

## **TROY COMMUNITY LAND BANK CORPORATION**

### **POLICY GOVERNING THE ACCEPTANCE OF DONATED REAL PROPERTY**

The Troy Community Land Bank Corporation (“TCLB”) may accept donations of real property subject to the discretion of the Board of Directors. The acquisition of real property by the TCLB is limited to real property that is tax delinquent, tax foreclosed, vacant, abandoned, bank foreclosed or for which acquisition is consistent with an approved redevelopment plan prepared by the TCLB and adopted by the tax districts serviced by the TCLB.

Prior to recommending the TCLB accept title to real property, staff will evaluate and prepare a written analysis for each property advising:

1. Whether the real property possesses potential for redevelopment that furthers the goals and objectives of the TCLB
2. Proximity to other real property owned by the TCLB
3. Potential for assembly with adjacent properties either owned by the TCLB or with potential to be acquired by the TCLB
4. Proximity to targeted redevelopment plans
5. Whether the property is occupied
6. Whether there are any taxes owed or other liens or encumbrances against the real property
  - a. The TCLB will not accept donations of tax-delinquent real property or title to real property for which the liens exceed the likely value of the net proceeds from redevelopment. TCLB staff may investigate whether lien holders will voluntarily discharge liens against a low-value asset or whether the City or County may foreclose on the real property, extinguishing any liens against it.
7. Any defects in title and ability to obtain title insurance
8. Condition and market value of the real property
9. Cost to remediate any hazards or nuisances posed by the real property
10. Whether the real property is accompanied by a cash donation to mitigate the costs of ownership and redevelopment by the TCLB
11. Cost to fully redevelop the real property
12. Financial resources available to redevelop the real property
13. Whether there is already an interested buyer or other factors relating to marketability

A Phase I environmental assessment may be required depending on the type and location of the property.

The cost of a full title search, and Phase I environmental assessment if requested, is the responsibility of the potential donor. If the property appears to be of strategic importance to the TCLB and the donor demonstrates financial hardship and inability to pay for the title search or Phase I assessment, the TCLB may agree to bear this cost.

Based on this written analysis, TCLB staff will make a written recommendation to the Board of Directors regarding the acceptance of a property donation.

*Notice Regard Tax Exempt Status:*

*The TCLB will not determine donation value for the purpose of tax benefits, but will provide a letter describing the property donated as a contemporaneous written acknowledgment under section 170(1)(8) of the Internal Revenue Code. The TCLB is in the process of filing an Application for Recognition of Exemption Under Section 501 (c)(3) of the Internal Revenue Code (IRS form 1023). As such, donations may or may not be tax deductible. TCLB will provide donors with updated receipt upon request reflecting the tax exempt status of the TCLB as soon as the IRS issues a determination.*