POLICY GOVERNING THE ACCEPTANCE OF DONATED REAL PROPERTY

The Newburgh Community Land Bank (NCLB) may accept donations of real property subject to the discretion of the Board of Directors. The acquisition of real property by the NCLB is limited to real property that is tax delinquent, tax foreclosed, vacant, abandoned, or for which acquisition is consistent with an approved redevelopment plan prepared by the NCLB and adopted by the Foreclosing Governmental Unit(s) served by the NCLB.

Prior to recommending the NCLB accept title to property, staff will evaluate:

a. Whether the property possesses potential for redevelopment that furthers the goals and objectives of the NCLB
b. Proximity to other real property owned by the NCLB
c. Potential for assembly with adjacent properties either owned by the NCLB or with potential to be acquired by the NCLB
d. Whether the property is occupied
e. Whether there are any taxes owed or liens against the property: The NCLB will not accept donations of tax-delinquent property or title to properties for which the liens exceed the likely value of the net proceeds from property redevelopment. NCLB 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 property, extinguishing any liens against it.
f. Any defects in title and ability to obtain title insurance
g. Condition and market value of the property
h. Cost to remediate any hazards or nuisances posed by the property
i. Whether the property is accompanied by a cash donation to mitigate the costs of ownership and redevelopment by the NCLB
j. Cost to fully redevelop the property
k. Financial resources available to redevelop the property
l. Whether there is already an interested buyer or other factors related 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 NCLB and the donor demonstrates financial hardship and inability to pay for the title search or Phase I assessment, the NCLB may agree to bear this cost. Based on this analysis, NCLB staff will make a recommendation to the Board of Directors regarding the acceptance of a property donation.

Note Regarding Tax Exempt Status: The NCLB 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(f)(8) of the Internal Revenue Code. The NCLB is a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code.