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
Non-Tax Producing
Tax Delinquent
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

<table>
<thead>
<tr>
<th>City</th>
<th>Year</th>
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<tbody>
<tr>
<td>St. Louis</td>
<td>1971</td>
</tr>
<tr>
<td>Cleveland</td>
<td>1976</td>
</tr>
<tr>
<td>Louisville</td>
<td>1989</td>
</tr>
<tr>
<td>Atlanta</td>
<td>1991 (updated 2012)</td>
</tr>
<tr>
<td>Genessee</td>
<td>2002</td>
</tr>
<tr>
<td>Cuyahoga</td>
<td>2008</td>
</tr>
<tr>
<td>New York</td>
<td>2011</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>2014</td>
</tr>
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## SOME EXISTING GEORGIA LAND BANKS

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

• 1 County + participating city located in county

• Multiple counties + participating cities in each county

• 1 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

- 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

“Bad” Property Status

**Assumes all tax liens held by Tax Commissioner

Conveyance Action Options

Coordinating Entity

Required Resources

Disposition Options

“Good” and Productive Property
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. – BETMAR VILLAGE
# APPROVED FCCALBA PROGRAMS – FY2017

<table>
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<tr>
<th>Program</th>
<th>Role</th>
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<tbody>
<tr>
<td>1. Strategic Place Based Assemblage/Revitalization</td>
<td>Lead and/or Partner/Participant</td>
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<tr>
<td>2. Neighborhood Stabilization Program (NSP)</td>
<td>Partner/Participant</td>
</tr>
<tr>
<td>3. Troubled Asset Workouts</td>
<td>Lead</td>
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<tr>
<td>4. Land Banking</td>
<td>Lead</td>
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<tr>
<td>5. Secure Neighborhood Initiative</td>
<td>Partner/Participant</td>
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<tr>
<td>6. Municipal Joint Venture Projects</td>
<td>Partner/Participant</td>
</tr>
<tr>
<td>7. Community Land Trusts (Atlanta Land Trust Collaborative)</td>
<td>Partner/Participant</td>
</tr>
<tr>
<td>Program</td>
<td>Role</td>
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<tr>
<td>------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>8. National Community Stabilization Trust/Neighborhood Stabilization Initiative</td>
<td>Partner/Participant</td>
</tr>
<tr>
<td>9. TransFormation Alliance</td>
<td>Participant</td>
</tr>
<tr>
<td>10. Greenspace Assemblage</td>
<td><strong>Lead and/or Partner/Participant</strong></td>
</tr>
<tr>
<td>11. Small Building Preservation</td>
<td>Partner/Participant</td>
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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
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.

OVERVIEW / PLANNING & DEVT / RISK MITIGATION / MARKETING, BRANDING & COMMUNICATIONS / COMMUNITY OUTREACH
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
PROPERTY ACQUISITION

- Over 1,000 property owners contacted
- Over $2M in property acquisition
- Over $1M under option to purchase or under contract
PINE STREET: BEFORE

RESTORE. CONNECT. TRANSFORM.
HERITAGE PINE: MATERIALS REUSE, RESTORATION, BLIGHT

REMOVAL

1218 Pine: Pre-construction 1218 Pine: Demolition 1218 Pine: Rendering
1218 Pine Street: Construction 1218 Pine: Post-construction

1242 Pine: Future home restoration

East Pine Street: Pre-construction

East Pine Street: Proposed Rendering
PINE STREET: TODAY

RESTORE. CONNECT. TRANSFORM.
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
CONTACT

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cnorman@fccalandbank.org