

Twin Cities

Community Land Bank

Building Neighborhoods
Strengthening Communities

Tools to Assist Stubborn Redevelopment Sites

Rebecca L. Rom



Twin Cities
Community Land Bank

Building Neighborhoods
Strengthening Communities

Twin Cities Community Land Bank

TCC Land Bank works with its public, private, nonprofit, and community partners to support the creation of vibrant, sustainable homes, neighborhoods, and communities throughout the Twin Cities metropolitan area.



Formation of TCC Land Bank

- Created in July 2009 to aid in neighborhood recovery
- Entrepreneurial model (nonprofit limited liability company)
- Organization supporting government
- Multi-jurisdictional (seven county metropolitan area)
- Community lender and program operator



Activities of TCC Land Bank



What We Do

Special Access to Targeted Lenders
Community Coordination of NCST
Targeted Searches & Special Acquisitions
Short Sales
Acquisition & Rehab Financing
New Construction Financing
Bulk Purchases
Homebuyer Assistance
New Market Tax Credits
Property Management / Maintenance
Single Family, Multi Family, and Commercial

Community Standards

Employment / Contract Goals
MN Green Communities / LEED
Rehabilitation Standards
Owner Occupancy
Homebuyer Education
Income Qualifications
Landlord / Tenant Training
Transit Oriented Development

Note: Standards, requirements, and priorities may vary from program to program and city to city.



Integrated Approach

Supports Redevelopment
through an
Integrated Approach

Property
Acquisition

Land
Banking

Developer
Pool

Loan
Programs

Grant
Programs

Homebuyer
Assistance



An Integrated Approach: Property Acquisition

Part 1: Property Acquisition

TCC Land Bank is the “community coordinator” of the REO Property Acquisition program in the Twin Cities metro area (130 Cities, 7 counties.)

TCC Land Bank has acquired on behalf of its developers more properties through the ***National Community Stabilization Trust (NCST)*** than any other city.



National Community Stabilization Trust (NCST)

- A joint venture launched in 2008 and sponsored by Enterprise Community Partners, the Housing Partnership Network, LISC, National Urban League, National Council of La Raza and NeighborWorks America
- Facilitates the transfer of foreclosed and abandoned property from **30 financial institutions** nationwide to localities to promote neighborhood stability
- Creates a bridge between two worlds – the financial institution servicer/REO departments and state and local housing providers

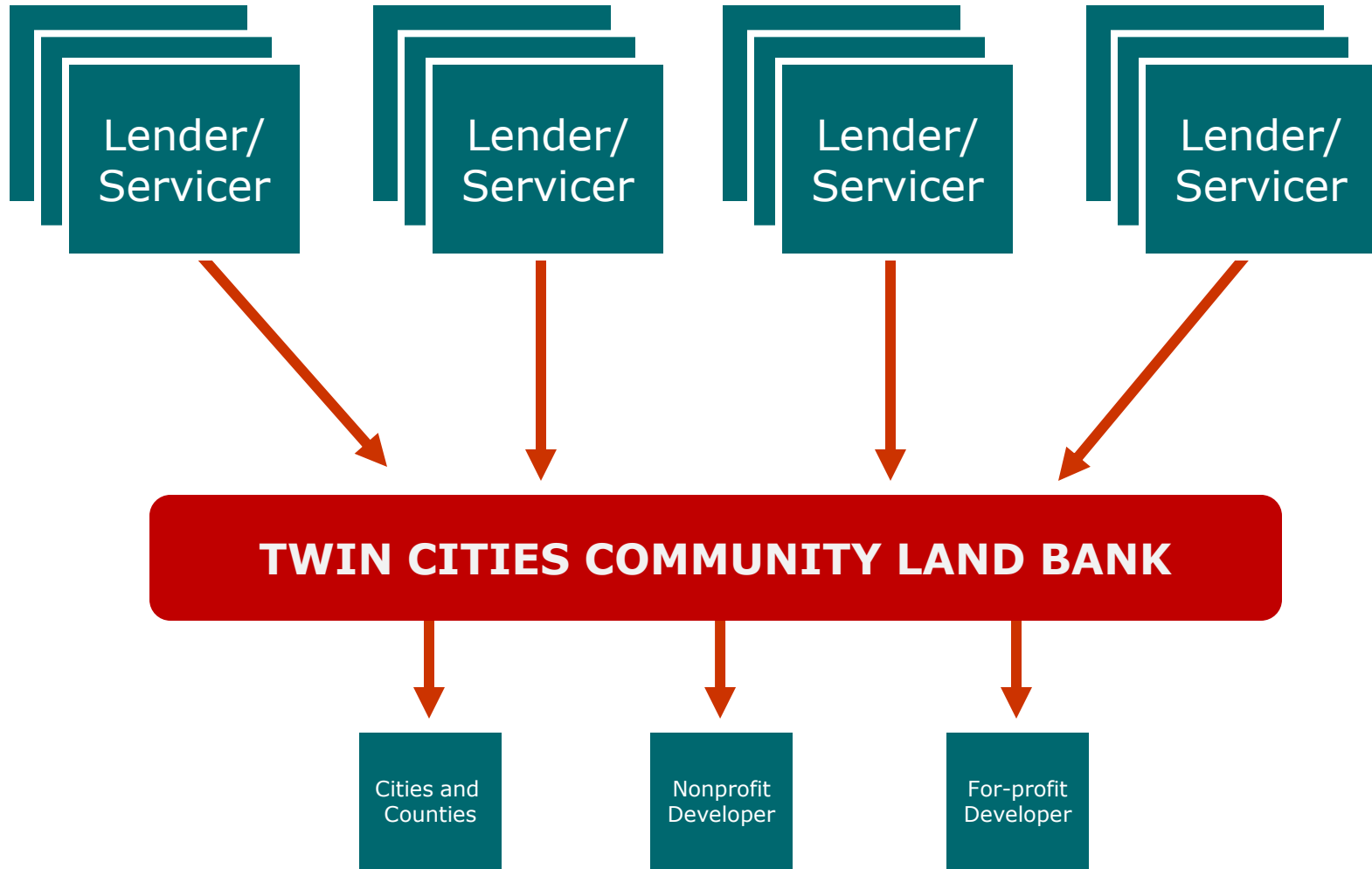
NCST Programs:

