

JANUARY 23, 2020 REGULAR MEETING

Ingham County Land Bank Main Conference Room
3024 Turner St, Lansing, Michigan
January 23, 2020 – 4:30 p.m.

CALL TO ORDER

Chairperson Schertzing called the January 23, 2020 Regular Meeting of the Ingham County Land Bank to order at 4:35 p.m. in the main conference room at the Land Bank, 3024 Turner Street, Lansing.

Members Present: Schertzing, Crenshaw, Slaughter, Frischman

Members Absent: Grebner

Others Present: Gordon Love, Roxanne Case, David Burns, Alan Fox, Richard Williams of Keller Williams, Tim Poxson, Meghan Webber and Jeff Thornton of Greater Lansing Association of Realtors

APPROVAL OF THE MINUTES

COMMISSIONER CRENSHAW MOVED TO APPROVE AS AMENDED. COMMISSIONER SLAUGHTER SUPPORTED THE MOTION. THE MOTION TO APPROVE THE MINUTES CARRIED UNANIMOUSLY. MINUTES OF DECEMBER 19, 2019 STAND AS AMENDED.

ADDITIONS TO THE AGENDA

None

LIMITED PUBLIC COMMENT

None

1. Administration

A. Welcome new Board Members, Commissioner Slaughter and Sharon Frischman, City of Lansing Assessor. Thank you for joining the Land Bank.

B. Organizational Chart - no comments or questions.

C. Board Vision Session Summary – March 30, 2015

Provided for discussion for future meetings.

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D. Receive Accounts Payable, December 2019

AP has been received, accepted, and on file.

E. Communication from Executive Director

Completing year end reporting.

Staff is applying for CDBG and HOME funding from the City of Lansing to complete another set of demolitions and a couple major renovations. Resolutions will be provided in our March meeting for approval.

Amy Kinney, Program Assistant, may go part-time or leave, due to family needs.

F. Legal

Gordon Love stated there was an amendment to a Land Contract on Reo Rd, and Tim Perrone is working with the Land Bank to help with the documents.

2. Residential

Without objections, Item E. Resolution was bumped up to accommodate the public comment in the room.

E. Resolution to Authorize Change in Deed Restrictive Covenant at 1501 E Kalamazoo St

INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

RESOLUTION TO AUTHORIZE TO REPLACE THE DEED RESTRICTION OF 20 YEARS TO 3 YEARS FOR THE
PROPERTY AT 1501 E KALAMAZOO STREET, LANSING

RESOLUTION 20-01

WHEREAS, the Land Bank Fast Track Act, 2003 PA 258, being MCL 124.751 *et seq.*, ("the Act") establishes the State Land Bank Fast Track Authority; and

WHEREAS, the Act allows a foreclosing governmental unit, such as the Ingham County Treasurer, to enter into an intergovernmental agreement with the State Land Bank Fast Track Authority providing for the exercise of the powers, duties, functions, and responsibilities of an authority under the Act, and for the creation of a County Land Bank Fast Track Authority (the "Authority") to exercise those functions; and

WHEREAS, the Ingham County Treasurer, with Ingham County Board of Commissioners approval, has entered into such an intergovernmental agreement under the Act; and established the Ingham County Land Bank Fast Track Authority (the "Land Bank") in 2005; and

WHEREAS, the Ingham County Land Bank Fast Track Authority (the "Land Bank"), in its Priorities, Policies, and Procedures document, indicates in Section 5.A.10. that Transactions shall be structured in a manner that permits the LBA to enforce recorded covenants or conditions upon title pertaining to development and use of the property for a specified period of time. Such restrictions may be enforced, in certain cases, through reliance on subordinated financing held by the LBA; and

