



Board Minutes

Thursday, January 21, 2016 Board of Directors Annual Meeting, 4:00 PM
Hamilton County Administration Building, 138 E. Court St., Room 610

1. **CALL TO ORDER**

Greg Hartmann called the Hamilton County Land Reutilization Corporation (HCLRC) Board of Directors meeting to order at 4:05 p.m.

Board Members Present:

Deters, Dennis
Goering, Rob
Honerlaw, Joe
Monzel, Chris
North, Molly
Portune, Todd
Quarry, Mark
Weidman, Tom

PGCDA, as Management Company of the HCLRC:

Basil, Will
Brophy, Nick
Brunner, Laura
Castellini, Todd
Hall, Darin
Hudson, Rick
Koth, Lesley
Laird, Tiffany
Maier, Avery
Meyer, Megan
Recht, Chris
Robb, Deborah
Thomas, Susan

Guests:

Gipson, David – Milford, OH citizen
Jackson, Ed – Port Authority Board Member
Schulte, Skip – Bellevue, KY citizen
Wise, Kellie – Hamilton County

2. **WELCOME AND INTRODUCTIONS**

Mr. Honerlaw acknowledged and welcomed guests.

3. **GOVERNANCE**

Appointment of Directors

Formal Action Requested – Before the board today is proposed resolution 2016-01 entitled:

**A RESOLUTION TO APPOINT ADDITIONAL DIRECTORS OF THE HAMILTON COUNTY
LAND REUTILIZATION CORPORATION**

Mr. Recht explained this resolution is to reappoint two of the current Directors; Mr. Weidman as Township Representative and Mr. Quarry as Municipal League Representative, as well as appointing Molly North, who has private sector or nonprofit experience in rehabilitation or real estate acquisitions. After some discussion of the matter, Mr. Honerlaw asked for a motion to approve Resolution No. 2016-01.

Motion: Mr. Goering moved to approve Resolution No. 2016-01. The motion was seconded by Mr. Monzel and was approved unanimously.

Election of Officers

Mr. Honerlaw reviewed the motion placed before the Board for its consideration for the following slate of officers: Mr. Rob Goering as Chairperson; Mr. Joe Honerlaw as Vice Chairperson; and Ms. Laura Brunner as Secretary of the Hamilton County Land Reutilization Corporation for the one-year term commencing January 21, 2016. Mr. Honerlaw asked Board members if there were any comments or additional nominations. Hearing none, he asked for a motion to appoint HCLRC officers.

Motion: Mr. Monzel moved to appoint the aforementioned officers. The motion was seconded by Mr. Weidman and was approved unanimously.

Mr. Portune requested that a letter of thanks be sent to the outgoing Board members for their service on behalf of the Landbank.

4. **ADOPT 2016 MEETING SCHEDULE**

Mr. Honerlaw introduced the 2016 Landbank Board of Directors Meeting Schedule for the Board's consideration, discussion, and approval. The proposed forthcoming meeting dates are as follows: Tuesday April 19; Tuesday July 26; and Tuesday October 18. These dates have previously been circulated to all board members.

Motion: Mr. Goering moved to approve the aforementioned dates. The motion was seconded by Mr. Portune and was approved unanimously.

5. **APPROVAL OF MINUTES**

Mr. Honerlaw asked Board members if there were any additions or modifications to the October 20, 2015 Board of Directors meeting minutes. Hearing none, he asked for a motion to adopt the meeting minutes.

Motion: Mr. Goering moved to adopt the minutes of the October 20, 2015 Board of Directors meeting. The motion was seconded by Mr. Monzel and was approved unanimously.

6. MANAGEMENT REPORT

Ms. Thomas brought four items to the Board for discussion:

The Port of Greater Cincinnati Development Authority has seen increasing awareness of the Landbank and its tools, and the number of incoming calls that we are receiving from both members of the public as well as bankers and lawyers in town is growing, showing the word is getting out and there is a need for these services.

