

Montgomery County Land Reutilization Corporation (MCLRC)
Board Meeting
November 12, 2013

Attendees: Carolyn Rice, Treasurer (Chair of the Board)
Dale Berry, Pres. Washington Twp. Board of Trustees (Board Member)
Doug Harnish, Principle Market Metrics (Board Member)
Nan Whaley, City of Dayton Commissioner (Board Member)
Mike Grauwelman, Executive Director
John Theobald, Commission Aide to Debbie Lieberman (Commission Representative)
Cathy Startzman, Commission Aide to Judy Dodge (Commission Representative)
Paul Robinson, Chief Deputy Treasurer, Treasurer's Office (Treasurer)
Maggie Carper, Assistant Prosecuting Attorney, Prosecutor's Office
Sam Braun, Finance Manager, Auditor's Office
Angela Lilly, Treasurer's Office (Secretary)
Anita Smultz, MVFHC, Fair Housing Analyst

Absent (Copies To): Mathias Heck, Prosecutor (Board Member)
Debbie Lieberman, Montgomery County Commissioner (Board Member)
Judy Dodge, 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 – Introduction of Mike Grauwelman

Carolyn Rice introduced Mike Grauwelman, the new Executive Director of the MCLRC. Mike Grauwelman provided his professional background to the board, including his time with the City of Miamisburg and his role with the Mound Development Corporation.

Order of Business - Approval of Minutes

Dale Berry moved to approve both the October 15, 2013 board meeting minutes, as well as the October 25, 2013 special meeting minutes. The motion was seconded by Nan Whaley and approved unanimously by voice vote. Doug Harnish abstained from the vote for the October 25, 2013 special meeting minutes.

Order of Business – Treasurer's Report

Paul Robinson presented the Treasurer's Report (see attached) for the period of October 11, 2013 through November 12, 2013, which shows an ending balance of \$1,344,740.65. A number of the

transactions are the in & out transactions associated with the Moving Ohio Forward program. A few of the items are deposits for the land bank's Lot Links program, which is similar to the program used by the City of Dayton. Dale Berry moved to approve the Treasurer's Report. The motion was seconded by Nan Whaley and approved unanimously by voice vote.

Order of Business – Executive Director's Report

Neighborhood Initiative Program (NIP)

Mike Grauwelman stated his current priority is preparing for the Neighborhood Initiative Program (NIP) that is going to be administered by the Ohio Housing Finance Agency (OHFA). The goal of NIP is to stabilize property values. \$60 million will be made available for demolition and will consist of two rounds of funding. There will be a maximum of \$15 million to any one land bank and a minimum of \$1.5 million. The maximum allowed for any demo project will be \$25,000. Maintenance and/or administration fees can be included in the \$25,000. The grant submission first round due date is tentatively scheduled for December 20, 2013. The expectation is that date will be pushed back because there is no program manager for these funds at this time. The second round is scheduled for April 4, 2014. The final draw down request deadline is December 31, 2015. The application will require a targeted area plan, which identifies specific properties using data, demographics, and foreclosure information. The work is to be completed by the December 31, 2015 date. The City of Dayton offered to collect the data for the targeted neighborhoods for the entire county. A local partners coordination meeting has been scheduled for November. Dayton will offer data to each of the communities at that meeting. One of the challenges of NIP will be the requirement that the land bank or the jurisdictions will have to take ownership of the properties. A mortgage has to be established in the amount of funds that were used to demolish the property. This provides some protection by blocking the property from being flipped quickly and prevents someone from getting the property for nothing. After December 31, 2017, the mortgage disappears or is forgiven. The mortgage is also forgiven if the property is donated to a governmental entity.

West Carrollton – White Paper Pilot Program

West Carrollton has an area called Apple Hill that has experienced turnover in many of these properties, with some becoming rentals. West Carrollton has recently purchased a home in that neighborhood and asked if the land bank could make a loan to them so the city could go in and renovate the home and offer it for sale as an owner-occupied only property in order to begin to stabilize the neighborhood. They provided a white paper program outline (see attached) and requested \$50,000 to renovate, flip, and sell the property. This would be a pilot program for the land bank and the mechanics of the program have not been vetted yet. Dale moved to pursue the pilot program, with questions to be answered at a later date. The motion was seconded by Nan Whaley and approved unanimously by voice vote. Doug Harnish abstained from the vote.

MOU's

Farmersville will soon be entering into an MOU with the land bank.

Grant Program

Mike Grauwelman and Paul Robinson met with Harrison Township to discuss some vacant apartment units that are creating a blighting influence on the landscape.

Planning

Mike Grauwelman stated that he would like to organize a strategic session in January to talk about the funds the land bank has available and to establish our priorities as a program.

Order of Business – Committee Reports

Rules Committee: No submission was received last month, so there is no report at this time.

Personnel Committee: No report at this time.

Audit & Budget Committee: We will be audited next year for the previous two years, however no report at this time.

VAPAC Advisory Group: No report at this time.

Old Business (Update) – Moving Ohio Forward Program Update

Per Carolyn Rice, The biggest update is that we are flowing money out to the City of Dayton. The city has their paperwork on track now and we should continue to see this flow.

Announcement

The next board meeting is scheduled for Tuesday, December 17, 2013.

Call to Adjourn

There being no further business, the meeting was adjourned at 4:14 p.m.

I hereby certify that the minutes related to the Board of Directors' monthly meeting of November 12, 2013 set forth above are the minutes approved by the Board of Directors at their meeting of December 17, 2013.

