



**Western Reserve Land Conservancy**

land • people • community

# **Land Bank Basics**

**County Treasurer's Association  
Wednesday, November 15, 2017**



# Western Reserve Land Conservancy

- Non-profit conservation organization
- Created in 2006 by merger of 8 land trust organizations; 6 additional have joined WRLC
- Dedicated to protection of natural and working lands

Vision: Thriving, prosperous communities nourished by vibrant natural areas, working farms and healthy cities

Mission: To provide the people of our region with essential natural assets through land conservation and restoration.





# Thriving Communities Program

- Formed in 2011 to extend the Conservancy's mission into urban areas
- Establish county land banks throughout the WRLC footprint, then throughout the state of Ohio
- Seek funding for demolition or rehabilitation of blighted properties
- Impact state and federal policies regarding demolition and rehabilitation of vacant and abandoned properties and revitalization of our communities



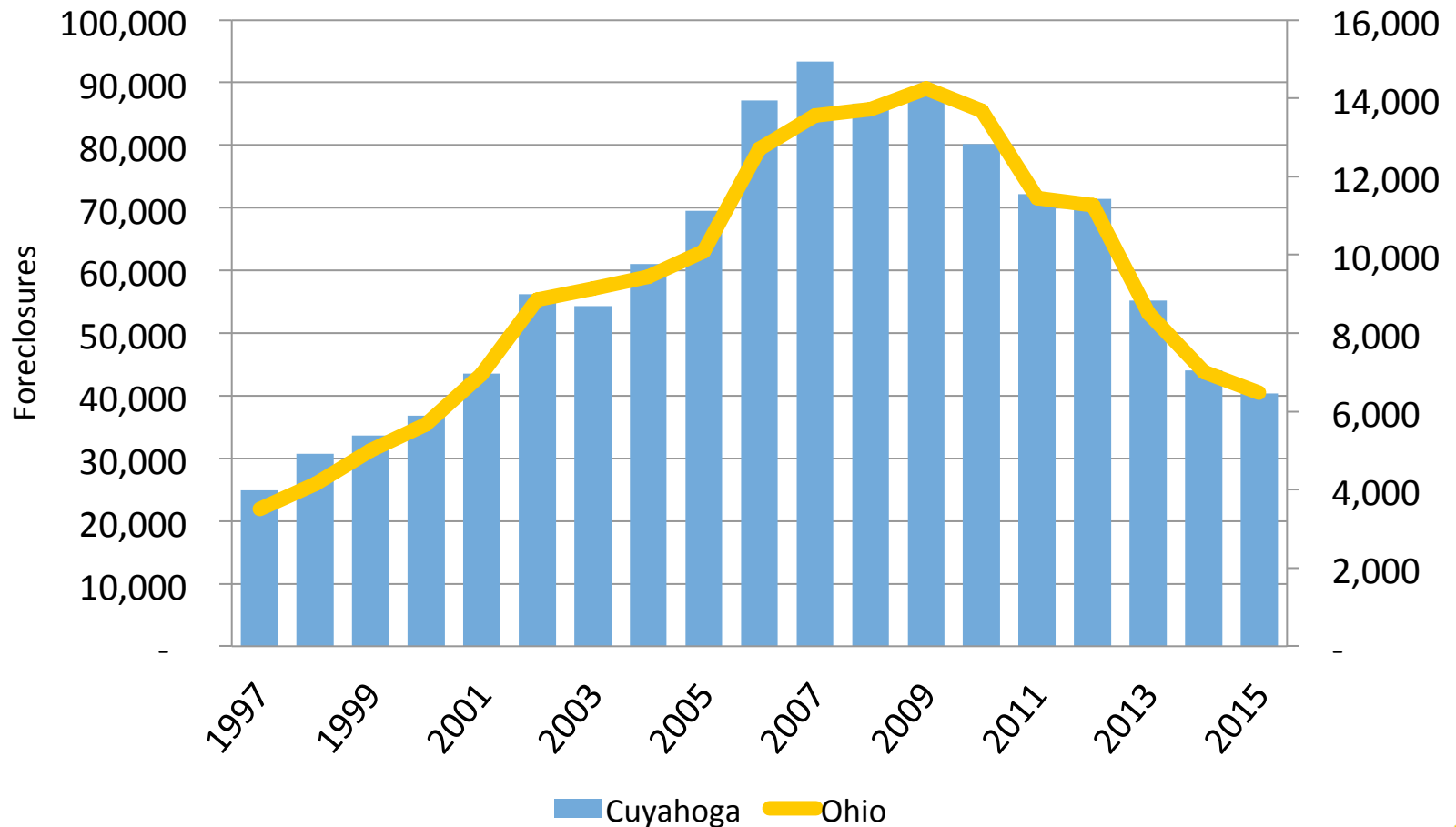
# Ohio's Challenges

- Predatory lending
- Foreclosures
- Loss of home equity
- Declining population
- Vacant properties
- Violent crime & drugs
- Limited demolition funding





# Foreclosure Rates: Ohio & Cuyahoga County





















# **County Land Reutilization Corporations (Land Banks)**





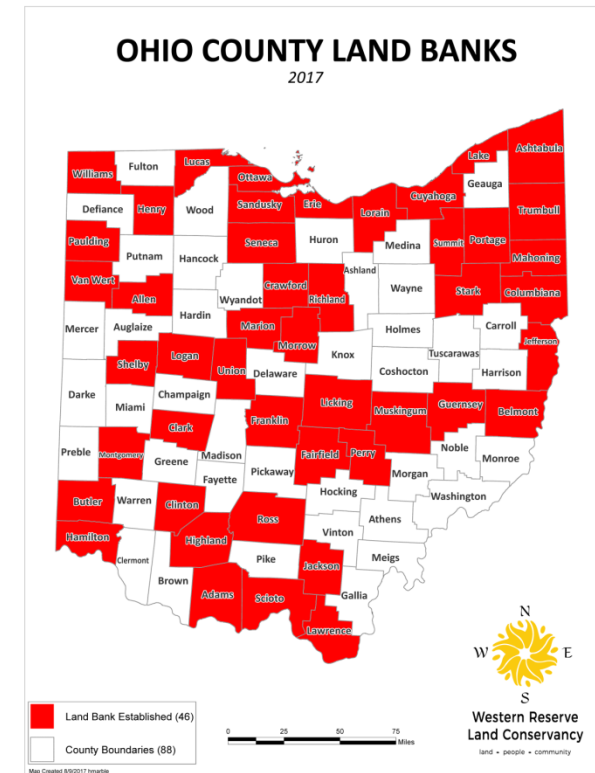
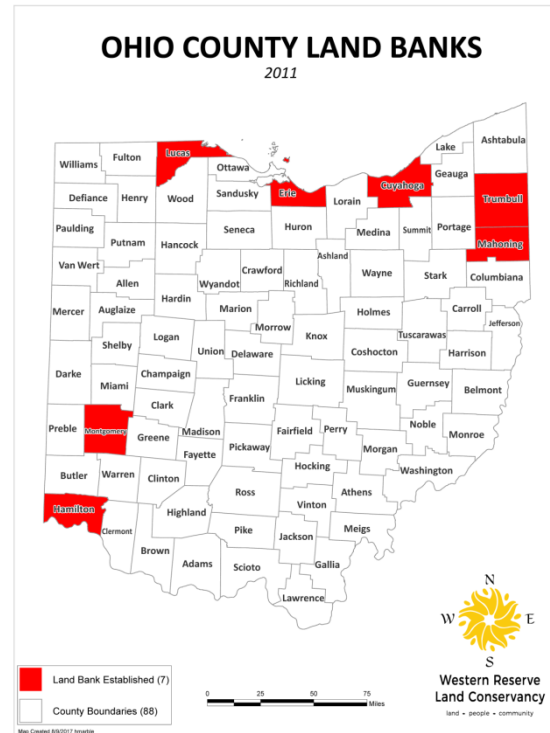
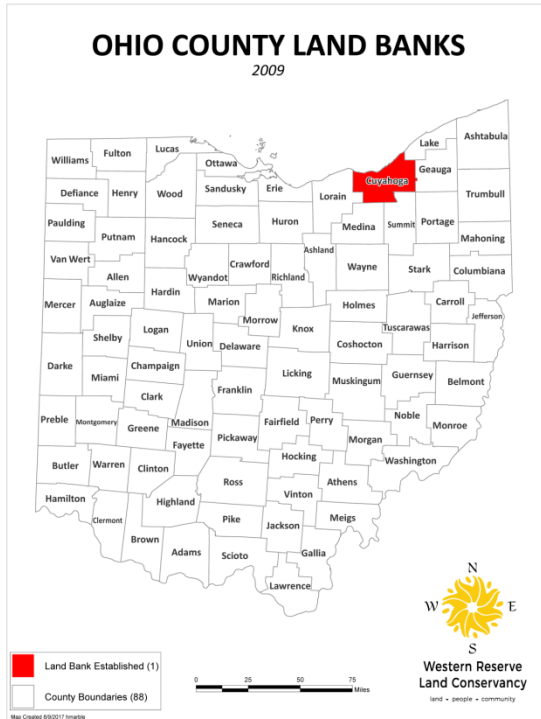


