



BUILDING DETROIT

REHAB FREQUENTLY ASKED QUESTIONS

Detroit Land Bank Authority
February 13, 2015

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SECTION 1 – RULES FOR WINNING BIDDERS

1.1 WHEN CAN I VISIT MY PROPERTY AND BEGIN WORK?

Construction cannot begin until you have closed on the property. During the period between winning the auction and closing, all visits to the property must be chaperoned. Access to the house is only available by appointment for a three hour time period.

If you are interested in viewing the property that you purchased before closing on the sale, you may schedule a Pre-Closing Property Visit for a **non-refundable** fee of \$35.00 per 3-hour appointment. Appointments are available between the times of 9:00am-12:00pm, 11:00am-2:00pm, or 1:00pm-4:00pm on Mondays, Wednesdays, and Fridays and from 11am-2pm Saturdays (pursuant to change based on staff availability). All appointments must be canceled or rescheduled within 48 hours of the scheduled appointment time. Appointments are scheduled on a first come first serve basis.

You must arrive within 15 minutes of your appointment time or you will need to schedule another access appointment. Any missed appointments will result in forfeiture of payment.

How to schedule an appointment:

- Locate the purchase confirmation email you received from info@buildingdetroit.org after purchasing the property online. Toward the bottom of this email you will find a link to schedule a Pre-Closing Property Visit. Click on this link and follow the instructions to schedule your property visit.
- Please do not edit any information that has auto-populated. This information is required by the Detroit Land Bank for scheduling the appointment.
- Read the terms and conditions of the Pre-Closing Property Visit and note anyone who will be joining you at the property. All attendees will need to complete and sign a waiver at the property.
- Check the box if you agree to the terms and conditions and proceed with scheduling and paying for your appointment. Visa, MasterCard, and Discover are accepted.

1.2 WHAT AM I REQUIRED TO COMPLETE 14 DAYS AFTER CLOSING?

The following items, as described within the Purchase Agreement signed at closing, must be submitted to the DLBA within 14 days:

- Photos of the outside of the property to show that the house is secured and the front, side and back yards are maintained.

Photos should be sent to the attention of:

Robert Saxon, Jr.

documents@detroitlandbank.org

313-502-5245

1.3 WHAT AM I REQUIRED TO COMPLETE 30 DAYS AFTER CLOSING?

The following items, as described within the Purchase Agreement signed at closing, must be submitted to the DLBA within 30 days:

If a contractor is hired to perform the work:

A copy of a fully-executed contract with a State of Michigan licensed contractor to renovate the Property... The contract shall contain a date by which work on the Property is to begin.

If the Purchaser is performing the work:

Documentation reasonably satisfactory to Seller that Purchaser has the ability to renovate the Property itself and proof of payment for necessary renovation materials.

Such documentation may include receipts for a dumpster, the copy of a roofing contract and/or copies of receipts for materials purchased from a local home supply store.

It is strongly recommended the Purchaser also submit a Scope of Work document and a Construction Schedule.

In all cases, whether work is performed by a Contractor or by the Purchaser, copies of all permit applications as required by the Pre-Sale Report (building, mechanical, electrical, plumbing) must be provided to the DLBA at the time they are issued by the City.

All documents should be sent to the attention of:

Robert Saxon, Jr.

