Lot Next Door 3.0 Program
Policies and Procedures
CONTENTS

I. CONTEXT.......................................................................................................................... 2
II. DEFINITIONS.................................................................................................................. 3
III. ELIGIBILITY .................................................................................................................. 3
IV. NOTICE AND APPLICATION ...................................................................................... 4
V. PROGRAM TIMELINE .................................................................................................... 5
VI. APPRAISAL METHODOLOGY ...................................................................................... 6
VII. MULTIPLE BUYERS ...................................................................................................... 6
VIII. GROWING HOME ..................................................................................................... 6
1. Context

The Lot Next Door (LND) Program provides property owners with an opportunity to purchase adjacent New Orleans Redevelopment Authority (NORA) property at fair market value. An earlier version of the program was initiated in 2007 and authorized through the end of 2013. Since its inception, 1,300 property owners have participated in the LND Program.

Approximately 1,104 LND Program participants have also elected to participate in Growing Home, an LND-related program designed by NORA to incentivize LND Program participation and foster neighborhood beautification. The Growing Home Program has afforded LND Program participants with an opportunity to receive up to $10,000 of credit toward the purchase price of NORA property in exchange for making certain improvements to the property, such as landscaping and fencing. Over $10 million has been invested in green improvements on over one-hundred (100) acres of property since the inception of the Growing Home Program.

There are currently approximately 2,500 properties remaining in NORA’s inventory. Although the two previous versions of the LND Program have expired, there are property owners who are still interested in purchasing adjacent NORA properties. The high rate of participation in the Growing Home Program—85% of all LND Program participants to date—is also an indication that a continuation of the LND Program would likely result in further neighborhood beautification via Growing Home. Consequently, NORA has elected to independently administer a third iteration of the LND and Growing Home Programs on an ongoing basis. The third iteration of the programs will begin with an initial sixty days (60) expression of interest period followed by a rolling application process, as specified in Sections IV. and V. of this document.

This document will serve as the official policies and procedures for NORA’s LND and Growing Home Programs. In the event that unforeseen circumstances not specifically contemplated in this document arise, NORA’s Executive Director may make determinations to address such circumstances without amendment hereto in a manner consistent with the spirit of the existing policies.

NORA’s executive staff has sole and final authority to interpret the policies and procedures outlined herein. Please note that properties that do not have an eligible LND buyer may qualify under other NORA disposition programs.
II. Definitions

Adjacent: Property owners are deemed adjacent when they share a common boundary with a NORA property. Any length of common boundary (with the exception of “corners only”) shall be sufficient to constitute a “common boundary.” NORA staff will be responsible for interpreting questions of adjacency and will keep a written record of such interpretations.

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<th>PUBLIC STREET</th>
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<td>Eligible Lot Next Door Buyer</td>
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<td>NOT AN ELIGIBLE LOT NEXT DOOR BUYER</td>
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Fair Market Value: This must be determined by an independent professional real estate appraiser in accordance with best industry practices and NORA’s appraisal policy.

Low-Moderate Income: The U.S. Department of Housing and Urban Development (HUD) uses household size and income data to determine low-moderate income (LMI) criteria for each county/parish in the U.S.

Stormwater Management: Managing runoff from rain events through a variety of techniques, including strategic site design, thoughtful landscape planning, or the installation of water collection apparatuses.

III. Eligibility

1. In order to be eligible, participants must own a property that is:
   a. Adjacent to an available NORA property;
   b. Occupied and in good standing with the Office of Safety and Permits, including having a certificate of occupancy;
   c. In good standing with the Office of Code Enforcement;
d. Not encumbered with outstanding ad valorem taxes or municipal lien violations at the time of application and closing; and  
e. Not in violation or default of any other NORA program at the time of application or closing.

2. Properties which were acquired via the previous two versions of the LND Program may not be used as a means of establishing adjacency to NORA properties and participating in the LND 3.0 Program with the exception of properties specifically in the Lower 9\textsuperscript{th} Ward, as defined by the area bounded by the Industrial Canal, Florida Avenue, Jackson Barracks, and the Mississippi River.

NORA shall allow the sale of additional adjacent properties in the Lower 9\textsuperscript{th} Ward in the aforementioned bounded area under the following circumstances:

a. Where a property owner has previously purchased a Lot Next Door property from NORA and that lot is adjacent to a property available through the current Lot Next Door Program; or  
b. Where an owner’s property is adjacent to an available NORA property that is itself adjacent to other available NORA property to the immediate left or right; or  
c. Where the owner’s property is adjacent to two or more available NORA properties. All other program and eligibility requirements must be satisfied.

3. Due to the vast number of ongoing NORA disposition programs, the agency reserves the right to exclude any of its properties from the LND 3.0 Program.

IV. Notice and Application

1. NORA shall take reasonable steps to publicly advertise the availability of every LND 3.0 Property.

2. NORA shall publicly advertise for a period of sixty (60) days any property that qualifies as an LND 3.0 Property as follows: (1) in the official journal at least twice per month; and (2) continuously on NORA’s website.

3. NORA shall take reasonable steps to notify the public of the deadlines associated with the LND 3.0 Program.

4. It is the responsibility of LND 3.0 Program applicants to meet all established deadlines (see Section V. Program Timeline).

