



SHAKER HEIGHTS

Neighborhood Revitalization and Development Agenda Via Zoom Meeting Due to COVID-19 Public Health Emergency Wednesday, October 14, 2020, at 6:00 p.m.

For the safety of staff and residents, in-person attendance is not permitted. Join online as a viewer or listener and to provide public comment during the meeting from a PC, Mac, iPad, iPhone or Android device at <https://zoom.us/j/94329525632?pwd=dFdrK2VQTTNqZDNJS2lyYVdsTGJ6Zz09>.

Password: 33553400; Description: Neighborhood Revitalization and Development; or join by phone at 833-548-0282 (toll free); Webinar ID: 943 2952 5632; Password: 33553400. International numbers available at <https://zoom.us/u/a4Kc6HFL>

1. Approval of August 12, 2020 & September 9, 2020 Meeting Minutes

Documents:

[NRD MINUTES 081220.PDF](#)
[2020-09-09 DRAFT MIN-NRD.PDF](#)

2. Proposed Changes to City's Vacant Lot Program

Documents:

[MEMO TO NRD RE PROPOSED CHANGES 10-7-20.PDF](#)
[VACANT LOT PROGRAM DESCRIP-FINAL-10-9-20.PDF](#)
[PROCESS CHART.PDF](#)

3. Public Comment

To request an accommodation for a person with a disability, call the City's ADA Coordinator at 216-491-1440, or Ohio Relay Service at 711 for TTY users.



DRAFT

**Neighborhood Revitalization and Development Committee Minutes
Via Zoom Due to COVID-19
Public Health Emergency
Wednesday, August 12, 2020**

Members Present: Tres Roeder, Chair, Council member
Anne Williams, Council Member
Nancy R. Moore, Council Member
Rob Zimmerman, Council Member
Eric Bevilacqua, Committee Member (joined at 6:27 p.m.)
Carter Strang, Committee Member
Donna McIntyre Whyte, Committee Member
Benjamin Woodcock, Committee Member
Kamla Lewis, Director of Neighborhood Revitalization
Laura Englehart, Director of Economic Development
Kyle Krewson, Director of Building and Housing

Others Present: Mayor David E. Weiss
Jeri E. Chaikin, Chief Administrative Officer

The meeting was called to order by Council Chair Tres Roeder at 6:00 p.m.

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Approval of the July 8, 2020 Meeting Minutes

It was moved by Donna Whyte and seconded by Benjamin Woodcock that the minutes from July 8, 2020 be approved as amended. The motion passed.

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City's Land Banking Program

Chair Roeder stated that the main order of business is to discuss our policy with vacant lots and specifically how we make the decision for whether or not that would go to a resident or perhaps to be developed into a home that could be sold. There have been some questions on this in the past few months. Neighborhood Revitalization Director Kamla Lewis will walk us through why we have this policy. It will be an opportunity for the Committee to make sure they are all up to speed on the policy and also to provide any thoughts or recommendations they may have on that policy. After that we will do something we do not do normally, which is open the floor for public comment. It looks like at the moment there are not any attendees joining us so we may or may not need to do

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that. There were one or two people we thought might comment, one of whom we found out earlier today was not able to join us, but we want to make sure that if the public has anything they want to say and end up joining us in this meeting, their voices will be heard as well.

Neighborhood Revitalization Director Kamla Lewis stated that since with the exception of Council member Mrs. Moore, most of the Committee members have not had much experience with the City's Land Bank, we thought it would be helpful for Director Lewis to provide an overview and give the Committee an opportunity to ask any questions and make suggestions about the land bank's operation. Director Lewis gave a five minute summary when she presented an overview of her department earlier this year but there was so much information provided to the Committee that night that they are forgiven if they do not remember. In the memo she distributed tonight she provided a detailed background and history of the land bank and will now focus on the main principles behind the operation. There is a lot of nuance and she wants to make sure there is plenty of time for questions and answers.

What is the land bank and why do cities have land banks?

They are governmental entities, or in some cases like the County Land Bank, they are non-profit corporations that acquire, hold, repurpose, and dispose of properties to serve community needs. To be specific Director Lewis will only be talking about our residential land bank although we also do commercial land banking. Land banks exist because of the recognition that land is an asset and that control of land is an important tool for cities in maintaining and building their tax bases and shaping land uses in their communities. The City actively began using land banking as a tool in 2002 coming out of our 2001 Housing Plan, part of which was a call for the diversification of the City's housing options as an important way for the City to remain competitive into the future. At that time the City owned only 7 single-family vacant lots and now we own 222+ vacant lots, and we acquire on average 10 – 15 additional residential lots per year. You can see that a lot has changed.

How does a land bank operate?

Land banks carry out four main functions: acquire properties; hold properties (moth balling); prepare properties for redevelopment; and dispose of properties. The specifics of how land banks carry out these functions varies considerably from community to community and the prevailing community goals and conditions. While our land bank has carried out all of these functions over time, the focus has varied considerably over the years. At the outset, the focus was on acquisition of land through purchase and encouraging the construction of new houses. Fast forward to the foreclosure crisis and the focus is on acquiring properties that would otherwise remain abandoned and unmaintained or were likely to be prey to irresponsible speculation. In addition we spent quite a bit of energy on holding properties and preparing them for redevelopment either through demolition or through rehab. As market conditions fortunately stabilized and improved our focus then shifted toward rehab of properties as well as disposition of properties for side lots and infill. These priorities are articulated annually through the budget process and the development of our departmental action plans in accordance with the City's priorities each year. While during the tenure of Mayor Leiken the priority was on holding land for future redevelopment, Mayor Weiss has identified as one of his priorities accelerating the disposition of City-owned properties. As a result of that earlier this year we modified the side lot program to make it easier for residents to acquire vacant lots available as side lots. Also prior to COVID-19 one of the things on the planning horizon

for the land bank was reviewing the City's approach to handling half-duplexes we own as well as strengthening the condo market through using the land banking tool.

Land banking guidelines.

While the priorities have changed over the years, the procedures and guidelines that govern the operation have remained consistent.

- Acquisition Properties for acquisition are identified by Director Lewis and approved by Chief Administrative Officer Jeri E. Chaikin (CAO). There are certain basic things that help with this. Council authorization allows us to administratively acquire all residential properties under \$25,000 without Council approval. In order to prevent irresponsible speculation we have a policy of acquiring all vacant lots that are not purchased privately at a sheriff's sale as well as all properties that are forfeited to the state. We only acquire properties for rehab if we can identify a Shaker Renovator or a housing non-profit who is willing to undertake the rehab. The City's goals for rehabs are high quality renovations that go beyond point-of-sale violation correction to raise neighborhood values and to ensure owner-occupancy. We are very cautious when it comes to taking a property with a structure on it. Properties we do take with structures on them that cannot be rehabbed or demolished are only acquired in highly unusual situations where the alternative of leaving it to the private market will likely result in a continuing cycle of decline.
- Disposition At the time we determine we are going to acquire a property, we also identify the probable disposition strategy of the property. That is the first thing the CAO wants to know, what we will do with it. We might demolish the property and hold the vacant lot, add it to our side lot program, identify it for infill housing, use it for green space, rehab it, have an economic development purpose, etc. Because the time between when we identify a property we might want to acquire and the actual acquisition might take several years, we re-evaluate the disposition at the time of acquisition. A lot may have changed in that time. We also re-evaluate that periodically as market conditions change. When we are determining disposition we consider the lot's location, and multiple departments may be consulted on potential uses depending on where the property is. Lots that are identified internally as best suited for infill or another specific use are not made available for other uses, such as side lots. When we acquire a property we put it on the City website to identify what properties we own, but we designate whether it is available as a side lot or not. Most of the lots are designated for any purpose. The ones held back for infill are typically multiple parcels or a parcel where we know we are going to acquire the adjacent parcel so it will end up a multiple parcel, a lot that might be in a stronger market area more likely to attract infill, and lots that might be reserved under a development and use agreement. For example, when we acquired a vacant lot through demolition that was adjacent to Chelton Park we knew that the Moreland community had been wanting the park expanded, so we did not make that lot available as a side lot and instead held it until we could expand the park. Similarly, when we acquired a rather large lot on Menlo we asked the community what they would like it used for and they wanted it as park space, so it became the Menlo Tot Lot. Because market conditions and City priorities are always changing, the availability of any given lot as a side lot may change. A lot which for years may have been available as a side lot may through a Development and Use agreement with a developer no longer be available in that way. This is what happened when we entered the development and

