

**Policy and Procedure Manual
of
Muncie Redevelopment Commission
for Abandoned Residential Properties
Located in Muncie, Indiana**

As recommended by the Neighborhood Investment Committee

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INTRODUCTION

The State of Indiana and the City of Muncie authorize Muncie Redevelopment Commission (MRC) to acquire problematic or tax delinquent residential properties and convey them to not-for-profits, abutting neighbors, individuals and other responsible developers.

This Policy and Procedure Manual (Manual) attempts to compile programs and tools the City of Muncie through its Muncie Redevelopment Commission can use to provide opportunities for these troubled properties.

The programs and tools outlined in this Manual are to be administered by MRC with recommendations and advice of the Neighborhood Investment Committee (NIC) and the City of Muncie Community Development Director and his or her designated staff.

All programs and policies outlined in this Manual are based on current local, state, and federal law and decisions by MRC. Any changes to these laws or decisions by MRC will warrant an update of the programs and policies outlined in this Manual.

For the purposes of this Manual, the City defines "abandoned properties" as those properties that have not been used for a legal purpose for at least six (6) consecutive months and either 1) in the judgment of an enforcement authority, is in need of completion, rehabilitation, or repair, and completion, rehabilitation, or repair work has not taken place on the property for at least six (6) consecutive months; 2) on which at least one (1) installment of property taxes is delinquent; 3) that has been declared a public nuisance by a hearing authority; 4) that has been declared in writing to be abandoned by the owner, including an estate or a trust that possesses the property; or 5) on which a municipal lien has remained unpaid for at least one (1) year. IC 36-7-36.

1. MUNCIE REDEVELOPMENT COMMISSION - RESIDENTIAL

I. Overview

A. Purpose

The Muncie Redevelopment Commission (MRC) seeks to acquire abandoned, tax delinquent and other problem properties, hold and maintain them temporarily, and make them available to individuals, not-for-profit organizations and developers, for-profit developers, public safety officers, educators, and adjacent property owners. Through this effort, the troubled properties will return to the tax rolls, eliminate public safety hot spots, and improve the quality of life in our neighborhoods.

MRC has authority to act under the City of Muncie ordinances and State of Indiana code for commercial structures, however, the focus of MRC under this Manual is on residential structures.

Terms and conditions of this Program are subject to change depending on applicable laws and ordinances.

B. Goals

The goals of MRC are:

1. Eliminate the harm caused by vacant, abandoned and tax-delinquent properties;
2. Reduce the time associated with returning the properties to productive use;
3. Convert properties from a state of abandonment to productive tax producing use;
4. Hold properties for future development; and
5. Strategically acquire properties that can be useful for community or economic development.

II. MRC Property Acquisition Process

MRC is authorized to acquire properties anywhere in the city of Muncie and thus strategically identify and qualify properties which can have the most positive impact on community revitalization. Initially, most MRC property acquisitions will occur primarily where the issues relative to blight are the most urgent, concentrated and apparent.

The MRC may acquire properties from:

- A. Delaware County Tax Sale
- B. Delaware County Surplus
- C. Donation
- D. Purchase

A. Delaware County Tax Sale

The Delaware County Treasurer prepares a list of all Delaware County properties with unpaid taxes from the prior 2 tax cycles. This is referred to as the Treasurer's Tax Sale Eligible List and is prepared approximately 4-5 months prior to the designated tax sale, which occurs twice per year.

Any property on the certified list of eligible properties may be acquired by MRC if there is no successful bid on the property at the Treasurer's Tax Sale. If not redeemed within the 120 day redemption period, the property is transferred to the MRC for disposition.

B. Delaware County Surplus

The MRC can acquire properties from the Delaware County surplus. If the Delaware County Treasurer's Office is holding one or more parcels of land that are important to a development of scale or has an important relationship to land already owned by MRC, a simple request may be made to the Treasurer's Office.

Once a request has been made, an application must be filled out and a check prepared for the purchase of the land. MRC Administrator must then attend the next Delaware County Board of Commissioners (DCBOC) meeting to formally request the land. If accepted, the DCBOC will issue a deed.

C. Donation

Properties may be donated to MRC. The title must be conveyed to MRC with no other encumbrances other than past due property taxes or ordinance violations. Before acceptance of this donation, MRC Administrator will make a determination if the contribution of the property is strategically advantageous to MRC and to the Muncie community.

Donated property must meet the following criteria:

1. The property must be in a redevelopment area;
2. The property must present a viable option for redevelopment;
3. All encumbrances must be paid by the donor; and
4. The donor must complete an application and pay the non-refundable processing fee for consideration.

Any property that is donated to MRC is considered property of MRC and will be treated as such.

D. Purchase

III. MRC Disposition of Properties

MRC has identified the following priorities for the disposition of MRC properties:

- Neighborhood revitalization
- Homeownership
- Return property to productive tax paying status
- Conformity to the Delaware County comprehensive plan
- Overall positive impact on the community and Quality of Place
- Conformity to the five (5) year City of Muncie Community Development Block Grant/HOME Investment Partnerships Program consolidated plan

MRC may dispose of properties to not-for-profit organizations, abutting neighbors, private developers or individuals through a Request for Proposal process. All of these potential purchasers

must be committed to returning the property to productive use and thereby returning them to the tax rolls, reducing the vacancy rate, and enhancing neighborhood beautification with exterior repairs.

