

CITY OF KIRTLAND

ORDINANCE NUMBER 21-O-47

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN UPDATED MEMORANDUM OF UNDERSTANDING WITH THE LAKE COUNTY LAND REUTILIZATION CORPORATION RELATING TO VACANT, ABANDONED, TAX-FORECLOSED OR OTHER REAL PROPERTY.

WHEREAS, the City of Kirtland and the Lake County Land Reutilization Corporation (LCLRC) have previously entered into a Memorandum of Understanding regarding acquisition of vacant, abandoned, tax-foreclosed or other real property in the City of Kirtland on or about November 6, 2014 with authorizing legislation of 14-O-56; and

WHEREAS, the executive director of the LCLRC believes it is prudent to review and approve of an updated Memorandum of Understanding for clarity purposes due to the significant changeover of multiple administrations; and

WHEREAS, the Memorandum of Understanding, attached hereto and incorporated herein as Exhibit A, does not contain any substantive changes but has been drafted to outline the steps that may be taken by the LCLRC and provide guidance to both the City and the LCLRC, said guidance is designed to help resolve any misunderstandings and clarify steps to be taken.

NOW, THEREFORE, IT IS HEREBY ORDAINED by the Council of the City of Kirtland, County of Lake and State of Ohio, that:

SECTION I: The Council of the City of Kirtland hereby authorizes the Mayor of the City of Kirtland to forthwith execute and enter into the updated Memorandum of Understanding with the Lake County Land Reutilization Corporation, the terms and conditions of which are set forth in Exhibit "A" attached hereto, or in substantial conformity thereto.

SECTION II: The Clerk of Council is hereby authorized and directed to transmit a certified copy of this Ordinance to the Lake County Land Reutilization Corporation.

SECTION III:

(a) It is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were passed in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

(b) This Ordinance shall be in effect from and after its adoption at the earliest period allowed by law.

First Reading: _____
Second Reading: _____
Third Reading: _____

DATE PASSED: _____

President of Council

Submitted to the Mayor for his
Approval on this _____ day of
_____, 2021.

ATTEST:

Approved by the Mayor, this _____
day of _____, 2021.

Clerk of Council
Lake County Land Reutil. MOU – 2021.

Mayor Kevin F. Potter

MEMORANDUM OF UNDERSTANDING

THIS MASTER COOPERATIVE LAND REUTILIZATION AGREEMENT (this "Agreement") is made and entered into and is effective as of this _____ day of _____, 2021 (the "Effective Date"), by and between the **LAKE COUNTY LAND REUTILIZATION CORPORATION** (the "LCLRC"), and the **CITY OF KIRTLAND, OHIO** (the "Municipality"), under the following circumstances:

WHEREAS:

- A. The LCLRC has been organized for the purposes of exercising the essential governmental purposes provided for under the Chapters 1724 and 5722 of the Ohio Revised Code (ORC) and any ancillary purposes for which statutory authority has been given to the LCLRC under the ORC within Lake County, Ohio (the "County"), including, but not limited to, the following purposes: (1) facilitating the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed or other real property within the county; (2) efficiently holding and managing vacant, abandoned or tax-foreclosed real property pending its reclamation, rehabilitation, renovation and reutilization; (3) assisting governmental entities, such as the Municipality, and other non-profit or for-profit entities to clear titles, to remove structures, assemble parcels, of vacant, abandoned, tax-foreclosed or other real property within the County in a coordinated manner; and (4) promoting economic development, affordable housing and other economic opportunities in the county or region.
- B. Notwithstanding that the LCLRC may maintain, acquire, dispose of, rehabilitate, renovate and/or demolish properties within the Municipality as it deems best, constrained only by the Municipality's applicable building, housing and zoning codes, and such other federal and state laws, the LCLRC and the Municipality never the less jointly desire to cooperate in the reclamation, rehabilitation, renovation and reutilization of vacant, abandoned, tax-foreclosed or other real property within the Municipality's boundaries on the terms, conditions and provisions herein.

