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Transforming the Southland by Expanding Vacant Property Development

Recommendations for the South Suburban
Land Bank and Development Authority



Authors

Matt Kreis

General Counsel

Kim Graziani

Technical Assistance Senior Advisor and
President, Indigo Collaborative

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About the Center for Community Progress

The Center for Community Progress helps people to transform vacant spaces into vibrant places. Since 2010, their team of experts has provided urban, suburban, and rural communities battling systemic vacancy with the policies, tools, and resources needed to address the full cycle of property revitalization. As the only national nonprofit dedicated to tackling vacant properties, Community Progress drives change by uncovering and disrupting the unjust, racist systems that perpetuate entrenched vacancy and property deterioration. Community Progress has delivered customized, expert guidance to leaders in over 300 communities and provided hundreds of hours of free educational resources as well as leadership programming to help policymakers, practitioners, and community members across the country return properties to productive use. To learn more and get help for your community, visit www.communityprogress.org

Flint (Headquarters)

111 E. Court St, Suite 2C-1
Flint, MI 48502

Washington, DC

1101 14th St NW, Suite 510
Washington, DC 20005

Atlanta

299 Joseph E. Lowery Blvd NW, Suite 203
Atlanta, GA 30314

Chicago

100 S. State St, Suite 405
Chicago, IL 60603

info@communityprogress.org

(877) 542-4842

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Executive Summary

Founded in 2012 as the first land bank in Illinois, the South Suburban Land Bank and Development Authority (SSLBDA) serves nearly 30 municipalities throughout the south suburbs of Chicago, Illinois—a region referred to locally as the “Southland.” As a quasi-governmental entity, SSLBDA relies on powers and authority granted to it by state law and intergovernmental agreements with its partner municipalities (often referred to as land bank “member municipalities”) to acquire and redevelop vacant and abandoned properties to boost the economic vitality of Chicago’s south suburbs.

Over the past two years, SSLBDA focused on rebuilding its operational capacity, reputation, and relationships with its member municipalities. The hiring of a new executive director and execution of a partnership and staffing agreement with the Southland Development Authority (SDA) in 2021 were instrumental in this rebuilding phase.

With this foundation-building work now in place, SSLBDA also has its sights set on furthering its evolution in support of the goals and priorities of the communities it serves, including by expanding its direct role in the development of SSLBDA inventory. While SSLBDA has the opportunity to transform vacant properties across the Southland to meet a range of housing and commercial needs, it has focused recent efforts on piloting the rehabilitation of vacant property into single-family housing opportunities at or below \$200,000. This price point is critical, as it is affordable to many in the region and home prices in the land bank’s service area continue to creep upwards. Homes available at this price are important to attract first-time homebuyers looking to take advantage of the economic opportunities the region offers.

To that end, SSLBDA engaged the Center for Community Progress’ (Community Progress) technical assistance services in August 2024 to improve strategic development outcomes of the land bank’s inventory, with a primary focus on increasing the supply of quality housing at an affordable price point through the rehabilitation of abandoned homes, and to a lesser extent, new construction on vacant lots.

Through this work, we concluded that:

1. **There is a clear role for SSLBDA in the creation of housing at \$200,000 or less.** SSLBDA has demonstrated that it can play a critical role in getting single-family housing rehabbed and back to market, often at a price point that is affordable to most in the Southland (\$125,000-\$200,000).

By leveraging its municipal partners’ acquisition powers, a fairly robust housing market, and available state funding, SSLBDA not only meets this housing market need but also generates revenue that supports operations and expanded programming. Given these outcomes, more investment in rehab and new construction is warranted. To illustrate, SSLBDA generated nearly \$1.8 million in revenue from almost 50 property sales in 2024 and is projecting nearly \$3 million in revenue in 2025. Much of that was from sales that ultimately resulted in home purchase of \$200,000 or less. Finding a way to properly invest that revenue by formalizing the



\$185,000

In Park Forest

1,680 sq. ft.

4 bedrooms

2 bathrooms

Actual home acquired by SSLBDA who sold to it to a developer. The developer rehabilitated the home, marketed it, and sold it as a single-family home for less than \$200,000.

Source: https://www.zillow.com/homedetails/176-Washington-St-Park-Forest-IL-60466/4309194_zpid/

pilot in-house rehab program is a logical next step. This would give SSLBDA greater control to ensure these properties get to market at the desired price point and enable the land bank to better cultivate and expand the pool of qualified, capable contractors in the Southland. Now is the time to establish a full SSLBDA rehab program and explore how lessons learned from these demonstration efforts can be applied to a *new construction* pilot program, support its expansion, and capacity of local contractor and developer partners, and other related initiatives.

- Mission alignment, data, and community needs must drive program expansion and program goals.** The major components of any expanded or new programming should be aligned with the land bank's mission, data regarding housing supply and current and prospective inventory, and feedback from residents in the community on their housing needs. Land banks were created to be unique public entities that are flexible, mission-driven, and transformative in revitalizing communities. Revisiting the mission of SSLBDA and ensuring there is alignment with these ambitious new or expanded program goals is essential to ensuring its unique yet complementary role. Collecting and analyzing data with its municipal partners in the following categories will also be instrumental in program design:

- Housing supply and need (e.g., clarifying the scale and need for housing for families earning < 80 percent AMI),
- Vacant or abandoned properties (e.g., abandonment pipeline), and
- Prospective inventory (e.g., tax foreclosure, direct market, donations).

While quantitative data is important, there is no substitute for engaging directly with residents on their housing wants and needs, as well as interest in workforce development opportunities to be part of this pool of contractors.

3. **There is a need to revisit the current agreement between SSLBDA and SDA to ensure mutual, sustained success.** With the evolution of any land bank, it is critical to consistently monitor the trajectory of the organization and revise or expand on the partnerships, resources, and authority needed to achieve its mission and goals. SSLBDA's relationship with SDA, for example, is a critical one to assess given how closely staff and finances are intertwined. SDA has and will continue to be an essential partner to SSLBDA, noting the land bank would not be where it is without the support provided by SDA via the 2021 staffing and partnership agreement. SSLBDA's recent success merits thoughtful conversation about how the two organizations can more clearly define the parameters of their partnership and focus on explicitly carving out and piloting the specific types of transformative projects that will enhance economic and housing opportunities in the region.
4. **More partnerships with municipalities, contractors, and community-based organizations are required to scale up development role and create successful homeownership opportunities.** As SSLBDA refines programmatic goals, acknowledging its struggles to build meaningful partnerships in communities where resources are scarce is important. Some municipalities with the greatest need for rehabbed or new housing, for example, lack the data to assess potential SSLBDA acquisitions, or the code enforcement capacity and resources to help facilitate SSLBDA acquisitions via the "abandonment" process in state law. Quality, capable contractors are always scarce, and emerging Southland developers could significantly benefit from increased training and other opportunities to work closely with SSLBDA and its partners. In many cases, this will require SSLBDA to dedicate staff time and resources to bridging those capacity gaps by, for example, exploring how SSLBDA and its municipal partners could provide data and/or code enforcement resources and training to municipalities most in need of SSLBDA services, or by developing quarterly meetings/trainings for emerging and established SSLBDA contractors and developers. In addition, partnering with community-based organizations to work with residents to become financially ready to become successful homeowners is a key piece to SSLBDA's success moving forward.
5. **Increased access to capital is key to pursuing mission-driven work and will allow SSLBDA the flexibility to make choices on where and how to invest its resources based on need and outcome, rather than relying entirely on program revenue.** Trusted funding partners and institutions like Community Development Financial Institutions (CDFIs), for example, can be a key partner to helping address racial wealth and homeownership gaps throughout the country. These partners are often far more willing to take additional lending and other financial risks to meet the needs of individuals, families, contractors, and investors looking to purchase and develop properties from the land bank.

Introduction

Founded in 2012 as the first land bank in Illinois, the South Suburban Land Bank and Development Authority (SSLBDA) serves nearly 30 municipalities throughout the south suburbs of Chicago, Illinois—a region referred to locally as the “Southland.” As a quasi-governmental entity, SSLBDA relies on powers and authority granted to it by state law and intergovernmental agreements with its partner municipalities (often referred to as land bank “member municipalities”) to acquire and redevelop vacant and abandoned properties to boost the economic vitality of Chicago’s south suburbs.

Over the past two years, SSLBDA has focused on rebuilding its operational capacity, reputation, and relationships with its member municipalities. The hiring of a new executive director and execution of a partnership and staffing agreement with the Southland Development Authority (SDA) was instrumental in this rebuilding phase. SSLBDA’s recent in-house pilot rehab program has largely prioritized available inventory, municipal buy-in, and ability to make a return on investment. To date, six properties have been successfully rehabbed as workforce housing (sale price of \$120 – 200k). The pilot program has also helped build internal capacity and trust with municipal partners.

With this foundation-building work now in place, SSLBDA has its sights set on furthering its evolution in support of the goals and priorities of the communities it serves, including expanding its direct role in the development of SSLBDA inventory. To that end, SSLBDA entered into a technical assistance engagement with the Center for Community Progress (Community Progress) in August 2024 to develop a more strategic approach to improve development outcomes of land bank inventory, with a primary focus on increasing the supply of quality housing at an affordable price point through the rehabilitation of abandoned homes, and to a lesser extent, new construction on vacant lots.

