

VIII. LAND BANKS

NSP allows the use of funds to establish land banks for homes that have been foreclosed upon. NSP has defined a land bank as follows:

A land bank is a governmental or nongovernmental nonprofit entity established, at least in part, to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property. For the purposes of the NSP, a land bank will operate in a specific, defined geographic area. It will purchase properties that have been abandoned or foreclosed upon and maintain, assemble, facilitate redevelopment of, market, and dispose of the land-banked properties. If the land bank is a governmental entity, it may also maintain abandoned or foreclosed property that it does not own, provided it charges the owner of the property the full cost of the service or places a lien on the property for the full cost of the service.

Uses

- A land bank may not hold a property for more than ten (10) years without obligating the property for a specific, eligible redevelopment in accordance with NSP requirements. HUD does not believe that holding property alone is sufficient to stabilize most neighborhoods.
- The Grantee must determine the actual service area benefiting from a land bank's activities.
- NSP funds may only be used for acquisition.

Grantees will be required to provide a plan for reuse of properties as part of contracting requirements.