# History of Land Banking in Ohio

- First authorized in 2008 for Cuyahoga County only
- Cuyahoga County Land Reutilization Corporation opened its doors in 2009
- Law amended in 2010 for counties with populations of at least 60,000
- Population requirement eliminated in September 2015, allowing all counties to form land banks



# Growth of County Land Banks



# What is a County Land Bank?

- Created by government, but not government.
- Private, non-profit corporation – not a county agency
- Special, community improvement corporation (R.C. 1724)
- Quasi-governmental (R.C. 5722)
- Committed to public purpose



# A County Land Bank Can:

- Take control of vacant and abandoned, tax delinquent properties
- Reduce flipping of properties
- Repurpose properties through demolition or rehabilitation
- Transfer properties to qualified end-users
- Put abandoned properties back on tax roll





# **Steps to Starting a County Land Reutilization Corporation**



## Commissioners

## Treasurer

## Land Reutilization Corporation

Resolution creating LRC and authorizing Treasurer to incorporate LRC

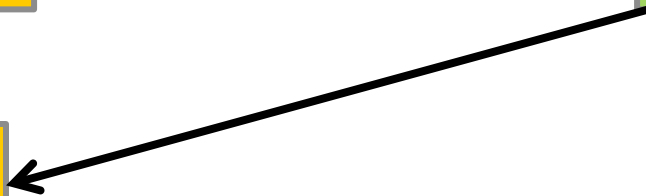
Resolution to designate LRC as agent of county and directs LRC to create an agreement & plan

Resolution to approve Agreement & Plan

Files Articles of Incorporation with Secretary of State

Organizational meeting  
• Approve Code of Regulations  
• Approve Agreement & Plan

**LAND BANK READY TO BEGIN OPERATIONS**



# Structure of Land Bank Board

Board has 5, 7 or 9 members:

- Treasurer
- Two Commissioners
- One member from largest city
- Township member usually not required, but recommended
- May add 2 or 4 additional members - one member must have related experience





# Duties of the CLRC Board

- Approve Code of Regulations (Bylaws) and Agreement & Plan at Organizational Meeting
- Board must meet quarterly (minimum). Most boards meet monthly for first year
- Set policies for acquisition, demolition, rehabilitation, disposition and other activities
- Approve contracts, handle fiscal issues
- Hire person or organization to run the land bank, handle day-to-day operations





# Code of Regulations

Serves as by-laws for organization

Addresses issues such as:

- Membership
- Officers – terms, representatives, etc.
- Meetings and Notices
- Finances
- Ethics





