



**DETROIT LAND BANK**  
AUTHORITY

**BuildingDetroit.org**

**DETROIT LAND BANK AUTHORITY**  
SECOND AMENDED AND RESTATED VACANT LAND POLICY

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### Definitions

For purposes of this Vacant Land Policy, the following terms have the meanings specified below or where indicated.

**“Adjacent”** means two parcels of property with borders that actually touch one another, meet at one or more corners, or in either case, would do so if an alley were not present.

**“Accessory Structure Lot”** is defined in Section II(B).

**“AMI”** means Area Median Income.

**“Applicant’s Nearby Property”** is defined in Section V(B)(2).

**“Applicant’s Occupied Property”** is defined in Section I(B)(2).

**“City”** means the City of Detroit.

**“City Project Coordination Area”** is defined in Section IX(B)(3).

**“City Project Hold Area”** is defined in Section IX(B)(4).

**“City Revitalization Offices”** is defined in Section IX(B)(3).

**“Complete Application”** means a copy of the then in force version of an application to purchase property under this Policy with all required information filled-in by the person applying to purchase the property, including in the case of a Neighborhood Lot the endorsement required by Section V(C)(6).

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

**“Historical Improvement”** is defined in Section III(B)(1).

**“HHF”** is defined in Section I(B)(9).

**“Homestead Lot”** is defined in Section VII(B).

**“Inclusive Housing Opportunity Area”** is defined in Section IX(B)(1).

**“Infill Housing Lot”** is defined in Section VI(B).

**“Improved Lot”** is defined in Section III(B).

**“Land-Based Project”** is defined in Section VIII(A).

**“Land Review Area”** is defined in Section IX(A).

**“LBP Area”** is defined in Section VIII(B)(1).

**“LBP Site”** is defined in Section VIII(C).

**“MSHDA”** is defined in Section I(B)(9).

**“Neighborhood Lot”** is defined in Section V(B).

**“NSP”** is defined in Section I(B)(9).

**“Oversize Lot”** is defined in Section IV(B).

**“Privately Initiated Parcel Boundary Modification”** means any changes to the boundaries of a parcel of real property, such as a combination of two or more parcels or divisions of a parcel, that is done by an owner of such parcels other than the DLBA, the City, or another unit of government. **“Projects Procedures and Guidelines”** means the DLBA Procedures Governing the Disposition of Properties to Support City of Detroit Economic Development Projects and the DLBA Staff Guidelines for the Disposition of Properties to Support City of Detroit Economic Development Projects.

**“Property Associated Improvement”** is defined in Section III(B)(2).

**“Revitalization”** is defined in Section IX(A).

**“Side Lot”** is defined in Section I(B).

**“Street Adjacent”** means two parcels of property with a border that actually touch one another, and each also has a border that touches the same street. This excludes parcels across an alley or on the other side of a street.

## **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.

Since 2014, the DLBA has implemented a series of programs to offer for sale the various types of properties that it holds. Based on this experience, the DLBA has determined that it is necessary and appropriate to implement a comprehensive policy to address the vacant land in its inventory. This Amended and Restated Vacant Land Policy supersedes all existing policies on the sale or lease of vacant land by the DLBA other than the Projects Procedures and Guidelines and the Community Partnership Policy. This new Vacant Land Policy is comprised of seven separate Chapters, some of which simply restate or refine existing policies or practices, while others offer newly developed programs for the purchase of vacant land from the DLBA inventory. In particular, several of these programs open new opportunities for neighbors to purchase land to improve neighborhood amenities, offer recreational opportunities or support urban agriculture.

Some chapters of this new Policy offer priority opportunities to individuals who live near the properties they want to purchase, or who can demonstrate the support of their neighbors, neighborhood organizations or block clubs. Another offers substantial discounts for those who can provide affordable housing in otherwise higher-priced neighborhoods. At the same time, purchasers who acquire vacant lots at below-market prices may be restricted under this Policy from changing their public-benefit use or selling them at a profit, unless they share those profits back with the DLBA to support additional public programs.

This new Policy should enhance both the speed and the efficiency with which the DLBA is able to sell its vacant property. One major improvement is that sales of Oversize Lots, Neighborhood Lots, Infill Housing Lots and Homestead Lots in accordance with this Policy will no longer require approval by the Land Bank Board of Directors. DLBA staff are developing the detailed rules, procedures and computerized support systems required to implement the new Policy, and the programs represented by each Chapter will each be announced on the DLBA website at [buildingdetroit.org](http://buildingdetroit.org) as they become available. These rules and procedures may be updated by staff periodically, and published on the website, based on the experience of administering this new Policy.

## I. SIDE LOTS

A. **Objective.** To sell certain DLBA-owned vacant lots to owners of occupied residential property to be used for residential, recreational or agricultural purposes.

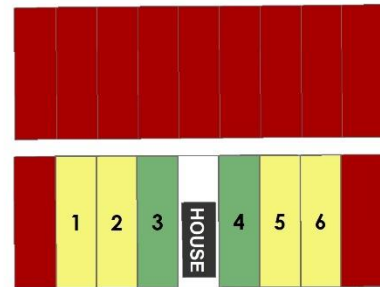
B. **Definition of a Side Lot.** A “Side Lot” is defined as a parcel of property in the DLBA’s inventory that meets all the following criteria.

(1) The lot must be a vacant residential property without a structure.

(2) The lot must not exceed 7,500 square feet in size and it must not measure more than 300 linear feet on any side.

(3) The lot must be Street Adjacent to an applicant’s property that contains an occupied residential structure of 1-4 units (the “**Applicant’s Occupied Property**”). Side Lots are (a) vacant lots Street Adjacent to the Applicant’s Occupied Property (left side or right side but not across the street or alley); or (b) at the DLBA’s discretion, vacant lots Adjacent to a Side Lot, an Accessory Structure Lot, or an Oversize Lot, in each case that is Adjacent to the Applicant’s Occupied Property.

