

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
August 15, 2016

The Stark County Land Reutilization Corporation met for their regular meeting on Monday, August 15, 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

Sarah Peters
Lynn Carlone
Beth Pearson
Emma Posillico
Brenda Sarsany
Jill Gerber
Dave Thorley
Bob Nau
Katie Phillips

Others

Jim Wallace
Deana Stafford
Jaime Allbritain
Joe Mazzola
Michele Cutler
Jim Armeni

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
Lem Green, Municipal Representative
Bill Smith, Township Representative
Janet Creighton, Stark County Commissioner

3. MINUTES OF THE JUNE 20, 2016 MEETING

Regula moved, Green seconded, and the motion carried to approve the minutes of June 20, 2016.

4. PUBLIC SPEAKS

Jim Armeni from the State Auditor's Office, presented a certificate and read a letter from the Auditor of State, Dave Yost, recognizing the fact there were no findings and the SCLRC received a clean audit report.

5. TREASURER REPORT – Jim Wallace

Wallace gave a Treasurer’s Report summary for the months of June and July. The bank reconciliation statement for the month ending July 31st had a checking account balance of \$686,891.17. Revenues were \$321,305.44 and total expenses were \$521,583.22. City of Canton NIP Property Demolitions – Maintenance Costs in Reserve for 106 properties at \$127,200.00 and City of Alliance Maintenance Costs in Reserve for 3 NIP properties at \$3,600.00. For the Star Plus funds, there was a balance at the end of July of \$1,005,148.97. Interest for June was \$305.41 and July was \$329.83.

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

6. FISCAL ITEMS – Beth PearsonPost Approval of Payments

City of Canton – NIP Demolition Payment – Total \$115,049.17 (NIP #17)

a.	223553 -438 Gobel Ave SW	\$12,545.53
b.	204027 -1637 Harrison Ave SW	\$12,623.11
c.	201260 -913 10th St NW	\$12,383.65
d.	204773 -2219 10th St SW	\$15,391.28
e.	215572 -703 10th St NW	\$11,312.39
f.	214826 -315 Hazlett Ave NW	\$14,225.86
g.	232045 -710 Marion Ave SW	\$ 9,306.95
h.	205687 – 1632 Garfield Ave SW	\$15,566.33
i.	243495 -2517 15th St SW	\$11,694.07

City of Canton – NIP Demolition Payment – Total \$152,542.16 (NIP #18)

a.	234042 -808 High Ave NW	\$18,869.90
b.	210635 -2156 2nd St NE	\$12,496.50
c.	222786 -217 Warner Rd SE	\$15,618.10
d.	208329 -1252 Woodland Ave NW	\$17,914.13
e.	224438 – 1226 15th St NW	\$17,056.58
f.	223457 – 1705 3rd St SE	\$14,862.18
g.	217101- 615 15th St NE	\$14,728.16
h.	213256 -1431 Miami Ct NE	\$12,581.96
i.	204607 -1429 Edward Ave NE	\$14,426.97
j.	231062 – 1801 17th St NE	\$13,989.68
k.	202030 -1601 19th St NE (adjustment)	(\$ 10.00)
l.	239453 -917 10th St NE (adjustment)	(\$ 10.00)

City of Canton – NIP Demolition Payment – total \$142,319.66 (NIP#19)

a.	205678 – 825 3th St NW	\$10,135.47
b.	214848 - 1222 Plain Ave NE	\$23,700.00
c.	232712 – 1648 Henry Ave SW	\$13,955.45
d.	202812 - 3034 Navarre Rd SW	\$12,522.83
e.	221983 - 823 Troy Pl NW	\$14,009.01
f.	200574 - 2904 Christian Pl NW	\$10,808.50
g.	212860 - 711 Park Ave SW	\$15,398.22
h.	207070 - 1713 Bryan Ave SW	\$14,449.32
i.	227258 - 1441 Alden Ave SW	\$10,493.85
j.	236702 - 3128 Belmont Pl SW	\$16,847.01