# Agreement and Plan

- Plan covers all possible activities that a Land Bank may undertake – usually pulled directly from statute
- Agreement is between Land Bank and BOCC, both accepting Plan
- Once BOCC signs Agreement, Land Bank is ready for operation





# Land Bank staffing options

- Direct employee
- Contract employee
- Agency – Regional Planning, Port Authority, Economic or Community Development, etc.
- Agreement with Treasurer, Auditor and/or County Commissioners to staff
- Board members





# Fiscal Issues

- Land Bank finances are totally separate from County
- Must apply for EIN
- Land Bank has its own bank account(s)
- Checks are written and signed in accordance with Board Policies
- Must prepare and file annual financial statement
- Audited by State Auditor





# Budgeting - Initial Expenses

- Incorporation
- Directors and Officers' Insurance
- Liability Insurance
- Attorney, Accountant
- Land bank administrator (if charged)
- Office supplies, website, etc.
- Project funding



# Available Funding for the Land Bank

- DTAC: increase fee up to 5% (most common)
- Grant recipient or co-recipient
- County funding
- Borrow (not on county guarantee)
- Property sales







# **Funding County Land Banks using the DTAC fee**



# Delinquent **T**ax and **A**ssessment **C**ollection Fee (DTAC)

- Statutory 5% fee is charged against delinquent tax collection, which includes penalties and interest.
- Fee is charged to all local subdivisions (cities, schools, libraries, county, etc.) based on their delinquent tax revenue.



# Current Use of DTAC Fund

- 5% fee is split between County Treasurer and County Prosecutor
- Used to fund further collection of delinquent taxes
- Approved expenditures include: staff, billing, computers & software, foreclosure costs, etc.



# Current Tax Distribution

## Delinquent Tax

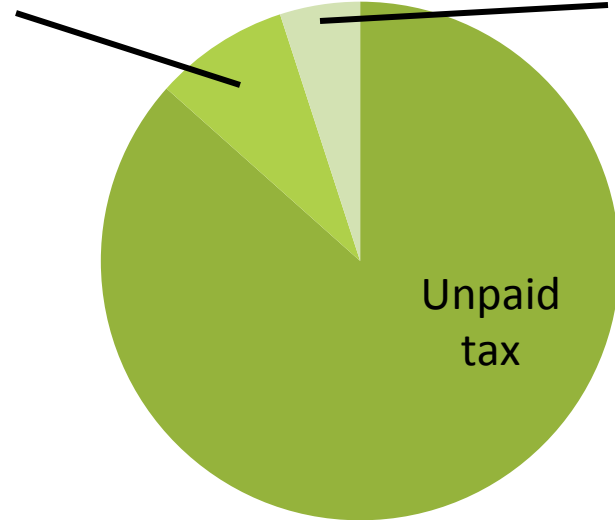
10% penalty on  
each half  
collection  
compounded is  
15.5%



## Current Distribution with 5% DTAC fee

Penalty

5%  
DTAC  
fee



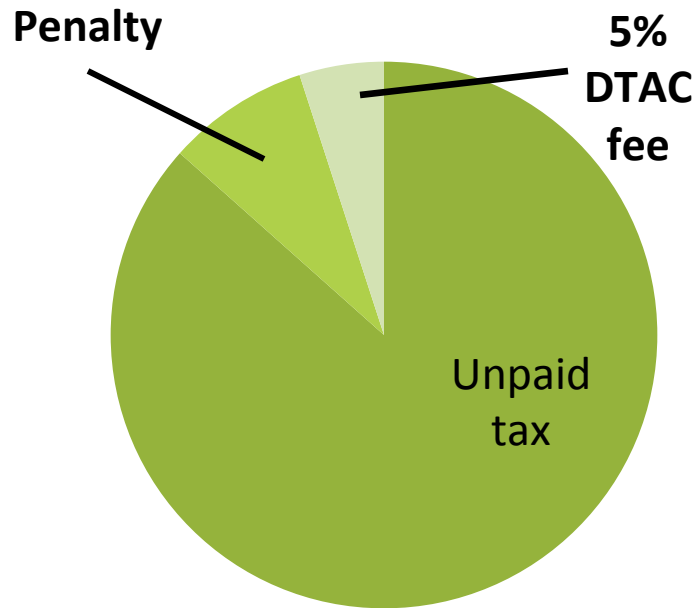
# Funding Land Bank Using DTAC Fee

- County Commissioners, at request of the County Treasurer, may increase the DTAC fee by up to an additional 5%
- The additional DTAC fee (over the existing 5%) is allocated to the county land bank
- Approximately 75% of Ohio's county land banks are funded with DTAC fees