A. Community Development Corporations/Not-for-Profit Organizations

MRC may sell or grant property to a nonprofit corporation (NPC) or community development corporation (CDC) that meets criteria in conjunction with any and all local ordinances, Community Development Department for the City of Muncie, the State of Indiana, or the U.S. Department of Housing and Urban Development programs and projects.

Prior to receiving title to the real property, the NPC or CDC shall file and comply with the terms of a "project development agreement" in the form determined by the MRC, which shall require, among other terms:

- a. Notification of all affected registered neighborhood associations which shall be granted the opportunity for hearing before the MRC; and
- b. A written and verbal presentation of an acceptable and feasible financial plan for the intended redevelopment for approval by the MRC director or the director's designee.

IV. The Request For Proposal Process

In conjunction and compliance with any and all local ordinances, the Community Development Department of the City of Muncie, the State of Indiana, and the U.S. Department of Housing and Urban Development, MRC will distribute for public notice a Request For Proposal (RFP) offering sheet indicating the parcels offered and the approved offering price. Copies of the offering sheets shall be furnished to prospective buyers on request. Maps, plats, or maps and plats showing the size and location of all parcels to be offered shall also be kept available for inspection at the office of the department.

A notice shall be published in accordance with IC 5-3-1. The notice must state that at a designated time the commission will open and consider written offers for the purchase or lease of the property or interests being offered. In giving the notice it is not necessary to describe each parcel separately, or to specify the exact terms of disposition.

At the time fixed in the notice the commission shall open and consider any offers received. The offers may consist of consideration in the certified check made payable to the Muncie Redevelopment Commission. All offers received shall be opened at public meetings of the commission and shall be kept open for public inspection. The commission may reject any or all bids or may make awards to the highest and best bidders. In determining the best bids, the commission shall take into consideration the following factors:

1. The size and character of the improvements proposed to be made by the bidder on the real property bid on.
2. The bidder's plans and ability to improve the real property with reasonable promptness.
3. Any factors that will assure the commission that the sale, if made, will further the execution of the redevelopment plan and best serve the interest of the community, from the standpoint of both human and economic welfare.
4. The bidder's ability to finance the improvements proposed; whether by funding from a lending institution or financial statements proving the bidders ability to self-finance the proposal.

For a period of thirty (30) days after the opening of the written offers and determination on them, no sale may be made below the price shown on the offering sheet, except in the case of sales to abutting land owners.

All parcels that go through the RFP process and do not receive an agreeable bid will be placed online at the City of Muncie/MRC page or other website maintained by a collaborating organization. Once on the website, all parcels are open for negotiation.

The process and procedure for a CDC or a NPC is subject to change. Notice of these changes will be communicated reasonably and in compliance with any and all laws.

V. Qualification of Buyers

MRC has generated interest from various organizations who want to acquire the properties at a low cost for housing, construction training, youth work projects or other community building ideas. To ensure the houses are sold to organizations that will bring these properties back on the tax roll and are committed to making them available for rehabilitation, all applicants for MRC properties must:

1. Demonstrate that they are a responsible property owner and have no delinquent taxes or code violations on currently owned properties;
2. Submit a development plan for project at the time of application;
3. Provide documentation of approval for the financing for all improvements to the vacant lot or structures; and
4. At the time of sale, buyers must enter into a project agreement with the City of Muncie with the following stipulations:
 - a. Within three years of the sale the following repairs must be completed:
 1. the project exterior renovation must be complete to minimum standards including:
 - a. the installation of windows and doors,
 - b. completion of structural repairs relative to the roof or foundation,
 - c. replacement of items such as sagging porch roofs or gutters

The interior renovations must be completed to comply with Delaware County building code standards.

Individual buyers must agree to reside in the home for three years or the property will be forfeited and the investment lost. Terms will be explained in the project agreement that accompany the deed.

If the conditions of the project agreement are not complete, the City of Muncie is authorized to reclaim the property.

MRC Administrator will consider all applications and verifies all buyers' eligibility. Priority consideration will be given to buyers who are (in no particular order of preference):

1. CDC/NPC as defined in III.A.
2. Muncie residents
3. Buyer/Occupants

A. Community Development Corporations/Not-for-Profit Organizations

All established not-for-profits can acquire property with or without a structure from MRC for \$2,500 per parcel. Applications must be accompanied by:

1. A letter of intent
2. Proof of financing
3. Non-refundable application fee of \$200 (applied towards the purchase price)
4. Re-use/Development plan

Not-for-profit buyers will initially be limited to purchasing three (3) MRC properties within a 6 month period unless the buyer has a demonstrated capacity to successfully acquire and simultaneously renovate multiple buildings or if the parcels are being acquired for a development of scale. Consideration for additional purchases will be given after an evaluation of the progress on the initial 3 properties after 180 days.