use agreement with Knez in Moreland. Also a lot which may have been deemed of no specific use to the City when we acquired it may suddenly become strategically important because of a new City project. This happened with a property we recently acquired on Lindholm which at the time the City did not feel it had a specific need for, but now given the work that we are doing in the Chagrin/Lee corridor, we are holding it and not making it available as a side lot. Whenever it is unclear if there is a specific desired use for a property it is made available for all uses: side lot, infill, or community use. In those cases applications for those lots are accepted on a first and best proposal basis. What that means is that applications are taken in the order in which they are received and then accepted or rejected based on Council's assessment on whether they are the best proposal. The disposition of lots in the side lot program is based on this process. There are no set prices for any of our vacant lots including infill lots. Anyone interested in a lot for a new home must submit a proposal with an offer price, proof of financing to build the home, and at a minimum a front elevation of the proposed home. To date no one has offered us more than \$1. Because land that is owned through the land bank should be utilized to further community goals as identified by the Mayor and Council, applications to acquire City-owned properties are all reviewed and approved by Council. Buyers also have to demonstrate the capacity to implement the proposed use of the property and show they are in compliance with Shaker codes, not tax delinquent or in foreclosure on any Shaker-owned properties.

- Maintenance Our position has always been that all City-owned properties should be maintained so that they are assets to the community and that is why unlike most land bank programs we determined we would landscape and fence all of our vacant lots so that they fit into the neighborhood. We ensure the curbs are rebuilt where we have demolished a house and the driveway has been removed to reduce dumping. If there is a structure on the property it should either be demolished or sold for rehab as soon as possible to limit liability.

As the market has improved for both side lots and infill we are facing some current issues that we thought were worth bringing to the Committee for further discussion. Historically while acquiring and utilizing land to encourage the development of new housing has always been a City priority for most of the 20 years Director Lewis has been with the City, there has been little demand from builders for City-owned land. Even when we have received requests from neighbors to acquire lots designated for infill or other City priorities we have rejected them. In the last year, and especially in the last six months the interest by both individuals and developers in building homes on vacant lots has increased significantly. At the same time we are seeing an increase in the interest in side lots by neighbors. This means that we are likely to start encountering more situations where a City-owned lot is wanted by a neighbor as a side lot as well as by a developer as a potential infill site. We already saw that when the Committee considered last month the vacant lot on Fairmount with both the neighbor and developer Keystone Homes submitting applications. Since that time Director Lewis has another developer interested in that same lot who wishes to be notified immediately if the six months option for Keystone Homes expires. This is a lot for which we had no interest before this. We also have two more lots, one that recently came into our possession on Friday and another that will come in shortly that because of their location we are considering logical candidates for infill. We already have two individuals and one developer evaluating that lot for a new home. In addition to the development and use agreement we have with Knez for building homes on up to 20 of our

vacant lots over the next 5 years, in the last six months we have been working with the County Land Bank on a pilot project to build homes on City-owned lots. We are currently at the stage where we are trying to identify builders that we both feel comfortable with. We have been working with Keystate Homes for a couple of years which led to the option agreement that Council approved last month. We are working with another developer who has expressed interest in piloting an infill project on several City-owned lots and we have had a developer from North Carolina express interest in a large scale infill program on our lots. On Friday Director Lewis received a call from one of our best rehabbers who has done a number of properties and now wants to shift into looking at evaluating infill lots. In addition Director Lewis has received a number of calls from individuals who are interested in building new homes in Shaker. She is currently working with a Shaker tenant, three existing Shaker homeowners, a gentleman from New York who wants to move to Shaker, and clients of Knez who are interested in different areas of Shaker. That is a huge increase in the interest we are seeing. The second key issue worth looking at is the price of \$1 for each lot. The City has not sought to negotiate for higher prices for its lots when new houses are going on them because our policy to this point has been to focus on having the best quality house built. We would prefer for the funds to go into higher quality housing. The philosophy has been that the short term gain of a few hundred dollars is far outweighed by the longer term gain of having a higher valued house. As we sell more lots for infill housing however, this question is bound to come up so she thought it was worth raising. Infill housing in almost all of the first ring suburbs requires subsidy. Because of the City's infill guidelines, the cost of building in Shaker is even higher than in most of the other suburbs. The two main tools we have currently to encourage infill development are our tax abatement only available in Moreland, and the availability of our low cost lots.

Mayor Weiss stated that the primary point Directory Lewis mentioned which is accurate is that this is probably the first time at least in recent memory where we have this confluence of two different things happening simultaneously, which is interesting in the midst of a pandemic, to have both an uptick in interest in the side lot program and we are beginning to see an uptick in potential infill. That intersection of issues triggered this, as well as for those residents who are caught in these situations that are maybe on one side of these properties and trying to understand what our approach should be. Although we have seen the infill inquiries and discussions going on, it does take a while. Our discussion with Knez took quite a while to negotiate. For the Keystate Homes developer option, we had also been discussing properties with them for quite a while but did not pull the trigger until just recently. It takes a while and he would certainly like to see a little more definitive progress in this area, some actual sales. Having said that, Knez does seem to be getting traction on their properties. There is no question it is a complicated issue, but we thought it was good to walk the Committee through it and get input.

Chair Roeder stated this is an invitation to a policy discussion on all of the issues presented by Director Lewis for all those present to provide their thoughts, comments or ideas on how we can make this policy even better.

Donna Whyte asked how things are going in Moreland. She is aware of a number of vacant lots there and she appreciates there is an increase in interest, but asked where the interest is occurring, whether across the entire City or concentrated in certain areas. She also asked if someone has

purchased a side lot if it can later be developed. She read that double or triple lots which have been reserved for developers may be reconsidered.

Director Lewis stated that she believes that holding on to double and triple lots is really important because if we are to diversify the housing types, most of the lots are so small that they could only fit a single-family house that is vertical. We would not be able to fit a ranch style home and it is harder to have a first floor master on smaller lots. A lot of our discussions with developers involved alternatives to single-family housing. That is the more challenging piece so it will take longer to get there because it is an unproven market. She is asking if the community and Council still feel comfortable with that policy of holding on to multiple lots. If someone purchases a side lot and a developer wants it, the developer would have to purchase both the adjacent home and vacant lot since the side lot program requires the homeowner to consolidate the lot with their parcel so that it is one parcel. They could technically ask for it to be subdivided again. With regard to interest in infill, the area we work the hardest to build developer interest is in the Moreland neighborhood. That is what the Moreland Rising project has been about. That is because the role of the City is to encourage where the private market is not yet ready to come in on its own. That is why we offer the additional incentives in Moreland such as tax abatement. The lots that are on Fairmount or Huntington are in much stronger market areas and the private market is much more likely to step forward and redevelop those. Typically a developer does not want to do one offs. Keystate Homes is a custom homebuilder. That is why they are taking an option because they are not building a house until they have a buyer at which time they will build the house specifically for that buyer. The approach we are taking in Moreland is focused on finding developers like the County Land Bank and Knez who wants to do something on a larger scale marketing an entire neighborhood, as opposed to an individual lot.

Council member Mr. Zimmerman stated that Director Lewis provided a great memo on this topic to the Committee. It was quite a history lesson. He remembers one of the very first things he paid attention to in the Neighborhood Revitalization area years ago when he was a new member of Council were the two houses on Lindholm. He understands why we are trying to promote development. It is the right time. There appears to be some interest, a market. The economics seem to be right but he may still be experiencing some of the scars of the foreclosure crisis when it seemed we were constantly acquiring properties, and demolishing them. He asked if there is any particular acute need to continue doing that right now in particular areas or even in general or are we sort of comfortable with the pivot that is going on right now.

