

MINUTES

Portage County Land Reutilization Corporation

Via Zoom

July 15, 2020

Quarterly Meeting

Meeting was called to order at 2:46 p.m. by Chairman, B. Cromes

**ROLL CALL** – Evelyn Beeman

**Board Members Present**

Brad Cromes                      Sue Fields  
Kathleen Clyde                 Bridget Susel

**Absent:**                         Vicki Kline

**Also Present**

Dan Morganti                      Chad Murdock                      Cindy Sanders                      Sabrina Bennett  
Frank Hairston                      Rachel Kerns

**January 15, 2020 Official Quarterly Meeting Minutes**

The January 15, 2020 minutes were presented. B. Susel made a motion to approve the minutes as presented. Motion seconded by S. Fields. Motion carried with 4 Yeas.

**REPORTS AND COMMUNICATIONS**

**Fiscal Report and Property Inventory** – D. Morganti

D. Morganti reviewed the financial statements through June 30, 2020. The Income Statement showed a total revenue received as of June 30, 2020 of \$489,154.69 and total expenses of \$190,468.83. He noted the NIP Grant revenue and expense budget revision is reflected as well as increased DTAC revenue a little higher than what has been average first half collection. A firm number on the Prosecutor's office foreclosure contract is now known and the associated budget revision is reflected on the expense side.

A detailed cash disbursements and receipts journal from Jan 1, 2020 through June 30, 2020 was added to the fiscal report for more detail at the Board level. The fixed asset register indicated the land bank has a total of 110 individual tax parcels of which they own 75 total properties of which 41 are attributed to NIP. A motion was made by K. Clyde to approve the fiscal report, seconded by B. Susel. Motion carried with 4 Yeas.

## **2019 Audit D. Morganti**

D. Morganti stated the 2019 Audit is included in its entirety within everyone's board packet. It was filed by the State Auditor at the end of last week. The finance committee reviewed and accepted the report in May 2020. There were no issues or findings recorded. The Auditor of State has a new Stars program related to the Sunshine Laws. The Land bank not only met the requirements but earned additional stars. There were some verbal recommendations made by the auditor to increase the number of stars earned as it will be part of all future audits. Creating standardized forms for public requests and to designate a records custodian were two of these. This is something that will need to be included in the By-Laws. This person would also need to attend training annually. Dan suggested the Executive Director be the person to be designated as the official records custodian. B. Cromes asked if due to our status of private nonprofit quasi government if we need to adhere to the request. D. Morganti stated we are already doing some of this anyway and won't take much more to comply. Also, in the future the auditors would be pleased to see we are following through on some of their verbal recommendations. B. Cromes stated the records custodian is just a best practice and not a sunshine law requirement. D. Morganti agreed. A motion was made by S. Fields to designate the Executive Director as the records custodian, seconded by K. Clyde. Motion carried with 4 Yeas.

D. Morganti presented the 2019-2020 foreclosure report. There being no questions the meeting continued.

D. Morganti presented a new construction revolving loan fund pilot program. We are going to try the program for 1-2 sites to see how well it works. It may help us diversify what we do not only to acquire existing housing and to rehabilitate it but to be used as another tool to further our mission. It would allow us to take vacant, abandoned and formerly delinquent property and reutilize it by creating new taxable value on the property and from a use standpoint. D. Morganti did a general overview of the program. It would require a good private sector partner. Site selection would be property the Land Bank owns or is in the process of acquiring. This would be infill housing where sanitary sewer would be available. It would also provide homeownership opportunities by making it available to low-moderate or middle households. This would require a stand-alone fund initially setup with an amount to undertake two projects, which would be used solely for the purpose of making loan payments to general contractors or builders for construction of new housing and receiving re-payment of the loan. The Land Bank would be playing the role of lender in this case. The process would be to issue an RFQ for builders who would have the option to select the site for the style they have in mind. Then we would select a builder, move forward with a purchase/loan agreement with the builder and then transfer the vacant land to them at appraised value. Fifty percent of the land value would need to be paid up front with the remaining fifty percent due when the property sells. Construction loan terms would be prime rate minus one percent with no closing fees or costs, for an amount up to 75% of the post-construction value. Term of the loan would be payable when the property sells or at 16 months maximum would owe the full amount borrowed. B. Cromes stated it was a new exciting opportunity for the land bank and we appreciate you putting this together and bringing it forward for discussion. R. Kerns asked what programs would be in place to make sure the families that get into these homes are going to be able to continue to afford them and to provide them the education and training they need for home ownership? D. Morganti stated these types of programs aren't typically a private market requirement when buying a home. B. Susel stated the contractor is the one who will be marketing and selling the

home. The land bank is only providing the financing to build the home. The homeowner would be securing private financing through their own resources. We are just providing the opportunity for the property to be redeveloped and let the valuation go up. B. Cromes asked if Habitat for Humanity would be eligible for funding under this new program. D. Morganti stated they would be eligible to apply. B. Susel made a motion to approve the program and to move forward. Motion seconded by K. Clyde. Motion carried with 4 Yeas.

