

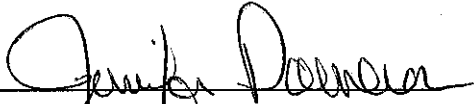
LAND BANK OF KANSAS CITY, MISSOURI

POLICIES AND PROCEDURES

FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

February 19, 2013

Approved by the Board on February 19, 2013:


Jennifer Dameron, Chair

POLICIES AND PROCEDURES
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TABLE OF CONTENTS

GOAL	1
DEFINITIONS.....	1
1. POLICIES GOVERNING THE ACQUISITION OF PROPERTIES.....	2
2. POLICIES CONCERNING THE DISPOSITION OF PROPERTIES.....	5
3. SIDE LOT DISPOSITION PROGRAM	9
4. RESIDENTIAL LAND TRANSFERS.....	12
5. MULTIFAMILY AND COMMERCIAL LAND TRANSFERS	16
6. AGRICULTURAL, INDUSTRIAL, AND OTHER LAND TRANSFERS.....	19
7. CONDITIONS THAT MAY BE PLACED ON SALES	22
8. APPROVALS OF LAND TRANSFERS	24
9. AGREEMENTS FOR TEMPORARY USES OF LAND	26
10. CONVEYANCES TO THE LAND BANK FROM COMMUNITY DEVELOPMENT CORPORATIONS	28
11. TRANSFER OF REHABILITATED PROPERTIES.....	31
12. ADMINISTRATIVE POLICIES.....	32

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

GOAL

The Land Bank of Kansas City, Missouri is established to acquire tax-delinquent properties and other properties in order to protect the public from crime and hazardous conditions often associated with such properties, to protect Kansas City neighborhoods from decline fostered by the presence of blighting conditions, and to advance the public purpose of returning land which is in a nonrevenue-generating, nontax-producing status to an effective utilization status in order to provide housing, new industry, and jobs for the residents of the city. This goal is furthered through sales of the acquired properties to responsible parties who will properly develop, redevelop, maintain, or otherwise provide for productive use of the properties.

DEFINITIONS

Deemed bid: When properties are offered for sale at a tax-foreclosure auction and no offers are received, the properties are then transferred to the Land Bank through a process referred to as a deemed bid.

Down payment: Following staff review of the applicant to ensure eligibility to purchase property, a down payment in the form of cashier's check or money order must be paid before the offer is submitted to the Board for consideration. The amount of the down payment is based on the type of property involved in accordance with the table below.

Unusable property	no down payment required
Vacant lots	10% of offer or \$75, whichever is higher
Houses	10% of offer or \$750, whichever is higher
Commercial, multifamily	10% of offer or \$1,500, whichever is higher

The down payment will be refunded if the offer is rejected by the Board.

Offer: A written offer must be made on the forms available for that purpose from the Land Bank. An offer must state the proposed use for the property, and the Land Bank may consider as a part of the acceptance of such offer whether the proposed use is in compliance with the existing zoning designation and land use regulations of such property and is a use consistent with the priority for that particular parcel. Any transfer for a use that would require a change in the zoning classification, may be conditioned upon the Land Bank's receipt of a written statement from the city registered neighborhood association that it is in support of such changed use. Further, an offer must include at a minimum:

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

- a) a certified statement from the proposed purchaser, signed by at least one duly authorized individual officer if an entity, that the proposed purchaser, or the holder of a controlling interest therein, does not have any outstanding delinquent real property taxes for any property owned, is current on all installments of special assessment for public improvements then due and owing, does not have any outstanding special assessments or liens for municipal services and/or property maintenance violations, and does not have any pending property maintenance violations or any unsatisfied fines for previously issued administrative citations,
- b) a list of all owners, officers, members or partners of an entity which is the proposed purchaser, with their primary residences, and
- c) for any proposed purchaser that is an entity the offer must include a designation of local agent, with a valid city issued business license, with a principal place of business in the city, authorized to accept on behalf of such entity notices of code violations or other service of process, which designation shall be deemed to remain in full force and effect until written notice to the contrary is provided to the Land Bank, which shall be effective only if a subsequent local agent, similarly qualified, is named in such notice.
- d) payment of a \$25.00 non-refundable application fee in the form of a cashier's check or money order.

Property costs: Property costs are those costs associated with the acquisition of a parcel of property.

Project costs: Project costs include the cost of acquisition and costs associated with rehabilitation and/or redevelopment of the parcel(s) for the completion of the proposed project.

Unusable property: Small pieces of property that are under 2,500 square feet in size, do not have a property line that front a public street (landlocked), or have a configuration that prevents them from being used for any reasonable purpose.

1. POLICIES GOVERNING THE ACQUISITION OF PROPERTIES

- A. The Land Bank shall not acquire or own any real estate that is located wholly or partially outside the City of Kansas City, Missouri.
- B. The Land Bank may acquire real property or interests in property by:
 - 1. gift, devise, transfer, exchange, foreclosure, lease, purchase, or otherwise on terms and conditions and in a manner the Land Bank considers proper;
 - 2. purchase contracts, lease purchase agreements, installment sales contracts, and land contracts, and may accept transfers from political subdivisions upon such terms and conditions as agreed to by the Land Bank and the political subdivision;
 - 3. bidding on any parcel of real estate offered for sale at a sheriff's foreclosure sale held in accordance with RSMo Section 141.550 provided that if the bid is not a deemed bid under subsection 3 of Section 141.560, such parcel must be located within a low

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

to moderate income area designated as a target area for revitalization by the city, which shall include, but are not limited to those areas designated under its consolidated plan submitted from time to time to the federal government; and

