



Legislation Text

File #: 2323-2016, **Version:** 1

BACKGROUND: Since 2014, the City of Columbus Land Bank Program and the County's Land Bank entity, the Central Ohio Community Improvement Corporation (COCIC), have worked in close partnership to identify and target residential homes for demolition under the Neighborhood Improvement Program (NIP). By November 2016, the Land Banks project to spend a total of over \$6 million dollars to demolish approximately 390 residential structures. In July, the Ohio Housing Finance Agency announced an additional NIP award of over \$12 million dollars to demolish structures through 2019. Since properties demolished under the NIP are required to be owned by COCIC, the land banks are working to identify additional properties for acquisition. COCIC is working with the Franklin County Treasurer to purchase Tax Certificates of vacant and abandoned property to acquire the property through tax foreclosure. This legislation authorizes the City to enter into an agreement with COCIC and spend \$250,000 to pay costs associated with acquiring the property through tax foreclosure, such as legal fees, title services, court costs and other customary expenses to foreclose on at least 250 blighted properties for demolition or resale. The funds will be matched by both COCIC (\$250,000) and the Franklin County Treasurer (\$500,000) for a total of \$1 million dollars. This expenditure request is similar to expenditures and contracts authorized under Ordinances 0912-2014, 1909-2014, 0255-2015, and 1887-2015. Those ordinances authorized purchase orders totaling \$242,000 to three law firms contracted by the Franklin County Prosecutor. This legislation simplifies the process by running the foreclosure actions and contracts through one entity, COCIC.

FISCAL IMPACT: Funds are available in the Development Taxable Bonds Fund. (\$250,000).

EMERGENCY JUSTIFICATION: Emergency action is requested in order to continue ongoing activities to target and demolish vacant and blighted properties.

To authorize the Director of the Department of Development to enter into agreement with the Central Ohio Community Improvement Corporation to expend \$250,000.00 to acquire vacant properties for the Neighborhood Improvement Program from the Development Taxable Bonds Fund; and to declare an emergency. (\$250,000.00)

WHEREAS, in 2014, the Ohio Housing Finance Agency awarded the Central Ohio Community Improvement Corporation (COCIC) over \$6 million dollars in grants to demolish residential structures within Franklin County under the Neighborhood Improvement Program (NIP); and

WHEREAS, by Ordinance 2024-2014, Council authorized the Director of the Department of Development to transfer properties and amend the Master Memorandum of Agreement between the City and COCIC to implement the NIP; and

WHEREAS, in July, 2016, COCIC received an additional grant award of over \$12 million under the NIP for the demolition of residential properties through 2019; and

WHEREAS, the City Land Bank Program is working in partnership with COCIC to identify and acquire demolition eligible properties and make such properties eligible for demolition under the NIP; and

WHEREAS, the Franklin County Treasurer and COCIC will enter into an agreement to sell Tax Certificates of vacant and abandoned properties to COCIC for the purpose of acquiring the properties for demolition under the NIP; and

WHEREAS, the Franklin County Treasurer, COCIC, and the City have agreed to each commit funds for a total of one million dollars over the next two years to prosecute tax foreclosure cases, including hiring private attorneys to foreclose on tax delinquent, vacant and abandoned properties; and

WHEREAS, the Land Redevelopment Office desires to enter into agreement with COCIC to spend up to \$250,000 as the City's contribution; and

WHEREAS, by Ordinances 0912-2014, 1909-2014, 0255-2015, and 1887-2015, Council authorized the expenditure of \$242,000 to pay a portion of the costs associated with tax foreclosure, including title policies, deed recording, and similar costs typically paid by the City Land Bank Program; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to enter into agreement with COCIC to acquire properties for the NIP before the deadlines imposed by Ohio Housing Finance Agency, all for the preservation of the public health, peace, property, safety and welfare; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of the Department of Development is hereby authorized to enter into agreement with the Central Ohio Community Improvement Corporation to provide funds to hire legal counsel to foreclose on tax liens purchased by the COCIC; pay costs associated with tax foreclosure actions, including fees for publication, title examination, court costs, and other costs that are customary and necessary in the foreclosure of tax liens; and pay costs associated with the transfer of these properties to the City.

SECTION 2. That for the purpose stated in Section 1, the expenditure of \$250,000 or so much thereof as may be needed, is hereby authorized in Fund 7739 Development Taxable Bonds Fund in Object Class 06 Capital Outlay per the accounting codes in the attachment to this ordinance.

SECTION 3. That the City Auditor is authorized to make any accounting changes to revise the funding source for any contract or contract modification associated with this ordinance.

SECTION 4. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 5. That the City Auditor is hereby authorized to transfer the unencumbered balance in a project account to the unallocated balance account within the same fund upon receipt of certification by the Director of the Department administering said project that the project has been completed and the monies are no longer required for said project.

SECTION 6. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.