First Look: Provides efficient and cost effective mechanism for transferring vacant and foreclosed properties directly from banks and servicers to approved buyers at an adjusted and highly favorable price **before** properties go on the open market

Aged/Targeted Bulk Purchase: Provides opportunity to purchase properties that have been on the market and clustered properties at an **additional discount**, thus magnifying the opportunity to significantly improve a neighborhood



New Model of the Transfer of Foreclosed Properties



Additional Property Acquisition Programs and Methods:

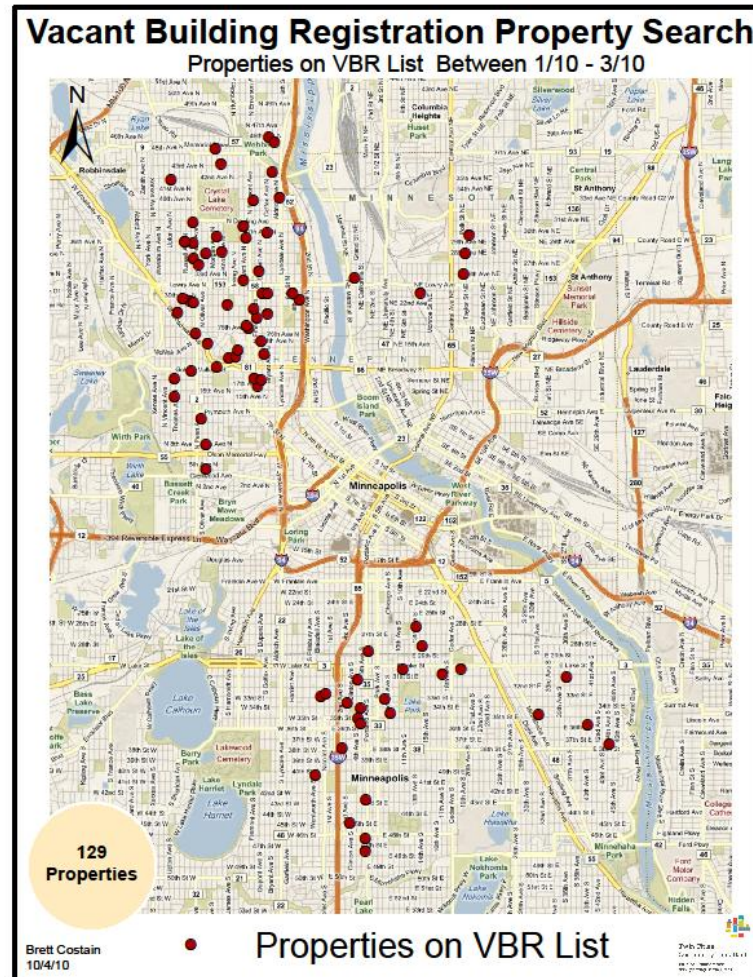
- Short sales
- Target searches & special acquisitions
- Vacant and boarded searches
- NSP zip codes searches
- Reverse searches
- Multifamily properties
- Pool / bulk purchases
- Direct purchase from non-NCST banks



