



DETROIT LAND BANK
AUTHORITY

BuildingDetroit.org

DETROIT LAND BANK AUTHORITY
OCCUPIED PROPERTY BUY BACK PROGRAM POLICY

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Definitions

For purposes of this Amended Occupied Property Buy Back Program Policy (this “**Policy**”), the following terms having the meanings specified bellowed or where indicated.

“**Buy Back**” is defined in Section I.

“**DLBA**” means the Detroit Land Bank Authority.

“**Occupant**” is defined is Section I.

“**Policy**” means this Amended Occupied Property Buy Back Program Policy.

“**Property**” is defined in Section I.

Introduction

The Detroit Land Bank Authority was created to make vacant and residential public property available for sale in order to promote homeownership, neighborhood revitalization, urban agriculture and economic growth in the City of Detroit. The DLBA both develops and implements its own programs and cooperates with the departments and agencies of the City in order to carry out this mission. In keeping with this mission, the DLBA serves as the owner of last resort for vacant, abandoned, and foreclosed property in the City of Detroit.

The Occupied Property Buy Back Program provides a pathway to gain or regain homeownership for individuals living in DLBA owned property. The program attempts to improve financial literacy and prevent future foreclosure by partnering with non-profit partner organizations who provide financial and home improvement educational opportunities throughout the program. This Policy shall supersede and replace any preceding DLBA procedures or policies that are in conflict with its terms.

I. **Objective.** The Occupied Property Buy Back Program (“**Buy Back**”) provides an opportunity for eligible occupants (each, an “**Occupant**”) of properties (each, a “**Property**”) owned by the DLBA to purchase that Property and become responsible homeowners. Buy Back allows eligible current Occupants to remain in their homes and help stabilize their neighborhoods.

II. **Occupant Eligibility.** Identified potential Occupants must demonstrate their eligibility to participate in Buy Back. The following criteria must be met before a Property may be transferred to an Occupant.

- A. The Property is used as the Occupant’s primary residence, documented by:
 - (1) Proof of utility payments in the Occupant’s name, as applicable, showing usage at the Property commensurate with occupation at the Property, and
 - (2) Valid government issued ID in the name of the Occupant matching the address of the Property.
- B. The Occupant does not own any residentially zoned structure or unit.
- C. The Occupant provides documentation of at least one (1) of the following:
 - (1) The Occupant is a **former owner** of the Property, documented by a copy of a recorded deed, land contract, mortgage, or mortgage discharge.
 - (2) The Occupant is a **recent tenant** of the Property, documented by:
 - (a) valid rental or lease agreement executed with a former owner of the Property; and
 - (b) proof of payment of rental to a former owner of the Property (e.g. text messages, receipts, emails, cancelled checks, bank statements).
 - (3) The Occupant is an **immediate family member of a former owner or tenant** of the Property, documented by:
 - (a) proof of family member’s ownership or rental agreement (same documentation required as in Section B(1) or B(2), as applicable), and
 - (b) proof of relationship (e.g. marriage certificate, birth certificate, or death certificate).
 - (4) The Occupant has been receiving one or more **legally authorized utilities** at the Property in their name, as applicable, for at least 12 months.
 - (5) The Occupant has **made significant improvements** to the structure, documented by verifiable receipts, building permits, or before-and-after

photographs documenting significant structural improvement to the home (e.g. roof, porch, or foundation).

- (6) The Occupant was a **victim of fraud** in connection with the Property and has filed a report with the authorities regarding the fraud, documented by verified proof that purchase, lease, or land contract payments were being made to an alleged owner or management company (e.g. text messages, receipts, emails, cancelled checks, bank statements).
- (7) The Occupant has **received documents** regarding services, benefits, school, employment, or other important matters mailed to the Property address in the name of the Occupant for at least 12 months.

D. Notwithstanding anything to the contrary in this Policy, the DLBA staff may, in their sole discretion, deem any Occupant *ineligible* for Buy Back or interpret the requirements of this section to best fit particular circumstances. An Occupant may appeal an ineligible determination to the DLBA's Chief Executive Officer and General Counsel.

E. If an Occupant is found to be involved with criminal activity at the Property or is deemed by the DLBA to be threatening the safety or security of their neighbors, the peaceful enjoyment by neighbors of their property, or the stability of the neighborhood, then they are ineligible for Buy Back regardless of any other qualifications.

III. Property Eligibility.

A. Utilities. Properties with illegal DTE utility connections are disqualified from the Buy Back Program unless and until a legitimate and legal utility connection is made.

B. Multi-Family Properties. Properties containing more than two units are not eligible for the Buy Back Program.

C. Land Review Areas. Properties identified in City Project Coordination Areas and City Project Hold Areas (each as defined in the then current DLBA Vacant Land Policy), may be deemed ineligible for the Buy Back Program at the sole discretion of DLBA staff.

D. Habitability. Upon determination that an Occupant is eligible for the Buy Back Program, an inspection of the Property will be conducted by the DLBA.

- (1) If the Property is determined to be safe and habitable in the sole discretion of DLBA staff, then the Occupant may participate in Buy Back.

- (2) If the Property is determined to not be safe and habitable, the Occupant may only participate in Buy Back if they enter into an agreement with the DLBA to renovate the Property as described in Section VI.

IV. Education Requirements. If an Occupant and their Property are both determined to be eligible for the Buy Back Program, the Occupant must successfully complete a free home preservation course and a financial assessment with one of the DLBA's non-profit partners.

V. Purchase Agreement. An eligible Occupant who completes the Home Preservation Course and financial assessment may enter into a Purchase Agreement with the DLBA that will require the Occupant to, among other things:

- A. pay \$1,000 to the DLBA, representing the nonrefundable purchase price for the Property;
- B. make a monthly payment into a property tax escrow account (held at a DLBA bank partner), and pay the first summer property tax bill in full [using in part or in full the escrowed funds] when it is assessed in the following calendar year;
- C. pay their water bill on a regular basis;
- D. maintain the exterior of their home in compliance with the Detroit City Code of Ordinances; and
- E. communicate regularly with the Occupant's assigned non-profit counselor and participate in quarterly home preservation workshops or provide proof of substantial rehab investment in the property in place of up to two home preservation workshops.

If an Occupant successfully fulfills their obligations under the Purchase Agreement, the DLBA will deliver to the Occupant the deed to the Property and release all of the DLBA's interest in the Property. If the Occupant violates the Purchase Agreement prior to fulfilling their obligations, the DLBA reserves the right to take back title to the Property.

VI. Renovation Agreement. An Occupant who is eligible to participate in Buy Back under Section III(D)(2) must enter into an agreement with the DLBA pursuant to which the Occupant agrees to renovate the Property. This agreement will include renovation terms that are consistent with the then effect version of the DLBA's agreement with purchasers of property through the DLBA's Home Sales program, including the required scope of renovations, the time allowed to complete the renovations, and that the DLBA may take back title to the Property if the Occupant fails to complete the renovations on time.

VII. Tax Capture. See Tax Capture Waiver Policy.