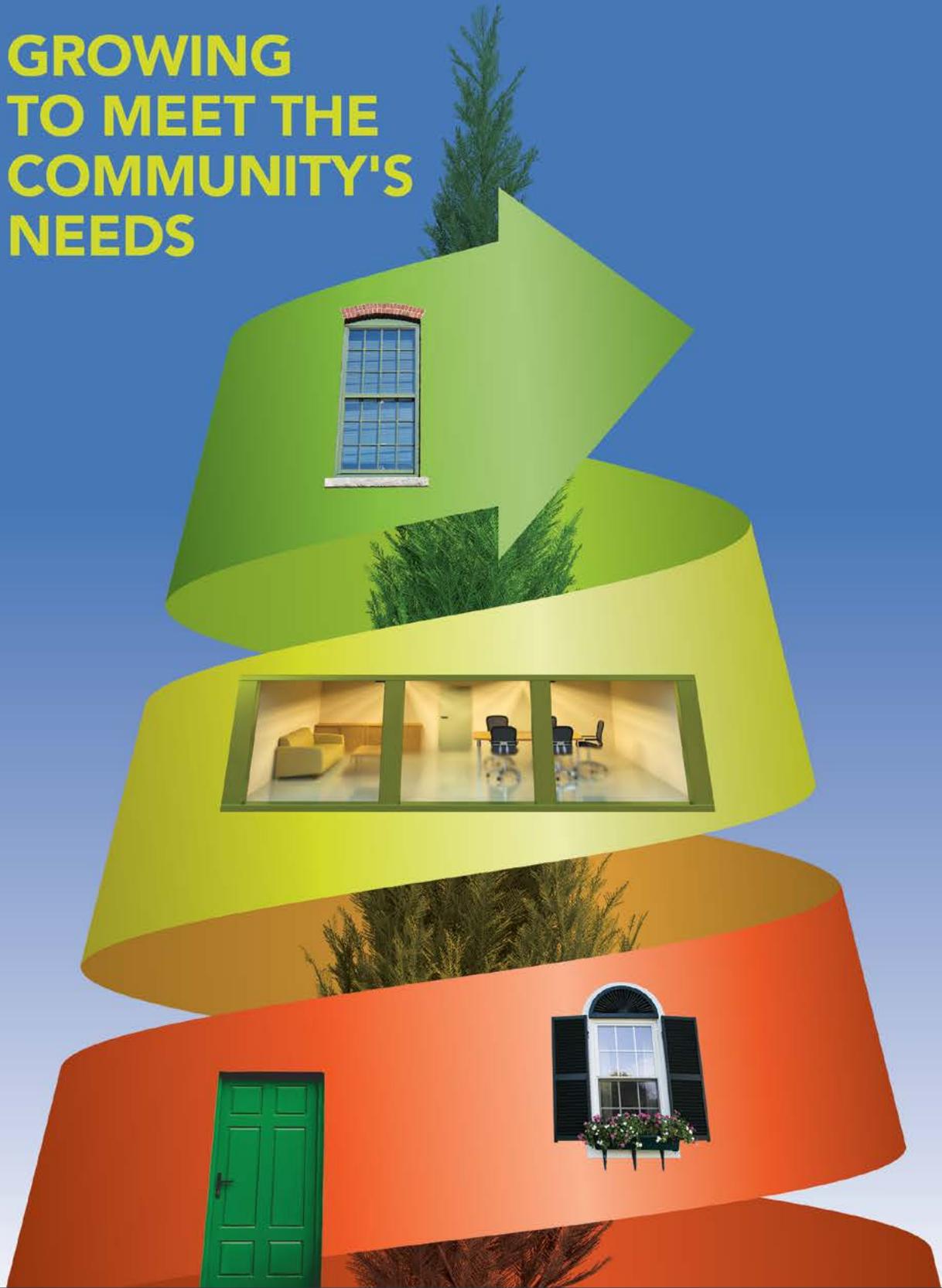


# GROWING TO MEET THE COMMUNITY'S NEEDS



**MONTGOMERY COUNTY LAND  
REUTILIZATION CORPORATION**

2016 PROGRESS REPORT

## **A Message from the Montgomery County Land Bank Board of Directors**

As we look back over 2016, we recognize that the Montgomery County Land Bank has experienced a year of significant change, growth and maturity. Many aspects of the organization – including staffing, program participation, demolition funding, marketing outreach, management, accounting and others – have evolved over the past year. We are proud to share with you the details of our accomplishments in these areas throughout the pages of this Progress Report.

