

**RE: ACCEPT AND APPROVE POLICIES FOR USE BY THE PORTAGE COUNTY LAND REUTILIZATION CORPORATION.**

It was moved by Director Donham; seconded by Director Derreberry that the following resolution be adopted:

**RESOLVED**, that the Board of Directors approves the following policies for immediate use:

1. Amended Acquisition of Properties Policy (Exhibit A)
2. Demolition Policy (Exhibit B)
3. Property Maintenance Policy (Exhibit C)
4. Disposal of NIP Properties Policy (Exhibit D)
5. Vacant Lot Disposal Policy (Exhibit E)
6. Residential Side Lot Disposal Policy (Exhibit F)

; and be it further

**RESOLVED**, that the Board of Directors finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in meeting open to the public in compliance with the law including Section 121.22 of the Ohio Revised Code.

Voice vote follows:

Vicki Kline, Yea

Dan Derreberry, Yea

Brad Ehrhart, Absent

Dick Messner, Yea

Mark Frisone, Absent

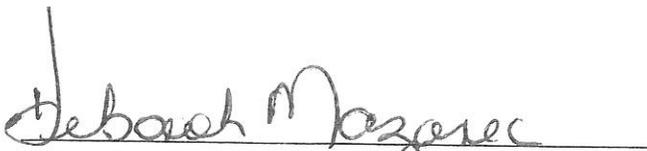
Rob Donham, Yea

Maureen T. Frederick, Yea

Kathleen Chandler, Yea

Bridget Susel, Yea

I, Secretary Pro Tem of the Portage County Land Reutilization Corporation Board of Directors, do hereby certify that the foregoing is a true and correct copy of a resolution of the Portage County Land Reutilization Corporation Board of Directors duly adopted June 26, 2014 and appearing upon the official records of said Board, Volume 02, page \_\_\_\_\_.



Deborah Mazanec, Secretary Pro Tem

Portage County Land Reutilization Corporation Board of Directors

## Portage County Land Reutilization Corporation

**Acquisition of Properties Policy**

As part of its primary mission, the Portage County Land Reutilization Corporation (“Land Bank”) will acquire properties in order to improve the quality of neighborhoods, increase land values, create diverse housing opportunities and return properties to the tax rolls.

**Basic Considerations**

- A. All properties acquired must have a maintenance and carrying expense plan and available funding in place. Initial priority will be given to properties with a designated end-user.
  
- B. Properties may be acquired when:
  - 1. Eligible for tax foreclosure.
  - 2. Requested by a qualified end-user or other entity for ultimate acquisition and redevelopment of the property
    - a. Acts as a catalyst for further development,
    - b. Is part of a comprehensive development plan,
    - c. Supports infrastructure, public and green space development, or
    - d. Reduces blight in the community.
  - In particular, acquisition will be prioritized where the Land Bank participation is necessary to complete the redevelopment.
  - 3. Located in reinvestment areas or Neighborhood Initiative Program (NIP) target areas that would support strategic neighborhood stabilization and revitalization plans.
  - 4. Demolition will support blight elimination and neighborhood revitalization plans (contingent on Land Bank funding).
  - 5. Eligible to be transferred under a disposition program approved by the Land Bank Board.
  - 6. Available for the creation or expansion of green or community space or urban agriculture of any kind.
  - 7. Title issues are preventing the property from being developed to its highest and best use.
  - 8. Mortgaged-foreclosed or in receivership and located in a neighborhood that is an area of focus, or with the purpose of preventing the further decline of a neighborhood.
  - 9. Available for immediate occupancy without need for substantial rehabilitation.
  - 10. Part of a land assemblage development plan by either the Land Bank or partnering entities.
  - 11. Fulfilling the community’s plan for historic preservation.

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12. May generate operating support for the functions of the Land Bank.
  13. May pose a threat to public safety, contain deteriorated conditions and/or has had long term vacancy.
- C. The Land Bank must be aware of any environmental conditions for Brownfield properties. If any adverse conditions are determined, a remediation plan must be in place before acquisition.
- D. Any exception to the policies governing acquisition shall be taken to the PCLRC Board for final approval.

