



Land Banking 101



**REMAKING AMERICA
FOR THE 21ST CENTURY**

Reclaiming Vacant Properties

June 20 – 22, 2012 • New Orleans, LA

Dan Kildee, President /CEO – On Leave
Amy Hovey, Interim President / CEO



Turning Vacant Spaces into Vibrant Places

Land Banks vs. Land Banking



Land Banks

A land bank is a public authority or nonprofit created to efficiently acquire, hold, manage, develop and dispose of vacant and abandoned properties.

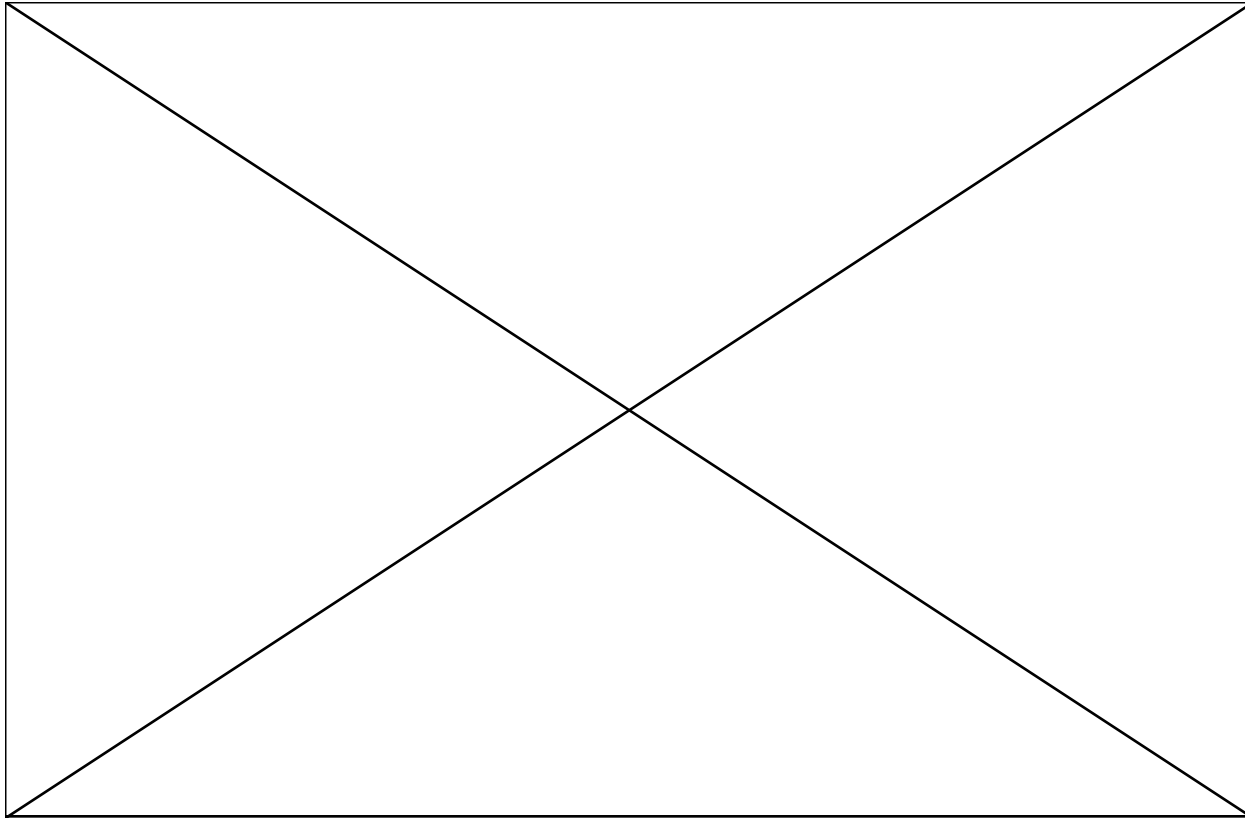


Land Banking

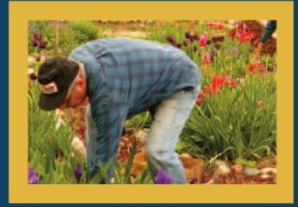
A program created to efficiently acquire, hold, manage and dispose of vacant and abandoned properties.



Land Banks



Why Land Banking?



