

**WYANDOTTE COUNTY LAND BANK
(WCLB)**

**ADMINISTRATIVE POLICY
AND
PROCEDURE GUIDELINES**

**APPROVED 03/26/15
UPDATED 09/29/16**

Wyandotte County Land Bank
Administrative Policy and Procedure Guidelines
As approved and adopted by the Board of Trustees
on March 26, 2015

These policy and procedure guidelines are a consolidation and codification of all prior policies and procedures of the Wyandotte County Land Bank and supersede all such prior policies and procedures.

Section 1. Authority and Role

- 1.1 Establishment.** The Wyandotte County Land Bank (WCLB) was established by the Unified Government of Wyandotte County/Kansas City, Kansas (UG) by the power vested in it by K.S.A. 19-26,103 et. seq.
- 1.2 Governance.** The WCLB is governed by a Board of Trustees (BOT) comprised of the Mayor/Chief Executive and the UG Commissioners. The WCLB manager is charged with its administration.
- 1.3 Land Bank Advisory Board.** A Land Bank Advisory Board (LBAB) shall be available to advise the BOT and WCLB manager on matters relating to the business and affairs of the WCLB, and to suggest or be available for consultation with regard to projects, proposals and/or activities which the WCLB may undertake. The membership of the LBAB shall consist of eight representatives designated by the Executive Board of the Liveable Neighborhoods Task Force and, subject to the modification and approval of the County Administrator, representatives from the following UG Departments: Administration, Community Development, Delinquent Real Estate, Economic Development, GeoSpatial Services, Neighborhood Resource Center, Treasury, and Urban Planning and Land Use. The LBAB shall serve solely in an advisory capacity.
- 1.4 Governing Authority.** The core governing documents of the WCLB are the applicable state statutes and the UG Code of Ordinances. The policies and procedures set out in this document constitute guidelines only and the Board of Trustees reserves discretion to deviate therefrom when it deems appropriate.
- 1.5 Purpose.** The purpose of the WCLB is to return tax delinquent and distressed property to productive use that benefits the community.

Section 2. Priorities for Property Use

- 2.1 Government Use.** The first priority for use of real property of the WCLB is to make available its properties to local governments for public use and ownership.
- 2.2 Housing.** The first priority for use of real property of the WCLB for nongovernmental purposes is the production or rehabilitation of property for housing.
- 2.3 Other Purposes.** When there is no governmental purpose or use for a property, nor a feasible use for housing, the WCLB may consider permitting the property to be used for other community improvement purposes. These uses should be consistent with the following priorities:
 - a. Neighborhood revitalization;
 - b. The return of property to productive tax-paying status;
 - c. Land assemblage for economic development;
 - d. Long-term “banking” of properties for future strategic uses; and/or
 - e. The provision of financial resources for operating functions of the WCLB.
- 2.4 Neighborhood Consultation.** The WCLB encourages every applicant seeking to acquire property from the WCLB to demonstrate prior consultation with neighborhood associations and non-profit entities operating in the geographical area of the property.
- 2.5 City-Wide Master Plan.** The WCLB shall encourage the development and use of properties in a manner consistent with the UG City-Wide Master Plans and other government-approved plans.

Section 3. Priorities for Identity of Transferees.

- 3.1 Priority Transferees.** Except where limited by the terms of the acquisition of a property, the WCLB may, at its discretion, give priority to:
 - a. Government entities;
 - b. Non-profits that will hold title to the property on a long-term basis or hold title to the property for the purposes of subsequent reconveyance to private third parties for housing or other public purposes;
 - c. Other individuals and entities seeking to obtain the property for housing;
 - d. Non-profit institutions such as academic and religious institutions;

- e. Entities that are a partnership, limited liability corporation or joint venture comprised of a private non-profit corporation and a private for-profit entity; and
- f. Individuals who own and occupy residential property for purposes of a side lot disposition program.