Over the course of six months, Community Progress worked closely with SSLBDA leadership to:

- Assess current SSLBDA capacity, operations, and pilot programs by reviewing organizational documents, intergovernmental agreements, acquisition and inventory data, and by conducting a range of interviews with SSLBDA and partner stakeholders summarized in Appendix A.
- Leverage Community Progress’ and its National Land Bank Network’s expertise to conduct a national scan of land bank rehab and new construction programs and partnerships to identify programs and practices that were relatable to the unique structure, geography, and market dynamics of SSLBDA and the communities it serves.
- Convene and facilitate a day and a half, in-person workshop with SSLBDA and select land banks and land bank partners from across the country to share lessons learned, identify best practices, and help to inform SSLBDA’s rehab and new construction program development.
- Develop an action plan with observations and recommendations for how SSLBDA might seek to expand its rehab and new construction development role.

SSLBDA is at an exciting point in its growth and is poised to leverage its recent hard work in stabilizing the core foundation of the organization to have a more transformative impact on the quality of housing, creation of jobs, and overall quality of life to the 750,000 residents and businesses who proudly call (or would like to call) the Southland their home. Now is the time for the organization's staff and board leadership, member municipalities, and other community stakeholders to dream big about what makes SSLBDA unique yet complementary to other partner organizations and what drives the organization in terms of mission, vision, and goals.

This report begins by providing an overview of the role select land banks from across the country play in the development of land bank inventory. It then summarizes Community Progress' observations regarding SSLBDA structure and observations, including highlighting both opportunities and challenges as they expand their rehab and new construction portfolios. Finally, this report provides key recommendations for how SSLBDA might build out its expanded and new programming for rehab and new construction. Appendices include sample policies and procedures for SSLBDA to consider as it solidifies and expands its programming.

Any observations and recommendations are based upon Community Progress' national experience working with land banks and its own research. As always, we strongly encourage SSLBDA to consult with its attorneys before relying on any of the findings contained within.

Scan of Land Bank Rehab and New Construction Programs

To better assess SSLBDA's current approach to development and identify the appropriate model for how SSLBDA might best approach the development of its inventory, Community Progress conducted a national scan of land banks doing development work. Our research revealed key land banks and land bank partners with development approaches and programs that would be particularly instructive to SSLBDA and Community Progress in assessing SSLBDA's current approach and building out new or expanded programming.

Following our national scan, we selected four land banks and land bank partners for further exploration based on a variety of factors including, for example, success of development programming, strong partnerships with local contractors or financing entities, and similarity of land bank service geographies and structure. The four included: Cuyahoga County Land Bank (Ohio), Tri-COG Land Bank (Pennsylvania), Albany County Land Bank Corporation (New York), and Home Headquarters, Inc. (a Community Development Financial Institution serving, in part, Syracuse, NY and Albany, NY).

We invited representatives from these land banks and their partners to strategize with SSLBDA staff on approaches to developing land bank inventory at an in-person convening in the Southland in October 2024. Topics discussed included how to scale up operations and programming, key lessons learned, things they wished they knew at the outset, and other topics.

Summary of Select Land Bank Development Programs

Over the past 40 years, and especially since the mortgage foreclosure crisis in 2007-09, the field of land banking has grown exponentially. Its transformative impacts can be seen and felt across the country. Now, more than ever, land banks are developing and implementing rehab and new construction programs and partnerships in a variety of ways, including this work being done in-house, by contracting out, and/or through direct partnerships (or anything in between). No two land banks—and no two communities—are identical. However, land banks considering establishing their own development programs can learn much from those land banks that have piloted, evaluated, and refined their own rehab and new construction programs over the years. The three programs briefly summarized below are examples of such programs.

Cuyahoga County Land Bank's Deed-In-Escrow Program (Ohio)

The Deed-in-Escrow Program allows a qualified future owner-occupant or investor to buy a home for a modest purchase price based on an agreement to make certain renovations to the property, typically within four months. Cuyahoga County Land Bank staff work collaboratively with the buyer to create a realistic written renovation plan that meets a set of established Housing Quality Standards. Once a

purchaser enters into an agreement with the land bank, the title/deed to the home is then held in escrow until the renovations are completed. The land bank performs monthly inspections during the renovation period to track progress and ensure renovations are completed as scheduled. Renovations are deemed complete when the applicable municipality issues an official Certificate of Occupancy or when all necessary permits are officially closed by the municipality. If renovations are not completed within the agreed time frame, the title will be retained by the land bank, and the potential purchaser will forfeit the money that they have invested into the renovation. This model largely follows the “Contracting Out” model in the box on the previous page.

Albany County Land Bank’s Equitable Ownership Program and Home HeadQuarters Inc. (New York)

The Equitable Ownership Program (EOP) uses the land bank’s real estate and reduces traditional barriers that first-time homebuyers—especially members of historically underserved populations—encounter when buying and rehabbing homes. The program makes higher-quality buildings located in historically redlined neighborhoods available at a discounted purchase price and pairs eligible potential owner-occupants with resources. This includes access to a construction mentor to support the rehabilitation process as well as capital through Home HeadQuarters Inc., a Community Development Financial Institution (CDFI), that serves individuals who struggle accessing resources from traditional financial institutions. This program is an example of the “Direct Partnership” model.

Tri-COG Land Bank’s Equitable Communities Collaborative (Pennsylvania)

The Equitable Communities Collaborative is made up of five local organizations—the land bank, two council of governments, the community land trust, and the local chapter of the national nonprofit Rebuilding Together—that work together to address the full cycle of community revitalization. This includes preventing vacancy and blight through a proactive and shared code compliance program, acquiring properties that are vacant and abandoned through the land bank’s special powers, and then immediately transferring these properties for rehabilitation or new construction to Rebuilding Together or the community land trust to ensure they stay permanently affordable for generations to come. This is another example of the “Direct Partnership” model.

Examples of Land Bank Development Approaches

In-House: Creating their own rehab and new construction programs using land bank staff or creating workforce development programs to train and create jobs for residents. Land banks remain the property owner until the rehab or new construction is complete and sold to a new owner.

Contracting Out: Building the capacity of local small-scale developers and residents interested in rehab or new construction, especially developers and residents of color who have traditionally faced barriers accessing capital and training. The developer rehabs or constructs the property while it is owned by the land bank, or the land bank sells it directly to the developer who then rehabs or constructs the property. If the latter, the land bank usually includes end use and transferee restrictions (e.g., affordability, homeownership) to ensure community benefit.

Direct Partnerships: Updating land bank policies and agreements to prioritize property disposition to organizations (i.e., nonprofit or for-profit) that are committed and have the resources to complete rehabs and new construction. Some land banks execute memorandums of understanding (MOUs) with nonprofits to collaboratively identify potential properties for land bank acquisition. Whether through policy changes or MOUs, most land banks will discount the sales price if the rehabbed property is sold to a household below a certain income threshold.

Lessons Learned on Rehab and New Construction Programs

Although each of the organizations that participated in the convening has differing housing markets, housing needs, goals, and resources, the below common lessons learned stood out from Community Progress' research and from what land bank leaders shared at the October convening in the Southland.

1. **In-house expertise is invaluable.** Good in-house or contracted project and construction management expertise is “worth its weight in gold.” Land banks should always develop their own internal scopes of work, specs, and budget before bidding out projects. Creating a detailed workflow and process for any project will allow for smooth transitions if new staff or contractors are brought on, and/or when the land bank is ready to scale up the number of projects. This in-house expertise is also critical to develop, publicize, and consistently update internal Housing Quality Standards.
2. **Good data is key.** Accurate and timely data is key to understanding the needs, opportunities, and metrics for evaluation for any new or expanded development program. Establishing and revisiting program goals regularly will help land bank leadership make tough decisions on how to prioritize resources and respond to changing variables like housing markets and community needs.
3. **Build relationships with local contractors and developers.** Building a pool of quality, capable contractors and developers is essential to success and requires establishing deep relationships, clearly communicating expectations, and providing support and resources. These relationships with contractors allow for trust and effective communication to flow during the project, which means collaboratively addressing issues before they become intractable problems.
4. **Balance aggressive inspection standards with appropriate flexibility.** Land banks should be aggressive on the initial development timeline communicated to its partners to create a sense of urgency to get the work done (e.g., four months to complete instead of 10-12). To push the timeline aggressively, land banks should regularly check in, do routine on-site inspections, and send letters. That said, flexibility is still key. Land banks can always give good development partners more time if needed and appropriate. That may require land banks asking the contractor to put more money in escrow to keep things moving forward. Most land banks agree that enforcement mortgages, or restrictive covenants in deeds, are difficult and expensive to enforce, and being aggressive and on top of the timeline is one way to potentially limit the need to utilize the claw back provisions these legal instruments contain. That does not mean enforcement mortgages should not be used to ensure accountability, only that limiting the need to act on them is a preferred approach.
5. **Expand access to capital.** Access to capital is a crucial component of a land bank's ability to develop housing that will be acquired by a family in need at an affordable price point. Access to capital is also one of the biggest causes of the racial and economic homeownership gaps and a tremendous barrier to creating more equitable opportunities. Land banks should partner with a Community Development Financial Institution (CDFI) where possible to create and provide flexible and less risk-averse financing to individuals, families, contractors, and investors looking to purchase and renovate properties from the land bank. Finding trusted funding partners and institutions willing to take additional risks to meet the needs of potential customers—many of whom might be shut out from traditional financing options—is key.

