

The Board of Directors of the Lake County Land Reutilization Corporation (the "Board of Directors") met in regular session on the 16<sup>th</sup> day of August, 2013 at 3:00 p.m. in the Fifth Floor Conference Room of the Lake County Administration Center with the following Directors present:

**MALCOLM CHAFER**  
**GABE CICONETTI**  
**JOHN S. CROCKER, CHAIR**  
**BLAIR J. HAMILTON**

**BETH A. KNEZEVICH**  
**TIMOTHY S. MANROSS**  
**DANIEL P. TROY**  
**ANTHONY J. ZAMPEDRO**

Mr. Troy moved to approve the minutes of June 28, 2013 and Mr. Chafer seconded the motion.

**AYES: 8**

**NAYS: 0**

**ASBSTENTION: None**

**LAKE COUNTY LAND REUTILIZATION CORPORATION  
MEETING**

**Friday, June 28, 2013 @ 3:06 p.m.**  
**5<sup>th</sup> Floor Conference Room**  
**Lake County Administration Building**

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**1. CALL TO ORDER:** John S. Crocker called the meeting to order at 3:06 p.m.

**ROLL CALL:** The following were present:

**MALCOLM CHAFER**  
**JOHN S. CROCKER**  
**BLAIR J. HAMILTON**  
**BETH A. KNEZEVICH**  
**DANIEL P. TROY**

**ANTHONY J. ZAMPEDRO**  
**JOHN M. ROGERS, ACTING SECRETARY**  
**ROBIN DARDEN-THOMAS**  
**JASON BOYD**

**2. MOTION TO APPROVE MINUTES OF THE MAY 24, 2013 MEETING**

Motion: Chafer  
AYES: ALL

Second: Knezevich  
NAYS: NONE

ABSTENTION: Troy

**3. MOVING OHIO FORWARD UPDATE/DISCUSSION:**

**A. MOVING OHIO FORWARD**

Mr. Rogers reported that there are as of this day six homes ready for bids on demolition. A seventh home in Mentor-on-the-Lake was held up because of an asbestos assessment that was not completed. Phyllis Dunlap has been given direction from Mr. Rogers to proceed

with the bid specifications on those homes ready. There is a ten day period for all bid applications to be received and an additional ten days for review and recommendations on the bid applications. We look forward to the assignment of the contract with the first houses to come down by the end of August.

The Lake County General Health Department has condemned five homes. Painesville City has identified five homes. Mentor City requested demolition on only one home at this time. Grand River had requested demolition of five homes. However, only one of those homes at this time will meet the criteria. Painesville Township has six houses; Kirtland has one house and two more that they anticipate will be eligible. Willowick has eliminated a rectory and convent, but there is one home in foreclosure that the city will acquire and request demolition. Fairport Harbor had three homes on the demo list with one additional home that is "in rem", however it may be removed as the owner may find a way to make the necessary repairs.

Mr. Rogers reported that the six homes out for bid will cost approximately \$43,522.00. The breakdown is as follows: 3 homes in Wickliffe at \$6800, \$7800 and \$8000. Mentor-on-the-Lake, Primrose Drive home \$7500 and the Madison Township, Manatee Road home at \$13,422. The cost on the Manatee Road home is higher because of the asbestos assessment.

Mr. Troy asked about the Painesville Township home at 430 Wetmore Rd and why it has not been leveled. Mr. Rogers explained that even though this property is condemned, all steps must be taken before LCLRC can demolish. Robin Darden-Thomas commented on how Cuyahoga County processes their demolitions so quickly. She stated many factors including: efficient housing court; experienced land bank; no bidding process is required as they have pre-approved demolition contractors available. All of these factors speed up their demolition process.

Discussion continued on the understanding of the condemnation-demolition process, and the difficulties in moving blighted properties along this path. He looks forward to the first phase of demolitions and the promotion and press that will follow. This will be an important step in helping the public to understand the LCLRC and the Moving Ohio Forward goals.

## **B. MOVING OHIO FORWARD - SOFT COST EXPENDITURE UPDATE**

### **– Soft costs that will not be paid by MOF**

Mr. Rogers reported he had received a communication from the Attorney General's office. An attachment explaining the communications "Newly Revised Scope of Services Compensation" from CT Consultants was presented and explained. This document details what the state grant Moving Ohio Forward will pay for each of the demolition preparation services provided by the communities, consultants and contractors. Administration costs have been adjusted by approximately \$13,000 and the soft costs (case-by-case architectural and engineering fees) has been modified by \$38,625, for a total of \$51,625. These costs of approximately \$750/demo will no longer be eligible for MOF grant funding. The original MOF plan would have allowed for such charges.

Mr. Rogers requested from the board that in lieu of the local entities paying for such additional charges (not defined in the original program), that LCLRC funds be used to cover these additional charges - all of this for the purposes of hastening the MOF program. Discussion pursued and the board agreed without a motion.

#### **4. REVIEW OF FINANCIALS – Profit & Loss and Balance sheet update**

Mr. Rogers reviewed the attachment detailing expenses, income, insurance, accounting and salaries. Assets and Liabilities total \$417,547.62 to date. He reported Linda's traveling expenses to include one networking meeting in Mansfield and a training session with Thriving Communities in Cleveland. Linda will begin a supplemental hospital, dental and drug plan on August 1, 2013. This plan was selected from 5 different insurance plans as being the most cost effective. It includes a \$20/co-pay program. A financial review of both Profit & Loss and Balance Sheets will be reported at each monthly meeting.

