New York State Land Banks
Benefits, Impacts and Best Practices

From Blight to Bright

Reclaiming Your Neighborhood

Friday, November 1, 2019

ALBANY COUNTY
LAND BANK CORPORATION

What is a Land Bank?

Land banks are nonprofit entities that work in collaboration with community members and local government to revitalize neighborhoods by returning vacant, abandoned or tax foreclosed properties back to productive use

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Land banks can function as a platform that brings together multiple partners to facilitate community revitalization and create new opportunities!

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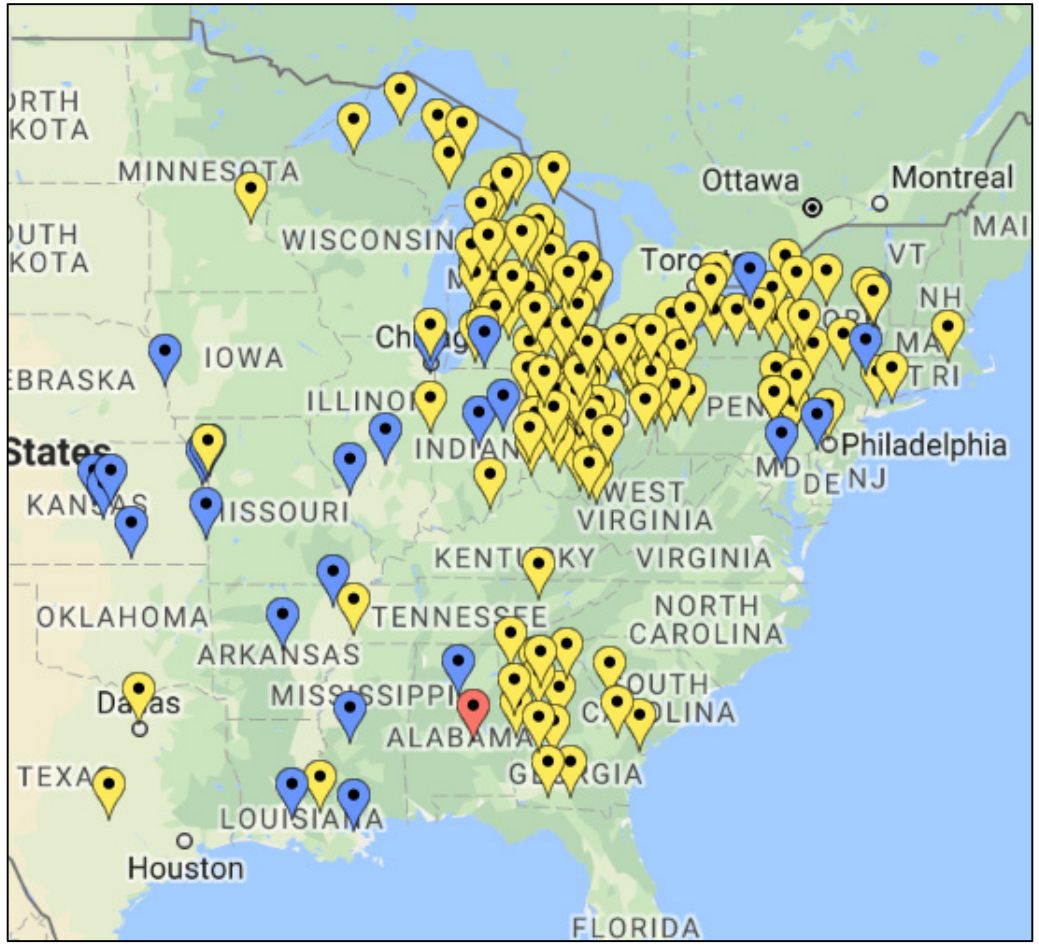
Land Banks in the United States

170+ land banks in the U.S.

70% established since 2008

80% founded through state enabling legislation

Georgia, Michigan, New York, and Ohio are the states with the most land banks



Land Bank Information Headquarters:
http://www.communityprogress.net/land-bank-headquarters-pages-446.php

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Core Blight Factors in New York State: **2008 Foreclosure Crisis**

- Housing markets collapsed due to the actions of misconduct by financial institutions
- Devastating to communities across the US, resulting in abandoned properties, homeless families, and blighted communities
- New York hit particularly hard: by 2009 foreclosure filings increased by 78%
- 18 counties had foreclosure rates greater than 1% and four had a rate more than 2% by mid-2014
- In 2017 New York's foreclosure auctions were at an 11-year high, counter to 11-year low nationwide (now improving)
- Upstate New York's economic recovery has been among the weakest of any region in the country – some areas have yet to recover from the recession at all

Sources: Empire Center; NYS Comptroller's Office; attomdata report

State Comptroller Says Despite Improvements, Foreclosure Crisis Not Over in New York State

Real Estate In-Depth | March 2019

Source: Real Estate In-Depth

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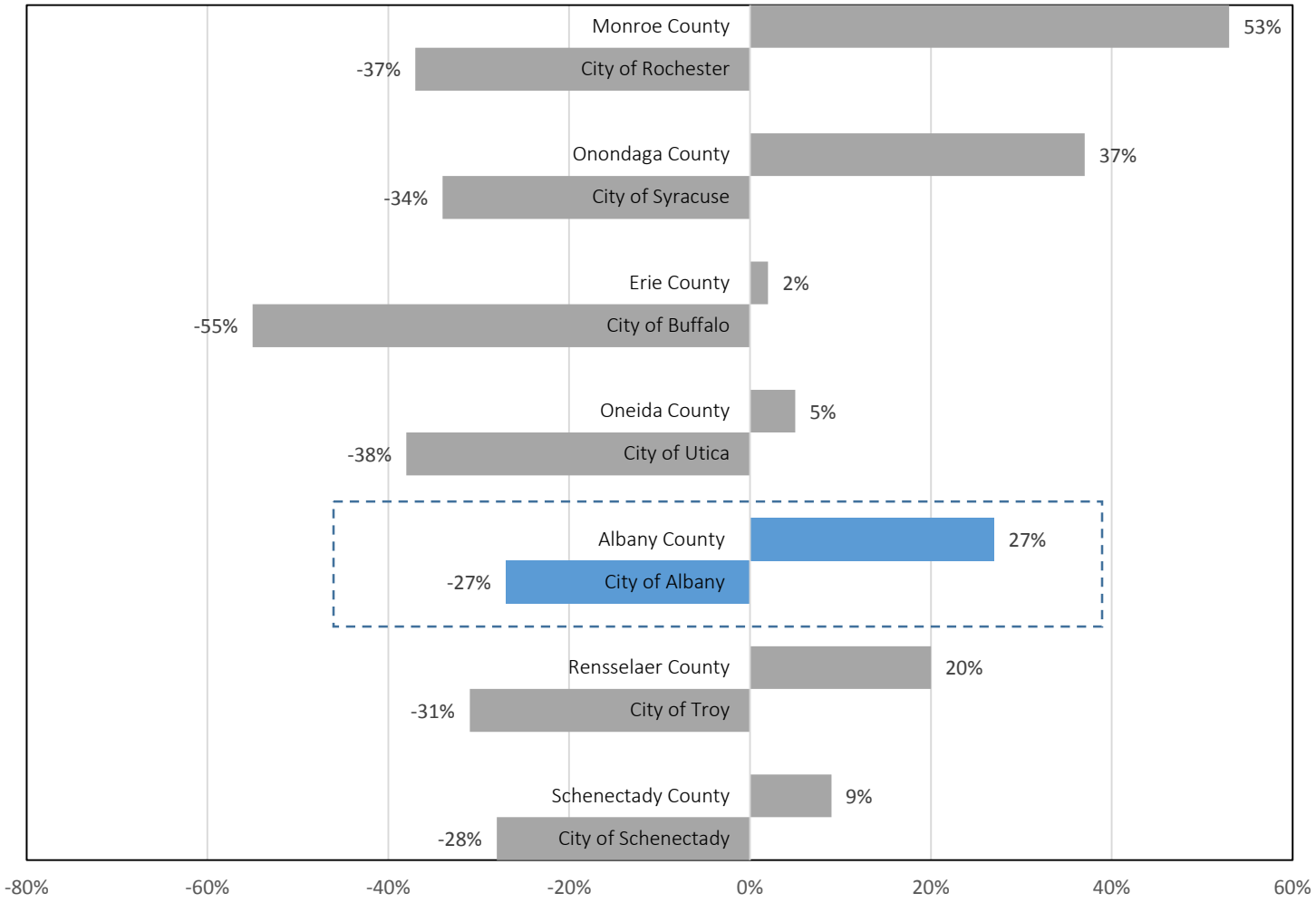
Core Blight Factors in New York State: **Urban Migration**

- Significant population losses from urban centers lead to housing oversupply
- Imbalance of housing supply and demand resulted in weak housing markets
- Legal, operational, financial, enforcement and other constraints limit effectiveness of local governments to address issue
- <u>Decades of inequitable polices and practices created cycle of disinvestment which was exacerbated by the foreclosure crisis</u>

Percent Change in Population Upstate New York Counties/Cities 1950-2010



Source: New York State Land Banks 2017 Report

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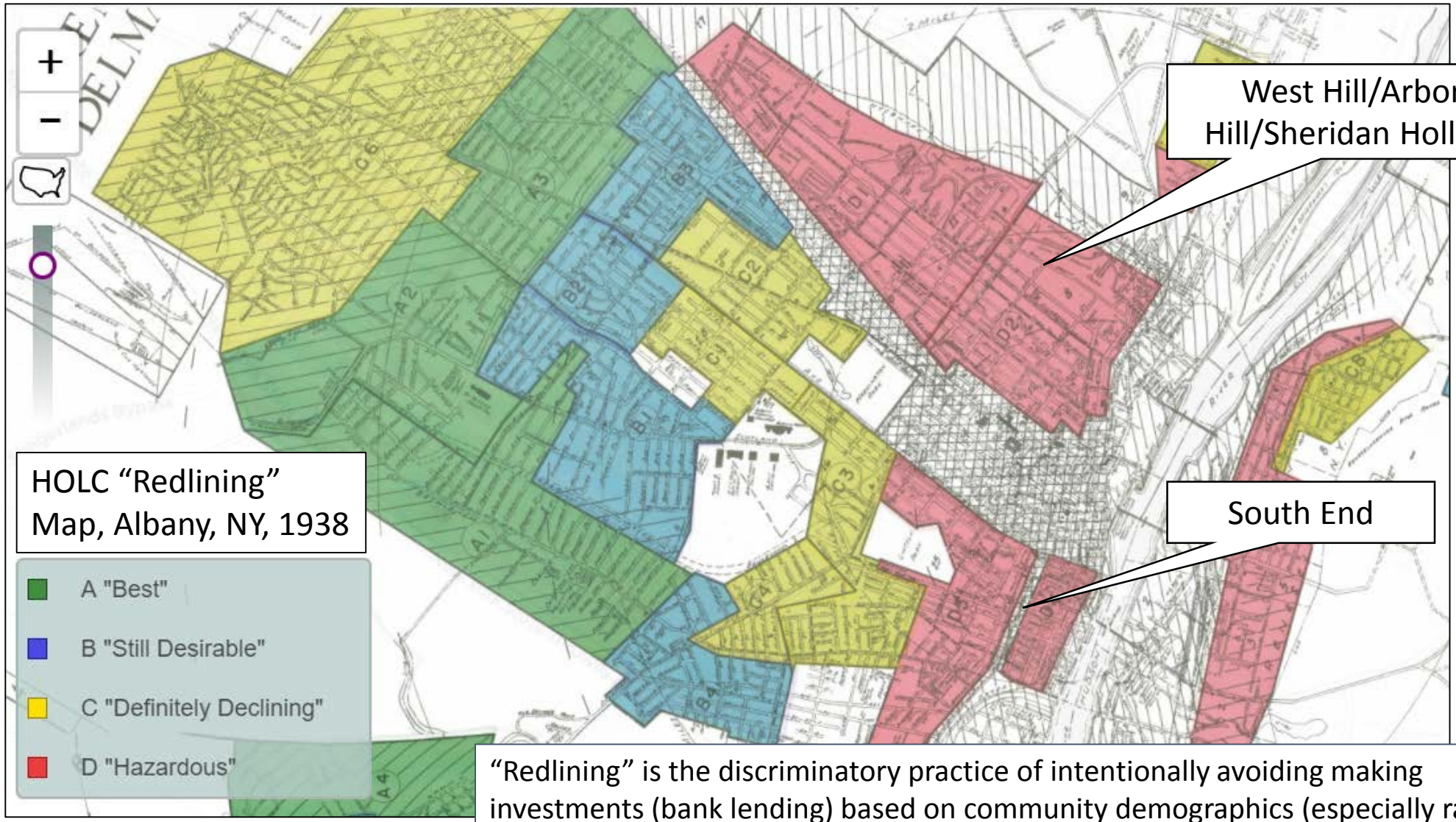
Core Blight Factors in New York State: **Discriminatory Practices**



"Redlining" is the discriminatory practice of intentionally avoiding making investments (bank lending) based on community demographics (especially race)

