



City of Ashtabula

Ashtabula City Council

Community Development/Economic Development/Parks & Recreation Committee Meeting

Tuesday, March 14, 2023 at 4:00 PM

4717 Main Avenue, Ashtabula, OH 44004

Minutes

Opening of Committee Meeting

Call to Order

The meeting of the Ashtabula City Council Community Development/ Economic Development/ Parks & Recreation Committee was called to order at 4:00 p.m. by Committee Chair Haines-DiGiacomo.

Roll Call

Members Present: Chair: Ward 5 Councilor Jane Haines-DiGiacomo, Vice Chair: Ward 4 Councilor Jodi Mills, Member: President John Roskovics

Absent: none

Officers Present: City Manager James Timonere, Clerk of Council McKenzie Borgan

Parks & Recreation Board Members Present: Chair: Ken Vanyo, Margaret Distler

Visitors: Bruce Schlosser from Berkshire Hathaway Home Services Professional Realty

Sunshine Law Certification

A quorum was established as defined by the Ashtabula City Council Rules of Order. The meeting met the requirements of the Ohio Sunshine Laws Open Meetings Act.

Welcome and Acknowledgement of Visitors

Chair Ward 5 Councilor Jane Haines-DiGiacomo welcomed our guests and visitors.

Special Guest Presentation

Realtor Bruce Schlosser

Bruce Schlosser provided an overview of the Ashtabula City and County housing market. Over the last three years, COVID has positively impacted the housing field. The estimated home value in Ashtabula City is currently \$148,000; for the county, it is \$170,000. In the previous three years, there has been about a 24-25% increase in the average home values for single-family residential dwellings. The percentage of ownership versus rental in the city is 49% versus 72% in the county. Chair Ward 5 Councilor Jane Haines-DiGiacomo asked if this is increasing, decreasing, or staying the same. Bruce stated that the percentage of non-home ownership will likely increase over the next few years. The average rent cost has increased by about 15% per year for the last three years. While the county's average sale value is up 24%, the rent value is up about 45%. The demand for rental properties is extremely high in this area. We have a huge imbalance in the market between supply and demand currently. Since the supply and demand are not in balance, we are seeing this price increase in home values. In a normal, healthy market, it is typical to have about 600 single-family properties on the market at any given time and currently they have only 118 for all buyers to look at in the entirety of Ashtabula County. We are about 500 properties below where we need to be to have a balanced market. Up until the last six months of 2022, buyer demand was

