

Kent County Land Bank Authority
Board Meeting Minutes
March 20, 2014
Water's Building Conference Room
161 Ottawa Ave. NW, Grand Rapids

1. Call to Order - Board Chair Parrish called the meeting to order at 8:00 a.m.
2. Roll Call – Board members present Parrish, Brinks, Bliss, Ponstein, Kaminski
Staff members present –David Allen, Vince Lambert, David deVelder, LouAnn Bryant
3. Approval of Agenda – Motion by Kaminski to approve agenda, support by Bliss.
Motion passed.
4. Approval of Minutes Feb. 20, 2014 meeting - Motion by Bliss to approve minutes
as written. Support by Ponstein. Motion passed.
5. Public Comment – none
6. Advisory Council Report- E.D. David Allen referenced the minutes of the advisory
council meeting that had been provided to Board Members prior to the meeting.

He noted the “Lessons Learned” had been revised based on input from the advisory council.

Allen informed the KCLBA Board members of the advisory council request to schedule a joint meeting and asked the Board members to consider scheduling a date for the joint meeting so it can be added to the advisory council agenda.

Allen stated there have been some advisory council members who do not attend the advisory council meetings. He will be meeting with advisory council co-chairs Lee Nelson Weber and Gregory Conway to discuss replacements for the absentees and will provide a list of candidates to the KCLBA Board for consideration.

7. Executive Director Report –David Allen reported the following:
 - a. Audit Presentation-Allen introduced Stephen Bland of the Rehmann Group who presented the final audit report to the Board.

Bland directed the Board members to the “Opinion” section in the beginning of the audit noting financial statements represent fairly the financial position of the KCLBA, meaning it is fairly accurate, neither good nor bad. He added there were no findings or material adjustments but he did note one recommendation regarding the small staff and establishing

separation of duties. He suggested to the KCLBA Board to remain diligent in reviewing monthly financials.

Additional comments made by Bland to the Board addressed the new Hardest Hit Grant Funding and the possibility of additional audits needed based upon the \$500,000 threshold. Allen added the current grant is a State grant and not Federal so the KCLBA was not subject to additional audits this year.

Board member Brinks asked Bland what was done by the Rehmann Group to check the internal controls during the audit to determine if any funds were missing. Bland stated there was a small number of transactions and they were clearly tracked. A random sampling had been taken, authorizations were in place and he noted the auditors had found nothing specifically to do differently. He further noted there were minimal transactions and most were done electronically.

Motion was made by Brinks to approve the audit, support by Bliss. Motion passed.

- b. Financials- Vince Lambert, staff accountant explained to the Board the KCLBA had spent cash during the month on the Hardest Hit program however the funds would be reimbursed within two weeks after submitting invoices to MSHDA. He also noted the financials indicate the expenses are currently \$10,000 under budget.

Board members asked questions regarding the MSHDA grant funding and how it is administered specifically asking if the KCLBA will lose money and how the lien is released.

Allen explained when the project is complete MSHDA holds a \$25,000 lien on the property with 1/5 of the lien coming off each year if the property is not sold. If KCLBA sells the property MSHDA will release the lien. KCLBA gets \$500 per property and \$750 per property for maintenance plus the 5/50 (50% of the property taxes collected by the City of Grand Rapids for 5 years.) Allen informed the Board there are plans to build 9 townhomes on some of the vacant lots.

Board members asked if we can track the program. Allen stated there was a complete file on each property.

- c. Hardest Hit Demolition Update-Allen reported 13 structures have been taken down so far by KCLBA and 10 have been demolished by Habitat for Humanity of Kent County. Board members asked if the KCLBA was managing the grant for Habitat. Allen stated Habitat manages their funds and reports to MSHDA independently.

One Board member addressed concerns brought to her attention by local neighborhood associations and lack of communication by KCLBA. Allen

stated each of the properties has a KCLBA poster displayed in the window with the contact information. He further noted KCLBA staff will send a list of the Hardest Hit properties in their area to the Neighborhood Associations.

Allen discussed programs being considered to get developers interested in purchasing the vacant lots. He explained the KCLBA will be offering the vacant lots for \$1.00, there will be a big press release about the program. HBA is providing the builders with a list of Grand Rapids area based material suppliers. The KCLBA plans to list the vacant lots on the website following the press conference. Allen noted there is a shortage of buildable vacant lots within the City. He added the KCLBA will hold all offers on the vacant lots for 20 days prior to the sale or acceptance of an offer.

Further discussion followed regarding the time line for redevelopment, how to distribute the lots fairly, providing a set of construction specifications for builders.

Board Chair Parrish inquired about the list of properties remaining on the list that have not been demolished. Allen stated the final contracts had not been assigned until funds have been reimbursed from MSHDA as a precaution. As soon as it is determined how quickly funds will be repaid, the contracts will be assigned in 2 groups. Allen added he is trying to get funds for countywide use.

- d. 1515 Madison Update-Allen informed the Board a local reputable developer on the purchase of the property. The sale should be complete within a month.
- e. 1219 Euclid/Fair Housing Center Project-Allen updated the Board on the project stating the Euclid property is located behind the Fair Housing Center (FHC). KCLBA has received a \$60,000 grant from the FHC to build on the property. There are plans to build after the property is sold.
- f. Inventory Update- Allen provided a recap of the remaining properties for the 2013 City of Grand Rapids Tax Foreclosures stating 4 are unsold. 1304 Franklin is being renovated. 1739 Madison SE, 721 Henry SE and 856 Geneva SE have had offers but none were accepted.

Allen announced there is a 100% homeownership rate of the bank donated properties received by the KCLBA in the City of Wyoming. 98% of all tax foreclosures go into rentals. Allen noted the KCLBA has an 80% homeownership rate countywide.

- 8. Open Discussion- Allen announced all of the KCLBA staff now have logo apparel.

Allen informed the Board members he was asked to give a presentation at the Michigan Economic Development Conference in Boyne Mountain.

Board Chair Parrish updated the Board on the pending legislation stating the governor is in favor of Land Banks and is not supporting Representative Yonkers bill. Board member Bliss suggested getting land bank information to the Governor's office. Parrish added he will reschedule a meeting with Rep. Amanda Price.

Board member Brinks requested a recommendation from the Advisory Council when not taking competitive bids from contractors to use Youth Build and other programs. Brinks suggested posting a waiver on the KCLBA website.

Brinks thanked Board Chair Parrish for attending the City of Kentwood meeting.

Chair Parrish announced he is unable to attend the April 17 board meeting and asked for an alternate chair for the meeting. Board member Bliss was appointed temporary chair for the April 17 KCLBA Board meeting.

9. Adjournment-There being no further business to discuss, Board Chair Parrish adjourned the meeting at 10:00 a.m.

Next Meeting:

Thursday, May 15, 2014

8:00 a.m.

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