

CITY OF FLINT PROPERTY DISPOSITION PROCEDURES

Overview

The *Imagine Flint Master Plan for a Sustainable Flint* was unanimously adopted by the Flint City Council and Flint Planning Commission in October 2013. This new plan is the first comprehensive master plan to be adopted in Flint in over 50 years. The Plan provides a 20-year community vision for Flint. Strong community engagement and resident input guided the planning process and created a community vision that represents the desires and decisions of the Flint community. To support the implementation of this vision, the City must revise its property sales procedures to ensure all sales and transfers of property align with the *Imagine Flint Plan*.

This procedure document outlines the process for facilitating and regulating the sale of City owned properties. The Department of Planning and Development will oversee the application, processing and close of sale.

Goals and Principles

The sale and reuse of City properties shall at all times be consistent with the following guiding principles:

- Encourage the development and reuse of vacant properties consistent with the City of Flint's Master Plan, and other City-approved and accepted plans.
- Eliminate blight and revitalize neighborhoods.
- Strengthen the City's tax base.
- Sell, at market value, properties without an adopted public purpose, and discount properties that provide significant community benefits.
- Convey land in a unified, predictable, timely and transparent process.

Definitions

These procedures apply to the real property inventories owned by the City of Flint referred to as "The City" throughout this document. They do not apply to City of Flint public parks as defined in the Flint City Charter, property acquired for rights-of-way or encroachments for a public purpose.

Plans

Scaled drawings, construction drawings, plot plans, or other illustrations showing the full extent of the site for a proposed development, including parcel boundaries, topography, landscape elements and the placement of all anticipated major improvements.

Qualified Purchasers & Bids

All purchasers of City-owned property must fulfill their commitments to the City and to their neighbors, which includes paying property taxes and maintaining properties in accordance with all municipal codes and ordinances.

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A Qualified Purchaser is defined as one who is in good standing on all municipal obligations; and

- Does not own any property that is subject to any significant unremediated violation of City codes and ordinances; and
- Does not own any property that has delinquent or outstanding property taxes, assessments, utility, service fees, rentals; and
- Does not have any outstanding loans with the city; and
- Has not been an owner in a completed Flint/Genesee County tax foreclosure proceeding within the previous three years; and
- If purchasing property for rental/investment purposes, applicant must register property in accordance with the City's rental ordinance and rental registration process

All purchasers must submit disclosures as required by the City. All applicants will complete a good standing form.

Administration

City Charter

Sec 4-501 Planning and Development: the City of Flint shall plan for the development of the city. The term planning and development as used in this charter includes:

(e) Proposals for the demolition, disposition, relinquishment of, or encroachments upon, public real property or public interests in real property.

City Code of Ordinances

§ Chapter 18-21.14 Sale or Lease of City Owned Property.

No interest in real property of the City of Flint shall be disposed of, transferred or otherwise alienated unless by ordinance or resolution of the City Council.

(Ord. 3500, passed 9-23-2002)

City owned property acquisition requests will be made through the City of Flint's Department of Planning and Development. The department will review bids received from qualified purchasers for consistency with the City of Flint's Master Plan, and other City-approved and accepted plans.

During the review of requests for real property under these procedures, the City in its sole discretion may accept or reject any offer or proposal, waive defects, informalities and minor irregularities in offers or proposals, and select the offer or proposal deemed to be in the best interest of the City. The City in its sole discretion may elect not to convey a property request for disposition.

Minimum property value will be determined by the City's Assessments Division as necessary. The City reserves the right to have a third party appraisal conducted. Real properties will be sold "as is" conveying the City's interest with a quit claim deed or some other method of transference. Due diligence and costs, including but not limited to, soil testing, environmental or engineering studies, baseline environmental assessment, surveys, title insurance and recording of documents will be borne by the purchaser unless otherwise agreed to by the City.

Whenever the real property or properties, to be disposed of was acquired under grant, purchase, foreclosure, or otherwise, and for which federal funds have been used to purchase, acquire, improve, or otherwise support, and the property is determined to no longer be needed for the originally authorized purpose, the City must request disposition instructions from the Federal awarding agency in accordance with 45 CFR 92.

