



REPORT
OF THE
MICHIGAN LAND BANK
FAST TRACK AUTHORITY
OF THE
STATE OF MICHIGAN

LETTER OF TRANSMITTAL

To the Honorable Legislature of the State of Michigan:

In accordance with the provisions of MCL 124.772, we submit the Report of the Land Bank Fast Track Authority for the period of October 1, 2010, through September 30, 2012 and October 1, 2012 through September 30, 2014.

Wayne Workman
Acting Executive Director
Michigan State Housing Development Authority,
Pursuant to Executive Order 2014-8 dated May 22, 2014

Executive Summary

The Michigan Land Bank Fast Track Authority (MLB) has continued to grow and adapt to changing market and economic conditions in the real estate arena. Between 2011 and 2014 the MLB continued to become more streamlined in its processes and procedures to significantly benefit local communities and the State of Michigan. The indirect reporting of the autonomous Michigan Land Bank was moved from the Michigan Economic Development Corporation to the Michigan State Housing Development Authority (MSHDA) pursuant to Executive Order 2014-8 dated May 22, 2014. In that transition between MEDC and MLB, the biennial report that was prepared was inadvertently not filed by either agency. As a result, two reports are being included here.

The MLB has taken steps to be a more significant support for local land banks throughout the State of Michigan and started a land bank outreach project, scheduling regional roundtables in regions throughout the State of Michigan. The MLB approved five additional Intergovernmental Agreements (IGAs) establishing county land bank authorities in Charlevoix, Lenawee, Alger, Monroe and Osceola counties. In total, thirty-eight county/city land bank authorities have been created since 2005.

The MLB staff and Board members completed a Strategic Planning process in February 2012 and identified goals and strategies to guide the MLB forward. A new mission and vision statement came out of this process which better identifies what the MLB does and what it plans to accomplish moving forward. The MLB's Policies and Procedures were updated as a result of this process as well.

The federal Neighborhood Stabilization Program (NSP1) and Neighborhood Stabilization Program 2 (NSP2) dominated the MLB's work, and included targeted community revitalization work aimed at vacant and foreclosed property in six Michigan communities.

Since that time, the MLB has become a leader in the area of blight elimination, first working in partnership with the Department of Human Services (DHS) and the Michigan State Housing Development Authority (MSHDA) to complete a statewide \$25M demolition program in 2012, then completing work under the Hardest Hit Blight Elimination Program and other smaller initiatives.

Fiscal Year 2013 to 2014

MLB Scope of Activities

The statutory scope of activities for the MLB is found at MCL 124.754, Powers, Sec. 4. In summary, the Act empowers the MLB to own, accept, acquire, and hold property through gift, transfer, or other conveyance methods. It also allows the MLB to manage, sell, exchange, lease, option, renovate, develop, and demolish properties within its inventory, and to employ other legal means as prescribed by the Act. All MLB properties qualify for the Brownfield designation and are eligible for funding through the Brownfield Redevelopment Act (Act 381). Program operations are funded through property sales and a five-year/50% tax recapture.

The MLB may convey property in a manner and for an amount of consideration that it considers to be proper, fair, valuable, and in the best interest of the community and this State. The MLB may borrow money, solicit and accept grants and loans from any person, governmental entity or other funding source, and retain proceeds it receives from the sale or rental of property in order to execute MLB goals, objectives, and responsibilities. The MLB may enter into contracts and procure goods and services, and employ legal and technical experts. The MLB may initiate an expedited quiet title action for real property held under its jurisdiction and may procure insurance. It may also invest money of the MLB in instruments, obligations, securities, or property determined proper by the MLB's Board of Directors.

The MLB works cooperatively with local units of government and the private sector to effectively create opportunities for economic growth within the manufacturing, industrial, commercial, retail, housing, and public use arenas.

The MLB is prohibited by statute from:

- Assisting or expending any funds for, or related to, the development of a casino.
- Levying any tax or special assessment.
- Exercising the power of eminent domain or condemnation of property.

The MLB's vision is that it will be the lead agency to strategically manage all state surplus property. Property, as an asset and commodity, will be returned to a productive use consistent with each community's land-use goals. Partners, both public and private, will actively work with the MLB to utilize its enhanced development tools and comprehensive database to promote economic development throughout the State of Michigan.

The MLB's mission is to stimulate economic growth and community revitalization, in a strategic and progressive manner, by fostering creative partnerships and utilizing land bank tools in order to restore property to a productive use.

Furthermore, the MLB:

- Acquires and assembles properties to support development and promote economic growth in Michigan;
- Manages an inventory of surplus public property, and acts as coordinator of a state-wide public land database;
- Disposes of public property in a transparent manner that ensures that the development of such property positively contributes to communities;
- Authorizes the existence of county land banks, and acts as a resource to other land banks, and;
- Collaborates with developers, non-profit organizations, economic and community development corporations, and state and local units of government on development projects.

MLB Property Information

Properties within the MLB’s inventory range from irregularly-sized, vacant residential side-lots (lots which are not capable of being developed due to their small size or zoning requirements), to vacant lots capable of being developed with residential, commercial, industrial uses, to improved properties (lots containing houses, commercial or industrial buildings), to contaminated sites and land-fills.

The following tables show the number of properties and from what program they were received during FY 13 and FY 14; the number of properties sold and their originating program during FY13 and FY14; and the amount of revenue received from properties sold and tax recapture by the Michigan Land Bank during FY13 and FY14.

