



## **RESIDENTIAL SIDE LOT SALE POLICY**

Residential Side Lot Sales allow eligible vacant lots owned by the Newark Land Bank (“NLB”) to be sold to qualified contiguous property owners for a discounted rate to plant a garden, add an addition to their home, install a driveway or garage, or simply expand the footprint of their property. In doing so, property owners can enhance the value of their property, as well as beautify and improve the appearance of the entire neighborhood.

### **I. PROPERTY ELIGIBILITY:**

To qualify as a Residential Side Lot, the lot must be:

- A. A vacant and unimproved real property with no structures unless approved by NLB.
- B. physically contiguous to the applicant’s adjacent occupied residential property (either on the side, front, or rear lot line).

A lot containing only an accessory structure, such as a garage or shed, may be eligible as a Residential Side Lot sale. What constitutes an accessory structure is determined at the sole discretion of NLB. The lot must be physically contiguous to the applicant’s adjacent occupied property (either on the side, front or rear lot line).

NLB reserves the right, in its sole discretion, to remove or limit a property from eligibility based on broader City of Newark or NLB strategies.

### **II. APPLICANT QUALIFICATIONS:**

1. The applicant must own the occupied residential property contiguous to the NLB lot.
2. The applicant must be in compliance with all state and local building and land use regulations, and may not have any code violations for their primary residence or any other properties he/she owns in the City of Newark.
3. The applicant must be current on all taxes and water and sewer bills on their primary residence or any other properties he/she owns in the City of Newark.
4. If the applicant is purchasing a side lot adjacent to a property purchased from the City of Newark, or other NLB disposition process, the applicant must have achieved compliance with the terms of the purchase agreement and have received a Certification of Compliance or Certification of Completion from the City of Newark or NLB for the property purchased from the City.
5. The applicant must be able, and agree, to maintain the property in compliance with all applicable state and local regulations, including all local building, zoning, health, and fire regulations.

6. The applicant must not be the prior owner of real property in the City of Newark that was acquired by the City of Newark or NLB as the result of tax foreclosure proceedings.
7. The applicant must be able, and agree, to maintain the property in compliance with all applicable state and local regulations, including all local building, zoning, health, and fire regulations.
8. Applicants are required to submit a list of properties they own, or have an ownership interest in, for review as part of their application. The list shall include any properties owned by a corporate entity of which the applicant is a member.

**APPLICANT QUALIFICATION DOES NOT GUARANTEE APPROVAL OR PRIORITY. NLB SHALL HAVE SOLE DISCRETION FOR THE APPROVAL, OR DISAPPROVAL, OF ANY APPLICATION.**

### **III. FURTHER CONSIDERATIONS:**

The foregoing eligibility and qualification requirements are guidelines and may be waived or modified as determined by NLB to accommodate unique circumstances.

Investment property owners, subject to all other Applicant Qualifications, may submit an application for a Residential Side Lot Sale provided that their contiguous property is more than 50% occupied.

NLB will process applications on a first-come, first-served basis. The first qualified applicant to submit a complete application and payment shall proceed in the sale process. If more than one application is received for the same property, priority will be given as follows:

- A. to the adjacent homeowner who has maintained the lot
- B. if the lot has not been otherwise maintained, then,
  1. to the homeowner which, when the contiguous lots are combined, will possess a regularly shaped lot conforming to municipal code
  2. to the homeowner having the greater contiguous border
  3. to the homeowner making the highest offer in a sealed bid

NLB maintains the right to place conditions on the sale and incorporate them as deed restrictions. If the buyer fails to comply with the sale guidelines and purchase agreement, the NLB may exercise its discretion and take back the title to the property.

As a purchase condition at the time of closing, NLB may require that undersized, non-conforming lots, deemed not suitable for development as determined by the City of Newark Zoning Code, be combined with the homeowner's adjacent property, when such combination is permitted by the policies of the City of Newark Office of Tax Assessment.

