



Georgia Initiative for Community Housing “Helping Your Community Meet Its Housing Needs”

May 24, 2005

- **Macon-Bibb County Land Bank Authority**
 - **Macon Housing Authority**



“Property Acquisition for Neighborhood Revitalization”

- 1. Who we are**
- 2. The problems**
- 3. The solutions**
- 4. The results**



“Property Acquisition for Neighborhood Revitalization”

1. Who We Are

Macon-Bibb County Land Bank Authority:

- A non-profit corporation organized under Georgia law, created through an inter-local agreement between the City of Macon and Bibb County
- Works with the City and County in the implementation of community and economic development; specifically providing land to be used in the production of housing for low and moderate income families
- Primary objective is to place underutilized parcels of property in a productive use status, to generate tax revenue and enhance the quality of life for residents living in targeted communities

The Macon Housing Authority:

- Created in 1938
- HUD High Performer for Public Housing (2076 units)
- Ditto for Section 8 (2,369 units)
- But HUD cuts our throat and bugs us
- Need to diversify our income/asset base
- Our in-house non-profits have:
 - Built/rehabbed/sold 70 single-family houses
 - Completed 283 tax-credit units/in the pipeline
 - Developed Grove Park Village, a 40 unit PSHP funded by DCA



The City of Macon: An Invaluable Partner:

- In a partnership with Bibb County, funds the operations of the Land Bank Authority
- Provides funds for land acquisition
- Prepares Redevelopment Plans and market studies for targeted communities
- Provide technical assistance with the implementation of redevelopment plans
- Funds acquisition activities required under the URA such as legal expenses, appraisals, condemnation expenses
- Responds aggressively to emerging inner-city drug problems, code enforcement problems, etc.

Redevelopment Partners

- City of Macon
- Bibb County
- Macon Housing Authority
- Land Bank Authority
- In-Fill Housing, Inc.
- Bealls Hill Development Corporation
- Macon Heritage Foundation
- Habitat for Humanity
- Central South Task Force



“Property Acquisition for Neighborhood Revitalization”

2. The Problem

- a) Unique challenges in
inner-city areas**
- b) Property acquisition is
difficult and fragmented**

a. Inner-city areas have “unique challenges”*

- Disinvestment has occurred over decades
- Code enforcement can't keep up
- Crime/drugs, etc., or. . . .
- The *image* of crime/drugs, etc. can be a reality
- The erosion of the middle class
- The preponderance of renters
- The breakdown of institutions

*PC for “hellacious problems”



b. Properties targeted for redevelopment aren't always obtainable

- Owners can't be found, or
- Owners can be found but don't have clear title, or
- Owners can be found and they have clear title, but they want to hold
- Neighborhood redevelopment fails when we just get the properties that no one else wants
- The importance of critical mass
- Hard lessons learned the hard way



“Property Acquisition for Neighborhood Revitalization”

3. The Solutions

a) Eminent Domain

b) MHA/LBA Agreement

a) Eminent Domain

The Land Bank “Bus Tour”

- Spring, 1998
- Land Bank Board and staff, MHA Management
- Discussed problems with trying to buy targeted properties
- MHA and Land Bank staff/attorney mapped out a strategy on the spot, using eminent domain
- Never occurred to most of us that MHA has eminent domain powers

Eminent domain. . . .

- Gives us the ability to acquire substandard and/or vacant properties
- Enables us to get the critical mass needed for successful neighborhood redevelopment
- Fast tracking
- Assures owner's rights/day in court
- Not without some controversy

MHA's eminent domain powers

- O.C.G.A. 8-3-31 (“Housing Authorities Law”)
- Differs from a City's Urban Renewal powers
- Must show public purpose
- Must be willing to pay “just and adequate compensation”

MHA's eminent domain powers

- MHA adopted an “Eminent Domain Policy”
- Gives us
 - Another tool in the MHA tool kit, but
 - Prevents an “Attila the Hun approach” to redevelopment
- Another key partnership with the Land Bank Authority, the City of Macon and others

MHA's Eminent Domain Policy

- Public purpose required
- Must be housing-related
 - Not a front for Wal-Mart
- MHA Board of Commissioners approves Redevelopment Plan and
- MHA Board approves the use of eminent domain for each property
- For *last resort* use, after LBA's efforts to acquire have been exhausted

