
Muncie Land Bank Strategic Plan

October 2021



Prepared for
the Muncie Land Bank
by czbLLC

czb





Muncie Land Bank Strategic Plan

Acknowledgements

Muncie Land Bank

Board of Directors

John West, Ph.D., Chair

Brad King, Vice-Chair

Heather Williams, Secretary

Melanie White, Treasurer

Jason Donati

Nate Jones

James Lowe

Marta Moody

Annette Phillips

Deb Wise, *former member*

Staff

Meghan Jennings, *Executive Director*



Table of Contents

4 **Introduction and Purpose**

6 **Part 1: Conditions and Trends in Muncie's Neighborhoods**

14 **Part 2: Strategic Grounding for Muncie's Neighborhoods**

26 **Part 3: Operating Framework for the Muncie Land Bank**

32 **Part 4: Work Planning for 2022-2024**

Introduction and Purpose

This strategic plan for the Muncie Land Bank comes at a critical time for Muncie's neighborhoods and a formative moment for the land bank.

For Muncie's neighborhoods, this strategic planning process coincides with the development of TogetherDM, the first comprehensive plan update for Delaware County and the City of Muncie since 1999. The process has been embraced as an opportunity to identify the region's top priorities, create implementable strategies to support progress on those priorities, and develop a decision-making framework based on the community's core values and complementary planning principles.

The three priorities emerging from TogetherDM—improve quality of place, strengthen housing conditions and options, and cultivate opportunities

for upward economic mobility—all have expressions at the neighborhood level and represent problems or needs that exceed the community's capacity to address them in full. In many cases, they represent longstanding issues against which frustratingly little progress has been made despite some determined efforts—from poverty that is becoming more concentrated and destabilizing, blight that spreads year by year and threatens once healthy neighborhoods, and infrastructure that exhibits the toll of deferred maintenance and underinvestment.

To make serious headway on these priorities, **a strategic framework for neighborhood improvement in Muncie** has emerged from the comprehensive planning process to help ensure that entities engaged in neighborhood work—public, private, and non-profit—are all pulling in the same strategic direction, are all focused on the same general goals, and are all equally mindful of how their particular abilities and resources can contribute to realizing those goals in partnership with others.

For the Muncie Land Bank, still in its infancy, the emergence of a strategic framework for neighborhood improvement in Muncie offers a valuable opportunity to align its very first strategic plan with the more broadly-based work that will be needed throughout the community—addressing the underlying factors that, over time, result in vacant houses, empty lots, and a lack of willingness for existing or potential property owners to invest their time, resources, and energy. By placing the land bank within this larger strategic context, this plan will make it clear that the Muncie Land Bank is not the sole but rather one of several essential tools that will be needed to improve the vitality of neighborhoods throughout Muncie.



To accomplish the goal of putting the Muncie Land Bank's day-to-day operations within the context of a housing market with specific intervention needs and a neighborhood strategic framework with specific outcomes for the land bank and others to aim for, **this strategic plan is divided into four parts.**

The first two parts provide the broader context for the land bank's activities while the final two parts provide more specific direction to aid decision-making and work planning for the land bank.

Context for the land bank's activities

PART 1

Conditions and Trends in Muncie's Neighborhoods

Part 1 provides an overview of the housing market, land use, and fiscal context of Muncie's neighborhoods and describes the implications of these conditions for interventions by the Muncie Land Bank and others.

PART 2

Strategic Grounding for Muncie's Neighborhoods

Part 2 summarizes the strategic direction from the TogetherDM comprehensive planning process and how it will influence work at the neighborhood level in Muncie. It also lays out the primary outcomes to achieve in Muncie's neighborhoods and map the 'ecosystem' of entities, including the Muncie Land Bank, that will play a role in achieving those outcomes.

Direction to aid decision-making and work

PART 3

Operating Framework for the Muncie Land Bank

Part 3 outlines what the Muncie Land Bank will need to successfully fulfill its roles in the strategic framework for Muncie's neighborhoods. It also defines principles that will guide the land bank's decision-making and provides decision trees and logic models to further demonstrate courses of action that align with the land banks' roles within a neighborhood strategic framework.

PART 4

Work Planning for 2022-2024

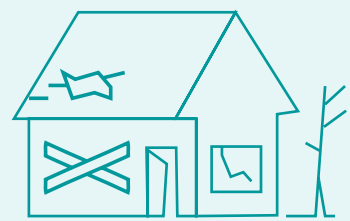
Part 4 summarizes a phased approach to developing capacity, garnering experience, assembling partnerships, and acquiring the resources necessary to play the roles that MLB will need to play in Muncie's neighborhood ecosystem. It also provides a general outline of actions to put the strategic plan into effect and to guide more detailed work plan development.

Conditions and Trends in Muncie's Neighborhoods

Strategies for neighborhoods and the organizations that operate in those neighborhoods must be grounded to a **realistic assessment** of market conditions, physical conditions, investment trends, and a host of other factors that reflect patterns of decision-making by residents, property owners, investors, policymakers, service-providers, and others.

Those same factors also define opportunities and the interventions that are likely necessary if current outcomes are at odds with desired outcomes.

Analysis for TogetherDM has made it clear that a range of long-term patterns have been feeding the cycle of vacancy and blight that the Muncie Land Bank has been formed to help the community address. In many ways, vacancy and blight are merely delayed symptoms of broader conditions that need to play a role in framing the strategic direction for Muncie's neighborhoods.



Vacancy and blight are merely delayed symptoms of broader conditions

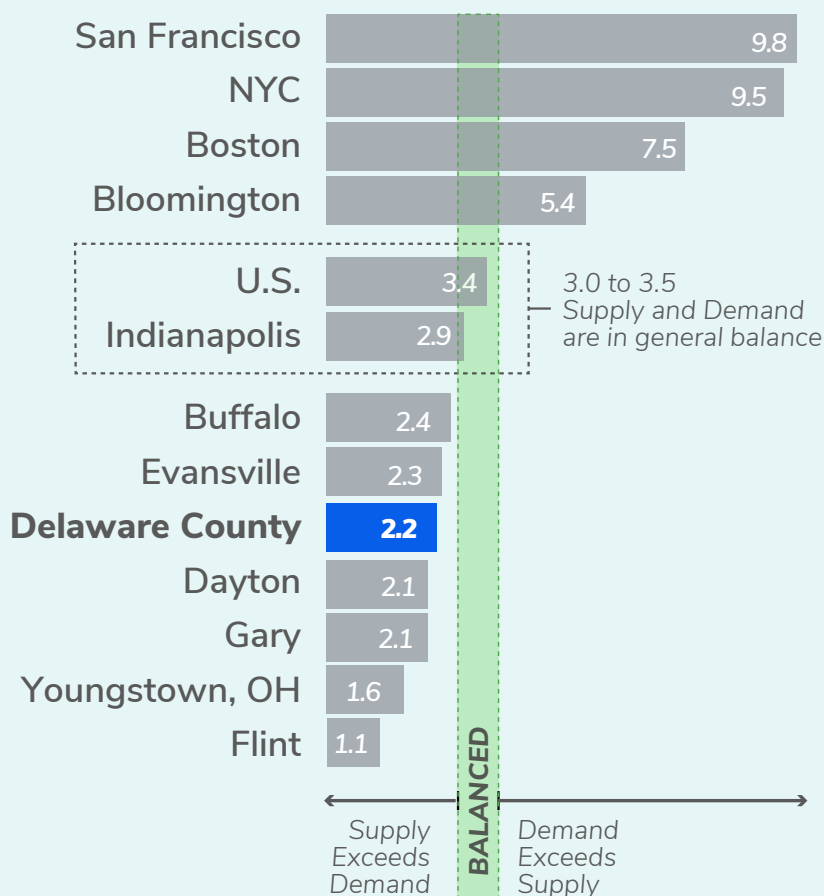
Soft overall demand for housing and a supply/demand imbalance

Soft demand for housing in Muncie has been fed by decades of regional population decline and “sprawl without growth” in Delaware County. Prevailing home prices and rents are low—compared to Indiana averages and what the median Muncie household can afford to spend—and have risen well below the rate of inflation since 2000.

The relationship between home values and household incomes is one way to understand the strength of housing demand in a community. If the ratio between median home value and median income is between 3.0 and 3.5, supply and demand are well-balanced. A ratio of above 4.0 is an indication of insufficient supply, which makes affordability a challenge for the typical household.

Currently, Muncie's ratio is 2.2—an indication that supply exceeds demand and that home values are being depressed as a result.

Home Value to Household Income Ratio, 2019

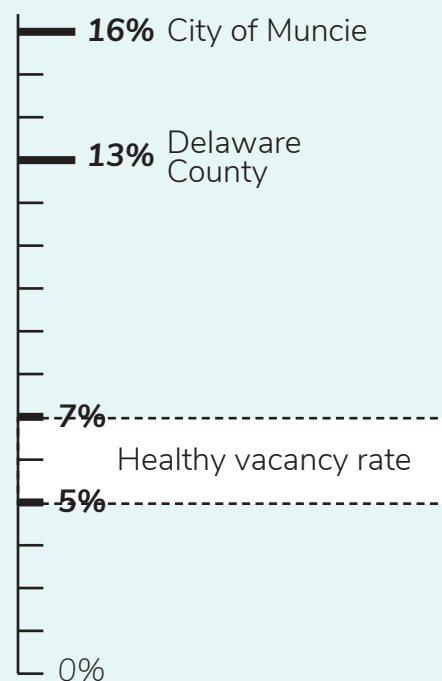


Source: czb analysis of median home value, median household income, and housing unit vacancy data from the 2019 American Community Survey (5-year estimates)

Some level of housing vacancy is needed for a market to work effectively, and that rate is typically between 5% and 7%. A rate below 5% makes it difficult for households to move into or within a market and can produce mismatches between what a household would prefer and what it can actually find.