Director Lewis stated that unfortunately we are still feeling the after effects of the foreclosure crisis. Even though foreclosure filings are dramatically down, the court process for processing those foreclosures takes an inordinately long time. The cases drag on and come on to the market through sheriff's sale after the foreclosure has completed and those are the properties that we are still taking into our land bank. That is because there really is no other home for them. We have taken in between 10 and 15 properties a year in the last couple of years. In 2019 we took in 21 properties, 19 of them had gone through a tax foreclosure. Of those 17 were vacant lots. Vacant lots have pretty much a value of \$1 in the market place. Nobody is picking up the vacant lots at sheriff's sale. That means they are forfeited. If they are forfeited to the state speculators buy them in mass from out of state. They buy them and realize no one wants to buy them from them so they don't pay taxes and

we go back down the same road. That is why from a policy standpoint we determined that any vacant lots that are not sold at sheriff's sale or are forfeited to the state we take in to our land bank to prevent that cycle from recurring and to make sure those properties are well maintained. A non-maintained property so significantly impacts the adjacent properties that it will negatively impact our property values. We only own half of the vacant lots that are in the City. Most of the vacant lots are privately owned. Our goal is not to take them as long as someone else will and will maintain them. Typically of the properties we get, 99% are through the tax foreclosure process, and the rest are through donations. We only take donations if it is a vacant lot, and tax delinquent. We will take as a conveyance in lieu of taxes to shorten the time it sits there being abandoned. We also take properties that have a structure if we have a good rehabber willing to take on the project.

Mayor Weiss asked Director Lewis to discuss the dollars no longer available for demolitions.

Director Lewis stated that the City's demolition program that has operated for at least the last 7 years has been funded mostly through the county, state and federal grant dollars that we applied for. Federal and state money has long dried up, and this is the last year that the county demolition funds are authorized. To the best of our knowledge the county has made no indication that it plans to authorize additional funds.

Council member Mr. Zimmerman stated that he appreciates the thorough answers and he has learned some new things. Director Lewis is right in that the foreclosure process is very long and a truly lagging indicator. He did not really think about that.

Chair Roeder stated that it is instructive to him also about how lagging it is.

Council member Mrs. Moore stated that if the question is how much additional incentive or whether the City should somehow offer an additional incentive in order to move these vacant lots to ownership either for infill or for a side lot, and if the City's cost to maintain them is approximately \$183,000/year, it was suggested as a public comment to City Council not too long ago that we could offer to pay the taxes on the side lot that would then be acquired as a side lot by the adjacent homeowner. She thinks that would be an extremely poor policy decision because we have seen how the market has changed just since this vacant lot program was created originally and if it is a stressor on City finances to carry these properties at the rough cost of \$183,000/year and we are adding money to them in the form of a tax subsidy to encourage property owners to acquire adjacent lots then we are increasing our costs and probably not at a rate that is commensurate with recouping that outlay of money.

Director Lewis stated that she had not heard that suggestion that we pay the taxes. She does not agree with that in concept. When the changes were proposed, it was important to everyone involved with the side lot program that anyone acquiring a side lot must be committed. That is why we require the consolidation. Even with that we have seen maintenance fall off. People need to make sure they can manage this. That is why we give our best estimate of the additional costs. Generally, as she speaks with residents taking on side lots, they have seen the value and the additional tax has not been a disincentive for them. The greater disincentive was the upfront costs of the consolidation which may put it outside the means of many people looking at these.

Council member Mrs. Moore asked about First Suburbs and if there are other programs Director Lewis knows about in other cities that have not occurred to us that we could use or concepts we could use in this area.

Director Lewis stated that when we set up the original program in 2008 we did a scan all across the board, but philosophically our land bank does look at this differently than most. Most land banks are very anxious to get rid of their properties. They are not generally cities, especially small suburban cities. The County Land Bank has a huge cost to holding properties. If they own a property in Shaker and someone wants to buy it for a \$1, there is no downside to the County Land Bank. They are not responsible for that neighborhood. That is why you cannot really compare like that, we have to look at what our land bank is trying to accomplish. That is why the City of Shaker Heights made a very clear determination when the County Land Bank came into existence, after the City land bank had already been operating for some time, that we were not going to allow the County Land Bank to own any property here unless we had made a determination that was what we wanted. While the County Land Bank takes in most of the tax foreclosed properties for the other communities, we are very much an outlier in that case. That is also because most of those communities also decided that they did not have the financial wherewithal or were not willing to make it a priority to maintain those properties. Certainly we could use that option. The County Land Bank is there to take in those tax foreclosed properties and it does for almost every suburb in the county. In addition it takes in all of the ones with structures on them for the City of Cleveland. Communities that do have land bank programs take in properties on a much more limited basis. There really is no comparison. They do not landscape and fence, no other city is doing that, which is upwards of \$50,000 of our annual cost. Most do not require the driveway to be removed if there is a demolition. She would argue that the results that we have seen have been the way that our neighborhoods have rebounded much better than the other inner ring suburbs post foreclosure crisis. Those numbers are very clear. In all neighborhoods we are almost back to 100% of pre foreclosure values. Most other inner ring suburbs are nowhere close.

Council member Ms. Anne Williams stated that she really appreciates having this conversation tonight and Director Lewis' extremely informative memo which was very helpful with the history and for those with shorter terms on Council. She would like to relay some concerns from a resident who could not join the call tonight. The resident has been in conversations with Director Lewis, the Mayor, and CAO and lives next to a property that went into disrepair, abandoned, eventually demolished and is now a vacant lot. Of course it has taken a very long period of time which is no fault of the City. This is just a very long process, but very frustrating for the neighborhood as they watch the property deteriorate and go through these changes without knowing what path it will take and how long. The City does an excellent job of keeping in touch with residents and although she does not have any more knowledge, she understands the frustration of the resident. The resident is now expressing a general interest in the lot at a late date. This lot which was recently acquired will probably be designated, or maybe already has, for infill. She wanted to express that residents feel this frustration thinking maybe this would be a side lot for them. In other situations around the City this has occurred as well. There is the tension of how we explain to them our priorities, especially when our priorities are shifting. We have to be mindful of concerns of the residents who are looking for understanding of the process, how we determine how we dispose of property, how this is shifting,

and what opportunities there are for them. She asked when we determine that a property will be reserved for infill how long does it stay that way, if there is continued re-evaluation, and what do we do if we have a property that is reserved for infill and there is strong interest from the surrounding neighbors. She asked if we take that into consideration when we are determining how we are going to dispose of this property.

Director Lewis stated that is one of the most difficult cases that we encounter as she pointed out in her presentation. She loves to work with residents and she feels for them when they can't get the lot. There is a case where the resident has been working with us for five years to acquire a vacant lot adjacent to her but we do not own the parcel yet although it is ordered to be transferred to the City. We would not even be at this point if it were not for the residents' detective work tracking down the prior owner in India so he could be served by the court. In that five-year period of working on it the market conditions have changed and we indicated to her while when we started it was likely to be a side lot, at this point in time, it is more likely to be designated as an infill lot. She gets these calls regularly. We have had them from the outset. There is a wonderful homeowner in Moreland who from the very beginning wanted the lot that was a part of a triple lot and has never been able to acquire it. We absolutely re-evaluate these, repeatedly because we get these questions. We have guidelines but every situation is a little different. There is a five parcel lot that the City owns that has clearly strong redevelopment potential. Someone could build a substantial redevelopment project and an adjacent homeowner wants one parcel of the five. For them they feel like we are just giving up one parcel. It is really important to have this discussion to hear from the Committee on what they would like to see. Director Lewis' thoughts on cases like this is there is nothing that prevents neighbors from submitting an application because the Committee and Council always have the final determination even if it has been designated for another use. They could decide that the circumstances in that case make it worthy of making it available. Ultimately the decision is always for Council.

