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# Catch or Release?

## An Analysis of Residential Tax-Foreclosure Conveyance in Flint, Michigan, between 2008 and 2015

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## ABOUT CENTER FOR COMMUNITY PROGRESS

Founded in 2010, the Center for Community Progress is the only national 501(c)(3) nonprofit organization solely dedicated to building a future in which entrenched, systemic blight no longer exists in American communities. The mission of Community Progress is to ensure that communities have the vision, knowledge, and systems to transform blighted, vacant, and other problem properties into assets supporting neighborhood vitality. As a national leader on solutions for blight and vacancy, Community Progress serves as the leading resource for local, state, and federal policies and best practices that address the full cycle of property revitalization. Major support for Community Progress is generously provided by the Charles Stewart Mott Foundation and the Ford Foundation.

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## INTRODUCTION

The landscape of Flint, Michigan, today reflects the dramatic demographic and economic shifts of the city over the last century. A 34-square-mile American legacy city,<sup>1</sup> Flint's population and workforce climbed steeply during the first half of the twentieth century before decreasing steadily in the second half. While Flint is home to approximately 100,000 residents today, it was built to house even more than its peak 1960 population of nearly 200,000. As a result, vacant and abandoned properties at an exceptional scale exist in Flint today.

There were more than 23,000 vacant properties, including both empty buildings and vacant lots, in Flint in 2015, representing 42% of all properties in the city. These properties are not contiguous but are instead located throughout Flint's neighborhoods and commercial corridors, directly impacting the quality of life for residents, the viability of businesses, and ultimately the prosperity of the city in the short and long run.

The Flint community has countered these challenges incrementally at times and boldly at others, particularly through tax foreclosure reform. Flint is nationally recognized for leading change in this area. In the late 1990s, officials from Flint spearheaded an effort that ultimately led to comprehensive reform of the State of Michigan's property tax enforcement and foreclosure laws. In the early 2000s, these same leaders expanded upon tax foreclosure reform by pushing for state law that opened the door for the creation of land banks. In 2004, the Genesee County Land Bank Authority opened in downtown Flint, as the first land bank in Michigan.<sup>2</sup> Each of these reforms shaped mechanisms for the conveyance of tax-foreclosed properties.<sup>3</sup> Nearly twenty years after tax foreclosure reform and more than a decade after the beginning of land banking in Michigan, debates about the conveyance of tax-foreclosed properties continue. This report seeks to inform these debates.

This report examines and compares the two existing systems used for conveying tax-foreclosed residential properties in Flint, Michigan - the Genesee County Treasurer's public auction and the Genesee County Land Bank Authority. It does so by analyzing four indicators related to tax-foreclosed residential properties: change in structure condition, demolition rates, occupancy status, and repeat tax-foreclosure rates. In addition, the report analyzes the revenue generated from property sales through each conveyance system. This analysis finds that, for the properties included in its examination, transfers to the Genesee County Land Bank Authority demonstrate an advantage over public auction sales in terms of removing blighted structures through demolition, advancing property occupancy, and generating property tax payments and revenue through sales. This report seeks to inform local leaders as they consider mechanisms for conveying tax-foreclosed residential properties in Flint. It also provides leaders outside Flint with additional perspective to examine their own conveyance systems.

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<sup>1</sup> Mallach, Alan and Brachman, Lavea. "Regenerating America's Legacy Cities." *Lincoln Institute of Land Policy* (2013).

<sup>2</sup> Alexander, Frank S. "Land Banks and Land Banking: 2<sup>nd</sup> Edition." *Center for Community Progress* (2015): 88-93.

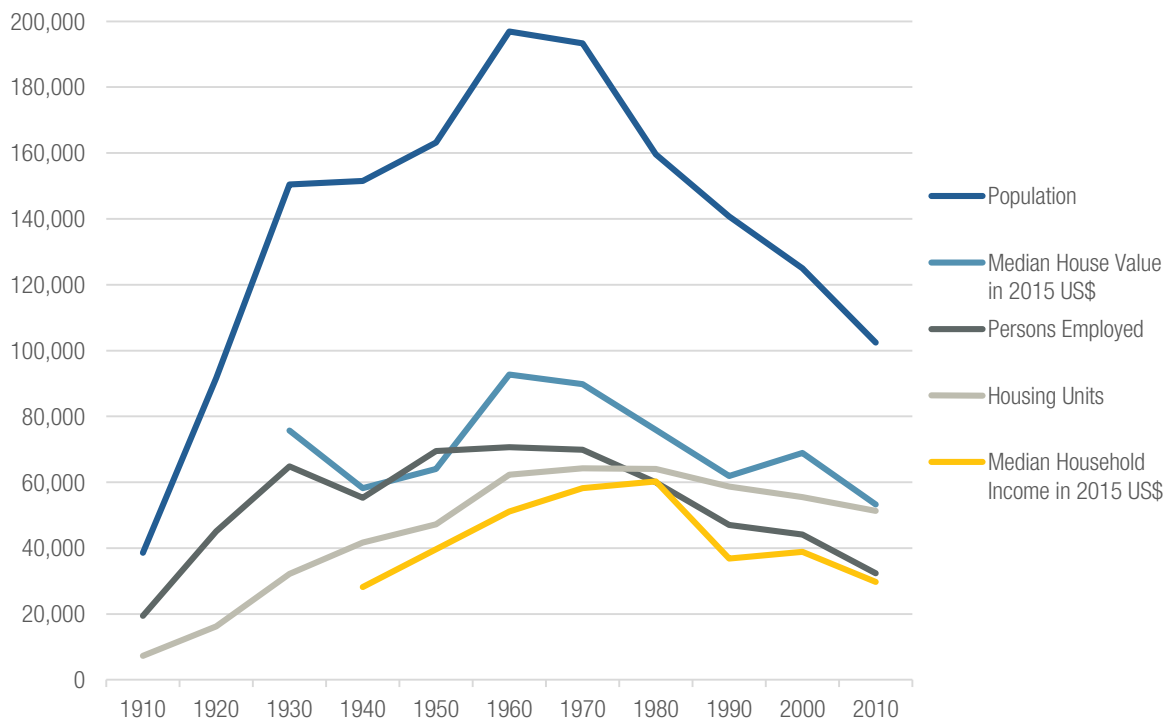
<sup>3</sup> Conveyance means the transfer of property ownership from one party to another.

# SECTION I: OVERVIEW OF TAX FORECLOSURE IN FLINT, MICHIGAN

## GENERAL TRENDS

The scale and nature of tax foreclosure in Flint is a byproduct of dramatic changes in the city’s real estate market over the last century. In 1930, just over 32,000 houses and apartments housed more than 150,000 Flint residents. In 2010, by contrast, there were more than 51,000 houses and apartments for just over 100,000 city residents. As the supply and demand for housing has changed over the years, so have housing prices. Housing prices are impacted by an area’s population, employment rate, income per capita, and housing supply.<sup>4</sup>

**Figure 1: Key Factors in the Flint Housing Market, 1910-2010**



Data Source: United States Census Bureau

<sup>4</sup> Barlev, Benzion, and May, Josef. "The Effect of Property Taxes on the Construction and Demolition of Houses in Urban Areas." *Economic Geography* 52.4 (1976): 304-310.

These trends over time are depicted in Figure 1 on the previous page:

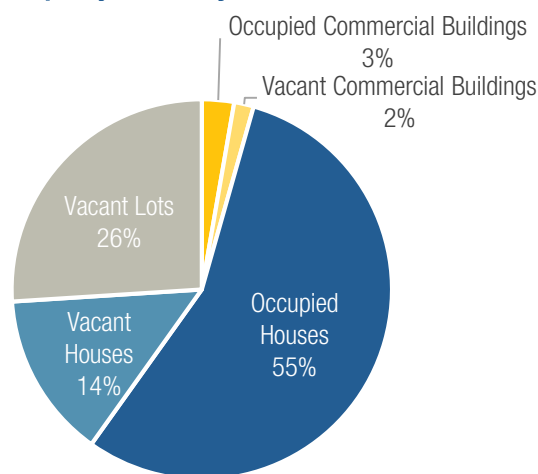
- **Population:** Flint’s population grew rapidly (by 500%) during the first half of the twentieth century, before decreasing by more than 50% over the last 50 years.
- **Employment:** As the city’s population grew early in the twentieth century, so did employment, from just under 20,000 people employed in 1910 to more than 70,000 in 1960. Following the decline of Flint’s automotive industry and total population, only around 32,000 people were employed in 2010, according to the U.S. Census.
- **Income:** Median household income peaked in 1960 at the equivalent of just over \$60,000 (in 2015 dollars). Median household income in 2010 was just over \$27,000 (in 2015 dollars).
- **Housing Supply:** The city saw large growth in the construction of new housing peaking in the 1960s and 1970s, corresponding with its increase in manufacturing jobs and population growth. While Flint’s population, employment rate, and income have drastically decreased over the last 50 years, its supply of housing has changed very little.
- **Housing Prices:** Housing prices generally rose during the first half of the century and declined during the second half. Because of Flint’s current housing surplus, the median house price in 2010 was \$53,000, which was the lowest value on record (in 2015 dollars).

## VACANCY TRENDS

Figure 1 depicts the drastic decline in Flint’s employment, household income, and ultimately population that have followed disinvestment in the city’s automotive manufacturing industry over the last 50 years. During this same time period, Flint’s housing supply has changed very little. The result is an oversupply of housing and prevalence of vacant properties in the city<sup>5</sup>. There are more than 23,000 vacant properties in Flint today, representing 42% of all properties in the city.

Given the weak demand and depressed property values in Flint, many property owners abandon their obligations as property owners, including maintaining their property and paying property taxes, and some abandon their properties altogether. Each year, thousands of abandoned properties enter into tax foreclosure as the result of an owner not paying taxes for at least three years.

**Figure 2: Residential and Commercial Property Vacancy in Flint, MI, 2015**



Data Source: United States Post Office and City of Flint

Esteban, Marisol and Altuzarra, Amaia. "A Model of the Spanish Housing Market." *Journal of Post Keynesian Economics* 30:3 (2008): 353-373.

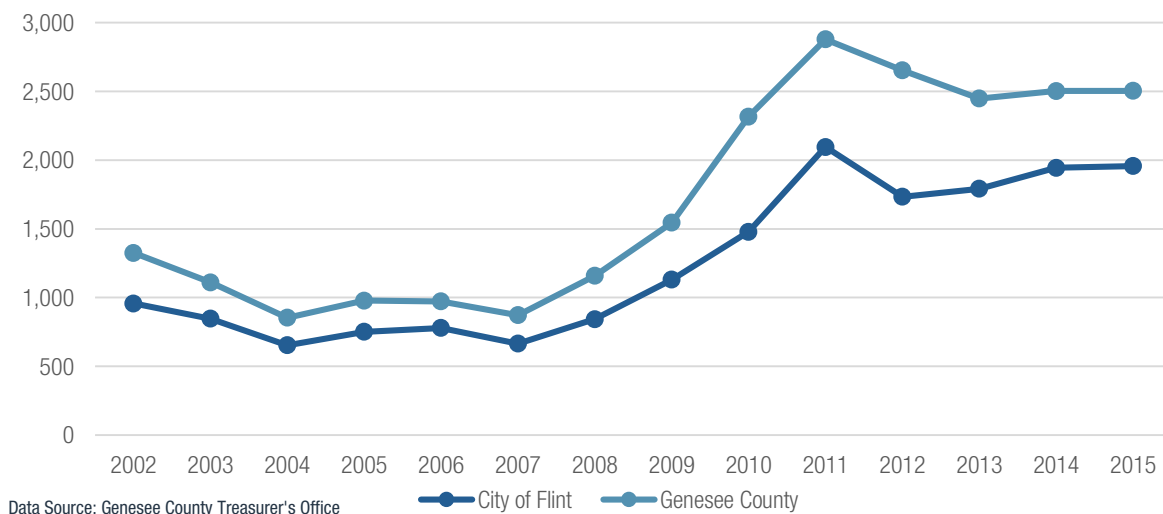
<sup>5</sup> Figure 2 shows vacancy data for properties that are either zoned residential or commercial. All other properties are excluded, e.g. industrial, right of way, etc.