Properties Received						
Fiscal Year	Department of Natural Resources	Wayne County Treasurer	Bank of America	Quiet Title	Other*	Total Properties Received
FY 13	142	4,118	16	31	7	4,314
FY 14	225	22	33	8		288
*Targeted projects –Michigan Life Science and Innovation Center (MLSIC) & Muskegon Heights Schools						
Properties Sold						
Fiscal Year	Department of Natural Resources & Wayne County Treasurer	Neighborhood Stabilization Plan (NSP1)	Bank of America	Quiet Title	Other	Total Properties Sold
FY 13	305	1		13		326
FY 14	87	2	7	8		104

Revenue			
Fiscal Year	From Properties Sold	From Tax Recapture	Total
FY13	\$74,481	\$43,664	\$118,145
FY14	\$43,899	\$38,233	\$ 82,132

Property maintenance has been an ongoing issue. The Land Bank has received 107 complaints regarding a variety of issues including noxious weeds and grass, dangerous trees encroaching upon contiguous private properties, broken fences and electrical wires as a result of Land Bank owned tree branches falling, debris and rodents. The Land Bank received invoices from over 15 municipalities for property maintenance for which funds were not available. Complaints continue for lack of maintenance from municipalities as well as concerned citizens regarding the safety and security of their children and grandchildren near Land Bank owned homes with open access, high grass, noxious weeds, rodents, unmonitored dumping and illegal activity. The Land

Bank has not been able to address these needs due to lack of maintenance funds. It should be noted that funds have been allocated in the FY15 budget for Land Bank property maintenance.

A map showing current MLB property ownership distribution is attached to this report as Attachment A. This map reflects MLB ownership as of September 12, 2014.

The MLB also worked cooperatively with the following local units of government by approving various property conveyances for public use purposes:

- *Detroit – 8,515 parcels were transferred to the Detroit Land Bank Authority (DLBA). The properties will go through a number of locally approved programs including the Help for the Hardest Hit – Detroit project, the DLBA auctions, or the side-lot programs.*

Local Land Bank Outreach:

Staff assisted the Center for Community Progress in a number of different forums for Land Bank technical assistance that included conference calls and a Michigan Land Bank Leadership Summit on a variety of topics from quiet title, issues around demolition, working with developers, Brownfield incentives, and economic incentives. MLB is also providing specific assistance with demolition project management in Detroit via its technical assistance provider.

State of Michigan Blight Elimination 2012:

In March 2012, forty-nine state attorneys general including Michigan Attorney General Bill Schuette entered into a settlement with five of the nation’s largest mortgage servicers, following a lawsuit regarding mortgage foreclosure practices. Among other things, the settlement resulted in payments to states. State law allocated \$25 million to create a Blight Elimination Program to demolish vacant and abandoned properties and promote public safety, stabilize property values, and enhance economic development opportunities.

\$10 million was allocated for the City of Detroit to eliminate blight near select Pathways to Potential schools. Part of that elimination plan involved the demolition of dangerous structures, with the goal of providing a safer route to and from school for children, and for overall neighborhood stabilization. The program also included \$15 million in funding for blight elimination in other areas located in outside of Detroit.

To date, the MLB has demolished 768 structures in the school focus areas in the City of Detroit and approximately \$8 million of the \$10 million grant has been expended or committed. An additional 206 demolition candidates are being identified in the Greenfield Union area as well as the overlapped the Hardest Hit area discussed above to complete the program to the full funding amount.

- Completed demolitions as of August 15, 2014: **768**
- Additional properties in process as demolition candidates: **148**
- Estimated number of properties awaiting authorization **58**

DHS, the MSHDA, and the MLB developed an application process to select the project areas for the \$15 million allocated for demolition outside of the City of Detroit.

Thirty five (35) grantees were awarded funding for proposed projects using four criteria: public safety, property value stabilization, economic development opportunities, and local support and additional investment. The current status of the individual grantees is as follows:

Currently, 35 grantees are active, 100% of the total funding amount awarded with specific projects and addresses, and 33 of the grantees are operationally active, with 21 grants already completed. The project is exceeding projections as 74% of the structures have been demolished, and the State has received over \$10.1 million in invoices to date. Attachment A provides a more specific look at each grantee's progress.

Neighborhood Stabilization Program (NSP2) and the Michigan Consortium:

The MLB completed their work in each of the six cities in the Michigan consortium that it was a part of. Each city identified specific target neighborhoods for NSP2 activities, as part of the HUD (Housing and Urban Development) application process, and the MLB assisted each city partner in acquiring, land banking and demolishing structures within the target areas.

Across the communities, MLB completed:

- 211 Demolitions
- 252 Property Acquisitions
- 162 Property Cleanup/Maintenance Activities
- 11 New Construction
- 51 Rehabilitations
- 44 Affordable rental units
- 2 Mixed-use developments
- \$11 million in leveraged private investments

Environmental Protection Agency Revolving Loan Fund:

Two projects were approved by the Michigan Land Bank Board of Directors between 2013 and 2014 for award under this fund.

- An award to the City of Flint, in partnership with the Genesee County Land Bank Authority (GCLBA), for a \$200,000 sub-grant to help fund remediation at the former General Motors Industrial complex, better known as "Chevy in the Hole." The GCLBA is implementing Revolving Loan Fund (RLF) activities on behalf of the City. The subject property is owned by the City of Flint and consists of five parcels of land totaling approximately 60 acres. The proposed cleanup is being conducted in conjunction with the redevelopment of the subject property. The funds from the MLB's RLF will be used to remediate the soil and groundwater contamination at the site. Under the terms of the MLB's Cooperative Agreement with the EPA, a grantee can allow for sub-grants to local units of government and non-profit organizations.

