



# Wilmington Neighborhood Conservancy Land Bank

## Investor Rehab or Investor Owner Affordable Rental Property Purchase Application

Thank you for your interest in purchasing a property for the Wilmington Neighborhood Conservancy Land Bank (WNCLB). The WNCLB seeks to dispose of properties to responsible buyers who can successfully demonstrate a viable plan. **ONE PROPERTY PER APPLICATION.**

### APPLICANT INFORMATION

Full Name and Entity: \_\_\_\_\_ Date: \_\_\_\_\_  
*The Name/Entity to Appear on the Property Deed*

Current Address: \_\_\_\_\_  
*Street Address Apartment/Unit #*

\_\_\_\_\_  
*City State ZIP Code*

Phone: \_\_\_\_\_ Email \_\_\_\_\_

Property Address: \_\_\_\_\_

Purchase Price (Best Offer): \$ \_\_\_\_\_ Cost of Property Renovation: \$ \_\_\_\_\_  
*Minimum offer \$2,000*

### THE NAME OF THE INDIVIDUAL/ENTITY THAT WILL APPEAR ON THE PROPERTY DEED

- Individual Person(s)
  - Limited Liability Company
  - S Corp
  - C Corp
  - Nonprofit
  - Other: \_\_\_\_\_
- \*Please attach Articles of Incorporation, Bylaws, Officers, Organizational Documents.**

### PLANNED USE OF PROPERTY

- Investor Rehab for Homeownership
- Investor Owner for Affordable Rental

\*All rehab for homeownership applicants are committed to this program and are unable to change the intended use of the property at a later date.

### LAND BANK ELIGIBILITY (All information will be independently verified)

	Yes	No
Are you tax or mortgage delinquent?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have any outstanding code violations, property/school tax bills, and/or liens, housing judgements?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have personal or professional relationship with the Wilmington Neighborhood Conservancy Land Bank, any of its directors or employees?	<input type="checkbox"/>	<input type="checkbox"/>
Do you currently owe anyone or any government agency money because of a court case?	<input type="checkbox"/>	<input type="checkbox"/>
Have you filed for Bankruptcy or been foreclosed within the past 3 years?	<input type="checkbox"/>	<input type="checkbox"/>
Do you currently own a former Land Bank property? (Properties must be 90% complete to reapply)	<input type="checkbox"/>	<input type="checkbox"/>

## ADDITIONAL INFORMATION

If applicable, please list any/all entities you are associated with now and for the past 3 years.

ENTITY	TYPE
_____	_____
_____	_____
_____	_____

Do you own any other properties in the City of Wilmington? If yes, please list them below.

PROPERTY ADDRESS	TYPE (Residential, Commercial, Rental)
_____	_____
_____	_____
_____	_____

Who will be completing the rehabilitation of the property?

\_\_\_\_\_

Name/Company

Have you verified with the City of Wilmington that your plan is compliant with zoning, codes, and Historic District rehabilitation requirements, if applicable?

*(Please visit the City of Wilmington, Delaware's website to determine the Historic District boundaries, zoning and code information.)*

Yes  No

Are you able to meet the following property rehab benchmarks?

- a. 4 Months: Framing, Roof, Windows and Doors must be completed
- b. 6 Months: HVAC, Plumbing and Electrical work must be completed
- c. 8 Months: Sheetrock must be completed
- d. 12 Months: The entire rehab must be completed receiving the final Certificate of Occupancy.

Should the applicant not meet the above benchmarks as determined by the Land Bank's property inspector, the Land Bank reserves the right to take ownership of the property and return the unit to the Land Bank's inventory.

Yes  No

## DISCLAIMER AND SIGNATURE

*The Property Purchase Application is a statement of "interest" only and is not a binding agreement of sale.*

*Applications will not be processed if not completed in its entirety.*

*All application approvals are subject to review by WNCLB's Disposition Committee, Governance Committee with final approval taking place at WNCLB's Board of Director's meeting the first Wednesday of each month.*

*WNCLB reserves the right to decline an application which is deemed, for any reason, not to be in the best interest of the City of Wilmington, Delaware and the Wilmington Neighborhood Conservancy Land Bank.*

**I certify that my answers are true and complete to the best of my knowledge.**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## APPLICATION CHECKLIST

Completed and signed application packet:

Review and Sign "Terms and Conditions" and if applicable, "Rental Policies and Procedures":

A completed "Scope of Work" attaching any additional information:

