

**ASHTABULA CITY COUNCIL**  
**CITY OF ASHTABULA – COUNCIL CHAMBERS**  
**4717 Main Avenue, Ashtabula, OH 44004**

**PUBLIC HEARING MINUTES**  
**Monday, February 4, 2019**

The City Council met in a PUBLIC HEARING. The President of Council called the hearing to order at 5:15 p.m.

<b>Member(s) Present:</b>	Mrs. Kym A. Foglio	(Ward 1 Councilor)
	Mr. August A. Pugliese	(Ward 2 Councilor)
	Mr. Richard A. Quaranta	(Ward 3 Councilor)
	Mr. Michael D. Speelman	(Ward 4 Councilor)
	Ms. Jane E. Haines	(Ward 5 Councilor)
	Mr. Christopher J. McClure	(Vice-President)
	Mr. John S. Roskovics	(Council President)

**Member(s) Absent:** None

<b>Officer(s) Present:</b>	Mr. James M. Timonere	(City Manager)
	Mr. Michael Franklin	(City Solicitor – 530p)
	Ms. Traci R. Welch	(Director of Finance)
	Mrs. LaVette E. Hennigan, MMC	(Clerk of Council)

**Officer(s) Absent:** None

**SUNSHINE LAW:** The Clerk of Council certified conformity to the Sunshine Law.

**PURPOSE**

The President announced the purpose of this Public Hearing was to hear public comment and learn more about the request of Our Lady of Peace Parish (OLOP) to rezone their former Mt. Carmel School property located at 1200 East 21<sup>st</sup> Street, from R-2/Single Family Residence District to R-4/Multi Dwelling District, for the purpose of constructing a senior housing complex.

**WELCOME**

The President welcomed visitors.

**DISCUSSION**

- Mr. Ryan Landi, Vice President of Development for Testa Companies presented a PowerPoint to give a glimpse into the proposed Carmel Senior Housing Apartments. It also provided photographs of a few of their other properties and what amenities those properties have.
  
- Testa Companies:
  - A for-profit developer based in Cuyahoga Falls
  - Family owned/operated

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- In business 51 years
- Vertically integrated company, which means they are the developer, designer manager, realtor and construction firm
- Has market-rate apartments and commercial properties;
- Does a considerably amount of business with Summa Health Care; the health care provider in the Summit County area;
- Believes in “Placemaking” – creating environments people want to be a part of and walk through
- Raised bed gardens installed in all their properties
- Constructed a housing complex for the homeless and veterans in Akron; and

About Carmel Senior Housing Complex, City of Ashtabula

- ~ \$9 million project
  - 45 to 50 1 bedroom / one floor apartments/ roll-in shower, kitchen (no stove – warming kitchen with microwave), refrigerator, cabinets, sink, bathroom
  - Follow Universal Design Features to accommodate physically challenged persons, wheelchair accessible, designed so residents, as they age, are able to remain at home as long as they possibly can
  - Doors to apartments are off a long hallway
  - Security peep hole camera gives residents a full view of who is at door and the hallway
  - Age restriction: 55 and over
  - Affordable rental units
  - 30 year deed restrictions
  - Single occupancy – maximum annual income - \$25,800
  - Double occupancy – maximum annual income - \$29,520
  - Average SSI benefit = \$16,848 (\$1,404/month)
  - \$650/month rent, includes utilities, sewer, trash
  - Laundry and community rooms
  - Air conditioning, trash
  - On-site manager
  - Not public housing
  - Not low income housing
  - There are house rules – typically do not like to evict seniors/like to work with them/but have had to evict
  - Property will not have a Section 8 contract with the Ashtabula Metropolitan Housing Authority or the Federal government; but have to comply with Fair Housing standards so cannot exclude anyone who has a Section 8 voucher and meets the complexes requirements.

**QUESTIONS/COMMENTS – City Council/Administration**

- Wired for WiFi
- Who will be management company and oversight board once property is constructed?

