Evolution of Specific Land Banks & Their Powers

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Center for Community Progress
Cook County Land Bank Advisory Committee
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Overview

Evolution of Land Banks

First Steps in Getting Started

Financing and Budgets
Evolution of Land Banks

St. Louis (1971)
↳ Cleveland (1976)
  ↳ Louisville (1989)
    ↳ Atlanta (1991)
      ↳ Genesee & Michigan (2002)
        ↳ Cuyahoga & Ohio (2008)
           ↳ New York (2011)
              ↳ Georgia (2012)

1st Generation
2nd Generation
3rd Generation
<table>
<thead>
<tr>
<th>Role</th>
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</thead>
<tbody>
<tr>
<td>Community Stakeholder / Leader</td>
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<tr>
<td>Property Owner and Manager</td>
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<tr>
<td>Land Use Planner</td>
</tr>
<tr>
<td>Pre Development Specialist</td>
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<tr>
<td>Developer / Development Partner</td>
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<tr>
<td>Financier</td>
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</table>
Typical Land Bank Powers

- Disposition according to local priorities
- Intergovernmental and regional collaboration
- Hold property tax-exempt
- Clear title
- Negotiated sales (avoid auctions & bureaucracy)
- Convey property for other than monetary consideration
- Internal financing mechanisms
- Brownfield eligible / cross collateral TIF
- Lease for interim use
- Code enforcement / nuisance abatement
Evolution of Specific Land Banks: Powers

1. Created in absence of state enabling land bank statute
   a. No subsequent land bank legislation
      Example: Twin Cities (2009); East Baton Rouge
   a. Subsequent land bank legislation enacted
      Example: Genesee County (2002); Newburgh; Syracuse

2. Created pursuant to a state land bank enabling statute
   Example: Cuyahoga County (2009); Atlanta/Fulton County (1991)
Genesee County Land Bank

GCLRC (2002)
• Accept property
• Acquire, manage, sell property
• Borrow money
• Contracts & IGAs
• Quiet title actions
• Tax exempt

Land Bank Act (2004)
• Financing mechanisms
• Expedited quiet title
• Bonding
• Brownfield eligibility
Newburgh / Syracuse, NY

HDFC (1966)
- Accept property
- Acquire, manage, sell property
- Borrow money
- Contracts & IGAs
- Tax exempt

SURA (1960s/2010)
- Acquire, manage, sell property
- Borrow money
- Contracts & IGAs
- Tax exempt

Land Bank Act (2011-12)
- Financing mechanisms
- Expedited quiet title
- Bonding
- Brownfield eligibility
Typical Land Bank Programs, Services, Activities

- Side lot transfers
- Adopt a lot
- Urban gardens
- Quiet title actions
- Demolition
- Environmental remediation
- Long-term banking

- Development
- Rehab & renovation
- Property management
- Work force development
- Finance
- Equity investment
- Land contracts
What is the problem?

- Common (smart) to start small—at least program-wise
  - Low-hanging fruit; “quick wins”
- **Build capacity of staff and team**
- Hone and refine systems and processes
- Build trust between land bank staff and board
- Build trust between land bank and community
Evolution & Annual Growth

Different for each community

Variables include:

- Funding
- Capacity (staff, partners)
- Scalable Systems & Processes
- Properties & Inventory
Board Composition
• County Treasurer, Board of Commissioners, City of Flint and Flint Twp.

Staff
• 13 Full time dedicated staff

Programs
• Foreclosure Prevention; Demolition; Sales; Side-Lot; Housing Rehabilitation; Rental; Property Maintenance; Clean and Green; Adopt a Lot; Brownfield Redevelopment; Real Estate Development; Urban Gardening.

Revenue
• LRF; 5/50; Sales; Loans; NSP; Other philanthropy and government grants; Rental Program;
• Annual Budget $3.9 million

Property
• Approximately 2,000 properties acquired per year.
• Approximately 8,900 units in current inventory.
• Since 2010 - 1,763 properties sold; 80 redeveloped; 631 demolished

Types of Property Acquired
• High/Low Value; Urban, Suburban and Rural; Residential, Commercial, Brownfield, Industrial
<table>
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<tr>
<th>Year</th>
<th># Tax Foreclosures</th>
<th># Props Sold at Auction</th>
<th># Props Acquired by GCLB</th>
<th># Props Sold by GCLB</th>
<th>Net Prop Gain by GCLB</th>
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<tr>
<td>2002</td>
<td>683</td>
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<td>2007</td>
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<td>359</td>
<td>1958</td>
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<td>2877</td>
<td>417</td>
<td>2460</td>
<td>645</td>
<td>1814</td>
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<tr>
<td>Total</td>
<td>13383</td>
<td>2662</td>
<td>10721</td>
<td>2783</td>
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</table>
Board Composition
• County Executive; County Treasurer; County Council appointment; 2 Cleveland; 4 selected by County Executive, County Treasurer, and County Council representatives.

Programs
• Land assembly, Demolition, Deconstruction, Housing Rehabilitation, Side-Lot, Sales, Demolition.

Revenue
• Penalties on delinquent property taxes; Sales; Grants; Partner contributions; Donations; Fund recoupment from banks.

Property
• Acquires 80-140 properties per month.
• Acquired 612 properties since 2010. Demolished 496 properties since 2010.

Types of Property Acquired
• High/Low Value; Urban, Commercial, Residential.
Twin Cities Community Land Bank

Board Composition
- Representatives from nonprofit, government, and financial organizations.

Programs
- CDFI lending; NCST property transfers; Holding property; Homebuyer financial assistance;

Revenue
- Interest and fees from loans, property acquisition fees, operating grants, and contracts for service.

Property
- Between 2009 and June 2011, acquired and disposed of 271 properties by June 2011.
- Current inventory is 6 properties. 578 properties sold since 2010.

Types of Property Acquired
- Property suitable for affordable housing development.
- 11 properties were land banked.
Board Composition
- Participating local governments each appoint 2 members; School districts may appoint a member in an advisory capacity;

Programs
- Greening, Side-Lot, New Housing, Rehab-Sell, Gardening, Long-term holding

Revenue
- Governmental appropriations; Foundation grants; Other governmental grants; Sale of property.

Property
- Processes 100-150 properties per year.
- Current inventory is 289 properties.
- Annual average maintenance cost is more than $250 per parcel.

Types of Properties Acquired
- High value properties are not as important since
Getting Started: First Steps

1. Manage Expectations
2. Get Systems in Place
   a. Inventory Management System
   b. Maintenance Program
3. Priorities, Policies & Procedures
4. Community Engagement
May take 6-12 months to do it right, but worth the investment.

“The first rule of any technology in a business is that automation applied to an efficient operation will magnify the efficiency.
The second is that automation applied to an inefficient operation will magnify the inefficiency.”

--Bill Gates
Policies and Procedures

Ensure Transparency

Value Predictability

Document Capacity

Create Objectivity
Priorities, Policies and Procedures

- Priorities as to the Nature of the Transferee
- Priorities for Use of Property
- Factors in Determining Consideration
- Acquisition Policies
- Disposition Policies
- Side Lot Disposition Policies
- Land Banking Policies
- Conflict of Interest Policies
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
Financing: Strategies

- 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
Financing: Sources

- Land sales revenue
- Rental Income / Developers Fees
- In-Kind Services (Maintenance)
- Tax foreclosure fees (OH's new 5%) or DTAN
- Tax capture (Brownfield, TIF, and 5yr/50%)
- Foundation support
- HOME, CDBG, & NSP