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Vacant Spaces into Vibrant Places

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Chief Counsel's Office
Attention: Comment Processing,
Office of the Comptroller of the Currency (OCC)
400 7th Street SW, Suite 3E-218
Washington, DC 20219

James P. Sheesley
Assistant Executive Secretary
Attention: Comments RIN 3064-AF81
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Ann E. Misback
Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

RE: Community Reinvestment Act, Docket ID OCC-2022-0002 // Docket No. R-1769 // RIN 7100-AG29 // RIN 3064-AF81

The Center for Community Progress ("Community Progress") and our undersigned partners across the country appreciate the opportunity to comment in response to the joint Notice of Proposed Rulemaking ("NPR") published June 2022 by the Board of Governors of the Federal Reserve System ("Board"), the Federal Deposit Insurance Corporation ("FDIC"), and the Office of the Comptroller of the Currency ("OCC"), (collectively, the "Agencies"). The Agencies propose to amend their regulations implementing the Community Reinvestment Act of 1977 ("CRA") to update how CRA activities qualify for consideration, where CRA activities are considered, and how CRA activities are evaluated.[1]

Congress enacted the CRA in 1977 to help address economic challenges in predominantly minority urban neighborhoods that had suffered from decades of disinvestment and other systemic inequities. Inequitable access to credit and other financial services – due in large part to a practice known as "redlining" – along with a lack of public and private investment greatly contributed to the economic distress experienced by these communities.[2] Community Progress thanks the Agencies for their attention to CRA regulations, given the significant changes in the banking industry that have taken place since the last substantive updates to the CRA regulations in 1995 and 2005, respectively. The CRA's regulatory framework must be updated to fulfill the Act's intent to reduce racial disparities in wealth and homeownership, ensure lending services and access to credit for communities of color, and support equitable revitalization efforts in historically segregated, disinvested, and underserved neighborhoods. Our comment will respond to select questions in the NPR, as well as provide general input on broad themes of the NPR. We will also provide evidence to support our contention that land banks and land banking activities can and should be explicitly named in the final regulation, as the unique powers of land banks to steward distressed properties to productive reuse effectively align with the CRA's core purpose of serving low- and moderate-income individuals and communities.

[1] Community Reinvestment Act, Federal Register Vol. 87, No. 107, Friday, June 3, 2022. Available at https://www.federalregister.gov/documents/2022/06/03/2022-10111/community-reinvestment-act

[2] Board of Governors of the Federal Reserve System, Notice of Proposed Rulemaking – Community Reinvestment Act (Regulation BB), April 26, 2022. Available at https://www.federalreserve.gov/consumerscommunities/files/board-memo-20220505.pdf

About the Center for Community Progress

Founded in 2010, Community Progress is the leading national, nonprofit resource for urban, suburban, and rural communities seeking to address the full cycle of property revitalization. Community Progress works to foster strong, equitable communities where vacant, abandoned, and deteriorated properties are transformed into assets for neighbors and neighborhoods. The organization fulfills its mission by nurturing strong leadership and supporting systemic reforms. Community Progress works to ensure that all communities have the policies, tools, and resources they need to support the effective, equitable reuse of vacant, abandoned, and deteriorated properties, and aims to ensure that all public, private, and community leaders have the knowledge and capacity to create and sustain change. As a national leader in land policy and land banking, Community Progress works with communities across the country to assess and reform the policies and practices that govern the use and reuse of land.

Summary

Our comment speaks broadly to four (4) themes of the NPR:

1. **The Significance of Race**
   Race must be *explicitly* considered in order to effectively regulate and leverage the CRA to equitably revitalize communities of color impacted by the longstanding repercussions of redlining. Given the explicitly racist policies and practices which contributed significantly to present-day disparities in wealth and neighborhood wellbeing, we urge the Agencies to incorporate race into the CRA to intentionally identify and address racial disparities.

2. **Special Purpose Credit Programs**
   Special Purpose Credit Programs ("SPCPs") are a powerful tool for closing the racial homeownership gap by creating a targeted means for creditors to meet special social needs and benefit economically disadvantaged groups, including disadvantaged groups by race. We thank the Agencies for their specific consideration of SPCPs in the NPR and encourage the Agencies to include SPCPs in the final regulation.