Ms. Thomas stated that as a precursor to Ms. Koth's update on Neighborhood Initiative Program (NIP), she wanted to bring to the Board's attention a significant difference between NIP and Moving Ohio Forward (MOF) grant funds. Under MOF, the Landbank demolished properties that had been through appropriate condemnation process, ownership notwithstanding. Under NIP, the Landbank is required to own each property as a program eligibility requirement. As a result, the number of Landbank-owned properties has increased significantly. Of the NIP properties that have been acquired, approximately 40% currently have a determined end use. The other 60% will be marketed to establish end users. Ms. Thomas noted there are holding costs associated with these properties; however they are largely offset by the fact that under the NIP program, the Landbank can receive up to three years of property maintenance money.

Ms. Thomas discussed City of Cincinnati (City) versus political subdivisions in Hamilton County (County) that are not in the City. Properties in the City have been the vast majority of properties that have come through the Landbank. The reason for this is largely systemic, as they have a massive code enforcement function and software system that allows people to track properties, whereas in the remaining county jurisdictions there is no such system. The Landbank is actively marketing to community partners and would appreciate thoughts and insight from the board on how to increase the availability of these tools to the townships and other municipalities. Additional discussion took place regarding responses that have been received, costs that are associated with the aforementioned tools, as well as grant opportunities. Mr. Monzel suggested possibly utilizing the County's Community Development Planning Department as a resource, as well as putting together a package that can be taken to the Township Association and Municipal League, while perhaps offering our staff as an identification resource, if needed. Ms. Brunner noted that the Landbank had a productive meeting with Todd Kinskey, the Director of Planning & Development for Hamilton County, and perhaps the next step is to schedule a follow-up meeting with him to propose his department being the interface between the jurisdictions and Landbank. Mr. Portune added that the County Solid Waste District could be another resource in tracking problem properties. The Prosecutor's office has offered its support to create an Environmental Crimes Taskforce. This is leading towards further discussions of its role being more of a quality of life taskforce, including building code violations. Mr. Portune suggested bringing this to the attention of County Prosecutors as well as Holly Crisman, Director of Hamilton County Environmental Services. Ms. Thomas concluded the Landbank will do the research on identifiable properties, obtain if NIP eligible, and reach out to each jurisdiction for potential end use. Mr. Honerlaw would like to systematize a process that would work for some of the townships and smaller jurisdictions.

Ms. Thomas added, as you hear the program presentations which will give you a recap of the work completed in 2015, we will also be talking about plans for 2016, laying the groundwork into the discussion of the budget.

7. PROGRAM REVIEW

Demolition Grant Oversight

Ms. Koth referred the Board to detailed information in the packet and updated the Landbank's Progress under the Neighborhood Initiative Program, including the Ohio Housing Financing Agency's having

recently extended the demolition program by one year with an additional allocation of \$500,000 in program funds to Hamilton County. All Landbank NIP funds must now be expended or committed by October 31, 2017. All demolitions are projected to be completed by the end of April 2017.

Disposition Programs

Ms. Koth updated the Board on the six programs the Landbank has developed for disposition, and noted the main expense of holding these properties is maintenance, some of which is reimbursed through the NIP program.

Local Government Development Program was developed to assist local governments with economic projects. The Landbank transferred 5 properties under this program in 2015.

Neighborhood-based Development Partner Program facilitates dispositions to Community Development Corporations (CDC) or third parties who applied through CDC's. The Landbank completed the transfer of 15 properties under this program in 2015, and there are approximately 30 properties under CDC holding agreements.

Lot-To-Yard Program was developed for owner-occupants who are interested in acquiring vacant, adjoining land. The Landbank transferred 3 properties under this program in 2015.

Garden and Greens Program has a goal of turning vacant lots into green spaces to be used by the community. The Landbank transferred 3 properties under this program in 2015.

