$180 Million and Growing: The Beneficial Impacts of the Land Banks of COCIC and the City of Columbus
In 2010, state legislation extended land bank authority to forty-two of Ohio's most populous counties. In 2012, the Central Ohio Community Improvement Corporation was established as the Land Reutilization Corporation (land bank) for Franklin County and began its partnership with the already well-established City of Columbus land bank. Now located in the same building on Parsons Avenue, COCIC and the City of Columbus Land Bank (“the Land Banks”) work hand-in-hand to manage blighted property and create redevelopment opportunities, while maintaining clear jurisdictions of responsibility.

Over the past five years the Land Banks have made significant progress on their mission to revitalize distressed communities. Their achievements include:

- $90 million in protected home values from demolition of nearby blighted structures
- $7.8 million in direct land sales
- $442,000 in property taxes collected from former land bank properties in 2017 alone
- $80 million in new private and non-profit investment on vacant lots or blighted, abandoned structures
- $3.3 million in grants and loans awarded to local non-profit partners

COCIC and the City of Columbus Land Bank have utilized $38 million from a variety of sources to:

- demolish more than 1,600 blighted structures across Franklin County
- facilitate the reuse of 1,300 properties as rehabs, new construction, community gardens, and side lots
- directly reduce the number of vacant properties in Columbus by 18%
- finance over 100 residential rehabilitations, emergency stabilizations or new builds
- jump start the private market in many of Franklin County’s most distressed housing markets

Through demolition and strategic intervention, the Land Banks have taken control of and mitigated a considerable portion of the most blighted properties in Franklin County. While also dealing with the foreclosure and blight crises, the Land Banks are adapting to the changing pipeline of problem properties and are beginning to successfully address blight before it happens.
$180 Million and Growing: The Beneficial Impacts of the Land Banks

Introduction

This analysis quantifies and documents the economic and community impact of land banking activities in the City of Columbus and Franklin County. The Land Banks of Franklin County and the City of Columbus form a unique land banking partnership in Ohio (and nationally) in that they are two separate, fully functioning entities that operate hand-in-hand to eliminate blight, stabilize neighborhoods, reposition land and restart markets.

The City of Columbus has a presence on COCIC’s board, and as of 2017, the two entities are co-located at the Land Bank Center in the Southside neighborhood of Columbus. The two organizations work hard to maximize their partnership while retaining clear jurisdictions of responsibility. The cooperation between these two land bank authorities builds upon their strengths for the greatest possible impact on neighborhood revitalization.

Demolition has dominated the last five years of land banking activity in Franklin County and the City of Columbus. This is largely due to the restricted funding streams available from the state and federal government.

However, in partnership with local organizations, the Land Banks have deployed resources to stabilize neighborhoods through means other than demolition. Through a variety of programs they administer, the Land Banks have strategically used their available resources to redevelop neighborhoods and encourage the market to return in distressed communities.

Central Ohio Community Improvement Corporation (COCIC) has operated as the Franklin County Land Bank since 2012. Its stated mission is to "stabilize or increase property values in the areas of Franklin County suffering from the effects of blighted, vacant, abandoned, tax-foreclosed or economically-stranded properties and to promote and facilitate the reclamation, rehabilitation, re-utilization and return of such properties to productive, contributing, tax-generating status."

COCIC was formed as a Community Improvement Corporation (CIC) in 2005 to mitigate a hazardous landfill in Gahanna. COCIC did not actively address residential problem properties until 2012 when it adopted a second role as the Franklin County Land Bank under the 2010 Land Reutilization Program (ORC 5722.01). Being a county land bank allows COCIC access to unique powers granted by the state, including the ability to take title to problem properties; clear titles of outstanding liens, fees and fines; intercede in sheriff sale proceedings; hold land; and advance economic and housing development through the transfer or sale of land bank controlled land.¹

Under Ohio law, a county may provide its land bank with up to 5% of the county’s Delinquent Tax and Assessment Collection (DTAC).² In 2017, the organization had a budget of $13,524,122 - 49% from DTAC and General sources, and 51% from non-DTAC sources, such as grants through Ohio Housing Finance Agency.

City of Columbus Land Redevelopment Division

Like many cities in Ohio in the 1980s and 1990s, Columbus established a land management office in

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1994 to hold hopelessly stranded property and oversee the management and sale of these properties. The Land Redevelopment Division of Columbus is one of the most active in the State of Ohio and is housed within the Department of Development.

In the 2017 city budget, the Land Redevelopment Division was allocated $270,637 from the City's CDBG Fund, $499,835 from the General Revenue Fund, and $1,262,938 from the Land Management Fund (LMF), money generated from the proceeds of the sale of land bank properties. In 2016, the land bank deposited $1,315,701 into the LMF and projects similar revenue for 2017 and 2018 supporting future land bank activity. In the future, the Land Redevelopment Division will become more reliant on sale proceeds due to financial challenges at the city level.

Structure of Report

This analysis examines the impact of the major programs and activities that the Land Banks carry out in Franklin County and the City of Columbus:

⇒ Acquisition
⇒ Demolition
⇒ Strategic Intervention
  • Land Assembly / Site Control
  • Financing Intervention
  • Special Projects
⇒ Disposition

Many of the impact figures in this report note the countywide totals, much of which may have occurred in the city. Because of COCIC's designation as a Land Reutilization Corporation, state and federal demolition dollars have flowed into Central Ohio through COCIC, but most activities within Columbus are a collaboration of both land banks regardless of the funding source.
Identifying Properties

The Land Banks rely on a variety of partners to help identify properties across Franklin County that are in most need of intervention. In 2012, the City of Columbus established the Vacant and Abandoned Property (VAP) initiative which sought to address the blight and nuisances created by vacant properties. The VAP steering committee includes staff from the Columbus Land Bank, COCIC, the Columbus City Attorney’s Office Zone Initiative Team, Columbus Department of Building and Zoning Service, Columbus Code Enforcement Division, and the Franklin County Treasurer’s Office. They meet regularly to identify and address problem properties across the City. In the county, administrative officials and trustees help identify problem properties outside of Columbus. The list below outlines several factors and sources the Land Banks rely on to identify which properties to acquire. A more detailed explanation of identification methods exists in the appendix.

- **City Code Enforcement** conducts an annual windshield survey of all of the vacant structures in the City of Columbus and records the exterior conditions of these properties.

- **Franklin County Treasurer’s Office** helps identify properties that are the most tax delinquent. The Treasurer also sells tax lien certificates to COCIC on blighted properties in order to expedite acquisition of the most severely blighted and abandoned structures.

- **The Columbus City Attorney’s Office Zone Initiative Team** helps the City resolve vacant and blighted properties that otherwise may not be eligible for the Land Bank Program. In some cases, the Zone Initiative Team is able to refer an owner to the Land Banks to donate their property in lieu of prosecution in Environmental Court.

- **City of Columbus Department of Building and Zoning Services (BZS)** helps identify problem properties by determining if an abandoned building is safe to occupy in its current condition.

- **Administrative officials in Townships and Small Cities** help identify priority blighted properties throughout Franklin County. These leaders are in tune with which properties are creating the most nuisance in their communities.

Acquiring Properties

A major challenge in managing blight is gaining control of the problem property. There are a variety of acquisition methods the Land Banks can use to get ahold of a problem property. A more detailed explanation of each acquisition process can be found in the appendix.

- **Regular Tax Foreclosure:** The traditional process where the County Prosecutor initiates a Tax Foreclosure on the behalf of the County Treasurer for unpaid real estate taxes. This process may take up to 18-20 months. Historically, both land banks have acquired properties through this process.

- **Expedited Tax Foreclosure:** This process is only applicable to abandoned properties. The county treasurer initiates a tax foreclosure, but elects to use an alternative, more accelerated, redemption process at the end of the foreclosure proceeding. The expedited foreclosure process is faster than regular foreclosure but may still take 6-12 months.
• **State Forfeiture:** If a land bank does not elect to receive a property in tax foreclosure and the property fails to sell at two sheriff’s sales, it is forfeited to the State of Ohio. COCIC can bypass the sales process and request properties as soon as they are forfeited to the state.

• **Tax Lien Foreclosure:** Tax lien foreclosure is an innovative property acquisition strategy that the Land Banks began using in 2016. COCIC purchases tax lien certificates on the most blighted properties that have little chance of the owner paying fees or assessments in full. COCIC purchases the tax liens from the Franklin County Treasurer's Office and acts as the plaintiff in a foreclosure action.

The Land Banks have adjusted their acquisition methods over time. In an effort to increase the efficiency of the acquisition process, the Land Banks began using the tax lien foreclosure method in 2016. Between 2016 and 2017, COCIC purchased 430 tax lien certificates and coordinated with special private counsel to foreclose upon these abandoned, tax delinquent properties across the County. The tax lien foreclosure process only takes about 4-5 months from filing of the case to conveyance of the property, and the Land Banks are often able to recoup the costs of foreclosure. **By adjusting their practices, the Land Banks were able to cut down acquisition time by up to 80%**. This has allowed the Land Banks to intervene on problem properties much quicker and in some cases save properties before they deteriorate beyond economical repair.

Once a property is acquired and under the control of the county land bank, COCIC utilizes its legal powers to extinguish delinquent taxes, fees and liens against the property. The property is then ready for intervention by COCIC or the City.