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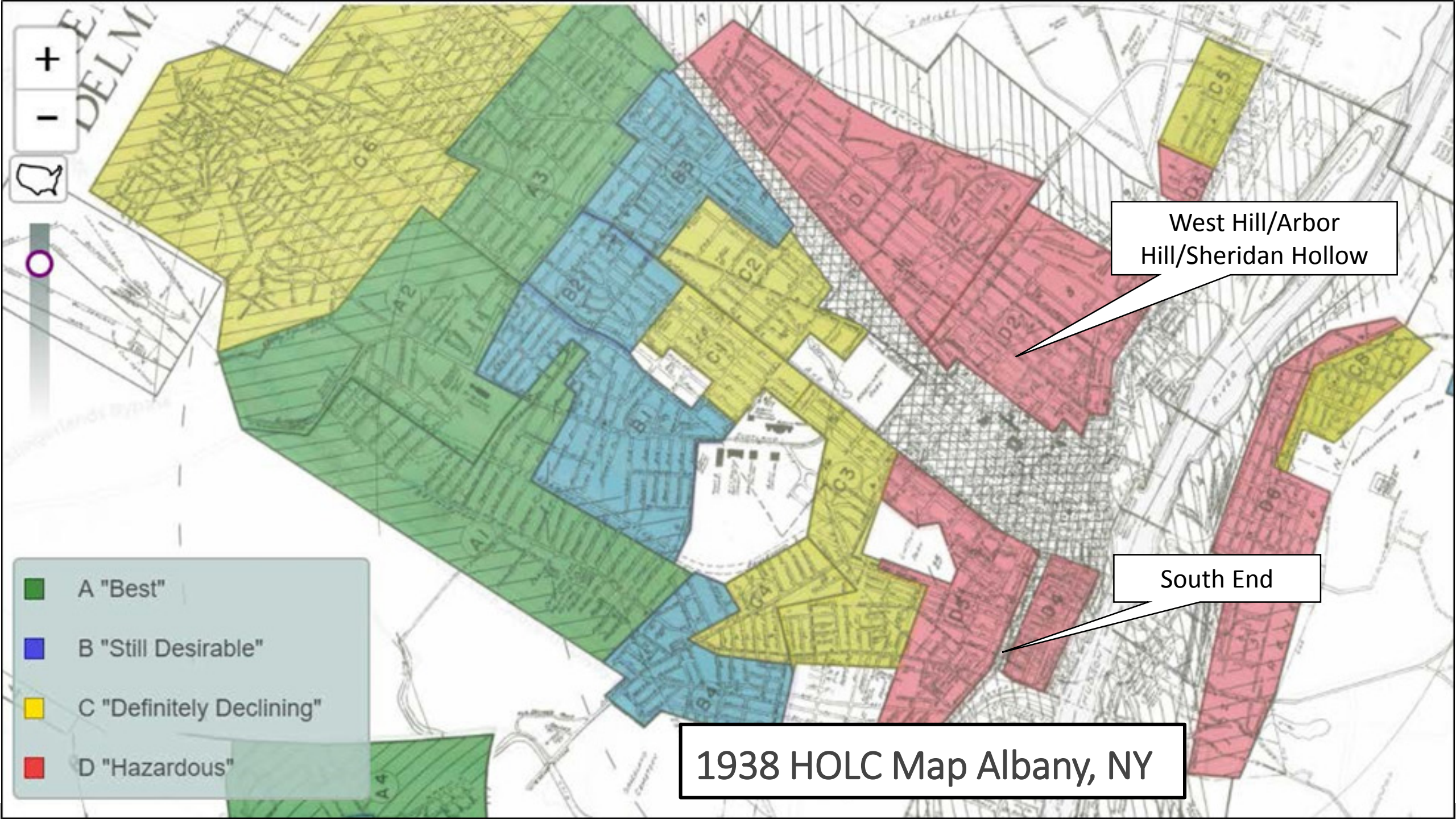
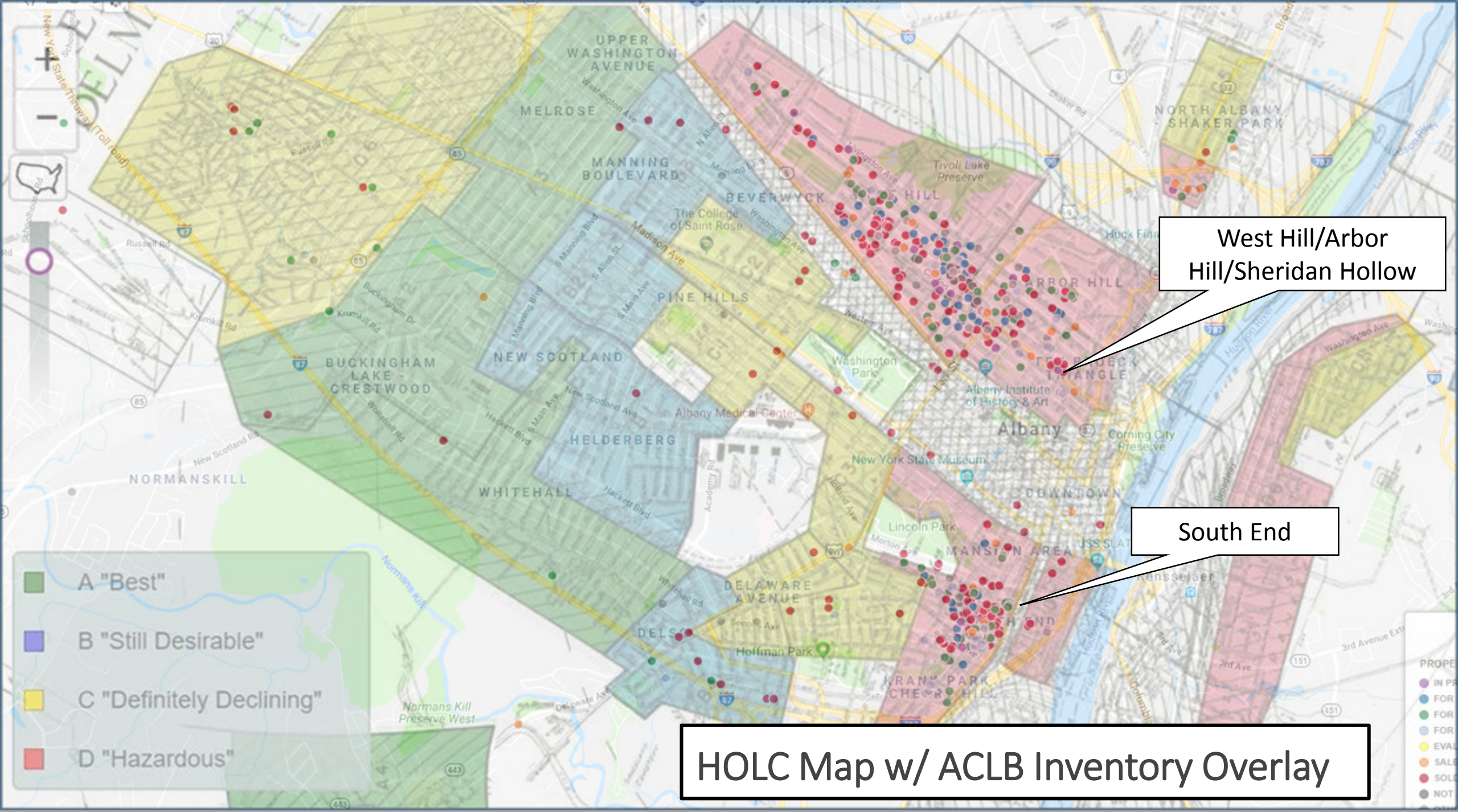
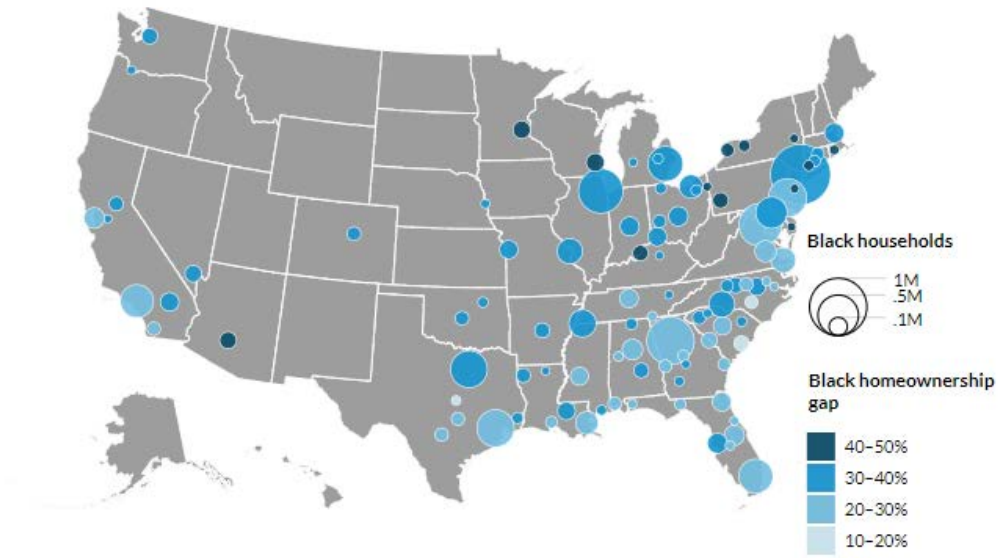
Source: https://dsl.richmond.edu/panorama/redlining/#loc=4/36.71/-96.93&opacity=0.8


West Hill/Arbor Hill/Sheridan Hollow
South End
A "Best"
B "Still Desirable"
C "Definitely Declining"
D "Hazardous"
1938 HOLC Map Albany, NY



HOLC Map w/ ACLB Inventory Overlay

Lasting legacy of inequitable practices and policies



No city has closed the gap

Widest and Smallest Homeownership Gaps

	White homeownership rate	Black homeownership rate	Homeownership gap
Widest gaps			
1. Minneapolis, MN	74.8%	24.8%	50.0%
2. Albany, NY	68.9%	20.1%	48.8%
3. Buffalo, NY	73.4%	28.9%	44.5%
4. Salisbury, MD	81.2%	38.0%	43.2%
5. Bridgeport, CT	76.5%	34.1%	42.3%
Smallest gaps			
1. Killeen, TX	63.0%	48.5%	14.5%
2. Fayetteville, NC	62.8%	45.4%	17.4%
3. Charleston, SC	71.6%	53.5%	18.1%
4. Austin, TX	64.2%	42.7%	21.5%
5. Augusta, GA	75.1%	53.4%	21.7%

Source: American Community Survey.

Study Source: The Urban Institute

Recent study of homeownership levels for the 100 American cities with the largest number of black households showed that Albany, NY had the second largest gap between white and black homeownership rates

Albany County/Upstate New York Legacy Cities

- **An estimated 15% of parcels in the City of Albany are "vacant" (lots + buildings)**
- Albany has a significant number of vacant buildings per capita as it relates to peer upstate cities
- Vacant property in Albany is concentrated in the city's most economically distressed neighborhoods, exacerbating the impacts and challenge
- Quality of life/economic vibrancy: there exists a relationship between the health of blocks to neighborhoods, neighborhoods to cities, cities to counties and counties to state
- Vacant properties located in every municipality in Albany County
- "Weakest link in the chain" – indirect disparity/inequity

Map of Land Bank acquisitions in City of Albany
Effects of Redlining practices still prevalent today

City	Approximate Pop.	Approx. Vacant Buildings	People per Vacant Building
Rochester	208,000	2,200	94
Albany	**98,000**	**1,050**	**93**
Syracuse	143,000	1,489	96
Buffalo	225,000	10,000	26