Property Classifications

1. Side Lots (Residential)

If a homeowner wants to purchase the vacant lot next door they will be given nominal consideration for \$501.00, per City Master Fee Schedule, in accordance with the following criteria:

- Must be vacant land adjacent to the applicant's residential property, with a common boundary line on either side or behind the property.
- The applicant must be the owner of an adjacent property and using that property as his/her primary residence.
- The application must be a Qualified Purchaser.
- After purchase, the side lot must be combined with the homeowner's property through the City's Assessment Division

Side lot dispositions will be handled on a 'first come, first served' basis. In the event that multiple adjacent property owners desire to acquire the same side lot, the property may be subdivided upon mutual agreement by both adjoining property owners, or the City will sell the property to the highest bidder, in accordance with a formal bid process.

2. Side Lots (Commercial)

If a business wants to purchase an adjacent vacant lot they will be given preferential consideration upon request, utilizing the following criteria:

- Must be vacant land adjacent to the applicant's commercial property, with a common boundary line on either side or behind the property.
- Must be sold for no less than assessed value unless applicant can demonstrate a public benefit
- The applicant must be the owner of an adjacent property and using that property for his/her business.
- The application must be a Qualified Purchaser.
- After purchase, the side lot must be combined with applicant's property through the City's Assessment Division, and comply with all applicable zoning processes as necessary.

Commercial side lot dispositions will be handled on a 'first come, first served' basis. In the event that multiple adjacent property owners desire to acquire the same side lot, the property may be subdivided upon mutual agreement by both adjoining property owners, or the City will sell the property to the highest bidder, in accordance with a formal bid process.

3. Buildable Vacant Properties

Buildable vacant property is vacant land currently owned by the City that has the size, access and topography to support new construction or use in accordance with the Master Plan and approved

Zoning Ordinance. Minimum property value for bidding purposes will be determined by the City's Assessments Division as necessary. If an applicant requests to purchase a property that has not yet been bid out, or is not posted on the City's website of available land, the City will immediately add the requested property(s) to its list of available sites and publish for at least 7 days in order to provide for fair and open competition and allow the public the opportunity to bid on the property. Buildable vacant properties will be sold for development of residential, commercial, manufacturing, or recreation if the request is in accordance with the following criteria.

- Contains adequate plans for development that align with the Master Plan and approved Zoning Ordinance; and
- Applicant has proven financial resources; and
- Applicant provides a budget for improvements, including source of committed funds
- Is submitted by a Qualified Purchaser.
- The resultant Deed will include provisions that require the applicant to complete proposed plans within 2 years or return property to the City.

4. **Economically Viable Structures**

This includes residential and commercial structures currently owned by the City that are in need of little or no repair. These structures will be sold at or near market value if the request is in accordance with the following criteria:

Residential:

- House must be located in Neighborhood Center, Traditional Neighborhood, Green Neighborhood, Mixed Residential Area, Downtown District, or University Ave. Core, as defined by the Land Use Plan; and
- House is in Good or Fair condition according to the City of Flint's Housing Condition Assessment criteria; and
- House has been made publicly available through an open bidding process or posting on the City's website to provide for fair and open competition and avoid conflicts of interest; and
- Request is submitted by a qualified purchaser

Commercial:

- If it is located in a Mixed Residential Area, University Avenue Core, Neighborhood Center, City Corridor, Downtown District, Commerce & Employment, or Production Center, as defined by the Land Use Plan, the structure can be sold and redeveloped as a commercial operation; or
- If it located in a Mixed Residential Area, University Avenue Core, Neighborhood Center, City Corridor, or Downtown District, as defined by the Land Use Plan, the structure can be sold and redeveloped as a mixed use development; and
- Applicant must have and provide adequate plans for development that align with the Master Plan; and
- Has been made publicly available through an open bidding process or posting on the City's website to provide for fair and open competition and avoid conflicts of interest; and
- Applicant has proven financial resources; and
- Request is submitted by a Qualified Purchaser.

