



# Community Improvement Methods

Georgia Association of Zoning Administrators  
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Presented By:  
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Authorities

PROMOTING EXCELLENCE IN GOVERNMENT

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## What is a Land Bank?

### Clear mission

Land banks are public or nonprofit entities created by local governments to acquire, manage, maintain and facilitate the redevelopment of underutilized, vacant, blighted, tax delinquent properties

Land Banks are created under State Law through local intergovernmental agreements (IGA)



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## What is a Land Bank?

- Tool for converting vacant, abandoned, or distressed property into productive use. This includes residential, commercial, industrial and greenspace purposes.
- Core competency is acquisition and disposition of troubled, surplus, or vacant property.
- Does **NOT** have eminent domain or taxing authority.
- Steps in where market does not or cannot work due to administrative/legal barriers.



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**Georgia Land Banks:  
O.C.G.A. § 48-4-60 et seq.(SB 284)**

- Independent Tax Exempt Authority
- Independent Board (5-11 members)
- Power to Extinguish Delinquent Taxes
- Broad Acquisition & Disposition Authority



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**Georgia Land Bank Act:  
Creation and Powers**

- *Steps to create a Georgia Land Bank....*
  - Passage of ordinance and IGA  
*(if consolidated government alone then no IGA)*
  - Appointment of board members
  - Adoption of by-laws and policies and procedures



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**Creating A Land Bank-SB 284**

- Multiple counties/cities to form Land Banks
- Expand the Board to an odd number (5-11)
- Competitive Bidding at tax foreclosures sales
- Land Banks to effectively recapture the proceeds of its activities and value of its inventory and to become less reliant on government funding.
- Signed into law by the Governor on May 3, effective July 1, 2012



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## Georgia Land Bank Act: Creation and Powers

• *Parties that may create a Georgia Land Bank.....*

- 1 County + participating city located in county
- Multiple counties + participating cities in each county
- 1 Consolidated government
- Consolidated government/s + county/counties + participating city/cities



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## Georgia Land Bank Act: Creation and Powers

- Acquire property through tax sales, donation, market-purchase
- Contract, invest, borrow money
- Manage, maintain and hold property
- Extinguish delinquent taxes with school board consent
- Dispose of property in accordance with local priorities
- No eminent domain or taxing power
- Competitive Bidding at tax foreclosures sales
- Land Banks to effectively recapture the proceeds of its activities and value of its inventory and to become less reliant on government funding



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## Land Bank Property Focus

- Broad Usage Categories
  - Residential
  - Commercial
  - Industrial
  - Green space
- Surplus Public Property
- Foreclosed Properties
- Abandoned Properties
- Tax delinquent Properties

Land Banks focus on properties that are underutilized.



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## Do Vacant Properties Affect Property Values?

- A vacant or delinquent property can lower property values within 500 feet by 2.1%
- A vacant and delinquent property can lower property values by 2.7%
- A foreclosed (not delinquent or vacant) can lower property values by 3.9%
- A foreclosed and vacant or delinquent property can lower property values by 6.1%
- A foreclosed, vacant and delinquent property can lower property values by 9.4%

(Source: Stephen Whitaker and Thomas J. Fitzpatrick, IV, *The Impact of Vacant, Tax-Delinquent and Foreclosed Property on Sales Prices of Neighboring Homes*, Federal Reserve Bank of Cleveland)



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## Triggers for Creating a Land Bank Authority

- Large inventories of abandoned/vacant property with little market value
- Ineffective tax foreclosure procedures
- Chronic code violations
- Title problems
- Restrictive property disposition requirements



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## Funding Considerations

- City Contribution
- County Contribution
- Federal Funds (HOME, CDBG, NSP)
- Bond Funds
- SPLOST Funds
- Staffing
- Property Maintenance
- Legal Support
- Insurance



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## How do Land Banks Acquire Property?

- Acquire property through Tax Foreclosures (Judicial In Rem Foreclosures)
- Acquire property through donations
- Acquire property through direct market purchases
- Acquire property directly from local government transfers



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## Disposition of Property

- Georgia Law requires a public bidding for local government property transfers
- Local government can convey properties to the Land Bank as a governmental transfer without the bidding process
- Land Banks allow for greater flexibility in the terms and conditions of transferring properties to new owners



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## Land Bank Priorities for Disposition

- Land Banks may establish a hierarchical ranking of priorities for the use of real property conveyed or the new law includes a list of priorities that will be used if not established, including:
  - Public spaces and places
  - Affordable housing
  - Market Rate Housing to Stabilize Neighborhoods from further deterioration
  - Retail, commercial, and industrial activities
  - Land trusts or other public entities



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## Land Bank Desired Outcomes

- Code Compliant Property
- Tax Producing Property
- Occupied Structures
- Maintained Property and Structures
- Shared Community Space
- Vibrant and Safe Communities



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## How Land Banks Work With Developers

