

# Quantitative & Qualitative Impact Assessment of Land Bank Activity in Michigan

With Case Study Applications in Benzie, Calhoun and Kalamazoo Counties

Prepared by:



Prepared for:





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**Dynamo Metrics** | Data. Analytics. Policy.  
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**Research Partner**



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## Foreword:

### Honorable Dan T. Kildee, U.S. House of Representatives, Michigan's 5th District



For many decades, Michigan has been a study in contrasts. Known for population decline, scores of abandoned properties and as the state with the highest unemployment rate in the country during the Great Recession, Michigan also boasts some of the nation's most beautiful natural assets and places.

In the late 1990s and early 2000s, state leaders sought to overhaul the property tax foreclosure process and create legislation that would give communities the authority to address distressed properties. The resulting legislation, in part, allowed communities to obtain control of abandoned properties through the county tax foreclosure process, and altered the way they managed them. It also allowed communities to change their own stories by ending the abandonment cycle for many troubled properties.

In 2003, Governor Jennifer Granholm signed into law the Land Bank Fast Track Act (PA 258). This legislation established the state land bank authority, which serves counties where the state acts as the foreclosing governmental unit (FGU), and also allowed the creation of land banks at the local level, where the County Treasurer serves as the FGU.

Under the legislation, land banks were given important tools such as the ability to acquire, hold and dispose of properties, the power to pursue expedited quiet title, and moreover the room to be creative in finding new productive uses for once-forgotten property.

Michigan has seen a confluence of leaders, including Land Banks, working together to build on the state's strengths from a place-based approach. As an early leader in the Land Bank movement, the state also helped reframe local thought regarding abandoned land and property. Rather than looking at it as disposable commodities to be sold to the highest bidder at a speculative auction, Land Banks offered communities the ability to adopt a thoughtful approach to repurposing these underutilized parcels as assets, and ultimately to reimagine and reinvent place.

As demonstrated in this study by Dynamo Metrics, a leader in measuring impacts and predicting

outcomes at the property-level, and Public Sector Consultants, a driver for innovative and actionable policies, Land Banks have proven their resourcefulness and nimbleness.

The data compiled here demonstrates how impactful Land Bank interventions are, as well as the financial strain under which they typically operate.

Given the well-documented successes of Land Banks, it is time to imagine where they could go with sufficient funding and support throughout the state.

— Dan T. Kildee

*U.S. House of Representatives,  
Michigan's 5th District*

## A Message from the Chair of the Michigan Association of Land Banks



Since the enabling land bank legislation in 2003, and subsequent work supported by the Center for Community Progress, Land Banks in Michigan have proliferated at a rapid pace with over 40 Land Banks now serving small, mid-sized and large counties. Fifteen years on from the 2003 legislation, the Michigan Association of Land Banks (MALB) commissioned this study to better understand the current landscape and to inform the next chapter.

This study demonstrates Michigan land banks have developed infrastructure internally within their respective organizations and have exercised broad and comprehensive use of the variety of tools in the Land Bank tool box. In small counties, the study demonstrates the potential for the transformation of “one parcel at a time”.

The tools provided for in the Michigan legislation allows Land Banks to be mighty forces for community impact. They can be patient with inventory; serve as catalysts for community driven reinvention and are formidable drivers for economic and community benefit as well as job creation.

The study tells us there is positive community recognition of the potential for Land Bank interventions. The desire to see more consistent interventions across land bank property brings to the surface the challenges Land Banks face working to achieve Herculean tasks in the context of a largely unreliable and insufficient funding environment. Stable and sufficient funding is a consistent challenge for Michigan Land Banks, particularly those with mid to large size inventories where both the challenges and the potential for impact are great. For Land Banks to realize their full potential for the mid to long range interventions that are so fundamental to this work, a more robust, stable and sufficient funding strategy must be developed and executed.

As Michigan communities have begun to emerge from the impacts of the “lost decade”, the timing for Michigan Land Banks to unleash their untapped potential for community reinvention is great.

We hope you will join us in our enthusiasm and support for this opportunity.

A handwritten signature in dark ink, appearing to read 'K. Clarke'.

— Kelly Clarke

*President, Michigan Association  
of Land Banks*





## Executive Summary

Land banks in Michigan own and manage (i.e. upkeep, demolition, rehabilitation, new construction, vacant lot improvements, etc.) the most distressed residential, commercial and industrial properties in the state. Various studies provide measurable and objective and evidence that these properties have negative impacts on the neighborhoods they are in. These studies also provide strong evidence that property intervention activity disrupts and alleviates the negative impact that distressed properties have on their neighborhoods. While true, the size of the distressed property problem in Michigan remains larger than the resources currently allocated to address it.

### KEY FINDINGS FROM REVIEW OF QUANTITATIVE STUDIES

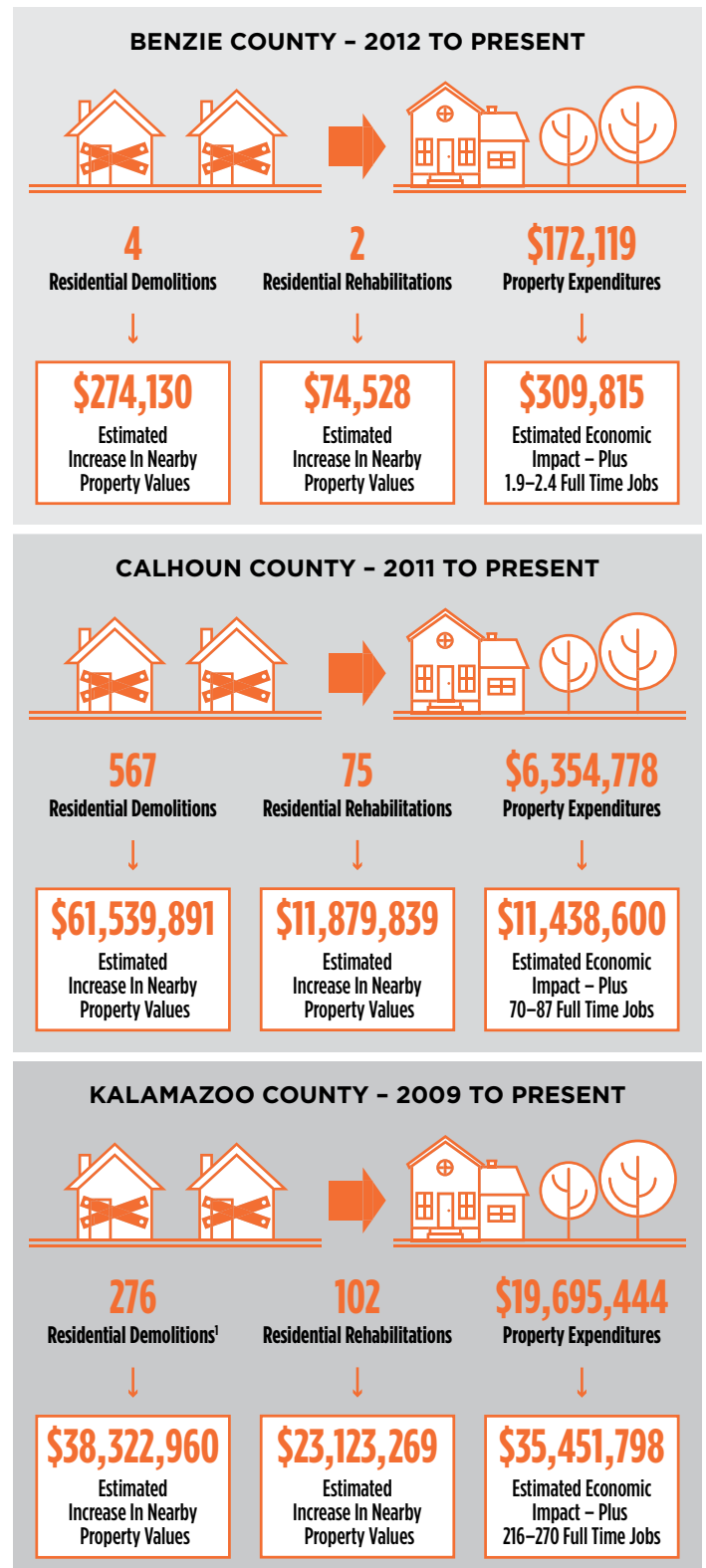
- Land bank activity has positive impacts on home values and is shown to reduce mortgage foreclosure and crime rates.
- The property value protection and appreciation benefit that is experienced from residential demolition and residential rehabilitation far outweighs the cost of these activities.
- The impact of distressed property interventions varies greatly based on the attributes of the neighborhoods they are performed in.
- If land banks are provided with sufficient resources to identify and study neighborhood attributes and intervention outcomes, it will enable them to increase the positive impacts from each dollar spent.

### KEY FINDINGS OF QUANTITATIVE ASSESSMENT

The positive impacts of land bank property intervention and expenditure activities were estimated for three county-level land bank authorities in Michigan: Benzie, Calhoun and Kalamazoo, see right.

*\* Study findings do not quantify property value impacts from the following: commercial or industrial activities, residential new construction or vacant lot improvements.*

### LAND BANK ACTIVITY IMPACT\*



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## Executive Summary

### KEY FINDINGS OF QUALITATIVE ASSESSMENT

Qualitative research collected direct land bank and stakeholder input about the impacts of land banks in Michigan. A state-level survey of Michigan's land banks, focus groups and key informant interviews were performed.

New and specific insight about the impact, benefit and challenges that land banks in Michigan face were identified. Overall, qualitative results strongly corroborate the results of the quantitative research.

Qualitative findings suggest that land banks provide numerous benefits to their surrounding communities: they reduce crime, increase property values, and revitalize neighborhoods. Stakeholders felt land banks positively impacted their community and furthered economic development goals in the following ways:

- Removing blight, resulting in improved safety, increased neighborhood pride, and beautification of former eyesores;
- Motivating other community members to purchase or adopt adjacent lots and improve their own property maintenance efforts;
- Increasing economic development;
- Getting properties back on the community tax roll;
- Holding property for future development initiatives;

Focus group participants thought, however, that land banks did not do enough to promote their work to the broader community and felt that many of their fellow residents held misconceptions about what the land bank's purpose was. Even among informed participants, there was significant confusion over:

- The role of the land bank;
- How the land bank acquires properties;
- Where the land bank is and how it is active in the community.

According to participants, other challenges facing land banks include:

- Community displeasure with the length of time some properties are held;
- Political turnover, which can lead to change in levels of support; and,
- Insufficient and unreliable funding to support staff and programs

### LOOKING FORWARD

Land bank tools were designed and have been implemented in the wake of economic decline, and have thus allowed acquisition by default of large volumes of distressed and unproductive land. These properties have significant value in the long-term assuming eventual economic growth. As the economy grows and becomes stronger these currently unproductive properties will regain value and become strategic assets that the land bank holds ownership of.

Future research would be wise to consider land banks in this light—as a strategic public institution with significant assets that can be leveraged for revitalization and growth. This result is already beginning to show itself through legitimate economic development and growth in Kalamazoo County. When economies begin to improve and the dial shifts from activity focused on addressing decline to activity leveraging valuable land assets to improve the tax base, a new conversation emerges that puts land banks at the center of a critical economic revitalization movement.

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## Study Overview



Photo: David Beale, Unsplash

Michigan land banks are charged with holding, transforming and stewarding distressed properties<sup>2</sup> back into productive use<sup>3</sup>. Revitalizing distressed properties back to productive use requires significant administrative and property intervention<sup>4</sup> resources. While the positive economic and social impacts of land bank activity are well documented in academic and policy literature<sup>5</sup>, budget allocations for land banks in Michigan remain an ongoing challenge.

Significant distressed property inventories exist in Michigan's post-industrial central cities where population and job declines have occurred. Many of these properties continue to be unproductive today. Research covered in this study suggests that removing blight and returning distressed properties to productive use is a significant economic asset that can bolster the underlying strength of cities that have experienced population and job decline.

Specifically, this study sheds light on the economic and social impacts that land bank-driven revitalization has on citizens, neighborhoods and government. It is shown that the magnitude of economic and social impact available from land bank efforts tends to be positive, yet positive impacts vary in size across Michigan communities because the size and health of each regional economy, city and neighborhood differs.

Reaching optimally productive new uses and impact from distressed property intervention requires strong intelligence of individual properties and the neighborhood environments in which they are located. Predictable and stable budget allocations for Michigan land banks would enable better planning and strategy to take place, allowing land banks to undertake the most impactful interventions based on each neighborhood's specific situation. Strategically leveraging distressed properties that are owned by Michigan land banks for thoughtful and comprehensive economic improvement in the communities they serve can help reach the long-term goal of thriving and sustainable cities.



## Study Overview

### STUDY AIMS & APPROACHES

The goal of this study is to provide land banking leadership and relevant stakeholders in Michigan with objective evidence of the impact that land banks have in the communities they serve. A mix of quantitative and qualitative approaches are used to address this primary study goal. The aims and corresponding approaches laid out below are the components intended to reach the study goal.

#### STUDY AIMS & APPROACHES

**AIM:**  
**1** Provide a clear understanding of the quantitative impact of distressed land bank properties and land bank property interventions.

**APPROACH:**  
Perform a robust quantitative academic literature review of relevant research.

**AIM:**  
**2** Estimate the quantitative impact of case study land bank property interventions related to residential demolition, residential rehabilitation or disposition for rehabilitation, and expenditures on property intervention and upkeep.

**APPROACH:**  
Apply benefits transfer analysis to each case study land bank's actual activity using findings from Aim 1.

**AIM:**  
**3** Provide qualitative inquiry into the impacts of statewide and case study specific land bank activity in Michigan to provide an "on-the-ground" perspective into quantitative findings.

**APPROACH:**  
Statewide survey of land bank activity in Michigan; focus groups performed with three case study land banks; key informant interviews with case study land bank leadership and Michigan land banking experts.

### MEASURING QUANTITATIVE IMPACT

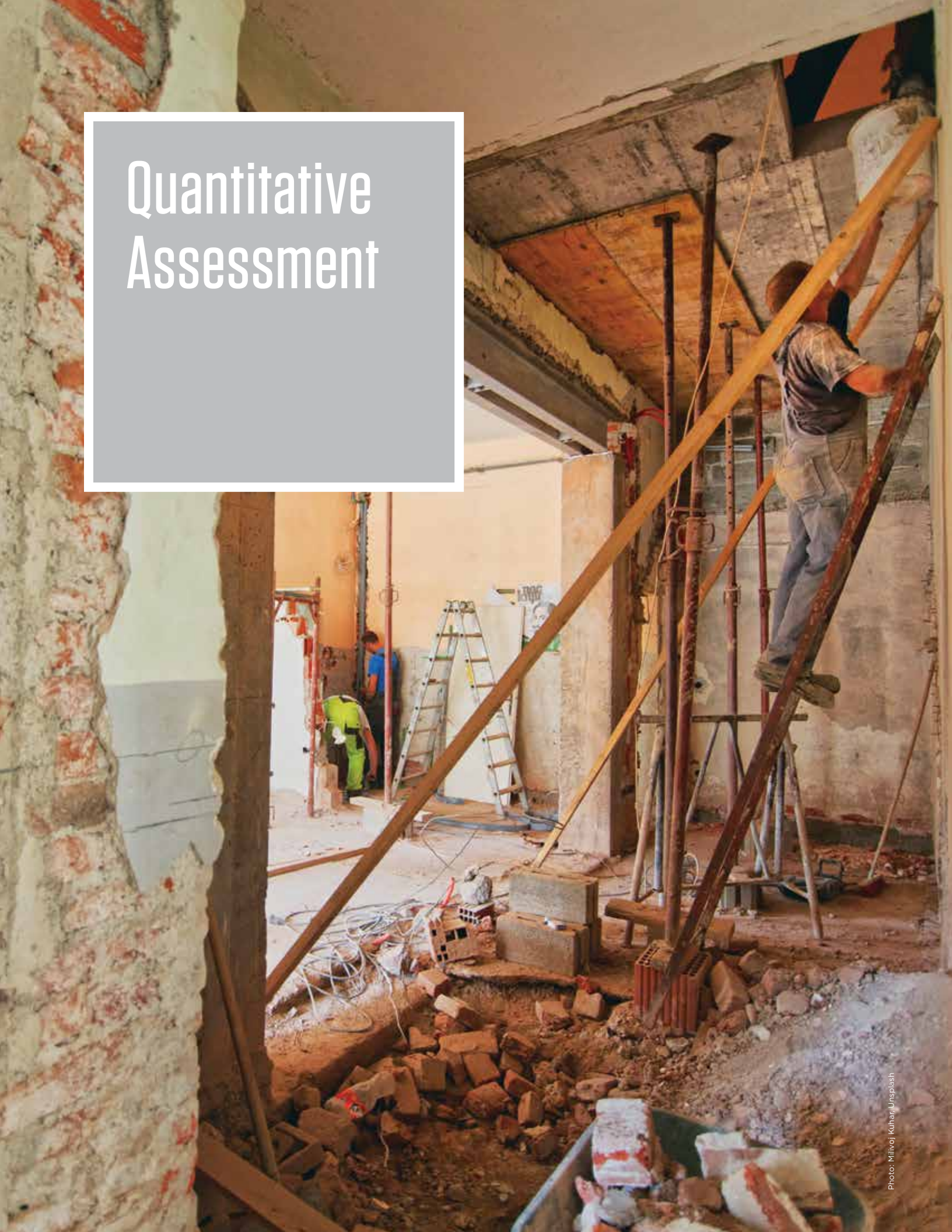
Dynamo Metrics performed the quantitative research of Aims 1 and 2. The quantitative portion of the study focuses on findings in the academic and policy literature that provide estimates of the impacts that land bank-type properties and property intervention activities have on citizens, neighborhoods and governments. Distressed property intervention impacts studied include demolition, rehabilitation, vacant lot improvement, new residential construction and economic development. The property intervention outcomes studied include the impact on property value, crime, public service costs and job creation. The application of a benefits transfer analysis<sup>6</sup> is performed for three Michigan case study land banks in Benzie, Calhoun and Kalamazoo Counties. The benefits transfer analysis focuses on the property value impacts from residential demolition and rehabilitation as well as the jobs and economic impacts caused by land bank expenditures on property maintenance and interventions in the communities the case study land banks serve.

