

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
April 18, 2016

The Stark County Land Reutilization Corporation met for their regular meeting on Monday, April 18, 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
Lem Green

RPC Staff

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

Others

Joe Mazzola
Jim Wallace
Michelle Cutler
Deana Stafford
Jaime Allbritain
Dave Maley
Tim Cugini
Mike Dreger

1. CALL TO ORDER BY SCLRC CHAIRMAN, Alex Zumbar2. ROLL CALL – Board Members Present

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

3. MINUTES OF THE MARCH 17, 2016 MEETING

Zumbar moved, Regula seconded, and the motion carried to approve the minutes of March 17, 2016.

4. PUBLIC SPEAKS – None5. TREASURER REPORT – Jim Wallace

Wallace stated the bank reconciliation statement for the month of March ended with a checking account balance of \$127,805.71. Revenues were \$163,700.96 and total expenses were \$292,093.54. For the Star Plus funds, there was a balance at the end of March of \$1,003,892.75. Interest for March was \$315.27. Also a summary was provided of the City of Canton NIP Property Demolitions.

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

6. FISCAL ITEMS – Beth PearsonPost Approval of Payments

- 1) City of Canton – NIP Demolition Payment – Total \$158,783.66 (#12)
 - a. 1429 Pearl PI NE – 206466 \$19,182.83
 - b. 901 Brown Ave NW – 222209 \$15,278.39
 - c. 1206 7th St NW – 229091 \$15,016.08
 - d. 805 Shorb Ave NW – 203340 \$14,543.38
 - e. 827 11th St NW – 210509 \$16,259.89
 - f. 647 Park Ave SW – 216940 \$17,201.26
 - g. 510 11th St NW – 224188 \$16,102.37
 - h. 1015 Lawn Ave SW – 204716 \$14,365.79
 - i. 626 Prospect Ave SW – 220441 \$15,826.88
 - j. 1334 St. Elmo Ave NE – 204549 \$15,006.79
- 2) City of Canton – NIP Demolition Payment – Total \$125,320.48 (#13)
 - a. 1521 St. Elmo NE – 214540 \$12,965.72
 - b. 1436 Shriver Ave NE – 209590 \$12,858.92
 - c. 1432 Shriver Ave NE – 220653 \$13,534.13
 - d. 1464 Shriver Ave NE – 232450 \$12,209.88
 - e. 1337 Shriver Ave NE – 237188 \$12,367.08
 - f. 1301 Shriver Ave NE – 228778 \$11,801.06

g.	832 Harriet Ave NW – 217927	\$12,685.34
h.	1450 Spring Ave NE – 213052	\$11,730.99
i.	612 Newton Ave NW – 230761	\$12,005.85
j.	1609 Glendale Ave NE – 234984	\$13,161.51

Approval of Payment

- 1) Stark County Recorder – Recording Escrow - \$10,000.00

Green moved, Creighton seconded, and the motion carried to approve the above-noted payments.

7. 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**

- 149 demolitions have been completed overall – 22 new demolitions have been completed since the last report.
 - 40 – properties are waiting to be greened
 - 13 – Canton currently developing reimbursement packets/Canton ready to have reimbursement packets reviewed by RPC
- 96 demolition reimbursement packets have been submitted overall – 9 new since March report.
 - 87 demolitions have been approved by OHFA – 20 new packets since March report
 - Current average cost of demolition per property is \$15,337.00
 - OHA mortgages are fully executed on 67 properties & OHFA reimbursement to SCLRC - \$1,047,810.58
 - Canton has been reimbursed a total of \$1,244,814.72 for 87 properties
 - OHA mortgages pending payment/execution on 20 properties; once completed, OHFA reimbursements to SCLRC – and additional \$310,104.14
 - 9 demolitions are in various stages of review/approval by OHFA; outstanding reimbursement requests - \$114,430.74

*** 5 – Total Number of Properties Identified on a Current Active List for Acquisition**

- 3 – 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; greening awaiting completion
- 5 – Asbestos abatements completed