## TAX-FORECLOSED PROPERTY TRENDS

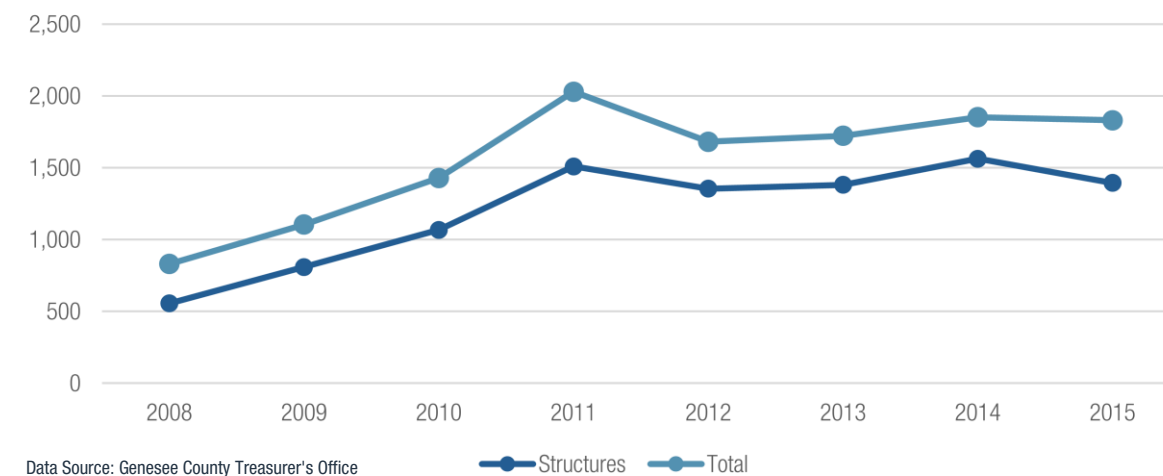
### Tax-Foreclosed Property Volume

Figure 3 depicts property tax foreclosure trends in Flint and Genesee County from 2002 to 2015. As the figure shows, the number of annual tax-foreclosures remained within a consistent range between 2002 and 2008, began rising sharply in 2009, and peaked in 2011, followed by a slight decrease in 2012. Since then, they have remained relatively steady. In total, more than 24,000 properties were tax-foreclosed in Genesee County during these 14 years, including more than 17,500 in Flint alone, representing nearly 75% of all tax-foreclosed properties in Genesee County.

**Figure 3: Tax-Foreclosed Properties in Flint and Genesee County, 2002-2015**



**Figure 4: Tax-Foreclosed Residential Properties in Flint, MI, 2008-2015**



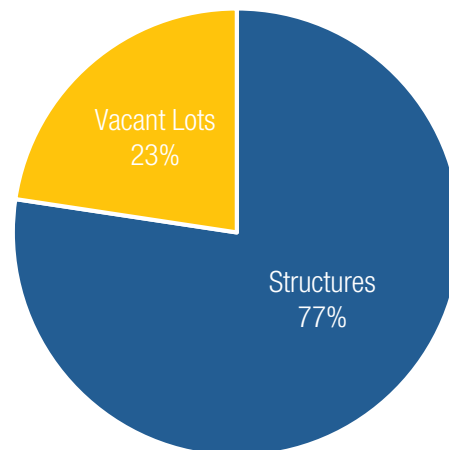
This report analyzes one segment of tax-foreclosed properties: residentially-zoned properties, located in Flint, foreclosed upon between 2008 and 2014. Generally, the County completed the foreclosure on these properties after three years of unpaid taxes. For example, properties foreclosed upon in 2011 had unpaid taxes in 2008, 2009, and 2010. Figure 4 on the previous page provides both an illustration of residential tax foreclosure trends in Flint as well as foreclosure counts for each individual year. In total, 10,646 residential properties were tax foreclosed in Flint between 2008 and 2014, 77% of which contained a structure at the time of foreclosure, as shown in Figure 5.

These tax-foreclosed properties are largely comprised of vacant properties that were intentionally abandoned, in disrepair, and/or lacking monetary value. The properties analyzed in this report—residentially zoned tax-foreclosed properties in Flint from 2008 to 2014—had an average market value of \$16,722 at the time of foreclosure and 43% of the properties were demolition candidates at the time of foreclosure. The properties that go through tax foreclosure generally include the worst properties on neighborhood blocks. They present health and safety hazards, pose public nuisances, and are financial liabilities for nearby property owners. These tax-foreclosed properties also, by definition, carry an unpaid property tax bill, representing a large financial loss for local taxing authorities. The tax-foreclosed properties depicted in Figure 3 represent \$84,232,235 in unpaid taxes throughout Genesee County, including \$55,043,890 for properties in Flint alone.

### Condition of Tax-Foreclosed Property

Most of the residential structures are physically distressed at the time of tax foreclosure.<sup>6</sup> As Figure 6 shows, 82% of the structures required more than cosmetic repairs. Forty-three percent of tax-foreclosed residential structures are in Poor or Substandard condition, meaning that they have significant physical deterioration that includes fire damage, torn or collapsed roofs, compromised foundations, and/or collapsed walls.

**Figure 5: Property Type at Foreclosure, Tax-Foreclosed Residential Properties in Flint, MI, 2008-2014**



Data Source: Genesee County Land Bank Authority

<sup>6</sup> All tax-foreclosed properties are inspected during the spring or summer of the year of foreclosure. During the inspection, each property is given an overall condition score according to a four-point scale. Structures in “Good” condition require cosmetic repair at most. Structures in “Fair” condition may require new roofs, may have boarded windows but are absent of broken windows that are not boarded, and contain aluminum siding on at least three exterior walls. Structures in “Poor” condition may include roof tears, exterior fire damage, walls stripped of siding, and non-boarded broken windows. Structures in “Substandard” condition typically include collapsed roofs, interior fire damage, compromised foundations, and/or collapsed structures.

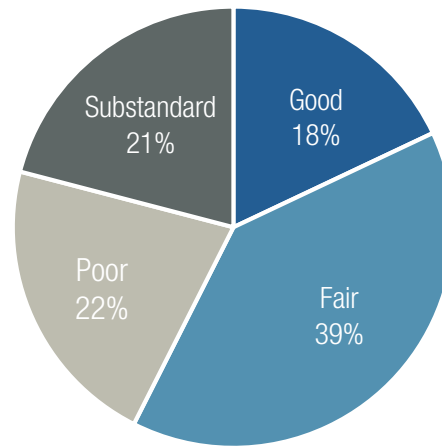


## Value of Tax-Foreclosed Property

Given the real estate market in Flint, the rehabilitation and re-occupancy potential for many of the tax-foreclosed residential properties is very limited. As Figure 7 shows, the value of properties at the time of tax foreclosure is very low. Of the tax-foreclosed residential properties, those requiring only cosmetic issues, rated in Good condition, have a median market value of \$23,000.<sup>7</sup> As property condition worsens, so too does the median market value of the tax-foreclosed properties, bottoming out at \$10,000 for properties rated in Substandard condition.

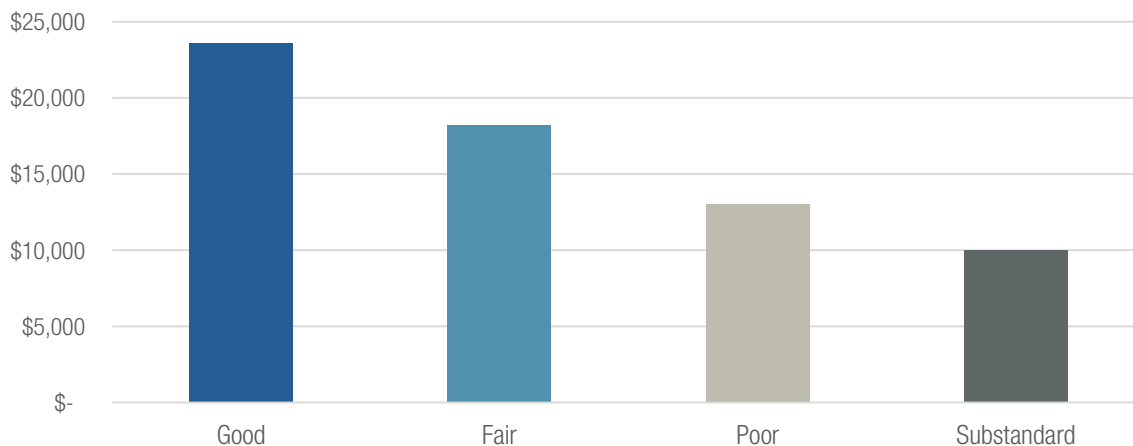
For many of these properties, the cost of a single major repair exceeds a reasonable resale price for the property and therefore makes even minimal property rehabilitation financially infeasible. In fact, 43% of the structures in this analysis are already considered demolition candidates at the time of foreclosure as the cost of repairs greatly exceeds the property value. The depressed housing values exhibited by the pool of tax-foreclosed properties examined in this report exemplify Flint’s housing market challenges: greatly misaligned supply and demand, falling prices, and ultimately an increasing surplus of properties that are often

**Figure 6: Condition of Structures at Foreclosure, Tax-Foreclosed Residential Properties in Flint, MI, 2008-2014**



Data Source: Genesee County Land Bank Authority

**Figure 7: Median Property Values at Foreclosure by Condition at Foreclosure, Tax-Foreclosed Residential Properties in Flint, MI, 2008-2014**



Data Source: Genesee County Treasurer’s Office and Genesee County Land Bank Authority

<sup>7</sup> Market value is defined as two times the State Equalized Value.

vacant and physically deteriorating. The same market forces that led to the abandonment and tax foreclosure of the properties in this analysis constrain viable options for their rehabilitation and reuse.

In the face of a housing surplus and substantially weak real estate market, which are both attributed to decades of population and job loss, private property owners in Flint have been abandoning their ownership responsibilities. This abandonment has yielded increasing numbers of tax-foreclosed properties. The responsibility for these discarded properties ultimately falls to the public sector, which is further handicapped by the significant loss in property tax revenue. With fewer financial resources and a high volume of tax-foreclosed properties, the public sector faces significant challenges with holding and/or facilitating the transfer of ownership of many of the most distressed properties in Flint.

## SECTION II: OVERVIEW OF SYSTEMS FOR CONVEYING TAX-FORECLOSED PROPERTIES IN FLINT, MICHIGAN

Decades of local leadership and statewide action, guided by national expertise, shaped the property tax foreclosure conveyance systems in Michigan.<sup>8</sup> In Genesee County, during the time period of this analysis, two systems were used to convey tax-foreclosed properties: public auction sales and transfers to the Genesee County Land Bank Authority (“Land Bank”), as shown in Figure 8. Enabled by state legislation, these systems are not atypical in Michigan counties. Presently, tax-foreclosed properties are sold at public auctions in all counties in Michigan, and county land banks exist in 37 of Michigan’s 83 counties.<sup>9</sup> Although the use and structuring of these systems certainly varies from one county to another, tax-foreclosure conveyance systems throughout Michigan operate within similar legal frameworks and often work towards shared goals.

