



# Community Development Committee Special Called Meeting

Holly Springs Public Safety Building, Council Chambers  
3235 Holly Springs Pkwy. Holly Springs, GA 30115  
Thursday, November 7, 2024 | 7:00 PM

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Kyle Whitaker - Chair | Jeff Wilbur - Co-Chair | Mayor Steven W. Miller

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## AGENDA

### I. CALL TO ORDER

### II. OLD BUSINESS

### III. NEW BUSINESS

- A. Cherokee Regional Land Bank
- B. September 23, 2024 Community Development Committee Special Called Meeting minutes.

### IV. REPORTS

### V. ADJOURNMENT

# ITEM REPORT

**AGENDA ITEM NUMBER: III.A.**



**FROM:** Robert H. Logan, City Manager

**MEETING DATE:** November 7, 2024

**AGENDA ITEM:** Cherokee Regional Land Bank

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## **EXECUTIVE SUMMARY:**

The Cherokee Regional Land Bank is proposed as a tool that can be utilized to repurpose tax delinquent, distressed, blighted, and donated property into productive residential and commercial property, while each jurisdiction retains local control.

In the attached IGA, the Board of Directors is proposed to include one appointee from the County and one from each municipality, in addition to a COED appointee and an at-large member, a total of nine members. It was suggested that the Cherokee County Development Authority Board also serve as the Land Bank Board. In working through this alignment in the IGA with the establishment of the newly created land bank entity, it's proposed that each jurisdiction determine if it wants to appoint its Development Authority Board member to the Land Bank Board and proceed accordingly, perhaps by resolution. By doing so, each jurisdiction will have the flexibility to maintain the same appointee on both boards or choose another appointee. The land bank board meetings should be scheduled in concert with Development Authority Board meetings if at all possible; regardless of the overlap of members, it makes sense for these boards to meet in proximity anyway to collaborate and pursue common goals and objectives.

## **FISCAL IMPACT:**

N/A

## **ATTACHMENTS:**

1. 2024 DRAFT - Intergovernmental Contract - Cherokee Regional Land Bank Authority 10.23
2. DRAFT - Cherokee Regional Land Bank Authority - Policies and Procedures

## **RECOMMENDATION:**

**CONCURRENCES:**

**INTERGOVERNMENTAL CONTRACT**

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BETWEEN

**CHEROKEE COUNTY, GEORGIA**

AND

**CITY OF BALL GROUND, GEORGIA**

AND

**CITY OF CANTON, GEORGIA**

AND

**CITY OF HOLLY SPRINGS, GEORGIA**

AND

**CITY OF NELSON, GEORGIA**

AND

**CITY OF WALESKA, GEORGIA**

AND

**CITY OF WOODSTOCK , GEORGIA**

CREATING THE

**CHEROKEE REGIONAL LAND BANK AUTHORITY**

*(a Georgia public body corporate and politic)*

## PREAMBLE

This intergovernmental contract is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024 (hereinafter "Contract") under Article IX, Section III, Paragraph I of the Constitution of the State of Georgia, and Sections 36-34-2(5) and 48-4-100 *et. seq.* of the Official Code of Georgia Annotated, between Cherokee County, Georgia, the City of Ball Ground, Georgia, the City of Canton, Georgia, the City of Holly Springs, Georgia, the City of Nelson, Georgia, the City of Waleska, Georgia, and the City of Woodstock, Georgia (hereinafter the "Parties") for the purpose of establishing and creating the **CHEROKEE REGIONAL LAND BANK AUTHORITY**, a separate legal entity and public body corporate to administer and implement the purposes and objectives of this Contract.

## RECITALS

WHEREAS, in enacting Section 48-4-100 *et seq.* of the Official Code of Georgia Annotated (hereinafter the "Land Bank Act"), the Georgia General Assembly found that there exists in the State of Georgia a continuing need to strengthen and revitalize the economy of the State of Georgia and local units of government in this State and that it is in the best interests of the State of Georgia and local units of government in this State to assemble or dispose of public property, including dilapidated, abandoned and tax delinquent property, in a coordinated manner to foster the development of that property and to promote economic growth in the State of Georgia; and

WHEREAS, the Land Bank Act permits any county or counties and at least one (1) city located in each participating county to enter into an intergovernmental contract establishing a land bank, the purpose of which would be to acquire tax delinquent and other properties in order to foster the public purpose of returning property which is nonrevenue generating and nontax producing to an effective utilization status in order to provide housing, new industry and jobs for the citizens of the State of Georgia; and

WHEREAS, the Parties herein agree that the establishment of a land bank would be beneficial to the citizens and governments of and located within Cherokee County, Georgia; and

WHEREAS, the authority for the Parties to enter into this Contract is Article IX, Section III, Paragraph I of the Constitution of the State of Georgia, which authorizes intergovernmental contracts for up to fifty (50) years for the provision of services or uses of property not otherwise prohibited by law, and the provisions of the Land Bank Act; and

WHEREAS, the Parties desire to create the Cherokee Regional Land Bank Authority as a public body corporate and politic within the State of Georgia to exercise the powers, duties, functions, and responsibilities of a land bank under the Land Bank Act.

Accordingly, the Parties agree to the following:

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## ARTICLE 1 DEFINITIONS

As used in this Contract the following terms shall have the meanings provided in this Article.

**Section 1.01. "Board of Directors" or "Board"** means the Board of Directors of the Cherokee Regional Land Bank Authority.

**Section 1.02. "City Properties"** means Real Property located within the boundaries of any city that is, or subsequent to the Effective Date becomes, a Party to this Contract.

**Section 1.03. "Contract"** means this intergovernmental contract between the Parties.

**Section 1.04. "Effective Date"** means the date upon which all of the following are satisfied:

- (a) the Contract is approved by ordinance of the Governing Authority of Cherokee County, Georgia ; and
- (b) the Contract is approved by ordinance of the Governing Authority of the Cities of Ball Ground, Georgia, Canton, Georgia, Holly Springs, Georgia, Nelson, Georgia, Waleska, Georgia, and Woodstock, Georgia.

**Section 1.06. "Fiscal Year"** means the fiscal year of the Land Bank, which shall begin on January 1st of each year and end on the following December 31st.

**Section 1.07. "Land Bank Act"** means Section 48-4-100 *et seq.* of the Official Code of Georgia Annotated as it exists on the Effective Date, and as it may be hereafter amended or replaced, subject to the provisions of Section 10.11 of this Contract.

**Section 1.08. "Land Bank"** means the public body corporate and politic established pursuant to and in accordance with the provisions of this Contract and known as the Cherokee Regional Land Bank Authority.

**Section 1.09. "Party" or "Parties"** means either individually or collectively, as applicable, Cherokee County, Georgia or the Cities of Ball Ground, Georgia, Canton, Georgia, Holly Springs, Georgia, Nelson, Georgia, Waleska, Georgia, and Woodstock, Georgia as each is a signatory to this Contract, and any other city, county or consolidated government that becomes a Party to this Contract after the Effective Date.

**Section 1.10. "Person"** means an individual, authority, limited liability company, partnership, firm, corporation, organization, association, joint venture, trust, governmental entity or other legal entity.

**Section 1.11. "Quorum"** means a simple majority of the Board members then in office. The presence of School District Advisors is not required for establishing a quorum, however, the applicable Board of Education's consent must be obtained in order to extinguish school district taxes of Real Property of the Land Bank in accordance with the terms of this Contract and the Land Bank Act.

