

# Landbanking & Brownfields

## What is a landbank?

A landbank is defined as a public entity given special governmental powers that is focused on converting vacant properties into productive use, with a particular focus on community goals.

## How do land banks relate to Brownfields Redevelopment and Community Revitalization?

Brownfields and other long vacant properties negatively impact human health, the environment and economic investment in many of our communities. A landbank enables a community to take better control over the vacant or foreclosed properties that lay idle and ensure they can be used to benefit the community.

Vacant properties are often a blight or burden on underserved communities, especially when there is a lack of power or responsibility taken for these properties.

Brownfield properties owned by landbanks typically have an increased opportunity to access state and federal funding for their assessment, remediation and ultimate redevelopment. An example of this advantage includes the state of Michigan. Michigan legislation labels all tax foreclosed properties as brownfields, allowing landbanks to acquire more funding for the redevelopment process. Michigan serves as an excellent example of how landbanks can be empowered by legislation to repurpose land and give back to underserved communities.

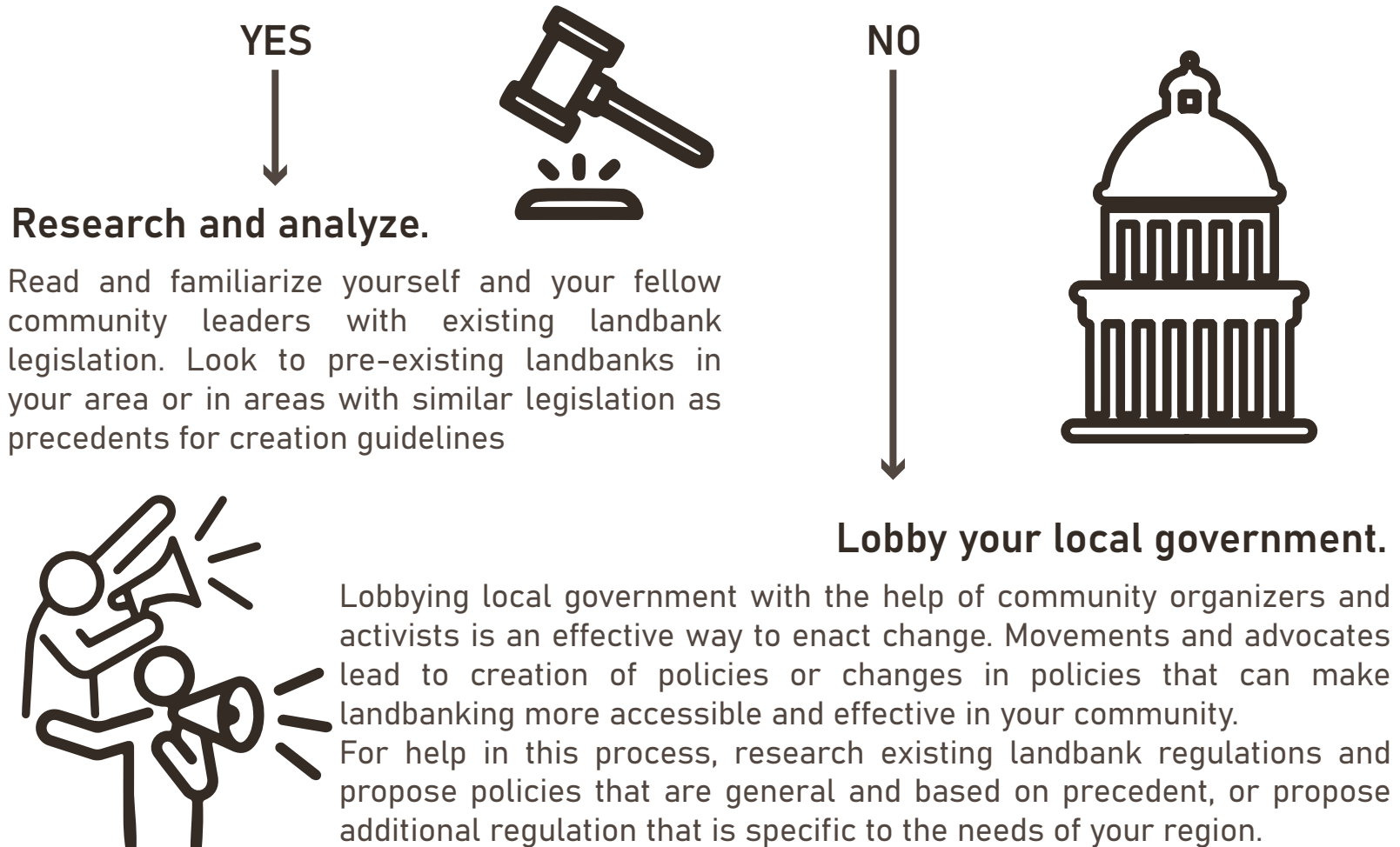
Additionally, landbanks can hold multiple adjacent properties to create a large scale project which benefits the community at large and responds to community need.

---

## Creating a Landbank

The most important aspect when creating a landbank is understanding local legislation. If landbank laws exist in your state, it can serve as a guide to creation and operation. Ohio, New York, Michigan, Philadelphia, and St. Louis operate successful land banks that you may want to use as examples in creating your own.

### Does your local government have preexisting landbank legislation?



Are you or your organization currently affiliated with local government?

YES



## Public Landbank

### Government Entity

Produce most successful landbanks.

### Independent Public Entity

Granted powers by local or state government.

NO



## Private Landbank

### Non-Profit

Anyone can start a non-profit; typically comprised of community groups and leaders with shared interests/goals.



## Funding a Landbank

### Tax Exemption

Landbanks have a 501C3 funding status according to federal law. 501C3 is a non-profit charitable organization exempt from some federal income taxes.

### 55 Tax Recapture

A 55 tax recapture is another method of funding landbanks. After a property has been sold and repurposed, 50% of tax collected on the property goes to landbank for the next 5 years. This helps incentivise landbanks to redistribute land in their inventories rather than holding onto properties.



## Acquiring Land

### Tax Foreclosure Auction

Land banks can take any kind of property after it goes through the process of tax foreclosure. Some states have a system where the site is auctioned off first; if it is not sold at auction, it goes to the landbank. Other states' foreclosure sites go straight to land banks.

**90% of landbank inventories are gained through tax foreclosure.**



## Using Land

### Repurpose & Revitalize

Once land is in a landbank, it can be sold to public or private entities, so long as the property title is clear. The land can also be acquired by local government for use in public works/community revitalization projects.

Additionally, landbanks can hold on to adjacent properties for larger community projects.



**Congrats! You are now running a successful landbank.**