

BLUE ASH CITY COUNCIL

February 25, 2010

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A work session of the Council of the City of Blue Ash, Ohio, was held on February 25, 2010. Mayor Mark F. Weber called the meeting to order in the Blue Ash Conference Room at 7:00PM.

**OPENING CEREMONIES**

Mayor Weber led those assembled in the Pledge of Allegiance.

**ROLL CALL**

MEMBERS PRESENT: Councilman Tom Adamec, Councilman Rick Bryan, Councilman Robert Buckman, Vice Mayor Lee Czerwonka, Councilwoman Stephanie Stoller, Councilman James Sumner, and Mayor Mark Weber

ALSO PRESENT: City Manager David Waltz, Deputy Clerk of Council Sue Bennett, Treasurer/Administrative Services Director James Pfeffer, Parks & Recreation Director Chuck Funk, Public Works Director Mike Duncan, Assistant Community Development Director Dan Johnson, Property Maintenance Supervisor Rich Dole, Assistant to the City Manager Kelly Osler, and interested citizens

**COMMITTEE REPORTS**

Prior to the Council meeting, Council members received the following report describing agenda items:

"The following offers a brief description of the sole legislative item included on the February 25 Council agenda:

**Ordinance No. 2010-11 - Authorizing emergency purchase of bulk rock salt**

Though Thursday's meeting has been established to be a work session with the topic of housing, given the record-breaking snowfalls that have occurred in February, the emergency need arose last week to purchase additional road salt.

Most recent purchases of road salt have been accomplished through Blue Ash's participation in a cooperative arrangement with the City of Cincinnati utilizing North American Salt Company (as approved by Council in May 2009). However, the maximum amount of salt at the guaranteed price from this vendor as outlined in that purchasing arrangement had already been reached, and the renegotiated price with North American for additional purchases was deemed unacceptable. The Public Works Director solicited informal proposals from other vendors, with the most responsive proposal received being from Evans Landscaping for the purchase of the road salt at a cost not to exceed \$80 per ton delivered.

As is allowed by Section 9.12 of the Charter, because there was no Council meeting scheduled, the City Manager contacted via telephone on February 16 at least four members of Council last week to confirm their approval to move forward with the emergency purchase of just over 1,000 tons of salt from Evans Landscaping for an amount not to exceed \$80 per ton, with subsequent approval to be presented by ordinance at this meeting. The Public Works Director estimates the City saved approximately \$7,700, as compared to the price for road salt that the previous vendor, North American, quoted.

Ordinance No. 2010-11 authorizes payment for this emergency purchase of salt last week (about 1,027 tons at \$80 per ton), and Section III provides Council authority to purchase additional tonnage should the need arise in the 2009/10 snow season at the same cost of \$80 per ton.

Please direct questions regarding this ordinance to the Public Works Director or City Manager."

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**Public Works Committee, Thomas C. Adamec, Chairperson**

Councilman Adamec asked the Clerk to read Ordinance No. 2010-11 in its entirety.

THEN WAS PRESENTED AND READ IN ITS ENTIRETY:

ORDINANCE NO. 2010-11

AUTHORIZING THE PURCHASE OF AND PAYMENT FOR  
EMERGENCY SUPPLIES OF ROAD SALT FOR AN AMOUNT NOT  
TO EXCEED \$80 PER TON (DELIVERED); AND DECLARING AN  
EMERGENCY

Councilman Adamec moved, Councilman Bryan seconded to suspend the rules of Council requiring a second reading of the ordinance. The Clerk called the roll. Councilpersons Stoller, Sumner, Buckman, Czerwonka, Adamec, Bryan, and Mayor Weber voted yes. Seven yeases. Motion carried.

