



Leelanau County Government Center

Leelanau County Land Bank Authority (LC-LBA)

Website: <http://www.leelanau.gov/landbank.asp>

8527 E. Government Center Dr.
Suttons Bay MI 49682 231-256-9838

NOTICE OF MEETING

The Leelanau County Land Bank Authority (LC-LBA) will
meet **On Tuesday February 21st, 2023 at 9:00 am**
at the
Leelanau County Government Center

DRAFT AGENDA

PLEASE TURN OFF ALL CELL PHONES

PLEDGE OF ALLEGIANCE

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

APPROVAL OF MINUTES January 17th, 2023 *pgs 2-6*

PUBLIC COMMENT

➤ UNFINISHED BUSINESS

➤ DISCUSSION/ ACTION ITEMS

1. Homestretch Update and Possible Deed Approval
2. Maple City Habitat Project Discussion
3. Any other business

CLAIMS & ACCOUNTS *pgs 7-8*

POST AUDIT

CORRESPONDENCE/COMMUNICATION ITEMS

PUBLIC COMMENT

MEMBER COMMENTS

CHAIRPERSON COMMENTS

ADJOURN

Members

John A. Gallagher III – Chair
Dan Heinz – Vice Chair
Trudy Galla -- Secretary
Rick Foster -- Treasurer
Deb Allen
Richard Isphording
Gwenne Allgaier

A regular meeting of the Leelanau County Land Bank Authority (LCLBA) was held on Tuesday, January 17, 2023 at the Leelanau County Government Center.

CALL TO ORDER

Meeting was called to order at 9:00 am with the Pledge of Allegiance.

ROLL CALL

Members Present: D. Heinz, G. Allgaier, D. Allen, R. Foster, T. Galla
Members Absent (prior notice): J. Gallagher, R. Isphording
Public Present: J. Hawkins, L. Mawby, J. Shaw, W. Irvin, Z. Hillyer, S. Lautner

APPROVAL OF AGENDA

Motion by Allgaier, seconded by Allen, to approve the agenda as presented. Motion carried 5-0.

APPROVAL OF NOVEMBER 15, 2022 MINUTES

Motion by Allen, seconded by Foster, to approve the minutes as presented. Motion carried 5-0.

PUBLIC COMMENT- None.

UNFINISHED BUSINESS- None.

ORGANIZATIONAL ITEMS

1. Election of 2023 Vice Chair, Treasurer and Secretary for LBA

Vice-Chairman

Motion by Foster, seconded by Allen, to elect Dan Heinz as Vice-Chairman.

Nominations were closed.

Motion carried 5-0.

Treasurer

Motion by Galla, seconded by Allgaier, to elect Foster as Treasurer.

Nominations were closed.

Motion carried 5-0.

Secretary

Motion by Foster, seconded by Allgaier, to elect Galla as Secretary.

Nominations were closed.

Motion carried 5-0.

2. Review and Adopt 2023 Meeting Schedule

Motion by Allen, seconded by Allgaier, to adopt the 2023 meeting schedule as presented.

Heinz pointed out the Brownfield conference in Detroit which will be the week prior to the August LCBRA meeting.

Motion carried 5-0.

3. Review and Adopt Bylaws

Some minor formatting changes to the document were suggested which Galla will incorporate into the final document.

Motion by Foster, seconded by Allen, to adopt the bylaws as amended. Motion carried 5-0.

4. Review Policies & Procedures

Corrections:

Bottom of page 3, correct the last 2 words to read: LCLBA's policies.

Page 4, item f – delete.

Page 4, 2 c, space added between 2 words.

Page 6 – f, should be 'LCLBA'.

Page 6, 2, ii, space added between 2 words.

Motion by Allgaier, seconded by Allen, to accept changes to Policies and Procedures as presented. Motion carried 5-0.

5. Identify 2023 goals

Heinz noted that in last year's "Goals" they approved several changes that are not in the current/proposed goals. He reviewed the changes that they had in the first year. Galla stated that she pulled up the wrong version and will correct that.

Corrections:

Add the language under Programmatic, 1. from 2022 Goals. Place the word 'and' into line 2. Delete 'and the Economic Development Corporation development tools'.

Programmatic, 5. – add a space between 2 words.

Organization 1, and 3, - add a space between 2 words in each line.

Motion by Foster, seconded by Allgaier, to accept changes to 2023 goals as presented. Motion carried 5-0.

DISCUSSION/ ACTION ITEMS

Request from Habitat for Humanity

Galla outlined the request. Irvin said the gap that exists in purchasing the property right now is that they are receiving funding through loan opportunities, not grant dollars. They are hoping they can get some grant funds in here as both parcels are appraised at a combined total of \$240,000.00. The homeowner has been working with them for some time to sell and they are working through this process. The County agreed to put in \$60,000.00 and once the house is sold, they will be reimbursed. To date, they do not have grant funds that they truly need but they are happy for any assistance. The homeowner has been able to secure new housing with a new job and would like to sell by the end of February. They have sixty days or else the property owner can sell on the open market. They did receive written request from the property owner last week so this is now under the clock.

