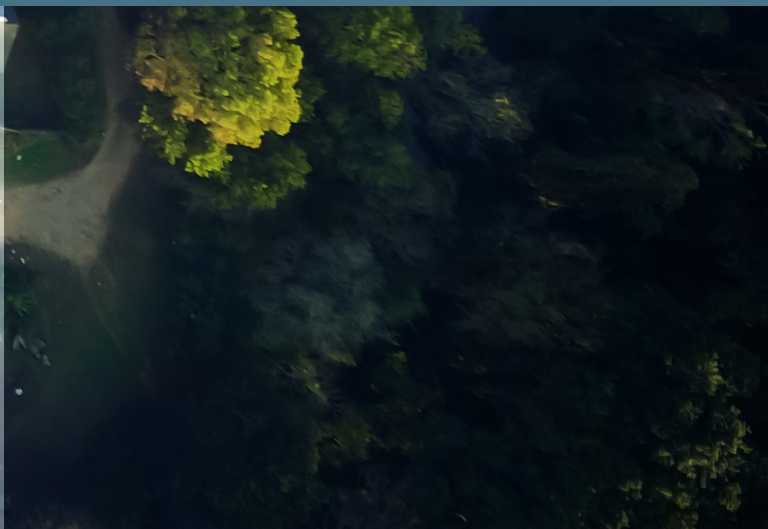


Tackling Vacancy and Abandonment: Strategies and Impacts after the Great Recession



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Land Banks and Community Land Trusts: Emerging Partners for a Resilient and Equitable Recovery

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Introduction

Across the country, land banks and community land trusts (CLTs) have evolved over the last few decades. While each was created to address a different challenge, they are more effective in supporting local community goals when they work together.¹ Many communities have rebounded from the Great Recession, yet others continue to struggle with inventories of vacant, abandoned, and tax-delinquent properties (problem properties) that the private market has walked away from, an outcome that has harmed neighbors and neighborhoods (Scott, 2019). As the COVID-19 crisis continues to unfold, many communities have seen an increase in higher-wage families purchasing new homes, while others are seeing an increase in evictions and foreclosures and a growing deficit of quality affordable housing for their most vulnerable residents (Green and McCargo, 2019). While much is unknown regarding the long-term impact of this most recent public health crisis, it is clear that, once again, Black communities are disproportionately affected (Bouie, 2020). Using the unique powers of a land bank to acquire, stabilize, and transfer problem properties to a CLT to create long-term community benefit exemplifies the different yet complementary missions of these two entities and how they can be used to support a more resilient and equitable recovery in neighborhoods across America.

Although there are few examples of land banks and CLTs coordinating effectively and in a sustained manner, places like Albany, New York, Atlanta, Georgia, and Columbus, Ohio, are pioneering models of how these partnerships can support neighborhood stabilization and prevent displacement of vulnerable residents. As more local leaders embrace the challenge to unwind the harm of systemic racism, these examples illustrate how a land bank and CLT partnership can help advance equi-

table development and housing justice goals. Unlocking properties that the private market has rejected because of various legal and financial barriers and transferring control and ownership to residents and local businesses create wealth-building opportunities for generations to come.

Communities that have mixed housing markets also present an opportunity for land bank and CLT partner-

Table 1. Comparison of Land Banks and CLTs

	Land Banks	Community Land Trusts
Mission	Stabilization and revitalization of problem properties guided by community goals	Primarily but not exclusively supports community goal of lasting affordability
Legal Structure	Public entity (nonprofit or public authority)	Private nonprofit
Governance	Board defined by statute or local ordinance	Tripartite board (public/private/community)
Acquisition	Special acquisition powers by tax/lien foreclosure, no eminent domain	No special acquisition powers although nonprofit status may allow for some preferred access
Tenure of Ownership	Temporary, but able to hold/maintain long term	Permanent steward of property
Disposition	Can flexibly dispose of land in line with community goals	Permanently hold land for public good

ships, despite the common misconception that land banks and CLTs operate exclusively at opposite ends of the housing market spectrum: land banks in weak housing markets where demand has dried up and CLTs in strong housing markets where escalating property values threaten affordability. While a land bank may focus primarily on driving investment to disinvested neighborhoods, it could also ensure that problem properties acquired in neighborhoods with strong housing markets are directed toward end uses that meet critical community needs, such as quality affordable housing. Similarly, in neighborhoods with weak housing markets where the promise of unlocked potential remains, particularly where large-scale public and private investments are being proposed, CLTs could be engaged to support permanent affordable housing choices before the market heats up, preventing the all too familiar pattern of displacement. Finally, for those cities and towns whose housing markets, either at the block level or citywide level, are damaged by a climate change disaster or a public health crisis like COVID-19 but can reasonably expect investment activity to return and property values to rise, an active partnership between a land bank and a CLT could be instrumental in ensuring that the recovery yields equitable development and inclusive neighborhoods.

In thinking through how land bank and CLT partnerships can best be used to support the equitable recovery of neighborhoods across the country, certain assump-

tions must be made about the long-term impact of COVID-19:

1. Black neighborhoods located in historically “red-lined”²² neighborhoods and exhibiting concentrated poverty and systemic lack of investment will continue to be disproportionately affected by vacancy and abandonment (University of Richmond).
2. Historically Black neighborhoods that are experiencing rapid gentrification will continue to be harmed by displacement and a lack of quality affordable housing.
3. In the coming months (and, potentially, over several years), there will be an increased inventory of problem properties as a result of evictions and mortgage and tax foreclosures, and, as was seen in the Great Recession, another wave of outside investor activity will result in dramatic changes in land ownership in communities across the nation (Young, 2019).
4. Profound systemic changes and resources will be required to ensure that Black residents control the capital and capacity required to stabilize and control land in Black communities.

