



Center for
COMMUNITY PROGRESS

Turning Vacant Spaces into Vibrant Places



Now that you have it, what do you do with it?

*Dan Kildee, President
Center for Community Progress*

October 12, 2011 Cleveland, Ohio

Community Progress Launched in 2010



- **Takes to scale the efforts of the nation's leading organizations and individuals on issues of revitalization and reuse of vacant, abandoned, and underutilized properties.**
- **The mission: to create vibrant communities through the reuse of vacant property in America's cities and towns - to transform the systems that affect how the community development, government, and private development fields repurpose these properties and communities.**
- **Technical Assistance & Capacity Building, Policy & Research, Coalition Building, and Communications.**



Center for Community Progress



- **Located in Washington, DC; Flint, Michigan; New Orleans, Louisiana.**
- **Currently engaged in over 50 cities across the country, including places in Michigan, Ohio, Pennsylvania, New York, Maryland, New Jersey, Tennessee, Georgia, Minnesota, Louisiana, Indiana, Illinois, Delaware. Initial work in Florida, California, Colorado, Alabama, Arkansas.**
- **Strong emphasis on state policy and the role of public leadership to address vacant and abandoned properties as a key to economic recovery.**



The source of the problem can guide the solution



Chronic Abandonment

- Antiquated systems
- Weak economic conditions
- History of population loss
- Obsolete housing stock
- Disconnected systems
- Contagious blight

Housing Crisis

- Predatory products
- Greed
- Market destabilization
- External effects of sales
- Few bankable purchasers
- Deterioration of property

Similarities and differences-
chronic and acute crises: liquidation is the
common characteristic



Ohio land bank act: a huge step forward



- **Formalizes and improves upon the elements developed in Michigan**
- **Takes land bank concept to a higher level**
- **Connects to tax foreclosures process - a key element of successful land banks**
- **Unlocks the acquisition and operations question (to an extent) – the challenge now lies in management and reuse. Now that you have it, what do you do with it?**

Comprehensive vacant property strategy



Requires a change in orientation regarding vacant and abandoned and all urban land

Old thinking:

Nuisance, surplus, annoyance, regulate, enforce, liquidate

Emerging thinking:

Asset, opportunity, investment, real estate

New reality:

Revitalization is essential to neighborhood strength, social equity, the U.S. economy



Comprehensive vacant property strategy (contd.)



- **Community engagement**
- **Ongoing commitment to planning**
- **Tax foreclosure reform**
- **Land Banking**
- **Redevelopment tools (TIF, tax credits, etc)**

All of these strategies are empowered by willingness to take action to address vacant and abandoned property - and to hold title

Land Banks Can....



- **Sell or convey property through locally developed policies that reflect the communities' priorities**
- **Sell through negotiated sales**
- **Convey property for other than monetary consideration**
- **Sell, lease, manage property with terms deemed to be in the interest of the land bank**
- **Land bank financing tools for tax foreclosed and other targeted properties**
- **Code enforcement and nuisance abatement**



Land banks can help rationalize the market

Patience requires management



- **Set realistic expectations**
- **Rely on existing capacity**
- **Engage neighbors and community organizations**
- **Communicate with citizens - *formally***
- **Prioritize maintenance - intentional open space requires less management than a single vacant house or lot**

Genesee County Land Bank



- **Takes title to tax-foreclosed properties across county: 10,000 since 2002**
- **Evaluate property for reuse**
- **Sell land as REAL ESTATE based upon policies and local plans - \$2.5 million in 2010 sales**

How it works:

- *Foreclosed property diverted from auction to Land Bank*
- *Demolition*
- *Rehabilitation*
- *New construction*
- *Greening*
- *Long-term “banking”*
- *Land assembly*
- *Internal subsidy*



Internalizing externalities



MSU Land Policy Institute Study

- *400 tax-foreclosed single family houses diverted from auction - a loss of maybe \$1-2 million*
- *\$3.5 expended for demolition of houses and restoration of remaining lots*
- *\$112 million in increased value restored to surrounding properties*



Example: Brownfield TIF



- Land Bank properties are Brownfield eligible by law
- TIF plan is multi-jurisdictional and cross-collateralized
- Expanded eligible uses includes acquisition costs

How it works:

- *Brownfield bonds issued for thousands of properties*
- *Tax collections are source of repayment*
- *Baseline value is zero*
- *Plan covers multiple jurisdictions*
- *Effect of regional tax redistribution - equity*







2003 8 30



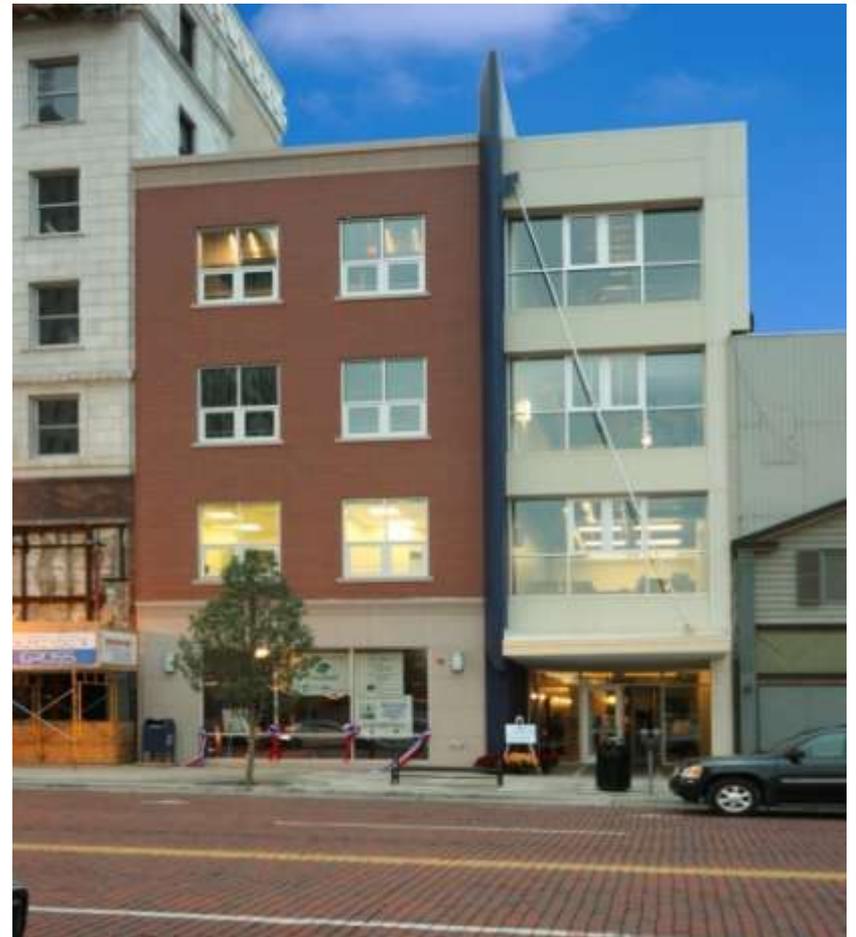




291

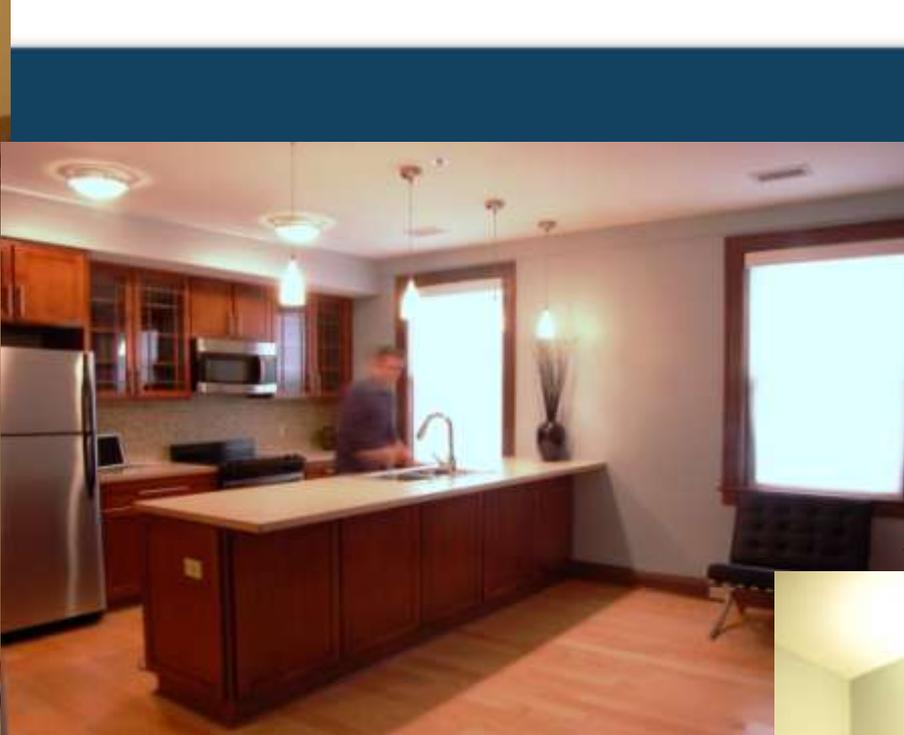


Land Bank Center



Berridge Place



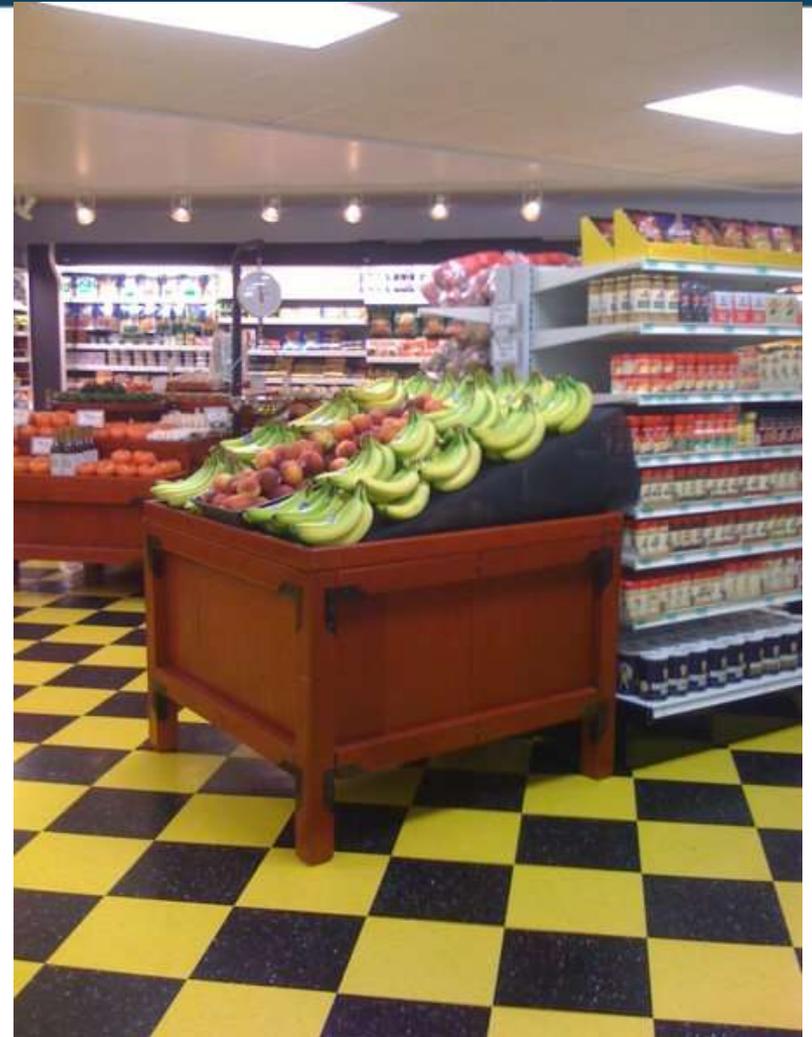


Witherbee's



Witherbee's

(cont'd)



Carriage Town Homeownership



Greening



Greening



Durant Hotel



Durant Hotel



Durant Hotel





Center for
COMMUNITY PROGRESS

Turning Vacant Spaces into Vibrant Places



Center for Community Progress

421 Garland Street • Suite A • Flint, Michigan • 48503

P: 877-542-4842 • F: 810-233-7381

1001 Connecticut Avenue • Suite 1235 • Washington, D.C. • 20036

P: 877-542-4842 • F: 202-223-2120

1050 S. Jefferson Davis Parkway • Suite 231 • New Orleans, LA • 70125

P: 504-236-8333 • F: 504-821-7074

www.communityprogress.net