Councilman Adamec moved, Councilwoman seconded to adopt Ordinance No. 2010-11. In addressing a question from Councilman Adamec, Public Works Director Mike Duncan commented that the Service Department began the snow season with a full supply of salt. However, the snowfalls in February severely depleted supplies down to 1,000 tons, which would not be enough to cover another significant snowfall. The maximum amount of salt as defined by the current purchase agreement had already been acquired, and the new price was unacceptable. Other quotes were sought, and the recommendation is to purchase salt from Evans Landscaping for \$80 per ton. The amount from the current supplier would have been \$88 per ton. Prior to reaching the maximum purchase limit, the estimated cost was \$62 per ton. Purchasing from the recommended bidder, as compared to staying with the current supplier, saved approximately \$7,700. There being no further discussion, the Clerk called the roll. Councilpersons Sumner, Buckman, Czerwonka, Adamec, Bryan, Stoller, and Mayor Weber voted yes. Seven yeases. Ordinance No. 2010-11 passed.

**WORK SESSION – TOPIC: HOUSING**

City Manager Waltz explained that Kelly Osler will provide an overview of “The Demand for Housing in Blue Ash” completed by Gruen Gruen + Associates, and then he, Kelly, Dan Johnson, and Rich Dole will discuss ideas to address housing concerns presented in the study. These ideas include potential changes to the Code, as well as some potential strategies that are not necessarily recommendations, but rather ideas for programs/concepts which Council may want to think about further. Mr. Waltz explained that given these unusual economic times, some of the assumptions within the study (completed in 2009) may have shifted. The purpose of tonight’s discussion is simply to begin the conversation regarding housing in Blue Ash – not to conclusively decide further direction.

Mrs. Osler presented an approximate 20-minute PowerPoint presentation summarizing the housing study, and highlights of the presentation are summarized below:

- An internal housing analysis was completed in the fall of 2007, looking at the City’s various neighborhoods, including the number/ratio of rental units in each area, and comparing the various calls for service for each neighborhood. That analysis showed a strong correlation between those neighborhoods with a higher percentage of rental units receiving a greater call for City services.
- In approximately fall of 2008, the City contracted with consultants Gruen Gruen + Associates (GG+A) to complete an extensive housing assessment of Blue Ash.
- GG+A completed the report in early 2009, and that report included analysis of existing information from reliable sources such as the U.S. Census, OKI Regional Council of Governments, Hamilton County, etc.

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- In looking at employment demand for housing, the report noted that the number of jobs in Blue Ash has dramatically increased since 1980; that housing starts have not kept pace, resulting in a jobs-to-housing imbalance; that as the community continues to add jobs and the price of commuting to those jobs increases, demand will increase for residential locations near employment centers; and that based on estimated employment growth, a minimum of 220 new households can be expected to be demanded in terms of Blue Ash housing.
- In looking at the replacement demand for housing, the report noted that some of the City's housing stock is functionally obsolete. In summary, Blue Ash has 350 housing units older than 68 years; 1,800 housing units are between 50-70 years old; 51% of single family housing stock is smaller than 1,200 square feet; and 4% of units lack conventional utility gas or electric heating.
- The report noted that It is not feasible to cure the obsolescence or substandard conditions of many of the older and smaller units, and that this housing stock will need to be replaced at an average annual rate of 0.5%, or approximately 25 units per year.
- In looking at the demand for housing due to lifestyle change, demographics show an aging population, and that older adults prefer to age in place. The report noted that many will trade down, but will prefer to stay local. It is likely that some new elderly households will come to Blue Ash from other high-end Cincinnati areas, such as Amberley Village and Indian Hill. Overall the report estimated an annual demand of 35 units per year for the next 12 years, or a total of 418 units will be needed to replace housing due to lifestyle change.
- In summary, the report indicated that between the years 2008 and 2020, GG+A forecasts additional housing demand attributable to employment induced household growth, replacement demand, and life cycle and lifestyle preferences of approximately 1,020 units.
- A summary of the demand for housing units by price range is shown below:

**TABLE IV-6**  
**Projected Net Change in Blue Ash Housing Units Demanded by Sale Price Range<sup>1</sup>**

Household Income	Housing Price <sup>2</sup>	2008-2010 Housing Units #	2010-2020 Housing Units #	Total Housing Units #	Percentage of Total Housing Unit Demand %
\$35,000 - \$49,999	\$130,000 - \$185,000	18	112	130	12.8
\$50,000 - \$74,999	\$185,000 - \$280,000	16	102	119	11.7
\$75,000 - \$99,999	\$280,000 - \$375,000	18	118	136	13.3
\$100,000 - \$150,000	\$375,000 - \$565,000	32	168	200	19.6
\$150,000 +	\$565,000+	71	363	435	42.6
<b>Total</b>	<b>Total</b>	<b>156</b>	<b>864</b>	<b>1,020</b>	<b>100.0</b>

