

**RESOLUTION 5.2.2**  
**PROPOSING BUDGET FOR FISCAL YEAR BEGINNING JULY 1, 2019**

WHEREAS, the Birmingham Land Bank Authority (the “Authority”) is a local land bank authority created and organized by the City pursuant to Act. No. 2013-249 of the Alabama Legislature (the “Act”) (Code of Alabama (1975) § 24-9-1 et seq.) and Resolution No. 928-14 of the Birmingham City Council to acquire tax delinquent properties in the City of Birmingham in order to foster the public purpose of rehabilitating land which is in a nonrevenue-generating, nontax-producing status to an effective utilization status in order to provide housing, new industry, new commercial and economic development, other productive uses, jobs for the citizens, and to assemble parcels of real property for redevelopment, stabilize property values, and remove blight; and

WHEREAS, staff for the Authority will investigate requests made of the Authority by individuals, non-profits, for-profits, and others for compliance with the Authority’s adopted Policies & Procedures, including investigation of a requestor’s Maintenance/Development Plan, and for recommendation to the Authority’s Board of Directors for approval in requesting tax deeds from the Alabama Department of Revenue; and

WHEREAS, the Authority will enter into agreements with law firms for legal assistance in filing quiet title actions on properties for eventual sale to citizens, non-profits, for-profits, and others; and

WHEREAS, the Birmingham Land Bank Authority wishes to authorize a budget for fiscal year 2019-2020 to provide funds for activities in order that the Birmingham Land Bank Authority may clear title to such properties and return them to productive use.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Birmingham Land Bank Authority as follows:

1. The Birmingham Land Bank Authority authorizes the budget described in **Appendix “A”**.
2. This Resolution shall be effective immediately upon passage.

## Appendix A

<b>Operating Expenses without Technology, Vehicles and Personnel Costs</b>			
Professional Services (General Counsel, Legislation)	1	\$ 75,000.00	\$ 75,000.00
Complex Quiet Title Actions	1	\$ 100,000.00	\$ 100,000.00
Property Management Software and Training	1	\$ 43,488.76	\$ 43,488.76
Conference/Professional Development/Memberships	1	\$ 25,000.00	\$ 25,000.00
Office Supplies	1	\$ 7,000.00	\$ 7,000.00
Independent Audit	1	\$ 10,000.00	\$ 10,000.00
Events/Marketing/Website/	1	\$ 10,000.00	\$ 10,000.00
<b>Strategic Acquisitions/Site Assembly</b>	300	\$ 5,500.00	\$ 1,650,000.00
<b>General Request QTA</b>	300	\$ 5,500.00	\$ 1,650,000.00
<b>Neighborhood Subsidized QTA</b>	200	\$ 5,500.00	\$ 1,100,000.00
Board-ups/Securing of Property/prof fees other	200	\$ 500.00	\$ 100,000.00
Surveyor Fees/Prof fees other	25	\$ 500.00	\$ 12,500.00
Storm Water Fees/Property Taxes	600	\$ 9.98	\$ 5,988.00
<b>Total Expenses</b>			<b>\$ 4,788,976.76</b>

			0
<u>Anticipated Revenues</u>			0
QTA Earnest Money			0
QTA Base Closing Proceeds	600	\$ 5,000.00	\$ 3,000,000.00
Tax deed sales	100	\$ 1,500.00	\$ 150,000.00
Redemptions	20	\$ 10,000.00	\$ 200,000.00
Neighborhood Subsidized QTA Proceeds	200	\$ 2,000.00	\$ 400,000.00
Program Income Total		\$ 3,750,000.00	
Grants			\$ -
City of Birmingham			\$ 4,788,976.76
<u>Total Revenue</u>			\$ 8,538,976.76
			\$ -
			\$ -
Contingency (10% of proceeds)	0.1	\$ 3,750,000.00	\$ 375,000.00
Capital Reserve (25% of proceeds)	0.25	\$ 3,750,000.00	\$ 937,500.00
Expenses			\$ 4,788,976.76
Revenue			\$ 7,226,476.76
<u>Fund Balance</u>			\$ 2,437,500.00

