

Educator Discount Policy

I. Discount

A 50% discount will be given, on all auction properties sold by the Detroit Land Bank Authority, to all eligible employees or contractual employees who are (a) working at an educational institution, located in the City of Detroit, that serve pre-K, elementary (grades K-5), and/or secondary (grades 6-12) students; (b) otherwise employed by the Detroit Public Schools Community District (DPSCD); or (c) a lead teacher, assistant teacher, or site leader at a pre-K program, located in the City of Detroit, funded in whole or in part by Head Start, Early Head Start, or the Great Start Readiness Program.. Full benefits shall vest after eligible employees or contractual employees hold the property for three years.

II. Eligibility

The following individuals are eligible to purchase property from the Detroit Land Bank Authority at a 50% discount on the purchase price (an "Employee Discount Purchaser"), through the auction. All Employee Discount Purchasers must satisfy the eligibility requirements on the date that the property is transferred to them by the Detroit Land Bank Authority:

1. Employees and contractual employees who are currently working at an educational institution, located within the City of Detroit, that serve pre-K, elementary (grades K-5), and/or secondary (grades 6-12) students. Employment must be verified by the human resources officials of the applicable department or agency prior to bidding.
2. Employees and contractual employees who are currently employed by DPSCD. Employment must be verified by DPSCD human resources officials prior to bidding.
3. A lead teacher, assistant teacher, or site leader at a pre-K program, located in the City of Detroit, funded in whole or in part by Head Start, Early Head Start, or the Great Start Readiness Program. Employment must be verified by the human resources officials of the applicable department or agency prior to bidding.

III. Three Year Ownership Requirement

In order to realize the full value of the 50% discount, an Employee Discount Purchaser must continue to own the property for 3 years. If the Employee Discount Purchaser sells the property in less than 3 years, buyer must pay to the Detroit Land Bank Authority a percentage of the profits realized in that sale, as follows:

- If the sale occurs in the first 12 months after the closing, pay 75% of the profits
- If the sale occurs between 12 and 24 months after the closing, pay 50% of the profits, and
- If the sale occurs between 24 and 36 months after the closing, pay 25% of the profits

"Profits" is defined as (i) the price at which the Employee Discount Purchaser sold the property, minus (ii) the discounted price paid to the Detroit Land Bank Authority for the original purchase, minus (iii) the documented expenses incurred in rehabilitating the property.

IV. Other Requirements

The following requirements apply to all sales of properties to Employee Discount Purchasers:

1. All eligibility and other requirements that apply under the Detroit Land Bank Authority's rules and procedures for the auction, or other sales, will apply to an Employee Discount Purchaser. This includes, but is not limited to, the requirement that the property be rehabilitated and occupied within six months, or nine months in the case of a designated historic property.
2. Neither an Employee Discount Purchaser, nor any legal entity in which that Purchaser has an ownership interest, can have unpaid delinquent property taxes on properties located in Wayne County, or have lost property to back taxes in Wayne County in the last three years.
3. Neither an Employee Discount Purchaser, nor any legal entity in which that Purchaser has an ownership interest, can have material unresolved blight or code violations in the City of Detroit.
4. The Employee Discount Purchaser cannot have won a previous Detroit Land Bank Authority auction or contracted for any other Land Bank property purchase and then failed to make the down payment, close on the purchase, or satisfy the conditions of bringing the property up to code and having it occupied within the required period.
5. The property must be purchased by an individual and cannot be purchased by a corporation, limited liability company, joint venture, or other legal entity.
6. After completing the auction rehab requirements and submitting proof of rental registration to the Detroit Land Bank Authority, the property may be transferred to a single member limited liability company.

V. Applying for Discount

Anyone seeking to qualify as an Employee Discount Purchaser must register on the buildingdetroit.org website and select "Employee Discount Purchaser" at the time of registration. All Employee Discount Purchasers must be verified by appropriate human resources officials prior to bidding.