“Last resort use” where:

- Current owner can't be located/identified
- Property is in an estate with multiple heirs who cannot be located or identified
- Owner(s) can't provide clear title
- Bibb County has foreclosed due to non-payment of taxes
- Purchase negotiations have reached an impasse
- MHA believes the property is vital to the neighborhood's redevelopment

Other stipulations:

- Minimize displacement as much as possible
 - Not always avoided
 - URA kicks in
- Third party appraisals establish value

Land Bank Authority & Eminent Domain

- The Land Bank assists other non-profit developers in requesting MHA's powers of eminent domain
- The Land Bank ensures that the URA guidelines will be followed by non-profit developers
- Acquisition must be in accordance with MHA's Eminent Domain Policy
- "Agency Agreements" are entered between the Land Bank and non-profit developers for property acquisition

b) MHA/LBA Agreement

- The Land Bank Authority serves as MHA's agent for property acquisition. The LBA:
 - Determines ownership
 - Communicates/negotiates with property owners
 - Reports to MHA on status
 - Complies with URA requirements
 - Gives MHA advice/recommendations



Benefits to everyone

- Reduces duplication of effort among all of our partners
- URA requires technical expertise
- Saves time and money for everyone

MHA Provides

- Free rent and utilities to LBA
- Accounting services
- LBA has created a great niche role for themselves
- Win-Win-Win

Uniform Relocation & Real Property Acquisition Policies Act

All acquisition activities using federal funds must be in accordance with the URA requirements and include:

- Correspondence with property owners
- Title Examinations
- Appraisals and Review Appraisals
- Written Purchase Offers, Negotiations and Sales Agreements
- Acquisition or Eminent Domain
- Very detailed stuff, LBA does it all!

Agency Agreements

The Land Bank Authority has established agreements with non-profit agencies to acquire property in designated target areas:

- In-Fill Housing, Inc.
- Renaissance Housing Partnership
- Macon Housing Authority
- Macon Heritage Foundation
- City of Macon



“Property Acquisition for Neighborhood Revitalization”

4. The Results

Target areas include:

- Second-El Streets
- Prince-Nussbaum Area
- Beall's Hill
- Hanson Street
- Tattnell Square Heights
- East Macon
- Cedar Street
- Plant Street
- Greenspace & other projects

The results are in and they are good!

- 88 condemnations initiated since 2001
- We're batting 1.000 on the "public purpose test"
- \$6.2 million in new inner-city revitalization
- 80 houses built or rehabbed since then
- A similar amount planned for next two-four years
- *Try this at home; we can help by:*
 - Sharing our policy documents
 - Our lawyer will talk to your lawyer

Target Area Redevelopment Since 2000

| Target Area | Developer | # New Houses Built/ Rehabbed | # Sold To-Date | # Other Houses Planned | # of Condemnations Required |
|-------------------------|---------------------------|---------------------------------|----------------|------------------------|-----------------------------|
| Second-Ell Streets | In-Fill Housing, Inc. | 17 | 17 | 0 | 3 |
| Prince/Nussbaum | In-Fill Housing, Inc. | 23 | 21 | 13 | 34 |
| Hanson Street | Renaissance Housing Corp | 20 | 18 | 8 | 2 |
| Beall's Hill | Beall's Hill Dev. Corp. | 2 ¹ | 0 | 0 | 34 |
| East Macon | City of Macon | 9 ² | 2 | 60 | 40 ³ |
| Tattnall Square Heights | Historic Macon Foundation | 19 | 19 | 7-10 | 3 |
| Totals | | 90 | 77 | 88-91 | 116 |

¹81 properties have been acquired in contemplation of development of approximately 120 houses over the next several years