3.2 Transferee Qualifications. All applicants seeking to acquire property from the WCLB, or to enter into transaction agreements with the WCLB, may be required to provide as part of their application information regarding, but not limited to:

- a. The legal status of the applicant, its organizational and financial structure;
- b. Its prior experience in developing and managing housing;
- c. The financial health and resources of the applicant; and/or
- d. Adequate plans for development.

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

- a. Failure to perform in prior transactions with the WCLB;
- 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. Inability to demonstrate sufficient experience and/or capacity to perform in accordance with the requirements of the WCLB;
- e. Ownership of properties that have a history of violations of state and/or local laws, codes or ordinances; and/or
- 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.

4.1 Neighborhood and Community Development. The WCLB 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 WCLB may prioritize the following in any order it deems appropriate:

- a. The preservation of existing stable and viable neighborhoods;
- b. Neighborhoods in which a proposed disposition will assist in halting a slowly occurring decline or deterioration;

- c. Neighborhoods that have recently experienced or are continuing to experience a rapid decline or deterioration;
- d. Geographic areas that are predominately non-viable for purposes of residential or commercial development; and/or
- e. Potential impact on areas targeted by a strategic development plan.

Section 5. Conveyances to the WCLB

- 5.1 Sources of Property Inventory.** Sources of real property inventory of the WCLB include, but are not limited to, the following:
- a. Transfers from local governments;
 - b. Acquisitions at tax foreclosure sales;
 - c. Donations from private entities;
 - d. Market purchases;
 - e. Conduit transfers contemplating the simultaneous acquisition and disposition of property;
 - f. Other transactions such as land banking agreements.
- 5.2 Policies Governing the Acquisition of Properties.** In determining which, if any, properties might be acquired, the WCLB may give consideration to the following circumstances and factors:
- a. Proposals and requests by individuals or entities in which specific properties are identified for ultimate acquisition and redevelopment.
 - b. Residential properties that are occupied or are available for immediate occupancy without need for substantial rehabilitation.
 - c. Improved properties that are the subject of an existing order for demolition of the improvements and/or meet the criteria for demolition of improvements.
 - d. Vacant properties that are appropriate for the side lot disposition program.
 - e. Properties for which reutilization would be in support of strategic neighborhood stabilization and revitalization plans.
 - f. Properties that would form a part of a land assemblage development plan.
 - g. Properties that will generate operating resources for the functions of the WCLB.
 - h. Properties that would allow for the creation or expansion of community, garden, green, and/or recreational space.
- 5.3 Transaction Agreements.** In most cases involving conduit transfers and land banking agreements, a transaction agreement must be approved in advance by the BOT and executed by the WCLB and the grantor of the property. In the case of conduit transfers, such a

transaction 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 WCLB to be in the best interest of the WCLB, 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.

- 5.4 Transactions Requiring Board of Trustees Approval.** WCLB BOT approval shall be required prior to any conduit transfer, land banking agreement, or any acquisition of property with improvements.
- 5.5 Title Assurance.** Generally, the WCLB requires all property acquired to have marketable title. In some instances, the WCLB may require a policy of title insurance or other assurances prior to acquiring a property.
- 5.6 Environmental Concerns.** The WCLB reserves full and complete discretion to require in all transactions that satisfactory evidence or assurances be provided that the property is not affected by or subject to environmental contamination.
- 5.7 Set Off Program.** Property that has been placed in the State of Kansas Set Off Program may be deemed ineligible for conveyance to the WCLB.

Section 6. Establishing Hold Areas

- 6.1 Hold Areas.** The WCLB shall work with the UG Economic Development Department and the WCLB BOT to identify geographical areas that are contemplated for development. After approval by the BOT, any Land Bank parcels in such areas shall be held for designated partnering developers and may not be available for other interested parties.