But as we reflect on 2016 as a year of growth and change, we are also pleased with those aspects of the organization that have remained constant. As a board of directors and staff, we have stayed true to the core value of meeting the community's needs by transforming troubled residential and commercial properties into productive assets.

Leveraging our programs has allowed the Land Bank to advance our overarching mission of *facilitating the transition of blighted, foreclosed and abandoned properties into viable, marketable properties by working collaboratively with public and private entities in a financially responsible, transparent manner with a long-term goal of returning these properties to the tax roll.*

It is a pleasure to present to you this Progress Report as a summary of the organization's activities, initiatives and accomplishments over the course of 2016. We hope you will enjoy browsing its pages to learn more about how the Montgomery County Land Bank has been "Growing to Meet the Community's Needs."

We welcome your comments and ideas. Please feel free to contact us at 937-531-6921, or [Info@MCLandBank.com](mailto:Info@MCLandBank.com).

Best regards,

Montgomery County Bank  
Board of Directors

# 2016 Progress Report

## MISSION

To facilitate the transition of blighted, foreclosed and abandoned properties into viable, marketable properties by working collaboratively with public and private entities in a financially responsible, transparent manner with a long-term goal of returning these properties to the tax roll.

# GROWING TO MEET THE COMMUNITY'S NEEDS

## THE DRIVERS OF GROWTH

When Chris and Tamara moved back to the Dayton area from Chicago, three of their young-adult children moved back with them. Eager to keep their close-knit family together, they made it their goal to buy each one of them a house in the same part of town.

Chris and Tamara considered their options and opportunities. And then they turned to the Montgomery County Land Bank. No strangers to hard work, they recognized the potential, as well as the challenges, in the properties available for rehab and reuse.

First, they bought a house through the DIY Renovation Program and fixed it up for one child. Then they acquired another one through the Tax Foreclosure Acquisition Program.

By the end of 2016, they were well on their way to realizing their dream of providing safe, stable and affordable housing for their family.

“I think it’s wonderful what the Land Bank is doing – giving people the chance to own a home and fix up the neighborhood at the same time,” Chris said.

Chris and Tamara are among the dozens of citizens, investors and local government partners who helped to make 2016 a year of growth, progress and impact for the Montgomery County Land Bank. Working with the Land Bank’s staff and programs, these individuals invested their money, time, labor and energy to transform abandoned eyesores into livable homes and viable commercial spaces. Through their efforts, our community is witnessing signs of revival in challenged neighborhoods and the beginning of property value stabilization.

Their energy is transforming the landscape of Montgomery County – one property at a time.

### 2016 LAND BANK BOARD OF DIRECTORS

**Carolyn Rice**  
County Treasurer

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Montgomery County  
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Market Metric\$, LLC

**Sheila Crane**  
Realtor and Community  
Development Specialist

# I. Growth Strategy

Building on the early successes and lessons learned from programs piloted in 2014 and rolled out in 2015, the Land Bank took a deliberate and measured approach to scaled growth.

Our thrust was a three-part strategy that included...

- **Increasing personnel capacity**

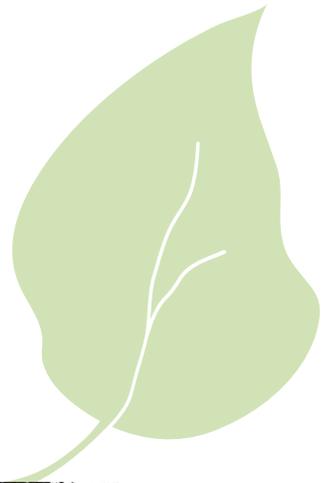
We hired three new staff members whose skill sets complement those of existing personnel and who share a deep commitment to the Land Bank's mission. This brings our staffing to seven, including the executive director. All have performed exceptionally as competent, compassionate professionals. They have learned quickly and assumed responsibility for the detailed and legally complex work of our organization.

- **Automating the tracking of properties and inquiries**

Given the hundreds of transactions performed to carry out the Land Bank's work, we recognized that automation would be essential for accuracy and efficiency. The acquisition of a specialized property-management software system from the Cuyahoga Land Reutilization Corporation was a critical step. Even though we had to make numerous modifications to align this system with our programs, which are not identical to Cuyahoga's, the return on investment promises to be significant.

- **Expanding and diversifying marketing communications**

Building awareness about the Land Bank's programs and tools has underpinned the increasing demand for our programs. We have done this systematically by relying on strategically focused tactics that have been detailed in an annual communications plan. This document ensures consistent messaging and a year-long schedule of activities that support the Land Bank's goals.



