

A SUCCESSFUL STABILIZATION RESPONSE FOR THE

PRESENT

A STRATEGIC
REDEVELOPMENT
CATALYST
FOR THE

FUTURE

BY W. DENNIS KEATING, PH.D.

*Professor and Director, MUPDD Program, Department of Urban
Studies, Maxine Goodman Levin College of Urban Affairs,
Cleveland State University*

FOREWORD BY GUS FRANGOS

*President and General Counsel, Cuyahoga County Land
Reutilization Corporation*





Ed FitzGerald
Cuyahoga County Executive



Anthony Brancatelli
City of Cleveland Councilman, Ward 12
Board of Directors, Chairman, Cuyahoga Land Bank



Frank Jackson
City of Cleveland Mayor

“The Land Bank is a strong partner in our effort to attract resources and execute a strategy that strengthens neighborhoods throughout Cuyahoga County. By leveraging the Cuyahoga Land Bank, we’ve attracted more than \$30 Million for housing in our cities.”

“The Cuyahoga Land Bank has become a highly effective and professional community development tool in Cuyahoga County. It is a national model for best practices in the fight to stabilize neighborhoods, fight blight and promote proactive and productive land repurposing in the aftermath of the real estate foreclosure crisis of the 2000’s.”

“The Cuyahoga Land Bank is an invaluable partner and leader in our efforts to reimagine Cleveland through demolition, strategic rehabilitation and creative reuse of vacant land.”



Cuyahoga County Council

“The Cuyahoga Land Bank has been a great partner with the County and municipalities in addressing the urgent need in our community for a strong and sustainable housing market. They have gone above and beyond in engaging with small businesses and non-profit agencies to create programs that revitalize neighborhoods, help people to realize the dream of home ownership and support the economic health of our region.”

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A wooden fence with several colorful fabric decorations hanging from it. On the right side, there is a quilt panel featuring a red house with yellow windows, a blue sky, green grass, and yellow sunflowers.

“...we are making a positive difference in the quality of life in Cuyahoga County.”

A MESSAGE FROM THE PRESIDENT

As of June 2013, the Cuyahoga Land Bank completed its fourth year in existence. This amazing Land Bank “experiment” has produced incredible results. Those results are due to several factors.

First, is the expert and professional character of our staff. Our staff has taken ownership of the Cuyahoga Land Bank’s mission with all its operational complexities.

Second, we have a very focused and engaged Board. Our County Executive and County Council support the Cuyahoga Land Bank’s mission and take very seriously our work by appointing excellent and skilled Board members. At the same time, the Board fully embraces

its role as an engaged policy maker, yet gives the staff flexibility and support to execute that policy.

Third, the goodwill, trust and level of sophistication of our partners (Community Development Corporations – “CDCs,” partner cities and social service agencies) have allowed the Cuyahoga Land Bank to provide leadership on so many issues involving neighborhood stabilization, legal issues, research and policy.

Lastly, in order for the business of land banking to be successful, it requires complex interactions and cooperation among the professional staffs of the County Fiscal Officer, Treasurer, Prosecutor, Clerk of

Courts and Sheriff, not to mention administrative offices of so many cities.

So what has the Cuyahoga Land Bank accomplished and what is it doing? It has executed its core functions in dramatic fashion. As of December 2013, over seven hundred fifty (750) home renovations have been facilitated primarily through private investment; field servicing and maintenance of thousands of properties pending disposition; over two thousand (2,000) demolitions of seriously blighted and hazardous houses; lot re-use for homeowner yard expansions; urban agriculture, business expansion, faith-based and institutional land re-use.



The Cuyahoga Land Bank has expanded into other areas including work force development for disabled citizens and community re-entry clients. Other unique and creative activities include supporting law enforcement in the criminal forfeiture of properties and providing police SWAT and fire disaster personnel opportunities to train in Cuyahoga Land Bank houses prior to demolition. The list goes on.

Perhaps most gratifying is when we can execute our “brick and mortar” mission in a way that supports human and social service needs. We have provided housing renovation and workforce development programs for: arts and culture activities, refugees, veterans, people with disabilities and transitional/sober living. We have participated in work-

force development programs with organizations that provide life skills, education and faith-based initiatives. This is a collaboration “made in heaven” in that we team up with the very dedicated and hard working stakeholders in the human services arena. Our vision includes a robust continuation of our core activities, an expansion of our social service collaborations and direct sustainable neighborhood development participation, providing jobs to the citizens of Cuyahoga County, and promoting quality of life for our county’s citizens.

In summary, through the collaboration of our county and city governments, CDCs and human service providers, we are making a positive difference in the quality of life in Cuyahoga County.



GUS FRANGOS

President and General Counsel, Cuyahoga County Land Reutilization Corporation

Operating on a countywide basis, the Cuyahoga Land Bank's mission is to:

**STRATEGICALLY ACQUIRE PROPERTIES,
RETURN THEM TO PRODUCTIVE USE,
REDUCE BLIGHT, INCREASE PROPERTY
VALUES, SUPPORT COMMUNITY GOALS,
AND IMPROVE THE QUALITY OF LIFE FOR
COUNTY RESIDENTS.**

THE CUYAHOGA LAND BANK is the first “Land Bank” of its kind in the nation, and has served as both a statewide and national model for other land banks.

The Cuyahoga Land Bank is a non-profit community improvement corporation enabled and incorporated under Chapter 17 of the Ohio Revised Code.

Its Board of Directors consists of nine members: the County Executive, the Cuyahoga Treasurer, and one appointee of the County Council, together which in turn select four members. Two additional board members represent the City of Cleveland, one appointed by the Mayor and one selected by Cleveland City Council.

The powers of the Cuyahoga Land Bank include:

- Purchase, receive, transfer, hold, manage, dispose of and lease real property;
- Acquire or manage unimproved (vacant) underutilized property and tax forfeited lands;
- Contract with governments and other entities (e.g., private property owners) for land improvements;
- Issue bonds, apply for grants, make loans, and borrow money.

A primary source of the Cuyahoga Land Bank funding is made up of interest and penalties from collected late or delinquent real property taxes and assessments. The County itself does not provide any primary general obligation tax dollars, nor levied funds from the various taxing districts, to fund the operations of the Cuyahoga Land Bank. The County is neither liable nor obligated for the operations and obligations of the Cuyahoga Land Bank.

CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION

A SUCCESSFUL STABILIZATION RESPONSE FOR THE PRESENT

A STRATEGIC REDEVELOPMENT CATALYST FOR THE FUTURE



BY W. DENNIS KEATING, PH.D.

*Professor and Director, MUPDD Program, Department of Urban Studies,
Maxine Goodman Levin College of Urban Affairs, Cleveland State University*

HISTORY

The Cuyahoga Land Bank opened its doors in June 2009 to the huge challenge of working to stabilize county-wide neighborhoods in the aftermath of the foreclosure crisis of the 2000's. The Cuyahoga Land Bank responded through strategic demolition of blighted, abandoned properties by facilitating the renovation of hundreds of homes and the creative repurposing of non-productive land.



This was made possible, in large part, because of the Cuyahoga Land Bank's reliable funding stream, more enhanced transactional capabilities, and skilled staff.