Carter Strang asked out of the 220+ lots, how many of them are infill versus side lots and how long have the infill lots been sitting.

Director Lewis stated that she has not counted, but she would estimate that probably 20 are designated for infill. The length of time they have been held varies. The five parcel lot in Ludlow has never had a structure so has always been there. The Knez lots in Moreland, and most lots in Moreland were more recently acquired, but it depends on when the property becomes owned by the City. We have to feel pretty comfortable that it has market potential in order for us to designate it only for infill. Even the lot on Fairmount in a stronger market area, was not designated only for infill because previously we had no interest expressed and it had some configurations that made it not as likely to be developed. There is a lovely lot on Lee Road that has been vacant for 20 years and has never had a home on it. It was privately owned for much of that time and eventually the owners let it become tax delinquent which is how the City ended up with it because nobody wanted it at sheriff's sale. Therefore we never designated it for infill, but just last week a developer stated plans to apply for that lot for infill. These cases come up infrequently.

Carter Strang thanked Director Lewis for her memo and her thorough responses. What the City has done through this program really has made a tremendous difference. He lived on Palmerston for

many years between Scottsdale and Lomond, where there are about four or five lots. The City's quick response has made a big difference in the quality of that neighborhood.

Council member Ms. Anne Williams asked Director Lewis to talk more about the work she is doing now with the County Land Bank.

Director Lewis stated that with the drying up of demolition funds, the County Land Bank is similarly making pivots in how it operates. From its inception it has focused primarily on demolition even though it also does rehabs and holds properties. With the drying up of those funds County Council worked with the County Land Bank and felt the time was right for them to shift and so they wanted their resources that go to the County Land Bank to now be used to do rehabs and infill. Those were the two demands coming from the communities. The County Land Bank is talking to communities about where this would fit into their strategies. Director Lewis and Mayor Weiss met last year with the head of the County Land Bank to lay out the City's vision in terms of infill and how we already had an infrastructure that would allow them to fit in. We provided them with market data, they have kept abreast of the Knez project and of course we have been working together on the rehabs in the Moreland neighborhood. That has allowed them to become very familiar with the area. They see the market potential there and they believe that being mission driven, this is the best place for them to pilot their land banking program for infill. They are working with us and a couple of other first ring suburbs on a couple of different models. In our case, they have been spending their time getting very familiar with our infill guidelines because what it takes to build a home here will be different from some of the other communities they are working with, getting to know the community, and now we are at the stage where we are screening potential builders to be in this partnership. How it will basically work is that we would provide the land and the land bank would provide some subsidy and take some of the risk off of the developers.

Council member Ms. Anne Williams stated that she did realize they had done a shift but she thought it was only for rehabs. It is great to hear about the infill. She asked if we have designated properties for them to specifically look at for the infill.

Director Lewis stated that they have asked for one property so far to be held for them, so only that one. Until it is under a development and use agreement it is open season.

Eric Bevilacqua thanked Director Lewis for all the great information. Regarding the lots which have been sitting for a long period of time, he asked what the fundamental cause of the mismatch was between the supply of the lots and demand. He asked if it is the cost to build homes which is expensive to do in Shaker, and if anyone has looked at the work and development in modular housing and the tiny home movement. There are a lot of new housing products which can be used for either single-family homes or rental uses on lots that are very attractive and aesthetically pleasing, that are much less expensive than a typical Tudor, Georgian, etc., in Shaker. He asked if anyone has looked at an alternative option that fits better with the rental potential, home values in those areas, and where the actual equilibrium price point for demand would be for those specific lots.

Director Lewis stated that is an excellent point and one of her favorite topics because she believes we do have to keep looking at changes in building technology and materials and making sure that we

are not shooting ourselves in the foot by not opening ourselves up to options that could fulfill these needs. Yes, we are looking at modular homes. One of the developers who plans to submit an application is for modular construction. She has been sharing with the Building and Planning Departments their materials and videos to make sure we are all as educated as possible around that technology. We have been looking at modular construction from when we did the Lindholm houses. That was one of the options we looked at. There are building standards from the state that govern modular construction, and as long as it can meet that and our design guidelines we are fine with it as an approach. When we were working with Knez on the homes in Moreland we had to modify the infill guidelines because currently our infill guidelines do not allow the use of vinyl. One third of the homes in Moreland have vinyl on them. Given the cost of construction using the materials we would require and the amount you can sell a house for in Moreland and get financing for there is a total mismatch. We worked to create modified infill guidelines that will allow use of alternative materials. The way that was structured worked for that immediate need, but since then we have also had a case in Lomond where the developer wanted to build using vinyl but the City decided that was not the best way forward. Currently, she is working with the Planning Department on a proposal to expand the area in which infill guidelines would have greater flexibility. The Planning Department frequently gets requests for homes of different types from tiny homes to container homes, etc. Typically, however, the problem they run into is they don't have windows where they would need to fit in or they have not thought through how that would work on our specific lots to meet the massing requirements to fit in and not look out of place in the neighborhood.

Donna Whyte complimented Director Lewis and Mayor Weiss for their work in this area. She is a Moreland resident so she sees many of these lots. She lives on Chelton Road and she knows how well maintained they are by the City. She has often been disheartened that we lose houses to demolition and we have vacant lots; however, what she has seen over the years she really appreciates. The attention to the acquisition of these lots and the maintenance of them has been exceptional. She thanked them for this being such a priority for the City.

Council Chair Mr. Roeder asked about next steps.

Mayor Weiss thanked Dr. Whyte for her comments as well as those of others. He talks with Director Lewis all the time kicking these things around which are not easy decisions. Director Lewis' recommendation about the right balance on holding properties for side lots versus infill, is to remain flexible and fact specific. He is always trying to balance the interest of all the residents in these programs also recognizing that we have a fiduciary duty to our community. If there is an opportunity for infill where we think the greatest value can be created and enhance the housing stock that is an obligation as elected officials he along with Council takes very seriously. Each one of these cases is tough. A hard and fast rule applicable across the board may not be in the City's best interest but it is more difficult to explain that to residents. That is the tradeoff. We were hoping to get feedback and thoughts tonight from the Committee and then try to decide whether a flexible approach or something different is the better approach. For the moment we remain in a state of flexibility recognizing this is the first time these issues have really crossed in a material way. It may take just a little more study, frankly, by us to get comfortable with the right solution.

Director Lewis stated that she thinks one of the takeaways she will be recommending for those lots in this period with conflicting issues, is that we re-examine those lots more frequently, in a six-month period instead of having it open ended, when somebody wants the side lot but we have it designated for infill.

* * * *

There being no further business, the meeting was adjourned.

Council Member Tres Roeder, Chair
Neighborhood Revitalization and Development Committee



**Neighborhood Revitalization and Development Committee Minutes
Via Zoom Due to COVID-19
Public Health Emergency
Wednesday, September 9, 2020**

Members Present: Tres Roeder, Chair, Council Member
Anne Williams, Council Member
Nancy R. Moore, Council Member
Rob Zimmerman, Council Member
Eric Bevilacqua, Committee Member (joined at 6:27 p.m.)
Carter Strang, Committee Member
Donna McIntyre Whyte, Committee Member
Benjamin Woodcock, Committee Member
Kamla Lewis, Director of Neighborhood Revitalization
Laura Englehart, Director of Economic Development
Kyle Krewson, Director of Building and Housing

Others Present: Mayor David E. Weiss
Jeri E. Chaikin, Chief Administrative Officer

The meeting was called to order by Council Chair Tres Roeder at 6:00 p.m.

* * * *

Approval of the August 12, 2020 Meeting Minutes

The minutes from August 12, 2020 were held so that the Committee could review additional changes proposed by Director Lewis.