### **1. Acquisition through Tax Foreclosure**

The Land Bank will acquire a large majority of its properties after a tax foreclosure judgment, conveying a free and clear title to the property.

When eligible, an expedited tax foreclosure proceeding may be initiated in the Courts or Board of Revision for any property that is certified tax delinquent where:

- The land has no structures and is non-productive (i.e. vacant), OR
- The land includes unoccupied structures (i.e. abandoned) and acquisition will assist in returning this property to productive use.

Post-judgment, the Land Bank will obtain title to these properties and outstanding delinquent property taxes will be removed by the County Auditor. No further tax liability will accrue to the property for the duration of the Land Bank's ownership.

#### Steps toward Acquisition

- A. Identify Eligible Property
1. The Land Bank will partner with the County Treasurer's office to strategically coordinate tax foreclosures, whenever possible.
  2. The Land Bank will specifically request tax foreclosure on all properties that meet its acquisition priorities, especially where an end-user has been qualified through the Land Bank's application process with a plan to return the land to productive use, eliminate blight, or both.
  3. The Land Bank will carefully review any other property that the County Treasurer wishes to initiate tax foreclosure proceedings upon, identifying basic benchmarks regarding its future end use, before electing to acquire the property post-judgment.

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4. The Land Bank may elect, on a case-by-case basis, to allow tax foreclosed properties to be auctioned at a traditional Sheriff's sale when their acquisition would consume significant Land Bank resources without any obvious end-use opportunity.
5. The Land Bank shall not acquire non-residential tax foreclosed properties post-judgment without a qualified end-user. Any exception to this policy must be approved by the Land Bank Board prior to acquisition of the property.

### B. Inspect Property

1. The Land Bank will inspect each property that it expects to receive through tax foreclosure.
  - a. Relevant public records will be collected regarding the structure, ownership, existing liens, public nuisance citations and any other relevant information.
  - b. An on-site inspection of the property's exterior conditions will be made. An interior inspection will also be undertaken whenever possible. The inspection will include a determination of vacancy or abandonment, current photographs and a disposition recommendation.
2. When a qualified end-user and the Land Bank are working together to acquire a property through tax foreclosure, an on-site inspection will occur as necessary.

### C. Notification of Land Bank Interest to Prosecutor

1. Upon final inspection, the Land Bank will provide notice to the County Prosecutor regarding the Land Bank's interest in acquiring it.
2. Should the Land Bank elect not to acquire the property, the tax foreclosure proceedings may continue and the property may ultimately be auctioned at the Sheriff's sale.

### D. Tax Foreclosure Proceedings

1. Upon judgment of foreclosure, the Sheriff will be ordered by the Board of Revision or the Court to prepare a deed transferring the property to the Land Bank.
  - a. When taxes exceed the fair market value of the property, the previous owner's redemption period ends upon the order to the Sheriff and the Land Bank will acquire title immediately.
  - b. When the taxes are less than the fair market value of the property, the previous owner's redemption rights will terminate 45 days after the foreclosure judgment and the Land Bank will then acquire title.

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## E. Land Bank Acquires Title

1. The Sheriff will convey a Sheriff's deed to the Land Bank for the property.
2. The Auditor will remove the existing delinquent taxes on the property upon deed transfer and all future taxes while in the Land Bank's ownership.

## 2. Acquisition through Forfeited Lands List

Properties that go through two Sheriff's sales without a minimum bidder forfeit to the State of Ohio and become the responsibility of the local County Auditor. These include a tremendous number of unbuildable lots and other market forgotten parcels. However, from time to time, properties with present value or blight elimination potential will be available for the Land Bank to acquire.

The Land Bank can acquire properties on the forfeited lands list with simple notice to the County Auditor. An Auditor's deed is generated and recorded, extinguishing any subordinate liens, and transferring free and clear title to the Land Bank. The Land Bank incurs a charge of \$45.00 per parcel acquired through the forfeited lands list.

As a general matter, the Land Bank will not acquire a property on the forfeited lands list without a qualified end-user. However, an end-user may notify the Land Bank at any time regarding their interest in a property on the forfeited lands list. Once an end-user is qualified through the Land Bank's application process, and consistent with the Land Bank's acquisition considerations, the Land Bank may acquire the property for final disposition to that end-user.

