

RESOLUTION NO. R24-37

A RESOLUTION BY THE TROTWOOD CITY COUNCIL AUTHORIZING THE TROTWOOD COMMUNITY IMPROVEMENT CORPORATION TO ENTER INTO LOAN AGREEMENTS WITH CIVISTA BANK TO FINANCE THE REDEVELOPMENT/CONSTRUCTION OF UP TO TEN (10) SINGLE-FAMILY HOMES, WITH EACH LOAN AGREEMENT NOT TO EXCEED A TOTAL AMOUNT GREATER THAN SEVENTY-FIVE PERCENT (75%) OF THE LOAN-TO-VALUE RATIO PER PROPERTY.

WHEREAS, the Trotwood City Council is committed to promoting housing and economic development within its corporate limits; and

WHEREAS, the City has authorized and established the Trotwood Community Improvement Corporation (“TCIC”) under Ohio Revised Code Section 1724.10; and

WHEREAS, the City desires the TCIC to perform the duties as set forth in Ohio Revised Code Section 1724.10, the Code of Regulations for Members, and in the Articles of Incorporation for the TCIC; and

WHEREAS, the City has need of the services and duties to be performed by the TCIC; and

WHEREAS, the TCIC acquired tax-delinquent residential properties situated in Trotwood neighborhoods for redevelopment; and

WHEREAS, the single-family homes are in disrepair due to former vacancy and abandonment and are in need of full rehabilitation; and

WHEREAS, the TCIC intends to repair and redevelop these single-family properties so they can be made available for sale to home buyers; and

WHEREAS, the City has limited the TCIC’s ability to borrow money unless approved by City Council; and

WHEREAS, Civista Bank has agreed to finance for the TCIC, the redevelopment/construction of up to ten (10) single-family homes, with each loan agreement not to exceed a total amount greater than seventy-five percent (75%) of the loan-to-value ratio per property.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROTWOOD, STATE OF OHIO:

SECTION I: City Council hereby finds that it is in the best interest of the citizens of Trotwood that the distressed single-family homes acquired by the TCIC through tax foreclosure be redeveloped by the TCIC. Upon completion, these homes can be made available for sale to home buyers.

SECTION II: The TCIC is hereby authorized to enter into loan agreements with Civista Bank to finance the redevelopment/construction of up to ten (10) single-family homes, with each loan agreement not to exceed a total amount greater than seventy-five percent (75%) of the loan-to-value ratio per property. The anticipated term of each loan agreement is twelve (12) months, and the anticipated annual interest rate on the loan is not to exceed the prime rate index.

SECTION III: All loans obtained by the TCIC shall be non-recourse loans to the City and shall be secured by collateral owned by the TCIC and sufficient to satisfy the lender.

SECTION IV: This Resolution shall take effect and be in force from and after the date of its passage.

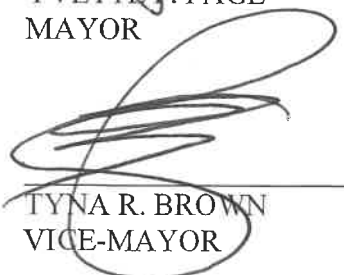
Passed this **15th** day of **April, 2024**.

ATTEST:

APPROVED:


KARA B. LANDIS
CLERK OF COUNCIL


YVETTE F. PAGE
MAYOR


TYNA R. BROWN
VICE-MAYOR

CERTIFICATE OF RECORDING OFFICER

I, the undersigned, hereby certify that the foregoing is a true and correct copy of Resolution No. R24-37 adopted by the Trotwood City Council at a special meeting held on the 15th day of April, 2024, and that I am duly authorized to execute this certificate.

Signed this _____ day of _____, _____.

