

Maine's "New" Land Bank Authority

A State Program Supporting Local
Redevelopment Action

The Maine Redevelopment Land Bank Authority was established by law and took effect on August 8, 2022. The effort began in the fall of 2019.

LAW WITHOUT
GOVERNOR'S
SIGNATURE

APRIL 26, 2022

CHAPTER

664

PUBLIC LAW

This is land bank enabling legislation and created a new authority in the state, the “Maine Redevelopment Land Bank Authority.”

A new user fee was created on construction & demolition debris to support this new entity and Maine is now eligible for Federal funds for land bank activities.

What's this about?



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Jay Kamm,
NMDC Planner



Rep. Melanie Sachs,
Freeport/Pownal



Shelley Norton,
Lewiston Planner
(formerly AVCOG)

Who we are

... and a big shout out to
Jim Tischler, FAICP



- ❖ Representation from rural/urban, inland/coastal, regional planning and municipal staff, State agencies, professional organizations, and a well known organization led the effort.
- ❖ Representative who sponsored the bill was both passionate about the issue and a skilled consensus builder.
- ❖ Team remained committed but flexible compromising where we could.
- ❖ We worked with subject experts who provided guidance along the way and support to the State legislators during their work sessions.

What Made Us Successful

- ❖ Actively scouted strategic people for stakeholder group that would help make us more successful and fend off threats.
- ❖ We worked with those already running land banks.
- ❖ Worked quietly on legislation so that once it was submitted and public it was a very well vetted and robust document.
- ❖ Leveraged our contacts including BuildMaine distribution list, held webinars on legislation for municipalities, designers, realtors, and developers.
- ❖ Sponsor and working group members met with legislators to build support and identify opposition and sticking points.
- ❖ We continued working on legislators and amending what we could of the bill to gain support.
- ❖ We leveraged the relationships in state agencies that we had built which helped address last-minute road blocks.

What Made Us Successful

Who needs a land bank?

Let's start with a tour. . .

Does your community have any:

blighted,

abandoned,

environmentally hazardous

functionally obsolete buildings?