5. Structures Needing Significant Improvement

This includes structures owned by the city that are in a condition that require substantial improvements in order to come into compliance with all City codes and regulations. These structures will be sold if the request is in accordance with the following criteria:

Residential

- House must be located in a Green Neighborhood, Traditional Neighborhood, Mixed Residential Area, Neighborhood Center, Downtown District, or University Ave. Core, as defined by the Land Use Plan, and
- Applicant must have demonstrated capacity to complete the work required for the structure to come into compliance with all City codes and regulations, or to demolish the structure; and
- House has been made publicly available through an open bidding process or posting on the City's website to provide for fair and open competition and avoid conflicts of interest; and
- Applicant must have and provide adequate plans for development or reuse of property; and
- Is submitted by a Qualified Purchaser.

5. Catalytic Redevelopment Parcels

This includes both vacant lots and parcels with structures that are owned by the City and possess significant redevelopment potential and/or, are aligned with specific neighborhood plans indicating priority redevelopment. The designation of these parcels, not limited in size, are to be determined by the Department of Planning and Development.

Process

The process will be facilitated by the Zoning Coordinator who will accept, analyze, and process applications for property acquisition. The Zoning Coordinator will communicate with the applicant and coordinate with other departments in the city.

All requests will be evaluated by the Department of Planning and Development staff for compliance with the Master Plan, the Zoning Ordinance, long-term interests of the City, and qualifications of the applicant.

Planning and Development Staff will prepare a staff analysis as well as the resolution and submit it to the Mayor's office for review. If the Mayor approves the resolution it will be voted on by City Council. Final approval is rendered by the City Council. If the Resolution has received final approval the Department of Planning and Development will work with the City Attorney's office to effectuate the conveyance of property through quit claim deed or some other method of conveyance.

The City reserves the right to decline any offer to purchase City-owned property if the sale does not advance the City's goals or comport with its procedures for property disposition.

Approaches to the Sale of Real Property

The sale of City property is intended to promote the greatest possible active reuse of parcels in the City's inventory, and this will be accomplished through one of the following means:

Open and Competitive Market Sales

Open Market Sales such as broker listings, the use of the Multiple Listing Service, web sites or other recognized methods of advertising may be used to encourage broad participation in the sale of selected properties.

- Asking prices may be established using appraisal, competitive market analysis, or Automated Valuation Model (AVM).
- Properties will be placed on the market for a duration that will allow for broad engagement of potential buyers.
- The City retains its rights to approve or reject the best Qualified Offer, based on clear criteria, including price.

Listed Direct Sales

Available properties will be published on a designated City website with an asking price.

- Qualified Applicants will be allowed to purchase property at the listed price.
- When a purchaser offers less than the asking price for a property, or more than one person wishes to purchase the property, the City will use the Open Market Sales approach to obtain the best offer for the property.

Requests for Proposals/Qualifications

If the City has a specific planned use for a parcel, a Request for Proposals (RFP) will be issued to identify and select a potential developer. The RFP format allows the City to explain the planned use and any further restrictions that might be placed on the developer or successive owners of the property.

- RFP will be widely advertised to encourage broad participation.
- Selection criteria will include factors such as developer capacity and proposed development outcomes as well as the price.
- The price established through this process will be considered the market value of the property, and it must be acceptable to the City.

Discounted Sales

The City may convey a property for a discounted price to support public purposes such as affordable housing, economic development, and/or community development. If a property is identified for one of the following uses, the City will evaluate the proposal and property request to determine if the proposed project provides significant, visible community benefits that would merit the proposed reduction in sales proceeds.

Ethics

The City of Flint is committed to ethical and transparent processes for the administration of

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vacant land. All real estate transactions must meet a public purpose, that is, to serve and benefit the residents of Flint as a whole, and are governed by City and State laws and rules that generally prohibit, among other things, conflicts of interest, the disclosure of confidential information, and the representation of another by a City official or employee in a transaction with the City.