documents@detroitlandbank.org

313-502-5245

1.4 SAMPLE POST-CLOSING CALENDAR

	ACTIVITY	SUBMIT TO DLBA
0 - 14 days after closing	<ul style="list-style-type: none"> Establish Scope of work based on Pre-Sale Report Establish a Construction Schedule Secure Property Cut grass and trim landscaping Secure agreement(s) with Contractor(s) Begin Securing Permit(s) Evaluate environmental hazards and plan for remediation 	<ul style="list-style-type: none"> Photos of the front, sides and rear of the property Photos of exterior doors highlighting new locks
15 - 30 days after closing	<ul style="list-style-type: none"> Remediate environmental hazards Begin Construction Continue Securing Permits Turn Utilities on (contact Detroit Water & Sewerage Department - (313) 267-8000 and DTE - (800) 477-4747) 	<ul style="list-style-type: none"> Signed contract(s) Receipts for materials and equipment Copies of Permit(s) Construction Budget (with supporting documents) Construction Schedule
31 - 120 days after closing	<ul style="list-style-type: none"> Secure Temporary Occupancy Permit (optional) Continue Construction Schedule inspections for approval of Permitted work 	<ul style="list-style-type: none"> Signed contracts Receipts for materials and equipment Copies of Approved Permitted work
180 days after closing (270 days if located within an Historic District)	<ul style="list-style-type: none"> Schedule Final Pre-Sale Inspection Schedule Lead Clearance Inspection (Rental and NSP properties only) Schedule Asbestos Clearance Inspection (NSP properties only) If Rental Property, register with the City of Detroit 	<ul style="list-style-type: none"> Certificate of Approval Certificate of Occupancy (if required by Building Permit) Lead Clearance Report (Rental and NSP properties) Asbestos Clearance Report (NSP properties only)

SECTION 2 – FINANCING

2.1 WHERE CAN I GO TO APPLY FOR FINANCIAL ASSISTANCE

It is recommended that purchasers begin the application process as soon as possible, preferably after being notified as the winning bidder. Purchasing a home through the DLBA's auction process is not a guarantee that financial assistance will be awarded. More detailed information on all financing programs can be found at www.buildingdetroit.org.

The Detroit Land Bank Authority's financial partners are:

Talmer Bank and Trust

This program is targeted to homes located in the Marygrove neighborhood.

To learn more and get started, contact:

- Michigan Lending Solutions @ 313 297-1368

Liberty Bank Home Restoration Program

Liberty Bank is offering special rehab financing for homes purchased in Boston Edison and East English Village neighborhoods.

To learn more and get started, contact one of the following local HUD-certified housing counseling agencies:

- U-SNAP- BAC Community Development Corporation @ 313.640.1100
- Central Detroit Christian Community Development @ 313.873.0064
- Southwest Economic Solutions @ 313.841.9641

First Merit Bank

First Merit Bank offers a special program in qualifying Wayne County neighborhoods. Homes located in qualifying neighborhoods are identified in the property description on our auction [website](#). Call 888.554.4362 or go to www.firstmerit.com for specific program information.

Towne Mortgage Company

Towne Mortgage Company is offering purchase and rehabilitation financing for all Detroit neighborhoods. Call 888.778.9700 or go to this [link](#).

For homebuyers interested in receiving counseling from a HUD certified counseling agency, contact:

Abayomi Community Development Corporation

Tracy Sanders
24331 8 Mile, Detroit, MI 48219
313 541-9828 ext. 231
tsanders@abayomicdc.org

Central Detroit Christian

Sheena Hill
8840 2nd Avenue, Detroit, MI 48202
313 873-0064 ext. 15
shill@detcdc.org

U-SNAP-BAC

Lakiesha Walker
14901 E. Warren Avenue, Detroit, MI 48224
313 640-1100
walker@usnapbac.org

National Faith Homebuyers

Dina Harris
601 W. Fort Street #440, Detroit, MI 48226
313 255-9500
dina@nationalfaith.org

New Hope Community Development Corporation

Dana Christian
19487 Evergreen, Detroit, MI 48219
313 255 6275
dchristiandetroit@newhopedetroit.com

SECTION 3 – THE REHAB PROCESS

3.1 WHAT IS THE “PRE-SALE INSPECTION REPORT”?

The City of Detroit’s Building, Safety, Engineering and Environmental Department inspects, before sale or transfer, one or two family homes and issues a Certificate of Approval if the structure is free from defects. **Please note:** All properties purchased in the auction will require a Certificate of Approval. Problems found during the inspection are noted in a report known as the Pre-Sale Inspection Report or Notice of Deficiencies Report. A copy of the report for each home up for auction is available online at www.buildingdetroit.org. The report states what needs to be fixed so that the house is safe to live in.