B. Public Safety Personnel & Teachers/Faculty of Muncie Community School Corporation, Ball State University, Ivy-Tech Community College, or other State-Licensed Education Facility

Public safety personnel and teachers or faculty at local education facilities can acquire property with or without a built-structure from the MRC for \$2,500 per parcel after the property has been offered for public bid. In addition to the items required by not-for-profits, sworn public safety personnel, teachers, or faculty must:

1. Present documentation of their current employment status
2. If applicable, present documentation of passage of either the Indiana Law Enforcement Academy (ILEA) or the Fire Fighters Academy, and;
3. Agree to reside in the property for a minimum of three (3) years before the property can be sold

C. Abutting Neighbors

Abutting neighbors must be a residential owner of contiguous property to a vacant lot or structure in Muncie as defined by the City of Muncie ordinances and State of Indiana Code. They are given priority consideration to purchase abutting lots, which have been offered for public sale, or for a fair asking price.

MRC is required to have an appraisal of the property, post the availability of these parcels in the newspaper, and present a resolution to MRC for acceptance or non-acceptance on any bids received. Neighbors are allowed to submit their bids for the abutting property. If two neighbors submit bids, a ticket drawing will occur where the winning ticket will receive the property. If only one bid is submitted, MRC will then enter into a purchase agreement with the abutting neighbor for the conveyance of the property. If no bids are received, the City can negotiate with any qualified bidder.

Abutting neighbors must reside in the property adjacent to the MRC property for which they are bidding. Any purchase by an abutting neighbor cannot be conveyed to another owner for a minimum of 3 years.

D. Private Individuals

MRC may sell properties directly to homeowners who plan to make the necessary repairs based on the guidelines in this Manual and in compliance with City of Muncie ordinances and State of Indiana

Code. These properties will be available through the Request for Proposal (RFP) process as outlined in this Manual.

VI. Buyer Application Process

An application for MRC properties must be submitted in its entirety. All bid packets are required to be opened at a public hearing of the MRC. Once opened, MRC staff reviews the bid packets for final recommendation to the MRC. Bids for MRC properties are put on the subsequent agenda for approval or denial.

Bids will be approved on the following criteria:

1. Closest to MRC asking price,
2. Applicant properly demonstrates capacity to rehab the property with proof of funding from a lending institution or financial statements, and
3. Applicant has a demonstrated ability to manage the construction project within the mandated timelines by providing documentation of certificates of completion for past similar construction projects or skilled job/labor training (for example carpentry, plumbing, or electrician training)

MRC will notify applicants of its decision in writing. If an application is approved, a closing will be scheduled (usually within 45 days).

At closing, the complete bid amount is due by a certified check made payable to the Muncie Redevelopment Commission. At the closing, the bidder will receive a HUD-1 closing statement, and several other standard closing documents. MRC will record the Deed with the Delaware County Recorder's Office.

Any fees accrued prior to the sale date shall be outlined on the HUD-1 at closing. Any additional fees that may show on the subsequent tax bill will be evaluated by MRC and adjusted to reflect the accuracy of fees at the time of closing.

After the closing, the purchaser is responsible for any code violations, taxes, sewer fees, maintenance, and any other issues related to the purchased property.

VII. Miscellaneous Information

A. Clean Title

A purchased property is transferred from the MRC with a clean title. Once the property is conveyed to the MRC, MRC will initiate title services to expedite the sales process once a buyer has been identified. MRC will take the necessary steps to insure that the quiet title insurance is provided at the time of the closing.

B. Offering Price

In compliance with State of Indiana Code, before offering for sale to the public any property, MRC shall cause two (2) separate appraisals of the fair market value to be made by independent appraisers.

There is an application fee applied to all applications submitted. That fee is not included in the offering price. For example, if you are an individual interested in a MRC house and the offering price is \$2,000 and you bid \$2,000, your application must include a certified check for \$200 and the full \$2,000 is due at closing. The application fee for abutting neighbors is \$100, all other application fees are \$200.

Properties are offered to CDC's and NFP's at cost, which means \$2,500, also includes a \$200 application fee.

C. Demolition

All MRC properties will be inspected at the time of acquisition. If there are any code violations pertaining to the exterior of the building, those issues will be fixed as money is made available. If there are any concerns regarding the foundation, deteriorating walls or roofs, etc. and they warrant demolition, MRC staff will begin the demolition process following all of the guidelines outlined for demolition in the City of Muncie ordinances and State of Indiana Code.

If a house or structure does not have any violations and the structure and exterior walls are sound, then no demolition will be requested. However, the property will be inspected on a regular basis to ensure the house is sealed in a safe manner that satisfies the City of Muncie ordinances and State of Indiana Code.

D. Maintenance

All properties under the control of MRC will be inspected on a regular basis. Work completed by MRC includes mowing, boarding of openings, and trash removal.

2. URBAN REVITALIZATION PROGRAM

I. Overview

Muncie Redevelopment Commission (MRC) is the City of Muncie agency to administer an urban homesteading program (as defined in IC §36-7-17 & IC §36-7-17.1) under which family dwellings for one (1) through four (4) families may be conveyed to individuals or families, who must occupy and rehabilitate the dwellings, and community organizations that must rehabilitate the dwellings and offer them for sale.

This urban homesteading program is administered by MRC with recommendation and advice of the Neighborhood Investment Committee (NIC) and the Community Development Director and his or her designated staff.

This urban homesteading program is named and referred to as the “Urban Revitalization Program.”

It is the design of the Urban Revitalization Program to have designated groups of residential structures where the individual, family, or community organization would be able to provide each other support, advice, and help during the rehabilitation process and establish a community thereafter of owner-occupied dwellings.

