

GICH RETREAT LBA WORKSHOP

ALBANY, GA

FEBRUARY 21, 2017

FACILITATED BY:

GEORGIA ASSOCIATION OF LAND BANK AUTHORITIES, INC. (GALBA)

CHRISTOPHER NORMAN – PRESIDENT



LAND BANK AUTHORITIES (LBA) IN GEORGIA

- I. “Quick” Land Bank 101
- II. 2012 Georgia Land Bank Act Review
- III. Establishing LBA
- IV. Development Considerations
- V. Programmatic Initiatives
- VI. Questions

“QUICK” LAND BANK 101



Blighted

Distressed

Tax Delinquent

Non-Tax Producing

Foreclosed

Abandoned



















DESIRED PROPERTY OUTCOMES

- Code Compliant Property
- Tax Producing Property
- Occupied Structures
- Maintained Property and Structures
- Shared Community Space
- Vibrant and Safe Communities

WHAT IS A LAND BANK

- Clear Mission
 - Land Banks are public or nonprofit entities created by local governments to acquire, manage, maintain and facilitate the redevelopment of underutilized, vacant blighted, tax delinquent properties.

WHAT IS A LAND BANK

- Tool for converting vacant, abandoned, or distressed property into productive use. This includes residential, commercial, industrial and greenspace purposes.
- Core competency is acquisition and disposition of troubled, surplus, or vacant property.
- Does NOT have eminent domain or taxing authority.
- Steps in where market does not or cannot work due to administrative/legal barriers.

HISTORY OF LAND BANKS

St. Louis	1971
Cleveland	1976
Louisville	1989
Atlanta	1991 (updated 2012)
Genessee	2002
Cuyahoga	2008
New York	2011
Philadelphia	2014

SOME EXISTING GEORGIA LAND BANKS

Jurisdiction	County Population	City Population
Fulton County-Atlanta	949,599	432,427
DeKalb County-Decatur-Lithonia	699,893	19,555
Chatham County-Savannah	271,544	139,491
Muscogee County-Columbus	194,107	194,107
Richmond County-Augusta	192,142	192,142
Bibb County-Macon	156,433	91,856
Clarke County-Athens	117,344	116,084
Lowndes County-Valdosta	111,885	56,019
Whitfield County-Dalton	103,184	33,313
Floyd County-Rome	95,989	36,181
Spalding County-Griffin	64,033	23,628
Thomas County-Thomasville	44,702	18,407

LAND BANK FOCUS

- Broad Usage Categories
 - Residential
 - Commercial
 - Industrial
 - Green space
- Surplus Public Property
- Foreclosed Properties
- Abandoned Properties
- Tax delinquent Properties

Land Banks focus on properties that are underutilized.



DETERMINATION OF NEED FOR LAND BANK



Strat • e • gy

1 a (1) : the science of employing the political, economic, psychological, and military forces of a nation or group of nations to afford the maximum support to adopted policies in peace or war (2) : the science and art of military command exercised to meet the enemy in combat under advantageous conditions

B : a variety of or instance of the use of strategy

2 a : a careful plan or method : a clever stratagem

b : the art of devising or employing plans or stratagems toward a
goal

3 : an adaption or complex of adaptations (as of behavior, metabolism, or structure) that serves or appears to serve an important function in achieving evolutionary success <foraging *strategies* of insects>

Source: Merriam-Webster Dictionary



DETERMINATION OF NEED FOR LAND BANK

- Why?
 - Problem Definition
- What?
 - Solutions and Desired Outcomes
 - Scale
- How?
 - Financial and Operational Capacity
- Who?
 - Leadership

TRIGGERS FOR CREATING A LAND BANK:

- Large inventories of abandoned/vacant property with little market value
- Ineffective tax foreclosure procedures
- Chronic code violations
- Title problems
- Restrictive property disposition requirements

ESTABLISHING A LAND BANK



GEORGIA LAND BANKS: O.C.G.A. § 48-4-60 ET SEQ.(SB 284)

- Independent Tax Exempt Authority
- Independent Board
- Broad Acquisition & Disposition Authority

CREATION AND POWERS

Parties that may create a Georgia Land Bank.....

