



**METRO ATLANTA
LAND BANK**

Affordable Housing
Vibrant Communities
Economic Opportunities

POLICIES AND PROCEDURES

ACQUISITION AND DISPOSITION OF REAL PROPERTY

AS APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS

ON OCTOBER 22, 2020



ACQUIRE AND DISPOSE REAL PROPERTY

The acquisition and disposition of properties owned by the Metro Atlanta Land Bank (hereinafter “LBA”) shall be governed by the following policies:

Role As A Public Authority

► 1.1 Public Authority

We are authorized under Georgia law and governed by a Board of Directors appointed by the Land Bank Members.

► 1.2 Governing Authority

We are governed by the:

- Georgia Land Bank Act, the 2017 Amended and Restated Interlocal Cooperation Agreement Between Fulton County and the City of Atlanta
- LBA By-Laws
- LBA Policies and Procedures

► 1.3 Purposes

We were established to acquire, hold, and transfer interest in real property located within the boundaries of the Land Bank Members for the following purposes:

To return property which is

- Dilapidated
- Abandoned
- Foreclosed
- Tax delinquent

to a productive status.

To market and affordable housing, public space, economic opportunity, and vibrant communities

HOW WE ACQUIRE AND DISPOSE

Strategies for Property Acquisition and Disposition

▶ 2.1 Impact of Property Conveyance We Consider

The LBA shall consider the impact of a property conveyance on short and long-term neighborhood and community development plans. In doing so, the LBA may consider the following in any order in which it deems appropriate: the preservation of existing stable and viable neighborhoods; the preservation of housing and economic opportunities for low-moderate income persons and long-term existing residents in all neighborhoods including those experiencing rapid change in property market values and in public and private investments; stabilization of neighborhoods in which a proposed disposition will assist in halting a slowly occurring decline or deterioration of property market values and maintenance; stabilization of neighborhoods which have recently experienced or are continuing to experience a rapid decline or deterioration of property market values and maintenance.

▶ 2.2 Strategies for Property Use

The LBA may consider the following strategies for use of LBA properties including, but not limited to:

- A Affordable Housing, including the preservation, production, or rehabilitation of housing for persons with low or moderate incomes; and, the preservation of long-term land affordability through community land trusts or similar not-for-profit or public entities. /On an annual basis, the Board of Directors will consider and approve the applicable definitions of “low income” and “moderate income.”
- B Neighborhood Revitalization, including the return of vacant, abandoned, dilapidated, tax delinquent, or foreclosed property to productive status; land assemblage for economic development; long-term “banking” of properties for future strategic uses; and provision of financial resources for operating functions of the LBA.
- C Economic Development, including use and development of property that promotes mixed market economic development and that generates revenue for LBA operations and future LBA investment in Land Bank Member communities.
- D Conservation, including the preservation and re-use of land for environmental conservation, community gardens, and other greening purposes, and in order to mitigate the potential effects of climate change.

▶ 2.3 Neighborhood Consultation

The LBA may require applicants seeking to acquire property from the LBA to demonstrate prior consultation with neighborhood associations, Neighborhood Planning Units, and/or non-profit entities in the geographical location of the property.

PRIORITIES FOR IDENTITY OF TRANSFEREES

▶ 3.1 Priority Transferees

Except where limited by the terms of its acquisition, the LBA may, at its discretion, give priority to categories of transferees of LBA properties including, but not limited to, non-profit or for-profit entities seeking to obtain the land for affordable housing, neighborhood revitalization, economic development, or conservation purposes described in section 2.2 above. The LBA may also, at its discretion, give priority to transferees including: nonprofit institutions such as neighborhood nonprofit entities, academic institutions, and religious institutions; entities that are a partnership, limited liability corporation, or joint venture comprised of a private nonprofit corporation and a private for-profit entity; individuals who own and occupy residential property for purposes of the Side Lot Disposition Program, and individuals who seek to own and occupy residential property as a primary residence obtained from the LBA.

