



2015

ANNUAL REPORT

Presented March 17, 2016

SCLRC 2015 ANNUAL REPORT

This report sets out the accomplishments of the Stark County Land Reutilization Corporation (SCLRC) during 2015 and projects the expectations for 2016.

MISSION STATEMENT

“To strategically acquire properties, return them to productive use, reduce blight, increase property values, support community goals and improve the quality of life for county residents.”

Administration

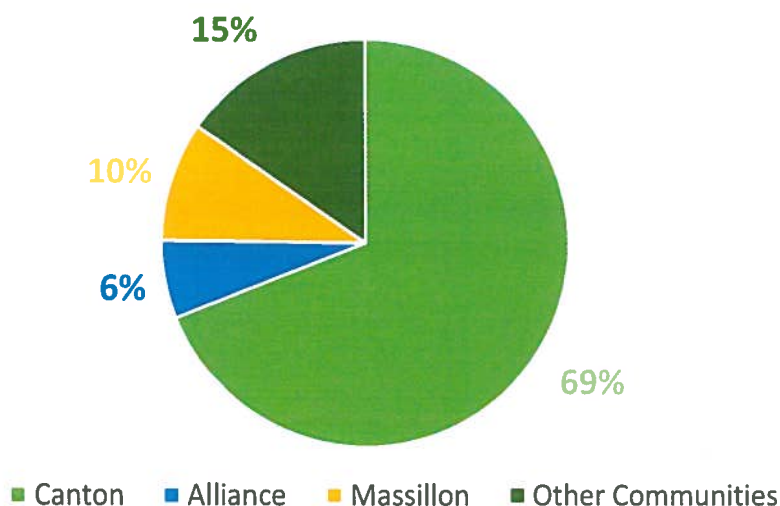
The Stark County Regional Planning Commission (SCRPC) continued to administer the programs and activities of the SCLRC during 2015. The SCRPC entered into a contract in May 2014 for the general administration, financial planning and oversight, and secretarial duties of the SCLRC. The SCRPC has a staff with experience in operating federal and state grant programs and financial management.

Side Lot Disposition Program

The purpose of the SCLRC’s Side Lot Disposition Program is to turn tax delinquent, vacant and abandoned lots into well maintained, tax producing properties by making these properties available to qualified contiguous property owners. Since the program began in 2013, a total of 936 Side Lot applications have been received. They have been submitted for parcels across 28 political jurisdictions in Stark County. Of the total received, 233 Side Lot applications were submitted in 2015. The majority of applications were received for parcels located in the City of Canton.

A total of 275 lots were transferred to the approved applicants in 2015. The chart below shows the disbursement in the location of the completed transfers.

Side Lots Transferred Across Stark County in 2015



As demolitions commenced under NIP, the SCLRC began accepting applications from qualified applicants for these properties. To be eligible to acquire a “NIP Side Lot” applicants must meet additional qualifications as required by OHFA. It is expected that as properties are demolished under NIP, a majority of those now vacant lots will be transferred to eligible Side Lot applicants within the next 3 years.



Neighborhood Initiative Program (NIP)

The NIP program is administered by the Ohio Housing Finance Agency (OHFA), with funding coming from US Department of Treasury, utilizing Hardest Hit Funds (HHF). Funding is utilized to acquire, demolish, and green vacant, blighted, and delinquent residential properties (1-4 units) within designated target areas in the cities of Canton, Alliance, and Massillon. The program is expected to stabilize property values and prevent future foreclosures for existing homeowners.

The Neighborhood Initiative Program (NIP) commenced during 2014 with an initial award to the SCLRC in the amount of \$4,235,000. Then in October 2015, an additional \$500,000 was awarded to the SCLRC. With this increased funding, the original demolition completion date was removed and the final paperwork submission deadline was moved to October 31, 2017, providing land banks with an additional year to complete needed work.

As of December 31, 2015, the following has taken place:

- ❖ 223 properties owned by the SCLRC
 - 214 in Canton
 - 9 in Alliance
- ❖ 58 additional properties being pursued for ownership
 - 28 in Canton
 - 26 in Alliance
 - 4 in Massillon
- ❖ 32 reimbursement packets submitted to OHFA - all in Canton
 - 24 fully approved with reimbursements in the amount of \$368,391.21
 - 8 demolitions pending approval of OHFA in the amount of \$133,644.18
- ❖ \$15,689 - Average cost of demolition per property

Once properties are owned by the SCLRC, they are demolished by the partner city and greened. After properties are fully completed and a final mortgage is placed by Ohio Homeowner Assistance LLC (OHA) to insure the NIP funding, the SCLRC holds title to the vacant properties for three years (unless a property is transferred to a qualified end-use prior this date), after which time, ownership of each property will be deeded to the respective partner city.

Property Donation

In December 2015, Wells Fargo Bank donated to the Land Bank through their REO Donation Program, 1 property located at 1928 – 3rd Street SE, Canton, OH 44707. The property's residential structure is blighted and qualifies for inclusion under NIP. The structure will be demolished in 2016. With the donation of this property came \$4,806.71 which was deposited in January 2016.

General Expectations from 2015

Program Expansion - Vacant Lot Disposition Program

A program established in 2015, the SCLRC's Vacant Lot Disposition Program aims to also turn tax delinquent, vacant and abandoned lots into well maintained, tax producing properties. This program is similar to the Side Lot Program but has different qualifications and price. The SCLRC revised its adopted policies in October 2015.