The goal of the Urban Revitalization Program is to assist in the acquisition, rehabilitation, and occupancy of dwellings by individuals and families.

Terms and conditions of this Program are subject to change depending on applicable laws and ordinances.

II. Eligible Properties

Properties are eligible for inclusion in the Urban Revitalization Program where the properties have been transferred or acquired by MRC, located within the City of Muncie, determined to be abandoned, and classified as a residential structure. “Residential structure” and “dwelling” are terms used interchangeably throughout the Urban Revitalization Program.

After the acquisition of the residential structure for use in the Urban Revitalization Program, MRC will take the steps necessary to fully inform the residents of each unit in which the residential structure is located of the existence, nature, and location of the residential structures; the qualifications required for participation in the Urban Revitalization Program under this chapter; and the terms and conditions on which the dwellings may be conveyed to qualified persons.

III. Eligible Participants

An individual or community organization may apply for the program by fully completing an application.

An applicant is considered qualified and shall be approved to receive a residential structure offered in the Urban Revitalization Program, pending an in-person interview, if they:

1. are at least 18 years of age;

2. possess the financial resources to support a loan, the necessary skills to rehabilitate the property, or a combination of both;
3. have not previously participated in the program, including immediate family members applying for said program;
4. are an employee of the City of Muncie or other governmental authority within Delaware County, State of Indiana, its agent or agents, units, commissions, councils, or contractors either personally or has a family member who will live in the residence, complete a conflict of interest disclosure statement of such employment status;
5. have a disposable income for housing including providing fire and liability insurance on the dwelling at all times;
6. have an acceptable credit rating as determined by two verified credit reports, allowing the applicant to obtain private financing for the rehabilitation of the property; and
7. earn below 120% of median family gross monthly income based on family size for the Muncie MSA as determined by the United States Department of Housing and Urban Development.

IV. Application Process

Step 1: Provisional Application Submission

An individual or community organization interested in a dwelling under the Urban Revitalization Program must fully fill out and submit an application with any additionally required information or documentation.

Once an application has been submitted, it shall be reviewed by NIC where written notice of the status of the application will be sent to the applicant within 10 business days following the application review. The application will be provisionally approved or denied. If the application is provisionally denied, the applicant will have a period of time to remedy the denied application. If the application is provisionally approved, the applicant will move on to Step 2: Interview.

Please note: financing for the entire rehabilitation work will need to be obtained by the applicant in order to be approved for this program.

Step 2: Interview

Upon the provisional application approval, an interview will be held with the applicant and at least three representatives of NIC. During the interview, the application will be reviewed where questions from NIC or the applicant will be answered. The purpose of this interview is to make sure any concerns or questions about the program, its terms and conditions, and the independent financing process are fully discussed and understood by all parties.

Following the interview, if the provisionally approved application is thereafter denied, the applicant shall be notified of the denial in writing within ten (10) business days after the interview stating the

reason for denial. An appeal in writing may be made to NIC where the applicant will be given a forum to address concerns or issues to other members of NIC at its next regularly scheduled meeting. The decision of NIC following the appeal shall be considered final.

Step 3: Approved Applicants

After the provisional application and interview approval, the applicant will be determined to be qualified to receive a dwelling offered in the Urban Revitalization Program. Applicants may designate up to three (3) properties of which one may be awarded after their own inspection of these properties. Applicants are given an opportunity to examine the property or properties in which they are interested by attending an open house at a day and time scheduled by NIC prior to the award date.

V. Inspection of Properties

An open house will be scheduled for each dwelling prior to the award date. A list of items will be given to each interested approved applicant to inform them of what repairs are needed to bring the dwelling into compliance with the minimum health and safety standards prior to occupancy, along with items needed to make the house energy efficient. This list will be available during the open house. Following the open house, the approved applicant will submit a separate document designating their choice of residence. Applicants are allowed to submit up to three (3) choices for the dwelling. No document designated the applicant's choices will be accepted until after the open house.

VI. Notification of Award

Approved applicants may designate up to three (3) dwellings in which they are interested. If there is only one applicant wanting a specific dwelling, then that specific dwelling will be awarded to that specific applicant. In this designation process, individuals will be given priority over community organizations.

In the case of two or more approved applicants wanting the same dwelling, a drawing will be held to determine those individuals receiving the dwelling. Notification of this drawing will be sent in writing to each applicant and will also be made public in accordance with City of Muncie ordinances and State of Indiana code.

Each approved applicant may receive only one dwelling in the drawing. In the case where a drawing is needed and an approved applicant's number is drawn, the approved applicant will be asked if they wish to accept or reject the dwelling in question. If the dwelling is accepted, the approved applicant will be awarded the dwelling contingent on agreeing to the terms and conditions of the Award Agreement and will not be eligible to accept another dwelling if their name is drawn. Once the Award Agreement is executed, the approved applicant becomes the awardee.

In the case where a drawing is needed, alternates will be drawn on each dwelling and given first opportunity to receive the dwelling in the event the awardee chooses to reject the dwelling or fails to comply with the terms of the Award Agreement at any time prior to receipt of the final deed. MRC and NIC will investigate situations where the awardee is or is believed to be in violation of the terms of the Award Agreement. MRC, on the advice and recommendation of NIC, will recommend

whether or not to terminate the Award Agreement with awardee. If termination of the Award Agreement occurs then the alternate will be contacted to be offered the dwelling under a similar Award Agreement.