5. NORA will screen LND 3.0 Program applicants for eligibility using geographic information systems, Assessor’s data, and data from the Department of Code Enforcement.

6. Once eligibility is determined, NORA will determine whether the latest appraisal for the subject property is valid or if obtaining a new appraisal is necessary (see Section VI. for appraisal methodology).
7. NORA shall screen all eligible LND 3.0 Program applicants for Low-Moderate Income (LMI) incentives, utilizing the following required documents:
   a. Payroll check stubs for one (1) month;
   b. W-2 forms for all household members from the previous two (2) years; and
   c. Tax returns for all household members from the previous two (2) years.
8. NORA shall consult all eligible LND 3.0 Program participants on Growing Home Program eligibility (see Section VIII. for Growing Home provisions) and advise all LND 3.0 Program participants on general design guidelines.
9. Once a prospective LND 3.0 Program participant has been presented with an appraised value for the subject property and has been consulted by NORA on Growing Home eligibility and credits, NORA will maintain a thirty (30) day window for purchase agreement signing before making the property available to third parties.
10. LND 3.0 Program participants must pay NORA either $1,345 or 20% of the fair market value of the subject property per parcel (whichever is greater) as a deposit upon signing a purchase agreement. All other standard NORA purchase agreement policies and procedures shall be applicable to LND 3.0 transactions.
11. Upon signing a purchase agreement with a prospective buyer and receiving the requisite deposit, NORA will schedule a closing to be held within thirty (30) days of the specified closing requirements being met. The purchase agreement shall expire if the closing is not conducted within the specified time frame.
12. NORA reserves the right to make property available to other eligible LND 3.0 buyers in instances where a purchase agreement expires.

Deposits paid upon the execution of the purchase agreement are non-refundable, as specified in the purchase agreement.

V. Program Timeline

1. The LND 3.0 Program shall commence with an initial sixty (60) day expression of interest period for prospective buyers. During this period, prospective buyers will have an opportunity to express interest, establish eligibility, sign a purchase agreement, and execute a purchase while NORA reserves the subject property. All LND 3.0 Program policies and procedures shall be applicable throughout this initial period.
2. Upon expiration of the initial expression of interest period, NORA will discontinue all prior reservations and allow new expressions of interest on a rolling first-come, first-serve basis. All LND 3.0 Program policies and procedures shall continue to be applicable.
VI. Appraisal Methodology

Lots are to be sold at Fair Market Value (FMV), determined pursuant to NORA’s appraisal policy. NORA properties with structures present are not eligible for acquisition through the LND 3.0 Program.

VII. Multiple Buyers

When two qualified buyers express interest in the same eligible property prior to the established deadline, NORA will sell the property to the highest bidder above fair market value. NORA will determine the highest bidder via a single sealed bid that will be opened in front of all eligible parties or their representatives provided that each party make themselves available in a timely fashion. In the event that two qualified buyers agree to split a property, NORA will facilitate the purchase pending the successful arrangement of a property re-subdivision and the timely participation of both qualified buyers. All costs associated with splitting the property will be the sole responsibility of the buyers. Failure of either party to meet the deadlines associated with the transaction (as established by NORA) shall result in the exclusion of the delinquent party from the transaction.

VIII. Growing Home

Through the Growing Home Program, income-eligible (at or below 80% of Area Median Income) LND 3.0 buyers, who have a homestead exemption at the home on the adjacent property, may receive up to $10,000 in credit towards the purchase of a qualifying property in exchange for making certain landscaping improvements to the property. Growing Home credit may be awarded for any adjacent (excluding rear adjacent) property acquired through the LND 3.0 Program. However, there is a $10,000 aggregate limit on Growing Home credit.

1. The Growing Home Coordinator shall consult with all LND 3.0 Program participants regarding Growing Home;
2. Growing Home credit shall ultimately be memorialized in a Blight Remediation Discount Program Letter of Agreement (landscaping plan) between NORA and the participant;
3. The total monetary value of the interventions outlined in the landscaping plan shall be credited toward the LND 3.0 Program purchase after the 20% or $1,345 deposit has been calculated and received;
4. The total monetary value of all Growing Home credit shall be based on the established Growing Home Credit Schedule, which will be updated periodically;
5. The Coordinator may recommend that the maximum level of discount be adjusted downward based on available green space, participant ability, and/or the proposed landscaping plan;
6. As a condition of Growing Home participation, all landscaping plans must include a stormwater management component. The stormwater management requirement can be satisfied in a number of ways, including but not limited to the inclusion of a rain barrel, rain cistern, or rain garden (minimum 10 square feet) as per the Credit Schedule;

7. Growing Home Program participants will have one (1) year to implement the approved landscaping plan;

8. Growing Home sites will be monitored periodically in order to gauge progress in completing the approved landscaping plan. A final inspection will be performed at twelve (12) months; and

9. Participants are discouraged from completing work outside of the approved landscaping plan. If any of the improvements required pursuant to the approved landscaping plan are not completed in a timely manner, the participant must pay NORA the remaining balance. Deviations from the agreed upon landscaping plan are made at the Growing Home participant’s risk. If the improvements to the property fail to amount to the credit given to the participant according to the original landscaping plan and associated discount, the participant will be required to pay to NORA the remaining balance.