#### IV. PRICING:

A \$50 **non-refundable** application fee for each parcel, payable to the Newark Land Bank incertified funds, must accompany the submission of a complete (NLB) Residential Side Lot Application.

Purchase Prices:

Single, non-buildable lot, 1 - 2,000 square feet	\$500
Single lot, 2,001 – 2,500 square feet	\$1,000
Single lot, 2,501 or greater	Negotiated*

\* Purchase price and earnest money deposit will be negotiated for buildable parcels larger than 2,500 square feet or parcels of considerable value. NLB shall reserve the right to determine whether a parcel, or parcels, is/are of considerable value.

The purchase price for investment property owners shall be Fair Market Value (FMV). An investment property owner is an individual who owns the adjacent property to the side lot, but does not reside there. The FMV is determined by an independent third party using a Brokers Price Opinion (BPO) process. The FMV is non-negotiable. Purchaser shall be responsible for all costs associated with the BPO process to be paid at closing.

#### V. APPLICATION PROCESS:

1. Visit the *Purchase A Property* tab on the NLB website, and select *Side Lot Sale*.
2. Determine if NLB owns the lot next to your home. If the lot is not listed on the available side lot properties list, it may not be owned by NLB, or the lot may not be eligible for purchase as a Residential Side Lot Sale. For more information, you may visit the Contact tab on the website or email us at [NLBinfo@investnewark.org](mailto:NLBinfo@investnewark.org).
3. Review the Applicant Qualifications to determine if you are eligible to purchase the lot adjacent to your home. This is important as you will be asked to review and sign an Applicant Certification Form affirming that you meet the qualifications.
4. Register to create an NLB account.
5. Complete and submit the Newark Land Bank Residential Side Lot Sale Application, along with the Applicant Certification Form, non-refundable \$50 application fee, and all requested documents and photos. Incomplete applications will not be processed. Submission of an application and fee does not guarantee approval or transfer of property.

Applicants may be given the opportunity to correct deficiencies in their application within a specified period of time.

6. NLB will screen all applications to ensure that the potential buyers' certifications are true and correct.
7. Within two (2) weeks of receipt, NLB will notify applicants in writing, which may include by way of email, of the approval or denial of their application. Approved applicants will be required to enter into a purchase agreement with the NLB for the purchase of the subject property, and may be required to submit additional documentation. Upon receipt of the purchase documents from NLB, the applicant must execute the documents and return them to the NLB within seven (7) days. Failure to execute and return the documents within the specified time frame may result in rescinding of the approval of the application.
8. NLB will then prepare the deed and otherwise facilitate closing. NLB properties are sold "AS IS" "WHERE IS", with title transferred via Quitclaim Deed containing restrictions for use of the property as specified by the sale guidelines and purchase agreement. The applicant may be required to pay any necessary fees required to facilitate the actual transfer of the property, such as closing costs, deed recording fees and transfer taxes.
9. NLB Side Lot sales are completed within thirty (30) days, but may be extended in NLB's sole discretion.

## **VI. QUITCLAIM DEED TRANSFER INFORMATION AND COVENANTS**

Properties sold through the residential Side Lot Program are transferred via quitclaim deed. This is not a Warranty Deed and, therefore, does not necessarily construe clear, insurable title. At its option and expense, the applicant is strongly encouraged to obtain a title insurance policy and to obtain legal or other technical assistance associated with the purchase of NLB property.

NLB reserves the right to include a reverter clause and other covenants in the quitclaim deed which would allow the NLB to reclaim the property and any improvements thereon should the new owner fail to comply with the sale guidelines and purchase agreement.

Applications will be accepted for a Residential Side Lot Sale on an ongoing basis. Interested applicants who have signed up to receive email notifications from NLB may be notified, periodically, of any sale updates.

Should you require more information, or would like to alert NLB of your interest in a vacant lot adjacent to your home, please email us at [nlbinfo@investnewark.org](mailto:nlbinfo@investnewark.org)