

Agenda Packet

NORTHEAST NEBRASKA REGIONAL LAND BANK MEETING

Monday, March 25, 2024
12:00 p.m.

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**NOTICE OF MEETING
CITY OF NORFOLK, NEBRASKA**

NOTICE IS HEREBY GIVEN that a meeting of the Northeast Nebraska Regional Landbank Board, will be held at 12:00 p.m. on Monday, March 25, 2024, in the Norfolk Public Library, 308 W Prospect Ave, which meeting will be open to the public.

An agenda for such meeting, kept continually current, is available at the City of Norfolk Administration Building, located at 309 N 5th Street, Norfolk, Nebraska during normal business hours.



AGENDA

NORTHEAST NEBRASKA REGIONAL LAND BANK MEETING

March 25, 2024

CALL TO ORDER

1. 12:00 p.m. Call meeting to order.
2. Inform the public about the location of the Open Meetings Act posted in the Norfolk Public Library and accessible to members of the public
3. Roll call.

CURRENT BUSINESS

4. Approval of full agenda. **Motion**
5. Consideration of approval of the minutes of the February 26, 2024 meeting. **Motion**
6. Consideration of approval of the acquisition, maintenance, and disposition policy. **Motion**
7. Consideration of approval of the Real Estate Purchase Agreement for the property at 110 S 9th St, Norfolk, NE. **Motion**

OTHER BUSINESS

8. Discussion on the Annual Tax Certificate Sale in Madison County and going forward with non-purchased tax certificate parcels.
9. Open topics on any concerns the Board has towards current and future planning for the Land Bank. No action can be taken on matters discussed.

**Northeast Nebraska
Regional
Land Bank**

1310 W Norfolk Ave, Suite D
Norfolk, NE 68701
P402-844-2080 F402-844-2089
www.norfolkne.gov

The Board of Directors of the Northeast Nebraska Regional Land Bank held a board meeting Monday, February 26, 2024, at 12:00 P.M. at the Norfolk Public Library, 308 W Prospect Avenue, Meeting Room A, Norfolk, Nebraska.

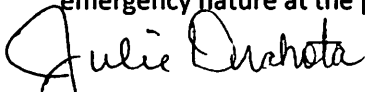
1. Call the meeting to order and Inform the public about the location of the Open Meetings Act posted in the Norfolk Public Library, Meeting Room A, and accessible to members of the public.
2. Roll Call. The following board members were present: Brian Lundy, John Kouba, Rob Merrill, Randy Wilcox, Rod Johnson, Soshia Bohn, Mayra Mendoza, Juan Sandoval Absent: Benjamin Temple Others present included: Val Grimes, City of Norfolk Director of Planning & Development; Myron Wasson, Village of Hadar; Gary Bretschneider, City of Norfolk Executive Director; Julie Drahota, City of Norfolk Housing Program Manager, 1 from the public
3. A motion was made by Randy Wilcox, seconded by Soshia Bohn to approve the agenda as presented. AYES: Lundy, Kouba, Merrill, Wilcox, Johnson, Bohn, Mendoza, Sandoval NAYS: None Motion carried.
4. Discussion was held on approval of the January 22, 2024 meeting minutes. A motion was made by Rod Johnson, seconded by Juan Sandoval to approve the January 22, 2024 meeting minutes. AYES: Lundy, Kouba, Merrill, Wilcox, Johnson, Bohn, Mendoza, Sandoval NAYS: None Motion carried.
5. Discussion was held on consideration of approval of a temporary acquisition policy for the Annual Tax Certificate Sales in Madison and Pierce Counties. The first Monday of March is the day you can register for \$25 and purchase tax certificates in all counties in Nebraska. See if there are any potential parcels to purchase in Norfolk or Hadar. The first week of May the first parcels go up for auction. Our budget is \$7,000 and you would maintain the parcels for 3 years. If the parcels sit for a year you get the interest back. This is within our Mission Statement and it's a temporary policy to see how this first year goes and we can make changes as we need to. A motion was made by John Kouba, seconded by Mayra Mendoza to approve the temporary acquisition policy for the Annual Tax Certificate Sales in Madison and Pierce Counties. AYES: Lundy, Kouba, Merrill, Wilcox, Johnson, Bohn, Mendoza, Sandoval NAYS: None Motion carried.
6. Discussion was held on authorization of land bank staff to pursue tax certificate sales in Madison and Pierce counties. No other discussion was held after reviewing the previous agenda item. A motion was made by Juan Sandoval, seconded by Rod Johnson to approve the authorization of land bank staff to pursue tax certificate sales in Madison and Pierce counties. AYES: Lundy, Kouba, Merrill, Wilcox, Johnson, Bohn, Mendoza, Sandoval NAYS: None Motion carried.
7. Discussion was held on authorization of land bank staff to pursue the 501 (c)(3) status. It's advantageous to allow individuals to donate and receive a tax break for their tax situation. These individuals would receive a Certificate to give to their accountants. We would file with the Secretary of State and then get IRS approval. We don't want to have anything to do with the valuation of the property. No dollar amount will be listed on



the certificate. We have to set our own inventory value. We do not have to take donated property if we don't approve. A motion was made by Mayra Mendoza, seconded by Soshia Bohn to approve land bank staff to pursue the 501 (c)(3) status. AYES: Lundy, Kouba, Merrill, Wilcox, Johnson, Bohn, Mendoza, Sandoval NAYS: None Motion carried.

8. Discussion was held on approval of the land bank flyer to be utilized for promotional purposes. Any comments or changes to the flyer. There were suggestions to change the heading to bright blue or red ink. Make the photo on the back smaller and add something that says, "why the land bank is good for the public". Also where to find additional information on the website. Make a file available for the annual report. Check with Marathon Press for price costs with some thicker paper. In the future make it a tri-fold brochure. It was suggested to make these changes and email the board for approval so it is ready to hand out at the Home Show on March 15-17th. A motion was made by Mayra Mendoza, seconded by Juan Sandoval to approve the flyer with the revisions suggested. AYES: Lundy, Kouba, Merrill, Wilcox, Johnson, Bohn, Mendoza, Sandoval NAYS: None Motion carried.
9. Discussion was held on potential acquisition (donation) of 110 S 9th Street. This property is a 2 story house that has been yellow/red tagged for awhile that was broken into, unsecured, and water running. It is zoned R-2 or R-3. It was built in the early 1900s. There is a large tree over the house with power lines in the alley. Could cost approximately \$20,000 to take down and a check would be done for asbestos. The City Attorney is speaking to them about donating the property. Hopefully this will be brought to the next meeting.
10. Discussion was held on adding the Land Bank audit to the City of Norfolk's audit. Randy Gates is looking into this. A staff memo was provided and it is not time sensitive. Gary checked with the Norfolk Housing Agency's auditor and he quoted a price of \$5,000-10,000.
11. Lunch will not be provided in the future because of the cost to the Land Bank.
12. The meeting was adjourned at 12:41 P.M. by the Chair.