▶ 3.2 Transferee Qualifications

All applicants seeking to acquire property from the LBA, or to enter into transaction agreements with the LBA, will be required to provide as part of the application such information as may be requested by the LBA, including but not limited to (a) the legal status of the applicant, its organizational and financial structure, and its operational and financial capacity, and (b) the applicant's prior experience in developing and managing real property. Prior or current ownership of properties that became delinquent in ad valorem tax payments and remain delinquent in ad valorem tax payments during an applicant's ownership, whether sole owner or a member in a corporation, shall disqualify an applicant.

Applicants shall remain disqualified until all delinquencies have been satisfied and properties have remained tax current for at least 24 months. Ownership of properties that have any un-remediated citation for violation of federal and local code, ordinances, and regulations shall disqualify an applicant. Applicants shall remain disqualified until all properties have been code compliant for at least 24 months.

▶ 3.3 Reserved Discretion

The LBA reserves full and complete discretion to decline applications and proposed transaction agreements from individuals and entities. Relevant criteria in such a decision may include, but are not limited to:

- A Failure to perform in prior transactions with the LBA,
- B parties that are barred from transactions with federal, state, or local government entities,
- C parties that are unable to demonstrate sufficient experience and capacity to perform in accordance with the requirements of the LBA,
- D parties who do not personally reside or whose principal place of business is not within 50 miles of downtown Atlanta, give or take a few miles as context requires, who seek to purchase property for non owner-occupant purposes and cannot demonstrate ownership of similar properties in Fulton County that are code compliant, occupied by bona fide tenants, and managed by local property managers with a demonstrated track record of success.
- E application for properties that have been used by the applicant or a family member of the applicant as his or her personal residence at any time during the twelve (12) months immediately preceding the submission of application.

ACQUISITION OF REAL PROPERTY

▶ 4.1 Sources of Property Inventory.

Sources of real property inventory of the LBA include, but are not limited to, the following: (a) transfers from Land Bank Members, local government units, intergovernmental entities; (b) acquisitions by the LBA at tax sales conducted in accordance with Georgia Land Bank Act; (c) donations from private persons and private or public entities; (d) market purchases; (e) conduit transfers contemplating the simultaneous acquisition and disposition of property; and, (f) other transactions such as Land Banking Depository Agreements. In determining the nature and extent of such properties to be acquired, the LBA shall also give consideration to criteria including, but not limited to, the underlying values of the subject properties, the geographical location of the properties, the financial resources available for acquisitions, the potential length and cost of holding and maintaining the properties, and the operational capacity of the LBA.

▶ 4.2 Policies Governing the Acquisition of Properties

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

- A Proposals and requests by nonprofit corporations that identify specific properties for ultimate acquisition and redevelopment.
- B Proposals and requests by governmental entities that identify specific properties for ultimate use and redevelopment.
- C Residential properties that are un-occupied or are available for immediate occupancy without need for substantial rehabilitation.
- D Improved properties that are the subject of an existing order for demolition of the improvements and properties that meet the criteria for demolition of improvements.

- E Vacant properties that could be placed into the Side Lot Disposition Program.
- F Properties that would be in support of strategic neighborhood stabilization and revitalization plans.
- G Properties that would form a part of a land assemblage development plan.
- H Properties that could generate operating resources for the functions of the LBA;
- I Properties that are currently affordable, but at risk of losing affordability and properties that lend themselves to affordable housing development.