### MEASURING UNDERLYING QUALITATIVE INSIGHT

Public Sector Consultants (PSC) performed the qualitative research. The qualitative input offers context to quantitative findings and provides an on-the-ground picture of the impact of land bank activity. It specifically focuses on findings from three qualitative methods applied to the three Michigan case study land banks in Benzie, Calhoun and Kalamazoo counties as well as the statewide network of the Michigan Association of Land Banks (MALB). The qualitative methods applied to address Aim 3 include:

- A statewide survey of members of the MALB and all other statewide land banks.
- Focus groups of community stakeholders impacted by land bank activity in the three case study communities;
- Key informant interviews of the three directors of the case study land banks plus a statewide land bank expert.

# Quantitative Assessment





## Quantitative Assessment: Introduction

Land bank inventories in Michigan are primarily made up of foreclosed and other distressed residential properties that have experienced multiple years of tax delinquency, disinvestment, vacancy, abandonment and blight. The quantitative assessment is designed to provide objective evidence of the impact that distressed properties have on their neighbors and how that impact changes when these distressed properties experience a land bank intervention.

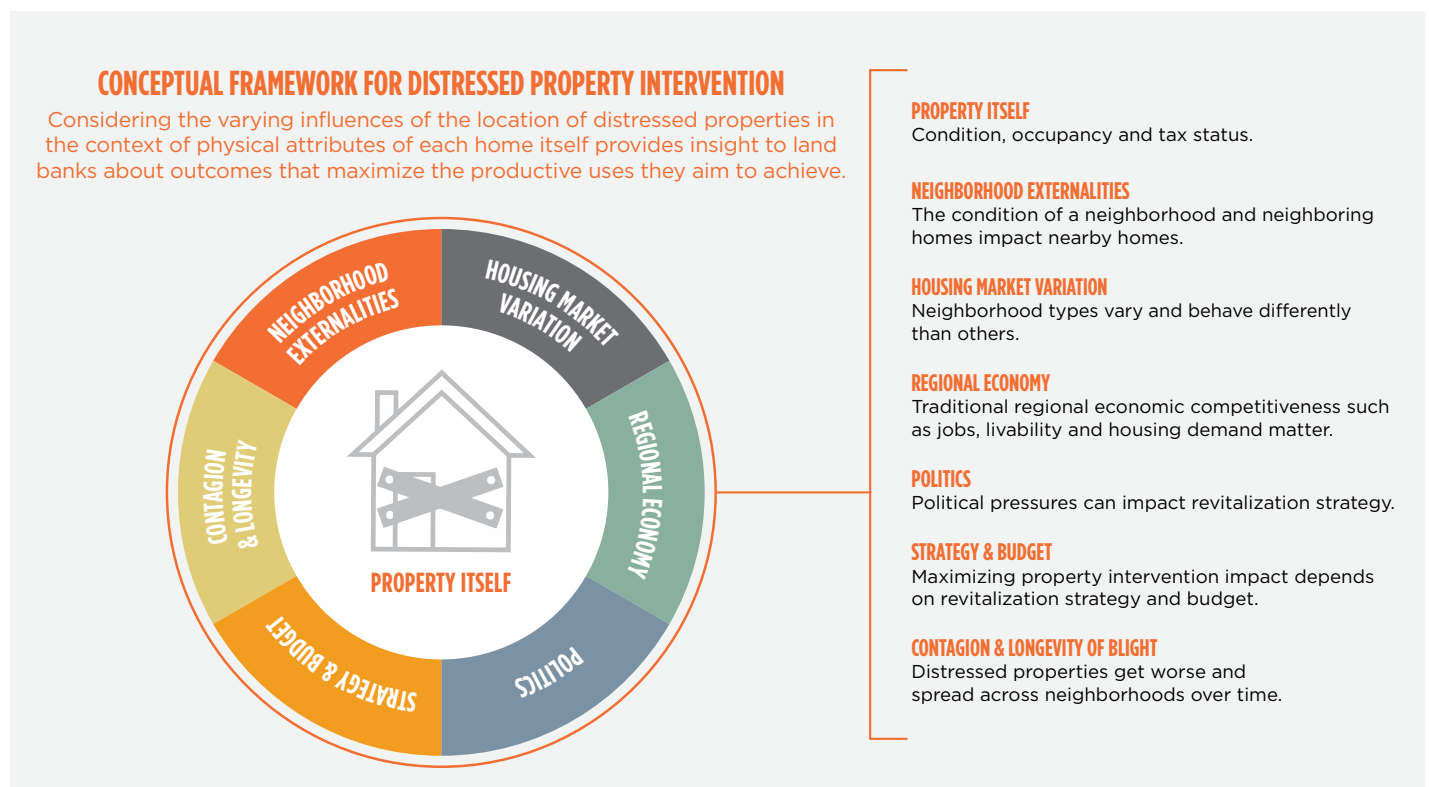
The literature component of this assessment relies on nearly 60 years of scholarly research that quantify the amenity<sup>7</sup> and disamenity<sup>8</sup> spillover effects caused by nearby properties<sup>9</sup>. The assessment also relies on more contemporary research that estimates how distressed property intervention disrupts and ameliorates the disamenity effects they cause<sup>10</sup>.

Where possible, information assembled from the literature review is adapted and applied in the benefits transfer analysis component of this assessment. The benefits transfer analysis adapts the statistical findings of relevant literature and applies it to actual case study land bank activities performed in Benzie, Calhoun and Kalamazoo Counties. The result is an estimate of the impact of residential demolition and rehabilitation or intervention activities in those places.

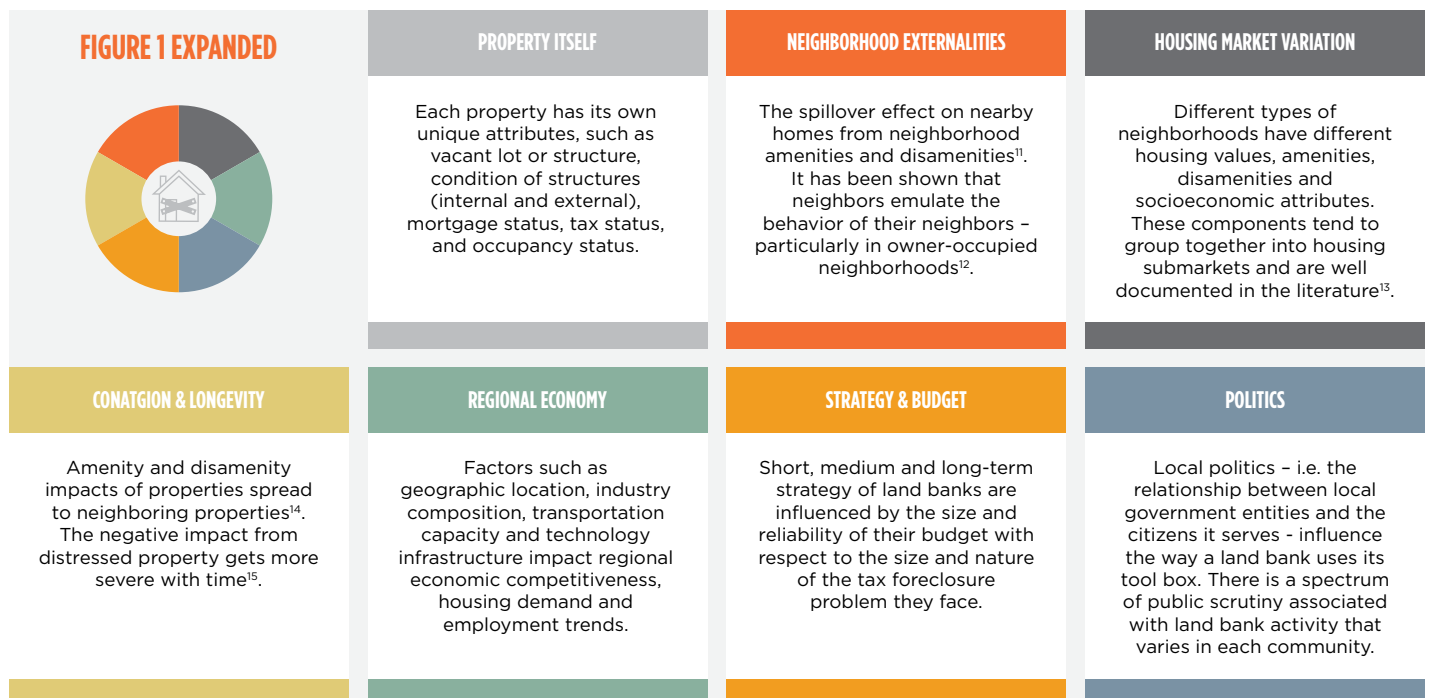
### KEY DYNAMICS WHEN MEASURING THE IMPACTS OF LAND BANK ACTIVITY

Each distressed property a land bank acquires is subject to several varying components unique to the property and its surroundings. The conceptual framework in Figure 1 provides seven categories to consider when making decisions about transitioning distressed properties to more productive uses.

Figure 1



## Quantitative Assessment: Literature Review



Alexander (2015, pg. 15) categorizes the impacts from distressed properties in quantitative terms:

- Decreased property values of adjacent properties;
- Decreased property tax revenue from declining property value of adjacent properties;
- Decreased property tax revenue from nonpayment of taxes of distressed property itself;
- Increased costs of police and public safety for surveillance and response;
- Increased incidence of arson resulting in higher costs of fire prevention;
- Increased cost of local government code enforcement activities;
- Increased cost of judicial action.

The literature review investigates the negative impacts of land bank-type<sup>16</sup> distressed properties and then investigates the impact of property intervention that transforms those properties into alternative statuses.

Fire prevention, arson, cost of judicial action, and commercial development interventions are not investigated in detail because robust literature on these impacts was not identified. It can be assumed that demolition programs reduce arson incidence and that clearing of title reduces judicial action costs because of the logical outcomes of those activities.

### IMPACT OF DISTRESSED AND AMENITY PROPERTIES ON NEARBY HOME VALUE

Research suggests that residential distressed structures have negative impacts on the property values of their neighbors. Conversely, amenity properties (i.e. occupied, owner-occupied, tax current) have positive impacts on property values. Table 1 (facing page) addresses the negative and positive disamenity spillover impacts that residential distressed and amenity properties have on neighboring residential property values.

## Quantitative Assessment: Literature Review

**Table 1A:**  
**Estimated Residential Spillover Impact from Varying Types of Distressed and Amenity Properties**

GENERAL SPILLOVER TYPE:	AUTHOR(S) AND YEAR:	LOCATION:	SPECIFIC SPILLOVER TYPE:	MARGINAL VALUE IMPACT ON NEARBY RESIDENTIAL PROPERTIES:
Distressed Residential Structures and Unimproved Residential Vacant Lots	Alm et al. (2016)	Chicago, IL	Tax Delinquent	from -2.5% to -5.1% within Census Block Group
	Biswas, A. (2012)	Worcester, MA	Multi-family Mortgage Foreclosed	-3.0% within 1,320 feet
	Daneshvary et al. (2011)	Las Vegas, NV	Mortgage Foreclosed	from -1.0% to -2.0% within 0.5 mile
	Dynamo Metrics (2015)	Detroit, MI	Vacant Tax Foreclosed/Delinquent	-2.9% within 500 feet
			Vacant Lots	-0.5% to -0.8% within 500 feet
	Dynamo Metrics (2016)*	Greater Cleveland, OH	Vacant Tax Current	-0.4% to -2.1% within 500 feet
			Vacant Tax Delinquent	-0.5% to -5.66% within 500 feet
			Occupied Tax Delinquent	-0.9% to -4.1% within 500 feet
			Mortgage Foreclosed	-1.7% to -3.2% within 500 feet
			Blighted/Land Bank	-4.9% to -10.9% within 500 feet
			Vacant Lots	-0.3% to -0.5% within 500 feet
	Dynamo Metrics (2016)*	Ohio - Statewide	Vacant	-0.8% within 500 feet
			Blighted/Land Bank	-3.6% to -18.8% within 500 feet
			Tax Delinquent	-1.2% to -3.4% within 500 feet
			Mortgage Foreclosed	-2.2% to +1.0% within 500 feet
			Tax Foreclosed	-2.3% to -7.4% within 500 feet
			Vacant Lots	-0.3% to -0.9% within 500 feet
	Dynamo Metrics (2017)	Jackson, MI	Blighted/Land Bank	-2.3% within 500 feet
			Tax Foreclosed	-5.7% within 500 feet
			Mortgage Foreclosed	-1.5% within 500 feet
			Vacant Lots	-0.2% to -0.7% within 500 feet
	Griswold et al. (2014)	Greater Cleveland, OH	Tax Delinquent	-1.6% to -4.0% within 500 feet
			Mortgage Foreclosed	-2.6% to +4.1% within 500 feet
			Tax Foreclosed	-4.8% to -20.1% within 500 feet
			Vacant Lots	-0.9% to -1.2% within 500 feet
	Griswold (2006)	Flint, MI	Blighted/Land Bank	-2.3% within 500 feet; -1.9% within 501-1000 feet; -1.1% within 1001-1500 feet
			Vacant Lots	-0.5% to -1.5% within 1500 feet
	Han (2014)	Baltimore, MD	Vacant Tax Delinquent	-0.32% (see Immergluck 2015) within 500 feet
	Harding et al. (2009)	Seven MSAs	Mortgage Foreclosure	About -1.0% within 300 feet
	Ihlanfeldt & Mayock (2016)	South Florida MSA	Mortgage Foreclosed	-0.3% to -2.2% within 1000 feet
	Immergluck and Smith (2006)	Chicago, IL	Mortgage Foreclosed	-0.9% within 660 feet
	Leonard and Murdoch (2009)	Dallas County	Mortgage Foreclosed	-0.5% within 250 feet and -0.1% beyond that distance
	Lin et al. (2008)	Chicago, IL	Mortgage Foreclosed	-8.7% within 300 feet
	Mikelbank (2008)	Columbus	Vacant	-1.35% within 500 feet
	Rogers and Winter (2009)	St. Louis County	Mortgage Foreclosed	-1.0% within 200 yards
	Schuetz et al (2008)	New York	Mortgage Foreclosed	-0.2% to -0.4% within 250 feet
	Whitaker and Fitzpatrick (2013)	Greater Cleveland, OH	Vacant Tax Delinquent	-1.8% within 500 feet
			Mortgage Foreclosed	-4.0% to -8.0% within 500 feet
Owner and Renter Occupied Structures	Dynamo Metrics (2016)	Cleveland, OH	Nearby Owner Occupied Tax Current	+0.2% to +0.5% within 500 feet
			Nearby Renter Occupied Tax Current	-0.3% to +0.4% within 500 feet
	Dynamo Metrics (2017)	Jackson, MI	Nearby Owner Occupied Tax Current	+0.6% to +0.7% within 500 feet
			Nearby Renter Occupied Tax Current	No Impact to -1.2% within 500 feet
	Dynamo Metrics (2015)	Detroit, MI	Nearby Owner Occupied	+0.3% within 500 feet
	Coulson and Li (2013)	Nationwide	Nearby Renter Becomes Nearby Owner	+1% in nearby ownership = +0.6% in nearby values
	Rohe and Stewart (1996)	Nationwide	Increase in Census Tract Ownership Rate	+1% in nearby ownership = \$800 increase in nearby values



## Quantitative Assessment: Literature Review

**Table 1B: Estimated Residential Spillover Impact from Property Interventions and Amenity Properties on Nearby Home Value**

GENERAL SPOILOVER TYPE:	AUTHOR(S) AND YEAR:	LOCATION:	SPECIFIC SPOILOVER TYPE:	MARGINAL VALUE IMPACT ON NEARBY RESIDENTIAL PROPERTIES:
<b>Residential Demolition</b>	Dynamo Metrics (2015)	Detroit, MI	Nearby residential demolition	2.1% to 2.4% residential property value impact on all occupied homes within 500 feet.
	Dynamo Metrics (2016b)	Cleveland, OH	Nearby residential demolition	2.7% to 18.5% residential property value impact on all occupied homes within 500 feet.
	Dynamo Metrics (2017)	Jackson, MI	Nearby residential demolition	1.5% to 2.1% residential property value impact on all occupied homes within 500 feet.
	Griswold (2014)	Cleveland, OH	Nearby residential demolition	3.6% to 19.2% residential property value impact on all occupied homes within 500 feet.
	Griswold (2006)	Flint, MI	Nearby residential demolition	0.61% to 1.92% residential property value impact on all occupied homes within 500 feet.
<b>Improved Residential Vacant Lots</b>	Bucchianeri et al. (2012)	Philadelphia, PA	Before/after conversion of vacant lots to maintained green space.	16% decrease in value to nearby comparables before conversion; 2.6% to 5% increase in value to nearby comparables after conversion.
	Voicu and Been (2008)	New York, NY	Vacant lot disamenities transformed into community gardens.	\$1 spent on vacant lot transformation yields -\$7.43 in new property tax revenue; 6.2% to 9.4% increase in nearby value over time.
<b>New Residential Construction and Rehabilitation</b>	Ding et al. (2000)	Cleveland, OH	Nearby residential new construction and rehabilitation.	Increase in nearby home values of between 2% to 6.1% of total new construction investment amount or 8.4% of nearby property values within 150 feet; Increase in nearby home values of 13% of total rehabilitation investment amount or 3.9% of nearby property values within 150 feet. New construction investment amount tends to be much higher than rehabilitation investment amount.
	Edmiston (2012)	Kansas City, MO	Nearby CDC investment (new construction and rehabilitation)	Increase in nearby home values of between 4% to 4.6% per year within 500 feet of CDC new construction or rehabilitation investment.
	Griswold (2016a)	Cleveland, OH	Nearby residential rehabilitation	4.53% to 11% residential property value impact on all occupied homes within 500 feet.
	Simons et al. (1998)	Cleveland, OH	Nearby new residential construction	Increase in value of \$670 for each home within a 1-2 block area.

