

CUYAHOGA  
LAND  
BANK



## Cuyahoga County Workshop:

Tax Foreclosure Processes, Land Acquisition, Disposition,  
and Forfeiture Practices

Wednesday May 3<sup>rd</sup>, 2023



# Welcome

Gus Frangos  
President and General Counsel  
Cuyahoga Land Bank

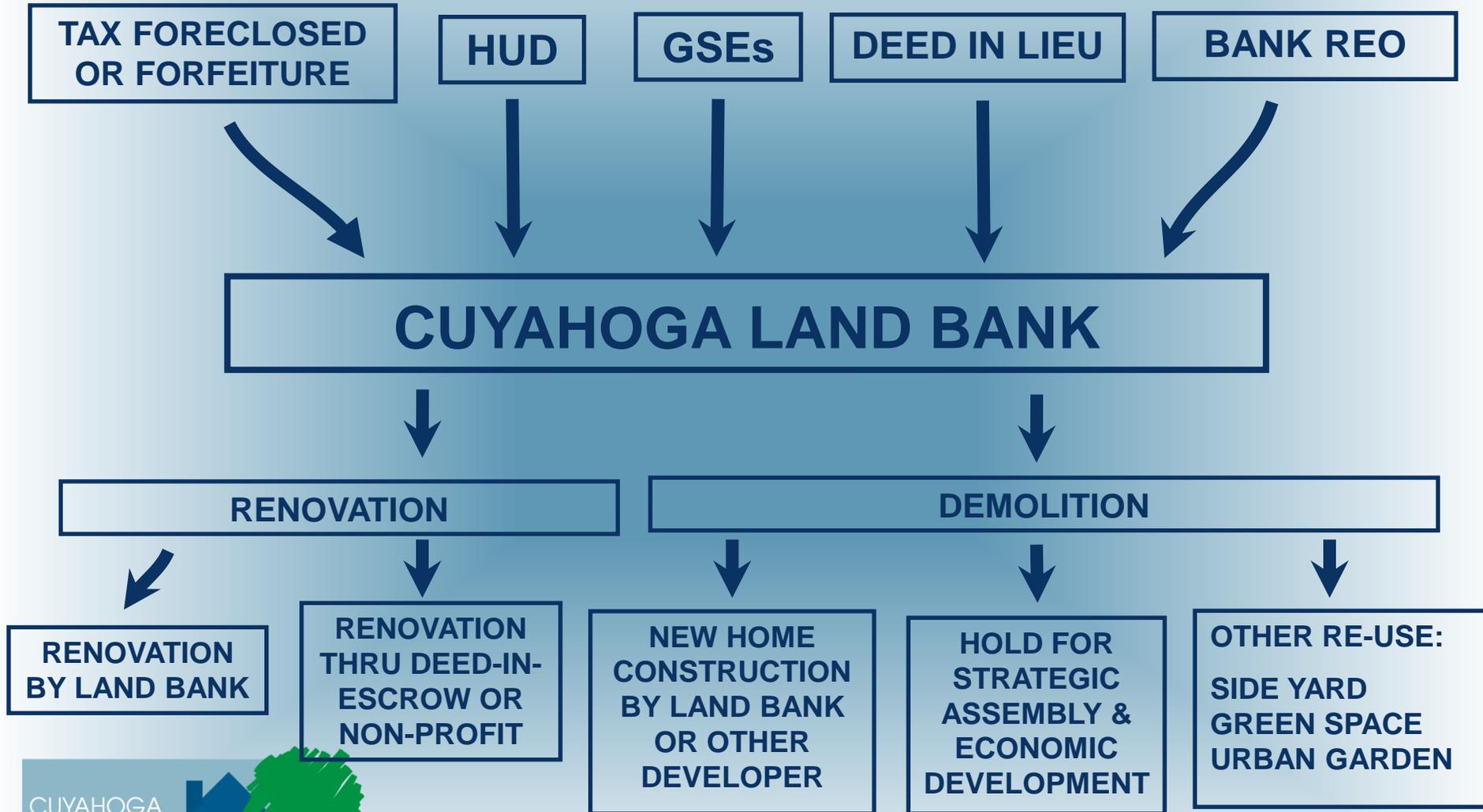


# General Sources of Properties

Kim Steigerwald  
Acquisitions Manager  
Cuyahoga Land Bank



# Property Pipelines



# Clearing House Functions

## Batching + “One-Offs”

**Douglas Sawyer**

**Assistant General Counsel  
Cuyahoga Land Bank**

**Matthew Thomas**

**GIS & Research Manager  
Cuyahoga Land Bank**



# Cuyahoga County Treasurer

## “Fishbowl”

Michael Sweeney



Delinquent Tax  
Outreach  
Department  
(Fishbowl  
Project)