3. **Changing Markets and Community Needs**
   The rise of financial technologies, widespread closures of traditional, brick-and-mortar financial institutions, and macroeconomic pressures on families and communities from the COVID-19 pandemic and inflation demonstrate the need for a CRA regulatory framework which cultivates higher rates of investment into weak and middle markets, and especially in communities of color. We ask the Agencies to consider higher standards for CRA credit in future examinations to foster greater reinvestment to underserved markets.

4. **Proposed Bank Classification Changes**
   Proposed reclassifications of banks by adjusting asset thresholds threatens to severely limit reinvestment into underserved markets. We ask the Agencies to reconsider proposed bank classification changes in the NPR.

Our comment responds directly to four (4) questions about CRA definitions and other aspects which may have implications for land banks and land banking activities:

Question 1: *Should the Agencies consider partial consideration for any other community development activities (for example, financing broadband infrastructure, health care facilities, other essential infrastructure and community facilities), or should partial consideration be limited only to affordable housing?*

Yes. The Agencies should consider partial consideration for community development activities to revitalize vacant, abandoned, and deteriorated land and properties. Revitalization efforts for these properties include, but are not limited to, property acquisition and disposition in the public interest, equitable homeownership opportunities, economic development, strategic demolition, and other activities land banks are leading across the country.

Question 2: *If partial consideration is extended to other types of community development activities with a primary purpose of community development, should there be a minimum percentage of the activity that serves low- or moderate-income individuals or geographies or small businesses and small farms, such as 25 percent? If partial consideration is provided for certain types of activities considered to have a primary purpose of community development, should the Agencies require a minimum percentage standard greater than 51 percent to receive full consideration, such as a threshold between 60 percent and 90 percent?*

Yes. The Agencies should adopt a minimum percentage of activity for partial consideration of other types of community development activities, and should also require a minimum percentage standard greater than 51 percent to receive full consideration of CRA credit.

Question 10: *What changes, if any, should the Agencies consider to ensure that the proposed affordable housing definition is clearly and appropriately inclusive of activities that support affordable housing for low- or moderate-income individuals, including activities that involve complex or novel solutions such as community land trusts, shared equity models, and manufactured housing?*

The Agencies can and should take two steps to be clearly and appropriately inclusive of activities. First, the Agencies should include more granular activities in the final regulation which align with proposed "Community Development Definitions."[3] Second, the Agencies should, as planned, maintain a public list of qualifying examples from different markets.

Question 16: *Should the Agencies include certain housing activities as eligible revitalization activities? If so, should housing activities be considered in all, or only certain, targeted geographies, and should there be additional eligibility requirements for these activities?*

Yes. Stable, affordable housing is a crucial component of comprehensive, equitable neighborhood revitalization. Housing activities which minimize displacement while expanding opportunity should be considered in all geographies, with additional eligibility requirements by race, income, geography, as well as the consideration of levels of vacancy and disinvestment.

[3] Federal Register, supra 34018 - 3421

Analysis

As stated by Governor Lael Brainard, "The last major revisions to the CRA regulations were made in 1995. The CRA is one of our most important tools to improve financial inclusion in communities across America, so it is critical to get reform right."[4] Since 1995, Americans have seen and felt a number of crucial changes to the financial landscape. Between 2020 and 2021, the proportion of US consumers using financial technologies grew from 58% to 88% – a 52% year-over-year increase.[5] While the usage of financial technology services has skyrocketed, traditional, brick-and-mortar financial institutions have sputtered. Nine percent (9%) of all branch locations in the US closed between 2017 and 2021 – a loss of about 7,500 brick-and-mortar locations. Low- to moderate-income and minority neighborhoods were impacted the most, continuing a pattern of mergers and closures disproportionately affecting communities of color.[6] While more Americans are "banked" than ever before, there are still 7.1 million households that are "unbanked," a disproportionate statistic by race.[7] Additionally, people of color bore an inequitable brunt of both the financial crises of 2008[8] and the COVID-19 pandemic.[9]

