GENESEE COUNTY
LANDBANK

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Strategies for Transforming Vacant and Abandoned Properties from Liabilities To Assets

What is a Land Bank?

A land bank is a public authority created to efficiently acquire, hold, manage and develop foreclosed property, as well as other vacant and abandoned properties.

Flint's Story...

- Birthplace of GM and the UAW
- 1970 population: 193,000
- GM employment peaked at 76,000 in the late 70's
- 2000 population: under 120,000
- 12% of housing stock abandoned – *"Roger and Me"*
- City government incapacitated – receivership 2002-2004

Former Foreclosure Law

- 4-7 year process
- No clear title
- Hundreds of owners
- Low-end speculation
- Indiscriminate foreclosure
  – homeowners at risk
- Contagious blight

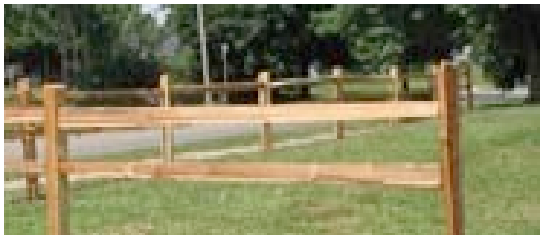
PA 123 of 1999

- 1-2 year process
- Clear title judgment
- Property titled to county
- Tax liens eliminated
- Hardship postponements
- Intervention

Liquidation vs. Investment. A lesson for lenders?

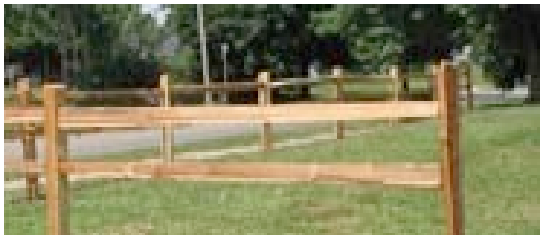
Michigan's Land Bank Law

- Created Michigan Land Bank Fast Track Authority
- Allows counties that foreclose to create Land Banks through intergovernmental agreement with state Authority
- Allows the City of Detroit to create a Land Bank
- Defines all Land Bank properties as "Brownfields"
- Land Bank properties are tax-exempt
- Provides 90-day expedited quiet title action
- Can sell at less than fair market value
- Can lease, sell, demolish, maintain, rehab, improve
- 5yr/50% tax capture



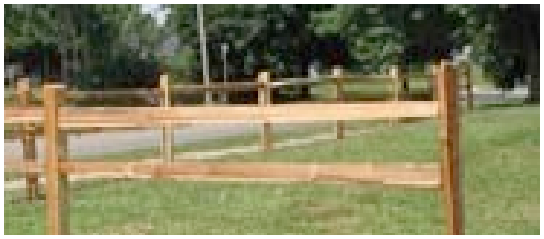
The Genesee County Land Bank

- Michigan's first land bank
- Created in 2002, modified in Dec. 2004
- 7 member Board of Directors
- 12 staff, including sales, rehab., property management
- Land development team
- Planning team *(University of Michigan faculty and staff)*
- Funding: tax foreclosure fees: $8.2 million over 6 years,
- Land sales revenue, tax capture *(Brownfield and 5yr/50%)*



The Genesee County Land Bank: A New Pathway for Property

- Foreclosure Prevention
- Housing Renovation
- Side Lot Transfer
- Property Maintenance
- Planning
- Rental Management
- Clean & Green
- Demolition
- New Development



The Genesee County Land Bank

Progress since 2003...

- 7,400 foreclosures (12% of Flint)
- 2350 foreclosure prevention cases
- Over 1000 Demolitions
- 2,300 sites maintained
- Over 800 properties in “Clean and Green” program
- 208 new units of housing built, 134 under construction
- $3.8 million mixed-use redevelopment of 30,000 sq. ft downtown building – The Land Bank Center
- Over 1000 tons of debris removed since summer 2004