4. transfer from any political subdivision to the Land Bank of real property and interests in real property of the political subdivision on such terms and conditions and according to such procedures as determined by the political subdivision.
- C. In determining which, if any, properties shall be acquired, the Land Bank shall give consideration to the following factors:
1. Proposals and requests by nonprofit corporations that identify specific properties for ultimate acquisition and redevelopment;
 2. Proposals and requests by governmental entities that identify specific properties for ultimate acquisition and redevelopment;
 3. Residential properties that are occupied or are available for immediate occupancy without need for substantial rehabilitation;
 4. Improved properties that are the subject of an existing order for demolition of the improvements, and properties that meet the criteria for demolition of improvements;
 5. Vacant properties that could be placed into the Side Lot Disposition Program;
 6. Properties that would be in support of strategic neighborhood stabilization and revitalization plans;
 7. Properties that would form a part of a land assemblage development plan; or
 8. Properties that will provide resources to sustain the operations of the Land Bank to allow it to fulfill its responsibilities.
- D. In determining the nature and extent of the properties to be acquired the Land Bank shall also give consideration to:
1. Underlying values of the subject properties,
 2. The financial resources available for acquisitions,
 3. The operational capacity of the Land Bank, and
 4. The projected length of time for transfer of such properties to the ultimate transferees.
- E. In addition to the factors listed above, the Land Bank may accept offers from property owners who wish to donate property when:
1. The property owner does not have the resources to properly care for the property or to comply with orders to correct code violations that are present and evidence of the hardship has been presented.
 2. There are either:
 - a) no delinquent taxes owed for the property, or

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

- b) arrangements are made to pay the taxes by a purchaser of the property following demolition or abatement actions, or
 - c) Land Clearance for Redevelopment Authority has agreed to receive the property to eliminate the delinquent taxes with subsequent transfer to the Land Bank.
3. There is a written agreement with an owner of an adjoining property to purchase the property from the Land Bank, generally following demolition, nuisance abatement or similar actions.
 4. The property is located in an area targeted for redevelopment efforts.
 5. The City of Kansas City has agreed to fund the demolition, nuisance abatement, or similar action that may be needed.
 6. The donation offer is accompanied with a cash donation to provide funding for repair or demolition.
 7. A Phase I environmental assessment is completed prior to the donation if deemed warranted.
- F. The Executive Director is authorized to accept offers of donated property following the criteria described above. Communication regarding offers to donate property that describes the offer and satisfaction of the factors will be distributed to the full Board at least one week prior to the acceptance of the offer. If during this period a Board member questions the acceptance of the offer, the decision will be deferred until the offer can be discussed and approved or rejected at the next Board meeting.
- G. The Land Bank will promptly evaluate the inventory as provided to it by the Land Trust, or pursuant to the sheriff's foreclosure sale under the Land Tax Collection Law, and develop priorities among those properties for demolition, repairing critical structural envelope elements, such as a roof, if the building is deemed salvageable, and secure the structures from entry to the extent possible. The evaluation will include determining and assigning the appropriate priority or priorities for the future use of each property.

2. POLICIES CONCERNING THE DISPOSITION OF PROPERTIES

The disposition of properties shall be based upon a combination of three different factors. The first factor involves the intended or planned use of the property. The second factor considers the nature and identity of the transferee of the property. The third factor addresses the impact of the property transfer on the short and long term neighborhood and community development plans. The disposition of any given parcel will be based upon an assessment of the most efficient and effective way to maximize the aggregate policies and priorities. The Board and staff of the Land Bank shall at all times retain flexibility in evaluating the appropriate balancing of the priorities for the use of property, priorities as to the nature of the transferee of properties, and priorities concerning neighborhood and community development.

A. Priorities for Use of Property:

1. opportunities for revitalization of deteriorating residential, retail and commercial neighborhoods;
2. creation of safe, decent and affordable housing for existing and future residents;
3. creation of retail and commercial areas on vacant or deteriorated properties within neighborhoods; public spaces and places for parks, green spaces and other public purposes;
4. creation or expansion of side yards with unimproved vacant lots in neighborhoods densely constructed, for the benefit of abutting owner-occupied residences;
5. the assemblage of property for future development in a manner consistent with the purposes of the city's consolidated plans, particularly in low to moderate income areas designated by the city as a target areas for revitalization;
6. space for use as urban agriculture, community gardens, or other similar uses consistent with healthy eating by residents, including restoring ground through alternative vegetative cover to build-back the soil for future use for food production;
7. public spaces and places for parks, green spaces and other public purposes;
8. wildlife conservation areas;
9. homeownership;
10. return of the property to productive taxpaying status;
11. land assemblage for economic development;
12. long term "banking" of properties for future strategic uses;
13. provision of financial resources to sustain the operations of the Land Bank to allow it to fulfill its responsibilities; and
14. supports the objectives of the City's 5-year Consolidated Plan and similar City plans.

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

B. Properties not to be listed for sale.

1. Parcels that are categorized for use under priorities numbered 5, 6, 7, 8, 11, 12 above may be listed as not for sale.
2. If any government agency certifies, in writing, that it is considering a parcel of property for one of the above uses and the property was not previously categorized for the use, it may be temporarily assigned the category for up to a ninety (90) day period for a final determination to be made. Unless the Board renews it, the temporary assignment will be removed and the property listed as available for sale.
3. Unusable property may be listed as not for sale, other than to owners of adjacent property.

