

DWELLING PLACE REGIONAL COMMUNITY LAND TRUST
BOARD OF DIRECTORS
UNAPPROVED MINUTES
September 9, 2020

MEMBERS PRESENT Rich Kogelschatz, Gil Segovia, Lee Nelson Weber, Troy Zapolski

MEMBERS ABSENT Eleanor Moreno

STAFF & GUESTS PRESENT Hannah Anderson, Chris Bennett, Kim Cross, David de Velder, Rebecca Long, Karen Monroe, Laurie Mullennix, Rachel Osbon, Scott Page, Zoe Post, Jenn Schaub, Latrisha Sosebee, Matt Szuminski, Dennis Sturtevant, Stephen Wooden, Steve Recker

George Larimore, Colliers International
Michael Brown, Burlington Associates
Will Moseng and Tim Orlebeke, Orlebeke | Mackraz

The meeting convened via video conference at 11:00 AM.

INTRODUCTION AND BACKGROUND An endeavor 17 years in the making, the concept of a CLT was introduced to the Dwelling Place Board of Directors in 2018 and approved as a new line of business in February 2020. Michael Brown was hired as a consultant in development of the CLT and David DeVelder was hired as the Director of the Dwelling Place Regional Community Land Trust (DPCLT) to lead in development of the CLT. Mr. Brown expressed his confidence in Dwelling Place's ability to maintain an effective CLT due to its organizational capacity and commitment to continued affordable housing.

ARTICLES OF INCORPORATION Articles of incorporation have been filed and Mr. Orlebeke has drafted an amendment to alter the form of ownership to appoint the original board. The CLT is a Michigan nonprofit membership-based organization; Dwelling Place, as its sole member, is entitled to appoint all board members.

BYLAWS Mr. Orlebeke noted that a draft of the bylaws allows the board to appoint all board members, but the business plan suggests that homeowner representatives are to be elected by the homeowners themselves. For the sake of simplicity, the board opted to allow homeowners to nominate a representative but that the board will officially elect its members. Mr. Brown noted that the CLT structure allows it to meet all of the HUD requirements to qualify as a Community Housing Development Organization (CHDO). CHDO status gives an organization priority for HUD HOME funding that is block granted to MSHDA and to some local municipalities that receive HOME funds. The CLT would still need to be certified by the entity granting the HOME funds.

BOARD SLATE AND CONSENT AGENDA The following board officer slate was proposed:
President: Lee Nelson Weber
Vice President: Eleanor Moreno

Treasurer: Gil Segovia
Secretary: Troy Zapolski

The consent agenda authorized the following actions:

- Appoint officers
- Approve bylaws (with noted edits)
- Permit application for tax exemption status
- Allow corporation to open relevant bank accounts
- Ratify actions taken by Orlebeke | Mackraz in forming the corporation

Motion to approve the consent resolution was made by Troy Zapolski, supported by Gil Segovia, and carried unanimously.

LAND LEASE

The land lease establishes the sale and resale provisions for the CLT and defines certain rights of the owner. It also defines certain responsibilities for the homeowner. This document is based on a template Mr. Brown has used with hundreds of other CLTs. Dwelling Place will also require prospective homebuyers to seek legal representation in the sale transactions. Mr. Orlebeke worked with staff to adapt the land lease to align with Michigan law and Dwelling Place intent. Mr. Orlebeke has contacted Ingrid Jenson to help create a panel that might be willing to provide legal services to CLT homebuyers at a reduced cost. **Motion to approve the land lease was made by Troy Zapolski, supported by Gil Segovia, and carried unanimously.**

STEWARDSHIP GUIDELINES AND PROCEDURES

The stewardship guidelines and procedures is an internal document that aims to maintain long-term marketability and affordability of the CLT homes. The guidelines within this document also help to support CLT homeowners in maintaining their home and its value. This is another document that is based on a template provided by Mr. Brown based on best practices nationally. Mr. Orlebeke worked with staff in development of this document as well. **Motion to approve the stewardship guidelines and procedures was made by Gil Segovia, supported by Troy Zapolski, and carried unanimously.**

HOMEOWNER SELECTION POLICY

Given the likelihood of high demand on available CLT units, a homeowner selection policy was created to establish minimum requirements for potential buyers that are compliant with fair housing laws. The policy was also based on a template from Mr. Brown. In addition to assistance in the review on this document from Mr. Orlebeke, Habitat for Humanity Michigan also reviewed the document and offered comments. Habitat will be providing homeownership counseling for the CLT. **Motion to approve the homeowner selection policy was made by Gil Segovia, seconded by Rich Kogelschatz, and carried unanimously.**

UPDATES

Mr. Orlebeke gave an overview of the condominium structure of Martineau. The CLT will acquire the existing units and establish a new condominium association; the non-residential units of Martineau will be included in this structure. For New Hope Homes, a 12-unit condo

structure is likely and may include additional properties owned by GRHC. This subject will be added to the next board agenda.

Additional sites for the CLT in Grand Haven, Newaygo, Grand Rapids, and Holland are under consideration and will be shared at the next meeting.

OTHER BUSINESS

Potential Brownfield TIF

Mr. Larimore described how use of brownfield Tax Increment Financing (TIF) could help fund the creation of new CLT homes. Working with the Michigan land bank, Dwelling Place could recapture taxes to use toward repositioning the property for CLT use; this source could finance up to two-thirds of the gap between a CLT home's discounted sale price and the actual cost for development.

Next Meeting

Ms. Post will work with the board to schedule the next meeting. Agenda items will include further discussion of brownfield TIF, potential CLT sites, tax legislation, further details about condo structure, and the outcome of the planned outreach for the CLT.

ADJOURNMENT

The Dwelling Place Regional Community Land Trust Board of Directors adjourned at 12:54 PM.