WHEREAS, the Land Bank purchased the residential improved property from HUD at 1501 E Kalamazoo St, Lansing (# 33-01-01-15-431-081) in 2009. The Land Bank partnered with Lansing Community College's Construction Program to help provide hands-on training for skilled-trade students. However, the full renovations were never completed as the project fell apart due to miscellaneous issues. The Land Bank sold the property to Urban Core LLC in 2017 with a Declaration of Restrictive Covenant. Urban Core LLC completed renovations in 2018 and has subsequently put it up for sale; and

WHEREAS, the Restrictive Covenant states: As a condition of the sale of the Property by the Authority to the Owner, the Owner agreed, and the Owner hereby affirms and declares, that (a) the Property shall not be at any time a rental property that is subject to regulation under the Codified Ordinances of the [local municipality], Michigan, as amended from time to time, (b) this restriction is an encumbrance on the Property, runs with the Property, and is binding upon the Owner and the Owner's heirs, successors, assigns, and transferees, (c) this restriction is given and declared for the benefit of the Owner, the Property, the community in which the Property is located, and the Authority, and the Authority has the right to enforce the restriction at law or in equity to prevent a breach of the restriction or to compel compliance with the restriction, (d) during its term, this restriction may not be amended or terminated unless it is done so in a written instrument that is signed by both the Owner and the Authority and recorded in the real estate records maintained by the Ingham County Register of Deeds, (e) this restriction will terminate immediately and automatically twenty (20) years after its date unless, within the last five (5) years of the restriction, the restriction is extended for an additional period of up to twenty (20) years by a written instrument that is signed by the Authority and recorded in the real estate records maintained by the Ingham County Register of Deeds, and (f) the rights of the Authority under this declaration may be exercised by the Authority and the Authority's successors and assigns; and

WHEREAS, Urban Core LLC is struggling to sell the property with the 20-year restrictive covenant and would like to replace the covenant timeframe of 20 years to 3 years; and

THEREFORE, BE IT RESOLVED, the Land Bank authorizes its Chairperson or Executive Director to negotiate and execute the replacement of this wording for the property at 1501 E Kalamazoo St, Lansing, and recorded at the Register of Deeds Office.

The motion carried. **Yeas:** Crenshaw, Slaughter, Schertzing, Frischman. **Nays:** None. **Absent:** Grebner

COMMISSIONER SLAUGHTER MOVED TO APPROVE. COMMISSIONER CRENSHAW SUPPORTED. THE MOTION CARRIED UNANIMOUSLY.

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Discussion ensued.

Chairperson Schertzing explained the history of restrictive covenants. The Land Bank has initiated covenants on sold properties and the County Treasurer has a similar restrictive covenant on properties sold at auction. This particular property was taken on many years ago, and the Land Bank worked with Lansing Community College to use the property as a teaching incubator. The project wasn't completed through the Restoration Works project, and the Land Bank sold it in 2017. Mr. Mahmoud purchased it and fixed it up, and put a good amount of money into it. The Board of Realtors is concerned about the resale process with 20-year restrictive covenants. Director Case stated that it is a large home and is on a prominent corner on Kalamazoo Street. It is also considered to be in an eligible historic district.

Richard Williams stated that he has been on a Public Policy Committee with the Lansing Association of Realtors and this topic is discussed often; he thought this resolution could start a good dialog for the future. He requested the covenant to be reduced from 20-years down to 3-years.

Meghan Webber, CEO of Greater Lansing Association of Realtors, stated that a letter was sent to the Land Bank back in April 2019 asking for a discussion with the Board to remove the restrictive covenants. Ms. Webber stated that the first initial buyer may be okay with the covenant, but the resale can become an issue. She stated that although the covenants were put into place for the right reasons, sometimes as we move down the road, we see that those covenants are having a negative effect on the properties in question.

Mr. Williams stated that the property at 1501 E Kalamazoo St has had 45 showings; 14 showings in the last month, and it's been on the market for 4 months. The Listing started at \$119,000. It was reduced to \$102,900, and now at \$99,900. During this time, we found that it needed a new roof, so a new roof was installed. Possible buyer would like to purchase but is concerned, if he is transferred or some life-changing event occurs, and can't sell it with the covenant.

