

DeKalb Regional Land Bank Authority Administrative Policies and Procedures

These policies and procedures are a consolidation of and codification of all prior policies and procedures of the DeKalb Regional Land Bank Authority (hereinafter “LBA”) and supersede all such prior policies and procedures. Notwithstanding the foregoing, these policies and procedures are intended solely for guidance purposes only and shall not be binding upon the LBA and its Board of Directors, and the LBA specifically reserves the discretion and authority to deviate from the policies and procedures contained herein as it deems necessary, provided that all such activities remain in compliance with applicable laws, regulations and ordinances.

Section 1. Role as a Public Authority.

1.1 Public Authority.

The DeKalb Regional Land Bank Authority (hereinafter, the “Land Bank”) is a public body corporate and politic established pursuant to and in accordance with O.C.G.A. § 48-4-100, et seq. (also known as the “Georgia Land Bank Act”), by operation of the Intergovernmental Agreement (the “IGA”) between DeKalb County (the “County”) and the City of Lithonia (the “City”), having an effective date of January 30, 2020. It is governed by a Board of Directors, with membership determined by the Bylaws.

1.2 Governing Authority.

The core governing documents of the LBA are O.C.G.A. § 48-4-100 et seq., the Intergovernmental Agreement (the “IGA”) between DeKalb County (the “County”) and the City of Lithonia (the “City”), having an effective date of January 30, 2020, and the By-laws.

1.3 Purposes.

The LBA is established to acquire tax delinquent properties, surplus properties of the local governments, and other properties in order to foster the public purpose of returning land which is in a nonrevenue-generating, nontax-producing status to an effective utilization status in order to provide affordable housing, new industry, and jobs for the citizens of DeKalb County which purpose includes but is not limited to 1. Economic Development, 2. Removal of Abandoned and/or Dilapidated Structures or Land, and 3. Creating additional housing.

Section 2. Priorities for Property Use.

2.1 Priorities for Use.

In accordance with state and local law, the LBA may consider any of the following priorities for use of property of the LBA including:

- a.) to make available its properties to the local governments for public use and ownership as determined by the local governments,
- b.) the production or rehabilitation of housing for persons with low or moderate incomes, with such definitions established by the Board of Directors on an annual basis,
- c.) the creation of greenspace which will increase quality of life,
- d.) to create opportunities for development that will bring the property into compliance with the applicable land use plans,
- e.) to enable nonprofit organizations to utilize the property in a way that will contribute to the quality of life of the county,
- f.) other community improvement purposes.

2.2 Priorities for Purpose.

These uses should be consistent with the following priorities: neighborhood revitalization; return of the property to productive tax-paying status; land assemblage for economic development; long-term “banking” of properties for future strategic uses; and provision of financial resources for operating functions of the LBA.

2.3 Neighborhood Consultation.

The LBA expects every applicant seeking to acquire property from the LBA to demonstrate prior consultation with neighborhood associations and nonprofit entities in the geographical location of the property.

Section 3. Priorities for Identity of Transferees.

3.1 Priority Transferees.

Except where limited by the terms of its acquisition, the first priority for use of real property held by the LBA shall be for conveyance to local government entities for public use. The Board of the LBA may also consider additional Transferees that the Board may designate as priority transferees.

The LBA may also, at its discretion, give priority to: nonprofit institutions such as academic institutions and religious institutions; entities that are a partnership, limited liability corporation, or joint venture comprised of a private nonprofit corporation and a private for-profit entity; and individuals who own and occupy residential property for purposes of the Side Lot Disposition Program.

3.2 Transferee Qualifications.

All applicants seeking to acquire property from the LBA, or to enter into transaction agreements with the LBA, will be required to provide as part of the application such information as may be requested by the LBA, including but not limited to (a) the legal status of the applicant, its organizational and financial structure, and (b) its prior experience in developing and managing real property.

3.3 Reserved Discretion.

The LBA reserves full and complete discretion to decline applications and proposed transaction agreements from individuals and entities that meet any of the following criteria:

- a.) failure to perform in prior transactions with the LBA,
- b.) ownership of properties that became delinquent in ad valorem tax payments and remain delinquent in ad valorem tax payments during their ownership,
- c.) parties that are barred from transactions with local government entities,
- d.) parties not able to demonstrate sufficient experience and capacity to perform in accordance with the requirements of the LBA,
- e.) ownership of properties that have any un-remediated citation for violation of state and local codes and ordinances, and
- f.) properties that 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).
- g.) inability to close within 60 days, or such other time period as the board determines is reasonable in a given transaction, of entering into a contract for acquisition of a land bank parcel.

Section 4. Priorities Concerning Neighborhood and Community Development.

The LBA reserves the right to consider the impact of a property transfer on short- and long-term neighborhood and community development plans. In doing so, the LBA may prioritize the following in any order in which it deems appropriate: the preservation of existing stable and viable neighborhoods; neighborhoods in which a proposed disposition will assist in halting a slowly occurring decline or deterioration; neighborhoods which have recently experienced or are continuing to experience a rapid decline or deterioration; geographic areas which are predominantly non-viable for purposes of residential or commercial development.