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**Figure 1: Land Bank Acquisitions by Type, 2012-2017**

- **Expedited Foreclosure**: 41%
- **State Forfeiture**: 26%
- **Tax Lien Foreclosure**: 12%
- **Regular Foreclosure**: 9%
- **Donation**: 9%
- **Purchase**: 2%
- **Other**: 1%

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*Source: COCIC*
# Table 1: Acquisitions by The Land Banks 2012-2017

<table>
<thead>
<tr>
<th>Within Columbus</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Total</th>
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<tr>
<td>Expedited Foreclosure</td>
<td>498</td>
<td>268</td>
<td>53</td>
<td>69</td>
<td></td>
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<td>888</td>
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<tr>
<td>State Forfeiture</td>
<td>31</td>
<td>8</td>
<td>309</td>
<td>191</td>
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<td>539</td>
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<td></td>
<td></td>
<td>269</td>
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<td>269</td>
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<tr>
<td>Regular Foreclosure</td>
<td>71</td>
<td>20</td>
<td>70</td>
<td>27</td>
<td>12</td>
<td>3</td>
<td>203</td>
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<tr>
<td>Donation</td>
<td>11</td>
<td>47</td>
<td>47</td>
<td>32</td>
<td>32</td>
<td>29</td>
<td>196</td>
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<tr>
<td>Purchase</td>
<td>27</td>
<td>18</td>
<td>1</td>
<td>3</td>
<td>3</td>
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<td>52</td>
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<td>Reversion</td>
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<td>5</td>
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<td>Environmental Court Foreclosure</td>
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<table>
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<tr>
<th>Outside Columbus</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expedited Foreclosure</td>
<td>53</td>
<td>5</td>
<td>13</td>
<td>5</td>
<td></td>
<td></td>
<td>76</td>
</tr>
<tr>
<td>State Forfeiture</td>
<td></td>
<td>27</td>
<td>12</td>
<td>29</td>
<td></td>
<td></td>
<td>68</td>
</tr>
<tr>
<td>Tax Lien Foreclosure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14</td>
<td></td>
<td>14</td>
</tr>
<tr>
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<td>4</td>
<td>13</td>
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<td>25</td>
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<td>Purchase</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

| Total Acquisitions               | 86   | 101  | 726  | 378  | 436  | 627  | 2,352 |
Demolition

In 2010, the City of Columbus Land Bank began demolishing properties with Neighborhood Stabilization Program (NSP) funds. Two years later, in 2012, COCIC entered the business of full-time land banking and demolition when it received Franklin County’s allocation of “Moving Ohio Forward” funds from the Ohio Attorney General. This program ended in 2014. In 2013, the Ohio Housing Finance Agency was granted a rule change to utilize Hardest Hit Funds for demolition. The change resulted in The Neighborhood Initiative Program (NIP). NIP is only open to county land banks and is scheduled to end in 2020. The Attorney General and OHFA dollars may only be used for residential demolition (and related parcel greening). Because this funding originates from state and federal sources and has been time limited, the Land Banks, like all other land banks in Ohio, have focused much of their work on demolition in the last five years.

In addition to the grant programs available from the State and Federal government, the Land Banks perform demolitions utilizing their dedicated sources of funding. The City of Columbus Land Redevelopment Division conducts select demolitions with funds from the city’s capital budget and COCIC has selectively deployed its DTAC funds for demolition. The grant programs have allowed the City and COCIC to stretch limited resources from demolition to community revitalization activities.

Demolitions by the Numbers

From 2012 to 2017, the Land Banks spent more than $35 million dollars on the demolition of 1,658 structures, or 3,166 units, in Franklin County.

The average cost for all demolitions completed since 2012 was roughly $10,887 per unit. Approximately 80% of demolitions between 2012 and 2017 were single unit residential structures. The remaining 20% of demolitions were duplexes, larger multi-unit structures or commercial buildings. A full description of the funding sources used for demolition can be found in the appendix.

Table 2: Demolitions in Franklin County 2012-2017

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Total</th>
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<td>Structures</td>
<td>148</td>
<td>200</td>
<td>388</td>
<td>286</td>
<td>321</td>
<td>315</td>
<td>1,658</td>
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<tr>
<td>Units</td>
<td>396</td>
<td>317</td>
<td>1,317</td>
<td>383</td>
<td>447</td>
<td>306</td>
<td>3,166</td>
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</table>

Table 3: Land Bank Demolition Spending 2012-2017

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Moving Ohio Forward - Ohio AG</td>
<td>$15,766,803</td>
</tr>
<tr>
<td>Neighborhood Initiative Program - OHFA</td>
<td>$10,378,690</td>
</tr>
<tr>
<td>City Funds</td>
<td>$4,878,698</td>
</tr>
<tr>
<td>DTAC</td>
<td>$2,695,026</td>
</tr>
<tr>
<td>Neighborhood Stabilization Program - HUD</td>
<td>$1,507,449</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$35,226,669</strong></td>
</tr>
</tbody>
</table>
$180 Million and Growing: The Beneficial Impacts of the Land Banks

Figure 2: Structures Demolished by the Land Banks, 2012-2017

Demolition Costs

There are a variety of costs that are included in the total demolition cost for a land bank demolition. The variance in demolition costs within the county and across the state can often be attributed to the following:

Asbestos Abatement: The Land Banks are required by law to perform asbestos testing and removal prior to a demolition. This testing and abatement work can often be a sizeable portion of demolition costs. From a selection of demolitions completed in 2017, nearly one-third of the total demolition cost was attributable to asbestos mitigation activity.

Funding Source Requirements: Different funding sources also hold the land banks to various requirements and can change the cost for a demolition. For example, demolitions funded through the Neighborhood Initiative Program (NIP) allow for a $1,200 maintenance fee, greening expense requirement, and administration fees.

Emergency Conditions: The City of Columbus often performs emergency demolitions on burned out properties and/or properties with major structural issues in danger of collapse. These projects must be completed on a shortened timeline and result in more expensive demolitions.

_property_type_: Demolition of non-residential structures is more expensive due to the size of the site and often the complexity of the property. For example, in early 2017, the land banks demolished what had been labeled the “#1 Vacant and Blighted Commercial Property” in Columbus – a burned, dilapidated strip mall building on Allegheny Avenue located across the street from the brand new Columbus Africentric Early College campus. The property had racked up $600,000 in fines since 2015. The two-day demolition cost $126,697. By comparison, an average residential demolition costs roughly $11,000.

Geographic Distribution of Demolitions

As the County Land Bank, COCIC operates throughout the entirety of Franklin County, including the many

Demolition Over the Years

In 2012, COCIC had just been designated the County Land Reutilization Corporation and their demolition activity did not take off until 2013. In 2014, COCIC spent down the rest of its Moving Ohio Forward funds by demolishing over 700 units at the former Metro West apartment complex, discussed in detail later in this report. This special project was an opportunity to make an outsized impact and explains the large spike in structures demolished in 2014. By 2015, the Moving Ohio Forward program was finished and the Land Banks began to utilize Franklin County’s initial allocation of $6.5 million from the Neighborhood Initiative Program. The Land Banks have since received additional NIP awards totaling over $23 million and will continue to use the funds for demolition through 2020.

townships and municipalities surrounding Columbus. From 2012 to 2017, approximately $5.9 million was spent towards the demolition of vacant structures in the townships and municipalities surrounding Columbus. The demolition of over 700 apartment units at the Metro West complex in Franklin and Prairie Townships accounted for nearly $3 million of the total funding spent outside Columbus during this time period.

Mifflin Township and the City of Whitehall were also top locations for demolition activity outside of Columbus during the same time period. In Mifflin Township, COCIC deployed $706,846 towards demolition activity and $421,354 in the City of Whitehall.

COCIC continues to be committed to the communities outside the City of Columbus. In 2018, COCIC plans to demolish more than 40 buildings in an apartment complex in Whitehall that has been a drain on city resources and a hot-spot for crime. In the last six-months of 2015 alone, the property amassed more than 400 calls for service and the police department deemed it an unsafe environment. After demolition, the 20 acres will be redeveloped into market-rate apartments, offices, retail, restaurants, and green space. This type of development model is currently lacking in Whitehall and COCIC is excited to be a partner in this project.

### Supporting Local Business

The Land Banks work with Central Ohio businesses and contractors to carry out their plans for demolition. Nearly all companies contracted are locally-owned businesses. **Over 50% of contractors utilized by the land banks are minority and woman-owned businesses, Small Disadvantaged Businesses (SDAs), or certified veteran-owned businesses.**

Once the proper permits for demolition have been obtained, the Land Banks utilize approved contractors to proceed with demolitions. The Land Banks have utilized 18 different contractors to demolish over 3,000 units across Franklin County since 2012. The land banks must also contract out for asbestos surveys. They have contracted with six different companies for this purpose. Actual asbestos removal is sub-contracted by the demolition contractors. The land banks also utilize private companies to complete activities such as debris removal, board up and securing of structures, and mowing. The Land Banks have utilized 19 different companies for these purposes.

In 2015, the Land Banks streamlined and improved their bidding process, which has led to increased efficiency and economies of scale. The Land Banks are now able to put fifty properties up for bid at one time. Bidding groups (properties in close proximity) allow the contractors to save money on transportation and other variables, resulting in more competitive bids from the contractors. This new bidding process works to address vacant properties quickly while also ensuring tax payers’ dollars are

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(4) Meghan Matthews, “Whitehall to shut down troubled apartment complex” March 26, 2016, WBNS-TV
https://www.10tv.com/article/whitehall-shut-down-troubled-apartment-complex
The Cost of Blight

Blighted and abandoned properties, which are most often tax delinquent, are a drain on a community’s finances. From grass mowing to fire emergencies, vacant structures impose a heavy cost and are some of the reasons demolition can have such a profound impact on a community.

Board-Ups and Nuisance Abatements

The City of Columbus Code Enforcement is responsible for securing vacant properties across the City. Between 2014 and 2017, Columbus Code Enforcement secured nearly 7,000 vacant properties. The City of Columbus is also responsible for nuisance abatements of vacant/abandoned properties. Between 2012 and 2017, the City spent over $3 million on the cleanup of vacant/abandoned properties within the city.

