



*“Richland County Land Bank”* is the Registered Trade Name for the **Richland County Land Reutilization Corporation**.

## REHAB POLICIES AND PROCEDURES

**PURPOSE:** Richland County Land Reutilization Corporation’s (Land Bank) purposes are provided in R.C. 1724.01(B) which include facilitating the reclamation, rehabilitation and reutilization of residential vacant, abandoned, and/or tax-foreclosed real property within the county for whose benefit the Land Bank has been organized.

### SECTION I

#### *Definitions*

**Owner Occupant** - Any prospective purchaser who owns the property he occupies as his primary residence for the main portion of each calendar year.

**Non-Profit** - Means an organization formed, under Ohio Revised Code 1702 and registered with Ohio Secretary of State, not for monetary gain or profit and whose net earnings are not distributed to its members or officers or other private persons except for compensation reasonable for services rendered. Such organizations may be required to have (or in the process of filing for) IRS 501(c) tax status.

**Property Investor**- A real estate property that has been purchased with the intention of earning a return on the investment, either through rent (income), the future resale of the property, or both.

#### Land Transfer Policies

- ❖ Transferee must not own any property that has any un-remediated citation of violation of local codes and ordinances. If code or ordinance violations exist at the time of the transfer, the transfer agreements shall specify a maximum period of time for elimination or correction of such violations.
- ❖ The transferee must not own any real property that is tax delinquent in Richland County, unless on payment plan and the transfer is approved by Richland County Treasurer’s office.
- ❖ Transferee must not have had a tax foreclosure within the past 10 years.
- ❖ 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 during the twelve (12) months preceding the submission of application (except in rental cases or tax foreclosure cases that have been granted an exception by the Board).
- ❖ Transferee or family member of transferee must not have been the prior owner of any property that was transferred to Land Bank as a result of tax foreclosure proceedings unless Land Bank approves the anticipated disposition prior to the effective date of completion of such proceedings. An exception may be granted by the Board.
- ❖ A precise narrative description of future use of the property is required.
- ❖ Transactions structured in a manner that permits RCLCR to enforce recorded covenants or conditions upon title pertaining to development and use of the property for a specified period of time. Such restrictions may be enforced through reliance on subordinate financing held by the Land Bank.
- ❖ The transferee must agree to pay future property taxes from time of transfer.

**DISCLAIMER:** Land Bank representatives cannot give legal or tax advice, Land Bank urges all prospective buyers to seek legal and tax advice from a professional prior to purchase. **ALL SALES ARE FINAL.** Property transfers can take up to 8 weeks. Buyer will be responsible follow all municipal codes that apply to location of property.

### **Recitals**

All purchase agreements are made and entered into on the basis of the following facts and understandings of the parties hereto:

1. Land Bank acquired the Property(s) through the foreclosure process.
2. Land Bank did not originally construct any of the improvements forming part of any Property. Land Bank has not occupied any Property for its own use.
3. Due to Land Bank's lack of familiarity with the Properties, Land Bank is unwilling to make any representations or warranties whatsoever regarding the Properties and Land Bank is only willing to grant purchaser the Properties on an "as is, where is" and "with all faults" basis.
4. **Land Bank MAKES AND WILL MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, WITH RESPECT TO ANY PROPERTY OR ANY MATTER RELATED THERETO.**
5. Purchaser will be given a full and complete opportunity to conduct its own investigation as to any matter, fact or issue that might influence Purchaser's decision to accept the Property from Land Bank. Accordingly, Purchaser shall accept the Property from Land Bank without any representations or warranties whatsoever regarding the Property and on an "as is, where is" and "with all faults" basis.
6. **PURCHASER IS REQUIRED TO SIGN AN ACKNOWLEDGEMENT THAT PURCHASER IS ACCEPTING THE PROPERTY SOLELY IN RELIANCE ON PURCHASER'S OWN INVESTIGATION, AND THE PROPERTY IS IN "AS IS, WHERE IS" CONDITION WITH ALL FAULTS AND DEFECTS, LATENT OR OTHERWISE.**

### **Disclaimer**

1. All applications will be considered by the Land Bank Board on a case by case basis. All purchase agreements will be approved by the Land Bank Board of Directors.
2. Property transfers can take up to 18 months.
3. Land Bank staff will review and confirm that all transfer request are in compliance with Land Bank Policies and Procedures, as well as existing Land Bank and neighborhood plans. Land Bank reserves the right to modify or reject any proposal. Land Bank is NOT committed to take ownership of or sell any property until a written agreement has been entered into. All properties are sold as is at time of transfer.

