

RESOLUTION 14-08

Approved as Amended May 21, 2014

RESOLUTION TO ADOPT AND ESTABLISH PROPERTY ACQUISITION GUIDELINES.

WHEREAS, the Richland County Land Reutilization Corporation (“RCLRC”)Board of Directors (“BOARD”) has determined the need for such guidelines.

As part of its primary mission, the Richland County Land Reutilization Corporation (“Land Bank”) will acquire properties in order to improve the quality of neighborhoods, increase land values, create diverse housing opportunities and return properties to the tax rolls.

BE IT THEREFORE RESOLVED by the Richland County Land Reutilization Corporation Board of Directors that the following guidelines will be used in the acquisition of properties:

Section 1. **Basic Considerations**

- A. All properties acquired must have a maintenance plan and funding in place. Initial priority will be given to properties with a designated end-user.

- B. Properties may be acquired when one or more of the following apply:
 - 1. Eligible for tax foreclosure.
 - 2. Requested by a qualified end-user or other entity for ultimate acquisition and redevelopment of the property
 - a. Acts as a catalyst for further development,
 - b. Is part of a comprehensive development plan,
 - c. Supports infrastructure, public and green space development, or
 - d. Reduces blight in the community.

In particular, acquisition will be prioritized where the Land Bank participation is necessary to complete the redevelopment.

- 3. Located in reinvestment areas that would support strategic neighborhood stabilization and revitalization plans.
- 4. Demolition will support blight elimination and neighborhood revitalization plans (contingent on Land Bank funding).
- 5. Eligible to be transferred under a disposition program approved by the Land Bank Board.
- 6. Mortgaged-foreclosed or in receivership and located in a neighborhood that is an area of focus, or with the purpose of preventing the further decline of a neighborhood.
- 7. Available for immediate occupancy without need for substantial rehabilitation.

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8. Part of a land assemblage development plan by either the Land Bank or partnering entities.
 9. May generate operating support for the functions of the Land Bank.
- C. The Land Bank must be aware of any environmental conditions for Brownfield properties. If any adverse conditions are determined, a remediation plan must be in place before acquisition.
- D. Any exception to the policies governing acquisition shall be taken to the RCLRC Board for final approval.

Section 2. Acquisition through Tax Foreclosure

The Land Bank will acquire a large majority of its properties after a tax foreclosure judgment, conveying a free and clear title to the property.

When eligible, an expedited tax foreclosure proceeding may be initiated for any property that is certified tax delinquent where:

- The land has no structures and is non-productive (i.e. vacant), OR
- The land includes unoccupied structures (i.e. abandoned) and acquisition will assist in returning this property to productive use.

Post-judgment, the Land Bank will obtain title to these properties and outstanding delinquent property taxes will be removed by the County Auditor. No further tax liability will accrue to the property for the duration of the Land Bank's ownership.

Steps toward Acquisition

- A. Identify Eligible Property
1. The Land Bank will partner with the County Treasurer's office to strategically coordinate tax foreclosures, whenever possible.
 2. The Land Bank will specifically request tax foreclosure on all properties that meet its acquisition priorities, especially where an end-user has been qualified through the Land Bank's application process with a plan to return the land to productive use, eliminate blight, or both.
 3. The Land Bank shall not acquire non-residential tax foreclosed properties post-judgment without a qualified end-user. Any exception to this policy must be approved by the Land Bank Board prior to acquisition of the property.

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B. Inspect Property

1. The Land Bank will inspect each property that it expects to receive through tax foreclosure.
 - a. Relevant public records will be collected regarding the structure, ownership, existing liens, public nuisance citations and any other relevant information.
 - b. An on-site inspection of the property's exterior conditions will be made. An interior inspection will also be undertaken whenever possible. The inspection will include a determination of vacancy or abandonment, current photographs and a disposition recommendation.
2. When a qualified end-user and the Land Bank are working together to acquire a property through tax foreclosure, an on-site inspection will occur as necessary.

C. Notification of Land Bank Interest to Prosecutor

1. Upon final inspection, the Land Bank will provide notice to the County Treasurer regarding the Land Bank's interest in acquiring it.
2. Should the Land Bank later elect not to acquire the property, the tax foreclosure proceedings may continue and the property may ultimately be auctioned at the Sheriff's sale.

D. Tax Foreclosure Proceedings

1. Upon judgment of foreclosure, the Sheriff will be ordered by the Court to prepare a deed transferring the property to the Land Bank.
 - a. When taxes exceed the fair market value of the property, the previous owner's redemption period ends upon the order to the Sheriff and the Land Bank will acquire title immediately.
 - b. When the taxes are less than the fair market value of the property, the previous owner's redemption rights will terminate 45 days after the foreclosure judgment and the Land Bank will then acquire title.

