BACKGROUND: New Jersey’s cities and towns are burdened with thousands of vacant and abandoned properties, many of which are sitting idle and pay no taxes, diminishing property values and blighting their neighborhoods. While many cities are taking steps to address this situation, they lack a key tool to help them gain control over the problem. Through land banks, communities can acquire and maintain vacant and abandoned properties in a systematic fashion, and dispose of them in ways that ensure they are redeveloped or reused for long-term community benefit. They can help towns and cities assemble and restore problem properties and put them back on the tax rolls, revitalizing neighborhoods and improving the quality of life for residents and taxpayers.

LAND BANKS WORK: Over thirty counties in Michigan have successfully employed this tool, while over a dozen counties in Ohio have either created or are putting together land banks under their new state enabling law. New York State is implementing its recently adopted land banking legislation, while Pennsylvania’s legislature is considering a similar proposal. By using this tool, land banks such as the Genesee County Land Bank in Michigan or the Cuyahoga County Land Bank in Ohio have put thousands of properties back on the tax rolls.

NEW JERSEY NEEDS THIS TOOL: Under current New Jersey law, while a municipality can acquire and hold properties itself, it cannot delegate this authority to other entities that could better focus on this critical mission. New Jersey’s existing laws need to be changed to permit our communities to take advantage of this creative problem-solving approach. Assemblyman Coutinho and Senator Ruiz have introduced A. 1648/S.583 in their respective houses to make it possible for our cities and towns to do so.

WHAT THE BILL DOES: A. 1648/S.583 will allow NJ municipalities to designate redevelopment entities (redevelopment authorities, housing authorities or county improvement authorities) and non-profit entities to act as a land bank on behalf of the municipality. The municipality could convey city-owned properties to that entity, which could also acquire properties for the land bank through gift or purchase, and could act as the municipality’s agent to carry out lien foreclosures and spot blight takings. This bill permits, but does not require, communities to create land banks.

LAND DISPOSITION: Land banks exist for the sole mission of gaining control of properties in order to put them back to use in ways that benefit the community and get back on the tax rolls. Land banks can hold and assemble properties for redevelopment, can work with CDCs to ensure they have a supply of houses to rehabilitate, or sell lots to adjacent homeowners to use as side lots. Using properties they held, the Genesee County Land Bank has spearheaded the redevelopment of downtown Flint. The Cuyahoga County Land Bank has worked to revitalize neighborhoods in Cleveland and its suburbs devastated by foreclosures. In NJ, disposition of properties by the land bank would be decided according to local priorities, and would adhere to the requirements of existing state planning and redevelopment laws such as the Municipal Land Use Law and other policies.

GET INVOLVED: The Housing & Community Development Network of NJ and the Urban Mayors’ Association are working together to educate the public and decision makers about the need for this creative, cost-effective community solution. To join this effort, or get more information, please contact Staci Berger, sberger@hcdnnj.org or Shoshanna Page, spage@tesc.edu.