- Developers can petition the Land Bank for property and forgiveness of delinquent property taxes
- Potential Developers are required to complete an application that includes at a minimum the following:
  - Developer Profile-Experience, capacity
  - Development Proposal-Plans, specs, renderings, sight plan, detailed scope of work, etc.
  - Timeline for the Project
  - Development Cost Estimate & Budget
  - Funding Commitment Letter/Sources of Funding
  - Title Report



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## Atlanta Fulton County Land Bank Depository Program

- Board approved Land Banking Program Policy in December 2007 in response to needs expressed by non-profit and governmental stakeholders
- Launched Land Banking Program in July 2009
- Provides “banking” of eligible residential and commercial properties for three to five years for non-profit entities and governmental entities
- This was the only known program of this kind in the Country



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## Land Bank Depository Program

- Limited to non-profit or governmental entities. For-profits may participate via joint venture as minority partner.
- Entities must complete application and upon staff recommendation, Board of Directors approves Land Banking relationship
- **Benefits**
  - Allows for aggregation of properties and site control for large areas for future strategic purposes such as affordable housing, commercial development and open spaces and greenways
  - Enables advance acquisition of potential development sites in anticipation of rapidly rising land prices
  - Reduces holding costs during development phase
  - Reduces costs of property management and insurance due to economies of scale
  - Facilitate pre-development planning, financing and restructuring
  - Minimize violations of housing and building codes and public nuisances on properties to be developed for affordable housing



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## Land Banking Depository Program

- **What constitutes banking?**
  - Master Land Banking Agreement executed that details responsibilities and mechanics of arrangement
- Title transferred to LBA
- Insurance provided by LBA
- Property maintenance provided by LBA
  - Holding costs for insurance, property maintenance and solid waste fees absorbed by granting entity.
- Payment is made to LBA on real time basis and not accrued to end of banking period
- Property is tax-exempt during banking period



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## Dancy Street-Coastal Empire Habitat for Humanity, Inc.



Before and After Savannah, Georgia



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## Summerside Neighborhood

- Chatham County/Savannah Land Bank acquired 1.3 acres and subdivided the property into 13 building lots
- New single-family homes marketed to low to moderate income homebuyers
- Lots sold to small developers
- Land Bank financed 90% of the lot acquisition costs during the construction period-0% interest deferred loan paid when house was sold
- City provided Land Bank with grant funds to acquire the property
- SPLOST funds used to install approximately 1000 linear feet of public streets, utilities and lighting in unopened right-of-way
- City provided low interest loans and gap financing necessary to complete purchase of homes.



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## Summerside Project-Before



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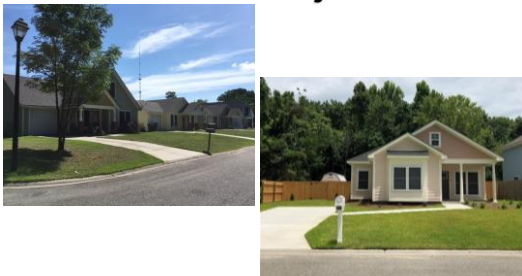
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## Summerside Project-After



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# Summerside Single Family Home



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# Prince Street (Macon, GA)-Before



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# Prince Street-Before



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## Prince Street- After



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## Land Banks and Historic Preservation?

**ABSOLUTELY!!**

- 44 Low Income Home Owners received financial assistance to improve existing homes
- 31+ Historic Homes Rehabilitated
- Home Ownership has increased 40% +  
(Macon, GA)



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## Macon-Bibb Blight Initiative

- \$14 million initiative using Bond Funds
- \$2 million for infrastructure & lighting in Beall's Hill Neighborhood
- \$2 million for a multipurpose recreation field (Demo of 20 blighted structures)
- \$9 million divided by 9 Districts
- County Contracted with Land Bank for all Acquisition, Holding and Disposition of property
- Contracted with GBHS for all demolition
- Funds for Capital Projects- infrastructure, parks, demolition for future development



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## Alexander IV Historic School

- Blight Bond Funds used by Land Bank to acquire building from School District
- Partnered with Historic Macon Foundation to manage RFP and Historic Preservation Tax Credits
- Sold in December 2017 for redevelopment of market rate senior housing
- \$ 8.8 million project



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## 1K in 10 Abandoned Property Acquisition & Development Initiative- Savannah, Georgia

- The recent voter approved SPLOST allocates \$10 million to help the City of Savannah acquire and bring about development of 1,000 blighted, abandoned properties with quality housing over the next 10 years.
- New Zoning recently passed by the City- includes accessory dwelling units and smaller lot minimum for development
- Investigating inclusionary zoning



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## Georgia Land Bank Resource Manual

- Released in June 2013—Free How To Manual for Creation of Georgia Land Banks <http://www.communityprogress.net/georgia-land-bankresource-manual-pages-402.php>
- Sponsored by GALBA, Habitat for Humanity, GMA, ACCG, Enterprise and Center for Community Progress
- Key Appendices
  - Template Intergovernmental Agreement
  - Template Resolution Creating Land Bank
  - Sample administrative policies
  - Sample tax extinguishment resolution



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# Questions ???

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