Over the last five years, the number of structures secured and the number of nuisance abatement cases have steadily declined. Between 2012 and 2016, there was a 22% decrease in the number of nuisance abatement cases at vacant/abandoned properties. Between 2014 and 2017, there was a 35% decrease in the number of abandoned structures Code Enforcement had to secure with board ups and other security measures. This downward trend indicates the potential impact of the Land Banks’ efforts as they acquire and demolish acquired properties and put them back to productive use.

Fire Hazards

Vacant structures are also a burden and safety hazard for the fire department. Vacant buildings account for one out of every 14 residential building fires in America, according to the Federal Emergency Management Administration (FEMA). Fires at vacant buildings can spread to adjacent buildings and are generally more dangerous environments for firefighters due to their condition. Existing research from Ohio suggests fire departments spend an average of $5,000 per run to a fire at a vacant building.

There were 689 recorded fires at vacant structures in Franklin County between 2011 and 2016. Using the estimated cost per run, fires at vacant buildings cost fire departments in Franklin County approximately $3,445,000 from 2011 to 2016. These fires also resulted in injuries to 117 firefighters and eight civilians. Nearly twice as many fires occurred at unsecured vacant structures (i.e. structures without door locks and/or boarded windows and doors). Demolition of the worst abandoned properties by the land bank reduces the risk of fires that impose a heavy cost on taxpayers.

Table 5: Nuisance Abatements on Vacant Properties

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost</th>
<th>Cases</th>
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<tr>
<td>2012</td>
<td>$610,093.65</td>
<td>2,847</td>
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<tr>
<td>2013</td>
<td>$683,294.25</td>
<td>2,920</td>
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<tr>
<td>2014</td>
<td>$679,349.13</td>
<td>2,800</td>
</tr>
<tr>
<td>2015</td>
<td>$580,390.31</td>
<td>2,475</td>
</tr>
<tr>
<td>2016</td>
<td>$547,361.17</td>
<td>2,206</td>
</tr>
<tr>
<td>Total</td>
<td>$3,100,488.51</td>
<td>13,248</td>
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Table 6: Columbus Code Enforcement Board Ups

<table>
<thead>
<tr>
<th>Year</th>
<th>Structures Secured</th>
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<tbody>
<tr>
<td>2014</td>
<td>2,076</td>
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<tr>
<td>2015</td>
<td>1,772</td>
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<td>2016</td>
<td>1,603</td>
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<tr>
<td>2017</td>
<td>1,347</td>
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<tr>
<td>Total</td>
<td>6,798</td>
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</table>

(7) Data provided by Ohio Department of Commerce, Division of State Fire Marshal
Impact on Surrounding Homes Values

Blighted properties are a visual representation of economic and social decline. This visual manifestation of disinvestment has a profound impact on the surrounding homes. Existing research has attempted to quantify the loss in housing values due to the proximity of a vacant property.

Dynamo Metrics, a real estate market analysis firm, analyzed the impact of OHFA-funded demolitions. They estimated that in high functioning sub-markets, each house within 500 feet of a NIP demolition saw increased home values of 18.80%. In lower functioning sub-markets, the effect was less profound but still sizeable – affecting each house’s value by 4.70%. Across all submarkets, Dynamo Metrics estimates that in Franklin County the protected home value of the 171 NIP demolitions from Q1 2014 to Q1 2016 was roughly $10,824,951.

Between 2012 and 2017, however, the Land Banks demolished far more than just these 171 NIP properties. Through their various programs, the Land Banks have demolished 1,547 single-family or two-family homes. Assuming the impacts of demolition stay relatively similar despite the funding source, the impact of the land banks’ demolition activity totals to a staggering $90,211,758 in preserved home values. When accounting for the amount of funding spent on these demolitions, the benefit-cost ratio is approximately 3.6 to 1 – meaning every dollar spent on demolition saved more than three dollars in surrounding home values.

This estimation does not include the impact of the demolition of large multi-unit structures or commercial spaces, suggesting the actual impact may be even greater.

Effects of Demolition in South Linden

The beneficial effect demolition has on surrounding housing values can be observed even in the most depressed markets. As one small example, the Land Banks demolished two vacant properties on a single block in South Linden. The surrounding homes saw an average increase of 6% between 2015 and 2017 in market value for a total increase of $18,400 in the nine occupied homes immediately surrounding the demolitions.

Less than a mile away, the negative externalities of vacant structures can be seen in the decreasing market values of surrounding occupied homes. In this block, there were three vacant homes and no demolitions in the immediate proximity. The surrounding occupied homes saw, on average, a 23% decrease in market value between 2015 and 2017, for a total loss of $22,500 in just five homes.

This microanalysis supports the existing research that vacant homes exert a negative externality on surrounding home values and that demolition of these abandoned structures can protect or increase the value of surrounding occupied homes.

Figure 3: The Effect of Demolition in South Linden

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(9) Estimated using the average effect (in dollars) for a demolition in a NIP demolition (Franklin County) in a low-functioning sub-market
The Decline of Metro West

Blight and abandonment affect communities of all types and are not confined to just urban core neighborhoods. The social and economic decline of a community takes its form in vandalism, unreppaired structures, and increased crime. An abandoned property often evokes emotional connections to a time before the decline of a community.

The Metro West apartment complex was once a symbol of middle-class opportunity. In 1965, the apartments (originally called Lincoln Park West) were brand new and its tenants enjoyed country-club amenities such as a large swimming pool. The area was home to well-paid blue collar workers, many of whom were employed at the nearby White Westinghouse factory.

But as global forces took hold, the area slid into a slow and painful decline. In 1988, the White Westinghouse factory closed and in 2007 the nearby Delphi factory closed its doors as well. In 2004, a fire in a single unit resulted in ten deaths. According to township officials, the blighted properties brought increased crime, prostitution, violence, and drug activity to the area.

In its depressed state, the apartment complex was a major drain on Franklin Township and Prairie Township resources. Prairie Township administrator, Tracy Hatmaker, noted that the area had become a dangerous place for law enforcement to enter and the condition of the apartments made fire department runs extremely hazardous. It was clear that action had to be taken on these nuisance properties.

In 2013, COCIC was invited to the table and was ultimately able to deploy a wide variety of tools and strategies to intervene at this distressed site.

Demolitions Begin

In July 2013, Prairie Township invoked ORC Section 505.86 (Township Code Enforcement Action), which gives township trustees the legal power to “provide for the removal, repair, or securance of buildings or other structures in the township that have been declared insecure, unsafe, or structurally defective.” After legal negotiations with the property owner at the time, COCIC was able to begin demolitions. In 2014, COCIC demolished 314 units under the township’s authority.

Ownership changes, demolition continues

In April 2016, the Metro West apartments entered new ownership. The Romney Group acquired the 97 buildings in a $9 million cash transaction. The Romney group then conducted both an exterior renovation (roofs, spouting, doors, and windows) and interior renovation (new appliances and floor coverings). The new owners also introduced 24/7 private security. Neither the County nor the townships provided any financial or tax incentives to the Romney Group for their activity and there was no extinguishment of delinquent tax assessments by COCIC. At the request of the Romney Group, COCIC demolished twenty buildings on their parcels in Franklin Township.

The final demolitions at Metro West occurred in 2016.
when the two remaining buildings off of Westport Road were demolished under Prairie Township’s authority. In total, COCIC demolished 762 units of hopelessly blighted apartments for a total cost of nearly $3 million.

The Recovery Process
The Metro West project has required an ongoing commitment from COCIC and has required the organization to play many different roles. The complexity of the Metro West project and COCIC’s ongoing involvement is most easily seen in the robust recovery process that COCIC has employed.

Since the project took place during the Moving Ohio Forward program, COCIC was eligible for a $1.3 million reimbursement. This was the largest recovery for COCIC and was one of the reasons a project like Metro West could even be considered.

After acquisition of the apartments, the Romney Group requested the demolition of the seven buildings they owned in Franklin Township. COCIC performed these demolitions and was reimbursed $115,000 by Romney Group for their work. COCIC also entered a purchase-option agreement with the Romney Group on the two parcels off of Georgesville Road. After the Romney Group declined to purchase the land, COCIC shifted its focus to selling the properties for redevelopment to recover demolition costs and find a new productive use for the land. Ultimately, COCIC sold its two parcels for $964,752.12 to the Salazar Group for new retail development. A Latino grocery store will anchor this new retail center which will serve the community’s large Hispanic population.

Additional recoveries came after a tax case settlement with the previous owner of the Metro West apartments. Prairie Township put some of the property taxes it received from parcels in their jurisdiction towards reimbursing COCIC for the cost of demolition. Finally, after the demolition of the final buildings off of Westport Road in 2016, the previous owner donated 12 acres to COCIC, with an estimated value of $450,000. No plans have been made for this property yet, but the land provides the area with more redevelopment opportunities.

A Brighter Future for Metro West
Township officials from both Prairie and Franklin Townships expressed the opinion that the demolition work has opened the door to new opportunities. The new owner/operator of the renamed Havenwood Townhomes complex is enjoying high occupancy rates and able to collect market-rate rents. The parcels sold to Salazar Group on Georgesville Road will provide nearby amenities for these residents and other nearby communities. At the intersection of Westport Road and Nationwide Boulevard, a public park developed by COCIC, Franklin Township, and Havenwood Townhomes has replaced four blighted apartment buildings. The park is a center piece of the revitalized community and is now owned and maintained by Franklin Township. Finally, the 12 acres off Westport Rd are full of potential for further redevelopment.

