



## Board Minutes

Tuesday, October 20, 2015 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 4:10 p.m.

#### **Board Members Present:**

Goering, Rob  
Hartmann, Greg  
Honerlaw, Joe  
Monzel, Chris  
Portune, Todd  
Powell, Jessica – Designee for Mayor John Cranley  
Quarry, Mark  
Rolfes, Carolyn  
Weidman, Tom

#### **PGCDA, as Management Company of the HCLRC:**

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

#### **Guests:**

Dellinger, Denny – Dellinger Architects  
Fay, Julie – Imperial Theatre  
McMahon, Joseph – Bond Hill citizen  
Muller, Paul – Cincinnati Preservation Association  
Schulte, Skip – Bellevue, KY citizen  
Stock, Carly – Hamilton County  
Warminski, Margo – Cincinnati Preservation Association  
Wise, Kellie – Hamilton County

### 2. **WELCOME AND INTRODUCTIONS**

Mr. Hartmann acknowledged and welcomed guests.

### 3. **PRESIDENT'S REPORT**

Ms. Brunner announced changes to the Port of Greater Cincinnati Development Authority's staff. Billy Weber departed in August to pursue a graduate degree, Master of Public Administration with a focus on Nonprofit Management and Policy, at New York University. Attorneys Paula Boggs Muething and Billy Weber have since been replaced by Lesley Schafer Koth, Senior Real Estate Counsel and Megan Meyer, Real Estate Counsel. Ms. Brunner noted that their bios are located in the Board packet for review.

This year's Ohio Land Bank Conference was held in Cleveland. Once again, we had "starring roles" – Darin Hall and Will Basil led a one-hour session on Rehab Across Cincinnati and Hamilton County (REACH). They provided a very in-depth assessment of REACH Evanston, including the partnerships and relationships that are needed to achieve significant progress. Deborah Robb was one a three-member panel entitled "Rehabilitation – A Tale of Three Cities." These presentations are available for review. We strongly believe in investing time to share and learn best practices from other regional land banks and community revitalization projects.

Ms. Brunner framed the timing of our Neighborhood Initiative Program (NIP) work as the most significant item in today's Board report, which will be addressed in Mr. Recht's and Mr. Hudson's upcoming report. There is a significant decrease in revenue with an equally significant decrease in expense. It took a lot more time than expected in the acquisition of these properties, and under this program each must be owned prior to demolition. We had a strict deadline and have met our deadline on acquisitions. Work will now significantly turn to demolition.

### 4. **APPROVAL OF MINUTES**

Mr. Hartmann asked Board members if there were any additions or modifications to the July 21, 2015 Board of Directors meeting minutes. Hearing none, he asked for a motion to adopt the meeting minutes.

**Motion:** Mr. Portune moved to adopt the minutes of the July 21, 2015 Board of Directors meeting. The motion was seconded by Mr. Quarry and was approved unanimously.

### 5. **PROGRAM REVIEW**

#### Demolition Grant Oversight

Mr. Recht referred the Board to detailed information in the packet and reiterated that the Landbank was required to frontload acquisition under the Neighborhood Initiative Program. The Ohio Housing Finance Agency, which is administering this program in the state of Ohio, ended up including an aggressive acquisition deadline that was not initially established. The Landbank was required to have 203 properties in hand by September 30, 2015, where the initial goal was to acquire 100 properties in 2015. The Landbank was able to meet this goal, and this number will be the bulk of acquisitions for the program. To-date the Landbank has acquired 206 properties and completed demolition of 26, with 50 more in progress, shifting from a main focus on acquisition to demolition. Additional discussion surrounding program parameters took place. Mr. Goering touched on the amount of time dedicated to expediting the BOR procedures, and openly thanked the Prosecutor for helping to make that happen.

#### Historic Stabilization

Mr. Recht reviewed a report, summarizing the Landbank's completion of four stabilizations under the Program thus far 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 as 1706 Lang St. (Over-the-Rhine) was completed in June.

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

#### Disposition Programs

Ms. Thomas referred the Board to the packet, which provides a summary of and updates on the disposition programs. These are ways that members of the public, as well as the CDC and municipal partners, can acquire sites from the Landbank, either through its inventory or through the forfeited land list. Per the update given at the last Board meeting, this reporting is the way in which we have rebranded our programs to make sense to the buying public as opposed to our internal processes. This will become particularly important because, as Mr. Recht pointed out, the Landbank has to own all of the NIP properties in order to demolish them, which then means we will have 203+ vacant lots in our inventory. Some of those have end uses identified, where others will require us actively seeking disposal. It is not the Landbank's intent to own these properties long-term. The six main programs that we will use in order to accomplish these goals include a Local Government Development Program, Neighborhood-Based Development Partner Program, Lot-To-Yard Program, Garden and Greens Program, Single-Family Home Development Program, and Multi-Unit, Multi-Property, and Commercial Development Program.

