



## Community Update

To: Members of the Housing Policy Committee & Interested Citizens

From: David Mann, Executive Director, Lucas County Land Bank

Date: November, 2011

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We are excited to present this community update to you regarding our progress as Ohio's second active land bank. Although the Lucas County Land Bank was incorporated last August, we've really just hit our first year of active operations this month, and it's been just over six months since we have had significant funding. In that time, under the leadership of our Board and with ongoing input from our community stakeholders, we have made steady progress.

This update is designed to share information with you in four key areas of Land Bank operations: 1) our property programs, 2) our community outreach, 3) our staffing, and 4) our budget. Though we've certainly made some mistakes along the way, we are proud of the groundwork that we've laid for an even stronger Land Bank operation as we enter 2012.

**Put simply, our mission is to preserve value and strengthen neighborhoods.** We greatly appreciate the advice and input you have provided over the last year, and we welcome your comments and suggestions as we continue to build this operation together.

### Our Property Programs

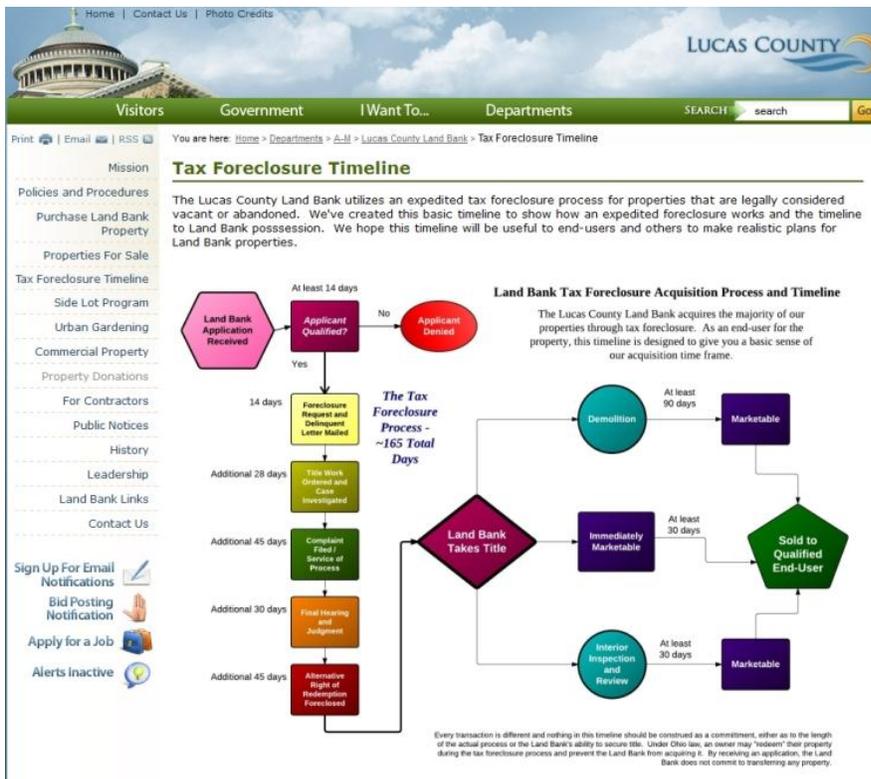
First and foremost, the Land Bank's tools are designed to get control of abandoned, tax delinquent property so that the community can identify new, productive uses. To make that happen, we've implemented a new expedited tax foreclosure process through the Board of Revision, shaving years off the previous process and skipping the Sheriff's sale process entirely.

#### Streamlining Processes

But with any new process comes challenges. With the advice, support and guidance of the County Treasurer, County Prosecutor, Clerk of Courts, Sheriff, and Auditor, we've made significant advances in the tax foreclosure pipeline, partnering to make strategic decisions about the best use of those resources.