**Section 1.12. "Real Property"** means all lands and the buildings thereon, all things permanently attached to land or to the buildings thereon, and any interest existing in, issuing out of, or dependent upon land or the buildings thereon.

**Section 1.13. "School District Advisor"** means any non-voting representative to the Board appointed by the Board of Education of a school district for purposes of deliberation and providing or declining the required school district consent for the extinguishment of school district taxes on Real Property of the Land Bank in accordance with Section 6.02 of this Contract and the Land Bank Act.

**Section 1.14. "State"** means the State of Georgia.

## **ARTICLE II PURPOSE**

**Section 2.01. Purpose.** The purpose of this Contract is to create and empower the Land Bank to exercise the powers, duties, functions and responsibilities of a land bank under the Land Bank Act.

**Section 2.02. Programs and Functions.** The Land Bank shall endeavor to carry out the powers, duties, functions and responsibilities of a land bank under the Land Bank Act consistent with this Contract, including, but not limited to, the power, privilege and authority to acquire, manage and dispose of interests in Real Property, and to do all other things necessary or convenient to implement the purposes, objectives and provisions of the Land Bank Act and the purposes, objectives and powers delegated to a land bank under other laws or executive orders.

## **ARTICLE III CREATION OF LAND BANK**

**Section 3.01. Creation and Legal Status of Land Bank.** The Land Bank is established as a separate legal entity and public body corporate, to be known as the "Cherokee Regional Land Bank Authority," for the purposes of acting as a land bank under the Land Bank Act and implementing and administering this Contract.

**Section 3.02. By-Laws, and Policies and Procedures.** The Board shall adopt by-laws consistent with the provisions of this Contract and the Land Bank Act within thirty (30) days after the Board is appointed. The Board shall adopt policies and procedures consistent with the

provisions of this Contract and the Land Bank Act within ninety (90) days after the Board is appointed.

**Section 3.03. Principal Office.** The principal office of the Land Bank shall be at a location within the geographical boundaries of Cherokee County, Georgia, with such site to be determined by the Board.

**Section 3.04. Title to Land Bank Assets.** Except as otherwise provided in this Contract, the Land Bank shall have title to all of its Real Property and no Party shall have an ownership interest in Real Property owned by the Land Bank.

**Section 3.05. Tax-Exempt Status.** The Parties intend the activities of the Land Bank to be governmental functions carried out by an instrumentality or political subdivision of the State as described in Section 115 of Title 26 of the United States Internal Revenue Code, or any corresponding provisions of any future tax code. The Parties also intend the activities of the Land Bank to be governmental functions carried out by a political subdivision of this State, exempt to the extent provided under Georgia law from taxation by this State, including, but not limited to, ad valorem property tax exemption pursuant to Section 48-5-41 of the Official Code of Georgia Annotated or corresponding provisions of future State tax laws.

**Section 3.06. Waiver of Special Assessments.** Upon the request of the Land Bank and for the purposes of fostering the goals and objectives of the Land Bank, any Party, at its option and in its discretion, may extinguish special assessments levied by the Party prior to the date of acquisition by the Land Bank against Real Property owned by the Land Bank, or may exempt Real Property owned by the Land Bank from the imposition of special assessments.

**Section 3.07. Compliance with Law.** The Land Bank shall comply with all federal and state laws, rules, regulations and orders applicable to this Contract.

**Section 3.08. Relationship of Parties.** The Parties agree that no Party shall be responsible, in whole or in part, for the acts of the employees, agents, and servants of any other Party, whether acting separately or in conjunction with the implementation of this Contract. The Parties shall only be bound and obligated under this Contract as expressly agreed to by each Party. The Land Bank shall not obligate any Party, nor shall any obligation of the Land Bank constitute an obligation of any Party.

**Section 3.09. No Third-Party Beneficiaries.** Except as otherwise specifically provided, this Contract does not create in any Person, other than a Party, and is not intended to create by implication or otherwise, any direct or indirect benefit, obligation, duty, promise, right to be indemnified (such as contractually, legally, equitably or by implication), right to be subrogated to any Party's rights under this Contract, or any other right or benefit.

**Section 3.10. Additional Parties to Contract.** At any time subsequent to the Effective Date, in accordance with the Land Bank Act, an additional city located in whole or in part within Cherokee County, Georgia, or a consolidated government, or an additional county and at least

one (1) city located in that additional county may become a Party to this Contract by completing the following requirements:

- (a) unanimous approval of the Board as it exists before the addition of the applicable city, county or consolidated government, and execution by the Board chairperson of the signature page attached hereto as Appendix I; and
- (b) adoption of a local law, ordinance, or resolution as appropriate to the applicable city, county or consolidated government; and
- (c) execution by an authorized representative of the applicable city, county or consolidated government of the signature page attached hereto as Appendix I.

#### **ARTICLE IV BOARD, EXECUTIVE DIRECTOR, AND STAFF**

**Section 4.01. Board Composition.** The Land Bank shall be governed by a Board of Directors that shall be appointed within ninety (90) calendar days of the Effective Date. Each member shall serve at the pleasure of the appointing Party and shall serve without compensation. The members shall be residents of their respective appointing Parties and may be employees of the Parties. The Board shall consist of the following members:

- (a)  member(s) appointed by the Board of Commissioners of Cherokee, County, Georgia for an initial term of  years; and
- (b)  member(s) appointed by the City Council of the City of Ball Ground, Georgia for an initial term of  years; and
- (c)  member(s) appointed by the City Council of the City of Canton, Georgia for an initial term of  years; and
- (d)  member(s) appointed by the City Council of the City of Holly Springs, Georgia for an initial term of  years; and
- (e)  member(s) appointed by the City Council of the City of Nelson, Georgia for an initial term of  years; and
- (f)  member(s) appointed by the City Council of the City of Waleska, Georgia for an initial term of  years; and
- (g)  member(s) appointed by the City Council of the City of Woodstock, Georgia for an initial term of  years;
- (h)  member(s) on behalf of the Cherokee Office of Economic Development to be appointed by a quorum of the participating members for an initial term of  years;
- (i)  member(s) to be appointed at-large by a quorum of the participating members to this Agreement for the Land Bank for an initial term of  years;

- (j) Should a local governing authority become a member to this Agreement after the effective date, upon the completion of the term of the at-large position identified in subsection (i), one (1) member shall be appointed by the City Council of the local governing authority that becomes a Party to this Contract after the Effective Date according to the provisions provided herein for an initial term of (X) years and such at-large position shall be eliminated and filled by the new City representative thereafter.

**Section 4.02. Term of Office.** Except as otherwise provided in this section, the members of the Board appointed under Section 4.01 shall be appointed for staggered terms. All subsequent board appointments and re-appointments shall be for terms of (X) years. The first term of the initial Board members shall commence on the date of the first Board meeting. Each Board member at the election of his or her appointing Party may serve an unlimited number of terms. In the event State law is amended to provide for different terms or composition of the Board, then the Board as it exists at the time of such amendment shall be authorized to take any action required such that the Board complies with any requirements of State law.

**Section 4.03. Removal.** Board members serve at the pleasure of their appointing Party and may be removed by the appointing Party at any time with or without cause or may be removed pursuant to any other provision of Georgia law.

**Section 4.04. Vacancies.** A vacancy among the members of the Board appointed under Section 4.01, whether caused by the death, resignation, or removal of a Board member, shall be filled in the same manner as the original appointment for the balance of the unexpired term. Such vacancy shall be filled as soon as practicable.

**Section 4.05. Participation by School Districts.** Each school district containing within its geographical boundaries Real Property owned by the Land Bank shall be given advance notice of each Board meeting and may designate a School District Advisor to the Board.

