

# **Brown County Community Investment Corporation**

## **FAQs Sheet**

### **What is a Landbank?**

A landbank is a way for our community to strategically utilize underdeveloped land in Brown County. A landbank is a place to hold property that is tax delinquent, donated, or purchased by the landbank until it can be resold to a private owner who can or will use the property. A landbank is focused on returning vacant, abandoned buildings and tax delinquent properties back into productive use. In Brown County the Community Investment Corporation will be the county landbank.

### **Why does Brown County need a Landbank?**

There are multiple reasons why Brown County needs a landbank. One common complaint in our community is that home prices are not attainable. It is well documented that our school corporation is losing children at an alarming rate. It is also commonly heard that there are properties with long abandoned homes that are falling down. All of these issues are symptoms of the same problem. Young families have young children. Young families need attainably priced starter homes. The Community Investment Corporation seeks to solve both problems at the same time by strategically acquiring abandoned properties and constructing an attainably priced home that is attractive to a young family who would want to raise their children in the Beauty of our community. In that way, the CIC solves the issues of declining population, housing inflation, and distressed homes in the county.

### **Why does Brown County land need to be used effectively?**

Over half of Brown County is state and federal land. For all intents and purposes, it does not contribute to the operation of the county. So right from the start, Brown County is functionally half as large as it actually is. Another large percentage of the land is floodways that can not be used for residential use. Similarly difficult to build on are the steep hillsides. The residentially productive land is actually quite small. In 2017, Brown County had lost 1.36% of its 2010 population. The projection is that we will lose 21% of our 2020 population by 2050. This is a major problem for our community. Property and income tax money is where our county gets its operational budget. Fewer people means everyone pays more, which only drives out more people. According to a demographic survey conducted by Brown County Schools, our community has lost 48% of its 20-40 year old population since 1990. Also, few residents want to see a large 50-100 home suburb type development in Brown County. We value our natural surroundings and pristine beauty of the land and unrestricted development would only threaten that. Alternatively, abandoned homes are proven places where a home could exist. Right now it is simply taking up a spot that

is far more valuable to the community than to the property owner and the free market. It is important to maximize the residential space we have effectively and efficiently so that we do not have to increase the developmental footprint in Brown County.

**Isn't it a property owner's right to do anything they want with their land?**

Yes and No. Of course the priority should always be to allow a property owner the greatest flexibility to utilize their land as they see fit. However, there are limits. Most limits are commonly accepted, you still have to obey the laws of the nation, state, and county even if you are on your own land. You still have to obey hunting restrictions, even though it is your own land. You have to obey health and building codes, for example. That is the price of living in a community and society. If an owner has an abandoned, distressed property but they pay their taxes, there is very little the CIC can do. However, if a parcel is tax delinquent and there is a legal way to reacquire that land for the benefit of the county, then steps should be taken to reacquire and redevelop the property.

**My land is tax delinquent. Are you coming after my house or land / Is this a land grab?**

NO! The bylaws of the CIC strictly forbid pursuing properties if the property is the primary residence of the owner. In fact, it will be the policy of the CIC to not pursue properties if the owner resides in Brown County. The CIC **WILL NOT** be in the business of removing our neighbors from their homes. This IS NOT an attempt to grab land from our community's residents.

**Who owns the Community Investment Corporation?**

No one. Nor are there investors or any one who benefits financially from controlling the corporation. The CIC is a 501(c)(3) non-profit organization. Directors of the CIC are appointed by community officials to serve in the best interest of Brown County.

**How is the CIC obtaining this land?**

Indiana state law authorizes the creation of landbanks. The easiest way a landbank obtains land is through tax delinquency. Once a property goes to tax sale and is not sold, the county commissioners may claim the land and place it in the landbank for holding until it can be sold to another private owner. Another way to add land to the CIC is through donation. A landowner may donate land for tax purposes. The CIC may also purchase land outright from a willing seller

**The land is still tax delinquent, how does the CIC help?**

The nice thing about the CIC is that as part of the process of placing it in the program, the back taxes are extinguished and a clear title is created. The CIC can then negotiate resale not just to private ownership, but also to someones whose plans for the land most closely align with Brown Counties needs.