Some items indicated on the report will require a permit. Purchasers are advised to secure all required permits prior to beginning any permit-related repairs. Upon confirmation that all cited conditions have been corrected, all required inspection permits completed and all inspection fees paid, the City will authorize the issuance of the Certificate of Approval.

3.2 HOW DO I FILE FOR THE PERMITS LISTED IN MY “PRE-SALE INSPECTION REPORT”?

Permits are issued for the following trades: Building, Plumbing, Electrical and Mechanical. File permits for work as listed on your Pre-Sale Report. Applications are available at the following [link](#) or on the 4th floor of the Coleman A. Young Municipal Center (Buildings, Safety Engineering and Environmental Department – 2 Woodward Ave., 4th floor). If working with a contractor, they typically will take responsibility for filing the required permits. Share the Pre-Sale Inspection Report with your contractor.

If the homeowner is performing the work, they may apply for Homeowner Permits. At the time the permit application is submitted, the homeowner must provide proof that they are the primary resident (typically using a driver license or deed). In most cases you will not need drawings, but be sure to bring a copy of your Pre-Sale Report in order to prove what work is being done. The cost of a permit depends upon the work being performed:

Building Permits

Permit cost is based upon a percentage of the total estimated cost of the work listed on the permit. Remember, if your estimated cost doesn’t match what the inspector sees during final inspection, you will be asked to pay additional fees. For example, if your permit application indicates you will be replacing the toilet (or water closet) and sink in one bathroom, the estimated cost will be \$60. However, if you install a toilet, sink, **and** a bathtub, there will be an additional fee of \$30.

Plumbing, Electrical, Mechanical

Permit cost is based on a flat fee for specific types of work. For example, \$30 for each new toilet (water closet).

3.3 CAN I OCCUPY THE PROPERTY DURING CONSTRUCTION?

Purchasers who have signed an Affidavit of Compliance Responsibility (ACR) may apply for a Temporary Occupancy Permit (TOP) in order to occupy the property while completing repairs noted on the Pre-Sale Inspection Report. A TOP is a one page document that is issued to a buyer when there are no dangerous conditions at the property. Your Pre-Sale Report will indicate if you are initially eligible to apply for a TOP. There is no cost for this permit.

If your Pre-Sale Report indicates you are not eligible to apply for a TOP, you can request a re-inspection. *At minimum, the property must contain a sink, a bath, and smoke detectors, and have all utilities turned on.* You will not be charged for the re-inspection, however you will be charged a fee at the time you schedule your final inspection. Additional information can be found at this [link](#) or on the 4th floor of the Coleman A. Young Municipal Center (Buildings, Safety Engineering and Environmental Department Room 408).

3.4 WHERE CAN I GO FOR HELP SELECTING A CONTRACTOR?

Select a contractor with a reputation for honesty and good workmanship. Hire someone who has established a good working reputation in the community and does the type of work you require. The contractor should be in business full-time on a year round basis. All residential contractors must be licensed by the State of Michigan, be registered to do business in the City of Detroit, hold property liability insurance and workers compensation insurance. Always ask prospective contractors for proof of current licensing and insurance.

There are several places to go for help in selecting Contractor:

- Ask your local [Chamber of Commerce](#), [Better Business Bureau](#), and local community building inspector for community references on prospective contractors.
- Review the Builders and Remodelers listed on the Home Builders Association (HBA) of Southeastern Michigan's website: www.builders.org. Their website provides resources for not only selecting remodelers, but also for the selection of specific services and products.
- Check with the State of Michigan for verification of builders or maintenance and alteration licenses; call 517.373.8376 or verify a license online at <https://www.lara.michigan.gov/colaLicVerify/>
- Check Limited Liability Companies (LLC) and/or other corporation types for certificate of good standing with the State of Michigan's Department of Licensing and Regulatory Affairs; call 517.214-6470 or verify online at http://www.dleg.state.mi.us/bcs_corp/sr_corp.asp
- Ask for names and telephone numbers of other customers for which the contractor has performed work. Talk to them and ask if they were happy with the contractor's performance.
- Visit the contractor's place of business to see if he or she operates professionally.

