

Montgomery County Land Reutilization Corporation (MCLRC)
December Board Meeting
VIA Zoom Video Conference
December 15, 2020

Attendees: Carolyn Rice, Montgomery County Commissioner (Chair of the Board)
Doug Harnish, Principle, Market Metrics (Vice Chair of the Board)
Russ Joseph, Treasurer (Board Member)
Sheila Crane, Realtor/Community Dev. Specialist, HER Realtors (Board Member)
Todd Kinskey, Director of Plan. & Comm. Dev., City of Dayton (Board Member)
Judy Dodge, Montgomery County Commissioner (Board Member)
David Williamson, MCLRC (General Counsel)
Mike Grauwelman, MCLRC (Executive Director)
Darren Andrews, Dir. of Finance, Treasurer's Office (Treasurer)
Angela Lilly, Montgomery County Treasurer's Office (Secretary)
Zach Zugelder, Executive Assistant, Montgomery County Treasurer's Office

Absent: Sharon Lowry, Trustee, Washington Township (Board Member)
(Copies To)

Call to Order

Carolyn Rice, Chair of the Board, noting a quorum, called the meeting to order. A copy of the agenda is attached for reference.

Approval of Minutes

Doug Harnish moved to approve the minutes from the September 15, 2020 and October 20, 2020 MCLRC Board planning sessions. The motion was seconded by Russ Joseph and approved unanimously by voice vote. Sheila Crane abstained from the vote for the October 20, 2020 planning session.

New Business: Item No. 1 – 2021 Objectives

Strategic Objectives

- Develop a 3-year financial plan – set up a template to determine allocation of cash reserves. Projecting revenue, expenses and cash flows for the future.
- Identify new revenue and investment capital opportunities: Board interested in pursuing grants. Review on an annual basis what the greatest opportunities are and share with the Board.
- Improve/Develop/Launch new tool – Brownfield assessment grant has been submitted. Award notification will not be received until May, but if awarded, that will be the time to launch the program. If the grant is not awarded, there may be a tool to assist historic preservation, especially in the Huffman neighborhood. Add vacancy data to the database.
- Collaborate and provide assistance with community stabilization redevelopment efforts – responding to our clients, the communities. Largely operating on community achievements.
- Increase Sustainable Efforts – structure a program to meet the highly different needs of each neighborhood.

Program Objectives

Reactive Programs

- TFAP – estimating 60 new clients going through the HomeOwnership Center program
- Land Banking – estimating one new agreement with eighteen properties
- Commercial – estimating five requests because these projects are typically brought to the Land Bank for guidance
- Planning grant – estimate two grants
- Community Loan – estimate one loan

Proactive Programs

- Demolition 2.0 – estimated 50-75 nuisance or community owned properties demolished. This program can support approximately 200 demolitions; however, that number can vary depending as commercial demolitions costs are much higher than residential.
- NIP – still own over 800 properties. Disposition according to schedule.
- DIY – award 15 property contracts, submit 24 properties to research and transfer 15 properties.
- Thriving Neighborhoods
 - Pineview acquire fourth property for renovation.
 - Castlewood – have acquired four properties this year. Demolish three and renovate one.
 - Huffman – identifying a specific target area for demolition, stabilization and infill sites.

Financial and Administrative Objectives

Financial

- Manage to budget
- Obtain 1 to 1 match for all investments

Administrative

- Obtain a clean audit
- Recapture all NIP unallowable costs
- Collect deposits and overages from Demo 2.0

Communications and Marketing

- Communications implement the annual plan
- Launch a new website
- Increase reach by 200 subscribers

Judy Dodge moved to approve the 2021 Objectives. The motion was seconded by Doug Harnish and approved unanimously by voice vote. *See attached 2021 Objectives and Metrics memo for more details.*

New Business: Item No. 2 – 2021 Budget

Operating Budget

Employee/Personnel are the most significant costs from an operating standpoint. Overall, there is a decline in the budget for personnel this year due to one individual opting out of the healthcare.

- New phone system VOIP – increase in hosting cost. This is the last year for the lease with CountyCorp.
- Increase the total consulting number to account for litigation for the expedited foreclosure process.
- Equipment and capital – purchase laptops to support remote operation.
- Website – software will be discontinued and will need to be moved over to a new platform.
- Fee and dues – increase due to employer liability insurance and cyber security.

Overall a 4% increase in the budget from 2020 to 2021.

Russ Joseph moved to approve the 2021 Operating Budget. The motion was seconded by Judy Dodge and approved unanimously by voice vote. *See attached budget summary for more details.*

Program Budgets

The committee reviewed the 2021 program budgets, which are categorized as revenue generating, revenue neutral, and revenue loss.

