

# **Special Meeting & Public Hearing of the Crystal Lake Township Board**

Meeting held at 1651 Frankfort Highway, Frankfort MI 49635

July 9, 2018

**Meeting was called to order** by Supervisor Amy Ferris at 7:02 PM.

**Pledge of Allegiance** was recited.

**Roll Call:** Ferris, May, Nielsen, Popp and Sullivan were present, constituting a quorum.

**Agenda:** Ferris moved that the agenda be adopted as presented, May seconded; all ayes. Motion passed.

## **Purpose of meeting and procedure:**

- Ferris stated that the purpose of the meeting was to solicit public input regarding a proposal to transfer jurisdiction over 16.5 acres in Crystal Lake Township, currently zoned for multi-family development, to the City of Frankfort. She explained that no decisions would be made tonight. The Board would take all comments into consideration and decide at the 7-10-2018 regular meeting whether to proceed with any action, take no action, or deliberate further. In order to give everyone a full opportunity to be heard, speakers will be asked to limit themselves to 3 minutes to speak on each topic.

**Public Comment:** None.

## **Explanation of "425" process:**

- Tom Kucera, Zoning Administrator, explained that the property is currently zoned "R-4" for multi-family use. Under the existing zoning ordinance, that would allow 20,000 square foot (sq.′) lots, with buildings of a minimum of 10,000 sq.′. Presuming 75% of the total area is devoted to roads and common grounds, that would equal about 30 lots. If you take a 12,000 sq.′ building, that could be 10 units per building, with a maximum density of 300 units over all, though there would probably not be so many.
- An Intergovernmental Conditional Transfer of Property, as authorized by Act 425, allows governments to use contract law to transfer jurisdiction over a property from one government to another. Usually these contracts specify which party will collect taxes before, during, and after the development; who will have assessing authority; who will be responsible for police, fire, and other services; how long the contract will be in effect; what happens when the contract is over; and other relevant issues.
- If the Crystal Lake Township (CLT) Board decides to go ahead with negotiations, they would get together with representatives from the City of Frankfort (the City) and the developers and draft a contract spelling out these details, which would be submitted to both CLT and the City. Next, the draft would be published and a public hearing would be held to solicit feedback on the draft contract. If the Board votes to enter the contract, it would then be signed. If the Board votes to authorize a referendum, 50% of the voters would need to be in favor of the contract before it could be approved. The Board can decide who pays for the legal fees.

**Art Jeannot: Presentation of Proposed Development:** Mr. Jeannot described his history in the area and experience with similar developments. He also described his plans for a mixture of low-income and market-rate housing and opened up the discussion for questions.

- *Why is the City of Frankfort needed for this development?* To provide utilities such as water and sewer and to help with writing grants. It is estimated that approximately \$1.5 million will be needed in addition to what is already identified.
- *Who is responsible for the legal fees?* That would be arranged during the negotiation process.
- *Who benefits from low cost housing?* Mainly members of the workforce who can't afford existing housing prices.
- *Where are the jobs these workers would come from?* Graceland, Crystal Mountain, Papano's Pizza, etc.
- *What about Medicaid recipients from outside the area who could be placed in low income housing here?* The housing management companies he uses make special efforts to get mixed populations. \$45,000 is the maximum income allowed under Federal guidelines for low income housing.
- *Are grant funds from tax dollars?* Not all. E.g., Federal Home Loan Bank regularly puts a percentage of their bank funds into affordable living.
- *How would this development benefit the City of Frankfort?* Josh Mills could best answer that question.
- The Michigan State Housing Development Authority (MISHDA) will require a \$5-10,000 study documenting the feasibility of this specific property before they will authorize any funding for it, but it is definitely the type of property they would consider.
- He would like CLT to put in an Ordinance to require landlords to upgrade and maintain their rental units.
- *Are these drawings an accurate representation of your plans?* They represent possibilities. It would be accomplished in phases, e.g., starting with 40 units of multi-family and duplex units, housing 1-6 people each, with 680 sq.' up to 11-1200 sq.' units, depending on the number of bedrooms and bathrooms. It is usually hard to fill units for 5-6 people; the average is 2-4 family members; household incomes between \$27,-40,000. The second phase might include townhouses and single family homes, some for sale at market rate and others possibly "lease to own".
- His estimated timeline is based on being able to get low income tax credits during the April 2019 award period, but the application process is long and could change. With luck, construction could start in fall 2019 and the first phase could finish in 2020.
- *What would be the value of the single family homes?* Between \$150-200,000, with no government funding. *Any studies of the impact on neighboring home' values?* No, too many variables and can be buffers between sizes of homes.
- *What about the workforce dormitories? What happens when the season is over?* That is his "pipedream" and would require the business community to help subsidize.
- *Where are the jobs in fall and winter?* At Graceland, Expert Fulfillment, small manufacturing, Papano's, Family Fare, Paul Oliver, etc.
- *How would this benefit CLT taxpayers?* CLT is getting less than \$1,000/year now in property taxes. It could get considerably more if it negotiated in the contract to get revenue sharing of the taxes on the property once it is developed.
- *Who pays for road maintenance? How much is developer willing to put into the project?* He is "on the hook for" \$12-13 million for the initial phase.

- A MISHDA endorsed study in May '17 showed that in a conservative 5 year plan Benzie County needs 160 owner-occupied households and 180 rental households. There are limited places in Benzie County where this development could be located due to the need for access to water and sewer services, walk ability to stores and other conveniences, and a sufficient amount of comparatively level land.
- *What would prevent someone from buying a house and then renting it out seasonally to others?* There could be restrictions, like Planned Unit Development agreements or covenants.
- *Will the development be based on CLT's current zoning rules?* The contract can specify which jurisdiction's zoning would apply and that could be re-evaluated at any point.
- *What will be the ingress and egress to Main Street and M-115?* There will need to be two ways in and two ways out.
- *Why aren't there more detailed plans available?* It would cost several thousand dollars and he is hesitant to make more specific plans on his own at this point, because requests to develop this land have been rejected three times in the past; the control over what specific plans should be developed would be with the negotiating team.
- *What would prevent someone at end of contract period from tearing down the low-income housing and putting in high-end housing for seasonal renters?* Evaluation of those kinds of issues can be negotiated as part of the contract.
- *Could a single worker at Dinghy's afford rent in one of these units?* Yes, if they earn about \$30,000 a year. The guidelines are based on sliding scales. The rent for single units at Brookside begins at \$580 a month. This would be only for year-round renters, not seasonal renters, at this point.
- It would be good to know more about the workers traveling into and out of Benzie for jobs. In 1994, 50% of Frankfort units were homesteaded and the other 50% were not.
- *Not enough trust to leave the final approval with the Board alone, but go ahead and negotiate specific plans only if the final product is brought back to the public for a vote.*
- *Why propose a contract instead of an annexation?* Annexation is a more legally complicated and more expensive process.
- *Who would negotiate for CLT? Could one member be an attorney?* The Board had previously discussed appointing a committee of residents with zoning and planning expertise. Attorney Figura could be involved in a final review, but should not be involved in the day-by-day steps; perhaps a local volunteer who is also an attorney could be found.

**Meeting adjourned at 8:30 p.m.**

Sue Sullivan, Clerk