



Welcome

GCBRA

Genesee County
Brownfield
Redevelopment
Authority

**Confronting Foreclosure and
Promoting Brownfield
Redevelopment**

Training for Local Officials and Staff

March 23, 2009



Genesee County
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AGENDA:

- **Welcome and Introductions**
 - *Doug Weiland, Executive Director, Genesee County Land Bank*
 - *Bill Winiarski, Chair, Genesee County Brownfield Redevelopment Authority*

- **Understanding and Confronting Foreclosure: Trends, challenges and impacts of foreclosure in Genesee County**
 - *Dan Kildee, Genesee County Treasurer, Chair of the Genesee County Land Bank*

- **Strategies to help return abandoned, blighted and contaminated sites to productive use**

- **Genesee County Brownfield Redevelopment Authority financing tools**
 - *Christina Kelly, Lead Planner, Genesee County Land Bank, Executive to the Brownfield Redevelopment Authority*

- **Using Land Bank tools and state and federal funds for neighborhood stabilization**
 - *Amy Hovey, Genesee County Land Bank Development Director*

- **Role of local officials in Land Bank and Brownfield Programs**
 - *Jon Care, Assistant Treasurer, Genesee County*
 - *Doug Weiland, Executive Director, Genesee County Land Bank Authority*
 - Implementing land bank and brownfield related Public Acts
 - Taking charge of abandoned and tax foreclosed properties in your communities



GENESEE COUNTY
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What's the problem?

- Flint and Genesee County's history of growth and decline
- Severe population loss in core
- Economic dislocation
- Residential, commercial, and industrial abandonment and contamination
- Lack of preparation for new economy
- Antiquated land redevelopment systems
- Lack of vision - lack of a "plan"



Blight and contamination - a legacy of abandonment



QuickTime™ and a
decompressor
are needed to see this picture.



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?



PA 123 process (Example: 2006 taxes)

Summer /Winter 2006: Taxes due to local government

3-1-07 Taxes due to local government in 2006 turned over to County. County pays delinquent tax to local government, initiates collection.

3-1-08: Forfeiture (initiation of foreclosure process)

3-31-09: Foreclosure is final, property titled to County Treasurer - *unless postponed*

July 2009: Property offered to State (FMV), then local government for public purpose, then County and Land Bank (for minimum bid)

2009: Auction held in July (optional) September, and November

12-31-09: Properties revert to local government **UNLESS REJECTED**
Rejected properties titled to Land Bank



Now that we have it, what do we do with it?

Michigan's Tax Foreclosure, Land Bank, and Brownfield laws - and Genesee County's creative use of the combination of those tools create opportunity for large and small communities across the county.



Dan Kildee
Genesee County Treasurer

Genesee Land Bank
The Genesee Institute

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www.geneseeinstitute.org



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**Brownfield Redevelopment Authority
Brownfield Financing**

Christina Kelly







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GCBRA Authority Tools

- Authority to issue Brownfield Bonds
- Authority to Capture Tax Increment Revenues
- Provide eligibility for Michigan Business Tax Credits

Why use the GCBRA?

- Well established board
- Established process for approving brownfield plans
- Experienced staff and consultants
- Access to EPA grant funds
- Reduce local costs of staffing and training
- Improve coordination

Genesee County Brownfield Funds

- Brownfield bonds/tax increment financing (\$13.4 million)
- EPA site assessment grants (\$1 million (**\$400 currently available**))
- EPA Cleanup Grant (\$200)
- EPA Revolving Loan Fund (**\$2 million**)
- MDEQ assessment and cleanup grants/loans (\$540,000)

More than \$17 million



Former Gas Station Grand Blanc Township



Brownfield Tools:

EPA Assessments

\$30,000

MDEQ Loan

\$40,000

Brownfield TIF

\$6,000





Spring Grove

EPA Site Assessments \$ 25,000

EPA Cleanup \$ 200,000





Hoffman's Deco Deli

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EPA Assessments

\$12,000

EPA Cleanup/Tank
removal

\$20,000





Land Bank Brownfield Plan

- Eliminate blight on tax foreclosed properties
- Increase property values over time
- Support development in strategic areas





Land Bank Brownfield Plan

- Includes 3,600 properties in 14 municipalities
- \$ 13.4 Million in Bonds issued
- Up to 600 demolitions to be repaid with TIF
- Clear title and lead abatement on target properties
- Supports an estimated new investment of \$30 million



Using Land Bank tools and state and federal funds for neighborhood stabilization

Amy Hovey
Development Director
Genesee County Land Bank Authority



Land Bank Development Tools

- Clear Title
- Low Acquisition Costs
- Brownfield Eligible / Cross Collateral TIF
- Land Assembly Vehicle
- Equity Partnership
- Flexible sales agreements



Other Funding Sources

- Neighborhood Stabilization Program
- HOME / CDBG
- MEDC / MSHDA
- Tax Credits (LIHTC and Historic)
- Foundation
- Intermediary Funds
- Bonding



Land Banks and Brownfield Case Study

The property is automatically Brownfield eligible. This allows the project to take advantage of the Brownfield redevelopment tools including Tax Increment Financing and Michigan Business Tax Credit.

Funds available from Brownfield Tools

	Without Land Bank	With Land Bank
TIF	\$0	\$5,020,000
MBT Credit	\$0	\$483,675
Total	\$0	\$5,503,675



Land Banks and Brownfield Case Study

Tax Increment Financing (TIF) abilities are much greater with the use of the Land Bank than any other private developer because:

- Property value starts at zero
- Cross-collateralized TIF

TIF eligible activities are estimated to be about \$5,125,000

TIF Values

Without Land Bank (Property valued at \$250,000)	With Land Bank (property value starting at zero)	Cross-Collateralized
\$3,923,243	\$4,359,159	\$5,125,000



Land Banks and Brownfield Case Study

If the property is owned by a Land Bank it can be held tax-exempt during predevelopment and development stages.