The SCLRC received 52 Vacant Lot applications in 2015. Twenty three (23) of the 52 had been reviewed and approved to proceed in the process. While being put into place late in the fall, this program has already seen 5 properties in the acquisition phase and are expected to be transferred to the approved applicants in mid-2016.

GADC - Stewart Brothers - Property Acquisition

In 2014 the SCLRC passed a resolution accepting title to property located on N Union Avenue in Alliance, Ohio (3 parcels – 109377, 112077 & 109376) by deed in lieu of foreclosure from Stewart Brothers Paint Company, with the intent to convey title to the GADC (Greater Alliance Development Corporation). The SCLRC acquired the properties on January 15th 2015 and conveyed the properties to GADC on February 5th, 2015. After the SCLRC's assistance in acquiring these properties, the GADC in cooperation with the City of Alliance was able to remediate and demolish the former structures on the properties in July 2015. The demolition will make way for a new industrial enterprise to be built in its place.

50/50 Demolition Funding Assistance

In 2015 the SCLRC was requested to provide demolition funding assistance as a 50/50 reimbursement match. The SCLRC entered into an agreement with both the Cities of Alliance and Louisville for the demolitions of vacant/dilapidated structures. The communities contracted for & completed all required work to properly complete the demolitions.

Alliance

- Funding Agreement for 50% of demolition hard-costs not to exceed \$60,000.00
- Funds assisted in the demolition of 2 non-residential structures at a cost of \$46,420.40

Louisville

- Funding Agreement for 50% of demolition hard-costs not to exceed \$20,000.00
- Funds assisted in the demolition of 3 residential structures; all \$20,000.00 was expended

2015 Financial Report

STARK COUNTY LAND REUTILIZATION CORP. - 2015	
First Merit Bank Checking Account	
Beginning Balance at 1/1/15	161,825.51
Revenue:	
DTACT Funds	773,108.68
OHFA NIP Funds	207,102.26
City NIP Expenses Receipts	159,142.07
Side Lot Fees	20,600.00
Vacant Lot Fees	17,910.00
NIP Property Redemptions	16,513.70
Miscellaneous	3,832.10
Easement Reimbursement	1,221.00
Total Revenue	<u>1,199,429.81</u>
Expenses:	
OHFA NIP Program Disbursements	461,835.39
RPC General Admin Fees	170,796.09
Prosecutor's Office Land Bank Unit Funding	121,183.41
Legal Fees/Court Costs	110,711.51
Other Demolition Payments	73,670.40
Treasurer's Office Services	65,907.10
Publication Costs	45,716.85
City NIP Expenses Disbursements	41,594.53
Liability Insurance	40,095.00
Other Demolition Payments	38,426.03
Recorder's Fees	25,680.00
NIP Property Redemption Reimbursement	14,626.14
Refund of Side Lot Fees	1,700.00
Accounting Fees	1,000.00
Bank Fees/Charges	245.26
Audit Fees	61.50
Total Expenses	<u>1,213,249.21</u>
Net Expenses over Revenue	13,819.40
Ending Balance at 12/31/15	<u>148,006.11</u>

STAR Plus Fund	
Beginning Balance at 1/1/15	\$ 1,001,016.45
Interest Earned	\$ 2,018.77
Ending Balance at 12/31/15	<u>\$ 1,003,035.22</u>

General Expectation for 2016

The SCLRC anticipates being involved in the following:

1. Program Expansion – It is anticipated that the SCLRC’s current programs will continue to expand and grow in the upcoming year, including the side lot program, the vacant lot program and the 50/50 demolition program (develop and adopt formal policies for this program). In addition, as the need arises within the County for new programs, the Regional Planning Commission will explore and make recommendations to the SCLRC for inclusion of various programs. These may include an acquisition program, residential and non-residential demolition, etc.
2. Community Assistance –
 - a. The City of Alliance requested the assistance of the SCLRC to obtain 3 vacant properties formerly owned by Penn Central (parcels 112740, 112742, and 112738) pursuant to the O.R. C. 5722.21(B). The 3 properties are tax delinquent properties near the triangle corner of Ely, Mechanic, and Hester Streets near downtown Alliance. With the acquisition through the tax foreclosure, the SCLRC will then be able to convey clear title to the City of Alliance for the purpose of right-of-way access and creating a corner mini-park. The properties are expected to transfer in mid-2016.
 - b. The City of Alliance requested the assistance of the SCLRC to obtain additional properties for the purposes of redevelopment and future economic growth around the City’s downtown. These properties are intended to be acquired and transferred in 2016.
 - c. As the need/opportunity arises, the SCLRC will examine each community request for assistance with obtaining and conveying properties.
3. Property Management System – Proposals were sought for a property management software system at the beginning of 2016. If approved for purchase by the SCLRC, it is anticipated that this program will be functional by the end of 2016.
4. Future Funding for Demolitions – As new funding for demolition becomes available to Land Banks, it is expected that the SCLRC will continue their mission through their coordination with municipalities to strategically remove the influence of blight in the County.
5. In 2015, the City of Massillon formed a Housing Taskforce to address specific housing issues affecting the City. The RPC, on behalf of the SCLRC has been participating with at taskforce meetings and in 2016 hope to aid the City in their goals for demolition and rehabilitation of the City’s vacant housing stock.
6. In 2015, the RPC on behalf of the SCLRC, met with Habitat for Humanity, and discussed a partnership focused on the SCLRC’s assistance with acquisition of targeted properties in a Canton City neighborhood. Habitat has established a 4-year plan in the Harrisburg Royal (the “Boulevards”) neighborhood and in 2016, the SCLRC expects to provide assistance to facilitate their plan.