



Center for  
**COMMUNITY PROGRESS**

Turning Vacant Spaces into Vibrant Places



# Evolution of Specific Land Banks & Their Powers

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# Overview



Evolution of Land Banks

First Steps in Getting Started

Financing and Budgets



# Evolution of Land Banks



St. Louis (1971)

*1<sup>st</sup> Generation*

↳ Cleveland (1976)

↳ Louisville (1989)

↳ Atlanta (1991)

↳ Genesee & Michigan (2002)

*2<sup>nd</sup> Generation*

↳ Cuyahoga & Ohio (2008)

↳ New York (2011)

*3<sup>rd</sup> Generation*

↳ Georgia (2012)

# Roles of a Land Bank



Community  
Stakeholder  
/ Leader

Property  
Owner and  
Manager

Land Use  
Planner

Pre  
Development  
Specialist

Developer /  
Development  
Partner

Financier

# 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)

## SURA (1960s/2010)

- Accept property
- 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

# Evolution of Specific Land Banks: Programs, Services, Activities



- 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



# Genesee County Land Bank



## 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



# Genesee County Land Bank



Year	# Tax Foreclosures	# Props Sold at Auction	# Props Acquired by GCLB	# Props Sold by GCLB	Net Prop Gain by GCLB
	(1)	(2)	(3)=(1)-(2)	(4)	(5)=(3)-(4)
2002	683	0	<b>683</b>	0	<b>683</b>
2003	1048	0	<b>1048</b>	134	<b>914</b>
2004	810	286	<b>524</b>	145	<b>379</b>
2005	1015	353	<b>662</b>	186	<b>476</b>
2006	995	153	<b>842</b>	226	<b>616</b>
2007	872	371	<b>501</b>	367	<b>134</b>
2008	1211	394	<b>817</b>	279	<b>538</b>
2009	1555	329	<b>1226</b>	377	<b>849</b>
2010	2317	359	<b>1958</b>	424	<b>1534</b>
2011	2877	417	<b>2460</b>	645	<b>1814</b>
Total	13383	2662	10721	2783	7937



# Cuyahoga County Land Bank



## 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.



# Atlanta / Fulton County Land Bank



## 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



# Systems



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



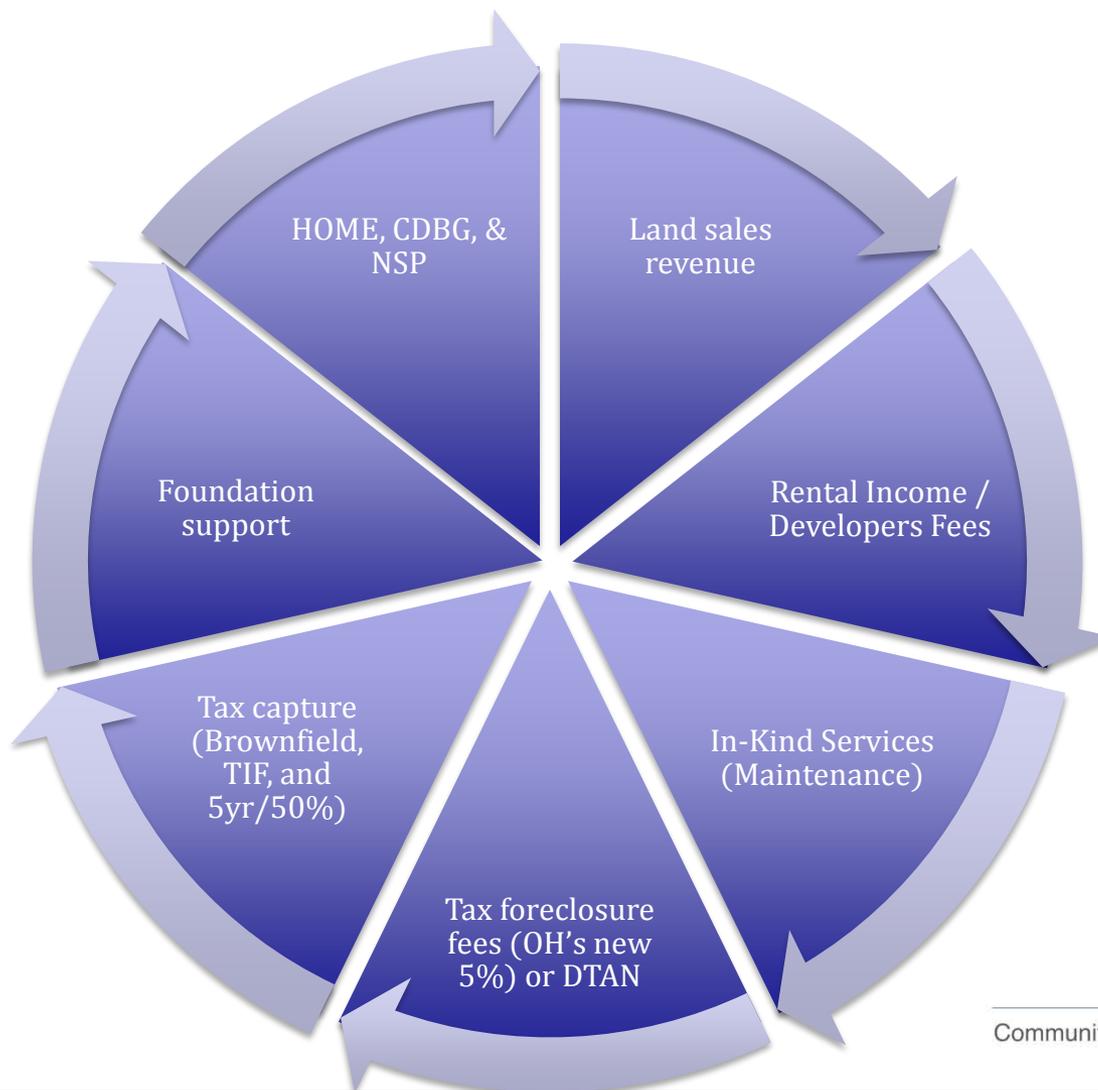
■ Website

# 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





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## Center for Community Progress

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