

Vacant Properties Toolbox

Complete Guidebook



Community Legal Resources

615 Griswold, Suite 1400
Detroit, Michigan 48226

(313) 962.3171
www.detroitvacantproperty.org

DETROIT 
VACANT PROPERTY CAMPAIGN
COMMITTED TO THE REVITALIZATION OF DETROIT AND ITS NEIGHBORHOODS
INITIATIVE OF DETROIT LISC LED BY COMMUNITY LEGAL RESOURCES

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Linda Smith

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Anita Lane, Tim Thorland, and members

Community Legal Resources

• Vacant Property Legal Team

Michael Donovan, *LaMont Title Corporation*
Dora June, *Dickinson Wright*
Rochelle Lento, *Dykema Gossett PLLC*
Marilyn Mitchell, *Evans & Luptak*
Duncan Ogilvie, *Miller Canfield*
Kevin Plumstead, *Jaffe Raitt*
Michael D. Russell, *Wayne County Corporation Counsel*
Laura A. Weingartner, *Dykema Gossett PLLC*

CLR Staff

- **Heidi Mucherie**, Executive Director
- **Malika Heath**, Project Director
Detroit Vacant Property Campaign
- **Danielle Bober**, Project Manager
Detroit Vacant Property Campaign
- **Sudani Knowles**, Americorps Volunteer
Detroit Vacant Property Campaign
- **Michael Brady**, Vacant Property Program Manager
- **Sarida Scott**, Legal Director
- **Leor Barak** – Pro Bono Program Manager
- **Sara Jean Baker** – Office Manager
- **Jason Wade** – Land Use Law Intern
- **Anna Johnson** – Law Intern

Community Legal Resources

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Detroit Vacant Property Campaign

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Chapter 1: Introduction and Executive Summary

Introduction

Recently, Steve Preston, the new Secretary of the U.S. Housing and Urban Development Department stated, "Detroit is the epicenter of the foreclosure process." There is a rapidly growing surplus of vacant housing in the City of the Detroit. Many of these vacant homes are the result of mortgage foreclosure. Detroit's foreclosure rate is 4.8 times the national average.

Job loss and the rising cost of fuel and groceries have many families struggling to make ends meet. To make matters worse, home values have plummeted as interest rates on mortgages resulting from predatory lending continue to rise. Homeowners who thought their home was their largest asset find themselves with no equity.

Each day, neighbors and community members watch in dismay as more property in their neighborhoods becomes vacant, abandoned, and eventually eyesores in their communities. These neighbors often feel powerless and afraid. This feeling of powerlessness leads to more vacant property because stable homeowners begin to flee the neighborhoods fearing further decline.

The current crisis of vacant and abandoned property in the City of Detroit requires a comprehensive approach and immediate action. Citizens can bolster the effectiveness of government systems by working with government as it allocates already scarce resources to this problem. Partnerships are required to enable communities to work most effectively with government, non-profits, Community Development Corporations, and others to maximize the impact of their efforts.

Neighbors want to take control of their neighborhoods to protect safety, stability, and housing values. However, all too often, concerned citizens encounter roadblocks to addressing issues related to vacant property such as determining ownership of properties or a lack of information about governmental resources, policies, and processes. Through the development of vacant property plans in Detroit neighborhoods, the Detroit Vacant Property Campaign has identified a number of goals to address the issue of vacant housing and strategies for accomplishing those goals.

These goals include:

- Educating homebuyers and homeowners about mortgage, property tax, and foreclosure processes to keep homeowners in their homes and avoid additional vacancies
- Developing a well organized Vacant Property Strategy which includes inventory and assessment of vacant homes
- Determining property ownership in order to hold owners accountable for the condition of their properties
- Preventing damage to vacant properties to retain home values
- Obtaining control of vacant properties for access to make repairs and market
- Getting vacant properties reoccupied
- Demolishing vacant properties to protect home values
- Managing vacant lots
- Building neighborhood capacity
- Retaining Residents

Preventing Vacancy

Preventing future vacancies should be an integral part of any Vacant Property Strategy. Foreclosures often proceed because homeowners are unaware of how to communicate effectively with their lenders or are unaware of the mortgage and property tax foreclosure processes. For example, many homeowners are not aware that they may remain in their homes during the process of foreclosure thereby providing time to make alternative arrangements and assist the neighborhood with handling the impending vacancy.

Possible Actions or Responses:

Many residents and community members have become actively engaged in the education of homeowners about foreclosure prevention. Action has included neighborhood-wide door-to-door campaigns, targeted campaigns which identify homeowners facing foreclosure, and establishing neighborhood based foreclosure task forces which can direct homeowners in need to certified foreclosure prevention counseling.

Developing a Vacant Property Strategy

Each neighborhood can develop a Vacant Property Strategy based upon its own unique characteristics and changing needs. Many neighborhood associations, non-profits, and community development corporations (CDCs) already engage in some sort of vacant property inventory and assessment. Neighbors spread news of new vacancies by word of mouth, take note of the condition of vacant properties, and note how those conditions

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change over time. While city and county governments have systems in place to address vacant and blighted properties, community-based organized systems of collecting, monitoring, and sharing data could maximize the impact of these governmental programs.

Possible Actions or Responses:

Neighbors, non-profits, or CDCs could gather data regarding vacant houses using the inventory and assessment form provided in this publication. In addition, these community members can use the assessment tools provided here to monitor and record the condition of vacant properties over time. This information will provide a history to that they can share with relevant government departments and elected officials. It will also ensure that as residents change over time, the organizations do not lose this important information because of unorganized non-centralized systems.

Determining Property Ownership

There must be a system for holding owners of vacant and blighted property accountable for the condition of that property. However, the issue of ownership becomes difficult to unravel when a property is involved in the foreclosure process. In addition, awareness of changes in title is necessary because rapid changes in title may indicate that a property is the subject of a mortgage fraud scheme. Without identifying the owner of a property, the neighbors often bear the cost and responsibility of maintaining that property. Knowing the true owner of a property may provide the possibilities of access to the property, assistance with maintenance and repairs, and financial reimbursement.

Possible Actions or Responses:

Neighbors, non-profits, and CDCs could utilize the steps outlined in this publication to determine ownership of vacant houses. These community members can then use the ownership information to hold the owner of a property accountable for its condition. The community members could accomplish this through direct communication and negotiation with the property owner or by providing the information to existing systems such as the Police Department, Department of Public Works, Buildings Safety and Engineering Department, and the Wayne County Nuisance Abatement Program to maximize the functioning and efficiency of these systems.

Preventing Damage to Vacant Properties

Damaged and blighted properties lower home values, decrease security, and affect the general feeling of well-being in a neighborhood. When vacant properties are open to trespass because of broken windows and doors, they become breeding grounds for squatting and illegal activity. In addition, these properties further destabilize neighborhoods as residents begin to flee fearing further decline in neighborhood safety and property values. Therefore, preventing damage to existing vacant properties and addressing damage quickly must be a goal of any successful Vacant Property Strategy.

Possible Actions or Responses:

Residents in Detroit and other similar communities have taken innovative approaches to preventing damage to vacant properties in their neighborhoods.

- Hiring a paid security service
- Creating a volunteer security patrol
- Compiling an on-call buddy system to escort community members to and from their front door after dark
- Forming a code enforcement patrol
- Installing motion detectors
- Compiling a telephone and email contact list to be notified in the event of suspicious activity
- Working with city officials to install blockades reducing the number of entrances and exits in the neighborhood
- Hanging curtains
- Planting flowers
- Mowing lawns
- Moving trash containers
- Installing solar powered lighting

Communities often find that these types of actions are more beneficial to the preservation of property values than actual boarding.

Once a vacant house is open to trespass, it is imperative that the community utilize local code enforcement authorities to prevent crime. Neighbors should contact local code enforcement authorities to attempt to get them to secure and board these properties in a timely manner.

Please note that some of the strategies above involve what may be considered trespass, which could lead to arrest, or

civil lawsuits filed against the alleged perpetrator. While we are not aware of trespass charges being charged, DVPC feels obligated to make interested parties aware of this information. As a result, we have included information regarding identifying and working with the field servicer associated with particular properties. Agreement with the field servicer can make it possible for community members to gain lawful access to the vacant properties in their neighborhoods.

Obtaining Control of Vacant Properties

Some communities want to be able to exert some control over vacant properties in their neighborhoods. This control can take a variety of forms but in essence allows a community to control the condition of vacant properties and act immediately when conditions deteriorate. This helps stabilize the community ensuring its attractiveness and preserving home values.

Possible Actions or Responses:

Some highly organized communities have programs in place to acquire and sell properties in their own neighborhoods. These programs usually operate through a CDC, non-profit, or some other formal business organization established by the community. If managed successfully, this can be a good strategy for obtaining control of vacant properties. This is one way of dealing with the abundance of vacant properties but requires careful thought and consideration. A community must be sure that it has financial and knowledge resources necessary for such an endeavor which may include holding properties for long periods.

If an organization is interested in purchasing properties, it is important to examine sources such as land banks, which have the authority to extinguish taxes and other types of liens on property. If purchasing from a bank it is important to examine the possibilities of short sales and REO sales to avoid over-paying for property in a down market.

While purchasing property is the surest way to absolute control there are other means of controlling the condition of properties in a neighborhood. For instance, communities can utilize nuisance abatement statutes to work with local authorities in controlling the condition of vacant properties. This involves calling appropriate authorities early and often regarding deteriorating properties in a neighborhood. Once a property has entered the nuisance abatement enforcement

process the community should stay involved and be proactive by doing things such as providing current information about condition, appearing at hearings regarding the property, and communicating with government officials to ensure compliance with nuisance abatement statutes.

One form of control successfully used in other states is the legal remedy of Receivership. While not true ownership, receivership allows the interested party to “step into the shoes” of the property owner for the purpose of correcting code violations. Receivership can potentially allow neighbors or other interested parties access to the property and the ability to make repairs as needed. DVPC is exploring ways in which Michigan could strengthen its receivership law as a tool for providing communities with increased control over vacant properties.

Getting Vacant Properties Reoccupied

The ultimate goal of most residents will be to get vacant properties in their neighborhoods reoccupied. Because Detroit is losing population while gaining vacant housing, getting properties reoccupied is a difficult task. Neighborhood associations, CDCs, and other non-profits can take a role in selling houses in their neighborhoods by formulating or participating in marketing campaigns.

Possible Actions or Responses:

On the west side of Detroit, several communities in partnership with realtors participated in the formulation and implementation of a neighborhood marketing campaign. The realtors worked with residents of designated communities to highlight their most attractive homes, schools, churches, recreational centers, grocery stores, shopping, and other assets in the area while marketing vacant properties. This approach shows the potential of vacant homes in the area and commitment to the neighborhood. Some communities work with particular realtors who have agreed to utilize their marketing plan. The communities designate these realtors “preferred realtors” and recommend them to anyone inquiring about purchasing property in the area.

Demolishing Vacant Properties

Homes that are substantially burned or otherwise in a severe state of disrepair present a major obstacle to communities attempting to manage their vacant properties. These homes

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substantially influence the value of surrounding homes and often present a threat to public safety. The demolition of these buildings is integral to preserving home values and safety and must be a part of a community's Vacant Property Plan.

Possible Actions or Responses:

Neighbors and CDCs can work together to determine the appropriateness of a property for demolition. Once these community members identify a property as appropriate for demolition, the community members can work with government departments to seek demolition. Working on this issue will involve contacting city departments, often repeatedly about the same property. Action will also involve monitoring the property as it enters and progresses through the demolition process. Finally, neighbors should communicate with city officials to achieve a satisfactory outcome.

Managing Vacant Lots

Vacant lots present perhaps the most challenging and most exciting new frontier in urban areas. Vacant Lots can be either a liability or an asset to a neighborhood depending upon how neighbors or organizations manage or use them. Turning vacant lots into an area of cohesiveness, strength, and pride is a new goal of many communities in developing a Vacant Property Strategy. In many neighborhoods, neighbors and organizations accomplish this through "greening" or engaging in urban agricultural projects.

Possible Actions or Responses:

Neighborhoods can form code enforcement patrols to monitor the condition of vacant lots and contact authorities immediately when there is suspicious activity or dumping has occurred.

Neighbors, CDCs, and other non-profits can also incorporate the management of vacant lots into their overall Vacant Property Strategy. These community members could work with existing adjacent lot purchase or lease programs offered by the city, county, and state. In addition, these community members can inquire about acquiring or using vacant lots that are located in their neighborhoods even where the adjacent neighbor is not interested in participating.

Community members can explore using vacant lots to create extra yard space, create community gardens where neighbors

work together to grow food or flowers, or to create extra green space for residents of the neighborhood to enjoy.

Managing vacant lots requires an investment of time and energy. Communities may maximize their efforts by working with organizations already engaged in this process for information and guidance.

Building Neighborhood Capacity

Successfully implementing a Vacant Property Strategy requires a level of capacity within a neighborhood or organization. To be successful, neighbors must make a commitment to their neighborhood and to their neighbors. Neighborhood organizational structures often help keep this type of commitment strong.

Possible Actions or Responses:

Neighborhoods can organize to deal with the issue of vacant housing and to implement a Vacant Property Strategy. The type of organizational structure that a neighborhood should adopt will vary based on the level of organization historically in a neighborhood, the availability of resources, and specific goals.

Neighbors might want to begin by forming block clubs. The existence of a block club structure will strengthen neighborhoods associations that are already in place and make it possible to form neighborhood associations where they do not yet exist. Block clubs and neighborhood associations provide the workers for many of the strategies presented in this publication such as security and code enforcement patrols. Therefore, a security or foreclosure prevention task force may grow out of a well-organized neighborhood association.

Neighborhoods that already have a strong neighborhood association in place could examine the option of forming a non-profit organization. Forming a non-profit will increase the ability of the neighborhood or community group to receive various types of donations and may provide certain tax benefits.

A non-profit organization must conform to specific laws. Before establishing a non-profit, a group should carefully examine its intended mission and consult with an attorney or other professional with knowledge in this area. Once the non-profit is established the group may be able to access free services like the free legal services offered to non-profits through Community Legal Resources.

Chapter 2: Preventing Vacancy

Introduction

In Michigan, property owners can lose their property through both mortgage and property tax foreclosure. This means that if homeowners are not careful, property can be lost for a relatively small amount of money.

Addressing the foreclosure crisis in Detroit neighborhoods requires educating and empowering homeowners facing foreclosure and equipping the community around them with the tools to handle the crisis.

It is vitally important that homeowners understand the foreclosure process. **When a homeowner has a thorough understanding of the foreclosure process, she is better able to manage her own mortgage situation and share this information with neighbors who are facing foreclosure.** In addition, through foreclosure education homeowners will learn that it is not necessary to vacate their homes until the end of the foreclosure process. This will allow property to stay occupied for longer periods and may allow the homeowner time to collect resources and arrange future housing.

As soon as a homeowner realizes that he will have difficulty paying his mortgage he should begin to access all available resources. Available resources will vary depending on the type of mortgage. For example, FHA backed loans may be eligible for certain programs. In addition, programs vary in whether they require the homeowner to have missed payments to obtain assistance.

When facing possible foreclosure, the most important thing is that a homeowner is proactive. Often the best course of action is to contact a **certified foreclosure counselor**. It is important to use a certified counselor because the foreclosure crisis has caused an increase in mortgage fraud. A registered foreclosure counselor can help a homeowner navigate this difficult period and avoid the potential for mortgage fraud. We have provided a list of approved counselors in this chapter.

In addition to educating the homeowner facing possible foreclosure, it is necessary to educate and involve the surrounding community. As an early step, some neighborhood associations, non-profits, and CDCs have decided to make foreclosure prevention a neighborhood project. This type of project typically involves a door-to-door campaign to all homes

in the neighborhood. Without targeting particular homeowners, the association knocks on doors to educate all neighbors about the foreclosure process and help that may be available to homeowners.

A neighborhood approach is helpful in a number of ways. First, it provides information to homeowners facing foreclosure and may help them to remain in their homes. Second, it expands the outreach effort by equipping other homeowners with information that they can then pass on to other community members. Third, it may give homeowners who are considering leaving their homes due to neighborhood decline a reason to stay and be actively engaged in addressing the problem.

In this chapter, homeowners, neighbors, and other stakeholders will find vital information about the foreclosure process and suggestions for organizing to assist neighbors facing this crisis.

Chapter 2.1: Mortgage Foreclosure

Foreclosure Prevention Education

Foreclosure prevention education includes information and resources provided to homebuyers and homeowners to prevent them from losing their home to foreclosure. Such information will typically address the following topics:

- Mortgage industry and how it works
- Review of mortgage loan products
- Review of loan documents and the closing process
- Information about predatory lending
- Information about the Michigan foreclosure process

The Mortgage Industry and How it Works

Obtaining a mortgage involves a number of different players. The process generally begins with a borrower inquiring about getting a mortgage. To do this the borrower may contact a **mortgage broker** who will have access to different mortgage options from **different lenders** and will shop among those lenders for the best terms for the borrower. On the other hand, the borrower may go to **direct lenders**. In general, direct lenders will offer various loans from one particular lender. Some banks act as direct lenders. Whether it is a mortgage broker or a direct lender this party is called the **originator**.

The borrower will be required to fill out a loan application. Once the application is complete, the originator sends it to a **processor**. The processor is responsible for verifying information and gathering additional documentation such as credit reports and appraisals. An appraiser will perform the appraisal and helps ensure that the lender will not loan more money to the borrower than the property is worth.

After the loan package is processed, an **underwriter** reviews it. Then, based upon the underwriter's recommendation, the lender will sell the loan to an investor in the secondary market. Buyers in the secondary market include Fannie Mae and Freddie Mac, among others.

Closing takes place once the underwriting is complete. The **closer** prepares, assembles, and reviews the legal documents required for the transaction. These documents include the **note** and the **mortgage**.

1) Note – The note memorializes the promise to repay the loan. It includes the amount borrowed, the interest rate, the **term** (amount of time the borrower has to repay the loan) and the repayment terms.

2) Mortgage – The mortgage secures the repayment of the debt. It also usually secures other obligations, like maintaining the property in good repair. The mortgage provides that if a borrower defaults, the lender can foreclose the loan, take possession of the property, and become the owner.

After the closing takes place, the loan package will generally be transferred to a **servicer**. The **servicer** collects mortgage payments and is whom the borrower will communicate if there are questions or concerns regarding the mortgage.

The servicer is the party that will begin calling when the mortgage payment is late.

As stated above loan documents will include the appraisal, the note, and the mortgage. Other documents may include demand letters, acceleration letters, and various other types of documents. Housing counselors or foreclosure counselors can assist with reviewing these documents.

Predatory Lending

Predatory lending generally refers to loan originators who attempt to force a borrower into borrowing more than the borrower needs and/or is able to afford. It can also refer to originators who seek to increase the amount of various fees charged in connection with a mortgage. In either case, the loan originator is attempting to increase the money it makes on a loan at the borrower's expense. Predatory lending can occur with borrowers who are new to the lending process (for example, first time homebuyers), or with borrowers who do not understand how mortgage loans work. It also frequently occurs with borrowers who are refinancing.

In order to avoid predatory lending it is important that borrowers understand what they are getting into when applying for and subsequently obtaining a residential mortgage loan.

A residential mortgage loan is a very complicated transaction. It is also a very serious transaction for the borrower. However, for most people a mortgage loan is the only way they can afford to purchase a home, and in the vast majority of cases, competent professionals who are trying to help them achieve their dream of home ownership will assist borrowers.

Steps to Avoid Predatory Loans

1. Demonstrate knowledge about the mortgage process – A borrower should be educated about the process and let the broker/originator know that she understands the way the process should work.
2. Ask questions about paperwork, process, and fees.
3. Demand documentation – demand the Good Faith Estimate, the Truth In Lending Disclosures, and the Loan Application well in advance of the closing. Additionally the borrower should demand copies of anything the borrower has signed.
4. Read all documents for thorough understanding.
5. Do not rush the process or the closing – A borrower should begin this process several months before she needs the loan. A borrower should take time at the closing to be sure she thoroughly understands all documents.
6. Shop around and compare loans and terms offered by different brokers.
7. Be ready and willing to walk away when the process is not being conducted properly.
8. Do not allow the broker/originator to over qualify. A borrower should know how much of a loan she could really afford.

The Michigan Mortgage Foreclosure Process

Residential mortgages in Michigan virtually, without exception, contain what is called a power of sale. This is usually stated as a right to foreclose or right to institute foreclosure proceedings.

This power of sale is exercised by the mortgagee, or lender, publishing a notice of sale in a paper published within the county in which the property is located stating that the property will be foreclosed at public auction and that the auction will take place on a specified date at the place where the circuit court in that county is located. **In Detroit, foreclosure notices are published in the Detroit Legal News.**

Adjournment occurs when the mortgagee suspends or postpones the foreclosure proceedings for some period. The mortgagee has the right to adjourn the sale by posting

a notice of adjournment at the courthouse where the sale would have been held. The sale may be adjourned from week to week without a new publication as long as notices of adjournment are posted.

Most homeowners are not aware of the timeline for foreclosure. In general, a lender will usually not begin foreclosure until the homeowner misses mortgage payments for at least several months.

Up until the date of the sheriff sale, the homeowner can try to work out an arrangement with the mortgage company. After the sheriff sale, generally, the homeowner enters a redemption period. **Most mortgages have a 6-month redemption period. During this time, the homeowner can reside in the home.**

The following is a typical timeline for foreclosure:

• Second Month Missed Payment:

The mortgage company is likely to begin calling the contact numbers that they have for the homeowner in order to discuss why the homeowner has not made payment.

It is important that the homeowner **not avoid their phone calls**. She should try to stay calm on the phone, explain her situation, and explain what she is trying to do to resolve it.

The homeowner still **may be able to make one payment** at this time to prevent herself from falling three months delinquent.

• Third Month Missed Payment:

At this point, the homeowner is likely to receive a letter from the mortgage company stating the amount the homeowner is delinquent, and that the homeowner has 30 days to bring it current. This is called the “**Demand Letter**” or “**Notice to Accelerate**”. If the homeowner does not pay the specified amount or make an arrangement by the date given, the lender can refer the homeowner to foreclosure or accelerate his mortgage. They are unlikely, to accept less than the total due, without arrangements if the homeowner has received this letter.

***** Foreclosure/ Acceleration:** This means that the lender forwards the account to their attorneys. The homeowner **still has time** to work something out with the mortgage company.

Chapter 2.1: Mortgage Foreclosure

• Fourth Month Missed Payment:

Now the homeowner is usually nearing the end of the time allowed in the Demand or Notice to Accelerate letter. If this time expires and the homeowner has not paid the full amount or worked out arrangements the account the lender will refer the account to its attorneys. At this time **the homeowner will incur attorney fees** and they will be included as part of the homeowner's delinquency.

