



## **STRUCTURE FORECLOSURE PROGRAM GUIDELINES**

Adopted May 23, 2017  
Resolution 2017-7

THE SUMMIT COUNTY LAND BANK STRUCTURE FORECLOSURE PROGRAM INCLUDES:

**WELCOME HOME PROGRAM  
BUILDING FOR BUSINESS PROGRAM**

### **CONTACT INFORMATION**

Questions concerning the Summit County Land Bank Structure Foreclosure Program, which includes the Welcome Home Program (residential property), Building for Business Program (commercial and industrial property), and our in-house rehab program, should be directed to:

**Jim Davis, Program Director**  
Summit County Land Bank  
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## **SUMMIT COUNTY LAND BANK MISSION**

The Summit County Land Reutilization Corporation will support neighborhood and community reinvestment and economic development efforts through the strategic acquisition, reclamation, rehabilitation and reutilization of property in Summit County to revitalize neighborhoods and communities, stabilize property values, reduce blight, return property to productive use, and improve the quality of life in our community.

## **PURPOSE**

The purpose of the Summit County Land Bank Structure Foreclosure Program is to:

- Facilitate the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed, or other real property within Summit County, Ohio;
- Efficiently hold and manage vacant, abandoned, tax-foreclosed, or other real property pending its reclamation, rehabilitation, and reutilization;
- Assist governmental entities, schools, nonprofit organizations, individuals, and other potential end-users to assemble, clear, and clear the title of property in a coordinated manner
- Promote economic and housing development in Summit County or the region

## **ELIGIBLE APPLICANTS**

Eligible applicants include public, private, and nonprofit organizations, and individuals. Priority will be given to qualified applicants who plan to own and reside, or do business, in the property for which the applicant is applying.

The Summit County Land Bank reserves the right, in its sole discretion, to determine whether an applicant is qualified. Acceptance of an application does not indicate qualification. Applicants who have not done business with the Summit County Land Bank may be granted temporary qualification, at the sole discretion of the Summit County Land Bank. An applicant's temporary status may be improved upon successful participation in the program, at the sole discretion of the Summit County Land Bank.

The Summit County Land Bank reserves the right to condition transfer of any property upon acceptance of certain terms, within any agreement, regarding purchase, renovation, development or redevelopment, transfer, or other terms, and/or upon certain deed restrictions. The transfer of property requiring renovations may be subject to an enforcement mortgage, securing a lien against the property that is discharged once the minimum renovation requirements, and any other requirements, are completed to the satisfaction of the Summit County Land Bank.

Eligibility to apply does not guarantee approval, priority, or priority right of transfer. The Summit County Land Bank shall have sole discretion for the approval or disapproval of any application, and the transfer of any property.

## **ELIGIBLE PROPERTIES**

### **Property not already owned by the Summit County Land Bank**

Any real property, with structures, requiring renovation that is intended to be completed by an approved applicant. Renovation will be required to meet minimum renovation requirements as established by the Summit County Land Bank.

**Property already owned by the Summit County Land Bank**

Any real property, with structures, that has been renovated by the Summit County Land Bank to meet minimum renovation requirements, or that is intended to be completed by an approved applicant, and has been offered for sale.

The Summit County Land Bank will take all reasonable and necessary steps to ensure its protection from environmental liability. Properties with suspected or confirmed environmental hazards will not be considered without first having identified a plan for addressing any environmental concerns. For any commercial, industrial, or other similar property, the Summit County Land Bank will, at a minimum, require environmental assessment(s), the cost for which may be passed on to the applicant as part of the total purchase price.

**APPLICANT/PROGRAM LIMITATIONS & REQUIREMENTS**

Approved applicants will be limited as to the number of properties that may be transferred/renovated at one time, as follows:

**Non-Qualified/Temporary Qualified Applicants**

Public	No maximum
Private/For-Profit	1
Non-Profit	1
Individual	1

**Qualified Applicants**

Public	No Maximum
Private/For-Profit	3
Non-Profit	3
Individual	1

Individual and non-qualified applicants will be limited to a maximum of one (1) approved application/transfer at a time. Qualified applicants, other than individuals, will be limited to a maximum of three (3) approved applications/transfers at a time to a single applicant, another applicant from the same entity, or a related business or corporation.

