



Community Redevelopment Authority (CRA)

Wednesday, August 8, 2007
Regular Meeting

Item -1

Revolving Loan Fund

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INTRODUCTION

Purpose of Program

The Community Redevelopment Authority of the City of Grand Island, Nebraska (the "Authority"), is a municipal corporation organized by the City of Grand Island pursuant to the Nebraska Community Development Law, Neb.Rev.Stat. §18-210I et seq. (the "Law") for the purpose of developing improvement programs for areas of the community which have been designated as "substandard" and "blighted" under the Law. The Nebraska Legislature has declared that there exists in cities of all classes and villages of the state areas which have deteriorated and become substandard and blighted and has found that the prevention and elimination of such conditions is a matter of state policy, public interest, and statewide concern. In an effort to revitalize and redevelop the areas of the City of Grand Island which the Grand Island City Council has designated as substandard and blighted under the Law, the Authority has developed a the Community Redevelopment Authority Revolving Loan Fund (the "RLF") to provide the maximum assistance to property owners and private developers, consistent with the sound needs of the City as a whole, with the redevelopment of designated community development areas.

The Authority shall be responsible for the management, and administration of the RLF as set forth herein and as the City Council of the City of Grand Island may designate from time-to-time. The RLF Program shall at all times be managed and administered in accordance with the current provisions of the Law and other applicable provisions of the Nebraska Statutes. Nothing contained herein shall limit the use of the RLF, so long as uses are consistent with the Law.

The Revolving Loan Fund program (RLF) is a redevelopment program that allows initial funds and loan repayment moneys to be "revolved" or recycled and made available for future redevelopment projects. No project shall be approved by the Authority unless or until the area or property where the project is located shall have been designated as substandard and blighted.

- o Substandard areas shall mean an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, (which cannot be remedied through construction of prisons), and is detrimental to the public health, safety, morals, or welfare;
- o Blighted area shall mean art area, which (a) by reason of the presence of a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size,

adequacy, accessibility, or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use and (b) in which there is at least one of the following conditions: (i) Unemployment in the designated area is at least one hundred twenty percent of the state or national average; (ii) the average age of the residential or commercial units in the area is at least forty years; (iii) more than half of the plotted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time; (iv) the per capita income of the area is lower than the average per capital income of the city of village in which the area is designated; or (v) the area has had either stable or decreasing population based on the last two decennial censuses. In no event shall a city of the metropolitan, primary, or first class designate more than thirty-five percent of the city as blighted, a city of the second class shall not designate an area larger than fifty percent of the city as blighted, and a village shall not designate an area larger than one hundred percent of the village as blighted.

I. PROGRAM DESIGN

The Community's Needs and Goals

There is hereby declared to be a need for attractive long and short term financing to assist in the redevelopment of substandard and blighted areas. The purposes of the RLF shall be to meet or assist in meeting the credit needs of prospective redevelopers in the community. Loans made from the RLF shall be structured to address the specific needs of each qualified redeveloper.

The primary goal of the RLF is to leverage private sector dollars in order to expand the amount of capital available to redevelopers. A successful RLF loan requires a public/private partnership to provide community leadership, direction and control. The use of the RLF should be made to strive to complement rather than compete with existing private sector financing. Local private sector lenders are declared to be the RLF's most valuable partner in the program. Specific goals of the RLF shall be as follows:

- To further the redevelopment of substandard and blighted conditions existing in the City of Grand Island, Nebraska.

- To make adequate and affordable credit available to qualified redevelopers which will further redevelopment of substandard and blighted areas.
- To promote and assist the growth and development of business, industrial, and residential concerns within designated substandard and blighted areas.
- To stimulate opportunity and redevelopment in substandard and blighted areas.

The goals of the RLF shall be achieved by pursuit of the following objectives:

- To encourage and maximize, through public-private partnerships, the participation of local commercial banks and other private sector lenders and investors by providing financing alternatives.
- Participate to the extent necessary in providing long-term and short-term capital for qualified redevelopers which might otherwise be denied access to capital.
- Leverage private and public funds for redevelopment of substandard and blighted areas by start-ups companies or enterprises, expansion of existing companies or enterprises, and remodeling or existing companies, enterprises, or properties.
- Work to increase the tax base of the substandard and blighted areas.
- Utilize, when necessary, other federal, state and local programs in loan packages.

