



Policy Workshop
27 August 2020

[h1b] policies

What are nonprofit policies?

Creating nonprofit policies begins with knowing what they are. **Policies are the operational guidelines for an organization.** The purpose of policies is to protect and steer the staff and the board as they fulfill the mission of the organization. They are a reference tool for appropriate action, ethical decision making, and for dealing with potential or actual conflicts. Policies can paraphrase a law, explain a procedure, clarify a principle, or express a desired goal. They are the protocol to follow that, when properly used, helps diminish embarrassing or potentially harmful situations, improper behavior, and ineffective decision making. An organization usually has board-related, personnel, and financial policies.

-Boardsource: <https://boardsource.org/resources/creating-policies/>

Work To Date

January 2018

Board of Directors Approved 'Policies' Document

January 2019

Board of Directors Approved Interim 'Procurement Policies' Document

September 2019-December 2019

Draft New Policies & Procedures document issued 3 times

- Additions of new sections (Administrative, Financial, Ethics)
- Refinement of Acquisition and Disposition processes, aligning with independent resolutions passed by Board of Directors
- Separated out Procedures, as a separate document, aligned with the Policies

May-July 2020

Revival of process to vet sections—refine current draft

- Removal of Financing, update financial and ethics
- Refinement of language section by section

LAYING THE FOUNDATION:

Although previous versions exist, it is imperative that the organization look at these policies comprehensively—as it is the first pass and making sure we have all the critical pieces and overall operating guidelines laid out.

The BOD can update these policies at anytime, with a vote

TOC Comparison

Jan 2018	August 2020 Proposal
No TOC	TOC
1. General	1. General
2. Definitions	2. Definitions
3. Acquisition	3. ADMINISTRATIVE (New)
4. Disposition	4. PROPERTY MAINTENANCE (New)
5. Transfers to LMI	5. Acquisition
6. Transfers of Larger Parcels	6. Disposition
7. HLB Financing	7. Transfers to LMI Individuals
8. Rehabilitation	8. Rehabilitation
9. Occupied foreclosed property	9. Land Banking for Third Parties
11. Land Banking Policies	10. CONFLICT OF INTEREST (New)
12. Land Trust	11. TRANSACTION SUMMARY (New)
13. Miscellaneous	

NEW SECTIONS:

Administrative, Property Maintenance, Conflicts of Interest, Transaction Summary (Graphics)

ELIMINATED SECTIONS:

HLB Financing, Land Trust, Miscellaneous

+ CONSOLIDATIONS

6 & 9 into 3 & 4

& OVERALL REFINEMENTS

Key Issues in New Document

GENERAL:

- Housekeeping edits (e.g., addition of "equitable" to "efficient, effective, [and] ethical use of HLB funds..." and edits to General Obligations portion for streamlining
- Improved clarity in Enabling Authority portion re role of CEO/President and development of PROCEDURES
- Addition of requirement that City Council approve entry into loan/financial obligation in renamed Funding and Resources portion
- Eliminated redundancy in document regarding priorities for acquisition/disposition, broadens language around same to maximize flexibility for Board and organization
- Combined and updated existing policy language regarding lot maintenance and neighborhood engagement under new Good Neighbor Policy
- Removed unnecessary specificity from inventory list reqts
- Adds general language around ethical standards for Board and staff (not addressed in current policy)
- Added language re amendment, posting and Board review of policies from Section 13 of current policy as indicated below

Current section contains language around fundamental items (organization name; purpose of policies and HLB; organizational structure; general obligations; enabling authority; funding support for HLB; priorities for property acquisition/conveyance/selection of transferees; inventory list maintenance for public review).

Key Issues in New Document

NEW SECTIONS

ADMINISTRATIVE

--Includes prior approved 'interim procurement policies' and provides some language refinements

--Includes net new sections for:

- Document organization & retention,
- Personnel,
- Finance,
- Board & Committee meetings,
- Reporting

PROPERTY MAINTENANCE

--Provides oversight to ensure a systems approach to maintenance and providing BOD goal to be a good neighbor

CONFLICTS OF INTEREST

--Operating guideline for maintaining transparent and accountable policies to minimize reputational and legal risk for organization

ELIMINATED SECTIONS:

HLB Financing—per ByLaws this is not permitted, although other Land Banks do this. Working group decided that this could be inserted when we have a formal approved program.

