

The Leelanau County Land Bank Authority held a regular meeting on Tuesday, June 16, 2020.

Proceedings of the meeting are being recorded (audio and video) and are not the official record of the meeting. The formally approved/accepted written copy of the minutes will be the official record of the meeting.

CALL TO ORDER

Meeting was called to order by Chairman Gallagher at 9:00 am, who led the Pledge of Allegiance. The meeting was held at the Leelanau County Government Center, 8527 E. Government Center Dr., Suttons Bay MI and via ZOOM.

ROLL CALL

Members Present: John Gallagher, Trudy Galla, Richard Isphording, Chet Janik
(At Government Center)

Members Present: D. Heinz, Patricia Soutas-Little
(via Zoom)

Members Absent: Rick Foster

Public Present: Jonathon Stimson (Homestretch), Wendy Irvin and Steve Crum (Habitat for Humanity)
(At Government Center)

Public Present: Jeff Hawkins (Envirologic)
(via ZOOM)

APPROVAL OF AGENDA

Motion by Janik, seconded by Isphording to approve the agenda as presented. Carried 6-0.

APPROVAL OF MAY 19, 2020 MINUTES

Motion by Soutas-Little, seconded by Heinz, to approve the May 19 minutes as presented. Carried 6-0.

PUBLIC COMMENT - None

DISCUSSION/ACTION ITEMS

1. Habitat – Madison Avenue
Wendy Irvine, Steve Crum – Habitat for Humanity

Gallagher started with a history of the property. The parcel was foreclosed by the Treasurer’s office, and recorded the deed on April 26, 2016. During that time, the Treasurer had to offer to local units of government and to the state the 1st right of refusal on that property. During that time, the Village elected to take the parcel for their ownership. In the packet is a deed from the Treasurer to the Village of Suttons Bay for delinquent taxes. During that time, a lot of discussion was held among village trustees and citizens about use of the property. There was talk about using for public parking, or public restrooms; however, the Village Council did not reach a consensus. Gallagher had reached out to the Village Manager at the time, Wally Delamater, and offered the suggestion that the Land Bank would be interested in acquiring the property for development of affordable housing. In August of 2017 he received a letter from the Village basically stating they would want deed restrictions so it could not be rented out. The deed that we received from the Village has restrictions a) and b). The Land Bank purchased the property back for the taxes owed from the tax foreclosure. Once the Land Bank acquired the property, we reached out and started discussions with Habitat for Humanity (page 13 of the agenda packet). With assistance from Corporate Counsel, we developed a purchase and development agreement. Under the agreement, the property at 112 W. Madison Ave is to be sold to Habitat for the purpose of developing the

property for a cost of \$5,155.41. So, the deed restrictions that we acquired were also put into this document. We had requested that the structure be demolished and we gave a time frame and completion of work by 12/30/2020. If at that time Habitat was unable to do so (Section 4 Failure to Complete), the Land Bank has the 1st right of refusal to buy it back for the amount paid - \$5,155.41. We are here to discuss the future of this property. The Quit Claim Deed to Habitat from the Land Bank completes the transaction. The deed was recorded August 21, 2018. Gallagher said the reason this is being brought forward today is because we were made aware property was listed on MLS for the assessed value. Gallagher said in turn, and in good faith, he asked Habitat to pledge proceeds, if Land Bank allows it, to go back to a Land Bank project and that is page 19. Page 20 breaks down the cost incurred by Habitat. Gallagher reviewed those costs.

Soutas-Little suggested Gallagher go over the original proposed use for the land which was to be single family. Then, it was proposed as a duplex and that was to be presented to the Village for a special use permit. The details on that would be useful to know before we get discussion from Habitat.