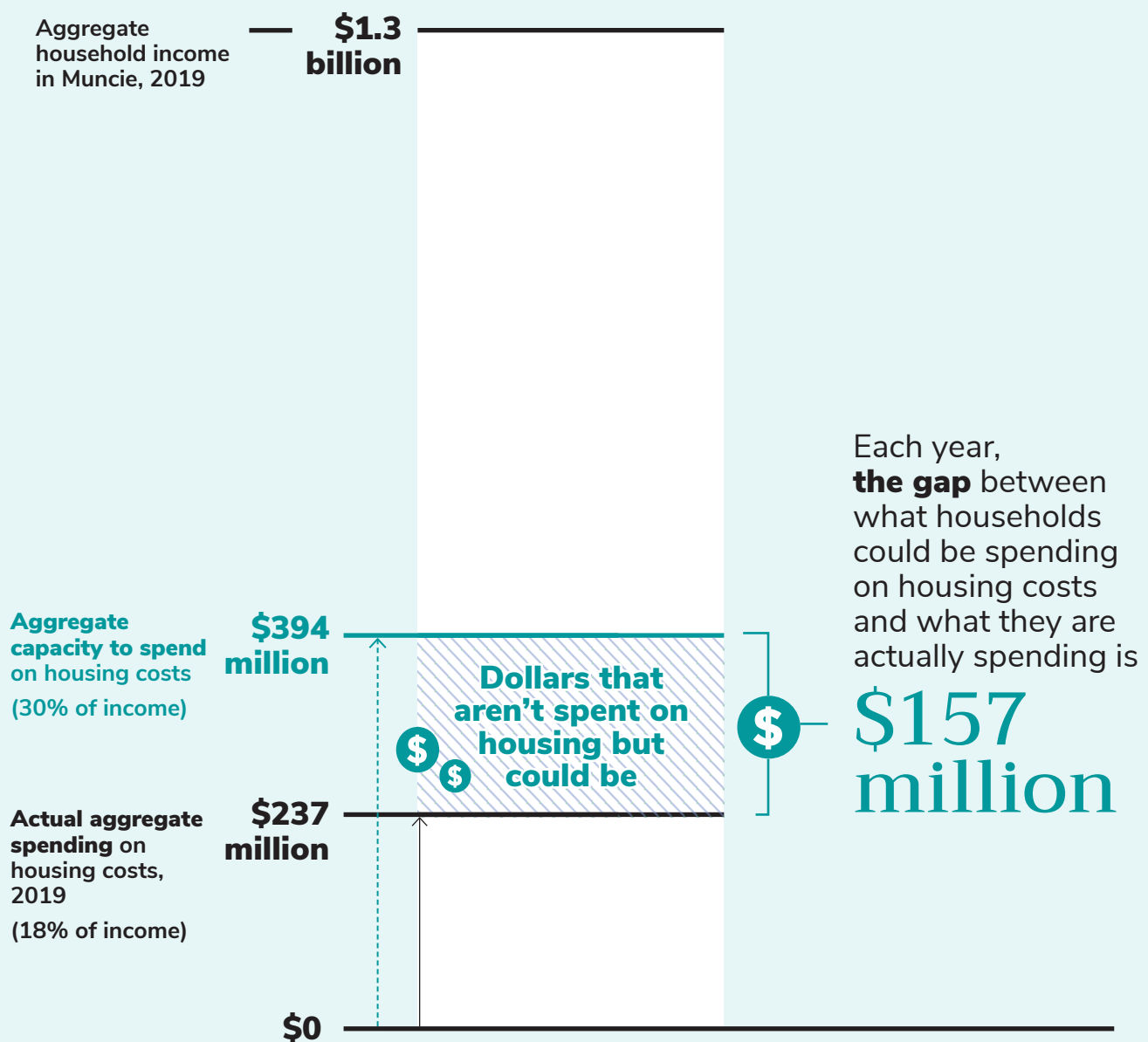
Rates in Muncie and Delaware County are currently well above healthy levels and correlate with stagnant home values, high levels of disinvestment, and declining conditions. Many vacant properties are, in reality, not desirable or marketable to households that have options. To a prospective homebuyer or renter, persistently high vacancy rates will be experienced—counterintuitively—as a shortage of appealing options.

Vacancy Rate



Hesitance to reinvest by households with resources

Significant private resources are “sidelined” in Muncie due to soft market conditions and low levels of confidence. This is indicated by a gap of over \$150 million between what households in the City of Muncie can afford to spend on housing costs each year (\$394 million, or 30% of aggregate household income in the city) and what is actually spent each year on housing costs (roughly \$237 million).



Source: czb analysis of household income and spending data from the 2019 American Community Survey (5-year estimates)

Low municipal capacity to invest in infrastructure and services

63% of all road miles in Delaware County, inclusive of the city, were rated in 2021 as needing either major rehabilitation or complete reconstruction. Only 37% were found to be in good condition and needing only preventative maintenance.

Despite these conditions, no major reconstruction work is outlined in the City of Muncie's 2021-2025 road treatment plan.

The City of Muncie has low fiscal capacity due in part to stagnant property valuation—a situation exacerbated by state property tax caps. This is indicated by the current low bond rating, limited avenues for raising new revenue, and levels of investment in core infrastructure that are much lower than needed.

