



Twin Cities
Community Land Bank

Building Neighborhoods
Strengthening Communities

Utilizing Data to Manage Neighborhood Change

Friday, October 28, 2011

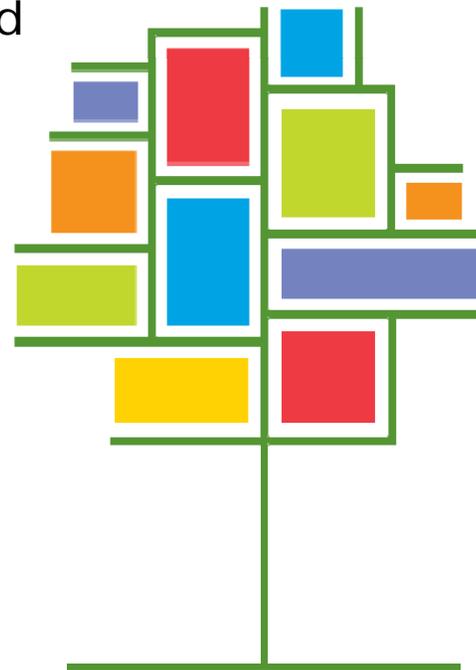
Rebecca Rom
President

Twin Cities Community Land Bank
www.tcclandbank.org

Background

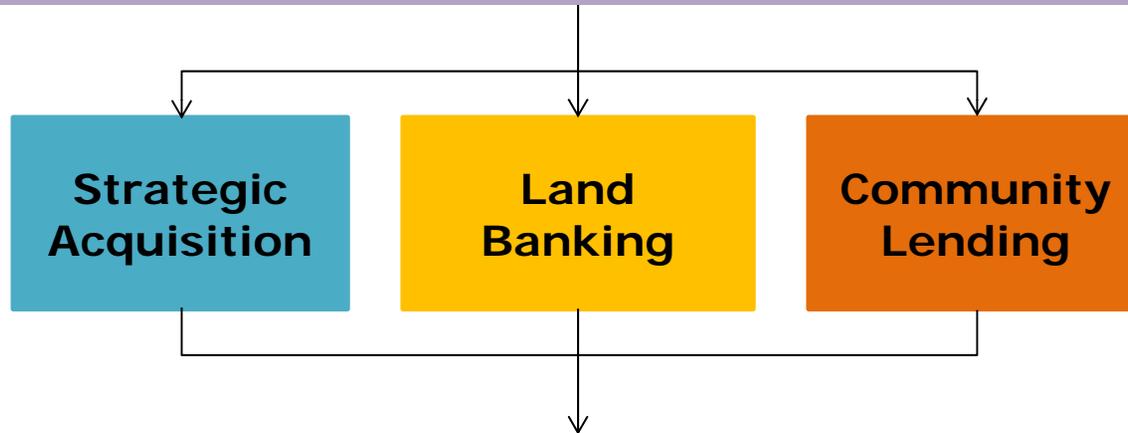
Twin Cities Community Land Bank

- Formed in 2009
- Subsidiary of Family Housing Fund
- 7-County Metro Area
- Nonprofit LLC, 501(c)3 pending
- Flexible & Responsive
- Intermediary
- Leverage Public and Private \$
- Large Scale



Mission

Support the creation of vibrant, sustainable homes, neighborhoods and communities



Integrated Approach



Integrated Approach

Strategic Acquisition

- 65 Approved Developers: Nonprofit, For-profits & Municipalities
- \$3.9 Million in Savings
- 7 Counties, Over 130 Cities
- Community Coordinator for National Community Stabilization Trust (NCST)
- 320 Single and Multi-family Properties Acquired
- 355 Units Purchased
- Community Standards
 - Green Communities
 - Hiring Goals
 - Homeownership for SF

Data through 10/24/11



Integrated Approach

Land Banking

- 8 Single Family Properties
- 9 Multifamily Properties
- Short-term or Long-term
- Community Goals
- Tax Exemption Applications Pending with Hennepin County
- Property Maintenance in Partnership with Community-based Workforce Training Organizations

Data through 10/24/11



Integrated Approach

Community Lending

- Housing
 - \$17.3 million loan fund
 - Financed 112 single family & multi-family properties (163) units
 - Averaging 33% Minority Hiring or MBE (requirement is 25%) & Hiring from Neighborhood
 - Average homebuyer income <80% AMI
- Commercial
 - \$500,000 loan fund
- CDFI – Awarded \$600,000 from CDFI Fund July 2011
- Manage environment cleanup grant fund in Hennepin County