Gallagher said the original purchase and development agreement with Habitat requested a single-family house be built or the maximum allowed. It was Habitat's intention at that time to get a variance from the Village to allow a duplex to be constructed on the site. A petition was solicited throughout the community against that request and Habitat's variance was turned down. As far as a timeline, he thought this occurred through most of 2019. There was a lot of effort put into working with the Village. However, it seemed the community did not want this type of development in their jurisdiction. Gallagher asked Irvin and Crum to address how they came to the conclusion to sell the property - what was the intent? It was his place to present the question to the Land Bank board as to whether or not the property could be sold. Informally, Irvin and Gallagher were talking over the last 2 years about this property and that was one of the options that was presented. However, we never took action as a body to either get permission or to take other action. At this time, Habitat is in compliance with the purchase agreement so no action for this board to take with regard to that document. However, moving forward we need consensus as to what our plan should be.

Irvin thanked members for allowing them to come forward and give an update as to the status of this project. It is relevant to talk about how they came into the relationship with submittal of the formal RFP process. They were encouraged by the community to consider higher density. They know workforce is necessary and is highest initiative in county. In their consideration, they submitted a 2-flat (duplex). Their mission is to provide affordable housing to communities. A portion of the original commitment was to address Suttons Bay Village and ask for a zoning variance which was not approved. Community was in great opposition to having any type of affordable housing in the Village. They reconvened and considered alternatives. They considered market rate, as other organizations do market rate homes. Knowing they had other families to serve and other projects they were committed to, they thought that was the next best step and would appeal to the Village as well as meet Habitat's goal of serving other families. Of course, the Land Bank did consider that but then Habitat recognized the limitations to finding contractors and when they started going through that process, they entered into COVID, and it was a continuing whirlwind. If Habitat were to sell the property with the same deed restrictions—the outcome would be the same as market rate and revenue could go to next project. So that's how they came to that conclusion. With Board's direction here today, Habitat is requesting to sell the property so they can invest in the Maple City property. Building single family homes is what Habitat does best but the 2 flat made sense to be able to serve 2 families and it also made sense financially. Habitat's mission requires selling at the appraised value so that market rate is kept. Homeowners may be concerned about Habitat serving a lower income family and reducing their values, so Habitat sells at market rate. Selling at market rate in Sutton Bay Village is a little higher than most communities so Habitat is required to fill that gap and make it affordable to the family they are serving. Habitat felt that was a little out of our ability and it might be better to invest time and capacity into the next project.

Gallagher noted we did do a second visit to look at the property. The property is directly west of the Village Inn (bar/restaurant), has access on Madison Ave and an alley and is about 45' x 90'. For all intense purposes, it made

sense to do a duplex. It would have been easy to construct and easy to access. It was just unfortunate. Irvin added that Fred Campbell did a phenomenal job designing the 2 flat for the community and it looked like a single-family home from the front with each family having 1000 square feet and a single car garage. It was a perfect commitment to that community but not embraced by the planning commission. They were not ready to go forward with a duplex and set a precedence.

Janik asked for an update on the Maple City project. Irvin said they were meeting with an architect tomorrow. They had the health department confirm that they could increase capacity. The next step is to have an architect come and figure out how many families can be served. Minimum is 6 families with potentially 8. They will get verification from an architect when he visits the property. They will meet with several architects and share the vision before they make a selection. Janik said these projects are linked, if they are going to use resources from this site for the Maple City project. Gallagher asked if it was their intent to do mixed use in Maple City or all affordable housing. Irvin replied they had not started selection process and there is still consideration to do some market rate. They were allowed to produce 2 at market rate. Gallagher said from a financial standpoint he didn't know if that was a requirement to make the development work.

Janik asked if there were zoning issues in Maple City. Irvin said if they build as it exists, there are 3 parcels and they can do a duplex on each. They are getting a different vision. She spoke with Tim Cypher, zoning administrator, and joining the parcels may give us a better opportunity. Gallagher said it was actually Cypher's idea to do this. Janik responded that it sounded like Maple City had a different reaction and Crum said yes, they are very supportive and have been terrific. When Habitat purchased the Madison site, they also purchased the Maple City lot where a home was built for a veteran and his family. The community has been absolutely terrific.

