CREATING A STATEWIDE LAND BANK

TACTICAL PLAN & DRAFT LEGISLATION

Progress Report



Respectfully Submitted to:

The Vermont Senate Committee on Economic Development, Housing and General Affairs
and

The Vermont House Committee on General and Housing

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Background:

The "DHCD Land Bank Report" was commissioned by the legislature in 2025 Act 69 (S.127), Section 9 and is due to the Housing Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on or before November 1, 2026. A written update outlining progress and a preliminary assessment of the information required in the final report is due on or before January 15, 2026.

This is a follow-up to a study on the feasibility of creating a statewide land bank program provided to the legislature on January 15, 2025, by the Department of Housing and Community Development and the Vermont League of Cities and Towns.

While a methodical assessment of vacant and abandoned properties has not been conducted, it is widely understood that there are thousands of abandoned commercial and residential properties scattered throughout the state. These are often the most challenging and complex properties to procure and bring back to beneficial use. Vermont's current path for redevelopment of these properties requires municipalities and/or Regional Development Corporations and regional planners to invest their limited resources in these difficult and often long-term projects. This investment and risk cause potentially viable projects to stall or never get off the ground. A land bank would help towns and regional organizations build capacity, access additional resources, and reduce the risk to transform vacant and abandoned properties.

What is a Land Bank?

A land bank is a public entity with unique powers to put vacant, abandoned, deteriorated, and tax-delinquent properties back into productive use according to community goals.[1] Land banks are accountable to the public given their status as quasi-governmental entities.

Problems land banks can help address:

- Vacant, abandoned, deteriorated properties.
- Properties with "cloudy" or unmarketable titles.
- Properties that utilize federal funding without triggering a "choice limiting action"[2]*

[1] Brian Larkin, "Land Banking 101", National Land Bank Network, pg4. https://communityprogress.org/wp-content/uploads/2024/06/vad-academy-2024-land-banking-101.pdf

[2] HUD Community Project Funding: Environmental Guidance and Scenarios, November 2022. https://www.hud.gov/sites/dfiles/CPD/documents/CPF-Environmental-Review-Guidance.pdf

- Functionally obsolete and other property with little market value.
- Restrictive public property disposition and/or funding requirements.

What land banks can do:

- Acquire tax foreclosed property cost effectively.
- Extinguish liens and clear title.
- Hold property, tax exempt.
- Generate and collect revenue from delinquent tax fees, tax recapture, or other funding mechanisms.
- Make flexible disposition decisions, driven not by highest price but by outcomes aligned with community goals.
- Preserve homeownership by proactively seeking vacant and abandoned properties.
- Revive property tax revenue from previously delinquent lots.

What land banks are not:

- Simple community development corporations (CDCs).
- Purely Financial institutions.
- Profit driven institutions. Land banks should be able to become self-sustaining over time, but acquisition and sales decisions are based on community outcomes more than profitability.
- Condemning authorities. Land banks do not condemn properties, that responsibility belongs to local cities and towns.

Key Findings & Conclusions

DHCD convened a robust Land Bank Working Group with housing and economic development professionals and advocates across the state to help guide how a land bank should be structured in Vermont and could best serve a broad array of community needs. The bullets below highlight key findings so far. The Working Group continues to meet to work towards the final report. Key findings thus far are as follows:

- Creating a statewide land bank that works with regional partners and cities and towns makes the most sense for Vermont's size and scale. This does not prevent communities from undertaking their own initiatives. The goal is to bolster these

* https://www.hud.gov/sites/dfiles/CPD/documents/CPF-Environmental-Review-Guidance.pdf

efforts and provide capacity to small towns with fewer staffing and financial resources.