- 13 – Asbestos evaluations completed
- 1 – 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:**
 - 4 - Massillon has completed board-up inspections; working toward contracting for asbestos evaluations.
- * **7 – Additional eligible NIP properties identified:**
 - 7 – On hold/no action taken; reviewed and approved as NIP eligible by RPC

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

Sarah Peters presented the Side Lot Program Update:

Total Applications Submitted: 992
 (20 applications were received since the Mar '16 update)

Cities – 848: Canton: 703; Massillon: 67; Alliance: 78

Other Communities – 144

Bethlehem Twp – 5, Brewster – 2, Canton Twp – 22, East Canton – 5, East Sparta – 3, Hartville – 3, Jackson Twp – 3, Lake Twp – 1, Lawrence Twp – 6, Lexington Twp – 24, Limaville 2, Louisville – 2, Meyer’s Lake – 1, Minerva – 1, Nimishillen – 4, Osnaburg Twp – 8, 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.

- Total Number of Applications Under Preliminary Review: 8
- Total Number of Applications Denied: 354
 (0 applications were denied since the Mar '16 update)
- Number of Canceled Applications/Fee Refunded: 35
- Total Number Pending Approval by Community: 95
- **Total Number of Approved Applications: 500**
 (6 applications were approved since the Mar '16 update)

- Total Number of Approved Applications Pending Deposit Receipt / Request for Foreclosure / Completed Foreclosure Proceeding: 112
- Total Number Being Prepared for Transfer: 32
- **Total Number Transferred to Date: 356**
(19 Side Lots were transferred since the Mar. '16 update)

Vacant Lot Program Update:

Total Applications Submitted: 57 (5 applications received since the Mar. '16 update)

Cities – 54: Canton – 47; Alliance – 6; Massillon – 1

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

- Total Applications under Preliminary Review: 1
- Total Applications Denied: 25
- Number of Canceled Applications/Fee Refunded: 1
- Total Pending Approval by Community: 6
- **Total Approved Applications: 24**

- 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

Peters provided an information background sheet that laid out the process of the Side Lot program. At last month's meeting, the Board had asked RPC staff to identify where bottlenecks were occurring and make some recommendations on how to streamline the process. Staff developed an information sheet which may be included with an application to help the applicant understand the general process. Staff is still working on this project and will report back to the Board when it is completed. Green asked if they were getting applications for the Side Lot from the NIP demolitions, and if the adjoining owners are notified when the building comes down that they may be eligible to apply. Peters stated that they were not notifying them, but many of the adjoining property owners talk to the contractors on site, and contractors are directing them to contact her. Green asked if she knew what percentage of properties have resulted in applications. Peters stated out of the 140 NIP demolitions, approximately 50 side lot applications have been submitted for NIP side lots. Many people living next door are renters; eligible applicants must be owner occupied to qualify for a NIP side lot, so there are some that won't qualify until the three year period is up and the OHFA mortgage is released. Green stated even if someone is a non-occupant owner, they still qualify under our guidelines. Peters stated yes, but the owner-occupant requirement is OHFA guidelines. It is something OHFA requires on top of our local side lot policies.

9. NEW BUSINESS

City of Massillon – Acquisition of 58 Erie Street S. (parcel #610260)

Thorley asked that the letter submitted by the City of Massillon be revised to state that Massillon will pay all the costs associated with this acquisition. That statement is not in the letter but is a SCLRC policy. Thorley pointed out the letter submitted by the City of Alliance had language stating the city was prepared to pay the necessary fees involved to expedite the transfer of the properties.

City of Alliance – Acquisition of Vacant Land (parcels #105499, #105503)

Thorley referenced the letter submitted by the City of Alliance requesting acquisition of vacant property and stated the SCLRC has done similar requests for Alliance in the past, and the Land Bank will pursue these two parcels also.

TranSystems Real Estate Consulting – STA-153-0.80 Mahoning Rd. Project

Thorley referenced the letter from TranSystems which stated that improvements are being done on Mahoning Road and there is potential for acquisition. This is just an introductory letter and the Board will be advised as it goes forward.