C. Priorities as to the Nature of the Transferee

1. Qualified nonprofits corporations that will hold title to the property on a long-term basis (primarily rental properties) or hold title to the property for purposes of subsequent reconveyance to private third parties for homeownership.
2. Governmental entities.
3. Nonprofit institutions such as academic institutions and religious institutions.
4. Entities that are a partnership, limited liability corporation, or joint venture comprised of a private nonprofit corporations and a private for-profit entity.
5. Individuals who own and occupy residential property for purposes of the Side Lot Disposition Program.
6. Demonstration of capacity and resources to complete the project proposed for the property in question. For entities, this may include copies of financial audits and similar records demonstrating the necessary financial strength. For individuals, this may include evidence of access to financing or funding available for the project.
7. The transferee must not own any real property that is subject to any unremediated citation of violation of codes and ordinances.
8. The transferee must not own any real property that is tax delinquent or be delinquent in other taxes.
9. When required, entities must possess a Kansas City Business License.
10. Has not been convicted of crimes involving the sale of illegal drugs, prostitution, operating a nuisance business, and is not required to be registered as a sex offender.

D. Priorities Concerning Neighborhood and Community Development

1. The preservation of existing stable and viable neighborhoods.
2. Neighborhoods in which a proposed disposition will assist in halting a slowly occurring decline or deterioration.
3. Neighborhoods which have recently experienced or are continuing to experience a rapid decline or deterioration.

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

4. Geographic areas which are predominantly non-viable for purposes of residential or commercial development.
 5. Within and among each of the first four priorities shall be a concurrent priority for targeted geographic areas for which a qualified strategic development plan has been approved.
- E. Limit of five (5) contiguous parcels.** The Land Bank shall not sell more than five contiguous parcels to the same entity in the course of a year, provided however, the foregoing shall not apply to the conveyance of property pursuant to:
1. the Urban Redevelopment Corporation Law under Chapter 353 of the Missouri Statutes;
 2. the Planned Industrial Expansion Law under Chapter 100 of the Missouri Statutes;
 3. Chapter 68 of the Missouri Statutes applicable to the creation and powers of a port authority; or
 4. the Real Property Tax Increment Allocation Redevelopment Act, the Housing Authorities Law or the Land Clearance for Redevelopment Law, all under Chapter 99 of the Missouri Statutes.
- F. Public Review of Inventory.** The inventory of all real property held by the Land Bank will be made available on the Land Bank web site and information will include at a minimum:
1. Whether the parcel is available for sale;
 2. Address of the parcel, if one has been assigned;
 3. Parcel number; and
 4. Year that the parcel entered the inventory.
- G. Pricing of Properties for Sale.** The fair market value or appraised value of a parcel of property may be determined by:
1. Adopting the market value as determined by the County Assessor;
 2. Establishing a set value for unimproved vacant residentially zoned parcels in the same area, based on tiers of square footage and on market conditions for a specific property, to facilitate the use of such property for priority uses four (4) and six (6) of this section;
 3. Relying upon Land Bank or City staff input, which may be based on appraisals or valuations obtained for municipal purposes;
 4. A real estate broker's sale price summary of other comparable properties; or
 5. An appraisal, done by a licensed or certified appraiser pursuant to RSMo Chapter 339, holding a city issued business license, submitted by the person or entity with their offer, will be considered by the Land Bank, but is not determinative as to what constitutes a fair market value.

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

- H. Discounted pricing.** The requested price for properties shall be reduced when there are more than five (5) parcels of real property owned by the Land Bank for sale on a single city block and no written offer to purchase any of those properties has been submitted within the past twelve months. The reduced prices will be advertised publicly and on the Land Bank web site. Lists will also be provided at the Land Bank office. The reduced price amount must first be approved by the Board.

3. SIDE LOT DISPOSITION PROGRAM

Individual parcels of property may be acquired by the Land Bank, and transferred to individuals in accordance with the following policies. The transfer of any given parcel of property in the Side Lot Disposition Program is subject to override by higher priorities as established by the Land Bank.

A. Side Lot Disposition Policies

1. **Qualified Properties.** Residentially zoned parcels of property eligible for inclusion in the Side Lot Disposition Program shall meet the following minimum criteria:
 - a. The property shall be vacant unimproved real property less than 6,500 square feet in size.
 - b. The property shall be physically contiguous to adjacent owner-occupied residential property, with not less than a 75% common boundary line at the side.
 - c. The property shall consist of no more than one lot capable of development. Initial priority shall be given to the disposition of properties of insufficient size to permit independent development.
 - d. No more than one lot may be transferred per contiguous lot.
2. **Transferees.**
 - a. All transferees must own the contiguous property, and priority is given to Transferees who personally occupy the contiguous property.
 - b. The transferee must not own any real property (including both the contiguous lot and all other property in Kansas City) that is subject to any unremediated citation of violation of local codes and ordinances.
 - c. The transferee must not own any real property (including both the contiguous lot and all other property in Kansas City) that is tax delinquent.
 - d. The transferee must not have been the prior owner of any real property in Kansas City that was transferred to the Land Trust of Jackson County as a result of tax foreclosure proceedings unless the Land Bank approves the anticipated disposition prior to the effective date of completion of such tax foreclosure proceedings. An exception to this requirement may be granted by the Board after receiving a staff report describing the circumstances that lead to the foreclosure, the amount owed at foreclosure, and other liens or mortgages that were in place at the time.

