Empty Houses – The Impact of Foreclosures

Michigan Municipal League
Dan Kildee, Genesee County Treasurer

What’s the problem?

Abandonment of mortgages foreclosures and tax foreclosures….

PA 123 changes were helpful, but the Land Bank concept completes the solution…

• Tax and liquidation sales eliminate local control:
  • Contagious Blight
  • Low-end speculation
  • Lower land sale proceeds
  • Exacerbates Regional Inequity
**Housing and Economic Recovery Act of 2008**

- $3.92 billion nationally
- $263 million to Michigan, distributed to existing CDBG jurisdictions, $98 to state
- 4 years to acquire, demolish, develop

HERA allows funds to be used to create Land Banks to acquire and manage properties

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**What is a Land Bank?**

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

*Created by Intergovernmental Agreement between the County and the Michigan Land Bank Fast Track Authority*

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**What Can A Land Bank Do?**

Sell or convey property through locally developed policies that reflect the county’s priorities

- Sell through negotiated sales
- Convey property for other than monetary consideration
- Sell, lease, manage property with terms deemed to be in the interest of the Land Bank
- Land bank financing tools (5/50, Brownfield) for tax foreclosed and other targeted properties
What Can A Land Bank Do?

Sell or convey property through locally developed policies that reflect the county’s priorities

• Land assembly for development
• Opportunity for community involvement
• Local priorities as to use and transferee
• Support local planning decisions
• Limit exposure to liability for tax-foreclosure process

Land Bank Programs

A New Pathway for Land

• Demolition
• Property Maintenance
• Rehabilitation
• Land assembly for development
• Opportunity for community involvement
• Local priorities as to use and transferee
• Support local planning decisions
• Limit exposure to liability for tax-foreclosure process

The Genesee County Land Bank

• Foreclosure Prevention
• 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)
- 2,300 foreclosure prevention cases
- 1000 demolitions
- 893 properties in “Clean and Green” program
- 865 ‘sidelot’ transfers
- 208 new housing units (45 new homes, 28 rehabs)
- $4.2 million mixed-use redevelopment of 50,000 sq. ft downtown building – The Land Bank Center
- Over 900 tons of debris removed since summer 2004

Land Bank Development Tools

- Clear Title
- Low Acquisition Costs
- Brownfield Eligible / Cross Collateral TIF
- Land Assembly Vehicle
- Equity Partnerships
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