For properties not already owned by the Summit County Land Bank, approved applicants will be required to execute an agreement for the purchase of the subject property, before the Summit County Land Bank will begin the acquisition process.

**Approved Structure Foreclosure Program applicants who refuse to take title to property following acquisition by the Summit County Land Bank may, at the sole discretion of the Summit County Land Bank, be precluded from further participation in the program and shall be liable for reimbursement of any actual costs incurred by the Summit County Land Bank in connection with the property, plus an additional administrative penalty of not less than five-hundred dollars (\$500.00), and will forfeit their right to a refund of any application fees, deposits, down payments, or other funds collected from the applicant in connection with the property.**

Applicants must be in substantial compliance with all local building, health, zoning, fire, and other local and state regulations for any other real property the applicant owns within Summit County, Ohio, and applicants must be able to maintain the subject property in accordance with the same.

Applicants must be current on all real estate taxes and assessments for any real property the applicant owns within Summit County, Ohio. Applicants must not be a prior owner of real property in Summit County that was transferred as the result of tax foreclosure proceedings or conveyance in lieu of foreclosure.

Transfer of property may, at any time, be subject to approval of the local political subdivision in which the property is situated.

Applications may be approved, at the sole discretion of the Summit County Land Bank, subject to budgetary limits and authority as established by the Summit County Land Bank board of Directors, and the administrative, operational, and financial capacity of the Summit County Land Bank as it, in its sole discretion, so determines.

### **PRICING STRUCTURE**

The purchase price for property acquired through the Welcome Home and Building for Business programs will include an application fee, minimum or base purchase price, administrative fee, closing costs, and other additional costs, each of which is explained below.

#### WELCOME HOME PROGRAM

For properties not already owned by the Summit County Land Bank, a **\$250** application fee will be required, of which only \$100 may be refundable in the event the application is not approved. For approved applicants, and in the event of a successful closing, the full application fee will be credited toward the final total purchase price. Application fees will be waived for local political subdivisions. At the sole discretion of the Summit County Land Bank, application fees may be waived for qualified nonprofit housing organizations.

#### BUILDING FOR BUSINESS PROGRAM

For properties not already owned by the Summit County Land Bank, a **\$500** application fee will be required, of which only \$100 may be refundable in the event the application is not approved. For approved applicants, and in the event of a successful closing, the full application fee will be credited toward the total final purchase price. Application fees will be waived for local political subdivisions.

#### MINIMUM PURCHASE PRICE

For properties already owned by the Summit County Land Bank which **have** been renovated to meet minimum renovation requirements as established by the Summit County Land Bank, and for which final inspection has been completed and, where applicable, a certificate of occupancy, certificate of code compliance, or other certificate has been obtained, properties may be listed for sale by the Summit County Land Bank. At the sole discretion of the Summit County Land Bank, a minimum purchase price, or minimum offer, may be established.

Properties listed and advertised for sale by the Summit County Land Bank will be listed exclusively, for the first ninety (90) days, to owner-occupant applicants who must agree to reside in the property as their primary residence for at least two (2) consecutive years from the date of purchase. Following the first ninety (90) days, where properties will be listed exclusively to owner-occupant applicants, properties will then be listed and advertised for sale to any qualified applicant. During the second 90-day listing period,

the Summit County Land Bank may give priority to owner-occupant applicants and qualified nonprofit housing organizations.

For properties already owned by the Summit County Land Bank which **have not** been renovated to meet minimum renovation requirements as established by the Summit County Land Bank and require renovation that is intended to be completed by an approved applicant, a minimum purchase price, or minimum offer, will be established that may include, but shall not be limited to, the base purchase price, estimated acquisition costs, administrative fee, closing costs, and any other additional costs that may be necessary for the acquisition and disposition of each property to the approved applicant, as determined by the Summit County Land Bank. Any property meeting these criteria will be listed and advertised for sale by the Summit County Land Bank. Such properties will be listed exclusively, for the first ninety (90) days, to owner-occupant applicants who must agree to reside in the property as their primary residence for at least two (2) consecutive years from the date of a successful final inspection authorizing occupancy. Following the first ninety (90) days, where properties will be listed exclusively to owner-occupant applicants, properties will then be listed and advertised for sale to any qualified applicant. During the second 90-day listing period, the Summit County Land Bank may give priority to owner-occupant applicants and qualified nonprofit housing organizations.