**Budget Allocation Request: \$4,788,976.76**

## DEFINITIONS

1. Tax Delinquent Property- Property taxes in the State of Alabama become due annually on October 1<sup>st</sup>. On January 1<sup>st</sup> of the next year, they become delinquent. Tax certificates on delinquent properties are sold each year in May.
2. Land Bank Eligible Properties- Properties that go unsold in the County tax sale are then deemed sold to the State of Alabama Department of Revenue(ADOR). A property must sit with the ADOR and be delinquent for five years before it is eligible to be acquired by the Birmingham Land Bank Authority.
3. Quiet Title Action- A lawsuit filed to clear and quiet the title of properties in which the Birmingham Land Bank Authority has acquired the tax deed. This lawsuit requires an attorney to examine the title of a property and notify anyone with an interest in the property (heirs, lienholders, and mortgagees) that a petition to quiet title has been filed. Any party that has been determined to have an interest in the property has the ability to redeem (pay the back taxes, interest and any fees incurred) the property in accordance with Ala. Code Title 40, Chapter 10 up until the date of final judgement. With a final judgement, the Court may grant fee simple title to the property, which shall vest title absolutely in the BLBA. The BLBA will then have ability to convey property with marketable and insurable title to a new owner.

## SELECTED OBJECTIVES

1. Quiet Title Program- Continue to facilitate the clearing of title of land bank eligible vacant and abandoned properties for redevelopment and full ownership.
2. Catalytic Development- Assemble property for catalytic development with the City of Birmingham and other partner organizations.
3. Decrease pressure on City Resources – Each parcel that the BLBA clears title to and conveys to a responsible, qualified owner is a parcel that the City of Birmingham Department of Public Works no longer has to maintain.
4. Side-Lot/Adopt-a-Lot- Lease programs allow citizens and organizations to maintain and utilize properties while preparing to go through the full Quiet Title Program.
5. Increase Revenue for City of Birmingham- Each parcel that is sold and developed will bring in property tax revenue, permit revenue and value to neighborhoods littered with blight and abandoned structures.
6. Community Engagement- Increase awareness in each of our 99 neighborhoods on program options. There are still over 10,000 available properties for acquisitions. One of our main goal is empower our citizens to take control of blight elimination in their neighborhoods.
7. Program Sustainability-As operational hurdles are cleared, we hope to develop programs utilizing strategic acquisitions and partnerships to generate revenue and ultimately reduce the need for subsidies from the City of Birmingham.

## BUDGET LINE ITEMS

1. Professional Services (General Counsel, Legislation) – This item funds our General Counsel and any Legislative Assistance that may be required in furthering the operations of the Authority.
2. Complex Quiet Title Actions- At times, the Authority may come across a quiet title action that requires more than the usual QTA entails. These actions usually involve actions that are of significant importance to the operation of the Authority.
3. Property Management Software and Training- STR Grants, LLC provides property and data management software for our program. They also provide training for program updates and consulting as needed.
4. Conference/Professional Development/Travel: Reclaiming Vacant Properties Conference and any other professional development activities for staff/board.
5. Memberships- Urban Land Institute, International City Management Association, Alabama City County Management Association
6. Office Supplies- Office Supplies
7. Independent Audit- Yearly Independent Audit of Authority Activities
8. Events/Marketing/Website- Website, Educational/Marketing Events
9. Guardian ad Litem fee overage- The BLBA is responsible for the overage in GAL fees in QTAs.
10. Statute Required Signage- The BLBA is responsible for the posting of a 4ft by 4ft sign being posted on each parcel taken through a QTA.
11. Sign Posts- The BLBA is responsible for the posting of a 4ft by 4ft sign being posted on each parcel taken through a QTA.
12. Statute Required Publication Overage: The BLBA is responsible for the publication of notice for each QTA it commences.
13. General Request Quiet Title Action Front End Funding Legal Fees- Funds utilized to pay Attorneys performing QTAs. These fees are recouped in closing proceeds.
14. Strategic Acquisitions/Site Assembly-Acquisitions for future projects.
15. Neighborhood Subsidized QTA- From program inception, it has been the hope to reward citizens that took care of eligible parcels adjacent to their property with the opportunity to acquire full ownership of the parcels at a lower cost. This fund exists to make that possible.
16. Board-ups/Securing of Property-Properties eligible for acquisition through the BLBA have been tax delinquent for at least five years. They are usually targets for vandals, scrappers and squatters. Boarding up of properties that are especially vulnerable protects them from further damage and improves the safety of the neighborhood.

## Staffing Request

1. Land Bank Administrator/Eric Fancher
2. Administrative Analyst (JoAnne Burl)
3. Administrative Analyst
4. Administrative Clerk
5. Administrative Assistant-
6. Administrative Assistant
7. Administrative Assistant
8. Accounting Assistant II or Accountant
9. Housing Rehab Specialist
10. Housing Rehab Specialist
11. Housing Rehab Specialist