The Northeast Nebraska Regional Land Bank shall have the right to modify the agenda to include items of an emergency nature at the public meeting as outlined in Section 84-1, 411 Revised Statutes of Nebraska.


Julie Drahota
Secretary

Northeast Nebraska Regional Land Bank



Northeast Nebraska Regional Land Bank

Board Of Directors

Policies And Procedures

Acquisition, Maintenance, and Disposition of Real Property

As Approved and Adopted by The Board of Directors

on March 25, 2024

The acquisition, maintenance, and disposition of properties owned by the Northeast Nebraska Regional Land Bank (hereinafter “NNRLB”) shall be governed by the following Policies and Procedures:

Article I. Role as a Public Authority.

1.1 Public Authority. The NNRLB is a public corporation acting in a governmental capacity, authorized under Nebraska law, with all the powers granted by Neb. Rev. Stat. §§ 18-3401 *et seq.* (hereinafter the “Nebraska Municipal Land Bank Act”) and created by the City of Norfolk and Village of Hadar. It is governed by a Board of Directors appointed by Mayor of the City of Norfolk and confirmed by a two-thirds vote of the city council.

1.2 Governing Authority. The core governing documents of the NNRLB are the Nebraska Municipal Land Bank Act, the Interlocal Agreement dated December 18, 2023, Norfolk City Ordinance #5861 dated December 18, 2023, the NNRLB By-Laws, and those Policies and Procedures approved and adopted by the NNRLB Board of Directors now and in the future.

1.3 Purposes. The NNRLB was established to acquire, hold, and transfer interest in real property located within the boundaries of the City of Norfolk and Village of Hadar for the following purposes: To turn vacant, abandoned and tax-delinquent properties into affordable, habitable properties that enhance community pride, create additional tax revenue and support our most vulnerable neighborhoods and citizens. In accordance with the Nebraska Municipal Land Bank Act, these acquisition, maintenance, and disposition Policies and Procedures and all Policies and Procedures of the NNRLB shall support the primary goal of facilitating the return of vacant, abandoned, and tax delinquent properties to productive use.¹

Article II. NNRLB Authority

2.01 Delegated Authority. Unless otherwise provided in these Policies and Procedures, the Board of Directors of the NNRLB delegates to the NNRLB

¹ See Neb. Rev. Stat. § 18-3402.

Executive Director or NNRLB staff under the supervision of the NNRLB Executive Director the authority:

- A. To receive and execute offers to purchase property on behalf of the NNRLB subject to Board of Directors approval;
- B. To contract with third parties on behalf of the NNRLB in accordance with these Policies and Procedures;
- C. To determine the sales value of a property offered and/owned by the NNRLB within the guidelines of these Policies and Procedures;
- D. To determine the potential for renovation of a structure; and
- E. To expend NNRLB funds to achieve property acquisitions and dispositions consistent with its approved annual budget;

The authority provided in this Article may only be exercised consistent with these Policies and Procedures. The action of an NNRLB staff member inconsistent with these Policies and Procedures will have no effect unless ratified by the Board of Directors of the NNRLB. Exceptions to these Policies and Procedures may be approved by the Board of Directors after a complete presentation by the NNRLB staff.

2.02 Authority for Disposition of Properties Based on Value

- A. Value of more than \$1,000.** The sale, lease, encumbrance, or alienation of real property or improvements thereon, with a value of more than \$1,000, shall occur only upon the approval of a majority of the voting members of the board. For purposes of this policy, "value" shall mean fair market value. Upon such board approval, the executive director or their designee shall be authorized to enter into and execute agreements, instruments of conveyance, and all other related documents pertaining to the conveyance of real property or improvements by the land bank.²
- B. Value of \$1,000 or less.** The executive director shall have the authority to enter into and execute agreements, instruments of conveyance, and all other related documents pertaining to the sale, lease, encumbrance, or alienation of real property or improvements thereon with a value of \$1,000 or less, without need for board approval.³

Article III. Acquisition of Real Property

3.01 General Considerations for Parcel Acquisition. The NNRLB may acquire improved or unimproved, vacant, abandoned, and tax-delinquent property to further its mission. In determining whether to acquire a property, the NNRLB may prioritize those properties that meet one or more of the following criteria which are listed in no particular order:

- A. In neighborhoods with an active neighborhood plan or plans, developed with direct input from neighborhood residents, organizations, and institutions;

² Neb. Rev. Stat. § 18-3405 (9)(e).

³ Neb. Rev. Stat. § 18-3405 (9)(e).

- B. In neighborhoods that are historically impoverished, and where an investment will support housing and economic development opportunities for residents with low to moderate income levels, including incomes less than 80% of Area Median Income as defined by the U.S. Department of Housing and Urban Development;
- C. Where the targeted elimination of blight will make an impact on the overall stability of the neighborhood and community;
- D. Where unrestricted dollars can bridge funding gaps to stabilize neighborhoods and preserve property values;
- E. Where an investment will support mixed-use development; or
- F. Where an investment will leverage funds from existing federal, state, or local housing programs.
- G. Where there is a Qualified End User committed to purchasing and developing the property;
- H. Where there is a prospective end user, neighborhood resident, local governmental entity, community stakeholder, or other interested party who has requested that the NNRLB review the property for acquisition;
- I. Where the redevelopment of the property will support strategic development efforts, is likely to act as catalyst for further development, or is part of a comprehensive development plan;
- J. Where acquisition will support public infrastructure and green space development;
- K. Where acquisition will help create or preserve homeownership opportunities;
- L. Where there is an existing market for the property, but title issues prevent the property from being developed to its highest and best use;
- M. Where acquisition of the property will help fulfill an existing plan for historic preservation; and/or
- N. Where acquisition of the property will further the NNRLB's mission and the NNRLB has the resources to maintain and market the property.

