Land Bank and CLT Partnerships:
Creating a Pipeline of Properties for Affordable Housing
Presenters

- **Kim Graziani**, Vice President and Director of National Technical Assistance, Center for Community Progress

- **Beth Sorce**, Director of Capacity Building, Grounded Solutions Network

- **Amanda Rhein**, Executive Director, Atlanta Land Trust

- **Christopher Norman**, Executive Director, Fulton County/Atlanta Land Bank Authority

- **Ashley Allen**, Executive Director, Houston Community Land Trust

- **Anne Gatling Haynes**, CEO and President, Houston Land Bank
Agenda

- Welcome, introductions, session overview
- What is a Land Bank?
- What is a Community Land Trust?
- Learning from Atlanta
- Learning from Houston
- Q&A, Discussion
About Us

Center for Community Progress

• **Mission**: To foster strong, *equitable* communities where vacant, abandoned, and deteriorated properties are transformed into assets for neighbors and neighborhoods.

• **Services**: Technical assistance, education and training, policy, and research. Focus on systems-level change.

• **Snapshot**: Since 2010, customized technical assistance provided to almost 300 communities in 35 states.
Barriers to Equitable Neighborhoods
The Challenge

poverty, homeless, hungry, depression

LAND

Housing is a human right
Grounded Solutions Network cultivates communities – equitable, inclusive, and rich in opportunity – by advancing affordable housing solutions that last for generations.
Lack of Affordability

Out of Reach
2019 Two-Bedroom Rental Housing Wages

Represents the hourly wage that a full-time worker must earn (working 40 hours a week, 52 weeks a year) in order to afford the Fair Market Rent for a Two-Bedroom Rental Home, without paying more than 30% of income.

Source: National Low Income Housing Coalition, 2019 Out of Reach Report
What is a Land Bank?

A land bank is a public authority or nonprofit that focuses on the conversion of vacant, abandoned, tax-delinquent, or foreclosed properties into productive use.

- 170+ land banks nationwide
- Over 70% established since 2008
- Over 80% exist pursuant to comprehensive state enabling legislation
- Michigan, Ohio, Pennsylvania, New York, and Georgia are largest land bank states

Land Bank Information Headquarters: http://www.communityprogress.net/land-bank-headquarters-pages-446.php
What are key powers of Land Banks?

Land Banks authorized through state-enabling (or local) legislation are only as powerful and flexible as the statute that created them.

- Acquire tax foreclosed property cost-effectively
- Ability to extinguish liens and clear title
- Hold property tax exempt
- Generate and collect revenue from delinquent tax fees, tax recapture, or other funding mechanisms
- Disposition decisions are flexible: driven not by highest price but by best outcome
How are Land Banks Funded?

FUNDING MECHANISMS

- Local – General Budget, In-kind Staff
- State/Federal – Hardest Hit, Mtg. Settlements, HOME, CDBG
- Philanthropic Support
- Land Sales
- In-kind Services
- Rental Income/Developer Fees
- Fees/Interest from Delinquent Taxes (ex. OH’s DTAC)
- Tax Recapture (ex. 5/50)

How can Land Banks be Most Effective?

Key Elements of Land Banking

- An alternative to the speculative auction that generates more predictable outcomes consistent with community needs
- Will always need some level of support – cash or in-kind – proportional to the scope and scale of vacancy and blight it is expected to resolve
- Powers/capacity/mission clear and tied to universe of problem properties
What is a Community Land Trust?

Community land trusts acquire, own and steward land permanently for the common good.

- 225+ CLTs nationwide
- Roots in the Civil Rights Movement
- Exponential growth in the 1990s and… now!
- 41 states plus the District of Columbia and Puerto Rico
What do CLTs do?

Typical uses of CLT land:

- Affordable housing (homeownership and rental)
- Commercial spaces
- Community spaces
- Farming or open land
- All permanently accessible
How are CLTs Structured and Governed?

Generally, a non-profit organization with:

• Defined service area
• Corporate membership
• Tri-partite board
• Dual ownership of land
How are CLTs Funded?

Organizational Funding:

- Philanthropic grants
- Donations
- Membership Dues
- Internally generated fees
- Developer fees
- Contract/ Service Fees

Project Funding:

- Federal funds
- Housing trust funds
- Public land
- Inclusionary housing
- Donations
- Collaborations
### Key Differences: Land Banks and CLTs

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<thead>
<tr>
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<th>Land Banks</th>
<th>Community Land Trusts</th>
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</thead>
<tbody>
<tr>
<td><strong>Legal Structure</strong></td>
<td>Public Entity (may be a nonprofit or public authority)</td>
<td>Private Nonprofit</td>
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<tr>
<td><strong>Governance</strong></td>
<td>Board/governance defined by state statute/intergovernmental agreement (mix of gov’t/private/community)</td>
<td>Tripartite Board (Lease-holders, community members, and external stakeholders)</td>
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<tr>
<td><strong>Mission</strong></td>
<td>Acquire tax delinquent, vacant, abandoned property and connect to responsible end use/user</td>
<td>Acquire and hold land permanently for public good (e.g., affordable housing)</td>
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<tr>
<td><strong>Acquisition</strong></td>
<td>Special acquisition powers or preferred access to property (e.g., tax or lien foreclosure)</td>
<td>Status as nonprofit may allow for preferred access from local government</td>
</tr>
<tr>
<td><strong>Management/Maintenance</strong></td>
<td>Manage/maintain vacant and abandoned property, hold land tax exempt</td>
<td>Steward property, may hold land tax exempt</td>
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<tr>
<td><strong>Disposition/End Use</strong></td>
<td>Dispose of property to responsible transferee according to community goals</td>
<td>Permanently hold land for public good</td>
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Common Misconceptions

