



Redevelopment Authority
of Prince George's County

Policies and Procedures for Acquisition and Disposition of Real Property



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**Redevelopment Authority of Prince George's County
9200 Basil Court, Suite 504
Largo, Maryland 20774**

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1 Introduction

1.1 Mission

The Redevelopment Authority was established pursuant to CB-85-1997. Its Charter was approved pursuant to CR-60-1998. The purpose of the Authority is to provide for residential, commercial and industrial development and redevelopment in the County.

1.2 Guiding Legislation

The Redevelopment Authority was created and is governed by The County Code of Prince George's County, Maryland, Title 17, Subtitle 15B. Nothing in these Policies and Procedures is intended to replace or supersede that document. Further, the decision-making process described in these procedures and the resulting decisions should be interpreted and applied in a manner to comply with federal, state, and local laws and regulations.

2 Purpose

2.1 Overview

These Land Acquisition and Disposition Policies and procedures seek to advance and clarify the RDA's mission and strategic goals by providing RDA staff, its Board of Directors, the development community, potential business partners, other Prince George's County government agencies, and the general public with guidance of the RDA's approach toward executing real property transactions.

2.2 Objectives

The objectives of the Land Acquisition and Disposition Policies and procedures are:

- To Provide consistency in the methods used in acquiring and disposing of real property and to assure potential business partners and the general public of fair and equitable treatment
- To provide appropriate safeguards in maintaining integrity and transparency in all real property acquisition and disposition activities.
- Secretary – Treasurer To provide consistency in the methods used in acquiring and disposing of real property and to assure potential business partners and the general public of fair and equitable treatment.
- To provide appropriate safeguards in maintaining integrity and transparency in all real property acquisition and disposition activities.
- To provide the RDA staff and Board of Directors with clarity and guidance in implementing the real property acquisition and disposition processes.
- To delineate the roles of and responsibilities of all stakeholders involved in the land acquisition and disposition processes.
- To ensure that in all transactions maximum value accrue to the Redevelopment Authority, its goals and mission. Value may be in the form of community benefit, strategic development opportunity, financial return on investment, or any combinations of all of these attributes.
- To ensure that all transactions are evaluated based on an established set of standards.
- To ensure that all property transaction records are properly managed and maintained.
- To ensure that real property transactions encourage citizen participation and are coordinated with and support neighborhood planning efforts.

2.3 Limitations

The decision-making processes described in these procedures and the resulting decisions should be interpreted and applied in a manner to comply with federal, state, and local laws and regulations. These procedures are intended as guidelines for RDA decision-making in the acquisition and disposition of real property. No express or implied rights or responsibilities are intended to be created for any party. Failure to comply with these procedures will not give any party the right to change, rescind, or delay any decision or transaction related to use or ownership of RDA property or provide any claim for damages or other relief.

3 Definitions

Acquisition

The purchase any real property by the Redevelopment Authority and / or the transfer of any real property to the RDA

Auction

A public sale of real property to the highest bidder.

Disposition

The sale and/or transfer of any real property from the RDA to any other entity, whether a private purchaser or public/government entity.

Developer (or Purchaser)

An entity that has been awarded the contractual right to negotiate with the RDA for acquisition and/or development of a real property asset owned by the RDA.

Easement

A right to use land owned by another for a special purpose.

Equity Partnership

A disposition approach in which the RDA contributes cash, real property, in-kind services, or other value into a development entity to become a member of that entity. The RDA also participates in the profit (or loss) of such an entity in the form of cash disbursements, or other value, such as community benefits.

Fee Development

A disposition approach where the RDA contracts with a third-party entity to management the development of real property. In this approach, the RDA retains property ownership and development risk.

Fee Simple

A disposition approach in which the developer or purchaser assumes all rights to real property for an unlimited duration.

Ground Lease

A disposition approach where the RDA transfers land to a developer in exchange for periodic rent payments over a fixed period of time. At the end of the ground lease period, the land and any structures revert back to RDA ownership.

Ground Lease with Participation

A ground lease where the RDA receives some fixed rent and additional proceeds based on a negotiated percentage of development profits.

Highest and Best Use

An appraisal of a property based on maximizing legally allowable, physically possible, financially feasible, maximally productive development uses.