Green asked if they need Board approval for the requests made by the cities of Massillon and Alliance. Thorley stated that in the past the process has been RPC has gone forward and done them, but notified the Board. Creighton asked Dave Maley to state on the record that Massillon will add the language in the letter as presented by Thorley. Maley stated that it was always the intent of the City of Massillon to cover any associated fees, but it just wasn't put in the letter.

10. OLD BUSINESS

City of Alliance – Demolition of 552 E. Market St. (parcel #100250)

Thorley referenced a letter dated March 31 from the City of Alliance requesting funds for the demolition of 552 E. Market St., similar to what has been done in the past with a 50/50 match. He had drafted the contract as directed by the Board from the last SCLRC meeting. However, one of the discussion points at last month's meeting was RPC asking for contractors' estimates to be submitted along with the request. That has not been provided. Thorley stated that he had discussed this with Mazzola, and he has indicated the city would provide that. Upon receiving the estimates, Thorley will plug in the correct amounts and get the contract to the city.

Property Management Software

Carlone provided a summary of the two proposals submitted by vendors for property management software. The proposals submitted for eProperty Plus and Property Profile System 2.0 were reviewed by staff and a committee. Carlone asked if the Board was interested in scheduling a work session to have both of these companies come in to present their products. The Board was in agreement that they would like to hear a presentation on the products. Carlone stated that both companies have been contacted and appear to be interested in presenting some type of demonstration at a work session. There are pros and cons with both packages. The next step in this process would be to see a product

demonstration and be able to ask questions. Nau stated it is not necessarily either/or, but it must be decided if it is even worthwhile. It is a lot of money and the amount of staff time involved is also to be considered. Carlone stated that Peters has checked three references on each of the companies, and everyone is satisfied with the system that they have.

Community Building Partnership of Stark County – Proposal for Services

Maureen Austin thanked the Board for considering Community Building Partnership's (CBP) proposal for services. Since 2013 the City of Canton has contracted with Community Building Partnerships for approximately \$15,000 a year to perform due diligence in processing side lot applications within the city. CBP's standard fee for service is \$45 per hour. Because there is a sizable backlog of applications that have not been processed since January 1, the proposal is that she work with the City to get that backlog going. Since the City adopted a Comprehensive Plan about three weeks ago, she will be working with the City to allow some of those guidelines from the Plan to dictate the approval process and to get that process down within the 30 day period. Green asked if there has been any approvals at all since the beginning of the year. Austin stated technically no, because she's not allowed to process any applications, but she did allow a couple to go through, because the councilperson had done their part and it was on her desk. Austin has about 30 applications sitting on her desk that already have gone through the different review processes, but they just hadn't been reviewed by council. Green asked how many applications are sitting on Peters' desk. Peters stated that she has almost 60 applications. Nau stated that Austin and he met last week concerning this proposal. They had believed the agreement was with council, but apparently it was through the Mayor's office, which is where the \$15,000 came in. Peters currently handles the applications that come from Stark County political entities outside of the City of Canton, and those are given a 30 day notice. He did not recommend the Land Bank pay CBP to administer a program that's unique to Canton based upon their procedures they have put in place. Peters can send it out to the five departments and councilpersons, giving them 30 days to respond like everybody else, and RPC can do it. He suggested handling it like they do the balance of the County.

Green believed that would be a terrible burden on the program as a whole. It should have the approval of the Streets/Highways Department in case they need an easement on a particular parcel. Nau stated RPC staff would send it to Engineering, Building, Health, Street Department, and Department of Development and also to the ward councilperson. Austin wanted to clarify what goes to the Street, the Health and Building Dept. is not the application, not the parcel being requested, but a listing of all the properties owned by that applicant. Those departments check those properties to make sure that applicant isn't in code violation. Green stated he was referring to the parcel itself. The city doesn't want to give a parcel away, and then have to negotiate to buy an easement back from the new owner. Austin stated they get a notation that says this parcel needs to have a right-of-way easement, but she thought at the time the deed is transferred, Peters gets that exact language from the Engineering Dept.