Despite Black homeownership increases in the mid-1900s, a 20% to 30% gap between Black and white homeownership rates has persisted for more than 100 years.[10] Hispanic homeownership also remains below 50% due at least in part to a lack of down payment and inventory for sale, despite considerable gains in Hispanic homeownership since 2015.[11] Redlining, a restrictive, racialized practice by which people of color were systematically denied opportunities for homeownership and intergenerational wealth, served as the foundational rationale for the original passage of the Community Reinvestment Act in 1977. Redlining was an expressly racist practice.[12] These statistics indicate a clear and present need to update CRA regulations in a way that accurately reflects technological changes to financial services, changes to neighborhood assets and opportunities, and responds to the unique needs of low- and moderate-income communities of color in the midst of a global pandemic.

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[4] Board of Governors for the Federal Reserve System. *Statement on Community Reinvestment Act Proposal by Governor Lael Brainard.* May 5, 2022. https://www.federalreserve.gov/newsevents/pressreleases/brainard-statement-20220505.htm

[5] Plaid. *The Fintech Effect 2021: Fintech's Mass Adoption Moment*. 2021. Available at https://assets.ctfassets.net/ss5kfr270og3/5ibllvGqujqTLronm8XgBX/19a1d7482945ddc2789a1d195dd91332/Fintech-Effect-2021.pdf

[6] One-third of the branches closed from 2017 to 2021 were in a low- to moderate-income and/or a majority-minority neighborhood where access to branches is crucial to ending inequities in access to financial services. https://ncrc.org/the-great-consolidation-of-banks-and-acceleration-of-branch-closures-across-america/

[7] An estimated 5.4 percent of US households were "unbanked" in 2019, meaning that no one in the household had a checking or savings account at a bank or credit union. 13.8 percent of Black households were unbanked in 2019, down from 16.8 percent in 2017 and 18.5 percent in 2015. Among Hispanic households, 12.2 percent were unbanked in 2019, down from 14.4 percent in 2017 and 16.3 percent in 2015.6 Despite the improvements in unbanked rates for Black and Hispanic households, unbanked rates in 2019 for these households remained substantially above the unbanked rate for White households (2.5 percent). Available at https://www.fdic.gov/analysis/household-survey/2019report.pdf

[8] During the Great Recession, white families' wealth fell 26.2 percent, while the wealth of African American families fell by a statistically significantly higher 47.6 percent. Hispanic families' wealth fell by 44.3 percent. Available at https://www.urban.org/sites/default/files/alfresco/publication-pdfs/413102-impact-of-the-Great-Recession-and-Beyond.PDF

[9] 72% of Latino households, 60% of Black households, and 55% of Native American households faced "Serious financial problems" due to COVID19, compared with 36% of white households. An additional 15% of Latino households, 10% of Black households, 9% of Native American households, 7% of Asian households and 9% of white households volunteered they didn't have any household savings before the coronavirus outbreak. https://www.npr.org/sections/health-shots/2020/09/18/912731744/how-the-pandemic-is-widening-the-racial-wealth-gap

[10] Asante-Muhammad, D. et al. *60% Black Homeownership: A Radical Goal for Black Wealth Development.* March 2, 2021. https://ncrc.org/60-black-homeownership-a-radical-goal-for-black-wealth-development/

[11] Kusisto, Laura & Eisen, Ben. *Wave of Hispanic Buyers Shores Up U.S. Housing Market.* July 15, 2019. https://www.wsj.com/articles/wave-of-hispanic-buyers-boosts-u-s-housing-market-11563183000

[12] Bowdler, D. and Harris, B. *Racial Inequality in the United States* (July 21, 2022). https://home.treasury.gov/news/featured-stories/racial-inequality-in-the-united-states

Race and the CRA

To undo the injustices of past racist practices, the Agencies must declaratively emphasize the criticality of race in effective CRA regulations. We join many other public commenters, including academics, community organizations, nonprofit providers and advocates, and private industry, in recognizing that achieving success in CRA's core purpose necessitates a race-conscious approach to regulation.[13] As such, it is very encouraging to see, for example, SPCPs explicitly considered in the NPR.[14] SPCPs are a powerful tool for closing the racial homeownership gap because they provide a path forward for targeted, race-conscious means to benefit economically disadvantaged groups, including disadvantaged groups by race.[15] This race-conscious approach is permissible under the law,[16] and should be included as CRA-eligible loan products/ programs in the final regulation. We further encourage the Agencies to entrench an *explicit* and intentional focus on race into the final regulation.

