

**Kent County Land Bank Authority
Board Meeting Minutes
October 16, 2014**

1. Call to Order-Board Chair Parrish called the meeting to order at 8:35 a.m.
2. Roll Call- Board members present-Parrish, Ponstein, Kaminski. Board members absent & excused-Brinks & Bliss. KCLBA staff members present-Allen, deVelder, Lambert & Bryant.
3. Approval of Agenda-motion by Ponstein, support by Kaminski. Motion to approve agenda passed.
4. Approval of Minutes, 9/18/2014 Meeting- motion by Ponstein, support by Kaminski. Motion to approve minutes as written passed.
5. Public Comment-none
6. Advisory Council – Did not meet
7. Executive Director Report-Executive Director David Allen distributed a production report to the Board members in attendance and gave the following report;
 - a. Production Report
 - i. Sales-2014 Tax Foreclosures (with buildings)
 - 17 listed on MLS Not Yet Sold (occupied properties have just been listed)
 - 43 Sold – pending closing
 - 17 Sold to Non-Profits
 - 90 TOTAL
 - ii. Vacant Lots
 - 47 Buildable Vacant Lots Listed
 - 6 Buildable Vacant Lots Pending
 - 10 Non-Buildable Vacant Lots Pending to Neighbors
 - 7 Vacant Lots Sold to Date in 2014
 - 70 TOTAL

Allen reported it is an extremely busy time at the KCLBA. Currently there are 4 properties under construction. The Covell property had mold contamination. The kitchen & bathroom were gutted. The renovation cost is estimated at \$100,000. Two properties in Kentwood will be renovated and one on Graceland which could be sold to a homeowner.

Allen stated the KCLBA is working with the Grand Rapids Police Department. There have been crimes committed on properties during the past 2 years. He added the KCLBA is working with the City of Grand Rapids Inspections Department and providing better reporting on status of properties.

Allen updated the Board members on the MSHDA grant. Funds spent to date are \$98,000 of \$1.2 million. Allen sent a request to MSHDA for an additional \$1 million.

Allen told Board members there should be very little carry over inventory by the end of the year. The 28th Street commercial property has a purchase agreement. Currently the KCLBA is working with the Village of Sparta and condo association to rewrite guidelines. He added there is a lot of interest from developers for the lots.
 - b. Financials- E.D. David Allen asked staff accountant Vince Lambert to present the September 2014 Financial report to the Board. Lambert discussed the activities for the past month noting there had been a lot spent on clean outs. He stated there had been no sales in September and there

would be more to report in October. To date 94% of the budget has been spent. He added the Huntington account had only been used once and would not be needed any further during the year. He reported there had been \$1.5 million in sales this year.

- i. September Check Detail
 - ii. September Balance Sheet
 - iii. September P&L
 - iv. September Budget vs Actual
- c. Board Action Required – Approval of the Huntington Bank/KCLBA Loan Product for 3 land bank properties: Dickinson, Pine Place Court, Elliott
- i. Cost of servicing .005%
 - ii. There is no discount when the loans are sold to the secondary market. The KCLBA will get face value for the outstanding principal.

Allen discussed the Huntington Loan product. He noted the KCLBA Advisory Council members had vetted the product quite well adding the service fee will be ½ of 1%, also when Huntington sells the loan to Fannie Mae the KCLBA will get 100% of the value of the loan. Allen stated Huntington will execute all evictions. The risks would be a possible decrease in value of the property if the KCLBA gets it back or if the occupant misses payments, it could turn into a longer term rental than 24 months. Allen explained the 3 occupants have a good track record of making their payments and they appear to be low risk. He informed the Board members that he had spoken with Board member Brinks regarding the product. After further discussion Board member Ponstein made a motion to approve the Huntington Bank/KCLBA Loan product for the 3 land bank properties Dickinson, Pine Place Court and Elliott. Support by Kaminiski. Motion passed.

8. Open Discussion- Board Chair Parrish informed the Board members and attendees that there has been no word yet on the Court of Appeals. He stated he had received a FOIA request from the Mackinac Center regarding the amount spent by the County on legal fees.

Allen reminded Board members of the Open House/Mixer being held this evening at the new KCLBA office. He stated it had been completely underwritten by 9 sponsors.

Allen informed Board members he would present the 2015 KCLBA Budget at the November 20 KCLBA Board meeting.

9. Adjournment-Board Chair Parrish adjourned the meeting at 9:00 a.m.

Next Meeting

Thursday November 20, 2014 8 AM
KCLBA Office 347 S. Division