



In-Depth Discussion: Regional Housing Land Bank

PUBLIC MEETING

NOVEMBER 22, 2024



CAPE COD
COMMISSION

Agenda

Introduction

Welcome and Background	10 min
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What is a land bank? (Presentation + Q&A)	20 min
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What could a housing land bank look like on Cape Cod?

Purposes and relationship to other organizations	10 min
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Real Estate, Funding, and Governance	45 min (15 min each)
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Discussion and Next Steps

Opportunities and Challenges Discussion	15 min
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Next Steps	5 min
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Housekeeping

- This meeting is being recorded, and the recording will be posted on the Cape Cod Commission website.
- Zoom's chat and Q&A functions will be in use. Please direct questions to the Q&A function.
- You will need a web browser or phone open to participate.

Welcome + Background



Housing Cape Cod

THE REGIONAL STRATEGY



CAPE COD
COMMISSION

Purpose of the Regional Housing Strategy

Identify policies, strategies, and appropriate areas for housing development and redevelopment to address housing supply, affordability, and availability challenges while protecting sensitive resources.

Guiding Principles



Generate a Greater Variety of Housing

Create an environment that allows for the creation of a wider variety of housing choices



Support the Year-round Population

Promote a vibrant year-round community, relieving housing challenges for year-round residents and supporting the seasonal work force



Protect Natural and Cultural Resources

Ensure strategies and actions for housing protect the region's natural environment and preserve its cultural resources



Address Climate Change and Coastal Resiliency

Prioritize strategies that advance climate change mitigation and adaptation



Prioritize Redevelopment

Prioritize strategies that support redevelopment and reuse and preserve existing housing stock



Coordinate Housing and Infrastructure

Align housing opportunities with wastewater, transportation, broadband, and other infrastructure planning and investments



Regionalize Efforts to Support Municipalities

Identify opportunities for regional efforts and entities, existing or new, that can support municipalities in their housing work



Build Support for Housing Through Education

Support strategy implementation through education and partnerships that can help articulate the housing needs of the region and actions necessary to address those needs