A collaborative outreach  
and collection strategy  
developed by the Fiscal,  
Prosecutor, and Treasury  
Offices

May 2023



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# Overview of the Fishbowl (Delinquent Tax Outreach Department- DTOD)

- Origin of the Fishbowl - Other collection efforts and third-party collectors
- Cuyahoga County leadership discussion of collection being moved internally
- Reconstitution of past collection endeavors- Fishbowl re-established in 2018

Outreach &  
Collection  
efforts through  
letters created  
and utilized:



Treasury Letters



Fiscal Office Homestead Letter



Delinquent Tax Outreach Letters (Fishbowl)



Community Partners Letter



Cleveland Housing Network



Prosecutor's Office Letters



Potential Tax Lien Letters

# Potential Tax Lien Letter

Cuyahoga County  
Delinquent Tax Outreach Department

Date

John Doe  
1234 Main Street  
Cleveland, OH 44123  
Permanent Parcel Number:

Dear Property Owner:

The subject property has been **PRIORITIZED FOR TAX LIEN CERTIFICATE SALE** due to your lack of response to our collection efforts regarding delinquent real estate taxes owed. Your tax lien could be sold at an annual interest rate of up to 18%; administrative fees; filing fees; and any other costs associated with the lienholder's foreclosure.

The subject property is also being **PRIORITIZED FOR FORECLOSURE** by the Cuyahoga County Prosecuting Attorney for nonpayment of the taxes. Mandatory title work will be ordered which will result in an additional charge of \$425 plus court costs unless you pay this debt in full as soon as possible.

Amount due includes all delinquent and current year taxes. To make payment and stop a tax lien certificate sale or tax foreclosure, we urge you visit or call the Delinquent Tax Outreach Department at **(216) 443-7698**. Our staff is here to assist you Monday through Friday, 8:30 a.m. to 4:30 p.m.

Very truly yours,

Delinquent Tax Outreach Department

Please note that foreclosure proceedings may show as a negative mark on your credit report, subjecting you to a lower credit score and affect your ability to qualify for credit. If you recently paid or made arrangements to pay the taxes in full, disregard this notice. Thank you!

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310 W. Lakeside Avenue, Third Floor | Cleveland, Ohio 44113 | 216-443-7698  
www.delinquenttaxoutreach@prosecutor.cuyahogacounty.us

# Prosecutor Office Letter

Jane Doe  
123 Main St  
Cleveland, OH 44111

Permanent Parcel Number: xxx-xx-xxx

December 16, 2021

Dear Property Owner:

It has been brought to my attention that the Real Property Taxes on the above mentioned parcel have not been paid. If the Real Property Taxes remain delinquent, this office will be required to prosecute a foreclosure action as mandated by Ohio Revised Code Section 5721.18.

I urge you to contact us **IMMEDIATELY** regarding the payment of these taxes to avoid further penalties and possible Court Costs. I strongly recommend that you take action to pay the delinquent taxes. You may still be eligible for a payment plan. However, once a lawsuit is commenced, your options of entering into a payment plan will be limited.

We are requesting your cooperation in this matter so the delinquent taxes will be collected in a timely manner. Please contact us within the next 30 days. If we do not hear from you within this timeframe, my office will have no choice but to initiate a foreclosure action which will cause you to incur additional costs.

For further information on a possible payment plan, or to review your particular situation, please call the Delinquent Tax Outreach Department at (216) 443-7698, office hours are Monday through Friday 8:30 a.m. to 4:30 p.m.

We look forward to hearing from you. **Let us help you to resolve this pressing matter.**

Very truly yours,

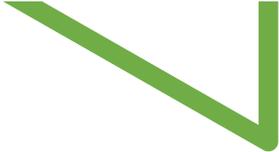


Adam Jutte  
Assistant Prosecuting Attorney, Supervisor  
Tax Foreclosure Unit  
Cuyahoga County Prosecutors Office

Note: If you have recently made arrangements with our office or have paid the taxes in full, please disregard this notice. Thank you!