Bank Size Thresholds and Partial Consideration of Community Development Activities

The Agencies must consider how the final regulation may impact the net volume of reinvestment into underserved markets, and especially those markets impacted by redlining and its legacies. There are two considerations we wish to note. First, the NPR proposes changing the thresholds for bank sizes based on assets. We do not support these proposed threshold changes. The following table summarizes the proposed changes:

Bank Classification	Current Thresholds	Proposed Thresholds
Small Banks	Assets of less than $346 million	Assets of up to $600 million
Intermediate Small Banks	Assets of at least $346 million but less than $1.384 billion	Assets of at least $600 million but less than $2 billion
Large Banks	Assets of at least $1.384 billion or more	Assets of at least $2 billion or more

Under the proposed thresholds, approximately 779 banks currently categorized as intermediate small banks would be recategorized as "small banks," and approximately 217 banks currently categorized as large banks would be recategorized as "intermediate small banks." Bank size thresholds would continue to be adjusted annually for inflation and published by the FDIC. The wholesale and limited purpose bank designations would also be retained, as would be the option, for any bank, to be evaluated under an approved strategic plan.[17]

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[13] See for example public commentary from Dr. Gregory Squires, the St. Louis Equal Housing and Community Reinvestment Alliance, and the National Community Reinvestment Coalition. https://www.regulations.gov/document/OCC-2022-0002-0001/comment

[14] See Question 106 of the NPR. Federal Register, supra 33968

[15] National Fair Housing Alliance and Relman Colfax, PLLC. *Special Purpose Credit Programs*. November 2020. Available at https://nationalfairhousing.org/wp-content/uploads/2020/11/NFHA_Relman_SPCP_Article.pdf

[16] Lambert, T. *Using special purpose credit programs to serve unmet credit needs*. July 19, 2022. https://www.consumerfinance.gov/about-us/blog/using-special-purpose-credit-programs-to-serve-unmet-credit-needs/

[17] Pearce, M. *Notice of Proposed Rulemaking on Community Reinvestment Act Regulations*. April 27, 2022. Available at https://www.fdic.gov/news/board-matters/2022/2022-05-05-notice-dis-a-mem.pdf

We believe that this proposed change is problematic because it will result in a lower net volume of reinvestment. We agree with the National Community Reinvestment Coalition that "these changes lack justification since [779 banks currently categorized as intermediate small banks] have been successfully performing [community development finance] for years."[18]

Second, the Agencies have noted in the NPR that they are considering minimum percentages for partial consideration of community development activities, as well as a potential standard over 51 percent for full consideration.[19] We suggest that the Agencies strongly consider a high floor for partial credit, and a narrow gap between partial consideration and full consideration so as to encourage financial institutions to meet the standard for full consideration. For example, a potential minimum percentage of 50% for partial consideration and potential minimum percentage of 60% for full consideration of community development activities could work to support the core purpose of servicing low- and moderate-income geographies.

Land Banks and Land Banking Activities

The Agencies should strongly consider land banks and land banking activities for explicit inclusion in the final CRA regulation, as these community development activities work in service of equitable results for communities of color.

The NPR proposes to "revise the community development definitions in order to clarify eligibility criteria for different community development activities by including eleven categories that establish specific eligibility standards for a broad range of community development activities."[20] Advocates see this as a major improvement, which we agree with, because it helps banks – especially large banks – have more clarity around activities which would qualify for CRA credit.[21]

Despite the widespread undersupply of affordable housing, there are more than 5.7 million vacant units throughout the US. Those units are often concentrated in communities of color and small- and mid-size city neighborhoods.[22] The irony of a high demand for more affordable housing and a surplus of abandoned and deteriorated properties indicates an opportunity for reinvestment fostered by CRA regulations. In addition, systemic vacancy[23] and hypervacancy[24] are public burdens that cause calculable harm.

