



# Introduction to Land Banking – from the beginning

An overview of land bank operations, funding and procedures

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Presenters:

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MLBA Leadership Summit 2024



# #20-YearsOfMichiganLandBanking

**2004- Michigan State, Genesee**

**2005- Ingham, Saginaw**

**2006- Jackson, Grand Traverse, Muskegon, Wayne**

**2007- Calhoun**

**2008- Arenac, Berrien, Cass, Gladwin, Lapeer, Leelanau, Ogemaw, Sanilac,  
Detroit City**

**2009- Bay, Benzie, Clare, Delta, Emmet, Gogebic, Houghton, Ionia, Kalamazoo,  
Marquette, Saint Clair**

**2010- Charlevoix, Lake, Oceana, Ottawa, Van Buren**

**2011- Alger, Lenawee, Osceola**

**2012- Monroe**

**2017- Baraga, Ontonagon, Presque Isle**

**2018- Manistee**

**2019- Dickinson, Eaton, Huron, Missaukee**

**2020- Tuscola**

**2022- Shiawassee, Oakland**

**2023 - Barry, Gratiot, Alpena, Mason**

**52 County/City Land Banks in Michigan**



**Years of  
Land Banking**

# Overview

- Introductions
- Enabling Legislation
- Board Responsibilities
- Follow the money – budget
- Public Relations/Marketing
- Policies and Procedures
- Resources – SLBA, MLBA, other land banks

*Our Goal:  
Provide you with  
general information  
and lots of resources  
to set up the  
fundamentals of your  
land bank  
organization!*

# Enabling Legislation

- Land Bank Fast Track Act
  - Act 258 of 2003
- Tax Reverted Clean Title Act
  - Act 260 of 2003
  - 5/50 Act
  - Exemptions Allowed
- The General Property Tax Act
  - Act 206 of 1893: 211.7gg - tax exemptions for land banks
- Amendment – Municipal Land Bank Creation
  - Act 52 of 2023; effective early 2024

Of Note: The Michigan State Tax Commission issued Bulletin No. 12 of 2004 to address how county Treasurer's are to assess the specific tax on properties sold by land banks, as well as how to lien the properties for unpaid specific tax.

# What can a land bank do, or not do?

- **CAN:**

- Acquire property
- Assemble property
- Dispose of property
  - Outright sale
  - Land contract
- Perform Quiet Title action
- Borrow money
- Issue bonds
- Renovate or new build
- Rent property
- Work with private, public, non-profits and governmental agencies
- Accept grants and donations

- **CANNOT**

- Have anything to do with a casino
- Exercise power of eminent domain or condemn property
- Levy any tax or special assessment

Remember, “Property” could be residential, commercial, industrial or agricultural! May be vacant or improved w/structures

# Board Responsibilities

- Develop a mission statement, vision of the activities of the land bank
- Understand the Open Meetings Act
- Develop clear lines of communication and responsibilities with staff
- Educate the public, potential partners and stakeholders
- Understand methods of financing a land bank
  - Specific Tax (5/50 funding)
  - County's General Fund contributions
  - Treasurer's delinquent tax fund
  - Grants, foundations and donations

# Mission and Vision/Strategic Plan

These statements explain your group's aspirations in a concise manner, help your organization focus on what is really important, and provide a basis for developing other aspects of your strategic plan.

Often will help to answer questions on taking up an activity – does it meet our Mission?

Can be simple and straight forward.

Tailored to YOUR community.

# Sample Mission Statements

The **Benzie County** Land Bank Authority strives to promote county-wide **economic** development through consistent and transparent collaboration with local organizations by acquiring, remediating and disposing of properties posing as liabilities to the **community**.

The mission of the **Marquette County** Land Bank Authority is to work collaboratively with local governmental units and community organizations, in determining the best way to return tax-foreclosed properties to the tax roll, while eliminating blight, providing affordable housing and **economic** development opportunities and revitalizing **communities**.

Our mission is to build great places, strengthen our **communities** and generate sustainable economic prosperity. The Land Bank is a strategic **economic** tool for all of **Ingham County** that supports growth and investment within our community by returning tax reverted, purchased, donated and unclaimed land to more productive use more rapidly than might have been possible otherwise.



