Land Banking: Models Across the Country

SPUR Forum
October 13, 2020

Frank S. Alexander, Co-founder & Senior Advisor, Center for Community Progress
What is a Land Bank?

Land banks are public governmental entities that acquire, maintain, and transfer properties to meet public goals.

• 200+ land banks nationwide
• Over 80% established since 2008
• Over 80% exist pursuant to comprehensive state enabling legislation
• Michigan, Ohio, New York, Pennsylvania, and Georgia are largest land bank states
What does a Land Bank do?

- Acquires vacant, abandoned, deteriorated and tax delinquent properties
- Focuses on neighborhood stabilization
- Focuses on equitable community development outcomes
- Intervenes in private markets where speculators hold distressed properties
- Engages in early land acquisition in anticipation of rising prices
- Holds and maintains properties for future public uses (parks, public spaces, affordable housing, community centers)
What are key powers of Land Banks?

Most land banks are created pursuant to state legislation or intergovernmental agreement at the local level.

- Acquire distressed property cost-effectively
- Ability to receive properties from public entities
- Ability to engage in early acquisition of property
- Ability to extinguish liens and clear title
- Hold property tax exempt
- Disposition decisions are flexible: driven not by highest price but by best outcome
Different yet complimentary...

Land Banks and Redevelopment Authorities

- **Mission**: Remediation & Stabilization v. large scale Redevelopment
- **Inventory**: Scattered v. Assemblage
- **Acquisition**: “Default” v. Market; Eminent Domain
- **Disposition Targeting**: Parcel Focus v. Project Focus
- **Financing**: Remediation Funds v. Project Finance
Different yet complimentary...

Land Banks and Community Land Trusts

- **Mission**: Elimination of Harms v. Creation of Permanent Affordability
- **Legal structure**: Public Authorities v. Private Nonprofits
- **Property Ownership**: Conveyances v. Long Term Ground Leases
The Range of Possibilities:

No two land banks are identical. There is wide variation among the 200 land banks in the country.

- Range in size of annual inventory acquisition: from 10 parcels to 2,000 parcels
- Range in size of staff: from 2 to 40
- Range in property focus: deteriorated structures, vacant lots, brownfields, industrial, commercial
- Range in reuse priority: public spaces, affordable housing, retail (food deserts), mixed use, storm resiliency
- Range in budgets: $100K to $10M
What are sample goals and strategies for Land Banks?

**Goal**
- Eliminate “blight”
- Maximize short term revenue
- Maximize long term revenue
- Affordable housing/commercial
- Neighborhood stabilization

**Strategy**
- Demolitions, rehabilitation
- Sale to highest bidder
- Convey for sustainable development
- Convey at lowest price
- Demolition, rehabilitation, side lot transfers
Additional Resources

Land Banks and Land Banking by Frank Alexander, 2nd Ed (2015)

Take It to the Bank (2014)

Progress in Community, Excellence in Diversity: A Georgia Association of Land Banks Publication (2019)

New York State Land Bank Report (2017)

And much more, including the Land Bank Information Headquarters, located on our website: www.communityprogress.net
Land Banking
In Toledo, Ohio

David Mann, President & CEO
Tuesday, October 13, 2020
A Tale of Two Worlds

The other housing crisis: Cities where home prices are low because people have left

Home sales continue to soar in Bay Area
Sales over $1 million reach record high
Introducing Toledo

Toledo is Ohio’s fourth largest city, after Columbus, Cleveland, and Cincinnati.

287,000 people  
(65% White, 27% Black, 8% Latino)

Median Household Income: $36,000  
Median Home Value: $84,000  
Housing Vacancy Rate: 8 – 12%

Why a land bank?
• Clear title to thousands of abandoned parcels
• Eliminate nuisances through demolition & renovation
• Create value and spur neighborhood demand through intentional investment
• Revitalize places that many have left to “die”
Our Local Challenge

~18,000 chronically tax delinquent parcels (out of 200,000 total)

~7,000 abandoned vacant lots with little value

Concentrated in low-income neighborhoods and neighborhoods of color

Abandonment and lack of maintenance bringing down values for all nearby properties

Every orange dot is a delinquent parcel
Built 1918
2,540 sq. ft.
4 bedrooms
2 baths
Unique Powers

✔ Expedited tax foreclosure to speed up abandoned property intervention while preserving due process.

✔ Legal authority to acquire abandoned parcels directly without exposure to speculative sale.

✔ Reliable annual funding by assessing delinquent property tax payers.

✔ Property held is exempt from taxation and free from state environmental liabilities.