Janik said after the Land Bank purchased the Maple City property from Flaska's, there was a large sign at the site for a couple weeks saying "thank you Flaska family". This was the site for the proposed dollar store. Janik asked if there would be some assurances that if we proceed with this sale, that funds go to the Maple City project? Irvin said absolutely.

Crum said they will have some infrastructure cost. They need to put in a road and have sites developed and the architect will have suggestions. They will have infrastructure cost before they build a home. Hopefully, this will be a rock solid project for next spring if this all works out. Big unknown is the market rates. What does the construction market look like next spring? It is pretty robust right now. Next spring it might be easier to find a contractor to build a market rate home or two versus Habitat doing it. The market may change drastically by next spring.

Gallagher talked about proceeds and pointed out page 19 of the packet – a letter with approval from Habitat's Board that pledges that funds go to the Maple City project.

Isphording said he was not sure what other options there might be. Gallagher said he was asked to provide some options that are outlined on page 21. They were put together as quick thoughts for discussion purposes.

Gallagher reviewed the options and stated we could allow the sale of the property, as requested. At the assessed value, we only have about 3 years left to capture TIF so we would only capture about \$1,551. Irvin said they did have an offer for \$46,000. She can't guarantee that would be the case but felt there was more opportunity of generating value to get to the end result. Gallagher asked about listing requirements. Irvin said the purchaser would be required to demolish the existing building and rebuild a residential home.

Gallagher asked if there were more deed restrictions. Irvin replied they stated demolition had to be done within 180 days of closing and a new home constructed within 2 years. That may not be in our agreement with Land Bank so Habitat may have to ask for permission.

Galla asked if Habitat was prepared to enforce the restrictions if a person purchases and does not follow through with demolition or with building a home. That may require legal action which is an additional cost. She was looking at deeds and Habitat would be the one responsible for enforcing those restrictions. Is Habitat prepared to do that? Crum replied, yes and said their Board would need to do that. He agreed with Galla on enforcement.

Gallagher commented on his position as County Treasurer and doing property auctions. He would put a bond requirement on the sale. For a \$36,000 sale, a buyer would have to provide a performance bond equal to or greater than demolition.

Galla stated if you go back to the original deed from the Village, it states there is a 15-year requirement for a single family residential and that was recorded in January of 2018 so 2.5 years has come off that 15 years of keeping it single family residential. It states the Grantors will be the ones to enforce it so the Village may have some responsibility, as well.

Soutas-Little appreciated all the work that Irvin and others have done to try and make the Madison property work. She questioned why Habitat did not go back to a single family residential when the duplex was not going to work. Why didn't Habitat's Board consider returning to the original plan? Crum replied it was a very good question and there are two reasons: first, if they built a single-family Habitat home the retail price would be about \$239,000 to \$259,000 range and most of their families can afford \$180-\$200,000 tops with a USDA loan. So that \$50,000 or \$30,000 gap is what they have to raise through donations or cover through their overall costs. It really goes back to their duplex from the beginning – if they did 2 units, they knew they would sell in that range but the cost structure looks so much different that they could absorb it. They were probably not prepared for the reaction they got. Going back to single family home - they absolutely would want to do that but don't feel comfortable they have Village support. That bothers them more than anything. When they presented to the village planning commission someone close to that property really footed not getting it approved. If you have neighbors that don't want you there, it is not a good situation. They can build a home there, but are not sure they would want a family in that home in a neighborhood that doesn't want them.

Gallagher asked if COVID and fundraising efforts had slowed the revenue streams for Habitat. Crum said the government provided PPP funds which helped them on the payroll side. Another loan is called an IDA loan and it is a loan for 1 year at no cost and then low interest after that. Those two things have been helpful for them and probably Homestretch and others. Irvin added they pride themselves in diversifying the revenue streams so they are healthy and strong but overnight they lost opportunities for revenues. Their store closed and they lost 1/3 of their budget plus donations could not be made to the store so they lost that. All fundraisers were cancelled. Donors and their attention went elsewhere. Habitat also had to deal with their families that are in homes and trying to stay out of foreclosure. Many of their families work in tourism and were laid off so they have had to help to make sure they were not in default. Crum noted that the donation side across all non-profits right now is tough. Even with that, as long as Habitat builds homes, they will end up with a positive balance. A year from now it might be completely different. Right now, the Benzie store is shut down, and Odoms shut their doors. There are a lot of unknowns.