Every prospective end user must first be qualified by the Land Bank. Before they are qualified, the Land Bank ensures that the prospective end user has an adequate plan and the financial capacity to rehab the property. The Land Bank then seeks to negotiate a purchase agreement with whichever plan will yield the best result for neighborhood. Our first priority with residential rehabs is always owner occupancy. When qualifying a prospective owner occupant is not possible, the Land Bank seeks to work with

We've worked hard to make this process as transparent as possible for potential end-users and community stakeholders, posting a detailed flowchart of the Tax Foreclosure Process on our website so we set firm but realistic expectations up front.



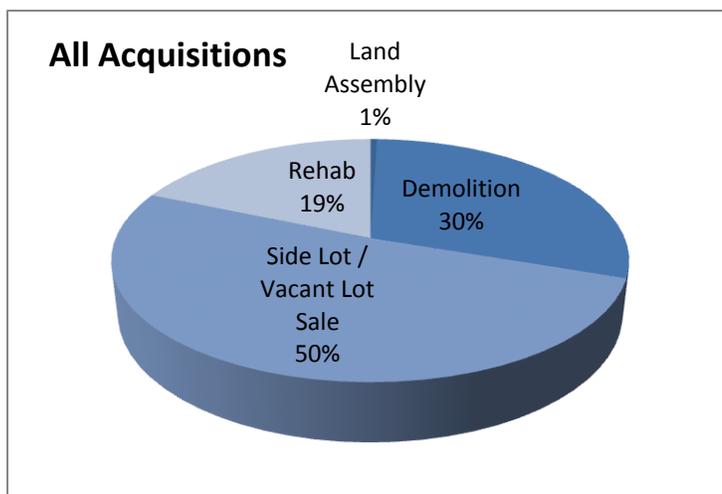
It has been widely reported that we will provide \$500,000 to the City of Toledo to demolish an additional 100 structures this year. But, we're also working with the City of Toledo to help streamline their demolition processes – both as a partner and as a customer ourselves. The longer a blighted property festers on a block, the further the collective property values fall. We'll also be hiring private contractors to do

demolitions overseen by the Land Bank internally. Recognizing that funding is always a challenge, we hope to make some differences in this area.

## Property Acquisitions

As we said in early January, we expect to be on the path to acquiring roughly 200 – 250 properties by the end of this year. To make the best use of our resources, we've targeted these acquisitions toward properties that have an identified end-user or a long-term plan for reuse.

To date, we've acquired and sold 16 parcels, with another 30 parcels currently owned by the Land Bank and 201 more heading our way very quickly. The chart below gives a



general disposition breakdown for all 247 properties we're scheduled to acquire to date.

And we've had some great success stories. We were able to sell a delinquent vacant lot to a new homeowner in South Toledo – a lot that she originally believed was part of her property. We worked with a daughter/father team to full rehab a commercial building on Detroit Ave., ridding the neighborhood of a terrible nuisance and spurring new business investment. We partnered with a family who was living next door to an abandoned residential home. With a plan to make it livable once again, they got a very good deal. We've partnered with all of our active CDCs in the acquisition and sale of property, with lots of additional activity planned.

As we move into 2012, our Board will continue to evaluate how we can make the best possible investments with our acquisition tools, working with individual end-users and broadening our scope to fit within larger neighborhood plans. We will also start exploring long-term acquisition agreements with mortgage servicers, Fannie Mae, HUD, and others within the REO umbrella.

## Our Community Outreach

During the past year, we've made community input our number one priority. Earlier this year, Wade Kapszukiewicz, Mike Beazley, and I met with over 60 community organizations, government offices, and neighborhood block watch groups to get the word out about the Land Bank's tools. We've continued to meet one-on-one with private contractors, individual investors, neighborhood organizations and neighbors themselves to refine our programs and provide better service.

