

Land Banking and St. Clair County

What is a Land Bank?

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

What's the problem?

- St. Clair County has seen a doubling of tax foreclosed properties each of the past two years and bank foreclosures are rising at an unprecedented rate
 - In past six years there has been nearly 4,000 distressed sales (property)
 - In the first two months of this year we witnessed almost a tripling of mortgage foreclosures

What's being done?

- The State of Michigan Land Bank Fast Track Authority was created under Public Act 258 of 2003 with the mission of returning blighted tax reverted properties to productive and economically viable use.

How do you create a Land Bank Authority?

- The process to create a Land Bank Authority is similar to the process required to create a Brownfield Redevelopment Authority with 2 exceptions: a requirement to enter into an intergovernmental agreement with the State Land Bank Fast Track Authority and the requirement to have the county treasurer as a member of the authority.
 - The County Board of Commissioners provides for public comment on the creation of a Land Bank Authority
 - The County Board of Commissioners passes a resolution to create the Authority
 - The County Treasurer negotiates an intergovernmental agreement with the State Land Bank Fast Track Authority.
 - County Board of Commissioners appoints members to the Authority Board
 - The Authority adopts by-laws, policies and procedures

Recent changes to Michigan's tax foreclosure laws were helpful, but the Land Bank concept completes the solution...

- Eliminates the loss of local control common to property sales tax auctions
- Minimizes contagious blight
- Eliminates low-end speculation
- Increases land sale proceeds resulting from higher property value

What can a land bank do?

- Sell or convey property through locally developed policies that reflect the community's priorities
- Helps governmental entities in the assembly and clearance of title to property
- Facilitates use and development of property
- Provides for economic growth
- Provides a mechanism for establishing a "clear title" on properties it acquires
- Authorizes the enforcement of tax liens and the clearing or quieting of title
- Creates flexibility in the disposition of tax foreclosed property
- Provides a funding mechanism to acquire, manage, clear, demolish, rehabilitate and develop tax foreclosed land
- Includes a provision that such powers are to be broadly construed to grant complete control to the land bank
- Provides governmental immunity from liability for voluntary acquisitions
- Provides that the Land Bank receives 50 % of the property tax revenues for the first five years after transfer of property to a private party
- Permits a Land Bank to borrow money and issue tax-exempt financing

Land Bank Toolbox

- *Foreclosure Prevention*
- *Housing Renovation*
- *Side Lot Transfer*
- *Property Maintenance*
- *Planning*
- *Rental Management*
- *Clean & Green*
- *Demolition*
- *New Development*
- *Land Bank Authorities **do not** have the power of eminent domain*