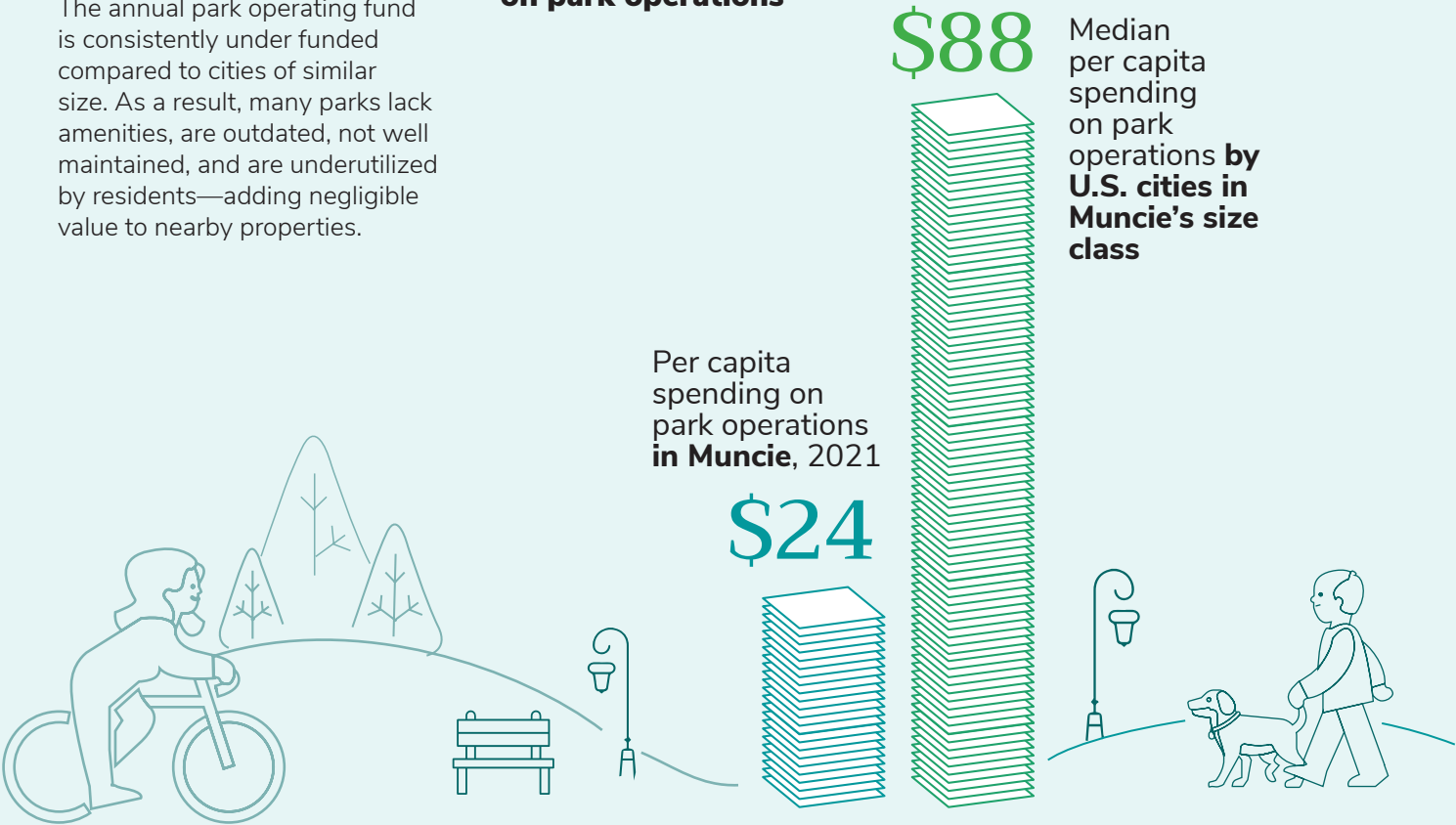
Streets and roadways in Delaware County



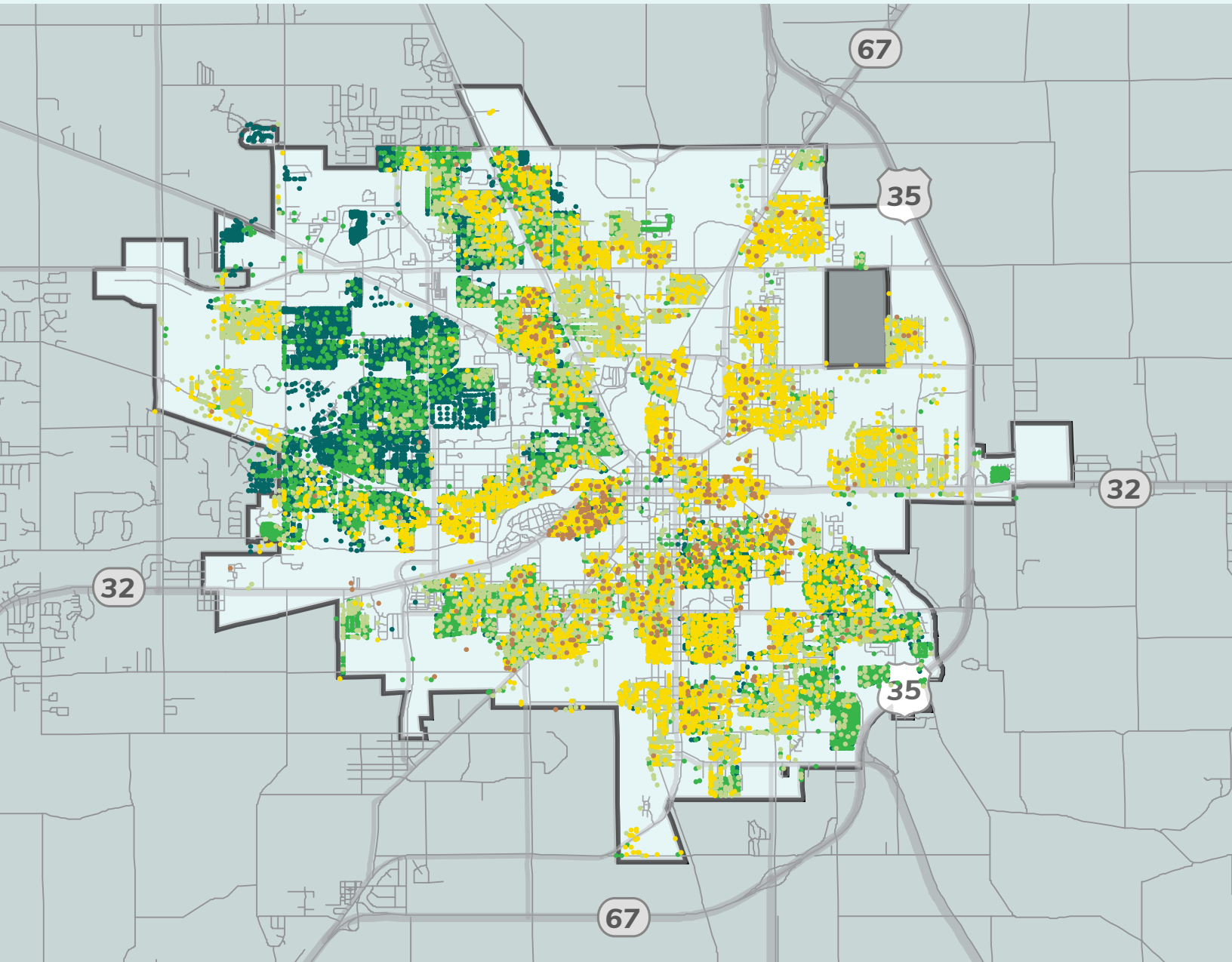
Source: 2021 Pavement Condition Index for Delaware County

Muncie's park system also suffers from decades of disinvestment. The annual park operating fund is consistently under funded compared to cities of similar size. As a result, many parks lack amenities, are outdated, not well maintained, and are underutilized by residents—adding negligible value to nearby properties.

Per capita spending on park operations



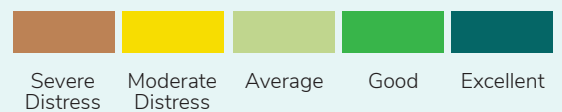
Source: Ingalls Planning & Design analysis of current parks spending in Muncie compared to median figures from the National Recreation and Park Association's (NRPA) 2020 Agency Performance Review



Starkly uneven housing conditions and a large inventory of distressed properties

Muncie's housing supply increasingly reinforces soft demand and lack of confidence due to its condition, as indicated by large proportions of properties showing visible signs of physical distress in spring 2021.

Field Survey of Property Conditions



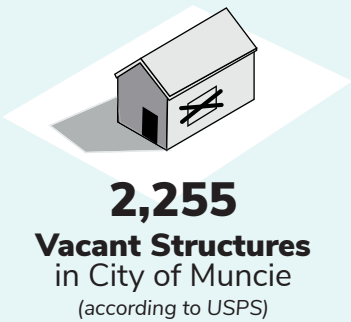
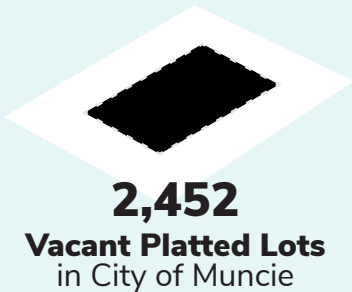
czb's 2021 survey of residential conditions in Muncie found that 6,100 properties, or 27%, showed signs of moderate or severe distress. Meanwhile, nearly 30% were found to be in average condition and were deemed vulnerable to decline—especially those in close proximity of blighted properties.

While large areas near Ball State University feature solidly strong property conditions, strong properties elsewhere in the city are often very close to blocks or corridors that give off signals of disinvestment.

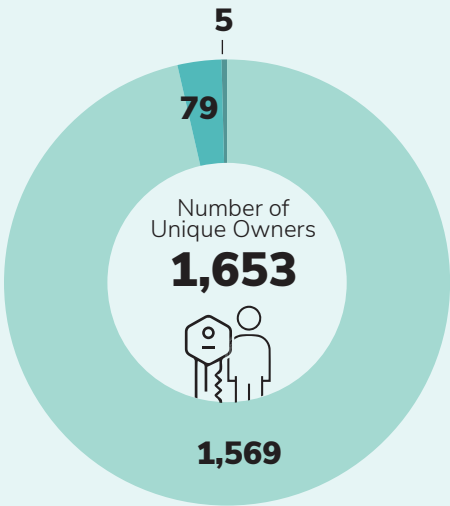
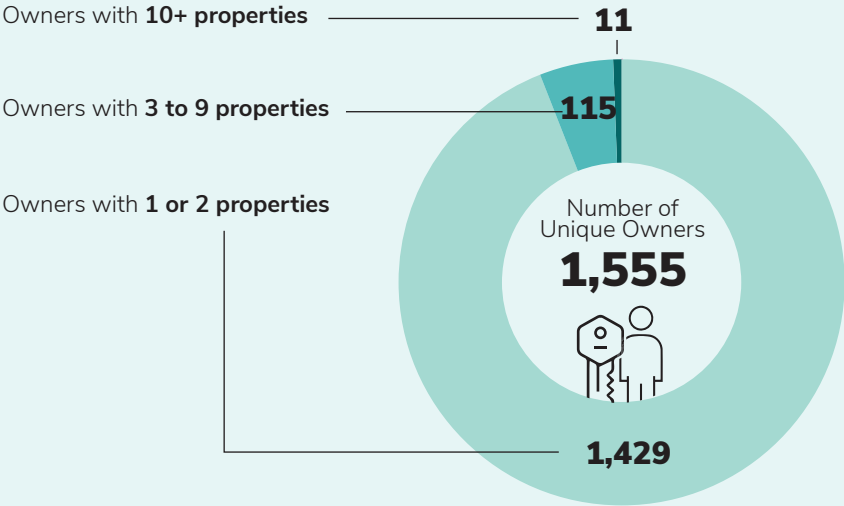
Ownership of vacant lots and structures is highly dispersed

Ownership of vacant properties in most communities is highly dispersed, which complicates any effort to manage the negative community impacts of vacant land and structures. Muncie is no different. Of the more than 2,400 vacant lots in the city, 63% are owned by individuals or companies that own just one or two lots and fewer than 3% are owned by a public entity or some other entity with a neighborhood improvement mission.

Among **structures that are considered vacant by the U.S. Postal Service**, ownership dispersion is even greater, with 75% owned by individuals or companies that own one or two vacant structures. A higher share of vacant structures, however, are under the control of a public entity or an entity with a neighborhood improvement mission—roughly 7% .



Owners of these properties



Share of Properties with Indiana-based Ownership

86.4%

86.2%

Properties owned by a public entity or an entity with a neighborhood improvement mission



59

152

Sources: czb analysis of 2021 Delaware County property assessment data; vacant structure count based on U.S. Postal Service vacancy indicator for April 2021 and includes all property classes; public entities or entities with a neighborhood improvement mission include the Muncie Redevelopment Commission, Muncie Land Bank, Delaware County, Muncie Sanitary District, Habitat for Humanity, and neighborhood associations. USPS data may miss some vacant properties that are owned by public entities.

What this means for Muncie's Neighborhoods

A consequence of these issues, when combined, is that homebuyers who are looking for homes in good condition on well-maintained streets in genuinely healthy neighborhoods are buying in Muncie less and less, keeping prices relatively low. Existing owners who are not realizing appreciation are not reinvesting in their homes to the levels required to maintain an appealing housing stock. All of this has changed the math of the Muncie housing market for homebuyers, making a significant percentage of Muncie's housing stocks more appealing to absentee investors. Since the majority of singles and doubles in Muncie cannot cash flow as rentals without even more disinvestment, those that do transition have a very high probability of degrading further.

When a community's housing market, housing conditions, and fiscal capacity reach the levels now experienced in Muncie, the costs of "catching up" on deferred maintenance in order to restore confidence and healthy levels of investment—on everything from housing to streets to parks—begins to **outweigh the resources at hand**.

As this happens, **certain approaches to strategy development become critical** to improve the probability that invested resources will build confidence and disrupt negative investment behaviors and patterns.

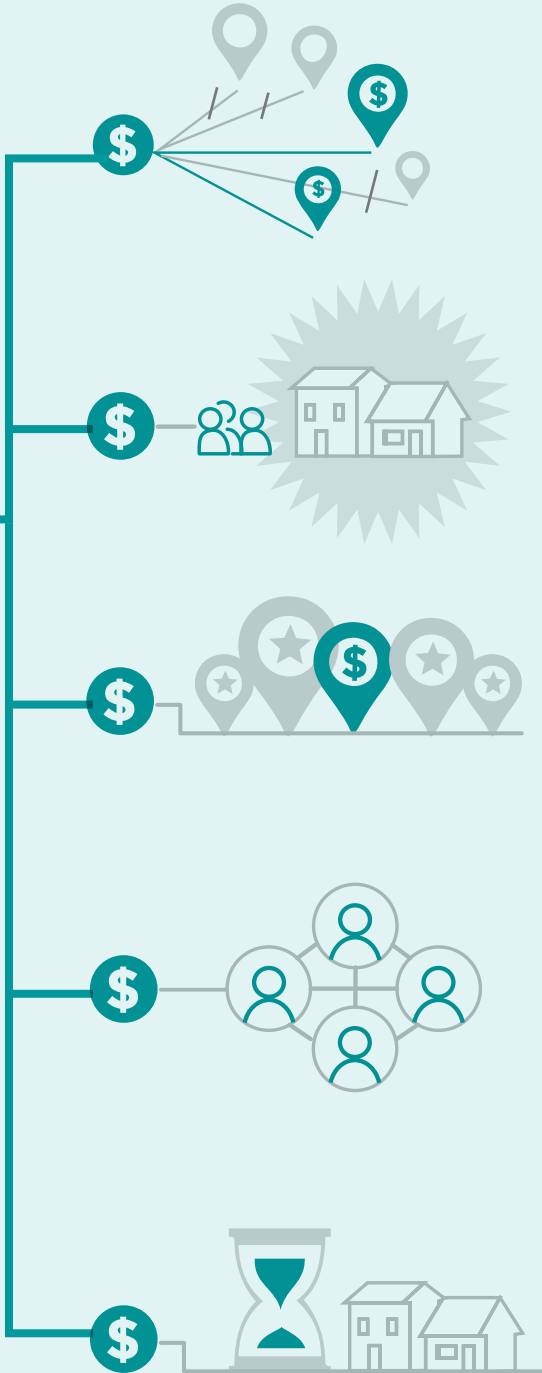
Costs of
"catching up"



Limited fiscal
capacity



Strategy Requirements in a Soft Market



Focused

Spreading scarce resources across a wide area severely limits impact. Focusing, on the other hand, achieves important aims: it differentiates blocks where investment is occurring, thus enabling the market to take note of cues about positive future change, and it concentrates resources for heightened impact.