- Land bank activities should primarily be locally driven, in keeping with community planning and goals, and the activities should support projects for all types of land use including: building and rehabbing housing, commercial and industrial projects that support tax growth and employment, helping farmers reclaim abandoned agricultural land, historic preservation, creating recreational opportunities, etc.
- A statewide land bank, with proper funding, could help with recovery from natural disasters by purchasing damaged properties at risk of flooding without the typical buy-out stipulation that redevelopment could never occur. Rather, properties that could be feasibly redeveloped with proper mitigation measures could still benefit the community while mitigating future risk. A land bank could also assist smaller communities with site assessments and long-term planning to ensure future developments are built in a way that minimizes the potential impact of natural disasters.
- A stable funding source needs to be identified to establish and grow a statewide land bank.
- Making a profit is not the primary goal of a land bank, however, it should become self-sustaining over time through development income and fees and providing services such as capacity building, assisting with procuring resources for planning initiatives, etc.
- A land bank is not a condemning agency and eminent domain powers are not being recommended.
- Further discussion between DHCD, the Vermont Department of Taxes, Vermont Legal Aid and the Vermont League of Cities and Towns is needed to clarify and reform the existing tax sale process. When delinquent property taxes need to be collected by state statue, state and municipal property taxes must be recovered in a way that protects homeowners, renters and other property taxpayers. Making it simpler to redevelop vacant and abandoned properties is a shared goal.
- A land bank should be able to hold contaminated properties with an agreement from BRELLA* to provide liability protection and/or an exemption to the entity during its period of ownership. More information and conversations are needed before there is agreement that a land bank should have its own liability protection.

***** Brownfields Reuse and Environmental Liability Limitation Program (BRELLA). (https://dec.vermont.gov/waste-management/contaminated-sites/brownfields/BRELLA

Mission & Goals for a Statewide Land Bank

There is general consensus from the subcommittee that worked on the draft Mission Statement and Goals below, with the caveat that additional discussion was needed to define "distressed" properties. The footnote contains several factors that could be considered when defining distressed properties.[3]

Draft Mission statement

The Land Bank is an economic tool for all of Vermont that supports growth and investment within our community by returning vacant and abandoned, and *distressed* real property to beneficial use more rapidly than might have been possible otherwise.

The Vermont State Land Bank Authority will partner with local communities, public and private organizations, regional authorities, and state agencies to undertake initiatives that promote vibrant and healthy communities. These efforts include but are not limited to: creating new housing; increasing tax bases and employment through commercial and industrial redevelopment; mitigating environmental risks; historic preservation**;** and other land use related activities desired by cities and towns.

Draft Goals

1. Facilitate the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed, and other real property to promote both civic and economic development and housing opportunities for all in Vermont.

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1. [3] Physical
    a. Factors include: Environmental, obsolescence, deterioration, code violations, health and safety issues
2. Documentary
    a. Cloudy title
3. Financial
    a. Either financial distress on the property (foreclosure) or the owner (deferred maintenance)
4. Process
    a. The traditional process for development is distressed due to external factors necessitating a land bank step in
5. Capacity
    a. The property owner, municipality, or other holding party lacks the capacity to manage the property leaving the property in a distressed position

2. Assist municipalities with maintaining and growing grand lists through private and public investment opportunities utilizing a community-oriented process considering strategic local development priorities, historic uses, and working lands.

3. Reduce the cost and barriers of returning vacant, abandoned, environmentally complicated, and tax-foreclosed properties to beneficial reuse.

4. Benefit people with low to moderate incomes, with a commitment to assist populations facing historic barriers to property ownership.

5. Assist municipalities who face deficiencies in administrative capacity to bring their most challenging properties back to beneficial use.

6. Create a sustainable fund to advance the mission and goals of the Land Bank.

Defining Vacant & Abandoned Real Property

There was general consensus on the definition below with the addition of providing a multi-factor definition for abandonment:

i. Exemptions
    1. Intentionally low occupancy or seasonal properties
    2. Residential properties where owner is out of home with cause
ii. Considerations
    1. Occupied properties that are in a deteriorated state
        a. Land Banks often avoid acquiring occupied properties, instead acquiring vacant and abandoned properties that may be deteriorated.
        b. Land Banks are also not condemning authorities.
        c. Adding a timeframe for determining abandoned (90-180 days)

Sample Suggested Definition for Vacant & Abandoned Property

for Land Bank Legislation

The following language is suggested as a starting point for a legislative draft; it may not be practical to incorporate it into statute verbatim:

(a) A property shall be presumed vacant and abandoned, and subject to procurement by the Vermont Land Bank if at least one of the following conditions exists:

(1) A State agency, a municipality, the Vermont Land Bank, or a court of competent jurisdiction, has determined that the property is abandoned; or

(2) A State agency, a municipal public health officer, or a court of competent jurisdiction, has issued an order or finding declaring the property unfit for occupancy, or constituting a serious threat to the health, welfare or safety of adjoining properties, adjacent properties and/or the public at large; and

(3) At least two of the following conditions exist:

I. Multiple windows, doors and/or entrances on the property are boarded up, unhinged, closed off, smashed in, or are continuously unlocked;
II. The residential property has been stripped of copper and/or other metals;
III. Interior furnishings, personal items, appliances and/or fixtures have been removed from the property;
    a. interior furnishings shall include window treatments, such as blinds, curtains or shutters;
IV. Utility services (gas, fuel oil, electric, and/or water) have been terminated to the property,
V. Newspapers, circulars, flyers and/or mail have accumulated on the property, or the United States Postal Service has discontinued delivery to the property;
VI. Rubbish, trash, debris, neglected vegetation and/or natural overgrowth has accumulated on the property;
VII. Multiple municipal building and/or housing code violations exist for the property, which have been documented as being uncorrected during the preceding year;
VIII. Written and signed statements have been issued by the property's adjoining or adjacent neighbors, or municipal officials indicating that the property is abandoned;
IX. Hazardous, noxious and/or unhealthy substances or materials have accumulated on the property; or

(b) Notwithstanding subsection (a), a property shall not be presumed vacant and abandoned if;

(1) The property is the subject of a probate action, action to quiet title, or other litigation where its ownership is contested.

(2) The residential property consists of an unoccupied building that is undergoing construction, renovation, or rehabilitation, and the building is in compliance with all applicable permitting requirements, regulations and statutes.

Land Bank Working Group Process & Members

In June 2025, Housing Division staff put together a Working Group Plan with assistance from National experts who have assisted other states and communities with creating land banks. The plan is attached (Attachment A) and outlines discussions and decisions that are needed to put together a tactical plan and draft legislation to create a statewide land bank, people and organizations that need to be at the table, timing, etc. Considerations included ensuring statewide representation and a mix of municipalities, regional planning commissions, regional development corporations, advocacy groups like Vermont League of Cities and Towns and Vermont Legal Aid.

The first meeting was convened on July 28, 2025, and the Working Group has met monthly since, with the exception of combining November and December meetings due to holiday conflicts. A schedule with agenda topics is also attached.

To date, the following subcommittees have met:

- Defining Key Terms
- Creating a Mission Statement & Goals
- Addressing Contaminated Properties

Meeting notes, videos and transcripts of the Working Group and subcommittee meetings are available if a deeper dive is desired.

Land Bank Working Group Members

- Adam Grinold, Executive Director, Brattleboro Development Credit Corporation
- Charlie Baker, Executive Director, Chittenden County Regional Planning Commission
- David Snedeker, Executive Director, Northeast Vermont Development Association
- Greg Fox, Staff Attorney, Consumer & Homeowner Rights Project, Vermont Legal Aid
- Jean Hamilton, Co-Director, Land Access & Opportunity Board
- Josh Hanford, Director, Intergovernmental Relations, Vermont League of Cities & Towns
- Kevin Moyer, President, Vermont Frames, representing Vermont Builders & Remodelers Association
- Michael Monte, Executive Director, Champlain Housing Trust
- Nicola Anderson, Director of Real Estate Development, Down Street Housing & Community Development
- Ornella Matta-Figueroa, Co-Director, Land Access & Opportunity Board
- Pollaidh Major, Director of Policy and Special Projects, Vermont Housing & Conservation Board

- Sean Adkins, Executive Director, Rutland Redevelopment Authority

Additional Subcommittee Members (as of 12/8/25)

- Alan Liptak, LE Environmental LLC
- Bob Flint, Treasurer & Previous President, Springfield Regional Development Corporation
- Chip Sawyer, Director of Planning & Development, St. Albans
- Elisabeth Nance, Grants Management Specialist, Brown Field Program, DED
- Joan Goldstein, CEO, Vermont Economic Development Authority
- Kristie Farnham, Director of Business Support & Brown Field Program Manager, DED
- Representative Herb Olson
- Representative Thomas Charlton
- Samantha Sheehan, Municipal Policy and Advocacy Specialist, Vermont League of Cities and Towns
- Sarah Bartlett, Environmental Programs Manager, DED
- Tim Tierney, Director of International Trading & Business Support, DED

Staff & Support

- Alex Farrell, Commissioner, DHCD
- Benton Winrich, Grants Management Specialist, Housing Division, DHCD
- Jayme Bauer, Community Development Specialist, Housing Division, DHCD
- Jim Tischler, Development Director, Michigan Land Bank Authority
- Nate Formalarie, Deputy Commissioner, DHCD
- Nathan Davidson, Senior Economic Development Specialist, DED
- Shaun Gilpin, Director, Housing Division, DHCD

Timeline & Next Steps

Housing Division staff are planning a public webinar on the findings and conclusions in this report, with opportunities for questions and input in late January or early February 2026. We will then regroup to tweak the meeting agendas, subcommittee make up and topics, and timing based on input from the legislature and public.

