

SPECIAL COUNCIL AS A WHOLE MEETING– AUGUST 14, 2019

A Special Zanesville City Council-as-a-Whole meeting was held on August 14, 2019 at 5:00 p.m. in the Council Chambers at City Hall, 401 Market Street, Zanesville, OH 43701.

Committee Members Present: Council President Daniel Vincent, Councilperson Connie Norman, Councilperson Sandy Gentry; Councilperson Ann Gildow, and Councilperson Mark Baker.

Others present: Susan Jones, CIC; Patrick Bowen, Presenter from Bowen National Research; Tracie Bowen, Bowen National Research; Marcia Hartman, Sarah Chapman, and Phillip Turner, Think Tank on Poverty; Thomas Robertson, Zanesville Times Recorder; David Rogers, citizen; and Susan Culbertson, Clerk of Council.

Mr. Vincent called the Special Zanesville City Council meeting to order at 5:30 p.m.

Mr. Vincent: Good evening everyone. This is a special meeting of Council-as-a-Whole. We are here this evening to hear about the Housing Needs Assessment for the City of Zanesville and Muskingum County. With that I want to turn it over to Mr. Arnett to introduce our speaker. We are delighted to have you here.

Mr. Arnett: Thank you, I would like to thank members of Council for being here and President Vincent for calling the meeting for us. Before I turn the meeting over to Patrick Bowen of Bowen National Research I would like to provide a little bit of background. The genesis of the study really came from two places. Mayor Tilton in a previous State of the City Address actually referenced the idea of a Housing Survey document that would help guide the City's policies when it comes to housing, as well as be a resource for people who want to develop new housing in the area. Then secondly, just in staff conversations with organizations locally who either provide housing or support housing there was a need for information. What do we have now? What will we need in the future as the City grows and as Muskingum County continues to grow?

So the City staff convened the Housing Committee and its role really was to help Patrick and his team through this process.

- They helped with the survey document that was used for community leaders and local residents to complete.
- They reviewed the document that Patrick and his team created as the Housing Needs Assessment. It is a huge document. It is over 200 pages. They were charged with looking it over to make sure there wasn't anything that just didn't seem right. They would know that because they are local.
- Folks who participated in the Housing Committee included Paula Meadows of Century National Bank; Michael Hood from Muskingum Economic Opportunity; Troy McCollister from Job and Family Services; Sheila Samson from Muskingum County Community Development; Brenda Beardsley from Zanesville Metropolitan Housing Authority; Meg Deedrick from the United Way; and Jordon Searls from the Board of DD. We want to thank those folks for the time they spent to get us to this point.
- We also want to recognize and thank the Zanesville Think Tank on Poverty. If you remember a few months ago the number of surveys that were coming in from local residents was slowing down and we wanted to make sure we had at least 500 surveys. We wanted to make sure it was all statistically valid and through the work of a bunch of folks including here in City Hall getting surveys in the hands of people paying water bills and through the help of the Think Tank on Poverty we exceeded the goal for the survey responses. So, we want to recognize them for their hard work. I know some Council

members literally went out into their neighborhoods and passed out and brought back surveys to us. So it was a group effort.

Now I would just like to go ahead and introduce Patrick Bowen to come forward and present the findings for the Housing Needs Assessment. I think when you hear what he is going to present tonight I think he hit it right on the nose. What we wanted was: What are the current housing needs in Zanesville? What do we have? What do we need? Then by using demographics and projections you are able to actually say, oh, in the next five years this is what we need. It is good for the City, but it is also good for those people who may want to develop more housing in the City and Muskingum County.

Mr. Patrick Bowen: I appreciate the opportunity to come here to talk to you folks. Bill Arnett was phenomenal in his assistance as was Jay Bennett. They both really did a great job and the Housing Committee did a great job. Bill stole my thunder on the Think Tank on Poverty. They were instrumental with getting those surveys. I am so grateful for you folks to help us out. Even the citizens, I mean this is only as good as the input I receive. I can look at statistics to the end of time and we can look at projections as Bill talked about to tell a story. I need to hear from people and that puts the stake holders and the leaders of the community which we collected information on, but also the citizens themselves. What are they going through? What do they think are the problems? What do they think they could use and benefit from? So, there were a lot of people and I think we had over 500 points of contact at some point so this community really contributed to the study. So, I now continue with the presentation of the information on the Housing Needs Assessment.

Please see the attached slide presentation.

- If investments are made in blighted areas, people will start to care and invest their own money. You can also leverage government funds. I am not saying Council needs to do anything, I am just suggesting if you do something I promise you will get money back and people will put more money into their neighborhood.
- Blight is one of those things I think should be of interest.