3.5 WHAT IS A “SCOPE OF WORK” DOCUMENT?

This schedule documents and details all the work that will be done. There is no specific format required; however, it typically divides work into categories. **Use the Pre-Sale Inspection Report as a guide.** This report divides the work into five (5) categories: Exterior, Interior, Electrical, Plumbing and Heating. Establish an estimated project cost by including a cost for labor and materials for each line item listed on the Pre-Sale Report. Include a contingency to account for unplanned costs.

Creating this document will help:

- Insure you are performing work required by the Pre-Sale Report
- Identify items that may be performed by the purchaser instead of the contractor in order to reduce cost
- Establish the value of the property at the completion of the project
- Act as a checklist to confirm all work has been completed

Typically, this document is completed by a Contractor, Home Inspector or an Architect. A sample template can be provided by the DLBA upon request.

It is highly recommended that purchasers create this document whether the work is being performed by a contractor or by the homeowner.

3.6 HOW DO I PREPARE A “CONSTRUCTION SCHEDULE”?

This details when the work listed on the Scope of Work document will be completed. There is no specific format required; however, it should at a minimum detail project activities on a monthly basis. A template can be provide by the DLBA upon request.

Creating one at the beginning of a project and continuing to update it during the life of the project will help insure the project will be completed within 6 months (9 months if located within a historic district) as required by your Purchase Agreement. It is highly recommended that purchasers create one.

3.7 WHAT IS THE DIFFERENCE BETWEEN A CERTIFICATE OF OCCUPANCY AND A CERTIFICATE OF APPROVAL?

A Certificate of Approval is issued by the City of Detroit’s Building, Safety, Engineering and Environmental Department upon confirmation that all cited conditions in the Pre-Sale Inspection Report (or Notice of Deficiencies Inspection Report) have been corrected, required inspection permits have been completed and all inspection fees have been paid. All properties purchased through the DLBA auction will require a Certificate of Approval.

A Certificate of Occupancy is issued by the City of Detroit’s Building, Safety, Engineering and Environmental Department *where a building permit has been issued and work has been completed in compliance with current codes.* Not all properties will require Building

Permits. Building Permits obtained for major renovations, new construction, or to establish or change building use require a Certificate of Occupancy. For example, if you decide to build a two-story addition onto the rear of your home in order to expand the 1st floor Kitchen and to add a 2nd floor Bedroom, you will need to apply for a Building Permit. Once the work is completed and inspected by the City for compliance with current codes, the City will issue a Certificate of Occupancy.

For questions regarding a Certificate of Occupancy, contact the Construction Division at 313-628-2711 or emanuell@detroitmi.gov.

SECTION 4 – RENOVATING WITHIN AN HISTORIC DISTRICT

4.1 WHAT HAPPENS IF I'M RENOVATING WITHIN A HISTORIC DISTRICT?

Before closing on your property, the DLBA will submit a Building Permit Application. The purchaser will attach a scope of work document to the application. This will allow the Detroit Historic District Commission to perform a review and provide an approval in the form of a Certificate of Appropriateness. There is no fee associated with this application.

Once the property closes, the homeowner will file a new building permit application in their name and attach the same scope of work and Certificate of Appropriateness to the application. Any deviation from the scope approved by the Historic District Commission will require the homeowner to go back for a new review. There will be a fee associated with this application.

The Historic District may approve or deny based on how well the exterior design fits with the historic guidelines. *The Commission does not regulate changes to the interior of a house, unless the interior change affects the exterior appearance.*

The Commission is required to review **all** exterior changes, including those not seen from the street. The **entire** house, garage and yard contribute to the historic character of the district.

The Commission has a publication called *Detroit Historic Districts Style and Color Guide* that gives the acceptable colors depending on the style of the house. Color charts and instructions are provided by the Commission staff.

