

2019

Portage County Land Reutilization Corporation Annual Report

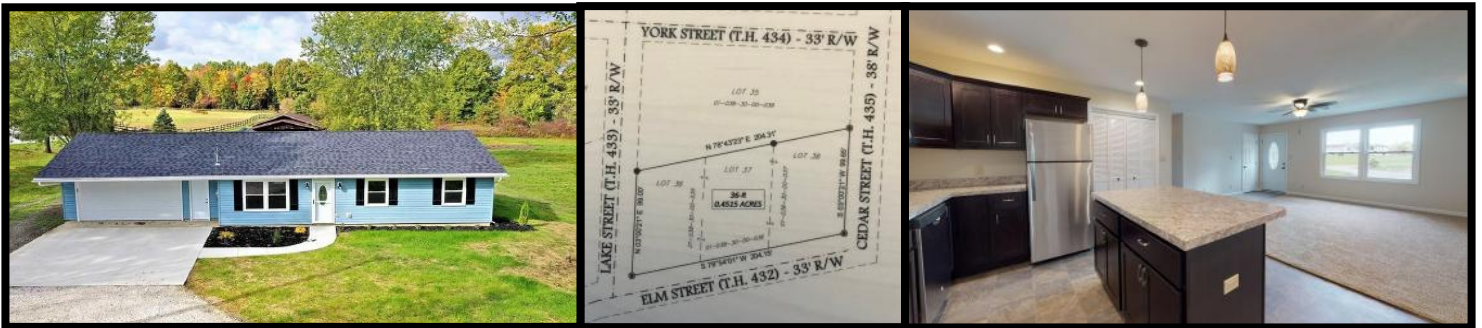




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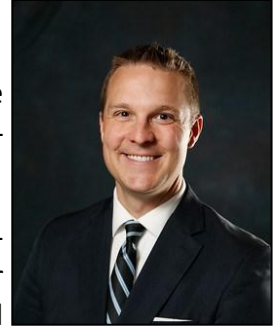
Mission

The mission the Portage County Land Reutilization Corporation, or Land Bank, is to facilitate the conversion of vacant, blighted, abandoned, and tax delinquent properties to productive use for the benefit of our communities.

Message from the Chair

Friends –

As Chair of the Portage County Land Bank, and on behalf of our Board, it is my sincere pleasure to present to you this report on our organization’s activities for 2019 – and to preview some of our priorities for 2020.



The past year was a time of significant change – for our local Land Bank, and for organizations like ours across the state of Ohio. For most of the existence of our Land Bank, our work has been driven by state and federal grants, and targeted at the identification and elimination of blight and near-blight conditions in our community. I am proud to report that we have been very successful in those efforts, leveraging over \$1.8 million dollars in grant funding to complete 206 demolitions and acquire 77 formerly blighted properties all over Portage County. Those efforts also have resulted in nearly \$200,000 in tax payments that, but for the Land Bank’s activities, might never have happened. Those funds can now be put to use supporting our schools, police and fire service, and other local government activities – never more important than they are in this moment.

While we are proud of our work in service of our mission – “facilitating the conversion of vacant, blighted, abandoned and tax-delinquent properties to productive use for the benefit of our community” – we also recognize that our vision – “returning Portage properties to productive use” – requires more of us. With that in mind, and with state and federal funds for property acquisition running low, we have shifted our focus from primarily property acquisition activities toward putting properties we own back on the tax rolls. 2019 saw us hire a Realtor for that purpose, and her work has resulted in 22 properties finding new owners who are now maintaining and improving them – and with them, our communities.

As we considered how best to facilitate that shift in focus going forward, our Board made the difficult decision to shift away from our prior management model and to hire a full-time, dedicated Executive Director. After a thorough search, we hired Dan Morganti – formerly Grants and Neighborhood Programs Coordinator for the City of Kent – to serve in that role. We are very excited for the expertise Dan brings to our organization, and look forward to working with him to move our Land Bank forward. On behalf of our Board, I want to thank the staff at Neighborhood Development Services, Inc. for their service, as well. Their guidance helped us establish our Land Bank and achieve what we have to this point, and we know they will be instrumental in what comes next for us in their new roles as consultants and project administrators.