NOW THEREFORE, the LCLRC and the Municipality each agrees as follows:

ARTICLE I

DEFINITIONS; INTERPRETATION

SECTION 1.1. SHORT TITLE. This Agreement, together with any and all Supplements hereto, are hereinafter referred to as the "Agreement".

SECTION 1.2. DEFINITIONS. In addition to the words and terms defined above, the following words and terms shall have the meanings given to such words and terms in this Section:

“Protocols” mean, collectively, the Acquisition, Demolition, Disposition, Maintenance and Rehabilitation Protocols, and any Protocols that are required to be established pursuant to Article II hereof.

“Statutory Protocols” means the acquisition protocols created pursuant to the Ohio Revised Code.

“Acquisition Protocols” mean the mutually agreed-upon procedures, as set forth in Exhibit A-1 to this Agreement, to be followed by the LCLRC and the Municipality in connection with the acquisition of properties by either the LCLRC or the Municipality.

“Rehabilitation Protocols” mean the mutually agreed-upon procedures, as set forth in Exhibit A-2 to this Agreement, to be followed by the LCLRC and the Municipality in connection with the rehabilitation of properties within the Municipality.

“Maintenance Protocols” mean the mutually agreed-upon procedures, as set forth in Exhibit A-3 to this Agreement, to be followed by the LCLRC and the Municipality in connection with the maintenance of properties within the Municipality.

“Demolition Protocols” mean the mutually agreed-upon procedures, as set forth in Exhibit A-4 to this Agreement, to be followed by the LCLRC and the Municipality in connection with the demolition of abandoned and vacant structures within the Municipality.

“Disposition Protocols” mean the mutually agreed-upon procedures, as set forth in Exhibit A-5 to this Agreement, to be followed by the LCLRC and the Municipality in connection with the disposition of properties within the Municipality.

ARTICLE II

STATUTORY PROTOCOLS

Pursuant to the Ohio Revised Code, certain preemptory rights apply to municipalities as it pertains to properties acquired by the LCLRC. These are as follows:

1. **MUNICIPAL LAND BANK PREEMPTION.** Upon the tax foreclosure of properties by the Lake County Treasurer, municipalities having their own land banks pursuant to R.C. 5722.01 et seq., as well as the LCLRC, are eligible to receive such tax-foreclosed properties. Whether such eligibility arises by virtue of: a.) deeds in lieu of foreclosure; b.) Board of Revision tax foreclosures; or, c.) judicial foreclosures, in the event both the Municipality and the LCLRC seek to acquire such property, the Municipality preempts the LCLRC and shall have first priority to acquire such property. The

LCLRC will recognize a similar preemption priority when both LCLRC and the Municipality seek to receive such tax foreclosed properties.

2. **RIGHT OF FIRST ACQUISITION.** The parties acknowledge that the LCLRC will acquire properties through means other than tax foreclosures such as direct purchases, acquisitions from lenders, lender servicers, and Government Sponsored Enterprises. Upon any such acquisition, the Municipality shall have thirty (30) days from the date such acquisition is posted on the LCLRC's website to indicate its desire to acquire said parcel. In the event the Municipality provides written notice to the LCLRC within such time of its intent to so acquire the property, then it shall acquire and close on such property within 30 days of said notice, paying for all of the LCLRC's related expenses including but not limited to any associated holding costs, transactional costs and costs of acquisition. In such event, the LCLRC shall convey by quit claim deed the property so requested by the Municipality. The Municipality shall also be responsible for the costs associated with any title examinations, title policies, and any other studies or inspections it desires.

If the Municipality does not provide written notice of its intent to acquire the property within said thirty (30) days, or having given such notice fails to close on such acquisition as prescribed herein, then the Municipality may acquire such property, but only on terms, conditions, costs and purchase price as the parties shall negotiate. However, in any such case, the LCLRC shall not be required to sell or convey such property to the Municipality as a matter of right. Any conflict between the language set forth in this Article and existing statutory language shall be governed by the statutory language.