- In looking at the housing supply side, the report noted that housing prices are rising in Blue Ash because of a limited residential land supply and a limited supply of new housing units. According to the Census, in 2000 the average single family home value was about \$191,100, and that number rose to \$232,500 in 2008. There is limited current development in Blue Ash with only about 20 acres of vacant residential land (on the east side of Plainfield Road north of Glendale-Milford). There are also a handful of building lots available in Talmadge Woods and Cooper Springs (both areas are off Cooper Road west of Plainfield Road).

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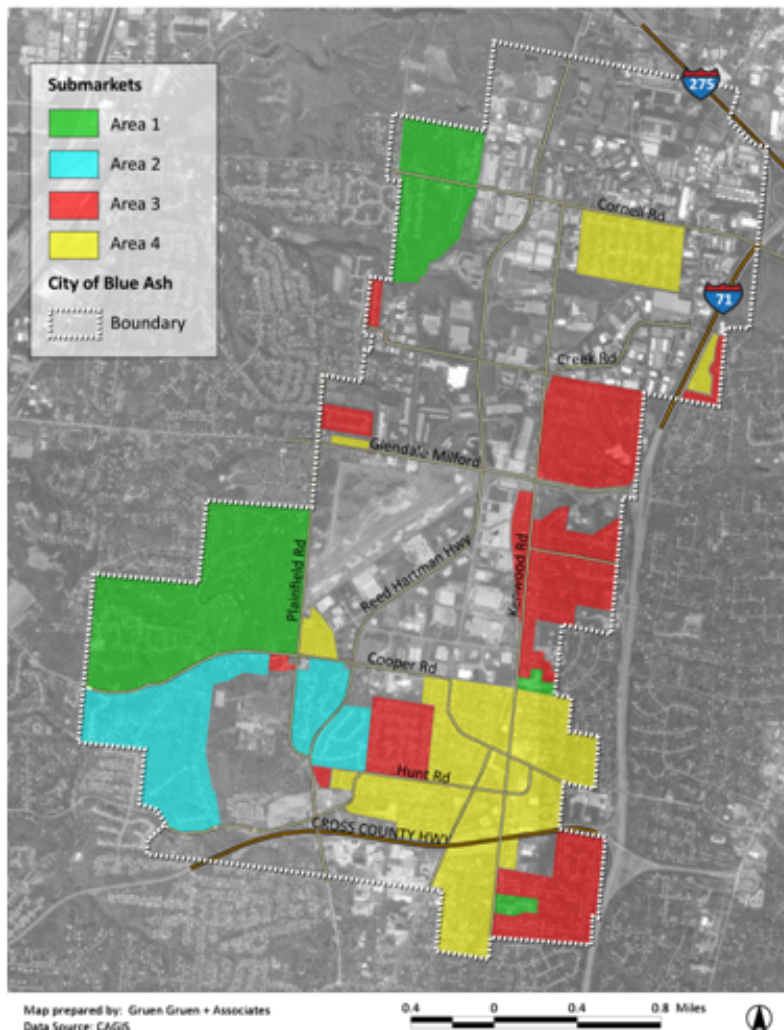
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- The report summarizes that under the existing zoning regulations, the current inventory of vacant or planned lots, available housing units in active residential subdivisions, and available resale units totals approximately 184 units.
- In comparing the relationship between demand and supply, the relationship between forecasted future demand of 1,020 units between 2008 and 2020 and identified supply of units of 184 indicates that approximately 836 new units will be needed to accommodate future demand from household growth, the need to replace obsolete housing units, and demand attributable to changing lifestyle or lifecycle preferences.
- The report divided Blue Ash into four geographic units, with each unit having comparable housing.