Lincoln Park West Tax Credit Project
In 2016, Homes on the Hill and Chicago-based UP Development were awarded a tax credit for a large-scale rehabilitation project of the five vacant and blighted buildings that remain on the western border of the site. HOTH and UPD worked with COCIC to determine the appropriate scale and scope of the

(10) According to the Decennial Census and American Community Survey, the area’s population is 42% Hispanic
project. Once completed, the renovated buildings will include 92 affordable units available to families earning less than 60% of the Area Median Income.\textsuperscript{11} The development will target multi-generational families and will provide services to ensure resident recovery, education, health, employment, financial growth, family stability, and personal empowerment. The announcement of the Lincoln Park West project builds off the momentum already seen in the area. The effects of COCIC’s intervention at Metro West have rippled throughout the west side of Franklin County. Without the demolition of the 37 blighted buildings it is unlikely that any of the mentioned rehabilitation and new development would have ever come to fruition. While there’s still progress to be made, community leaders expressed excitement about the string of successes the area has achieved. The project at Metro West demonstrates that COCIC is able to facilitate more than just demolition and showcases their ability to engage in long-term, catalytic projects with a variety of stakeholders.

<table>
<thead>
<tr>
<th>Location/Parcel</th>
<th>Buildings</th>
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\*some of these buildings demolished in 2016 after AG’s Moving Ohio Forward Program

<table>
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<th>Source</th>
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<td>Estimated value of 12 acres on Westport Rd.</td>
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<td>Total Anticipated Recoveries</td>
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Demolition, while a critical tool in the revitalization of distressed neighborhoods, is only a means to an end, not an end itself. To achieve their mission of revitalizing neighborhoods, the Land Banks operate several programs that rehabilitate properties, put vacant land back into productive use, and reverse the downward trajectory of a neighborhood.

**Land Assembly / Non-Profit Coordination**

**Acquisition for Community Redevelopment**

When identifying properties for blight removal, the Land Banks also target other properties nearby that can support community redevelopment efforts. The Land Banks often strategically select properties eligible for tax foreclosure in an area and try to acquire the properties in a concentrated manner. This method of site control allows for a more efficient community redevelopment effort when paired up with a non-profit. Alone, non-profits often acquire properties at a much slower pace than the Land Banks can achieve.

The site control activity of the Land Banks is critical for the success of non-profit redevelopment efforts and the preservation of affordable housing options in areas experiencing rapid redevelopment. The Land Banks work closely with their partners to acquire and hold properties on their behalf. By holding on to the properties until the best use is found, the Land Banks save redevelopment partners from holding costs, including property taxes, maintenance, and security expenses. This arrangement also allows the partners to seek funding sources, plan out projects, and assemble nearby properties. By acting as a conduit to acquire properties for community redevelopment, the Land Banks are effectively providing their partners with a subsidy, allowing every dollar to stretch farther.

**Financing Intervention**

The Land Banks also operate several programs that finance redevelopment in neighborhoods that have a history of disinvestment. In terms of quality of life and strengthening the housing market, COCIC’s financial assistance in constructing new homes on vacant lots and repairing vacant structures has had a measurable impact. As of 2017, COCIC has put $3,373,356 towards these efforts.

**The Trusted Partner Program**

The Trusted Partner Program awards grants to a small list of local, experienced non-profit housing partners to complete new build projects as well as rehabilitation of abandoned homes county-wide. The program began in January 2014 when COCIC’s Board of Directors approved the first budget allocation of $1,000,000.

As of mid-2017, COCIC had allocated $2,405,742 to the Trusted Partner program which has helped rehab 47 existing structures and construct 34 new builds.

The program is simple, adaptive, and effective. At the beginning of each year, COCIC and their partners enter into a program agreement for a set amount of funds. Throughout the calendar year the partner and COCIC establish a project agreement for each property that specifies a budget and scope of work. When the property is acquired (or a building permit acquired) the first 50% of the grant is dispersed. The project is eligible for final disbursement when a project is 75% complete.

COCIC’s guidelines aim for each partner to use $30,000 per property on average. This allows partners to tailor their allocations, based on a project’s
particular circumstances, as long as the projects average $30,000 over each Partner’s entire program agreement. Through interviews with select trusted partners, it became evident that the flexibility of the trusted partner program was integral to its success. Different partners incorporated the Trusted Partner funds into existing programming in different ways. Some used the funds for acquisition and others used it to cover a portion of the construction costs. Ultimately, the grants are only a small portion of the total funds used by partners for their projects, but the reliability of the program allows partners to leverage grant funds to obtain more funding.

Being partner-led has allowed programs funds to flow to the best opportunities, as identified through the expertise of the local partners. Upon conversations with select Trusted Partners, the working relationship between COCIC and the partners is strong and Trusted Partners appreciate that land bank staff takes initiative to be involved in the process from ground-breaking to ribbon-cutting.

The program, unlike certain tax credit programs, does not restrict the end-use of the homes built or rehabilitated (such as income requirements). One Trusted Partner expressed that COCIC funds allowed them to forgo other funding sources that were more restrictive and cumbersome.

The Trusted Partner program has produced real benefits in some of Columbus’ most disinvested neighborhoods. In West Franklinton, the properties around Trusted Partner funded projects have seen significant housing value increases and the sales prices in the area have increased impressively. While the strengthening of the housing market in West Franklinton is in part due to outside forces such as the ongoing development in East Franklinton, real estate data and expertise from community leaders make a strong case for the impact of the land bank’s intervention.

Table 10 contains the sale prices for homes built or rehabbed by FUEL Franklinton, COCIC’s partner in the Franklinton neighborhood. During interviews with FUEL Franklinton, it was emphasized that these projects undoubtedly had an impact on the neighborhood’s housing market. Franklinton homes built through the Trusted Partner program sold on average for $128,000, well above the median sale price for the neighborhood. Initially, rehabs and new construction via the Trusted Partner program used to be the only home sales in their price range, but in recent months homes have routinely sold for prices higher than a Trusted Partner project. The Trusted Partner program has helped increase the stock of safe, high-quality housing in a severely distressed neighborhood. The construction of these homes has also set the standard for redevelopment and created opportunities for private investment to flow into the neighborhood.

### Responsible Landlord Loan Program
COCIC also administers a closed-end revolving loan program for the purpose of stabilizing the market in the Southside. This partnership between COCIC, Nationwide Children’s Hospital, and Community Development for All People began in 2014 with the creation of South Side Renaissance, LLC, which was the recipient of the initial $1,000,000 loan. This loan was expended between 2014 and 2016, and repaid...
with interest in 2016. After its initial success, South Side Renaissance was approved for another $1,000,000 round that began in 2016 and is currently being expended.

The loan program focuses on a narrow, 45 square blocks in the Reeb-Hosack neighborhood. Loan funds have been deployed to 17 different properties in the area, aiding in the rehabilitation and repair of 21 housing units. Additional funding for these repairs comes from United Way, Columbus Realtors Association and private donors.

As a closed-end revolving loan fund, the Responsible Landlords program is a self-sustaining program. The first loan was paid off in March 2016, earning approximately $16,700 in interest, allowing COCIC to deploy these funds to future strategic reutilization projects.

Table 10: Responsible Landlord Program, 2014-2017

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<thead>
<tr>
<th></th>
<th>Amount</th>
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<tbody>
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<tr>
<td>Total Invested</td>
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<tr>
<td># of Properties Rehabbed</td>
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</tr>
<tr>
<td># of Units Rehabbed</td>
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</tr>
</tbody>
</table>

**Responsible Landlord Emergency Repair Program**

COCIC is a member of the South Side Responsible Landlord Network, and helps fund the Emergency Rental Repair Program. The Repair Program provides emergency repair grants to small landlords within the service area (landlords must own four or fewer units of rental property total to be eligible). Applicants to the program are eligible to receive $5,000 to make emergency repairs before they escalate into major problems.

**Exterior Rehab, Interior Cleanout**

In 2017, COCIC introduced the Exterior Rehab, Interior Cleanout (ERIC) program which serves to preserve properties that can potentially be saved from demolition. The program is a coordination between both the City and COCIC and provides funds to assist with costs of exterior repairs for rehabilitation in low to moderate income areas targeted by the City of Columbus and Franklin County. The program provides grants up to $50,000 for each project.

The City is responsible for identifying properties for the E.R.I.C program and transfers the properties to COCIC for the length of the rehabilitation. COCIC enters into the agreement with the general contractor and issues payment for all project invoices. After project completion, COCIC invoices the City for the project costs and the City disposes the property (keeping the sale proceeds). These projects (fixing roofs, shoring-up foundations, installing new windows, etc.) serves the Land Banks’ mission of blight intervention and strategic reutilization.

**Receivership Loan Program**

Another program recently introduced to The Land Bank’s blight intervention programming is the Receivership Loan Program. The program provides closed-end loans of up to $50,000 per property to court appointed receivers to protect the value of a distressed property by rehabilitating it and obtaining a clearance of the tax liens. The loan recipient must submit a work plan to COCIC prior to being approved.

Since these projects can take as little as six months, the Land Banks are able to intervene farther up the pipeline of blight before a property becomes a serious liability to its community.
Special Land Bank Projects
The flexibility and expertise of the Land Banks allow them to intervene on properties stranded in a situation where no other organization can effectively help. By utilizing their legal powers and resources, the land banks are able to get involved in complex projects. This kind of “hands-on” intervention serves the Land Banks’ mission of revitalizing neighborhoods.

Knights Inn – Westerville
In 2014, COCIC and the City of Westerville teamed up to deal with a blighted Knights Inn Motel that had become an eyesore for the city. Situated just off I-270, the Knights Inn Motel was one of the first sights people saw upon entering the city and had become home to crime and illegal activity. The commercial complex was in extreme disrepair and was pending mortgage foreclosure due to approximately $300,000 of unpaid real estate taxes. The City of Westerville's economic development agency bought the property and reached out to COCIC for help with removing the blighted building.

COCIC came to an agreement with The City of Westerville to demolish the complex. COCIC was able to utilize funds from the Attorney General’s Moving Ohio Forward Fund thanks to the close examination of tax filings that proved the complex had been used by some individuals in the past as a primary residence, meeting the residential requirement of the grant. In the end, the 116 unit demolition cost $263,173 and COCIC was able to recover $131,586 through the AG reimbursement. COCIC also extinguished all the real estate taxes and assessments before re-conveying the property back to Westerville (in turn, the City of Westerville made a one-time payment of $150,000 to the school district for lost property taxes).

