

LITTLE ROCK
LAND BANK COMMISSION

PRIORITIES AND POLICIES
FOR
PROPERTY ACQUISITION AND DISPOSITION

As approved by the Board of Directors on:

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The acquisition and disposition of properties acquired by the Little Rock Land Bank Commission (the "LBC") shall be guided by the following these basic Priorities and Policies. These Priorities and Policies also establish procedures for LBC staff (the "Staff") to administer applications for acquisition and disposition of LBC properties. Any applicant who applies for acquisition of LBC property and has their application denied by Staff may appeal the denial to the LBC by submitting, within thirty (30) days of notice from Staff to the applicant of the denial of their application, a letter stating their desire to appeal Staff's decision to the LBC Board.

The acquisition, use, and disposition of such properties shall at all times be consistent with the authority granted by the Constitution of Arkansas, the laws of the State of Arkansas, the Ordinance No.19.911 by the City of Little Rock, the articles of incorporation and bylaws of the LBC, and the public purposes set forth therein. If there is any conflict between Ordinance No. 19.911 by the City of Little Rock, the articles of incorporation and bylaws of the LBC and these Priorities and Policies then these Priorities and Policies shall be interpreted in such a way that they do not limit or restrict the authority of the LBC. These Policies and Procedures are guidelines to be followed by City Staff.

1. Policies Governing the Acquisition of Properties

In determining which, if any, properties shall be acquired by the LBC, the LBC shall give priority to properties located in focus neighborhoods, as determined by the LBC, and shall give consideration to the following factors:

1. Proposals and requests by nonprofit corporations that identify specific properties for ultimate acquisition and redevelopment.
2. Properties that are subject to a City lien for code violations, and can be foreclosed on by the City.
3. Proposals and requests by governmental entities that identify specific properties for ultimate use and redevelopment.
4. Proposals and request by private developers that identify specific properties for acquisition and redevelopment.
5. Input from citizens and neighborhoods.
6. Properties that are considered vacant and abandoned property.
7. Properties that are delinquent on their ad-valorem real property taxes.
8. Properties that are environmentally contaminated where funds have been secured for the clean-up and reuse of the property.
9. Properties that are available through donation by a private owner.
10. Properties that are bank-foreclosed.

11. Properties that would allow for the creation or expansion of green space.
12. 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.
13. Non-conforming, undevelopable vacant properties for which the best use would be to place the property into the Side lot Disposition Program.
14. Properties that would form a part of a contiguous or scattered land assemblage development plan.
15. Properties that will result in planned development that benefits the community.

2. Priorities Concerning the Disposition of Properties

The disposition of properties shall be based upon a combination of three 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 priorities in each factor are not in any particular rank or order.

The disposition of any given parcel will be based upon an assessment of the most efficient and effective way to maximize the benefit to the community. The LBC Board and Staff of the LBC 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.

Priorities for Use of Property

1. Develop affordable housing
2. Support homeownership
3. Market rate housing development
4. Social service providers
5. Side lots
6. Development of public green space (parks and gardens)
7. Retail and commercial development
8. Multi-family rental development
9. Tax-exempt institutions
10. Development of rental housing

11. Public uses and buildings
12. Planned Unit Development (ownership)
13. Historic preservation

Priorities as to the Nature of the Transferee

1. Individual homeowners
2. Non-profit developers
3. Educational institutions
4. Government
5. Tax-exempt institutions
6. For-profit residential developers
7. Multi-lot developer
8. Corporations, business, retail, etc.
9. Side lot candidates

3. Factors in Determining Consideration Due Upon Transfers

The following factors shall constitute general guidelines for determination of the consideration to be received by the LBC for the transfer of properties. In each and every transfer of real property, the LBC shall require good and valuable consideration in an amount determined by the LBC in its sole discretion on a case-by-case basis, but subject to the minimum price stated below. The LBC will consider both the fair market value of the property and the Property Costs in its determination of consideration for each property. "Property Costs" shall mean the aggregate costs and expenses of the LBC attributable to the specific property in question, including costs of acquisition, maintenance, repair, demolition, marketing of the property and indirect costs of the operations of the LBC allocable to the property.

- 1) Consideration shall be established at a level between the Property Costs and fair market value of the property.
- 2) The consideration to be provided by the transferee to the LBC may take the form of cash, deferred financing, performance of contractual obligations, imposition of restrictive covenants, or other obligations and responsibilities of the transferee, or any combination thereof. At no time shall a property be conveyed for less than \$1,000 per parcel.