City of Canton - NIP Demolition Payment - total \$132,100.84 (Nip#20)

a.	202224 - 1542 Olive Pl NE	\$15,296.45
b.	210860 - 305 Brown Ave NW	\$15,446.20
c.	225573 - 910 3th St NE	\$16,070.70
d.	207996 - 805 9th St SW	\$11,650.80
e.	221606 - 1446 Willet Ave SE	\$14,569.34
f.	220717 - 1395 Crescent Rd SW	\$14,833.14
g.	212906 - 231 Lawn Ave SW	\$ 9,773.48
h.	230926 - 819 Young Ave NE	\$10,702.50
i.	231157 - 822 The O'Jays Pkwy NE	\$12,219.77
j.	245175 – 1504 Lippert Rd NE	\$11,538.01

Creighton moved, Regula seconded, and the motion carried to approve post approval of payments as presented.

Budget Revision

Pearson presented the proposed budget revision in contemplation of purchasing the property management software system. Smith moved, Green seconded, and the motion carried to approve the revisions as presented. (See attached budget)

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

Carlone presented the Neighborhood Initiative Program (NIP) Update

City of Canton:

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

- 156 demolitions have been completed overall – 0 new demolitions have been completed since the last report.
 - 0 – properties are waiting to be greened

- 0 – Canton currently developing reimbursement packets/Canton ready to have reimbursement packets reviewed by RPC
 - 156 demolition reimbursement packets have been submitted overall – 31 new since last report.
 - 145 demolitions have been approved by OHFA – 30 new packets since last report
 - Current average cost of demolition per property is \$15,408.00
 - OHA mortgages are fully executed on 115 properties & OHFA reimbursement to SCLRC - \$1,760,977.32
 - Canton has been reimbursed a total of \$2,038,441.53 for 145 properties
 - OHA mortgages pending payment/execution on 30 properties; once completed, OHFA reimbursements to SCLRC – and additional \$465,964.21
 - 11 demolitions are being readied by the RPC for submission to OFHA - \$186,605.98
- * **14 – Total number of properties identified on a current active list for acquisition under Round 1 & 2**
 - * **53 – Total number of properties identified on a current active list for acquisition under Round 3**

City of Alliance:

- **31 – Total number of acquired properties to date:**
 - 30 Demolitions have been completed overall – 3 new demolitions have been completed since last report
 - 6 - Alliance currently developing reimbursement packets/Alliance ready to have reimbursement packets reviewed by RPC
 - 21 – Properties are waiting to be greened
 - 1 – property waiting for asbestos inspection
 - 3 – Demolitions reimbursement packets have been submitted overall – 0 new packets since last report.
 - 3 demolitions have been approved by OHFA – 3 new packets since May report.
 - Current average cost of demolition per property is \$11,690.00
 - Alliance has been reimbursed a total of \$31,169.36 for 3 properties
 - OHA mortgages pending payment/execution on 3 properties; & OHFA reimbursements to SCLRC - \$35,069.36
- * **24 – Total number of properties identified on a current active list for acquisition under Round 1 & 2**
 - * **30 – Total number of properties identified on a current active list for acquisition under Round 3**

City of Massillon:

- * **4 – Total number of acquired properties to date:**
 - 1 demolition has been completed overall – 1 demolitions have been completed since June report; this property is waiting to be greened
 - 3 – Asbestos evaluations completed; asbestos abatement needed on 3
- * **30 – Total number of properties identified on a current active list for acquisition under Round 3**

NEIGHBORHOOD INITIATIVE PROGRAM TIMELINE as of AUGUST 15, 2016

<u>Date</u>	<u>Action</u>	<u>Funding</u>
March 31, 2014	Award of Round 1	\$ 4,235,000.00
September 30, 2015	Award of Round 2	<u>\$ 500,000.00</u>
	Total	\$ 4,735,000.00
August 18, 2016	Contract of Round 3	<u>\$ 6,017,166.37</u>
	Cumulative Total	\$10,752,166.37