6. **Leverage statewide land bank partners.** Statewide land bank associations are great vehicles to advocate state and local funding for land banks. The [New York](#) and [Ohio Land Bank Associations](#) have been successful in getting flexible state funding for general operations as well as specific programming.
7. **Local partnerships are critical.** Land banks should continue to build trust and relationships with local municipalities, counties, councils of governments, nonprofit and community-based organizations, housing counseling agencies, funders, and potential buyers and consistently work with these partners to assess and revise local needs, identify key funding gaps, and build a pipeline of qualified homebuyers.
8. **Provide support to neighbors.** To make the greatest impact and leverage a land bank's investment in rehabs and new construction in a particular neighborhood, land banks should work with adjacent vulnerable neighbors to support basic home repairs and prevent displacement.

These discussions with land banks and land bank partners in New York, Ohio, and Pennsylvania reflect much of what we have heard from other communities across the country and echo key themes of engagement, partnerships, data, capital, and evaluation. The lessons learned form the basis of much of what Community Progress' recommends for SSLBDA's new or expanded development approach in Section IV.

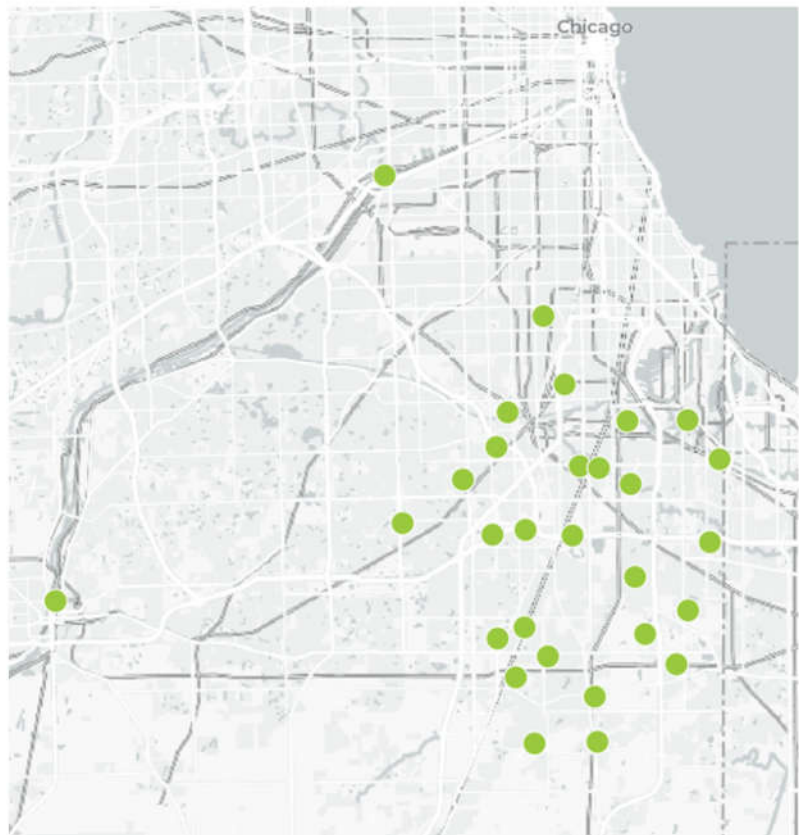
Understanding SSLBDA's History, Relationships, and Powers to Assess the Appropriate Increased Development Role

Before building on the lessons learned from other land banks, it is helpful to understand more about how SSLBDA was formed.

Founded in 2012 as the first land bank in Illinois, SSLBDA works on behalf of partner municipalities (often referred to as land bank “members”) across the Chicago Southland to acquire and put vacant and abandoned properties back to productive use. The Southland is a vibrant blend of urban and suburban settings that is experiencing an upward trajectory in housing and economic strength.

SSLBDA and its members work together to reclaim vacant and abandoned properties in areas that are both near the top of Southland housing markets (e.g., Park Forest, South Holland), as well as areas that are seeing housing and economic growth at a slower rate (e.g., Harvey, Calumet City). To date, SSLBDA has revitalized

Figure 1 | Map of SSLBDA Member Municipalities



Source: SSLBDA

almost 200 distressed properties, transforming vacant buildings into assets and returning them to the tax rolls. While the majority of its properties are residential and converted to housing, SSLBDA also tackles distressed commercial and industrial properties.

SSLBDA has seen significant changes over its 12-year history, including positive changes in leadership and capacity, buy-in from municipal partners, and new programming. Many of these changes have come to fruition since a partnership with the Southland Development Authority (SDA), a nonprofit business organization, was formalized in December 2021 and a new Executive Director for SSLBDA was hired in 2022. In the span of two years, SSLBDA has built a solid foundation by hiring a team of professionals, becoming largely self-sufficient through increased revenue from property sales, which has allowed the team to implement new pilot programs and establish trust with its municipal members. To illustrate, SSLBDA generated nearly \$1.8 million in revenue from almost 50 property sales in 2024 and is projecting nearly \$3 million in revenue in 2025. According to SSLBDA, most of these properties were eventually sold to a new homeowner for \$200,000 or less.

The in-house pilot rehab program was established in 2024 and has largely prioritized available inventory, municipal buy-in, and ability to make a return on investment. To date, six properties have been successfully rehabbed as workforce housing (eventual sale price of \$120K – 200K). SSLBDA’s experience with this pilot program has also helped build internal capacity and enhance its reputation with municipal members.

SSLBDA and SDA Partnership

Much of the current success of SSLBDA can be attributed to the stability provided by the SDA partnership agreement from December 2021 (Agreement). The Agreement, in part, details an arrangement for SDA to provide the land bank staffing and operations support and outlines responsibilities related to joint projects between the two entities.

At the time the Agreement was executed, SSLBDA was experiencing a leadership void and had no full-time staff. The staffing language in the Agreement was intended to get SSLBDA back on its feet and it has accomplished this purpose. Relying on SDA to manage the hiring, staffing, and operational support—while compensating them appropriately for doing so—provided SSLBDA the opportunity to focus on rebuilding its operations and piloting new ways (e.g., rehab pilot program) in which SSLBDA can meet the housing needs within its service area. As the number and capacity of dedicated SSLBDA staff increases, however, it may be that the need for some of the provisions in the Agreement matter less than they might have when the 2021 Agreement was drafted. This includes the need for full-time SDA staff to dedicate part of their time to SSLBDA and the need to provide SDA a 20% management fee tied to the net operating income of SSLBDA.

Current SSLBDA Pilot Rehab Program Goals

Rehabilitation of Vacant Properties

Identify and rehabilitate vacant single-family properties, focusing on those that require substantial repairs and improvements.

Community Stabilization

Enhance the quality of housing in targeted neighborhoods, contributing to overall community stability and growth.

Economic Development

Foster economy of local contractors, builders, and developers; increase property values; and encourage further private investment.

Utilize Grant Funds

Leverage up to \$75,000 per property from the Strong Communities Program towards the rehabilitation of each selected property, maximizing the impact of available grant resources.

Ultimately, the quasi-governmental SSLBDA has its own mission, one that is largely focused on serving the needs of the municipalities that created SSLBDA. For the moment, that need appears primarily focused on transforming abandoned residential property into quality, affordable single-family housing.

As SSLBDA expands its pilot rehab programming and formalizes its role in rehabs and new construction, it highlights a slight tension between this mission and its SDA partner, which is a private, nonprofit development entity focused on regional economic prosperity. While the missions of both organizations are clearly complementary, there are inherent differences that surface when we look at an increased residential development role for SSLBDA, see Figure 2.

For example, if SSLBDA’s member municipalities decide to prioritize the construction of more housing for very low-income families (e.g., families earning less than 80% AMI), total sales revenue may decrease or proceeds from higher-revenue generating projects may need to be reallocated to support the creation of housing for low-income families. Both decisions could impact operating revenue for SSLBDA, and consequently, the management fee paid to SDA. In addition, SDA’s primary focus is on economic growth and making Southland the most productive and competitive area for industries, firms, and people in the region. Decisions on where, what, and how to build given limited resources (e.g., leveraging limited SSLBDA resources to purchase on the open market, manage, and develop land for a large economic development project) might sometimes be at odds with SSLBDA’s more narrow focus on developing abandoned properties into affordable housing.