## 3. Acquisition through Deed in Lieu of Foreclosure

The Land Bank may accept title to a delinquent property in lieu of the County Treasurer pursuing a tax foreclosure. The Land Bank may acquire properties through this process when it will be more efficient than the tax foreclosure and the property is not otherwise encumbered by subordinate liens, because this process does not provide the same free and clear title outcome as a foreclosure judgment.

### A. Notice of Deed in Lieu Request

1. A delinquent owner or the Land Bank may request a deed in lieu of foreclosure transfer when eligible.
2. Upon notification, the Land Bank will document the request and may inspect the property in the same manner as if the property were being tax foreclosed upon.

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## B. Acquisition

1. The Land Bank will acquire a property through deed in lieu of foreclosure when a qualified end-user has requested the property or it otherwise fits within the Land Bank's acquisition priorities. An acquisition under this procedure for any other purpose must first be approved by the Land Bank Board.
2. When acquiring, the Land Bank will require the current owner to deliver a free and clear title to the property.
3. The Land Bank will require the current owner or a qualified end-user to pay all acquisition costs, including but not limited to the costs of title work and inspection.

## 4. Acquiring through Donation

The Land Bank may acquire properties from governmental entities like Fannie Mae and HUD, banks and financial institutions, and from donations by private parties. Such properties will be considered for acquisition when requested by a qualified end-user or when the property will be transferred with resources to facilitate blight elimination.

### A. General Considerations

1. All donated properties must be approved by the Land Bank Board prior to acquisition.
2. Properties with immediate maintenance requirements will not be accepted without a funding source secured for such maintenance,
3. The Land Bank will not accept donated properties with a balance due to Portage County for outstanding property taxes, unless approved by the Land Bank Board.
4. Brownfield properties with adverse environmental conditions will not be accepted without a funded plan for remediation deemed satisfactory by the Land Bank Board.
5. The Land Bank will not determine the value of the donated property for federal income tax purposes, but will provide a letter describing the property donated and the federal tax status of the Land Bank. The Land Bank will also provide appropriate federal tax acknowledgement of the donated property where necessary.

### B. Notice of private transfer request

1. A private owner may notify the Land Bank of that person's interest in donating property through the Land Bank's donation application

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2. Upon notification, the Land Bank will document the request and may inspect the property in the same manner as if the property were being tax foreclosed upon.

### C. Acquisition Priorities

1. The Land Bank will acquire a property through donation when a qualified end-user has requested the property or when funding will be provided by the current owner to eliminate blight.
2. When acquiring, the land Bank will require the current owner to deliver a free and clear title to the property.
3. The Land Bank will require the current owner or a qualified end-user to pay all acquisition costs, including but not limited to the costs of title work and inspection.

### **5. Acquiring through Purchase**

The Land Bank may acquire properties through purchase. The cost of the property, value of the property and intended end-use would all be taken into consideration and the merits of a purchase would be evaluated on a case-by-case basis. Property acquisition through purchase would require an analysis of case-by-case specifics and approval by the Board.

### **6. Acquisition through Purchase of Tax Liens**

The Land Bank may acquire properties through purchase of tax liens. The cost of the tax lien, value of the property and intended end-use would all be taken into consideration and the merits of the tax lien purchase would be evaluated on a case-by-case basis. Property acquisition through the purchase of tax liens would require an analysis of case-by-case specifics and approval by the Board.

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**Demolition Policy**

When a property is acquired for the purpose of demolition, all demolition work will be required to be done in accordance with each project's detailed demolition specifications and all local, state and federal law. Before, during and after demolition, the property/vacant land will be maintained per the adopted maintenance policy. After demolition the vacant land will be subject to disposition in accordance any of the adopted disposition policies.

**A. Inspections**

- All demolition will include an open hole inspection, utility abandonment inspection and a final inspection to ensure the demolition is completed properly per the local jurisdictions requirements and in compliance with the project-specific specifications. Inspections may be completed by the Land Bank, the local jurisdiction, or both. Before, during and after pictures will be taken. Inspections will be a requirement of the contract and payment.

