures. She has put together a draft that she will present to the Board at the next meeting. She indicated that Attorney Bates Lovett will review it once it is completed.

VI. PRESENTATION OF 1K10 PROJECT BY MARTIN FRETTEY

Board Vice Chairman Frettey presented a power point presentation of the 1K10 Project to the Board members. The presentation included the following points:

- In November 2019, the City of Savannah included, and voters approved, \$10M in SPLOST-7 funds for the acquisition of blighted and abandoned properties-lots and structures.
- This is expected to lead to the acquisition of at least 1,000 properties over 10 years beginning in 2021.
- Once acquired, blight remedied, and titles cleared, the properties will be sold or otherwise transferred to owners willing and able to develop quality affordable housing.
- The City will utilize the LBA to help acquire and transfer/sell properties-90% of sale proceeds are expected to be returned to the City and 10% retained by the LBA.
- Interested heirs of a property obtained or acquired by the LBA for the 1K-in-10 initiative will be given first opportunity to purchase and develop the property.

The 1K-in-10 Strategies included the following:

Single Property Strategy (SPS)

- Facilitate the acquisition and/or redevelopment of a single blighted, abandoned property located within a block of housing that, for the most part, is in otherwise good condition anywhere within the City.

Multiple Property Strategy (MPS)

- Facilitate the acquisition and/or redevelopment of multiple blighted, abandoned properties located near one another within a portion of a neighborhood with the expectation that such investment here will pave the way for future redevelopment in other parts of the neighborhood.

The members of the 1K-in-10 Interdisciplinary Team are the Office of Community Services Housing & Neighborhood Services Department, City Attorney's Office, City Code Compliance Department, City Revenue Department, and the Land Bank Authority Director.

VII. ACTION ITEMS:

A. Resolution Authorizing the Sale and Conveyance of Property Located at 712 W. 39th Street, Savannah, Georgia to Historic Savannah Foundation, Inc. for Future Conveyance for Rehabilitation of Affordable Rental Housing; And for Other Purposes:

Mrs. Goldey briefed the Board on the conveyance of the property located at 712 W. 39th Street to Savannah Historic Foundation, Inc. On April 23, 2020, the Land Bank Board of Directors approved the request from Historic Savannah Foundation, Inc. (HSF) to enter an Option to Purchase the subject property. During the option period, HSF agreed to market the property to potential buyers that could demonstrate the technical and financial capacity to rehabilitate the two duplex structures on the property to help provide affordable housing in the Cuyler-Brownsville neighborhood.

Mrs. Goldey proceeded to turn the discussion over to Mr. Ryan Arvay, (Director of Historic Preservation), who attended the meeting. Mr. Arvay presented a presentation to the Board. HSF is seeking to exercise the option to purchase the subject property for a price of \$30,000.00 and transfer the property to Mark Gjekaj of Rentsavannah.net, LLC who has committed to carrying out the rehabilitation of the two existing duplexes on the subject property.

As a term of the transfer to Rentsavannah.net, LLC., HSF will place a protective preservation covenant in perpetuity on the property, as well as affordability covenants on half of the units for a period of 10 years.

The rehabilitation of the structures will be executed through a partnership between HSF, Rentsavannah.net, LLC and JDR Construction.

JDR and Rentsavannah.net, LLC estimate the timeline for completion of the project to be approximately 10 to 12 months from the date of acquisition. As per HSF's easement, substantial work must commence within five months of closing and be completed within 18 months of that same date.

The cost breakdown is as follows:

Property Acquisition Cost:	\$30,000.00
Construction Costs:	\$406,325.00
After Rehab Value:	\$396,111.00
Initial Deficit:	\$40,214.00

The cost of the project compounded by the severely deteriorated conditions will cost more than the potential value after it is completed. This is the primary reason why HSF is asking for a reduced purchase price.

Board Chairman Anderson informed the Board that he is a member of the HSF Board of Directors and will be recusing his vote on this item for clarity purposes going forward.

Board Secretary Evans inquired about the preservation easement in perpetuity? Mr. Arvay explained that a preservation easement is a legal deed restriction that runs with the property. The easement grants HSF oversight of the design of the property.

Staff recommends adopting a resolution authorizing the sale and conveyance of the property located at 712 W. 39th Street, Savannah, GA to Historic Savannah Foundation, Inc. for \$30,000.00 for the future conveyance of the subject to Rentsavannah.net, LLC as outlined in the Option to Purchase and the submitted proposed redevelopment plan and authorizing the Authority's Chairperson or Director to execute such instruments as may be necessary to consummate said transaction.