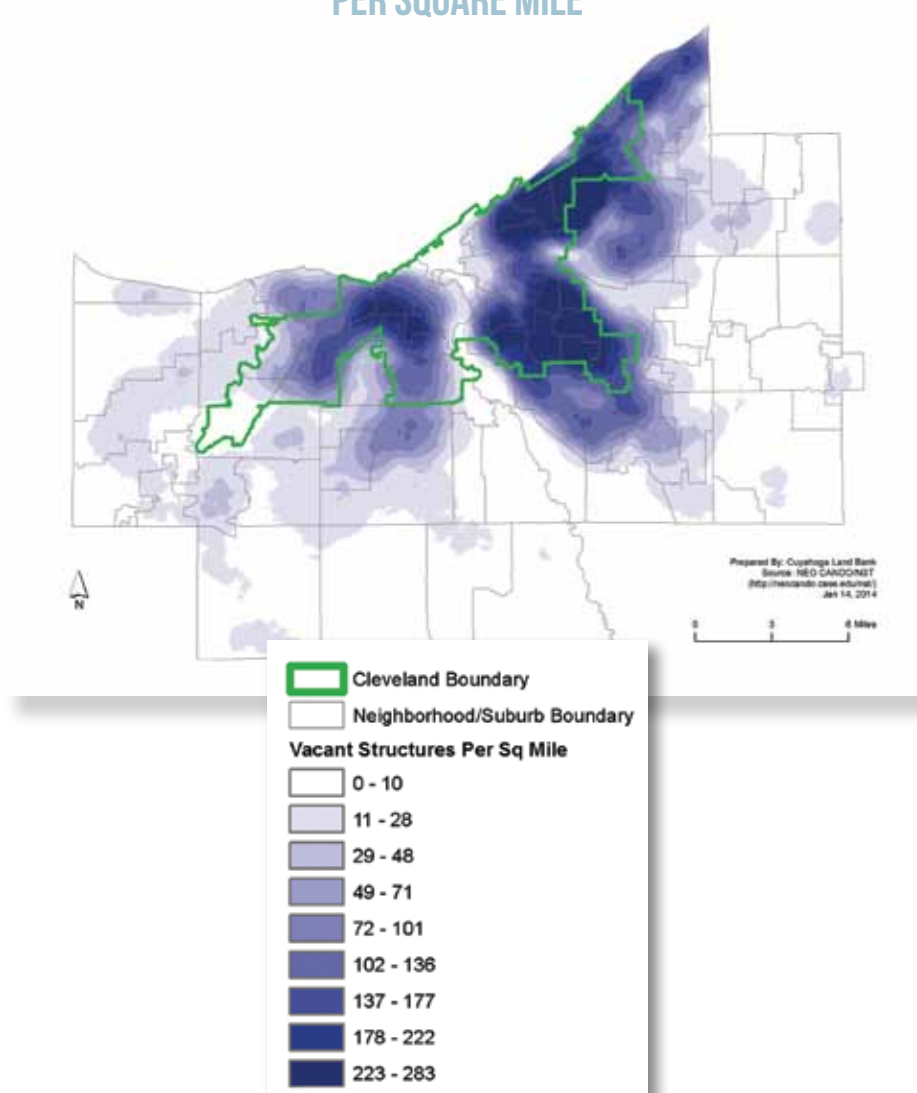
The pattern of blighted and abandoned properties resulting from the foreclosure crisis is attributed to predatory lending practices in the sub-prime mortgage market, property owners' financial problems, job loss and loss of home value. With a glut of tax and privately foreclosed—often vandalized—vacant properties and a weak housing market, many homeowners and lenders abandoned these properties.

When owners or investors of defaulted loans abandoned their properties, banks and financial institutions would file foreclosures and end up owning the foreclosed, abandoned property. Since many of these loans were insured by HUD and Fannie Mae, these agencies would pay off the loans to these lenders in exchange for taking title to these distressed properties. Likewise, many of these distressed properties would end up in tax foreclosure where real estate speculators would acquire them with no intention to renovate, but merely engage in further speculation. In this way, thousands of abandoned properties were foisted upon the County's neighborhoods causing major neighborhood destabilization.

It is in this legal, financial and policy context that the Cuyahoga Land Bank is charged with harnessing the source of these properties, removing the "bad apples" from the real estate basket so as not to cause further decay on the surrounding stable properties, and then engaging in stabilizing interventions discussed further on in this report.

The Cuyahoga Land Bank's mission-based interventions are manifested through its core operations: Acquisition, Assessment, Maintenance, Demolition, Renovation and Creative Re-purposing of land.

NUMBER OF RESIDENTIAL VACANT STRUCTURES PER SQUARE MILE



ACQUISITION, ASSESSMENT, DEMOLITION

Mike Balli

City of Cleveland resident

"It is much better for our family and for the neighborhood that this blighted house was torn down. The neighborhood is safer and looks better. We still have a long way to go but demolishing the abandoned houses has made it a better community."



As of December 2013, the Cuyahoga Land Bank was receiving, on average, 80-100 vacant and abandoned houses into its inventory each month. Most of these properties remain beyond repair. The Cuyahoga Land Bank receives these properties primarily from HUD, Fannie Mae, tax foreclosure and financial institutions such as Wells Fargo and Bank of America. The financial institutions pay the costs of demolition and Fannie Mae contributes \$3,500 per demolition for donated properties. Shortly after acquisition, the Cuyahoga Land Bank acquisition staff inspects and "team reviews" the interior and exterior of all properties to determine which properties are beyond repair and constitute safety hazards. Thereafter, a systematic and careful process occurs: environmental assessment report, environmental remediation, contract specifications, contract procurement, contract award and demolition.

Demolition has become a complex operation in the face of environmental regulation and sheer volume. Depending on seasonal and environmental circumstances, the Cuyahoga Land Bank successfully demolishes anywhere between 50 to 80 properties per month.

Once demolished, lots are leveled and seeded and then repurposed for neighbors, businesses or transferred to municipal land banks.





Demolition and Strategy: A Case-in-Point

NORTH COVENTRY JOINT CITY DEMOLITION PROJECT

One of the Cuyahoga Land Bank's most ambitious demolition projects is taking place in the North Coventry neighborhood of two adjoining cities – Cleveland Heights and East Cleveland. This small triangle-shaped area lies just to the north of the Coventry Village commercial and residential neighborhood in Cleveland Heights. The North Coventry area has been hit especially hard by the foreclosure crisis. A survey of the nine streets that comprise North Coventry showed that there are 63 residential buildings that need to be demolished, nine of which are apartment buildings. On three streets the number of blighted homes is in double figures. This condition is representative of numerous other areas in the County hit hard by the foreclosure crisis.

The magnitude of the problem and the costs associated with demolition are far beyond the capability of either city. This unique joint-city demolition project is being funded by the Ohio Attorney General's Moving Ohio Forward (MOF) program, and the demolitions are being carried out by the Cuyahoga Land Bank. The goal is to promote revitalization of the neighborhood once cleared of these numerous blighted properties.