* * * *

2020 NOACA TLCI Grant Program Application for the Lee Road Corridor Connections Action Plan

Chair Roeder:

Welcome to the September 9th Neighborhood Revitalization and Development committee meeting. Our first order of business tonight is to review and approve the minutes from our last meeting. I understand that Director Lewis had a few changes to the minutes. Does someone on the line have those changes and could they read to the committee what she has changed? So we're all aware of those changes.

CITY OF SHAKER HEIGHTS

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shakeronline.com www.shaker.life

Mayor David E. Weiss:

I am not Mr. Roeder, we will have to track those down.

Chair Roeder:

She told me apparently she had submitted the changes to Mary Murphy. So I'm not sure procedurally here. I don't know if it's right to vote on the minutes if we don't have the final version of the minutes.

Committee Member Strang:

What I have is the email she sent, which I could read if that is helpful. It is dated 8/13/20. She said, I was asked by committee member Carter during last night. How many lots were not available as side lots. There were nine single lots that are not available as side lots currently, and 29 multiple parcel lots. You can see the available lot list anytime on the city website. Let me know if you have any questions.

Chair Roeder:

Thank you, Carter. That's one of the changes. I do not know if there are other changes, Mayor, did you have a recommendation on how to handle this?

Mayor David E. Weiss:

No, if we didn't have the comment, we can just defer approving the minutes. If that's the only comment, that's a clarification that the committee can then go ahead and approve with that change.

Chair Roeder:

If that's the only comment I do not know, it sounds like she had some corrections, she said, so there may be some other things. So why don't we defer the minutes to our next meeting and that way we can make sure that we're all operating off the same, before I do that though, does anyone in this committee have any corrections or adjustments? And that way we can look at them all together.

We'll move that item to next month's meeting and we'll see what Director Lewis put in and you'll have a final clean version to approve. Before we go to Lee Road, I do want to comment as well. In the last several months, there have been some questions on the vacant lot program. We discussed it as a committee in our most recent meeting, and there remained some questions. So the Mayor and the administration have been working on clarification and they will have for our next meeting further clarification on that policy and also some comments from several residents. We will be addressing that in our next meeting, Mayor Weiss, is there anything you'd like to add on this topic?

Mayor David E. Weiss:

You've covered it. We decided that bringing all of the relevant provisions that may be in and different pieces parts, we'll bring all into one policy and consolidate that all into one. We had hoped to maybe have that ready for this meeting, but I'm not quite there yet. We would bring that back to

the committee next month taking into consideration some of the comments and the discussion that we had last month.

Chair Roeder:

Our item of business for this meeting is Lee Road. And I will hand off to Director Braverman who will walk us through the plans for Lee Road.

Director Joyce Braverman:

I am here today to present a request for a grant application. Although I would like to also introduce Kara O'Donnell from the Planning Department and Laura Englehart from Economic Development. This is an inter-departmental effort. We asked to authorize a grant for a Lee Road corridor connections plan, which is a visionary plan for reinvestment in the Lee Road corridor. The plan will look at Lee Road from border to border from a Northern border to the Southern border mostly in terms of transportation and traffic, and then focus on the commercial corridor South of Chagrin, with an emphasis on redevelopment, access and neighborhood connections. The plan will look at four major areas. One is urban design and streetscape to improve the overall physical design and appearance of the corridor. The other is economic development and facility strategy, which will be a place based economic development strategy to optimize the development opportunities along Lee, and to look at redevelopment of public facilities also along the corridor. A transportation plan will use information we collected from a previous traffic study and look at traffic calming access management. What I mean by access management is driveways and hopefully finding a way to consolidate or organize driveways, looking at pedestrian and bicycle infrastructure and enhancing the connectivity to the business just between the business district and the neighborhoods, and the fourth emphasis of the plan will be a robust community engagement and stakeholder strategy, together input from residents from neighborhood associations and from businesses and property owners. Why do we want to do this plan now? There are several reasons, three that I will highlight. This plan will look at reinvestment in a part of the community that has not seen large scale developments since Shaker Town Center redevelopment in 2005, due to resident driven efforts, mostly through Moreland Rising this predominantly black neighborhood, which is adjacent to Lee Road has become stronger, more vibrant.

This plan will be intentional in creating equitable and inclusive approaches to development and neighborhood in this neighborhood commercial district. Secondly, we'd like to do advanced planning now to pave the way for implementation funding in the future. We have already requested funding from NOACA for 2025. That would be for road paving road reconstruction, as well as streetscape and multipurpose paths. The state capital budget has requests both in 2022 and 2024 that we would apply for, hoping to be successful in one of those rounds. And there could be additional stimulus packages that are announced in the next few years. In addition to those sources, we have about five or six other sources that we'd be looking at also applying for. And then finally this plan will build upon past plans.

The last plan was done in 2011 and the focus of that plan was a traffic study. So this plan will not redo the traffic study, very little has changed in terms of traffic, but it will use that information and go the next step in realizing a redevelopment of Lee Road. So tonight we're requesting an

application to NOACA for their TLCI grant program. We would like to apply for a hundred thousand dollars grant with a \$25,000 match. This will support the targeted plan to create a community vision for Lee Road. This application is due on October 16th. I will open it to questions.

Chair Roeder:

Director Braverman, thank you, Director Englehart, is there anything that you'd like to add?

Director Laura Englehart:

No. Joyce and I coordinated ahead of time and she's outlined the major points. So thank you for doing it so concisely. I am here to answer any questions as the conversation proceeds.

Chair Roeder:

The city has a program that you may be familiar with called Forward Together. In the Forward Together initiative the City and the Shaker Heights school district and the leadership of the library, the library Board of Trustees and the Executive Director have been collaborating on a number of issues. I would like highlight as well that this particular discussion, this proposal for Lee Road, has been discussed with leadership of the Shaker school district and the library, they are supportive. We do see this as an opportunity for all three of those organizations to collaborate around what the solutions look like for Lee Road. Questions Mr. Strang?

Committee Member Strang:

Assuming the grant is received, what changes can be made after the grant is received to the plan, if any?

Director Joyce Braverman:

What changes in the post scope in the proposal? Many can be made, this is the general scope that we're looking at. After the grant we would then actually write a request for proposals and in there the scope would be further refined.

Committee Member Strang:

I appreciate the comment in regard to the school being involved which was a concern that I had. I'm specifically concerned about Aldersyde and Lee Road. As I view the plan I live on Chalfont, it's rather a mess for us because of the changes at Van Aken, we can't exit Chalfont to get anywhere South on Lee or Southeast service center because that's always blocked now, which means that we have find another route, which for many of the residents in Fernway neighborhood would be going to Fernway and trying to get there by crossing, turning left on Lee Road, where there's no longer a light which causes some congestion. I understand that we haven't done a traffic study since the study this request is based on and I don't know whether that has caused any change of the traffic at that location, but having been in this neighborhood when school was in session pre COVID, there are some problems that Aldersyde and Lee that I'm concerned are going to be made worse by this change. That is cars heading North on Lee Road turn at the high school before school starts get backed up waiting to turn left and at times have been backed up almost all the way to Fernway. This plan is going to now change that instead of having two lanes where cars not waiting to turn left can

actually pass and still continuing North, we'll now have a situation where cars waiting to turn left will be blocking the cars behind them. I was interested in whether the schools had any commentary about that? That's the first question I have and concerns that it's actually going to make what is an existing problem once we're out of COVID because right now no one's going to the high school. Once that gets back to normal, that it's going to actually be worse than it was, once we go to one lane each way.

Director Joyce Braverman:

I do want to clarify the proposal to go to one lane each way would have a center turn lane. So in that case, anyone turning left would be going into that turn lane and not blocking through traffic. That is the proposal from the 2011 plan. We will look at that again in this plan.

Committee Member Strang:

I looked carefully at that plan and I didn't see that so I appreciate that it will be looked at again if that is needed, and this, as Councilman Moore knows, the light was removed from the Lee and Fernway intersection at the same time it was at Linfield and there was a lot of concern expressed at that time. Obviously we're seeing the change at Linfield now to try to correct that problem. Does this grant preclude future consideration by the city of putting a light back at that location?

