NEIGHBORHOOD REVITALIZATION:
LAND BANKS, DEMOLITION & INVESTMENT

OCTOBER 27TH, 2016
CITY OF SANDUSKY

- Founded in 1818
- Population of ~25,000
- Median household income: $35,776
- Roughly 13,500 housing units
- Owner occupied (51.9%) vs. renter occupied (48.1%)
- Median household value: $85,000
CITY OF SANDUSKYS

Employment Sectors:

- Education, Health Care & Social Services (21.9%)
- Arts, Entertainment, Recreation & Food Services (20.7%)
- Manufacturing (16.8%)
- Retail (14.6%)

Largest Employers:

- Cedar Fair/Cedar Point
- Firelands Regional Medical Center
- Sandusky City Schools
- JBT Corp.
- City of Sandusky
- Sandusky Register
GREATER SANDUSKY REGION

- Region includes Erie, Ottawa, Huron, and Sandusky counties
- Regional population: 236,000
- 50% of Americans live within 500 miles of Sandusky
- Nationally recognized as a top tourist destinations - accounting for over $2 billion in sales, $384 million in wages and $257 million in tax revenues
- Access to I-80/90, five national and twenty-one state highway routes, two deep water ports and the recently completed $160 million expansion at the Bellevue Rail Yard making it the largest classification yard in the Norfolk Southern system.
History:
- Established in June of 2007
- First few years spent developing pipeline through foreclosure process and donation
- First properties acquired in January of 2010 (water lots/boat slips) resulting in sales proceeds of $14,000

To Date (2010-2016 YTD):
- 406 properties requested from Erie County
- 256 parcels acquired
- 60 pending acquisitions
- 106 parcels sold to private or for profit entities
- $140,000 returned to the taxing district
Disposition Methods:

- "Mow to Own"
- Transfer to ECLRC to leverage state and federal demo funds
- RFP processes for properties able to be rehabilitated

Special Projects – Cold Creek Crossing

- Market-rate, for-sale development
- Developer ran into financial difficulty
- Acquisition of ~55 undeveloped sub-lots through tax foreclosure
- Will send out RFP to solicit new developer
ERIE COUNTY LAND BANK

**History:**
- Established in November of 2011
- Director hired October of 2012
- First properties acquired Spring of 2013

**To Date:**
- 77 parcels acquired
- 42 parcels transferred to private ownership
- $85,000 returned to Erie County tax roll
Accomplishments:

- $1.9M in demolition grant funding – 2012-2016
- 50 properties, 60 residential units, demolished between 2013-2016
- 12 properties, 16 residential units scheduled for late 2016, early 2017
- Wrote OEPA Targeted Brownfield Assessment Grants for Village of Castalia & City of Vermilion as prerequisite for their Abandoned Gas Station Cleanup Grant applications
ERIE COUNTY LAND BANK

Acquisition  Demolition  Enhanced Greening
DEMOLITION $$ - TRADITIONAL

- Portion (~$100,000) of $700,000 annual CDBG allocation
- Land bank proceeds from the sale of real estate (~$20,000) annually
- Equates to $120,000 annually or about 10 houses demolished under traditional financing sources
- Have benefitted from program like NSP and NIP when available
Per the report – 191 properties were identified as “D” or “F” conditioned structures including commercial and industrial.

“D” and “F” conditioned properties are those that, minimally display broken or missing windows, crumbling foundations, open holes and water infiltration or at worst – are immediate safety hazards and at risk of collapse.

“D” and “F” rated properties represented approximately 2% of all structures in the City (191/10,118).
$120,000 (10 houses per year) was not going to be sufficient enough to make an impact based on WRLC study

City began embarking on 4-5 year aggressive agenda to demolish all ~190 properties

Needed to generate or uncover $3.5M in $$ to complete all demolitions
Funding Sources:

- Passage of Issue 8 (.25% income tax increase) – dedication of $250,000 annually to blight elimination
- Dedication of $1.5M in EMS overages to demolition of commercial and industrial structures
- Partnership with ECLRC – resulting in recent $1.05M NIP grant through OHFA
- **TOTAL over 4 years = $3.55M**
County Land Bank is/was a one (1) employee entity with limited capacity

Understanding the need of Sandusky – we needed to develop a partnership to secure increased demolition $$ and provide OHFA confidence that $$ would be spent

Summer of 2016 – City assumed management and contract administration responsibilities from County Land Bank

