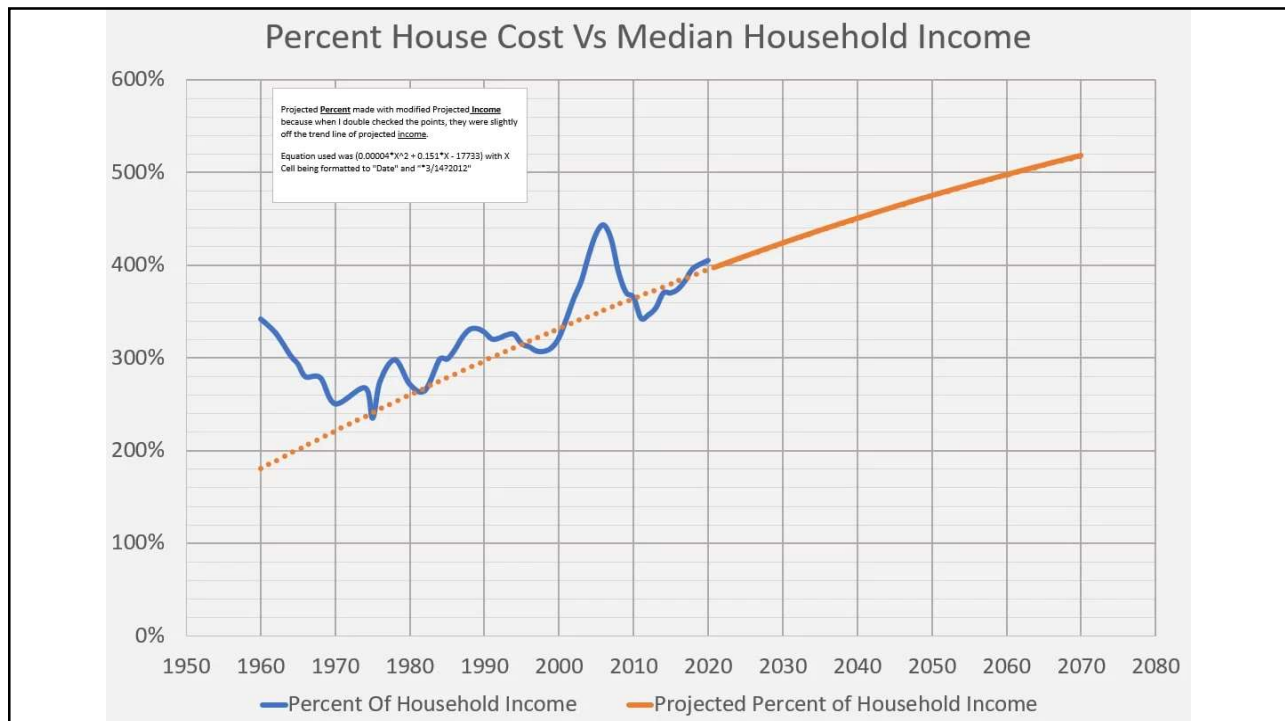


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Statutes Collaborating for Redevelopment

Land Bank Act (PA 258 – 2003)

- Authorizes counties to establish land banks
- Prescribes LB powers to operate, own, manage/maintain and improve

Brownfield Act (PA 381 – 1996)

- Authorizes counties to establish brownfield authorities
- Prescribes BRA powers to operate, own and finance

Legislative history clearly demonstrates intent to link these statutory powers to broaden and promote economic development.

Leelanau County BRA (2007):

Provide resources and expertise to help investigate, clean up, eliminate blight and return properties to productive use for the benefit of the county, its communities, and its citizens.

Leelanau County LBA (2008):

Enhance tax base by returning tax reverted properties to the tax rolls and to partner with community stakeholders to acquire and redevelop undervalued properties to support workforce housing and economic development.

4

Why is Act 381 TIF A Good Solution For Workforce Housing Development?

Scalable: While community land trusts and inclusionary zoning requirements offer some solution, they are unable to produce enough units to meet demand.