The Summit County Land Bank reserves the right to condition transfer of any property upon acceptance of certain terms, within any agreement, regarding purchase, renovation, development or redevelopment, transfer, or other terms, and/or upon certain deed restrictions. The transfer of property requiring renovations may be subject to an enforcement mortgage, securing a lien against the property that is discharged once the minimum renovation requirements, and any other requirements, are completed to the satisfaction of the Summit County Land Bank.

The Summit County Land Bank, in establishing the minimum purchase price, may consider such factors as the market condition where the property is located.

**BASE PURCHASE PRICE**

For properties already owned by the Summit County Land Bank which **have not** been renovated to meet minimum renovation requirements, or which are not already owned by the Summit County Land Bank, and require renovation that is intended to be completed by an approved applicant, the following pricing structure will be used to determine the base purchase price:

	<b>WELCOME HOME PROGRAM (RESIDENTIAL)</b>	<b>BUILDING FOR BUSINESS PROGRAM (COMMERCIAL)</b>
<b>FOR-PROFIT DEVELOPMENT</b>	12%	12%
<b>FOR-PROFIT OWNER-OCCUPANT</b>	N/A	10%
<b>INDIVIDUAL DEVELOPMENT</b>	12%	12%
<b>INDIVIDUAL OWNER-OCCUPANT</b>	10%	N/A
<b>NON-PROFIT</b>	6%	6%
<b>PUBLIC</b>	6% DEVELOPMENT 3% PUBLIC USE	6% DEVELOPMENT 3% PUBLIC USE

The base purchase price shall be determined by multiplying the current Summit County Fiscal Office appraised value of the property by the appropriate percentage represented above.

All renovation will be required to meet minimum renovation requirements as established by the Summit County Land Bank.

The Summit County Land Bank reserves the right to condition transfer of any property upon acceptance of certain terms, within any agreement, regarding purchase, renovation, development or redevelopment, transfer, or other terms, and/or upon certain deed restrictions. The transfer of property requiring renovations may be subject to an enforcement mortgage, securing a lien against the property that is discharged once the minimum renovation requirements, and any other requirements, are completed to the satisfaction of the Summit County Land Bank.

#### ACQUISITION COSTS

Actual costs incurred in the acquisition of the property shall be the responsibility of the approved applicant, unless waived, in whole or in part, by the Summit County Land Bank, in its sole discretion. The Summit County Land Bank, at its sole discretion, may waive acquisition costs for qualified, nonprofit housing partners, for residential property intended for sale to low-to-moderate income owner-occupants.

#### ADMINISTRATIVE FEE

An administrative fee of \$500 shall be applied to the total estimated/final purchase price for each property.

#### CLOSING COSTS

Closing costs shall be the responsibility of the approved applicant, unless waived, in whole or in part, by the Summit County Land Bank, in its sole discretion. The Summit County Land Bank, at its sole discretion, may waive closing costs for qualified, nonprofit housing partners, for residential property intended for sale to low-to-moderate income owner-occupants.

#### OTHER ADDITIONAL COSTS

The approved applicant shall be responsible for any other additional costs necessary for the acquisition and disposition of each property. Such other additional cost may include, but shall not be limited to, environmental assessments, inspections, surveys, and legal fees.

#### TOTAL ESTIMATED PURCHASE PRICE

For approved applicants applying to purchase property not already owned by the Summit County Land Bank, a total estimated purchase price will be determined by adding the base purchase price, plus estimated acquisition costs, plus administrative fee, plus closing costs, plus any other additional costs that may be necessary for the acquisition and disposition of each property to the approved applicant, as determined by the Summit County Land Bank. The total estimated purchase price will be reflected in the purchase agreement as a not-to-exceed amount, subject to the terms and conditions of the agreement.

#### FINAL PURCHASE PRICE

The final purchase price shall be determined at closing/transfer, and shall include a discount for any required application fee already submitted by the applicant. The final purchase price shall be the sum of the base purchase price, plus actual acquisition costs, plus administrative fee, plus closing costs, plus any actual additional costs that were necessary for the acquisition and disposition of the property to the approved applicant, as determined by the Summit County Land Bank, less any approved incentive applied

to the base purchase price, or down payments or deposits already paid. The Summit County Land Bank, at its sole discretion, may waive any closing and/or other additional costs, in whole or in part.