Before and after: The abandoned property at 3863 Old Riverside Dr. was in deplorable condition when Ben purchased it through the Land Bank's DIY Renovation program. Still he saw the character, charm and potential of the 1930s-era home. After significant investments in renovating the property, Ben had an attractive home that he's leasing to responsible renters. "It's no longer just another vacant property. The County is collecting taxes on a now-occupied home; Harrison Township is no longer cutting the grass; and I'm seeing a return on my investment," he said. "It's a win-win all the way around."

## II. Updates and Accomplishments | Programs

The Land Bank’s greatest measures of progress are the outcomes generated when users participate in our programs. This, after all, is how we fulfill our organization’s purpose and mission.

From the moment of the programs’ soft rollout in 2015, the staff did not shy away from “leaning in” to implement, enhance and grow our offerings. Over the course of two years, they worked out “bugs,” developed systems to maximize efficiency and resolved issues with fairness and integrity.

Their extraordinary work is the reason we can report that the Land Bank made progress in 2016. The following table provides a summary of program activity:



The property at 34 N. Main St. is being “land banked” for the city of Dayton under our Land Banking program. The city is seeking proposals to redevelop the property, the Land Bank is stabilizing its condition during the proposal process.

### LAND BANK PROGRAMS IN 2016

PROGRAM	DESCRIPTION	2016 UPDATE	2016 ACCOMPLISHMENTS
<b>Neighborhood Initiative Program (Demolition Program)</b>	NIP, which represents federal dollars distributed through the Ohio Housing Finance Agency, has a goal of stabilizing property values in neighborhoods and preventing the spread of foreclosures and home abandonment in “tipping point” neighborhoods.	Just over 300 nuisance properties have been removed from neighborhoods in eight communities since 2014.	<p>87 acquisitions (367 since start)</p> <p>224 demolitions (306 since start)</p> <p>New owners have placed deposits to acquire 48 of these properties.</p> <p>5 new partner communities have joined NIP, bringing total to 9.</p> <p>Having outpaced performance requirements for the \$5.8 million awarded in 2014 and 2015, we received \$12 million in an unanticipated 2016 funding round. The new funds will allow MCLB to raze an additional 730 properties, bringing the total estimated properties to be demolished under the program to 1,100.</p> <p>Also, we established a maintenance program for properties post-demolition.</p>

PROGRAM	DESCRIPTION	2016 UPDATE	2016 ACCOMPLISHMENTS
<b>Tax Foreclosure Acquisition Program</b>	For a modest investment, citizens and investors can acquire a tax-delinquent residential property to rehab and reuse for a residence, side lot, home expansion or new construction.	Program performed well in 2016 as a result of staff support, pent-up demand, GoGetProperties website-based property research tool and an improved economy. It was MCLB's most frequently used citizen program in 2016.	<p>94 applications processed (29 in 2015)</p> <p>67 pending applications</p> <p>29 transfers (4 in 2015)</p> <p>26 did not qualify</p> <p>Property Improvement Audit on transferred properties was conducted, and shows 55% are owner-occupied.</p> <p>\$36,000 in annual tax collections realized</p>
<b>DIY Renovation Program</b>	Citizens and investors may buy and rehab homes acquired and inspected by the Land Bank. Once the renovations are completed, and the structure meets Land Bank standards, the buyer receives the deed and may then sell, lease or occupy the property.	<p>Program challenged by lack of inventory due to demand placed upon the foreclosure process by the NIP program. Additional support has been provided by the Land Bank to address the issue. During this period of peak demand, our efforts focused on identifying future inventory from alternative sources such as local governments; the National Community Stabilization Trust, a nonprofit with mission similar to Land Bank's; donations; and staff- and contractor-identified units.</p> <p>Successful efforts to generate 53 properties in acquisition pipeline suggest a robust future inventory.</p>	<p>9 transferred (2 in 2015)</p> <p>5 under contract (4 in 2015)</p> <p>53 affidavits submitted</p> <p>457 properties researched</p> <p>\$13,000 in annual tax collections realized</p>
<b>Commercial Property Redevelopment Program</b>	Although no two projects are identical, this program allows investors to work with the Land Bank to acquire and redevelop tax-delinquent commercial properties. The projects involve a variety of property uses, and typically, liens and unpaid taxes. Because of their complexity, solutions require significant staff time. The projects sometimes are resolved with creative combinations of our existing programs.	<p>The uniqueness of each property's history, status and customer's desired end use prevent development of standard procedures.</p> <p>Activity on these properties sometimes becomes a catalyst for payment of delinquent taxes and new investment, as improvements are required for redevelopment.</p>	<p>2 agreements (2 in 2015)</p> <p>2 facilitated transfers</p> <p>\$90 m in anticipated investments</p> <p>\$585,000 in tax payments realized on 5 commercial properties</p>