Recommendations



Change Zoning



Streamline Permitting



Develop a Community Land Trust and Regional Housing Land Bank



Develop a Regional Redevelopment Authority



Provide Financial Incentives to Convert and Preserve Year-round Housing



Finance Housing Affordable to 80%-120%+ AMI



Provide Low- or No-cost Loans for ADUs



Dedicate Municipal Tax Receipts Towards Housing and Infrastructure



Develop a Regional Local Government Investment Pool



Establish a Permanent Regional Housing Services Office



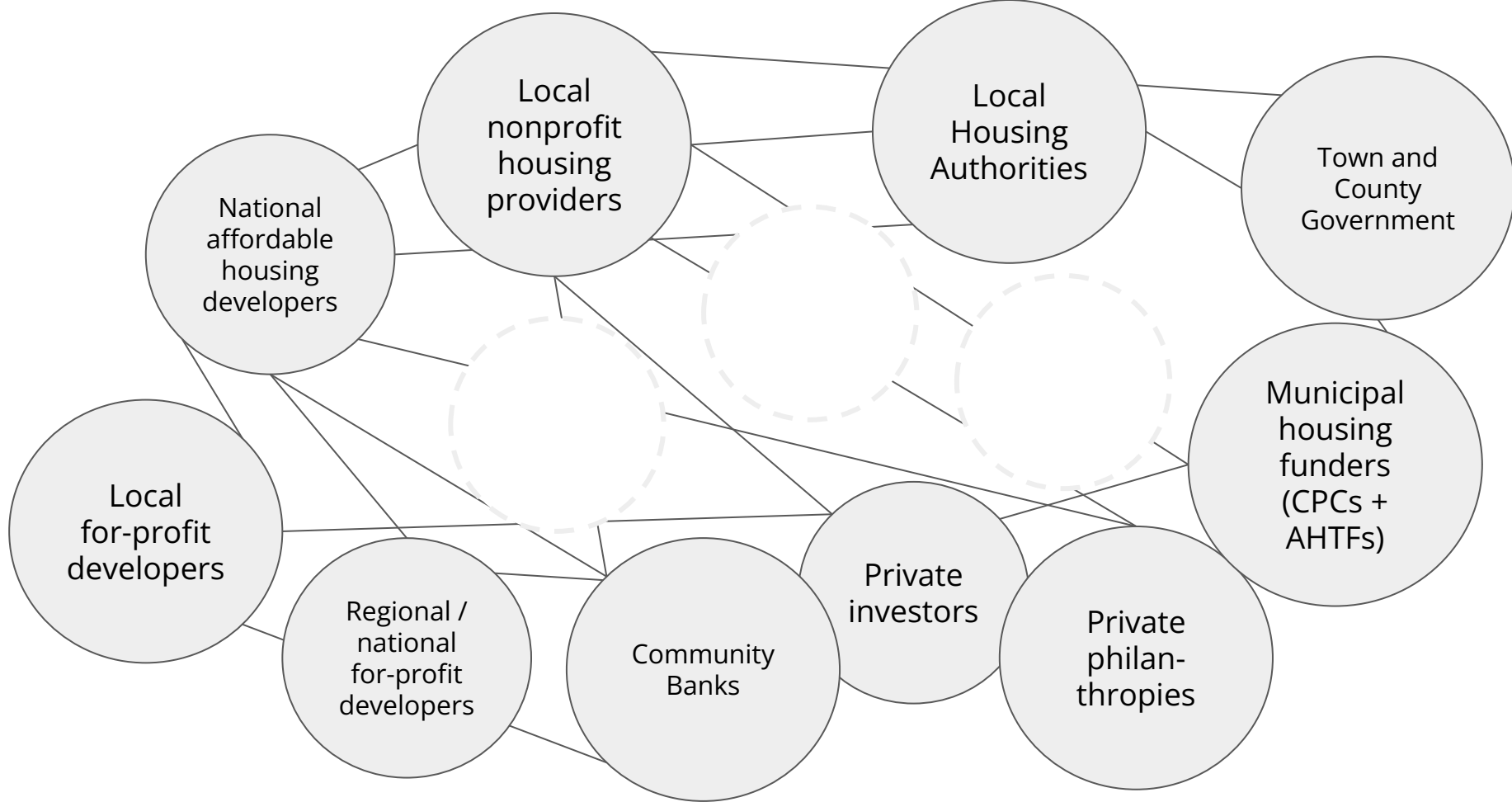
Develop a Regional Homesharing Program



Develop a Regional Capital Plan



Explore Housing Potential on Joint Base Cape Cod



Cape Cod's housing ecosystem is missing some types of entities that could help address the affordability crisis

Land Bank

An organization that buys and sells land over a short time span for a values-driven purpose (often economic development or land conservation).

