



**MINUTES
COMMITTEE MEETING
LEGISLATION AND CODES
9/20/2021**

Roll Call:

Members present: Daniels (chair), Schaber

Members absent: Thomas

Meeting called to order at 6:49 PM with a quorum present.

Old Business

Item 1. tempORD2021-71: ORDINANCE CREATING CHAPTER _____ OF THE MARION CITY CODE (Neff) (previously ORD2021-31)

- Exhibit A: Vacant Building Registration Form

Mr. Neff shared some examples of how a VBRO could be utilized on some specific vacant properties. He wants to take the responsibility and shift it from the taxpayers to the homeowners. This could offer some protection for police and fire if they know that they are responding to a vacant house.

Chief Deem explained how the fire department may treat a fire differently in a vacant house, i.e. hold off on allowing people inside the house. A house that they know is an occupied home would be fought more aggressively to save lives. They rely on information from the neighbors regarding people who may be in the house.

Mrs. Swanger said that there is already a registry that is kept by the city sanitarian and another one done by the county. She does not believe that they need another registry. She cited all the information available on the sanitarian's list. She pointed to Love Our Neighborhood program that cleans up neighborhoods. They would be making people pay when they already owe taxes or they're already deceased. They are not going to collect that money. This is adding another layer of government and she thinks that we do not need more government. They need the services that they do have to coordinate between the city and county. She believes that they have the software capability now. She believes that if a house is abandoned and is on the list, that the police and fire departments do have that information available. She believes that placing a placard on the house saying it is abandoned will serve as an invite to problems. She believes that a software system to coordinate will be more effective. If homeowners are not paying taxes,

they probably are unable to pay a registry fee. She questioned whether this just places them on a list or it does something to fix the problem. She would prefer to find a way to coordinate services so they can find a way to fix it, not just a way to say it exists.

Neff explained that nothing will happen with the “zombie properties”. However, if a bank takes foreclosure action, they are responsible for it. The city is not responsible for cutting the grass or making sure it is secure or boarding up broken windows. If there is a vacant property owner, they have to tell who they are and how to contact them so the city knows. This is the people for whatever reason who are sitting on homes. There are many ways out of this. You can sell the house. There are exemptions. If they are repairing a house, they can fill out paperwork and give the city a plan and a time frame to put it back to good use. That way, the entire city can benefit by having occupied homes.

Schaber asked how the city could direct the county to do certain things as part of the auditor’s sale. Neff said that the auditor would give them a piece of paper that says that they need to be registered within 30 days. Instead of the city spending taxpayer resources to track these people down, this will provide the city with the information. If the contact person is not local, then they will have someone local who will manage the property. Schaber asked if the ordinance directed the auditor that they need to hand out the form. Schaber said that this list just takes the lists developed by others and puts a penalty with it.

Schaber described the regular meeting administration has to discuss nuisance properties and where they are at in the legal path to securing those. He thinks that they are already doing these things and that Neff’s ordinance just puts a penalty on it.

Neff explained that a large component of this is the bank or financial institution. As soon as they file to take foreclosure action, they are taking responsibility for that property (in this ordinance). A judge would have to do that judgement when they filed. The city of Marysville has had this for two and half years and they have removed 90 homes from the registry in that amount of time. The homes are no longer vacant, they are viable properties. Houses are removed by selling them for occupancy, tearing them down, fix the house, etc.

Daniels asked for clarification if the issue the condition of the house or if someone lives there. Why would they have a complaint with a vacant house that was taken care of? Neff said they could apply for an exemption. Instead of treating all vacant houses as bad and all occupied houses as good, Daniels asked if they should not enforce against houses with issues rather than preemptively go after vacant properties. Should they wait for a problem and then take action? Neff reiterated that property owners could request an exemption in writing from the Safety Director. Daniels said that he does not think he should have to ask for an exemption if he is doing things the right way already. Daniels stated there is a hang up for people, that is why there is the interest. There are not 5 affirmative votes for the legislation.

Sule Kelly (365 E. Farming) asked for more detail as to what compels the bank to register and how could they make the county do this. Neff and Russell reiterated the language of the ordinance.

Daniels proposed that the ordinance only address bank foreclosed properties and excluded all others. Homeowners who are foreclosed on may be ordered to not be on the property and would be unable to provide maintenance due to that. Russell said that he would need to do some more research as to whether they could hold the banks responsible during the pending foreclosure.

Neff said that the intent is not to go after someone who is taking care of the property. There is the opportunity to request an exemption. Bank takes responsibility immediately upon filing foreclosure. He knows for a fact that happens in Marysville, Sandusky, and Springfield. The banks pay the fees and take care of the properties. That is not happening in Marion.

Tracy Cooperider (904 Maynard Drive) shared the example of a foreclosed home near him that was not cared for properly. The property was empty for almost 3 years. He is not sure how quickly the bank files for foreclosure.

Randall Hunt (Southland Management) talked about the problems with getting property transferred after a sheriff sale. Who would be responsible during that time? He has another property that had an eviction, and he is doing necessary repairs. He is disabled and it may take him some time to have it prepared for other renters. Why does it have to be registered if someone is clearly working on it? Neff reiterated the exemption option. Mr. Hunt was opposed to that requirement as a responsible property owner.