Creighton asked for clarification on the discussion. CBP is asking to enter into a contract with the Land Bank, but Nau is recommending the Land Bank not enter into the contract with CBP. She asked Austin if she is coming to the Board today on behalf of the city, because that is what the city wants. Austin stated she is submitting this proposal based upon last month's Land Bank meeting, when the Board stated they would consider covering the \$15,000 since the city can't pay because of the budget shortfall and no one is processing these applications. Creighton stated if the agreement is for one year and at \$15,000 to get them caught up, she would support CBP doing it. She asked Nau to clarify his argument against it. Nau stated RPC can do this under their administrative contract. The city will be sent a 30 day notice just as all the other political subdivisions get. Creighton thought maybe some additional

assistance is what Canton needed. Green stated it must be approached as a mutual cooperative benefit. When this program first started out, the guidelines that were drawn up stated the affected political subdivisions, whether it be a township, village or city, would have to respond within 30 days. That caused an uproar in the administration at the City of Canton, and they said they couldn't possibly do that, so there was an immense pushback on that. After several attempts to come to an agreement on the process, the city was told to take whatever time they need to get it through all their departments, and on an informal basis that is what has always been done. But it did get into a big log jam because there was nobody willing to shepherd it through all the departments. Finally Austin stepped up and she would take papers from point A to point B. Green stated in principle he agreed 100% with Nau, because it's shabby the Land Bank would have to spend the money to do it, but on the other hand he wanted to get the job done.

Thorley stated the Land Bank is operating a program on behalf of the City of Canton, which about \$1,000 of Land Bank money is already being spent for each parcel, not to include the time Peters has involved. These property owners are receiving this property for \$100, so RPC is not recommending the Land Bank pay \$15,000 more for a City of Canton program. Green understood, but on the other hand, what is the alternative. Thorley stated the alternate is that the City of Canton enter into a contract with CBP or that RPC does it on their behalf, and RPC can do it on their behalf.

Austin stated the sheer volume of the parcels that come from Canton may be why somebody else must coordinate it. She was excited about the Comp Plan and the opportunities it offers. There are layers of the Comp Plan that could say yes or no right up front to a parcel if it's in the right area, so there are ways to work through that process to streamline it. But it's not going to happen overnight. There is a process and a backlog of applications and CBP is happy to work with the city under the new administration to get things coordinated and moving along. Thorley stated it was his belief that the city needs to take some ownership of their own program. Zumber agreed, but the dilemma is getting the ball rolling and part of the problem is that this may languish for several months. Smith thought for \$15,000 this can get kick-started, and maybe by next year the city may be able to then find the money in their budget to take over.

Green moved and Creighton seconded to accept the proposal from CBP, but with the understanding that this does not imply any commitment to continue it past the one year. Creighton asked Austin to provide the Board an update on the progress. Board members expressed their satisfaction with working with Austin. Zumber stated that he understood Nau's recommendation and RPC's ability to take on this project, but he thought it best to take this route, but that it should be reviewed in one year's time. Zumber called for a vote for entering into a one year agreement with CBP for the services as outlined in the letter and the motion carried.

Update on Acquisitions for Habitat

Nau stated that last week he met with representatives from Habitat for Humanity. Massillon has put together an Ad Hoc committee to look at neighborhood issues, and the city has have done an inventory of their vacant properties. Habitat is interested in doing some targeted rehab on tax delinquent properties in Massillon. Massillon does not have as many vacant and dilapidated properties compared to Alliance and Canton that has 3,500 units that need demolished. Massillon's housing is 65% owner occupied and although they do have some demolition, they want to focus on rehab. Habitat has a lot of capacity to do rehab. Nau told the representative from Habitat that he would bring it up to the Board. RPC will put together an agreement between the Land Bank and Habitat to acquire tax delinquent