KARA B. LANDIS
CLERK OF COUNCIL


CITY OF TROTWOOD 3035 OLIVE ROAD TROTWOOD, OHIO 45426

Secure

Whitt, Mark A. <mawhitt@civista.bank>
03/15/2024 at 01:24 PM

From: Whitt, Mark A. <mawhitt@civista.bank>
Sent: 03/15/2024 at 01:24 PM
To: Derek Williams <dwilliams@trotwoodcic.org>
Cc:

📎 1 Attachment(s) Total 84.0 byte(s) View ^

 image001.png (84.0 byte(s)) Download

Hi Derek,

I have approved the loan request. The approval is subject to the following:

- **Title and Survey:** Civista Bank must obtain a satisfactory ATLA mortgagee's policy of title insurance from a title insurance company acceptable to Civista Bank showing the Loan is secured by a first priority mortgage lien on the Property. All real estate taxes, assessments and charges must be current, and any encumbrances or exceptions must be satisfactory to Civista Bank, in its sole discretion. Civista Bank must obtain a survey satisfactory to Civista Bank, in its sole discretion. The costs of title evidence and survey shall be paid by the Borrower.
- **Satisfactory evidence of property and casualty insurance** for the Property, from an insurance company satisfactory to Civista Bank, naming Civista Bank, as mortgagee and loss payee, as applicable.

Civista Bank, ISAOA, ATIMA
100 East Water Street
Sandusky, OH 44870

- **Appraisal:** Civista Bank must obtain a completed appraisal of the subject property satisfactory to Civista Bank, in its sole discretion. The cost of the appraisal and any third-party reviews shall be paid by the Borrower. The maximum advance rate (LTV) is 75%. The property must appraise sufficient to cover the loan with a Loan to Value of no greater than 75%.

Borrower: Trotwood Community Improvement Corporation

Loan amount: \$65,000.

Bank Loan fees:

1. Loan origination: \$325
2. Documentation fee: \$150
3. Flood Certification fee: \$7.95
4. Tax Tracking fee: \$79.00

Other fees:

1. Appraisal (bank will seek bids from three companies on our approved list)
2. Title work: bank will get a quote from M&M title
3. Any other costs associated with the loan

Loan type: Line of credit (borrower can draw funds as needed throughout the rehab process – up to 5 draws)

Term: 12 months (1 year) – loan to be paid off in full at the end of the 12-month term.

Rate: 8.50%, Variable rate, floats with Wall Street Prime Rate

Prepayment penalties: None

Monthly payment: monthly interest only payments

It is my understanding that TCIC plan to do up to 10 properties during the 2024-2025 time period and they will be under the same structure as outlined above.

Please let me know if you have any questions.

Best Regards,

Mark Whitt

MARK A. WHITT

Vice President / Commercial Lender

CIVISTA BANK | *civista.bank* | 29 W. Whipp Road, Dayton, OH 45459

Office: 937.913.8271 | x14171

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From: Derek Williams <dwilliams@trotwoodcic.org>

Sent: Friday, March 15, 2024 9:28 AM

To: Whitt, Mark A. <mawhitt@civista.bank>

Subject: Re: [EXTERNAL] Following up on loan term summary for council.

This message originated from outside your organization

That's perfect, thank you.

best,

Derek Williams

Project Manager

Trotwood Community Improvement Corporation (TCIC)

3035 Olive Road, Trotwood, OH 45426

623-262-0739 (Mobile)

937-854-7214 (Office)

dwilliams@trotwoodcic.org

www.Trotwoodcic.org

TCIC on LinkedIn- Follow us!