Round 1 & 2

<u>Date</u>	<u>Action</u>	<u>Required Outcome</u>	<u>Actual Outcome</u>
March 31, 2015	50% Acquired	95 properties	137 properties
September 30, 2015	100% Acquired	189 properties	202 properties
October 28, 2016	50% Expended	\$2,367,500.00	\$2,450,000.00+
October 31, 2017	100% Expended	\$4,735,000.00	_____
March 31, 2018	Final Financial Report Due		
Final Performance Report	Due after release of the last 3-year lien		

Landbank is expending an average of \$15,400 on each demolition. As such, Landbank needs to own a minimum of 308 properties in order to exhaust Round 1 & 2 funding. As of August 1, 2016, the Landbank owns 274 properties: Canton – 239, Alliance – 31, Massillon: 4

Another 38 properties are currently being pursued under Round 1 & 2: Canton – 14, Alliance - 24

Total expected properties to be acquired under Round 1 & 2 – 312 properties**Round 3**

<u>Date</u>	<u>Action</u>	<u>Required Outcome</u>	<u>Needed Outcome</u>
May 18, 2017	50% Acquired Reallocation Analysis I	121 properties	350 properties total
November 18, 2017	100% Acquired 25% Expended (Round 1, 2 & 3) Reallocation Analysis II	241 properties \$2,688,041.59	700 properties total \$2,688,041.59
December 18, 2018	75% Expended (Round 1, 2 & 3) Reallocation Analysis	\$8,064,124.77	\$8,064,124.77
December 18, 2019	100% Expended (Round 1, 2 & 3)	\$10,752,166.37	\$10,752,166.37

113 properties are currently being pursued under Round 3: Canton – 53, Alliance – 30, Massillon – 30

September 2, 2016	Canton to provide 50-55 properties Alliance to provide 48-50 properties
October 7, 2016	Canton to provide 50-55 properties
November 4, 2016	Canton to provide 50-55 properties
December 2, 2016	Canton to provide 50-55 properties
January 6, 2017	Canton to provide 50-55 properties

Total expected properties to pursue under Round 3 – 411 - 438 properties

As the average demolition cost is \$15,400, the Landbank needs to own a minimum of 700 properties in order to exhaust Round 1, 2, & 3 funding.

OHFA - $\$10,752,166.37 / \$25,000$ per property = 430 properties

Actual - $\$10,752,166.37 / \$15,400$ per property = 700 properties

Total expected properties to pursue under Rounds 1, 2, & 3 – 723 -750 properties

Zumbar asked Thorley to brief the board on the discussion they had with Fonda Williams and Mark Krauss from the City of Canton. Thorley stated the original contract was reviewed in detail about how NIP 1 and later NIP 2 were to operate. That agreement was used to bond \$1 million on two separate occasions. There had never been any conversations going forward on the additional \$6 million the SCLRC had been awarded. Both Alliance and Massillon appear to be on board with it. We had notified Canton that they are going to be the major player in this whole thing. Coming out of that meeting, Canton will need to have an additional contract because they are going to Council and ask that they bond \$2 million going forward, and an auditing issue requires them to have an additional contract. So a contract will be sent over to Canton's law department and to go forward with that. Staff has routine conference calls with Canton to give updates, but this was the first time the parties actually sat down around the table with the Mayor's office. Zumbar added that Lisa Miller was included in that meeting.

Regula asked if there has been a survey conducted to see how many potential properties are out there that need demolition. Zumbar stated there are 3,500 properties in Canton alone and about 150 in Alliance and 150 in Massillon. Massillon's housing stock is more rehabilitation oriented.

Mazzola stated that he and Cutler have toured the City of Alliance looking for any homes that need removed, any structures that are not coming back that are NIP eligible, and Alliance is around that 150 mark. There may be a few that may appear during the course of the program. Zumbar stated Alliance

will exhaust their stock for this program and Massillon will also exhaust their properties, so now it's going to be almost entirely on the City of Canton. It is crucial that Canton continues with its program, gets these bonds issued and addresses the blight that is prevalent throughout certain sectors along those targeted corridors. They may even be able to get into what is called the *rotten core*, but they can't focus on that yet because they are targeting specific program areas that involve CDBG monies, the Neighborhood Stabilization Program, and the Harrison and Mahoning Corridor projects. It has made a dramatic impact where these homes have been removed. The money is here and it would be unfortunate if Canton missed that opportunity. In a year, Massillon and Alliance will be done.