Figure 2 | SSLBDA and SDA Overview

	SSLBDA	SDA
Mission	Boost economic vitality in Chicago’s South Suburbs by acquiring and redeveloping under-utilized properties in collaboration with local governments	Bring the resources and capacity needed to achieve transformative, inclusive, equitable economic growth for the south suburbs with a focus on investments in the Southland’s communities, industry, housing, and workforce
Types of Projects	Acquire abandoned property, rehab, or construct new homes, acquire, and occasionally manage larger commercial or industrial opportunities	Engage in a range of more proactive, broader economic development projects, invest in industry and workforce, explore housing options on a broader scale
Primary clients	Municipalities, residents, local real estate developers, builders, and contractors	Businesses, civic leaders, real estate developers, realtors, homebuyers, municipalities, other governmental entities
Goals	Reduce abandonment, create housing and economic opportunities that meet the needs of its 26 member municipalities	Contribute to the broader economic growth and opportunity in the Southland region

SSLBDA Powers and Authority

While SSLBDA can exercise many of the special powers land banks across the country enjoy, it is unique in both the source of these special powers (home rule authority of its municipal members) and the primary mechanism used to acquire vacant property (see information on abandonment proceeding in call out box). These unique features allow the land bank to play a meaningful role in the development of vacant property but also mean that SSLBDA is extremely reliant on the willing participation and capacity of its municipal members as well as strong legal support and services.

To begin, land banks in Illinois are not created by state land bank-enabling legislation as are most land banks across the country. Most Illinois land banks are established via intergovernmental agreements (IGAs) among the units of local government that created the land bank as a kind of general, special-purpose entity. The specific language in the IGAs is what gives land banks the ability to leverage the home rule authority of the municipalities that created it to acquire, hold, and dispose of vacant, abandoned property. These special powers include the ability to:

- Acquire property via “abandonment” in Illinois law,
- Accept transfers of property tax certificates that default to the county (i.e., tax liens) and/or foreclose the owner’s right of redemption,
- Work with municipal members to release public liens to facilitate a transfer, and
- Hold property tax exempt.

Abandonment proceeding under 65 ILCS § 5/11-31-1(d)

Illinois land banks can work with a municipality to acquire abandoned property in the municipality pursuant to an intergovernmental agreement with the municipality. Property may be eligible for an abandonment proceeding in circuit court if:

- 1) the property has been tax delinquent for two or more years or bills for water service for the property have been outstanding for two or more years; and
- 2) the property is unoccupied by persons legally in possession; and
- 3) the property's condition impairs public health, safety, or welfare for reasons specified in the petition. (This last part is typically proven by a certified inspection from the municipality’s code enforcement team.)

Generally, the municipality files the case. If proper notice to the owner and interested parties is provided, the property meets the above conditions to the satisfaction of the court, and no owner or interested party comes forward to prove that it has demolished or otherwise made the property safe, the court may order a judicial deed to the municipality that brought the proceeding. The municipality can designate the land bank to take title on its behalf.

Even more than in most states, Illinois land banks are thus true ‘agents’ of the municipalities they serve. For a more detailed review of how Illinois land banks compare to land banks created by state enabling legislation, see Figure 3.

This structure works well when the land bank’s municipal partners have the political will and capacity to partner with the land bank on acquisitions and when the municipality and land bank are aligned on the specific goals and outcomes they are trying to achieve.

For example, a successful abandonment petition requires the municipality’s code enforcement team to inspect and certify in court that the property meets the abandonment criteria. With this done correctly and timely, an abandonment petition can result in the land bank’s successful acquisition of VAD property anywhere from three to no more than six months from when the land bank and municipality identify a potential acquisition candidate. This is an efficient timeline, especially when compared with how it can take some land banks well more than a year to acquire vacant tax-delinquent properties. Those municipalities with higher capacity, responsive code enforcement teams, and who are eager to create more housing at the \$200,000 (or lower) price point are the areas in which SSLBDA’s approach works extremely well.

Moreover, SSLBDA will likely continue to enjoy success using the powers and authority granted it by member municipalities because it has demonstrated it will use those powers efficiently and effectively. Today, when a municipality asks SSLBDA to take title to an abandoned single-family home for example, SSLBDA can competently acquire the property with a short time frame, do what needs to be done to repair the property, get it sold to a developer or new homeowner, and get it back on the tax rolls. More work is needed to prove this competency to all SSLBDA member municipalities and to identify ways SSLBDA can bring additional capacity to more resource-strapped members, but overall SSLBDA has shown it can very effectively operate in the world of rehab and, likely, new construction.

Despite these positive outcomes, there are limitations to SSLBDA’s existing powers and authority. Most notably, a lack of dedicated, predictable funding for land bank operations. In addition, a clearly defined term for “land bank” in state law may be helpful in assigning land banks more specific roles contemplated in various Illinois statutes related to code lien and tax enforcement—as well as other relevant laws or strategies to address VAD properties.

State enabling land bank legislation could be useful to explore in the future to help establish Illinois land banks as more independent entities. Legislation could potentially be developed that (a) creates a carefully defined term for “land bank” in Illinois law; (b) carves out explicit, independent authority for land banks to directly intervene and acquire vacant, abandoned, and tax-delinquent land; and (c) establishes dedicated funding opportunities for land banks (e.g., direct state funding, percentage of delinquent tax collections to land bank). On balance, however, the powers and authority available to SSLBDA are more than sufficient to merit expansion of SSLBDA’s development role.

Figure 3 | Comparison of General Land Bank Powers to SSLBDA

	General Land Bank Powers	SSLBDA Powers
Creation	Created pursuant to state enabling land bank statute.	Different There is no state enabling <i>land bank</i> statute. Formed via state statute that allows home rule municipalities to create a quasi-governmental entity via intergovernmental agreement (IGA).
Mission and Purpose	To help communities return vacant, abandoned, tax-delinquent properties to productive reuse in alignment with community goals.	Same/similar
Board of Directors	State legislation prescribes board composition, board members usually appointed by the creating county/municipality.	Somewhat similar: Member municipalities appoint board members. The manner, form outlined in IGA.
Staff	The land bank is authorized to hire staff and can contract with county or municipality for staffing.	Same/similar
Powers	Land banks can exercise general powers of many independent entities, including ability to borrow funds, manage and maintain property, and others.	Slightly different: State statute allows SSLBDA similar general independent powers, but special acquisition/disposition powers limited to whatever powers available to municipal members.
Acquisition of Property	Primarily via property tax foreclosure.	Slightly different: Primarily by working with member municipalities (via separate IGA) to acquire vacant property via “abandonment,” somewhat similar to condemnation.
Connections to Tax Enforcement System	Ability to discharge and extinguish delinquent taxes on land bank owned properties, participate in tax foreclosure and lien sales, and conduct bulk tax foreclosures.	Somewhat similar: Via agreement, counties or member municipalities can transfer their interest in tax delinquent properties or tax certificates to SSLBDA.
Tax Exemption	Land banks hold property tax exempt.	Same/similar
Disposition of Property	Typically, land banks can convey, exchange, sell, transfer, or lease any and all interest in its property for any price or type of consideration, including non-monetary compensation. Enabling ordinances can establish a hierarchical ranking of priorities for disposition and can require Board approval for certain types of disposition.	Slightly different: The land bank can exercise the authority of its home rule members to convey, sell, transfer, exchange, lease, or otherwise dispose of property or rights or interest in property to any public or private person or entity for any amount of consideration the land bank considers proper and fair.
Land Bank Financing	Some form of dedicated funding either from the state or the municipalities that created the land bank or via statutory fees collected through delinquent property tax enforcement. Some receive 50% (or more) of taxes collected on property conveyed by land bank for five years after conveyance. Can receive funds through state, local, and federal government grants, loans, and other public or private sources.	Different: Limited dedicated funding, entirely reliant on property sales to fund operation. Members can, but are not required to, grant or loan funds to the land bank, though they typically do not. State provides funding for specific projects, like rehabs, but only limited funding for operations. Can solicit and accept grants or loans from local, state, and federal organizations.
Transparency	Land banks are almost always subject to their state’s open meeting and open records laws.	Same/similar
Expedited Quiet Title Procures	Land banks can often file expedited, bulk proceedings to quiet title to property in which it has an interest.	Different: SSLBDA does not have explicit authority to conduct special expedited quiet title proceedings.

Recommendations

General Recommendations on SSLBDA's Expanded Development Role

Given SSLBDA's available powers, increased capacity, and blossoming trust with its municipal members, SSLBDA is in an excellent position to expand and make their existing rehab program permanent and adopt a pilot new construction program. Our recommendation is to create a program that is largely based on the "Contracting Out" model discussed on page 10 of this report. As SSLBDA expands and creates this programming, however, there are several key components that are necessary to create a strong foundation for success.

1. Clarify whether new or expanded program goals align with SSLBDA mission.

The in-house pilot rehab program has largely prioritized available inventory, municipal buy-in, and ability to make a return on investment. Moving forward, and especially if local housing markets continue their upward trajectory, SSLBDA will need to be more proactive in acquiring property, build a broader and more capable pool of contractors, and deliver a wider range of housing choices, particularly for those residents facing displacement and who require more affordable options and/or support to secure financing and become first-time homeowners.

