



**Strengthening Ohio Communities**

# **Ohio Land Bank Association: A Tool to Revitalize Our Communities – Large or Small**

Dublin, Ohio  
November 17, 2022

# Ohio Challenges That Led to the Creation of County Land Banks

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





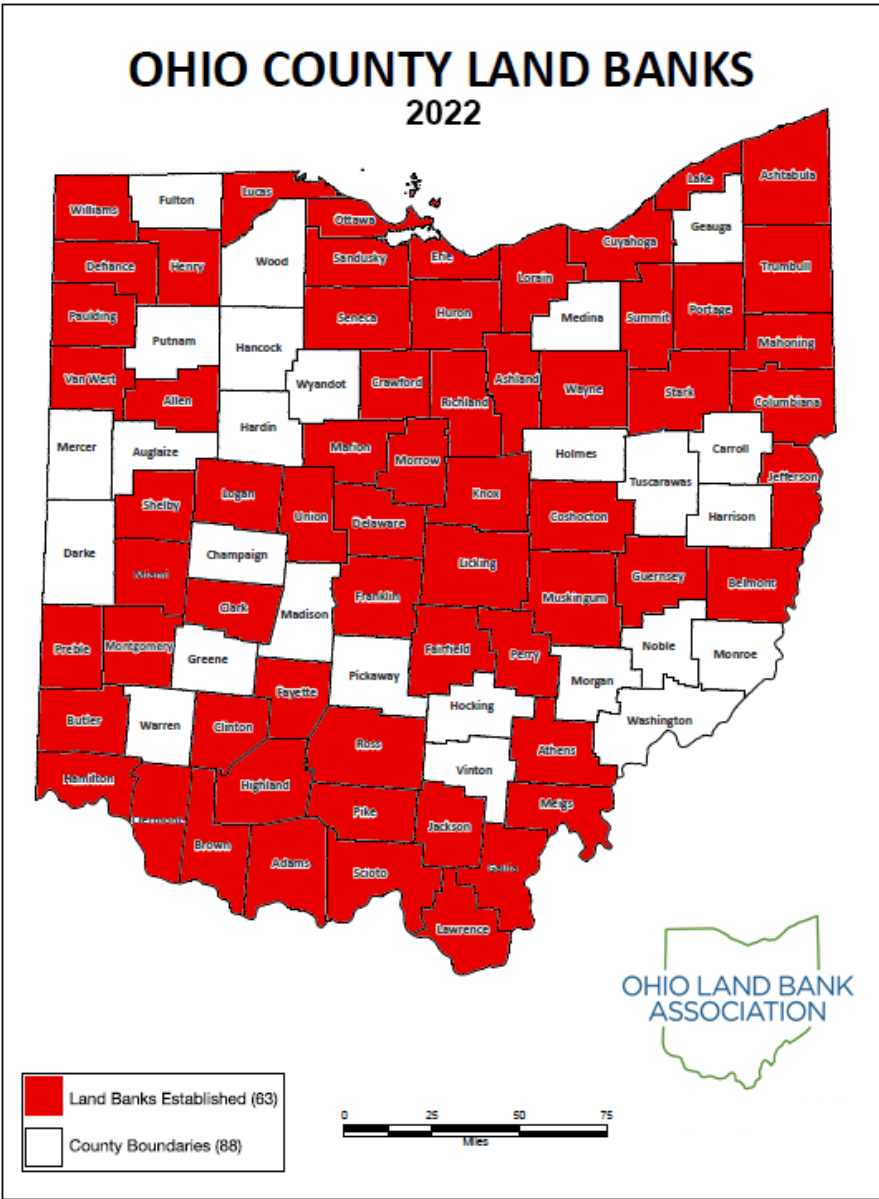
# **County Land Reutilization Corporations (Land Banks)**



# 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

**63 Land Banks  
(red)**



# 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





# Benefits of County Land Banks

- Takes control of vacant and abandoned, tax delinquent properties
- Reduces flipping of properties
- Repurposes properties through demolition or rehabilitation
- Transfers properties to qualified end-users
- Puts abandoned properties back on tax roll



# Benefits of County Land Banks

Recognized as preferred entity to handle vacant properties, demolition, etc.

- Agreements with FNMA, HUD, banks
- Lead entity for Moving Ohio Forward Demolition Grant
- Neighborhood Initiative Program (from unused Hardest Hit Fund dollars) was available only to counties with land banks
- Neighborhood Initiative Program expired in 2020



# Demolition Funding

Program	Amount	Recipients
Moving Ohio Forward	Grant: \$75 million Plus 47 million matching funds	All Ohio Counties
Neighborhood Initiative Program	\$80 million	Ohio County Land Banks
Neighborhood Initiative Program II	Est. \$197 million	Ohio County Land Banks
County Bond	\$50 million	Municipalities in Cuyahoga County
Ohio 2021-2023 Biennium Budget	\$500 Million \$150 – Demolition \$350 Million - Brownfield	All Ohio Counties



# **What Can a Land Bank Do For Your County?**



# Repurpose Vacant Lots

- Acquire lots through foreclosure, forfeited land list, deed-in-lieu of foreclosure or donations.
- Sell or give the lot to adjacent neighbors, community groups, local businesses, churches, etc.