Increased capacity related to pipeline development, bidding process, NIP grant administration, etc...
  - County Land Bank Director became City of Sandusky employee as a Contract Administrator
  - 50/50 split of salary between County Land Bank and City of Sandusky
  - Monthly financial and performance updates to County Land Bank Board of Directors

Resulted in demolition grant award of $1.05M to Erie County – largest in history of Erie County
COMMERCIAL DEMOLITIONS
COMMERCIAL DEMOLITIONS

- Approximately 10% (or about 20 properties) of the “D” and “F” conditioned properties identified by the WRLC study are commercial or industrial.
- These demolitions are significantly more expensive and require more due diligence than traditional residential demolitions.
- Require identification of environmental testing $$ and demolition $$ above and beyond traditional sources and newly dedicated income tax increase $$.
- Major priority for City as these properties are embedded in residential neighborhoods but also provide, in some instances, development opportunities for an otherwise densely developed area.
COMMERCIAL DEMOLITIONS

FUNDING – DUE DILIGENCE:

- Dedication of 2015 allocation of income tax increase ($250,000) to environmental testing
- Award of $400,000 in 2016 from USEPA for targeted brownfield redevelopment and assessment work (1 of 9 in state)

FUNDING – DEMOLITION:

- EMS overage of $1.5M
- Leverage other state and federal resources (i.e. ODSA Abandoned Gas Station Clean-Up Grant)
- Creation of Real Estate Development Fund for ongoing efforts
COMMERCIAL DEMOLITIONS

DEVELOPMENT OPPORTUNITIES:

- The approximate 20 commercial and industrial sites represent about 70 acres of potentially developable real estate.
- Critical to bring this real estate back to market to remain competitive regionally in an otherwise rural county with access to open, green development sites.
In addition to calling the need for blight elimination – the WRLC study noted that the housing stock condition overall is fairly healthy overall but noted the following:

- “one major challenge, shared with many older communities in the mid-west, is the fact that the majority of the housing stock is over 75 years old.”
- “the City should consider steps to ensure the naturally aging housing stock does not deteriorate.”
- In summation – “preserving the status, while shoring up C-rated properties and addressing Ds and Fs should be a top priority.”
INVESTMENT

Housing Development & Beautification Programs
INVESTMENT

Housing Development & Beautification Programs

Substantial Redevelopment

$250,000 Annually

Exterior Repairs

Landscaping

Downpayment Assistance
INVESTMENT

Housing Development & Beautification Programs

- **Substantial Redevelopment ($100K)**
  - Grant subsidies for new construction or those investing over $50,000 in home rehabilitations (includes rentals)

- **Exterior Repair**
  - 50/50 matching grants (not to exceed $2,500) for repairs visible from the public right of way (includes rentals)

- **Landscaping**
  - 80/20 matching grants (not to exceed $400) for landscaping visible from the public right of way (includes rentals)

- **Downpayment Assistance**
  - Grant subsidies totaling 3.5% of the purchase price – for home purchases less than $150,000 (owner occupant only)
INVESTMENT

Housing Development & Beautification Programs
INVESTMENT – NEIGHBORHOOD INITIATIVE

- **Sandusky Neighborhood Initiative** – Partnership with Cleveland Urban Design Collaborative (CUDC) to plan for strategic investment in 6 city neighborhoods

- Neighborhoods were selected based on diversity in housing type, neighborhood location, and demographics – together serving as a representation of Sandusky as a whole

- Initiative aims to improve neighborhoods in 4 areas:
  1. Community Programming
  2. Placemaking & Identity
  3. Neighborhood Anchors
  4. Model Block
Each neighborhood will undergo an individualized planning process, allowing neighborhood residents and stakeholders to give their input.

Selected neighborhoods will feature a “Model Block” (similar to the Cleveland model), where housing funds are focused to show the improvement they can spur.

In addition to the model block, each neighborhood will feature an anchor project of some sort (i.e. a park, trail, or another large scale improvement), enhanced placemaking and identification and programming.
PROCESS will be overseen by a steering committee of local residents and stakeholders.

Public meetings will be held multiple times throughout the planning process to allow residents the ability to review and suggest changes.

Final plans for each neighborhood to be completed by April, 2017.

In addition to donating $50,000 for the overall planning process, the local Dorn Foundation has donated $50,000 per neighborhood (which the city has matched) for a total of $100,000 for plan implementation per neighborhood.
COMMENTS/QUESTIONS?

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