Here's just a few examples of the impact we've had:

- We partnered with the UpTown Association to get control of 15 severely blighted, brownfield parcels at the corner of Madison Ave and 18<sup>th</sup> Street. Through a grant application to the Ohio EPA, the City of Toledo and UpTown are now actively working to remove the blighted structures and transform that site into a new Signature Park for the neighborhood. On an extremely tight timeline, we were able to use our tools and staff resources to make a difference.
- We've had outreach efforts in every corner of Lucas County. Through a partnership with the Jerusalem Township Trustees, we're actively working to acquire a series of blighted properties for redevelopment. In the western part of the County, we've built active relationships around properties in Springfield Township, Sylvania Township and the Village of Whitehouse, showing that our tools can assist in every area of our community.
- We're also assisting both of Toledo's Historic Commissions – the Old West End and Vistula – to identify steps that the Land Bank can take to preserve some of our community's most precious historic homes, keeping them safe from weather and strippers alike while we work to identify long-term end-uses.
- Finally, we're active with half a dozen neighborhood Block Watch and advocacy groups – like Central City Citizens – who are fighting to preserve value in their neighborhoods by removing blighted homes and cleaning up vacant lots.



Community partnerships are what make the Land Bank work. Even when our tools aren't needed, we are still willing and ready to be a partner at the table to make a difference for our neighborhoods.

## Our Staffing

As you know, the Land Bank's Board made the decision early on to invest our resources into our neighborhoods and not into a new bureaucracy. However, as anyone who has closed on a property knows, the amount of paperwork and process management necessary to make our tools work was quickly becoming overwhelming for one full-time employee, especially without in-house counsel.

As a result, after a public search process, the Land Bank has hired Joshua Murnen as our new Program Manager. Josh, who was previously an attorney with ABLE, comes to us after working for the past two years on a fellowship designed to support the creation of land banks in Ohio. Josh has been intimately involved in our processes from day one, and his combination of strong legal skills and a thoughtful commitment to the future of our neighborhoods made him a great choice.

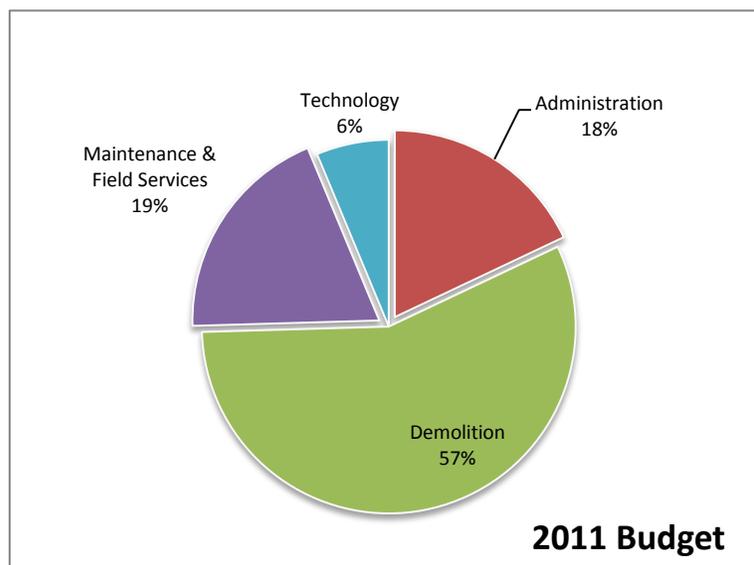
Josh coordinates all of the Land Bank’s legal transactions and is actively working to coordinate the inspection, marketing, and disposition of properties that we acquire. Through regular input and support, Mike Beazley is steering our major policy decisions and engagement with community stakeholders and our Board of Directors. We also continue to work with the staff in the County Treasurer and Prosecutor’s office, including Karen Poore, Ruth Seth, and Suzanne Mandros, to coordinate our acquisitions. Though we all have distinct roles in our organizational workflow, we have a “no wrong door” policy for any inquires. Each of us is able and ready to assist you with any potential plan, large or small.

## Our Budget

Finally, our budget is the place to translate our neighborhood priorities into positive activity. In 2011, we’ve made the conscious decision to move slowly on many of our programs. We recognized that a bad system produces bad results and it was critical for us to define and then refine our operations before scaling up.

Our dedicated revenue source is simple. Through an increase in the penalties and interest that delinquent taxpayers are now charged, the Land Bank received just over \$1.6 million in dedicated revenue during 2011. We expect to receive that same amount of investment in 2012 and beyond, with an additional increase in property sales income from the disposition of our holdings.