	Area 1	Area 2	Area 3	Area 4
Total Number of Housing Units	740	455	1,142	1,715
<i>Detached Single Family</i>				
Average Assessed Value <sup>2</sup>	\$460,100	\$309,900	\$217,500	\$130,700
Average Sales Price <sup>3</sup>	\$608,900	\$298,400	\$259,800	\$131,100
Average Unit Size	2,900	2,300	1,900	1,300
# Square Feet of Building Space				
Average Lot Size	22,200	24,300	17,500	10,000
# Square Feet of Land				
Years Built (Average Year Built)	1964-2007 (1985)	1950-2005 (1976)	1929-2006 (1966)	1875-2005 (1950)

**MAP VII-1**

**Residential Submarkets within Blue Ash**



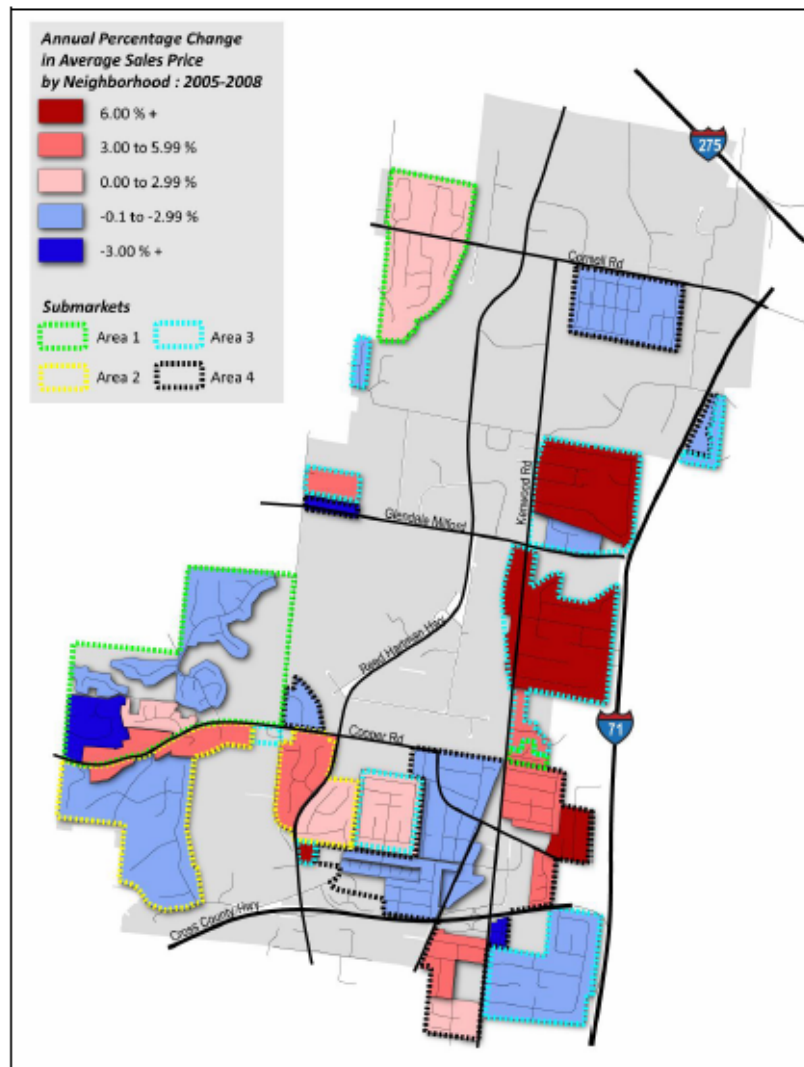
Map prepared by: Gruen Gruen + Associates  
Data Source: CAGIS

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- In summary, Area 1, shown in green above, are the areas with the highest priced housing units, including our newer housing areas to the northwest, Carpenter's Run area, Muirwoods, and Catalpa Creek.
- Area 2, shown in aqua above, are the areas with the next highest priced housing, and include neighborhoods such as Oakhurst and TangleRidge/Carriage Hill off Cooper, Sycamore Trace, and Peppermill.
- Area 3, shown in red above, is the next highest priced housing, and includes housing areas such as Kenview Hills, Ravenwood, and Kenridge.
- Area 4, shown in yellow above, represents our older, lower priced neighborhoods such as Home Acres, areas southeast of Ronald Reagan Highway/Kenwood Road, Northfield/Conklin areas, Arcadia, and Hazelwood.
- A chart showing more recent changes in single-family sale values by neighborhood, as shown below:



- Areas showing the greatest positive percent change in sales value were neighborhoods such as Kenridge, Zig Zag/Crosier/Samstone/etc., and a few others (shown in red above).