3.02 Pre-Acquisition Considerations

- A. The NNRLB will assess the condition, marketability, potential holding and maintenance costs, and possible end users of every property prior to acquisition. When possible, the NNRLB will conduct a complete condition assessment of all structures prior to acquisition.
- B. Prior to acquisition, the NNRLB will ensure that it has available funds to hold and maintain the property for an extended ownership period.
- C. The NNRLB may generally only acquire property that has clear and marketable title, except for delinquent property taxes or special assessments which may be abated under Nebraska law. The NNRLB may, on a case-by-case basis with approval of the Board of Directors and in accordance with the priorities identified in these Policies and Procedures, consider acquisitions of property with a clouded title.
- D. If a property is in a local historic district, the NNRLB will endeavor to communicate with the appropriate historic commission to determine potential disposition options prior to acquisition.

3.03 Post-Acquisition Considerations

- A. Upon acquiring or inventorying any property, the NNRLB will do the following: conduct a complete condition assessment (if not already conducted), notify insurance carrier to add property to the insurance schedule, secure the

property, add the property to its maintenance schedule, and prepare a marketability assessment for the property.

- B. As soon as practical, the NNRLB may move forward with property disposition, demolition, or marketing following acquisition.
- C. Upon acquiring or inventorying a property, the NNRLB will make its inventory/ownership known to the public. If the NNRLB has been in contact with a prospective end user, neighbor, community-based organization, or other interested party prior to acquisition, it will communicate its inventory/ownership of the property to the interested party or parties.

3.04 Acquisition from the Madison and Pierce Counties Annual Tax Certificate Sales

- A. The NNRLB may participate in Madison and Pierce Counties' annual tax sales held on the first Monday of March pursuant to Nebraska Revised Statute § 77-1801 et seq.
- B. The NNRLB may bid at the sales as a regular bidder at the discretion of the Executive Director.
- C. Upon the expiration of three years from the date of purchase, the NNRLB may foreclose on all remaining unredeemed tax certificates pursuant to Nebraska Revised Statute § 77-1902, et seq.
- D. The NNRLB may take a deed from the property owner in lieu of foreclosure if there are no other liens against the property that cannot be abated through resolution of the Board.
- E. Upon acquisition after the confirmation of the sheriff's sale of the property Nebraska Revised Statute § 77-1913 or a deed in lieu of foreclosure, and upon appropriate resolution of the Board, the NNRLB shall request that the County Treasurer exempt the property from future taxes and assessments for the entire period the NNRLB owns the property.

3.05 Acquisition from the Madison and Pierce Counties Private Tax Certificate Sales

- A. The NNRLB may participate in private tax sales in Madison and Pierce Counties pursuant to Nebraska Revised Statute § 77-1801 et seq.
- B. The NNRLB may bid at the sales as a regular bidder at the discretion of the Executive Director, and following preapproval from the Board.
- C. After the acquisition of a tax sale certificate through the private tax lien sale and after the redemption period has expired, the NNRLB may file a tax foreclosure action pursuant to Nebraska Revised Statute § 77-1902, et seq.
- D. The NNRLB may take a deed from the property owner in lieu of foreclosure if there are no other liens against the property that cannot be abated through resolution of the Board.

- E. Upon acquisition after the confirmation of the sheriff's sale of the property pursuant to Nebraska Revised Statute § 77-1913 or a deed in lieu of foreclosure, and upon appropriate resolution of the Board, the NNRLB shall request that the County Treasurer exempt the property from future taxes and assessments for the entire period the NNRLB owns the property.

3.06 Acquisition through Interlocal Agreement with Madison and Pierce Counties

- A. The NNRLB will regularly be in contact with the Madison and Pierce County Treasurers and Madison and Pierce County Attorneys' offices to strategically coordinate acquisition of property through the tax foreclosure process thru an interlocal agreement or agreements between the NNRLB and Madison and Pierce County, Nebraska as provided for in the Interlocal Cooperation Act of Nebraska.
- B. When a property is eligible under Nebraska law and is an acquisition priority for the NNRLB, the NNRLB will coordinate with the Madison and Pierce County Treasurers and Madison and Pierce County Attorneys' offices to investigate and file a tax foreclosure action through the Madison and Pierce County District Courts.
- C. Upon acquisition after completion of the tax foreclosure and adoption of appropriate Board resolution, the NNRLB will instruct the Madison and Pierce County Treasurers' offices to remove all existing delinquent taxes, assessments, charges, penalties, and interest, and exempt the property from future taxes and assessments for the entire period the NNRLB owns the property.

3.07 Acquisition through Donation

- A. The NNRLB may generally only acquire property that has clear and marketable title, except for delinquent property taxes or special assessments which may be abated under Nebraska law. The NNRLB may acquire a property by private donation if clean, marketable title has been verified. On a case-by-case basis, upon Board of Directors Approval and in accordance with the priorities in these Policies and Procedures, the NNRLB may accept property donations that require NNRLB investment to clear title upon transfer. The NNRLB may require prospective donors to provide at the donor's expense a competent title examination prior to acquisition.
- B. The NNRLB will conduct a complete condition assessment of any property before acquiring the property through private donation.
- C. If requested by the donor, the NNRLB, as an eligible charitable organization, will acknowledge the donation. The donor will be solely responsible for reporting and determining the value of any property donated.
- D. At its discretion, the NNRLB may require prospective donors to pay all delinquent taxes, assessments, charges, penalties, and interest prior to private donation.

3.08 Acquisition through Purchase

- A. The NNRLB may acquire a property through direct market purchase if no other means of acquisition is available and acquiring the property is a priority.