Since demolition, the site has been redeveloped into a brand-new Aloft Hotel by Marriott, bringing increased tax revenues for the community. In 2017 alone, the new development paid approximately $27,000 in property taxes. Additional tax revenues will be generated through The City of Westerville's 6% hotel/motel tax. The new 101-room hotel would not have been possible without this creative intervention by COCIC and its partners.

Hilliard Demolition
In 2017, COCIC completed its first demolition in the City of Hilliard. In January 2017, Hilliard’s Legal Counsel reached out to COCIC for assistance with the demolition of a property that was heavily infested with mold. COCIC took extra precautions in the demolition process to meet the concerns of neighbors. In addition to making arrangements with the demolition contractor, COCIC hired North American Environmental – a mold remediation firm – to oversee the entire demolition process. COCIC also worked with the Sheriff's department to make sure all interested parties and neighbors were aware of the demolition and explained the process. This project came to fruition because of efficient coordination between the City of Hilliard, COCIC, Environmental Court, Bankruptcy Court, the property owner, and the demolition and remediation contractors. The amount of mold in the structure presented a unique challenge for all parties involved, but the end result was the removal of a blighted structure that was negatively impacting an otherwise healthy neighborhood in Hilliard.
Case Study: The Southside

A Rich History
The Southside neighborhood of Columbus is a diverse community with a history of manufacturing. Nationwide Children’s Hospital moved to Livingston Avenue in 1924 and remains a fundamental institution in the neighborhood. The Southside enjoyed many decades of growth and prosperity, but population shifts, interstate construction and the decline of manufacturing began taking its toll in the 1960s.

The Southside has received extensive attention from a variety of partners, including the Land Banks, the City of Columbus, neighborhood community organizations, local business leaders, and Nationwide Children’s Hospital. These partners’ ability to work together and layer their efforts is one of the key drivers behind the Southside’s recent success.

Blight Removal
Blight is the visual manifestation of decline and its removal is a key component to bringing pride and momentum back to a neighborhood. Over the past five years, the Southside has received extensive attention from the Franklin County and City of Columbus land banks in terms of demolition activity. Since 2012, more than two hundred blighted structures have been demolished in the Southside area, making it one of the epicenters of the land bank’s demolition program. In 2013, there were 301 vacant structures in the Southern Orchards neighborhood alone. By 2017, that number had fallen to 195. Roughly 50 percent of that decline was due to demolition of abandoned properties by the Land Banks.

Facilitating New Development
Blight removal may be what the Land Banks are most known for, but their work extends far beyond demolition of problem properties. Over the past five years, the Land Banks have been heavily involved in site control, land assembly, and financing new development.

COCIC’s Trusted Partner program has devoted over $830,000 in funding towards 14 new build projects and 22 rehab projects in the Southside. One of the partners on the Southside, Habitat for Humanity, has been awarded Trusted Partner grants to help build seven new single-family homes. These homes are sold to families that have completed the Habitat programming, which includes financial literacy classes and a sweat-equity requirement. The families purchase the homes with a 0% interest mortgage that is capped at 28% of their income. Representatives from Habitat Mid-Ohio noted funding through Trusted Partners is critical for the organization’s ability to leverage more funding from public and private funders. The funds that COCIC provides are equivalent to an entire new home being built. That is to say, without COCIC’s assistance, one less family would become homeowners every year, slowing the equitable revitalization of the Southside.
Land Assembly and Acquisition for Non-Profit Developers

The Land Banks also contribute to community redevelopment efforts by providing property to non-profits that they would otherwise have to purchase on the open market. Properties acquired on the open market are more expensive and often require a negotiation process.

The Land Banks have also worked closely with Nationwide Children’s Healthy Families, Healthy Neighborhoods initiative. Nationwide’s housing initiative is coordinated through Healthy Homes, a non-profit housing organization whose mission is revitalizing housing on Columbus’ south side through rehab, renovation and home repair. The Land Banks’ ability to acquire certain properties before the private market ensures they end up in the hands of a responsible developer who shares a common vision with the Land Banks. Since 2012, the Land Banks have acquired 43 properties on behalf of Healthy Homes who has invested more than $5,400,372 to create safe, new, affordable homes. On average, Healthy Homes paid $2,847 for each land bank property. On the open market, Healthy Homes may pay as much as $40,000 for a comparable property. By selling the properties at a below market price, the Land Banks are providing an investment to the community by lowering the non-profit developer’s total costs, allowing them to sell the home at a more affordable price.

The Southern Orchards neighborhood in the Southside, like much of the rest of the Southside, has had a historically weak housing market, but efforts by the Land Banks, Nationwide Children’s Hospital, and others have begun to jumpstart the market. In 2012, the housing market was extremely depressed and homes were regularly selling for less than $20,000. In 2017, median sale prices have jumped to above $80,000. The subsidies provided by the Land Banks related to acquisition keep partner non-profits’ costs down, allowing them to preserve affordability in the area when they sell the newly constructed homes.

Rental Market and Tax Credit Projects

While increasing homeownership in the Southside is desirable, a revitalization effort would not be complete without addressing the needs of the community’s rental population and the supply of affordable housing. Between 2012 and 2017, the average rent for a single-family home in Southern Orchards increased roughly 17% (See Chart 3). The Land Banks strategically use their resources to provide a healthy stock of affordable rental units.

In conjunction with area non-profit Community

Figure 4: Zillow Rent Index (ZRI) Southern Orchards

(12) Zillow Rent Index (ZRI): A smoothed, seasonally adjusted measure of the median estimated market rate rent across a given region and housing type. ZRI is a dollar-denominated alternative to repeat-rent indices.
Development for All People, COCIC created the Responsible Landlords program, which has loaned $1,399,613 for the acquisition and rehabilitation of abandoned properties in the Reeb-Hosack neighborhood. The program has already created 21 units of affordable rentals which are operated by Community Development for All People.

The Land Banks have also been involved in facilitating tax credit projects on the Southside. In 2012, Southern Gateway Homes LLC began the construction of 40 new, single-family detached homes on the southern tip of the Southside neighborhood. 26 of the lots were acquired from the Land Banks. The homes are part of a lease-purchase tax credit project and at the end of the 15 years residents will be able to exercise an option to buy their home. The construction of these affordable homes was complemented by a $5.7 million investment from local leaders and an $18 million investment from the City of Columbus for a new health and wellness center and infrastructure improvements.

A Returning Market
Real estate data in the area suggests the demolition activity, paired with the rehabilitation and new construction has helped strengthen the market – and certainly helped stop the downward trend of the neighborhood. Between 2012 and 2016, the Southside experienced a sharp increase in the number of mortgage originations for home purchase and home improvement. Additionally, the average loan amount increased substantially between 2012 and 2016. This increased activity strongly suggests the strengthening of private housing market in the Southside.

Further signs of a returning market can be seen in the rising home values over the past five years. According to the Zillow Home Value Index (ZHVI), the average home value in the Southern Orchards neighborhood has increased approximately 30% from 2012 to 2017. In the South Side CAN neighborhood, home values have increased 26% over the same time period (see Figure 5).

Moving Forward
The success in Columbus’ Southside is a direct result of the collaboration and dedication of a variety of partners whose vision was to revitalize a distressed neighborhood. By layering and connecting their efforts, stakeholders have maximized their impact in the area. The Land Banks have emerged as a valuable partner with their acquisition, demolition, land assembly, project financing, and rehabilitation.
Between 2012 and 2017, the Land Banks have placed 1,299 properties with new, responsible end users. The Land Banks have a myriad of disposition programs including improve-to-own programs that allow neighbors to acquire vacant lots through in-kind payments. Other properties are sold to the private market for new construction or rehabilitation.

Single-family rehabs were the most common disposition for land bank properties, accounting for more than 40% of all dispositions. Side yard sales accounted for roughly 24% of dispositions. These properties are often acquired by neighboring private residents or churches or nonprofits in the neighborhood, which helps strengthen residents’ commitment to their neighborhood and home.

### Generating Revenue Through Land Sales

Between 2012 and 2017, the Land Banks generated $7.8 million in revenue from direct land sales. Most sales by the Land Banks are vacant lots sold for new residential development or for use as a side yard. However, the Land Banks have also separately and jointly made several larger, unique sales in recent years. For example, in 2017, COCIC and the Columbus Land Bank sold a property in north Columbus to National Church Residences (NCR) for $222,800.00. NCR will construct senior housing on the site to complement its adjacent senior housing complex, which was constructed in 2010. Similarly, in

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<th>Type</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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### Table 12: Land Bank Sales Revenue 2012-2017

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<td>$711,012</td>
<td>$1,025,444</td>
<td>$1,021,182</td>
<td>$1,195,776</td>
<td>$1,714,917</td>
<td>$6,108,116</td>
</tr>
<tr>
<td>Sales Revenue (COCIC Only)</td>
<td>$29,175</td>
<td>$377,676</td>
<td>$65,722</td>
<td>$1,225,878</td>
<td>$1,698,452</td>
<td>$7,806,568</td>
<td>$1,698,452</td>
</tr>
<tr>
<td>Total</td>
<td>$439,785</td>
<td>$711,012</td>
<td>$1,054,619</td>
<td>$1,398,858</td>
<td>$1,261,498</td>
<td>$2,940,795</td>
<td>$7,806,568</td>
</tr>
</tbody>
</table>
2017 revenue jumped as COCIC sold the land it acquired at Metro West off of Georgesville Road for more than $900,000. The site will be home to a new retail development with a grocery store as its anchor.

The revenue generated through these land sales fund future land bank operations.