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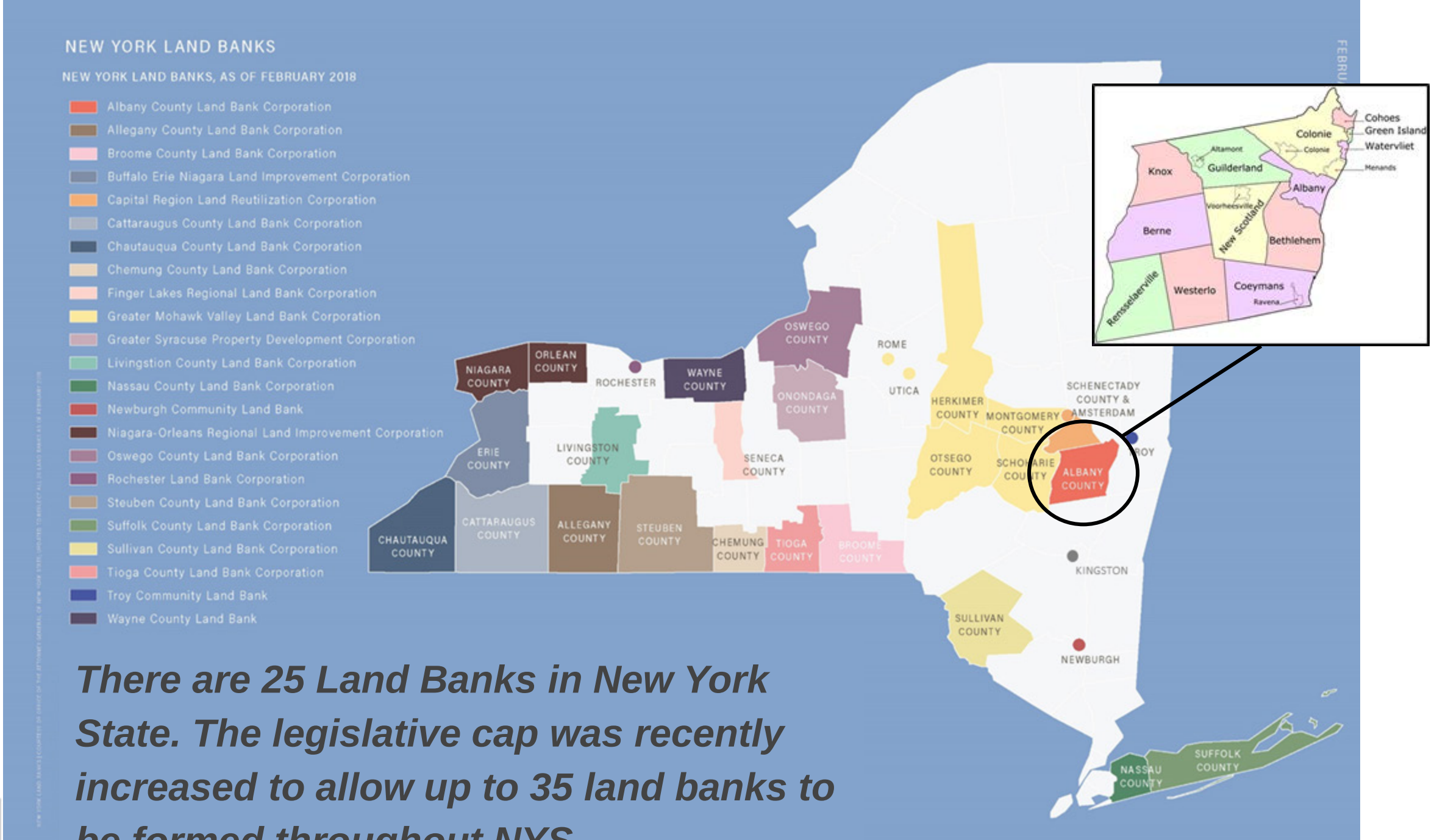
New York State Land Banks

- Enabled under Article 16 of the New York State Not-for-Profit Corporation Law (2011 Land Bank Act)
- Not-for-profit corporations and local public authorities with the power to design, develop, construct, demolish, reconstruct, rehabilitate, renovate, relocate and otherwise improve real property or rights or real property rights
- Real property, income and operations are exempt from all taxation as well as special ad valorem levies, special assessments, user charges, sewer rent and all related filing fees, etc.
- Designed to create a nimble, accountable, and locally based approach to returning problem properties to productive use

Land banks are an inclusive, equitable and transparent method of responsibly reclaiming vacant properties

FIVE KEY POWERS OF NYS LAND BANKS

1. Obtain property at low or no cost through the tax foreclosure process
2. Exercise “super bid” authority at tax foreclosure auctions
3. Hold land tax-free
4. Lease properties
5. Negotiate sales based not solely on the highest bid but also on outcome(s) aligned with community needs



There are 25 Land Banks in New York State. The legislative cap was recently increased to allow up to 35 land banks to be formed throughout NYS

NEW YORK LAND BANK MOVEMENT

EST.	LAND BANK
2012	1. Capital Region Land Bank 2. Buffalo, Erie, Niagara Land Improvement Corporation 3. Chautauqua County Land Bank 4. Newburgh Community Land Bank 5. Greater Syracuse Land Bank
2013	6. Suffolk County Land Bank 7. Broome County Land Bank 8. Rochester Land Bank Corporation
2014	9. Albany County Land Bank 10. Troy Community Land Bank
2015	11. Finger Lakes Regional Land Bank (Seneca County)
2016	12. Oswego County Land Bank 13. Nassau County Land Bank 14. Allegany County Land Bank 15. Cattaraugus County Land Bank 16. Chemung County Land Bank 17. Steuben County Land Bank 18. Greater Mohawk Valley Land Bank 19. Sullivan County Land Bank
2017	20. Tioga County 21. Livingston County 22. Niagara Orleans County 23. Wayne County
2018	24. Kingston 25. Ogdensburg

Key Features of a Land Bank

Land banks typically deal with large inventories of vacant and abandoned properties with:

- Little to no market value
- Delinquent taxes in excess of fair market value
- Title problems
- Speculation and uncertainty inherent in the auction sale of tax-foreclosed properties

Core aspects of the most effective land banks:

- ✓ Connected to the tax-foreclosure system
- ✓ Receive a diverse mixture of properties/serve diverse real estate markets
- ✓ Policy driven, clear and consistent policies and processes
- ✓ Community engagement and outreach
- Adequate and reliable funding

Sample interior of a property acquired from Albany County

What Can a Land Bank Do?

- Sell or convey property through locally developed policies that reflect the community's 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
- Utilize land bank financing tools for tax foreclosed and other targeted properties
- Support local planning decisions by adhering to local priorities as to use and transferee of land bank owned properties

Sample Land Bank Programs

- Real Estate Sales
- Real Estate Development and Rehabilitation
- Land assembly for development
- Property improvements/Demolition/rehabilitation
- Property maintenance
- Rental management
- Land use planning
- Economic development

What Can't a Land Bank Do?

- Levy taxes/eliminate taxes
- Enforce codes or laws, enter property it doesn't own
- Absorb more liabilities than we can afford
- Change or circumvent zoning or local laws
- Solve for every vacant property
- Only work with one category of buyers

Not the same as a Land Trust!

Land bank/Land Trust joint vacant lot clean up

The Answer

SHELTERFORCE

Q: Is a land bank the same thing as a land trust?

A: No!! They are totally different, though complementary, tools.

MUNICIPAL LAND BANKS		COMMUNITY LAND TRUSTS
Return vacant, abandoned, and tax foreclosed property to productive use efficiently and strategically, while reducing the harm of vacant properties.	PURPOSE	Enable community control over land and create community assets, including permanently affordable housing.
Quasi-governmental authorities.	STRUCTURE	Membership-based nonprofits, usually, sometimes municipally-created.
Using a range of special powers, such as ability to acquire and hold property tax free, clear title and back taxes, and dispose of property intentionally, not just to the highest bidder. They may, for example, demolish obsolete structures; remediate soil; give side lots to neighboring owners, donate land to nonprofits, or assemble properties for larger developers.	HOW DO THEY DO IT?	CLTs retain ownership of land, sell the structures on it, and offer long-term ground leases to those structures' owners. To create permanently affordable homeowner-ship CLTs sell houses with a resale price restriction. CLTs also develop and maintain affordable rental housing, commercial spaces, gardens, and community facilities.
No, a land bank typically does not maintain any long-term interest in or restrictions on land it sells.	DO THEY STAY INVOLVED WITH THE PROPERTIES?	Yes, a CLT holds land in "trust" and uses its ownership to keep an eye on how it is used, its condition, and its affordability.
Land banks are more common or more active in weaker or mixed markets where there is more vacancy.	MARKETS	Land trusts operate in all markets, though they are best known for their goal of preventing displacement in appreciating markets.

BONUS QUESTION:

Can they work together? Yes!

Land banks are in need of ways to dispose of land that will help the community and keep it out of the speculative cycle so it is less likely to end up vacant again. Land trusts are often looking for either land to develop on or buildings to bring into their portfolio. Land out, land in.

The Answer is for you to use. Please distribute freely for non-commercial purposes as long as *Shelterforce*'s credit remains on it and you write to us about how you used it at **theanswer@nhi.org**. You can also download a PDF to print at **www.nhi.org/go/theanswer**. What do you find yourself explaining over and over? Send suggestions for The Answer to **theanswer@nhi.org**.

IMAGE CREDITS FOR "HOW DO THEY DO IT?" ARE © ISTOCKPHOTO/STUDIOGSTOCK (L) AND © ISTOCKPHOTO/SI GAL (R).

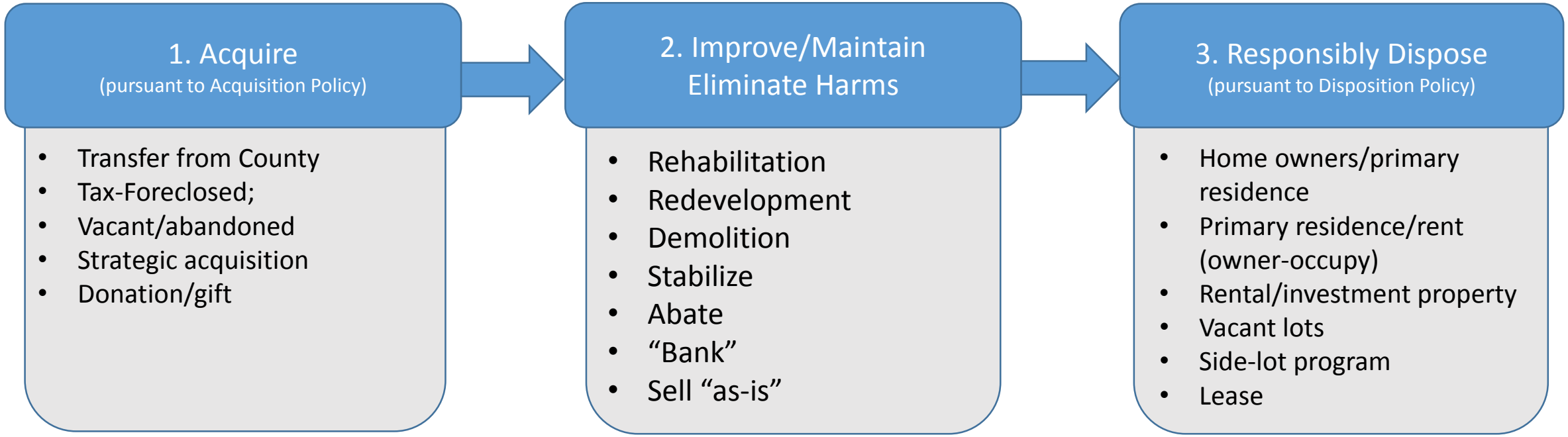
CC BY NC SA

Source: Shelterforce

The Role of a Land Bank (NYS)

CHARACTERISTICS	GOVERNMENT	LAND BANK	PRIVATE SECTOR (REAL ESTATE SALES)
Entity type	*Political subdivision of NYS/government jurisdiction*	***Not-for-Profit Corporation***	*For profit business*
Funding	*Taxes*	***Local government Grants Sales revenue***	*Private (banks)*
Property sale outcomes	*Maximum revenue Highest bidder (via auction)*	***Best value (outcome + revenue)***	*Maximum revenue*
Sales Process	*Per govt disposition plans (typically auction)*	***Transparent, consistent, equitable and inclusive***	*Market*
Opportunity for municipal or community input?	*Some*	***Yes***	*No*
Buyer and proposal vetting	*Minimal*	***Thorough***	*Minimal (mortgage approval)*
Property redevelopment enforcement mechanisms	*Typically None*	***Redevelopment agreement (enforcement mortgage); deed restrictions; reverters***	*Mortgage*