The attorney then schedules a **Sheriff Sale, which is the actual date of foreclosure**. The homeowner will be notified of this date by **mail**, along with a **notice taped to his door**. This is **NOT a move-out date!**

• Sheriff Sale Date:

This will be scheduled for **approximately four weeks after** the attorney receives the homeowner's file. The homeowner has up until this date to work out arrangements with the mortgage company or to pay the total amount owed.

After the Sheriff Sale, if nothing is done to resolve the situation the homeowner enters the redemption period.

Redemption period: Michigan requires that this period be no less than 30 days and no more than 1 year. Most mortgages allow 6 months. The homeowner will be notified of the time frame on the same notice that states the Sheriff Sale date. This is still the homeowner's time to reside in the home.

The Impact of Mortgage and Foreclosure Information on Vacant Properties

Education about the mortgage and foreclosure process will help homeowners retain ownership of their homes and prevent them from becoming vacant. **Additional information can be obtained from the agencies listed at the end of this chapter.**

Certified counselors can be found through the Michigan State Housing Development Authority (MSHDA) or a local Department of Housing and Urban Development (HUD) office. The Michigan State Foreclosure Task Force is another source of foreclosure prevention information: <http://www.cedam.info/foreclosure.htm>.

The Homeownership Preservation Foundation offers **free housing counseling over the phone**. They may be reached by calling 1-888-995-HOPE (4673).

MSHDA – www.michigan.gov/mshda

HUD – www.hud.gov

MSHDA certified counselors in Detroit:
Perfecting Community Development Corporation
(313)365-2273

Counseling Services

- Homebuyer Education - Group and Individual
- Financial Management Education
- Pre-Purchase / Credit Repair Counseling

Phoenix Housing and Counseling Non Profit, Inc.
(313)964-4207

Counseling Services

- Homebuyer Education - Group and Individual
- Financial Management Education
- Pre-Purchase / Credit Repair Counseling
- Pre-Purchase Home Inspection Funds
- Home Maintenance Training
- Foreclosure Prevention Counseling
- FSS/Key To Own Counseling
- HomeChoice Counseling
- HELP Loan Counseling
- HUD Referral Counseling

Southwest Housing Solutions Corporation
(313)841-9641

Counseling Services

- Homebuyer Education - Group and Individual
- Financial Management Education
- Pre-Purchase / Credit Repair Counseling
- Foreclosure Prevention Counseling

U-SNAP-BAC Non-Profit Housing Corp.
(313)640-1100

Counseling Services

- Homebuyer Education - Group and Individual
- Financial Management Education
- Pre-Purchase / Credit Repair Counseling
- Foreclosure Prevention Counseling
- HELP Loan Counseling
- HUD Referral Counseling

HUD homebuyer education/counseling services in Detroit:***Detroit Non-Profit Housing Corporation***

8904 Woodward Avenue, Suite 279

Detroit, MI 48202

Phone: (313) 972-1111

Bethel Housing Counseling Agency

5050 Richard Allen Blvd.

Detroit, MI 48202

Phone: (313) 833-9912

Early prevention is always better. Foreclosure prevention education is most effective before the home has been purchased or when a homeowner **thinks** they will not be able to make a mortgage payment. (Preferably before payments have been missed.) There are things that a homeowner can and should do before they are contacted by their lender.

Concerned community members can also play a role in foreclosure prevention.

Information and materials can be shared with individuals that appear to be in danger of foreclosure. Homeowners should be encouraged to contact one of the resources listed above.

Some communities have initiated a door-to-door campaign in their neighborhood to educate homeowners and distribute foreclosure prevention material. However, because of the amount of manpower and resources involved in a campaign many communities have found a targeted campaign to be more manageable. In a targeted campaign, neighbors approach particular homeowners with foreclosure information. This type of targeted campaign can be difficult because when singled out homeowners will often deny that they are in trouble.

Other communities have found it easier to reach homeowners through other area organizations including churches, CDC's and social clubs.

When approaching neighbors in danger of foreclosure it is important to emphasize these key messages:

1. The homeowner should act immediately – delay only worsens the situation.
2. The homeowner should contact his or her lender and speak specifically with the loss mitigation department to attempt to make payment arrangements.
3. The homeowner should seek help from a certified housing counselor who may be able to help them save their home. A list of housing counselors is provided at the end of this chapter.

Chapter

2.2: Tax Foreclosure

Property Tax Collection

The Office of the Wayne County Treasurer is responsible to the people of Wayne County for the effective and efficient administration of the Property Tax Collection. The Office is also responsible for receipt, custody, investment and disbursement of all County funds.

The City of Detroit collects current property taxes according to the schedule outlined below.

The Wayne County Treasurer is responsible for collecting delinquent taxes and for sending notices prior to forfeiture. The office is also responsible for foreclosure and sale of all tax reverted properties.

It is important to understand the property tax collection system because if taxes on a property remain unpaid the owner can lose the property to tax foreclosure.

The Property Tax Collection Process

1. A property owner will receive two tax bills each calendar year, a summer tax bill in July and a winter tax bill in December.
2. Taxes must be paid to the City of Detroit according to the following schedule:

City of Detroit Property Tax Payment Calendar

1st Partial Summer Payment due August 15
(Detroit and 2/3 Wayne County Operating)

2nd Partial Summer Payment due January 15
(Detroit and 1/3 Wayne County Operating)

Full Summer Payment due August 31
(Detroit and 2/3 Wayne County Operating)

Winter Payment due January 15
(Balance of Wayne County Taxes)

Note: If full summer payment is not made by **August 31**, any remaining summer balance, (principal tax interest and penalty) plus the winter balance are both due on **January 15**.

Tax deferments should be applied for and approved by **September 15** at a Neighborhood City Hall. Taxes are deferred until **February 15**.

3. The taxpayer has until the last day of February to pay taxes to the City of Detroit for the previous year. On March 1st unpaid taxes are considered delinquent. At this point, the City of Detroit will send them to the County Treasurer for collection and the treasurer imposes additional penalties. The penalty is 4% and the interest is **1% per month during the first year of delinquency and 1.5% per month during the second year.**

4. The following is a timeline of how the process will proceed once the city designates the taxes owed as delinquent and forwards them to the Wayne County Treasurer.

Wayne County Forfeiture and Foreclosure Timeline for 2008 Taxes

- **March 1, 2009:** Property is **forfeited** to county treasurer. State law requires the addition of a \$175 fee and \$26 in recording fees. Interest increases from 1% per month to 1.5% per month, back to the date the taxes became delinquent.
- **March 1, 2010:** Circuit Court may enter a judgment of foreclosure. Property owners may redeem their property by paying the taxes, interest, and fees by March 31st or lose their property.
- **April 1, 2010:** Property can be **foreclosed**. Property owners may lose all rights. Title to the property may pass to the county treasurer.
- **September & October 2010:** Property is sold at public auction.

Forfeiture Versus Foreclosure

Forfeiture and foreclosure are not the same things. Forfeiture occurs on March 1st of the first year, when property taxes become delinquent and are forwarded to the Wayne County Treasurer's Office for Collection. **Once property goes into forfeiture, there is still one year before the Treasurer can foreclose on the property.** The taxpayer has until the following March 1st (of the 2nd year) to pay the delinquent taxes, but will incur additional interest and a fee of \$175.00.

By law, the Wayne County Treasurer must provide notice before it forecloses on a property. In fact, the Treasurer does mail and hand-deliver multiple notices to owners and tenants of houses to be foreclosed.

If delinquent taxes are not paid by March 1st of the 2nd year, a judge will can enter an order of foreclosure and the property will be foreclosed. At this point, a property owner has until the end of the month, March 31st, to redeem the property by paying the taxes, interest, and fees. In many cases, the Wayne County Treasurer has accepted payments and allowed redemption of the property up to the date of auction. If the taxpayer wants to keep the property, she should not give up and should contact the Wayne County Treasurer's Office.

If the property is foreclosed and it is not redeemed by March 31st, the owner may not be able to get it back and the property can be sold at auction.

While this is the official statement of the tax foreclosure process, some homeowners have successfully retained their property or gotten it back by paying the taxes, fees, and interest owed even after March 31st. It is important to contact the Wayne County Treasurer's Office even after this date if the property owner wishes to retain the property.

The Impact of Property Taxes on Vacant Properties

Many vacant homes are the result of foreclosure due to unpaid property taxes. If a community-based organization is able to acquire these properties before they go to auction or during an auction, the organization could get them back into some form of productive use.

More importantly, the Wayne County Treasurer's Office offers several programs that may help prevent property owners from going into tax foreclosure thereby allowing occupants to remain in the property.

Financial Hardship and other Property Tax Extensions, Exemptions, and Credits

The City of Detroit offers a Hardship Exemption for delinquent taxes. In addition, Wayne County has a Substantial Financial Hardship Extension and other forms of assistance. The Wayne County Treasurers Office has a Taxpayer Assistance Department (TAD). Their telephone number is 313-224-6105. TAD can help a taxpayer find legal assistance, financial resources and obtain hardship extensions for more time to pay. Most of the following programs are available to the legally recognized

owner of the property. This may present difficulty where a property is involved in probate or not registered with the County Register of Deeds.

City of Detroit Principal Residence Exemption

Pursuant to MCL 211.7cc, eligible homeowners are exempt from paying 18 mills of school operating taxes. To be eligible, the homeowner must both own and occupy her principal residence on May 1 each year. The City Assessor's office has forms and can assist taxpayers with questions about this exemption. We used to call the Principal Residence Exemption a "homestead exemption." The Legislature changed the exemption's name to avoid confusion with the Michigan Homestead Property Tax Credit.

City of Detroit Taxpayer Hardship Exemption

Michigan law requires a property tax exemption for persons meeting certain poverty guidelines and in some cases for religious and other non-profit organizations. If a taxpayer is having difficulty paying property taxes, he may apply for a poverty or hardship exemption. To qualify for the poverty or hardship extension the taxpayer must own and occupy the property as a principal residence and meet certain poverty income standards. To begin the application process, call the City of Detroit Assessment Division at (313) 224-3011.

The Wayne County Substantial Financial Hardship Extension

Applying for a hardship extension is one of the best ways to hold onto the property while attempting to pay off delinquent property taxes. The extension can provide up to one additional year to pay. It is an extension, NOT an exemption. The taxpayer must still pay the taxes. Even if the treasurer grants an extension, property taxes will eventually have to be paid and the taxpayer will be required to continue paying interest charges throughout the duration of the extension. The following are specific instructions from the Wayne County Treasurer's Office regarding application for extension from foreclosure due to substantial financial hardship:

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2.2: Tax Foreclosure

Process to Request Delay of Foreclosure Due to Substantial Hardship

A person requesting the withholding of their property from a foreclosure petition for reason of substantial hardship must:

1. Submit a completed application to the Office of the Treasurer, 400 Monroe, Ste. 530, Detroit, MI 48226, Attention: Taxpayer Assistance, no later than **March 1** in the year for which the taxpayer is applying.
2. The application shall be notarized and attest that the person applying:
 - a. Holds title to the property
 - b. Occupies the property as their **principal residence**, and
 - c. Their household income meets the income standards of the Wayne County Treasurer for the tax year as attached to the application.
3. Appear, as agreed and scheduled by the Taxpayer Assistance Section, for an interview on the application and bring the following documents for review:
 - a. A current picture identification such as a driver's license;
 - b. Evidence that the applicant holds title to the property, such as a deed; and
 - c. Evidence that the applicant occupies the property as their principal residence; and
 - d. Federal income tax returns filed for the current year (if prepared) and the prior year.
 - e. If no income tax returns have been filed, the applicant must file a notarized statement containing the applicant's household income and that the applicant was not required to file a federal income tax return as their filing status, the applicant's age and indication that the applicant's gross income did not meet the standards set by the U. S. Internal Revenue Service for the tax year(s).
 - f. To be considered, a completed application shall be submitted to the Office of the Treasurer, 400 Monroe, Ste. 530, Detroit, MI 48226, no later than **March 1, 2008**.

The Treasurer's authorized representative, a member of the staff of the Office of Treasurer shall:

1. Review the application to ensure it has been completed and notarized;

2. Schedule an appointment with the applicant to review the application and supporting documentation.
3. If the applicant substantiates that they hold title to the property, and that their household income meets the income standards of the Wayne County Treasurer, the application in the form attached as Exhibit C for withholding of the property from the petition for foreclosure shall be granted. **The granting of the application does not waive payment of the taxes. Interest, penalties and fees will continue to accrue.**

Taxpayers or those providing assistance may obtain an application by going to the website of the Wayne County Treasurer or by appearing at the office in person.

Michigan Homestead Property Tax Credit Claim MI-1040CR

This credit is part of the Michigan Income Tax booklet and has been in place since 1973. The homestead credit is a program through which eligible taxpayers can receive a tax credit for an amount of their property tax that exceeds a certain percentage of their household income. The credit is based on total household income, including nontaxable income.

The program establishes the following categories which homeowners or renters are eligible for property tax credits:

1. Citizens age 65 and older and the surviving spouses of senior citizens.
2. Paraplegic, hemiplegics and quadriplegic persons.
3. Deaf and totally and permanently disabled persons who are not over age 65.
4. Eligible veterans, active military personnel, blind persons and the surviving spouses of veterans.
5. All other homeowners and renters.

Homeowners and renters who do not qualify for one of the special categories are granted a credit against their state income tax. This credit is equal to 60% of the amount by which their property taxes exceed 3.5% of their household income. Senior citizens and deaf, disabled, paraplegic, hemiplegics, or quadriplegic persons with household

incomes of more than \$3,000 receive a refund for all of their property taxes above the percentage of their household income as shown in the following chart:

2006 Household Income	Percentage of Household Income Not Refundable
Not over \$3,000	0%
\$3,001 - \$4,000	1.0%
\$4,001 - \$5,000	2.0%
\$5,001 - \$6,000	3.0%
\$6,001 and over	3.5%

Renters can also apply. In most cases, 20% of the rent paid is used for the property tax that can be claimed for credit. There are some exceptions to the 20% figure. For example, an applicant who lives in tax-exempt housing where no service fee is paid in lieu of taxes is not eligible to claim a credit. The forms are part of the **Michigan Income Tax Booklet** and can be found on the state's web site.

Summer Property Tax Deferment

Senior Citizens, disabled people, veterans, surviving spouses of veterans, and farmers may be able to delay paying the summer taxes until the winter tax bill is due without additional interest or penalties. You must apply for this tax deferment with the **City Treasurer**. The application must be filed by September 15 of each tax year.

Agencies That Help With Property Tax Issues

There are agencies that provide free financial and legal help to taxpayers experiencing trouble paying property taxes.

For financial help:

Wayne County Department of Human Services – DHS

(formerly Family Independence Agency) can be contacted at (313) 456-1000. This is a general number from which a taxpayer can obtain the phone number and address of his local DHS office. The taxpayer can also simply go to the local office and apply for State Emergency Relief (SER). Offices are located throughout Wayne County.

Michigan Veterans Trust Fund, Wayne County Office,

(313) 224-5045. If the taxpayer is a veteran with at least 6 months of wartime duty, he may qualify for financial assistance.

Wayne County Veteran Affairs (Soldiers and Sailors Relief Fund), (313) 224-1862. If the taxpayer is a veteran with any wartime service and an honorable discharge, she may qualify.

Arab Community Center for Economic and Social Services (ACCESS) – (313) 842-7010, Help is available to those who qualify and is not limited to those of Arabic ethnicity.

City of Detroit Human Services Department, Central Operations Division – (313) 852-5628. (Detroit Homeowners only).

For Wayne County communities outside of Detroit, the taxpayer may contact the local city hall for information concerning local funds available for assistance.

Many banks and mortgage companies offer a variety of mortgages and loans. It may be possible to obtain a mortgage to pay back taxes. It is ALWAYS advisable to obtain counseling when seeking a mortgage to pay taxes to prevent foreclosure. There are reputable non-profit organizations in some communities that provide home buyer and mortgage counseling.

**All financial help is contingent upon qualifications and available funding. If a taxpayer believes she was wrongfully denied State Emergency Relief, she may obtain free legal help from one of the agencies below:*

For Free Counseling and Legal Assistance:

- Home Ownership Preservation Project – 1(888)995-HOPE (4673)
- Southwest Housing Solutions – (313) 841-3727 x336
- United Community Housing Coalition – (313) 963-3310 (Detroit only)
- Michigan Legal Services – (313) 964-4130 (Wayne County)
- Legal Aid and Defender – (313) 967-5555 (Wayne County)

Contacting the Office of the Wayne County Treasurer

Anyone owning property in Wayne County or assisting someone who owns property may use the Wayne County Treasurer's Office. The Wayne County Treasurer's Office has programs available to help taxpayers who are experiencing difficulty paying their Wayne County property taxes, but the taxpayer must be proactive! There are deadlines for application to many of the programs and the process takes time.

Chapter

2.2: Tax Foreclosure

The telephone number for the Wayne County Treasurers Office is (313) 224-5990. The office is located at: 400 Monroe Street, 5th Floor, Detroit, MI 48226. For difficulty paying property taxes, call the Taxpayers Assistance Department at (313) 224-6105.

Anyone with questions about property taxes should contact the Wayne County Treasurer's Office. There is no cost for general assistance.

Taxpayers may pay their taxes online, by mail, or in person. To pay taxes online go to the Wayne County Treasurer's website www.waynecounty.com/treasurer/. You may pay in person or by mail at the office of the Wayne County Treasurer, 400 Monroe, 5th Floor, Detroit, MI 48226.

Most homeowners are not aware of the redemption period which follows the sheriff's sale in a mortgage or tax foreclosure proceeding. In Michigan, most redemption periods last 6 months. This period may be shortened to as little as one month if a home is vacant or abandoned. **During the redemption period, the homeowner can remain in the home, usually free of charge.**

Chapter 2.3 • Prevent Vacancy During Foreclosure by Empowering Homeowners to Remain in Their Homes

Understanding the process and the right of the homeowner to remain in the home will not only slow down the vacancy of the home, but may provide the homeowner with opportunity to devise a plan to maintain the home or at least mitigate some of the loss. Remaining in the home during the redemption period may also help the homeowner avoid the disruption of having to relocate away from current jobs and schools.

Homeowners who are facing possible mortgage foreclosure should contact a foreclosure prevention counselor.

Homeowners in danger of mortgage foreclosure should also make sure to contact their mortgage lender to make arrangements and read all documents sent to them. There is no cost to the general information about the mortgage foreclosure process. There are also free counseling services available. ***See the Mortgage Foreclosure Prevention section of this manual for contact information.**

Homeowners who are facing possible tax foreclosure should contact the Wayne County Taxpayer Assistance Department at (313) 224-6105.

Early prevention is always better. A homeowner should not wait to seek help. Foreclosure prevention is most effective when the homeowner immediately addresses their situation.

Remaining in a Home During the Foreclosure Process

Homeowners often vacate their homes after they receive a mortgage or tax foreclosure notice. However, Michigan law allows a homeowner to remain in a home until the end of the mortgage foreclosure process. Owners of foreclosed homes may remain in their houses free of charge until the court issues an eviction notice at the end of the foreclosure period.

Similar to the mortgage foreclosure process, the tax foreclosure process gives a taxpayer an extended period of time in which the taxpayer may remain in the home. With a tax foreclosure, the homeowner can stay in the home from the beginning of the foreclosure process until the end. Homeowners with unpaid property taxes will have the county treasurer foreclose on the property and offer it for sale at a public auction within two or three years.

While the Wayne County Treasurer does not generally sell occupied property, it does have the legal authority to do so.

The Role of Neighbors, Non-Profits, and Community Development Corporations

Individuals, non-profits, and Community Development Corporations can encourage owners of foreclosed homes to remain in their houses *free of charge* until the end of the foreclosure process to prevent vandalism of the property before the mortgage holder claims ownership of the property.

Since property tax delinquency information is available to the public, neighborhood organizations and CDCs could regularly check this information from Wayne County's Property Tax Administration System website (<http://www.waynecounty.com/pta/Default.asp>) to note what homes in their neighborhood are delinquent on their property taxes. If an individual knows someone who is in trouble, he or she can share information about the process with the homeowner.

To file an extension for payment: Residents may call: Wayne County Taxpayer Assistance Department (313) 224-6105

An effective campaign to keep vacant homes occupied through the mortgage or tax foreclosure process could incorporate the following strategies:

- **Hold a neighborhood meeting.** A neighborhood meeting provides a forum for community leaders to encourage residents to remain in their foreclosed homes. A neighborhood meeting may also connect residents with CDCs that can assist residents by providing homeowner counseling and information about the tax and mortgage foreclosure processes. Residents can receive this information in a setting that preserves anonymity.
- **Contact residents receiving foreclosure notices.** Residents noticing tax foreclosure notices posted on properties could attempt to contact the owner to share the contents of this publication and connect them with certified housing counselors in Detroit. Neighborhood organizations could also use data from the Wayne County Treasurer's Office to contact residents facing tax foreclosure.

Chapter 3: Developing a Vacant Property Strategy

Introduction

As the number of vacant homes and vacant lots in the City of Detroit continues to grow, it becomes more important for neighbors to become the eyes and ears in their communities.

Many neighbors already engage in some form of vacant property monitoring, driving by properties to perform visual inspections and alerting police to criminal activity. However, as the issue becomes more complex it is necessary for neighborhoods to develop more organized tools and strategies.

Even when there is some level of organization in a neighborhood, dealing with vacant properties can be difficult. Because properties sometimes go through a transitional period, it can be difficult to determine how many properties are vacant and how long they have been vacant without ongoing observation and analysis. For example, a property may be landlord owned and temporarily vacant between tenants. Inventory and assessment tools and a community-based monitoring system will allow a neighborhood to distinguish these types of transitions from actual vacancies.

In addition to determining whether a property is vacant, neighbors may want to determine the condition of vacant properties and monitor them to be aware of deterioration. Neighborhoods will also want to be aware of any criminal activity that may occur involving a vacant property such as vandalism. Assessment tools and a community-based assessment system will allow neighbors and community members to monitor vacant properties and address problems or alert the proper authorities immediately when conditions change.

Finally, vacant properties affect particular blocks in different ways. For instance, on blocks where a strong block club is present and there are only a few vacant properties, vacant properties may be better maintained with neighbors performing tasks such as cutting the grass. However, on blocks that have become less stable and where a strong block club is not present the need to intervene with vacant properties may be greater. Knowing which blocks are being more adversely affected will enable neighborhood associations and community groups to better direct their resources.

Neighbors and neighborhood associations can offset the negative impacts of vacant homes and vacant lots in their communities given the proper tools. This chapter highlights some necessary tools and offers suggestions for how communities can best utilize them.

