



## Combating Blight in New Orleans

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## Table of Contents

Executive Summary	3
I. Defining Blight	4
A. What is Blight?	4
B. Causes of Blight	5
1. New Orleans	5
a. Kelo vs. City of New London	5
b. Destruction of Hurricanes Katrina/Rita	5
c. Population Decrease	6
2. Other Cities	6
a. Confusion of heirs to property	6
b. Inability of owners to afford property	6
c. Prevalent Mortgage Foreclosures	6
C. Negative Implications of Blight	7
1. Lowers Property Value	7
2. Hazardous to health of neighboring residents	7
3. Aesthetic of the neighborhood impacted	8
II. New Orleans' Solutions	9
A. Tax Adjudication	9
B. Expropriation (REALM)	9
C. Lot Next Door	10
D. New Orleans Recovery Authority	10
E. Code Enforcement	10
F. Louisiana Recovery Authority	11
G. Road Home Program	11
III. Comparative Analysis	12
A. Cleveland, Ohio	12
B. Atlanta, Georgia	13
IV. Policy Recommendations	13
A. Urban Agriculture	14
B. Land Banks	19s

## **Executive Summary**

Blighted and vacant properties in New Orleans are a prevalent problem that have had negative effects on the city. Blighted properties lower property value, are hazardous to health of neighboring residents, decrease the aesthetic of the neighborhood, and create weak market neighborhoods. The amalgamation of different factors has made blight a prominent issue in the city, namely the disarray caused by Hurricanes Katrina and Rita. However, New Orleans shares some causes with other cities as well such as mortgage foreclosures and owners who neglect property taxes and other payments for the property. Various New Orleans authorities have proposed solutions to blighted properties such as urban farms, regulating storm water runoff, creation of land banks, or the demolition of the property. New Orleans has executed a few different solutions to ameliorate blight such as government laws like expropriation, code enforcement, and tax adjudication as well as setting up organizations like the New Orleans Recovery Authority (NORA) and the Louisiana Recovery Authority (LRA). One of the most lucid ways to ascertain New Orleans' progress in decreasing blight is by comparing it to other cities. Collating information from New Orleans and similar cities that deal with this problem will provide a succinct barometer of where New Orleans stands. The most popular way other cities have diminished blight is by means of land banking systems that oversee and manage vacant properties in the city. These systems increase accountability for blighted properties and, in the long-term, can stimulate growth in the city by generating new businesses. In the end, New Orleans needs to implement a long-term plan that makes the city accountable for the amount of blight contained in certain areas. Establishing a land banking system in New

Orleans will make this goal attainable. Over time, land banks will be extremely beneficial to the city

## **I. Defining Blight**

### **A. What is Blight?**

Blight is defined as areas that contain excessive amounts of properties that are abandoned and uninhabitable.<sup>i</sup> No tangible way to conclusively determine what constitutes “excessive” exists, but certain factors can help us gain a better understanding of what an excessive amount of blight is. If the amount of blighted properties in an area creates a weak market neighborhood, then this is a clear indication that there is an overflow of blight in the neighborhood. A weak market neighborhood occurs when the cost of building houses in the neighborhood is greater than the selling value.<sup>ii</sup> There are an estimated 35,000 to 43,000 blighted properties in New Orleans, which is a number that has decreased since Katrina, but still remains higher than other cities. Blight falls into three categories: city-owned properties, privately-owned properties, and occupied, substandard property.<sup>iii</sup> Occupied, substandard properties do not meet the city’s health and safety standards (Doring 8). Identifying what exactly vacant and blighted properties are is at the crux of finding a solution to reducing them. The AtlantaGeorgia.gov website categorizes properties in three different ways. A property is termed *abandoned* when mortgage foreclosure proceedings have begun on the property, no tax payments have been made for 90 days, and the vacancy of the property has lasted 90 days.<sup>iv</sup> A property is blighted when it becomes a threat to public welfare, and if a property’s foreclosure proceeding is completed it is foreclosed.<sup>v</sup>

## B. Causes of Blight

A variety of different factors cause blight. Certain causes are intrinsic to New Orleans, but there are primary causes evident in other cities.

