



DISPOSITION OF PROPERTIES

Effective 8/16/2023

As part of its mission, the Clark County Land Reutilization Corporation (“Land Bank”) shall dispose of properties in a manner, which shall improve the quality of neighborhoods, increase land values, create diverse housing opportunities, and return properties to the tax rolls. In order to facilitate the redevelopment and revitalization, in the most effective manner, the Land Bank shall adhere to the procedures and requirements depicted in this document to the decree set by the Land Bank Board.

SECTION I: PURCHASER(S) QUALIFICATIONS

A. Purchaser(s) must satisfy all the following qualifications to be eligible:

1. Not have been the prior owner(s) of the subject real property at the time of the tax foreclosure (“Foreclosed Owner”), or an Immediate Family Member (“Immediate Family Member” – see definition below) of the Foreclosed Owner.
 - i. Immediate Family Member: spouse or significant other (“significant other” as used in this definition means one who stands in place of a spouse and who resides with the Foreclosed Owner), parents, children, grandparents, siblings, grandchildren, brother-in-law, sister-in-law, daughter-in-law, son-in-law, mother-in-law, father-in-law, step-parents, step-children, step-siblings, or a legal guardian or other person who stands in the place of a parent (in loco parentis).
2. Not have had a real property that has been tax foreclosed in Clark County, Ohio in the last five years.
3. Have any outstanding citations or violations of Ohio statute or local ordinances on real property in Clark County, Ohio.
4. Not own any real property in Clark County, Ohio that has been tax delinquent in the last three years.



5. Not own any property that has a history of being a site for criminal activity during the last three year period of Purchaser(s)'s ownership.
6. Purchaser(s) cannot have previously purchased a real property through the Land Bank that has been re-acquired by the Land Bank for failure to uphold these qualifications, or in a breach of contract.
7. Purchaser(s) may not hold ownership of more than two (2) properties, acquired through the Land Bank, with a Residential or Commercial Structure, which does not have a current Certificate of Occupancy (CO).

B. Requirements Prior to Land Bank Acquisition:

1. Purchaser(s) shall submit a completed application to the Land Bank staff for review. This application may be acquired on the Land Bank website, or from Land Bank staff.
 - i. Once a completed application is submitted to the Land Bank staff, the staff shall review the information provided and ensure eligibility, listed in Section 1, A., meets requirements. If all requirements are met, the application shall be marked approved and the process of acquisition shall move forward.

SECTION II: PRICING

A. Pricing Schedule

1. Purchase Price shall be set in accordance with the Board approved Pricing Schedule.
2. If a variance in price is requested, it must be approved through Board resolution.

B. Acquisition Fees

1. When applicable, the Title Exam Fee shall be at the responsibility of the Purchaser(s) and shall not be applied towards the Purchase Price.
2. When applicable, a deposit of 10% shall be paid to the Land Bank upon the signing of the Purchase Agreement (payable by check, money order, and cashier's check) and shall be applied towards the balance of the Purchase Price.
3. When applicable, the closing costs shall be at the responsibility of the Purchaser(s) and shall not be applied towards the Purchase Price.



SECTION III: VACANT LOT

Vacant property, owned by the Land Bank or set to be acquired by the Land Bank for disposition, may be eligible to be purchased from the Land Bank. Below are the programs a property may be available through.

- A. Property Eligibility: For a “Vacant Lot” to be eligible for the below programs, the following criteria must be satisfied for the subject real property to be qualified for disposition or transfer.
 - 1. Shall be unoccupied and unused land.
 - 2. Shall not have any permanent or appurtenant structures.
- B. Process of disposition of a Vacant Lot – Owned Land Bank:
 - 1. Potential Purchaser must submit an application to Land Bank staff for review.
 - 2. If the application is approved, the Land Bank shall draft a Purchase Agreement (“PSA”). At the time of signing, a deposit of 10% of the purchase price shall be required. The deposit amount shall be applied towards the Purchase Price at closing.
 - 3. Following the signed PSA, Land Bank staff will work with a closing agent to establish a time and date for closing and transfer of property.
- C. Process of disposition of a forfeited Vacant Lot – Not owned by the Land Bank:
 - 1. Potential Purchaser must submit an application to Land Bank staff for review.
 - 2. If the application is approved, the Land Bank shall draft a Purchase Agreement (“PSA”). At the time of signing, a Title Exam Fee and a Deposit shall be required. The Title Exam Fee is not refundable and shall be only applied towards the expense of a title exam. The Deposit amount shall be applied towards the Purchase Price at closing.
 - i. If an additional chain of title is found for a property, the additional title exam fees shall be at the expense of the intended purchaser.
 - 3. The Land Bank shall work with a company to have a title exam completed for the applied for parcel(s).
 - i. If any issues are found on the title exam, the Purchaser(s) shall be notified.
 - 4. The Land Bank shall acquire the property from the Clark County Auditor.
 - i. This step includes submitting a legal description to TaxMap.