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- Under the status quo, the report summarized that likely future submarket changes for areas 1 and 2 (higher priced areas) were that the quality would be maintained and that homeowners would experience benefit from investments and remodeling. They predicted for Area 3 that homes would be improved in quality and value, there would be more younger family households, that teardowns are not feasible, and that remodeling and updating would continue. Under the status quo, the report predicts that homes in Area 4 would become unattractive to entry level home seekers in that the homes would not be responsive to contemporary tastes and would be (or already may be) functionally obsolete, that investments in maintenance and remodeling would not be rewarded, that strong motivation exists to convert these housing units to rentals, and that parts of Area 4 can be expected to experience decline.
- The report concludes that 95% of the labor force in Blue Ash commutes from other communities (in 2000 only 1,549 residents worked within the community). If more residential development is not facilitated, land and property prices will rise due to excess demand over supply.
- The report recommends that to encourage additional housing and housing redevelopment, the City should consider strategies such as upzoning (increasing density allowed by Code); public-private partnerships; rezoning commercial, office, or industrial land to higher-density residential; consider greater density for the 20-acre vacant land off Plainfield Road; and consider offering financial incentives.

In addressing a question from Councilman Sumner regarding why there is no “cure” for obsolescence, Mrs. Osler explained that the consultants believe that “fixing” obsolescence would require a change in a floor plan and expansion to make a difference, and the expense associated with such changes would not make such improvements financially feasible for a homeowner.

In addressing a question from Councilman Adamec regarding density, Mrs. Osler commented that if you increase the density and therefore increase supply of housing, then there may be more competitive pressure for owners to upgrade their homes. City Manager Waltz added that with more density, you also have more taxable square feet. Also, the study pointed out that many now in the market are choosing to downsize, and an increase in density would facilitate more properties that would be attractive to that market. The consultants argue that fewer people today desire a stand-alone home on a large lot.

Vice Mayor Czerwonka commented that he would like to see the number of rental units decrease as more rentals and less owner-occupied homes can deteriorate a neighborhood quickly. Strategies address this are to be discussed later in this presentation.

In addressing a comment from Councilman Bryan, Mrs. Osler noted that in 2007, Blue Ash had approximately 360 rental units. Today, the community has well over 450.

Mrs. Osler, Assistant Community Development Director Dan Johnson, and Property Maintenance Supervisor Rich Dole discussed some of the City’s current programs, already in place, that attempt to assist property owners in maintaining their homes, as summarized below:

**Blue Ash Home Repair Assistance Program (HRAP)** - Mr. Johnson explained that this is a program offered by the City that provides a grant of up to \$3,000 maximum every two years for items such as exterior, structural, heating, etc. improvements – typically, Code-related items. The program guidelines just underwent revisions/updates. Property owners must be eligible in terms of the specified income/asset levels, and the property owner is required to invest a 20% match. Only owner-occupied homes are eligible for this program. If the property is sold within three years of the grant receipt, pro-rated repayment is required. A map was displayed showing the location of the homes that have utilized this program since 2000. There are many in the Hazelwood area, several in Arcadia, and several in the Conklin/West Avenue, Floral, and southeast corner. Mr. Johnson explained that to his knowledge, this

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program hasn't resulted in a real increase in property values as most improvements were not considered "renovations." He explained that most addressed Code-related issues that when completed do not directly increase a home's value (i.e., roof repair, etc.). Mr. Waltz added that though he and the staff are not suggesting the program be stopped, it is his opinion that this program is not necessarily solving the housing problems being discussed this evening.

