

A regular meeting of the Leelanau County Land Bank Authority (LCLBA) was held on Tuesday, March 21, 2023 at the Leelanau County Government Center.

CALL TO ORDER

Meeting was called to order at 9:00 am by Chair Gallagher who led the Pledge of Allegiance.

ROLL CALL

Members Present: G. Allgaier, D. Allen, T. Galla, J. Gallagher, D. Heinz, R. Isphording

Members Absent: R. Foster
(prior notice)

Public Present: L. Mawby, J. Shaw, J. Stimson (9:11), J. Hawkins (9:40)

Staff Present: T. Galla, Director, G. Myer, Senior Planner

APPROVAL OF AGENDA

Gallagher added “Discussion of offer received” as Item #4 under “Discussion/Action Items.”

Motion by Isphording, seconded by Allen, to approve the agenda as amended. Motion carried 6 -0.

APPROVAL OF FEBRUARY 21, 2023 MINUTES

Heinz pointed out that Call to Order needed to be changed from Foster to Gallagher.

Motion by Allgaier, seconded by Isphording, to approve the minutes as amended. Motion carried 6 -0.

PUBLIC COMMENT

Jeff Shaw, supervisor of Elmwood Township gave thanks for the \$57,000.00 received from the blight elimination grant to clean up the parking lot.

UNFINISHED BUSINESS- None.

DISCUSSION/ ACTION ITEMS

State Land Bank Authority Agreement Approval

(Hawkins present)

Gallagher said the state review board determined that their request~~ed~~ was not all eligible activities so they took the scope of the project and narrowed it down to only eligible activities which included demolition and a blight removal. The reconstruction portion of it was removed from the ask and narrowed down to just the demolition portion. The balance of the award is guaranteed for the second round. Anything above that is on a first come first serve basis, that is his understanding. The second round will be available in early April. With this agreement, they are working with Elmwood Township in submitting a request for payment. Gallagher is looking for authorization from either Chair, Secretary or both to work with Elmwood Township to approve this agreement and accept the award of \$57,000.00. Galla

suggested Gallagher sign since his name as Chair is on it. Galla pointed out that they are the grantee so there is responsibility with the LBA to make sure this is done properly. There is a step that also says they need to identify a project manager and she would like to suggest it be their Chairman, Gallagher. Gallagher is fine with that.

Motion by Galla, seconded by Isphording, to approve and acceptance of State Land Bank agreement, Chair Gallagher being project manager and designated representative. Motion carried 6-0.

Maple City Crossing Joint Deed Update

Gallagher said at the last discussion, the Land Bank should deed the property as they sell, rather than all at once. Allowing them to time the admission to the roll, so that 550 tax increment financing (TIF) is appropriate for each unit/parcel. They have the language for the meetes and bounds and they will recommend the deeds are sent to corporate council. Galla said it is ideal for the Land Bank and Habitat for Humanity to co-own the property so they can joint deed to the new buyers. This being so they can get their interest out of the property. They don't want any interest left in the property since it was purchased as a metes and bounds and turned into a condo.

(Stimson present)

Heinz asked about the 550 TIF, if the deed is conveyed this way, do they get less? Gallagher stated that Habitat for Humanity does not have the authority or ability to collect any of that. Gallagher will bring back next month, hopefully with closing dates and deeds.

Review Land Bank Parcels

Galla reviewed the maps from the agenda packet. The last two parcels identified as sold are the piece in Peshawbestown and the other one is for sale in Cherry Wood Court. Galla identified zoning for each parcel, zoning restrictions, minimum square footage, and any subdivision restrictions.

- Centerville Township parcel: no minimum lot size, Residential 1 zoning located in Sugar Loaf Manor Green, minimum of 1,000 square foot, 1 – 1 ½ story is not less than 700 square feet on each floor.
- Elmwood Township parcel: 1,000 square foot minimum building size for a one-story building, two story 1,300 minimum square foot. Zoned as Residential 1.
- Leelanau Township parcel: located in North Forrest Beach Shores, zoned Residential 4, with a minimum 720 square foot.
- E. Tatch Rd. parcel: in the Commercial Resort District with a minimum 720 square foot building size

Galla stated she wanted to take a look at what the restrictions were and what properties could be built on. All properties are platted subdivisions except for the E. Tatch Rd. property, which is a meetes and bounds. It is possible to build on this parcel, if they are interested in going that route. Gallagher likes the E. Tatch Rd. parcel as a commercial resort, but doesn't think they should look to get it rezoned for residential. Galla said they can check to see if a residential home is possible in the commercial district.