Green asked if anyone in Canton is expressing reservations whether the money will be made available for the bond. Zumber stated they have not heard that. Thorley stated that Williams and Krauss were going to Council this week to answer some questions that Council had expressed after they made their first presentation to them. They indicated that everything was positive with Council. Green asked if there was anything in the Canton plan they just passed that suggests that they shouldn't pursue those properties, because there are very strong implications that they don't spend money where it's not going to be useful. Thorley stated that they didn't get that sense during that meeting at all. SCLRC actually volunteered staff if need be to attend Council meetings to help them out if necessary.

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

Sarah Peters presented the Side Lot Program Update:

Total Applications Submitted: 1,045

(7 applications were received since the June '16 update)

Cities – 895: Canton: 732; Massillon: 73; Alliance: 90

Other Communities – 150

Bethlehem Twp – 5, Brewster – 2, Canton Twp – 22, East Canton – 7, East Sparta – 3, Hartsville – 3, Jackson Twp – 3, Lake Twp – 1, Lawrence Twp – 6, Lexington Twp – 26, Limaville 2, Louisville – 2, Meyer's Lake – 1, Minerva – 2, 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.

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- Total Number of Applications Under Preliminary Review: 0
 - Total Number of Applications Denied: 380
(16 applications were denied since the June '16 update)
 - Number of Canceled Applications/Fee Refunded: 37
 - Total Number Pending Approval by Community: 73
 - **Total Number of Approved Applications: 555**
(22 applications were approved since the June '16 update)
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- Total Number of Approved Applications Pending Deposit Receipt / Request for Foreclosure / Completed Foreclosure Proceeding: 112
- Total Number Being Prepared for Transfer: 64
- **Total Number Transferred to Date: 379**
(12 Side Lots were transferred since the June '16 update)

Vacant Lot Program Update:

Total Applications Submitted: 64 (5 applications received since the May '16 update)

Cities – 61: Canton – 53; Alliance – 7; Massillon – 1

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

- Total Applications under Preliminary Review: 0
- Total Applications Denied: 29
- Number of Canceled Applications/Fee Refunded: 1
- Total Pending Approval by Community: 10
- **Total Approved Applications: 26**

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- Total Applications pending return of MOU/Purchase Agreement & Purchase Price with an extension/final deadline to proceed or application will be canceled: 13
 - Total Approved Applications Pending Executed MOU/Completion of Foreclosure Proceeding: 6
 - Total Being Prepared for Transfer: 7
 - Total Transferred to Date: 0

9. NEW BUSINESS

Peters stated that RPC received eight requests from Habitat for Humanity for assistance with acquisition of property. RPC reviewed the properties that Habitat had requested and they all appeared to be acceptable, so staff sent them over to the Treasurer's office and asked for the foreclosure process. Four of those properties are moving ahead and staff is asking for post approval (first 4 properties bolded). The next three properties listed were already identified currently in foreclosure. If they go to a Sheriff's sale and don't get bid on and get forfeited to the Auditor, then the Land Bank could help acquire them for Habitat at that time, or Habitat could go to the Sheriff's sale and possibly bid on them and purchase them at the sale. Peters asked if the board would give approval for staff to proceed if the three parcels get forfeited, or should they just wait to see if that ever happens. Zumbar suggested the board go ahead and give post approval for the first four properties listed and also give authority to the SCLRC to acquire any forfeited parcels in this listing. Peters added that regarding the 236 Commonwealth property, the owner of that property is on payment contract, so if they were to default, then the Land Bank could proceed on that property. Green moved, Creighton seconded, and the motion carried to give post approval (parcels identified in bold) and authorization to proceed with acquiring the remainder of the properties if forfeited.