As shown in the map, the “house” represents an Applicant’s Occupied Property, this applicant could purchase as a Side Lot (a) any of the green lots; and (b) at the DLBA’s discretion, any of the yellow lots if the green lot, and if applicable a yellow lot, between the house and that yellow lot is purchased first or at the same time. None of the red lots would be eligible as Side Lots to the owner of the “house.”



(4) Privately Initiated Parcel Boundary

Modifications made after January 1, 2019 shall not be considered in adjacency determinations.

(5) There must be no delinquent or currently due property taxes in connection with the lot.

(6) The lot must (a) be zoned one of the following residential zoning categories R1, R1-H, R2, R2H, R3, R3H, R4, R5, R5-H, R6, or R6H; or (b) if it is not, the DLBA may choose to make it eligible as a Side Lot if the lot’s most recent previous use was as a 1-4 unit residential structure.

(7) The lot must not be selected for another DLBA disposition program. After being listed as a Side Lot for 180 days, a lot will become a Neighborhood Lot. If there are no neighboring properties that are eligible to purchase a vacant parcel as a Side Lot due to proximity as set forth in Subsection (3) above, the parcel will become a Neighborhood Lot without waiting the 180-day period.

(8) If applicable, the sale of a Side Lot must be approved by the appropriate governmental agency. Examples include approval from the Michigan State Housing Development Authority (“**MSHDA**”) for a lot that was the site of a Hardest Hit Funds (“**HHF**”) demolition, or the City’s Housing & Revitalization Department for a lot was acquired or demolished using Neighborhood Stabilization Program (“**NSP**”) funds.

(9) The DLBA may choose to remove a property from Side Lot eligibility at any time and for any reason, including so that it can be sold pursuant to another DLBA Disposition Program or to otherwise support broader City strategies.

If the DLBA removes a property from Side Lot eligibility so that it can be sold pursuant to the DLBA’s Projects Procedures and Guidelines, then the DLBA shall deliver a letter to owners of Street Adjacent lots that would qualify as Applicant’s Occupied Properties notifying them that the property will no longer be eligible as a Side Lot after a certain number of days.

**C. Side Lot Purchaser Eligibility.** To be eligible to purchase a property as a Side Lot, a prospective purchaser must meet all of the following criteria.

(1) The purchaser must hold title to the Applicant’s Occupied Property, which could include being a purchaser (but not a seller) in a land contract agreement.

(2) The purchaser must be current on property taxes with respect to all property owned in the City of Detroit or, with respect to purchaser’s residence only, be in good standing with a payment plan entered into with the Wayne County Treasurer’s Office.

(3) The purchaser must be in good standing with any agreements the purchaser is a party to with the DLBA.

**D. Pricing.** Side Lots are priced at \$100 per lot.

**E. Notice and Preference.** Subject to certain limitations set forth in Chapter VII (*Land Review Areas*), Side Lot sales shall be subject to the following notice and preference criteria.

(1) When the DLBA makes a property available for sale as a Side Lot, in addition to any other means it may or may not use, DLBA staff shall send a letter or postcard to all eligible homeowners notifying them of the availability of the Side Lot.

(2) The DLBA will hold applications to purchase a Side Lot (including, but not limited to, applications received at DLBA-sponsored events) for at least ten days from the date the first Complete Application is received before a purchaser is selected. If more than one application is received for a Side Lot, eligible applicants will be given priority in the following order:

(a) the applicant living in a property that is Street Adjacent to the Side Lot; and

(b) the first applicant to submit a Complete Application.

**F. Compliance.** Side Lots are sold without any further obligations or restrictions on the part of the purchaser, except those sold in Inclusive Housing Opportunity Areas as described in Chapter IX (Land Review Areas).

**G. Tax Capture.** See the DLBA's Tax Capture Waiver Policy for information regarding the DLBA's policy regarding waiving its five-year, fifty-percent tax capture with respect to Side Lots.

**H. Land Review Areas.** See Chapter IX (Land Review Areas) which imposes limitations on the sales of Side Lots in certain Land Review Areas.



## II. ACCESSORY STRUCTURE LOTS

**A. Objective.** To sell certain DLBA-owned lots improved by only one or more accessory structures to owners of occupied residential property to be used for residential, recreational or agricultural purposes.

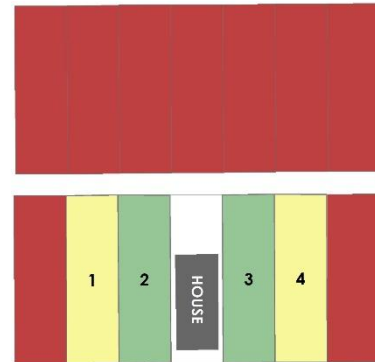
**B. Definition of an Accessory Structure Lot.** An “Accessory Structure Lot” is defined as a parcel of property in the DLBA’s inventory that meets all the following criteria.

(1) The lot must be vacant except for one or more accessory structures. What constitutes an accessory structure is determined by the DLBA and may include, among other structure types, garages, sheds, gazebos, or carports.

(2) The lot must not exceed 7,500 square feet in size and it must not measure more than 300 linear feet on any side.

(3) The accessory structure must not exceed 750 square feet in size.

(4) The lot must be Street Adjacent to the Applicant’s Occupied Property. Accessory Structure Lots are (a) lots with an accessory structure Street Adjacent to the Applicant’s Occupied Property (left side, right side, but not across an alley nor across the street); or (b) at the DLBA’s discretion, lots with an accessory structure Street Adjacent to a Side Lot, an Accessory Structure Lot, or an Oversize Lot, in each case that is Street Adjacent to the Applicant’s Occupied Property.



As shown in the map, the “house” represents an Applicant’s Occupied Property, this applicant could purchase as an Accessory Structure Lot (a) either of the green lots; and (b) at the DLBA’s discretion, any of the yellow lots if the green lot between the house and that yellow lot is purchased first or at the same time. None of the red lots would be eligible as Accessory Structure Lots to the owner of the “house.”

(5) Parcel boundary modifications made after January 1, 2019 shall not be considered in adjacency determinations.

(6) There must be no delinquent or currently due property taxes in connection with the lot.