Typical Land Bank Process



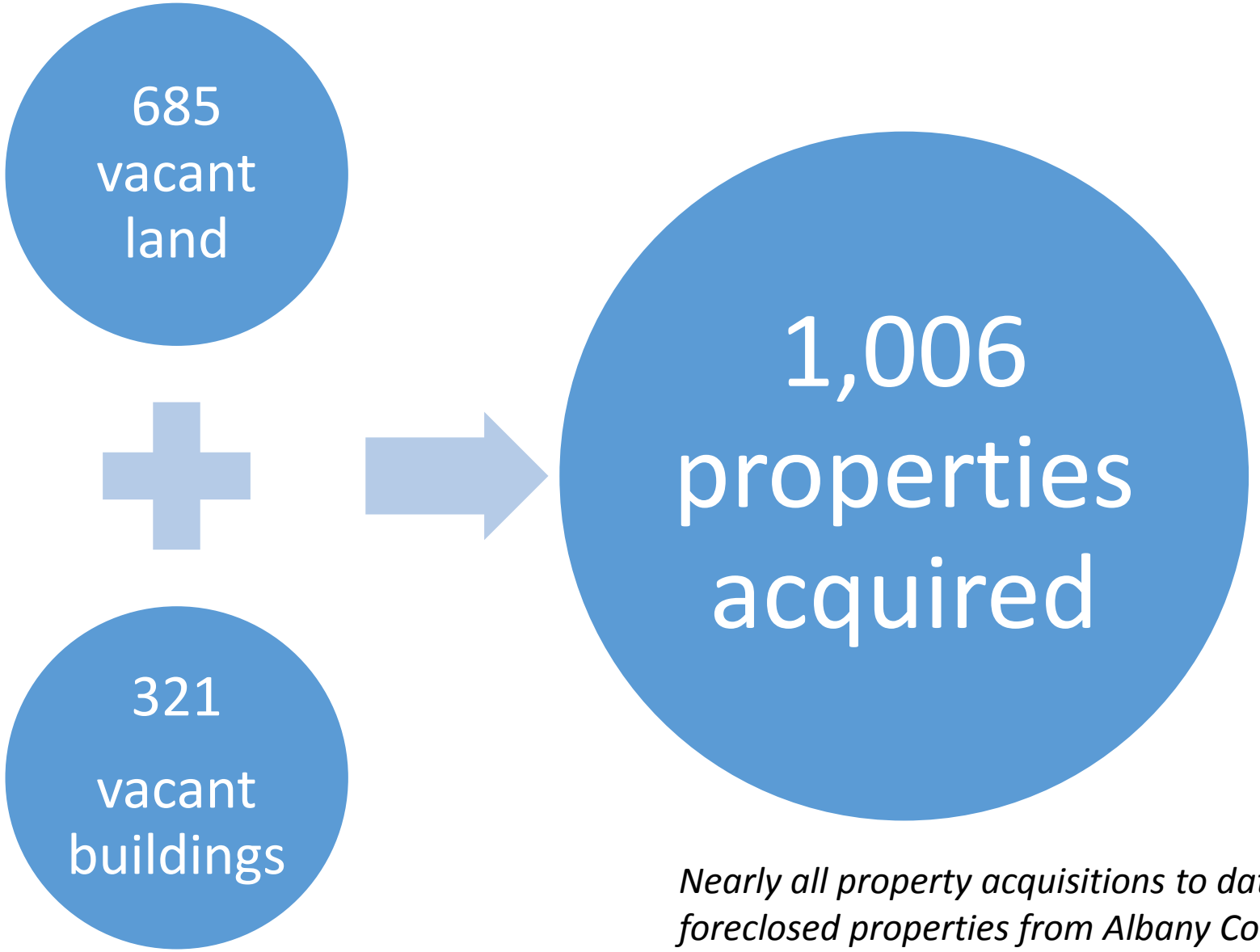
Land Banks typically employ a straightforward approach to a very complex challenge

Types of Vacant Properties

Tax Foreclosed Properties	"Zombie" Properties	"Ghost" Properties
• Foreclosed by Albany County • Conveyed to Land Bank	• Foreclosed/owned by bank (REO) • Taxes typically being paid	• Privately owned • Taxes typically being paid

Vacant (Land Bank)	Vacant ("Zombie")	Occupied (Private)	Occupied (Private)	Vacant ("Ghost")

For illustrative purposes only



Nearly all property acquisitions to date are tax-foreclosed properties from Albany County

As of Nov 2019

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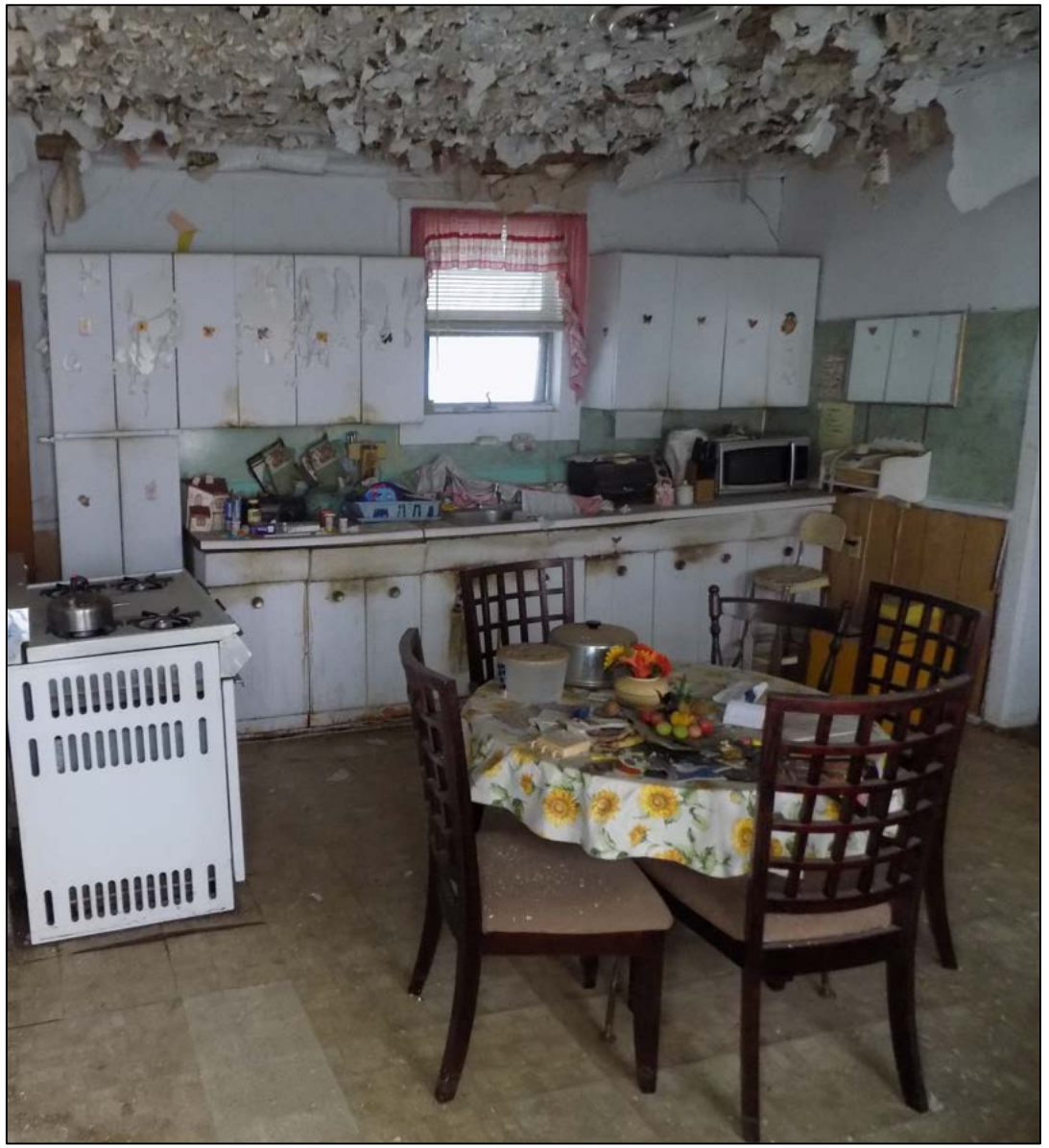

Sample acquisitions

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Reclaiming vacant lots presents a significant challenge

Sample acquisitions

ALBANY COUNTY
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Sample acquisitions

ALBANY COUNTY
LAND BANK CORPORATION

Sample acquisitions

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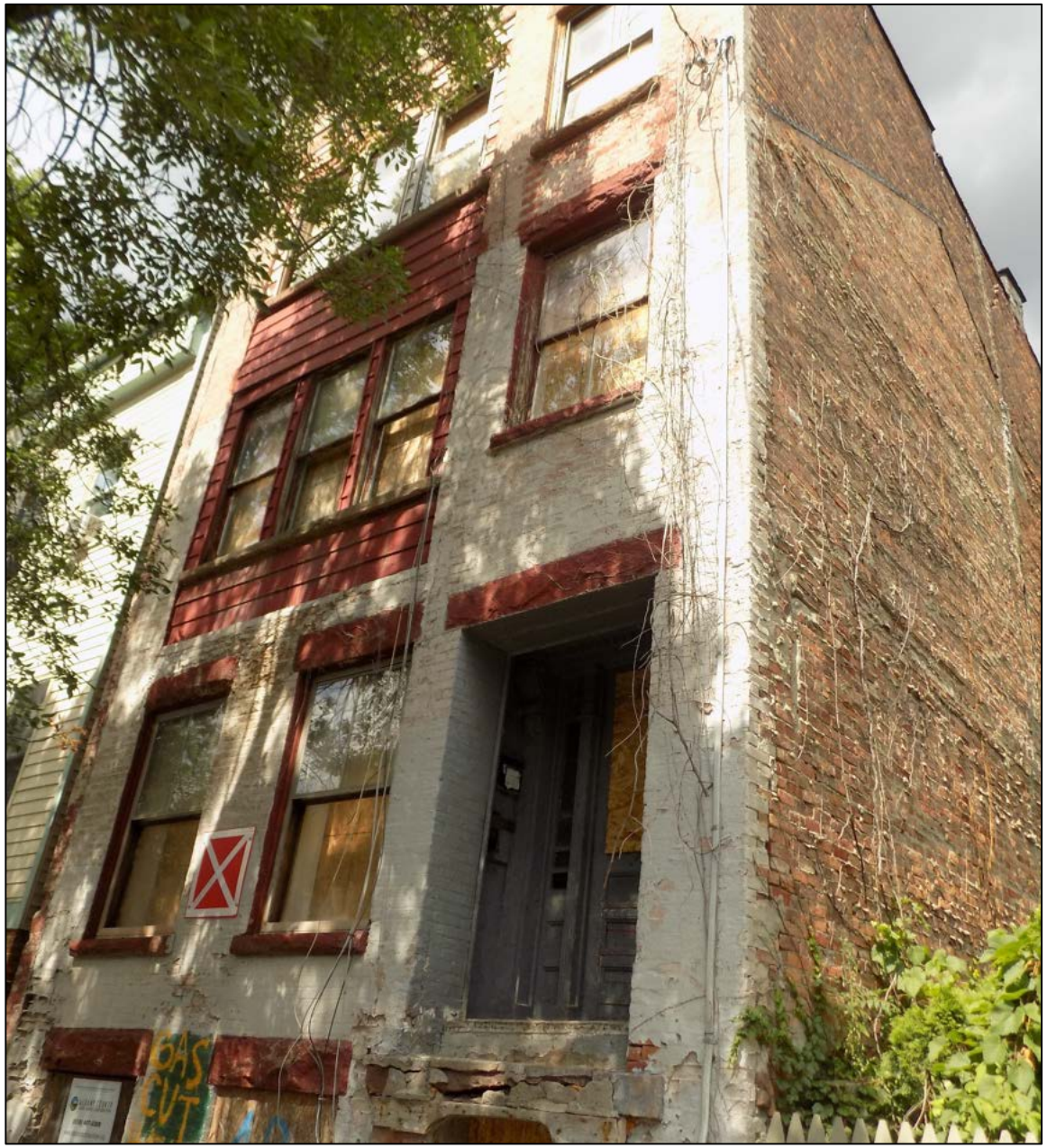

Sample acquisitions

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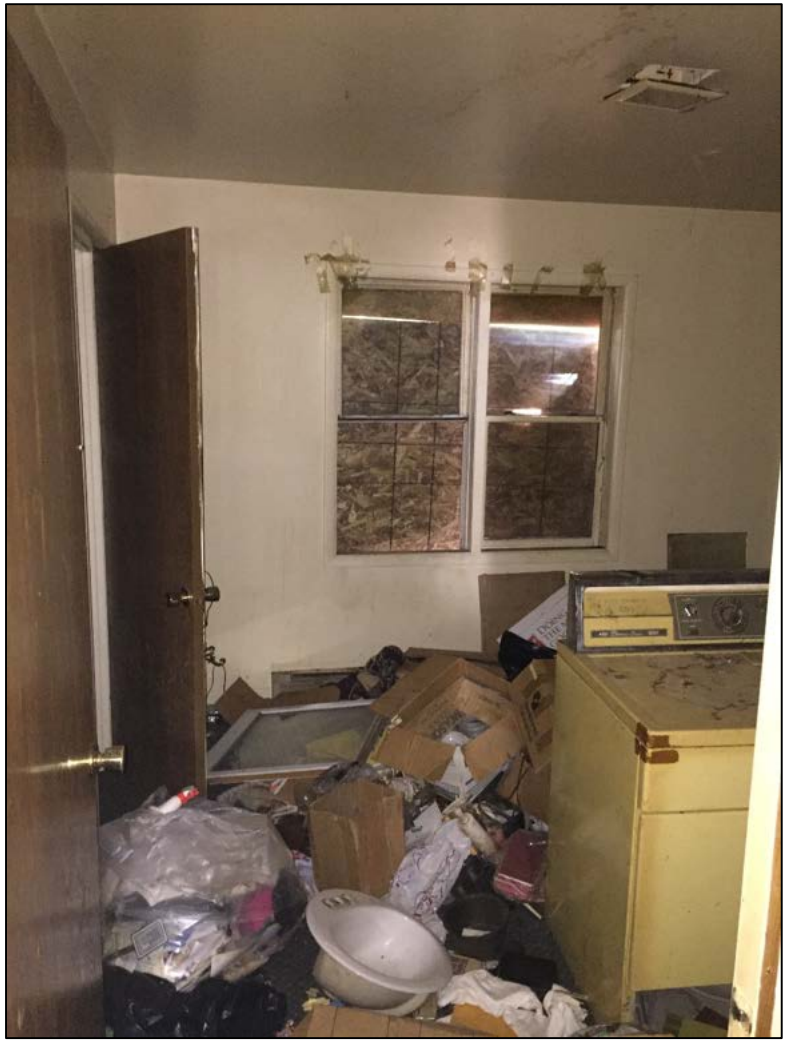