Derelict building

Woolrich, ME



Abandoned facility with environmental contaminants

Colby Starch Plant: Caribou, ME



Vacant housing in good condition

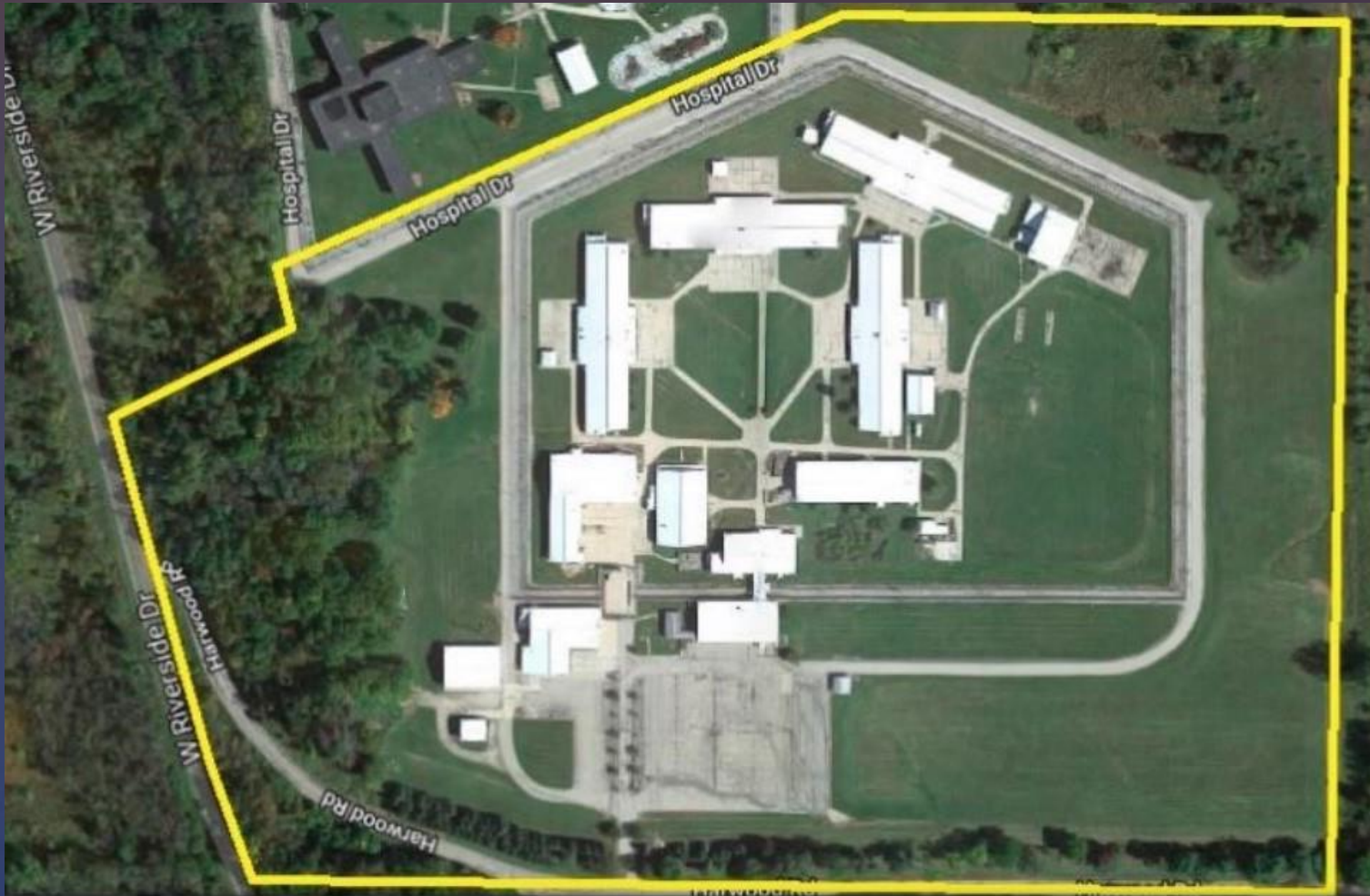
Default on federal government mortgage: Sanford, ME