# Delinquent Tax Outreach Additional Benefits:

- Large Payoffs
- Via our outreach efforts we identify and share with respective departments changes in homestead credit, owner occupancy credit, bankruptcy, TMA, etc.
- Tax Exempt Delinquency Project
- Taxpayer Appreciation/ Success Stories



Delinquent Tax  
Outreach Staff/  
The Fishbowl  
Team

- Prosecutor Staff: Loretta Parks
- Fiscal Staff: David Cohen, Lisa Evans, Thomas Lenahan, Francisco Santiago, Michael Sweeney
- DTO Phone Number: **216-443-7698**
- For further information please contact our Delinquent Tax Outreach Department, Tax Administrator:

Michael Sweeney

216-443-5872

[msweeney@cuyahogacounty.us](mailto:msweeney@cuyahogacounty.us)

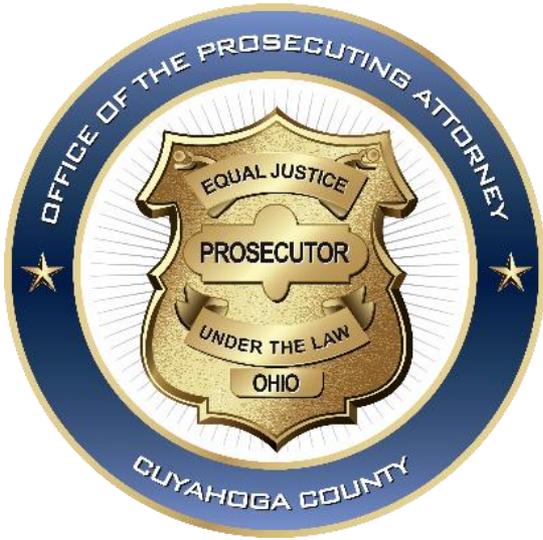
**THANK YOU!**

# Cuyahoga County Prosecutor

## Case Preparation and Prosecution

Adam Jutte  
Douglas Sawyer





**CUYAHOGA COUNTY  
PROSECUTOR'S OFFICE  
TAX FORECLOSURE UNIT**



# TAX FORECLOSURE OBJECTIVES

- We work with Delinquent Tax Outreach (“Fishbowl”) daily in an effort to collect taxes prior to foreclosure.
- We represent the Cuyahoga County Treasurer, Fiscal Officer and Sheriff. We foreclose on two types of properties for nonpayment of real estate taxes.
  - Vacant, abandoned lots, blighted properties and community interest
  - All other real property to collect taxes
- We assist communities by fighting blight and abandonment; clearing legal title; and providing a tax producing revenue stream through reutilization of land for a future tax producing use
- We ensure that due process rights for property owners are protected, while expediting the foreclosure process for redevelopment and assisting communities in acquiring and maintaining valuable land for future use.
- We also represent the Treasurer and Fiscal Officer in Bankruptcy Court and Probate Court to collect real estate taxes.



# COUNTY REPRESENTATION

- We secure money on behalf of the State of Ohio in Probate Court when a person dies without a will and without any relatives to inherit their estate.
- We represent the Fiscal Officer and Treasurer in Probate Court appropriation proceedings to ensure that all real estate taxes are properly assessed and paid when a public entity takes private property by eminent domain.
- We represent the Cuyahoga County Sheriff by filing contempt actions against bidders at sheriff auctions who fail to pay the balance of the agreed purchase price and advise on all sale related matters.
- Our Unit, the Fiscal Office and County Land Bank jointly serve as the liaison to civic leaders, city directors and local Community Development Corporations by explaining the foreclosure process and assisting communities to identify at-risk properties in order to develop strategies to eradicate blight.
- We assist in prosecuting criminal activity with the Economic Crimes Unit including theft and mortgage fraud.