As of today, the pilot program focuses entirely on producing homes for first-time and other homebuyers for under \$200,000 or so—an excellent goal that produces a product sorely lacking in most geographies land banks serve across the country. We encourage SSLBDA and its board, however, to assess whether additional clarification or guardrails consistent with SSLBDA mission are needed. For example, is there a specific household income bracket (e.g., less than 80% AMI) that SSLBDA hopes to serve? Depending on the answer, some ways SSLBDA and its member municipalities may explore to refine and operationalize these goals could include, for example:

- All single-family homes that are made available for sale through the SSLBDA new rehab program are offered at a price that is affordable as determined in partnership with member municipalities.
- Where possible, local community land trusts or similar entities that provide long-term affordability could get right of first refusal for properties available through SSLBDA's rehab program or new construction program.

2. Revise current Agreement between SSLBDA and SDA to amend hiring and staffing responsibilities and focus more on partnership opportunities.

It is appropriate for the two parties to revisit the staffing part of the Agreement and consider whether it makes sense for SSLBDA to transition back to hiring and managing its own staff. This will free up additional resources to dedicate to defining, piloting, and expanding the partnership or project side of the Agreement, possibly subsidizing the development of deeply affordable housing units. There will likely be increased instances where a return on investment for each rehab (and new construction) project will not be feasible and additional partnerships will be needed, potentially posing some revenue concerns for SSLBDA and SDA given their current Agreement.

In any event, such conversations should be seen as a way for the two organizations to dedicate their efforts towards supporting each other in achieving their complementary missions. One way to begin this conversation with SDA may be to review the Agreement and focus on making sure that the language defining the partnership (and identifying joint projects) provides clear enough direction for how the two entities can align their complementary missions. The SDA has an inspiring vision for how and where it can stimulate economic investment and development in the Southland, enhance workforce and rental housing opportunities, grow local businesses, and carry out a broad range of other initiatives. Land is a core need for many of these projects, and SSLBDA will be a critical partner to assist in the acquisition, holding, and development of such land. To the extent needed, SSLBDA and SDA should review the Agreement and ensure it sufficiently outlines and prioritizes how SSLBDA and SDA can best support each other (e.g., preference to SDA for commercial land available via “abandonment,” developing a template land holding agreement for certain development projects or SDA acquisitions, etc.).

3. Collect and analyze data to help inform regional housing needs in terms of affordability, product, and municipal priorities, as well as the potential need for new inventory pipelines.

SSLBDA is now in a place to refine existing and develop new programs that are more aligned to housing needs, as opposed to just based on what inventory is available. There is capacity to do a deeper dive into the data and expand the potential pipeline of inventory to meet a greater range of housing needs. Figure 4 outlines key data points that, when overlaid with each other, could help SSLBDA make more proactive acquisition choices.

In fact, there is a need not just for SSLBDA, but also SDA, nonprofit and for-profit developers, and others across the Southland for a publicly accessible, predictive data platform that can help to identify and map the types of properties and information highlighted above. SSLBDA may want to consider working with its partners, including SDA and the GIS team at the South Suburban Mayors and Managers Association (SSMMA), to create a more predictive platform that can list, map, and layer the above data points in a way that would help to visualize and drive conversations about not just where SSLBDA and SDA might seek to target their resources, but also where key development and nonprofit partners and the public can make suggestions about where such investments could and should be made.

Figure 4 | Data to Inform Proactive Acquisition Decisions

Data	Type	Use
Tax delinquency	<ul style="list-style-type: none"> Property that has been offered at the annual tax sale for two or more consecutive years Whether the county or a private investor holds the certificate 	Property acquired by the land bank must be tax delinquent to qualify for “abandonment.”
Utility	<ul style="list-style-type: none"> Whether water bills are unpaid for two or more years Whether water or other utilities are shut off for more than six months 	Two years of unpaid water bills may qualify property for “abandonment.” Utility shut-offs may also indicate vacancy.
Occupancy status	<ul style="list-style-type: none"> Claimed as a principal residence and is receiving an exemption via the County Assessor or Auditor On a municipality’s vacant property registration list On a municipality’s mortgage foreclosure registry, if such registry exists 	SSLBDA is focused on transforming vacant and abandoned properties, not occupied properties.
Property type	<ul style="list-style-type: none"> Single-family residential (one to two units) Multi-family residential (three or more units) Commercial Industrial Vacant lot 	Help to assess potential reuse opportunities.
Property condition	<ul style="list-style-type: none"> Outstanding code liens Whether the property has been part of a windshield survey to assess property condition and graded on a scale 	Help to assess potential need for intervention and/or opportunity for rehab or new construction
Housing market	<ul style="list-style-type: none"> Residential sales over the past three years Median home sales prices and trends over the past three years Median purchase and renovation loans over the past three years 	Decisions on where to invest should be informed by area market data to assess housing demand, identify need for increased or decreased subsidy, and better understand potential return on investment.

4. Build deeper relationships with contractors and developers to expand pool of available partners.

SSLBDA should create and support regular meetings with local contractors and assess how and in what ways it can support and engage with these contractors and developers. Regular meetings could include representatives from the Black Contractors Owners and Executives, Rock Solid, and others to get these smaller groups of contractors/developers in a room. This group could help to identify how SSLBDA, SDA, or its partners, could provide opportunities to support the continued growth of these contractors or developers. Initial meetings could focus simply on getting everyone to know each other, sharing opportunities to work with SSLBDA, and beginning to understand specific challenges contractors might have in working on vacant properties in the Southland. If these meetings are advanced, other topics of discussion could include:

- Opportunities/interest in pooling resources to better serve SSLBDA and the Southland.
- Willingness to support or review SSLBDA’s efforts to establish and publish its own Housing Quality Standards.
- Identifying specific areas where SSLBDA staff could provide additional capacity to contractors/developers, including, for example, on prevailing wage issues.
- How SSLBDA could use its tax-exempt status to purchase supplies and maintain a warehouse for contractors to purchase supplies.

5. Enhance communications and relationships with key partners, including municipalities, nonprofit and community organizations, and potential buyers.

SSLBDA has made great strides the last few years in communicating its value to member municipalities and some partner organizations. The opportunity to increase collaboration with key partners like SSMMA is clear given its member municipalities and goals overlap with SSLBDA. The website has also been updated to provide more transparency about the organization, priorities, and programming. There is still a need for more outreach on all fronts, such as continuing its efforts to build (or rebuild) relationships with member municipalities and provide updates on SSLBDA's improved capacity and programming. SSLBDA should also consider hosting quarterly community meetings that are accessible to residents by providing in-person/virtual options for participation; holding the meeting in accessible, locally known meeting spots; scheduling the meetings after work; offering food and access to childcare; and ensuring residents have a chance to share opportunities and ask questions. SSLBDA could also increase the availability of online information such as being able to download applications to qualify as a contractor and/or potential homebuyer and sharing more stories of how the land bank's work has impacted people.

6. Develop a solution for those municipalities that have vacant properties but lack in-house capacity to be an effective partner to SSLBDA.

SSLBDA has been most successful in those suburbs like Park Forest, which has high-capacity community development and code enforcement teams that are both committed to working with SSLBDA and that have the requisite knowledge and expertise to support the acquisition of property by SSLBDA using the "abandonment" process under Illinois law. SSLBDA should consider working with Park Forest or explore bringing on its own code enforcement expertise in house to provide additional capacity to municipalities that strongly need SSLBDA to acquire and develop housing opportunities for its residents.¹

CDFI Highlight: Home HeadQuarters (New York)

Home HeadQuarters, a nonprofit housing organization and CDFI, has been tackling equitable homeownership and lending challenges in Syracuse and Upstate New York for almost 30 years. They have strong partnerships with multiple land banks across New York—including Albany County Land Bank, Buffalo Erie Niagara Land Improvement Corporation, Chautauqua County Land Bank, Greater Syracuse Land Bank, and Rochester Land Bank Corporation.

They fill a gap left by traditional lenders who do not underwrite loan products for the rehabilitation of vacant housing or new construction to those who are deemed "too risky." Home HeadQuarters provides purchase and construction financing on favorable terms (many times only requiring 2% down) to homebuyers, developers, and small investors and rehabbers developing land bank properties. They have provided millions of dollars of financing to help buyers overcome barriers to lending and capacity.

They are a true example of why CDFIs were created in the first place—to provide more flexible lending solutions to individuals who have been historically denied traditional lending given racist policies that can still be felt today.

¹ Bringing code enforcement capacity "in-house" might mean a variety of things—it could simply mean providing some consulting to municipalities to help understand what needs to be done in abandonment inspections and cases, or it could mean bringing licensed professionals on staff that could act as code enforcement officials on behalf of municipalities via some kind of contract or agreement.

7. Identify and explore new opportunities to fund expanded programming.

SSLBDA has been able to largely sustain itself based on revenue from property sales, bolstered in part by funding from Illinois Housing Development Authority's (IHDA) Strong Communities Program grants. In order to increase their role in both rehabs and new construction, SSLBDA will need more capital to support operations and provide flexibility to meet local needs. Some options to explore include:

- increased financial commitments from municipal members,
- dedicated funding from the state
- partnerships with less risk-averse lenders such as a CDFIs (see callout box on previous page),
- grants or gifts from philanthropy and private corporate foundations, and
- collaborations with local universities and academia.