- a. In the event a new legal description of the property must be prepared in order for the Clark County Tax Map Department to unconditionally approve the legal description, Purchaser shall pay the cost of obtaining the new legal description, including the cost of the survey.

5. Land Bank staff shall work with a closing agent to establish a time and date for closing and transfer of property.

D. Vacant Lot Programs

1. Vacant Lot Disposition Program

Vacant Lot parcel(s) of real property that have been forfeited to the state, or are owned by the Land Bank, that do not qualify for the below programs.

2. Side Lot Program

Parcel(s) of real property that is adjacent to a property that is Owner Occupied by the intended Purchaser(s), may qualify for the Side Lot Program. This program provides a reduced price, per the Pricing Schedule, for all qualified parcel(s).

3. Neighborhood Initiative Program (“NIP”)

NIP allowed the Land Bank to demolish structures that were blighted. Following the demolitions, the newly greened properties were made available for purchase.

E. Additional Information

1. In the event of two or more interested Purchaser(s), whose end use for the property complies with local code, shall be required to submit a sealed bid. The highest, qualified bid shall be accepted.
 - i. The successful bidder must provide 10% of the funds within 24 hours of successful bid notification. The remaining funds shall be paid at closing. Failure to provide funds shall forfeit the Purchaser’s bid, and the next highest, qualified bid shall be chosen.
 - ii. *The Land Bank reserves the right to accept or reject any and all proposals; to waive any irregularities or informalities in the bidding; and to enter into a contract with the bidder who in its consideration offers the highest and best bid.*



2. Land Bank staff shall be authorized to facilitate a disposition of property without further Board approval, if no variances in process or price are requested.
3. The Land Bank shall prepare and provide a quit-claim deed for the property and otherwise facilitate the closing.
4. There shall be no broker or other person who may be entitled to a commission or similar fee in connection with the purchase of a Vacant Lot through the Land Bank.
5. No property, other than those in NIP, may sell for less than \$1,000.00.

SECTION IV: EXISTING RESIDENTIAL STRUCTURES

The Land Bank shall acquire Residential Structures (“Residential Structure”) that have been forfeited through tax delinquency, and dispose of them through one of the following manners.

A. Eligibility

In addition to qualifications in Section I of this document, to acquire a property with a Residential or Commercial Structure, the Purchaser(s) must also satisfy the following qualification(s):

1. Purchaser(s) must have their primary residence be in the State of Ohio, unless approved by the Board.

B. Residential Structure Request for Proposal (“RFP”)

1. Eligible property, acquired by the Land Bank with a Residential Structure, may be sold through the RFP process. This process is a sealed bid auction.
2. There shall be one time provided by Land Bank staff during the bidding period for an onsite inspection for interested bidders.
3. Required documentation shall be detailed in each RFP Packet. These documents shall include but not be limited to:
 - i. Application to Acquire Property
 - ii. Rehabilitation and End-Use Plan
 - iii. Proof of Funding and Financial Responsibility



4. Land Bank reserves the right to accept or reject any and all proposals; to waive any irregularities or informalities in the bidding; and to enter into a contract with the bidder who in its consideration offers the highest and best bid.
5. Pricing for each property shall be determined by Land Bank staff based on fair market value, condition of property, and expenses occurred by Land Bank prior to RFP process.