### Conveyance Through County Tax Auction

The Genesee County Treasurer holds two public auctions each year, a “minimum-bid” and a “no-minimum-bid” auction. Genesee County, somewhat atypically for Michigan counties, does not allow online auction sales and conducts the auctions in-person. The first auction, the minimum-bid auction, sells tax-foreclosed property for at least the total amount of taxes, interest, and fees owed to the County Treasurer. Properties that are not sold at the first auction are offered for sale at a second, no-minimum bid, auction that is generally held within two months of the minimum-bid auction. The opening bid amount for this second auction is set by the Genesee County Treasurer. During the timeframe of this analysis, it was generally set at \$100.

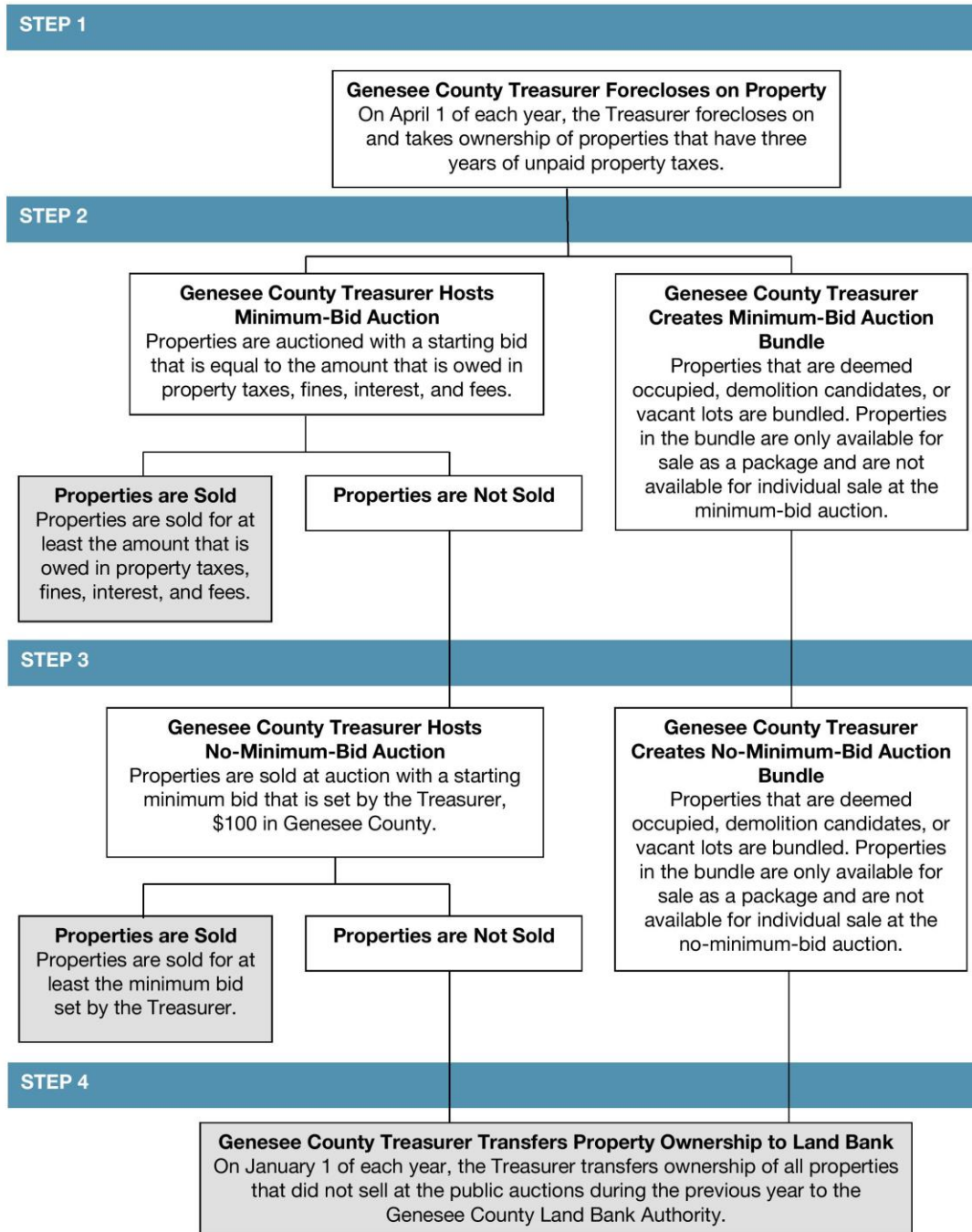
Several parameters for auction sales have been added and altered in Genesee County over the last ten years. Individuals who have owned property that has been tax foreclosed and/or owe outstanding property taxes are no longer eligible to purchase property at either auction. As of 2012, purchasers must pay the taxes for the current year in order to finalize the sale and receive the title for property purchased at either auction.

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<sup>8</sup> Alexander, Frank S. “Land Banks and Land Banking: 2nd Edition.” Center for Community Progress (2015): 88-93.

<sup>9</sup> *Michigan Land Bank Fast Track Authority*. <http://www.michigan.gov/landbank/0,3190,7-298-44777---,00.html>, accessed November 9, 2015. There are a total of 39 land banks in Michigan, including a state-level land bank and the Detroit Land Bank Authority in addition to the 37 county land banks.

Figure 8: 2014 Genesee County Tax-Foreclosure Conveyance Process



## Conveyance Through the Genesee County Land Bank Authority

After holding two public auctions, the Genesee County Treasurer transfers properties that are not successfully sold at either auction to the Land Bank. The inventory that is transferred includes both properties auctioned individually as well as properties that were auctioned as a bundle. Bundled properties are tax-foreclosed properties that a county treasurer lists for sale in a single package, meaning they cannot be sold separately. In order to purchase one property in the bundle, a purchaser must buy the entire bundle. The Genesee County Treasurer has used this tool since the formation of the Land Bank. As was the case with structuring the auctions, the parameters around the bundle have evolved over the last ten years in Genesee County. During the timeframe of this report's analysis, the Genesee County Treasurer generally bundled properties in Flint that were occupied, vacant lots, or deemed demolition candidates in partnership with the Land Bank. Implicitly, this bundling practice demonstrates a local preference by the Treasurer for transferring these properties to the Land Bank, rather than selling them at public auction.<sup>10</sup> Ultimately, all properties that are not sold at either auction are transferred to the Land Bank on January 1 of the year following the tax foreclosure.

## CONVEYANCE TRENDS

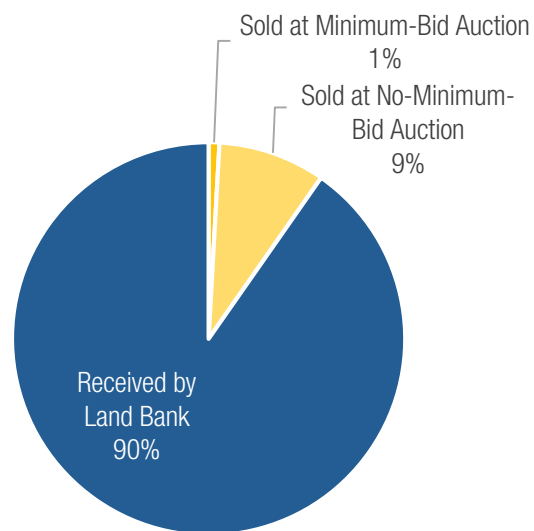
### Volume

As shown in Figure 9 an overwhelming 90% of tax-foreclosed residential properties were not sold at auction and thus transferred to the Land Bank. Of those properties sold at public auction, nearly all were sold at the no-minimum-bid auction for as little as \$20.<sup>11</sup>

### Condition

As shown previously in Figure 6, 57% of the tax-foreclosed residential structures were in Good or Fair condition, at the time of foreclosure, with the remaining (43%) in Poor or Substandard condition. Very similarly, 45% of the structures the Land Bank received were in Poor or Substandard condition at the time of foreclosure,

**Figure 9: Conveyance after Foreclosure, Tax-Foreclosed Residential Properties in Flint, MI, 2008-2014**



Data Source: Genesee County Treasurer's Office

<sup>10</sup> This report provides an overview of the two tax-foreclosure conveyance systems for properties in Flint in order to evaluate the outcomes of each. While this overview does not detail the structuring of these systems over time, it does capture the bounds and intent that have remained constant since these two systems were formed more than ten years ago. Of the properties included in this report's comparative analysis, 76% or 8,151 were bundled during no-minimum-bid auctions.

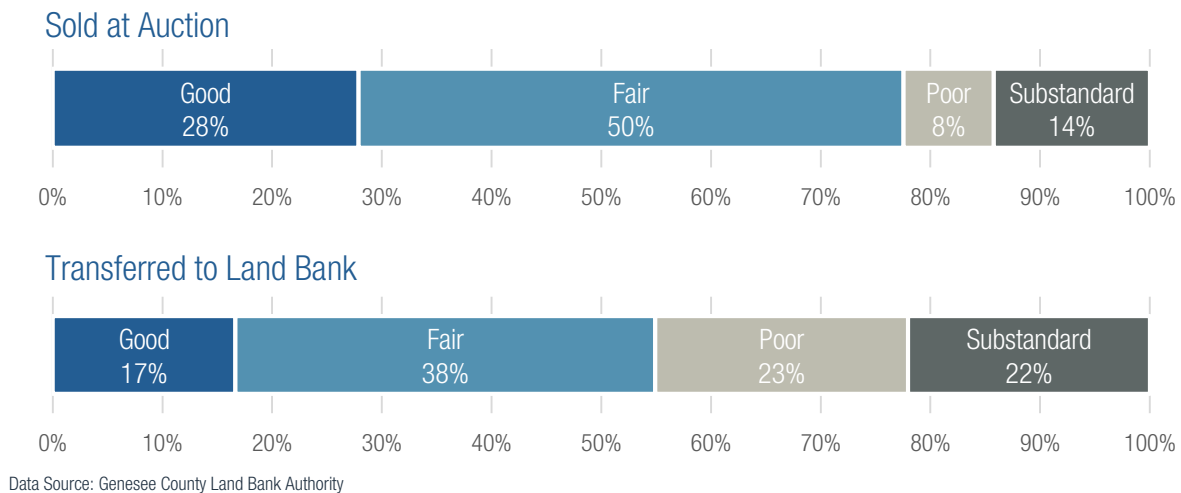
<sup>11</sup> In all years covered by this report except 2008, bids at the no-minimum-bid auction started at \$100. In 2008, these bids started at \$20.

as Figure 10 shows. By contrast, over 75% of the structures sold at auction were in Good or Fair condition with only 22% in Poor or Substandard condition. The vast majority of properties sold at auction were in better condition than those transferred to the Land Bank.