Tangible public benefit: Land Bank or Local Government should be a development partner to ensure the financial benefit goes to the low-to-moderate income households achieving decent, safe, housing at affordable prices

- **Homeownership:** allows for purchase prices at variable levels based on targeted audience
- **Rental:** allows for long-term equity ownership to ensure benefits like permanent affordable set-aside % of multi-family projects and permanent tax-paying without appeal

5

Land Banks & TIF-Eligible Activities

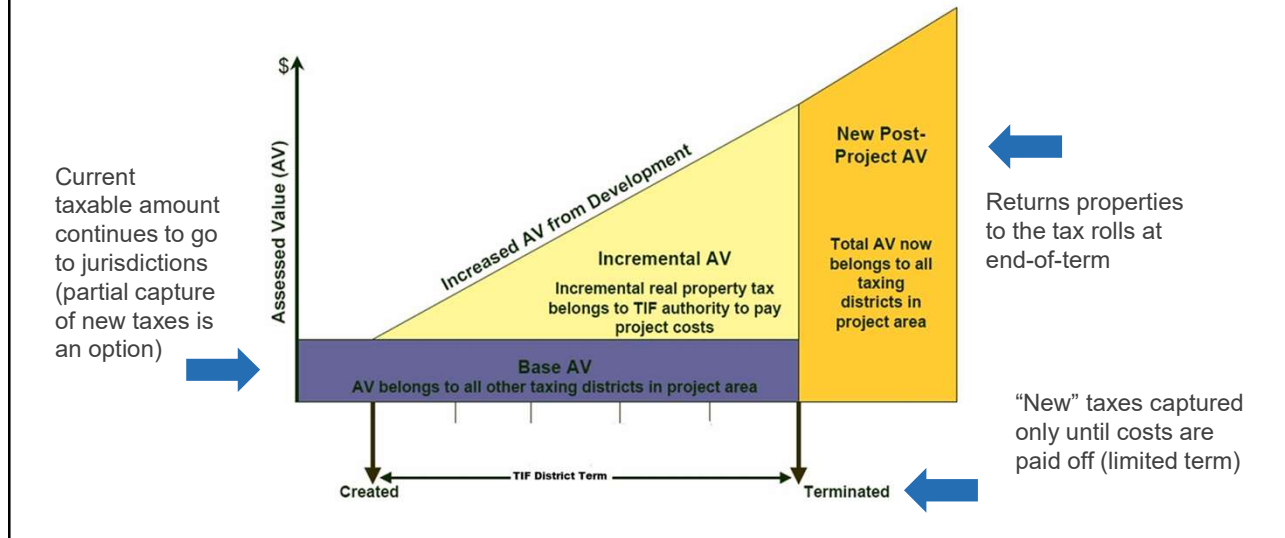
- Land Bank properties may undertake **ALL** eligible Act 381 activities
- Land Bank properties are, by definition, Act 381-eligible properties

MCL 125.2652(o)(iii)(B)

Assistance to a land bank fast track authority in **clearing** or **quieting title** to, or **selling** or **otherwise conveying**, property owned by or under the control of a land bank fast track authority or the **acquisition** of property by the land bank fast track authority if the acquisition of the property is for economic development purposes.

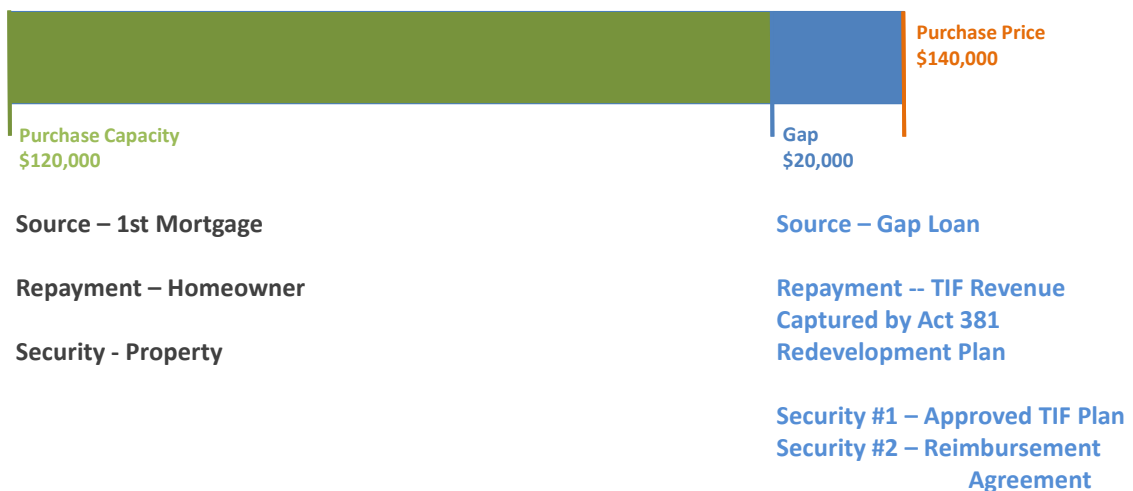
6

How Does Tax Increment Financing Work?