▶ 4.3 Acquisitions through Delinquent Tax Enforcement Proceedings

The LBA may acquire properties through the delinquent tax enforcement process including, but not limited to acquisitions at tax sales, or subsequent to such sales as authorized by law

▶ 4.4 Transaction Agreements

In all cases involving conduit transfers and Land Banking Depository Agreements, a transaction agreement must be approved in advance and executed by the LBA and the grantor of the property. In the case of conduit transfers, such a transaction agreement will generally be in the form of an Acquisition and Disposition Agreement prepared in accordance with these Policies. In the case of a land banking relationship, such a transaction agreement will generally be in the form of a Land Banking Depository Agreement prepared in accordance with these Policies. These transaction agreements shall be in form and content as deemed by the LBA to be in the best interest of the LBA, and shall include to the extent feasible, specification of all documents and instruments contemplated by the transaction as well as the rights, duties, and obligations of the parties.

▶ 4.5 Title Assurance

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

▶ 4.6 Environmental Concerns

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

DISPOSITION OF REAL PROPERTY

▶ 5.1 Consideration Generally

The form of consideration to be provided by the transferee to the LBA is in the sole discretion of the LBA and may take the form of cash, deferred financing, performance of contractual obligations, imposition of restrictive covenants, or other obligations and responsibilities of the transferee, or any combination thereof. The following factors shall constitute general guidelines for determination of the consideration to be received by the LBA for the transfer of properties. In each and every transfer of real property, the LBA shall require good and valuable consideration in an amount not more than the fair market value of the property, as determined by the LBA, or the Property Costs. "Property Costs" shall mean the aggregate costs and expenses of the LBA attributable to the specific property in question, including costs of acquisition, maintenance, repair, demolition, marketing of the property, and indirect costs of the operations of the LBA allocable to the property.

▶ 5.2 Transfers to Non-profit Entities for Affordable Housing and Affordable Commercial Projects

- A Transfers of property to nonprofit entities for the development, operation, or maintenance of affordable housing or affordable commercial projects shall require consideration not less than the Property Costs.
- B Consideration shall be established at a level between the Property Costs and fair market value of the property. To the extent that the consideration exceeds the Property Costs, such amount shall be reflected by a combination of contractual obligations to develop, maintain, or preserve the property for specified affordable purposes. Such amount may be secured by subordinate financing in which amortization of the obligation occurs by virtue of annual performance of the required conditions.
- C The dominant priority in determining the amount of and method of payment of the consideration shall be to facilitate the development of affordable housing or affordable commercial projects and simultaneously to ensure that the property is dedicated over an appropriate period of time for affordable housing or affordable commercial projects.

▶ 5.3 Transfers to Governmental Entities

- A To the extent that transfers of property to governmental entities are designed to be held by such governmental entities in perpetuity for governmental purposes, the aggregate consideration for the transfer shall be based upon deed restrictions upon the use of the property.
- B To the extent that transfers of property to governmental entities are anticipated as conduit transfers by such governmental entities to third parties, the consideration shall consist of not less than then Property Costs, to be paid in cash. The difference between the Property Costs and the fair market value may be included in consideration depending upon the relationship between the anticipated uses and the governing priorities of the LBA.

▶ 5.4 Transfers to Nonprofit Entities for Affordable Housing and Affordable Commercial Projects

- A Property that is transferred on the open real estate market, whether through auction or negotiated transfers without restrictions as to future use, shall be based upon consideration equal to the fair market value of the property. Such consideration shall be paid in full at the time of the transfer.

▶ 5.5 Side Lot Disposition Program

The pricing policies applicable to a Side Lot Disposition Program shall be as set forth in policies and procedures applicable to the Side Lot Disposition Program.

▶ 5.6 Permanent Affordability Pilot Program

The pricing policies applicable to the Permanent Affordability Pilot Program shall be as set forth in the policies and procedures applicable to the Permanent Affordability Pilot Program.

▶ 5.7 Covenants, Conditions, and Restrictions

All conveyances by the LBA to third parties shall include such covenants, conditions, and restrictions as the LBA deems necessary and appropriate in its sole discretion to ensure the use, rehabilitation, and redevelopment of the property in a manner consistent with the public purposes of the LBA. In the discretion of the LBA, such requirements may take several forms, including but not limited to, a deed creating a defeasible fee, recorded restrictive covenants, subordinate financing being held by the LBA, contractual development agreements, local hiring requirements, or any combination thereof.