# More Sample Mission Statements

The **State** Land Bank Authority works to create a positive **economic** impact on Michigan **communities** by facilitating productive reuse of land.

The mission of the **Calhoun County** to support the revitalization of **communities** in Calhoun County.

The mission of the **Kalamazoo County** Land Bank is to create vibrant **communities** through the elimination of blighted properties, creation of affordable housing opportunities, and the stabilization of property values.

The Land Bank's mission is to restore value to the **community** by acquiring, developing and selling vacant and abandoned properties in cooperation with stakeholders who value responsible land ownership. ~~**Genesee County**

# Open Meetings Act

- “Open Meetings Act Handbook”
- A land bank authority is a public body
- Must post meeting schedule publicly
- Must make all decisions at a meeting open to the public
- Cannot require attendees to register or provide his or her information in order to attend the meeting

# Staffing and Roles/Responsibilities

## Small Land Banks

- Treasurer is often the Executive Director of the land bank
- Treasurer's staff take on pieces of land bank duties

## As you grow

- Part time or contractual ED
- Dedicated land bank staffers

## Larger Land Banks

- Full time ED
- Operations independent of Treasurer's office
- Full time land bank staff

# Public Relations/Marketing and Education

## Create Support

- Tell the good stories – all of them
- Social Media
- Press Releases
- Ribbon Cuttings
- Personal Stories
- County Board of Commissioners

SLBA is always happy to promote all the good things land banks do statewide

## Education

- Teach the public about tax foreclosure and options to avoid being foreclosed on
- Teach about new opportunities that properties can bring
- Educate that the properties owned by a land bank are not ones the general market has shown interest in

# Finance – The Basic Budget

## Income

- Property Sales
- Specific Tax Capture (5/50) funding
- Grants, foundations and donations
- County's General Fund contribution
- Treasurer's delinquent tax fund
- Future funding

## Expenses

- Basic Contractual Services-maintenance, legal, demo
- Environmental due diligence
- Staff
- Project/programmatic costs

MARQUETTE COUNTY LAND BANK AUTHORITY 2010 BUDGET			
	BUDGET	YTD	
<b>REVENUE</b>			
SALE OF PROPERTY			
09-Salisbury location lot	\$1,500	\$1,500	
09-Richmond twp.	\$3,000	\$3,000	
10-KI Duplexes-8 total	\$63,822	\$60,751	
10-vacant little lake	\$63	\$63	
10-City of Ish - Salisbury		\$200	
10-Republic - Hemlock		\$200	
FROM FORECLOSURE FUND	\$25,000	\$25,000	
TRIBE 2% REVENUE	\$12,500	\$12,500	
CAPTURE	\$100		
BROWNFIELD TRANSFER FROM FOR.	\$201,950	\$201,950	
<b>TOTAL REVENUE</b>	<b>\$307,935</b>	<b>\$305,164</b>	
<b>EXPENSES</b>			
DUE FORECLOSURE FUND	\$24,153	\$24,152	
MEMBERSHIPS	\$100	\$100	
TRAVEL	\$500	\$487	
INSURANCE	\$826	\$826	
LEGAL SERVICES	\$2,000	\$1,798	
MISC. EXPENSE	\$1,000	\$982	
2010 TAXES	\$4,131	\$4,985	
PROF/CONT SERVICES			
Republic Twp.	\$2,375	\$2,375	
Tilden Twp.	\$7,186	\$7,186	
Ishpeming Twp. School	\$525	\$525	
Spring St.	\$1,961	\$1,983	
New Buffalo Rd.		\$635	
BROWNFIELD PROJECTS	\$201,355	\$195,855	
<b>TOTAL EXPENSES</b>	<b>\$246,112</b>	<b>\$241,888.17</b>	
<b>NET</b>	<b>\$61,823</b>	<b>\$63,276</b>	<b>\$213,692</b>
2009 FUND BALANCE	\$609		
2010 PROJECTED FUND BALANCE	\$62,432		