Typical interiors

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TYPICAL INTERIORS

ALBANY COUNTY
LAND BANK CORPORATION

TYPICAL INTERIORS

Clean Outs

ALBANY COUNTY
LAND BANK CORPORATION

STATE OF NEW YORK
EXCELSIOR
ATTORNEY GENERAL

SEAL OF THE COUNTY OF ALBANY
1683

THE SEAL OF THE CITY OF ALBANY
ASSIDUITY

RADIX
ECOLOGICAL SUSTAINABILITY CENTER

Habitat
for Humanity®
Capital Region

National Community
Stabilization Trust

Enterprise®

AHP
Homeownership
Center
Serving New York's Capital Region

CAPITAL
ROOTS
GROW • EDUCATE • PROVIDE

Center for
COMMUNITY
PROGRESS
Vacant Spaces into Vibrant

YOUTH

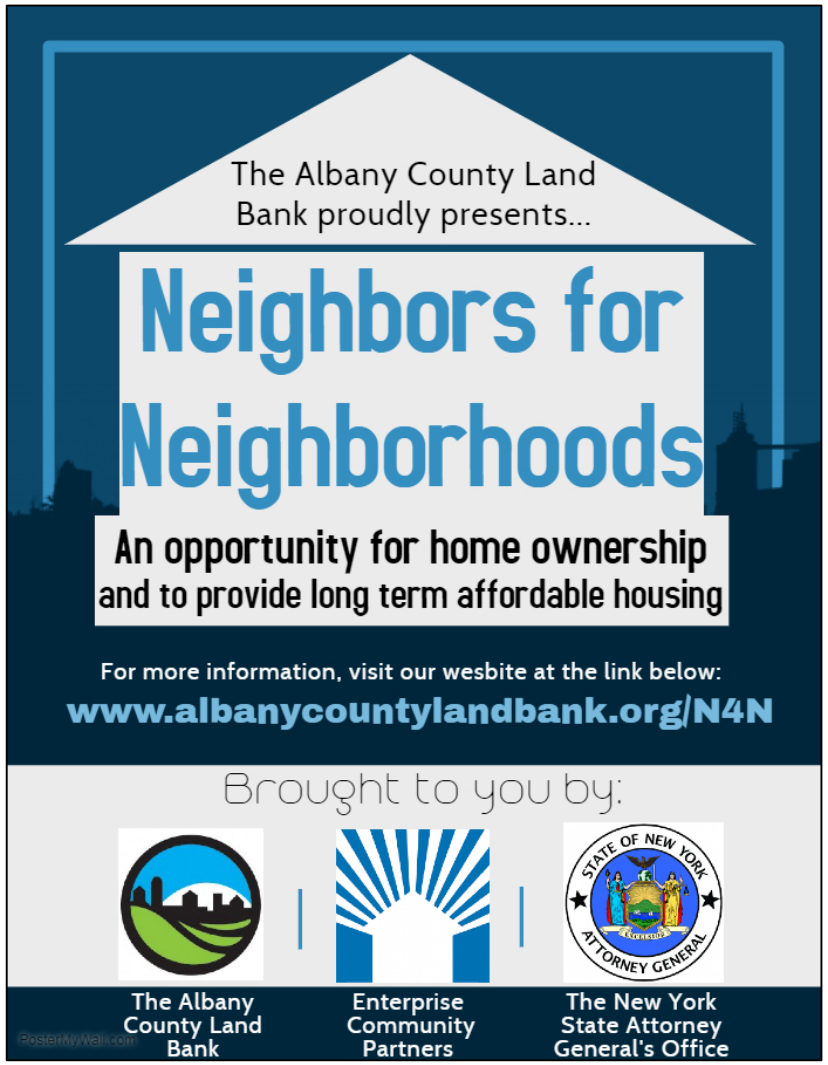
AMERICORPS
A

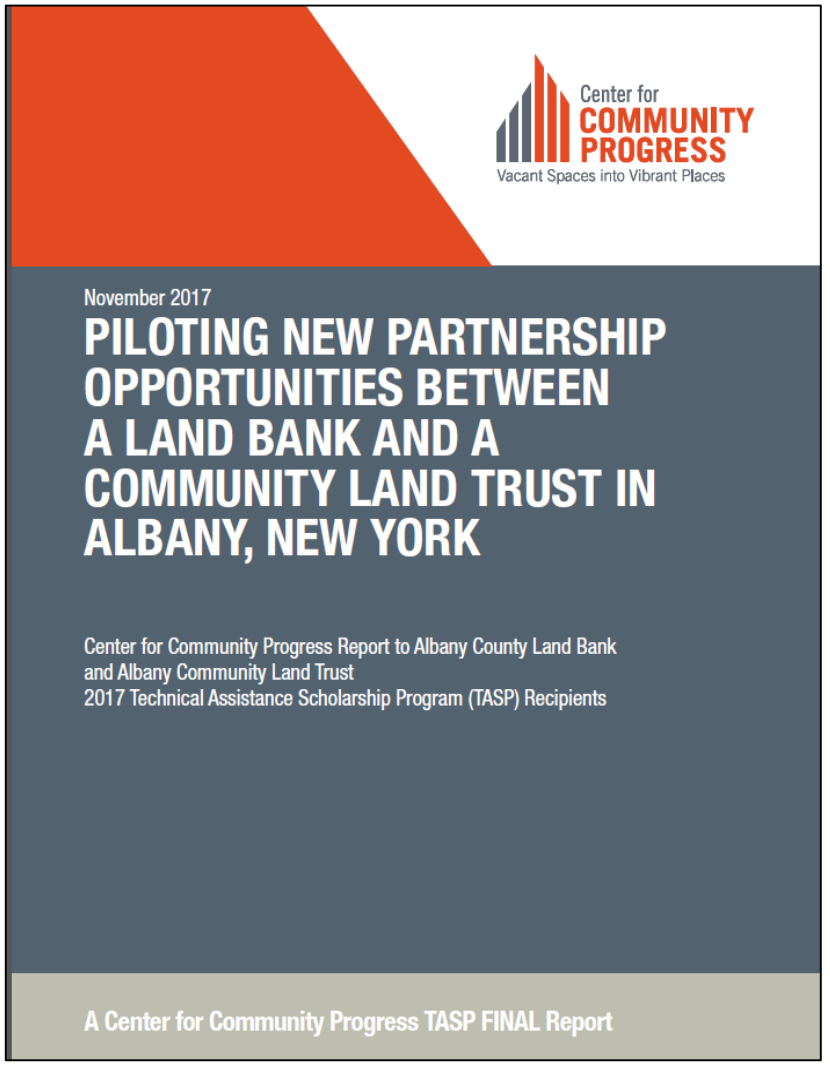
LISC
Helping neighbors
build communities

Individual Ownership on Community Land
LAND BANK CORPORATION

ALBANY COMMUNITY
LAND TRUST

Sample ACLB engagement initiatives





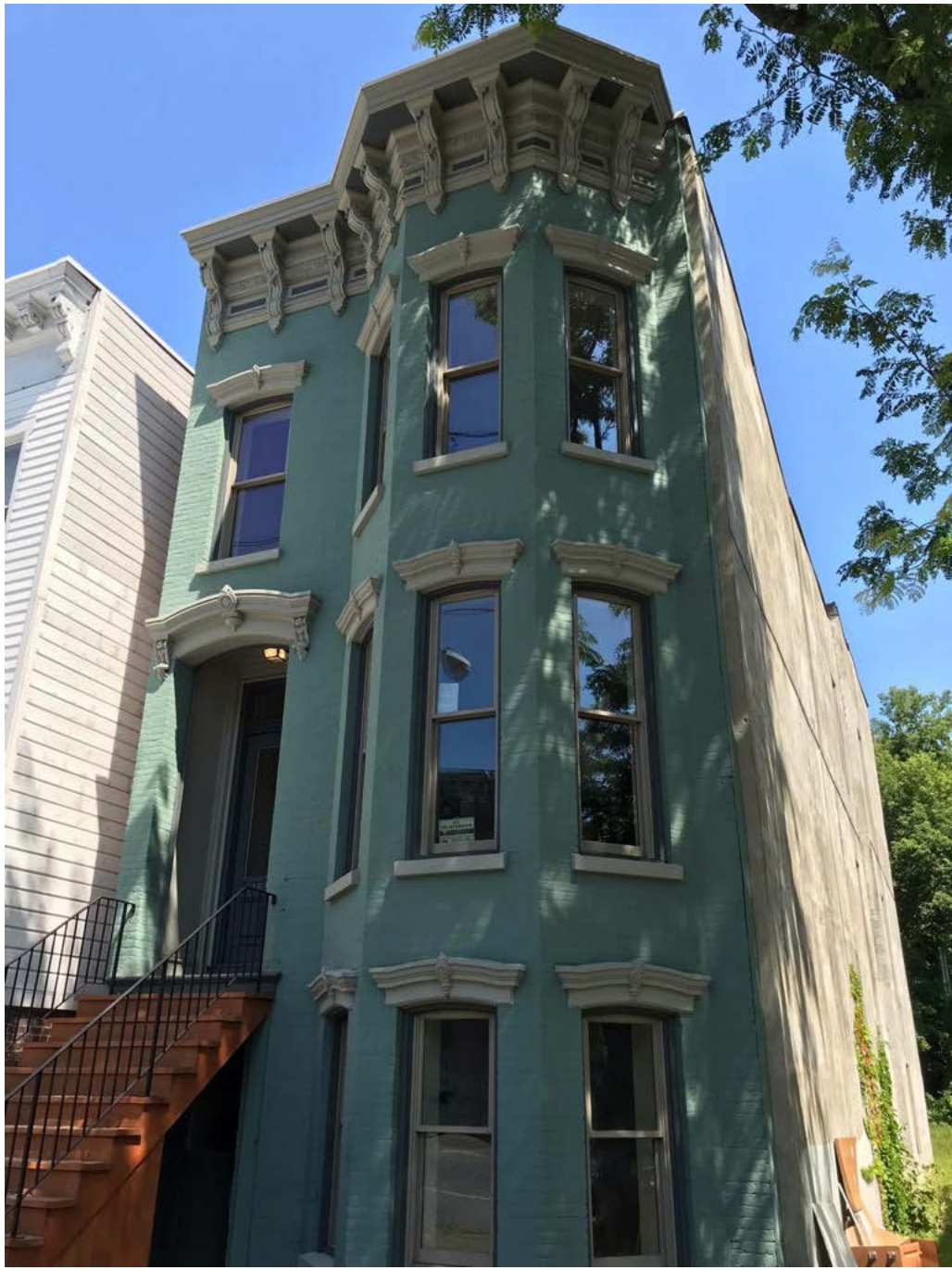
Sample ACLB programs

ALBANY COUNTY LAND BANK CORPORATION

ALBANY COUNTY
LAND BANK CORPORATION
Spend a Little, Get a LOT 2.0
Now open to RENTERS!
$100 LOTS + REDUCED CLOSING COSTS
MUST LIVE ON THE SAME BLOCK AS YOUR LOT
ALL APPLICATIONS ARE DUE BY JUNE 30TH, 2018
FOR MORE INFORMATION:
(518) 407-0309
WWW.ALBANYCOUNTYLANDBANK.ORG/LOT-PROGRAM

LOVE
THAT
LOT
The Albany County Land Bank invites you...
Join us for our monthly Community Advisory Committee meeting and help us prepare to decorate our vacant lots and show them some love! Refreshments will be provided.
February 13th, 2018 5:30 PM
255 Orange Street, 2nd Floor Community Room
ALBANY COUNTY
LAND BANK CORPORATION

ALBANY COUNTY
LAND BANK CORPORATION
HOME BUYER'S
WORKSHOP SERIES
TOPICS COVERED
BUDGETING BASICS
UNDERSTANDING YOUR CREDIT REPORT
ASSET BUILDING
PROTECTING YOUR ASSETS
RENTING VS BUYING
FINANCING YOUR PURCHASE
For more informtion, contact: vrawlins@albanycountylandbank.org