- An award to the Grand Traverse County Brownfield Redevelopment Authority (BRA) in the form of a \$600,000 loan to help fund remediation of groundwater in the Traverse City Place Brownfield Plan Area (the Plan Area). The Plan Area consists of 23 contiguous or adjoining parcels of land in downtown Traverse City. All of the parcels in the Plan Area are vacant and are located within the City’s historic industrial core. These parcels have been environmentally impacted by releases of hazardous substances from historical industrial and commercial operations in, and adjacent to, the area. Redevelopment of the downtown Plan Area is anchored by the Hotel Indigo project, a \$14 million, 4-story, 105-room boutique hotel. The loan will be used, with funding from other sources, to remediate the cyanide-impacted groundwater beneath Traverse City Place.

Help for the Hardest Hit – Blight Elimination Program

In 2013, the U.S. Treasury approved MSHDA’s request to create a \$100 million blight elimination program using federal Hardest Hit Fund dollars. In the fourth quarter of 2013, MSHDA approved blight elimination plans submitted on behalf of five Michigan communities: Flint, Detroit, Saginaw, Pontiac and Grand Rapids.

The Michigan Land Bank, in collaboration with the City of Pontiac, submitted a blight elimination plan for the demolition of 200 residential properties in the City of Pontiac. To date, 97 demolitions are in process.

Expedited Quiet Title and Foreclosure Actions:

One of the tools the MLB has is the ability to initiate Expedited Quiet Title and Foreclosure Actions to address title issues that are often associated with tax reverted property and the tax foreclosure process. This important and necessary power allows the MLB to clear any liens or clouds from its title, thus creating a more marketable property as the new owner has the option of purchasing title insurance after the transfer from the MLB.

MLB assisted with actions on 80 units between January 10, 2013 and July 14, 2014, including major projects with Henry Ford Health Systems, Penrose Village Phase B, Central Christian, Habitat for Humanity, and a series of other small scale developers.

Side Lot Dispositions:

The Side Lot Dispositions provide property owners the opportunity to purchase vacant, residential lots located next to their house at a minimal cost. The MLB has the discretion to determine whether any parcel of property is considered a “Side Lot”. Any vacant, residential, non-buildable MLB-owned lot can qualify for the Side Lot Program. The property is transferred to the adjacent owner for the purpose of expanding the side and/or rear lot area of that owner’s property. Possible uses of a side lot include a flower or vegetable garden, play area for children and pets, or construction of a garage or driveway.

Benefits of the Side Lot Program to the individual include enhancing and adding value to that owner’s property as they are able to clean, maintain, and secure the vacant abandoned property next to their home. Further benefits to the community include neighborhood beautification, increased property values, and returning the property to the tax rolls and relieving the local jurisdiction of maintenance costs.

Partnerships:

Hantz Farms

Hantz Farms, LLC, is a Detroit based for-profit company, that seeks to create the world's largest urban farm on underutilized land in the city of Detroit. The goal of the project is to transform Detroit into a destination for fresh, locally grown natural foods, and create a viable, clean environment that will attract tourism, increase the tax base, create jobs, and improve the quality of life in Detroit. MLB partnered with Hantz Farms LLC to convey lots for "Plant Detroit", which is already cleaning, maintaining, and paying property taxes.

Detroit Land Bank Authority – Help for the Hardest Hit Fun

In addition to the direct management of the Help for the Hardest Hit Blight Elimination work in Pontiac, MLB is providing project management support through a technical assistance provider to assist the DLBA with the nearly 4,000 targeted demolitions that it is doing across the City of Detroit.

LOCAL LAND BANK INTERGOVERNMENTAL AGREEMENT (IGA)

MLB may authorize local land bank authorities by entering into intergovernmental agreements with County Treasurers who have Opted In as their own Foreclosing Governmental Unit. As a designated qualifying City, the Act also authorizes the City of Detroit to enter into an intergovernmental agreement with the MLB to establish a land bank authority. Since the establishment of the MLB the following 21 counties have been approved to create and operate local land bank authorities:

Fiscal Years 2005 & 2006 - Genesee County, Ingham County, Saginaw County, Wayne County, Grand Traverse County, Calhoun County and Jackson County.

Fiscal Years 2007 & 2008 - Berrien County, Arenac County, Cass County, Gladwin County, Leelanau County, Muskegon County and City of Detroit.

Fiscal Years 2009 & 2010 - Emmet County, Houghton County, Lapeer County, Marquette County, Kalamazoo County, Sanilac County and Ogemaw County, Clare County, Gogebic County, Saint Clair County Washtenaw County, Bay County, Benzie County, Kent County, Delta County, Ionia County, Ottawa County, Van Buren County, Lake County and Oceana County .

Fiscal Years 2011 & 2012 – Charlevoix County, Lenawee County, Alger County, Monroe County and Osceola County.

Fiscal Years 2013 & 2014 - No new agreements. Amendments to the City of Detroit.

FORECLOSING GOVERNMENTAL UNITS (FGU):

Counties Opting Out:

The following counties have chosen to not serve as their own Foreclosing Governmental Unit, and therefore rely on the State of Michigan Department of Treasury for this service:

–Branch	–Eaton	–Kalkaska	–Luce
–Clinton	–Iosco	–Keweenaw	–Mecosta
–Dickinson	–Iron	–Livingston	–Shiawassee

Counties Opting In:

All remaining 71 counties are their own Foreclosing Governmental Units and can establish land bank authorities.