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- Management Company: Testa Real Estate Group/Testa Realty
- Overseer: Testa Companies
  
- Who enforces deed restrictions?
  - Ohio Housing Finance Agency (OHFA) - they are also the main financing source. They facilitate the development, rehabilitation and financing of low- to moderate-income housing. The Agency's programs help first-time homebuyers, renters, senior citizens, and others, find quality affordable housing that meets their needs. Formerly a division of the Ohio Department of Development, OHFA became an independent state agency on July 1, 2005 through Amended Substitute House Bill (HB) 431. OHFA funds competitive fixed-rate mortgage loans and provides financing for the development and rehabilitation of affordable rental housing through the Housing Tax Credit Program issuing tax-exempt mortgage revenue bonds, and other affordable housing programs. The tax credits originate through the IRS, who allocates to OHFA, who then allocates to projects.

**QUESTIONS/COMMENTS – Public**

**Mr. Joe Pete, Ashtabula Township Trustee/OLOP Member**

- What is proximity of complex to church?
  - The complex will be on same property as former school building.
  
- How will project affect parking?
  - It will not.
  
- He remembers when the two Lake Avenue high rises were constructed; everyone had ideas of how great they were going to be; throughout the years they have changed.
  
- Will the complex be like Gran Signore Manor (GS)?
  - No, it is income related by eligibility only; GS is income subsidized
  - If perspective tenants of Carmel Senior Housing have no income, they may become income qualified through a family member and that family member would be responsible for making the monthly rent payments.
  
- What type of security is there?
  - Cameras
  - Key fob entrance to main building and individual units
  - Deadbolts.

**Ms. Regina Anderson Tackett, Ashtabula City Resident**

- Her family donated the land for the school and church
- Read a letter from her Uncle Richard Lazlo, a former US Postal employee in Ashtabula who resided here from 1940s to 1981; He keeps up with the happenings of our community; He is the eldest living family member; because he

saw his grandparents every week he believes he knows what his grandfather's intent and reasons were for gifting the property to Our Lady of Mt. Carmel Church, which essentially was:

- Many of the parishioners were his neighbors and supported his block business
- Former church location (E. 16<sup>th</sup> & Columbus Avenue) reached growth limits
- Vision was to keep neighborhood alive, valuables safe, and to draw back original parishioner's children to their roots because they were families of character, which is evident in the location of three social clubs in close proximity (East Ashtabula, Young Men's Social Club and Sons of Italy)
- To bring all people together in purpose
- The land was to serve church, people and neighborhood
- Going forward, he trusts the church to decide what is best
- Legal Inquiry: "If one tears down the buildings, clears the land and then can't keep his end of the contract, is the land turned back over to the former Mt. Carmel Parish or can it be resold and that money go to the now new broke builder that didn't keep his part of the contract."

**Ms. Tackett said:**

- She is old school and takes care of family when that time comes
- She knows a former resident of the Towers located on Park Avenue and West 48<sup>th</sup> Street, who said during the time she resided there things changed, the units were rented to people who end up selling drugs and require Section 8 assistance – and it still is that way today
- She suggested openings at Lakeview and Gulfview Towers on Lake Avenue, which are properties managed by the Ashtabula Metropolitan Housing Authority, be filled instead of constructing more senior housing.

**Ms. Rosemary Bernado – has previously spoken with Mr. Landi – now asking:**

Q: How much low income housing (dollar wise) is already in Ashtabula City?

A: Manager: The number is not known but this project is not low income housing.

Q: The internet says Low Income Housing Tax Credits (LIHTC) are 80% investors, 20% someplace else – what does this mean?

A: Mr. Landi: 80% through tax credits; 20% through loans, grants, etc.

The structure for this project is typical a permanent loan – 30 year amortization – 72 year term loan; Huntington Bank is one of their bigger partners

Q: If complex cannot be filled with persons from the 30% to 60% average income bracket, what happens – who gets to move in?

A? Mr. Landi: They will remain vacant.

