Thank you, Chairman Zeltwanger, Vice Chair Powell, Ranking Member Sobeckiand members of thHouse Economic and Workforce Development committee for allowing me to speak today on House Bill 252. I also want to thank the sponsor-- my State Representative Dave Greenspan for working with me on this bill, and State Representative Terrance Upchurch for all of his help on this issue. He represents one of the most distressed districts in the State of Ohio and knows firsthand about the issues surrounding distressed properties. My name is Jim Rokakis I was a 19-year member of the Cleveland City Council and served for 14 years as the County Treasurer of Cuyahoga County. As County Treasurer I worked with then State Senator Tom Patton and then State Representative Matt Dolan to write and pass Senate Bill 353, the bill that allowed for the creation of county land banks. This move was spurred by the foreclosure crisis in Ohio that caused the abandonment of thousands of properties throughout the state, and especially in cities like Cleveland where I served as County Treasurer. I left office at the end of 2010 and joined the Western Reserve Land Conservancy where I have been involved in a number of areas but primarily in expanding the network of county land banks from one -- Cuyahoga County to now 55 counties in Ohio—and helping to raise resources for these land banks to deal with the scourge of vacant and abandoned properties.

Blighted properties are problematic for local governments across the state. As you likely know, to be designated a blighted property, the property in question must pose a direct threat to public health or safety, have tax delinquency that exceeds the value of the property itself, or have conditions that adversely affect surrounding property values and/or limit land use in the area.

For those of you who may not have a land bank in your respective counties, a county land bank is a quasi-public corporation with a board comprised of the County Treasurer, two County Commissioners, a representative of the largest city, village or township within the county and the fifth member selected by the first three. Boards can grow to as large as seven or nine members, but the majority of land bank boards in the state have five-member boards. Since land banks have been in operation in Ohio they have been involved in the repurposing of thousands and thousands of properties in communities throughout the state –this includes demolition as well as rehabilitation.  Their economic impact reaches into the billions of dollars. An economic impact study just completed for the Franklin County land bank show their impact is approaching $200 million. Next Wednesday, in Cleveland, there will be an economic impact report released for the Cuyahoga County Land Bank that will announce $1.4 billion in economic impact in that county since that first land bank opened its doors in June of 2009. The Mayor of Toledo is here. He served as County Treasurer of Lucas County and helped organize that land bank which has had great success and I am sure has had an impact in excess of 100 million dollars. But there are stories around the state of the impact that these land banks have had in smaller counties, like Van Wert, and Richland and Ashtabula and Lawrence—and countless others.  Much of this impact revolves around the money that we have been able to raise for land banks in the state the purposes of demolition.  In 2012, then-Attorney General Mike DeWine set aside $75 million of a legal settlement from something known as the “Robo-Signing” lawsuit to distribute to communities throughout Ohio for the purposes of removing blighted properties.  That money was distributed to communities in dollar amounts based on the population of that county, but like this bill—HB 252-- it required a match of local dollars for any amount over $500,000. That $75 million leveraged $47 million more.  That program, known as the Moving Ohio Forward program, closed its doors in March of 2015, but not before it had torn down over 14,600 abandoned residential properties.  An additional 272 million dollars was raised through the Hardest Hit Funds program--a federal program designed to prevent foreclosures. We made a strong case to the federal government that removing vacant, abandoned and run down houses would stabilize neighborhoods and prevent foreclosures as people were more likely to stay put if they saw that the worst of the abandoned homes were being removed from their community.

If you have noticed one theme here in my few minutes of testimony is that we have been talking a lot about blight and abandoned properties. That is because unfortunately this state was and continues to be awash in thousands of vacant and the abandoned residential, commercial and industrial properties. It is no secret that thousands of manufacturing companies have closed down in our State-- either going out of business or moving to other parts of the country-- or overseas.  It is also probably no surprise to any of you that when they left they didn't take their factories and buildings with them. If we were fortunate these properties were repurposed but many are empty a reminder of what Ohio was and something that prevents Ohio, in my opinion from reinventing itself in the 21st century. Some of the changes affecting our state were gradual, while others like the foreclosure crisis hit quickly and with devastating impact. Land banks are the perfect tool to allow local communities to act quickly and effectively and adapt to a rapidly changing world.

Just look at the statistics around vacant and abandoned property. I have a bibliography of over 50 studies have been done since 2006 the talk about the impact of vacant properties and communities in particular adjoining properties. We have studies that demonstrate that any house within 500 feet the vacant property is affected by that property vacancy with a loss of value of as much as 10%. One Pennsylvania study found that homes within 150 feet of an abandoned property lost, on average, $7500 in value. We have studies that show that crime is directly related to these vacant properties. Case Western Reserve University did a study in Cleveland that shows that almost 80% of all murders in Cleveland occur in and around the vacant property. There are similarly high percentages for rapes and aggravated assaults. More than 12,000 fires break out each year in vacant structures costing this country over 500 million dollars. Most are the result of arson. We have a file in our office of dozens of examples of people who have been murdered in or around vacant properties like Alyanna DeFreeze who was abducted one morning on the way to school and found murdered in a vacant property three blocks away, and of children being injured or worse yet killed in vacant commercial buildings like the example most recently of a child dying in Toledo in a vacant warehouse in a fall.

