

A regular meeting of the Leelanau County Land Bank Authority was held on Tuesday, December 21, 2021 at the Government Center.

CALL TO ORDER: Meeting was called to order at 9:00 am by Vice-Chair Dan Heinz who led the Pledge of Allegiance.

ROLL CALL

Members Present: D. Heinz, T. Galla, R. Foster, T Wessell

Members Absent
(Prior Notice): R. Isphording, J. Gallagher

Public Present: D. Bushey, T. Searles, J. Stimson

APPROVAL OF AGENDA

Heinz noted there was a request from Habitat for Humanity for an Access Agreement on the property in Maple City. That will be added as a New Business item.

Motion by Wessell, seconded by Heinz to approve the agenda as amended. Motion carried 4-0.

APPROVAL OF SEPTEMBER 21, 2021 MINUTES

Heinz noted a correction of the dollar amount on page 4. The correct amount is \$12,714.94. Heinz also questioned all of the votes on page 1 due to Foster abstaining once and Isphording's remote not working well. Galla will review the motions.

Motion by Wessell, seconded by Foster, to approve the minutes as amended. Motion carried 4-0.

PUBLIC COMMENT – None

UNFINISHED BUSINESS

Heinz mentioned talking to the Grand Traverse Band of Ottawa and Chippewa Indians (GTB) regarding tribal properties. Galla stated that County Treasurer Gallagher talked to them and they didn't have any interest in swapping land. They did request to purchase one piece, but she doesn't have any information about that. There was also a sliver of land on 641 (S. Lake Leelanau Dr.) which was sold to the neighbor (Grant). This was discussed at the last meeting and Gallagher sold that piece.

DISCUSSION/ACTION ITEMS

Homestretch – Request for Extension of Contract

Galla stated that under the purchase agreement, Homestretch had until November 30th to request an extension if they did not have the ability to get all of their funds raised by the end of the year. They did make that request and the county's attorney has provided a couple options for making that happen. A six-month extension or a one-year extension of the purchase agreement and the escrow agreement. This would extend the escrow agreement until June of 2023; this is to get the deed out of escrow. Heinz questioned why the escrow agreement extended beyond the expiration of the purchase agreement. Galla stated that there are some other things that Homestretch has to take care of besides raising the funds. The Land Bank wanted to make sure they were moving forward with the project. Not just that they raise the funds, we give them the deed and nothing else happens. Galla said the other part of the escrow agreement says Homestretch has to secure sufficient funding, obtain zoning approval and the issuance of permits. So maybe they get all of their funding lined up withing that six-

month time period, but they still need to go through the other steps. The escrow agreement gives them time to complete these other steps before the deed is released.

Jonathon Stimson, from Homestretch, said it was his understanding that the deed would transfer, but the Land Bank would hold a Quit Claim Deed that could be executed if Homestretch didn't perform on the development. Once that has occurred, Homestretch would get the Quit Claim Deed back from escrow.

Stimson continued, saying that he hopes they will be breaking ground by May/June. He is waiting to see about funding from Michigan State Housing Development Authority (MSHDA). They have a MSHDA MOD Program that will grant in some form, \$200,000.00. He sent them a contingency letter because they got the \$400,000.00 Affordable Housing Program (AHP) Grant, which is contingent upon the \$200,000.00 from MSHDA. If they can show they have the \$200,000.00, the \$400,000.00 stays intact, but it leaves about a \$160,000.00 gap. More like \$200,000.00 because by spring, the price of lumber and everything is going to go up. He doesn't want to go into the project lean because they also need money for the road improvements, curb/gutter and for the entrance.