Invitation for Bid (IFB)

For small properties where price is the primary consideration and for single family homes, a competitive bid process can be used for disposition. An IFB consists of publicly advertising the property's availability and vetting all offers. An IFB is a streamlined disposition method that does not incorporate all the steps of an RFP process.

Negotiated Sale

A disposition approach in which the terms of the sale are determined by negotiation between the RDA and the developer or purchaser rather than through competitive solicitation process

Real Property

Land and appurtenances to land, including buildings, structures, fixtures, fences, and improvements erected upon or affixed to the same.

Request for Proposals (RFP)

A solicitation for potential developers or purchasers, to submit a proposal for the purchase of real property. The solicitation is publicly posted and defines evaluation criteria against which each potential respondent is measured in order to determine the proposal that is most competitive and in the best interest of the Redevelopment Authority.

Request for Qualifications (RFQ)

A solicitation designed to identify a group of potential developers, purchasers, contractors, or other service providers that possess the expertise to pursue current or future business opportunities with the RDA.

Unsolicited Offer

A bid or proposal to purchase or develop Redevelopment Authority property which is submitted wholly without any solicitation by the RDA.

4 Roles and Responsibilities

4.1 Overview

There are seven major entities, listed below, who have roles in the RDA's pursuit of its mission. They include the following:

- Board of Directors
- Executive Director
- Secretary – Treasurer
- General Council
- Project Manager
- Office of Finance
- Proposal Analysis Group

Each of these roles is described in greater detail in this section.

4.2 Detailed Roles

4.2.1 Board of Directors

The Redevelopment Authority Board of Directors shall provide policy, direction and advice for the RDA. It is the responsibility of the board of directors to ensure that the RDA fulfills its mission.

The Board shall ensure that the RDA has adopted policies and procedures to guide its operations and shall monitor the overall performance of the RDA in complying with these procedures.

The Board shall ensure that the Executive Director and staff are maintaining the RDA's fiduciary responsibility by reviewing periodic financial statements presented to the Board by staff and by reviewing the results and analyses of outside auditors.

The Board shall have approval authority over all RDA acquisitions and dispositions of real property based on an informed review of staff recommendations.

The RDA Board of Directors shall not be engaged in day-to-day management or decision making within the RDA.

4.2.2 Executive Director

The Executive Director is the Chief Executive Officer shall lead RDA staff in pursuit of its mission and objectives and oversee staff adherence to the policies and procedures described in this document.

The Executive Director of the RDA shall assign a Project Manager to each property that is actively in the acquisition or disposition process.

With staff input, the Executive Director shall present recommended courses of action for acquisitions, dispositions, and other RDA business operations.

The Executive Director, or designated Project Manager, shall submit regular reports to the Board as to the status of the RDA portfolio on a regular basis.

4.2.3 Secretary – Treasurer

The Secretary-Treasurer shall maintain the records and financial accounts of the RDA. In this role the Secretary-Treasurer shall coordinate with the Office of Finance on receipts and disbursements of funds, coordinate periodic reporting to the Board on the RDA's financial status, and coordinate with outside auditors when necessary.

4.2.4 General Counsel

The General Counsel of the RDA shall advise the RDA on legal matters affecting the authority, including but not limited to review and preparation of real property transaction documents, and review and coordination of any claims or suits made against the agency.

4.2.5 Project Manager

The Project Manager will have primary responsibility for conducting site assessments required for Real Property Inventory, drafting RFP, conducting staff review of any proposals, procurement of property appraisals, formulating recommendations to legal counsel and RDA Board regarding purchase or disposition contract terms and ongoing contract and project monitoring. The Project Manager is responsible for ensuring all required documentation is filed in the RDA Property Inventory file in the RDA offices.

The Project Manager shall have primary responsibility for monitoring and oversight of RDA acquisition and disposition transactions to ensure that each transaction is meeting its financial and strategic objectives.

The Project Manager shall be required to prepare written report on the status and progress for all active contracts or pending dispositions, including key outstanding issues and recommendations for resolution.

4.2.6 Office of Finance

The Office of Finance shall provide accounting and financial support to the RDA, including preparation of financial statements, receipts of funds, and disbursements of funds.

The Office of Finance shall not make a determination of whether received or disbursed funds are in accordance with RDA property agreements. That responsibility shall remain with the RDA Executive Director.