Use of the RLF

The Authority is authorized to receive applications and provide financial assistance to prospective redevelopers contemplating projects within substandard and blighted areas of the community. Specific assistance to the redevelopers may be in the following forms:

1. Interest Buy-Down. The Authority may provide a financial incentive to a primary private sector lender to lower the interest rate the primary lender charges the redeveloper involved in the project. The redeveloper would work with a primary lender to secure financing for the proposed project and the Authority would then make a deposit with the lender which would allow for a reduction in interest the lender charges the redeveloper. Upon repayment of the indebtedness, the funds would return to the RLF.
2. Loan Guarantees. The RLF can also be used to guarantee loans. The RLF dollars

are pledged to secure loans made by a private sector lender. The amount of guarantee should be determined by an analysis of the risk to the lender. The advantages of the loan guarantees include: minimal capitalization, maximum leveraging of funds, and risk sharing.

3. Loan Participations. Participation in a private sector's loan is a third way the RLF can leverage its dollars. Under a loan participation, a bank or other lender makes the loan, services the loan and does all of the related paperwork. The RLF participates by providing dollars to the bank for the loan or, in essence, "buying" a piece of their loan. The RLF is repaid by the bank as payments are made to the lender. Using the participation structure is often easier because it requires minimal staff and reduces risk, because the private sector lender does the work and acts as the underwriter. This disadvantage is reduced involvement and, hence, control over such things as project structuring and underwriting, and program marketing.
4. Direct Loans. The direct loan can range from a small portion of the total project cost to 100 percent of the project, provided that 100 percent financing would only occur in the rare case. The most popular structure is where the RLF only provides a portion of the total loan and private sector financing and equity provide the greater share. This is called a companion loan. Usually the RLF will take a subordinate collateral position to the private lender. The advantage of the companion loan structure is that the RLF loan is leveraged and credit risk is shared. Direct loans generally require more staff resources to originate and service than do the loan guarantees or participations described below. Such services may be contracted to third parties; i.e. the private sector lender involved in the project.

II. IMPLEMENTING THE RLF

Funding the RLF

The Authority shall, at least annually, designate funds out of its annual operating budget for placement in the RLF. Funds from the RLF shall be accounted for separately from other funds of the Authority. Upon the return of funds to the RLF after providing financial assistance to redevelopers, such funds shall be deposited with other RLF funds and not commingled with other funds of the Authority. The Authority shall provide an annual accounting of all funds designated for use in the RLF to the City Council of the City of Grand Island, Nebraska, together with its annual report as set forth hereinafter.

Staffing the Program

The Authority will be responsible for marketing the program; building relationships; screening, structuring, packaging, closing, and servicing loans; and disbursing funds. Current staff consists of only the Executive Director, but the hiring of additional staff, both professional and/or administrative is foreseeable. In-house or outside training maybe considered for otherwise qualified individuals. Continual training should occur to improve the

skill level and motivation of staff. The Authority may contract with federally insured banking institutions and other entities as the Authority deems appropriate for the structuring, closing, and servicing of loans or other functions necessitated by the program.

Maximum Private Sector Participation

The RLF is not a substitute for or competitor to your local banks. The RLF is in partnership with local banks and private investors to collaboratively make credit more readily available to businesses in the community. The RLF will make loans to viable businesses which may not be bankable conventionally, and it will structure its financing in a manner which encourages expanded lender participation.

Technical Assistance

The Authority should identify the technical assistance needs of small businesses and provide linkages to technical assistance providers, when possible. After a review of a company's financial condition, the applicant should be referred to the appropriate technical assistance program, such a small business development corporation.

