

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
Annual Meeting
March 17, 2016

The Stark County Land Reutilization Corporation met for their Annual Meeting on Thursday, March 17, 2016 at 9:00 a.m. in the Stark County Regional Planning Commission Conference Room.

Board Members

Alex Zumbar
Janet Creighton
Richard Regula
Bill Smith
Maureen Austin, representing Lem Green

RPC Staff

Bob Nau
Jill Gerber
Sarah Peters
Lynn Carlone
Beth Pearson
Brenda Sarsany

Others

Joe Mazzola
Jim Wallace
Michelle Cutler
Deana Stafford
Jaime Allbritain

1. CALL TO ORDER BY SCLRC CHAIRMAN, Alex Zumbar

2. ROLL CALL – Board Members Present

Alex Zumbar, Stark County Treasurer
Richard Regula, Stark County Commissioner
Maureen Austin, Representing Lem Green
Bill Smith, Township Representative
Janet Creighton, Stark County Commissioner

3. ELECTION OF CHAIRPERSON/VICE CHAIRPERSON OF THE BOARD OF DIRECTORS

Creighton moved, Regula seconded, and the motion carried to reappoint Alex Zumbar as the Chairperson and Lem Green as the Vice Chair.

3. MINUTES OF THE JANUARY 19, 2016 MEETING

Smith moved, Regula seconded, and the motion carried to approve the minutes of January 19, 2016.

4. PUBLIC SPEAKS – None

5. ANNUAL REPORT

Sarah Peters presented the details of the Annual Report (attached). Zumbar stated an independent private accountant is preparing the basic financials for the Land Bank and they will be submitting those to the State Auditor for the 2014-15 audit.

Regula asked if the Land Bank can rehab houses and has that ever been discussed. Zumbar stated the Land Bank can rehab houses, but right now the funding sources that are available are targeted for demolition, but this is something that will be explored in the future. In the financial report given, there is \$1 million that is presently earning interest, which is used as a cushion to acquire additional funding. If that is used as a basis to match funding as it becomes available, such as the OHFA NIP grant that's been released, that can be combined with whatever the match is from the municipalities. The more money that is shown as a match, the more money that can be potentially received. There has not been much of a grant basis for rehab dollars at this point in time. He did speak with the bank concerning this, and there are small rehab projects that can be done, but he would have to deposit funds with a specific bank in order to get these dollars. It's a small loan that people are given to do rehab on their home i.e., gutters, roof or siding. He has not explored that further.

Nau stated that Mahoning County's Land Bank has a "Deed in Escrow" program where they acquire a tax delinquent property, prepare rehab specifications and then go out for proposals from either potential homeowners or builders/contractors to bid on the property to do the rehab for an agreed upon price. Also regarding the donation of property, the Land Bank gets contacted occasionally on the donation of properties through the banks. The one property that the Land Bank received was eligible for NIP because of demolition, but other properties have come in that are not demo candidates, but are good rehab candidates. RPC does have the infrastructure in place to

administer a rehab program, if the Board would be interested, and has experience with administering the CDBG and HOME rehab programs. Creighton believed the Land Bank has come a long way, but they want to make sure they have a stable environment before embarking on something like that. Austin stated that Community Building Partnership (CBP) this year is doing some mini plans in neighborhoods along the lines of the city's soon to be adopted Comprehensive Plan. CBP is starting down that path of working with neighborhood associations to do some specific parcel by parcel analysis, so if a potential tax delinquent structure is identified that is a rehab candidate, the plan is to come to the Land Bank. There may be a nice structure that is not demo worthy, but is rehab worthy. Nau stated the ultimate value of each property must be looked at, as it should be on a case by case basis. Zumbar stated these properties are acquired, rehabbed and then sold. Land Banks are allowed to do that and make some additional funds in order to do the next project.

Zumbar moved, Austin seconded, and the motion carried to approve the 2015 Annual Report as presented.

