

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION  
May 15, 2017

The Stark County Land Reutilization Corporation met for their regular meeting on Monday, May 15, 2017 at 9:00 a.m. in the Stark County Regional Planning Commission Conference Room.

Board Members

Alex Zumbar  
Lem Green  
Janet Creighton  
Bill Smith

RPC Staff

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

Others

Jim Wallace  
JR Rinaldi  
Deana Stafford  
Joe Mazzola  
Jaime Allbritain

ALL TO ORDER BY SCLRC CHAIRMAN, Alex Zumbar

1. ROLL CALL – Board Members Present

Roll call found the following board members in attendance: Alex Zumbar, Lem Green, Janet Creighton and Bill Smith. Creighton moved, Smith seconded, and the motion carried to excuse John Arnold.

3. MINUTES OF THE April 17, 2017 MEETING

Green moved, Zumbar seconded, and the motion carried to approve the minutes of April 17, 2017.

4. PUBLIC SPEAKS – No public speaks

5. TREASURER REPORT – Jim Wallace

The month of April ended with a checking account balance of \$1,521,779.13. Revenues were \$938,284.00 and total expenses were \$14,366.34. The Star Ohio Investment account had an ending balance of \$1,004,111.18 with \$810.67 interest earned, and the Star Plus Investment account had an ending balance of \$6,112.38. Wallace also reviewed the *Budget vs. Actual* numbers. Creighton moved, Smith seconded, and the motion carried to accept the Treasurer's report as submitted.

6. FISCAL ITEMS – Beth Pearson

## Post Approval of Payments

1. City of Canton – NIP #31 – 10 parcels	<b>\$104,060.23</b>
a 228342 – 1421 Tuscarawas St. E	\$13,879.06
b 207357 – 1611 Harrison Ave. SW	\$17,530.93
c 233836 – 1517 Vine Ave. SW	\$14,327.32
d 223857 – 1506 Stark Ave. SW	\$11,957.86
e 227822 – 1544 Tanner Ave. SW	\$10,068.74
f 214295 – 2055 2 <sup>nd</sup> St. SE	\$14,539.62
g 231153 – 2007 St. Elmo Ave. NE	\$12,512.05
h 230555 – 2427 Grigsby Pl SW	\$ 9,245.65

Green moved, Smith seconded and the motion carried to approve the post approval of the above noted payments.

7. NEIGHBORHOOD INITIATIVE PROGRAM (NIP) REPORT – Lynn Carlone**Carlone presented the Neighborhood Initiative Program (NIP) Update****City of Canton:**❖ **296 – Total number of acquired properties to date:**

- 228 demolitions have been completed overall – 0 new demolitions have been completed since January report
  - 2 - Canton currently developing reimbursement packets/Canton ready to have reimbursement packets reviewed by RPC
  - 226 demolition reimbursement packets have been submitted overall – 0 new packets have been submitted since the last month's report.
    - 217 demolitions have been approved by OHFA – 8 new packets since the last month's report.
      - Current average cost of demolition per property is \$15,685.00
      - OHA mortgages are fully executed on 209 properties & OHFA reimbursement to SCLRC - \$3,271,717.03
      - OHA mortgages are pending on 8 properties; OHFA to reimburse SCLRC additional - \$114,460.23
        - Canton has been reimbursed a total of \$3,103,214.30 for 217 properties
    - 9 additional demolitions being prepared for submission to OHFA - \$158,627.32

❖ **236 Total Number of Properties Identified on a Current Active List for Acquisition under Round 3** (16 additional parcels recent submitted by City & under review by RPC)

Green expressed his concern over the fact there have been no demolitions since January. Carlone stated that she was not that concerned yet, and she assumed the properties are going to start coming in soon. The city has mentioned during their conference calls that many properties are under contract. JR Rinaldi, with the City of Canton Building Department, stated the city has knocked three more properties down and one just went out for bid, and the city is aggressively finishing up round one and two. The city had 12 properties with the majority of those done late fall and early this year, and they have now been greened, so there will be a decent amount of properties submitted as soon as the packets are ready. There may be one or two properties left in round two; so the city is moving aggressively with that, and the 35 they have in their possession are out for testing and are starting to come back in for abatement under round three. Hopefully round two will be finished up soon.