**Hamilton County Home Improvement Program (HIP)** – Mrs. Osler explained that this is a County-sponsored limited maturity loan program for home repair/remodeling on properties valued no more than \$350,000. The loans are offered at 3% below the market rate and on a five-year term. There are no income restrictions, and loans are capped at \$50,000. Since the program's inception in 2002, 26 Blue Ash properties have participated, with a total investment of \$505,020, and the average project investment being \$19,423. A map was shown displaying the location of homes taking advantage of this County-sponsored program (showing a scattering of homes as far north as the Kenridge area and southward).

In addressing questions from Council, Mr. Johnson commented that for the City's HRAP program, the income maximum for applicants is 80% of area median income. A past effort by Blue Ash Revitalization Inc. (BARI), which has since altered its structure, had more flexible income requirements. Mr. Waltz commented that the annual budgets for recent past years have included \$150,000 for the HRAP program. Mayor Weber noted that since the program's inception in 2000, there has been over \$679,000 expended. Brief discussion was had regarding the BARI efforts in the past and the fact that this organization's goals today have been adjusted from what they once were.

#### **POSSIBLE PROGRAMS TO CONSIDER FOR POTENTIAL FUTURE IMPLEMENTATION**

Mrs. Osler, Mr. Johnson, and Mr. Dole discussed the following concepts:

**Proposed Code Revisions** - Mr. Dole, who is based in the Community and Economic Development Office, is responsible for the enforcement of the property maintenance portions of the Code. Mr. Dole summarized the following proposed changes/additions to the City's current code to ensure the image and quality of life in our community as it relates to property maintenance issues:

- a) Proposed new ordinance 1711.08 Outside Storage will require the property owner to store landscape materials and tools that are stored outside be fully screened from the public view behind the front building line. This proposal will also include all waste containers.
- b) Proposed new ordinance 1711.09 Defacement of property will require the property owner to remove all markings and graffiti from exterior surfaces of all structures.
- c) Proposed new ordinance 1711.10 Swimming pools requiring the property owner to keep their pools in a good state of repair.
- d) Proposed changes and additions to 1711.11 Sanitation will require the property owner to store inoperable vehicles out of public view, park all vehicles on driveways not on landscaped areas, and remove all tree debris from the property.
- e) Proposed changes and additions to 1711.12 Grading and Drainage will require the property owner to maintain their watercourse to prevent pollution and contamination from occurring.
- f) Proposed changes to 1711.14 Accessory Structures to include fences and walls.
- g) Proposed changes to 1711.15 Foundation, Walls, and Roof include rust, peeling paint and maintaining gutters.
- h) Proposed changes to 1711.18 Windows, Doors and Hatchways to include insect screens free of holes.

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- i) Proposed elimination of 1711.45 Other Containers and replace with 917.03 Trash Collection Policy.
- j) Proposed changes to 1711.99 Violation and Penalty adding a citation to appear in municipal court and change the fine from \$100.00 to \$250.00.
- k) Proposed changes to 1719.03 Parking Lot Maintenance to include residential driveways being maintained and in proper state of repair.
- l) Proposed changes to 911.01 Weed and Grass Control to include all noxious weeds shall be prohibited.
- m) Proposed changes to 905.11 Trees to include shrubs and plants.

Mr. Dole explained that any Code change will need to be run by legal counsel to assure appropriate wording.

In addressing questions from Council, Mr. Dole explained that some items can be enforced directly by him; however, he does also work with the police on some issues (such as junk cars, etc.). After some discussion, it appeared the consensus of Council that the City should move forward with addressing such Code-related items. Mr. Waltz encouraged Council to review the proposed areas, to consider their specific wards and experiences, and to call him or Mr. Dole with any additional suggestions or concerns for potential Code adjustment.

In addressing a question from Councilman Bryan, Mr. Dole indicated that the Code does have a mechanism for requiring commercial properties to properly maintain their parking lots.