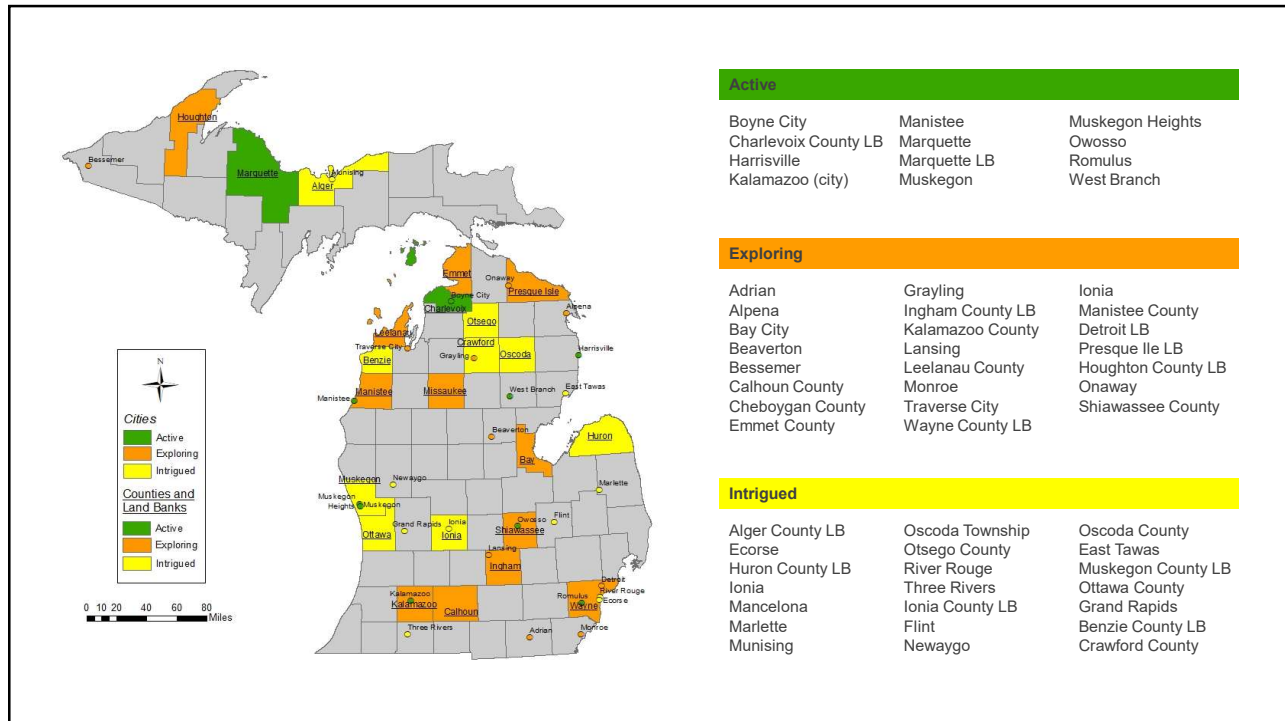


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Baseline Financing Concept



8



9



\$49M effort to bring 240 new middle-income homes to Muskegon


Updated Aug 05, 2020; Posted Aug 05, 2020

By Lynn Moore, lynnmoore@mllva.com

MUSKEGON, MI – Faced with hundreds of vacant lots and a dearth of affordable housing, Muskegon is embarking on an ambitious \$49.5 million plan to build 240 homes in the next three years.

It's an effort that officials say can be replicated in other aging industrial towns with the help of "Brownfield" redevelopment funds meant to help cities address past industrial contamination.

The vacant lots all are in Muskegon's urban core Brownfield Redevelopment area, meaning the city can recoup many of the expenses associated with preparing the lots and even help subsidize rents and purchase costs.



CITY OF MUSKEGON BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN AMENDMENT

INFILL HOUSING PROJECT (1st Amendment)

July 14, 2020

10



1 City of Newaygo BRA
 Newaygo County (no county land bank)
 City North River Hills LLC & Sable Homes

11

2

Park Vista Place

City of Holland,
Allegan County
(no county land bank)

Lakeshore Habitat for Humanity
www.lakeshorehabitat.org

State Land Bank Authority

12

Q & A



1. *Isn't Act 381 like the other TIFs?*

No. Act 381 Redevelopment TIF is unique among Michigan TIFs as parcel/project-based, limited to term-of-reimbursement, and returning properties to the tax rolls at end-of-term.

2. *Doesn't TIF take money from Locals and Schools?*

Act 381 Redevelopment TIF is founded on the offset of extra-ordinary costs to (re)development. Land bank properties provide \$-0- to locals/schools at present, and without offset they will (a) never provide any revenue, and (b) negatively impact current/future tax revenues from adjacent properties. Conversely, with TIF assistance these properties, after capture term, will increase local/school revenues.

3. *How can this tool be protected from abuse?*

By creating local policies/guidance.

State Land Bank Authority



Recycling Land to Productive Reuse

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