/s/ Angela Lilly

Angela Lilly, Secretary

Montgomery County Land Reutilization Corporation

**Montgomery County Land Reutilization Corporation (MCLRC) Meeting
Agenda
Tuesday November 12, 2013**

Welcome: Treasurer Carolyn Rice

Roll Call

Approval of Minutes

Treasurer's Report

Executive Director's Report

Committee Reports

- Rules
- Personnel
- Audit & Budget
- Vacant & Abandoned Property Action Council (VAPAC)

Old Business-- Moving Ohio Forward Program Update
Neighborhood Initiative Program (NIP) Update

New Business-

Announcements

Next Meeting: Tuesday, December 17th @ 3:30 pm

Adjourn

Montgomery County Land Reutilization Corporation
Treasurer's Report
Transactions for Octoberber 11, 2013 through November 12, 2013

Type	Date	Num	Name	Memo	Amount	Balance
					Starting Balance	\$1,364,241.01
Transactions						
Deposit	10/11/2013	Wire	Treasurer of State / Attorney General	Moving Ohio Forward: City of Dayton Reimbursement	14,713.43	1,378,954.44
Direct Debit	10/15/2013		US Bank	Banking Services - Monthly Analysis Service Charge & Wire Fees	(73.45)	1,378,880.99
Deposit	10/18/2013	Wire	Treasurer of State / Attorney General	Moving Ohio Forward: City of Dayton Reimbursement	249,003.57	1,627,884.56
Deposit	10/31/2013		US Bank	Interest Paid	12.57	1,627,897.13
Check	11/12/2013	1079	City of Kettering	Moving Ohio Forward: City of Kettering Reimbursement	(20,373.25)	1,607,523.88
Check	11/12/2013	1080	City of Dayton	Moving Ohio Forward: City of Dayton Reimbursement	(14,713.43)	1,592,810.45
Check	11/12/2013	1081	City of Dayton	Moving Ohio Forward: City of Dayton Reimbursement	(249,003.57)	1,343,806.88
Deposit	11/12/2013	1025	Riesa Croom	Foreclosure Deposit: Vacant Property Acquisition	1,000.00	1,344,806.88
Deposit	11/12/2013	6593	Carol Boase	Foreclosure Deposit: Vacant Property Acquisition	500.00	1,345,306.88
Check	11/12/2013	1082	Carolyn Rice	Mileage & Parking: Ohio Land Bank Conference (October 22-23, 2013)	(85.81)	1,345,221.07
Check	11/12/2013	1083	NAIOP	2014 Dues: Mike Grauwelman (Commercial Real Estate Development Association)	(425.00)	1,344,796.07
Check	11/12/2013	1084	Lee & Mason Financial Services, Inc.	Liability Coverage Premium: 4160 Klepinger	(55.42)	1,344,740.65
						1,344,740.65
Transactions Net Total / Ending Balance					\$ (19,500.36)	\$ 1,344,740.65

Montgomery County Land Bank-City of West Carrollton Pilot Project:

The purpose of this project is to create a Municipal Line of Credit Program administered and funded by the Montgomery County Land Bank. The initial funding requested by West Carrollton is the sum of \$50,000 made available at an interest rate to be determined by Montgomery County for funds loaned to a municipality. These funds would be utilized by West Carrollton to remodel existing single family homes and/or apartment buildings (or condos) taken through the expedited foreclosure process or that has been donated to the city.

The City of West Carrollton has several neighborhoods that were decimated by the recession of 2008. Many of these neighborhoods are already considered blighted areas and are not within the scope of this project. The purpose of this project is to stabilize “at risk” neighborhoods that are capable of sustaining market rate housing but are seeing a noted increase in foreclosures and neglected or abandoned properties. One of these neighborhoods identified by West Carrollton that is at risk are the older, existing neighborhoods known as:

- Carrollton Manor
- Orchard Hill
- Denny Woods
- Wilson Park
- Delshire

The West Carrollton’s goal is to acquire, rehabilitate, and re-sell at “market rate” abandoned or foreclosed properties taken through the expedited foreclosure process in order to stabilize neighborhood property values, instill and maintain a sense of community pride, and encourage new home buyers to take up residence in the area. This program extends only to homes owned and maintained by the City of West Carrollton and funds shall not be made available to the general public.

Montgomery County Land Bank shall agree to extend to the City of West Carrollton a line of credit in the amount of \$50,000 to be drawn by the city at its sole discretion, and within the aforementioned parameters, at an annual interest rate determined by market rates of comparable credit rating clients. These funds shall be used for the sole purpose of remodeling the target home to a state at or slightly above market rate for the neighborhood. Upon completion the city will sell the house at a rate which will stabilize or even raise the general market rate pricing in the community. The buyers would be expected to qualify for a typical homebuyer’s bank loan to purchase the home (ex: 80/20 loan). The city shall attach to the deed a restriction that shall forbid the buyer of the property from renting the property for a period no less than 5 years from the date of Closing. This deed restriction shall run with the property.

By taking these abandoned or tax delinquent properties through the expedited foreclosure process and remodeling and reselling them at or above market rate, the city will assist the local residents in arresting declining home values, and will add to the proportion of homes in the city that are owner occupied structures. This program will run for a period of 12 months from the date of agreement and shall be reviewed for success and renewal at a period of 1 month before expiration at which time the program can be extended or dismantled.