Montgomery County
Land Reutilization
Corporation

MONTGOMERY COUNTY
LAND BANK

Sowing the Seeds of Opportunity

PROGRESS REPORT

2020

MONTGOMERY COUNTY
LAND BANK

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Photo courtesy of: Tom Gilliam

A Message from the Montgomery County Land Bank Board

We most often hear the saying, "You reap what you sow," as a warning or admonition. But as a land bank and real estate solution-provider for Montgomery County, we think of it as inspiration.

When the idea of a land bank was planted here in Montgomery County, officials' primary objective was to address the housing foreclosure crisis that was eroding property values and the strength of our neighborhoods. The hope was that a menu of practical programs could be the seeds that would grow into opportunities for new owners. Ideally, the properties would be returned to the tax rolls and patterns of decline reversed.

As these programs produced early positive results, the Land Bank also became recognized as a tool for commercial redevelopment. With unique legal authorities to resolve tax and other liabilities, and the mindset to facilitate financially sound business proposals, the Land Bank has played a key role in seeding dozens of commercial opportunities.

Although the pandemic-driven restrictions of 2020 forced some revisions in the ways the Land Bank operates, we continued to be inspired solution-providers. We remain firm in our commitment to sow seeds of opportunity that bear fruit for the good of our citizens and communities.

OUR MISSION:
To reposition distressed real estate to support Montgomery County's communities in building quality of life and vibrant neighborhoods, one property at a time.

OUR VISION:
Montgomery County's communities are comprised entirely of thriving neighborhoods with sustainable real estate markets that enhance residents' quality of life.

Sowing the Seeds of Opportunity

It's true that hindsight is 20/20.

Only by carefully looking back, can we gauge the impact of our actions—the successes and failures, and gains and losses. Thoughtful review transforms experience into expertise and reveals the strategies worth repeating.

The year 2020 proved to be a good time for the Montgomery County Land Bank to conduct such a review. Preparing for a strategic planning process prompted staff to take a "deep dive" into where the organization has been, to examine results and to identify future directions.

Taking a comprehensive view like this revealed that many of our actions through the years have seeded high-impact opportunities. The restoration of the historic Dayton Arcade and the creation of OneFifteen, an addiction counseling and rehabilitation center, come to mind as examples.

In terms of residential redevelopment, the strategies piloted through the Thriving Neighborhoods Initiative in Dayton's Pineview neighborhood have begun to bear fruit. We see evidence of resident engagement, neighborhood pride and increasing sales prices of renovated homes.

In addition, 1,200 residential demolitions over the past six years have removed blight from 37 neighborhoods in nine communities. Their residents have seen reforestation efforts, urban farming projects and new playgrounds replace abandoned, dilapidated eyesores.

By approaching our mission with tested strategies, a thorough understanding of our legal authorities, the routine practice of due diligence and a can-do attitude, the Land Bank has been able to transform complex real estate challenges into commercial, residential, entrepreneurial, educational, environmental and recreational opportunities. At the same time, properties are being returned to the tax rolls.

This report reviews Land Bank projects, programs and accomplishments. It also sheds light on a wide range of seeded opportunities and their enduring impacts on prosperity and the quality of life in Montgomery County.

Opportunities to Begin Anew

Dayton Arcade

Once the crown jewel of the Gem City's downtown landscape, the Dayton Arcade was crumbling and had fallen into disrepair. Empty for more than two decades, the iconic structure was collecting cobwebs — and a staggering delinquent property tax.

Community conversations had frequently centered on the notion that no investor would ever undertake the building's restoration, considering the tax liability. Some were ready to schedule the Arcade's date with a wrecking ball.

But in 2016, a redevelopment group, led by Maryland-based Cross Street Partners, expressed interest in the project. However, Dayton city officials recognized that the delinquent taxes were a problem. So they turned to the Land Bank for a solution.

The Land Bank was able to accept the property under a deed-in-lieu-of-taxes provision that removed the tax liability. The property was then turned over to the city of Dayton, and ultimately made available to the developer team.

Eliminating the tax liability made the $90 million renovation project feasible and opened the door to a wide range of opportunities with space for entrepreneurs, creatives, innovators, learners and all others who appreciate a gem when they see one.