- Loan – estimate one new commitment to be reimbursed in 2021
- Land Banking – manage current inventory plus West Carrollton, Clayton and CountyCorp
- TFAP – projected 64 properties processed
- NIP – program is flat and should be exhausted in 2021
- Residential acquisition pool – revolving pool to support the purchase of residential property
- Commercial acquisition – revolving pool to support commercial tax lien purchases
- Commercial program – moved to Commercial Acquisition
- Planning grant – \$100,000 committed
- Thriving Neighborhoods – five acquisitions/renovations and one home sale
- DIY – 15 units sold
- Demolition 2.0 – \$1.5M expended assuming all 2021 demos are complete and billed to communities

Judy Dodge moved to approve the 2021 Program Budget. The motion was seconded by Todd Kinskey and approved unanimously by voice vote. *See attached budget summary for more details.*

New Business: Item No. 3: Property Policy Guidelines Amendment

Simple amendments have been made to the Property Policy Guidelines and they are as follows:

1. Under section 2. Acquisitions – item 4b, add the following: vacant and abandoned and/or under investor ownership.
2. Under section 5. Side (Adjoining) Lot Disposition – update program name to the following: Tax Foreclosure Acquisition Sponsorship Program.
3. Under section 6. Land Banking –item 7, add the following clause: The MCLRC may also exercise any and all provision in the Land Banking agreement including terminating the agreement for cause.

Doug Harnish moved to approve the amendments to the Property Policy Guidelines. The motion was seconded by Judy Dodge and approved unanimously by voice vote. *See attached Property Policy Guidelines for details.*

New Business: Item No. 4: 2020 Accomplishments

Mike Grauwelman provided a review of the 2020 accomplishments through October 31, 2020.

Strategic Objectives

- Developed a 3-5-year plan framework.
- Increase service resources – added one new financial support resource
- Develop a historic preservation program framework – potential tools have been identified and the Huffman District pilot launched.
- Tornado community long term response – monitoring activities. community, property owners and insurance companies handling response.

Primary Objectives

- Increase tax collections and improve neighborhood health – updated guidelines to include investor owned properties. Supported Treasurer’s Office in development of commercial discounted tax lien sales approach.
- Reduce blighted property inventory (Demo 2.0) – guidelines completed and supporting agreements signed. 13 communities participating in the program.
- Stabilize neighborhoods increase Thriving Neighborhoods scale – community agreement completed. Enlisted Rebuilding Together Dayton to support Huffman pilot. More time needed to establish program guidelines and participation requirements.
- Support the development of community stabilization programs – Carillon Neighborhood - 20 properties placed in foreclosure process; Miamisburg Cares – MVRPC developed virtual input system; additional support activities including: Dayton Bloomberg data development, River Corridor plan, Five Rivers Health, Dayton Wright Dunbar, Premier HUD Choice, MC CDBG, Dayton/Vectren grant, Omega.
- Stretch Objective – provide program support to one disadvantaged population group was unfulfilled.

Program Objectives

- Evaluated programs effectiveness – (25) TFAP properties processed, (2) Land Banking agreement maintenance, (10) Commercial Redevelopment requests, (90) NIP oversubscribed properties, (9) DIY property awards, Pineview (1) property demolished and (1) property renovated, Castlewood (4) properties acquired and demolished, (0) planning grants, (1) community loan.

Financial and Administrative Objectives

- 11% below budget
- 2019 clean audit
- Developed cash flow projection and funded encumbrance models
- Developed records retention policy
- Maintained compliance with grant requirements

Russ Joseph moved to accept the 2020 Accomplishments. The motion was seconded by Doug Harnish and approved unanimously by voice vote. *See attached 2020 Accomplishments for more details.*

Other Business: Strategic Planning

The Board reviewed the following equity statements:

1. We promote equity allocating resources according to need, feasibility, and community impact to create unfulfilled market opportunities.
2. We make our assistance available to all Montgomery County communities regardless of its makeup, and promote equity allocating resources according to need, feasibility, and community benefit.

Upon review, the Board agreed upon the following statement: We promote equity allocating resources according to need, feasibility, and community benefit.

Todd Kinskey moved to approve the equity statement as edited. The motion was seconded by Sheila Crane and approved unanimously by voice vote.

Financials

The Board reviewed the MCLRC program expenditures and revenues. The cash balance after 2020 financial commitments and obligations is approximately \$5.5 million.

Other Business – Board Member

John Lumpkin, a financial advisor with Morgan Stanley, has been identified by the Personnel Committee to fill Doug Harnish's vacant seat on the MCLRC Board beginning January 2021. Doug Harnish moved to approve John Lumpkin to the MCLRC Board. The motion was seconded by Russ Joseph and approved unanimously by voice vote.

Announcement

The next Board meeting is scheduled for Tuesday, January 19, 2021 at 3:30 p.m.

Call to Adjourn

There being no further business, the meeting was adjourned.

I hereby certify that the minutes related to the Board of Directors' monthly meeting December 15, 2020 set forth above are the minutes approved by the Board of Directors at their meeting of April 20, 2021.