C. Residential Structure Renovation (“RSR”) Program

1. Every residential structure acquired by the Land Bank, and determined to be marketable after a complete condition and marketability assessment, shall be marketed to the public and available for a prospective end user to purchase, unless exceptional circumstances require otherwise and are disclosed to the Board of Directors in a timely manner.
2. The Land Bank shall determine the initial listing price for a property by conducting an assessment of the property’s after renovation market value and deducting projected renovation costs. The final purchase price for any property shall be negotiated between the Land Bank and the most qualified end user.
3. Prospective end users shall be required to complete a Residential Structure Transfer Application, in the form is made available on the Land Bank’s website, or in the office. Applications shall only be accepted from prospective end users after the Land Bank has begun marketing the property to the public with a clear opportunity for title.
4. Besides the general considerations under this Article, the Land Bank shall require the following additional information to qualify prospective end users of residential structures:
 - i. A complete renovation plan for the property that shall make the property safe and habitable and return all of the property’s systems to functional condition;
 - ii. Proof of funding immediately available to acquire and complete the renovation work for each structure to be acquired and renovated;
 - iii. Proof of prior experience successfully renovating residential structures, including photographs of work undertaken and completed, and a narrative describing past or current projects; and
 - iv. Any additional information the prospective end user wishes to share with the Land Bank that relates to the renovation project.
 - v. Any additional information requested by the Land Bank for the purposes of the transfer.
5. If a prospective end user’s proposed renovation costs are substantially less than the Land Bank’s assessment, the Land Bank may approve the renovation plan if: documentation is provided by the prospective end user demonstrating access to lower cost labor, materials, or technical expertise that reduces the overall renovation costs.



6. Acceptable proof of funding includes cash on-hand, available credit, and other liquid assets. Financial assistance offered by a friend or relative may not be accepted unless the individual or entity offering assistance is also an applicant.
7. When selecting among qualified applicants, the Land Bank Board shall prioritize applicants who shall purchase and renovate the property for homeownership, including direct owner-occupancy by the applicant and occupancy by the applicant's immediate family member(s), over applicants who shall purchase and renovate the property for rental to tenants.
 - i. Bona fide renovation for resale of the property to an owner-occupant shall also be considered as a priority, but the seller must show good faith effort to see to an individual or family interested in owner-occupancy.
8. To determine a final purchaser among qualified end users with equal priority under these Policies and Procedures, Land Bank staff shall present the provided plan and application to the Board of Directors to make a final decision. The Board reserves the right to deny any-and-all presented proposals, and/or request the applicant provides more information prior to a decision being made.
9. Disposition Procedure
 - i. Once the Board chooses a final purchaser, staff shall work to solidify documents and enter into a purchase agreement for the property. Closing shall be held at a local title company acting as title (and escrow, where applicable) agent for the transaction.
 - ii. Purchaser must complete the renovation work on the property and pass a safety and habitability inspection within a negotiated renovation period.
 - iii. Closing shall be handled with a renovation enforcement note and mortgage, or by deed-in-escrow in limited circumstances, where ownership of title by the Land Bank is necessary to enforce key provisions of these Policies & Procedures.
 1. Renovation Enforcement Note and Mortgage: Title shall transfer to the purchaser at closing, at which time the purchaser shall personally execute the Renovation Enforcement Note and the Renovation Enforcement Mortgage, which shall secure the subject property. The amount of the Renovation Enforcement Note shall be \$25,000.00. Once renovation work is completed, and has passed the Land Bank's safety and habitability inspection, the Land Bank shall provide the purchaser with written confirmation that the property is safe, functional, and habitable in satisfaction of the Land Bank's conditions, and shall record a satisfaction of the Renovation Note and Mortgage.
 2. Deed-in-Escrow: The Land Bank shall retain title to the property at closing, and the deed transferring title to the purchaser shall be held in



escrow either in-office or with the closing agent. The Land Bank shall issue a notice to proceed allowing the purchaser to move forward with the renovation work. Title shall transfer following completion of the renovation work and passage of the Land Bank's safety and habitability inspection. When the renovation work is complete and the purchaser has passed the Land Bank's safety and habitability inspection, the Land Bank, or the closing agent at the Land Bank's instruction, shall transfer title in the property to the purchaser.

- iv. If the Purchaser fails to renovate the subject property during the renovation period, or otherwise fails to comply with the terms of the Purchase Agreement, a "Default" shall occur, and the Enforcement Note shall become due and payable. The purchaser may convey the property back to the Land Bank in lieu of payment of the indebtedness and foreclosure. Land Bank shall have the right to foreclose on the Enforcement Mortgage as necessary to retake title and possession to the property.
- v. Properties shall not be rented, occupied, further mortgaged, or otherwise encumbered during the renovation period. If a purchaser intends to encumber the property with a third party mortgage required to obtain purchase or renovation financing, the Land Bank may subordinate its Mortgage against the property to enable renovation work to occur.