Mayor Gary Norton
East Cleveland

"These demolitions are a marked change that will eliminate decades of decay to make way for economic development. Through the partnership between the Cuyahoga Land Bank, the City of East Cleveland and the City of Cleveland Heights, in association with the former and current Cuyahoga County prosecutors and Attorney General Mike DeWine, we have embarked on a historic opportunity to rebuild the North Coventry neighborhood in such a way that the future will be brighter than the past."



Mayor Edward J. Kelley
Cleveland Heights

"The City of Cleveland Heights is pleased to be a part of this revitalization effort for North Coventry. Working together with the Cuyahoga Land Bank and East Cleveland is a partnership that makes a commitment to the value of creative efforts to tackle the all important housing issues of Cuyahoga County."

ANALYSIS

Tom Fitzpatrick, Economist
Federal Reserve



A major concern about the impact of the many thousands of vacant and blighted abandoned foreclosed homes in Cuyahoga County has been their negative effect on the property values of homes in the surrounding neighborhood. Even a single derelict building can affect adjacent property values and sales prices and deter prospective homebuyers on that street. Multiple abandoned houses can have even more devastating effects. Ultimately, this can cause owners of these affected properties to walk away and abandon their homes to foreclosure and this ripple effect will be felt in reduced and delinquent property taxes. Many studies have calculated this effect, including one published in 2011 by the Federal Reserve Bank of Cleveland.

By demolishing these blighted buildings, leaving a cleared empty lot, arguably this can have a positive effect. Of course, the vacant land, if not re-used for another purpose, must be properly maintained either by a land bank or another owner by transfer. In Cleveland, for example, the Cuyahoga Land Bank has transferred over 1,350 vacant lots to the City of Cleveland's land bank. In turn, it has transferred many of these vacant lots to adjacent property owners under a Side Lot program. Others have been converted into business expansions, agricultural uses, including community gardens and a few orchards. Others have been acquired for pocket parks and connecting pathways. Many cities in Cuyahoga County have followed suit.

In 2012, the Federal Reserve Bank of Cleveland released a study on the impact of demolitions on the sales prices of nearby homes. In an analysis conducted using data on land bank-owned property, including vacant lots left after demolition, between April 2010 and October 2011, the authors found that homes sold within 500 feet of a land bank-owned property sold at prices approximately 5 percent higher than similar homes. In contrast, nearby homes sold prior to land bank acquisition in the next 6 months sold at a discount of 3 to 5 percent. A land bank demolition appeared to have a positive externality, adding 9 percent to the value of a nearby home sale. This finding attests to the positive impact of the demolitions being carried out by the Cuyahoga Land Bank. The authors added: "Equally important, the land bank's activities have removed blight and increased the property values of all the nearby homes that were not sold. This maintained a cushion of equity for those households, maintained collateral value for mortgage holders, and slowed the erosion of the tax base" (Whitaker and Fitzpatrick, 2012: 19-20).

*"Equally important,
the land bank's
activities have
removed blight
and increased the
property values of all
the nearby homes..."*

Stephan Whitaker and Thomas J.
Fitzpatrick IV. 2012 (November). **Land
Bank 2.0: An Empirical Evaluation.**
Working Paper 12-30. Federal Reserve
Bank of Cleveland.

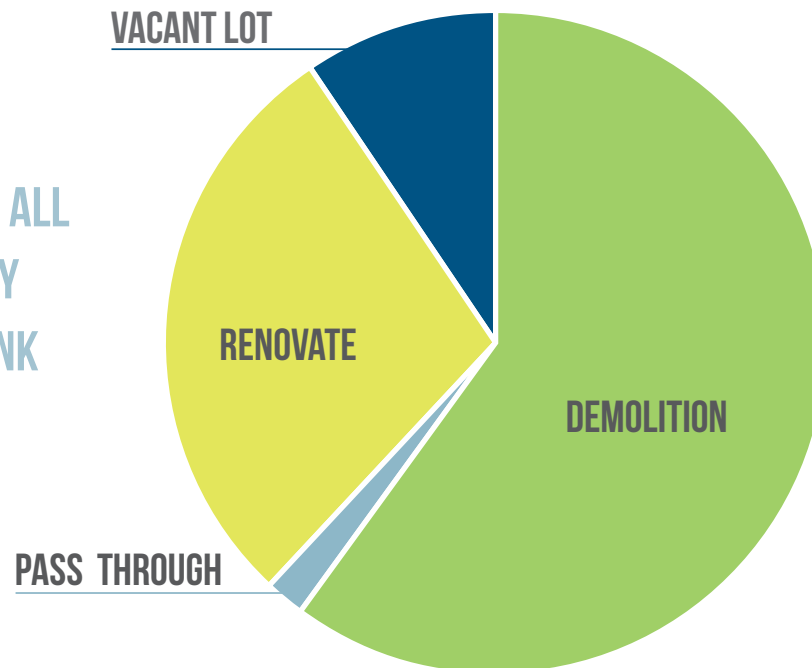


From right, Cleveland Mayor Frank Jackson, Ohio Attorney General Mike DeWine, staff from demolition contractor Lightning Demolition.

Mike DeWine
Ohio Attorney General

“Getting rid of blighted properties to strengthen neighborhoods has been a top priority of my office. Our Moving Ohio Forward program is using national mortgage settlement dollars to help partner with professional and state-of-the art organizations like the Cuyahoga County Land Reutilization Corporation and build on their efforts to demolish abandoned, dilapidated homes.”

ASSESSMENT AND DISPOSITION STATUS FOR ALL PROPERTIES ACQUIRED BY THE CUYAHOGA LAND BANK





The Sylvia Apartments Historic Renovation in the Detroit Shoreway neighborhood.

RENOVATION

THE DEED-IN-ESCROW PROGRAM

While a majority of the distressed homes acquired by the Cuyahoga Land Bank require demolition, the Cuyahoga Land Bank facilitates many home renovations. The Cuyahoga Land Bank's popular "Deed-in-Escrow" Program allows qualified buyers – many owner-occupants – to purchase Cuyahoga Land Bank properties, under staff guidance that assures completion of renovation. The Cuyahoga Land Bank prepares professional work specifications which all buyers must perform prior to title transfer. The deed to the property is held "in escrow" by the Cuyahoga Land Bank until the renovations are complete. Only after the renovations are complete, will the Cuyahoga Land Bank deed the property to the purchaser.

Realizing that owner-occupants formed a large portion of purchases, the Cuyahoga Land Bank launched its "Owner Occupant Buyer Advantage" Program for prospective owner-occupants of properties requiring modest renovation specifications (typically under \$25,000). The program allows prospective owner-occupants a "first look" advantage to acquire properties. Eligibility is based on: 1.) owner being able to pay for or finance the renovations; 2.) renovate in accordance with the Cuyahoga Land Bank's Housing Quality Standards and city codes; and 3.) the Buyer's commitment to live in the home for at least three years.



After

This Cuyahoga Land Bank home in Cleveland Heights was saved from the wrecking ball. It now serves as an attractive home on Woodview Avenue.



Before



Mr. Michael MacMillan and his wife Elizabeth were the first veteran family to purchase a discounted Veteran's HomeFront home from the Cuyahoga Land Bank. Mr. MacMillan said of the Cuyahoga Land Bank, "we are excited to move into our new home. The Land Bank staff were easy to work with and we enjoyed working with them."

