

**Kent County Land Bank Authority
Board Meeting Minutes
Water's Building Conference Room
June 19, 2014**

1. Call to Order- Board Chair Parrish called the meeting to order at 8:05 a.m.
2. Roll Call - Board members present: Parrish, Brinks, Ponstein, Kaminski
Board members absent: Bliss-excused
Staff members present –David Allen, Vince Lambert, David deVelder, LouAnn Bryant
3. Approval of Agenda: Motion by Ponstein to approve agenda, support by Brinks. Motion passed.
4. Approval of Minutes, 5/15/2014 Meeting- Motion by Brinks to approve minutes as written.
Support by Ponstein. Motion passed.
5. Public Comment-- none
6. Advisory Council – June 18 Meeting Report presented by David Allen, Executive Director:
Allen reported a meeting of the subcommittee was held on May 28, 2014 to review the 2014 Tax Foreclosure list of properties. Subcommittee members (Erin Banchof – City of Grand Rapids, Greg Conway, V.P. Founder's Bank, Julie Reitberg, Grand Rapids Association of Realtors, Steve Ruis, City of Grand Rapids Planning Commission & SDR Ventures LLC, David Allen, KCLBA & David deVelder, KCLBA) Based upon the subcommittee recommendation of the purchase of the 2014 Tax Foreclosures from the City of Grand Rapids by the KCLBA, the Advisory Council recommended the purchase to the KCLBA Board of Directors. Allen noted Advisory Council member Julie Reitberg brought a lot of knowledge to the advisory council.

Allen updated the Board on the property located at 3913 Prairie, Grandville. He reported there is a developer interested in working with the City of Grandville to develop the lot with 1 or 2 single family homes. Allen discussed with Board members the recommendation made to require the buyer provide the seller (KCLBA) with a letter of approval from the City of Grandville to build 1 or 2 single family homes on the lot, proof of financing to complete construction and a projected date for construction launch.
7. Executive Director Report- E.D. David Allen began his report by introducing Joshua Ferguson, Calvin College summer intern. He stated the interns assignments while on staff will be working on projects involving side lots, 5/50's, SEV's and assisting City of Grand Rapids staff Phil Schaafsma with a report.
 - a. Financials- (Financial reports listed below were distributed to KCLBA Board members and posted to KCLBA website prior to the meeting) Reported by Vince Lambert, KCLBA expenditures are under budget. The Land Bank has received \$296,000 in reimbursement from MSHDA and is waiting on \$300,000 additional funds. The balance is \$622,000.

Board members discussed the funds needed to purchase the full group of 2014 City of Grand Rapids tax foreclosures. Lambert explained a Founder's bank account was opened to advance the demolition funds and there is the Huntington Line of Credit. He added proceeds from the non-profits will be collected up front and the property at 1304 Franklin will be put on the market so by July 1, 2014 the KCLBA will have \$1.2 million. Projected costs are \$18,000 for Kentwood parcels and \$900,000 to purchase City of Grand Rapids parcels which will leave some funds for development work and clean outs.

Further discussion by Board members regarding having limited funds since the KCLBA is a new organization. Allen stated the advisory council had calculated the KCLBA would have a net worth of \$300,000 if the KCLBA had to close the office. One member discussed the need to draft a policy for minimum reserves.

- i. May Check Detail
 - ii. May Balance Sheet
 - iii. May P&L
 - iv. May Budget vs Actual
- b. Board Action Required – Request from the City of Grand Rapids to enter into a development agreement on their 2014 Tax Foreclosures (Supporting Documentation Attached.) Allen directed Board members to a spreadsheet of information regarding the 2014 tax foreclosed properties. He reviewed the columns of information which had been categorized by type (commercial, residential, single family or multi family), vacant or occupied and area – SE, SW, NE, NW. He informed the Board the staff valuation of the property list had been vetted by the advisory council, adding a study had been done of one day in the Grand Rapids area of properties for sale on the MLS. He stated the staff studied properties listed in different categories by value, location and move in condition. The study indicated there is a significant need for inventory. He added there had been extensive calls at the KCLBA expressing interest in properties.