through the roof. An increase in interest rates and inflation have dampened this somewhat, but people are still paying over the asking price, removing home inspection contingencies, and using an appraisal gap addendum to secure the purchase of homes. Appraisal gap addendums are used when a home's value is less than the asking price and the buyer agrees to bring the extra cost to the table. These were used frequently in 2020, 2021, and 2022. At the end of the first quarter of 2022 there was a 13% appreciation in the county and by the end of the year there was a 7% appreciation. Bruce believes we will see a 6-7% average appreciation in residential home values in the county in 2023. Chair Ward 5 Councilor Jane Haines-DiGiacomo asked if the gap in house value versus sale price is something the buyer has to make up in cash and Bruce said yes, the buyer is coming to the table with cash out of other assets they may possess. The problem with getting inventory now is that current homeowners who have interest rates of 2.5-4% do not want to sell their houses because what they buy will be more expensive than two or three years ago and the interest rates will be between 6-7%. Bruce explained that during COVID, sellers did not want people in their homes and stringent showing standards had to be adopted to allow potential buyers to be in the properties. After the vaccine came out and some time passed, sellers were not as concerned about people being in their homes. Realty is not a very elastic market and does not change up and down drastically, but when it does it is very hard to get inventory back to normal levels. There would have to be 3 to 4 years of exceptional listings to get back to the 500-600 range of houses on the market at one given time. There are roughly 45,000 homes in Ashtabula County and in a healthy market the percentage of homes on the market is low. Member Council President John Roskovics asked why builders and investors are not coming to our area. Bruce stated the reason is due to the cost of building. The cost per square foot to build a residential structure is between \$90-\$145. For a 2,000-square-foot home at \$90 per square foot, you are looking at \$180,000 just for the structure. This does not include the land it will be on, infrastructure connections, driveways, etc. The average cost to build a basic 2,000-square-foot home is about \$220,000 in Ashtabula County. The lack of inventory and new building starts is a problem throughout the whole United States. Owners are building their own homes. Bruce stated that, in his opinion, there needs to be incentives for builders to build here. Our market is an internally driven market. This means it starts with a young couple buying a small home, then they have kids and get a job increase, so they purchase a bigger home, and they may move to an even more expensive home and then they either vacate the area or buy a small home and winter home somewhere else. We do not have anyone coming in laterally like bigger cities that have lateral job growth. The Pig Iron Plant will bring about 70 jobs to the city and this is the first time this has happened in many years. Bruce explained, in his opinion, a location needs to be picked where 5 to 10 houses can be built and then you can move to another area and do the same thing there. This would encourage existing homeowners to renovate their homes. City Manager Timonere stated that they have had 17 new housing starts. Mr. Timonere asked Bruce how he felt about the city doing residential tax abatements and how this looks to a potential builder and buyer. Bruce stated that, in his opinion, tax abatements are one of the tools the city can use to incentivize people to build within the city limits. He stated that he and his wife built their house in the city 19 years ago and they would not have built within the city without the tax abatement. Without tax abatements, people would build where their average value is the highest. Member Council President John Roskovics stated that with the recent new builds in the city, they have sold for \$250,000-\$300,000 so that part of the market has been addressed, but he is concerned about the \$100,000-\$200,000 market for young families starting out. City Manager Timonere stated that the hard part of talking to developers for the lower-income market is that the cost of building the home is still the same. He stated that tax abatements are also available to individuals who remodel their homes. This can help get people into a \$40,000-\$50,000 home and then put \$40,000-\$50,000 into the home and be able to abate the new value of the home, which would bring the cost down for first-time buyers. It is also trying to work with the LIHTC funds. The ability to stack LIHTC funds on top of historic tax credits has been stripped. They are waiting on the proposal that is allegedly coming out to incentivize developers to build more affordable housing for the working class. It takes incentives to get developers to come in. Vice Chair

