

## LAND BANKS

*Posted 06/22/09*

### **How did the Bridge Notice impact the use of land banks under NSP1?**

The October 6, 2008 NSP1 Federal Register Notice limited the use of land banks with the following language “establish land banks for homes that have been foreclosed upon.”

The June 19, 2009 NSP1 Federal Register Bridge Notice expands the use of land banks with the following language “establish and operate land banks for homes and residential properties that have been foreclosed upon.”

*Updated 06/17/09*

### **Can land banking include purchasing a foreclosed or abandoned property that has a structure on it or does the property have to be vacant land?**

As stated in the NSP1 Bridge Notice “[NSP1 funds can be used to] establish and operate land banks for homes and residential properties that have been foreclosed upon,” abandoned homes and residential properties are not eligible.

*Posted 04/21/09*

### **How does a land bank differ from a land trust?**

The basic differences are timing and land use. A land bank is a short-term (10 years maximum) means of managing land that may not have a defined purpose and cannot be immediately used (e.g. market conditions), while a land trust is a long-term land management technique with a defined purpose and benefit for another party.

*Posted 04/21/09*

### **Can NSP1 funds be used to support land trusts?**

Yes. Land trusts could be classified as financing mechanisms permissible under Eligible use A of NSP1. For example, the land trust could acquire homes or residential land with NSP1 funds. Then build new or rehabilitate existing homes and sell them to NSP1-eligible homebuyers, while retaining ownership of the land. The occupant would own the structure and lease the land. The exclusion of the price of land keeps the overall cost lower, allowing the home to remain affordable long-term.

*Posted 11/13/08*

### **If the grantee buys property for the purposes of a land bank under eligible use (C) and allows tenants to move into the units on a temporary basis, would those tenants be entitled to relocation assistance if they are later required to move out? The issue with this eligible activity is that grantees have 10 years to re-use the property so it could presumably be many years later that someone would be asked to move out once a final use is determined.**

If no person was displaced by the acquisition of the property for the land bank, then the URA is not applicable at the time of the acquisition. If the grantee allows a tenant to move into the acquired property prior to a planned federally-funded re-

use project, the tenant-occupant is not eligible for relocation assistance as a result of the original acquisition (see 49 CFR 24.2(a)(9)(ii)(B)). However, the tenant-occupant may be eligible for relocation assistance if they are made to move for a planned re-use project that is funded with federal financial assistance.