#### **5. GENERAL ETHICS POLICY AND CONFLICT OF INTEREST POLICY**

Mr. Rogers disbursed one set for each of nine board members to review and sign. The two forms are required as part of the standard LCLRC start up. The forms will be reviewed at the end of each year for changes and/or additions and must be signed again by each board member. Mr. Rogers asked that each person take the forms home to review before signing at the next meeting.

#### **6. BOARD OF REVISION FORMS – SPECIAL PREPARATION**

LCLRC is in the process of preparing six legal forms to be presented to the Board of Revision (auditor, prosecutor and treasurer) for a discussion on a way to circumvent the lengthy process of in rem court proceedings.

PROBLEM: If there is an involuntary demolition, an administrative search warrant must be done by either the fire department or health department. We have been advised that the health department will not make a *public nuisance declaration* if there is no one living in the home. If the fire department condemns the home, it involves a more lengthy legal process.

LCLRC would like to simplify the process and have all property in rem cases (vacant land only) changed to be processed through the BOR. If the BOR should agree, a greater number of condemnation/foreclosures would be resolved more quickly, thus hastening the demolitions. Mr. Rogers will be reviewing options as to how to sell this opportunity to the Board of Revisions.

#### **7. ROBIN DARDEN-THOMAS, THRIVING COMMUNITIES**

Ms. Thomas stated that based on information from the Attorney General any moneys not yet spent from the MOF program by December 31, 2013 will be pulled back and probably given to counties without land banks to assist with their demolitions. Those counties that have land

banks will be eligible for money from a new fund called Hardest Hit Funds. These funds were originally set up to be used for foreclosure prevention, but the program outline is too complicated a process for suffering home owners with mortgages problems leaving a good portion of the funds available.

US Ohio Congressmen Dave Joyce (R), Marcia Fudge (D) and Marcy Kaptur (D) introduced legislation that would allow the unused money to be allocated for demolition with the logic that demolishing properties improves the values of the community, thus helping to reduce foreclosures. US Ohio Senator Rob Portman, the Treasury Department and even the White House were in agreement to releasing \$100 million for demolition to Michigan. Senator Dan Kildee (the father of land banks from Michigan) helped write the language for the use of this money.

Michigan's process for acquiring property is much less complicated than Ohio. Detroit has more homes in foreclosure, more money and procedurally less paperwork. i.e. Detroit sells a property to their Land Bank for a \$1. Their land bank borrows the money for demolition and maintenance of the property – all for five years. A mortgage for these costs is placed on the property and then forgiven after five years. The significance of this plan is that we MUST OWN the property. With the present MOF program we do not have to purchase the property.

To comply with this new Hardest Hit funding Ohio will have to simplify their procedures and confer with the Housing Authority to make this work - because it is mortgage related money. Presently to foreclose a property in Ohio you must give the property owner *due process* (give notice, prepare title search, etc.). We must find a quicker way to gain free and clear title (all taxes forgiven except for Federal tax liens) to those properties that would best qualify as land bank properties.

Ohio is working to bring in \$60 - \$100 million Hardest Hit Funds that will be disbursed without the matching funds clause – a nice advantage. Thriving Communities will work with Ohio land banks to find a way to expedite foreclosures possibly through tax certificates, in an effort to help get properties to the land banks faster. Another option is the *Alternative Right of Redemption*, a pre-requisite which would give the owner of the property 45 days to clear the debt. If not cleared, it would automatically fall to the land bank. This new concept of using Hardest Hits Funds will change the scope of Ohio land banks - because of the large volume of properties and the longer length of time the land banks would be in possession of each property. This information applies only to residential property. Acquisition of commercial properties using federal funds has yet to be determined.

Commissioner Troy expressed concern that there is disconnect between the local entities and preparing the proper paperwork; that some of the mayors are continually asking when the first houses will be demolished. Mr. Rogers reaffirmed his repeated conversations with the township, village and city officials expressing the importance of all the communities to get the proper paperwork completed as soon as possible. Ms. Thomas stated that she is glad to see Mr. Rogers is pushing to get all county entities moving; that Lake County's delays are not unique. She stated this is a common problem right now with all Ohio county land banks involved in the MOF; that it will be a race for everyone to meet the December 31<sup>st</sup> deadline.

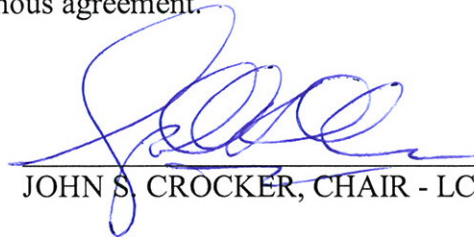
Further, once the contractors are selected, LCLRC will not have to request bids, again. We will be able to use the pre-approved demolition contractors already selected.

There was no further business.

**Mr. Zampedro** motioned to adjourn the meeting.  
**Commissioner Troy** seconded the motion.


The meeting was adjourned at 4:02 p.m. by unanimous agreement.

APPROVED: 8/16/13

  
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JOHN S. CROCKER, CHAIR - LCLRC

The undersigned, Secretary of the Lake County Land Reutilization Corporation, certified that the foregoing is a true and correct transcription of the minutes of the meeting of Friday, June 28, 2013, of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

Dated: AUGUST 16, 2013

  
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LINDA S. FREDEBAUGH, Clerk  
Lake County Land Reutilization Corporation