Chapter 3.1: Create a Vacant Property Strategy

A Vacant Property Strategy is a long-term, goal-oriented plan to turn vacant properties into neighborhood assets. In a Vacant Property Strategy, coordinated partners carry out simultaneous strategies aimed at reducing the harmful effects of vacant properties.

A Vacant Property Strategy is necessary when an individual strategy cannot effectively reduce the negative impact of vacant properties on a neighborhood. Neighborhoods with one or more of the following characteristics may benefit from beginning a Vacant Property Strategy:

1. A recent, sharp increase in the number of vacant properties
2. Declining property values due to vacancy
3. Reduction of neighborhood stability
4. Properties that have been vacant for a long period
5. Multiple vacant lots
6. Illegal dumping
7. Vandalism of vacant properties

Suggested Steps to Begin a Vacant Property Strategy

Step 1: Generate stakeholder support for a Vacant Property Strategy

A Vacant Property Strategy's effectiveness depends on the involvement of neighborhood stakeholders. Individual neighbors, block clubs, local non-profits, faith-based organizations, and Community Development Corporations all may play a vital role in the development and implementation of a Vacant Property Strategy. The first step should involve generating support among these parties for a Vacant Property Strategy.

A block club, non-profit, faith-based organization, or Community Development Corporation could take the role of organizer by planning a community meeting. An agenda at this meeting may include the following:

- Listing concerns about vacant properties
- Mapping known vacant properties
- Developing Vacant Property Strategy goals
- Goals will vary depending upon the condition and capacity of the neighborhood but might include:
 1. Eliminating health hazards
 2. Addressing security threats
 3. Increasing property values

4. Stopping neighbors from abandoning their homes
5. Getting properties reoccupied
6. Other goals as articulated by the group

Step 2: Form an Action Team

Since a Vacant Property Strategy may include numerous individuals, forming an action team will allow a neighborhood to effectively conduct the planning phases of the Vacant Property Strategy. The action team should consist of at least one representative from every neighborhood stakeholder.

A neighbor or neighborhood association can begin this process by contacting block club captains, other neighbors, the neighborhood CDC, if one exists, churches, and area businesses to ask for their participation.

Step 3: Analyze the vacant property problem

Taking stock of the vacant properties is a vital step in the formation of a Vacant Property Strategy because it will allow the action team to assign resources and strategies appropriately.

Taking stock of vacant properties: Vacant property inventory

A vacant property inventory is an essential step when assessing an area's vacant property situation. Taking stock of the vacant properties will allow a community to better understand the scope of the problem and may help when seeking assistance from public or private organizations. Having hard numbers of vacant properties and knowing their exact location may help a local group as well as outside organizations understand the conditions of the neighborhood. Providing this type of data can be a more effective way of conveying the needs of a neighborhood than generally stating that a neighborhood has vacant properties. A vacant property inventory is a critical first step when mobilizing a Vacant Property Strategy.

Residents and CDC staff could record vacancies using a form similar to that provided in the attached document. They could conduct these inventories on a frequent basis, particularly for neighborhoods experiencing rapid change. Surveyors could use the list below to guide determination of whether a house is vacant. None of the signs will be a sole determinant of vacancy; however, considered collectively, signs could indicate vacancy.

Chapter 3.1: Create a Vacant Property Strategy

Some common signs of vacancy include:

Severely neglected yard maintenance

- Accumulated mail or flyers
- Posted “For Sale” signs
- Missing doors or windows
- Posted notices of mortgage or tax foreclosure or seizure of property
- Boarded windows and doors
- Burned out or significantly deteriorated structure
- Significantly tagged or vandalized structure
- Un-shoveled driveway or sidewalk during winter months

Vacant property condition assessment

Both the condition of vacant properties and the condition of their surrounding blocks may affect which strategies are appropriate to reduce the negative effects of vacant properties. By knowing the condition of the vacant property and the area in which it is located, a group may more effectively use their resources as well as the resources of other public and private organizations. For example, a vacant property condition assessment may reveal that in general, the properties are in good condition on good blocks, with only a few scattered blighted properties. In this case, a group could actively campaign for the dangerous properties to be demolished by presenting the City with a list of the given properties. At the same time, the group could begin to form strategies on how to improve security and market the existing properties. By gathering data on vacant properties on a neighborhood-wide basis, rather than by using a piecemeal approach, a group can more effectively seek aid from outside organizations and employ strategies to reduce the negative effects of vacant properties.

CDCs, neighborhood organizations, residents, or block clubs can perform an assessment and record the condition of the vacant properties. They can do this during or after the compilation of the vacant property list (see above). As with the block condition analysis in the following section, these community members should base the vacant property condition analysis on a clear set of criteria. Criteria could include the conditions of a property’s frame, chimney, roof, gutters, siding, paint, windows, doors and porch. For an example of a vacant property condition assessment form, see attached form.

Block condition assessment

As mentioned, determining the appropriate strategies for dealing with a vacant property can depend on the condition of the property relative to the surrounding conditions of the block. In order to aid that decision-making process, a CDC, neighborhood organization, or block club could perform a block condition assessment. These community members should base the block condition analysis on consistent measures. One possible form, with criteria that include factors such as sidewalk conditions, the appearance of the properties on a block, and the presence of graffiti, is included in the attached document.

Pending vacancy listing

The best way to eliminate the negative effects of vacant properties is to prevent them from becoming vacant in the first place. Many properties show signs of pending vacancy before they become vacant. Tracking which properties are potential vacancies could help local stakeholders develop intervention strategies to keep houses occupied.

CDCs, neighborhood organizations, or block clubs could make a list of properties that have signs of pending vacancy. Signs of a pending vacancy include:

- Neglected yard maintenance
- For Sale signs
- A mortgage foreclosure notice
- Tax-delinquency

Step 4: Determine appropriate strategies

Using the information gained in Step 3, the steering committee could determine appropriate strategies for their neighborhood-wide Vacant Property Strategy. This overall strategy should include prioritized action items, a timeline, and the parties assigned to each strategy. Action items should correspond to goals articulated in step 1.

FORM**Unoccupied Property Visual Indicators Survey**

Address: _____

Date: _____

Survey Completed by: _____

Property type (check one; if duplex or multi-family, note upstairs or downstairs)

___ Single-family

___ Duplex (___ upstairs ___ downstairs)

___ Multi-family (___ upstairs ___ downstairs)

___ Commercial

___ Occupied ___ Unoccupied

Below are listed a number of signs to look for when determining whether or not a property is currently occupied. Generally, no single indicator will solely determine whether a property is unoccupied. However, when considered together, they are useful for determining whether or not the property is currently occupied. Circle the number of all applicable criteria. In addition, be sure to photograph each property.

1. There is a posted notice on the door or windows of the building.

Notes: _____

2. The building is boarded up. The windows, doors, and other openings are covered by plywood or other material. Note that only one floor may be boarded up and may indicate that only one floor of a duplex/multi-family structure is unoccupied.

Notes: _____

3. Yard maintenance has been severely neglected. Lawn is overgrown and may be covering sidewalks. Significant vegetation appears to be dead.

Notes: _____

4. Excessive mail is piling at the doorstep or mailbox. Advertisements, junk mail, and other mail may indicate vacancy. Newspapers may not necessarily be an indicator.

Notes: _____

5. "For Sale" signs may be a sign that a property is unoccupied. Be especially mindful of houses that are for sale in property auctions.

Notes: _____

6. The building is missing key structural components or doors and windows.

Notes: _____

7. The building is burned out or shows significant deterioration. Major portions of the house may be exposed to the elements.

Notes: _____

8. The building has been significantly tagged or otherwise vandalized.

Notes: _____

9. Any additional factors not listed here.
(Please explain on reverse)

Property Conditions Checklist**Building Frame/Structure:**

___ **Minor:** Building is not leaning, but foundation is in need of minor repairs or is missing materials

___ **Major:** The building is not straight—leans or tilts. The foundation is in need of major repair or is missing a lot of materials

___ No problems

Roof/Chimney/Gutters:

___ **Minor:** Minor deterioration, improper roof repair. Some mortar missing from chimney; gutters in need of repair

___ **Major:** A lot of deterioration, missing material, holes in roof, or sagging roof. A lot of mortar missing from chimney or chimney is leaning

___ No problems

3.1: Create a Vacant Property Strategy

Windows/Doors:

- _____ **Minor:** Window frames need replacing or paint is peeling
- _____ **Major:** Windows missing, doors missing or rotted
- _____ No problems

Siding/Paint:

- _____ **Minor:** Some peeling or cracking paint
- _____ **Major:** (brick building) Building missing many bricks
(frame building) Wood siding is rotted
- _____ No problems

Porch:

- _____ **Minor:** Separation of the porch from the building,
paint needed
- _____ **Major:** Significant deterioration; steps missing, porch
sagging, supports holding up porch are rotted
- _____ No problems

Definitions of Property Conditions:

***Good:** The building looks structurally sound and well maintained. It needs no more than two minor repairs. It is not leaning or tilted and the foundation is in good shape. The building may need some general maintenance, such as the replacement of window frames or painting.

***Fair:** The building is structurally sound, and may need three or more minor repairs, but no more than one major repair. The building could be rehabilitated fairly inexpensively to improve its rating.

***Poor:** The building may not be structurally sound, and needs two or more major repairs. The building may have broken windows or the porch may look like it is falling off the structure. Major repairs need to be made for this building to be safe, adequate housing.

***Should be demolished:** This building is not structurally sound and should not be lived in. It may have fire damage or it may be leaning.

The condition of this vacant property is:

- | | |
|------------|----------------------------|
| _____ Good | _____ Fair |
| _____ Poor | _____ Should be demolished |

Chapter 4: Determining Property Ownership

Introduction

In the current environment of numerous foreclosures, property ownership can be difficult to determine. The foreclosure process presents an ownership maze involving homeowners, lenders, servicers, real estate firms, and investors. In addition to the number of parties involved, determining ownership can be difficult because property sometimes changes hands quickly with some owners holding title for only a few days.

Although local governments try to keep ownership records current, it is a difficult task. As a result, it sometimes becomes necessary to cross-reference information from more than one source to get the most accurate information about ownership.

Ownership information is useful because residents of a neighborhood need to know who is accountable when there is a problem with a vacant home in their community. Property owners are ultimately responsible for the property they own and for its condition. Neighborhood associations, non-profits, or CDCs may need to monitor some properties more closely, such as those that are investor owned. In addition, rapid changes in ownership should raise a red flag warranting extra attention.

This chapter provides information about where to find ownership information and how to conduct a title search.

Chapter 4.1: Determining Property Ownership

When faced with a vacant property, individuals are often unclear about whom to contact to express concern. The owner of a property is legally responsible for that property, and must keep it up to city code, whether vacant or occupied. Contacting the owner of a property should be considered as the initial step to demand increased maintenance, report a security concern, express interest in purchasing the property, and find out the intentions of the owner for the future of the property, and to help the owner put the property back into active reuse.

Finding out who owns a vacant property is often challenging for any neighborhood stakeholder, particularly for an individual resident. There are a number of resources available to help

determine ownership. The main resources available to identify property owners are the Wayne County Treasurer's Property Tax Administration System, the State of Michigan Corporate Entity/Business Search, the City of Detroit's Property Tax Information System, the Wayne County Register of Deeds, and title searches. These resources vary in terms of information provided and cost of data. The diagram below displays these differences on a spectrum, with the Wayne County Treasurer's Property Tax Administration System providing the least amount of information for the lowest cost and a title search providing the most information for the highest cost.



Wayne County Treasurer Property Tax Administration System

Description: This system lets homeowners pay their property taxes electronically. In addition, it provides access for third parties to information regarding a specific property.

Website: <http://www.waynecounty.com/pta/default.asp>

Cost: Free

Registration process: None

Search fields: Property Address
Parcel ID

Information provided for free: Tax payer name
Amount of delinquent taxes
Years of delinquent taxes
Wayne county tax status

State of Michigan's Online Business Entity Search

Description: This website provides access to information on the formation of corporate entities and businesses.

Website: http://www.dleg.state.mi.us/bcs_corp/sr_corp.asp

Cost: Free

Registration process: None

Search fields: Business name
Key word
Identification number

Information provided for free: Business identification number
Local business agent's name
Date business formed
Copy of the application
Mailing office address

City of Detroit's Online Property Tax Information System

Description: This system lets homeowners pay their property taxes electronically. In addition, it provides access for third parties to information regarding a specific property.

Website: <http://is.bsasoftware.com/bsa.is/default.aspx>

Cost: Free to view owner's name, but \$2.00 to access a detailed report.

Registration process:

- 1) Sign up – create a user name and password to access the system
- 2) Log on – using account information and select City of Detroit under Wayne county
- 3) Search
- 4) Provide valid credit card information when accessing detailed reports

Search fields: Property Address
Owner name
Parcel ID

Information provided for free: Owner name
Parcel ID

Information provided for a fee:

Owner information:
Owner address

Tax information:
Taxpayer name
Taxpayer address
Property class
State equalized value
Assessed value
Taxable value
Map #
Date of last name change

Land information:
Acreage
Zoning code
Land value

Information provided for a fee:

Land improvements
Renaissance zone
Frontage
Depth
Mortgage code
Lot dimensions/comments
Legal description

Sales information:

Sale date
Sale price
Instrument of sale
Grantor
Grantee
Terms of sale
Liber/page

Building information:

Building Description
Floor area
Occupancy
Stories above ground
Year built
Percent complete
Physical percent good
Economic percent good

Wayne County's Online Register of Deeds System

Description: This system provides documentation of all recorded actions related to real estate ownership in Wayne County.

Website: <http://www.waynecountylandrecords.com>

Cost:

On-Demand User:
\$5.00 for a search
\$1.00 to view a one-page document
\$5.00 to view a two or more page document

Commercial User:

\$500 one-time application fee
\$10.00 for every 15 minutes
\$1.00 to print per page

4.1: Determining Property Ownership

Wayne County's Online Register of Deeds System (cont.)

Registration process:

- 1). Sign up – create a user name and password to access the system
- 2). Log on – using account information and select City of Detroit under Wayne county
- 3). Search
- 4). Provide valid credit card information when accessing detailed reports

Search fields:

- Tax ID
- Legal Description
- Document Type
- Address
- Owner Name
- Instrument Number

Information provided for a fee:

- Owner name
- Ownership history
- Document type
- Dates transactions recorded
- Images of documents (i.e. liens, affidavits, mortgages, judgments of foreclosure)

**** To help interpret the information provided on the Register of Deed's website, see the code list attached to this document. (Exhibit B)**

Title Search

Description: A title search results in a "title commitment" which lists the property owner, other interests in the property, and delinquent taxes. Title commitments **MUST** be performed when a party is considering property acquisition. Title commitments may also be useful when other sources do not provide accurate ownership information.

Cost:

Title commitments typically range from \$150 to \$250. However, some local title companies will offer lower prices to non-profit organizations and Community Development Corporations to help them with a public purpose.

Search fields:

- Address
- Legal Description

Information provided for a fee:

- Owner name
- Ownership history
- Document type
- Dates transactions recorded
- Images of documents (i.e. liens, affidavits, mortgages, judgments of foreclosure).

Common Codes Encountered in Register of Deeds Searches

CODE:	CLAIM:	CODE:	CLAIM:
AFF	Affidavit	LS	Lease
ALR	Assignment of leases of Rents	MD	Master Deed
APP	Abandoned Property Project	ML	Mechanics Lien
ASG	Assignment	MSL	Michigan State Lien
ASS	Assessor	MTG	Mortgage
COF	Certificate of Forfeiture	MTL	Municipal Tax Lien
COI	Claim of Interest	NCI	Notice Claim of Interest
COR	Certificate of Redemption	NCL	Notice Claim of Lien
DC	Death Certificate	ORD	Order
DD	Deed	PA	Power of Attorney
DJ	Divorce Judgment	PCO	Probate Court
EXD	Executors Deed	PON	Proof of Notice
FD	Fiduciary Deed	PRD	Personal Rep Deed
FJL	Federal Judgment Lien	QCD	Quit Claim Deed
FOC	Friend of Court	QTA	Quiet Title Action
FXF	Fixture Filing	SD	State Deed
JDG	Judgment	SHD	Sheriffs Deed
LC	Land Contract	TD	Trust Deed
LCM	Land Contract Memo	TXD	Tax Deed
LP	Lis Pendens	UTL	Us Tax Lien
		USL	Federal Tax Lean
		WCA	Wayne Civil Action
		WD	Warranty Deed

Chapter 5: Preventing Damage to Vacant Properties

Introduction

Vacant properties lower the visual appeal of a neighborhood, present dangers resulting from code violations and can become havens for criminal activity. Communities in Detroit and other similar urban areas have taken creative approaches to addressing these issues. This chapter presents some of these approaches.

Neighborhood involvement in maintaining the exterior may range from cutting grass and planting flowers to providing exterior lighting to make a house look occupied. When a house looks occupied it is less attractive to criminals and less likely to become occupied with squatters who would live in a property without the benefit of running water and other utilities necessary to health and safety. It is important to note that while many communities successfully maintain vacant properties in their neighborhoods these actions could be considered trespassing, which is generally defined as the unlawful interference with another person's property.

Involvement in code enforcement may consist of forming a code enforcement patrol to monitor the condition of vacant homes and notifying the proper authorities when a building becomes open or dangerous. This can help code enforcement officials address problems with property in a timely fashion and help government officials become more aware of the scale of the issue.

Security is of major concern in most neighborhoods. Neighborhood involvement in improving security could include boarding and securing vacant homes, creating a security task force, or creating a buddy system for neighbors arriving home after dark.

Finally, this chapter provides information on how to identify the field servicer associated with a particular property and suggestions on how to work with the servicer to be sure that property is properly secured and maintained.

This chapter brings together many of the strategies neighborhoods are employing across the country to deal with vacant properties in their neighborhoods and protect the value of their homes.

Chapter 5.1: Maintaining the Exterior of Vacant Properties

Maintaining the exterior of vacant houses helps to reduce the appearance of vacancy. Maintained property sends the signal that someone cares for it and may help prevent damage to a vacant house and decline in the neighborhood.

Maintenance Efforts Could Include:

- Making houses look occupied. For vacant houses that are not boarded, reducing the appearance of vacancy may be an effective strategy to prevent vandalism to the house. Below are some things that reduce the appearance of vacancy.

Things That Make a House Look Occupied

- No handouts on the front door or porch
 - Garbage and debris cleared from lawn and porch
 - Holiday decorations on or around the home
 - Potted plants on the porch
 - Solar powered exterior lights on the lawn or porch
 - Graffiti removed or painted over
 - Well kept lawn
 - No snow or ice on walkways or driveways
- Reducing the visual effect of a boarded house - A house that is boarded sends a clear message to residents and outsiders that the house is vacant. While boarding may be a necessary step to keep a house secure, the appearance of the boards matters. Painting the boards with a color that blends in with the exterior of the house or painting murals on the boards could improve the appearance of the block while still protecting the house.

Organizing for maintaining exteriors of houses

To preserve the exterior of houses, a neighborhood organization could organize resident efforts and prioritize areas and tasks. A neighborhood-wide strategy may work best if various groups work together on maintenance. The neighborhood organization can help with tasks that an individual cannot afford or cannot physically perform.

The following steps offer suggestions for a neighborhood organization to approach exterior house maintenance on a neighborhood-wide basis:

• Identify and prioritize neighborhood needs.

The neighborhood organization could create a list of vacant houses and their condition, as discussed Section 3.1 of this toolbox. The neighborhood organization could use this information to prioritize houses that need maintenance most, to identify tasks, and to track the availability of supplies and volunteers.

The neighborhood organization could assign the volunteers based upon task, time available, and skill level. For a frequently occurring task, like lawn mowing, the neighborhood organization may form a group of residents who commit to one day of work each month. The group may break up into four teams, each performing a day of maintenance on a different week in the month. For a larger task that occurs less often, like raking leaves, a neighborhood organization could recruit students from a local high school that requires service hours for graduation. The neighborhood organization could plan three raking events during the fall using the high school volunteers and rakes lent by neighbors. For irregular tasks, like shoveling snow, the neighborhood organization may want to make a list of residents who have snow blowers and residents who do not work mornings. The neighborhood organization could match resources with volunteers.

Chapter 5.2: Increase Code Enforcement and Security

Increasing Code Enforcement

When neighbors observe code violations they should report them to the City by calling 3-1-1. The City will then channel the information to the appropriate Department.

Reporting code violations ensures that the City is aware of the situation and provides the reporting party with a record of the complaint. The person reporting the violation can then track the complaint until it has been resolved.

Common code violations:

- Failure to remove snow and ice from sidewalks
- Inoperable vehicles
- Rat infestation
- Illegal dumping
- Presence of solid waste
- Failure to maintain exterior of property
- Early bulk placement at the curb

The Impact of Code Enforcement Activities on Vacant Properties

Without proper care and maintenance, vacant properties deteriorate and become a blighting influence. Code enforcement is a form of prevention. Violations are noted and owners are ticketed. Property owners are responsible for the maintenance of their property. However, in this current climate of increased foreclosures and resulting vacant property, it is evident that widespread neglect is occurring. Reporting violations and creating a patrol will assist the City in requiring the owner to maintain their property.

Everyone can be active in the area of code enforcement. Anyone can submit information about code violations. Forming a code enforcement patrol requires the participation and commitment of residents. Residents must be committed to monitoring and reporting noted code violations. Additionally, it is important that residents follow-up on those properties that have been reported.

There may be costs involved in maintaining a code enforcement patrol. The costs include time and if neighbors conduct the patrol by car, travel costs. The neighborhood could address these costs by dividing the patrol time and collecting block club dues or holding fundraisers.

Form a Code Enforcement Patrol

A code enforcement patrol is a group of individuals that organize to patrol their particular area or neighborhood and record the observable code violations. This observation is limited to the outside of the property. It does not entail entering properties. Members of the patrol or members of the neighborhood association then report the violations to the City.

Detroit Building and Safety Engineering Department (BSED)

<http://www.ci.detroit.mi.us/Departments/BuildingsSafetyEngineeringDepartment/tabid/74/Default.aspx>

Coleman A. Young Municipal Center

2 Woodward Avenue, Suite 418
Detroit, MI 48226
(313) 224-2733

BSED uses civil offense fines to force landlords and tenants to comply with the City's Blight Ordinances. Occupied, vacant, commercial and residential properties all face enforcement under the City's Blight Ordinances. Offenses range from rodent problems to a failure to maintain exterior of property. Penalties can range from \$100 to \$10,000 per day.

Once a complaint is made to BSED the department will investigate the complaint and may issue a ticket. If the ticket is not paid or the recipient of the ticket challenges the complaint, the offenses will be heard and decided by an Administrative Law Judge at the Department of Administrative Hearings (DAH). The City specifically created the DAH to provide resolution to blight issues.

