



Board Minutes

Tuesday, January 23, 2018 Board of Directors Meeting, 4:00 p.m.
Hamilton County Administration Building, 138 E. Court St., Room 610

1. **CALL TO ORDER**

Rob Goering called the Hamilton County Land Reutilization Corporation (Landbank) Board of Directors meeting to order at 4:06 p.m.

Board Members Present:

Driehaus, Denise	North, Molly
Goering, Rob	Portune, Todd/Victoria Parks
Monzel, Chris	Quarry, Mark
Muething, Paula Boggs - Cranley Designee	

GCRA, as Management Company of the Landbank:

Basil, Will	Meyer, Megan
Brunner, Laura	Powell, Jessica
Eddy, Liz	Ralles, Mary
Hall, Darin	Recht, Chris
Hudson, Rick	Robb, Deborah
Laird, Tiffany	

Guests:

Dellinger, Denny – Dellinger Architects
Duffy, Sally – Sisters of Charity
Fagan, Francene – Cincinnati, OH Citizen
Maye, Derrick - Dayton, OH Citizen
Schulte, Skip – Bellevue, KY Citizen
Sparks, Vanessa - Mohawk

2. **WELCOME AND INTRODUCTIONS**

Mr. Goering acknowledged and welcomed the board members and the guests. Ms. Brunner introduced Sister Sally Duffy, who will be joining the Greater Cincinnati Redevelopment Authority Board in March.

3. **APPROVAL OF MINUTES**

Mr. Goering asked Board members if there were any additions or modifications to the October 24, 2017 Board of Directors meetings minutes. Hearing none, he asked for a motion to adopt the meeting minutes.

Motion: Mr. Quarry moved to adopt the minutes of the October 24, 2017 Board of Directors meetings. The motion was seconded by Ms. Driehaus and was approved unanimously.

4. **ELECTION OF OFFICERS**

Mr. Goering stated if there were no objections, he would continue as Chairperson, with Mr. Honerlaw as Vice-Chairperson, and Ms. Brunner as Secretary.

Motion: Mr. Monzel moved to re-elect the current slate of Officers for the one-year term commencing January 23, 2018. The motion was seconded by Mr. Quarry and was approved unanimously.

5. *MANAGEMENT REPORT*

Ms. Powell thanked those who were able to attend the December 4, 2017 Open House. It provided an opportunity to showcase the work of reinvesting in some of our neighborhoods.

Ms. Powell announced the hiring for Associate Counsel, Kelley Allesee, a dedicated Landbank staff member, provided her background, and reviewed her role within the organization. The Redevelopment Authority will also be adding a Landbank Associate to assist with the core Landbank functions of processing applications, answering inquiries, taking inventory of properties, and identifying solutions to strategically acquire and dispose of properties pursuant to the Landbank's mission.

Ms. Brunner reported on new funding sources, stating the Landbank has been looking for funding to cover subsidy for projects and financing to cover the cash flow. Ms. Brunner highlighted and gave details on four new opportunities: REACH Price Hill funding through an Agreement with the City of Cincinnati and a grant from the Farmer Foundation; Greater Cincinnati Foundation funding which will be used to establish a Revolving Loan Fund; and Children's Hospital funding for the REACH program in Avondale. The Board discussed terms of funding.

Ms. Powell stated that \$200K or more of DTAC funds is traditionally set aside each year for Historic Structure Stabilization. The demand for historic stabilization far outweighs the funding to do the work, so we are exploring opportunities to engage in fundraising from the private sector or other sources. Ms. Powell discussed possible options, including a soft goal to raise approximately \$250K, and welcomed Board input. Next steps are to get marketing materials ready, meet with Cincinnati Preservation Association, and reach out to local historic societies to help identify potential properties for stabilization.

