

Detroit Land Bank Authority

# Doing Development in Detroit-Webinar Series

District 4-Council Member  
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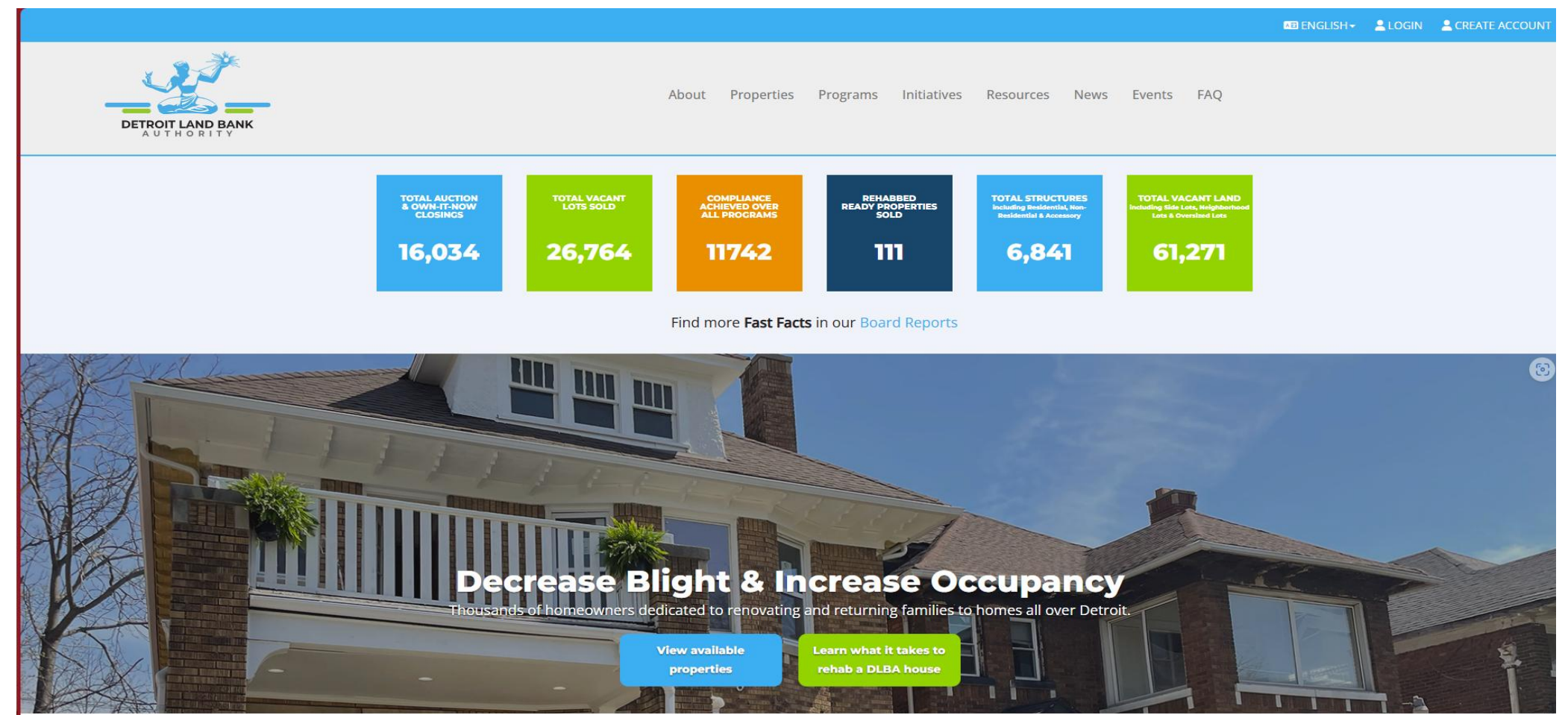
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**DETROIT LAND BANK**  
AUTHORITY  
BuildingDetroit.org



# REAL ESTATE & MARKETING PROGRAMS



ENGLISH LOGIN CREATE ACCOUNT

About Properties Programs Initiatives Resources News Events FAQ

TOTAL AUCTION & OWN-IT-NOW CLOSINGS	TOTAL VACANT LOTS SOLD	COMPLIANCE ACHIEVED OVER ALL PROGRAMS	REHABBED READY PROPERTIES SOLD	TOTAL STRUCTURES Including Residential, Non-Residential & Accessory	TOTAL VACANT LAND Including Bank Lots, High-potential Lots & Overhead Lots
16,034	26,764	11742	111	6,841	61,271

Find more **Fast Facts** in our Board Reports

## Decrease Blight & Increase Occupancy

Thousands of homeowners dedicated to renovating and returning families to homes all over Detroit.

