

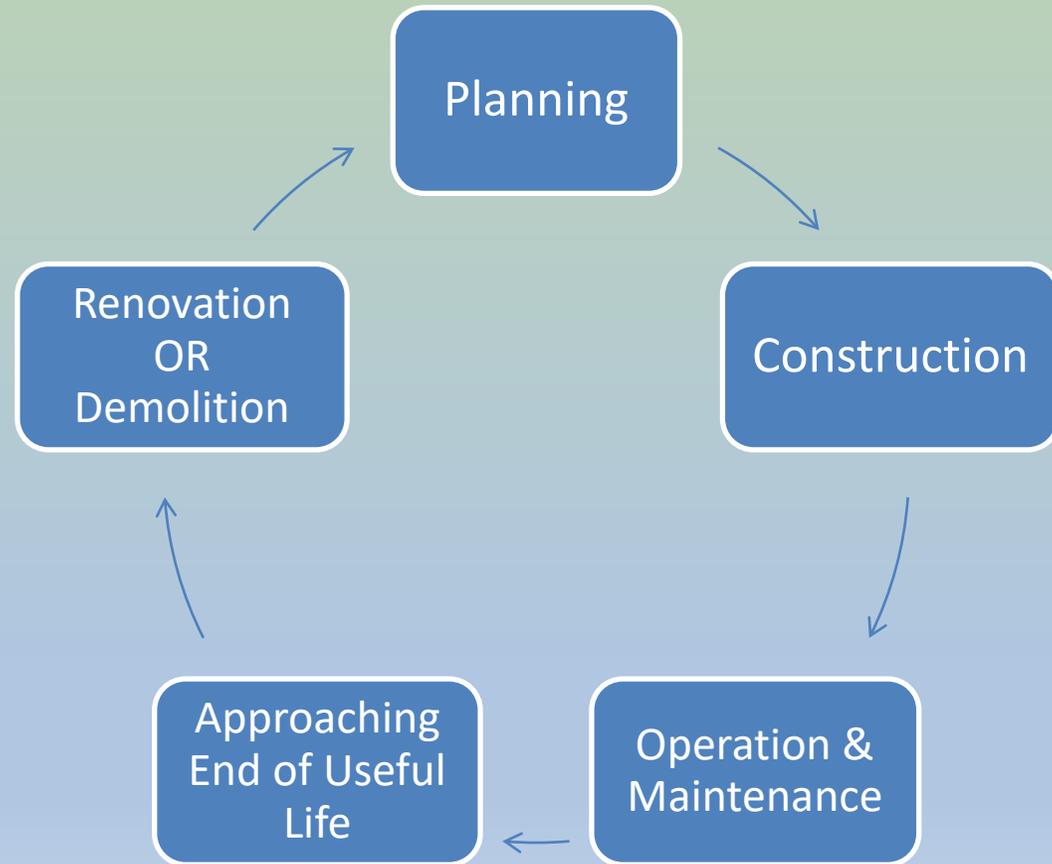


Land Banks

A SHORT OVERVIEW

Building Life Cycle

Building life cycle refers to the building over the course of its entire life – design, construction, operation, demolition and waste management



Land Banks

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

Typical Process:

1. Acquisition of title to such properties;
2. Elimination of liabilities;
3. Transfer of properties to new owners in a manner most supportive of *local needs and priorities*

Background

The first land banks were created in St. Louis, Cleveland, Louisville, and Atlanta in the 1980's and 90's in response to the growing inventories of properties tied up by state property tax foreclosure laws which incentivized owners walking away from a property. When accumulated taxes exceeded fair market value of the property no one could or would touch the property.

Getting more sophisticated

- A wave of new land banks started emerging in the 2000's.
- The states leading these efforts used the land bank tool to restructure public policies and to redirect control of tax-foreclosed properties from out-of-state investors back to local government entities.
- Developed creative new sources of revenue to acquire, remediate, and maintain properties.
- Catalyst for new development the private market couldn't support

States with land banking legislation



1988-	Kentucky	2013-	Alabama
2003-	Michigan		Nebraska
2007-	Texas	2014-	West Virginia
2009-	Kansas	2015-	Delaware
2010-	Ohio	2016-	Connecticut
2011-	New York	2017-	Indiana
2012-	Georgia, Missouri, Pennsylvania, Tennessee		Maryland
		2019-	New Jersey

Reasons property doesn't get redeveloped

1. Title isn't clear or marketable;
2. Contamination of site or buildings;
3. Existing buildings are obsolete or can't be repurposed
4. Property costs more to redevelop than it is worth on the open market (environmental/site cleanup, building hazards, demolition costs, liens);
5. Other property is cheaper and easier to develop;
6. Sometimes it's more than one reason

Tools (other states)

In states with land bank enabling legislation, land banks have many tools and powers they can use to do their work:

- Acquire, hold, maintain, lease, sell, secure, remediate, demolish, rehabilitate, and construct on real property.
- Convey or acquire easements
- Operate property and receive rents or sales proceeds
- Clear title and extinguish delinquent taxes to property that comes into its ownership.
- Dispose of/sell in accordance with local priorities
- Collaborate on a local/regional intergovernmental basis.

Challenges in Maine

(why we need land bank enabling legislation)

- Using municipal authority for handling dangerous buildings, some municipalities are using land banking practices to move the type of distressed properties land banks typically handle back into productive use.
- They are limited in what they can do, however, and some work must be handled less efficiently than if we had land bank legislation.
- Some projects are too complicated or large for local government and would be better served by a state land bank.

Land banking in Maine

Because Maine doesn't have land bank enabling legislation, independent land banks cannot form, but there are a small number of municipalities using land banking practices within their local government.

Today the Town of Rumford and the City of Sanford will share how their programs came about, their methods used, and work each municipality has been able to accomplish.