The cost of the cleanup of abandoned commercial industrial sites in Ohio is at least $1 billion, and that estimate is low. In Cuyahoga County alone there are over 7,000,000 square feet of abandoned, tax-delinquent industrial space with a demolition and cleanup cost of over $60 million. (That does not include the over 130 abandoned apartment buildings in the City of East Cleveland.) The cost to remove an abandoned middle school in Mount Vernon Ohio will be another million dollars. The massive New Boston coke plant in Portsmouth once employed 5000 people but today it is empty—closed since 2002 and the cost of the 22-acre site cleanup will run in the millions. The land bank in Shelby County is dealing with the abandoned Wagner manufacturing plant in Sidney Ohio--a 5-acre site with a least $2 million cleanup bill. I have seen buildings in small downtowns around Ohio that are literally collapsing onto Main Street like the Homeguard building in Van Wert, vacant since 2012, and the buildings-- and there is more than one-- collapsing in Nelsonville in Athens County. It seems like every small town I’ve visited or almost everyone has at least one or two buildings in the downtown affecting the commercial viability of that downtown-- with no funds to take them down. Just last week I was in Pomeroy Ohio, in Meigs County, in Jay Edwards district, and saw an abandoned small hospital just off the downtown, sitting there vacant with broken windows and doors serving as an attractive nuisance and certainly not helping the small businesses around them. The village is broke and can’t even begin to address that building.

I have asked the clerk to make available to each of you a four-page handout that breaks out, county by county, how much money has been raised and how many abandoned structures have been taken down in each county of the state. By the end of the year, this number will approximate 35,000 abandoned structures removed from Ohio’s communities. But it is not nearly enough. This money has had no impact on the commercial and industrial properties as their demolition was prohibited by the Attorney General settlement and from the federal dollars we raised as well. That’s why we are asking for flexibility in these funds today. And while we are proud of the work that has been done thus far, we recognize that there are still thousands of vacant and abandoned residential properties throughout Ohio in cities like Youngstown, Cleveland, and villages like Pomeroy and Middleport in Meigs County where we are just in the process of organizing their land bank. And certainly, there are many properties in the neighborhood where Terrance Upchurch worked prior to coming here as a state representative. In fact between the Glenville and Collinwood neighborhoods, there are approximately 1000 vacant residential properties that still require removal which is why we would like these funds to be flexible so they can be used for both commercial and residential demolition.

The federal money that has proved so helpful in taking down so many of these abandoned properties will be gone by the end of the year. Already, throughout Ohio, land banks have turned off the pipeline. They are not acquiring any additional vacant properties. Communities around the state are desperate because over the past several years they have come to rely upon the land bank to deal with these properties, but without additional funding, this critical function will cease. Progress is being made, in Cleveland, the median sales prices are up in every neighborhood, but are still well below their peak values and vacant and abandoned buildings are down as shown through our property inventory program. However, our job is not over. There are still 3,300 unfunded residential demolitions that are needed in Cuyahoga County alone, which does not account for the thousands of abandoned commercial and industrial properties.

Beyond the crime data and the impact on property values and tax collection, blighted structures have a visceral impact. These structures are a clear indication that people don’t care about the structure, the street, or the neighborhood they are located in. The previous owner didn’t care enough to stay, the banks didn’t care enough to keep people in their home, the city doesn’t care about code enforcement, and the state doesn’t care enough about the legacy of our towns and cities that made this such a great place to live and work for millions of people. That is why this money is especially important as it will give land banks around the state additional resources to continue to acquire and take down these properties and help to move these communities forward.

In closing, I would like to share two heart-breaking examples of what this work means to the people that live in close proximity to blighted structures.

The first is ther tragic story involves Police Officer Derek Owens.

Officer Derek Owens was shot and killed as he and his partner chased four suspects in the city's southeast side.

The officer and his partner had observed the four men drinking beer in an abandoned lot and approached to speak to them. The men fled on foot as the officers pursued them.
One of the suspects produced a handgun and opened fire, striking Officer Owens once in the abdomen, below his vest.

Other officers transported Officer Owens to a local hospital in the back of a patrol car. He succumbed to his injuries shortly after midnight while undergoing surgery.

A park is currently under development at the site of this horrific event in his memory.

The other is an excerpt from a media interview with the family of Alianna DeFreeze who was mentioned earlier, “WKYC (Channel 3) interview with Mr. and Ms. DeFreeze December 7, 2018 (nearly two years after Alianna’s murder in the property).

Interviewer: Mr. DeFreeze pleas, there are “too many vacant properties in Cleveland like the one where Alianna was murdered.” This house has haunted the DeFreeze for 2 years.

Mr. DeFreeze: These abandoned properties are “a scar … the scar on top of the scar; that we have to live with these vacant homes.”

Interviewer: Mr. DeFreeze fears that what happened to his daughter could happen to someone else!

Mr. DeFreeze: “Lives are at stake … Literally, AT STAKE! Make these houses GO AWAY!!”