

DWELLING PLACE OF GRAND RAPIDS
REAL ESTATE DEVELOPMENT AND ASSET MANAGEMENT COMMITTEE
DRAFT MINUTES
January 13, 2020

MEMBERS PRESENT: Dennis Sturtevant, Kim Cross, George Larimore, Larry Titley, Mike McDaniels, Rich Kogelschatz, Scott Page, Stephen Wooden, Steve Recker, Jessica Beeby

MEMBERS ABSENT: Juan Daniel Castro, Chris Bennett, Mike DeVries, Rebecca Long

GUESTS PRESENT: Michael Brown (Burlington Associates), Rachel Osbon, Isaac DeGraaf, Angela Durrah-Bays (Horizon Bank), Christine Coady Narayanan (ORF), Lee Nelson Weber, Annamarie Buller, Tim Orlebeke

The meeting was convened at 11:27 am by Rich Kogelschatz

**APPROVAL OF
SEPTEMBER
MINUTES**

Minutes of the Real Estate Development and Asset Management Committee meeting of December 9, 2019 were approved by motion of Larry Titley supported by Mike McDaniels and carried unanimously with the following revision.

Correction: Mike McDaniels was marked absent for the December 9th meeting, but he was present.

**ARCHITECT
SELECTION NEEDS
AND PLANNING**

Mr. Sturtevant provided background on the proposal to develop Dwelling Place-owned parking areas adjacent to Weston Apartments. Dwelling Place received a \$100,000 grant from NeighborWorks to explore the feasibility of the development. It may be possible to combine these new developments with Weston Apartments when it is eligible to resyndicate in 2021.

Mr. Sturtevant and Mr. Wooden provided background on the optioning of the Keeler building, located at 56 Division Ave N. The building is currently owned by Mr. Azzar, who has expressed a willingness to work with Dwelling Place on the project. It was appraised at around \$11,000,000 during the last LIHTC application. It is possible that the cost to proceed could be up to \$50,000. Submittal of an application to MSHDA would be due April 1. As a full RFP process may not be feasible by this deadline, a decision to proceed should include waiving the full RFP process. Mr. Wooden added that a self-score was completed and received 130 with vouchers and 125 without. A meeting is scheduled to discuss getting those vouchers from the Wyoming Housing Commission, as MSHDA has indicated they will not provide vouchers.

There was some additional discussion about considerations for parking. The City of Grand Rapids does not require parking spaces for adapted reuse buildings, but some other options should be reviewed.

The Committee discussed contacting architects for fee proposals based on their work on projects of similar sizes, and suggested Hooker DeJong, Kim DeStigter, and Tower Pinkster. Of the three, Dwelling Place has not worked with Tower Pinkster, but they had previously worked on designs for the Keeler building for another developer. There was a general consensus to proceed with due diligence for both the development of the Weston parking

area and the optioning of the Keeler building.

The recommendation to proceed with both projects was approved by motion of Larry Titley, supported by George Larimore, and carried unanimously.

CLT UPDATE

There was a brief round of introductions from guests Angela Durrah-Bays (Horizon Bank), Christine Coady Narayanan (Opportunity Resource Fund, CDFI), and Michael Brown (Burlington Associates).

Mr. Sturtevant expects that the units will not turn over quickly as some current renters may not be interested and/or eligible, but still able to retain their housing. He also noted that there may be opportunities to explore the CLT model in rural areas where LIHTC applications traditionally score low, but there is a demand for affordable housing.

Mr. Kogelschatz asked for more information about personnel services. Mr. Sturtevant clarified that an administrative assistant (existing), the Stewardship Coordinator (Isaac DeGraaf, current Property Manager), and the Community Development Associate (new position) would be responsible for managing the transition to the CLT model. Once fully implemented, the personnel needs may need to be re-evaluated. It was further noted that the Coordinator may need to have a real estate license.

Ms. Cross asked for more details on operating costs structure, such as for maintenance. It was noted that Martineau would form a condo association with those costs outlined, possibly two condo associations for the different buildings (since one building has an elevator and they each have their own roof, but also share some parking area). Martineau may be the most complex of the three projects for this reason. Mr. Brown added that there are opportunities to capitalize pools which would essentially function as a replacement reserve, used for certain repairs and replacements and those decisions would need to be made going forward.

There was some additional discussion about appraisal fluctuation due to market changes and how the other CLT models have adapted to those changes. Mr. Brown also noted that any contract can be amended if there is an agreement by both parties.

The Committee discussed the transition from rental to sales, clarifying that at some point, property management will stop filling vacant units while also meeting with interested current renters and coordinating with lenders to see if they qualify. There will also be a required home ownership training component for prospective residents, which may need to be CLT-specific. There is an expectation that some marketing efforts will need to be done to spread the word and this is reflected in the proposed budget.

Motion to recommend the CLT model proposal to the Board of Directors was approved by motion of Larry Titley, supported by George Larimore and carried unanimously.

**PROJECT UPDATES
AND OTHER
BUSINESS**

Mr. Wooden summarized development and construction updates: 200 Madison, a former church on the corner of Madison and Cherry, was funded in the last LIHTC round and Dwelling Place is a 10% owner. We are awaiting the 15-day, conditional award letter. Harrison Park is 97% completed. Pine Avenue is just over 50% completed. Plaza Roosevelt projects recently completed their footings. Ferguson Apartments is on track to start construction in mid-February.

ADJOURNMENT

The Real Estate Development and Asset Management Committee meeting was adjourned at 1:22 pm by Rich Kogelschatz.