### **Other Business**

D. Morganti reviewed the electronic votes as follows:

- a.
  - i. 2020 Treasurer/Prosecutor foreclosure agreement addendum and associated budget amendment was passed by the Board electronically on February 12, 2020. It allows the land bank to pursue 24-36 properties through tax foreclosure. The contract extends until April 2021.
  - ii. The Accounting Policy updates are mainly for clarity and to reflect executive director operations model. The vote for this item occurred on April 19, 2020.
  - iii. The land disposition policy update included the way closing costs are handled for rehabilitated properties and owner-occupied sale preference on houses rehabbed by the land bank. The vote occurred on April 19, 2020 to approve.
  - iv. Housing rehabilitation implementation contract RFP was issued early this year. Two formal responses were received from well-qualified organizations. Neighborhood Development Services was the lower price and was selected. This is for construction management for the houses rehabbed by the land bank. This contract was through the end of this year however, now that where are in July, it seems to make sense to extend the contract through the end of 2021.
  - v. Supplementary NIP budget amendment and implementation contract with NDS due to their familiarization with the program. The land bank was able to secure additional NIP funding for an additional 3 demolitions this year. The projects have been completed and we are waiting for the funds to come in. A vote occurred on April 19, 2020 to approve.
  - vi. Pursuit of 1292 Waterloo Road, Suffield Township for a commercial end use. The land bank is pursuing it on behalf of an end-user. We have received a letter of support from the Trustees. A vote occurred on April 19, 2020 to approve.
  - vii. Side lot disposition for commercial end use at Prospect Street, Rootstown Township. A side lot adjacent to a garden center. A vote occurred on April 19, 2020 to approve.
  - viii. Sale of 434 Stow, Kent "as-is". The house is currently under contract. A vote occurred on April 19, 2020 to approve.

Bridget Susel made a motion to confirm the electronic vote for items 1-3; and 5-8. Motion was seconded by K. Clyde. Motion carried with 4 Yeas. Brad Cromes asked for a motion to approve item #4. K. Clyde made a motion confirm the electronic vote and extend the contract with Neighborhood Development Services to the end of 2021, seconded by B. Susel. Motion carried with 4 Yeas.

- b. 1057 W Main Street, Ravenna former gas station. D. Morganti stated the land bank can consider pursuing this through foreclosure and address it in the same way as the Ruggles property on Tallmadge Road property in Edinburg Twp. Community Action Council office is across the street and are in need of more parking spaces. They have expressed interest in the site. Discussion held. B. Susel made a motion to move forward

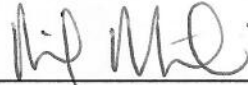
with the final steps contingent upon CAC agreeing to purchase it, seconded by S. Fields. Motion carried with 4 Yeas. B. Susel stated we should verify with zoning they will allow a freestanding parking lot. D. Morganti stated it would be required from CAC to obtain a conditional use permit through the City of Ravenna.

Frank Hairston thanked D. Morganti for spending time with him in the McElrath community. Dan has created a map with all McElrath lots that have blighted, damaged structures as well as tax delinquent status and given it to Frank to review. A request has gone out to ask for CDBG funds to help with sewer/water connections in the amount of \$60,000. This is one thing that has been identified that keeps people from being homeowners. There are people who definitely need some kind of class or training of what they are getting in to when they become homeowners. The Davis property still has dumping going on. The township did put up cameras to help catch the people who are dumping. B. Cromes stated maybe the way to get people classes on home ownership is to go through Neighborhood Development Services or possibly Habitat for Humanity.

The next scheduled meeting will be October 21, 2020 location TBD. The 2019 Annual Report is complete and has been sent out to political jurisdictions throughout the County and other pertinent offices/organizations. There being no further business a motion was made by B. Susel to adjourn the meeting at 3:31 p.m. seconded by K. Clyde. Motion carried with 4 Yeas.



Brad Cromes, Chairman



Dan Morganti, Executive Director/Secretary