For addition information, contact:

Jennifer Ross, Architectural Historian

Detroit Historic District Commission Planning & Development Division

313-224-8907

rossj@detroitmi.gov

Crystal Wilson

City of Detroit Planning and Development Department

313-224-6543

wilsoncr@detroitmi.gov

In addition, some historic districts have organized neighborhood associations. Though the Detroit Historic District Commission reviews work for compliance with historic guidelines, these associations are sources of information and advice.

Neighborhood Association Contacts:

Debbie Baldwin

Boston Edison

313-980-0070

danteew@yahoo.com

SECTION 5 – ENVIRONMENTAL ISSUES

5.1 IF LEAD AND ASBESTOS CONTAINING MATERIALS ARE FOUND PRESENT WITHIN MY HOME, WHAT DO I DO?

Many of the properties purchased through the auction were originally built with lead and/or asbestos materials. If available, environmental reports will be shared with purchasers. It is recommended that the homeowners seek advice for how to properly control and/or remove hazardous materials.

5.1.1 LEAD

Any home built before 1978 may contain lead paint. Homes built before 1960 are more likely to contain higher levels of lead. Lead is typically found in paint. It is a health hazard when it chips, or becomes dust or fumes. Lead paint in the home is a major cause of childhood lead poisoning.

If your contractor will disturb lead-based paint while renovating, repairing or painting your home, he or she must be certified in lead-based activities and must follow specific Laws and Regulations.

Although Lead Renovation, Repair and Painting Rules do not apply to homeowners, do-it-yourself projects can easily create dangerous lead dust. Protect your family and home – set up safely, control the dust, and clean up completely. More information can be found at the U.S. Environmental Protection Agency's [website](#).

Note also that if the finished property is to be a rental property, it must be registered with the City of Detroit and annually certified as Lead safe. More information can be found by calling 313 628-2451 or following this [link](#).

5.1.2 ASBESTOS

Asbestos can be found in appliances, ceilings, wall and pipe coverings, floor tiles and coverings, and roofing materials. Asbestos was used primarily for insulation or fire protection. A material is a health risk when asbestos fibers are released from the material and become airborne. For example, when cutting a pipe wrapped with insulation which contains asbestos.

Asbestos-containing materials that aren't damaged or disturbed are not likely to pose a health risk. Usually, the best thing is to leave asbestos-containing materials alone if it is in good condition.

Generally, asbestos-containing material that is in good condition and will not be disturbed (by remodeling, for example) will not release asbestos fibers.

Asbestos-containing materials may release fibers when they are disturbed, damaged, removed improperly, repaired, cut, torn, sanded, sawed, drilled or scraped. Keep an eye on asbestos containing materials and visually check them over time for signs of wear or damage.

If you suspect material contains asbestos, don't touch it. Look for signs of wear or damage such as tears, abrasions, or water damage. Damaged material may release asbestos fibers. This is

particularly true if you often disturb it by hitting, rubbing or handling, or if it is exposed to extreme vibration or air flow.

For slightly damaged asbestos-containing material, sometimes the best way to deal with it is to limit access to the area and not to touch or disturb it. If asbestos-containing material is more than slightly damaged or if you are going to make changes in your home that might disturb it, repair or removal by a trained and accredited asbestos professional is needed.

Purchasers should contact the State's Asbestos Program technical staff for proper procedures, the names of licensed asbestos abatement contractors who can be hired to do the removal for you, and what to watch for if you do hire a contractor. They can be contacted at 517.322.1320. Additional information can also be found at the following [link](#).

5.2 WHAT DO I DO IF I RECEIVED A LEAD RISK ASSESSMENT REPORT?

If the Property was acquired using federal funds from the Neighborhood Stabilization Program and if lead is present, the Purchaser must acquire a clearance report from a state certified Lead Inspector or Lead Risk Assessor that confirms the residence is free from lead hazards upon completion of work. Contact the following number 866.691.5323 or go to this [link](#) for help finding an Inspector or Risk Assessor.