(7) The lot must (a) be zoned one of the following residential zoning categories R1, R1H, R2, R2H, R3, R3H, R4, R4H, R5, R5H, R6, or R6H; or (b) if it is not, the DLBA may choose to make it eligible as an Accessory Structure Lot if the lot’s most recent previous use was as a 1-4 unit residential structure.

(8) The lot must not be selected for another DLBA disposition program.

(9) If applicable, the sale of an Accessory Structure Lot must be approved by the appropriate governmental agency. Examples include approval from MSHDA for a lot that was the site of an HHF demolition, or the City's Housing & Revitalization Department for a lot was acquired or demolished using NSP funds.

(10) The DLBA may choose to remove a property from Accessory Structure Lot eligibility at any time and for any reason, including so that it can be sold pursuant to another DLBA Disposition Program or to otherwise support broader City strategies.

If the DLBA removes a property from Accessory Structure Lot eligibility so that it can be sold pursuant to the Projects Procedures and Guidelines, then the DLBA shall deliver a letter to owners of Street Adjacent lots that would qualify as Applicant's Occupied Properties notifying them that the property will no longer be eligible as an Accessory Structure Lot after a certain number of days.

**C. Accessory Structure Lot Purchaser Eligibility.** To be eligible to purchase a property as an Accessory Structure Lot, a prospective purchaser must meet all the following criteria.

(1) The purchaser must hold title to the Applicant's Occupied Property, which could include being a purchaser (but not a seller) in a land contract agreement.

(2) The purchaser must be current on property taxes with respect to all property owned in the City of Detroit or, with respect to the purchaser's residence only, be in good standing with a payment plan entered into with the Wayne County Treasurer's Office.

(3) The purchaser must be in good standing with any agreements the purchaser is a party to with the DLBA.

**D. Pricing.** Accessory Structure Lots are priced at \$250 per lot, unless the estimated value of the lot as determined by the DLBA exceeds \$2,500 in which case the sales price shall be determined pursuant to the Projects Procedures and Guidelines.

**E. Notice and Preference.** Accessory Structure Lot sales shall be subject to the following notice and preference criteria.

(1) When the DLBA makes a property available for sale as an Accessory Structure Lot, in addition to any other means it may or may not use, DLBA staff shall send a letter or postcard to all eligible homeowners notifying them of the availability of the Accessory Structure Lot; provided, however, if an accessory structure is related to a specific occupied residential structure (for example by a fence, current use, shared wall or common driveway), the DLBA may limit initial notice of availability to the owner of the associated home.

(2) The DLBA will hold applications to purchase an Accessory Structure Lot for ten days from the date the first Complete Application is received before a purchaser is selected. If more than one application is received for an Accessory Structure Lot, applicants will be given priority in the following order:

- (a) the applicant living directly Street Adjacent to the Accessory Structure Lot; and
- (b) the first applicant to submit a Complete Application.

**F. Compliance.** Accessory Structure Lots are sold without any further obligations or restrictions on the part of the purchaser, except those sold in Inclusive Housing Opportunity Areas as described in Chapter VII (Land Review Areas).

**G. Tax Capture.** See the DLBA's Tax Capture Waiver Policy for information regarding the DLBA's policy regarding waiving its five-year, fifty-percent tax capture with respect to Accessory Structure Lots.

**H. Land Review Areas.** See Chapter IX (Land Review Areas) which imposes limitations on the sales of Accessory Structure Lots in certain Land Review Areas.

### III. IMPROVED LOTS

**A. Objective.** To sell certain DLBA-owned lots previously improved with any one or more of the following: fence, driveway, tended garden, pool, wheelchair ramp, deck, or other improvement(s), to the owner of the occupied residential property with which those improvements are associated, as defined below.

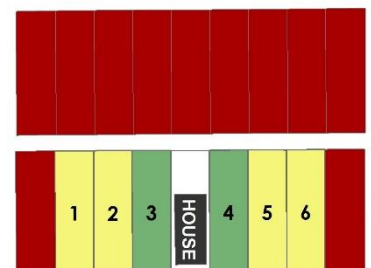
**B. Definitions of Improved Lots.** An “**Improved Lot**” is defined as a parcel of property in the DLBA’s inventory that meets all the following criteria.

(1) Subject to the exceptions below, the lot must be vacant except for one or more Historical Improvements. An “**Historical Improvement**” is defined as an improvement that (i) the DLBA reasonably independently verifies exists, (ii) may consist, in the DLBA’s sole discretion, of fences, driveways, gardens, pools, wheelchair ramps, decks, or other improvements, and (iii) must have been constructed before the later of (i) January 1, 2020, or (ii) the date of DLBA’s acquisition of the lot.

(2) A DLBA-owned lot does not qualify as an Improved Lot if (i) the DLBA determines in its sole discretion that the Historical Improvement is abandoned, or (ii) the DLBA is not convinced, in its sole discretion, that the Historical Improvement is a “**Property Associated Improvement**”, which means it is related only to a specific occupied residential structure (for example, it is marked by a fence, shared wall, or common driveway that connects or contains both the Improved Lot and the applicant’s lot), or in some cases, by proof of sole use by the applicant.

(3) The lot must not exceed 7,500 square feet in size and it must not measure more than 300 linear feet on any side.

(4) The lot must be a lot with an Historical Improvement that is (a) Street Adjacent to the Applicant’s Occupied Property (see green lots in the map); (b) at the DLBA’s discretion, Street Adjacent to a Side Lot, an Improved Lot, an Accessory Structure Lot, or an Oversize Lot, that is Street Adjacent to the Applicant’s Occupied Property (see orange lots in the map), or (c) at the DLBA’s discretion, that is Street Adjacent to one of the lots described in (b) (see blue lots on the map).



As shown in the map, the “house” represents an Applicant’s Occupied Property. This applicant could purchase as an Improved Lot (a) either of the green lots; and (b) at the DLBA’s discretion, any of the yellow lots if the lot(s) between them and the proposed Improved Lot are purchased by the applicant earlier or at the same time as the target Improved Lot.

(5) Parcel boundary modifications made after January 1, 2019 shall not be considered in adjacency determinations.

(6) There must be no delinquent or currently due property taxes in connection with the lot.