Eligible Borrowers

The businesses, entities, and individuals assisted should at minimum meet the following criteria:

- Location within or expanding to the substandard and blighted area.
- It can demonstrate a high potential for success.
- The project requires RLF participation to go forward as determined by the redeveloper's private sector lender and as required by statute.
- It will create public benefit through redevelopment of properties within designed substandard and blighted areas of the community.
- The owners have committed or will commit time and capital to the project.
- There is reasonable possibility that the RLF will recapture its investment.
- Will alleviate substandard and blighted conditions in compliance with the Law.

Eligible Use of Proceeds

RLF funds can be used for the following:

- Land costs, including engineering, legal, grading, testing, site, mapping and related costs associated with the acquisition and preparation of land.
- Building costs, including real estate, engineering, architectural, legal and related costs associated with acquisitions, construction and rehabilitation of buildings including leasehold improvements.
- Working capital, inventory, furniture, fixtures, machinery and equipment.
- Public Infrastructure costs associated with the project, i.e. streets, sewer, water, utilities, etc.

Ineligible Use of Proceeds

Loan proceeds may not be used for the following:

- Product development costs.
- Investments in real estate held for speculative or investment purposes.
- Distributions or payments to owners or shareholders.
- Finder's fees for securing financing.
- Payment of Delinquent taxes.

Loan Amounts

The Authority may make loans of any size subject to the availability of funds. Ultimately, the size of a particular loan is limited by the amount of public benefit that is projected by the business at the time assistance is provided.

Leveraging

The Authority should strive to maximize the RLF's leveraging of its capital through the participation of other lenders and other investors, but the participation of the other lenders is not necessarily a requirement. However, equity is a form of leverage and should be present in every project.

Equity

Almost all projects require some equity from the applicant business. The Authority should remain focused on the reason for requiring equity in a project -- to ensure the borrower's financial commitment to the success of the project. When evaluating equity, the Authority should ask the fundamental and very important question: "What does the borrower stand to lose if this project is not successful?"

Rates of Interest

Interest rates for RLF direct or participation loans are typically at or below the rates charged by commercial lenders for similar loans; the lower interest rate is required to make the project viable. Bank loans typically have interest rates which are variable or adjustable. The interest rate for the RLF loan should be determined by the need of the particular applicant and the gap analysis. The Authority should consider fixed rate loans as a means of protecting the affordability of the RLF loan.

Terms of Loans

Typical RLF loans may extend terms from 1 to 30 years, based on the life of the asset being financed. Working capital loans generally have a term of three to seven years, the typical loan for machinery and equipment is five to ten years, and real estate loans range in term from ten to 30 years. Most loans are structured with a self-amortizing, fixed repayment schedule. Where the term of the loan exceeds the useful life of the asset being financed, the RLF will need to document the "appropriateness" for the extended term.

Collateral and Personal Guarantees

As a general policy, if possible, each loan should be secured by collateral adequate to safeguard the Authority and the RLF. When the Authority is the sole lender in a project, the Authority should require a first security interest in the assets being financed and any related collateral. When the Authority is participating with a bank or other lending institution, the Authority may take a shared first position on the assets being financed or it may subordinate its lien position (take an inferior lien position) to the bank. In addition, the Authority should normally file a general security agreement and/or financing statement on all assets of the company. Liens on other borrower assets should be required where appropriate to safeguard the RLF and/or the Authority. When real property is taken as collateral, the Authority would, in most cases, require an appraisal.

The Authority should consider requiring personal guarantees for each loan. The personal guarantee maybe collateralized with personal assets where available. When deemed prudent by the Authority hazard insurance on the business being financed and life insurance assigned to the Authority on the principals of closely held corporations or sole proprietors should be considered.

The CRA should endeavor to secure each and every loan with adequate collateral, but the lack of hard collateral, by itself, should not be a reason to decline a loan. Many small businesses tend not to have hard collateral on their balance sheets. Their primary assets are their human resources and their receivables. In situations where company operations are healthy and cash flow is relatively strong, collateral is of secondary importance.

Application Procedures and Approval Process

Applicant borrowers may be referred by a local lender or be originated directly through Authority marketing efforts. The Authority should assist each borrower to complete the application package. The Authority should review the application for overall policy and eligibility compliance, as well as general.