4.2.7 Proposal Analysis Group

A Proposal Analysis Group (“PAG”) is a group of individuals assembled to evaluate competitive and unsolicited proposals submitted to the RA. The PAG will evaluate the proposal against the standard criteria in Section 6 below as applicable, or against the criteria specified in the RFP document. The PAG shall make a written recommendation to the Executive Director. The Executive Director will make the final decision to accept or reject the proposal.

Persons are eligible to serve as voting members on a PAG if they (i) reside in the County; (ii) work in the County or (iii) own a business which conducts a substantial amount of business in the County; or (iv) RA staff may serve as voting or non-voting PAG members.

At the discretion of the Executive Director, non-voting advisors may be appointed to provide technical advice to the PAG, including but not limited to legal, land-use or real property development. The Executive Director appoints the voting members and non-voting advisors.

5 Property Acquisition

5.1 Overview

Real property may be acquired or leased by the RDA for redevelopment and economic development purposes consistent with the mission and Charter of the RDA. Examples of where the RDA may seek to acquire property include but are not limited to facilitation of a larger land assembly for redevelopment, redevelopment of blighted properties, etc.

5.2 Requirements

5.2.1 Determining Acquisition Targets

To ensure a focused acquisition strategy, the RDA shall pursue properties for acquisition that meet any of the following criteria:

1. The property is residential (single and multi-family) and/or commercial properties located within community improvement projects that would support existing redevelopment plans.
2. The property is residential and /or commercial properties that create or are part of a redevelopment plan, and whose development would strengthen the real estate market where the market is currently weak.
3. The residential and / or commercial properties that are deemed to have market value and will generate operating resources for the RDA
4. The residential and commercial properties that are located in target areas identified in the RDA's strategic plan.
5. Residential and commercial properties that have historically supported or contributed to ongoing blight and/or criminal activity in a community.
6. Other properties that advance the mission and objectives of the RDA.

5.2.1.2 Written Documentation

Written documentation of how a proposed acquisition addresses these objectives shall be retained in the RDA property inventory file.

5.2.1.3 New Project Selection Process

A. The determination to pursue a new project shall be evaluated using the following criteria:

- 1) Whether the project is located in an area in need of public investment?
- 2) Whether the project is located in an area that is a priority for the RDA and the County?
- 3) Whether the project has the potential to stimulate private investment in the area?

- 4) Whether the project offers the potential for a financial return on investment for the RDA?
- 5) Whether the project conforms to existing zoning and approved plans?

B. If the project meets the preliminary evaluation standards set forth above, the RDA shall use the following procedural steps to implement the new projects:

- 1) Identify the project;
- 2) Prepare a project proposal plan;
- 3) Review the project proposal plan with the Executive Director;
- 4) If the Executive Director approves of the new project, the project will be added to the CIP in the next budget cycle.

5.2.2 Purchase / Lease Price

The RDA shall endeavor to limit the purchase price of any acquisition to no more than the fair market value of the property as reflected by a current appraisal as set forth in Section 7. Acquisitions above the appraised value must have written justification filed in the RDA Property Inventory file.

The RDA shall endeavor to limit any leases to no more than the fair market value as reflected by a current market analysis. A current market analysis of prevailing lease Rates must be procured for all leases.

5.3 Approvals, Limitations, and Restrictions

All purchases or leases of real property must be approved in advance by the RDA Board by a resolution passed at an open meeting. The authorizing resolution must be passed prior to settlement on the property.

Prior to executing the acquisition contracts, funding availability for the proposed acquisition must be obtained from the Office of Finance.

The RDA shall not acquire or lease any property owned by members of the RDA Board, staff, family members of the RDA Board or staff, or entities and organizations established by a RDA Board member, staff, or family member.

5.4 Verifying Land Value

A current appraisal must be procured for all purchases of real property by the RDA, as well as any transfer of real property to the RDA from another entity. See “Section 7 – Property Valuation”, below for property valuation policies.

6 Property Disposition

6.1 Overview

It is the RDA's policy to dispose of real property in fair, open, competitive processes. This approach shall make available properties to all interested, qualified developers as well as to maximize financial and strategic value of RDA assets through active competition.