**Rental Inspection Program** – Staff discussed the potential of implementing a residential rental permit and inspection requirement prior to allowing occupancy of a renter. The program would impose a fee to recover administrative costs associated with the program, and the inspection would include safety items, such as smoke detectors, railings, etc., as well as other items of general maintenance, such as condition of paint, holes in walls or ceilings, condition of floors (loose boards, etc.), and more. If a property owner would fail to obtain a permit prior to occupancy of a renter, it would result in a minor misdemeanor charge to that property owner. Mr. Waltz explained that he found it interesting that other area communities that have such a program in place, such as Mariemont and Greenhills, have strongly recommended that the fee not be too high. Mrs. Osler noted that Centerville has a program that includes coverage for multi-family units as well as single-family. Some discussion was had regarding the nature of rentals in our community, and it was noted that many property owners are out of the area, sometimes out of the state, which often makes enforcement of property maintenance standards much more difficult. Notification of property maintenance orders is now provided to both the occupant as well as property owner, which has helped expedite the process.

In addressing a question from Mayor Weber, Mrs. Osler commented that she does track foreclosures in Blue Ash.

Mr. Waltz commented that much internal discussion has also been held regarding how to “incentivize” people, for example, to purchase a \$120,000 older home in Blue Ash vs. going outside of Blue Ash and purchasing, for slightly more, newer properties. With this thought in mind, ideas for tools for targeted Blue Ash neighborhoods (such as Area 4, as discussed in the GG+A report) will be presented. These concepts would require owner occupancy and require that ownership is retained for at least three years from receipt of the incentive described. A summary of these concepts is below:

**Loan Closing Credit** – this program involves the City providing a \$500 credit toward the closing of a home purchase loan. Some discussion was held regarding a credit program being offered in the Toledo area in which Councilman Sumner’s daughter participated.

**Blue Ash Neighborhood Major Investment Program** – Mr. Waltz explained that such a program could help with the “functionally obsolete” properties as discussed in the GG+A

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report. With this program, 10% of a total improvement/renovation project, up to a maximum of \$25,000, would be provided for in the form of a grant for remodeling/construction. The project minimum would be \$50,000.

**Property Tax Abatement** – this program would involve offering a five- to ten-year property tax abatement on the improved value of a significant renovation/addition project. This could be offered for a project value of \$50,000 and up, would require an establishment of a Community Reinvestment Area (CRA), and would require approval of the Ohio Department of Development. An example situation was explained: Suppose a \$150,000 valued property were to undergo a \$75,000 improvement. Assuming an estimated new value of the property being \$200,000 (slightly less than the value + improvement), this would result in an annual property tax increase to that homeowner of \$735. Over five years, this property tax exemption would have saved \$3,675 ( $\$735 \times 5$  years). Using other potential programs discussed earlier, for example, a 3% interest HIP loan savings on the \$50,000 would result in \$4,154 savings; using a Blue Ash Major Improvement Program (10%), the \$75,000 improvement would save \$7,500; and utilizing a Blue Ash loan closing credit would save \$500. In total, this \$75,000 improvement could result in a total savings of \$15,825, or \$131 per month over ten years for the property owner.

**Design Fee grant** – this program would provide a \$750 to \$1,000 grant toward an architect's design fee to create a remodeling rendering of a proposed remodeling/renovation project for a home in the targeted area. The thought with this program is that if a homeowner can visualize what a proposed improvement to their home would look like, this could excite and provide additional motivation to move forward with a major improvement. Some examples were shown, with one pictured below (a home in foreclosure) within a targeted area:



Home currently under foreclosure



What this home could look like with about \$25,000 in improvements

In conclusion, Mr. Waltz summarized that the Administration is not looking for specific direction or approval from Council tonight. Rather, he challenged Council to think about the concepts proposed which could benefit our community. Some discussion was had regarding the potential of a future work session to continue this discussion, and Mr. Waltz commented he would look at the upcoming schedules and discuss timing with Council at a future meeting. Mr. Waltz also pointed out information distributed to Council this evening, including interesting, recent news articles regarding a variety of housing issues.

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**ADJOURNMENT**

All items on the agenda having been acted upon, Councilman Bryan moved, Councilman Adamec seconded to adjourn the meeting. A voice vote was taken. All members voted yes. The Council meeting was adjourned at approximately 8:59 PM.

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Mark F. Weber, Mayor

MINUTES WRITTEN BY:

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Susan K. Bennett, Deputy Clerk of Council