- I County + participating city located in county
- Multiple counties + participating cities in each county
- I Consolidated government
- Consolidated government/s + county/counties + participating city/cities

CREATION AND POWERS

- *Steps to create a Georgia Land Bank....*
 - Passage of ordinance and IGA
(if consolidated government alone then no IGA)
- Appointment of board members
- Adoption of by-laws and policies and procedures

GOVERNANCE: INTERGOVERNMENTAL AGREEMENT

- Adopted by resolution of one county and at least one city
- Outlines board responsibilities
- Lists land bank powers
- Provides dissolution process

GOVERNANCE: BOARD

- 5-11 member board (odd number)
- Public officers eligible to serve
- Members serve without compensation
- Majority of Board is quorum for conduct of business
- Certain matters require approval of entire board such as disposition of property over 50k

GOVERNANCE: BOARD MEMBERSHIP

- Who should serve?
 - Tax Commissioner?
 - Code Enforcement Officials?
 - Zoning Officials?
 - Elected Officials?
 - Private citizens?

FUNDING CONSIDERATIONS

- City Contribution
- County Contribution
- Bond issues
- Federal funds
- Staffing
- Legal support
- Property maintenance
- Insurance

GEORGIA LAND BANK RESOURCE MANUAL REVIEW

- Released in June 2013—Free How To Manual for Creation of Georgia Land Banks <http://www.communityprogress.net/georgia-land-bank-resource-manual-pages-402.php>
- Sponsored by GALBA, Habitat for Humanity, GMA, ACCG, Enterprise and Center for Community Progress
- Key Appendices
 - Template Intergovernmental Agreement
 - Template Resolution Creating Land Bank
 - Sample administrative policies
 - Sample tax extinguishment resolution

2012 GEORGIA LAND BANK ACT REVIEW



GALBA

- Land banks throughout State created Georgia Association of Land Bank Authorities, Inc. (GALBA) in August 2011
- President – Christopher Norman
- Purpose:
 - To promote and market the concept and utility of land bank authorities to local governments, citizens and other stakeholders in the State of Georgia.
 - To educate interested local governments, citizens and other stakeholders in Georgia regarding the establishment and operation of land bank authorities in their respective communities.
 - To foster and promote the sharing of information amongst land bank authorities in Georgia and throughout the nation.
 - To provide technical assistance to land bank authorities in Georgia
 - To provide and support governmental relations to benefit and foster the mission of land bank authorities in Georgia.

GEORGIA LAND BANK ACT: SB 284

- Introduced Senate Bill 284 in 2012 Georgia Legislative Session for reform of existing 1990 Georgia land bank statute
- Sponsor: Senate - Sen. Tim Golden (R), Valdosta; House - Rep. Alan Powell (R), Hartwell
- Law became effective on July 1, 2012

GEORGIA LAND BANK ACT: SB 284 HIGHLIGHTS

- Acquire property through tax sales, donation, market-purchase
- Contract, invest, borrow money
- Manage, maintain and hold property
- Extinguish delinquent taxes with school board consent
- Dispose of property in accordance with local priorities
- No eminent domain or taxing power
- Competitive Bidding at tax foreclosures sales
- Land Banks to effectively use tax recapture to benefit from its activities and value of its inventory and to become less reliant on government funding

CODE ENFORCEMENT AND LAND BANKING



The Goals for the City of Atlanta



Fix it Up; Pay it Up; Give it Up

- ✓ Fix it Up: Aggressively issue citations for noncompliance.
- ✓ Pay it Up: To the extent that any public funds (direct and indirect) are expended, insist on full payment as secured by a first priority lien
- ✓ Give it Up: In the event of nonpayment, force the transfer to a new responsible owner

DEVELOPMENT CONSIDERATIONS



DO VACANT PROPERTIES AFFECT PROPERTY VALUES?

- A vacant or delinquent property can lower property values within 500 feet by 2.1%
- A vacant and delinquent property can lower property values by 2.7%
- A foreclosed (not delinquent or vacant) can lower property values by 3.9%
- A foreclosed and vacant or delinquent property can lower property values by 6.1%
- A foreclosed, vacant and delinquent property can lower property values by 9.4%

(Source: Stephen Whitaker and Thomas J. Fitzpatrick, IV, *The Impact of Vacant, Tax-Delinquent and Foreclosed Property on Sales Prices of Neighboring Homes*, Federal Reserve Bank of Cleveland)



UNIQUE CHALLENGES FOR REDEVELOPMENT

- Disinvestment has occurred over decades
- Code enforcement cannot keep up
- Crime/drugs, etc., or . . .
- The *image* of crime/drugs, etc.
- The erosion of purchasing power – ownership challenges
- The preponderance of renters
- Shift in composition of purchasers – family vs single
- Aging of population and corresponding needs

PROPERTIES ARE NOT ALWAYS EASILY OBTAINABLE

- Owners cannot be found, or
- Owners can be found but do not have clear title, or
- Owners can be found and they have clear title, but they want to hold on to property
- Neighborhood redevelopment fails when we just get the properties that no one else wants
- The importance of critical mass
- Hard lessons learned the hard way

HOW DO LAND BANKS ACQUIRE PROPERTY?