Visible

An important complementary rule to focused investment is putting resources where impact will be visible and apparent to the community—visible enough that the positive signals are broadcast widely on a daily basis and have an impression on the market.

Asset-based

Focusing investments around assets is one way of getting visibility and generating returns at a higher rate—and at a faster pace—than focusing resources around liabilities. It also forces critical consideration of opportunity costs: in a community rich with assets (parks, schools, churches, historic landmarks, transit routes, etc.), which ones offer the most return from focused investment?

Coordinated

When resources and capacity are both limited and likely to exist across a number of different entities, careful coordination ensures that energies and dollars are not being wasted on one-off projects with little hope of traction or sustainability.

Productive coordination between the Muncie Land Bank and the Delaware County Commissioners, especially with regard to the tax sale process, will help to limit and repair the damage that blighted properties inflict on the County's tax base and on Muncie's neighborhoods.

Patient

Soft markets with a high share of blighted properties don't happen overnight. And digging out from these conditions takes time—more time than a few election cycles or foundation grant cycles. The need for patience makes it ever more important that focused resources achieve some positive short-term outcomes in order to maintain long-term interest and momentum.

Strategic Grounding for Muncie's Neighborhoods



Given the soft market conditions that have buffeted the condition and stability of Muncie's neighborhoods for decades, a **guiding strategy is needed** to ensure that explicit outcomes are being sought by a highly coordinated group of intervening parties—public, private, and non-profit—that are deploying limited resources in a targeted and sustained manner over a period of years.



To a large extent, though, such a strategy has not existed in Muncie or has, at best, been fragmentary. This has resulted in a collection of entities pursuing their own missions with a limited sense of what they and their peers are collectively trying to accomplish and no shared definition of what progress looks like. Some are using best practices gleaned from other communities. Some are simply operating in a manner consistent with what their funding sources prescribe. Some meet their own internal goals for outputs year after year (number of program participants reached, number of properties improved or protected, quantities of a specific service provided, available dollars fully spent down, etc.). Some may be viewed by the wider community as innovative and leaders.

But individual cases of progress and success, in the absence of a larger strategy, are likely to be fleeting—especially as those involved grow frustrated that their good work doesn’t appear to be moving the needle in any durable way. That is a risk for the Muncie Land Bank in the absence of an overarching framework to guide its work.





Direction from the New Comprehensive Plan

TogetherDM, the new comprehensive plan for Delaware County and the City of Muncie, provides two levels of broad strategic direction for work in Muncie's neighborhoods.

The first level of direction comes from the three priorities that have been chosen for focused attention



Strengthen Quality of Place

'Quality of place' has a broad definition in the context of TogetherDM and will mean different things at different scales. But it all boils down to one's experience of their community and how the physical environment influences that experience. There is a widespread sense that the community does not exhibit pride of place and ownership to an acceptable level—nor does it perform basic upkeep in a manner that instills confidence.



Improve Housing Conditions

The emergence of housing as a priority is based on two expressions of prevailing market weaknesses in Delaware County and Muncie. One is the accumulation of deferred maintenance in the existing housing stock, leading to poor conditions and an erosion of marketability. The other is the limited number of new housing options available in the community due to prices and rents that are generally too low to support market-rate development of the type and quality that would help the community attract and retain households with choices.



Expand Opportunities for Upward Mobility

As in most communities with a similar economic background, decades of deindustrialization have made it harder for individuals with low or outdated skills to climb the economic ladder in Muncie and Delaware County and created concentrations of high poverty that are difficult to escape from. Cultivating opportunities for upward mobility is about expanding the chances that individuals and families have to advance their economic position and contribute meaningfully to community goals. This ties into a number of spheres, such as the quality of educational and training infrastructure, access to work opportunities to build skills and experience, improvements to household stability, and housing policy.

*In addition to outlining strategies around these three priorities for the City of Muncie and the balance of Delaware County in the comprehensive plan, **these three priorities will serve as guideposts** for a wide range of investments and decision-making within the community. When crafting an investment or designing a program, any entity—including the Muncie Land Bank—should be asking itself:*

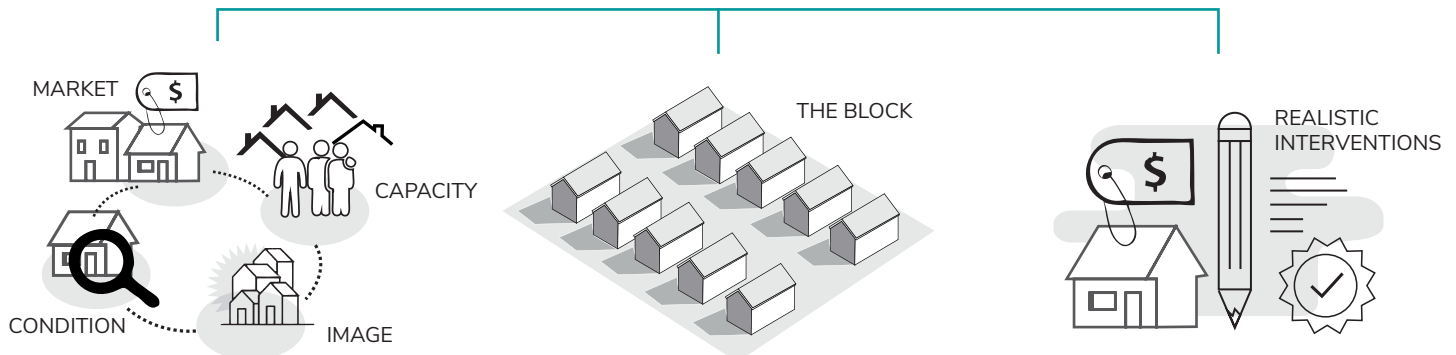
How can this action contribute to stronger quality of place, to improved housing conditions and options, or to expanded opportunities for upward mobility?

The second level of strategic direction is the overall course for the community going forward.



The plan calls for a **“Get the Basics Right” approach to planning and investing in the community**. This approach is based on a recognition that many aspects of the community (from roads to parks to housing) have, in general, been deteriorating over time from underinvestment by the public and private sectors, and that catching up on basic elements of community infrastructure represents a significant and necessary change of course from current practices.

What does “Get the Basics Right” mean for Muncie’s neighborhoods, especially when combined with the direction provided by the plan’s three priorities?



Focus on core elements of neighborhood health

Neighborhood health boils down to **four factors**: health of the housing market (how strong is demand and how marketable is the supply), capacity of residents to manage neighborhood affairs and advocate for their interests, the condition of public and private property, and the image projected by the neighborhood. TogetherDM’s three priorities all have a bearing, in some way, on these factors of neighborhood health.

Use the block as the basic unit for planning and intervention

Any effort that only focuses on a single property and fails to take the health of the overall block into account is destined to have limited success. **Focusing on the block forces holistic thinking and collaboration**. It also prompts recognition that seemingly small and incremental steps—such as a group of residents getting together once a week to pick up litter in their neighborhood—can have a significant impact on the core elements of neighborhood health and in residents’ sense of agency.

Use knowledge of market conditions to craft realistic interventions

Resources and capacity are too scarce in Muncie for time to be wasted on any effort where expectations are misaligned with market realities. This is especially true in areas of relatively low demand where the probability of high-quality investment happening unassisted is extremely low. Market conditions provide direction on the problems that need solving in a neighborhood and the interventions that are most likely to result in tangible progress.



Guidance for Neighborhood Outcomes and Interventions

Putting the strategic direction from TogetherDM into practice in Muncie's neighborhoods will require broad adoption of the same outcomes by the Muncie Land Bank and other entities that seek to improve the city's neighborhoods. These outcomes should be focused on the basic factors that shape neighborhood health—factors that will each have specific measurements to track and provide particular lenses through which the MLB should view its work.

Importantly, this set of primary outcomes does not include levels of vacancy and blight. While those outcomes might seem to have the most direct relationship to the work of the MLB, it is most appropriate to view them as secondary outcomes. As indicators related to neighborhood health improve, indicators of vacancy and blight can be expected to follow.

Muncie Neighborhood Outcomes and Relationship to MLB

	Primary Outcomes - Focus on neighborhood health			
Proposed Outcome	Market improves	Conditions improve	Resident engagement and leadership capacity improve	Image improves
Why?	Rising prices and rents will indicate enhanced desirability of neighborhoods and a healthier balance of demand and supply	An increase in the proportion of properties that are well-maintained and a decrease in the proportion of properties in trouble will improve confidence and reinforce demand	A sense of ownership and agency makes residents more likely to manage issues effectively at the neighborhood level	A good or improving image builds neighborhood self-confidence and makes it more competitive in the regional market
Measurement(s)	<ul style="list-style-type: none"> Trend in median home value Trend in average sale prices Trend in median gross rent 	<ul style="list-style-type: none"> Trend in share of properties in excellent or good condition Trend in share of properties that show visible signs of deferred maintenance Condition of major streets and public amenities 	<ul style="list-style-type: none"> Presence of active neighborhood assn. or informal clubs Stable or rising rate of owner-occupancy 	<ul style="list-style-type: none"> Internal and external impressions of the neighborhood are favorable or improving
MLB Requirements	MLB's interventions must be expected to make a neighborhood a more desirable place for people to choose to live.	MLB's interventions must be expected to improve conditions and standards either by keeping healthy houses in good condition, improving distressed houses, or ensuring sound management of vacant land.	MLB's interventions should strive to strengthen connections and engagement within a neighborhood.	MLB's interventions should strive to improve the image of a neighborhood by conveying a sense of progress—especially with regard to conditions in highly visible areas or near community assets.