As the nation acknowledges an urgent and moral need to demonstrate a deeper and authentic commitment to

racial equity, now is the time to invest in land bank and CLT partnerships as well as the full range of resources, tools, and strategies that can be deployed in these communities.

Evolution of Land Banks and CLTs

Both land banks and CLTs have evolved over the last few decades. And while they serve different yet complementary roles in supporting equitable development, they were both designed to respond to different systemic challenges to support local community goals, and they do this in different ways and for different time frames.

Over the past 40 years, the majority of land banks have been created across the country as public entities with unique governmental powers, usually public nonprofit corporations or public authorities that are solely focused on converting problem properties into productive use (Alexander, 2015). There are over 200 land banks in operation across the country, many of which were developed in the last decade as a direct response to the Great Recession and the resulting increase in vacancy and abandonment (Graziani and Abdelazim, 2020). Land banks are one of several tools in a larger system that seeks to break the cycle of vacancy and abandonment in any given community.³ Most land banks focus on a subset of vacant problem properties that are causing the most harm to a community by creating public safety hazards, driving down property values, and draining local tax dollars through repeated service calls from police, fire, and housing and building code enforcement staff. The targeted inventory of land banks is usually those properties that the private market has rejected given various legal and financial barriers such as tax or other public liens against the property that exceed the value of the property.

Many of the most effective land banks around the country have special powers granted by state-enabling legislation that allow them to undertake their work more effectively and efficiently than other governmental or nonprofit entities, and they have the authority and flexibility to focus on more equitable outcomes in line with the good of the community. State-enabling legislation can allow a land bank to use the tax and lien enforcement process to acquire tax-delinquent property for substantially less than the amounts due on the property, extinguish past liens, and hold property in a tax-exempt status until it is sold.⁴ These laws also allow land banks to market and convey properties more flexibly than local governments, prioritizing best outcome over highest offer. The best state-enabling legislation also identifies sources of dedicated funding to help pay for land bank operations.

Five Essential Elements of Land Banks

- 1. Connected to the tax foreclosure process***
- 2. Aligned with other strategies and systems affecting vacant, abandoned, and tax-delinquent properties***
- 3. Scaled in response to local land use and community goals***
- 4. Driven by policy, transparency, and accountability***
- 5. Authentically engaged with communities most affected by vacancy and abandonment***

The community land trust model in the United States was pioneered by Black farmers during the civil rights movement to ensure land tenure for their families (Center for Land Trust Innovation). The historical roots of the CLT model are aligned with many of the goals of the national civil rights movement: supporting ownership and control of land and achieving greater economic security for Black individuals and families (Velasco, 2020). As more communities realized the potential of CLTs to preserve permanent access to land for additional uses such as affordable housing, the number of CLTs inevitably grew, numbering more than 270 today (Schumacher Center for New Economics).

Although many variations on the model exist, CLTs are most often private, nonprofit organizations that own property where the land and the structure are separated. The CLT retains ownership of the land and enters a 99-year renewable ground lease with the homeowner. The homeowner purchases the structure on the land at a subsidized price, pays the mortgage on the structure, and, per the terms of the CLT ground lease, is responsible for upkeep and maintenance of the entire property (land and structure), making the arrangement little different from traditional homeownership. Given that the purchase price is subsidized, the CLT model increases access to homeownership for those who could not pay full market price. The CLT ground lease ensures that most of the cost savings realized by the original CLT homeowner are passed on to future purchasers and owners by placing limits on the future sales price of the property so that the home remains accessible to low- and moderate-income homebuyers at an affordable rate in perpetuity. Typically, the development, rehab, or purchase of CLT homes is subsidized through public or philanthropic funds, and this subsidy stays with the property forever, underwriting the purchase price again and again for generations of owners.

CLTs offer many pre- and post-home-purchase services to their homebuyers, such as pre-purchase counseling, down-payment assistance, foreclosure prevention, and ongoing community organizing, to name a few. Such long-term “stewardship” services fall under the category of “perpetual responsibility,” one of the key features

of the classic CLT model (Emmeus and Jacobus, 2008). CLTs also conventionally use a tripartite board consisting of one-third CLT homeowners, one-third members of the community, and one-third public representatives.

Across the country, the impact of land banks and CLTs is impressive. Communities with land banks are showing incredible signs of progress, demolishing hundreds of blighted structures, stewarding pipelines of properties in support of local ownership, reducing absentee landlordism and speculation, increasing the supply of quality affordable housing, and attracting private investment to neighborhoods where most financial institutions still fail to lend.⁵ As the number of CLTs has grown, more Black families are taking advantage of this shared equity model of homeownership, and there are promising signs that progress is being made to narrow the racial wealth gap (Wand, et al., 2019). The CLT model has proven to be resilient, too. As the impact of the Great Recession rippled through our communities, the mortgage foreclosure rates of CLT homeowners were significantly lower than those of conventional homeowners (Thaden and Rosenberg, 2010). When land banks and CLTs are aligned, a model is created that, when properly capitalized, can transform decades of distress into long-term community investment despite the next crisis that may be presented.

Overview of Land Bank and CLT Partnerships

In this context, a partnership is defined as an acknowledgment by both entities' governing bodies of the importance of working together, the strengths of each entity and how they can be leveraged, the goals of the partnership, and identification of some level of support, incentive, or resource to help ensure the partnership's success.