(7) The lot must (a) be zoned one of the following residential zoning categories R1, R1H, R2, R2H, R3, R3H, R4, R4H, R5, R5H, R6, or R6H; or (b) if it is not, the DLBA may choose to make it eligible as an Improved Lot if the lot's most recent previous use was as a 1-4 unit residential structure.

(8) The lot must not have been selected for another DLBA disposition program.

(9) If applicable, the sale of an Improved Lot must be approved by the appropriate governmental agency. Examples include approval from MSHDA for the release of a lien on a lot that was the site of an HHF demolition, or the City's Housing & Revitalization Department for a lot was acquired or demolished using NSP funds.

(10) The DLBA may choose to remove a property from Improved Lot eligibility at any time and for any reason, including so that it can be sold pursuant to another DLBA Disposition Program or to otherwise support broader City strategies.

If the DLBA removes a property from Improved Lot eligibility so that it can be sold pursuant to the Projects Procedures and Guidelines, then the DLBA shall deliver a letter to owners of Street Adjacent lots that would qualify as Applicant's Occupied Properties with respect to such property notifying them that the property will no longer be eligible as an Improved Lot after a certain number of days.

Any DLBA-owned Lot with improvements that does not qualify as an Improved Lot may be sold by the DLBA pursuant to any other applicable Part of this Vacant Land Policy; provided, however, that if the DLBA is aware of such improvement(s), the DLBA shall post a notice on the improvement before the lot is otherwise made available for sale.

**C. Improved Lot Purchaser Eligibility.** To be eligible to purchase a property as an Improved Lot, a prospective purchaser must meet all the following criteria.

(1) The purchaser must hold title to the Applicant's Occupied Property, which could include being a purchaser (but not a seller) in a land contract agreement.

(2) The purchaser must be current on property taxes with respect to all property owned in the City of Detroit or, with respect to purchaser's residence only, be in good standing with a payment plan entered into with the Wayne County Treasurer's Office.

(3) The purchaser must be in good standing with any agreements the purchaser is a party to with the DLBA.

**D. Pricing.** Improved Lots are priced at \$250 per lot, unless the estimated value of the lot as determined by the DLBA exceeds \$2,500 in which case the sales price shall be determined pursuant to the Projects Procedures and Guidelines.

**E. Notice.** Improved Lot sales shall be subject to the following notice criteria: When the DLBA makes a property available for sale as an Improved Lot, in addition to any other means it may or may not use, DLBA staff shall send a letter or postcard to all eligible homeowners notifying them of the availability of the Improved Lot; provided, however, if the DLBA is aware that an Historical Improvement is a Property Associated Improvement, the DLBA may limit initial notice of availability to the owner of the associated home. An Improved Lot shall be made available for at least 180 days after the date that notices are sent, after which if it is not purchased as an Improved Lot, the lot will become ineligible for the Improved Lot program and the DLBA may sell it through another program. The DLBA will provide additional notice of this by posting a notice on the Historical Improvement.

**F. Compliance.** Improved Lots are sold without any further obligations or restrictions on the part of the purchaser.

**G. Tax Capture.** See the DLBA's Tax Capture Waiver Policy for information regarding the DLBA's policy regarding waiving its five-year, fifty-percent tax capture with respect to Improved Lots.

**H. Land Review Areas.** See Chapter IX (Land Review Areas) which imposes limitations on the sales of Improved Lots in certain Land Review Areas.

#### IV. OVERSIZE LOTS

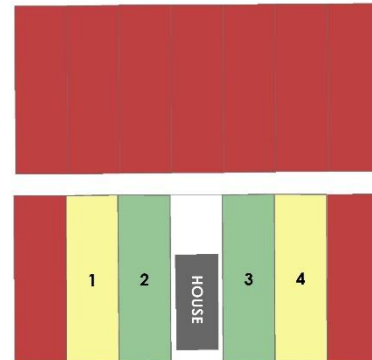
**A. Objective.** To sell certain DLBA-owned vacant lots that are larger than traditional Side Lots to owners of occupied residential property to be used for residential, recreational or agricultural purposes.

**B. Definition of an Oversize Lot.** An “Oversize Lot” is defined as a parcel of property in the DLBA’s inventory that meets all the following criteria.

- (1) The lot must be a vacant residential property without a structure.
- (2) The estimated value of the lot is less than \$2,500.
- (3) The lot must be greater than 7,500 square feet and less than or equal to 15,000 square feet in size and it must not measure more than 400 linear feet on any side.

(4) The lot must be Street Adjacent to the Applicant’s Occupied Property. Oversize Lots are (a) vacant lots without a structure that are Street Adjacent to the Applicant’s Occupied Property (left side, right side, but not across an alley nor across the street); or (b) at the DLBA’s discretion, vacant lots that are Street Adjacent to a Side Lot, an Accessory Structure Lot, or an Oversize Lot, in each case that is Street Adjacent to the Applicant’s Occupied Property.

As shown in the map, the “house” represents an Applicant’s Occupied Property, this applicant could purchase as an Oversize Lot (a) either of the green lots; and (b) at the DLBA’s discretion, any of the yellow lots if the green lot between the house and that yellow lot is purchased first or at the same time. None of the red lots would be eligible as Oversize Lots to the owner of the “house.”



- (5) Parcel boundary modifications made after January 1, 2019 shall not be considered in adjacency determinations.
- (6) There must be no delinquent or currently due property taxes in connection with the lot.
- (7) The lot must be zoned one of the following residential zoning categories R1, R1-H, R2, R2H, R3, or R3H.
- (8) The lot must not be selected for another DLBA disposition program.
- (9) All Oversize Lot listings must be approved by staff of the appropriate City planning agencies and, if applicable, any other appropriate governmental agency. Examples

include approval from MSHDA for a lot that was the site of an HHF demolition, or the City's Housing & Revitalization Department for a lot was acquired or demolished using NSP funds.

(10) The DLBA may choose to remove a property from Oversize Lot eligibility at any time and for any reason, including so it can be sold pursuant to another DLBA Disposition Program or to otherwise support broader City strategies.