Secondary Outcomes - To be expected as progress is made on primary outcomes

Proposed Outcome	City's fiscal capacity improves	Vacancy levels improve	Levels of blight improve
Why?	Stronger fiscal capacity puts the City in a position to invest in infrastructure and services that will improve quality of life and make the City's neighborhoods more competitive	Vacancy rates moving towards healthy levels will be an additional indicator that demand and supply are in greater balance	A decrease in sources of severe blight stabilizes demand and improves neighborhood confidence
Measurement(s)	<ul style="list-style-type: none"> • Trend in aggregate taxable property value • Bond rating / borrowing capacity 	<ul style="list-style-type: none"> • Trend in total vacancy rate • Trend in chronic vacancy rate • Proportion of vacant acreage that is poorly managed or maintained 	<ul style="list-style-type: none"> • Trend in number of severely distressed properties in a neighborhood, especially near community assets
MLB Requirements	MLB's interventions should take a long view when it comes to boosting Muncie's fiscal status. Its actions should have the potential to lift surrounding values over time, and it should not assume that returning a property to the tax rolls quickly is necessarily the best course of action.	MLB's interventions should strive to directly influence vacancy levels by facilitating re-occupancy, improving the long-term marketability/viability of properties, removing obsolete supply, or ensuring that vacant land comes across as 'managed' space.	MLB's interventions should prioritize the remediation of sources of significant blight when they are proximate to community assets and stable blocks.



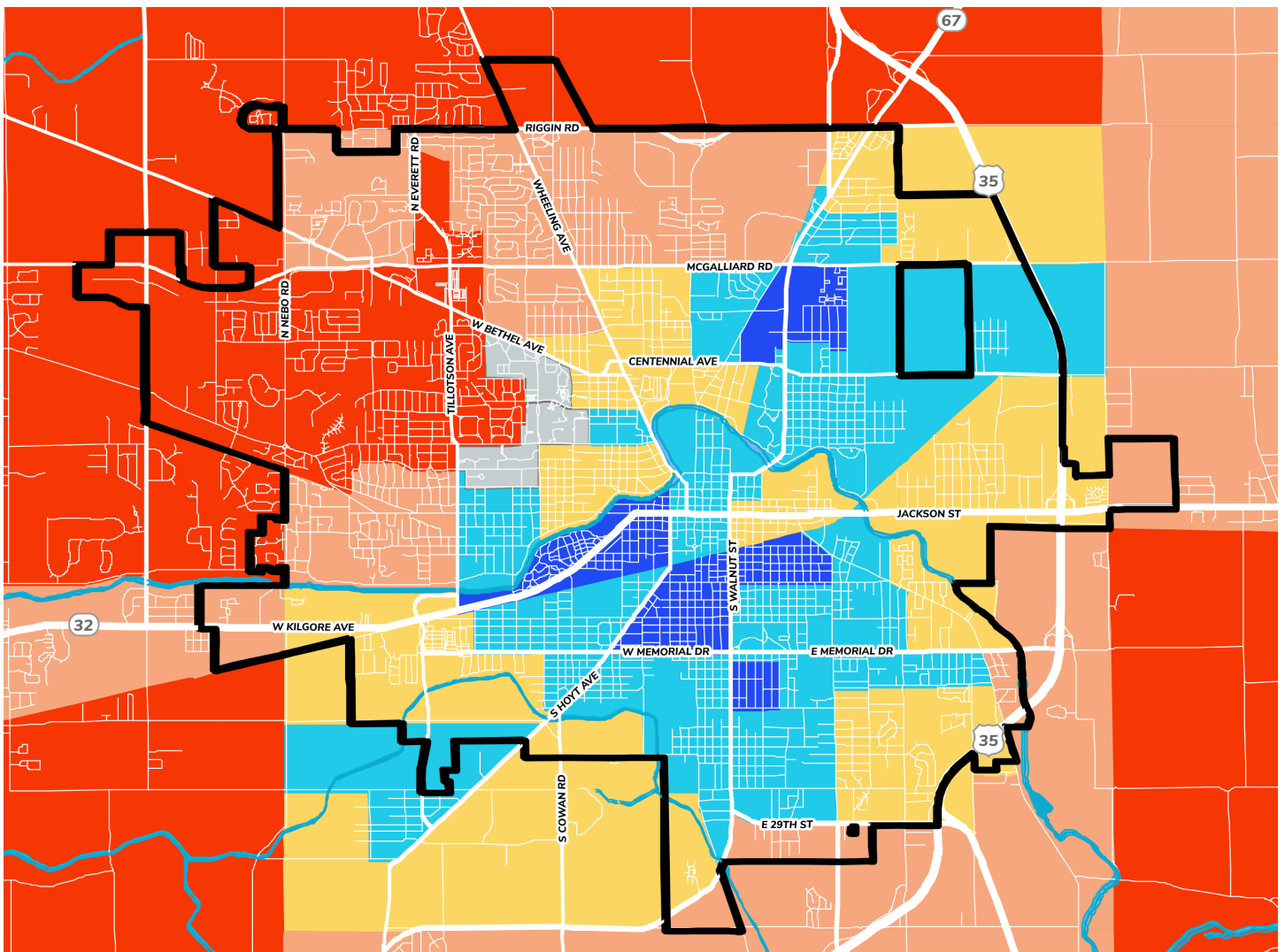
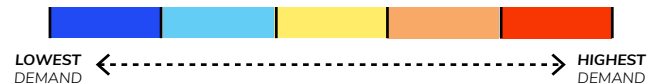
A Shared Understanding of Market Conditions

In addition to broad adoption of the same outcomes by MLB and other entities, putting the strategic direction from TogetherDM into practice will require a shared understanding of market conditions across Muncie's neighborhoods and how those conditions should shape interventions and expectations.

To successfully match the different market geographies of Muncie with interventions that reflect the strategic needs of those markets, the TogetherDM process has produced a **market typology of Delaware County and the City of Muncie**. This tool, which reflects longstanding real estate patterns in the region, is an amalgam of seven measurements that relate to levels of housing demand: recent average sale prices, change in average sale prices over time, median gross rent, owner-occupancy rates for single-family homes, rates of vacancy and abandonment, median household income, and the rate of households receiving SNAP or public assistance.

Market Typology and Relationship to MLB

Market Typology of Delaware County and City of Muncie, by Block Group



Outcomes by Market Typology and Relationship to MLB

MARKET TYPE	HIGHEST DEMAND	HIGHER DEMAND	AVERAGE DEMAND	LOWER DEMAND	LOWEST DEMAND
Strategic Aims	Protect and maintain existing strength; do not allow to slip	Prevent decline on vulnerable blocks, where one or two properties pose a threat to stability and confidence	Prevent decline on vulnerable blocks, where one or two properties pose a threat to stability and confidence	Revitalize in a targeted manner, especially near community assets	Cultivate stability; reestablish a sense of agency and pride
Intervention Types (MLB-specific examples)	<ul style="list-style-type: none"> Strategic code enforcement and compliance assistance Acquire and mediate disposition of vulnerable properties on stable blocks or near key assets; invest in repairs that will improve marketability 	<ul style="list-style-type: none"> Strategic code enforcement and compliance assistance Resident leadership cultivation and engagement Home reinvestment and homeownership programs Acquire and mediate disposition of vulnerable properties on stable blocks or near key assets; invest in repairs that will improve marketability 	<ul style="list-style-type: none"> Strategic code enforcement and compliance assistance Resident leadership cultivation and engagement Home reinvestment and homeownership programs Acquire and mediate disposition of vulnerable properties on stable blocks or near key assets; invest in repairs that will improve marketability Targeted acquisition and demolition of unsalvageable homes; mothball properties with strategic value but unlikely to find a strong buyer Acquire vacant land to clean, green, and hold 	<ul style="list-style-type: none"> Strategic code enforcement and compliance assistance Resident leadership cultivation and engagement Home reinvestment and homeownership programs Resident leadership cultivation and engagement Targeted acquisition and demolition of unsalvageable homes; mothball properties with strategic value but unlikely to find a strong buyer Acquire vacant land to clean, green, and hold 	<ul style="list-style-type: none"> Strategic code enforcement and compliance assistance Targeted demolition of unsalvageable homes Resident leadership cultivation and engagement Targeted acquisition and demolition of unsalvageable homes; mothball properties with strategic value but unlikely to find a strong buyer Acquire vacant land to clean, green, and hold
General Resources Needed for MLB to Intervene	<ul style="list-style-type: none"> Administrative capacity to identify targets and mediate disposition Working capital to acquire properties and make strategic upgrades 	<ul style="list-style-type: none"> Administrative capacity to identify targets and mediate disposition Working capital to acquire properties and make strategic upgrades 	<ul style="list-style-type: none"> Administrative capacity to identify targets and mediate disposition Working capital to acquire properties and make strategic upgrades 	<ul style="list-style-type: none"> Administrative capacity to plan and oversee vacant land management Working capital to acquire, clean, green, and maintain vacant land 	<ul style="list-style-type: none"> Administrative capacity to plan and oversee vacant land management Working capital to acquire, clean, green, and maintain vacant land

Muncie's Neighborhood 'Ecosystem' and the Roles of the Muncie Land Bank

The broad adoption of these outcomes to guide the work of individual entities, as well as a shared understanding of market realities and how they should shape interventions and expectations, will help to ensure that as many entities as possible are “pulling in the same direction” in Muncie's neighborhoods and reinforcing each other's work. But which entities, specifically, should be on the same page?

