

**MONTGOMERY COUNTY LAND REUTILIZATION CORPORATION**

# **PROPERTY POLICY GUIDELINES**



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## **1. Introduction**

This document is intended to provide a working policy framework or guidelines for the Montgomery County Land Reutilization Corporation (MCLRC) also known as the Land Bank to manage its property acquisition, disposition, and banking activities. These activities are being provided to benefit “Participating Communities” (those communities that have entered into a Memorandum of Understanding with the MCLRC). In undertaking its mission and these activities, the MCLRC shall at all times be consistent with the authority granted by the Constitution of Ohio, the laws of the state of Ohio, the articles of incorporation and bylaws of the Montgomery County Land Reutilization Corporation, and the public purposes set forth therein.

## 2. Acquisition

Properties acquired by the Montgomery County Land Reutilization Corporation (MCLRC) shall be guided by the following policies:

1. Properties should only be acquired to fulfill the need of a program or participating community request.
2. All properties acquired must be maintained in a manner supportive of their intended disposition, and be accompanied by dedicated financial resources that are budgeted, committed through agreement, or are anticipated as a revenue source to offset costs.
3. The Land Bank has an expectation that community requests for its support are founded upon plans. These plans should address community needs that:
  - a. act as catalyst for further development
  - b. support infrastructure, public and green space development
  - c. reduce blight in the community.
4. Land Bank programs will pursue properties that are:
  - a. eligible for tax foreclosure
  - b. vacant and abandoned
  - c. foreclosed or in receiverships
  - d. available for donation
  - e. available for immediate reuse
  - f. located in reinvestment areas that support strategic neighborhood stabilization and revitalization plans
  - g. a part of a land assemblage development plan by either the land bank or partnering entities within participating communities. (e.g. land banking)
  - h. able to generate operating revenues
  - i. environmentally characterized where such a concern exists.

### 3. Disposition

The disposition of properties shall be based upon the participating community's intended or planned use. The MCLRC shall also consider the applicant / purchaser of the property, and their ability to adequately maintain, repair, renovate and / or do those things necessary as a responsible property owner. The disposition of any given property will be based upon the community, MCLRC, and plan objectives, and the manner in which a program is conducted (i.e. application, bid, request, etc.). The Staff of the MCLRC shall retain authority to use any means it deems necessary to evaluate applicants / purchasers ability to comply with program criteria.

#### Priorities for Use of Property

The goal of the MCLRC in dispositioning properties is to support the community's plans, needs, and desires. With that goal in mind it is recognized that its impact on the outcome of others plans is limited by its role. However, in executing its programs the Land Bank has as its objective the repositioning of properties for productive use, and to responsible ownership. To that end the following policies have been identified to serve as a means of establishing criteria for participants in Land Bank programs. These criteria include the following:

- 1) Individuals, entities, and / or entities controlled by individuals that had an ownership interest in the property at the time that the property's tax foreclosure was initiated shall not be ineligible to apply / purchase a Land Bank property.
- 2) The applicant / purchaser must not own any real property that has or is:
  - a. any un-remediated citation or violation of the state and local codes and ordinances
  - b. tax delinquent
  - c. foreclosed upon.
- 3) The property must not have been used by the applicant / purchaser or a family member as his or her personal residence at any time preceding the submission of application (except in rental cases).
- 4) Where rehabilitation of a property by the applicant / purchaser is a condition of the transfer agreement, the requirement for such rehabilitation shall be according to standards established by the local

unit of government and Land Bank, and completion shall be a condition to the release of title.

- 5) If code or ordinance violations exist with respect to the property at the time of the transfer, the applicant / purchaser shall correct the violations within a specified period of time.
- 6) Individuals and / or entities that falsify documents to the Land Bank shall be suspended from further participation in Land Bank programs.

#### **4. Consideration**

The following factors shall constitute general guidelines for determination of the consideration to be received by the MCLRC for the transfer of properties. In each and every transfer of real property the MCLRC shall require good and valuable consideration in an amount determined by the MCLRC in its sole discretion.

- 1) All property that is transferred shall be based upon some form of consideration. The consideration to be provided by the applicant / purchaser to the Land Bank may take the form of cash, performance of contractual obligations, imposition of restrictive covenants, or other obligations and responsibilities of the applicant / purchaser, or any combination thereof as determined by the Land Bank.
- 2) Each program may have a different objective and therefore the means of establishing consideration.
- 3) In certain instances consideration may be equal to the fair market value of the property (as determined by MCLRC), or charges and expenses attributable to the property.
- 4) Consideration shall be paid in full at the time of application, or transfer based upon the program.