Vacant school with asbestos

St. Francis, ME





Prison or other obsolete facility

Former Correctional Facility in Ionia, Michigan



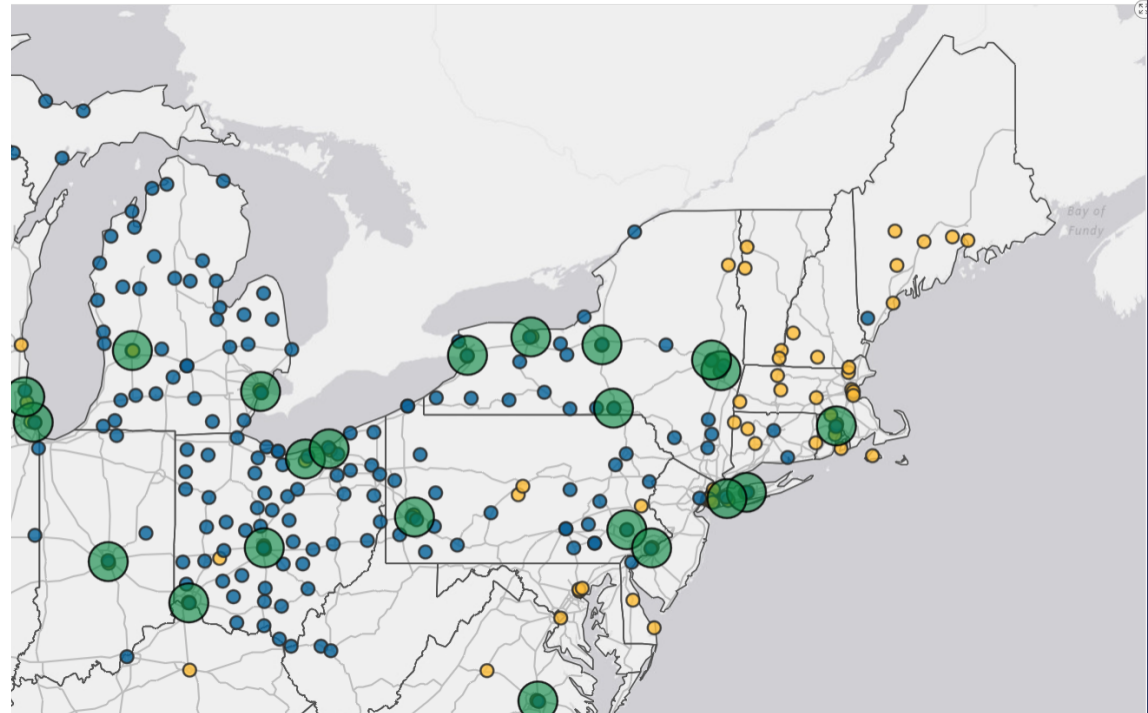
Mill building at risk of collapse

Roof collapse: Sanford, ME

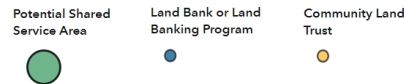


Working in concert, land banks and community land trusts (CLT) can unlock a pipeline of problem properties, providing quality affordable housing for current and future generations. Land banks can use their unique powers to acquire, stabilize, and transfer vacant properties to a community land trust which can use those properties to create lasting affordable homeownership opportunities. These entities have different yet complementary missions and, leveraging each other's strengths, can support a more resilient and equitable recovery in neighborhoods across America. Despite these potential partnership benefits, there are few examples of land banks and CLTs coordinating effectively and in a sustained manner. This map is intended to identify where land banks and CLTs *may* have shared service areas and might consider a partnership opportunity.

- **Land bank or land banking program:** Land banks are public entities with unique governmental powers, created pursuant to state-enabling legislation, that are solely focused on converting problem properties into productive use according to local community goals. A land bank can use the property tax and lien enforcement process to proactively acquire a property for substantially less than the amounts due on the property, extinguish past liens, hold property tax exempt until it is sold, and transition that property to a purchaser for an end use that aligns with community priorities.
- **Community land trust:** Community land trusts are nonprofit organizations, governed by CLT residents, community residents, and nonprofit and public representatives, that provide permanent community control of land and affordable housing. The CLTs listed on the map may represent traditional community land trusts or may represent shared equity programs that may not distinguish land from buildings in the way a community land trust does.
- **Potential shared service area:** These are areas where land banks or land banking programs and CLTs *may* operate in the same geography. Having a shared service area may mean that partnership is possible. Importantly, this map only indicates the potential for a shared service area, further examination would be needed to determine if there is in fact a shared service area, which may be done by reaching out to the individual land banks or CLTs.



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Land Bank Distribution

Land banks are public entities with unique governmental powers, created pursuant to state-enabling legislation, that are solely focused on converting problem properties into productive use according to local community goals.

Said another way, the most intractable problematic properties, that are abandoned, with contamination, or title issues, or that are obsolete and difficult to repurpose – these are the properties a land bank was designed to remedy.

What is a Land Bank?

**Fast-track
title
clearance**

**Discharge
tax liens**

**Acquire,
develop and
convey
property**

**Project
funding
(TIF, grants)**

**Eminent
domain**

**Allow for
community
focused
investments**

Potential Land Bank Tools

Let's face it, developing a greenfield is often cheaper and has less constraints than redevelopment.

Land Banks fill the role of developer preparing a property for redevelopment by clearing title, demolishing obsolete or derelict structures, and remediating hazards. With special funding mechanisms in place, the financial barrier to readying the site for redevelopment is eliminated.