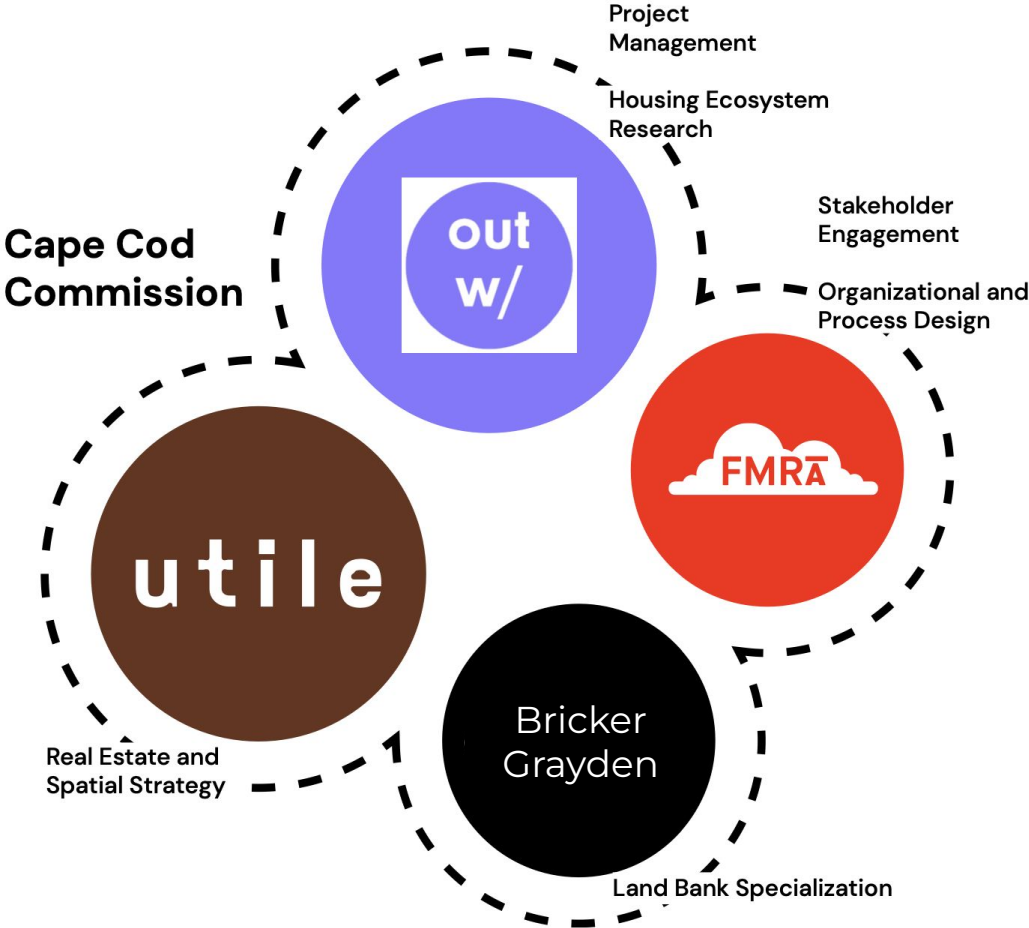
Community Land Trust

An organization that holds land in perpetuity for a values-driven purpose (often affordable housing or land conservation).

Process Overview



Project Team



What is a land bank?

What is a land bank?

An organization that buys and sells land over a short time span for a values-driven purpose (often economic development, affordable housing, or land conservation).

Classic Land Bank Model

- **Public or quasi-public** non-profit authority.
- Formation, high-level governance, and special powers **defined by statute**.
- Classic focus is stabilizing problem properties, but land banks can and do **work toward multiple goals**.
- Land banks gain site control, clear title, address site concerns (dilapidated structures, utility access, etc.), and **dispose of property reasonably quickly**.
- Special powers to perform this work.
- Enabled to act **with the market or pre-market**.

Typical Special Powers

- Can acquire, sell, lease, or otherwise real property and other assets
- No annual appropriation timeline (money is ready to use)
- Procurement rules are simpler than for towns or other public entities
- No local property taxes when land bank holds the property (ideally a short time period)
- Can clear title faster than a for profit company
- Can issue bonds to fund larger projects
- Dedicated recurring funding source
- **No eminent domain**