Article IV. Demolition Policies and Procedures

4.01 Demolition Decision-Making

- A. Upon acquiring a property that may be demolished, the NNRLB will conduct a complete condition assessment on the property and reasonably estimate the cost of returning the structure to a safe, habitable, and code compliant condition.
- B. The NNRLB will review the property's complete condition assessment, estimate renovation costs, fair market value, and the input of neighbors, preservationists, and community stakeholders before making a final demolition decision.
- C. The NNRLB may make demolition decisions based on a complete exterior inspection if nuisance conditions necessitate expediency.

4.02 Demolition Partners

- A. The NNRLB will partner with the public sector, and private partners and contractors to facilitate the demolition of a property swiftly after a demolition decision has been made.

4.03 Demolition Quality

- A. Every NNRLB demolition will conform to the City of Norfolk and Village of Hadar codes.
- B. Salvage on a property owned by the NNRLB and scheduled for demolition may be permitted to recover important historic materials or architectural details or salvageable materials. An organization with experience in salvage may contact the NNRLB at least thirty (30) days prior to the scheduled demolition and request salvage rights. Entities engaged in salvage activities must document satisfactory commercial general liability insurance and have its individual representatives sign a salvage waiver prior to entering the property.
- C. Where health and safety concerns or timely coordination of the demolition make salvage impracticable, the NNRLB may deny a salvage rights request.
- D. The NNRLB may expend funds to undertake deconstruction demolition, when feasible and when funding is available.

Article V. Property Maintenance Policies and Procedures

5.01 Maintenance General Conditions

- A. The NNRLB will maintain properties in its inventory in compliance with state and local law.
- B. The NNRLB will endeavor to maintain property in a way that reduces or eliminates nuisance conditions, maintains, or increases the property values of adjacent and nearby properties, and ensures the future marketability of the property.
- C. The NNRLB will utilize public sector and qualified contractors for all maintenance necessary on a property owned by the NNRLB, and will utilize Small and Emerging businesses in Norfolk and Hadar zip codes wherever feasible. All contractors shall be duly licensed pursuant to state and local law.

5.02 Insurance

- A. Each property that the NNRLB acquires will be covered by general liability insurance for the duration of the NNRLB's ownership.
- B. The NNRLB may purchase insurance for a property on a case-by-case basis. Factors to consider regarding the purchase of insurance include the proposed length of NNRLB ownership and the fair market value of the property.
- C. All NNRLB contractors must demonstrate compliance with insurance coverage requirements as specified by NNRLB carriers.

Article VI. Residential and Vacant Land Property Disposition

6.01 Disposition Generally

- A. **General Considerations.** NNRLB property dispositions and deployment of disposition resources shall be in alignment with the Nebraska Municipal Land Bank Act, the current NNRLB Strategic Plan, and the priorities of the community stakeholders and residents most impacted by properties in the NNRLB portfolio.
- B. **Priorities for Disposition Resources.** The NNRLB may prioritize its disposition resources, including any funds allocated for demolition, maintenance, and renovation of NNRLB real properties based on the following general criteria in any order the NNRLB deems appropriate:
 - 1) In neighborhoods with an active neighborhood plan or plans, developed with direct input from neighborhood residents, organizations, and institutions;
 - 2) In historically impoverished neighborhoods where investments will support wealth building for legacy residents;
 - 3) Where dispositions will support housing and economic development opportunities for residents with low to moderate income levels, including incomes less than 80% of Area Median Income as defined by the U.S. Department of Housing and Urban Development
 - 4) Where the targeted elimination of blight will make an impact on the overall stability of the neighborhood;
 - 5) Where unrestricted dollars can bridge funding gaps to stabilize neighborhoods and preserve property values;
 - 6) Where an investment will support mixed-income development;
 - 7) Where an investment will leverage funds from existing federal, state, or local housing programs;
 - 8) Where the end-user is an adjacent property owner.
- C. **Priorities for End-Use of NNRLB Properties.** The proposed end-use for NNRLB properties upon disposition to eligible transferees must be in accordance with the Nebraska Municipal Land Bank Act, local law governing the NNRLB, and the mission of the NNRLB. The NNRLB reserves the right to

convey or not to convey real property, and to convey real property to transferees in a manner that constitutes the best long term end-use for the property and for the neighborhood where the real property is located. In determining the proposed transferee, and the content of any covenants, conditions, or contractual commitments to be required regarding the present and future use of real property to be conveyed by the land bank, the board shall comply with the Nebraska Municipal Land Bank Act, and shall consider the following factors and priorities, which are not listed in any particular order:

- 1) Consistency with the existing land use characteristics of the surrounding neighborhood;
 - 2) Whether the use will terminate or mitigate current harmful effects on the surrounding neighborhood caused by the property;
 - 3) Whether the use will prevent future harmful effects on the neighborhood caused by the property; and
 - 4) Whether the eventual long-term user of the property is identified and is the same as, or has some contractual or other close relationship to, the proposed transferee.
 - 5) End-use of NNRLB properties must follow current zoning and special use requirements, or a rezoning or variance must be obtained as a condition of transfer of real property from the NNRLB to an eligible transferee.
 - 6) End-use of NNRLB properties must be in accordance with local development plans. A review by the Norfolk City and Hadar Village Planning Departments will be a factor in any final disposition decision of the NNRLB Board of Directors.
- 2) Regardless of the above, the highest priority use for a residential property will be one that ultimately is owner-occupied and meets state and federal definitions of “affordable housing”.

D. Priorities for Transferees of NNRLB Properties. The NNRLB reserves the right to convey or not to convey real property to individuals, and to corporate entities including non-profit, for-profit, and individual developers. Considerations under this section include preserving access to adjacent property and preserving or promoting good planning practices.

1) Transferee Vetting Process. Transferees of NNRLB properties should be vetted to the greatest extent possible. NNRLB staff will establish and regularly update protocols for this vetting process and share them with the board on regular basis.

2) Ineligible Transferees. An individual or entity that was the owner of property at the time of a tax foreclosure action which transferred title or real property to the NNRLB may not subsequently qualify as a transferee for that property. For this section, ineligible parties include shareholders, partners, members, and officers of the business entity owner and immediate family members of the individual owner. In addition, the NNRLB

will not dispose of NNRLB properties to individuals or entities that own real property:

- a. that is subject to un-remediated citations or violations of the state and local codes and ordinances, or subject to a recent history of such violations;
- b. that is tax delinquent, or was tax delinquent when the individual or entity transferred the property, and the property remains tax delinquent;
- c. that was subject to a judgment in a tax foreclosure proceeding in the past five (5) years; or
- d. that was previously purchased property from the NNRLB and for which an individual or entity failed to satisfactorily complete or allow access for proper documentation by the NNRLB of the renovation, development or compliance monitoring requirements agreed to as a condition of the purchase.

