

## **Disposition of Properties Effective 07/16/2018<sup>1</sup>**

As part of its primary mission, the Ashtabula County Land Reutilization Corporation (“Land Bank”) will dispose of properties in a manner which will improve the quality of neighborhoods, increase land values, create diverse housing opportunities and return properties to the tax rolls.

### **A. Eligible end-users**

In order to facilitate its redevelopment mission and return property to long-term productive use, the Land Bank will require all prospective end-users to qualify for transfers based on criteria approved by the Land Bank Board.

1. Individuals and entities that were the prior owners of property at the time of the tax foreclosure which transferred title to the Land Bank shall be ineligible to be the transferee of such property from the Land Bank.
2. The transferee must not own any real property within Ashtabula County that:
  - a. has any un-remediated citation or violation of Ohio statute or local ordinances,
  - b. is tax delinquent,
  - c. has an unresolved bankruptcy action pending,
  - d. was the subject of a tax foreclosure within the past 5 years, or
  - e. was the subject of a private foreclosure within the past 3 years.
3. The subject property must not have been used by the transferee or a family member of the transferee as his or her personal residence at any time preceding the submission of application (except in rental cases).
4. The transferee must not own or have been the prior owner of any corporation, LLC, partnership or any other business enterprise which would not be an eligible transferee under the preceding criteria.

Additional criteria will be developed for disposition of commercial properties based on the best underwriting practices of other long-standing land bank authorities. Among the considerations to qualify as an end-user will be:

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<sup>1</sup> Resolution 2018-2 Passed 7/16/18

- identified funding sources and financial wherewithal,
- planned improvements,
- pre-lease agreements with potential tenants,
- previous experience in community redevelopment,
- development team qualifications,
- developer's equity in the project,
- timeline for completion,
- evidence of community support, and
- any other information the Land Bank may require. Qualifying criteria may vary depending on the nature of the end-user.

Every end-user shall submit an appropriate Land Bank transfer application for every property they wish to purchase. An end-user will be qualified for a transfer on a project-by-project basis, unless the end-user has pre-qualified.

#### Pre-Qualified End-user

An end-user who has previously qualified for a transfer based on the criteria above will be considered pre-qualified, and may not be required to duplicate those efforts for any future transfers. All pre-qualified end-users are qualified for the purposes of these policies and procedures.

A pre-qualified end-user is not guaranteed a property transfer. A pre-qualified end-user will be required to provide the Land Bank all information about its redevelopment plans for a property prior to disposition.

The Land Bank will review all pre-qualified end-users from time to time and retains sole discretion to require an end-user to follow the standard qualification procedure prior to any transfer.

### **B. Disposition of vacant properties**

Unimproved property that the Land Bank owns or is acquiring is eligible to be purchased through the Vacant Lot Disposition Program, under the conditions listed below. The transfer of any given parcel of property in the Vacant Lot Disposition Program is subject to override by higher priorities as established by the Land Bank. Individuals interested in purchasing an unbuildable vacant lot contiguous to their property may apply through the Side Lot Disposition Program.

1. Qualified Properties – parcels of property eligible for inclusion in the Vacant Lot Disposition Program shall meet the following minimum criteria:

- a. The property shall be a vacant unimproved real property. The presence of a garage, shed or other outbuilding with minimal value are not considered an improvement under this policy.
- b. The property shall be owned or being acquired by the Land Bank, either as an unimproved lot or with the intention of demolishing any structures that currently exists on the land.
- c. Intended use for lot must be disclosed by the intended recipient. Use must comply with any applicable zoning and must be included in approved uses as specified by the city, village or township. The potential purchaser must obtain approval of use from the appropriate city, village or township and provide written verification of such approval on the appropriate form provided with their side lot application.
- d. The transfer will be made by quit claim deed and may include a deed restriction requiring the use of the property to be consistent with the stated use.

2. Pricing

Properties sold as a vacant lot shall be priced per the following guidelines approved by the Land Bank Board, exclusive of any recordable fees. All additional expenses, including but not limited to, deed preparation fees, conveyance fees, survey costs, court costs, title examination and insurance are the responsibility of the transferee and are not included in the sale price. In the case of forfeited unbuildable lots, Court costs of up to \$75 will be borne by the ACLRC; additional costs will be borne by the purchaser.<sup>2</sup>

Residential buildable lot

- i. To private individual or corporation market value
- ii. To non-profit agency for a non-profit use \$ 500.00
- iii. To the adjoining property owner for personal use \$ 500.00
- b. Residential unbuildable \$ 200.00
- c. Commercial buildable lot
  - i. To a private individual or corporation market value
  - ii. To a non-profit agency for a non-profit use \$ 1,000.00
  - iii. To the adjoining property owner for a use related to the use of the adjoining property \$ 1,000.00
- d. Commercial unbuildable lot \$ 200.00