/s/ Angela Lilly
Angela Lilly, Secretary
Montgomery County Land Reutilization Corporation



Board Meeting Agenda

Montgomery County Land Reutilization Corporation

December 15, 2020 3:30 pm

MEETING VIA ZOOM VIDEO CONFERANCE

Call to Order and Reconvening of Meeting: Carolyn Rice, Chair

Roll Call:

Presentation:

Old Business:

- **New Business: Item No1. 2021 Objectives (Attachment)**
 - Presentation and Discussion
 - Motion to Approve

- **Item No. 2. 2021 Budget (Attachment)**
 - Presentation and Discussion
 - Motion to Approve

- **Item No. 3. Property Policy Guidelines Amendment (Attachment)**
 - Presentation and Discussion
 - Motion to Approve

- **Item No. 4. 2020 Accomplishments (Attachment)**
 - Presentation and Discussion
 - Motion to Approve

Other Business:

- **Strategic Planning**
- **Financials**

Next Meeting: January 19, 2021 @ 3:30 pm

Adjourn

2021 OBJECTIVES AND METRICS

Board Draft December 3, 2020

Introduction: Each year the organization adopts a set of objectives and metrics intended to direct the organization's efforts and provide a means to measure results. They are based upon: the organization's mission, vision, goals, values, and priorities; mission strategies and tactics; business model; human and financial resources; and the operating environment. The following is a review of these items followed by the recommended 2021 objectives.

Mission: To reposition distressed real estate to support Montgomery County's communities in building quality of life and vibrant neighborhoods, one property at a time.

Vision: Montgomery County's communities are comprised entirely of thriving neighborhoods with sustainable real estate markets that enhance residents' quality of life.

Values:

- **Public Service:** We offer our unique expertise and authorities to assist all communities use real estate to serve their residents' goals.
- **Financial Responsibility:** We strive to maximize our resources by investing strategically in projects that address communities' goals.
- **Collaboration:** We seek out public agencies, nonprofits, and private entities to leverage our collective expertise and resources.
- **Quality of Life:** We work to create neighborhoods where residents want to live and can thrive.
- **Equity:** TBD

Priorities:

- Build momentum as part of a strategy and a larger, long-term plan.
- Have broad financial and community support.
- Can utilize our expertise, unique powers, or resources to leverage additional support.
- Are located in foreclosure impacted areas or tipping point neighborhoods.
- Present complex real estate challenges that can be resolved with Land Bank technical assistance.
- Generate tax revenues and preserve community wealth through reuse.
- Deliver creative solutions to real estate issues through collaboration with other entities.
- Provide positive benefits that outweigh the resource and opportunity costs.
- Represents a real estate opportunity that the Land Bank can materially impact.

Goals:

- Maintain communications with Montgomery County’s communities to ensure they are aware of Land Bank offerings.
- Stabilize neighborhoods by reducing blight and returning properties to the tax roll.
- Work with communities and partners in developing comprehensive neighborhood revitalization plans and sustainable residential markets.
- Collaborate with communities and partners supporting their redevelopment efforts.
- Leverage our unique expertise and powers to reposition tax-delinquent commercial and industrial properties to create opportunities for reuse.
- Support the redevelopment of contaminated properties that otherwise may not be possible.
- Enable reuse of all properties by providing technical assistance on complex real estate issues.
- Serve the entire county by balancing the needs of urban, suburban, and rural communities.
- Ensure that the Land Bank remains financially viable.

Mission Strategies and Tactics: The organization works to support Montgomery County communities and citizen’s development (community and economic) aspirations, preserve community wealth, and improve the quality of life. Land Bank programs and projects accomplish this by:

- Leveraging the organizations unique authorities under the ORC
- Encouraging and conducting strategic planning.
 - Aligning its programs and projects with community goals and objectives.
 - Aligning community organizations and resources
 - Coordinating activities with other organizations
- Acquiring and repositioning distressed tax delinquent properties
- Returning balance to market supply and demand.
 - Demolishing blighted properties.
- Eliminating barriers (financial, title) that prevent a property’s reuse.
 - Repositioning and conveying distressed properties.
- Generating tax revenues thru reuse by new ownership
- Investing in Target Neighborhoods
 - Returning consumer / market confidence
- Seeking creative solutions to real estate issues
- Assembling and banking properties for redevelopment

Business Goal Strategies and Tactics: The organization’s business goal is to operate efficiently and in a sustainable manner, while delivering the greatest impact to the community*. The organization uses the following strategies and tactics to support the goal:

1. Operate programs that are sustainable.
 - a. Charging fee for service to offset expenses.
2. Leverage resources to encourage private investment.