6. TREASURER REPORT – Jim Wallace

Wallace stated the bank reconciliation statement for the months of January and February ended with a checking account balance of \$256,198.29. Revenues were \$603,024.73 and total expenses were \$494,832.55. For the Star Plus funds, there was a balance at the end of February of \$1,003,577.48. Interest for January was \$263.71, and February interest was \$278.55.

Zumbar stated at this time the funds are invested with Star Plus, but he could explore investing the money into CDs which would make more interest. If he would ladder the CDs and go out beyond a year with them, then those funds would not be immediately assessable. Until funding is received from DTAC, it can get dicey. The Land Bank pays Canton, then they have to wait for OHFA to reimburse us, so there is a timing lag. It is possible that he could ladder this to earn additional interest if the Board so desires. Smith stated that he supported that as long as he felt comfortable with the cash flow. There were no objections.

Creighton moved, Smith seconded, and the motion carried to accept the Treasurer's report as submitted.

7. FISCAL ITEMS – Beth Pearson

Post Approval of Payments

1) City of Canton – NIP Demolition Payment – Total \$254,474.35 (#9)

a.	1717 4 th St SE – 219896	\$17,260.41
b.	423 Brown Ave NW – 202965	\$17,078.29
c.	1750 10 th St NE – 207372	\$17,163.87
d.	1310 7 th St NW – 211992	\$16,139.04
e.	2157 3 rd St NE – 222278	\$15,246.78
f.	715 10 th St NW – 212729	\$22,638.39
g.	417 Brown Ave NW – 224486	\$18,762.53
h.	819 9 th St NW – 215625	\$16,247.11
i.	505 Brown Ave NW – 222534	\$16,332.63
j.	1811 8 th St NE – 225384	\$23,187.00

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| k. | 1813 4 th St NE – 232257 | \$15,001.56 |
| l. | 1216 Hoover PL NW – 237282 | \$15,965.26 |
| m. | 1012 Gibbs Ave NE – 223964 | \$14,816.89 |
| n. | 1108 4 th St SW – 207120 | \$14,495.60 |
| o. | 1430 Downing Ct NE – 228955 | \$14,138.99 |
| 2) | City of Canton – NIP Demolition Payment – Total \$131,114.11 (#10) | |
| a. | 1116 2 nd Street NW, Canton – 234198 | \$12,996.84 |
| b. | 119 Brown Ave NW, Canton – 201304 | \$13,196.17 |
| c. | 1521 4 th St SE, Canton – 211966 | \$13,909.14 |
| d. | 1814 Edwards Ave NE, Canton – 225183 | \$13,431.47 |
| e. | 1631 Olive Place NE, Canton – 215145 | \$13,799.25 |
| f. | 1375 Stark Ave SW, Canton – 215394 | \$13,932.08 |
| g. | 1754 Blecker Place NE, Canton – 217591 | \$12,883.37 |
| h. | 1102 2 nd St SW, Canton – 205493 | \$12,475.75 |
| i. | 1515 Miami Ct. NE, Canton – 236100 | \$12,818.04 |
| j. | 1520 Gibbs Ave NE, Canton – 212533 | \$11,671.85 |
| k. | 417 Brown Ave NW, Canton – 224486 | \$ 0.15 (adj. to previous invoice) |
| 3) | Alliance Area Habitat for Humanity - \$2,960.00 – reimbursement of Vacant Lot deposit | |
| 4) | City of Canton – NIP Demolition Payment – Total \$114,686.73 (#11) | |
| a. | 824 Harriett Ave NW – 236510 | \$11,438.21 |
| b. | 1308 5 th St NW – 216630 | \$12,493.28 |
| c. | 1218 10 th St NW – 236328 | \$12,301.32 |
| d. | 1461 Maddrell Ct. NE – 243839 | \$ 9,740.92 |
| e. | 1207 Sherlock PL NE – 229536 | \$ 9,879.10 |
| f. | 1210 Sherlock PL NE – 234140 | \$ 8,816.27 |
| g. | 7047 Correll Ave NE – 202178 | \$11,630.21 |
| h. | 1319 6 th St NE – 218783 | \$11,104.36 |
| i. | 2114 3 rd St NE – 233228 | \$10,946.50 |
| j. | 1811 Virginia PL NE – 210359 | \$16,336.56 |
| 5) | Insurance Partners Agency, Inc. - \$4,114.00 – Professional Liability Insurance Renewal | |

Zumbar moved, Austin seconded, and the motion carried to approve the post approval of the above- listed invoices. Pearson noted that in the Annual Report, the Star Plus fund ending balance of \$1,005,053.99 was incorrect. A revised report with that correction will be provided.