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<sup>2</sup> Resolution 2019-7 Passed 7/15/19

Market value is defined as any one of the following: the Auditor's value of a property, a broker's opinion of value with analysis and comparable sales data, or an appraisal. The ACLRC reserves the right to reject, or seek additional information prior to accepting, a broker's opinion of value, if in the ACLRC's assessment, the broker's opinion of value does not provide sufficient information to properly value the subject property. The cost of any broker's opinion of value or appraisal shall be borne by the applicant and having secured either does not guarantee that the applicant will be awarded the ability to purchase the property.<sup>3</sup>

### 3. Transfer Procedure

- a. The Land Bank will accept applications from property owners who wish to acquire a vacant lot.
- b. The Land Bank will attempt to facilitate a transfer of the vacant parcel to an end-user, including:
  - Commercial adjoining owner
  - Residential adjoining owner
  - Local government jurisdictions (city, school, library, etc.)
  - Local non-profit organizations
  - Local for-profit organizations
  - Other (with Board approval)
- c. Having identified an end user or end users, properties complying with these guidelines may be transferred to qualified transferees by the agent designated by the Board without further Board approval. The Chair or Vice-Chair of the Board is authorized to execute the required documents to complete the transfer.
- d. The Land Bank will attempt to facilitate a transfer of the parcel to a single applicant whenever possible. In the event that multiple property owners desire to acquire the same vacant parcel, priority will be given as follows:
  - i. To the property owner who owns a business or has economic development plans and requires the adjacent property for expansion or development purposes.
  - ii. To the property owner who resides in the contiguous property.
  - iii. If both adjoining properties are owner occupied, then:
    1. To the property owner who needs the parcel for a driveway or any other local compliance issues;

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<sup>3</sup> Resolution 2020-1 Passed 1/21/20

2. To the owner that has maintained the property (evidence of maintenance activities must be provided if requested); or
  3. To the owner having the greatest contiguous border.
- iv. If not determined by the criteria above, the property may be divided and transferred among the interested contiguous property owners. To facilitate such a transaction, the adjacent owners will be required to pay the costs of a required survey of the land in order to split the parcel, in addition to the standard consideration. If all parties do not agree to this resolution, the property will be sold based on the highest offer.
- e. The Land Bank will prepare and provide a quit claim deed for the property and otherwise facilitate closing.

### **C. Side Lot Purchase Program**

Unimproved unbuildable property that the Land Bank owns or is acquiring is eligible to be purchased through the Side Lot Program, under the conditions listed below. The transfer of any given parcel of property in the Side Lot Program is subject to override by higher priorities as established by the Land Bank

1. Qualified Properties – parcels of property eligible for inclusion in the Side Lot Disposition Program shall meet the following minimum criteria:
  - a. The property shall be a vacant unimproved and unbuildable real property. The presence of a garage, shed or other outbuilding with minimal value are not considered improvement under this policy. A buildable lot may be transferred to an adjoining owner through the Vacant Lot Disposition Program.
  - b. The property shall be owned or being acquired by the Land Bank, either as an unimproved lot or with the intention of demolishing any structure(s) that currently exists on the land.
  - c. The property shall be physically contiguous to adjacent property with not less than a 50% common boundary line on one side.
  - d. Intended use for lot must be disclosed by the intended recipient. Use must comply with any applicable zoning and must be included in approved uses as specified by the city, village or township. The potential purchaser must obtain approval of use from the city, village or township and provide written verification of such approval on the appropriate form provided with their side lot application.
  - e. The transfer will be made by quit claim deed and may include a deed restriction requiring the use of the property to be consistent with the stated use.

## 2. Qualified End Users

- b. The Land Bank will accept applications for side lots from contiguous property owners who wish to acquire an adjoining property.
- c. Utilizing existing property records and available software tools, the Land Bank may attempt to identify potential side-lot users prior to acquisition of a side lot eligible property.
- d. The Land Bank will attempt to facilitate a transfer of the parcel to a single side lot owner whenever possible.
- e. In the event that multiple adjacent property owners desire to acquire the same side lot, priority will be given as follows:
  - i. To the property owner who owns a business or has economic development plans and requires the adjacent property for expansion or development purposes.
  - ii. To the property owner who resides in the contiguous property.
  - iii. If both adjoining properties are owner occupied, then:
    1. To the property owner who needs the parcel for a driveway or any other local compliance issues;
    2. To the owner that has maintained the property (evidence of maintenance activities must be provided if requested); or
    3. To the owner having the greatest contiguous border.
  - iv. If not determined by the criteria above, the property may be divided and transferred among the interested contiguous property owners. To facilitate such a transaction, the adjacent owners will be required to pay the costs of a required survey of the land in order to split the parcel, in addition to the standard consideration. If all parties do not agree to this resolution, the property will be sold based on the highest offer.

