



Center for
COMMUNITY PROGRESS

Turning Vacant Spaces into Vibrant Places



Treating All Land As Real Estate

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Center for Community Progress

CPEX

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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.**







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What is the problem?



Chronic Abandonment

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

Mortgage Crisis

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



Similarities and differences-
chronic and acute crises

Comprehensive vacant property strategy



Requires a change in orientation regarding vacant and abandoned (urban) land

Old thinking:

Nuisance, surplus, annoyance, regulate, enforce, liquidate

Emerging thinking:

Asset, opportunity, investment, real estate

New reality:

Vacant land revitalization is essential to economy



Comprehensive vacant property strategy (contd.)



- **Community engagement**
- **Ongoing commitment to planning**
- **Tax foreclosure reform**
- **Land Banking**
- **Redevelopment tools**

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



Genesee County, MI (Flint)



Key elements of regional approach:

- 1. Tax foreclosure reform (1999)**
- 2. Genesee County Land Bank (2002)**
- 3. Scattered-site Brownfield redevelopment (2003)**



Tax foreclosure reform



- **Elimination of tax lien sales**
- **County-wide collection process**
- **Replace privatized system with DTAN/foreclosure**

How it works:

- *County issues short-term bonds for back taxes*
- *Tax collector collects principal and penalty*
- *Collections generate public “profit”*
- *On \$50 million in delinquency, \$3-5 million in surplus*
- *Title and equity to foreclosed property is “public”*



Land Bank Authorities



A land bank is a public authority or nonprofit created to efficiently acquire, hold, manage and develop foreclosed property, as well as other vacant and abandoned properties.



Genesee Land Bank



- **Takes title to tax-foreclosed properties across county**
- **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*



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**



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*



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*

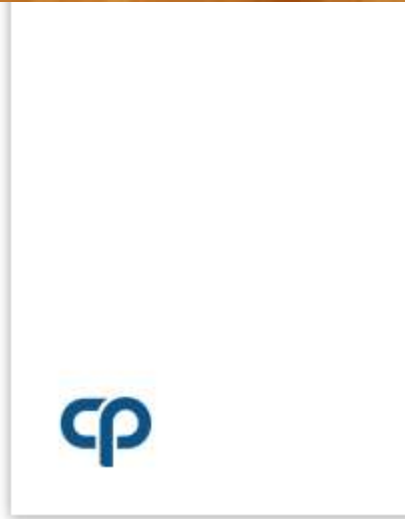


Land Bank Center



Berridge Place



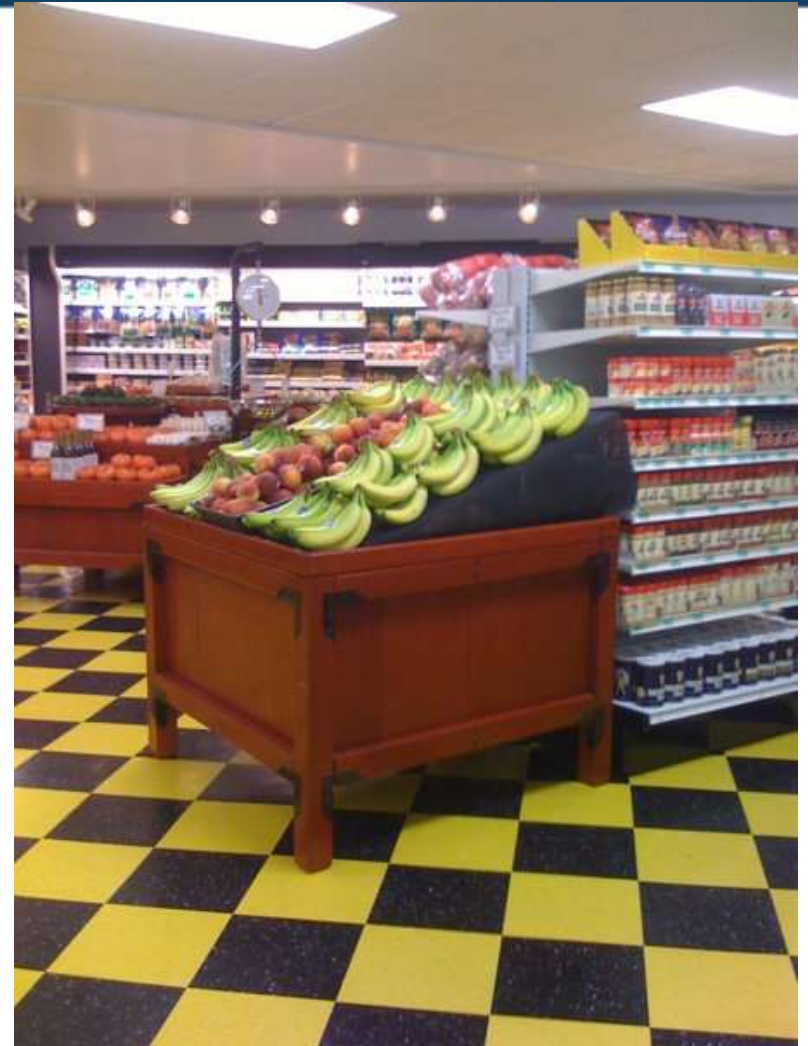


Witherbee's



Witherbee's

(cont'd)



Carriage Town Homeownership



Durant Hotel



Durant Hotel



Durant Hotel





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