- Acquire Property through Tax Foreclosures
(Judicial In Rem Tax Foreclosures)
- Acquire Property through Donations
- Acquire Property through Direct Market Purchases
- Acquire Property directly from local government transfers

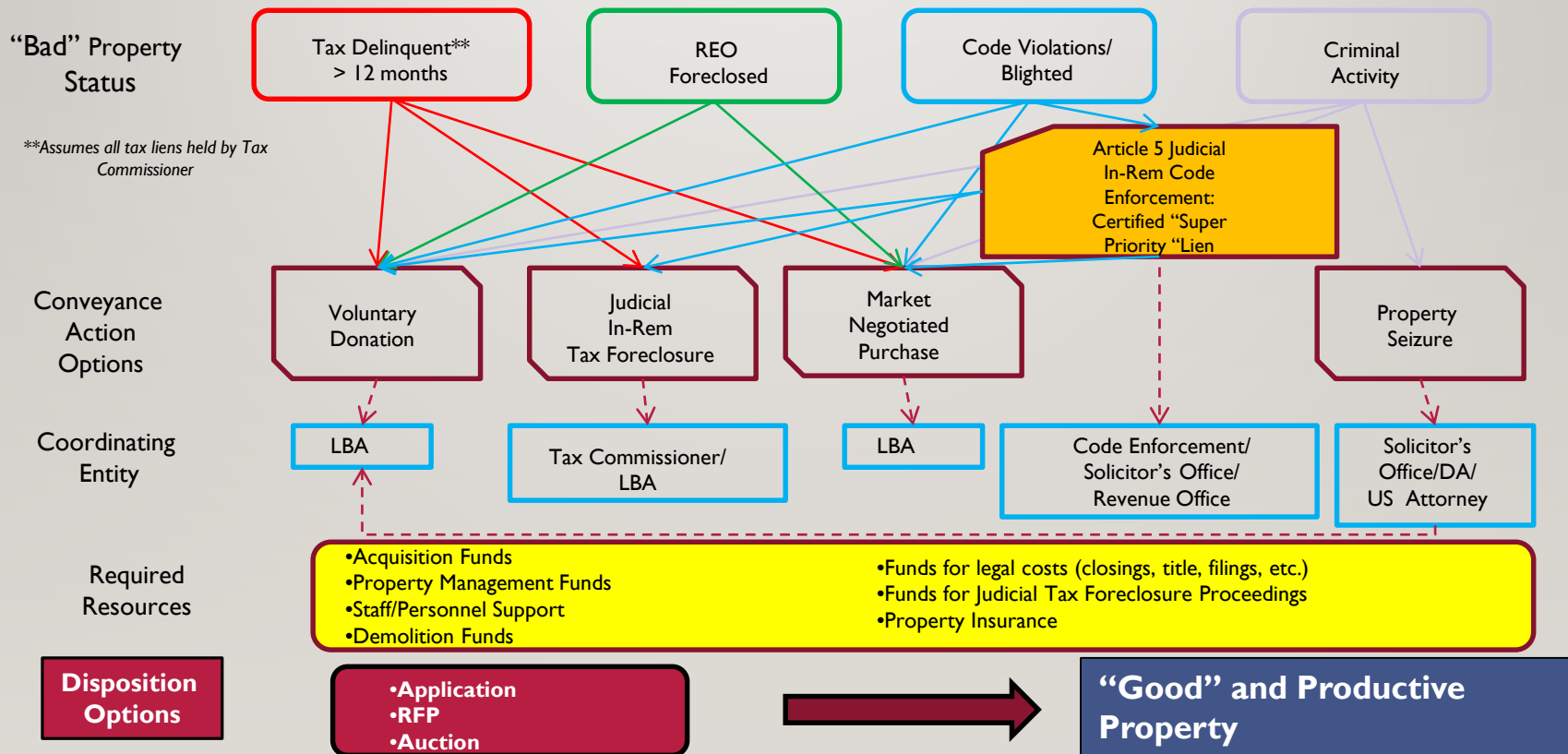
Comprehensive Chronic Distressed Property Strategy

prepared by

Fulton/Atlanta Land Bank Authority, Inc.