INNOVATIVE HOUSING PROGRAMS AND COLLABORATIONS

The Cuyahoga Land Bank also provides homes to qualified Community Development Corporations ("CDCs") and the Cleveland Housing Network for low-moderate income occupants. These CDCs supervise the renovations and provide a value-added "boots on the ground" presence for the Cuyahoga Land Bank's properties in select communities. As of December 2013, the Cuyahoga Land Bank has transferred over 200 properties to CDCs which have been successfully renovated and placed on tax rolls.

Additional innovative housing programs and pilots undertaken with CDCs, developers and other non-profits include:

Loft Home Project where distressed homes are converted into open "loft spaces" at an affordable renovation cost. These properties would normally have to be demolished due to costly conventional renovation.

The **Owner Occupant Advantage Plus** program allows owner-occupants to finance a portion of the renovation cost through loans from the Cuyahoga Land Bank and a corresponding commitment from select cities to waive permit fees, which help reduce a buyer's overall renovation cost.

Veteran HomeFront program where the Cuyahoga Land Bank also can provide and/or renovate homes for eligible veterans and qualified agencies which serve veterans. Eligible veterans may receive principal write-down, down-payment assistance and/or other types of creative financial support, including lease with options to buy.

Buying and Retaining Academic Investment Now ("BRAIN") whereby eligible college graduates will be afforded the opportunity to work with the Cuyahoga Land Bank to identify a suitable home within its inventory. The Cuyahoga Land Bank will develop renovation specifications, handle transaction costs and assist with completing the improvements at the selected home. The renovation may be financed through a lease-purchase agreement or through conventional lending. If the graduate lives in the home for 3 years, a price discount is given to the graduate as an incentive to live and work in Cuyahoga County. This program will commence in 2014.

As of December 2013, the Cuyahoga Land Bank has facilitated over 750 home renovations throughout Cuyahoga County through its various housing programs.

CUYAHOGA LAND BANK REVENUE FROM SALES TO QUALIFIED OWNERS



"Our Loft Home is very comfortable, spacious and a cost effective way to live, go to school and work near downtown. It is great being a part of Cleveland's growth."

— Arleen Crider



Najeebah Shareef

Owner Occupant Advantage Program

"The process of working with the Cuyahoga Land Bank was straight forward and very reasonable. The inspectors were very nice and explained things to me simply. I enjoyed every moment of it because I'm someone who likes to be hands on. It was a really exciting process. Once all the work was done, the reward of being in a house of my own without payments is just wonderful. I thought this was a great program. I met great people along the way and I would definitely recommend the Cuyahoga Land Bank to anyone."



Eduardo Cruz

Owner-occupant through the Deed-in-Escrow Program

"As long as you follow the process, which is common sense, it's simple. The day we moved in was the greatest day in the world. We own the house straight out. There's no bank knocking at our door, which is really great."

Renovation: A Case-in-Point

ARTISTS HOUSING IN THE WATERLOO DISTRICT OF NORTH COLLINWOOD

The Cuyahoga Land Bank has teamed up with Northeast Shores Development Corporation ("NESDC") to create a program that allows artists an opportunity to purchase a property to serve as their home, studio and work space. The North Collinwood neighborhood in northeast Cleveland, bordering Lake Erie to the north and I-90 to the south, is an ethnic working class neighborhood. It once bustled with factories and nearby railroad yards but, like other Cleveland neighborhoods, has experienced decline over the past decades. In 1994, the NESDC (www.northeastshores.org) was formed to revitalize the neighborhood.

Just to the north of I-90 is the Waterloo District straddling East 156th Street. In 2001, North Collinwood resident Cindy Barber opened the Beachland Ballroom (and Tavern) in a former Croatian hall on Waterloo Road. This was preceded by the creation of "Arts Collinwood," which aimed to create an arts culture in the neighborhood. Other Cleveland ethnic neighborhoods like Little Italy, Tremont and Detroit Shoreway have similarly created art and culture attractions which have contributed significantly to their revival.

The big break came in 2011 when Cuyahoga County's Community Partnership for Arts and Culture picked Waterloo in a city-wide competition and awarded it substantial funding, initially from the New York-based Leveraging Investments in Creativity, which supports artists. NESDC then promoted a Waterloo Arts & Entertainment District (www.welcometocollinwood.com). A key part of the program is the provision of homes for artists – both for lease and sale. Like other Cleveland neighborhoods, North Collinwood was hit by the foreclosure crisis, leaving many homes vacant and abandoned. An "Artist in Residence" program offers houses for sale for as little as \$6,500, as well as lease-purchase homes and affordable rental spaces.

Critical to NESDC's ability to provide artists with affordable homes is the Cuyahoga Land Bank. Since the beginning of its artists housing program through 2013, NESDC has acquired 20 homes from the Cuyahoga Land Bank. Many of these homes have been sold through its Artists in Residence Program located in the Waterloo Village Model Block area.



Before



After



Before



After


Camille Maxwell

Real Estate Development Director, Northeast Shores Development Corporation

“Our neighborhood as a whole was faced with a significant number of foreclosures. However, we have been able to create a program that allows artists and individuals an opportunity to purchase a sound property and make it their home, studio and workspace. There has been an incredible amount of interest and influx of regional and national artists moving into our community. We credit the Cuyahoga Land Bank for allowing us to revitalize our neighborhood by placing these foreclosures into productive use for our community.”


Jeff Ramsey, Executive Director

Detroit Shoreway Community Development Organization

“The Cuyahoga Land Bank continues to provide much needed support to a number of Detroit Shoreway Community Development Organization’s real estate projects. From the Neighborhood Stabilization Program funded renovation of the 18 unit Sylvia Apartment Building in the Franklin Boulevard, West Clinton Historic District, to numerous single family renovations throughout the neighborhood, the Cuyahoga Land Bank’s ability to provide housing units and other assistance is critical to our efforts.”



Sylvia Apartments ribbon cutting.


Vickie Eaton Johnson, Executive Director

Fairfax Renaissance Development Corporation

“The Cuyahoga Land Bank has been a tremendous partner in promoting and supporting Fairfax Renaissance Development Corporation’s (FRDC) strategic priorities and community goals. In 2012, they assisted FRDC with the acquisition and demolition of five blighted properties that will result in the Langston Hughes Reading Garden, the expansion of the Green Corps Youth Garden, sponsored by Cleveland Botanical Garden and market rate rental housing. In 2013, the Cuyahoga Land Bank continued to work with FRDC staff to identify and acquire vacant and blighted properties that will advance plans for the first new restaurant on Quincy Avenue in twenty years and the vision of the Fairfax Arts & Cultural District. Our partnership accelerates our ability to deliver on the shared vision for Fairfax.”