6.02 Financial Considerations. In every transfer of real property, the NNRLB will require good and valuable consideration in an amount determined by the NNRLB in its sole discretion and consistent with these Policies and Procedures. The consideration to be received by the NNRLB in return for the transfer of real property and interests in real property may take the form of monetary payments and secured financial obligations, covenants and conditions related to the present and future use of the property, contractual commitments of the transferee, and such other forms of consideration as determined by the board to be in the best interest of the land bank.⁴

- A. Laws that restrict how municipalities may dispose of real property do not apply to local land bank corporations such as the Northeast Nebraska Municipal Land Bank, that are created under the Nebraska Land Bank Act. The NNRLB is not required to sell its real property to the highest bidder with no regard to the property's future use.
 - i. NNRLB property will be sold for an amount determined to be no more than fair market value ("FMV") by an independent third party using a Broker's Price Opinion ("BPO") process. The FMV is non-negotiable. While acquired NNRLB property may have a Broker's Price Opinion (BPO) obtained for consideration, the NNRLB shall set the purchase price based on the mission of the NNRLB.
 - ii. Discounted pricing and donations may be based on available philanthropic subsidies associated with properties as approved by the NNRLB Board. Discounted pricing and donations are generally available when the terms of transfer satisfy the requirements of the policies and procedures for the applicable program.
- B. NNRLB property will be sold for an amount determined by NNRLB staff and approved by the board, but not less than \$300, unless the property warrants

⁴ Neb. Rev. Stat. § 18-3410(3).

a lower price, and it is approved by the board. Sales value will be determined based on market considerations, assessments, and historic sales values.

- C. The NNRLB may accept deferred financing, performance of contractual obligations, or other obligations and responsibilities of the transferee in lieu of cash in its sole discretion.
- D. The NNRLB will not accept cash consideration through installment payments but requires guaranteed funds for all payments.
- E. Options to purchase NNRLB property may be available under terms negotiated by the prospective transferee and the NNRLB. Any option fee will be credited to the purchase price at closing. If closing does not occur, the fee is forfeited.
- F. Transactions will be structured in a manner that permits the NNRLB to enforce conditions upon title pertaining to development and use of the property for a specified period for up to twenty (20) years consistent with these Policies and Procedures. Any extension to this timeline must be approved by the NNRLB board of directors.
- G. Offers. A written offer must be made by prospective transferees on the forms available for that purpose from the NNRLB. An offer must state the proposed use for the property, and the NNRLB may consider as 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 NNRLB's receipt of conformation of support for the proposed changed use from the City of Norfolk and Village of Hadar.

Further, an offer must include at a minimum:

- 1) A certified statement from the proposed transferee, whether individual or officer of an entity, that the proposed transferee, 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 assessments 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,
- 2) A list of all owners, officers, members, or partners of an entity which is the proposed transferee, with their primary residences.

6.03 Residential Structure Sales. For properties containing residential structures, the NNRLB may generally list, market, and offer such properties for sale.

- A. The NNRLB will determine the initial listing price through an assessed value or appraisal process. An assessment of a property's value after renovation and deducting projected renovation costs may be considered. The final purchase

price for any property will be set by the NNRLB Executive Director or their designee. NNRLB staff may consult an appraiser or broker when appropriate.

- B. Prospective transferees will be required to complete an Offer to Purchase, in the form posted on the NNRLB's website as amended from time to time. Applications will only be accepted from prospective transferees after the NNRLB has inventoried and marketed the property to the public in accordance with NNRLB procedures.
- C. Besides the general considerations under this Article, the NNRLB will require the following additional information to qualify prospective transferees of residential structures:
 - 1) A complete renovation plan for the property that will make the property safe and return the property to a habitable condition, in accordance with all relevant city and state laws, in *no more than 9 months for a single-family residential property from the date of closing the sale* is required; and
 - 2) Proof of funding immediately available to acquire and complete the renovation work for each residential structure to be acquired and renovated. Acceptable proof of funding includes cash on-hand, available credit, and other liquid assets. Financial assistance offered by a friend or relative will not be accepted unless the individual or entity offering assistance is also an applicant.
- D. If a prospective transferee's proposed renovation costs are substantially less than the NNRLB's assessment of such costs, the NNRLB may approve the renovation plan if documentation is provided by the prospective transferee demonstrating access to lower cost labor, materials, or technical expertise that reduces the overall renovation costs.
- E. To determine a final transferee among multiple qualified prospective transferees with equal priority under these Policies and Procedures, the NNRLB will accept the highest and best purchase offer for the property at an auction held by the NNRLB when competing Offers to Purchase are received.
- H. Closing Disposition Procedure
 - 1) The NNRLB and transferee will enter into a purchase agreement for the property based upon the purchase price. Closing will be held at local title company acting as escrow and title agent for the transaction.
 - 2) The Special Warranty Deed shall transfer the property to the transferee and shall include the following:
 - a) legal description of the property;
 - b) covenants that shall require the transferee to utilize the property as was presented in the transferee's application; and
 - c) covenants that shall require the uses in b) to be completed in a timely manner as determined by the NNRLB Policies and Procedures.
 - 3) Covenants will clearly state the property shall transfer back to the NNRLB if property is used for another use other than what was presented in the

application to the NNRLB or if not completed in timely manner. Property shall transfer back to the NNRLB at a price of sales price less the following:

- a) any costs incurred by the NNRLB in a sale;
- b) any estimated costs to secure the property and any improvements on the property; and
- c) 15% of the original purchase price.