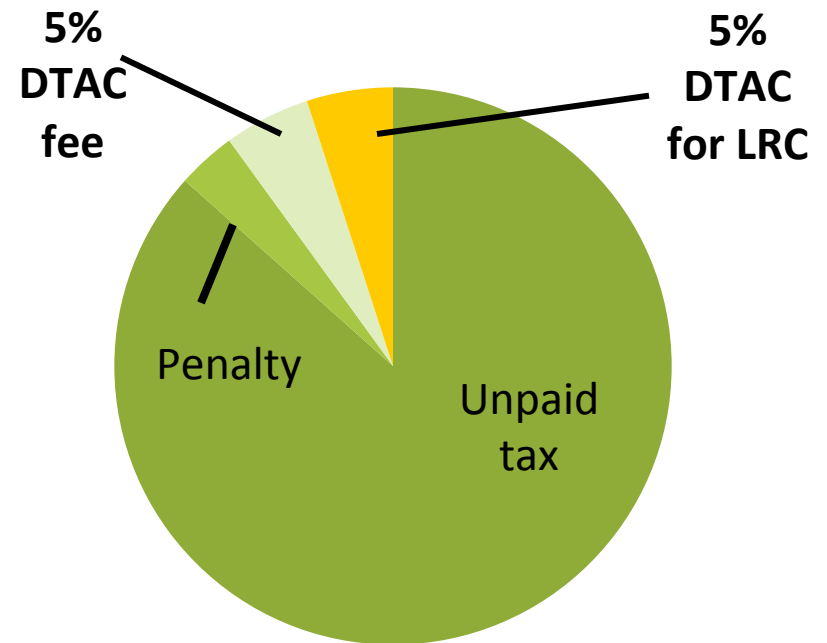


# Increase in DTAC Fee for Land Bank

Current Distribution



Increased DTAC Fee



# Increasing the DTAC fee

## Pros

- Consistent funding source for land bank
- School districts still receive full amount of taxes levied
- Blight removal has positive effect on schools thru increased property values, more attractive community

## Cons

- School budgets need every available dollar – can't give up any tax revenue
- More affluent communities won't see much benefit from land bank activities







# Selling points

- Blight removal in urban areas impact entire county
- Land bank may acquire land for school expansion, learning labs, greenspace
- May utilize vocational programs to rehab properties, build new homes, gardens, etc.
- Safety issues for students





# Land Bank Activities



# Property Acquisition

- Foreclosure through Courts or Board of Revision; expedited foreclosure
- Deed in lieu of foreclosure
- Forfeited land list
- Donation
- Purchase



# Beware of Liens!

- Properties taken through foreclosure are free of all liens (except IRS)
- Forfeited land list (post foreclosure) free of liens (except IRS)
- Deed in lieu of foreclosure releases tax liens, but other liens remain
- With donations and purchases, all liens remain on property



# Repurpose Vacant Lots

- Side yards
- Non-profit use
- Municipal use
- Green space
- Urban garden
- Development



# Vacant Structures

- Demolition (if warranted)
- Rehabilitation
- Direct Sale
- Charitable use





# Developing Policies

## Acquisition –

- End user identified in advance vs. holding properties
- Available funding
- Planned demo, rehab, other



## Disposition –

- Qualifications of end-user
  - Current on taxes
  - No property violations
  - Planned use
- Priority for property use – public, non-profit, for-profit, etc.
- Price low or sell for profit (for use in other land bank projects)