Martin Fretty moved for approval of staff recommendations.

Richard Evans seconded the motion.

Motion carried by majority vote.

B. Resolution Authorizing the Sale and Conveyance of Property Located at 1612 Burroughs Street, Savannah, Georgia to South Streets, LLC for Redevelopment of Single-Family Housing; And for Other Purposes:

Mrs. Goldey briefed the Board on the conveyance of the property located at 1612 Burroughs Street to South Streets, LLC. The subject property is in the Cuyler-Brownsville neighborhood, in a traditional residential zoning district with lot dimensions of 100 X 36. The appraised tax value on said property is \$9,000.00. The LBA invested costs are approximately \$4,925.00. The property is a vacant lot acquired by the Land Bank Authority through a quit claim deed from Chatham County on October 25, 2007. The Land Bank pursued quiet title action initiated to obtain marketable title to the property.

South Streets, LLC proposes to purchase the property for \$10,000.00 for the new construction of a single-family home with 1,375 square feet with three bedrooms and two baths to be sold to a low-to-moderate income homebuyer. The plan may need to be adjusted due to the lot dimensions. The intended buyer is an employee of the Sentient Bean a business that Mr. Baugh is connected with, and they are seeking to create an employer sponsored down payment assistance program to help ensure that employees have quality, stable, affordable housing. Mr. Baugh is prepared to redevelop the property, provide technical assistance, and a gift of equity to the homebuyer.

Funding:

South Streets, LLC provided verification of funds from financial accounts for purchase of the property and funds for construction.

Estimated Project Budget:

South Streets, LLC provided a comprehensive pro forma and budget for construction.

Land Acquisition Price: \$10,000.00

Total Hard Cost: \$178,872.00
Total Soft Cost: \$5,366.00
Total Project Cost: \$199,238.00

A detail pro forma of homeowner financials, debt service, and annual expenses for the homebuyer based on property being affordable for a low-to-moderate income household making 80% of the area median income was submitted. Profit will be provided as an equity gift to the buyer. Estimated monthly payment is \$1,110.00 PITI.

Estimated Project Timeline:

Closing Date: August 2021
Permits: September 2021
Construction Starts: August 2021 through December 2021
Completion: December 2021
Ribbon Cutting: December 2021 to early January 2022

Experience & Capacity:

Brad Baugh has over 30 years of experience in real estate as an owner, developer, manager, and licensed realtor. He has acquired, renovated, and built dozens of properties. In 2012 he founded Longleaf Partners, LLC, a full-service property management company with 95 residential and commercial units currently under management. South Streets, LLC will team up with SHC General Contractors with over 20 years of experience building in greater Savannah.

Staff recommends adopting a resolution authorizing the sale and transfer of the property located at 1612 Burroughs Street, PIN 20066 15007, Savannah, GA, to South Streets, LLC for a sales price of \$10,000.00, contingent upon meeting all development requirements and authorizing the Authority's Chairperson or Director to execute such instruments as may be necessary to consummate said sale and transfer.

Gregory Scott moved for approval of staff recommendations.

Martin Fretty seconded the motion.

Motion carried unanimously.

C. Resolution Authorizing the Sale and Conveyance of Property Located at 1526 Stratford Street, Savannah, Georgia to Dasher Construction, LLC for Redevelopment of Single-Family Housing; And for Other Purposes:

Mrs. Goldey briefed the Board on the conveyance of the property located at 1526 Stratford Street to Dasher Construction, LLC. The subject property is in the West Savannah neighborhood, in a residential zoning district with lot dimensions of 60 X 100. The appraised tax value on said property is \$3,000.00. The LBA invested costs are approximately \$8,500.00. The property was acquired at a tax sale on September 5, 2017. The LBA foreclosed the right of redemption and pursued quiet title action to obtain marketable title to the property.

Dasher Construction, LLC proposes to build a single-family home at 1,118 heated square feet with three bedrooms and two bathrooms. Dasher Construction, LLC offers \$11,000.00 for the property. Dasher Construction, LLC requests that the Authority accept 10% of the purchase price at closing and hold a note for the remainder of the purchase price at no interest until the completed home sells or for a period of twelve months, whichever occurs first.

Project Funding:

The developer has applied for funding through the City's Dream Maker 3 program and the Savannah Affordable Housing Fund. Financial statements for proof of funding have been provided.

