

Approved September 18, 2006

THE INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY
MONDAY, August 7, 2006
Minutes

Members Present: Dale Copedge(arrived late), Debbie DeLeon, Curtis Hertel, Jr., Eric Schertzing, Andy Schor

Members Absent: none

Others Present: Timothy Perrone, Mary Ruttan

This special meeting to replace the cancelled August 14th meeting was called to order by Chair Schertzing at 5:00 p.m. in the Personnel Conference Room of the Human Services Building, 5303 S. Cedar, Lansing.

Approval of Minutes

Minutes of the July 17th meeting will be available in September.

Additions to the Agenda - None

Limited Public Comment – None

1. Property maintenance & rehabilitation

a. Appraisals – review of status

Spreadsheet handout is an overview list of all 2006 foreclosed parcels. Columns contain information of parcels moving to the Land Bank; being placed in an auction bundle by the Foreclosing Governmental Unit; State Equalized Value; acquisition cost, 2006 tax; buildability; appraisal status and listing status. Map references and miscellaneous data also collected.

The bottom of the back page lists a N. Pennsylvania parcel from the 2005 foreclosure. Chair will attend a Lansing Zoning Board of Appeals later this week attempting to obtain a variance for this vacant parcel at the corner of Pennsylvania and Cady. Our plan is to move house from 928 Cady Court to this location. There are a number of parcels on foreclosure list that require variances.

b. Rehab policy discussion

Board must think about quality of renovations. As a public entity, stressing owner occupancy but wanting affordability, a high quality renovation is desirable. A hand out of the cost estimate for our home at 710 Middle Street in Williamston was provided. The Housing Commission is

skilled at creating these cost proposals. Our low bid came very close to estimate. Board discussed acquisition cost and taxes on this parcel and how rehab may impact sale price.

List of vendors used by Land Bank handed out. These are the people we have hired.

809 Bement is an example of a property that could be fixed up, but really would do more for the area if demolished. This property should not have been acquired in first place. DeLeon suggested contact with Neighborhood organization.

2. Properties issues for Board

- a. 309 W. Grand River – major rehabilitation

This will be very expensive rehab. In the neighborhood of \$70k. There may be additional issues that make the property a candidate for demolition.

- b. 210 W. Willow

Rough house by three rehabbed properties to east. Development group for all four properties seems relieved to be out from under \$80k mortgage on this property. Perrone outlined difficulty with deficiency judgement by lender against borrower. Lots of work to fix this property. Might explore if a Community Development Corporation is interested.

Copedge arrives at 5:55 p.m.

- c. Aurelius Road Property

This parcel and one on Cahill are occupied. Former owner of Aurelius would like to rent or purchase from Authority. Our rules prohibit selling back to owner. Owner has occupied rent free for 5 months. Board discussed pros and con of working with prior owner. Citifinancial, the mortgage lender has not contacted us.

MOVED BY HERTEL SUPPORTED BY DELEON TO AUTHORIZE CHAIR TO INITIATE EVICTION ACTION ALLOWING 60 DAYS TO MOVE FROM OCCUPIED STRUCTURES

Aye: Copedge DeLeon, Hertel, Jr., Schertzing, Schor Nay: none. Absent: none.

- d. LaPorte Street – rental

This property is being prepared for rental. This property was a bank repossession and they are asking questions about the foreclosure process. We intend to rent during the 24 month damages period.

- e. Elizabeth Street – Titov

Letter from Attorney Clark handed out. Mr. Titov is willing to pay taxes owed and any costs we have incurred to get property back.

Mr. Titov has told Chair that he borrowed money to completely renovate this house. He claims to be unaware of the delinquent taxes. The only address for the owner was the property address; the posting notice on the front door was ignored; our publication did not help. Mr. Titov came to this country about 10 years ago. He borrowed this money from family and says everything he has is wrapped up in this property. It is a sad story, but the statute was followed. Member DeLeon feels we must follow our policy. Member Hertel discussed difference between this parcel and Waldo Road. Board consensus that nothing can be done to provide relief for loss.

f. Alex Achonu appeal

Mr. Achonu attended last meeting where we ran out of time. Mr. Achonu sued in Circuit Court to open up Foreclosure File 05-758-CZ and get the property back. Judge Draganchuk denied the petition for relief on July 6, 2006. Board did not take any action.

3. Contracts & Bills

a. Listing agreements – review of status

This information is on the spread sheet handed out at the beginning of the meeting. Three parcels are in the process of being listed.

b. approval of bills

Statement for July as well as the August Account Payable Approval handed out.

MOVED BY SCHOR SUPPORTED BY HERTEL TO APPROVE LIST OF LAND BANK BILLS FOR JULY.

Aye: Copedge DeLeon, Hertel, Jr., Schertzing, Schor Nay: none. Absent: none.

Main bill of note is summer tax payments to East Lansing and Lansing.

MOVED BY COPEGE SUPPORTED BY DELEON TO APPROVE LIST OF LAND BANK BILLS FOR AUGUST.

Aye: Copedge DeLeon, Hertel, Jr., Schertzing, Schor Nay: none. Absent: none.

\$400,000 was drawn July 3rd on our line of credit to acquire property and pay bills. Another \$125,000 will need to be drawn in August to cover renovation work.

4. Chair's Activity Report

a. Monthly report – hand out

Chair reviewed status of legal challenges as listed on handout. Perrone indicated on Oaktree Properties LLC v ICT that the case is still going active. He has asked that the case be dropped.

The County has exercised its option and the property has been transferred to the Land Bank. The Court denied preliminary injunctive relief and denied the temporary restraining order. There does not appear to be any remaining relief to be granted in case. Case could be amended.

JOSAB et al v ICT & Larry Fowler – Perrone and Goodstein have been involved. Two hearings in Circuit Court have been cancelled at the last minute. JOSAB has indicated they wish to dismiss and refile in Court of Claims. No action to date. Filing in Court of Claims is about damages, not return of property. Attorney Doneth is working on eviction also.

Chair discussed the relative value of all property. We have been contacted by numerous individuals and builders that are interested in vacant Land Bank parcels. How do we allocate our vacant parcels between the private and public sector? Should we be biased in favor of either sector? DeLeon suggested a balance that we create between the two. How does Habitat or other non-profits fit in with property of value? In Genesee a big piece of what they do is transfer freely, but the land does not have value.

DeLeon raised issue of capacity for non-profits. Perhaps this will be limitation.

b. Government meetings & discussions

State Authority has approved Intergovernmental agreement for additional counties.

White Oak Township and East Lansing both wanted parcels for public purpose. After meeting with East Lansing they agreed that the Land Bank should rehab the property. White Oak proposed a “future public purpose” which the F.G.U. disagreed with. They are concerned about the Land Bank being a holding mechanism rather than the Township. We may hear more from the Township.

Announcements - None

Public Comment - None

MOVED BY SCHERTZING SUPPORTED BY DELEON TO ADJOURN.

Aye: Copedge, De Leon, Hertel, Jr., Schertzing, Schor. Nay: none. Absent: none.

The meeting adjourned at 6:45 p.m.