It is important to consider the general challenges and opportunities each entity brings to the table. Given that the typical inventory of most land banks includes problem properties located in some of the most disinvested neighborhoods, many land banks are challenged with finding responsible transferees that have the capacity and the commitment to return properties to productive use in a manner consistent with local community goals. CLTs generally have difficulty acquiring properties given the significant legal and financial barriers of problem properties in mixed housing markets as well as the competitive level of activity, capital, and capacity of private investors, particularly in strong housing markets. Although there are few examples of land banks and CLTs coordinating effectively and in a sustained manner, more communities are recognizing the value of a strategic partnership between these two entities, and that one may be a solution to the other's challenges.

Based on discussions with several land bank and CLT leaders, below are five of the most common actions taken in communities that are building successful land bank and CLT partnerships:⁶

1. *Leading with Racial Equity*: Strong political and community leadership that leads with a commitment to racial equity and acknowledges the impact that systemic racism has had and continues to have on communities that suffer from disinvestment and their responsibility to address this moving forward. Multiracial leadership and white leadership that are actively engaged with, learning from, and seeking to share power with and turn over power to Black leadership and Black-led organizations will begin to address the systemic changes that are needed.
2. *Committing to Quality Affordable Housing*: Strong political and community leadership that not only acknowledges the importance of quality affordable housing but also uses its power and influence to direct critical resources toward producing and preserving such housing. This type of commitment helps enable the level of support and resources needed to transform distressed properties into affordable housing.
3. *Committing to Authentic Engagement and Partnerships*: Engaging residents and community stakeholders (particularly in disinvested neighborhoods) in explicit discussions about the challenges facing their community and how land banks and CLTs are both tools that must be aligned within a larger network of partners and resources. These types of honest discussions build trust, yet manage expectations about what is needed to stabilize and revitalize communities.
4. *Leveraging Unique Powers and Strengths*: When land banks have comprehensive state and/or local land banking authority, they can leverage their unique powers to unlock a specific subset of properties that are causing the most harm to a community and prioritize the transfer of these properties to a CLT. Likewise, one of the strengths of CLTs is the long-term stewardship of land and ensuring that the pipeline of properties acquired from a land bank continues to serve the community in perpetuity—directly aligned with the land bank's core mission.
5. *Dedicating Flexible Funding and Capital*: When properly capitalized, land banks and CLTs can have the necessary capacity to bring their work to scale

Table 2. Albany County Land Bank and Albany Community Land Trust Organizational Information (as of October 2020)

	Albany County Land Bank	Albany Community Land Trust
Year Founded	2014	1987
Number of Staff	7 FT, 2 PT	2 FT, 1 PT
Current Inventory	<ul style="list-style-type: none"> - 50 buildings for sale - 272 lots for sale - 60 contiguous properties assembled as “development clusters” - 59 banked for further evaluation - 138 pending sales 	<ul style="list-style-type: none"> - 35 owner-occupied homes - 56 rental units in 37 buildings - 5 homes under development
Annual Budget Estimate (2019)	\$3,000,000	\$561,000

Source: Albany County Land Bank.

and consider additional mechanisms to acquire property before the market heats up. This type of flexible financial support can also leverage subsidy on the back end given the costs associated with transforming distressed properties into quality affordable housing for generations to come.

In the following examples, each of these five actions is present to varying degrees with these emerging land bank and CLT partnerships in Albany, New York, Atlanta, Georgia, and Columbus, Ohio. These examples are designed to serve as models that are still emerging for other land banks and CLTs to also consider making the case for how more dedicated flexible funding and capital could advance these partnerships to ensure a more resilient and equitable recovery for neighborhoods across America.

Albany County Land Bank and Albany Community Land Trust in New York

In 2017, the Albany County Land Bank (ACLB) and the Albany Community Land Trust (ACLT) signed a memorandum of understanding that formalized months of ongoing discussions about how both organizations can work together to achieve their shared goals of addressing vacancy and abandonment and preserving affordability (Graziani and Abdelazim, 2017). The primary goals of their partnership to date have focused on how to address the racial wealth gap and provide permanent affordable homeownership (and rental) opportunities to financially underserved individuals in Albany’s more

stable neighborhoods with stronger housing markets. Through the Equitable Ownership Program and the Inclusive Neighborhoods Program (described below), the ACLB is tapping into its special powers to efficiently unlock a targeted pipeline of properties, and the ACLT is tapping into its expertise in developing permanently affordable housing and the relationships that have been built over the decades with some of the most vulnerable residents in Albany. This partnership has also been integral in working with the City of Albany to create a more comprehensive and coordinated approach to vacant land that brings together various government agencies and local community stakeholders and connects residents to vacant land in more productive and sustainable ways.

Leading with racial equity

In addition to being the capital of New York, Albany is also home to the second largest gap in homeownership between Black and white households of any city across America (McCargo and Stochak, 2018). The ACLB developed the Equitable Ownership Program (EOP), which is designed to increase homeownership rates in underserved communities that have historically experienced discriminatory and inequitable practices and policies.⁷ The program draws upon the ACLB’s flexibility, partnerships, and available resources to eliminate many of the barriers that first-time homebuyers encounter when purchasing real estate in economically distressed neighborhoods. Through the EOP, the ACLB seeks to reduce the amount of capital needed for lower-income

individuals or families by selecting properties that need less rehabilitation, selling the property for 50 percent or less of the market value, and partnering with a local community development financial institution (CDFI) to prequalify buyers and/or serve as the lender. The ACLT and other local organizations have been able to help identify eligible program participants, who are provided with a scope of work and access to a building specialist to assist with the rehabilitation of the vacant building. The EOP serves as a model for how land banks and CLTs can leverage their missions and networks to foster equitable development and promote homeownership in economically distressed communities.