# TYPES OF TAX FORECLOSURES

## Board of Revision (BOR)

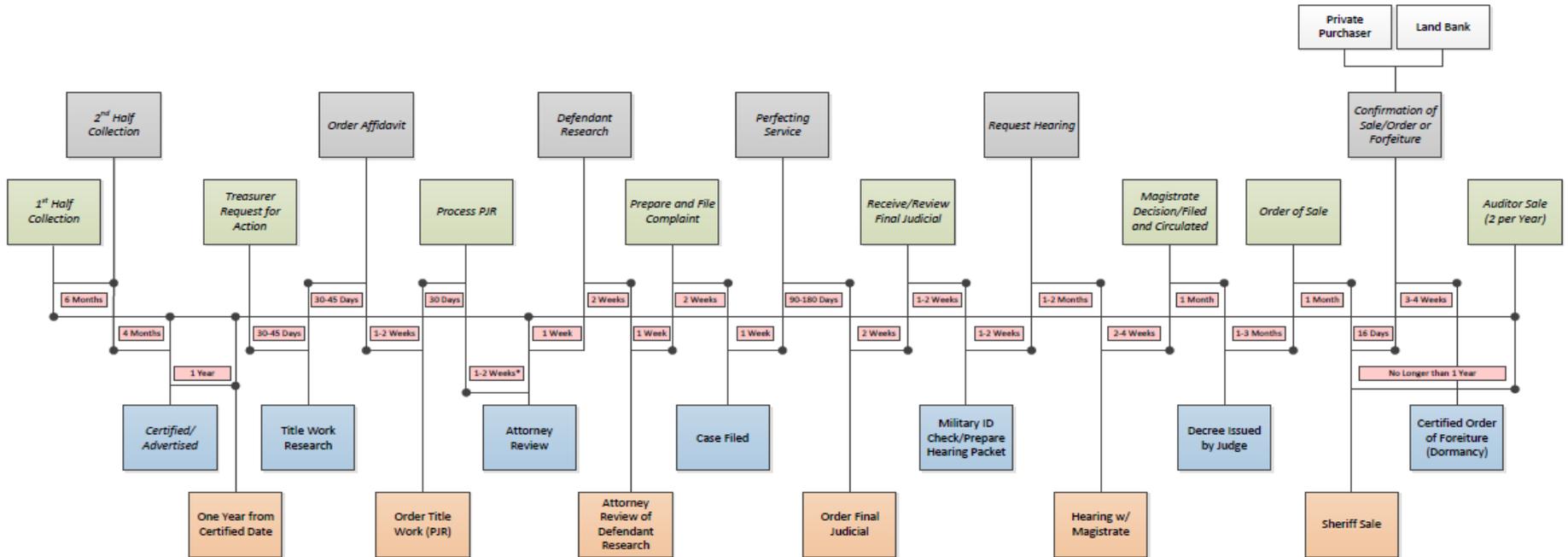
- Under the County Charter, the statutory Board of Revision consists of three members, two of whom are chosen by the County Council and a third member is chosen by the County Executive.
- Cases are heard by a three-member hearing officer panels board to adjudicate foreclosures.
  - Only available for vacant lots or abandoned structures
  - Subject to Alternative Right of Redemption Period - ORC 323.65 (K) & ORC 323.78 (B)
    - By order of the Board, the parcel transfers to a land reutilization program 28 days after adjudication of foreclosure
  - Subject to Transfer by Motion of the Board-ORC 323.73
    - If taxes and impositions due exceed the fair market value of a property, the board may order a decree of foreclosure and a direct transfer of the parcel to a land reutilization program without appraisal or sale thus terminating the redemption period.
- If the case proceeds to Sale
  - Total time to proceed is 6 to 9 months from complaint to sale

## Judicial

- Takes place in a formal court setting and heard before a Magistrate, Judge or both
- Encompasses all delinquent properties:
  - All occupied structures
  - All parcels with federal liens
  - All properties deemed "other land"
- Must go through civil court proceedings
- All parcels must be offered for sheriff sale; not eligible for direct transfer
- Total time to proceed is 9 to 12 months from complaint to sale



## Common Pleas Court Judicial Foreclosure Process



\* Land Affidavit Needed to Proceed

Updated 9/27/2012

- Possible Holds**
- Bad Legal Review
  - Bankruptcy Review
  - Lis Pendens Review (Foreclosure w/Case, only effects the case prior to filing the Complaint)
  - Tax Exemption Review
  - Active Military
  - Take Over (Mortgage)
  - Related Parcel Hold
  - Payment Plans (Ends case if entered into prior to filing complaint or delay of sale if prior to Decree)