Section 7. Conveyances from the WCLB

- 7.1 Covenants, Conditions and Restrictions.** All conveyances by the WCLB to third parties shall include such covenants, conditions and restrictions as the WCLB deems, in its sole discretion, necessary and appropriate to ensure the use, rehabilitation and redevelopment of the property in a manner consistent with the public purposes of the WCLB.

- 7.2 Deed Without Warranty.** All conveyances by the WCLB to third parties shall be by quitclaim deed.
- 7.3 Conveyances requiring Board of Trustees Approval.** With the exception of conveyances of property within a hold area to previously-approved, WCLB BOT-designated partnering developers, all transfers of WCLB property shall require the approval of the BOT.
- 7.4 Conveyance Reports to the Board of Trustees.** All transfers unilaterally authorized and completed by the WCLB manager shall be reported in writing to the Board of Trustees at the immediately following Neighborhood and Community Development Standing Committee meeting.
- 7.5 Conveyance Time Allowance.** All Land Bank property shall be conveyed and deed recorded within 180 days of Award and approval of the Land Bank Board of Trustees. Any property not conveyed within the above time period, and without a written extension from the Land Bank manager, will have Award voided and property returned to Land Bank Inventory.

Section 8. Collaboration with Not-For-Profit Entities

- 8.1 Transactions with Not-For-Profit Entities.** The WCLB is willing to enter into conduit transfers with not-for-profit corporate entities as outlined in this section. After executing an agreement with the WCLB, these not-for-profit corporate entities would secure donations of or purchase tax delinquent properties from owners, transfer these properties to the WCLB for waiver of taxes, and “buy back” these properties for development and/or rehabilitation.
- 8.2 Documentation of Lot Purchase.** The collaboration applicant must document the purchase process extensively. This documentation should include, at minimum, 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 or rehabilitation costs impacting the anticipated final sale price.
 - d. The total amount of delinquent ad valorem taxes, special assessments, and other liens and encumbrances against the property and the length of delinquency for each.
- 8.3 Maximum Costs.** The total of these costs should exceed the maximum allowable lot cost (i.e., the cost that will permit rehabilitation or

development) before the WCLB may consider the waiver of back taxes in part or in total.

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

Section 9. Collaboration with For-Profit Entities

- 9.1 Transactions with For-Profit Entities.** The WCLB is willing to enter into conduit transfers with for-profit 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 WCLB for waiver of taxes, and “buy back” these properties for use for development and/or rehabilitation.
- 9.2 Eligibility.** Eligibility for this option will be based on numerous criteria. Among others, these shall include 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 such interest exists, it may be required that the for-profit and non-profit forge an agreement for joint development.
- 9.3 Documentation of Lot Purchase.** The applicant must document the purchase process extensively. This documentation should include, at a minimum, 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.
 - d. The total amount of delinquent ad valorem taxes, special assessments, and other liens and encumbrances against the property and the length of delinquency for each.
- 9.4 Maximum Costs.** The total of these costs should exceed the maximum allowable lot cost (i.e., the cost that will permit rehabilitation or development before the WCLB may consider the waiver of back taxes in total or in part).
- 9.5 WCLB Discretion.** Some properties may present unusual or extenuating circumstances to the developer due to lack of funding for housing production or related costs. The WCLB reserves the right to evaluate and consider these properties case-by-case.

Section 10. Property for Community Improvements

- 10.1 Community Improvement Property.** The WCLB is willing to accept donations of property to be transferred to a non-revenue generating, non tax-producing use that is for community improvement or other public purposes. Additionally, the WCLB is permitted to assemble tracts or parcels of property for community improvement or other public purposes.
- 10.2 Eligibility.** Properties can be conveyed to the WCLB for waiver of delinquent taxes and then reconveyed by the WCLB 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 playground for after-school or day care. The application must demonstrate that no alternative tax-generating use is available for the property, and that the proposed community improvements are consistent with the area redevelopment plans and community revitalization.
- 10.3 Transferee.** The application must identify and be signed by the ultimate transferee from the WCLB. 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.
- 10.4 Covenants, Conditions and Restrictions.** The WCLB, in the conveyance of the property to the transferee, may require covenants, conditions and restrictions as necessary to ensure that the property is used for the contemplated community improvement or other public purposes.

