



City of Sanford, Maine

Land Bank Authority

919 MAIN STREET, SANFORD, MAINE 04073
(207) 608-4101



Letter in Support for LD 1694 – An Act to Create the Maine Redevelopment Land Bank Authority

Dear Members of the Innovation, Development, Economic Advancement and Business Committee,

This letter is written in support of LD 1694 by the Sanford Land Bank Authority and its Commissioners. Sanford has been operating a land bank for 4 years and it has been found that Sanford's land bank has been a really-good-thing for Sanford: catalyzing new development, improving property value, improving the overall housing and building stock, improving neighborhoods, and building foundations for affordable housing development. Approving this legislation would be a really-good-thing for the State of Maine and its communities across the State.

As you know, land banks are specifically purposed to return vacant, abandoned, and derelict property back into productive use; properties that would otherwise sit idle in disinvestment and rot if not for a land bank. Land banks are there as the last resort to be used when the market has failed, set-up to clear title, work through intractable environmental issues, and ultimately prepare a site for redevelopment. Land banks are inherently purposed to address redevelopment of existing and urban lots taking advantage of existing public services and assets like water and sewer hook-ups and existing roads and sidewalks, reserving Greenfields for conservation.

Sanford's land bank does all of these things. But truly it is a partnership between the local government, its citizens and its business, all working together to lift the community up, countering the forces that perpetuate disinvestment and stagnation. Sanford's land bank is successful because its partnerships: it has leadership and vision from its Mayor and City Council; a commission made up of involved, interested and knowledgeable community members from real estate and property businesses; it partners with the Sanford Housing Authority, Code Enforcement, and the Police, and also York County Community Action Corporation, the local CAP agency on issues of social concern. And because of its land bank, Sanford has seen its sale comps improve, property values increase, spill-over disinvestment and nuisances decrease, crime decrease, and neighborhood engagement and pride improve.

The Sanford Land Bank Authority carries out its activities transparently and makes its findings public on a regular basis through public meetings and public reports. For more information about what else Sanford's land bank does see the Land Bank's Annual Report to the Sanford City Council (May 2020) and Authorization Order attached to this letter.

In the State of Maine, authorizing land banking and coordinating land banking is long overdue. Other states have been land banking for more than 20 years, coordinating and targeting reinvestment, making the best use of scarce funds and specialized resources to prepare site for redevelopment. Not only has the State passed-up federal money by not having a land bank, without a State Land Bank, even more federal money will be foregone as federal funding is approved and given to other land banks across the country instead.

And also, and more importantly, without land banks, the problems of disinvestment, abandonment, and resulting stagnation won't go away. Vacant, abandoned, and derelict properties will continue to rob Maine communities of prosperity without the right tools, resources, and funding in the hands of communities. Without land banking, property will remain disinvested and abandoned and communities will remain stagnated.

- That old mill building that everyone wanted to do something about years ago, but never got the Phase I ESA done, will finally collapse, becoming a massive environmental and financial liability to your town with no opportunity for reinvestment.
- That single family home on that quiet neighborhood street that the prior owner has long since walked away from, that got a hole in its roof seven years ago, has not foreclosed, and will likely never foreclose. It sits there, and in the meantime it drags your community down in many ways.

Land banks are a tool that can be used to help. The Legislature needs to authorize our own State Land Bank Authority and make explicit the right of local governments to form their own land banks or form regional land banks by agreement as they see makes the most sense for their community, making funding and technical resources available to communities that would not otherwise be able to go-it-alone like Sanford.

This is a watershed act of legislation and its subsequent implementation for the betterment of the State of Maine and it is important to proceed.

I am available to answer any of your questions about Sanford's Land Bank Authority and my involvement with Build Maine in developing this legislation.

Thank you for your consideration,

Ian Houseal
Director of Community Development
City of Sanford
207-608-4101

Sanford Land Bank Commission (see <https://www.sanfordmaine.org/landbankcommission>)

Anne-Marie Mastraccio, Mayor
Luke Lanigan, City Councilor
Ayn Hanselmann, City Councilor
Nicholas Roux, Garnsey Brothers Insurance, Resident
Timothy Dumont, TPD Construction, Resident
Joe Sevigny, 7e Properties and Development, Resident
Rebecca Lapierre, Town Square Realty, Resident

SANFORD LAND BANK AUTHORITY
ANNUAL REPORT 2019
MAY, 2020

The Sanford Land Bank Authority was incorporated as a Housing Authority pursuant to State Law in August 2017 by resolution of the City Council.

The City Council found an imbalance between property taxes, property value, housing quality, and services demanded due to the composition and quality of Sanford's housing stock.