Bill Arnett mentioned that they are working with Ohio University right now on a research project so maybe it helps us determine how we spend our Community Development Block Grant funds to get the biggest bang for our buck. The United Way is also a partner in this research project. In the next couple of weeks we will have information from OU that would show you if you removed blight in a certain area what it will do to the neighboring property values. There will actually be research based information that we are going to be able to show to people and I think that Patrick is saying when you take a blighted property away it is not just that one lot that looks better. It really does improve kind of the neighbors in every direction.

Patrick Bowen: If Blight ends up being a focus for the City, I can share some of the examples of tactics and things cities have done that are really cool and innovative stuff to start energizing a neighborhood.

The marketing needs and opportunities are available for the City of Zanesville for someone to come in to build or renovate. Sixteen vacant buildings of notable size were located; twelve properties that were vacant land of notable size and Mr. Bowen guaranteed there are more. The City could accommodate housing if someone wanted to come in. There are some communities they have studied that they are rather built out and they don't have space to accommodate housing even though they have a need for it. That is not a problem here. So, based on our analysis you could build out everything you could probably accommodate over 1,500 units in the City. You have the buildings and you have the land and what is great is we do profile sheets on these and talk about zones and builds to get zoning information and other information on these buildings or land so when builders come here this could be something to share with them.

Mr. Bowen said I don't know if Zanesville already has like a Land Bank or any kind of inventory if somebody is curious about coming here, but what I would suggest is as the City moves forward you might want to maintain periodically. This will change. Land is going to get sold and things will be built so stuff is going to be gone, but you will have new stuff come in. This is a good tool. I suspect developers come through Zanesville like they do every city and they ask what is available as I am thinking about building in your community. Their typical route is they are going to go talk to brokers and try to find somebody who knows about the area, but wouldn't it be great if they stopped in Zanesville and talked to somebody here. What do you know is here? Do you have any incentives? Do you have any goals? What are the City's priorities?

Mr. Bowen then mentioned Qualified Opportunity Zones as the legislation was passed in January 2017. Our study goes into some of the benefits of it. In short you have two neighborhoods that were designated. It is a federal incentive, but the Governor of Ohio established this through multiple input and resources. He established where these areas should be. There are areas that could use some help and investment. What it does is it allows tax benefits to investors to come into these neighborhoods. In the study we needed to do something more. So, what we put in the study was the list of resources so if you wanted to go after this and I suggest this is a priority. There are resources you can find and developers that deal with this type of investment and investors that deal with this type of investment is to start to reach out to those folks and take a proactive approach to it. Try to get them to come into this area and invest in the community. You have those pockets and certainly this would be a path that you could take.

In the end we ask stakeholders, over 20 of them that we spoke with or did surveys with, and they talk about the things that are needed and the challenges that folks have. In the end they mentioned things like detached housing, apartments, so nothing that surprised us. Rental affordability and it is echoed by the residents of the City. They thought if you were going to do housing it probably needs to be rental housing priced under \$500 a month. That is going to be hard for a developer to do. It at least tells you this is a need. Is there something we can do as a community to try to help that? It is the same thing for a \$500 to \$1,000 a month rent. There is a moderate need for that from what some of the stake holders told us. More housing statistics were explained and they are listed in the attached slides.

There were 517 surveys completed from a good cross section of the City. Many in the City of Zanesville are considered to be rent burdened. This is when they told us their current housing doesn't meet their specific needs whether it is the size of the units, the features, or the location.

This was interested on the Housing Market conditions. This is different that most of the surveys we get. We asked them to describe the housing market in terms of its conditions. About half of them said fair, almost another half said that the housing market is poor. So they might have been citing again substandard housing, housing costs, but we usually don't get that high of a share for people saying we have a poor housing market. People here in the City think the housing certainly needs some assistance. Other negative housing factors people cited again is blight. You are seeing a common theme of high prices in rents, lack of features and amenities, and the priority of where people should be. People think it is the lowest price stuff whether the rent is under \$500 or for sale housing prices under \$150,000. A lot of these things we get asked because we are curious about and a lot of communities want to do something in their downtown. We want to renovate, we want to revitalize our downtown and Zanesville is no different. We wanted to find out, are people interested in coming downtown? Really it was a small share of people said yeah I would be interested if some housing was developed down there. Folks showed some interest, but I think it was like a third of the respondents. Most people said I would be willing to pay between \$500 to \$750 and then there was a notable share

that mentioned that \$750 to \$1,000 range in terms of rental rates. So, some will come, but I think a lot still needs to happen downtown to kind of energize and develop interest in the downtown area.