DEVELOPMENT

The Cuyahoga Land Bank plays a significant role in select development projects. The Cuyahoga Land Bank helps assemble property, assists with demolishing blighted properties and provides a conduit for funding. Noteworthy projects include the Circle East Development project in East Cleveland consisting of 20 luxury market rate units; the Sylvia Apartments, a historic renovation in Cleveland's Detroit Shoreway Neighborhood consisting of 18 units; Miceli Dairy Products in Cleveland where the Cuyahoga Land Bank has provided demolition service, technical assistance, title clearance, environmental surveys and land assembly; and the Polish American Cultural Center in Slavic Village wherein three structures were demolished for the assemblage of a parking lot.

Cuyahoga Land Bank Technical Assistance: A Case-in-Point

MICELI DAIRY PRODUCTS COMPANY — ELIMINATING REDEVELOPMENT COMPLICATIONS

Miceli Dairy Products is a family-owned cheese manufacturer located in Cleveland's Buckeye-Woodhill neighborhood. The company was started by John Miceli, Sr. in 1949 selling Italian ricotta and mozzarella cheeses in the Cleveland area. Over the past 60+ years, the company has grown into a nationally recognized Italian cheese manufacturer.

With growth comes the need for expansion. Using the Cuyahoga Land Bank's ability to acquire land and extinguish liens for uncollectible delinquent taxes, the Cuyahoga Land Bank began work with the legal team (Climaco/Wilcox and Frantz Ward) for Miceli Dairy Products Company located at 2721 East 90th Street, Cleveland, Ohio and undertook the complicated tasks needed to allow a redevelopment project that consisted of a 7-plus acre site, retainage of 135 jobs, and investment of over \$6,000,000 in the expansion of building facilities and the cleanup of a Brownfield site.

Over a six month period, the team worked together to get the release of all uncollectable liens and title defects so that the needed parcels could be assembled by the Cuyahoga Land Bank. Those final tasks included the release of liens from the following sources: the IRS, JP Morgan Chase, First Energy and the State of Ohio, and the repayment and release of a tax lien certificate that had been sold on one of the needed parcels. Once all the sites had clean title and were in title to the Cuyahoga Land Bank, a transfer of parcels to Miceli Dairy Products Company provided full ownership of the site assemblage to one entity. No loans could be disbursed from the private lender, the City of Cleveland, the Cuyahoga Development Department or the State of Ohio until completion of the Cuyahoga Land Bank's help.

Aggregately, the liens were over \$650,000. Without the cleansing of the title defects, the project would have been terminated or greatly hampered.



Joseph D. Miceli

Chief Executive Officer,
Miceli Dairy Products

“The Cuyahoga Land Bank was instrumental in helping us acquire the land. In fact, they went above and beyond by researching the various parcels, alerting us when new parcels became available and coordinating the acquisition and demolition of structures on the acquired sites. We can’t thank them enough and we are proud to count the Cuyahoga Land Bank as an integral partner in our successful expansion.”



Wesley Finch

Developer,
Circle East Development

“The staff of the Cuyahoga Land Bank consists of no-nonsense professionals who know how to get the job done and get it done right. Along with the Cuyahoga County Development Department and the City of East Cleveland, they were instrumental in making Circle East’s 20 new townhomes a reality. Co-developed by The Finch Group and University Circle, Inc., Circle East is the beginning of the new Circle neighborhood, an extension of University Circle. The Finch Group looks forward to future endeavors with the Cuyahoga Land Bank aimed at restoring old, and creating new, exciting Cuyahoga County neighborhoods.”

DEVELOPMENT TOOLS AND ASSISTANCE OF THE CUYAHOGA LAND BANK

The Cuyahoga Land Bank possesses statutory and research capabilities which can be, and have been, useful both to facilitate and incentivize economic development throughout the County.

1

Where there are identified development projects with an end user involving non-productive, uncollectable tax delinquent lands, the Cuyahoga Land Bank can receive these properties and clear the title.

2

During development phases for non-productive, tax delinquent properties acquired by the Cuyahoga Land Bank, the Cuyahoga Land Bank can promote economic development by holding the land tax free while the developer engages in financing, planning, and Brownfield remediation during the soft cost phase of development.

3

Non-productive, tax delinquent vacant land can be expedited through the tax foreclosure process for cities or city-designated developers to promote redevelopment by elimination of sheriff sales.

4

The Cuyahoga Land Bank can short circuit state forfeiture sales, and acquire development parcels from the State of Ohio’s forfeiture list when a qualified development end user is identified who will make the land productive.

5

The Cuyahoga Land Bank is authorized to enter into “agency” agreements with municipalities on mutually acceptable terms to provide nuisance abatement services and demolitions even when the Cuyahoga Land Bank does not own particular properties which are declared nuisances by the municipality.

6

The availability of strategic data and research. This includes tax foreclosure information, land use codes, spatial analysis, adjacency analysis and expedited ownership information.

7

Negotiating/Navigating through the maze of bank owned properties with those financial institutions that the Cuyahoga Land Bank has relationships with.

8

Technical assistance with demolition procedures, EPA practice and real estate acquisition practice.