**Section 4.06. Meetings.** The Board shall conduct its first meeting no later than thirty (30) calendar days after the Board is appointed. The Board shall meet at least annually and hold such other meetings at the place, date and time as the Board shall determine. All meetings of the Board shall comply with the provisions of Sections 50-14-1 *et seq.* of the Official Code of Georgia Annotated, including, but not limited to, the provisions requiring public notice of the time, place and date of the meetings.

**Section 4.07. Records of Meetings.** The Board shall maintain a written record of each meeting. Meeting summaries and minutes shall be kept in accordance with Sections 50-14-1 *et seq.* and 50-18-70 *et seq.* of the Official Code of Georgia Annotated.

**Section 4.08. Quorum and Voting.** Presence for both quorum and voting at a Board meeting may include electronic communication by which such member of the Board is both seen and heard by the members of the Board and any members of the public at the meeting. All actions of the Board shall be approved by the affirmative vote of a majority of the members of the Board present and voting; provided, however, that no action of the Board shall be authorized on the following matters unless approved by a majority of the entire Board membership:

- (a) Adoption of by-laws and other rules and regulations for conduct of the Land Bank's business;
- (b) Hiring or firing of any employee or contractor of the Land Bank. Such function may, by a majority vote of the total Board membership, be delegated to a specific officer or committee of the Land Bank, under such terms and conditions and to the extent that the Board may specify;
- (c) The incurring of debt;
- (d) Adoption or amendment of the annual budget;
- (e) Sale, lease, encumbrance, or alienation of real property, improvements or personal property with a value of more than \$50,000; and
- (f) Discharge and extinguishment of liens or claims for real property taxes owed to one or more of the Parties on Real Property acquired by the Land Bank.

**Section 4.09. Board Responsibilities.** The Board shall have all powers necessary to carry out and effectuate the purposes and provisions of this Contract and the Land Bank Act, including, but not limited to, the powers set forth in Sections 48-4-106 and 48-4-112 of the Land Bank Act.

**Section 4.10. Fiduciary Duty.** The members of the Board are under a fiduciary duty to conduct the activities and affairs of the Land Bank in the best interests of the Land Bank, including the safekeeping and use of all Land Bank monies and assets. The members of the Board shall discharge their duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

**Section 4.11. Compensation.** The members of the Board shall receive no compensation for the performance of their duties. A Board member may engage in private or public employment, or in a profession or business, except to the extent prohibited by Georgia law. The Land Bank may reimburse members of the Board for actual and necessary expenses incurred in the discharge of their official duties on behalf of the Land Bank.

**Section 4.12. Executive Director.** The Board may select and retain an executive director. An executive director selected and retained by the Board shall administer the Land Bank in accordance with the operating budget adopted by the Board, general policy guidelines established by the Board, other applicable governmental procedures and policies and this Contract. The executive director shall be responsible for the day-to-day operations of the Land Bank, the control, management, and oversight of the Land Bank's functions, and supervision of all Land Bank employees. All terms and conditions of the executive director's length of service shall be specified in a written contract between the executive director and the Board, provided that the executive director shall serve at the pleasure of the Board. The Board may delegate to the

executive director any powers or duties it considers proper, under such terms, conditions and to the extent that the Board may specify.

**Section 4.13. Employees.** The Land Bank may employ or otherwise contract for the services of any staff deemed necessary to carry out the duties and responsibilities of the Land Bank. Such staff may be employed as employees of the Land Bank, or the services of such staff may be retained pursuant to contracts with any Party or other public or private entities.

**Section. 4.14. Expertise of Land Bank Staff.** The staff of the Land Bank shall be persons who have demonstrated special interest, experience or education in urban planning, community development, real estate, law, finance or related areas.

**Section 4.15. Ethics.** The Board shall adopt ethics policies governing the conduct of Board members, officers, appointees, employees, and independent contractors. The policies shall be no less stringent than those provided for public officers and employees under Section 45-10-1 *et seq.* of the Official Code of Georgia Annotated, or corresponding provisions of future State code of ethics. In addition, members of the Board shall be subject to any ethics code otherwise applicable to each Party.

**Section 4.16. Conflicts of interest.** Members of the Board and officers, appointees, employees, and independent contractors of the Land Bank shall be deemed to be public officials for the purposes of Section 45-10-20 *et seq.* the Official Code of Georgia Annotated, or corresponding provisions of future State conflicts of interest law and are subject to any other applicable law with respect to conflicts of interest. The Land Bank shall establish policies and procedures requiring the disclosure of relationships that may give rise to a conflict of interest. The Board shall require that any member of the Board with a direct or indirect interest in any matter before the Board disclose the member's interest to the Board before the Board takes any action on the matter.

## **ARTICLE V GENERAL POWERS OF LAND BANK**

**Section 5.01. General Powers Under Land Bank Act.** The Land Bank may exercise all of the powers, duties, functions and responsibilities of a land bank under the Land Bank Act to the extent authorized by the Land Bank Act and any other Georgia law.

**Section 5.02. Tax Limitation.** The Land Bank shall not levy any type of tax or special assessment.

**Section 5.03. Eminent Domain Prohibited.** The Land Bank shall neither possess nor exercise the power of eminent domain.

**Section 5.04. Limitation on Political Activities.** The Land Bank shall not spend any public funds on political activities. Subject to the foregoing, this section is not intended to prohibit the Land Bank from engaging in activities authorized by applicable law.

**Section 5.05. No Waiver of Governmental Immunity.** The Parties agree that no provision of the Contract is intended, nor shall it be construed, as a waiver by any Party of any governmental immunity provided under any applicable law.

**Section 5.06. Non-Discrimination.** The Land Bank shall comply with all applicable law prohibiting discrimination.

- (a) The Land Bank shall not provide services in a manner that discriminates against an individual because of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan considerations, disability, or genetic information.
- (b) The Land Bank shall not fail or refuse to hire, recruit, promote, demote, discharge, or otherwise discriminate against an individual with respect to employment, compensation, or a term, condition or privilege of employment because of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan considerations, disability or genetic information.

## **ARTICLE VI SPECIFIC POWERS OF THE LAND BANK**

**Section 6.01. Acquisition of Real Property.** Except as otherwise provided in this Contract or under the Land Bank Act, the Land Bank may acquire, by gift, devise, transfer, exchange, foreclosure, purchase or otherwise, Real Property or personal property, or rights or interests in Real Property or personal property, on terms and conditions and in a manner the Board considers is in the best interest of the Land Bank. The Land Bank may purchase Real Property by purchase contract, lease purchase contract or otherwise. The Land Bank may acquire Real Property or rights or interests in Real Property for any purpose the Land Bank considers necessary to carry out the purposes of the Land Bank Act.

**Section 6.02. Tax Delinquent Real Property.** Subject to the notice provided to school districts pursuant to Section 48-4-112(a) of the Land Bank Act, and by resolution of the Board subject to the requirements of Section 4.08 of this Contract, the Land Bank may discharge and extinguish Real Property tax liens and claims owed to one or more of the Parties that encumber Real Property owned by the Land Bank. The Land Bank may bid on and acquire title to Real Property in judicial and non-judicial tax enforcement proceedings in accordance with Section 48-4-112 of the Land Bank Act or such other general, special, or local laws as may be applicable to the property tax enforcement procedures of the Parties. The Land Bank may negotiate the acquisition of tax executions in accordance with Section 48-4-112 of the Land Bank Act or such other general, special, or local laws as may be applicable to the property tax enforcement procedures of the Parties. The Land Bank may foreclose the right of redemption on Real Property interests acquired through tax sale.