▶ 5.8 Options

Options are available for the 10% of the parcel price or \$15,000, whichever is greater, for up to a 12-month period. This fee will be credited to the parcel price at closing. If closing does not occur, the fee is forfeited. All option agreements are subject to all Policies and Procedures of the LBA pertaining to property transfers (set forth herein).

▶ 5.9 Earnest Money

Earnest money in the amount of 5% of the purchase price or \$1000.00 will generally be required in conveyances by the LBA of residential properties.

▶ 5.10 Covenants, Conditions, and Restrictions

Conveyances from the LBA to third parties shall generally be by Quitclaim Deed. Conveyances for fee simple at market rates may be by Limited Warranty Deed.

COLLABORATION WITH NON-PROFIT ENTITIES

▶ 6.1 Transactions with Non-Profit Entities

The LBA is willing to enter into conduit transfers with non-profit corporate entities as outlined in this section. These non-profit corporate entities would secure donations of or purchase tax delinquent properties from owners, transfer these properties to the LBA for extinguishment of delinquent taxes, and reacquire these properties for use in affordable housing development or preservation and neighborhood stabilization.

▶ 6.2 Tax-Extinguishment

Pursuant to Agreements with participating local governments, the LBA may extinguish delinquent taxes which were not the responsibility of the transferring non-profit entity.

▶ 6.3 Eligibility

Eligibility for this option will be based on certain criteria. These shall include the geographical location of the property, qualifications of the non-profit transferee described in section 3.2 above, and intended use of the property.

▶ 6.4 Documentation of Lot Purchase

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

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

▶ 6.5 Maximum Costs

The total of these costs should exceed the maximum allowable lot cost (i.e., the cost that will permit the production of low-to-moderate income housing) before the LBA may consider the extinguishment of delinquent taxes in total or in part.

▶ 6.6 Restrictive Covenants

The LBA will impose covenants, conditions, and restrictions as necessary to ensure that the property is used for the agreed upon purpose presented at Board approval. These may include, but are not limited to, security deeds in the amount of the extinguished taxes, reverter right for title, approval of subsequent purchasers, etc.

▶ 6.7 LBA Discretion

Some properties may present unusual or extenuating circumstances due to lack of funding for housing production or related costs. The LBA reserves the right to evaluate and consider approving such properties for conduit transfer on a case-by-case basis.

COLLABORATION WITH FOR-PROFIT ENTITIES.

▶ 7.1 Transactions with For-Profit Entities

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

▶ 7.2 Eligibility

Eligibility for this option will be based on certain criteria. These shall include the geographical location of the property. The corporate entity must first identify and consult with any community based, neighborhood nonprofit entities that may have an interest in developing the property. If an interest exists, the non-profit and for-profit must make a good faith effort, as judged by the LBA in its sole discretion, to enter into an agreement for joint development.

▶ 7.3 Documentation of Lot Purchase

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

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

▶ 7.4 Maximum Costs

The total of these costs should exceed the maximum allowable lot cost (i.e., the cost that will permit the production of low-to-moderate income housing) before the LBA may consider the extinguishment of delinquent taxes in total or in part.

▶ 7.5 LBA Discretion

Some properties may present unusual or extenuating circumstances due to lack of funding for housing production or related costs. The LBA reserves the right to evaluate and consider approving such properties for conduit transfer on a case-by-case basis.