**B. Permits**

- All demolition permitting is required through the local jurisdiction that the demolition is taking place in and is required as part of the contract and payment.

**C. Asbestos**

- All properties will require an asbestos survey and abatement (if needed) by a firm/individual that holds the applicable certifications through the State of Ohio. An asbestos survey is required for all demolitions to determine (1) if there is any asbestos and then (2) if the asbestos is subject to Ohio Department of Health and/or Ohio Environmental Protection Agency ("OEPA") regulations. Definitions of an asbestos hazard abatement project are found in Ohio Administrative Code Chapter 3701 - 34. Asbestos hazard abatement activities mean any activity involving the removal, renovation, enclosure, repair, or encapsulation of reasonably related friable asbestos-containing materials. Every demolition of a facility meeting the threshold amounts of regulated asbestos containing material requires notification to the appropriate OEPA district office or local air quality agency office.

**D. Selection and Payment of Contractors**

- Qualified contractors will be solicited and qualified contractor list will be created and maintained to use for project bidding. All contractors will be vetted and required to, at a minimum, have: adequate liability insurance, workers compensation, certifications for Drug Free Workplace and Equal Employment Opportunity and an understanding and knowledge of Ohio Ethics and Conflict of Interest Laws. Contractors will also be checked through the State and Federal debarment lists. A "Performance Policy" will be put into place when the contractor's list is developed that outlines procedures for barring poor performing contractors from the approved list. At a minimum, all demolition

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contracts will include the requirements as outlined in Section G of the Neighborhood Initiative Program Guidelines.

### E. Cost Certification

- All projects will be bid-out to at least three contractors. Projects in close proximity may be bid in bundles.

### F. Quality Control

- Overall quality control will be ensured through all phases of the demolition process by the adhering to the requirements of this policy and by developing and maintaining a qualified contractor list for: field services, asbestos assessments, asbestos abatement and demolition.

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**Maintenance Policy**

As a general policy, the Land Bank will work with qualified end-users, community-minded neighbors, and others to return a property to productive, private ownership as soon as possible. However, the Land Bank may acquire parcels that will require regular maintenance for extended periods of time while end-users are solicited. The Land Bank's resources are best used to identify an end-user who will take title to the property and return it to productive use. With this in mind, the Land Bank will attempt to achieve an appropriate balance between necessary maintenance and the efficient use of its resources.

**A. Maintenance Property**

- When the land bank acquires an improved or unimproved property that will be held for any period of time, demolished or rehabilitated, the parcel shall be considered a Maintenance Property.

**B. Maintenance Generally**

- The Land Bank will seek qualified vendors for all maintenance necessary on the property for the duration of the Land Bank's ownership.
- With a goal of using resources most efficiently, the Land Banks may enter into a partnership with a public entity or not-for-profit organization, or may solicit bids from private vendors in order to meet its maintenance needs. A request for proposals of this nature may include a block of properties or properties on an individual basis.

**C. Maintenance Standards**

- For all newly acquired improved properties the Land Bank will require the vendor to:
  - Remove all trash and debris
  - Change locks
  - Board up or otherwise secure the property
  - Terminate all utilities (when necessary)
  - Winterize (when necessary)
- For all newly acquired unimproved properties the Land Bank will require the vendor to:
  - Remove all trash and debris
  - Mow grass and/or weeds
- Ongoing maintenance will include:
  - Removing debris from porch, steps, yard and driveway
  - Re-securing the property if necessary
  - Mowing of lawn on a consistent basis

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**Neighborhood Initiative Program (NIP) Properties  
Disposition Policy**

The following guidelines are overarching considerations applicable to all disposition policies for Neighborhood Grant Program (NIP) properties to facilitate the potential for an early lien release without payment.

