

OMAHA MUNICIPAL 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 APRIL 14, 2021
AMENDED MAY 10, 2023
AMENDED SEPTEMBER 13, 2022
AMENDED MAY 8, 2024**

OMAHA MUNICIPAL LAND BANK

ACQUISITION, MAINTENANCE, AND DISPOSITION OF REAL PROPERTY

The acquisition, maintenance, and disposition of properties owned by the Omaha Municipal Land Bank (hereinafter “OMLB”)¹ shall be governed by the following Policies and Procedures:

Article I. Role as a Public Authority.

1.1 Public Authority. The OMLB 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 Omaha. It is governed by a Board of Directors appointed by Mayor of the City of Omaha and confirmed by a two-thirds vote of the city council.

1.2 Governing Authority. The core governing documents of the OMLB are the Nebraska Municipal Land Bank Act, Omaha City Ordinance #40052 dated July 22, 2014,² the OMLB By-Laws, and those Policies and Procedures approved and adopted by the OMLB Board of Directors now and in the future.

1.3 Purposes. The OMLB was established to acquire, hold, and transfer interest in real property located within the boundaries of the City of Omaha for the following purposes: to foster the public purpose of returning property which is dilapidated, abandoned, foreclosed, or tax delinquent and in a nonrevenue generating, nontax producing status, to an effective utilization status in order to support the creation of market and affordable housing, public space, economic opportunity, and vibrant communities for the citizens of Omaha, all in ways that are consistent with goals and priorities established by local government partners and other community stakeholders. In accordance with the Nebraska Municipal Land Bank Act, these acquisition, maintenance, and disposition Policies and Procedures and all Policies and Procedures of the OMLB shall support the primary goal of facilitating the return of vacant, abandoned, and tax delinquent properties to productive use.³

Article II. OMLB Authority

2.01 Delegated Authority. Unless otherwise provided in these Policies and Procedures, the Board of Directors of the OMLB delegates to the OMLB Executive Director or OMLB staff under the supervision of the OMLB Executive Director the authority:

- A. To receive and execute offers to purchase and dispose property on behalf of the OMLB subject to Board of Directors approval;
- B. To contract with third parties on behalf of the OMLB in accordance with these Policies and Procedures;

¹ Unless otherwise specified, references to the “OMLB” in these Policies and Procedures mean the Corporation and or Executive Director and staff, as context requires.

² Omaha Mun. Code Art. VI, Div. 5 § 2-235-2241 (Ord. No. 40052, § 1, 7-22-14.

³ See Neb. Rev. Stat. Ann. § 18-3402.

- C. To determine the sales value of a property offered and/owned by the OMLB within the guidelines of these Policies and Procedures;
- D. To determine the potential for renovation of a structure; and
- E. To expend OMLB funds to achieve property acquisitions and dispositions consistent with its approved annual budget;
- F. The authority provided in this Article shall only be exercised consistent with these Policies and Procedures. The action of an OMLB staff member inconsistent with these Policies and Procedures shall have no effect unless ratified by the Board of Directors of the OMLB.
- G. Exceptions to these Policies and Procedures may be approved by the Board of Directors after a complete presentation by the OMLB 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, may 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.⁴
- 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.⁵

Article III. Acquisition of Real Property

3.01 General Prioritization of Acquisition Resources. The OMLB may prioritize its acquisition resources, based on the following general 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;
- B. In neighborhoods that were historically red-lined, where an investment may support wealth-building for legacy residents of those neighborhoods;
- C. In neighborhoods where an investment may 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 Neb. Rev. Stat. Ann. § 18-3405 (9)(e).

⁵ Neb. Rev. Stat. Ann. § 18-3405 (9)(e).

- D. Where the targeted elimination of blight may make an impact on the overall stability of the neighborhood;
- E. Where unrestricted dollars can bridge funding gaps to stabilize neighborhoods and preserve property values;
- F. Where an investment may support mixed-use development; and
- G. Where an investment may leverage funds from existing federal, state, or local housing programs.