ARTICLE III

LAND REUTILIZATION PROGRAM

ESTABLISHMENT OF ACQUISITION, DEMOLITION, MAINTENANCE, REHABILITATION AND DISPOSITION PROTOCOLS. The LCLRC and the Municipality may jointly develop: (a) Acquisition Protocols for the purposes of acquiring properties within the boundaries of the Municipality by either the LCLRC or the Municipality under this Agreement; (b) Demolition Protocols for the purpose of demolishing any abandoned vacant structures within the Municipality; (c) Maintenance Protocols for the purpose of maintaining properties within the Municipality during the period of ownership by the LCLRC or the Municipality; (d) Rehabilitation Protocols for the purpose of rehabilitating properties within the Municipality during the period of ownership by the LCLRC or the Municipality; and (e) Disposition Protocols for the purposes of disposing of properties within the Municipality, all as set forth in Exhibit's A-1 through A-5.

ARTICLE IV

ALLOCATION OF COSTS OF PROTOCOLS

The LCLRC and the Municipality shall bear the costs of any of the Protocols utilized hereunder in accordance with the provisions as set forth in each Protocol.

ARTICLE V

OTHER PROTOCOLS REGARDING LAND

Nothing in this Agreement shall prohibit the parties hereto from establishing from time to time or at any time additional Protocols regarding properties that come into the possession of either of the parties. In connection with the establishment of such other Protocols, the Protocols shall be attached to this Agreement and shall be designated as Exhibit's A-1, A-2, etc.

ARTICLE VI

MISCELLANEOUS

SECTION 5.1. TERM OF AGREEMENT. This Agreement may be terminated by either of the parties hereto upon sixty (60) days' prior written notice of the terminating party to the other party; provided, however, that such a termination shall not be of any force and effect as to any monetary obligations of either of the parties hereunder or of any third party in effect at the time of such termination pursuant to any other agreement executed in connection with, but separate from this Agreement. In the event the parties dispute any amounts owing one to another, at the time of the termination, then the parties shall work in good faith to provide one another with sufficient documentation to reasonably identify and resolve any remaining obligations. Failing such resolution, the parties shall submit any such dispute to a neutral arbitrator as they may agree upon, or failing such selection, to the American Arbitration Association within 30 days of a request by either party.

SECTION 5.2. AMENDMENT OF AGREEMENT. This Agreement, including the Protocols attached hereto, may be amended from time to time and at any time provided that such amendment is in writing and is executed by both of the parties hereto.

SECTION 5.3. SEVERABILITY. If any covenant, agreement, waiver or part thereof contained in this Agreement be forbidden by any pertinent law, or should any pertinent law be effective as to render this Agreement or portions therein invalid or unenforceable, then each such covenant, agreement, waiver or part thereof shall itself be and is hereby declared to be wholly ineffective and this Agreement shall be construed as if the same were not included herein.

SECTION 5.4. NOTICES. All notices hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed by certified mail, postage prepaid and addressed as follows:

If to the LCLRC: John M. Rogers, Esq.
Lake County Land Reutilization Corporation
8 North State St., STE 215
Painesville, Ohio 44077-3955

If to the Municipality: Hon. Kevin F. Potter
City of Kirtland
9301 Chillicothe Rd.
Kirtland, Ohio 44094

SECTION 5.5. SUCCESSORS AND ASSIGNS; PARTIES IN INTEREST; ASSIGNMENT. The covenants, agreements, conditions, promises and undertakings in this Agreement shall extend to and be binding upon the successors and assigns of the LCLRC and the Municipality and all of the covenants thereof shall bind such successors and assigns, and each of them, jointly and severally. All the covenants, conditions and provisions hereof shall be held to be for the sole and exclusive benefit of the LCLRC and the Municipality and no third party shall be deemed the beneficiary of such covenants, conditions and provisions without the written consent thereto of each of the parties hereto.