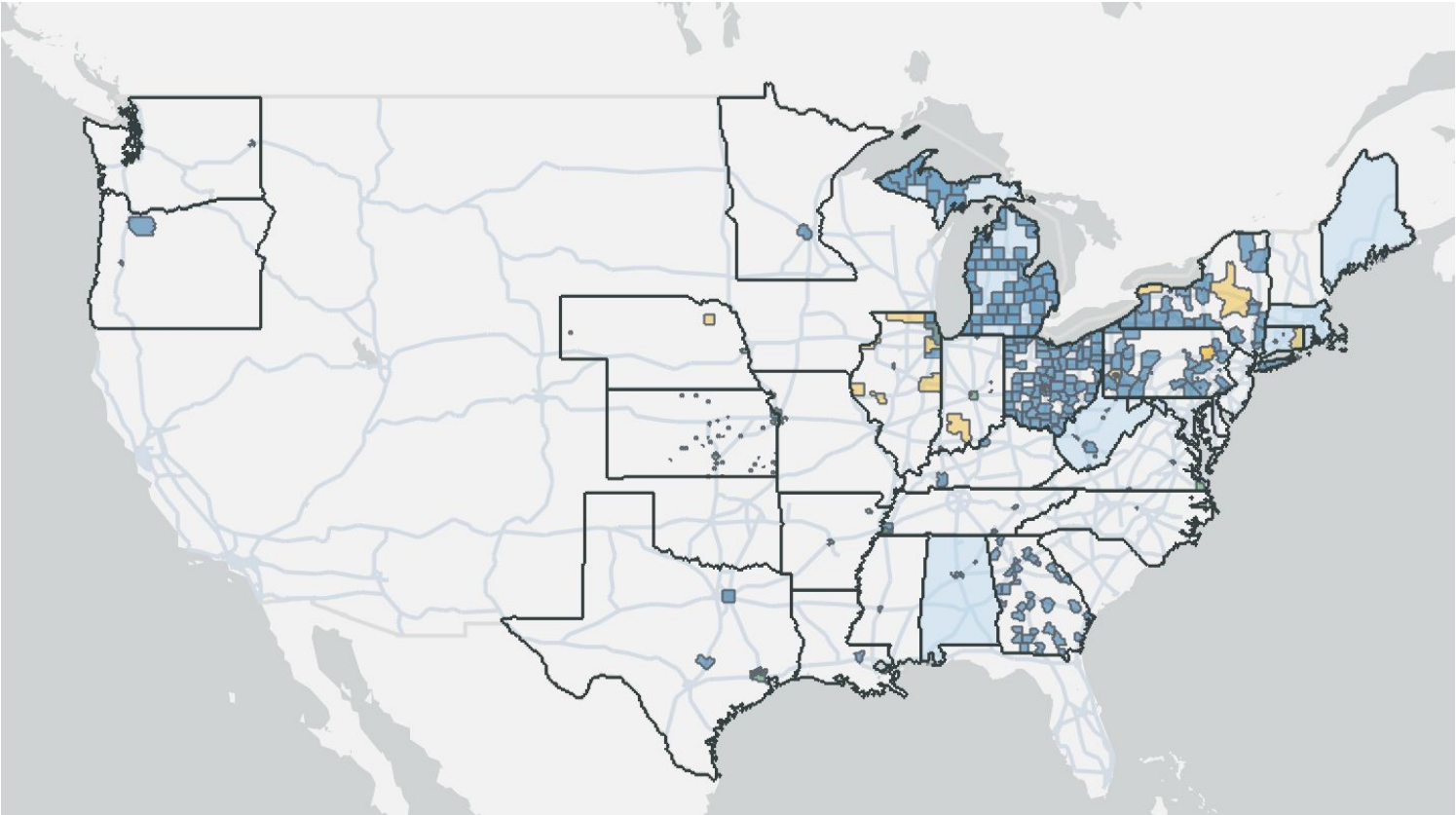
Land Bank History

- Modern land bank emerges in cold markets grappling with deindustrialization and abandonment
- Today's MassDevelopment grew partly from a statewide Land Bank Authority
- The model grew across the nation after the 2007–2010 foreclosure crisis
- As markets heat up nationally, land banks are pivoting to address affordability



A vacant home in Cleveland, OH.

Land Bank Map



Municipal Land Banks



County Land Banks



Regional Land Banks



State Land Banks



Via [Center for Community Progress](#)

Land Banks on Cape Cod and the Islands

- In 1998, the state legislature passed, and Cape Cod towns adopted, a conservation land bank, funded through a property surtax. Cape Cod's land bank program was succeeded by the statewide Community Preservation Act system.
- Martha's Vineyard and Nantucket each have county-level land banks largely focused on conservation, but with policy and partnership approaches to housing



Forest Beach Conservation Area, Chatham, was purchased through the the town's conservation land bank.

Potential alternative names

“Land Bank” is a term that’s used widely, but it could be called anything on Cape Cod.