MARQUETTE COUNTY LAND BANK AUTHORITY 2019 BUDGET				
	BUDGET	AMENDED BUDGET	RECOMMENDED AMENDMENT	09/30/19 ACTUAL
<b>REVENUE</b>				
SALE OF PROPERTY		\$31,000		\$113,641
STATE GRANT	\$173,830	\$149,500		\$78,149
CUPPAD GRANT		\$8,200		\$7,880
MLB GRANT			\$15,000	
FROM FORECLOSURE FUND	\$25,000	\$25,000		
BROWNFIELD REIMBURSEMENT	\$8,292	\$8,292		\$1,512
LAND BANK SPECIFIC TAX (5/50)	\$8,000	\$8,000		\$11,568
LAND BANK SPECIFIC TAX (5/50) - TEAL LAKE	\$16,897	\$16,897		\$9,657
<b>TOTAL REVENUE</b>	<b>\$232,019</b>	<b>\$246,889</b>	<b>\$15,000</b>	<b>\$222,407</b>
<b>EXPENSES</b>				
ADMINISTRATIVE SERVICES	\$8,000	\$8,000		\$6,000
MEMBERSHIPS	\$500	\$500		\$500
TRAVEL	\$1,000	\$1,000	\$200	\$482
INSURANCE	\$1,300	\$1,300		\$1,209
LEGAL SERVICES	\$2,000	\$3,000		\$2,089
TITLE & RECORDING SERVICES	\$1,500	\$1,500		\$1,010
AUDIT COSTS	\$1,100	\$360		\$360
MISC. EXPENSE	\$1,000	\$1,000		\$34
FORECLOSED TAXES		\$15,251		\$15,251
CURRENT TAXES		\$620		\$860
2019 DEMOLITION		\$25,000		\$16,915
MAINTENANCE EXP ON PROPERTIES	\$1,000	\$2,000		\$1,297
GROUNDS EXPENSE	\$2,500	\$2,500		\$1,955
BLIGHT GRANT EXPENSE (2018)	\$233,880	\$140,000	\$20,000	\$100,218
PROJECTS				
IHS PROJECT EXPENSE	\$9,000	\$9,000	\$100	\$9,089
207 MAPLE -HABITAT PROJECT	\$1,200	\$1,200	\$400	\$1,331
1400 N THIRD ISHPEMING		\$2,500		\$1,996
VACANT LOT IMPROVEMENTS	\$4,000	\$15,200	\$5,800	\$17,593
<b>TOTAL EXPENSES</b>	<b>\$267,980</b>	<b>\$229,931</b>	<b>\$26,500</b>	<b>\$178,189</b>
<b>NET</b>	<b>(\$35,961)</b>	<b>\$16,958</b>	<b>(\$11,500)</b>	<b>\$44,218</b>
2018 FUND BALANCE	\$144,730			
2019 PROJECTED FUND BALANCE	\$161,688			
IHS PROJECT RESERVE			\$30,000.00	