²Number of houses at least 50% complete

³This is an estimate for the next two-three years

SECOND/ELL STREET AREA

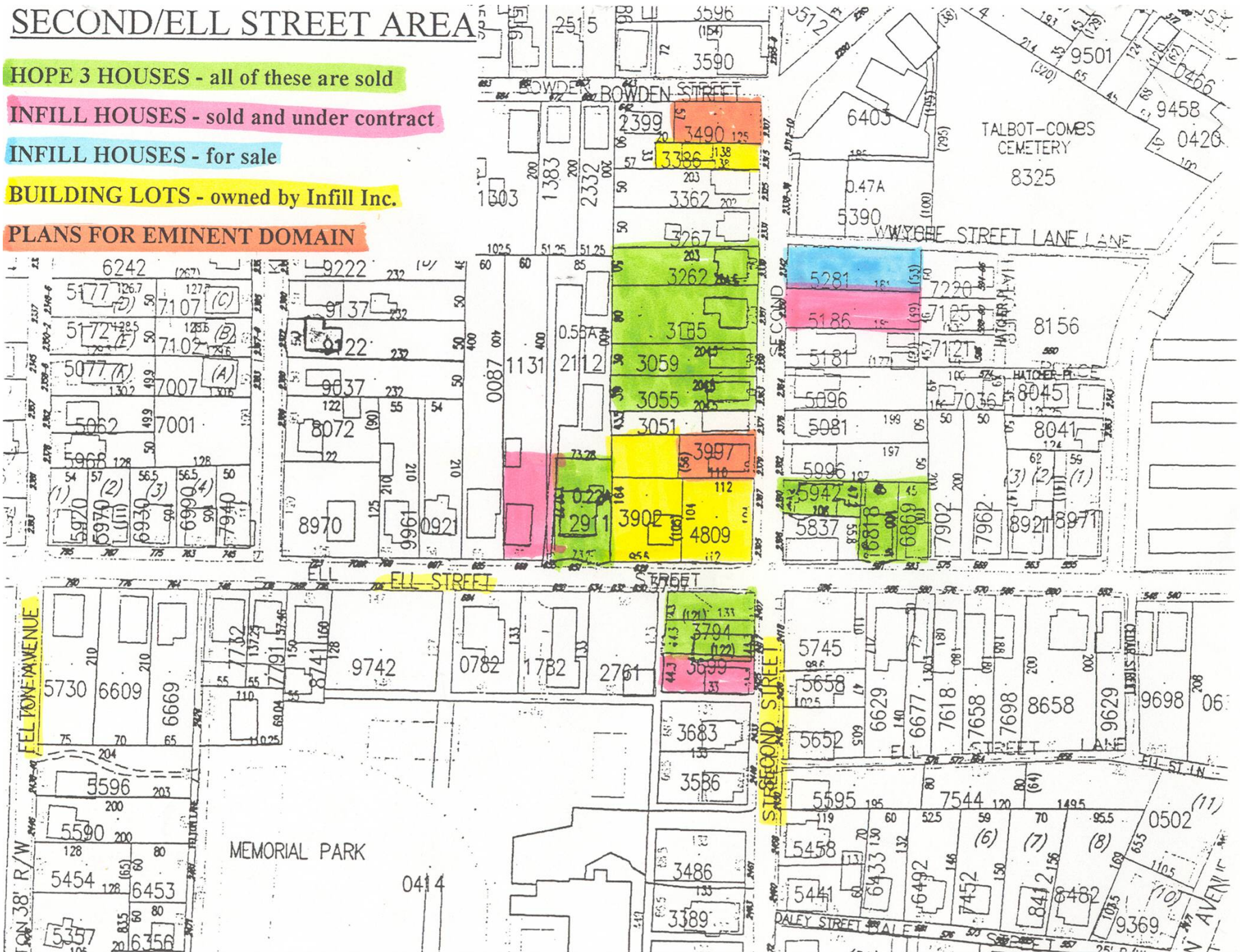
HOPE 3 HOUSES - all of these are sold

INFILL HOUSES - sold and under contract

INFILL HOUSES - for sale

BUILDING LOTS - owned by Infill Inc.

