

**INGHAM COUNTY LAND BANK
FAST TRACK AUTHORITY**

ANNUAL MEETING

February 6, 2012

Minutes

Members Present: Eric Schertzing, Comm. Bahar-Cook, Comm. Nolan and Comm. McGrain; Comm. DeLeon

Members Absent: None

Others Present: Mary Ruttan, Tim Perrone, Joe Bonsall, Sandy Gower, Dorothy Boone, Jared Talaga, Julie Powers, Rick Kibbey

The meeting was called to order by Chairperson Schertzing at 5:01 p.m. Conference Room D & E of the Human Services Building, 5303 S. Cedar, Lansing.

Approval of the December 5, 2011 Minutes

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN, TO APPROVE THE DECEMBER 5, 2011 MINUTES. MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon, Comm. Bahar-Cook

Additions to the Agenda: The following item was added to the agenda:

7g. Vacant Land/Sidelot Update

Limited Public Comment:

Julie Powers from the Mid-Michigan Environmental Action Council updated the board on the \$3 Million award received under the HUD Sustainable Communities Grant. The grant, supported by matching work already planned by the Land Bank, will allow for nine projects to be undertaken. The work of greatest interest to the Land Bank will be a comprehensive affordable housing study conducted by the MSU Land Policy Institute, a fair and affordable housing plan, and an energy intensity audit along the Capitol to Webberville corridor. Comm. Nolan asked if there was an anticipated schedule for the work. Ms. Powers stated the affordable housing study will begin in April and is expected to be completed in April or May of 2013 and then work would begin on the plan.

Chairperson Schertzing stated he has been contacted by representatives from the Federal Home Loan Bank of Indianapolis about applying for some of their available grants. Much of the work product from the study and plan could be used to mesh with a

grant application. Ms. Powers, acting as a consultant would be retained to help facilitate that application process. Expected expenses are not of a significant amount to necessitate board approval. Comm. McGrain supported the idea of exploring ways to bring additional funds to the Land Bank and the region.

Rick Kibbey from the Allen Neighborhood Center thanked Chairperson Schertzing and staff for the information meetings recently held to answer community questions and concerns with the Garden Program.

1. Election of Officers

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. MCGRAIN, TO ELECT COMM. MCGRAIN VICE-CHAIR, COMM. BAHAR-COOK TREASURER, AND COMM. NOLAN SECRETARY. MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon, Comm. Bahar-Cook

2. Conflict of Interest

2a. Compliance with article three subsection 3.6. Signature on form.

Executive Director Ruttan provided the conflict of interest forms to all board members to be completed and returned to staff.

Comm. Bahar-Cook arrived at 5:20 p.m.

3. Resolution to Amend Bylaws Section 3.3

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN, TO AMEND BYLAWS SECTION 3.3 AS SHOWN IN THE RESOLUTION.

Comm. Nolan stated this change was requested by the County Board of Commissioners.

MOTION CARRIED UNANIMOUSLY. Absent: Comm. De Leon

4. Resolution to Approve Rental Property Guidelines

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. MCGRAIN, TO APPROVE THE RENTAL PROPERTY GUIDELINES.

Comm. Nolan inquired what houses were planned on being rented. Chairperson Schertzing stated we currently have three houses rented and anticipate having a couple more.

Comm. De Leon arrived at 5:25 p.m.

Executive Director Ruttan stated we were preparing approximately fifteen of the Eden Glen Condos for rental, still leaving units available for a third phase of full renovations for sale. Additionally, this will be a way to deal with future tax foreclosures as the NSP funding winds down. Staff feels it will be better to offer some houses in our inventory as rentals rather than having them continue to sit vacant and fall further into disrepair. The Housing Commission will be handling the maintenance and servicing of the rentals. Comm. McGrain questioned the definition of family included in the documents. Tim Perrone stated the document does not define the term "family." Applicants are required to declare who their "family" will be, stating who will be the legal occupants of the rental unit. It is a way to avoid tenants from inviting other persons who might not otherwise qualify under the guidelines to live with them and then claiming they are family members. Comm. Nolan requested that "household" replace all uses of the word "family." Comm. Nolan asked what the compensation would be for the management company. Executive Director Ruttan stated we have negotiated compensation at 10% of collected rents. She further stated the industry standard is 15-18% of rents.

MOTION, AS AMENDED, CARRIED UNANIMOUSLY.

5. Specific Tax Pledge to Brownfield for 1621 E Michigan Avenue
Karl Dorshimer/Pat Gillespie Variance

Chairperson Schertzing stated the amount the Lansing EDC is asking us to turn back to the brownfield revolving fund is \$42,000 (\$8,000/year for 5 years). The City would be willing to provide a letter of support to the State for the proposed development at the former Silver Dollar site. Comm. McGrain expressed frustration that we are being asked to cover the City's error and inquired how we would make up that deficit in our budget. Executive Director Ruttan stated the original brownfield plan is upside-down in its payments and the Land Bank is helping to make up the difference on those payments. Seeing the development at the Silver Dollar site move forward will mean much more to the Land Bank than the \$8,000/year. Comm. Nolan stated she planned to vote no on the resolution as she saw no justification for the Land Bank to cover the City's financial mistake. Comm. McGrain stated he felt uncomfortable voting at all until we know how we will make up the money in our budget. Chairperson Schertzing stated we all need to work together to make development happen. He has no objection to delaying action, but felt it would be short-sighted to just vote no. Comm. Bahar-Cook expressed her belief that there was more money and resources to be gained from cooperation and that it would be good public policy to not hold the City's mistake against them. Comm. De Leon expressed the need for more information and explanation from the Lansing EDC before moving forward.