Committing to quality affordable housing

While there is consensus on the need for quality affordable housing in Albany, the goal of permanent affordable housing was not initially shared by all Albany stakeholders. Some advocates argued that permanent affordable housing denied families the chance to build wealth, which led to important clarifying discussions regarding how the CLT model works. Upon the sale of an ACLT home, owners receive all the equity they have invested in their home (down payment and mortgage principal write down) plus a 25 percent share of any appreciation of the property. CLTs are one of the significant steps toward stable homeownership, enabling many families to create generational wealth through the next house they buy.

Some city officials pointed to excessive vacant properties as an indication that Albany was not in danger of “pricing out” residents any time soon. However, after a series of thoughtfully planned and well-attended stakeholder meetings, local partners in Albany determined that any effort to intentionally drive investments into distressed neighborhoods should also aim to preserve some amount of permanent housing affordability from the onset of planned investments. Intentional preservation of permanently affordable housing stock early on can prevent displacement, close the affordability gap when it is minimal, and strike the balance between individual wealth creation and multigenerational benefit.

Committing to authentic engagement and partnerships

Both the ACLB and the ACLT have committed to engaging residents and community stakeholders as one of their top priorities. Each month, the ACLB holds community roundtable meetings that serve as a forum for residents to share ideas and information related to the land bank. The ACLT is governed by a tripartite board consisting of one-third ACLT homeowners and tenants, one-third members of the community, and one-third public representatives and elected by ACLT members.

This governance structure ensures that ACLT residents not only have a seat at the table but also helps guide all aspects of the organization.

In addition to the need to transform problem properties into permanent affordable housing, the ACLB and the ACLT also recognized an opportunity to work together and with other city and community partners on the issue of vacant land. One of their first joint efforts was to work with the city to create the Vacant Land Working Group, which brings together various government agencies, neighborhood associations, community gardening groups, and other interested stakeholders to create a more comprehensive and coordinated approach to the maintenance and ultimate reuse of vacant land. Several parcels of vacant land that were adjacent to the properties of current CLT homeowners and renters and owned by the ACLB were identified as a good starting point. Community clean-up events were hosted on these parcels, and through the Mow to Own program, the ACLB has also sold or has committed to sell over 20 vacant lots to the ACLT for one dollar each for CLT homeowners and renters who are interested in community gardening and more green space.⁸ With the support of the city and the Affordable Housing Partnership, the Albany Vacant Lot Tool Kit was also developed as a resource to help build interest in the program and to help educate the broader public.⁹

Leveraging unique powers and strengths

Through the New York Land Bank Act, the ACLB, like most land banks, acquires the bulk of its inventory through the tax foreclosure pipeline, with strong support from the county. The ACLB has also made limited open-market purchases and received donated properties. Of the tax-foreclosed properties received from the county, more than 80 percent are in Albany’s most disinvested neighborhoods, which correspond to the ACLB’s Focus Neighborhoods. With a deeper appreciation for how scattered, permanent affordable housing would be key to achieving an inclusive community, the ACLB and the ACLT explored and successfully launched the Inclusive Neighborhoods Program. Now, thanks to this program, any tax-foreclosed property acquired by the ACLB that is located outside the Focus Neighborhoods (in stronger neighborhoods with more stable housing markets), the ACLT may have first right of refusal for 45 days and can purchase the property at a discounted rate. The ACLB board approved this program in September 2017 and amended the disposition policy accordingly. While the actual number of homes added each year may be minimal, over a 20- or 30-year period, this program could make significant contributions to seeding permanently affordable housing choices throughout Albany, consistent with the community’s

Table 3. Metro Atlanta Land Bank and Atlanta Land Trust Organizational Information (as of October 2020)

	Metro Atlanta Land Bank	Atlanta Land Trust
Year Founded	1991	2009
Number of Staff	5	3
Current Inventory	150 vacant structures and lots with plans to acquire 1700 over next 60 months	- 13 owner-occupied homes ~130 homes in the pipeline over the next 12 months, including ~75 lots (includes single-family lots and large parcels that will be subdivided)
Annual Budget Estimate (2019)	\$650,000	\$520,000

Source: Metro Atlanta Land Bank and Atlanta Land Trust.

and political leadership's long-term goal of building a more inclusive city.

To date, the ACLT has purchased four buildings (a combination of single-family and multifamily) for homeownership and rental with several more in the pipeline.

Dedicating flexible funding and capital

Both the ACLB and the ACLT recognize the need for dedicated flexible funding and capital to be able to build the necessary capacity to continue their collective work and adequately build their acquisition pipeline, particularly given that the demand from out-of-town and institutional investors escalated throughout 2020. In 2020, the ACLB saw a 125 percent increase in property purchase applications for land bank properties over the previous year, as well as an increase in the proportion of applications submitted from outside the region. This level of interest from outside investors is reminiscent of what happened during the foreclosure crisis and both the ACLB and the ACLT are committed to working with legacy residents and business owners to prevent displacement and another wave of outside investors wresting control of properties from local and community ownership.

