



# Illinois Quad Cities Regional Land Bank

Rock Island, Moline, & East Moline Working  
Together to Address Problem Properties



# Background

- Cities on the Illinois side have been discussing a regional land bank for many months.
- Moline began the process by applying for a grant from the Illinois Housing Development Authority (IHDA) to do a feasibility study.
- Multiple communities as well as the County have been engaged but Rock Island, Moline, and East Moline have shown greatest interest.

# What Are We Trying to Address?

- Blight reduces property values, poses fire hazards, and weakens the community.
- Blighted properties have liens, fishy titles, and back taxes.
- Private investors steer clear and the market struggles to address it.



Source: <https://q985online.com/abandoned-house-in-illinois-looks-normal-until-you-notice-the-window/>

# What's a Land Bank?

- Land banks are intergovernmental agencies that take vacant, abandoned, and tax delinquent properties and turn them into productive properties.
- Acquisition most often takes place through foreclosure or tax auction.
- The process of acquisition eliminates liabilities, back taxes, and gives clear title.

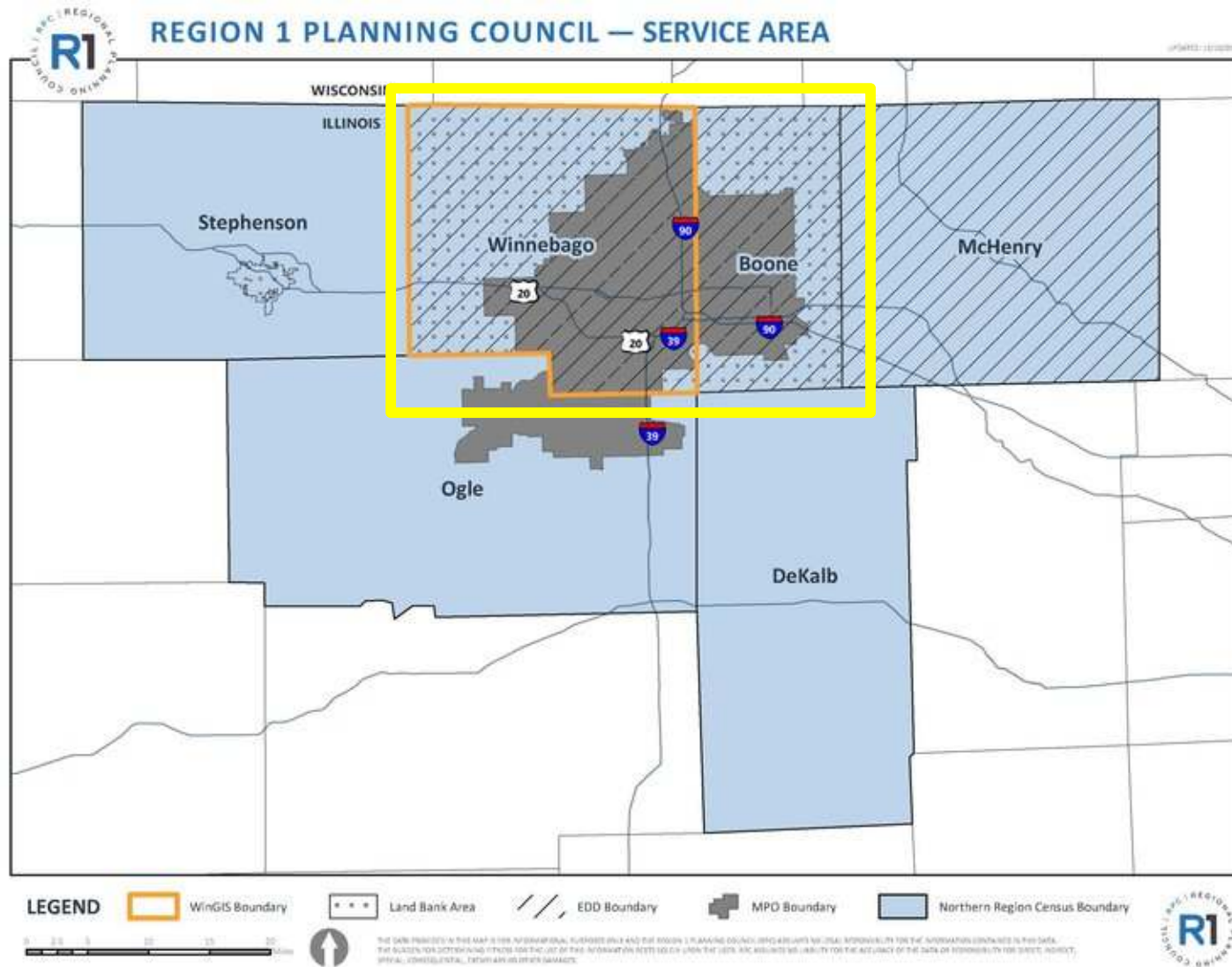
# Benefits of a Land Bank

- Problem properties can be sold to reliable developers and made productive.
- Tax auction profiteers who game the system can be outmaneuvered.
- Access to additional resources and development options not available to cities.
- Runs programs that cities may not have the time or resources to run.

# Governance Structure

- Established by an Intergovernmental Agreement (IGA) between participating cities.
- Board made up of representatives from each participating city set policies/objectives.
- Land Bank Manager will be an employee of Moline but answerable to all.
- Manager will oversee day to day operations informed by the Board's policies/objectives.
- Each city has veto power on actions within its own jurisdiction.

# Example: Northern Illinois Land Bank Authority



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Parcel number, Street, or City Filters Export Favorites (0) Select All as Favorites Clear All Favorites Show Map YES

Sort By Street Favorites More...

**All Properties**

- 1007 N SUNSET AVE, Rockford, IL 61101  
Parcel Number: 1116428009  
County: Winnebago  
Class: Not Classified  
[View on Map](#)
- 1008 40TH AVE, Rockford, IL 61109  
Parcel Number: 1511478007  
County: Winnebago  
Class: Vacant Land  
Current Bid: \$500.00  
[View on Map](#)
- 1009 BLAKE ST, Rockford, IL 61102  
Parcel Number: 1127130012  