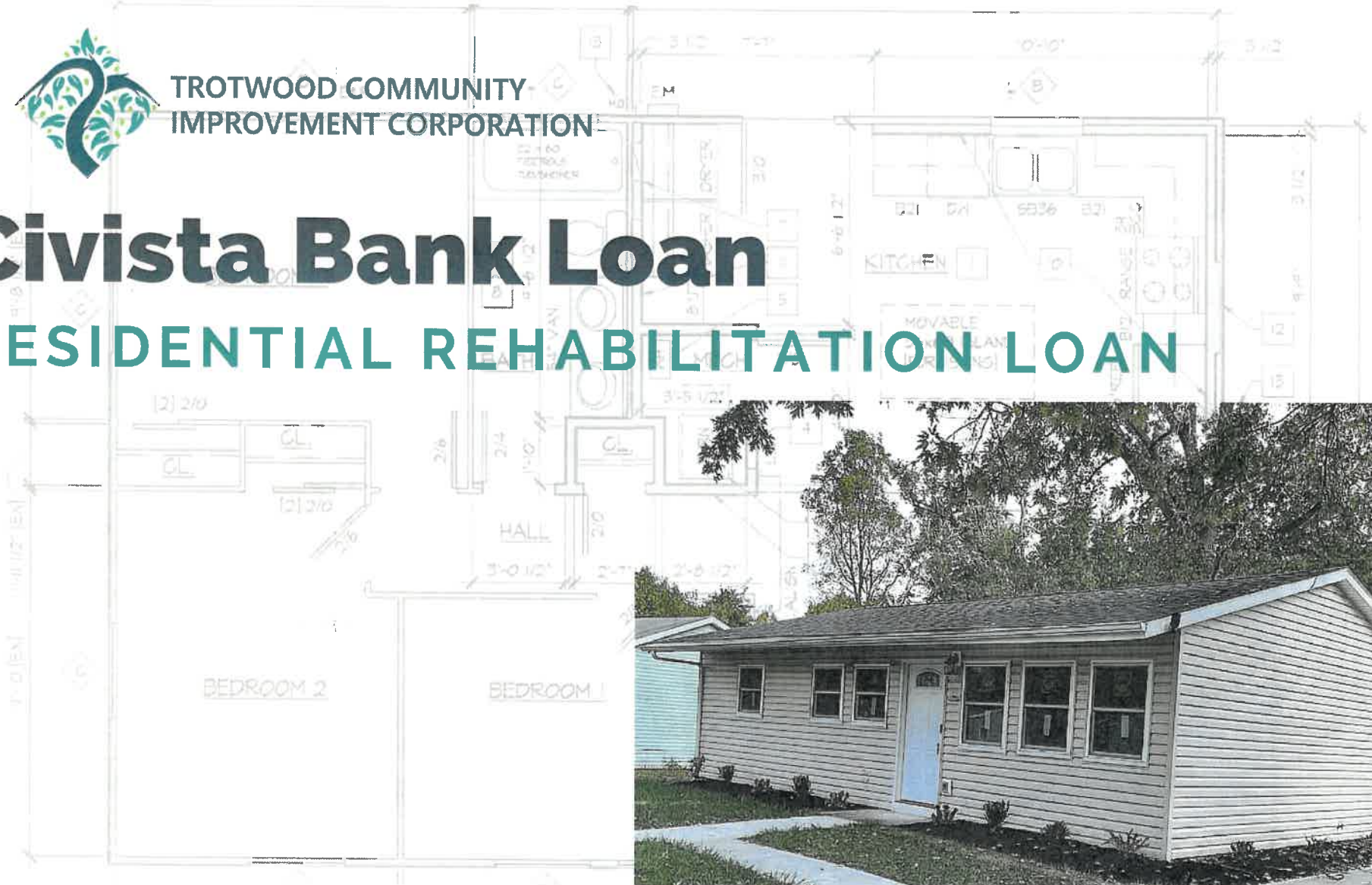
On Fri, Mar 15, 2024 at 9:27 AM Whitt, Mark A. <mawhitt@civista.bank> wrote:



TROTWOOD COMMUNITY
IMPROVEMENT CORPORATION

Civista Bank Loan

RESIDENTIAL REHABILITATION LOAN



Community Reinvestment Act (CRA)

Community Reinvestment Act Credits in the Banking Sector

The Community Reinvestment Act (CRA) is important for banks to address the needs of low- and moderate-income neighborhoods. **Banks earn CRA credits through activities like lending to underserved populations and investing in community development projects.**

Compliance with the CRA helps improve public image, strengthens community ties, and aligns with regulatory expectations. Earning CRA credits is a strategic and regulatory imperative for banks to contribute positively to economic equality and stability in their operational areas.