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

- A. There is a qualified end user committed to purchasing and developing the property;
- B. There is a prospective end user, neighborhood resident, local governmental entity, community stakeholder, or other interested party who has requested that the OMLB review the property for acquisition;
- C. The redevelopment of the property may support strategic development efforts, is likely to act as catalyst for further development, or is part of a comprehensive development plan;
- D. Acquisition may support public infrastructure and green space development;
- E. Acquisition may help stabilize or improve neighborhood conditions by reducing blight;
- F. Acquisition may help create or preserve homeownership opportunities;
- G. Acquisition may support wealth building for legacy residents of historically red-lined neighborhoods;
- H. Acquisition may 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.
- I. There is an existing market for the property, but title issues prevent the property from being developed to its highest and best use;
- J. Acquisition of the property may help fulfill an existing plan for historic preservation;
- K. Acquisition of the property may further the OMLB’s mission and the OMLB has the resources to maintain and market the property.

3.03 Pre-Acquisition Considerations

- A. The OMLB may assess the condition, marketability, potential holding and maintenance costs, and possible end users of every property prior to acquisition. When possible, the OMLB may conduct a complete condition assessment of all structures prior to acquisition.
- B. Prior to acquisition, the OMLB may ensure that it has available funds to hold and maintain the property for an extended ownership period.

- C. The OMLB 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 OMLB 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 OMLB may endeavor to communicate with the appropriate historic commission to determine potential disposition options prior to acquisition.

3.04 Post-Acquisition Considerations

- A. Upon acquiring or inventorying any property, the OMLB may conduct a complete condition assessment (if not already conducted), may secure the property, may add the property to its maintenance schedule, and prepare a marketability assessment for the property.
- B. As soon as practical, the OMLB may move forward with property disposition, demolition, or marketing following acquisition.
- C. Upon acquiring or inventorying a property, the OMLB may make its inventory/ownership known to the public. If the OMLB has been in contact with a prospective end user, neighbor, community-based organization, or other interested party prior to acquisition, it may communicate its inventory/ownership of the property to the interested party or parties.

3.05 Acquisition from the Douglas County Annual Tax Certificate Sale

- A. The OMLB may participate in Douglas County's annual tax sale held on the first Monday of March pursuant to Nebraska Revised Statute § 77-1801 et seq.
- B. The OMLB may bid at the sale using the automatic bid described in Section 3.08 below when a property is eligible for use of the automatic bid as described in the Nebraska Municipal Land Bank Act and upon the resolution of the Board of Directors.
- C. The OMLB may also bid at the sale as a regular bidder without the use of the automatic bid at the discretion of the Executive Director.
- D. Upon the expiration of three years from the date of purchase, the OMLB may foreclose on all remaining unredeemed tax certificates pursuant to Nebraska Revised Statute § 77-1902, et seq.
- E. The OMLB 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 thru resolution of the Board.
- F. 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 OMLB may request that the Douglas County Treasurer exempt the property from future taxes and assessments for the entire period the OMLB owns the property.

3.06 Acquisition from the Douglas County Private Tax Certificate Sale

- A. The OMLB may participate in Douglas County’s annual tax sale held on the first Mondays of May and June pursuant to Nebraska Revised Statute § 77-1801 et seq.
- B. The OMLB may bid at the sale using the automatic bid described in Section 3.08 below when a property is eligible for use of the automatic bid as described in the Nebraska Municipal Land Bank Act and upon the resolution of the Board of Directors.
- C. The OMLB may also bid at the sale as a regular bidder without the use of the automatic bid at the discretion of the Executive Director.
- D. After the acquisition of a tax sale certificate thru the private tax lien sale and after the redemption period has expired, the OMLB may file a tax foreclosure action pursuant to Nebraska Revised Statute § 77-1902, et seq.
- E. The OMLB 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 thru resolution of the Board.
- F. 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 OMLB may request that the Douglas County Treasurer exempt the property from future taxes and assessments for the entire period the OMLB owns the property.