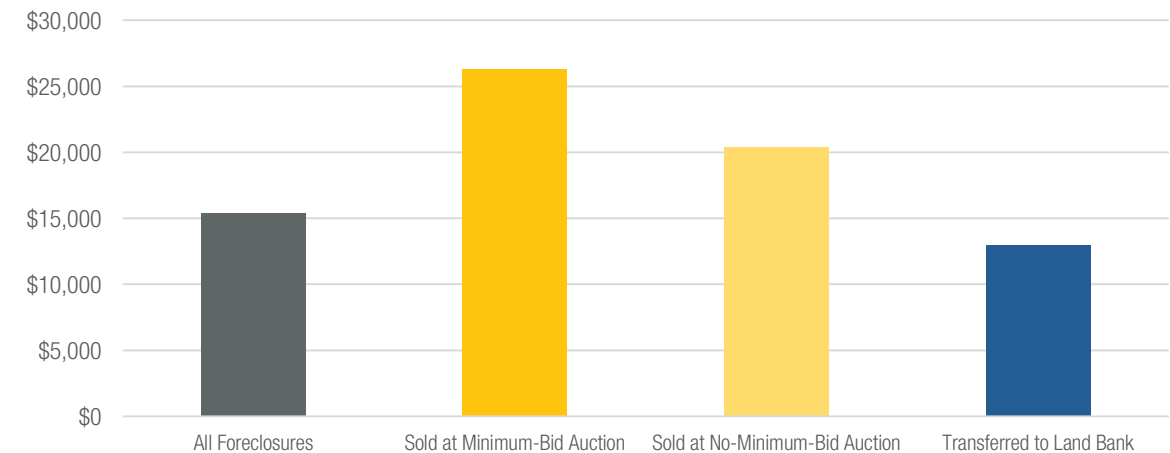
### Property Value

In addition to volume and condition, there are also differences in the value of tax-foreclosed residential properties sold at auction versus those that are not sold and thus transfer to the Land Bank. As depicted in Figure 11, higher value properties understandably tend to sell at the first minimum-bid auction, since the properties in this auction require a higher purchase price compared to the no-minimum-bid auction

**Figure 10: Condition of Residential Structures at Foreclosure, Tax-Foreclosed Residential Structures in Flint, MI, 2008 - 2014**



**Figure 11: Median Property Values at Foreclosure, Tax-Foreclosed Residential Properties in Flint, MI, 2008-2014**



price. Tax-foreclosed properties sold at the minimum-bid auctions and no-minimum-bid auctions had median values of \$26,300 and \$20,400, respectively. Tax-foreclosed residential properties transferred to the Land Bank had a far lower median value of \$13,000. Properties sold at auction were 60% higher in value than properties transferred to the Land Bank.

## SECTION III: COMPARISON OF SYSTEMS FOR CONVEYING TAX-FORECLOSED RESIDENTIAL PROPERTIES IN FLINT, MICHIGAN

This section of the report compares properties sold at public auction to those transferred to the Land Bank by examining the following indicators:

- Change in structure condition
- Demolition rates
- Occupancy status
- Repeat tax foreclosure rates
- Revenue generated from property sales

This analysis associates positive change with improving property conditions, increasing rates of occupancy, and the payment of property taxes. Accordingly, negative change is associated with deteriorating property conditions, persisting vacancy, and a lack of property tax payments.

This analysis used data collected from the Genesee County Treasurer's Office, Genesee County Land Bank Authority, City of Flint, and United States Post Office.<sup>12</sup> These data sources were used to compare the indicators listed above for residentially zoned properties, located within the city of Flint, which were tax foreclosed between 2008 and 2014.<sup>13</sup>

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<sup>12</sup> The Genesee County Treasurer's Office provided tax-foreclosure data for each year and the results from auction sales. The Genesee County Land Bank Authority supplied data on demolition and its property sales as well as county parcel-level information. The City of Flint provided housing condition information as well as vacancy data from the United States Post Office from January of 2015.

<sup>13</sup> Although 2015 tax-foreclosed properties are referenced and examined throughout other sections of the report, this comparison of outcomes does not include 2015 tax foreclosures for several reasons. The conveyance of these properties was completed only three months ago, in January of 2016. Attempting to identify an outcome or change in condition for these properties would be disingenuous. Additionally, given the 2015 policy change that is discussed in Section IV, the conveyance of the 2015 tax-foreclosed properties was administered differently than in previous years, in response to the findings of this research, and would confuse this analysis if included.



Figure 12 provides summary statistics for tax-foreclosed residential properties in Flint sold at the public tax auctions and those that went unsold and transferred to the Land Bank. The Land Bank subsequently sold some of the properties it received, as Figure 12 indicates.

**Figure 12: Summary Statistics for Tax-Foreclosed Residential Properties in Flint, MI, 2008-2014**

	All Properties	Minimum-Bid Auction Sales	No-Minimum-Bid Auction Sales	Transferred to Land Bank	Sold by the Land Bank
<b>Total Properties</b>	10,646	94	939	9,613	2,067
<b>At the Time of Foreclosure</b>					
<b>Structures</b>	8,238	94	939	7,205	1,741
Good	1,481	43	245	1,193	584
Fair	3,252	39	474	2,739	769
Poor	1,780	5	80	1,695	175
Substandard	1,725	7	140	1,578	212
<b>Vacant Lots</b>	2,408			2,408	326
<b>Demolition Candidates</b>	3,505	12	220	3,273	387
<b>Median SEV</b>	\$7,700	\$13,150	\$10,200	\$6,500	\$13,400
<b>Average SEV</b>	\$8,925	\$13,288	\$10,484	\$7,959	\$14,824
<b>2015</b>					
<b>Structures</b>	5,086	94	939	4,053	1,303
Good	1,340	55	258	1,027	614
Fair	1,121	22	180	919	431
Poor	942	9	191	742	149
Substandard	1,683	8	310	1,365	109
<b>Vacant Lots</b>	5,560			5,560	764
<b>Demolition Candidates</b>	2,625	17	501	2,107	258
<b>Repeat Foreclosures</b>	401	10	382		9
<b>Occupied</b>	1,376	58	328		990
<b>Owner-Occupied<sup>1</sup></b>	1,054	8	29		1,017
<b>Sales<sup>2</sup></b>					
<b>Minimum Price<sup>3</sup></b>	\$1	\$1,000	\$20		\$1
<b>Maximum Price</b>	\$67,000	\$13,250	\$13,000		\$67,000
<b>Median Price</b>	\$2,700	\$3,700	\$525		\$4,500
<b>Average Price</b>	\$3,889	\$4,080	\$915		\$6,011
<b>Total Revenue</b>	\$9,046,335	\$354,947	\$856,660		\$7,834,728

Data Source: Genesee County Treasurer's Office, Genesee County Land Bank Authority, United States Post Office, City of Flint

<sup>1</sup> The discrepancy between the number of occupied and owner-occupied structures sold by the Land Bank is explained in the Occupancy section of Section III.

<sup>2</sup> Sales of residential structures are represented in this table, exclusively. All properties sold at auction included a structure and are represented in the table. 764 of the properties conveyed to and subsequently sold by the Land Bank were vacant lots. These sales are not included in this table. These vacant lots had a minimum sale price of \$1, a \$12,000 maximum price, \$100 median price, \$174 average price, and generated a total of \$133,040 in revenue.

<sup>3</sup> Although the starting minimum bid at the no-minimum bid auction was generally \$100 between 2008 and 2014, lower starting minimum bids were used in 2008 and 2011. As a result, five properties in this analysis were sold at the no-minimum bid auction for less than \$100

## CHANGE IN STRUCTURE CONDITION

### Methodology

Change in structure condition was measured by comparing the condition of properties that contained a structure at the time of foreclosure<sup>14</sup> to their condition in 2015.<sup>15</sup> An increase in the proportion of properties in Good or Fair condition was considered an improvement in property condition and a signal of positive change. Likewise, an increase in the proportion of properties in Poor or Substandard condition was considered a worsening property condition and a signal of negative change. Condition change was compared to determine if either conveyance system demonstrated an advantage for improving the condition of tax-foreclosed structures.

### Observations

The condition deteriorated both for structures sold at auction and for those transferred to the Land Bank. Defining structure deterioration as properties shifting from any given condition category to a worse condition, the analysis shows that structure condition deteriorated for 41% of structures sold at auction and 42% of structures transferred to the Land Bank. However, despite these similar rates, overall property conditions (as distinct from structure conditions) were affected differently for those transferred to the Land Bank, in large part because the Land Bank removed 44% of the structures through demolition. Of the structures sold at auction, the percentage of structures in Poor or Substandard condition drastically increased by 127% between the time of sale and 2015. Of the structures transferred to the Land Bank, the *percentage of structures* in Poor or Substandard condition increased by 15% between the time of transfer and 2015. However, the *percentage of properties with structures* in Poor or Substandard condition actually *decreased* by 36% in the same timeframe due to the removal of structures through demolition.<sup>16</sup> In the next section, we address the impacts of demolition and the creation of

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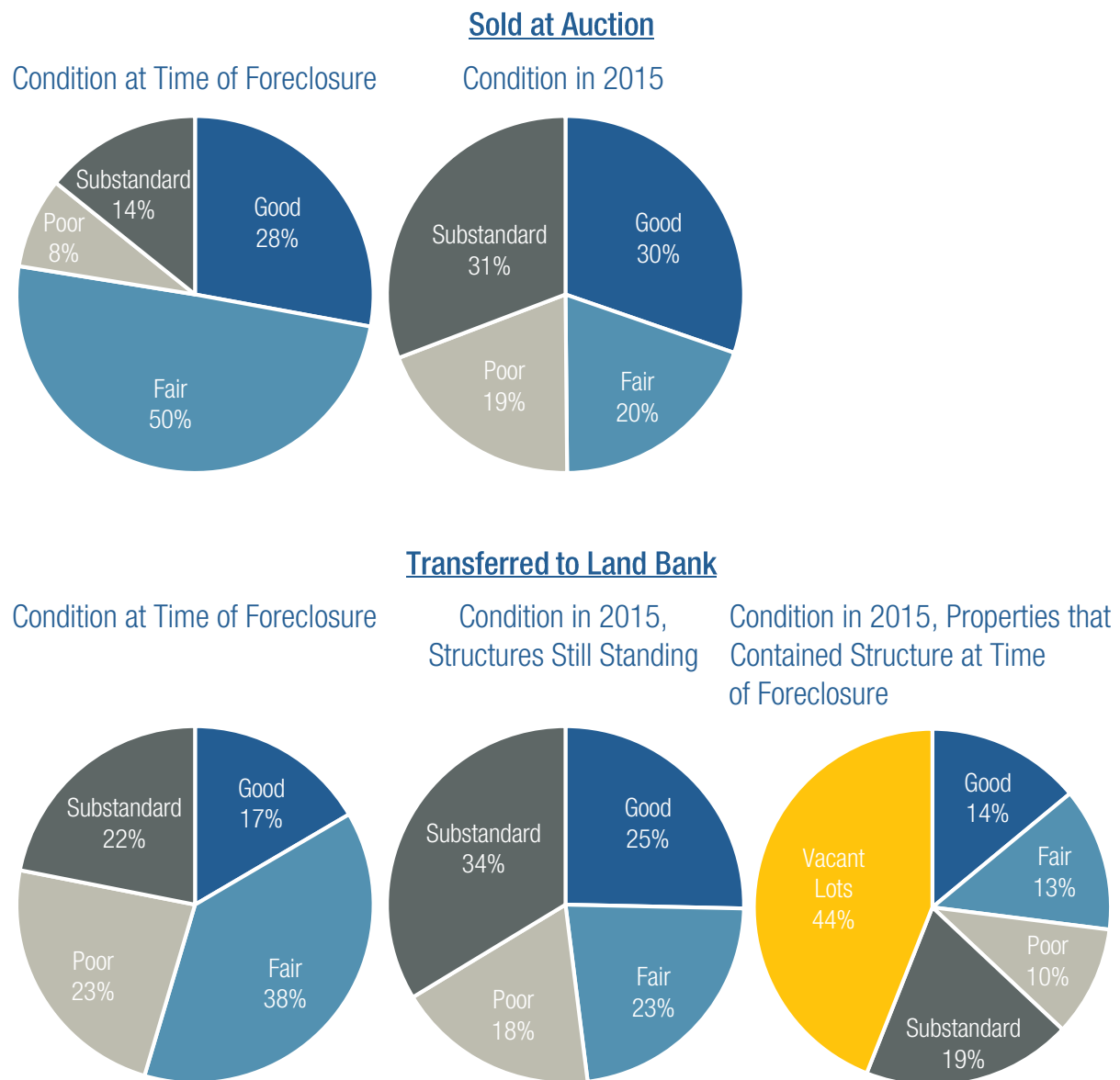
<sup>14</sup> The Structure Condition component of this analysis excludes properties that were vacant lots and did not contain a structure at the time of foreclosure.