Evidence of these public burdens include:

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[18] Public Comment from the National Community Reinvestment Coalition https://www.regulations.gov/document/OCC-2022-0002-0001/comment

[19] See Question 2, Federal Register, supra 33892

[20] Federal Register, supra 33891

[21] "By combining [community development tests] I think you have a lot more flexibility to respond to what the actual community development needs are…[banks] got to focus on things they know are going to count [under the CRA regulation]". Comments by Buzz Roberts, National Association of Affordable Housing Lenders. 1:04:50 – 1:07:15. Urban Institute. *Modernizing the CRA: Ensuring Banks Meet the Credit Needs of Their Communities*. June 6, 2022. https://youtu.be/3qD2mfMzMc4?t=3890

[22] United States Census Bureau. (July, 6 2022). B25004 Vacancy Status. Retrieved from 2020 ACS 5-Year Estimates: https://data.census.gov/cedsci/table?q=Vacancy&tid=ACSDT5Y2020.B25004

[23] Communities experiencing systemic vacancy often become stuck in a negative cycle where vacant, abandoned, or deteriorated properties intensify poor living conditions impacting the local economy, community fabric, housing stock, and the local tax base. This in turn fuels neighborhood challenges and increases levels of vacant properties." See Center for Community Progress. (2022). Systemic Vacancy. https://communityprogress.org/resources/vacancy/

[24] 'Hypervacancy' refers to communities where greater than 20% of all properties stand unused and often in disrepair. Mallach, A. (2018). The Empty House Next Door. Cambridge, MA: Lincoln Institute of Land Policy.

- A 2016 study in Toledo, Ohio, which found that vacant properties cost the city $3.8 million per year in direct costs, $2.7 million per year in lost tax revenues from the vacant properties themselves, $98.7 million in lost property values, and $2.68 million in lost tax revenues from adjacent properties whose value was diminished by the presence of vacant properties.[25]

- A 2016 analysis which revealed that the total costs of distressed vacant properties in Atlanta, Georgia, range from $55 million to $153 million in lost property values. This translates into lost property tax revenues of $1 million to $2.7 million annually.[26]

- A 2011 study which demonstrated that in Cleveland, Ohio, properties within 500 feet of a vacant, tax-delinquent, and foreclosed property lost 9.4% of their value.[27]

Land banks can operate as the ideal conduit between problem properties and community reinvestment. Land banks are designed to acquire and maintain problem properties and then transfer them back to responsible ownership and productive use in accordance with local land use goals and priorities, creating a more efficient, effective, and equitable system. Land banks often have unique statutory powers which may include the ability to acquire property through various mechanisms, including obtaining property at low or no cost through the tax foreclosure process; hold title to property tax exempt, and in some cases extinguish back taxes; clear title and in some cases expedite the title clearing process; and streamline the disposition and sale of properties to responsible owners or developers.[28] The growing field of more than 250 land banks in operation often serve communities of color where a confluence of market forces and discriminatory policies and practices like redlining have led to areas of hypervacancy.[29]

Land banks operate a number of community development activities in service of equitable results for communities of color. Such activities include Property Acquisition and Disposition, Equitable Homeownership Opportunities, and Economic Development for Low- and Moderate-Income Communities. Recently, land banks have also gained significant attention from state and federal agencies, programs, and legislatures because of the community development activities they operate.

Property Acquisition and Disposition

Land banks are an effective mechanism to help achieve community development goals in a range of different housing market types, as they can sell to individuals and families as well developers and management companies. Land banks can sell individual parcels or assemble adjacent properties they acquire into a package appropriate for a larger development, which may make the properties more attractive to developers.[30] In Syracuse, New York, the Greater Syracuse Land Bank has the power to assemble larger parcels of land before marketing them for sale in order to accomplish more preferable redevelopment outcomes – for example, combining two vacant lots for new construction rather than selling just one to an adjacent

[25] Immergluck, D., & Toering, S. (2016). "The Cost of Vacant and Blighted Properties in Toledo." Center for Community Progress.