Soutas-Little commented on previous conversations Habitat had as they went through the village process and suggested that education was key. Going forward, she suggested Habitat host something at proposed sites and have the architect present and get the community to endorse the idea before going to the planning commission or board. Hindsight is really valuable. She commented on the assessed value and the offer Habitat received for a higher sale price. She was not surprised they were offered a higher amount and felt it could be more if the property was appraised. It is a heck of a deal based on where it is located and the property in that area. She had concerns about letting Habitat sell the property and felt it was a unique design they had for the 2 flat and a shame it didn't work out. She asked if the Habitat Board had restrictions on the selling price. Irvin replied, no. There are no restrictions on that. When they build a house, they sell it at the appraised value. They are responsible to fill

that gap as buyers can't afford the appraised value, so there may be a \$50-\$100,000 gap they are responsible to fill.

Isphording asked if there was any benefit in going back to the village planning commission and see where they stand now as it has been several years since this was discussed with them. Maybe there are options worth considering. Gallagher said his personal opinion is that it would be a waste of time plus there is a cost of holding the property. It's tying up funds from the parties involved. The quicker we can make a decision and move forward, the more efficient it will be if it's through Habitat or the Land Bank. He didn't feel there would be a change of heart at the village. Janik also felt chances were very slim they would reconsider.

Galla commented on the options. Habitat is asking to get out of this agreement early, and also be able to sell the property. She liked the idea that we have other options to consider, but not sure what this board is willing to do. It is written in the agreement that we can purchase it back. Do we want to purchase it back? Then we have a piece of property again. Galla continued saying back when we first got this property, we wanted to make sure it was turned into some kind of housing. We worked with the village a lot and had lots of discussion. Now, several years have gone by and there is still nothing done there. It's too bad. Galla hoped that in the future, if we do any type of agreement like this again, we work with Corporate Counsel to be a little more specific on how we acquire the property back and what we pay for and don't pay for. She understood that Habitat incurred costs for their due diligence. Galla noted that her family just went through a property sale and if you back out of the deal you lose what you put down in escrow for a down payment and your costs for due diligence are your costs. Perhaps a message for the Land Bank moving forward with future agreements is that we spell things out more.

Gallagher allowed Hawkins to talk on a concept that was discussed in the past for this site. Hawkins said the concept was relevant to the Land Bank and Habitat. It requires cooperation from the local community, as well. He noted the discussion today on market rates and making homes attainable for families. One of the ways is to use brownfield tax increment financing to help leverage single family housing and take care of that gap of the appraisal versus the mortgage. When the Land Bank is involved in ownership or they are a partner to the project and brownfield is also a partner to the project, the actual cost to sell or convey the property could be done through TIF— using the tax increment. You still need a financing tool to cover that. As taxes are paid over time, you can use TIF to repay that and make it affordable to the family. In Suttons Bay it may not work. If they are against affordable housing, they may not approve the brownfield plan. Hawkins felt it was a relevant tool that was not being used and could be considered here. It is an option.

Gallagher said if a brownfield plan is approved in any municipality taxing jurisdiction, and there is a stop loss on the property after the sale, it is eligible to be captured through TIF. It is a financing tool. Gallagher felt another issue was the \$50,000-\$100,000 gap. Is Habitat in a position to be able to finance that for up to 30 years for recapture? There is up to 30 years to recapture demolition cost and some of the assessment dollars, through a brownfield plan. Hawkins noted the infrastructure that was mentioned for the Maple City site could be an eligible cost through the Land Bank. Gallagher added that Part 41, power, access and other infrastructure costs could be eligible through a brownfield plan. Hawkins agreed.

