



Edward Leonard
Franklin County Treasurer

Land Banking in Franklin County
Funding, Acquisition, & Disposition

The Franklin County Land Reutilization Corporation is the
Central Ohio Community Improvement Corporation
Board Chairman: County Treasurer Ed Leonard
COCIC President: John Rosenberger (jrosenberger@columbus.rr.com)
373 S. High Street, 15th Fl., Columbus, OH 43215
(614) 525-4937



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Primary Objective: Preservation of Existing Property Values/Raising Tax Base

- Accomplished through Targeted Rehabilitations, New Construction, and Demolitions;
- Blight Elimination;
- Pursues Only Vacant Properties;
- Commercial, Industrial & Residential Properties;
- Flexible Size & Scope.



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Return on Land Bank Investment

- Properties within 500 feet of Vacant, Tax Delinquent Foreclosed Property Can Lose 7-8% of Value; Adjacent Properties Even More (16-22% of Value). Source: Cleveland Federal Reserve Study (Working Paper 11-23; September 2011).
- \$3.5M Spent on Demolition Can Result in \$112M Increase in Property Values and Positively Impact 26,000+ Home Values. Source: MSU Study of Genesee Co. Land Bank Demolitions in Flint, MI.



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Funding Structure

- Partial diversion of Penalty & Interest only collected from delinquent taxpayers (DTAC);
- 5% DTAC Authorized (for use only by the Land Bank Corporation);
- Generated ~\$4M (based on 2012 collections);
- 100% of delinquent tax dollars collected still go to taxing districts.

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Structure of County Land Bank

- Governing Provisions:
 - ORC Chapter 5722 Land Reutilization Programs.
 - ORC Chapter 1724 Community Improvement Corps.
- Amended & Expanded by SB 353;
- Basic Corporate Powers:
 - Borrow and Lend Money;
 - Buy, Sell, Hold and Mortgage Property;
 - Employ Staff.

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Creation of County Land Bank

- Commissioners Authorize Treasurer to Incorporate (RC 1724.01);
- Board Membership;
- Transformation of Franklin County's Existing CIC into new Land Reutilization Corp;
- Funding (RC 321.263);
- Non-Profit Status.

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Unique Capabilities of County Land Bank

- Eliminate Sheriff Sales on Vacant Distressed Tax Delinquent Properties;
- Clear Liens & Delinquent Taxes;
- Hold Properties Tax Exempt;
- Accept Tax Deductible Donation of Property;
- Prepare Sites for Commercial & Residential Redevelopment or Renovation;
- Disposition Can Be Below Fair-Market Value;

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Unique Capabilities (continued):

- Engage in Code Enforcement by Agreement with a Township or Municipality;
- Receive Assignment of a Mortgage;
- Purchase Tax-Lien Certificates;
- Immune from Civil Liability (ORC 5722.22):
 - Petroleum Sites - ORC Sec 3737.87 thru 3737.89;
 - Air & Water Pollution Controls Chapters 3704 & 6111;
 - Solid & Hazardous Waste – Chapter 3734.

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Land Bank Coordination with
Cities & Townships

- Cooperative by Nature & Design;
- Memorandum of Understanding;
- Right of First Refusal (RC 5722.03);
- Must Abide by Community Standards;
- Act in Concert with Existing Development Plans;
- Expectation that Many Projects will be at Request of the Local Political Subdivision.

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Acquisition by Foreclosure

- Standard Tax Foreclosure Process;
- Expedited Tax Foreclosure Method for Unoccupied Property (Common Pleas Court or Board of Revision):
 - Only applies to “nonproductive land” [RC 5722.01(F)];
 - Treasurer invokes Alternative Redemption Period (currently 45-days) [RC 323.78 & 323.65(K)];
 - Direct transfer after Judgment without Sheriff Sale.

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Alternate Acquisition Methods

- REO Portfolios;
- Property Donations;
- Auditor Forfeiture Lists (RC 5722.04);
- Deeds in Lieu of Foreclosure directly to Land Bank (RC 5722.10);
- Flexible Redevelopment Arrangements.

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Environmental Court Process: Nuisance Abatement **without** Acquisition

- Only for Vacant, Nuisance Properties that are Candidates for Demolition;
- Clearly Identifying and Expediting Cases Involving Target Properties;
- Results in Elimination of Nuisance Only;
- Can be Followed by Tax Foreclosure or Other Action to Secure Transfer of Ownership;
- Similar Township Authority under ORC 505.86.

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Demolition Grant Programs

- \$75M OAG Moving Ohio Forward Grant for demolition of vacant residential properties:
 - \$8.2M for Franklin County (\$500,000 no match);
 - 50% Reimbursement Basis;
 - Up to \$2M Prosecutor Commitment for Special Counsel to Handle Expedited Foreclosures.
- \$60M Demolition Money from Hardest Hit Fund
 - Land Banks will be Required to Own the Property;
 - Awaiting Details of Application and Award Process.

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3232 Noe-Bixby Road

- Distressed Apartment Buildings in Environmental Court (2008 Case);
- Current on its Real Estate Taxes;
- Franklin County Prosecutor's Role;
- Direct Transfer to COCIC;
- Demolition of Structure in 2013;
- Dilemma of LLC Situation.

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Ann Street - Ronald McDonald House

- Abandoned home originally built in 1915;
- Transferred to BNY Mellon;
- Ronald McDonald House Expansion Plans;
- Untied the Ownership Knot;
- Transferred Back to Original Owners;
- Coordinated Transfer to Land Bank;
- Demolition of Structure & Transfer to RMHC.

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Ann Street/RMHC Demo Project:



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Disposition of Land Bank Properties

- Solicitation of Political Jurisdictions for Prospects;
- Identify Areas of Opportunities:
 - Scattered Site Demolitions & Rehabs;
 - Aggregation Opportunities.
- Rehabilitation vs. Demolition Decision;
- Maximum Flexibility for End Use/User;
- Facilitate Work of Non-Profit Housing Groups.

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Developing Programs

- Blight Removal
- Trusted Partners
- Emerging Partners
- Responsible Landlord
- Provisions for Opportunity Driven Activities