If violators fail to comply with the judge's order, they can have liens placed on their property, wages garnished, and/or face negative consequences on credit reports.

Increasing Security of Vacant Houses

A strong relationship with the local police precinct benefits neighborhoods and communities. If a neighbor witnesses a vacant house that is being broken into, that person should call 911 immediately and report the matter to the police. Neighbors should be aware that property crime calls may receive low priority treatment from 911 so they should immediately contact the local police district office as well. The resident making the report can request to speak to the officer on duty.

Chapter 5.2: Increase Code Enforcement and Security

If a neighbor believes that there are squatters living in a vacant home, that person should immediately report the house to the local police precinct. Communities that have had success using this process advise having multiple parties contact the same police district office and if possible, the same officer numerous times. Neighbors should continue to report the squatters to the police until the matter is successfully resolved. If a neighbor believes that someone is illegally using electricity in the home, they should notify DTE.

Properly boarding and securing houses is imperative to deterring crime and preventing other risks to public health and safety. The Buildings & Safety Engineering Department has the responsibility of boarding vacant houses that are open and dangerous. Community members can report vacant structures at (313) 224-2733 or 3-1-1.

Additionally, many community groups and residents have resorted to boarding and securing homes on their own.

DVPC does not recommend this approach. These actions could be viewed as trespass.

Create a Security Task Force

A neighborhood can form a security task force. It requires a group of individuals committed to identifying and implementing security measures for the neighborhood. The measures can involve forming a neighborhood watch, a neighborhood security patrol, or pooling resources to hire a security service.

Maximizing the Impact of Security Measures on Vacant Houses

Anyone can begin to increase the security of vacant properties in their neighborhood. Community members can obtain Information about boarding vacant properties from the Detroit Buildings & Safety Department. (See Section 6.5 for more information on utilizing the services the Detroit Buildings & Safety Department). A security task force requires community organizing. The task force can be a formal or informal group. Neighbors can maximize the impact of security measures will by involving active and committed residents. Additionally, it is important that neighbors follow-up with the City on those properties that they have requested to the City to board. Costs associated with these activities may include travel or the production of informational flyers. The neighborhood could collect donations or dues to cover costs.

Chapter 5.3: Working With the Field Servicer

A homeowner usually makes the mortgage payment each month to the loan servicer that the mortgage company has hired to collect payments. Subsequently, Mortgage Field Service companies or Property Preservation Companies are typically employed by these loan servicers to maintain properties in the foreclosure process or after they have become vacant.

The role of the Mortgage Field Service Company or Property Preservation Company is to inspect and perform property maintenance on properties that have gone into default and during the Real Estate Owned (REO) phase. The REO phase is the period of time from when a mortgage has been defaulted until the time that the property is sold to a third party or new buyer.

Typically, Field Servicers are responsible for things such as:

1. Keeping the grass cut
2. Plowing snow
3. Boarding and securing properties
4. Clearing debris from a property where that debris constitutes a code violation

The Detroit Vacant Properties Campaign has identified 7 major Mortgage Field Service Companies that may be responsible for servicing a large percentage of vacant properties in the City of Detroit.

They are:

1. **Safeguard Properties** www.safeguardproperties.com
2. **Fidelity Field Services** www.fndfs.com
3. **First American Field Services** www.firstam.com
4. **MCS** www.mcsnow.com
5. **Five Brothers** www.fivebrms.com
6. **Field Assets** www.fieldassets.com
7. **Cyprex** www.cyprex.net

In addition to these companies, the U.S. Department of Veterans Affairs (VA) utilizes a company called Ocwen. www.ocwen.com or (800) 746-2936.

Freddie Mac has its own Real Estate Owned (REO) division, which performs field service on its properties. www.freddiemac.com or (800)373-3343.

Fannie Mae has its own REO division as well but also employs some of the above-mentioned companies to service its properties. www.fanniemae.com or 1-800-732-6643.

The U.S. Department of Housing and Urban Development (HUD) uses Marketing and Management agencies for field service on its properties. If the defaulted mortgage was originally a Federal Housing Administration (FHA) mortgage then HUD will be the owner of the house once it is defaulted. The contact information for vacant Michigan HUD homes is:

Michaelson, Connor and Boul, Inc (MCB)

100 Galleria Office Center, Suite 414

Southfield, Michigan 48034

Phone: (248) 827-0200; Toll Free: (877) 827-7781

Fax: (248)827-2100

Website: www.mcbreo.com

Property Preservation and Protection Requests and Requests for Extension of Time should be forwarded to Ms. Mary Cambrero, Mortgagee Compliance, at mc@mcbreo.com

Interested parties can learn more about HUDs management and maintenance services at www.hud.gov/offices/hsg/sfh/reo/mm/mminfo.cfm

Steps to Identifying and Working With a Field Servicer

1. Check to see whether there is a sticker affixed to the property containing the field servicer's contact information.
2. If no sticker is affixed to the property, record the street number, street name, and 5-digit zip code of the property.
3. Contact the companies above with that information to see whether they are the field servicer on that particular property. Generally, interested parties should speak with a high-risk specialist but starting with customer service can also be helpful.
4. If the field servicer still cannot be identified contact the real estate agent associated with the party to see if the agent has been made responsible for maintenance.

Alternately, if the lender responsible for a house is known, use the field servicer contact list at the end of this section to identify the corresponding contact information.

5. Attempt to get specific local contact information for issues and concerns regarding the property.

6. Attempt to reach an agreement with the field servicer for an individual or group to have access to the property to cut grass and take other damage and crime prevention measures. The individual or group seeking the agreement may seek a fee or reimbursement for the proposed maintenance and prevention services

Identifying the field servicer responsible for a particular house does not cost anything but will take an investment of time and persistence. It is important to note that while this is a list of the largest field servicers, it is impossible to create a comprehensive list and the information for all vacant property field servicers will not be found in this publication.

The DVPC is exploring the possibility of forming agreements between community organizations and field servicers or real estate brokerages so that communities can become partners to banks and lenders in protecting neighborhood assets. Please look for updates on this in our next issue.

Chapter 5.4: Property Preservation Contacts

Once you know who owns a vacant property use the property preservation contact list to request a service on the identified property. This list was compiled by the Mortgage Bankers Association. It is available online at the MBA Property Preservation Resource Center.

Contact Name	Mailing Info.	Key Contacts	Title/Department	Phone
Am Trust Bank aka Ohio Savings Bank	1111 Chester Ave. Cleveland, OH 44114	Jacques Hawkins jhawkins@amtrust.com	Property Preservation Specialist	(216) 588 - 5936 Fax: (216) 588 - 2060
Aurora Loan Services (ALS)	327 Inverness Dr. South Englewood, CO 80112	R. Brandon McGill codeviolations@lehman.com		(720) 945 - 4775 Fax: (720) 945 - 3731
		David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Field Service Contact	(800) 852 - 8306 ext. 1261
Bank of America, N.A. aka Nations Bank Barnett Bank Boatmen's Bank	475 Cross Point Pkwy. Getzville, NY 14068-9000 (716) 635 - 2000	Barbara Komisarof barb.komisarof@bankofamerica.com		(716) 635 - 2970
		Rhonda Weston rhonda.weston@bankofamerica.com		(716) 635 - 2978
		David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Field Service Contact	(800) 852 - 8306 ext. 1261
Beal Bank LLP Mortgage Ltd.				(469) 467 - 5917
Carrington Mortgage Services, LLC	1610 E. St. Andrew Santa Ana, CA 92705	Sheila Fisher sheila.fisher@carringtonms.com	Manager, REO	(949) 517 - 5598
		Tom Craft tom.craft@carringtonms.com	Vice President, REO	(949) 517 - 5087
Central Mortgage Company	801 John Barrow R., Ste 1 Little Rocke, AR 72205	Jan Davis jkdavis@arvest.com	Default Asset Manager	(501) 716 - 5614
Chase Home Finance LLC	3415 Vision Dr. Columbus, OH 43219	High.Risk.Violations@Chase.com		(888) 310 - 1506
	Attn: OH4-7350 High Risk Unit	David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Field Service Contact	(800) 852 - 8306 ext. 1261
Chevy Chase Bank		Debbie Graham djgraham@chevyCHASEbank.net		(301) 939 - 4059
CitiFinancial Mortgage Company, Inc. ABN Amro	1111 Northpoint Dr. Attn: Property Preservation Coppell, Tx 75019	Susan Stroud David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Field Service Contact	(800) 852 - 8306 ext. 1261

Chapter 5.4: Property Preservation Contacts

Contact Name	Mailing Info.	Key Contacts	Title/Department	Phone
Citi Residential Lending Ameriquest Mortgage Services AMC Mortgage Services	10801 6th St., Ste 130 Rancho Cucamonga, CA 91730	Olivia Barton obarton@amcmortgageservices.com		(716) 635 - 2970
		Joisy Rodriguez joisy.rodriguez@amcmortgageservices.com		(716) 635 - 2978
		Kim Guevara kguevara@amcmortgageservices.com		(800) 852 - 8306 ext.1261
		David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Field Service Contact	
Countrywide Field Services	301 E. Vanderbilt Way, Ste. 350 San Bernadino, CA 92408	CFSC Escalation Team CFSC_Escalation@Countrywide.com	Property Preservation	(866) 515 - 9759
Countrywide Home Loans	7105 Corporate Dr. PTX A 274 Plano, TX 75204	Community Advocacy Team communityadvocacy@countrywide.com		(501) 716 - 5614
	7105 Corporate Dr. PTX C 35 Plano, TX 75204	Escalation Damage Team Casey Chortie Cassandra_Chortie@countrywide.com	Team Leader	
		REMViolationsDesk@countrywide.com	REO/Marketing Violations Notice Desk	
EMC Mortgage Corporation	800 State Highway 121 Bypass Lewisville, TX 75067-4180	Barbara Christy barabara.christy@jpmorgan.com	Code Violation/Preservation Specialist	(214) 626 - 2645
		Lesley Hicks lesley.hicks@jpmorgan.com	Property Preservation Specialist	(214) 626 - 2580
		Donna Daniels donna.k.daniels@jpmorgan.com	Property Preservation Supervisor	(214) 626 - 4841
Everhome	8100 Nations Way Jacksonville, FL 32256	Vacant-blight@everhomemortgage.com		
		First American Field Service caservice@firstam.com	Field Service Contact	(800) 873 - 4532 (option 1)
First Commonwealth Bank	4750 Clairton Blvd. Pittsburgh, PA 15236	Jack B. Furtney jfurtney@fcbanking.com	Loan Workout Officer	(412) 881 - 3347
First Niagra Bank	6950 S. Transit Rd. P.O. Box 514 Lockport, NY 14095-0514	Trish Harris trish.harris@fnfg.com		(716) 625 - 7689

Contact Name	Mailing Info.	Key Contacts	Title/Department	Phone
GMAC Mortgage Corporation	3451 Hammond Ave. Walterloo, IA 50702-5345	Patrick F. McCool pat_mccool@gmac.com	Manager, Property Preservation	(319) 236 - 4733 Fax: (319) 236 - 4647
		Shelley Petersen shelley.peterson@gmac.com		(319) 236 - 4784
		Chelle Adkins chelle.adkins@gmac.com	Team Lead	(319) 236 - 5147
HSBC Mortgage Services, INC.	961 Weigel Dr. Elmhurst, IL 60126	Khalid Mahmud		(800)333 - 5848 ext. 7912
Beneficial Ohio Inc.	Attn: Prop Preservation			
Household Realty Corp.	HSBC Mortgage Services 636 Grand Regency Blvd. Brandon, FL 33510	Luigi Gualario luigi.e.gualario@us.hsbc.com	Assistant Property Preservation Manager	(813) 571 - 8768
		Cheryl Page	Property Preservation Manager	(813) 571 - 8664
		Barbara Willard Ann Lewis		(716) 651 - 6779 (716) 651 - 6776
	HSBC Mortgage Corporation 2929 Walden Ave. Depew, NY 14073	David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Field Service Contact	(800) 852 - 8306 ext. 1261
HUD				
Pyramid Real Estate Services, LLC (KS, MO, OK, KY, TN)	4500 S. Garnett Rd., Ste. 250 Tulsa, OK 74146	Sylvia Belitz code@pyramidrealestate.com	Manager, Property Operations Division	(918) 660 - 0800 ext. 323
Chapman Law Firm (OH, IL)		Burrell Jackson mc@clfes.com	Mortgage Compliance Manager	(918) 622 - 3690 ext. 237 (800) 434 - 1567
Michaelson, Connor & Boul, Inc. (AZ, CO, MT, NV, UT, WY)		LuAnn Kogler luann.kogler@mcbreo.com	Director, Mortgage Relations	(714) 230 - 3628
HUD				
Michaelson, Connor & Boul, Inc. (AZ, CO, MT, NV, UT, WY)		Mary Cambero Mary.cambero@mcbreo.com		(714)230 - 1300 ext.2405
		Mike Bao mike.bao@mcbreo.com	Regional Property Mgmt. Mrg.	(480) 941 - 8737
		Kerry Neterer kerry@mcbreo.com	Exec. Director Sales & P&P	(888) 622 - 7361
Kentucky Housing		dsmith@kyhousing.org	Default/Liquidation Manager	(502) 564 - 7630 ext.316

Chapter 5.4: Property Preservation Contacts

Contact Name	Mailing Info.	Key Contacts	Title/Department	Phone
LoanCare Servicing Center		Tim Hayes hayes@loan care.net		(757) 893 - 1300 ext. 203
		James Bennett-Pate bennett-patej@loan care.net		(757) 896 - 1300 ext.243
M & T Bank	On Fountain Plaze, 6th floor Buffalo, NY 14203	Preservation Manager propertyperservation@mandtbank.com		(800)724 - 1633
		David Mazanek Safeguard Properties, Inc.	Field Service Contact	(800) 852 - 8306 ext. 1261
Midland Mortgage Co. MidFirst Bank	999 NW Grand Blvd. Oklahoma City, OK 73118	property.preservation@midfirst.com		(800) 852 - 8306 ext. 1261
		David Mazanek Safeguard Properties, Inc.	Field Service Contact	(800) 852 - 8306 ext. 1261
National City Bank National City Mortgage Co. dba Commonwealth United Mortgage dba Accubanc Mortgage dba MidAmerica Bank National City Mortgage Inc. National City Mortgage Services	Attn: Property Preservation 3232 Newmark Dr. Miamisburg, OH 45342	Property Preservation Team		(937) 910 - 4953
		Megan Wessell	Processor	(800) 367 - 9305
		Kim Burchett	Processor	ext.54953
		Delbert Thompson hazard.oss@ncmc.com	Processor	
		Gail Klien gail.klien@ncmc.com	Process Leader	(937) 910 - 4563
		Michael Ferguson michael.ferguson@ncmc.com	Process Manager	(937) 910 - 1220
		David Mazanek Safeguard Properties, Inc.	Field Service Contact	(800) 852 - 8306 ext.1261
National City Consumer Loan Services	6750 Miller Rd. Brecksville, OH 45342	Sylvia Belitz code@pyramidrealestate.com	Manager, Property Operations Division	(918) 660 - 0800 ext. 323
		Burrell Jackson mc@clfes.com	Mortgage Compliance Manager	(918) 622 - 3690 ext.237 (800) 434 - 1567
		LuAnn Kogler luann.kogler@mcbreo.com	Director, Mortgage Relations	(714) 230 - 3628

Note: If unable to identify which National City entity is servicing a property, contact the Miamisburg team which will identify which entity is servicing the loan and provide contact information. Any escalated complaint or concerns can be directed to Deborah Oakley no matter which National City entity is involved or you may call the Property Preservation Team at National City Mortgage, (937) 910 - 4953.

Contact Name	Mailing Info.	Key Contacts	Title/Department	Phone
Ocwen Loan Servicing, LLC	1661 Worthington Rd., Ste. 100	Kavita Parekh kavita.parekh@ocwen.com		(516) 682 - 8000 ext. 6412
Ocwen Financial Corporation	West Palm Beach, FL 33409	David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Field Service Contact	(800) 852 - 8306 ext. 1261
Ocwen Federal Bank, FSB				
Option One Mortgage Corp.		Lydia Tanner - Flores lydia.tannerflores@oomc.com	Manager, Legal Actions	(949) 727 - 8380 (800) 704 - 0800 ext. 48380
		Tim Lindsey tim.lindsey@oomc.com	Team Leader, Preservation Valuations and Manufactured Homes	(800) 704 - 0800 ext. 48208
		Kristin Velasco kristin.velasco@oomc.com	Senior Representative, Preservation, Valuations and Manufactured Homes	(800) 704 - 0800 ext. 43454
PHH Mortgage Cendant Mortgage CUNA Mortgage Coldwell Banker Mortgage ERA Mortgage Century 21 Mortgage InstaMortgage Charles Schwab American Express	Safeguard Properties, Inc. 650 Safeguard Plaza Brooklyn Heights, OH 44131	Andrea Busby		(502) 957 - 7400 ext. 1026
Plaza Home Mortgage				(858) 346 - 1208 ext. 208
Popular Mortgage Servicing Inc.	121 Woodcrest Rd. Cherry Hill, NJ 08003	Edwina Fisher Edwina.Fisher@popularms.comd	Safeguard Properties Client Liaison	(800) 556 - 1425 ext. 5802
	Safeguard Properties, Inc. 650 Safeguard Plaza Brooklyn Heights, OH 44131	David Mazanek, Safeguard david.mazanek@safeguardproperties.com	Field Service Contact	(800) 852 - 8306 ext. 1261
Regions Mortgage AmSouth Bank Union Planters Magnolia Federal Magna Bank	215 Forrest St. P.O. Box 18001 Hattiesburg, MS 39401	Denise McLaurin Denise.Mclaurin@Regions.com Paula Gilliland paula.gilliland@regions.com		(601) 554 - 2386 Legal Claims Processor (601) 554 - 2463

Chapter 5.4: Property Preservation Contacts

Contact Name	Mailing Info.	Key Contacts	Title/Department	Phone
SC State Housing	300C Outlet Pointe Blvd. Columbia, SC 29210	Lisa Rivers lisa.rivers@schousing.com	Director, Mortgage Servicing	(803)896 - 9384
Suntrust Mortgage, Inc.	Foreclosure Dept RVW3064 1001 Semmers Ave. 4th Floor Richmond, VA 23224	Lorrie Pond lorrie.pond@suntrust.com	Foreclosure Claims Manager	(804) 319 - 4797
		Tammi Stubbs tammi.stubbs@suntrust.com	Foreclosure Department	(804) 291 - 2515
		David Mazanek david.mazanek@safeguardproperties.com	Field Service Contact	(800) 852 - 8306 ext. 1261
US Bank Home Mortgage	4801 Frederica St.	Christina Hall		(217) 852 - 5644
US Bank NA	Owensboro, KY 42301	David Mazanek david.mazanek@safeguardproperties.com	Field Service Contact	(800) 852 - 8306 ext. 1261
Leader Mortgage				
US Department of Veterans Affairs		wscom@va.gov		
Washington Mutual		gmp-pescalated@wamu.net		Fax: (904) 886 - 1628
		Michael Fisher	Property Preservation Manager	(904) 886 - 5444
		Michelle Waczkowski	Escalated Issues	(904) 886 - 6112
		Brenda Nichols	Violations/Demolitions	(904) 886 - 5454
Wells Fargo Home Mortgage WFHM	1 Home Campus Des Moines, IA 50328	codeviolations@wellsfargo.com		
		Andrew Hohensee Andrew.d.hohensee@wellsfargo.com	Violation Specialist	(414) 214 - 4383
		Sherilee Massier sherilee.massier@wellsfargo.com	Manager	Dedicated fax: (866) 512 - 0757
		First American Field Services wellsinquiries@firstam.com	Field Service Contact	
		Fidelity National Field Services High risk email: field.services.highrisk@fnis.com	Vendor Team	High Risk Phone: (440) 387 - 1100
		Mortgage Contracting Services codeviolations@mcsnow.com		
World Savings		Rose Ann Robles RoseAnn.Robles@Wachovia.com	Department Manager, Asset Management and Project Loan Servicing	(210) 543 - 4571 (866) 259 - 7731, ext. 34571

Chapter 6: Obtaining Control of Vacant Properties

Introduction

Some highly organized neighborhoods where there is knowledge, skill, and funding, have started their own community-based property improvement organizations. While we will more fully explore the operation of this type of property improvement organization in this chapter, they usually operate in the following way:

The property improvement organization pools the financial resources of participating residents to acquire a property. Sometimes the organization promises participating residents a certain return on their investment. The organization may acquire property from private banks, governmental entities such as the City or county treasurer and county programs, quasi-governmental entities such as land banks, or national programs like HUD. Once the property improvement organization has obtained control of the property, they are able to make repairs or rehabilitate the property and market it for sale.

If a neighborhood association decides to undertake purchasing vacant properties it must engage in due diligence. The real estate market is down and even neighborhood associations and development corporations that have been the most successful with these types of projects find themselves holding property longer than expected. Mortgage payments will most likely be due during the time the association or corporation is holding the property.

It is important that the neighborhood association or community-based property improvement organization considers how it will pay not only the purchase price, but also the various other costs that go along with purchasing and holding a property. There are many costs associated with owning a property including property taxes. If it is necessary to repair, rehab, or board the property additional funds will be required for that.

Finally, the organization purchasing property should remember to check whether there is already a Community Development Corporation or other non-profit engaging in real estate activity operating in their area and work with those organizations to maximize the results of their efforts.

This chapter also contains a brief discussion of receivership. This is a legal remedy rarely used in the state of Michigan. However, this is a tool successfully used in other states allowing neighbors and others to essentially step into the role of property owner to perform necessary repairs and maintenance to bring the property up to code. We present receivership in this chapter for informational purposes only. The second edition of this publication, will more fully explore the use of receivership in Michigan.

Finally, **this chapter contains a note of caution.** While some neighborhood associations have been able to successfully purchase, repair, hold, and sell properties there are risks, liabilities, and responsibilities that must be considered. Some of these are presented here so that a community can make an informed decision about whether this is an appropriate course of action.

Chapter 6.1: Purchasing Vacant Property from Banks

To reduce the amount of time a home is vacant, a neighborhood organization, faith-based organization, or CDC can negotiate with banks to purchase properties in mortgage foreclosure process. There are two common purchase methods, short sales and purchases of real estate owned properties.

Short Sale

A “short sale” occurs when the homeowner sells his or her house to a third party buyer before the mortgage foreclosure becomes final. The bank must approve the transaction if the purchase price is less than the amount owned on the mortgage. If a neighborhood organization, faith-based organization, or CDC successfully negotiates a short sale with a homeowner, they may reduce the amount of time the house remains vacant and may be able to eliminate potential damage to the home.

