

From: [Marsha Cannon](#)
To: [Housing Strategy](#)
Subject: Land Banking Fund Policy
Date: Thursday, January 28, 2021 2:21:39 PM
Attachments: [Land Bank 2021-28 Jan Comments.pdf](#)

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Hello,

I have registered to speak at today's Housing Strategy Committee meeting. My comments about the proposed Land Banking Fund Policy appear below and in the attached document.

Sincerely,

Marsha Cannon
5 Cherokee Circle, Unit 202
Madison, WI 53704
608.251.1276 (Land line/no text)
608.692.1276 (Pete/cell)

DATE: January 28, 2021
TO: City of Madison Housing Strategy Committee
FROM: Marsha Cannon, 5 Cherokee Cir. - #202, Madison, WI 53704
RE: Land Banking Fund Policy

Thank you for an opportunity to comment on the proposed Land Banking Fund Policy.

I have lived in Madison since 1969, on Division, E. Mifflin, and Sidney Streets. We moved to the Northside in April 2020.

I am glad to see increased funding for land banking. However, I have many questions about the draft policy dated Nov. 23, 2020, do not support approval of it, and urge further revisions.

When millions of City dollars are involved, political considerations are bound to arise. Consider 19th District Ald. Keith Furman's comments on his Nov. 1, 2020 blog . . . re: the 2021 Exec. Capital Budget:

"This budget increases funding for this [Land Banking] initiative by \$3 million over the next two years to ensure the City can acquire strategic parcels of land to combat gentrification **specifically on the South side of Madison to assist displaced residents and stabilize our housing market.**" [My emphasis.]

Perhaps Ald. Furman was trying to “sell” the land banking budget. Yet his enthusiasm about the South side raises concern about how a “special” project might benefit from Land Bank Policy omissions and/or unclear wording.

1. **What is the role of the Plan Commission regarding land banking?**

Page 1, Program Objective, Paragraph 4 states “The City of Madison Common Council will approve the purchase and disposition of property under this program based upon staff recommendations.” Yet the Plan Commission's Purpose Statement says: “The commission also reviews and makes recommendations on any sale or lease of land, rezoning requests, annexations of land, subdivision plats and ordinance text amendments. **Is the Plan Commission left out of the loop on land banking? If so, why?**

2. **Which specific staff will review, consider and make recommendations about land to be banked?** The word "staff" appears 20 times in the proposed policy yet there is no mention of a specific department or division.

3. **Why are financial benefits to the City included under Priority Use of Land Banked Property?** See Page 2, top of page, first two bullets. Is land banking intended for the common good? Or to raise money for the City?

4. **Who determines whether gentrification has already happened and what are those criteria?** See Page 2, Item 3.A., second bullet.

5. **What is a low-income business?** See Page 2, Item 3.A, fourth bullet. The text reads "primarily benefits low-income households and/or businesses" . . . does that mean low-income *businesses*, businesses in general, or businesses in low-income areas?

6. **Who determines whether acquisition and subsequent (re)development of the land would not otherwise be undertaken or driven by the private market?** See Page 2, Item 3.B., third bullet. This seems like a wide-open invitation for speculation.

7. **Why are there no ongoing affordability requirements attached to property originally acquired with land banking funds?** (See Page 3, Item 4, Paragraph 4 regarding recapture restrictions.) This criterion for property disposition guarantees just one round of benefit, to the first buyer. Other disposition options to ensure long-term affordability exist, such as cooperatives and community land trusts. Including this statement in the City Land Bank Policy effectively eliminates sustainable affordability for generations to come.

8. **Typo on Page 3 . . .** under Item 4, second paragraph, line 5. Terms of any *lank* banking . . .

9. **How will the City ensure “prior consultation” with groups not mentioned in the policy document?** (See Page 4, Paragraph 1.) Our neighborhood has no association, and our alders are faced with numerous complex development projects (i.e. Oscar Mayer). The existing “public meetings” under Plan Commission rules (as I understand them) are somewhat useful. I have participated in three such meetings and know that without an organized association, citizen input usually gets ignored. Obtaining “prior consultation” in an under-represented, low-income neighborhood at risk of gentrification requires an overt, inclusive effort to empower citizen input. Just “checking the box” is not and will not be sufficient.

Thank you.

From: [Andy Heidt](#)
To: [Housing Strategy](#)
Subject: Land Banking Fund- Permanent Affordability is key to using public dollars
Date: Thursday, January 28, 2021 3:07:22 PM

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Thank you for the opportunity to provide some input.

Some thoughts on land banking...

The Land Banking Fund needs more than staff recommendations or it may be too driven by the Mayor.

Permanent affordable housing should be the priority. Transfer of ownership should bake in this factor. Simply paying the city back allows the fund to be used for corporate welfare. This language is **inadequate**:

"Properties sold to private parties for the purposes of creating affordable home ownership opportunities will have recapture restrictions in place at the time of sale or transfer of the property to an income-qualified homebuyer. Under the recapture provision, the income-qualified homebuyer may sell their home to any willing seller, but a portion of the financial assistance provided by the City will be payable at the time of resale. After City funds are recaptured, there shall be no ongoing affordability requirements attached to the property." (pg 3)

The community land trust model, or City right of first refusal to purchase properties for below market rates are two possible ways to ensure this requirement. We are not keeping pace with the need for producing affordable housing amid rampant income inequality and institutional inequities so sadly prevalent in our community.