COLLABORATION FOR COMMUNITY IMPROVEMENTS

▶ 8.1 Community Improvement Property

The LBA is willing to accept donations of property to be transferred into a non-revenue-generating, non-tax-producing use that is for community improvement, neighborhood stabilization, or other public purposes

▶ 8.2 Eligibility

Properties can be conveyed to the LBA for extinguishment of delinquent taxes and other local government liens as approved by the appropriate governing bodies, and then re-conveyed by the LBA to be utilized for community improvement purposes, including but not limited to, community gardens, parking for non-profit functions such as a school or cultural center, or a playground for neighborhood use, after-school programs, or day care. The application must demonstrate that the proposed community improvements are consistent with the area redevelopment plans and community revitalization plans.

▶ 8.3 Transferee

The application must identify and be signed by the ultimate transferee of the property from the LBA. The transferee should be a governmental entity, a non-profit property entity, or in rare cases, a for-profit entity that is capable of holding and maintaining the property in the anticipated conditions and for the anticipated purposes.

▶ 8.4 Restrictive Covenants

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

APPROVAL OF PROPERTY TRANSFERS

▶ 9.1 Transfers Require Board Approval

All property transfers, including all acquisitions and dispositions undertaken in accordance with these Policies and Procedures must be approved by the Board of Directors in accordance with the 2017 Interlocal Cooperation Agreement. All completed property transfers shall be reported in writing to the Board of Directors at the Board meeting immediately following such transfer(s).

INTERPRETATIONS OF POLICIES AND PROCEDURES & REVISIONS

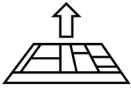
▶ 10.1 Interpretations

The LBA's Executive Director shall have the sole authority to interpret these Policies and Procedures. The LBA's Executive Director may consult General Counsel and other subject matter experts as deemed necessary. The LBA's Executive Director may adopt additional internal guidelines to clarify, expand, or provide further detail on any of the policies contained herein. Any such guidelines must be in writing and must not contradict these policies and procedures.

▶ 10.2 Revisions

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

**SEE EXHIBITS FOR
POLICIES AND
PROCEDURES
RELATED TO
SPECIFIC LBA
PROGRAMS**



SIDE LOT DISPOSITION PROGRAM

▶ 1.1 Side Lot Transfers

Individual parcels of property may be acquired by the LBA and transferred to individuals in accordance with the following policies. The transfer of any given parcel of property in the Side Lot Disposition Program is subject to override by higher priorities as established by the LBA outlined in section 2.2 of the Policies and Procedures.

▶ 1.2 Qualified Properties

Parcels of property eligible for inclusion in the Side Lot Disposition Program shall meet the following minimum criteria:

- A The property shall be vacant unimproved real property;
- B The property shall be physically contiguous to adjacent owner-occupied residential property, with not less than a 50% common boundary line at the side;
- C The property shall consist of no more than one lot capable of development. Initial priority shall be given to the disposition of properties of insufficient size to permit independent development; and
- D No more than one lot may be transferred per contiguous lot.

▶ 1.3 Side Lot Transferees

- A All transferees must own the contiguous property, and priority is given to transferees who personally occupy the contiguous property with active homestead exemption status.

- B The transferee must not own any real property (including both the contiguous lot and all other property in the County) that is subject to any unremediated citation of violation of the state and local codes and ordinances.
- C The transferee must not own any real property (including both the contiguous lot and all other property in the County) that is tax delinquent or has any tax lien transfers.
- D The transferee must not have been the prior owner of any real property in the County that was transferred to a local government as a result of tax sale proceedings unless the LBA approves the anticipated disposition prior to the effective date of completion of such tax sale proceedings.
- E Transferee will be required post close to demonstrate all Fulton County Tax Assessor/City of Atlanta requirements for transfer have been completed.

▶ 1.4 Pricing

- A Parcels of property that are not capable of independent development may be transferred for nominal consideration.
- B Parcels of property that are capable of independent development shall be transferred for consideration in an amount not less than the amount of the Property Costs incurred in acquisition, demolition, and maintenance of the lot.