3.07 Acquisition through Interlocal Agreement with Douglas County

- A. The OMLB may regularly be in contact with the Douglas County Treasurer’s and Douglas County Attorney’s offices to strategically coordinate acquisition of property through the tax foreclosure process thru an interlocal agreement or agreements between the OMLB and Douglas 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 OMLB, the OMLB may coordinate with the Douglas County Treasurer’s and Douglas County Attorney’s offices to investigate and file a tax foreclosure action through the Douglas County District Courts.
- C. Upon acquisition after completion of the tax foreclosure and adoption of appropriate Board resolution, the OMLB may instruct the Douglas County Treasurer’s office 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 OMLB owns the property.

3.08 Acquisition with Automatically Accepted Bid. This Policy may specify the criteria that must be met for the land bank to give an automatically accepted bid as authorized in the Nebraska Municipal Land Bank Act.⁶ The amount of the automatically accepted bid to be submitted may be equal to the total amount of taxes, interest and costs due on the real property. An automatically accepted bid may only be given for one or more of the following reasons:⁷

⁶ Neb. Rev. Stat. Ann. §§ 18-3417 (1)(a)(ii) and 18-3418(1)(a)(ii)

⁷ Neb. Rev. Stat. Ann. § 18-3405(11).

- A. The real property substantially meets more than one of the following criteria as determined by two-thirds of the voting members of the board:
- 1) The property is not occupied by the owner or any lessee or licensee of the owner;
 - 2) There are no utilities currently being provided to the property;
 - 3) Any buildings on the property have been deemed unfit for human habitation, occupancy, or use by local housing officials;
 - 4) Any buildings on the property are exposed to the elements such that deterioration of the building is occurring;
 - 5) Any buildings on the property are boarded up;
 - 6) There have been previous efforts to rehabilitate any buildings on the property;
 - 7) There is a presence of vermin, uncut vegetation, or debris accumulation on the property;
 - 8) There have been past actions by the municipality to maintain the grounds or any building on the property; or
 - 9) The property has been out of compliance with orders of local housing officials;
- B. The real property is contiguous to a parcel that meets more than one of the criteria in section (a) above or that is already owned by the land bank; or
- C. Acquisition of the real property by the land bank would serve the best interests of the community as determined by two-thirds of the voting members of the board. In determining whether the acquisition would serve the best interests of the community, the board may take into consideration the hierarchical ranking of priorities for the use of real property conveyed by a land bank as may be established by resolution or ordinance of the Omaha City Council. In the absence of such resolution or ordinance, the board may consider priorities for the use of the property including, but not limited to, the following, in no particular order:
- 1) Use for purely public spaces and places,
 - 2) Use for affordable housing, and
 - 3) Use for retail, commercial, and industrial activities.
 - 4) Use may support wealth building for legacy residents of historically red-lined neighborhoods.
 - 5) Use may 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

3.08 Acquisition through Donation

- A. The OMLB 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 OMLB 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 OMLB may accept property donations that require OMLB investment to clear title upon transfer. The OMLB may require prospective donors to provide at the donor's expense a competent title examination prior to acquisition.

- B. The OMLB may conduct a complete condition assessment of any property before acquiring the property through private donation.
- C. If requested by the donor, the OMLB, as an eligible charitable organization, may acknowledge the donation. The donor may be solely responsible for reporting and determining the value of any property donated.
- D. At its discretion, the OMLB may require prospective donors to pay all delinquent taxes, assessments, charges, penalties, and interest prior to private donation.

3.09 Acquisition through Purchase

- A. The OMLB 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. Land Assembly

4.01 General Considerations

- A. The OMLB may take title to a property for short or long-term land assembly. A decision to acquire property for land assembly purposes may be based on available resources, the viability of the proposed future development, end user commitment, and any other relevant factors.
- B. If a private property owner transfers a property to the OMLB for land assembly, the OMLB may have the right, but not the obligation, to maintain, repair, demolish, clean, and grade the property and perform all other tasks and services regarding the property that the OMLB determines are necessary.