Table 1. Comparison of Causes for Blight in New Orleans and in Other Cities

New Orleans	Other Cities
<i>Kelo vs. City of New London</i>	Confusion of heirs to property
Destruction of Hurricanes Katrina & Rita	Inability of owners to afford property
Population Decrease	Prevalent Mortgage Foreclosures

### 1. New Orleans

#### a. *Kelo vs. City of New London*

This court decision made managing blighted properties in New Orleans even more difficult. As a result of this court case, expropriation regulations became more stringent and eminent domain was restricted as well.<sup>vi</sup> Eminent domain is the right of a state to impound a property without consent of the owner.<sup>vii</sup>

Limiting these policies made it even more arduous for the government to seize blighted properties that were being neglected by the owners.

#### b. Destruction of Hurricanes Katrina and Rita

Hurricanes Katrina and Rita caused extensive, irreversible damage and disarray to the city of New Orleans. Hurricane Katrina rendered 300,000 residential properties uninhabitable and out of those properties 100,000 became abandoned.

<sup>viii</sup> After facing floodwaters reaching six feet and winds up to 174 miles per hour, some homes had no hope for restoration even if residents attempted to move back.

c. Population Decrease

After Hurricanes Katrina and Rita, a sharp decline in New Orleans' population occurred. The population of the city was halved from 484,674 to 254,502 and this proved catastrophic for real estate.<sup>ix</sup> Many of the residents displaced after Katrina did not return so as a result, the homes in which they once resided were abandoned.<sup>lxxxiii</sup> This diaspora of the former denizens of New Orleans contributed in increasing the amount of blight in the city.<sup>lxxxiv</sup>

2. Other Cities

d. Confusion of heirs to property

Oftentimes, there is confusion or controversy on who is meant to inherit a home whose owner has passed away. Because these properties have no clear owner, they are not managed properly and often become dilapidated.

e. Inability of owners to afford property

Some residents who are unable to afford their property illegally neglect payment and taxes on their property and leave the home unattended. Because the Louisiana state government allows three years for owners to compensate for unpaid taxes, properties are prone to becoming bedraggled because they are left uncared for in such a long period of time.<sup>x</sup>

f. Prevalent Mortgage Foreclosures

Foreclosed homes are put up for sale if the owner stops making payments on the property.<sup>xi</sup>

**B. Negative Implications of Blight**

1. Lowers property value

- Blighted properties lower the property value of neighborhoods because they are left dilapidated and unpaid. Blight is particularly detrimental to the property value of immediate neighbors as well because new residents are not going to want to have a dilapidated, uninhabited property in their view. According to the *FCCA Land Bank* website, “Vacant and abandoned land does not produce sufficient property tax revenue and this lack of funding impedes a city’s ability to sustain its operations, programs and services.”<sup>xii</sup> A number of circumstances can make the property value in a neighborhood go down including: Damaged or the inadequacy of streets, irregularity of plots, in existent mixture of both residential and industrial properties, and the incidence of crime in neighborhoods.<sup>xiii</sup> Vacant properties cost the city of Philadelphia on average millions of dollars causing the tax revenue to be reduced.<sup>xiv</sup> Philadelphia this year has declared an estimated 40,000 abandoned houses.<sup>xv</sup> As a result, the city wants to acquire a “land bank” to appeal or attract potential buyers hence causing the property values in many neighborhoods about the city of Philadelphia to go up.