Stimson continued, saying his request to the County Board for American Rescue Plan Act (ARPA) funds was \$300,000.00. They are about 90% there, but the last 10% is going to be tough. He got a call last week from someone willing to provide the gap funds, if they put it into a land trust. This person would own it, and Homestretch would lease it from them for 99 years. Stimson said he was not sure how that would actually pan out. Stimson concluded by saying that a six-month extension would probably work, his comfort level would be a twelve-month extension. Heinz questioned if the numbers worked if Homestretch was not able to get the \$200,000.00? Maybe doing seven units with the possibility of building the eighth when funding becomes available. Stimson commented that might be an option to consider, whatever they can do to get the housing built. Heinz remarked that previous sketches showed up to ten units. Then you made the numbers work with eight instead of ten. Stimson said part of that is the septic and private well, plus it is less fundraising. He'd like to stay with eight. Hopefully ARPA monies can come through. Heinz said two buildings with four units, correct? Stimson replied yes.

Wessell asked Galla what her preference was, six- or twelve-month extension? Galla replied six-months, and see what the results are at that time. They can always entertain an option to extend for another six-months. Stimson said six-months was adequate.

Motion by Foster, seconded by Wessell, to approve the Amendment to Purchase Agreement for six-months and Amendment to Escrow Agreement till 6/1/2023. Motion carried 4-0.

Habitat for Humanity – S. Maple City Rd. project – Access Agreement

Galla reviewed the request, saying the engineer is concerned about a plume from a leak at the Maple City Short Stop, back in the 1990's, extending to this area. Galla said according to email she received, it sounds like it was a minimal amount that was on the west side of the property and they knew that ahead of time. They are locating the well on the east side of the development, as far away from the plume as possible and would like an Access Agreement with the Land Bank, so that they can give approval for the environmental firm to put in some monitoring wells. Galla continued, saying the county's attorney recommended that Habitat for Humanity provide proof of liability insurance and add the Land Bank and Habitat for Humanity as additional insured if possible. Also, put a dollar amount into the agreement, otherwise, it could be held void for lack of consideration.

Heinz questioned if this was going to hold up construction? Galla replied that it wouldn't.

Motion by Wessell, seconded by Foster, to approve the Land Bank entering into this access agreement with final approval of the document by the county attorney.

Discussion continued on signing the agreement and what the bylaws say.

Motion carried 4-0.

CLAIMS & ACCOUNTS – None.

POST AUDIT

Motion by Wessell, seconded by Foster, to approve post audit in the amount of \$6,291.06. Motion carried 4-0.

CORRESPONDENCE/COMMUNICATION ITEMS

Galla said she is working with a group in Leelanau Township who is interested in working with Jim Tischler. Tischler gave a presentation here last September, on Land Banks and their Authority. The group is also interested in doing some housing projects in the township. Tischler will be presenting in January. Galla also met with a woman up in the Omena area, who has a beautiful piece of property that she only wants affordable housing built on, so Galla put her in touch with Tischler.

Galla said she did a powerpoint presentation to the County Board during their American Rescue Plan Act (ARPA) meeting about the history of housing and also included some options for them to consider for the use of ARPA funds. One of the options was to help support the Land Bank for projects. Obviously, if we had more funds, we could help individuals purchase land or help with infrastructure and then have the ability to recapture those funds through a brownfield plan or some other agreement.

PUBLIC COMMENT

Stimson mentioned the letter he submitted to the County Board regarding ARPA funds and said his suggestion was to deposit a portion of the ARPA funds into the Land Bank and divvy it out for projects because the Land Bank has more experience working with housing projects and funds. You could establish maybe a \$50,000.00 - \$75,000.00 per unit kitty to divvy-up those funds. He is not an advocate of land trusts. With regard to advocacy and consulting funds going to firms that just do consulting; bringing money and developer together is a misnomer. Those dollars should go into housing, not to consultants.

MEMBER COMMENTS

Heinz mentioned the Brownfield Redevelopment Authority meetings and said they have a line item on the agenda for a consent calendar. He read in the *Enterprise*, that there is a Housing Action Committee meeting and some things that kind of involve the Land Bank. Going forward, would it be possible to add that as additional correspondence to our agenda or anything else that would be helpful for the Land Bank?

CHAIRPERSON COMMENTS – None.

ADJOURN

Motion by Wessell, seconded by Foster to adjourn. Meeting adjourned at 9:35 am.