At a minimum, any real property disposition initiated by the RDA shall incorporate the following activities:

- Appraisal – to establish property value (For larger, more complex projects a feasibility study should be conducted to determine if a proposed disposition will be viable prior to disposition)
- Vetting process – of the proposed project and of the selected developer / purchaser
- Competitive process (either an RFP utilizing a quantifiable scoring process, or advertisement of a potential negotiated disposition to invite additional potential buyers)
- Clarity on project-specific practices and process
- Opportunities for Local and Minority Business participation at all levels including development team members, equity participation and contracting.
- Outreach and communication with community development organizations

6.2 Disposition Methods

Real property may be held and developed by the RDA as redevelopment, housing, or revenue generating projects; disposed of through a competitive IFB/ RFQ / RFP process; auction, or in limited cases, through an unsolicited proposal and negotiated disposition. Each of these approaches is defined below.

6.2.1 Invitation for Bids (IFB)

-For small properties where price is the primary consideration and for single family homes, a competitive bid process can be used for disposition.

-An IFB consists of publicly advertising the property's availability and vetting all offers.

-An IFB is a streamlined disposition method that does not incorporate all the steps of an RFP Process

6.2.2 Requests for Qualifications (RFQ)

- The RFQ is a means of gauging developer interest and prequalifying a pool of developers who will then be eligible to receive a request for proposals or it can be a means of selecting a developer to develop a particular site.
- Using an RFQ for developer selection should generally be used in circumstances where significant developer input is desired for the conceptual planning of a site and where it is too early in the development process to weigh competing price proposals for a site.
- The RFQ process is similar to the RFP process described below, but with the evaluation criteria limited to the respondent's qualifications and experience with projects similar to the one for which the developer is sought.

6.2.3 Requests for Proposals (RFP)

- Generally, all large properties in the RDA Inventory shall be disposed of through a competitive RFP Process.
- RFP's will be advertised in the Prince George's County publications of record, local/regional newspapers and on the RDA web site.
- RFP's may also be distributed through a mailing list or advertised in certain housing and redevelopment professional publications.
- A pre-proposal conference may be held for each RFP.

6.2.3.1 RFP Components

Each RFP shall include an introduction, site description, development objectives, proposal requirements, selection conditions, public review process, and submittal deadlines.

Each RFP shall seek to encourage inclusion of Local and Minority business participation in the project. The evaluation of Local and Minority participation should be based on the local and/or minority status of the lead developer, the local and minority status of the equity partners, the local and minority status of the development team members, and the local and minority contracting plan. Each RFP shall seek to attain a minimum level of 20% local and/or minority equity participation.

6.2.3.2 Selection Criteria For RFPs

Selection criteria for each RFP shall include, but not be limited to the following:

- The Project: The economic development impact, the design, and the consistency with neighborhood plans and zoning of the proposed development.
- Development Team Capacity: The ability of the project team to complete the project including past experience and financial capability.
- Financial Return: The financial return offered to the RDA.
- Local and Minority business involvement. This criteria should generally constitute 20% of the selection criteria total points and shall be weighted as follows:

MBE/LOCAL PARTICIPATION	20 Maximum Total Points
MBE/local Equity participation: <ul style="list-style-type: none"> • 20% or more (<i>RDA minimum goal</i>) • Above 5% less than 20% • 5% or less 	10 points 5 points 3 points
Development Team	5 points
MBE/Local Contracting Plan demonstrating Compliance with County MBE/Local contracting goals <i>A plan that does not meet the County Contracting goals (30%??) would receive 0 points. This would have to be enforced by developer agreement and actual monitoring of construction awards as project progresses. Can only get plan and commitment at RFP stage.</i>	5 points

- Community Support

6.2.3.3 Required Developer / Purchaser Information

The following information shall be submitted as part of any proposal to purchase land from the RDA through an RFP process

- Development entity's corporate structure;
- Development proposal showing scope of work including preliminary architectural plans;
- Preliminary development pro forma including budget, source of financing, operating plan and cash flow analysis;
- Letters of support from local community groups and elected officials;
- Statement of no conflicts of interest; and
- Statement of no pending or threatened litigation.
- If the RDA chooses a blind evaluation process (see Section 6.2.2.4 below), there should be no identifying information (i.e developer name, logo, etc.) on any page of the proposal other than the cover letter or transmittal.

6.2.3.4. Selection

The selected proposal will be awarded to the candidate presenting the most advantageous terms. The RDA may reject proposals when the minimum terms and conditions have not been met, competition is insufficient, and/or it is in the public interest to do so.

The Proposal Analysis Group, (see Section 4.2.7) shall have primary responsibility for the evaluation of proposal responsiveness to the selection criteria.