2. Hazardous to health of neighboring residents

- Blighted properties can pose a plethora of health and safety concerns to surrounding residents. These properties are prone to contracting mold and other infestations that can grow to affect others. Also, incidences where blighted properties have fallen on other habited properties have occurred.<sup>xvi</sup> Vacant properties are dangerous to the overall health of residents. The following qualify as hazardous conditions to the overall health of citizens exposed to abandoned properties; incidence of crime and drug deals or prostitution, overcrowding, lack of sanitation, fire hazards, traffic congestion, and pollution.<sup>xvii</sup>

3. Aesthetic of the neighborhood impacted

- The overall aesthetic of a neighborhood suffers when these kinds of properties are prevalent. The neighborhood's general appearance also has an affect on new residents because new residents are going to be less inclined to live in a neighborhood with these bedraggled properties. In turn, this lowers the property value of the neighborhood, which can contribute to creating a weak market.<sup>xviii</sup> Neighborhood aesthetics may include sidewalks, curbs, lampposts, power lines, community gardens, and houses. The improvements or introduction of these aesthetics into communities enhance the overall economic development in neighborhoods. For example, the Chester, Pennsylvania city officials recognized their blighted textile mill would discourage potential buyers or investors. To

eliminate the mill the city was awarded \$500,000 dollars in a community development grant. As a result, this monetary support has encouraged Chester city's economic development and progress. The elimination of commercial blight has also improved the downtown area of Chester substantially along with improving the overall aesthetics of the city causing an increase in property values.

## **II. New Orleans' Solutions**

New Orleans has attempted to implement a few different actions to try and ameliorate blight. Some have had moderate success, while others have not helped much.

### **A. Tax Adjudication**

Local or state government procure adjudicated properties because property taxes have not been paid. The state legislature is currently attempting to pass a bill that would reduce the amount of time owners of vacant properties have to compensate for unpaid taxes from 3 years to 18 months.<sup>xix</sup> If passed, this bill would make it quicker for the government to seize properties not being paid for and put them back into productive use.<sup>xx</sup>

### **B. Expropriation- Real Estate Acquisition and Land-Banking Mechanism (REALM)**

Expropriation involves taking private property for public use or in public interest.<sup>xxi</sup> It requires a strict and fair legal process and is only used as a last resort when other measures have been exhausted. NORA established REALM in order to make NORA's expropriation process more proactive. REALM had the authority to obtain clusters of properties in three neighborhoods that contained some of the highest amounts of blight in the city.<sup>xxii</sup> These properties would then be sold to non-profit developers of low-income areas.<sup>xxiii</sup> This new approach aimed to help restore whole neighborhoods as

opposed to individual redevelopments.<sup>xxiv</sup> The program was costly and caused NORA to experience budget shortfalls.<sup>lxxxviii</sup> These shortfalls made REALM's overall efficiency and worth to be questioned because funding the program did not seem like a productive use of the city's funds.<sup>lxxxix</sup>

### **C. Lot Next Door**

A New Orleans City Council Ordinance established The Lot Next Door program in 2007 to rehabilitate properties that were left abandoned following Hurricane Katrina. The program asserted that neighbors to a blighted property could purchase the property for a fraction of its original price and use it as a side yard if it was kept in good condition.<sup>xxv</sup> Buyers of the blighted property could not build anything on the land and the only vacant properties eligible for purchase were those that were in the Road Home property.<sup>xxvi</sup> At the March 23<sup>rd</sup> auction, 135 properties were sold which produced \$4.9 million.<sup>xc</sup>

### **D. New Orleans Recovery Authority (NORA)**

NORA partners with both public and private entities to restore and redevelop struggling New Orleans neighborhoods. NORA has played an integral role in bringing staggering neighborhoods back to their previous state or even better. Their main way of handling blight is by using the Lot Next Door program and ensuring its success.<sup>xxvii</sup> According to the *Nora Works* website, "NORA has the authority to acquire real properties through negotiation, gift, or expropriation Dispose of said properties by sale, lease or donation, borrow money issue bonds provide security to support slum clearance and neighborhood development." <sup>xxviii</sup>

## **E. Code Enforcement**

The Department of Code Enforcement works to eliminate blight in New Orleans by ensuring every building is in compliance with City Code and enforcing building codes against properties that are determined to be public nuisances.<sup>xxxix</sup> If a property is found to be in violation of the City Code, then punishments such as fines, increased property taxes, and jail time can be executed.<sup>xxx</sup> This approach sought to control blight by using punishment as a means to discourage owners from neglecting their properties.<sup>xxxi</sup>

## **F. Louisiana Recovery Authority**

Louisiana's Division of Administration established the Louisiana Recovery Authority after Hurricane Katrina in order to expedite the recovery process for New Orleans. LRA received three allocations of funds from Community Development Block Grant that were assigned for economic development, community restoration, infrastructure, and housing rebuilding.<sup>xxxii</sup> LRA have currently not completed distributing the funds, but the third allocation is assigned for redeveloping communities in the city. The outcomes of this program remain to be seen since the final allotment of funds has not been distributed.

