

The Board of Directors of the Lake County Land Reutilization Corporation (the "Board of Directors") met in session on the **20th day of December, 2021 at 3:00 p.m.**, in the lower level of 8 N State St, 110.

**MAC CHAFER
GABE CICCONE (Mike Manary)
KENNETH FILIPIAK**

**TIM MANROSS
MICHAEL ZUREN**

**LAKE COUNTY LAND REUTILIZATION CORPORATION
3rd QUARTER MEETING
Monday, September 27th, 2021 @ 3:00 p.m.**

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- 1. CALL TO ORDER:** Tim Manross, Chair called the meeting to order at 3:09 p.m.
ROLL CALL:

**MAC CHAFER
GABE CICCONE
JACK CORNACHIO
JOHN HAMERCHECK**

**TIMOTHY MANROSS
RON YOUNG
MICHAEL ZUREN**

- 2. MOTION TO APPROVE THE MINUTES OF THE 2nd QUARTER MEETING HELD JUNE 28nd, 2021.**

Motion: Mac Chafer

Second: Ron Young

AYES: 7

NAYS: 0

ABSTENTIONS: 0

- 3. RESOLUTION NO. 2021-133**

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE LAKE COUNTY LAND REUTILIZATION CORPORATION TO PROVIDE RESIDENTAL LAND AND FUNDS NECESSARY FOR THE CREATION AND OPERATION OF A LAND TRUST IN LAKE COUNTY - SEPARATE AND DISTINCT FROM THE LAKE COUNTY LAND REUTILIZATION CORPORATION

Mr. Rogers began by recognizing Michael Zuren, the newly elected Lake County Treasurer, welcoming him to the Land Bank's Board of Directors.

He then discussed the primary reasons for his request allowing for the creation of a Land Trust, stating that the Land Trust would create a new *shared equity model of home ownership* helping to create more affordable housing to income eligible home buyers. This proposal would further

community investment into neighborhoods throughout the county. As proposed, the Land Trust would build new homes on a Land Trust property (initially 5 parcels to be donated by the Land Bank) together with a request for \$500,000 in seed monies. The underlying intent of the proposal is two-fold: affordable housing for qualified buyers and returning land the Land Bank owns to productive use (generating property taxes to support the various taxing entities throughout the county). The model proposed is based on the Central Ohio Community Land Trust Corporation or COCIC (recall the June meeting's presentation by Hope Paxon, Vice-President of the COCIC Programs and Housing, created by the Franklin County Land Bank).

Under this model, while a prospective owner wanting to purchase a home would have to qualify for a conventional mortgage obtained from a traditional lending source, the Land Trust would retain an ownership interest in the land. This model's pricing structure creates *affordability* for a first time homeowner and all subsequent homeowners who follow. If and when a home is placed on the market for resale, the owner/s should be able to recoup their initial down payment and related expenses, together with a shared equity stake, pursuant to agreement entered into prior to their acquisition. Any future resale would then be to a similarly situated buyer, under a similar agreement, at a sales price reflecting the then current market value.

A question was asked as to who the lender would be for the home buyer. Mr. Rogers again stated the buyer would obtain a mortgage from a bank or mortgage company (Huntington is often used with the Franklin County COCIC). The Trust would not be involved in any part of the home loan process between lender and prospective home buyer.

Mac asked how many other counties in Ohio have Land Trusts already established. Mr. Rogers stated that he knows of the Franklin County example (Columbus) and one possibly in the Cincinnati area. In neighboring Cuyahoga County, their Land Bank is now either refurbishing homes or building homes for resale.

Commissioner Young expressed his concerns over possible long term effects that this concept might have in Lake County. In particular, having a quasi-government agency own the property, one never knows when a government agency might take the property from the homeowner and Land Trust at some point in the future for some unknown reason. That we are delving into areas where we really don't know what the long term impact might be. He stated that real estate and homeownership long ago was meant to be a way to plan your financial future. It was always a huge part of a family's wealth and that the concept of owning both the property and the home was "money in the bank." We are now seeing young people, because of property taxes, and other complications, not wanting to step into the world of home ownership. He continued to say that this doesn't mean he would vote against this request, but felt his concerns needed to be expressed.

Mr. Rogers responded noting that government interference is ongoing, even with private ownership. If the government were to acquire property either by purchase or eminent domain, the government would obviously be required to pay the property owner/owners the market value for such an acquisition. The circumstances would be the same either way. As for money in the bank, this proposal would actually allow someone currently paying a market based rent, to be able to pay a similar monthly amount for a mortgage, while allowing them to build equity for the future, which arguably is also money in the bank and the creation of wealth.

