

Illinois Quad Cities Regional Land Bank

An Update on the Land Bank and a
Proposal for Housing More Generally



ROCK ISLAND
ILLINOIS

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.

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/>

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.

Where Are We At?

- Rock Island, Moline, and East Moline entered into an intergovernmental agreement (IGA) to create a land bank about a year ago.
- Board has been formed, manager has been hired, and basic policies have been adopted.
- Securing professional services in progress.
- Developing ten-year pro forma budget and finalizing goals/targets.

Funding Options from a Year Ago

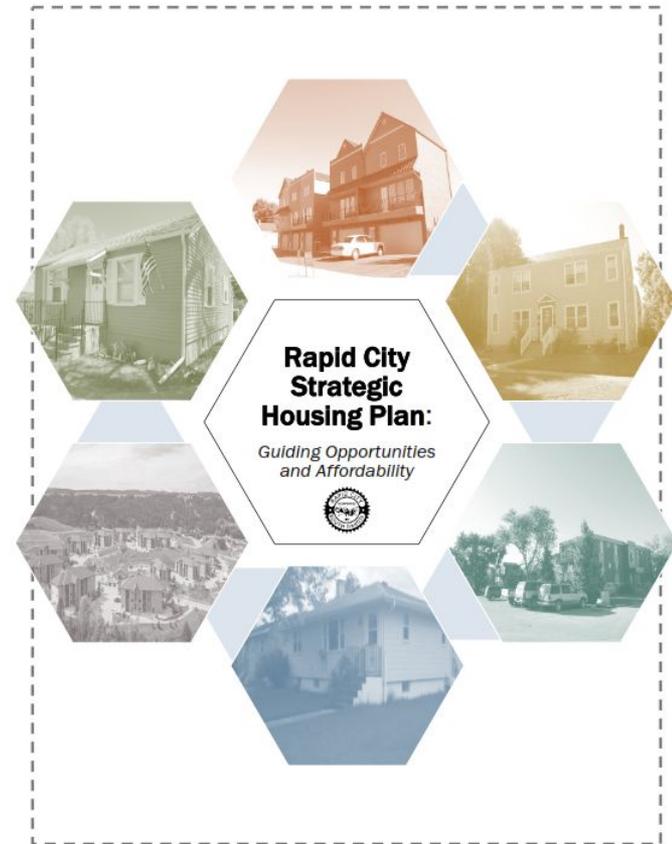
- Our share of the cost is \$36,571 annually, but Moline agreed to front that and be paid back later. Repayment is due end of April 2023.
- We had three options (ranked in preference):
 1. Apply to IHDA's Land Bank Capacity Program for operations funding (rolling application).
 2. Find money in the existing budget, possibly through a mix of different funds.
 3. ARPA funds.

Proposed Next Steps (Part 1)

- Having explored and exhausted the other options, ARPA funding is the best choice.
- \$500,000 in ARPA funding was allocated to housing development, some of it should go toward housing stabilization.
- Allocate \$109,713 to fund Rock Island's portion of the land bank's operating costs for three years while it gets up and running.

Proposed Next Steps (Part 2)

- Land bank strategic planning efforts have emphasized the need for a strategic housing plan in Rock Island to guide housing efforts.
- Developing low-impact, temporary incentives is not going to effect long term improvements.
- Issue an RFP for a strategic housing plan that takes a deep dive on data to develop detailed recommendations for housing development.



Summary

- Staff is recommending that \$109,713 of ARPA funding be used to pay for three years of the City's contribution to the land bank.
- Staff further recommends that an RFP be issued for a strategic housing plan and that ARPA funds eventually be used to pay for said plan. The cost is not known at this time, but the RFP process would provide that.

Questions?