Director Joyce Braverman:

The grant for the study would not preclude that depending on our funding sources for the implementation that May. We are looking for some NOACA ODOT funds that may preclude it. However, in 2005, when the light was taken out, it was based on warrant and a warrant analysis to see if the light is warranted and that analysis would have to be done again, to see if that is still the case or if a light would be allowed.

Committee Member Strang:

I have one more question. In the study, it talks about a problem caused by encroaching vegetation at various locations. There is a picture of it that makes it difficult for cars and others at intersections. It's not specific as to where this would be and what exactly would be done, but I do know again at Lee and Fernway, if you are traveling West on Fernway and you stop at the sign and stop at the white line before the sign and you look left for oncoming traffic, you cannot see oncoming traffic until it's almost there because of the property owner on the South East corner. Large hedges and trees that block your view. What motorists do is they violate the law by moving up across the line, through the crosswalk so that they can see, and when kids are coming to school, that's a real problem because they don't pay proper regard to the right of way that the students are supposed to have. It's not a problem in the opposite corner because that homeowner actually removed the trees that were blocking the intersection. So I think that needs to be addressed. It certainly isn't part of this study, but I don't know if that's what the vegetation was meant to reference or not.

Director Joyce Braverman:

That's from the 2011 study. And that is exactly what it's talking about, North of city hall at some of the intersecting streets with Lee Road, some of the homeowners have overgrown shrubs.

Chair Roeder:

Thank you Mr. Strang, Mrs. Moore, I believe I saw your hand.

Council Member Moore:

I just wanted to comment from a historical perspective. Going back to when we were assembling the grants and the money for the Warrensville, Chagrin, Northfield intersection changes, I was absolutely floored by how the whole project came together in terms of the Planning Department's assembling a totality of grants. I just wanted to say again to everyone that while we set a strategic goal, we, the City, to redevelop the Lee Road corridor, we've done bits and pieces sort of, as things have basically broken. For instance there was a resurfacing, a road resurfacing grant at one point, and then there was some planning being done. And so what excites me so much about this beginning initiative is that we're really approaching it in the same way that we did Warrensville, Chagrin and Northfield.

It's obviously going to be a multi-year project at least five years in the making and multiple areas of possible grant funding are being investigated. So this is the first time I really feel that we have a track record of success and we demonstrated the ability, through the VAD development specifically, beginning with the intersection. And now we're doing the same thing with the Lee Road corridor. And I just have such respect for the Planning Department's process here that I just want to say having a goal to create a visionary transportation and reinvestment plan for this area is so important for not just the moral and rising initiative and the neighborhood revitalization that that involves, but being a member of the Sussex community and seeing what VAD has done for the revitalization of our housing.

I think that what we used to call the suite portion of Lomond is going to be impacted in the same positive way. Anchoring our southern border is so important and that we go at this in a step-by-step fashion is very encouraging. So again, kudos to Planning for beginning this process, and for those that weren't there at every step of Warrensville, Chagrin, Northfield and Van Aken, we're doing a very similar process here. I think it's going to be just as successful in a different way.

Director Joyce Braverman:

Thank you Mrs. Moore and we are going to use a similar planning process, that the County has already agreed to pay for, which is another piece of getting state safety funds, another requirement. And we will try to amass the funds that we need to be just as successful and also to do the economic development needs because Van Aken was both a physical road and streetscape piece, but also an economic development project. That's why we're all two departments are working on this very closely,

Mayor David E. Weiss:

Two comments to build on some of the others. Thank you Council Member Moore for the compliments to Planning, we feel the same way. The two comments were really that these projects, for those who have not been involved in sort of major projects like, this take years. We're looking at funding sources and possible grant applications looking two, three, four years down the road, because frankly it's the only way to get these projects done. We start in small pieces and try to set ourselves up and put ourselves in the best position to be successful years from now. You look back and you wonder, how did we get this great point in a project?

It came with years of advanced planning and we're now seeing that front end, even though we've done a lot of work already to date, we're doing more. And then secondly, we've have lots of conversations with the community with Council about the importance of the work and the investment that we've made in the two adjoining neighborhoods, Moreland and Lomond, and the importance of having a commercial district that is complimentary and enhances those neighborhoods. A lot of what we're doing on the economic development front is also laying the groundwork for having vibrant commercial district, which is one of our goals, citywide goals, but in a way that enhances the neighborhood, both the connection as well as the economic impact of it. A big component of it is the neighborhood engagement, and that will be a key part to build on the work that's being done by all kinds of people, Colin Compton, Campbell Lewis, and many others.

Committee Member Whyte:

When will the funding be available? When will they actually inform you whether the grant is funded?

Director Joyce Braverman:

We'll probably know in January, NOACA has a committee process and subcommittee process. It takes about four months for a decision to be announced. So hopefully by January

Committee Member Whyte:

And my other compliment, I think everybody has already said, what I was thinking when I read the information I had a hard time containing myself. I live in Moreland and we can't even envision how it can be, the whole community engagement aspect and five years, six years down the line doesn't feel that long to me because we know that it takes time, but it is heartening again to see the investment in the community. It brings together many of the conversations that we've had in the Moreland area and the relationship that we have with the city.

But even without saying that we need something like this, it's coming together in a way that's just very exciting. I want to thank you all I want to thank you.

Committee Member Strang:

I would like to add that I do think it's a great plan overall, and one of the really exciting aspects of it is you're making Lee road bike accessible, it isn't now. There is no room for a bike on that street, the bike swallows and then bike lanes at other locations will really make that a quarter that bikes and people can use in Shaker connect to other areas. The more we're a bike friendly city, the better,

again, thank you. And I've talked to Director Braverman in the past about it and compliments everybody involved in that.

Council Member Zimmerman:

I think everyone's doing a great job. So there's a compliment. And I guess the question is, what else do we need in addition to this grant if we're successful?

Director Joyce Braverman:

I think getting the plan done and making sure that we have robust neighborhood outreach in a time of COVID is going to be challenging. So we will need everybody helping to round up the forces. And Dr. Whyte, has been involved for a long time and she knows sometimes it takes neighbors to neighbors, making phone calls, knocking on doors, because we will be having to use probably a virtual type of input, which we have done. So once the plan is done, then we are going to need to amass the funds, which will take perhaps all our elected officials to help lobby for money.

Chair Roeder:

I believe Director Braverman is looking for some sort of a vote from this Committee to show its feelings on this matter before it gets forwarded to the Council. I would entertain a motion to approve this if that's the mind of the Committee; Moved by Mr. Strang, seconded by Ms. Williams. All those in favor. Aye. Thank you. Any abstentions? Motion carries and with that, that also closes out our business on this meeting. So thank you all for your time tonight. We'll give you the next half an hour back. Have a wonderful evening.

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There being no further business, the meeting was adjourned.

Council Member Tres Roeder, Chair
Neighborhood Revitalization and Development Committee



SHAKER HEIGHTS

Memorandum

To: Members of the Neighborhood Revitalization & Development Committee
From: Kamla Lewis, Director of Neighborhood Revitalization
cc: Mayor David E. Weiss
Jeri Chaikin, CAO
Date: October 7, 2020
Re: **Proposed Changes to City's Vacant Lot Program**

Summary

As the market for infill housing has improved, staff has been asked to revisit, clarify and document the City's process for determining how vacant lots are made available for different end uses, e.g. new infill housing, side lots or community uses. Based on input from the Neighborhood Revitalization & Development Committee in August and subsequently from Council, staff is recommending one policy change and a number of procedure changes.