All approvals should be in writing and should outline the terms and conditions of the loan and establish a closing deadline. Turnaround time from the point at which an application is complete to closing should not exceed six to eight weeks.

Conflict of Interest

No member of the Authority, their immediate family or employer, should have any financial interest in businesses receiving loans from the RLF. Any project which creates a conflict of interest is ineligible.

Loan Commitments

Upon approval, the Authority should notify each applicant in writing, listing the terms and conditions of the approval. Loan commitments should be issued within 72 hours of Board approval. Loan commitment letters should be reviewed by legal counsel and signed by the Chairperson and Ex Officio Secretary of the Authority.

Loan Closings and Standardized Documents

To be a cost-efficient program, the use of standardized documents and closing procedures is recommended. Exceptions should be made as appropriate. Prior to closing, all completed documents should be reviewed for the jurisdiction by legal counsel.

Disbursement of RLF Funds

RLF funds should be disbursed on an "as needed" basis and not in a lump sum disbursement unless business will expend the funds within 30 to 60 days. The Authority needs to insure that funds are being expended on a timely basis and for the intended costs. For example, loans used to purchase machinery and equipment or to fund leasehold improvements should be disbursed as two-party checks, issued to the vendor and the business.

III. LOAN PROCESS

Determine RLF Eligibility

The first step in the process of utilizing the RLF shall be to determine the eligibility of the project under the Law.

The following questions must be answered:

- Is the proposed project an eligible use of RLF assistance?
- Does the project meet the RLF objectives of redeveloping substandard and blighted areas of the community?
- Is the amount of assistance requested “appropriate”?

Is the Proposed Project Eligible for RLF Assistance?

If the RLF loan is made to a business or individual to carry out a redevelopment project as defined by the Community Development Law, Neb.Rev.Stat.§18-2101 et seq., it is an eligible project.

Is the Amount of Assistance Requested "Appropriate"?

The Authority can determine whether the amount of assistance is appropriate by following the guidelines:

- that project costs are reasonable;
- that all sources of project financing are committed;
- that the project is financially feasible
- that, to the extent practicable, RLF funds are disbursed on a pro rata basis with other financing provided to the project; and
- sufficient public benefit will be received from the expenditure of RLF funds.

Loan Application Process

Once an applicant has been identified and the initial screening of the applicant indicates likely RLF eligibility, the loan application process should be initiated.

The Executive Director of the Authority should prepare a loan report for presentation to the Authority's Board. The report shall provide the applicable financial information and information regarding the removal of substandard and blight conditions as proposed by the project. The loan report prepared should include at minimum the following information:

- borrower's name, address, telephone number and legal structure;
- principal's or owner's name, address, telephone number and percentage of ownership;
- brief summary of business and project;
- description of financial condition of the business, historical trends, ability to repay proposed loan, collateral offered and the capabilities of management;
- analysis of project under applicable underwriting guidelines and determination of appropriateness of amount and terms of assistance and of sufficient public benefit;
- recommendation of the Director, if any;
- amount, terms and conditions of the proposed assistance and/or loan.

Additional attachments may include:

- spread of historical financial statements;
- financial statements of the business;
- personal financial statements;
- credit reports (business and personal), if deemed necessary;
- appraisal or another form of collateral valuation; and

- other information determined to be necessary.

The Board should discuss the application candidly. Any potential conflicts of interest between a member of the Authority and the applicant should be stated prior to the beginning of any discussions regarding the application in questions. The Authority should base its decision to approve or reject an application on its assessment of the adequacy of cash flow, the sufficiency of collateral, the capability of management, the overall soundness of the proposal, and the appropriateness of the assistance under applicable guidelines, including the adequacy of the public benefit.

Members of the Authority may question the structure or terms of the proposed loan. They may offer suggestions. Often these issues have already been considered prior to meeting with the Authority. The Director should inform the Authority of the reasons why a particular structure or term was rejected. On the other hand, the Board may propose something which the staff has not considered. Members of the Board should be willing to lend their credit and business experience to the process.