**Section 6.03. Quiet Title Actions.** The Land Bank may initiate a quiet title action to quiet title to interests in Land Bank Real Property.

**Section 6.04. Execution of Legal Documents Relating to Real Property.** All deeds, mortgages, contracts, leases, purchases, or other contracts regarding Real Property of the Land Bank, including contracts to acquire or dispose of Real Property, shall be approved by the Board or by a Land Bank staff member designated by the Board, and executed in the name of the Land Bank.

**Section 6.05. Holding and Managing Real Property.** The Land Bank may hold and own in its name any Real Property acquired by the Land Bank or conveyed to the Land Bank by the State, a Party to this Contract, a local unit of government, an intergovernmental entity created under the laws of the State, or any other public or private Person, including, but not limited to, Real Property with or without clear title. The Land Bank may, without the approval of a local unit of government in which Real Property held by the Land Bank is located, control, hold, manage, maintain, operate, repair, lease as lessor, secure, prevent the waste or deterioration of, demolish, and take all other actions necessary to preserve the value of the Real Property it holds or owns. The Land Bank shall maintain all Real Property held by the Land Bank in accordance with applicable laws and codes. Real Property held by the Land Bank shall be inventoried and appraised and classified by the Land Bank according to the title status of the Real Property and suitability for use. The inventory shall be maintained as a public record and shall be filed in the principal office of the Land Bank. The Land Bank may take or perform actions with respect to Real Property held or owned by the Land Bank, including, but not limited to, the following:

- (a) grant or acquire a license, easement, or option with respect to Real Property as the Land Bank determines is reasonably necessary to achieve the purposes of this Contract and the Land Bank Act;
- (b) fix, charge, and collect rents, fees, and charges for use of Land Bank Real Property or for services provided by the Land Bank;
- (c) pay any tax or special assessment due on Real Property acquired or owned by the Land Bank;
- (d) take any action, provide any notice, or institute any proceeding required to clear or quiet title to Real Property held by the Land Bank in order to establish ownership by and vest title to Real Property in the Land Bank; and
- (e) remediate environmental contamination on any Real Property held by the Land Bank.

**Section 6.06. Civil Action to Protect Land Bank Real Property.** The Land Bank may institute a civil action to prevent, restrain or enjoin the waste of or unlawful removal of any Real Property held by the Land Bank.

**Section 6.07. Environmental Contamination.** If the Land Bank has reason to believe that Real Property held by the Land Bank may be the site of environmental contamination, the Land Bank shall provide the Environmental Protection Division of the Georgia Department of Natural Resources with any information in the possession of the Land Bank that suggests that the Real

Property may be the site of environmental contamination. The Land Bank shall cooperate with the Georgia Department of Natural Resources with regard to any request made or action taken by the Department of Natural Resources.

**Section 6.08. Transfer of interests in Real Property by Land Bank.** On terms and conditions, in a manner, and for an amount of consideration the Land Bank considers proper, fair, and reasonable, including for no monetary consideration, the Land Bank may convey, sell, transfer, exchange, lease as lessor, mortgage as mortgagor or otherwise dispose of Real Property or rights or interests in Real Property in which the Land Bank holds a legal interest to any public or private Person.

**Section 6.09. Criteria for Conveyance.** Land Bank Real Property shall be conveyed in accordance with the Land Bank Act and according to criteria determined in the discretion of the Board and contained in the policies and procedures adopted by the Board. The Board may adopt policies and procedures that set forth priorities for a transferee's use of Real Property conveyed by the Land Bank, including, but not limited to, affordable housing.

*[Section 48-4-109(f) of the Land Bank Act provides that the Parties may establish a hierarchical ranking of priorities for the use of Real Property conveyed by the Land Bank. Such priorities may be inserted here. The Parties may also leave the ranking of priorities in the discretion of the Land Bank Board.]*

**Section 6.10. Structure of Conveyances.** Transactions shall be structured in a manner that permits the Land Bank to enforce contractual agreements, real covenants and the provisions of any subordinate financing held by the Land Bank pertaining to development and use of the Real Property.

**Section 6.11. Disposition of Proceeds.** Any proceeds from the sale or transfer of Real Property by the Land Bank shall be retained, expended, or transferred by the Land Bank as determined by the Board in the best interests of the Land Bank and in accordance with the Land Bank Act.

## ARTICLE VII BOOKS, RECORDS, AND FINANCES

**Section 7.01. Land Bank Records.** The Land Bank shall keep and maintain at the principal office of the Land Bank all documents and records of the Land Bank. The records of the Land Bank, which shall be available to the Parties, shall include, but not be limited to, a copy of this Contract along with any amendments to the Contract. The records and documents shall be maintained until the termination of this Contract and shall be delivered to any successor entity.

**Section 7.02. Financial Statements and Reports.** The Land Bank shall cause to be prepared, at the Land Bank's expense, audited financial statements (balance sheet, statement of revenue and expense, statement of cash flows and changes in fund balance) on an annual basis. Such financial statements shall be prepared in accordance with generally accepted accounting

principles and accompanied by a written opinion of an independent certified public accounting firm.

**Section 7.03. Annual Budget.** The executive director, or other individual designated by the Board, shall prepare annually a budget for The Land Bank. The Board shall review and approve a budget for the Land Bank immediately preceding each Fiscal Year.

**Section 7.04. Deposits and Investments.** The Land Bank shall deposit and invest funds of the Land Bank, not otherwise employed in carrying out the purposes of the Land Bank, in accordance with an investment policy established by the Board consistent with laws and regulations regarding investment of public funds.

**Section 7.05. Disbursements.** Disbursements of funds shall be in accordance with guidelines established by the Board.

**Section 7.06. Performance Objectives.** Each Fiscal Year, the executive: director, or other individual designated by the Board, shall prepare, for review and approval by the Board, objectives for the Land Bank's performance.

## **ARTICLE VIII FUNDING AND EXPENDITURES**

**Section 8.01. Budget Contributions.** While under no obligation, the Parties may contribute to the annual Land Bank budget in such manner as approved by the Party or Parties.

**Section 8.02. Tax Allocation.** The Parties agree that in accordance with Section 48-4-110(c) of the Land Bank Act, seventy-five percent (75%) of the Real Property taxes collected on Real Property, exclusive of any state or school district ad valorem tax, conveyed by the Land Bank after the Effective Date shall be remitted to the Land Bank commencing with the first taxable year following the date of conveyance and shall continue for a period of five (5) years.

**Section 8.03. Management of Funds.** The Land Bank executive director, or other individual designated by the Board, shall be designated the fiscal agent of the Land Bank's account established for the management of sales proceeds, monetary contributions made by The Parties, and other Land Bank funds. Standard accounting procedures shall be used in the management of the accounts.

**Section 8.04. Authorized Expenditures.** The Land Bank shall in its sole discretion and within its budget expend such funds as necessary to carry out the powers, duties, functions, and responsibilities of a land bank under the Land Bank Act consistent with this Contract.

**Section 8.05. In-Kind Contributions.** Each Party to this Contract shall make "in-kind" contributions to the Land Bank with they type of such "in-kind" contributions to be determined in each Party's discretion. Such "in-kind" contributions may consist of (i) making office facilities available for meetings of the Land Bank's Board of Directors, (ii) providing office supplies to the Land Bank, and/or (iii) assigned certain Party employees to provide additional

staff resources to the Land Bank for the purpose of assisting the Land Bank in the execution of its duties and responsibilities.