8. Develop and utilize evaluation tools.

SSLBDA has an incredible opportunity to simultaneously expand programming and collect more quantitative and qualitative data to evaluate success and be cognizant of who the beneficiaries are. As SSLBDA expands its in-house development programming and refines its goals, it could consider the following metrics to measure success of these programs:

- Total number of formerly abandoned homes or vacant lots that are now occupied.
- Estimated new annual tax revenue one year after purchase, which could be used to calculate future tax revenue for multiple future years.
- Home sale price points, with sales below \$200,000 being considered a "success."
- Household income of purchasers/renters in properties that have been sold, which can be further broken down by the following:
 - Equal to or less than 50% AMI
 - Equal to or less than 80% AMI
 - Equal to or less than 100% AMI
 - Equal to or less than 120% AMI
- Whether the new occupant of the property is an existing Southland resident or new resident.
- Additional demographic information, including the race/ethnicity of purchasers if voluntarily provided, and whether or not the family or individual is a first-time homebuyer, etc.
- Total investment of private developers or contractors into properties purchased from SSLBDA.
- Stories from new homebuyers on the impact of having a safe, affordable home.
- Stories from nonprofits and community partners on the impact of the rehab and new construction programs.

9. Continue engaging with land banks doing similar work at both the state and national levels.

Learning can be reciprocal in terms of SSLBDA sharing their experiences and SSLBDA hearing directly from other land banks engaged with rehabs and new construction. One easy way to do that is by

continuing to engage with Community Progress and its National Land Bank Network, given our ongoing work with the majority of land banks across the country.

Recommendations for Expansion of In-House Rehab Pilot Program to “Rehabbing the Southland” Program

1. Revisit goals of existing pilot program and modify as needed.

The current goals of the pilot program include the rehabilitation of vacant properties to stabilize communities, stimulate economic development, and leverage existing grant funds. Consider expanding these goals to include developing a more diverse range of housing types and building the pool of contractors (see Appendix B for Sample Policies, Section 2).

2. Establish clear and detailed policies and procedures for the new program.

See Appendix B for sample policies and procedures to consider.

3. Develop action items for implementation, including creating a preliminary budget, staffing plan, creating a list of housing quality standards, outreach, and marketing strategies.

In order to expand from a pilot to a full program, SSLBDA will need to consider having a full-time coordinator and in-house construction manager to:

- Build relationships and capacity with a strong pool of contractors
- Engage with member municipalities to identify available and prospective properties, decide on type of housing product and affordability threshold, support fundraising if subsidy is needed, and help identify homebuyers
- Create housing quality standards, individual building specs, and general workflow for program
- Collaborate with local housing counseling agencies and other community-based organizations to build a pool of qualified homebuyers
- Educate and engage with residents and other local stakeholders on what the land bank does, how to get involved, and what the requirements are to purchase rehabbed homes
- Continue to tell SSLBDA’s story on its website, social media, flyers, meetings, etc. to ensure transparency, build trust, and generate excitement

4. Develop sample metrics for evaluation based on program goals, including both quantitative and qualitative metrics.

See Appendix B, Section 9.

Recommendations for Creation of New Construction Pilot Program – “Homes for the Southland” Program

1. Establish goals of new program.

Preliminary discussions with SSLBDA team indicated that some preliminary goals of a new construction program would be: redevelopment/reuse of vacant lots, create new housing supply for local residents, and build relationships with new pool of contractors who are able to build at scale (see Appendix C, Section 2). The price point at which SSLBDA is creating new housing is affordable to many at this point, though all agreed that further refining this goal as the program progresses in partnership with its member municipalities is important.

2. Establish policies and procedures.

See Appendix C for sample policies and procedures to consider.

3. Develop action items for implementation, such as creating a preliminary budget and staffing plan, a list of housing quality standards, and outreach and marketing strategies.

To create a formal pilot program, SSLBDA will need to consider having a full-time coordinator and in-house construction manager. These positions could be the same as the positions needed to staff the new Rehabbing the Southland Program, depending on the scale of each program. These positions would:

- Build relationships and capacity with a strong pool of contractors; since this will be a new endeavor, consideration should be given to convening any potential contractors in the area that focus on new construction to identify their interest, needs, and capacity.
- Engage with member municipalities to identify available and prospective properties, decide on type of housing product and affordability threshold, support fundraising if subsidy is needed, and help identify homebuyers.
- Determine whether a new set of housing quality standards is needed, create general workflow for program, and a process for building specs.
- Collaborate with local housing counseling agencies and other community-based organizations to build a pool of qualified homebuyers.
- Educate and engage with residents and other local stakeholders on what the land bank does, how to get involved, and what the requirements are for purchasing new construction homes.
- Continue to tell SSLBDA’s story on its website, social media, flyers, meetings, etc. to ensure transparency, build trust, and generate excitement.

4. Develop sample metrics for evaluation based on program goals, including both quantitative and qualitative metrics.

See Appendix C, Section 9.

Conclusion

Land banks were created to be unique public entities that are flexible, mission-driven, and transformative in revitalizing communities. SSLBDA has proven that with patience, perseverance, and partnerships, they can indeed play a unique and transformative role in boosting the economic vitality of Chicago's Southland.

Over the last few years, SSLBDA has worked hard to rebuild a strong organizational foundation and is now in an optimal position to (re)define its role and responsibilities, which includes, but is not limited to, expanding their development role. This is the time to convene staff and board leadership, partner municipalities, and other community stakeholders to dream big about what makes SSLBDA unique yet complementary to other partner organizations and what drives the organization in terms of mission, vision, and goals to transform Southland. SSLBDA's recent success also merits thoughtful conversation with SDA to more clearly define the parameters of their partnership in a way that gives each organization the freedom to work in pursuit of their own complementary but different missions.

As SSLBDA expands its pilot rehab programming and formalizes its role in rehabs and new construction, there should be alignment with the land bank's mission, data regarding housing supply and current and prospective inventory, and feedback from residents on their housing needs. Luckily, SSLBDA is not starting from scratch on any of these activities and has the opportunity to build more partnerships with municipalities, contractors, and community-based organizations to scale up development and create successful homeownership opportunities.

This next and exciting phase of SSLBDA requires increased access to capital to pursue more mission-driven work and allow SSLBDA the flexibility to make choices on where and how to invest its resources based on need and outcome, rather than relying entirely on program revenue. This presents an excellent opportunity for SSLBDA to tell their story and invite others to invest in the transformation of the Southland.

Appendices

Appendix A

Interviewee List

SSLBDA Staff and Consultants

- Joe Van Dyk, Executive Director
- Brent Denzin, Attorney, Denzin Soltanzadeh LLC
- Caitlyn Sharrow, Attorney, Denzin Soltanzadeh LLC
- Michael Lofton, Program Director
- Nia Muhammad, Coordinator
- Nigel Griswold, Operations & Performance Strategist, Griswold Consulting Group
- Richard Thornton, Building Maintenance & Rehabilitation
- Liz Thorpe, Office Manager

SSLBDA Key Partners

- Bo Kemp, Executive Director, Southland Development Authority
- Jay Ready, Manager Director, Harvey Housing Initiative, Southland Development Authority
- Brian Mott, Manager, Real Estate and Construction Services, Southland Development Authority
- Emmanuel Davila, Vice President, Programs and Client Services, Southland Development Authority
- Luis Vazquez, President, Toro Construction
- Samantha Nunez, Workforce Development & Inclusion Coordinator, Toro Construction

SSLBDA Board Members and Member Municipality Representatives

- Travis Bandstra, Director of Community Development, Village of South Holland
- Kristi DeLaurentis, Executive Director, South Suburban Mayors and Managers Association
- Jerry Maritn, Director of Community Development, Village of Park Forest
- Sandra Zoellner, Director of Economic Development, Village of Park Forest

Peer Convening Participants

- Alan Sisco, Director of Special Projects, Tri-COG Land Bank
- Dennis Roberts, Director of Real Estate Development, Cuyahoga Land Bank
- Erin Perski, Chief Lending Officer, Home Headquarters
- Sean Maguire, Executive Director, Albany County Land Bank Corporation
- Will Sikula, Planning & Project Director, Albany County Land Bank Corporation

Appendix B

Sample Policies and Procedures for Rehab Programming

The following sample policies and procedures are proposed as a starting point from which SSLBDA and its attorneys can work together to craft new policies and procedures based on what works best for them given existing priorities, practices, and legal requirements.

1. Description of Program

The South Suburban Land Bank and Development Authority (SSLBDA) has created its Rehabbing the Southland Program (Program) to revitalize and stabilize communities by rehabilitating single-family properties within the south suburbs. The Program utilizes SSLBDA resources and expertise to efficiently restore vacant and deteriorated properties by transforming them into safe, habitable homes that contribute to neighborhood improvement, while simultaneously building the capacity and expertise of local, quality contractors to better serve the housing and renovation needs of south suburban homeowners.