Metro Atlanta Land Bank and Atlanta Land Trust in Georgia

The partnership between the Metro Atlanta Land Bank (MALB) and the Atlanta Land Trust (ALT) is one of the longest standing examples of land bank and community land trust partnerships across the country and has recently benefitted from city leadership with a strong commitment to affordable housing.¹⁰ Many neighborhoods in Atlanta are still feeling the negative impact of the foreclosure crisis and the level of interest from

outside investors has only grown over the last decade. Therefore, if properly capitalized, the land bank and CLT partnership in Atlanta can scale up and use its acquisition powers and long-term stewardship to ensure that there is responsible ownership and that protections are in place for legacy residents.

As this partnership has evolved over the last decade, both entities recently decided to formalize their commitment through the execution of a memorandum of understanding, which lays out the partnership's goals, geographic focus, and the roles of each organization. The primary goal of the partnership is to streamline the conveyance of land bank parcels to the CLT in neighborhoods adjacent to the BeltLine. The BeltLine has transformed a 22-mile loop of historic rail lines into a new transit system, multiuse trails, and green space, and one of the results has been a huge increase in market demand and prices in several neighborhoods in the urban core.¹¹ In its earlier years, the land bank and CLT partnership was focused on a place-based initiative in the Pittsburgh neighborhood in Southwest Atlanta and more recently has evolved with the One Atlanta: Housing Affordability Action Plan given that both the land bank and the CLT are key stakeholders in the plan.

Leading with racial equity

As one of the epicenters of the Great Recession, Atlanta saw one of the largest declines in homeownership rates among Black households (Stokes, 2017). In neighborhoods like Pittsburgh, many Black homeowners were targets of subprime lending and the rate of mortgage foreclosures skyrocketed, leaving over 35 percent of properties vacant and magnets for crime and in the hands of absentee landlords and institutional investors (Annie E. Casey

Foundation, 2020). This situation is coupled with increasing rates of gentrification and displacement in neighborhoods adjacent to the BeltLine; therefore, both the MALB and the ALT have recognized that racial equity and inclusive growth must be at the forefront of the partnership's guiding framework in addition to ensuring that affordable housing opportunities go to legacy residents of color. Both organizations have recognized that intentionality and a strategic approach are needed to operationalize this commitment; therefore, they both have updated their strategic planning frameworks to begin to institutionalize racial equity and justice in their policies and operations.

Committing to affordable housing

Mayor Keisha Lance Bottoms ran on a platform to make Atlanta affordable and released the One Atlanta: Housing Affordability Action Plan, which is built around the creation and preservation of 20,000 affordable homes by 2026 as well as an investment of \$1 billion from public, private, and philanthropic sources (City of Atlanta, 2019). Rents and home prices in many neighborhoods have skyrocketed because of investments made by the city, including the BeltLine and the new Westside Park; therefore, local government has recognized its obligation to do more to support legacy residents who have been most affected by the tremendous change and rapid growth that Atlanta has experienced. The MALB has been integrally involved in these planning discussions and has been designated as one of five organizations charged with implementing many of the recommendations from the One Atlanta Plan. The ALT has also been identified as the primary entity for executing the community land trust model.

Committing to authentic engagement and partnerships

The city's current approach to affordable housing has been informed by HouseATL, a comprehensive and diverse group of highly respected business, nonprofit, government, and philanthropic leaders who came together to brainstorm how Atlanta could tackle its affordability challenges. This unique task force, which includes the MALB and the ALT, has defined the problems, identified the barriers to success, and engaged in thoughtful problem solving so that civic leadership in Atlanta will have a shared, comprehensive set of policies and adequate funding to address housing affordability. Five working groups were created to develop specific recommendations on: 1) community retention and anti-displacement; 2) preserving existing affordable housing; 3) scaling strategies and resources for under 50 percent AMI; 4) using public resources for production; and 5) harnessing the power of private resources to increase production and fill funding gaps.¹²

Both the land bank and the CLT have used different engagement strategies over the years; however, the ALT

regularly holds community information sessions to provide education on the CLT model and engage more renters who may be interested in becoming homeowners as well as legacy families along the South and West BeltLine corridors.¹³

Leveraging unique powers and strengths

Through the Georgia Land Bank Act, the MALB uses its strategic acquisition powers to take title to vacant, abandoned, and tax-delinquent properties, extinguish past-due tax liens, and receive marketable title for new responsible ownership. In addition to acquiring properties through tax foreclosure, donation, and market purchase, the MALB also has a Depository Program whereby nonprofit affordable housing developers (including the ALT) can deposit land in the land bank's inventory and the property is tax exempt and maintained by the land bank. This has become a very useful tool for many nonprofit and for-profit developers as they proceed with site assembly for an affordable housing development.

One of the earlier examples of how the MALB and the ALT have leveraged their unique powers and strengths is through a place-based initiative in the Pittsburgh neighborhood. Recognizing that one of the biggest obstacles to providing affordable housing is the cost of purchasing the property when in competition with private investors, the Annie E. Casey Foundation purchased 53 vacant homes while values were low—the average cost of acquisition in 2009 was approximately \$30,000—and the homes are now selling for closer to \$100,000 (Annie E. Casey Foundation, 2020). The MALB's Depository Program served as the steward of the vacant houses during pre-development, and the ALT became the final transferee for several of these homes to ensure permanent affordability and community benefit for generations to come.

With recent market shifts, more energy is being focused on transferring homes to the ALT given the risk of gentrification and the benefit of keeping the subsidy with the house versus traditional homeownership models that typically use a forgivable lien to cover any subsidies and loosen income restrictions after a few years or when the homeowner sells the house.