Fiscal Year 2011 to 2012

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MLB Property Information

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Since its inception, the MLB's marketing campaign has consisted of reaching out to the public, non-profit and for profit organizations, and other entities through press releases, presentations and public speaking engagements, interviews with internal and external media outlets, mailings, e-mail, website, telephone and word of mouth campaigns designed to explain the overall program objectives, and various features of the website and database. The MLB promoted the MLB and local land banks by participating in state-wide presentations, such as the Michigan Economic Development Corporation's (MEDC's) Economic Growth Executive Group Roadshows.

The following tables show the number of properties and from what program they were received during FY 11 and FY 12; the number of properties sold and their originating program during FY11 and FY12; and the amount of revenue received from properties sold and tax recapture by the Michigan Land Bank during FY11 and FY12.

Properties Received					
Fiscal Year	Department of Natural Resources	Neighborhood Stabilization Program (NSP1)	Neighborhood Stabilization Program (NSP2)	Other*	Total
Properties Held End of FY10	8,481	2			8,483
FY 11	41	1	226		268
FY 12	510		26	1	537
*State Fairgrounds					
Properties Sold					
Fiscal Year	Department of Natural Resources & Wayne County Treasurer	Neighborhood Stabilization Program (NSP1)	Neighborhood Stabilization Program (NSP2)	Other	Total
FY11	178				178
FY12	181		14		195

Revenue			
Fiscal Year	From Properties Sold	From Tax Recapture	Total
FY11	\$89,334	\$106,630	\$195,964
FY12	\$115,389	\$33,316	\$148,705

The MLB also worked cooperatively with the following local units of government by approving various property conveyances for public use purposes:

- *Saginaw County Land Bank*
- *Kalamazoo County Land Bank*
- *Ingham County Land Bank*
- *Calhoun County Land Bank*
- *Village of Kaleva*
- *City of Saginaw*
- *Economic Development Corporation-Detroit*

Local Land Bank Outreach Initiative:

- The MLB implemented a large-scale local land bank outreach program by holding regional roundtables with representatives from local land banks in three of seven identified regions throughout the State of Michigan.
- The MLB kicked-off the roundtables at the National Land Bank Conference held in Kalamazoo, Michigan in October 2012 with a Michigan Land Bank Reception.

- The MLB met with land banks in all ten regions of the state and identified areas where technical assistance and support is needed.

State of Michigan Blight Elimination 2012:

In March 2012, forty-nine state attorneys general including Michigan Attorney General Bill Schuette entered into a settlement with five of the nation's largest mortgage servicers, following a lawsuit regarding mortgage foreclosure practices. Among other things, the settlement resulted in payments to states. State law allocated \$25 million to create a Blight Elimination Program to demolish vacant and abandoned properties and promote public safety, stabilize property values, and enhance economic development opportunities.

\$10 million was allocated for the City of Detroit to eliminate blight near select Pathways to Potential schools. Part of that elimination plan involved the demolition of dangerous structures, with the goal of providing a safer route to and from school for children, and for overall neighborhood stabilization. The program also included \$15 million in funding for blight elimination in other areas located in outside of Detroit.

Neighborhood Stabilization Program (NSP2) and the Michigan Consortium 2010:

The Neighborhood Stabilization Program 2 (NSP2) was established to stabilize neighborhoods whose viability has been, and continues to be, damaged by the economic effects of properties that have been foreclosed upon and abandoned. NSP2, a term that references the NSP funds authorized by Title XII of Division A of the American Recovery and Reinvestment Act (ARRA) of 2009, (the Recovery Act) provided grants to states, local governments, nonprofits and a consortium of public and or private nonprofit entities on a competitive basis.

On January 14, 2010, HUD awarded the Michigan NSP2 Consortium \$223,875,339 of its requested \$290,000,000. This represented the largest single NSP2 award. The Michigan NSP2 Consortium was an unprecedented coalition of MSHDA, as lead applicant, 12 city governments, and eight county land banks, and the MLB, working together to remove blight and reposition neighborhoods in targeted NSP2-eligible census tracts. HUD viewed this as a national model.

In three years the Michigan consortium used NSP2 funds to acquire approximately 4,000 abandoned or foreclosed properties in the targeted neighborhoods. Of the 4,000 homes acquired, along with those currently owned by consortium members, almost 1,000 were to be rehabilitated, 250 redeveloped 1,750 demolished or deconstructed and 2,750 land banked for future use. The rehabilitated homes were to be sold to households whose income did not exceed 120% of Area Median Income (AMI), with at least 25% of funds, or \$56 million, going to rehabilitation and new construction for low-income set-aside (for households below 50% AMI).



The MLB was the land bank partner for six of the twelve cities in the Michigan consortium: Detroit, Grand Rapids, Hamtramck, Highland Park, Pontiac and Wyandotte. Each city identified specific target neighborhoods for NSP2 activities, as part of the HUD (Housing and Urban Development) application process, and the MLB assisted each city partner in acquiring, land banking and demolishing structures within the target areas.

Pontiac Neighborhood Stabilization Program:

MLB invested \$13.7 million in direct NSP2 project funds, which leveraged nearly \$11 million in private project investments in the City of Pontiac. Over 25 percent (\$6 million) of funds were expended with the City of Pontiac and local Pontiac business entities and nearly 30 percent (\$6.7 million) of the funds were awarded to Section 3 business entities. In addition, more than 300 construction jobs were created with Pontiac NSP2 project investments.

MLB acquired 60 properties and demolished 47 vacant and blighted dangerous buildings under the NSP2 Program in the City of Pontiac. The properties were acquired by the MLB to be transferred to developers for future redevelopment, such as the new construction of 18 single family homes, or for side lots for local homeowners. The Program also provided for the renovation of two residential apartment and mixed use buildings in the Historic Downtown Business District.