4.02 Requirements for Land Assembly

- A. The OMLB and a development partner may enter into a Memorandum of Understanding for Purchase for land assembly. No property may be transferred to the OMLB for land assembly unless the development partner is also a qualified end user.
- B. The OMLB may generally only acquire property for land assembly that has clear and marketable title, except for delinquent property taxes or special assessments which may be abated under Nebraska law. The property must not be occupied as of transfer to the OMLB for land assembly.
- C. The OMLB may require a development partner to maintain all or a portion of the assembled property as a condition of the land assembly.
- D. The OMLB may grant a purchase option or may require a development partner to purchase or repurchase the assembled land after a period of time as a condition of the land assembly.

Article V. Property Maintenance Policies and Procedures

5.01 Maintenance General Conditions

- A. The OMLB may maintain properties in its inventory in compliance with state and local law.
- B. The OMLB may 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 OMLB may utilize public sector and qualified contractors for all maintenance necessary on a property owned by the OMLB, and may utilize Small and Emerging businesses in North and South Omaha zip codes wherever feasible. All contractors may be duly licensed pursuant to state and local law.

5.02 Insurance

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

Article VI. Residential and Vacant Land Property Disposition

6.01 Disposition Generally

- A. **General Considerations.** OMLB property dispositions and deployment of disposition resources may be in alignment with the Nebraska Municipal Land Bank Act, the current OMLB Strategic Plan, and the priorities of the community stakeholders and residents most impacted by properties in the OMLB portfolio.
- B. **Priorities for Disposition Resources.** The OMLB may prioritize its disposition resources, including any funds allocated for demolition, maintenance, and renovation of OMLB real properties based on the following general criteria in any order the OMLB 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 red-lined neighborhoods where investments may support wealth building for legacy residents;
 - 3) Where dispositions may 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 may 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 may support mixed-income development;
- 7) Where an investment may 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 OMLB Properties. The proposed end-use for OMLB properties upon disposition to eligible transferees must be in accordance with the Nebraska Municipal Land Bank Act, local law governing the OMLB, and the mission of the OMLB. The OMLB 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 will comply with the Nebraska Municipal Land Bank Act, and may 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 may terminate or mitigate current harmful effects on the surrounding neighborhood caused by the property;
- 3) Whether the use may prevent future harmful effects on the neighborhood caused by the property;
- 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 OMLB 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 OMLB to an eligible transferee.
- 6) End-use of OMLB properties must be in accordance with local development plans. A review by the Omaha City Planning Department may be a factor in any final disposition decision of the OMLB Board of Directors.
- 7) The OMLB may establish a point system for evaluating the proposed project to be used in the determination of whether or not to accept an application to purchase property from the OMLB.

D. Priorities for Transferees of OMLB Properties. The OMLB 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. The OMLB may prioritize the sale of properties to members of the community in which the real property lies.

1)Transferee Vetting Process. Transferees of OMLB properties should be vetted to the greatest extent possible. OMLB may establish and regularly update protocols for this vetting process and share them with the board on a 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 OMLB 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 OMLB may not dispose of OMLB 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. was subject to a judgment in a tax foreclosure proceeding in the past five (5) years.
- d. Any individual or entity that previously purchased property from the OMLB and failed to satisfactorily complete or allow access for proper documentation by the OMLB of the renovation, development or compliance monitoring requirements agreed to as a condition of the purchase.
- e. Any individual or entity who has been designated an ineligible transferee may have an opportunity to appeal this designation in front of the full Board of Directors at the monthly meeting occurring as soon as is practicable following the designation. The Board of Directors may have the authority to reverse the designation upon good cause shown.

6.02 Financial Considerations. In every transfer of real property, the OMLB may require good and valuable consideration in an amount determined by the OMLB in its sole discretion and consistent with these Policies and Procedures. The consideration to be received by the land bank 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.⁸

⁸ Neb. Rev. Stat. Ann. § 18-3410(3).