Reason

- Antiquated and disconnected systems
- Decline of Legacy Cities
- History of population loss
- Obsolete housing stock
- Foreclosure Crisis
- Great Recession
- Increase in Speculators

Response

- Connect tax collection/foreclosure systems
- Influence Supply and Demand
- Influence Future Land Reuse
- Incentivize Development
- Reduce Blight
- Facilitate/Develop Intermediate Uses

Roles of a Land Bank



Community
Stakeholder
/ Leader

Property
Owner and
Manager

Land Use
Planner

Pre
Development
Specialist

Developer /
Development
Partner

Financier

Land Banks Can....



- Sell or convey property through locally developed policies that reflect the communities' priorities
- Sell through negotiated sales
- Eliminate the bureaucracy for public land sale
- Convey property for other than monetary consideration
- Lease properties as a interim use
- Maintain properties with predetermined maintenance standards
- Utilize financing tools
- Code enforcement and nuisance abatement

Essential Elements



Connected to
the tax
collection and
foreclosure
process

Scaled at the
metropolitan
level, or most
diverse real
estate market
possible

Policy driven –
transparent in
policies and
transactions

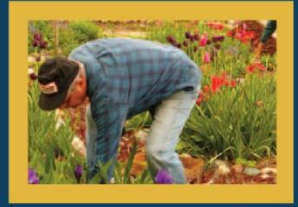
Emphasis on
community
engagement
and
participation

Connected to the tax collection / foreclosure process



- The system generates revenue, connect the revenue to the problem: delinquency and foreclosure (3 models: MI, OH, NY)
- Auctions are not the purest form of the free market – and there is no free market
- Internalize the externalities: tax collectors need to focus on tax collections, not just the returns associated with delinquent taxes

Scaled at the metropolitan level, or most diverse market possible



- Connect *high* and *low value* properties, *weak* and *strong* neighborhoods, and communities
- Don't disaggregate the economics of the land inventory
- Use equity and tax capture (TIF) creatively
- Demonstrate benefits to diverse areas within the area served

Understanding Your Inventory



- What are market conditions?
- How many vacant and abandoned properties?
- Do all tax-delinquent properties get foreclosed?
- Are mortgage foreclosures an issue in your community?
- What is our capacity to manage this information and track our success?

Policies and Procedures



Ensure Transparency



Value Predictability

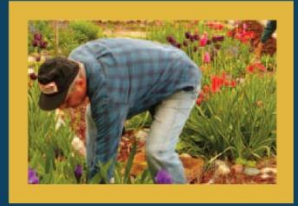


Document Capacity



Create Objectivity

Community Input



Purpose

- Adhering to and creating land use goals
- Updating the community on land bank programs
- Marketing the properties
- Developing maintenance strategies
- Communicating the tools