- Habitat for Humanity – Request for acquisition of Massillon properties
 - **1421 Forest Ave. SE, (parcel #617963)**
 - **32 Pearl Ave. SE (parcel #612557)**
 - **715 Taylor St. SW (parcel #600932)**
 - **519 Bebb Ave. SW (parcel #608074)**
 - 1606 Tremont Ave. SW (parcel #600019)
 - 320 Ertle Ave. NE (parcel #603529)
 - 530 Bebb Ave. SW (parcel #612534)
 - *236 Commonwealth Ave. NE (parcel #608371)*

Peters stated on July 20th, the City of Massillon submitted a letter requesting assistance for the house lot located at 937 Wales and the three contiguous vacant lots on Wales. They are looking to acquire those properties, which are contiguous to a lot that the City of Massillon already owns. Staff reviewed those properties for eligibility and then submitted those for foreclosure. Staff is requesting post approval for assisting the city on acquiring those parcels. Green moved, Smith seconded, and the motion carried to approve the request from the City of Massillon to acquire the properties listed in their request.

- City of Massillon – Request for acquisition of properties
 - 937 Wales Rd. NE (parcel #600573)
 - Vacant Lot Wales Rd. NE (Parcel #605030)
 - Vacant Lot Wales Rd. NE (Parcel #610335)
 - Vacant Lot Wales Rd. NE (Parcel #600572)

10. OLD BUSINESS

a. Second Amendment to Neighborhood Initiative Program Agreement

Thorley stated that in March 2014, the SCLRC was awarded \$4.235 million and in September 2015 an additional \$500,000. Recently over \$6 million was awarded for round 3, which makes a total of \$10,752,166. The board is being asked to approve this second amendment to the original NIP agreement with OHFA that includes that additional amount and revises the reporting and reimbursement deadlines. Zumbar called for a vote of those in favor of approving the second amendment to the NIP agreement, and it was carried.

11. Next Meeting – September 19, 2016, 9:00 a.m.

CY 2016 SCLRC EXPENSE BUDGET

PROGRAM EXPENSES

	Total Approved Budget	Revision #1 5/16/16	Revision #2 8/15/16
Contracted Expenses			
Administration - RPC	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00
Stark County Treasurer	\$ 52,000.00	\$ 52,000.00	\$ 52,000.00
Stark County Prosecutor	\$ 135,000.00	\$ 135,000.00	\$ 135,000.00
Julian & Grube, Inc.	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
	\$ 368,200.00	\$ 368,200.00	\$ 368,200.00
Insurance			
Sirak Ins - Property Insurance	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Sirak Ins. - D & O	\$ 3,598.00	\$ 3,598.00	\$ 3,598.00
	\$ 33,598.00	\$ 33,598.00	\$ 33,598.00
Audit			
Auditor of State	\$ 6,500.00	\$ 10,500.00	\$ 10,500.00
Travel			
Travel by SCLRC Board	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Side Lot Expenses			
Expenses related to side lot	\$ 158,000.00	\$ 158,000.00	\$ 158,000.00
Various Vendors	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00
Property Maintenance			
Grounds maintenance	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
Securing of properties	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Vacant Lot Program			
Acquisition Costs	\$ 38,500.00	\$ 38,500.00	\$ 38,500.00
Administrative Fees	\$ 38,500.00	\$ 38,500.00	\$ 38,500.00
	\$ 77,000.00	\$ 77,000.00	\$ 77,000.00
Property Acquisition			
Land Assemblage/Rehab	\$ 65,500.00	\$ 66,500.00	\$ 31,500.00
Property Management Software			
Software License	\$ -	\$ -	\$ 35,000.00
	\$ -	\$ -	\$ 35,000.00
Demolition Program - Land Bank			
Demolition	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00
	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00
TOTAL PROGRAM EXPENSES	\$ 892,298.00	\$ 897,298.00	\$ 897,298.00
Contingencies	\$ 22,242.00	\$ 18,242.00	\$ 18,242.00
NIP Expenses			
Demolitions under NIP	\$ 2,700,000.00	\$ 2,700,000.00	\$ 2,700,000.00
TOTAL EXPENSES	\$ 3,614,540.00	\$ 3,615,540.00	\$ 3,615,540.00