Mrs. Swanger stated that they need to have more affordable housing in Marion. There are 62 foreclosed properties on the list she has. There are only 2-3 properties that are bank owned. There are several owned by LLCs and corporation. She sees this as affecting individual homeowners more than banks. For properties sold through the land bank, there is a way to deal with that. The land bank actually keeps control of the property, and they can put restrictions and stipulations on the buyer. They do not actually turn the property over until it meets those specifications. She does not think that they can compare Marion to Marysville because they are not socioeconomically the same. She is not about hurting people who do not have enough money to pay this fee.

Neff stated that Marion is very similar to Sandusky and Springfield.

Mayor Schertzer said that the pieces and parts are all there, but they just need to put together. This starts and ends with county government, whether it is a lengthy transfers or unattainable payment plans that will never catch up with back taxes. The banks do not timely take title. Banks do that for a reason. Tax foreclosures need to start sooner than later and get reasonable payment plans in place. As a city, we are treating the symptoms, not the disease. This will get

some of the properties, but not the majority. Love Our Neighborhood program is one of their best resources to get into these neighborhoods. They take inventory and pass that along to the county auditor's office where it is put on their website. The coordination has gotten much better over the past year, but there is still a long way to go. They are already doing this on a small scale. It will only work if they can get into every neighborhood. Next nuisance meeting is 10/12 at 10 AM in the mayor's conference room.

Schaber asked how the city would know about these properties. One way would be triggered when there is a filing and the prosecutor's office notified the city. Neff said the intent would be self-reporting at the beginning, but the city could be called upon to investigate. He said the city is already spending money to look at these things from time to time.

Neff reaffirmed to Schaber that other cities have been successful in holding banks accountable for the care of properties starting when they file the foreclosure with the courts. There is no belief that charter or statutory status matters. Neff stated that Marysville, Sandusky, and Springfield all do this. He has spoken to officials and confirmed it. In other cities, the county forwards information to the city and the city sends out a letter. Caring for these properties has become a cottage industry called "property preservation". Neff was not aware of any interest by the county to have a similar regulation for county properties.

Neff reiterated that this ordinance will probably not make an impact on abandoned properties with large tax debt. They are not paying taxes. They will not pay this. He said that empty houses are not doing anyone any good, especially with a major house shortage in town. Anything that can be done to return properties to the intended use is what the purpose is.

Daniels explained that people have the right to have a vacant house. When it comes to the rights of property owners, this may be getting some resistance because the federal government has been exceptionally dictatorial in the last eight months towards property owners. They have taken possession of people's property, commandeered it for public good, put tenants in it who did not pay the rent, and said that property owners had to live with it. The market is a little bit upset about that. The worst-case scenario is paved with good intentions. This may look good in the short term, but consideration should be given to long term unintended consequences. There is a housing shortage but that does not mean that he wants to implement policies that coerce a property owner out of their home, which is what is going on now. He believes that economic manipulation by the government is happening at the state and federal level, and he does not want to see it done locally. They need to balance everyone's freedoms. He does not want to penalize someone who wants to own a vacant house and keeps it up. He does not want to get into their business any further by asking what they are going to do with it in twelve months. It is not his concern. He agrees with some provisions, specifically holding the bank liable when foreclosure filed. The people cannot stay there and cannot take care of it. The bank owns it and just has not recorded the deed.

Neff repeated that property owners can file for an exemption. Eligibility is determined by the safety director.

Schaber said he does not think they should have to file for an exemption for doing the right thing.

Meade brought up the financial hardship that it might create for a homeowner who is struggling, even to take the time to file for an exemption if they needed to take time off work. It feels like an infringement. While this is really aimed at the banks, he feels that it is homeowner who may be in a bad financial place who takes the brunt of it.

Neff explained that any property listed for sale with a real estate agent can apply for an exemption. Feliciano questioned auctions/estate sales.

Schaber said that he was not comfortable sending it to council as is. He encouraged Neff to come back after some rewrites. Neff said he had a serious objection to tabling this ordinance. He thinks it needs to go on for discussion in a council meeting. Schaber said that he is the only council person who will be here the next term. He does not want to have to explain this to his constituents.

Daniels suggested if they want this to be an ordinance that is passable. He advised that they take the best out of this bill and push it forward on its own individual merits and you attach it to a nuisance bill. There is too much here, good and bad. He thinks it does have merit.

Schaber made a motion to table the ordinance.

Motion dies for lack of 2nd

New Business

Item 1. Liquor Licenses

- Kin and Kilt LLC -- 130 S Prospect (NEW D1, D2, and D3)
- Family Dollar Stores of Ohio -- 520 N Main (NEW C2)
- 740 Restaurant Ventures LLC DBA Amato's Woodfired Pizza -- 143 W. Center (NEW D5)
- General Sales Drive Thru -- 450 Jefferson (TRFO C1, C2, D6) (from Dew Drop Thru)

Schaber made a motion to take no action, Daniels 2nd. Roll Call: Ayes – Daniels, Schaber; Nays – none.

No action requested on any of the 4 licenses (2-0)

Other Matters:

Adjourn:

With no other business, the chair adjourned the meeting at 7:50 PM.

Josh Daniels, Chair

Tarina R. Rose, Council Clerk