The RDA may choose to utilize a blind evaluation process; wherein the names of development team members is not revealed to the Proposal Analysis Group. When this approach is utilized, developers will be alerted in the RDP to ensure that their proposals do not include any identifying information beyond the cover letter or transmittal.

The award or selection of a proposal will be made by written notice within a reasonable period of time of the original RFP. Project Managers shall perform and maintain a written assessment of each proposal's responsiveness to selection criteria and requirements of RFP.

20.1.1 Auction

The RDA may choose to utilize an auction to dispose of individual parcels or groups of properties. When such a method is employed, the RDA shall follow all notification procedures to ensure interested parties and the general public are aware of the auction opportunity.

20.1.2 Unsolicited Offers

An unsolicited proposal is a means of initiating the disposition process and should immediately trigger a review and determination whether the targeted property is available for disposition and if so, the most appropriate method for disposition.

When an unsolicited proposal is received, staff shall evaluate proposal using minimum RFP selection criteria outlined above. For all negotiated dispositions or selections of

unsolicited proposals, the purpose and terms of the disposition must be documented in writing and approved by the Board.

In all cases, prior to engaging in exclusive negotiations arising from an unsolicited offer, the RDA shall pursue some form of public notification inviting other interested parties to submit proposals on a subject property.

20.1.3 Negotiated Sale

A negotiated sale may be initiated if the RDA has failed to obtain a proposal through a competitive process.

Additionally, the RDA may initiate a negotiated disposition in any of the following circumstances:

- Dispositions to a property owner adjacent to an RDA property where an assemblage is deemed necessary to complete a project that is consistent with the RDA's mission;
- Fair market value does not exceed \$25,000; and
- Disposition to a federal, state or local government entity to further public health, safety, welfare, or economic development interests.

In all cases, the RDA shall obtain a property appraisal in accordance with Section 7 of these policies. Further, the RDA shall not dispose of any property for consideration that is less than the appraised fair market value, unless it is determined to be in the public interest to do so.

20.2 Deal Structure

There are four main mechanisms the RDA may use in disposing of property, listed below in order of increasing levels of risk and potential return.

20.2.1 Fee simple sale

The fee simple sale represents the most expedient and least risk for the RDA and will generally be the preferred method of disposition.

20.2.2 Ground lease

The RDA, as an alternative to the sale of property, may propose the leasing of RDA-owned property. Said proposals shall include, but need not be limited to, the maximum lease periods including renewal rights and the minimum rentals to be charged.

20.2.3 Equity partnership

In certain circumstances, the RDA may choose to make an equity investment in a development project through a cash contribution or contribution of property. If the RDA enter an equity partnership for joint development of a property, then the policies listed herein would no longer apply to the equity partnership.

20.2.4 Fee development

The RDA may elect to develop property in the RDA Property Inventory. In such cases, a development plan including design, the RDA Board must approve budget, and financing sources. The development team, goods, and services for the proposed project must be selected in accordance with RDA Procurement Policies and Procedures.

This approach represents the most risk for the RDA as it will bear the majority of development risk. As such, the RDA shall employ this approach in very limited circumstances.

20.3 Disposition Schedule

The RDA wishes to discourage land-banking or speculation by developers by establishing policy that sets definitive timelines on developers to produce evidence of financing and to begin and complete projects.

Developers or purchasers of RDA-owned land shall be contractually required to start and complete construction of a proposed project within a reasonable period of time, the determination of which is dependent upon the size, location and complexity of the plan.

Prior to conveyance of title or closing, the buyer must submit plans to the RDA showing compliance with plan requirements and evidence of financial resources to complete the proposed redevelopment in accordance with the plan and in the agreed upon time frame.

Failure of the developer or purchaser to meet schedule requirements can result in the contract being terminated or title being reverted to the RDA in instances where title has already been conveyed.

Generally, there shall be a three (3) year limit from selection of developer / purchaser to closing and transfer of the property. Any extension of negotiations beyond this point shall require Board approval. Justification for the reason for the extension shall be retained within the RDA Property Inventory File.

20.4 Disposition Agreement Contract Requirements

20.4.1 Good Faith Deposits

Property disposition contracts shall generally require a good faith deposit from the purchaser. The deposit shall be five percent of the purchase price or be an amount that is in conformity with industry standards and be payable on the day the disposition contract is executed. The RDA Project Manager shall be responsible for collecting the deposit and forwarding it to the Office of Finance for depositing and accounting.