## **ARTICLE IX DURATION OF CONTRACT**

**Section 9.01. Duration.** This Contract shall commence on the Effective Date and shall remain in full force and effect until such time as it has been terminated by the Parties.

**Section 9.02. Withdrawal by Party.** Any Party may withdraw from this Contract upon six (6) months prior notice in writing to the Land Bank and all Parties as provided under Section 10.01. Upon the effective withdrawal of any Party to this Contract, the Party so withdrawing will no longer have any rights to funds or other assets of the Land Bank. The Land Bank shall not automatically dissolve upon the withdrawal of one or more Parties except that no City may maintain the existence of a land bank if the County in which the City is located withdraws from the Land Bank, and no County may maintain the existence of a Land Bank if the single City that is both located within that county and a Party withdraws from the Land Bank.

**Section 9.03. Termination.** The Land Bank shall be terminated by (i) agreement by all Parties to this Contract, (ii) by affirmative resolution approved by two-thirds (2/3) of the membership of the Board and in accordance with Section 48- 4-111 of the Land Bank Act, or (iii) by withdrawal of one (1) or more Parties such that only one Party to this Contract remains and such remaining Party is not a consolidated government.

**Section 9.04. Disposition upon Termination.** As soon as possible after termination, the Land Bank shall finish its affairs as follows:

- (a) all of the Land Bank's debts, liabilities, and obligations to its creditors and all expenses incurred in connection with the termination of the Land Bank and distribution of its assets shall be paid first;
- (b) the remaining Real Property and personal property owned by the Land Bank, if any, shall be distributed to any successor entity, subject to approval by the Parties. In the event that no successor entity exists, the remaining Real Property and personal property, and other assets of the Land Bank, shall become assets of the city, county or consolidated government in which the Real Property is located, unless provided otherwise in any applicable intergovernmental contracts; and
- (c) liability shall be absorbed upon termination as agreed upon by the Board of the Land Bank. In the absence of agreement by the Board, liability associated with each property shall be with the Party in which the property is located.

**ARTICLE X  
MISCELLANEOUS**

**Section 10.01. Notices.** Any and all correspondence or notices required, permitted or provided for under this Contract to be delivered to any Party shall be sent to that Party by first-class mail. All such written notices, including any notice of withdrawal under Article IX, shall be sent to each other Party's signatory to this Contract, or that signatory's successor. All correspondence shall be considered delivered to a Party as of the date that such notice is deposited with sufficient postage with the United States Postal Service. Any notice of withdrawal shall be sent via certified mail, return receipt requested. Notices to the Parties shall be submitted to the following:

Cherokee County, Georgia  
ATTN: County Manager  
1130 Bluffs Parkway  
Canton, Georgia 30114

City of Ball Ground, Georgia  
ATTN: City Manager  
215 Valley Street  
Ball Ground, Georgia 30107

City of Canton, Georgia  
ATTN: City Manager  
151 Elizabeth Street  
Canton, Georgia 30114

City of Holly Springs, Georgia  
ATTN: City Manager  
3237 Holly Springs Parkway  
Holly Springs, Georgia 30115

City of Nelson, Georgia  
ATTN: City Manager  
1985 Kennesaw Avenue  
Nelson, Georgia 30151

City of Waleska, Georgia  
ATTN: City Manager  
8891 Fincher Road  
Waleska, Georgia 30183

City of Woodstock, Georgia  
ATTN: City Manager  
12453 Highway 92  
Woodstock, Georgia 30188

Notices to the Land Bank shall be sent to the Land Bank Principal Office. All notices sent to the addresses listed above shall be binding unless said address is changed in writing.

**Section 10.02. Entire Agreement.** This Contract sets forth the entire agreement between the Parties and supersedes any and all prior contracts or understandings between them in any way related to the subject matter of this Contract. It is further understood and agreed that the terms and conditions of this Contract are not a mere recital and that there are no other contracts, understandings, or representations between the Parties in any way related to the subject matter of this Contract, except as expressly stated in this Contract.

**Section 10.03. Interpretation of Contract.** The Parties intend that this Contract shall be construed liberally to effectuate the intent and purposes of this Contract and the legislative intent and purposes of the Land Bank Act as complete and independent authorization for the performance of each and every act and thing authorized by this Contract and the Land Bank Act.

All powers granted to the Land Bank under this Contract and the Land Bank Act shall be broadly interpreted to effectuate the intent and purposes and not as a limitation of powers.

**Section 10.04. Severability of Provisions.** If any provision of this Contract, or its application to any Person, Party, or circumstance, is invalid or unenforceable, the remainder of this Contract and the application of that provision to other Persons, Parties or circumstances is not affected but will be enforced to the extent permitted by law.

**Section 10.05. Governing Law.** This Contract is made and entered into in the State of Georgia and shall in all respects be interpreted, enforced and governed under the laws of the State of Georgia without regard to the doctrines of conflict of laws. The language of all parts of this Contract shall in all cases be construed as a whole according to its plain and fair meaning, and not construed strictly for or against any Party.

**Section 10.06. Captions and Headings.** The captions, headings, and titles in this Contract are intended for the convenience of the reader and are not intended to have any substantive meaning or to be interpreted as part of this Contract.

**Section 10.07. Terminology.** All terms and words used in this Contract, regardless of the number or gender in which they are used, are deemed to include any other number and any other gender as the context may require.

**Section 10.08. Cross-References.** References in this Contract to any article include all sections, subsections, and paragraphs in the article, unless specifically noted otherwise. References in this Contract to any section include all subsections and paragraphs in the section.

**Section 10.09. Jurisdiction and Venue.** In the event of any disputes between the Parties over the meaning, interpretation or implementation of the terms, covenants or conditions of this Contract, the matter under dispute, unless resolved between the Parties, shall be submitted to the Superior Courts of Cherokee County, Georgia.

**Section 10.10. Amendments to Contract.** With the exception of the addition of a new Party pursuant to the provisions of Section 3.10 of this Contract, this Contract may be amended, or an alternative form of this Contract adopted only upon written amendment approved by all Parties.

**Section 10.11. Amendments to Land Bank Act.** The Land Bank and Board shall have any powers authorized pursuant to any amendments, replacements or substitutions to the Land Bank Act, unless the Contract is amended by the Parties to provide otherwise.

**Section 10.12. Effective Date.** This Contract shall become effective as of the Effective Date.

**Section 10.3 Time of Essence.** Time is of the essence in this Contract.

*[signature pages to follow]*

**APPROVED** by the Cherokee County Board of Commissioners this \_\_\_\_ day of \_\_\_\_\_, 2024.

Signed On Behalf of Cherokee County, Georgia:

By: \_\_\_\_\_  
HARRY B. JOHNSTON, Chairman Date \_\_\_\_\_

Attest: \_\_\_\_\_  
CHRISTY BLACK, County Clerk Date \_\_\_\_\_

**APPROVED** by the City Council of Ball Ground this \_\_\_\_ day of \_\_\_\_\_, 2024.

Signed On Behalf of City of Ball Ground, Georgia:

By: \_\_\_\_\_  
A.R. "RICK" ROBERTS, Mayor Date \_\_\_\_\_

Attest: \_\_\_\_\_  
KAREN JORDAN, City Clerk Date \_\_\_\_\_

**APPROVED** by the City Council of Canton this \_\_\_\_ day of \_\_\_\_\_, 2024.

Signed On Behalf of City of Canton, Georgia:

By: \_\_\_\_\_  
BILL GRANT, Mayor Date \_\_\_\_\_

Attest: \_\_\_\_\_  
ANNIE FORTNER, City Clerk Date \_\_\_\_\_

**APPROVED** by the City Council of Holly Springs this \_\_\_\_ day of \_\_\_\_\_, 2024.

Signed On Behalf of City of Holly Springs, Georgia:

By: \_\_\_\_\_  
STEVEN W. MILLER, Mayor Date \_\_\_\_\_

Attest: \_\_\_\_\_  
KAREN NORRED, City Clerk Date \_\_\_\_\_

**APPROVED** by the City Council of Nelson this \_\_\_\_ day of \_\_\_\_\_, 2024.

Signed On Behalf of City of Nelson, Georgia:

By: \_\_\_\_\_  
SYLVIA GREEN, Mayor Date \_\_\_\_\_

Attest: \_\_\_\_\_  
KELSEY REHL, City Clerk Date \_\_\_\_\_

**APPROVED** by the City Council of Waleska this \_\_\_\_ day of \_\_\_\_\_, 2024.

Signed On Behalf of City of Waleska, Georgia:

By: \_\_\_\_\_  
MARY HELEN LAMB, Mayor Date \_\_\_\_\_

Attest: \_\_\_\_\_

ROBYN SMITH, City Clerk

Date

**APPROVED** by the City Council of Woodstock this \_\_\_\_ day of \_\_\_\_\_, 2024.

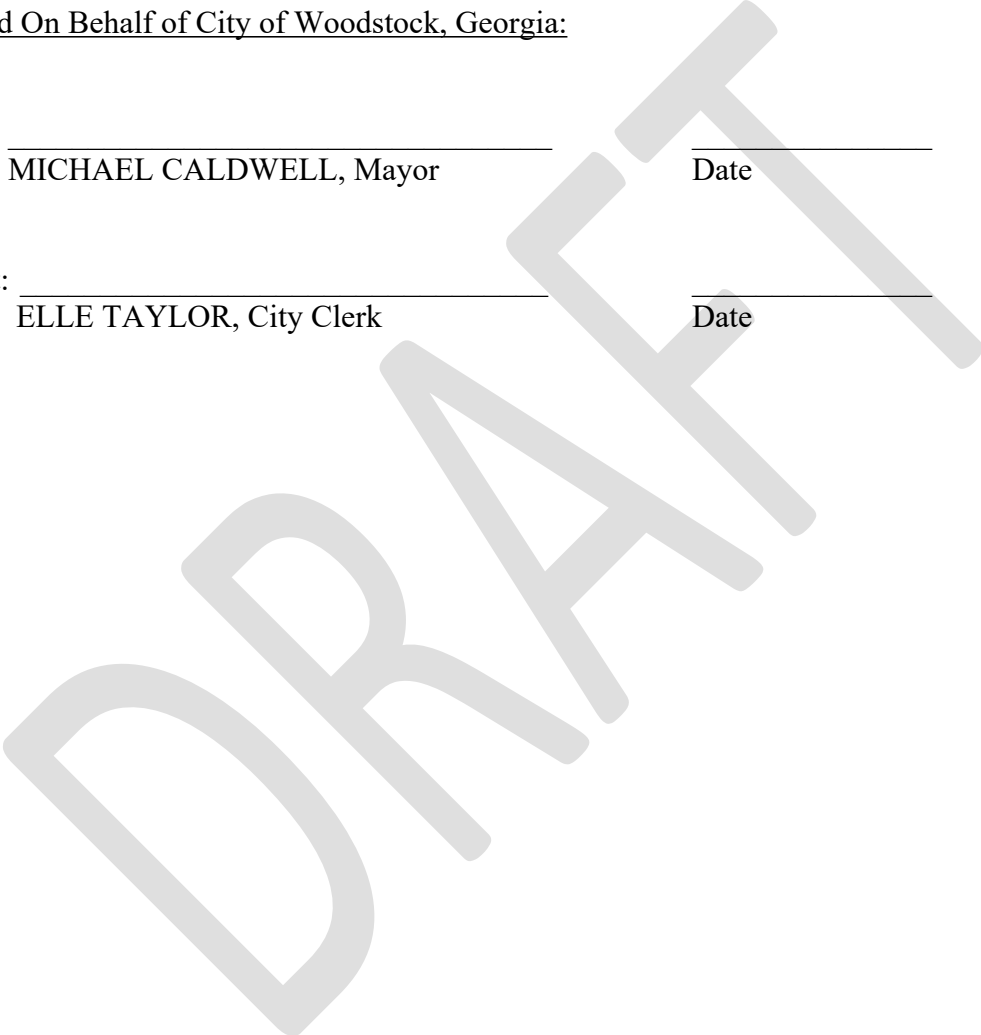
Signed On Behalf of City of Woodstock, Georgia:

By: \_\_\_\_\_  
MICHAEL CALDWELL, Mayor

\_\_\_\_\_  
Date

Attest: \_\_\_\_\_  
ELLE TAYLOR, City Clerk

\_\_\_\_\_  
Date



## APPENDIX I

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The undersigned has become a Party to this Intergovernmental Contract by virtue of appropriate authorizing action taken by the Governing Authority of \_\_\_\_\_ on [DATE], and the unanimous approval of the Land Bank Board on [DATE]

**EACH CITY and COUNTY TO EXECUTE**

**APPENDIX I**

---

The undersigned City has become a Party to this Intergovernmental Contract by virtue of the approval through official action of the City of \_\_\_\_\_, the unanimous approval of the Cherokee Regional Land Bank Authority on \_\_\_\_\_, the approval of the Parties by official action of their governing authorities as indicated by official action in substantially similar form to that attached hereto as Appendix I and the Parties execution of a Contract Amendment.

**CHEROKEE REGIONAL  
LAND BANK AUTHORITY**

**CITY OF \_\_\_\_\_, GEORGIA**

By: \_\_\_\_\_

By: \_\_\_\_\_

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_

ADMINISTRATIVE POLICIES AND PROCEDURES

OF THE

**CHEROKEE REGIONAL LAND BANK AUTHORITY**

*(a Georgia public body corporate and politic)*

DRAFT

(Approved and Adopted by the Board of Directors on \_\_\_\_\_, \_\_, 20\_\_\_\_)

These policies and procedures are a consolidation of and codification of all prior policies and procedures of the Land Bank Authority (hereinafter "LBA") and supersede all such prior policies and procedures.

## **Section 1. Role as a Public Authority.**

- 1.1 Public Authority.** The LBA is a public entity authorized by Georgia State law and created pursuant to an intergovernmental contract between Cherokee County, Georgia and the City of Ball Ground, Georgia, the City of Canton, Georgia, the City of Holly Springs, Georgia, the City of Nelson, Georgia, the City of Waleska, Georgia, and the City of Woodstock, Georgia. It is governed by a Board of Directors appointed by each governmental body who is a Party of the intergovernmental contract.
- 1.2 Governing Authority.** The core governing documents of the LBA are Sections 48-4-100 *et seq.* of the Official Code of Georgia Annotated (hereinafter the "Land Bank Act"), the intergovernmental contract between Cherokee County, Georgia and the City of Ball Ground, Georgia, the City of Canton, Georgia, the City of Holly Springs, Georgia, the City of Nelson, Georgia, the City of Waleska, Georgia, and the City of Woodstock, Georgia, the Articles of incorporation, and the By-laws.
- 1.3 Purposes.** The LBA is established to acquire the tax delinquent properties, surplus properties of the local governments, and other properties in order to foster the public purpose of returning land which is in a nonrevenue-generating, nontax-producing status to an effective utilization status in order to provide affordable housing, new industry and jobs for the citizens of Georgia.