Data through 10/24/11



Data to Drive Neighborhood Change

Data Challenge 1: Revamp First Look Acquisition Geography

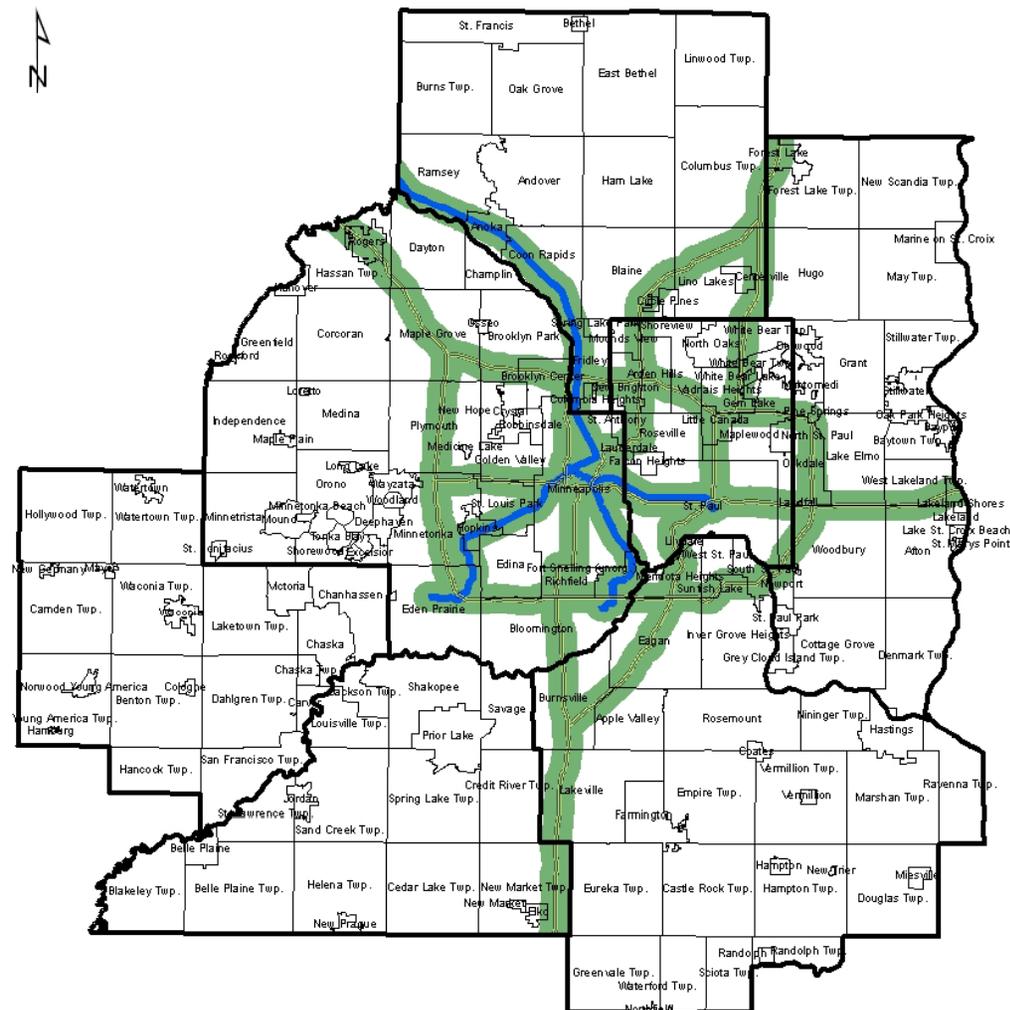
Background:

- TCC Land Bank is Community Coordinator for the National Community Stabilization Trust (Trust)
- Trust facilitates the transfer of foreclosed and abandoned properties from financial institutions nationwide to community coordinators working to promote neighborhood stability
- Properties are acquired prior to going on the open market and provide significant cost savings to approved developers
- **Issue:** Entire 7-county region inefficient geography for targeting resources to distressed neighborhoods; how should this geography be narrowed?
- **Goal:** To better focus resources and align policies with public and private partners.