Both the LCLRC and the Municipality may assign any part or all of its rights or obligations hereunder to a third party but only with the prior written consent of the non-assigning party.

SECTION 5.6. GOVERNING LAW. This Agreement shall be governed by Ohio law.

SECTION 5.7. EFFECTIVE DATE; COUNTERPARTS. This Agreement shall take effect immediately upon delivery of an executed copy hereof to each of the parties hereto. This Agreement may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be deemed to be an original.

IN WITNESS WHEREOF, both the LCLRC and the Municipality have executed this Agreement as of the date first set forth above.

LAKE COUNTY LAND REUTILIZATION CORPORATION

By: _____
JOHN M. ROGERS, ESQ.

Title: **Executive Director**

CITY OF KIRTLAND

By: _____
KEVIN F. POTTER

Title: **Mayor**

EXHIBIT A-1

ACQUISITION OF PROPERTIES

As part of its primary mission, the LCLRC will acquire properties in order to improve the quality of neighborhoods, increase existing land values, create diverse housing opportunities and return properties to the tax rolls.

BASIC CONSIDERATIONS

- A. All acquired properties must have a maintenance plan and funding in place. Initial priority will be given to properties with a designated end-user.
- B. Properties may be acquired when any of the following criteria exist:
 - 1. The property is eligible for tax foreclosure or appear on the Auditor's Forfeited Land List
 - 2. A deed-in-lieu of foreclosure is offered by an owner and no liens are attached to the property, with the exception of delinquent taxes, assessments, penalty, interest and fees
 - 3. The property is made available as a donation: all donations shall be free and clear of all liens, including existing taxes, delinquent taxes, assessments, penalties, interest and fees.
 - 4. A property is being requested by a qualified end-user or other entity for ultimate acquisition, and
 - a. Acts as a catalyst for further development, and/or
 - b. Is part of a comprehensive development plan, and/or
 - c. Supports infrastructure, public use or development of green space, and/or
 - d. Reduces blight in the community.
 - 5. Is located in targeted reinvestment areas and will support strategic neighborhood stabilization and revitalization plans
 - 6. Demolition will eliminate blight and/or supports neighborhood revitalization plans

In particular, acquisitions will be prioritized where the LCLRC's participation is necessary to complete the redevelopment.

- C. Available for the creation or expansion of green space or community space or urban agriculture of any kind
- D. Title issues prevent the property from being developed to its highest and best use
- E. Mortgaged-foreclosed or in receivership and located in a neighborhood that is an area of focus, or with the purpose of preventing the further decline of a neighborhood
- F. Available for immediate occupancy without need for substantial renovation or rehabilitation
- G. Part of a land assemblage development plan by either the LCLRC, the Municipality and/ or partnering entities.
- H. Fulfilling the community's plan for historic preservation
- I. May generate operating support for the functions of the LCLRC
- J. The LCLRC must be aware of any environmental conditions for Brownfield properties. If any adverse conditions are determined, remediation or a remediation plan must be in place before acquisition
- K. Any exception to the policies governing acquisition may be subject to review by the LCLRC Board for final approval

EXHIBIT A-2

REHABILITATION POLICY

The LCLRC may acquire improved properties at the request of a potential end user and/or may elect to acquire an improved property with an intention of rehabilitating the property for future sale/use.

The LCLRC may work with community groups, qualified contractors, individuals and others seeking to purchase and rehabilitate a home in order to return a property to private ownership as soon as possible.

The LCLRC's resources may be used to identify an end-user who will take title to the property and return it to productive use. An important aspect of taking this approach is ensuring that properties in need of rehabilitation are brought up to code, at minimum, or to quality housing standards as established by the LCLRC. With this in mind, the LCLRC will attempt to achieve an appropriate balance between necessary maintenance and the efficient use of its resources.