Annual Property Tax Liability

Without Land Bank	With Land Bank
\$15,000	\$0



Land Banks and Brownfield Case Study

Local Municipality and the County Land Bank can have control over the development of the site.



Before – Land Bank Center





After – Land Bank Center





Berridge Hotel Project





Berridge Hotel Project

- **Project Description:** Historic rehabilitation resulting in 21 residential and 2 commercial units
- **Partner:** Court Street Village Non-profit Housing
- **Land Bank Role:** General Partner / Manage Development Process / Mentor
- **Partner Role:** Property Management
- **Land Bank Ownership %:** 99.9%



Stone Street Development



TYPICAL FRONT ELEVATION





Stone Street Development

- **Project Description:** 8 new construction and 5 rehabilitated single-family homes
- **Partner – Flint NIPP CDC**
- **Land Bank Role:** Developer of New Construction
- **Partner Role:** Developer of Rehabilitated Homes
- **Land Ownership %:** 100% new construction; 0% Rehabs



Durant Hotel Project





Durant Hotel





Durant Hotel Project





Durant Hotel Project

- **Project Description:** Historic rehabilitation resulting in 100 residential and 7 commercial units
- **Partner –** Karp & Associates
- **Land Bank Role:** Co-Developer
- **Partner Role:** Co-Developer / General Contractor / Property Manager
- **Land Ownership %:** 5% for fifteen years / no financial risk or benefit



Metawaneenee Development





Metawaneenee Development

- **Project Description:** 24 new construction residential housing units, single-family and duplex units
- **Partner –** Salem Housing CDC
- **Land Bank Role:** Land Owner / Clearing Title
- **Partner Role:** Developer and Owner
- **Land Ownership %:** 100% ownership while clearing title only; then 0% ownership



The Role of Local Governments in Land Bank Programs

Jon Care, Genesee County
Treasurer's Office

Doug Weiland, Genesee County
Land Bank Authority



Presentation Outline

- Requirements and important dates under land bank and brownfield Public Acts
- Tax roll reconciliation for the Specific Tax and Brownfield tax increment revenues.
- Implementation issues
- Planning for Redevelopment of tax reverted properties



Land Bank Specific Tax and Brownfield Plan Requirements under Michigan Public Acts



Important Dates

Land Bank Specific Tax and Brownfield Plan

Date	Action
12/31 of each year	<p>Local Units are provided three lists:</p> <ol style="list-style-type: none"><li data-bbox="667 662 1808 837">1. Parcels in their jurisdiction that are involuntarily transferred to the Land Bank and required to extinguish current taxes.<li data-bbox="667 850 1688 967">2. Other Land Bank parcels located in their jurisdiction that are held by the Land bank<li data-bbox="667 980 1835 1097">3. Properties in their jurisdiction that are sold by the Land Bank during the year.
Winter of each year	<p>Local Units may be requested to pass a concurrent resolution to include properties owned by the Land Bank in their jurisdiction in a Land Bank Brownfield Plan for future tax capture.</p>



Important Dates Land Bank Specific Tax and Brownfield Plan (con't)

Date	Action
February of each year	Local units assess the value of sold properties and are requested to notify the Land Bank of new assessed value
July	Taxes paid to local unit and forwarded to County (brownfield tax increment revenues) or Land Bank (5/50 specific tax)
December	Taxes paid to local unit and forwarded to County (brownfield TIR) or Land Bank (5/50 specific tax)
February	If specific taxes are not paid to the Land Bank, a lien may be placed on property. **Not subject to return as delinquent.



Exemption of Property Owned by a Land Bank

Real property held by a Land Bank Fast Track Authority are exempt from the collection of taxes under the General Property Tax Act Starting in 2005 (handout available).



The Specific Tax

P.A. 260 of 2003 provides for the levy of a specific tax on property sold or conveyed by a Land Bank which qualifies for 5-year exemption (hand out available).



Procedures for Tax Foreclosed Properties

MCL 211.78m
(Handout attached)



Format to Reconcile Tax Roll for Brownfield TIR

Parcel ID#	Address	Brownfield	Previous Year Taxable	Current Year Taxable



We want to meet with you

Contact Jon Care at:

jcare@co.genesee.mi.us or 810-762-7778

To set up a meeting.



Taking charge of abandoned tax foreclosed properties

We want to hear from you:

What are your priorities and plans?

What is the condition of our properties?

What would you like to see happen with your properties?

Has anyone approached you about acquiring one of our properties?

Is there a priority project that we could partner with you on?



What we want to know

- Any information you have about the condition of the properties
- Names and contact information of people interested in purchasing or adopting our properties
- Plans or ideas for properties or areas surrounding properties
- Location of dangerous structures or priority demolitions





What we can do

- Work with you to help implement your plans for abandoned properties
- Direct funds - when they are available - to support local priority projects on Land Bank properties
- Secure dangerous structures





What we can't do

- Return all tax foreclosed properties to the tax roll without the help of local governments.
- Pay all local assessments on Land Bank properties
- Mow or pay for mowing on all 4,000 Land Bank properties



Contact us:

Call Doug Weiland to set up a meeting to help us come up with a plan to return properties in your community to productive use:

810-257-3088 ext. 521



Questions?