The full “ecosystem” of neighborhood actors, with the residents and property owners of individual blocks serving as its foundation, is extensive and represents many of the components needed to implement the strategic direction of TogetherDM. This ecosystem, and the roles played by each entity, are outlined on pages 24 and 25.



For the Muncie Land Bank, defining precise roles within this ecosystem is a matter of both filling the technical roles that land banks play in communities across the country (and those defined by the Indiana Code and the City's establishing ordinance) as well as identifying and filling recognized capacity gaps in the community.



These roles, which should be reviewed and redefined on an annual basis, include:

- Provide strategy leadership to find solutions to properties in ownership limbo, even if direct ownership by the MLB turns out not to be necessary or viable
- Serving as a vehicle for the acquisition and management or disposition of vacant properties and land, with the title-clearing benefits that this may entail for a given property
- Act as an ombudsman, educator, or navigator within the community on matters of vacancy and blight so that residents have a reliable source to help them understand processes, options, and opportunities

In the performance of these roles, MLB's work can be further defined as occurring along **two tracks that will influence how the MLB interacts with others in the neighborhood ecosystem and how it organizes its own operations.**

The two tracks are not mutually exclusive.



TRACK 1

Neighborhood Strategic Planning and Revitalization

For this first track of work, MLB's role as a strategy leader will be in the forefront as it works with stakeholders to improve the health of whole blocks through coordinated interventions that include turnaround strategies for vacant, abandoned, or at-risk properties.



TRACK 2

Vacant Lot Disposition and Process Navigation

For this second track of work, MLB's roles as a disposition agent and community process navigator will help put vacant lots in the hands of neighbors and community organizations who will maintain and use the lot in a manner that supports healthy neighborhood outcomes.

'Ecosystem' of Neighborhood Actors

Who has a role in cultivating neighborhood health in Muncie?

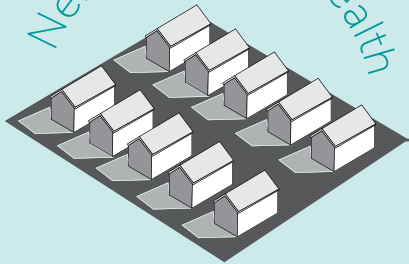
Making markets stronger



Cultivating resident leadership



Neighborhood Health



Boosting image



Improving physical conditions



What matters most to a block-level cluster of residents and property owners?



A sense of **agency and the capacity to advocate** for their interests and needs



Reinvestment behaviors on the block and the existence of individual and collective capacity for stewardship (broadly defined)



Positive signals sent between residents, and from the block outwards

→ **Beyond the block, who has a role in promoting a sense of agency, reinvestment behaviors, and positive signaling?**



LOCAL GOVERNMENT

City of Muncie Mayor's Office
Propose budgets and policies that influence service delivery and the condition of public property; oversee service delivery

City of Muncie City Council
Adopt budgets and policies that influence service delivery and the condition of public property

City of Muncie Office of Community Development
Historic preservation; lead safety; housing improvement programs for income-eligible; support for neighborhood planning; resources for demolition

City of Muncie Police Department
Maintenance of public safety and order

City of Muncie Public Works/Street Department
Maintenance of streets and other core infrastructure; waste removal; host biannual neighborhood cleanups

City of Muncie Office of Building Commissioner
Code enforcement, inspections, and building permits; support for "Dumpster Days"

City of Muncie Parks Department
Urban forestry; maintenance and improvement of major parks and neighborhood parks

Delaware County Treasurer's Office
Collect taxes

Delaware County Auditor's Office
Oversee the county tax sale, administer property transfers, and coordinate TIF and tax abatements

Delaware County Commissioners
Administer County business; enact and execute policies that shape how the County government operates

Delaware County Council
Adopt budgets that shape County spending and investments



PUBLIC AGENCIES AND BOARDS

City of Muncie Redevelopment Commission
Vehicle for development or redevelopment of properties with strategic value; source of capital for neighborhood business development

Muncie Community Schools
Oversight of public schools — curricula and facilities

Delaware-Muncie Metropolitan Plan Commission
Planning support for citywide and neighborhood planning; review of development plans for adherence to code

Muncie Arts and Culture Council
Maintains public art plan; oversees approval and installation of public art

Muncie Land Bank
Strategy leadership for solutions to properties in ownership limbo; vehicle for acquisition and management or disposition of vacant properties and land; trusted clearinghouse of knowledge and information



PRIVATE OR NON-GOVERNMENTAL ENTITIES

Private builders and developers
Identify opportunities to develop real estate in Muncie's neighborhoods

Mid-Eastern Indiana Association of Realtors and individual Realtors
Market Muncie's homes and neighborhoods; facilitate transfers of ownership

Muncie Action Plan
Public-private partnership for planning and implementation with 501(c)(3) status for fundraising

MAP's Neighborhood Leadership Council
Tying neighborhood-level efforts and leaders together for collective advocacy and citywide impact

Neighborhood Associations
Tying block-level efforts and leaders together for neighborhood-level impact

8Twelve Coalition
Coordinate quality of life improvements in a focused area of Muncie's South Side

Building Better Neighborhoods Program (BSU Office of Community Engagement)
Cultivates capacity for collaboration within and between neighborhoods; resident leadership development

BSU College of Arch. and Planning
Capacity to support neighborhood-level planning and design activities

Pathstone Indiana
Provide counseling for homeowners, rental counseling for tenants, and landlord education

Greater Muncie Habitat for Humanity
Create opportunities for affordable homeownership

Muncie Home Center
Provide housing solutions to low-to-median income families

EcoRehab of Muncie
Demonstrate and practice sustainable design and rehabilitation

Urban Light Community Development
Provide housing assistance and resources for housing and neighborhood improvements

Bridges Community Services
Provide housing assistance to households at risk of homelessness

Muncie Mission
Provide assistance to individuals and households at risk of homelessness

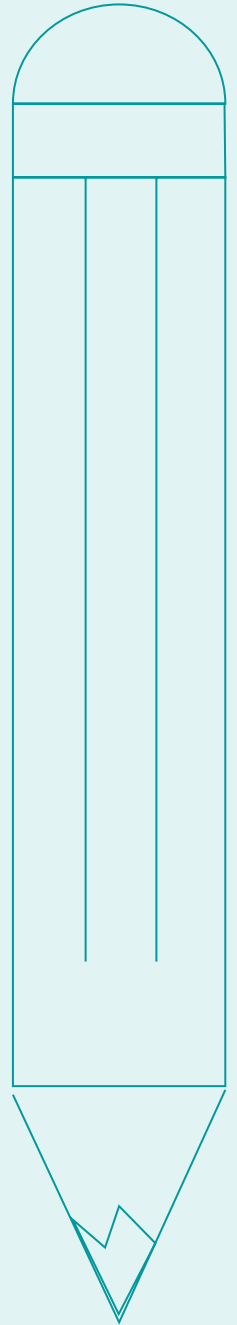
Ball Brothers Foundation
Support improvements to quality of life through philanthropy and leadership

The Community Foundation of Muncie & Delaware County
Encourage community philanthropy and direct resources to enhance quality of life

Operating Framework for the Muncie Land Bank

The strategic direction that the TogetherDM comprehensive plan provides for Muncie's neighborhoods also gives high-level guidance for the Muncie Land Bank's own strategic planning and work. That high-level guidance, however, requires further translation to support **day-to-day decision-making and work planning** by the MLB's staff and board of directors.

This strategic plan provides such translation in the form of operating principles for the MLB, a generalized decision tree and logic model for the two tracks of work identified in Part 2, and a summary of resources and capacities needed for MLB to fulfill its role within Muncie's neighborhood ecosystem.



Operating Principles for the Muncie Land Bank

Principles are rules that help to translate an organization's values and mission into action by guiding both simple and complex decision-making processes. The TogetherDM comprehensive plan offers a set of general planning principles for Delaware County and the City of Muncie which are broadly complementary to the MLB's own operating principles.

MLB's operating principles, as presented below, are based on values that are important to the organization and the strategic needs of Muncie's neighborhoods:



Be transparent and predictable

MLB has an opportunity to set a tone for transparency and predictability—to model how all entities in Muncie should operate and how they should communicate both internally and externally with partners and the broader community.

The strategic framework for Muncie's neighborhoods, with explicit outcomes and realistic market expectations, provides a basis for operating with transparency and predictability. As decisions are made, they should be clearly linked to healthy neighborhood outcomes and the interventions that are best aligned with given markets.

No decision made by MLB should come as a surprise to its partners or the community, and MLB should expect the same from its partners.



Be focused on the block, not the house or lot

Achieving a broad set of neighborhood outcomes requires that every intervention have at least a block-level focus. For every property being targeted for possible intervention, what is the larger strategy for the block where that property is located, and how will the intervention in question mesh with other public and private actions on that block?

Thinking and then acting at the block level guarantees that a level of collaboration and engagement will be part of each move that MLB makes.



Be collaborative

MLB should be a leader in helping to build the civic muscle required for multiple entities to plan together, work together, and aim for the same community outcomes. No entity, on its own, has the tools and resources needed to make a lasting difference in Muncie's neighborhoods, but a well-oiled and purposeful consortium does.

Whenever possible, MLB should seek to broaden participation in its decision-making (with other entities, with resident leaders) so that ownership of risk and outcomes is broad.



Be committed to breaking the "churn" of problem properties

MLB's actions should always aim to break the perpetual churn of troubled properties from one unsuitable or incapable owner to another unsuitable or incapable owner. Properties don't become problems overnight, and there is often an unbroken chain of transactions that each serve to lower the bar or maintain an undesirable status quo.

MLB will only have the capacity to intervene in a relative handful of cases each year—so, each instance should result in a definitive elevation of each property's prospects (the right owner and the right investments). If that isn't yet possible, the property should be held until it becomes possible—and never sold into a slightly better ownership situation than the last.

