

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
January 28, 2019

The Stark County Land Reutilization Corporation met for their regular meeting on Monday, January 28, 2019 at 9:00 a.m. in the Stark County Regional Planning Commission Conference Room.

Board Members

Alex Zumbar
Janet Creighton
Bill Smith
Lem Green
John Arnold

1. CALL TO ORDER – Alex Zumbar, SCLRC Chairman
2. ROLL CALL – Board Members Present

Roll call found the following Board members in attendance: Alex Zumbar, Janet Creighton, Lem Green, Bill Smith and John Arnold.

3. APPROVAL OF MINUTES OF DECEMBER 17, 2018 MEETING

Creighton moved, Arnold seconded, and the motion carried to approve the minutes of December 17, 2018 meeting.

4. PUBLIC SPEAKS – No public speaks
5. TREASURER/FISCAL REPORT - Heather Cunningham

Cunningham reviewed the Treasurer's Report for the month of December. Arnold moved, Green seconded, and the motion carried to approve the Treasurer's Report for December.

6. NEIGHBORHOOD INITIATIVE PROGRAM (NIP) REPORT

Lynn Carlone presented the Neighborhood Initiative Program (NIP) Update

City of Canton:

- ❖ **542– Total number of acquired properties to date:**
 - 480 demolitions have been completed overall – 6 new packets have been completed since the December report
 - 474 demolitions have been approved by OHFA – 18 new packets since the December report.
 - Current average cost of demolition per property is \$16,636.00
 - OHA mortgages are fully executed on 474 properties & OHFA reimbursement to SCLRC - \$7,873,229.17

- Canton has been reimbursed a total of \$7,356,406.58 for 480 properties
 - 6 additional demolitions waiting on OHFA approval - \$111,926.49
 - ❖ **76 - Total Number of Properties Identified on a Current Active List for Acquisition under Round 3**
- City of Alliance:**
- ❖ **156 - Total number of acquired properties to date:**
 - 140 demolition reimbursement packets have been submitted overall – 0 new packets since the November report.
 - 140 demolitions have been approved by OHFA – 14 new packets since December report
 - Current average cost of demolition per property is \$14,412.00
 - OHA mortgages are fully executed on 140 properties & OHFA reimbursement to SCLRC - \$2,017,617.99
 - Alliance has been reimbursed a total of \$1,834,692.07 for 140 properties
 - ❖ **5 - Total Number of Properties Identified on a Current Active List for Acquisition under Round 3.**

City of Massillon:

- ❖ **54- Total number of acquired properties to date**
 - 31 demolitions reimbursement packets have been submitted overall – 0 new packets since December report
 - 23 demolitions have been approved by OHFA – 0 new packets since November report.
 - Current average cost of demolition per property is \$11,659.00
 - OHA mortgages are fully executed on 23 properties & OHFA reimbursement to SCLRC - \$268,158.27
 - Massillon has been reimbursed a total of \$238,258.27 for 23 properties
 - 8 additional packets were returned to Massillon during January for needed revisions; these packets are expected to be resubmitted to RPC for preliminary review for submission to OHFA in the near future.
- ❖ **19 - Total Number of Properties Identified on a Current Active List for Acquisition under Round 3.**

NIP – Planning for 100% Expenditure by December 18, 2019

Carlone reviewed the handout provided that summarizes the NIP expenditures to date. The overall grant monies received is about \$12,032,445, but an additional \$119,467, which represents unused maintenance money resulting from early lien releases, has gone back into the program for use on other properties. So there is a total of \$12,151,913 for use under this program. As of January 21,

2019, 643 NIP properties have been submitted for reimbursement, and the Land Bank has been reimbursed \$10,270,931. Currently the Land Bank is expending an average of \$15,973 on each demolition. With that in mind, the Land Bank needs to own a minimum of 761 (+) properties in order to exhaust funding. Currently 752 properties are owned, so only an additional 9+ properties need to be pursued for ownership to exhaust NIP funding.