- a. Invest in target areas that the market could ultimately support.
- 3. Acquire or leverage other forms of public investment.
 - a. Requiring match from communities.
- 4. Maintain a range of real estate capability outsourcing specialized areas, while maintaining core competencies. Core Competencies Include: Real estate, Community / Economic development, Program and project management, Grant administration, Facility Management, Finance.
 - a. Provide incentives for communities to develop plans and strategies for their neighborhoods / properties through planning grant.
 - b. Provide tools for local communities to address challenged properties through the loan program, land banking, TFAP, commercial redevelopment.
 - c. Leverage local involvement to obtain community input in the development of neighborhood plans.
 - d. Identify and embed specialized competencies such as: legal, environmental, brokerage, appraisal, etc.

* Community benefits includes increased tax collections, resolving blight, crime, facilitating investment, community pride, establishing market confidence, etc.

Human and Financial Resources: The organization is staffed by 7.6 full time equivalent members and augmented by contracted resources to perform its mission. Financial resources are dedicated to its operations from a portion of delinquent tax collections each year. These funds have been fairly consistent over the past five years. Additional resources are acquired from service fees and state and federal programs. These resources are generally short term, not predictable, and unable to support long term programming.

Operating Environment: The challenges that the organization currently faces in advancing its mission include: COVID, available reuse inventory, financial risk, and project control / support. These issues are further articulated below.

COVID: Although it is clear that the COVID pandemic has and will have an impact upon the real estate market, the full impacts of the virus and economic slowdown are not clear. The sectors that are likely to be impacted the most are retail, office and residential. The impact on retail simply being the acceleration of online purchases and office as a result of remote office operations. Although both of these shifts in space use are likely to remain a part of our work and buy culture, the magnitude is unclear due to other factors such as work culture, personal interactions, training, etc. Unlike the 2008 housing crisis the financial institutions are in a much better cash position to address foreclosures and develop work outs at this time. The low interest rate environment may also help home owners in need of work outs. It is anticipated that all of these markets will suffer as a result of the pandemic, but the extent of the damage to the market remains unclear.

Reuse Inventory: The available reusable foreclosure residential property inventory has dwindled in recent years. The inventory was largely generated by the foreclosure crisis, depression, and a weak market, which is now twelve years distant. A vast majority of the housing crisis properties have aged and are now either in an accelerated state of disrepair,

or have been absorbed by the market. The improved economy enabled the market (Owner's improved financial position, Banks willingness to foreclose, Investor confidence to purchase, and Consumer increased demand) to respond to viable properties as assets, when they might have been available during the crisis / depression period. Consequently the Treasurer's Office has been able to increase collections leveraging sheriff's and tax lien sales, and reducing available viable program inventory. The impact of COVID may significantly change this pattern in 2021.

Although there remains a significant amount of vacant, abandoned, and tax delinquent inventory on the landscape it can broadly be characterized as: located in highly distressed neighborhoods with very weak markets; without a strategic purpose / plan; having historically suffered from disinvestment; and / or are functionally obsolete. These areas require a transformative plan to reestablish a place in the market. Unfortunately transformative plans are both challenging financially and to envision, and in the current economic climate are not occurring.

The impact to the organization has been increased field time reviewing properties that are not viable for reuse or represent high risk investments. The result is TFAP, DIY are unlikely to produce the (income, number properties impact) results as in the past including the impact on neighborhoods, and citizens.

Financial Risk: The organization's operating activities largely depend upon arranging for transactions in which a property disposition is in place, or is highly likely. Although we have established programs that are pro-active, it is increasingly difficult to find properties in which we are confident that we can disposition, or can disposition without suffering significant financial loss. Our inability to access properties to determine their condition pre-foreclosure (structural, environmental) furthers this challenge. The 2021 budget anticipates that a more aggressive approach to DIY properties will be required to maintain needed inventory.

Project Control / Support: The organization has positioned itself to support communities and not lead. This places overall project management responsibility (outcomes, schedule, etc.) with the community. Our experience has been that other organizations involvement adds complexity in completing projects as these organizations are often managing other activities seen as a higher priority. This basic alignment issue consistently challenges the Land Bank's productivity and implementation schedules.

The organization is highly dependent upon a variety of organizations to process foreclosures in support of its mission. These organizations have various roles, responsibilities, and priorities that challenge a predictable process. This is a reality of the complexity of the legal process, and the number of organizations that support it. Further there are instances in which the Land Bank objectives are directly competing with those of the support offices, or with the capacity of the foreclosure system. As is the case with the discontinuance of the Dayton Lot Links program and COVID both of which have generated a huge backlog of properties in the foreclosure process. The litigation concerning the Expedited Foreclosure process has also added uncertainty to a process not intended to

handle such volume. The Treasurer's Office responsibility to collect taxes and the Land Bank's use of foreclosure to reposition properties is an example of competing public interests. As these issues become apparent it will be imperative to develop policy that best serves the overall public interest. The draft policy between MCTO and the Land Bank submitted 2020 will be of great assistance in establishing expectations into the future.