BEFORE

Barbara Drive
Flint

Tax foreclosed in 2003

Acquired for $3,100

Rehabilitation cost: $42,000

AFTER

Sold in 2005 to first-time homeowner for $55,000

CAT

BEFORE

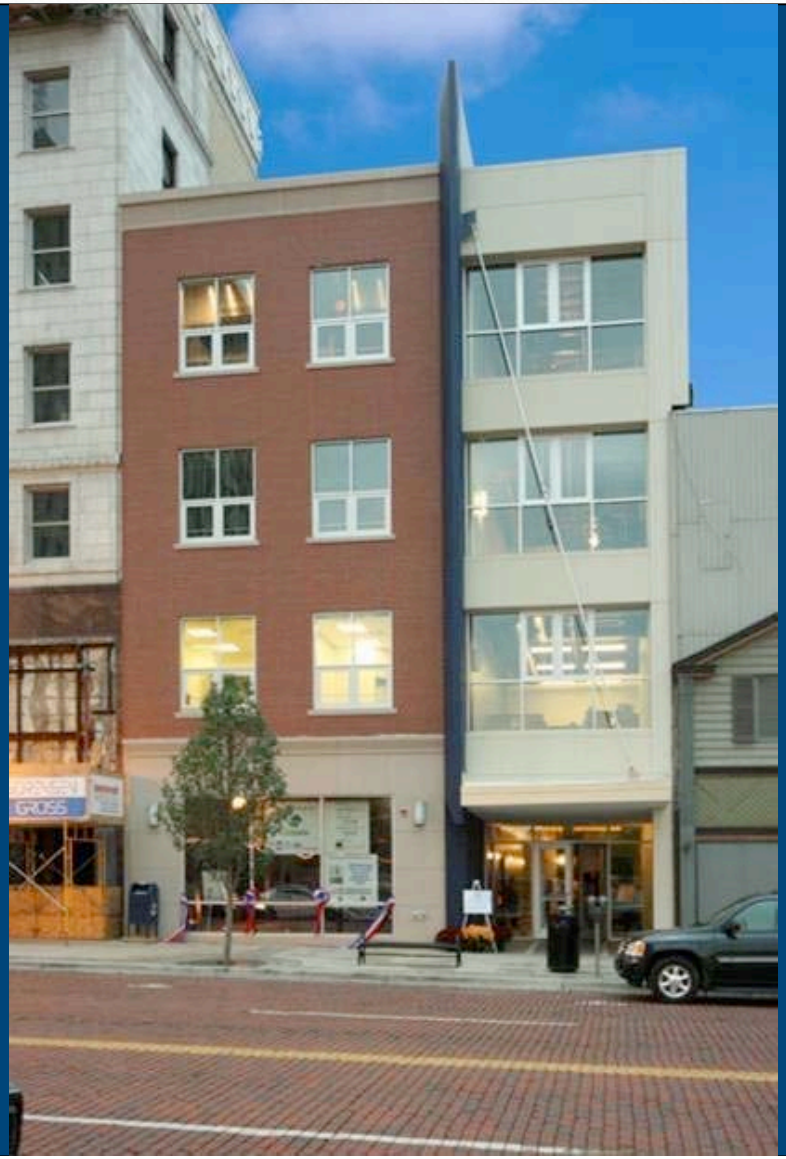
GENESEE COUNTY LANDBANK

During

AFTER

- **The Genesee County Land Bank Center**
- Rehabilitated 2004-2005
- $4.1 million investment
- Commercial, office use on floors 1 and 2
- 7 loft apartments

2007: sold 1st floor unit for $475,000



One additional advantage: revenue

Fees from Tax Delinquency and Equity in real estate can be a source of revenue.

Flint, MI:

- **$8.2 million over six years in fees**
- **Nearly $4 million in sale revenue**
- **PLUS: Improved surrounding Land Values**

Michigan State University Study

Michigan State University

Land Policy Institute Study

- 400 Genesee County Land Bank properties
- 2-year study of the impact of intervention on surrounding property values
- 26,000 properties affected
- $3.5 million invested (demolition, cleanup)
- $112 million in increased private value
- $109 million ROI.

http://www.geneseeinstitute.org/reports/index.html

The Current Challenge

- $3.92 billion to states, counties, and cities
- $700 billion to banks
- $11.7 million to Flint and Genesee County
- 5000-6000 mortgage foreclosures
- 7400 tax foreclosures in 6 years

How can we make a difference?

What role will lenders/holders of REO play?

What role will Federal Gov't play to make this work?

Additional Resources

Genesee County Land Bank
www.thelandbank.org

National Vacant Properties Campaign
www.vacantproperties.org

KnowledgePlex
www.knowledgeplex.org

Smart Growth America
www.smartgrowthamerica.org

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