<sup>15</sup> Property condition in 2015 is determined by using data from the 2014 Housing Condition Assessment as well as 2015 Genesee County Land Bank Authority property condition data. The 2014 Housing Condition Assessment was conducted through a partnership between the City of Flint and Community Foundation of Greater Flint. The Assessment began in the fall of 2014 and was completed in the winter of 2015. This property condition data was updated and supplemented in the fall of 2015 with property condition data from the Genesee County Land Bank Authority. It is important to clarify that time is not held constant in this approach. A change in condition after seven years is observed for structures foreclosed in 2008, while only a two-year condition change is captured for those foreclosed in 2012. Though this approach would not be acceptable for comparing changes in property condition between specific properties foreclosed during varying years, it is acceptable for examining changes in condition according to conveyance for properties consistently foreclosed during the same seven-year time span.

<sup>16</sup> An apples to apples comparison between structure deterioration in the two systems is complicated by two factors. First, the overall pool of structures analyzed remains the same between the time of transfer and 2015 for those sold at auction, but decreases significantly in the case of transfers to the land bank due to the demolition activity undertaken by the land bank. Second, the condition of the structures at the time of transfer differs, with a larger percentage of the properties received by the Land Bank already in Poor or Substandard Condition compared with those sold at auction. For these two reasons, comparisons regarding structure deterioration alone are of limited value and conclusions should be drawn carefully.

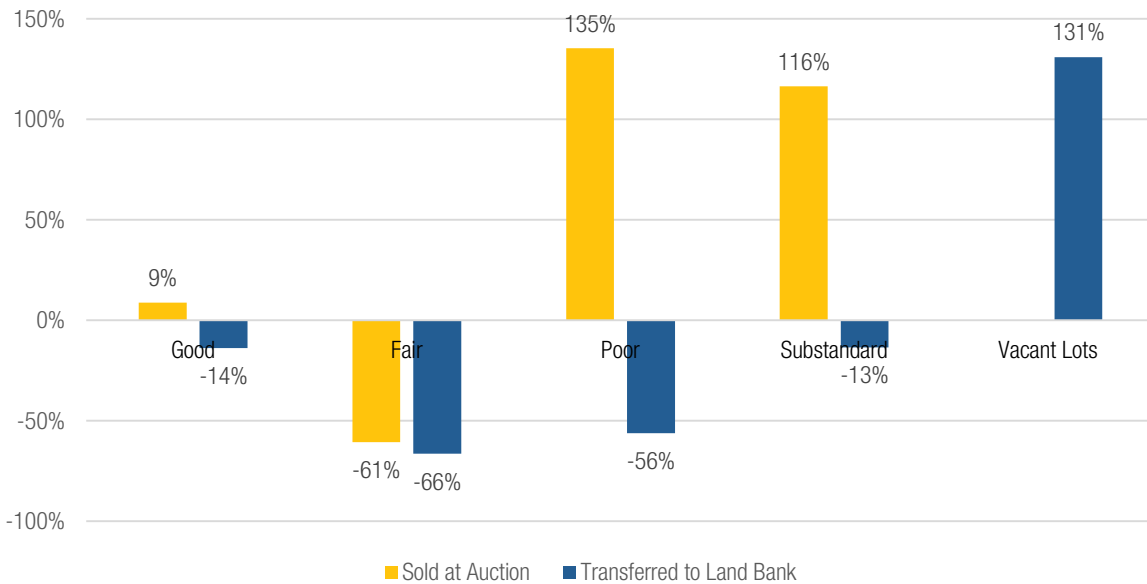
vacant lots on overall property conditions.

**Figure 13: Condition of Residential Structures, Tax-Foreclosed Residential Structures in Flint, MI, 2008 – 2014**



Data Source: Genesee County Land Bank Authority, City of Flint

**Figure 14: Percentage Change in Property Condition between Time of Foreclosure and 2015, Tax-Foreclosed Residential Properties in Flint, MI, 2008-2014**



Data Source: Genesee County Land Bank Authority, City of Flint

## DEMOLITION RATES

The Genesee County Treasurer transferred 9,613 tax-foreclosed properties to the Land Bank between 2008 and 2014, of which 2,408 (25%) were vacant lots at the time of foreclosure. By 2015, the number of vacant lots had more than doubled to 5,560 because of the Land Bank’s substantial demolition activities. Figure 14 clearly depicts this great increase in vacant lots and corresponding decrease in the percentage of structures in all conditions.

Recent research indicates that the demolition of abandoned and deteriorated structures can improve the health, safety, and appearance of surrounding areas and have a positive impact on property values, and consequently tax revenue, in distressed cities such as Flint.<sup>17</sup> Given the substandard condition of many

<sup>17</sup> Griswold, Nigel G. and Norris, Patricia. “Economic Impacts of Residential Property Abandonment and the Genesee County Land Bank in Flint, Michigan.” The MSU Land Policy Institute Report #2007-05 (2007) 1-48.

Mallach, Alan. “Demolition and Preservation in Shrinking US Industrial Cities.” Building Research & Innovation 39.4 (2011): 380-394.

tax-foreclosed residential properties, demolition can serve as an improvement in condition for surrounding properties and quality of life for residents. As such, this analysis compares rates of demolition completed and outstanding for tax-foreclosed residential structures that sold at auction to those transferred to the Land Bank.

## Methodology

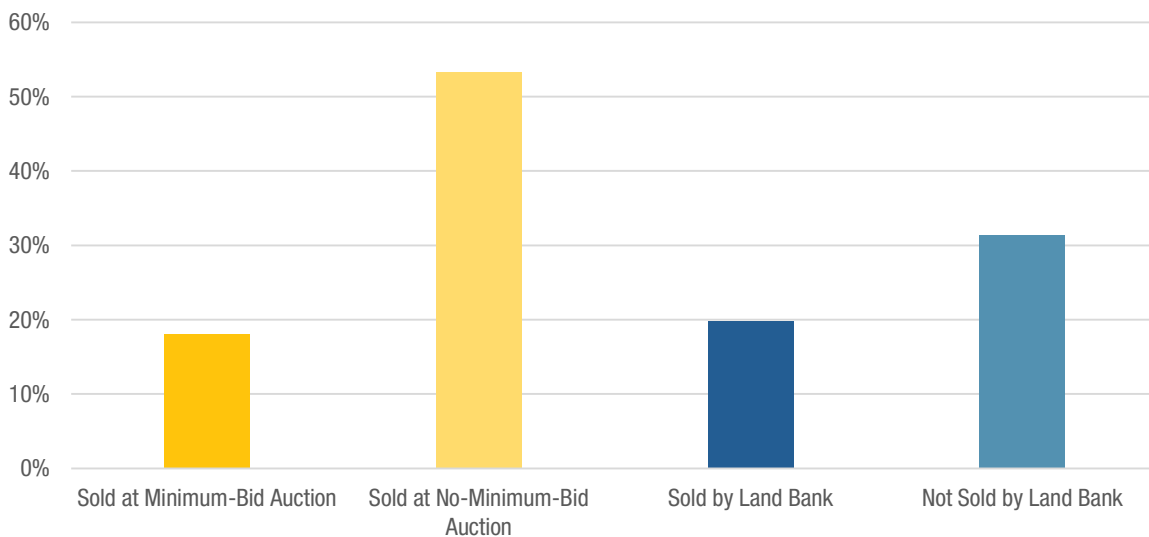
Demolition candidates were defined as properties in Poor or Substandard condition and not scheduled for demolition as of November 2015. The demolition of structures in Poor or Substandard condition was considered an improvement in property condition and a signal of positive change. Demolition rates were compared to determine if either conveyance system demonstrates an advantage for removing tax-foreclosed structures in Poor or Substandard condition through demolition. Likewise, the persistent presence and lack of demolition of structures in Poor or Substandard condition was viewed negatively.

## Observations

### *Demolition completion*

The Land Bank received a disproportionate share of demolition candidates. While the Land Bank received ten times more properties than those sold at auction, it received sixteen times more demolition

**Figure 15: Percent of Structures Considered Demolition Candidates in 2015, Tax-Foreclosed Residential Structures in Flint, MI, 2008-2014**



Data Source: Genesee County Land Bank Authority, City of Flint

“Estimating Home Equity Impacts from Rapid, Targeted Residential Demolition in Detroit, MI: Application of a Spatially-Dynamic Data System for Decision Support” by Dynamo Metrics, LLC. <http://www.demolitionimpact.org>, accessed on November 25, 2015.

candidates. As of 2015, demolition was completed or in process for 3,152 of the structures that were transferred to the Land Bank. Accordingly, 44% of the residential structures received by the Land Bank have been demolished.

In stark comparison, none of the properties sold at public auctions were subsequently demolished. A lack of demolition is not necessarily a negative outcome. If properties, once in Poor or Substandard condition, are still standing because they have undergone renovation, then the improvement in property condition would be a positive change. However, as discussed in the previous section on structure conditions, the condition of properties sold at auction did not improve, but rather deteriorated. Thus, while the demolition completion rate for properties transferred to the Land Bank is substantial, the complete absence of demolition on properties conveyed through public auction sales coupled with deteriorating property conditions is concerning.

### ***Demolition candidacy***

Figure provides demolition candidate rates<sup>18</sup> for four mutually exclusive categories: properties sold at the minimum-bid auction, properties sold at the no-minimum-bid auction, properties transferred to the Land Bank and subsequently sold, and properties transferred to the Land Bank and not subsequently sold.

While the demolition candidacy rate increased by 127% for properties sold at auctions, the rate for properties transferred to the Land Bank decreased by 36%. Of the structures transferred to the Land Bank, the 45% rate from the time of foreclosure decreased to 29% by 2015 as a result of the Land Bank's demolition activity. Conversely, the demolition candidacy rate increases from 22% to 50% for properties sold at auction. The demolition candidacy rate for structures sold at the no-minimum-bid auction, which accounts for 90% of auction sales, stands out in Figure at 53%.

As the percentage of properties transferred to the Land Bank that are demolition candidates decreased over time and moved in the right direction, the rate for properties sold at auctions moved in the opposite direction and actually surpassed the rate for properties transferred to the Land Bank. Transfers to the Land Bank demonstrate a distinct advantage over public auction sales for removing tax-foreclosed structures in Poor or Substandard condition through demolition.

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<sup>18</sup> The demolition candidate rate is calculated as the percentage of tax-foreclosed properties that contained a structure at the time of foreclosure and still contained a structure in Poor or Substandard condition that was not scheduled for demolition as of November 2015.

## OCCUPANCY STATUS

### Methodology

Two measures of property occupancy were examined: first, occupancy as opposed to vacancy; and second, owner occupancy. Occupancy and owner occupancy were both considered signals of positive change. Owner-occupancy is viewed as a signal of positive change because of findings that higher homeownership rates are indicative of stability and strength in detached single-family residential areas.<sup>19</sup> Data collected from the United States Post Office in January of 2015 is used to categorize properties as occupied or vacant. Owner-occupancy is measured by recorded Primary Residence Exemption (PRE) claims of 100% in 2015.<sup>20</sup>

Occupancy rates for structures sold at auction were measured and compared to those for properties transferred to and subsequently sold by the Land Bank.<sup>21</sup> Structures transferred to and still held by the Land Bank were excluded from this piece of the analysis. Of the 9,613 properties received by the Land Bank between 2008 and 2014, 7,205 or 75% contained a structure at the time of foreclosure. Since that time, the Land Bank has demolished 3,152 of these structures, sold 1,303 (22% of tax-foreclosed properties received by the Land Bank), and still holds 2,750 (78% of tax-foreclosed properties received by the Land Bank), as depicted by Figure 16. This portion of the analysis, examines the occupancy status of the 1,303 structures sold by the Land Bank to the 1,033 properties sold at auction. Rates were compared to determine if either conveyance system demonstrated an advantage for promoting occupancy or owner occupancy of tax-foreclosed properties through sales.