Janik said our goal is to provide affordable housing in Leelanau county. He felt Habitat made a sincere effort. We had one other bid from the Traverse City Housing Commission to do multiple units at this site. Habitat is saying they want to sell the property and guarantee the money goes toward the Maple City site which could be 6 or as many as 8 units. We accomplish our goal in a roundabout way. We are supporting housing with 6-8 units in Maple City and no cost to the Land Bank.

Soutas-Little appreciated Janik's perspective. She echoed more of what Galla said. Before we move in this direction, we will have 6-8 units in Maple City regardless if we put this money toward that. We do lose 1 family in Suttons Bay. She asked Hawkins about the scenario he mentioned for using TIF with Habitat and wondered if we take the property back, could we work with a different organization or a private company and the TIF would still

apply. Hawkins answered, yes, and you could recoup your demolition costs and even some of Habitat's cost. You could reimburse them, as well. Hawkins reminded everyone the brownfield plan can't be approved without the local unit of government approving it so if the project is in any way linked to affordable housing, the village may not support the brownfield plan if they haven't supported affordable housing at that location. That is his concern. Soutas-Little asked if we should take a month and talk to the village. We are over a year into this. Do we take another month and talk with officials in Suttons Bay to explain the situation and options and see what they might be willing to do? We are going on assumptions. Things have changed and is it worth a conversation with the village to see if they might entertain it before we rule it out and go in another direction.

Galla said she was torn on this. She understood Habitat wanting to get out of it and get their funds back and move on to Maple City. She liked the idea of doing a brownfield plan on this site but we may be too far down the road on this. We actually talked about a brownfield plan when the Land Bank owned the property - to do the demolition and put a brownfield plan on it and we didn't go forward with it. We might have more risk taking that property back and then trying to proceed in that direction. What happens if we take the property back and we can't do the brownfield plan? Then we have the property, the house is still on it, and we have all the same issues again. Lesson learned for the future – we look into a brownfield plan with local community upfront. Galla felt we needed to do that with the Maple City site, as well, and explore that with Habitat to find out what might be acceptable. She was torn on this but felt we may be too far down the road to put a brownfield plan in place.

Motion by Janik, seconded by Gallagher, to authorize Gallagher to work with Corporate Counsel to develop an agreement with Habitat for Humanity to allow them to sell the property, with the agreement coming back to us next month and with assurance the money goes toward the Maple City project.

Soutas-Little wanted to be clear she was not suggesting we purchase the property back right now. She wanted it delayed a month to talk about what options might be acceptable with the village. If it is clear that the village is not willing to look at any affordable housing, then we move forward in another direction.

Gallagher said in 2019 he had spoken with the village manager after Habitat was turned down on their zoning, and got a short response that the zoning board decision was final.

Janik noted his motion does not prevent discussion with the village. Gallagher could still reach out to the village. If something changes, we do not have to approve the proposed agreement. We can go down both paths. To be clear, he is not saying we are going to enter into the agreement. We are asking for the document to be prepared for consideration next month.

Galla asked to clarify if the option to explore with the village was the concept of a brownfield plan, not a duplex on the site. Gallagher agreed.

Janik commented that we respect all the work that Habitat has done.

Motion carried 6-0.

Gallagher stated he will come back with a document and hopefully have something resolved in July.

2. Homestretch Update

Jonathon Stimson – Homestretch

Gallagher noted on page 22 in the packet there is a proposed updated timeline with consideration of COVID taking place. Last month we approved an extension of due diligence period.