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

3. Pricing

- a. Parcels of property that are between 2,500 and 6,000 square feet in size may be purchased for twenty percent (20%) of their county assessed value or \$75.00, whichever is greater. Parcels that are over 6,000 square feet may be purchased for \$.08 per square foot (6,000 sq ft = \$480).
- b. Parcels of property that are less than 2,500 square feet, landlocked, or otherwise determined to be unusable property may be transferred for \$1.00.

4. Additional Requirements

- a. As a condition of transfer of a lot the transfer must enter into an agreement that the lot transferred will be consolidated with the legal description of the contiguous lot through replatting or other acceptable method and not subject to subdivision or partition within a five year period following the date of the transfer. A reversionary provision will be included in the transfer documents to ensure this condition is satisfied.
- b. The transferee must also agree to a legal review of the succession plan for the property to determine the need for a beneficiary deed to ensure the deed to the property can be transferred to a responsible party upon the death of the current owner. The objective is to ensure the property does not later become abandoned.
- c. In the event that multiple adjacent property owners desire to acquire the same side lot, the lot shall be transferred to the highest bidder for the property.

B. Side Lot Disposition Procedures

1. The prospective buyer must submit the following documents to the Land Bank:
 - a. List of property address(es)
 - b. Project Description – property use must be consistent with current zoning requirements
 - c. A Picture Identification
 - d. Proof of Social Security Number
 - e. Evidence of compliance with all Land Bank Side Lot Disposition Policies
 - f. Payment of the application fee
2. Within a 30-day period of receiving a complete request packet, staff will complete a basic analysis and if approved, collect the required down payment and then present the offer to the Board or such other persons as designated by the Board for approval.

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

3. Once the project has been approved, staff will compile the closing documents for property transfer and complete the transaction with the buyer. Payment of the final balance owed must be paid using money order or cashier's check within 10 business days. If not paid, the down payment will be refunded and the property will be designated as available for sale to others. The buyer is responsible for the cost of recording the necessary documents and will pay the required amount at closing using money order or cashier's check.

4. RESIDENTIAL LAND TRANSFERS

These policies pertain to transfers whose future use is single-family residential. At time of transfer the property may be vacant, improved or ready to occupy.

A. Residential Land Transfer Policies

1. The transferee must not own any real property that has any unremediated citation of violation of local codes and ordinances.
2. The transferee must not own any real property that is tax delinquent.
3. The subject property must not have been used by the transferee or a family member of the transferee as his or her personal residence at any time during the twelve (12) months immediately preceding the submission of application (except in rental cases or tax foreclosure cases that have been granted an exception by the Board).
4. The transferee must not have been the prior owner of any real property that was transferred to Land Trust as a result of tax foreclosure proceedings unless the Land Bank approves the anticipated disposition prior to the effective date of completion of such tax foreclosure proceedings. An exception to this requirement may be granted by the Board after receiving a staff report describing the circumstances that lead to the foreclosure, the amount owed at foreclosure, and other liens or mortgages that were in place at the time.
5. All development projects should be started and completed within a time frame negotiated with Land Bank.
6. A precise narrative description of future use of the property is required.
7. Transactions shall be structured in a manner that permits the Land Bank to enforce recorded covenants or conditions upon title pertaining to development and use of the property for a specified period of time. Such restrictions may be enforced, in certain cases, through reliance on subordinate financing held by the Land Bank.
8. The transferee must agree to pay future property taxes from time of transfer.
9. If code or ordinance violations exist with respect to the property at the time of the transfer, the transfer agreements shall specify a maximum period of time for elimination or correction of such violations, with the period of time be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
10. The proposed use must be consistent with current zoning requirements or a waiver for non-conforming use is a condition precedent to the transfer.

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

11. The transferee must notify the registered neighborhood organization and provide an opportunity to comment on the proposed use whenever new construction, demolition, or a use other than the most recent use of the property is proposed. Contact information for the registered neighborhood organization may be obtained from the web site maintained by Neighborhoods and Housing Services. Land Bank staff must be copied on the notice to the neighborhood organization and the notice shall indicate that their comments may be directed to the office of the Land Bank.
12. Where rehabilitation of a property by the transferee is a condition of the transfer, the requirement for such rehabilitation shall be in accordance with rehabilitation standards as established by the Land Bank and adequate completion of such rehabilitation shall be a condition to the release of restrictions or lien securing such performance.
13. The owner-occupant must complete renovations and move into the structure within a time frame negotiated by the Land Bank.
14. The property may be used as rental property, provided the purchaser agrees to a condition to ensure the property is occupied within 30 days of completion of rehabilitation and that the purchaser immediately complies with the City's requirements for registering rental property. A condition will also be included to ensure the property is maintained in compliance with the City's codes and ordinances for at least a 5-year period.
15. Because owner-occupants receive a preference when selecting from offers received for a property, the owner-occupant must reside in the property as his or her primary residence for at least a 5-year period. If the property is sold prior to the 5-year period the transferee must sell the property for no more than the purchase price from the Land Bank plus all cost of property improvements plus a 5% annual inflation rate. Receipts will be required to verify the cost of property improvements.

B. Residential Land Transfer Procedures – Individual Transferees

1. The prospective transferee must submit the following documents to the Land Bank:
 - a. List of property address
 - b. Rehabilitation / Improvement Specifications
 - c. Time Line for Rehabilitation / Improvement Completion (if applicable)
 - d. Project Financing (Pre-Qualification Letter for Lender)
 - e. Development Budget (if applicable)
 - f. A Picture Identification
 - g. Proof of Social Security Number

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

- h. Payment of the application fee
2. Within a 30-day period of receiving a complete request packet, staff will complete a basic analysis and if approved, collect the required down payment and then present the offer to the Land Bank Board for approval.
3. Once the project has been approved, staff will compile the closing documents for property transfer and complete the transaction with the transferee. Payment of the final balance owed must be paid using money order or cashier's check within 10 business days. If not paid, the down payment will be refunded and the property will be designated as available for sale to others.