#### **City of Alliance:**

##### ❖ **107- Total number of acquired properties to date:**

- 42 demolitions have been completed overall – 0 new demolitions have been completed since last month's report
  - 13 – Alliance currently developing reimbursement packets/Alliance ready to have reimbursement packets reviewed by RPC
  - 29 demolition reimbursement packets have been submitted overall – 0 new packets since last month's report.
    - 29 demolitions have been approved by OHFA – 0 new packets since last month's report.
    - Current average cost of demolition per property is \$13,674.00
    - OHA mortgages are fully executed on 29 properties & OHFA reimbursement to SCLRC - \$396,545.94
      - Alliance has been reimbursed a total of \$357,920.02 for 29 properties

##### ❖ **45 - Total Number of Properties Identified on a Current Active List for Acquisition under Round 3.**

#### **City of Massillon:**

##### ❖ **23 Total number of acquired properties to date**

- 4 demolitions have been completed overall – 0 new demolition has been completed since December
  - 4 demolitions have been approved by OHFA – 0 new packets since last month's report.
    - Current average cost of demolition per property is \$9,599.00
    - OHA mortgages are fully executed on 4 properties; OHFA reimburse to SCLRC - \$39,644.68
      - Massillon has been reimbursed a total of \$34,444.68 for 4 properties

❖ **15- Total Number of Properties Identified on a Current Active List for Acquisition under Round 3.** (& 17 additional parcels recent submitted by City & under review by RPC)

Creighton moved, Smith seconded, and the motion carried to approve the NIP Report as submitted.

8. SIDE LOT/VACANT LOT PROGRAM REPORT – Sarah Peters  
**Sarah Peters presented the Side Lot Program Update:**

**Total Applications Submitted: 1203**  
*(9 applications were received since last month’s update)*

Cities – 1026  
Canton: 842, Massillon: 79, Alliance: 105

Other Communities – 177

Bethlehem Twp – 8, Brewster – 2, Canton Twp – 33, East Canton – 7, East Sparta – 2, Hartville – 3, Jackson Twp – 3, Lake Twp – 2, Lawrence Twp – 6, Lexington Twp – 27, Limaville – 2, Louisville – 2, Meyer’s Lake – 1, Minerva – 3, Nimishillen – 4, Osnaburg Twp – 9, Paris Twp – 3, Perry Twp – 10, Pike Twp – 4, Plain Twp – 30, Sandy Twp – 2, Sugarcreek Twp – 5, Tuscarawas Twp – 2, Washington Twp – 4, and Waynesburg – 3

- Total Number of Applications under Preliminary Review: 6
- Total Number of Applications Denied: 440
- Number of Canceled Applications/Fee Refunded: 44
- Total Number Pending Approval by Community: 36
- **Total Number of Approved Applications: 677**  
*(38 Applications approved since last month’s update)*

- Total Number of Approved Applications Pending Deposit Receipt / NIP Early Lien Release Approval / Request for Foreclosure / Completed Foreclosure Proceeding: 145
- Total Number Being Prepared for Transfer: 14
- **Total Number Transferred to Date: 518**  
*(21 Side Lots were transferred since last month’s update)*

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**Vacant Lot Program Update:**

**Total Applications Submitted: 117**  
*(0 Application received since the last month’s update)*

Cities – 112; Canton: 103, Alliance: 8, Massillon: 1

Other Communities – 5

Canton Twp – 1, Hartville – 1, Lexington Twp – 2, Sugarcreek Twp – 1

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- Total Number of Applications under Preliminary Review: 0
- Total Number of Applications Denied: 79
- Number of Canceled Applications/Fee Refunded: 1
- Total Number Pending Approval by Community: 7
- **Total Number of Approved Applications: 30**  
(6 Applications approved since the last report)

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- Total Number of Approved Applications Pending Executed MOU/ Completion of Foreclosure Proceeding: 17
  - Total Number Being Prepared for Transfer: 0
  - Total Number Transferred to Date: 13  
(0 Vacant Lots were transferred since last month's report)

Smith moved, Creighton seconded, and the motion carried to approve the Side Lot/Vacant Lot Report as submitted.