- Mission
- Market Strengths
- Acquisition/Ownership
- Community Engagement
- Partnerships with local government, private sector, and other community stakeholders

Opportunities: Land Bank & CLT Partnerships

- Shared vision for equitable and economically integrated communities

- Pipeline for inventory that is currently stuck and non-accessible (upside down in value, tangled title, and more)

- Implementation of comprehensive strategies that include housing, green space, and more

- Meet prioritized needs of community
Land Bank & CLT Shared Goals/Strategies

**Goal**
- Eliminate blight
- Maximize short term revenue
- Maximize long term revenue

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

Affordable housing/commercial
Neighborhood stabilization
Land Bank–CLT Partnerships:
Creating a Pipeline of Properties for Affordable Housing

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Alignment to achieve goals set forth in One Atlanta: Housing Affordability Action Plan

Land Acquisition: LBA can serve as property sourcing entity & acquisition agent on behalf of ALT

Tax Extinguishment: LBA can assist with clearing title

Land Banking Depository Agreement: LBA allows for aggregation of property prior to active development
ALT/LBA Partnership Structure: ALT Board of Directors

**Neighborhood Representatives**
- General Representative
- General Representative
- General Representative
- General Representative
- General Representative

**Nonprofit Representatives**
- The Atlanta BeltLine Partnership Representative
- Community Development Corporation Representative
- General Representative
- General Representative
- General Representative

**Public/Private Sector Representatives**
- Fulton County/City of Atlanta Land Bank Authority
- City of Atlanta
- General Representative
- General Representative
- General Representative

- drawn from the leadership ranks of the City's NPUs, generally recognized neighborhood organizations, and faith-based institutions located in neighborhoods within or proximate to the Atlanta BeltLine
- drawn from the ranks of philanthropic organizations, nonprofit housing organizations, or other nonprofit service or advocacy organizations operating on a city-wide or regional basis
- drawn from the ranks of public officials, private attorneys, and private financial institutions doing business within or in proximity to the Atlanta BeltLine
Of the 193,000 households in the city of Atlanta:

- 55% earn less than 80% of the median income, or roughly $56,000
- Of these, 69% spend more than 30% of their income on housing
- Affordable housing demand within the City is projected to increase from 72,800 to 82,502 by 2027

ALT/LBA Partnership in Action:
1091 Tucker Avenue
Future of ALT/LBA Partnership

- Implement recommendations from One Atlanta Plan
  - Ensure equitable growth for all Atlantans and minimize displacement
- Land Acquisition: identify properties owned by LBA to transfer to ALT
- Tax Extinguishment: work with LBA as necessary to clear title on ALT properties
- Land Banking Depository Agreement: continue to transfer properties from ALT to LBA prior to development to reduce cost of carry
We partner to provide affordable housing options to housing cost-burdened, limited income Houstonians
Independent organizations with specific roles in a project
Houston’s New Home Development Program

A City of Houston, Houston Land Bank, and Houston Community Land Trust (CLT) Partnership

Homes are constructed by builders selected through the City’s RFQ process.

CLT buyers purchase the home at a below-market price and lease the land from the CLT for 99 years.

AND

The CLT becomes the owner of the land, keeping it affordable to future homeowners in perpetuity.

OR

The buyer purchases the home and land at market price under a “conventional” homeownership model.

The City of Houston funds development of new homes on Houston Land Bank-owned lots.

Houston Land Bank markets the completed homes; the CLT and Land Bank identify income-qualified buyers.

Income-qualified buyers can purchase in one of two ways.
New Home Development Program Benefits/Challenges:

**SUCCESSES**
- Homebuyers getting homes
- Committed funding from City
- Learning by doing, adapting
- Complementary strengths/focuses
- Outreach to gain community support; develop buyer pipeline

**CHALLENGES**
- Human capacity
- Ongoing adaptation needed from all partners; need for continued focus
- Roles pre determined
- The City is BIG
Partnersing together to find resources to jointly approach community engagement and inventory

- Deeper community engagement to inform localized solutions to affordability issues
- Continuing to engage diverse Houston communities to educate general public, stakeholders, and potential buyers about the program
- Developing a pipeline of affordable properties that neighborhoods want to maintain as part of their community goals
- Identifying and leveraging new, independent funding resources for maximum flexibility and impact
- Considering resiliency and storm recovery solutions, long term maintenance and house carry costs for limited income buyers
Q&A Session

Starter Questions for Panel and Audience

• What is one thing you wished you knew prior to partnering?
• What are the top three things that contribute to your partnership’s success?
• What additional partnerships do you all need to be able to do this work?
• Given that many people are confused about the difference between land banks and land trusts, how are you communicating with the public about each of your organizations and your partnership?
• How are decisions made regarding which land bank properties get transferred to the CLT and have you encountered any push back?
• How does this partnership fit into the land bank’s overall disposition strategy and the land trust’s overall acquisition strategy?
Thank you

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