Method

- Community Advisory Groups
- Community meetings
- Newsletters
- Website

Models



- **Legal Structure**

- Separate entity
- Program of existing entity

- **Staff Level**

- Own staff
- Contract staff
- Borrowed staff (in kind)
- Combination

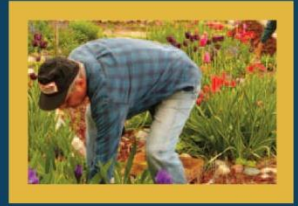
- **Governance Structure**

- Stand alone legal
- Parent Company
- Advisory Committee

- **Program Types**

- Nuisance abatement
- Basic land holding
- Development
- Leasing

Models



- **Budget Level**

- Small / Large
- Stand Alone / Embedded

- **Revenue Sources**

- Types
- Level
- Eligibility for Funding

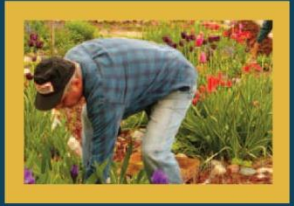
- **Inventory Level**

- Size
- Property Type

- **Data System Needs**

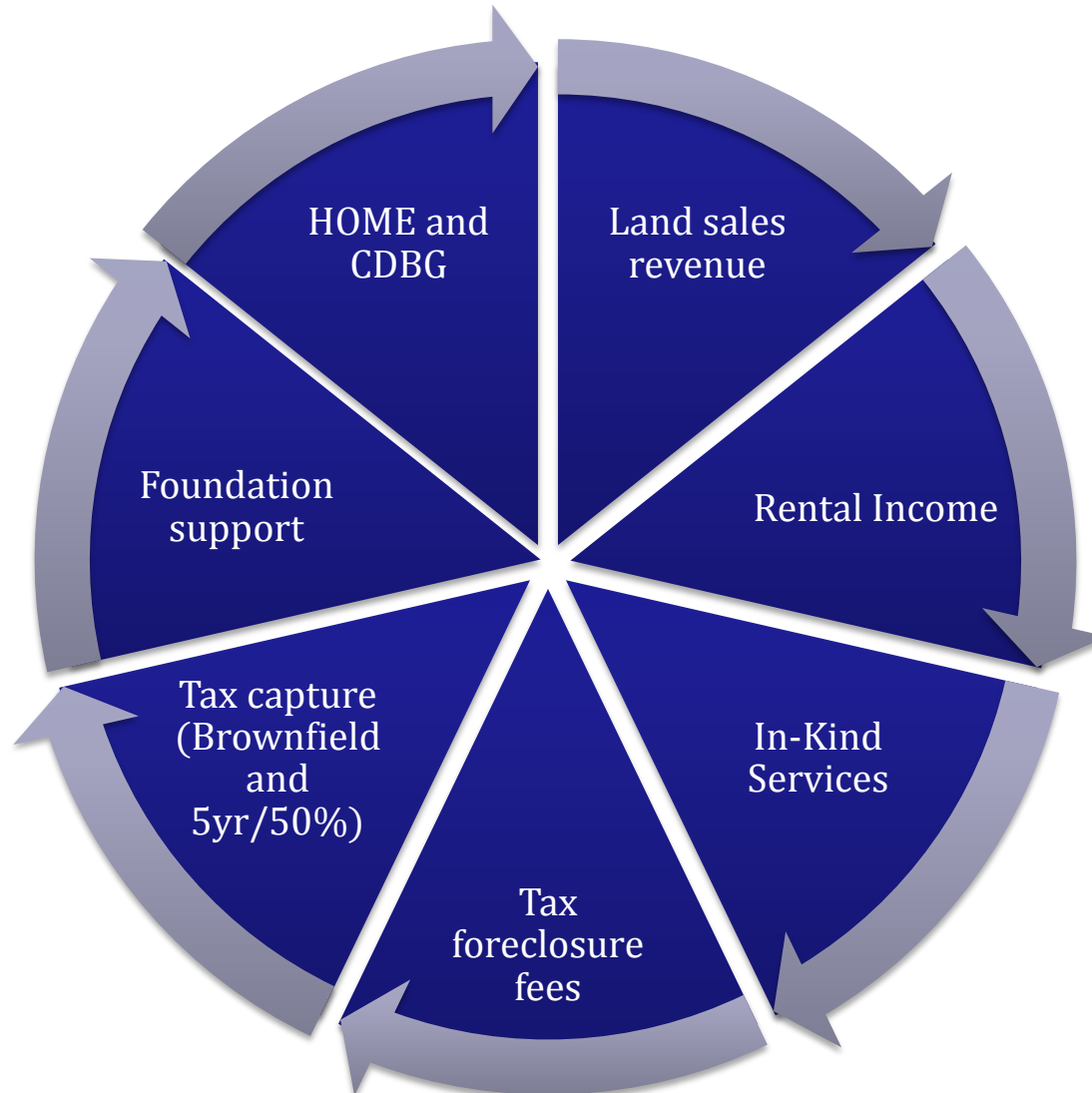
- GIS / Inventory
- Financial
- Project Management
- Property Management

Governance



- Legal authority determined by statute
- Conflict of interest
- Policies and procedures determined by Board, implemented by staff according to adopted policies
- Land banks may create local agreements with county, cities, townships and villages
- Public participation may include an Advisory Council of residents and interested parties

Funding Sources



A New Pathway for Property



- Sales / Land Contracts
- Side Lot Transfer
- Property Maintenance
- Planning
- Environmental Clean-Up
- Rental Management
- Urban Gardens and Agriculture
- Demolition and Deconstruction
- Development

Demolition – Case Study

MSU Land Policy Institute



400 Genesee County Land Bank properties

2-year study of the impact of intervention on surrounding property values

26,000 properties affected

\$3.5 million invested (demolition, cleanup)

\$112 million in increased private value



Maintenance



Standards

- Boarding
- Mowing
- Trash removal
- Fencing
- Planting

Strategies

- Work force development
- Urban gardens
- Adopt a lot
- Community groups
- Planting
- Grass
- Succession landscapes
- Government cooperation

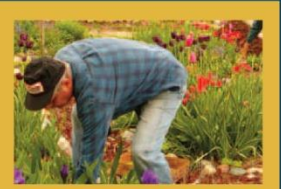
Land Banks Case Study - Interim Use Strategies



- Long-term Planning
- Community Engagement
- Investment Zones
- Public Land Ownership
- How to treat vacant land?