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Buyer Rehab: ALBANY

COLONIE NEW CONSTRUCTION

ALBAN
LAND BAN

Buyer Rehab: BETHLEHEM

BEFORE

AFTER

ALBANY COUNTY
LAND BANK CORPORATION

Byer Rehab: SELKIRK

BEFORE

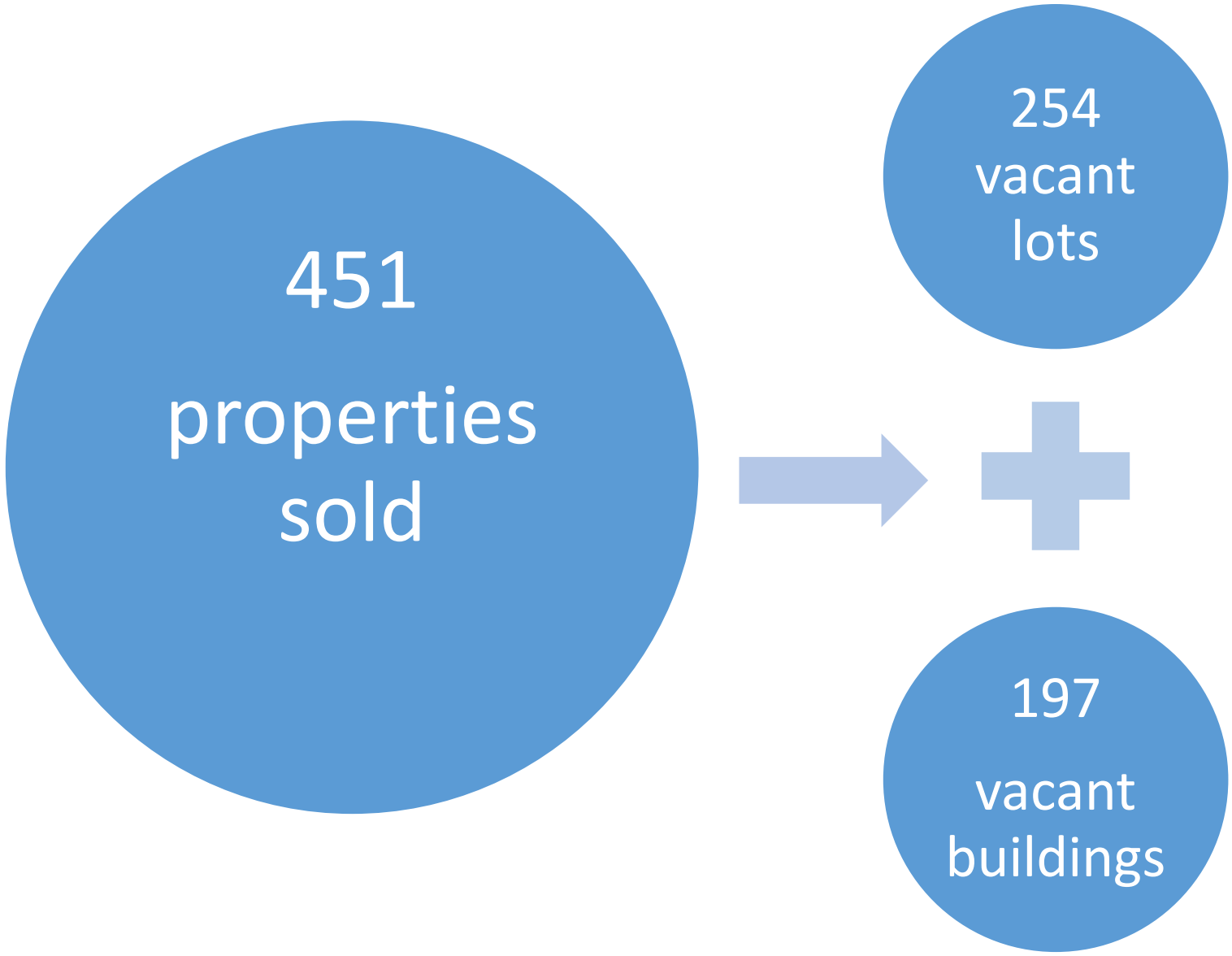
ALBANY COUNTY
LAND BANK CORPORATION

Buyer Rehab: SELKIRK

AFTER

ALBANY COUNTY
LAND BANK CORPORATION

Vacant Lot Transformations



Plus and additional
67 pending sales
(Board approved sales)

ALBANY COUNTY LAND BANK CORPORATION

2016/2017 ANNUAL HIGHLIGHTS

JULY 1, 2016 THROUGH JUNE 30, 2017

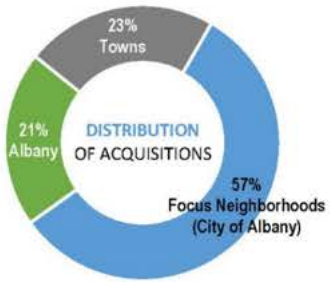
ACQUISITIONS

470 PROPERTIES **ACQUIRED** THROUGHOUT **ALBANY COUNTY**

267 PROPERTIES ACQUIRED IN **FOCUS NEIGHBORHOODS**

154 BUILDINGS

316 VACANT LOTS



IMPROVEMENTS

$1,291,148 INVESTED INTO **PROPERTY IMPROVEMENTS**

39 FULL REHABS OF VACANT BLDGS. ENABLED

26 STABILIZATIONS OF DETERIORATED STRUCTURES

17 DEMOLITIONS OF BLIGHTED STRUCTURES FUNDED

$34,812 AVG. COST TO **REMOVE A BLIGHTED** BLDG.

44 VACANT LOTS **IMPROVED** BY THE LAND BANK

132% INCREASE IN VACANT LOTS IMPROVED

70% OF ALL PROPERTY IMPROVEMENTS WERE MADE WITHIN THE LAND BANK'S FOCUS NEIGHBORHOODS

DISPOSITIONS

73 VACANT & ABANDONED PROPERTIES **SOLD** ACROSS EIGHT CITIES, TOWNS AND VILLAGES

60% OF ALL BUILDINGS SOLD TO **OWNER-OCCUPANTS**

47% OF ALL SALES IN **FOCUS NEIGHBORHOODS**

44% OF ALL PROPERTIES SOLD WERE **VACANT LOTS**

$10,000 AVG. **FOCUS NEIGHBORHOOD** BLDG. SALE PRICE

$504 AVG. **FOCUS NEIGHBORHOOD** LOT SALE PRICE

217% INCREASE IN PROPERTIES SOLD VS. 2015/2016

$1,311,078 GROSS SALES **REVENUE**

COMMUNITY OUTREACH AND ENGAGEMENT

COMMITTED TO **COMBATING BLIGHT** IN ALL **18** CITIES, TOWNS & VILLAGES OF **ALBANY COUNTY**

MORE THAN **400** PROPERTY PURCHASE APPLICATIONS SUBMITTED

25 OPEN HOUSES WORKSHOPS & EVENTS

75 ONE-ON-ONE ASSISTANCE SESSIONS

RETURN ON INVESTMENT

$3,032,026 IN PRIVATE INVESTMENT INCENTIVIZED

IN ASSESSED VALUE ENABLED TO RETURN TO THE TAX ROLLS **$2,529,493**

$1,185,333 IN GRANT FUNDS LEVERAGED

$13.50 OF COMBINED VALUE RETURNED **FOR EVERY $1.00** OF DIRECT OPERATING FUNDS PROVIDED BY ALBANY COUNTY

PERFORMANCE SINCE ESTABLISHED (2014 through June 30, 2017)

631 PROPERTIES **ACQUIRED**

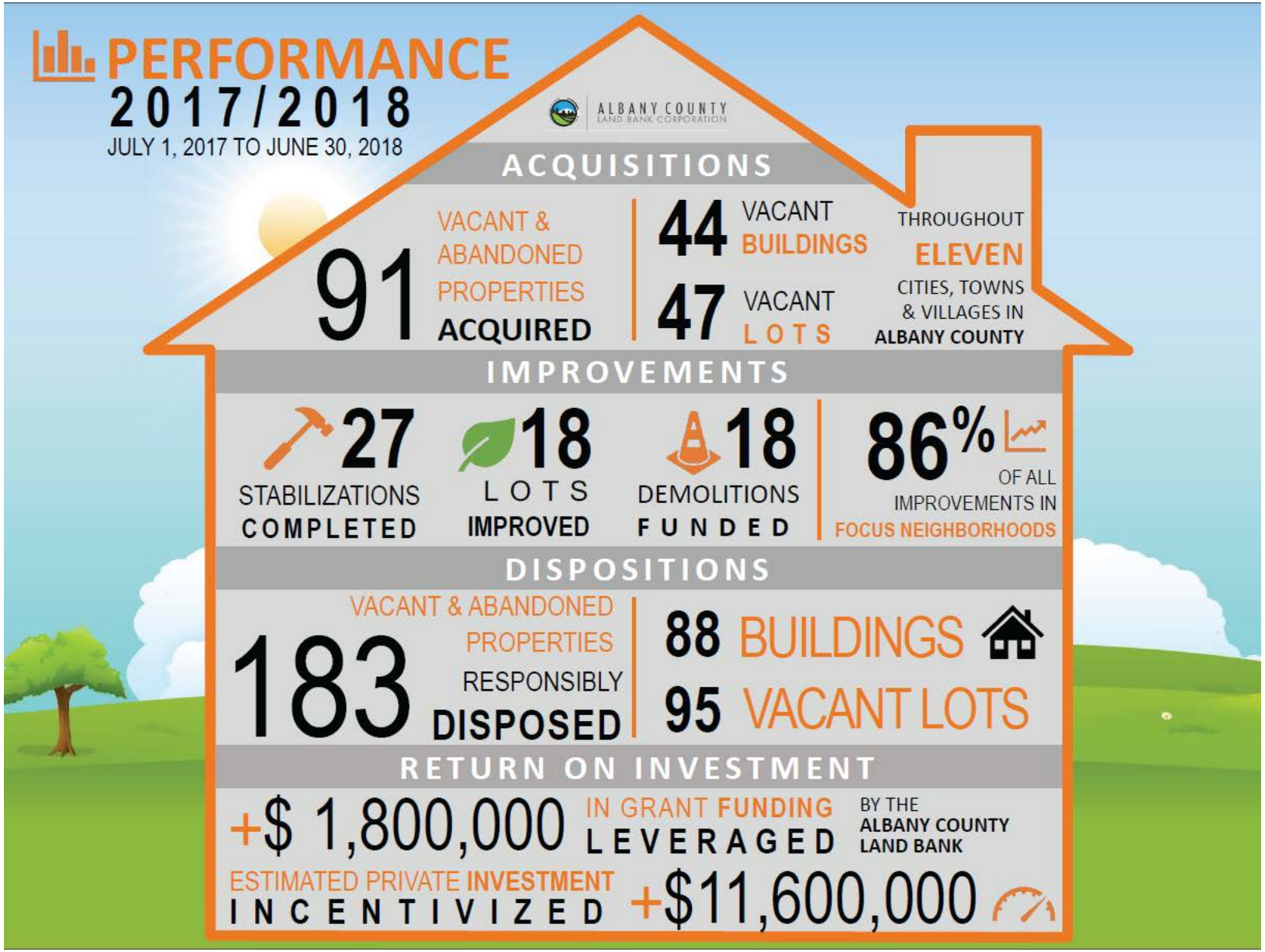
$7.7M IN PRIVATE INVESTMENT **INCENTIVIZED**