## Maintenance -

- Grass cutting
- Snow removal
- Board-up
- Winterize



## Rehabilitation -

- Define needed improvements
- Building code or higher standards
- Owner occupied vs. rental
- Deed-in-escrow



## Demolition -

- Contractors
- Asbestos
- Utilities,
  - Septic system
  - Well
- Greening
- End use





# Role of Other County Offices

**Auditor** – no conveyance fee; forfeited land list; land bank's exempt status

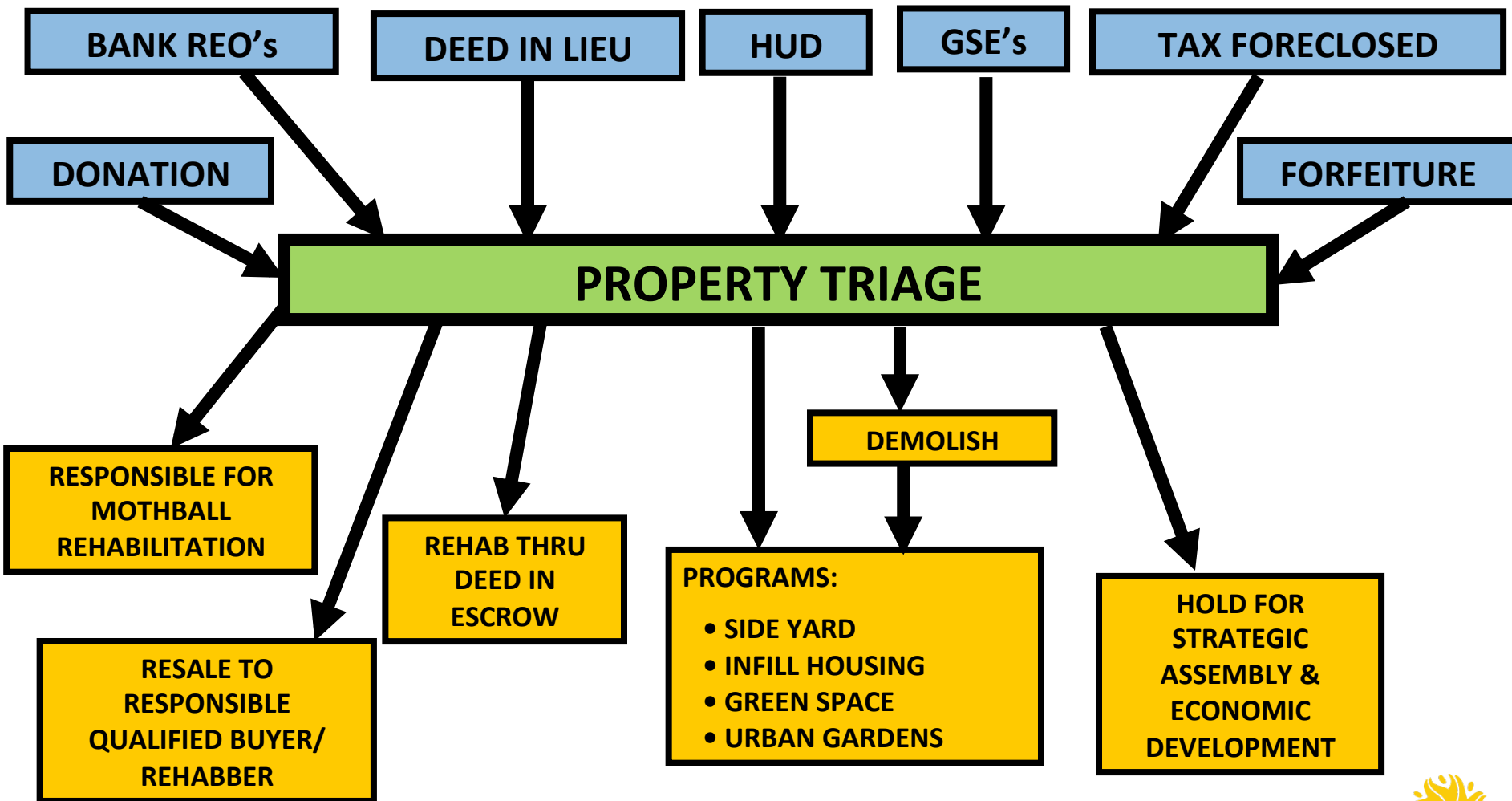
**Recorder** – no fees for recording, printing, certified copies, etc.