Single-Family Home Development Program is intended to return blighted residential properties to productive use through sales to parties interested in redevelopment. The Landbank transferred 6 properties under this program in 2015.

Multi-Unit, Multi-Property and Commercial Development Program focuses on projects involving the development of multiple units, acquisition of multiple properties from the HCLRC, or commercial properties. The Landbank transferred 1 property under this program in 2015.

Historic Stabilization

Ms. Meyer reviewed a report summarizing the Landbank's completion of four stabilizations under the Program in 2015. In Mt. Healthy, 7428 Hamilton Avenue formerly served as the Main Theater for the community. In Lower Price Hill, 644 and 646 Neave Street were acquired by the HCLRC pursuant to tax forfeiture and via donation, respectively, and are being held for future redevelopment. A fourth stabilization at 1706 Lang St. (Over-the-Rhine) was completed in June. The Landbank is currently working on a small commercial property in Price Hill, 3628 Warsaw.

Looking forward to 2016, the Landbank has had conversations with 3CDC regarding several properties owned by 3CDC on Race Street.

The Landbank has identified additional properties for consideration, which will be presented at the next Board meeting.

REACH Evanston

Mr. Hall recapped that the Rehab Across Cincinnati and Hamilton County (REACH) program was the Landbank's targeted strategy to restart housing markets in neighborhoods that have been disinvested. In Evanston, the Landbank decided it would take approximately 30 houses to transform the target area market. This is viewed as a ten-year commitment, with the first five years being dedicated towards residential, and the next five to address commercial and business districts. It is the Landbank's plan to transform ten neighborhoods, with Evanston being the first. The plan for 2016 is to launch the second

neighborhood which will be Walnut Hills. We have budgeted for the renovation of 10 houses on strategic properties that are believed to augment additional investments that are collectively being made in the neighborhood. The strategy for deciding which neighborhoods the Landbank enters is to look for other anchor institutions to assist us in being successful.

Ms. Robb referred the Board to detailed information in the packet and updated that the target area for REACH Evanston is from St. Leger Avenue to Blair Avenue, which includes the streets of Woodburn Avenue and Ruth Avenue. The target area's cumulative home value went from a high of \$10.6MM in 2005 to a low of \$5.8MM prior to our first REACH home sale in 2015. Sale of eight REACH homes as well as the projections of the additional twelve homes in our inventory increase the cumulative value of \$7.9MM, making the improved value of our homes over \$2MM from 2014. The average REACH home value went from \$51K in 2014 up to \$170.9K in 2015. The projected annual tax revenue for the target area went from \$131K in 2014 up to \$179.5K post REACH. Additionally, the average annual REACH tax revenue per house went from \$1,155 to a projected \$3,837. Mr. Hall noted there is another opportunity to complement the efforts in Evanston by using the tools of the Landbank. The Jonathan Avenue Properties represent an assemblage of unimproved lots on Jonathan Avenue in Evanston. After months of work and collaboration, the Landbank acquired 18 parcels located along the northern edge of the campus of Walnut Hills High School (WHHS) via the Board of Revisions. WHHS has undertaken a \$60,000,000 campus improvement program and the lots will figure prominently in their expansion. The Landbank reached an agreement to sell the properties to the school in late 2015 and the proceeds will be reinvested in the Evanston community. Ms. Robb added that the Landbank continues to market homes for sale, and is hosting an Open House for the families and faculty of WHHS as well as the Cincinnati Police Department and Fire Department on February 2, 2016.

8. FINANCIAL REPORT

Mr. Hudson referred the Board to detailed information in the packet highlighting some of the more significant income statement budget variances for the year 2015 and fluctuations on the Balance Sheet versus the prior year end.

Income Statement

Revenues for the year total \$3.0M which are \$2.7M or 47% below plan.