MUNCIE LAND BANK - Decision Trees and Logic Models

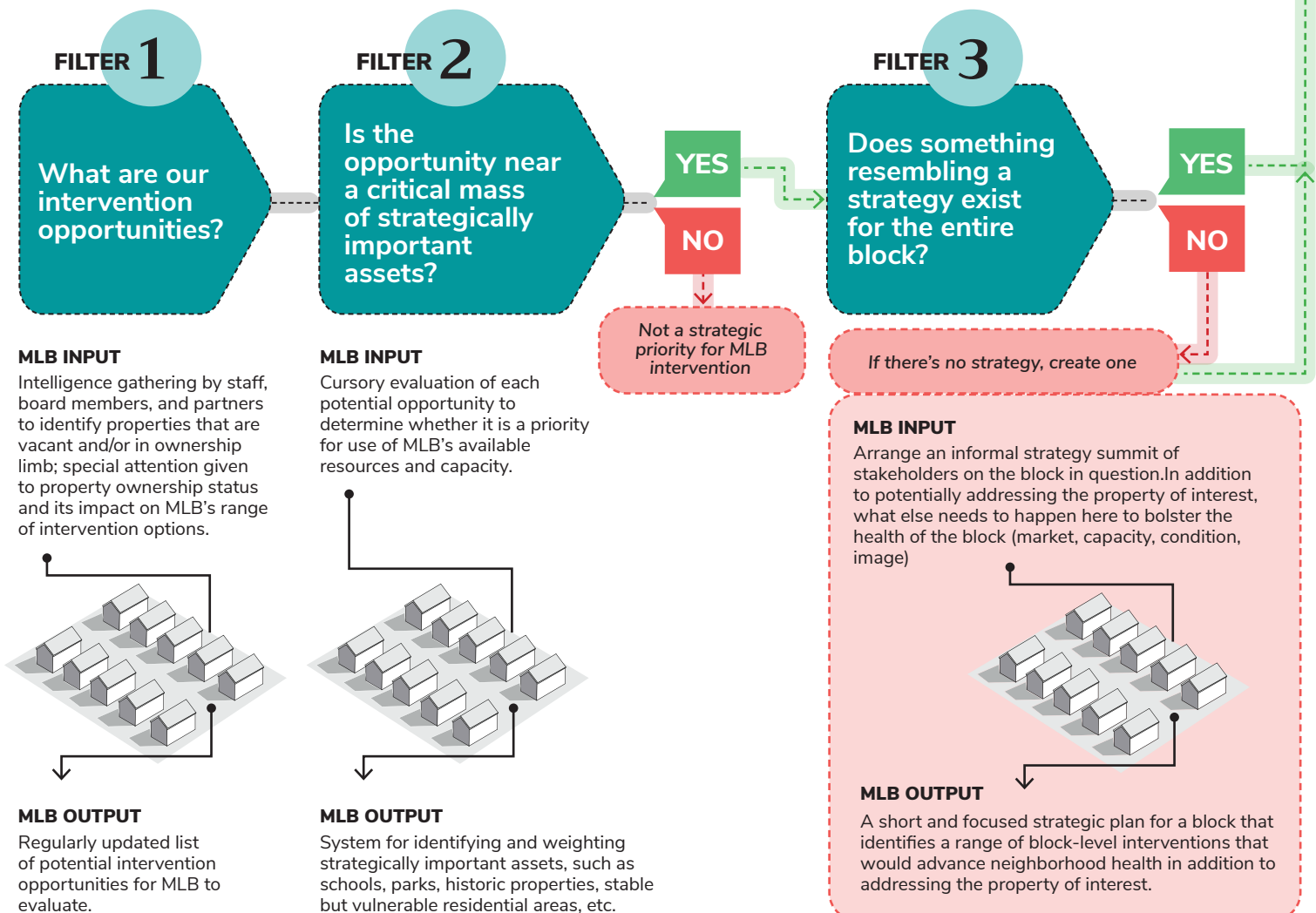
There are any number of ways to complicate decision-making by a land bank because every decision involves some combination of financial, political, legal, and other factors. They involve properties that are deteriorating or festering in real time and affecting real people. Almost every choice—including a decision not to intervene—comes with risks and consequences that the organization must live with, even if they are not known for some time. This can be a recipe for paralysis and scattershot decision-making, especially for a young organization that has little experience and is feeling real pressure to act and prove its value to the community.

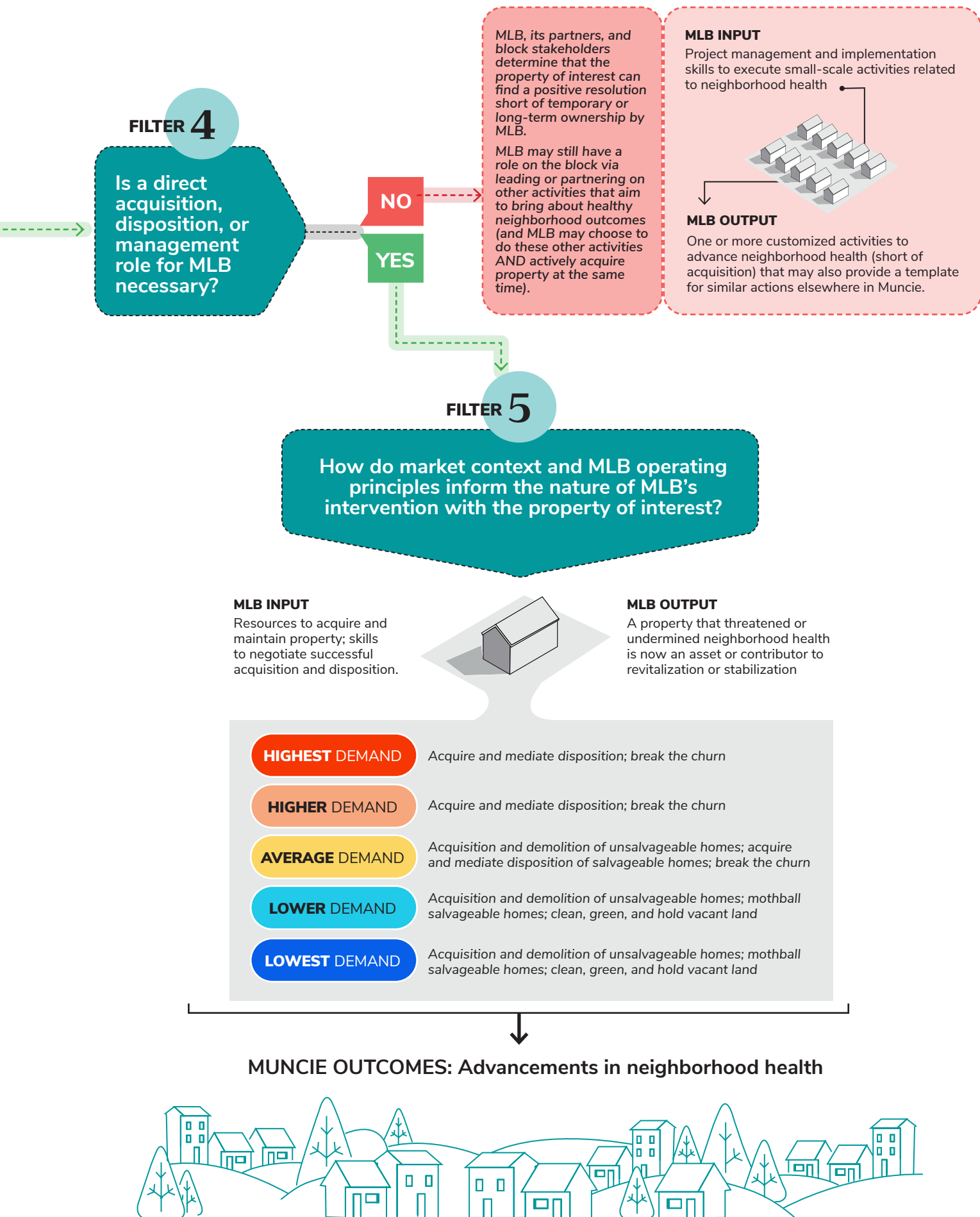
To give structure to decision-making by the Muncie Land Bank along its two tracks of work, this strategic plan identifies sequential filters for each track that represent

decision points. These decision points are also opportunities to fulfill MLB's role in the neighborhood ecosystem, apply its principles, and think critically about desired outcomes and market potential.

The decision trees for both tracks of work include—for each decision point—the inputs (resources and capacity) and outputs (or “products”) that are likely to be needed by the MLB to successfully arrive at a decision that aligns with this strategic plan and the strategic framework for Muncie's neighborhoods. Following these decision trees improves the probability that MLB's choices will reinforce the achievement of outcomes related to neighborhood health—which represents the culmination of each decision tree.

TRACK 1 Neighborhood Strategic Planning and Revitalization





TRACK 2 Vacant Lot Disposition and Process Navigation



FILTER 1

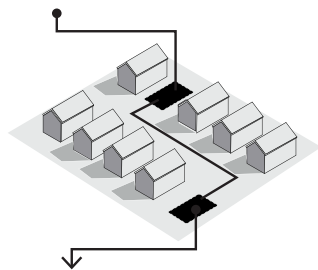
Which vacant lots in Muncie are good near-term prospects for facilitated disposition by MLB?

MLB INPUT

Intelligence gathering by staff, board members, and partners to identify vacant lots that are owned by public entities or non-profit partners, or that are imminent acquisition opportunities due to tax delinquency; evaluation of neighborhood context to determine potential for disposition to a neighbor with capacity or to a known entity with a neighborhood improvement mission; inquiries received by MLB about specific properties that serve as indications of interest from prospective buyers

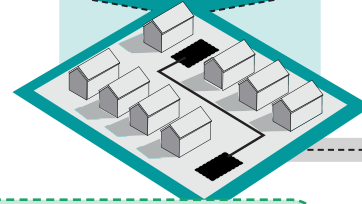
MLB OUTPUT

Regularly updated list of potential prospects for near-term vacant lot disposition (by definition, these are not prospects for redevelopment or long-term holding); prioritization of list to reflect lots with the most potential for an end-user with plans and capacity that align with healthy neighborhood outcomes



FILTER 2

Is a vacant lot located on a block that is considered an intervention opportunity under TRACK 1?



Fold the lot in question into the block-level strategy development process in TRACK 1 to determine the most appropriate disposition option for the lot. In addition to near-term lot disposition, TRACK 1 is also the path to follow for lots that are considered prospects for redevelopment or long-term holding based on neighborhood and market context.

TRACK 1



YES

NO

FILTER 3

Is acquisition of the lot by MLB necessary for near-term disposition to occur in a manner that aligns with healthy neighborhood outcomes?