C. Residential Land Transfer Procedures – Corporate Transferees

1. Required Application Documentation. The prospective buyer must submit the following documents to the Land Bank.
 - a. List of property address(es)
 - b. Project Description
 - c. Development Team Description, including names and contact information for the following parties:
 - 1) *Developer:*
 - 2) *Co-developer/Partner:*
 - 3) *Owner:*
 - 4) *General Contractor:*
 - 5) *Consultants:*
 - 6) *Architect:*
 - 7) *Project Manager (during construction):*
 - 8) *Lead Construction Lender:*
 - 9) *Marketing Agent:*
 - 10) *Project Management (post-construction):*
 - d. Market Information / Plan
 - e. Project Financing
 - f. Development Budget
 - g. All Rental Transactions Must Attach an Operating Budget
 - h. Most Recent Audited Financial Statement
 - i. Evidence of compliance with all applicable Land Bank policies

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

2. Following receipt of a completed application, staff will complete a basic analysis and present it the Land Bank Board for approval.
3. Once the project has been approved staff will compile the closing documents for property transfer, and complete the transaction with the buyer.

5. MULTIFAMILY AND COMMERCIAL LAND TRANSFERS

These policies pertain to transfers of real property for which the intended future use is multifamily housing or non-residential. At time of transfer the property may be vacant, improved or ready to occupy.

A. Transfer Policies

1. The transferee must not own any real property that has any unremediated citation of violation of local codes and ordinances.
2. The transferee must not own any real property that is tax delinquent.
3. The transferee must not have been the prior owner of any real property in Kansas City that was transferred to Land Trust as a result of tax foreclosure proceedings unless the Land Bank approves the anticipated disposition prior to the effective date of completion of such tax foreclosure proceedings. An exception to this requirement may be granted by the Board after receiving a staff report describing the circumstances that lead to the foreclosure, the amount owed at foreclosure, and other liens or mortgages that were in place at the time.
4. All development projects should be started and completed within a time frame negotiated with the Land Bank.
5. A precise narrative description of future use of the property is required.
6. Transactions shall be structured in a manner that permits the Land Bank to enforce recorded covenants or conditions upon title pertaining to development and use of the property for a specified period of time. Such restrictions may be enforced, in certain cases, through reliance on subordinate financing held by the Land Bank.
7. The transferee must agree to pay future property taxes from time of transfer.
8. If code or ordinance violations exist with respect to the property at the time of the transfer, the transfer agreements shall specify a maximum period of time for elimination or correction of such violations, with the period of time be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
9. The proposed use must be consistent with current zoning requirements, or a waiver for non-conforming use is a condition precedent to the transfer.
10. The transferee must notify the registered neighborhood organization and provide an opportunity to comment on the proposed use whenever new construction, demolition, or a use other than the most recent use of the property is proposed. Contact information for the registered neighborhood organization may be obtained from the

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

web site maintained by Neighborhoods and Housing Services. Land Bank staff must be copied on the notice to the neighborhood organization and the notice shall indicate that their comments may be directed to the office of the Land Bank.

B. Transfer Procedures

1. Required Application Documentation. The prospective buyer must submit the following documents to the Land Bank:
 - a. List of property address(es)
 - b. Project Description
 - c. Development Team Description, including names and contact information for the following parties:
 - 1) *Developer:*
 - 2) *Co-developer/Partner:*
 - 3) *Owner:*
 - 4) *General Contractor:*
 - 5) *Consultants:*
 - 6) *Architect:*
 - 7) *Project Manager (during construction):*
 - 8) *Lead Construction Lender:*
 - 9) *Marketing Agent:*
 - 10) *Project Management (post-construction):*
 - d. Market Information / Plan
 - e. Project Financing
 - f. Development Budget
 - g. Operating Budget
 - h. Most Recent Audited Financial Statement
 - i. List of Potential Tenants and pre-lease agreements
 - j. Evidence of compliance with all applicable Land Bank policies
 - k. Payment of the application fee
2. Following receipt of a completed application, staff will complete a basic analysis and if approved, collect the required down payment and then present the offer to the Land Bank Board for approval.

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

3. Once the project has been approved staff will compile the closing documents for property transfer, and complete the transaction with the buyer. Payment of the final balance owed must be paid using money order or cashier's check within 10 business days. If not paid, the down payment will be refunded and the property will be designated as available for sale to others.

6. AGRICULTURAL, INDUSTRIAL, AND OTHER LAND TRANSFERS

These policies pertain to transfers of real property for which the intended future use is agricultural, industrial or not otherwise included elsewhere in the Policies and Procedures. At time of transfer the property may be vacant or improved.