Ward 4 Councilor Jodi Mills asked about supply and demand and if someone wanted to do a new build is there still a waiting period for materials and services? Bruce stated that according to the National Association of Home Builders, the United States is short 3.8 million homes. This is up from 2.5 million two years ago. The reason is due to the cost of materials having increased greatly. Manufacturers are shipping their materials to where the demand is highest. There are about 400,000 open jobs in construction. They need that number of people to meet the demand of the building market. The growth segment is currently in multi-family housing because the demand for rent is high and there is a lack of rentals available. Builders have started to focus on these structures. There is a problem with zoning- municipalities do not want to change their zoning from single-family, so there is a challenge with how developers can get enough zoning to construct these multi-family properties. The cost per square foot of a multi-family structure is way less than a single-family structure. Vice Chair Ward 4 Councilor Jodi Mills asked if Bruce believes we are attracting a different demographic due to an increase in tourism and asked if he sees people from out of town purchasing homes in our city as secondary homes. Bruce stated that we are seeing retirees who moved away wanting to come back and "move back home". He also stated he is seeing an increase in investors purchasing properties that are meant for short-term rentals. Chair Ward 5 Councilor Jane Haines-DiGiacomo asked about fees being charged by landlords to applicants who are submitting applications for a potential rental property. Bruce stated he charges an application fee for turned-in applications because they have to pay to complete the background checks for the applicants and he passes this fee on to the prospective tenants. Member Council President John Roskovics asked about the banking industry and how they are becoming less service-oriented and asked Bruce if they are receptive to granting loans to city residents. Bruce stated that since we have fewer and fewer lenders in the United States, they are able to create any rules for loans they want because the options available to the consumer for lenders are very limited. Bruce stated the median home age in Ashtabula City is 78 years old and it is 71 years old in the county. There are fewer contractors available and fewer individuals who are handy. The costs for contractors have gone up 30% in the last four years as there are fewer people who want to do these jobs. City Manager Timonere stated that when he first started with the city, they wanted to see fewer rentals and more home ownership, but now it has been swapped. The younger generations want to rent instead of own. They would rather pay a little more in rent to have less responsibility as they are not familiar with fixing things in a house and they would rather call a landlord to have them fix it. Mr. Timonere stated that all municipalities need to start embracing the need for multi-family housing as the younger generation wants more flexibility and less responsibility. Bruce stated that a trend they have seen because of the COVID pandemic is multi-generational housing, where families move in together out of necessity. They have also seen the work-from-home phenomenon where people no longer have to worry about a commute and they can work from anywhere. He stated we may see some people moving here due to the affordability factor. Ashtabula County is more affordable than all counties immediately bordering us. Vice Chair Ward 4 Councilor Jodi Mills asked why homes back in the day were all the same two-story, one-bath upstairs, and a detached garage. Now, people want a ranch with two car attached garage. She stated these ranch-style homes seem to be going very fast. Bruce stated these homes are about 30% more expensive to build than a two-story home due to needing the same amount of materials for the roof and foundation. People want these homes though, with open floor plans and en suite bathrooms. City Manager Timonere mentioned that when looking at the development of cities over time, you see that old maps show parcels being 25 feet apart, which made it where you had to build up and have an attached garage. Now, people want 60-70 feet of frontage. Since he has been with the city, they have taken down about 300 houses, which has gotten rid of inventory but has also allowed those vacant lots to be sold to the neighbors to increase their yards.

City Manager's Report

City Manager Timonere mentioned that there is still a bunch of construction going on in the area. He has been getting a lot of interest in the area with different things coming through Growth Partnership

for development and different businesses looking to relocate. They are extremely excited about the Made on Main Project going on right now. They are trying to identify properties on Main Ave. that future entrepreneurs that this group will bank are looking at. He stated that we do have some challenges but he is looking at it as we have 7 new properties on the Harbor High School property and all over \$300,000 in value and they are selling. All the townhouses that were built and sold. The housing starts we have in Ashbrook and Mareddy have decided to build within the city. We have a lot of good things going on and it is a positive thing that these developers are choosing the city. In just 2022, there was 101 million dollars worth of permits pulled. Even with taking the hospital's permits out, that is 20 million dollars of permits pulled. Typically, we average between \$900,000 and 1.5 million per year. The West 3rd, West 4th, and Lake Ave properties should close with the Land Bank this month and construction will be started once the weather breaks. It will be mixed-use commercial and residential. We are missing the moderate housing and these are the developers they are interested in talking with but, with the market as it is today, it will take incentives to make this happen. Member Council President John Roskovics asked if it is true that people who are interested in tax abatements can ask to be annexed into the city limits. City Manager Timonere stated that as long as it is a contiguous property, they can apply and it can be looked at being annexed. Margaret Distler asked how people go about getting tax abatements for remodeling. City Manager Timonere stated that first they recommend looking into the current value of their home on the auditor's website and if you agree with the value, great, then you would complete the remodel. He explained that just because your house's current value is at \$80,000 and you put \$20,000 in for remodeling does not mean your house will be worth \$100,000. The house could be worth \$140,000 after improvements or could mean the value only goes up by \$10,000. These things would not be known until after the project is done and the auditor has time to evaluate the home. There have been situations where they go to the county auditor and ask what they estimate the tax might look like at the end of the project so they know what an abatement looks like. If you do not think the value of your home is accurate and you feel it is less, it is suggested to go to the board of revisions in the county and apply for a lower value. The home either had to be purchased for less than its value or an actual appraisal was done that shows the property is worth less. Those are usually the two things they look at to reduce the value. It is encouraged to reduce the number before the remodel so the set value is what you are paying taxes on and the difference between the starting value and the increased value is what is abated for 7 years. The remodel has to be substantial for it to be worth some type of payback on the property.

