



Pictures provided by Evansville Land Bank. Exact Location is 221 S. Grand Ave. Evansville, Indiana

Rebuild Indiana Uplands Regional Land Bank

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Owen County

Charts provided from the Indiana
Uplands Housing Study

Figure J.12 shows an average annual construction need of 116 units or roughly doubling the current rate. Employment opportunities within Owen and Monroe County position Owen County for this kind of growth if certain strategic initiatives can be completed. Some demand would also be met by lowering vacancy rate and supporting even greater population growth. Additionally, while the number is for county wide housing demand, much of new housing production will likely be in incorporated areas where infrastructure is readily accessible for extensions.

Figure J.12: Housing Demand Summary

	2019	2019-2025	2026-2030	Total
Population at End of Period	20,957	22,266	23,381	
Household Population at End of Period	20,766	22,043	23,168	
Average People Per Household	2.4	2.4	2.4	
Household Demand at End of Period	8,551	9,077	9,540	
Projected Vacancy Rate	15.5%	15.5%	15.5%	
Unit Needs at End of Period	10,117	10,739	11,287	
Replacement Need (total lost units)		60	50	110
Cumulative Need During Period		683	599	1,282
Average Annual Construction		114	120	116

Source: 2017 American Community Survey

Figure J.13: Housing Development Program

	2019-2025	2026-2030	Total
Owner Occupied			
Affordable Low: \$60-100,000	72	63	135
Affordable Moderate: \$100-130,000	88	77	165
Moderate Market: \$130-200,000	113	99	212
High Market: Over \$200,000	137	120	257
	410	359	769
Total Renter Occupied			
Low: Less than \$450	82	72	154
Affordable: \$450-700	82	72	154
Market: Over \$700	109	96	205
	273	240	513
Total Need	683	599	1,282

Source: 2017 American Community Survey

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What is a land bank?

Land banks are governmental entities or nonprofit corporations that are focused on the conversion of vacant, abandoned, and tax delinquent properties into productive use.

Vacant, abandoned, and tax delinquent properties are often grouped together as "problem properties" because they destabilize neighborhoods, create fire and safety hazards, drive down property values, and drain local tax dollars. In some sense, these are properties the private market has altogether rejected.

Land banks are intended to acquire title to these problem properties, eliminate the liabilities, and transfer the properties to new, responsible owners in transparent manner that results in outcomes consistent with community-based plans.

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Why is a Land Bank Needed?



Need for Infill
Development where
utilities are available



Need for neighborhood
stabilization



Need for Reporting
System to trigger code
enforcement



Need for oversight in
delinquent property
sale



Need for property
control (maintenance
and securing site)

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How does a Land Bank work?

Land banks are designed to acquire problem properties and then transfer them back to responsible ownership and productive use in accordance with local land use goals and priorities, creating a more efficient and effective system to eliminate blight.

In order to accomplish these tasks, land banks are granted special powers and legal authority pursuant to state-enabling statutes. Though these statutes differ widely from state to state, the more recent examples of comprehensive land bank legislation generally grant to land banks the following powers:

- Obtain property at low or no cost through the tax foreclosure process
- Hold land tax-free
- Clear title and/or extinguish back taxes
- Lease properties for temporary uses
- Negotiate sales based not only on the highest bid but also on the outcome that most closely aligns with community needs, such as workforce housing, a grocery store, or expanded recreational space

A land bank is not a "silver bullet" for communities struggling with blight. Land banks are uniquely designed to help reduce problem properties, the policies, priorities, and activities of a land bank *must* complement other community strategies and activities, such as strategic code enforcement, smart planning and community development, and effective tax collection and enforcement.

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How will the Rebuild Indiana Uplands Land Bank be created?



A Not-for-Profit entity will establish a Regional Land Bank.



Counties will purchase services of the land bank to establish the program and start moving eligible sites into the land bank to develop the program and start moving eligible sites into the land bank. Land Banks are created as public entities by a local resolution, Interlocal Agreements between Counties and establishing Articles of Incorporation.



Land Banks Boards will ideally have one member per County appointed by the County.



A Local Advisory Committee will give recommendations on priority sites.

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Competative Market

Aren't land banks competing with private market, with an unfair advantage?