Heinz asked if the original deal was two lots? Irvin replied, yes. Heinz asked about missing middle funding? Irvin said they are applying for it. They are only successful if the homeowner is above 60% Area Median Income (AMI). At this time, that is the only grant opportunity they have. Heinz asked if the missing middle qualifies as affordable housing? Irvin said yes. Their board would like to not exceed 120% AMI. Heinz asked about the deed for both lots having restrictions that Habitat for Humanity has first right of refusal? Irvin replied, yes. The existing mortgage has a balance of around \$20,000.00 to be paid off. Habitat for Humanity customizes mortgages to each homeowner and she has been in the home about fifteen years at 0% interest. The payments went right towards the principal. Years ago, most of their clients only had 20-year mortgages.

Heinz asked if there is a first mortgage right now and would the \$60,000.00 mortgage from Leelanau County be a second mortgage. Irvin said the mortgage gets paid off first. They will still have about \$50,000.00 gap. There may be one more investor in the property but not as a grant. They really do need assistance so they can get this home back and service another family, or two families with building on the second lot. Irvin had spoken with the zoning administrator and the second lot is buildable. Heinz asked if the \$240,000 includes both parcels and Irvin said yes, the parcel with the home is appraised at \$225,000 and the vacant lot is \$15,000. Irvin had conversations with Gallagher regarding a \$15,000 loan on the vacant parcel.

Galla said this property owner will sell both pieces to Habitat for Humanity at which time the current mortgage is paid off and Habitat owns it free and clear. At closing, we will record our mortgages. The Leelanau County

mortgage will be recorded on the east side which is the home and if the Land Bank agrees to it, their mortgage will be recorded on the vacant property, the west side. So, Habitat will own the properties and owe the County and the Land Bank that money when they sell those properties.

Heinz said Habitat is hoping to flip the property right away so the County is paid and then the Land Bank investment of \$15,000 will be longer. Galla agreed and said the Land Bank mortgage would be tied up longer. Corporate Counsel did a 3-year mortgage with balloon payment for the county at 0%. We are not expecting three years because Habitat is ready to get a family in there and sell it. Then they can go to the vacant parcel and build and sell it. If the Land Bank agrees to this, it would be to approve putting a mortgage on the (west) vacant parcel with Corporate Counsel developing the mortgage and promissory note. She is assuming these documents would be similar to the ones created for the County.

Heinz asked about the \$15,000 purchase and Galla clarified we are not purchasing; we would loan Habitat \$15,000 with a mortgage put on the property. Habitat makes the purchase and we loan them the money. Heinz then confirmed that since it is not a purchase, we are not doing the appraisal work or any other work and Galla said yes, that has already been done by Habitat.

Discussion:

Allgaier said this was also discussed at the County Board of Commissioners meeting and she supported that mortgage and would support this request.

Motion by Allgaier, seconded by Allen, to approve a mortgage with Habitat for Humanity on the vacant parcel in Cedar in the amount of \$15,000.00 with Corporate Counsel drafting the mortgage and Promissory Note for final signature, and the payment of \$15,000.00 to come from Land Bank funds.

Motion carried 5-0.

Allgaier asked about the last two homes in Maple City, will they be affordable? Irvin said our agreement with Land Bank was we could sell the last two at market rate but we are not. We are going to sell them up to 120% of the Area Median Income (AMI). Irvin thanked the Land Bank for approving this today. The only way they can do this is to work together and they can now serve two more families.

Heinz asked about Maple City Crossing. At one point, he thought Habitat for Humanity wasn't breaking ground until they had complete financing. Irvin said they can finish four homes but not the last two. They are now shifting to New Waves in Elmwood Township as they have a commitment there. They will build three rental units there and two homeowner parcels.

Allgaier asked about the Maple City Crossing project as she passes it all the time. Irvin explained a few delays they had with the project.

State Land Bank Authority (SLBA) 2023 Blight Elimination Grant RE: Elmwood Township Request

Galla reviewed the application and the materials needed to submit to the state. Leelanau County has \$200,000 allocated from the State Land Bank Authority for blight elimination and this was discussed in 2022. Gallagher and Galla sent notices out to townships and villages as well as developers that had sites that might need work, and asked for them to provide documentation. More was needed than just a letter saying they were interested in the funds. The Land Bank has to put together the application and there is a lot of data needed before it is submitted to the state to see if they will fund the project. Gallagher and Galla participated in a zoom session with some representatives from the State Land Bank Authority to answer questions and ask what was eligible with regard to Elmwood Township's potential project and they were told this work would be eligible. When the information was sent out November 21, there was a deadline for all the townships and villages and developers to respond in early January. Last week, after the deadline Galla was contacted to ask if a project could be submitted and Galla replied it would have to be submitted for the next round. Elmwood Township provided a lot of information: Phase I, budget, description of the project, etc. The state may require more environmental work

and we will find that out if the application is approved. If the Land Bank agrees to submit this application, it is due by the end of January and we will hear by the end of March. Our \$200,000 allocation is there and we need a project. There will be a second round but we don't know what funding will be available.

