



COUNTY ADMINISTRATOR

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TO: Conan Smith
Chair, Ways & Means Committee

FROM: Robert E. Guenzel
County Administrator

DATE: March 17, 2010

SUBJECT: Resolution Directing the Washtenaw County Treasurer to Send a Notice to the State of Michigan Land Bank Fast Track Authority Board to Dissolve the Washtenaw County Land Bank Authority

BOARD ACTION REQUESTED:

It is requested that the Board of Commissioners direct the Washtenaw County Treasurer to immediately send a notice to the State of Michigan Land Bank Fast Track Authority Board of its intent to dissolve the Washtenaw County Land Bank Authority.

BACKGROUND:

Under Michigan's Land Bank Fast Track Authority Act, (MCLA 124.751 et seq), a county foreclosing governmental unit, with the approval of the county board of commissioners, may enter into an intergovernmental agreement ("IGA") with the State of Michigan Land Bank Fast Track Authority ("State Authority) to create a county land bank authority. In Washtenaw County, the County Treasurer is the County's "Foreclosing governmental unit;" accordingly, the Treasurer, with the approval of the Washtenaw County Board of Commissioners, has the authority to execute an IGA with the State Authority to create a Washtenaw County Land Bank Authority ("County Authority").

On July 8, 2009 the Board of Commissioners passed Resolution #09-0124 which approved the creation of the County Authority. Since the passage of that Resolution, the County Board of Commissioners and Treasurer have engaged in further discussions concerning a number of specific issues in the IGA, including the make up of the County Authority Board, how the Chair of the County Authority Board is chosen, how many members of the County Authority Board are needed for final passage of a resolution and whether the termination language in the IGA is sufficiently clear.

The Urban County board allocated \$300,000 to the County Authority; however, additional funding which was expected to be received from the Neighborhood Stabilization II Program, never materialized.

DISCUSSION:

Since the County Authority was created, it has never operated with a full appointed membership as provided in the IGA. The County Board of Commissioners has not appointed any individual Commissioner to the County Authority as it has been in discussion with the County Treasurer about the number of members the Board of Commissioners should have on the County Authority Board. Moreover, a significant number of Board members are concerned about other issues related to the IGA which created the County Authority, including the automatic appointment of the County Treasurer as the Chair of the County Authority, the number of County Authority members needed to pass a resolution and whether the termination language in the IGA is strong enough.

Over the past six months, the County Treasurer and various members of the Board of Commissioners have discussed these issues. Moreover, at the Board of Commissioners' Working Session of November 19, 2009, the County Treasurer discussed a number of proposed changes to the IGA which, if approved by the Board of Commissioners and County Treasurer, could be sent to the State Authority to amend the current IGA.

Another concern for a number of members of the Board of Commissioners was funding for the County Authority. The Urban County allocated \$300,000 to the County Authority, but all the interested parties were hopeful that the County Authority would also receive a sizeable amount of Neighborhood Stabilization II Program money. That money, however, was not awarded to the County leaving the County Authority with significantly less funding than was originally anticipated.

Given the on-going issues regarding the language in the IGA and the lack of proper funding for the County Authority, it has become apparent that the County Authority does not continue to have the support of the Board of Commissioners and should be dissolved. Moreover, it should be noted that terminating the County Authority at this time does not preclude the parties from reinstating the Washtenaw County Land Bank Authority in the future, provided the enabling legislation remains in effect.

The County Treasurer and the State Authority are the signatories to the IGA. The termination clause in the IGA provides that either party may withdraw from the IGA and dissolve it by giving the other party six (6) months written notice of its intent to end the IGA. The proposed Resolution directs the County Treasurer to immediately send notice to the State Authority that the County Treasurer and

the Board of Commissioners wish to withdraw from the IGA effective six months from the date of the notice.

IMPACT ON HUMAN RESOURCES:

None.

IMPACT ON BUDGET:

None.

IMPACT ON INDIRECT COSTS:

None.

IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:

The requested action will direct the County Treasurer to immediately send a notice terminating the IGA which created the County Authority to the State Authority Board.

CONFORMITY TO COUNTY POLICIES:

The proposed action conforms to all County policies and procedures.

A RESOLUTION DIRECTING THE WASHTENAW COUNTY TREASURER TO DISSOLVE THE WASHTENAW COUNTY LAND BANK AUTHORITY BY IMMEDIATELY SENDING A NOTICE OF SUCH DISSOLUTION TO THE STATE OF MICHIGAN LAND BANK FAST TRACK AUTHORITY

WASHTENAW COUNTY BOARD OF COMMISSIONERS

March 17, 2010

WHEREAS, under Michigan's Land Bank Fast Track Authority Act, (MCLA 124.751 et seq), a county foreclosing governmental unit, with the approval of the county board of commissioners, may enter into an intergovernmental agreement (IGA") with the State of Michigan Land Bank Fast Track Authority ("State Authority") to create a county land bank authority; and

WHEREAS, on July 8, 2009, the Board of Commissioners passed Resolution #09-0124 which approved an IGA between the Washtenaw County Treasurer who is the County's "foreclosing governmental unit" and the State Authority to create the Washtenaw County Land Bank Authority ("County Authority"); and

WHEREAS, since the passage of the Resolution creating the County Authority, a number of County Commissioners have continued discussions with the County Treasurer about a number of items in the IGA, including the number of County Commissioners on the County Authority Board, the automatic appointment of the County Treasurer as the Chair of the County Board, how many County Authority members are needed to pass a resolution and whether the termination language in the IGA is sufficiently clear; and

WHEREAS, discussions on these topics have been on-going for the past six months and included a formal presentation by the County Treasurer to the Board of Commissioners' Working Session on November 19, 2009; and

WHEREAS, funding for the County Authority was also a concern of all parties interested in the County Authority; and

WHEREAS, in approving the IGA that created the County Authority, there was hope that significant funding for the County Authority would be received from a Neighborhood Stabilization Program II ("NSP II") grant; and

WHEREAS, while the Urban County allocated \$300,000.00 to the County Authority, the NSP II funding never materialized leaving the County Authority with much less funding that was originally anticipated when the Board of Commissioners approved the IGA; and

WHEREAS, given the funding issues and the continued lack of agreement on the wording of the IGA, it has become apparent to the Board of Commissioners that the County Authority should be dissolved; and

WHEREAS, as the County Treasurer (with the Board of Commissioners' consent) and the State Authority are the signatories to the IGA, the County Treasurer must send the notice of dissolution to the State Authority; and

WHEREAS, the IGA provides that either signatory (County Treasurer and State Authority) may withdraw from the IGA and dissolve the County Authority upon six (6) months written notice to the other party.

NOW THEREFORE, BE IT RESOLVED that the Washtenaw County Board of Commissioners directs the County Treasurer to immediately send a notice of her withdrawal from the Intergovernmental Agreement creating the Washtenaw County Land Bank Authority to the State of Michigan Land Bank Fast Track Authority, thus beginning the six month notice period to dissolve the Washtenaw County Land Bank Authority.

H: general/landbankmemo