### IMPACT OF PROPERTY INTERVENTIONS AND AMENITY PROPERTIES ON NEARBY HOME VALUE

Table 1B addresses the amenity spillover impacts of property interventions including demolition, rehabilitation, improved vacant lots and new residential construction. Two different quantitative methods were used in intervention-focused studies to calculate impact.

The methods for estimating the home value impact from distressed property intervention vary between direct (Bucchianeri, Gillen, and Wachter 2012; Voicu and Been 2008; Simons, Quercia, and Maric 1998; Ding, Simons, and Baku 2000; Edmiston 2012) and indirect (Griswold 2006; Borowy et al. 2013; Griswold et al. 2014; Dynamo Metrics 2015, 2016a, 2016b, 2017)<sup>17</sup>.

Direct research is much more straightforward in how it estimates the impact of distressed property intervention. When an activity occurs nearby property values are directly investigated. When these methods work the clear benefit is that the intervention activity has been directly valued. The downside of these models is that direct observations of intervention activity is often low, meaning low levels of variation in the environments they impact, and thus causing modeling approaches often to be weak or spurious in statistical significance.

Dynamo Metrics proxy analysis—an indirect method—estimates the marginal impact of residential demolition and rehabilitation intervention on neighboring home values (Griswold 2006; Griswold and Norris 2007; Borowy et al. 2013; Griswold et al. 2014; Dynamo Metrics 2015, 2016a, 2016b, 2017).

Technically termed a “counterfactual simulation,” the Dynamo Metrics method focuses on estimating the property value impact of the “before” and “after” status of the property intervention in a given neighborhood.

This method estimates how property values would have looked if there was no property intervention implemented. The difference between the “before” and “after” status is the estimated property value impact of the dynamic in question and is applied to the value of all neighboring properties upon estimation. The “before” status of a demolition or rehabilitation is a distressed structure. The impact of both distressed and amenity structures on neighboring home values can be found in Table 1A, previous page. The “after” status of a demolition is a vacant lot.

## Quantitative Assessment: Literature Review

Table 2

RANGE OF RESIDENTIAL PROPERTY VALUE IMPACTS FROM NEIGHBORING RESIDENTIAL PROPERTIES		
NEARBY DISTRESSED PROPERTY TYPE:	IMPACT ON NEARBY HOME VALUE:	
	LOW	HIGH
Vacant Home	-0.4%	-1.4%
Tax Delinquent Home	-0.5%	-5.7%
Mortgage Foreclosed Home	-0.2%	-8.7%
Tax Foreclosed	-1.1%	-20.1%
Residential Vacant Lot (general)	-0.2%	-1.5%
NEARBY AMENITY PROPERTY TYPE:		
Owner Occupied	0.2%	0.7%
Renter Occupied	-1.2%	0.4%

For example, if we know that the impact of a distressed tax foreclosed structure decreases nearby property value by 10% (the “before” status), and we know a nearby vacant lot (the “after” status) decreases nearby value by only 0.5%, we know that a demolition protects 9.5% of a home’s value in that neighborhood. When applied to rehabilitation, we may know the “after” status of the distressed land bank-owned home is owner-occupied and tax current, with a positive property impact of 0.6% on nearby residential property values. We would then attribute a 10.6% property value effect to all properties near the given rehabilitation. Table 2, above, summarizes relevant “before” and “after” status’ for proxy analysis that indirectly measures property intervention impacts.

The proper mix of demolition, rehabilitation and other property interventions of the existing housing stock in older Midwest cities is a significant subject of study and debate in the policy literature and active policy arena<sup>18</sup>.

### RESIDENTIAL DEMOLITION

Table 3, above, provides a deeper view into the proxy modeling approaches of Dynamo Metrics that estimate the property value impacts of residential demolition (Griswold 2006; Griswold and Norris 2007; Borowy et al. 2013; Griswold et al. 2014; Dynamo Metrics 2015, 2016a, 2016b, 2017). The application of the Dynamo Metrics method for

Table 3

IMPACT ON NEIGHBORING HOME VALUES WHEN DISTRESSED RESIDENTIAL STRUCTURES ARE DEMOLISHED		
TYPE OF DEMOLITION:	IMPACT ON NEARBY PROPERTY VALUE FROM DEMOLITION: Distressed Structure Becomes Vacant Lot	
	LOW	HIGH
Vacant Home	-0.1%	0.2%
Tax Delinquent Home	0.3%	4.2%
Mortgage Foreclosed Home	0.0%	7.2%
Tax Foreclosed	0.9%	18.6%

demolition suggests that distressed residential properties “before” residential demolition tend to have higher negative impacts on neighboring property value than “after.” Table 3 provides the range of property value impact from demolition.

- **Low-end impact estimates from demolition:** represents the percent impact on all homes values within 500 feet when a residential distressed structure is demolished using the low-end impact estimates from Table 2 for both vacant lots (“after”) and distressed structures (“before”);
- **High-end impact estimates from demolition:** represents the percent impact on all home values within 500 feet when a residential distressed structure is demolished using the high-end impact estimates from Table 2 for both vacant lots (“after”) and distressed structures (“before”).

The basic interpretation of Table 3 is that a positive percentage suggests positive impact on all home values within 500 feet from demolition of a distressed residential structure. It is critical to point out that these are property value protections – i.e. vacant lots still have a negative impact on value, just a much lower negative impact than blight. There is of course significant nuance to Table 3 in practice given that any property may also be a rehabilitation candidate and is subject to the variation introduced in Figure 1.

*Findings from this literature are leveraged in the benefits transfer analysis applied to demolition activity in the case study land banks in Benzie, Calhoun and Kalamazoo County.*

## Quantitative Assessment: Literature Review

### RESIDENTIAL REHABILITATION

Table 4 provides a deeper view into the proxy modeling approaches of Dynamo Metrics that estimate the property value impacts of residential rehabilitation (Griswold 2006; Griswold and Norris 2007; Borowy et al. 2013; Griswold et al. 2014; Dynamo Metrics 2015, 2016a, 2016b, 2017). Research has also been performed that looks at the direct impact of residential rehabilitation as well (see Table 1B).

- **Low-end impact estimates from rehabilitation:** represents the percent impact on all homes values within 500 feet when a residential distressed structure is rehabilitated using the low-end impact estimates from Table 2 for both renter and owner occupied (“after”) and distressed structures (“before”);
- **High-end impact estimates from rehabilitation:** represents the percent impact on all home values within 500 feet when a residential distressed structure is demolished using the high-end impact estimates from Table 2 for both renter and owner occupied (“after”) and distressed structures (“before”).

The basic interpretation of Table 4 is that whenever you see a positive percentage it suggests that a positive impact on all home values within 500 feet is expected from a residential rehabilitation of distressed residential structures.

The primary difference between demolition and rehabilitation is that property value protection and appreciation is often involved in rehabilitation because occupied—particularly owner-occupied—properties boost values. There is, of course, significant nuance to Table 4 in practice given that any property may also be a demolition candidate and is subject to the variation introduced in Figure 1.

*Findings from this literature are leveraged in the benefits transfer analysis applied to demolition activity in the case study land banks in Benzie, Calhoun and Kalamazoo County.*

Table 4

IMPACT ON NEIGHBORING HOME VALUES WHEN DISTRESSED RESIDENTIAL STRUCTURES ARE REHABILITATED		
DISTRESSED STRUCTURE TO OWNER OCCUPIED:	PERCENT IMPACT ON NEARBY VALUE WHEN DISTRESSED STRUCTURE BECOMES A REHABILITATED STRUCTURE	
	LOW	HIGH
Vacant Home	0.6%	2.1%
Tax Delinquent Home	0.7%	6.4%
Mortgage Foreclosed Home	0.4%	9.4%
Tax Foreclosed Home	1.3%	20.8%
DISTRESSED STRUCTURE TO RENTER OCCUPIED:		
Vacant Home	-0.8%	1.8%
Tax Delinquent Home	-0.7%	6.1%
Mortgage Foreclosed Home	-1.0%	9.1%
Tax Foreclosed Home	-0.1%	20.5%



## Quantitative Assessment: Literature Review

### NEW RESIDENTIAL CONSTRUCTION

Three studies were identified in the literature review that focused on the impacts of new residential construction on residential property value. The following quantitative impacts from residential new construction were found in those studies:

- Nearby home values increase between 2% - 6.1% of the total new residential construction investment amount or 8.4% of the average home sales price within 150 feet of the new residential construction location (Ding, Simons, and Baku 2000);
- Home values increase by 4% - 4.6% per year within 500 feet when nearby new residential construction or rehabilitation occurs (This study has somewhat limited intuition on new residential construction because new residential construction was pooled with a disproportionate number of residential rehabilitations (Edmiston 2012));
- Property values increased by \$670, or 1.9% of the average home sales price within 1-2 blocks of new residential construction (Simons, Quercia, and Maric 1998);

While these studies provide insight on the impact of new residential construction, applying findings to case study activities in the benefits transfer analysis was not undertaken because data requirements for an academically defensible analysis were beyond the scope of this study.

### VACANT LOT IMPROVEMENTS

Vacant lot improvement is not covered within the Dynamo Metrics framework because there has not been focused research on the impact of this property intervention by the Dynamo Metrics research team. Two studies were identified in the literature review that focused on the impacts of improved vacant lots on residential property value. The following quantitative impacts from residential vacant lot improvements were found in those studies:

- Before vacant lot improvements there was a 16% decrease in nearby property values; after improvements to vacant lots there was a 2.6% - 5% increase in nearby property values (Bucchianeri, Gillen, and Wachter 2012);
- An estimated increase in nearby property values of 6.2% - 9.4% after conversion of vacant lots (Voicu and Been 2008).

More research is warranted in the valuing the impact of the transformation of vacant lots. The size of space transformed, and the type of end use of the vacant space deserves to be further parsed out in terms of impact on property values and beyond.

While these studies provide insight into the impact of vacant lot improvements, applying findings to case study activities in the benefits transfer analysis was not undertaken because studies were performed in Philadelphia, PA and New York, NY - i.e. much different housing stock and markets.



## Quantitative Assessment: Literature Review

### IMPACT ON CRIME

The impact of distressed properties on criminal activity is well documented in the academic literature. A smaller body of research focuses on the impacts that changes in the built environment—i.e. property intervention—has on violent and property crime.

#### *Crime Impact Associated with Distressed Properties*

Evidence suggests that urban blight, including dilapidated vacant properties and lots are associated with increases in violent and property crime rates (Baumer, Wolff, and Arnio 2012; Cui and Walsh 2015; Ellen, Lacoë, and Sharygin 2013; Immergluck and Smith 2006; Lacoë and Ellen 2015; Stucky, Ottensmann, and Payton 2012; Wallace, Hedberg, and Katz 2012; Williams, Galster, and Verma 2014). Some selected findings:

- A 1% increase in the foreclosure rate was associated with a 2.3% increase in the number of violent crimes in a Census Tract in Chicago (Immergluck and Smith 2006);
- Extended vacancies from foreclosure are associated with significant increases in violent crime, although a threshold of vacancy in a neighborhood likely must be met before violent crime begins to increase (Cui and Walsh 2015; Ellen, Lacoë, and Sharygin 2013);
- Foreclosure was associated with a 53.2% increase in violent crime – specifically in vacant and abandoned buildings in Chicago (Lacoë and Ellen 2015);
- Vacancy hot spots co-occurred with homicide and weapons violation hot spots in Cleveland, OH (Center on Urban Poverty and Community Development 2017).

### IMPACT ON CRIME FROM DISTRESSED PROPERTY INTERVENTIONS

Reductions of distressed properties in the built environment are shown to reduce crime. This suggests that land bank interventions likely have positive impact on the safety of neighborhoods (Branas et al. 2011, 2016; E. Garvin et al. 2013; E. C. Garvin, Cannuscio, and Branas 2013; Kondo et al. 2015; Spader, Schuetz, and Cortes 2015; Plerhoples Stacy 2017).

- “Greened” lots were associated with significantly fewer gun assaults as compared with vacant and abandoned lots in Philadelphia, PA (Branas et al. 2011).

### IMPACT ON SERVICE COSTS

A recent study was identified (Immergluck 2015) that quantifies the specific magnitude of service costs associated with distressed structures. These costs have been studied lightly in the academic and policy literature and some quantifiable estimates are available.

#### *Police*

- Each vacant property related police call costs \$48 – \$53 per call and \$46 per hour spent on vacant property related activity in Atlanta, GA (Immergluck 2015).

#### *Fire*

- Estimated cost is \$3,231 – \$4,686 spent per fire, totaling a service cost of roughly \$94 per hour (Immergluck 2015).

#### *Code Enforcement*

- Estimated cost per inspection of vacant homes is \$85, totaling a service cost of \$65 per hour (Immergluck 2015).

### IMPACT ON LOCAL ECONOMY AND JOBS

Two studies identified in the literature focus on the impact on the local economy and jobs from the county-level expenditures of the Ingham and Kent County Land Banks in Michigan (Borowy et al. 2013; Wyckoff et al. 2017). These studies both performed input/output regional economic modeling (using IMPLAN software) focused on dollars spent by each land bank in the lawn care, property maintenance, and construction industries.

The studies apply these models to the amount the land banks actually spent in these industries on activities like property intervention (demolition, rehabilitation, etc.) and maintenance services (lawn and tree services, etc.) required on their properties. Each dollar spent in the county-level economy has a multiplier effect because it is used repeatedly on more local products such as



## Quantitative Assessment: Literature Review

groceries, gas or accounting services. Each region has its unique footprint in terms of the industries it is made up of and how dollars impact the local economy when spent. Jobs, income and tax revenue are generated as infusions of land bank expenditures hit the street.

The following impacts were identified from the expenditures of the Ingham and Kent County Land Banks:

***Ingham County Land Bank spent \$31,051,692 from 2006 to 2012 on land bank-related services (Borowy et al. 2013);***

- These expenditures amounted to a total estimated economic impact of \$56,239,355 and 426 jobs in the county;
- These findings suggest a regional multiplier of 1.81—meaning that each land bank dollar spent on the services it needs creates a \$1.81 in local economic value (income/tax revenue);
- These findings suggest that for every \$72,891 that the Ingham County Land Bank spent it created one full-time job in the local economy.

***Kent County Land Bank spent roughly \$24,236,956 from 2012 to 2016 on land bank related services (Wyckoff et al. 2017);***

- These expenditures amounted to a total estimated economic impact of \$42,899,413 and 266 jobs in the county;
- These findings suggest a regional multiplier of 1.77 – meaning that each land bank dollar spent on the services it needs creates a \$1.77 in local economic value (income/tax revenue);
- These findings suggest that for every \$ 91,116 that the Kent County Land Bank spent it created one full-time job in the local economy.

Differences in the findings from Kent and Ingham County are indicative of the size and cost of living in the two regional economies.

It is more costly to create a full-time job in Kent County, suggesting that cost of living is higher there than in Ingham County. The relative size of a regional economy must be taken into consideration when applying findings from input/output models to other regions. If a county is more rural than Ingham or Kent County, there is a good chance cost of living is lower because both counties have large central cities. This would suggest a larger multiplier on economic impact and jobs from land bank-related spending in more rural counties.

If a Michigan city is roughly on par or in-between the economies of Kent or Ingham, then it is safe to estimate that the impact of land bank-related activity will fall somewhere near the range of impact from expenditures laid out in this section.