PROCEDURES

1. PROPERTY EVALUATION

- A. The LCLRC will utilize a building inspector, certified contractor or LCLRC staff to evaluate the condition of the structure, identify required repairs and estimate the cost of the repairs.
- B. Minimum rehab requirements will be based on local building codes and repairs necessary to obtain a certificate of occupancy.
- C. The LCLRC may establish specific quality housing standards that exceed minimum building code requirements.

2. PROPERTY SHOWING

- A. The LCLRC where applicable, will maintain a list of homes available for rehabilitation. The list will include basic property information, such as parcel number, address, neighborhood, square feet and availability. Such list may be displayed in a manner determined by the LCLRC (i.e. website, hard copy maintained in LCLRC office, etc.).
- B. Interested rehabbers or those interested in purchasing the property shall submit a written offer for the property along with their qualifications and proposed rehab specifications. Rehab specifications will be reviewed for compliance with local building standards and/or the LCLRC's quality housing standards.

3. VETTING REHABBERS

- A.** The LCLRC will vet all rehabbers prior to entering into any contract or purchase agreement for a property.
- B.** The rehabber's company and its principal officer or officers will be vetted for tax delinquencies, housing court problems, violent crime, lawsuits involving rehabilitation and subcontractor disputes. This information is readily available on public data sites.
- C.** The LCLRC will review and verify previous successful rehabs and, ideally, references from Community Development Corporations (CDC's) or Municipality officials.
- D.** The LCLRC will consider the financial capacity of the rehabber in completing the required work.
- E.** Results of the vetting process will determine whether a property will be sold directly to the rehabber, renovated and sold to another purchaser, sold through a deed-in-escrow program, or reject and offer making the property available to other rehabbers.
- F.** The vetting process should be thorough enough to ensure that the LCLRC will not be viewed as "flipping" the property.
- G.** In cases where the rehabber has a well-known reputation and proven success in rehabbing properties, the improved property may be transferred directly to the rehabber. When a rehabber has no negative history, but has no verifiable history, the LCLRC will take steps to ensure that all rehab work is completed to an acceptable standard normally evident with a Certificate of Occupancy.

4. DEED-IN-ESCROW

- A.** When working with unproven contractors, community groups or individuals, the LCLRC must ensure that the distressed property is brought up to at least minimum standards.
- B.** The "deed-in-escrow" agreement simply involves the execution of a purchase agreement, but the deed is held in escrow until the rehabber secures a Certificate of Occupancy upon completion of the work. At that time, the rehabber pays the purchase price for the property. There are several obvious benefits to the deed-in-escrow agreement.
 - a.** The LCLRC literally holds title to the property until the work is completed. If the rehabber fails to perform mid-stream, the

rehabber forfeits all improvements and expenses made on behalf of the property;

- b. This process is based on a predictable and objective standard, i.e., Certificate of Occupancy;
 - c. The property remains in a tax-free state while the rehab is being completed;
 - d. The rehabber *may* not be required to pay the purchase price until the work is completed thereby not tying up his/her money.
- C. Entry into a deed-in-lieu contract gives the buyer "equitable title" to the property (and thereby an insurable interest). If the rehabber's insurance agency or lender insists on the rehabber having actual title, then a "reverse deed-in-escrow" provides yet another alternative. In this situation, the deed is transferred to the rehabber for the purpose of procuring insurance and/or financing. Simultaneously, the rehabber contingently tenders a deed directly back to the LCLRC. If the rehabber fails to perform as promised, the LCLRC is free to file the deed back into its name.

EXHIBIT A-3

MAINTENANCE POLICY

As a general policy, the LCLRC will work with qualified end-users, community-minded neighbors, and others to return a property to productive, private ownership as soon as possible. However, the LCLRC may acquire parcels that will require regular maintenance for extended periods of time while end-users are solicited or the property is inventoried for future use.

The LCLRC's resources are best used to identify an end-user who will take title to the property and return it to productive use. With this in mind, the LCLRC will attempt to achieve an appropriate balance between necessary maintenance and the efficient use of its resources.

