



## Ohio Revised Code

### Section 122.632 Grant for land bank rehabilitation of residential property.

Effective: September 30, 2025

Legislation: House Bill 96

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(A) An electing subdivision, a county land reutilization corporation, or a qualified nonprofit developer may apply to the director of development for a grant from the welcome home Ohio fund created in section 122.631 of the Revised Code to pay or defer the cost to rehabilitate or construct qualifying residential property held by the electing subdivision's or county land reutilization corporation's land reutilization program or the qualified nonprofit developer's housing program. To the extent that funding is available, in that fund the director may award grants to electing subdivisions, county land reutilization corporations, and qualified nonprofit developers that make such an application and agree to comply with division (B) of this section, with a maximum grant of one hundred thousand dollars per qualifying residential property.

(B) The director of development shall require all applicants for a grant authorized by division (A) of this section to agree, as part of the application, to all of the following:

(1) That grant funds shall be used to pay the cost of rehabilitation or construction of qualifying residential property and all work will be completed according to all applicable construction and design standards. Up to two thousand dollars of each grant may be used to fund the qualifying financial literacy counseling required under division (B)(6) of this section. If grant funds are spent to construct or rehabilitate a qualifying residential property described in division (A)(4)(b) of section 122.631 of the Revised Code, then no portion of the funds shall be spent to construct or rehabilitate portions of the building that are for nonresidential uses, except for common areas used by the occupants of the residential units and improvements that serve both the residential units and the other portions of the building.

(2) That qualifying residential property on which grant funds are spent shall be held until sold to an individual or individuals who, inclusively:

(a) Have annual income that is not more than the qualifying median income;



- (b) Demonstrate the financial means to purchase the qualifying residential property;
  - (c) Agree to maintain ownership of the qualifying residential property, occupy it as a primary residence, and not to rent any portion of the property to another individual for use as a dwelling, for at least three years following the date of purchase;
  - (d) Agree not to sell the qualifying residential property, within fifteen years after the date of the sale, to any purchaser other than the electing subdivision, county land reutilization corporation, or qualified nonprofit developer or an individual or individuals who have annual income that is not more than the qualifying median income;
  - (e) Agree to pay a penalty to the director of development for violation of the agreement required by division (B)(2)(c) of this section that equals the amount of the grant attributable to the property, less one-third of that amount multiplied by the number of full years the individual or individuals owned the property.
  - (f) Agree that the director of development is a third-party beneficiary of the purchase agreement;
  - (g) Agree to participate in the applicant's qualifying financial literacy program;
  - (h) Agree to annually certify to the director of development, during the period described by division (B)(2)(c) of this section, that the individual or individuals own and occupy the qualifying residential property, and that no part of the property is being rented to another individual for use as a dwelling.
- (3) That qualifying residential property on which grant funds are spent shall be sold for not more than two hundred twenty thousand dollars per property.
- (4) That qualifying residential property on which grant funds are spent shall not be sold without a deed restriction prohibiting the sale of the property to a person that is not the electing subdivision, county land reutilization corporation, or qualified nonprofit developer or an individual or individuals who have annual income that is not more than the median income for fifteen years after the date of the property's first transfer from the applicant following the use of grant funds. The deed restriction is a covenant running with the land and is fully binding on subsequent purchasers of the property



until it expires on the fifteenth anniversary of the property's first transfer from the applicant following the use of grant funds. The electing subdivision, county land reutilization corporation, or qualified nonprofit developer may include in the deed restriction a right of first refusal to repurchase the property for the purpose of ensuring that the property is ultimately sold to an individual or individuals who have annual income that is not more than the qualifying median income.

(5) That the applicant shall repay all grant funds expended on any expenses other than the construction or rehabilitation of qualifying residential property or financial literacy counseling required under division (B)(6) of this section, or on qualifying residential property that is not sold to an individual or individuals who meet the requirements described in division (B)(2) of this section or that is sold without the deed restriction described in division (B)(4) of this section;

(6) That the applicant shall provide financial qualifying literacy counseling, over a minimum of six months, delivered by the qualifying counseling provider, to each purchaser of qualifying residential property on which grant funds are spent. An applicant may provide information regarding its qualifying financial literacy program to the director of development for review as part of the application or prior to application;

(7) That the applicant shall report to the department of development the date when the qualifying residential property that is the subject of the application is sold by the applicant.

(8) That, if grant funds are received, the qualifying residential property that is the subject of the application shall not be the subject of an application for a tax credit under section 122.633 of the Revised Code.

(C) The director of development is granted authority and standing to sue for the enforcement of a deed restriction described in division (B)(4) of this section.

(D)(1) The director may adopt rules in accordance with Chapter 119. of the Revised Code as necessary to administer the grant program. Such rules may include the following:

(a) Application forms, deadlines, and procedures;



- (b) Criteria for evaluating and prioritizing applications;
  - (c) Guidelines for promoting an even geographic distribution of grants throughout the state;
  - (d) Guidelines to determine the value of qualifying residential property located in a building with other uses and the total value of that building.
- (2) Any grants repaid under this section shall be credited to the welcome home Ohio fund.
- (3) An electing subdivision, a county land reutilization corporation, or a qualified nonprofit developer shall use all profits derived from the sale of qualifying residential property on which grant funds are spent, including profits derived from the resale of such property to a subsequent purchaser, for the electing subdivision's or county land reutilization corporation's land reutilization program or the qualified nonprofit developer's housing program.