

**Kent County Land Bank Authority
Board Meeting Minutes
April 17, 2014**

1. Call to Order- Meeting was called to order at 8:05 a.m. by Board Member Rosalynn Bliss who was standing in for Board Chair Parrish.

1. Roll Call- Board members present, Brinks, Bliss, Ponstein,
Board members absent: Parrish, Kaminski
Staff members present –David Allen, Vince Lambert, David deVelder, LouAnn Bryant

2. Approval of Agenda-Motion by Brinks to approve agenda, support by Ponstein. Motion passed.

3. Approval of Minutes, 3/20/2014 Meeting- Motion by Brinks, to approve the minutes with amendment of time of adjournment to 9 a.m. Support by Ponstein. Motion passed.

4. Public Comment- none

5. Advisory Council – None (no meeting held in April)

6. Executive Director Report- presented by David Allen, Executive Director, KCLBA (addition of Item ‘e’ to agenda)
 - a. Financials- Vince Lambert presented the financial report noting 89% of budget had been spent which was on target with projected budget. Lambert stated demolition funds should come in May 1 and will be reported in the May 2014 Financials. Reports distributed to Board members prior to the meeting were:
 - i. March Check Detail
 - ii. March Balance Sheet
 - iii. March P&L
 - iv. March Budget vs Actual
 - b. Hardest Hit Demolition Update-Allen reported the demolitions are on schedule. He added the KCLBA is one of the highest performing grantees based on the percentage of funds awarded. Allen stated MSHDA is implementing statewide some of the procedures developed by the KCLBA.

Allen announced MSHDA has \$10 million they will be reallocating. Grantees who have spent their funds can re-apply for additional funding.

Allen stated the KCLBA has been approached by private parties (developers) who are expressing significant interest in vacant land. Allen noted the KCLBA is working with the Home Builders Association (HBA). He further commented there are some irregular lots and the KCLBA will be working with neighbors. Allen

added he has mentioned the need for funding countywide including rural areas and wetlands.

Board members asked if there were plans for community gardens. Allen explained he is working with the City to develop guidelines and policy on side lots.

- c. Inventory Update-Allen emphasized the Kent County Land Bank is countywide and gave a report on the following local units:

- Grandville - Prairie Street property. The local fire department had a rare opportunity to do exercises on the property. The KCLBA is working with a local builder.

- Sparta – One lot is sold in the Bedford Falls development. Groundbreaking will occur within a few weeks.

- Wyoming – KCLBA has been receiving bank donated properties within the City. Properties will be sold with homeownership stipulation per Wyoming homeownership policy.

- Lowell Twp. – The large lot on Grand River Drive has been cleaned up. Builders have contacted the KCLBA.

- Walker- KCLBA received a bank donated property. A builder is completing \$70,000 renovation. The structure needed a new basement. Once finished the unit will be sold to a homeowner.

Allen stated the he is working with a local bank on a program similar to the HARP program. Fair Housing Center is working within the 49507 Target Area and Sparta. Staff will be going door to door to set up appointments to discuss financing. Participants will receive a gas card to meet with bank staff. Allen commented the banks are stepping up to work with foreclosures. He added KCLBA is strengthening relationships with banks as recommended in the strategic plan.

Allen reported there were 2 properties left on the market and 3 properties identified for demolition that were sold to the same investor who is doing the development in the Belknap neighborhood. He is estimating \$50,000 - \$60,000 in renovations per unit.

Members discussed outcome of purchases. Allen reported 57% of sales resulted in homeownership.

- d. 2014 Tax Foreclosures Update - Allen reported the following:
 - i. Grand Rapids- final count is 128 (30 less than 2013) County awarded 42 deferrals (1 yr.) Hardest Hit numbers up from 28 last year, designed from the H.A.R.P. program to pay off back taxes. In order to qualify, the owner must be a homeowner. The program is not available to investors. Allen commented if the homeowner can't pay \$1200.00 in taxes, will it repeat in 3 years. The KCLBA will be monitoring. This year there are 8 commercial properties, up from last year. KCLBA is managing the properties for the County. This year there are approximately 9 occupied compared to 23 in 2013. If the City requests KCLBA develop the properties, there will be less demolitions this year.

- ii. Kentwood- 2 large parcels going into foreclosure. Board Chair Ken Parrish met with City officials.
- iii. Wyoming-no desire to work with the KCLBA this year. They are taking a wait and see approach.
- iv. Remainder of Local Units- Allen will be sending letters to the local units, noting the KCLBA has done great work in Plainfield Township and Sparta. This year Plainfield Township has 11 foreclosures. There is a high number of foreclosures in Cedar Springs and Lowell.

Allen sent the 2009- 2012 Tax Foreclosure lists to the GRAR. They are researching if any of the properties were listed on the MLS. Early indications are there are over 1000 properties and less than 20% were listed on the MLS. Allen noted all of the KCLBA properties were listed on the MLS and had clear title producing a better product on the market. He will presenting a report to the GRAR. Realtors want to work with the KCLBA. GRAR members are stating families can't find homes, investors are buying them up.

Allen reported a subcommittee of Julie Rietberg (GRAR), Steven Ruis (developer), David deVelder and David Allen will be recommending the acceptance of purchase offers based upon HUD process- first 20 days only homeowners bid.

A 203K Loan is a new lending product being developed for homeowners to do renovations. The loan will be up to 90% of post renovation value. KCLBA will manage the loan. Allen added this would give homeowners a shot.

Allen stated for investors another bank is stepping forward to offer financing. He noted banks typically don't loan to investors. For mulit-family homes – they are providing new products, working with banks and homeowners should see homeownership increase.

Allen announced May 28th he is meeting with the subcommittee. By the end of May KCLBA should have requests by non profits and local units.

Allen and Board members discussed hedge funds looking in the City of Grand Rapids and hiring local management companies. This could move low income rental out of some neighborhoods. Residents are being approached to sell homes to put up high rise buildings. Allen commented a \$20 million in the City of Grand Rapids could have a ripple effect countywide.

- e. Water's Building-Allen reported the Water's Building has been purchased and the KCLBA will need to move. He was interviewed by Henry Erb, Wood TV 8 reporter. Allen will be meeting with the Water's Building architect later today. Allen stated he is weighing the options and the current lease is in place until 2015.

7. Open Discussion- Board member Brinks discussed the City of Kentwood budget which highlights the money going to the KCLBA. Brinks noted there is no line showing the "added value." Board members discussed the post renovation property values, lack of legislation to require improvements. Local units only have building permits to re-evaluate assessments. Allen is currently working with Grand Valley to track assessments. Allen stated the City of Grand Rapids (Kara Wood) had created a spreadsheet tracking the financial impact of recent tax foreclosed properties. Allen is meeting with Gustavo to project what will happen in the next 5 years. He stated the 2011 and 2012 KCLBA tax foreclosures are now coming back as comparables.
8. Adjournment-There being no further business to discuss, Board member Bliss adjourned the meeting at 8:55 a.m.
- 9.

Next Meeting

Thursday May 15, 2014

Water's Building Basement Conference Room

161 Ottawa NW