**Clerk** – If BOR used for foreclosure, tracking judicial vs. BOR

**Sheriff** – reduced number of sales; deeds



# County Land Bank Operations Summary





# Storm Water Management





# Community Green Space



# Urban Farms and Gardens





# Side Yards





# Before and After







# Corner Lot Treatment





# Housing Rehab Program



Home for a Vet



## Project Area

Parcels: 1,084

Housing structures: 789

Owner-occupancy: (64%)

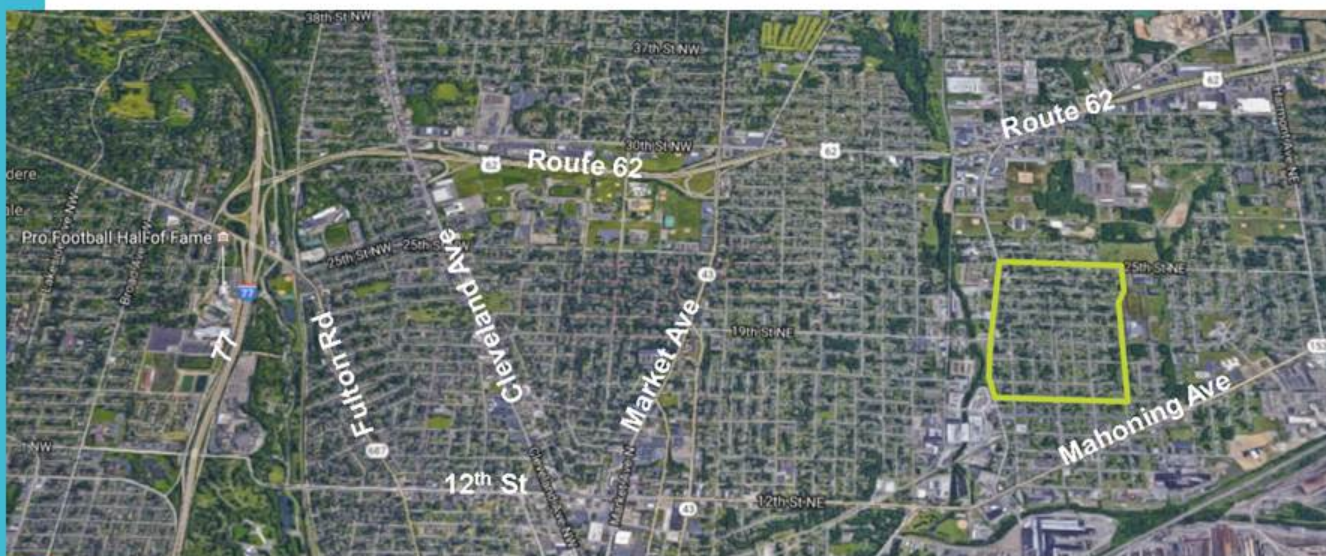
*Canton average: 51.5%*

Rental: (36%)

Habitat homeowners: 37  
(6%)

Habitat for Humanity's

## RENEWAL PROJECT



### Timeframe

- Four-year project
- Complete by end of 2020

### Budget and Impact

- \$3,500,000
- Over 275 completed projects in the project area



# Habitat's Objectives

Increase home values by 15%

**Eliminate vacant and blighted properties**

Increase owner-occupancy by 6%

Increase green space by 5%

**Increase neighborhood safety by 5%**



## Where the Land Bank comes in...

- Agreement signed October 2016 between Land Bank and Habitat

- Land Bank will assist Habitat is strategic acquisition of abandoned vacant lots & vacant homes