- A. Laws that restrict how municipalities may dispose of real property do not apply to local land bank corporations such as the Omaha Municipal Land Bank, that are created under the Nebraska Land Bank Act. The OMLB is not required to sell its real property to the highest bidder with no regard to the property's future use.
 - i. OMLB property may be listed for an amount determined to be fair market value ("FMV") by an independent third party using a Broker's Fair Market Analysis ("FMA") process.
 - ii. For properties disposed of through OMLB's programs, the OMLB may determine pricing based on policies and agreements.
 - iii. Discounted pricing and donations may be available in limited circumstances as determined by guidelines adopted by the Board of Directors.
- B. The OMLB may accept deferred financing, performance of contractual obligations, or other obligations and responsibilities of the transferee in lieu of cash in its sole discretion.
- C. The OMLB may not accept cash consideration through installment payments but requires guaranteed funds for all payments.
- D. Options to purchase OMLB property may be available under terms negotiated by the prospective transferee and the OMLB. Any option fee may be credited to the purchase price at closing. If closing does not occur, the fee is forfeited.
- E. Transactions may be structured in a manner that permits the OMLB to enforce conditions upon title pertaining to development and use of the property for a specified period for up to two (2) years unless this time period is extended by the Board of Directors consistent with these Policies and Procedures. Any extension to this timeline must be approved by the OMLB board of directors.
- F. Applications. A written application to purchase Land Bank property must be made by prospective transferees on the OMLB website or the forms available for that purpose from the OMLB. An offer must state the proposed use for the property, and the OMLB 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. A pre-application survey must be completed by every prospective transferee and must include proof that the prospective transferee has met with the City of Omaha's Planning Department and received preliminary approval for their proposed project. Any transfer for a use that would require a change in the zoning classification, may be conditioned upon the OMLB's receipt of confirmation of support for the proposed changed use from the City of Omaha.

Further, an application 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.
- 3) Payment of a minimum \$25.00 non-refundable application fee in the form of a cashier's check, money order, credit card, or bank transfer (ACH) for each property.

6.03 Residential Structure Sales. For properties containing residential structures that are not otherwise held in the land bank pursuant to a land assembly or other development agreement or priority use, the OMLB may generally list, market, and offer such properties for sale.

- A. The OMLB may determine the initial listing price through an amount determined to be fair market value ("FMV") by an independent third party using a Broker's Price Opinion ("BPO") process.
- B. Prospective transferees may be required to complete an application, in the form posted on the OMLB's website or a paper copy provided by OMLB staff. Applications may only be accepted from prospective transferees after the OMLB has inventoried and marketed the property to the public in accordance with OMLB procedures.
- C. Besides the general considerations under this Article, the OMLB may require the following additional information to qualify prospective transferees of residential structures:
 - 1) A complete renovation plan for the property that may make the property safe and return the property to a habitable condition in *no more than 9 months for a single-family residential property from the date of closing the sale* is required unless a different time period is approved by the Board; 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 may 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 OMLB's assessment of such costs, the OMLB 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 OMLB may accept the highest and best purchase offer for the property at an auction held by the OMLB when competing Offers to Purchase are received.

H. Closing Disposition Procedure

- 1) The OMLB and transferee may enter into a purchase agreement for the property based upon the purchase price. Closing may be held at local title company acting as escrow and title agent for the transaction.
- 2) The Special Warranty Deed may transfer the property to the transferee and may include the following:
 - a) legal description of the property;
 - b) covenants that may require the transferee to utilize the property as was presented in the transferee's application;
 - c) covenants that may require the uses in b) to be completed in a timely manner as determined by the OMLB Policies and Procedures;
 - d) covenants that the property shall be used for affordable housing for a reasonable period of time following transfer of title.
 - e) **Right to repurchase:** Buyer shall complete renovation for the improved property that will make the property safe and return the property to a habitable condition in at least nine (9) months from closing. Seller will monitor the redevelopment compliance throughout redevelopment. This will include but not be limited to periodic check-ins with the Purchaser. Purchaser may not resell the property until the Seller has confirmed the redevelopment is complete.