Housing Observations	Single Family Properties	Multi-family Properties
Property Tax Burden	62%	9%
Properties	6,386	900
Dwellings	6,386	3,044
Property Value per Dwelling	\$139,000	\$43,000
Population (est.)	15,070 (68%)	7,184 (32%)
Property Value per Person	\$1,300	\$409
Average Age Built	1957	1908
Built before 1930	16%	78%

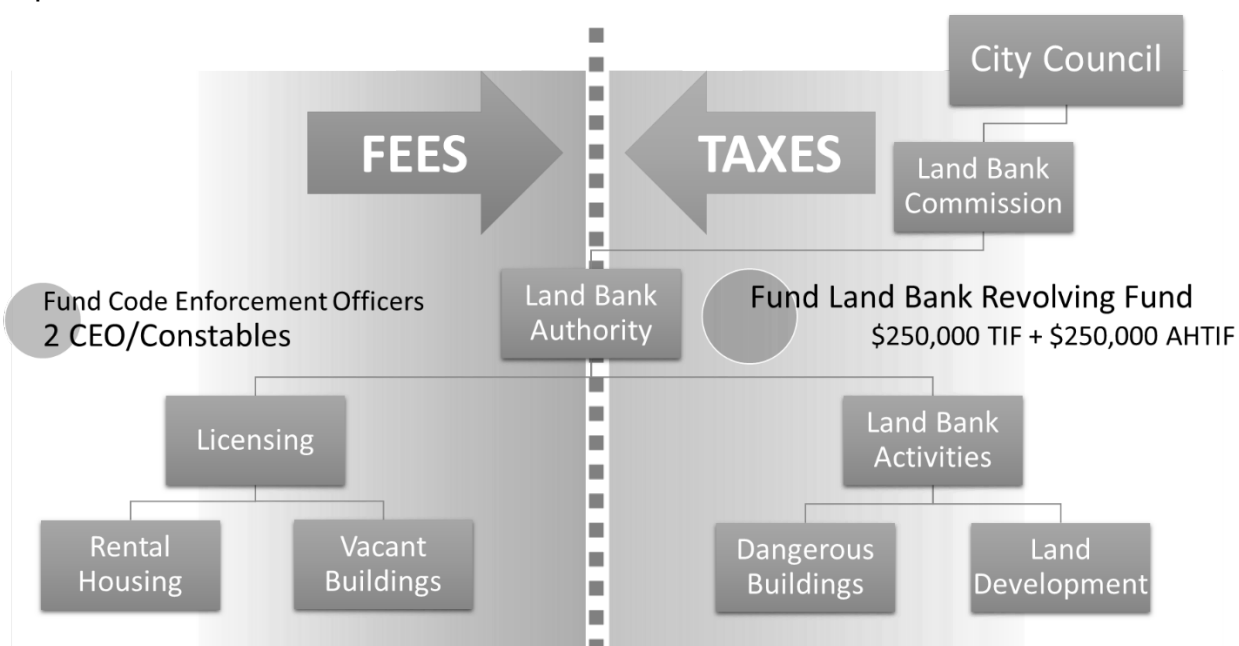
The City Council referenced the 2002 Comprehensive Plan, Housing Strategy and Recommendations in its findings: "...while expansion of commercial and industrial values is important to economic development, so is the preservation of the quality and value of Sanford's housing stock... in May 2001, there was roughly \$600 million in residential assessed value. Should that value decline by 5% due to disinvestment, it would represent a loss of \$30 million in taxable value..." and as recommended "require registration of rental housing units..." and "investing in the housing stock through code enforcement, rehabilitation, and neighborhood improvement" and "develop new market-rate rental supply."

The City Council ordered amendments to City Code to clarify the enforcement and appeals process of building codes; establishment of a rental housing license and an abandoned building license; establishment of the Land Bank department; establishment of the Land Bank Commission; and authorization of a revolving fund for land bank activities including property acquisition and abating dangerous and abandoned buildings.

The Sanford Land Bank Authority is responsible for addressing dangerous buildings that detract from the value of real estate and impact the safety and quiet enjoyment of neighboring people and properties; ensuring there are safe and affordable places to live; and expediting the transition of abandoned and foreclosed properties back to value-producing real estate. The Sanford Land Bank Authority administers three programs including the abatement of Dangerous Buildings and nuisance property conditions pursuant to the State Dangerous Building Law; administers the annual

business licensing of rental housing and regular and proactive inspection of rental properties; and administering the annual licensing of abandoned and vacant buildings.

The Sanford Land Bank Authority is overseen by the seven member Sanford Land Bank Commission comprised of three City Councilors and four residents of Sanford. The Sanford Land Bank Commission was formed for the purpose of overseeing operations and budget of the licensing, inspection, and enforcement program and make its findings public; purchasing, acquiring, holding, and disposing of real property; making recommendations to the City Council regarding dangerous buildings and abandoned properties; making recommendations to the City Council regarding property remediation; developing and monitoring financial programs to incentivize residential development and revitalization; and encourage private enterprise by bringing residential properties back into use.