Data to Drive Neighborhood Change

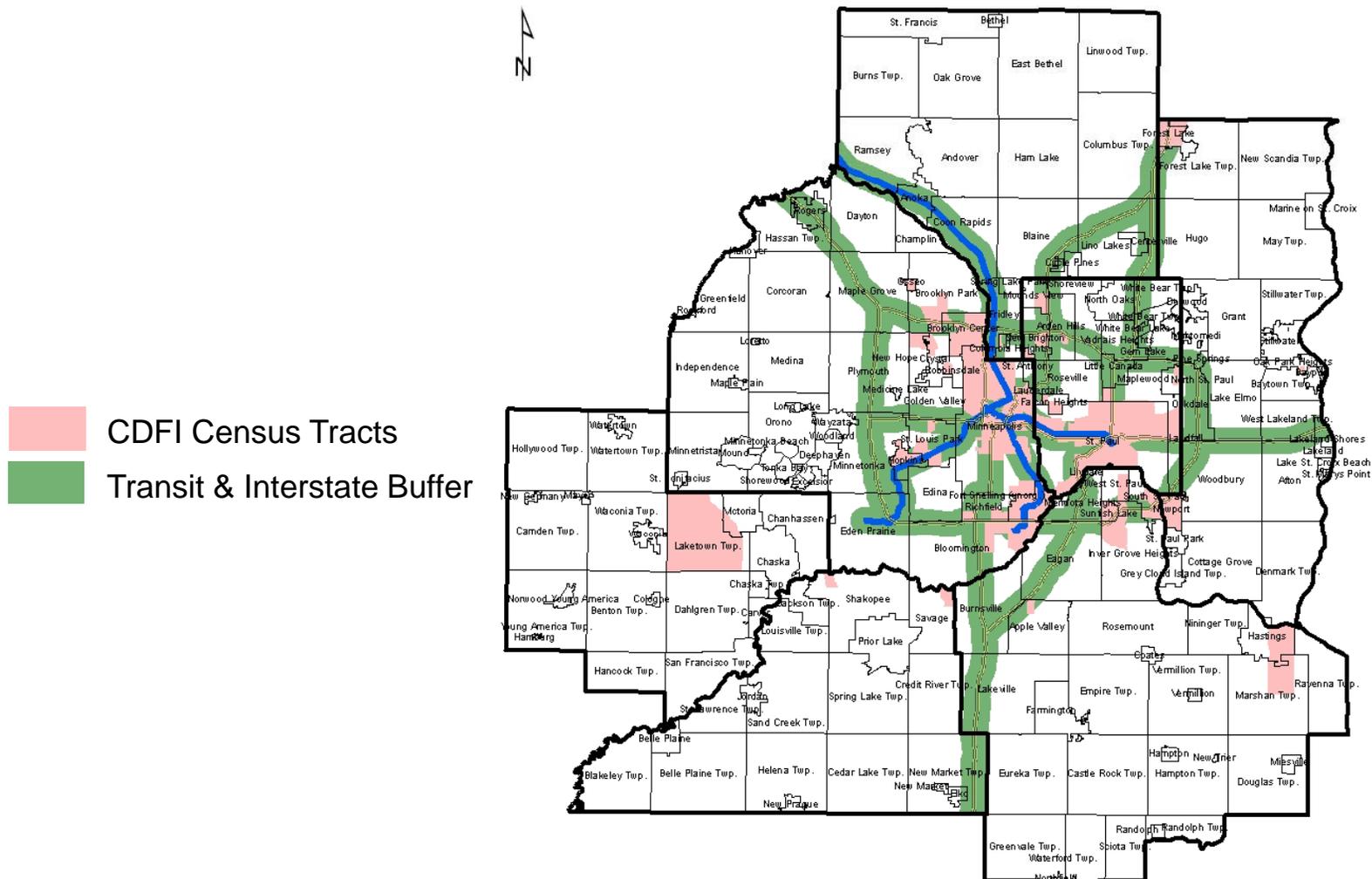
Data Challenge 1: Revamp First Look Acquisition Geography