MLB INPUT

Ability to determine whether disposition of a lot to a purchaser with intentions and capacity that align with healthy neighborhood outcomes has a high or low probability of without MLB first acquiring the lot; presence of liens and the potential for competing purchasers with unknown intentions are factors (among others) to consider

MLB OUTPUT

Decision on whether to proceed with acquisition planning as an intermediate step in the disposition process

YES

NO

MLB INPUT

Knowledge of acquisition processes, legal expertise, and financial resources to choose and pursue the best course of action to achieve intermediate ownership of a vacant lot; administrative capacity to oversee required RFP processes for selection of lot purchaser

MLB OUTPUT

Successful sale of an acquired vacant lot to a purchaser with plans and capacity that align with healthy neighborhood outcomes

MLB INPUT

Capacity to communicate with interested purchasers to assist with navigation of acquisition processes

MLB OUTPUT

Successful facilitation of vacant lot acquisition by a purchaser with plans and capacity that align with healthy neighborhood outcomes

MUNCIE OUTCOMES:
Advancements in neighborhood health



Resources and Capacities to Support the Work of the MLB

The inputs and outputs identified in the decision trees and logic models—which are tied to the roles for MLB outlined in Part 2—are a useful starting point to identify the **resources and capacities that MLB will need** to arrive at decisions with good information and be able to act on those decisions.

As part of the ratification of any annual work plan, an effort to reconcile capacity with organizational goals should take place to ensure that available skills and human resources—provided by board members, hired staff, contracted service providers, or other volunteers—are sufficient to perform work of the desired quality and at the desired scale. If human resource gaps exist, a plan should be made to fill those gaps or the organization’s work plan should be adjusted to deemphasize or delay certain activities until capacity exists.

Human Resources



- Intelligence gathering, analysis, and preparation
- Facilitation of deliberation
- Partnership development and maintenance
- Community coordination and education
- Project management
 - Small community-building programs
 - Property inspections, acquisitions, RFPs, disposition
- Grant management
- Financial management / accounting
- Legal services

Financial Resources



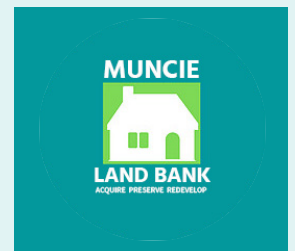
- Capital for strategic acquisitions, repairs, and disposition
- Operating expenses related to property holding and maintenance
- Operating expenses related to personnel, technology

Work Planning for 2022-2024

What does the Muncie Land Bank need to do over the **next few years** to take the steps necessary to become an indispensable contributor to neighborhood health in Muncie?

How should it begin to apply the guidance from this strategic plan to its **daily work**?

In a community where over one-quarter of all residential properties show visible signs of physical distress and disinvestment, and where close to 5,000 housing units are estimated to be vacant, internal and external expectations for the Muncie Land Bank are likely to exceed what the organization can realistically accomplish—even if it were endowed with significantly greater resources than it currently possesses. Becoming overwhelmed by the scale of its potential work—or attempting to take on more than it has the capacity to take on—is a clear risk for MLB that would blunt its potential to do good and important work.



It is critical, therefore, that the MLB give itself permission to spend the next few years focused on a small number of interventions. If executed at a high level according to the strategic guidance provided by this plan, **the land bank will accomplish several important goals:**

Gain experience

Every intervention and project will be a learning experience for the organization and its partners. Being mindful of this—and adjusting for the future in reaction to lessons learned—will make the land bank a more formidable and effective presence in the community year-by-year.

Generate a successful track record

Communicating the theory of land banking to the community and to potential funders and partners is one thing. Being able to point to projects that reflect the land bank’s approach, its creativity, and its contribution to positive outcomes is quite another.

Build a positive brand

Having a portfolio of successful projects that are communicated well to the broader community builds good will and trust that translates to future partnership development, recruitment of new board members, and the attraction and retention of talented staff.

Establish the block-level approach

The block-level thinking at the heart of the strategic framework for Muncie’s neighborhoods is a departure from longstanding habits in the community. MLB can play a pivotal role in demonstrating the mechanics and value of more holistic and collaborative interventions.

The following outline for 2022 through 2024 demonstrates a “focused and small” approach to work planning for the MLB in the near-term while incorporating operational and decision-making guidance found in the earlier parts of this strategic plan.

MID-2021 THROUGH 2022

OUTPUT GOALS

Lead at least five successful block-level interventions on TRACK 1, each of which may include a combination of block-level strategic planning, property acquisition/disposition, and community-building initiatives. On TRACK 2, facilitate at least 10 successful vacant lot dispositions.

Steps toward achieving the output goal:

- 1. Establish a formal process for identifying intervention opportunities and vacant lot disposition prospects**
 - Task the Acquisition and Disposition Committee to work with the executive director on the creation and maintenance of two lists: (1) of properties that represent intervention opportunities for TRACK 1 of MLB’s work and (2) of vacant lot disposition prospects for TRACK 2.
 - Identify the data sources that will typically be used to build the list of opportunities and prospects, as well as the relationships that will be required to access those sources.
- 2. Create a scoring system to prioritize intervention opportunities and vacant lot disposition prospects**
 - Task the Acquisition and Disposition Committee to work with the executive director on creating and testing a system that will be used to rapidly evaluate every intervention opportunity for TRACK 1 in order to determine strategic merit.
 - Select factors and characteristics that are important to the Muncie Land Bank and that have some relationship to improving neighborhood health.
 - Also task the Acquisition and Disposition Committee to work with the executive director on creating a system for identifying the best prospects for near-term vacant lot disposition.
 - Select factors and characteristics that are important to the Muncie Land Bank and that take neighborhood context and the presence of good buyers and stewards into account.
 - Test the system to determine a reasonable timeframe for evaluating prospects and modify as needed to improve and/or streamline.
- 3. Partnership development, especially for block-level strategy development**
 - Identify the full range of partners that the Muncie Land Bank is likely to need in the course of spearheading block-level interventions (both planning and implementation) for TRACK 1 work.
 - Work to strengthen existing relationships with those partners, or form them where they do not yet exist. Use partnership strengthening and formation work to build awareness of the land bank’s roles in Muncie’s neighborhood and to mutually establish terms for each partnership.
- 4. Strategy communication**
 - Task the Communications Committee to work with the executive director on a strategy for communicating MLB’s roles in Muncie’s neighborhoods—with careful thought given to audience, methods, and goals of communication.
 - Use the communication of MLB’s roles to the community as an opportunity to identify potential near-term buyers of vacant lot disposition prospects.

5. Solicit capital for strategic acquisitions and repairs

- To maximize MLB's capacity to intervene through property acquisitions and repairs, create a "Property Investment Fund" that can be used to acquire property and pay for strategic repairs. On the sale of acquired and improved properties, some or all of the proceeds could be used to help replenish the fund.
- Seek upwards of \$200,000 in highly flexible resources from public sector and philanthropic partners to provide the fund with working capital.

6. Small fund for block-level programming

- In order to maximize MLB's capacity to intervene through small community-building initiatives on TRACK 1, create a small programming fund that can be used in partnership with residents and others on block beautification projects, small matching grants for home improvements, cleans up, etc.
- Seek at least \$25,000 in funding from public sector and philanthropic partners for this purpose.

7. Plan for expansion to operating capacity

- Starting out with modest goals will allow MLB to test the extent to which current operating capacity—especially in terms of dedicated staff and contracted services—is sufficient to meet those goals, and the extent to which expansion may be needed if goals are scaled upward.
 - Be prepared to hire a full-time project/program manager in 2023 to fill existing or foreseen capacity gaps for the growing organization.
-

2023 THROUGH 2024

OUTPUT GOALS

On TRACK 1, lead at least 10 successful block-level interventions in 2023 and 15 in 2024, each of which may include a combination of block-level strategic planning, property acquisition/disposition, and community-building initiatives. On TRACK 2, facilitate at least 20 successful vacant lot dispositions in 2023 and 25 in 2024.

Steps toward achieving the output goal:

- 1. Continually refine the process for identifying intervention opportunities and vacant lot disposition prospects**
 - Based on accumulated experience, refine the process for identifying intervention opportunities and vacant lot disposition prospects as needed to improve efficiency and the likelihood that strategically compelling opportunities will be identified.
- 2. Continually refine the scoring system to prioritize intervention opportunities and vacant lot disposition prospects**
 - Based on experience to date with MLB's methods for prioritizing intervention opportunities and vacant lot disposition prospects, refine the scoring and evaluation process as needed to improve its efficiency and the likelihood that it singles out cases that are the best matches for MLB's skills, resources, and partnerships.
- 3. Maintain strong relationships with partners and keep eyes open for new partnerships**
 - Assess the strength of existing relationships. Which ones have been the most fruitful from MLB's standpoint, and why? Which ones have disappointed, and why?
 - Develop a strategy to strengthen partnerships in order to keep MLB's partners eager to work with the organization into the future.
- 4. Strategy communication**
 - Gauge the degree to which the Muncie Land Bank and its roles are known to elected officials and other civic leaders. If there are gaps in understanding, lack of clarity, or poorly matched expectations, develop a communications strategy to resolve those issues.
 - Continue to document block-level interventions as well as successful vacant lot dispositions in order to communicate MLB's approach and capacity.

5. Maintain capital for strategic acquisitions and repairs, and create relationships to aid with special acquisition opportunities

- Maintain a Property Investment Fund with enough ready capital at any given time to facilitate a strategic acquisition of average value (average for acquisitions to date)
- As MLB's track record for well-executed acquisition, repair, and disposition builds, cultivate relationships with existing or new financial supporters that would make resources available for unanticipated or unusual acquisition opportunities.

6. Maintain small fund for block-level programming

- Use experience to date to gauge an adequate level of resources for small block-level programs, as well as the number and design of those programs

7. Evaluate operating capacity and make plans to address personnel and resource gaps as needed

- Maintaining still-modest goals through 2024 will give MLB time to assess what its existing operating capacity is able to achieve, and what might be needed to accomplish more over the following few years.
 - If expansion of operating capacity is not a viable option, identifying realistic but aggressive goals for an organization with experience under its belt will be in order.
-



Muncie Land Bank Strategic Plan

October 2021

czb

Prepared for
the Muncie Land Bank
by czbLLC