### Observations

#### *Occupancy Status*

As Figure shows, as of 2015, 76% of the structures that had been sold by the Land Bank between 2008 and 2014 were occupied, leaving 24% vacant. Distinguishing between the auctions, minimum-bid sales had stronger occupancy rates as 62% of the properties sold at the minimum-bid auction were occupied, compared to only 35% of the no-minimum-bid auction sales. Looking at both auctions, the occupancy

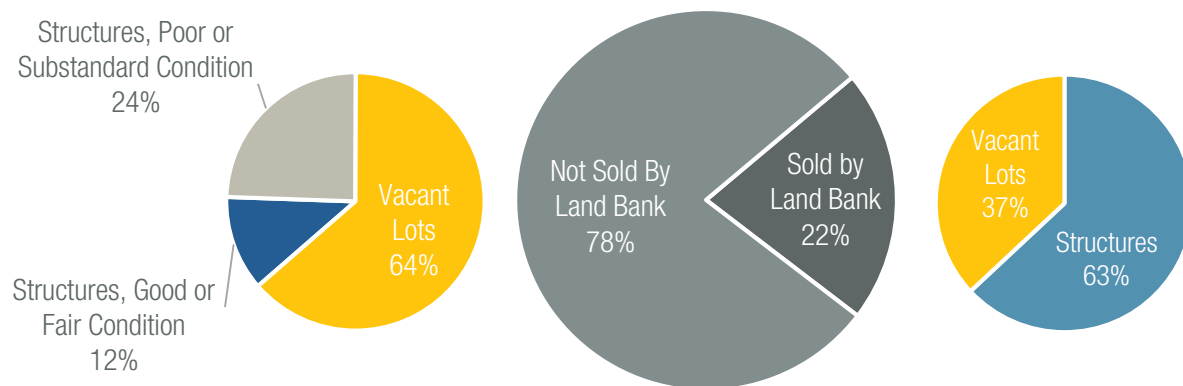
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<sup>19</sup> Mallach, Alan. "Housing Market Conditions Assessment City of Flint, Michigan." Center for Community Progress (2013) 8.

<sup>20</sup> PRE claims are used to measure owner-occupancy because only person(s) who own and occupy a residence are eligible for the exemption. "A Principal Residence Exemption (PRE) exempts a residence from the tax levied by a local school district for school operating purposes up to 18 mills. Section 211.7cc and 211.7dd of the General Property Tax Act, Public Act 206 of 1893, as amended, addresses PRE claims. To qualify for a PRE, a person must be a Michigan resident who owns and occupies the property as a principal residence. The PRE is a separate program from the Homestead Property Tax Credit, which is filed annually with a Michigan Individual Income Tax Return." Source: [http://www.michigan.gov/taxes/0,4676,7-238-43535\\_43539--,00.html](http://www.michigan.gov/taxes/0,4676,7-238-43535_43539--,00.html), accessed on October 6, 2015.

<sup>21</sup> Land Bank sales are identified according to two criteria: first, a sale recorded by the Land Bank that was completed after being paid in full; and second, a transfer of title and ownership from the Land Bank to the private purchaser. This distinction is important as the Land Bank sells improved property primarily through land contracts and rent-to-own agreements.

**Figure 16: Type and Ownership of Properties Transferred to the Land Bank, Tax-Foreclosed Residential Properties in Flint, MI, 2008-2014**



Data Source: Genesee County Land Bank Authority, City of Flint

rate for all auction sales is a mere 37%, leaving 63% of all structures sold at auctions vacant. While the Land Bank demonstrated success in promoting property occupancy through sales, vacancy persists for the majority of properties sold at auction.

### ***Owner Occupancy Status***

Figure shows that the owner occupancy rate for properties sold by the Land Bank is 78%, which is actually slightly higher than the overall occupancy rate. This small<sup>22</sup> discrepancy may be the result of vacancy data source inaccuracies.<sup>23</sup> Nevertheless, the owner occupancy rate for structures sold by the Land Bank and its close match to the occupancy rate indicates that structures sold by the Land Bank are largely owner occupied. In stark contrast, only 4% of the structures sold at auctions are owner occupied.

Properties transferred to and subsequently sold by the Land Bank were occupied at a rate that matched citywide occupancy and were owner occupied at a rate that far exceeded Flint's overall owner occupancy rate.<sup>24</sup> Meanwhile, rates for properties sold at auctions demonstrated high and persistent vacancy and low owner-occupancy. Nearly two-thirds of structures sold at auctions were vacant and only one out of every twenty was owner-occupied. Transfers to the Land Bank demonstrated an advantage over auction sales

<sup>22</sup> 25 properties in total.

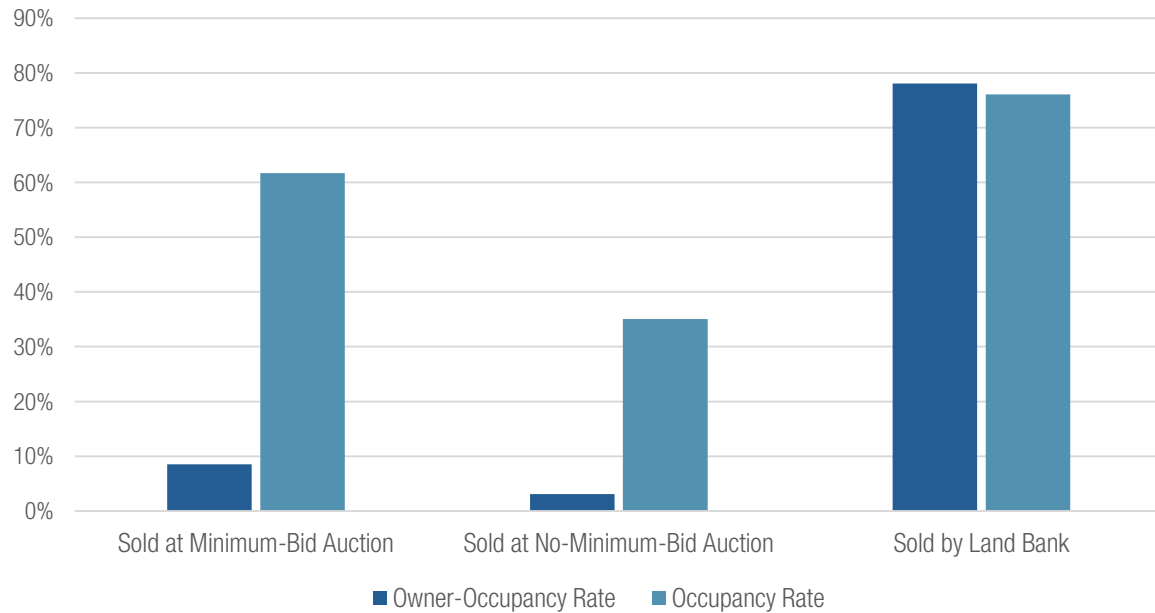
<sup>23</sup> Occupancy was measured by using data that was collected by the United States Post Office (USPS) in January of 2015. The USPS vacancy data primarily measures and counts whether or not addresses receive mail, which is not a completely accurate measure of property vacancy. For example, the USPS data considers households vacant that do not receive delivered mail because they use a post box as well as households that have mail forwarded or temporarily stopped because of vacation or seasonal migration. As a result, using USPS data accepts an imperfect measure of vacancy that is likely to overestimate property vacancy.

<sup>24</sup> 76% of Flint's residential structures are occupied according to the USPS vacancy data and 56% are owner-occupied according to PRE claims of 100%. 76% of the structures sold by the Land Bank are both occupied and owner-occupied.



for promoting both property occupancy and owner occupancy through sales.

**Figure 17: Occupancy and Owner-Occupancy Rates in 2015, Tax-Foreclosed Residential Properties in Flint, MI, 2008-2014**



Data Source: Genesee County Land Bank Authority, United States Post Office, City of Flint

## REPEAT TAX FORECLOSURE RATES

### Methodology

The tax foreclosure process seeks to successfully transition properties into the property tax payment system, and thus, generate revenue for local taxing units. As explained earlier, the Genesee County Treasurer forecloses upon a property after three consecutive years without tax payment. A property repeats tax foreclosure if it is tax foreclosed, conveyed, and subsequently tax foreclosed again. This repeat tax foreclosure represents an ongoing loss of property tax revenue and signals persistent abandonment. As such, this analysis viewed instances and increasing rates of repeat tax foreclosure negatively.

Repeat tax foreclosure was measured by counting properties that were tax foreclosed in this analysis more than once.<sup>25</sup> Repeat tax foreclosure rates for properties sold at auction were compared to rates for

<sup>25</sup> The repeat tax-foreclosure analysis examined only properties that were eligible for a second instance of tax-foreclosure. Because properties are tax foreclosed when property taxes are not paid for three years, properties that were tax foreclosed in

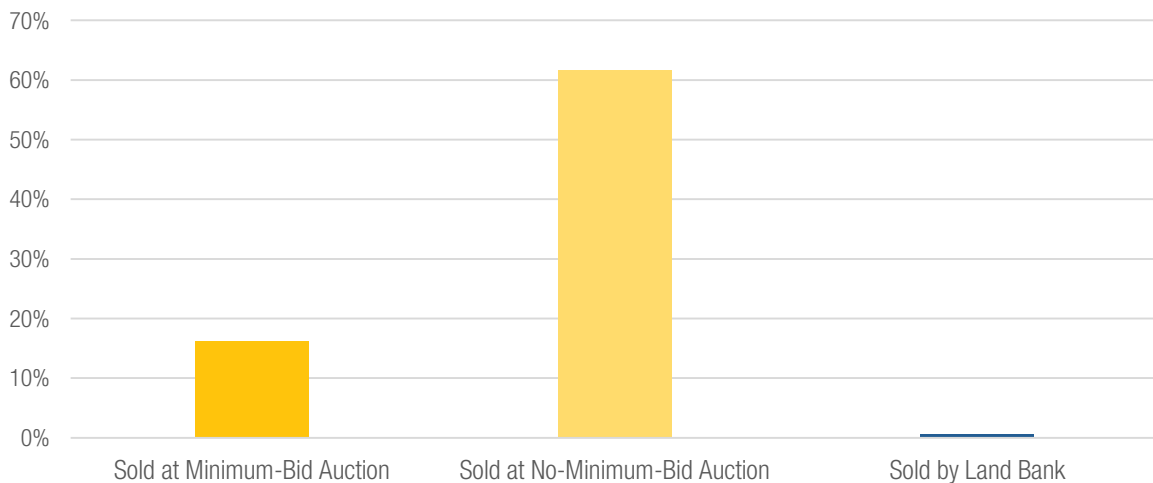
properties conveyed to and then sold by the Land Bank. Repeat tax foreclosure rates were compared to determine if either conveyance system demonstrates an advantage or disadvantage for successfully reintroducing tax-foreclosed properties into the property tax payment system.

### Observations

A total of nine Land Bank sales went through tax foreclosure more than once, representing 0.52% of properties sold by the Land Bank.