REO Sale

A property is considered “Real Estate Owned” (REO) when the bank completes the mortgage foreclosure process. At that point, the property ownership will transfer back to the bank. Typically, banks will try to sell the property immediately. In certain cases, the banks are unable to sell the property quickly to an individual owner due to factors such as a weak market or property condition. In these instances, a neighborhood organization, faith-based organization, or CDC could purchase the bank-owned property for a negotiated price. Banks also sell REO properties through auction companies at private auctions.

Steps to Purchasing Properties from Banks

- **Step 1:** Determine property ownership. Using the methods described in an earlier portion of this manual, first, an interested buyer will have to determine property ownership of the house. This can be particularly difficult when negotiating a short sale. With a short sale, a bank will not be listed as the owner because the mortgage foreclosure process has not been completed. To negotiate a short sale, the prospective buyer will have to be familiar with the owner and their mortgage foreclosure status.

- **Step 2:** Make an offer. Banks often set unrealistic sale prices because they ignore market conditions, extreme disrepair or unsatisfied liens, such as unpaid property taxes or water bills. These unrealistic prices make acquisition and rehabilitation unaffordable for many community-based organizations. For these reasons, an interested buyer must complete a thorough property inspection, market research, and obtain a title commitment. The potential buyer should approach the bank with these supporting materials to help negotiate a more realistic price.

Chapter 6.2: Purchasing Property from the City of Detroit

The City of Detroit's Planning and Development Department conducts city-owned property sales through its Real Estate Division. A resident, neighborhood organization, faith-based organization, or CDC may want to consider purchasing a vacant home for rehabilitation. The Real Estate Division sells vacant single-family and vacant two-family houses through a public bid procedure.

Steps to purchase properties from the City

- **Step 1:** Determine property ownership. First, an interested buyer will have to determine that the City owns a property. He or she can do this by using the methods described in an earlier portion of this manual, or by visiting the website listed below.

To search for city-owned houses currently for sale, go to:

<http://www.ci.detroit.mi.us/Departments/PlanningDevelopmentDepartment/RealEstate/PublicBidSales/tabid/1549/Default.aspx>

- **Step 2:** Visit the property. Not all properties are open for interior inspection. The website above notes the properties that are available for interior inspection. The website also lists the time that the house is open for inspection. If the property is open for inspection, it is critically important that a prospective buyer attend the open house.
- **Step 3:** Submit a proposal. To submit a bid on a property, a prospective buyer must submit a proposal by the date listed, which is typically the end of the month in which the property was listed. The 2008 bid schedule is listed below. The purchaser will have to complete a Surplus Property Sale Proposal Form, which is available upon request from the Welcome Information Center, 65 Cadillac Square, 2nd floor. In addition, the prospective buyer will have to submit the full bid amount for properties under \$1,000, or a deposit of 10% of the bid amount for properties over \$1,000. When considering submitting a proposal, it is important that a prospective buyer contact the Real Estate Division to receive a complete list of sale procedure steps.

- **Step 4:** Close. If the City accepts a proposed bid, the buyer will have to close within 30 working days. The purchaser will have to pay the remaining bid amount in full at closing. If the purchaser is financing the purchase, they will have to show an approval letter, not preapproval letter. In addition, the purchaser will have to pay additional fees, including, but not limited to, recording fees and Buildings, and Safety Engineering inspection fees. After closing, there are additional deadlines the purchaser will have to make regarding the successful rehabilitation of the property. When considering submitting a proposal, it is important that a prospective buyer contact the Real Estate Division to receive a complete list of the terms and conditions of sale.

2008 Bid Schedule

Sale Month To Public	List Available To Public	List Available Forms Due	Proposal/Submittal Results Posted
August	8-6-2008	8-29-2008	9-5-2008
September	9-10-2008	9-30-2008	10-3-2008
October	10-8-2008	10-31-2008	11-7-2008
November	11-12-200	11-28-200	12-3-2008
December	12-3-2008	12-18-2008	1-2-2009

It is advisable to conduct a title search on property conveyed by the City of Detroit. If the title was not clear in the city's inventory a buyer may be receiving a property with clouded title. Performing a title search and obtaining a title commitment can alleviate this concern. This is especially important if the buyer is planning to make improvements to the property.

The Wayne County land bank is a governmental entity that focuses on the conversion of vacant, abandoned, and tax-reverted properties into public use. It is not a financial institution or redevelopment agency. The land bank cannot forcibly take property. The land bank holds vacant buildings but the majority of the property held by the land bank is vacant land.

The Wayne County Land Bank was established in 2006 through an inter-governmental agreement between Wayne County and the State of Michigan. The land bank has the ability to acquire, manage, and dispose of properties in Wayne County.

The Impact of the Wayne County Land Bank on Vacant Properties

Often properties that are sent to the Wayne County Land Bank have problems with title or outstanding financial liens resulting from things like taxes and unpaid water bills. Land banks can be a solution to these problems. Land Banks have the ability to clear title more quickly than conventional methods. They also have the ability to extinguish financial and tax liens on property. This gives land banks a critical and unique ability to get property into the hands of owners who will put it to productive use.

Properties with clouded title, tax liens, water liens, and other impediments become nearly impossible to sell. As a result, these properties become broken/blighted, and dilapidated. However, the Wayne County Land Bank is able to address these issues through their unique powers and abilities. The land bank can clear the title to these properties and extinguish tax liens. This can make the property more attractive to buyers allowing the land bank to more quickly sell the property and place it back into productive use. Implemented properly a land bank can greatly reduce the number of properties remaining as dangerous eyesores in our communities.

Special Programs of the Wayne County Land Bank

TURBO

The Wayne County Land Bank has initiated a program called TURBO (Transforming Urban Residential and Business Opportunities). Through its TURBO program the Wayne County Land Bank provides certain tax exemptions and cash reimbursements to owners who rehabilitate property purchased from the land bank. This program can be a useful tool for anyone interested in the development of land or property in Wayne County. It allows the property owner to take advantage of some of the benefits offered by the Wayne County Land Bank even where the owner initially acquired the property from a source other than the land bank. This is accomplished by the property owner transferring his ownership in the property to the Wayne County Land bank for an agreed upon period, generally 30 days. The Wayne County Land bank provides the following process for utilizing the TURBO program.

TURBO Process Step-By-Step

- 1.** Call the Wayne County Land Bank (313-224-6673) to request an application and to discuss your proposed Project.
- 2.** If applying for one-year tax exemption, determine whether your Property is in a TURBO Development District or whether local unit of government in which your Property is situated is willing to submit a TURBO Letter of Support.
- 3.** Complete TURBO Preliminary Review Application.
- 4.** Wayne County Land Bank (WCLB) staff will review the application and notify you if there are any deficiencies or concerns. WCLB staff will determine whether the proposed Project qualifies for the Maximum TURBO Benefit (New Development or 100% Rehabilitation) or the Limited TURBO Benefit (Partial Expansion or Partial Improvement). Investors should notify the WCLB staff if they are interested in the TURBO Brownfield Benefit.
- 5.** WCLB staff will prepare a TURBO Development Agreement specific to the needs of your Project.

6. Upon execution of the TURBO Development Agreement, Investor conveys property to WCLB.
7. At or before a certain date, the WCLB will reconvey the Property to Investor regardless of the Investor's status with the TURBO Program. Investor must be aware that this reconveyance of the Property will trigger the uncapping of the taxable value of the Property.
8. Upon Investor's submission to the WCLB of a Certificate of Occupancy and/or other documentation required by the TURBO Development Agreement to demonstrate completion of the Project, WCLB staff will issue to Investor a TURBO Certificate evidencing successful completion of the TURBO Program and subsequently entitling the Investor to a TURBO Rebate.
9. Investor pays all property taxes including interest and penalties.
10. For five years following the WCLB's reconveyance of the Property to the Investor, the WCLB delivers to Investor the TURBO Rebate within 90 days of the time that the WCLB receives its 50% portion of the specific tax.

More specific information about the TURBO program can be obtained by going to: <http://www.waynecounty.com/landbank/docs/TURBO-Handout.pdf>

Project Saved

The "Project Saved" program is another program offered by the Wayne County Land Bank. Project Saved allows non-profit organizations to remove properties from the auction list before the auction. For more information on this program, call the Wayne County land bank (313) 224-6673.

Wayne County Treasurer Tax Reverted Property Disposition Program.

This program is discussed in further detail in this section. Essentially, it allows non-profits and adjacent lot owners to purchase property owned by the Wayne County Treasurer from the Wayne County Land Bank, which makes it possible to clear city, county and State tax liens.

Steps for Using the Wayne County Land Bank

Anyone can apply to purchase property from the Wayne County Land Bank. Interested parties can begin the application process by calling (313) 224-6673 or by going to the website, www.waynecounty.com/LandBank. The Wayne County Land Bank will also present informational sessions that are open to the public.

Individuals or groups who wish to purchase and rehabilitate property within Wayne County and move that property back into productive use would most appropriately use the Wayne County Land Bank. The cost of property offered for sale by the Wayne County Land Bank varies considerably. The Wayne County Land Bank offers some properties for just a few hundred dollars while others may run into the thousands. The Wayne County Land bank sells properties through a bidding process. Bidding takes place in increments of one-hundred dollars (\$100.00). Non-profit organizations may be eligible for a 20% discount on the final purchase price of properties acquired from the Wayne County Land Bank.

Steps for Purchasing Wayne County Treasurer Tax Reverted Property Through the Wayne County Land Bank

In July 2008, the Wayne County Treasurer and Wayne County Land Bank announced a new program to purchase county-owned land, the Wayne County Treasurer Tax Reverted Property Disposition Program. Through this program, the Wayne County Land Bank will be the facilitator in the sale of land owned by the Wayne County Treasurer. This program allows qualified non-profits and adjacent landowners to purchase county-owned land for a nominal fee. At the time of publication, the fee was \$50.00. The Wayne County Land Bank TURBO program is not available for these properties.

The Wayne County Land Bank sells these properties as is. The properties will have no city, county or state tax liens. However, there may be preexisting federal or other liens on these properties. Additionally, Wayne County will convey these properties through a Quit Claim Deed, meaning that the Wayne County Treasurer will give all of the rights of ownership the Treasurer possesses to the new property owner. However, this does not mean that there are no other claims of ownership to that property. If a potential buyer

Chapter 6.3 • Purchasing Property from the Wayne County Land Bank

wanted to ensure that there was clear title to this property, meaning no other party has a claim of ownership, the prospective owner will have to obtain a Quiet Title action. Wayne County will offer a Quiet Title action for \$900.

If an adjacent landowner or non-profit organization decides to purchase land from this program, they must follow certain guidelines listed by the Wayne County Land Bank. The landowner or non-profit organization must develop the property within a twelve-month period or actively maintain it. Additionally, the property must adhere to the local property maintenance standards outlined in city code. If the new owner does not maintain the property, the property will revert to Wayne County through the reverter clause that attached to the property disposition.

To purchase property:

• Step 1: Qualify as a County-approved non-profit.

Non-profit organizations will first have to send in an application to Wayne County Land Bank to become an approved organization. The application is available at <http://www.waynecounty.com/LandBank/news-events.asp>. If an organization is already qualified for Wayne County's Project SAVED, it is already qualified for this program and may move on to Step 2.

• Step 2: Receive a listing of available properties within organization's boundaries.

Wayne County will then send a list to the organization of the properties for sale within the non-profit's boundaries.

• Step 3: Submit property request form.

After deciding which property or properties to purchase, the organization must send in a property request form with the requested information and paperwork. A request form is available at <http://www.waynecounty.com/LandBank/news-events.asp>.

• Step 4: Close.

After the Wayne County Land Bank accepts the offer, the organization will need to complete the necessary closing documents. At this time, the money for the property will be due.

As of July 29, 2008, the Wayne County Land Bank announced the following time table for property acquisition:

- August 8: Completed applications must be submitted to the WCLB
- August 22: WCLB to provide listing of available properties within boundaries
- August 29: Community groups must submit property request forms and photos
- September 8: Closings will begin and organizations will be contacted to schedule appointments to execute closing documents

Despite this timetable, interested parties should still contact the Wayne County Land Bank about property acquisition through this program because the Wayne County Land Bank has indicated that it will still accept applications.

Chapter 6.4 • Purchasing Vacant Property from the Michigan Land Bank

The State of Michigan Land Bank Fast Track Authority

The State of Michigan Land Bank Fast Track Authority ("Authority") was created under Public Act 258 of 2003 ("Act") with the mission of returning blighted tax reverted properties to productive and economically viable use. The Authority does not forcibly take property. The Authority may own, accept and hold property through gift, transfer, and conveyance. In addition, the Authority may manage, sell, exchange, lease, option, renovate, develop, and demolish properties in its inventory. The Authority may dispose of property in a manner and for an amount of consideration that is proper, fair, valuable, and in the best interest of the community. The Authority may borrow money, issue bonds, solicit grants and retain proceeds it receives from the sale or rental of property in order to execute its responsibilities.

One of the Land Bank Authority's most useful features is its ability to initiate an expedited quiet title action to real property held under Authority jurisdiction. Often properties that are transferred have problems with title or outstanding financial liens resulting from things like taxes and unpaid water bills. Land banks are a solution to these problems. Land Banks have the ability to clear title more quickly than conventional methods. They also have the ability to extinguish financial and tax liens on property. This gives land banks a critical and unique ability to get property into the hands of owners who will put it to productive use.

By working with counties and municipalities throughout the state of Michigan, the Michigan Land Bank Fast Track Authority empowers local communities to control one of their most valuable resources, their land.

A Board governs the Michigan Land Bank Fast Track Authority. Board members are located throughout the state of Michigan including the City of Detroit. Board meetings are open to the public and their agendas and meetings are available to the public. A meeting schedule and minutes from any board meeting may be obtained from the Authority's website www.michigan.gov/dleg and select "Michigan Land Bank Fast Track Authority" and then "Board Meeting Information".

Board Meeting Information

Lansing Location:

Michigan State Housing
Development Authority Office Bldg.
4th Floor, Board Room
735 East Michigan Avenue
Lansing, Michigan 48912

Meeting Location

Detroit Location:

Cadillac Place
State of Michigan Office Bldg. - 4th Floor
MSHDA Conference Room, Suite 602
3028 West Grand Boulevard
Detroit, Michigan 48202

Video Conferencing Meeting Location

Special Programs of the Michigan Land Bank Fast Track Authority

No Cost Properties to Non-Profit Organizations

The Michigan Land Bank Fast Track Authority (MLBFTA), in partnership with the Michigan State Housing Development Authority (MSHDA), offers a limited number of state-owned, tax-reverted properties at no financial cost to eligible non-profit organizations for the purpose of furthering MSHDA's mission to develop affordable housing.

Requests for obtaining these properties are to be submitted to the MLBFTA who will review submissions subject to the following criteria:

- Applicant must be a qualified, 501c Non-Profit Organization as granted by the IRS.
- Applicant must complete the application and review process of MLBFTA.
- Applicant must provide a written proposal outlining planned usage of parcel(s).
- Proposed activity must be consistent with community development objectives of state government agencies: (Department of Labor and Economic Growth, MSHDA, Michigan Economic Development Corporation, MLBFTA).

6.4 • Purchasing Vacant Property from the Michigan Land Bank

In MSHDA's Office of Community Development (OCD) approval of no-cost transfers will be based on the following criteria:

- Approval of application by the Michigan Land Bank Fast Track Authority.
- The non-profit applicant can demonstrate that it has sufficient development capacity to complete the project within appropriate time frames.
- The project must be underway or ready to proceed within 12 months of the date of application for the parcels.
- The construction or redevelopment plan is feasible (i.e. the agency has sufficient resources from OCD and/or other appropriate partners to cover project costs and the housing units will be of equal or better quality as the other comparable housing units in the neighborhood.
- If being developed for homeownership, the prospective buyers will have sufficient income and credit to purchase the housing units with conforming mortgages.
- The project is consistent with the overall redevelopment plan for the neighborhood.

Eligibility for no-cost transfers is not limited to MSHDA/Office of Community Development grantees or developers of MSHDA-assisted property. Non-profits should submit requests for no cost parcels to the Michigan Land Bank Fast Track Authority for processing. The MLBFTA will discuss and review submitted applications with appropriate MSHDA / OCD staff.

Submittal of application does not guarantee selection for this program.

Submit all requests to:

Michigan Land Bank Fast Track Authority

300 North Washington Square
Lansing, Michigan 48913
(517) 636-5149

Obtaining an Application

Anyone can apply to purchase property from The Michigan Land Bank Fast Track Authority. On the Authority's website, there are applications for purchase by governmental entities, individuals, non-profits, and corporate/commercial entities.

In addition, the website contains the Authority's inventory of property and link to specific inventories in Wayne County and the City of Detroit.

In order to begin using this resource go to www.michigan.gov/dleg or to perform a parcel search go to www.mcgi.state.mi.us/mlbfta.

The following are the addresses for the Michigan Land Bank Fast Track Authority:

New Lansing Office Address:

State Office Secondary Complex

General Office Building (GOB)
7150 Harris Drive, 1st Floor A-Wing
Dimondale, MI. 48821

Detroit Office Address:

Michigan Land Bank Fast Track Authority

3028 West Grand Avenue, Suite 4-600
Detroit, MI 48202

The Michigan land bank Fast Track Authority (MLBFTA) is most appropriately used by qualifying individuals or groups who wish to purchase and rehabilitate property or vacant lots within the state of Michigan and move that property back into productive use. The cost of property offered for sale by the MLBFTA varies. The MLBFTA offers some properties for just a few hundred dollars while others may run into the thousands.

Individuals or groups can purchase adjacent vacant lots or other vacant lots for as little as \$250.00 plus a \$35.00 processing fee. At this time, The Michigan Land Bank Fast Track Authority is considering lowering the price of these parcels. Look for more information in the next edition of the toolbox. For information on leasing vacant lots from the MLBFTA for gardening purposes, see section 9.2.

The State of Michigan sells state-owned property through the Michigan Land Bank Fast Track Authority (MLBFTA). A resident, neighborhood organization, faith-based organization, or CDC may want to consider purchasing a vacant home for rehabilitation.

Steps to purchase properties from the MLBFTA:

- **Step 1: Determine property ownership.** First, an interested buyer will have to determine that the state owns a property. He or she can do this by using the methods described in an earlier portion of this manual, or by visiting the website listed below. A user may search by keyword, parcel id, legal description, county, city, zoning, or address.

To search for MLBFTA properties currently for sale, go to:
<http://www.mcgi.state.mi.us/mlbfta/MCGI.aspx>

- **Step 2: Submit an application.** A prospective buyer must submit an application. The application should describe the planned improvements, timeline, cost and finance for the planned improvements. The applications for individuals and non-profits are available at

To obtain an application, go to:
http://www.michigan.gov/dleg/0,1607,7-154-34176_38800---,00.html

- **Step 3: Agree upon value.** If the MLBFTA accepts the application, they will send a property transfer affidavit and an invoice with a suggested price. If an appraisal is needed, the MLBFTA may hire an appraiser, however, the purchaser will be responsible for the appraisal costs. When considering a purchase, it is important that a prospective buyer contact the MLBFTA to receive a complete list of the terms and conditions of sale.
- **Step 4: Close.** At the time of closing, the purchaser must pay the amount in full, in cash. There are additional restrictions and requirements for closing, for a complete list, contact the MLBFTA.

Chapter 6.5: Purchasing Property from National Sources

HUD

In order to obtain control of vacant houses, neighborhood stakeholders can purchase houses owned by the Department of Housing and Urban Development (HUD). Homes that have a FHA-insured mortgage and go through the mortgage foreclosure process become HUD owned homes. Anyone, including individuals, block clubs, neighborhood organizations, faith-based organizations, and CDCs, may purchase a house owned by HUD.

Process for Purchasing

- **Step 1: Find a home.** HUD posts homes available for purchase at the link listed below. Prospective buyers may search for homes by address, city, county, zip code, or price range.

To search for available HUD homes, go to:

http://www.mcbreo.com/st_mimain.htm

- **Step 2: Find a broker.** A HUD-registered broker working on behalf of the prospective purchaser must place all bids. To find a HUD-registered broker go to:

<http://hud2.towerauction.net/e7/broker/MI.htm>.

- **Step 3: Place a Bid.** To place a bid on a property, a prospective buyer must have the “earnest money deposit” and a prequalification letter or proof of funds for a cash sale. The earnest money deposit amount depends upon the sale price. For sales up to \$49,999, the deposit is \$500. For sales \$50,000 and up, the deposit is \$1,000. HUD does not offer financing for home purchases. Potential buyers must secure their own financing.

A prospective buyer that will live in the purchased HUD home as their primary residence may take advantage of a priority period during which they will have the option to purchase the home before a prospective investor. This “owner-occupant” priority period lasts for the first ten days after HUD posts the property on the website. Any other prospective buyer is considered an “investor” and may purchase a home after the first ten-day priority period.

For a winning bid, the bid must exceed the minimum acceptable amount, also known as the “threshold,” and must be the highest among the placed acceptable bids for that property.

Special Programs

- HUD-approved non-profits may receive an additional 10- 30% discount on home purchases. To apply for HUD-approved non-profit status, go to http://www.hud.gov/offices/hsg/sfh/np/np_prog.cfm.
- HUD is currently offering an Owner-Occupant Sales Incentive. Through this program, owner-occupants, excluding HUD-approved non-profits and governmental agencies, will receive \$2,500 at closing to put towards closing costs, lowering the mortgage amount, or repairing the home.
- HUD also offers the Good Neighbor Next Door Program through which officers, teachers, firefighters, and emergency medical technicians may purchase a HUD property located in a revitalization area for 50% of the listing price. For additional details, go to http://www.mcbreo.com/GNND_FAQ.pdf.

Fannie Mae

In order to obtain control of vacant houses, neighborhood stakeholders can purchase houses owned by the Federal National Mortgage Association (Fannie Mae). Homes that have a mortgage in which Fannie Mae is the primary investor and go through the mortgage foreclosure process become Fannie Mae owned homes. Anyone, including individuals, block clubs, neighborhood organizations, faith-based organizations, and CDCs, may purchase a house owned by Fannie Mae.

Process for Purchasing

- **Step 1: Find a home.** Homes available for purchase are posted on the link listed below. Prospective buyers may search for homes by city, zip code, or price range.

To search for available Fannie Mae homes, go to:

<http://www.fanniemae.com/reoSearchApplication/fanniemae/reoSearch.jsp?p=Fannie+Mae-Owned+Property+Search>

- **Step 2: Contact the listed broker.** Local brokers sell Fannie Mae homes. Fannie Mae lists the broker name and contact information in the information posted through the online listing above. Contact the broker to initiate the purchasing process

Chapter 6.6 • Other Ways of Obtaining Control of Vacant Property

Nuisance Abatement Statutes

Nuisance abatement statutes are meant to promote, protect and improve the health, safety and welfare of citizens. When properties owners allow their property to fall into disrepair, neighbors have the option of holding them accountable through the Wayne County Nuisance Abatement Program.