(Applicable to Strategic Development Area or City Wide)

As of March 10, 2015



DISPOSITION OF PROPERTY

- Georgia Law requires a public bidding for local government property transfers
- Local government can convey properties to the Land Bank as a governmental transfer without the bidding process
- Land Banks allow for greater flexibility in the terms and conditions of transferring properties to new owners

PRICING FLEXIBILITY

- Land Banks have full discretion in determining the sales price of a property
- Land Banks can sell, trade or otherwise dispose of property on the terms and conditions determined in the sole discretion of the Authority at the local level
- It is very important that there is consistency and transparency in acquisition & disposition of property

LAND BANK PRIORITIES FOR DISPOSITION

- Land Banks may establish a hierarchical ranking of priorities for the use of real property conveyed or the new law includes a list of priorities that will be used if not established, including:
 - Public spaces and places
 - Affordable housing
 - Retail, commercial, and industrial activities
 - Land trusts or other public entities

DEVELOPER REQUIREMENTS

- Developers petition Land Banks for tax abatement and conveyance of a property. A petition requires:
 - Developer Profile (Experience and Capacity)
 - Development Proposal & Plan
 - Development Cost Estimate
 - Financial Ability- Funding Sources for the project
 - Timeline for Development determined by the Land Bank

DEVELOPER RESTRICTIONS

- LBA enters a contract for sale and disposition of the property with the developer
- Developer is allowed a certain time to commence and complete the proposed redevelopment
- Land Bank retains a right of reentry until the redevelopment is completed
- Land Bank liens property for amount of any tax abatement until project is satisfactorily completed

PUBLIC/PRIVATE PARTNERSHIPS

ACORA / 345 ASHWOOD AVE.

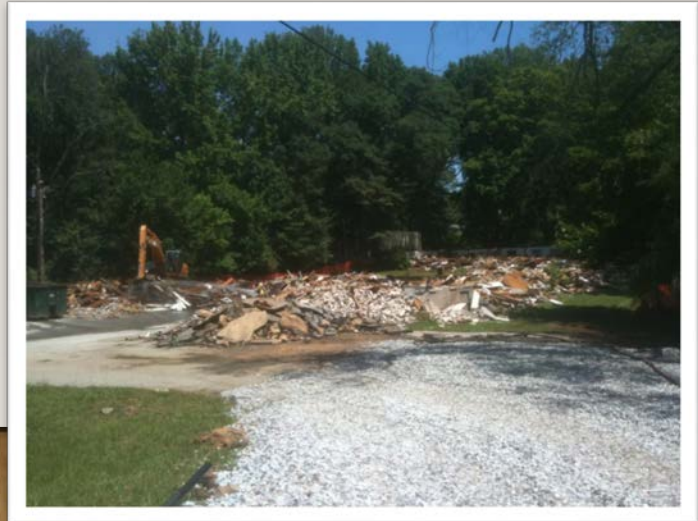
- Purchased foreclosed 28 unit apartment building with ACoRA funds in Dec. 2009
 - Partnering with National Church Residences to produce 48 affordable senior and lower income apartments
 - Property has been demolished and property transferred to NCR



PUBLIC/PRIVATE PARTNERSHIPS

ACORA / 345 ASHWOOD AVE.

- Allowed City of Atlanta Fire Department to conduct training exercises prior to demolition
- Ground breaking for new project held on January 9, 2013



PUBLIC/PRIVATE PARTNERSHIPS

ACORA / 345 ASHWOOD AVE.



PUBLIC/PRIVATE PARTNERSHIPS

ACORA / 345 ASHWOOD AVE. – BETMAR VILLAGE



APPROVED FCCALBA PROGRAMS – FY2017

Program	Role
1. Strategic Place Based Assemblage/Revitalization	Lead and/or Partner/Participant
2. Neighborhood Stabilization Program (NSP)	Partner/Participant
3. Troubled Asset Workouts	Lead
4. Land Banking	Lead
5. Secure Neighborhood Initiative	Partner/Participant
6. Municipal Joint Venture Projects	Partner/Participant
7. Community Land Trusts (Atlanta Land Trust Collaborative)	Partner/Participant

APPROVED FCCALBA PROGRAMS – FY2017

Program	Role
8. National Community Stabilization Trust/Neighborhood Stabilization Initiative	Partner/Participant
9. TransFormation Alliance	Participant
10. Greenspace Assemblage	Lead and/or Partner/Participant
11. Small Building Preservation	Partner/Participant

