



Board Minutes

Tuesday, April 22, 2014 Board of Directors 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:

Cranley, John
Goering, Robert
Hartmann, Greg
Monzel, Chris
Portune, Todd
Quarry, Mark
Rolfes, Carolyn

PGCDA, as Management Company of the HCLRC:

Basil, Will
Boggs Muething, Paula
Brunner, Laura
Givens, Brad
Hudson, Rick
Laird, Tiffany
Recht, Chris
Robb, Deborah
Sampson, Alison
Weber, Billy

Guests:

Kimble, Rick – NorthPointe Group
McDermott, Maureen – NorthPointe Group
Osborne, Kevin – Mayor's office
Rothchild, Barry – My 3 Sons
Scovic, Lisa – NorthPointe Group
Thomas, Amy – College Hill Community
Thomas, Danny – College Hill Community

2. WELCOME AND INTRODUCTIONS

Mr. Hartmann acknowledged and welcomed guests.

3. APPROVAL OF MINUTES

Mr. Hartmann asked Board members if there were any additions or modifications to the January 16, 2014 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 January 16, 2014 Board of Directors meeting. The motion was seconded by Mr. Quarry and was approved unanimously.

4. FOCUS NEIGHBORHOOD STRATEGY

St. Bernard

Ms. Robb updated, St. Bernard plans to build a pedestrian bridge and pavilion from Vine Street to the area of their recreation center. Once their police station moves to the corner of Mitchell Avenue and Vine Street, scheduled to take place in 2015, St. Bernard intends to begin work on the pedestrian bridge. The current project budget is approximately \$1.475 million, and they are in the process of obtaining funding. The Landbank continues to work with them, providing assistance where available.

The Landbank is assisting St. Bernard with their City Centre project, which is where the old strip mall was located. By partially demolishing the building, it allows Ross Avenue to flow through. On the opposite side of Ross Avenue there are several houses along the highway that the Landbank will assist in demolishing to make room for the expansion.

St. Bernard plans to build an Entertainment District on Ross Avenue, near the St. Bernard park. There currently are houses along the interstate that the Landbank will assist in acquisition and demolition.

Price Hill

Ms. Muething updated, the Landbank has commissioned a market study for the Price Hill Incline District, to determine what kind of redevelopment would be successful, and is working with the UC Economic Center and the Urban Land Institute. The Incline District is located at the top of the western section of Price Hill and is home to Queens Tower, Prima Vista, and the Public House.

A private developer has been acquiring a large number of properties in the area of Price Avenue which presents a unique opportunity where there is one land owner who has been working in cooperation with Price Hill Will, the City of Cincinnati, and the Landbank. With this, the Incline District has great momentum and has great potential for redevelopment.

The final results of the market study are expected in the next few weeks.

The Urban Land Institute conducted a Technical Assistance Program where a number of developers were invited to review the properties and identify the assets as well as challenges in the area. Their feedback was received and supports the mixed-use development along Price Avenue, with it focused on single family homes.

Mr. Goering questioned, compared with St. Bernard and Evanston is Price Hill up to speed with the issues that the Landbank is able to assist them with? Ms. Muething explained many of the challenges throughout Price Hill and the reasoning for starting the focus within the Incline District.

Mr. Portune questioned, is there a process where we can tell if the involvement of the Landbank is critical or weather we are one of a variety of options that people are taking advantage of? Ms. Brunner explained that it is too early to tell, yet there is a complete difference between what is happening in Evanston versus what is happening in Price Hill where there is a large private sector commitment. Further discussion on this issues was resolved to the Board's satisfaction.

Colerain Township and Norwood

Ms. Muething updated, the Landbank has been working closely with Colerain Township in capacity building efforts around community infrastructure. The first major accomplishment is that they are using

their CIC as the primary entity for redevelopment, and are currently focused on redevelopment in the Groesbeck neighborhood. The Landbank has been assisting with demolition and acquisition resources, as well as positioning the CIC as the hub for all property acquisition requests so they can have decision making power over what is happening within their communities and influence development. Colerain Township has expressed a desire to build capacity around community engagement, so the Landbank has been meeting with a number of entities to determine which is the right consultant to help them build that capacity.