Deposits may be returned in full to the Developer only in those circumstances where the RDA chooses to end negotiations or cancel a solicitation or contract for no fault of the developer.

If a Developer chooses to end negotiations for any reason, the Developer shall forfeit the full amount of their good faith deposit.

20.4.2 Development Agreement Components

Each development agreement will consist of the following components:

- Project description, with reference to particular RDA strategic objectives
- Development schedule
- Financing structure
- Enforcement mechanism

20.4.3 Legal Sufficiency

The disposition contract must be reviewed for legal sufficiency by the RDA's General Counsel and executed by the Executive Director or the designated Contracting Officer

20.5 Disposition Approvals

All dispositions of real property must be approved by the RDA Board through a resolution authorizing staff and legal counsel to enter into a contract with a proposed purchaser. Authorizing Disposition Resolution must be passed at an open meeting and must, at minimum specify:

- Proposed purchaser
- Proposed project;
- Method used for selecting purchaser; and
- Justification or redevelopment benefit of disposition.

The Board at its discretion may also approve a disposition contract, subsequent to approval of the Authorizing Disposition Resolution.

20.6 Notification of Public Sale

When the property is not to be acquired by a governmental agency, the RDA shall advertise the availability of such property in at least two (2) newspapers of general circulation in the County, so as to provide an opportunity for any interested person to submit a contract to purchase or lease such property.

20.7 Verifying Land Value

See “Section 7 – Property Valuation”, below.

21 Property Valuation

21.1 Overview

Property valuation represents one of the most important means for ensuring the RDA maximizes its financial benefit for both acquisitions as well as dispositions. Property acquired by the RDA shall be purchased for no more than fair market value, and property disposed of by the RDA shall be sold for no less than fair market value. The fair market value should be established and documented by an appraisal obtained from a qualified independent appraiser. The Appraisal should be dated within six months prior to the execution of the disposition or acquisition contract, or the written agreement on the disposition or acquisition price and shall be filed in the appropriate Real Property Inventory file.

While the RDA frequently operates with difficult development properties located in challenging market areas, a properly executed appraisal should reflect those market conditions. In circumstances where the acquisition or disposition price is different than the appraised value, written justification on the variance shall be approved by the Board of Directors and file in the project file

21.2 Appraisal Requirements

21.2.1 General Requirements

The Redevelopment Authority shall conduct an appraisal in each of the following circumstances:

1. Prior to closing on any real property that the RDA is acquiring into its portfolio through a purchase.
2. Immediately upon receipt of any real property transferred from another government entity or agency to the RDA, to establish a book value for the property on the RDA's balance sheet.
3. Prior to the disposition of any real property from the RDA to another entity (including any transfers to other government entities).

All appraisals shall be performed in accordance with Uniform Standards of Professional Appraisal Practice (USPAP), the generally accepted standards for professional appraisal practice in North America.

All appraisal records shall become a part of the Real Property Inventory maintained by the RDA. See Section 10 of these policies for additional information on documentation and record-keeping.

21.2.2 Acquisitions

Appraisals should be required for acquisitions made by the RDA to ensure payment does not exceed fair market value and to also establish a cost basis for the property. Having a cost basis for all properties in the RDA inventory will enable the RDA to place a value on its portfolio and also enable the RDA to track financial return on its investments when properties are disposed.

21.2.3 Dispositions

There should be no exceptions to obtaining an appraisal for any property disposed by the RDA. An accurate fair market value appraisal of a property should reflect and note any challenging market conditions that impact value. And if a property is contributed as a redevelopment investment, an appraisal provides the RDA with an accurate value of its investment into such a project. Strict adherence to these this policy will enable the RDA to have a full assessment of the value of its portfolio of real property.

When significant redevelopment activity is expected to take place on a property targeted for disposition, the appraisal shall incorporate a “highest and best use” analysis that best approximates the proposed development. This value may be significantly higher than current fair market value as it will most likely reflect changes in land use and density on and/or around the property.

21.2.4 Properties Containing Multiple Parcels

If the RDA is acquiring a property comprised of multiple parcels, each parcel should be individually appraised in advance of purchase.

If the RDA is disposing of a large multi-parcel property in a single transaction, an appraisal of the entire property may be obtained. However, if that large property will be disposed of in phases, an appraisal of each phase should be obtained and updated as necessary in accordance with the “Appraisal Updates” policy below.