*Findings from this literature are leveraged in the benefits transfer analysis and applied to the case study land banks in Benzie, Calhoun and Kalamazoo County.*

## Quantitative Assessment: Benefits Transfer Analysis of Case Study Land Banks

Original observational research was not performed in this study, but a benefits transfer analysis of the following activities at the Benzie, Calhoun and Kalamazoo County Land Bank Authority's was performed:

1. Impact on nearby residential property values caused by residential demolition and rehabilitation interventions;
2. Impact from land bank expenditures on county-level economy and jobs.

"Benefit transfer is the adaptation of information derived from original research in a different context" (Champ, Boyle, and Brown 2017, pg. 447). The Dynamo Metrics research team performed the benefits transfer analysis by adapting research identified in the quantitative literature section to the case study land banks to estimate the impact of the following activities<sup>19</sup>:

### ***Residential demolition on neighboring property values;***

- **Original research adapted for this analysis:** Griswold 2006; Griswold and Norris 2007; Griswold et al. 2014; Dynamo Metrics 2015, 2016a, 2016b, 2017.
- **Benefits transfer method:** (1) All actual geo-locations of case study land bank residential demolitions were identified<sup>20</sup>; (2) a weighted average of the percent impact a residential demolition has on neighboring residential property values within 500 feet is estimated using adaptable literature; (3) the number of occupied homes within 500 feet of each residential demolition is estimated; (4) the value of each occupied home within 500 feet of each residential demolition is estimated; and, (5) the total residential property value impact from residential demolition activity of case study land banks is estimated.

*See Appendix 1.A. for a detailed methodology of how residential demolition impact was quantified.*

### ***Residential rehabilitation on neighboring property values;***

- **Original research adapted for this analysis:** Griswold 2006; Griswold and Norris 2007; Griswold et al. 2014; Dynamo Metrics 2015, 2016a, 2016b, 2017.
- **Benefits transfer method:** (1) All geo-locations of case study land bank residential rehabilitations<sup>21</sup> were identified; (2) a weighted average of the percent impact a residential rehabilitation has on neighboring residential property values within 500 feet is estimated using adaptable literature; (3) the number of occupied homes within 500 feet of each residential rehabilitation is estimated; (4) the value of each occupied home within 500 feet of each residential rehabilitation is estimated; and, (5) the total residential property value impact from residential rehabilitation activity of case study land banks is estimated.

*See Appendix 1.A. for a detailed methodology of how residential rehabilitation impact was quantified.*

### ***Land bank expenditures on the local economy and jobs;***

- **Original research adapted for this analysis:** (Borowy et al. 2013; Wyckoff et al. 2017)
- **Benefits transfer method:** (1) capture total budget expenditures of all case study land banks property interventions such as property maintenance, demolition, rehabilitation, etc.; (2) capture economic impact multipliers for economic activity and jobs from land bank related expenditures using the adaptable literature; (3) multiply total relevant expenditures of case study land banks with the economic impact multipliers of the adaptable literature to estimate the economic impact of case study land bank expenditures on their respective county-level economies.

*See Appendix 1.B. for a detailed methodology of how estimates of case study land bank expenditures impact the local economy and jobs was quantified.*

## Quantitative Assessment: Benefits Transfer Analysis of Case Study Land Banks

Land banks perform many types of activities beyond those valued in the benefits transfer analysis. Time and budget constraints as well as lack of identifying adaptable research were the primary reasons that estimates of the impact from many activities were not valued.

Specific case study land bank activities that were NOT valued in the benefits transfer analysis are as follows:

- Any form commercial activity (demolition/rehabilitation/new residential construction/vacant lot improvements);
- Residential new construction;
- Residential improved vacant lots;
- Residential side lot sales.

Given evidence of the positive residential impact caused by land bank-type activity, it is hypothesized that distressed commercial property intervention activity has measurable positive impacts on the neighborhood-scale environments they took place in. The Dynamo research team is currently performing commercial impact research associated with revitalization activity and aims to release results in 2019.



Photo: Samuel Zeller, Unsplash



## Case Study: Benzie County Land Bank

The Benzie County Land Bank Authority (BCLBA), established in 2012, is a small land bank located on Lake Michigan in Northwest Lower Michigan, with a population of approximately 17,500. The County is comprised of 6 villages, one city, with the remaining property considered to be rural in nature. Throughout the county, you will find an abundance of water and other natural resources, including the Sleeping Bear Dunes National Lakeshore, which defines the character of the county as a whole.

Geographically, Benzie County is the smallest county in Michigan, encompassing 316 square miles. Approximately 38% of the land in Benzie County is exempt from taxation, primarily due to ownership by the National Park Service, Department of Natural Resources or the State of Michigan. This alone, will keep Benzie County's character intact for years to come.

The BCLBA's primary focus is to help properties on the tax foreclosure list that would otherwise not receive the attention of investors in a private setting. By giving them a "hand up", BCLBA can put properties in the hands of those willing to invest and improve them, as well as the neighborhoods in which they are located. The BCLBA is governed by a small dedicated group of county residents from a variety of locations and occupations in the community who wish to see good things happen to under-performing properties. The administrative and outreach work completed by the BCLBA is all volunteer, by its authority members and other local citizens who wish to get involved.

The BCLBA has created a presence in several villages, due to the number of foreclosed properties containing distressed homes and businesses in main corridors being located in villages. The BCLBA also procures properties in rural areas that have been abandoned, or that contain a large amount of debris, such as tires. Since 2012, twenty-seven properties acquired and managed. As shown in Table 5, there were 17 specific property interventions requiring resource expenditure during that time period.

**Table 5**

BENZIE COUNTY LAND BANK PROPERTY INTERVENTIONS – 2012 TO PRESENT	
PROPERTY INTERVENTION TYPE:	PROPERTY INTERVENTION COUNT:
Commercial Demolition	3
Commercial New Build	1
Commercial Rehabilitation	4
Residential Demolition	4
Residential New Build	1
Residential Rehabilitation	2
Residential Side Lot Sale	2
<b>TOTAL PROPERTY INTERVENTIONS SINCE 2012:</b>	<b>17</b>

### PROPERTY VALUE IMPACT FROM RESIDENTIAL DEMOLITION & REHABILITATION ACTIVITY

The BCLBA performed commercial and residential demolition, new build, rehabilitation, vacant lot improvement interventions since 2012. These programs primarily occurred in the villages of Benzie County, where many businesses and homes were impacted in terms of property value. As shown from the benefits transfer analysis results in Table 6, total residential property value impact from residential demolition (\$274,130) plus total residential rehabilitation property value impact (\$74,528) provides a total estimated residential property value impact of \$363,904 from these 6 interventions alone.

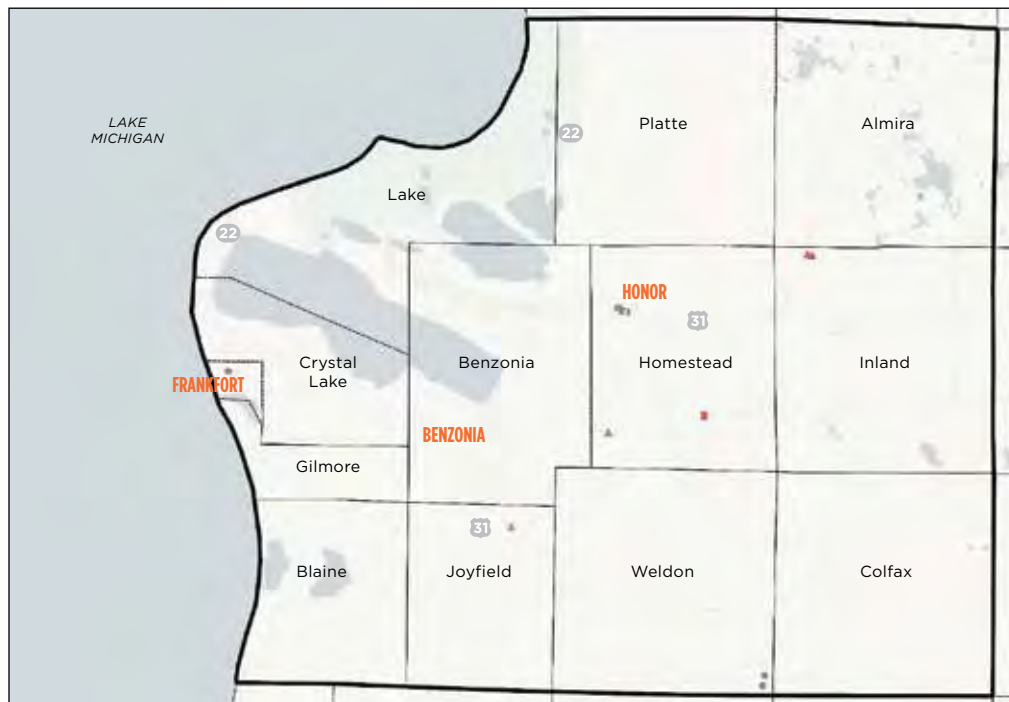


*A blighted building in the heart of downtown Honor, Michigan, gets demolished and turned into green space.*

## Case Study: Benzie County Land Bank

Table 6

ESTIMATES OF NEARBY HOME VALUE IMPACT FROM BENZIE COUNTY LAND BANK RESIDENTIAL PROPERTY INTERVENTIONS, 2012 - PRESENT						
INTERVENTION TYPE:	TOTAL INTERVENTIONS:	AVERAGE NUMBER HOMES IMPACTED PER INTERVENTION:	AVERAGE NEARBY MEDIAN HOME VALUES:	IMPACT ON EACH NEIGHBORING HOME VALUE (%):	ESTIMATED AVERAGE IMPACT PER INTERVENTION:	ESTIMATED TOTAL IMPACT:
Residential Demolition	4	10	\$154,550	4.01%	\$68,532	\$274,130
Residential Rehabilitation	2	5	\$149,200	4.75%	\$37,264	\$74,528
<b>TOTALS</b>	<b>6</b>				<b>\$58,110</b>	<b>\$348,658</b>



Map 1: Benzie County

### LAND BANK INTERVENTIONS

- - Residential Demolition
- - Residential Rehabilitation
- - Residential New Build
- - Commercial Demolition
- - Commercial Rehabilitation
- - Commercial New Build
- ▲ - Side Lot Sale
- ▲ - Commercial Improved Vacant Lot

### ECONOMIC IMPACT FROM LAND BANK EXPENDITURES

The estimated impact caused by BCLBA expenditures on local economic activity and job creation was quantified. Since 2012, BCLBA has put \$172,119 dollars on the street in Benzie County in the construction, lawn care, and property maintenance trades. These dollars have an estimated local economic impact of \$309,815 over the 2012 - present time period.

These dollars have created roughly 2 full-time jobs in the construction, lawn care, property maintenance trades over

the 2012 - present period. Likely a lower-end estimate of job creation because Benzie is rural, and dollars go further in job creation in rural areas than the urban areas these estimates are based on. The actual amount of impact is likely somewhat lower, given that the 1.8X multiplier used from the literature may be high given that it comes from more urban areas (Grand Rapids and Lansing, MI) and Benzie is more rural - i.e. a dollar put into the construction industry doesn't go as far in rural areas.

Map 1, above, provides context of BCLBA activities by intervention type since 2012.



## Case Study: Calhoun County Land Bank

The Calhoun County Land Bank Authority (CCLBA) is a large land bank in Southwest Lower Michigan with a county population of roughly 135,000. The CCLBA is active throughout the county with the majority of projects occurring in the cities of Battle Creek and Albion. The CCLBA was created in 2007 and developed as an organization during its role as a consortium partner with the City of Battle Creek and the Michigan State Housing Development Authority (MSHDA) under the Neighborhood Stabilization Program 2 (NSP2). Today, it holds more than 900 properties and strives to use its limited resources strategically to benefit local communities.

The CCLBA's inventory consists of post-industrial, commercial and institutional sites, vacant land, and residential properties. Most sites have challenges ranging from structural concerns to environmental contamination to demolition or rehabilitation needs. The CCLBA's small staff runs many programs to address these challenges, leverages local partnerships and seeks a variety of funds to carry out its mission. It also aggressively seeks grant funding to support this work and offset funding shortages inherent in managing a challenging inventory of this size.

As shown in Table 7, the CCLBA has performed an estimated 888 property interventions since 2011. These activities include commercial and residential demolition, rehabilitation, vacant lot improvements, side lot sales, new residential construction and re-occupancy programs. Historically, the CCLBA has focused on blight elimination, demolishing more than 550 houses throughout the county. While this is an important component of the work, ways to build or rehabilitate houses and improve housing choices through programming, grants, and partnerships with non-profits is a key priority. This work has translated into more than 70 rehabilitated housing units since 2011. In addition, CCLBA targets creative reuse strategies for its unimproved parcels that include side lot sales to neighbors, lot adoptions and gardens, as well as a community wide mowing program.

Table 7

CALHOUN COUNTY LAND BANK PROPERTY INTERVENTIONS – 2011 TO PRESENT	
PROPERTY INTERVENTION TYPE:	PROPERTY INTERVENTION COUNT:
Commercial Demolition	11
Commercial Rehabilitation	7
Commercial Improved Vacant Lot	1
Residential Demolition	567
Residential New Build	5
Residential Rehabilitation	75
Residential Improved Vacant Lot	12
Residential Side Lot Sale	210
<b>TOTAL PROPERTY INTERVENTIONS SINCE 2011</b>	<b>888</b>



Photos at right: A blighted wall in downtown Battle Creek, Michigan, is beautified with inspiring artwork.

## Case Study: Calhoun County Land Bank

### PROPERTY VALUE IMPACT FROM RESIDENTIAL DEMOLITION & REHABILITATION ACTIVITY

The positive residential property value impacts from residential demolition (567 demolitions performed) and rehabilitation (75 rehabilitations performed) work done by the CCLBA are demonstrated in Table 8, below. Estimated residential property value impact from demolition activity (\$61.54 million) plus estimated residential property value impact from rehabilitation (\$11.88 million), provides a sum total of \$73.42 million in estimated property value impacts created by these 642 distressed property interventions.

The CCLBA property intervention programs primarily occurred in Battle Creek, where an estimated average of 52 - 58 nearby residential property values were impacted by each of the 642 interventions.

### ECONOMIC IMPACT FROM LAND BANK EXPENDITURES

The estimated impact caused by CCLBA expenditures on local economic activity and job creation was quantified. Since 2011, CCLBA has put \$6,354,778 dollars on the street in Calhoun County in the construction, lawn care and property maintenance trades. These dollars have an estimated local economic impact of \$11,438,600 over the 2011 - present period. These dollars have created an estimated 70 - 87 full time jobs in the construction, lawn care, and property maintenance trades over the 2011 - present period.

Map 2A, 2B and 2C on the following pages provides context of CCLBA activities by intervention type since 2011.

Table 8

ESTIMATES OF NEARBY HOME VALUE IMPACT FROM CALHOUN COUNTY LAND BANK RESIDENTIAL PROPERTY INTERVENTIONS – 2011 TO PRESENT						
INTERVENTION TYPE:	TOTAL INTERVENTIONS:	AVERAGE NUMBER HOMES IMPACTED PER INTERVENTION:	AVERAGE NEARBY MEDIAN HOME VALUES:	IMPACT ON EACH NEIGHBORING HOME VALUE (%):	ESTIMATED AVERAGE IMPACT PER INTERVENTION:	ESTIMATED TOTAL IMPACT PER INTERVENTION TYPE:
Residential Demolition	567	52	\$52,888	4.01%	\$108,536	\$61,539,891
Residential Rehabilitation	75	58	\$60,434	4.75%	\$158,398	\$11,879,839
<b>TOTALS</b>	<b>642</b>				<b>\$114,361</b>	<b>\$73,419,730</b>



A Battle Creek, Michigan, home picture before and during rehabilitation (left and center).  
An abandoned lot in Albion, Michigan, gets re-purposed with a community vegetable garden (right).