✔ Significant flexibility under Ohio non-profit law to operate less like “government” and more like the private sector.
Residential, Commercial, Industrial
Our Interventions

6,500
Total Parcels Acquired

665
Aggregate Acreage Intervened

750
Buildings Renovated

3,600
Buildings Demolished

$50,000,000
Public & Private Funding Leveraged

10
Years & People Working Very Hard!
Whether because of lack of demand or lack of supply, a housing market will not meet human needs without public sector interventions. Land banks can be one of those interventions.
SPUR Forum
Cook County Land Bank Authority
Program Overview

Robert Rose, Executive Director
October 13, 2020
Challenges

- >85,000 foreclosure pending cases
- >60,000 vacant, abandoned parcels in Cook County
- >35,000 long-term tax delinquent parcels on scavenger sale list
- Communities in county dominated by cash-buyers and long-term vacancies (>24 months), both of which drive down housing prices and potential tax revenues
- Coupled with severe loss of jobs and income reversed many of the gains made in community and economic development
Roles of CCLBA

- Community Stakeholder / Leader
- Property Owner and Manager
- Land Use Planner
- Pre Development Specialist
- Developer / Development Partner
- Financier
To Reduce and Return Vacant Land and Abandoned Buildings Back Into Reliable and Sustainable Community Assets

- Promote redevelopment and reuse of vacant, abandoned, foreclosed or tax delinquent properties.
- Support targeted efforts to stabilize neighborhoods.
- Stimulate residential, commercial and industrial development; all in ways that are consistent with goals and priorities established by local government and community partners.
- Promote affordable housing, economic development, conservation and job creation.
Operational Framework

Transactional in nature
- CCLBA is a property conduit between the current/future owner.
- Plans → Projects → Transactions → End-Use

Geographic Focus
- Align abundant supply with market demand.
- Seek strategic acquisitions to move redevelopment cycle forward and repurpose property for future use.

Market Intervention
- Improve title clearing process
- Streamline demolition and redevelopment process.
- Preserve property.
- “Unstick” inventory: alternative to lender “release of liens,” and zombie properties.
- Support green and sustainable practices.
Examples

1814 W 108th Place
New Construction/
Redevelopment of Vacant Lot
Examples

2610 S Trumbull Ave
NeighborSpace Playground & Urban Garden
5742 S Lafayette Ave
Sweet Water Foundation
Urban Garden/Farmers’ Market
6300 S Cottage Grove Ave
Washington Park National Bank Building
Near Obama Presidential Center
Examples

7500 S Stewart Ave
Mothers’ Against Senseless Killings (MASK)
Violence Prevention/After School Program
Contact Information

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October 13, 2020

Hamilton County Landbank
(Cincinnati, Ohio)

Laura N. Brunner, President & CEO
The Port and its Managed Entities

THE PORT
Making Real Estate Work

The Port of Greater Cincinnati Development Authority
Ohio Port Authority

Hamilton County Land Reutilization Corporation
Ohio Land Bank

Homesteading & Urban Redevelopment Corporation
501(c)3

Greater Cincinnati Foreign Trade Zones, Inc.
Federal Foreign-Trade Zone Grantee
Purpose of Land Banking in Our Community

- Patient holder of real estate
- Mitigate declining property values by abating blight
- Prevent speculative property acquisition
- Vacant blighted properties require subsidy and a patient owner
Manufacturing Return on Investment Metrics

500 Acres = 8,000 Jobs = $565,000,000 in payroll

- 16 Jobs per developable acre
- $65,000 avg. annual salary
- 25%-75% subsidy requirement
- 1.5 Jobs supported by each manufacturing job
- <5 Years return of subsidy through new tax generation
- 50% of manufacturing jobs don’t require a college education
- 50% increase in job creation or displacement
- 50% increase in income tax
- 50% increase in income tax
The Port and Landbank’s Unique Powers & Strategy

**Acquire & Dispose Property**
Proactively and strategically acquire property and sell carefully to ensure quality development

**Hold Property**
Efficient and low-cost patient holders of real estate to achieve highest and best use

**Intermediary**
Act like private sector while serving the public sector

**Creatively Leverage Partnerships**
City and County
Private, Non-Profit
CDC Network
Development Community
Hamilton County Landbank

Scale of Operations

Properties Acquired: 1,233
Properties Disposed: 102
Properties Demolished with $29MM in Grant Funding: $34.7MM

Properties Currently in Inventory:
- Residential Land: 768
- Residential Building: 102
- Commercial Land: 73
- Commercial Building: 48

Demolition Programs

1,233 Properties Demolished with $29MM in Grant Funding
$34.7MM In Home Values protected through Demolition