Section 5. Conveyances to the LBA.

5.1 Sources of Property Inventory.

Sources of real property inventory of the LBA include, but are not limited to, the following: (a) transfers from local governments, (b) acquisitions by the LBA at tax foreclosures (both judicial and non-judicial), (c) donations from private entities, (d) market purchases, (e) conduit transfers contemplating the simultaneous acquisition and disposition of property, and (f) other transactions such as land banking agreements. The Board of the LBA has the discretion to refuse the acceptance of any attempted conveyance to the LBA.

5.2 Policies Governing the Acquisition of Properties.

In determining which, if any, properties shall be acquired by the LBA, the LBA may give consideration to the following factors:

- a.) Proposals and requests by nonprofit corporations that identify specific properties for ultimate acquisition and redevelopment.
- b.) Proposals and requests by governmental entities that identify specific properties for ultimate use and redevelopment.
- c.) Residential properties that are occupied or are available for immediate occupancy without need for substantial rehabilitation.
- d.) 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.
- e.) Vacant properties that could be placed into a Side Lot Disposition Program.
- f.) Properties that would be in support of strategic neighborhood stabilization and revitalization plans.
- g.) Properties that would form a part of a land assemblage development plan.
- h.) Properties that will generate operating resources for the functions of the LBA.

5.3 Acquisitions through Delinquent Tax Enforcement Proceedings.

At the request of the LBA, the Tax Commissioner may combine properties from one or more of the foregoing categories in structuring the terms and conditions of the tax foreclosure procedures, and the LBA may acquire any such properties prior to sales, at such sales, or subsequent to sales as authorized by state and local law.

5.4 Transaction Agreements.

In all cases involving conduit transfers and land banking agreements, a transaction agreement must be approved in advance and executed by the LBA and the grantor of the property. In the case of conduit transfers such a transaction agreement will generally be in the form of an Acquisition and Disposition Agreement prepared in accordance with these Policies. In the case of a land banking relationship such a transaction agreement will generally be in the form of a land banking agreement prepared in accordance with these Policies. These transaction agreements shall be in form and content as deemed by the LBA to be in the best interest of the LBA, and shall

include to the extent feasible specification of all documents and instruments contemplated by the transaction as well as the rights, duties and obligations of the parties. The transaction agreements may also include descriptions of the projects under consideration, as well as all necessary construction documents and timeline requirements for the projects. The Board reserves the right to have these transaction agreements reviewed before approval by third-parties as the Board deems appropriate.

5.5 Title Assurance.

In all acquisitions of property by the LBA through transaction agreements the LBA generally requires a certificate of title based upon a full title examination and, in the case of Land Banking Agreements, a policy of title insurance insuring the LBA subject to such outstanding title exceptions as are acceptable to the LBA in its sole discretion.

5.6 Environmental Concerns.

The LBA reserves full and complete discretion to require in all transaction agreements that satisfactory evidence be provided to the LBA that the property is not subject to environmental contamination as defined by federal or state law.

Section 6. Conveyances from the LBA.

6.1 Covenants, Conditions and Restrictions.

All conveyances by the LBA to third parties shall include such covenants, conditions and restrictions as the LBA deems necessary and appropriate in its sole discretion to ensure the use, rehabilitation and redevelopment of the property in a manner consistent with the public purposes of the LBA. Such requirements may take the form of a deed creating a defeasible fee, recorded restrictive covenants, subordinate financing being held by the LBA, contractual development agreements, or any combination thereof.

6.2 Options.

Options are available for 10% of the parcel price for up to a 12-month period. This fee will be credited to the parcel price at closing. If closing does not occur, the fee is forfeited. All option agreements are subject to all policies and procedures of the LBA pertaining to property transfers.

6.3 Deed Without Warranty.

All conveyances from the LBA to third parties shall be by Quitclaim Deed, unless otherwise determined by the Board of Directors on a case by case basis.

Section 7. Collaboration with Non-Profit Entities.

7.1 LBA Discretion.

Some properties may present unusual or extenuating circumstances to a Non-Profit Entity due to lack of funding for housing production or related costs. The LBA reserves the right to evaluate and consider these properties case-by-case.

7.2 Transactions with Non-Profit Entities.

The LBA is willing to enter into conduit transfers with not-for-profit corporate entities as outlined in this section. These not-for-profit corporate entities would secure donations of or purchase tax delinquent properties from owners, transfer these properties to the LBA for waiver of taxes, and “buy back” these properties for use in affordable housing development.

7.3 The LBA may, in the sole discretion of the Board, agree to extinguish non-delinquent taxes which were the responsibility of the transferring Non-Profit Entity.

7.4 Documentation of Lot Purchase.

The applicant must document the purchase process extensively. This documentation should include, but is not limited to, the following information per parcel:

- a.) The total purchase price for the property, including the net proceeds paid or payable to the seller,
- b.) The total amount spent to acquire the property (e.g., legal counsel, administrative costs),
- c.) The development costs impacting the final sale price, and
- d.) The total amount of delinquent ad valorem taxes (including Consolidated Governments, School Districts, etc.), special assessments, and other liens and encumbrances against the property and the length of delinquency for each.

