



**Neighborhood Revitalization & Development Committee Minutes
Wednesday , September 11 , 2019
6 P.M.
City Hall Council Chambers**

Members Present: Anne E. Williams, Chair
Nancy R. Moore, Council Member
Earl Williams, Jr., Council Member
Danielle Sydnor, Citizen Member
Carter Strang, Citizen Member
Jeri E. Chaikin, Chief Administrative Officer
Kyle Krewson, Director of Building and Housing
Bill Hanson, Commissioner of Housing

The meeting was called to order by Chairperson Anne E. Williams at 6 P.M.

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Notes

- Anne Williams asked that everyone speak into the microphones when making comments at the meeting as several comments from the last meeting were inaudible.
- Next month’s meeting is scheduled for Wednesday, October 9 which is Yom Kippur. The meeting will be rescheduled to Thursday, October 10.

Approval of the August 14, 2019 Minutes

Anne E. Williams reviewed the minutes, and made a few changes. Motion was made and seconded to approve the minutes with the suggested changes. The minutes were approved.

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Request to Appropriate \$150,000 for Demolition in Fund 223, Housing Nuisance Abatement Fund

Bill Hanson presented the request to appropriate \$150,000 of available cash receipts in Fund 223, Housing Nuisance Abatement Fund so that the funds can be used for demolition activities. These funds were received by the City as reimbursements from banks from previous demolition work after billing the owners. They were subsequently placed in a nuisance abatement revenue account. Most often owners don’t pay and we

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have to file liens against the real estate. If the owners pay, the funds are placed in Fund 223. While this demolition work was funded through the Cuyahoga County Demo Fund, the County has authorized the City to keep any reimbursed demolition funds provided such funds are used for additional demolition work. As a result, the funds in this account can only be used for additional demolitions. Therefore, this action is requested to make these funds available should we determine to proceed with additional demolition work.

We currently have 5-7 vacant and abandoned, blighted homes under consideration for demolition and this request will ensure funds are available should we determine to proceed.

It is somewhat of a lengthy process. Vacant and abandoned homes that are blighted negatively impact property values and quality of life in a neighborhood and can become magnets for crime. The City closely monitors vacant properties in an effort to keep them secure and in compliance with the City's Vacant Property Ordinance. If an owner fails to take action to repair a vacant, abandoned, and blighted house, the City may declare the property a public nuisance and order all structures repaired or demolished. The owner is required to comply within 30 days with repairs, to demolish on their own, or file with an appeal. If they don't do anything, the city has the option to move forward with the demolition. Once we determine that route, we send a final 7-Day notice indicating that we are getting ready to start demolition. We inform them to remove personal property of value. The City may also consider demolition of deteriorated vacant homes acquired through the tax foreclosure process.

Currently we have 302 vacant homes, however, that does not mean that all of those 302 homes are in poor condition or are candidates for demolition. In fact, the vast majority are reasonably well-maintained. Many of these are on the real estate market for sale but some of them have been vacant for quite a few years and are showing signs of deterioration. Those are the properties of primary concern for the City and we have to encourage the property owners to commence repairs or sell the property.

The other issue important to mention is that anytime you have a vacant home particularly if it is not well-maintained, it is a concern to the neighbors. There are concerns of squatters, vandalism, dumping, and other potential criminal activity. The City has to be in a position to let people know that there is some end game and this cannot continue. We have had situations where homes have been vacant for 15-20+ years. We feel important to use the nuisance abatement tool and the demolition option, in particular, as a last resort if a property is blighted, negatively impacting the quality of life in a neighborhood and there doesn't appear to be any other option.

We have had situations over the years where there are strategic defaults particularly if a property was purchased in 2005-2006 (at the height of the market) where they put little or no money down and the property is deteriorated, the values (while coming back) are not back to those inflated levels so they just determine that it doesn't make sense to continuing paying on the mortgage and they just walk away.

We also have cases where we had a lender who made the mortgage and then the mortgage was assigned several times. Sometimes the third or fourth assignee doesn't even know that they hold the paper so they don't file foreclosures. The City sends the demolish order and they respond that they thought the bank took back the house years ago. We do have unusual situations where we feel the demolition is the only option to eradicate blighting.

Since 2012, the City has received three (3) separate awards for demolition funding through the County Demo Fund totaling \$2,140,000. With that funding, 155 houses and 8 commercial buildings were demolished by the County Land Bank acting on our behalf.

The City has applied to the County for another round of demolition funding (Round 9) an additional \$400,000 of demolition funding and anticipates a favorable response to this request though the award has not yet been made. We have been told informally that we will receive that award and we anticipate receiving that award in the next month or two.

Question from Nancy Moore. If we do receiving funding, some of could be returned to the housing reserve or if we allocate this \$150,000 from the housing reserve for demolitions and we do get the \$400,000 from the county, do just keep the \$400,000 in the housing reserve for the express purpose of demolitions? Bill Hanson answered affirmatively.

Both pots of money are County demolition funds for us to use but only for that purpose. We anticipate getting those funds and that will be helpful as we look to additional demolitions as needed down the road.

Staff requests that the Neighborhood Revitalization and Development Committee approve the proposal to appropriate \$150,000 from Fund 223 so that funding is available for demolition activity as needed. Because it is a fluid situation, it is impossible to determine how many demolitions will take place. Ideally, we want the owners to come forward and do the work themselves and not have to do any demolitions.

[Audio inaudible]

We do the work in anticipation of infill housing on the lot. It is not known exactly what the Recreation Department does in terms of their specifications but Bill Hanson will find out. It was a consideration because ideally you will want to return the lot to productive use. The County was doing it one way and the City was doing it another way.

[Audio inaudible]

The vast majority of the vacant homes have been vacant for 2 years or less. The long-standing vacant homes are an anomaly.

The majority of the vacant homes are single family homes. Neighborhoods affected are Moreland and Lomond.

Average cost per demolition is about \$15,000 but we have to take into consideration asbestos. Some of the larger, older homes have a significant amount of asbestos.

It is rumored that the County shifting away from demolition funds. [Audio inaudible]

The County, in 2014, issued bonds for \$50 million and also had funding from the prosecutor's office so the money we have received has been from different sources.

A motion was made to recommend the appropriation of the \$150,000 for demolition in Fund 223, Housing Nuisance Abatement fund. The motion was made, seconded and approved. The motion was carried.

The second item in the previous month's minutes referencing RMS.

There being no further business, the meeting was adjourned. The next meeting will be Wednesday, October 10; instead of October 9.



Anne E. Williams, Chair
Neighborhood Revitalization & Development Committee