A dwelling for which no one designates in two (2) successive drawings held under the Urban Revitalization Program may be sold at public auction to the highest bidder.

VII. Duties of Awardee After Receiving Property

The conveyance of a dwelling to an awardee under this program shall be made in return for a fee of \$1.00 and other closing costs stated below, in conjunction with the execution of the Award Agreement under the following conditions:

1. If the awardee is a first-time homeowner, the awardee must attend and complete any specific/certified homeownership counseling or training.
2. The awardee must reside in the dwelling as his/her principal place of residence for a period of not less than five (5) years from the date of occupancy.
3. The awardee must make repairs and bring the dwelling up to a minimum health and safety standard and occupy the property within six months of the date of award. The repair activity must begin within 90 days following the award.
4. Dwellings constructed prior to 1978 may contain lead-based paint and asbestos which can be extremely hazardous. If lead-based paint and/or asbestos is present, the awardee must mitigate this condition prior to occupancy.
5. The awardee must bring the dwelling up to full code standard including building, plumbing, electrical, heating, and fire code standards, making such repairs and improvements as necessary within 12 months after award.
6. The awardee shall make and cause to complete all repairs and improvements necessary to make the dwelling energy efficient and weather-tight within three (3) years from date of possession.
7. The awardee must carry fire and liability insurance on the dwelling at all times.

In addition, the awardee shall agree to pay all prior taxes and assessments legally due and owing after being awarded the residence. The awardee shall agree to work with the assigned staff throughout the course of the program including meetings in the dwelling and provide full and reasonable access for the purpose of inspections.

The awardee shall sign an Award Agreement and a special warranty deed with the MRC upon award of the residence. If the awardee meets all of the requirements of the program at the end of the five-year occupancy period, the dwelling and the associated real property will be fully titled to the awardee.

VIII. Inspections and Follow Ups

The City of Muncie Building Commissioner or his/her designated agents shall perform the following inspections upon the request of MRC or NIC:

1. Initial inspection for the purpose of determining the scope of work requirements, repair, and recommendations based on prevailing code requirements and Housing Quality Standards.
2. At the end of six (6) months following the award, an inspection to determine whether minimum health and safety standards have been met to provide for occupancy.
3. At the end of one (1) year following the award, an inspection to determine whether all code requirements have been satisfied.
4. At the end of three (3) years following the award, an inspection to determine whether all energy efficiency and weatherization recommendations have been satisfied.
5. At the end of five (5) years following the award, an inspection to determine whether the above inspected improvements and repair have been maintained in a satisfactory manner.

The City of Muncie Building Commissioner or his/her designated agents may grant an extension to complete deficient work and repairs and improvements up to an additional sixty (60) days following the inspection. In subsequent inspections, if the deficiency continues it will be reported to the NIC for possible termination of the Award Agreement or other appropriate action.

The City of Muncie Building Commissioner or his/her designated agents will file a copy of each inspection with the NIC and provide a copy for the awardee within five (5) business days following the inspections.

IX. Authorized Methods of Conveyance

MRC will convey the dwelling to an awardee by a conditional sales contract with title remaining in the MRC a period of at least five (5) years.

The title to the dwelling will be conveyed to the awardee with the granting clause in the deed of conveyance to include the language:

"The property is conveyed on the condition that the purchaser:

1. Will reside in the dwelling as his/her principle place of residence for a period of not less than five (5) years.
2. Will bring the dwelling up to minimum health and safety standards within six (6) months and will bring the dwelling up to full code requirements within one (1) year following the award.
3. Will bring the dwelling up to full energy efficiency and weatherization recommendations within three (3) years.
4. Will carry adequate fire and liability insurance on the dwelling at all times.
5. Will comply with such additional terms, conditions, and requirements as the agency committee requires before (date of deed) under IC 36-7-17.1."

If, after this five (5) year conditional sales contract period, an awardee has complied with the terms of the awardee's Award Agreement, MRC will convey to the awardee a fee simple title to the dwelling and associated real property.

Dwellings acquired or held by MRC is considered property of MRC, held for municipal purposes and is exempt from property taxation. This property tax exemption becomes effective on the date of conveyance to MRC. A petition to cancel taxes or a certified application for exemption is not required for dwellings acquired or held under this program.

X. Program Fees

The following fees are applicable and collectable:

1. A nonrefundable application fee shall be paid at the time of application.
2. A charge equaling closing costs plus \$1.00 for the dwelling shall be paid immediately following the award of the dwelling and may be paid with a check or money order.

XI. Failure to Fulfill Agreement

Before the vesting of a fee simple title in the awardee, any material failure by the awardee to carry out the Award Agreement entered into with MRC nullifies the agreement and all right, title, and interest in the residence immediately reverts back to MRC except that NIC may grant the awardee a specified period not to exceed two (2) years to come into compliance with the terms of the Award Agreement. MRC may subordinate its interest under the terms of the Award Agreement to financial institutions or persons lending money to the awardee for the purpose of allowing the awardee to fulfill the terms of the conveyance.