MOVED BY COMM. NOLAN TO TABLE ACTION TO THE NEXT SCHEDULED MEETING.

Executive Director Ruttan stated there was nothing to table as no action item had been presented.

6. Audit Engagement Letter

Executive Director Ruttan stated an audit engagement letter had been received from the firm of Rehmann Robson. Audit dates have not yet been scheduled. Comm. McGrain stated Rehmann Robson also performs the annual audit for his employer, CEDAM.

7. Property Maintenance, Renovation & Development

7e. Garden Program

Chairperson Schertzing requested we address item 7e. out of order and introduced Jared Talaga, an AmeriCorps member working with the Garden Program. Mr. Talaga updated the board on the success of the Garden Program and presented a proposal for Urban Farm Grants. This would be a way to provide 3-5 year agreements for citizens to maintain longer-term urban farms on vacant Land Bank property. The Garden program would like to be able to provide 3 grants of \$500 each to help with initial startup costs and capital investments for items such as water catchment, fencing, tools, etc. The \$500 amount was based upon the startup costs associated with Slow Lane Farm. Comm. Nolan asked if the land for the farms had already been identified. Chairperson Schertzing stated these longer-term farms can be a way to deal with the anticipated increase in tax-foreclosures in the floodplain, which cannot be otherwise developed.

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. DELEON, TO AUTHORIZE \$1,500 TO FUND THREE \$500 GRANTS FOR URBAN FARM STARTUPS. MOTION CARRIED UNANIMOUSLY.

7a. Residential Property Update

Chairperson Schertzing stated the residential update sheet was included in the board packet showing current projects and sale listings.

7b. Commercial Property Update

Executive Director Ruttan stated she had met with the Josephs concerning the commercial property in Williamston and they were unable to come to an agreement on a sales price. She also stated the Women's Expo was a great experience and that we received a tremendous amount of positive feedback. Chairperson Schertzing stated an individual had approached staff and thanked them for raising property values in the Baker Donora Neighborhood and making it easier for her to sell her home.

7c. NSP2 Update – Expenditure Deadline

Chairperson Schertzing stated the NSP2 update sheet was included in the board packet showing our progress.

7d. PROP Update

Chairperson Schertzing stated PROP continues to progress with two sales so far.

7f. General Legal Update – Counsel

Mr. Perrone stated the Maiz claim has been dismissed by the Michigan Civil Rights Commission. The bankruptcy issue associated with one of our land contracts continues to progress. The land contract issues mentioned at previous meetings have been redeemed. One of the vendors involved in the demolition soil issue has made a settlement payment.

Chairperson Schertzing updated the board on an issue involving the purchase of a tax-foreclosed parcel at the Treasurer's auction. A woman successfully bid \$9,871.82, plus applicable fees, at auction on the house at 2211 Beal St, Lansing. The bidder made her required down payment but bid without having access to the funds necessary to complete the sale. The Treasurer, in an effort to facilitate homeownership, granted the bidder significant additional time to acquire financing. When they failed to consummate the sale by December 31st, the property was transferred to the Land Bank. Land Bank staff obtained a market analysis determination of value for the property and offered to sell to the bidder at the minimum amount of \$21,000. The bidder balked and claimed, despite having an additional six months to complete the transaction, that they were not afforded adequate consideration. Chairperson Schertzing stated there may have been some language barriers involved that worked as an impediment. Comm. De Leon expressed concern that language and cultural barriers had not been properly considered or addressed. Joseph Bonsall stated he did not believe a language barrier existed. While the bidder is an immigrant, they are employed as a nurse, speak English well, and their written communications are clear.

MOVED BY COMM. DE LEON, SUPPORTED BY COMM. NOLAN, TO SELL THE PROPERTY LOCATED AT 2211 BEAL ST, LANSING, MI TO THE AUCTION BIDDER AT THE ORIGINAL AUCTION TERMS, PROVIDED SALE CLOSES WITHIN 60 DAYS. MOTION CARRIED UNANIMOUSLY.

7g. Vacant Land/Sidelot Update

Chairperson Schertzing stated we are selling a large two-acre parcel to Habitat for Humanity were they plan to build four new houses.

8. Accounts Payable & Monthly Statement

8a. Accounts Payable Approval – December 2011

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN TO APPROVE THE ACCOUNTS PAYABLE FOR DECEMBER 2011. MOTION CARRIED UNANIMOUSLY.

8b. Accounts Payable Approval – January 2012

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN TO APPROVE THE ACCOUNTS PAYABLE FOR JANUARY 2012. MOTION CARRIED UNANIMOUSLY.

7b. Monthly Statement – November 2011

The November 2011 monthly financial statement was received and placed on file.

Announcements: None

Limited Public Comment:

Comm. Nolan expressed a desire to re-schedule the July meeting to avoid conflict with the July 4th holiday.

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. BAHAR-COOK, TO RE-SCHEDULE THE JULY 2, 2012 BOARD MEETING TO JULY 9, 2012. MOTION CARRIED UNANIMOUSLY.

The meeting adjourned at 6:27 p.m.

Respectfully submitted,

Joseph Bonsall