



Board Minutes

Tuesday, July 26, 2016 Board of Directors Meeting, 4:00 PM
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 4:02 p.m.

Board Members Present:

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

PGCDA, as Management Company of the Landbank:

Basil, Will	Laird, Tiffany
Brunner, Laura	Meyer, Megan
Hall, Darin	Recht, Chris
Hudson, Rick	Robb, Deborah
Koth, Lesley	Thomas, Susan

Guests:

Bacon, Jordan - Port Authority Intern
Birkenhauer, Kelly – Trihydro Corporation
Muller, Paul – Cincinnati Preservation Association
Schulte, Skip – Bellevue, KY Citizen
Warminski, Margo – Cincinnati Preservation Association

2. **WELCOME AND INTRODUCTIONS**

Mr. Goering acknowledged and welcomed the Board members and the guests.

3. **APPROVAL OF MINUTES**

Mr. Goering asked Board members if there were any additions or modifications to the April 19, 2016, 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 19, 2016, Board of Directors meeting. The motion was seconded by Mr. Honerlaw and was approved unanimously.

4. **MANAGEMENT REPORT**

Ms. Thomas continued the discussion from the last Board Meeting, during which she reported on the focus on improving Landbank internal processes as well as the work being done to enhance the functionality of the systems that address vacant, foreclosed, and abandoned properties. As an update, validation of Landbank internal process improvement occurred when the Landbank became eligible for

reduced documentation for reimbursement under the state demolition program. This reduction is due to a strong ongoing relationship with the Ohio Housing Finance Agency (OHFA), strong record keeping practices, and a high level of completion and accuracy on submissions to-date. Ms. Thomas recognized Ms. Koth and Ms. Laird for their efforts in making this happen.

Cake was distributed to the Board and guests. Ms. Thomas explained that building inspectors from the City of Cincinnati delivered this cake to thank the Landbank for its work to fight blight throughout the City.

Ms. Thomas discussed the Port Authority's plans for outreach to jurisdictions throughout Hamilton County. These meetings will cover the relevant tools in the Port Authority's tool kit, including the tools of the Landbank. The target jurisdictions are provided in the Board packet and generally overlap with existing focus areas and Neighborhood Initiative Program (NIP) target areas.

Ms. Thomas reported that the Port Authority is actively involved in a number of conversations related to streamlining processes that address vacant, foreclosed, and abandoned properties. The Port Authority is working with the City of Cincinnati to help it market City-owned properties. Combining marketing and outreach efforts would simplify the process for prospective owners / developers, so they don't have to check two sources to find available properties. The Port Authority also has been exploring addressing problematic properties that are in places not currently marked for development.

Lastly, Ms. Thomas noted the Port Authority is currently seeking to hire a full time Property Manager. This is necessitated by additional demolition funding and the Landbank's increased inventory.

The Board asked questions about the inventory and maintenance responsibilities, all of which were answered to the Board's satisfaction.

5. HISTORICAL INVENTORY REVIEW

Ms. Thomas referred the Board to the packet for detailed historical review of the Landbank's increase in properties, as well as a summary of dispositions.

The Board asked questions about the properties acquisition processes, average expenses, and inventory based on the NIP program, all of which were answered to the Board's satisfaction.

6. PROGRAM REVIEW

Demolition Grant Oversight

Ms. Koth updated the Board with statistics detailing the Landbank's progress under NIP.

The Board asked questions about the allocation of funds in comparison to other counties, and the number of properties owned versus the amount needed in order to spend the entire allocated amount, all of which were answered to the Board's satisfaction. Mr. Goering added there are several challenging issues with the NIP program; it only applies to single-family properties, and there is no allowance for rehab. After some discussion, Mr. Goering asked for a motion to write a letter to OHFA, expressing the Landbank's collective concern to expand the program to include multi-family properties and rehab. These efforts will be coordinated with the City and followed up with phone calls.

Motion: Mr. Weidman moved to approve Mr. Goering writing a letter to the Ohio Housing Finance Agency. The motion was seconded by Ms. North and was approved unanimously.

Disposition Programs

Ms. Koth updated the Board with statistics regarding Landbank property dispositions, and highlighted narratives pertaining to 3534-3546 Warsaw Ave. and 1710 Brewster Ave.

Historic Stabilization

Ms. Meyer provided an update on the Landbank's Historic Structure Stabilization Program, calling the Board's attention to the report included in the packet. In addition to pointing out program statistics, Ms. Meyer further indicated that the Landbank is also in the process of gaining authority to evaluate and possibly stabilize an additional 4 structures, with an additional 2 structures earmarked for future consideration.