**C. Oversize Lot Purchaser Eligibility.** To be eligible to purchase a property as an Oversize Lot, a prospective purchaser must meet all of the following criteria.

(1) The purchaser must hold title to the Applicant's Occupied Property, which could include being a purchaser (but not a seller) in a land contract agreement.

(2) The Applicant's Occupied Property must have a current Principal Residence Exemption. As an alternative to having evidence of a Principal Residence Exemption, property owners may demonstrate owner occupancy by submitting all of the following:

(a) a copy of their valid state-issued identification with an address matching the address of the Applicant's Occupied Property; and

(b) a recorded deed showing ownership in the owner's name.

(3) The purchaser must be current on property taxes with respect to all property owned in the City of Detroit or, with respect to the purchaser's residence only, be in good standing with a payment plan entered into with the Wayne County Treasurer's Office.

(4) The purchaser must be in good standing with any agreements the purchaser is a party to with the DLBA.

(5) The purchaser understands that they must maintain the property in accordance with standards established by City and City Planning Commission laws, rules and regulations.

**D. Pricing.** Oversize Lots are priced at \$250 per lot.

**E. Notice and Preference.** Oversize Lot sales shall be subject to the following notice and preference criteria.

(1) When the DLBA makes a property available for sale as an Oversize Lot, in addition to any other means it may or may not use, DLBA staff shall send a letter or postcard to all eligible homeowners notifying them of the availability of the Oversize Lot.

(2) The DLBA will hold applications to purchase an Oversize Lot for ten days from the date the first Complete Application is received before a purchaser is selected. If more than one application is received for an Oversize Lot, applicants will be given priority in the following order:



and (a) the applicant living directly Street Adjacent to the Oversize Lot;

(b) the first applicant to submit a Complete Application.

(3) No person, directly or indirectly, may ever purchase more than one Oversize Lot.

**F. Compliance.** Oversize Lots are sold without any further obligations or restrictions on the part of the purchaser.

**G. Tax Capture.** See the DLBA's Tax Capture Waiver Policy for information regarding the DLBA's policy regarding waiving its five-year, fifty-percent tax capture with respect to Oversize Lots.

**H. Land Review Areas.** See Chapter IX (Land Review Areas) which imposes limitations on the sales of Oversize Lots in certain Land Review Areas.

**V. NEIGHBORHOOD LOTS**

**A. Objective.** To sell DLBA-owned vacant lots to owners of nearby occupied residential property to be used for residential, recreational or agricultural purposes.

**B. Definition of a Neighborhood Lot.** A “**Neighborhood Lot**” is defined as a property in the DLBA’s inventory that meets all the following criteria.

- (1) The lot must be a vacant residential property without a structure.
- (2) The lot must not exceed 7,500 square feet in size and it must not measure more than 300 linear feet on any side.
- (3) The lot must be within 500 feet of an applicant’s property that contains an occupied residential structure of 1-2 units (the “**Applicant’s Nearby Property**”).
- (4) Parcel boundary modifications made after January 1, 2019 shall not be considered in adjacency determinations.
- (5) There must be no delinquent or currently due property taxes in connection with the lot.
- (6) The lot must be zoned one of the following residential zoning categories R1, R1H, R2, R2H, R3, or R3H.
- (7) The lot must not be selected for another DLBA disposition program.
- (8) If applicable, the sale of a Neighborhood Lot must be approved from the appropriate governmental agency. Examples include approval from MSHDA for a lot that was the site of an HHF demolition, or the City’s Housing & Revitalization Department for a lot was acquired or demolished using NSP funds.
- (9) The DLBA may choose to withhold or remove a property from Neighborhood Lot eligibility at any time and for any reason including (a) so it can be sold pursuant to another DLBA Disposition Program; (b) to support broader City strategies; or (c) the lot is part of a contiguous assemblage (including across alleys) of DLBA-owned land totaling 20,000 or more square feet.

**C. Neighborhood Lot Purchaser Eligibility.** To be eligible to purchase a property as a Neighborhood Lot, a prospective purchaser must meet all of the following criteria.

- (1) The estimated value of the lot is less than \$2,500.
- (2) The purchaser must hold title to the Applicant’s Nearby Property, which could include being a purchaser (but not a seller) in a land contract agreement.

(2) The Applicant's Nearby Property must have a current Principal Residence Exemption. As an alternative to having evidence of a Principal Residence Exemption, property owners may demonstrate owner occupancy by submitting all of the following:

(a) a copy of their valid state-issued identification with an address matching the address of the Applicant's Occupied Property; and

(b) a recorded deed showing ownership in the owner's name.

(3) The purchaser must be current on property taxes with respect to all property owned in the City of Detroit or, with respect to the purchaser's residence only, be in good standing with a payment plan entered into with the Wayne County Treasurer's Office.

(4) The purchaser must be in good standing with any agreements the purchaser is a party to with the DLBA.

(5) As part of their application to purchase a lot, a prospective purchaser shall provide to the DLBA a brief plan for their proposed use of the lot which must be consistent with City ordinances and policies. Examples of acceptable uses include, but are not limited to, greenspace, outdoor recreation, urban agriculture, stormwater infrastructure, and insect or bird habitats.

(6) The purchaser of a Neighborhood Lot not adjacent to the applicant's home or adjacent to a previously purchased Side Lot shall have the endorsement of at least one of the following:

(a) a local block club or a local neighborhood association, in each case registered with the City's Department of Neighborhoods;

(b) a DLBA approved locally active Community Partners in good standing;

(c) the local District-elected City Council Member or one of the At-Large City Council Members; or

(d) the local City District Manager or Deputy District Manager.

Applications to purchase Neighborhood Lots will be cancelled by the DLBA if no endorsement is received after a period of at least 60 days after the date the application is submitted to the DLBA.

(7) No person, directly or indirectly, may purchase in total more than three Neighborhood Lots in a calendar year.

**D. Pricing.** Neighborhood Lots are priced at \$250 per lot provided, however, if the applicant's property is Street Adjacent to the proposed Neighborhood Lot and the applicant

would be eligible to purchase the Neighborhood Lot as a Side Lot, at the sole discretion of DLBA staff, it may be sold for the Side Lot price of \$100.