[26] Immergluck, D. (2016, January). "The Cost of Vacant and Blighted Properties in Atlanta: A Conservative Analysis of Service and Spillover Costs." Center for Community Progress. Available at https://www.communityprogress.net/filebin/Cost_of_Vacant_and_Blighted_Immergluck_FINAL_02.17.16.pdf

[27] Whitaker, S., & Fitzpatrick, T., (2011). "The Impact of Vacant, Tax-Delinquent and Foreclosed Property on Sales Prices of Neighboring Homes." Federal Reserve Bank of Cleveland.

[28] Center for Community Progress. *Land Bank FAQ's*. 2021. https://communityprogress.org/resources/land-banks/lb-faq/

[29] Mallach, 2018

[30] Local Housing Solutions. *Land banks.* Accessed July 22, 2022. https://localhousingsolutions.org/housing-policy-library/land-banks/

property owner.[31] In and around Flint, Michigan, the Genesee County Land Bank supported the 2018 Choice Neighborhood Initiative Implementation Award by conducting targeted demolitions and land sales to support property aggregation for the project.[32] Land banks lead property acquisition and disposition activities in rural, suburban, and urban markets. For example, throughout 2020, the Albany-Dougherty County Land Bank in Georgia transferred seventeen (17) vacant, abandoned and tax delinquent properties to productive private ownership for rehabilitation including three (3) commercial properties, five (5) rental properties, historic district rehabilitation, and three (3) first-time homeowners.[33]

Equitable Homeownership Opportunities

Land banks often serve as critical partners in developing affordable housing units in low- and moderate-income communities. Some of the best examples of land banks leading new, affordable homeownership opportunities are made possible through strategic partnerships with community land trusts.

- In Albany, New York, the Albany County Land Bank and the Albany Community Land Trust collaborate via the Equitable Ownership Program to increase homeownership rates in underserved communities that have historically experienced discriminatory and inequitable practices and policies. Through the Equitable Ownership Program, the land bank seeks to reduce the amount of capital needed for lower-income families by identifying suitable properties to rehab into safe, affordable housing. The community land trust helps identify eligible program participants and provides them with a scope of work and access to a building specialist to assist with the vacant building rehabilitation.[34]

- In Atlanta, Georgia, the Metro Atlanta Land Bank uses its strategic acquisition powers to take title to vacant, abandoned, and tax delinquent properties. The Metro Atlanta Land Bank also leverages its Land Banking Depository Program to allow nonprofit affordable housing developers, including the Atlanta Land Trust, to deposit property in the land bank's inventory. This provides crucial tax exemptions which support site assembly and financing processes, thereby facilitating opportunities for more affordable homeownership.[35]

- In Houston, Texas, the Houston Land Bank and the Houston Community Land Trust work together to create a pipeline of permanently affordability housing opportunities for low-income families. The land trust matches low-income, prospective homebuyers with properties using land designated by the land bank, and facilitates the building of homes that are subsequently turned over to the land bank for a market-rate sale to households at or below 80 percent area median income.[36]

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[31] Greater Syracuse Land Bank. *Land Bank Programs.* Accessed July 22, 2022. http://syracuselandbank.org/programs/#our-programs

[32] Imagine Flint. *Full Implementation Grant Application.* December 5, 2017. Accessed July 22, 2022. Available at https://app.box.com/s/e5ljl34asztmruhhsdsi49funi4r48nu/file/603360964574

[33] Georgia Association of Land Bank Authorities (GALBA). *Georgia Land Banks: Returns on Investment and Untapped Potential.* August 2021.

[34] Center for Community Progress. *Land Banks and Community Land Trusts: Partnering to Provide Equitable Housing Opportunities Now and for Future Generations.* December 2021. Available at https://communityprogress.org/wp-content/uploads/2021/11/Land-Banks-and-Community-Land-Trusts-LB-CLT-TA-Report.pdf

[35] Center for Community Progress, 2021.