Jeff Shaw, Elmwood Township Supervisor, spoke and appreciated the opportunity. When the email came from Galla, they were already in the process of looking at this project. The Brewery Creek property is behind the Subway in Greilickville. It was originally developed in 2003. The other buildings were built in 2004 and the developers went bankrupt in 2008. The township purchased the vacant lots in 2012. The developers never put a second coat of asphalt on the site and while it has held up well, it is deteriorating. There is re-rod, curbs and gutters broke, and asphalt broken up. Fortunately, when this grant opportunity came up, the township was done with the engineering. We really need that parking for the launching of the boats. During the week it is not all full and it would be nice to have that space available for bike clubs, and Pathfinder School uses the space quite often.

Members questioned a walkway to get across M-22 to the marina side and Shaw stated it is human nature that people will not walk a long way to get to the tunnel to cross, or to an overhead pass if there were one. North of the Subway building is a sidewalk and the township retained the easement on that sidewalk and this is where the crosswalk will be, with a signal. There is an easement to the trail and they can funnel people through the parking area and the wooden bridges in the parking area as they connect to the park, the harbor across the street and ultimately, to the Discovery Center.

Heinz asked about the history on the parcel and problems with the soils. Shaw said if you were doing buildings, you would need piers. One of the reasons this works so well is that it is for parking, and not for buildings. The Brewery Creek property has an area with a conservation easement on it. The Elmwood Township parks and recreation committee talked about building boardwalks in that area so people can walk along the creek and connect to the trail. The engineers have done all the borings and there were two Phase I's done – the last one in 2012. Nothing has changed since 2012.

Shaw said he was very excited about 2025 and the work that MDOT will be doing in this area. There will be a 10' wide path from the old Holiday Inn in Traverse City to Cherrybend Rd in Elmwood Township and people won't have to be crossing M-72 or M-22. It will greatly improve our area and having this parking available so people can access that would be phenomenal.

Allen said she served on the Elmwood Township Board for two years as a trustee and also on the parks and recreation committee. She is very familiar with this property and it makes great sense if they can accomplish this work, it would greatly improve the area.

It was moved by Allgaier, seconded by Allen, to approve Resolution 2023-01 to submit the grant application to the State Land Bank Authority (SLBA).

Motion carried 5-0 (2 absent), on a voice vote.

Allgaier was wondering if there was a better use and Shaw mentioned the soils. She has parked there on 4th of July to get to her son's boat. Have you considered walkway over? Shaw said he spent a lot of discussion with MDOT over last seven years. They explored options such as tunnels, walk overs and crosswalks. Cost wise, and as noted before, if it is more than 100 yards parked away people will likely just cross the road. Plus, there are ADA requirements with ramp or elevators. Allen said she is familiar with this property and if they can accomplish it, it would greatly help the aesthetics of that corridor as well.

Grand Traverse Band Property 45-011-642-011-20

Galla stated that Gallagher sent an email that he had been in communication with the Grand Traverse Band of Ottawa and Chippewa Indians. Originally we offered this parcel to the Tribe and they were interested but didn't want to pay. Their general council recommended that the property owner next door, Mary Jo McSawby, be offered the opportunity to acquire the property. She is wanting to acquire the property since it is contiguous to

her home and is willing to pay the amount that the Land Bank paid for the property of about \$2,581.20. She did purchase an adjoining property some years ago from us, after tax foreclosure. So, we now have an opportunity to sell this property for the taxes owed on it. It is behind other properties and there is an easement to it but it's a property that is not one we will do anything with and it is in an area of other Tribal land or Tribal members.

Heinz asked if this would go on the tax rolls. Galla looked up the property owner and said she does pay property tax so this parcel would also have taxes on it.

Allgaier said she couldn't think of a reason for not doing this. Heinz agreed based on the easement, the location, etc.

Galla said that we would sell this for a private property owner for the amount owed in taxes and for 5 years we would get that 5/50 rule with 50% of the taxes coming to the Land Bank so it is a win-win rather than selling it to the Tribe for \$1.

Motion by Foster, seconded by Allgaier, to offer the property to the adjoining property owner (McSawby) at the cost the Land Bank has in the property. Motion carried 5-0.