# FORECLOSURE PROSECUTION

1. **Title Work Research (TWR)** –The preliminary research on the parcel needs to be done to ensure there is nothing that will prohibit our foreclosure case from moving forward such as an active contract, an active bankruptcy case or an active foreclosure case against the same parcel.
2. **Order Affidavit**- The TWR has been completed and based on the findings, we are able to move forward with our work. A Land Affidavit from the applicable land bank must be ordered to determine what kind of land the parcel is and if there is any municipal or county interest.
3. **Order Title Work and Process PJR**- We order the Preliminary Judicial Report from one of our title companies.
4. **Attorney Review**-Once we have received the PJR and the attorney must review the title work to add all necessary parties to the case.
5. **Defendant Research**-When all necessary parties have been determined, the staff must research each party and find the most recent address for each defendant.
6. **Attorney Review of Defendant Research**- The attorney must review the work of the staff and ensure the addresses submitted are correct.
7. **Prepare and File Complaint**- The research has been approved by the attorney. The staff prepares the complaint for foreclosure.
8. **Case Filed**- Once the complaint is reviewed and signed by the APA, we can file it with the Clerk of Courts and get a case number.
9. **Perfecting Service**- All necessary parties to the case must be notified about the pending foreclosure action. We must attempt to send the complaint to the addresses found in the research stage.
10. **Order Final Judicial Report**- When all necessary parties have been served, we must update our title work to ensure that nothing was missed or changed while the case was in perfecting service.



# FORECLOSURE PROSECUTION

11. **Order Final Judicial Report-** When the FJR is received, it must be reviewed. If there are any additional liens or issues found of the FJR it will return to Attorney Review for further instruction. If nothing is found, we can proceed with our case.
12. **Military ID/ Prepare Hearing Packet-** We must make sure none of the defendants are actively serving in the Armed Forces. If a defendant is found to be serving, additional steps will be necessary. If none of the defendants are active military, we may proceed with our case. We must file our updated title work the court, as well as file the completed land affidavit(s) and the affidavit stating the military status of all defendants.
13. **Request Hearing-** Along with the rest of the filings, we file a Motion with the court requesting a tax hearing.
14. **Hearing with Magistrate-** Once the Motion for Hearing has been granted, our APA's must attend the tax hearing. At the hearing we present the facts of the case and the delinquencies. When it is determined that taxes are owed the magistrate will issue a decision in favor of the Treasurer as long as no other issues arise during the hearing.
15. **Mag. Decision/ Filed and Circulated-** When the magistrate's decision is issued, it must get served to all defendants.
16. **Decree Issued by Judge-** Once the Mag. Dec. has been circulated, a Decree of Foreclosure will be issued by the Judge.
17. **Order of Sale-** The judge will order that the parcel be put in a sale.
18. **Sheriff Sale-** The parcel will be offered for sale at one of the 6 sales our office holds each year.
19. **Sheriff Sale Results:**
  1. Sold to private purchaser: someone bought the property at the sale
  2. Sold to Land Bank: a land bank had an interest in the property and purchased it at the sale
  3. Forfeiture: no one purchased the property, and it gets put into the name of The State of Ohio and is offered at the Auditor Sales twice a year



# BOR FORECLOSURE PROSECUTION

- All steps from 1-13 are the same.
- A BOR hearing will be held in front of the Board of Revision
- Parcels going through this venue do not have to be offered for sale and many times get directly transferred to land banks
- All parcels that go through the Board of Revision must be vacant and abandoned



