



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 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 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 individual livings in DLBA owned properties. 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 Detroit Land Bank Authority (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, the Occupant does not own any residentially zoned property, and has not previously purchased a property through the DLBA.

B. The Occupant provides documentation of at least one of the following.

(1) The Occupant is a **former owner** of the Property, documented by:

- (a) A copy of a recorded deed, mortgage, or mortgage discharge; and
- (b) (i) proof of utility payments in the Occupant’s name, as applicable, showing usage at the Property commensurate with occupation at the Property, or
(ii) valid government issued ID in the name of the Occupant matching the address of the Property.

(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); and
- (c) (i) proof of utility payments in the Occupant’s name, as applicable, showing usage at the Property commensurate with occupation at the Property, or
(ii) valid government issued ID in the name of the Occupant matching the address of the Property.

(3) The Occupant is an **immediate family member of a former owner or tenant** of the Property, documented by:

- (a) (i) proof of family member’s ownership or rental agreement (same documentation required as in Section B(1) or B(2), as applicable), and
(ii) proof of relationship (e.g. marriage certificate, birth certificate, or death certificate); and

- (b) Proof of utility payments in the Occupant's name, as applicable, showing usage at the Property commensurate with occupation at the Property or valid government issued ID in the name of the Occupant matching the address of the Property.
- (4) The Occupant has been receiving one or more **legally authorized utilities** at the Property, documented by:
 - (a) Proof of utility usage and payments in the Occupant's name, as applicable, commensurate with occupation at the Property for at least 12 consecutive months during a period reasonably prior to contact with the DLBA regarding the Property; and
 - (b) Valid government issued ID in the name of the Occupant matching the address of the Property.
- (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) that were done prior to contact with the DLBA.
- (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 **federal or state documents connecting services or benefits or income-related documents** at the Property, documented by:
 - (a) Current benefits or mailed income letter (e.g. 1095(b), W2, 1099, DHS or SSA) to the Property relating to a period of at least 18 consecutive months reasonably prior to contact with the DLBA regarding the Property; and
 - (b) Valid government issued ID in the name of the Occupant matching the address of the Property.

C. 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 Executive Director and General Counsel.

D. 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. Upon determination that an Occupant is eligible for Buy Back, an inspection of the Property will be conducted by the DLBA. Occupants are only allowed to enter the Buy Back Program if the Property is safe and habitable in the sole discretion of DLBA staff.

A. Properties with illegal DTE utility connections are generally disqualified from the Buy Back Program.

B. Properties containing more than 2 units are generally not eligible for the Buy Back Program.

C. Properties identified in Jobs and Amenity Development Areas, 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.

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. **Tax Capture**. See Tax Capture Waiver Policy.