

**Special City Council Meeting
City of Richmond Heights
June 29, 2010**

Council President, David Roche, called the meeting to order at 8:05 PM

Pledge of Allegiance to the Flag

Roll Call:

Present: Alexander, Gambatese, Headen, Henry, Morgan, Roche

Excused: O'Toole

Motion to excuse Don O'Toole, made by Morgan, seconded by Alexander. Motion passed 6-0.

Directors Also Present: Lynda Rossiter, Lee Courtney and Dan Spada

There was one item of discussion for tonight:

Resolution 44-2010, Introduced by Alexander, First Reading: A Resolution Authorizing the Mayor and Director of Finance to enter into purchase agreements for properties at 1954 Chelford Road and 25250 Chardon Road pursuant to the Neighborhood Stabilization Program.

Council Discussion/New Business:

- Lee Courtney, City Engineer, explained that there are 2 houses on the market in Richmond Heights- at 1954 Chelford and 25250 Chardon Road. He said the Wilson Mills house that they were previously interested in got sold. We are under a severe time deadline from the County and need to buy a home in the market for this program. These 2 houses are privately owned and the original process were \$90K for Chelford and \$100K for the Chardon house. Currently, we can get the Chelford house for \$80K and the Chardon house for \$70K. He recommended the Chelford house more, as he believes it would be easier to fix up and sell, but we are not guaranteed to get either.
- Lynda Rossiter said the Chelford house needs a roof, driveway, hot water heater, windows and bathroom updates, but not a lot of upgrades overall. It's in decent shape. The Chardon house would require more work.. She said the City can buy more than one house at a time to renovate if it wishes. These houses are not foreclosed, but they are vacant.
- Miesha Headen said part of the reason she was excited about this program was for the City to bring in a Real Estate Specialist, and this has not happened. She had some real concerns about the City dealing with all of this without Real Estate knowledge, as she feels this is a tricky industry and she said she has a lot of questions still on this program and is not receiving answers. Can we afford the marketing and renovating costs?

- Rossiter said the City will have no mortgage costs and will not run over the costs. We have hired additional staff in the Building Dept, a construction contractor, who is working with Dan Spada, Assistant Building Commissioner.
- Headen said she'd love to see the contract in writing, to see what the grant entails and if the City can afford what Rossiter says. She added if the initial purchase is too high, it will ruin the whole deal. She asked who would handle the paperwork.
- Rossiter said that between herself, and Lee Courtney, they will handle the paperwork. The General Contractor in the Building Dept will hire cubs to do the work on the houses.
- Headen said the City may have to hire 3 people to do the work of one job as a Real Estate person, and she added that she had many concerns on many things.
- Roche said he appreciated the feedback on this process and asked about the position in the Building Dept. How are we getting the funds, what hours does this person work?
- Rossiter said the hours are 3 days a week, a total of 21 hours a week, covered by the grant program.
- Alexander asked to move on the legislation. Are we going to approve this house and let the program go or not? Can we account for all the money spent on this?
- Headen said she felt there was insufficient information on this.
- Rossiter said this program is designed to close after the July 28th deadline.
- Headen felt there was a problem of transparency. She asked how many properties does the City own? Can people readily find out about this information?
- Todd Hunt, Law Director, said that anyone can call and talk to Rossiter, and she can give out that information.
- Headen asked about who Eric Afbar is? Why is the City working with him?
- Hunt said he buys distressed properties and re-sells them. He is a Real Estate agent with Howard Hanna.
- Rossiter said that if the City loses this program, we are still covered until the end of the year with our part-time worker.
- Headen said she felt this is an audit risk with this complicated program, and there is no game plan on where we are purchasing houses and where we are headed. She listed some problems she sees with the program and the City's foreclosed homes.
- Rossiter said the City has tried to purchase other foreclosed homes and has not been able to. The banks are not selling all of them.
- Morgan said she would like to move on and was not prepared for a filibuster tonight. She believes those in charge of the program have done a good job and would like to see it proceed.
- Hunt will work on revising the legislation to reflect the new numbers on the house prices, and re-wording.
- Rossiter said the City will submit the bid to the Chelford house first, see if they get it, and if not, will submit to the Chardon house. We can withdraw either one before they are accepted. She will put a delay in submitting one and then the other. We will purchase one house, and the priority is 1954 Chelford at \$80K.

- Dan Spada said the part time person is also helping the Building Dept catch up on daily items and allows him to catch up on paperwork. The position was selected by the Mayor. This new part timer was a Project Coordinator/Manager for a home builder. He is also going to school part time to receive his Civil Engineering degree.
 - Rossiter said if neither of the properties go through, we have a few houses we can work on renovating. The HUD deadline is the end of August.
 - Courtney added that there are residents who are left watching these homes degenerate, and would like to see them fixed up. We hope to purchase them, renovate them and re-sell them.
 - Rossiter said there are no time limits after we meet these initial 2 deadlines.
 - Hunt re-worded the legislation of Res 44-2010 and re-read to Council. He asked Rossiter how she would put 2 offers out there without running the risk of both being accepted.
 - Rossiter said she would work on the timing of the offers. She also said she would get Council a budget info sheet on this project this week.
 - Gambatese asked if we approve this tonight, are we truly committed to the project. Are the issues resolved here? She felt the time tonight was unproductive.
 - Morgan said she felt the Mayor should be more involved in this with Rossiter and Courtney.
- MOTION WAS MADE BY ALEXANDER AND SECONDED BY MORGAN TO SUSPEND THE RULES OF THE CODIFIED ORDINANCE AS PROVIDED IN SEC. 121.22 OF THE CODIFIED ORDINANCE. THE MOTION PASSED 5-1. HENRY-NAY.
 - MOTION WAS MADE BY ALEXANDER, SECONDED BY GAMBATESE TO PASS RESOLUTION NO.: 44-2010. THE MOTION PASSED 4-2. HEADEN & HENRY-NAY

Audience: -NONE

CORRESPONDENCE: -none-

ADJOURNMENT: Motion was made by Alexander, seconded by Gambatese to adjourn this SPECIAL June 29 2010 City Council Meeting at 9:15 PM

Betsy Traben, Clerk of Council

David H. Roche, Council President