### **Is tax delinquent land a problem in Brown County?**

Since 2016, there have been, on average, 180 parcels of tax delinquent land that have gone to tax sale. Of those only 20-30 sell and another 20-30 are claimed by the county commissioners. So there are a lot of potential parcels that could be redeveloped if the conditions are right.

### **Isn't the CIC competing with the private market, with an unfair advantage?**

No, for two reasons. First, there is a vibrant housing market in Brown County focused on larger, more expensive, luxury homes. The average home price in 2018 was approximately \$298,000.00. Well outside the price range of most starter home seekers. What has fallen through the private market are attainable homes in the \$120-\$210K range. The CIC will focus on those properties that are vacant, abandoned, or have serious legal and financial barriers that have clouded the title or the the private market has rejected.

### **Is abandoned homes a problem in Brown County?**

It seems that everyone who lives in the county has a story about having to drive by or live near a home that is falling down, "trashed." or otherwise an eyesore. Now either, we are all looking at the same property or there are numerous properties in the County. The 2010 Federal Census identified 8,528 residential structures in Brown County and listed 2,258 structures as vacant or abandoned. That is a loaded number but it caught the attention of the Brown County Redevelopment Commission who decided to test that finding. Through 2021, the BCRDC has been conducting a land use survey to identify if that number is accurate. To date, the BCRDC has identified potentially 60 such properties. More accurate data will emerge as the survey finishes, but it indicates that there are in-fact unused properties that could be brought back into productive use.

### **Who currently owns abandoned properties?**

The short answer is various people. However, a large number of properties in Brown County are held by people who do not live in the county, do not pay their local income taxes to support our community, and are willing to allow the land to lay idle and undeveloped as a speculation that it might be worth more down the road. Many Americans wish for a future where they have the luxury of disposable land for purely recreational purposes. It is an amazing fortune and blessing to have. However, the issue of speculative land ownership by out of county individuals is a major barrier to the

effective use of land in the county. We need Brown County land to house Brown County residents who pay **both** their property taxes and their local income taxes to Brown County, who send their children to Brown County Schools, who buy groceries and gas from our local vendors, and who contribute to the local economy. Land owned by periodic visitors to our county, while commendable, ultimately is harming our county.

### **How will the landbank help me?**

Creating the CIC will have several economic benefits for our community. There will be a few opportunities for residents to directly benefit. Once a property has entered the CIC, it becomes the responsibility of the CIC to maintain it. The CIC will contract with local businesses to maintain individual properties. Mowing, trimming, brush removal, securing any structures, will be needed. Forming a lawn maintenance business and partnering with the CIC will allow residents to make an estimated \$500-\$1000 dollars a year per property in the landbank. Also, there is the issue of the distressed building. It would be a great time to create a business for the demolition of structures. For an estimated \$10,000 per property, residents can contract with the CIC to remove any distressed structures and return the site to a buildable lot.

Finally, there will be a need for contractors and construction crews to rebuild homes on these properties. All of these opportunities are jobs that are uniquely suited to Brown County workers and will provide economic stimulation to our local economy.

### **How will the CIC be funded?**

The CIC will be funded through a variety of sources including revenue from the sale of properties, foundation grants, and general fund appropriations, and federal and state grants.

### **How will the CIC ensure attainably priced homes will be built?**

It is part of the program. A contractor who wants to participate in the redevelopment will be sold a property On-contract for \$1.00. Their responsibility will be to build a house that meets the prior approval of the CIC (permanently built, meets the aesthetic standards of the county, etc) within 16 months. The catch is that the contractor then may only sell the property for a price maximum that is set by the CIC. In that way, the contractor will be able to plan appropriately how big of a residence they can build and still make a modest profit. It is ok if the home is small and modest, the idea is to build an entry level home for a younger couple who then will either expand the home or outgrow it and move to a more established home elsewhere in the county.

### **Won't these homes just wind up being second homes, retirement homes, or tourist rentals.**

Most likely not or at least not for a while. Homes built under this program must be used as the owners primary residence for at least the first three years (the longest time

allowed by state law). After that time, it can be bought, used, and sold in an unrestricted way however, effective and competent use of a Brown County Comprehensive Plan would be the best cure to the home becoming a tourist rental. There is not a great way to prevent these homes from being owned by retirement age individuals although the spirit of the program is to support and stimulate younger family, first time homebuyer ownership and it will be the responsibility of the CIC directors to continue that vision.