Notification of Applicant

Whether the Board approves the project as structured, recommends an alternative structure, or declines the request, the applicant should be notified in writing of the decision. If the request is approved, the terms and conditions of the loan should be included in a formal commitment letter. If denied, the reason for the denial should be included in the letter. Legal counsel shall review both commitment and denial letters to ensure compliance with all applicable laws and regulations concerning administration of the program.

IV. CLOSING THE LOAN AND DISBURSING FUNDS

Closing an RLF loan consists of several steps:

- Commitment letter review;
- Document preparation;
- Closing the loan; and
- Disbursement of funds.

The process should be as streamlined as possible. This includes using standardized loan documents when possible. Prior to use by the jurisdiction, all loan documents, including those provided as examples in this manual, should be reviewed by an attorney familiar with economic development lending.

Commitment Letter Review

The commitment letter will detail the terms and conditions of the RLF loan. Terms may include the commitment of other private sector lenders or private investors to the project. Once all sources of funds have been formally committed to the project, a pre-closing conference is often helpful. The closing conference (whether by phone or in person) should cover the requirements and timing for closing each loan.

Document Preparation

Closing the private sector loan shall be primarily the responsibility of the private sector lender. The Authority may assist by helping the applicant gather the information required by the private sector lender. Closing the RLF loan is the responsibility of the Authority and its attorney. A comprehensive checklist of closing documents and whose responsibility it is to prepare or obtain these items should be drafted. Then lender and RLF closings may occur separately or together.

An intercreditor agreement which clearly states the lien positions of each lender to the project should be drafted prior to the scheduled closing. This should help prevent disagreements at the closing table and provide for a timely closing. An intercreditor agreement commits each lender to notify the others in the event of problems and outlines other special arrangements between the lending parties.

Closing Documents

Prior to disbursement of funds for a direct loan, proper loan documentation should be reviewed by the staff and their legal counsel.

In general, the closing documents may include, but are not limited to, the following:

- a. Articles of incorporation and bylaws, or partnership agreement.
- b. Corporate resolution to borrow, or partnership agreement and authorization for borrowing
- c. Borrower's opinion of counsel (that business is a legal entity entitled to borrow and has no pending litigation)
- d. Bank commitment letter
- e. Loan agreement
- f. Subordination agreement (if needed)

- g. Closing statement
- h. Promissory note
- i. Security agreement for personal property such as machinery, equipment, inventory and accounts receivable. This must be perfected with the secretary with the secretary of state and/or county court, if applicable.
- j. Uniform Commercial Code (UCC) statements and UCC lien search
- k. Mortgage and deed of trust, if applicable. This must be filed with county recorder.
- l. Personal guarantee(s)
- m. Corporate guarantee(s) (where appropriate due to common ownership, management or control)
- n. Appropriate hazard insurance (fire, theft, hazard) and life insurance payable to lender
- o. Title insurance, insuring the RLF in the amount of the loan against liens which have not been accepted
- p. Intercreditor agreement (if needed)
- q. Certificate of good standing
- r. Evidence of equity commitment
- s. Seller's note (if needed)
- t. Lien waivers (if construction is involved)
- u. Employment agreement

The loan closing process is not complete until the borrower has submitted all the required documents as determined necessary by the Authority and/or its legal counsel. Public funds should not be disbursed until all documentation has been submitted and reviewed. The loan closing checklist should be used to confirm that all the required documents are in hand. The completed documents should be reviewed by an attorney representing the RLF prior to execution. Although the documentation process may have been standardized, changes made to a document to facilitate a particular borrower's needs may affect the legality or intent of the document. The attorney should be made aware of any such changes prior to closing.

Filing Documents

Once all documents have been executed, careful follow-up is necessary to confirm that all the required filings were completed and are accurate (e.g., deed of trust filings in the county real estate records and UCC filings).

Disbursing Funds

The CRA should develop a formal loan disbursement process to ensure that funds are disbursed in accordance with the loan agreement. Key components of a disbursement process include:

- Pro rate disbursement;
- Safeguards for ensuring funds are disbursed when needed for intended purpose;
- Accurate and complete recordkeeping; and
- Retention policy.