Director Frischman asked if this resolution was a policy change or an exception. Chairperson Schertzing replied that this was a specific property situation that probably will be a basis for future open conversations of the policy.

Commissioner Crenshaw asked how many other times has the Land Bank run into this issue. Chairperson Schertzing stated that there was one other property that became an issue.

Jeff Thornton stated that we all would like to see more homeowner occupied; it's healthier and easier on city services, but not always possible, and sometimes has unintended consequences. He stated that they have checked other Land Banks across the state, and did not find similar covenants. They believe that 20-years is an extraordinary restriction.

Commissioner Slaughter asked why or the reasoning behind the 20-year restriction. Chairperson Schertzing stated that it started during the formation of the Land Bank. We do need to be sensitive to specific situations, and Chairperson Schertzing is trying to figure out why mortgage companies have such an issue with it, as well. Certainly, we need to contemplate some flexibility and market-reality with this process.

Commissioner Crenshaw asked Mr. Thornton what the average covenant was during his research of other Land Banks. Mr. Thornton replied that other Land Banks don't have them.

Mr. Williams would like to consider discussing more of this topic and appreciated the Board's time.

Commissioner Crenshaw requested Land Bank Staff to research the covenant and bring to the Board.

Director Frischman stated that approximately 1/3 of single-family homes are rentals.

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A. List of Properties - Sold & In Progress, December 2019, with Summary 2019

Director Case pointed out that this list shows the summary for 2019. 149 properties were sold. Commissioner Crenshaw asked what the swaps were. Director Case replied that through legislation, the Treasurer Office and the Land Bank have the ability to exchange properties. The Board approved swaps previously in the year.

Commissioner Slaughter asked about covenants around commercial properties. David Burns stated that there is some restrictive language, and pointed out the last couple sentences in the resolutions.

B. Resolution to Authorize the Sale of 4 Vacant Lot Parcels at 500-504-508-510 Leshner Pl to Neogen Inc.

INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

**RESOLUTION TO AUTHORIZE SALE OF FOUR (4) VACANT PARCELS ON 500-504-508-510 LESHER PL,
LANSING TO NEOGEN CORPORATION**

RESOLUTION 20-02

WHEREAS, the Land Bank Fast Track Act, 2003 PA 258, being MCL 124.751 *et seq.*, ("the Act") establishes the State Land Bank Fast Track Authority; and

WHEREAS, the Act allows a foreclosing governmental unit, such as the Ingham County Treasurer, to enter into an intergovernmental agreement with the State Land Bank Fast Track Authority providing for the exercise of the powers, duties, functions, and responsibilities of an authority under the Act, and for the creation of a County Land Bank Fast Track Authority (the "Authority") to exercise those functions; and

WHEREAS, the Ingham County Treasurer, with Ingham County Board of Commissioners approval, has entered into such an intergovernmental agreement under the Act; and established the Ingham County Land Bank Fast Track Authority (the "Land Bank") in 2005; and

WHEREAS, the Ingham County Land Bank Fast Track Authority (the "Land Bank"), in its Priorities, Policies, and Procedures document, indicates in Section 7.B.2. that sale of three (3) or more properties to the same buyer within a twelve month period must be approved by the Land Bank Board; and

WHEREAS, the Land Bank received title to the residential vacant property at Lesher PI (500), Lansing (# 33-01-01-15-104-431) in 2020, through local unit rejection where the demolition was completed by the City of Lansing during in 2019; and

WHEREAS, the Land Bank received title to the residential improved property at Lesher PI (504), Lansing (# 33-01-01-15-104-421) in 2012, through local unit rejection and subsequently demolished the blighted structure with Community Development Block Grant (CDBG) monies; and