[36] Lowery, L. et. al. *Community Land Trusts: A Guide for Local Governments.* 2021. National League of Cities and Grounded Solutions Network. Available at https://www.nlc.org/wp-content/uploads/2021/08/Community-Land-Trusts_A-Guide-for-Local-Governments_Report-1.pdf

Economic Development for Low- and Moderate-Income Communities

Land banks help spur economic development in historically underserved and weaker markets, increase property values for neighbors and neighborhoods, and support public resources. In and around Cleveland, Ohio, the Cuyahoga Land Bank is responsible for one of the largest land banking inventories in the country. An econometric analysis of the land bank's community development activities found that $8 in economic impact was generated for every $1 of expenditure, and one (1) new job was created for every $72,152 of land bank expenditure.[37] In rural Georgia, the Rome-Floyd Land Bank moved 165 vacant, abandoned, tax delinquent properties in productive, private ownership, returning $2.1 million in property value to the tax rolls, spurring and supporting revitalization of long-blighted and underinvested communities.[38]

State and Federal Recognition

Land banks and land banking activities have gained significant attention from state governments and federal agencies in recent years. There is growing consensus that land banks can and should be included as an important tool in the community development toolbox. For example:

- The American Rescue Plan Act included $350 billion in State and Local Fiscal Recovery Funds ("SLFRF"). In its Final Rule regulating the use of SLFRF resources, the US Department of the Treasury affirmed that "certain services for vacant or abandoned properties are eligible to address the public health and negative economic impacts of the pandemic on disproportionately impacted households or communities."[39] Eligible activities include rehabilitation, acquiring and securing legal title, remediation of environmental hazards, demolition, greening, conversion of vacant properties into affordable housing, and more – all activities which land banks can and currently do play a major role in. Since the Final Rule was released, Rochester, New York; Battle Creek, Michigan; Morgantown, West Virginia; and other communities have created new opportunities for affordable housing by developing government-owned land or rehabilitating vacant properties.[40]

- Freddie Mac explicitly named land banks as a partner in its 2022-2024 Equitable Housing Finance Plan. Land banks are an important partner in Freddie Mac's targeted strategy to provide technical assistance on renovation financing for single-family homes in traditionally underserved Black and Latino communities. Freddie Mac has planned to examine new ways to provide liquidity to land banks to turn vacant properties into affordable housing units, bring inventory back into market as affordable housing stock, and provide technical assistance.[41]

- Seventeen (17) states have passed enabling legislation to codify land banks' authority to responsibly steward properties for the public interest and in service of community goals.[42]

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[37] Dynamo Metrics. *Cuyahoga Land Bank: 10-year Economic Impact Analysis*. June 2019. Available at https://cuyahogalandbank.org/wp-content/uploads/2021/09/Cuyahoga-Land-Bank-10yr-Impact-Report-20190626-1.pdf

[38] GALBA, 2021

[39] See page 4374, Coronavirus State and Local Fiscal Recovery Funds, Federal Register, Vol. 87, No. 18, Thursday, January 27, 2022. Available at https://www.govinfo.gov/content/pkg/FR-2022-01-27/pdf/2022-00292.pdf

[40] U.S. Department of the Treasury. *FACT SHEET: State, local, and Tribal governments are using Fiscal Recovery Funds to keep families in their homes and build more affordable housing*. Accessed July 22, 2022. Available at https://home.treasury.gov/system/files/136/SLFRF-Housing-Investments-Factsheet.pdf

[41] Freddie Mac. *Equitable Housing Finance Plan*. June 2022. Available at https://www.freddiemac.com/about/pdf/Freddie-Mac-Equitable-Housing-Finance-Plan.pdf

[42] Center for Community Progress. *National Land Bank Map* (March 2022). https://communityprogress.org/resources/land-banks/national-land-bank-map/

- The National Land Bank Network Act, introduced in June 2020, has gained attention from a bipartisan group of Members of Congress to provide technical assistance to land banks and build capacity for land banking activities across the country.[43]

The portfolio of community development activities that land banks lead indicates the myriad of ways land banks support goals aligned with the CRA's core purpose. Furthermore, land banking strategies are largely municipal and county-level efforts responding effectively to the unique contexts, needs, and opportunities of thousands of communities across the country.