Estimated Project Budget:

Lot cost:	\$11,000.00
Construction Cost:	\$145,340.00
Soft Cost:	\$17,570.00
Total Cost:	\$173,910.00

Proposed Sales Price \$173,910.00

Developer Fee and/or Subsidy provided through the Dream Maker Program Financing.

Estimated Project Timeline:

The home will be built and ready for purchase in approximately six (6) months.

Staff recommends adopting a resolution authorizing the sale and conveyance of the property located at 1526 Stratford Street, Savannah, GA, PIN#20027 11012, to Dasher Construction, LLC for a sale price of \$11,000.00, contingent upon them meeting all minimum development requirements, including but not limited to proof of construction financing to be submitted to the Land Bank Authority prior to transfer of the property, and authorizing the Authority's Chairperson or Director to execute such instruments as may be necessary to consummate said sale and transfer.

Martin Fretty moved for approval of staff recommendations.

Richard Evans seconded the motion.

Motion carried unanimously.

D. Resolution Authorizing the Sale and Conveyance of Property Located at 000 Lamar Street, (PIN # 20140 05010), Savannah, Georgia to Dasher Construction, LLC for Redevelopment of Single-Family Housing; And for Other Purposes:

Mrs. Goldey briefed the Board on the conveyance of the property located at 000 Lamar Street to Dasher Construction, LLC. The subject property is in the Taterville neighborhood, in a residential zoning district with lot dimensions of 100 X 120. The appraised tax value on said property is

\$8,500.00. The LBA invested costs are approximately \$8,700.00. The property is a vacant lot. The subject property was acquired at a tax sale on May 1, 2012. The LBA foreclosed the right of redemption and pursued quiet title action to obtain marketable title.

Dasher Construction, LLC proposes to subdivide the lot and build two single-family homes at 1,118 heated square feet with three bedrooms and two bathrooms. Dasher Construction, LLC offers \$29,500.00 for the property. Dasher Construction, LLC requests that the Authority accept 10% of the purchase price at closing and hold a note for the remainder of the purchase price at no interest until the completed home sells or for a period of twelve months, whichever occurs first.

Project Funding:

The developer has applied for funding through the City's Dream Maker 3 program and the Savannah Affordable Housing Fund. Financial statements for proof of funding have been provided.

Estimated Project Budget for Each House:

Lot cost:	\$14,750.00
Construction Cost:	\$145,340.00
Soft Cost:	\$17,500.00
Total Cost:	\$177,590.00

Proposed Sales Price: \$177,590.00

Developer Fee and/or Subsidy provided through the Dream Maker Program Financing.

Estimated Project Timeline:

The home will be built and ready for purchase in approximately six (6) months.

Staff recommends adopting a resolution authorizing the sale and conveyance of the property located at 000 Lamar Street, Savannah, GA, PIN 20140 05010 to Dasher Construction, LLC for a sale price of \$29,500.00, contingent upon them meeting all minimum development requirements, including but not limited to proof of construction financing to be submitted to the Land Bank Authority prior to transfer of the property, and authorizing the Authority's Chairperson or Director to execute such instruments as may be necessary to consummate said sale and transfer.

Gregory Scott moved for approval of staff recommendations.

Martin Fretty seconded the motion.

Motion carried unanimously.

E. **Resolution Authorizing the Sale and Conveyance of Property Located at 1417 E. 55th Street, Savannah, Georgia to Global Investment Traders, LLC for Redevelopment of Single-Family Housing in Accordance with the City of Savannah Housing & Neighborhood Development Department Requirements; And for Other Purposes:**

Mrs. Goldey briefed the Board on the conveyance of the property located at 1417 E. 55th Street to Global Investment Trades, LLC. The subject property was acquired at the request of the Housing and Neighborhood Services Department (HNSD). The Land Bank entered into a Repayable Grant Agreement with HNSD in the amount of \$50,000.00 for the acquisition, maintenance and holding costs associated with the property. After assessment by the Construction Services Department, it was determined that it was not economically feasible to rehabilitate the existing structure and the structure on the property was demolished.

The subject property is in the Edgemere Sackville neighborhood, in a residential zoning district with lot dimensions of 60 X 110. The appraised tax value on said property is \$25,000.00. The LBA invested costs are approximately \$47,000.00. The property is a vacant lot. The subject property was acquired from the owner with a warranty deed on June 3, 2019.