The study goes through a lot of steps to try to establish housing gaps. I won't go through those as it is like a two-hour class right there. What I will tell you is we went through a lot of stuff to look at your existing housing stock, what is available, all the growth up trends, all of those changes we are predicting, how people are going to age, incomes are going to change, and stuff like that. We factored all of that in to try to identify how many units could possibly be supported or needed in the market. One thing I always caution communities is don't take this as the Holy Grail and think these are the numbers of what you can do. There are too many dynamics of where do you put the product that matters, features, unit size, amenities, and all of those kinds of things. This really should be a tool. That is why I put this as PSA Housing Market Needs and Priorities to help us understand where the greatest need is. There are high needs in the affordable workforce housing and market rate housing and moderate for sale stuff. All of these areas have some level of need. It is probably less as I explained earlier for that senior care stuff of assisted living and nursing home needs.

These are the general recommendations and each one of these in the study itself goes into a little bit more detail of what we mean by these things, but we have an obtainable or realistic short-term goals and outlined long term objectives. That is almost where you start on a lot of this stuff. Clearly the City and the County are intertwined and I do think if you look forward to developing some kind of housing plan you want to get input from the county. I know there is a housing committee and it may not be a standing committee and their purpose to convene was to kind of oversee me and my staff. That might be something long term that the City things like we probably as you folks have a lot to deal with. You have a lot of issues. You don't have housing. You can only dedicate so much time to any one of these topics. I expect you do this for other topics and other issues the City faces.

Ann Gildow: There used to be both a City and a County Housing Advisory Committee that met regularly and then of course it gets beefed up when there is a CHIP around the corner, but at least there was some dialogue, but I don't think we have that much now.

Mr. Bowen: That is not unlike a lot of communities and the great thing is you have something to now to use as a blue print. You have been sitting around and say you are all housing committee members and you were talking and there could be multiple opinions on goals and priorities. That is why a study comes together and somebody objective is trying to do this and can I give you the whole picture. I have no incentive for Zanesville. I want it to do well, but other than that I have no incentive to tell a different story versus another. So you have a study that sets the blue print, gives you the data, and it gives you a lot of recommendations. You cannot do all of this stuff. A lot of this stuff is years in the makings. Some of this might cost a lot of money that the City of Zanesville cannot afford. The point being is you have ideas here that we worked with other communities and I would be glad to share contacts and things that they have done that work and don't work, but they come together as often as a committee more likely and they kind of set their priorities. Then they basically, as an Advisory Council as you mentioned, and then they go to Council or a department head or however it works. Then they advise that we have a lot of issues and this is where we think we should start. These are our recommendation for Council for year one of this five-year plan. The study gets you that starting point. It should probably get interest started or we could just sit together as a group and talk and talk. If you have a study that gives you some focus it makes your meetings more productive and might move it along a little quicker.

The other choice is some communities have hired a Housing Director or someone on a part-time basis or somebody who really knows their stuff. Housing can get complicated. Grants can get complicated. All the programs that are out there can be complicated. You might need somebody that acts as an advocate to reach out to the development community. Again, Bill's department and other departments

in the City they are limited just like you folks; everybody is limited in time, knowledge, experience, and interest. You could have somebody dedicated that has tasks based on the Advisory Committee, if you had one, or based on Council's direction these are the two or three things we are going to focus on as we move forward. I am going to go look for developers that are interested. I am going to look at that Opportunity Zone stuff as maybe staff here doesn't have time to do that. If you bring in somebody that has Opportunity Zone experience that knows how to get the investors; they know what they are looking for; they know the organization and people, whatever it is. You need somebody to spearhead housing or this study will sit on a shelf and nothing is going to change.

Preservation and renovation of current housing stock has to be a priority. Encourage redevelopment of the vacant buildings or unused structures in the City as well as the vacant parcels again a housing director or the Housing Committee could be the one who find of facilitates those kinds of things.

Residential blight reduction should be a priority. I think I made that case.

Support efforts to develop residential units along the bus route. You could almost do residential almost anywhere, but the real big trend does seem like if the seniors and millennials can get something close to a bus route that helps.

Anything you can do to modify or change or implement any policies that encourage new residential development.

There are a lot of incentives out there, but again if you had someone with expertise and could spearhead and lead that stuff and start reaching out to the Ohio Housing Finance Agency or others to find out what can we do? What grants can we apply for? How can we put the grants together to accomplish the most? There are tons of programs you could possibly benefit from.