We believe the evidence presented in this public comment demonstrates why land bank investments and activities should be explicitly named in the final CRA regulation and forthcoming public guidance on eligible community development activities, and request that the Agencies strongly consider their inclusion. We also point to the public comment submitted by the National Community Reinvestment Coalition that shares this view and uplifts the important work of land banks.[44]

Conclusion

Community Progress and our partners appreciate the efforts that the Agencies have jointly undertaken to release this NPR, and wish to commend the Agencies for their hard work thus far. Our comments are intended to support the Agencies as they collaborate further to implement a final regulation in service of the CRA's core purpose.

Should the Agencies have any questions or further interest, our Community Progress team and community partners would be happy to work with you. Our experience as a subject matter expert and technical assistance provider to land banks across the country positions us well to speak to potential programs and partnerships with land banks in service of the CRA's core purpose. Our next national conference, Reclaiming Vacant Properties, will take place in Chicago, Illinois in September 2022[45] and may also be an excellent learning opportunity for the Agencies as they consider the full breadth of public commentary on the NPR. In addition, statewide land bank associations in Michigan, Ohio, New York, Georgia, and Pennsylvania could further serve as helpful resources.[46]

Thank you for your attention to our comment. We look forward to working with you.

[redacted]

Dr. Akilah Watkins
President and CEO

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[43] "Land banks exist in rural, suburban, and urban places, with a total of 250 land banks in 29 states today. As we grapple with how best to increase the supply of quality, affordable housing, we must broaden our thinking about how land is owned, stewarded, and developed…[the National Land Bank Network Act] legislation would provide direct federal investment to educate, build capacity for, and provide technical assistance to land banks." Watkins, A. *Testimony of Dr. Akilah Watkins*. 00:26:00 – 00:31:00. Available at https://waysandmeans.house.gov/legislation/hearings/nowhere-live-profits-disinvestment-and-american-housing-crisis

[44] See https://www.regulations.gov/comment/OCC-2022-0002-0162

[45] See https://reclaimingvacantproperties.org/.

[46] We encourage collaboration with individual land banks as well as established state land bank associations, which include Michigan (https://milandbank.org/), Ohio (http://ohiolandbanks.org/), New York (http://nylandbanks.org/), Georgia (https://www.galbaonline.com/), and Pennsylvania (https://housingalliancepa.org/pennsylvania-land-bank-network/).

Center for COMMUNITY PROGRESS
Vacant Spaces into Vibrant Places

Signatories

The following forty-three (43) organizations join Community Progress in this public comment:

State and National Land Bank Associations

Georgia Association of Land Bank Authorities
New York Land Bank Association
Ohio Land Bank Association
National Land Bank Network (NLBN)

Land Banks

Albany County Land Bank Corporation
Augusta, Georgia Land Bank Authority
Berrien County Land Bank
Blight Authority of Memphis
Buffalo Erie Niagara Land Improvement Corporation (BENLIC)
Calhoun County Land Bank Authority
Centro para la Reconstrucción del Hábitat
Chatham County/ City of Savannah Land Bank Authority
Chemung County Property Development Corporation
COCIC Franklin County Land Bank
Cuyahoga Land Bank
Detroit Land Bank Authority
Douglas-Coffee County Land Bank Authority
Genesee County Land Bank
Greater Mohawk Valley Land Bank
Houghton County Land Bank
Houston Land Bank
Lucas County Land Bank
Macon-Bibb County Land Bank Authority
Marquette County Land Bank Authority
Missaukee County Land Bank Authority
Muskegon County Land Bank
Newburgh Community Land Bank
Omaha Municipal Land Bank
Troy Community Land Bank
Wayne County Land Bank
Wilmington Neighborhood Conservancy Land Bank

State and National Organizations

Americans for Financial Reform Education Fund
CenterState Corporation for Economic Opportunity
Greater Ohio Policy Center
Grounded Solutions Network

Signatories (continued)

State and National Organizations (continued)

Housing Alliance of Pennsylvania
Housing Matters, LLC
National Fair Housing Alliance (NFHA)
National NeighborWorks Association
Opportunity Finance Network (OFN)
Prosperity Indiana
Prosperity Now
Up for Growth Action