



CITY OF MADISON LAND BANKING FUND POLICY

Housing Strategy Committee

May 25, 2023

What is land banking?

- **Land banking:** a strategy to acquire real estate that can include vacant or underutilized lots and buildings, and transition them into future opportunities for affordable housing projects, economic development, and other uses that advance neighborhood revitalization and prevent displacement of residents and businesses.



1901 S. Park St.

What is land banking?



833 Hughes Pl.

- The City (or CDA) can buy land and choose to hold, assemble, self-develop, and/or resell to private or nonprofit developers via RFP
- Gives the City greater control of future development, including the ability to require the inclusion of affordable housing options
- Used successfully to encourage redevelopment of the Capitol East District and South Madison according to community visioning and adopted City plans

City of Madison Land Banking Policy

- Written policy and criteria for acquisition and disposition created by the Housing Strategy Committee and approved by Common Council on June 1, 2021
 - Distinct from General Land Acquisition Fund used for City facilities, right-of-way purchases, due diligence, holding costs, and other municipal real estate needs
 - May be used to entirely fund property purchases and/or leverage other agency capital funds and Tax Incremental Districts (TIDs)
 - Land Banking budget allocations to date:

	2020	2021	2022	2023	2024 (Requested)	2025 (Estimated)
GF GO Borrowing		\$ 3,000,000	\$ 4,600,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Budget Transfers	\$ 1,260,000	\$ 620,000				
Reserves Applied	\$ 1,000,000					
TOTAL	\$ 2,260,000	\$ 3,620,000	\$ 4,600,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000

- Currently available: ~\$1,592,000 (14% of \$11,480,000 allocated to date)

Priorities for Use of Land Banked Property

- **Affordable housing**, including the preservation, production or rehabilitation of housing for LMI households
 - May involve community land trusts, nonprofits or the CDA
- **Neighborhood revitalization**, including the return of vacant, abandoned or foreclosed property to productive status
- **Land assemblage** for housing, community or economic development purposes

Priorities for Use of Land Banked Property

- Opportunities for **small-scale “missing middle” housing** consistent with existing neighborhood character
- Long-term (5+ years) holding of properties for **future strategic uses**
- **Economic development**, to the extent related to the long-term sustainability of affordable housing and neighborhood revitalization projects described above

Evaluation Criteria

- Short-term development potential (within five years of City acquisition)
- Proximity to existing transit lines and planned bus rapid transit (BRT) corridors
- Proportion of affordable housing currently available within ½ mile vicinity of property
- Barriers can be more easily eliminated under City ownership
 - holding costs, demolition costs, environmental remediation, etc.
- Ability to leverage additional federal, state, and local funding
- Extent to which (re)development of the property will:
 - enhance neighborhood viability and stability
 - prevent and/or mitigate housing gentrification and displacement
 - generate catalytic impact for additional neighborhood investment

Questions

- Is the City in the best position to cost-effectively deliver a quality product on this site in a reasonable amount of time?
- Are there options for public-private partnerships?
- Without City action, it is likely that the property will eventually be (re)developed to its highest and best use?
- What other resources do we have available to ensure project success?

**South Madison Land
Banking Acquisitions**

1810 S. Park

1800-04 S. Park (pending)

1901 S. Park

814/826 North Ave.

ULGM Black
Business Hub

833 Hughes Pl
(Centro Hispano)

New
Centro HQ

810/818 W Badger Rd
(South Transfer Point)

MATC Goodman
South Campus

Center for Black
Excellence

Land Banking Transactions (North)



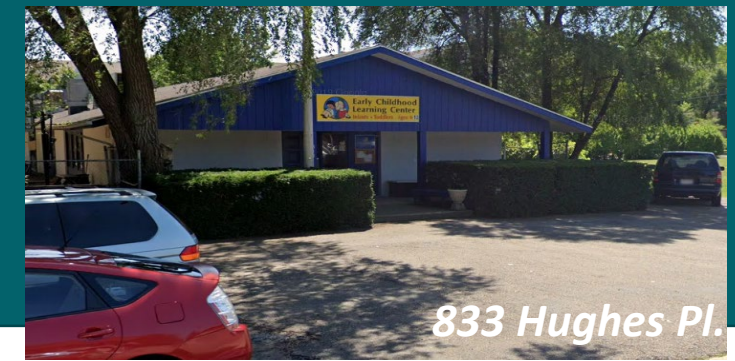
1901 S. Park St: \$1,440,000 (2022)

- Multitenant strip commercial center
- Potential owner-occupied residential redevelopment (30+ units)

All Metals Triangle- Identified for mixed-use commercial, residential, park uses

- 1810 S Park St: \$1,050,000 (2020)
- 814/826 North Ave: \$940,000 (2021)
- 1800-04 S. Park St: \$3,765,000 (2023)
 - Also utilizes TID 51 and Parks Divisions funding

Land Banking Transactions (South)



833 Hughes Pl: \$520,000 (2021)

- Vacant former daycare
- Combined with adjacent vacant City/CDA-owned lots at Hughes Pl and Cypress Way via CSM
- Transferred to Centro Hispano for \$1 to facilitate construction of new facility

810 W. Badger Rd: \$1,700,000 (2023)

- Current Centro Hispano HQ
- Purchased from Centro to provide construction capital and provide additional redevelopment land with adjacent South Transfer Point site (802 W. Badger)



818 W. Badger Rd: \$1,240,000 (2023)

- Occupied office building to be redeveloped along with 802 + 810 W. Badger

Land Selection Process/Timing

- Mostly proactive acquisitions to this point (1-3 transactions per year) with end uses in mind
 - Properties may be actively listed for sale or negotiated off-market with current owners
- Target parcels in key planning areas and/or adjacent to City-owned parcels
 - Consistent with recommendations of Comprehensive Plan and neighborhood plan(s)
 - Some commercial parcels are still tenant-occupied and must be managed/cleared for redevelopment
- **All transactions approved by Common Council on case-by-case basis**
 - Reuse concepts, budgeting: 12-24 months prior to breaking ground on a project
 - Architecture, bidding, land use entitlements: 6-12 months
 - Total of 2-3 years to acquire, entitle, and construct a project



QUESTIONS/DISCUSSION

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