Mr. Rogers reminded the Board that there is Cares Act Funding in place for communities to help with creating affordable housing as was also previously mentioned by Ms. Paxon. The Cares Act funding reinforces the principle of equitable housing for all, something this Board has addressed by their formal support each year when passing resolutions in support of and which is also consistent with this Land Banks Mission Statement

Mr. Rogers discussed a small parcel located in Fairport Harbor that could be a first time and model. As there is not a lot of building going on in that community, this parcel would be a good fit for a Land Trust project. He went on to say he believes if this was approved, this would exemplify the benefits of this concept. Mr. Rogers projected that if the Trust could secure a minimum of two parcels, new homes could be built within a year. The other three proposed parcels (if approved) would be also be donated by the Land Bank and improved with new homes over the next two years. He anticipates that the monies obtained from the sale of the initial homes will then be used to help with the expenses of future homes. Slow wins the race.

John spoke of a couple in their 60's who have in the past, approached John on a number of occasions about the difficulty of home buying. They are living in an apartment in Willoughby Hills, paying \$1,100.00/month with a combined annual income of \$40 - \$50,000. They are unable to find anything suitable for them to acquire in their price range. Mr. Rogers noted that one of the individuals is disabled, and this might be an avenue by which they would be in a position to finally own their own home. And, quite frankly this particular couple would likely stay in this home for the remainder of their lives.

Michael Zuren, having missed the Hope Paxson presentation in June, asked if qualifying would include contracts, declarations and bylaws that must be adhered to by the homeowner. Mr. Rogers responded that the Land Trust would be created as a nonprofit corporation in Ohio with a code of regulations, bylaws, conflict of interest policies and the likes, much like Our Land Bank has in place. Furthermore, a charitable organization designation would be sought from the IRS. As for the homeowner, the acquisition would require an agreement between the Land Trust and the homebuyer, in addition to the mortgage, outlining the relationship, responsibilities and the negotiated percentage share of the equity if and when the home is resold at a later point in time. Any failure to pay the mortgage would result in a foreclosure. A failure to pay property taxes would

likely result in an In Rem Foreclosure, and a failure by either party to comply with the initial agreement/contract would be a breach of contract, subject to the applicable laws in Ohio.

After some discussion, Gabe Cicconetti suggested that the Board pass the resolution with modifications, eliminating **Sections 1 – 3**, for now and then re-consider a future resolution as to the request for a commitment of \$500,000 to the Land Trust and the five parcels of land on which to build. Once the “rule of law” and all other guidelines have been written and adhered to, another resolution transferring land and funds could then be considered and approved.

Gabe Cicconetti then made a motion to Amend Resolution 2021-133 to remove Sections 1 – 3 as proposed with respect to the land and seed monies until a later date, but approve the establishment of the Land Trust. Discussion followed and a motion was made.

Motion: Gabe Cicconetti

Second: Mac Chafer

AYES: 7

NAYS: 0

ABSTENTIONS: 0

4. Ohio Abandoned Gas Station Grant Program

Mr. Rogers stated that he had requested information from the Auditor on any and all abandoned gas stations in Lake County if identifiable. After some research, he stated that there appear to be two stations that are both tax delinquent and not in operation. He asked Michael Zuren if he might review and recommend to the Auditor’s Office, as soon as possible if not already in place, the foreclosure process for some of these businesses.

Cares Act funding will soon become available through the State of Ohio’s Operating Budget to both the Counties and Land Banks. The State of Ohio has set aside \$350,000,000 dollars for brownfield clean-up, and another \$150,000,000 for abandoned residential and commercial structures in need of demolition and/or repair. The Lake County Land Bank will likely be the lead entity for the initial \$500,000 in demolition funds and the County for the \$1,000,000 made available for the remediation of brownfield properties. We should hear more before years end.

5. 529 Fairport Harbor Property

Mac Chafer was given the floor to explain the work that the US Veteran’s Motorcycle Club (USVMC) has been doing for our local veterans. Mac has been supporting their cause for several years and now believes that the property the Land Bank owns at 529 Fairport Nursery Rd, Painesville, Twp. would be the perfect spot for a full-fledged Veteran’s facility. Leroy Shirey, the President of the Lake County Chapter of the US Veteran’s Motorcycle Club, was present and spoke to the Board about their goal of aiding and assisting any veteran from any branch of the service.

They do such things as home repairs, automobile repairs, wheelchair ramp repairs along with clothing and food and funeral escort services. They have been working diligently to raise funds for a new building somewhere in Lake County that would allow them to continue their non-profit work more efficiently. Drawings of the building proposed a steel building with a concrete floor to allow for office space, storage and work space for their repairs. They have and continue to hold fundraisers and benefits to pay for such a structure. Mr. Shirley noted that they also have supporting letters from the Commissioners and the Township for their wonderful efforts. The 529 Fairport Nursery Rd. parcel is an NIP property, which means it cannot be transferred to new ownership until three years from demolition. The impact of releasing the property early will be looked into by Mr. Rogers.