Disbursements should be supported by appropriate documentation to ensure that funds are used for their intended purpose and that costs were actually incurred and are valid. For example, a co-payment check to a contractor will protect the lender and the borrower, as well as the contractor. Costs should also be verified to ensure that costs have not been inflated and that the collateral is worth its stated value.

It is recommended that the disbursement process include a policy of retention for construction projects. The policy should establish a percentage of each draw which will be withheld until completion of the project and until other terms and conditions have been met. Release of the retention may be conditioned on such things as: sign off of the punch list items by the project architect and local inspector; clearance of permits; recording of notice of completion; and title insurance policy endorsements evidencing lien-free completion.

V. SERVICING AND REPORTING

When a loan or other assistance is closed, the Authority enters into a long-term relationship with the borrower and must make a commitment to protecting that relationship. In order to keep that relationship in good standing, the Authority should develop a servicing system that allows staff to anticipate problems and to help solve them. Prudent loan servicing should be one of the Authority's top priorities. Servicing of the loan or assistance may be contracted with the private sector lender or other third party.

Reporting Results

The Authority shall provide an annual status report to the City Council and Mayor, at least annually as a part of its budget submissions. The report should include loan repayment history, loan covenant compliance, and other relevant facts.

Section 18-2107

Authority; powers and duties.

An authority shall constitute a public body corporate and politic, exercising public and essential governmental functions and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Community Development Law and sections 18-2147 to 18-2151, including the power:

- (1) To sue and to be sued; to have a seal and to alter the same at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and to make and from time to time amend and repeal bylaws, rules, and regulations not inconsistent with the Community Development Law;
- (2) To prepare or cause to be prepared and recommend redevelopment plans to the governing body of the city and to undertake and carry out redevelopment projects within its area of operation;
- (3) To arrange or contract for the furnishing or repair, by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities, or other facilities for or in connection with a redevelopment project; and, notwithstanding anything to the contrary contained in the Community Development Law or any other provision of law, to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of a redevelopment project, and to include in any contract let in connection with such a project provisions to fulfill such federally imposed conditions as it may deem reasonable and appropriate;
- (4) Within its area of operation, to purchase, lease, obtain options upon, or acquire by gift, grant, bequest, devise, eminent domain, or otherwise any real or personal property or any interest therein, together with any improvements thereon, necessary or incidental to a redevelopment project; to hold, improve, clear, or prepare for redevelopment any such property; to sell, lease for a term not exceeding ninety-nine years, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real or personal property or any interest therein; to enter into contracts with redevelopers of property containing covenants, restrictions, and conditions regarding the use of such property for residential, commercial, industrial, or recreational purposes or for public purposes in accordance with the redevelopment plan and such other covenants, restrictions, and conditions as the authority may deem necessary to prevent a recurrence of substandard and blighted areas or to effectuate the purposes of the Community Development Law; to make any of the covenants, restrictions, or conditions of the foregoing contracts covenants running with the land and to provide appropriate remedies for any breach of any such covenants or conditions, including the right in the authority to terminate such contracts and any interest in the property created pursuant thereto; to borrow money, issue bonds, and provide security for loans or bonds; **to establish a revolving loan fund**; to insure or provide for the insurance of any real or personal property or the operation of the authority against any risks or hazards, including the power to pay premiums on any such insurance; to enter into any contracts necessary to effectuate the purposes of the Community Development Law; and to provide grants, loans, or other means of financing to public or private parties in order to accomplish the rehabilitation or redevelopment in accordance with a redevelopment plan. No statutory provision with respect to the acquisition, clearance, or disposition of property by other public bodies shall restrict an authority exercising powers hereunder, in such functions, unless the Legislature shall specifically so state;
- (5) To invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement in property or securities in which savings banks or other banks may legally invest funds subject to their control; and to redeem its bonds at the redemption price established therein or to purchase its bonds at less than redemption price, and such bonds redeemed or purchased shall be canceled;