PROGRAM	DESCRIPTION	2016 UPDATE	2016 ACCOMPLISHMENTS
<b>Donation Program</b>	The Land Bank may accept donations of some residential and commercial properties with reuse potential to help property owners gain relief from tax liability and ongoing maintenance costs.	Program showed minimal activity in 2016.	1 lender property donated, generating \$33,500 in income (30 properties were donated and razed in 2015).
<b>Land Banking Program</b>	This program allows local governments to strategically aggregate properties for future development. The Land Bank holds them, tax free, as the community completes a development plan or financing package.	Program demand has grown, with applications received in both residential and commercial markets.	36 residential units under agreement 3 commercial properties under agreement 2 applications pending in 2015
<b>Residential Rehab Loan Program</b>	Local governments are eligible for residential rehab loans to renovate distressed single-family homes in strategically targeted neighborhoods.	Although popular with past users, this program saw no activity in 2016. It will be studied in 2017 to explore improvements that would increase demand.	0 (2 in 2015)
<b>Planning Grants</b>	Local governments in Montgomery County, under agreement with the Land Bank, may apply for a planning grant of up to \$50,000, with a 25 percent local match. The grant provides for professional assistance in creating plans and strategies to maximize the potential benefit of Land Bank programs.	This program has gained popularity as communities have recognized its value and have been able to budget the required matching funds.  It's being used by public organizations that are working in collaboration to maximize benefits to the community.	6 grants totaling \$267,500 to 5 organizations (1 in 2015)  Matched by \$750,000 in other funds
<b>National Community Stabilization Trust Pilot Program</b>	NCST is a national non-profit organization that works to restore vacant and abandoned properties to productive use and protect neighborhoods from blight. Its programs facilitate the rehabilitation of vacant but structurally sound homes; enable safe, targeted demolition when necessary; and support creative and productive re-use of vacant land.	Program benefits include: <ul style="list-style-type: none"> <li>• Involves sales by realtors, providing the opportunity to establish a relationship with this industry group</li> <li>• Expedites sales</li> <li>• Provides valuable comparable market data</li> <li>• Supports MCLB's owner-occupant objective</li> </ul>	225 offers evaluated 4 properties acquired 2 properties sold to owner-occupants 2 remaining properties acquired and being offered for sale  \$35,000 net revenues generated.

### III. Updates and Accomplishments | Marketing Communications

Generating participation in Land Bank programs was a priority in 2016. We began working toward this objective by investing significant effort in educating our audiences about the organization, our mission and programs. These included potential users as well as individuals in the local government, real estate and community development sectors.

The work began with a comprehensive annual communications plan that outlines in detail the messaging, strategies, tactics and timelines that would most effectively deliver results. Our marketing included a variety of projects such as social media, a brochure, testimonials, videos, presentations and a media event.

The centerpiece of our marketing efforts in 2016, however, was the April launch of the Land Bank's website. Attractive, easy to navigate and informative, the site offers many user-friendly features and tools:

- GoGetProperties, a digital tool to assist citizens and investors in identifying tax-delinquent properties. *A special thanks to Code Dayton, a volunteer group that developed this wonderful tool.*
- Program descriptions with online application forms
- Real estate information concerning available properties
- Sign up for email alerts on new property listings for the DIY program
- User testimonials
- General information about the Montgomery County Land Bank

We have been pleased with the traffic to the website. By the end of 2016, there had been more than 7,300 visits to the site, along with 2,300 return visits. We hear from many customers that the website was their first step in learning about the Land Bank.

Another major communications initiative in 2016 was the outreach to our client communities and economic development organizations, employing email, phone, personal contacts and presentations to local government officials and community development leaders.

In October, we held a demolition event organized for local officials, Montgomery County support offices, the news media and the public to bring attention to and celebrate our Neighborhood Initiative Program successes. City of Dayton and Montgomery County officials were instrumental in helping to create an event that included participants from the neighborhood.



### IV. Updates and Accomplishments | Finance and Administration

Committed to efficient operations and good stewardship, we took steps in 2016 to ensure continued sound management practices and solid return on investment.

For example, it has been our practice to offset program expenses so we can invest more resources back into the community. In 2016, we collected \$150,000 in fee, donation and sales revenues.

Also in 2016, we completed the transition of all accounting and record-keeping functions into the office of the Land Bank's controller.

We also received good news in that our annual audit report for 2015 was returned with no findings.