A. Transfer Policies

1. The transferee must not own any real property that has any unremediated citation of violation of local codes and ordinances.
2. The transferee must not own any real property that is tax delinquent.
3. The transferee must not have been the prior owner of any real property in Kansas City that was transferred to Land Trust as a result of tax foreclosure proceedings unless the Land Bank approves the anticipated disposition prior to the effective date of completion of such tax foreclosure proceedings. An exception to this requirement may be granted by the Board after receiving a staff report describing the circumstances that lead to the foreclosure, the amount owed at foreclosure, and other liens or mortgages that were in place at the time.
4. All development projects should be started and completed within a time frame negotiated with the Land Bank.
5. A precise narrative description of future use of the property is required.
6. Transactions shall be structured in a manner that permits the Land Bank to enforce recorded covenants or conditions upon title pertaining to development and use of the property for a specified period of time. Such restrictions may be enforced, in certain cases, through reliance on subordinate financing held by the Land Bank.
7. The transferee must agree to pay future property taxes from time of transfer.
8. If code or ordinance violations exist with respect to the property at the time of the transfer, the transfer agreements shall specify a maximum period of time for elimination or correction of such violations, with the period of time be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
9. The proposed use must be consistent with current zoning requirements, or a waiver for non-conforming use is a condition precedent to the transfer.
10. If the property is located within the boundaries of a registered neighborhood organization, the transferee must notify the organization and provide an opportunity to comment on the proposed use whenever new construction, demolition, or a use other than the most recent use of the property is proposed. Contact information for

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

the registered neighborhood organization may be obtained from the web site maintained by Neighborhoods and Housing Services. Land Bank staff must be copied on the notice to the neighborhood organization and the notice shall indicate that their comments may be directed to the office of the Land Bank.

B. Transfer Procedures

1. Required Application Documentation. The prospective buyer must submit the following documents to the Land Bank:
 - a. List of property address(es)
 - b. Project Description
 - c. Development Team Description, including names and contact information for the following parties:
 - 1) *Developer:*
 - 2) *Co-developer/Partner:*
 - 3) *Owner:*
 - 4) *General Contractor:*
 - 5) *Consultants:*
 - 6) *Architect:*
 - 7) *Project Manager (during construction):*
 - 8) *Lead Construction Lender:*
 - 9) *Marketing Agent:*
 - 10) *Project Management (post-construction):*
 - d. Market Information / Plan
 - e. Project Financing
 - f. Development Budget
 - g. Operating Budget
 - h. Most Recent Audited Financial Statement
 - i. List of Potential Tenants and pre-lease agreements
 - j. Evidence of compliance with all applicable Land Bank policies
 - k. Payment of the application fee
2. Following receipt of a completed application, staff will complete a basic analysis and if approved, collect the down payment and present the offer to the Land Bank Board for approval.

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

3. Once the project has been approved staff will compile the closing documents for property transfer, and complete the transaction with the buyer. Payment of the final balance owed must be paid using money order or cashier's check within 10 business days. If not paid, the down payment will be refunded and the property will be designated as available for sale to others.

7. CONDITIONS THAT MAY BE PLACED ON SALES

A. General conditions

1. Purchaser will develop or renovate a property develop or renovate the property consistent with their plan incorporated into and a part of their accepted offer;
2. The obligations to pay:
 - i. outstanding real property taxes for any property owned by the recipient, or entities in common control with recipient, within the city, including but not limited to property acquired from the Land Bank,
 - ii. all installments of special assessment for public improvements then due and owing,
 - iii. any outstanding special assessments or liens imposed by the city for municipal services and/or property maintenance violations, and
 - iv. any unsatisfied fines or fees for property maintenance violations or previously issued administrative citations as issued by the city (collectively referred to as “financial obligations”).
3. The length of the secured pledge shall be for no more than a period of three years, provided the length will be automatically extended upon the then owner’s failure to develop or renovate the property, pay property taxes or other financial obligations to the city or maintain the property, with such extension being for whatever period necessary to exercise the Land Bank’s rights under such deed of trust or other pledge of collateral. The Land Bank is empowered to exercise any and all rights under any deed of trust or pledge of collateral as security.

B. Deed of Trust

1. A deed of trust gives the Land Bank the right to foreclose on a property if the buyer does not fulfill obligations contained within the document. The form to be used must be approved by the Board.
2. A deed of trust may be used when title is transferred to the purchaser while requirements of the sale remain unsatisfied. The deed of trust, which will be subordinate to the lender’s deed of trust, will allow for the Land Bank to foreclose and take back the property if the repairs are not completed. A deed of trust may also be used when a minimum period of owner occupancy is required.
3. A deed of trust may also be used when the Land Bank is financing the acquisition or wants to ensure required repairs are completed before title is transferred. The

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

buyer may be required to make a down payment, to pay installments towards an agreed upon purchase price, and/or complete agreed upon repairs or improvements. It may be used in situations where the buyer, who will occupy the property, cannot obtain conventional financing.

4. The term of the deed of trust shall not exceed 180 days when used to ensure repairs are completed, three (3) years for occupancy requirements, or 30 years for financing arrangements through the Land Bank.

C. Reversion Clause

1. A reversion clause is language contained within the deed that provides for ownership to revert back to the Land Bank if certain requirements are not satisfied. The language or form to be used must be approved by the Board.
2. A reversionary clause may be used when title to the property is being transferred to the buyer before required repairs are completed. The clause may contain an expiration date or the Land Bank may file a document releasing the reversionary clause following completion of repairs. A reversionary clause may also be used in transfers of unimproved properties to ensure requirements associated with maintenance, construction, lot combination, etc. are satisfied.
3. The period specified in a reversionary clause shall not exceed 180 days, except when used to ensure continued maintenance of unimproved properties. In those situations, the period shall not exceed five (5) years.

8. APPROVALS OF LAND TRANSFERS

A. Transfers Requiring Board Approval

1. The Board must approve all transfers:
 - a. that require any exceptions to policies and procedures adopted by the Board;
 - b. in which the property in the hands of the transferee will be exempt from property taxes;
 - c. that involve more than one interested party;
 - d. for non-residential projects;
 - e. to governmental entities;
 - f. involve conveyances from Community Development Corporations; or
 - g. involve properties with historical or special architectural characteristics.