**E. Notice and Preference.**

(1) The DLBA will hold applications to purchase a Neighborhood Lot (including, but not limited to, applications received at DLBA-sponsored events) for at least ten days from the date the first Complete Application is received before a purchaser is selected. If more than one application is received for a Neighborhood Lot, applicants will be given priority in the following order:

- (a) the applicant living closest to the Neighborhood Lot; and
- (b) the first applicant to submit a Complete Application.

(2) The DLBA shall deliver to all City-registered Block Clubs and Neighborhood Associations periodic notices of all lots in their service area available for sale as Neighborhood Lots. The DLBA shall also list lots available for sale as Neighborhood Lots on its website.

(3) If a Neighborhood Lot is also eligible for sale as a Side Lot, the DLBA shall offer it for sale as a Side Lot for 180 days before offering it for sale as a Neighborhood Lot.

**F. Compliance.** Purchasers of Neighborhood Lots must agree to maintain the property in accordance with standards established by City and City Planning Commission laws, rules and regulations for a period of three years. Should the purchaser or any future transferee be found to be in repeated violations of these standards, then the DLBA reserves the right to take back title to the property.

**G. Tax Capture.** See the DLBA's Tax Capture Waiver Policy for information regarding the DLBA's policy regarding waiving its five-year, fifty-percent tax capture with respect to Neighborhood Lots.

**H. Land Review Areas.** See Chapter IX (Land Review Areas) which imposes limitations on the sales of Neighborhood Lots in certain Land Review Areas.

**VI. INFILL HOUSING LOTS**

**A. Objective.** To encourage construction of new residential housing, including affordable housing, in the City.

**B. Definition of an Infill Housing Lot.** An “Infill Housing Lot” is defined as a property in the DLBA’s inventory that meets all the following criteria.

- (1) The lot must be a vacant residential property without a structure.
- (2) The lot may or may not be Adjacent to an occupied residential structure.
- (3) There must be no delinquent or currently due property taxes in connection with the lot.
- (4) The lot must be zoned R1, R1-H, R2, R3, R3H, R4, R5, R5-H, R6, R6-H, PD, PD-H, SD1, SD1-H, SD2, SD2-H, or SD4.
- (5) The lot must not exceed 7,500 square feet in size.
- (6) The lot must be located within an Inclusive Housing Opportunity Area, or other areas approved by a City Revitalization Office.
- (7) The appropriate City planning or economic development agencies have approved the listing of the lot as an Infill Housing Lot before being listed for sale.

**C. Infill Housing Lot Purchaser Eligibility.** To be eligible to purchase a property as an Infill Housing Lot, a prospective purchaser must meet all of the following criteria.

- (1) The purchaser must use the lot to support the development of new housing.
- (2) The purchaser shall provide a thorough description of the proposed development.
- (3) The purchaser must demonstrate sufficient capacity to finance and complete development and construction of a 1-4 unit residential project on the lot within a reasonable time period.
- (4) With respect to all property owned, directly or indirectly, by the purchaser located in the City, the purchaser must be current on property taxes or, with respect to purchaser’s residence only, be in good standing with a payment plan entered into with the Wayne County Treasurer’s Office.
- (5) The purchaser, directly or indirectly, shall not have purchased three or more Infill Housing Lots in the immediately preceding twelve months.

(6) The purchaser must be in good standing with any agreements the purchaser is a party to with the DLBA.

**D. Pricing.** Infill Housing Lots shall be listed for sale at fair market value as determined by an independent real estate broker provided; however, that discounts can be applied as follows.

(1) A purchaser developing rental units and willing to enter into an affordability agreement with, and monitoring by, the City of Detroit for a period of at least ten years shall receive a discount of:

(a) 50% off of the purchase price if at least 25% of the units are affordable to those earning no more than 80% of AMI; or

(b) 80% off of the purchase price if at least 25% of units are affordable to those earning no more than 50% of AMI.

(2) A purchaser may also be eligible for discounts offered through the DLBA's Projects Procedures and Guidelines provided; however, notwithstanding anything to the contrary set forth in this policy, a purchaser shall not receive a cumulative total discount of more than 90% for the purchase of any Infill Housing Lot.

**E. Notice and Preference.** Infill Housing Lot Sales shall be subject to the following notice and preference criteria.

(1) Infill Housing Lots shall be listed for sale with a licensed real estate agent or listed for sale on the DLBA or other City of Detroit agency website for a period of at least 15 days before an offer is selected.

(2) The DLBA shall select purchasers from among applicants through a comprehensive selection process that may weigh factors including, but not limited to, offer price, community benefit, purchaser experience and financial capability, purchaser connection to the neighborhood, proposed use of the lot, and support of neighbors and local organizations.

(3) If an Infill Housing Lot is also eligible as a Side Lot because it is Adjacent to an eligible occupied residential structure, the DLBA shall offer it for sale as a Side Lot for 30 days before listing it for sale as an Infill Housing Lot. If a lot is not eligible as a Side Lot, or if no eligible occupied residential structure is Adjacent, the DLBA may list the lot as an Infill Housing Lot without notification.

**F. Compliance.** A purchaser of an Infill Housing Lot must enter into a development agreement with the DLBA setting forth terms of the development including, among other things, the development's type and density, required schedules and timelines for development and construction and, if applicable, affordability monitoring. Should the purchaser violate the development agreement, DLBA reserves the right to take back title to the lot.

**G. Tax Capture.** See the DLBA's Tax Capture Waiver Policy for information regarding the DLBA's policy regarding waiving its five-year, fifty-percent tax capture with respect to Infill Housing Lots.

## VII. HOMESTEAD LOTS

**A. Objective.** To sell DLBA-owned vacant lots together with DLBA-owned residential properties to be used for residential, recreational or agricultural purposes in conjunction with those residential properties. Subject to the terms and conditions in the rest of this Chapter, the vacant lots eligible to be sold as a Homestead Lot include any that are Adjacent to the subject residential property as well as others that are Adjacent to a related Homestead Lot.