8. NEIGHBORHOOD INITIATIVE PROGRAM (NIP) REPORT – Lynn Carlone

Carlone presented the Neighborhood Initiative Program (NIP) Update

City of Canton:

* **237 – Total number of acquired properties to date**

- 127 demolitions have been completed overall – 24 new demolitions have been completed since January/last report.

- 50 – Canton currently developing reimbursement packets/Canton ready to have reimbursement packets reviewed by RPC
 - 87 demolition reimbursement packets have been submitted overall – 40 new packets since last month/report.
 - 67 demolitions have been approved by OHFA – 35 new packets since January/last report
 - Current average cost of demolition per property is \$15,689.00
 - OHA mortgages are fully executed on 47 properties & OHFA reimbursement to SCLRC - \$776,009.89
 - Canton has been reimbursed a total of \$960,710.58 for 67 properties
 - OHA mortgages pending payment/execution on 20 properties; once completed, OHFA reimbursements to SCLRC – and additional \$271,800.69
 - 10 demolitions are under preliminary review/approval by OHFA; outstanding reimbursement requests - \$171,783.66
 - 10 demolition packets are being prepped for submission to OHFA - \$137,320.48
- * **6 – Total Number of Properties Identified on a Current Active List for Acquisition**
- **4 – Aeon Tax Lien properties**
 - **2 – Properties currently on hold for possible redemption**

City of Alliance:

- * **28 – Total number of acquired properties to date:**
 - 9 - Demolitions complete
 - 5 – Asbestos evaluations completed
 - 14 – Asbestos evaluations needed
- * **25 – Additional eligible NIP properties identified:**
 - 3 – Requested through Board of Revisions
 - 22 – On hold/no action taken; reviewed and approved as NIP eligible by RPC

City of Massillon:

- * **4 – Total number of acquired properties to date:**
 - Massillon is working on contracts for board-up, asbestos evaluation, asbestos removal, demolition contractors, etc.
- * **7 – Additional eligible NIP properties identified:**
 - 7 – On hold/no action taken; reviewed and approved as NIP eligible by RPC

Austin asked if the cities are maintaining the lots where homes have been demolished. Carlone stated yes, there is \$1,200 that is being held for each property. Regula asked how long the Land Bank

owns these properties. Carlone stated the Land Bank must own them for three years unless they can be disposed of through eligible means, such as the side lot program. The Land Bank then owes OHFA back the unspent maintenance money. But after three years, if the Land Bank still owns the property, the properties will be turned back over to the partner cities. The Land Bank will not maintain ownership, which is what the agreements state with each city. Regula asked if any new homes have been built on these lots. Zumbar stated the majority of the lots are too small to build on again, and no one has pursued that. Carlone stated all these lots are still currently owned by the Land Bank. None have been disposed of through side lot yet. Regula asked about the commercial land, like in Alliance, will they rebuild on those lots. Zumbar stated they could do that, but that was a different program that was done with Alliance. Mazzola stated that the Stewart Brother's building has been razed some time ago, and the last of the contaminated soil is being removed. The properties taken down behind some properties on Main Street, has helped a business on Main St. secure a loan, so that owner is now code compliant. Council's Community Development committee meeting recently approved allocating \$140,000 in block grant money to improve the sites where the buildings were. That's being used as seed money and hopefully that will generate more money to support downtown development. Zumbar moved, Creighton seconded, and the motion carried to approve the NIP report as submitted.

