

Date: July 2, 2024
To: Honorable Mayor and City Council
From: Melissa R. Marsh, City Manager
Subject: Parcel Redevelopment Program – 2024

As part of the Adopted 2019 Goal Plan, the City implemented a Tax Foreclosure Purchase/Sale/Redevelopment Program. This initiative has led to the immediate clean-up of property exteriors, ongoing maintenance, guaranteed code-compliant renovations, and the sale of residential properties to owner-occupants. Additionally, it has provided immediate tax base benefits from renovated structures, enhanced property appraisals for future appraisal comparables, and reduced potential future single-family rental or vacant properties.

In July 2018, the City Council approved the first year of this Tax Foreclosure Redevelopment Program. Since then, we have worked with developers to successfully renovate 22 foreclosed properties through this program. This program has proven to be beneficial for the City, neighborhoods, and future homeowners.

This year, the City is opting to purchase one (1) foreclosed property eligible for this program: Parcel 25-13-302-005, located at 27804 Groveland Street. This property is vacant, condemned, and slated for demolition. As a result Oakland County Equalization has reassessed this parcel at \$30,000.

Using this information, we developed and issued a Request for Proposal (RFP), receiving submissions from two companies. Only one company, DMC Consultants, Inc., met our specific requirements to 1) demolish the structure on this parcel within 30 days of ownership and 2) build a new residential building on this parcel. DMC Consultants will pay \$30,000 for the property plus a \$1,575 administrative fee to the City upon closing.

Based on the condition of the parcel to be purchased, the proposal submitted in response to this year's RFP, and the proven success of this program, I recommend the following actions by the City Council:

1. **Approve the purchase of 27804 Groveland Street Parcel ID 25-13-302-005, for \$30,000 from Oakland County through the tax foreclosure process.** (According to Charter Section 12.1, the purchase of property requires five (5) affirmative votes.)
2. **Award the Parcel Development Program to DMC Consultants Inc. and the subsequent sale of 27804 Groveland by approving the contract and authorizing the City Manager and City Clerk to sign on behalf of the City.**

Representatives from DMC Consultants will be present at the meeting to answer any questions.