Neighborhood Stabilization Program (NSP-1) Demolition Program 2009:

In July 2008, Congress passed the Housing and Economic Recovery Act (HERA), which appropriated \$3.92 billion dollars to address foreclosed and abandoned housing through Title III, also referred to as the Neighborhood Stabilization Program (NSP). The Department of Housing and Urban Development (HUD) allocated \$263.5 million to the State of Michigan, including \$98.6 million to be managed by Michigan State Housing Development MLB (MSHDA). Of the funds allocated to MSHDA, the MLB received \$10 million dollars to demolish MLB-owned

structures displaying signs of “deterioration sufficient to constitute a threat to human health, safety, and public.”¹

The MLB designed a demolition program and demolished over 400 blighted residential and commercial properties within the MLB’s inventory. Blighted structures owned by the MLB that were identified for demolition were based on many factors including, but not limited to, the condition of the structure, its proximity to a school, and the viability of the neighborhood. Partnerships with federal agencies, state departments, local municipalities and non-profit organizations were crucial to facilitating a streamlined, strategic process that benefitted the community by the removal of blighted structures.

Additionally, MLB used NSP-1 funds of over \$4 million to acquire three important properties for rehabilitation:

Farwell Building, Capital Park, Detroit:

The Farwell Building, an eight-story historic building, approximately 100,000 square feet, in Capital Park, in downtown Detroit, is part of a larger development project involving many partner entities: Detroit Economic Growth Corporation, Detroit Investment Fund, Detroit’s DDA, Lower Woodward Housing Fund, Wayne County and MSHDA. Development will include 65 moderately priced residential units and first-floor commercial units. MLB purchased the property on behalf of the development team and is working to finalize a development agreement.



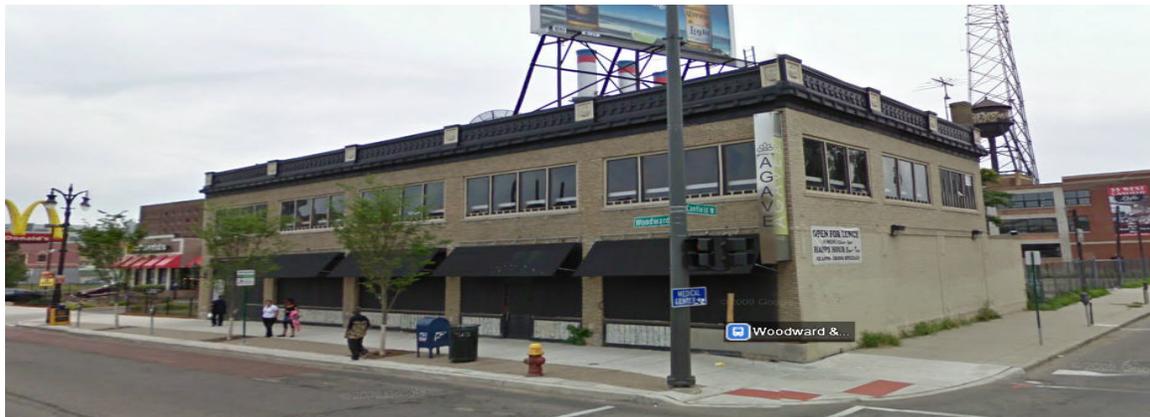
Hart, Michigan:

MLB acquired a vacant, 12,000 square foot building located adjacent to Lake Hart from a local businessman. Prior to the purchase by the MLB, the property was planned for redevelopment into Lake Pointe Senior Housing, a 25 unit residential development. Due to the presence of contaminated soil, the proposed project could not pass MSHDA’s environmental review to meet the underwriting process. The purchase and demolition by the MLB allowed for extensive environmental testing and remediation using the City of Hart’s Clean Michigan Initiative grant of approximately \$200,000 (spent on demolition of the structure and abatement of contamination). The property was conveyed to the developer in December 2012.

¹ U.S. Department of Housing and Urban Development. Guide to Neighborhood Stabilization Program (NSP) Eligible Uses.

Agave Building, Midtown, Detroit:

Acquired in November 2010, the Agave building is a vacant, two-story building near the Detroit Medical Center and Wayne State University with restaurant space on the first floor and space for four apartments on the second floor. Atlas Global Bistro, a popular nearby restaurant will relocate into the Agave Building. Midtown/University Cultural Center Association, UCCA (University Cultural Center Association), a local non-profit entity that has handled many development projects will purchase and develop the Agave Building as part of larger plans for the neighborhood involving a number of local organizations and foundations.



Environmental Protection Agency Revolving Loan Fund:

The Michigan Land Bank was awarded a \$1 million revolving loan through the United States Environmental Protection Agency's (EPA's) Brownfield Revolving Loan Fund for cleanup activities at eligible brownfield sites in the form of loans and sub-grants. The project period is August 1, 2010 through July 31, 2015. Small sub-grants may be considered if the project aids in spurring economic development in the host community. The EPA Revolving Loan Fund (RLF) will be used to support the redevelopment of brownfields into commercial and industrial enterprises that generate new tax revenue and create jobs.

The loans made through the EPA Revolving Loan Fund will be prioritized based on the demonstrated ability of the redevelopment project to reduce environmental threats, create a new tax base, and spur economic development in the State of Michigan as well as the host community. The EPA Revolving Loan Fund will be structured as a flexible loan product in order to create successful brownfield cleanup and redevelopment projects. The loan amount and terms will be tailored to meet each applicant's need.