Proof of financing for the purchase price and TOTAL rehab costs:

A copy of photo ID:

## TERMS AND CONDITIONS

2. Properties are available to: (i) buyers who will renovate a property and be owner-occupants for a minimum of 5 years; (ii) buyer-developers who will renovate then sell a property to a Land-Bank-approved applicant who undertakes to be an owner-occupant for a minimum of 5 years; or (iii) to buyer developers who will renovate then rent a property, in all cases subject to terms and conditions prescribed by the Wilmington Neighborhood Conservancy Land Bank Corporation (hereinafter "the Land Bank").
3. Once a property is designated by the Land Bank as being available for purchase, the prospective applicant must fill out a Property Applicant Application completely.
4. The applicant is urged to verify the zoning of a prospective property prior to application since the property and its use must be and remain compliant with the Zoning Code of the City of Wilmington.
5. The applicant must be current on all property taxes and have no current housing or zoning code violations.
6. The applicant must provide documentation that shows that the applicant has the ability, by present resources and/or available financing, to meet the cost of acquisition and renovation including 15% contingency funds for the total rehab cost as it appears in the Scope of Work document. If using a hard money lender, the applicant must have 30% of the total rehab cost in their own funding.
7. The Land Bank has the right to request applicant references at its discretion. Any requested references must be provided within 5 business days of applicant's receipt of the Land Bank's request.
8. The applicant must commit to maintaining the property in accordance with all local building, housing, and zoning codes as long as it owns the property.
9. The applicant is urged to attend the 2 open houses available per month and/or schedule its own inspection of a property that it has under consideration as all Land Bank properties are expressly sold and purchased AS IS and WHERE IS, with all faults and without warranty of any kind, express or implied by the Land Bank, its employees, directors, officers or agents.
10. The applicant is required to submit a work plan that includes an identified scope of work with cost estimates for labor and materials, a project timeline, and proof of available financing to cover all costs of the work necessary to secure a Final Certificate of Occupancy for the property selected.
11. Following applicant's receipt of notification of application acceptance, the applicant and the Land Bank will enter into an Agreement of Sale with accompanying documents, a development enforcement mortgage, and an escrowed deed in lieu of foreclosure. **ONCE APPROVED, THE APPLICANT IS REQUIRED TO SETTLE ON THE PROPERTY WITHIN 60 DAYS FROM THE DATE OF APPROVAL. ANY APPLICANT FAILING TO SETTLE WITHIN 60 DAYS, FORFEITS THE APPROVED PROPERTY AND THE PROPERTY WILL RETURN TO THE LAND BANK'S INVENTORY.**
12. **Any applicant of a Land Bank property expressly acknowledges that the Land Bank does not test the chemical composition of the water supply in any property to which it holds title. In many older**

homes, plumbing may contain levels of lead or other contaminants which may make the water supply to the property unsafe for drinking, food preparation or bathing. Hence the Land Bank urges any property applicant to test the water supply for contaminants, and also to test the property as the applicant feels necessary for possible asbestos, formaldehyde, lead paint, or radon contamination, and the presence of any aluminum wiring, any of all of which conditions may be present and require remediation. The Land Bank also has not tested and has no knowledge regarding the structural integrity of any of its properties, and advises the applicant to seek advice from a licensed architect or engineer should any structural issue be suspected. Each applicant of a Land Bank property, by accepting title to such property, covenants to indemnify and save harmless the Land Bank, its employees, directors, officers and agents, from any liability arising directly or indirectly from the presence of any of the above-described conditions which may be found to affect the property purchased. All testing, and any remediation or repairs are to be assumed by the buyer at the buyer's expense.

