

# Tax Revenue and Opportunities lost to Private Land Banking

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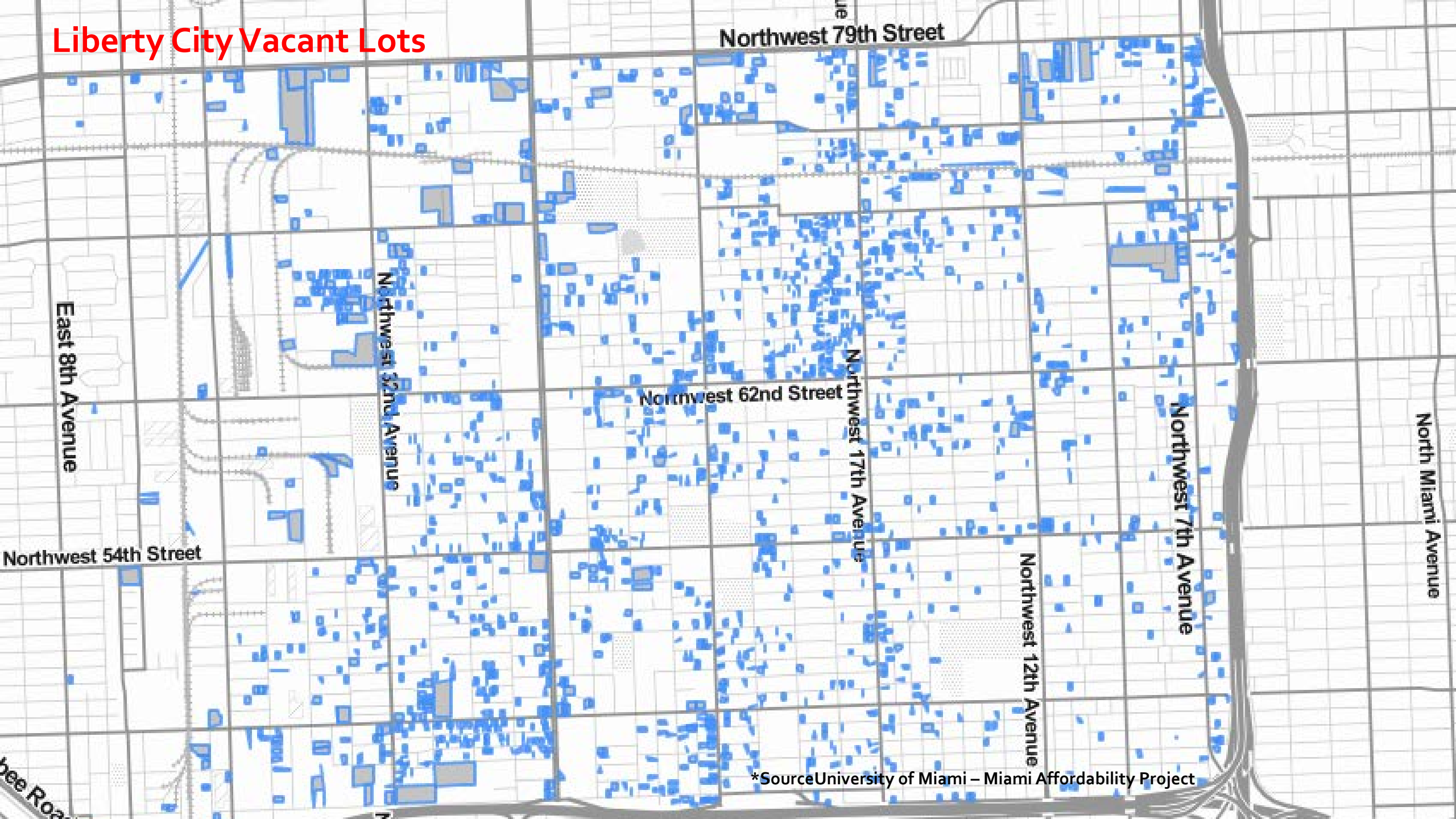
Struggle for Miami's Affordable and Sustainable Housing

# Why we care

- Severe lack of affordable housing and parks
- **82,275,919 sq ft\*** of private vacant lots in City of Miami. Due to land banks and irregular lots
  - Assume value of at least \$10/ sq ft, and a gap of \$10/sq ft between fully developed appraised value and current appraised value
- City has lost **\$6,291,228.15** THIS YEAR in Ad Valorem Taxes because of undeveloped land

\*Source: Miami-Dade County Property Appraiser

# Liberty City Vacant Lots



\*Source University of Miami – Miami Affordability Project

# What we learned

- Washington D.C. and Pittsburgh\* have mitigated this problem by creating a “**Land Value Tax**” which levied **\$9.4M** in 1<sup>st</sup> Year!
  - is a levy on the unimproved value of land, and unlike Property taxes, disregards the value of buildings, personal property and other improvements.
- Has resulted in less land banking, more development, and **MORE** revenue!
- **Pre-fab Technology** allows us to develop previously undevelopable land

\*Source: The Pew Charitable Trusts

# What we recommend /What we will do

- **Modified Land Value Tax**, applicable after 2 years purchase (and exempt to non-profits) of **2 Pennies per sq ft**
  - Have these revenues go into Affordable Housing Trust Fund
  - Would create **\$1,645,518.38** this year!
  - Perfect to kickstart pre-development!
- SMASH can develop public parcels using **modular/pre-fab technology** and place the lots into a **Community Land Trust**



## SOLUTION:

Transition slum affected residents to shipping container homes after rapid 40-day construction on Community Land Trust (CLT) Land. Simultaneously, slum buildings are turned into Affordable Housing Co-ops for 30%AMI and residents have right-to-return.

## HOW IT WORKS:

Slumlord affected families are moved into shipping container homes on CLT land.

Phase 1:



Phase 2:



Phase 3:



Simultaneously acquire slumlord properties through legal action and renovate buildings.

Residents return to newly renovated affordable housing on CLT.



+ Resident rent payments  
+ Mixed-income CLT portfolio

+ Resident rent payments  
+ Slumlord final judgment

+ Resident rent payments  
+ WORLDS Network of co-op businesses

What the  
audience  
can do

HOUSING  
FOR  
PEOPLE  
NOT FOR  
PROFITS!

- Advocate for  
“Land Value Tax”  
and Unconventional  
Construction which will  
house people quickly  
and affordably!