## Case Study: Calhoun County Land Bank

Map 2A : Calhoun County

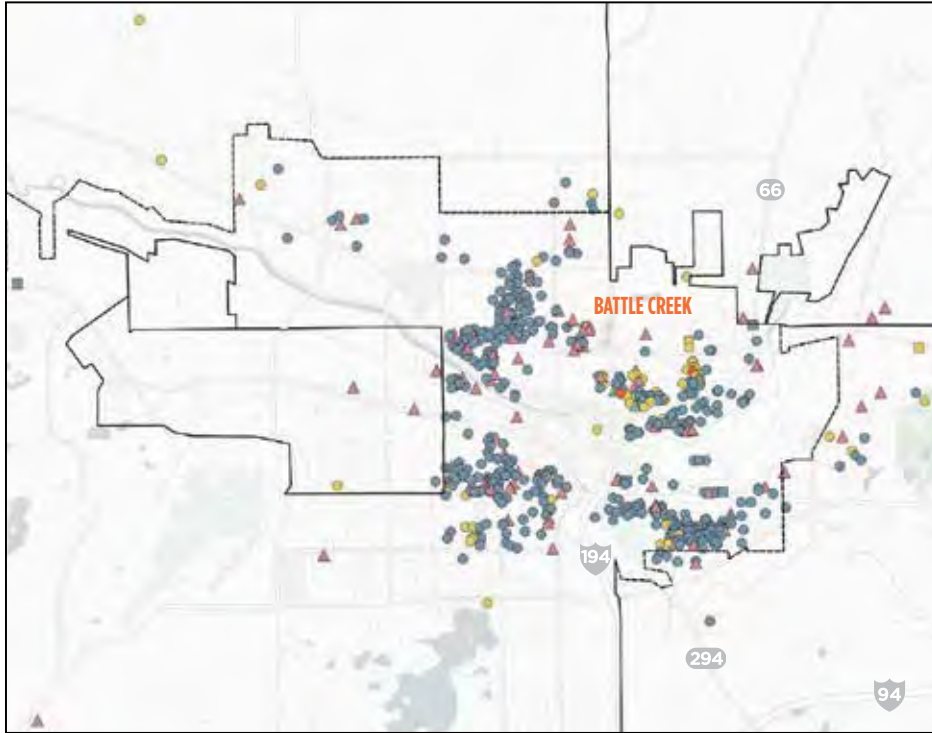


### LAND BANK INTERVENTIONS

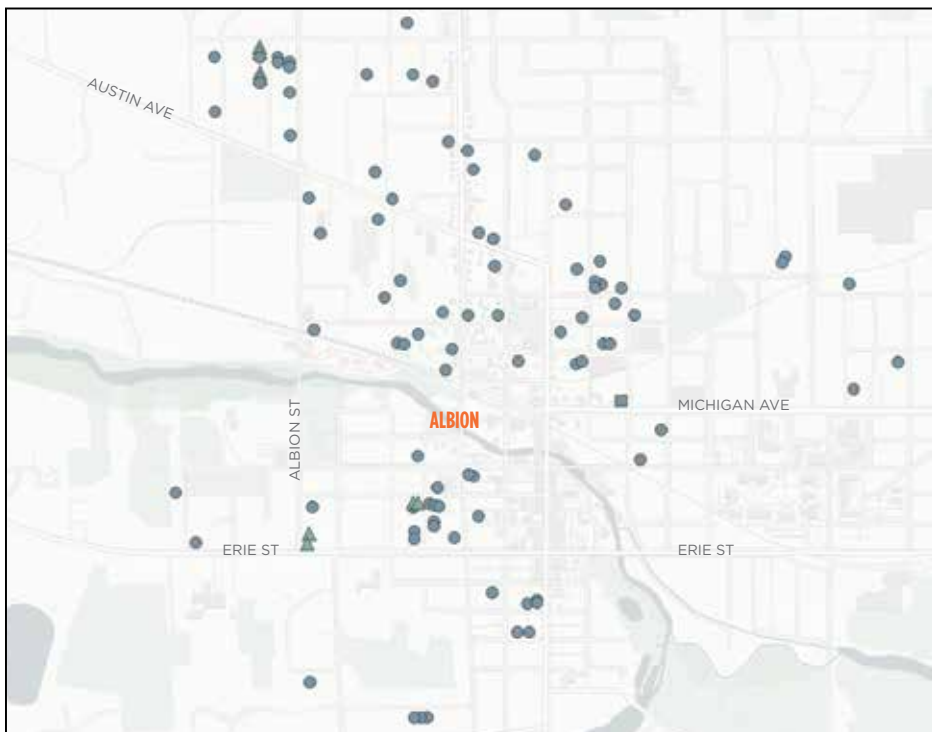
- |                                |                               |                                     |
|--------------------------------|-------------------------------|-------------------------------------|
| ● - Residential Demolition     | ● - Residential New Build     | △ - Side Lot Sale                   |
| ● - Residential Rehabilitation | ■ - Commercial Rehabilitation | △ - Residential Improved Vacant Lot |



## Case Study: Calhoun County Land Bank



Map 2B : Battle Creek Detail



Map 2C : Albion Detail

## Case Study: Kalamazoo County Land Bank

The Kalamazoo County Land Bank Authority (KCLBA) is a larger land bank in Southwest Lower Michigan with a county population of roughly 260,000. The KCLBA has primarily been active in the City of Kalamazoo, as well as some adjacent and nearby townships. The KCLBA was created in 2009 and developed as an organization as it was serving as a consortium partner with the City of Kalamazoo and the Michigan State Housing Development Authority (MSHDA) under the Neighborhood Stabilization Program (NSP2).

At that time, there was a lack of Kalamazoo-based community development corporations engaged in redevelopment efforts. Due to these factors, in addition to demolition, KCLBA developed capacity as developer for several large and small residential rehabilitation and new construction projects.

Since then, KCLBA has maintained its redevelopment capacity and has expanded its redevelopment work to include rehabilitation and new construction in the commercial and mixed-use arena. To date, KCLBA has developed approximately 22,000 square feet of mixed use and commercial space. KCLBA has a number of placemaking and community inclusion initiatives to inform and support this work. These initiatives include utilizing arts and cultural activities and events to activate vacant spaces; overseeing community engagement for larger projects; managing a tenant business support and retention program and experimenting with approaches such as a 2016/2017 restaurant competition that transformed a previously blighted space to a fully renovated space that houses a locally-owned full-service restaurant.

KCLBA offices are at a six acre site, see facing page, along the riverfront and railway system that the agency redeveloped. This formerly blighted and tax foreclosed property now houses the KCLBA, in addition to a local non-profit that provides social skill training through bike repair and the local watershed council. The space also provides five acres of restorative native habitat.

KCLBA also maintains larger sites in its inventory that it works to pair with private developers as the economy improves. KCLBA manages demolition, a side lot and adopt a lot program and responsible disposition program.

As shown in Table 9, the KCLBA has performed an estimated 606 property interventions since 2009. Many of the projects performed by the KCLBA have included larger-scale, transformative commercial and mixed-use projects whose economic impacts have not yet been studied and therefore are not reflected in the overall impact section of the benefits transfer analysis discussed below.

**Table 9**

KALAMAZOO COUNTY LAND BANK PROPERTY INTERVENTIONS – 2009 TO PRESENT	
PROPERTY INTERVENTION TYPE:	PROPERTY INTERVENTION COUNT:
Commercial Rehabilitation	4 (8 tenant spaces)
Residential Demolition	276
Residential New Build	44
Residential Rehabilitation	102
Residential Improved Vacant Lot	7
Residential Side Lot Sale	173
<b>TOTAL PROPERTY INTERVENTIONS SINCE 2009</b>	<b>606</b>

### PROPERTY VALUE IMPACT FROM RESIDENTIAL DEMOLITION & REHABILITATION ACTIVITY

The positive residential property value impacts from residential demolition (276 demolitions performed) and rehabilitation (102 rehabilitations performed) work done by the KCLBA are demonstrated in Table 11, top right. Estimated residential property value impact from demolition activity (\$38.32 million) plus estimated residential property value impact from rehabilitation (\$23.12 million), provides a sum total of \$61.45 million in estimated property value impacts created by these 378 distressed property interventions. The KCLBA property intervention programs primarily occurred in Kalamazoo, where an average of 56 - 70 nearby residential property values were impacted by each of the 378 interventions.



## Case Study: Kalamazoo County Land Bank

Table 10

ESTIMATES OF NEARBY HOME VALUE IMPACT FROM KALAMAZOO COUNTY LAND BANK RESIDENTIAL PROPERTY INTERVENTIONS – 2009 TO PRESENT						
INTERVENTION TYPE:	TOTAL INTERVENTIONS:	AVERAGE NUMBER HOMES IMPACTED PER INTERVENTION:	AVERAGE NEARBY MEDIAN HOME VALUES:	IMPACT ON EACH NEIGHBORING HOME VALUE (%):	ESTIMATED AVERAGE IMPACT PER INTERVENTION:	ESTIMATED TOTAL IMPACT PER INTERVENTION TYPE:
Residential Demolition	276	56	\$66,750	4.01%	\$138,851	\$38,322,960
Residential Rehabilitation	102	70	\$76,635	4.75%	\$226,699	\$23,123,269
<b>TOTALS</b>	<b>378</b>				<b>\$162,556</b>	<b>\$61,446,230</b>



*The Kalamazoo Land Bank (KCLBA), formerly a blighted and tax foreclosed property (inset) now houses the KCLBA offices, the local watershed council, and a local non-profit that provides social skills training through bike repair. The space also provides five acres of restorative native habitat.*

### ECONOMIC IMPACT FROM LAND BANK EXPENDITURES

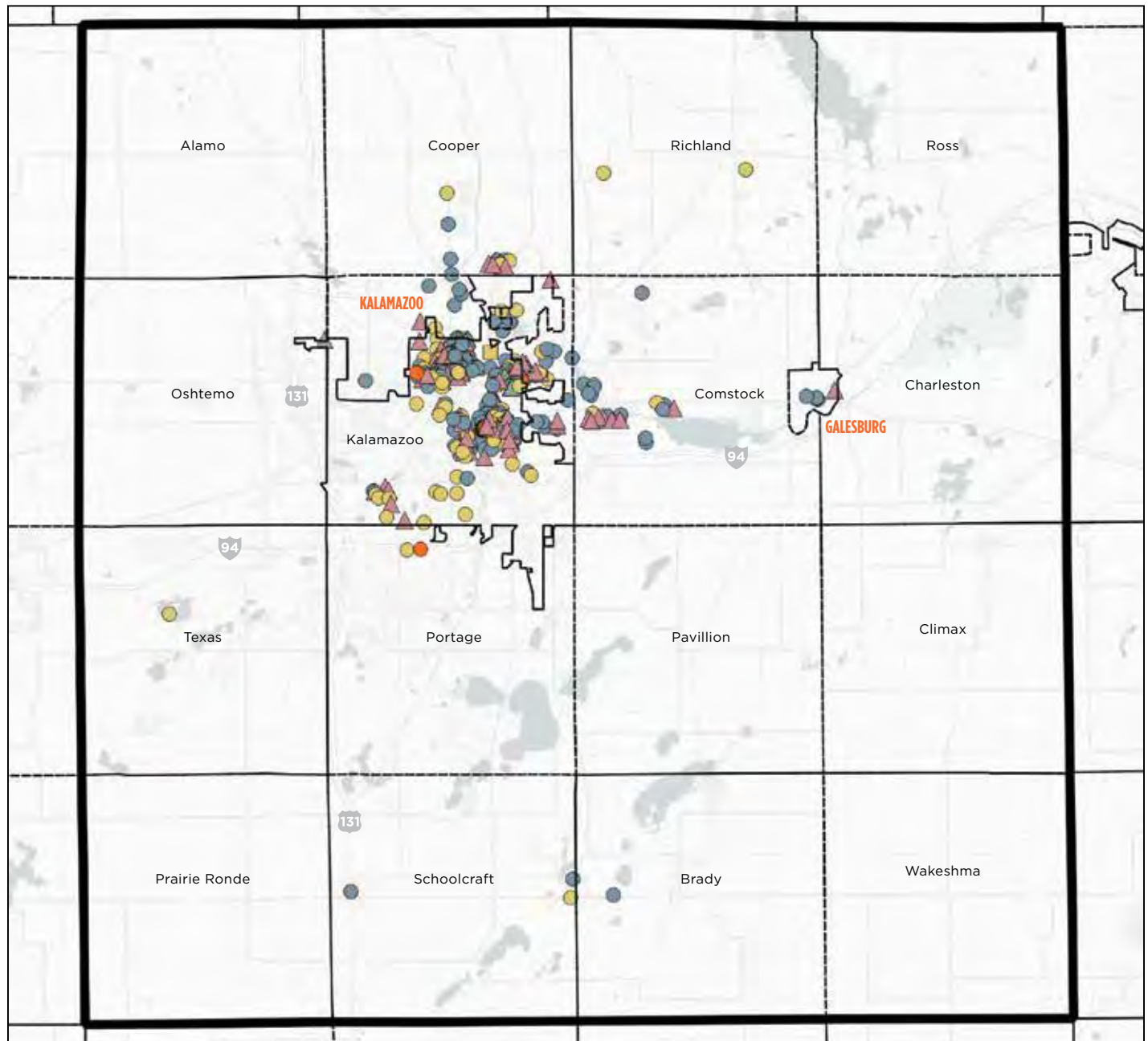
The estimated impact caused by KCLBA expenditures on local economic activity and job creation was quantified (Borowy et al. 2013; Wyckoff et al. 2017). Since 2009 KCLBA has put \$19,695,444 dollars on the street in Kalamazoo County in the construction, lawn care, and property maintenance trades. These dollars have an estimated local economic impact of \$35,451,798 over

the 2009 – present period. These dollars have created an estimated 216 - 270 full time jobs in the construction, lawn care, and property maintenance trades over the 2009 – present period.

Map 3, following page, provides a view of Kalamazoo County median property value according to the U.S. Census Bureau and contextualizes the location of KCLBA activities within median home values.

## Case Study: Kalamazoo County Land Bank

Map 3 : Kalamazoo County

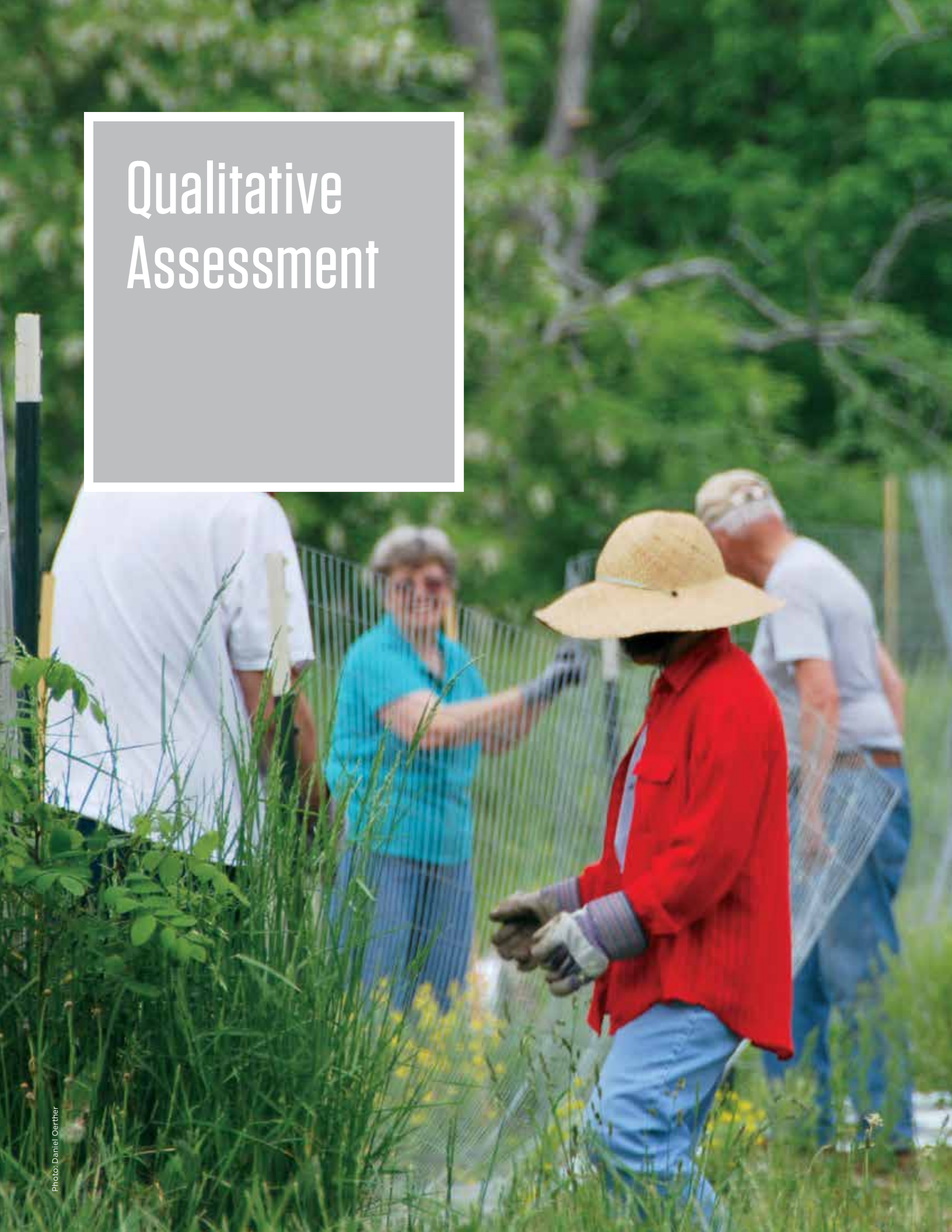


### LAND BANK INTERVENTIONS

- |                                |                               |                                     |
|--------------------------------|-------------------------------|-------------------------------------|
| ● - Residential Demolition     | ● - Residential New Build     | △ - Side Lot Sale                   |
| ● - Residential Rehabilitation | ■ - Commerical Rehabilitation | △ - Residential Improved Vacant Lot |



# Qualitative Assessment



## Qualitative Assessment: Introduction

As part of the research to measure the impacts of Michigan land banks, Public Sector Consultants (PSC) conducted a qualitative assessment of land bank activities. This involved a three-pronged approach: holding focus groups in case-study communities; surveying land banks across the state; and conducting key informant interviews. The qualitative input offers context to quantitative data and provides additional insight to the impact of land bank activity.

In October 2017, focus groups were conducted for each case study land bank in Benzie, Calhoun, and Kalamazoo Counties to assess positive and negative impacts. Each land bank varies in size and encompass urban and rural activity. Local land banks selected focus group participants, provided the meeting space, and sent personal invitations to potential attendees. In total, 20 participants attended the one-hour meetings and included community leaders and organizers, local government officials, nonprofit leaders, and individuals who purchased land bank lots or lived near them. The focus groups were not intended to represent all communities or opinions but to provide qualitative information on how residents in small to large communities perceive their local land bank.