Staff are also planning to do public outreach again in early December 2026 to discuss the tactical plan and draft legislation submitted to the legislature on November 1, 2026.

Future Discussion Items

The robust discussion amongst working group identified the following as at least a partial list of items to investigate on the Working Group or subcommittee level prior to drafting the final report due November, 2026:

- Likely multiple meetings on how a land bank should be structured including whether it should be stand alone or part of an existing housing organization, agreements needed with various partners, board make-up, etc.
- Discussion with Regional Development Corporations, Regional Planning Commissions and municipalities on how a partnership with a land bank to complete real estate development projects could/should work.
- Additional discussions with the DEC Brownfields team to evaluate possible additional alternatives for land bank liability limitation.
- Discussion with the Department of Public Safety about conducting assessments to certify properties as vacant and abandoned when there are viable redevelopment opportunities.
- Discussions with the Vermont State Treasurer's Office, Vermont Housing Financing Agency, the Vermont Bond Bank, and Vermont Economic Development Authority about any gaps or needs for a land bank to have the power to issue bonds.
- Discussions with Superior Court judges, magistrates, and nonprofits on a land bank's potential role for judicial receivership.
- Identifying and assessing various funding sources to recommend with the draft legislation.
- Meeting with some combination of an attorney from the Center for Community Progress who has drafted multiple land bank legislations, DHCD attorneys, Vermont Law School professors, and other experts to put together a detailed memo to provide the legislative General Counsil to draft the legislation for review. This includes refining definitions for "distressed" properties and protections/assistance for owners and tenants of occupied housing in deteriorated conditions.

Conclusion

This study included conversations with stakeholders across the state that revealed that Vermont possesses many of the necessary tools for redevelopment at various scales. However, these diverse tools often require considerable time and energy to fit together and create challenging and often insurmountable barriers for communities and developers to

redevelop the most challenging properties. A properly funded land bank can, under one roof, deploy multiple development tools in unison to effectively move development projects from idea to reality on a faster timeline than traditional processes while also shielding the municipality from risk. A land bank will allow communities to engage both the public and private sector to address their most challenging properties and return them to beneficial and productive use

The Land Bank Working Group represents nonprofit and for-profit developers, advocates, and other housing and development professionals across the state. Additional professionals have engaged in targeted subcommittee discussions. The working group began in July 2025 and has taken a thoughtful and methodical approach with more educational and foundational discussions to create subcommittees to tackle specific questions and challenges. Members of the Land Bank Working Group and DHCD staff look forward to continuing this work through Fall 2026 to produce a tactical plan and draft legislation that Vermont's State Legislature can bring to life in the 2026-2027 Session.

Attachment A:

Outline for a Statewide Land Bank Working Group

The Statewide Land Bank Working Group



Goal: Develop a Tactical Plan & Draft Legislation to Create a Statewide Land Bank

Updated 12/17/2025

VERMONT

AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

Abbreviations

BCRC: Bennington County Regional Commission

BGS: Building & General Services

BRELLA: Vermont's environmental liability limitation program

CHT: Champlain Housing Trust

CVEDC: Central VT Economic Development Corp.

DED: Department of Economic Development

DHCD: Department of Housing & Community Development

HOC: Homeownership Center

LAOB: Land Access & Opportunity Board

NEK: Northeast Kingdom

RDC: Regional Development Corporation

RPC: Regional Planning Commissions

VBB: Vermont Bond Bank

VEDA: Vermont Economic Development Authority

VHCB: Vermont Housing & Conservation Board

VHFA: Vermont Housing & Financing Agency

VLCT: Vermont League of Cities & Towns

WWHT: Windham Windsor Housing Trust

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Establishing a Working Group

Mission & Purpose

This working group will put together the tactical plan and draft legislation to establish a statewide land bank.

The "DHCD Land Bank Report" was mandated in 2025 Act 69 (S.127), Section 9 and is due to the Housing Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on or before November 1, 2026. A written update outlining progress and a preliminary assessment of the information required in the final report is due on or before January 15, 2026.

Composition & Makeup of the Working Group

The working group will be comprised of professionals in a variety of disciplines including, but not limited to, housing, community development, planning, law (real estate, land use, taxes, etc.), state tax policy, economic development, as well as staff from state agencies, nonprofit and for-profit developers. The goal is to have representation from collective interests, industry interests, and regional interests.