***In some cases, the Land Bank decides to act as the developer itself and completes the renovation in-house. In such instances, the Land Bank develops a rehab plan, selects qualified contractors (including working with qualified non-profits) and then oversees the rehabilitation through to completion. Properties may be sold on the open market and/or to identified owner occupant.***

## SECTION II

### *Non-Profit Development and Rehabilitation Guidelines*

Eligible Non-Profits must be pre-qualified by the Board of Directors prior to applying for any property.

Land Bank and Qualified Non-Profit(s) each agree as follows:

- Proof of Tax Exempt Status
- Detailed description of the entity's community benefiting activities
- Provide proof of insurance
- Provide copy of workers comp

#### **1. Structure free (Vacant Lots) Land Bank eligible properties**

- a. Land Bank agrees to offer structure free properties to Qualified Non-Profit(s) for the consideration of the \$149.00 recording fee
- b. Qualified Non-Profit agrees to develop property for Owner Occupant or other Board approved Non-Profit uses
- c. Qualified Non-Profit(s) is to submit
  - i. Completed application
  - ii. Written plan for usage
  - iii. Funding Source(s)
  - iv. Project timeline
- d. Qualified Non-Profit(s) agree to develop property as per written request
- e. Qualified Non-Profits is responsible for all applicable permits
- f. If applicable; Qualified Non-Profit(s) to assist end users to pre-qualify as well as:
  - i. Provide owner occupant with financial counseling
  - ii. Provide and/or assist owner occupant to obtain construction financing
  - iii. Require owner occupant to build sweat equity in property

#### **2. Rehabilitation of Land Bank eligible properties with structures to be rehabbed for Owner Occupancy**

- a. Land Bank agrees to offer properties with structure(s) that do not have demolition orders to Qualified Non-Profit(s) for the consideration of the \$89.00 recording fee
- b. Land Bank will give interested Non-Profit a full and complete opportunity to conduct its own investigation of property
- c. Land Bank will provide a written property inspection by an independent contractor. Plans and cost estimates must address issues contained within property inspection.
- d. Qualified Non-Profit agrees to develop property for Owner Occupant's Primary Residence
- e. Land Bank may consider rehab expenditures on a house by house basis depending on the availability of funds for Qualified Property(s). **Land Bank will contract with qualified contractor to make Board approved necessary repairs prior to transfer of property to Non-Profit. All monies will be paid directly to contractor making the repairs.**
  - i. The Board will determine funds available per rehab on a case by case basis.
  - ii. Possible Land Bank qualifying rehab expenditures:
    1. Mold abatement
    2. Lead paint abatement
    3. Asbestos abatement
    4. Furnace including all associated heating expenses
    5. Water heater/pump and plumbing

6. Windows
  7. Electrical
  8. Insulation
  9. Bathroom and kitchen fixtures
  10. Roofing
  11. Siding
  12. Pay fees associated with using Ohio Department of Rehabilitation and Correction labor
  13. Other expenditures considered on a case by case basis
- f. Qualified Non-Profit(s) agrees to develop property as per written request
  - g. Qualified Non-Profit(s) is to submit
    - i. Completed application
    - ii. Written plan for usage
    - iii. Written plan for rehab including
      1. Plans
      2. Specs
      3. Cost Estimate
    - iv. Funding Source(s)
    - v. Project timeline
  - h. Qualified Non-Profit(s) agree to rehab all Land Bank properties to code
  - i. Qualified Non-Profit(s) is responsible for all applicable permits
  - j. If applicable; Qualified Non-Profit(s) to assist end users to pre-qualify as well as:
    - i. Provide owner occupant with financial counseling
    - ii. Provide and/or assist owner occupant to obtain construction financing if needed
    - iii. Require owner occupant to build sweat equity in property
  - k. Land Bank will offer eligible properties to Qualified Non-Profit(s) on a fair and impartial basis and on the first come first served basis. Rehab monies are limited each year and are determined on a house by house basis.
  - l. Qualified Non-Profit agrees to resell property to owner occupant for (1) not more than 100% of appraised value; or (2) as required by federal funding source. Owner occupant must sign and certify that they will occupy the property as their primary residence for a minimum of 5 years.

