

Montgomery County Land Reutilization Corporation (MCLRC)
March Board Meeting
March 20, 2012

Attendees: Carolyn Rice, Treasurer (Chair of the Board)
Judy Dodge, Montgomery County Commissioner (Board Member)
Nan Whaley, City of Dayton Commissioner (Board Member)
Doug Harnish, Principle Market Metrics (Board Member)
Dale Berry, Pres. Washington Twp. Board of Trustees (Board Member)
Paul Robinson, Chief Deputy Treasurer, Treasurer's Office (Treasurer)
Doug Trout, Assistant Prosecuting Attorney, Prosecutor's Office
Angela Lilly, Treasurer's Office

Copies To: Mathias Heck, Prosecutor (Board Member)
Debbie Lieberman, Montgomery County Commissioner (Board Member)
John Cumming, Chief of Civil Division, Prosecutor's Office

Call to Order

Carolyn Rice, Chair of the Board, noting a quorum, called the meeting to order at 3:30 p.m. A copy of the agenda is attached for reference.

Order of Business - Approval of Minutes

Dale Berry moved to approve the February 21, 2012 meeting minutes. The motion was seconded by Judy Dodge and approved unanimously by voice vote.

Order of Business – Acquisition of Property on Auditor's Forfeiture List (630 Superior Ave., Dayton)

One of the other opportunities for land banks is to request properties off of the county Auditor's forfeiture list. These are properties that have gone through a sheriff sale and there was no successful bidder, so these are truly unwanted properties. The City of Dayton has requested a property at 630 Superior Avenue. There is a form the auditor's office has devised, which Carolyn Rice will complete, requesting the property. It will be another pass through property, so it will come into the MCLRC and pass right back out. When the land bank gets more experience, this type of small activity would not get the full attention of the board, but being it the first time, it should be presented. The City of Dayton has an end user for this property, potentially for the side lot program.

Order of Business – Ohio's \$75m Demolition Grant Fund Update

Carolyn Rice spoke with Matt Lampke, Mortgage Foreclosure Counsel in Attorney General Mike DeWine's office and offered the following summary:

- March 19th – consent judgment decree
- Waiting for judicial approval (expected new week)
- Money will be received 30 days later or more (expect \$\$ available this summer)
- Matt will be presenting criteria for eligibility to Atty. Gen. DeWine at end of March
- Once DeWine reviews, modifies, etc. – he will sign off on RFP once he's satisfied
- Note: Jim Rokakis to convene meeting of Ohio land banks prior to finalization of RFP
- Regional meetings will be held to explain RFP

Order of Business –2012 Budget Update

Paul Robinson stated to make things easier for the county and the MCLRC, we will keep the systems separate in terms of accounting. As Treasurer, he will purchase a copy of QuickBooks and set up a bank account, most likely with U.S. Bank. Carolyn Rice would then make a grant to the MCLRC through her Detac Fund.

Order of Business – System for Statutory Compliance Update

Carolyn Rice stated the annual report is due next month. It will be a one page report as no money was transferred.

Order of Business – Protocols for Land Acquisition and Demolition – Discussion on One Block Approach

Carolyn Rice spoke with the Fitz Center last month and they suggested as we already have three properties in various parts of the county, consider a one block approach. To show real impact, target one area vs. hit and miss properties throughout the county. Nan Whaley stated that we need to work on the expedited foreclosure processes currently in place before targeting a bigger project.

Order of Business – Property Insurance Needs Update

Per Carolyn Rice, because we are going to acquire properties, even though we won't be holding on to them, we will need to purchase General Liability Insurance.

Order of Business – Summary of Demolition Bill (Restore our Neighborhoods Act of 2012)

Jim Rokakis, from Thriving Communities, is working with Rep. LaTourette and Rep. Fudge and they are proposing the Restore our Neighborhoods Act of 2012, which represents how to fund the demolition that needs to be done in all states. See attachment.

Order of Business – Announcements

Carolyn Rice stated now that we have completed the MOU with Dayton, we need to start the conversation with Trotwood or Harrison Township in order to get the MOU's in place for when they are ready to begin acquiring property.

Per Nan Whaley, the City of Dayton sent a letter to Attorney General DeWine's office regarding the \$75 million match.

The next board meeting is scheduled for Tuesday, April 17, 2012.

Call to Adjourn

There being no further business, the meeting was adjourned.