## **G. Road Home Program**

NORA established the Road Home Program after Katrina and aimed to either assist residents' whose homes were damaged or obtain homes of owners who could not afford to rebuild their property. RHP gave residents two options: either accept the money from the program and use it to restore their homes, or sell their property to the Road Home Corporation (RHC) or the Louisiana Land Trust (LLT).<sup>xxxiv</sup> RHP has given a total of

\$8.9 billion to over 130,000 residents for rebuilding and protecting their homes.<sup>lxxxv</sup> RHP has also given more than \$400 million to restore about 8,500 rental units.<sup>lxxxvi</sup> While this system appeared efficient on paper, it was beset by scams and controversy. The program was managed poorly and certain policies were ambiguous or inefficient.<sup>xxxv</sup>

### **III. Comparative Analysis**

Comparing New Orleans to similar cities who have to combat blight serves as a good barometer of where New Orleans stands in terms of recovering and restoring blighted properties. Cleveland, Ohio and Atlanta, Georgia both have efficient land banking systems that have kept their amount of blight considerably less than that of New Orleans. Land banks are government entities that are responsible for managing and developing abandoned properties until they can be used for a productive property.<sup>lxxxvii</sup> In addition to land banking, these cities also actively implement code enforcement in order to ensure that certain rules and regulations are being adhered to.

#### **A. Cleveland, Ohio**

The Cuyahoga Land Bank Authority is the major land banking authority in Ohio and is based in Cleveland. According to the *Cuyahoga Land Bank* website, “Over time, by assembling larger parcels of land for specific, new development or for the purpose of creating green space or urban gardens and farms, the Cuyahoga Land Bank is providing a second life for property that has previously been deemed undesirable by its owners and overlooked as too challenging by developers.”<sup>xxxvi</sup> A city ordinance asserts that all properties the Land Bank acquires must be redeveloped and distributed within a 15-year time period.<sup>xxxvii</sup> This ordinance creates an accountability for and monitoring of the

properties that was not present previously. A problem with blighted properties is that they are not accounted for and have the potential to spend copious years neglected and become dilapidated. The Cleveland Land Banks also rely on the newly created communities to maintain the neighborhoods after the land bank has done its work. Community Development Corporations (CDCs) are established by local governments to ensure these communities are upheld.<sup>xxxviii</sup> Community Development Corporations typically buy these parcels of land from the land banks and then redevelop it for productive use in the of retail stores or new housing.<sup>xxxix</sup>

## **B. Atlanta, Georgia**

Atlanta has instituted a similar land banking strategy to other land banking systems in different cities. The main organization responsible for land banking in Atlanta is The Atlanta Land Bank Authority (ALBA). This authority has the ability to procure and manage these properties until they are changed to a productive use.<sup>xl</sup> According to the FCCA Land Bank website, “Land banks act as a legal and financial mechanism to transform vacant, abandoned and tax-foreclosed property back to productive use.”<sup>xli</sup> The Atlanta Land Bank Authority has the ability to seize and manage tax-foreclosed property. These land banks also assist schools because they receive greater funds due to the increased number of property owners in the school district.<sup>xlii</sup> According to *The City Of Atlanta* website, “research shows that every 1 percent increase in the vacancy rate brings about a 2.3 percent increase in crime.”<sup>xliii</sup> Atlanta also created the Neighborhood Stabilization Program to help maintain blight and keep it from becoming excessive. According to the *AtlantaGeorgia.gov* website, “The Neighborhood Stabilization Program (NSP) will provide emergency assistance to state and local

governments to acquire and redevelop abandoned or foreclosed properties that might otherwise become sources of abandonment and blight within their communities.”<sup>xliv</sup>

#### **IV. Possible Solutions**

Ultimately, certain solutions exist that New Orleans can implement to alleviate blighted properties. While no solution is infallible, implementing these recommendations successfully would greatly assist New Orleans in combating blight more effectively.

