ORDINANCE NO. 2026-03

AN ORDINANCE ESTABLISHING A RESIDENTIAL LOT SALE AND DEVELOPMENT INCENTIVE PROGRAM TO BE ADMINISTERED BY THE COMMUNITY DEVELOPMENT AGENCY OF THE VILLAGE OF GRESHAM, NEBRASKA; PROVIDING PROGRAM PURPOSES, DEVELOPMENT STANDARDS, ELIGIBILITY REQUIREMENTS, PURCHASE PRICE AND CONDITIONAL FORGIVENESS STRUCTURE; AUTHORIZING THE CDA TO SELL CDA-OWNED RESIDENTIAL LOTS SUBJECT TO DEVELOPMENT AGREEMENTS, PROMISSORY NOTES, AND SECURITY INSTRUMENTS; PROVIDING FOR ENFORCEMENT, REPORTING, AND RELATED MATTERS.

WHEREAS, the Village Board of Trustees of the Village of Gresham desires to encourage residential construction and increase the availability of quality housing within the Village; and

WHEREAS, the Village Board finds that the construction of new residential housing strengthens the Village's tax base, improves neighborhood stability, and promotes the public health, safety, and welfare; and

WHEREAS, the Community Development Agency of the Village of Gresham, Nebraska ("CDA") owns certain real property within the Village that is suitable for residential development; and

WHEREAS, the Village desires to establish a legally defensible incentive program to allow CDA-owned residential lots to be conveyed at market value with conditional forgiveness of a portion of the purchase price upon timely construction of a qualifying residence;

NOW, THEREFORE, BE IT ORDAINED BY THE CHAIRPERSON AND BOARD OF TRUSTEES OF THE VILLAGE OF GRESHAM, NEBRASKA, as follows:

SECTION 1. TITLE.

This Ordinance shall be known as the "Residential Lot Sale and Development Incentive Program Ordinance."

SECTION 2. PURPOSE AND INTENT.

2.1 Purpose. The purpose of this Ordinance is to establish a residential lot sale and development incentive program (the "Program") to be administered by the CDA, through which CDA-owned lots may be sold to qualified purchasers under a structure designed to encourage timely residential construction and increase the Village's housing stock.

2.2 Intent. The intent of the Program is to provide a financial incentive for purchasers to construct new residential structures within a defined timeframe and in accordance with minimum standards, while ensuring the sale structure is supported by legally sufficient consideration and enforceable contractual remedies.

SECTION 3. DEFINITIONS.

For purposes of this Ordinance, the following definitions shall apply:

A. "Board" means the Village Board of Trustees of the Village of Gresham, Nebraska.

B. "CDA" means the Community Development Agency of the Village of Gresham, Nebraska.

C. "Development Agreement" means a written agreement entered into between the CDA and a purchaser establishing development requirements, timelines, and remedies.

D. "Forgiveness Amount" means the portion of the Purchase Price evidenced by a promissory note which may be forgiven upon satisfaction of the Program requirements

E. "Lot" means a CDA-owned parcel of real property designated by the CDA as eligible for sale under this Program.

F. "Program" means the Residential Lot Sale and Development Incentive Program established by this Ordinance.

G. "Purchase Price" means the purchase price for a Lot as determined by the CDA and approved in accordance with the CDA's governing authority.

H. "Purchaser" means an individual or entity purchasing a Lot through the CDA under the Program.

I. "Qualifying Residence" means a newly constructed single-family residential structure constructed on a Lot in compliance with applicable codes and zoning regulations and meeting the requirements of this Ordinance and the Development Agreement.

SECTION 4. PROGRAM ESTABLISHED; CDA AUTHORIZED TO ADMINISTER.

4.1 Program Established. The Village hereby establishes the Residential Lot Sale and Development Incentive Program.

4.2 CDA Administration Authorized. The CDA is hereby authorized and directed to administer the Program, including marketing Lots, accepting applications, reviewing qualifications, approving purchasers, executing agreements, closing transactions, and administering forgiveness and enforcement.

4.3 CDA Ownership. Lots sold through the Program shall be owned by the CDA at the time of sale, and the CDA shall be the seller and contracting party for all Program transactions.

4.4 No Entitlement. Participation in the Program is not a right, and the CDA may approve or deny any application in its discretion consistent with this Ordinance and applicable law.

SECTION 5. ELIGIBILITY AND APPLICATION PROCESS.

5.1 Application Required. Any prospective purchaser shall submit an application to the CDA on a form approved by the CDA.

5.2 Required Materials. The CDA may require applicants to submit:

A. proof of financing or lender preapproval;

B. proposed construction plans or specifications;

C. proposed contractor or builder information;

D. proposed construction schedule;

E. acknowledgment of Program terms; and

F. any additional information reasonably necessary to evaluate the applicant's capacity to complete the project.

5.3 Selection Method. The CDA may adopt selection methods including first-come-first-served, competitive scoring, or other reasonable criteria adopted by the CDA.