6.04 Vacant Land Disposition Program

- A. The NNRLB may sell, lease, or license vacant land to qualified transferees at its discretion.
- B. Every vacant lot acquired or inventoried by the NNRLB and determined to be marketable after a complete condition and marketability assessment will be marketed to the public and available for a prospective transferee to purchase.
- C. The NNRLB will determine the initial listing price by utilizing available market data which may include tax assessments, appraisals, market area assessment, and historic NNRLB sales.
- D. Prospective transferees will be required to complete an Offer to Purchase to the NNRLB, in the form posted on the NNRLB's website as amended from time to time. Applications will only be accepted from prospective transferees after the NNRLB has inventoried and marketed the property to the public.
- E. To determine a final transferee among qualified prospective transferees with equal priority under these Policies and Procedures, the NNRLB will accept the highest and best purchase offer for the property at a public auction held by the NNRLB when competing Offers to Purchase are received.
- F. All transfers will be by Special Warranty Deed from NNRLB to transferee.
- G. With respect to residential land use, priority will always be given to those applications that create owner-occupied, "affordable housing" as interpreted under state and federal regulations.

Article VII. Commercial & Industrial Property Acquisition and Disposition

7.01 Definitions

- A. "Commercial or industrial property" means any non-residential property, including parking areas, mixed use properties, and residential properties with five or more units.
- B. "Major commercial or industrial property" means any commercial or industrial property with a gross building area of 10,000 square feet or more or occupying land 1 acre or more and zoned as such.
- C. "Offer to Purchase" means an agreement entered between the NNRLB and a Qualified End User for the sale and redevelopment of a commercial or industrial property.
- D. "Qualified End User" means an end user who meets the NNRLB's general disposition requirements and can demonstrate the capacity to successfully

redevelop vacant commercial or industrial property consistent with the proposed Offer to Purchase.

7.02 Commercial & Industrial Acquisition Considerations

- A. The NNRLB may acquire a commercial or industrial property after a Qualified End User has entered an Offer to Purchase with the NNRLB.
- B. The NNRLB may coordinate with the Madison and Pierce County Treasurers' offices and Madison and Pierce County Attorneys' offices to carry out tax foreclosure proceedings on an eligible commercial or industrial property, whether or not the NNRLB ultimately takes title to the property. Before taking title to a commercial or industrial property, the NNRLB may assess, secure, and market a commercial or industrial property.
- C. The NNRLB will not acquire title to a major commercial or industrial property without entering an Offer to Purchase with a Qualified End User first approved by the Board of Directors.

7.03 Commercial & Industrial Environmental Considerations

- A. The NNRLB may not take title to or have any work performed on a commercial or industrial property that has or is likely to have environmental contamination without first obtaining a Phase I environmental assessment.
- B. The NNRLB may not acquire a commercial or industrial property with known or likely environmental contamination without:
 - 1) Prior approval of the Board of Directors and
 - 2) Funded environmental remediation rendering the site clean and free from contamination.
- C. Notwithstanding this section 8.03, the NNRLB may acquire a commercial or industrial property with known or likely environmental contamination as a passthrough entity if:
 - 1) The end user performs and pays for a Phase I environmental assessment to be performed on the property;
 - 2) The end user agrees to fully indemnify the NNRLB for all liability stemming from environmental contamination on the commercial or industrial property;
 - 3) The end user agrees to remediate existing environmental contamination to acceptable standards as a condition of the Offer to Purchase; and
 - 4) The property is a strategic acquisition for the NNRLB and the NNRLB has access to funds to clean the site. These acquisitions require a two-thirds favorable vote of the Board.

7.04 Demolition of Commercial & Industrial Property

- A. The NNRLB must receive approval from the Board of Directors prior to allocating resources and demolishing a commercial or industrial.
- B. Commercial or industrial demolition projects eligible for an expenditure of NNRLB resources must meet at least two or more of the following criteria:
 - 1) Projects in which the NNRLB can acquire title and for which there is a Qualified End User for the property if the structure is demolished;
 - 2) Projects in which a substantial dollar or percentage of cost investment will be made in the property or the surrounding area by an end user or a third party following demolition;

- 3) Projects in which matching funds are available to assist with demolition costs, including costs associated with environmental assessment and abatement;
- 4) Projects in proximity to existing businesses that will benefit from the demolition through workforce expansion, workforce retention, or new capital investment;
- 5) Projects in proximity to an existing business likely to relocate if the nuisance structure is not demolished, but would remain if the nuisance were abated;
- 6) Projects that will increase the quality of life for residents of a surrounding residential neighborhood because of demolition;
- 7) Projects in which the structure constitutes a serious health and safety risk to the surrounding area and that risk will be minimized or eliminated because of demolition;
- 8) Projects in which the structure is functionally obsolete, cannot be returned to its original use, or cannot be converted to a different use; and
- 9) Additional criteria that increase a project's merit on a case-by-case basis.

7.05 Commercial & Industrial Disposition Considerations

- A. The NNRLB may prioritize commercial or industrial property Qualified End Users with development plans that will accomplish some or all of the following goals which are listed in no particular order:
 - 1) Preserve or increase property values;
 - 2) Increase the marketability of residential properties;
 - 3) Create new businesses or employment opportunities;
 - 4) Preserve historic structures;
 - 5) Create new housing opportunities;
 - 6) Increase walkability or access to public transit; and/or
 - 7) Assist in the remediation of a brownfield site.
- B. Regarding major commercial and industrial properties, the NNRLB will consult with residents, neighborhood-based organizations, political subdivisions, institutional end users, and other community stakeholders prior to entering into an Offer to Purchase with a Qualified End User.
- C. The NNRLB will avoid acquiring or disposing of a commercial or industrial property in a manner that may negatively affect the stability of any adjacent neighborhoods or the community, notwithstanding any offers or development plans received.

7.06 Offers to Purchase

- A. The NNRLB and the Qualified End User will negotiate the terms of the Offer to Purchase on a property-by-property basis based on an assessed or appraised value. Terms will include purchase price, renovation and end use plan, and development timeline.
- B. Offers to Purchase will contain:

- 1) A list of all development partners, including contractors, project manager, architects, legal counsel, real estate professionals, and any other partners;
 - 2) A narrative description of the development work to be completed, project time line, and final end use;
 - 3) The sources of financing or funding available to complete the project and;
 - 4) A description of previous commercial or industrial property experience, if any.
- C. If a special use permit, a variance, or rezoning is necessary in order to for a Qualified End User to accomplish its development plans on a commercial or industrial property, the Offer to Purchase will be conditional upon the approval of the Planning Commission or Board of Zoning Appeals, and the political subdivision in which the commercial or industrial property is located.
- D. The NNRLB may retain in interest in commercial or industrial property through appropriate means described in these Policies and Procedures. Qualified End Users will be required to certify code compliance with the political subdivision in which the property is located or pass a safety and habitability inspection verifying:
- 1) The property is safe and secure;
 - 2) All major systems are properly installed and functional;
 - 3) The property is cleaned and appropriately maintained on both the interior and exterior; and
 - 4) Any other conditions in the Offer to Purchase.
- E. All transfers will be by Special Warranty Deed from NNRLB to Transferee.