4. Side Lot Disposition Program

Individual parcels of property may be acquired by the LBC 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 LBC on a case-by-case basis.

A. Side Lot Disposition Policies

1. Qualified Residential Properties. Parcels of property eligible for inclusion in the Side Lot Disposition Program shall meet the following minimum criteria (a "Side Lot"):

- (a) The property shall be vacant unimproved real property.
- (b) The property shall be physically contiguous on one side lot line to another owned by transferee (left or right).
- (c) The Side Lot property shall have characteristics which make redevelopment as single family housing unfeasible (such as lot size or topography).
- (d) No more than one lot may be transferred per contiguous lot.
- (e) Intended use for lot is disclosed.
- (f) The transfer shall include a deed restriction requiring the use of the property to be consistent with the stated use.

2. Transferees

- (a) All transferees must hold title and occupy the contiguous property.
- (b) The transferee must not own any real property (including both the contiguous lot and all other property in Little Rock) that is subject to any unremediated 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 Little Rock) that is tax delinquent.
- (d) The transferee must not have been the prior owner of any real property that has been lost for unpaid taxes within the past 3 years, as an individual or an entity, without prior approval of the LBC Board at its sole discretion.

3. Pricing

- (a) Properties sold as a side lot to an adjacent owner shall be priced at not less than \$500, plus any applicable fees.

4. Additional Requirements

- (a) 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.

5. Land Transfers

A. Land Transfer Policies

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

- 1 The transferee must not own any real property that has any unremediated citation of violation of the State and local codes and ordinances.
- 2 The transferee must not own any real property that is tax delinquent
- 3 The transferee may not have lost title to property due to nonpayment of taxes within the past 3 years, as an individual or as an entity, without prior approval of the LBC Board at its sole discretion.
- 4 Transactions shall be structured in a manner that permits the City of Little Rock to enforce recorded covenants or conditions upon title pertaining to development and use of the property for a specified period of time.
- 5 The proposed use must be consistent with current zoning requirements. The LBC may grant an applicant permission to seek rezoning from the Little Rock Planning Commission.
- 6 Where rehabilitation or development of a property by the transferee is a condition of the transfer, the requirement for such development or rehabilitation shall be in accordance with the transfer agreement and adequate completion of such development or rehabilitation shall be a condition to the release of restrictions or lien securing such performance.
- 7 The Land Bank Commission may grant an option to purchase property to a potential transferee. Options to purchase more than 3 properties by a single purchaser within one calendar year must be approved by the Land Bank Commission.
- 8 The proposed use of the property must comply with any neighborhood redevelopment plan adopted by the City of Little Rock that applies to the property.
- 9 To the extent possible, the proposed purchaser shall provide evidence that they have consulted with any neighborhood organization in the area and solicited comment on the planned use of the property.
- 10 All applicants must be residents of the City of Little Rock or have a principle place of business in the City of Little Rock. If applicant does not meet this requirement, applicant may take application to the Land Bank Commission to seek an exception.

- 11 The purchaser of any property from the LBC must also comply with any applicable restrictions on the use of the property resulting from federal, state, or local programs in which the LBC participates (e.g. – Community Development Block Grants).

6. Donations

A. Donated Property Policies

- 1 Properties with adverse environmental conditions will not be accepted without a satisfactory, funded plan for remediation approved by the LBC Board which meets the standards set by the Arkansas Department of Environmental Quality.
- 2 Properties with immediate maintenance requirements will not be accepted without a funding source secured for such maintenance.
- 3 The LBC will not determine donation value for the purpose of tax benefits, but will provide a letter describing the property donated.
- 4 The LBC will only accept donated properties located within a neighborhood of focus.
- 5 The LBC reserves the right to refuse to accept any property offered for donation at its sole discretion.

B. Donated Property Procedures

- 1 Donor of property will place the deed to property in escrow while LBC determines the feasibility of accepting ownership of the property.
- 2 LBC will complete a comprehensive analysis of the property to be donated which will include the following information:
 - a. Determine the fair market value of the property.
 - b. Determine if there are any environmental concerns.
 - c. Determine if there are any outstanding liens or title issues.
 - d. Determine the initial maintenance cost (boarding, demolition, mowing, etc. . .)
 - e. Determine any on-going maintenance costs.
 - f. Determine the condition of the surrounding neighborhood.
- 3 Staff will present the report to the full LBC for approval.