As we look to the year ahead, we are animated by new opportunities to innovate in service of our mission. Under Dan’s leadership, we have already begun moving forward on new projects that will position us and our community to thrive, including our first commercial projects, new partnerships with local leaders to identify and target properties, efforts to support growth in historically underserved communities like Ravenna Township’s McElrath neighborhood, and more.

We look forward to sharing more about these projects as they develop, and to working with you to ensure that they are inclusive and reflective of the vision we all share for Portage County’s future.

My Best,

A handwritten signature in black ink, appearing to read 'B.C.', with a stylized flourish extending from the end.

Brad Cromes, Chair

Return on Investment

The Portage County Land Reutilization Corporation (Land Bank) is a 501c3 nonprofit organization whose mission is to facilitate the conversion of vacant, blighted, abandoned and tax delinquent property to productive use for the benefit of the community. The Land Bank furthers this mission by strategically acquiring properties and utilizing rehabilitation, resale, demolition, and other economic development tools to increase the value of a property and those that surround them. A focus of the Land Bank is to provide a positive return on the investment of the funding it receives in the form of property value being added to the tax rolls.



Market-Rate Sales

During 2019, the Land Bank closed on twenty-two (22) residential real estate transactions, which had a total value of \$225,700, under its Open Market Real Estate Sales Program. This included, two (2) fully rehabilitated houses, shown in the pictures to the right, and the sale of vacant land, including lots that were acquired and assembled for the purposes of providing a “shovel-ready” residential development opportunity. The number of transactions closed in 2019 is up from (8) transactions at an amount of \$126,925 in 2018. The Land Bank aims to continue growth in open market real estate sales because it is an important category in measuring the amount of property value the Land Bank is putting back to productive use and it helps quantify the positive impact that the Land Bank has on real estate values in Portage County during the course of the year.



Residential Side Lot Program

Whether it's a little more space needed for a garden, room for a driveway, or green grass so that kids can stretch out their legs, these residential side lots can fortify a positive sense of community, and increase property values at the same time. The Land Bank sold twenty-three (23) residential side lots, or smaller pieces of land, that are of great value to a neighbor but offer no development opportunity because of limitations such as lot size or utility access, to adjacent private owners in 2019. The picture to the left is a good example of a side lot that allowed a property owner to expand their yard that now has enough area to accommodate a garden.



Return on Investment (Con't)

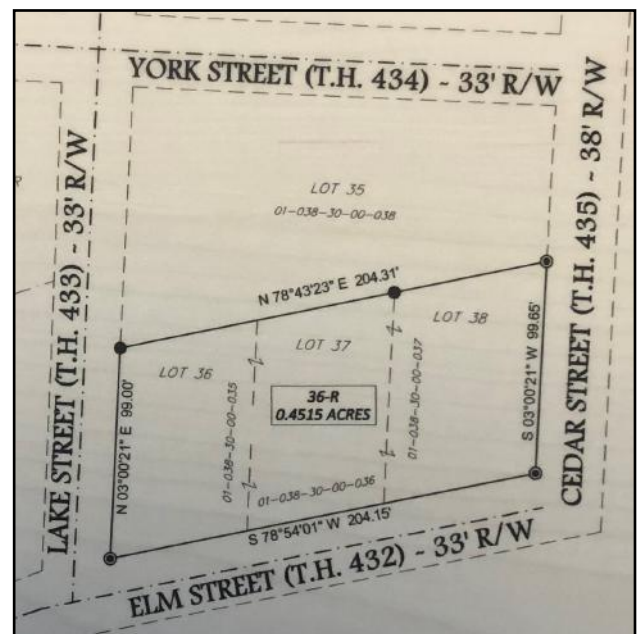
Residential Demolition

Under its residential demolition program, the Land Bank removes abandoned and blighted houses that are beyond repair, often times magnets for crime and contributors to overall neighborhood disinvestment. This program not only removes houses that have become neighborhood nuisances it also goes a long way in increasing surrounding property values. In 2019, the Ohio Housing Finance Agency's Neighborhood Initiative Program (NIP) residential demolition program came to a close, in total since NIP's inception, the Land Bank demolished a total of sixty (68) houses under this program, which directed nearly \$1 million dollars to Portage County. The final sixteen (16) of these houses were demolished in 2019, which brought over \$225,000 in outside funds into Portage County during the year. Residential demolition has always been a large part of the Land Bank's activities on a yearly basis and it has been reliant upon the availability of outside funding through different state and federal sources. With much of the outside funding now expiring the Land Bank will continue to work to find funding solutions to continue residential demolition at a smaller scope and scale.