MAINTENANCE PROCEDURES

A. Maintenance Property

1. When the LCLRC acquires an improved property that will be held and/or rehabilitated or when the LCLRC acquires a vacant lot without a designated end-user, the parcel shall be considered a Maintenance Property.

B. Maintenance Generally

1. The LCLRC will seek qualified vendors for maintenance purposes as is necessary for the property for the duration of the LCLRC's ownership.
2. To use resources most efficiently, the LCLRC will prioritize maintenance partnerships with public-sector vendors or not-for-profit organizations whenever possible.
3. When necessary, the LCLRC may solicit bids from private vendors in order to meet its maintenance needs. A request for proposals of this nature may include a block of properties or properties on an individual basis.

MAINTENANCE STANDARDS

A. For all newly acquired improved properties the LCLRC will require the vendor to:

1. Remove all trash and debris
2. Change locks
3. Board up or otherwise secure the property
4. Terminate all utilities
5. Winterize (when necessary)

- B.** For all newly acquired vacant lots the LCLRC will require the vendor to:
1. Remove all trash and debris
 2. Mow grass and/or weeds
- C.** Ongoing maintenance will include:
1. Removing debris from porch, steps, yard and driveway
 2. Re-securing the property if necessary
 3. Mowing of lawn on a monthly basis
- D.** When maintenance is provided by the Municipality, maintenance schedules will be coordinated with the Municipality's existing maintenance schedule.

EXHIBIT A-4

DISPOSITION OF PROPERTIES

As part of its primary mission, the LCLRC will dispose of properties in a manner which will improve the quality of neighborhoods, increase land values, create diverse housing opportunities and return properties to productive use and the tax rolls.

A. ELIGIBLE END-USERS

In order to facilitate its redevelopment mission and return property to long-term productive use, the LCLRC will require all prospective end-users to qualify for transfers based on the following criteria:

1. Individuals and entities that were the prior owners of property at the time of the tax foreclosure which transferred title to the LCLRC *shall be ineligible* to be the transferee of such property from the LCLRC.
2. The transferee must not own any real property within Lake County that:
 - a. Has any un-remediated citation or violation of Ohio statute or local ordinances,
 - b. Is tax delinquent,
 - c. Was transferred to a local government as a result of tax foreclosure proceedings within the past 5 years.
3. The subject property must not have been used by the transferee or a family member of the transferee as his or her personal residence at any time preceding the submission of application (except in rental cases).

Additional criteria for the qualification of an end-user of/for commercial properties shall include but not be limited to:

1. Identified funding sources and financial wherewithal,
2. Planned improvements,
3. Pre-lease agreements with potential tenants,
4. Previous experience in community redevelopment,
5. Development team qualifications,
6. Developer's equity in the project,
7. Timeline for completion,
8. Evidence of community support, and
9. Any other information the LCLRC may require. Qualifying criteria may vary depending on the nature of the end-user.

B. VACANT LOTS

Unimproved property that the LCLRC owns or is acquiring is eligible to be purchased under the conditions listed below. The transfer of any given parcel of property is subject to override by higher priorities as established by the LCLRC. Individuals interested in purchasing a vacant non-buildable lot contiguous to their property may acquire the parcel as a Side-Lot.

1. **QUALIFIED PROPERTIES** – parcels shall meet the following *minimum* criteria:
 - a. The property shall be a vacant unimproved real property.
 - b. The property shall be owned or is being acquired by the LCLRC, either as an unimproved lot or with the intention of demolishing any structures that currently exist on the land.
 - c. The intended use of the property must be disclosed by the recipient planning to acquire the property. Use must comply with any applicable zoning and must be included in approved uses as specified by the Municipality.
 - d. The transfer may include a deed restriction requiring the use of the property to be consistent with the stated use.
2. **PRICING** – All vacant properties offered for sale shall have an asking price based upon an estimated market value. All fees associated with the sale of a property, including but not limited to title examinations, title insurance, recording fees are the responsibility of the transferee and are not included in the sale price.
3. **TRANSFER PROCEDURE**
 - a. The LCLRC will accept applications from those entities who wish to acquire a vacant lot.
 - b. The LCLRC will attempt to facilitate a transfer of the vacant parcel to an end-user based on the following priorities:
 - i. Future Development
 - ii. Local governments
 - iii. Local non-profit agencies
 - iv. Local for-profit agencies
 - v. Individuals who are a resident of Lake County
 - vi. Other
 - c. Once an end user has been identified, the LCLRC Executive Director is authorized to facilitate a transfer of the property without further