SECTION 6. PURCHASE PRICE; DOWN PAYMENT; PROMISSORY NOTE STRUCTURE.

6.1 Market-Based Purchase Price. The CDA shall establish the Purchase Price for each Lot at or near market value based upon appraisal, comparable sales, or other market analysis.

6.2 Down Payment. At closing, the Purchaser shall pay a down payment equal to ten percent (10%) of the Purchase Price.

6.3 Promissory Note. At closing, the Purchaser shall execute a promissory note payable to the CDA in an amount equal to ninety percent (90%) of the Purchase Price.

6.4 Security. The promissory note shall be secured by a deed of trust in favor of the CDA recorded against the Lot.

6.5 Maturity Date. The promissory note shall mature twenty-four (24) months after the closing date.

6.6 Interest. The CDA may establish an interest rate for the promissory note, including a rate of zero percent (0%) if the Purchaser remains in compliance with Program requirements.

SECTION 7. DEVELOPMENT REQUIREMENTS.

7.1 Forgiveness Incentive. The CDA may conditionally forgive the promissory note executed pursuant to Section 6 of this Ordinance, in whole or in part, provided the Purchaser timely constructs and completes a Qualifying Residence meeting the requirements of this Section and the Development Agreement.

7.2 Completion Deadline. In order to qualify for forgiveness, the Purchaser shall complete construction of a Qualifying Residence within eighteen (18) months after the date of closing, unless extended in writing by the CDA.

7.3 Minimum Assessed Value Requirement. In order to qualify for forgiveness, the Qualifying Residence shall achieve a minimum assessed value of Two Hundred Twenty-Five Thousand Dollars ($225,000.00), as determined by the County Assessor's first assessment following completion, or such other reliable evidence of value as the CDA may accept in its discretion.

7.4 Minimum Housing Standards. The Qualifying Residence shall comply with all applicable building codes, zoning regulations, subdivision regulations, and any minimum housing standards adopted by the CDA or incorporated into the Development Agreement.

7.5 Verification of Completion. Completion of the Qualifying Residence shall be determined by the CDA based upon evidence provided by the Purchaser. The burden shall be on the Purchaser to submit sufficient documentation reasonably acceptable to the CDA demonstrating that the residence has been completed and is suitable for occupancy, including evidence that all required permits have been obtained and finalized and that the residence complies with applicable building codes and zoning requirements. The CDA may require such additional documentation, inspections, affidavits, utility connection confirmations, or other information as it deems reasonably necessary to verify completion.

7.6 Purchaser Request for Forgiveness. Forgiveness shall not be automatic. Upon completion of the Qualifying Residence, the Purchaser must submit a written request for forgiveness to the CDA, together with documentation demonstrating compliance with the Development Agreement, including but not limited to a certificate of occupancy and any information necessary to verify the assessed value requirement.

7.7 CDA Determination. Upon receipt of a written request for forgiveness, the CDA shall review the request and determine whether the Purchaser has satisfied all conditions for forgiveness. The CDA may approve the request, deny the request, or approve the request subject to conditions, including partial forgiveness if authorized by the Development Agreement.

7.8 Effect of Approval; Release of Security. If the CDA approves forgiveness, the CDA shall take appropriate action to evidence the forgiveness of the promissory note and shall execute and record a satisfaction or release of the deed of trust securing the promissory note.

7.9 Failure to Qualify; Note Remains Enforceable. If the Purchaser fails to complete the Qualifying Residence in compliance with the Development Agreement within eighteen (18) months, or fails to obtain CDA approval of a request for forgiveness, the promissory note shall remain in full force and effect and shall be due and payable in accordance with its terms, including maturity at twenty-four (24) months after closing, unless extended by written agreement approved by the CDA.

7.10 No Waiver. No act or omission by the CDA, including acceptance of progress, inspections, or communications with the Purchaser, shall constitute a waiver of the CDA's rights unless expressly stated in writing.

SECTION 8. DEVELOPMENT AGREEMENT REQUIRED; RECORDING.

8.1 Development Agreement Required. Each Program transaction shall require execution of a Development Agreement between the CDA and Purchaser, which shall incorporate the requirements of this Ordinance and provide enforceable remedies.

8.2 Contents. The Development Agreement may include, without limitation: (i) detailed construction requirements; (ii) inspection rights; (iii) required submission of plans; (iv) restrictions on transfer or assignment prior to completion; (v) restrictions on resale for a specified period; (vi) occupancy requirements; (vii) default and cure provisions; (viii) acceleration provisions; (ix) attorney fee provisions; and (x) any other terms necessary to effectuate the Program.

8.3 Recording. The Development Agreement, or a memorandum thereof, may be recorded against the Lot to provide notice to subsequent purchasers.