B. Transfers Requiring Executive Director Approval

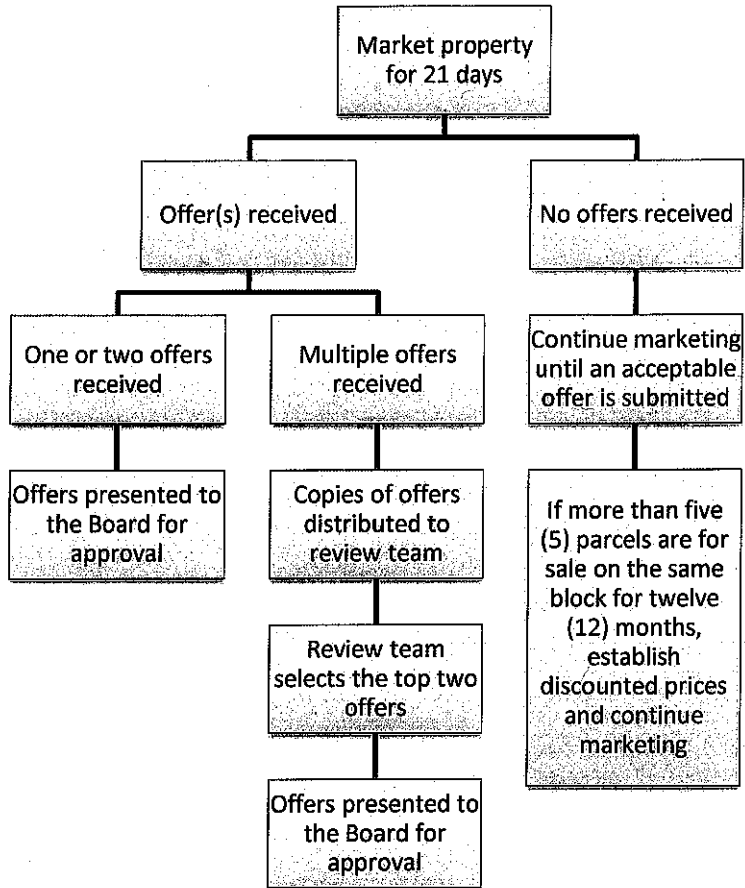
1. Reserved.

C. Procedure for Marketing and Selling Houses

1. The Board may appoint a review team to consider offers when there are more than two offers submitted for the same property. The review team will review the offers and select the top two for presentation to the Board for final selection and approval.
2. The marketing and approval procedure is shown in the flowchart on the next page.

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

MARKETING AND OFFER APPROVAL PROCEDURE



9. AGREEMENTS FOR TEMPORARY USE OF LAND

A. Adopt-A-Lot

1. The Executive Director may execute agreements for residents and organizations to participate in an Adopt-A-Lot program designed to encourage and support community-based greening and gardening of available vacant lots.
2. The agreements will expire on December 31 of the agreement year and renewable on March 1 of the next year if the lot has not been sold.
3. The lot will be available to be sold during the term of the agreement with the purchaser obtaining possession at the expiration of the agreement.
4. There will be no fee for adopting a lot.
5. The agreements will specify that the lot must be kept clean and that grass is mowed, or otherwise maintained in compliance with the Nuisance Code of Kansas City.
6. Participants must sign liability release waivers or add the KCMHA to their insurance policies.
7. The agreements will not permit building on the lot (including fences).

B. Lease-A-Lot

1. The Executive Director may execute lease agreements for residents and organizations to participate in a Lease-A-Lot program designed to encourage and support longer term community-based greening and gardening of available vacant lots.
2. The agreements will be for a 2-5 year term, with the option of purchasing the lot during the term of the lease.
3. The lot will not be available to be sold to another party during the term of the lease.
4. The cost of purchasing the lot during or at the end of the agreement may consider the value of maintenance of the lot provided during the lease period in accordance with policies of the KCMHA.
5. The agreements will specify that the lot must be kept clean and that grass is mowed, or otherwise maintained in compliance with the Nuisance Code of Kansas City.
6. Participants must sign liability release waivers or add the KCMHA to their insurance policies.
7. The agreements will permit minor building on the lot, which may include establishing a source of water, fences and small structures provided there is compliance with all zoning and building code requirements.

C. Suggested Uses of Property

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

1. The Guidebook for Infill Lot Improvement Strategies issued by the Neighborhoods and Housing Services Department provides examples for uses of vacant lots that will be acceptable under the above agreements.

**10. CONVEYANCES TO THE LAND BANK FROM COMMUNITY
DEVELOPMENT CORPORATIONS**

The Land Bank is willing to receive title to properties from community development corporations and other entities, and hold title to such properties pending future use by the Land Bank, by the transferor of the property, or by other third parties. The receipt by the Land Bank of any and all conveyances of real property shall at all times be solely within the discretion of the Land Bank, and nothing in this policy shall be deemed to require the Land Bank to take title to any properties nor to limit the discretion of the Land Bank in negotiating the terms of its acquisition of any property, whether as donative transfers or otherwise.

All conveyances received by the Land Bank must comply with the requirements set forth below in Part A, and will be reviewed and considered by the Land Bank in accordance with the procedures set forth in Part B. If the transfer is approved by the Land Bank, the Land Bank shall hold the subject property, and may use or convey the subject property or any interest in the subject project, subject only to the right of repurchase set forth in Part C.