## **Section 2. Priorities for Property Use.**

- 2.1 Governmental Use.** As a governmental entity, the first-priority use of real property of the LBA is to make available its properties to the local governments for public use and ownership as determined by the local governments.
- 2.2 Affordable Housing.** The first use of real property of the LBA for nongovernmental purposes is the production or rehabilitation of housing for persons with low or moderate incomes. On an annual basis the Board of Directors will establish the applicable definitions of "low income" and "moderate income".
- 2.3 Other Purposes.** The LBA may consider permitting the property to be used for other community improvement purposes. These uses should be consistent with the following priorities:
- neighborhood revitalization;
  - return of the property to productive tax-paying 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.

**2.4 Neighborhood Consultation.** The LBA expects every applicant seeking to acquire property from the LBA to demonstrate prior consultation with neighborhood associations and nonprofit entities in the geographical location of the property.

### **Section 3. Priorities for Identity of Transferees.**

**3.1 Priority Transferees.** Except where Limited by the terms of its acquisition, the first-priority for use of real property held by the LBA shall be for conveyance to local government entities for public use. The second priority shall be neighborhood nonprofit entities seeking to obtain the land for low-income housing. The third priority shall be other individuals and entities intending to produce low-income or moderate-income housing.

The LBA may also, at its discretion, give priority to: nonprofit institutions such as 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; and individuals who own and occupy residential property for purposes of the Side Lot Disposition Program.

**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 (b) its prior experience in developing and managing real property.

**3.3 Reserved Discretion.** The LBA reserves full and complete discretion to decline applications and proposed transaction agreements from individuals and entities that meet any of the following criteria:

- (a) failure to perform in prior transactions with the LBA;
- (b) ownership of properties that became delinquent in ad valorem tax payments and remain delinquent in ad valorem tax payments during their ownership;
- (c) parties that are barred from transactions with local government entities;
- (d) parties not able to demonstrate sufficient experience and capacity to perform in accordance with the requirements of the LBA;
- (e) ownership of properties that have any unremediated citation for violation of state and local codes and ordinances; and
- (f) properties that have been used by the transferee or a family member of the transferee as his or her personal residence at any time during the twelve (12) months immediately preceding the submission of application (except in rental cases).

### **Section 4. Priorities Concerning Neighborhood and Community Development.**

The LBA reserves the right to consider the impact of a property transfer on short and long-term neighborhood and community development plans. In doing so, the LBA may prioritize the following in any order in which it deems appropriate: the preservation of existing stable and

viable neighborhoods; neighborhoods in which a proposed disposition will assist in halting a slowly occurring decline or deterioration; neighborhoods which have recently experienced or are continuing to experience a rapid decline or deterioration; geographic areas which are predominantly non-viable for purposes of residential or commercial development.

## **Section 5. Conveyances to the LBA.**

**5.1 Sources of Property Inventory.** Sources of real property inventory of the LBA include, but are not limited to, the following: (a) transfers from local governments, (b) acquisitions by the LBA at tax foreclosures, (c) donations from private entities, (d) market purchases, (e) conduit transfers contemplating the simultaneous acquisition and disposition of property, and (f) other transactions such as land banking agreements.

**5.2 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 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 a 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 will generate operating resources for the functions of the LBA.

**5.3 Acquisitions through Delinquent Tax Enforcement Proceedings.** The Tax Commissioner may combine properties from one (1) or more of the foregoing categories in structuring the terms and conditions of the tax foreclosure procedures, and the LBA may acquire any such properties prior to sales, at such sales, or subsequent to sales as authorized by law. In determining the nature and extent of the properties to be acquired the Tax Commissioner shall also give consideration to underlying values of the subject properties, the financial resources available for acquisitions, the operational capacity of

the LBA, and the projected length of time for transfer of such properties to the ultimate transferees.

**5.4 Transaction Agreements.** In all cases involving conduit transfers and land banking 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 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.

**5.5 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 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.

**5.6 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.

## **Section 6. Conveyances from the LBA.**

**6.1 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. Such requirements may take the form of a deed creating a defeasible fee, recorded restrictive covenants, subordinate financing being held by the LBA, contractual development agreements, or any combination thereof.

**6.2 Options.** Options are available for ten percent (10%) of the parcel price for up to a twelve (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.

**6.3 Deed Without Warranty.** All conveyances from the LBA to third parties shall be by Quitclaim Deed.

## **Section 7. Collaboration with Not-for-Profit Entities.**

**7.1 Transactions with Not-for-Profit Entities.** The LBA is willing to enter into conduit transfers with not-for-profit corporate entities as outlined in this section. These not-for-

profit corporate entities would secure donations of or purchase tax delinquent properties from owners, transfer these properties to the LBA for waiver of taxes, and "buy back" these properties for use in affordable housing development.

**7.2 Non-Delinquent Taxes.** The LBA will extinguish non-delinquent taxes which were the responsibility of the transferring not-for-profit entity.

**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);
- (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, and 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 waiver of back taxes in total or in part.

**7.5 LBA Discretion.** Some properties may present unusual or extenuating circumstances to the developer due to lack of funding for housing production or related costs. The LBA reserves the right to evaluate and consider these properties case-by-case.

## **Section 8. Collaboration with For-Profit Entities.**

**8.1 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 waiver of taxes and "buy back" these properties for use in affordable housing development.

**8.2 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 active non-profit entities that may have an interest in developing the property. If an interest exists, the non-profit and for-profit must forge an agreement for joint development.

**8.3 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, and other liens and encumbrances against the property and the length of delinquency for each.

**8.4 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 waiver of back taxes in total or in part.

**8.5 LBA Discretion.** Some properties may present unusual or extenuating circumstances to the developer due to lack of funding for housing production or related costs. The LBA reserves the right to evaluate and consider these properties case-by-case.

## **Section 9. Property for Community Improvements.**

**9.1 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 or other public purposes. Under the provisions of the governing documents of the LBA, the LBA is permitted to assemble tracts or parcels of property for community improvement or other public purposes.

**9.2 Eligibility.** Properties can be conveyed to the LBA for waiver of delinquent taxes and then reconveyed 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 after-school or day care. The application must demonstrate that the proposed community improvements are consistent with the area redevelopment plans and community revitalization.

**9.3 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 not-for-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.

**9.4 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.

### **Section 10. Conduit Transfers - Reasonable Equity Policy.**

**10.1 Purpose.** In order to prevent benefits accruing to owners of property that is tax delinquent by virtue of the exercise of the tax extinguishment power of the LBA, the LBA establishes this reasonable equity policy.

**10.2 Definitions.** The reasonable equity policy is based on the value of the property and the equity of its owner. While any valuation of equity is subjective, it can be reasonably estimated.

(a) "*Fair Market Value*" shall be determined by staff according to the tax assessor's valuation, in conjunction with the average sale price in a given community. In instances where multiple valuations unreasonably differ, the staff or Board shall have full authority to require a professional appraisal. This appraisal shall only be required for proposals that have significant variances in valuation and entail transactions in which the owner received in excess of \$20,000.

(b) "*Net Equity*" shall mean the current fair market value, as determined by LBA staff; less the total amount of all liens and encumbrances (tax liens, associated interest, and penalties; special assessments; mortgages; judgments, etc.).

**10.3 Less than \$2,000 Net Equity.** To ensure that an owner does not receive unwarranted benefit, the LBA will not consider transactions in which the owner's net equity is less than \$2,000 and the owner receives more than nominal compensation for the sale of his property. Nominal compensation is hereby defined as \$2,000.