9. SIDE LOT/VACANT LOT PROGRAM REPORT – Sarah Peters

Sarah Peters presented the Side Lot Program Update:

Total Applications Submitted: 972

(23 applications were received since the Jan '16 update)

Cities – 830: Canton: 686; Massillon: 66; Alliance: 78

Other Communities – 142

Bethlehem Twp – 5, Brewster – 2, Canton Twp – 22, East Canton – 5, East Sparta – 3, Hartsville – 3, Jackson Twp – 2, Lake Twp – 1, Lawrence Twp – 6, Lexington Twp – 24, Limaville 2, Louisville – 2, Meyer's Lake – 1, Minerva – 1, Nimishillen – 4, Osnaburg Twp – 7, Paris Twp – 3, Perry Twp – 10, Pike Twp – 2, Plain Twp – 22, Sandy Twp. – 2, Sugarcreek Twp – 4, Tuscarawas Twp – 2, Washington Twp – 4, Waynesburg – 3.

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- Total Number of Applications Under Preliminary Review: 14
 - Total Number of Applications Denied: 354
(2 applications were denied since the Jan '16 update)
 - Number of Canceled Applications/Fee Refunded: 35
 - Total Number Pending Approval by Community: 75
 - **Total Number of Approved Applications: 494**
(10 applications were approved since the Jan '16 update)
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- Total Number of Approved Applications Pending Deposit Receipt / Request for Foreclosure / Completed Foreclosure Proceeding: 119
- Total Number Being Prepared for Transfer: 38
- **Total Number Transferred to Date: 337**
(54 Side Lots were transferred since the Jan. '16 update)

Vacant Lot Program Update:

Total Applications Submitted: 52 (1 application received since the Jan. '16 update)

Cities – 49: Canton – 43; Alliance – 5; Massillon – 1

Other Communities – 3: Lexington Twp. – 2; Sugarcreek Twp. – 1

- Total Applications under Preliminary Review: 0
- Total Applications Denied: 22
- Number of Canceled Applications/Fee Refunded: 1
- Total Pending Approval by Community: 5
- **Total Approved Applications: 24**

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- Total Applications pending return of MOU/Purchase Agreement & Purchase Price: 14
 - Total Approved Applications Pending Executed MOU/Completion of Foreclosure Proceeding: 10
 - Total Being Prepared for Transfer: 0
 - Total Transferred to Date: 0

Zumbar asked Peters to review the process for the side lot program from the time an application is received to the time it takes it to get to the Board of Revision. Peters stated after receiving an application, it normally takes one week for her to review it and make sure the applicant is current on their taxes. The applications are then sent off to the respective community, whether it be the township, village or city. The community is asked to return their determination within 30 days. Properties in the City of Canton go through five different departments before the Council member provides their final determination. Peters sends all of Canton's applications to Maureen Austin, and Austin then shuffles them through all of those departments and to the council member. After all those departments have reviewed and signed off on the property, the city sends Austin the final determination and she makes sure it has all been checked and then forwards it to Peters. Austin added that she hasn't done that since December 31, 2015, because Community Building Partnership's contract with the City of Canton expired at the end of the year and that contract has not yet been renewed. They were receiving anywhere from \$15,000 to \$20,000 to provide that service, and it is done on a fee per service basis. The hours would be tracked, and then the city would be billed. Zumbar stated since Canton is currently in a financial situation and working on their budget, and in order to expedite the process, he asked Austin to submit to the Land Bank a proposal for services with the City of Canton. If Canton does get this issue resolved, it could be revisited, but he wanted to keep the ball moving. Austin believed that some of this may be tied to the passage of the Comprehensive Plan, which would likely involve hiring a Planner, and she assumed that covering the costs of some of these services would come out of that department, but she didn't know how soon any of that would transpire. She was told by her board that she shouldn't be working on this unless someone is paying for the services. Peters stated that all side lot applications for Canton are on hold. Nau stated this is Canton's internal process that they developed, and no other community follows that process. Zumbar asked what five departments are involved. Austin stated the