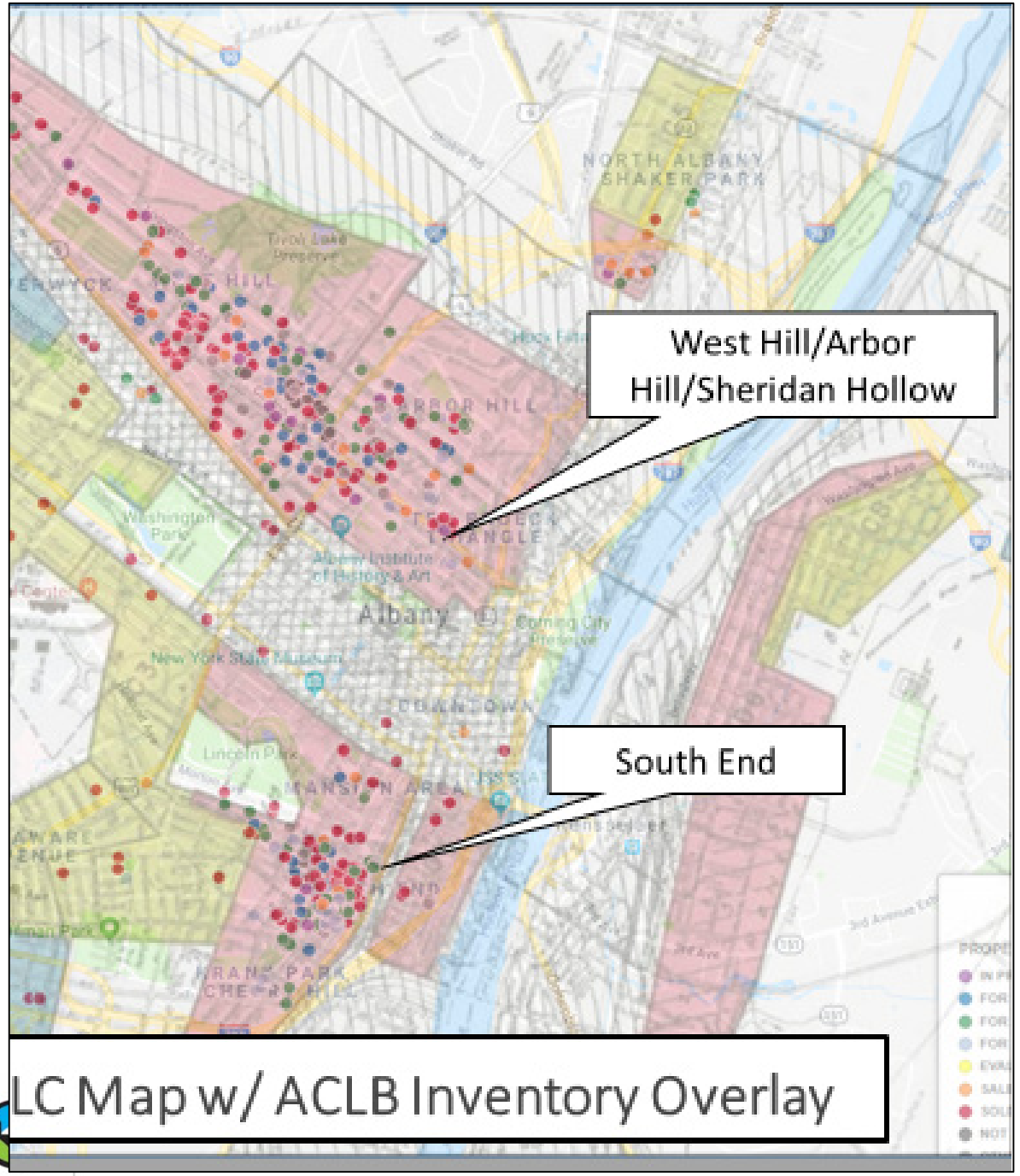
96 FORMERLY VACANT PROPERTIES **SOLD**

$5.3M IN ASSESSED VALUE **ENABLED** TO RETURN

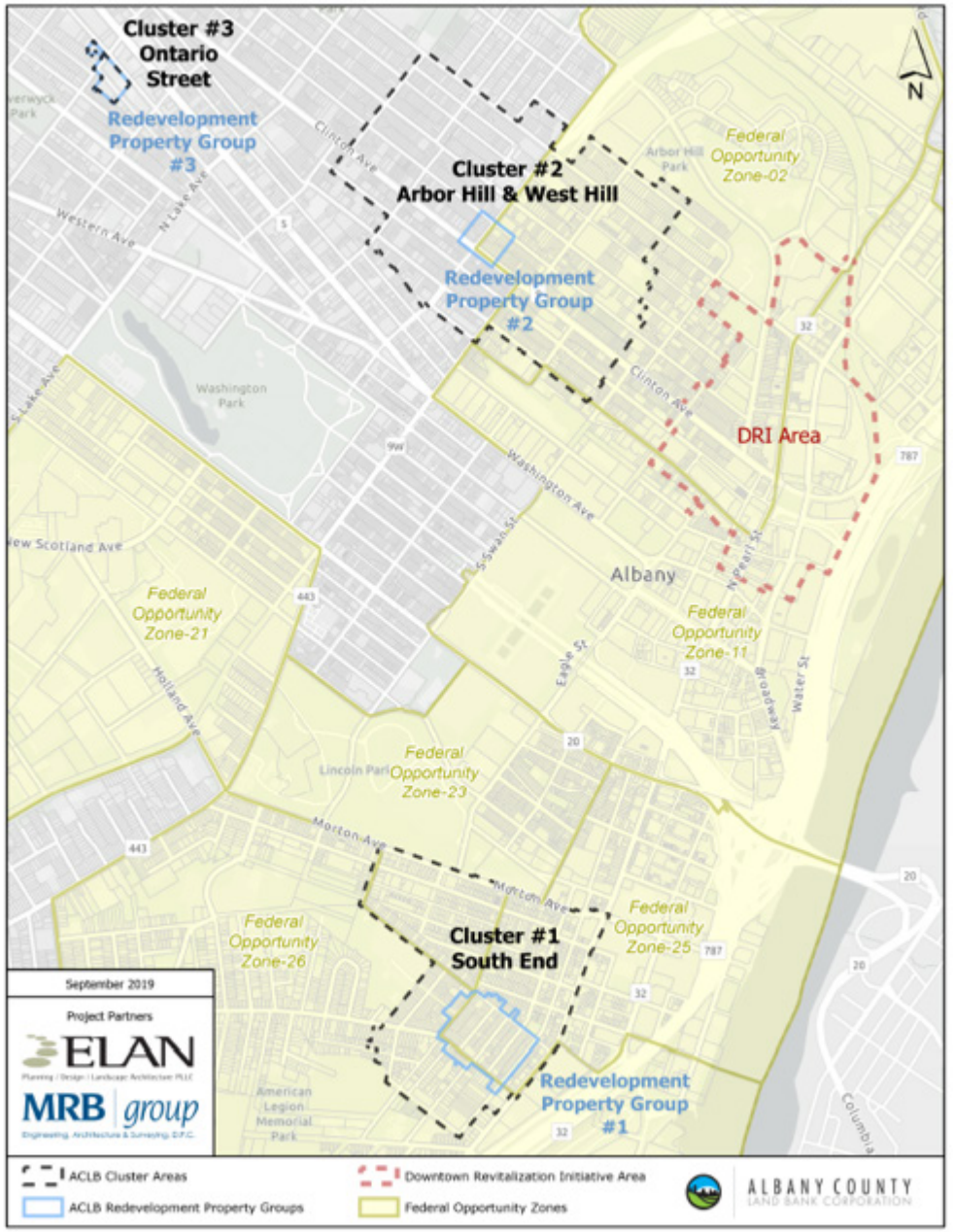
$2.4M **INVESTED** IN PROPERTY IMPROVEMENTS

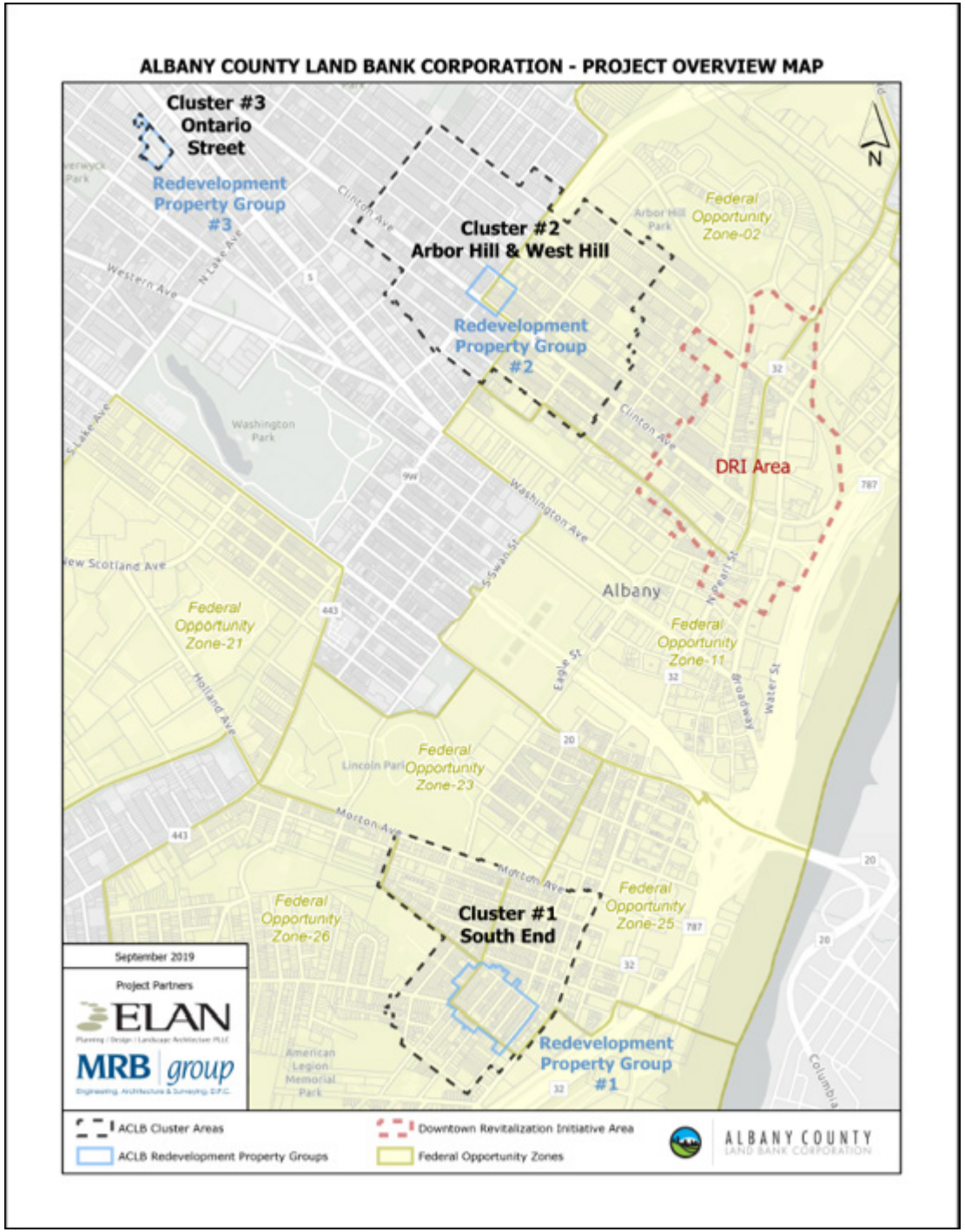
100s OF PARTNERS AND RESIDENTS **ENGAGED**


PERFORMANCE
2017/2018
JULY 1, 2017 TO JUNE 30, 2018
ALBANY COUNTY LAND BANK CORPORATION
ACQUISITIONS
91 VACANT & ABANDONED PROPERTIES ACQUIRED
44 VACANT BUILDINGS
47 VACANT LOTS
THROUGHOUT ELEVEN CITIES, TOWNS & VILLAGES IN ALBANY COUNTY
IMPROVEMENTS
27 STABILIZATIONS COMPLETED
18 LOTS IMPROVED
18 DEMOLITIONS FUNDED
86% OF ALL IMPROVEMENTS IN FOCUS NEIGHBORHOODS
DISPOSITIONS
183 VACANT & ABANDONED PROPERTIES RESPONSIBLY DISPOSED
88 BUILDINGS
95 VACANT LOTS
RETURN ON INVESTMENT
+$ 1,800,000 IN GRANT FUNDING LEVERAGED BY THE ALBANY COUNTY LAND BANK
ESTIMATED PRIVATE INVESTMENT INCENTIVIZED +$11,600,000



LC Map w/ ACLB Inventory Overlay





Requests for Expressions of Interest

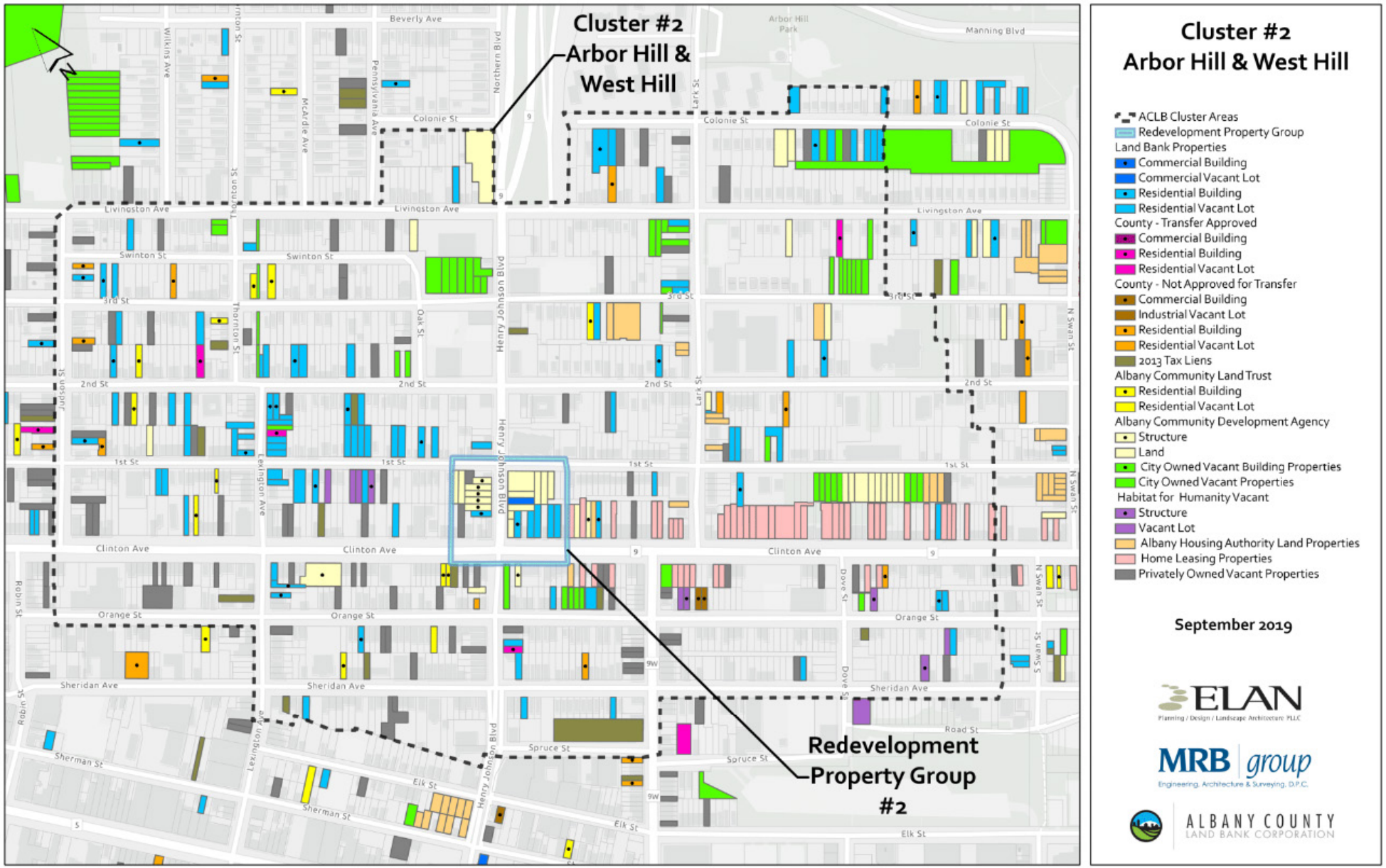
Redevelopment Opportunities in the City of Albany