Potential alternative names:

- Housing Land Bank
- Housing Bank
- Residential Real Estate Bank
- Residential Land Reserve
- Housing Property Reserve

Case Study: Cuyahoga Land Bank



An abandoned building in the Cleveland area was demolished by the Cuyahoga Land Bank to make way for new development (or simply remove the structure as a public health hazard and drain on property values)

- Nonprofit corporation organized under Ohio's land bank law
- Focus on distressed properties, acquisition through tax foreclosures, forfeitures, REO sales, housing court referrals
- Special powers to accelerate acquisition and demo of nuisance properties
- Dedicated funding (% of delinquent taxes and penalties that are collected)
- Initial funding from County reserves, lending \$20m to local tax districts, which agreed to dedicate delinquent tax penalties to land bank

Case Study: Cuyahoga Land Bank

- 10,000 vacant structures demolished
- Scatter site housing rehab and new construction
- Home rehab grants
- Commercial, larger multifamily rehab and new construction
- Hundreds of transactions per month
- \$45m in brownfield remediation currently underway
- Nonprofit real estate brokerage



Case Study: Land Bank Twin Cities

- Founded to tackle foreclosure crisis
- Independent nonprofit w/ public officials on the Board
- Acquires, stabilizes, sells foreclosed and vacant properties
- Increasingly focused on affordable housing
- Expanded services into lending for affordable housing developers and and community organizations
- Programs to preserve “naturally occurring” affordable housing and to combat investor ownership of single-family homes



Case Study: Land Bank Twin Cities



Land Bank Twin Cities has acquired five apartment properties in Minneapolis' Corcoran Neighborhood, including this building at 3112 22nd Ave. S. Submitted photo: CoStar Group

Land Bank Twin Cities purchases five apartment buildings in Corcoran neighborhood with City, LISC financing support



Land Bank purchases distressed apartments

Case Study: LA County Land Bank Pilot

- Created by Los Angeles County in 2022 to tackle affordability, housing insecurity, and displacement (especially around new transit investments).
- Led by a county executive office and administered by a local Community Development Financial Institution
- Funded by American Rescue Plan Act (federal funds) and LA County's general fund.
- \$50m promise reduced to \$22m
- Open call for parcels. The land bank anticipated 2–3 parcels will be purchased with existing funds.



Q&A

What could a housing land bank look like on Cape Cod?

Purposes

Potential actions of a regional land bank

- Acquire property **quickly**
- Pursue **on-market** and **off-market** deals
- Receive **donated** property
- Develop **infrastructure**, clean up **brownfield**, or demolish **vacant** commercial structures as needed
- **Intervene** in foreclosures, bankruptcies, natural disasters, other bad circumstances
- Generate its own **operational revenue** with commercial real estate sales/rentals
- Acquire property for **aligned missions** (like conservation)

