



2021

Renew Indianapolis, Inc.:

Land Bank Priorities, Policies, and Procedures

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Part I – INTRODUCTION

Our Vision

Renew Indianapolis envisions communities where quality of life, access to housing, and opportunities to build businesses are not determined by race, socioeconomic background, or zip code. Our communities support impactful partnerships that preserve and build wealth for neighborhoods and individuals in ways that are equitable and inclusive. Our communities offer a range of affordable housing choices for residents based on their needs and aspirations, offering places to work, shop, play, learn, and worship.

Our Mission

Renew Indianapolis plays an integral role in supporting comprehensive community development, neighborhood stabilization, and quality of life initiatives through innovative programs that offer financing and development solutions to 1) create and preserve affordable housing, 2) support neighborhood revitalization efforts, and 3) foster small business development.

What is a Land Bank?

A land bank converts vacant, abandoned, and tax delinquent property to productive use. Renew Indianapolis, Inc. (“Renew”) operates the Land Bank to facilitate redevelopment of these properties through a streamlined, transparent, and accountable process. In partnership with the City of Indianapolis Department of Metropolitan Development (DMD) and stakeholders across the City, the Land Bank supports neighborhood revitalization efforts in Indianapolis neighborhoods.

Part II - POLICIES AND PROCEDURES

The Renew Indianapolis Land Bank Policies and Procedures have been developed in consultation with the Land Bank Review Committee, the City of Indianapolis Department of Metropolitan Development, and other stakeholders pursuant to Indiana Code IC 36-7-38. The Renew Indianapolis Board of Directors adopted these Policies and Procedures effective January 1, 2021. Renew Indianapolis shall review and revise these Policies and Procedures from time to time at its discretion.

APPLICATIONS

Interested parties may submit an application to purchase property through the Renew Indianapolis website (www.renewindy.org). Renew Indianapolis staff will answer inquiries about the application, but the content must be generated and submitted by the applicant. Complete applications will be evaluated on the following criteria:

- Applicant's financial capability;
- Adequate and complete scope of work;
- Applicant's capacity to complete the proposed scope of work;
- Appropriateness for a given neighborhood, especially in terms of approved land uses and neighborhood plans;
- Applicant's property tax status; and,
- Applicant's history with health and building code violations.

Priority is given to Applicants proposing to develop affordable housing or use the property as their primary residence. Renew may request additional information to supplement the application and approve applications subject to certain requirements. Renew Indianapolis may approve or deny any application at its sole discretion.

Neighborhood Input

Renew Indianapolis provides notice to registered neighborhood associations and community development corporations for any complete application in the area where the property is located, pursuant to Section 186.4 of the Revised Code of the Consolidated City and County:

https://library.municode.com/in/indianapolis_-_marion_county/codes/code_of_ordinances?nodeId=TITORAD_CH186PRDI . Notice includes basic information about each application and the contact information for the prospective buyer. It is at this time that

opposition of an application should be registered with Renew. This opposition will be submitted with any resolution. Applicants are strongly encouraged to engage with community-based organizations during the application process.

A complete list of registered community-based organizations is available through the Registered Community Organizations database:

<http://maps.indy.gov/Indy.Organizations.Web/>

APPLICATION TYPES

The Land Bank offers properties for sale for different uses, each of which has its own requirements.

Homestead – Properties that the applicant must rehabilitate or build new construction to be used as their primary residence for a period of not less than two (2) years from the execution of the Project Agreement. Homestead Properties may include improvements or be vacant lots. New construction must be a permanent improvement that will add to the assessed value of the property. Applicants may be required to secure variances or rezoning approval prior to closing. Companies, partnerships, corporations, and non-profit organizations are not eligible purchasers of Homestead Properties

Standard - Properties that the applicant must rehabilitate or build new construction and may be used as a rental property or resold to other buyers once the project agreement is released. Standard Properties may include improvements or be vacant lots. New construction must be a permanent improvement that will add to the assessed value of the property. Applicants may be required to secure variances or rezoning approval prior to closing. Individuals, companies, partnerships, corporations, and non-profit organizations are all eligible purchasers of Standard Properties. Applicants may apply for a waiver from the new construction requirement for vacant lots.

