

Approved 11/7/11

**INGHAM COUNTY LAND BANK  
FAST TRACK AUTHORITY**

October 3, 2011  
Minutes

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

Members Absent: None

Others Present: Mary Ruttan, Dave Stoker, Joe Bonsall, Chris Kolbe, Denise Keiser, Dorothy Boone

The meeting was called to order by Chairperson Schertzing at 5:00 p.m. Conference Room D & E of the Human Services Building, 5303 S. Cedar, Lansing.

Approval of the August 1, 2011 Minutes

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN, TO APPROVE THE AUGUST 1, 2011 MINUTES AS AMENDED. MOTION CARRIED UNANIMOUSLY. Absent: Comm. Nolan and Comm. Bahar-Cook

Additions to the Agenda:

The following items were added to the Agenda:

- 5d. HUD Sustainable Communities Planning Grant
- 4e. 2011 Tax Foreclosure – Joyce Perez
- 4f. Bike Share Program

Limited Public Comment: None

- 1. Priorities, Policies and Procedures
  - 1a. Priorities Concerning the Disposition of Properties
  - 1b. Factors in Determining Consideration Due Upon Transfers

Executive Director Ruttan stated the documents were presented for discussion. Comm. Nolan expressed a desire to use the board's strategic planning retreat to further discuss and clarify the parameters under which we accept properties for "banking." Comm. Nolan asked for clarification of the last sentence of Priorities Concerning the Disposition of Properties. Chairperson Schertzing stated "within" should read "with."

2. Resolution to Amend the 2011 Budget, Approve the 2012 Budget, and Request Funding from Ingham County

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN, TO AMEND THE 2011 BUDGET, APPROVE THE 2012 BUDGET, AND REQUEST FUNDING FROM INGHAM COUNTY.

Comm. McGrain asked if there were any items of particular note or concern. Executive Director Ruttan stated she felt there were no issues of concern. She noted NSP2 comprised the bulk of budget increases. Comm. McGrain noted that lawn/snow maintenance was significantly less than originally budgeted. Executive Director Ruttan stated community gardens have reduced the number of properties subject to maintenance. Additionally, NSP1 and NSP2 have absorbed some of those costs. Comm. Nolan asked about the possibility of bringing in a unionized county employee to handle these items. Joe Bonsall stated the use of staff to handle snow removal would not be feasible given the volume of properties and the need to clear all sidewalks in a timely manner. Comm. McGrain inquired about the Land Contract default line item. Executive Director Ruttan stated we have had two land contracts forfeited back to the Land Bank and guidelines to help prevent future forfeitures will be addressed later in the meeting.

Comm. DeLeon arrived at 5:25 p.m.

Comm. Nolan asked if 10 condominiums was reasonable estimate for 2012 sales. Executive Director Ruttan stated we currently have nine units for sale and would not begin renovations on additional units until those have sold. Comm. McGrain asked what the job creation line item was used for. Executive Director Ruttan stated those monies were used to cover the costs of our contractor recruitment efforts. Comm. McGrain also inquired about the vehicle purchase line item. Executive Director Ruttan stated we need to purchase a vehicle for our maintenance staff rather than continuing to reimburse his mileage expenses. Comm. McGrain asked what the ultimate use of the net revenues would be. Executive Director Ruttan stated those monies are used to pay down our lines of credit and fund ongoing operations. Comm. McGrain asked if staff felt there was a continuing need to request annual funding from Ingham County. Executive Director Ruttan stated there is a continuing need for funding due to the increased volume of yearly tax foreclosures.

Comm. Bahar-Cook arrived at 5:37 p.m.

MOTION CARRIED UNANIMOUSLY.

3. Resolution to Approve the Program Administrative Guidelines for Land Contract Sales

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. MCGRAIN TO APPROVE THE PROGRAM ADMINISTRATIVE GUIDELINES FOR LAND CONTRACT SALES.