Vacant property listing update/discussion

Galla gave a review of Cherrywood property listing RFP. Gallagher reached out to Remax and asked for a listing proposal. Galla gave a quick overview of the information provided. Galla asked members if they are comfortable with this listing price of \$24,900.00 or they can talk to Gallagher more next month. Heinz said they have to write a check for \$15,000.00 to Habitat for Humanity, and would like to have some funds coming in. Allgaier stated that prices are depressed right now and it could get worse. Heinz said they won't do a brownfield plan on this one. To put affordable housing on this and get brownfield to it, won't happen. Let market sell it. The Land Bank still has five other properties they can try and develop for affordable housing.

Motion by Foster, seconded by Allgaier, to list the property with Remax at a price of \$24,900.00. Motion carried 5-0.

CLAIMS & ACCOUNTS

Motion by Allgaier, seconded by Foster, to approve Claims & Accounts in the amount of \$106.20. Motion carried 5-0.

POST AUDIT- None.

CORRESPONDENCE/COMMUNICATION ITEMS- None.

PUBLIC COMMENT

Mawby had a point of order with regard to the Blight Elimination Grant. The Land Bank passed a Resolution supporting the grant application for Elmwood Township and he thought it needed a Roll Call.

Heinz stated they would revisit New Business Item #2 Blight Elimination Grant

On a Roll Call vote, all members present voted Aye and there were 2 members Absent. Galla will make sure the Resolution reflects the Roll Call vote.

MEMBER COMMENTS- None.

CHAIRPERSON COMMENTS- None.

ADJOURNMENT

Meeting adjourned at 10:15 am.



Greetings:

The Michigan Association of Land Banks strives to ensure that Michigan Land Banks have the statewide policies, support, and capacity to effectively operate local land bank programs.

The Michigan Association of Land Banks (MALB) is the only network in Michigan solely dedicated to ensuring the success of land banks across the state. MALB is comprised of Michigan Land Bank Authorities’ staff and board members who are engaged in all aspects of the land banking industry from acquisition to disposition.

In 2023, the Michigan Association of Land Banks looks forward to building a strong policy and advocacy network with the creation of a policy subcommittee, tracking state land bank legislation, explore legislative changes that would provide a dedicated funding source for land bank operations as well as clarify current legislation regarding the foreclosure process on 5/50 properties, and acquaint Michigan lawmakers with MALB and the work of land banks across the state. We are supporting the roll out of Blight Elimination Grants and other ARPA funding utilizing our consultant to reach out to everyone for education, advocacy and creating strong communities through land banking. Check this out on our website.

As a MALB member you will receive enhanced benefits, as well as the support and guidance of other land bank professionals who are dedicated to the revitalization of Michigan communities, which are focused on helping you succeed. MALB members receive a username and password, which allows them access to many templates for legal contracts, documents, and policies that have been shared by other members for our exclusive use. Nonpayment of dues after May 1 results in reduced access to the resource page on our website being suspended until membership dues have been received.

2023 Annual Association Fee (Due April 1, 2023)

To better serve members, MALB requires an annual association fee based on your land bank’s general operating gross revenue:

General Fund Operating Gross Revenue	Annual Association Fee
\$0 - \$50,000	\$125
\$50,001 - \$100,000	\$500
\$100,000 +	\$1,000

MALB makes sure that your membership dollars work for you in many ways, including:

- Advocating for issues that matter to MALB members.
- Gather, summarize, and disseminate land bank policy and program best practices.
- Invitation to attend the annual Michigan Land Bank Leadership Summit focused on developing new skills and deepening peer relationships.
- Other opportunities for peer-to-peer learning highlighting Michigan land bank best practices.
- Support a member list serve that will allow for members to connect.

We hope you will consider submitting your annual fee and joining MALB as we continue to serve and promote the work of land banks throughout our State.

Sincerely,

The MALB Executive Board

- | | |
|---|---------------------------------|
| - Tim Burgess, President | - Rachel Nelson, Vice President |
| - Jeff Huntington, Secretary | - Michelle Thompson, Treasurer |
| - Anne Giroux, Immediate Past President | - Eric Schertzing, Consultant |



INVOICE

Date: 02/10/2023

Leelanau
 County Land Bank Authority
 John Gallagher III
 jgallagher@leelanau.gov

Payment Terms

		Due on receipt	
--	--	----------------	--

Description		Unit Price	
02/10/2023	2023 MI Assn of Land Banks Membership Dues		
	For budgets \$1.00 to \$50,000	\$125.00	\$125.00
	For budgets \$50,001 to \$100,000	\$500.00	
	For budgets >\$100,000	\$1,000.00	
Total			\$125.00

Make checks payable to:

Michigan Association of Land Banks
 Attn: Michelle Thompson
 448 Court Place Ste 203
 Beulah, MI 49617