The Landbank has identified a capacity building partner for Norwood. Urban Fast Forward will assist them on what they have identified as their number one priority, the commercial corridor on Montgomery Road. The landbank will continue to work with them and provide resources as necessary.

Mr. Portune added his appreciation for the work being done in Colerain. Growing up near the elementary school, seeing what the neighborhood has become, and now seeing what the Landbank is doing to turn it around is great.

Evanston

Ms. Muething announced the name of the new rehab program, Rehab Across Cincinnati and Hamilton County, REACH. This is the next step in the execution of the Landbank's Focus Neighborhood strategy. The program will rehabilitate vacant and abandoned properties in the targeted areas, beginning in Evanston and expanding to all 14 Focus Neighborhoods. The program initially will only include the key areas identified by the Evanston Community as their first priority housing area.

In furtherance of the Landbank's REACH Evanston program, the Community Revitalization team has partnered with NorthPointe Advisory Services, LLC, to lead the phased redevelopment strategy. NorthPointe is a certified WBE and the principals are Rick Kimbler, Maureen McDermott, and Lisa Scovic; they bring a wealth of experience and expertise in urban residential and commercial redevelopment and marketing/sales of redeveloped units. NorthPointe will partner with the Landbank by providing assistance in the following areas:

1. Development: Refinement of the overall master plan, including both commercial and residential acquisition and redevelopment strategies and community engagement.
2. Pre-Construction: Management of contractor RFPs and vendor contract negotiations, preparing product specifications and floor plans, and site preparation.
3. Construction: Preparation and maintenance of construction budgets and will provide field quality control and change order/pay application reporting and control.
4. Post Construction: Marketing, sales, and negotiation of purchase and sale agreements.

Ms. Muething had partners Rick Kimbler, Maureen McDermott, and Lisa Scovic give an introduction. Some of NorthPointe's recent projects include partnering with 3CDC on several mixed use projects in the Gateway Quarter and Over the Rhine and developing the Villages of Daybreak in Bond Hill.

Ms. Muething added, the Landbank is in constant formal and informal contact with the stakeholders and members of the community in Evanston, in addition to monthly Evanston working group meetings.

5. OTHER NEIGHBORHOODS

Ms. Brunner recapped, there are 14 focused neighborhoods of which approximately 80 percent of the Landbank's time and money is being focused. In addition to those, there are 86 jurisdictions throughout the county to assist with, when approached, on a more reactive basis.

Silverton

The Landbank was approached by Silverton to assist in assembling property for commercial development. Six properties were then identified and available to the Landbank, due to forfeiture. In the process of assembling and getting title to those properties, it was discovered that one of them had a tenant. Ms. Brunner apprised the board of the special circumstances regarding this matter.

Mr. Quarry noted his appreciation to all who are involved in this highly visible property and for how it's been handled.

Bond Hill

Ms. Muething updated, in response and interest to the work the Landbank has been doing, the Greater Cincinnati Foundation approached and awarded the Landbank with a grant for the capacity building work in Bond Hill. There is a void in terms of a CDC, a real development entity, in Bond Hill so it's a great opportunity for the Landbank to work with the Greater Cincinnati Foundation in both the Roselawn and Bond Hill communities.

Village of Lockland

Ms. Muething updated, the Landbank has assisted the Village of Lockland in several demolitions through the Moving Ohio Forward program, and are currently in preliminary conversations with them on ways to assist in capacity building efforts and resource identification. They are an entity that has the dedication and organization to do a strategic redevelopment, and just need the tools and technical expertise.

6. FINANCIAL REPORT

Mr. Hudson introduced himself and reviewed the financial summary.

First Quarter Financials

Mr. Hudson referenced some of the more significant budget variances on the Income Statement for the first quarter of 2014.

Expenditures exceeded revenues by \$535K for the quarter which was \$890K favorable versus plan, largely due to timing. The budget approved for fiscal year 2014 has expenditures in excess of revenues by \$1.9M for the full year.

Moving Ohio Forward grant revenue was \$100K under plan for the quarter. The Landbank expects this grant revenue to catch-up with plan revenues year-to-date during the second quarter.

The plan variance in AG sub-recipient grant revenue is entirely offset in expenditures. The Landbank files Moving Ohio Forward reimbursement request with the Attorney General's office for Colerain Township and City of Cincinnati.