Operational Changes: The organization will need to become more aggressive in the future in order to remain effective. Loosely translated this means there will need for a greater tolerance for risk (properties / neighborhoods) not otherwise being absorbed / accepted by the market. Below are some examples of how this approach will change our activities.

For commercial pro-active properties we will see greater financial challenges to reposition properties, and there may not be a full understanding of risk including:

- Property's disposition timeframe - Holding Costs
- Environmental condition – Remediation Costs
- Repositioning costs – Demolition, Landscaping Costs
- Title Challenges – Legal Costs

For residential properties a more aggressive posture would include foreclosing on additional properties that do not qualify for expedited foreclosure as vacant and abandoned under the Ohio Revised Code, but are tax delinquent. These may include:

- Landlord owned
- Undetermined to be abandoned (Appear vacant but Utility service on)
- Acquiring higher risk (potential demolition) properties
- Acquiring and investing in properties for DIY (The 2021 budget anticipates this approach in order to maintain needed inventory.)

For Thriving Neighborhoods the implication is to be flexible in choosing neighborhoods to allow the program to develop, and for a variety of communities and markets to experience the program. The program will see increased rehab and acquisition costs (purchases may become a norm).

The organization's human resource capacity that would have been available as NIP demolition activity ends (maintenance, reporting, and disposition activities will continue) will be absorbed by the Demo 2.0 program.

<p>The organization's 2021 focus will be to make resource and program adjustments to account for changes in the operating (COVID) environment, and enhance existing initiatives by incorporating additional tools and resources.</p>
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STRATEGIC OBJECTIVES

- **Develop a 3 Year Financial Plan**
 - ✓ Revenue and Expense Estimates
 - ✓ Cash Flow and Balance Estimates

- **Identify New Revenue and Investment Capital Opportunities :**
 - ✓ Review Land Bank Opportunities with the Board
 - ✓ Identify, Pursue / Advance 1 New Land Bank Financial Resource
 - Clean Ohio Funding HB675 or SB355
 - Residential Property Assessed Clean Energy Financing
 - Jobs Ohio Shovel Ready Sites Funding
 - ✓ Identify/ Leverage 1 Private Capital Resource

- **Improve / Develop / Launch New Tool**
 - ✓ If Brownfield Assessment Grant is awarded
 - Launch the Assessment Program
 - ✓ If Brownfield Assessment Grant is unsuccessful:
 - Develop a Tool to assist Historic Preservation
 - ✓ Improve Building Blocks Data Base
 - Work to Develop Predictive Modeling
 - Increase Data Sets by 2

- **Collaborate and Provide Assistance with Community Stabilization Redevelopment Efforts**
 - ✓ Tornado Community Long Term Response
 - Implement Harrison Township DR Demolition Award 4 Properties
 - Participate in Long Term Recovery Organizing
 - Identify Potential Short and Long Term Needs and Roles
 - Recommend Actions and Resource /Budget Requirements
 - ✓ Carillon Neighborhood
 - Support Neighborhood Plan Development
 - Research and Acquire Properties as Requested
 - Maintain 10 Properties
 - Demolish Properties as Requested
 - Disposition Properties as Requested
 - ✓ Miamisburg CARES
 - Identify Land Bank Role(s)
 - ✓ Five Rivers Metro Parks River Corridor
 - Research and Submit 2 Properties as requested
 - ✓ Five Rivers Family Health Center
 - Research and Submit 4 Properties as requested
 - ✓ Premier Health Management HUD Community Choice
 - Research and Submit 1 Properties as requested

- ✓ Wright Dunbar Low Income Tax Credit
 - Research and Submit 27 Properties as requested
- ✓ West Carrollton Downtown Redevelopment
 - Acquire 1 property
- ✓ County CDBG Community Implementation
 - Demolish 25 Properties
- **Increase Sustainable Efforts (Stretch Objective)**
 - ✓ Establish TNI Program Guidelines and Participation Requirements
 - Structure Project Planning and Implementation Control
 - Launch Program to Communities

PROGRAM OBJECTIVES

REACTIVE PROGRAMS

- **TFAP**
 - ✓ ESTIMATED TRANSFER 60 PROPERTIES
 - ✓ ESTIMATED 80 PROPERTIES PROCESSED
 - ✓ ESTIMATED 60 NEW HOC CLIENTS
- **LAND BANKING:**
 - ✓ ESTIMATE 1 NEW AGREEMENTS 18 NEW PROPERTIES
- **COMMERCIAL**
 - ✓ ESTIMATED RESEARCH FEASIBILITY AND PROVIDE GUIDANCE 5 REQUESTS
- **PLANNING GRANT**
 - ✓ ESTIMATED 2 NEW GRANTS AWARDED
- **COMMUNITY LOAN**
 - ✓ ESTIMATED 1 NEW LOAN APPROVED