authorizations.

- d. The LCLRC will take the steps necessary to facilitate a closing on a specific LCLRC owned property.

C. SIDE LOT'S

1. **QUALIFIED PROPERTIES** – parcels of property eligible for consideration as a Side Lot shall meet the following *minimum* criteria:

- a. The property shall be a vacant unimproved real property.
- b. The property shall be owned or is being acquired by the LCLRC, either as an unimproved lot or with the intention of demolishing any structures that currently exist on the land.
- c. The property shall be physically contiguous to adjacent property with not less than a 50% common boundary line on one side.
- d. The property is of insufficient size to permit independent development.
- e. No more than one lot may be transferred per contiguous lot.
- f. Intended use for Side Lot must be disclosed by the intended recipient. Use must comply with any applicable zoning and must be included in approved uses as specified by the Municipality. The transfer may include a deed restriction requiring the use of the property to be consistent with the stated use.

2. **PRICING** – While LCLRC owned properties are to be sold for market value, non-buildable side lots, to be sold to an adjacent owner *may* be priced as low as \$250.00. All costs associated with the transfer of title, including but not limited to a title examination, title insurance, deed preparation and recording fees are the responsibility of the transferee and are not included in the sales price.

3. **TRANSFER PROCEDURE**

- a. The LCLRC will accept applications for Side Lots from contiguous property owners who wish to acquire an adjoining property.
- b. The LCLRC will attempt to facilitate a transfer of the parcel to a single side-lot owner whenever possible.
- c. In the event that multiple adjacent property owners desire to acquire the same side lot, the property will be divided and transferred among the interested contiguous property owners. To facilitate such a transaction, the adjacent owners may be required to pay the costs of a

required survey of the land necessary to split the parcel, in addition to the standard considerations.

- i. If both parties do not agree to this resolution, the property will be sold based on the highest offer.
 - ii. In the event of two or more interested purchasers, a contiguous property owner who needs the parcel for a driveway or any other local code compliance issue will receive priority.
- d. The LCLRC will prepare and provide a quit claim deed for the property and otherwise facilitate closing.

D. IMPROVED PROPERTIES

Improved property that the LCLRC owns or is acquiring is eligible to be purchased under the conditions listed below. The transfer of any given parcel is subject to override based upon the priorities outlined in the established Transfer Procedures (see 3).

1. **QUALIFIED PROPERTIES** – the disposition of improved properties shall meet the following *minimum* criteria:
 - a. The property is owned or is being acquired by the LCLRC.
 - b. The property includes a residential or commercial structure
 - c. The property has been inspected by the LCLRC to determine if the structure(s) has the potential for rehabilitation.
 - d. The structure may be rehabilitated or is to be renovated by the LCLRC prior to sale.
 - e. Intended use for the property must be disclosed by the intended recipient. Use must comply with any applicable zoning and must be included in approved uses as specified by the Municipality.
 - f. The transfer may include a deed restriction requiring the use of the property to be consistent with the stated use.
2. **PRICING** - Properties sold as improved properties are to be sold for market value. All costs associated with the transfer of title, including but not limited to a title examination, title insurance and recording fees and are the responsibility of the transferee and are not included in the sales price. Significant deviations from an estimated market value may require approval by the LCLRC Board.

