



DETROIT LAND BANK
AUTHORITY

BuildingDetroit.org

DETROIT LAND BANK AUTHORITY
COMMUNITY COMMITMENT DISPOSITION POLICY

Table of Contents

<u>Section</u>	<u>Subject</u>	<u>Page</u>
	Definitions	i
	Introduction.....	ii
I.	Objectives	1
II.	Eligible Properties.....	1
III.	Community Partners	1
IV.	Auction Discount for Residents.....	1
V.	Other Disposition Strategies	2

Definitions

For purposes of this Community Commitment Disposition Policy, the following terms have the meanings specified below or where indicated.

“City” means the City of Detroit.

“Community Partner” means an approved and current participant in the DLBA’s Community Partner program.

“CP Application Period” is defined in Section III(A).

“Discount” is defined in Section IV(A).

“DLBA” means the Detroit Land Bank Authority.

“Eligible Resident” means a natural person who resides in a Project Area and meets all other requirements to be eligible to participate in the Discount program set forth in this Policy.

“Policy” means this Community Commitment Disposition Policy.

“Project” is defined in Section I.

“Project Area” is defined in Section IV(B).

“Property” is defined in Section II.

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.

At times, the DLBA and the City work with developers on large-scale development projects, some involving redevelopment of entire neighborhoods. Some of these projects are modified over time so that the number of properties involved decreases. This means that parcels of property that were on hold for, or already sold to, a developer are released for the DLBA to dispose of under one of its programs.

While the DLBA may sell these released properties under one of its usual programs, this Policy provides an alternative which DLBA staff may elect in appropriate circumstances that provides special opportunities to residents living in the project area and to DLBA Community Partners, in particular those with previous relevant experience.

I. **Objective.** To facilitate the timely revitalization of property in the City of Detroit by providing a process for disposing of land that had been sold or held by the DLBA in connection with a large-scale development project (a “**Project**”). The Policy is designed to provide DLBA with an alternative disposition program that it may elect as it deems appropriate, which gives special opportunities to residents who live in the Project Area and to Community Partners with relevant experience.

II. **Eligible Properties.** DLBA may elect to apply this Policy (a) to properties involved in Projects where structures had been held for sale or sold to a developer for a neighborhood redevelopment project or other large-scale Project; and (b) for which at least 25 structures are being released from being on hold for the Project or being returned to the DLBA, and so are now available for sale by the DLBA (each, a “**Property**”).

III. **Community Partners.**

A. **Applications.** The DLBA will select an appropriate number of Properties to be made available only to Community Partners (“CP Properties”). The number and selection of the CP Properties will be determined by DLBA staff in their sole discretion. The DLBA will only accept applications for the CP Properties from Community Partners for a defined period of time, to be specified by the DLBA in its sole discretion (the “**CP Application Period**”).

B. **Evaluation.** DLBA staff will evaluate applications received from Community Partners for CP Properties in order to determine that each applicant has the necessary funding and experience to renovate the particular CP Property(ies) and will also take into consideration whether the Community Partner has experience in the Project Area.

C. **Pricing.** When determining the sale price of a CP Property to a Community Partner, the DLBA may take into account the estimated price of the Property before it was reserved for the Project.

D. **No Hold Agreements.** The DLBA will not offer Hold and Maintenance Agreements or any similar agreement on CP Properties.

IV. **Auction Discount for Residents.**

A. **Properties.** A certain number of the Properties will be sold by the DLBA through its Auction Program. The number and selection of these Properties, and the timing of their sales, will be determined by DLBA in its sole discretion. Any CP Properties that are not sold to Community Partners may be offered through the Auction Program after the CP Application Period. Other Properties may be sold in DLBA Auctions before, during or after the CP Application Period.

B. **Discount.** The DLBA will give Eligible Residents an 80% discount (the “**Discount**”) on Properties that it sells through its Auction Program.

C. **Residency.** Only natural persons who reside within the footprint of the development project (the “**Project Area**”) are eligible for the Discount. The DLBA may rely on the City’s determination of the boundaries of the Project Area and whether a natural person resides in the Project Area.

D. **Eligible Resident.** An Eligible Resident may be an owner, a long-term legally-recognized occupant or a long-term legally-recognized renter, in the Project Area. For purposes of this policy, only one member of any immediate family can qualify as an Eligible Resident and claim the Discount.

E. **Other Requirements.**

(i) Eligible Resident purchasers must satisfy the then-effective eligibility requirements for persons participating in the DLBA Auction Program, which will in any event include that they are current on property taxes or have entered into a payment plan, they have no unresolved blight tickets, and they are in good standing with any other agreements with the DLBA. Eligible Resident purchasers will also be required to follow standard DLBA Auction program requirements, including registering for the Auction, bidding online, and paying closing costs and fees.

(ii) Eligible Resident purchasers will be required to enter into the then-effective purchase agreement required of all Auction purchasers. The terms of these purchase agreements will include the standard renovation requirements and deadlines, as well as provide the DLBA with a reconveyance remedy should the purchaser fail to meet the purchaser's obligations under the agreement.

V. **Other Disposition Strategies.** Properties that are not sold to an Eligible Resident or a Community Partner will be sold by the DLBA through one of its other disposition programs, which may include listing for sale with third-party brokers individually or in multi-Property bundles.