

Testimony of AVCOG, HCPC, KVCOG, LCRPC, NMDC, SMPDC

In Support of

LD 1694 *An Act to Create the Maine Redevelopment Land Bank Authority*

May 12, 2021

Senator Curry, Representative Roberts, members of the Committee, we are writing to express our support for **LD 1694, “An Act to Create the Maine Redevelopment Land Bank Authority.”** This bill seeks to establish the Maine Redevelopment Authority, which will have two very distinct and complementary functions. LD 1694 authorizes the establishment of municipal, regional and state Land Banks, which are focused on the conversion of vacant, abandoned, tax delinquent and obsolete properties back into productive use. Vacant and abandoned buildings are in nearly every community in Maine, from our smallest rural communities to the largest cities, and many are owned by municipalities. Vacant and abandoned properties reduce property values, tax revenues, and in many cases these municipalities simply do not have the funding or staff available to deal with these properties. By putting many unprofitable properties back into use, tax burdens for all municipalities will improve even if they don’t currently have a problem property that needs land bank assistance.

The creation of a Land Bank Authority will:

- Provide a catalyst for new development and critical housing that the private market is unable to support.
- Focus resources on blighted, abandoned, and environmentally hazardous properties and buildings.
- Provide support for village centers, Main Streets, and neighborhoods in need of revitalization and redevelopment.
- Address financial liabilities impacting the State and municipalities and increase long-term tax revenues.
- Provide maximum flexibility for municipalities - they can establish their own land bank, join a regional organization, or enter an intergovernmental agreement with the state Redevelopment Authority.

A land bank will allow Maine communities to ensure that tax-foreclosed properties are sold or developed with the long-term interest of the community and surrounding property owners in mind. The land bank is designed to make it faster, easier, and cheaper for properties suffering from unclear ownership and abandonment to have their issues resolved so that they can be bought by interested and responsible new owners, (whether they are developers, community groups, neighbors, farmers, or business owners) and returned to productive uses that generate taxes for the city, town or state. The land bank can also work more effectively than other government entities to market these properties as well as hold onto them in a secured and cleaned-up state until the market turns and they are in demand.

There are numerous examples as to why this bill is needed. Across the state, communities have obsolete schools that could be repurposed for senior living, municipal offices, library or other uses, but asbestos and other contaminants make many schools expensive to repurpose and without sufficient funding from federal programs such as brownfields and community development block

grants, many of these structures sit and decay even where there is an interested developer. Any town with a former dry cleaner knows how toxic and complex the cleanup can be of these sites. Still other examples include properties that have unclear title due to multiple mortgages. Any property can suffer this problem, but in the current affordable housing crisis it is especially hard to see good quality homes that have suffered mortgage default and ended up in this situation sitting vacant when a family could be living in it. In addition to these more common projects, many towns have large industrial facilities, which really require the resources a state land bank can bring.

The bill also establishes the Development Ready Communities Program. This is a separate program that prioritizes funding for local projects with a strong financial return and that meet shared state and local economic, housing, environmental, transportation, and quality of life goals.

- The program is designed to align and coordinate state agency funding, policies, and procedures around locally identified projects and provide a path for municipalities and unorganized townships/counties to prioritize investments and for the State to direct funding and resources into the hands of communities.
- All municipalities and townships are eligible to become development ready communities and the program will be accessible to communities of all sizes and levels of capacity.
- Will help incentivize development into areas that are resilient, have infrastructure, and provide community benefit.

In most of the state, development is cheaper and easier on undeveloped “greenfield” land usually farms and forests. This program will help incentivize development in previously developed areas. It will also provide funding for projects with a strong community benefit that may not be something a private developer would be interested in or the local municipality has funding for. These grants can act to fund the gap in a project’s costs.

This legislation opens the door for funding and access to tools that many other states are already using to redevelop problematic properties. We believe that in order to thrive, these vacant properties must be put back into productive use. The creation of the Maine Redevelopment Land Bank Authority is a positive first step.

Signed,

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