Ms. Powell reported that the Landbank plans to convene with its CDC partners on Monday, January 29. At the meeting, we will discuss upcoming efforts and goals of the Landbank over the next year, and solicit input on several new initiatives. The goal is to identify how we can bring on more CDC partners into Landbank holding agreements, how we should update our policies and procedures to better serve our communities and partners, and how we can improve upon our core services. Additionally, in collaboration with the Hamilton County Planning and Development Department, the Landbank is meeting with eight jurisdictions in early February. The goal of this meeting is to educate and remind attendees as to how the Landbank can be a resource with acquisition and disposition of blighted vacant properties, tax lien certificates, historic stabilization, and to identify other strategies to mitigate blight using the tools, expertise, and resources of the Landbank and its staff.

In Fall 2017, the Landbank conducted a survey with CDC leadership and other stakeholders throughout Hamilton County to elicit valuable insight as to how the Landbank was performing. Ms. Powell provided an overview and discussed the results of that survey with the Board.

6. *INVENTORY REVIEW*

Ms. Meyer recapped that the Landbank acquired 235 and disposed of 94 properties in 2017. The disposition goal for 2018 is 150 properties with a focus on reducing inventory that has been owned for more than three years.

7. PROGRAM REVIEW

Demolition Grant Oversight

Ms. Meyer reported in late 2017, OHFA awarded the Landbank an additional \$300,000 in demolition funds, based on our reporting on program compliance and capacity, bringing the total NIP demolition award to \$10,548,947. To date, the Landbank has spent \$5,783,977 of its \$10,548,947 allocation. It is on target to spend the full allocation of funding by the October 18, 2019 deadline. The Landbank's goal is to demolish 120 properties in 2018.

Disposition Programs

Ms. Meyer reviewed the number of dispositions from 2016 and 2017. Using slides, Ms. Meyer highlighted properties located at 434 Fleming Rd., 2438 W. McMicken Ave., 6013 Cary Ave., and 1301 Burdett Ave. Ms. Meyer stated the programs related to the properties and gave details about each.

Historic Structure Stabilization

Ms. Meyer reported the Landbank has also undertaken three new historic stabilization projects in collaboration with the City of Cincinnati. Under this new model, the Landbank and the City together identify certain high-priority properties for stabilization. The Landbank then performs the stabilization, which is funded by the City, or by the City and the Landbank together. The Landbank then may attempt to acquire such properties and sell them. The Landbank and the City of Cincinnati are currently working on agreements for an additional three stabilization projects.

REACH

Ms. Eddy stated that 2017 was a big year for the REACH program, building 12 new Unibilt modular homes, six of which are in Evanston. This has allowed the Landbank to improve upon vacant lots found throughout the City with infill housing. Using slides, Ms. Eddy highlighted several properties and the progress of REACH homes in Evanston and Walnut Hills.

Strategic Investments

Mr. Sanders reported that the Landbank continues to make strategic acquisitions in the Evanston Business District to allow for impactful economic development within the Evanston community. The area of focus continues to be Evanston's southern business district. We are working with the community and other partners to develop a long term master plan for the business district for redevelopment of this corridor. Utilizing the Redevelopment Authority's DREAM loan fund and other tools, we hope to help create a thriving business district. Projected sales for 2018 are \$800K, with a net gain of approximately \$300K.

8. POLICY UPDATE

Ms. Powell gave an update on House Bill 368, relating to land sale contract legislation. Ms. Brunner, Ms. Powell, and Ms. Driehaus met with Representative Dever (R) and discussed the challenges found in this model, and how it needs to focus more on the most egregious land sale contract practices in order to get bipartisan support. Following that discussion, a working group was formed whose next step is to develop a modified proposed statute. GOPC will then work to get co-sponsorship to underwrite the Bill. The Board had further discussion regarding details of the proposed changes to this Bill.

Mr. Portune reported on the impact of our reinvestment in neighborhoods. When property values uniformly increase in a neighborhood, legacy owners, including generational owners, can be adversely affected. Through the Landbank, homes are coming online and being marketed at more than \$260,000 while many homes and land improvements in neighborhood around that are not valued anywhere close. However, with the three-year Auditor property value review and assessment the impact of some of the improvements can cause property values to increase in the adjoining properties, and as a consequence, the cost to existing owners goes up. The Landbank does not want anyone, because of increasing tax valuations, to be put in a position of tax delinquency status and potential foreclosure. In response to these

concerns, advocating for change in state law to freeze property taxes on neighboring properties within a half mile radius of where the Landbank has done REACH work in the past three years was discussed. A small working group comprised of Ms. Powell, Ms. Goering, and Mr. Portune was established to continue looking into deeper issues regarding the Landbank's work in individual neighborhoods and its impact on legacy owners.