1. Residential Side Lot Programs
  - Properties must adhere to the guidelines of the NIP which align with the local guidelines of the Residential Side Lot Disposition Program.
  - Documentation of meeting the “residential side lot” standard for potential early lien release requires: a certification that the property was transferred in accordance with OHFA and Portage County Land Reutilization Program (PCLRC) Residential Sidelot Disposition Policy.
2. Public Use
  - Properties conveyed to a public entity must be used for a public use such as: parks, recreation areas, infrastructure projects and community gardens. Construction or operation of such use must begin within 1-year of transfer.
  - Documentation of the “public use” standard for potential early lien release requires: an approval of the public entity stating that the conveyance is necessary for the public use, and that the public facility will commence construction/operation within 1-year.
3. Business or Residential Development
  - Properties used for business or residential development must comply with the local zoning regulations and commence construction or operation within 1-year of transfer. This may involve adjacent owners for development of ancillary uses such as parking lots or accessory buildings, or it may be a non-adjacent owner who will develop the subject property.
  - Documentation of the “business or residential development” standard for potential early lien release requires: the purchase agreement, proof that the proposed owner is current on all real estate taxes and assessments and proof that the proposed owner was not the prior owner of real property in Portage

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County that was transferred as a result of tax foreclosure. If the property owner is also the adjacent owner documentation that their existing property is in compliance with local building, zoning and property maintenance codes is also needed.

#### 4. Non-Profit Organizations

- Properties conveyed to a non-profit corporation must be used for an associated community oriented non-profit use. This may be an adjacent non-profit property owner or a non-profit that will expand their community-oriented non-profit use to the subject property. Construction or operation of such use must begin within 1-year of transfer.
- Documentation of the “non-profit” standard for potential early lien release requires: proof of tax-exempt status, a detailed description of the entity’s community benefiting activities along with how the proposed use of the subject property will benefit the community and documentation that the use complies with the current zoning of the parcel. If the property owner is also the adjacent owner documentation that their existing property is in compliance with local building, zoning and property maintenance codes is also needed.

## Vacant Lot Disposition Policy

Unimproved property that the Land Bank owns or is acquiring is eligible to be purchased through the Vacant Lot Disposition Program, under the conditions listed below. The transfer of any given parcel of property in the Vacant Lot Disposition Program is subject to override by higher priorities as established by the Land Bank. Individuals interested in purchasing a vacant lot contiguous to their property may apply through the Side Lot Disposition Program.

A. Qualified Properties – parcels of property eligible for inclusion in the Vacant Lot Disposition Program shall meet the following minimum criteria:

1. The property shall be a vacant unimproved real property. The property shall be owned or being acquired by the Land Bank, either as an unimproved lot or with the intention of demolishing any structures that currently exist on the land.
2. Intended use for lot must be disclosed by the intended recipient. Use must comply with any applicable zoning and must be included in approved uses as specified by the city, village or township. Local jurisdiction will receive notice of each purchase request and intended use. If local jurisdiction does not respond within 30 days the request will be considered to be approved.
3. The transfer may include a deed restriction requiring the use of the property to be consistent with the stated use.

B. Qualified Owners (Transferees) – transferees who are interested in obtaining property through the Vacant Lot Program shall meet the following minimum criteria:

1. Individuals and entities that were the prior owners of property at the time of the tax foreclosure which transferred title to the Land Bank shall be ineligible to be the transferee of such property from the Land Bank.
2. The transferee must not own any real property within Portage County that:
  - a. Has any un-remediated citation or violation of Ohio statute or local ordinance, including zoning, building or property maintenance codes;
  - b. is delinquent on any taxes or assessments;
  - c. was transferred to a local government as a result of tax foreclosure proceedings within the past 10 years.

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3. The subject property must not have been used by the transferee or a family member of the transferee as his or her personal residence at any time preceding the submission of application (except in rental cases).

### C. Pricing

1. Properties sold as a vacant lot shall be priced per the following list inclusive of all recording fees. Title examination and insurance, if desired, is the responsibility of the transferee and is not included in the sale price.
  - a. Residential buildable lot
    - i. To non-profit agency for a use consistent with its mission: \$ 100.00
    - ii. To a local government for a public purpose: \$ 100.00
    - iii. To private individual or corporation \$ market value
  - b. Commercial buildable lot
    - i. To non-profit agency for a use consistent with its mission: \$ 100.00
    - ii. To a local government for a public purpose: \$ 100.00
    - iii. To a private individual or corporation: \$ market value
  - c. Residential unbuildable (See Side Lot program): \$ 100.00

### D. Transfer Procedure

1. The Land Bank will accept applications for Vacant Lots from property owners who wish to acquire a property.
2. The Land Bank will attempt to facilitate a transfer of the vacant parcel to an end-user based on the following priorities:
  - a. Local governments to further a public use.
  - b. Non-Profit Organizations for a use consistent with their mission.
  - c. Private individuals or Corporations.
    - i. If multiple entities are interested the property will be sold based upon highest offer.
  - d. Other
3. Having identified a vacant lot end user or users, the individual(s) so designated by the Board will be authorized to facilitate a transfer of the

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- property without further Board approval.
4. The Land Bank will prepare and provide a quit claim deed for the property and otherwise facilitate closing.