The funds loaned from the EPA Revolving Loan Fund will be made to viable redevelopment projects in the State of Michigan. The redevelopment project must have a selected developer and a viable mechanism for repaying the loan. Redevelopment projects will be thoroughly evaluated for market feasibility, economic viability, and compliance with community master plans and zoning regulations. The Michigan Land Bank will rely on the expertise of its environmental service providers to assist the staff in evaluating and qualifying applicants for the EPA RLF program.

Expedited Quiet Title and Foreclosure Actions:

One of the tools the MLB has is the ability to initiate Expedited Quiet Title and Foreclosure Actions to address title issues that are often associated with tax reverted property and the tax foreclosure process. This important and necessary power allows the MLB to clear any liens or clouds from its title, thus creating a more marketable property as the new owner has the option of purchasing title insurance after the transfer from the MLB.

Through the appointment of Special Assistant Attorneys General, the MLB initiated litigation to clear title to 86 properties under the Neighborhood Stabilization Program and 19 for purposes of encouraging and promoting economic development projects throughout the State of Michigan.

Fannie Mae Grant:

The MLB received a \$50,000 stabilization grant from Fannie Mae for the purpose of maintaining, acquiring, and leveraging properties and investments beyond the NSP2 boundaries. MLB is one of several state agencies tasked by Governor Rick Snyder to revitalize the City of Detroit and make schools the center of the efforts. The pilot area for this program is the Morningside/East English Village neighborhoods.

Accordingly, MLB decided to use the Fannie Mae grant dollars in this area. MLB partnered with Habitat for Humanity Detroit, in this effort. Habitat recently received private grant funding for rehabilitation of single family homes in this area, and with the assistance of the Fannie Mae grant dollars, MLB was able to purchase two properties from the Wayne County Treasurer, process expedited quiet title actions on each, and will convey these properties to Habitat for Humanity for rehabilitation.

Further, MLB, purchased four additional properties in the target area, and will convey them to Habitat when they are ready to begin rehabilitation construction. With the aid of the grant dollars, MLB continues to meet the overall goal of decreasing blight, increasing aesthetic appeal, and contributing to the neighborhood revitalization efforts happening in the city.

Side Lot Dispositions:

The Side Lot Dispositions provide property owners the opportunity to purchase vacant, residential lots located next to their house at a minimal cost. The MLB has the discretion to determine whether any parcel of property is considered a "Side Lot". Any vacant, residential, non-buildable MLB-owned lot can qualify for the Side Lot Program. The property is transferred to the adjacent owner for the purpose of expanding the side and/or rear lot area of that owner's property. Possible uses of a side lot include a flower or vegetable garden, play area for children and pets, or construction of a garage or driveway.

Benefits of the Side Lot Program to the individual include enhancing and adding value to that owner's property as they are able to clean, maintain, and secure the vacant abandoned property next to their home. Further benefits to the community include neighborhood beautification, increased property values, and returning the property to the tax rolls and relieving the local jurisdiction of maintenance costs.

MLB Strategic Planning:

Through an RFP process, the MLB engaged the Center for Community Progress and Hamilton Anderson Associates to provide strategic planning services to help them prioritize and plan their future as a resource and catalyst for economic development and community stabilization in Michigan.

The staff and Board of Directors of the MLB held a retreat in Brighton, Michigan to review and develop necessary information for the creation of a strategic plan. During this retreat, staff and Board Members were able to review input from focus groups and surveys, discuss results and implications, and consider how the organization is perceived. Participants were able to review a legislative scan and feedback specific to their current policies and procedures. They were also given the opportunity to identify challenges and opportunities with a traditional ‘SWOT’ (Strengths, Weaknesses, Opportunities and Threats) analysis. Participants developed goals for the organization, assigned priorities to those goals, and brainstormed strategies and actions. The information garnered at this retreat was used by to draft a strategic plan for the organization. The retreat was held in compliance with the Open Meetings Act (MCL 15.261, *et seq*) and public input was allowed.

Partnerships:

Cardinal Health/Henry Ford Health System Development Project

The MLB initiated an Expedited Quiet Title and Foreclosure Action for nine parcels included in the Cardinal Health Warehouse Development project in the City of Detroit. A 273,758 square foot warehouse will be developed on approximately 24 acres near the Henry Ford Hospital in Detroit. \$500 million of new medical and educational facilities will be developed as part of the larger development project in the area which will cover 300 acres, about \$27 million in investment into this part of the development alone. 109 jobs will be relocated from Oakland County to the City of Detroit and 31 new jobs will be created. Significant temporary construction jobs will be created as a result of this project. Over \$19 million in private investment and \$7.4 million in New Market Tax Credits will be used. Kirco is the developer with Cardinal Health leasing the site for 15 years. Future expansion of the site could result in an additional 72 new jobs.

Macomb County

In April 2012, the MLB acquired a tax-foreclosed property from the Macomb County Treasurer in the City of Sterling Heights to be included in a development that created 90 new jobs and retained jobs already located in the City of Sterling Heights. The MLB exercised the State's right of first refusal to acquire the property and subsequently conveyed the property to the developer. Total investment of the development was \$21.2 million. This was the redevelopment of the largest vacant industrial site in the City of Sterling Heights.

Penrose Village II, LDHA, LP

Penrose Village II, LDHA purchased 32 parcels located in the City of Detroit south of the former State Fairgrounds from the MLB. Twenty-six properties are to be used for the development of 48 low-income housing units. The project targets populations with special needs, homeless, domestic violence survivors and youth aging out of foster homes for occupancy of the units.

Tenants will include households with income up to 50% of the AMI. Tenants will pay up to 30% of their income, with the assistance of project-based vouchers. Penrose was approved for LITHC through MSHDA and was approved for a private loan in order to fund this project.

