

Land Bank

In a Nutshell

Land Banks are governmental or nongovernmental non-profit entities that acquires vacant, abandoned or dilapidated properties and then develops or redevelops the property. Land banks force a community to plan for both the short-term and long-term. Often times a properly managed land bank can be the catalyst for further development in a community.

The “How To”

Land banks are government or non-profit run organizations created to “acquire, manage, maintain, and repurpose vacant, abandoned, and foreclosed properties- the worst abandoned houses, forgotten buildings and empty lots.” Property is acquired through property purchase, foreclosure or a gift to the land bank. Once in the hands of the land bank authority, the board or staff decides what to do with the property, including how long it should remain in the bank and what the end purpose of the property is envisioned.

The US Housing and Urban Development’s (HUD) Neighborhood Stabilization Program (NSP) can provide assistance to land bank authorities. In order for NSP to help, a community must meet certain [requirements](#). St. Louis City and St. Louis County work with NSP.

NSP’s [Land Banking Toolkit](#) presents a good overview of different ideas to consider with land banking including market conditions, positive/negative outcomes of land banking, and a detailed description of the decision making process in land banking. Dr. Frank Alexander’s [Land Banks and Land Banking](#) fully explains many of the concepts and procedures associated with land banks. Dr. Alexander is a law professor and his article reflects his legal training and mindset.

The Kansas City, Missouri land bank has some innovative [programs](#) which allow the public use property in the land bank through lease and share programs.

Planning & Zoning

Land banks rely on laws ordinances for its structure and operation. The Neighborhood Stabilization Program (NSP) has published a [Sample Land Bank Policies and Procedures](#) manual. Policies highlighted include property acquisition, transfer/disposition and financing, [St. Louis City](#) and [Kansas City](#), Missouri land banks can serve as good examples of land banks. NSP also published an article on the [structure of land banks](#). The article includes examples of the structure and governance of different land banks.

The article by Dr. Alexander titled [Land Banks and Land Banking](#) has a few chapters, which would be very useful in devising the organizational structure of a land bank. In Chapter 8 (on page 54) Forming the Governance of Land Banks explains the various considerations that go into the structure of a land bank. Things to consider are the relevant state laws and the characteristics of the local economy and governmental structure. The structure of the land bank can drastically effect what the land bank can and cannot do.

Chapter 9 (on page 58) delves into identifying policy goals for the organization. No two communities are the

same and it is important for a land bank to have a clear understanding of the socioeconomic and political climate it is in. Chapter 9 leads well into the topic of chapter 13 concerning intergovernmental agreements. Land banks will need to enter into agreements for revenue from taxes. Agreements may even specify the priorities of the land bank. In short, intergovernmental agreements have long lasting affects on the organizations party to them.

Dollars & Cents

The financial aspect of land banks is covered in Chapter 7 (page 48) of Dr. Alexander's [Land Banks and Land Banking](#). Most of the chapter covers property acquisition. As land bank has evolved so has the property acquisition procedures. In the beginning, most land banks paid for land through general fund revenues. In addition to purchasing property, land banks take ownership of tax delinquent properties, among others. The chapter also points out that the Michigan land bank receives 50% of all real property taxes for five years following the transfer of the property from the land bank to a private owner.

The cost to units of local government will vary and is determined by the management method of the program. The most critical questions to address, that will generate cost, are:

- Will the government (or an associated entity) fund the land bank? Who will be purchasing the properties?
- What types of properties will be targeted? Will property be targeted based off location, price, maintenance status or marketability?
- How will the program be managed? What staff will be needed? Where will they work?
- How will the properties be remediated, maintained or demolished? How will this be financed?

Measuring Success

Success in land banking will be indicated by the Housing House measured by OneSTL. Housing choice is measured by the "percent of census tracts with housing stock at a variety of price points for owners and renters." The desired trend is for the percentage to go up.

Discover More

The Neighborhood Stabilization Program (NSP) within HUD provides a [wealth of educational and implementation resources](#).

Additional great resources include:

- [Community Involvement Program Guidelines for Land Banks](#)
- [Example Acquisition and Disposition Process Map](#)
- [Land Banking 101: What is a Land Bank](#)
- [Guide to Property Acquisitions in NSP Programs](#)

Case Studies

Cook County Land Bank

Contact

Bridget Gainer
Land Bank Board Chairman/ County Commissioner
312-603-4210
Info@BridgetGainer.com

Address

118 North Clark Street - Secretary to the Board, Room #420 - Chicago, IL 60602

Description

Cook County Land Bank is under the direction of County Commissioner Bridget Gainer. Information on the land bank can be found on the Cook County Land Bank [website](#) and Bridget Gainer's [website](#). Both websites have information about the board and news releases. The land bank's [ordinances](#) are available on the website as well. The Chicago Urban Land Institute conducted a study and issued this [report](#) which resulted in the start of the Chicago Land Bank. The article does a good job of explaining the justifications for the land bank.

While this land bank is a fairly new land bank and it is expected to become one of the largest in the country. In 2012 it was estimated that nearly 10% of the homes in Cook County were vacant. The purpose the land bank is two fold. The first is to turn these vacant and dilapidated properties into marketable housing options. The second is to use the land bank as a catalyst for neighborhood stabilization and revitalization.

Cost \$0

St. Louis Land Reutilization Authority: St. Louis, Missouri

Contact

Laura Costello
Director of Real Estate
314-657-3725
costello@stlouis-mo.gov

Address

1520 Market Street, Suite 2000 - St. Louis Development Corporation - St. Louis, MO 63103

Description

[Agency Website](#)

"The Land Reutilization Authority (LRA) receives title to all tax delinquent properties not sold at the Sheriff's sale. It also receives title to properties through donations. The SLDC [maintains, markets, and sells these properties and performs land assemblage for future development.](#)"

Cost \$0