21.3 Appraisal Updates

The courts and the Internal Revenue Service generally recognize an appraisal as valid if it is less than a few months old. When prices are changing quickly appraisals may reflect outdated information.

For any acquisition or disposition of real property by the RDA, the appraisal must be dated within six months in advance of the acquisition or disposition contract.

21.4 Disposition Below Appraised Value

In no circumstance shall the RDA dispose of property for consideration below its appraised fair market value. However, the RDA may receive various forms of non-cash consideration from the developer or purchaser of RDA real property.

Non-cash consideration to be provided by the developer or purchaser to the RDA may be in the form of the following:

1. equity;
2. deferred financing;
3. tangible public benefits, such as affordable housing units;
4. new or retained jobs;
5. new retail services in an underserved community;
6. cultural activities;

7. social services;
8. innovative environmentally sustainable features such as green roofs; imposition of restrictive covenants;
9. other obligations and responsibilities of the transferee;
10. or any combination of any of the above.

The RDA must assign – in advance of sale – a cash value for any non-cash consideration received from a developer or purchaser. For example, if a developer or purchaser reduces the cash purchase price by constructing a park or other community amenity, that amenity’s value should be determined and documented.

22 Other Activities and Policies

22.1 Relocation

The RDA generally does not seek to displace residents, tenants, or property owners in the course of pursuing its mission. However, when such situations occur, the RDA must comply with all applicable State and County relocation laws and regulations pertaining to residents, tenants, and property owners. If any federal funding is used by the RDA to acquire the property, the RDA shall comply with all provisions of the Uniform Relocation Act.

22.2 Condemnation

Similarly, when property is acquired through condemnation, the RDA shall follow all applicable local, State and Federal laws. Nothing in this policy shall prevent the RDA from complying with such laws.

23 Monitoring and Reporting

23.1 Overview

The RDA's land acquisition and disposition responsibilities do not cease with completion of the transaction. In both cases, it is imperative that the RDA monitors its inventory of projects and properties to ensure that the RDA is realizing expected value from its assets.

This requirement becomes particularly critical in cases where the RDA may pursue more complex deal structures such as equity partnerships or ground leases that also include RDA participation in project profits.

Specifically, any disposition agreement should define those parameters that need to be tracked following the land disposition contract, including development schedule requirements, payments to the RDA, compliance with Minority Business Enterprise (MBE) participation requirements, and any other requirement that is not immediately satisfied at the time of disposition.

This section describes those post-disposition monitoring for projects, as well as overall monitoring and reporting on the RDA's portfolio of properties.

23.2 Post-Disposition Monitoring

Upon the disposition of a property, the RDA project manager shall monitor the property's performance against the following:

1. Fulfillment of financial requirements – Is the RDA receiving monthly ground lease payments (if applicable)? Does a development project have adequate funding to reach completion?
2. Achievement of strategic objectives – Is the project fulfilling the RDA mission? Is it achieving community objectives such as increasing employment, reducing crime/blight, or spurring other economic development?
3. Fulfillment of other obligations – Is the project meeting small-business participation goals? Are community benefits being provided?
4. Project Schedule
5. Default Risk

These elements shall be updated on a quarterly basis and such status incorporated into the Real Property Inventory file and provided in summary reports to the Board as described below, in "Periodic Portfolio Reporting"

As indicated above, it is particularly critical for the RDA to monitor ongoing payments associated with ground leases, equity participation, or other deal structures where payment is not received in a single lump sum. For particularly large/complex projects, the RDA may wish to require annual project audits by a third-party auditor to certify the financial proceeds have been received and distributed in accordance with legal requirements.

Post-Disposition Monitoring shall continue until all of the following conditions are met:

- Project has fulfilled all financial obligations and payments to the RDA
- Project has fulfilled all other obligations

23.3 Periodic Portfolio Reporting

On a monthly basis, RDA staff shall report to the Board the status of all projects that are underway, property in inventory, and proposed acquisitions or dispositions.

RDA staff shall also highlight to the Board any projects or properties that are not meeting expectations or in danger of not meeting expectations. Information on steps the RDA and or developer/purchaser are taking to resolve project issues shall be incorporated in the RDA reporting to the Board.