- NIP demo grants are \$2.0M below plan due to spending most of 2015 on *acquiring* NIP demo sites. These revenues will now be budgeted in 2016. NIP provides \$5M over a 2 year span with half or \$2.5M originally budgeted in 2015.
- DTAC funds came in \$249K or 10% below plan.
- City grant funds of \$0.5M available for the Evanston commercial corridor were not utilized in 2015. As a result, these funds will now be included in the 2016 budget.
- Expenditures for the year total \$1.9M which are \$2.0M or 51% below plan.
- NIP demo expense is \$1.8M below plan due to timing as discussed in grant revenue above.
- Program expenditures are \$221K below plan primarily due to the \$125K additional appropriation approved by the board during the last board meeting, which was not utilized.
- Overall, 2015 revenues are in excess of expenditures by nearly \$1.1M.
- Capital additions for the year are \$722K or 18% below plan due to timing on NIP demos and the utilization of the City funds available for the Evanston commercial corridor.

Balance Sheet

- Cash at year end totals \$1.2M which represents approximately 8 months of operating expenditures.
- Assets held for sale have increased nearly \$1.8M or 81% from the prior year end primarily due to:
 - \$889K REACH Evanston

- \$560K NIP demo properties
- \$210K Commercial acquisition in Evanston and Walnut Hills
- \$118K Lower Price Hill stabilization

Mr. Hudson reviewed the assets held for sale schedule, the properties sold in 2015 listing, and additional discussions took place around cash on hand balances.

Formal Action Requested – Before the board today is proposed resolution 2016-02 entitled:

**RESOLUTION APPROVING THE ANNUAL BUDGET FOR THE FISCAL YEAR 2016 AND
REVISING THE BUDGET FOR THE FISCAL YEAR 2015.**

Mr. Hudson presented and explained the proposed and 2016 Budget to the Board. Additionally, he explained the budget amendment for fiscal year 2015 is due to capital additions for REACH being over budget. After some discussion of the matter, Mr. Honerlaw asked for a motion to approve Resolution No. 2016-02.

Motion: Mr. Goering moved to approve Resolution No. 2016-02. The motion was seconded by Mr. Monzel and was approved unanimously.

Formal Action Requested – Before the board today is proposed resolution 2016-03 entitled:

**A RESOLUTION AUTHORIZING CONTINUING IMPLEMENTATION OF THE HISTORIC
STRUCTURE STABILIZATION PROGRAM**

Mr. Recht explained this resolution will allow the Landbank to expend all such funds necessary to administer the Historic Structure Stabilization Program and to perform qualified stabilization and rehabilitation, environmental assessments, environmental remediation, contract and program compliance reviews, and all other related expenses. After some discussion of the matter, Mr. Honerlaw asked for a motion to approve Resolution No. 2016-03.

Motion: Mr. Portune moved to approve Resolution No. 2016-03. The motion was seconded by Mr. Monzel and was approved unanimously.

9. DONATION STATISTICS

Ms. Meyer presented a slideshow before the Board and reported properties are acquired in a variety of ways; through the forfeited land list, expedited tax foreclosure, and also through donation. Within the packet is an updated listing of properties received via donation in 2015, some of which come with a cash contribution. Ms. Meyer highlighted for several properties the challenges each property presented, and how the Landbank has been able to turn each property around for productive use.

10. POLICY UPDATE

Ms. Meyer reported on demolition funding verses rehab funding. As it has been mentioned, the Landbank has federal money from the NIP program that can be used to demolish properties. There has been a push amongst some landbanks for additional state and federal funds for more demolitions. There is a need for demolition money in Hamilton County; however there is also a need for rehab money. There have been some discussions regarding this topic. An internal preliminary study was done to see the differences


between demolition and rehab, in addition to the financial result of those findings. Ms. Meyer reviewed the results of the study, and board discussion ensued, including possible next steps.

Mr. Goering publically welcomed Todd Castellini to the Port Authority staff.

11. ADJOURNMENT

Mr. Honerlaw adjourned the January 21, 2016 Annual Board of Directors meeting at 5:20 p.m.

Respectfully,



Laura N. Brunner
Secretary