Not so. In fact, a land bank is a direct response to a growing inventory of problem properties that the private market has altogether rejected. Most vacant and abandoned properties have serious legal and financial barriers that detract responsible, private investors. For instance, many abandoned properties have a clouded title, which introduces a level of uncertainty and liability few responsible investors, if any, are willing to assume. Also, many tax-foreclosed properties have accumulated years of back taxes that far exceed the market value of the property. Similarly, many properties left vacant and abandoned for too many years require an investment in repairs that greatly exceeds what the market could ever return. A land bank, therefore, is designed specifically to address the inventory of problem properties the private market has discarded, and to convert these neighborhood liabilities into assets that advance community-based goals.

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Why Regional?

- Cost Prohibitive for Rural Counties
- Enough Available Properties
- Transparency
- Fraud Reduction

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When does it make sense to use land banking?

Some common triggers for creating a land bank include:

- Large inventories of vacant and abandoned property
- Properties with little to no market value
- Properties with delinquent taxes in excess of fair market value
- Properties with title problems
- Inflexible policies that dictate the disposition of public property, denying local governments the chance to be strategic and nimble
- The speculation and uncertainty inherent in the auction sale of tax-foreclosed properties

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What kinds of properties do land bank acquire?

Most land bank acquisitions are vacant, residential, tax-delinquent properties. In addition to tax foreclosed parcels, land banks can acquire Real Estate Owned (REO) properties and receive private donations and public land transfers. Although most properties are typically vacant residential single-family homes or vacant lots, land banks also acquire multifamily dwellings, commercial and industrial properties, and in rare cases, occupied rental properties. SIDC would work with the Land Bank on brownfield sites to acquire large scale, formerly industrial properties.

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What does a typical land bank program look like?

Successful land banks exhibit some similar characteristics:

- Strategic links to the tax collection and foreclosure process.
- Operations scaled in response to local land use goals.
- Policy-driven, transparent, and publicly accountable transactions.
- Engagement with residents and other community stakeholders.
- Alignment with other local or regional tools and community programs.
- Recurring reliable source of funding.

Greater detail is on slides 12-14

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Characteristics Described in Greater Detail...

Strategic links to the tax collection and foreclosure process. Tax delinquency is often the most significant common denominator among vacant and abandoned properties, which explains why nearly all land banks have established strategic links to the tax foreclosure process as a primary source of acquisitions. This is particularly in communities where (a) a primary cause of vacancy and abandonment is an ineffective tax foreclosure process and (b) where there are statutory powers, intergovernmental agreements or policies in place for a land bank to acquire properties through the tax foreclosure process at little to no cost. Though auctions can generate positive outcomes for marketable properties, the speculative auction rarely if ever leads to positive outcomes for problem properties. Land banks can and should play a key role in acquiring and converting tax-foreclosed properties to productive use.

Operations scaled in response to local land use goals. Successful land banks have established acquisition and disposition strategies that directly support the implementation of local land use goals and meet community needs. Some land banks tackle massive inventories of extremely unsafe and abandoned properties as part of an urgent stabilization and public safety strategy, while others operate selectively with extreme deliberation. Regardless of the scale of operations, land banks should always make decisions based on a strong understanding of community priorities and goals, and guided by neighborhood, local and regional revitalization plans.

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Characteristics continued...

Policy-driven, transparent, and publicly accountable transactions. The acquisition and disposition of properties – especially those that have long been harmful eyesores – is an important and sensitive endeavor. Successful land banks have gone to great lengths to build and maintain trust with the public through complete transparency in the establishment of priorities, policies, and procedures that govern all actions. Land banks should make sure these ground rules and policies are established prior to any transactions, and annually revisited with public input to maintain a high standard of transparency and accountability. Moreover, land banks should strive to create websites that offer members of the public full access to accurate, up-to-date information pertaining to all land bank operations, programs, policies, and activities, including sales listings and past transactions.

Engagement with residents and other community stakeholders. There is no substitute for engaged community stakeholders who understand a community's history and goals — and whose lives are most directly by a land bank's work. Successful land banks have found creative and consistent ways to inform, engage, and empower these active residents to help prioritize land bank interventions and develop long-term solutions. Whether establishing a community advisory board or regularly hosting neighborhood meetings, land banks should explore and implement practices that affirm a strong commitment to inclusiveness, engagement, and empowerment.

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Characteristics continued...