If the Purchaser fails to satisfy this requirement and upon written notice to the Purchaser and sixty (60) days to cure, Seller shall have the option to repurchase the Property for the following:

- If the original purchase price was \$300-\$1,000, the Seller shall have the option to repurchase the property for 50% of the original purchase price.
- If original purchase price was \$1,000.01-\$10,000.00, Seller shall have the option to repurchase the property for \$1,000.00.
- If the original purchase price was \$10,000.01 or above, the Seller shall have the option to repurchase the property for \$2,000.

6.04 Side Lot Disposition Program

A. **Side Lot Disposition Program Eligibility.** Parcels of property transferred under the Side Lot Disposition Program must meet the following criteria:

- 1) The property must be vacant, unimproved, and impracticable to build on in its current state;
- 2) The property must be physically contiguous to an adjacent end user, with not less than a 50% common boundary line on one side;
- 3) The intended use for the side lot must be disclosed;
- 4) The transferee must hold title to the contiguous property;
- 5) The transferee's property must be occupied; and
- 6) The transferee must meet all other general disposition considerations under this Article.

B. **Side Lot Disposition Program Pricing**

- 1) The OMLB may offer up to two contiguous parcels to qualified side lot transferees for the assessed value or a minimum of \$300 each plus closing costs. Contiguous parcels are parcels contiguous to the transferee's adjacent property or contiguous to another eligible side lot. Additional parcels beyond two may be sold for a minimum purchase price of \$300 per parcel.
- 2) If a parcel is offered under the Side Lot Disposition Program, the size of the lot may not affect the purchase price. The OMLB may consider lot size in determining whether to include a property in the Side Lot Program.

C. **Side Lot Disposition Program Transfer Procedure**

- 1) Prospective side lot transferees who meet the qualifying criteria must submit an application to purchase to the OMLB, in the form posted on the OMLB's website as amended from time to time. Paper copies of the application may be available at the OMLB offices. The OMLB may accept applications until it enters into a purchase agreement with one or more qualified transferees.
- 2) The OMLB may notify every eligible adjacent property owner regarding an available side lot prior to entering into a purchase agreement that disposes of the entire parcel. Prospective transferees may have 30 days from the OMLB's notice to apply for a side lot. Adjacent owners who are ineligible to purchase a side lot during review may not be notified of a side lot opportunity.
- 3) The OMLB may enter into a purchase agreement with a qualified side lot transferee prior to acquisition. If the OMLB does not hold title when the purchase agreement is executed, the agreement may be conditional upon the OMLB ultimately acquiring title to the property.
- 4) At the time of closing, the transferee may authorize the OMLB to transfer title in the property by Special Warranty Deed into the transferee's name

upon the OMLB's acquisition of title. The side lot purchase price may be paid at the time of closing or upon the OMLB taking title, in the OMLB's discretion.

6.05 Vacant Land Disposition Program

- A. The OMLB may sell, lease, or license vacant land to qualified transferees at its discretion.
- B. Every vacant lot acquired or inventoried by the OMLB and determined to be marketable after a complete condition and marketability assessment may be marketed to the public and available for a prospective transferee to purchase.
- C. The initial listing price may be determined to be fair market value ("FMV") by an independent third party using a Broker's Price Opinion ("BPO") process.
- D. Prospective transferees may be required to complete an Offer to Purchase to the OMLB, in the form posted on the OMLB's website as amended from time to time. Applications may only be accepted from prospective transferees after the OMLB 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 OMLB may accept the highest and best purchase offer for the property at a public auction held by the OMLB when competing Offers to Purchase are received.
- F. All transfers shall be by Special Warranty Deed from OMLB to transferee.
- G. Buyer shall complete renovation for the improved property that will make the property safe and return the property to a habitable condition in at least two (2) years unless the experience of the Purchaser or the complexity of the development requires an extension of this period and said extension is approved by the Board. Seller will monitor the redevelopment compliance throughout redevelopment. This will include but not be limited to periodic check-ins with the Purchaser. Purchaser may not resell the property until the Seller has confirmed the redevelopment is complete.