10. Financial Evaluation

- i. Prospective end users who wish to acquire and renovate residential property as owner occupants, or rental property on a first-time basis, may be referred to an appropriate agency for a personal financial evaluation, the purpose of which is to ensure that prospective end user can demonstrate the wherewithal to sustainably own the property. Such personal financial evaluation shall be at the Land Bank's expense.
- ii. Prospective end users identified by the agency as financially sound to purchase and own the property in question following evaluation shall be eligible to purchase the property, unless the Land Bank can document sustainability concerns outside of this evaluation process.
- iii. Prospective end users not identified by the agency as financially sound to purchase and own the property in question following evaluation may be eligible to purchase the property if the Land Bank can document the financial sustainability of the end user outside of this evaluation process
- iv. Land Bank may waive the requirements of this section if a prospective end user can demonstrate the financial wherewithal to acquire, renovate, and sustain the property through other means.

11. Marketing Residential Properties

- i. Land Bank may market all properties that may be renovated under its residential structure renovation program on its website.
- ii. To promote home ownership, certain properties may be made exclusively available to end users who shall purchase and renovate the property for homeownership. This determination shall be in place for the duration of the listing, unless ended by the Land Bank at its sole discretion. Eligible uses under this section include direct owner occupancy by the applicant, bona fide renovation for resale of the property to an owner occupant, and occupancy by the applicant's immediate family member(s). The decision to make a property exclusively available to owner occupant end users shall be made on a property-by-property basis.

SECTION IV: EXISTING COMMERCIAL STRUCTURES

A. Commercial Structure

1. It is the intent of the Land Bank to facilitate redevelopment and reutilization of Commercial Structures in the most effective and impactful way for the community it resides in.
2. If there is more than one interested Purchaser, the most qualified Purchaser with the intended use that best aligns with the goals of the Land Bank Board shall be chosen by the Board.
3. If The Board requires an intended plan for the Structure prior to signing a PSA, the required documents shall include but not be limited to:
 - i. Application to Acquire Property
 - ii. Rehabilitation and End-Use Plan
 - iii. Proof of Funding and Financial Responsibility

SECTION V: NEW STRUCTURE

Land Bank seeks to create safe and affordable homes, expand the stock of fair market residential structures, and develop the structures for economic benefit through new construction.

A. Eligibility



1. Potential purchasers of the newly constructed properties must meet eligibility requirements of Section I of this document, as well as any additional thresholds or requirements set by the program the new structure is placed under.

B. New Structure Programs

1. Affordable Housing New Builds

- i. Residential structures designated to increase long-term affordable homeownership opportunities for households with low and moderate incomes through affordable housing development projects.

- ii. Structures built and designated under this program shall have threshold requirements to meet affordable or low-income goals. to determine the eligibility of potential homeowner(s). These thresholds shall be established, per property and prior to start of construction, with considerations of:

1. Requirements of available funding and funding sources for the build
2. Need of community in which the build is being constructed
3. Community revitalization goals

iii. ARPA Funded Affordable Housing New Builds

1. This funding specific project shall supply Affordable Housing New Builds, as depicted in this section, to increase the availability of affordable homes for first-time, income qualified families/households in Clark County. Land Bank shall utilize these funds to build new, high quality, energy efficient, attractive & affordable homes on Land Bank owned properties for purchase by qualified individuals.

2. New affordable homes shall be sold to income-qualified residents of Clark County; whose household has an adjusted gross income at or below 300% of Federal Poverty Guidelines.

- a. Income qualified residents who are first-time homeowners shall purchase the new affordable homes through licensed realtors and via a conventional mortgage obtained from accredited and respected lending institutions.



- b. In an effort to avoid the purchasing family/household becoming excessively housing cost-burdened, income qualified families/households may be eligible to receive down payment assistance grants up to \$50,000.
- c. Land Bank would hold a 2nd mortgage on the property in the amount of any down payment assistance grant provided. Any 2nd mortgage would be deferred (no payment made by the owner), declining (over a period of years – typically 10 years), and forgiven at the end of the period that the 2nd mortgage declines.