REO Property Acquisition

Additional Property Acquisition Programs and Methods:

- Short sales
- Target searches & special acquisitions
- Vacant and boarded searches
- NSP zip codes searches
- Reverse searches
- Multifamily properties
- Pool / bulk purchases
- Direct Purchase from non-NCST banks



Part 2: Land Banking

Strategic acquisition and land banking for future development

Examples:

- Assist housing developers as they finalize funding sources
- Site assembly for future multifamily/mixed-use projects
- Site assembly for green space planning



An Integrated Approach: Developer Pool

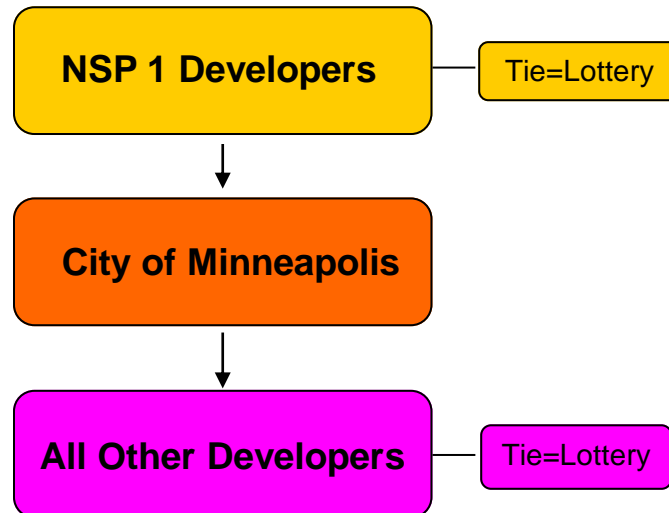
Part 3: Developer Pool

TCC Land Bank develops and maintains a strong and growing pool of experienced Socially Responsible Developers to acquire and renovate property.

- 11 nonprofit developers
- 15 cities and counties
- 26 for-profit developers

City dictates developer priority or “water fall”.

City of Minneapolis gives NSP developers priority.



An Integrated Approach: Developer Pool

Community Standards Agreements for ALL Developers:

- **Employment/Contract Goals:** 25% of the work hours on the project are performed by minority workers or that 25% of the contracts are awarded to MBEs. Encourages hiring of neighborhood residents.
- **MN Green Communities Standards**
- **Rehabilitation Standards:** HUD Housing Quality Standards, local building code requirements, and all FHA financing standards. Remediation and usefulness of roof and furnace must be certified.
- **Developer Construction Start:** 30 days of acquisition
- **SF Owner Occupancy:** Five year ownership covenant
- **SF Homebuyer Education:** First-time homebuyer must complete a certified HomeStretch education class.
- **MF Landlord/Tenant:** Multifamily owners must participate in landlord/tenant training or demonstrate previous experience in socially responsible multifamily ownership.
- **Financing** Developers using TCC Land Bank financing must serve occupants at or below 115% AMI and meet certain other requirements.



Part 4: Loan Programs

- Nonprofit developers combine with NSP
- For-profit developers acquire and rehab to a different level without subsidy

Provides market rate loans for acquisition and rehab of both single family and multifamily properties. Reduced acquisition and holding costs result in successful use of market rate debt as a funding source.

Housing: \$2.1 million of a \$10 million pool has been loaned to NSP developers

The balance (\$7.9 million) has been loaned to other nonprofit and for-profit developers who are working in neighborhood recovery

Commercial: \$500,000 pool for developments on commercial/transit corridor linked to distressed neighborhoods

TOD: \$14 million pool for preservation and development of affordable workforce housing along Hiawatha, Central and South West Corridors

Multifamily Housing: \$11.25 million pool for preservation and development of medium to large multifamily housing projects



Part 5: Grant Programs

Nonprofit Brownfields Assessment Program

Applied to Hennepin County to continue the work of GAP (Groundwork Assessment Program)

Examples:

- *American Indian Community Development Corporation:* Phase 1 and Phase 2 assessments on parcels for a proposed (now under construction) housing development
- *Homegrown Minneapolis:* Phase Ones on City-owned lots evaluated for community gardens
- *Highpoint Center for Printmaking:* Development of a response action plan and remediation for a vapor intrusion issue in new (current) location