TOOLS

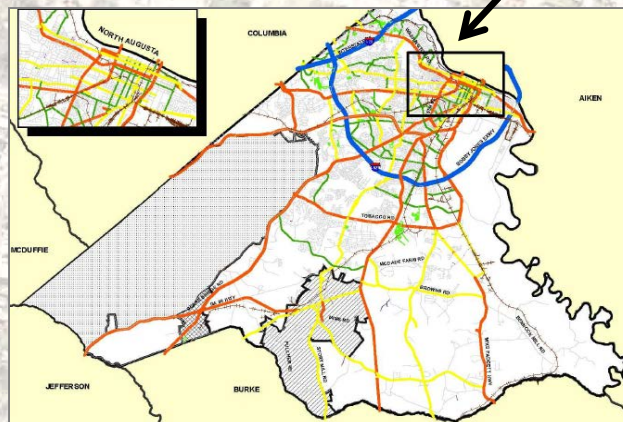


- Demolition
- Deed in Escrow Conveyance (*to be potentially implemented*)
- Development Partner Bids/Partnerships
- Environmental Review
- In Rem Judicial Code Lien (*potential for foreclosure of lien*)
- In Rem Judicial Tax Foreclosure
- Intergovernmental Transfer
- Property Donation
- Property Management
- Property Seizure – US Attorney/District Attorney/City Solicitor
- Quiet Title Action
- Real Estate Acquisition via Market Purchase
- Tax Abatement
- Title Research
- Transaction Structuring

AUGUSTA-RICHMOND LAND BANK

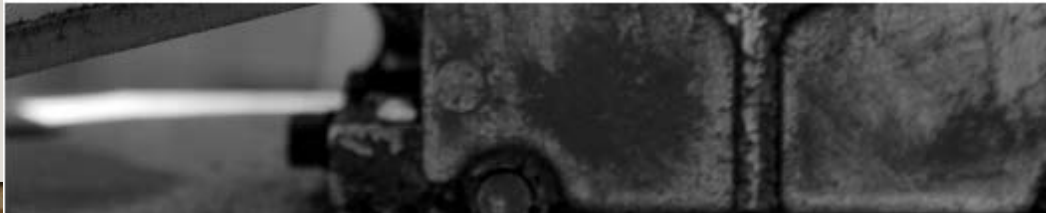


TRANSFORMING A CULTURALLY HISTORIC COMMUNITY: AUGUSTA'S LANEY WALKER/BETHLEHEM





OUR VISION



**TRANSFORM
AUGUSTA'S URBAN
CORE INTO A
MODEL CITY FOR
THE
21ST CENTURY.**

**TURN AROUND
DECADES OF BLIGHT
AND DISINVESTMENT.**

**REGENERATE TWO
HISTORIC AFRICAN
AMERICAN
NEIGHBORHOODS.**



BACKGROUND



Existing Conditions

Laney Walker Neighborhood

- ❖ 33% of housing in poor to dilapidated condition
- ❖ Over 20% of parcels vacant

Bethlehem Neighborhood

- ❖ 70% of housing in poor to dilapidated condition
- ❖ Over 30% of parcels vacant

Area = 1,020 acres (approx.)

Parcels = 3,500 (approx.)

Population = 4,707

COMMUNITY INVOLVEMENT

- ❖ **16-Month Neighborhood Planning Process**
- ❖ **Summary of recommendations:**
 - Eliminate blight
 - New, affordable SF housing for homeownership
 - Rental housing for seniors
 - Rehabilitate vacant houses
 - Create more green space
 - Neighborhood retail and job opportunities
 - Celebrate neighborhood's culture and African-American heritage
- ❖ **Ongoing Dialogue – Quarterly and Annual Meetings**