##### **A. Urban Agriculture**

New York City has utilized urban farms as a means to transform blighted properties into productive areas. Five Borough Farm is centered in New York and is a leader for urban agriculture in the United States. The four main types of farms urban agriculture is divided into are: community farms, commercial farms, institutional farms, and community gardens.<sup>xlvi</sup> Community farms are communal areas focused on food production, commercial farms are larger with factories, institutional farms are associated with places like churches, and community gardens aim to improve the aesthetic of an area.<sup>xlvii</sup> According to the *Five Borough Farm* website, “*Five Borough Farm* establishes a framework to understand how the broad range of activities happening at the city's farms and gardens can contribute to social, health, economic, and ecological outcomes, and introduces a set of indicators that can be used to measure the multiple benefits of urban agriculture.”<sup>xlviii</sup>

A possible solution to the issue of blight and vacant properties in New Orleans is urban farming. Many cities, such as Philadelphia, New York City, Portland and Los Angeles have turned to such measures for locally grown and sustainable foods, as well as beautifying the city and eliminating the issue of blight.<sup>xlix</sup> Furthermore, blight tends to be

a problem in poorer neighborhoods, and lower-class people are often either malnourished or overweight, lacking access to healthy foods due to their expense.<sup>i</sup> Urban farms in such neighborhoods would provide a healthy, alternative lifestyle to the ones this portion of the population is living.

In Long Beach, a popular suburb of LA, urban farming has become quite trendy. Charles Moore started the Gladys Avenue Urban Farm thirty-eight years ago in an abandoned lot to feed the employees at his furniture repair shop.<sup>ii</sup> Moore discussed how, back in that time, they had something called the Long Beach Food Coop, which advocated turning the city's vacant lots into urban farms, which was often a success.<sup>iii</sup> Prior to this, the lots just sat there, growing weeds, and people would pour pesticides on them.<sup>iiii</sup> However, the land was mulched and corn, beans, lettuce and melon, among various other types of crops, were planted and tended to by preschoolers and chefs, alongside the community members.<sup>liv</sup> The produce goes towards lunch programs in preschools, educating preschoolers about where food comes from, and even a delivery service from Beachgreens Urban Farm to customers, and providing recipes based on the seasonal produce.<sup>lv</sup>

Urban farming has also taken off successfully in other countries. In Cuba, poverty affects many families and people can barely afford to buy food. Miladis Bouza, a Cuban resident who was hit hard by the bad economy after the USSR's collapse, requested from the government that she convert a nearby abandoned lot into a farm, and her request was granted.<sup>lvi</sup> Now, with a lush garden teeming with tomatoes, yams and spinach, among other things, Bouza only has to buy meat from the store as a source of protein.<sup>lvii</sup> In addition, Bouza's salary is even better than the average, and what she used to make with

her government job, thanks to her selling the produce for cheap at a stand on a busy street.<sup>lviii</sup> The demand for freshly-grown produce is high in Havana, according to her customers.<sup>lix</sup> The health of people in Cuba has also improved since the trend of urban farming began, as Cubans now eat fewer calories a day and rely more on produce than what they used to eat during Soviet times-canned food imported from Eastern Europe.<sup>lx</sup> Nowhere else on the planet has urban farming been used so successfully to feed an entire population.<sup>lxi</sup> Havana is a successful model for the triumph of urban farms.<sup>lxii</sup>

Boston has set forth a new Urban Agriculture Initiative to help the economy and the health of its residents. The goal of said initiative is to provide nutrition to the poor of the city, make healthy food accessible and cheaper, and provide self-sufficiency for people that need it.<sup>lxiii</sup> Making ties between local and regional farmers, educating people (especially youth) about healthy eating habits, and selling local produce to school lunch programs, restaurants, and the like will also benefit the city.<sup>lxiv</sup>