Blight Elimination- Department of Human Services, Michigan State Housing Development Authority, and MLB

In March 2012, \$25 million was allocated for the creation of a Blight Elimination Program to demolish vacant and abandoned properties and promote public safety, stabilize property values, and enhance economic development opportunities. The program was a partnership between the Michigan Department of Human Services, the Michigan State Housing Development Authority and the MLB. \$10 million was allocated for demolitions within the City of Detroit to eliminate blight near select Pathways to Potential schools. Part of that elimination plan involves the demolition of dangerous structures, with the goals of providing a safer route to and from school for children, and for overall neighborhood stabilization. The program also includes \$15 million in funding for blight elimination in other areas located in outside of Detroit. 34 municipal, township and county entities statewide will share in \$15 million in funding to help eliminate blight in their communities.

Michigan Life Science and Innovation Center (MLSIC)

MLB acquired MLSIC an incubator space consisting of over 57,000 square feet in Plymouth Township in November of 2012. The center includes state-of-the-art research and testing labs and currently has 26 different tenants and a total of 126 total occupants that use laboratories and office space.

LOCAL LAND BANK INTERGOVERNMENTAL AGREEMENT (IGA)

MLB may authorize local land bank authorities by entering into intergovernmental agreements with County Treasurers who have Opted In as their own Foreclosing Governmental Unit. As a designated qualifying City, the Act also authorizes the City of Detroit to enter into an intergovernmental agreement with the MLB to establish a land bank authority. Since the establishment of the MLB the following 21 counties have been approved to create and operate local land bank authorities:

Fiscal Years 2005 & 2006 - Genesee County, Ingham County, Saginaw County, Wayne County, Grand Traverse County, Calhoun County and Jackson County.

Fiscal Years 2007 & 2008 - Berrien County, Arenac County, Cass County, Gladwin County, Leelanau County, Muskegon County and City of Detroit.

Fiscal Years 2009 & 2010 - Emmet County, Houghton County, Lapeer County, Marquette County, Kalamazoo County, Sanilac County and Ogemaw County, Clare County, Gogebic County, Saint Clair County Washtenaw County, Bay County, Benzie County, Kent County, Delta County, Ionia County, Ottawa County, Van Buren County, Lake County and Oceana County .

Fiscal Years 2011 & 2012 – Charlevoix County, Lenawee County, Alger County, Monroe County and Osceola County.

FORECLOSING GOVERNMENTAL UNITS (FGU):

Counties Opting Out:

The following counties have chosen to not serve as their own Foreclosing Governmental Unit, and therefore rely on the State of Michigan Department of Treasury for this service:

- Branch
- Clinton
- Dickinson
- Eaton
- Iosco
- Iron
- Kalkaska
- Keweenaw
- Livingston
- Luce
- Mecosta
- Shiawassee

Counties Opting In:

All remaining 71 counties are their own Foreclosing Governmental Units and can establish land bank authorities.

Attachment A: Michigan Blight Elimination – Statewide

As of 8/15/2014

Grantee	Awarded Grant Amount (Adjusted)	Approved # Of Structures	Total Demolished To Date	Total Expended To Date	Grant Balance
City of East Tawas	\$20,300.00	1	1	\$20,300.00	\$0.00
Village of Ravenna	\$45,000.00	1	1	\$0.00	\$45,000.00*
Kalamazoo County Land Bank	\$936,915.00	80	76	\$644,009.26	\$292,905.74
City of Plainwell	\$720,720.00	6	6	\$697,274.46	\$23,445.54
Marquette County Land Bank	\$486,384.96	36	36	\$486,384.96	\$0.00
City of Vassar	\$41,158.00	7	7	\$41,158.00	\$0.00
City of Pontiac	\$996,668.00	83	73	\$867,599.20	\$129,068.80
Charter Township of Ypsilanti	\$653,840.00	151	151	\$653,840.00	\$0.00
Brevort Township	\$37,906.00	1	1	\$37,906.00	\$0.00
City of Coldwater	\$65,756.00	2	2	\$65,756.00	\$0.00
Ingham County Land Bank	\$836,850.00	28	11	\$267,730.00	\$569,120.00
NCCS Center for Nonprofit Housing (Newaygo County)	\$61,811.00	5	5	\$61,811.00	\$0.00
LIFT Foundation (Kalamazoo County)	\$77,890.00	14	14	\$77,890.00	\$0.00
ICCF (Kent County)	\$41,833.00	4	4	\$41,833.00	\$0.00
Houghton County Land Bank	\$9,675.00	1	1	\$9,675.00	\$0.00
Genesee County Planning Commission	\$182,960.00	17	17	\$7,429.34	\$175,530.66
City of Au Gres	\$111,999.00	1	1	\$111,999.00	\$0.00
Genesee County Land Bank	\$3,713,240.00	327	174	\$2,279,941.15	\$1,433,298.85**
City of Petoskey	\$20,673.00	2	2	\$20,673.00	\$0.00
Saginaw County Land Bank	\$1,784,685.00	147	126	\$1,448,439.03	\$336,245.97
LINC (Kent County)	\$661,245.50	18	16	\$462,149.17	\$199,096.33
Berrien-Cass-Van Buren Michigan Works	\$818,311.00	20	5	\$223,436.89	\$594,874.11
Grand Traverse County	\$44,000.00	1	1	\$44,000.00	\$0.00
Village of Constantine	\$8,500.00	1	1	\$8,500.00	\$0.00
Leelanau County Land Bank	\$47,525.77	3	2	\$47,525.77	\$0.00
City of Mt. Pleasant	\$800,000.00	2	2	\$800,000.00	\$0.00
City of Manistee Housing Commission	\$90,500.00	1	0	\$2,068.75	\$88,431.25
City of Onaway	\$6,175.00	2	2	\$6,175.00	\$0.00
City of Muskegon	\$111,500.00	2	2	\$111,500.00	\$0.00
Village of Newberry	\$72,021.09	7	7	\$72,021.09	\$0.00