Community Reinvestment Area (Tax Abatement)

Community Reinvestment Area (CRA) Tax Abatement is a tool that municipalities use to incentivize development by abating the increase in taxes from improvements/new construction.

This program is not the CRA we are referring to for the Civista Loan, but this is a tool we have used for developments such as the Industrial Park.

The Ohio Revised Code sections relevant to CRA Tax Abatement are **Section 3735.66** (<https://codes.ohio.gov/ohio-revised-code/section-3735.66>)

The Civista Legacy

140 Years of Banking Excellence

Civista Bank has demonstrated remarkable resilience and adaptability, navigating through some of the most challenging periods in the nation's financial history. From the economic struggles of the Great Depression to the uncertainties of the Great Recession, Civista has stood as a beacon of stability for its community.



Civista an Ohio based Bank

Headquartered in Sandusky Ohio

Civista Bank opened its doors in Sandusky, OH, in 1884 with only four employees working from a rented store front in the Sloan Hotel building until a permanent location on West Market Street was ready.

Locations in the Miami Valley region

- 29 West Whipp Road, Dayton, OH 45459 · ~12.5 mi
- 7455 Old Troy Pike, Huber Heights, OH 45424 · ~9.2 mi
- 9700 North Springboro Pike, Miamisburg, OH 45342 · ~14.1 mi



Objective:

To work with Civista to locate a brick and mortar branch in Trotwood in the future--expanding access to capital.

Property/Site Details

TCIC Owned | Vacant & Abandoned Properties:

The Trotwood CIC has acquired all of these properties through the Tax Foreclosure process due to delinquency, abandonment, no utilities, and no owners stepping forward. Montgomery County administers the foreclosure process and transfers the property to the TCIC for redevelopment. Currently the TCIC owns **7 properties that are slated for this funding** and has several others in tax foreclosure that may become available later this year, with the goal of rehabing 10 homes over the course of this term. **Only 3-4 properties will be under loans/renovation at any given time.**

Property Address	Number	Parcel ID	Size (Sq Ft)	Owner	Neighborhood
1511 Azalea Dr	1	H33 01213 0044	864	Trotwood CIC	Townview
1549 Azalea Dr	2	H33 01211 0031	864	Trotwood CIC	Townview
4676 Kirby Ln	3	H33 01209 0005	864	Trotwood CIC	Townview
1621 Azalea Dr	4	H33 01211 0039	864	Trotwood CIC	Townview
1258 Stuben Dr	5	H33 01204 0038	864	Trotwood CIC	Townview
1560 Graham Pl	6	H33 01120 0019	864	Trotwood CIC	Townview
4244 Gardendale Ave	7	H33300905 0099	768	Trotwood CIC	Townview

Property Photos



Property Photos (Cont.)





1525 Azalea Dr



Contractor Selection Process

Request for Qualifications (RFQ) and Bidding Process

- We are waiting for Loan Closing to publish the Request for Qualification Public Notice.
- We have included an example of what the notice will look like and a link to the TCIC RFQ application. [Home \(softr.app\)](#)
- This will also feed Trotwood contractors to our Trotwood Business Directory we have in partnership with the Trotwood Chamber.
- This is the next step in the process to receive real time bids (which typically expire after 30 days).
- After the loan is approved and our public notice is issued, we will include that information in our monthly report to the council.
- The Public Notice of Opportunity to Bid will be issued on the City and TCIC website and the City's social media accounts, as well as sent directly to respondents of the RFQ.

