

Chair Tres Roeder:

Director Lewis, nothing did come in but would you like to give a more formal response?

Director Kamla Lewis:

I did send out an email to you all you might've missed it. It did go to Council and Council approved.

Chair Tres Roeder:

Anything else on the minutes from our last meeting?

Chair Tres Roeder:

Approval by Council Member Moore, seconded Mr. Strang. All those in favor. Aye. Those opposed, motion carries. Thank you. Our next agenda item is a discussion of the sale of the property at 3662 Riedham Road. Director Lewis will you be presenting this item?

Director Kamla Lewis:

Yes, I will. Staff is recommending tonight that the City sell a single family house located at 3662 Riedham Road that has been donated to us. The proposed buyer is CAP Construction which is one of our Shaker Renovators. The goal of the transaction would be to get this property back into productive use by transferring it to a reputable rehabber and subsequent sale to an owner occupant. The property was donated to the City on December 15th, 2020. It isn't actually deeded yet because of the slowdown process at the County but we anticipate by the time we get through all of our steps, if this is approved, it would be in our formal ownership. This property has been one the City has been concerned about for some time; it's been vacant for at least five years, is in considerable disrepair as you saw from the images that I included in the memo, and it's been the subject of many neighbor complaints. Housing Inspection issued a demolition order in August, 2020. This is a four bedroom colonial house built in 1938, it will require substantial rehab, as it does not appear to have been updated at all since it was built.

Director Kamla Lewis:

In addition to correcting all the point of sale violations, which include raising and replacing the garage and the back porches, CAP Construction proposes to make the following upgrades to the property; install new windows, electrical, plumbing, air conditioning, insulation where the walls are gutted, adding a security system, new cabinetry, countertops, new lighting, plumbing, new tiling, flooring, and refinishing the hardwood floors. They expect their renovation to cost approximately \$125,000 and that's excluding labor costs. Many of you are familiar with CAP Construction, they have been working with the city for some time under our Shaker Renovator program. They've done 20 similar renovations throughout the first suburbs. Their last project in Shaker was on Traver Road which sold in August, 2018 for \$225,000. They have consistently produced high quality rehabs and they do have an excellent reputation with all the City departments.

Director Kamla Lewis:

For those of you who may not be as familiar with our Shaker Renovator program, it was a program that Neighborhood Revitalization developed and instituted in 2011. We certify high quality rehabbers who, if they meet our standards, can then participate in programs like this to take over City owned properties. They get certain concessions. The main one of which is instead of having to

put 150% of funds in escrow for the rehab, they only have to put a 100% in escrow. We also offer free marketing of their projects even though that has not been very necessary because they have quite a following at this point as well. Since 2011 there have been 37 properties rehabbed under the Shaker Renovator program and that has represented an additional 9 million in property value through those rehabs.

Director Kamla Lewis:

If this sale is approved by Council, the City would sell the property to CAP Construction for a dollar and any additional costs related to the acquisition: the closing costs, taxes, title work, so that the transaction is cost neutral to the City. We would enter into a development and use agreement that would commit them to completing the rehab within six months of transfer and selling it to an owner occupant, as well as making those enhancements that are above point of sale. The goals of this proposal are to return the property to productive use, rehabbing it rather than demolishing. It would not only save us the cost of the demolition, but would represent approximately \$200,000 of property tax value. It would also save the City the funds of ongoing maintenance of a vacant lot if we were to demolish the property. The neighbors are very supportive of the City moving forward. They are so fed up at this point in time they would go with either option, but they do believe it would be a good outcome to have the property rehabbed. Staff is requesting that the Committee consider this proposal tonight and support its recommendation to Council.

Chair Tres Roeder:

Thank you Director Lewis, questions?

Carter Strang:

I appreciate the background too on the program itself and its success. It's just absolutely amazing. I don't know how many people generally in Shaker know what a great story. Just phenomenal and great to see. I lived on Strathavon just one street over, and that's a very, very nice neighborhood. Is this between Lomond and Scottsdale, or is this further up between Lomond and Chagrin?

William Hanson:

It's between Lomond and Scottsdale.

Director Kamla Lewis:

Actually Cindy Maxey, who many of you know from the library, lives right next door.

Director Kamla Lewis:

Bill and I have been through the house. When we went through the first time I asked the rehabber to come through, and he said, "Can I bring the kids?" I said, no, not at all. We did come out with fleas again this time.

Chair Tres Roeder:

Mrs. Moore, I saw you had your hand up and Mr. Woodcock, I see you have your virtual hand up, so we'll go to you after Mrs. Moore.

Council Member Moore:

I have three comments/questions. The first is that I was privileged and did view the CAP renovation on Traver. It had been a long time I guess, in actual transition, from its deteriorated state to the renovated state. It was such an outstanding renovation. It was like walking into a brand new house done to market tastes. I just wanted to say that wherever CAP walks is hallowed ground, in my opinion. I can only think that the neighbors are going to be delighted with the results. The second is two questions. The ivy, as a member of the tree advisory board, ivy looks really quaint and Englishy, but it needs to be removed exclusively, totally, from brick. Is that part of the plan?

Director Kamla Lewis:

Absolutely. In fact, because of the extent of this, Housing Inspection on the point of sale was not even able to conduct a full inspection. That is one of the first priorities to clear the ivy off of the property.

Council Member Moore:

Last question is the trees. I always ask you this, and you're such a good conservator of trees. What exists and what thought have you given to the trees?