The licensing of rental housing began in March 2018. For calendar year 2018 and 2019 all multi-units properties with more than two units were licensed by the next licensing-cycle.

Rental Housing License	2017 Est.	2018 3 rd QTR	2019 3 rd QTR	2020 2 nd QTR
Single-unit	50	236	217	170
Two-unit	559	389	397	351
Multi-unit (3+)	336	294	300	304
Total	946	919	914	825

The Assessor and Code Enforcement Officer observed that 87 two-unit properties were apparently and obviously single family properties. The owners of these properties were send multiple notifications of this fact and provided the opportunity to dispute the fact. As a result, 76 two-unit properties were reclassified as single family for property tax assessing purposes, increasing total property value and reducing the estimated two-unit

count to approximately 472. A number of two-unit properties remain without a rental housing license or clarification of actual use that will be addressed in 2020.

In October 2019, the City Zoning Code was amended to revise the method by which single family properties could be converted to two-unit and multi-unit properties and provided expanded provisions by which a single family could add an accessory dwelling unit to a property. This policy is expected to increase homeownership, increase property value, encourage affordable housing, and decrease substandard housing.

Licensed rental housing are required to be inspected every three years. With two code enforcement officers carrying out inspections, these targets are projected to be met.

Rental housing inspections	2018	2019
Inspections	250	683
Estimated total (%)	27%	74%

License fees collected have met and exceeded revenue expectations in 2018 and 2019.

The Abandoned Building License requires parties in interest to license abandoned building every 6 months and for each year a building remains abandoned, the initial \$300 per 6 month fee doubles. Given that in three years' time, the fees will exceed the property taxes collected in that third year, it is expected that the number of abandoned buildings will continue to decline.

Abandoned Building License	2018 Est.	2108	2019
Licensed	94	79	70

The Land Bank Revolving Fund is capitalized at \$500,000 including \$250,000 of Tax Increment Financing Downtown District funds and \$250,000 in borrowing paid for through the St. Ignatius Affordable Housing Tax Increment Financing District. The average cost of demolition, including regulated asbestos abatement, as calculated for 2018 and 2019 is approximately \$23,000. The Land Bank Authority has carried out an average of 1 demolition every other month. The theoretical maximum time it takes for a building that has been ordered abated by the City Council to foreclosure due to nonpayment of special taxes is three and a half years. Since the funds inception four properties have been sold for redevelopment and fund balance stands at 64% available.

Land Bank Activity	2018	2019
Council order to abate	21	30
Demolitions		
City	8	7
Owner	2	2
Secured	3	3
Rehabilitation Plan	2	5

ORDER ESTABLISHING THE SANFORD MUNICIPAL LAND BANK AUTHORITY COMMISSION

WHEREAS, it has been found that insanitary and unsafe inhabited dwelling accommodations or blighted areas exist in the municipality of Sanford; and

WHEREAS, it has been found that there is a shortage of safe or sanitary dwelling accommodations in the municipality of Sanford available to persons of low income at rental or prices that they can afford;

WHEREAS, the need for an authority to function in the municipality has been declared and the Municipal Land Bank Authority has been created;

WHEREAS, seven commissioners shall be appointed to the Sanford Municipal Land Bank Authority consisting of the Mayor, two annually appointed City Councilors, four residents of Sanford, and ex officio members as determined by the Mayor;

WHEREAS, the Commissioners shall oversee the Municipal Land Bank Authority and the Safer, Fairer Housing Program and in addition:

1. Monitor the operations and budget of the licensing, inspection and enforcement program and make its findings public in an annual report to the City Council by June 30 each year; and
2. Purchase, acquire, hold, and dispose of real property through the Land Bank; and
3. Make recommendations to the City Council regarding dangerous buildings and other abandoned properties; and
4. Make recommendations to the City Council regarding property remediation; and
5. Develop and monitor financial programs to incentivize residential development and revitalization; and
6. Encourage private enterprise; and

WHEREAS, any person who resides within the authority's boundaries, and who is otherwise eligible for appointment, may be appointed as a commissioner of the authority and the commissioners who are appointed serve as commissioners for terms of 5 years, except that all vacancies must be filled for the unexpired terms.

NOW BE IT ORDERED, the following commissioner positions are hereby created to oversee the Municipal Land Bank Authority:

Mayor

Anne-Marie Mastraccio

City Councilor

Luke Lanigan

City Councilor

Ayn Hanselmann

Ex Officio (Sanford Housing Authority)

Diane Gerry

Resident, term expires 2025

Nicholas Roux

Resident, term expires 2022

Timothy Dumont

Resident, term expires 2023

Joe Sevigny

Resident, term expires 2024

Rebecca Lapierre

Ex Officio (Real Estate Representative)

John Caramihalis