Article VIII. Depository Agreement Policies and Procedures

8.01 General Considerations. The NNRLB may enter into a Depository Agreement governed by this Depository Policy and Nebraska Revised Statute §18-3408(8). The Depository Agreement consists of transactions in which a grantor transfers real property to the NNRLB and the property is held by the NNRLB pending a transfer back to the original grantor, to a grantee identified in a Depository Agreement, or to a third party selected by the NNRLB.

- A. The goals of this Depository Policy include but are limited to the acquisition of real property for or on behalf of a governmental entity or a not-for-profit corporation in order to:
- 1) Hold parcels of land for future strategic purposes such as affordable housing and open spaces and green space.
 - 2) Permit advance acquisition of potential development sites;
 - 3) Facilitate pre-development planning, financing and structuring;
 - 4) Minimize or eliminate violations of housing and building codes and public nuisances on properties to be developed for affordable housing;
- B. The NNRLB is not required to enter into a Depository Agreement with any person or entity, and at all times retains full discretion and authority to decline to enter into a Depository Agreement. These Policies and Procedures are applicable only to real property of the NNRLB which is acquired by the NNRLB in accordance with an executed Depository Agreement and are not otherwise

applicable to real property acquired by the NNRLB pursuant to any other policies or procedures.

- C. **Definitions.** As used in these Policies and Procedures, the following terms shall have the definitions set forth:
- 1) "Depository Agreement" shall mean a written agreement between a Grantor and the NNRLB that identifies the property, the length of the Depository term, the potential Grantee or Grantees, the range of permissible uses of the Property following transfer by the NNRLB, the permitted encumbrances on the Property, the rights and duties of the parties, the responsibility of the Grantor for the Holding Costs, the forms of the instruments of conveyance, and such other matters as appropriate.
 - 2) "Grantor" shall mean the party that transfers or causes to be transferred to the NNRLB a tract of property pursuant to the Depository Policy.
 - 3) "Grantee" shall mean the NNRLB identified in a Depository Agreement as the party to whom the property is to be transferred.
 - 4) "Holding Costs" shall mean any and all costs, expenses and expenditures incurred by the Grantor, whether as direct disbursements, as pro rata costs, or as administrative costs that are attributable to the ownership and maintenance of a tract of Property. The Grantor shall maintain records of the monthly Holding Costs for each property.
 - 5) "Property" shall mean the real property and improvements (if any) located thereon identified in a Depository Agreement and transferred to the NNRLB pursuant to a Depository Agreement, together with all right, title and interest in appurtenances, benefits and easements related thereto.
- D. **Eligible Property.** Property that is eligible for Depository Agreement must either be held by a governmental entity or a not-for-profit corporation.
- E. **Taxability of Property.** Pursuant to Neb. Rev. Stat. Section 18-3409, the real property of the NNRLB is exempt from all taxation by the state or any political subdivision thereof. Further, pursuant to Neb. Rev. Stat. Section 18-3416 (1), whenever any real property is acquired by the NNRLB and is encumbered by a lien or claim for real property taxes or special assessments owed to one or more political subdivisions of the state, the NNRLB may, by resolution of the board, discharge and extinguish any and all such liens or claims, except that no lien or claim represented by a tax sale certificate held by a private third party shall be discharged or extinguished pursuant to this section. NNRLB shall not discharge or extinguish any lien or claim that arose while the grantor was the owner of the property and for which the grantor is responsible. To the extent necessary and appropriate, the NNRLB shall file in appropriate public records evidence of the extinguishment and dissolution of such liens or claims.
- F. **Title.** Unless and except to the extent expressly authorized in the Depository Policy, property transferred to the NNRLB pursuant to a Depository Agreement shall be fee simple title free and clear of all liens and encumbrances. A policy of title insurance shall be issued in favor of the NNRLB as the insured party at the closing pursuant to the Depository Policy containing such exceptions as are approved by the NNRLB.
- 1) Governmental liens for water and sewer, and governmental liens for nuisance abatement activities or code enforcement activities may exist as a matter of record title at the time of such closing if and only if such liens

are expressly acceptable to the NNRLB and are subject to waiver or discharge by the governmental entity holding such liens without cost to the NNRLB.

- 2) A deed to secure debt or security deed may encumber property at the time of the transfer to the NNRLB provided that the obligations secured by such security instrument do not require monthly or periodic payment of sums by the NNRLB to the mortgagee. Under no circumstances will the NNRLB have direct liability to a mortgagee pursuant to a security instrument. It is anticipated that each Depository Policy that contemplates the transfer of Property to the NNRLB encumbered by a security instrument will require a separate written Policy between the mortgagee and the NNRLB that provides, among other things, that;
 - a) the mortgagee expressly consents to the transfer to the NNRLB,
 - b) the mortgagee expressly subordinates its interests to covenants, conditions and restrictions as may be required by the NNRLB.
- G. **Length of Depository Term.** A Depository Agreement may permit a maximum Depository term of twelve (12) months for transactions in which the Grantor is a not-for-profit entity or which the Grantor is a governmental entity.
- H. **Transfer at Request of Grantor.** A Depository Agreement shall authorize a Grantor to request a transfer of the property by the NNRLB to a Grantee at any time within the Depository term.
 - 1) A conveyance by the NNRLB to the Grantee identified pursuant to a Depository Agreement shall occur within thirty (30) days of receipt of a written request for a transfer.
 - 2) Conveyance by the NNRLB to a Grantee shall be by Special Warranty deed.
- I. **Transfer at Request of NNRLB.** At any time and at all times during the term of a Depository Agreement, the NNRLB shall have the right, in its sole discretion, to request in writing that the Grantor or its designee accept a transfer of the Property from the NNRLB within thirty (30) days of said request.
 - 1) A transfer by the NNRLB shall be subject to the same terms and conditions pursuant to this Depository Policy.
 - 2) In the event that the Grantor (or its designee) is unwilling or unable to accept a transfer of the property from the NNRLB, then and in that event the NNRLB shall have the right to terminate in writing the Depository Agreement, and the property shall become an asset of the NNRLB and subject to use, control and disposition by the NNRLB in its sole discretion subject only to the provisions of Neb. Rev. Stat. Sections 18-3401 to 18-3418.
- J. **Depository Policy Closing.** Within a time period specified in a fully executed Depository Agreement, a closing of the transfer of the property to the NNRLB shall occur. At such closing, the fully executed instrument of conveyance and other closing documents shall be delivered by the appropriate party to the appropriate parties. The appropriate documents shall be immediately recorded, and a title insurance policy shall be issued. All costs of closing shall be borne by the Grantor.