(6) To borrow money and to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the federal government, from the state, county, municipality, or other public body, or from any sources, public or private, including charitable funds, foundations, corporations, trusts, or bequests, for purposes of the Community Development Law, to give such security as may be required, and to enter into and carry out contracts in connection therewith; and notwithstanding any other provision of law, to include in any contract for financial assistance with the federal government for a redevelopment project such conditions imposed pursuant to federal law as the authority may deem reasonable and appropriate and which are not inconsistent with the purposes of the Community Development Law;

(7) Acting through one or more members of an authority or other persons designated by the authority, to conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information; to administer oaths and to issue commissions for the examination of witnesses who are outside of the state or unable to attend before the authority or excused from attendance; and to make available to appropriate agencies or public officials, including those charged with the duty of abating or requiring the correction of nuisances or like conditions, demolishing unsafe or insanitary structures, or eliminating conditions of blight within its area of operation, its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, safety, morals, or welfare;

(8) Within its area of operation, to make or have made all surveys, appraisals, studies, and plans, but not including the preparation of a general plan for the community, necessary to the carrying out of the purposes of the Community Development Law and to contract or cooperate with any and all persons or agencies, public or private, in the making and carrying out of such surveys, appraisals, studies, and plans;

(9) To prepare plans and provide reasonable assistance for the relocation of families, business concerns, and others displaced from a redevelopment project area to permit the carrying out of the redevelopment project to the extent essential for acquiring possession of and clearing such area or parts thereof; and to make relocation payments to or with respect to such persons for moving expenses and losses of property for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the federal government;

(10) To make such expenditures as may be necessary to carry out the purposes of the Community Development Law; and to make expenditures from funds obtained from the federal government without regard to any other laws pertaining to the making and approval of appropriations and expenditures;

(11) To certify on or before September 20 of each year to the governing body of the city the amount of tax to be levied for the succeeding fiscal year for community redevelopment purposes, not to exceed two and six-tenths cents on each one hundred dollars upon the taxable value of the taxable property in such city, which levy is subject to allocation under section 77-3443 on and after July 1, 1998. The governing body shall levy and collect the taxes so certified at the same time and in the same manner as other city taxes are levied and collected, and the proceeds of such taxes, when due and as collected, shall be set aside and deposited in the special account or accounts in which other revenue of the authority is deposited. Such proceeds shall be employed to assist in the defraying of any expenses of redevelopment plans and projects, including the payment of principal and interest on any bonds issued to pay the costs of any such plans and projects;

(12) To exercise all or any part or combination of powers granted in this section;

(13) To plan, undertake, and carry out neighborhood development programs consisting of redevelopment project undertakings and activities in one or more community redevelopment areas which are planned and carried out on the basis of annual increments in accordance with the Community Development Law and sections 18-2145 and 18-2146 for planning and carrying out redevelopment projects; and

(14) To agree with the governing body of the city for the imposition of an occupation tax for an enhanced employment area.

Source:

Laws 1951, c. 224, § 5, p. 801;
R.R.S.1943, § 14-1607;
Laws 1957, c. 52, § 7, p. 253;
Laws 1961, c. 61, § 6, p. 232;
R.R.S.1943, § 19-2607;
Laws 1969, c. 106, § 3, p. 491;
Laws 1979, LB 158, § 3;
Laws 1979, LB 187, § 79;
Laws 1980, LB 986, § 3;
Laws 1985, LB 52, § 1;
Laws 1992, LB 1063, § 11;
Laws 1992, Second Spec. Sess., LB 1, § 11;
Laws 1993, LB 734, § 28;
Laws 1995, LB 452, § 5;
Laws 1997, LB 269, § 20;
Laws 1997, LB 875, § 7;
Laws 2007, LB562, § 3.

Annotations:

The taking of substandard or blighted areas by a city for redevelopment and resale in accordance with an approved redevelopment plan which is in conformity with a general plan for the municipality as a whole as provided for in these sections, is a proper public use for a municipality. *Monarch Chemical Works, Inc. v. City of Omaha*, 203 Neb. 33, 277 N.W.2d 423 (1979).

~Revised Statutes Supplement, 2007