If, for any reason, the awardee is unable to fulfill any part of the Award Agreement due to unmitigated or unforeseen circumstances beyond the awardee's control, the awardee may offer the property for sale at a price determined by the average of two appraisals. In such circumstances, MRC retains the right of first refusal upon the dwelling.

3. COMMUNITY GARDENS & ORCHARDS

I. Overview

The purpose of the Community Garden & Orchard Program is to lease appropriate Muncie Redevelopment Commission (MRC) owned abandoned property throughout the City of Muncie to garden groups for urban vegetable and/or flower gardens and orchards. This provision of property will promote a sense of community and empowerment, creating mutual benefits through the shared use of land in the tradition of self-help. This Community Garden & Orchard Program is for the use of individual or small group gardens and orchards in the City of Muncie; not for commercial enterprises.

Terms and conditions of this Program are subject to change depending on applicable laws and ordinances.

II. Eligible Property

MRC will lease its abandoned lots for which there is no proposed development plans to its Partner Organizations for use by a Garden Group as an urban garden. A Garden Group must obtain approval from the Partner Organization, as well as provide letters of support from neighboring property owners. Property will be leased on a first-come, first-served basis. Preference for a particular property will be given to the Garden Group which had leased that lot in the previous year.

III. Partner Organizations

MRC will partner with Partner Organizations (PO) that are not-for-profit organizations formed according to the Internal Revenue Service Code 501(c)(3), or that has an application for such legal status/determination pending, in order to manage the administration and operations of the Community Gardening Program with each Garden Group. These POs will be chosen on a three (3) year cycle by an open RFQ process, with the selection process defined herein. The selected POs will be under contract with MRC to operate the program per the guidelines also included herein. Each PO will have assigned property determined by MRC and the Mayor.

IV. RFQ & Selection Process

The selection of the POs will occur on a three (3) year cycle in order to maintain a level of consistency and a measure of stability in operations of the program. The selection will be made via an open RFQ process. The RFQ process will be advertised via a legal ad in the local newspaper, on social media sites and emailed directly to interested parties. Prior to submission of the RFQ, a mandatory informational meeting will be held to provide information about the program and answer any questions. The RFQ will be provided via email only to those organizations that attend the mandatory informational meeting. Interested POs must be either designated as a 501(c)(3) non-profit or have a pending application submitted to the IRS.

V. Lease Agreement

A lease agreement will be executed between MRC and each PO. Similar requirements are also defined in the lease agreement between the PO and the individual Garden Group. The PO is required to use the Lease Agreement provided by MRC.

Within the PO and Garden Group lease agreement, it will be stated that:

- The growing season is March 1st through October 31st; the Garden Group will not begin any gardening before March 1st of each year and the garden beds and all areas planted with annual plants will be cleared no later than October 31st of each year;
- Basic rent will be charged at a rate of \$50 per vacant parcel during the eight-month-growing season; rent must be paid in advance at the time the lease agreement is executed;
- This basic rent includes amounts for any damage or future maintenance needed and is to be paid directly to the PO;
- The Garden Group must submit a short report including, but not limited to, specific information about the garden, number of participants; and
- The Garden Group will use its best efforts to take photographs of the garden and gardeners during the growing season.

VI. Garden & Orchard Standards

A. Gardeners must plant all food crops in raised garden beds constructed of untreated wood holding at least 12 inches of soil. All soil must be safe for the growing of food crops. A root barrier must be placed on top of the existing soil within the wood box before adding soil. Beds may not be located closer than four feet from public sidewalks, alleys, streets, and adjoining privately owned property. Grass must be grown and maintained around the perimeter of the planting beds.

B. The Garden Group will maintain the property in a clean, safe and attractive manner, including trimming shrubs, keeping the lot free from weeds, litter, dangerous conditions, and soil erosion. The grass must be cut on a regular basis. Grass must not exceed three inches in length at any time.

C. The Garden Group will not construct any structure, lay permanent pavement, park any vehicles, build a fire, or cut trees, bushes and shrubs on the property. The Garden Group may install temporary fencing only with the permission of the Partner Organization, which will work with the group to assure the fence meets City requirements.

D. Any fencing, screen, lattice work, compost bins, etc. must be removed at the end of the lease period, unless prior written permission is obtained from the Partner Organization.

E. Gardeners will not use prohibited fertilizers or prohibited/illegal insecticides. Gardeners will not use toxic substances or pollutants on the property or plants in the garden.

F. The Garden Group will not keep or have on the properties, or permit to enter upon the properties any article, substance, or thing of a dangerous, inflammable, hazardous, or explosive character that might, (i) substantially increase the danger of fire on the properties; (ii) be considered

dangerous by a responsible insurance company; or (iii) be considered hazardous under any environmental statute, law, or regulation.

G. The Garden Group will not sell, barter, trade or in any way exchange for value any produce, flowers, soil, earth, rock, stone or vegetation of any kind derived from operation of the premises.

H. Gardeners may invite neighbors onto the property only when Garden Group representatives are present. Events and/or Parties when gardeners are not present are prohibited.

I. The Garden Group will not sublet, assign or in any way encumber all or any of its rights under the agreement and acknowledge that it is without capacity to do so.

J. The Garden Group agrees and warrants that MRC and the Partner Organization shall not be held liable for any debts or obligations of the Garden Group.