Future Development Lots (FDL) - Properties that do not require redevelopment and may be used for gardens, side yards, parks or held for investment. FDLs only include vacant lots. Buyers must maintain the property, remain current on all property taxes and levies, and comply with all local and state regulations.

APPLICANT CRITERIA

Eligibility

Individuals, companies, partnerships, corporations, and non-profit organizations are all eligible to apply to purchase property through the Land Bank, subject to the restrictions above.

Applicants must disclose any ownership interest or affiliated party with an ownership interest in property in Marion County. Applicants who fail to disclose property ownership, affiliated interests, or whose affiliated parties would be ineligible applicants may also be determined to be ineligible. Renew Indianapolis may require additional documentation prior to processing an application.

Applicants and affiliated parties must be current on all Marion County property taxes and assessments. Any penalties, interest, judgements, or other costs owed to the City of Indianapolis, Marion County, or any subdivision must be paid in full before Renew Indianapolis will take action on an application.

Applicants appealing property tax assessments shall be considered eligible if in compliance with the property tax appeal process. Renew Indianapolis may require additional documentation, including proof of payment, prior to processing an application.

Applicants and affiliated parties must not have pending violations or civil penalties issued by Health and Hospital Corporation or the Department of Business and Neighborhood Services. Renew Indianapolis may require additional documentation prior to processing an application.

Applicants that own or have an ownership interest, directly or indirectly, in rental property must be registered with the City of Indianapolis' Landlord Registry before Renew Indianapolis will take action on an application. Information regarding the registry can be found on the city's website: <https://www.indy.gov/activity/landlord-registration-program>

Ineligible Applicants

Applicants will be deemed ineligible if any of the following apply:

- Applicant or affiliated party is out of compliance with a Land Bank Project Agreement;
- Applicant provides substantively inaccurate information in its application or misrepresents itself to Renew Indianapolis staff;
- Applicants or affiliated party were owners of record of a property at the time that tax foreclosure proceedings were initiated by Marion County; or,
- Applicant or affiliated party was the owner of any real property in Marion County at the time it was transferred to the County or to a unit of local government as a result of tax foreclosure proceedings, pursuant to I.C. 36-7-38-16).

Renew Indianapolis reserves the right to bar parties from applying to purchase properties through the Land Bank for non-compliance with the Policies and Procedures or Project Agreements.

FILLING OUT THE APPLICATION

[Applications](#) to acquire properties may be submitted online at www.renewindy.org. Paper applications are available upon request. Once an online application is started, Applicants must complete and submit the application within 90 days or it will be deemed inactive. The application includes required fields and supporting documentation.

Applications for Multiple Properties

Applicants may apply for multiple properties provided they can demonstrate capacity to successfully acquire and simultaneously develop multiple properties in accordance with the terms of a Project Agreement. Applicants are limited to three active Project Agreements at a time. Applicants should only apply for the property or properties they wish to purchase.

Applicants requesting multiple / 3 or more properties may be considered on a case by case basis and shall be evaluated based on:

- History of successfully developing Land Bank properties;
- Proven capacity and sufficient funding necessary to carry out simultaneous projects;
- Portfolio of experience commensurate with the application; and,
- Alignment of the proposed project with any adopted redevelopment or quality of life plan for area.

Scope of Work

Applications for all properties except Future Development Lots must include a complete scope of work to be considered complete. Scopes of work must include a detailed description of proposed improvements to be made to the property, an estimated cost of materials, and an estimated cost of labor. Templates for the scope of work are available at www.renewindy.org.

Floor plans, elevations, a scaled site plan, and schedule of values are required for new construction projects. Applicants who intend to self-perform some or all of the proposed work or have materials on hand should designate so on the scope of work, with a corresponding amount of \$0 in the project budget.

Applicants may be required to complete a visual inspection of the property prior to closing on the property. Requests can be made [here](#).

Proof of Funds

Applications must include proof of funds sufficient to acquire and complete the proposed scope of work. Acceptable documentation of proof of funds include:

- Bank statements;
- Pre-approval letter from a lender;
- Existing loan statements (e.g. HELOC);
- Affidavit from a third-party investor (may require additional documentation); or,
- Personal affidavit for qualifying costs for properties priced under \$10,000.

Applicants relying on pre-approval letters may be required to close on the loan on or before the date of the property closing. Applicants may replace the source of funding up to the date of closing, provided it is sufficient to acquire and complete the proposed scope of work.