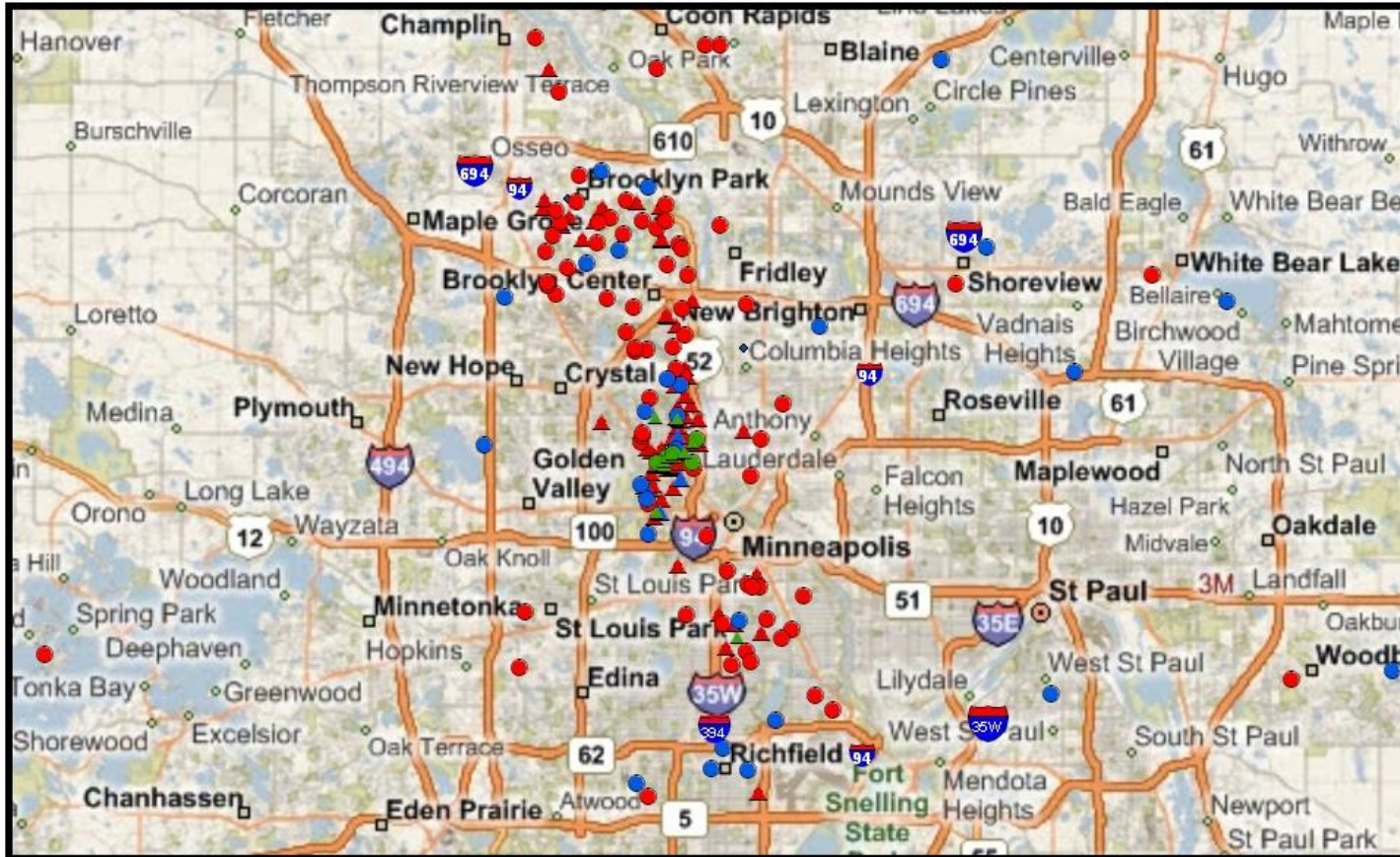
Part 6:
Homebuyer Assistance

Provides down payment and closing cost assistance to individuals who have gone through “Build Wealth” training and buy a TCC Land Bank property.



