



LAND REDEVELOPMENT TRUSTS IN IOWA

WHAT IS A LAND REDEVELOPMENT TRUST?

A land redevelopment trust (LRT) is a special-purpose, public entity that focuses on the acquisition and redevelopment of vacant, abandoned, or foreclosed properties. A LRT has a single focus: repackage properties for private-sector development by working with local taxing bodies to overcome many of the legal and financial barriers that discourage private investment in problem properties.

KEY ABILITIES OF LAND REDEVELOPMENT TRUSTS UNDER HF1008

Property Acquisition & Management:

- Acquire tax sale certificates at annual tax sales and obtain title through tax lien foreclosure
- Hold property tax-free while in the LRT's inventory
- Coordinate with taxing bodies to clear title and eliminate back delinquent property taxes on acquired properties
- Lease properties for temporary use or long-term contracts

Financial Tools:

- Receive up to 75% of property taxes for five years after selling or leasing rehabilitated properties
- Borrow funds secured by LRT property without creating municipal debt
- Accept grants, donations, and funding from public and private sources

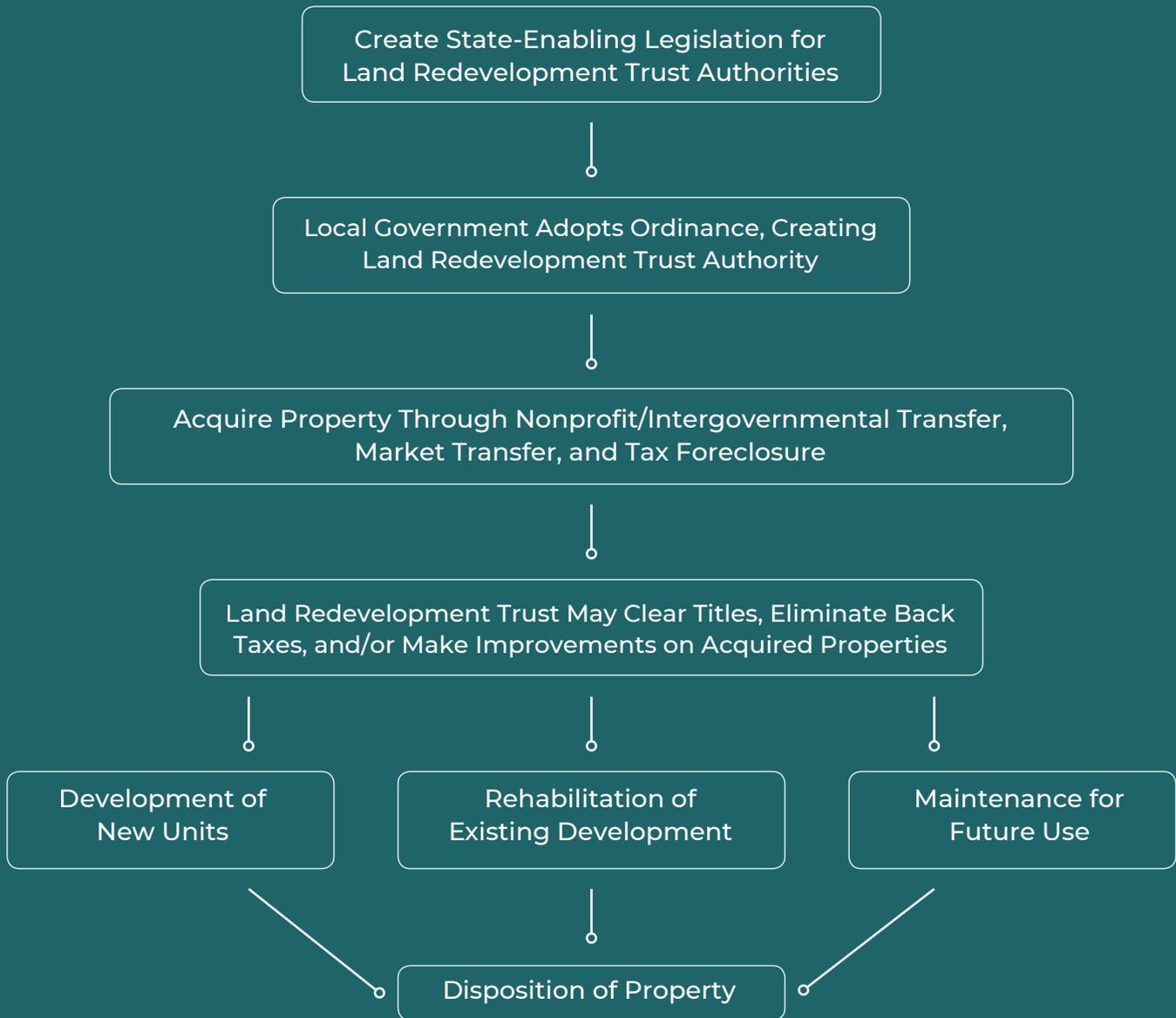
LRTs provide a simple and community-driven approach to transform neighborhood liabilities into assets by:

- Packaging properties for private sector redevelopment
- Being a point of coordination for local taxing bodies on problem properties
- Turning non-revenue-generating properties into tax-producing assets

FUNDING MODELS FOR LAND REDEVELOPMENT TRUSTS

- **Startup Funding:** Model after Iowa's Local Housing Trust Fund (LHTF) program, which provides financial assistance based on geographic extent and population. LHTF revenues come from the Real Estate Transfer Tax (RETT) and Rebuild Iowa Infrastructure Fund (RIIF) appropriations. If the \$3 million RETT cap were eliminated, it could provide LRT startup funding.
- **Revolving Funding:** Authorize tax recapture provisions allowing the LRT to receive a percentage of property taxes on sold properties for up to 5 years, creating a sustainable revenue stream.

FLOW OF LAND REDEVELOPMENT TRUST CREATION AND FUNCTIONS



BUILDING STRONG COMMUNITIES BY BRINGING STATEWIDE LEADERS TOGETHER TO
IMPROVE PUBLIC SECTOR SERVICES AND SOLVE REGIONAL ISSUES

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