

RESOLUTION NO. 21-001 Implementation of Sales Price Policy Changes.

Resolving a change in the sales price policy to facilitate disposal of real property held by the Land Bank for purposes that benefit the quality of life in neighborhoods and revitalization of structures.

WHEREAS, Committee Substitute for Ordinance No. 120779 was passed by the City Council on September 20, 2012 to create the Land Bank of Kansas City ("Land Bank") in accordance with RSMo Section 141.980 for the purposes of returning land, including land that is in a nonrevenue-generating, nontax-producing status, to beneficial uses in private (for-profit and non-profit) and public ownership, including for the purpose of creating: (i) opportunities for revitalization of deteriorating residential, retail and commercial neighborhoods, (ii) safe, decent and affordable housing for existing and future residents, (iii) retail and commercial areas on vacant or deteriorated properties within neighborhoods, (iv) the assemblage of property for future development in a manner consistent with the purposes of the City's consolidated plans, particularly in low to moderate income areas designated by the City as target areas for revitalization, (v) creation or expansion of side yards with unimproved vacant lots in neighborhoods densely constructed for the benefit of abutting residences, (vi) space for use as urban agriculture, community gardens, or other similar uses consistent with healthy eating by residents, including restoring ground through alternative vegetative cover to build-back the soil for future use for food production, (vii) public spaces and places for parks, green spaces and other public purposes and (viii) use as wildlife conservation areas;

WHEREAS, the Board of Commissioners of the Land Bank of Kansas City ("Board") desires to further serve those purposes by returning property in which it holds title for those stated purposes in an affordable manner, to expedite those purposes being served, as will be determined on a case by case basis, as applications are considered by such Board;

WHEREAS, the Board deems it appropriate to revise the sales price policies to encourage the purposes to be served by the Land Bank; and

WHEREAS, the Board affirms that the percentage discounts set forth below are intended to be on the cash portion of the consideration expected to be offered by applicants in addition to, and not as a replacement for, the performance obligations to complete the renovations, pay real property taxes, and to otherwise maintain property that will continue to be secured by deeds of trust upon the property;

NOW, THEREFORE,

BE IT RESOLVED BY THE LAND BANK OF KANSAS CITY:

Section 1 - Residential Structures. Each application includes cash consideration and performance obligations. The cash portion of the consideration to be paid by an applicant may be discounted as set forth below based on the category of improved property with a residential structure and in circumstances that the Board determines appropriate, based upon the recommendations of Land Bank staff to the Board. The market values as determined by the Assessment Department of Jackson County will be used as a base market value ("Market Value") as set forth below:

- A. 40% discount from two-thirds Market Value for the minimum cash portion of the consideration for a residential structure to be owner-occupied by the applicant, in addition to, and not in lieu of the performance obligations to complete the renovation for owner occupancy;
- B. 10% discount from two-thirds Market Value for the minimum cash portion of the consideration for a residential structure purchased by a non-profit entity with a 501(c)(3) status affirmed and recognized by the Internal Revenue Service, for renovation and re-

sale to an owner occupant, through either a direct sale, or long term lease in which tenant builds up equity and acquires title at a nominal amount at the end of the lease term; and


- C. Other-residential structure that is offered through a request for proposals for use by a non-profit entity, which shall be held and made available and occupied by the houseless and near houseless, with wrap-around services, provided that there is a documented and evidenced source of funding for the renovation, occupancy and provision of wrap-around services needed by the occupants as they move toward self-sufficiency.

Section 2 - Unimproved Parcels. Each application includes cash consideration and performance obligations. The cash portion of the consideration to be paid by an applicant may be discounted as set forth below based on this category of unimproved property, in circumstances that the Board determines appropriate, based upon the recommendations of Land Bank staff to the Board. The Market Value as determined by the Assessment Department of Jackson County will be used as a base to be discounted in the following manner, adjusted for these proposed uses of the property, and proposed purchasers:

- A. 50% discount from two-thirds Market Value for unimproved property for the minimum cash portion of the consideration paid by a neighborhood organization recognized by and registered with the City for the geographical area in which the property is located provided the proposed use complies with zoning regulations or the transfer is contingent upon a rezoning or issuance of a special use permit;
- B. 50% discount from two-thirds Market Value for unimproved property for the minimum cash portion of the consideration from either a non-profit entity registered with the Missouri Secretary of State, or a non-profit entity that has 501(c)(3) status affirmed and recognized by the Internal Revenue Service, with a history of supporting or engaging with the neighborhood in which the property is located, provided that if the stated purpose is infill construction or development, such entity must commit to obtain a building permit within six months from the date of the recording of the deed from the Land Bank to such entity, which obligation will be secured by a deed of trust;
- C. 50% discount from two-thirds Market Value for unimproved property for the minimum cash portion of the consideration by an individual (who is not a non-profit entity), provided that individual applicant lives and has a history of established residency of at least one year in the neighborhood in which the property is located, and resides within a two block square radius from the unimproved parcel which distance the Board has determined is sufficiently close to the parcel for that individual likely to remain engaged with the maintenance and care of such parcel on a sustained basis, and the proposed use complies with zoning regulations, and if the applicant is otherwise deemed eligible to acquire the property; the foregoing discount shall not apply to an application for a lot that would otherwise be considered a side lot to the applicant's residence if more favorable terms are available if the parcel is considered a side lot; and
- D. 50% discount from two-thirds Market Value for unimproved property for the minimum cash portion of the consideration from an individual or entity, whether for profit or a non-profit entity, for infill residential construction development, provided such entity must commit to obtain a building permit within six months from the date of the recording of the deed from the Land Bank to such individual or entity, which obligation will be secured by a deed of trust, and provided that such applicant has a demonstrated commitment to the neighborhood in which the parcel is located, or alternatively, has a letter of support from the neighborhood association registered and recognized by the City for the geographical area in which such parcel is located.

Section 3 - Real Property Acquired by Business Entities.

- A. No discount shall apply to the minimum cash portion of an applicant's offer for either unimproved vacant land or structures if such applicant is a for-profit business entity, and the minimum cash price to be offered is expected by the Board to be at least two-thirds of the Market Value, in addition to performance obligations to be undertaken by the applicant upon the real property if the application is to be favorably considered by the Board, except to property sought for infill residential construction otherwise governed by Section 2.D above, if the applicant is otherwise deemed eligible to acquire the property.

Adopted this 12th day of July, 2021.
Land Bank of Kansas City, Missouri
By: 
Julie Anderson, Chair