5.3 WHAT DO I DO IF I RECEIVED AN ASBESTOS CONTAINING MATERIAL SURVEY REPORT?

If the Property was acquired using federal funds from the Neighborhood Stabilization Program and if asbestos is present, the Purchaser must provide a clearance report from an Industrial Hygienist with a NIOSH 582 equivalent certificate that confirms the residence is free from asbestos hazards upon completion of the rehabilitation work. Contact the following number 517.322.1320 or go to this [link](#) for help finding a Hygienist.

SECTION 6 – GLOSSARY OF TERMS

AFFIDAVIT OF COMPLIANCE RESPONSIBILITY (ACR)

The Affidavit of Compliance Responsibility (ACR) is a one page document signed by the purchaser of a single or two family dwelling. By signing this document, the purchaser takes full responsibility to comply with all deficiencies in the pre-sale inspection report within the time stated on the ACR form. The ACR remains valid as long as the pre-sale deficiency notice has not expired.

ASBESTOS

Asbestos is a mineral fiber that occurs in rock and soil. Asbestos can be found in appliances, ceilings, wall and pipe coverings, floor tiles and coverings, and roofing materials. Asbestos was used primarily for insulation or fire protection. A material is a health risk when asbestos fibers are released from the material and become airborne.

CERTIFICATE OF APPROPRIATENESS

It is the Detroit Historic District Commission's job to ensure that changes proposed in historic districts preserve important historic characteristics and are compatible with other historic buildings. This is achieved through the city's building permit process. When proposing a change to the exterior of a property such as landscaping, paint colors, windows, or doors the homeowner or contractor submits an application for building permit to the Commission for review. If the work is appropriate, the Commission, or in some instances the Commission's staff, will issue a certificate of appropriateness which allows the Buildings and Safety Engineering Department to issue a building permit.

CERTIFICATE OF APPROVAL

A Certificate of Approval is issued by the City of Detroit's Building, Safety, Engineering and Environmental Department upon confirmation that all cited conditions in the Pre-Sale Inspection Report (or Notice of Deficiencies Inspection Report) have been corrected, required inspection permits have been completed and all inspection fees have been paid. All properties purchased through the DLBA auction will require a Certificate of Approval.

CERTIFICATE OF OCCUPANCY

A Certificate of Occupancy is issued by the City of Detroit's Building, Safety, Engineering and Environmental Department *where a building permit has been issued and work has been completed in compliance with current codes*. Not all properties will require Building Permits. Building Permits obtained for major renovations, new construction, or to establish or change building use require a Certificate of Occupancy.

CONTRACTOR

A person or company that undertakes a contract to provide materials or labor to perform a service or do a job such as installing a water heater. Typically, they will take responsibility for filing the required permit. For example, a licensed plumber will apply for a Plumbing Permit to install a water heater. All residential contractors must be licensed by the State of Michigan, be registered to do business in the City of Detroit, hold property liability insurance and workers compensation insurance.

CONTRACTOR BID

Before a construction job begins, it goes out to bid. This means that contractors have the opportunity to review the Scope of Work and give an estimate of what they would charge to complete the work. In most cases, individuals interested in hiring a contractor will review multiple bids before hiring anyone.

CONSTRUCTION SCHEDULE

Construction Scheduling is a process of breaking down a project into smaller activities, assigning a time to complete each activity, then organizing each activity into an order of actions to be taken to finish the job. Each activity's beginning depends on the completion of a previous activity or event (i.e. you cannot pour a concrete footing/foundation without digging the hole first). The main goal is to determine how long the project will take to complete.

HISTORIC DISTRICT

A group of buildings, properties, or sites that have been designated the City of Detroit as historically or architecturally significant. Benefits to living in a Locally Designated Historic District include:

- Preservation of Detroit's neighborhoods, housing stock, and history for future generations of Detroiters
- Qualification to apply for a 25% state income tax credit on interior and exterior rehabilitation costs.
- Regulation of exterior changes ensuring new construction and additions are compatible, and that the historic character of houses and grounds are maintained.
- Prevention of property neglect by enforcing the City's Ordinance requiring owners to repair their properties.