Background & Discussion

Background Information

- In May 2008, the City added a Side Lot Program to the existing Vacant Lot Program to make City owned vacant lots available to the adjacent neighbors. The goal of the program was to encourage adjacent neighbors to acquire these lots to make capital improvements to the property that would increase tax value, such as construction of a house addition or garage, landscaping, etc. In February 2020, the side lot program was revised to make it easier for residents to acquire side lots by removing the requirement that improvements be made to the vacant lot, and setting a uniform sales price of \$1.00.
- The City currently owns 219 vacant lots scattered throughout the city, but mostly concentrated in the Moreland and Lomond neighborhoods.
- Since 2008, we have sold 14 city vacant lots to neighbors as side lots [with 5 of those in the last 9 months], and have 3 applications that have been approved by Council and are awaiting transfer. We have sold 8 vacant lots to developers for new construction, have leased 1 vacant lot to a community group as a community garden, sold 1 to a church for use as a community garden, and turned 4 vacant lots into park space.

Proposed Policy Change

1. There will be a 30 day window from the time of receipt of the first application in which other qualified applications received will be considered. The goal is to give all applicants within a 30 day timeframe a fair chance to get applications in for equal consideration, rather than just the first applicant (as is current practice), which may be just a matter of minutes and to address the situation where a party may have already started work on plans but simply had not

submitted a formal application yet. Staff will review all qualified applications received during that 30 day timeframe and make a recommendation to Council on which application is in the City's best interest. Evaluation criteria will include, but not be limited to, time of receipt of the application, amount of proposed investment in the property, impact of the proposed use on surrounding properties, and impact on tax revenue. This process will result in a longer time to process applications.

Proposed Procedural Changes

1. Post a user friendly summary, as well as a more detailed outline, of the City's policies and procedures related to disposition of vacant lots on the City's website to provide all interested parties with a clear outline of the process.
2. Designate all lots upon acquisition as Restricted (i.e. not available for side lots or community uses) until a committee comprised of the Director of Neighborhood Revitalization, the Planning Director and at least one other Director has made a recommendation that has been accepted by the CAO as to whether the property should be restricted or not. The goal is to avoid having neighbors of vacant lots assuming that a property will automatically be available to them under the side lot program. Currently a preliminary determination is made when a decision is made to acquire the property, and a final determination just before transfer into the City's program.
3. If the first application received for an Unrestricted vacant lot is for infill housing, then staff will immediately designate the lot as Restricted. The goal is to avoid creating avoidable situations of conflict between side lot applications and infill housing applications. Currently applications for Unrestricted properties are simply handled in the order in which they are received.
4. A simplified application will be developed for infill housing applicants so that they can realistically complete and submit applications within a 30 day timeframe so that they can fairly compete with applications for other uses. Currently the requirements to submit an application include a front façade drawing and proof of financing, both of which require a great deal more time to compile.
5. All vacant properties will be reviewed at least annually to determine if their designation as Restricted or Unrestricted should be changed. This will be done by a committee comprised of the Director of Neighborhood Revitalization, the Planning Director and at least one other Director. Currently there is no set timeframe during which this review takes place.
6. Owner occupant neighbors will be notified when a property is initially designated as Unrestricted, but also if a Restricted property becomes Unrestricted. Current practice is only to notify them upon initial designation as Unrestricted.

What Will Not Change

1. The City will continue to designate as restricted, those lots that are contiguous to other vacant lots or other situations where the vacant lots are best suited for infill or other redevelopment projects.
2. The majority of lots will remain Unrestricted, i.e. available for all potential use applications.

Recommendation

Neighborhood Revitalization and Development Committee support these proposed program changes.

City of Shaker Heights Residential Vacant Lot Program Policy & Procedures

Issued: _____, 2020

1. **Background.** The Shaker Heights Residential Vacant Lot Program (“Vacant Lot Program”) is operated through a “land bank” which refers to the processes by which the City acquires, holds and disposes of residential properties. It became active in 2002 as part of the implementation of the City’s 2001 Housing Plan. The program was deliberately designed to be flexible because it was anticipated from the outset that it would need to be responsive to changes in market conditions and the City’s priorities. Depending on market conditions and availability of properties, the program has at times focused on the disposition of lots, and at other times on acquisition - but always with the goal of strengthening our housing market and creating a diverse housing stock.
2. **Property Acquisitions.** Acquisitions need to be strategic and support City goals. Considerations in acquisitions include:
 - a. Is it of strategic value? For example, is the property adjacent to an existing vacant lot for a larger redevelopment project; adjacent to a park that can be expanded; adjacent to a commercial district that might spur expansion; or in a redevelopment area?
 - b. Does it further City goals? For example, would the acquisition increase owner occupancy in target neighborhoods, would it eliminate a blighted property, or other goal of the City (which can change over time)?
 - c. Would acquiring the property accelerate the removal of a neighborhood nuisance?
 - d. Is a property likely to end up being forfeited to the State as there is no market demand because the liabilities associated with the property are greater than the value of the property?
 - e. Absent City acquisition, is the property likely to remain a problem property, i.e. vacant or tax delinquent or poorly maintained, or the subject of resident complaints, etc.?
 - f. Is the property a bank owned property that is likely to remain subject to legal or other delays for a long time or sold as part of a bulk sale?
 - g. What is the likely cost of acquisition and ongoing maintenance in light of available City financial resources?
 - h. Is any structure on the property occupied?
 - i. Is it in a historic district? If so, is a renovation of the property likely to be feasible?
3. **Property Use.** Once acquired, properties in the Vacant Lot Program generally can be used for the following purposes:
 - a. **Infill.** Infill is construction of a new residence on the property by a developer or other property owner. Infill development is often the highest and best use for City owned residential lots, because
 - (i) it increases the variety of housing in the City and in certain neighborhoods, (ii) increases the

availability of new and modern housing, (iii) provides increased property taxes and/or income taxes, to the schools, City and other governmental institutions, and (iv) fills in empty spaces in a neighborhood, adding to neighborhood vitality, safety, and security. Thus, infill is actively encouraged, including through the implementation of programs to attract private investment, and it is, therefore, a **priority** for a vacant lot. Specific requirements for the acquisition of a lot for infill have been established, and include, but are not limited to: lots are available to persons or entities that are in compliance with City codes, and whose Shaker Heights properties are not delinquent in taxes and not in foreclosure.

- b. Side Lot. Expanded side lots are a way to retain existing owners and attract buyers who want larger lots. Side lots are to be encouraged when Infill development is not likely. Specific requirements for the acquisition of side lots have been established, and include, but are not limited to: side lots are only available to owner occupant neighbors, who are in compliance with City codes, and whose Shaker Heights properties are not delinquent in taxes and not in foreclosure. Buyers are required to permanently consolidate their property with the vacant lot. The Side Lot Program is a **secondary priority**.
- c. Community Use. Vacant lots can be used for community use (e.g. community gardens), but require demonstrated community support.

4. **Property Restrictions.** Properties acquired and held in the Vacant Lot Program are designated as either “Restricted” or “Unrestricted.”

- a. Restricted Properties are **NOT** available for the Side Lot Program, and include (but are not limited to):
 - i. Properties subject to a Development & Use Agreement with a developer or proposed owner occupant buyer.
 - ii. Properties held for strategic reasons in connection with potential development/redevelopment opportunities.
 - iii. Properties adjacent to other City-owned vacant lots or ones that are likely to become City-owned which could become a development /redevelopment site.
 - iv. Properties in a market area where infill is determined to be reasonably likely, expected, or highly desirable (“Infill Property”).
- b. Unrestricted Properties are all other properties that are **not Restricted** and can potentially be used for any of the purposes described above or otherwise in accordance with the City’s Zoning Code, including Side Lots.
- c. Designation. The City shall designate a property as Restricted or Unrestricted only after acquisition by the City and this designation shall be reviewed at least once annually. The annual evaluation shall be conducted by the Director of Neighborhood Revitalization, after consultation with other applicable departments, and reported to the Chief Administrative Officer (CAO). The CAO shall

then approve the determination as to whether to modify the designation of the property, subject to the Mayor's exercise of discretion to change such designation. Upon initial acquisition, a property shall be considered Restricted, unless and until it is re-designated as Unrestricted. A property upon initial acquisition shall be considered Restricted in order to provide an opportunity for the City to evaluate the appropriateness of the property for Restricted uses. If and when a property is designated as Unrestricted, then the neighboring property owners to each side of the property who are owner-occupants will be notified of that status.

