

The Answer

SHELTERFORCE

Q: Is a land bank the same thing as a land trust?

A: No!! They are totally different, though complementary, tools.

MUNICIPAL LAND BANKS



COMMUNITY LAND TRUSTS



Return vacant, abandoned, and tax foreclosed property to productive use efficiently and strategically, while reducing the harm of vacant properties.

PURPOSE

Enable community control over land and create community assets, including permanently affordable housing.



Quasi-governmental authorities.



STRUCTURE



Membership-based nonprofits, usually, sometimes municipally-created.

Using a range of special powers, such as ability to acquire and hold property tax free, clear title and back taxes, and dispose of property intentionally, not just to the highest bidder.

They may, for example, demolish obsolete structures; remediate soil; give side lots to neighboring owners, donate land to nonprofits, or assemble properties for larger developers.



HOW DO THEY DO IT?



CLTs retain ownership of land, sell the structures on it, and offer long-term ground leases to those structures' owners. To create permanently affordable homeownership CLTs sell houses with a resale price restriction. CLTs also develop and maintain affordable rental housing, commercial spaces, gardens, and community facilities.



No, a land bank typically does not maintain any long-term interest in or restrictions on land it sells.

DO THEY STAY INVOLVED WITH THE PROPERTIES?

Yes, a CLT holds land in "trust" and uses its ownership to keep an eye on how it is used, its condition, and its affordability.



Land banks are more common or more active in weaker or mixed markets where there is more vacancy.

MARKETS

Land trusts operate in all markets, though they are best known for their goal of preventing displacement in appreciating markets.

BONUS QUESTION:

Can they work together? Yes!

Land banks are in need of ways to dispose of land that will help the community and keep it out of the speculative cycle so it is less likely to end up vacant again. Land trusts are often looking for either land to develop on or buildings to bring into their portfolio. Land out, land in.

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