

Neighborhood Recovery: Integrated Approach

Single Family and Multifamily Preservation / Development

Twin Cities Community Land Bank (TCC Land Bank) contributes to neighborhood stabilization and recovery by supporting the NSP program and adding additional development capacity to expand recovery beyond NSP. TCC Land Bank's integrated approach to neighborhood recovery includes the following components:

- ◆ **A robust acquisition program through the National Community Stabilization Trust.** TCC Land Bank's property acquisition program provides single family and multifamily distressed properties in over 130 cities in a streamlined manner to public partners and private developers. TCC Land Bank has deployed an internet based system that provides direct property information to participating developers in an interactive format. TCC Land Bank buys property on behalf of its public/private partners and requires that its developer partners be committed to green renovation and return all single family properties to owner occupancy and multifamily properties to responsible rental management as soon as possible (with the exception of cities that buy to land bank), thus resulting in immediate and positive neighborhood stabilization.
- ◆ **A strong pool of cities, counties, nonprofit developers, and socially responsible for-profit developers.** TCC Land Bank engages experienced developers who are frustrated with the chaos of the market yet eager to undertake neighborhood recovery; TCC Land Bank's program provides the benefit of pre-market purchase at a discount. The developers commit to hire minorities or contract with minority owned companies and to employ neighborhood residents. TCC Land Bank currently buys on behalf of 60 cities and developers and is in the process of expanding the developer pool.
- ◆ **Financing that supports developers.** As a certified Community Development Financial Institution, TCC Land Bank provides loans for acquisition and rehab of single family and multifamily properties; loan restrictions require that properties be occupied by homebuyers (single family) whose incomes are at or below 115% AMI or renters (multifamily) whose incomes are at or below 80% AMI. With this integrated approach to recovery, reduced acquisition and holding costs have resulted in the successful use of market rate debt as a funding source.
- ◆ **Land bank services.** TCC Land Bank holds single family and multifamily properties for approved developers. Property management services are provided by community based agencies that employ low income individuals who need assistance in developing work skills.
- ◆ **Homebuyer assistance.** TCC Land Bank works with several organizations to increase the pool of single family homebuyers among communities of color and immigrant communities. TCC Land Bank provides supplemental financial assistance in the form of 30 year loans (\$5-10,000 at 0% interest) to low income homeowners hardest hit by the foreclosure crisis and the recession; homeowners receive financial/homeownership training from Build Wealth MN.



Twin Cities
Community Land Bank

Building Neighborhoods
Strengthening Communities

Neighborhood Recovery: An Integrated Approach

Robust Acquisition
Program through
the National
Community
Stabilization Trust

Strong Pool of
Cities, Counties,
Nonprofit
Developers, and
Socially Responsible
For-Profit
Developers

Financing
that
Supports
Developers

Land Bank
Services

Homebuyer
Assistance

The integration of these components is showing success in neighborhood recovery:

- Program operates in over 130 cities in the Twin Cities metropolitan area
- 60 developers participating
- Savings in acquisition program of \$4.9 million off listing prices
- Acquired 400 single family and multifamily properties
- 161 single family and multifamily properties financed
- Total number of housing units acquired and/or financed equals 507 units

Community Standards Agreement signed by developers in property acquisition program requires:

- **Employment/Contract Goals:** TCC Land Bank expects that at least 25% of the work hours on the project are performed by minority workers or that 25% of the contracts are awarded to MBEs. TCC Land Bank encourages hiring of neighborhood residents.
- **MN Green Communities:** All property rehabilitation must be completed in compliance with MN Green Community Rehab Standards.
- **Rehabilitation Standards:** All rehabilitation must be completed in compliance with HUD Housing Quality Standards, local building code requirements, and all FHA financing standards. Developers must certify that the roof and furnace have an estimated useful life of at least five years, lead paint for homes built before 1978 was remediated in compliance with HUD guidelines and procedures, and any asbestos was disclosed and properly remediated.
- **Photos:** After-rehab photos of interior and exterior provided to TCC Land Bank.
- **Developer Construction Start:** Construction must commence within 30 days of acquisition.

Single Family:

- **Owner Occupancy:** Every single family property must be sold to an owner occupant. Developers complete a homebuyer demographic form at time of sale.
- **Homebuyer Education:** If the property is resold to a first time homebuyer, the homebuyer must complete a certified HomeStretch homebuyer education class.

Multifamily:

- **Landlord/Tenant:** Multifamily owners must participate in landlord/tenant training or demonstrate previous experience in socially responsible multifamily ownership.

Developers using TCC Land Bank financing must serve occupants at or below 115% AMI for home ownership and 80% AMI for rental and meet certain other requirements.

Twin Cities Community Land Bank LLC is a nonprofit organization formed in 2009 by the Family Housing Fund as a strategic tool for government, neighborhood based organizations, community development corporations, and nonprofit and for-profit developers to further community-based economic development and affordable housing goals. The Fund and its public/private partners have designed and implemented this highly innovative tool to respond quickly and effectively to the challenges and opportunities of the foreclosure crisis and to further regional growth objectives linking housing, jobs, transportation, and education. For more information on our programs and activities, please visit www.tcclandbank.org.

Contact Us

For more information on or questions regarding Twin Cities Community Land Bank LLC please contact us at:

TCC Land Bank
615 First Avenue NE
Suite 410
Minneapolis, MN 55413

PH 612-238-8210
E info@tcclandbank.org
WEB www.tcclandbank.org