

JACKSON COUNTY LAND BANK AUTHORITY
MEETING MINUTES
JUNE 16, 2011

PRESENT: COFFMAN, RICE, MARTIN, KRUSE, JESTER, DUCKHAM, TAYLOR, WILLIAMS,
BUTLER, CUNNINGHAM
VISITORS: Patrick Burtch
ABSENT: FROUNFELKER

Meeting called to order by Coffman at 7:30 a.m.

Public Comment: None.

Approval of Minutes The minutes from April 21, 2011, and May 19, 2011, were emailed and presented. **Motion by Martin**, to accept the minutes from April 21, 2011, and May 19, 2011, as presented, **seconded by Duckham, PASSED.**

Financials as of May 31, 2011

- Coffman presented the financials as of 05-31-2011.
- Cash on hand \$89,714.65.
- Year to date profit of \$1,309.72.
- The most recent sales and closings are not reflected on this statement.
- Properties have been returned back to the tax roll.
- Coffman reported that land bank owned properties have a value of zero, which means that when we sell and transfer these properties, the new owner will not receive a tax statement for the year in which they purchased it.

Motion by Jester, to accept the financials for eight months ended as of 05-31-2011 as presented, **support by Kruse. PASSED.**

Guest: Patrick Burtch, Deputy City Manager / Community Development Director

- Coffman introduced Patrick Burtch new to the city within this past month.
- Burtch spent some explaining the new CDBG target areas for the City. They did include the boundaries of Detroit, E. North, Wildwood, and Cooper Street; but now reduced to Ganson, to Burr and State. The goal is to focus on higher concentration of owner occupied as well as single family housing units.
- Burtch reported that there is approximately 50% non owner occupied in the City.
- Burtch shared his philosophy with economic development and the current neighborhood situation.
- He is looking to change the current city ordinances to address non conforming use. This thought process involves a change in the current paradigm in the hope to address the absentee landlord.
- Burtch is pleased to report that he has started the conversation with the council about the most efficient uses of CDBG monies.
- Coffman read the land bank mission statement to give clarity to what our focus currently is in the community.
- Coffman talked about how the land bank has acquired properties that have come through the tax foreclosure process. Coffman also shared some history as to how the land bank has worked with in the City.
- Burtch shared his experience with real estate agents and the information that this group is sharing with citizens in the market for a house. We need to change the message on the restrictions and requirements for single family homes.

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- Duckham asked how many vacant houses there currently are in the city. Burtch guessed that it might be about 1,000 houses. Taylor stated that the number is probably closer to 1,500 houses.
- This creates an economic issue as it relates to home values. We have too much stock and too much supply and not enough demand.
- Burtch believes that we need to remove the supply and demolish the blighted properties. He believes that we would need about \$1 million dollars to effectively remove the inventory.
- Burtch stated that he wants to get our opinion and input as to what really is happening in our community.
- Introductions around the table of those in attendance. Each board member was able to share their role and who they represent on the board as well as their thoughts and philosophy for what the land bank can do.
- Coffman mentioned the finalization of the intergovernmental agreement to demolish 345 W. Morrell and the land bank will pay the costs.
- Discussion about some proposed legislative changes that are being discussed regarding the 5 year 50% capture for those properties sold by the land bank.
- Discussion about getting all the entities in the community on the same page, working to utilize the limited resources and funding out there right now to take and demolish approximately 1,000 houses in the next five years.
- Discussion about the impact of mortgage foreclosure sales and how it impacts the true value of homes. It is getting much more difficult to have a true 'arms length' real estate transaction.
- We are managing the downward spiral of this crisis.
- Coffman extended an open invitation for Patrick to attend all of these future land bank meetings. Mr. Burtch excuses himself.

- Coffman updated the board on the most recent closings last month: 1610 Leroy, 707 Edgewood, 708 Kennedy, and 710 Second Street. Net Profit \$16,803.14. Detail presented on spreadsheet.
- Coffman presented an updated inventory listing for the board.
- Duckham inquired about the First Right of Refusal process. Discussion about the law and the working definition of public purpose.
- Coffman stated that we do have a pending offer on 200 Elizabeth. Listed at \$27,900; we bought it for \$15,000; bidding going on and settled with offer of \$23,750.00.
- Rice inquired how long we had this property. We have had this on the market less than a month and this is the first bid.

Motion by Taylor, to accept the offer of \$23,750.00 for 200 Elizabeth, support by Rice. PASSED.

Letter from Habitat for Humanity – 141 Hollis Summit Township

- Kruse updated the board on the assessment of the house at 141 Hollis in Summit.
- Given the current condition of the structure and the lack of funds for demolition, it is recommended that we do not accept this property.

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Motion by Kruse, that based on the assessment of the property at 141 Hollis in Summit Township, and the lack of funds the land bank has for demolition, that the land bank does not accept this property from Habitat for Humanity as requested in their correspondence dated May 18, 2011, **support by Rice. PASSED.**

- Jester inquired if we need to adjust and reduce prices on the houses in the market right now.

Motion by Coffman, to reduce the list price of 2674 Bartlett from \$32,900 to \$29,900, **support by Taylor. PASSED.**

Motion by Jester, to reduce the list price of 111 First Street from \$19,900 to \$17,900, **support by Duckham. Coffman, Duckham, Rice, Taylor, Jester, Kruse approved and Martin opposed.**

Property Inventory Subcommittee update

- To be addressed in the next meeting.
- Next meeting to be set for Thursday, June 23rd @ 10:00 am.

Other Business

Adjournment

Adjourned by call of the chair at 8:53 a.m.

Next meeting is scheduled for Thursday, July 21, 2011 @ 7:30 am, room 101 Jackson County Tower Building.