Landscape Types



**LANDSCAPE
TYPE**

**RECREATION +
TRADITIONAL OPEN SPACE**



**TIME FRAME
MAINT. COST**

**PERMANENT
\$\$\$**

SUB TYPES

NEIGHBORHOOD PARKS
SPORTS FIELDS
REGIONAL PARKS
PLAZA
RECREATION CENTERS
TRAILS/GREENWAYS
CAMPING
CEMETERIES

**CULTIVATED
LANDSCAPES**



**PERMANENT
\$\$**

COMMUNITY GARDENS
ORCHARD
GREENHOUSES
AQUACULTURE

**WORKING & INNOVATION
LANDSCAPES**



**TEMPORARY
\$**

COMPOSTING
REMEDIATION FIELDS
SOIL MANUFACTURING
RESEARCH FIELDS
ALGAE-CULTURE
TEMPORARY EVENT
LANDSCAPES

**SUCCESSIONAL
LANDSCAPES**



**TEMPORARY/PERMANENT
\$**

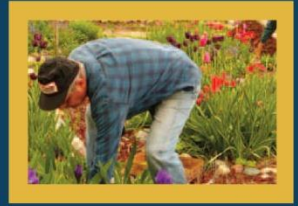
SUCCESSIONAL MEADOW
SUCCESSIONAL FOREST
SUCCESSIONAL PARK
SUCCESSIONAL ROAD
ROADS TO RIVERS

Development Tools



- Clear Title
- Low Acquisition Costs
- Land Assembly Vehicle
- Equity Partnerships
- Neighborhood Stabilization Program
- Developers Readiness
- Proactive Property Disposition
- Brownfield Eligible / Cross Collateral TIF

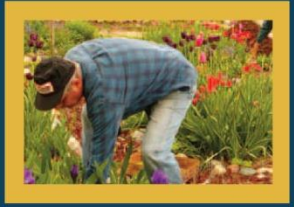
Land Banks Case Study - Infrastructure



Assist in Implementing Community Master Plans



Land Banks Case Study - Infrastructure

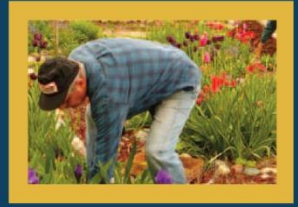


- Need: Build a new north/south corridor and pathway
- Partners:
 - Land Bank Authority – Eligible Activities Property Purchase, infrastructure
 - Brownfield Authority – TIF reimbursement
 - City of Traverse City – Government Entity to own, operate and maintain Avenue and pathway
 - State of Michigan (MEDC) – TIF reimbursement

