

Sustainable Neighborhoods through Creative Use of Land Banks

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In February 2009, Governor Strickland signed into law S.B. 353, authorizing the creation of a county land reutilization corporation for the purpose of creating a land bank program in Cuyahoga County. Following the example of successful land bank programs such as the Genesee County Land Bank in Flint, Michigan, the Cuyahoga Land Bank has begun its mission to increase the quality of life of citizens through the creation of sustainable neighborhoods in a number of the areas hardest hit by the current economic downturn. In October 2009, HB 313 and SB 188 were introduced to authorize the creation of county land reutilization corporations in additional counties around the state, and at the time of publication, both bills were in committee.

Over several decades, local governments across the country have formed various types of land banks in an effort to minimize the impact of vacant, unused property on the value and safety of a neighborhood. Some land banks are passive in nature, holding vacant, tax-foreclosed property for resale with little marketing or planning. Other land banks, such as the Cuyahoga Land Bank, are designed to be active in nature, having authority to buy, sell and market properties and to obtain public and private financing for acquisitions, dispositions and development.

One of the most effective land banks in the country is the Genesee County Land Bank. The Genesee County Land Bank has developed a combination of programs to help combat blight in its neighborhoods, including programs focused on demolition and housing renovation, neighborhood beautification, brownfield redevelopment and foreclosure prevention. As a result of these programs, the Genesee County Land Bank has demolished 950 blighted structures, sold 300 side lots to adjacent owners, renovated 65 houses for rent and 30 for sale, and developed 150 units of affordable housing with non-profit partners since its inception in 2003. The Genesee County Land Bank is also credited with increasing the tax base of Genesee County by \$112 million.

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Vacant properties in Cleveland

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The City of Cleveland and other major urban centers across Ohio have been particularly affected by out-migration and the foreclosure crisis, leaving hundreds, if not thousands, of parcels vacant and unused. In addition, the infrastructure of these urban centers has been stretched to a breaking point due to improperly managed growth and insufficient funding for necessary capital improvements. These problems can seem overwhelming, and land bank officials could easily spread their resources too thin if they do not create and execute a strategy that properly focuses resources on areas that can be most improved.

First, a land bank should identify specific, concentrated areas for redevelopment. Scattered site, in-fill redevelopment does not adequately address or capture the true potential of a larger scale, targeted redevelopment. By targeting specific, concentrated areas for redevelopment, a land bank has the opportunity to focus its planning and financial resources to create sustainable neighborhoods. When considering target areas, a land bank should consider several factors, including, among other things, the cost and timing of land assemblage, the condition of infrastructure, the highest and best use of the target area and the potential to partner with a private developer in the redevelopment of the area.

Once a land bank establishes a target area, it should create a master plan based on an analysis of the area's most sustainable use. Sometimes, the answer may be to create a mixed-use district that contains a balance of residential, commercial and public uses. Although land banks are often associated with residential property, the land bank legislation also permits the redevelopment of commercial properties, and these should not be neglected because of their jobs-creating potential. In other areas, the answer may be to convert vacant land into green space. This can create a new neighborhood center while reducing the burden on the infrastructure servicing the target area. Even small lots of green space significantly reduce storm water run off that otherwise burdens sewage lines and creates discharge events.

One of the greatest assets of a land bank is its potential to create markets where markets have otherwise failed. By creating the market, the land bank has the potential to partner with private developers (whether for profit or non-profit). A partnership with a private developer allows the land bank to further utilize its resources for the creation of redevelopment opportunities, as opposed to undertaking the capital-intensive redevelopment opportunities itself. It will also allow the land bank to test the true market feasibility of its master plan.

In addition, it is important that the local community supports the redevelopment of the target area and has a sense that it is a stakeholder in the project. If the local community feels that it is a partner in the project and that the success of the redevelopment is dependent upon their participation in the planning, execution and continued operation, such buy-in will help to sustain the momentum created by the land bank's efforts.

The proposed Ohio land bank legislation presents a unique opportunity to create sustainable neighborhoods in communities where the current type or intensity of use are unsustainable. By targeting concentrated areas for redevelopment, carefully master-planning the area and engaging private developers and the public to participate in the planning, execution and continued operation of the project, a land bank can most effectively use its resources to effectuate more sustainable neighborhoods in our communities. ■

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