Stimson said he was able to watch last month's meeting about a week after it took place and realized he should have participated in the meeting. In the future, he will be present for any requests from Homestretch. There were a lot of good questions that were asked. They are basically about 2-3 months behind schedule and a lot has to do with COVID and the ability to get the parties together on site. He has had difficulty getting the architect and sanitarian on site. In addition, he is working with the zoning administrator to get something before the township planning commission. The property is outside the village of Suttons Bay. It is not in anyone's backyard and it is surrounded by vineyard. Their biggest concern is getting funding. They will offer up to 10 units to see if they can get the zoning. USDA will loan up to 70% for the development and Homestretch has to come up with the other 30%. The bulk of that is a loan request to federal home loan and that grant cycle is closing on July 31. They put in a pre-application and that was accepted. They notify in November. That is almost to the end of the year and other grants don't get awarded until middle of December so they won't know about funding until the end of the year. They have high hopes for funding but it is taking some time. Stimson talked about the proforma and that it only operates when they have reduced expenses, like property tax. They are requesting the local body allow a PILOT (payment in lieu of taxes) but that negates TIF. He would like to talk with Jim Tischler at EGLE and Jeff Hawkins. He is willing to look at options.

Gallagher asked if he ran numbers for TIF reimbursement, vs. a PILOT. Stimson said there are other expenses with USDA that puts a burden on them. They have to pay points on the loan each year but the term and rate is so great it is worth doing it. It is a catch 22 for them. He would like to work with the Land Bank to see if Homestretch can put something together. The increase in taxable value and amount that could be recaptured will far exceed millage assessments on the property. It would take approval of Land Bank and local government to put the brownfield plan in place and that is a discussion we should have. With the amount of infrastructure and residences you can have in there it is a great potential for recapture. Stimson said if they do between 8-10 units, 8 would be affordable and 2 at market rate. If 20% of the development is market rate, that could help offset costs. He can share the proforma so we can look at options. Stimson said he did the scoring matrix for this project and it is kind of low, so he is looking to find 8-12 points to get this project into a competitive range with all the others applying for these funds. If there is a way to look at delivering the property to Homestretch that is a donation from a government body – Homestretch could gain additional points. Every point makes a big difference as to whether the project gets funded or not. He set aside some points to relocate or demolish the structure. Homestretch is giving \$5,000 to the Land Bank for the property which is about the same cost as it is to demolish the structure. You could use those to relocate the structure if you give us the land.

Gallagher questioned if there was any complication with scoring if Land Bank partnered with Homestretch through the development. It would be a development agreement similar to the one with Habitat for Humanity for the Maple City project. We release ownership upon completion of a unit. Would that help or hinder the scoring application? We can't technically donate property. Stimson suggested holding the funds in escrow until they raise the funds to transfer the property. The deed would be transferred upon Homestretch meeting a threshold. The deed is tied to a performance, not a cost. The original \$5,000 cost could still be transferred but used to relocate the existing structure. You still get the monetary gain. Gallagher commented on an arms-length transaction and performance to remove the structure and its contents. It would not be gifted.

Galla questioned the \$5,000 and the Land Bank's responsibility to then take care of the structure. We would not have any proceeds from the sale of this property. We currently have an agreement that Homestretch will pay the \$5,000 and take care of the structure. This puts it back in the hands of the Land Bank to take care of that structure.

Heinz asked if a Phase I environmental study was needed on the property and Stimson replied for the lender only. Heinz stated if the county is responsible for more cost and if the environmental issues are just from farming or from the building, that has to be considered before we consider to convey. Gallagher encouraged members to go to the site. It is actually a mini house with no electricity and no running water. It is a structure with 4 walls, deck, and outdoor bathroom facility. Heinz noted he did visit the site and he questions the farming operations on the

site. Gallagher replied the Marek's owned the property and from his personal observation there was no farming operation. Stimson added it was originally part of the Oleson farm, located across the road.

Hawkins said from a timing perspective, whether or not you use brownfield tools, it's important to reflect on the fact that a Land Bank needs to have ownership at the time the brownfield plan is adopted in order to have this at zero tax base and then increase and capture TIF. You don't necessarily have to incur expenses. If you are going to use Land Bank and all those tools, it is important to have that plan in place before you convey property.

Galla asked what is being requested to modify in this agreement with Homestretch. Gallagher commented on the change in transfer of the property. Galla asked who would be covering legal expenses for any changes to the agreement. Gallagher thought there would not be any additional expenses and suggested he review the example from Benzie County that Stimson provided, and then have Corporate Counsel modify our document.