Transit & Interstate Buffer

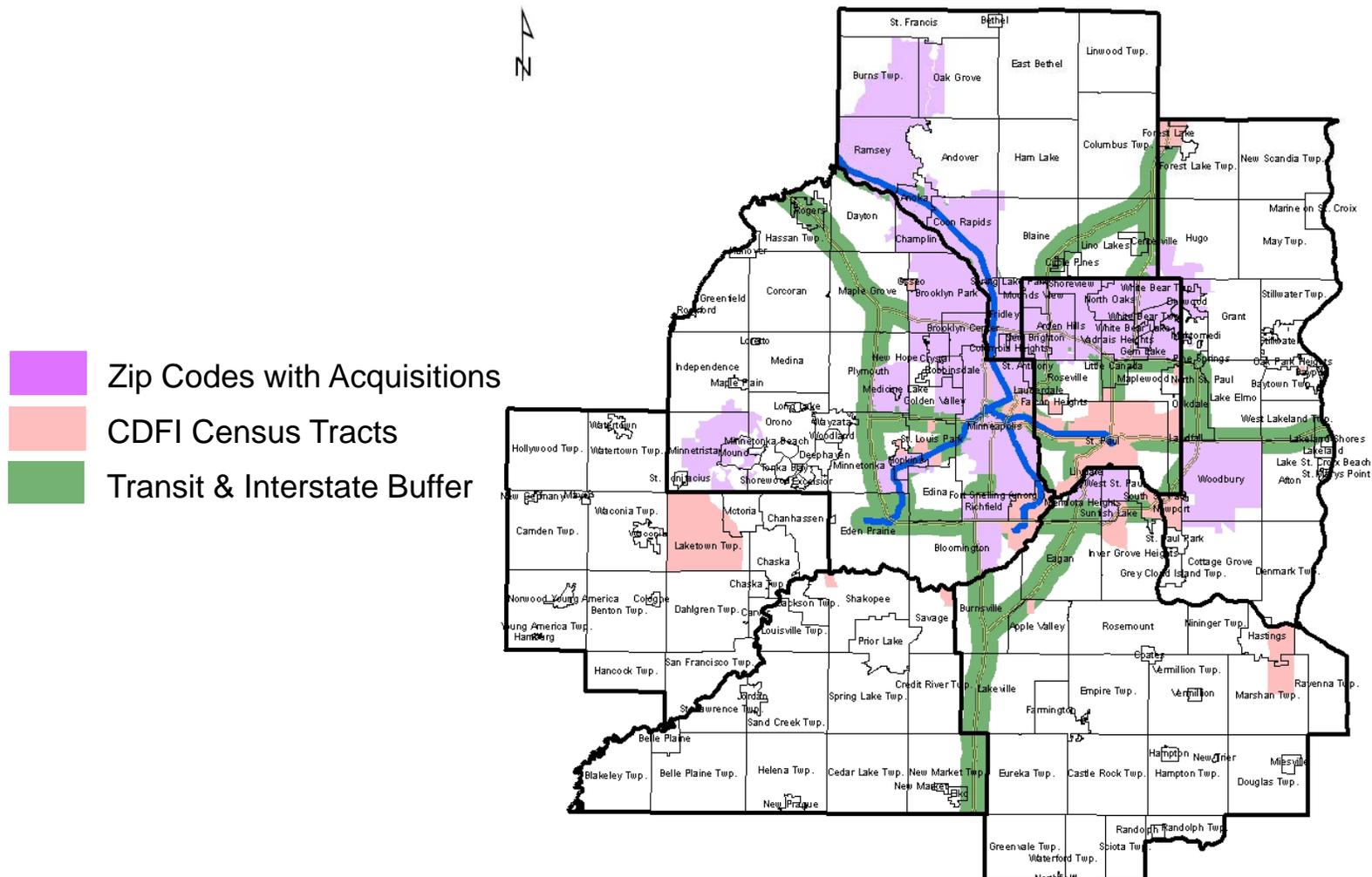
Data to Drive Neighborhood Change

Data Challenge 1: Revamp First Look Acquisition Geography



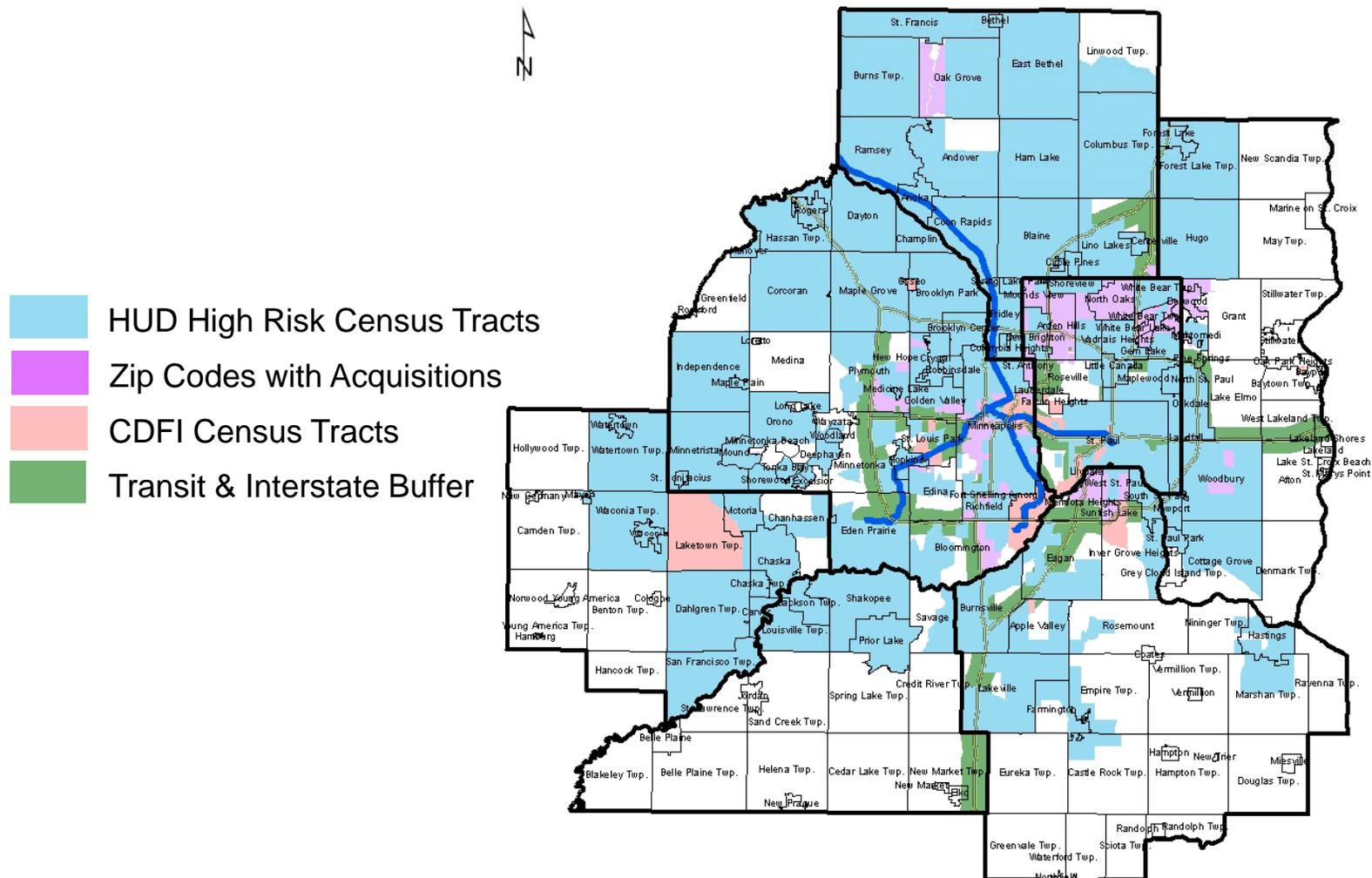
Data to Drive Neighborhood Change

Data Challenge 1: Revamp First Look Acquisition Geography



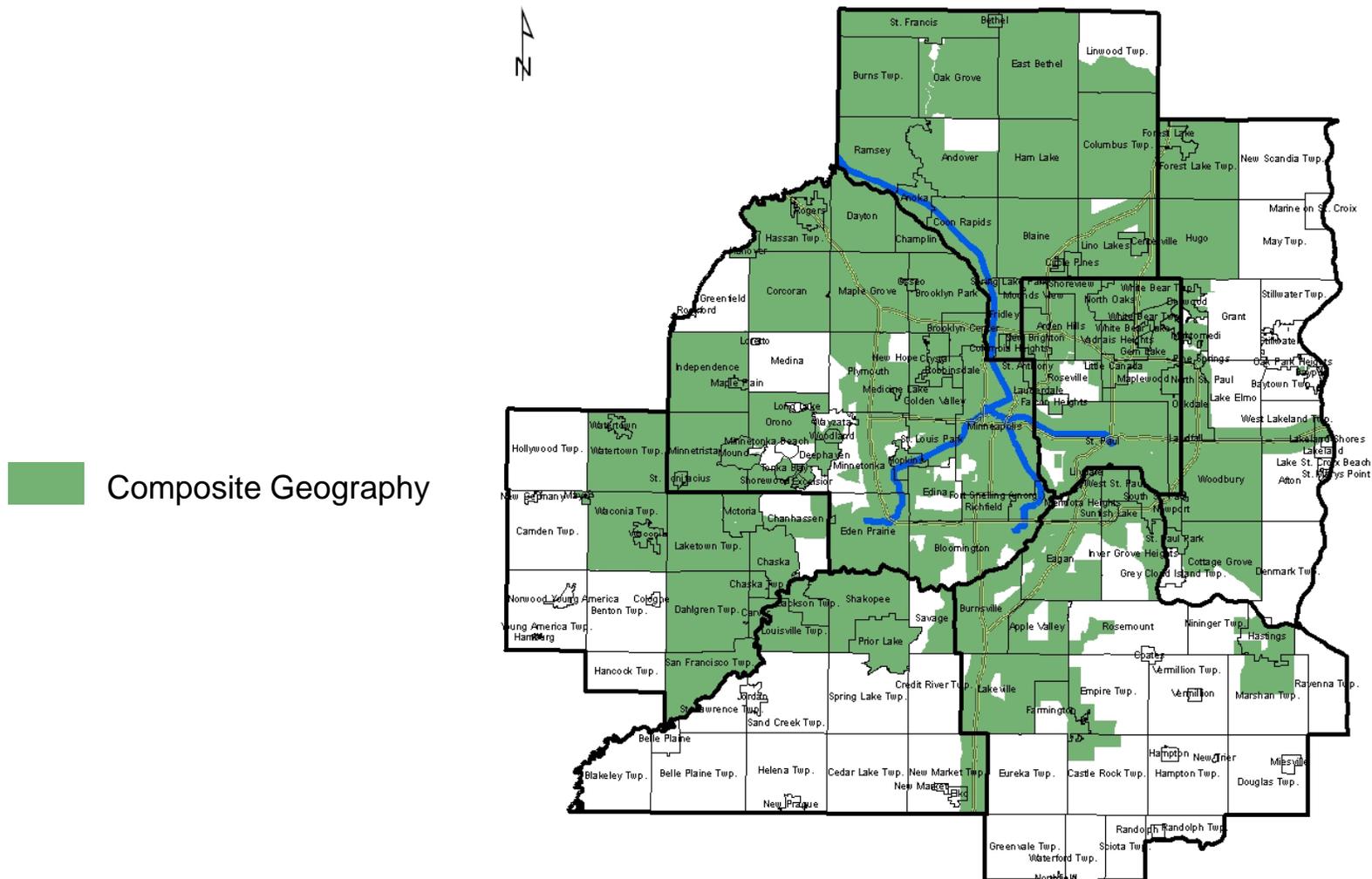
Data to Drive Neighborhood Change

Data Challenge 1: Revamp First Look Acquisition Geography



Data to Drive Neighborhood Change

Data Challenge 1: Revamp First Look Acquisition Geography



Data to Drive Neighborhood Change

Data Challenge 1: Revamp First Look Acquisition Geography *Results*

- Supports regional transit investments by focusing on transit corridors
- Aligns acquisition geography with CDFI/loan geography
- Incorporates areas with high risk of foreclosures
- Includes communities in which developers are working on neighborhood recovery
- Streamlines acquisition process by focusing TCC Land Bank resources