Dedicating flexible funding and capital

As part of the One Atlanta Plan, the Atlanta City Council passed legislation in January 2020 to create a \$50 million Housing Opportunity Bond Program to preserve and create 3,500 units of affordable housing.¹⁴ This money will fund a variety of initiatives, including homeowner renovations, multifamily developer loans, nonprofit development loans, and land assemblage. Both the MALB and the ALT, along with other organizations, will be used to support acquisition and help ensure that final transferees

Table 4. Central Ohio Community Improvement Corporation-Franklin County Land Bank and Central Ohio Community Land Trust Organizational Information (as of October 2020)

	Central Ohio Community Improvement Corporation -Franklin County Land Bank	Central Ohio Community Land Trust
Year Founded	2012	2018
Number of Staff	7	Shares staff with land bank
Current Inventory	970 single residential lots, all vacant lots	31 owner-occupied homes, with 13 in construction pipeline (35 ready by end of 2020); 10 units of rental housing in the pre-development phase
Annual Budget Estimate (2019)	\$12,665,000	\$20,665,000

Source: Central Ohio Community Improvement Corporation-Franklin County Land Bank and Central Ohio Community Land Trust.

for several of the units are kept affordable in perpetuity. Given the projected budget shortfalls of many local governments across the country from the COVID-19 pandemic, this bold move will help ensure that those most vulnerable and disproportionately affected by decades of disinvestment and predatory lending practices will have the opportunity to access grant dollars and low-interest renovation loans as well as new affordable housing.

Central Ohio Community Improvement Corporation-Franklin County Land Bank and Central Ohio Community Land Trust

The structure of the land bank and CLT partnership in Columbus and Franklin County is unique given that the Central Ohio Community Land Trust (COCLT) is a subsidiary of the Central Ohio Community Improvement Corporation – Franklin County Land Bank (COCIC); therefore, they essentially act as one organization with shared staff and office space. As properties come into the land bank, they are immediately assessed to determine whether they will be transferred to the CLT, creating one of the most streamlined systems for moving land bank inventory to a CLT. Taking the lead from the city and county governments, COCIC and COCLT are the implementers of local housing plans and benefit from statewide funding dedicated to land banks, which has allowed a steady pipeline of properties dedicated to permanent affordable housing.

The number of abandoned properties in central Ohio saw a spike during the foreclosure crisis, and many neighborhoods in Columbus saw the impact of these foreclosures first-hand as properties became abandoned and turned into public safety hazards. Since

then, considerable progress has been made in reducing the number of vacant and abandoned properties in the Columbus region through the work of COCIC and COCLT and its collaborating partners. Many neighborhoods have not only rebounded, but the region now faces a significant shortage of affordable housing across the region as recognized by both Franklin County and the City of Columbus.

Leading with racial equity

In 2019, the Franklin County commissioners released a report called Rise Together: A Blueprint for Reducing Poverty in Franklin County in which structural racism was identified as one of the greatest challenges facing the region (Franklin County Board of Commissioners, 2019). Although central Ohio has experienced steady growth, there are still great disparities in employment, education, incarceration, homeownership, and educational attainment rates among Black residents.¹⁵ Several steps and action items were identified in the blueprint that range from a declaration of racism as a public health crisis to a \$25 million commitment to address the causes of poverty and the racial wage gap. COCIC and COCLT have been identified as key partners in addressing the regional housing affordability gap.

Committing to affordable housing

Affordable housing preservation is a major focus for both the City of Columbus and Franklin County as central Ohio's population continues to rise, rents increase due to demand, and incomes for certain populations are not keeping pace with housing costs (Affordable Housing Alliance of Ohio, 2017). These trends are expected to continue as population numbers increase in central

Ohio. Organizations such as the Affordable Housing Alliance of Central Ohio and Greater Ohio Policy Center have helped analyze the needs and advocate for solutions that have helped influence the creation of COCLT as well as the creation of a Housing Action Fund and bond issuance that has resulted in \$150 million to preserve and increase the number of affordable homes in Columbus and Franklin County.

Working closely with the City of Columbus Land Bank, COCIC has committed to addressing this affordable housing challenge in multiple ways. Since its creation in 2012, COCIC has worked hard to build a solid track record with local government and community partners and was able and willing to create the CLT as its subsidiary to support some of the immediate affordable housing goals identified by the city and county and its regional partners. In addition to leveraging its strategic acquisition powers, COCIC has also been involved in several tax credit developments on land bank properties in tipping point neighborhoods as well as financing and funding construction and rehab of affordable owner-occupied units to address the appraisal gaps common in distressed neighborhoods.

COCIC has a countywide land use initiative whereby affordable housing is developed with COCLT in both strong and weak housing markets; suburban areas as well as within the city's footprint; and in undercapitalized areas with a majority of Black residents. In addition to providing the development gap financing for the CLT homes, COCLT also writes down the purchase prices for each homebuyer to ensure that the homes are affordable and to give lower-income households more opportunity to qualify for financing and become homeowners.

Committing to authentic engagement and partnerships

The Land Banks of Franklin County (COCIC) and the City of Columbus formed a unique land banking partnership in Ohio (and nationally) in that they are two separate, fully functioning entities that operate hand-in-hand to eliminate blight, stabilize neighborhoods, reposition land, and restart markets. The City of Columbus' Land Bank has a presence on COCIC's board, and as of 2017, the two entities are colocated at the Land Bank Center in the Southside neighborhood of Columbus. The two organizations work hard to maximize their partnership while retaining clear distinctions of responsibility based on geographic jurisdiction. The cooperation between these two land bank authorities builds upon their strengths for the greatest possible impact on neighborhood revitalization.