PRO-ACTIVE PROGRAMS

- **Demolition 2.0**
 - ✓ Review all Property / Neighborhood Program Submissions for Approval
 - ✓ Demolish an Estimated 50-75 Nuisance or Community Owned Properties
- **NIP**
 - ✓ DISPOSITION 200 PROPERTIES
 - ✓ MAINTAIN 653 PROPERTIES
- **LAND BANKING:**
 - ✓ MAINTAIN CURRENT AGREEMENTS AND 45 PROPERTIES
- **COMMERCIAL**
 - ✓ RESEARCH AND PROPOSE 1 NEW COMMERCIAL TAX LIEN PURCHASE
 - ✓ BEGIN ACQUISITION AND REPOSITIONING 1 PROPERTY

- **DIY**
 - ✓ AWARD 15 PROPERTY CONTRACTS
 - ✓ RESEARCH AND SUBMIT 24 ADDITIONAL PROPERTIES
 - ✓ TRANSFER 15 PROPERTIES

- **THRIVING NEIGHBORHOODS**

PINEVIEW

 - ✓ IDENTIFY / ACQUIRE 1 PROPERTY FOR RENOVATION
 - ✓ EVALUATE NEIGHBORHOOD PLAN TO DETERMINE IF FURTHER ACTIONS NECESSARY

CASTLEWOOD

 - ✓ INITIATE THE PLANNING PROCESS
 - ✓ IDENTIFIED AND SUBMIT QUALIFIED PROPERTIES FOR ACQUISITION
 - ✓ ACQUIRE FOR RENOVATION 1 PROPERTY

HUFFMAN

 - ✓ DEVELOP A PLAN
 - IDENTIFICATION OF TARGET AREA(S) DEMOLITION, STABILIZATION, INFILL SITES
 - IMPROVEMENT AND AMENITY AREAS
 - DEVELOP A BUDGET
 - ✓ PROMOTE THE PLAN TO HOME BUILDERS ASSOCIATION
 - DEVELOP MARKETING PACKAGE (ILLUSTRATIVE MAPS, INCENTIVES, DATA)
 - SOLICIT INFILL BUILDERS
 - ✓ IMPLEMENTATION
 - SUBMIT FOR ACQUISITION PRIORITY PROPERTIES
 - REHAB 1 PROPERTY
 - STABILIZE 3 PROPERTIES
 - DEMOLISH 2 PROPERTIES (BY CITY)

FINANCIAL AND ADMINISTRATIVE OBJECTIVES

- **FINANCIAL**
 - ✓ MANAGE OPERATIONAL EXPENSES TO BUDGET
 - ✓ OBTAIN MATCHING FUNDS 1 TO 1 FOR LB INVESTMENTS

- **ADMINISTRATIVE**
 - ✓ OBTAIN CLEAN 2020 AUDIT
 - ✓ RECAPTURE ALL NIP UNALLOWABLE COSTS
 - ✓ COLLECT ALL DEMO 2.0 DEPOSITS AND OVERAGES

- **COMMUNICATIONS AND MARKETING**
 - ✓ IMPLEMENT THE COMMUNICATIONS PLAN
 - ✓ LAUNCH A NEW WEB SITE
 - ✓ INCREASE (MAIL CHIMP FACEBOOK & BULLETIN) REACH BY 200

LAND BANK 2021 OPERATING BUDGET

<u>Expense Category/Type</u>	<u>2021 Budget</u>	<u>Notes</u>	<u>2020 Budget</u>
Total Personnel	717,880.93	7.6 Employees	720,211.98
Total Hosting	61,407.63	County Corp. includes office rent, IT services, Phone services, etc.	54,412.05
Total Consulting	114,000.00	Legal services, Accounting/Audit, Data/Market analysis study/Grant writing/Facilitation	91,000.00
Total Advertising/Events	13,000.00	Events/Advertising/Media/Marketing/Copywriting	15,850.00
Total Travel and Meals	12,953.00	Local Travel, Conferences, Events - Local Land Bank Conference, Land bank National conference or other based on subject / area of expertise	12,746.00
Equipment and Capital	5,400.00	Includes Furniture, Computers	8,600.00
Website	30,000.00	Web site update	18,000.00
Real Estate / Web software	37,300.00	Property Management software annual subscription, Tolemi Annual subscription plus other miscellaneous software	38,300.00
Total Supplies	15,260.00	Includes office supplies, postage, computer software and hardware (minor purchases), cell phones and tablets	14,860.00
Total Education and Training	5,100.00	Includes conference fees for Ohio Land Bank conference and National Conferences plus one local training courses for each employee	4,500.00
Total Fees and Dues	28,010.00	Memberships, Employer Liability insurances (increased coverages)	17,930.00
Total Operating	1,040,311.56		996,410.03
Change from previous year	43,901.53		25,496.87
	-		
	4%		3%

MONTGOMERY COUNTY LAND REUTILIZATION CORPORATION

PROPERTY POLICY GUIDELINES



Approved April 21, 2015
Revised December 15, 2020

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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 and / or under investor ownership
 - 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 eligible 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 Acquisition 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. The MCLRC may also exercise any and all provisions in the Land Banking agreement including terminating the agreement for cause.