- d. Change in Designation. The City retains the right to change a property designation at any time (except while any application is pending approval) due to changes in facts and circumstances, market conditions or other reasons. For example, because market conditions and City priorities are always changing, the availability of any given lot as Unrestricted may change. A lot which may have been Unrestricted for many years can become strategically important because of a new City project or demonstrated demand and therefore become Restricted.
- e. Requested Re-Designation. Interested parties may request that the City change a property status and permitted uses and the City may make such a change in status in its sole discretion.

5. **Dispositions.** Land is an asset, especially in a generally fully-developed city like Shaker Heights, and so quick disposition of vacant lots is not necessarily the highest priority and therefore may be held for their highest and best use as determined by the City in its discretion.

- a. Support of Goals. Properties held in the Vacant Lot Program should be utilized to further community goals as identified by the Mayor and City Council.
- b. **General:** Parties interested in acquiring a property from the Vacant Lot Program may submit an application once the City has acquired the property in accordance with procedures established from time to time by the City. No application for acquisition of a property as a Side Lot or Community Use will be accepted for a Restricted property. Applications must demonstrate that the applicant meets the basic requirements for acquisition (see Section 3), and such applications are "qualified applications."
- c. **Infill Property:**
 - i. A party interested in acquiring a property as an Infill Property may submit an Application on the City's form for Vacant Lots.
 - ii. The Applicant must comply with all requirements for Infill Lot applications in order to complete the application process.
 - iii. Due to the significant amount of information required in connection with an Infill Property application, if the Application is otherwise in compliance with the Vacant Lot Program, the Applicant shall have up to 6 months to complete the application process.
 - iv. The Applicant may request one 3-month extension, which may be granted or denied in the City's sole discretion.

- v. In addition to the other requirements set forth in the Application Requirements for Infill Lots, Applicants must demonstrate the capacity to implement the proposed use of the property, and confirm that they are in compliance with Shaker Heights ordinances and not tax delinquent or in foreclosure on any Shaker Heights-owned properties.
- d. Side Lots:
 - i. An application may be submitted for the acquisition of a City-owned vacant lot as a Side Lot by an owner-occupant of an adjoining property.
 - ii. Side Lot applications will be accepted for Unrestricted Properties only.
- e. Procedure: Applications for acquisition of properties in the Vacant Lot Program shall be considered in accordance with the following:
 - i. Applications to acquire a property may be submitted only after title to such property has been transferred to the City, any structures on the property have been demolished, and the property is shown as available on the City's website.
 - ii. Applications for a property will be considered as follows:
 - A. Applications for Infill:
 1. Upon receipt of a qualified Infill application, the parcel involved shall become Restricted (if not already designated as Restricted), and only additional Infill applications will be accepted for the Lot during the 30 day application period described in A. 2. below. If an Infill application is received after a Side Lot or Community Use application had already been received for the Lot, then the process under sub-section C. below shall be followed.
 2. If one or more qualified Infill application is received for the property within 30 days of receipt of the first Infill application, then a Committee of at least three City employees (including the Director of Neighborhood Revitalization, the Director of Planning, and the CAO, and others as may be required to evaluate the particular property), shall evaluate and determine which proposal would best serve the City's interests and recommend such proposal to City Council for approval. The Committee shall consider, among other factors, the date the application was received, the proposed use of the lot and any improvements proposed for the lot.
 3. The Committee may recommend to the Mayor that the property should be not be sold to any applicant at that time and should remain on the Restricted list or be re-designated as Unrestricted, and indicating the basis of the recommendation.
 - B. Applications for Side Lot:
 1. Upon receipt of an application for a Side Lot submitted for a property on the City's Unrestricted property list, the City will allow 30 days for any other Side Lot applications to be received before consideration by Council.

2. If one or more Side Lot application is received for the property within such 30 days of receipt of the first Side Lot application, then a committee of at least three City employees (including the Director of Neighborhood Revitalization, the Director of Planning, and the CAO, and others as may be required to evaluate the particular property) shall determine which proposal meets the City's requirements and would best serve the City's interests and will recommend such proposal to City Council for approval.. The Committee shall consider, among other factors, the date the application was received, the proposed use of the lot and any improvements proposed for the lot. 3. The Committee may recommend to the Mayor that the property should not be sold to the applicant and remain on the Unrestricted list, or re-designated to the Restricted list, and indicating the basis of the recommendation.

C. Mixture of Applications – for Infill, Side Lot and/or Community Use:

1. Upon receipt of a qualified application for a Side Lot as noted in B. above or a qualified application for a Community Use of an Unrestricted Property, the City will allow 30 days for any other Side Lot, Community Use or Infill applications to be received before consideration by Council.
 2. If a qualified Infill and/or Community Use application is received within 30 days after receipt of the first qualified Side Lot or Community Use application, a Committee of at least three City employees (including the Director of Neighborhood Revitalization, the Director of Planning, and the CAO, and others as may be required to evaluate the particular property), shall evaluate and determine which proposal would best serve the City's interests and recommend such proposal to City Council for approval. The Committee shall consider, among other factors, the date the application was received, the proposed use of the lot and any improvements proposed for the lot.
 3. The Committee may recommend to the Mayor that the property should be not be sold to any applicant at that time and should remain on the Unrestricted list or be re-designated as Restricted, and indicating the basis of the recommendation.
- iii. The City may determine at any time to advertise and seek proposals for a property in the Vacant Lot Program.
- f. An application must indicate the planned use of the property (e.g. Infill, Side Lot, etc.) If a use is proposed that is inconsistent with its current designation as Restricted or Unrestricted (e.g. a proposed use is to acquire the property as a Side Sot but the property is on the Restricted list), then the application will be rejected.
 - g. An applicant must submit a complete, qualified application before the application will be approved administratively and submitted to Council for consideration The applicant must be able to confirm

that all guidelines established by the City for the applicant’s proposed use have or will be satisfied prior to property transfer.

- h. Once approved administratively, an application will be submitted to City Council for approval. An application may be approved or rejected by City Council based on the facts and circumstances relating to the application, the Vacant Lot Program guidelines, and the Council’s determination as to whether the particular application is in the overall best interest of the community.

6. Miscellaneous:

- a. Whenever in this Policy there is a reference to the “City” making any decision or performing any specific function in the processing of applications for the acquisition of a vacant lot, the Policy is referring to the City in general, and those persons in the Administration who are designated to handle different aspects of the process. Such persons may be changed from time to time at the discretion of the Mayor.
 - i. The determination as to whether a property is ultimately designated as Restricted or Unrestricted, or whether its designation is changed, shall be made first as a recommendation by the Director of Neighborhood Revitalization, after consultation with other applicable departments, to the Chief Administrative Officer (CAO). The CAO shall then approve or modify the designation of the property, subject to the Mayor’s exercise of discretion to change such designation. The designation of properties shall be posted on the City’s website after acquisition or after a change of designation.
 - ii. Applications and questions about this Policy and the procedure for the acquisition of a property shall be submitted to the Director of Neighborhood Revitalization.
- b. This Policy and the terms and conditions of the Vacant Lot Program may be modified, revised or supplemented with additional terms and conditions from time to time.

Approved: _____, 2020

VACANT LOT PROGRAM APPLICATION PROCESS

City acquires a vacant lot



City designates as Restricted or Unrestricted after Staff Review & Places on City Website



UNRESTRICTED (for all uses)



RESTRICTED (only for housing)

Owner Occupant Neighbors Notified of Availability



All qualified housing applications received within 30 days reviewed by staff & recommendation made to NRD & Council

Side Lot or Community Use Application Received First

Housing Application received first



Designation changed to Restricted

All qualified applications received within 30 days reviewed by staff & recommendation made to Council



All qualified housing applications received within 30 days reviewed by staff & recommendation made to NRD & Council