13. The applicant is solely responsible for obtaining and maintaining, at applicant's sole expense, fire and extended insurance coverage on the property throughout applicant's term of ownership. THE APPLICANT MUST PRESENT PROOF OF COVERAGE FOR ONE YEAR PRIOR TO PROPERTY SETTLEMENT OR THE TRANSACTION WILL BECOME NULL AND VOID.
14. The applicant is responsible for turning on, maintaining, and paying for all utilities consumed at the property throughout applicant's term of ownership.
15. The applicant assumes all responsibility to obtain the permits and coordinate the inspections by the City of Wilmington departments having jurisdiction throughout the rehabilitation of the property. The applicant agrees to provide photocopies of all permits and inspection sign-offs to the Land Bank to keep the Land Bank advised of applicant's progress leading up to the awarding of the Final Certificate of Occupancy for the property. YOU MUST RECEIVE A CERTIFICATE OF OCCUPANCY PRIOR TO RENTING OR SELLING THE UNIT.
16. The applicant is required to meet the following benchmarks for the rehab of the property:
  - a. 4 Months: Framing, Roof, Windows and Doors must be completed
  - b. 8 Months: HVAC, Plumbing and Electrical work must be completed
  - c. 12 Months: Sheetrock must be completed
  - d. 18 Months: The entire rehab must be completed receiving the final Certificate of Occupancy.Should the applicant not meet the above benchmarks as determined by the Land Bank's property inspector, the Land Bank reserves the right to take ownership of the property and return the unit to the Land Bank's inventory.
17. The applicant covenants to rehabilitate the property at applicant's sole expense (including all costs of labor, materials, supplies, hazard insurance, permits and utilities consumed during the rehabilitation) to comply, at a minimum, with all requirements to secure a Final Certificate of Occupancy from the Wilmington Department of Licenses and Inspection, all within eighteen (18) months from the date upon which applicant becomes the title holder of the property.
18. The above covenant is secured by an enforcement mortgage executed by applicant at closing when title passes into applicant's name. The enforcement mortgage can be subordinated to applicant's own mortgage financing (of the acquisition mortgage of the party who purchases the fully renovated property). The enforcement mortgage will be satisfied when the final certificate of occupancy is awarded for a property renovated for rental, or will remain in place for five (5) years after the renovated property is conveyed to an owner occupant. THE 5-YEAR RESIDENCY REQUIREMENT AND AGREEMENT MUST BE DISCLOSED IN THE SELLER'S DISCLOSURE.
19. While the Land Bank may conduct random inspections of the property at any time during the course of renovation, all projects are subject to a minimum of four inspections: an initial inspection to verify that the property is properly secured by solid doors and deadbolt locks at all entrances; an inspection at the halfway point of the project; another a maximum of 30 days before the close of the project; and a final inspection after the property has been awarded a final certificate of occupancy.

20. Approvals

- The Wilmington Neighborhood Conservancy Land Bank submits ALL applications, with the corresponding documentation, to the Disposition Committee and Governance Committee meetings monthly, with final review and approval taking place at the WNCLB Board of Directors meeting on the first Wednesday of each month. If two applications exist for the same property meeting all requirements, special preference will be given to local applicants and applicants utilizing local workforce.

**TERMS AND CONDITIONS AGREED TO:**

*I certify that I read, understand and agree to be bound by all the terms and conditions of the application in its entirety.*

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## RENTAL POLICIES AND PROCEDURES

### FOR AFFORDABLE RENTAL APPLICANTS ONLY

The Wilmington Neighborhood Conservancy Land Bank (“WNCLB” or “Land Bank”), announces its equal opportunity rental initiative, established to transform vacant and deteriorated properties into quality, affordable rental housing to help revitalize neighborhoods and elevate the quality of life in the City of Wilmington.

### Specific Application Requirements

In addition to the terms and requirements set-forth in WNCLB’s application, **all** qualified rental applicants must meet and adhere to the following:

1. If applicant has previous real estate experience in the City of Wilmington with a negative real estate history including, but not limited to, property tax delinquency, code violations, liens or foreclosures, the application will be denied unless applicant can demonstrate that the identified matter has been resolved to the full satisfaction of WNCLB.
  2. WNCLB requires each applicant to produce a detailed budget, including the purchase price and rental cost as provided in the application.
  3. Applicant’s proposed budget and other disclosures must demonstrate adequate financial capacity to purchase and maintain the property to the satisfaction of WNCLB.
  4. If applicant has no previous experience as an investor-owner in the City of Wilmington, Delaware, a certified first-time landlord course must be completed after the application’s approval and delivered prior to settlement. After WNCLB receives notification that the investor owner has satisfactorily completed the course certification, the property settlement can occur if all other conditions have been met. WNCLB will provide a list of available courses.
    - a. <https://www.landlordcert.org>
    - b. <http://www.propertydo.com/certified-property-management.html>
2. WNCLB requires applicant to provide adequate procedures, as determined by WNCLB, for the maintenance and management of the rental unit. Please note, the City of Wilmington Code requires the use of a local property management company if the applicant does not live in New Castle County, Delaware.
- 3. If applicable, please provide the addresses of all properties in applicant’s rental portfolio below.**

PROPERTY ADDRESS

TYPE (Residential or Commercial Rental)

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## Quality of Renovation

Applicant must adhere to WNCLB's "Quality Affordable Housing Standards" as provided by WNCLB at the time of application.