- K. **Holding Costs.** All Holding Costs shall be paid by the Grantor. The NNRLB may request in writing at any time a statement of the Holding Costs, which statement will be provided to the NNRLB within fifteen (15) business days of receipt of the request. If the NNRLB incurs any Holding Costs, the NNRLB shall also have the right to request in writing that the Grantor reimburse on written demand the NNRLB for Holding Costs. In the event that the NNRLB is not reimbursed in full for its Holding Costs in response to its written request for reimbursement within thirty (30) days, then in that event the NNRLB shall have the right to terminate in writing the Depository Agreement, and the Property shall become an asset of the NNRLB and subject to use, control and disposition by the NNRLB in its sole discretion subject only to the provisions of Neb. Rev. Stat. Sections 19-5201 to 19-5218.
- L. **Public Purpose Restrictions.** All Property held by the NNRLB and transferred by the NNRLB pursuant to a Depository Agreement shall be used according to the Neb. Rev. Stat. Section 18-3410 (5) and (6), Norfolk City Ordinance #5861, and NNRLB Policies and Procedures.
- M. **Delegation of Authority to Executive Director.** The Executive Director, in conjunction with an officer of the Board of Directors, shall have full power and authority to enter into and execute Depository Agreements having form and content consistent with the Nebraska Municipal Land Bank Act and the NNRLB Policies and Procedures. The Executive Director shall summarize for the Board of Directors on a regular basis the nature and number of Depository Agreements and all transfers to and from the NNRLB pursuant to Depository Agreements. Any provision of any Depository Agreement not consistent with these Policies and Procedures shall require the express approval of the Board of Directors.
- N. **Notice.** The NNRLB shall forward to Grantor any notices of violations, orders, or assessments received by it while the Property is being held by the NNRLB.

Article IX. Amendments to these Policies and Procedures.

9.01 Amendments. The NNRLB may amend these Policies and Procedures at any time at the discretion of the Board of Directors.

REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 2024, by and between Jeremy Osborne and Alicia A. Osborne, husband and wife, hereinafter called SELLER, and Northeast Nebraska Regional Land Bank, a Political Subdivision of the State of Nebraska, hereinafter called BUYER, WITNESSETH:

1. PROPERTY. That SELLER agrees to sell to BUYER and BUYER agrees to purchase from SELLER the property addressed as 110 S. 9th Street, Norfolk, Nebraska, and described as follows:

Lot 13, Block 3, Koenigstein's 3rd Addition to Norfolk, Madison County, Nebraska.

upon the following terms and conditions, together with all appurtenances relating thereto and improvements located thereon and subject to all easements, covenants and restrictions of record.

2. PURCHASE PRICE. The purchase price to be paid by the BUYER to the SELLER is One Dollar (\$1.00) which BUYER agrees to pay to SELLER upon closing.

3. TITLE SEARCH. BUYER has obtained a title search which reflects there are no liens of record, however, there are delinquent and unpaid real estate taxes for the years 2022 and 2023, respectively.

4. TITLE INSURANCE. BUYER may obtain a title insurance policy in the amount of Five Thousand Dollars (\$5,000.00), at BUYER's own expense, upon the execution of this Agreement.

5. NO LIENS. SELLER agrees to not place or allow to come into existence any liens on the subject property prior to closing.

6. CLOSING. The date of closing of this Agreement shall be on or before the 1st day May, 2024, except that if it is necessary for SELLER to cure defects in title to the real property, as provided for herein, then the date of closing shall be as soon as possible after said defects are cured.

7. REAL ESTATE TAXES. SELLER shall pay all real estate taxes and personal property taxes on the property being sold hereunder for calendar year 2022 and all prior years. All such taxes for 2023 and subsequent years shall be the responsibility of BUYER.

8. DEED. At the time of closing when BUYER shall have paid the entire purchase price, the SELLER shall deliver a Warranty Deed to the BUYER.

9. SURVEY. BUYER may have the property surveyed at BUYER's expense. If a survey discloses material items inconsistent with previous representations, this Agreement may be voided by BUYER.

10. SMOKE DETECTION UNIT. BUYER and SELLER each recognize and mutually agree to waive any smoke detection unit requirements as provided by Sec. 81-5,141 through 81-5,146 of the Nebraska Revised Statutes.

11. UTILITIES. SELLER shall be responsible for the payment of all final utility bills for the subject property.

12. DISCLOSURE STATEMENT NOT REQUIRED. Pursuant to Sec. 76-2,120(6)(j) of the Nebraska Revised Statutes, a Disclosure Statement is not required for this transfer.

13. POSSESSION AND RISK OF LOSS. BUYER understands that BUYER is purchasing the property in "AS-IS" condition with no warranties expressed or implied. Possession and risk of loss shall pass to the BUYER upon closing.

14. AGREEMENT BINDING. This Agreement shall be binding upon the heirs, successors, personal representatives and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed the foregoing Agreement the day and year first above written.

Jeremy Osborne, Seller

Alicia A. Osborne, Seller

NORTHEAST NEBRASKA REGIONAL LAND
BANK, a Political Subdivision of the State of
Nebraska, Buyer

By _____
Rob Merrill, Chairman

By _____
Gary Bretschneider, Executive Director