### INCENTIVES

Incentives may be available to certain approved applicants, including:

#### Welcome Home Program (Residential Owner-Occupants)

- Active-duty members or honorably discharged veterans of the U.S. armed forces
- Current public safety service personnel (Police, Fire, EMS)
- Current educational professionals (licensed K-12 teaching professionals)
- Current college students, or recent college graduates (within 2 years of graduation)

#### Building for Business Program (Commercial Owner-Occupants)

- Women and minority-owned businesses (EDGE/MBE certified)
- Businesses within certain targeted industry clusters

Applicants will be required to submit proof of qualification for any requested incentive. Only one incentive will be applied per property. Incentives shall be applied to the base purchase price of the property.

Applicants qualifying, and approved, for an incentive must agree to occupy the property as an owner-occupant, and as their primary place of residence or business, for at least two (2) years from the later of the date of purchase or the date of the successful final inspection authorizing occupancy.

Applications from applicants taking advantage of any owner-occupant, or other, incentive will not be approved, and no additional transfers will be approved or made, until such time all requirements for previously approved incentives have been met. Applicants failing to meet the requirements for any owner-occupant, or other, incentive may, at the sole discretion of the Summit County Land Bank, be precluded from further participation in the program and may be required to repay the value of the incentive to the Summit County Land Bank.

### VOLUNTARY WITHDRAWAL

Upon inspection of a property for the purpose of establishing the minimum renovation requirements, and at the sole discretion of the Summit County Land Bank, approved applicants may be permitted to voluntarily withdraw from the process, without any additional penalty, where the cost for the minimum renovation requirements is estimated to exceed seventy-five percent (75%) of the current Summit County Fiscal Office appraised value for the property.

### DEPOSIT

Approved applicants may be required to provide a deposit equal to the current estimated cost of any environmental assessment(s), asbestos survey, asbestos abatement, demolition, or other necessary cost, of any structure(s) located on the property. This requirement shall not apply to public entities. Any such deposit, if required, will be credited toward the final purchase price of the property at closing. The balance, if any, will be refunded to the applicant upon successful closing.

### DOWN PAYMENT

Where the property is not already owned by the Summit County Land Bank, approved applicants will, generally, be required to provide a non-refundable down payment of 50% of the total estimated purchase price of the property upon signing an agreement for the purchase of the property. This requirement shall not apply to public entities.

## **APPLICATION PROCESS**

Applicants must submit a complete and accurate application, along with any required application fee and verification of local approval, where applicable, to the Summit County Land Bank, pursuant to the instructions provided for in the application and these guidelines. Incomplete or unsigned applications, applications missing required documentation, or applications submitted without any required application fee, will not be considered or approved. Submission of an application does not guarantee approval of the application or transfer of the property.

Summit County Land Bank staff will review every application received and will determine whether it is complete and has been submitted properly. If an application meets the necessary requirements for proper and complete submission, it will be reviewed and a recommendation will be made to the executive director regarding final approval/disapproval. The Summit County Land Bank will make every effort to review applications within thirty (30) to ninety (90) days of receipt. However, the Summit County Land Bank **cannot, and will not,** guarantee that applications will be reviewed within that timeframe. Applicants will be notified, in writing, of any application deficiencies and recommendations for approval/disapproval.

Application review will, generally, consist of an initial threshold review by the Summit County Land Bank staff to determine if the applicant, and property, are eligible and if the application is complete, accurate, and signed by the applicant. Applicants may be given the opportunity to correct any deficiencies in their applications within a specified period of time. Applications are not considered submitted until complete. Further review may include, but shall not be limited to, the financial ability and/or credit-worthiness of the applicant, and the ability to meet insurance and/or other requirements.

Applications deemed by the Summit County Land Bank staff to be complete, accurate, and recommended for approval, will be submitted to the executive director for final approval. The Summit County Land Bank, by and through its executive director and staff, reserves the right to request additional supporting documentation, or impose other requirements, for any application.