REACH Evanston

Ms. Robb referred the Board to detailed information in the packet and updated that the Landbank has sold 7 houses year-to-date. Ms. Robb also highlighted a home that had previously been featured in Xavier University's 2014 housing study as representative of the challenges faced by many houses in the neighborhood. The work of the Landbank has sparked the redevelopment of this house, as it has been purchased and will be rehabbed by a gentleman who is planning to return to Cincinnati from Oregon to live in this home.

Mr. Hall added that there has been significant interest from the development community in the vacant lots held by the Landbank in its target area. Two development groups have approached the Landbank about the opportunity to build houses. Their proposals are under evaluation, as the Landbank must ensure these houses would be high-quality and fit within the character of the streets.

Ms. Robb reported the Landbank has been selected to present at the Ohio Landbank Conference this October, and will present in a session entitled "The First Five Years of Holistic Revitalization of the Evanston Neighborhood." The presentation will address not only the residential rehabilitations but the work in the business district as well.

7. 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 first half of 2016 and fluctuations on the balance sheet versus the prior year end.

Income Statement

Revenues for the first half total \$3.1M versus a plan of \$3.9M for an \$888K or 23% unfavorable budget variance.

- First half DTAC revenues are \$148K or 8% under plan.
- NIP demo grants are \$498K below plan largely due to timing.
- No City grant funds from the Evanston commercial corridor were utilized during the first half creating a \$234K variance.

Expenditures YTD total \$1.3M versus a plan of \$1.9M creating a \$652K or 33% budget variance, which is mainly due to NIP demo expense being below plan. Note, demo outflows are reported under expense and capital. For the first half of the year, the Landbank is seeing a higher mix of capital demolition outflows versus expense due to focusing on the Lincoln Terrace property in Walnut Hills, which is being entirely recorded as capital.

The net result is operating income of \$1.8M versus a plan of \$2.0M for a \$236K or 12% unfavorable variance.

Capital additions for the first half total nearly \$1.7M versus a plan of \$2.7M, creating a \$1.0M or 39% spending variance below plan, primarily due to the timing of REACH housing capital expenditures. Housing for REACH Walnut Hills was budgeted at \$500K for the first half of 2016; however, the Landbank does not expect these expenditures to occur until later in the 3rd quarter. The remaining variance is related to housing in Evanston, also due to timing.

Balance Sheet

- Cash at the end of 2nd quarter totals \$2.5M, which represents 11 months of operating expenditures. The Landbank received 1st half DTAC funds of \$1.6M near the end of June.
- The increase in receivables relates to NIP demo reimbursements from OHFA.
- Assets held for sale have increased \$441K from the prior year end, also due to NIP demos.

Mr. Hudson noted the Landbank has secured its \$1.5M Line of Credit, which was approved at the previous Board meeting. Nothing has been drawn from it at this time; however, it will be used as needed throughout the term of the NIP demolition program.

Mr. Hudson updated the Board that the Auditor of State reviewed and accepted the Landbank's 2015 Financial Report, which was audited by BKD. Copies of the report were distributed to Board members during the Board meeting and an electronic copy has been made available on the Landbank's website.

Mr. Hudson reviewed a summary list of Assets Held for Sale, and provided a detailed list of corresponding properties available for review. By request, the detailed list will be e-mailed to Board members.

8. POLICY UPDATE

Ms. Meyer updated the Board on the ways properties are acquired by the Landbank, the rights that property owners have, and offered specific examples of the type of property owners with which the Landbank frequently interacts. Ms. Meyer then discussed some of the ways in which properties become unproductive, as well as the tools of the Landbank that help return these properties to productive use. The Landbank's current acquisition policy limits acquiring properties without a known end user, which accordingly limits the number of properties the Landbank will acquire. Mr. Goering discussed creating a working group to re-evaluate the acquisition and disposition policies of the Landbank, to ensure these policies facilitate the optimal use of Landbank resources. Ms. Boggs-Muething agreed to lead this working group, and other members include Mr. Goering, Mr. Monzel, and Ms. North. Additional discussion ensued regarding general Landbank policies and practices.

9. ADJOURNMENT

Mr. Goering adjourned the July 26, 2016 Board of Directors meeting at 5:14 p.m.

Respectfully,



Laura N. Brunner
Secretary