▶ 1.5 Additional Requirements

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



PERMANENT AFFORDABILITY PILOT PROGRAM

▶ 1.1 Permanent Affordability Pricing Policy

In accordance with the 2017 Interlocal Cooperation Agreement, the first priority for conveyances of LBA residential properties is “to neighborhood nonprofits obtaining the property for the production or rehabilitation of housing for persons with low or moderate incomes.” This Permanent Affordability Pricing Policy sets forth guidelines for the LBA’s conveyance and pricing of residential real property, and vacant lots zoned residential, to neighborhood nonprofit entities for development and provision of permanently affordable housing in accordance with the mission and the purpose of the LBA and applicable law.

▶ 1.2 Definition of Permanently Affordable Housing

For purposes of this policy, “permanently affordable housing” is housing that requires mortgage or rent plus utility costs of not more than 30% of a low or moderate income individual’s monthly income for a period longer than 20 years.

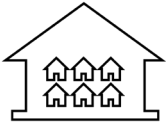
▶ 1.3 Permanent Affordability Purchase Price

Upon receipt of an application by a neighborhood nonprofit for conveyance of LBA property, the Board of Directors, in its discretion, may authorize the conveyance of such property to the neighborhood nonprofit for total consideration not to exceed 35% of Fair Market Value, upon the following conditions:

- A The neighborhood nonprofit must submit appropriate development or other plans for the property, including all required property acquisition application documents, demonstrating commitment and ability to utilize the subject property for permanently affordable housing for low to moderate income persons, as defined in the annual definitions of low income and moderate income adopted by the LBA.
- B The neighborhood nonprofit must submit to appropriate development requirements of the LBA in accordance with its policies to ensure the property is utilized for permanent affordable housing.
- C The neighborhood nonprofit shall provide the LBA with a written report on the conveyed property, which report shall (i) be provided by December 1st of each effective year subsequent to the conveyance of the property from the LBA to the neighborhood nonprofit, and (ii) identify the potential date for completion of the development work relating to such property pursuant to the LBA permanent affordability development requirements.

▶ 1.4 Permanent Affordability Investment Value

The difference between the Fair Market Value and the Permanent Affordability Purchase Price shall constitute the LBA Permanent Affordability Investment Value. The LBA Permanent Affordability Investment Value, on parcels conveyed for permanent affordability, shall be recorded, tracked, updated, and regularly reported upon at LBA Board of Directors Meetings.



LAND BANKING DEPOSITORY AGREEMENT PROGRAM

▶ 1. Scope

These policies and procedures for a Land Banking Depository Agreement Program of the LBA have been adopted by the Board of Directors of the LBA in accordance with the provisions of the 2017 Interlocal Cooperation Agreement.

As set forth in these Policies and Procedures, the Land Banking Depository Agreement Program consists of transactions in which a grantor transfers real property to the LBA and the property is held by the LBA pending a transfer back to the original grantor, to a grantee identified in a Banking Agreement, or to a third party selected by the LBA at its discretion.

The goals of this Land Banking Depository Agreement Program include, but are not limited to, the acquisition of real property for or on behalf of a governmental entity or a not-for-profit corporation in order to:

- A Permit advance acquisition of potential development sites in anticipation of rapidly rising land prices;
- B Facilitate pre-development planning, financing, and structuring;
- C Minimize or eliminate violations of housing and building codes and public nuisances on properties to be developed for affordable housing; and,
- D Hold parcels of land for future strategic governmental purposes, such as affordable housing and open spaces and greenways.

The LBA is not required to enter into a Banking Agreement (see definition in Section 2(a) below) with any person or entity, and at all times retains full discretion and authority to decline to enter into such Agreement. These Policies and Procedures are applicable only to real property of the LBA which is acquired by the LBA in accordance with an executed Land Banking Depository Agreement and are not otherwise applicable to real property acquired by the LBA pursuant to any other agreements or procedures.