County: Winnebago  
Class: Vacant Land  
Current Bid: \$500.00  
[View on Map](#)
- 1009 ISLAND AVE, Rockford, IL 61102  
Parcel Number: 1127352015  
County: Winnebago  
Class: Vacant Land  
Current Bid: \$500.00  
[View on Map](#)

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**PROPERTIES BY CLASSIFICATION**

- VACANT LAND
- RESIDENTIAL STRUCTURE
- COMMERCIAL STRUCTURE
- OTHER



# Example: Northern Illinois Land Bank Authority

- Used the judicial deed process to acquire an abandoned house.
- Cleared the back taxes and put it on the market.
- Sold for \$20,000 in September 2020.
- Deed restriction ensured it would be rehabbed or had to be returned.



Source: <https://www.wifr.com/2020/09/24/the-northern-illinois-land-bank-authority-makes-a-historic-move-in-fighting-area-blight/>

# Financial Structure

- Participating communities will contribute toward startup costs based on population.
- Over a four to five year period, the objective is for the land bank to become self sustaining through:
  - Property sale revenues.
  - Grants.
  - Additional service fees for special projects.

# Rock Island Specific Ask

- Once the Board is established, Rock Island intends to negotiate an agreement for a specific service arrangement.
- For no additional cost, the City would like its share of land bank manager's time devoted in large part to helping market City-owned, residentially-zoned, vacant lots for sale.
- An excess of City-owned lots is a Rock Island specific issue not shared by the other cities.

# Funding Options

- Our share of the start up cost is \$36,571 in year one, but Moline agrees to front that and be paid back later.
- We have three options (ranked in preference):
  1. Apply to IHDA's Land Bank Capacity Program for operations funding (rolling application).
  2. Find money in the existing budget, possibly through a mix of different funds.
  3. ARPA funds.

# Proposed Next Steps

- Intergovernmental Agreement (IGA) needs to be approved by the Council.
- Once approved, application for LBCP grant can be submitted.
- If awarded, City will pay its share of startup costs back to Moline for fronting the money.
- If not awarded, staff will recommend the next best funding alternative.

# Summary

- The land bank would help us better manage our problem properties and offer long term advantages we do not have now.
- Overtime, the land bank should become self sustaining requiring little financial input.
- Staff recommends approval of the IGA and asks permission to apply for IHDA's Land Bank Capacity Program grant to pay for this.

Questions?