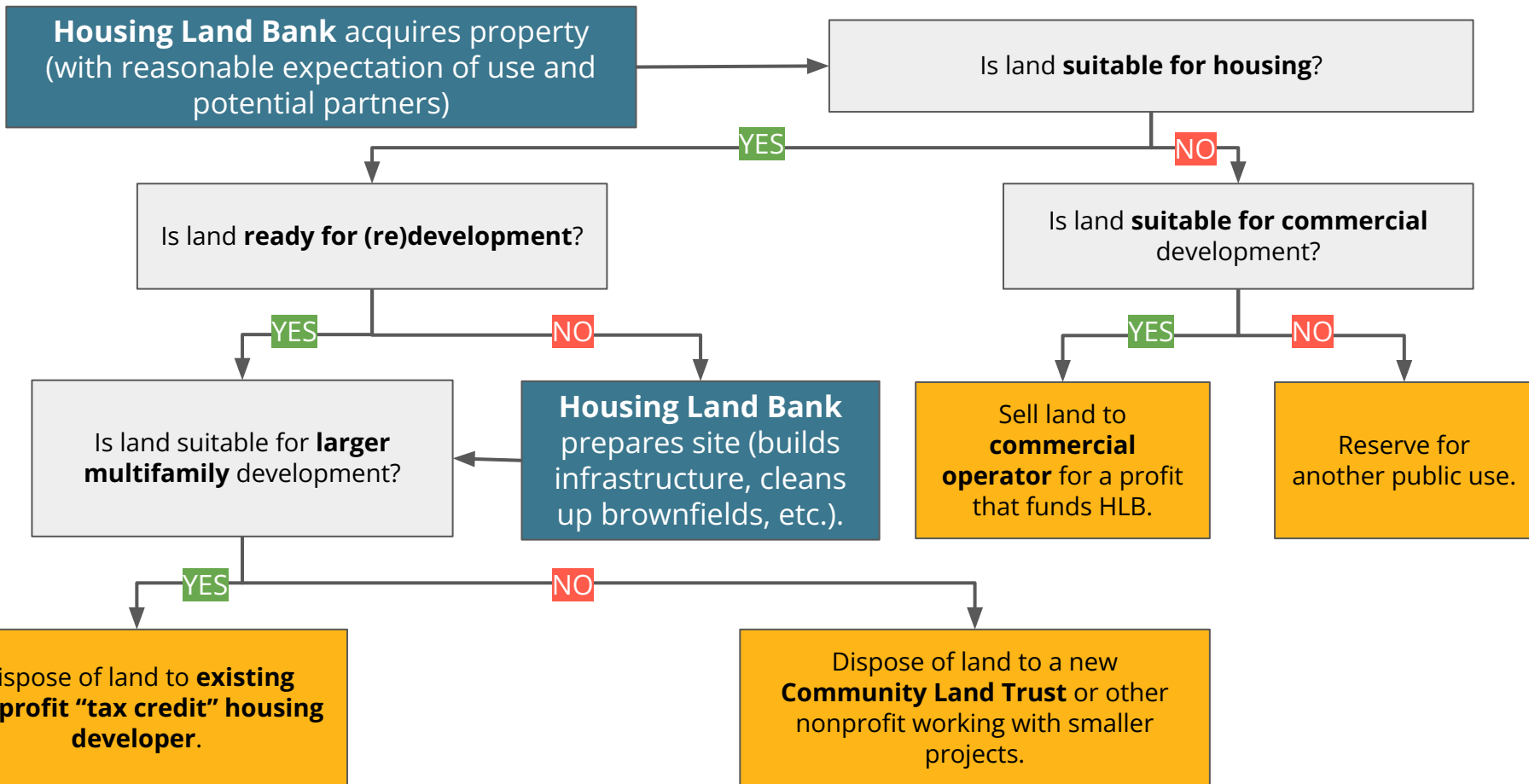
Housing for different groups

- Low-, moderate-, and middle-income households
- Year-round residents
- Workers on the Cape (including municipal employees)
- Seasonal workers
- Interim and supportive housing
- Co-housing
- Rental and ownership housing

Partnerships

- **Towns:** visioning for specific properties, reposition appropriate town-owned land
- **Nonprofits specializing in larger “tax credit” developments:** acquire and prepare larger properties for repositioning, reduce holding costs for projects awaiting funding, acquire “expiring” affordable units
- Potential **Community Land Trust** and **other nonprofits/public entities:** acquire and prepare smaller housing opportunities or existing housing on behalf of those organizations

Potential Land Bank activity model



Real Estate Strategy

Overall strategy

- Acquire land for different types of housing (including existing residential properties)
- Focus on existing community activity centers, village centers, and commercial redevelopment opportunities
- Sell land quickly to an appropriate housing management or redevelopment organization (existing nonprofits, housing authorities, potentially a new community land trust)
- Buy certain commercial opportunities
- Don't pursue land in conservation areas or sites with conservation opportunity

How to acquire property

- On-market deals
 - Need capital and powers to act quickly
- Off-market finds
 - Find deals “through the grapevine”
 - Proactively approach land owners
- Donations
- Land swaps
- Distressed property (less common on the Cape)
 - Foreclosures / bank-owned properties
 - Bankruptcy negotiations
 - Tax sales

Potential real estate strategies

**Preserve
Existing
Attainable
Housing**

**Redevelop/Infill
Village Center
Land**

**Reposition Larger
Properties**

Funding

Typical Land Bank Funding

- Dedicated public sources
 - Real estate transfer fee/duty
 - Property surcharge
 - Dedicated portion of delinquent property tax collections
 - A portion of tax revenue on rehabbed properties
 - Voluntary contributions by public entities like towns (by agreement)
- Revenue from commercial or sales/rentals (typically limited)
- In-kind support from other entities