"The project could not have moved forward without the Land Bank playing its role," said Frances Mennone, development director for Cross Street Partners. "The back taxes would have been a deal breaker."

COMMERCIAL REDEVELOPMENT PROGRAM

helps return troubled properties to productive reuse for retail, office, industrial or other business purposes.
In 2020, the Land Bank facilitated 10 projects and acquired 3 properties for repositioning.

PROGRAM HISTORY TO-DATE

$100M PRIVATE INVESTMENT | **COMMERCIAL STRUCTURES 58**

Photo courtesy of: Tom Gilliam

OneFifteen, Addiction Treatment and Recovery Campus

In 2017, a year when the opioid epidemic was claiming 115 lives a day nationwide, Montgomery County was considered "ground zero."

Then came an offer of help from an unexpected source.

With a commitment to reduce opioid-related deaths, Google-affiliated Verily joined forces with the Kettering Health Network and Premier Health to create the optimal environment for data-driven treatment and support services for people in recovery. Their plan included outpatient, inpatient and recovery-housing components.

Dayton's Carillon-Edgemont neighborhood was selected. Critical to the project, however, was a 4-acre parcel and a former tool-and-die business building that would have to be purchased.

The situation brought project leaders to the Land Bank for assistance. Because of a longstanding professional relationship with the building owner, the Land Bank arranged for the purchase of the property.

Named OneFifteen for the number of lives lost daily to overdose, the facility opened its doors for outpatient services in October 2019 and treated 2,030 patients through 2020.

Twenty-nine double-occupancy rooms for recovering addicts became available in September 2020 with the opening of OneFifteen Living.

Photo courtesy of: Alexandria Real Estate Equities

Reed-Steffan Building

A developer's proposal to renovate the Reed-Steffan Building in downtown Dayton came with an extra challenge: The abandoned building next door had a collapsed roof, causing severe damage and a variety of safety hazards.

Although the adjacent property could enhance the proposal, purchasing it wasn't financially feasible for the developer because the liens and back taxes were greater than the building's value.

The Downtown Dayton Partnership reached out the Land Bank for a solution. The Land Bank responded by purchasing the tax lien from the Montgomery County Treasurer's Office and completing foreclosure in 2020. The property was then transferred to the developer and later demolished, paving the way for an exciting, new, mixed-use development.

Rendering of 18 W. Fifth St., Dayton, courtesy of Triad Architects

Opportunities to Stabilize Neighborhoods

Thriving Neighborhoods Initiative

The Thriving Neighborhoods Initiative is an effort to do more than remove blight and stabilize challenged neighborhoods. Its goal is to create sustainable neighborhoods by forming coalitions with diverse skill sets to address each neighborhood's challenges.

Since each neighborhood is unique, the Land Bank approaches each one differently. The Land Bank coordinates with local government officials, community partners and neighborhood leaders to develop tailored strategies to achieve five basic objectives:

- Increase property values
- Encourage homeowner improvements
- Increase market confidence
- Improve residents' quality of life
- Inspire neighborhood pride

West Dayton's Pineview neighborhood has been a Thriving Neighborhoods pilot program since 2018. With 400 homes built in the 1950s, the neighborhood was showing signs of decline, and home values were substantially lower than in comparable neighborhoods.

The Land Bank leveraged the momentum created by CityWide Development's neighborhood planning and cleanup efforts, prioritizing the demolition of 12 abandoned, tax-foreclosed houses. It also purchased and renovated three homes, selling them to owner occupants for up to three times the neighborhood's median sales value. The sale of these renovated homes demonstrated a greater market interest, property values and sales comps for lenders.

In 2020, the Land Bank coordinated with Rebuilding Together Dayton, a nonprofit group that is assisting 15 senior residents maintain their properties. Volunteers also removed 4.6 tons of debris from the neighborhood.

More recently, the Thriving Neighborhoods Initiative was launched in Harrison Township's Castlewood neighborhood and Dayton's Huffman historic area.

The Land Bank has also coordinated with the Miami Valley Regional Planning Commission to provide data and technology support for the Miamisburg CARES program, which parallels the Thriving Neighborhoods Initiative.