Engineering Department looks at whether there are any potential development projects that might be coming that would involve the requested parcel and also if there is any right-of-way easement language, because they don't want to give away a parcel and then have to come back and get some right-of-way. The Building, Health and Street Departments then review the parcel. If the applicant owns other properties, those properties are listed and checked whether the applicant has any properties out of code compliance and if they owe any fees. Many of the applicants own rental properties. The parcels themselves then get sent to the Development Department for review. When all the other departmental information comes in, then those packages are prepared and sent to the council office and Austin waits for the council person to make their determination. Some Council members do it immediately by email and other council members have a lot of applications to review and take longer. Once all that is done, Austin processes them and gets them back to Peters. Zumber moved, Creighton seconded, and the motion carried to request that Community Building Partnerships submit their proposal to Bob Nau for him to review and report back to the Board at the next April 18th meeting for either approval or denial.

Peters continued reviewing the process for the side lot program. It takes about 30 days for an application to be reviewed, approved and then returned to her. Peters sends a notice to the applicant giving them about 2-3 weeks to submit their \$100 deposit, and then once the deposit is received, a foreclosure is requested. A foreclosure has been averaging 9-10 months to get through and for her to get a deed at the very end. So the entire process takes approximately 11-12 months to complete. Zumber asked if anyone had any recommendations on how the process could be sped up. He asked Peters to make recommendations on where she sees the bottlenecks occurring and what communities the bottleneck is occurring in. The Board can discuss it further and then a letter could be drafted to speak with the appropriate administrative officials from that community and give suggestions on how to speed up a process that seems to be bogged down in bureaucracy.

10. NEW BUSINESS

Nau referenced a letter dated March 16th from the City of Alliance. Alliance has been aggressive and successful in urban redevelopment opportunities in their downtown area. Their request is for \$40,000 towards the demolition of 552 East Market St. that the city acquired as part of the Auditor's 2015 forfeited land sale that occurs in December of every year. The Land Bank is still evaluating their request. He recommended that Dave Thorley prepare an agreement for Alliance and bring that to the Board at the next meeting. Last year the Land Bank approved funding for a couple of Alliance properties for \$60,000. Bids came in under that amount, so they asked for another property as part of that \$60,000. The Land Bank encumbered that money for Alliance and then Louisville came in with their request and that limited what they could ask for. They are suggesting that when a community is submitting a request for funding, that a contractor's estimate be included as part of that request. The Land Bank funds projects, not allocations to applicants, and we don't want to tie money up. Alliance has a good project, but it is important as part of the agreement that a project specific estimate is given. Mazzola stated the \$40,000 to take down the building is probably high, but they want to make sure they have enough. Hopefully this is the last of the big buildings where Alliance will seek funding from the Land Bank to help the city take care of it. Alliance will submit an estimate to finely tune this request. Zumber stated that this is specifically for demolition, not asbestos removal. Nau stated this program was set up to cover hard demolition costs, not environmental costs. The city does all the demolition, the bidding and contracting, and then the Land Bank receives an invoice and can then reimburse the city up to 50% of the amount of strictly demolition costs. Zumber stated without any objections from the Board, Mazzola and RPC will work out the details and Thorley will review and prepare a document for the Land Bank's review at the next meeting and his recommendation thereafter.

11. OLD BUSINESS

Update on Financial Software:

Carlone stated that proposals for financial software were due February 29th. Two proposals were received and reviewed by staff and then turned over to a committee. A meeting will be scheduled next week to discuss the proposals submitted and then come back to the Board with a recommendation. The two companies that submitted were *eProperty Plus* and *Property Profile System* from Cuyahoga County.

