



**Land Bank Advisory Committee Meeting Notes
Cook County Dunne Administration Building
69 West Washington Street, 34th Floor Conference Room
October 18, 2012**

Attending the meeting in-person were Land Bank Advisory Committee Members, Mary Sue Barrett (Chairman), Jeff Bartow, Herman Brewer, Dave Chandler, David Doig, Julie Dworkin, William Goldsmith, Mike Jasso, Lavon Johns, Mary Kenney, Rich Monocchio. Bishop Claude Porter, Kathleen Ransford, Rich Sciortino, Gene Williams. Calvin Holmes participated via phone conference.

A discussion of the Mission, Powers, Priorities and Principles document prepared by Working Group participants Adam Gross of BPPI and Allison Clark of the MacArthur Foundation resulted in the amended language of the attached revision

Michael Brady of the Center for Community Progress (CCP) presented on: 1) the evolution of land banks and their powers, 2) key considerations of "getting started," and 3) financing and budgets.

Maria Choca-Urban, Director of Cook County's Department of Planning and Development led a discussion of potential revenue sources for starting a Cook County land bank. In framing the discussion, the group established a consensus understanding that the start-up phase of a new Cook County land bank would encompass and three-year period. Key feedback from the discussion included:

- A consensus that foundations and other philanthropic sources be targeted for start-up resources along with various forms of in-kind professional contributions including legal work. Another potential source identified was Illinois' \$125 million share of the national foreclosure robo-signing settlement agreed to by the nation's five largest banks. An allocation from the Illinois fund could help cover a land bank start-up phase and help establish a stable long-term revenue stream.
- A consensus that a Cook County land bank be established around the components of a comprehensive business plan to include long-term and self-sustaining revenue sources. Such a plan and specifically identified revenue sources is critical to attracting interest by philanthropic and other sources to fund the start-up of a land bank.
- There was a suggestion that the final recommendations of the LBAC stress the inclusion of a dedicated revenue source. Examples cited included the practice in Minnesota where the Twin Cities Land Bank operations are supported by a five percent fee assessed on all tax delinquent properties. In Cayahoga County, Ohio, the land bank receives a portion of the property tax recaptured from previously non-tax producing properties or under-producing property that the land bank helps to reactivate. There was also discussion of real estate sales as a potentially critical revenue source in both the start-up phase and as a long-term revenue source. There was also discussion on recommending the establishment of a maintenance and holding fee assessed to banks who would transfer REO properties to the land bank as a potential revenue source. LBAC members expressed concern that failure to identify and establish dedicated revenue

sources would severely undermine the long term financial viability of any County-wide established land bank entity.

Cook County Commissioner Bridget Gainer offered a broad perspective of her efforts to lead and support the establishment of a County-wide land bank. Citing her professional work in land planning and development as well as her service to constituents in her district impacted by the national foreclosure crisis, Commissioner Gainer referenced her worked with the County’s judicial system on foreclosure assistance as context for her sponsorship of Cook County’s vacant building ordinance and research on land banking activities the County might establish without changes to state laws.

Commissioner Gainer noted three primary drivers for her vision of a Cook County land bank.

- 1) Establishing a land bank with a purview to work across the entire county – supporting all communities and their needs for resolution to foreclosures, vacancies and abandoned properties regardless of the scale and density of the problem in a given community.
- 2) Creating a land bank as an independent entity of Cook County, freeing County resources and staff to focus on core missions and duties while establishing dedicated resources to focus on the mission and activities of a land bank.
- 3) Ensuring that a Cook County land bank operates as a compliment to the real estate market. Commissioner Gainer stressed that a Cook County Land Bank should “not be a haven for real estate development in difficult communities, but to help us get over the hump.”

Prior to closing the meeting, Chairman Barrett discussed an amendment to the topics of discussion for the next LBAC meeting on October 29th. With the anticipated presentation on the recommendations from the Urban Land Institute (ULI) Technical Assistance Process (TAP) and the legal opinions from the Office of the Cook County State’s Attorney regarding the potential organizational models, the opportunity to discuss budget, funding and geographic service areas might be severely limited. With that in mind, Chairman Barrett and members of the LBAC agreed by consensus to consider a proposed date for an additional meeting (possibly via conference call) in early November in order to facilitate adherence to the originally established target date of November 15th to review a draft report of recommendations to the Cook County Board.

Land Bank Mission, Powers, Priorities and Principles – LBAC Oct 18th Meeting

Mission

The land bank will acquire, hold, and transfer properties throughout Cook County for the following purposes: to reduce the harm caused by vacant, abandoned, and tax-delinquent properties that destabilize communities and discourage private investment; facilitate neighborhood stabilization; stimulate commercial and industrial development; and advance other locally established goals, all in ways that are consistent with goals and priorities established by its local government partners and other community stakeholders .

Powers

The land bank will be authorized with all the powers the County can legally bestow with regard to real estate acquisition, ownership, and disposition, including the ability to:

- 1) Acquire residential, commercial, industrial and vacant properties through the Annual Tax Sale, the Scavenger Sale, the Forfeiture Sale and the Tax Reactivation Program, and through purchase, donation and other transfers;
- 2) Acquire liens, notes or deeds through purchase, donation and other transfers;
- 3) Hold title to properties on a tax exempt basis;
- 4) Maintain properties;
- 5) Prepare properties for transfer by creating insurable title, extinguishing delinquent taxes and liens as permitted by law, addressing code violations and public nuisances, demolishing buildings, and in some cases remediating environmental issues;
- 6) Convey properties to potential purchasers and transferees in order to facilitate neighborhood stabilization, stimulate commercial and industrial development, and advance other locally established goals;
- 7) Rent properties directly or through contracts with third parties;
- 8) Maintain vacant land through use of interim land uses such as green space, stormwater management, community gardens or other community spaces;
- 9) Participate in development, either as a general or a limited partner as appropriate;
- 10) Hire and fire staff;
- 11) Contract with third parties to carry out land bank functions; and
- 12) Apply for and accept grants and other sources of revenue.

Priorities

- 1) Eliminate blight, unhealthy, and unsafe conditions and facilitate development or revitalization of vacant land;
- 2) Address market failures that are not addressed or inadequately addressed by other government programs or the private market;
- 3) Increase economic and workforce development opportunities;
- 4) Preserve and increase the supply of affordable and workforce housing;
- 5) Support and advance plans developed by local and municipal officials, other municipal bodies and community stakeholders;
- 6) Whenever possible, align acquisition and assembly, ownership, and disposition of real estate by the land bank as part of a geographically targeted land use strategy;

Principles

- 1) Acquire only as many properties as can be effectively managed and maintained;
- 2) Acquire and transfer properties in a manner consistent with locally-established plans and priorities;
- 3) Work to get properties back into productive use as quickly as possible, consistent with furthering blight reduction, neighborhood stabilization and economic development goals, but hold properties as long as necessary to advance those goals;
- 4) Establish an efficient property disposition process that eliminates unnecessary impediments to transferring properties to owners who will return them to productive use; and
- 5) Establish controls to ensure that properties are transferred only to responsible parties and are used to achieve stabilization or redevelopment objectives.