- Land Bank is also undertaking demolitions under Neighborhood Initiative Program (NIP)

- Those vacant lots may then qualify for transfer under non-profit disposition

# Land Bank Statistics

**17** vacant lots to be acquired for new construction or green space


**14** vacant homes to be acquired for rehab

the Land Bank will acquire & demolish approx. **17** houses under NIP



*"Habitat for Humanity has been blessed with a strong partnership with the SCRPC and Stark County Land Bank. Through this partnership, Habitat has the opportunity to acquire vacant, tax-delinquent property to preserve existing homes before they fall into complete disrepair."*

Aaron Brown, Director of Neighborhood Investment  
Habitat for Humanity ECO



Businesses and individuals contributed 100K to renovate homes in historic Warren neighborhood

- Homes were rehabilitated in Warren's Historic Garden District
- Renovation costs often exceed sale price
- Three high quality renovations thus far
- When homes are sold the proceeds are poured into the next house



# ADOPT-A-HOME IMPACT

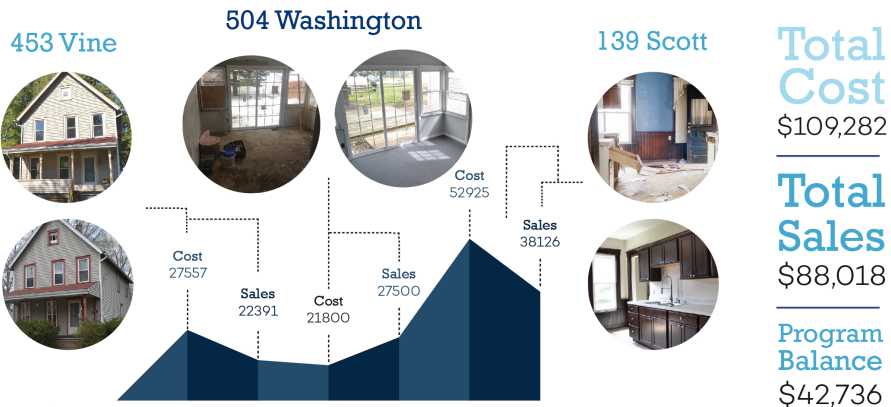
## Trumbull Neighborhood Partnership

The Adopt-A-Home program, created by contributions from local businesses and individuals including Bill Casey of Warren Paint and Glass, Diane Sauer, Trumbull 100, and others, was created in 2014 by TNP to use private money to renovate houses to a high standard and then sell them to owner-occupants at market rate in a distressed target area. The sale proceeds are returned to the fund and used towards the next home ownership opportunity.

All properties are located in Warren's Historic Garden District, one block from downtown Warren and two blocks from the library, amphitheater and Perkins Park. The area was chosen because of its high potential, and the program has successfully spurred home ownership by owner occupants. Unlike standard land bank renovations, the

Adopt-A-Home Program does not require sale costs to exceed renovation costs, an "eyes wide open" approach that utilizes the donations of community leaders to propel a neighborhood with tremendous upside but a weak market. Purchasers must occupy the property for a minimum of 3 years.

The program accompanies an aggressive demolition and land use effort in the area, and in addition to creating 3 high quality housing renovations and subsequent home-owners, it has also helped support nearly \$100,000 in private investment into the long vacant Warren Tile Building directly adjacent to the Adopt-A-Home property at 139 Scott.



If you would like to donate to Adopt-A-Home, please make a check out to the Trumbull County Community Foundation's "Home Sponsorship Fund" c/o Nancy Jastatt-Juergens, 7 Waste State St. Suite 301 Sharon PA 16146



#BuildingABetterWarren





# Western Reserve Land Conservancy

land • people • community

**Robin Darden Thomas**  
**Land Bank Program Director**  
**Western Reserve Land Conservancy**  
**Thriving Communities Program**

**[www.wrlandconservancy.org](http://www.wrlandconservancy.org)**

**[@wrlconservancy](https://twitter.com/wrlconservancy)**