THRIVING NEIGHBORHOODS INITIATIVE

strategies are adapted to address each participating neighborhood's needs. In 2020, Pineview saw 1 house demolished and 1 renovated, which sold at $83 per square foot, compared to a neighborhood average of $11 in 2013.

PROGRAM HISTORY TO-DATE

- **3** REHABS & SALES to owner-occupants
- **300%** sale price OVER MEDIAN VALUE
- financial institution homeowner ASSISTANCE PROGRAMS **2**
- LAND BANK & CITY OF DAYTON DEMOLITIONS **27**
- **492** VOLUNTEER HOURS Rebuilding Together Dayton
- **UAW** LAKEVIEW fishing lake and pier RESTORATION

Before and after home rehab in Pineview neighborhood pilot.

Rendering courtesy of Oberer Companies

Wolf Creek Housing Development

A new round of state funding for residential demolitions awarded to the Montgomery County Land Bank will create opportunities to grow the area's inventory of affordable housing.

In late 2020, the Land Bank received $2.5 million from the Ohio Housing Finance Agency to continue the Neighborhood Initiative Program, which aims to stabilize property values by removing blighting houses from neighborhoods.

In Dayton's Wolf Creek neighborhood, the Land Bank will transfer the cleared titles of 21 demolition sites to County Corp Affordable Housing, the area's nonprofit affordable-housing agency. A grant from the Ohio Housing Finance Agency's Low-Income Housing Tax Credit Program to County Corp and its co-developer, Oberer Companies, will allow them to build new, single-family homes as affordable rentals. After 30 years, the homes can be sold at market rates, with priority given to long-term renters.

An $8 million investment in the neighborhood, this project allows the Land Bank to seed opportunities for low- and moderate-income residents to build wealth through home ownership. Meanwhile, officials are hopeful the real estate activity will attract new investors to the Wolf Creek neighborhood.

TAX FORECLOSURE ACQUISITION PROGRAM

helps those who are qualified to acquire properties that are foreclosure-eligible. 2020 saw 20 properties in 19 communities transferred to new owners.

PROGRAM HISTORY TO-DATE

- PROPERTIES TRANSFERRED to new owners **120**
- DEMOLITION cost avoidance **$2.1M**
- real estate TAX REVENUES **$526K** YEAR TO-DATE
- **42%** OWNER OCCUPANCY
- direct private INVESTMENT **UNKNOWN**

DO-IT-YOURSELF RENOVATION PROGRAM

makes vacant properties with renovation potential available to the public. In 2020, 12 properties were transferred to new owners.

PROGRAM HISTORY TO-DATE

- **$2M** direct private INVESTMENT
- **$950K** DEMOLITION cost avoidance
- HOUSES **87**
- **24** NEIGHBORHOODS | **8** COMMUNITIES

Opportunities for Comebacks

The Land Bank helps jurisdictions to envision new possibilities for underused properties. When projects become realities, they signal a community's vitality while preserving the public's past investments in existing infrastructure.

Planning Grants

The Land Bank's planning grants assist jurisdictions to envision reuse potential for targeted sites and create market-driven redevelopment plans. When prepared with a plan, local officials are poised to respond to development proposals. Huber Heights, Centerville, Clayton, Dayton, West Carrollton, Five Rivers Metro Parks and Dayton Premier Management have used the program.

The plans have generated over $15 million in investment activity for the $215,000 grant investment, or $70 for each $1 dollar from the Land Bank.

PLANNING GRANT PROGRAM
with matching funds from the jurisdiction, helps communities pay for professional assistance with plans and strategies to guide redevelopment in targeted areas.

PROGRAM HISTORY TO-DATE

JURISDICTIONS 5 | AWARDS 6

$15M Resulting INVESTMENTS

jurisdiction MATCHING $808K

City of West Carrolton

The city of West Carrollton offers a great example. The city had completed a master plan for the Dixie Drive Corridor, which called for the demolition and clearing of an industrial area that left an empty 16-acre parcel near the middle of town. The plan suggested a sports complex.