COCIC and COCLT have built strong relationships with local government and community partners. COCIC and

COCLT are governed by the same board; however, a Community Advisory Committee has been created to ensure engagement and transparency to guide their work, which will eventually also include CLT homeowners beginning in 2021. COCIC has created a Trusted Partner Program, which awards grants to a small list of local, experienced nonprofit housing partners to complete new build projects as well as rehabilitation of abandoned homes countywide. In an effort to address housing inequality, the COCLT program has been structured to partner with several critical agencies and organizations such as HUD-approved counseling agencies and established community housing development organizations that help address some of the barriers to homeownership.

Central Ohio also benefits from strong regional public-private partnerships focused on affordable housing as evidenced by the Affordable Housing Alliance of Central Ohio (AHACO), which was formed in 2015 by a group of nonprofit organizations that represent the full spectrum of affordable housing development and operations. In addition, the Mid-Ohio Regional Planning Commission, the City of Columbus, Franklin County, and other partners have recently focused their efforts on housing challenges facing the region.

Leveraging unique powers and strengths

Through Ohio's land bank law, COCIC uses its strategic acquisition powers through four different methods. Most commonly used is the regular tax foreclosure process; however, if properties are considered abandoned under the Ohio Revised Code, the foreclosure process can be expedited and the property conveyed to the land bank generally within 6 to 12 months.¹⁶ If tax-delinquent properties do not get sold at two public sales, the property is forfeited to the state and COCIC is also able to purchase the property free and clear of taxes. Last, COCIC also has the option of purchasing tax lien certificates from the county treasurer and foreclosing on the owner's right of redemption.

COCIC and the City of Columbus Land Bank serve as the primary acquisition pipeline for COCLT as well as other nonprofits operating in distressed neighborhoods. Properties are identified for the CLT based on a series of factors, including priority areas identified by the City of Columbus and Franklin County, whether the neighborhood housing market is at a tipping point, available subsidy and extent of appraisal gaps, and interest from nonprofit lenders.

Dedicating flexible funding and capital

Under Ohio law, land banks are eligible to receive dedicated funding with up to 5 percent from the county's delinquent tax and assessment collection fund

(Abdelazim, 2018). This is another unique aspect of this partnership, given that this dedicated funding allows COCIC and COCLT to maintain strong operational capacity and capital to leverage regional subsidy for affordable housing development.

In 2019, the City of Columbus, along with Franklin County, corporate partners, and the Columbus Foundation, announced a \$100 million Housing Action Fund to address the need for affordable housing in Franklin County. The fund will provide a flexible source of capital dollars managed by the Affordable Housing Trust, which will offer low-cost loans to developers who commit to specific affordability requirements in order to preserve and increase the number of units in Franklin County. These funds, in addition to the \$50 million in bond money approved by Columbus voters, represent the foundation of a comprehensive community approach to filling the gap that was identified through the work of the Affordable Housing Alliance of Central Ohio.

Key Considerations Moving Forward and a Call to Action

It will take bold leadership and the utilization of every available tool and resource for cities and towns to be models for inclusive and equitable rebuilding and recovery. Flexible and nimble capital is needed; partnerships are crucial; and honest discussions must be had about the racist housing, land-use, and lending policies that have helped create the ongoing crises that many neighborhoods continue to experience. Land banks and CLTs must continue challenging themselves to build relationships and trust with the communities that are most affected by the lingering effects of racist policies and demonstrate a deeper and authentic commitment to racial equity.

Much is unknown about the long-term impacts of COVID-19 and whether they will resemble the after-effects of the Great Recession. However, one thing is clear: Black communities continue to be disproportionately affected. Drawing from the rich history of the civil rights movement, CLTs can serve as critical partners to land banks to ensure that Black residents control the capital and capacity required to stabilize and control land in Black communities; therefore, resources need to be intentionally dedicated to these emerging land bank and CLT partnerships. Using a land bank's special acquisition powers and a CLT's permanent stewardship for community benefit provides a direct conduit to transferring control of land and creates a pathway for a more resilient and equitable recovery.

As the moratoriums on evictions and mortgage foreclosures end, land banks and CLTs need to be capitalized to

create a pipeline of permanent affordable housing. In the three examples of land bank and CLT partnerships, only one in Ohio has dedicated funding. Dedicated funding for both operational support and subsidies to create quality affordable housing in distressed neighborhoods is needed now more than ever. Land banks and CLTs need to access capital that is flexible and nimble and allows them to compete with institutional and absentee investors, so that community benefit is realized at scale and investments prove their returns for generations to come. Institutional and absentee investors cannot be allowed to acquire properties once again in our most distressed communities and either let them sit and deteriorate or use them as rentals to extract wealth out of the community. Likewise, this type of investment cannot be used to displace and acquire more homes from legacy residents who simply cannot afford the required renovations or the tax bill for next year, given a job loss and/or an increase in health care costs.

Land banks and CLT partnerships are just one of many tools needed to address the myriad of challenges that arise from COVID-19 and decades of disinvestment. However, it is an emerging model that is starting to have a track record and is worthy of more resources moving forward.