properties on their behalf, similar to Alliance and Massillon. Nau didn't see a downside to doing that if the Land Bank can partner with an established entity to do that. Habitat would identify tax delinquent properties that meet their criteria for rehab, then the Land Bank would file a tax foreclosure to acquire those properties, then the properties would be transferred to Habitat. Habitat would pay any fees the Land Bank would incur and do the rehab. Basically, Habitat is getting the properties for \$1,000. Green asked if Habitat couldn't already do that by asking the Treasurer as an interested purchaser. Nau stated this an expedited process and can happen in 4-6 months. Peters stated Habitat can get a direct transfer from the Land Bank and not have it go to the Sheriff's sale and bid. Maley stated Massillon has been partnering with Habitat. The city is going to try to prioritize what needs to get done with regards to demos but also look at the rehab part of it. Regula asked if Habitat will get the profits when they go to sell these homes. Nau stated there are a couple of different avenues to take. Habitat will have an identified end user, as they do have a network of people that are ready to move into the houses. Whether they will help with the rehab, which is one of their models, or Habitat may sell some of the homes on the open market. They will reinvest any proceeds from that back into that neighborhood. The Board was in agreement and Nau stated he would have an agreement to bring that back to the Board next month.

Discussion on Additional Funding

Zumbar stated he invited the entities that are involved with the OHFA NIP grant program, Tim Cugini on behalf of Canton, Joe Mazzola, Mike Dreger and Michelle Cutler from Alliance, and Dave Maley from Massillon. October 2017 is technically the deadline for this first NIP grant. If indeed the Land Bank is awarded money for the second round of funding, it is expected it to be greater than the first grant. The first grant was for \$4.2 million, and in addition a \$500,000 performance bonus was awarded. His intention of having these individuals speak today was to be prepared to spend every penny received. Cugini read a letter from the City of Canton requesting additional OHFA NIP funds to demolish up to 30 additional properties. The city's early commitment of 240 demolitions was given with the original deadline for the NIP program ending June 2016, but with the deadline extended to October 2017 and the proven success that has been experienced, the City of Canton is requesting additional funds.

Dreger stated Alliance wanted to spend every penny of funding. In the beginning, the big concern was not to acquire too many houses so that the city didn't end up with liability when this was over with, because the dollars didn't come out how they were estimating. At this point, with another round of money, they feel more comfortable taking some additional liability. Right now, demolition can begin within 60 days from the date the city acquires the property. A handout was provided showing several scenarios where up to 100 houses can be done. Their goal is to be done by May 1, 2017 which leaves plenty of time to seed these properties. Cutler has put together areas that are eligible for sidewalks. The city would rather just get the houses down, which is their bigger priority, but it allows them to build in some funds so they can go down to zero if they have to. Alliance has the ability to spend down to zero and he hoped the Board will consider that. He felt the key was having the assurance that the money is going to be there.

Maley stated Massillon should be moving forward on the four properties. There are additional properties, and within a month they will know which ones they want to take down.

Zumbar stated the conversation with Canton on Wednesday precipitated this last minute discussion. He wanted the Board members to be aware what his goal was to spend every penny of that \$4.7 million, and with what has been proposed here today from the City of Alliance and Canton, the Land

Bank can accommodate both of those requests as well as the four properties for the City of Massillon, provided these averages stay within the revised request with Canton at \$4.16 million and with Dreger's estimated maximum liability of 41 houses at \$15,000.

Thorley asked for clarification. There is quite a bit of money involved in what has been presented by the cities today. He asked Zumberg if he was talking about the continuation and conclusion of NIP 1, or was he speaking to NIP 2. Zumberg clarified that he was talking about NIP 1. Thorley stated it appears that the Prosecutor's office has already expended funds upwards of 24 properties for preliminary judicial titles for the City of Canton. He thought it was seven properties at \$400 per property, which would be \$2,800. But if it is indeed 24 properties, which would be \$8,000 that has already been expended, then the Land Bank should pursue the acquisition of those 24 properties in order to recoup the \$8,000 for the City of Canton. With the monies that the Land Bank has and the rate that is being expended on each property, it has been calculated that only 31 more properties can be done under NIP 1. Since Thorley wasn't part of that conversation with Jerry Yost and John Anthony, he would like to clarify all the details and come back to the Board in May with some hard numbers. Zumberg wanted to make sure that they have the correct numbers, but the problem and dilemma that he saw happening is pushing this into another month. He suggested the Board meet on Wednesday or Thursday of this week. The Board will be contacted with an available date and time to meet.

11. Next Meeting – May 16, 2016, 9:00 a.m.