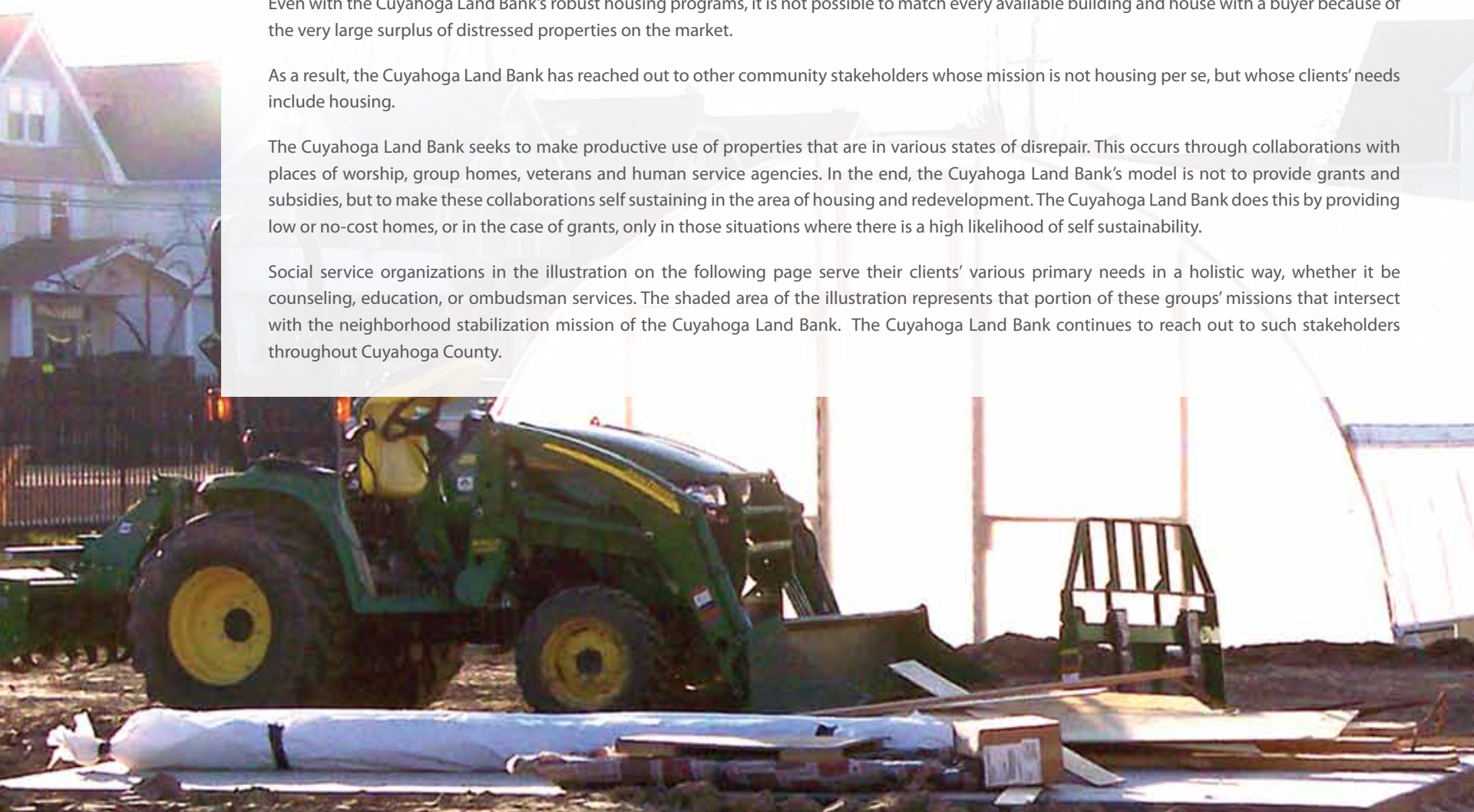
COMMUNITY STAKEHOLDER COLLABORATIONS

Even with the Cuyahoga Land Bank's robust housing programs, it is not possible to match every available building and house with a buyer because of the very large surplus of distressed properties on the market.

As a result, the Cuyahoga Land Bank has reached out to other community stakeholders whose mission is not housing per se, but whose clients' needs include housing.

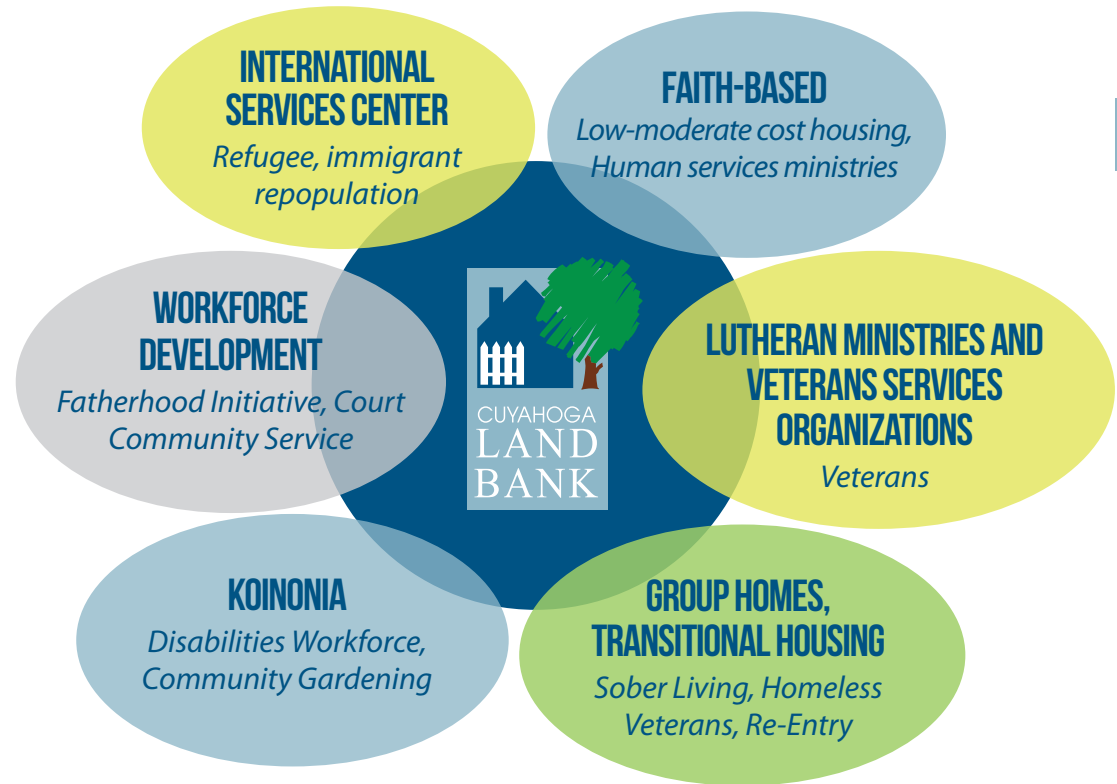
The Cuyahoga Land Bank seeks to make productive use of properties that are in various states of disrepair. This occurs through collaborations with places of worship, group homes, veterans and human service agencies. In the end, the Cuyahoga Land Bank's model is not to provide grants and subsidies, but to make these collaborations self sustaining in the area of housing and redevelopment. The Cuyahoga Land Bank does this by providing low or no-cost homes, or in the case of grants, only in those situations where there is a high likelihood of self sustainability.

Social service organizations in the illustration on the following page serve their clients' various primary needs in a holistic way, whether it be counseling, education, or ombudsman services. The shaded area of the illustration represents that portion of these groups' missions that intersect with the neighborhood stabilization mission of the Cuyahoga Land Bank. The Cuyahoga Land Bank continues to reach out to such stakeholders throughout Cuyahoga County.





For example, the Cuyahoga Land Bank has teamed up with the International Services Center (servicing the needs of refugees legally locating in the County) to sell and make homes available to refugees; Lutheran Ministries (transitional housing and homelessness for veterans); Koinonia (servicing the needs of disabled citizens) and several other such valuable organizations serving the human service needs in the community.





VETERANS

Lutheran Metropolitan Ministry (LMM) among its many other programs, advocates for and supports disabled veterans. The Cuyahoga Land Bank has facilitated a vocational program which operates an urban garden next to LMM's facilities where transitional housing residents (both veterans and homeless men who are not veterans) learn work skills, use of tools, and provide gardening.

Additionally, the Cuyahoga Land Bank teamed up with LMM and Cuyahoga County to provide renovated housing for their veteran clients, administered by LMM. The Cuyahoga Land Bank also donated homes to Purple Heart Homes, a national organization dedicated to renovating homes for disabled veterans.

The Cuyahoga Land Bank has developed a low interest revolving loan program to provide affordable home ownership for veterans. The Cuyahoga Land Bank enlists the support of area colleges such as Cleveland State University and Cuyahoga Community College, as well as veterans' organizations to refer eligible veterans to its **Veterans HomeFront Program** to promote the dream of home ownership for our veterans.

WORKFORCE DEVELOPMENT

Utilizing existing county and other non-profit workforce development programs, the Cuyahoga Land Bank contracts with quality agencies aimed at supporting families, and in particular reintegrating fathers that may have been unemployed for a long time or formerly incarcerated. By committing to "re-entering" and reconnecting with their children and families, fathers team-up with **Career Development & Placement Strategies, Inc.** (CDPS) to receive construction and trades training, OSHA training, classroom and entrepreneurial training. The Cuyahoga Land Bank has contracted with CDPS for these fathers to utilize their skills in real time and on real projects renovating several Cuyahoga Land Bank homes. As a result, these fathers learn the trades, earn a wage, homes are renovated, sold and placed back on the tax rolls thereby stabilizing these homes and the community.