Points referenced again were assist senior to transition and downsize, encourage residential investment and development, develop and maintain an inventory list of properties, market Zanesville to potential developers, encourage development partners, develop the next steps and start small. Have some goals that are realistic. You can build off of the small steps and keep people engaged.

A thought on partnerships is check with Genesis to see if their employees are having trouble finding suitable housing. Maybe a private developer could be brought in to partner to try to encourage some kind of residential development. There are examples Mr. Bowen could provide. Mr. Bowen concluded by saying you can make a difference. Housing is complicated. For those who have other responsibilities and obligations to the City you can only dedicate so much time to research into the housing issues. So, it is important and it does matter. It is an economic issue again because you will be able to attract people. You will attract businesses if you have a housing stock. Right now you need to flag some housing issues: affordability is pretty clear, availability is pretty clear, competition with other counties including Columbus. If you are going to attract the people that you want, especially the millennials, as they are going to become home buyers. The high end of their age is 39. They are finally starting to buy. They are starting to have kids and get married and they are starting to buy homes for their changing lives.

Ann Gildow: Just to give you an idea of why I have such extreme interest in the topic, I retired from the banking industry and most of it was relative to residential lending. Then I was on the Habitat for Humanity Board for longer than I want to admit. Some of the rather unique challenges we have here as a mid-size community is not only the aging housing stock, but the fact that a lot of our homes are huge. So the cost to rehab these homes exceeds the value of what they might be when they are rehabbed. The other thing you mentioned, nonconforming and financing challenges. Back in the day good bankers

found a way to loan on as improved value. Well, good luck with that these days. God bless small banks for still being willing to do that, but that is as I put my Community Reinvestment hat back on momentarily, but that is an unmet need. It is a gap, because there are houses that have potential, but good luck trying to find financing. Deferred maintenance issues, this is Appalachia; people don't want to be told you have to paint your house. You have to put a railing up, you have to do this or that, well okay, but when your seventy-five years old and your house is falling down around you; you don't have anybody that you can trust to fix your house. Like you said, housing is complicated, but I can also tell you that you can live in Zanesville a lot less expensively than you anywhere west of Pataskala. You can live very reasonably here. So there is good and bad. The other side of it is our aging infrastructure: old water and sewer lines as we all pray for money from heaven so that we could replace these. Council and City Administration try to do as much as we can with the little bit of money and not raise taxes or utility bills and all of that, but it is this balancing act all the time. Anyway, to me housing is vitally important and everything else is interwoven. Sorry, it is my soapbox so I had to comment.

Mr. Bowen said he worked with a community in Kentucky last year and one of the things that was important to them was they didn't have a ton of money to do a lot of stuff either, but what they found had worked was they could take some money and dedicate it to a Revolving Loan Fund. People could take out a loan from the City from this fund. Say it was \$3,000 to \$5,000. They had to match it. It put some skin in the game. First off it showed somebody was serious. Then that all of a sudden started to turn some of these neighborhoods. I don't remember the numbers, but it was rather phenomenal. I think maybe the City put in \$50,000 and they got a lot of money people put into this stuff and now that \$50,000 has tripled in terms of the impact to the community. Then like I said the neighbors see houses getting fixed up and they start making improvements also. Little improvements make a difference.

Ms. Gildow: That is true. The one thing that I wondered is if you ran into in during your investigation. We have three historic neighborhoods and that is somewhat controversial partly because there are many condemned houses in at least two of those historic neighborhoods and then Code Enforcement is always a hot topic. So, there again, it is a balancing act, but there are just so many things: the crime is an issue and that 30% housing expense has been around as long as I can remember, but times have changed and families spending patterns have changed. When we were growing up nobody spent a week's paycheck on tennis shoes or cell phones. So this is more complex than it ever was, but I also think that it is an integral issue to the health of the housing community. We have housing issues trying to find housing for people with criminal backgrounds, addiction issues, you can list about one hundred different things and we also have properties that are falling down around them, but the caliber of renter is such they are willing to live anywhere just because they don't qualify for more desirable housing.

Mr. Bowen said your whole narrative is a good example of what is complicated. There is a lot of stuff going on. That is why a study like this at least tries to help you prioritize. The citizens gave their input, the stakeholders gave their input, so you understand we have 100 things we could do, but these are the big things. Let's start to work on something.

Ms. Gildow: I wanted to say thank you, because this is nice quality. There have been different entities contacted by local governments to do studies and I rolled my eyes more than once. So, this seems valuable and something we can work from.