The current balance of NIP grant to expend by December to meet 100% expenditure rate is \$1,880,981. There is a total of 109 currently owned properties to be reimbursed with a total of \$1,623,431 of NIP funding expected to still be needed to complete those properties. A breakdown was provided showing the number of properties currently owned by each city and the average cost of demolition for that city. There is "uncommitted" NIP funding of about \$257,550, which if divided out by the average cost of demolition looks like an additional 16 properties can be pursued for ownership.

There are currently about 100 properties overall being pursued for ownership through the Prosecutor's office, and also some pursued from forfeited lands or through donation. The average demolition cost (\$15,973) times those 100 properties equals \$1,597,346 additional funding being needed. If the "uncommitted" balance of \$257,550 is subtracted from that amount, it looks like the Land Bank would need \$1,339,795 additional funding above what is available. Knowing that number is significantly high, and knowing that a lot of the properties are at very early stages of acquisition, staff is looking at reducing that cost and asking the Board how they feel about this. Knowing what properties have already gone to BOR as of January 17th, they are looking at reducing the number of additional properties to be pursued for ownership to about 42. Of those 42 properties, nine are possible donations and are all within the City of Canton. For those 42 properties, an additional \$647,766 of NIP funding would be needed to get ownership by March 1st. Staff does not feel comfortable with the communities receiving properties in April or May as it is believed they may not have enough time to contract and do everything needed and get the paperwork to RPC. Subtracting out the "uncommitted" NIP funding of \$257,550, the Land Bank may be looking at outlaying additional funding of about \$390,216.

Zumbar reminded the Board that there are additional costs associated with this program beyond what is being presented now. The Land Bank has a contract with RPC at \$189,000 per year to administer the Land Bank, of which a good portion is clearly spent on NIP projects. The Treasurer's staff is contracted at about \$55,000 per year, and the Prosecutor's office is contracted at about \$135,000 a year, of which \$90,000 might be reimbursed. When all those costs are added up over the three years, it comes to over \$1 million coming out of the Land Bank's funding already for administration of this project. He wasn't sure the Land Bank is going to be able to come up with an additional \$390,000 over and above what has been described.

Jerry Yost, Prosecutor's office, gave some additional updates to the report. He had the opportunity to review what's on PPS as still being pursued. There were 37 properties that went to hearing between January 3rd and January 17th. Of those 37, four were Alliance, eight were Massillon and the rest was Canton. He had four properties left to go to hearing on Thursday. They are all Canton, so other than that, he doesn't have anything left to go to the BOR that has already been expended. Yost went over some other numbers on properties being pursued. He recommended that RPC staff and Prosecutor's staff take a closer look to verify the actual number still being pursued and to update records in PPS.

Creighton asked that RPC staff and the Prosecutor's office meet along with the Land Bank President to discuss this topic and be prepared to come back at the February meeting to present the

facts. Green stated it may be the Board’s attitude not to approve spending money that will not be reimbursed through the NIP. Zumbar stated the other component is to consider each community’s input as well. Even though they may have expended the NIP money, they may still want the Land Bank’s assistance to acquire these properties because they have their own funds that they can actually put towards the demolitions even though they know they won’t be reimbursed.

Joe Mazzolla, City of Alliance, stated Michelle Cutler, Mike Dreger and he were reviewing the report that was received last week. Another approach for consideration, instead of reducing the number of demolitions per city, would be to place limits on the average cost per demolition per city, based upon historic demolition costs. If the average demolition costs per demolition for each city were dropped by 16%, they might be able to accommodate all that is in the pipe line. The cost of demolition could be decreased by cutting back on putting sidewalks in and doing extra greening, because what is essential is removing these properties. Yost stated he didn’t think there were any properties in Alliance left that are even pursuable. He knew Alliance had three properties that the SCLRC attempted to acquire for demolition, but they haven’t come down because the owners are in bankruptcy with a five year repayment. The Prosecutor’s office isn’t able to go forward on a judicial foreclosure now nor in the foreseeable future. Zumbar stated rather than having any more discussion at this time, let’s get the group together to get the facts and numbers straight. The Board will get an updated report by February’s meeting. Green asked the information be emailed out to the Board as soon as it is available to allow more time for review prior to the meeting.