Data to Drive Neighborhood Change

Challenge #2: First Look Pricing

➤ **Background:**

In the First Look program, lenders present two prices for property:

- **Estimated Fair Market Value** (Market Value) = the price at which the lender would put the property for sale on the open market
- **Discounted Price** = a lower price which reflects the savings through the program

➤ **Issue:** Properties placed/sold on the open market (MLS) at lower prices than offered through Trust

Results: Homes remain on market, vacant for extended periods, adds to neighborhood decline

Community developers have to compete with investors for pricing



Data to Drive Neighborhood Change

Challenge #2: First Look Pricing

- Evaluated 9 lenders – **highlighting the 4 largest**
 - Analyzed over **300 properties**
 - **279** records found on the Multiple Listing Service (MLS)

- The following data was collected to track changes in property values after they were offered through the Trust and rejected by TCC Land Bank:
 1. Properties were listed on the MLS **below** the Market Value presented to TCC Land Bank
 2. Properties were originally listed on MLS **below** the Discounted Price to TCC Land Bank
 3. Properties which may have been listed in accordance with the program were eventually sold at or sitting on the market at a price **below** the Discounted Price

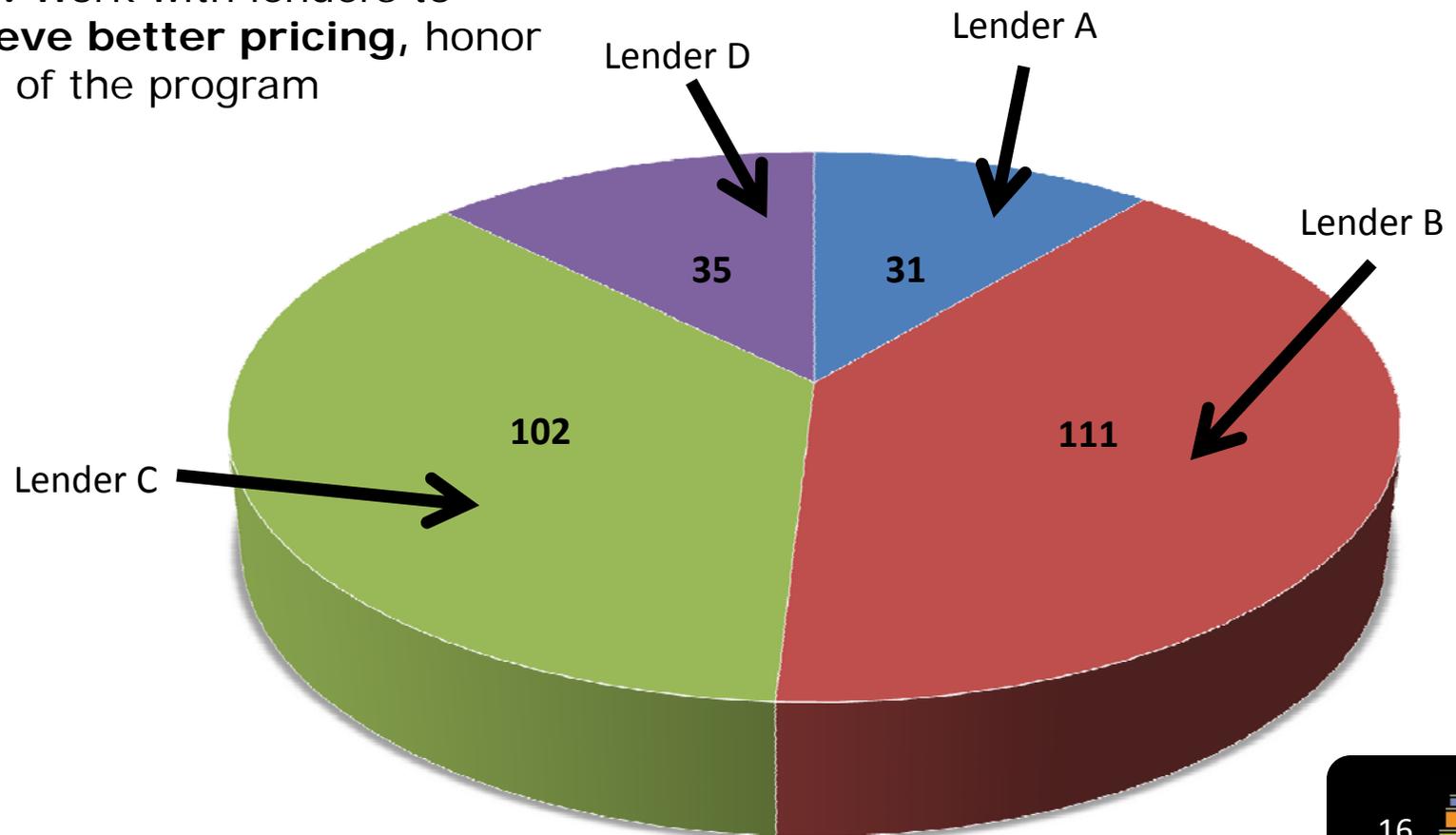
- Was the **Discounted Price** really reflecting savings through the program?