Paystubs and tax returns are not accepted as proof of funds.

Homestead Applications for properties priced below \$10,000 may use a personal affidavit as proof of funds for the full amount of the scope of work.

Another qualifying form of documentation will be required to demonstrate proof of funds for acquisition costs.

Third-Party Authorization

If someone is completing an application on the applicant's behalf or representing the applicant, such as a Realtor™, a translator, a family member, or a friend then the applicant and that person will need to complete a Third-Party Authorization Form, which can be found within the application and must be completed and uploaded to the application.

PRICING And INVENTORY

Renew Indianapolis uses market-based pricing, informed by comparable sales in the area from the previous 12 months, and adopted by the Renew Indianapolis Board of Directors. Prices are non-negotiable. Properties will be sold for the listed price as of the day an application is started in the online system or received if in paper.

Renew Indianapolis may adjust prices from time to time. Renew will not adjust prices if an application has been initiated or is pending. Renew Indianapolis will not take action on any application for a property subject to a price adjustment for a period of at least 30 days from the date of approval of the price adjustment.

Affordable Housing Price Reduction

Renew Indianapolis promotes the development and preservation of affordable housing. Applicants requesting property for use in a government-sponsored affordable housing program may be eligible to acquire the property at a reduced rate listed in **Part III – Fee Schedule**. Applicants must complete the Affordable Housing Supplement and provide supplemental documentation about the program through which the property will be developed. For the purposes of this program, affordable housing must be limited to households earning at or below 80% of the Area Median Income as established annually by the U.S. Department of Housing and Urban Development.

Inventory

Renew Indianapolis may add or remove property from availability from time to time at its discretion. The availability status of a property will not be changed if there is an active application pending or started in the system.

REVIEW PROCESS

Applications are accepted on a rolling basis and time-stamped upon creation by the applicant and upon submission. Renew Indianapolis staff will review applications for completeness and request clarification or additional documentation if needed. Applicants will receive written notice of approval or denial of the application, including explanation for denial.

THE PROCESS AND TIMELINE

Applications completed by the first Friday of each month will be submitted to the Residential Land Bank Review Committee (“Committee”) for review that month. The Committee typically meets to evaluate applications on the fourth Thursday of each month unless rescheduled.

Successful applications will be recommended for approval to the Renew Indianapolis Board of Directors, which typically meets on the first Thursday of each month. Remonstrations to the Renew Indianapolis Board of Directors must be done in writing.

City-owned property requires additional approval by the Metropolitan Development Commission (MDC), which meets on the first and third Wednesday of the month. Successful applications for City-owned property will be recommended for approval to the MDC by the Renew Indianapolis Board of Directors.

Denied Applications

Applicants whose request is denied will be notified in writing, including explanation for denial.

POST-FINAL APPROVAL TIMELINE

Within seven (7) days of notice of final approval, applicants must pay a non-refundable processing fee. Processing fees may be paid online or in person and is not applied to the price of the property.

Renew Indianapolis will provide a purchase agreement to execute. Homestead and Standard properties will be closed through a title company, which will ensure the title is free of defects. Quiet title actions may be required to clear title of imperfections, which typically take about ninety (90) days. Future Development Lots may be closed without the use of a title company.

Homestead and Standard buyers must close within fourteen (14) days of receipt of clear title from the title company. Extensions may be granted to allow for the buyer to finalize lender financing.

Future Development Lot buyers must close within forty-five (45) days of final approval. Extensions may be granted on a case-by-case basis.

TITLE COMPANIES

All **homestead** and **standard** transactions must close using a title company. Properties priced at \$10,000 or more may require buyers to submit earnest money to the title company.

Purchasers under the FDL Program may elect to forego the use of a title company but assume all liabilities of doing so. The Land Bank will not conduct a title search or offer title insurance.

Buyers are required to pay for all closing costs, including recording fees, title insurance policies, and other fees. Property prices do not include closing costs, which vary by property.

FORMS OF PAYMENT

A bank-issued cashier's check issued to the title company is acceptable for transactions under \$10,000. Wire transfers are required for all transactions \$10,000 and above.

Payment may be made by bank-issued cashier's check payable to Renew Indianapolis, Inc. for Future Development Lot closings that occur outside of a title company.