PLANS FOR EMINENT DOMAIN



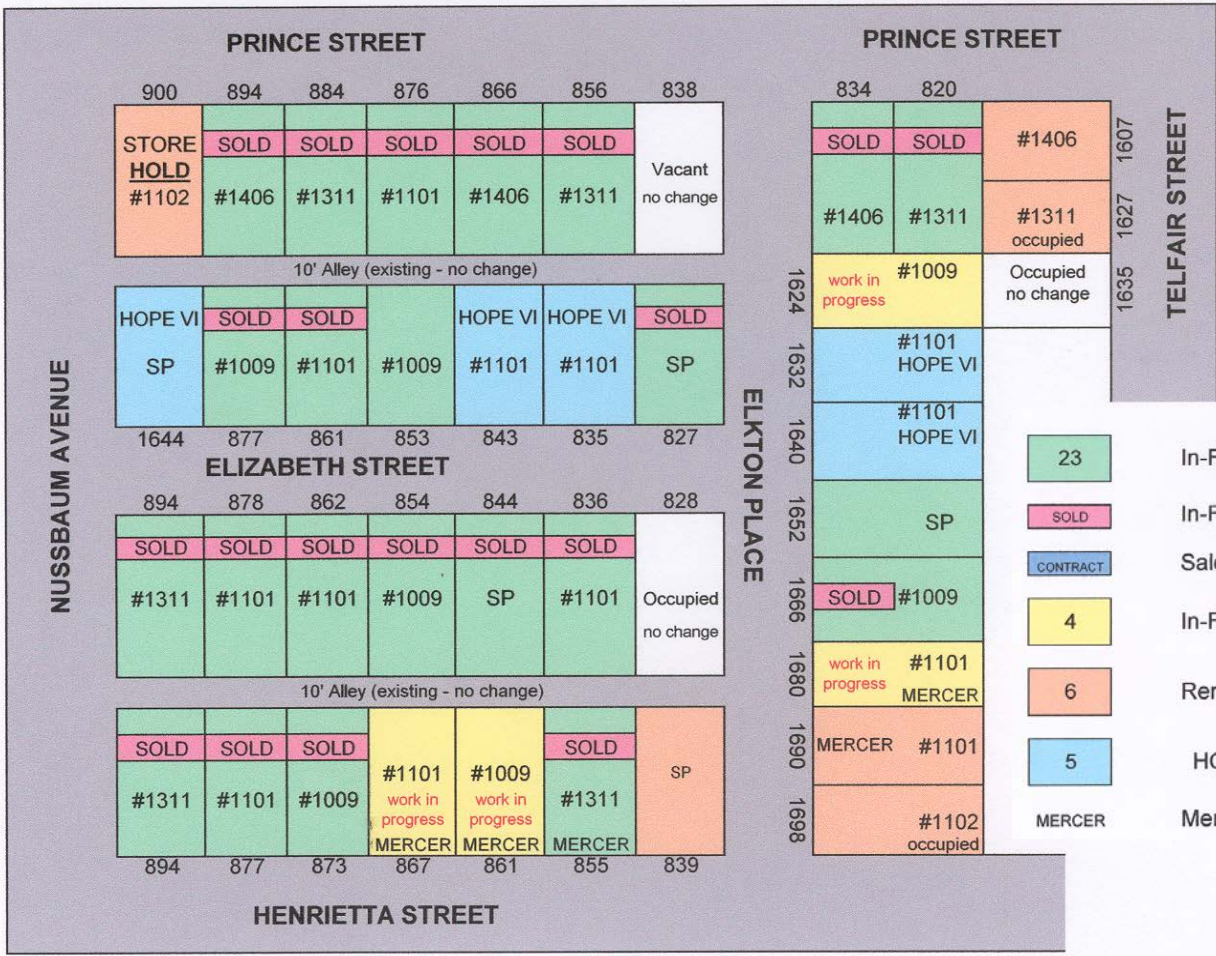
Corner of Second and Ell Streets - Before



Corner of Second and Ell Streets - After



Prince/Nussbaum Lot Status 5-17-05



- 23 In-Fill Houses built to date - (completed - Prince/Nussbaum)
- SOLD In-Fill Houses sold - 21 total
- CONTRACT Sales contracts - (offered and/or accepted) - 1 total
- 4 In-Fill houses under construction - (work in progress)
- 6 Remaining building lots - (tentative, may vary)
- 5 HOPE VI houses completed - (all occupied with lease/purchase tenants)
- MERCER Mercer FHLB funded lots - 5 total

Prince Street

Vacant and Dilapidated Houses in 2002



Prince Street Before - 2002



Prince Street Before - 2002



Prince Street - After



Prince Street - After



Prince Street After



Elizabeth Street



Elizabeth Street



Tattnall Place



Tattnall Place



Beall's Hill Land Use

BEALL'S HILL



Vacant Property in Beall's Hill

Suitable for New Construction



Vacant Houses In Beall's Hill

Suitable for New Construction



