

# LAND BANKING 101 OVERVIEW

## GICH RETREAT – ATHENS, GA

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presented by:

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# Land Bank Authorities (LBA) in Georgia

- I. Land Bank 101
- II. 2012 Georgia Land Bank Act Review
- III. Establishing LBA
- IV. Development Considerations
- V. Questions



# Land Bank 101

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**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

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 (State law updated 2012) |
| Genessee     | 2002                          |
| Cuyahoga     | 2008                          |
| New York     | 2011                          |
| Philadelphia | 2014                          |
| Virginia     | 2016                          |



Currently over 300 land banks in the US

# Some Existing Georgia Land Banks

| Jurisdiction              | County Population | City Population (est. 2022) |
|---------------------------|-------------------|-----------------------------|
| Fulton County-Atlanta     | 1,076,634         | 499,127                     |
| DeKalb County-Lithonia    | 762,820           | 2,611                       |
| Chatham County-Savannah   | 301,107           | 147,768                     |
| Muscogee County-Columbus  | 202,616           | 202,616                     |
| Richmond County-Augusta   | 206,640           | 206,640                     |
| Bibb County-Macon         | 156,197           | 156,197                     |
| Clarke County-Athens      | 129,875           | 129,875                     |
| Lowndes County-Valdosta   | 119,739           | 55,074                      |
| Whitfield County-Dalton   | 103,132           | 34,366                      |
| Floyd County-Rome         | 99,443            | 37,913                      |
| Spalding County-Griffin   | 68,919            | 23,693                      |
| Thomas County-Thomasville | 45,561            | 18,460                      |



# 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

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# 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  
towards 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:

- ❑ Significant (*based on local market conditions*) inventories of abandoned/vacant property with little market value
- ❑ Ineffective tax foreclosure procedures – failed auctions
- ❑ Chronic code violations – need for new approach
- ❑ Title problems – need for clear title
- ❑ Restrictive property disposition requirements – municipal rules vs land bank flexibility
- ❑ Need for local control – ability to influence disposition



# Establishing a Land Bank

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# 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

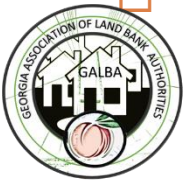
- Who should serve?
  - ▣ Tax Commissioner?
  - ▣ Code Enforcement Officials?
  - ▣ Zoning Officials?
  - ▣ Elected Officials?
  - ▣ Private citizens?
- Backgrounds
  - ▣ Finance
  - ▣ Law
  - ▣ Real Estate
  - ▣ Banking
  - ▣ Community/Economic Development





# Funding Considerations

- ❑ City Contribution – General Fund
- ❑ County Contribution – General Fund
- ❑ Bond issues
- ❑ Federal funds
- ❑ Staffing – Direct or Shared/Loaned
- ❑ Legal support
- ❑ Property maintenance – Municipal or vendor
- ❑ Insurance – Corporate and Property



# 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

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# 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

# Development Considerations

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# 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)

# How Do Land Banks Acquire Property?

- Acquire Property through Non-Judicial or Judicial In Rem Tax Foreclosures  
(Judicial In Rem Tax Foreclosures preferred)
- Acquire Property through Donations
- Acquire Property through Direct Market Purchases
- Acquire Property directly from local government transfers
- Includes Eminent Domain for Blight (HB 434 – 2017)



# 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 and/or market housing
  - Retail, commercial, and industrial activities
  - Community land trusts or other public entities



# Questions

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# Contact

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