Streamlining the Acquisition Process

Mazzola stated regarding the previous discussion on streamlining the process and removing bottlenecks, Alliance would appreciate whatever can be done to streamline the process with property acquisition. Regula asked where he sees the bottlenecks. Michelle Cutler stated that she couldn't identify specifically what it is, but they had some concerns in regards to NIP. What they considered the easy acquisitions, which should have been Auditor acquisitions, because they had already been through the tax foreclosure process twice, and they hoped to get those in a short period of time, but it just seemed longer than necessary. She didn't know what could be done to improve or expedite that process. Zumbar stated they would speak with the Auditor's staff. It is possible, given the time of year, the staff members are pulled to do other priority tasks. For instance, the beginning of the year will be one of the most hectic times for both the Auditor and Treasurer's staff. By the end of March, that time should be freed up. But they have to wait upon settlement and he didn't know how many staff members are allocated on the Auditor's side for forfeited lands, but he knew there are several people involved. But from his stand point, when he does see those letters, he generally emails various personnel to make them aware of the requests. If they include him on the email, he guarantees he will pass it along. Peters stated when RPC receives a request from Alliance and the Board approves it, she does the actual request to Jon Oates at the Auditor's office and carbons the Treasurer's office on it. Oates has told her it could be 4-6 weeks until the Auditor has all the information coming down from the Clerk's office to be able to create a deed. But what Cutler is talking about, the sale was way before when it was requested and it took a long time. Zumbar stated he would take those concerns back to the various departments involved, because there are multiple departments involved.

Regula asked that when properties come before the Board for consideration that GIS provide a map on the screen. He wanted to see the location of these properties.

Update on Bishop's Gate in Lake Township:

Nau stated that someone purchased the Bishop Gates property at the Auditor's sale. However once they found out about the environment issues, they backed out. A former greenhouse is on this property that someone tore down without abating any asbestos. That person has passed away and there are a lot of delinquent taxes and it has been foreclosed upon. It is a residential area next to a subdivision and through the Attorney General and EPA there are some enforcement actions pending against it. There was some discussion in the past about the Land Bank acquiring it but that has been left in limbo because of the environmental issues. It is a prime property for development and has a lake. Zumbar stated it might have gas storage or oil tanks on it, which needs to be determined. Nau stated that RPC received the Brownfields grant to fund phase 1 and 2 environmental assessments. There is a residential allotment north of there and Lake Township is very interested in getting it. Zumbar stated there was a phase 1 done in the past, but it will need updated. Nau stated the Canton City Health Department Air Pollution Control have the contract to clean this up, and RPC has had some conversations with them. RPC is considering with their Brownfield program to go ahead and fund the phase 1 and phase 2 to

determine clean-up costs. The property could then be appraised and see what the value of the property is cleaned up. It is currently in the County Auditor's name right now, and the Auditor can just turn it over to the Land Bank. The evaluation will be done to see what the numbers look like and see if the Board is interested in doing anything with the property.

Nau stated the State passed an abandoned gas station clean-up program with \$20 million available in the next two years. There are possibly some roles for the Land Bank in that process. The Land Banks have immunity on these properties, and it is something they are exploring. There are dozens of these around the county, where nothing is happening to them. There is money, depending upon certain situations, to clean up the properties. These are very challenging to deal with because they must be Class C sites, which means there has to be contamination documented and there can't be any identifiable responsible party. They are not eligible unless those two criteria are met. There was additional discussion about the details of the process.

Update on Funding

Austin asked if there was any update on new funding sources for demolition. Zumber stated the Department of Treasury and OHFA have announced that \$97 million has been made available to the State of Ohio. At this point in time, they have not decided on what the allocation is going to be or the guidelines on how this money is to be spent. They have not picked the programs that are going to receive these funds. Initially it was thought the funds would be going to OHFA to continue on with NIP, however; since that announcement of the \$97 million becoming available, other organizations have stepped forward requesting that the funds be carved up and given to another program called Foreclosure Prevention. These individuals do counseling for home owners either foreclosed upon or about to be foreclosed on, and they pay those counselors \$3,000 per parcel, but that may not necessarily assist that person from foreclosure and getting out of their situation because these folks get caught up and then a year or two years later they go right back into it. They should just make it available for demolition and let the Land Banks clean up those problems. There are 3,500 properties in the City of Canton that should be demolished, 150 in Alliance and 95 in Massillon.

12. Next Meeting – April 18, 2016, 9:00 a.m.
13. Adjournment was at 10:12 a.m.