Selling Properties for Renovation

Many Land Bank houses are sold to private investors who renovate the houses to rent or resell. These sales not only provide the Land Bank program with revenue, but can have great impact on housing markets. The Land Banks select buyers after a rigorous process that evaluates the buyer’s track record, renovation plan, and ability to complete the renovation. This scrutiny allows the Land Banks to select the buyer who will have the most impact on a neighborhood, rather than strictly selling the property for the highest price.

Impact of Renovation in the Hilltop

Since 2015, ten houses have sold on N. Eldon Avenue between West Broad Street and Steele Avenue in the Highland West neighborhood. Half of these sales have been properties sold by the City Land Bank to private investors who renovated the houses to sell to homeowners. These post-renovation sales are among the highest values for properties sold in 2017 in the Highland West Neighborhood ranging from $55,000 to $130,000 between April 2015 and November 2017. These renovations serve to stabilize a street that has a mix of rental and homeowner occupied properties and the increased property values serve to jumpstart a market in an area that has very low property values.

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Table 12: Renovations in the Hilltop (Columbus)

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Action</th>
<th>Date of Last Sale</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Bank</td>
<td>Renovation and Resale</td>
<td>Listed Nov. 2017</td>
<td>$131,000</td>
</tr>
<tr>
<td>Land Bank</td>
<td>Renovation and Resale</td>
<td>September 2017</td>
<td>$125,000</td>
</tr>
<tr>
<td>Land Bank</td>
<td>Renovation and Resale</td>
<td>September 2017</td>
<td>$125,000</td>
</tr>
<tr>
<td>Private</td>
<td>Bank Foreclosure and Resale</td>
<td>September 2017</td>
<td>$60,000</td>
</tr>
<tr>
<td>Land Bank</td>
<td>Renovation and Resale</td>
<td>May 2016</td>
<td>$103,495</td>
</tr>
<tr>
<td>Private</td>
<td>Homeowner Resale</td>
<td>June 2016</td>
<td>$116,000</td>
</tr>
<tr>
<td>Private</td>
<td>Bank Foreclosure and Resale</td>
<td>December 2016</td>
<td>$34,784</td>
</tr>
<tr>
<td>Private</td>
<td>Bank Foreclosure</td>
<td>November 2015</td>
<td>$21,349</td>
</tr>
<tr>
<td>Land Bank</td>
<td>Renovation and Resale</td>
<td>October 2015</td>
<td>$55,000</td>
</tr>
<tr>
<td>Private</td>
<td>Private renovation and resale</td>
<td>April 2015</td>
<td>$70,000</td>
</tr>
</tbody>
</table>
Tax Credit Projects

As part of the disposition process, the Land Banks have been involved in a number of tax credit projects over the past five years. The Land Banks are often able to act as an acquisition arm for these projects. The section below highlights a few of the tax credit projects across Franklin County.

Milo-Grogan Scattered Site

In 2016, Homeport announced the construction of 33 single-family homes in the Milo-Grogan neighborhood. That June, Homeport was approved for $1.5 million in low-income housing tax credits from OHFA which leveraged an additional $7 million in housing tax credit equity from Ohio Capital Corporation for Housing. This $8.5 million investment triggered the City of Columbus to approve the Milo-Grogan neighborhood for 15-year, 100 percent tax abatements on new residential construction and renovation.

All of the project sites are located east of Interstate-71 on the east side of Milo-Grogan and concentrated in a 6-block radius. All but two of the parcels selected for the infill construction are on former Land Bank properties. Thanks to the Land Banks, Homeport was able to acquire the sites quickly, cheaply, and in a concentrated area. This ability to assemble land is one of the most important roles the Land Banks play in community redevelopment projects. The future single-family homes will be lease-purchase, meaning qualified residents will be eligible to purchase the home after a 15-year leasing period. Only residents making less than 60 percent of area median income are eligible for the program.

With Milo-Grogan’s proximity to other growing neighborhoods, collaborative projects like this encourage future investment while also maintaining affordability.

Driving Park’s Kent Place Homes

In 2013, the Buckeye Community Hope Foundation, a Columbus-based group that sponsors charter schools and develops low-income housing, began its multi-phased approach to revitalize an area in the Driving Park neighborhood. The first phase of this project focused on providing the neighborhood with a quality learning environment through a $2 million investment to redevelop the former Kent Elementary school into a charter school.

Understanding that the success of the new school depended on a safe neighborhood around it, Buckeye Hope set out to develop 53 single-family homes through the Kent Place Homes project. In 2015, Buckeye Hope’s Kent Place Homes proposal was awarded $970,000 in Low-Income Housing Tax Credits and an additional $1.9 million in low-interest loans through OHFA’s Housing Development Loan and Multifamily Lending Program. Three of the units are available to 30% of Area Median Income and the remaining 50 units are available to 60% of Area Median Income.

The initiative received $250,000 in HOME dollars from the City of Columbus and a $46,000 grant from the City of Columbus Land Bank. Additionally, the Land Banks provided 39 out of the 53 parcels that will be home to the new construction. 35 of these parcels were sites of land bank demolitions.

Driving Park is a neighborhood that has not seen outside investment in many years. The partnership between the Land Banks, The City of Columbus, Buckeye Community Hope Foundation and others brings much needed investment to the neighborhood.
Generating Taxes

Land bank dispositions not only lead to new productive uses of once unproductive land – they also put properties back on the tax rolls. In 2016, new owners of former land bank properties paid $268,235 in property taxes. In 2017, this number grew to $442,129.\(^\text{15}\)

This number is expected to continue growing rapidly because:

- properties conveyed from the Land Banks remain tax exempt for the calendar year they are transferred in,
- vacant lots sold by the land banks for new construction may not reflect the higher tax value until the next 3-year appraisal,
- and some land bank dispositions are located in tax abated areas.

The more than 300 properties sold by the Land Banks in 2017 are not accounted for in this calculation and will be a leading cause for the expected rise in property taxes paid.

Making the Way for New Investments

Disposed properties attract new private and non-profit development investments. The Land Banks operate an online database of their available properties – allowing individuals and organizations to easily find a property that fits their needs. The online database tracks the proposed amount of investment that will take place on the properties. As noted in table 14, between 2013 and 2017 this totaled $79 million of proposed private investment by approved applicants. $35 million is being committed to the former Poindexter Village site alone, where the Columbus Metropolitan Housing Authority is building 150+ units of mixed-income family housing. This is part of a larger 400+ unit redevelopment effort led by Partners Achieving Community Transformation (PACT) at Poindexter Village. The remaining $42 million of investment in renovation/new construction is from local non-profits, private developers, and individuals. The map in the appendix shows the distribution of investments across Columbus.

After demolition, some lots will remain a vacant plot of land. The Land Banks operate several programs that ensure these vacant lots are put to good use including the community garden program and coordination with Blueprint Columbus.

Community Gardens

While a vacant lot is better and safer than a blighted structure, often a vacant lot without greening or reuse does little to revive a blighted neighborhood. Research suggests that neglected vacant lots can negatively effect the value of surrounding homes, but efforts to manage or stabilize these sites reverses the impact.\(^\text{16}\) The Land Banks' Community Garden program is one way the Land Banks seek to find a productive use for vacant land.

Since 1996, the City of Columbus has operated the Community Garden program, which licenses vacant parcels to groups who wish to start an urban garden. Some research suggests community gardens can

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### Table 13: Proposed Investment on Former Land Bank Properties (City of Columbus, 2013-2017)

<table>
<thead>
<tr>
<th>Type</th>
<th># of Properties</th>
<th>Investment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renovation/New Construction</td>
<td>665</td>
<td>$42,353,080</td>
</tr>
<tr>
<td>Poindexter Village (CMHA)</td>
<td>1</td>
<td>$37,144,039</td>
</tr>
<tr>
<td>Vacant Lot</td>
<td>269</td>
<td>$208,640</td>
</tr>
<tr>
<td>Garden License</td>
<td>122</td>
<td>$251,949</td>
</tr>
<tr>
<td>Total</td>
<td>1,057</td>
<td>$79,957,708</td>
</tr>
</tbody>
</table>

\(^\text{15}\) Calculated from property tax payment data from the Franklin County Auditor
bring a neighborhood together, improve community health, lower crime, and raise the standard of living in the area. Since the program started 21 years ago, the City of Columbus has licensed community gardens on 217 different parcels. COCIC also plays a role in the Community Garden program by serving as the City Land Banks’ fiscal agent on all transactions related to the program since 2016.

Most of the vacant lots listed for sale by the Land Banks are eligible to become a community garden. The parcels can be leased for $10 per year to the groups wishing to establish the garden. The land bank also offers several services to help the community gardens get started:

- **Water Containment Systems:** The City provides 550 gallon water cisterns and one free fill up.
- **Voucher Program:** Beginning in 2016, the Land Banks offer $300 vouchers per license for gardeners to buy pre-approved materials from Lowe’s home improvement stores.
- **Soil and Compost:** The public utilities provide compost and soil is available for purchase. The Land Banks started paying for delivery in 2017.

The City has spent $119,000 on its garden program since 2012 and $30,000 in 2017 alone as the volume of gardens has increased. In 2017, the land bank spent $10,945 on rain barrel equipment, $3,256 on top soil, $2,200 on compost and $13,640 at Lowe’s Home Improvement stores. The community garden program ensures a positive reuse for the once blighted land.

### Blueprint Columbus

In 2015, the City of Columbus announced its Blueprint Columbus plan. This plan was designed to address the Ohio Environmental Protection Agency’s request for an integrated plan to deal with combined sewer overflows through investments in green infrastructure.

One component of the comprehensive plan involves redeveloping vacant lots into sites that treat stormwater. The City of Columbus Public Utilities Department works with the Land Banks to identify properties that are best suited for rain gardens and other treatments that can mitigate stormwater runoff. This collaboration not only cleans the local water supply, but also helps strengthen a neighborhood by reducing local flooding, removing abandoned homes, and constructing new amenities.