K. The Garden Group agrees to indemnify MRC and the Partner Organization. The Garden Group is aware of the conditions of the vacant lot and leases the same "as-is".

L. The Garden Group agrees and warrants that MRC and the Partner Organization will in no way be liable for any garden or non-garden activities that may occur on the premises in violation of this agreement.

M. The Garden Group will allow a representative of MRC and/or the Partner Organization, with proper identification, to enter the premises at any time to inspect and confirm compliance with the agreement.

N. The Garden Group shall comply with all laws, codes, ordinances, rules, regulations and requirements of any governmental authority.

O. The Garden Group shall seek and encourage participation by all members of the community in all gardening activities.

P. The Garden Group, Partner Organization or MRC may terminate the lease for any reason at any time, provided that thirty (30) days written notice is given.

Q. The Partner Organization will be responsible for ensuring that the Garden Group maintains the lot as required by its lease agreement.

R. At the time of the lease signing, the Garden Group will be required to pay its security deposit and the entire monthly rental fee. The Partner Organization will retain and keep accounting record of these deposits and fees.

VII. Program Operations

The garden lots must be used solely as an urban garden for the cultivation of annual vegetables and/or flowers or an orchard. No other usage will be allowed. Garden Groups may work jointly on a single garden plot, or divide a parcel into garden plots assigned to individual gardeners.

Gardeners must plant all food crops in raised garden beds constructed of untreated wood holding at least 12 inches of soil. All soil must be safe for the growing of food crops. A root barrier must be placed on top of the existing soil within the wood box before adding soil. Beds may not be located closer than four feet from public sidewalks, alleys, streets, and adjoining privately owned property.

PO helps its Garden Groups to transform neglected urban spaces into well-maintained, beautiful landscapes. Uncared for, abandoned property are home to vermin and attractive nuisance. Planting and mulching orchards, and keeping them weeded, typically flushes out these unwanted aspects. When orchard fruit is properly harvested, it poses no risk of attracting rodents.

VIII. Eligible Participants: Garden Groups must meet the criteria of either a neighborhood community garden and/or school-based or other institutional-based community gardens.

- Neighborhood community gardens must fulfill the following criteria:
 - More than one household is involved.
 - Community residents from the neighborhood are engaged in the gardening project and support the garden.
 - Produce grown on the garden lots must not be sold.
- School-based or other institutional-based, community gardens must fulfill the following criteria:
 - School-based: Must be supported by school administration, teachers, students, students' parents, and residents of properties in the neighborhood of the gardens.
 - Institutional (example: faith-based): Must be supported by congregation leadership and membership, and residents of the properties in the neighborhood of the garden.
 - Produce grown on the garden lots must not be sold

IX. Liability Insurance

MRC will provide liability insurance for the garden parcel, which includes liability coverage for gardeners, volunteers and garden visitors. Structures (such as tool sheds and greenhouses) are not permitted. Each PO is also required to maintain a two million dollar (\$2,000,000) general liability insurance policy with the City of Muncie named as an additional insured.

X. Application Process

Applications from Garden Groups must be submitted yearly to the PO. Lots will be assigned on a first-come first-served basis, with priority given to Garden Groups that are re-applying for the same lot(s). The application process requires the timely submission of the following forms:

1. Letter of Intent: Must be received at least two weeks prior to the application deadline.
2. Application form: Check with Partner Organization on the due date for submission. The application must include the following:
3. Garden Plan
4. Neighborhood support sheet
5. Letters of support from neighbors adjacent to the garden
6. "Before" photo of the garden site
7. The PO will review all applications and contact the individual Garden Groups to schedule a time for each to meet to share their plans. Following these meetings, the PO will decide

whether to recommend the applications for approval by MRC. Approved applicants will be notified by the end of March.

XI. Termination

The Garden Group, PO or MRC may terminate the lease for any reason at any time, provided that thirty (30) days written notice is given.

The termination notice must be sent by U.S. Mail to the address on file of the Garden Group, PO, and MRC. The notice will be deemed complete 5 days after mailing regardless of proof of receipt. If terminated, the Garden Group must immediately cease any and all activity on the premises and remove any of its property from the premises no later than 30 days after the date of mailing of the termination notice after which time any property will be deemed abandoned.

4. SIDE-LOT PROGRAM

I. Overview

The Side Lot Program allows abutting landowners to acquire vacant lots owned by the Muncie Redevelopment Commission. MRC is authorized to dispose of property to abutting landowners according to IC 36-7-14-22.6. MRC partners with the Delaware County Auditor and other offices to streamline and realize these transfers. For purposes of this section and Manual, abutting landowner is the owner of property that:

- (1) touches, borders on, or is contiguous to the property that is the subject of sale; and
- (2) does not constitute a:
 - (A) public easement; or
 - (B) public right-of-way.

MRC will determine that the highest and best use of the property, balancing the abutting landowner's use, the cost of maintaining the lot, the estimated fair market value, and economical feasibility to sell the lot.

Terms and conditions of this Program are subject to change depending on applicable laws and ordinances.

II. Basic Procedure

Within ten (10) days of MRC making the above determination, a notice will be published identifying tracts intended for sale. Notice must include: 1.) legal description; 2.) parcel number; 3.) street address; 4.) offering price. This notice must be sent by certified mail to all abutting land owners.