# Acquire Vacant Houses

- Tax foreclosures and forfeited land list
- Government Sponsored Entities (Fannie Mae, Freddie Mac, etc)
- Department of Housing and Urban Development (HUD)
- Bank-Owned Properties (post- foreclosure)



# Demolition

- Funding from federal, state or local funds or land bank's own funds
- Manage demo process internally or utilize other local or county agencies



# Rehabilitate Houses

- Direct sale to known contractor
- Land Bank contracts for rehab work, then sells
- Deed in escrow – contract with individual to rehab and occupy home for certain time period; hold deed in escrow until property is up to code and occupancy permit is issued
- Utilize vocational program to rehab, then sell.
- Transitional housing, homes for veterans, immigrants, etc.



# Strategic Assembly

- Hold properties for municipality or township
- Work with local developer, charitable organizations, school board
- Combine traditional land bank acquisition with purchase of key properties
- Safe harbor provision for environmental issues



# Examples of Land Assembly

- *Greater Cleveland Fisher House* – similar to Ronald McDonald House, only for veteran's families. Properties acquired or held by county and city land banks
- *Richland County* – Parish school requesting vacant residential parcels for new soccer field.
- *Columbiana* – parcel reconfiguration





# **Steps to Starting a County Land Bank**

# Land Reutilization Corporation

## Commissioners

## Treasurer

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
- One township member (if at least two townships have population >10,000)
- Others (if any) chosen by agreement of Treasurer and two Commissioners (one must have related experience)




# Role of the CLRC Board

- Approve Code of Regulations (Bylaws)
- Set policies for acquisition, demolition, rehabilitation, disposition and other activities
- Approve contracts, fiscal issues
- Hire person or organization to run the land bank – either working directly for Board or through agreement with BOCC, Auditor or Treasurer.



# Available Funding for the Land Bank

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



# **Delinquent Tax and Assessment Collection Fee (DTAC)**

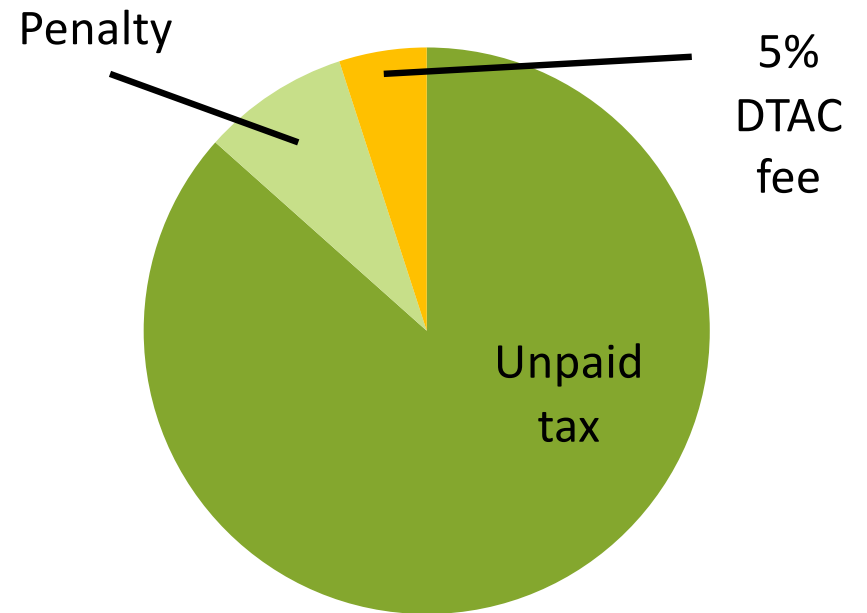
- Referred to as DTAC fee
- Statutory 5% fee is charged against delinquent tax collection
- Fee is charged to all local subdivisions (cities, schools, libraries, county, etc.) based on their delinquent tax revenue.
- Fee deposited into DTAC fund

# Current Tax Distribution

## Delinquent Tax



## Current Distribution





# Funding 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
- 55 of 63 existing land banks are currently funded by DTAC fee
- 80% of these receive full 5% DTAC fee





# What is the difference between a city and county land bank?

- City land bank is simply a tool to hold land
- No funding for city land banks in ORC
- No immunity on environmental liability at State level
- Restricted by all rules that control governmental authorities-limited flexibility

# County Land Bank Operations