## 5. Side (Adjoining) Lot Disposition

Individual parcels of property may be acquired by the Montgomery County Land Reutilization Corporation, and transferred to individuals in accordance with the Tax Foreclosure Sponsorship Program.

1. Qualified Property
  - a) The property shall be vacant unimproved real property.
  - b) The property shall be physically contiguous to adjacent occupied (owner) residential property with not less than a 50% common boundary line on one side (left or right).
  - c) Intended use for lot is disclosed.
  
2. Applicant / Purchasers:  
All applicant / purchasers must:
  - a) hold title on the contiguous property.
  - b) not own any real property (including both the contiguous lot and all other property within the county) that is subject to any un-remediated citation or violation of state / local codes / ordinances.
  - c) not own any real property (including both the contiguous lot and all other property in the county) that is tax delinquent.
  - d) not have been the prior owner of any real property that was the subject of a foreclosure proceedings two years prior to the disposition.
  - e) Individuals, entities, and / or entities controlled by individuals that had an ownership interest in the property at the time that the property's tax foreclosure was initiated shall not be ineligible to apply / purchase a Land Bank property.
  
3. Conveyance  
Conveyance fees / charges for a side lot shall be set by MCLRC staff to be consistent with the sustainability objectives of the organization. Title insurance is not included in the sale price, and deeds shall be as a Quit Claim.
  
4. Additional Requirements  
In the event that multiple adjacent owner-occupied property owners desire to acquire the same side lot, the property will be provided on a first come basis as established by the submission of a fully completed application. If the first applicant cannot be determined, then the property will be sold based on the highest offer.



## 6. Land Banking

The MCLRC Land Banking program is intended to provide acquisition, maintenance, and disposition services for participating communities and community development corporations supporting these communities. The purpose is to hold title to such properties pending future use. Banking of properties by the MCLRC shall at all times be solely within the discretion of the MCLRC, and nothing in this policy shall be deemed to require the MCLRC to take title to any properties nor to limit the discretion of the MCLRC in negotiating the terms of Banking any participating property.

All property conveyances undertaken by the MCLRC in its land banking program must comply with the requirements and procedures set forth below. The MCLRC shall acquire, maintain, and hold the property subject only to the terms established in the Land Banking agreement.

Following the acquisition of any property(s), the MCLRC shall have the right, but not the obligation, to maintain, repair, demolish, clean, and grade the property and perform any and all other tasks and services to the property as the MCLRC may deem necessary and appropriate in its sole discretion to protect the public, its interests, and the Land Banking agreement.

The following is a listing of guidelines that the Land Bank will consider in Banking properties.

1. The Land Banking service shall be for the benefit of participating communities.
2. The property must:
  - a. not be occupied by any party or parties.
  - b. be located in Montgomery County, Ohio.
  - c. be free of any and all liens for ad valorem taxes, special assessments, and other liens or encumbrances in favor of local, state or federal government entities.
  - d. be free of all outstanding mortgages and security instruments.
3. The Banking service should be for a term that does not exceed 5 years.

4. The MCLRC should be reimbursed for all costs incurred in relationship to the property.
5. The participating community shall have a right to repurchase the property from the MCLRC at any time by giving written notice and upon satisfaction of all the terms in the agreement.
6. The right of repurchase may include a payment to the MCLRC in an amount equal to:
  - a. all expenditures of the MCLRC (whether made directly by the MCLRC or through payments to a third party contractor) in connection with the subject property incurred subsequent to the date of conveyance to the MCLRC, and
  - b. an amount determined by the MCLRC as its average indirect costs, on a per parcel basis, of holding its portfolio of properties.
7. The MCLRC may as a part of its agreement imposes a condition that at any time within the term of the agreement requires the participating community to repurchase the property. This will be accomplished by giving written notice including the amount of the Purchase Price. The participating community must exercise its right of repurchase, and close the reconveyance of the property within sixty (60) days of receipt of such notice. Failure to exercise and close upon repurchase requirement within such period of time shall result in a termination of all rights to the subject property, and acceleration of all costs incurred by the MCLRC.

## **7. Donated Property**

Properties acquired by the MCLRC through donation shall be guided by the following policies:

1. Brownfield properties should not be accepted without having been characterized by a Phase One Assessment.
2. Properties with immediate maintenance requirements will not be accepted without a funding source secured for such maintenance.
3. The MCLRC will not determine the value of the donated property for the purpose of tax benefits, but will provide a letter describing the property donated.
4. All donated properties requiring processing as a Deed in Lieu property must be approved by the MCLR's Board of Directors by a majority vote.