Section 11. Conduit Transfers – Reasonable Equity Policy

- 11.1 Purpose.** In order to prevent benefits accruing to owners of property that is tax delinquent by virtue of the exercise of the tax waiver power of the WCLB, the WCLB establishes this reasonable equity policy guideline.
- 11.2 Definitions.** The reasonable equity policy is based on the value of the property and the equity of its owner. While any valuation is subjective, it can be reasonably estimated.
- a. “Fair Market Value” shall be determined by staff according to the County Appraiser’s valuation, in conjunction with the average sale price in a given community. The WCLB staff or WCLB BOT shall have full authority to require a professional

appraisal for proposals that have significant variances in valuation and entail transactions in which the owner received consideration in excess of nominal compensation.

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

- 11.3 Less than \$2,000 Net Equity.** To ensure that an owner does not receive unwarranted benefit, the WCLB 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.
- 11.4 Equity in Excess of \$2,000.** To ensure that the owner does not receive an unwarranted benefit, the WCLB will not consider transactions in which the owner receives an amount greater than 75% of net equity.
- 11.5 Speculation.** To ensure that speculators do not seek to take advantage of the WCLB, 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 past three years.
- 11.6 Excessive Sale 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 his 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 likely fall to the Delinquent Real Estate Department to sell the property at a tax sale.
- 11.7 Non-Conforming Situations.** To ensure flexibility and protect the interests of the WCLB and the public, the WCLB BOT reserves the right to modify, change, or deviate from this policy, if a situation clearly warrants such action.
- 11.8 Strategic Importance.** To preserve the integrity of the WCLB's mission, all properties petitioned to the WCLB Board must pass the test of strategic importance. The WCLB 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 WCLB BOT that the transaction is not simply allowable but a crucial 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 Unified Government.

Section 12. Agreements For Temporary Use of Land

- 12.1 Adopt-a-lot.** The WCLB may enter agreements for residents and organizations to participate in an adopt-a-lot program designed to encourage and support recreation including community-based greening and gardening of available vacant lots.
- a. Agreements shall expire on December 31 of the agreement year and be renewable on March 1 of the next year provided the lot has not been sold.
 - b. The lot will be available to be sold during the term of the agreement with the purchaser obtaining possession at the expiration of the adopt-a-lot agreement.
 - c. There will be no fee.
 - d. The agreements shall specify that the lot must be kept clean, the grass mowed, or otherwise maintained in compliance with applicable ordinances of the UG and other requirements made specific.
 - e. Participants must sign liability release waivers or add the UG to their insurance policies.
 - f. The agreements will not permit building on the lots (including fences).

Section 13. Side Lot Disposition Program

- 13.1 Side Lot Transfers.** Individual parcels of property may be acquired by the WCLB 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 WCLB.
- 13.2 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.

13.3 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 violations of state and/or local laws, codes or 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 offered for sale as a result of tax foreclosure proceedings unless the WCLB approved the anticipated disposition prior to the effective date of completion of such tax foreclosure proceedings.

13.4 Lot Consolidation. 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 subdivision or partition within an agreed period of time following the date of transfer.

Section 14. Land Banking Program

14.1 Scope. As set forth in these policies and procedures, the land banking program consists of transactions in which a grantor transfers real property to the WCLB and the property is held by the WCLB pending a transfer back to the original grantor, to a grantee identified in a banking agreement, or to a third party selected by the WCLB.