According to the Environmental Protection Agency, “Before a property can be redeveloped, contaminants must be removed, capped or contained in ways that limit exposure risks. Urban agriculture projects can help bind contaminants while providing further benefits to the property and surrounding community. An urban farm or community garden can improve the environment, reduce greenhouse emissions, and improve access to healthy, locally grown food.”<sup>xciii</sup> New Orleans could learn many things from these cities and their urban farming situations. From the cases of Long Beach and Boston, New Orleans should implement a similar plan, initiative, or even just decide as a community to take ownership of the unsightly, vacant lots and transform them into lush, beautiful gardens. Selling local produce to schools for lunch programs is an

easy thing to do, as even Sodexo in both Tulane University in Loyola University New Orleans gets most of, if not all, of its produce from Louisiana farms. Colleges and other schools in the area could benefit from this. Youth programs can also be held to maintain the garden, as the youth learn about how to tend to the crops, and such programs can keep at-risk children from being on the streets and getting into bad situations (thus, preventing another problem New Orleans has: crime). Older members of the community can be responsible in the planting of larger crops, or the distribution and care of the produce. On a grander scale, New Orleans' economy can be more reliant on agriculture, in addition to its main industry of tourism.

In terms of what Cuba has done, New Orleans could learn a few things too. Like Havana, New Orleans is somewhat exotic and enjoys sultry weather for most of the year (though Havana is warmer annually). Much of the tropical vegetation found in Havana is also found in New Orleans gardens, such as bananas, papayas, guavas, and more. Exotic fruit is appealing to the masses, at least here in the United States, so New Orleans can really make a profit off of this. In addition, New Orleans, like Havana, has issues with blight and poverty, and can really benefit from urban farms. Many New Orleanians have low wage jobs, and selling fruit from their local community garden could be beneficial to them and help them make money on the side, just as the Miladis Bouza did in Havana. New Orleans also has many people who don't eat healthy and suffer from heart disease, obesity and diabetes, among other health issues. Just as the Cubans started eating healthier after the concept of urban farms was introduced, so, too, can New Orleanians' health improve with this diet.

## **Logic Model- Urban Farms**

### Inputs:

- money
- volunteers
- time
- gardening supplies

### Outputs:

- training people for how and when to plant
- educating kids about the crops being grown and being nutritious
- finding areas to grow the garden

### Outcomes:

- kids are taught healthier habits
- adults can sell vegetables and make a nice profit
- urban gardens beautify neighborhoods
- have fresh produce right at your disposal, and don't have to spend a fortune on groceries that are not as fresh

### Outcomes:

- Kids learn healthier habits
- Adults make money
- Helps the overall environment

## B. Land Banks

*What is it?* Land banks are defined as nonprofit programs that deal with blighted properties in cities where these abandoned properties are held and managed.<sup>lxv</sup> These programs are enabled by state legislation and controlled by a board of directors that complies to laws that are specifically created to meet the needs of individual communities or neighborhoods in an area.<sup>lxvi</sup> According to Frank Alexander, “While land banks are generally associated with older urban communities that have significant abandonment, they are potentially just as useful to safeguard healthy communities from deterioration, and for smaller communities seeking to protect land from passing through the slow process of decline so often associated with tax-foreclosed properties. A land bank gives a community the opportunity to take a “deep breath” before deciding the fate of a tax-foreclosed property, rather than allowing each parcel of vacant land to fall into the hands of speculators who spread the infectious disease of blight.”<sup>xc</sup> Funded by government revenues and allocations, these programs are usually staffed by independent full-time employees or by local government employees who work part-time.<sup>lxvii</sup> These empty lots and unoccupied buildings or homes don’t have to be the nuisances they appear to be but instead can have the capacity for resources for starting up economic recovery, driving community development and strengthening real estate markets.<sup>xcii</sup> Frank S. Alexander one of the nation’s most supreme legal scholars on issues having to do with community development such as blight has published the article on land banking: *Land Bank Strategies for Renewing Urban Land* which offers public officials and community leaders plenty of guidance for taking control of and eliminating blight and then enabling them to spur smart community development in order to tend to the neighborhoods

needs.<sup>xciii</sup> The number of abandon properties in neighborhoods has led to the emergence of land banks in five metropolitan areas: St. Louis, Cleveland, Louisville, Atlanta, and Flint since 2002.<sup>xciv</sup> The St. Louis program seems to differ from the others being it was not so much for long term metropolitan planning but rather a response to property tax delinquency and abandonment.<sup>xcv</sup>

