



Board Minutes

Tuesday, July 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:

Hartmann, Greg
Honerlaw, Joe
Monzel, Chris
Portune, Todd
Weidman, Tom

PGCDA, as Management Company of the HCLRC:

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

Guests:

Schulte, Skip – Bellevue, KY citizen

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 April 22, 2014 Board of Directors meeting minutes. Hearing none, he asked for a motion to adopt the meeting minutes.

Motion: Mr. Monzel moved to adopt the minutes of the April 22, 2014 Board of Directors meeting. The motion was seconded by Mr. Portune and was approved unanimously.

4. FINANCIAL REPORT

Mr. Hudson reviewed the financial summary.

Audit

2012 and 2013 audit reports were provided to Board members for review and comment. Hearing none, the audit was completed and financials have been submitted, by BKD, to the State Auditor for review.

BKD concluded the Landbank should record property acquisitions to the Balance Sheet as “assets held for sale” for proper financial statement presentation. Additionally, any costs related to pre-acquisition, demolition, stabilization, and renovation of owned property should also be capitalized. Maintenance and tenant relocation will remain in expense. Upon sale, a net gain or loss will be recognized on the Income Statement as “Programming expenditures”.

This accounting treatment has no effect on budgeted amounts of expenditures, only how they are reported in the financial statements. Costs previously expensed will be reported as assets while the property is owned by the HCLRC, and then charged to program costs upon disposition.

Ms. Brunner explained the benefits of and reasoning for the Landbank’s intent to adopt the Auditor’s method of accounting.

After some discussion of this matter, Mr. Hartman asked for a motion to authorize management to amend the Landbank’s method of accounting to line up with the Auditor’s recommendation.

Motion: Mr. Monzel moved to amend financial reporting consistent with audited financials. The motion was seconded by Mr. Weidman, and was approved unanimously.

Financial Statements

Mr. Hudson reviewed the financial statements. He highlighted some of the more significant budget variances on the Income Statement and fluctuations on the Balance Sheet.

- Intergovernmental DTAC revenues for the quarter were nearly \$2M, which was favorable to plan by \$356K.
- We utilized the full amount of Moving Ohio Forward grant funds, which ended May 31st. Round 2 of the MOF program is under way and will be reimbursed at 100%.
- No amounts were recorded to “property sales revenue” creating a \$75K YTD unfavorable budget variance. As discussed in the audit section below, our auditors require us to record the proceeds from the sale of property in a manner different from how it was originally budgeted.
- YTD programming expenditures were significantly below plan due to the following:
 1. \$665K of 2014 property expenditures being recorded as “assets held for sale”;
 2. Property sales revenue discussed above being reported net in program expenditures;
 3. Timing difference between plan and actual on Focus Neighborhoods strategy.
- Cash and cash equivalents as of June 30th totals nearly \$2.5M. However, approximately \$1.4M will be paid out in July to MOF sub-recipients (see the increase in accounts payable).
- Assets held for sale increased nearly 150% from year end. As of June 30th assets held for sale was \$1.1M and includes 130 properties.
- Thirty-Eight properties were sold through the first six month of 2014. The vast majority of these properties were sold to local government, nonprofit organizations, or neighborhood residents. See the following property listing for further details.

Showing how it ties into the Balance Sheet, Ms. Brunner reviewed property sales year-to-date through June 30, 2014, reflecting properties that have been owned and disposed of, whom the properties were sold to, the amount of sale, and whether it was a profit or loss. Some discussion took place regarding the best way to summarize this information. Board members concurred they would like to see a separate

worksheet analysis, program by program, in order to analyze each program's effectiveness, as well as for the purpose of transparency.

After some discussion of this matter, Mr. Hartmann asked for a motion to approve the Financial Report.

Motion: Mr. Monzel moved to approve the Financial Report. The motion was seconded by Mr. Weidman, and was approved unanimously.

5. FOCUS NEIGHBORHOOD STRATEGY

REACH Evanston

Ms. Boggs Muething noted the Landbank is running approximately 30 days behind on the aggressive timeline previously reported to the Board. The cause of the delays is the Board of Revisions, which was initially supposed to take place in June, has been pushed off until September, combined with challenges associated with getting in touch with owners and overcoming complex title issues in order to complete purchases.

NorthPointe Group will be available at the next Board of Directors meeting to provide a more robust presentation of upcoming plans for Evanston.

St. Bernard

Ms. Boggs Muething noted that the City of St. Bernard informed the Landbank that its pedestrian bridge project from Vine Street to the area of their recreation center will not begin until 2015, following the completion of the Safety Center. The Landbank continues to work with the City of St. Bernard, providing assistance where available.

St. Bernard informed the Landbank that its Town Home project on the corner of Vine and Tower is on hold, due to the developer going bankrupt. The Landbank is assisting St. Bernard in looking for another developer.

The City of St. Bernard also informed the Landbank that the Town Centre project has been delayed. The Landbank has performed several demolitions and will acquire some properties to assist in the completion of this project. The St. Bernard CIC had selected Brandy Corp. as the developer, however their proposal was inconsistent with the vision St. Bernard has for that development. St. Bernard will soon be meeting with Battle Hill on a new proposal.

After some discussion of the matter, Board members concurred they would like to see a scorecard matrix that reflects the different programmatic elements that have benchmarks and timelines for tracking progress.