14.2 Goals. The goals of this land banking program include but are not limited to the acquisition of real property for or on behalf of a governmental entity or not-for-profit corporation in order to:

- a. Permit advance acquisition of potential development sites in anticipation of rapidly rising land prices;
- b. Facilitate pre-development planning, financing, and structuring;
- c. Minimize or eliminate violations of housing and building codes and public nuisances on properties to be developed; and/or
- d. Hold parcels of land for future strategic governmental purposes such as housing development, opens spaces and green spaces.

14.2 Land Banking Optional. The WCLB is not required to enter into a banking agreement with any person or entity, and at all times retains full discretion and authority to decline to enter into a banking agreement. These policies are applicable only to real property of the WCLB which is acquired in accordance with an executed banking agreement and are not otherwise applicable to real property acquired by the WCLB pursuant to any other agreements or procedures.

14.3 Definitions. As used in these policies, the following terms shall have the definitions set forth:

- a. **“Banking Agreement”** shall mean a written agreement between a grantor and the WCLB which identifies the property, the length of the banking term, the potential grantee or grantees, the range of permissible uses of the property following transfer by the WCLB, the permitted encumbrances on the property, the rights and duties of the parties, the responsibility of the grantor for the holding costs, the possible advance funding of holding costs, the forms of the instruments of conveyance and such other matters as may be appropriate.
- b. **“Grantor”** shall mean the party that transfers or causes to be transferred to the WCLB a tract of property pursuant to a banking agreement.
- c. **“Grantee”** shall mean the party or parties identified in a banking agreement as the party or parties to whom the property is to be transferred from the WCLB.
- d. **“Holding Costs”** shall mean any and all costs, expenses, and expenditures incurred by the WCLB, whether as direct disbursements, as pro rata costs, or as administrative costs, that are attributable to the ownership and maintenance of a tract of property. The WCLB shall maintain records of the monthly holding costs for each property.
- e. **“Property”** shall mean the real property and improvements (if any) located thereon identified in a banking agreement and transferred to the WCLB pursuant to a banking agreement, together with all right, title and interest in appurtenances, benefits and easements related thereto.

14.4 Eligible Property. Property which is eligible for a banking agreement must either be (a) unimproved real property or (b) real property with unoccupied single-family residences.

- a. In the event that a tract of property contains improvements which are to be demolished or removed, such property may qualify as eligible property for a banking agreement so long as adequate and sufficient funds are placed in escrow at the time of the banking agreement closing so as to assure that all

improvements will be demolished and removed within sixty (60) day of closing.

- b. Property that is ineligible for a banking agreement includes all other forms of improved real property, all real property which is occupied, and all real property that has been identified as containing hazardous substances and materials.

14.5 Eligible Grantors and Grantees. Parties eligible to be a grantor or a grantee are governmental entities and not-for-profit corporations defined as tax-exempt entities by the Internal Revenue Code. A limited partnership entity is eligible to be a grantor or grantee so long as a governmental entity or not-for-profit corporation has a controlling interest in such entity.

14.6 Title.

Unless and except to the extent expressly authorized in a banking agreement, property transferred to the WCLB pursuant to a banking agreement shall be fee simple title free and clear of all liens and encumbrances. The issuance of a policy of marketable title in favor of the UG may be required at the closing pursuant to the banking agreement containing such exceptions as are approved by the WCLB.

- a. Governmental liens may exist at the time of closing only if such liens are expressly acceptable to the WCLB.
- b. A mortgage or other security instrument may encumber property at the time of transfer to the WCLB provided that that the obligations secured by such instruments do not require monthly or periodic payments by the WCLB to the mortgagee. Under no circumstances will the WCLB have direct liability to a mortgage pursuant to a security instrument. It is anticipated that each banking agreement that contemplates the transfer of property to the WCLB encumbered by a security instrument will require a separate written agreement between the mortgagee and the WCLB which provides, among other things, that:
 - 1. The mortgagee expressly consents to the transfer to the WCLB;
 - 2. The mortgagee expressly subordinates its interests to covenants, conditions and restrictions as may be required by the WCLB; and
 - 3. Prior to the exercise of mortgagee rights under the security instrument, the mortgagee will request, on behalf of the grantor, the conveyance of the property to the grantor and pay to the WCLB the holding costs attributable to the property.
- c. At the time of closing pursuant to a banking agreement, all ad valorem taxes which are due and payable on the property must

be paid in full. An exception to this requirement of no outstanding ad valorem tax liens may be granted:

