

DWELLING PLACE OF GRAND RAPIDS
REAL ESTATE DEVELOPMENT AND ASSET MANAGEMENT COMMITTEE
September 14, 2020
Committee Approved October 12, 2020

MEMBERS PRESENT Rich Kogelschatz, George Larimore, Mike McDaniels, Lee Nelson Weber, Troy Zapolski

MEMBERS ABSENT Juan Daniel Castro, Eleanor Moreno, Larry Titley

STAFF & GUESTS PRESENT Chris Bennett, Kim Cross, David de Velder, Rebecca Long, Scott Page, Zoe Post, Steve Recker, Dennis Sturtevant, Stephen Wooden

Nick Lovelace and Tom Ralston

Kara Harrison, Colliers International

The meeting was convened via conference call at 11:32 AM by Mr. Kogelschatz.

APPROVAL OF MINUTES **Minutes of the Dwelling Place RED & Asset Management Committee meeting of August 10, 2020 were approved by motion of George Larimore, seconded by Mike McDaniels and carried without objection.**

POTENTIAL JOINT VENTURE Mr. Lovelace and Mr. Ralston, with whom Dwelling Place has partnered for two joint ventures (Madison Lofts and Union Suites), have requested Dwelling Place's involvement in a third joint venture: a 3-story, 52-unit development on Coit Ave. They have been working with neighborhood representatives to develop an area-specific plan that will acquire five parcels and score an estimated 134 points on its 9% LIHTC application. Orion would likely be the general contractor and KMG Prestige would manage the building. After some discussion, **motion to proceed with this partnership, pending due diligence by Dwelling Place staff, was made by Mike McDaniels, seconded by Troy Zapolski, and carried without objection, George Larimore abstaining due to a conflict of interest.**

POTENTIAL CLT SITES Mr. de Velder discussed several potential sites for CLT in Grand Rapids, Newaygo, Holland, and Grand Haven.

Grand Rapids

- State land bank: five properties owned by the state land bank would be marketable with an estimated market value of \$200,000-\$250,000.
- 417 Fuller: the lot located behind Huntington Bank is already owned by Dwelling Place and could be re-zoned to create a single family home or a duplex.

Newaygo

- Vera Wilsie School: site of demolished elementary school owned by Newaygo Public Schools. The City of Newaygo supports developing the site for housing and may be open to negotiating a lower price, but there is still a need for further community engagement. The Fremont

Area Foundation is interested in supporting housing development in the area.

- Muskegon River: several properties along the river owned by a holding company or by the city. The properties furthest south would require inroads to the properties. Collaboration with the Fremont Area Foundation and use of brownfield TIF may make this site affordable.
- Industrial Park: four lots of interest owned by River Valley Developments located behind several retail lots. The ideal lots (21 and 22) have a combined acreage of 2.5 acres and a cost of \$250,000.

Holland

- 24th and Waverly: a greenfield site with a large amount of site planning already completed by Housing Next that includes multi-family housing and retail space. The Holland Area Foundation and other local philanthropies may help reduce acquisition and development costs.

Grand Haven

- Southeast side: site near the airport would require an accessory road for 32 homes in a half-market-rate, half-CLT culdesac. Housing Next is in the acquisition phase with the City of Grand Haven; the city may donate the land if half the units built remain affordable in perpetuity.

As converting rental properties into CLT units will take some time, Mr. Larimore described how use of brownfield 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 could provide up to two-thirds of the gap between a CLT home's appraised value and its sale price.

PROJECT UPDATES

Harrison Park: About 7 apartments are vacant, likely to be occupied within the next 2 months.

Pine: Hoping for 4 move-ins in both September and October; it has proven difficult to get income verification and other information on applicants during the pandemic.

Plaza Roosevelt: 55-60% complete; Wolverine informed staff of a minor delay on countertops for the development due to COVID-19 that should not significantly affect the scheduled time frame; negotiating a lease with Early Learning Collaborative for commercial space.

Ferguson: Proceeding as planned, with 6th floor community space underway and footbridge across Sheldon coming down this week; a meeting with GVSU regarding extension of their lease is scheduled for today.

Madison Lofts: closing today or tomorrow; recently began asbestos abatement in the building; construction will begin in earnest following the closing.

OTHER BUSINESS

Rent Collection

Total rent delinquency for the entire portfolio is \$118,000 with about \$54,000 for the month of August; without the Genesis properties included, the total is \$99,000 with \$41,000 for August. This is an increase of about \$15,000 from July. Eligible residents have been asked to fill out applications for rental assistance or to complete necessary paperwork if they live in an income-based apartment and their income has been affected by the pandemic.

ADJOURNMENT

The meeting was adjourned at 12:43 PM by Mr. Kogelschatz.