# Cuyahoga County Clerk of Courts

## Role of the Clerk in Foreclosures

Nailah Byrd  
Monica Berry  
Angela Williamson



# Cuyahoga County Sheriff

## Scheduling Sheriff Sales

Shaundra Howard  
Rezarta Dano



# Cuyahoga County Fiscal Office

## Forfeiture

Joseph Micciulla  
Douglas Sawyer



# Demolition Funding Update

Kim Kimlin  
Director of Community Stabilization  
Cuyahoga Land Bank



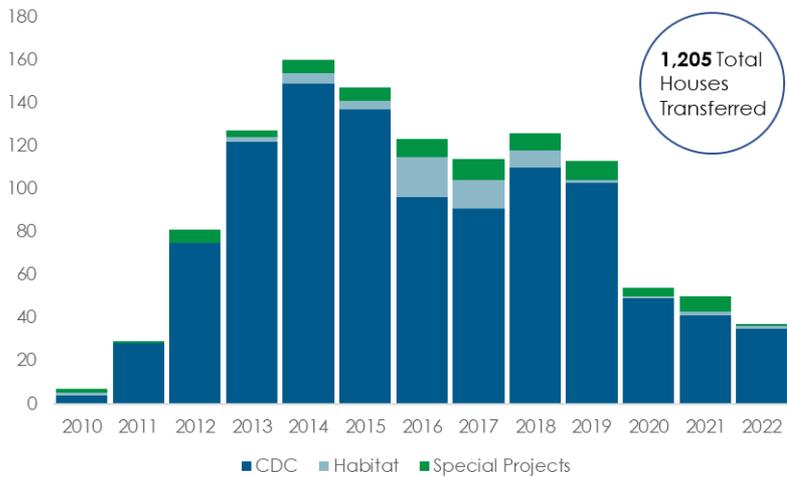
# CDC Partnerships

Ricardo Leon  
Chief Operating Officer  
Cuyahoga Land Bank

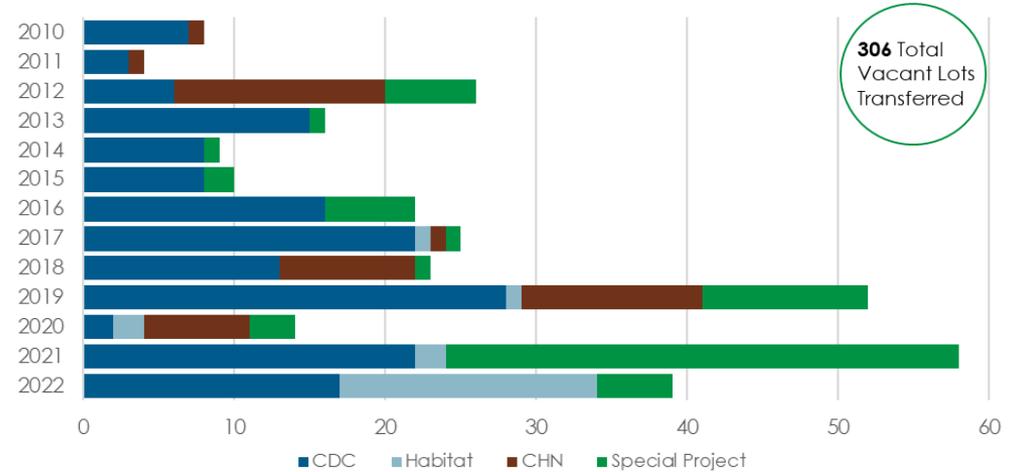