1. When the grantor is acquiring the property from a third party and immediately conveying the property to the WCLB pursuant to a banking agreement, and
2. The acquisition of the property by the grantor from the third party otherwise complies with the reasonable equity policy of the WCLB.

14.7 Length of Banking Term. A banking agreement may permit a maximum banking term of thirty-six (36) months for transactions in which the grantor is a not-for-profit entity, and sixty (60) months for transactions in which the grantor is a governmental entity.

14.8 Transfers at Request of Grantor. A banking agreement shall authorize a grantor to request a transfer of the property by the WCLB to a grantee at any time within the banking term.

- a. A conveyance by the WCLB to the grantee identified pursuant to a banking agreement shall occur within thirty (30) days of receipt of a written request for a transfer.
- b. As a condition precedent to the transfer by the WCLB, the full amount of holding costs incurred by the WCLB attributable to the property shall be paid to the WCLB. The WCLB shall provide to the grantor in accordance with section 13.13 a statement of the holding costs attributable to the property.
- c. At the time of the transfer by the WCLB to the grantee, the WCLB shall impose such restrictions and conditions on the use and development of the property in accordance with section 13.12 hereof and the applicable banking agreement.
- d. Conveyance by the WCLB to a grantee shall be by quitclaim deed.

14.9 Transfer at Request of WCLB. At any time and at all times during the term of a banking agreement, the WCLB shall have the right, in its sole discretion, to request in writing that the grantor or its designee accept a transfer of the property from the WCLB.

- a. A transfer by the WCLB pursuant to this section shall be subject to the same terms and conditions as set forth in section 13.8.
- b. In the event that the grantor (or its designee) is unwilling or unable to accept a transfer of the property from the WCLB, and reimburse the WCLB in full for the holding costs, then the WCLB shall have the right to terminate in writing the banking agreement. The property shall then become an asset of the WCLB and subject to use, control and disposition by the WCLB

in its sole discretion subject only to the provisions of applicable statutes and ordinances.

14.10 Banking Agreement Closing. Within a time period specified in a fully executed banking agreement, a closing of the transfer of the property to the WCLB shall occur. At such closing, the fully executed instrument of conveyance and other closing documents shall be delivered by the appropriate party to the appropriate parties. The appropriate documents shall be immediately recorded, and a title insurance policy shall be issued. All costs of closing shall be borne by the grantor.

14.11 Holding Costs. Holding costs shall be paid as a condition precedent to a transfer of property from the WCLB. Either the grantor or the grantee can request in writing at any time a statement of the holding costs, which statement will be provided by the WCLB within fifteen (15) business days of receipt of the request. The WCLB shall also have the right to request in writing that the grantor or grantee reimburse on written demand the WCLB for holding costs. In the event that the WCLB is not timely reimbursed for its holding costs in response to its written request for reimbursement, the WCLB may request a transfer pursuant to section 13.9.

14.12 Public Purpose Restrictions. All property held by the WCLB and transferred by the WCLB pursuant to a banking agreement shall be subject to covenants and conditions providing that the property is to be used for the following goals:

- a. The production or rehabilitation of housing for persons with low incomes;
- b. The production or rehabilitation of housing for persons with low or moderate incomes;
- c. Community improvements; and/or
- d. Other public purposes.

Each banking agreement will specify the range of permissible uses and the manner in which such use restrictions is secured. Such restrictions and conditions may be imposed either in the form of contractual obligations, deed covenants, rights of reacquisition, or any combination thereof.