▶ 2. Definitions

As used in these Policies and Procedures the following terms shall have the definitions set forth:

- A “Banking Agreement” shall mean a written agreement between a Grantor and the LBA which identifies the Property, the length of the banking term, the potential Grantee or Grantees, the range of permissible uses of the Property following transfer by the LBA, the permitted encumbrances on the Property, the rights and duties of the parties, the responsibility of the Grantor for the Holding Costs, the possible advance funding of Holding Costs, the forms of the instruments of conveyance, and such other matters as appropriate.
- B Grantor” shall mean the party that transfers or causes to be transferred to the LBA a tract of Property pursuant to a Banking Agreement. An eligible Grantor shall be an entity described in Section 4.
- C “Grantee” shall mean the party or parties identified in a Banking Agreement as the party to whom the Property is to be transferred from the LBA. An eligible “Grantee” shall be an entity described in Section 4.
- D “Holding Costs” shall mean any and all costs, expenses, and expenditures incurred by the LBA, 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 LBA shall maintain records of the monthly Holding Costs for each Property.
- E “Property” shall mean the real property and improvements (if any) located thereon identified in a Banking Agreement and transferred to the LBA pursuant to a Banking Agreement, together with all right, title and interest in appurtenances, benefits and easements related thereto.

▶ 3. Eligible Property

Property which is eligible for a Banking Agreement must either be (a) unimproved real property, (b) real property with unoccupied single or multi-family residences, (c) vacant commercial or industrial property.

- A In the event that a tract of Property contains improvements which are to be demolished or removed, such Property may qualify as eligible Property for a Banking Agreement so long as adequate and sufficient funds are placed in escrow at the time of the Banking Agreement closing so as to assure that all improvements will be demolished and removed within sixty (60) days of closing.
- B Property that is ineligible for a Banking Agreement includes all other forms of improved real property, all real property which is occupied, real property that is tax delinquent, and all real property that has been identified by the United States Environmental Protection Agency, the Environmental Protection Division of the State of Georgia or the Georgia Department of Natural Resources as containing hazardous substances and materials demonstrated by the submission of an EPA Phase 1 or 2 assessment.

▶ 4. Eligible Grantors and Grantees

Parties eligible to be a Grantor or a Grantee are governmental entities and not-for-profit corporations defined as tax-exempt entities under Section 501(c)(3) of the Internal Revenue Code. In the sole discretion of the LBA, a limited or joint partnership entity is eligible to be a Grantor or a Grantee so long as a governmental entity or not-for-profit corporation has a controlling interest in such entity, as determined by the LBA in its sole discretion.

▶ 5. Title

Unless and except to the extent expressly authorized in a Banking Agreement, Property transferred to the LBA pursuant to a Banking Agreement shall be fee simple title free and clear of all liens and encumbrances. A policy of title insurance must be issued in favor of the LBA as the insured party at the closing pursuant to the Banking Agreement containing such exceptions as are approved by the LBA.

- A 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 LBA and are subject to waiver or discharge by the governmental entity holding such liens without cost to the LBA.
- B A Deed to Secure Debt or Security Deed may encumber Property at the time of the transfer to the LBA provided that the obligations secured by such security instrument do not require monthly or periodic payment of sums by the LBA to the mortgagee. Under no circumstances will the LBA have direct liability for a mortgage pursuant to a security instrument. It is anticipated that each Banking Agreement that contemplates the transfer of Property to the LBA encumbered by a security instrument will require a separate written agreement between the mortgagee and the LBA which provides, among other things, that (1) the mortgagee expressly consents to the transfer to the LBA, (2) the mortgagee expressly subordinates its interests to covenants, conditions, and restrictions as may be required by the LBA, and (3) prior to the exercise of mortgagee rights under the security instrument, the mortgagee will request on behalf of the Grantor the re-conveyance of the Property to the Grantor and pay to the LBA the Holding Costs attributable to the Property.
- C At the time of closing pursuant to a Banking Agreement, all ad valorem taxes which are due and payable on the Property must be paid in full. An exception to this requirement of no outstanding ad valorem tax liens may be granted when the Grantor is acquiring the Property from a third party and immediately conveying the Property to the LBA pursuant to a Banking Agreement or in such other limited circumstance in the discretion of the LBA.