FAILURE TO CLOSE AFTER FINAL APPROVAL

Applicants who receive final approval and have signed a purchase agreement but fail to close may be assessed a termination fee. The parties shall execute a mutual release of the purchase agreement and the applicant may be prohibited from submitting future applications.

Failure to pay the required fee may result in a prohibition of an applicant applying in the future without first paying the mutual release fee.

PURCHASE OPTIONS

The Land Bank offers purchase options for applicants that require additional time to secure funding, plans, or grants. Applicants are limited to three (3) purchase options unless otherwise approved by the Renew Indianapolis Board of Directors.

Applicants must request a purchase option at the time of application and submit a timeline for securing funding and other project details. Purchase options extend for a period of twelve (12) months and may be renewed on a case by case basis.

Upon exercising the purchase option, the applicant must submit proof of funds and full project plans for review by the Committee unless provided at the time of application.

FUTURE DEVELOPMENT LOT PROGRAM (FDL)

Future Development Lots (FDL) are vacant lots that do not require the applicant to improve the property. FDLs may be used for gardens, side yards, or held for investment. Applicants may only own or apply for five (5) FDLs at once.

Properties eligible for the FDL program are designated by the Renew Indianapolis Board of Directors based on the following criteria:

- Market activity within a 1/2 a mile within the past 18 months;
- Duration of time in the Land Bank inventory;
- Physical limitations of the property (i.e. size, access, utilities);

Waivers of the development requirements for Homestead and Standard lots are available by request only and evaluated on a case-by-case basis. If approved, the waiver does not change the price of the property.

COMPETITIVE FDL PROPERTIES

Complete, competing applications for FDL properties will be evaluated on a first-come, first-served basis.

TRANSFER OF FDLS:

FDLs may be transferred through a quitclaim deed with an attached Project Agreement and, if required, an Assumption and Assignment Agreement, in which the buyer agrees to pay future taxes and maintain the property. The buyer will not be obligated to develop the property.

ACCOUNTABILITY

The Land Bank seeks to return vacant and abandoned property to productive use and ensure properties are successfully redeveloped. Purchasers will be required to enter into a project agreement that captures the rights, responsibilities, and obligations of acquiring a Land Bank property.

PROJECT AGREEMENT – STANDARD AND HOMESTEAD PROPOSALS

Project agreements include requirement to commence improvements immediately, a 24-month deadline for completion of development activities, a list of improvements to be made to a property, and corresponding benchmarks. The project agreement will reflect the approved scope of work provided by the applicant.

Properties subject to an active project agreement may not be transferred to new owners. Upon written request of Renew Indianapolis, buyers may be required to submit an annual report on the status of the project. Upon completion of the scope of work, the buyer may request a release of the project agreement, which will only be granted after a physical inspection of the property.

Failure to Perform

Buyers who fail to fulfill their obligations under a project agreement may be subject to corrective action including reversion of ownership of the property to the Land bank. Buyers are strongly encouraged to communicate any potential violation of the project agreement immediately, including:

- Failure to complete the project on time;
- Failure to pay taxes and/or penalties;
- Failure to submit an annual report;
- Altering the scope of work without the written consent;
- Engaging in any illegal activity at the property;
- Failure to commence the project within 12 months of closing; or,
- Transferring the property without written authorization.

Unauthorized Transfer of Land Bank Properties

Transferring ownership interests in a property purchased through the Land Bank while the project agreement is in effect is strictly prohibited and may result in the Land Bank repossessing the property without compensation to the owner. Please contact Renew Indianapolis with questions regarding post-closing transfers and associated fees.

FURTHER QUESTIONS AND INFORMATION

Please visit <https://www.renewindy.org/faqs> for the answer to other frequently asked questions about the Land Bank.

PART III – ADDENDUM

FEE SCHEDULE

The schedule below outlines the fees for various services. Please note: these prices are effective January 1, 2021, and are subject to change without notice.

Fee type	Fee
In-house FDL closing	\$175
FDL processing fee	\$150
Standard/Homestead processing fee	\$250
Affordable Housing Qualified – Improved	\$3,500
Affordable Housing Qualified – Lot	\$1,500
12-month option (non-profits)	\$500/parcel
12-month option (for-profits)	10% of purchase price or \$1,000, whichever is greater/ per option request/per parcel.
Transfer fee	\$300