

Minutes

Housing Committee
Monday, March 20, 2017
7:15 p.m.
Police Training Room, 4th Floor
Municipal Building, Jamestown, New York

MEMBERS PRESENT: Chairwoman Marie Carrubba, Councilman Brent Sheldon, Councilwoman Vickye James

MEMBERS ABSENT:

OTHERS PRESENT: Maria Jones, Vince DeJoy, Pat Morris

Chairwoman Carrubba called the meeting to order.

The minutes from the February 13, 2017 meeting were approved.

Remarks from Community Members/Committee Members

New Business

Department of Development Monthly Report

Mr. DeJoy: I'm going to present the case detail report that we have generated today; detailing the month of February. She did it through today. I'll pass those around. There's a total of 106 cases.

Ms. Carrubba: Is there anything in particular that stands out? I know we've had a few issues with snow and it looks like some buildings have had collapsing roofs.

Mr. DeJoy: You can always tell when the snow has melted and we get more calls. Junk and debris somehow reappears, re-emerges.

Ms. Carrubba: I think I was on Falconer Street and the garage looked like the roof had collapsed probably from snow. Maybe there were issues before, but it looked like there were problems with the building. Were there any major problems with the windstorm? Any structural things.

Mr. DeJoy: Yes there were definitely some trees that had to be taken care of.

Ms. Carrubba: Any property damage; houses, roofs, things like that that you're aware of? Nothing that went through the department?

Mr. DeJoy: Just mostly tree calls.

Ms. James: This house at 102 8th Street; has the landlord done anything? I see he's got three things here. It has a hole in the living room floor, water leaking by electrical outlet, the roof is in bad condition, leaking, bedbugs. It's on page 6.

Ms. Jones: Chautauqua Acquisitions. What does that mean?

Mr. Olson: That's the company that owns them.

Mr. DeJoy: Andy Jarrett.

Ms. James: Is he in there a lot? A slumlord?

Mr. DeJoy: Yes.

Ms. Jones: He's got 72 Chautauqua; Chautauqua Acquisitions.

Mr. DeJoy: there's probably a whole bunch of them from Chautauqua Acquisitions. He doesn't have the best portfolio. As you can see there's a whole bunch of them there.

Ms. Carrubba: I know that some of the funds that CODE received were targeting North Main Street. I don't know whether any of that can be used for these properties that are in such bad shape.

Mr. DeJoy: If you look at most; the overwhelming majority, these are rental properties. These aren't owner-occupied properites. It's a rare occasion when they are.

Ms. Carrubba: I wasn't clear. Were the funds from the scattered site housing had to be owner-occupied?

Mr. DeJoy: I believe his funds are for owner-occupied.

Ms. Jones: Let me ask a question. When I'm a frequent flyer, as I see on this list, and I wind up in court on all these frequent flyers. Do they make this painful for me, financially? What's my incentive? This person here on page 16-24 and 17-24; it just looks like...

Mr. DeJoy: You've also got to understand that these frequent flyers come in with attorneys. They're not there representing themselves and they know how to tie things up.

Ms. Jones: So we don't charge...

Mr. DeJoy: It's not we. We don't charge anything. It's the court that charges.

Mr. Olson: There's a \$100.00 court appearance fee.

Ms. Jones: Right, but what about the... You're not fined?

Mr. Olson: That's up to the court. There is a court appearance fee of \$100.00. if they don't pay it, then that's put against their tax bill.

Ms. Jones: But the city doesn't have fines that say you have thirty days to fix it or whatever the court says, if you don't get it fixed then you've got to pay and it keeps exponentially multiplying your fines or whatever so that it gives you some incentive to actually get off the list, not get on the list. And if you do wind up on the list, to expedite it. Can't we institute some fining or something? Does it have to come from the court?

Mr. Olson: It comes from the court.

Ms. Jones: I know it does, but does it have to? These fines? I'm just asking the question.

Mr. Olson: I'll verify it for you.

Mr. DeJoy: It's kind of like parking. They set the fines and they have to adjudicate it? I don't believe that we have the authority to do that, but I don't...

