

SCLRC 2016 ANNUAL REPORT

This report sets out the accomplishments of the Stark County Land Reutilization Corporation (SCLRC) during 2016 and projects the expectations for 2017.

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

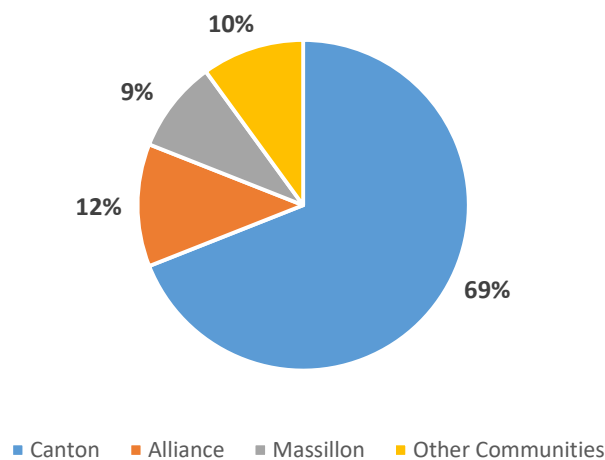
The Stark County Regional Planning Commission (SCRPC) continued to administer the programs and activities of the SCLRC during 2016. The SCRPC entered into a contract in May 2014 for the general administration, financial planning and oversight, and secretarial duties of the SCLRC. The SCRPC has a staff 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 1,124 Side Lot applications have been received. They have been submitted for parcels across 28 political jurisdictions in Stark County. Of the total received, 188 Side Lot applications were submitted in 2016. The majority of applications were received for parcels located in the City of Canton.

A total of 152 lots were transferred to the approved applicants in 2016. The chart below shows the disbursement in the location of the completed transfers.

Side Lots Transferred Across Stark County in 2016



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. In 2016, the SCLRC had reviewed and approved 19 applications for NIP side Lots; which will transfer in early 2017. 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 3 years of required SCLRC ownership.

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. Since the program began, a total of 109 Vacant Lot applications have been received. They have been submitted for parcels across 7 political jurisdictions in Stark County.

Of the total received, 58 Vacant Lot applications were submitted in 2016. Similar to the Side Lot Program, the majority of applications were received for parcels located in the City of Canton.

A total of 10 lots were transferred to the approved applicants in 2016.

Neighborhood Initiative Program (NIP)

The NIP program is administered by the Ohio Housing Finance Agency (OHFA), with funding coming from the 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.



"Before" photos of SCLRC owned properties located in Canton, OH

The Neighborhood Initiative Program (NIP) commenced during 2014 with an initial award to the SCLRC in the amount of \$4,235,000; in October 2015, an additional \$500,000 was awarded. Under the next phase of the program, in August 2016, the SCLRC was awarded an additional \$6,017,166.37, with the receipt of another \$1,280,279.58 in November 2016; bringing the total NIP award allocation to \$12,032,445.95.

With the addition of the new phase of funding, both interim and final completion dates were extended. It is now expected that 100% of the properties will be acquired by the end of November 2017. Seventy-five percent (75%) of the funding will be expended by mid-December 2018; with "Final Drawdown Submission" submitted to OHFA by December 18, 2019.

As of December 31, 2016, the following has taken place:

- ❖ 294 properties owned by the SCLRC
 - 248 in Canton
 - 42 in Alliance
 - 4 in Massillon
- ❖ 386 additional properties being pursued for ownership
 - 254 in Canton
 - 102 in Alliance
 - 30 in Massillon
- ❖ 206 reimbursement packets submitted to OHFA
 - 181 approved properties in Canton – reimbursed \$2,822,574.26; none pending
 - 25 approved properties in Alliance – reimbursed \$332,502.92; none pending
- ❖ \$15,316 - Average cost of demolition per property



"In-Process" Demolition Photo, Alliance, OH

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 to this date), after which time, ownership of each property will be deeded to the respective partner city.

Property Donation

In September 2016, Wells Fargo Bank donated to the Land Bank through their Community & Urban Stabilization Program (CUSP), 1 property located at 1931 Bryan Avenue SW, Canton, OH 44706. The property's residential structure is blighted and qualifies for inclusion under NIP. The structure is expected to be demolished in 2017.