**3. Rehabilitation of Land Bank eligible properties with structures to be rehabbed for Other Non-Profit Purposes**

- a. Land Bank agrees to offer properties with structure(s) that do not have demolition orders to Qualified Non-Profit(s) for the consideration of the \$149.00 recording fee
- b. Land Bank will give interested Non-Profit a full and complete opportunity to conduct its own investigation of property
- c. Land Bank will provide a written property inspection by an independent contractor. Plans and cost estimates must address issues contained within property inspection.
- d. Qualified Non-Profit(s) agrees to develop property as per written request
- e. Qualified Non-Profit(s) is to submit
  - i. Completed application
  - ii. Written plan for usage
  - iii. Written plan for rehab including
    1. Plans
    2. Specs
    3. Cost Estimate
  - iv. Funding Source(s)

- v. Project timeline
- f. Qualified Non-Profit(s) agree to rehab all Land Bank properties to code
- g. Qualified Non-Profits is responsible for all applicable permits
- h. Qualified Non-Profit use property for non-profit purposes for a minimum of 5 years.

### **SECTION III**

#### ***Owner Occupant Rehabilitation Guidelines***

**1. Rehabilitation of Land Bank eligible properties with structures to be rehabilitated by Owner Occupant's Primary Residence.**

- a. Land Bank may offer properties with structure(s) that do not have demolition orders to Qualified Owner Occupant for the consideration of \$1,000.00 plus \$89.00 recording fee. All properties will be **Sold As IS.** All sales stipulate "buyer beware". All sales are without warranty or guarantee.
- b. Land Bank will provide Perspective Owner Occupant and contractors' access to interior and exterior of property for inspection and estimate purposes after applicant has shown proof of credit worthiness.
- c. Land Bank will provide a written property inspection by an independent contractor. Plans and cost estimates must address issues contained within property inspection.
- d. Perspective Owner Occupant must provide to Land Bank the following to qualify:
  - i. Completed Application for Rehab Property
  - ii. Completed application
  - iii. Written plan for rehab including
    - 1. Plans
    - 2. Specs
    - 3. Cost Estimate
  - iv. Project timeline
  - v. Proof of rehabilitation financing
  - vi. Contractor information
  - vii. Proof of Insurability upon rehab completion
  - viii. Proof of sustainability income

All perspective applications must be complete and include all of the information requested before being considered by the Board of Directors. If two or more Owner Occupant applicants are interested in a property, all perspective purchasers will be notified by mail at which time they will be asked to submit their best and highest bid within 10 days from the date of mailing. Property will go to highest bidder. All bid amounts will be confidential until after the 10 days has expired.

Owner occupant must sign and certify that they will occupy the property as their primary residence for a minimum of 5 years.

### **SECTION IV**

#### ***Historical Property Investor Rehabilitation Guidelines***

**1. Rehabilitation of Land Bank eligible properties with Historical structures to be rehabbed.**

- a. Land Bank may offer properties with structure(s) that to Qualified Historical Property Investors for the consideration of \$1,000.00 plus \$89.00 recording fee. All properties will be **Sold As IS.** All sales stipulate "buyer beware". All sales are without warranty or guarantee.
  - i. To qualify as an Land Bank Historical Property Investor, potential Investor must submit:

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Revisions Approved 9/9/2015  
Revised 3/16/2016