Data to Drive Neighborhood Change

Challenge #2: First Look Pricing

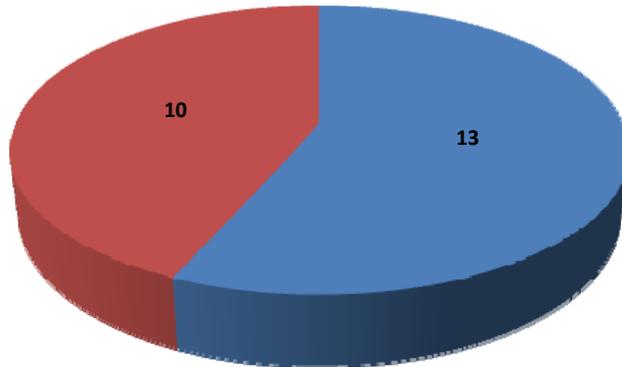
- **Goal:** Work with lenders to **achieve better pricing**, honor spirit of the program



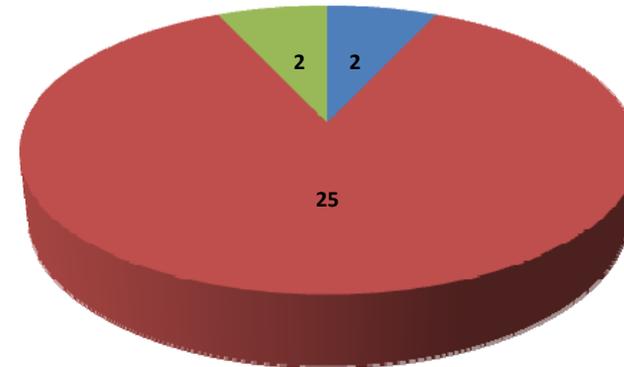
Data to Drive Neighborhood Change

Challenge #2: First Look Pricing

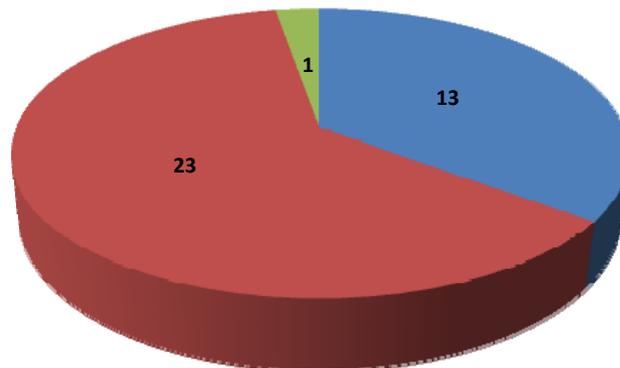
Lender A



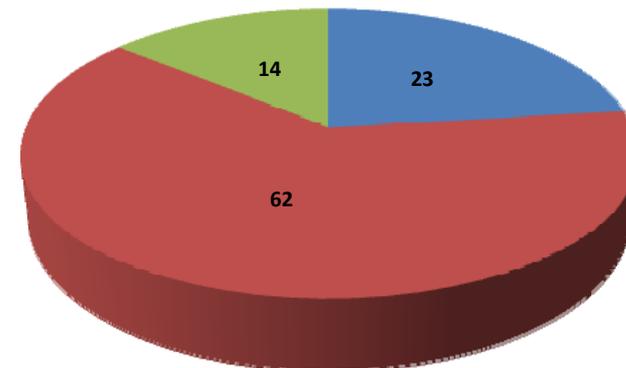
Lender B



Lender C



Lender D



- Properties were listed on the MLS below the Market Value
- Properties were listed (at the time) or sold below the Discounted Price
- Properties were originally listed on MLS below the Discounted Price to developers



Data to Drive Neighborhood Change

Challenge #2: First Look Pricing *Results*

- Data presented to the Trust and lenders
- Results:
 - Generally pricing has become more favorable and more consistent
 - Two lenders took immediate action to reduce pricing
 - Trust continues to use data for discussions with other lenders
 - Relationships and confidence strengthened with lenders and developers
 - Better pricing has led to more acquisitions by responsible developers working to stabilize neighborhoods



Data to Drive Neighborhood Change

Challenge #3: Locate and acquire bank-owned property in tornado zone.