Montgomery County Land Reutilization Corporation (MCLRC)
Meeting Agenda
Tuesday, March 20, 2012

Welcome: Treasurer Carolyn Rice

Roll Call

Approval of Minutes

Acquisition of Property on Auditor's Forfeiture List
- 630 Superior Ave, Dayton

Ohio's \$75m Demolition Grant Fund- [Update from Carolyn Rice](#)

90 Day Road Map:

- Establish county land reutilization fund per ORC 321.26 & transfer money to county land reutilization fund from County Treasurer for initial funding of MCLRC – [Update from Paul Robinson](#)
- Administrative Tasks
 - Legal counsel
 - Staffing and space
 - Business plan with preliminary metrics
 - System for statutory compliance- [Annual Report: Carolyn Rice](#)
 - Procedures for conveyance fees, deed filing fees, removal of LRC properties from duplicate and property exemption (*County Working Group-- ready*)
- Operational Tasks
 - Protocols for land acquisition and demolition- [Discussion on One Block Approach](#)
 - Property insurance needs- [Update from Carolyn Rice](#)
 - MOUs with first four targeted jurisdictions (*Dayton- completed, [Harrison Twp, Trotwood, Riverside- to do](#)*)
 - Accounting/property tracking system
 - Website

Announcements

Next Meeting: Tuesday, April 17 @ 3:30 pm

Adjourn

Summary of Demolition Bill (Restore our Neighborhoods Act of 2012) and FAQs

The bipartisan Restore our Neighborhoods Act of 2012 provides \$4 billion for states and established land banks to issue 30-year demolition bonds to be used for demolition of vacant, foreclosed and abandoned homes across the country.

The goal is to demolish uninhabitable, ravaged properties and stabilize and increase property values for responsible homeowners who have maintained their homes and do not want to move from their neighborhoods where they've raised families and worked for decades. The intention is to halt a tsunami of blight that is ruining once-stable neighborhoods one home and one street at a time by focusing on properties that are beyond repair.

How does it work?

The bill creates National Qualified Urban Demolition Bonds (QUDB) that will be divided equally into two pots of funding to be used on qualified demolition projects: \$2 billion to be divided equally among all states (roughly \$40M per state) and \$2 billion will focus on states that have been "hardest hit" by the foreclosure crisis, also known as "qualified" states. Under the legislation, Ohio and several other states would qualify as hard-hit states.

When do the bond funds have to be used?

States have two years after enactment of the legislation to use their bond allocation.

What happens to bond allocations that aren't used by states?

Any unused allocation by a state will be re-distributed by the Secretary of the Treasury after two years to "qualified" states (including hard-hit states like Ohio). After 5 years, any bond allocation a state has not used will be returned to the Treasury Secretary (use it or lose it). Finally, if bonds are not used appropriately by a land bank, the land bank has to pay the government back by the terms described in the legislation.

Does this bill impact Neighborhood Stabilization Funds?

Yes, by allowing but not mandating greater flexibility in how those funds are used. The Neighborhood Stabilization Program (NSP) was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Currently, the NSP is in its 3rd reauthorization (NSP3) but only 10% of NSP funds are allowed to be used for demolition purposes. Under the new legislation, up to 100% of NSP funds can be used for demolition purposes in "qualified" or hard-hit states. This change simply allows states an option to pursue additional demolition projects.

Do you need an existing land bank to use these demolition funds?

No. States without land banks can participate.

Is the legislation paid for?

Yes. There are at least two possible offsets under consideration for the \$4B cost.



Mike DeWine
Ohio Attorney General

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Carolyn Rice
Montgomery County Treasurer
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Re: Moving Ohio Forward Grant Program

Dear Honorable Treasurer Rice:

I was forwarded your letter sent to Attorney General DeWine as I am the Mortgage Foreclosure Counsel responsible for monitoring the Consent Order as well as establishing our grants program. I am pleased that Montgomery County has established its own county land reutilization corporation. I believe the County land banks have the infrastructure and funding streams necessary to fully participate in the grant program as well as operate within a strategic framework in reclaiming blighted properties.

I look forward to working with you and your staff throughout this process. I may need to call on your Office from time to time to assist with establishing our grant criteria and collaborate to maximize matching funding in moving Ohio forward.

Very truly yours,

MICHAEL DEWINE
Ohio Attorney General

MATTHEW J. LAMPKE
Mortgage Foreclosure Counsel