Two proposals, one from South Streets, LLC and one from Global Investment Traders, LLC were previously submitted for acquisition and redevelopment of the property. The costs in the property exceeded the offers made by both parties and the Board asked that the LBA Director consult with HNSD to determine the best solution for moving forward. Board Vice Chairman Fretty and the Land Bank Director met with both interested parties and discussed the plans and options for purchase and sale of the subject property to a moderate homebuyer using programs provided by HNSD, while allowing for the cost associated with the property to be recovered.

A proposal submittal sheet outlining housing specifications and financing options for both the developer and the homebuyer was provided to both parties to complete and provide back as a revised offer for the property. Both parties provided the completed submittal form. South Streets, LLC ultimately decided to withdraw and purchase another property for their identified homebuyer, leaving GIT, LLC as the sole applicant for the property.

GIT, LLC proposes to build a single-family home approximately 1,300 square feet to be approved by the Land Bank Authority and HNSD.

Estimated Project Budget and Funding:

\$48,300.00	Acquisition from LBA (\$46k due City+5%)
\$140,000.00	Construction Costs
\$8,000.00	Soft Cost
\$196,300.00	Hard Development Costs
\$29,445.00	Developer Fee
\$11,287.00	Real Estate Commission
\$237,032.00	Sales Price

GIT, LLC also provided the LBA with the estimated Hard Development Cost Financing, Buyer Financing and First Mortgage Payment.

GIT, LLC estimates that construction will take approximately six months to complete.

Board Vice Chairman Fretty provided the LBA with a memorandum included in the Board packet. After running the numbers, he explained that a 1200 SF House should be affordable to someone making \$50,000-\$51,000 and a 1100 SF House should be affordable to someone making \$47,000-\$48,000.

The City has offered to provide a \$30,000 0% interest deferred payment loan to a Dream Maker eligible buyer. Memorial and St. Joseph/Candler employees could also buy this house through the Dream Maker Program.

Board Vice Chairman Fretty also presented to the Board the numbers he ran based upon GIT, LLC numbers. This included the following:

\$237,032.00	Sales Price
<u>\$8,000.00</u>	Closing Costs
\$245,032.00	Total Transaction Cost
\$2,500.00	Buyer Cash
\$1,500.00	Sell Cash
\$30,000.00	2 nd Mortgage Dream Maker 0% Deferred Payment Loan
<u>\$211,032.00</u>	1 st Mortgage 3.2% Int 30 Year Loan
\$245,032.00	Total Transaction Financing
\$914	PI
<u>\$340</u>	TI
\$1,254	PITI
\$50,160.00	Gross Annual Income Required

Staff recommends adopting a resolution authorizing the sale and conveyance of the property located at 1417 E. 55th Street, Savannah, Georgia (PIN# 20097 19007) to Global Investment Traders, LLC for a sale price of \$48,300.00 in accordance with the established LBA and HNSD development requirements to include that the final sales price of the newly constructed home not exceed \$237,000.00 making it affordable to persons of moderate income that would qualify for the City of Savannah's Dream Maker Program, and the Chairperson or Director is authorized to execute such instruments as may be necessary to consummate said transaction.

Gregory Scott moved for approval of staff recommendations with adding a high-end sales price of \$237,000.00.

Martin Fretty seconded the motion.

Motion carried unanimously.

VIII. OTHER BUSINESS:

- A. Housing Savannah Task Force Report
Mrs. Goldey previously sent copies of the Housing Savannah Task Force Report to the Board.
- B. Mr. Arvay provided a brief update on three properties with Historic Savannah Foundation under the option agreement that are about to expire. He indicated that affordability covenants were developed for 2205 & 2207 MLK Blvd, so that potential buyers know what it is they are committing to when purchasing the properties. It is HSF's intent to make the existing historic rehab market rate because the building is in severe distress. As for 620 W. 42nd Street, it is HSF's intent to execute that option and HSF will buy that property and hold it as part of a larger portfolio on that street. Mr. Arvay further explained that it is part of a bigger strategy to acquire a number of those houses on that block. HSF is willing to make minor improvements to that property to stay in compliance with the City. The Land Bank Director indicated that she would extend the option agreements.

IX. ADJOURNMENT:

With no further business to discuss, the meeting was adjourned by Chairperson Gregori Anderson at 11:28am. The next Regular Board Meeting is scheduled for Tuesday, October 12, 2021.

These minutes were prepared by Administrative Assistant Tracy Gregory.

ATTEST:



Richard M. Evans, Secretary