2. Goals

- a. Rehabilitate Abandoned Properties: Transform abandoned properties that cause harm to neighbors into assets that support opportunities for homeownership.
- b. Increase Affordable Housing Options: Market properties to first time homebuyers at a price point that is at or below an affordable price determined in partnership with member municipalities.
- c. Stabilize Neighborhoods: Enhance the overall quality of housing in targeted neighborhoods contributing to overall community stability and growth.
- d. Promote Economic Development: Foster an economy of local contractors, builders, developers; increase property values; and encourage further private investment in the surrounding areas.
- e. Expand Pool of Quality Contractors: Provide support and opportunities to expand the capacity of local contractors capable of successfully rehabilitating vacant or abandoned properties.

3. Eligible Properties

- a. Properties eligible for the Program must be a part of SSLBDA's existing inventory or in the process of being acquired by SSLBDA.
- b. The property must include a residential structure.
- c. SSLBDA will select properties based on condition, location, and community impact potential. To assess these criteria, SSLBDA will do the following:
 - i. Conduct a Comparative Market Analysis (CMAs) for selected properties to approximate the post-rehab value of the property.

- ii. Cause the property to be inspected to determine if the structure has the potential for rehabilitation. Steps include:
 - 1. SSLBDA will leverage its Home Inspection Pilot Program (or a similar, permanent program if created) to inspect and assess whether properties are eligible properties for the Program.
 - 2. SSLBDA will utilize a building inspector from the municipality within which the property is located, or a certified and licensed private contractor, or an SSLBDA staff member with requisite expertise as a building inspector or contractor, to evaluate the condition of the structure and develop a scope of work for the property.
 - 3. The scope of work will:
 - a. Detail a list of repairs required for the property to meet minimum rehabilitation requirements based on local building codes and repairs necessary to obtain a certificate of occupancy.
 - b. Identify recommended upgrades.
 - c. SSLBDA may establish specific quality housing standards that exceed minimum building code requirements.
 - d. Estimate the cost of the required repairs, recommended upgrades, and/or the costs of meeting SSLBDA's housing quality standards.
 - d. SSLBDA retains sole discretion in deciding whether the CMA, the estimated costs of the required repairs, the estimated costs of complying with applicable SSLBDA housing quality standards, if any, or any other factor would disqualify the property from eligibility for the Program.
 - e. Property that is deemed eligible for the Program will be listed by SSLBDA on its website under the Program tab. If the property is in the process of being acquired by SSLBDA, it will not be listed on the website until SSLBDA has obtained and recorded title to the property.
 - f. Eligible properties listed on the website will be sorted into one of three categories:
 - i. **White Box:** Properties needing significant structural work to bring them to a "white box" standard, making them ready for further customization by buyers
 - ii. **Full Rehab:** Properties requiring comprehensive rehabilitation to meet modern living standards and ensure full functionality.
 - g. Depending on the category the property is sorted in, SSLBDA may decide that it will seek and/or invest available funds or grant dollars to subsidize certain costs to ensure the final price point meets SSLBDA's organizational and programmatic goals.
- 4. Selecting a Contractor for Eligible Properties, either White Box or Full Rehab category**
- a. Eligible properties in these categories will be listed on SSLBDA website and the scope developed for each property will be readily available.
 - b. SSLBDA will issue a Request for Qualifications (RFQ) for qualified contractors and tradespeople to bid. Winning bids will demonstrate the contractor or tradespersons' ability to complete the scope of work established by SSLBDA. The RFQ will include a specific timeline for when the work is expected to be completed.
 - c. Winning bids will demonstrate the contractor or tradespersons' ability to complete SSLBDA's scope of work in the timeline established by SSLBDA. SSLBDA will evaluate the bids and select contractors based on the following criteria:
 - i. Experience,
 - ii. Familiarity with prevailing wage requirements, and
 - iii. Quality assurance capabilities.

- d. SSLBDA reserves the right to create a list of qualified contractors with whom it has previously worked and who have demonstrated the competency and capacity to complete an SSLBDA scope of work and who have also demonstrated a commitment to the mission of SSLBDA and its communities. Such qualified contractors may be given preference over other bids.
- e. In addition, prior to awarding a bid, SSLBDA may review a contractor’s company and its principal officer or officers for chronic tax delinquency, municipal code violations, and lawsuits involving rehabilitation and/or subcontractor disputes, which information is readily accessible on public data sites. SSLBDA may also review any references from other Community Development Corporations or municipal officials, which references may be given additional weight in evaluating whether a contractor meets or exceeds the criteria established in “4.c.iii.” above.

5. Rehab Process for White Box or Full Rehab properties

- a. Once awarded the bid, the selected contractor shall immediately commence rehab work on selected properties within the timeframe prescribed by the SSLBDA.
- b. SSLBDA will conduct regular site inspections to monitor progress and ensure timely compliance with the scope of work. SSLBDA reserves the right to conduct a site inspection as frequently as needed.
- c. The contractor will timely address any issues or required modifications (e.g., code enforcement requirements) to maintain project timelines.
- d. SSLBDA will adopt procedures to ensure contractors abide by state prevailing wage requirements and submit certified payrolls. If appropriate, SSLBDA may offer assistance to contractor to ensure compliance with this requirement.
- e. SSLBDA shall perform final inspections to ensure all work meets the standards established in the scope of work and/or SSLBDA’s housing quality standards.
- f. SSLBDA will work with the contractor to obtain necessary certifications and occupancy permits from the municipality.
- g. SSLBDA will document rehabilitation process and outcomes for each property.

6. Pricing for White Box or Full Rehab Properties

- a. Completed properties in the White Box or Full Rehab categories will be priced by SSLBDA at or below an affordable price point determined in partnership with member municipalities.
- b. Title examination, title insurance, and recording fees are not included in the sale price.

7. Marketing and Sale of Completed White Box or Full Rehab Properties

- a. SSLBDA will list Program properties for sale once all certifications (White Box and Full Rehab) and occupancy permits (likely just Full Rehab) have been acquired.
- b. Program properties that are being made available for sale shall be listed on SSLBDA’s website and with a realtor. The realtors’ services may be secured by SSLBDA based on RFQ, prior relationship with SSLBDA or its partners, or another mechanism approved by the board of SSLBDA. Where possible, the realtors’ services may be paid out of the proceeds of the sale.
- c. Properties will be marketed by the realtor to the following homebuyers, listed in order of preference established by SSLBDA’s Board of Directors:
 - i. First-time homebuyers with a median household income level determined in partnership with member municipalities
 - ii. Homebuyers with a median household income level determined in partnership with member municipalities
 - iii. Any other homebuyers

8. Expected Outcomes

- a. Improved housing quality and increased occupancy rates in target neighborhoods.
- b. Enhanced property values and neighborhood aesthetics.
- c. Strengthened community ties through stable and committed homeownership.
- d. Stimulated local economies through increased property taxes and consumer spending.
- e. Increased housing options that are affordable for households determined in partnership with member municipalities.

9. Metrics to assess Expected Outcomes:

- a. Total number of formerly abandoned homes or vacant lots that are now occupied.
- b. Estimated new annual tax revenue one year after purchase, which could be used to project/calculate future tax revenue for multiple future years.
- c. Home sale price points, with sales below \$200,000 considered a “success.”
- d. Household income of purchasers/renters in properties that have been sold, which can be further broken down by the following:
 - i. Equal to or less than 50% AMI
 - ii. Equal to or less than 80% AMI
 - iii. Equal to or less than 100% AMI
 - iv. Equal to or less than 120% AMI
- e. Whether the new occupant of the property is an existing Southland resident or new resident.
- f. Additional demographic information, including the race/ethnicity of purchasers if voluntarily provided, whether or not the family or individual is a first-time homebuyer, etc.
- g. Total investment of private developers or contractors into properties purchased from SSLBDA.
- h. Stories from new homebuyers on the impact of having a safe, affordable home.
- i. Stories from nonprofits and community partners on the impact of the rehab and new construction programs.

Appendix C

Sample Policies and Procedures for New Construction Pilot Program

The following sample policies and procedures are proposed as a starting point from which SSLBDA and its attorneys can work together to craft new policies and procedures based on what works best for them given existing priorities, practices, and legal requirements.

1. Description of Program

The South Suburban Land Bank and Development Authority (SSLBDA) has created its Homes for the Southland Pilot Program (Pilot Program) to revitalize and stabilize communities by constructing new homes within the south suburbs. The Program utilizes SSLBDA resources and expertise to transform vacant lots—including vacant lots on which a demolition will lead to safe, habitable homes that contribute to neighborhood improvement—while simultaneously building the capacity and expertise of local, quality contractors to better serve the housing and renovation needs of south suburban homeowners.

2. Goals

- a. Rehabilitate Vacant, Unimproved Residential Lots: Transform abandoned, vacant lots that negatively impact neighboring property values into assets that support opportunities for homeownership.
- b. Increase Affordable Housing Options: Market properties to first-time homebuyers at a price point that is at or below an affordable price determined in partnership with member municipalities.
- c. Stabilize Neighborhoods: Enhance the overall quality of housing in targeted neighborhoods contributing to overall community stability and growth.
- d. Promote Economic Development: Foster an economy of local contractors, builders, developers; increase property values; and encourage further private investment in the surrounding areas.
- e. Expand Pool of Quality Home Builders and Contractors: Provide support and opportunities to expand the capacity of local home builders and contractors capable of successfully constructing residential infill housing.