* The demolition is complete, but the village has not yet provided its invoice for payment

** Demolitions will be completed this month, invoices will be submitted for payment

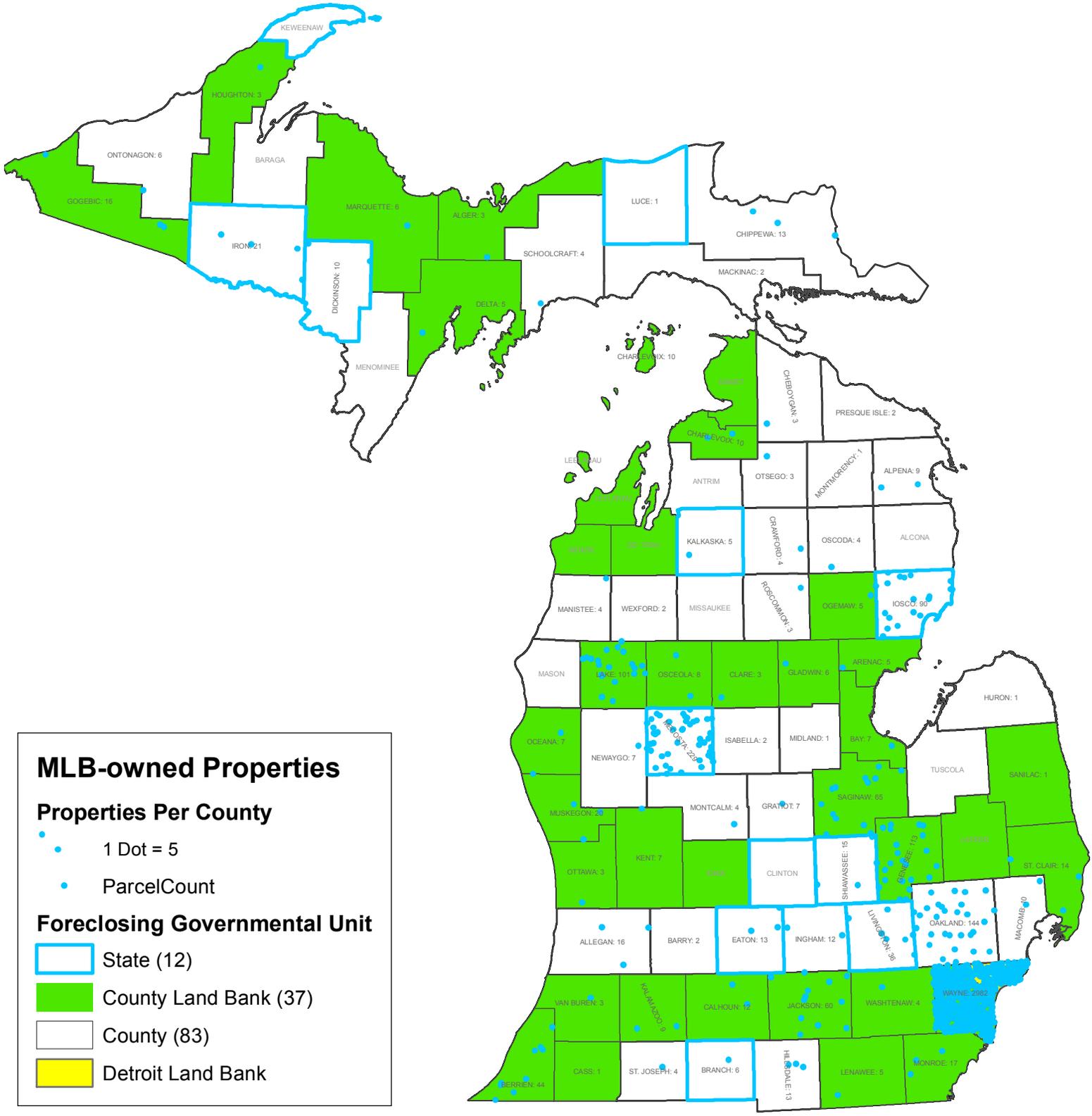
Grantee	Awarded Grant Amount (Adjusted)	Approved # Of Structures	Total Demolished To Date	Total Expended To Date	Grant Balance
Reed City	\$369,999.30	1	1	\$369,999.30	\$0.00
Northeast Michigan Affordable Housing (Arenac County)	\$36,750.00	2	0	\$0.00	\$36,750.00
City of Bay City	\$269,325.00	21	14	\$185,285.00	\$84,040.00
Northern Homes CDC (Charlevoix County)	\$20,000.00	2	2	\$20,000.00	\$0.00
Wayne Metro	\$430,000.00	36	0	\$0.00	\$430,000.00
	\$14,632,116.62	1033	764	\$10,122,288.28	\$4,509,828.34

Percentage of Grant Funds Invoiced 69%
Percentage of Demolitions Completed 74%
Percentage of Grants Completed 60%

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MLBFTA-OWNED PARCELS
STATEWIDE | AS OF 9/12/2014



MLB-owned Properties

Properties Per County

- 1 Dot = 5
- ParcelCount

Foreclosing Governmental Unit

- State (12)
- County Land Bank (37)
- County (83)
- Detroit Land Bank