1. Listing of previously restored Historical properties by Investor (minimum of 2 properties) for Land Bank review.
2. Letter of recommendation from either the Richland County Historical Society and/or Historical Preservation Commission
3. Pre-Approved contractor must be registered with the City of Mansfield
- b. Land Bank will give interested Investor a full and complete opportunity to conduct its own investigation of property
- c. Qualified Investor agrees to develop property in a manner consistent with Richland County Historical Society and/or Historical Preservation Commission missions.
- d. Qualified Historical Investor agrees to develop property as per written request
- e. Qualified Non-Profit(s) is to submit
  - i. Completed application
  - ii. Written plan for usage
  - iii. Written plan for rehab including
    1. Plans
    2. Specs
    3. Cost Estimate
  - iv. Funding Source(s)
  - v. Project timeline
- f. Qualified Investor agree to rehab all Land Bank properties to code
- g. Qualified Investor is responsible for all applicable permits
- h. Land Bank will offer eligible properties to Qualified Historical Investor on a fair and impartial basis and on the first come first served basis. Rehab monies are limited each year and are determined on a house by house basis.

## **SECTION V**

### ***Commercial / Mixed Use Rehabilitation Guidelines***

If a Qualified Non-Profit(s) and/ or Owner Occupant cannot be found, Land Bank may offer Land Bank eligible non-demolition properties to Property Investors. All properties will be **Sold As IS**. All sales stipulate “buyer beware”. All sales are without warranty or guarantee.

Such Land Bank-selected property will be posted for sale at [www.richlandcountylandbank.org](http://www.richlandcountylandbank.org). Written notice for sale will also be posted at property location. Property will be offered for \$1,500.00 plus the \$89.00 recording fee.

1. Land Bank will except applications from property investors; application must include the following:
  - i. Completed application
  - ii. Written plan for usage
  - iii. Written plan for rehab including
    1. Plans
    2. Specs
    3. Cost Estimate
  - iv. Funding Source(s)
  - v. Project timeline
2. Prior to execution of Deed, Property Investor may be requested to file with Land Bank a \$5,000.00 Performance Bond or certified check for the faithful performance of repairs to bring property up to code. Once property has

been brought up to code and all final inspections have been performed and approved by municipality where property is located, Performance Bond or certified check will be returned to Property Investor.

### **Multiple Applications**

If two or more applicants are interested in a property, the Rehab / Special Consideration Committee (RSC Committee) will review all applications considering all information including but not limited to the following:

Is the application consistent with the stated purposes of the Land Bank by:

- a) Facilitating the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed or other real property that will be so benefited by transfer to the applicant;
- b) Is the immediate transfer of the property more efficient than being held and managed by the Land Bank;
- c) Is there a benefit to coordinate the transfer of the property to assist a governmental entity or other non-profit organization;
- d) Does the transfer promote economic and housing development in the neighborhood and community?

In keeping with the above, other factors that may be considered are, but not limited to:

- e) Will the transfer reasonably avoid future tax forfeiture sales;
- f) Can the applicant provide a reasonable comprehensive plan for the long-term use of the property;
- g) Will the transfer comply with local ordinances and building codes?

Upon review, if the RSC Committee determines that one applicant's plan fits better within the above mentioned guidelines, then the RSC Committee may recommend to the Board of Directors to sell to property to said applicant and reject other applications.

If the RSC Committee concludes that applicants qualify equally, then the Committee may recommend:

- (1) Qualified applicants will be notified of a date and time for an auction. Only approved applicants will be invited to bid at auction.

Land Bank reserves the right to reject any and all bids.

## **SECTION VI**

In the event the Land Bank Board determines that an existing residential or commercial building may either be (a) suitable for rehabilitation and resale at a reasonable cost, or (b) of such significant historical value which can be preserved/restored at a reasonable cost, but also determines it is not in the Land Bank's best interest to immediately commence the necessary rehabilitation, preservation or restoration, then such building(s) shall be secured, weatherized, monitored and maintained to prevent its further deterioration until such time the Land Bank Board determines to proceed with actual rehabilitation or resale of the property.