Koinonia Homes ("Koinonia") has served the needs of the disabilities community for decades. Those with disabilities desire to socialize, work and participate in the community at large and to be productive. The Cuyahoga Land Bank has contracted with Koinonia to provide "field servicing" services to a portion of the Cuyahoga Land Bank's inventory. An important part of field servicing includes the routine and professional cutting of grass, landscaping and lot clearing. This is where Koinonia clients have shined. Under a workforce program with Koinonia, these disabled citizens have earned an income mowing, cleaning and maintaining a portion of the lots owned by the Cuyahoga Land Bank.



IMMIGRATION SERVICES

Likewise, the Cuyahoga Land Bank, using its research and technology resources, assisted Koinonia in acquiring a two-acre lot near West 41st and Memphis Avenue where Koinonia staff, disabled citizens, and community residents all work together to grow vegetables for market. This market garden is a model for other such gardens in the County. Koinonia in turn made a significant investment in green houses, community gardens and facilities for administration.

The Court Community Services program (CCS) has for decades provided an excellent way for minor misdemeanor and non-violent offenders to serve out their sentences as an alternative to incarceration. The Courts have created an excellent program whereby eligible offenders are supervised by trained Court professionals to cut grass, landscape and remove trash from houses and lots that are awaiting demolition or renovation. These offenders serve their time in a way which allows them to continue to work in their normal employment and remain with their families.

International Services Center (ISC) has served the needs of immigrants and refugees coming to the United States since the early 1900s. More recently, ISC has helped a growing refugee population from eastern Asia and other war-torn or politically oppressive areas throughout the world. ISC provides English language training, socialization, employment referral and other basic needs to this growing number of legal immigrants desiring to work and raise their families in Cuyahoga County.

An urgent need for these individuals is housing. The Cuyahoga Land Bank has contracted with ISC to provide housing to several refugee families who have lawfully migrated to the Cleveland area. These new residents are grateful to live in America, find employment quickly and are very productive. However, because they do not have a rental history, it is often difficult for them to find quality housing. ISC has purchased several properties from the Cuyahoga Land Bank. The Cuyahoga Land Bank initially renovated the first refugee homes with a grant from Fannie Mae. These funds are repaid to the Cuyahoga Land Bank over time. At a time when the City and County have seen population loss, the in-migration of this population serves to stabilize the homes and streets where these individuals live and work.



Traci Gilley
Community Relations,
International Services Center

“International Services Center applauds the forward thinking of the Cuyahoga Land Bank, in working with the refugee population settling in the Cleveland-Cuyahoga County area. By assisting our agency with housing for these families, together we are helping repopulate, stabilize and integrate our communities with families that are grateful to live, work and worship in our country.”



Traci Barnes

Executive Director, Julie Adams House

“Julie Adams House is thankful to the Cuyahoga Land Bank for helping us find a headquarters and building for the women we serve. With the Cuyahoga Land Bank’s help, we now are able to serve several women overcoming joblessness, homelessness and/or substance abuse, and who are now serving our community as healthy, productive citizens.”

New facility pictured at right.



Julie Adams House

TRANSITIONAL HOUSING

Substance abuse has led to poverty, family breakdown and criminal behavior at a huge taxpayer expense. The Cuyahoga Land Bank partners with both faith-based and secular organizations to support the housing needs of individuals seeking to overcome substance abuse and the consequences associated with substance addictions.

The Cuyahoga Land Bank has partnered with organizations that provide quality twelve-step and other similar life-skills programs that successfully provide housing for those working to conquer addictions. By helping to identify suitable homes and multi-family dwellings, these organizations have been able to raise the funds to provide building renovations suitable for their clients and program development. These facilities provide a safe-haven and consistent lifestyle environment that promotes continued sober living, work skills and healthy choices as these clients transition out of the life of substance abuse. The lives of those clients served are profoundly impacted for the better.

LAW ENFORCEMENT: CASE-IN-POINT

IN 2012, THE CUYAHOGA LAND BANK BROKE NEW GROUND BY COLLABORATING WITH LAW ENFORCEMENT AGENCIES.

A trafficker of distressed properties was convicted on various counts of illegal property transactions. His sentencing included the relinquishing of numerous properties he owned. The Cuyahoga Land Bank served as the responsible repository to manage the orderly disposition of these properties, most of which were tax delinquent and/or had code violations and other title defects.

The Cuyahoga Land Bank agreed to administer the disposition of these properties with a reimbursement from the Prosecutor for such administration (which in many cases required demolition). The agreement now serves as the template in cases involving criminal forfeitures.

In 2013, the Cuyahoga Land Bank also accepted the property of Ariel Castro, convicted of multiple kidnapping and related charges. Part of his plea agreement included the forfeiture of his property where the crimes were committed. Because of the Cuyahoga Land Bank's sophisticated demolition processes, it was able to administer the demolition of this crime site in a highly supervised setting with law enforcement agencies including the Cleveland Police, County Sheriff, the FBI and County Prosecutor.



Cuyahoga Land Bank demolition of crime site.



Landscaped site after demolition.

TECHNOLOGY AND RESEARCH

The Cuyahoga Land Bank continues to enhance its Property Profile System (PPS) and data analysis capabilities for strategic property acquisition and disposition. The PPS is designed to track all activity that the Cuyahoga Land Bank performs on properties flowing through its inventory. The basic features of the PPS include the ability to track all key property statuses and to invoice contractors interactively. Users can upload pictures, create reports, get email alerts associated with certain data triggers, produce documents, and efficiently perform tasks associated with maintaining a large inventory of property.

Enhancements to PPS have included modules that allow for better management and interaction with our various vendors. The Property Maintenance module is the first noteworthy addition to the system. Property maintenance contractors responsible for securing properties, grass cutting and other maintenance are assigned tasks through PPS. Thereafter, PPS will automatically generate regular work orders via email, instructing the contractors to re-inspect, maintain and cut the grass every 14 days. The maintenance contractor can log into PPS, upload photos to document work performed and generate corresponding invoices. Another module allows for the assignment of automatic regular inspections of properties being renovated through our Deed-in-Escrow Program.

For data and strategic property acquisition and disposition analysis, the Cuyahoga Land Bank utilizes and builds off of data warehoused in the NEO CANDO database at Case Western Reserve University. One tool created by the Land Bank on top of NEO CANDO data is *"The Aggregator."* *The Aggregator*, in essence, aggregates adjacent parcels of land into the following tiers:

TIER 1	TIER 2	TIER 3	TIER 4
Parcels of land controlled by either the Cuyahoga Land Bank or a municipal land bank	Parcels of land on the way to a land bank	Parcels that are land bank eligible because of abandonment and tax delinquency	Mortgage foreclosures or other vacant land or structures

Applications of *The Aggregator* include the ability to find large land assemblages already owned or about to be owned by land banks. Also, the Cuyahoga Land Bank uses *The Aggregator* to strategically identify Tier 3 vacant and abandoned tax foreclosure candidates to refer to the Cuyahoga County Fiscal Office that make existing land aggregations grow. All of these features help the Cuyahoga Land Bank do its work strategically and with a high degree of public accountability.