Sale Process / Realtors

HOMEOWNERSHIP OUTCOME

- The Trotwood CIC will confirm and verify the buyer is a homeowner and using a owner occupied lending.
- In the event of a cash buyer, we will use deed restrictions to prohibit the use of homes as rental properties.

USE OF REAL ESTATE AGENTS

- There are no plans to use the listing agent to promote or sell these properties.
- If an agent is needed due to a lack of sale, a RFP will be sent to local real estate organizations-- like the Realtist Assoc.

MAINTENANCE UNTIL SOLD

- The TCIC will maintain the property until it is sold.
- We do not anticipate not selling these homes, rather, the final sale price given economic conditions is the variable. Based on recent sales, we are in line with the demand for the neighborhood/Trotwood.

ALLOCATION OF SALE PROCEEDS

- Proceeds will be issued back to Trotwood Community Improvement Corporation

Loan Approval Subject to the Following

- **Clear Title and Survey**
- **Satisfactory evidence of property and casualty insurance** for the Property, from an insurance company satisfactory to Civista Bank, naming Civista Bank, as mortgagee and loss payee.
- **Establish a satisfactory Appraisal** to establish LTV
 - LTV = Loan to Value

Fees

Bank Loan Fees:

- **Loan origination:** \$325
- **Documentation fee:** \$150
- **Flood Certification fee:** \$7.95
- **Tax Tracking fee:** \$79.00

Other fees:

- **Appraisal:** Bank will seek bids from three companies on our approved list
- **Title work:** Bank will get a quote from M&M title
- **Any other costs associated with the loan** (if needed/unlikely)
 - Re-inspection Cost
 - Unforeseen Title Work



Loan Overview

Borrower: Trotwood Community Improvement Corporation

Loan amount: \$65,000.

Loan type: Line of credit (borrower can draw funds as needed throughout the rehab process - up to 5 draws)

Term: 12 months (1 year) - loan to be paid off in full at the end of the 12-month term.

Rate: 8.50%, Variable rate, floats with Wall Street Prime Rate

Prepayment penalties: None

Monthly payment: monthly interest only payments

Successive Appraisal Strategy

- We are currently in the process of appraising the first property to establish the loan to value on the first loan. This is an "after repair value" appraisal based on the proposed improvements.
- We anticipate the "after repair value" appraisal value will be in the range of \$110,000-\$125,000 based on recent comp sales.
- Each property will undergo a comprehensive appraisal to determine its current market value after renovation before initiating individual loans.

Incremental Value Increase

Using recently renovated properties as comparable value to future projects can justify higher appraisal values for subsequent units. This method increases the perceived value of each upcoming renovation project.

Neighborhood Value Enhancement

The increase in individual property values contributes to a broader improvement in the Townview neighborhood's market appeal. Over time, this strategy will create a positive perception of the area, potentially leading to a self-sustaining cycle of value appreciation.

Role of the City of Trotwood

Approval of all TCIC Loans (per Ordinance)

According to the Ordinance establishing the TCIC as the city of Trotwood's designated Economic Development Agency, the city of Trotwood City Council must approve all loans the TCIC takes on.

City CAN NOT be a "Co-Signer"

Under Ohio Revised Code law, city's are not able to backstop or act as a "co-signer" on loans for TCIC's, despite the fact the TCIC directly serves the city. As a result, the city is not liable for this loan should anything go wrong. The properties serve as collateral and will be foreclosed on in the event of default.

Liability to the City of Trotwood

There is no liability to the city of Trotwood on any aspect of this loan or the construction projects. The TCIC is responsible for the loan and repayments and the TCIC has its own insurance. The city is insulated from liability, which is a benefit of a CIC for community development.

Points of Contact



TROTWOOD COMMUNITY
IMPROVEMENT CORPORATION

Chad Downing
Executive Director

cdowning@trotwoodcic.org

Derek William
Project Manager

dwilliams@trotwoodcic.org