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.

2020 Accomplishments

Introduction: The objectives and metrics for 2020 adopted by the Board in late 2019 were intended to provide direction and a means to measure the results of the organization's progress. The objectives / metrics and resulting accomplishments are provided and coded below and are **current through October 31, 2020**.

Color Codes:

- Black: Objective
- Green: Identified Objective Work Completed
- Orange: Identified Objective Work Not Entirely Complete
- Red: Identified Objective Work Not Undertaken
- Blue: Additional Work Not Identified in Objectives

2020 Focus Statement: The organization's 2020 focus will be to make resource and program **adjustments to account for changes in the operating environment**, and enhance existing initiatives by incorporating additional tools and resources, and involving additional communities.

- **Develop a Land Bank Strategic Plan Framework**
 - ✓ Develop a 3-5 Year Plan Framework to Include:
 - Organizational Mission and Vision
 - Goals and Objectives
 - Program, Population and Market Focus
 - Resource Allocation
 - Financial / Cash Flow Estimates
- **Increase Service Resources :**
 - ✓ Add 1 New Financial Support Resource
 - Apply for USEPA Community Wide Brownfield Grant Funding
 - Support NAIOP, GOPC, Ohio LB Association Funding Efforts
 - Jobs Ohio Shovel Ready Sites Funding Keowee Street
- **Develop a Historic Preservation Program Framework**
 - ✓ Board Review Post Strategic Planning
 - Potential Tools Identified
 - Huffman District Pilot
- **Tornado Community Long Term Response**
 - ✓ Participate in MVRPC Long Term Recovery Organizing
 - ✓ Pro-Actively Assess Field Recovery Efforts
 - ✓ Identify Potential Short and Long Term Needs and Roles
 - ✓ Recommend Actions and Resource /Budget Requirement

PRIMARY OBJECTIVES

- **Increase Tax Collections and Improve Neighborhood Health**
 - ✓ Amend Property Policy Guidelines to Expand Eligible Property Portfolio
 - Include Tenant Occupied (2.B.4) and Federal Tax Lien Properties
 - Develop a Policy for Vacating/ Managing Occupied Properties
 - ✓ Support Treasurer Development of Tax Lien Sales Approach
 - Provide Data to Support Policy /Decision Making
 - Develop MCTO Land Bank Tax Foreclosure Priority Policy
 - Review Top 100 Delinquencies & Recommend Actions

- **Reduce Blighted Property Inventory – DEMO 2.0**
 - ✓ Develop a Demolition Program Framework
 - Guidelines and Board Adoption
 - Develop Supporting Agreements
 - Stakeholder Presentation & Launch
 - 13 Participating Communities
 - Strategic Area Identification

- **Stabilize Neighborhoods Increase Thriving Neighborhoods Scale**
 - ✓ Establish Program Guidelines and Participation Requirements
 - Completed TNI Community Agreement
 - Clarify Project Planning and Implementation Control
 - ✓ Diversify Participants to Include Historic Neighborhood Pilot: Huffman
 - ✓ Enlist 1 Additional Supporting Organization:
 - Rebuilding Together Dayton
 - MV Leadership Foundation

- **Support the Development of Community Stabilization Programs**
 - ✓ Carillon Neighborhood / Client Support
 - Acquire 24 Properties: Actual 0 / 20 Processed
 - Purchase Agreement 8 Parcels
 - DIY Property Purchase
 - Maintain 24 Properties: Actual 0
 - ✓ Miamisburg CARES
 - Support Community Neighborhood Identification Process
 - Complete Neighborhood Planning Process
 - MVRPC Developed Virtual Input System
 - Identify Land Bank Role(s)

 - ✓ Additional Support Activities
 - Dayton Bloomberg Data Development Program Data Sets
 - Five Rivers Metro Parks, River Corridor Plan
 - Five Rivers Health, Property Acquisition
 - Dayton Wright Dunbar, LITC Project Property Acquisition

- Premier HUD Choice, Property Acquisition
 - MC CDBG, Demolition Support
 - Dayton / Vectren Grant Administration Arch Study
 - MCPO Omega Demolition Support Agreement
- **STRETCH OBJECTIVES:**
 - ✓ **PROVIDE PROGRAM SUPPORT TO 1 DISADVANTAGED POPULATION GROUP.**
 - IDENTIFY GROUP AND PARTNERING OPPORTUNITIES