As shown in Figure, the repeat foreclosure rates for auction sales were 16% and 62% for properties sold at the minimum-bid and no-minimum-bid auctions, respectively. Combining the figures for both auctions, 57% of all properties sold at auction repeated tax foreclosure. This means that 57% of properties that were foreclosed by the Genesee County Treasurer and sold at public auctions were foreclosed again by the Genesee County Treasurer in no more than seven years' time. Ultimately, Land

**Figure 18: Repeat Tax-Foreclosure Rates, Tax-Foreclosed Residential Properties in Flint, MI, 2008-2014**



Data Source: Genesee County Treasurer's Office

Bank sales demonstrate an advantage over auction sales for reintroducing tax foreclosures into the

2013 and 2014 were not eligible for a second instance of tax foreclosure in 2015. Thus, this repeat tax foreclosure analysis examined a subset of the properties in this Section III comparative analysis. Only properties that were tax foreclosed between 2008 and 2012 were included in the repeat tax foreclosure analysis. Accordingly, properties that were tax-foreclosed in 2013 and 2014 were not included. Repeat tax-foreclosure rates were calculated for properties sold at public auctions by dividing the number of these properties that had been tax-foreclosed again by 2015 (392 properties) by the number of properties sold at public auctions between 2008 and 2012 (683 properties). The repeat tax-foreclosure rate for properties sold by the Land Bank was calculated by dividing the number of properties that had been tax-foreclosed again by 2015 (9 properties) by the number of properties that were tax-foreclosed between 2008 and 2012, transferred to the Land Bank, and subsequently sold by the Land Bank (1,740 properties).

property tax payment system.

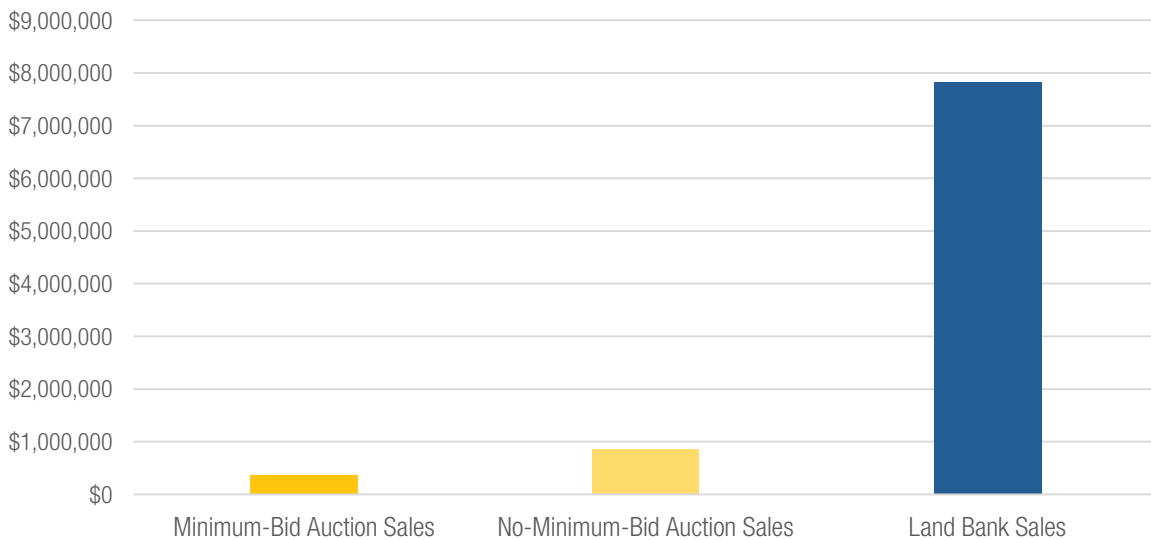
## REVENUE GENERATED BY PROPERTY SALES

Revenue generated from property sales was also examined to compare auction sales to transfers to the Land Bank. The amount of revenue each system generates will matter for leaders making decisions on systems for conveying tax-foreclosed properties in Flint, Genesee County, and beyond. Revenue generated from property sales offsets property tax revenue losses. Such revenue can also support systems for addressing property abandonment and neighborhood stability in the short and long term.

### Methodology

Total revenue generated by each conveyance system was examined to determine if either system demonstrates a greater propensity to generate more revenue through the sale of tax-foreclosed properties. Average and median sales price for structures sold through each conveyance system were calculated and compared as well.<sup>26</sup>

**Figure 19: Total Revenue from Property Sales, Tax-Foreclosed Residential Properties in Flint, MI, 2008-2014**



Data Source: Genesee County Treasurer's Office, Genesee County Land Bank Authority

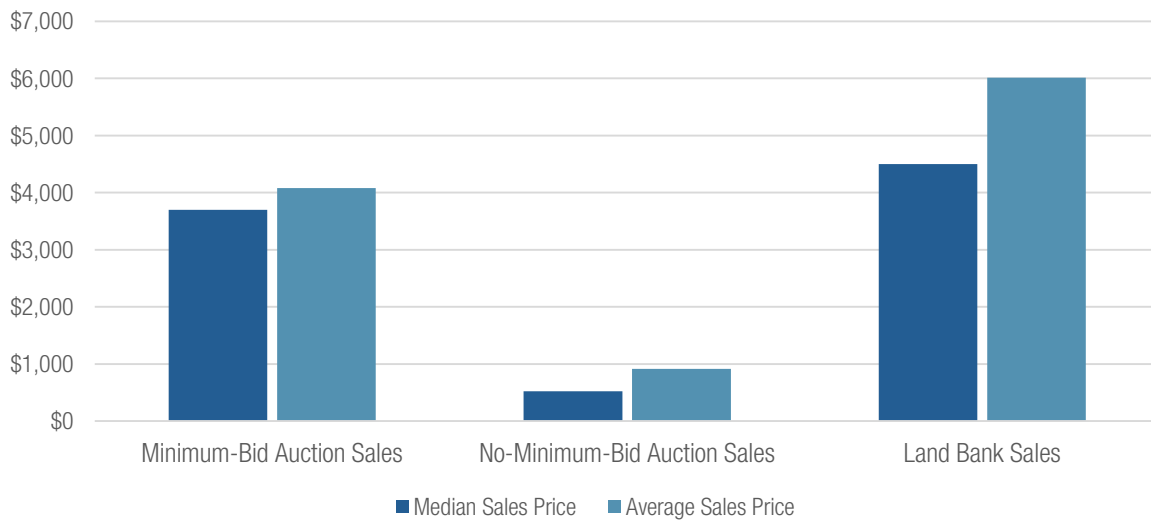
<sup>26</sup> Vacant lot sales are excluded from the average and median sales price analysis. The average sale price for a vacant lot in Flint, Michigan is \$150. Since vacant lots account for a substantial portion of GCLBA sales and no public auction sales, vacant lot sales were excluded to ensure an accurate comparison of average and median values. Prices for the sale of improved residential properties (properties that contain a structure) are compared.

## Observations

### *Total Sales Revenue*

As Figure shows, the Land Bank generated nearly \$8 million in revenue from the sale of 1,303

**Figure 20: Average and Median Sale Prices, Tax-Foreclosed Residential Properties in Flint, MI, 2008-2014**



Data Source: Genesee County Treasurer's Office, Genesee County Land Bank Authority

properties in this analysis. Just over \$1.2 million was generated by the sale of 1,033 properties at auction; \$856,660 generated from sales at the no-minimum-bid auction and \$354,947 from the minimum-bid auction. Thus, revenue generated through Land Bank sales was more than six times greater than that from auction sales. This large disparity in revenue generated by Land Bank sales and auction sales is not explained by a disparity in the volume of sales. Land Bank sales were only 26% greater than auction sales in number but generated 547% more revenue. As explained below, the Land Bank's ability to attract a higher sales prices for structures explains the value of its sales revenue.

### *Average and Median Property Sales Price*

As Figure shows, the average sale price for structures sold by the Land Bank was \$6,011 and the median price was \$4,500. The average sale price for structures sold at the minimum-bid auction was \$4,080 and the median price was \$3,700, roughly 25% less than the prices for Land Bank sales. The prices for structures sold at the no-minimum-bid auction were far lower than those for minimum-bid auction sales and Land Bank sales. The average sale price for structures sold at the no-minimum-bid auction was \$915 and the median price was \$525. Combining sales from both auctions, the average sale price for structures sold at auction was \$1,184 and the median price was \$600. Land Bank sales prices are five times greater than average auction sales prices and seven times greater than median auction prices. Tax-foreclosed residential properties transferred to and subsequently sold by the Land Bank generate more

sales revenue in total and per property. Land Bank sales demonstrate the propensity to generate greater revenue through the sale of tax-foreclosed properties.

# SECTION IV: BUNDLING ALL PROPERTIES DURING THE NO-MINIMUM-BID AUCTION: A 2015 TAX-FORECLOSURE CONVEYANCE POLICY CHANGE IN FLINT, MICHIGAN

The City of Flint and the Genesee County Treasurer’s Office made a bold policy change in the fall of 2015. The research findings from this analysis were shared with local officials and prompted introspective conversations about the conveyance practices for tax-foreclosed properties in Flint. These conversations focused on the negative indicators observed for properties sold at the non-minimum-bid auction. The deteriorating property conditions, high rates of vacancy, and alarming rates of property tax delinquency associated most with no-minimum-bid auction sales ran counter to the goals of governmental leaders in Flint and Genesee County. The results observed for properties transferred to the Genesee County Land Bank Authority, associated with improving property conditions, encouraging rates of occupancy, and property tax payments after sale, promised greater opportunities for community stabilization.

Faced with an alternative to unsatisfactory no-minimum-bid auction sales, local leaders made an unprecedented decision to turn away from the use of no-minimum-bid auction sales to convey individual tax-foreclosed properties in Flint. Local leaders advertised this policy change in the summer

**Figure 21: Auction Sales of Tax-Foreclosed Residential Properties in Flint, MI, 2008-2015**

Year	NUMBER OF PROPERTIES SOLD			AVERAGE SALE PRICE/PROPERTY			REVENUE FROM SALES		
	Minimum-Bid	No-Minimum-Bid	Total	Minimum-Bid	No-Minimum-Bid	Total	Minimum-Bid	No-Minimum-Bid	Total
2008	13	175	188	\$2,300	\$732	\$784	\$13,797	\$128,170	\$141,967
2009	8	94	102	\$6,293	\$407	\$659	\$28,900	\$38,300	\$67,200
2010	7	134	141	\$4,046	\$927	\$1,193	\$44,050	\$124,200	\$168,250
2011	25	137	162	\$3,600	\$655	\$1,188	\$101,150	\$87,800	\$188,950
2012	9	81	90	\$4,098	\$846	\$1,122	\$32,400	\$68,550	\$100,950
2013	15	200	215	\$4,026	\$1,385	\$1,596	\$66,200	\$276,940	\$343,140
2014	17	118	135	\$4,694	\$1,125	\$1,490	\$68,450	\$132,700	\$201,150
2015	44	NA	44	\$4,286	NA	\$4,694	\$206,554	NA	\$206,554

Data Source: Genesee County Treasurer’s Office

and fall of 2015, leading up to both auctions to ensure that parties interested in purchasing tax-foreclosed property would have the ability to purchase properties individually at the minimum-bid auction. In August of 2015, the Genesee County Treasurer’s Office accepted a formal request from City of Flint asking that, following the 2015 minimum-bid auction, the Genesee County Treasurer’s Office bundle for the no-minimum-bid auction all tax-foreclosed properties located in Flint that did not sell at the minimum-bid auction. Since no private entity bid on the bundle of properties, the properties transferred to the Genesee County Land Bank Authority on January 1, 2016.