Director Kamla Lewis:

You've probably noticed that there is a very large tree in the front of this property. From the first time that I had CAP Construction come and take a look at the house I said, make sure you assess the tree. At this point in time there is no indication that it will be in any way a problem to maintain, to keep the tree. It seems to be far enough away from the foundation, but as I said, unfortunately, there is so much that needs to happen on this house that it is going to be a wait and see. Anthony Paciorek who operates CAP Construction shares your sentiments about trees.

Council Member Moore:

I know he did a great job in the Traver house. There were quite a few trees and it was questionable which to retain.

Cmte. Member Woodcock:

I would like to also echo that the Traver house was spectacular. As somebody that used to walk by it all the time and watched that transformation, it was great, so I hope to see that again with this house. My question is kind of forward-thinking though, do we know of any other properties? This is wonderful. How does someone like CAP find these properties and do they have an opportunity to do more of them?

Director Kamla Lewis:

So the whole idea of the program was to have high quality rehabbers continue to ply their trade in Shaker and do as many possible. They have loved, as have all our Shaker renovators, working in the City and with the City. The main problem right now is inventory, and that has been the issue for a couple of years. They are in regular contact with both Bill Hanson and myself on the lookout for these properties. Originally when I created the program, it was to take the ones that the City itself owned and have a good way for them to be put into productive use. Of course we are getting fewer and fewer. It's very rare that we get properties with structures on them these days. But like this one,

any time that there is an opportunity we use that opportunity to get these into the hands of our Shaker renovators.

Director Kamla Lewis:

Bill constantly has a handle on, monitoring all the properties that are in foreclosure, et cetera, or he knows that the owners are thinking of selling. He will also give a heads up to these rehabbers for ones that they can then acquire on their own, on the private market, and that's mostly what they have been doing. There were three done in 2020, one on South Park, one on Aberdeen and one on Woodbury, all of those acquired privately, without having to go through us, but because of their participation in the program we're able to do more properties than they would have because they only had to put a hundred percent in escrow.

Bill Hanson, Housing Commissioner:

The only thing I would add is we found for longstanding distressed properties that issuing a repair/demolish order is effective in getting property owners to do something. This property on Riedham is a prime example where it had been vacant for many years. We couldn't track down the owner. We issued a number of violation notices. We did nuisance abatement work on the exterior landscaped areas, but couldn't prosecute or take any action against the owner because we couldn't find him. Through a lot of research we're able to track him down and that allowed us to get inside to assess the condition. It became very clear that the owner didn't have the wherewithal to make any repairs, it really wasn't cost-effective. At the end of the day we issued a repair/demolish order and that was the impetus to say "I'll just donate the property to the City." We were delighted that one of our Shaker renovators expressed an interest in renovating the property because it's really in bad shape.

Director Kamla Lewis:

Every property the Housing Inspection department issues a demolition order for, we consider for rehab at the same time. If we can't ourselves determine the feasibility of rehab, we invite them in to take a look. If any of them show the slightest bit of interest, we prefer to go that route.

Bill Hanson, Housing Commissioner:

It's also important to point out that when we issue a demolition order, the owner has the opportunity to file an appeal with the Board of Appeals. Certainly, and probably more than half of the cases where we do issue a demolition order, the owner of either decides to sell the property to a buyer who can afford to make the repairs and fund the escrow account or make the repairs themselves. So again, it's been a very effective tool and as Kamla indicated returning properties to productive use.

Director Kamla Lewis:

We currently have in the pipeline about two or three that are either already forfeited to the State and will eventually come to us or are heading in that direction. Once we are on that track that's when we start looking to our Shaker renovators as potential rehabbers.

Chair Tres Roeder:

Hello, Dr. Whyte. We're having a discussion on the PDF that we received in terms of the sale of the property, are there any other questions?

Cmte. Member Woodcock:

I have a somewhat related question. These certified rehabbers that we have such a great track record in Shaker, do they only rehab houses they've purchased or can people in Shaker Heights hire them to do work on houses that the rehabber doesn't then purchase? In other words are these people that we can, in a sense, help by having them listed on the Lomond referral list? There used to be a list of Lomond Association recommended contractors.

Director Kamla Lewis:

Particularly right now, where inventory is low, in order to keep their teams employed, they have been doing that. Alberino Construction is heavily advertising and doing rehab work. So yes, they are advertised on our city website as part of the benefits of being Shaker renovators. We have done pieces in the past on these rehabs in the Shaker Life magazine, for example. Again, we do want people to know about good rehabbers. One of the things we found is that particularly when people inherit a house and they aren't planning to take it on, they will contact them because they've heard that they do good work, but like I said, they have such a following. For the Traver house on the first day, they were already in a multiple bid situation back in 2018 before the stuff we saw last year.

Chair Tres Roeder:

Other thoughts? Comments? Dr. Whyte, did you have any questions on the PDF? Okay, if there are no further questions I'd entertain a motion. Moved by Mr. Strang and seconded by Mr. Woodcock. All those in favor say aye. Those opposed? Motion carries. That will be forwarded to Council. That concludes our formal agenda. Were there any other questions or items that the Committee wanted to discuss this evening? Okay seeing none. The meeting will be adjourned. We'll see you all next month.

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There being no further business, the meeting was adjourned at 6:23 p.m. The next meeting will be March 10, 2021.

Council Member Tres Roeder, Chair
Neighborhood Revitalization & Development Committee