PROGRAM OBJECTIVES

REACTIVE ACTIVITIES

- **TFAP:**
 - ✓ ESTIMATE TRANSFER 20 PROPERTIES YTD OUTPUT:7
 - ✓ ESTIMATE 25 PROPERTIES PROCESSED: YTD 28
- **LAND BANKING:**
 - ✓ ESTIMATE 2 NEW AGREEMENTS 25 PROPERTIES: 2 AGREEMENTS 18 PROPERTIES
- **COMMERCIAL**
 - ✓ SUPPORT ESTIMATED 5 COMMERCIAL REDEVELOPMENT REQUESTS: YTD 10 PLUS
 - RESEARCH FEASIBILITY AND PROVIDE GUIDANCE

PRO-ACTIVE ACTIVITIES

- **NIP**
 - ✓ POSITION THE ORGANIZATION FOR ADDITIONAL FUNDS
 - PREPARE 60 "OVER SUBSCRIBED" UNITS FOR DEMOLITION: 91 CONTRACTED 2020
 - ✓ MEET NIP 2020 MILESTONES / DEMOLITION CLOSEOUT
 - \$19.5M EXPENDED: ACTUAL YTD \$20.5M
 - 2020 ADDITIONAL FUNDS: \$567K
 - ✓ DISPOSITION 100 PROPERTIES: ACTUAL 102
 - ✓ MAINTAIN 860 PROPERTIES: COMPLETE
 - ✓ RECAPTURE ALL PROGRAM UNALLOWABLE COSTS
 - ✓ PROCESS INVOICES /REIMBURSEMENTS WITHIN 90 DAY COMPLETION PERIOD
- **LAND BANKING:**
 - ✓ MAINTAIN 2 CURRENT AGREEMENTS AND 48 PROPERTIES
- **COMMERCIAL**
 - ✓ ACQUIRE AND DEVELOP AND BEGIN REPOSITIONING 1 PROPERTY
 - 3636 NORTH DIXIE (2021)
 - 1300 NORTH KEOWEE STREET (JOBS OHIO, DAYTON)
 - 5TH STREET TAX LIEN / FORECLOSURE ACQUISITION AND DEMOLITION

- **DIY**
 - ✓ AWARD 15 PROPERTY CONTRACTS: ACTUAL YTD 9
 - ✓ ACQUIRE 15 ADDITIONAL PROPERTIES: ACTUAL YTD 8 DAYTON LOT LINKS
 - ✓ TRANSFER 15 PROPERTIES: ACTUAL YTD 12
 - ✓ NEW TECHNOLOGY UTILIZATION YOUTUBE VIDEO TOURS

- **THRIVING NEIGHBORHOODS**
 - SCALING
 - ✓ ADD / SUPPORT 1 ADDITIONAL NEIGHBORHOODS TO TNI
 - HUFFMAN
 - PINEVIEW
 - ✓ 1 PROPERTY IDENTIFIED AND SUBMITTED FOR ACQUISITION 2 MARKET PROPERTIES EVALUATED
 - ✓ 1 ACQUIRE
 - ✓ PROPERTY DISPOSITION
 - 1 PROPERTIES RENOVATED
 - 1 PROPERTIES DEMOLISHED
 - 1 PROPERTIES DISPOSITIONED (RENOVATION)
 - ✓ REBUILDING TOGETHER
 - DAYTON 15 HOMES SERVICED
 - 4.6 TONS DEBRIS REMOVED PINEVIEW AND LAKEVIEW
 - CASTLEWOOD
 - ✓ TOWNSHIP APPROVAL
 - ✓ 4 PROPERTIES SUBMITTED FOR ACQUISITION
 - ✓ 4 ACQUIRED
 - ~~1 PROPERTIES RENOVATED & DISPOSITIONED~~
 - 4 PROPERTIES DEMOLISHED

- **PLANNING GRANT**
 - ✓ ESTIMATED 3 NEW GRANTS AWARDED: 0 AWARDED

- **COMMUNITY LOAN**
 - ✓ ESTIMATED 1 NEW LOAN APPROVED: 1 LOAN APPROVED

FINANCIAL AND ADMINISTRATIVE OBJECTIVES

- **BUDGET**
 - ✓ MANAGE ACCORDING TO BUDGET: YTD 11% BELOW BUDGET

- **ADMINISTRATIVE SUPPORT**
 - ✓ OBTAIN CLEAN 2019 AUDIT
 - ✓ DEVELOP CASH FLOW PROJECTION AND FUND ENCUMBRANCE MODELS
 - ✓ DEVELOP A RECORDS RETENTION POLICY
 - ✓ MAINTAIN COMPLIANCE WITH GRANT REQUIREMENTS

Strategic Planning Equity Statement Options

Board Draft December 11, 2020

Equity:

- We promote equity allocating resources according to need, feasibility, and community impact to create unfulfilled market opportunities.
- We make our assistance available to all Montgomery County communities regardless of its makeup, and promote equity allocating resources according to need, feasibility, and community benefit.