MEMBERS PRESENT Rich Kogelschatz, Gil Segovia, Lee Nelson Weber

MEMBERS ABSENT Eleanor Moreno

STAFF & GUESTS PRESENT Chris Bennett, David de Velder, Mariely Meza, Rachel Osbon, Zoe Post, Matt Szuminski, Dennis Sturtevant, Stephen Wooden

Jill Colthorp and Tim Orlebeke, Orlebeke Mackraz

The meeting convened via video conference at 11:04 AM.

APPROVAL OF MINUTES

Minutes of the Dwelling Place Community Land Trust Board of Directors meeting of October, 2020 were approved by motion of Gil Segovia, seconded by Rich Kogelschatz and carried unanimously.

TROY ZAPOLSKI RESIGNATION

Mr. Zapolski has resigned from the Dwelling Place Board and all related committees, citing family reasons. David Byers has expressed interest in serving on the CLT board. The Dwelling Place Board will vote on this matter at the December meeting.

CLT POLICY UPDATES

Bylaws Amendments

Mr. Orlebeke explained that the changes proposed for the bylaws were primarily formatting and several typos. The updated version has been approved by the Dwelling Place Board. Motion to approve the changes was made by motion of Rich Kogelschatz, seconded by Gil Segovia, and carried unanimously.

501c3 1023 Application

Mr. Orlebeke proposed a small change to the otherwise final draft of the 1023 application. The IRS has provided a safe harbor for a 1023 application for a nonprofit housing developer focused on the income level of residents. For Martineau, at least 18 units must be available to residents at or below 80% and an additional portion available for residents between 50-60% AMI; since the CLT targets the “missing middle” demographic, Martineau does not currently meet these criteria.

While this would not alter the CLT’s status as a charitable organization, the application reviews each property individually rather than the organization as a whole. Mr. Orlebeke and staff will adjust the language to reflect Martineau’s status and submit the revisions for review by the board.

CLT DEVELOPMENT UPDATES

Newaygo

Dwelling Place is working with the City of Newaygo, Newaygo United Church of Christ and the Fremont Area Foundation to use a site just
south of the church as CLT housing (rather than rental housing, as it was initially conceived).

**Grand Rapids**
- **609 Lincoln NW:** The tax-foreclosed site would require demolition of the existing structure and construction of two houses. Use of the site would require authorization from the City of Grand Rapids and an application to the State Land Bank.
- **417 Fuller:** The site will most likely use the Bazzani single-family home design; appraisal is expected to be much higher than other potential sites given its location.
- **516 Hall:** Staff are reviewing final costs for InnovaLab's single family home modular design.

**MSHDA REGULATORY AGREEMENT**

All three rental conversion properties used HOME funds at their inception, and Grandville and New Hope Homes also had LIHTC deals that have passed their 15-year compliance period and are now in their extended use period. During this time, MSHDA can change these agreements to fit the new CLT purpose, but the process is new to all parties involved.

Mr. Orlebeke has requested discharge of the HOME covenants for New Hope Homes, but the City has not yet responded to this request. In general, MSHDA is supportive of the CLT program but is waiting on guidance from the IRS regarding homeowner income levels and approval during the extended use period. Once there is clarification about the income level that MSHDA will approve, it may discharge the regulatory agreements of each unit as it is sold.

Martineau received HOME funds from MSHDA and the City; the latter had a 15-year period of affordability that expires in March 2021, but the former had a 20-year period. MSHDA will investigate the underlying agreement with the federal authority; if its commitment is limited to 15 years, MSHDA will likely discharge its HOME regulatory agreement at 15 years instead of 20.

**OTHER UPDATES**

Mr. Orlebeke alerted the board to the need to preserve PILOT on all three properties, which will likely include documentation of New Hope and Grandville Home indebtedness to Dwelling Place for loans made for operating costs and/or building renovation.

At future board meetings, staff will include information about home ownership applicants with a recommendation for approval for the board to review.

Ingrid Jenson of Clark Hill and Scott Melton of the Bar Association have agreed to provide legal counsel to homebuyers in the purchase process at a discounted rate.
CLT GRANT FUNDING UPDATE
The CLT has received a $10,000 grant from the Huntington Bank Foundation and two grants from NeighborWorks: $50,000 to continue CLT work and $10,000 to learn from peers involved in CLT work.

UPDATES ON BROWNFIELD TIF
Staff provided an update on the potential to use Brownfield TIF in the development of CLT housing. It seems quite certain that we can do so and that the capital subsidy created by selling the TIF stream to a CDFI should cover approximately two thirds of the development financing gap after the mortgage proceeds, leaving a $9,000 - $12,000 funding gap on a $250,000 home. It is hoped that philanthropy or down payment assistance from MSHDA might cover the remaining gap.

ADJOURNMENT
The Dwelling Place Regional Community Land Trust Board of Directors adjourned at 12:10 PM.