# CDC/Mission Aligned Partnerships

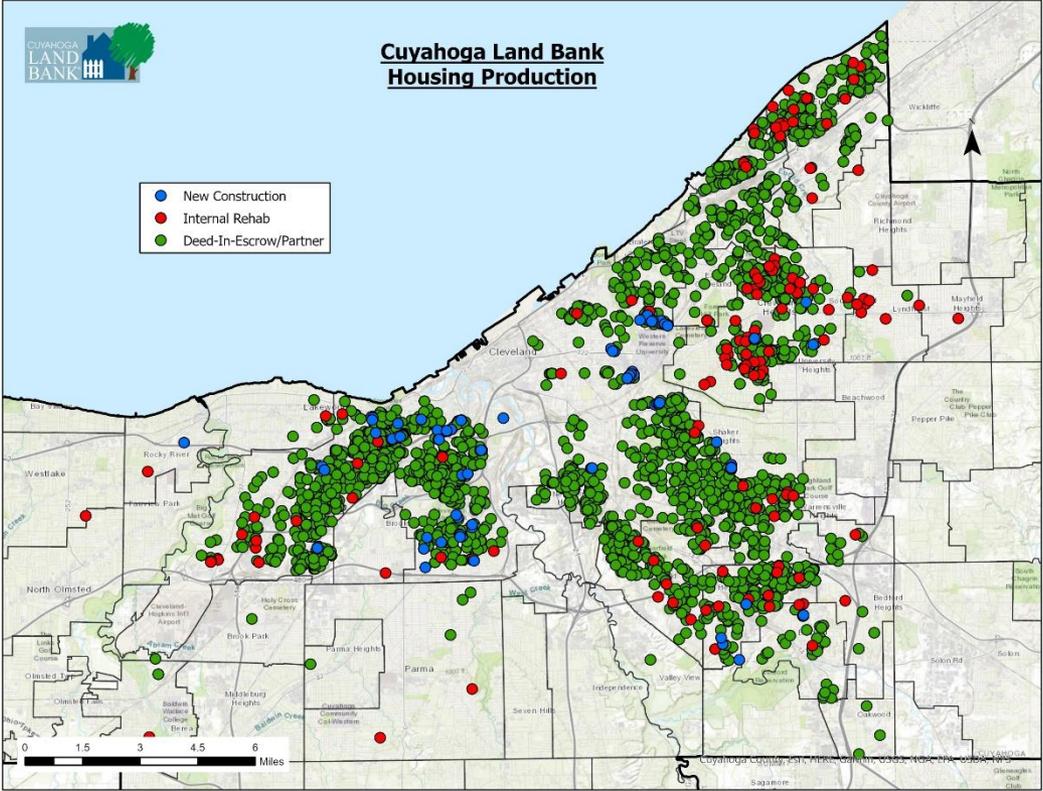
All Houses Transferred to CDC/Mission Aligned Partners



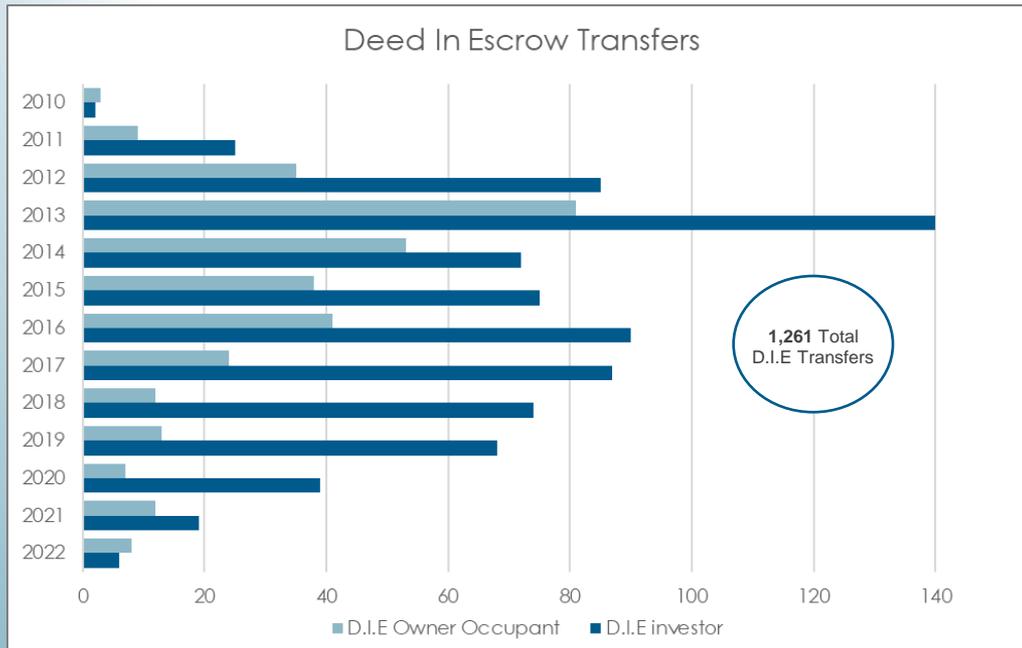
All Vacant Lots Transferred to CDC/Mission Aligned Partners



# Where Do We Work?



# Deed In Escrow Snapshot



- Maintaining Affordable Housing
- Successfully completed **1,261** Deed In Escrow Renovations to date
- Approximately **30%** have gone directly to owner occupants, the remainder to trusted investors
- Average Sale Price **\$7,000**
- Average Investment **\$29,000**
- **\$40MM Impact**



# Questions?