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**Residential Side Lot Disposition Policy**

Unimproved property that the Land Bank owns or is acquiring is eligible to be purchased through the Residential Side Lot Disposition Program, under the conditions listed below. The transfer of any given parcel of property in the Residential Side Lot Disposition Program is subject to override by higher priorities as established by the Land Bank.

A. Qualified Properties – parcels of property eligible for inclusion in the Residential Side Lot Program shall meet the following minimum criteria:

1. The property shall be a vacant unimproved, unbuildable parcel. A buildable vacant lot may be transferred to a contiguous owner through the vacant lot disposition program. The property shall be owned or being acquired by the Land Bank, either as an unimproved lot or with the intention of demolishing any structure(s) that currently exist on the land.
2. The property shall be physically contiguous to adjacent property with not less than a 50% common boundary line on one side.
3. Intended use for the lot must be disclosed by the intended recipient. Use must comply with any applicable zoning and must be included in approved uses as specified by the city, village or township. Municipality will receive notice of each purchase request and intended use. If municipality does not respond within 30 days the request will be considered to be approved.
4. The transfer may include a deed restriction requiring the use of the property to be consistent with the stated use.

B. Qualified Adjacent Owners (Transferees) – adjacent property owners (transferees) who are interested in obtaining property through the Side Lot Program shall meet the following minimum criteria:

1. Individuals and entities that were the prior owners of property at the time of the tax foreclosure which transferred title to the Land Bank shall be ineligible to be the transferee of such property from the Land Bank.
2. The transferee must not own any real property within Portage County that:
  - a. Has any un-remediated citation or violation of Ohio statute or local ordinance, including zoning, building or property maintenance codes;
  - b. is delinquent on any taxes or assessments;
  - c. was transferred to a local government as a result of tax foreclosure proceedings within the past 10 years.
3. The subject property must not have been used by the transferee or a family

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member of the transferee as his or her personal residence at any time preceding the submission of application (except in rental cases).

### C. Pricing

1. Properties sold as a side lot to an adjacent owner shall be priced at \$100.00 inclusive of all recording fees. Title examination and insurance, if desired, is the responsibility of the transferee and is not included in the sale price.

### D. Transfer Procedure

1. The Land Bank will accept applications for Side Lots from property owners who wish to acquire an adjoining property.
2. Utilizing existing property records, the Land Bank will work to identify potential side-lot users upon acquisition of side lot eligible property.
3. The Land Bank will attempt to facilitate a transfer of the parcel to a single side-lot owner whenever possible.
4. In the event that multiple adjacent property owners desire to acquire the same side lot, priority will be given as follows:
  - a. to a property owner who occupies the adjoining property as their primary residence.
  - b. if both adjoining properties are owner-occupied, then
    - i. to the property owner who needs the parcel for a driveway or any other local code compliance issue;
    - ii. to the owner that has maintained the property;
    - iii. to the owner having the greater contiguous border.
  - c. if not resolved by the criteria indicated above, the property will be divided and transferred among the interested contiguous property owners. To facilitate such a transaction, the adjacent owners may be required to pay the costs of a required survey of the land in order to split the parcel, in addition to the standard consideration.
  - d. if both parties do not agree to this resolution, the property will be sold to one of the interested parties based on the highest offer.
5. Having identified a side-lot end user or users, the individual(s) so designated by the Board will be authorized to facilitate a transfer of the property without further Board approval.
6. The Land Bank will prepare and provide a quit claim deed for the

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property and otherwise facilitate closing.

7. Maintenance of the property after transfer will be the sole responsibility of the transferee.