Allen then discussed the 2014 City of Grand Rapids Tax Foreclosures Proforma which had been determined based on last years figures. The result was an estimated net revenue of \$847,000.

Board members discussed occupied property policy noting the policy had been waived last year. Allen stated he could bring a recommendation by the advisory council for future policy on occupied properties following the next meeting of the advisory council in September.

A motion by Brinks was made to extend the policy. Motion by Ponstein to approve entering into a development agreement with the City of Grand Rapids with the addition to deviate from Land Bank policy, extend the current occupied properties policy and table establishing a short term occupancy policy. Support by Kaminski. Motion carried.

- c. Board Action Required –Request from the City of Kentwood to enter into a development agreement on 3 of their 2014 Tax Foreclosures (Supporting Documentation Attached.) Allen reviewed details of the properties identified in the City of Kentwood Resolution and Development Agreement. He explained the 229 Garland parcel is landlocked. The KCLBA would work with the neighbor to “side lot” the parcel. Allen stated the 377-379 Pine Place parcels have a zero lot line and is a duplex originally built within a community of homeowner duplexes. Motion by Brinks to approve after vetting final draft. Support by Kiminski. Motion carried.
- i. Please note that as of the date of the drafting of the agenda, the City of Kentwood City Commission had not formerly passed the resolution requesting this development agreement. At their June 3 meeting the City Commission approved staff to draft a Resolution and Development Agreement to be presented at their June 17 meeting.
- d. Board Action Required – Expansion of the Huntington Bank Operating LOC. Allen requested Board approval to expand the Huntington LOC by an additional \$100,000, adding the current balance is \$0.00. He explained there is an intensive cash burden during this time of year and it is important to have enough funds available. Motion was made by Brinks to approve the additional Huntington line of credit with addition of: 1. Dual

Signatures, 2. Notify Board if balance of LOC goes over \$100,000. Support by Ponstein. Motion carried.

- e. Board Action Required –Cancellation of the July 2014 Board Meeting-Motion by Kaminski to cancel July 17, 2014 Board meeting. Support by Brinks. Motion carried. Next meeting of the KCLBA Board of Directors will be August 21, 2014.

- 8. Open Discussion-Allen discussed the timeline of upcoming events, estimating the KCLBA should have Kentwood properties by end of June, purchase of City of Grand Rapids properties July 2 or 3. Shortly after purchase the KCLBA will receive quit claim deeds and will start quiet title action. This will be ahead of last years schedule.

Allen added the quiet title action will be opened to investors trying to sell to homeowners. They will enter into a land bank agreement. The properties will be deeded to the KCLBA. Once title is cleared the properties will be deeded back to the investors. Board members discussed the quiet title action being opened up to additional entities. Board member Brinks made a motion to make a policy regarding quiet title action next year based on advisory council recommendation and make an exception this year to approve a policy for 1 year to allow additional entities to join quiet title action. Support by Ponstein. Motion carried.

Allen announced he, Board Chair Parrish and KCLBA Director of Real Estate Development David deVelder along with other statewide Land Bank and other executive staff had attended a by invitation only Leadership Summit sponsored by the Center for Community Progress. It was a 2 day intensive workshop, seminar and networking opportunity. Allen stated the KCLBA paved the way for other land banks noting it is economic development driven. Chair Parrish explained the summit was a change from the national conference previously held. The summit was brought back to Michigan focus. He added all expenses were paid by the Center for Community Progress.

Allen stated there had been a meeting of the Michigan Association of Land Banks (MALB) held during the summit. The MALB had been stagnant recently. Allen attended the meeting and has been appointed Treasurer of the organization.

Allen was also approached by the Michigan Economic Development Association. He announced he would be making a presentation on how land banks can be beneficial.

Board member Kaminski announced the meeting of the Kent County Supervisors Association meeting on the second Tuesday in August.

- 9. Adjournment- Board Chair Parrish adjourned the meeting at 8:35 a.m.

Next Meeting

Thursday August 21, 2014 8 AM
Water's Building Basement Conference Room
161 Ottawa NW