WHEREAS, the Land Bank received title to the residential improved property at Lesher PI (508), Lansing (# 33-01-01-15-104-401) in 2016; and subsequently demolished the blighted structure with federal Hardest Hit Funds monies; and

WHEREAS, the Land Bank purchased the residential improved property at Lesher PI (510), Lansing (# 33-01-01-15-104-391) in 2011; and subsequently demolished the blighted structure with federal Neighborhood Stabilization Program 2 (NSP2) monies; and

WHEREAS, Neogen Corporation would like to purchase the four (4) parcels, with the intent to use the space interim for parking for their employees for their office at 620 Lesher PI. Neogen would like to eventually build on the lots. Neogen is a large international company that houses their North American office in Lansing and is expanding their sales exponentially. Neogen is a good shepard of the Oak Park Neighborhood and has renovated several houses/garages to accommodate employees and walkability to work; and

THEREFORE, BE IT RESOLVED, the Land Bank authorizes its Chairperson or Executive Director to negotiate and execute the transaction of these four (4) parcels to Neogen Corporation for the market rate of \$3000 per property, plus closing costs. Total market rate equals \$12,000.

FURTHER, BE IT RESOLVED, property conveyances shall contain a reverter clause prohibiting the property's use of any sexually oriented business as defined by law, medical marijuana business or dispensary, or casino .

The motion carried. **Yeas:** Crenshaw, Slaughter, Schertzing, Frischman. **Nays:** None. **Absent:** Grebner

COMMISSIONER CRENSHAW MOVED TO APPROVE. COMMISSIONER SLAUGHTER SUPPORTED. THE MOTION CARRIED UNANIMOUSLY.

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Director Case stated that we have held these properties for a while. Neogen approached the Land Bank with these 4 properties, and would like to purchase the properties for parking interim, with future plans to build on them. Neogen, a good company that we need to keep in Lansing, shuttles some of their employees from other areas because parking is so tight. Commissioner Crenshaw asked about the homeowner between a couple of the properties. Chairperson Schertzing stated that Neogen is willing to work with that neighbor. This Oak Park area has been an ongoing conversation among other companies nearby, including the City of Lansing. Director Case pointed out that Neogen has bought other properties and have renovated the houses for employees, so they are sensitive to the neighborhood. Commissioner Crenshaw stated that he wants to make sure that we don't get push back in regards to parking. Director Case stated that the City of Lansing's Zoning would need to sign off before Neogen could move forward.

- B. Resolution to Authorize the Sale of 4 Vacant Lot Parcels at Ohio (1631), New York (1510-1514), and Indiana (1800) to Capital Area Housing Partnership

INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

RESOLUTION TO AUTHORIZE SALE OF FOUR (4) VACANT PARCELS ON OHIO (1631), NEW YORK (1510-1514), AND INDIANA (1800), LANSING, TO CAPITAL AREA HOUSING PARTNERSHIP

RESOLUTION 20-03

WHEREAS, the Land Bank Fast Track Act, 2003 PA 258, being MCL 124.751 *et seq.*, ("the Act") establishes the State Land Bank Fast Track Authority; and

WHEREAS, the Act allows a foreclosing governmental unit, such as the Ingham County Treasurer, to enter into an intergovernmental agreement with the State Land Bank Fast Track Authority providing for the exercise of the powers, duties, functions, and responsibilities of an authority under the Act, and for the creation of a County Land Bank Fast Track Authority (the "Authority") to exercise those functions; and

WHEREAS, the Ingham County Treasurer, with Ingham County Board of Commissioners approval, has entered into such an intergovernmental agreement under the Act; and established the Ingham County Land Bank Fast Track Authority (the "Land Bank") in 2005; and

WHEREAS, the Ingham County Land Bank Fast Track Authority (the "Land Bank"), in its Priorities, Policies, and Procedures document, indicates in Section 7.B.2. that sale of three (3) or more properties to the same buyer within a twelve month period must be approved by the Land Bank Board; and

