



Renovation Performance Policy and Escrow

The objective of the *Sales 4 Rehab* Program is to provide incentive to purchasers to reinvest in sub-standard housing by offering it below market value to those willing to commit to a renovation plan that results in safe, quality housing, at or above par with the neighborhood standard.

With that outcome in mind, purchasers will be required to:

- ✓ *Commit by contract to the renovation plan submitted in the purchase proposal*
- ✓ *Address all code violations; seek all permits; and comply with all local codes*
- ✓ *Provide exterior clean-ups, upgrades to create curb-appeal*
- ✓ *Submit periodic reports indicating completion of renovation benchmarks and code inspections*
- ✓ *Review any substantive changes to the renovation plan or timeline with the Land Bank Director (and if necessary seek board approval)*

*Asking price for properties is generally calculated on 60% - 80% of the current (as-is) appraised value. Some exceptions apply. This policy was adopted to allow for reinvestment in the property; the performance escrow provides the Land Bank with some assurance that the renovations promised will be completed. It is a non-negotiable component of the **Sales 4 Rehab** program.*

Performance escrows will be required from all successful bidders in the following amount and *will be released upon satisfactory completion and inspection of project as follows:*

- \$2,500 for projects less than \$25,000

Refunded upon satisfactory completion of renovation, including code inspection and if required, certificate of occupancy

- \$5,000 for projects greater than \$25,000 but less than \$50,000

Half refunded upon satisfactory code inspection of structural and infrastructure (plumbing, heating, HVAC) repairs/replacement. Balance refunded upon completion of interior and exterior renovations

- \$7,500 for projects greater than \$50,000

One third refunded upon satisfactory completion and inspection of structural and/or infrastructure repairs, second third upon completion of exterior upgrades, balance upon completion of interior finishes.