E. Land Bank Acquires Title

1. The Sheriff will convey a Sheriff's deed to the Land Bank for the property.
2. The Auditor will remove the existing delinquent taxes on the property upon deed transfer and all future taxes while in the Land Bank's ownership.

Section 3. Acquisition through Forfeited Lands List

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Properties that go through two Sheriff's sales without a minimum bidder forfeit to the State of Ohio and become the responsibility of the local County Auditor.

The Land Bank can acquire properties on the forfeited lands list with simple notice to the County Auditor. An Auditor's deed is generated and recorded, extinguishing any subordinate liens, and transferring free and clear title to the Land Bank. The Land Bank incurs a charge of \$45.00 per parcel acquired through the forfeited lands list.

As a general matter, the Land Bank will not acquire a property on the forfeited lands list without a qualified end-user. An end-user may notify the Land Bank at any time regarding their interest in a property on the forfeited lands list. Once an end-user is qualified through the Land Bank's application process, and consistent with the Land Bank's acquisition considerations, the Land Bank may acquire the property for final disposition to that end-user.

Section 4. Acquisition through Deed in Lieu of Foreclosure

The Land Bank may accept title to a delinquent property in lieu of the County Treasurer pursuing a tax foreclosure. The Land Bank may acquire properties through this process when it will be more efficient than the tax foreclosure and the property is not otherwise encumbered by subordinate liens, because this process does not provide the same free and clear title outcome as a foreclosure judgment.

A. Notice of Deed in Lieu Request

1. A delinquent owner or the Land Bank may request a deed in lieu of foreclosure transfer when eligible.
2. Upon notification, the Land Bank will document the request and may inspect the property in the same manner as if the property were being tax foreclosed upon.

B. Acquisition

1. The Land Bank will acquire a property through deed in lieu of foreclosure when a qualified end-user has requested the property or it otherwise fits within the Land Bank's acquisition priorities. An acquisition under this procedure for any other purpose must first be approved by the Land Bank Board.
2. When acquiring, the Land Bank will require the current owner to deliver a free and clear title to the property.
3. The Land Bank will require the current owner or a qualified end-user to pay all acquisition costs, including but not limited to the costs of title work and inspection.

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Section 5. Acquiring through Donation

The Land Bank may acquire properties from governmental entities like Fannie Mae and HUD, banks and financial institutions, and from donations by private parties. Such properties will be considered for acquisition when requested by a qualified end-user or when the property will be transferred with resources to facilitate blight elimination.

A. General Considerations

1. All donated properties must be approved by the Land Bank Board prior to acquisition.
2. Properties with immediate maintenance requirements will not be accepted without a funding source secured for such maintenance,
3. The Land Bank will not accept donated properties with a balance due to Richland County for outstanding property taxes, unless approved by the Land Bank Board.
4. Brownfield properties with adverse environmental conditions will not be accepted without a funded plan for remediation deemed satisfactory by the Land Bank Board.
5. The Land Bank will not determine the value of the donated property for federal income tax purposes, but will provide a letter describing the property donated and the federal tax status of the Land Bank. The Land Bank will also provide appropriate federal tax acknowledgement of the donated property where necessary.

B. Notice of private transfer request

1. A private owner may notify the Land Bank of that person's interest in donating property through the Land Bank's donation application
2. Upon notification, the Land Bank will document the request and may inspect the property in the same manner as if the property were being tax foreclosed upon.

C. Acquisition Priorities

1. The Land Bank will acquire a property through donation when a qualified end-user has requested the property or when funding will be provided by the current owner to eliminate blight.
2. When acquiring, the Land Bank will require the current owner to deliver a free and clear title to the property.
3. The Land Bank will require the current owner or a qualified end-user to pay all acquisition costs, including but not limited to the costs of title work and inspection.

Section 6. This resolution shall take effect and be in force immediately upon its adoption.

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Section 7. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board and of any committees that resulted in those formal actions were in meetings open to the public in full compliance with the law.

Mr. _____ moved the adoption of the foregoing resolution. I was seconded by Mr. _____ and upon call of the roll the following vote resulted:

Mr. Hamilton, _____; Mr. Theaker, _____, Mr. Olson, _____, Mr. Utt, _____, Mr. Craft, _____ . Motion Carried

I hereby certify that the foregoing is a true and correct copy of a resolution duly adopted by the Board of Richland County Land Reutilization Corporation, Richland County, Ohio on the _____ day of April, 2014.

Stacey L. Crall, Clerk
Secretary, RCLRC
Richland County Ohio