Wayne County Nuisance Abatement Program (NAP)

(313) 967-2203

400 Monroe, Suite 680

Detroit, MI 48226

Wayne County's NAP attempts to work with property owners and encourages property rehabilitation and a return to full use. When commercial and residential properties fall into disrepair and a community member contacts NAP, the NAP team assesses the property. First, for NAP involvement, **the property must be vacant.** NAP will not evict tenants. Second, NAP inspects the property for nuisances. These can range from broken windows, rodents, missing doors, overgrown lawns and garbage.

If NAP finds nuisances, a representative will contact the property owner and attempt to work out a schedule in which the property owner will fix, sell, or demolish the property. The property owner is required to sign the plan and usually has 3 to 9 months to comply. If the property owner refuses to set up a schedule, NAP can attain the title through court action. If the property owner fails to comply with the signed schedule, the County will seize the property and put it up for auction. Wayne County lists auctioned properties at waynecounty.com.

When a purchaser buys a property at auction, the new owner is required to pay back taxes and sign the same abatement schedule. If the new owner fails to comply with the abatement schedule, the county may seize the property again.

Receivership

Receivership is a legal remedy and can be a powerful tool in restoring abandoned properties. When a property falls into disrepair, a judge can appoint a receiver to fix up the property. **During the term of the receivership, the receiver effectively exercises all of the powers of the owner in order to restore a building to productive use or remedy the violations that led to the appointment of the receiver.** While a

receiver does not take title to the property, the process may in the end lead to a change in the property's ownership. In order to pay for the property's rehabilitation, the receiver can put a lien on the property to pay for the needed repairs. Problems can arise though when the property is of little value or already has multiple liens imposed on it.

In Michigan, receivership is rarely used. Primarily this is because receivership is not an independent action. Citizens in Michigan cannot directly request that a property be put into receivership as an initial step in fixing up an abandoned property. Instead, judges only decide to appoint a receiver once every other option is exhausted. Judges are hesitant to appoint receivership because it is considered "a harsh remedy."

In other states, the receivership process operates differently. In Baltimore, Maryland, the process begins when the City or a community organization identifies a vacant property it wishes to renovate as part of a development plan. It then petitions for a receivership action. This marks a departure from Michigan receivership law in that Baltimore allows for legal action specifically for the purpose of receivership. Baltimore's focus is not to punish the property owner but to fix the property and avoid negative impact on adjacent properties.

Once the receivership action begins, the community organization seeks the appointment of a receiver, usually Save a Neighborhood, a non-profit organization. Baltimore's ordinances contain two provisions, which help fund work done under receivership. Once a receiver is appointed, it immediately seeks to foreclose on the lien, even before rehabilitation work has begun. Baltimore also allows the receiver to eliminate most of his costs by allowing the receiver to transfer the property immediately to a pre-qualified developer, who then undertakes the cost of rehabilitation. Property thus conveyed has clear title. Under Baltimore's process, a vacant property can be transferred to a developer in as little as 240 days.

Currently, the DVPC is examining other states laws and exploring possible ways to use receivership in Michigan.

Chapter 6.7 • Liability and Maintenance Issues • with Holding Property

Liability

Obtaining control of vacant buildings or lots as a way to prevent further blight can be a beneficial activity for a nonprofit organization or community group. As the owner, the organization or group has control over the property and the ability to abate any nuisances.

However, ownership also brings responsibility and potential liability. In most circumstances, the owner is responsible for property taxes. The owner will be responsible for existing code violations and is subject to ticketing by the local government agency. The owner is responsible for the security and safety of the property and could be liable for injuries sustained by a person on the property. The owner of property is also responsible for maintaining insurance on the property when required. Insurance provides a degree of protection for the property and the property owner in the event of damage or injury on the premises.

Before accepting a gift or assuming control of vacant property, organizations/groups should consult with an attorney. Free legal advice may be available from Community Legal Resources (313)962-3171 or www.clronline.org.

Maintenance

As the owner of the property, an organization or group has the legal ability to perform maintenance. Some general maintenance immediately improves the appearance of vacant property:

- Boarding and securing open doors and/or windows
- Removing weeds and cutting the grass
- Snow removal
- Planting flowers
- Hanging curtains
- Seasonal decorations

General maintenance of a home suggests that someone occupies it or is at least monitoring it. It also adds to the general well-being of the neighborhood. Neglected properties that are open to trespass invite further deterioration and crime.

Liability issues should be addressed before property is obtained. Once an organization or group has obtained control of a property, they are free to enter it and make necessary improvements or maintenance.

Holding property is most appropriate for organized nonprofits or groups with the ability and capacity to accept responsibility for property. Legal assistance with acquiring and minimizing the liabilities of vacant properties may be available through Community Legal Resources (CLR). Non-profits in need of assistance can contact CLR at (313)962-3171 or www.clronline.org. Additional costs include the costs for maintenance and other work necessary to bring the property up to Code. Funding may be available to groups to assist with costs associated with property maintenance. (See Chapter 11).

Chapter 7: Getting Vacant Properties Reoccupied

Introduction

The ultimate goal of most residents is to get vacant and blighted homes in their neighborhood reoccupied. To do this they must make the available homes in their neighborhoods more attractive to potential buyers.

Some neighborhoods have taken an innovative step in combating the vacant housing problem in their neighborhoods by formulating and implementing a Neighborhood Marketing Campaign. These campaigns involve emphasizing a neighborhood's strongest assets such as schools, churches, and community centers in the area. The marketing plan would also highlight beautiful homes in the neighborhood to convey the potential for all homes and the investment residents make in the neighborhood. Some marketing plans include a partnership with local real estate agents that have demonstrated a commitment to implementing the plan and may include a neighborhood tour.

Chapter 7.1: Creating a Neighborhood Marketing Plan

A neighborhood marketing campaign is an organized effort to market a neighborhood with the goal of attracting new residents and businesses, promoting the neighborhood's visibility and improving its image. Marketing a community is a process of matching neighborhood benefits with the needs of potential residents, investors and funders.

There are four phases to follow to guide a community through a successful neighborhood marketing campaign:

1) organizing the community, **2)** gathering and presenting information about the neighborhood, **3)** planning for success, and **4)** implementing the marketing plan.

Organize the Community

The goal in organizing the community is to establish a marketing committee of key individuals. These individuals will be responsible for leading the campaign, collecting information, designing promotional material, raising funds and promoting the neighborhood. Key participants could include community and civic leaders, business owners, neighborhood organization members, and residents. It is important to be creative in choosing committee members, as unlikely sources can offer the most original ideas. Include members who can bring different stories and suggestions to the table, ranging in expertise, age and talents.

Once the committee is established, there are four important steps to organizing the community:

1) identify stakeholders, **2)** develop an initial neighborhood story, **3)** develop and initiate a stakeholder-recruiting plan, and **4)** establish a vision and marketing goals.

The organizing phase is very critical and it will affect the success of the entire campaign. The goals of the marketing committee will influence the next step of the process, collecting and presenting information about the neighborhood.

Gathering and Presenting Information About the Neighborhood

This phase is all about creating a community profile of information necessary for the marketing campaign. A community profile is a fact book of data on the neighborhood that gives an overview and suggests the neighborhood's potential.

There are four steps helpful to creating a detailed

community profile: 1) define the neighborhood, **2)** gather data, **3)** go beyond the numbers, and **4)** prepare and present your community profile.

Before beginning to collect data, participants need to know the boundaries of the neighborhood. Many things, such as landmarks, zip codes and political precincts, can identify boundaries. Next, the committee can collect demographic, housing, business, income, education, and quality of life data. However, these facts can only show so much; it is helpful to get stories and history of the neighborhood to complement the research. Once participants have gathered the data, begin telling the neighborhood's story, such as where it is headed and any trends. The community profile should support and inform the planning process, as well as provide some useful material for promoting the neighborhood.

Planning for Success

The planning process is all about developing the marketing plan.

It attempts to answers these questions:

- "Where are we now?"
- "Where do we want to be?"
- "How will we get there?"
- "Who must do what?"

Participants can answer these questions by conducting assessments that identify neighborhood trends, challenges, strengths and resources. During this phase, the committee will also develop a marketing budget and prioritize goals, and develop strategies for reaching those goals. The next most important step is identifying who will be responsible for which action items.

Implementing the Marketing Plan

After all the necessary research, it is time to execute the plan.

This involves: 1) developing partnerships, **2)** identifying potential customers, investors and funders, **3)** developing marketing materials, and **4)** evaluating success and respond accordingly.

By creating partners and seeking out new resources throughout the entire planning process, the marketing committee will be in a strong position to respond to weaknesses and take advantage of opportunities.

Perhaps most important of all is identifying potential customers, investors and funders. The research and planning process should have identified a target audience likely to be attracted to the neighborhood. Is it single professionals, young families, senior citizens, artists or another group? By singling out a target audience, the marketing campaign has a better chance of measurable success.

Participants can use marketing materials such as brochures, press releases, open houses, tours, and many more. The materials should complement each other, be newsworthy and well designed.

As the plan rolls out, evaluate its success and failures and readjust the plan as necessary. This is critical in keeping the plan successful and creates a continuous cycle of evaluation, research and implementation.

Maximizing the effect of a neighborhood marketing campaign

Costs associated with a marketing campaign besides committee members' time are mainly comprised of marketing materials. The costs for designing and printing brochures and other materials vary widely, it helps to see if any of the marketing materials can be developed "in-kind" or at low-cost by a designer, or whether there is someone in the neighborhood with these skills willing to donate their time.

Developing a thorough marketing budget will reveal costs associated with the process. After the committee develops a marketing budget, it can seek out funding from local businesses, banks and residents to help offset the costs.

The most likely group to implement a neighborhood marketing campaign is a local Community Development Corporation (CDC) or a strong neighborhood organization.

For more information on neighborhood marketing campaigns, please check out these resources:

- Building Neighborhoods of Choice, LISC
- Gathering and Presenting Information About your Neighborhood, LISC

Chapter 8: Demolishing Vacant Properties

Introduction

Not every property is a good candidate for repair or rehabilitation. There are a number of factors that may cause the City to determine that a property is beyond repair. Properties damaged by fire often fall into the demolition category. Other properties that are in a severe state of disrepair may also fall into this category.

Severely blighted properties adversely affect the value of surrounding homes in a neighborhood. They lessen the general sense of well-being and provide a breeding ground for criminal activity. It is imperative that communities know how to deal with these properties.

This chapter contains some guidelines to help neighbors determine whether they should report a vacant property to have it placed on the City's demolition list. It also provides information about who to contact to begin the process and how to get information about a building that is on the list. Finally, the chapter contains some guidance regarding voicing concerns to city officials about a property on the demolition list.

Chapter 8.1: Determine Appropriateness of Demolition

The City does not provide a checklist for determining whether a building should be demolished. However, the City does offer general guidelines. The City requires that all vacant buildings be properly boarded. Therefore, neighbors should report buildings that are missing doors, windows, or are otherwise open to the elements for demolition.

In addition, buildings that have unstable outer structures that present a hazard should generally be reported for demolition. For example, if a roof is collapsing or siding, wood, or brick seem to be falling or about to fall from the structure the building should be reported for demolition. And, buildings which have been substantially damaged by fire should also be reported for demolition.

As the City attempts to manage the high housing vacancy rate, standards for demolition or other City intervention may become lower. For example, if a home in a neighborhood is properly boarded but is unsightly because of garbage accumulation or other needed repairs the city has requested that neighbors report those buildings as well. Therefore, neighborhoods should be proactive in reporting these types of buildings for demolition as well.

Chapter

8.2: The City of Detroit Demolition Process

Demolition of vacant buildings

By ordinance, the City Council has the authority to order dangerous buildings to be made safe, secured or demolished. In general, a dangerous building is one that is vacant and open to trespass. If a property owner fails to take required action, the City may demolish the structure and assess the cost of demolition against the property.

The Buildings and Safety Engineering Department's general policy is to encourage property owners to either rehabilitate or demolish vacant buildings. By law, building owners must barricade all partially burned buildings within 24 hours of the fire. In event of dangerous conditions such as broken windows, doors, and/or collapsed roofs, buildings are ordered either barricaded or repaired immediately.

If a vacant building has an outstanding violation and either the U.S. Department of Housing and Urban Development owns that building (HUD) or the Administrator of Veterans Affairs (VA), the Buildings and Safety Engineering Department will give that information on the phone. The Department will call HUD or VA and report the complaint. However, the department suggests that the caller also makes a complaint to HUD (800) 225-5344 or the VA (800) 729-5772.

To report vacant buildings, call:

Building and Safety Engineering Department, Building Inspection Division 224-3215, or write:

Buildings & Safety Engineering Department

Coleman A. Young Municipal Center

Demolition Division

2 Woodward Ave. Room 412

Detroit, MI 48226

When reporting a vacant building, give the address of that building. If the street number is not visible on the building, give the addresses on both sides of the building.

Example: "Park Street, Between 2424 and 2428 Park."

If there are existing violations in or about the building, the Building Inspection Division inspects it within one week of the complaint. The owner must appear at a hearing with the Building Inspection Division. The notice will specify the conditions that the owner has to repair immediately.

If the owner does not appear at the Building Inspection Division's hearing and/or fails to comply with the agreement reached at the hearing, the Division reports the matter to City Council and recommends action to be taken. The City Council makes the final decision.

While the Department seeks to have buildings demolished within four months of City Council's order to demolish, the process can take much longer. If a party, (owner or mortgage holder) requests a delay in the demolition procedure, demolition or possible repairs may take an additional four to six months. If the City Council concurs with the recommendation to demolish the building, it will result in an order of demolition. For additional information on working with the Detroit City council during the demolition process, see section 8.3.

To inquire about the status of a property on the demolition list:

- Contact Buildings & Safety Engineering Department at (313) 224-2733.

Write the Demolition Office and a response will be received in approximately 10 working days or less.

Buildings & Safety Engineering Department

Coleman A. Young Municipal Center

Demolition Division

2 Woodward Ave. Room 412

Detroit, MI 48226

Chapter 8.3 • Working with City Officials During the Demolition Process

Property owners will often come before City Council to request extra time to make repairs to their property before the City Council makes its decision about demolition. The City Council is able to grant these extensions.

Neighbors and community members must be proactive if they believe that the city should enter an order requiring a building be demolished. We recommend the following steps for working with city officials during the demolition process.

Steps for working with Detroit City Council Members:

1. Contact Detroit Buildings Safety and Engineering Department to determine when the property will be considered for demolition by the City Council. The telephone number for the Buildings and Safety Engineering Department is 224-3215.
2. Go to the City Council session on the day that the property is scheduled for a hearing and attend the City Council hearing. These hearings are generally held Monday mornings at 10 a.m.

Location of the Detroit City Council:
1340 Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1300
3. When an interested party wants to be heard by the City Council on a particular property he must fill out a card and give it to the clerk. The Sergeant at Arms or Committee Clerk can assist with obtaining these cards.
4. When the interested party speaks to the City Council, he should be prepared to state his case. He should give the City Council his name and his interest in the property and the community. Be prepared with information about the true state of the property, how long the property has been in that condition, and how the condition of the property has changed over time. Provide pictures if possible.
5. It is a good idea to get more than one neighbor to support and request the demolition. It is also helpful to have a supporter who is an officer in a neighborhood association or block club in the neighborhood and can speak on behalf of multiple parties.

6. Remember, appearing before the City Council may help in other ways. The community may learn that the property on the demolition list belongs to a neighbor in need of help. If the community is able to help the neighbor with necessary repairs by supplying labor, supplies, or guidance to the neighbor regarding where to seek funding for repairs, the community may be able to prevent another house from becoming vacant.
7. If the property owner is granted an extension to make repairs, take note of the next day it will be “brought back” before City Council. Be prepared to appear again to speak on that day.
8. If a community does not achieve a satisfactory result, members should contact City Council members to keep them aware of the condition of the property and to make it clear that the property is located in a proactive community.

Contact information for Detroit City Council Members:

Monica Conyers 224-4530
JoAnn Watson 224-4535
Sheila Cockrel 224-1337
Barbara Rose Collins 224-1298
Kwame Kenyatta 224-1198
Alberta Tinsley-Talabi 224-1645
Martha Reeves 224-6510
Brenda Jones 224-1245

Chapter 9: Managing Vacant Lots

Introduction

Neighbors generally view vacant lots as a liability. Illegal dumping often presents a challenge in the management of these lots. However, vacant lots also present an opportunity in an urban area. While land is scarce in most urban areas, in Detroit acquiring vacant lots may allow a homeowner to create a larger yard and more space for enjoying the outdoors. In addition, acquiring or utilizing vacant lots may allow a community to create food or flower gardens. This can allow the residents in the neighborhood access to fresh produce and contribute to the beautification of their neighborhood.

Urban gardens also send the message that residents are willing to contribute time and energy to maintaining the neighborhood and that there is a strong sense of community. They engage residents making them more invested and less likely to leave and make the neighborhood more attractive to potential buyers.

Urban gardening and urban agriculture programs are gaining popularity in many places. Many urban agriculture advocates recognize Detroit as an ideal place for this concept to continue to develop given the City's abundance of vacant land. The Detroit Vacant Property Campaign is excited about this innovative approach and will continue to provide information on best practices in Detroit and other areas. We will expand the urban agriculture section will be expanded in future editions of the toolbox.

This chapter provides a broad range of advice regarding dealing with vacant lots including dealing with illegal dumping, acquiring vacant lots, and starting an urban garden. As these programs change and grow we will continue to provide information.

Chapter 9.1: Preventing Dumping

Illegal dumping occurs frequently in Detroit. As residents and community groups are well aware, even in situations where illegal dumping has occurred, the property owner is ultimately responsible for resolving the issue, removing the waste. Often, due to no fault of his own, the property owner is also at risk for a citation. Illegal dumping presents such a problem because of the magnitude of the occurrence in Detroit and the difficulty in identifying the responsible party.

There are some things that communities can do to address the problem:

- 1) Be observant.** Illegal dumping can be as simple as a neighbor that puts trash at property other than her own, such as on a vacant lot. There are also instances where businesses dump industry waste, like construction materials or tires. Residents should take care to observe what is happening in their neighborhood.
- 2) Record information.** If a neighbor thinks she is witnessing an instance of illegal dumping, it is important to note as much information as she can about the situation. Write down the license plate number. If it appears a business is dumping, look for a business name on the vehicle. Note the appearance of the person doing the dumping.
- 3) Contact the Police and the City.** If the dumping is in progress call 9-1-1. If the dumping has already happened Call 3-1-1, the City of Detroit Call Center (224-4636), and report what you have observed. If the observer reports the incident soon enough, an inspector will be able to respond before the waste has been removed. The waste may provide clues to the identity of the responsible party. Inspectors have been able to make a case by finding an envelope or other identifying material in the waste. If you are able to gather information, an inspector can issue a third party ticket.

Additionally, some neighborhood groups or associations have purchased and installed cameras in areas that are frequently victim to dumping. The neighborhood group or association can then share this information with the City and used to take action against the dumper.

The Department of Environmental Affairs (471-5139) handles illegal dumping matters for the City of Detroit.

Chapter

9.2: Acquire Vacant Lots

Detroit Vacant Lot Program

The City of Detroit's Planning and Development Department orchestrates some city-owned property sales through its Real Estate Division, which is also called the Development Resource Center. A resident may want to expand their current lot by purchasing a vacant lot on the side of their property. A community organization may want to consider purchasing a vacant lot for in-fill residential development. Depending upon the exact location and size of the lot it may be possible to turn the vacant lot into a pocket park or playground. The Real Estate Division sells vacant lots through a first come sale procedure.

Neighbors bordering a vacant lot can purchase the vacant lot from the City for \$200 if there is no other competing buyer. If two bordering neighbors wish to purchase the same side lot, the City can split the lot. Residents, non-profits, or CDCs can purchase other vacant neighborhood lots for \$10/ sq. ft. To inquire about purchasing vacant land, call the Development Resource Center with the property address so the City can confirm that they own the land.

For more information, contact the Development Resource Center at 313-224-3511

Steps to purchase properties from the City

- **Step 1: Determine property ownership.** First, an interested buyer will have to first determine that the City owns a property. Interested buyers can call telephone number above, or visit the website listed below.

To search for city-owned vacant lots currently for sale, go to:

<http://www.ci.detroit.mi.us/Departments/PlanningDevelopmentDepartment/RealEstate/FirstComeSale/tabid/1685/Default.aspx>

- **Step 2: Visit the property.** The first come sale properties or non-competitive bid properties are sold "as-is." At the very least, a prospective buyer should visit the vacant lot to determine its exterior condition. The City does not make any guarantees regarding the environmental quality of the property being sold. A prospective purchaser should contact the Real Estate Division about the level of due diligence

that may be performed before closing to ensure he or she is not purchasing a contaminated parcel.

- **Step 3: Submit a proposal.** To submit a bid on a property, a prospective buyer must submit a proposal by the date listed, which is typically the end of the month in which the property was listed. The purchaser will have to complete a Surplus Property Sale Proposal Form, which are available upon request from the Welcome Information Center, 65 Cadillac Square, 2nd floor. In addition, the prospective buyer will have to submit the full bid amount for properties under \$1,000, or a deposit of 10% of the bid amount for properties over \$1,000. When considering submitting a proposal, it is important that a prospective buyer contact the Real Estate Division to receive a complete list of sale procedure steps.
- **Step 4: Close.** If the City accepts a proposed bid, the buyer will have to close within 30 working days. The purchaser will have to pay the remaining bid amount in full at closing. If the purchaser is financing the purchase, they will have to show an approval letter, not preapproval letter. In addition, the purchaser will have to pay additional fees, including, but not limited to, recording fees and Buildings and Safety Engineering fees. After closing, there are additional deadlines the purchaser will have to make regarding the successful reuse of the property. When considering submitting a proposal, it is important that a prospective buyer contact the Real Estate Division to receive a complete list of the terms and conditions of sale.

Wayne County Land Bank Adjacent Lot Acquisition

The Wayne County Treasurer is currently selling vacant lots to adjacent landowners through the Wayne County Land Bank. This program is new and is discussed in Section 6.3 under the portion entitled “Steps for Purchasing Wayne County Treasurer Tax Reverted Property through the Wayne County Land Bank.”

Michigan Adjacent Lot Program

If a neighbor owns property which is adjacent to a vacant lot which is owned or held by The Michigan Land Bank Fast Track Authority and would like to acquire the vacant lot, the neighbor may file an Adjacent Lot Disposition Application.