Lot Assemblage

Assembling land, or consolidating separate smaller tax parcels into one new larger tax parcel, and then bringing it to the private market for sale is one of the key ways the Land Bank converts property from a state of tax delinquency and abandonment back to productive use. Strategically acquiring multiple separate tax parcels, surveying them and then consolidating those parcels into one property that meets current building standards, and buyer preferences, removes a significant barrier to private market investment and development planning. During 2019, the Land Bank assembled delinquent parcels and delivered seventeen (17) newly created tax parcels to the market that were repositioned as a "shovel-ready" residential development opportunity.



Project Profile: Acquisition-Rehab-Resale

Acquisition, Rehab and Resale of housing is an important tool for the Land Bank to further its mission and is an area of operations that the Land Bank is anticipating to expand. When a vacant, abandoned and tax delinquent residential structure is acquired it can be ugly, but the Land Bank has experience and a positive track record of rehabilitating houses to a high quality and aesthetic standard for the purpose of resale to create a market rate real estate transaction. This program, which accounts for a large volume of the Land Bank's Open Market Real Estate Sales Program, takes an overlooked eyesore and makes it a neighborhood asset all while providing a quality homeownership opportunity. During 2019, the Land Bank completed full-scale rehabilitations, which required both functional improvements and more cosmetic upgrades, at houses it owned on Richardson Avenue and Henderson Avenue in the McElrath Park Allotment of Ravenna Township, and at a house on Wayland Road in Palmyra Township. As of the end of 2019, the Richardson and Henderson houses were sold to new owner-occupants while the Wayland house, which is shown in the before and after photos here, was still on the market. It went under contract early in 2020.