- Applicant's renovations must include energy star efficient appliances and LED lighting including any and all other requirements as detailed in WNCLB's Quality Affordable Housing Standards.

## Affordable Rental Monthly Pricing Schedule

All investor owners must adhere to, and not exceed, the monthly rental prices per unit type as provided by the HUD Fair Market Rent Documentation System for Wilmington, Delaware. The HUD Fair Market Rental pricing, by state, county, and zip code, can be found at the following link:

<https://www.huduser.gov/portal/datasets/fmr.html>:

*Example: The FY 2020 Fair Market Rental pricing for Wilmington, DE 19801 is \$1,040 for a 2-bedroom rental unit.*

## WNCLB Special Tenant Incentive Rebate Program

The intention of the WNCLB's rental policy, is not only to return blighted properties back to productive use, but to also address the great need for affordable quality rental units in the City of Wilmington's various communities.

Investor owners offering special incentives to tenants will qualify for a **ONE-TIME ONLY** \$1,000 rebate as verified and approved by WNCLB. Special incentives may include, but are not limited to, the following:

- Renting to ex-offenders
- Waiving security deposits
- Offering tenants with prior negative rental history an opportunity to rent
- Other incentives that will directly benefit the tenant

## Enforcement

To ensure the rental units meet the WNCLB requirements set forth in the rental policy, the following enforcement measures will occur prior to property rental:

1. To ensure quality, all projects are subject to 2 inspections by a WNCLB representative. The rental property owner must provide WNCLB with a copy of the Certificate of Occupancy prior to rental.
2. The investor owner is required to apply and maintain in good standing a City of Wilmington Residential Property Rental License, a City of Wilmington Business License as well as a State of Delaware Business License. The City of Wilmington contact information is 302-576-2415 and the State of Delaware contact information is 302-577-8778.
3. Once WNCLB has received from the investor-owner a copy of all the aforementioned licenses, the City of Wilmington's License and Inspections rental inspector will schedule the inspection date prior to rental occupancy.
4. WNCLB must receive a copy of the rental agreement template with monthly rental cost and security deposit information before execution, and a copy of the executed rental agreement with monthly rental cost, security deposit, including tenant income and family size information immediately after execution.
5. The investor owner must deliver to WNCLB an executed 5-year Enforcement Agreement between the investor-owner and WNCLB AT SETTLEMENT, which will also enforce a 5-year rental affordability period.

6. All rental property owners are obligated to abide by all applicable provisions of any state or local statues, codes, regulation and ordinances governing the rental of residential properties, including but not limited to, the Fair Housing Act (Civil Rights Act of 1968. SEC 800).

**Approvals**

The Wilmington Neighborhood Conservancy Land Bank submits ALL applications, with the corresponding documentation, to the Disposition Committee and Governance Committee meetings monthly, with final review and approval taking place at the WNCLB Board of Directors meeting on the first Wednesday of each month.

If two applications exist for the same property meeting all requirements, special preference will be given to local applicants and applicants utilizing local workforce.

**SIGNATURE OF ACCEPTANCE OF RENTAL POLICIES AND PROCEDURES**

*I certify that I read, understand and agree to be bound by all the terms and conditions of the application in its entirety.*

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



## AFFORDABLE RENTAL BUDGET

### FOR AFFORDABLE RENTAL APPLICANTS ONLY

Name: \_\_\_\_\_

Address of Property: \_\_\_\_\_

Property Management Company: \_\_\_\_\_

#### MONTHLY GROSS INCOME

Number of Units	\$
Average Monthly Rent Per Unit	\$
Total Rental Income	\$
Other Monthly Income	\$
<b>TOTAL MONTHLY OPERATING INCOME</b>	<b>\$</b>

#### MONTHLY GROSS EXPENSES

Property Management Fees	\$
Repairs and Maintenance	\$
Real Estate Taxes	\$
Rental Property Insurance	\$
Homeowner/Property Association Fees	\$
Replacement Reserve	\$
Cable, Phone, Internet	\$
Pest Control	\$
<b>TOTAL MONTHLY OPERATING INCOME</b>	<b>\$</b>

#### NET GROSS INCOME

Total Monthly Operating Income	\$
Total Monthly Operating Expenses	\$
<b>MONTHLY NET OPERATING INCOME</b>	<b>\$</b>