Potential Funding Tools

Vacancy Tax

**Real Estate
Transfer Fee**

**Short-Term
Rental
Community
Impact Fee**

**Towns
Dedicate
Local Funds
and Land**

Vacancy Tax

- Property surtax for homes that are empty for more than a certain period of time
- Vancouver: 3% surtax on homes that are vacant more than six months
- Similar proposals in resort communities
 - a. Colorado Association of Ski Towns proposes local option
 - b. Lake Tahoe proposed \$6,000/unit held vacant more than six months per year
 - c. Hawaii debated a 3% property tax on units held vacant more than six months per year
- Enforcement?
- **Potential approach: Pass a regional 3% surtax on vacant homes (with a local opt-out).**

Real Estate Transfer Fee

- 2023 Affordable Homes Act Proposal
 - Local/regional option 0.5%–2% fee on portion of real estate sale greater than \$1m (or median county sale price, whichever is greater)
 - Revenue from fee deposited into local or regional AHTF
- MV Housing Bank Proposal
 - 2% fee on portion of real estate sale greater than \$1m
 - Revenue funds a regional housing bank
 - Towns could opt-out of housing bank
- **Potential approach: Pass a regional transfer fee (with local opt-out) on portion of sale greater than \$1m (along the lines of the MV Housing Bank proposal).**

Short-Term Rental Community Impact Fee

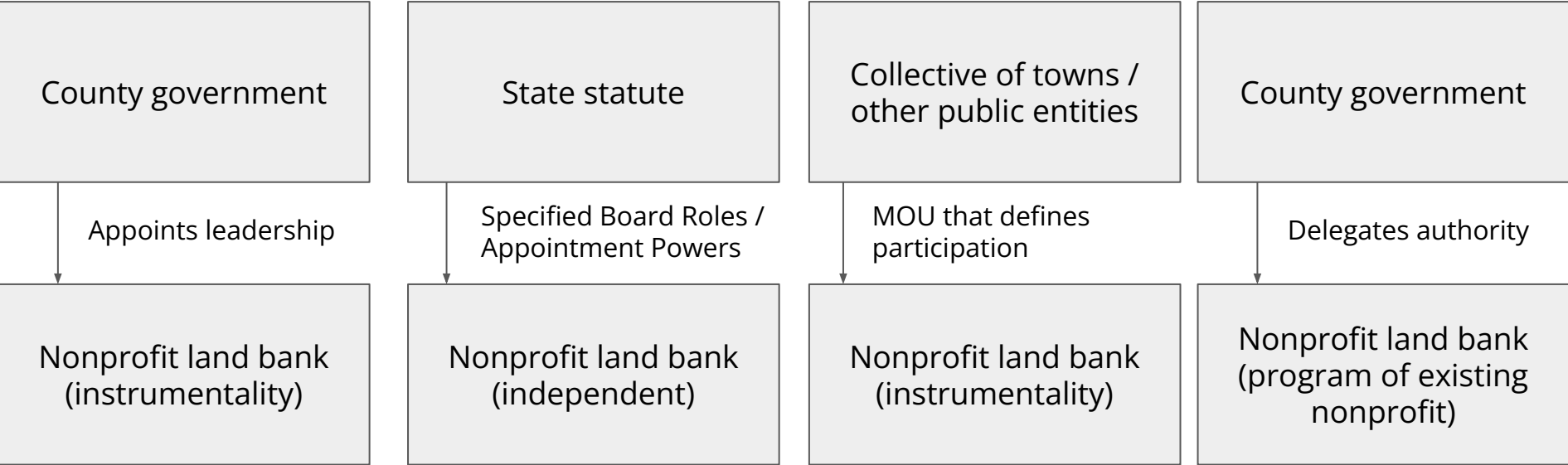
- STR CIF is presently a local option surcharge on certain types of short-term rentals.
- 35% of CIF receipts must be spent on “affordable housing or local infrastructure”
- Only four Cape communities have adopted the fee, but those alone generated \$357,962 in 2024
- **Potential approach: Reform Community Impact Fee to be regional (with a local opt-out), and dedicate part of those funds to a housing land bank.**