General Expectations from 2016

1. Program Expansion – Acquisition Assistance
 - A. In May 2016 the Land Bank and Habitat for Humanity East Central Ohio (Habitat) signed an agreement in order to assist Habitat in their plans to revitalize a focus neighborhood within the City of Massillon. Habitat is focused on acquiring properties with potential and preserving existing homes, and offering home repair programs to existing homeowners in the neighborhood. The Land Bank will help to acquire and transfer identified properties within the focus neighborhood and throughout the City of Massillon.
 - B. In October 2016, the Land Bank and Habitat for Humanity East Central Ohio (Habitat) signed an agreement in order to assist Habitat in their plans to revitalize a focus neighborhood within the City of Canton. Habitat’s Renewal Project is focused on building new homes, acquiring properties with potential and preserving existing homes, demolishing blighted structures, repurposing lots, and offering home repair programs to existing homeowners in the neighborhood. The Land Bank will help to acquire and transfer identified properties within the focus neighborhood.



Properties identified for inclusion in Habitat Renewal Project Area, Canton, OH

2. 50/50 Demolition Funding Assistance

In 2016, 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.

- A. Alliance
 - Funding Agreement for 50% of demolition hard-costs not to exceed \$10,500.00
 - Funds will assist in the demolition of a 9-unit apartment structure; project not completed in 2016.
- B. Louisville
 - Funding Agreement for 50% of demolition hard-costs not to exceed \$15,000.00
 - Funds will assist in the demolition of 1 mixed-use commercial structure; project not completed in 2016.

3. Property Management System

In October 2016, a contract for property management software was entered into with the Cuyahoga County Land Reutilization Corporation. Program development for the Property Profile System (PPS) began in late 2016 with the expectation of being operational in 2017.

General Expectation for 2017

The SCLRC anticipates being involved in the following:

1. Program Expansion

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 a residential and non-residential demolition program, rehab program, etc.

2. Community Assistance

A. Abandoned Gas Station Clean-Up Funding – 520 S. Union Ave., Alliance, OH

The SCLRC will assist the City of Alliance and a local Developer in the acquisition of a property owned by Baynk Development LLC, for the purposes of conducting an environmental site assessment. The SCLRC's assistance will enable the remediation required and future redevelopment of the site.



Vacant Gas Station – 520 S. Union Avenue, Alliance, Ohio

B. The SCLRC will examine each community request for assistance with obtaining and conveying properties.

2016 Financial Report

STARK COUNTY LAND REUTILIZATION CORP. - 2016	
First Merit Bank Checking Account	
Beginning Balance at 1/1/16	148,006.11
Revenue:	
DTACT Funds	779,004.58
OHFA NIP Funds	2,697,512.63
City NIP Expenses Receipts	47,219.31
Side Lot Fees	13,400.00
Vacant Lot Fees	27,680.00
NIP Property Redemptions	1,796.58
Miscellaneous	23,772.50
Easement Reimbursement	2,960.00
Total Revenue	<u>3,593,345.60</u>
Expenses:	
OHFA NIP Program Disbursements	2,443,978.93
RPC General Admin Fees	178,365.18
Prosecutor's Office Land Bank Unit Funding	120,434.02
Legal Fees/Court Costs	62,879.75
Other Demolition Payments	34,450.00
Treasurer's Office Services	49,887.69
Publication Costs	26,306.70
City NIP Expenses Disbursements	13,448.35
Liability Insurance	24,799.75
Recorder's Fees	10,142.50
NIP Property Redemption Reimbursement	577.45
Refund of Side Lot/Vacant Lot Fees	4,360.00
Accounting Fees	1,000.00
Bank Fees/Charges	-
Audit Fees	10,291.00
Other	22,809.19
Total Expenses	<u>3,003,730.51</u>
Net Expenses over Revenue	(589,615.09)
Ending Balance at 12/31/16	<u><u>737,621.20</u></u>

STAR Plus Fund	
Beginning Balance at 1/1/16	1,003,035.22
Interest Earned	3,066.18
Transfer to STAR OHIO	(1,000,000.00)
Ending Balance at 12/31/16	6,101.40
STAR OHIO Fund	
Beginning Balance at 1/1/16	-
Transfer from STAR Plus	1,000,000.00
Interest Earned	1,291.73
Ending Balance at 12/31/16	1,001,291.73