## 9. NEW BUSINESS

### Perry Township Request

Peters presented a letter submitted by Perry Township requesting funding assistance through the 50/50 demolition program. The township wants to demolish a vacant house located on 3006 Bailey Ave. NW in Massillon. The structure sustained significant damage due to fire and has been declared unsafe and uninhabitable by the Stark County Building Department. The township has received three bids to demolish the property with a maximum bid of \$12,800. The township has not yet decided which contractor they are going to go with, but upon them awarding the contract and determining the actual amount, the Land Bank can fund up to 50% of the hard cost of demolition. The property is approximately \$12,000 tax delinquent and the owner is unable to pay the taxes. The township has completed a resolution to obtain the legal authority to tear down the property. The neighbor is an owner/occupant that is current on their taxes, so it could be something that might be eligible to go through side lot after the house is torn down. Green asked if the Land Bank actually has a formal procedure to do a 50/50 demolition program. Peters stated there is no formalized policy for this program. In the past, the Land Bank has funded up to 50% of the hard cost of demolition, so the municipality pays for all costs, including asbestos testing and abatement up front. Carlone stated it could actually be 100% of the hard cost of demolition depending on what their costs are, and if they go with the highest cost, the Land Bank could pay up to \$12,800. Nau stated money was put into the budget for the 50/50 program and the Land Bank has done a number of them in the past. Green moved that the request be approved. It was asked what the amount was that is being approved. Zumbar stated it is 50/50. Carlone stated that \$12,800 would be the maximum of the contract. Zumbar asked if the Land Bank would share 50% of that amount. Carlone stated no, the Land Bank would pay up to 100% of that amount because it's all of their costs. If there are other costs that bring the cost of the project up over \$25,600, the Land Bank could pay 50% of that amount. Green clarified his motion that the Land Bank grant this request consistent with was just presented. Carlone added that this is no different than what the Land Bank has done with any other 50/50 demolition contract approved in the past. Creighton seconded, and the motion carried to approve the request.

## 10. OLD BUSINESS

### a. Habitat for Humanity Update

Peters stated RPC recently met with Aaron Brown from Habitat for Humanity to review some policies regarding the acquisition of property. Habitat is doing rehabs, acquisitions and other programs in their targeted neighborhood in Canton. Staff had been processing their applications through the side lot/vacant lot programs, and Habitat has also submitted applications to request acquisition for properties with structures on them. After getting some of the vacant lot applications approved, RPC had sent Habitat purchase agreements, and prices for some of the lots were much higher than what Habitat had anticipated. Based on the prior agreement that the Land Bank had signed with Habitat for targeted acquisitions within the City of Canton, staff clarified how their future and current requests will be processed moving forward. Within the City of Canton, Habitat could request any properties in their target area by going through the Land Bank's "acquisition program", so the Land Bank will acquire the properties on their behalf for cost. They won't be charged the assessed value or an admin fee like within the vacant lot program. The current side lot properties where they already paid the \$100 will be left as is, and any future requests will go through the Land Bank's "acquisition program" based upon the agreement that was executed in October 2016.

Thorley stated that Habitat had a few side lot properties which they paid the \$100 for, but when they applied under the vacant lot program, the one property at Harrisburg/19<sup>th</sup> Street had an assessed value of \$11,450, so that's when they took notice. Green stated that Habitat qualifies independently under the statute as one of the entities that is entitled to use the HB294. Zumbar stated the Treasurer's office can acquire properties if they write a letter on their behalf. Green asked if Habitat was aware they could do that. Peters stated that process would potentially cost them more. Zumbar stated under HB294 the Treasurer would wipe off all the back taxes and Habitat would be responsible only for the cost of the Treasurer's office acquiring it. Green asked if Habitat is comfortable with the arrangements as discussed, because they want to retain a good relationship with them. Thorley stated that Habitat was very comfortable with the process.