SECTION 9. TRANSFER AND RESALE RESTRICTIONS.

9.1 Transfer Restrictions. The CDA may impose restrictions on transfer or resale to prevent speculation, including but not limited to (i) prohibition on transfer prior to completion; (ii) minimum occupancy requirements; (iii) repayment of the Forgiveness Amount upon resale within a specified period; (iv) right of first refusal in favor of the CDA; or (v) other restrictions as approved by the CDA and permitted by law.

SECTION 10. DEFAULT AND ENFORCEMENT.

10.1 Events of Default. The following shall constitute default under the Program and Development Agreement: (i) failure to complete construction within 18 months; (ii) failure to meet the minimum assessed value requirement; (iii) failure to comply with construction standards or applicable law; (iv) unauthorized transfer of the Lot; (v) failure to make payment due at maturity; or (vi) any material breach of the Development Agreement.

10.2 Remedies. Upon default, the CDA may exercise any remedy available at law or equity, including (i) acceleration of the promissory note; (ii) foreclosure of the deed of trust; (iii) suit for money judgment; (iv) injunctive relief or specific performance; (v) recovery of attorney fees and costs if provided in the Development Agreement; or (vi) any other remedy authorized by the CDA.

10.3 Cumulative Remedies. Remedies shall be cumulative and not exclusive.

SECTION 11. EXTENSIONS AND WAIVERS.

11.1 Authority to Extend. The CDA may extend deadlines or waive certain requirements for good cause shown, including delays due to weather, contractor availability, material supply issues, financing delays, or other circumstances beyond the Purchaser's reasonable control.

11.2 Written Documentation Required. Any extension or waiver must be documented in writing and approved in accordance with CDA procedures.

SECTION 12. COMPLIANCE WITH LAW.

The CDA shall administer the Program in compliance with all applicable Nebraska statutes and all requirements applicable to the sale or conveyance of CDA-owned real property.

SECTION 13. SEVERABILITY.

If any portion of this Ordinance is held invalid, the remainder shall not be affected.

SECTION 14. REPEAL OF CONFLICTING ORDINANCES.

All ordinances or parts of ordinances in conflict herewith are repealed to the extent of the conflict.

SECTION 15. EFFECTIVE DATE.

This Ordinance shall take effect after passage, approval, and publication as required by law.

PASSED AND APPROVED THIS 7 DAY OF JUNE 2025.

Tony Cain, Chairperson

ATTEST:

Michelle Lowther, Village Clerk

(SEAL)

SUSPENSION OF RULES

Whereupon it was moved by Trustee Tony Cain, and seconded by Trustee Justin Brahmsteadt, that the statutory rules in regard to the passage and adoption of ordinances be suspended so that said Ordinance might be introduced, read, approved and passed at the same meeting. The Chairperson instructed the Clerk to call the role for the vote thereon. The Clerk called the role and the following was the vote on this motion:

Yeas: 5
Nays: Ø
Absent: Ø
Motion: Carried

MOVED FOR FINAL PASSAGE

Read Ordinance by title and Trustee Tony Cain moved for final passage of Ordinance No. 2026-03. Seconded by Trustee Justin Brahmsteadt ______. Whereupon the Chairperson declared said Ordinance No. 2026-03 approved for final passage.

The Clerk was then instructed by the Chairperson to call the roll for the vote on final passage of Ordinance No. 2026-03. The Clerk called the roll and the following was the vote on Ordinance No. ______.

Yeas: 5
Nays: Ø
Absent: Ø
Motion: Carried

Trustees of the Village Board, having voted in the affirmative for the passage and approval of said Ordinance No. 2026-03, the Chairperson declared said Ordinance No. 2026-03 duly passed and adopted as an ordinance of the Village of Gresham, Nebraska.

CERTIFICATE OF PASSAGE AND POSTING OF ORDINANCE NO. 2026-03

STATE OF NEBRASKA)
)
County of York) ss.
)
Village of Gresham)

I, the undersigned, duly elected, qualified and acting Clerk of the Village of Gresham, in the County of York, State of Nebraska, do hereby certify:

That the annexed and foregoing is a full, true and correct copy of Ordinance No. 2026-03 of said Village; the same appears of record in the journal and ordinance book of said Village, and that said Ordinance was duly passed by the Board of Trustees of said Village on the 9th day of June, 2026, and was signed and approved by the Chairperson of said Village Board on the 9th day of June, 2026, and there being no newspaper published in said Village, three (3) copies of said Ordinance were posted by me on the 11th day of June, 2026, one in each of three (3) public places in said Village as follows:

1. Gresham Post Office
2. York State Bank, Gresham, Ne
3. Gresham Village Office

IN WITNESS WHEREOF, I have hereunto set my hand officially and affixed the seal of said Village this 10th day of June, 2026.

Michelle Lowther

Michelle Lowther, Village Clerk

(SEAL)