Mr. Bowen: Please reach out to me, Ann. Bill will have my contact information. If there is something you seen or important and are thinking about proposing something or making this case or pushing this issue contact me. Things like what does this mean? Do you have data that can back me up? We put 200 pages in this report. I have so much more information that we just couldn't get in. I wanted to save a few trees. So, I can arm you with more information. I can help interrupt something so if anybody needs help I will be available. A lot of communities have brought me back a year later and since I am so close

to you I will come out here anytime you need me. In fact I mentioned to the Think Tank on Poverty group that I will come out next month and meet with their group and talk with them. I want to help. I want to see something happen in the community. I come back to the communities once they started to set priorities and just need clarification. I can help give guidance or suggestions. Take advantage of it. I won't charge you. You paid me, but I want to help. Don't forget me. Make sure you bring me back if you need help.

Ms. Gildow: Oh, be careful what you ask for.

Mr. Vincent: Is there anything else from Council? Again, excellent information. It will be very valuable. I am thinking here in this advisory committee and you may have mentioned some of this. Are there any thoughts on whether we should do the City by itself as an advisory committee or should we include the county and does that have some benefits?

Mr. Bowen: I think it is critical that you, and I don't know your relationship with the County, but I would recommend bringing them together. I would bring everybody together. I don't know your relationship with the County in terms of Council. What do you have, County Commissioners? I hope for everybody's sake that you all work together with the County Commissioners and the advisory committee absolutely. Bring in multiple people because it is too much stuff and you don't want to make decisions here without input from them and you don't want them doing stuff without having your input as well. I would absolutely have it county-wide if you can do it.

Mr. Vincent: Thank you. Again, excellent information. Thank you very much. I can tell you care and you back your product as far as you want to be there and be involved. I think that says a great deal.

Mr. Bowen: This is as close as I have ever been to where I live. So, this is even more reason to come out.

Mr. Vincent: Mr. Arnett, do you have anything to close with?

Mr. Arnett: No, I think that Patrick and his team did a great job and this is valuable information for policy makers. This is valuable information as Patrick says you can take to a developer. I mean just in the Lancaster Eagle Gazette today Fairfield Homes announced a new multi-family residential development at the corner of Memorial Drive and Main Street of 100 new units. Fairfield Homes is the same folks that are doing the Pearl House. If you have this kind of data, you can take it to a Fairfield Homes or who knows who else locally and say it looks like you could do a project here and it would make sense. So information is important to bankers and investors need to know that they can do a project and it could be successful.

Mr. Vincent: It also makes it easy for them to say, yes, this would work.

Mr. Bowen: We study projects all over the United States. Most of what we do, and this is what I do and we have probably done 450 studies around the United States for specific projects. So, if you want to build an apartment complex in Zanesville and someone would study that site and the market and opportunities. I get calls all the time, Patrick, where should I go as you now I am looking at doing Ohio or I am in Ohio and I have done some markets, where else can I go? A lot of these developers on the surface level are just going to look at some basic demographics stuff. Where is it growing? I just showed you Zanesville is not growing. So they are probably going to mark it off. In Zanesville there is no growth, but what I did show you is and the study helps make that case is we are not growing, but we are changing. So, do you need senior housing? You sure as heck do. Do you need affordable housing? You sure do. Again, no growth, but there is a need. The study can kind of get somebody there. That is why promote the heck out of this thing and get it into developers hands like the Fairfield and others to

say you might not have thought of Zanesville, reconsider and here is why you think there is an opportunity. It has been statistically shown and we can support it. By the way, I have one last thing. If you do put an advisory committee together, bring me back and let me help to at least kind of set the structure and offer some ideas on what I would recommend. Let me present the study again to some of them. I will go through some highlights and say moving forward here is how I would do it. Here are how other communities we have worked with have done it and how they put their committees together. Here is what has worked. It would really help a committee to really do well. So please take me up on that.

Mr. Vincent: I really like that idea. We better wait to get through this election to make sure we know who is here.

Mrs. Gentry: I live in a historic district and it always intrigues me about how many of the houses of the people had boarders. Everyone had boarders in their houses.

Ann Gildow: Especially with the hospitals; the hospitals here 50 years ago.

Mrs. Gentry: People are looking for places and that was one way they took care of it as everyone or most people had boarders. Almost all of the houses there had boarders. It is real interesting when you talk to them about it.

Mr. Vincent: It helped to fill rooms. Is there anything else? Okay, thank you, everyone. I appreciate everyone coming. I appreciate all of the volunteers that helped get information. This is a lot. So, we do greatly appreciate it.

The meeting adjourned about 6:45 p.m.

Susan Culbertson, Clerk

Daniel Vincent, Council President