

Cuyahoga Falls City Council
Minutes of the Community Development Committee Meeting
June 14, 2010

Members: Jerry James, Chair
Vince Rubino
Mary Ellen Pyke

Mr. James called the meeting to order at 7:25 p.m. All members were present.

Legislation Considered

Temp. Ord. A-85

Discussion:

Temp. Ord. A-85

An ordinance authorizing the Mayor to enter into a contract or contracts with Zaremba Home Again Restoration LLC, according to law, for professional services to rehabilitate homes purchased under the neighborhood stabilization program, and declaring an emergency.

Jonathon Dailey stated the City was notified on December 19, 2008 that the State of Ohio was willing to award the City \$783,000 to participate in the Neighborhood Stabilization Program. The City was awarded a grant for \$783,000 to purchase, rehabilitate and resell vacant and foreclosed properties. The Grant Agreement was executed with the State on May 20, 2009. The Agreement required that the City obligate 100% of the money by June 30, 2010. Six properties were purchased: 325 Falls Ave. (July 31, 2009); 1631 11th St. (August 4, 2009); 530 Grant St. (October 29, 2009); 2490 Third St. (October 30, 2009); 2721 Bailey Rd. (February 18, 2010); and a property on High Street (March 12, 2010). Funds were deemed obligated when the City identified and acquired the property. The address was given to Ohio to draw money through HUD. On April 30, however, HUD redefined the term "obligated" to mean it must be under contract. So the City must now move swiftly to obligate all funds by June 30 or it will forfeit the funds and will be stuck with four vacant properties. They spoke with different organizations regarding contracting for the work. They chose one who also does rehabilitation stabilization program work for the Cities of Lakewood and South Euclid.

Mr. James asked if anyone was waiting to purchase these homes. Mr. Dailey stated they recently began marketing the first property. Anyone who is interested and falls below the income requirement can complete an application. Mr. James stated this was a great program to be involved in. Mrs. Pyke asked about the contract status on the first two properties. Mr. Dailey stated the Third St. property is completed and 11th St. has been awarded and work has commenced. Mrs. Pyke asked if the Department would have input on how the properties were fixed up. Mr. Dailey indicated they would. He added that they wanted someone with experience and who could take on all four of these properties without the City fronting the money. The agreement is finalized. They just need Council's approval to execute it. Mr. Barnhart asked what the properties would sell for. Mr. Dailey stated they will sell for with what the City has put into them. Federal regulations preclude getting more than that. The City must break even or take a loss. They are asking \$124,900 for the Third Street property. Mr. Walters asked how they arrived at the contract price of \$326,000. Mr. Dailey stated that is the balance of what is left. Mrs. Colavecchio asked whether there was a requirement that the contractor be certified in lead abatement. Mr. Dailey stated there were two requirements: Lead safe and lead abatement. The one EPA most recently enacted was on April 22, 2010 that states any contractor must be certified in lead safe practice. Mrs. Hummel stated Mr. Dailey's letter mentioned that he spoke with numerous entities about being involved in the program. She asked if they

spoke with anyone in Cuyahoga Falls. Mr. Dailey stated not about this program. They spoke with numerous contractors but the majority declined because they wanted to be paid up front or at least a portion. Mrs. Hummel stated she is in favor of this program. These are exactly the kind of projects to do with Development Block Grant money. She is disappointed the City is not giving the work to a local contractor. She spoke with one who indicated he had not been approached. He felt he could have done this work even though he was not familiar with the program. She requested that the City expand its reach locally so that local people can be employed instead of sending money to Cleveland. She asked if the contract with Zaremba was for \$326,485. Mr. Dailey stated it was and that it includes all fees. It was not-to-exceed \$326,485. The construction management fee is \$12,000 per house, which is the same that they charge Lakewood and South Euclid. That fee didn't apply to 11th St. or Third St. because the City did the work in-house. Once this is approved and the City enters into the contract, the money will be deemed to be officially obligated. Mrs. Pyke asked if the City was obligated to reinvest the money from these homes within a certain time. Mr. Dailey stated the money must go back into the Neighborhood Stabilization Program and must be spent down by June 30, 2013. Mr. James asked whether the legislation needed to state the amount was not-to-exceed \$326,485. Mr. Arrington stated it was not necessary because that was all the money that was there.

Committee recommended bringing out Temp. Ord. A-85.

Meeting adjourned at 7:45 p.m.