**10.4 Equity in Excess of \$2,000.** To ensure that the owner does not receive an unwarranted benefit, the LBA will not participate in transactions in which the owner receives an amount greater than 75% of net equity.

**10.5 Speculation.** To ensure that speculators do not seek to take advantage of the LBA, staff shall closely review instances in which the owner is receiving money far in excess of his investment while consistently ignoring his tax responsibility. Particular attention shall be given to properties purchased in the last three (3) years.

**10.6 Excessive Sales Price.** In communities that are experiencing internal and surrounding redevelopment, it is unacceptable for an owner to seek a profit in excess of 75% of net equity. Such an owner may believe that the market will bear more than is offered and would therefore be unwilling to sell the property for a reasonable amount. In such an instance, it would fall to the Tax Commissioner's Office to bring the property to the courthouse steps where the actual fair market value will be determined.

**10.7 Non-Conforming Situations.** To ensure the flexibility of the Board, the LBA will reserve the right to modify or change this policy if a situation clearly warrants a change in an effort to protect the interests of the LBA and the public.

**10.8 Strategic Importance.** To preserve the integrity of the LBA's mission, all properties petitioned to the LBA Board of Directors must pass the test of strategic importance. The LBA may receive proposals that may pass other criteria but which may not be crucial to the redevelopment of a neighborhood. Staff must be able to assure the LBA Board that the transaction is not simply allowable but a necessary component of the comprehensive redevelopment of a neighborhood. Such a transaction must be evaluated in terms of neighborhood redevelopment and ensure a long-term tax benefit to the City and County.

### **Section 11. Owner Occupant Policy.**

**11.1 Scope.** This Section is applicable to those situations in which an individual (as opposed to a corporate not-for-profit or for-profit entity) contemplates conveying to the LBA real property that is encumbered by delinquent property taxes, having the taxes extinguished by the LBA, and the property reconveyed by the LBA to the individual for occupancy by that individual following construction of new housing or rehabilitation of existing housing.

**11.2 Purpose.** This policy is based on the opportunity for an individual to participate in the benefits derived from the authorization of tax extinguishment by the LBA where the individual applicant did not amass the tax delinquency, but desires to construct or rehabilitate housing in order to use the subject property as his or her own primary residence. Owner-occupant developers shall be required to meet the established LBA Board Petitioning Requirements which include the following: (a) Developer Profile, (b) Development Proposal, (c) Funding Commitment Letter, (d) Development Cost Estimate, (e) Site Control, and (f) Title Report.

**11.3 Primary Residence.** "*Primary Residence*" shall mean that upon completion of the construction or rehabilitation, the owner-occupant must reside in the property for a minimum of five (5) years and shall pay all tax obligations which become due and payable after the execution of the Sale and Disposition Contract. At the expiration of the five (5) year term, where an owner-occupant may seek to sell the property, the owner must offer the property for a sale price not to exceed the current Fair Market Value.

#### **11.4 Requirements and Conditions.**

- (a) The applicant must either rehabilitate unoccupied substandard existing housing or create new housing where housing does not exist.
- (b) The subject property must not have been used by the applicant as his or her personal residence at any time during the twelve (12) months immediately preceding the submission of the application.

- (c) The owner-occupant shall enter into a Sale and Disposition Contract with the LBA and shall be responsible for the completion of the construction or rehabilitation within the three (3) year time limit as prescribed in the covenants of the Contract.
- (d) The LBA will extinguish no delinquent taxes which were the responsibility of the applicant. This would include any taxes which the applicant was responsible for either as owner of the subject property or as a result of any contractual obligation. Such taxes, if any, must be paid prior to the LBA extinguishing any other taxes.
- (e) The owner-occupant shall provide evidence of clear title and the financial ability to perform said Contract, with the expressed obligation to reside in the property for a minimum of five (5) years or the delinquent taxes will be reinstated.
- (f) During the term of the occupancy, the owner-occupant shall pay all ad valorem taxes which accrue and shall maintain the property in compliance with the required code enforcement ordinances of the governing jurisdiction.
- (g) The owner-occupant must meet the applicable household income standards established by the LBA.
- (h) If the applicant fails to honor any portion of his or her Contract with the LBA to provide new or rehabilitated housing, the applicant must make a payment of funds to the LBA in an amount equal to the amount of all taxes extinguished by the LBA pursuant to the Contract. These funds shall then be paid by the LBA to the respective taxing authorities in the same proportion as the taxes were levied prior to the extinguishment.

**11.5 LBA Discretion.** Applications shall be evaluated based on the long-term benefit to be derived from achieving the basic mandate of the LBA which seeks to return non-revenue generating parcels to a productive and effective use that will put the property back in to an active tax revenue status.

## **Section 12. Side Lot Disposition Program.**

**12.1 Side Lot Transfers.** Individual parcels of property may be acquired by the Parties subject to the intergovernmental contract or 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.

**12.2 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 75% 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.

### **12.3 Side Lot Transferees.**

- (a) All transferees must own the contiguous property, and priority is given to transferees who personally occupy the contiguous property.
- (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.
- (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 foreclosure proceedings unless the LBA approves the anticipated disposition prior to the effective date of completion of such tax foreclosure proceedings.

### **12.4 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 costs incurred in acquisition, demolition and maintenance of the lot.

### **12.5 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 within 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.

**City of Holly Springs  
Community Development Committee Special Called Meeting Minutes  
September 23, 2024**

**Committee Members Present:** Chairman Kyle Whitaker and Mayor Steven W. Miller.

**Committee Members Not Present:** Co-Chair Jeff Wilbur.

**Elected Officials Present:** Mayor Pro Tem Michael Roy Zenchuk II, Councilwoman Dee Phillips arrived at 6:02 p.m. and Councilman Kevin Moore arrived at 6:06 p.m.

**Staff Present:** City Clerk/Human Resources Director Karen Norred, Finance Director Denise Lamazares, Community Development Director Nancy Moon, Deputy Chief Greg Clyburn and IT/Facilities Manager Ron Carter.

**I. CALL TO ORDER**

Chairman Kyle Whitaker called the Community Development Committee Special Called meeting to order.

**II. OLD BUSINESS**

**III. NEW BUSINESS**

A. Process/Procedures for Community Development Case matters.

Community Development Director Nancy Moon informed the Committee Members, with the City now holding two Business meetings instead of a Work Session, that the agenda items for Community Development cases can now be presented in a couple of different options.

Option #1 would be that the cases can be added under a separate section other than New Business on the agenda to be presented for information only at the first meeting with no action required. The item would be placed under New Business at the next meeting.

Option #2 would be to present the case under New Business, with Council decision of a vote or; if more information is needed, Council could vote to defer the item to the next monthly meeting.

Mayor Miller made a motion to approve Option #2. Chairman Whitaker seconded the motion. Motion carried. Yes 2, No 0, Abstained 0.

B. April 8, 2024 Community Development Committee Meeting minutes.

Mayor Miller made a motion to approve the minutes. Chairman Whitaker seconded the motion. Motion carried. Yes 2, No 0, Abstained 0.

**IV. REPORTS**

No reports were given.

**V. ADJOURNMENT**

Chairman Whitaker made a motion to adjourn the meeting. Mayor Miller seconded the motion. Motion carried. Yes 2, No 0, Abstained 0.

Respectfully submitted.

\_\_\_\_\_  
Kyle Whitaker, Chairman

Attest:

\_\_\_\_\_  
Karen Norred, City Clerk  
(Seal)

DRAFT