To date, eight land bank lots (four that were demolished through the NIP program) have been put to reuse for stormwater management through the Blueprint program, and additional seventy five lots are in the design/construction phase awaiting completion. The picture below is from a completed rain garden at 842 Gilbert Street on the Southside. This site was a former blighted property, but thanks to collaboration between the Land Banks, Department of Public Utilities, and neighborhood residents, these parcels are now a neighborhood amenity while helping to prevent localized flooding.

![A rain garden completed through the Blueprint Columbus program at 842 Gilbert Street](image)

(17) Kristine Hahn, “Community gardens can be anti-crime agents” March 8, 2013 Michigan State University Extension
http://msue.anr.msu.edu/news/community_gardens_can_be_anti-crime_agents
The number of abandoned properties in Central Ohio saw a spike during the foreclosure crisis that began in Ohio in 2006 with a record number of 79,059 foreclosure filings across the state. Many neighborhoods in Columbus saw the impact of these foreclosures first-hand as properties became abandoned and turned into public safety hazards. Since then, considerable progress in reducing the number of vacant and abandoned properties has been seen in the Columbus region.

### A Shrinking Number of Vacant Properties

The City of Columbus’s Code Enforcement division conducts a yearly Vacant Housing Analysis to take stock of the number of vacant properties in Columbus and their condition. Table 15 shows the geographic distribution of these vacant homes. In 2012, the City recorded a total of 6,284 vacant properties within its limits; by 2017 this number had fallen to 3,817, a 40% decrease.

Much of this decrease can be attributed directly to the Land Banks. In 2017, the Land Banks demolished 293 vacant homes in the City of Columbus and sold 173 properties for rehab—addressing 466 vacant properties in total. This means 55% of the decrease in vacant homes in 2017 alone can be directly attributed to Land Bank activity.

Indirectly, the Land Banks’ impact may be even larger. The Land Banks operate in historically disinvested neighborhoods where private developers do not regularly operate. Through demolition, financing for new builds, and selling properties for rehab, the Land Banks have jump-started once dormant housing markets. This activity in neighborhoods such as Franklinton, Linden, and the Southside has allowed more private activity to flow into these communities.

The combination of a strengthening market and the Land Banks’ intervention has led to fewer properties across Franklin County that are abandoned and hopelessly blighted. While this decrease in the worst-of-the-worst properties is a sign of success for the Land Banks, it is also a sign they will need to find new ways to intervene in the future.

Figure 6 Vacant Houses Recorded by City of Columbus Code Enforcement

### Table 14: Vacant Houses by Neighborhood

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Franklinton</td>
<td>575</td>
<td>529</td>
<td>480</td>
<td>459</td>
<td>395</td>
<td>322</td>
</tr>
<tr>
<td>Hilltop</td>
<td>1,204</td>
<td>1,196</td>
<td>1,147</td>
<td>879</td>
<td>705</td>
<td>702</td>
</tr>
<tr>
<td>Southeast</td>
<td>1,119</td>
<td>1,188</td>
<td>1,142</td>
<td>1,016</td>
<td>835</td>
<td>695</td>
</tr>
<tr>
<td>Near East</td>
<td>1,270</td>
<td>1,215</td>
<td>1,135</td>
<td>1,071</td>
<td>922</td>
<td>751</td>
</tr>
<tr>
<td>Linden</td>
<td>1,353</td>
<td>1,388</td>
<td>1,285</td>
<td>1,321</td>
<td>1,134</td>
<td>884</td>
</tr>
<tr>
<td>Northeast</td>
<td>351</td>
<td>385</td>
<td>454</td>
<td>300</td>
<td>254</td>
<td>196</td>
</tr>
<tr>
<td>Campus</td>
<td>174</td>
<td>150</td>
<td>99</td>
<td>90</td>
<td>86</td>
<td>63</td>
</tr>
</tbody>
</table>

(18) Ohio Attorney General Mike Dewine “Moving Ohio Forward Program Summary” February 2015
http://www.ohioattorneygeneral.gov/Files/Publications-Files/Publications-for-Consumers/Foreclosure-Publications/Moving-Ohio-Forward-Program-Summary
Roadmap for the Future

After five successful years of collaboration, the Land Banks are well positioned to bring their legal powers, strategic savvy, and technical expertise to address the issues facing Central Ohio. The sections below serve as a potential roadmap for the future of the Land Banks and documents the opportunities that are ripe for intervention.

Blight Removal and Demolition

The reality of real estate is that blight mitigation will always be a core function of the land banks.

As they continue their demolition activity, the Land Banks will have the opportunity to continue to adjust their practices and improve their efficiency. The recent introduction of the Tax Lien Certificate program is an example of how the Land Banks have streamlined their operation and increased their ability to address distressed properties.

Affordable Housing Preservation

Not all residents of Franklin County have benefited from the economic prosperity the region has experienced over the past two decades. Safe, affordable housing continues to be an extremely serious concern as Central Ohio’s population continues to rise, rents increase due to demand, and incomes for certain population are not keeping pace with housing costs. As noted in a 2017 report from the Affordable Housing Alliance of Central Ohio, rents rose at nearly twice the pace of wages from 2009 through 2014 and 54,000 of Franklin County’s lowest-income residents pay more than half of their incomes for housing costs and face housing instability. These trends are expected to continue as population numbers increase in central Ohio.

The Land Banks have the opportunity to help the community face this affordable housing challenge in three ways:

First, by continuing to build relationships with non-profits to develop safe, affordable housing in distressed neighborhoods. Many new builds and rehabs are completed on former land bank properties. The Land Banks have acted as an acquisition arm for non-profits operating in distressed neighborhoods such as Linden, Franklinton, and the Southside. The Land Banks are able to acquire and assemble properties the private market may not be able to acquire and sell them to non-profits for a reasonable price. Local non-profits are in-tune to the needs and requests of the community, which can provide the Land Banks with valuable insights on what best future use will suit a neighborhood.

Second, by assisting organizations in acquiring land for tax credit projects. The Land Banks have been involved in several tax credit developments on their

properties including scattered site projects in Milo-Grogan and Driving Park. Tax credit projects in tipping point neighborhoods such as Milo-Grogan ensure a source of affordable housing for existing residents.

Third, by financing and funding construction and rehab of affordable owner-occupied units. In addition to facing an affordability crisis, Franklin County has also seen a decline in owner-occupancy. Construction of a new affordable homeowner unit or substantial rehab of an existing unit in a disinvested neighborhood has an approximate $90,000 appraisal gap. Through their funding for opportunity-driven activities, The Land Banks may continue to have the opportunity to be a source of local funds for affordable housing projects.

Residential Stabilization

In the annual vacant housing survey conducted by Columbus Code Enforcement, properties are categorized into one of three categories: good, fair, or poor and are defined as follows:

- **Good**: A vacant building with windows and doors intact or with a few openings boarded in an inconspicuous way. The roof, foundation, and exterior elements are in good shape. The property is likely not noticeable as vacant to the casual observer.

- **Fair**: A vacant property requiring boarding by the city and orders for substantial repairs. Structural problems may be limited to an accessory building on the property.

- **Poor**: A vacant building with severe code violations requiring immediate attention (i.e. presenting a public hazard). Structural issues may be one large problem (collapsing roof) or a combination of many smaller problems.

Properties in the “poor” category are often targets for demolition by the land bank. These structures are usually in a state of disrepair and have become a public safety hazard. Realistically, the only viable option for the property is demolition of the dilapidated structure. This number has held fairly constant over the last five years.

The fate of “fair” properties is more uncertain than the other two categories. The private market may be less willing to put in the money necessary for rehabilitation, especially when there are available vacant homes in better condition. These properties, with little structure degradation, are at risk of falling into worse condition if no intervention is taken.

In 2017, 278 of the properties listed as “poor” were recorded as “fair” just one year prior. It is possible the stock of “poor” vacant homes is replenished by homes falling from a higher rating.

Where intervention is most critical are these properties under the threat of falling into a state where demolition is the only option. Demolition will always be a tool used to combat blight and relieve communities of the cancerous effects of abandoned properties but COCIC and the city are committed to closing the pipeline of decline as much as possible. The Land Banks have recognized this shift in the pipeline and have attempted to address it through a variety of programmatic changes.

In 2017, COCIC introduced several programs that can help their efforts for residential stabilization by decreasing the time it takes for intervention. In 2017 The Land Banks expanded their Tax Lien Certificate Program which has dramatically decreased the timeline for acquisition of a tax delinquent property.

(20) The Vacant Housing Analysis is a windshield survey that is largely relative. An implication of this methodology is the possibility of a property's condition not physically changing, but receiving a lower rating due to changing conditions around the property. For instance, once the worst property on the block is demolished, the second worst property may fall from a “fair” rating to a “poor” rating despite the conditions remaining relatively unchanged.
This decrease in acquisition time helps prevent distressed properties from falling into disrepair. Additionally, as discussed earlier, the Receivership Loan Program was introduced as a method to gain control and dispose of a distressed property more quickly than foreclosure. This program uses closed-end loans of up to $50,000 per property to court appointed receivers to protect the value of a distressed property by rehabilitating it and obtaining a clearance of the tax liens. This process can take as little as six months.

Furthermore, the introduction of the E.R.I.C. (Exterior Rehab, Interior Cleanout) program can serve to preserve properties that can potentially be saved from demolition. This program, discussed earlier, is a coordination between both the City and COCIC and provides funds to assist with the cost of exterior repairs for rehabilitation in the low to moderate income areas targeted by the City of Columbus and Franklin County. The program, which provides a maximum of $50,000 to each project, allows for strategic intervention on a property before the deterioration of the structure makes rehabilitation infeasible. The program is in its beginning stages, but illustrates the type of work The Land Banks can focus on in the future in order to meet their goal of residential stabilization.

From their larger size to complex ownership histories, commercial blight redevelopment projects pose a different set of problems for the Land Banks. Over the past five years, however, the Land Banks have gained experience with commercial blight and redevelopment.