Even starting essentially from scratch, we’re still on track to make significant investments in the community this year. As the adjacent chart outlines, almost 80% of our overall 2011 Budget is dedicated to direct programming, including demolition, maintenance, and transfer of abandoned property. We’ve set aside roughly \$50,000 during 2011



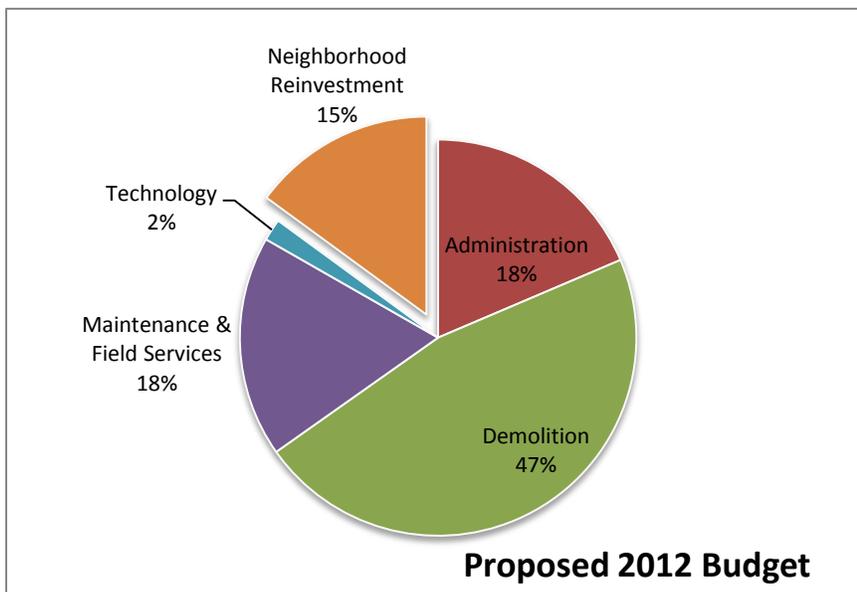
to make a strong investment in the software tools we'll need to be effective. Through a partnership with the County's GIS department, we'll be able to provide maps that give new context to neighborhood challenges and opportunities. Through investments on our management side, we'll be able to market properties, showcase our daily work, and streamline some complicated processes even further.

While we won't be able to spend our entire allocated budget this year, we intend to make full use of those resources in 2012, delivering on the processes we've been able to build this year.

Our 2012 and 2013 budgets are a change for our Board to set long-range priorities for the Land Bank. With a year of history now under our belt, we can make better predictions about the cost of services, the effectiveness of our efforts, and the places to maximize resources.

One place where we think we can provide some additional help is in the area of neighborhood reinvestment. We're committed to setting aside significant dollars toward neighborhood reinvestment in 2012 and going forward. Though the Board has yet to make any final decisions, we'll propose a competitive \$150,000 neighborhood reinvestment fund, allowing organizations to apply for dollars to support work that directly relates to our core mission.

We'll also propose setting aside \$100,000 as gap financing for individual rehab projects. While we believe that we're better off partnering on rehab instead of doing it ourselves, we're ready to make a real investment in partners who will undertake that mission.



With this plan, we can target dollars into strong neighborhood programs while providing funding for 130 demolitions, maintenance on hundreds of potential properties throughout our community, and the day-to-day assistance to transfer properties into the hands of productive end-users.

Our Board is just beginning the process of exploring our budget for 2012 and beyond. We welcome your input as we set priorities for the future and think long-term about the best plans for neighborhood stability.

## **Conclusion**

Thanks to the leadership of so many of our elected leaders and community stakeholders, including County Treasurer Wade Kapszukiewicz, our Land Bank has made steady progress. We only succeed with your continued advice and input – especially when you believe we’re not on the right track. Thank you for your dedication to this effort. We look forward to making an even deeper difference for our neighborhoods, our property values, and our community in 2012.