After

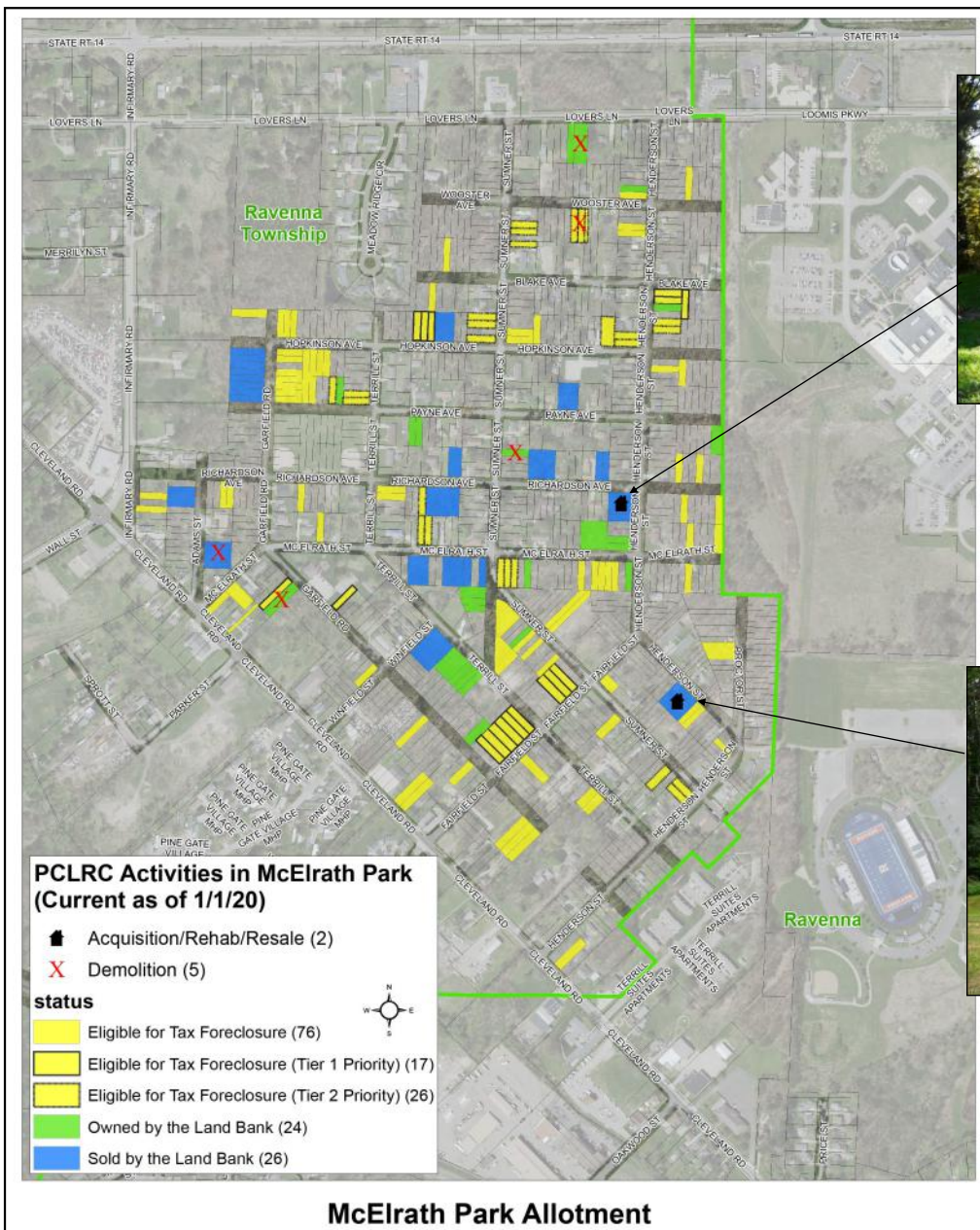


Before



Project Profile: McElrath Park Allotment

The McElrath Park Allotment's physical development pattern includes smaller, mostly 30' wide, plots of land. These lots were originally platted with the idea of being sold for construction of cottage residences and were often marketed to buyers outside of Portage County. Today, in efforts to create private investment opportunities, the Land Bank strategically acquires these smaller parcels that are adjacent to one another in order to assemble land of a size that meets today's building standards. Between 2018 and 2019, the Land Bank acquired parcels, consolidated them into a marketable size and sold ten (10) of these properties under its Open Market Real Estate Sales program with the goal of creating new development opportunities that would give all properties values a boost. During this time a total of five (5) houses were bought and sold in the McElrath Allotment and two (2) of these properties, shown in the pictures below, were fully rehabilitated and resold by the Land Bank. The below map shows the Land Bank's investment in the McElrath area over the past few years, which, beyond the aforementioned houses that were rehabilitated and lots that were consolidated and sold, also included five (5) residential demolitions. The Land Bank anticipates continued incremental investment, as properties are assembled and sold, additional eligible properties will be considered for acquisition.



Resource and Financial Management

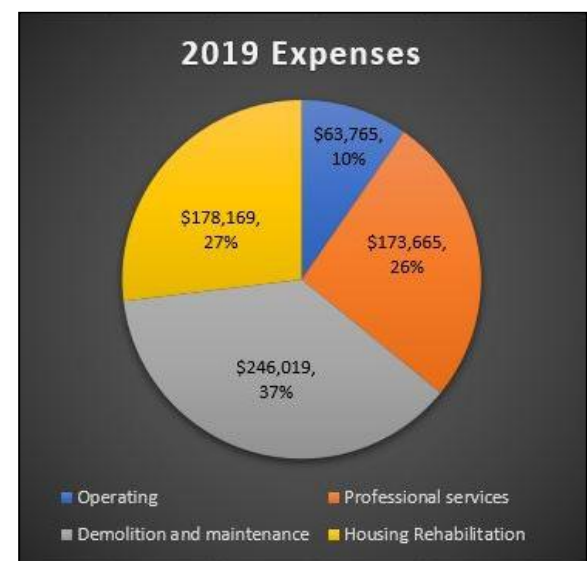
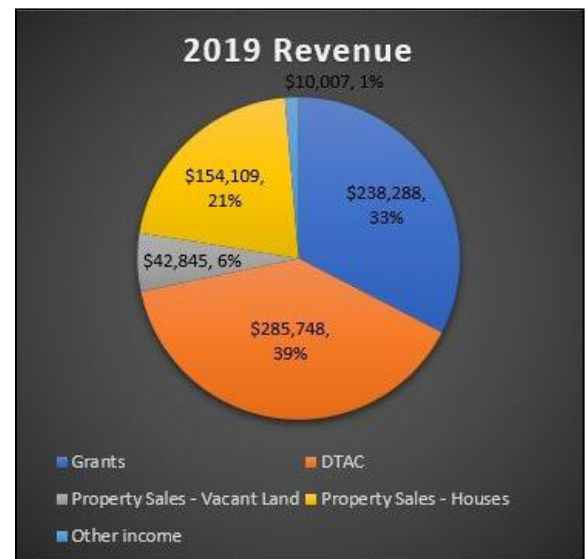
The Land Bank receives funding from a variety of sources, but its primary funding comes through the Delinquent Tax Assessment and Collection (DTAC), which is a set aside of penalty and interest revenue from delinquent real estate taxes. Other funding sources include grants, sale of acquired property and donations. Providing a positive return on this DTAC investment to organizations who rely on property tax as part of their operational income is a main focus of the Land Bank.