[View available properties](#) [Learn what it takes to rehab a DLBA house](#)

## Marketing Program

- In areas that support infill development
- In neighborhoods that are guided by City led planning studies
- Adjacent to City owned property that can be comarketed for specific developments
- Properties that need professional intervention

## Community Partner and Economic Development Programs

Allows applications & project proposals for properties in the DLBA inventory (not being sold through other programs)

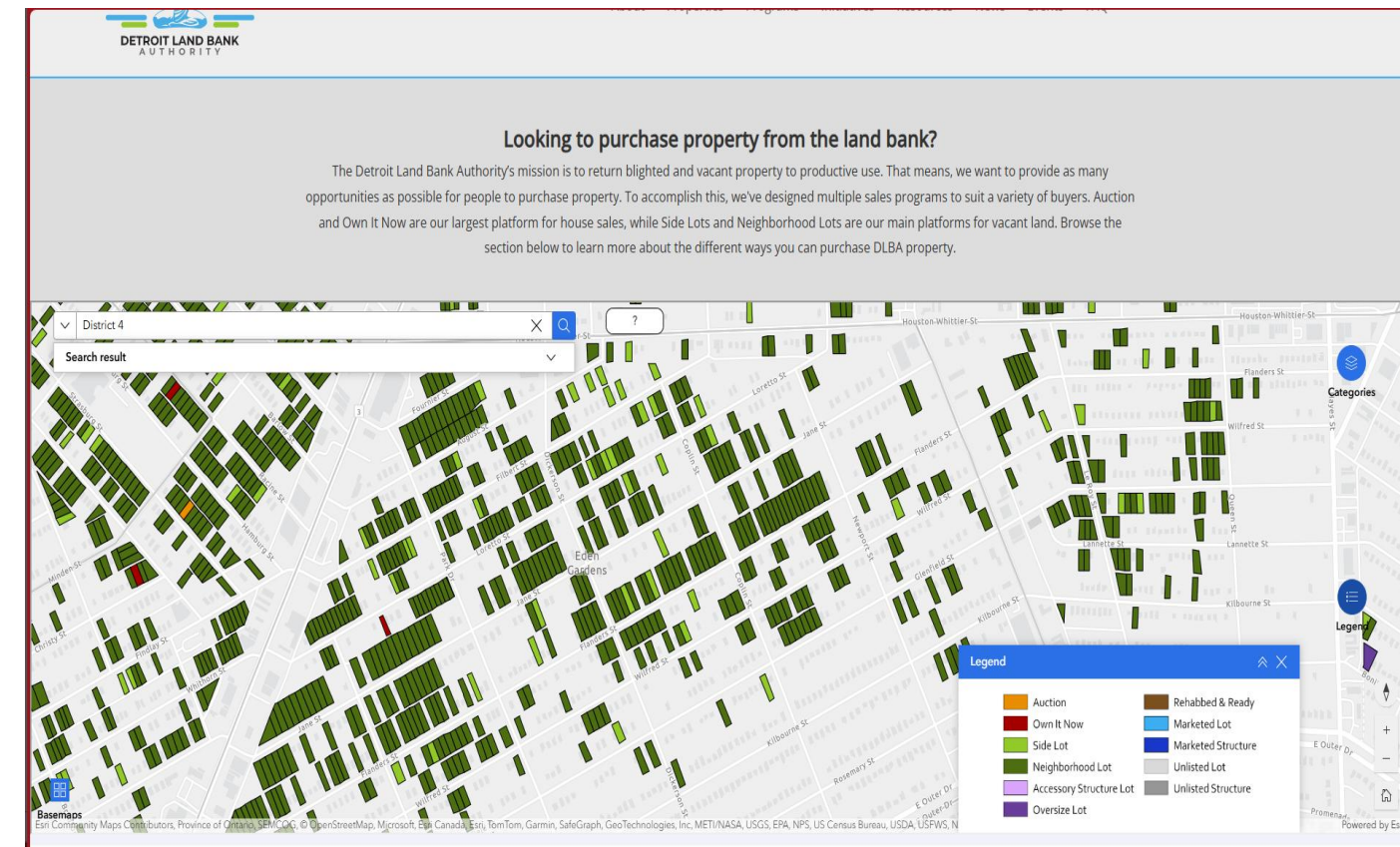
# THE APPLICATION PROCESS FOR MARKETING, CP, AND ECONOMIC DEVELOPMENT PROGRAMS

## Marketing Program

- Properties listed on DLBA website, MLS or 3<sup>rd</sup> Party Real Estate sites (Zillow, Redfin, Realtor.com, Trulia, etc.).
- Proposals are submitted through the listing agent on a Google form.
- Properties are listed for a minimum of 21 days and maximum of 60 days.
- Once listings are pulled, proposals are sent to the Marketing PM for review and scoring.
- Proposal with the highest score is prepared as a deal for review and final approval.