Implemented in November and December 2017, the statewide survey was developed in coordination with the Michigan Association of Land Banks and Dynamo Metrics to obtain program and impact information across the state.

All Michigan land banks were contacted twice by email and those attending the October 2017 Michigan Association of Land Banks' annual meeting were reminded to respond to the survey. In total, 21 respondents provided information on the scope, purpose, and opportunities for land banks. These 21 respondents represent 20 land banks and one organization that operates like a land bank and regularly participates in Michigan Association of Land Bank activities.

The responding land banks make up nearly 50% of the 42 land banks in Michigan and represent seven small, one medium, eight large, and one extra-large land bank (according to budget size)<sup>22</sup>. Notably missing from the responses are two extra-large land banks (Genesee County and Detroit Land Bank Authorities), thus total/average budgets, number of properties, and staff counts would be significantly higher if these were included<sup>23</sup>. As with the focus groups, this information is qualitative and intended to provide insights on the impacts and issues faced by land banks. For a full list of participating land banks, see Appendix 2.

Finally, key informant interviews were held with four land bank officials. Each identified key informant participated in an hour-long interview. These in-depth interviews provided context to survey findings and delved deeper into the issues and opportunities faced by Michigan's land banks.





## Qualitative Assessment: Impact of Land Bank Activity

The impacts of land bank activities extend beyond individual properties to the surrounding community among others, they affect home sales, property values, health and safety, and equity. These activities can positively affect community perception and increase residents' engagement in revitalization activities.

One stakeholder said:

*"We [land banks] have significantly improved the quality of life. We have been catalytic as it relates to stabilizing property value and inspiring other economic activity."*

Focus group participants indicated that the unique role land banks play as the "property owner of last resort" is essential for making progress on longstanding public eyesores in the community.

One participant elaborated:

*"I see the land bank as helping to redevelop areas of the county that need the help. The [land] bank is able to go in and encompass these properties, find a [developer] fit, and get them developed. The land bank is a very important part of the county."*

### PROPERTY VALUES

The general perception across stakeholders was that land bank activities increased property values by removing blight that formerly plagued the value of surrounding properties—thus increasing marketability.

One resident remarked:

*"After the housing collapse, areas of Vine Neighborhood [were left] with lots of foreclosures and blight. The land bank had the most resources to purchase properties. [Since then, the] crime rate has gone down, homeownership is up, blight is down, and new beautiful gardens were established. In this neighborhood, property values are up, and the desire to live there has increased."*

Of those surveyed, there was a feeling that the land bank's impact on community-wide property values was limited and, instead, was focused directly on areas in which the land bank had been most active.

When trying to identify the extent of the impact, one participant responded:

*"[It] depends on where you are and the concentration of rehabilitation in that area. [But] in pockets where [the land bank] has been able to rehabilitate, there have been increased property values."*

Some of the reinvestment has turned blighted properties into new businesses, which spurred additional economic activity through employment and business taxes.

One participant noted these positive changes:

*"[The land bank] working with the council in the Edison neighborhood [has created] lots of new businesses and investment for Hispanic owners. Every month we have a festival with the new business owners; it is really revitalizing the neighborhood."*

Participants agreed that property values have risen, but they were cautious to give all the credit to land banks. Many people found it difficult to determine how much of the increase is due to land bank activity and how much is due to Michigan's broader economic recovery. This was particularly true in Benzie County, where the number of land bank properties is low, and they have only been active for five years. A participant in Calhoun County said that home values on the north side of Battle Creek have increased by 90 percent from 2011 to 2014 where the land bank has done a lot of work; however, this boost could not be directly tied to any particular activity.

## Qualitative Assessment: Impact of Land Bank Activity

### CRIME AND SAFETY

Abandoned and dilapidated structures pose public health and safety risks and can act as criminal activity hubs. Stakeholders felt that the demolition of these structures reduced crime and improved neighborhood safety. This perception of increased public safety is purely anecdotal, but stakeholders are eager to have more concrete benchmarks.

Participants described the abandoned structures in their communities as “accidents waiting to happen” because they were not secure, had become places for teenagers and children to explore and play, and had become a location for squatters to reside. Given unsafe conditions, building failure could be tragic. Aside from the present danger to children and squatters, abandoned structures were noted for harboring large populations of feral cats.

When asked about the biggest change because of land bank activity, one respondent said:

*“The number one change is safety. We had a building that could have fallen into the main road at any time—onto people or onto cars. Safety was a big issue the land bank has helped to solve.”*

Prior to land bank intervention, monitoring known hazards requires regular checks by local law enforcement, limiting officers’ availability to perform other duties and, possibly, negatively impacting public safety. According to participants, now that the land bank controls these properties, this has been less of a problem.

One participant noted:

*“The city used to get a lot of reports of people breaking into abandoned buildings; the removal of these buildings reduces that activity and saves resources.”*

Participants said that the increased activity on land bank property has deterred crime.

As one participant put it:

*“More traffic and more businesses [in these areas] scares people away who would commit crimes.”*

### BLIGHT REMOVAL

The removal of blight and the beautification of open spaces was the primary benefit of land bank activity for many focus group participants. They felt dealing with blighted properties was key to community development and remarked on the following:

*“The private sector will not always intercede, particularly with blight. With the [land] bank, the private sector can get the property at a reasonable price and do something with it.”*

*“The land bank puts a better face on the city. I hate [for] people to drive in and see lots with long grass and broken glass.”*

*“The land bank has ‘teeth.’ They have the ability to go in and accomplish a goal—the [land] bank can get the funds, go through red tape, whatever it takes—they can get it done. Whereas it takes us years to get a building down, and then the land bank came in and worked their magic and got it down.”*

In the case study communities where focus groups were held, land banks received high praise for their caretaking standards. A respondent said that one can always tell what properties are owned by the land bank because of the well-maintained land and secured structures.

Survey participants and key informants felt that the economic and social gains of eliminating blight extended beyond a single property. In fact, neighboring residents have been motivated to engage in beautification and cleanup of their own properties as nearby blight is cleared out.

## Qualitative Assessment: Impact of Land Bank Activity



Focus group participants had much to say on these effects:

*“Here in Northern Michigan we are a resort place, and you do not want these properties ruining the beauty. The land bank getting the properties and demolishing [the old structures on] them was huge; we have these beautiful lots now.”*

*“As soon as [the land bank] gets rid of one blighted home, everyone on that block has pride and does more: one little thing makes an impact.”*

Multiple respondents noted the land bank is considered a critical partner to the municipality in accomplishing blight removal goals.

One focus group participant noted:

*“The land bank is a partner for the city in scheduling demolitions and training. It is a nice organization to contact when dealing with a blighted property, and [the land bank] shows the community that there is a plan of action for an individual project.”*

However, participants acknowledged that the land bank cannot be responsible for removing all blight.

One participant said:

*“There is some blight that the land bank can’t help. Since there are properties not tax delinquent, the land bank could not help them.”*



## Qualitative Assessment: Impact of Land Bank Activity

### QUALITY OF LIFE AND AFFORDABLE HOUSING

Stakeholders felt land banks positively impacted the quality of life for surrounding residents by improving vacant areas, which included the creation of open green spaces, and by working with residents and nonprofits to revitalize neighborhoods. Stakeholders felt these changes even resulted in health benefits and strengthened communities.

One stakeholder noted:

*“The land bank has been a relationship builder—community events, youth employment, summer jobs—helping to bring the communities together.”*

Other participants noted how land bank activities not only improved the overall look and feel of communities but also improved family dynamics, property values, and perception of neighborhoods:

*“It only takes one blighted home to negatively affect an entire neighborhood; if you remove that, you are improving the family dynamic.”*

*“Certainly, if the bank is investing and the property values go up, it helps; even renters benefit from a stable block.”*

*“Land bank demolition was a catalyst for changing the perception of the neighborhood in the community.”*

In addition to direct redevelopment projects, land banks facilitate development for other individuals and organizations by acting as information-sharing resource centers.

Stakeholders noted:

*“[The land bank] has site control of so much vacant property [that] it allows us to be more nimble as a community. If you want to start a community garden in your neighborhood, you can go to one place and get an idea of what lots are available nearby.”*

*“[To develop a property,] you need to know what strings to pull and who to talk to; it is hard to understand all the rules and regulations. The land bank can help.”*

Additionally, land banks have become critical strategic partners for local government and nonprofits by increasing the coordination and impact of ongoing efforts.

As explained by focus group participants:

*“The land bank has had a positive impact on coordination between the city and the county because the land bank is becoming more involved in projects that impact both. That is different than in the past: it sets a new expectation for both city and county relationships.”*

*“Working to figure out how we can best collaborate and make sure their [land bank] work benefits our community. [There are] lots of first-time business owners and homeowners because of land bank properties that are available to community members who would not have been otherwise able to afford to invest.”*

In one community, the strong and close working relationship between the local Habitat for Humanity and the land bank was incredibly fruitful in expanding Habitat’s work and identifying development properties. Families also benefited from increased opportunities to purchase properties, once considered blighted and undesirable, at affordable rates. The work of the land bank allowed families to invest in their own community and increase property values of their homes and neighborhood.

Land banks run side lot and adopt-a-lot programs that offer homeowners the opportunity to either purchase properties adjacent to their homes at reasonable rates or to acquire the properties in exchange for maintenance agreements.

Several participants mentioned the benefits of these programs to neighborhoods:

*“Many families have purchased lots that are next to their homes or across the street. The community is finding ways to use these lots to benefit the community.”*



## Qualitative Assessment: Impact of Land Bank Activity

*“A lot of long-term groups have adopted [lots through the] adopt-a-lot program. One group has an incredible community garden for fruits and vegetables—another is a butterfly weigh station to teach urban youth about nature with a beautiful walking path.”*

Despite efforts to improve and expand affordable housing, these focus group participants still saw gaps in their community’s affordable housing options and wondered if land bank activity could be leveraged to address these gaps.

*“The housing stock is primarily composed of large single-family homes; the land bank could partner with developers to create a diversity of options, as large single-family homes are not affordable for every family.”*

In another county, the lack of affordable housing has impacted the community’s workforce and overall economic development. According to participants, this is because people are purchasing former workforce housing for second (vacation) homes, which raises the purchase price beyond a laborer’s income.

One community member said:

*“We struggle with our workforce, and one of the big reasons is that we do not have housing for them. All three apartment buildings in the county are subsidized, but we need more affordable housing.”*

### EQUITY

Historically, many housing practices have contributed to discrimination, segregation, and wealth disparities because of barriers to home ownership—primarily among African-American communities. These practices have also led to increased health risks due to older, lower-quality housing. These effects are more prevalent in some communities than others, with urban areas particularly affected. The larger land banks, with larger inventories, indicated they focus on equity issues when deciding where to engage work. In small communities, the number of properties available to land banks due to foreclosure may be very limited, making it difficult to prioritize certain areas of the community.

Focus group participants felt that when there were properties available in areas with long-term disinvestment, land banks have tried to help.

A land bank official noted:

*“The majority of our work is in neighborhoods that have struggled as a result of long-term practices, such as redlining. We are very mindful that our work can address these issues and need to do work that is community driven and respectful...”*



A once-abandoned government building has been demolished and replaced with an affordable housing development (inset) in Kalamazoo, Michigan.

## Qualitative Assessment: Land Bank Purpose and Goals

Land bank structure varies by community, and goals reflect local need. The survey found that how they prioritize goals and objectives also varies, with differing needs in urban and rural areas as well as large and small communities. Some land banks' primary purpose was to increase economic development, while others focused on blight elimination and getting properties back on the tax roll. Some communities focused on overlooked properties in the marketplace and worked to get them noticed and ready for redevelopment, while others held and bundled land for future use.

One land bank said their primary goal was:

***"To reposition parcels in the community in a manner that contributes to economic growth and quality of life."***

While the primary purpose of each land bank may differ, they are similar in feeling that many activities and functions are important to their respective communities. Most survey respondents felt that land bank activities are extremely or very important to: stabilizing neighborhoods (77%), increasing property values (77%), reducing crime and increasing community safety (68%), improving the tax base (72%), increasing quality of life in their community (77%), eliminating blight (77%), and increasing economic development (67%) (see Table 11). With limited funding, however, not all these activities can be engaged concurrently. It can be difficult for land banks to focus on long-term land-use goals given short-term funding and decisions pressures.

One land bank leader noted:

***"Land banks could play a pivotal role in revitalizing communities, but due to funding, they can only respond to the greatest need."***

While land banks have a clear view of their purpose and goals, it appears the public may not be as farsighted. Focus groups were asked to discuss the role of the land banks in their community. One key theme was that participants had knowledge about land bank activities directly related to their personal jobs, volunteer work, or neighborhoods, but they lacked knowledge about other activities.

Land banks engage in activities to meet the unique needs of their community. Some indicated that they focused on blight elimination to remove substandard and dangerous housing, while others focused on redevelopment work. One land bank's board set priorities based on available funding and the available foreclosure pool and focused on sellable properties. Another land bank met with the community and local government to set priorities that work toward meeting their master plan and other goals. A third land bank used a matrix to rank properties based on selection criteria (building condition, crime, school proximity, etc.) and obtained input from the local government.

The three case study land banks differed in how they tracked progress and what data they monitored. One land bank tracked property sales, types of sales, and the number of demolitions and rehabilitations. Another tracked the value of property at the time of sale, the current taxable value, and the five-year 50 percent tax recapture payments<sup>24</sup>. The third tracked the number of demolitions, rehabilitations, rebuilds, and quality-of-life impacts through surveys, but could not collect more information due to limited staffing capacity.

One key informant suggested a minimum data collection bar be set that includes recording the number, types, and values of properties and tracking changes in values over time.

Increasing the uniformity and consistency of reporting would help document the impact of land banks in local communities and across the state as well as help identify best practices and share information. Undertaking such an effort, however, must be weighed against other land bank priorities and budget/time constraints.

One key informant stated:

***"It is important to know how properties are flowing in and out and document the condition in and out. We need to look at trends over time—post disposition as well. Every six months, year, every few years? It depends on the property and the land bank."***

## Qualitative Assessment: Land Bank Purpose and Goals

Table 11 (top) and Table 12 (bottom)

MICHIGAN ASSOCIATION OF LAND BANKS SURVEY							
HOW IMPORTANT ARE YOUR LAND BANK ACTIVITIES TO THE FOLLOWING:	NOT AT ALL IMPORTANT:	SLIGHTLY IMPORTANT:	MODERATELY IMPORTANT:	VERY IMPORTANT:	EXTREMELY IMPORTANT:	TOTAL RESPONDENTS:	WEIGHTED AVERAGE: Scale of 1 to 5 Higher Number Indicates Greater Importance
Stabilizing neighborhoods	9%	9%	5%	18%	59%	22	4.09
Increasing property values	5%	5%	14%	45%	32%	22	3.95
Reducing crime and increasing community safety	14%	14%	5%	18%	50%	22	3.77
Improving the tax base	5%	5%	18%	27%	45%	22	4.05
Increasing quality of life in your community	9%	5%	9%	36%	41%	22	3.95
Eliminating blight	5%	5%	14%	18%	59%	22	4.23
Increasing economic development	10%	10%	14%	29%	38%	21	3.76
Providing affordable housing	27%	5%	23%	23%	23%	22	3.09

MICHIGAN ASSOCIATION OF LAND BANKS SURVEY						
HOW FREQUENTLY DO YOU ENGAGE IN THE FOLLOWING ACTIVITIES OR USE THE FOLLOWING TOOLS:	NEVER:	RARELY:	SOMETIMES:	OFTEN:	TOTAL RESPONDENTS:	WEIGHTED AVERAGE: Scale of 1 to 4 Higher Number Indicates Higher Frequency
Demolition	9%	23%	23%	45%	22	3.05
Side Lot Programs	9%	9%	32%	50%	22	3.23
Long-Term Non-Market Green Use (Parks, Urban Agriculture, Green Space, Etc.)	38%	33%	14%	14%	21	2.05
Rehabilitate Single Family Housing	48%	19%	10%	24%	21	2.1
Rehabilitate Multi-Family Housing	76%	19%	0%	5%	21	1.33
Develop Housing for Low-Income Individuals	57%	19%	10%	14%	21	1.81
Develop Former Brownfield Properties	33%	38%	24%	5%	21	2
Rehabilitate Homes With Lead-Based Paint Issues	52%	24%	14%	10%	21	1.81
Rehabilitate Fire Damaged and Contaminated Structures	67%	19%	5%	10%	21	1.57
Rehabilitate Homes with Asbestos Issues	57%	19%	10%	14%	21	1.81
Redevelop Abandoned Commercial Properties	43%	29%	29%	0%	21	1.86
Redevelop Abandoned Industrial Properties	52%	24%	19%	5%	21	1.76
Assist With Business Development	38%	33%	10%	19%	21	2.1
Lease or Rent Property	52%	29%	14%	5%	21	1.71
Restoration of Historic Properties	67%	33%	0%	0%	21	1.33
Adopt-A-Lot	57%	19%	10%	14%	21	1.81
Community Mowing or Other Volunteer Programs	57%	29%	5%	10%	21	1.67
Quiet Title Program	29%	29%	19%	24%	21	2.38

## Qualitative Assessment: Land Bank Operations

The statewide survey afforded the opportunity to document the scope and scale of work undertaken by land banks and to identify the variety of tools they employ in their activities. Key informant interviews provided additional context and detail. Out of 42 land banks across the state, 21 responded to the survey. Caution should be exercised in extrapolating survey results to all Michigan land banks because the survey may not be representative. Notably, two extra-large land banks (Genesee County and Detroit) did not respond to the survey, resulting in top end/average assets, personnel, funding and budgets lower than one might expect. A full list of participating land banks is included in Appendix 2.

