

Accessing Tax Foreclosed or Surplus Properties to Support Entrepreneurship Development



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Throughout the country local governments are experimenting with new strategies to purchase and rehabilitate, land bank or direct the resale of properties in foreclosure to new owner occupants. In growing cases these include non-profit organizations such as land banks community land trusts (CLTs) and community development corporations (CDCs). Government's motivations are to prevent or eliminate blight, maintain homeownership rates, or preserve affordable housing. Unfortunately, there is very little research to date on directing such sales for commercial real estate – most of the emphasis has been on supporting or preserving affordable housing. Local and state government often hold surplus real estate properties in their inventory that typically have been obtained by one of the following methods: tax delinquent foreclosures; foreclosure of loans, eminent domain for right of way access or major redevelopment projects; and outright donation from the private sector for public uses, i.e., parks. This paper explores tactics and strategies for Built from Within Alliance (BfWA) affiliates to successfully target these properties and return them to productive use through the fourth pillar of the model. The following are major issues distilled from this paper:

- How to locate and analyze the roster published by local government.
- How to understand the process & position accordingly.
- How to analyze community development options for the conveying agency – neighborhood & market typologies, community organizing beyond housing; and
- How to align with repository entities: land banks/community land trusts.

The paper concludes with some helpful hints on how to target properties through the fourth pillar of the BfWA model. It also offers tactics for advocates to compel government to convey for commercial purposes. Additionally, it provides tips for those seeking to partner with various development entities for new construction or renovation. Finally, the paper offers insights on property title issues that BfWA affiliates might consider minimizing liability.