**B. Definition of a Homestead Lot.** A “Homestead Lot” is defined as a property in the DLBA’s inventory that meets all the following criteria.

(1) The lot must be either (a) Adjacent to a DLBA-owned residential property that includes an existing residential structure of 1-4 units, or (b) part of a contiguous assemblage of Homestead Lots that are Adjacent to such a property.

(2) The DLBA elects to sell the lot(s) in a single transaction together with the DLBA-owned property that includes an existing residential structure, through one of the DLBA’s home sales programs, including but not limited to, the Auction, Own-It-Now or Rehabbed & Ready programs.

**C. Homestead Lot Purchaser Eligibility.** To be eligible to purchase a property as a Homestead Lot, a prospective purchaser must meet each of the following criteria.

(1) The purchaser must purchase a property that includes a residential structure through one of the DLBA’s home sales programs in the same transaction.

(2) The purchaser must meet all eligibility requirements of the applicable home sales program.

(3) The purchaser shall not purchase more than five lots pursuant to this policy in a single transaction.

**D. Pricing.**

(1) Homestead Lots are priced at \$100 each.

(2) The DLBA may require the payment of applicable fees for title services should a purchaser elect to purchase title services on the lot.

**E. Compliance.** The DLBA will sell each Homestead Lot pursuant to, and under the same terms as, the purchase agreement that governs the sale of the associated residential property. If the purchaser defaults under that agreement, the DLBA will have the right to take back title to any Homestead Lots along with the associated residential property.



**F. Tax Capture.** See the DLBA's Tax Capture Waiver Policy for information regarding the DLBA's policy regarding waiving its five-year, fifty-percent tax capture with respect to Homestead Lots.

**G. Land Review Areas.** See Chapter IX (*Land Review Areas*) which imposes limitations on the sales of Homestead Lots in certain Land Review Areas.

## VIII. LAND-BASED PROJECTS

A. **Objective.** To sell certain DLBA-owned vacant land to purchasers so they can implement projects for recreational or agricultural purposes including but not limited to art installations, playgrounds, gardens, and beautification (“**Land-Based Projects**”), in a streamlined manner and in consultation with the City Revitalization Offices.

### B. **Identification and Preapproval of LBP Areas**

(1) From time-to-time, DLBA staff will identify one or more geographic areas of the City (each, an “**LBP Area**”) within which it will make certain parcels of vacant land available for Land-Based Projects. The criteria used by staff in identifying LBP Areas will be determined in consultation with the appropriate City Revitalization Offices and will focus on areas determined to be less amenable to housing or economic development projects.

(2) Once established and agreed upon by the appropriate City Revitalization Office, purchasers will be able to implement a Land-Based Project on land purchased from the DLBA without additional review by City Revitalization Offices provided that the Land-Based Project meets the established criteria for that LBP Area. Any proposed deviation from a pre-established use will require review by the DLBA and consultation with the appropriate City Revitalization Offices.

C. **Identification of LBP Sites.** From time-to-time, DLBA staff will identify certain individual parcels or collections of multiple contiguous parcels of vacant land within LBP Areas that meet the following criteria (an “**LBP Site**”).

(1) Each parcel must be designated by the DLBA as a Neighborhood Lot.

(2) Each parcel must be a vacant residential property without a structure.

(3) Each parcel must have clear title as determined by DLBA staff or as a result of a favorable judgment in a quiet title action.

(4) The parcels must not be selected for another DLBA disposition program, other than the Neighborhood Lot Program.

(5) If the sale of an LBP Site must be approved by a governmental agency such as MSHDA for parcels that were the site of an HHF demolition, or the City’s Housing & Revitalization Department for a lot was acquired or demolished using NSP funds, such approval will be obtained prior to offering such LBP Site for sale.

The DLBA may choose to remove a property from LBP Site eligibility at any time and for any reason, including so that it can be sold pursuant to another DLBA disposition program or to otherwise support broader City strategies.

**D. LBP Site Purchaser Eligibility.** To be eligible to purchase an LBP Site, a prospective purchaser must meet all of the following criteria.

(1) The purchaser can be an individual or a legal entity with the legal authority to purchase real property.

(2) The purchaser and its affiliates must be current on property taxes with respect to all property owned in the City of Detroit.

(3) The purchaser and its affiliates must be in good standing with any agreements the purchaser is a party to with the DLBA.

**E. Marketing.**

(1) When the DLBA makes an LBP Site available for sale it will minimally make it available on its website.

(2) A prospective buyer will submit a written application to purchase an LBP Site which will include a written plan setting for the purposes for which they intend to use the requested land and how they intend to implement the Land-Based Project.

(3) DLBA staff will review each application to determine whether the applicant meets the eligibility requirements set forth below and that the Land-Based Project is one that conforms with the use pre-established in consultation with the City Revitalization Offices.

(4) If more than one application is received for an LBP Site before a purchaser is selected, eligible applicants will be given priority in the order their Complete Applications were submitted.

**F. Pricing.**

(1) LBP Sites are priced at market value on a per square foot basis determined by DLBA staff using comparable sales and internal valuation methods. If the purchaser is a DLBA Community Partner, the applicable discounts will apply.

(2) DLBA staff will publish a land value map at least once per calendar year that will provide per square foot pricing for land within LBP Areas. LBP Sites shall be priced on a per square foot basis according to the prices shown on the map.

**G. Requirements of Purchasers.**

(1) Purchasers of LBP Sites are required to: (a) implement the Land-Based Project and maintain it and the LBP Site for at least three years after purchasing the LBP Site;

(b) register the LPB Site with the City as a Land Based Project within 30 days of purchasing the LPB Site; and (c) not transfer title to the LBP Site for three years after purchasing it without receiving the DLBA's pre-approval in writing of any transfer.

(2) Failure to comply with the above requirements after receiving notice from the DLBA will give the DLBA the right to exercise its reverter interest and take back title to the LBP site without compensation to the purchaser.

**G. Tax Capture.** See the DLBA's Tax Capture Waiver Policy for information regarding the DLBA's policy regarding waiving its five-year, fifty-percent tax capture with respect to Side Lots.