Kim Graziani serves as senior adviser to the Center for Community Progress and as president of Indigo Collaborative LLC, a consulting firm. Over the past 10 years, Graziani helped build and lead the National Technical Assistance Program at the Center for Community Progress, which has served over 300 communities in 35 states. Prior to her national work, Graziani served as the director of neighborhood initiatives for the mayor of Pittsburgh, Pennsylvania, and was instrumental in developing and implementing innovative policies and strategies for the equitable reuse of vacant and abandoned properties that prioritized resident engagement, neighborhood preservation, and community wealth-building. She also has in-depth expertise in affordable housing and community organizing through her work with multiple community development corporations, private foundations, and social service agencies across the country. She received her master's degrees in public administration and social work from the University of Pittsburgh, where she also served as part-time faculty.

Endnotes

¹ See Table 1 for a brief description of land banks and CLTs.

² Backed by the federal government and beginning in the 1930s, many banks in the United States denied mortgages to people, mainly Black individuals and families in urban areas, preventing them from buying

a home or getting a loan to renovate their houses in certain neighborhoods. This has resulted in the loss of Black wealth that has been compounded across several generations.

³ Other preventative tools that are used to address problem properties include delinquent property tax enforcement and housing and building code enforcement. For more information on how these tools work together with land banks to create effective, efficient, and equitable systems, please visit the Center for Community Progress' website at: www.communityprogress.net.

⁴ Since 2011, 15 states have passed land bank legislation. See Graziani and Abdelazim, (2020).

⁵ For more information on the outcomes of land banks, please view the following reports: New York Land Bank Association and Center for Community Progress (2017); Toering, (2019); and Greater Ohio Policy Center (2018).

⁶ For the past six years, the Center for Community Progress and the Grounded Solutions Network have engaged land banks and CLTs across the country through a variety of remote and in-person discussions at national conferences, at webinars, and through phone calls.

⁷ For more information on the ACLB's Equitable Ownership Program, please visit its website at: <https://www.albanycountylandbank.org/eopp>.

⁸ One of the first community clean-up events was documented in this video: <https://www.youtube.com/watch?v=ofmQ0oQ5jPw>

⁹ For more information on the Albany Vacant Lot Tool Kit, please visit: <https://www.vacantlottoolkit-albanyny.com/>

¹⁰ As of November 2020, Fulton County/City of Atlanta Land Bank Authority is doing business as Metro Atlanta Land Bank.

¹¹ For more information on the Atlanta BeltLine, please visit: <https://beltline.org/>.

¹² For more information on the recommendations made by HouseATL, please visit: <https://houseatl.org/recommendations/>

¹³ The ALT's new strategic plan for 2020-2025 identifies several goals related to community engagement and awareness, which can be found at: <https://atlandtrust.org/wp-content/uploads/2020/10/Atlanta-Land-Trust-Strategic-Plan-1.pdf>.

¹⁴ In January 2021, the Atlanta City Council passed affordable housing legislation, and in March 2021, the City of Atlanta Department of Finance closed a \$50 million housing bond transaction to help advance the goals of the One Atlanta: Housing Affordability Action Plan to continue creating and preserving 20,000 affordable homes by 2026. See <https://www.investatlanta.com/impact-insights/mayor-bottoms-announces-50-million-housing-bond-closing>.

¹⁵ American Community Survey 2013 – 2017 Five-Year Estimates for Franklin County; Bureau of Justice Statistics (BJS) Annual Survey of Jails (ASJ) and Census of Jails (COJ) 2015 data set; Ohio School District Report Card Website – Kirwan analysis.

¹⁶ Ohio Revised Code. Title III Counties. Chapter 323 Collection of Taxes. 323.66 Expedited foreclosure by board of revision on unoccupied land.

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About the Center for Community Progress

The mission of Center for Community Progress is to foster strong, equitable communities where vacant, abandoned, and deteriorated properties are transformed into assets for neighbors and neighborhoods. Founded in 2010, Community Progress is the leading national, nonprofit resource for urban, suburban, and rural communities seeking to address the full cycle of property revitalization. The organization fulfills its mission by nurturing strong leadership and supporting systemic reforms. Community Progress works to ensure that public, private, and community leaders have the knowledge and capacity to create and sustain change. It also works to ensure that all communities have the policies, tools, and

resources they need to support the effective, equitable reuse of vacant, abandoned, and deteriorated properties.

About the Federal Reserve System

The Federal Reserve System (the Fed) is made up of 12 Reserve Banks that, together with the Board of Governors in Washington, DC, serves as the central bank of the United States. As the US central bank, the Federal Reserve conducts monetary policy, promotes financial stability, provides payment services to financial institutions, supervises banks, and promotes community and economic development.

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The Federal Reserve Bank of Atlanta sits in the Federal Reserve's Sixth District and covers all of Georgia, Florida, and Alabama and portions of Louisiana, Mississippi, and Tennessee. The Atlanta Fed's Community and Economic Development Department supports the Federal Reserve's mandate of stable prices and maximum employment by working to improve the economic mobility and resilience of people and places for a healthy economy. To do this, we conduct research and create data tools to uncover the barriers to and opportunities for improved economic mobility as well as to make the data easily accessible for community and organization planning and decision-making. We engage stakeholders to help organizations and communities understand relevant issues and undertake cross-sector solutions. And we track and elevate issues facing the lower-income resident of the Southeast.

About the Federal Reserve Bank of Cleveland

The Federal Reserve Bank of Cleveland, the Federal Reserve's Fourth District, covers all of Ohio, western Pennsylvania, eastern Kentucky, and the northern panhandle of West Virginia. The Cleveland Fed's community development team promotes the economic resilience and mobility of low- and moderate-income people and communities throughout the Fourth District. We conduct research and engage with stakeholders on issues affecting access to credit, quality jobs, education, small business, and housing with the goal of increasing economic opportunity and helping people and communities thrive.



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