## 3. Pricing

Properties sold as a side lot to an adjacent owner shall be priced at \$100.00, exclusive of any recordable fees and any other additional expenses, including but not limited to, deed preparation fees, conveyance fees, survey expenses, court costs, title examination and insurance which shall be the responsibility of the transferee and are not included in the sale price.

## 4. Transfer Procedure

- a. Having identified a side-lot end user or users, properties complying with

these guidelines may be transferred to qualified transferees by the agent designated by the Board without further Board approval. The Chair or Vice-Chair of the Board is authorized to execute the required documents to complete the transfer.

- b. The Land Bank will prepare and provide a quit claim deed for the property and otherwise facilitate closing.

#### **D. Side Lot Lease to Own Program**

Unimproved unbuildable property that the Land Bank owns or is acquiring is eligible to be leased with intent of ownership through the Side Lot Lease to Own Program, under the conditions listed below. The transfer of any given parcel of property in the Side Lot Program is subject to override by higher priorities as established by the Land Bank

##### 1. Qualified Intended Purchasers

- a. The Land Bank will accept applications for side lots from contiguous property owners who wish to acquire an adjoining property.
- b. Utilizing existing property records and available software tools, the Land Bank may attempt to identify potential side-lot users prior to acquisition of a side lot eligible property.
- c. The Land Bank will attempt to facilitate a transfer of the parcel to a single side lot owner whenever possible.
- d. In the event that multiple adjacent property owners desire to acquire the same side lot, priority will be given as follows:
  - i. To the property owner who owns a business or has economic development plans and requires the adjacent property for expansion or development purposes.
  - ii. To the property owner who resides in the contiguous property.
  - iii. If both adjoining properties are owner occupied, then
    1. To the property owner who needs the parcel for a driveway or any other local compliance issues;
    2. To the owner that has maintained the property (evidence of maintenance activities must be provided if requested); or
    3. To the owner having the greatest contiguous border.
  - iv. If not determined by the criteria above, the property may be divided and leased or transferred among the interested contiguous property owners. To facilitate such a transaction, the adjacent owners

will be required to pay the costs of a required survey of the land in order to split the parcel, in addition to the standard consideration. If all parties do not agree to this resolution, the property will be sold based on the highest offer.

2. Qualified Properties – parcels of property eligible for inclusion in the Side Lot Lease to Own Program shall meet the following minimum criteria:

- f. The property shall be a vacant unimproved and unbuildable real property. The presence of a garage, shed or other outbuilding with minimal value are not considered improvement under this policy. A buildable lot may be transferred to an adjoining owner through the Vacant Lot Disposition Program.
- g. The property shall be owned or being acquired by the Land Bank, either as an unimproved lot or with the intention of demolishing any structure(s) that currently exists on the land.
- h. The property shall be physically contiguous to adjacent property owned by the potential purchaser with not less than a 50% common boundary line on one side.
- i. Intended use for lot must be disclosed by the intended recipient. Use must comply with any applicable zoning and must be included in approved uses as specified by the city, village or township. The potential purchaser must obtain approval of use from the city, village or township and provide written verification of such approval on the appropriate form provided with their side lot application.
- j. The transfer will be made by quit claim deed and may include a deed restriction requiring the use of the property to be consistent with the stated use.

3. Pricing

- a. Properties leased as a side lot to an adjacent owner shall be priced at \$350.00, exclusive of any recordable fees and any other additional expenses, including but not limited to, deed preparation fees, conveyance fees, court costs, survey expenses, title examination and insurance which shall be the responsibility of the transferee and are not included in the sale price.
- b. Potential purchasers shall keep free from debris, mow and otherwise maintain the side lot parcel to the required standards of the local governing authority's zoning and other code requirements during the term of the Lease.
- c. Potential purchasers shall pay \$50.00 of the purchase price as down payment at time of execution of the lease to own documents.
- d. Potential purchasers shall be credited a non-transferrable non-redeemable



maintenance credit of \$100.00 for each year the property is properly maintained during the term of the lease to own, this credit only valid toward and not to exceed the purchase of the subject side lot parcel.

4. Terms of Lease

- a. The term of the Lease shall be three years from the date of execution of the Lease Agreement.
- b. At the end of the three-year lease term, potential purchasers will purchase the property for the purchase price plus all costs less any down payment and maintenance credits earned during the lease term.

5. Transfer Procedure

- a. Having affirmed that the potential purchaser complied with these guidelines, the subject property may be transferred to qualified transferee by the agent designated by the Board without further Board approval following the end of the lease term. The Chair or Vice-Chair of the Board is authorized to execute the required documents to complete the transfer.
- b. The Land Bank will prepare and provide a quit claim deed for the property and otherwise facilitate closing.