Bake in permanent affordability please!

Andy Heidt
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608-622-5585.

From: [Olivia Williams](#)
To: [Housing Strategy](#)
Subject: Land Banking Fund and permanent affordability through CLT
Date: Thursday, January 28, 2021 3:58:29 PM

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Hi all, I am the Executive Director of Madison Area Community Land Trust, and I have been involved in the sphere of permanently affordable housing and community-controlled land for about 6 years, beginning with my PhD research.

I appreciate many aspects of this land banking policy but it is too open ended. For instance, it can be used for "economic development" that creates jobs and "generates revenue for City operations," which could include uses that raise land values in surrounding areas and drive low and moderately-low income people out. Knowing that in the past, city land banking has been used for East Wash and Union Corners developments in ways that overall did not have the best interests of marginalized populations in mind, we should be looking at this part of the policy very closely and ensuring that it cannot be used this way again. I also do not see the reason(s) to prioritize the University for transfers of land (page 5, section 3).

There has been significant discussion at the City of preserving affordability permanently in Madison, and the best way to do that is for the City of Madison to explicitly partner with the Madison Area Community Land Trust (MACLT) on all city-led development. MACLT holds land in perpetuity for the benefit of local residents, primarily for homeownership and urban farm space, although the model could be used for commercial and mixed-use developments. Using a 98-year renewable ground lease, we steward the land between owners to make sure it stays permanently affordable.

What I don't see in the land bank policy is an option for the city to offer development rights to an entity but retain ownership of the land or transfer the land to a community land trust. The CLT could be used to create permanent affordability under any and all developments achieved under the land bank.

Instead the City uses a shared appreciation formula to bring back some revenue from a future sale and/or LURA to retain some affordability (typically the LURAs are 30-40 years). However, as land prices increase over time it is in the best interest of the City to partner with MACLT to retain even more long-term/permanent ownership and affordability of land for the future use of residents of Madison.

I appreciate that the land trust is considered as as an option in the policy for transfer of land, but I would like to see the land bank and land trust seen as [complementary](#) and strategically coordinated as in some other cities. In Richmond, VA, for example, the land

bank is operated by the CLT, and 25% of the landbank properties are set aside for the CLT to help the city achieve its goals of permanent affordability. In Houston, the City directly partners with the CLT on nearly all of their city-funded homeownership programming and has transferred 38 homes in the last three years from the land bank to the CLT.

On page 3 of the proposed policy regarding uses for single-family homeownership, it states that a homebuyer may sell the home and some proceeds will be returned to the city but the home will not stay permanently affordable. This is not good enough. This means that the next time the city buys a home it will be even more expensive. Instead, I believe the city should prioritize putting landbanked single-family homes into the community land trust to retain permanent affordability. It is a more sustainable use of limited funds that can create vast impacts on the population of low-income residents if supported at a significant scale.

Furthermore, CLT homeowners *are able to build wealth in the home*. A [recent study](#) of shared equity housing across the US shows the median equity brought away at closing from a CLT home to be \$14,000 (after investing an average of \$1800 downpayment). Homeowners additionally are able to refinance and tap into their equity for any personal use, just as any traditional homeowner can. Therefore, CLT programs allow for wealth building particularly for first-time and first-generation homeowners while retaining permanent affordability for future homeowners. The initial land transfer, then, helps generations of families over time. The City should show preference to such programming given the limited funds to invest in homeownership. With more permanently affordable housing, community wealth building, increased housing security, and stabilized home values are the result.

Some stats from our affordable homeownership program at Madison Area Community Land Trust:

- - We have 59 single-family homes in our portfolio we keep permanently affordable, that resell to low income families in perpetuity
- - Average income served: 64% AMI at time of purchase
- - Range of incomes served: 46% - 79% AMI
- - Average home price in sales and re-sales since 2012: \$123,000
- - Average savings for low-income homebuyer: \$56,000 off of fee simple appraised value

I will also add that urban farming and community gardening is not mentioned at all in this policy. While there is some dynamic tension between land for housing and green space / agriculture, I do think those are worthy causes and the land bank policy could be an opportunity for the City to support urban agriculture alongside housing (eg. in the same development/parcel).

Additionally, I would suggest that buying expiring Section 41 (Low Income Housing Tax Credit (LIHTC) properties) for multi-family affordable rental could be prioritized by the land bank to ensure lasting affordability. Several LIHTC developments are expected to expire in the next several years in Madison, meaning hundreds of affordable rental units may be lost.

This policy should be allowed more time to consider revisions to create permanent affordability.

Thank you for your consideration,
Olivia Williams

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OLIVIA R. WILLIAMS (she/they/Dr.) | EXECUTIVE DIRECTOR



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MACLT is a proud member of Community Shares of Wisconsin