Applicants will be notified in writing, which may include email, of the approval or denial of their application. If approved, applicants will be required to execute an agreement for the purchase of the subject property, and submit any other required fees, deposits, and down payments, prior to the Summit County Land Bank beginning the acquisition process. All documents, fees, deposits, down payments, or other requirements must be submitted, or completed, within the timeframe and/or prior to any deadline prescribed or established by the Summit County Land Bank. Failure to fulfill any such requirements may result in disapproval, or rescission of prior approval, of an application.

Once an application has been approved and the applicant has fulfilled all other requirements including, but not limited to, execution of an agreement for the purchase of the subject property, the Summit County Land Bank may begin acquisition procedures for property not currently owned by the Summit County Land Bank. If the subject property is already owned by the Summit County Land Bank, the applicant may be advanced to the closing and renovation process.

**Approved Structure Foreclosure Program applicants who refuse to take title to property following acquisition by the Summit County Land Bank may, at the sole discretion of the Summit County Land Bank, be precluded from further participation in the program and shall be liable for reimbursement of any actual costs incurred by the Summit County Land Bank in connection with the property, plus an additional administrative penalty of not less than five-hundred dollars (\$500.00), and will forfeit their**



**right to a refund of any application fees, deposits, down payments, or other funds collected from the applicant in connection with the property.**

## **RENOVATION PROCESS**

This section applies to properties that have not already been renovated to meet minimum renovation requirements as established by the Summit County Land Bank.

The Summit County Land Bank reserves the right to condition transfer of any property upon acceptance of certain terms, within any agreement, regarding purchase, renovation, development or redevelopment, transfer, or other terms, and/or upon certain deed restrictions. The transfer of property requiring renovations may be subject to an enforcement mortgage, securing a lien against the property that is discharged once the minimum renovation requirements, and any other requirements, are completed to the satisfaction of the Summit County Land Bank.

Applicants must agree to renovate the subject property according to the minimum renovation requirements as established by the Summit County Land Bank.

Acceptance of such terms will be a condition of, and consideration for, the purchase of the subject property, and the applicant may be required to execute a note and grant a mortgage to the Summit County Land Bank for the same, in addition to the acceptance of any other terms regarding purchase, renovation, development or redevelopment, transfer, or other terms, and/or certain deed restrictions, as may be required by the Summit County Land Bank in its sole discretion. As stated above, the transfer of property requiring renovations may be subject to an enforcement mortgage, securing a lien against the property that is discharged once the minimum renovation requirements, and any other requirements, are completed to the satisfaction of the Summit County Land Bank.

Based upon an inspection of the property, the Summit County Land Bank will establish a deadline for the completion of the minimum renovation requirements. The Summit County Land Bank may, from time to time, inspect the property to ensure timely completion of the minimum renovation requirements.

Applicants must agree to obtain all necessary permits and cause all work to be completed by licensed and insured professionals, where required.

Applicants must obtain a final inspection in a form and manner prescribed by the Summit County Land Bank in its sole discretion. Upon completion of a final inspection, in the form and manner prescribed by the Summit County Land Bank, and after the Summit County Land Bank has determined the applicant has successfully renovated the property according to the minimum renovation requirements, the Summit County Land Bank may cause a satisfaction of mortgage to be executed and filed, and/or may otherwise release the applicant from certain other terms regarding the purchase, renovation, development or redevelopment, transfer, or other terms and/or certain deed restrictions, previously accepted by the applicant, at the sole discretion of the Summit County Land Bank and in accordance with such other administrative and procedural guidelines as may be established by the Summit County Land Bank.

## **OTHER DISPOSITION & HOLDING STRATEGIES**

Where it is reasonable and necessary to do so, and at its sole discretion, the Summit County Land Bank, by and through its Executive Director, may choose to dispose of property through alternative means, lease property, assemble property, and/or choose to hold property for future development.

**LIMITATIONS**

The guidelines provided herein for the Summit County Land Bank Structure Foreclosure Program, including the Welcome Home Program and the Building for Business Program, are intended as guidelines only. No rights, express or implied, or responsibilities are intended or created by, or for, any party. Failure by the Summit County Land Bank Board of Directors, its officers, or its staff, to comply with these guidelines will not give any party the right to change, rescind, delay, or overturn any decision or transaction, or provide for any claim for damages or other relief, nor is failure to comply with these guidelines a failure of a duty, of any kind, of the Summit County Land Bank Board of Directors, its officers, or its staff. Submission of an application for this program shall be deemed as an acceptance of these limitations.