Discussion ensued on surrounding parcels.

Galla mentioned that the E. Tatch Rd. parcel is the one that they asked the Grand Traverse Band

of Ottawa and Chippewa Indians to swap for another parcel and they declined. Gallagher said with this information and knowing they can build on these; it is not unreasonable to think that they couldn't find a builder interested in 1000 square foot homes. They should continue to move forward on these and look for builders now. Galla said there is definite interest on the E. Tatch Rd. parcel. Allgaier said they should move forward with looking for a builder.

Gallagher will bring a list of solicitors or solicitation ideas at the next meeting. Galla instead suggested to put out a formal RFP (request for proposal) to look for builders now. Isphording said the more they learn about the property, the better they will be to accept an offer. Allen questioned how the LBA acquired these parcels and if they know they are all buildable.

Gallagher said they have not had the parcels perc tested, that will be the next step to have it build ready. Gallagher will hopefully have an RFP ready for review at next month's meeting.

Heinz questioned if any of the money coming in could be allocated to this? Gallagher said there is money coming in next quarter that might address that but currently unaware of any funding now. Galla said with regard to the MSHDA (Michigan State Housing Development Authority) funds, organizations such as HomeStretch and Habitat for Humanity, have already been tapping into the funds for their qualified projects. This is why she suggests an RFP so they can be more specific on what they are looking for. All homes are needed, even above 100-120% AMI (area median income). Gallagher said the upcoming funding could be used for that gap.

Hawkins commented that the missing middle program opened up yesterday, up to \$80,000.00 per unit with a maximum of 5 million dollars total, per project. Allgaier questioned who pays back the \$80,000.00. Stimson said it was a ten-year commitment. If you sell the house in five years, you owe 80%, if you stay the full ten years it's forgiven. (Note: the rest of Stimson's comments were inaudible)

Gallagher brought the meeting back to the agenda and said he will try to have something sent to corporate counsel on the RFP's and have it ready at the next LBA meeting. Allgaier asked if this will be for only the E. Tatch Rd. parcel or all of the parcels. Gallagher said it would be applicable to all of the parcels.

Discussion On Offer Received

Gallagher reported on the late addition of the offer on a vacant Cherry Homes subdivision lot. The cash offer was for \$19,900.00. Gallagher reviewed the additional conditions.

Heinz discussed another lot sold in that subdivision and the listing price and asked if they could counter offer? Gallagher said he did not have any conversation with the realtor, he was just bringing it back for review today. Allgaier said usually if someone makes an offer, they are expecting a counter offer. Can we ask Gallagher to counter with a good offer?

Discussion ensued on the amount of a counter offer.

Allgaier stated that if we counter, they are still getting a deal. Gallagher reviewed their options, rejection, and counter offer. This is the first offer they have had and he feels it is low. Galla said they did list this lower already and she is okay with a counter offer.

Motion by Allgaier, second Isphording, to reject the offer. Motion carried 6-0.

Gallagher asked if they want to approve the chair to negotiate? It was Gallaghers understanding that if

they receive an offer for full price, can he move forward and close on it.

Motion by Isphording, seconded by Allgaier, to allow Gallagher to accept a full price offer and close upon satisfaction of purchase agreement conditions \$24,900.00

Allen asked if they were giving this entity the first option or is this for any offer. Gallagher said first option at listing price.

Discussion on another parcel ensued.

Motion on the table carried 6-0.

CLAIMS & ACCOUNTS -None.

POST AUDIT- None.

CORRESPONDENCE/COMMUNICATION ITEMS - None.

PUBLIC COMMENT

Mawby stated what he thought the zoning was on the parcels discussed. Hawkins said at the state level they are very supportive of affordable housing. He mentioned senate bills, one to amend a bill to further assist housing, and the ability to capture school taxes. This opens the door for an additional revenue stream to help offset some costs, etc. Gallagher asked Hawkins if he is looking for a letter of support at this time. Hawkins said possible support from the land bank might be a good idea. He has a fact sheet he can provide.

MEMBER COMMENTS

Galla commented on the 1st right of refusal process. A parcel that the township did not take with the understanding that LBA was going to take it, but didn't, ended up being sold and is now being used as a STR. Going forward, Galla suggests more communication is needed with the townships and communities to better understand the process on what can be done. Gallagher said it wasn't something that the LBA could have gotten into with the info we had at that time. Galla said at the time they didn't have the blight elimination funds which could have been used.

CHAIRPERSON COMMENTS – None.

ADJOURNMENT

Meeting adjourned at 9:59 a.m.