

# Lake County takes first steps toward creating land bank

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*Worrell* Properties in county land banks can be redeveloped for profitable use or converted into greenspace.

The Lake County Commissioners unanimously passed a resolution Thursday that represents a first step toward creating a county land bank.

The land bank would acquire vacant and abandoned properties for redevelopment and return to productive use.

Robin Thomas, land bank program director with the **Thriving Communities Institute**, explains the steps necessary to create a land bank now that the commissioners have passed the initial resolution.

Thomas says the county treasurer will file "papers of incorporation" with the secretary of state. In about 7-10 days the secretary of state should create a "land reutilization corporation" or land bank. Next, a board of directors will be established. The board will consist of two county commissioners, the treasurer, a representative of the largest city (Mentor) and a township representative, along with up to four others to be chosen by the commissioners and the treasurer.

According to Thomas, the step after board creation involves a "memo of understanding" between the land bank and various political subdivisions. "The plans are not all there yet," reveals Thomas, "it's still to be determined at this point how to fund the land bank and distribute resources." Thomas notes that various Lake County communities could ask for different provisions before committing to the idea.

Nevertheless, Commissioner Ray Sines believes the board will be in place "in about a month" and he does not expect area communities to slow the overall process. "They all buy into this," announces Sines, "no one wants to be left out and our communities work well together."

Thomas remarks that land banks are "quasi-governmental" entities that can move "more quickly to re-purpose vacant and abandoned properties" than city governments, which typically must work through legal and governmental channels. Thomas describes land banks as "entrepreneurial organizations" that combine positive features of government entities and private businesses.

Land banks can accumulate vacant and abandon properties and hold the parcels, "tax free," until a productive use can be found, observes Thomas.

Thriving Communities Institute, Thomas's group, strives for "orderly and intelligent re-use of vacant land." TCI is a branch of the **Western Reserve Land Conservancy**, which dubs itself, "the leading land conservation organization in northern Ohio."

TCI is headed up by Jim Rokakis, ex-Cuyahoga County Treasurer. In 2008, with **Cuyahoga County again leading the state in foreclosures** and **Ohio near the top nationally** in the same category, Rokakis worked to charter the Cuyahoga County Land Bank and was its first chair, according to the **TCI website**.

**TCI plans to act as a "regional training center"** for land banks, though they will first focus on a handful of northern Ohio counties in which they hope to develop policies and procedures. TCI will also promote alternatives to foreclosure and abandonment by working with banks and lenders.

Thomas divulges that Lake County "is not like Cleveland where almost every block experienced abandonment." In Lake County the crisis is more spotty, says Thomas, though it is still detectable.

Eastlake's problems are illustrative of property abandonment issues in Lake County. **Congressman Steve LaTourette's website** reveals that 17 homes have been demolished in Eastlake over the past two years and the city has spent \$110,000 to maintain vacant properties in the same span of time. Currently, 280 of Eastlake's 7,000 residential units are vacant.

Sines points out that "all communities face some fallout from the foreclosure mess ... in many situations a land bank can more efficiently clean up neighborhood problems." He adds, "these are houses that can in no way be used for any proper purpose anymore."

**LaTourette's website reiterates the point** Sines makes. "These are not homes where you can slap on some paint, replace windows and restore them to their former glory," reads a LaTourette quote, "these vacant monstrosities are stripped bare, are magnets for crime and are causing surrounding property values to plummet."

Ideally, vacant properties will be returned to revenue-producing status, whether for commercial, industrial or residential purposes. However, even vacant lots that are used for yard expansion, notes Sines, relieve communities of the burden of caring for such parcels.

Funding for property acquisition and demolition projects will come from several sources. Sines references county Delinquent Tax and Assessment Collection funds as a probable source of revenue for the land bank. "**DTAC**", funds derive from the payment of property taxes that are in arrears.

Thomas notes that **Attorney General Mike DeWine has committed \$75 million of his office's \$93 million share of "bank settlement" monies** to clearing blighted properties. The banks paid 49 states \$25 billion as part of a settlement involving the foreclosure crisis. Thomas reflects that Ohio's use of bank settlement funds for demolition projects ensures that "the banks help to solve the problems they created."

LaTourette and Congresswoman Marcia Fudge recently unveiled another possible source of land bank demolition funding. The "**Restore Our Neighborhoods Act of 2012**" would provide \$4 billion to states and land banks who would use the funds to issue 30-year demolition bonds for blight removal. The bill also contains a provision that raises the portion of federal Neighborhood Stabilization Program monies that may be used for demolition. Currently, only 10 percent of such funds may be used for demolition, but under the new provision an unlimited amount could be committed to blight removal.