

### OVERVIEW

Land banks can take many forms, from governmental entities to nonprofits or community development financial institutions. Land banks acquire and hold strategic sites, investing in real estate for the long term. They are often aimed not only at the conversion of vacant, abandoned, and foreclosed properties into productive use, but also to acquire sites for affordable housing when there are escalating costs to buy and hold land. Land banks are financed by any number of entities, including businesses, foundations, developers, banks, and local governments.<sup>1</sup>

Land banks have been used to both protect the vitality of communities by investing in spaces that would otherwise be left desolate as well as acquire and hold land for affordable housing when it is not feasible for nonprofit housing developers to do so, especially in hot housing markets.<sup>2</sup> Examples of community projects through land banks include urban community gardens, community “adopt-a-lot” programs, redevelopment of affordable housing units, and overall cleanup of deteriorated structures.

<sup>1</sup> <https://www.hudexchange.info/resources/documents/LandBankOverview.pdf>

<sup>2</sup> [http://www.communityprogress.net/filebin/Land\\_Banks\\_and\\_Land\\_Banking\\_Book.pdf](http://www.communityprogress.net/filebin/Land_Banks_and_Land_Banking_Book.pdf)

### HOW IT WORKS

A land bank can be a local government, state agency or community-owned entity. The land bank often works with community-based groups and affordable housing developers to acquire, hold, manage, develop, and repurpose properties. This provides affordable housing developers an opportunity to compete and ensure affordable housing is not lost and can be increased in hot real estate markets.

Land banking can be used to stabilize and revitalize communities that are experiencing abandoned properties, foreclosures, and deteriorating conditions. The Land Bank can

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### WHAT YOU CAN DO

- **Advocate for the North Carolina General Assembly to amend current state law and implement enabling legislation, allowing local governments to have full authority to create and manage land banks.**
- **Foster productive inter-governmental cooperation to fully capitalize on redevelopment opportunities across and between jurisdictions.**
- **Understand where tax delinquent and vacant properties are located in your community and work with community leaders to develop a revitalization proposal to present to local government leaders.**

**HOW IT WORKS (CONT'D)**

1) acquire and hold foreclosed properties, 2) stabilize properties and decrease barriers to restoration, and 3) promote acquired properties to developers.

**Funding Available:** There are several strategies to fund land banks, including:<sup>1</sup>

- *General Revenue Funding* through participating local governments
- *Inventory Cross-Subsidies* that transfer tax-delinquent properties for which the taxes are not redeemed after a judicial hearing to the control of the local government
- *Tax Recapture*, which returns a portion of the property taxes generated by redevelopment efforts to the tax rolls once the properties yield a positive revenue stream, providing long-term funding to the land bank
- *Delinquent Tax Revolving Funds* in which a local government authority or land bank borrows sufficient funds to pay the entire amount of delinquent taxes to the local government; this practice allows the government authority or land bank to internalize the cash flow from interest and penalties and apply the revenue to management of the properties the land bank wishes to acquire
- *Borrowing and Bond Financing* to engage in large-scale redevelopment projects

<sup>1</sup> [http://www.communityprogress.net/filebin/Land\\_Banks\\_and\\_Land\\_Banking\\_Book.pdf](http://www.communityprogress.net/filebin/Land_Banks_and_Land_Banking_Book.pdf)

**IMPACTS IN N.C. TO DATE**

**Adopt-A-Vacant- Lot Program: Kinston, NC<sup>1</sup>**

Administered through Kinston Teens, and in partnership with the City of Kinston, the Adopt-A-Vacant-Lot Program allows churches, families, business, and other groups to adopt city-owned vacant lots and transform them into productive community spaces. Community groups are expected to pay for city utilities but can apply for a grant up to \$750 to assist with supplies for the completion of a project.

<sup>1</sup> <https://www.kinstonteens.org/avl/>

**ADDITIONAL RESOURCES**

- **Land banks and land banking, Center for Community Progress:** <http://bit.ly/2G41cNy>
- **State Policy Toolkit: State Land Bank Enabling Legislation, Restoring Prosperity:** <http://bit.ly/2G6UVAM>
- **Excerpts: A Proposal for Land Bank Legislation in North Carolina, North Carolina Law Review:** <http://bit.ly/2G4n2AC>
- **Cutting Through the Red Tape: How Baltimore’s Vacant Lot Programs Have Made It Easier For Communities To Revitalize The Underutilized And Blighted Spaces In Their Neighborhoods:** <http://bit.ly/2G3HscZ>
- **Existing NC statutory authority for land banking:** <http://unc.live/2G5xQhW>