In 2017, The Land Banks completed the rehab of a historic medical center on Columbus’ Near East Side. The building was first developed in 1962 by five African-American medical professionals when the medical field was still highly segregated. In 2015, the building was one of the fourteen properties on the African-American Landmarks Report’s “Most Endangered Buildings” list curated by The Columbus Landmark Foundation. The Land Banks spent $340,371 to stabilize the building and restore it to marketable condition. This included a new roof, windows, paint, and gutter system as well as removing asbestos from the interior. The property is ready for redevelopment and is currently requesting proposals for the historic property.

COCIC also engaged in the strategic reutilization of a commercial structure in Worthington, Ohio. COCIC provided a $60,000 grant for a partial demolition of a property that had sat vacant for over a decade. The demolition, made possible by COCIC, had profound economic impacts. The property value of the structure increased significantly, generating more tax dollars for the county and school district. Now that the remaining portion of the building is occupied by two new businesses, income tax revenues have also risen. Through COCIC’s intervention on this commercial property, the Worthington community was provided with the relief from a blighted eyesore as well as new job opportunities.

Some commercial properties may also provide COCIC with the potential for an internal subsidy. Not all tax
delinquent properties are “junk” properties. Although most of the properties that are transferred into The Land Bank’s inventory are indeed heavily blighted, some have market potential. By acquiring, developing and selling distressed properties that are in higher-functioning sub-markets, The Land Banks can generate revenues to deal with the more problematic properties. The Center for Community Progress describes this as an internal subsidy, noting that “this source of internal subsidy is founded on the notion that a land bank is better positioned than a public auction to convert valuable properties to productive use and that they can use the earnings from land sales to rehabilitate, clean, board up, or even bulldoze other properties in worse condition.”
Conclusion

In the last five years, the combined effort of COCIC and the City of Columbus Land Redevelopment Office has had tremendous impact in Franklin County. As a result of their work the Land Banks have:

- Generated $180 million in economic impact
  - Protected $90 million in property values
  - Generated $7.8 in revenue from direct land sales,
  - Collected $442,000 in property taxes in 2017 alone
  - Facilitated $80 million in proposed investment by non-profit and private partners,
  - Awarded over $3.3 million in grants and loans to non-profit partners
- Demolished over 1,600 blighted structures
- Returned more than 1,300 properties to the market for rehab or new construction in some of the most historically disinvested neighborhoods in Columbus, and
- Addressed the worst of the worst properties

The demolition work of the last five years that has dominated the land bank’s activity has made a substantial impact in neighborhoods across Franklin County. The Land Banks are now in a strategic position to adjust their practices to adapt to the changing pipeline of properties in Franklin County and to work further back in the pipeline so to avoid demolition. While remaining committed to their core functions of stabilization and redevelopment, in the next five years, the city and COCIC are well positioned to bring their legal powers, strategic savviness, and technical expertise to increasingly more complicated—and catalytic—projects.
Appendix

1. Land Bank Funding Sources

Funding for demolition comes from federal and state reimbursement programs as well as sources of dedicated funding for each of the land banks. The following are the funds utilized for demolition activity and the total amount spent through each program:

**Ohio Attorney General's Moving Ohio Forward Program:** In 2012, Ohio received almost $93 million in funds from “The National Mortgage Settlement.” This settlement was reached by 49 state attorneys general who settled with five of the nation's largest mortgage providers over foreclosure abuses, fraud, and deceptive practices. $75 million of those funds were set aside for a demolition program. Each of Ohio's 88 counties participated in the program and grant funds were allocated based on the number of foreclosure filings from 2008-2011. Funds were only eligible on residential properties and a match was required after receiving the first $500,000. In total, COCIC received $8.8 million from the Attorney General and the Land Banks contributed an additional $6.8 million in required matching funds. Approximately $5 million of these matching funds were provided by the City of Columbus land bank. Coordination of the MOF demolition program marked the beginning of what has become a very strong partnership between the two land banks over the years.

**Ohio Housing Finance Authority's Neighborhood Initiative Program:** In 2013, the Ohio Housing Finance Agency was awarded a rule change that allowed part of Ohio's Hardest Hit Fund funding to be used for demolition activity. The Hardest Hit Fund provides federal funds designated for foreclosure prevention. The NIP program is open only to county land banks but the City and COCIC work together to deploy the dollars effectively. Only vacant and blighted residential properties are eligible for NIP funding. Properties must also be located in a “target area” that is part of a comprehensive strategy to stabilize home values and prevent foreclosure. Franklin County's target areas are in Franklinton (includes Hilltop and part of Franklin Township), Whitehall, the Near Northeast (includes Linden, Milo-Grogan, and parts of Clinton and Mifflin Townships), and the Southside (includes Reeb-Hosack, Driving Park, and Southern Orchards).

**City Funds:** In 2012, the City of Columbus announced a $11.5 million dollar program to address vacant and abandoned properties. The Vacant and Abandoned Properties Initiative included a pledge to demolish 900 properties within 4 years along with other enforcement and renovation programs. The program has allocated capital budget funds to the City of Columbus Land Redevelopment Division to demolish court ordered, emergency, and other demolitions not eligible for grant funds.

**Delinquent Tax Assessment Collection (DTAC):** The Ohio Revised Code (ORC 321.261) allows counties to choose to provide the county land bank with 5% of the biannual delinquent property tax receipts. The statute does not restrict the funds to specific uses, leaving COCIC to decide how to best utilize the funding. This allows for flexibility that can be responsive to local needs. Ohio is the only state that legislatively provides a consistent funding source for county land banks.
2. Identifying Properties for Acquisition

City Code Enforcement conducts an annual windshield survey of all of the vacant structures in the City of Columbus and records the exterior conditions of these properties. Additionally, Code Enforcement acts as the “eyes on the street” and is aware of which properties have had the most complaints, illegal activity, etc. The Land Banks rely on Code Enforcement to identify properties, perform inspections, and submit affidavits for tax foreclosure filings.

Franklin County Treasurer’s Office helps identify properties that are the most tax delinquent. The Treasurer also sells tax lien certificates to COCIC on blighted properties in order to expedite acquisition of the most severely blighted and abandoned structures.

The Columbus City Attorney’s Office Zone Initiative Team helps the City resolve vacant and blighted properties that otherwise may not be eligible for the Land Bank Program. The team prosecutes the cases that Code Enforcement brings to them on property owners that do not respond to Code Enforcement violations. This team enables the City to obtain court orders to demolish properties through the Franklin County Environmental Court. Since not all severely blighted properties can be foreclosed on for delinquent taxes, the City Attorney’s Office provides alternative means to demolishing the “worst of the worst” properties. In some cases, the Zone Initiative Team is able to refer an owner to the Land Banks to donate their property in lieu of prosecution in Environmental Court.

City of Columbus Department of Building and Zoning Services (BZS) helps identify problem properties by determining if an abandoned building is safe to occupy in its current condition. Additionally, the department is responsible for writing the emergency orders for demolition if a property is in imminent danger of collapse.

Administrative officials in Townships and Small Cities help identify priority blighted properties throughout Franklin County. These leaders are in tune with which properties are creating the most nuisance in their communities. They complete affidavits to begin tax foreclosure proceedings and also initiate ORC 505.86 nuisance demolition procedures to give COCIC the authority to demolish severely blighted properties.
3. Acquisition Methods

**Regular Tax Foreclosure:** The traditional process where the County Prosecutor initiates a Tax Foreclosure on behalf of the County Treasurer for unpaid real estate taxes. This process may take up to 18-20 months. Most tax foreclosures are initiated to resolve uncollected tax debt and the property may or may not be eligible for the Land Bank program. The Land Banks may select a property that is vacant and will receive the property if it fails to receive a minimum bid at two sheriff's sales. Due to the large number of regular tax foreclosure cases handled by the County and the steps involved in the court proceedings, the process may take a long time to resolve. Historically, both land banks have acquired properties through this process.

**Expedited Tax Foreclosure:** The county treasurer initiates a tax foreclosure, but elects to use an alternative, more accelerated, redemption process at the end of the foreclosure proceeding. A structure can qualify for this shortened process if it is considered abandoned, meeting more stringent criteria under the Ohio Revised Code. After foreclosure the property bypasses the Sheriff Sale and is conveyed to the land bank if the owner fails to redeem the property. The expedited foreclosure process is faster than regular foreclosure but may still take 6-12 months. Typically, this property is only used on the worst properties that do not have a mortgage or other liens.

**State Forfeiture:** If a land bank does not elect to receive a property in tax foreclosure and the property fails to sell at two sheriff's sales, it is forfeited to the State of Ohio. The State takes ownership of the property in name only and has no maintenance or other responsibility for the property. The county auditor is the selling agent for the state and is required to offer the forfeited properties for sale to the public each year at the annual Franklin County Auditor’s Sale. COCIC can bypass the sales process and request properties as soon as they are forfeited to the state. Under the Ohio Revised Code, only county land banks can acquire State Forfeited Lands free and clear of taxes.

**Tax Lien Foreclosure:** Tax lien foreclosure is an innovative property acquisition strategy that the Land Banks began using in 2016. The COCIC purchases tax lien certificates from the Franklin County Treasurer’s Office and acts as the plaintiff in a foreclosure action. The Land Banks work together to identify properties that are the most blighted and have little chance of being redeemed by the owner (by paying the fees/assessments in full). After a notification period, the Land Banks can initiate a foreclosure on the purchased tax lien certificate, using either the regular or expedited process. If the property is slated for demolition after foreclosure, COCIC’s foreclosure (acquisition) costs can be reimbursed through OHFA’s Neighborhood Initiative Program. If the home is resold for rehab, the foreclosure costs are reimbursed through the sale of the property to a new owner.
4. Map of Southside Activity
5. Acknowledgments

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