Manager: Right now 36% of our population is 55 and over. By 2030, the percentage will be 39%.

Q: You never drop it to the zero to \$30,000 year average income?

A: Mr. Landi: I would be reticent to do that because they have to show they can pay the rent.

Manager: This is one of the biggest differences when comparing low income to income based. For instance, Gran Signore is a direct HUD (Housing and Urban Development) recipient. If you can only pay so much a month, somebody else covers the entire remaining amount. The Testa project is income qualifying and a potential occupant is saying they can afford to pay the stated monthly rent. There is no HUD or other subsidy to supplement the rent.

Q: After year 10 investors pull out; they usually pull out between years 11 and 15. So,

- o What happens to the property after year 10?
- o Does the property go back to OLOP or remains with Testa?

A: Mr. Landi:

- o This is a 15 year program; the Internal Revenue Service (IRS) allows investors to take credits originally slated for 15 years and use them over the course of 10 years; He can think of only one instance out of 3000 projects in the State of Ohio in which the investor "unwound" the partnership before 15 years was up
- o Ohio Capital Corporation of Housing is the investor; and an Testa investor and partner since 1988
- o Testa has one property that has reached the 10 year mark, so not much to go on to determine what happens when investors begin to pull out; Having said that, Testa owns commercial and retail space that are well; they manage homeowner's associations and have been in business successfully for 51 years
- o Once investor exits the partnership, Testa owns the property and maintains it for the additional 15 years for a total of 30; It is still income and senior restricted; and
- o Typical tenants are single females age 70 to 75.

**Mr. Walt Harris, President, Gran Signore Manor Board of Directors**

- o 100% against project because it is similar to Gran Signore, and is a short/walking distance away; would be okay if was going to be at least a half a mile away

Q: If apartment unit out of compliance (resident does not meet criteria), tax credit is loss until unit returns to compliance?

A: Mr. Landi: Yes.

Q: How will parking affect the annual festival?

A: Mr. Landi: It will not.

**Ward 2 Councilor**

- o Expressed support for the project
- o Said it is an opportunity for our City to bring in more revenue and give citizens a nice place to live
- o Understands the "compassion" ones have for the church and what it means to the neighborhood and community and the former school and what it meant

- The building smells like mold because it has not been maintained; it needs to be demolished; the church does not have the funds to demolish schools or operate churches
- We need housing like this project; not just any type of housing
- Suggested the name be Mount Carmel Senior Center v. Carmel Senior Center

Q: Can the 30 year deed restrictions be permanent?

A: Mr. Landi: Yes, but in 30 years the demographics of the City will tremendously change and the restrictions may want to be lifted altogether to accommodate 18 to 35 year old residents looking for one bedroom apartments.

### City Manager

- A few years ago he expressed to City Council his desire to place a moratorium on multi-family housing units “because of everything that we were facing”
- Fast forward to today; - because of what our Planning & Community Development (PCD) sees when they visit properties; because we are at over 50% rentals; one would not believe we have a rental shortage, but PCD and persons looking for places in which to reside that are located inside the City of Ashtabula realize there is a shortage
- Over the next two years we will have 650 to 800 people working on the construction of the Pig Iron Plant; they are asking for housing options; we are seeing a huge influx of house purchases of dwelling that would not be looked at, but people are purchasing and renovating them for rental units
- Eventually our senior population will move out of their home into nursing facilities, facilities like the one being proposed, assisted living, or they will pass away – what he witnessed on Norwood Avenue (the street he previously resided on) is that the children who resided in another state, who have no respect for our community, sold their parents home for \$28,000 and could have easily gotten \$80,000 to \$90,000, but were not interested in doing so
- This project gives us an opportunity to provide affordable, nice, new senior housing for those who would like the option
- It is incumbent upon the leaders and realtors of our community to realize this project opens up housing stock for those who would like to return to or remain in the area and have affordable housing they can renovate and make their own and pay a monthly mortgage of \$600 to \$700 rather than paying \$1200 for a 500 square foot studio in Cleveland
- People are truly amazed at what our housing prices are for the amount of their square; but we have to sell it; we have to make it known; we have pitied ourselves because of our stats – it’s time to start seeing our stats as a positive and start bragging about them
- We have not had new construction in the last 15 years, other than two new houses being constructed in the Mareddy Estates allotment
- “There’s an opportunity here for us to truly sell our community for what it is, as these transitions happen.” Either we provide options or people will go somewhere else
- “I have my concerns about this project, as well; however, from what we have vetted, from discussions we’ve had back and forth, we have some confidence in this company and this project; Not to mention the fact that a lot of these conditions we’d like to put on this zoning, were actually brought to us; we’re willing to do this; we want you to put some of

