

## **RESOLUTION NO. 60, SERIES 2021**

### **A RESOLUTION ACCEPTING THE RECOMMENDATIONS RESULTING FROM THE INITIAL RACIAL EQUITY REVIEW OF THE LANDBANK'S POLICIES.**

**WHEREAS**, pursuant to KRS 65.355 (3), the Louisville and Jefferson County Landbank Authority, Inc. (the "Authority") was established to acquire the tax delinquent properties of the parties, properties that have become blighted or deteriorated as defined by KRS 99.705 and properties that have local government liens filed against them, to facilitate the public purpose of returning property that is in a non-revenue generating, non-tax producing status to effective utilization, including but not limited to providing housing, new industry, and jobs for the citizens of Jefferson County, Kentucky.

**WHEREAS**, the Authority passed Resolution 53, Series 2020 formalizing the procedures by which current and future programs will be examined through a racial equity lens.

**WHEREAS**, the Authority received an update on the racial equity review of current programs on October 18, 2021.

**WHEREAS**, the update presented to the Authority included recommendations resulting from the initial review phase of the Authority's acquisition and disposition policies using the Louisville Metro Government's Racial Equity Toolkit.

**WHEREAS**, additional data collection, analysis, research, and stakeholder engagement must occur before the Authority hears final program recommendations.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD MEMBERS OF THE LOUISVILLE AND JEFFERSON COUNTY LANDBANK AUTHORITY, INC.,**

**SECTION 1.** That the recommendations presented to the Authority, and included as Attachment A, shall be implemented in accordance with the stated timeframes.

**SECTION 2.** That, as recommendations result from additional review and analysis, updates shall be presented to the Authority and to the public.

**SECTION 3.** That this Resolution shall become effective upon its passage and approval.

**APPROVED BY:** \_\_\_\_\_ **DATE APPROVED:** \_\_\_\_\_

**William P. Schreck  
Chairman and President  
Louisville and Jefferson County  
Landbank Authority, Inc.**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Travis J. Fiechter  
Counsel for Louisville and Jefferson County Landbank Authority, Inc.  
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## **ATTACHMENT A**

### **Landbank Programs Racial Equity Review**

The Louisville/Jefferson County Landbank's mission is to return vacant and abandoned properties to productive, tax-producing use. Over the last 30 years, the Landbank acquired and disposed of both lots and structures through various sales programs designed to meet the goal. The vast majority of the Landbank's properties are in neighborhoods with predominantly African American residents. There is clear evidence that the Landbank's programs positively impact neighborhood residents by transforming formerly blighted properties into neighborhood assets. While this provides an immediate benefit to neighboring residents, the degree to which these actions help advance racial equity goals is unknown. Additional data collection is required to accurately assess impacts of the entire Landbank process, including buyers, contractors, and end users. The goal of this review is to examine the impacts of the Landbank's sales programs through a racial equity lens. To effectively conduct this review, it is necessary to divide it into phases, described below.

#### **Initial Phase (September 2020 through September 2021):**

- Identify four (4) stakeholder groups and draft racial equity vision for each.
  1. Neighboring residents of Landbank properties
  2. Landbank buyers (direct)
  3. Professionals/Contractors working on Landbank projects
  4. Landbank End Users
- Perform initial racial equity analysis using available information.
- Recommend initial revisions to current practices.

#### **Subsequent Phase (Expected October 2021 – March 2022):**

- Implement recommendations, including improved data collection and research on best practices. (October 2021 – November 2021)
- Draft proposal with specific sale program changes. (December 2021)
- Obtain stakeholder input on proposed sales program changes, revising proposals as necessary. (December 2021 – February 2022)
- Recommend sales program changes to Landbank board. (March 2022)