Town Land and Funds

- Each town could **choose** to fund the regional housing land bank, knowing that regional housing opportunities impact their housing and economic outcomes.
- General funds are most viable
- Restricted funds under the current Community Impact Fee are likely viable
- Community Preservation Act funds could be enabled in Land Bank legislation, but all CPA requirements and restrictions would remain

Governance

Land Bank Governance



Potential Governance Models

**One Town,
One Vote**

**Population- or
Funding-
Weighted Town
Votes**

**Subregional
Reps +
Professional /
Community Reps
Appointed by
County/State**

**All Professional /
Community Reps
Appointed by
County / State
(with
Town-Appointed
Advisory Board)**

One Town, One Vote

- Martha's Vineyard Land Bank Commission
 - Voters in each town elect a Land Bank Commissioner
 - State appoints one additional commissioner
 - Town boards/commissions appoint local Advisory Board
 - Funds are administered by the Land Bank Commission and Advisory Boards
- Cape and Islands Water Protection Fund
 - Each participating municipality appoints a member to the Management Board, with additional ex officio seats for CC Commission, MV Commission, and Nantucket Town Manager

Population- or Funding-Weighted Votes

- Niagara Orleans Regional Land Improvement Corporation
 - Three seats for Niagara County (pop. ~200k)
 - One seat for Orleans County (pop. ~40k)
 - One seat each for three incorporated cities in region
 - Seats appointed by mayors, legislatures, or other designated officials
- Houston Land Bank
 - Five seats appointed by the City of Houston Mayor
 - Two seats appointed by Houston City Council
 - Three seats appointed by County Commissioners
 - Three seats appointed by the School District

Sub-regional Reps + Professional/Community Reps

- Cape Cod Metropolitan Planning Organization
 - Two MassDOT reps (Secretary and Highway Administrator)
 - 1 rep each for the CC Regional Transit Authority, CC Commission, Barnstable County, Mashpee Wampanoag Tribe
 - 1 rep for the Town of Barnstable (Pres. of Town Council)
 - 4 sub-regional Reps (a Select Board member from each sub-region elected by the Select Board members of that sub-region)
 - Bourne, Falmouth, Mashpee, Sandwich
 - Dennis, Yarmouth
 - Brewster, Chatham, Harwich, Orleans
 - Eastham, Provincetown, Truro, Wellfleet

All professional/community reps + Advisory Board

- The MassHousing board has representatives from:
 - Commonwealth
 - Nonprofit sector
 - Real estate brokers
 - Real estate development
 - Organized Labor
 - Federal Reserve Bank of Boston
- An advisory board appointed by local officials could make recommendations to a land bank Board of Directors

Do you see any particular benefits or challenges to the governance approaches presented?

**One Town,
One Vote**

**Population- or
Funding-
Weighted Town
Votes**

**Subregional
Reps +
Professional /
Community Reps
Appointed by
County/State**

**All Professional /
Community Reps
Appointed by
County / State
(with
Town-Appointed
Advisory Board)**

Opportunities and Challenges

Discussion Prompts

- Given the discussion today, **which aspects** of a regional housing land bank are **most intriguing** to you?
- What do you see as the **biggest opportunity** for a regional housing land bank in your community? (This could be a general area, a specific site, a type of property, or a community.)
- What **challenges** do you see in bringing a regional housing land bank to life?
- What are your **“deal breakers”** for a regional housing land bank? What must it do or not do?

Next Steps

How to stay involved

- Virtual In-Depth Sessions
 - Community Land Trust: Monday 11/25 @ 10am
 - Housing Land Bank (reprise): Tuesday 12/10 @ 5:30pm
 - Community Land Trust (reprise): Wednesday 12/11 @ 6pm

<https://capecodcommission.org/our-work/clt-hlb>