



Twin Cities
Community Land Bank

Building Neighborhoods
Strengthening Communities

Central Corridor Funders Collaboration Learning Session

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Background:

Twin Cities Community Land Bank (TCC Land Bank)

- Formed in 2009 as subsidiary of Family Housing Fund
- Intermediary for government and private sector (including private and nonprofit developers)
- Works throughout the 7 county metropolitan area of Minneapolis and St. Paul
- Residential (SF and MF) and commercial properties
- Designed
 - To respond immediately to the foreclosure crisis in a holistic approach to neighborhood recovery
 - ✓ Current funding and priorities consistent with this
 - To be a nimble player in advancing other community goals
 - ✓ Guiding principles



Guiding Principles

- To enable the efficient, effective holding and marketing of properties acquired through various neighborhood recovery efforts
- To reduce the public cost of holding land through efficiencies of coordination and scale
- To efficiently and creatively aggregate capital to support a very large scale land acquisition, disposition and marketing effort
- To provide opportunities for community and neighborhood engagement in the development of foreclosed properties particularly among communities of color
- To promote best practice in planning and design including high architectural standards, energy efficiency, green land and construction standards, and linkage of housing development to transportation
- To coordinate housing policies and programs with broader community development objectives including jobs, economic opportunities, transportation, public safety, schools, human services, and homeownership counseling and support, particularly among communities of color
- To provide affordable, sustainable homeownership opportunities for low and moderate-income families, and to reduce the disparity between ownership rates for whites and communities of color
- To provide business and contracting opportunities for communities of color



Three Core Activities

Acquisition and Disposition

- Purchases foreclosed and short sale residential properties (SF and MF)
 - As Community Coordinator for National Community Stabilization Trust (largest volume in nation each year since inception of program)
 - From other lenders such as Fannie Mae and community banks
 - Within 131 cities in seven counties
 - 255 SF and MF properties with 337 units purchased
- Purchases on behalf of 60 nonprofit and socially responsible for-profit developers and city and county governments
- Requires commitment to community standards
 - Green Communities/rehab standards/ LEED certification
 - 25% minority hiring or MBE and hiring from neighborhood
 - Owner occupancy/education/sustainable first mortgage
- Acts as broker through TCC Property Services



Three Core Activities

Land Banking

- Acquired and land banked 6 SF and 5 MF properties for developers and City of Minneapolis
- Applications pending for property tax exemption in Hennepin County
- Maintains properties in partnership with community-based workforce training organizations
- Area of growth / demand
 - Two new models being developed:
 - ✓ Acquiring large volume for land banking for longer term hold without specific developer commitment to purchase
 - ✓ Land banking of occupied properties



Three Core Activities

Lending/Grants

- Certified Community Development Financial Institution (CDFI)
- \$10 million loan fund for acquisition and rehab of distressed SF and MF residential property
 - Financed 89 SF and MF properties (120 units)
 - Community benefits:
 - ✓ 33% minority employment
 - ✓ Average homebuyer income < 80% AMI
- \$500,000 loan fund for commercial projects on commercial or transit corridors linked to distressed neighborhoods
 - Funded two projects on West Broadway in north Minneapolis and one project on University in St. Paul
- Manage environmental clean up grant fund for nonprofit groups in Hennepin County



Corridors of Opportunity

- TCC Land Bank's integrated approach applied to neighborhoods near light rail corridors
- Pool of PRI and commercial debt for neighborhood preservation and new housing/mixed use projects
 - Two sources of PRI funds (total \$4.3 million) held by TCC Land Bank to be blended with \$10 million of commercial debt held by LISC
 - Funds to be blended by TCC Land Bank and LISC as participation loans with sharing of lead roles
 - CoO Credit Committee: TCC Land Bank, LISC, and Family Housing Fund with expedited decision making process
 - To be loaned to developers as:
 - ✓ revolving credit facilities for SF and MF preservation (acquisition/rehab)
 - ✓ term loans for new TOD (acquisition/ construction) and large MF preservation (acquisition/rehab)



Challenges for Financing Development Along LR Corridors

- Limited zero or low cost funds for acquisition
- Limited funds for holding costs, including demolition
- Property tax exemption not resolved
- Access to existing funding slow
- Limited permanent financing