Comm. Nolan asked how many land contracts have been forfeited back to the Land Bank to date. Executive Director Ruttan stated three properties have come back to the Land Bank; two by forfeiture and one by quit claim deed. Comm, McGrain asked how many land contracts we have entered into. Mr. Bonsall stated the Land Bank has entered into approximately 30 land contracts, including the forfeitures. Executive Director Ruttan stated her belief that the two forfeited land contracts would most likely have not been entered into under the new guidelines being presented. Comm. Bahar-Cook asked what was different about the proposed guidelines from those already in place. Executive Director Ruttan stated the Land Bank is looking for more concrete minimum standards for purchasers so that we make sure we are not setting people up to fail; we want all our land contracts to be successful. Chris Kolbe presented an overview of the proposed guidelines to the board. Comm. Bahar-Cook stated her hope that the Land Bank will continue to be willing to take a risk on marginal buyers. Executive Director Ruttan stated that continues to be our practice, particularly in circumstances involving medical debt. Comm. McGrain expressed concern the debt ratio in the guidelines was too high. Mr. Kolbe stated the ratio was total debt, not just housing and is in line with industry standards. Denise Keiser, Executive Director of the Center for Financial Health, provided an overview of the counseling assistance they provide both buyers and the Land Bank when qualifying purchasers. Comm. Nolan asked how the counseling services were funded. Executive Director Ruttan stated they were funded through the Land Bank's general fund and cost \$300 per file for land contracts. Ms. Keiser stated homebuyer counseling costs \$50 and is typically funded by MSHDA.

MOTION CARRIED UNANIMOUSLY.

4. Property Maintenance, Renovation & Development
- 4a. Property Update

Chairperson Schertzing provided a handout detailing all Land Bank parcels.

- 4b. OCOF

Chairperson Schertzing stated OCOF was trying to schedule a meeting for either the second or fourth Thursday in October.

- 4c. PROP Program

Chris Kolbe distributed a handout to the board and provided an overview of program activity, advancements, and difficulties to date. He stated we continue to receive approximately one call per day from people interested in the program. However, few have the capacity to fulfill the program requirements.

- 4d. General Legal Update – Counsel

Dave Stoker stated we have two land contract forfeitures in process. He stated there were no new developments in the Maiz civil rights case.

4e. 2011 Tax Foreclosure – Joyce Perez

Chairperson Schertzing presented background on Ms. Perez's situation leading to tax foreclosure, including the recent deaths of her husband and child. He stated the Perez family owned the house outright before losing it to tax foreclosure. Ms. Keiser stated she had had discussions with Ms. Perez and believes she is financially capable of buying the property back for the state equalized value. Executive Director Ruttan stated this required board action because Land Bank policy prevents selling property back to a person who lost it to tax foreclosure.

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. DELEON, TO SELL 904 PACIFIC AVE, LANSING TO JOYCE PEREZ ON LAND CONTRACT FOR THE STATE EQUALIZED VALUE, PROVIDED SHE MEETS WITH THE CENTER FOR FINANCIAL HEALTH EVERY THREE MONTHS DURING THE TERM OF THE LAND CONTRACT. MOTION CARRIED UNANIMOUSLY.

4f. Bike Share Program

Chairperson Schertzing stated discussions have taken place with the Lansing EDC and MSHDA about funding assistance, but no replies have been received yet.

5. Community Development

5a. Community Gardens

Chairperson Schertzing stated a new Americorps Member had been hired for the coming year. Melissa Lott, our Americorps Member this year will be joining staff to help continue to build the program and increase community outreach and development.

5b. Lansing Urban Farm Project

Chairperson Schertzing stated the annual board meeting was held in September, with an additional community member joining the board. A second garden was added this year on a Land Bank parcel. Sales from the farm far exceeded previous year's totals.

5c. Marketing – Chris Kolbe

Mr. Kolbe presented information on increased marketing efforts, including enhanced community engagement, educating realtors and lenders on Land Bank programs, and establishing relationships with employers such as Peckham who are likely to have employees in the market for Land Bank homes. He stated we have two pending sales and three prospective buyers. Comm. McGrain offered the services of board members to help with community outreach.

5d. HUD Sustainable Communities Planning Grant

Chairperson Schertzing stated the Land Bank will provide a letter of support for Tri-County Planning's application. He stated much of the work we already do can count toward their grant match.

6. Accounts Payable & Monthly Statement

6a. Accounts payable approval – August 2011

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. MCGRAIN TO APPROVE THE ACCOUNTS PAYABLE FOR AUGUST 2011. MOTION CARRIED UNANIMOUSLY.

6b. Monthly Statement – July 2011 & August 2011

The July 2011 and August 2011 monthly financial statements were received and placed on file.

7. Old Business

7a. Set Strategic Planning Date

Chairperson Schertzing stated has asked Public Policy Associates to submit a proposal for strategic planning consultation. The board will need to select a three hour block of time to meet in January. The dates of January 23, 2012 and January 25, 2012 were discussed, with no consensus reached.

Announcements: None

Limited Public Comment: None

The meeting adjourned at 6:30 p.m.

Respectfully submitted,

Joseph Bonsall