23.4 External Reporting and Audit

23.4.1 External Reporting

The RDA shall make current property and project status information available upon request to members of the public, subject to confidentiality limitations and any other limiting County legislation.

Further, the RDA Executive Director shall proactively inform the County Council on the status of properties or projects within their respective districts. Such updates shall include notice on upcoming solicitations, acquisitions, or dispositions of property as well as notice on issues that may impact ongoing projects in a Councilmember's district.

23.4.2 Annual Report to County and Audit

Section 15B-125 (Operating Procedures) of the County Code requires that the RDA submit an annual financial statement of its financial condition and results of its operations for the most recently completed fiscal year. This same section of the County Code requires that this report be audited by an independent certified public accountant.

23.5 Access

See section 10.4 of these Policies and Procedures.

24 Documentation and Record Keeping

24.1 Overview

The RDA Executive Director shall establish an inventory of all real property and improvements titled in the name of the Redevelopment Authority, and all real property and improvements to which the Authority has an equitable or fee simple title. The inventory shall include properties acquired through tax sales, grants, purchases, eminent domain, or by operation of law, including property transferred to the RDA from other governmental agencies and the Board of Education.

24.2 Real Property Inventory

The RDA shall maintain a current inventory of all property owned by the agency. Every property shall be adequately described and shall contain a statement of its acquisition cost, date of acquisition, present assessment value, and, where proposed for private sale, the proposed sale price, the name of the proposed purchaser, and a list of the type and value of any waiver, abatement, adjustment, or deferral of County fees, charges, or taxes pertaining to the property. The inventory shall also include the following:

- a. Property address and tax identification number
- b. Appraisal as of the date acquired by the RDA
- c. Appraisal as of execution of a contract for sale
- d. Staff assessment of the development potential of the property including zoning, surrounding uses, easements, access, site, and legal covenants or restrictions.
- e. Copy of any existing RFP
- f. Copy of all proposals submitted in response to RFP
- g. Staff assessment of all proposals
- h. RDA Board Resolutions relevant to the property
- i. Original contract for sale including any amendments
- j. HUD-1
- k. Title reports / deeds
- l. Environmental reports
- m. Legal description
- n. Snapshots or aerial photo of property, including current structures if any.
- o. Brief history of property, including the original fund source and the reason and method in which RDA acquired it

24.3 Land Disposition / Proposal Evaluation Documentation

For each completed land disposition, the RDA, shall maintain the following information:

1. The solicitation document and all amendments
2. Any public notices associated with the solicitation
3. Copies of all proposals or bids received in response to the solicitation
4. Written documentation of all background checks or vetting of potential developers
5. Written documentation of the proposal's compliance to solicitation requirements, if applicable
6. Written documentation of the proposal's responsiveness to evaluation factors, Except when selling property without evaluation factors.
7. The signed land disposition agreement
8. All related disclosures or other legal agreements associated with the transaction.

24.4 Access

24.4.1 Files Housed at the Redevelopment Authority

All documentation described in the preceding section shall be retained at the RDA in files readily accessible to RDA staff and Board of Directors.

24.4.2 Website

The RDA shall ensure that the RDA website is maintained on a regular basis to ensure that updated property and project information is accessible to the public or other interested parties.

The RDA website shall maintain current information on the status of all properties under active consideration for reuse and disposal, including information on which step in the disposal process each such property is in, links to any relevant reports, and contact names of RDA staff who can provide additional information and respond to questions from the public.

24.5 Retention of Documentation and Records

The RDA shall retain all property and transaction records for a minimum of six years after the date any property has been disposed from the RDA inventory, or for a longer time as required by Federal, State, or County legislation.

25 Policy Changes and Exceptions

25.1 Overview

These policies are designed to accommodate the day-to-day business practices of the RDA. However, there may be certain unanticipated circumstance that arise that require an exception to policy or require a revision or addition to policy.

25.2 Policy Exceptions

If an exception needs to be made to any policy or procedure in this document, the RDA Board of Directors must approve such exception in advance. The justification for an exception must be fully documented and this documentation must be incorporated into the respective property file in the RDA's Real Property Inventory.

25.3 Policy Changes

If the same type policy exception occurs on multiple occasions, or if RDA business practices shift over time, the RDA may need to revise these policies. In such situations, a business case for the change shall be prepared by RDA staff to describe any risks, costs, and benefits of such a change to the policies. The RDA Board of Directors shall review the proposed change and make final determination.