STATEWIDE POLICY ADVOCATE

Constant measuring of land bank practices and operations against existing statutory and regulatory policy is crucial to efficient land banking. The Cuyahoga Land Bank has been proactive by proffering legislative amendments to the General Assembly, and policy drafts to regulatory agencies on the local, county and state level. For example, in the Fall 2013, the Cuyahoga Land Bank drafted comprehensive amendments to the Ohio land bank statutes in the form of S.B. 172. The Cuyahoga Land Bank has become a statewide and national policy resource in the areas of land bank best practices. The Cuyahoga Land Bank has collaborated with Ohio EPA to strike balances between the health risks of asbestos and the safety risks of abandoned, vandalized properties in neighborhoods. The Cuyahoga Land Bank staff are frequent panelists on statewide and national panels in all of these areas. When the Ohio Attorney General, Mike DeWine, awarded statewide demolition funds from a large national mortgage fraud settlement, the Cuyahoga Land Bank assisted the Ohio Attorney General in developing program guidelines.

With the help and leadership of legislative sponsors and others, improvements and innovations have resulted in land bank policy both in Ohio and nationally.



Mayor Georgine Welo
City of South Euclid

"South Euclid has placed a strong emphasis on the quality of housing by providing excellent programs coupled with housing code enforcement. We take it very seriously. The Cuyahoga Land Bank has been a crucial partner in our efforts to restore homes and encourage the quality of living in our City."



Mayor Bill Cervenik
City of Euclid

"The City of Euclid is focused on developing and maintaining strong residential neighborhoods. The Cuyahoga Land Bank has teamed up with our community to preserve our housing stock, and where needed, clear blight. The Cuyahoga Land Bank is a crucial partner in our continuing efforts."



Mayor Trevor Elkins
Village of Newburgh Heights

"Newburg Hts. is committed to an aggressive neighborhood stabilization effort. The Cuyahoga Land Bank has assisted us with targeting research, and performing strategic demolitions in our city which is helping us remove blight within our community stemming from the aftermath of the foreclosure crisis."



Mayor Brad Sellers
City of Warrensville Heights

"The Cuyahoga Land Bank, with its unique capabilities and mission, allows Cuyahoga County to be well positioned to help communities stay vibrant."



Mayor Pamela E. Bobst
City of Rocky River

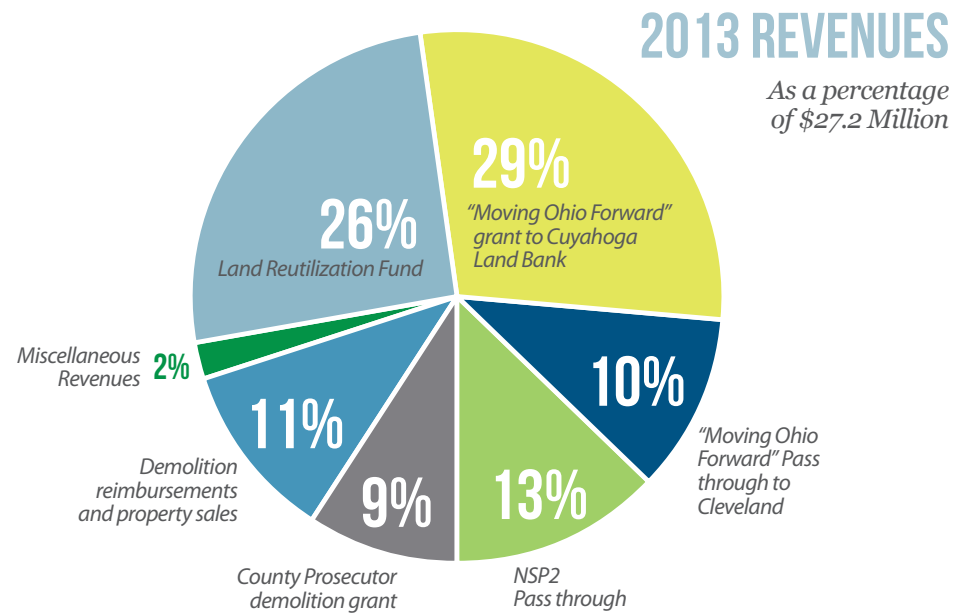
"It has been a delight working with the Cuyahoga Land Bank. We appreciate the professional manner in which it assisted us in removing a longstanding abandoned gas station which was becoming an eyesore on an important commercial thoroughfare. The Cuyahoga Land Bank is a critical partner both to our city and the County."



Mayor Michael P. Summers
City of Lakewood

"The Cuyahoga Land Bank's ability to act quickly and efficiently makes it an extremely valuable community development partner. The Land Bank has assisted the City of Lakewood with the renovation of historic and other housing, as well as with the much needed demolition of several single family residences and larger apartment buildings. Lakewood is proud of our development efforts in these most challenging of times and the promise these efforts bring to our future. We look forward to continuing our working relationship with our Cuyahoga Land Bank partner."

FUNDING



In addition to the Cuyahoga Land Bank's exceptional staff, another reason for its continuing success is the availability of base funding of \$7 million annually from the penalties and interest generated from collected delinquent real estate taxes. The stability of this annual funding source allows the Cuyahoga Land Bank to plan, hire and deploy staff, and create a number of base-line programs.

Additional funding sources have greatly increased the Cuyahoga Land Bank's activities. Throughout 2012 and 2013, the Cuyahoga Land Bank continued its role of Lead Member in the NSP-2 funded Cleveland-Cuyahoga Neighborhood Stabilization Program 2 (NSP-2) Consortium. In 2010, HUD awarded the Consortium just over \$41 million in NSP-2 funding for problems caused by the foreclosure crisis. Other consortium members include the City of Cleveland, Cuyahoga County, and the Cuyahoga Metropolitan Housing Authority.

In 2012, Ohio Attorney General Mike DeWine received approximately \$95 million dollars as Ohio's share of a national legal settlement with 5 major lenders brought about by their roles in the foreclosure crisis. Utilizing \$75 million of these funds, Attorney General DeWine established the Moving Ohio Forward (MOF) Program to help pay for demolition activity in all 88 Ohio counties. The Cuyahoga Land Bank received the largest allocation in the State, \$11.8 million. An additional \$5 million in funding was contributed by then Cuyahoga County Prosecutor Bill Mason.

Since 2009, the Cuyahoga Land Bank has agreements with REOs, HUD and Fannie Mae through which the Cuyahoga Land Bank recoups approximately \$800,000 per year to help defray demolition costs. Likewise, the Cuyahoga Land Bank has also greatly increased its ability to sell properties to responsible rehabbers and owner-occupants who invest private dollars to renovate hundreds of homes. This activity brings in approximately \$2,000,000 a year from the sale of such properties.



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Cuyahoga County Land Reutilization Corporation

323 W. Lakeside Avenue, Suite 160, Cleveland OH 44113

216-698-8853