If the Purchaser fails to satisfy this requirement and upon written notice to the Purchaser and sixty (60) days to cure, Seller shall have the option to repurchase the Property for the following:

- If the original purchase price was \$300-\$1,000, the Seller shall have the option to repurchase the property for 50% of the original purchase price.
- If original purchase price was \$1,000.01-\$10,000.00, Seller shall have the option to repurchase the property for \$1,000.00.
- If the original purchase price was \$10,000.01 or above, the Seller shall have the option to repurchase the property for \$2,000.

6.06 Adopt-a-Lot Program

- A. Residents, businesses, neighbors, block watches, or other organizations interested in maintaining vacant land owned by the OMLB may apply to participate in the Adopt-a-Lot program.
- B. Prospective applicants must meet the same considerations as other OMLB transferees for vacant land but may not be required to own or develop adjacent property.
- C. A license to enter, maintain to the same standard required of the OMLB, and enjoy the vacant land may be granted to an eligible Adopt-a-Lot program applicant for a minimum fee of \$25 per lot.

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.
- C. “Offer to Purchase” means an agreement entered into between the OMLB 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 OMLB’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 OMLB may acquire a commercial or industrial property after a qualified end user has entered into an Offer to Purchase with the OMLB.
- B. The OMLB may coordinate with the Douglas County Treasurer’s office and Douglas County Attorney’s office to carry out tax foreclosure proceedings on an eligible commercial or industrial property, whether or not the OMLB ultimately takes title to the property. Before taking title to a commercial or industrial property, the OMLB may assess, secure, and market a commercial or industrial property on the forfeited lands list.

- C. The OMLB may not acquire title to a major commercial or industrial property without entering into an Offer to Purchase with a qualified end user first approved by the Board of Directors.

7.03 Commercial & Industrial Environmental Considerations

- A. The OMLB 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 OMLB 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) Prior or funded environmental remediation rendering the site clean and free from contamination.
- C. Notwithstanding this section 8.03, the OMLB may acquire a commercial or industrial property with known or likely environmental contamination as a pass-through 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 OMLB 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 OMLB and the OMLB has access to funds to clean the site. These acquisitions require a two-thirds majority vote of the Board.
 - 1) Projects in which a substantial dollar or percentage of cost investment may be made in the property or the surrounding area by an end user or a third party following demolition;
 - 2) Projects in which matching funds are available to assist with demolition costs, including costs associated with environmental assessment and abatement;
 - 3) Projects in proximity to existing businesses that may benefit from the demolition through workforce expansion, workforce retention, or new capital investment;

7.04 Commercial & Industrial Disposition Considerations

- A. The OMLB may prioritize commercial or industrial property Qualified End-Users with development plans that may 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 public transit; and
 - 7) Assist in the remediation of a brownfield site.
- B. Regarding major commercial and industrial properties, the OMLB may 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 OMLB may 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.

7.05 Offers to Purchase

- A. The OMLB and the end user may negotiate the terms of the Offer to Purchase on a property-by-property basis based on an assessed or appraised value. Terms may include purchase price, renovation and end use plan, and development timeline.
- B. Offers to Purchase shall at a minimum contain:
 - 1) A list of all development partners, including contractors, project manager, architects, legal counsel, realtors, 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 may 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 OMLB may retain in interest in commercial or industrial property through appropriate means described in these Policies and Procedures. Qualified End-Users may 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 may be Special Warranty Deed from OMLB to transferee.

Article VIII. Depository Agreement Policies and Procedures

8.01 General Considerations. The OMLB 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 OMLB and the property is held by the OMLB pending a transfer back to the original grantor, to a grantee identified in a Depository Agreement, or to a third party selected by the OMLB.

- 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 greenways.
 - 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 OMLB 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 OMLB which is acquired by the OMLB in accordance with an executed Depository Agreement and are not otherwise applicable to real property acquired by the OMLB pursuant to any other Policies and Procedures or procedures.
- C. **Definitions.** As used in these Policies and Procedures, the following terms may have the definitions set forth:
- 1) “Depository Agreement” may mean a written agreement between a Grantor and the OMLB 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 OMLB, 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” may mean the party that transfers or causes to be transferred to the OMLB a tract of property pursuant to the Depository Policy.
 - 3) “Grantee” may mean the OMLB identified in a Depository Agreement as the party to whom the property is to be transferred.
 - 4) “Holding Costs” may 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 may maintain records of the monthly Holding Costs for each property.