Parks & Recreation Committee Report

March meeting minutes

Ken Vanyo, Chairman of the Parks and Recreation Board, reported on the March Parks and Recreation Committee Meeting Minutes for March.

He stated he went down to Walnut Beach and measured the distance from the end of the boardwalk to the water and it was 170 feet. However, currently, you cannot see the water when walking down the beach due to a ledge in the sand. He was unsure how long the mats would be but stated you almost have to be at the water to see it due to the ledge. He mentioned one of the boardwalk boards is sticking up where you cannot roll anything over it. He stated it is nice to have the parks and recreation available for residents to enjoy. He stated the pickleball courts are fantastic. He requested more information on the outdoor shower. He stated he said it wrong at the last meeting. The shower will be on the east side of the concession stand on its own platform, away from the sidewalk. He requested to look into a price for this project. Vice Chair Ward 4 Councilor Jodi Mills stated she had someone ask her about a pickleball league and she stated she was not sure, so she is asking the Parks Board. Margaret stated when it was her turn to speak she would address that. Mrs. Mills asked about the wayfinding signs the Parks Board was interested in and stated she is unsure about the uniformity of these potential signs with all other park signage. City Manager Timonere stated they have tried to adopt the same logo for all the parks, which is an "A" with a park symbol in the

middle of it. They are putting up a new sign at the top of Walnut Beach that was donated and he is unsure what other wayfinding signs they want. The signs are nice, but he is unsure if anyone travels without a phone or GPS for guidance. Mr. Vanyo stated they wanted signage at the top of Bridge St., Lake Ave., and West 9th that would tell you how to get to the beach and the parks.

Margaret Distler stated that it is nice that everyone has their phones and GPS, but if they do not know the names of the beach or parks or do not know they exist, they cannot navigate there. She stated that the group she plays pickleball with is from the YMCA and their group has doubled in size. They went from playing at the YMCA 3 days a week to 5 days a week. She stated she has had some people come to her with concerns from last season at Harbor Topky. She stated she did some research on signage that could be put down at the pickleball courts to keep the peace. She researched what other municipalities have done to keep the peace. She would like a sign that says "Open Play" so people know it is open to everyone with the exception of what is already posted. They currently have a board there where people can put names in to keep the games moving smoothly. Below are the signage examples Margaret provided.

Pickleball Court

Rotation and safety

Harbor Topky Courts are **Open Play** unless otherwise posted.

When there are more players than courts available:

- No singles play
- Introduce yourself and rotate in using sign up board
- Play one game to 9 then rotate off
- When game is finished, shout "open court" and exit court
- Tennis Court has priority for Tennis, finish game and exit court

Active Court Safety

- **Do Not** cross another court during play
Wait until rally has ended before crossing if you need to cross.
- **Do Not** chase a loose ball into another active court
Instead, shout "Ball" and let that court's players return the ball.
- **If a loose ball enters your court, shout "ball" and STOP PLAY IMMEDIATELY.** Return the ball to the other players and replay your rally.

She is unaware how the city goes about reserving the courts. Chair Jane Haines-DiGiacomo stated there will also be two more pickleball courts going up at Smith Park.

Unfinished Business

Ashtabula City Annual City Clean Up

No Report.

New Business

None.

Next Meeting

April 11, 2023, at 4:00 p.m.

The next meeting will be on April 11th and Jaime Baker from the Downtown Hustles and Kara Norman of the Food Trucks will be the guests at the next meeting.

Adjournment

The meeting was adjourned at 5:08 PM by Chair Ward 5 Councilor Jane Haines-DiGiacomo.

Attested by: Clerk of Council McKenzie Burgan