Land Banks Case Study - Infrastructure



Land Banks Case Study – Redevelopment

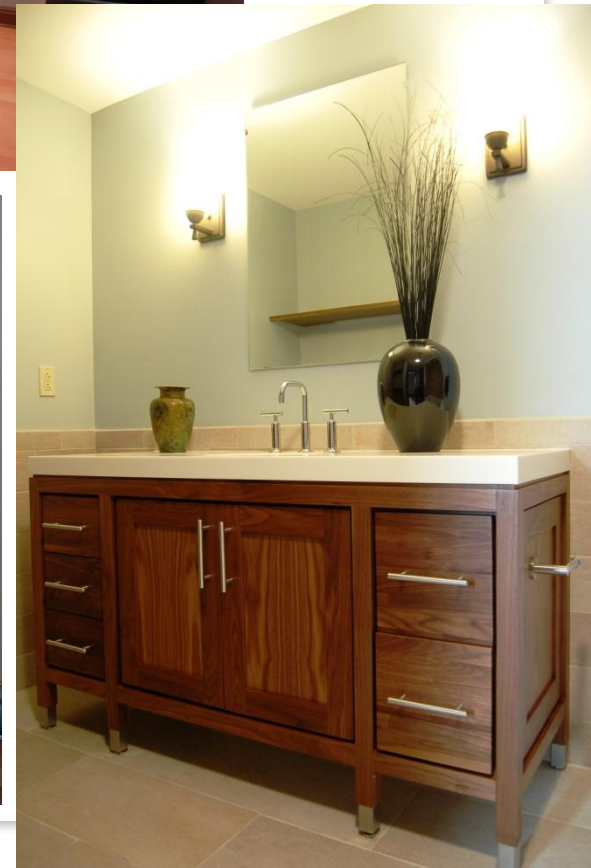
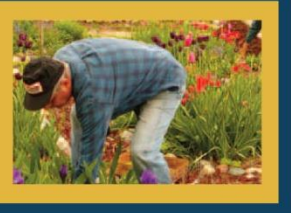
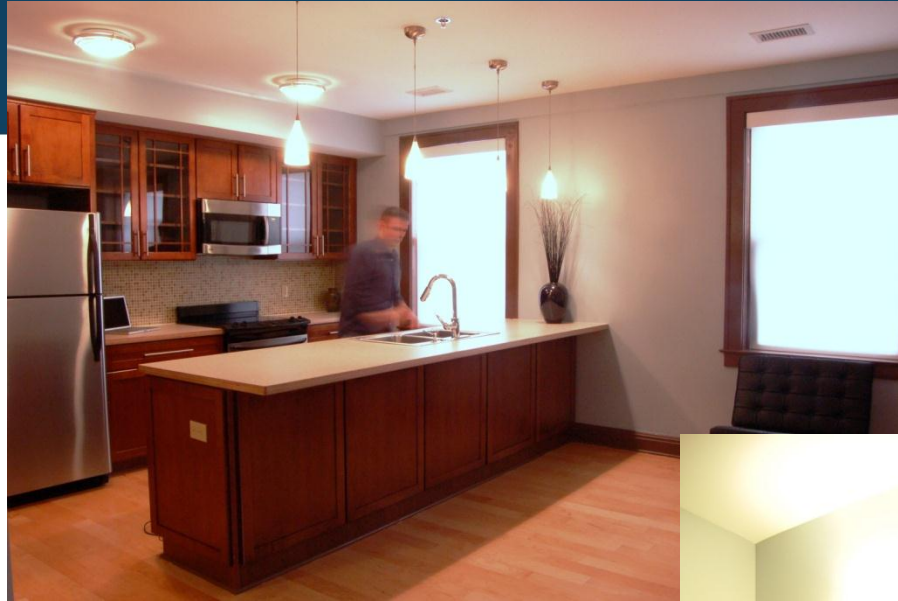
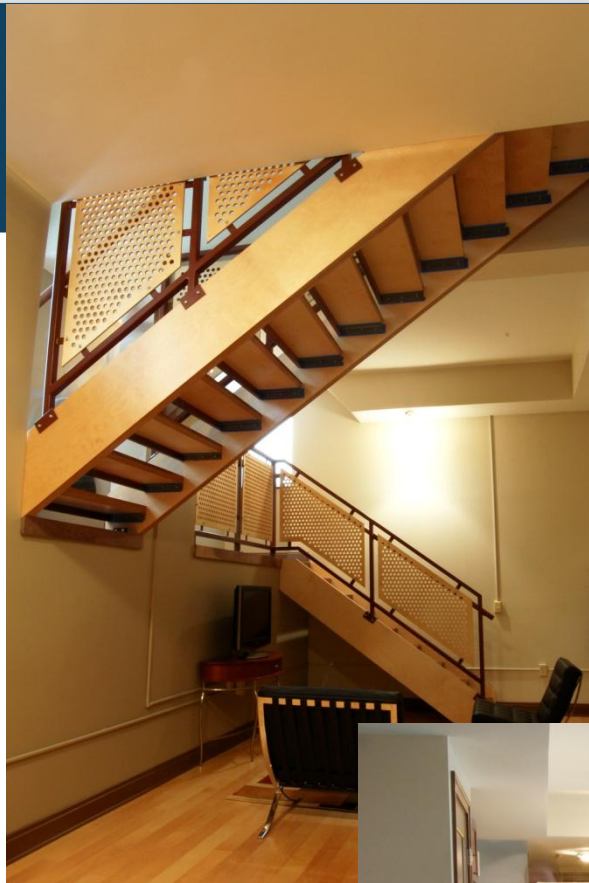


- Occupied “flop house” with 99 rooms; very blighted interior
- Magnet for crime
- Historic neighborhood targeted for redevelopment
- Prevented redevelopment of the area
- 18 sources of funding
- Land Bank lead developer

***Results:** Historic rehabilitation resulting in 21 residential and 2 commercial units*

Land Banks Case Study – Redevelopment





Upcoming Event



Register at:

www.communityprogress.net



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