### ASSETS

Survey respondents indicated a broad range in the number and value of properties under their management, with some land banks holding zero properties and others holding almost 4,000—with a value at nearly \$13 million. One difficulty quantifying the value of property is the depressed market in which land banks often operate. A key informant indicated that these properties are insured based on the assessed value, but that value might not be an achievable sale price given market conditions.

Land banks play a critical role in stabilizing and turning around depressed market properties. In fact, almost all parcels would not have sold in the traditional marketplace at any price, which is why they ended up with the land bank. Overall, 17 banks provided parcel and total value information, 13 of which reported an average parcel value of less than \$5,000. The greater the number of parcels a land bank owns, the lower the average value reported in the survey. Communities with over 1,000 parcels reported an average value of \$3,000 or less, while those with only one or two noted average values upwards of \$30,000.

### PERSONNEL

Land bank employees provide critical programmatic and management support needed to conduct business. Staff numbers varied from zero employees, at nine of the 21 responding land banks, up to eight full-time workers, but nearly all had four or fewer staff members. The key informant interviews indicated that beyond full-time equivalent employees, land banks also use part-time personnel, AmeriCorps workers, and volunteers. Some run entirely on part-time support (as little as five to ten hours per week) by utilizing time from county, regional, local, association, or nonprofit employees.

### FUNDING

Land banks are funded through a variety of mechanisms: city or county general funds, sales of acquired properties, and philanthropic support. Funding from the sale of acquired properties was used by most responding land banks and was ranked the most important source of funding (4.14 weighted average on a scale of one to five, with five being the most important)<sup>25</sup>. The five-year 50 percent tax recapture and money from county delinquent tax revolving funds were the next most important funding options (3.19 and 2.52 weighted average, respectively). Most respondents noted that city or county general fund appropriations, lease or rental income, and philanthropic support were not being used or not at all important to the land bank's funding (see Figure 3). Key informants discussed funding options and indicated that the sale of property is one of the largest sources of income. On rare occasions, large grants can bring a temporary infusion of funds to support special projects and initiatives, but such grants are typically short in duration.



## Qualitative Assessment: Land Bank Operations

Table 13

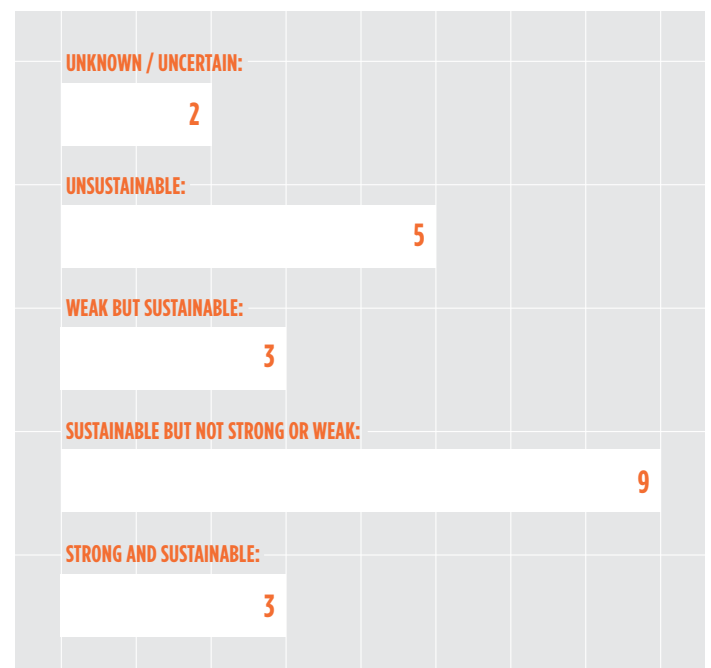
MICHIGAN ASSOCIATION OF LAND BANKS SURVEY							
HOW IMPORTANT ARE THE FOLLOWING SOURCES OF FUNDING TO YOUR LAND BANK:	DON'T USE/ NOT AT ALL IMPORTANT:	SLIGHTLY IMPORTANT:	MODERATELY IMPORTANT:	VERY IMPORTANT:	EXTREMELY IMPORTANT:	TOTAL RESPONDENTS:	WEIGHTED AVERAGE: Higher Number Indicates More Important
City or county general Fund Appropriation	81%	5%	0%	0%	14%	21	1.62
Funding from county delinquent tax revolving fund	52%	10%	0%	10%	29%	21	2.52
Funding from the sales of acquired properties	10%	0%	14%	19%	57%	21	4.14
Federal or state grants	57%	5%	5%	5%	29%	21	2.43
Five-year 50% tax recapture	10%	24%	29%	14%	24%	21	3.19
Lease or rental income	75%	10%	10%	5%	0%	20	1.45
Philanthropic support	67%	19%	10%	5%	0%	21	1.52
Other revenue sources	55%	15%	10%	15%	5%	20	2

### BUDGET

The operating budgets of responding land banks ranged from \$0 to nearly \$15 million. However, the large budgets of a few can overshadow the minimal budgets most have to work with. Of the 17 banks providing information, eight have a budget of less than \$60,000.

Only three of the responding land banks characterize their funding as strong and sustainable, while nine view it as sustainable but not strong or weak. Another three consider their budget weak but sustainable, and an additional seven see their budget as unsustainable or are unsure (see Figure 3).

**Figure 3**  
Three- to Five-year Budget Outlook, Survey Findings



## Qualitative Assessment: Summary

Overall, focus group participants held positive opinions about their local land banks and the work they accomplished. Issue management, like blight removal and improved maintenance of abandoned properties, were routinely praised within the focus groups.

Additionally, participants felt that land bank activities had been beneficial in raising surrounding property values, spurring additional neighborhood investment, and improving crime and safety. They largely felt that land banks operate as efficiently as possible, but that they were limited by the number and location of eligible properties and budget constraints.

Land bank personnel would like to do more, but they are limited by staffing and funding concerns. Even when funding is available, issues with stability and predictability make long-term community planning difficult.

Focus groups' suggested that land banks need to improve their communication with the public. Participants felt that the broader community did not know the land bank's role and simply associated it with blighted property. Participants were confused about the exact process through which the land bank acquires properties and were unsure of all its activities. The negative perceptions of activities (too much or not enough demolition, holding onto property for too long, or misunderstanding what land belongs to the land bank) in some communities must be overcome.

Overall, land banks were seen as critical assets and partners in economic development. Focus group participants believed that a broader messaging plan that entices more community involvement and support may accelerate efforts and deepen the impact of the land bank's work.

### OPPORTUNITIES AND CHALLENGES

Generally, focus group participants held favorable views of land banks and the work they do, particularly around blight removal and lot maintenance. Some personnel consider the land bank's ability to assemble and hold property over time and package and re-purpose parcels as some of the greatest opportunities for community impact, while others see stopping the cycle of foreclosure as the greatest. Additional opportunities identified include neighborhood maintenance activities and the ability to redevelop, rehabilitate, and dispose of residential and commercial properties. With dispersed properties, it can be difficult to have a significant impact in one area. One community indicated their opportunities were directly related to the types of properties that become available due to foreclosure.

To take advantage of these opportunities, land banks consistently cited the need for additional funds and staff. The tools are available, but the resources are not.

A key informant said:

***"We need sustainable, sufficient, reliable funding—just to get the immediate work done."***

Key informants noted how difficult it is to develop multi-year plans when funding is year to year and to plan for more complex issues when faced with time constraints:

***"Land banks work in weak markets, so it is very difficult to profit from the sale of properties. Land banks are severely limited in their ability to create enough revenue locally."***

One land bank indicated they received over 100 properties a year, making management with current staff levels difficult. Additional staff would also be able to help by spending time seeking additional funds and managing more projects.

***"[Land banks] end up being reactionary—even when they don't want to be."***

## Qualitative Assessment: Summary



Challenges faced by land banks vary by community. In some communities, residents may disagree on the best course of action regarding parcels, which can create animosity between residents and land banks. Some residents want to keep demolishing rundown homes, while other residents feel removing homes destroys their neighborhoods and want more rehabilitation.

A common view across focus groups was that land banks do not promote themselves or the work they accomplish. Even participants who had worked with banks or were familiar with their work expressed confusion over the specific powers and role of their land bank or how they could personally benefit.

In fact, some participants said that the land bank had a poor reputation in the broader community because of its association with significantly blighted properties.

*“Because the land bank is often the “property owner of last resort,” their name is associated with bad properties, and people don’t realize what the land bank really does. People think that they can’t maintain their property, but really the land bank’s maintenance standards are quite high.”*

Additionally, residents expressed interest in more information and transparency about land bank activity. There is also a need to inform and educate elected officials on the purpose and benefits of land banks to keep, or increase, current local funding. Maintaining positive relationships with all elected officials can be time consuming, but it is critical to long-term success.

## Overall Results

Significant uncertainty exists for Michigan land banks with respect to current and future funding. While addressing the nuanced budget difficulties that land banks face, this study does not attempt to solve these state and local policy and funding issue. This study does provide an in-depth quantitative assessment of Michigan land bank impact with case study applications in Benzie, Calhoun and Kalamazoo Counties. It also provides a qualitative assessment of land bank impact and institutional functions.

Given the level of positive impact Michigan land banks are currently having, it begs the question of how much more positive or transformative of an impact Michigan land banks could be having if sufficient and sustainable funding was available.

Evidence from the quantitative and qualitative components of this study suggest the following:

- Distressed properties have significant negative impacts on their neighborhoods before a land bank performs any property intervention on them;
- Land bank interventions disrupt and alleviate the negative impacts that distressed properties have on the neighborhoods they are located in;
- The investment required to perform residential demolition and rehabilitation is far outweighed by the return that is experienced in nearby property value protection and appreciation;
- Expenditures to maintain and intervene on land bank properties creates positive economic impact and jobs;
- Direct insight and sentiment from statewide land bank leaders, case study land bank leaders, statewide land bank experts and community stakeholders all agree that land banks are having a positive community and economic impact;
- Given varied impact from distressed property intervention in different neighborhoods, if land banks are provided with resources to better identify neighborhood attributes and conditions, they can more strategically perform distressed property intervention to maximize impacts; and
- Budget required to address the size of distressed property inventory is often too low to fully address the administrative, public outreach and property intervention demands that the inventory requires.

The general narrative of this study focuses on land banks being used as a tool to address economic decline in Michigan. Research focusing on how effective land banks are at slowing and stopping property value decline is well developed. That said, a large gap exists in the research: estimations of the impact of commercial and mixed-use developments, new parks, community gardens and other economic growth measures that specifically focus on revitalization.

Land bank tools have been designed in the wake of economic decline, and have thus allowed acquisition by default of large volumes of distressed and unproductive land. These properties have significant value in the long-term assuming eventual economic growth. As the economy grows and becomes stronger these currently unproductive properties will regain value and become strategic assets that the land bank holds ownership of.

Future research would be wise to consider land banks in this light – as a strategic public institution with significant assets that can be leveraged for revitalization and growth.

This result is already beginning to show itself through legitimate economic development and growth in Kalamazoo County. When economies begin to improve and the dial shifts from activity focused on addressing decline to activity leveraging valuable land assets to improve the tax base, a new conversation emerges that puts land banks at the center of a critical economic revitalization movement.





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# Appendices



## Appendix 1 : Methodologies for Benefits Transfer Analysis

### A.1. ESTIMATING THE IMPACT OF RESIDENTIAL DEMOLITION & REHABILITATION ON NEIGHBORING RESIDENTIAL PROPERTY VALUES

Consistent adapted literature and methodology are used to estimate the impact of residential demolition and rehabilitation on neighboring residential property values (Griswold 2006; Griswold and Norris 2007; Griswold et al. 2014; Dynamo Metrics 2015, 2016a, 2016b, 2017)

1. Use adaptable literature to identify the distance of impact (500 feet for demolition and rehabilitation) from the given property intervention;
2. Use adaptable literature to identify the percent impact on nearby residential property values from each residential intervention type<sup>26</sup> :
  - a. Residential demolition and rehabilitation impact on nearby residential property was quantified from the weighted average (weighted by model observation count) in each generalized global model of findings from that research.
  - i. Proxy impact method was used: demolition is the difference between impact of vacant residential lots and residential blighted structures; rehabilitation is the difference between blighted residential structure and occupied residential structure.
    1. Residential demolition impact on home values within 500 feet: 4.01%.
    2. Residential rehabilitation impact on home values within 500 feet: 4.75%.
3. Calculate nearby housing counts, occupancy rates and value of homes that were impacted by each property intervention:
  - a. Identify the Census tract and Census block each activity falls within using GIS;
  - b. Identify the Median Home value of occupied housing units and total housing units for each Census tract (2016 American Community Survey 5-year estimates);
  - c. Identify the number of housing units in each Census block (2010 Summary File 1 from US Census Bureau)
  - d. Find the estimated number of occupied homes within each block by multiplying the number of housing units in the block with the % occupied housing units in the Census tract that the block falls within (i.e. correct for vacancy rate because we only provide impact on occupied home values to keep estimates conservative).
  - e. Find the density of occupied homes within the Census block each event falls within by determining the occupied housing unit density within the Census Block. (area of land/total housing units);
  - f. Calculate how many housing units would fall within a 500-foot radius circle for each residential demolition and rehabilitation calculation (area circle/area single housing units takes up in a block).
  - g. Calculate the estimated impact of each intervention event by using the multiplier associated with each intervention event (see (2) above) multiplied by the estimated number of occupied homes within 500 feet around each demolition and rehabilitation and then multiply by the median value of homes the Census tract the event falls within <sup>27, 28</sup>.

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## Appendix 1 : Methodologies for Benefits Transfer Analysis

### A.2. ESTIMATING THE IMPACT OF CASE STUDY LAND BANK EXPENDITURES ON LOCAL ECONOMY & JOBS

The adapted literature used for estimating the economic and jobs impact of case study land bank expenditures (Borowy et al. 2013; Wyckoff et al. 2017) was applied in the following way:

1. Total expenditures of the BCLBA, CCLBA and KCLBA on all property related activity (i.e. non-staff expenditures) were captured;
  2. Job multipliers (Jobs = \$71,716/FTE and \$90,589/FTE in Lansing and Grand Rapids, respectively) are captured from adaptable research;
  3. Economic impact multipliers (1.77X and 1.8X in Lansing and Grand Rapids, respectively) are captured from adaptable research.
  4. Multiply total relevant expenditures of case study land banks with the jobs and economic impact multipliers of the adaptable literature to estimate the impact of case study land bank expenditures on the county-level economy and jobs in their respective county-level economies.
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## Appendix 2: Qualitative Analysis Methodology

The qualitative analysis was designed to gather insights on the issues facing land banks. A statewide survey of land banks, focus groups in three case study communities, and key informant interviews were used to collect information. The survey instrument, focus group guides and key informant interview template were created in coordination with the entire project team. This analysis was not designed to be statistically significant nor to represent all land banks in Michigan. Due to the demographics of the land banks responding to the statewide survey and the size of land banks targeted for focus groups, this analysis portrays the experiences of communities with small to large land banks. These findings may not be applicable to all land banks in Michigan. In particular, only one land bank with a budget of over \$2 million is included in the analysis. Therefore, extra-large Michigan land banks are underrepresented.

The survey utilized an online platform to collect respondent data. It was sent to all Michigan land banks by email. This request was sent in October 10, 2017 with a follow-up request sent a week later. Land banks were also reminded to complete the survey at a Michigan Association of Land Banks (MALB) meeting in October. A total of 21 participants completed the survey on behalf of their land bank. One of these respondents conducts land bank type activities and participates in the MALB, but the organization is not an official land bank. The 20 official land banks make up almost half of the 42 land banks in Michigan, representing 47.6% response rate. It is important to note that some of the state's largest land banks were unable to provide information to include in the analysis. As such, the number of total properties, budgets, and employment are much lower than expected. A list of all participating land banks is included below. Their responses are only reported in aggregate.

### Survey respondents represent:

- Benzie County Land Bank Authority
- Berrien County Land Bank Authority
- Calhoun County Land Bank Authority
- Cass County Land Bank Authority
- Clare County Land Bank Authority
- Gladwin County Land Bank
- Ionia County Land Bank
- Jackson County Land Bank

- Kalamazoo County Land Bank
- Kent County Land Bank
- Lake County Land Bank Authority
- Leelanau County Land Bank Authority
- Marquette County Land Bank
- Muskegon County Land Bank Authority
- Oakland County
- Oceana County Land Bank Authority
- Ogemaw County
- Ottawa County Land Bank Authority
- Saginaw County Land Bank Authority
- State of Michigan Land Bank Fast Track Authority
- Wayne County Land Bank Corporation

The case study communities were selected in conjunction with MALB and the State Land Bank Authority. They represent small and large land banks<sup>29</sup>. This decision was intentional to showcase the issues faced by average land banks in Michigan. A total of 20 people participated in three focus groups. The focus groups were held in Benzie, Calhoun, and Kalamazoo Counties and invitations were sent out by the local land banks to community members. The level of knowledge of land bank activity varied from person to person and participants had diverse experiences (or no experience) with the local land bank. Participants represented community organizations, local government officials, regional economic development associations, the general population, and more. The focus group population is not intended to be representative of all communities or opinions, but to provide qualitative information on how residents in medium to small communities perceive their local land banks.