7. SIDE LOT/VACANT LOT PROGRAM REPORT
Sarah Peters presented the Side Lot/Vacant Lot Program Update:

Total Applications Submitted: 1649
(16 applications were received since Dec. ‘18 update)

Cities – 1404
 Canton: 1,121, Massillon: 111, Alliance: 172

Other Communities – 245

Bethlehem Twp – 10, Brewster – 3, Canal Fulton – 1, Canton Twp – 51, East Canton – 7, East Sparta – 2, Hartville – 3, Jackson Twp – 4, Lake Twp – 4, Lawrence Twp – 6, Lexington Twp – 36, Limaville – 2, Louisville – 2, Meyer’s Lake – 1, Minerva – 3, Nimishillen – 5, North Canton – 1; Osnaburg Twp – 13, Paris Twp – 3, Perry Twp – 10, Pike Twp – 14, Plain Twp – 32, Sandy Twp – 15, Sugar creek Twp – 5, Tuscarawas Twp – 2, Washington Twp – 5, and Waynesburg – 4, Wilmot-1

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- Total Number of Applications under Preliminary Review: 16
 - Total Number of Applications Denied: 553
 - Number of Canceled Applications/Fee Refunded: 63
 - Total Number Pending Approval by Community: 3
 - **Total Number of Approved Applications: 1,014**
(18 Applications approved since Dec. ‘18 update)
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- Total Number of Approved Applications Pending Deposit Receipt / NIP Early Lien Release Approval / Request for Foreclosure / Completed Foreclosure Proceeding: 292

- Total Number Being Prepared for Transfer: 61
- **Total Number Transferred to Date: 661**

Vacant Lot Program Update:

Total Applications Submitted: 186

(3 Applications received since Dec. '18 update)

Cities – 160; Canton: 146, Alliance: 11, Massillon: 3

Other Communities – 26

Bethlehem Twp – 8, Canton Twp – 1, Hartville – 1, Jackson Twp – 2, Lexington Twp – 2,
Sandy Twp – 5; Sugarcreek Twp – 1, Washington Twp – 4,

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- Total Number of Applications under Preliminary Review: 3
 - Total Number of Applications Denied: 135
 - Number of Canceled Applications/Fee Refunded: 5
 - Total Number Pending Approval by Community: 10
 - **Total Number of Approved Applications: 33**
- (4 Applications approved since the Dec. '18 report)

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- Total Number of Approved Applications Pending Executed MOU/ Completion of Foreclosure Proceeding: 12
 - Total Number Being Prepared for Transfer: 5
 - Total Number Transferred to Date: 16

Green moved, Smith seconded, and the motion carried to approve the Side Lot/Vacant Lot report and the NIP Report as presented.

8. **NEW BUSINESS**

- a. Targeted Acquisition Assistance Program Requests
 - City of Alliance – parcels # 113787, 105716, 103073
 - City of Canton – parcels # 222754, 223237, 231647

Peters reviewed the TAAP applications from the cities of Alliance and Canton. Green moved, Smith seconded, and the motion carried to approve the TAAP requests as submitted.

9. **OLD BUSINESS**

Peters stated the Board had asked staff to look for other potential insurance information. Insurance Partners is currently the agent and the general liability insurance is through United National Insurance. Staff has reached out to the Counties and RPCs and also the Western Land Conservancy. Peters asked if the Board would like to them to go out for quotes for new insurance. Board asked that staff go forward in this process in order to get quotes.

10. NEXT MEETING – February 25, 2019, 9:00 am

11. ADJOURNMENT

Smith moved, Arnold seconded and the motion carried to adjourn at 9:36 a.m.