- 5) "Property" may mean the real property and improvements (if any) located thereon identified in a Depository Agreement and transferred to the OMLB 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 OMLB 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 OMLB 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 OMLB 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 may be discharged or extinguished pursuant to this section. OMLB may 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 OMLB may 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 OMLB pursuant to a Depository Agreement may be fee simple title free and clear of all liens and encumbrances. A policy of title insurance may be issued in favor of the OMLB as the insured party at the closing pursuant to the Depository Policy containing such exceptions as are approved by the OMLB.
- 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 OMLB and are subject to waiver or discharge by the governmental entity holding such liens without cost to the OMLB.
 - 2) A deed to secure debt or security deed may encumber property at the time of the transfer to the OMLB provided that the obligations secured by such security instrument do not require monthly or periodic payment of sums by the OMLB to the mortgagee. Under no circumstances may the OMLB have direct liability to a mortgage pursuant to a security instrument. It is anticipated that each Depository Policy that contemplates the transfer of Property to the OMLB encumbered by a security instrument may require a separate written Policy between the mortgagee and the OMLB that provides, among other things, that (1) the mortgagee expressly consents to the transfer to the OMLB, (2) the mortgagee expressly subordinates its interests to covenants, conditions and restrictions as may be required by the OMLB.

- 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 may authorize a Grantor to request a transfer of the property by the OMLB to a Grantee at any time within the Depository term.
 - 1) A conveyance by the OMLB to the Grantee identified pursuant to a Depository Agreement may occur within thirty (30) days of receipt of a written request for a transfer.
 - 2) Conveyance by the OMLB to a Grantee may be by Special Warranty deed.
- I. **Transfer at Request of OMLB.** At any time and at all times during the term of a Depository Agreement, the OMLB may 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 OMLB within thirty (30) days of said request.
 - 1) A transfer by the OMLB may 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 OMLB, then and in that event the OMLB may have the right to terminate in writing the Depository Agreement, and the property may become an asset of the OMLB and subject to use, control and disposition by the OMLB 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 OMLB may occur. At such closing, the fully executed instrument of conveyance and other closing documents may be delivered by the appropriate party to the appropriate parties. The appropriate documents may be immediately recorded, and a title insurance policy may be issued. All costs of closing may be borne by the Grantor.
- K. **Holding Costs.** All Holding Costs may be paid by the Grantor. The OMLB may request in writing at any time a statement of the Holding Costs, which statement may be provided to the OMLB within fifteen (15) business days of receipt of the request. If the OMLB incurs any Holding Costs, the OMLB may also have the right to request in writing that the Grantor reimburse on written demand the OMLB for Holding Costs. In the event that the OMLB 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 OMLB may have the right to terminate in writing the Depository Agreement, and the Property may become an asset of the OMLB and subject to use, control and disposition by the OMLB 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 OMLB and transferred by the OMLB pursuant to a Depository Agreement may be used according to the Neb. Rev. Stat. Section 18-3410 (5) and (6), City Ordinance #40052, and OMLB Policies and Procedures.

- M. **Delegation of Authority to Executive Director.** The Executive Director, in conjunction with an officer of the Board of Directors, may 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 OMLB Policies and Procedures. The Executive Director may summarize for the Board of Directors on a regular basis the nature and number of Depository Agreements and all transfers to and from the OMLB pursuant to Depository Agreements. Any provision of any Depository Agreement not consistent with these Policies and Procedures may require the express approval of the Board of Directors.
- N. **Notice.** The OMLB may forward to Grantor any notices of violations, orders, or assessments received by it while the Property is being held by the OMLB.

Article IX. Amendments to these Policies and Procedures.

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