This item will be on the next agenda for consideration.

3. Discussion: State Blight Elimination Grant

Galla gave a review of blight elimination grant and noted we had received this grant in the past and took down 2 structures on properties owned by the Land Bank. If we owned properties with structures to be removed, we could apply again this winter and see if we could get funds. The funds could be used on the Madison Ave property and the Marek Rd. property.

Soutas-Little thanked Galla for researching this and said it would be nice to have for 2021. Gallagher noted this could change our discussion entirely.

Isphording noted he wanted to point out to members that 35-40 years ago, he was a volunteer for Habitat for Humanity and has built several homes for people in Cincinnati. He wanted that on the record.

CLAIMS & ACCOUNTS - None

POST AUDIT - None

CORRESPONDENCE / COMMUNICATION ITEMS - None

PUBLIC COMMENT – None

MEMBER COMMENTS / CHAIRPERSON COMMENTS

Gallagher said he appreciated everyone's comments and feedback today with both Homestretch and Habitat. His concern from a fiscal perspective with Habitat is to make sure this is an equitable resolution, whereas the non-profit is not saddled with an exorbitant amount of cost or expectation to raise \$100,000 just to build a house because we can't do the affordable ones and it doesn't fit their model. Hopefully we can find equitable solution that bolsters our relationship and encourages further partnerships on new properties as we acquire them, moving forward.

Heinz asked if the Madison property was off the market and Gallagher replied, yes. Heinz asked if the offer of \$46,000 was on hold and Gallagher replied, yes.

Janik reported that Michigan Open Meetings Act allows ZOOM through June 30 and we do not know if that will be extended. As of now, the July meeting may have to be live and in person, but that may be extended.

Soutas-Little appreciated Gallagher's comments about Habitat needing to be made whole as they are an excellent organization. She also felt the issue of educating the community is so important. If this body who is pushing to have more affordable housing doesn't seize opportunities to try and make that happen, then we are missing the boat. We really need to talk about and seize ways we can do that. For instance, more than just a phone call to local government officials in Suttons Bay. We could invite them to a meeting, we could go there and begin a

dialogue on why this is important to their community and ways that we could do it. There are unfounded fears of 'not in my backyard'. She didn't want to take the expedient and easy way out. There is much more we could do, but we are not. She wanted to maximize the Maple City project and not lose the opportunity in Suttons Bay. We need to step up and be more verbal on what our goals and missions are in a gentle way to get folks to come along.

Gallagher was in agreement it was a lost opportunity and felt it was unfortunate for the Village of Suttons Bay to lose a potential home for their community. He and Galla attended their meetings and planned to get the property back to the Land Bank and not use as a parking lot which was a win. It took several months to get that done and it was a lot of work. This isn't something we are giving up easily. He thought all parties involved, including Habitat, were very disappointed in not being able to fulfill the original job.

Heinz wanted to add on to Soutas-Little's comments and noted that Gallagher had reported that there were not going to be any tax foreclosures this year. If we want to be active and try to put things together, what can we do for affordable housing? Gallagher said he reached out to the realtor for the Flaska family. They have intentions to work with the Land Bank on future projects. They own a lot of parcels throughout Leelanau County and we may have opportunity on other parcels. He commented on the presentation that was held several months earlier and felt we were being active in educating our communities and being visible. We can work with Building Safety on properties that are blighted and we can acquire properties using the tools we have. It takes many people and constantly repeating the message. Mill St. in Maple City was a small victory.

Soutas-Little commented that Gallagher has worked hard on this. We wouldn't have the Maple City properties without your work and the work of others. She was aware that Gallagher and Galla had gone to meetings on the Suttons Bay property. What else can we as board members do to enhance those efforts? She thanked Gallagher for his work. Gallagher noted he was frustrated with the situation. A lot of work went into acquiring the property, working with the rehab store and Habitat, getting agreements together and this is disheartening.

ADJOURNMENT

Motion by Isphording, seconded by Janik, to adjourn. Meeting adjourned at 10:36 am.