

Genesee County Land Bank Frequently Asked Questions
Questions Developed by the Citizen Advisory Council
Answers Provided by Assorted Land Bank Staff

- 1.) *Are City of Flint residents afforded the same opportunity to purchase Land Bank properties as those who live outside of the City?*

Yes. The Land Bank's Policies and Procedures give greater purchase priority to individuals or parties who own and live close or adjacent to Land Bank properties. Since the majority of Land Bank-owned properties are in Flint, there is a greater chance that a City resident would receive the higher priority to purchase a Land Bank property.

- 2.) *Does the Land Bank place deed restrictions on the property it sells stipulating that the purchaser can't do certain things with the property?*

Generally no, if the Land Bank sells to a landlord or a non-resident or occupant of a structure, it will sometimes sell on a land contract arrangement which stipulates that the purchaser must perform certain repairs to the property before receiving title.

- 3.) *What does 'bundling' property mean?*

The Land Bank has the authority to 'bundle' properties at tax foreclosure auctions. This means that the Land Bank can select properties, regardless of their location, to place in a bundle with hundreds of other properties so that the whole bundle has to be sold together at the auction. This is a way to assure that certain 'at risk' properties do not end up in the hands of potentially irresponsible owners, such as low end speculators.

- 4.) *What criteria does the Land Bank use to determine if a tax foreclosed property will be bundled at auction?*

The Land Bank will bundle property at auction if it meets one of the following three criteria:

- a. A demolition is needed on the property
- b. It is occupied by an existing tenant
- c. It is a residential vacant lot in the City of Flint

- 5.) *Will the Land Bank allow private investors to purchase its property?*

Yes. If the investor meets the requirements to purchase property set forth in the Land Bank's Policies and Procedures, he or she can purchase property from the Land Bank through the property transaction application process. Per the Policies and Procedures, individuals purchasing three or more Land Bank properties must have their purchase request reviewed and approved by the Land Bank Board of Directors.

- 6.) *How does the Land Bank determine the price of its property?*

The Land Bank's Transaction Supervisor determines the sales price of its property. The assessed value usually is a starting point to determine price. If the Land Bank has put work into the property (lawn mowing, boarding, alleviating code violations, cleaning, etc.) the cost of this work will usually be added to the price. The Transaction Supervisor also considers the property values and recent sales prices of surrounding property. If considerable work is needed to bring the property up to code, the Transaction Supervisor takes this into consideration and generally lowers the purchase price.

7.) *Is every Land Bank property available for purchase?*

No. The Land Bank will sometimes choose to hold onto property that has potential to be redeveloped, either because it is contiguous to other Land Bank-owned property or that it is in an area where other development is occurring. The Land Bank generally holds property that is located in one of its Strategic Reinvestment Areas to assure that the property is used in a manner that is consistent with any existing plans developed by the community.

8.) *Does the Land Bank have a policy that it won't sell property to certain individuals?*

The Land Bank reserves the right to make exceptions on a case by case basis.

9.) *Why are some of the houses that the Land Bank renovated and selling at market value still sitting vacant?*

Residential housing markets fluctuate over time and are influenced by an area's economic market.

10.) *What criteria does the Land Bank use to determine if it is going to renovate a residential structure?*

The Land Bank will generally choose to renovate residential property it acquires if the property is located in a functioning housing market and can likely be sold at market rate to stabilize the neighborhood. The Land Bank will then use the income it receives from the sale of the house towards its other programs, such as property maintenance and clean-up.

11.) *The Land Bank acquires hundreds of houses through the tax foreclosure process. How does it propose to sell these houses at the rate that the houses are coming to them?*

The Land Bank doesn't. Several houses are in poor condition and are demolished to make room for green space or for purchase of adjacent homeowners as side lots.

12.) *How does the Land Bank determine if a property is going to be demolished?*

Land Bank staff inspects all newly foreclosed properties with structures soon after the foreclosure process. Through this inspection, the Land Bank determines if a property needs demolition. If the structure on the property is in obvious disrepair, it will be categorized as a demolition.

If there is some question as to the structural condition of the property, a more detailed inspection will occur and the location of the property will be considered. If a property needs significant repairs and is located in a weak market area, where the cost of the repairs will exceed the value of the structure once the repairs are complete, the property will be categorized as a demolition.

13.) *How long does a property take to get demolished once it is placed on a demolition list?*

It varies. The structure goes through further inspections. It is determined if environmental remediation needs to occur (removal of lead, asbestos, etc.). If so, the property is environmentally remediated before demolition. The utilities to the structure also need to be cut and plugged if this has not occurred already. The property will then be demolished, the foundation will be removed and filled in

with clean fill dirt, and the property seeded. Depending on the particular circumstances, this can take anywhere from a few months to a few years.

Some properties are considered emergency demolitions. These are properties that are considered public safety and health hazards. These properties are prioritized in the process and will be demolished quicker.

14.) How does the Land Bank prioritize which properties get demolished first?

Emergency demolitions receive the highest priority for demolition. Consideration is also given to those properties in which environmental remediation are not needed and utilities have already been cut and plugged.

15.) How long does it take for the Land Bank to acquire a property once it is foreclosed on?

Properties are foreclosed on by the Genesee County Treasurer every year on April 1st. The Land Bank acquires properties in two fashions once it is foreclosed. First, it can purchase property after it has been foreclosed but before it goes to auction for the minimum bid (taxes owed). This will occur the summer after the foreclosure. Second, if the property is bundled or does not sell at auction, the Circuit Court clears its title, removes the taxes owed, and the properties are deeded to the Land Bank. This usually occurs the January after foreclosure. The majority of the properties acquired by the Land Bank are acquired through this process.

16.) Does the Land Bank sell property on land contract?

The Land Bank will occasionally sell properties on land contract. It will consider selling property on land contract to those purchasers with a solid payment history who desire to be potential homeowners.

17.) Why do some side lot transfers cost more than \$25?

First, the side lot transfer program is only applicable to vacant residential lots in the City of Flint. Purchasers must own and live in the property directly adjacent to the side lot and legally claim this property as their homestead.

Second, prior to 2004, the state law that allowed for the creation of a land bank did not allow for the orphan year tax (the tax owed on a property for the year the property was foreclosed) to be waived. As a result, the orphan year tax is attached to the sale of those properties that were foreclosed prior to 2004. Therefore, through the side lot program, those properties end up costing purchasers \$25 plus the \$25 administration fee plus the \$14 filing fee.