The tables and charts on this page summarize the Land Bank's financial activities on a cash basis during 2019. Beyond taking a sound approach to fiscal management, the Land Bank measures and quantifies financial success by taking abandoned and tax delinquent properties, improving them in some way and putting that value back on the tax rolls. The Land Bank's inventory of land was 116 properties (186 individual tax parcels) at the beginning of 2019 and 87 properties (123 individual tax parcels) when the year ended. As of the end of 2019 about half of the Land Bank's land inventory were Neighborhood Initiative Program grant funded demolition sites that carry a 3-year restriction on sale. Further disposition of NIP properties back to private ownership is continuing into 2020 as this 3-year period expires. Additionally, Land Bank intervention has resulted in nearly \$200,000 in delinquent tax payments being made either through new payment plans or delinquent property owners becoming fully current on their past delinquencies.

\$200,000
(in delinquent taxes paid)

The Land Bank has an in-depth financial audit each year that is submitted for review to the State of Ohio Auditor's office. At the time of writing the 2019 audit was still underway, but the Land Bank is pleased to report that it received an Auditor of State award for having a clean audit report in 2018. The Land Bank received the award for submitting timely financial reports, having no findings for recovery, material citations, material weaknesses, significant deficiencies, audit findings or questioned costs.

2019 Annual Financial Report (Summary)		
Revenue		
Grants	\$	238,288
DTAC	\$	285,748
Property Sales - Vacant Land	\$	42,845
Property Sales - Houses	\$	154,109
Other income	\$	10,007
	\$	730,997
Expenses		
Operating	\$	63,765
Professional services	\$	173,665
Demolition and maintenance	\$	246,019
Housing Rehabilitation	\$	178,169
	\$	661,618



Board of Directors



Brad Cromes, Chair



Kathleen Clyde, Vice Chair



Bridget Susel, Treasurer



Ina Sayer, Member



Vicki Kline, Member



Sue Fields, Member

Partners

Portage County Treasurer's Office

Portage County Prosecutor's Office

Portage County Auditor's Office

Portage County Recorder's Office

Portage County Board of Commissioners

Portage County Regional Planning Commission

Portage County Tax Map

Neighborhood Development Services, Inc.

Western Reserve Land Conservancy & Thriving Communities Institute

Portage Community Bank

Assure Realty

Attorney Chad Murdock

Julian & Grube, Inc.

AMS Title Agency, Inc.

State of Ohio Land Bank Association

Brownfield Restoration Group

Ohio Environmental Protection Agency—
Targeted Brownfield Assessment Program

Ohio Housing Finance Agency

National Community Stabilization Trust

Comerica Bank

Cities

Aurora - Kent - Ravenna - Streetsboro

Villages

Garrettsville - Hiram - Mantua - Mogadore -
Sugar Bush Knolls - Windham

Townships

Atwater - Brimfield - Charlestown -
Deerfield - Edinburg - Franklin - Freedom -
Hiram - Mantua - Nelson - Palmyra - Paris -
Randolph - Ravenna - Rootstown -
Shalersville - Suffield - Windham



Jack Kohl,

Thank you for your service in 2019



Dan Morganti, Executive Director

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