There will also be non-voting individuals with subject matter expertise for the various subcommittees that will be created to complete relevant tasks and report to the Working Group. Most meetings will be open to the public for transparency.

Logistics

In Summer 2025, DHCD will reach out to potential members to determine their interest in participating and provide them with the 2024 Feasibility Study provided to the legislature in January 2025. DHCD staff will also organize the first Working Group meeting. The group will have 18 months to complete the tactical plan and draft legislation, with assistance from DHCD and other state agencies, as needed. The plan will need to be vetted by DHCD leadership and the governor's office before being submitted to the legislature November 1, 2026.

Final Product

The tactical plan should outline what the Working Group is recommending in terms of the basic framework, agreements needed (with whom and why), one or more sustainable funding source/s, anticipated pinch points, and an estimated timeframe for getting a land bank launched. The draft legislation can be one or more pieces of legislation, as deemed appropriate by the attorneys on the team.

Policies & Procedures

The Working Group will ultimately decide on their ground rules during their first meeting, but examples of best practices are below. There will be a meeting facilitator to assist with this, as well.

The working group will also decide on when/where/how often to meet and how their meetings will be structured. DHCD staff will attend meetings and be available to take notes, send out invitations with agendas, provide general support, etc. The facilitator could be staff from DHCD, another VT department, and/or a volunteer with expertise in establishing new land banks.

Potential Ground Rules

- Stay curious
- Be respectful
- Follow through- Do what you say you're going to do
- Vegas rules until we're ready to launch (what happens in Vegas, stays in Vegas)
- Everyone is smart & trying
- Five to vent (any member can vent frustrations- no more than 5 minutes and no more than once a meeting)
- Be open to negotiation

Establishing the Framework for a Statewide Land Bank

Goals & Definitions

- Draft the goal and mission of a statewide land bank.
- Define "vacant and abandoned"- The state has several different definitions in statute for various programs and applications.
- Define "productive use"- same as above.

Potential Subcommittees:

Structural: Establish a basic framework

- Pros and cons of whether it should be stand alone or part of another organization.
- If it should be part of another organization, identify a suitable org and logistics/process for standing that up.
- Types of properties & projects to discuss
    - Residential
    - Commercial
    - Recreational
    - Agricultural
    - Flood mitigation
- Categories of properties to discuss and define as needed:
    - Contaminated
    - Blighted
    - Functionally obsolete
    - Abandoned
    - Otherwise distressed
- Board make-up

Operations & Properties: Process to Address Contaminated Properties

- Determine if there are gaps or capacity issues that would warrant the ability to hold contaminated properties or if it would be a duplication of efforts.
- What should an agreement with BRELLA look like?

Operations & Properties: Determine Potential Role in Judicial Receivership

- Determine if there are "Vermont-centric" issues, laws, or procedures to consider.
- Examine pros and cons and potential political appetite.

Properties: Process & Priorities for Acquisition & Sales

(Broad guidance with flexibility to let the land bank grow and meet future needs)

- Considerations for selling residential properties:
- Priorities for acquiring and selling properties. Note- communities will bring projects to the land bank, so they are an automatic priority.
- Operations & Properties: Role & Agreements for Government owned property.
- Gain a full understanding of current processes and procedures for acquisition and disposition of state-owned properties. (City owned too?)

- Identify needs and gaps.
- Determine what agreements should be in place between BGS and a land bank and what they should cover.

Financing: Identify one or more long-term, sustainable funding sources

- Identify realistic funding source/s to discuss with stakeholders and the administration. A start up land bank needs $1.5-$2 million annually to be successful.
- Outline pros and cons and likelihood of passing in a budget.
- Ideally, identify which stakeholders will need to be at the table for a larger conversation and what questions/concerns they will likely have.

Financing: Recommend whether the land bank should have the power to issue bonds

- Determine if there are gaps or needs not currently provided by the entities that can issue bonds- VBB, VEDA, and VHFA.
- If needs exist, discuss the pros and cons of a land bank issuing bonds vs. expanding capacity of existing orgs.
- If recommending, discuss logistics i.e. legislation, other considerations.

Legislative

- Draft one or more pieces of legislation that will provide the legal framework to create a statewide land bank.
- Draft agreements needed with BRELLA, BGS, and any other entities or agencies identified through this process.