6. OTHER NEIGHBORHOODS

Bond Hill

Ms. Brunner presented a request, on behalf of the Port of Greater Cincinnati Development Authority, to facilitate economic development by purchasing the property adjacent to MidPointe Crossing located at 6900 Reading Road. This property became available while a contract amendment to the Development Services Agreement with the City of Cincinnati was still being finalized. Upon passage of this resolution, the Landbank will enter into an agreement with the Port of Greater Cincinnati Development Authority to purchase the Property at a price of \$166,350.00 and subsequently sell the Property to the Port Authority for the same amount, plus any additional costs incurred. Ms. Brunner also provided a review of progress happening in Bond Hill.

Formal Action Requested – Before the board today is proposed resolution 2014-5 entitled:

A RESOLUTION TO PURCHASE REAL PROPERTY LOCATED AT 6900 READING ROAD

After some discussion of the matter, Mr. Hartmann asked for a motion to approve Resolution No. 2014-5.

Motion: Mr. Monzel moved to approve Resolution No. 2014-5. The motion was seconded by Mr. Portune, and was approved unanimously.

Village of Lockland

Ms. Boggs Muething stated that the Landbank is trying to augment the Village of Lockland's capacity building and blight remediation efforts. The Landbank is actively seeking out blighted, residential properties that can be acquired and demolished as part of the Neighborhood Initiative Program, prior to being transferred back to Lockland. Several blighted properties have already been demolished as part of the Moving Ohio Forward program. The Landbank is also working with the Village of Lockland to connect it with planning resources to enhance its neighborhood development strategy.

Elmwood Place

Ms. Boggs Muething indicated that the Landbank has met with the Mayor to discuss the tools available and how we can assist them. Their immediate needs are blight remediation and parcel assembly. The Landbank completed demolitions of eleven vacant and blighted structures under the Moving Ohio Forward program. Eight parcels were then transferred to Elmwood for parcel assembly as part of its neighborhood development plan. Additionally, the Landbank is also assisting Elmwood on developing stronger code enforcement practices.

A Property Acquisition and Disposition Update was provided to the Board.

7. HOME OWNERSHIP CENTER WEATHERIZATION PROGRAM

Ms. Boggs Muething updated the Board with news that the Home Ownership Center has granted weatherization repair funds in the amount of approximately \$400,000. The Landbank has identified Evanston, St. Bernard, and Mt. Healthy as the communities that should be targeted for this program. These funds will cover window replacements, furnace replacements, and roof repairs. There is a cap of \$5,000 per home, no income restrictions, a requirement for an owner occupant to reside in the home for five years following the weatherization, and funds must be spent by May 30, 2015.

8. HISTORIC STRUCTURE STABILIZATION PROGRAM

Ms. Boggs Muething noted that the Historic Structure Stabilization Program is in full swing. To date the Landbank has stabilized five properties, and the sixth (the Farmers' Hotel in Northside) will be completed by the end of July.

The Landbank has also identified the Main Theater building, located at 7428-7432 Hamilton Avenue in Mt. Healthy, as the next targeted stabilization. Once the building has been condemned, the Landbank will use its agency powers to perform the stabilization, assess a lien on the property, and ultimately assist the City with acquisition of the property.

9. MOVING OHIO FORWARD UPDATE AND NEIGHBORHOOD INITIATIVE PROGRAM

Moving Ohio Forward

Ms. Boggs Muething stated that the Landbank successfully completed Phase I of the demolition grant program by the May 31, 2014 deadline. There was a total of \$11,210,955 spent under the program, with 712 blighted and vacant properties razed.

The Attorney General allocated approximately \$300,000 to the Landbank for Phase II of the Moving Ohio Forward demolition grant program. These funds must be spent on demolitions completed by September 30, 2014.

Neighborhood Initiative Program

Ms. Boggs Muething stated the Neighborhood Initiative Program will kick off in August. Of the \$50 million that was disbursed statewide, the Landbank has been awarded approximately \$5 million in demolition funding.

10. PRESIDENT'S REPORT

Ms. Brunner reported the Landbank is working with Todd Kinskey on a September 30, 2014 day-long conference for the Hamilton County Planning Partnership and First Suburbs Consortium members to talk about the Landbank and how it's worked with other jurisdictions, what programs are available, and how their members can engage.

For the third consecutive year, the Landbank staff will be attending the Landbank Conference, held in Columbus, OH. Ms. Boggs Muething will be presenting during the conference. This conference provides an opportunity to network with other landbank practitioners, non-profit community development organizations, and private sector representatives to discuss the techniques, challenges, benchmarking, and best practices.

Ms. Muething, Ms. Robb, and Mr. Weber will be attending the Ohio Housing Conference, which is sponsored and hosted by the Ohio Housing Finance Agency and Ohio Capital Corporation. This will facilitate substantive interaction with the housing advocates, developers, and policy makers. There will be discussions around legislative changes in policies, solutions, and best practices.

Ms. Boggs Muething and Ms. Thomas will be attending the Social Capital Markets Impact Investing Conference in September, which is dedicated to increasing the flow of capital toward social enterprise.

In June, Ms. Thomas took part in NDC's Homeownership Finance Training. As the efforts in Evanston move forward, the Landbank needs to be more informed on what the financing opportunities are for the buyers of these homes.

11. OPEN DISCUSSION

Mr. Monzel congratulated Ms. Robb for the nomination and award of this year's Diversity Leadership Award, and Ms. Boggs Muething for being named the Most Outstanding Government Staffer by the CDC Association.

12. ADJOURNMENT

Mr. Hartmann adjourned the July 22, 2014 Board of Directors meeting at 5:09 p.m.

Respectfully,



Laura N. Brunner
Secretary