Following the transfer of any properties to the Land Bank in accordance with this policy, the Land Bank shall have the right, but not the obligation, to maintain, repair, demolish, clean, and grade the subject property and perform any and all other tasks and services with respect to the subject property as the Land Bank may deem necessary and appropriate in its sole discretion.

A. Requirements for Conveyances to the Land Bank

1. Property that is intended to be conveyed to the Land Bank and to be held by the Land Bank in its Land Bank capacity shall be clearly designated as such in the proposal for the transfer, and in the records of the Land Bank.
2. No property shall be transferred to the Land Bank pursuant to this Land Bank policy unless the transferor is either a private nonprofit entity or a governmental entity.
3. The subject property must be located in Kansas City, Missouri.
4. The subject property must not be occupied by any party or parties as of the date of transfer to the Land Bank.
5. The subject property must, as of the date of the transfer to the Land Bank, be free of any and all liens for ad valorem taxes, special assessments, and other liens or encumbrances in favor of local, state or federal government entities.
6. The subject property must, as of the date of the transfer to the Land Bank, be free of all outstanding mortgages and security instruments.

B. Procedures for Conveyances to the Land Bank

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

1. The transferor of any proposed conveyance to the Land Bank in its Land Bank capacity shall prepare a written proposal containing the following information:
 - a. A legal description of the property.
 - b. A title report, or other similar evidence, indicating that the property is free of all liens and encumbrances specified in Part A.
 - c. A description of the transferor's intended uses of the property and the time frame for use and development of the property by the transferor.
 - d. The initial term of the agreement will be no longer than three (3) years and may be extended as provided in C.1. below. A plan and agreement for the continued maintenance of the property by the transferor during the three (3) year period of the right of repurchase.
2. Following receipt of the proposal, the Land Bank shall review the proposal and notify of the transferor of its approval or disapproval, and of any changes or additions that may be necessary as determined by the Land Bank in its sole discretion.
3. The transferor is responsible for paying fees associated with the recording of deeds and documents associated with the transfer.

C. Right of Repurchase by the Transferor

1. The transferor may have a right to repurchase the subject property from the Land Bank at any time within a period of three (3) years from the date of transfer to the Land Bank by giving notice to the Land Bank. The right to repurchase may be extended in three (3) year increments upon request and approval.
2. The right of repurchase may be exercised by the transferor upon payment to the Land Bank of the Purchase Price. The Purchase Price shall be an amount equal to:
 - a. all expenditures of the Land Bank (whether made directly by the Land Bank or through payments to a third party contractor) in connection with the subject property incurred subsequent to the date of conveyance to the Land Bank, and
 - b. an amount determined by the Land Bank as its average indirect costs, on a per parcel basis, of holding its portfolio of properties.
3. The Land Bank shall have the right, at any time within the three year period following the date of the original transfer or subsequent extensions, to require the transferor to exercise its right of repurchase by giving written notice to the transferor of the requirement that it exercise its right of repurchase and the amount of the Purchase Price. The transferor must exercise its right of repurchase, and close the reconveyance of the property within sixty (60) days of receipt of such notice. Failure of the transferor to exercise and close upon its right of repurchase within such period of time

LAND BANK OF KANSAS CITY, MISSOURI
POLICIES AND PROCEDURES
FOR THE ACQUISITION AND DISPOSAL OF PROPERTIES

shall result in a termination of all rights of repurchase with respect to the subject property.

11. TRANSFER OF REHABILITATED PROPERTIES

These policies apply to the disposition by the Land Bank of improved real property which is rehabilitated by or on behalf of the Land Bank prior to its disposition to a transferee.

A. Rehabilitation and Marketing

1. The Land Bank shall undertake, in its sole discretion, rehabilitation of properties prior to the transfer to third parties. The nature and extent of any such rehabilitation shall be determined by the Land Bank in its sole discretion.
2. At the commencement of rehabilitation a sign shall be placed on the property indicating that the property is owned by the Land Bank.
3. A real estate agent, or realtor, may be selected in accordance with Land Bank guidelines to assist in the marketing of the property. A listing agreement will normally be signed with such agent approximately two months prior to completion of the rehabilitation. Marketing of the property will normally commence at this point. The Land Bank will make available information on the property and on the procedures to be followed by parties interested in the possible acquisition of the property.

B. Sale of Rehabilitated Properties

1. A nonrefundable escrow deposit shall be required for all contracts for the disposition of property rehabilitated by the Land Bank. Such deposit shall be in an amount established by the Land Bank, but shall not be less than \$500 for a purchase price less than \$30,000, and \$1,000 for a purchase price greater than \$30,000.
2. A sales contract shall be submitted to the Land Bank for review, and must comply with all policies and procedures of the Land Bank. The sales contract shall not be binding upon the Land Bank until approved by the Board.
3. Closing of the transfer shall occur with the assistance of a title company selected and approved in accordance with the Land Bank guidelines.

12. ADMINISTRATIVE POLICIES

To facilitate the initial startup of operations, the Land Bank intends to enter into an agreement with the City of Kansas City, Missouri (City), for the provision of services related to the administration of the Land Bank. During this period of time, administrative policies of the City will be followed for procurement and contracting with the exceptions listed below.

A. Waiver of requirements.

1. Whenever City policy allows the city manager to waive a requirement involving contracting or procurement, that requirement can only be waived by the Board.

B. Procurement

1. Purchases of goods and supplies in amounts that exceed \$1,000.00 must be approved by the Board.

C. Contracts

1. All contracts for the ongoing provisions of services must be approved by the Board.