## **Landbank Programs Racial Equity Review**

<b>Neighboring Residents of Landbank Properties</b>	
<p><b>Racial Equity Impact Vision:</b> Neighboring residents are positively impacted by Landbank property transfers. Residents receive consistent communication about Landbank properties, programs, and projects through various channels.</p> <p><b>Analysis Summary:</b></p> <ul style="list-style-type: none"><li>• Current communication methods focus on potential buyers.</li><li>• With the location of the Landbank's properties primarily in predominantly African American neighborhoods, ensuring consistent communication with neighboring residents is a racial equity issue.</li></ul>	<p><b>Recommendations:</b></p> <ol style="list-style-type: none"><li>1. Develop Landbank logo/marketing materials.</li><li>2. Develop monthly newsletter and distribute electronically and physically.</li><li>3. Improve physical signage on Landbank properties.</li><li>4. Create annual report and distribute electronically and physically.</li><li>5. Regularly attend neighborhood meetings.</li><li>6. Distribute mailers to neighboring residents when properties are acquired by Landbank.</li><li>7. Review best practices on project input by residents and incorporate changes, as feasible.</li><li>8. Distribute information on proposed gardens to neighboring residents, partnering with University of Kentucky Cooperative Extension Service.</li></ol>

<b>Landbank Property Buyers</b>	
<p><b>Racial Equity Impact Vision:</b> Landbank programs decrease the racial wealth gap by selling properties directly to an increased number of Black/African American buyers.</p> <p><b>Analysis Summary:</b></p> <ul style="list-style-type: none"><li>• Applications do not currently collect demographic information on buyers, preventing full equity analysis.</li><li>• African American residents have been negatively impacted by redlining and other institutionally racist policies, preventing access to wealth.</li><li>• Effects of these policies can be seen through lower homeownership rates, limited access to capital, and increased foreclosure rates.</li><li>• This reality creates a gap between white and black real estate buyers, which can be presumed to apply to Landbank buyers as well.</li></ul>	<p><b>Recommendations:</b></p> <ol style="list-style-type: none"><li>1. Revise property applications to collect demographic data on buyers.</li><li>2. Engage with financial institutions to create partnerships designed to increase capital to African American buyers.</li><li>3. Review each sales program to find and implement opportunities to decrease the racial property ownership gap.</li></ol>

## **Landbank Programs Racial Equity Review**

<b>Contractors/Professionals</b>	
<p><b>Racial Equity Impact Vision:</b> Landbank programs decrease the racial wealth gap by providing contracting opportunities to an increased number of Black/African American-owned companies.</p> <p><b>Analysis Summary:</b></p> <ul style="list-style-type: none"> <li>• Landbank projects need professional services, both during Landbank ownership (stabilization, lock changes, cleanouts, etc.) and once transferred to buyers (legal, realty, contractors).</li> <li>• Limited data collection currently exists, preventing full data analysis.</li> </ul>	<p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Collect demographic data on professional services used by Landbank buyers.</li> <li>2. Where possible and in line with Metro's procurement policy, contract directly with African American-owned businesses for professional services.</li> <li>3. Increase engagement with African American professional service providers.</li> <li>4. Review opportunities through its sales programs to incentivize Landbank buyers to use African American professional service providers.</li> </ol>

<b>Landbank End Users</b>	
<p><b>Racial Equity Impact Vision:</b> Landbank programs through their end uses regularly support displacement prevention, improved homeownership rates, and/or improved condition of affordable rentals.</p> <p><b>Analysis Summary:</b></p> <ul style="list-style-type: none"> <li>• Critics allege Landbank policies contribute to gentrification, theorizing that when Landbank properties are improved, the surrounding property values often increase.</li> <li>• Increased property values can help neighborhood residents, but not when those values increase too quickly or when financial benefits are gained only by those residing outside the neighborhood.</li> <li>• Current policies lack clear definition of proposed benefits to individuals and the community.</li> <li>• No current datapoints are collected on end users.</li> <li>• Not all programs require applicants to report intended end use.</li> <li>• One sales program (RFP) currently incentivizes owner-occupants, but they can be outscored by well-financed investors.</li> </ul>	<p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Collect data on all Landbank end users.</li> <li>2. Review each sales program to clarify its racial equity goals and implement revisions to the programs to meet additional goals, including improve homeownership rates among African American households, improve affordable rental conditions, and prevent displacement of long-term residents occurring due to neighborhood investment.</li> <li>3. Improve partnerships with funding institutions to provide incentives to create affordable homeownership opportunities and affordable rental opportunities for African American buyers.</li> <li>4. Partner with organizations to help break down barriers to property ownership.</li> <li>5. Research "residents first" models of property sales and incorporate changes, as feasible, into sales programs.</li> </ol>