Section 8. Collaboration with For-Profit Entities.

8.1 LBA Discretion.

Some properties may present unusual or extenuating circumstances to a For Profit Entity due to lack of funding for housing production or related costs. The LBA reserves the right to evaluate and consider these properties case-by-case.

8.2 Transactions with For-Profit Entities.

The LBA is willing to enter into conduit transfers with for profit corporate entities as outlined in this section. The corporate entities would secure donations of or purchase tax delinquent properties from owners, transfer these properties to the LBA for waiver of taxes, and “buy back” these properties for use in affordable housing development.

8.3 Eligibility.

Eligibility for this option will be based on certain criteria. These shall include the geographical location of the property. With assistance and guidance from the LBA where appropriate, the For-Profit entity must identify and consult with any active non-profit entities that may have an interest in developing the property. If a mutual interest exists, the non-profit and for profit may forge an agreement for joint development.

8.4 Documentation of Lot Purchase.

The applicant must document the purchase process extensively. This documentation should include, but is not limited to, the following information per parcel:

- a.) The total purchase price for the property, including the net proceeds paid or payable to the seller;
- b.) The total amount spent to acquire the property (e.g., legal counsel, administrative costs, etc.);
- c.) The development costs impacting the final sale price; and
- d.) The total amount of delinquent ad valorem taxes (County, City, School District), special assessments, and other liens and encumbrances against the property and the length of delinquency for each.

Section 9. Property for Community Improvements.

9.1 Restrictive Covenants.

The LBA, in the conveyance of the property to a transferee, will impose covenants, conditions and restrictions as necessary to ensure that the property is used for community improvement or other public purposes.

9.2 Community Improvement Property.

The LBA is willing to accept donations of property to be transferred into a non revenue-generating, non tax-producing use that is for community improvement or other public purposes. Under the provisions of the governing documents of the LBA, the LBA is permitted to assemble tracts or parcels of property for community improvement or other public purposes.

9.3 Eligibility.

Properties can be conveyed to the LBA for waiver of delinquent taxes and then reconveyed by the LBA to be utilized for community improvement purposes including but not limited to community gardens, parking for non-profit functions such as a school or cultural center, or a playground for after-school or day care. The application must demonstrate that the proposed community improvements are consistent with the area redevelopment plans and community revitalization.

9.4 Transferee.

The application must identify and be signed by the ultimate transferee of the property from the LBA. The transferee should be a governmental entity, a not-for-profit property entity, or in rare cases a for-profit entity that is capable of holding and maintaining the property in the anticipated conditions and for the anticipated purposes.

Section 10. Side Lot Disposition Program

10.1 Side Lot Transfers.

Individual parcels of property may be acquired by the LBA, 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 LBA.

10.2 Qualified Properties.

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;
- 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; and
- d.) Unless otherwise determined by the Board of Directors in a given transaction, no more than two lots may be transferred per contiguous lot.

10.3 Side Lot 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 the County) that is subject to any un-remediated citation of violation of the state and local codes and ordinances.

- c.) The transferee must not own any real property (including both the contiguous lot and all other property in the County) that is tax delinquent.
- d.) The transferee must not have been the prior owner of any real property in the County that was transferred to a local government as a result of tax foreclosure proceedings unless the LBA approves the anticipated disposition prior to the effective date of completion of such tax foreclosure proceedings.

10.4 Pricing.

- a.) Parcels of property that are not capable of independent development may be transferred for nominal consideration.
- b.) Parcels of property that are capable of independent development shall be transferred for consideration in an amount not less than the amount of the costs incurred in acquisition, demolition and maintenance of the lot.

10.5 Additional Requirements.

- a.) As a condition of transfer of a lot the transferee must enter into an agreement that the lot transferred will be consolidated with the legal description of the contiguous lot, and not subject to subdivision or partition within a five year period following the date of the transfer.
- b.) In the event that multiple adjacent property owners desire to acquire the same side lot, the lot shall either be transferred to the highest bidder for the property, or divided and transferred among the interested contiguous property owners.

Section 11. Approval of Property Transfers.

11.1 Transfers Requiring Board of Directors Approval:

The Board of Directors must approve all property transfers in advance.

11.2 Review of Approval Authority.

The LBA Board reserves the right to create, review, and/or revise the process by which property transfers are considered.

Section 12. Interpretations of Policies and Procedures & Revisions.

12.1 Interpretations.

The LBA Board shall have the sole authority to interpret these policies and procedures, and may adopt additional internal administrative guidelines to clarify, expand, or provide further detail on any of the policies contained herein. Any such internal administrative guidelines must be in writing and must not contradict these policies and procedures.

12.2. Revisions.

These policies and procedures will be revised as needed and adopted by the LBA's Board of Directors. The LBA will maintain a record of all policies and procedures it has adopted and the date revised policies were adopted.

Adopted on October 13, 2022, to be Effective on November 16, 2022.