Key informant interviews were conducted with the three case study land bank directors and one person involved with land bank activity but working directly for a land bank. These four individuals provided additional context and information to binary survey responses and provide more detailed examples of the issues and opportunities faced by land banks.

The instruments utilized in conducting the qualitative analysis are included in this appendix. All findings have been summarized in the qualitative section of the report.



## Appendix 3: Michigan Association of Land Banks–Focus Group Guide

### PURPOSE

The Michigan Association of Land Banks (MALB) is partnering with Dynamo Metrics and Public Sector Consultants (PSC) to better understand and document the impacts made by various land banks across Michigan. The purpose of this focus group is to gather feedback from participants on their thoughts and opinions on the impact of the land bank in their community:

### AUDIENCE

Each focus group will include 15 to 20 community members. Focus groups will be hosted by the land banks in Benzie, Calhoun, and Kalamazoo Counties. Participants may include residents, nonprofit leaders, business leaders, government officials, and others with thoughts and opinions on how the local land bank's activities are affecting their community.

### SCRIPT

#### Arrival (approximately 15 to 20 minutes prior to scheduled start time)

PSC staff will introduce themselves and welcome participants as they arrive. PSC will also encourage participants to complete a demographics form.

#### Introduction (5 minutes)

Good [morning/afternoon/evening]! Thank you for taking time out of your busy day to share your insights with us. My name is Melissa Gibson, and this is my colleague, Patrick Lyons. We work for Public Sector Consultants in Lansing. We're researchers, and we regularly partner with organizations like the Michigan Association of Land Banks to gather data to help them improve their work. Tonight, we are here to learn more about your experiences with the Benzie County Land Bank and your thoughts on how it has impacted your community.

My job is to guide our conversation and make sure everyone can participate. I'll ask the group questions, and I'll follow up to learn more or clarify your thoughts. Patrick's job is to document the discussion. Your responses are anonymous, but he's taking notes so we can include your thoughts in the report we produce for the Michigan Association of Land Banks. He may ask you a follow-up question too, to make

sure our notes are as accurate as possible.

Please be comfortable speaking up. We are really interested in your opinions. We also ask that you allow others to share too. There are no right answers, and where there are differences of opinion, we want to make sure that we capture them.

Any questions for me or Patrick before we get started?

#### Welcome (10 minutes)

Round-robin introductions:

- Introduce yourself.
- What community do you live in?
- What brings you to today's focus group?

#### Knowledge/Warm-up (10 minutes)

Begin with a brief overview of the local land bank

- What do you see as the primary purpose of the land bank in your community?

#### Impact (15 minutes)

- What is the most noticeable change you've seen in areas where significant land bank activities have occurred?
- Has the quality of life changed in areas where significant land bank activities have occurred? [Probe for specifics if needed.]
- How have crime and safety been impacted by land bank activities?
- How have property values changed in areas with significant land bank activities?
- Have you seen an increase in residents or businesses near areas where land bank activities have occurred?
- Comments on Land Bank Activities (15 minutes)
- Now I would like to ask you about your thoughts and opinions on the actions of the land bank in your community?
- What types of activities would you like to see the land bank do more of? [Probe for specifics if needed: more side lot programs, more commercial activity, more historic preservation, more efforts to tear down vacant homes.]
- What types of activities would you like to see the

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## Appendix 3: Michigan Association of Land Banks–Focus Group Guide (*cont.*)

land bank do less of? [Probe for specifics if needed: demolition, buying certain types of properties, holding properties too long, etc.]

### Impact/Equity (20 minutes)

- Do you think that the Land Bank efforts help blocks that have experienced long-term disinvestment? [Probe: how so? If not, why not?]
- How has Land Bank activity impacted families on blocks that have experienced long-term disinvestment? [Probe: has Land Bank activity affected you personally? If so, how?]
- Some areas have more disinvestment and challenges relating to vacancy and blight than others. Do you think the Land Bank helps these areas in a positive way? [Probe: why or why not?]
- What should the Land Bank be doing more of to help address inequities caused by longstanding historical practices?

### Closing (15 minutes)

- Is there anything that hasn't come up in our conversation today that you think it is important for others to know about the land bank?
  - Thank you very much for participating and sharing your experiences with us. We will summarize the results of today's meeting and include them in our report for the Michigan Association of Land Banks.
  - If you haven't completed the demographic form, please take a minute and complete one before you leave. Please do not include your name on this form. Please fill out as much of the form as you can, but just skip any questions you don't want to answer.
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## Appendix 4: MALB Key Informant Interview Guide–Land Bank Directors

*Note: this interview guide is for Land Bank directors*

### PURPOSE

The Michigan Association of Land Banks (MALB) is partnering with Dynamo Metrics and Public Sector Consultants (PSC) to better understand and document the impacts made by various land banks across Michigan. As part of this research, we are conducting interviews with several experts. You have been identified by MALB as one of the experts to interview. Thank you for taking the time to talk with me today.

### QUESTIONS

#### Land Bank Features

First, I'd like to ask you about some of the features of your land bank.

1. How many properties does your land bank currently own?
2. What is the total value of assets under management at your land bank?
3. How many full-time staff do you have?
4. What are the primary sources of funds for your land bank?

#### Land Bank Goals

Now I'd like to ask you some questions about your land bank's goals and how you accomplish them.

5. What do you see as the primary purpose of your land bank?
6. Are there other important goals for your land bank?
7. What are the most important projects that your land bank has undertaken?  
[probe: what were the results of this work]
8. In what ways has your land bank impacted your community?  
[probe: has it increased property values? Has it lowered crime?]
9. How do you prioritize projects?
10. What metrics do you track?

#### Opportunities and Challenges

Now I'd like to ask you about some of the opportunities and challenges facing your land bank.

11. What are the biggest opportunities in your community for the land bank to make a positive impact?
12. What would you need, that you don't have right now, to take advantage of these opportunities?
13. What is the biggest challenge facing your land bank?
14. Have you seen any resistance in your community to land bank activities? If so, what concerns have been expressed? Have you taken any actions to address these concerns?

#### Equity

15. Do you consider long-term historical inequities and practices and how to address them when deciding where to engage in work?

#### Closing

Thank you very much for taking the time to speak with me today. Is there anything we haven't covered that you want to make sure I know about land banking?

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## Appendix 5: MALB Key Informant Interview Guide–Other

*Note: this interview guide is for Interviewees who do not direct land banks*

### PURPOSE

The Michigan Association of Land Banks (MALB) is partnering with Dynamo Metrics and Public Sector Consultants (PSC) to better understand and document the impacts made by various land banks across Michigan. As part of this research, we are conducting interviews with several experts. You have been identified by MALB as one of the experts to interview. Thank you for taking the time to talk with me today.

### QUESTIONS

#### Land Bank Goals

I'd like to ask you some questions about land banks, their goals, and how they accomplish them?

1. What do you see as the primary purpose of land banks?
2. Are there other important goals for land banks?
3. In what ways do land banks impact communities? [probe: has it increased property values? Has it lowered crime?]
4. How should land banks prioritize projects?
5. How should land banks measure success?

#### Opportunities and Challenges

Now I'd like to ask you about some of the opportunities and challenges for land banks.

6. What are the biggest opportunities for land banks to make a positive impact?
7. What is the biggest challenge facing land banks?
8. Do you have any criticisms of how land banks operate? Have you heard others express criticisms around land banking?

#### Equity

9. Should land banks consider long-term historical inequities and practices in a community when deciding where to engage in work?

#### Closing

Thank you very much for taking the time to speak with me today. Is there anything we haven't covered that you want to make sure I know about land banking?

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## Appendix 6: MALB Survey–Online

### BACKGROUND

The Michigan Association of Land Banks is currently researching the impact of land banks to:

- Understand the various impacts made by land banks across the state of Michigan
- Assist the Association and Association members in their efforts to educate and inform the public, partners, funders and legislators regarding the impact of land banks and land banking tools
- Allow Michigan land banks and others to plan future strategies with research-based knowledge on opportunities and potential associated with differing land bank programs

To help with this research, we are asking for your assistance. We are surveying Michigan's land banks, and your voice is important. Please take a moment to answer the following questions. We are requesting that just one individual from each land bank respond to the survey. Public Sector Consultants will be compiling the survey results and summarizing them for inclusion in the research report. Please complete this survey no later than November 17 (extended an additional week when implemented). If you have questions or experience technical difficulties, contact Jeff Guilfoyle (jguilfoyle@publicsectorconsultants.com).

- Land bank name:
- Name of person completing this survey:
- Email address:

### ORGANIZATIONAL ASSESSMENT

- How many properties does your land bank currently own? [Open-ended response.]
- What is the total value of land bank assets under management? [Open-ended response.]
- How many full-time equivalent staff does the land bank currently have? [Open-ended response.]
- What is the land bank's current operating budget, excluding costs for property redevelopment? [Open-ended response.]
- How important are the following sources of funding to your Land Bank:

FUNDING SOURCE:	DON'T USE/ NOT AT ALL IMPORTANT:	SLIGHTLY IMPORTANT:	MODERATELY IMPORTANT:	VERY IMPORTANT:	EXTREMELY IMPORTANT:
City Or County General Fund Appropriation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Funding from County Delinquent Tax Revolving Fund	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Funding from the Sales of Acquired Properties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Federal or State Grants	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Five-Year 50% Tax Recapture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lease or Rental Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Philanthropic Support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other Revenue Sources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

- How would you describe the current medium-term (3 to 5 years) outlook for your budget: [Choices: Not sustainable; weak but sustainable; sustainable but not strong or weak; strong and sustainable; unknown/uncertain]
- What is your land bank's biggest concern? [Open-ended question]

## Appendix 6: MALB Survey–Online (*continued*)

### ACTIVITIES

These next few questions ask about land bank tools and activities. Please select the choice that is most appropriate next to each item.

- How frequently do you engage in the following activities or use the following tools?

HOW FREQUENTLY DO YOU ENGAGE IN THE FOLLOWING ACTIVITIES OR USE THE FOLLOWING TOOLS:	NEVER:	RARELY:	SOMETIMES:	OFTEN:
Demolition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Side Lot Programs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Long-Term Non-Market Green Use (Parks, Urban Agriculture, Green Space, Etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rehabilitate Single Family Housing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rehabilitate Multi-Family Housing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Develop Housing for Low-Income Individuals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Develop Former Brownfield Properties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rehabilitate Homes with Lead-Based Paint Issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rehabilitate Fire Damaged and Contaminated Structures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rehabilitate Homes with Asbestos Issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Redevelop Abandoned Commercial Properties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Redevelop Abandoned Industrial Properties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assist with Business Development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lease or Rent Property	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Restoration of Historic Properties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Adopt-A-Lot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Community Mowing or Other Volunteer Programs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quiet Title Program	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### IMPACT

These next few questions ask about the impact of your land bank on your community.

- How important are your land bank activities to the following:

HOW IMPORTANT ARE YOUR LAND BANK ACTIVITIES TO THE FOLLOWING:	NOT AT ALL IMPORTANT:	SLIGHTLY IMPORTANT:	MODERATELY IMPORTANT:	VERY IMPORTANT:	EXTREMELY IMPORTANT:
Stabilizing Neighborhoods	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increasing Property Values	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reducing Crime and Increasing Community Safety	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Improving the Tax Base	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increasing Quality of Life in Your Community	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Eliminating Blight	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increasing Economic Development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Providing Affordable Housing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Thank you for responding to this survey.

## Endnotes

- (1) KCLBA demolitions include three (3) small-scale commercial demolitions that occurred within residential areas.
- (2) Distressed properties include blighted abandoned homes and other structures that are often in a cycle of tax delinquency and foreclosure.
- (3) Michigan tax foreclosure reform laws: PA 123 (1999) <https://www.legislature.mi.gov/documents/1999-2000/publicact/pdf/1999-PA-0123.pdf>
- (4) Activity performed on land bank properties are termed property “interventions” in this study because the status of the property changes and the change requires a land bank financed intervention. Distressed property “intervention” is broadly defined as the various land bank-driven activities that transform distressed properties – namely demolition, disposition for rehabilitation, vacant lot improvement, new residential construction and economic development in this study.
- (5) Griswold 2006; Griswold and Norris 2007; Leonard 2010; Alexander 2011; Borowy et al. 2013; Griswold et al. 2014; Alexander 2015; Dynamo Metrics 2015; Fujii 2016; Dynamo Metrics 2016a, 2016b, 2017; Wyckoff et al. 2017
- (6) “Benefit transfer [analysis] is the adaptation of information derived from original research in a different context” (Champ, Boyle, and Brown 2017, pg. 447)
- (7) “Amenity” is broadly defined as a positive neighborhood attribute – parks, maintained yards, walkability, etc. – that improves the quality of a neighborhood.
- (8) “Disamenity” is broadly defined as a negative neighborhood attribute – distressed properties, odors, loud sound, high crime rate, etc. – that decreases the quality of a neighborhood.
- (9) (Coase 1960; Kain and Quigley 1970; Tobler 1970; Rosen 1974; Li and Brown 1980)
- (10) (Margulis and Sheets 1985; Simons, Quercia, and Maric 1998; Griswold 2006; Voicu and Been 2008; Rossi-Hansberg, Sarte, and Owens 2010; Buchianeri, Gillen, and Wachter 2012; Borowy et al. 2013; Frazier, Bagchi-Sen, and Knight 2013; Griswold et al. 2014; Immergluck 2015; Dynamo Metrics 2015, 2016a; Fujii 2016; Ryberg-Webster and Kinahan 2017; Wyckoff et al. 2017)
- (11) (Coase 1960; Tobler 1970; Griswold 2006; Rossi-Hansberg, Sarte, and Owens 2010; Rossi-Hansberg and Sarte 2012).
- (12) (Ioannides 2002)
- (13) (Anselin 1988, 1990; Anselin and Arribas-Bel 2013; Griswold et al. 2014; Dynamo Metrics 2016; Ihlanfeldt and Mayock 2016).
- (14) (Harding, Rosenblatt, and Yao 2009)
- (15) (Kobie 2010; Kobie and Lee 2011)
- (16) “Land-bank type” properties refer to properties in research performed on the impact of distressed properties such as tax delinquent, mortgage-foreclosed, vacant, abandoned and blighted properties. These properties may not be actual land bank owned properties in the actual research, but hold the characteristics of land bank properties and are thus relevant proxies to the impact of land bank inventories.
- (17) Direct methods quantify the property value impact on neighbors near the actual property interventions of interest. Indirect methods identified in this study include “proxy” analysis, which look at the property value impact of the “before” and “after” status of the distressed property intervention of interest. See page 9 (Griswold et al. 2014) for a further explanation of proxy analysis as applied to residential interventions relevant to this study.
- (18) Griswold 2006; Mallach 2011; Borowy et al. 2013; Hackworth 2016; Dynamo Metrics 2016a; Morckel 2017)
- (19) Benefits transfer analysis methodologies can be found in Appendix 1.
- (20) See endnote (1).
- (21) Because rehabilitations, disposition for rehabilitation, and re-occupancies from a previously vacant status have the same effect of creating a reoccupied home in a neighborhood, re-occupancy was valued as a rehabilitation in this analysis.
- (22) The Michigan Association of Land Bank’s strategic plan defines small land banks as those with a general fund operating budget of \$0 to \$50,000, a medium land bank as \$50,000 to \$100,000 and a large land bank as \$100,000 plus. This definition leaves a lot of variation for large land banks. We have added the category of extra large land banks to identify those that have over \$2 million in operating funds.
- (23) Two of Michigan’s largest landbanks, from Genesee and Detroit, were unable to provide data in the timeframe provided. Several studies have focused on these extra-large land banks. More information on the impacts of these land banks can be found in (Genesee: Griswold 2006; Griswold and Norris 2007) and (Detroit: Dynamo Metrics 2015).
- (24) The five-year 50 percent tax recapture allows land banks to keep half of the taxes paid for a property within the first five years after it has been taken over by the land bank.
- (25) The weighted average provides a uniform measure to compare scaled responses. The higher the weighted average, the more important the funding source.
- (26) Specific quantification tables available upon request.
- (27) In cases where more than one event falls within a Census block, reduce the median home value based on application of reductions of the coefficient for each subsequent event. See page 22, endnote (viii) Dynamo Metrics (2017) for a detailed explanation.
- (28) In the cases where an event was unmappable, we identified the type of event and applied the average impact of that event type in the county in which it fell in.
- (29) The Michigan Association of Land Bank’s strategic plan defines small land banks as those with a general fund operating budget of \$0 to \$50,000, a medium land bank as \$50,000 to \$100,000 and a large land bank as \$100,000 plus. This definition leaves a lot of variation for large land banks. We have added the category of extra large land banks to identify those that have over \$2 million in operating funds.

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