these conditions on here; that has not happened; the closest we've come is when we asked Circle K on Main Avenue & West 58<sup>th</sup> Street to put a little more brick on the building, and they said, absolutely"

- Testa is willing to work with us to deliver a non-cookie cutter design.

#### **Clerk of Council**

- Noticed the rendering of the proposed complex was void of extra features like what Mr. Landi's PowerPoint presentation showed is featured at their other properties
- He said it was a preliminary rendering
- When asked why present a preliminary rendering when trying to sell City Council and the public on the project; the Manager said, "I can respond for you because I've been down this road"; he said, "Because if Council doesn't approve a zoning change they probably out about \$60,000 for the rendering"
- The Clerk said she found it hard to believe that displaying foliage on a rendering would drastically increase the cost and suggested if we accept less that's usually what we'll end up with.

#### **Ms. Rosemary Bernado**

- Asked everyone present to consider:
  - What Testa's commitment is to OLOP parishioners and the residents of the City of Ashtabula over the next 30 years
  - What is the Testa company doing for the City of Ashtabula
  - When someone wants to come to Ashtabula City we should ask them what they are going to do for us rather than them telling us
  - Regarding the Pig Iron Plant – the project is good for the City, but what will happen to the homes that will be occupied by those working the construction project, once construction is completed; this is not anyone's problem but it is the City of Ashtabula's.

#### **City Manager**

- The population working the Pig Iron construction project will be a transient population
- Once construction is completed, about 100 to 125 jobs are slated for the plant
- We are hoping that the over 40% of Ashtabula County's population currently traveling outside the County to work, will return to the County to work those jobs, which are scheduled to be higher wages.

#### **Ed Williams, City of Ashtabula Resident**

Q: How does the Tax Credit process work?

A: Mr. Landi:

- Testa first applies for Tax Credits
- Will know in June if approved to receive tax credits
- If not approved, Testa will not purchase the property and the property remains R-2
- Only if Testa purchases the property will the zoning change

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- Q: The agreement with OLOP can be extended another year if funding is not secured until the second cycle  
A: Mr. Landi confirmed this to be true

**City Manager**

- The property will be surveyed
- A parcel number will be assigned to the portion that will be cordoned off
- A recommendation of what portion should be rezoned will be provided
- The portion of the property not recommended for rezoning will remain R-2
- The deed restrictions would be approved for Testa only; if the deal falls through and the church finds another developer who wants to take on the same type of project, they will have to start from the beginning – what is taking place now is not automatically transferred to someone else
- Testa has a tax credit application deadline of February 21; therefore the vote on the legislation to rezone would have to take place before then; the Clerk announced a special meeting would be scheduled for the vote.

**ANNOUNCEMENT**

The President announced that, by law, no formal action may be taken at a public hearing. He reiterated that a special meeting would be scheduled soon, at which the vote to rezone would be taken.

**ADJOURN**

Hearing no further business to come before this Council, the President adjourned the Public Hearing at 6:50 p.m.

DATE APPROVED: MARCH 4, 2019

ATTESTED BY: John S. Reskovic  
John S. Reskovic  
President of Council

ATTESTED BY: LaVette E. Hennigan  
LaVette E. Hennigan, MMC  
Clerk of Council