Ms. Thomas updated that the property located at 5704 Adelphi in Madisonville, which has been an opportunity for the Landbank to partner with the private market with the help of the Madisonville Community Urban Redevelopment Corporation (MCURC), is excited to report that the home has been completed and the new owners have moved into their new home. This property would have been demolished by the City, and was on the forfeited land list. The Landbank acquired it from the forfeited land list, partnered with the Community CDC who found a builder and a buyer, and built this as new infill construction. Additional discussion surrounding program details took place.

#### REACH Evanston

Ms. Robb introduced and played the video *Rebuilding Evanston*. This video was previously presented at the Greater Ohio Policy Center (GOPC) Summit, and chronicles the work in Evanston from the beginning stages.

Ms. Robb updated the Board that the Rehab Across Cincinnati and Hamilton County (REACH) Program is ahead of schedule with 35 of the budgeted 40 properties acquired, 10 of the budgeted 11 building rehabilitations completed, and five others in process. To-date, six sales have been completed and two others are under contract.

#### Strategic Investments

Mr. Hall highlighted that the Landbank is focusing on neighborhoods where it can use its tools to accelerate development in places that weren't being served by a CDC or other community partner. Based on that, there has been active discussion with Cincinnati Center City Development Corporation (3CDC) and Uptown Consortium to discuss their areas of focus. This provides an opportunity to pay attention to the area north of Liberty. This area is significantly blighted but has significant market potential, given its proximity to Over-the-Rhine, Vine Street, and the views that it offers to the City.

This summer the Port Authority was hired to manage the Homesteading Urban Redevelopment Corporation (HURC). HURC was established in 1976 and has been responsible for over 700 renovations in the City of Cincinnati and Hamilton County. This entity is important because it worked with the City and County to manage the Neighborhood Stabilization Program (NSP) Program to return blighted houses back to the community. It is also the regional representative for the National Community Stabilization Trust, which is the entity that was setup to unwind the houses caught in the foreclosure crisis. This gives both

HURC and the Landbank the ability to view housing inventory and offer it to community partners before it goes out to general speculators. This makes HURC a nice complement to the work of the Landbank.

As we began to define what the HURC's role would be going forward, it's clear that they did not have the funds to maintain or even pay the taxes on the properties which it had acquired. This included a small portfolio of 28 properties, all of which are lots, many of which are located in the area north of Liberty, near Vine Street, on McMicken. This represents an opportunity to gain control of a strategic assemblage of properties where there is market interest, while balancing the interest of the neighborhood and the HURC, as we utilize the tools of the Landbank to make sure these properties are maintained and responsibly redeveloped at a profit. Concurrently, we are maintaining our focus on the area to see if there are other strategic parcels we can acquire, and are beginning conversations with developers.

## **6. POLICY UPDATES**

Ms. Thomas introduced Megan Meyer, who in addition to her role of overseeing the Landbank's acquisition and dispositions, is taking on a prominent role on policy developments with respect to vacant, abandoned, and underutilized properties.

Ms. Meyer stated that House Bill 134 has been introduced in the State House of Representatives. This bill provides for an expedited foreclosure process for vacant properties, with the idea that the house will sit vacant for a shorter period of time and not will either eliminate the need to be demolished or require less rehabilitation. House Bill 134 also provides for online sheriff sales, and other processes surrounding expedited foreclosures.

Ms. Meyer brought to the attention of the Board, a second bill that has not yet been introduced, but is the understanding that it's being talked about and likely being introduced within the next six months. This bill is sponsored by the Ohio State Bar Association, and also provides for an expedited foreclosure process and online sheriff sales.