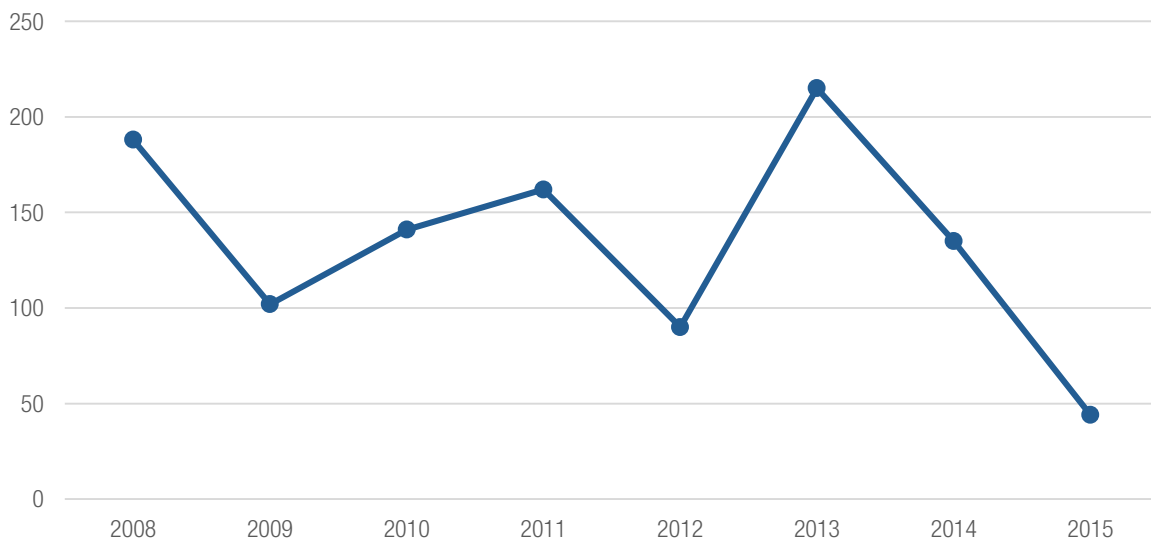
Local City of Flint and Genesee County leaders did have reservations about this policy decision. Although they were decisively dissatisfied with the outcomes of no-minimum-bid auctions, the revenue that these auction sales generated for local taxing units could not be immediately dismissed. As Figure shows, no-minimum-bid auction sales for residential properties in Flint generated \$856,660 of revenue between 2008 and 2014, representing more than 70% of the revenue generated through auction sales. Foregoing expected revenue is never an easy decision, particularly for local government agencies facing dire financial constraints. Nevertheless, local leaders in Flint decided that the physical and financial costs associated with no-minimum-bid auction sales outweighed the short-term revenue infusion.

## INITIAL OBSERVATIONS

### Sales Volume

Sales at the minimum-bid auction surged in response to this policy change. More residential properties in Flint were sold at the 2015 minimum-bid auction than in any other year in this analysis by nearly twofold. In fact, the number of properties sold at the minimum-bid auction in the year 2015 equates to

**Figure 22: Number of Auction Sales by Year, Tax-Foreclosed Residential Properties in Flint, MI, 2008-2015**



Data Source: Genesee County Treasurer's Office

40% of the number of properties sold at that auction in the previous *seven years* combined. While the number of properties sold at the minimum-bid auction drastically increased in 2015, without the no-minimum-bid auction, the total number of auction sales in 2015 decreased significantly compared to prior years, as Figure on the previous page shows.

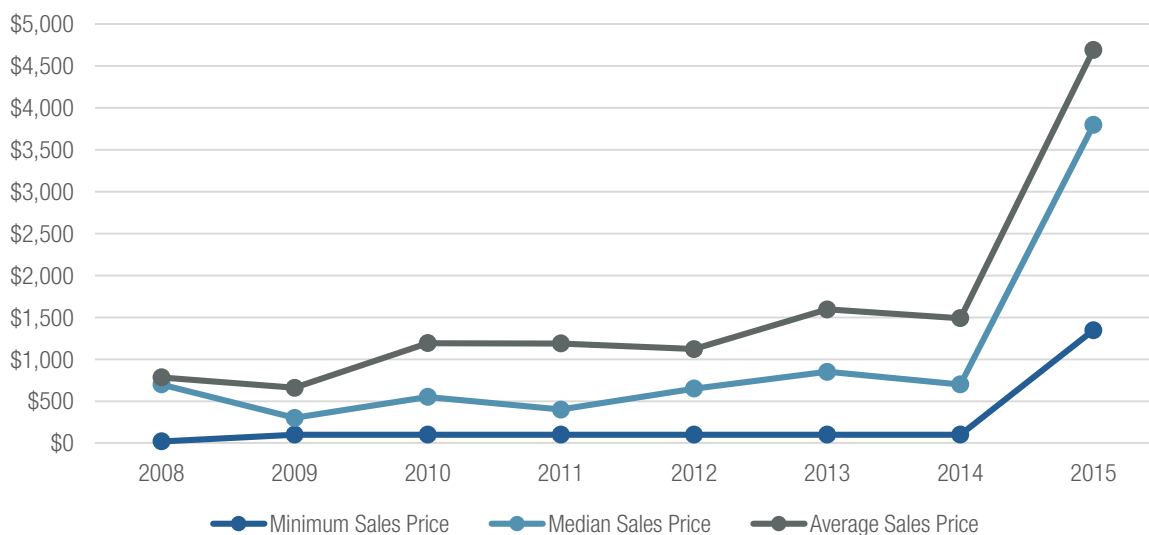
### Average and Median Property Sales Price

As depicted in Figure , the per property sales price increased for total auction sales in 2015 due, in part, to the lack of depressed sales prices at the no-minimum bid auction.<sup>27</sup> The average sales price for a property sold at auction in 2015 was \$4,694, as compared to \$1,490 in 2014.

### Total Sales Revenue

Local leaders anticipated that their change in policy might result in lowered total auction sales revenue; however, minimum-bid sales at the 2015 auction generated slightly more revenue than both auctions combined yielded in 2014, as shown in Figure on the next page. The policy change likely shifted a substantial number of sales from the no-minimum-bid to the minimum-bid auction, resulting in higher sales prices for properties that would have otherwise sold for substantially less at the no-minimum-bid auction. Essentially, the same amount of revenue that had been produced by a greater number of lower-value sales in the previous year was generated through fewer, but higher-value, minimum-bid auction

**Figure 23: Auction Sale Prices by Year, Tax-Foreclosed Residential Properties in Flint, MI, 2008-2015**



Data Source: Genesee County Treasurer's Office

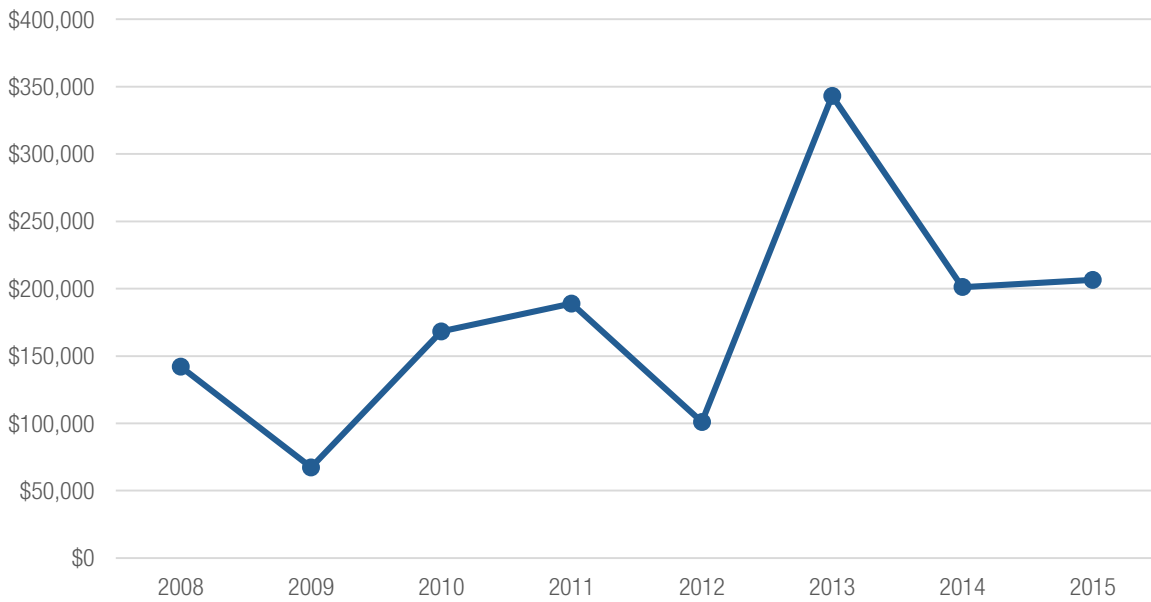
<sup>27</sup> The minimum-bid auction, by definition, requires a significantly higher minimum bid. Thus, sales prices for the minimum-bid auction are generally significantly higher than no-minimum bid prices.



sales in 2015.

Ultimately, local leaders in Flint strategically changed their approach to tax foreclosure conveyance in 2015 to: one, limit sales that had been associated with negative property condition change and presented obstacles to neighborhood stability; and two, increase sales that had shown outcomes that were more positive. Further future analysis is needed to determine if this augmented approach will result in ongoing positive outcomes.

**Figure 24: Total Revenue from Auction Sales by Year, Tax-Foreclosed Residential Properties in Flint, MI, 2008-2015**



Data Source: Genesee County Treasurer's Office

## SUMMARY OF FINDINGS & CONCLUSION

This report examined and compared the two existing systems used for conveying tax-foreclosed residential properties in Flint, Michigan between 2008 and 2014 - the Genesee County Treasurer's public auction and the Genesee County Land Bank Authority. Properties sold at public auction were compared to those transferred to the Land Bank by examining indicators of positive or negative change in the properties. These indicators include change in structure condition, demolition rates, occupancy status, and repeat tax-foreclosure rates. In addition, this report analyzed revenue generated by property sales under each conveyance system.

- **Change in Structure Condition**  
Neither public auction sales nor transfers to the Land Bank demonstrated a significant improvement in the condition of tax-foreclosed structures.
- **Demolition Rates**  
The Land Bank aggressively demolished structures it received in Poor and Substandard condition. Meanwhile, even as the condition of structures sold at auction drastically deteriorated, none were demolished. Thus, transfers to the Land Bank demonstrated a distinct advantage for removing blighted, tax-foreclosed structures through demolition. Given the substandard condition of many tax-foreclosed residential properties, demolition can serve as an improvement in condition for surrounding properties and quality of life for residents.
- **Occupancy Status**  
Public auction sales exhibited persistently high rates of vacancy and low rates of owner occupancy. Properties transferred to and subsequently sold by the Land Bank had rates of occupancy and owner-occupancy that exceed citywide averages and demonstrated an advantage for promoting both.
- **Repeat Tax Foreclosure Rates**  
57% of the properties sold at public auctions repeated tax-foreclosure, were tax foreclosed a second time, during this period of analysis. Of the properties transferred to and subsequently sold by the Land Bank, less than 1% repeated tax foreclosure. Land Bank sales demonstrated an advantage for successfully reintroducing tax-foreclosures into the property tax payment system.
- **Revenue Generated by Property Sales**  
Land Bank sale prices were five times greater than auction prices on average and, although Land Bank sales were only 26% greater in number, they generated 547% more revenue.

This comparison observed markedly different trends for tax-foreclosed residential properties sold at auction to those transferred to the Land Bank. Properties received by the Land Bank demonstrated higher demolition rates, higher rates of occupancy, minimal rates of repeat tax foreclosure, and greater revenue generation despite being in worse condition, lower in value, and ten times greater in number when transferred to the Land Bank. Conversely, properties sold at public auction exhibited greater rates of worsening property conditions, low rates of occupancy, high rates of repeat tax foreclosure, and less revenue generation even though they were in better condition, higher in value, and much fewer in

number when sold. In conclusion, this data analysis finds that transfers to the Genesee County Land Bank Authority demonstrate an advantage over public auction sales in terms of removing blighted structures through demolition, advancing property occupancy, and generating property tax payments and revenue through sale.

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