

Getting to know the Land Bank

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Part one of a two-part series

PAINESVILLE – The Lake County Land Reutilization Corporation, better known as the Lake County Land Bank, was established by a resolution passed by the Lake County Board of Commissioners in April 2012. It effectively began operation in May of 2013.

However, there still seem to be misconceptions about its purpose and how it operates.

“This entity is a nonprofit community improvement corporation and it’s formed to advance, encourage and promote the industrial, economic, commercial and civic development of a community or area,” Commissioner Dan Troy said when the resolution was passed.

“We’re not a county agency,” said John M. Rogers, executive director of the Land Bank. “We are designated as a 501(C)3 charitable organization and incorporated as a not-for-profit in Ohio and committed to a public purpose.”

It is a quasi-governmental agency, however, since the Board includes two Lake County commissioners, the Lake County Treasurer, a member from Mentor which is the county’s largest city, and a representative from the townships. The Board was permitted to add up to four more members, which the Lake County Land Bank Board opted to do.

The purposes for the Land Bank are: to promote economic and housing development within the county; to facilitate reclamation, rehabilitation and reutilization of vacant, abandoned, tax foreclosed or other real property; to efficiently hold and manage that real property pending its reclamation, rehabilitation and reutilization; and to assist entities and other nonprofit or for-profit entities in the acquisition of real property and the clearing of title in a coordinated matter.

Besides acquiring properties due to foreclosures following legal proceedings, the Land Bank has also had banks donate five properties to it, along with cash donations. The condition of the homes on the properties were such that they all needed to be demolished. Unfortunately, the cash donations, which averaged about \$7,500, were not nearly enough to cover the demolition costs, which average about \$18,000.

“But we use that money to leverage, in order to get grants,” Rogers said.

He explained that many properties remained vacant because the structures were in need of so much repair, had liens and delinquent taxes owed, so it was not economically feasible for any individuals to purchase the properties, spend the money on demolition, and then build new structures or homes.

“There’s a study here that says line of sight from an abandoned house reduces property values by 10 percent,” Rogers said.

Eliminating the blighted structures may not increase property values, but they would not make them decline, he added.

This past housing crisis was the worst in U.S. history, Rogers said. In 1995 there were about 300 foreclosures annually in Lake County. That figure peaked at about 1,800 about 2010 or 2011. In 2014, the number was close to 1,000, which was about one of every 89 housing units.

The procedure, he explained, was that the Lake County Prosecutor’s Office would notify the Land Bank when properties were being foreclosed. If the Land Bank was not interested, the property would go to Sheriff’s Sale.

If it was not purchased after being offered at two Sheriff’s Sales, the court would send notices to the Land Bank, the community where the property is located and to the local school district (which generally is not interested).

If the community wants the property, the Land Bank does not get involved.

If the community and schools are not interested, the property goes to the Lake County Auditor’s Office. The properties are then forfeited to the state of Ohio and the liens extinguished.

At that point, the Land Bank can say it wants it.

“If you don’t have clear title to land, it’s very difficult to dispose of,” Rogers said.

He noted, besides decreasing property values, abandoned properties often cannot be sold and can attract criminal activities and/or arsonists.

By acquiring the properties and demolishing the structures which are not worth rehabilitating, the Land Bank helps to stabilize property values and the tax base; provides a lot ready for purchase to build another structure which will generate property taxes; and increases the safety of the area.

The study completed in Flint, Mich. determined that by investing \$3.5 million in demolition costs, it preserved \$109 million in property values.