WHEREAS, the Land Bank received title to the residential improved property at Ohio (1631), Lansing (# 33-01-01-10-205-222) in 2011; and subsequently demolished the blighted structure with federal Hardest Hit Funds monies; and

WHEREAS, the Land Bank purchased the residential improved properties at New York (1510), Lansing (# 33-01-01-10-177-091) in 2007 and New York (1514), Lansing (# 33-01-01-10-177-081) in 2008; and subsequently demolished the blighted structures with federal Neighborhood Stabilization Program 2 (NSP2) monies; and

WHEREAS, the Land Bank received title to the residential vacant property at 1800 Indiana, Lansing (# 33-01-01-10-203-021) in 2010, through local unit rejection; and

WHEREAS, Capital Area Housing Partnership (CAHP) would like to purchase the four (4) properties to build affordable housing, using City of Lansing HOME funds. CAHP has identified the Northtown area as a neighborhood of focus for Spring/Summer 2020. They intend to build up to 5 single-family houses and will be partnering with Cristo Rey Community Center, Lansing Financial Empowerment Center, BWL, Consumers, and various other City departments during this construction period, including the Land Bank with these properties.

THEREFORE, BE IT RESOLVED, the Land Bank authorizes its Chairperson or Executive Director to negotiate and execute the transaction of these four (4) parcels to Capital Area Housing Partnership for the total market rate of \$13,100 plus closing costs.

FURTHER, BE IT RESOLVED, property conveyances shall contain a reverter clause prohibiting the property's use of any sexually oriented business as defined by law, medical marijuana business or dispensary, or casino.

The motion carried. **Yeas:** Crenshaw, Slaughter, Schertzing, Frischman. **Nays:** None. **Absent:** Grebner

COMMISSIONER SLAUGHTER MOVED TO APPROVE. COMMISSIONER CRENSHAW SUPPORTED. THE MOTION CARRIED UNANIMOUSLY.

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Director Case stated that Capital Area Housing Partnership is using HOME funding through the City of Lansing to build single-family homes. These 4 properties are in the Northtown area and is their focus for this year. CAHP has purchased properties through us before, for new construction and renovation, and this continues to be a good partnership and process.

- D. Resolution to Authorize the Sale of an Additional Lansing Township Vacant Lot to Steve and Gladys Tarrant

INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

**RESOLUTION TO AUTHORIZE SALE OF EIGHT (8) PARCELS ON GRACE ST, BRYNFORD AVE, AND
CATHERINE ST IN LANSING TOWNSHIP TO STEVE AND GLADYS TARRANT**

RESOLUTION 20-04

WHEREAS, the Land Bank Fast Track Act, 2003 PA 258, being MCL 124.751 *et seq.*, ("the Act") establishes the State Land Bank Fast Track Authority; and

WHEREAS, the Act allows a foreclosing governmental unit, such as the Ingham County Treasurer, to enter into an intergovernmental agreement with the State Land Bank Fast Track Authority providing for the exercise of the powers, duties, functions, and responsibilities of an authority under the Act, and for the creation of a County Land Bank Fast Track Authority to exercise those functions; and

WHEREAS, the Ingham County Treasurer, with Ingham County Board of Commissioners approval, entered into such an intergovernmental agreement under the Act; and established the Ingham County Land Bank Fast Track Authority (the "Land Bank") in 2005; and

WHEREAS, the Ingham County Land Bank Fast Track Authority (the "Land Bank"), in its Priorities, Policies, and Procedures document, indicates in Section 7.B.2. that sale of three (3) or more properties to the same buyer within a twelve month period must be approved by the Land Bank Board; and

WHEREAS, the Land Bank received title to the residential vacant lot at 608 N Grace St, Lansing (#33-21-01-18-204-008) in Lansing Township in 2017 through local unit rejection; and