- **Issue:** 100 bank owned properties damaged in tornado in North Minneapolis
- **Goal:** To acquire distressed properties from lenders and prevent further neighborhood decay



Data to Drive Neighborhood Change

Challenge #3: Locate and acquire bank-owned property in tornado zone.

- Used CURA/Hennepin County Data to identify property owners
- Identified 300 lender owned properties in the tornado zone
 - Of those 300, nearly 100 sustained damage
- Trust used databases to confirm ownership
- TCC Land Bank and the City of Minneapolis wrote letters to lenders requesting donation of properties

Fannie Mae



Chase



Data to Drive Neighborhood Change

Challenge #3: Locate and acquire bank-owned property in tornado zone - *Results*

➤Results:

- 10 donations to date in tornado zone
 - 8 redirected to community developers
 - Includes 2 properties currently land banking
- 3 pending donations
- Ongoing efforts/communication with lenders



Investor Donations



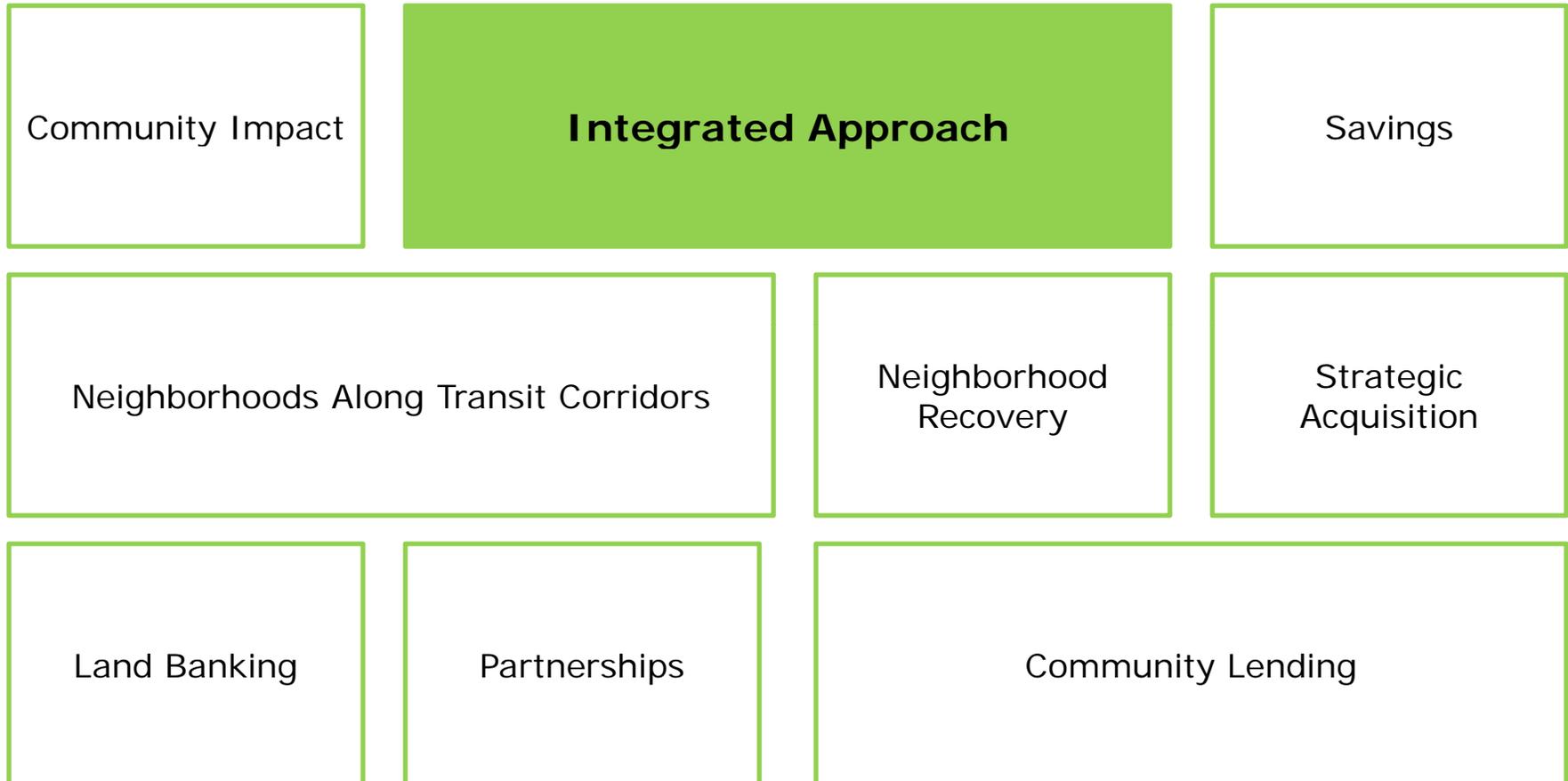
Data to Drive Neighborhood Change

Using Data to Collaborate Across Organizations

- Sharing data increases communication and can help better achieve mutual goals
- Building partnerships across industry lines lays groundwork for future initiatives



Integrated Approach



Contact Information

Additional Information

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