LEAD

Lead is a naturally occurring element found in small amounts in the earth's crust. While it has some beneficial uses, it can be toxic to humans and animals causing ill health effects.

Lead is typically found in paint. Any home built before 1978 may contain lead paint. Homes built before 1960 are more likely to contain higher levels of lead. It is a health hazard when it chips, or becomes dust or fumes. Lead paint in the home is a major cause of childhood lead poisoning.

It is important to protect yourself and your family from lead poisoning and work lead-safe while you renovate your house.

NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

The Neighborhood Stabilization Program (NSP) was established by the US Department of Housing and Urban Development (HUD). Through the purchase and redevelopment of foreclosed and abandoned homes and residential properties, the program stabilizes communities that have suffered from foreclosures and abandonment.

Some of the properties sold in auction by the DLBA were acquired using NSP funds.

PERMIT

A written authorization from the City of Detroit's Building and Safety Engineering Department (BSEED) to perform certain types of work. Permits are issued in four trade classifications: Building, Electrical, Plumbing and Mechanical work. The Pre-Sale Report will indicate what permits the homeowner is required to apply for. For work permitted by BSEED to be approved, it must be inspected by a BSEED inspector.

PRE-SALE REPORT

The City of Detroit's Building and Safety Engineering and Environmental Department inspects, before sale or transfer, one or two family homes. Problems found during the inspection are noted in a report known as the Pre-Sale Inspection Report or Notice of Deficiencies Report. A copy of the report for each home up for auction is available online at www.buildingdetroit.org. The report states what needs to be fixed so that the house is safe to live in.

PROPERTY LIABILITY INSURANCE

A form of insurance purchased by a residential contractor that will pay the homeowner for property damage accidentally caused by the contractor.

PURCHASE AGREEMENT

The legal document signed at closing by the purchaser (the buyer) and the Detroit Land Bank Authority (the seller) that states the terms and conditions of the sale.

SCOPE OF WORK DOCUMENT

This document details all the work that will be done. There is no specific format required; however, it typically divides work into categories. **Use the Pre-Sale Report as a guide.** This report divides the work into five (5) categories: Exterior, Interior, Electrical, Plumbing and Heating. Establish an estimated project cost by including a cost for labor and materials for each line item listed on the Pre-Sale Report. Include a contingency to account for unplanned costs.

Creating this document will help:

- Insure you are performing work required by the Pre-Sale Report

- Identify items that may be performed by the purchaser instead of the contractor in order to reduce cost
- Establish the value of the property at the completion of the project
- Act as a checklist to confirm all work has been completed

Typically, this document is completed by a Contractor, Home Inspector or Architect. A sample template can be provided by the DLBA upon request.

It is highly recommended that purchasers create this document whether the work is being performed by a contractor or by the homeowner.

TEMPORARY OCCUPANCY PERMIT (TOP)

A Temporary Occupancy Permit (TOP) is a one page document that is issued to a buyer by Building, Safety Engineering and Environment Department (BSEED) when there are no dangerous conditions at the property. It permits the homeowner to live at the property while performing the corrective work indicated on the Pre-Sale Report. The Pre-Sale Report will indicate if the buyer is initially eligible to apply for a TOP. There is no fee for this permit.

If your Pre-Sale Report indicates you are not eligible to apply for a TOP, you can request a re-inspection. *At minimum, the property must contain a sink, a bath, smoke detectors and have all utilities turned on.* You will not be charged for the re-inspection, however you will be charged a fee at the time you schedule your final inspection. Additional information can be found at this [link](#) or on the 4th floor of the Coleman A. Young Municipal Center (Buildings, Safety Engineering and Environmental Department Room 408).

WORKERS COMPENSATION INSURANCE

A form of insurance purchased by a residential contractor that will pay employees injured in the course of their work, without requiring them to prove that they were hurt as a result of their employer's negligence.

SECTION 7 – APPENDIX

Sample Pre-Sale Report

Building Permit

Mechanical Permit

Electrical Permit

Plumbing Permit