### b. Legal Action – 1512 Garfield SW, Canton

Thorley stated an eviction hearing was held last week against Dave Marlatt who is residing at 1512 Garfield SW, which is property owned by the Land Bank. The Magistrate gave the Writ of Restitution, which is allowing the Land Bank to put him out. The Land Bank has 45 days to execute on that, or we have to go back to the court and get an extension. Marlatt was present at the hearing and he told the Magistrate that he would be homeless if he was put out. So staff had a conversation with him after the hearing to get more information. This property was one of the properties included in the AEON tax lien certificate purchased by the Land Bank in August 2015 for \$25,000. In September 2016 the Land Bank became owner of the property. This property was believed at one point to maybe qualify under NIP, but because it is not vacant, it actually does not qualify under NIP. Thorley had made some visits to the property several times in an attempt to serve notice of the eviction hearing with Marlatt. He stated that he was not sure whether demolishing the property was the route to go, because as it stands now, there's truly no structural code violations against the property, but he would like to talk to the Canton City Building Department about further inspecting the property. But it still needs confirmed whether Marlatt has been making payments on his delinquent water bill. The city stated they would go out to do some investigation. Thorley asked the Board to give him the discretion on whether or not to go forward with the eviction. Zumbar stated he understood that the property has insurance coverage,

but he was concerned that Marlatt is residing in a Land Bank owned property, should he hurt himself or the house burn down. Green stated that perhaps the Land Bank should give the property back to Marlatt and get rid of the problem. Smith stated the board knew that they would not cash out on all the properties received for the \$25,000, but moving forward, to deed it back to Marlatt removes the Land Bank from the problem. If the board removes him, then the house must be demolished, which expense the Land Bank would have to cover. Thorley stated there are other expenses involved to evict him. The Land Bank would have to hire a lock smith to change the locks and hire a moving company to clean the property out, and it is unknown what all is inside the house. Smith believed they could be compounding the \$25,000 more by getting Marlatt out. When looking at the dollars and cents, it doesn't make sense to keep the property. Thorley stated if the Land Bank does give it back to him and there are code violations, now we have just kicked the can to the City of Canton, and he didn't know if that was the route to go either. Thorley stated the City of Canton has said he has not paid his water bill since 2007. Marlatt is claiming he is paying through the Canton payee program. There is obviously some sort of disconnect here. But if there's an illegal hook-up at the street, and he's getting water that way, now that is potentially criminal behavior. Smith stated the city has to prove that they aren't getting paid. Zumbar stated at this point in time this matter should be left to their discretion, and if possible, the Land Bank should get rid of this property.

c. Update on Software Program

Peters stated that staff has been importing the Land Bank's historic data, which includes any side lot/vacant lot application, any property the Land Bank has either looked at, owned or disposed of into the software. They are moving towards automation so staff will not have to manually generate forms. Two weeks ago she had sent all of the data to Cuyahoga County to upload and get into the software. But the person working on the software has been out of the office on personal business, so the process has been backed up a couple of weeks with getting everything uploaded. Once that is completed, RPC will be given a template and a workable mock-up for staff to test for functionality and hopefully going live after that point. It could be a few weeks before that is all finalized, but staff has submitted all the information to them in the manner that Cuyahoga County requested it. Green asked if they were comfortable with the progress. Peters stated yes, it took them a couple of months after the agreement was signed to actually get in touch with staff and start working on it, but ever since then they have been great to work with.

d. Post Audit Meeting

Regarding the post audit meeting, Zumbar stated if the board is inclined to waive the meeting, we can complete the project and have it wrapped up in the next couple of weeks and wait for the auditors to release their official report. It was agreed to waive the meeting.

11. Next Meeting – June 19, 2017, 9:00 a.m.

12. Adjournment

The meeting was adjourned at 9:42