3. Eligible Properties

- a. Properties eligible for the Pilot Program must be a part of SSLBDA's existing inventory or currently in the process of being acquired by SSLBDA.

- b. The property must be a vacant lot and zoned residential or in the process of being rezoned residential.
- c. SSLBDA will select properties based on availability, location, and community impact potential, as well as whether environmental or other factors at each site might impact the likelihood of success in constructing, marketing, and selling new homes. To assess these criteria, SSLBDA will do the following:
 - i. Conduct a Comparative Market Analysis (CMAs) for selected properties to approximate the post-construction value of the property.
 - ii. Cause the property to be inspected to determine if the lot is viable for development. Components include:
 - 1. SSLBDA will leverage its own staff and contracted partners to inspect and assess whether properties are appropriate for infill development.
 - 2. The inspection may include conducting a Phase I environmental analysis.
 - 3. If the lot is the site of a former demolition, SSLBDA will assess whether it is appropriate or needed for SSLBDA to conduct remediation or removal of contaminants prior to listing the property for sale. SSLBDA will inform potential buyers of any work done by SSLBDA or the potential need for additional work of this nature to be done.
 - 4. SSLBDA will cause a scope of work to be developed for the lot based on the CMA, neighborhood characteristics, and community need for housing or other development. The scope of work will:
 - a. Recommend the type of development that would meet market demand and local needs (e.g., 3-bed, 2-bath single-family home).
 - b. Detail broad minimum construction standards appropriate for the type of recommended development.
 - c. SSLBDA may establish specific quality housing standards that exceed minimum building code requirements.
 - d. Estimate the cost of the development, including the costs of meeting SSLBDA's housing quality standards, if any.
- d. SSLBDA retains sole discretion in deciding whether the CMA, the estimated costs of the development, or any other factor would disqualify the property from eligibility for the Program.
- e. Property that is deemed eligible for the Program will be listed by SSLBDA on its website under the Program tab.
- f. Eligible properties will be sorted into one of two categories:
 - i. Housing, Single-family
 - ii. Housing, Multi-family

4. Selecting a Builder

- a. Eligible properties will be listed on SSLBDA website and SSLBDA's scope of work for each property will be readily available. SSLBDA may issue an RFP for a single property or multiple properties at its discretion.
- b. Qualified home builders and contractors (collectively, "builders") may submit a bid that includes at least the following information:
 - i. The builder's proposal for the property, including a detailed explanation of how the builder will meet the minimum standards detailed in SSLBDA's scope of work.
 - ii. The builder's expected price to complete its proposal.

- iii. Whether the builder can meet SSLBDA's timeline, or, if not, give a detailed explanation as to why and how the project will be improved if a more extensive timeline is needed.
 - iv. The purchase price the builder expects to obtain for the completed project.
 - c. SSLBDA will evaluate the bids and select the builder based on the following criteria:
 - i. The extent to which the proposal accomplishes the goals of this program.
 - ii. The extent to which the proposal meets or exceeds the minimum standards detailed in SSLBDA's scope of work.
 - iii. The builder's
 - 1. Experience,
 - 2. Familiarity with prevailing wage requirements, and
 - 3. Quality assurance capabilities.
 - d. SSLBDA reserves the right to create a list of qualified builders with whom it has previously worked and who have demonstrated the competency and capacity to complete an SSLBDA scope of work and a commitment to the mission of the SSLBDA and its communities. Such qualified builders may be given preference over other equally qualified bids.
 - e. In addition, prior to awarding a bid, SSLBDA may review a builder's company and its principal officer or officers for chronic tax delinquency, municipal code violations, and lawsuits involving rehabilitation and/or subcontractor disputes, which information is readily accessible on public data sites. SSLBDA may also review any references from other Community Development Corporations or municipal officials, which references may be given additional weight in evaluating whether the builder meets the criteria established in "4.c.iii." above.
 - f. SSLBDA may offer the winning bidder the opportunity to enter into an agreement with SSLBDA outlining the following parameters:
 - i. The builder agrees to complete the project at their expense in the timeline agreed upon.
 - ii. SSLBDA will retain ownership of the property until the project is concluded, reducing holding costs for the builder.
 - iii. SSLBDA and the builder will execute a mortgage in the builder's favor in the amount of the builder's estimated expenses and an agreed upon minimum fee or commission. This mortgage will be released by the builder upon the sale of the property and payment of the minimum amount specified in the mortgage agreement to the builder or contractor. Nothing precludes the SSLBDA and the builder from negotiating an additional fee tied to the percentage of any additional revenue received from the sale of the property.
 - iv. Identify a target listing price for the property that will ensure the builder can recover its costs and earn a reasonable fee or commission for its work. Factors that could be included or acknowledged in the agreement and which would keep the target listing price within a range that meets SSLBDA's organizational or programmatic goals include:
 - 1. Whether SSLBDA will undertake and cover all or a percentage of costs to remove or excavate any potential contaminants or debris from the site (e.g., excavate former demolition debris).
 - 2. The amount of property tax savings realized by SSLBDA agreeing to hold the property throughout the development.
 - 3. Any savings that might be passed onto the eventual buyer by virtue of any subsidy provided by SSLDBA that may come in the form of the following:

- a. SSLBDA's agreement to seek some amount less than the fair market value of the land used for the development as part of the purchase price, or
 - b. State or other grants.
- v. At closing, the builder will receive payments of the amounts agreed to by SSLBDA and the builder.
- vi. Any other provisions necessary to complete the work including, but not limited, granting the builder any licenses needed to enter the property at the builder's own risk, requiring of minimum insurance for either party, how prevailing wage requirements might be met, how or whether the agreement may be leveraged to help the builder secure financing for its project costs, and any other details required.

5. Construction process

- a. Once the agreement is finalized, the selected builder shall immediately commence work on selected properties within the timeframe prescribed by SSLBDA.
- b. SSLBDA will conduct regular site inspections to monitor progress and ensure timely compliance with the agreement.
- c. The builder will timely address any issues or required modifications (e.g., code enforcement requirements) promptly to maintain project timelines.
- d. SSLBDA will adopt procedures to ensure builders abide by state prevailing wage requirements and submit certified payrolls. If appropriate, SSLBDA may offer assistance to contractor to ensure compliance with this requirement.
- e. SSLBDA shall perform final inspections to ensure all work meets the standards established in the scope of work and agreement and/or meets SSLBDA's housing quality standards.
- f. SSLBDA will work with builder to obtain necessary certifications and occupancy permits from the municipality.
- g. SSLBDA will document construction process and outcomes for each property

6. Pricing

- a. Completed Program properties will be priced by the SSLBDA in consultation with member municipalities, the builder based on builder's recommendation and market knowledge, the previously completed CMAs, updated market information, consultation with the builder's or SSLBDA's realtors, and other criteria as deemed necessary by SSLBDA and/or agreed to by the parties.
- b. The price may be set at or below an affordable price determined in partnership with member municipalities.
- c. Title examination, title insurance, and recording fees are not included in the sales price.

7. Marketing and Sale of Completed Properties

- a. SSLBDA will list Program properties for sale once all certifications and occupancy permits have been acquired.
- b. Program properties that are being made available for sale shall be listed with a realtor selected by the builder, subject to SSLBDA's approval, and on the SSLBDA's website (noting interested parties will be directed to the selected realtor). The realtors' services may be paid out of the proceeds of the sale.
- c. Properties will be marketed by the realtor to the following homebuyers, listed in order of preference established by SSLBDAs' Board of Directors:
 - i. First-time homebuyers

- ii. Homebuyers with a median household income level determined in partnership with member municipalities
- iii. Any other home buyers

8. Expected Outcomes

- a. Improved housing quality, increased density, and increased occupancy rates in target neighborhoods.
- b. Enhanced property values and neighborhood aesthetics.
- c. Strengthened community ties through stable and committed homeownership.
- d. Stimulated local economies through increased property taxes and consumer spending.
- e. Increased housing options that are affordable for households as determined in partnership with member municipalities.

9. Metrics to assess “Expected Outcomes”

- a. Total number of formerly abandoned homes or vacant lots that are now occupied.
- b. Estimated new annual tax revenue one year after purchase, which could be used to project/calculate future tax revenue for multiple future years.
- c. Home sale price points, with sales below \$200,000 considered a “success.”
- d. Household income of purchasers/renters in properties that have been sold, which can be further broken down by the following:
 - i. Equal to or less than 50% AMI
 - ii. Equal to or less than 80% AMI
 - iii. Equal to or less than 100% AMI
 - iv. Equal to or less than 120% AMI
- e. Whether the new occupant of the property is an existing Southland resident or new resident.
- f. Additional demographic information, including the race/ethnicity of purchasers if voluntarily provided, whether or not the family or individual is a first-time homebuyer, etc.
- g. Total investment of private developers or contractors into properties purchased from SSLBDA.
- h. Stories from new homebuyers on the impact of having a safe, affordable home.
- i. Stories from nonprofits and community partners on the impact of the rehab and new construction programs.