**IX. LAND REVIEW AREAS**

**A. Objective.** In order to support inclusive and sustainable housing, recreational, agricultural, infrastructure and job-creating economic development in the City (collectively “**Revitalization**”) that provides a broad range of opportunities for its citizens, the DLBA recognizes three types of geographic areas where greater coordination and/or more intentional sales strategies are necessary, collectively referred to as “**Land Review Areas:**” Inclusive Housing Opportunity Areas, City Project Coordination Areas, and City Project Hold Areas.

**B. Definitions of Land Review Areas.** There are three types of geographic areas within the City that comprise Land Review Areas.

(1) “**Inclusive Housing Opportunity Areas**” are areas of the City where on-market home sales have averaged \$100/square foot, or more, over the last 12 months. These are areas where housing inclusivity is, or is most likely to become, a pronounced challenge.

(2) “**City Project Coordination Areas**” are areas of the city where City planning, housing, infrastructure, economic development, recreation, or sustainability agencies (collectively, “**City Revitalization Offices**”) have formally requested that the DLBA coordinate sales in connection with planned or ongoing Revitalization projects that are using or would use DLBA properties.

(3) “**City Project Hold Areas**” are areas of the city where City Revitalization Offices have agreements in place barring or restricting the sale of DLBA property in that geographic area.

**C. Updates of Land Review Areas.** At least once in each calendar year, the Executive Director, or his or her designee, shall prepare an updated map showing all current Land Review Areas, based on the data for on-market sales prices, City and DLBA property ownership, and current formal requests from and agreements of City Revitalization Offices. Each updated map shall be made available on the DLBA’s website and presented at a public meeting of the DLBA’s Board of Directors. If a given area falls within the definitions for more than one Land Review Area, it shall be identified on the map as being in only one Land Review Area, using the following priority.

- (1) City Project Hold Area
- (2) City Project Coordination Area
- (3) Inclusive Housing Opportunity Area

**D. Approval of City Project Coordination or Hold Areas.** In order to be identified as a City Project Coordination or City Project Hold Area, the appropriate City Revitalization Office shall provide the following information to the DLBA, before being approved by the Chief Executive Officer or his/her designee.

(1) Whether the City Revitalization Office is seeking a City Coordination Area or City Hold Area. If seeking a Hold Area, the City Revitalization Office shall include a copy of relevant hold letters, agreements, or contracts.

(2) The category(ies) of vacant land being requested and the geographic boundaries of the requested land.

(3) The effective date of the request and the proposed expiration date. The expiration date may be extended, but it must always be to a specified date. The DLBA will make the expiration date available to the public on its website.

(4) Written details of the project, including, but not limited to, the name, purpose, boundaries, and partners.

(5) Approval of the City Revitalization Office's director or deputy director, as well as the director or deputy director of any one of the City's Planning & Development Department, Housing & Revitalization Department, Jobs & Economy Team, or any successor agency of these, or the Group Executive overseeing one of these bodies

(6) The name and contact information for a City project liaison who can answer questions from the DLBA and the public. The DLBA will make this information available to the public on its website.

**E. Impacts of Land Review Areas.** Sales of DLBA-owned vacant land located within a Land Review Area will be treated differently depending on the type of Land Review Area.

(1) **Inclusive Housing Opportunity Areas.** The sale of Neighborhood Lots, Homestead Lots and Oversize Lots is prohibited in Inclusive Housing Opportunity Areas. Side Lot, Improved Lot, and Accessory Structure Lot sales shall be limited to one lot of any type per occupied home and limited to properties Street Adjacent to the Applicant's Occupied Property and shall include the following additional selection criteria.

(a) The lot may not be more than 5,000 square feet in area.

(b) Purchasers shall be owners of the Applicant's Occupied Property and must have held title continuously for a period of 24 months before applying for the Side Lot, Improved Lot, or the Accessory Structure Lot.

(c) A purchaser, or their predecessor in ownership of the applicable Applicant's Occupied Property, may not previously have purchased from the DLBA a Side Lot or an Accessory Structure Lot located in an Inclusive Housing Opportunity Area. The Applicant's Occupied Property shall be an owner-occupied residential dwelling of no more than two units and must have a current Principal Residence Exemption. As an alternative to having evidence of a Principal Residence Exemption, property owners may demonstrate owner occupancy by submitting all of the following:

(i) a copy of their valid state-issued identification with an address matching the address of the Applicant's Occupied Property; and

(ii) a recorded deed showing ownership in the owner's name.

(d) The Side Lot or Accessory Structure Lot shall be not more than 5,000 square feet in area.

(2) **City Project Coordination Areas.** The impact of these areas shall be dependent on the needs of the particular Revitalization project that justified the creation of that City Project Coordination Area. Unless otherwise requested by the applicable City Revitalization Office, the sale of Neighborhood Lots, Homestead Lots and Oversize Lots is prohibited in City Project Coordination Areas. Unless the City Revitalization Office request states differently, Side Lot and Accessory Lot sales shall be permitted but shall be limited to properties Street Adjacent to the Applicant's Occupied Property.

(3) **City Project Hold Areas.** Upon request by a City Revitalization Office and approval by the director or deputy director of any one of the City's Planning & Development Department, Housing & Revitalization Department, Jobs & Economy Team, or any successor agency of these, the DLBA will hold specified inventory in a defined area for a specified term.

**Table 1 - Types of Lots Available for Sale in each of the Four Land Review Areas**

Area Type	Type of Lot				
	Side	Accessory Structure or Improved	Oversize	Neighborhood	Homestead
<b>Inclusive Housing Opportunity</b>	Yes <sup>2</sup>	Yes <sup>2</sup>	No	No	No
<b>City Project Coordination <sup>1</sup></b>	Yes <sup>2</sup>	Yes <sup>2</sup>	No	No	No
<b>City Project Hold <sup>1</sup></b>	No	No	No	No	No

<sup>1</sup> The restrictions on lot sales apply unless otherwise requested by the City department or agency.

<sup>2</sup> Side Lot, Improved Lot, and Accessory Structure sales are permitted but with certain restrictions, including sales of only Street Adjacent lots.