9. **FINANCIAL REPORT**

Mr. Hudson called the Board's attention to the Income Statement in the Board Packet. Revenues for the year total \$4.3M versus a plan of \$5.7M. The \$1.4M plan variance primarily consists of NIP demolition program revenues, which are \$1.4M below plan due to fewer demolitions than planned.

Expenditures for the year total \$5.3M versus a plan of \$5.7M. The \$0.4M plan variance primarily consists of stabilization program expenditures, which are \$434K below plan due to project timing.

The net result is expenditures in excess of revenues by (\$1.0M), versus a balanced budget of nearly zero. The plan variance is mainly attributable to a noncash adjustment to NIP demolished properties on the balance sheet in assets held for sale. The fair market value for these properties was reduced to \$1,000 per property, based upon the Landbank's historical vacant lot sales and discussions with our auditors.

Capital additions for the year total \$4.6M versus a plan of \$5.9M. The \$1.3M capital variance is led by REACH housing, which contributed \$0.8M to this variance due to fewer homes constructed/rehabbed in the year. The remaining variance is primarily demolished land values resulting from fewer demolitions than planned and the fair market value adjustment previously mentioned.

The Balance Sheet showed cash totals of \$85K due to using the line of credit for cash flow management. The line of credit is drawn to \$1.1M of the \$1.5M available line at year end. Receivables total \$2.1M and consist of \$1.2M due from the City for stabilizations and REACH commercial funds, and \$0.9M due from OHFA for NIP demo reimbursements. \$400K of the 2017 year end receivables were collected in the first half of January 2018. The City is currently processing another reimbursement of \$300K which is expected in early February. Assets held for sale total \$6.2M and include \$2.3M in housing construction/rehabs, primarily in Evanston, \$1.7M of which relates to six new construction modular homes.

Formal Action Requested – Before the Board today is proposed resolution 2018-01 entitled:

RESOLUTION APPROVING THE ANNUAL BUDGET FOR THE FISCAL YEAR 2018

Mr. Hudson presented and explained the details of the resolution approving the budget for the Fiscal Year 2018.

Motion: Mr. Monzel moved to approve Resolution No. 2018-01. The motion was seconded by Ms. Driehaus and was approved unanimously.

Formal Action Requested – Before the Board today is proposed resolution 2018-02 entitled:

A RESOLUTION TO SECURE A CREDIT CARD, NOT TO EXCEED \$30,000

Mr. Hudson presented and explained the resolution to obtain approval for the Landbank to obtain a credit card. To date all credit card transactions required by the Landbank have been processed on GCRA's credit card and billed back to the Landbank. In order to streamline accounting workflow we're requesting the Landbank to obtain its own credit card with a limit not to exceed \$30,000.

Motion: Ms. Driehaus moved to approve Resolution No. 2018-02. The motion was seconded by Mr. Quarry and was approved unanimously.

Formal Action Requested – Before the Board today is proposed resolution 2018-03 entitled:

**A RESOLUTION TO BORROW FROM A HOUSING REVOLVING LOAN FUND
ESTABLISHED BY THE GREATER CINCINNATI FOUNDATION**

Mr. Recht presented and explained the resolution allowing the Landbank to borrow from a housing revolving loan fund. The Board further discussed the details and parameters of the loan.

Motion: Mr. Monzel moved to approve Resolution No. 2018-03. The motion was seconded by Ms. North and was approved unanimously.

10. ADJOURNMENT

Mr. Goering adjourned the January 23, 2018 Board of Directors meeting at 5:12 p.m.

Respectfully,



Laura N. Brunner
Secretary