Opportunity soon knocked. When two investors from Cincinnati proposed a year-round, indoor-outdoor sand volleyball facility on the site, the city was prepared. With an investment of $4 million, the developers built Miami Valley Sand, offering sand volleyball with food and beverage service. The facility opened in 2019.

Development site at Elm Street and Central Avenue in West Carrollton

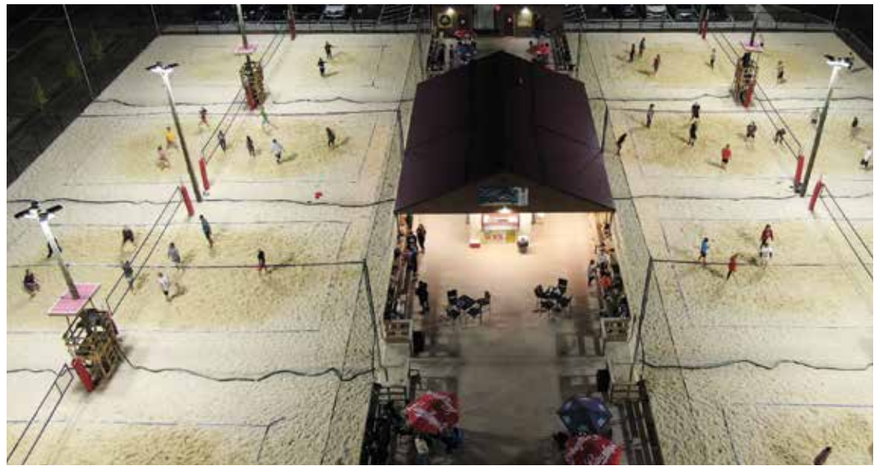

Image courtesy of Human Nature, Inc.

The Riverfront Plan's vision for Sunrise/Sunset Parks and Unity Bridge.

Five Rivers MetroParks

Another example is Five Rivers MetroParks. When the park district launched the development of the Dayton Riverfront Master Plan in 2017, the Land Bank became one of the numerous participants in the community-driven process, along with other public, private and nonprofit partners, as well as residents. The Land Bank provided a planning grant and staff resources to create the visionary plan, which focuses on greater downtown's four waterways and explores their potential to enhance regional livability and economic vitality over the next 20 years.

A first implementation step is the replacement of the Third Street Bridge, Dayton's Peace Bridge, which began in 2020. Designed for safe passage by pedestrians, cyclists and vehicles, the structure features African American heroes from local history. The project represents a milestone toward the plan's goal of transforming the river from the place that has divided the community to the place where it unites.

EPA Brownfields Grant

Seven entities joined with the Land Bank in 2020 to apply for a highly competitive EPA Brownfield grant. The partners include the cities of West Carrollton and Riverside, Harrison Township, Montgomery County, Miami Conservancy District, Miami Valley Regional Planning Commission and Five River MetroParks. If awarded, the $600,000 grant may become the first step in the reuse of up to four contaminated sites.

As the lead entity, the Land Bank managed the grant-application process and would apply its experience in grant administration, program management and reporting on behalf of the four jurisdictions, if the grant is awarded.

The grant announcement is expected in the spring of 2021.

LAND BANKING PROGRAM
allows communities to strategically "bank" properties identified in a local plan or similar effort. The Land Bank acquires, maintains and disposes of the property on behalf of the jurisdiction or not-for-profit corporation.

PROGRAM HISTORY TO-DATE

AGREEMENTS 2 | properties under AGREEMENT 48

Opportunities for Greener Communities

Dayton's Urban Ag District

Since 2014, the Land Bank has been awarded $22.6 million from the Ohio Housing Finance Agency's Neighborhood Initiative Program for the demolition of more than 1,200 nuisance structures in nine partner communities.

In 2020, the Land Bank board approved the allocation of $3 million over two years for its own demolition program, Demo 2.0, in anticipation of NIP being discontinued.

So what happens when these lots become vacant?

Although most are offered to adjacent property owners for side-yard expansions, others have evolved into environment-enhancing opportunities.

One of the most interesting uses has been in Dayton's East End, now known as the city's Urban Ag District. Along Xenia Avenue – an area known as a "food desert" – hoop houses and overflowing vegetable gardens have replaced dilapidated homes.