With so many similarities, the Landbank does not yet have an opinion on which would be more beneficial. There are however a few points of concern with both bills. While faster foreclosures are a positive, the online sheriff sale issue would allow anyone, anywhere in the world, to bid on properties. We are worried that this will lead to more out-of-town landowners, more people who would not have an investment in the community or the property they purchased, and are less likely to be motivated to maintain the property. There is also some concern with the second bill in the preemption language which says the intent of the bill is to preempt the entire area of law surrounding expedited foreclosures. The possible concern is that many cities and townships have put a lot of work into requiring banks to maintain vacant properties while they are going through foreclosure. If it could be argued that this bill preempts that law and banks no longer are required to maintain properties, this could allow properties to deteriorate quickly, and if not properly boarded up, they become hotspots for drug and crime activity. The Landbank will continue to watch the progress of these two bills. Additional discussion surrounding lobbying activity and potential results of these bills being passed took place.

Ms. Meyer noted that, while at the Landbank conference in September, there was a talk given by Vorys Advisors, who have been hired to explore ways to get permanent funding for demolition into the state budget. The Landbank has a call scheduled with them. Ms. Brunner added that she is on the Board of the Greater Ohio Policy Center and that organization was asked to help in the funding for this but declined because it was so narrowly focused on residential demolition, however the door may now be opening a bit to discuss a broader range of use.

Ms. Thomas reported the Landbank was approached by a company called Lakeside REO, which is one of the worst property owners in the City of Cincinnati/Hamilton County, about whether we would accept donated properties. While there are a number of competing issues and feelings that go along with this, their business model is to acquire properties via a variety of foreclosure mechanisms, and to foreclose on them, essentially leaving the worst properties, on which they could not turn a profit. The flip side is that these are often properties in neighborhoods where the Landbank is doing work, and they are not well-maintained. Ms. Thomas opened this issue to the Board for discussion and guidance. Ms. Powell, Chief Counsel for Neighborhood Quality of Life and Affirmative Litigation for the City of Cincinnati Law Department, provided additional background information about this company, shared the actions that the City is taking against them, as well as their thoughts on this issue. Additional discussion took place, attempting to balance eliminating irresponsible property owners and figuring out how long the Landbank is willing to hold a piece of property. The Board concluded that while having a punitive price along with donation of these properties is reasonable, there is no blanket answer, and would like to maintain flexibility by putting a scoring mechanism in place while empowering staff with the discussion.

## **7. FINANCIAL REPORT**

Mr. Hudson highlighted some of the more significant Income Statement budget variances for first 9 months of 2015 and fluctuations on the Balance Sheet versus the prior year end.

### **Income Statement**

Revenues YTD total \$2.4M which is \$1.7M or 42% below plan.

- NIP demo grants are \$1.6M below plan due to timing. This grant provides \$5M over a 2 year span with half or \$2.5M budgeted in 2015.
- First half DTAC funds came in \$236K or 12% below plan.

Expenditures YTD total \$1.4M which is \$1.4M or 50% below plan.

- NIP demo expense is \$1.5M below plan due to timing as discussed in grant revenue above.
- Program expenditures are \$107K above plan primarily due to:
  - \$45K REACH Evanston home sales/subsidy recognized earlier than planned (timing)
  - \$28K Utilities
  - \$19K Tenant relocation

Overall, revenues are in excess of expenditures YTD by \$934K.

### **Balance Sheet**

- Cash at the end of Q3 totals \$1.5M which represents approximately 9 months of operating expenditures.
- Receivables declined \$229K or 37% from year end due to the collection of MOF receivables.
- Assets held for sale have increased \$1.3M from the prior year end:
  - \$805K REACH Evanston
  - \$397K NIP demo properties
  - \$118K Lower Price Hill stabilization
- Capital additions YTD are \$739K or 23% below plan due to timing, led by \$537K in the REACH capital budget. Additionally, the capital budget for NIP properties is \$165K below plan due to the timing issue discussed in NIP grant revenue above.

Formal Action Requested – Before the board today is proposed resolution 2015-05 entitled:

## **RESOLUTION REVISING THE BUDGET FOR THE FISCAL YEAR 2015**

Mr. Hudson explained this resolution is to reclass \$75 thousand of Capital Additions to Expense on the budget for the fiscal year 2015. After some discussion of the matter, Mr. Hartmann asked for a motion to approve Resolution No. 2015-05.

**Motion:** Rob Goering moved to approve Resolution No. 2015-05. The motion was seconded by Greg Hartmann and was approved unanimously.

**8. ADJOURNMENT**

Ms. Brunner noted, per Section 4.2 of the Code of Regulations, the Hamilton County Land Reutilization Corporation's Annual Board meeting is scheduled for January 21, 2016, at 4:00 p.m.

Mr. Hartmann adjourned the October 20, 2015 Board of Directors meeting at 5:06 p.m.

Respectfully,



Laura N. Brunner  
Secretary