## CP and Economic Development

- Applicant can search for properties by using the “All Listing’s Map” located on the DLBA website ([www/buildingdetroit.org](http://www/buildingdetroit.org)) under the “Properties” heading. Once properties are selected, an application can be submitted through the Purchase Property by Application under the “Properties” heading.



# REVIEW PROCESS FOR MARKETING, CP, AND ECONOMIC DEVELOPMENT PROGRAMS

## MARKETING PROGRAMS

- Proposals are scored based on price, feasibility, experience, financing, neighborhood benefit.
- Proposal that scores the highest is presented to the Projects team, City regional team, and DLBA Board.
- Information required: project narrative, site plan, proof of funds (development projects-planned capital stack), budget. DLBA cannot review any proposals that do not include all of these documents.

## CP and Economic Development

- Once applications are submitted through the PPA portal, they are assigned a Project Manager.
- Project Manager will respond to applications within 5 business days of receiving the application.
- Information required: narrative, site plan, proof of funds (development projects-planned capital stack), budget. DLBA cannot review any proposals that do not include all of these documents.
- Applications are presented to the DLBA Projects team, City regional team, and DLBA Board.

# THE PROJECT HAS BEEN APPROVED!

## Agreements

There are two types of agreements: Purchase and Option.

### Purchase Agreement

For applications that are ready to close. Immediate PAs are typically used for non-development deals (land beautification)

### Option Agreement

- Used for development projects (residential, parking lots, any project that requires City review (design, zoning, project review, or City Council approval).
- Site control only. Once required approvals are received, DLBA will enter in a Purchase Agreement.

### Next Steps:

- Agreement is requested from DLBA Legal department.
- Agreement is sent to the applicant for review.
- Once the applicant is good with the Agreement, DLBA sends the agreement via Conga for electronic signature.
- Applicant is sent an invoice and wiring instructions to collect EMD and title search fees.
  - **Note:** title search is not required for Marketed properties. Title is clear before the property is listed with an agent.
  - Properties sold through CP/Economic Development require a title search (\$200 each parcel). May require quiet title (\$1,000 per parcel for ED and \$500 per parcel for CP)

### Next Steps:

- DLBA Board approval
- City Council approval required only if applicant is purchasing more than 9 parcels or they have purchased parcels in the past 12 months that combined with their current application exceed 9 properties.

# CLOSING AND COMPLIANCE

## Closing:

- All parcels in the Purchase Agreement must have clear title.
- Agreements are countersigned by the DLBA after board approval.
- Closings are through a title company. The closing fees can range from \$700-900.

## Option Agreements:

- Countersigned after DLBA board approval.
- Optionee can begin the City's review process noted in the Option agreement.

## Compliance:

- Monitoring the progress of the project; milestones are in the appendix of the Purchase Agreement.
- Applicant and Optionee must submit updates and photos to [projects@detroitlandbank.org](mailto:projects@detroitlandbank.org).
- Failure to submit updates will put the project in non-compliance status.
  - Default letter sent to the purchaser with 30 days to cure,
  - Subject to reconveyance
    - If reconveyance happens, purchaser will be prohibited from purchasing property from the DLBA.

# FEE STRUCTURE

- Earnest Money Deposits: 10% of acquisition price
- Title search: \$200 per parcel
- Quiet title fee: \$1,000 per parcel
  - \$500 for Community Partners
- Closing fees (assessed by title company): \$700-900
- Option Fees: 10% of acquisition or \$1,000, whichever is greater

**Note:** the fees are in addition to the acquisition price.

Discounts:

Agriculture: 20%

Adjacency: 20%

Community Partner:

- 50% land only
- 20% Auction or Own it Now

Affordable Housing developments:

- Determined per project

**Note:** There are no discounts for Marketed properties.

# COMMUNITY PARTNER PROGRAM



- Community Partner projects can consist of home rehabilitation, deconstruction, new construction, lot beautification, community gardens, pocket parks, and more!
- Community Partners can purchase properties through Auction, Own it Now, Create-a-Project, and Purchase Property by Application.



# WHO IS ELIGIBLE TO BECOME A CP?

## **ORGANIZATIONS THAT ARE:**

- Non-profit
- Faith based
- Community development

## **CRITERIA**

- Organization must be in Detroit,
- Have a federal tax-exempt status,
- Be current on property taxes for all property owned that is in Detroit,
- Not have unpaid blight violations or fines,
- Must be endorsed by the City Council person for your district or the District Manager,
- Be in good standing with the DLBA.

## **Perks:**

- 20% discount for Auction and Own it Now (non-profits only)
- 50% discount on vacant land
- Can endorse others to receive the 20% discount



# Contact the Detroit Land Bank Authority

**Email:** [inquire@detroitlandbank.org](mailto:inquire@detroitlandbank.org)

**Phone:** (313) 974-6869

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