Moving Ohio Forward demolitions totaled \$519K during the quarter which was \$322K less than plan. The deadline for counties to use all of their Moving Ohio Forward demolition grant funds is May 31, 2014. The Landbank expects to fully utilize the grant funds by the deadline.

Programming/property maintenance expenditures were significantly less than plan, coming in at \$134K for the quarter against a plan of \$796K. This is a timing difference between plan and actual, which is expected to reverse as we move further along in our Focus Neighborhoods strategy.

Other Accounting Updates

Audit - Earlier this month the auditors from BKD performed interim audit fieldwork on the Landbank's financials for fiscal years 2012 and 2013. They will return for final audit fieldwork on May 12th and provide their final audit report by the end of June.

Additionally, BKD is researching the proper accounting presentation for programs like REACH Evanston where the Landbank will be acquiring and investing in properties for future sale. For the 2014 budget and cash flow forecast this activity was included in the "Programming/property maintenance" line item. Based upon BKD's response, we may request the board to approve a reclass within financial line items for proper financial presentation.

Mr. Hudson referenced the Cash Flow Forecast for the remainder of 2014, noting the Landbank's cash balance at the end of the first quarter was \$1.6 million.

After some discussion of this matter, Greg Hartmann asked for a motion to approve the Cash Flow Forecast.

Motion: Mr. Goering moved to approve the Cash Flow Forecast. The motion was seconded by Mr. Monzel, and was approved unanimously.

7. *PROPERTY ACQUISITION PIPELINE AND BOARD OF REVISIONS FORECLOSURES*

Ms. Muething noted the Property Acquisition and Disposition Update provided to the Board. These are the properties acquired by the Landbank. Mr. Portune requested that this update in the future also include the time frame within which that property is expected to be turned around as per the business plan and also identify if they are on target with their recommendation. Mr. Monzel suggested color coding, using green to identify on target, yellow to identify a possible miss, and red to identify they will or have missed target.

Ms. Muething referenced the Board of Revisions Foreclosure filings. The Landbank is anticipating a hearing in September for these properties.

8. *MOVING OHIO FORWARD UPDATE AND NEIGHBORHOOD INITIATIVE PROGRAM OVERVIEW*

Moving Ohio Forward

Ms. Muething stated that the Attorney General announced phase II of the Moving Ohio Forward demolition grant program. \$3.8 million has been allocated to counties who are on target for the complete use of their phase I allocations. The Landbank has received an allocation of \$300,000, of which no match is required. These funds need to be spent by September 30, 2014. The Landbank is on target to spend all of their phase I allocations, and has a pipeline to meet the needs of phase II funds.

Neighborhood Initiative Program

Ms. Muething referenced a map of the target area the Landbank has identified as part of the application to the Ohio Housing Finance Agency for Neighborhood Initiative program. \$50 million was disbursed state wide, and of that the Landbank has been awarded approximately \$5 million in demolition funding.

The Neighborhood Initiative program was created with dollars from the hardest hit funds. In order to qualify under the hardest hit funds the Landbank must own the property in order to demolish it. In order to use the full allocation and because of the timeframe that is needed in acquisition, the Landbank has begun the process of acquiring properties. The second requirement is that only single family homes or multi-families up to four units are eligible demolition candidates. There is a \$25,000 limit, including

environmental remediation and lot maintenance, on these properties. Additionally, the property must have a mortgage on it. The program completion date is December 30, 2016.

9. PRESIDENT'S REPORT

Ms. Brunner updated, Susan Thomas, the Vice President of Public Finance, will attend a National Development Council Home Ownership Finance Training course this fall so the Landbank can specifically work on identifying tools for homeowners.

Going into neighborhoods where mortgages have not been given in quite some time, the Landbank will actively be working to identify the maximum amount of tools that can be availed to home owners. They will also be exploring tools that might be used for participation notes; when selling a home for less than the cost invested in it.

10. OPEN DISCUSSION

Mr. Cranley apprised the Board that through constituent work it's been discovered that there is, as a result of Prison Reform legislation, a voucher program for halfway houses. These have problematically been popping up throughout Hamilton County, violating zoning codes, and legal action is being taken against them.

11. ADJOURNMENT

Greg Hartmann adjourned the April 22, 2014 Board of Directors meeting at 4:58 p.m.

Respectfully,



Laura N. Brunner
Secretary