*History:* The first land bank was established in St. Louis, Missouri in 1971 in response to a widespread of property abandonment in nearby cities.<sup>lxxviii</sup> These property abandonments in these cities were largely as a result of the loss of industrial jobs in the city.<sup>lxxix</sup> The land bank in Missouri was specifically created to acquire foreclosed properties that had remained unsold at sheriff sales for a long period of time.<sup>lxxx</sup> Five years later after the first land bank in Missouri was established Ohio adopted the land-banking legislation system.<sup>lxxxi</sup> First passing the legislation system the city of Cleveland set up a land bank to acquire and eliminate or sell tax-delinquent properties.<sup>lxxxii</sup> Ohio officially adopted this legislation in 1988, which allowed precipitation of the tax foreclosure process.<sup>lxxxiii</sup> In 2003 the state of Michigan also adopted a land banking legislation.<sup>lxxxiv</sup> Other cities such as Macon, Savannah, and Valdosta, Georgia, and Dallas, Texas have later followed the previously listed cities in providing programs to facilitate these vacant spots.<sup>xcvi</sup> Omaha, Nebraska, and Kansas City, Missouri later adopted the land banking system however no system is identical due to wide variances in state constitutional laws.<sup>xcvii</sup> However they do all have a common focus in confronting abandoned and tax-delinquent properties.<sup>xcviii</sup> For the past 30 years the primary function of the St. Louis Land Bank has

been to receive title to all properties that are not sold when tax foreclosures sales are conducted as well as to properties that have may be donated to the city.<sup>xciv</sup>

*How it works:* The operation of the land-banks includes first the acceptance of donated property, an assembly to discuss the distribution and ownership of the vacant lands, and a certain type of maintenance of the land in order to help future development.<sup>lxxvi</sup> Land banks acquire property through foreclosures, intergovernmental transfers, non-profit transfers, and open market purchases however the most common method is tax foreclosures.<sup>lxxvii</sup> These foreclosures allow state or local taxing authorities redeem delinquent taxes by putting a lien on property without the owner's consent so these properties will not be abandoned or vacant for long.<sup>lxxviii</sup> In regulation to state foreclosures laws these properties are then sold at auction and those properties that still remain unsold are given to land banks.<sup>lxxix</sup> Each land bank has a different set of policies that focuses on a number of different strategies for land use and re-use being no two urban areas possess the same economic situation.<sup>xcix</sup> For example the Atlanta Land Bank can partake in contracts having to do with “consulting services” and the Genesee Land Bank of Flint, Michigan has the opportunity to become involved in management contracts.<sup>c</sup>

*Outcomes of Land Banks:* Atlanta, Georgia's land bank strategy known as the Atlanta's Land Bank Authority (ALBA) has shown to have the ability to manage plenty of properties into productive use.<sup>x1</sup> The Atlanta Land Bank has the ability to obtain and control tax-foreclosed property efficiently meanwhile assisting schools.<sup>xlii</sup>

## **HERA (Housing and Economic Recovery Act)**

This passage of legislation in 2008 allows funds to provide communities with the ability to obtain mortgage foreclosures, which then allows the lender to foreclose if the homeowner does not fulfill the mortgage payment requirements to the lender.<sup>lxxx</sup>

*Benefits/Efficiency:*<sup>lxxi</sup>

- Land banks promote the reconstruction of blighted properties
- Allows of state and local legislators to be exercised
- Provide maintenance services
- Stabilizing communities
- Allows clear ownership titles of these properties
- Allows neighborhoods to use vacant lots for productive projects such as gardens