The Land Bank has made the vacant lots available to various urban ag programs, as pictured here, including Dayton Urban Grown, a cooperative of urban farmers, for an incubator farm. Here, urban dwellers learn to farm sustainably, producing chemical-free fruits and vegetables for sale to restaurants, farmers' markets and online buyers.

Dayton Urban Growers' incubator farm at 933 Xenia Ave. in Dayton

Twigs to Trees Program

Trees offer many health and aesthetic benefits to neighborhoods and the people who live in them. Yet, in some residential areas of Montgomery County, the tree canopy has decreased from the ideal 50% or more to 20% or less.

The Land Bank and partners are responding to this decline by providing vacant lots for an urban reforestation program called "Twigs to Trees." Neighborhood volunteers have planted seedlings at 10 residential sites.

Five of the lots are considered "food forests," where trees and shrubs produce food that's available to neighborhood residents. The plantings include peach and pear trees, in addition to native trees and shrubs, such as hazelnut, hickory, paw paw, serviceberry and raspberries. This is a joint program with the Ohio Department of Natural Resources, Five Rivers Metro Parks and the city of Dayton.

NEIGHBORHOOD INITIATIVE PROGRAM provides state funding for demolitions of blighting one-to four-family residential structures. In 2020, the Land Bank received $567K and completed 102 demolitions.

PROGRAM HISTORY TO-DATE

1,200 residential structures DEMOLISHED

37 NEIGHBORHOODS

COMMUNITIES **9**

$2.5M FUNDING RECEIVED

500 VACANT LOTS dispositioned

community generated MATCHING FUNDS **$576K**

Edison Elementary School students joined in the planting at the Twigs to Trees site on Dakota Street in Dayton.

Opportunities to Work Smarter

With the help of tech-savvy partners, the Land Bank continually finds opportunities to improve operations. Innovative use of technology tools has improved outcomes by delivering data accurately and efficiently.

Virtual Citizen Input System

COVID-19 restrictions threatened to stall the city of Miamisburg's efforts to obtain citizen input related to its neighborhood revitalization effort, Miamisburg CARES. Fortunately, the Land Bank and MVRPC were assisting the city with the program at the time.

The team developed a set of public input questionnaires that were distributed both electronically and by mail. The city developed a mail survey and MVRPC developed a suite of online public-engagement tools that convey citizen input virtually. Users can react to potential improvements through the mail or using a computer or smartphone app.

Data Mapping System

Staff efficiency and effectiveness has surged since the Land Bank began several years ago to use sophisticated GIS mapping software to collect data about neighborhoods. The single application streamlines analysis by combining information from multiple government data sources. This software provides the capability to monitor neighborhood health metrics, assess housing strength and determine the areas that would most benefit from Land Bank programming. It has been especially important for data collection related to selection of areas to participate in the Thriving Neighborhoods Initiative.

The Miami Valley Regional Planning Commission staff were instrumental in evaluating and making the system operational for the Land Bank.

Drone Inspections

With the help of Sinclair College's National Unmanned Aerial Systems Training program, Land Bank staff are using drone technology to conduct overhead inspections of tax-delinquent properties, where it's prohibited or too dangerous for staff to enter. The drones are equipped with high-resolution cameras that capture photos and videos, providing images that are critical for assessing roof and other conditions not visible from the sidewalk

Bloomberg Data Development Program

At the city of Dayton's invitation, the Land Bank became involved in 2020 in Bloomberg's Harvard City Leadership Initiative, a nationwide collaboration program, to enhance leadership skills and provide management tools for mayors and city officials. A collaboration involving Bloomberg Philanthropies, Harvard Kennedy School and Harvard Business School, the program aims ultimately to tackle cities' complex challenges and improve people's quality of life.

The initiative advances the field of city leadership through teaching and research that help city leaders drive government performance and address social problems. The Land Bank, along with CityWide Development, are co-chairing the committee identifying cities' data needs to address blight, information that will ultimately be housed in the Land Bank data system.

LEADERSHIP

IN PARTNERSHIP WITH
Bloomberg Philanthropies
HARVARD Kennedy School
HARVARD BUSINESS SCHOOL

MONTGOMERY COUNTY

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