**MARQUETTE COUNTY LAND BANK AUTHORITY  
2024 BUDGET**

	<b>ORIGINAL BUDGET</b>	<b>AMENDED BUDGET</b>	<b>7/31/2024 ACTUAL</b>
<b>REVENUE</b>			
SALE OF PROPERTY	\$0	\$5,000	\$5,000
HOUSING CONSTRUCTION SALE	\$390,000	\$410,000	
STATE GRANT - MISSING MIDDLE	\$100,000	\$160,000	\$60,000
STATE GRANT - TMA	\$18,500	\$18,500	
GRANT/CONT - HOUSING SPECIALIST	\$30,000	\$42,000	\$24,077
INTEREST INCOME	\$2,000	\$8,000	\$5,143
STATE LAND BANK FUNDING	\$940,000	\$1,632,000	\$54,890
USE OF RESERVES	\$51,600	\$31,600	
FROM FORECLOSURE FUND	\$25,000	\$25,000	
LAND BANK SPECIFIC TAX (5/50)	\$10,000	\$10,000	\$10,924
<b>TOTAL REVENUE</b>	<b>\$1,567,100</b>	<b>\$2,342,100</b>	<b>\$160,034</b>
<b>EXPENSES</b>			
WAGES		\$43,000	\$19,545
BENEFITS		\$18,500	\$7,045
ADMINISTRATIVE SERVICES	\$8,000	\$8,000	\$4,000
ADMINISTRATIVE SERVICES-HOUSING SPECIALIST	\$61,500	\$0	
MEMBERSHIPS	\$500	\$500	\$1,000
TRAVEL/TRAINING	\$4,000	\$8,000	\$2,983
INSURANCE	\$2,500	\$2,500	\$3,431
LEGAL SERVICES	\$5,000	\$10,000	\$3,950
TITLE & RECORDING SERVICES	\$3,500	\$7,500	\$4,160
AUDIT COSTS	\$600	\$600	
MISC. EXPENSE	\$1,000	\$1,000	\$277
MAINTENANCE EXP ON PROPERTIES	\$1,000	\$1,000	
GROUNDS EXPENSE	\$1,000	\$1,000	\$240
BLIGHT ELIMINATION ROUND 1		\$55,000	\$54,890
BLIGHT ELIMINATION ROUND 2	\$440,000	\$440,000	\$341,899
BLIGHT ELIMINATION ROUND 3	\$500,000	\$500,000	\$76,985
BLIGHT ELIMINATION ROUND 4		\$637,000	\$2,950
PRIOR YEAR TAXES	\$0	\$0	
TMA	\$18,500	\$18,500	\$8,601
HOUSING CONSTRUCTION	\$520,000	\$590,000	\$432,278
<b>TOTAL EXPENSES</b>	<b>\$1,567,100</b>	<b>\$2,342,100</b>	<b>\$937,644</b>
<b>NET</b>	<b>\$0</b>		<b>(\$777,610)</b>
2023 PROJECTED FUND BALANCE	\$772,796		
2024 PROJECTED FUND BALANCE	\$741,196		

\*PROJECTED FUND BALANCE INCLUDES HOUSING CONSTRUCTION FUNDS OF \$500,000

# Policies and Procedures

## Internal Policies & Procedures

- By laws
- Procurement Policies
- Code of Ethics/Conflict of Interest
- FOIA Policy
- Acquisition policy on non-tax foreclosed property
- Acquisition policy of tax foreclosed properties
  - Pre auction purchases
  - Bundling

## External Policies and Procedures

- Property Sales
  - Qualifications – may be based on type of purchaser and/or end use of property
  - Determination of Value
  - Set priorities – reduce inventory v. highest and best use
- Programs (ie Garden Program, Neighborhood Beautification, Adopt-a-lot, Side Lot Programs, Rehabilitation)



# Policies and Procedures

## Expanded for Grant Needs

- Policies governing Acquisitions of Properties
- Priorities concerning Dispositions of Properties
- Factors in determining Considerations Due upon Transfers
- Side Lot Disposition Program
- Land Transfers

## More....

- Land Banking Policies
  - Requirements for conveyance to the LB in its capacity
  - Procedures for conveyance to LB in its capacity
  - Right of Repurchase by the Transferor
- Transfer of Rehabilitated Properties
  - Rehabilitation and Marketing
  - Sale of Rehabilitated Properties
  - Sale of Properties to Rehabilitate

# Policy and Procedures Resources

## Marquette County Land Bank

[https://www.co.marquette.mi.us/departments/county\\_treasurer/land\\_bank\\_authority.php#.XeknyOhKhPY](https://www.co.marquette.mi.us/departments/county_treasurer/land_bank_authority.php#.XeknyOhKhPY)

## Kalamazoo County Land Bank

<https://kalamazoolandbank.org/about-us/policies/>



# Program Resources and Other Ideas

## Calhoun County Land Bank

<https://calhounlandbank.org/>

## Genesee County Land Bank

<http://www.thelandbank.org/>

## Ingham County Land Bank

<https://www.inghamlandbank.org/>



# Program Resources and Other Ideas

## State Land Bank Authority

[www.Michigan.gov/landbank](http://www.Michigan.gov/landbank)