## Logic Model- Land Banks

<p>Inputs</p> <p>Money</p> <ul style="list-style-type: none"> <li>• funds from properties sold by land bank</li> <li>• Funds from local government</li> </ul> <p>Time</p> <ul style="list-style-type: none"> <li>• different areas time plays a role such as length of tax foreclosure process, amount of time residents given to pay property taxes, and how long land bank can be held before it needs to be sold</li> </ul> <p>People</p> <ul style="list-style-type: none"> <li>• government officials (mayor, governor, local and state officials)</li> <li>• residents needed to keep up CDCs</li> </ul>	<p>Outputs</p> <p>What the City Does:</p> <ul style="list-style-type: none"> <li>- Land banking</li> <li>- Meetings <ul style="list-style-type: none"> <li>• meetings needed for community programs and government officials to monitor the progress and status of land banks/CDCs</li> </ul> </li> <li>- Community programs <ul style="list-style-type: none"> <li>• residents needed to maintain community programs</li> </ul> </li> </ul> <p>Who the City Reaches:</p> <ul style="list-style-type: none"> <li>-Residents <ul style="list-style-type: none"> <li>• new residents attracted</li> <li>• safety of immediate residents to blighted properties increased</li> </ul> </li> <li>- Neighborhoods <ul style="list-style-type: none"> <li>• aesthetic improved</li> </ul> </li> <li>- Realtors <ul style="list-style-type: none"> <li>• after properties are redeveloped, realtors can show property to potential residents</li> </ul> </li> </ul>		
<p>Outcomes</p>	<p><u>Short</u> Change in:</p> <ul style="list-style-type: none"> <li>-Awareness <ul style="list-style-type: none"> <li>• communities will be made aware through community programs and CDCs</li> </ul> </li> <li>-Activism <ul style="list-style-type: none"> <li>• once made aware, people will be galvanized to maintain neighborhood</li> </ul> </li> </ul>	<p><u>Medium</u> Change in:</p> <ul style="list-style-type: none"> <li>-Actions</li> <li>-Policies</li> <li>-Execution</li> </ul>	<p><u>Long</u></p> <ul style="list-style-type: none"> <li>-Higher market value <ul style="list-style-type: none"> <li>• abandoned properties will be paid for or become income producing</li> </ul> </li> <li>-More new residents <ul style="list-style-type: none"> <li>• people will be more inclined to move in since general appearance improves</li> </ul> </li> <li>-Reduction of blight <ul style="list-style-type: none"> <li>• blighted properties will be transformed for productive use</li> </ul> </li> <li>-Improvement in economy <ul style="list-style-type: none"> <li>• new businesses can be created with newly redeveloped properties</li> <li>• new residents bring in revenue for the city</li> </ul> </li> </ul>

The inputs required to successfully implement land banking are money, time and people. Land banks typically obtain funds and grants from local or state governments. Land banks would take time to be conceptualized, established, and executed properly. New Orleans would also have to put forth a fixed amount of time owners of land banks would have to start some kind of restoration on the blighted properties. The people involved are government officials like the mayor and senators so that they can devise and execute a legislative plan for establishing land banks. Also, the communities would need to be educated as well because they are the ones who would be responsible for keeping the land bank running smoothly by means of community development corporations (CDCs). Once a governmental plan is set forth, land banking can begin. Once instituted, land banks would require community meetings to keep land banks efficient. There would also need to be meetings between government officials to monitor the progress of these land banks. Obviously, the city would reach immediate residents of the neighborhood because they would benefit if the land banks can be transformed into productive centers like retail. The neighborhoods would be improved as well because property values will rise. Once communities form CDCs and begin monitoring land banks, awareness will spread and others could be galvanized to help current land banks or create new ones. In the long-term, the market values of these neighborhoods' properties will increase and more residents will be attracted to the area. Land banks will ensure blight is reduced and if retail stores or other businesses are created, economic growth will be stimulated. Overall, if land banks were created by the city, they would have to obtain and redevelop abandoned properties. Land banks are also accountable for acquired properties because

they only have a certain amount of time to hold the property before it needs to be sold or transformed for productive use.

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