In order to qualify for this program, the vacant lot must meet the following criteria:

- a)** The property shall have at least a 75% common boundary line with the applicant’s property.
- b)** According to local zoning/building codes, the property is not buildable or able to be developed independently.
- c)** In the opinion of the Authority, the parcel is not part of a proposed plan or development requiring land assembly.

The Authority in its sole discretion may choose to include or not include any given parcel of property in the Adjacent Lot Disposition program. **The property shall be transferred for the purpose of expanding the side and/or rear lot area of the adjacent property.**

If more than one adjacent property owner exists and each owner wishes to acquire the same lot, the property may be divided and sold to the interested parties proportionate to their rightful share as determined by the Authority. The Authority shall contact adjacent property owners to ascertain their interest in the property. The lot may be sold to one owner if the other adjacent property owners are not interested in their respective shares.

Adjacent Lot Cost:

\$250 plus \$35 processing/recording fee

Chapter 9.3: Greening Land and Creating Urban Gardens

Local Resources

Experts and community members have begun to recognize the need for a shift in the way we think of vacant property. It is widely agreed that building more homes in areas experiencing population loss is counterproductive and no longer the best approach. As a result, many communities have started the process of greening land. This process turns vacant land that was once a liability into a neighborhood asset. Increasingly, organizations and neighbors are turning vacant land into community gardens that provide nutritious food and beautify neighborhoods.

There are a number of local organizations that operate gardening programs in the City of Detroit. The following are some wonderful examples of this innovative and creative approach.

The Greening of Detroit

The Greening of Detroit was founded in 1989 to improve the quality of life in Detroit by guiding and inspiring the reforestation of Detroit's neighborhoods, boulevards and parks through tree planting projects and educational programs. Over the years, Greening has expanded its outreach to a broad sector of greening activities, including: planting and educational programs, environmental leadership, advocacy, and by building community capacity. The Greening of Detroit also has several programs for children and teachers.

Today, The Greening of Detroit is a well-established, non-profit resource agency that partners with federal, state and local agencies, corporations and foundations to assist neighborhood groups, churches and schools in their efforts to improve the ecosystem in Detroit.

Annually, The Greening hosts planting projects, ranging from full park restorations to streetscape renovations and massive street tree plantings to the creation of community and family vegetable gardens.

To get in contact with The Greening of Detroit call:

(313) 237.8733

<http://www.greeningofdetroit.com/>

Garden Resource Program Collaborative

The Garden Resource Program is an effort to provide hundreds of home, school and community gardens access to resources and information in order to empower Detroit residents to grow, harvest, prepare, and preserve food for their families in their backyards and neighborhoods. Participants in the program receive basic resources for their garden, including seeds and Detroit grown transplants. Participants also become part of a growing network of community, school and family gardeners and garden advocates working to promote and encourage urban agriculture and community gardening across the City. Through participation in this larger network, gardeners gain access to additional resources, technical assistance, and educational opportunities.

For a nominal fee, participants receive quality seeds and plants for their garden, subscription to the Detroit Farmer's Quarterly Newsletter and opportunities to access additional resources and participate in other valuable educational series and training workshops. In 2007, over 115 community gardens and 220 family gardens, and 20 school gardens received support from the Garden Resource Program. Through the program, participants received near 16,530 seed packets and approximately 64,014 DETROIT GROWN plants and successfully produced thousands of pounds of food on over 30 acres in the City.

Contact the Garden Resource Program Collaborative at:

(313) -365-1568

<http://www.detroitagriculture.org>

The Detroit Agricultural Network

The Detroit Agriculture Network's mission is to promote and foster urban agriculture and the sustainable use and appreciation of urban natural resources. It encourages the establishment of resource support networks, experiential education opportunities for youth and their families and collaborations that advance urban food security, good nutrition, healthy land, and communities.

Contact the Detroit Agricultural Network at:

(313) 961-3151, mailbox 3

<http://www.geocities.com/detroitag/>

The Boggs Center

This non-profit organization also provides some information and opportunities for involvement in urban gardening.

Contact the Boggs Center at:

(313) 923-0797 or www.boggscenter.com

County Resources**Wayne County Michigan State University Extension**

The MSU Extension has designed programs to reconnect those living in predominantly urban areas with the land and our state's natural resources. They offer classes (Master Gardening and Community Gardening) and information relevant to urban gardeners.

Contact the MSU Extension at:

(313) 833-3412
640 Temple Street, 6th Floor
Detroit, Michigan
48201-2558

State Resources**Michigan Land Bank Fast Track Authority Urban Agriculture Program**

The urban agriculture program is a new and exciting concept offered by The Michigan Land Bank Fast Track Authority. Under this program, the authority may lease or convey vacant lots to individuals or groups wishing to use the lot for urban gardening or agricultural purposes.

Organizations or individuals participating in this program can lease land from the Michigan Land Bank for fifty dollars for the purpose of urban gardening. Generally, these lots are sold to individuals for the price of \$250.00. This price may be lowered in the future. Please look for further information on this program in future editions of the toolbox.

Chapter 10: Building Neighborhood Capacity

Introduction

There are number of things that a community can do to stabilize a neighborhood and get property back into some form of productive reuse. However, all of the strategies will be most successfully implemented when there are engaged community members, some level of organization, and co-ordination between individuals in the neighborhood.

Block clubs are often the best way to organize a community of neighbors. Block clubs provide neighbors with a sense of togetherness, strength, and hope. This chapter provides a step-by-step guide of how to start a block club.

Forming a non-profit corporation may also be useful to communities dealing with the issue of vacant homes or vacant land. Existing as a non-profit entity may enable the organization to solicit various types of donations. These donations could include money, flowers, plants, and supplies such as paint or lawn mowers among other things because there will be favorable tax results to the donating entity.

Communities that have strong block clubs and neighborhood associations may feel ready to take the next step in taking control of their neighborhoods. This step could include forming a non-profit corporation to purchase, hold, and dispose of vacant homes.

This chapter explores the level of organization required for forming a block club and for forming a non-profit organization.

Chapter 10.1: Form a Block Club

A block club is a group of residents who work together to improve living conditions in their area. The goals of a block club typically include improving physical conditions, eliminating nuisances and harmful influences, and instilling a spirit of cooperation between neighbors. In addition, as a team of passionate and driven neighbors, block clubs can often cooperate directly with city departments in order to further their goals in the community.

The Impact of Block Clubs on Vacant Houses and Lots

Block clubs bring neighbors together to discuss and solve problems affecting the quality of life in the community. Block club members can work together to board up or fix abandoned and deteriorated buildings, plant community gardens, maintain yards, and build community playgrounds in order to decrease crime while making the community a safer and more enjoyable place to live.

Becoming involved in a local block club:

First, discuss with neighbors to find out if a block club already exists, and if so, when the next meeting is. However, there may not be a block club in the neighborhood. If someone is passionate and concerned with a particular issue, or the neighborhood generally, then he should consider forming a block club.

Steps for Forming a Block Club:

1. The first step in forming a block club is contacting neighbors on the block. Talk with other members of the community to explain the purpose and goals of the block club. Talk to neighbors about issues facing the neighborhood and the commitment the block club will require.
2. Secondly, gather a small group of four or five people who share concerns about the community and would be willing to act as temporary leaders. Plan a date and location for a neighborhood meeting, and along with the other leaders contact as many people in the area as possible to request their presence.
3. At the first meeting, have an open discussion about the conditions of the neighborhood. Find out how everyone feels, and decide whether to organize formally as a block club. Once created, establish the block club's boundaries

considering the size of the geographical area, the population, a meeting place, and the nature of problems. An effective block club is large enough that it can handle big projects, but not so large that communication between members will be ineffective. Set a date for the next meeting, and plan to invite everyone within the boundaries to the next meeting.

4. Next, go into the community. Neighbors can attempt to personally contact and invite every neighbor within the boundaries of the block club. While the block club may create standards that each neighbor has to abide by in order to improve the quality of life, such standards will be unenforceable without the involvement and support of everyone in the community. It is helpful to leave flyers with neighbors as well.
5. The leaders might want to prepare an agenda for the first official block club meeting. The group could choose a temporary chairperson who can assure that members follow the agenda. The first issue to be addressed should be why the community needs a block club, and what the problems are. Perhaps it would be helpful to invite a member of another block club to talk about what their block club does and how it works. Next, everyone present should vote on whether to form a block club. If the group decides to form a block club they could elect temporary officers such as a chairperson, vice-chair, treasurer, and secretary who is responsible of informing members of the next meeting. Temporary subcommittees could also be formed to address such issues as the block club's membership and Constitution if the members want to have one. Finally, decide on a time and place for the next meeting.
6. If a block club wants to develop a constitution or bylaws they can present them at a subsequent general meeting and request a vote for approval.
For examples of a block club constitution, see
• <http://www.ci.detroit.mi.us/Departments/NeighborhoodCityHalls/NCHServices/BlockClubCommunityGroupOrganization/tabid/765/Default.aspx>

Chapter 10.1 : Form a Block Club

Finally, the block club may want to register with the City and make contact with the local Neighborhood City Hall (NCH). The local NCH can be a link between community members and the mayor. It can assist with further questions and may send a representative to the next meeting to help facilitate such things as a neighborhood watch. In order to register with the City, a member of the leadership team has to go to the closest NCH to pick up a block club packet. The packet will contain information on block clubs, and will include an application that the club will have to fill out and mail in order to get an official community name. Interaction with the NCH may be helpful but is not a requirement for forming a block club.

For the closest NCH, go to

- <http://www.ci.detroit.mi.us/Departments/NeighborhoodCityHalls/NCHLocations/tabid/509/Default.aspx>

Maximizing the Effect of a Block Club

Block clubs will be most effective where there are able, willing, and committed participants who have the support of local governmental agencies such as the police department and the surrounding community. The costs of a block club vary, but may include the cost of printed materials, rent for space to hold meetings, and the cost of refreshments. The block club may also want to invest in tool such as hammers, nails, lawn mowers, or shovels necessary of the block clubs work. In order to deal with costs, block clubs may require under its bylaws that members pay dues, or else it can organize fundraisers. Fundraisers are a great way for block clubs to not only raise funds, but also encourage neighborhood bonding. Block club members may be willing to donate money to the organization or a particular program, and may provide resources for particular projects such as lawn mowers, paint or shovels.

Chapter 10.2: Forming a Non-Profit Organization

A nonprofit organization is organized exclusively for charitable purposes and can operate as an unincorporated association, charitable trust, or corporation. Typically, nonprofits are funded by charging some minimal amount for services and by donations from private or public sources. By law, a non-profit must have a mission statement and remain true to that mission statement.

The Impact of Non-Profits on Vacant Properties

There are several ways nonprofits can help deal with the harm caused by vacant properties. Nonprofits often have the purpose and drive to improve the community. Many nonprofit organizations have the fundamental interest in resolving vacant property issues in their community. Furthermore, the community connection that many nonprofits have enables them to understand the effect of vacant properties and act accordingly. Nonprofits provide services, valuable knowledge, and affiliation with other city organizations, businesses, and others in the community. In addition, nonprofits also may have the ability to acquire vacant land. (See Chapter 6).

Steps for Forming a Non-Profit

1. The first step in forming a nonprofit is getting people together who share a common goal and who are willing to commit time, energy, and resources to serving an organization. The nonprofit should define its purpose, services, and goals as clearly as possible. Before forming a non-profit, it would be helpful to determine whether one already exists in the community.
2. Next, decide whether to form an unincorporated association, charitable trust, or corporation. While becoming a corporation can be a lengthy process, there are benefits to becoming a nonprofit, such as obtaining the tax-exempt status and providing some liability protection.
3. To become a nonprofit corporation, the group must complete and file Form 502, "Articles of Incorporation for use by Domestic Nonprofit Corporations" with the Corporations Division of the Michigan Department of Labor and Economic Growth. When preparing this document, determine the name of the organization, where it will have its office, and its purpose.

502 – Articles of Incorporation for Nonprofit - **\$20 fee** - <http://www.dleg.state.mi.us/bcsc/forms/corp/corp/502.pdf>

The organization will then have to get an Employer Identification Number. To get an EIN – **Free** – <http://www.irs.gov/businesses/small/article/0,,id=102767,00.html>

4. Select the organizations' Board of Directors, and hold the first Board meeting. At the meeting, develop a clear mission statement and adopt bylaws and board policies. Elect officers such as a President, Treasurer and Secretary who will hold leadership positions in the organization.
5. If the nonprofit organization will raise more than \$8,000 per year in Michigan, it must submit the Initial Charitable Trust/Charitable Solicitation Questionnaire and the Application for a License to Solicit Donations. This can be done through the State of Michigan Office of the Attorney General (Charitable Trust Division).

http://www.michigan.gov/documents/f002-mast_solicit_quest_40896_7.pdf

6. In order to become tax exempt, a nonprofit must file the 1023 application to become obtain 501(c)(3) status. To obtain this status, a nonprofit must have a purpose that is charitable, educational, religious, scientific or literary.

1023 Application – <http://www.irs.gov/pub/irs-pdf/f1023.pdf>

- \$750 if more than \$10,000 in expected or actual annual gross receipts
- \$300 if \$10,000 or less in expected or actual annual gross receipts

1023 Instructions – <http://www.irs.gov/pub/irs-pdf/i1023.pdf>

7. Finally, it may be necessary to find an office space, get materials, and hire staff. However, many non-profits operate without these things. Open a bank account, and begin developing and implementing a program and a fundraising plan if necessary.

Chapter 10.2: Forming a Non-Profit Organization

Maximizing the Effect of a Non-Profit

Nonprofits are most appropriate when they provide services that a community needs. A nonprofit will be the most effective at serving clients when its members and volunteers are able to get involved in the community and affiliate with other groups.

Many of the costs that a nonprofit could face are the same as those of a for-profit organization. It may have to pay for insurance, employees, utilities and other bills, and for office space. An organization will have to pay for all of its materials as well as any costs associated with providing its services. Depending on its status, a nonprofit will have to pay some taxes, especially for income generated through activity not related to its nonprofit purpose, and for all fees associated with incorporating, getting an EIN, and applying for a Charitable Solicitation License or tax-exempt status.

Once established a non-profit may be able to work with organizations such as Community Legal Resources which can help with obtaining free legal advice and representation. (313) 962-3171 or www.clronline.org.

A nonprofit can limit its costs in many ways. First, it can save money by sharing office space with another organization. It can engage more volunteers and charge minimal costs for services. In addition, a nonprofit can fundraise and receive donations from members of the community and sponsors in order to mitigate costs.

Chapter 11: Retaining Residents

Taking steps to retain current residents will help slow the tide of vacancy in a neighborhood. Helping neighbors identify sources to obtain funding for needed repairs and stabilizing the rental housing in a community will help retain the neighbors currently living there.

Homeowners and neighbors need to know where to turn to get funding for repairs that affect the health and safety of residents and the surrounding community. In addition, neighbors need information on how to retain the residents in homes in their neighborhoods.

When a homeowner is struggling to pay the mortgage and foreclosure looms in the near future signs of neglect often become apparent. Leaky roofs may be covered with tarps, broken windows may be visible, and one or more doors may be boarded. With every dollar going to paying the mortgage, homeowners, especially those on a fixed income often have little left for home repairs.

Several government resources may be available to a homeowner to cover repairs that the homeowner could otherwise not afford to make. Enabling homeowners to make needed repairs will allow them to continue living in a home that would otherwise no longer be a viable option. In addition, making repairs may cause a homeowner to feel more invested in a property, reducing the likelihood that the occupant will leave and cause the home to become vacant.

This chapter also includes some information on dealing with private contractors and others a homeowner might hire to make repairs to a home. This information will be useful if an organization has managed to obtain control of a property through some means (see chapter 6) or to anyone wishing to make repairs to their own property.

Repair work such as reroofing or the installation of new windows sends the signal to the community and to potential buyers that a community has not given up hope. It sends the message that the community is viable and that invested resident will sustain it. This signal of hope and commitment will help keep other invested residents in the neighborhood.

Committed and quality renters are an important segment of a neighborhood. Retaining these residents through rental property stabilization is critical. The City of Detroit has a Rental Registration Ordinance. This ordinance serves to create a register of rental properties in the City and provide inspections to make sure that those properties do not fall into disrepair. It is important that property owners assume responsibility for the properties they own and for the impact of that property on the surrounding neighborhood. This chapter will provide information on how neighbors can use the City of Detroit's Rental Registration Ordinance to ensure the stability of rental houses in their neighborhoods.

Chapter 11.1 • Using City and State Resources to Rehab and Repair Properties

The City of Detroit and the State of Michigan offer various programs to assist citizens with home repairs, rehabilitation, and weatherization. Generally, these programs are available to seniors or to individuals or families who meet certain low to moderate-income standards. Funding for these programs is limited and not everyone in need of the funds will be approved. In addition, the application process is lengthy. If a resident is approved for funding it will not result in cash in hand. Rather, the resident will be able to pick from a list of approved contractors who can perform the work and the contractor will be paid by the city.

City Home Repair and Rehabilitation Programs

The City of Detroit receives funding for its programs from the federal government in the form of Community Development Block Grants (CDBG) and HOME funds.

Through these funds, the City is able to provide the following programs:

1. Senior emergency home repair program
2. Minor Home Repair
3. Citywide lead hazard reduction program
4. Child help lead hazard reduction program

1. Senior Emergency Home Repair Program

This program is offered by the City of Detroit Planning and Development Department to a limited number of seniors who live in the City of Detroit. Applicants for this program must meet low-income guidelines and be owner occupants. Through this program, grants are provided to seniors in order to correct serious code violations and/or emergency repairs.

The maximum amount of the grant is \$12,000.

Eligible applicants must meet the following criteria:

- Applicant must be at least 65 years of age or older and/or physically disabled and 55 years of age or older
- Applicant must be very low income
- Applicant must own and occupy the home
- Applicant must not have received a prior rehab/repair grant from city programs

Examples of Eligible Emergency Home Repairs:

- Furnaces
- Plumbing
- Roofs
- Electrical systems
- Structural repairs

Examples of Ineligible Repairs:

- Windows
- Carpeting
- Kitchen cabinets
- All household appliances
- Plaster, drywall
- Concrete-work / driveways
- Any item that is "Lead-Based Paint" related and would require a risk assessment.

2007 Income Guidelines - Low Income

Household Size	Combined Adult Income of Household
1	24,450
2	27,950
3	31,450
4	34,950
5	37,750
6	40,550
7	43,350
8 or more	46,150

The Income Guidelines for this program may change slightly each year. However, the following are the low-income requirements for 2007.

2. Minor Home Repair Program

The Minor Home Repair Program provides minor housing rehabilitation repairs to help preserve the neighborhoods of the City of Detroit. The Program is designed to correct health and safety conditions, and to eliminate lead-based paint hazards in residential properties owned by low-income homeowners. Financial assistance is available through a one-time only grant/forgivable loan at no cost to homeowners up to \$15,000 per property or a maximum of \$24,950, if lead-based paint hazards exist.

Homeowners must apply through a Sponsoring Community Organization that has Community Development Block Grant Funds available for home repairs. Applications are available October through December of each year through Sponsoring Community Organizations, who must spend their Community Development Block Grant funds awarded through the CDBG/NOF Proposal application process.

If a group is interested in becoming a Sponsoring Community Organization, the group must submit an application. Community group applications are generally due in October or November. There are various categories of funding and certain requirements are imposed related to:

- The number of square miles represented by the organization
- The organization's selection process for awarding funding to individuals in their area – this often means having an evaluation committee.
- The number of board members the organization has
- The percentage of the organizations board members who live in the area
- Whether the organization's area of representation overlaps that of any other similar organization

Approval of organization applications takes place in concurrence with the passage of the City's regular yearly budget in May or June. If an organization is approved and it receives funding, it must advertise the availability of the funds and ensure that individual applicants for those funds meet certain criteria. Once this has been completed, the organization must forward the applications to the City because the City administers the funds.

Once an individual has been approved as having met the criteria to receive funds under this program, it can take several years to actually receive funds due to the large number of qualified individuals.

To participate in the Program, verification of the following items will be required:

1. proof of income;
2. proof of ownership
3. proof of property insurance
4. proof of paid property taxes

5. proof of occupancy
6. picture identification
7. other information may be requested or required

Completed applications and supporting documents are submitted by Sponsoring Community Organizations to the City of Detroit for review and approval in order for homeowners to participate in the Minor Home Repair Program.

Eligible properties for financial assistance must meet the following requirements:

1. single-family dwellings;
2. located within the targeted boundaries of a Sponsoring Community Organization; and
3. Structurally and economically feasible for repairs.

* Eligible improvements include repairs to roofs, furnaces, plumbing, electrical, structural, porches and lead hazard remediation.

3. Citywide Lead Hazard Reduction Program

The Citywide Lead Hazard Reduction Program is a program that provides funding for lead removal to low-income, owner-occupants of single-family homes within the City of Detroit. Maximum funding under this program is \$24,950 per property. In addition, the following requirements are imposed to qualify for this program:

1. Low Income household
2. Applicant must be an owner-occupant
3. Single Family Home within the City of Detroit
4. Child under the age of 6 residing in the home (especially those with elevated blood lead levels.)

The program is restricted to the reduction of lead hazards and repairs associated with the lead hazard and to correct serious code violations and/or emergency repairs.

4. Child Help Lead Hazard Reduction Program Landlord Rental Program

This program is designed to assist landlords, whose tenants include children under six years of age in the household, for the purpose of remediation of lead-based paint hazards in their rental property.

Tenants must meet HUD eligibility income guidelines.

Chapter 11.1 • Using City and State Resources to Rehab and Repair Properties

The program targets at-risk or exposed children in single and multi-family dwellings consisting of 1 to 4 units.

The program is restricted to the reduction of lead hazards and repairs associated with the lead hazard and to correct serious code violations and/or emergency repairs.

The maximum funding is \$24,950 per unit.

Contact Information for City Repair and Rehab Programs:

Senior Emergency Home Repair Program

Minor Home Repair Program

Housing Services Division

65 Cadillac Square, Suite 1900

Detroit, Michigan 48226

(313) 224-3461

Hours: 8:30 a.m. to 4:30 pm. (Mon – Fri)

Citywide Lead Hazard Reduction Program

Childhelp Lead Hazard Reduction Program Landlord Rental Program

Housing Services Division

65 Cadillac Square, Suite 1900

Detroit, Michigan 48226

(313) 628-2565

Hours: 8:30 a.m. to 4:30 pm. (Mon – Fri)

City Weatherization Program

Through its weatherization program, the City of Detroit aims to promote energy conservation and to reduce the energy cost of low-income families through energy efficient weatherization measures.

The program is available to those living in both single family and multifamily homes. The program operates by sending trained weatherization crews to the affected home to perform an evaluation. Through its evaluation, the crew will determine which measures are appropriate, essential for health and safety, and cost-effective. Services under this program are wide ranging but most often include:

1. Insulation of attic and walls
2. Window repairs
3. Pipe insulation

4. Caulking

5. Weather-stripping

There is no cost to apply to the program. In order to apply the resident seeking the service must complete an application at one of the four community centers listed here.