Each tract must be appraised. If the assessed value is less than \$6,000 an appraisal is not required.

Within ten (10) days of publication of the notice, identifying tracts intended for sale will either:

- 1.) where an offer is received for the lot at or above the assessed value, the lot shall be sold;
- OR
- 2.) where no offers are received at or in excess of the offering price, but an offer has been tendered by an abutting land owner for less, the lot will be sold.

III. Eligibility Requirements

The abutting landowner must live in and own a property adjacent to the MRC's lot and they must be current on all property taxes and have no current housing or zoning code violations. The abutting lot must be vacant and unimproved real property with no structures. The abutting landowner must also be able to maintain the lot in accordance with all local building, housing and zoning codes. The abutting landowner must fill out and submit an application in order to be considered for this program.

IV. Key Considerations

- Applications will not be processed until the structure is demolished.

- Incomplete applications will not be processed.
- Once the application has been approved, the MRC and the abutting landowner will work together to close the transaction.
- All property will be transferred 'AS IS' via a Quit Claim Deed.
- The MRC maintains the right to condition the transfer of title on the abutting landowner's acceptance of certain deed restrictions. Restrictions may include in the deed to ensure the properties are maintained in an agreed upon way. If the abutting landowner fails to maintain the property in an agreed upon way, the MRC may exercise its discretion to take title to the property back from the abutting landowner.
- The abutting landowner must delete and combine parcels so that the acquired lot is legally adjoined to their current lot.

5. Pocket Park Program

I. Overview

The purpose of the Pocket Park Program is to lease appropriate Muncie Redevelopment Commission (MRC) owned abandoned property throughout the City of Muncie to community groups and neighborhood associations for use as a small, community park in an effort to promote a sense of community and empowerment, creating mutual benefits through the shared use of land in the tradition of self-help.

Terms and conditions of this Program are subject to change depending on applicable laws and ordinances.

II. Eligible Property

MRC will lease its abandoned lots for which there is no proposed development plans for use by Parks Partners (PPs) as a pocket park. The PPs must provide letters of support from neighboring property owners. Property will be leased on a first-come, first-served basis. Preference for a particular property will be given to the PPs which had leased that lot in the previous year.

III. RFQ & Selection Process

The selection of PPs will occur on a three year cycle in order to maintain a level of consistency and a measure of stability in operations of the program. The selection will be made via an open RFQ process. The RFQ process will be advertised via a legal ad in the local newspaper, social media sites, and emailed directly to interested parties. Prior to submission of the RFQ, a mandatory informational meeting will be held to provide information about the program and answer any questions. The RFQ will be provided via email only to those organizations that attend the mandatory informational meeting.

IV. Lease Agreement

A lease agreement will be executed between MRC and each PP. Terms and conditions will be listed in this lease agreement.

V. Program Operations

The pocket parks must be used solely as a pocket park. No other usage will be allowed.

PPs are expected to transform neglected urban spaces into well-maintained, beautiful landscapes. Uncared for, abandoned property are home to vermin and attractive nuisance. Planting and mulching the property, and keeping them weeded, typically flushes out these unwanted aspects.

VI. Eligible Participants

PPs must meet the criteria of involvement by one or more households where community residents from the neighborhood are engaged in the support the pocket park, and the pocket park must not be leased or otherwise transferred away from the PP.

VII. Liability Insurance

MRC will provide liability insurance for the pocket park parcel, which provides liability coverage for volunteers and visitors. Structures (such as tool sheds and greenhouses) are not permitted. The PP is also required to maintain a two million dollar (\$2,000,000) general liability insurance policy with the City of Muncie named as an additional insured.

VIII. Application Process

Applications from the PP must be submitted yearly to MRC. Lots will be assigned on a first-come first-served basis, with priority given to PP that are re-applying for the same lot(s). The application process requires the timely submission of the following forms:

1. Letter of Intent (must be received at least two weeks prior to the application deadline)
2. Application Form (check with PP on the due date for submission)
3. Pocket Park Plan
4. Neighborhood Support Sheet
5. Letters of Support from Neighbors Adjacent to the Site
6. "Before" Photo of the Site

MRC with assistance from NIC will review all applications and contact the individual PP to schedule a time for each to meet to share their plans. Following these meetings, MRC with assistance from NIC will decide whether to approve the applications. Approved applicants will be notified soon thereafter.

IX. Termination

The PP or MRC may terminate the lease for any reason at any time, provided that thirty (30) days written notice is given.

The termination notice must be sent by U.S. Mail to the address on file of the PP and/or MRC. The notice will be deemed complete 5 days after mailing regardless of proof of receipt. If terminated, the PP must immediately cease any and all activity on the premises and remove any of its property from the premises no later than 30 days after the date of mailing of the termination notice after which time any property will be deemed abandoned.

6. Foreclosure Prevention Program & Hardest Hit Fund

I. Overview

In June 2014, MRC and the Community Development Department of the City of Muncie submitted an application to the U.S. Department of the Treasury/State of Indiana to obtain funds through the Hardest Hit Fund program. Results and details of this program are forthcoming.

7. The Live-Work Program

I. Overview

In a collaboration with the City of Muncie, MRC, and other private, non-profit, and public organizations, a program will be established to promote, support, sustain, and maintain live-work areas. Details of this program are forthcoming.