Properties Purchased and Supported by TCC Land Bank

TCC Land Bank Loans & Acquisitions



Through 11/11/10



Brett Costain 11/11/10
Source: TCCLB & Bing Maps

- ▲ NSP - Acq Only
- ▲ NSP - Loan Only
- ▲ NSP - Both
- Non NSP - Acq Only
- Non NSP - Loan Only
- Non NSP - Both



Twin Cities
Community Land Bank
Building Strong Communities

Tools to Assist Stubborn Redevelopment Sites 11/23/10

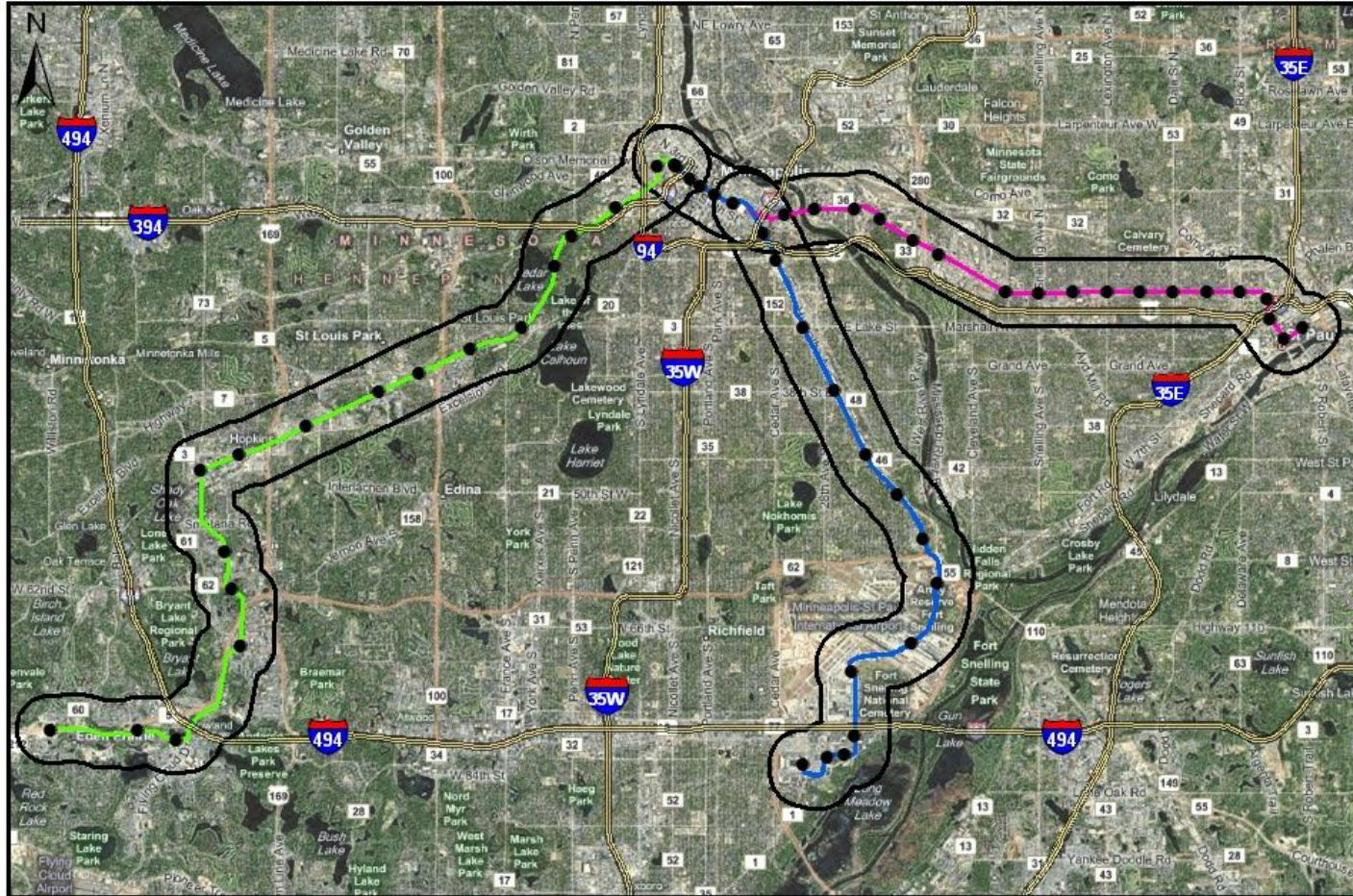


The integration of these components is showing success in neighborhood recovery:

- 182 properties purchased and/or under contract; all sold or to be sold to developers.
- Program operates in 130 cities in the Twin Cities metropolitan area
- 52 developers participating
- Savings in acquisition program of over \$2.2 million off of listing prices
- 42 single family and 8 multifamily properties financed
- Total number of housing units acquired and/or financed over 277 units.



TOD Investment Corridors



- Southwest
- Central Corridor
- LRT Stations
- Hiawatha
- 1/2 mile buffer

Brett Costain 10/21/10
Source: BigMap.com/
Map to GIS/CURA



Twin Cities
Community Land Bank
1000 Hennepin Avenue
Minneapolis, MN 55402