- FY 2023-24 Blight Elimination Program
- Housing Development Loan Program
- Technical Assistance/Support
- Training and speaking sessions



# Program Resources and Other Ideas



Michigan Land Bank Association

<https://milandbank.org/>

Membership fees are based on annual budget

\$0 - \$50K = \$250.00

\$50,001 - \$100K = \$1,000.00

Over \$100,000 = \$2,000.00

# Sample Deeds

## First Right of Refusal

Owned by Treasurer, but LB wants to purchase prior to auction

- First the Treasurer deeds to County
- Then County deeds to LB

## After Second Auction

- Owned by Treasurer, declined by City, Twp/Local Unit, etc
- Treasurer Deeds directly to the LB



# Sample Deeds

## Land Bank to Buyer

### Quit claim deed

- Could perform a quiet title action prior to sale which is an excellent opportunity to clean up 'zombie' properties
- Typical for side lot, no title insurance or title company is typically involved

*Disclaimer: before using any of the sample deeds or other documents provided, always have your attorney review!*



# Unexpected Opportunities



Credit to Ingham County Land Bank



# Unexpected Opportunities



# Unexpected Opportunities



# Unexpected Opportunities





## Bringing value to communities before the next step in a property's life cycle

Firefighters/EMS & Police are able to receive vital training at land bank properties before the structures are demolished

### Training included:

- Locating down firefighters
- Relaying findings and needs
- Escaping through plaster wall
- Correct ladder truck placement to access roofs
- Infiltrating roofs, SWAT training, crime stings



## WORK FORCE DEVELOPMENT



**Mission:** provide support to existing and emerging contractors, while providing additional services to Black, Indigenous, People of Color (BIPOC) and women skilled tradespeople, to develop a stronger, more inclusive skilled trades pipeline.

**LLSC**



# What's Next

## Next training opportunities:

Demolition

Development

Targeted growth

Partnerships &  
cooperative efforts

## Use LB as a Tool for Economic Development

- Property Acquisition and Assemblage
- Granted Right of First Refusal of tax foreclosed properties
- Tax Exempt Status
- Expedited Quiet Title
- Redevelopment Structuring/Financing
- Strategic Disposition

Land Banks are a tool in your Community Development toolbox and a willing partner to collaborate in achieving your goals and objectives.

# Questions?

*Our Goal:*

*Provide you with general information and lots of resources to set up the fundamentals of your land bank organization!*

# Contact Information

Linda Horak – Property Specialist,  
State Land Bank Authority

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(517) 248-1195

[www.Michigan.gov/landbank](http://www.Michigan.gov/landbank)

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[calhounlandbank.org](http://calhounlandbank.org)



# SLBA Staff

- ❖ Joseph Rivet, Executive Director
- ❖ Jeff Huntington, Operations Manager
  - ❖ Patrick Ennis, General Counsel
  - ❖ Jim Tischler, Development Director
- ❖ Ryan McNeil, GIS Analyst (GIS, data management)
- ❖ Linda Horak, Property Specialist (finance, special projects, procurement)
  - ❖ Adam Robach, Property Specialist (legal assistant, contract manager)
    - ❖ Jennifer Quinlivan, Property Analyst (disposition, development)
- ❖ Brian Woodin, Property Analyst (GIS, disposition, data, research, drone pilot, maintenance)



The State Land Bank Authority (SLBA) offers a wide variety of training from expert staff members. We are also happy to speak to your group or community about land banks and land banking. Book an event today!

- ✓ Understanding Land Banks in Michigan – Linkages to Local Redevelopment
- ✓ Land Bank 101: Training for New Land Banks and New Board Members
- ✓ Demolition 101: Residential and Commercial Demolition Processes
- ✓ Using Tax Increment Financing for Gap Funding
- ✓ Understanding 5/50 and Making the Most of It
- ✓ SLBA Housing Loan Program and Pilot Pre-Development Grant
- ✓ FY 2023-24 Blight Elimination Grant Opportunities

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517-335-8212

• [LandBank@michigan.gov](mailto:LandBank@michigan.gov)

• [Michigan.gov/LandBank](https://Michigan.gov/LandBank)