

Land Banks

Demonstrating the Positive Impacts on Communities

Land banks across the country are helping to make equitable, inclusive neighborhoods and resilient communities possible. State and local laws grant land banks special powers that allow them to focus on some of the most complicated problem properties: those that are vacant, abandoned, and deteriorated (VAD). By acquiring problem properties, stewarding them on behalf of the public, engaging residents, and attracting new investment, land banks are generating significant positive impacts for the communities they serve.



Land Bank Impacts

Increase property values: VAD properties reduce the value of properties within close proximity, ultimately impacting individuals' equity and wealth, local governments' tax revenue potential, and weakens real estate markets, creating a cycle of decline. Some land banks intervene and take appropriate action to address the VAD properties resulting in an increase in surrounding property values in the neighborhood.

The median sale price in Detroit, Michigan grew an additional 11.5% per year in the Land Bank's Rehabbed & Ready neighborhoods during the three-year treatment period than they would have without the intervention.¹

Land Bank Positive Impacts



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PROGRESS POINTS



*Studies show simply cleaning and greening vacant lots **can decrease gun-related violence by as much as 29%.***²

Increase municipal revenue: VAD properties are often delinquent on taxes, and municipal revenues suffer as a result. Land bank interventions break the cycle of foreclosure and are placed back on the tax rolls which leads to greater municipal revenue, creating more financial resources for critical community services.

Leverage investment for economic growth: Public expenditures can lead to private investments. Through interventions ranging from small residential rehabilitation to large-scale catalytic projects, land banks have been able to leverage their investment with private, public, and philanthropic funding.

Decrease municipal service expenses: VAD properties are a drain on municipal services, such as code enforcement, fire, and police. When land banks become the steward of the properties, and eventually dispose to a responsible owner, those municipal service costs are decreased.

Increase health and wellbeing: Addressing VAD properties can lead to decreases in crime, and increases in wellbeing and personal and public health.

Improve quality of life: Land bank impacts are not just economic. They increase civic engagement and alter perceptions of the neighborhood, leading to pride and increased feelings of confidence in the trajectory of neighborhoods.

Ten land banks operating in New York State were able to leverage \$77 million in private investment; including \$13 million in local and county government funds, and \$10.5 million in other grants from public, philanthropic and private partners.³



*The Lucas County Land Bank in Toledo, Ohio has established a **\$1.5 million Neighborhood Justice Fund** to support land bank investments that will grow wealth and foster health in Black and Brown communities.*⁴

Emerging Practices in the Field

Land banks address properties in flexible and responsive ways, driven by the outcome that best meets the community's goals. This flexibility allows for innovative partnerships and responsive actions to emergent community needs.

Racial equity and social justice: Land banks across the country are using their powers to advance racial equity and social justice and build community wealth in historically disinvested neighborhoods. They are shaping their

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PROGRESS POINTS



Less than 1% of the properties sold by the land bank in Flint, Michigan went through tax foreclosure again, compared to 57% of the properties sold at the public tax auction.⁵

contracting and purchasing policies to support Minority and Women Owned Business Enterprises, uplifting cultural heritage through creative placemaking programming, leveraging partnerships with organizations that focus activities in previously redlined neighborhoods, committing resources and programming to address the homeownership rate gap in communities of color.

Lasting affordability: Land banks are steering their inventory of VAD properties to help address local housing affordability challenges. Some land banks create intentional partnerships with community land trusts while others use their powers to apply deed restrictions to create permanent affordable housing.

Climate resiliency: As natural disaster events intensify and increase in frequency due to climate change, some land banks are shifting to play a key role in recovery and resiliency, creating more green space to reduce heat and water impacts and addressing storm-damaged properties.

Hurricane Harvey and rising home prices increased the need for affordable housing options in Houston, Texas. The Houston Land Bank partnered with the City of Houston and the Houston Community Land Trust to provide over 500 (and counting) new affordable homes for income-limited Houstonians since its inception.^{6,7}



- 1 Fontaine, Paul and Mueller, Chris. (2021). "Good Deeds: Community - minded intervention to strengthen the Detroit housing market is working, according to U-M analysis." Available at <https://www.bridgedetroit.com/wp-content/uploads/2021/04/RR-Case-Study-20210225-V11-1.pdf>
- 2 Branas, C. et al. (2011). "A Difference-In-Difference Analysis of Health, Safety, and Greening Vacant Urban Space." Analyzing PHS' greening program impact on health and safety from 1999-2008, researchers found a significant reduction in gun assaults citywide in areas with PHS-greened vacant lots. Additionally, in many of these areas, residents also reported less stress and increased exercise. Available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3224254/>.
- 3 Center for Community Progress and New York Land Bank Association. (2017, May). "New York Land Banks." Available at <http://syracuselandbank.org/wp-content/uploads/2017/05/NYLBA-publication-FI-NAL-05-04-2017.pdf>.
- 4 Lincoln Institute of Land Policy. (2020, October). "Opening Doors: Land Banks and Community Land Trusts Partner to Unlock Affordable Housing Opportunities." Available at <https://www.lincolnst.edu/publications/articles/2020-10-opening-doors-land-banks-community-land-trusts-partner-affordable-housing>.
- 5 Center for Community Progress. (2020). "Catch or Release? An Analysis of Residential Tax Foreclosure Conveyance in Flint, Michigan, between 2008 and 2015."
- 6 Houston Land Bank. (2021). "History." Available at <https://houstonlandbank.org/about/>.
- 7 Lucas County Land Bank. (2020). "Building Neighborhoods." Available at <https://lucascountylandbank.org/news/building-neighborhoods>.

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