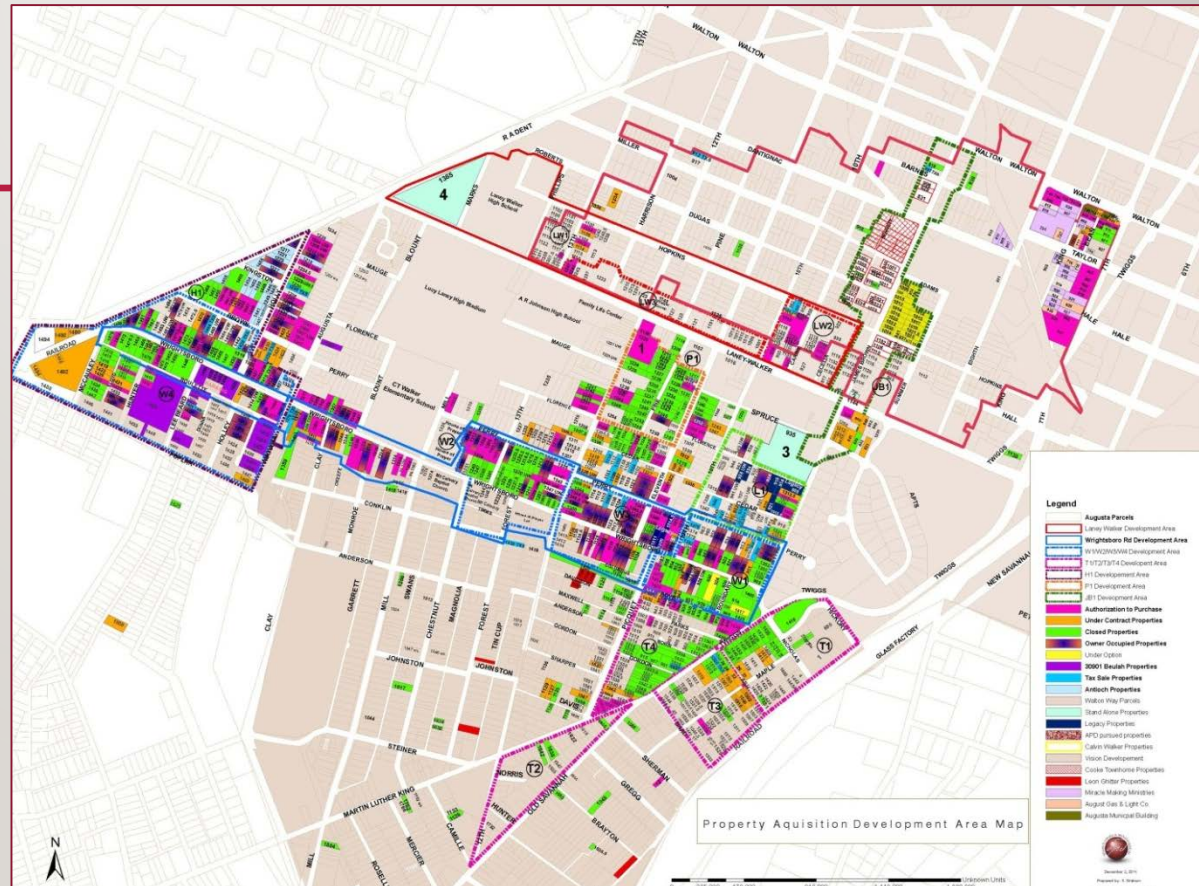




TARGETS AND OBJECTIVES

- ❖ Acquisition of vacant and abandoned property in key development areas
- ❖ Quality construction, infrastructure improvements, social service support, and development incentives
- ❖ Preserve historic and cultural heritage by renovating owner-occupied homes
- ❖ Develop mixed income neighborhoods and attract new home buyers
- ❖ Use public funding to attract private investment to priority developments areas
- ❖ Use redevelopment initiatives to stimulate economic development

- ❖ Over 1,000 property owners contacted
- ❖ Over \$2M in property acquisition
- ❖ Over \$1M under option to purchase or under contract



PINE STREET: BEFORE



HERITAGE PINE: MATERIALS REUSE, RESTORATION, BLIGHT REMOVAL



1218 Pine: Pre-construction



1218 Pine: Demolition



1218 Pine: Rendering



1218 Pine: Post-construction



1218 Pine Street: Construction



1242 Pine: Future home restoration



East Pine Street: Pre-construction



East Pine Street: Proposed Rendering

PINE STREET: TODAY





COMMUNITY OUTREACH AND PARTNERING



PARTNERS

- ❖ Land Bank Authority, Urban Redevelopment Agency, P&Z, other city/county agencies
- ❖ Historic Augusta, Lucy Laney Museum of Black History, Augusta Canal Authority
- ❖ CHDOs, community centers, neighborhood associations, churches and schools
- ❖ Southface Energy Institute

MACON-BIBB LAND BANK

- In 2016, Macon-Bibb County set aside \$10 million to tackle blight
- Each of the nine districts will receive \$1 million
- The Land Bank will acquire the targeted properties
- The goal is to serve as the catalyst for development in the targeted areas
- This program is in very early stages

QUESTIONS



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