WHEREAS, the Land Bank Board of Directors approved the Resolution #19-17 in September 2019 for the sale of 7 other Lansing Township properties listed below to Steve and Gladys Tarrant, who live in the neighborhood and have experience and tenure in remodeling and constructing new homes. The intent is to build a house eventually on this parcel, but interim, will be used as a temporary staging area, with the intent for the following:

217 N Grace St (33-21-01-18-253-024) in 2009 >> renovate home and sell to homeowner occupancy
N Grace St (217) vacant lot (33-21-01-18-253-025) in 2009 >> combine with renovated home
321 Brynford St (33-21-01-18-205-011) in 2010 >> demolish, build new construction, sell to homeowner occupancy
527 N Catherine St (33-21-01-18-202-021) in 2011 >> demolish, build new construction, sell to homeowner occupancy
N Catherine St (527) vacant lot (33-21-01-18-202-022) in 2011 >> combine with new construction
529 N Grace St (33-21-01-18-203-025) in 2014 >> renovate home and sell to homeowner occupancy
N Catherine St (406) vacant lot (33-21-01-18-207-007) >> build new construction, sell to homeowner occupancy
608 N Grace St (#33-21-01-18-204-008) in 2017 >> to use as a temporary staging area, with intent to build; and

WHEREAS, the Land Bank has been in contact with Lansing Township, and has approved and vetted Steve and Gladys Tarrant as a capable and responsible developer; and

THEREFORE, BE IT RESOLVED, the Land Bank authorizes its Chairperson or Executive Director to negotiate and execute the transfer of this vacant parcel to Steve and Gladys Tarrant for the total amount of \$1,000, bringing the grand total of sales to \$12,000, plus closing costs. The property conveyances shall contain a reverter clause prohibiting the property's use of any sexually oriented business as defined by law, medical marijuana business or dispensary, or casino.

The motion carried. **Yeas:** Crenshaw, Slaughter, Schertzing, Frischman. **Nays:** None. **Absent:** Grebner

COMMISSIONER SLAUGHTER MOVED TO APPROVE. COMMISSIONER CRENSHAW SUPPORTED. THE MOTION CARRIED UNANIMOUSLY.

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David Burns stated that we are adding an eighth vacant lot to this resolution, bringing the grand total to 8 parcels. Chairperson Schertzing pointed out that when the Land Bank is selling 3 or more parcels to one individual, a resolution is brought before the Board, so that the Board understands the cumulative impact. Director Case stated that we have not sold any of these properties yet, but will soon.

3. Commercial

A. Sale Status report

David Burns stated that Ferguson Development has started their due diligence on the old Pleasant Grove School. Ferguson Development met and provided their proposal to the Southside Coalition, and it was the same as what was discussed with the Land Bank Board.

Director Frischman asked what was being proposed at the school. David Burns replied that Ferguson Development is planning to raze the building and construct a new medical building in partnership with McLaren, with visiting doctors, dentists, and eye care, along with proposed residential housing.

4. Limited Public Comment

None

Commissioner Crenshaw pointed out that we needed to elect board members. He volunteered to remain as Treasurer. Commissioner Slaughter volunteered to be Secretary. Director Case stated that the Conflict of Interest memo needs to be signed by all, returned, and will be saved on file for recordkeeping.

COMMISSIONER CRENSHAW MOVED THAT ERIC SCHERTZING REMAIN AS CHAIRPERSON, MARK GREBNER AS VICE CHAIR, BRYAN CRENSHAW REMAINS AS TREASURER, AND DERRELL SLAUGHTER AS SECRETARY. COMMISSIONER SLAUGHTER SUPPORTED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

The motion carried. **Yeas:** Crenshaw, Slaughter, Schertzing, Frischman. **Nays:** None.

Absent: Grebner

5. Adjournment

Chairperson Schertzing adjourned the meeting at 5:29pm.

Commissioner Grebner arrived at 5:30pm. The meeting time listed on the Board of Commissioners online calendar had been incorrect.