Without this work, property can sit idle for decades.

A Specialist Developer

In the past, land held by Land Banks has sometimes sat for years waiting for redevelopment.

Land banks are now working with communities to identify the best re-use for a property and assisting with marketing and managing the redevelopment.

Re-use includes open market sale, RFQ for specific development like affordable housing, or no redevelopment such as in a floodplain. A State Land Bank can build relationships with developers and facilitate redevelopment.

Proactive Developer



The City of Sanford Maine's Land Bank demolished this vacant crumbling home. The owner was able to receive some compensation for the unsalable house, and Habitat for Humanity built a new home in its place.

Land Bank Projects

The Michigan Land Bank sold seven properties in 2017 to Mama Shu, who is transforming one of Detroit's most blighted blocks into a safe, functional and beautiful eco-village.

To date, the Michigan Land Bank has sold her 11 properties, helping her strengthen her community and revitalize the neighborhood for the children that play in the park and the other residents who call it home.

Land Bank Projects





The Clare-Gladwin Career & Technical Education's Construction Trades students needed a project to improve their skills, and the Gladwin County Land Bank Authority needed motivated, affordable skilled trades workers.

The result was what is hoped to be the first of many new homes constructed by CTE students on foreclosed or donated lots in the county – a 1,200 square-foot home on Antler Street in Gladwin, MI.

Land Bank Projects

Local efforts can be slow, and industrial properties with particularly difficult or expensive clean-up needs the resources that the State can bring to accelerate the return to reuse.

A State Land Bank is available to help communities without a land bank or the resources to create one.

Federal funding specific to land banks has historically only been available through State Land Banks.

Regulatory reform creating an entity that specializes in brownfield site processing that partners with government enforcement agencies as a “trusted partner.”

Why Legislation?

1. Establishes the Maine Redevelopment Authority to provide technical and financial assistance to local governments;
2. Establishes a board of Commissioners, and Executive Director;
3. Establishes a fund and a \$3 per ton fee on C&D debris disposal;
4. Identifies what is eligible property (exempts tribal property and military facilities)
5. Establishes powers and duties
6. Allows State to work with localities and local/ regional land banks;
7. Allows State to enter into agreements with federal agencies to provide funding sources;
8. Allows it to apply for grants, loans and other financial assistance;
9. To issue bonds;
10. To acquire property through eminent domain;
11. To adopt rules
12. Creates “Development Ready” advisory committee, which is the first step in developing a companion grant program.

Maine's Legislation

The City of Sanford has developed a suite of funding sources for its local land bank:

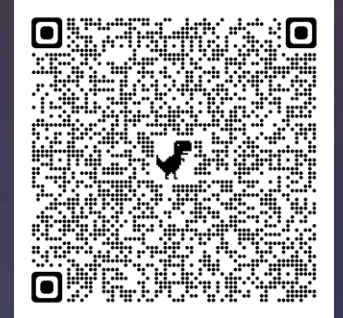
1. Affordable Housing TIF and seed money
2. Proceeds of land bank property sales
3. Rental Housing License
4. Abandoned Building License. This license increases in cost over time to incentivize putting the building back into use.
5. Brownfield funding and CDBG
6. Grants: ME Housing Community Solutions, American Recovery and Reinvestment Act

Funding Example

1. Governor is to appoint the Board of Commissioners, still waiting for this to happen;
2. Money from C&D debris surcharge starts being collected January 1, 2023;
3. HR 8786 National Land Bank Network Act of 2022 was introduced in September. This is a renewal of prior land bank funding at the Federal level and includes funds for technical assistance in setting up new land banks as well as operational funding.
4. Now is the time for Maine municipalities and regional entities to explore forming a land bank.

Next Steps

“How to Set Up and Run Your Land Bank” webinar on **October 24th @ 9:30** with Build Maine and Michigan LB.



Center for Community Progress

<https://communityprogress.org/resources/land-banks/>

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Resources