Land Trust -Nothing detailed in original document, and this is covered in disposition and land banking for third parties, and can be added if a new program/partnership is developed.

New Document

NEW SECTIONS

TRANSACTION SUMMARY

--Provides summary of what is in the text document, provided for clarity.

Transaction Type	Staff Review/ Due Diligence	Executive Committee or Designee	Board Approval	Value
Land Acquisition	Staff review/due diligence, report to Executive Committee or designee CEO signature on a contract, upon entering into a contract, and closing statements post-Executive Committee or designee/Board Approval	Executive Committee or designee, regular review of activity and pre-closing approval. Acquisition advances to Board at their recommendation for review	For HLB: Review and Approval, or Ratification if from the auction For Third Party: See Below	Above \$50,000 counter signature with Board Officer
Land Leasing	Staff review/due diligence, report to Executive Committee or designee CEO signature on a contract, and closing statements post-Executive Committee or designee/Board Approval	Executive Committee or designee, regular reporting on activity and pre-closing approval. Acquisition advances to Board at their recommendation for review	Review and Approval	Above \$50,000 counter signature with Board Officer
Land Sale Contract	Staff review/due diligence, report to Program Committee CEO Signature on contract and closing statements, post Board Approval	Program Committee review and recommendation to BOD	Review and Approval For Third Party, See Below	
Sale Contract Amendments	CEO recommendation to Program Committee	Program Committee Approval	Reporting	Changes in contract plans/specs
Contract Compliance Remedies	CEO recommendation guidelines to Program Committee. CEO to administer remedies	Program Committee Approval-Guidelines Report Monthly	Reporting	
Waivers of Contract Compliance Remedies	CEO recommendation guidelines to Program Committee. CEO to administer remedies	Program Committee Approval-Guidelines Report Monthly	Reporting	
Third Party Contract Acquisitions (e.g. NHDP via Acquisition and	Staff review/due diligence, report to Executive Committee or designee CEO signature on	Executive Committee or designee, regular review of activity and pre-closing approval.	Ratification Or if the Executive Committee or designee requests	Above \$50,000 counter signature with Board Officer on contract for purchase.

Key Issues in New Document

ACQUISITIONS:

- Section outlines the broad variety of ways we might develop inventory –foreclosure auction, direct purchase, donation, etc. (and our Business Plan/Strategic Plan will provide more detail in terms of goals and strategy)
- Chair appoints an Acquisition Committee, currently the Executive Committee per prior approved resolution. Regular updates, and the Acquisitions Committee will monitor properties and timing in order to go to the full BOD for Board Action
- Acquisitions Committee has oversight on contract compliance for third-party purchases such as the Acquisition and Development Agreement
- CEO has authority to enter into contracts for purchase, and over \$50,000 has to be countersigned by Chair/Treasurer. BOD action required to close, except for particular conditions with third party contracts (that have already been approved by BOD
- Holding time for property is set as 'three years' typically, but could be determined on a case by case basis in development/banking agreement approved by BOD
- Section 11 Transaction Summary summarizes process for different types of transactions like acquisitions

Board

Responsibilities:

Identify goals and review strategy, fiscal oversight and management,

Staff provides all due diligence and feasibility as necessary to close and assure that the purchase serves the mission of organization, policies/goals of BOD

Key Issues in New Document

DISPOSITIONS:

- Section outlines the broad variety of ways we might sell and facilitate development of land into productive use
- Chair appoints a Programs Committee, that has direct oversight of programs that are structured to sell and develop land. Programs Committee sets program guidelines (approved by BOD), and oversees staff management of lot dispositions, and reviews prior to being considered by BOD.
- Programs Committee would be able to review proposed changes to contracts, and determine if BOD approval is needed, but for small changes and modifications Programs Committee and Staff will proceed administratively. (this issue will become less of a situation now that the majority of old contracts are underway)
- Outlines specific conditions for purchasers of property such that they would not have any outstanding conflicts or liens/delinquencies and would be tied to the purpose as agreed in the contract.
- Provides ability to land lease, provide option agreements on properties,
- Stipulates the reasons for sale –productive and public purposes

Board Responsibilities:

Identify programs and guidelines for disposition, and sets goals/priorities for end use annually,

Staff provides all day to day management of lot disposition processes, lot valuation, review of proposals, contracts and terms, oversight of contracts and reaching BOD goals