

The Columbus Dispatch

Out-of-state landlords blamed by some for King-Lincoln's slow progress

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Posted Feb 4, 2014 at 12:01 AM

Updated Feb 4, 2014 at 7:17 PM

Residents of the King-Lincoln neighborhood say out-of-state property owners buy properties for a song, put little into them and either rent them as is or let them sit vacant. And those properties in need of repair hinder redevelopment in the neighborhood, in which the city has invested \$28.5 million since 1999.

Gina Triplett and her partner, M. Scott Downs, plan to trade their Waterford Tower condominium Downtown for a fixer-upper a few miles away on the Near East Side.

"The condo is beautiful. I love living here," said Triplett, 55.

But she has always wanted to fix up a house, own a place with more room than their 1,160-square-foot condo can provide them.

"We need more space."

Their side of their N. Monroe Avenue brick duplex is 2,500 square feet.

Downs, 41, said they are committed to the King-Lincoln neighborhood and are spending at least \$250,000 on the house to make it the most attractive one on the street.

The same can't be said about other properties in the neighborhood, which has been at the forefront of Mayor Michael B. Coleman's redevelopment plans for more than a decade.

The city has invested \$28.5 million in King-Lincoln since 1999, including \$6.3 million to redevelop the Lincoln Theatre.

Several houses on Monroe, including two vacant properties owned by Wintrust Homes, a Broken Arrow, Okla.-based limited-liability company, are in desperate need of repair.

Residents there and in other neighborhoods across the city say out-of-state property owners such as Wintrust buy properties for a song, put little into them and either rent them as is or let them sit vacant.

Wintrust's houses at 236 and 244-246 N. Monroe Ave. were cited by city code-enforcement officers in December because they weren't secured. Both have sat empty for years under other owners as well.

Greg McCluskey, a partner in Wintrust Homes who lives in Utah, said he has a buyer for 236 N. Monroe who wants to rent it for two years before moving in. Besides, he said, "Twelve other houses on the street are far worse."

Wintrust applied to buy city land-bank properties last year but was turned down because it owned tax-delinquent properties and houses that were in foreclosure. It also did not present renovation plans for vacant houses, said John Turner, who administers the land bank, which now has 809 properties.

"We always want to put our properties into the hands of buyers who want to follow through with renovations and get our properties occupied," Turner said.

The city land bank has sold properties to another out-of-state company -- five of them to Mt. Helix Acquisitions, a limited-liability company based in San Diego. It has 70 houses in some of Columbus' most-troubled neighborhoods, including parts of Linden, the Hilltop and the South Side.

Mt. Helix recently held an open house for government officials and neighborhood leaders at a Miller Avenue house it rehabbed south of Livingston Avenue.

The house, purchased for \$5,900, has freshly painted walls and new carpeting and kitchen cabinets.

Rita Parise, Columbus' housing administrator, said the city needs partners to redevelop neighborhoods, and that includes out-of-state investors.

"We don't have enough resources in the city to redevelop every vacant property," Parise said. "We look at opportunities for investors to supplement the work we're doing."

Columbus Councilman Zach Klein, who leads the council's development committee, said he doesn't have a problem with out-of-state owners as long as they are responsible.

At the same time, he said, the city has safeguards, such as the land bank's rejecting potential buyers of city properties.

McCluskey said Wintrust will pay back taxes on its properties as properties are sold. He said no Wintrust properties are now in foreclosure.

Beginning in 2011, Wintrust bought 55 houses in Columbus, most of which had been owned by Stillwater Asset Backed Fund, a New York hedge fund, he said. Stillwater had purchased 326 houses that became code-enforcement headaches.

Wintrust has sold 37 of them, mostly to investors, McCluskey said.

Of the 18 that Wintrust still owns, 10 are rented out, four had been rehabbed before being damaged by vandals and tenants, and four remain vacant, including the two Monroe Avenue properties, he said.

Amy Klaben, the president and chief executive of nonprofit Homeport, which develops inner-city houses, said she wonders whether Wintrust has the wherewithal to properly renovate the former Stillwater houses.

"The Stillwater portfolio sat there for quite a number of years," she said.

McCluskey acknowledged that the Stillwater properties were and are a problem.

"We came in to be a solution," he said. "It's frustrating to get stereotyped, lumped in with all out-of-state investors."

Sean Fabich, a Monroe Avenue resident and vocal critic of Wintrust, said companies that own vacant and abandoned properties control the destiny of neighborhoods more so than those who live in the area.

“I’m not seeing Wintrust doing anything,” he said.

McCluskey said Wintrust plans to buy more houses in Columbus that can be rented, then owned.

“Our focus isn’t on regentrification,” he said. “Our focus is on single moms with kids who don’t have good credit.”

Joe Nelson, Mt. Helix’s CEO, said he has been buying houses in Columbus for about four months, concentrating on vacant and abandoned houses in neighborhoods hit hard by the foreclosure crisis. He said his company spends \$10,000 to \$20,000 to fix up the houses and that he will sell only to owner-occupants, not investors.

“Rentals can’t stabilize neighborhoods,” Nelson said. “Owner-occupied (homes) stabilize communities.”

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