



Muskegon Chronicle

Land bank gets back-tax properties to fight blight

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The new Muskegon County Land Bank has claimed its first set of tax-reverted properties, with the goal of keeping them out of the hands of absentee landlords and returning them to the tax rolls with responsible owners and increased values.

The land bank board took possession Tuesday of 17 parcels that were lost by their owners earlier this year through the tax-reversion process. The county treasurer can seize properties when their owners become more than two years delinquent in property tax payments.

About 150 parcels in the county were lost by the owners through tax reversion this year. The properties that were not chosen by the land bank will be sold to the general public at an open auction July 25 at noon at Pulaski Lodge.

The land bank was established last year, based on a model provided by a similar institution in Genesee County.

The goal of land banks is to increase local control over tax-reverted properties, to make sure they are managed and maintained in the best interest of the community.

Until now, many tax-reverted properties were sold at auction, and many of their new owners, including absentee landlords, allowed them to fall into further decay, contributing to urban blight, said Muskegon County Treasurer Tony Moulatsiotis, who is chairman of the land bank board.

Under the new system, the land bank can claim as many tax-reverted properties as it wants every year, prior to the public auction. The goal is to renovate as many houses as possible, or claim as many buildable lots as possible, then sell them to new owners that will properly care for them.

A contract comes with every sale, listing a set of conditions that new owners must follow, according to Moulatsiotis.

Of the 17 parcels selected by the land bank, there are six in Muskegon Heights, five in the city of Muskegon, three in Norton Shores and one apiece in Dalton, Muskegon and Egelston townships.

Fourteen of the 17 parcels have houses, and officials hope to renovate and sell them, according to Tony Moulatsiotis, the county treasurer and chairman of the land bank.

Of the three vacant parcels, officials say they may build modest homes on two of them and sell one to a property owner that wants an expanded lot, he said.

The new homes would be sold to low-income families, Moulatsiotis said.

On Tuesday, Muskegon County commissioners passed three resolutions to help the land bank develop and

sell its first set of properties.

Commissioners voted to purchase the 17 properties from the county treasurer's office for the minimum bid price.

They also voted to transfer those properties to the land bank for the same price they will pay for them, and to extend a \$300,000 line of credit to the land bank.

The line of credit will be used for construction, renovation and other costs, Moulatsiotis said. The land bank will repay the county for any money it uses at an interest rate of 5.35 percent, he said.

Moulatsiotis hopes the proceeds earned through the sale of the various properties will provide the land bank with financial independence next year, so it won't have to borrow from the county again.

"What an exciting day for the county," said County Commissioner Don Aley, who is treasurer of the land bank board. "And I think we're just seeing the tip of the iceberg. After another year or two or three, I think we're going to see some very good things."

The land bank board did not want to get carried away in its first year, Moulatsiotis said. At first officials planned to claim a maximum of 12 properties, but after close inspection decided on 17.

Choosing the properties to keep was tedious. The board members split up the list of roughly 150 properties and personally visited them, to determine if they had any long-term value, he said.

They searched for houses that would not require a lot of money to renovate, and vacant lots that are large enough to build on, Moulatsiotis said.

More properties may be claimed by the land bank if they are not sold at the auction later this month, Moulatsiotis said. At that point they can be claimed for free, rather than the minimum bid price the land bank is paying for the first 17, he said.

Next year, officials hope to have enough money to hire a private firm to inspect the properties and recommend candidates for the land bank process, he said.

Eventually the land bank likely will need a separate staff to keep up with the work load, Moulatsiotis said.

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