▶ 6. Length of Banking Term

A Banking Agreement may permit a maximum banking term of sixty (60) months for transactions in which the Grantor is a not-for-profit entity, and sixty (60) months for transactions in which the Grantor is a governmental entity. Banking Agreement terms may be extended beyond the maximum terms identified in this section on a case-by-case basis in the discretion of the LBA.

▶ 7. Transfer at Request of Grantor

A Banking Agreement shall authorize a Grantor to request a transfer of the Property by the LBA to a Grantee at any time within the banking term.

- A A conveyance by the LBA to the Grantee identified pursuant to a Banking Agreement shall occur within thirty (30) days of receipt of a written request for a transfer.
- B As a condition precedent to the transfer by the LBA, the full amount of Holding Costs incurred by the LBA attributable to the Property shall be paid to the LBA. The LBA shall provide to the Grantor in accordance with Section 10, a statement of the Holding Costs attributable to the Property.
- C At the time of the transfer by the LBA to the Grantee, the LBA shall impose such restrictions and conditions on the use and development of the property in accordance with Section 11 hereof and the applicable Banking Agreement.
- D Conveyance by the LBA to a Grantee shall be by Quitclaim Deed.

▶ 8. Transfer at Request of LBA

At any time and at all times during the term of a Banking Agreement, the LBA 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 LBA.

- A A transfer by the LBA pursuant to this Section 8 shall be subject to the same terms and conditions as set forth in Section 7.
- B In the event that the Grantor (or its designee) is unwilling or unable to accept a transfer of the Property from the LBA, and reimburse the LBA in full for the Holding Costs, then and in that event, the LBA shall have the right to terminate in writing the Banking Agreement and the Property shall become an asset of the LBA and subject to use, control, and disposition by the LBA in its sole discretion subject only to the provisions of the Georgia Land Bank Act, the 2017 Interlocal Cooperation Agreement, and any applicable LBA policies and procedures.

▶ 9. Banking Agreement Closing

Within a time period specified in a fully executed Banking Agreement, a closing of the transfer of the Property to the LBA 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.

▶ 10. Holding Costs

Holding Costs shall be paid as a condition precedent to a transfer of Property from the LBA. Either the Grantor or the Grantee can request in writing at any time a statement of the Holding Costs, which statement will be provided by the LBA within fifteen (15) business days of receipt of the request. The LBA shall also have the right to request in writing that the Grantor or Grantee reimburse on written demand the LBA for Holding Costs. In the event the LBA is not timely reimbursed for its Holding Costs in response to its written request for reimbursement, the LBA may request a transfer pursuant to Section 8.

▶ 11. Public Purpose Restrictions

All Property held by the LBA and transferred by the LBA pursuant to a Banking Agreement shall be subject to covenants and conditions providing that the Property is to be used for the following goals: (a) the production or rehabilitation of housing for persons with low incomes, (b) the production or rehabilitation of housing for persons with moderate incomes, (c) community improvements, or (d) other public purposes. Each Banking Agreement will specify the range of permissible uses and the manner in which such use restriction is secured. Such restrictions and conditions may be imposed either in the form of contractual obligations, deed covenants, rights of reacquisition, or any combination thereof.

▶ 12. Execution Authority and Reporting

The Board of Directors shall have full power and authority to enter into and execute Banking Agreements having form and content consistent with these policies and procedures. The Executive Director shall summarize for the Board of Directors on a regular basis the nature and number of Banking Agreements, the aggregate Holding Costs, and all transfers to and from the LBA pursuant to Banking Agreements. Any provision of any Banking Agreement not consistent with these policies and procedures shall require the express approval of the Board of Directors.