Mr. Olson: I'll tell Marilyn to talk to you.

Ms. Jones: Okay.

Ms. James: Are our hands literally tied? In cases like these, all it is your people go out and put up the violations and send it to the court?

Mr. DeJoy: Again, we keep trying to get them to do it, to keep it out of court.

Ms. Jones: So, should we be working with the court system to make this painful? For those that are frequent flyers? I'm not saying all.

Mr. DeJoy: I think the court is sympathetic to it.

Ms. Jones: Well, that doesn't help. Look at these numbers – I'm just saying.

Ms. Carrubba: The problem is what you want them to do is make the corrections and fix the things so the more you fine them and they don't make the corrections, it's just self-defeating.

Mr. DeJoy: Sometimes there are fines; they'll come in and they'll pay the fine.

Ms. James: And the property is still in disarray.

Ms. Jones: Yes. The fine's not big enough obviously. I'm just saying. These guys are in this for the money or they wouldn't be doing this.

Mr. DeJoy: And they know how to play the game too.

Ms. Jones: But, I think that's part of the problem. Something has to change or the blight – and they're not all rental properties. Some rental properties are beautiful. But there are some that are really – something has to change in the way that we're handling things, the laws or the court system or something to make our frequent flyers sit up and eat their vegetables. It's enough already. And if you have these in your neighborhood...

Ms. Carrubba: And that's a great way to segue. Patrick Morris is here from CODE Incorporated to discuss some wonderful news about some grants that he received and we'll give you the five minutes that we have left. I told them you were coming back from out of town so I really appreciate you even doing this. I thought it was really good news.

CODE GRANT REPORT

Mr. Morris: Well, we've got two grants coming up which play into exactly what you're talking about. The first one is \$400,000.00 owner occupied rehab. We just completed a \$200,000.00 owner occupied rehab. We did twelve houses; ten of which were in the city. Of the ten in the city that we did, nine of them were roofs. We don't do cosmetics, we don't do anything for appearance. We want to make sure that the house is structurally sound. That it maintains the integrity of the house. It keeps the house in good enough condition so that if it were to be sold, it will probably sell at a price that's too expensive for those slumlords and we want to protect also the tax base. Because you lose a house, you lose a tax base.

We have two years to do the grant. We are hoping to complete it in a year. It's a pretty aggressive schedule, but we've done it in the past and we're going to continue to do it. Our last one that we did, actually, we ran out of money on. We used a little bit of a city match to get it completed. We're moving right along on it and we're expecting, probably in May or June to start up construction again.

It's technically a county-wide grant, but we're going to concentrate our marketing on North Main Street, Spring Street, East Second, West Fifth and Sixth; right through the main drives, trying to get into those neighborhoods and get those houses that you see when you come in the city, fixed up.

Our last grant, we were \$200,000.00 for twelve houses; \$17,000.00, \$18,000.00 a house. This next one's going to be a little bit higher. We found that we couldn't really reach everything that we really wanted to reach in the houses. We want to be able to do a little bit more. We also think that if we're going into those neighborhoods, the houses are going to be in a little bit worse shape.

The second grant is actually more exciting. It's a home buyer program to help people buy houses. In many cities, you have a situation where you've got very high housing prices, you need to help somebody buy a house. That's not Jamestown. In Jamestown, if you can't buy a house, you shouldn't be buying a house. But, the house that you buy is in pretty bad shape. So rather than incentivize people to buy houses, what we're going to be doing is we're going to be taking people who are buying houses in the neighborhood anyway, being whatever neighborhood they want to be in, and incentivizing the repair of the house. So, hopefully what we're doing is we're taking somebody who is going to be buying a \$50,000.00 house and have them buy a different \$50,000.00 house, but a house in worse shape and then we can come in and help them rehabilitate the house. They will be houses where they are purchasing them on pretty much bank mortgages and we're coming in and subsidizing it. We've been working with a bank to try to figure out some details. If the house isn't in occupiable shape, but if it's occupiable, it would just be a regular transaction and we come in behind it.