- **Alignment with other local or regional tools and community programs.** Because a land bank is a tool to support locally developed land use goals, and not a goal in and of itself, it is important to coordinate with other blight prevention tools and programs. Successful land banks have helped facilitate and work within diverse collaborations across the public, private, and nonprofit sectors that share similar economic and community development goals. We can't stress enough that, in order to truly be effective, land bank activities must complement existing blight prevention efforts, including effective tax enforcement, strategic code enforcement, neighborhood investments, and community-based planning.
- **Recurring, reliable source of funding.** A land bank's focus is on the inventory of problem properties the local property market has basically rejected, and therefore will always require some level of public support—whether cash or in-kind—that is proportional to the scope and scale of vacancy the land bank is expected to help resolve. With a recurring and reliable source of funding, land banks can focus on the types of creative interventions and community partnerships that are required to transform liabilities to productive use that meet and advance community goals. A land bank is not a panacea for all problems associated with blight, or even a necessary entity in many cities, but in the right environment and with the right legal structure, a land bank can be a key tool for returning vacant and problem property to productive use.

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What are some of the core powers of a land bank?

Depending on state and local law, land banks often have unique legal powers to support their activities and facilitate the return of problem properties to productive use. Though these statutes differ widely from state to state, they generally grant the following powers:

- Obtain property at low or no cost through the tax foreclosure
- Hold land tax-free
- Clear title and/or extinguish back taxes
- Lease properties for temporary uses
- Negotiate sales based not only on the highest bid but also on the outcome that most closely aligns with community needs, such as workforce housing, a grocery store, or green space.

Using these special powers, land banks can streamline blight removal and create a nimble, accountable, and community-driven approach to returning problem properties to productive use.

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How is a land bank different from redevelopment authority?

Redevelopment authorities prioritize economic development and have the powers to tax, and utilize eminent domain.

Land Banks prioritize housing stabilization and revitalization and do not have the power to tax or perform eminent domain.

As for mission, many land banks are focused on acquiring, stabilizing and returning to productive use those properties that are considered to have the most blighting influence in a community. These are properties that may not have an immediate redevelopment opportunity but are destabilizing neighborhoods and undermining quality of life.

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How will Rebuild Indiana Uplands Regional Landbank be funded?

- We anticipate being seed funded by READI for the first two years and a good faith fee from each county.
- An evaluation will be completed after the first two years of operations is completed. After that, each county will set up a fund for maintenance, demolition, and clearance of those properties. Each County will share in the administrative cost of staffing.
- There will be hope that revenue generated from the land bank will go back into the land bank.

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Land Bank Inventory

The goal of the Rebuild Indiana Uplands Land Bank is to return properties to the tax role as soon as possible. This lowers the tax burden for all and will have positive impacts on Income tax generated. The legal process for clearing a property, advertising, approving and coming to terms with a potential owner will be done with the intent of returning the property to the tax roles in 12 months.

Land will be bundled when there is a need to entice larger scale development (multi-units) or when targeting specific neighborhoods.

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Maintenance

Maintenance can be a responsibility of the land bank, but adds cost to each property under the ownership of the Land Bank.

Estimated mowing costs are \$500 per property (18 times a year)

Additional \$200 for safety measures (Boarding up windows, doors, and adding locks.)

Some use County or City services to handle mowing responsibilities.



The pictures above are of a Before and After shared with us from The Evansville Land Bank. This location is 214 W. Michigan St. Evansville, Indiana.

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What Does Rebuild Indiana Uplands Need From Your County?

Review your Counties need for an agency addressing blighted properties

- Look at Complexity of County Sold Properties
- Number of Delinquent Properties
- Number of No-Sale Properties
- Assess Housing Market needs for available property. That does not require expansion of utilities.
- Talk to Community Development and Economic Development on the need for housing and elimination of blight.

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Who is also being considered?



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How to join?

- Make SIDC aware of your desire to Opt In by August 12
- SIDC will provide legal documents (Interlocal Agreements and Resolutions)
- Commissioners Designate a Board Member
- Establish a Local Prioritization Team
(Auditor, Assessor, Code Enforcement, Commissioner, Council, Realtor, Fire Department)
- Asking for \$5,000 per year for first 2 years. (ARPA funding is eligible to use)
- READI will seed fund the organization for 2 years (2.4M)
- Goal for first two years is 16-24 properties reverted to tax role per County

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Land Bank Q & A Session with Commissioners
July 21st
10:00-11:00

Join Zoom Meeting
<https://us02web.zoom.us/j/89183459552?pwd=Wnhlenl4aHZyY0lQWG5JSXNSMWc0QT09>

Link can also be e-mailed to you by e-mailing Jessica Potts at Jessica@sidc.cc

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