Responses Due By **October 15, 2019 at 4:00pm**

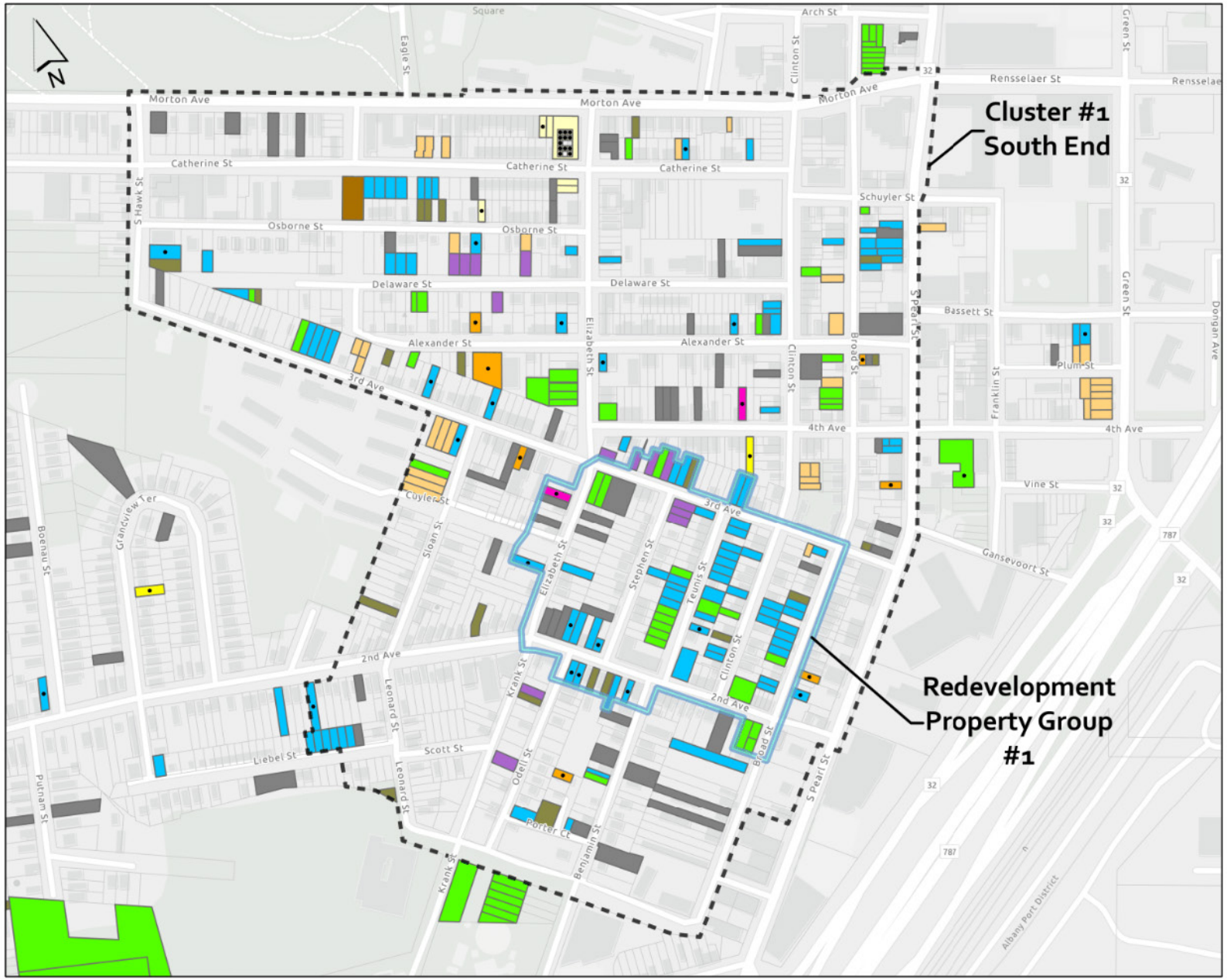
Prepared by the Albany County Land Bank in conjunction with MRB Group and Elan Planning & Design

ALBANY COUNTY
LAND BANK CORPORATION

MRB group
ELAN



Property ownership presented in this map is based upon the best available data and subject to change. The Land Bank is not committing to conveyance of any real property.



Cluster #1
South End

- ACLB Cluster Areas
- Redevelopment Property Group

Land Bank Properties
- Commercial Building
- Commercial Vacant Lot
- Residential Building
- Residential Vacant Lot

County - Transfer Approved
- Commercial Building
- Residential Building
- Residential Vacant Lot

County - Not Approved for Transfer
- Commercial Building
- Industrial Vacant Lot
- Residential Building
- Residential Vacant Lot
- 2013 Tax Liens

Albany Community Land Trust
- Residential Building
- Residential Vacant Lot

Albany Community Development Agency
- Structure
- Land
- City Owned Vacant Building Properties
- City Owned Vacant Properties

Habitat for Humanity Vacant
- Structure
- Vacant Lot

- Albany Housing Authority Land Properties
- Home Leasing Properties
- Privately Owned Vacant Properties

September 2019

ELAN
Planning / Design / Landscape Architecture PLLC

MRB | group
Engineering, Architecture & Surveying, D.P.C.

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PROGRESS

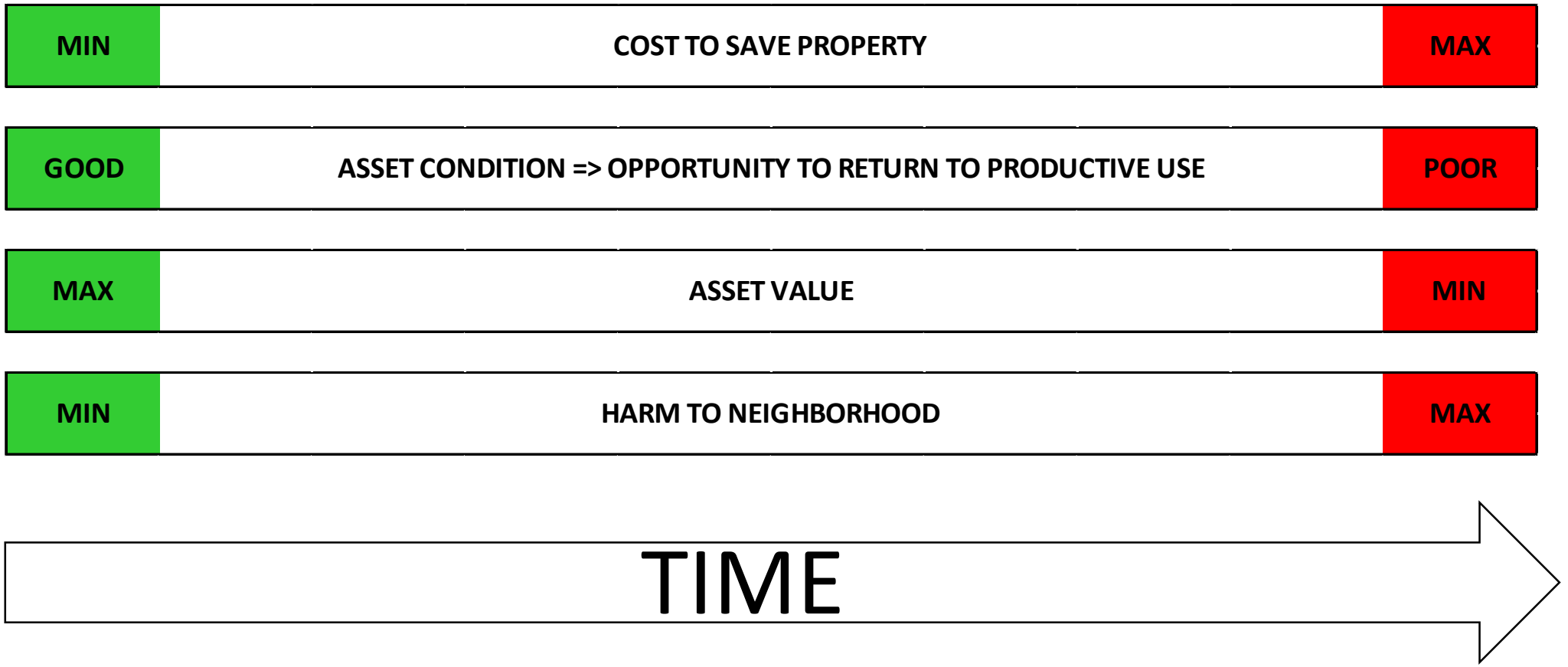
	As of April 2017	As of July 2018
Number of Land Banks*	20	25
Operations		
Problem Properties Acquired	1,989	2,800
Responsibly Disposed (closed)	651	1,200
Demolitions of blighted bldgs..	482	600
Full/part rehabs, redev/new const.	400	500
Env. Assessments completed	267	585
Economic Impact		
Private investment incentivized	$77 M	$100 M
Assessed value returned to tax rolls	$28.5 M	$40 M
Funding		
Local and County funds committed	$13.2 M	$13.8 M
Attorney general funds	$32.8 M	$38.7 M
Other grants/funds secured	$10.5 M	$13.8 M
Sales proceeds reinvested into LB ops	$9.4 M	$19 M

*In both years not all NYS approved LB's were fully operational so the figures reflect the work of a portion of all LB's

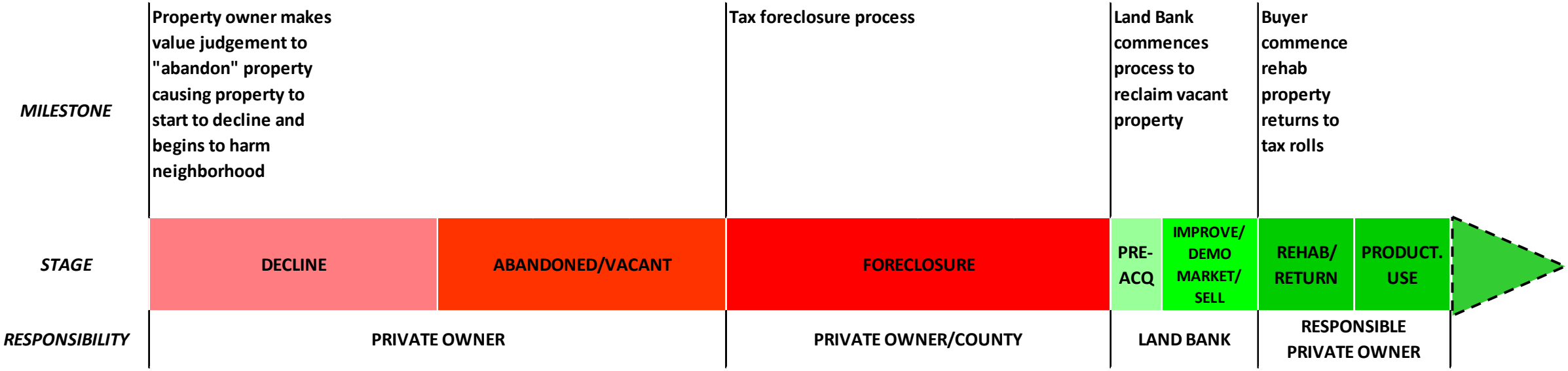
Key Takeaways

- Equitable development is challenging
- Be prepared to have open and honest (and sometimes difficult or uncomfortable) conversations
- Be prepared to make trade offs or navigate competing goals (revenue vs mission, etc.)
- Identify strengths, acknowledge weaknesses - don’t be afraid to ask for help
- Partnership, partnership, partnership
- Understand the historical context of the challenge – use data when available
- Don’t be afraid to try new things and take informed risks
- Be prepared to change things that don’t work and grow the things that do
- Be creative - don’t limit yourself to one idea or approach!

Time is a Critical Factor



Typical life cycle of a Vacant Residential Building Acquisition



Upstream interventions reduce costs to all parties, reduce time harming neighborhoods and result in a better asset which is easier to return to productive use – only local govt. can enact upstream interventions

THANK YOU!

Source: The Real Deal