Again, we want to target some of the worst houses along North Main and Spring and the main arterials. We have two applications for owner occupied work into the state and one is under the state HOME Program. That one is very similar to the purchase rehab program only for that one, we're expecting to address homes that are in incredibly bad shape. We're going to be able to try and go in and put \$50,000.00 to \$60,000.00 into a house and there are houses in the city that need it and we want to stabilize the house, stabilize the neighborhood, stabilize the tax base.

And we also have in a rental rehab application because we do believe that rental rehab will work in the city. We do have a little problem with incentivizing slumlords so we're going to try it out. We have the application. If it's funded, we're going to go in on one of our own buildings first and rehab that. That would be the only building we own on the southside, over on Newland, and then if that works, then we'll open it up a little bit or we'll go buy another building and rehab it. We have not heard on those two yet. This is really just continuing our comprehensive approach to housing rehabilitation. Trying to address as much as we can.

Ms. Carrubba: So, you're going to try to steer people to...

Mr. Morris: Steering is not a good word in our industry.

Ms. Carrubba: Refocus their interest into another home.

Mr. Morris: Yes. Having someone who's going to buy a house just buy a different house and we have enough money - it's a pilot program - to do probably three or four houses. It's not going to be a big program. It's not going to change the city, but if we can make it work then we'll continue doing it. The biggest thing is getting the realtors onboard because they'd rather sell a \$60,000.00 house than a \$40,000.00 house because they get a bigger commission.

Ms. Carrubba: Right. And you will get the banks, because that was my other concern; if it's a house that needs significant work, other than the one bank you think might be onboard, do you think it's going to be difficult for them to get mortgages for these properties?

Mr. Morris: If the house is in livable condition it's not a problem with a mortgage. If it's not in livable condition, then there are some PMI issues and stuff like that.

Mr. DeJoy: Does it have anti-speculation?

Mr. Morris: Yes, everything comes with at least a fifteen year...

Mr. DeJoy: That does make it a little trickier for some banks.

Ms. Carrubba: That's what I'm thinking. Is it going to be too complicated?

Mr. DeJoy: If they know how to deal with it, if you work with them right up front, it's not that hard to do.

Mr. Morris: I'm thinking the first couple of houses through are going to be ones in not horrible shape; so that you can get a bank mortgage on it and then we can come in and fix the roof. The bigger issue than the PMI is that the banks will do it, but they want to control the money. If I handed them a check for - if it needs \$50,000.00 worth of work and I hand them a check for \$50,000.00, they'll say great, buy it, fix it up. But I've got state regulations on the money that doesn't let me hand them the check.

Ms. James: What's PMI?

Mr. Morris: Private mortgage insurance.

Mr. DeJoy: If you've got less than 80% equity, you're paying PMI.

Ms. Carrubba: I hate to call this to a close, but will you come back and talk about this in further detail when you have more time because I think it's really important for everyone on council to hear this and what you're doing and the efforts you're making.

Mr. Morris: Yes, anytime. We're trying to approach the complete spectrum of housing needs in the community. This is a big part of it. This lets us address what we need to get addressed.

Ms. James: You said something about the slumlords...

Mr. Morris: Yes, one of the issues is if you've got a house and somebody puts it up for sale for \$30,000.00 and it's not in great shape -

Ms. James: I meant for the rental rehabs. Vince just gave us a packet with a lot of rentals. You were saying you're going to try to stay away...

Mr. DeJoy: Here's the deal; it's not usually 100%.

Mr. Morris: Yes, it's not 100%. They've got to put 25% in.

Mr. DeJoy: It's usually a rebate. I know, with us, it's a rebate type of program. So, to get someone to do these repairs – a roof is \$10,000.00 minimum, \$12,000.00, \$13,000.00 so these slumlords aren't willing to throw in the big money. They're putting the band aids on.

Mr. Morris: We can put three quarters of the money in and the city can match it 25%. I don't want to give 100% of the repair money to the slumlords.

There being no further business, the meeting was adjourned.

James N. Olson
Director of Financial Services/City Clerk