Discussion followed as to the donation of this parcel when available. Mr. Rogers stated that he will discuss this with our attorney as to the language of the transfer. This parcel is due for release from the NIP program December 29, 2023. Mr. Rogers stated that if we can move this property any faster we will do so. A motion to donate the parcel to the Lake County Chapter of the US Veteran's Motorcycle Club was made.

Motion: Mac Chafer

Second: Tim Manross

AYES: 6 (Ron Young left meeting)

NAYS: 0

ABSTENTIONS: 0

6. Mantle Rd Property, Painesville Twp.

The Land Bank was approached by Lakeshore Blvd Properties LTD about donating this 40 acre parcel to the Land Bank for environmental clean-up and return to the tax duplicate. There is a substantial amount of lime dumped at the back of the property that will have to be removed. No decision on a solution to this problem or any intent to take the property until further research into clean-up funding has been made. Mr. Rogers will have to talk with the EPA. This project might be made available for the new brownfield funding money coming soon.

OLD BUSINESS

7. Callendar Property, Painesville Twp.

Mr. Rogers has been in conversation with the property owner to the left (West) of our parcel. The Soil and Water Conservation District wants the Land Bank to take about 10 acres off the North end of the three properties including the property to the West and the Osborne owned property to the East of our land. LCLRC would take control of the segmented parcels, but Soil and Water would maintain the protected property. There are other extenuating circumstances to this project. Mr. Rogers will advise the Board as new information arises.

8. 1991 Hubbard Rd, Madison Township

New sidewalks will be installed this fall on the west side of the property together with new aprons. Funding for this sidewalk project was approved by the CDBG last year, so there is likely to be no cost to LCLRC. The Land Bank has a number of buyers expressing interest in this lot and once we are near to completion, we will advise them of the asking price. Should no one make a reasonable offer, we will list the property with a commercial realty group.

9. Mentor Marsh Clean-up

Osborne Engineering, Cleveland Construction and HzW will be the lead entities on this project. No further news on this topic till later.

10. 11717 Concord-Hambden Rd.

Chuck Klco addressed the Board about a request to have the Land Bank demolish this old and unused building. He explained that the property consists of about 14 acres, of which six to eight acres are usable. The balance of the property has been designated as a Land Lab Nature Preserve. The Township has previously requested quotations on asbestos removal and building demolition; with an average estimate of \$225,000 to \$250,000. The Lake County Auditor valuation of the property is \$120,000. The school district, the current owner, is entertaining a figure of \$10,000.00 for the acquisition plus related closing costs. The zoning requirements in Leroy for residential lots requires a minimum of three acres. So, if someone wanted to purchase the land and building, then clear and develop the land, Mr. Klco estimated there may be room for 5 buildable lots. Mr. Klco believes that with the Land Bank's existing budgeted financial assistance, the Township might break even on the project. Otherwise he does not believe anyone will buy this parcel. Ideally, if Leroy Township were able to acquire the land and demolish the building, they have a multitude of ideas for future use. Acquiring the property would enable the Township to ensure controlled development. Presently, Leroy has a town hall over 200 years old, a road department that is squeezed onto an acre of land and the fire department working out of a building that was once a service station. Discussion followed.

Mr. Rogers stated that the Land Bank has in its budget \$125,000 towards the demolition. He believes that the Cares Act money soon to be released to the county might offer enough funding to pay for both the acquisition and the entire demolition, freeing up the budgeted funds for other projects. After more discussion, there was agreement with the suggestion that if possible, Leroy

Twp. move forward with acquiring the parcel and that Mr. Rogers will continue to pursue additional funding when the Cares Act funds become available.

11. \$300,000 Demolition funding from Lorraine Fende, Lake County Treasurer

Mac Chafer asked if we might do something for Ms. Fende, for her generous gift of \$300,000 donated to the Land Bank for demolition purposes. The money was gifted to us primarily because of the decline of government assistance to our Land Bank in both 2018 and 2020. Discussion followed. Mr. Rogers is to reach out to our attorney to draft a “resolution” for her thoughtfulness, where upon all the Board members will sign.

Having no further business, the meeting was adjourned.

Motion: Tim Manross

Second: Michael Zuren

AYES: 6

NAYS: 0

ABSTENTIONS: 0

MEETING ADJOURNED at 4:27 p.m.

SCHEDULE OF QUARTERLY BOARD MEETINGS

Fourth Quarter – Monday, December 20, 2021 3:00 PM

Annual Meeting – Monday, March 28, 2022 @ 3:00 PM

First Quarter – Monday, March 28, 2022 @ 3:30 PM

Second Quarter - Monday, June 27, 2022 @ 3:00 PM

Third Quarter – Monday, September 26, 2022 @ 3:00 PM

APPROVED: DECEMBER 20, 2021


TIM MANROSS, Chairman

DATED: DECEMBER 20, 2021


LINDA S. FREDEBAUGH, Clerk

The undersigned Clerk certified that the foregoing is a true and correct transcription of the minutes of the meeting held September 27, 2021 of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.