

LAND

BANKS-

**A NEW REVITALIZATION
TOOL**

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Land banks are governmental entities that specialize in the conversion of vacant, abandoned and foreclosed properties into productive use.

LAND BANK ROLES

- *Acquiring nonproductive and underutilized properties*
- *Maintaining properties and removing barriers to reuse*
- *Disposition of properties according to local needs and priorities.*

FIRST GENERATION LAND BANKS -1980s and 1990s

Met with some success, BUT suffered from:

- *insufficient sources of funding*
- *No direct/streamlined access to foreclosed properties*
- *Title defects*
- *Lack of intergovernmental cooperation*

SECOND GENERATION LAND BANKS – 2000s

Instituted reforms:

- *Judicial sale foreclosure process*
- *Reduce or prevent the sale of tax liens*
- *Multiple sources of operating capital*
- *Coordination between levels of government*

THIRD GENERATION LAND BANKS – NEW YORK STATE

- *Mechanisms to raise capital*
- *Preference in judicial tax foreclosure process*
- *Requirement for intergovernmental cooperation*
- *Authorization to purchase tax liens*

NEW YORK LEGISLATION, CONT

- *Transparency in operation*
- *Defined disposition strategies*
- *Tools local governments don't have*

NY APPROVAL PROCESS

*Applications must be approved by
Empire State Development*

*First round of application were due
March 30 – 7 applications were
submitted – 5 can be approved*

LOCAL RESPONSE TO THE LEGISLATION

- *Created the land bank working group*
- *Obtained support from Enterprise Community Partners*
- *Entered into a contract with Center for Community Progress*
- *City Council established study group*

WORKING GROUP GOAL

Create a frame work for a local land bank that is responsive to the NY law and is responsive to local needs

ACQUISITION LAND AND BUILDINGS

- *Bulk and individual sales from GSE/FHA/Banks/Servicers*
- *Donations/purchase on private market*
- *Donation/sale from FGU*
- *Judicial sales/foreclosure*

ACQUIRE IN PRIORITY LOCATIONS

- *Focused Investment Strategy areas*
- *Greening areas*
- *Urban renewal districts*
- *Neighborhoods with master plans*
- *School Facilities Modernization*
- *Recreational use or to connect to nature*

DISPOSITION

- *Demolition*
- *HOME Rochester*
- *Affordable rental housing*
- *Green space creation*
- *Site assemblage*
- *Market rate housing*
- *Uses part of a redevelopment plan*

PROPERTY MANAGEMENT

Capacity to manage all property owned by the land bank – short term and long term

UNIQUE NY LAND BANK TOOLS

- *LB not subject to governmental rules associated with sale of assets*
- *LB not subject to governmental rules associated with purchasing or contracting*
- *LB able to purchase tax liens*
- *LB have preemptive right to purchase property in a judicially ordered tax foreclosure*
- *LB have self funding mechanisms*
- *LB encourages cooperation between FGU*