*Management's discussion and analysis for the fiscal year ended December 31, 2016, can be found on our website (MCLandBank.com), and the Auditor of State website (<https://ohioauditor.gov/auditsearch/Search.aspx>).*

### V. Updates and Accomplishments | Partnerships and Relationships

As 2016 began, we enjoyed partnerships with 18 communities, formalized by way of Memoranda of Understanding. These agreements ensure that Land Bank and jurisdictional efforts undertaken to implement our programs are clearly identified and coordinated.

Over the course of the year, we added five new communities to the four involved with the Neighborhood Initiative demolition program. NIP dollars will extend the impact of demolition work to help revive even more neighborhoods over a broader geographical area.

The Land Bank's circle of influence is expanding as a result of new working relationships with other public organizations, including, among others, Five Rivers Metro Parks, CityWide Development's Choice Neighborhoods program, and the Miami Valley Regional Planning Commission.

# FOCUS ON 2017 AND BEYOND

Despite our successes in 2016, there are uncertainties and challenges as we look to the future:

## Program Demand

Despite increased marketing outreach and education, it is difficult to assess future program activity levels. Growth in 2016 was positive, and we will continue efforts to create awareness among our various audiences and through various communication vehicles.

## NIP Pressures

On one hand, the unanticipated infusion of \$12 million in additional demolition funding from the state of Ohio is positive news. At the same time, it will place enormous pressure on the county's foreclosure-process and may affect the transfer of properties for other Land Bank programs.

## Commercial Rehabilitation Program Demands

Although increased participation in the Commercial Rehabilitation Program generated good news in terms of commercial redevelopment, investment and tax receipts, it also brings ongoing responsibilities for the Land Bank. We face a variety of new responsibilities for management and oversight of these transactions, and this will place greater demands on staff time in 2017.



Once a car dealership, the vacant building at 225 S. Main St. in Dayton being used primarily for housing, parking and servicing vehicles. It was foreclosed upon and brought under the Land Bank's possession under an agreement with Dayton. The property has potential reuse as a parking garage to serve the Dayton Convention and Visitors' Bureau, the proposed Levitt Pavilion and residential growth in the area.



The Land Bank's removal of blighted structures in East Dayton created a unique opportunity for the Dayton Urban Grown Incubator/Training Farm. The group is partnering with Catholic Social Services, Central State University and East End Community Services to create a place where a new model of urban farming will aim to not only produce high-quality food, but also regenerate the environment and create adequate profit for an urban farmer to make a living. It will also provide a training ground for additional individuals to learn these skills. Organizers predict there will be enough fresh food for the urban farmers and their families to consume and plenty to sell at the 2nd Street Market as well as to local restaurants.





The Land Bank's demolition event in October was a celebration of successes in the Neighborhood Initiative Program, including a new award of \$12 million in 2016. It was organized for local officials, Montgomery County support offices, the news media and the public to bring attention to program and the impact of removing blighted structures from neighborhoods. City of Dayton and Montgomery County officials were instrumental in helping to create an event that was well received by the neighborhood.

## THE COMMUNITY'S NEEDS

The title of this report, "Growing to Meet the Community's Needs," describes the Land Bank's 2016 activities and accomplishments. Throughout the year, the organization emphasized scaling programs. Although we've focused here on ideas of "progress" and "growth," we never lost sight of our fundamental purpose and priority: to meet the "community's needs."

To accomplish this as a primary objective, we have simplified and streamlined programs. When parties in a commercial transaction needed to come together, we facilitated the discussion. And when we needed to get creative to bring a real estate opportunity to fruition, we overlaid programs and leveraged our relationships with other organizations to optimize results, with the focus of adding value to every transaction.

Montgomery County's overarching need – in fact, the reason for the creation of Land Bank's – is recovery from the 2008 foreclosure crisis and its destructive effects on our families, neighborhoods and property values. The need, however, extends beyond residential property and into commercial and industrial markets, as well. With the support and leadership of our Board of Directors, we are committed to addressing those needs for the good of our county, its citizens and its future.

And because of the involvement of citizens, investors and local government partners, we are able to continue working toward our goal of rebuilding vibrant communities... one property at a time.



The Land Bank's partnership with CityWide Development Corporation paved the way for this attractive gateway to be created at "The Point," where Valley Street and North Keowee Street meet. The Land Bank had acquired the site and some of the structures on it. In turn, we provided the site to CityWide. The structures were demolished, providing the opportunity to create a new and welcoming feature to the area.



The city of Huber Heights made use of the Land Bank's Planning Grant program to complete a study of possible redevelopment opportunities along Brandt Pike, one of the community's primary arterials. This drawing represents Phase III of the Brandt Pike Revitalization Plan, which includes detailed implementation strategies and action steps to realize the plan's vision.



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