3. TRANSFER PROCEDURE

- a. The LCLRC will accept applications for improved properties from individuals, companies, governments, non-profit agencies, for-profit agencies or others who wish to acquire one or more improved properties.
- b. The LCLRC will attempt to facilitate transfer of an improved parcel to an end-user based on the following end-use priorities:
 - i. Home ownership
 - ii. Historic preservation
 - iii. Mixed income development
 - iv. Rental
 - v. Institutional/public use
 - vi. Commercial
- c. Improved properties may be transferred under one of the following scenarios:
 - i. An improved property that is available for immediate occupancy may be transferred directly to a qualified end-user
 - ii. Property in need of repair prior to occupancy may
 1. Be rehabbed by the LCLRC directly
 2. Be transferred directly to an approved rehabber meeting the criteria outlined in Exhibit A-2.
 3. Be transferred to a rehabber agreeing to make required repairs prior to receiving deed for the property (deed-in-escrow)
 4. Be transferred to an individual who will make necessary repairs and reside in the property for a specified period of time. Deed will be held in escrow until certificate of occupancy is obtained.
- d. Having identified an end user or users, the LCLRC Executive Director is authorized to facilitate a transfer of the property without further approval.
- e. The LCLRC will prepare and provide a quit claim deed for the property and otherwise facilitate closing.

EXHIBIT A-5

DEMOLITION POLICY

One of the LCLRC's primary responsibilities is blight elimination. Demolition of vacant, abandoned, blighted or condemned structures is key to eliminating blight. Demolition may occur in conjunction with a transfer to a qualified end-user. Demolition may also occur while the LCLRC works to identify an end-user or users, who will take title to the unimproved land for future use, or in coordination with land assembly for future development.

GENERAL DEMOLITION PROCEDURES

A. Property Inspection

1. Prior to acquisition, the LCLRC will engage internal staff or a property inspector to evaluate the current condition of any structures on the property.
2. Where a property's condition warrants demolition, the LCLRC will coordinate the steps necessary to demolish the structures and return the property to a natural condition suitable for future development.
- 3.
4. Where an environmental concern exists on any LCLRC property, aside from identified asbestos, appropriate steps shall be taken to identify any hazards posed by an appropriate analysis. Where an environmental hazard is confirmed, the LCLRC shall undertake appropriate measures to remove the hazard(s) in compliance with any regulations prior to making the property available for disposition.

B. Asbestos Survey

1. As a matter of procedure, the LCLRC will order an asbestos survey when necessary, from a qualified asbestos consultant.
2. If a survey's results indicate abatement is necessary, the LCLRC may contract directly with an asbestos contractor, or indirectly through a Demolition Contractor who sub-contracts the asbestos abatement. All abatement shall comply with any regulatory or existing EPA requirements.

C. Selection of Demolition Contractor and Award of Contract

1. LCLRC or its agent will compile a list of qualified demolition contractors.
2. LCLRC or its agent will prepare detailed bid specs for demolition and asbestos abatement, in order to solicit bids from pre-qualified contractors. Properties may be bundled for bid purposes.

3. Contracts will be awarded to a contractor providing the lowest and best bid. Changes to existing contracts including the addition of demolition work is subject to agreement between the LCLRC and a contractor under contract.
4. Executed contracts shall include all necessary permitting, environmental compliance, total removal of the structure(s), including but not limited to the foundation or substructure, driveway, walkways, septic tanks, proper disposal of debris, replacement of grading of lot and planting of grass.
5. Other contract requirements may be included as necessary.
6. Deconstruction of the structure may be permitted to recover important historic materials or architectural details. A nonprofit or community group with experience in deconstruction may contact the LCLRC regarding a specific property scheduled for demolition. Where health and safety concerns or timely coordination of the demolition make deconstruction impractical, a request may be denied.

D. Post-demolition

1. Property will be inspected to ensure that contractor has fulfilled all contract requirements prior to release of final payment.
2. If the LCLRC continues to hold title to the property, a maintenance plan will be established in compliance with the LCLRC's Maintenance Policy.