AREA A Community Service Center

Northwest Activities Center

18100 Meyers, Detroit, MI 48235

Phone: (313) 887-6656

Fax: (313) 578-7638

Anita Mitchell

Phone: (313) 887-6632

AREA C Community Service Center

7131 Westfield, Detroit, MI 48204

Phone: (313) 887-687

Fax: (313) 870-5059

Timothy Jeude'

Phone: (313) 887-6675

AREA D Community Service Center

Butzel Family Center

7737 Kercheval, Detroit, MI 48214

Phone: (313) 852-4786

Fax: (313) 852-4775

Lynn Miller

Phone: (313) 887-6710

AREA G Community Service Center

5031 Grandy, Detroit, MI 48211

Phone: (313) 852-5634

Fax: (313) 852-5608

Cecily McClellan

Phone: (313) 887-1136

Be prepared to provide the following items at the service center:

- Proof of ownership or residency
- Proof of income of all household members
- Current gas/electric bills
- Picture I.D. and Social Security Card

State Programs

The MSHDA Property Improvement Program

In addition to the programs the City of Detroit offers, the State of Michigan offers a home improvement program through MSHDA called The Property Improvement Program (PIP).

PIP is a low interest loan available to homeowners of low to moderate income for improvements to their owner occupied property. The program serves a broad range of citizens including first time homebuyers, senior citizens, disabled individuals, and working class families. The loan can be used to make any type of improvement to the home so long as those improvements are permanent and make the home more livable or energy efficient. The following are some examples of repairs that could be performed with a PIP loan:

- Install insulation
- Install ramps, handicap accessible bathrooms, lifts, etc.
- Replace the heating system (including wood burning)
- Add new siding
- Paint (including removing lead based paint)
- Replace the roof
- Install new windows
- Remodel the kitchen or bathroom
- Upgrade electrical wiring
- Even add new rooms and a garage

If a homeowner wishes to apply for a loan he or she should take the following steps:

1. Decide on the type of improvement to be made
2. Get estimates for completion of the work from a state licensed repair company or contractor; OR
3. Get estimates for the cost of supplies if homeowner will perform the labor for the project
4. Go to a participating bank, savings and loan association, or community housing office and ask for a MSHDA Property Improvement Program Loan Application.

One contact for the City of Detroit is:

J. Diane Dixon – First Independence Bank – (313)256-8446

5. There are credit requirements to qualify for this program.

Depending upon financial ability and the amount borrowed, the borrower may take up to 20 years to repay the loan (30 years in limited cases). Lack of equity (the value of the property beyond the amount owed) is not a factor, for loans under \$25,000.00.

A 2% origination fee (\$100 minimum) is financed in the loan amount (not out-of-pocket).

Maximum Loan Amounts* Per Property are:

One- Two Units \$25,000 - \$50,000

**must include origination fee*

The bank, savings and loan association, credit union and/or community agent where the homeowner applies for the loan will decide if she meets the guidelines for a MSHDA PIP Loan. Gross annual household income cannot exceed \$60,500, and up to \$74,750 in certain cities, please see **PIP Income Limits**.

Interest rates of 4% to 8%* are based upon gross household income as follows:

Up to \$19,999	4%
\$20,000-\$39,999	6%
\$40,000-\$60,500/\$74,750	8% (6% in some cases)

**The annual percentage rate (APR) will be higher depending upon loan amount, origination fee, etc.*

*** If the cumulative loan to value of property is below 80% and the MSHDA PIP loan is at least \$10,000 - the rate would be 6% instead of 8%.*

Loans above \$7,499 are secured by a mortgage on the property.

Proof of ownership, such as a quitclaim deed, must be traced to a recorded warranty deed.

The following information is provided by MSHDA as the MSHDA Consumer Handbook. It provides general information about dealing with contractors and more specific information on the PIP loan process:

MSHDA Consumer Handbook

The Consumer Handbook provides important information about the MSHDA Home Improvement Loan Program. At the end of the Handbook is a checklist of items that you will need to bring with you to the community agency or financial institution when applying for a MSHDA Home Improvement Loan.

Eligibility Requirements

You may qualify for a Home Improvement Loan if:

- You are buying your home or own it free and clear. You must also occupy the house that will be improved or one of the units if the property has two to four apartments.
- Your gross annual household income from all adult household members is under \$74,750.00 (or \$60,500 in certain cities).
- You have reasonable credit and the ability to repay the loan.

Dealing with Contractors, Builders, Remodelers, or Carpenters

If you plan to use a contractor, builder, remodeler, or carpenter, you should ALWAYS get at least two estimates.

Choose a contractor with a reputation for honesty and good workmanship. **There are several ways to check:**

1. Hire someone who has established a good reputation and does the type of work you want done on a full-time, year-round basis.
2. Ask your local Chamber of Commerce, the Better Business Bureau, local community building inspector, and/or the State of Michigan's Bureau of Occupational and Professional Regulation, Builder's Division. The Bureau's telephone number is 900-555-8374 (you will be charged for this call). All contractors, builders, remodelers, and carpenters must be licensed by the State of Michigan. Always ask to see licenses!
3. Ask for the names and telephone numbers of other customers the contractor has worked for. Talk to them. Ask if they were happy with the work done.
4. Stop by the place of business to see that the contractor is not a fly-by-night operator.
5. Ask friends, neighbors, and relatives to recommend good contractors.

Comparing Contractors and Bids

Always get more than one WRITTEN estimate! It is best to get two or three in order to compare prices. Doing this could save you money! The written estimate should also state if the contractor:

1. Will provide a final set of working plans and/or specifications for your approval before construction begins;
2. Will allow you to make changes during construction if the changes are in writing;
3. Will give you a complete, written warranty on the work and materials; and
4. Will provide repairs if problems develop during the warranty period.

Also, ask the contractor for proof that he has workmen's compensation and liability insurance.

The contractor must sign the MSHDA Contractor/Borrower Agreement (Form H-3). By signing the Agreement, the contractor states:

- a. You will be protected from lawsuits if a worker is injured on the job.
- b. The contractor will provide lien waivers before being paid.
- c. In addition to any other warranties, rights, and remedies you may have, the contractor has agreed to correct any defects in workmanship and material up to two years from the date of the MSHDA Home Improvement Note.

Never pay a contractor a large portion or the full amount of the contract before the work is done. If necessary, arrange for partial payments at the end of various stages of construction. Make the final payment only after the job is satisfactorily completed.

Never pay the contractor with cash.

MSHDA, is NOT a party to any agreement between you and your contractor and **is not responsible for enforcing any such agreements**. If you have problems with a contractor, consult an attorney, a legal aid society, your city or county building department, your local prosecutor's office, or the State of Michigan's Bureau of Occupational and Professional Regulation, Builder's Division (telephone number (517) 241-9202).

Questions & Answers

- Q.** Should I sign any contracts before I know that my MSHDA Home Improvement Loan has been approved?
- A.** No. Depending on how the contract is written, you might have to pay for the home improvement even if your loan is not approved.
- Q.** Can my builder help me fill out the MSHDA loan application?
- A.** No. A contractor, builder, remodeler, or carpenter must NEVER help you complete a MSHDA loan application, quote interest rates, drive you to the bank, or contact the bank in your behalf. Only you as the borrower should be dealing with the bank (bank can also mean savings and loan or credit union).
- Q.** The contractor who came to my house said he would cut his price if I signed right away. Should I?
- A.** No. The contractor may have been trying to pressure you into making a snap decision. Always get additional estimates, and take your time in order to make the best choice. Also remember that under state law, you may generally cancel, within three days, a contract that was signed at your home. For specifics, contact your community agency or lender.
- Q.** My carpenter is willing to start the work before my loan is closed. Should I let him?
- A.** No. If MSHDA or the bank finds out that work was started before the loan was closed, your loan will be CANCELED. If you have an emergency situation and need immediate repairs, please contact your bank for assistance.
- Q.** What do you mean by “waiver of liens”?
- A.** Under state law a contractor, subcontractor, supplier, etc., may place a lien (a charge or claim) against property if he or she does not receive payment for goods or services provided. Someone holding a valid lien could foreclose, forcing you out of your home! Waivers of liens provide proof that the contractor has paid any subcontractors or suppliers. Ask your financial institution for more information.
- Q.** How long should it take to get my loan approved?
- A.** After all required information has been received by the bank, income and credit will be examined. If the

information appears acceptable, the package will be sent to MSHDA for final review. Generally, within ten business days, MSHDA will give an answer to the bank.

- Q.** Will I have to mortgage my property in order to receive a MSHDA home improvement loan?
- A.** If the amount you borrow is over \$7,500, you will have to mortgage your property. A mortgage pledges your property as security for the loan.
- Q.** Can I get a home improvement loan if I am buying my house on a land contract?
- A.** Yes. However, since you will not hold title to your home until the land contract holder is paid in full, the land contract holder is required to sign the mortgage if one is placed on the property.

Community Agencies & Financial Institutions

Throughout the State of Michigan, many community agencies participate in the MSHDA home Improvement Loan Program. Check with a Participating Lender or Community Agent for an application. If your community participates, the people there will answer your questions and help fill out the loan application forms. Otherwise you can deal directly with one of the participating banks, savings and loans, or credit unions in your area. They will also answer questions about the loan program.

The following items must be submitted when applying for a MSHDA Home Improvement Loan.

Please take them with you to the community agency or bank that is helping you. If you cannot find each item, or are not sure what is being requested, check with your community agency or financial institution for assistance.

Loan Application Checklist

- Completed MSHDA application (H-1)
- Most recent one month's pay stubs, or proof of social security payments, or other proof of income/assistance Warranty deed (also land contract if applicable) Paid property tax receipts for the last three years Contractor's estimates and H-3
- Most recent year's income tax return with all schedules. Bring two years income tax returns if you have changed jobs in the last two years, are self-employed, are seasonally employed, or have rental income

Chapter 11.2: Ensuring the Stability of Rental Housing

Rental Registration and Compliance

Detroit's Property Maintenance Code requires that owners and agents register their rental properties with the Buildings and Safety Engineering Department (BSED), and obtain a certificate of registration. It is unlawful to occupy rental property or for a property owner to allow rental property to be occupied without receiving a required certificate of registration issued by the BSED. The Department is responsible for granting the rental registration, maintaining the applications, regulating annual inspections and enforcing the Blight Ordinance.

To register a rental property, an owner must go to room 402 or 412 of the BSED building, or to any local City Hall to pick up a registration form. To register, the owner must include the location and use of the property. The registration requires a name, address, phone number and driver's license number or state identification number of an individual rental owner applicant. However, if a corporation owns the building and a resident agent is registering the property then only a name and address is required.

Names and addresses of any partner or other person having an interest in the property must be included, as well as the names, addresses and telephone numbers of any persons other than the owner who is responsible for property maintenance. If a property owner sells or transfers a registered rental property, its certificate of registration expires and the new owner will have to reapply.

The certificate of registration, once granted, will be renewed annually on a date chosen by the BSED. A registered rental property cannot be occupied without a certificate of compliance issued by the BSED, which can be attained through a required annual inspection process. The BSED will issue a certificate of compliance where the rental building, including the exterior areas, complies with the requirements and standards of the code.

The Impact of Rental Housing on Vacant Properties

Through the registration requirements, the City can create rental-housing standards to ensure that all rental properties in Detroit are safe and appealing. Rental properties that are poorly maintained are likely to have a higher turnover of tenants who never feel fully invested in the neighborhood.

Requiring property owners to register rental properties and satisfy certain requirements will make it easier for renters to obtain quality housing while assuring that such buildings meet high standards of living in Detroit communities.

While one of the biggest problems with vacant properties is that the City and the surrounding community do not know who to hold responsible, and can therefore do very little to fix it or prevent further deterioration, registered rental properties are different. Requiring registration of rental properties ensures that the people who have the responsibility and are able to maintain buildings are held responsible for doing so. Personal contact information is held by the BSED so that owners and agents can easily serve owners with notice of violations and responsibility of compliance can be allocated. In addition, tenants and neighbors will know who the owners are so that they can track down whoever is responsible for the building and inform them of potential violations.

Once registered with the City, the BSED will carry out annual inspections of the rental properties to assure that standards requiring the maintenance of clean, healthy, safe and quality rental properties are satisfied. Rather than allowing rental properties to become substandard housing and the eyesores of the community, regular inspections increase the likelihood that rental property owners will keep their buildings in good and safe conditions. When tenants and neighbors can easily make complaints concerning a rental property, they will have a greater interest in keeping the surrounding area in good condition and will likely be motivated to improve the quality of life issues associated with rental properties.

Rental properties are important parts of the community, and their deterioration will worsen the declining standard of living communities that are already dealing with vacant properties. Prompt and consistent enforcement and annual inspections required by registration will allow rental properties to serve as safe and appealing places to live rather than contributing to the problems of vacant property.

Maximizing the Effect of Rental Home Stability Enforcement

Renters should live in properties that are safe and of high quality, and neighbors should not have to put up with a substandard rental property that affects their neighborhoods. Renters who believe that requirements may be unfulfilled and that their rental property may need inspection or repair should inform the owner of the problem. If the problem is not addressed the renter should call BSED to report a complaint at 224-2733. Neighbors can call the same number to set up an inspection by the City to see if the rental property is in compliance.

It costs nothing to register a rental property with the City. In addition, the owner or agent responsible for the property must pay for the inspections. The cost for inspections will vary based upon how the building is occupied. The inspection of a single rental unit that houses one family costs \$150.00 and the cost to inspect a multiple family apartment building will depend on the square footage.

In addition, owners of registered rental property are responsible for paying any costs associated with compliance, whether it is to maintain the property in a safe and satisfactory condition or pay the fees that result from violations.

Chapter 12: Quick Reference Guide

The following list provides a quick-reference guide for commonly used telephone numbers to keep neighborhoods strong and safe. For more information, please contact the Detroit Vacant Property Campaign at (313) 962-3171 or www.detroitvacantproperties.org.

Foreclosure Prevention Assistance

Contact Name	Phone	Notes
TAX PAYMENT EXTENSION		
Wayne County Treasurers Taxpayer Assistance Department	(313) 224 - 6105	Assistance with Wayne County tax issues
FINANCIAL ASSISTANCE		
Arab Community Center for Economic and Social Services (ACCESS)	(313) 842 - 7010	Help is available to those who qualify and is not limited to those of Arabic ethnicity.
City of Detroit Human Services Department, Central Operations Division	(313) 396 - 0200	Detroit homeowners only.
Michigan Veterans Trust Fund, Wayne County Office	(313) 224 - 5045	If the taxpayer is a veteran with at least 6 months of wartime duty, he may qualify for financial assistance.
Wayne County Department of Human Services	(313) 852 - 5609	This is a general number from which a taxpayer can obtain the phone number and address of his local DHS office. The taxpayer can also simply go to the local office and apply for State Emergency Relief (SER).
Wayne County Veteran Affairs (Soldiers and Sailors Relief Fund)	(313) 224 - 5045	If the taxpayer is a veteran with any wartime service and an honorable discharge, she may qualify.
HOME OWNERSHIP COUNSELING (MSHDA CERTIFIED) AND LEGAL ASSISTANCE		
Home Ownership Preservation Project	1 (888) 995 - HOPE (4673)	Foreclosure counseling and assistance.
Southwest Housing Solutions	(313) 841 - 3727 x336	Foreclosure counseling and assistance.
HOME OWNERSHIP COUNSELING (MSHDA CERTIFIED) AND LEGAL ASSISTANCE		
United Community Housing Coalition	(313) 963 - 3310	Detroit only – Foreclosure help and housing placement.
Michigan Legal Services	(313) 967 - 5800	Wayne County – Help with housing related and other legal issues
Legal Aid and Defender	(313) 967 - 5800	Wayne County – Help with housing related and other legal issues

Foreclosure Prevention Assistance

Contact Name	Phone	Notes
HOME OWNERSHIP COUNSELING (HUD CERTIFIED)		
Grandmont Rosedale Development Corporation	(313) 387 - 4732	Counseling Services (MSHDA certified) • Homebuyer Education - Group and Individual • Financial Management Education • Pre-Purchase / Credit Repair Counseling
Perfecting Community Development Corporation	(313) 365 - 2273	Counseling Services (MSHDA certified) • Homebuyer Education - Group and Individual • Financial Management Education • Pre-Purchase / Credit Repair Counseling
Phoenix Housing and Counseling Non Profit, Inc.	(313) 964 - 4207	Counseling Services (MSHDA certified) • Homebuyer Education - Group and Individual • Financial Management Education • Pre-Purchase / Credit Repair Counseling • Pre-Purchase Home Inspection Funds • Home Maintenance Training • Foreclosure Prevention Counseling • FSS/Key To Own Counseling • HomeChoice Counseling • HELP Loan Counseling • HUD Referral Counseling
Southwest Housing Solutions Corporation	(313) 841 - 9641	Counseling Services (MSHDA certified) • Homebuyer Education - Group and Individual • Financial Management Education • Pre-Purchase / Credit Repair Counseling • Foreclosure Prevention Counseling
U-SNAP-BAC Non-Profit Housing Corp.	(313) 640 - 1100	Counseling Services • Homebuyer Education - Group and Individual • Financial Management Education • Pre-Purchase / Credit Repair Counseling • Foreclosure Prevention Counseling • HELP Loan Counseling • HUD Referral Counseling
Detroit Non-Profit Housing Corporation	(313) 972 - 1111	HUD
Detroit Neighborhood Housing Services	(313) 833 - 1943	HUD
Bethel Housing Counseling Agency	(313) 833 - 9912	HUD

Maintaining and Securing Vacant Property

Contact Name	Phone	Notes
DEMOLITION – ABANDONED OR DANGEROUS STRUCTURES		
Buildings & Safety Engineering Department	(313) 224 - 3215	For buildings in need of demolition assessment
Wayne County Nuisance Abatement Program (NAP)	(313) 967 - 2203	NAP attempts to work with property owners and encourages property rehabilitation and a return to full use. Reported properties must be vacant.
BUILDING CODE VIOLATIONS OR BLIGHT VIOLATIONS (INCLUDING FAILING TO MAINTAIN THE EXTERIOR OF A BUILDING, REMOVE SNOW, CUT GRASS, OR REGISTER A RENTAL PROPERTY)		
311 Call Center	311	For buildings in need of demolition assessment
Buildings & Safety Engineering Department	(313) 224 - 2733	To report blight violations
RODENT INFESTATION, HAZARDOUS WASTE, OR HIGH GRASS		
Department of Environmental Affairs	(313) 471 - 5100	To report environmental hazards
ABANDONED CARS		
Call your local police district	See "Police Districts"	To report criminal activity and abandoned vehicles
Department of Environmental Affairs	(313) 471 - 5100	To report environmental hazards including abandoned vehicles
Buildings & Safety Engineering Department	(313) 224 - 2733	To report blight violations and abandoned vehicles
ILLEGAL DUMPING		
Call your local police department or 911	911 See "Police Districts"	If the dumping is in progress
Department of Environmental Affairs	(313) 471 - 5139	To report dumping after the incident
STRIPPING AND PROPERTY CRIMES		
Call your local police department	See "Police Districts"	Report it to the supervisor on duty and request that a car be dispatched immediately to the property

Maintaining and Securing Vacant Property

Contact Name	Phone	Notes
COMMON FIELD SERVICERS		
Mortgage companies often hire Field Servicers or property preservation companies to provide boarding and maintenance services on vacant properties owned by the mortgage company.		
Ocwen	(800) 226-2936 (REO Division)	Servicer for the U.S. Department of Veterans Affairs
Freddie Mac	(800) 373 - 3343	REO Division
Michaelson, Connor and Boul, Inc (MCB)	(248) 827 - 0200 Toll Free (877) 827 - 7781	This is the servicer for HUD homes. The U.S. Department of Housing and Urban Development (HUD) uses Marketing and Management agencies for field service on its properties. If the defaulted mortgage was originally a Federal Housing Administration (FHA) mortgage then HUD will be the owner of the house once it is defaulted.

MALFUNCTIONING STREET LIGHT

Public Lighting Department	(313) 267-8159	To report broken street lights
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CITY OF DETROIT REPAIR AND REHAB PROGRAMS

Senior Emergency Home Repair Program and Minor Home Repair Program	(313) 628 - 2565	For information on senior home repair programs
Citywide Lead Hazard Reduction Program and Childhelp Lead Hazard Reduction Program Landlord Rental Program	(313) 628-2565	For information on lead hazard programs

CITY OF DETROIT OMBUDSMAN

Ombudsman	(313) 224 - 6000	Call this number when you do not get timely response from a City Department
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GARDENING AND GREENING RESOURCES

Greening of Detroit	(313) 237 - 8733	Annually, The Greening hosts planting projects, ranging from full park restorations to streetscape renovations and massive street tree plantings to the creation of community and family vegetable gardens.
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Improving Vacant Properties

Contact Name	Phone	Notes
Garden Resource Program Collaborative	(313) 365 - 1568	Participants in the program receive basic resources for their garden, including seeds and Detroit grown transplants. Participants also become part of a growing network of community, school and family gardeners and garden advocates working to promote and encourage urban agriculture and community gardening across the City. Through participation in this larger network, gardeners gain access to additional resources, technical assistance, and educational opportunities. For a nominal fee, participants receive quality seeds and plants for their garden, subscription to the Detroit Farmer's Quarterly Newsletter and opportunities to access additional resources and participate in other valuable educational series and training workshops.
Michigan State University Extension in Wayne County	(313) 833-3412	The MSU Extension has designed programs to reconnect those living in predominantly urban areas with the land and our state's natural resources. They offer classes (Master Gardening and Community Gardening) and information relevant to urban gardeners.
The Boggs Center	(313) 923 - 0797	This non-profit organization also provides some information and opportunities for involvement in urban gardening.

General Reference Numbers

Contact Name	Phone	Notes
Mayor's Office		
Kenneth V. Cockrel Jr.	(313) 224 - 3400	
City Council Members		
Alberta Tinsley-Talabi	(313) 224 - 1645	Kwame Kenyatta (313) 224 - 1198
Barbara Rose Collins	(313) 224 - 1298	Monica Conyers (313) 224 - 4530
Brenda Jones	(313) 224 - 1245	Sheila Cockrel (313) 224 - 1337
JoAnn Watson	(313) 224 - 4535	Martha Reeves (313) 224 - 6510
Police Districts		
Central District	(313) 596 - 1300	Northwestern District (313) 596 - 5600
Eastern District	(313) 596 - 5900	Southwestern District (313) 596 - 5300
Northeastern District	(313) 596 - 1100	Western District (313) 596 - 1200