**E. Disposition of Improved Properties**

Improved property that the Land Bank owns or is acquiring is eligible to be purchased through the Improved Property Disposition Program, under the conditions listed below. The transfer of any given parcel of property in the Improved Property Disposition Program is subject to override by higher priorities as established by the Land Bank.

- 1. Qualified Properties – parcels of property eligible for inclusion in the Improved Property Disposition Program shall meet the following minimum criteria:
  - a. The property includes a residential or commercial structure.
  - b. The property is unoccupied, or occupied by the applicant who was not a former owner of the property.
  - c. The property has been inspected by the Land Bank to determine if the structure(s) has the potential for rehabilitation.
  - d. The property shall be owned or being acquired by the Land Bank.
  - e. Intended use for the property must be disclosed by the intended recipient. Use must comply with any applicable zoning and must be included in approved uses as specified by the city, village or township.

- f. The transfer will be made by quit claim deed and may include a deed restriction requiring the use of the property to be consistent with the stated use.
2. Pricing - Properties sold as improved properties will be priced at market value, except for Private Party Demolition as referenced in section 3.c.iii below. Any other exceptions must be approved by the Land Bank Board. Title examination, title insurance, deed preparation fees, conveyance fees, court expenses, survey costs and recording fees are not included in the sale price.

Market value is defined as any one of the following: the Auditor's value of a property, a broker's opinion of value with analysis and comparable sales data, or an appraisal. The ACLRC reserves the right to reject, or seek additional information prior to accepting, a broker's opinion of value, if in the ACLRC's assessment, the broker's opinion of value does not provide sufficient information to properly value the subject property. The cost of any broker's opinion of value or appraisal shall be borne by the applicant and having secured either does not guarantee that the applicant will be awarded the ability to purchase the property.<sup>4</sup>

### 3. Transfer Procedure

- a. The Land Bank will accept applications for improved properties from individuals, companies, governments, non-profit agencies or others who wish to acquire one or more improved properties.
- b. The Land Bank will attempt to facilitate transfer of an improved parcel to an end-user for one the following acceptable uses:
  - Home ownership
  - Historic preservation
  - Institutional/public use
  - Mixed income development
  - Commercial use
  - Rental property
  - Other (with Board approval)
- c. Improved properties may be transferred under one of the following scenarios:
  - i. An improved property that is available for immediate occupancy may

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<sup>4</sup> Resolution 2020-1 Passed 1/21/20

- be transferred directly to a qualified end-user.
- ii. Property in need of repair prior to occupancy may:
    1. Be transferred directly to an approved rehabber. Criteria for approval of rehabbers will be established by the Board.
    2. Be transferred to a rehabber agreeing to make required repairs prior to receiving deed for the property (deed-in-escrow).
    3. Be transferred to an individual who will make necessary repairs and reside in the property for a specified period of time. Deed will be held in escrow until certificate of occupancy is obtained.
  - iii. An improved property may be transferred directly to a qualified party who will perform a Private Party Demolition. The property may be sold to the qualified party at a vacant lot rate provided the party will demolish the building within four (4) months of the closing date of the transaction. The ACLRC will cause a deed to be signed by the purchasing party transferring the property back to the ACLRC. This deed will be held in escrow until the building(s) on the property is/are demolished or the time limit is exceeded for demolition. If the demolition is confirmed complete, said deed will be destroyed; if the purchaser fails to demolish the property within the time allotted (including any reasonable extensions granted by the ACLRC), the deed shall be recorded and the property returned to the ACLRC with no refund to the purchaser.<sup>5</sup>
  - d. Having identified an end user or users, properties complying with these guidelines may be transferred to qualified transferees by the agent designated by the Board without further Board approval. The Chair or Vice-Chair of the Board is authorized to execute the required documents to complete the transfer.
  - e. The Land Bank will prepare and provide a quit claim deed for the property and otherwise facilitate closing.
  - f. The end-user will pay any costs involved with the transfer of the property.

## **F. Private Party Demolition Dispositions**

The Land Bank will allow for the sale of an improved property at a vacant lot rate if the buyer commits to demolishing the structure within four months of the closing date.

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<sup>5</sup> Resolution 2019-5 Passed 2/25/19

1. Transfer Procedure:

The Land Bank shall transfer the property to buyer via quit claim deed. At closing, the Buyer shall sign a quit claim deed transferring the property back to the Land Bank. This deed will be held in escrow until the building(s) on the property is/are demolished or the time limit is exceeded for the demolition. If the demolition is confirmed complete, said deed will be destroyed; if the Buyer fails to demolish the property within the time allotted (including any reasonable extensions granted by the Land Bank), the deed shall be recorded and the property returned to the Land Bank with no refund to the Buyer.