

The Pittsburgh Land Bank



The Problems



- As of 2010:
 - 35,000 “Distressed” parcels in the City = 5,603 acres or 18.7% of the land area of the City (2011)
 - 16,000+ tax delinquent (2010)
 - 8,000+ considered abandoned (2010)
- Maintenance costs to the City *would be* \$20,457,155 or \$1,265 per parcel per year (2011)
- If we continue to recycle land at the current rate, it will take 60 YEARS to clear the backlog
- The current system is convoluted, bureaucratic and opaque. Multiple entities are involved in the vacant land reclamation process without clarity or consistency



The Solution: The Pittsburgh Land Bank



Single point of entry for land access

Streamlined

Accountable

Community Input

Self-Sustaining

Expandable

Timeline



- 2009: Creation of Land Recycling Task Force (LRTF)
- 2010: PA selected as Land Bank TA recipient by Ctr for Community Progress
- 2010-2011: LRTF convenes and makes recs
- 2012:LRTF leadership creates start-up land bank business plan
- Q4 2012:
 - Passage of PA State Land Bank Law (Act 153)
 - Intro of Pgh Land Bank Legislation (sunset 12/31/13)
- 1/14/2014: Intro of Pgh Land Bank legislation

General Land Bank Info



General Land Bank Info

- A Land Bank, for the purposes of this legislation, is a public authority created to efficiently acquire, hold, manage, and develop vacant, abandoned, and/or foreclosed properties.
- A Land Bank unites the collection of delinquent property taxes, land recycling and homeownership preservation into one aligned system

Roles of a Land Bank:

- Property Owner and Manager
- Land Use Planner
- Developer/Development Partner
- Financier

Four tenets of successful land banks (source: Center for Community Progress)

- Organized at the metro level, or the most diverse real estate market possible
- Policy driven, with transparent policies, governance, and transactions
- Emphasize community engagement and participation
- Take advantage of multiple internal capabilities to earn revenue (financing mechanisms) which are most-largely connected to the tax collection and tax foreclosure process

PA Act 153 of 2012



- Enables municipalities of 10,000 or more persons to create land banks as distinct public entities
- Considered start of 3rd generation of US land banking, most flexible, powerful state enabling legislation to-date
- Gives newly-created land banks the power to discharge and extinguish tax liens and claims (Section 2117)
- Sets guidelines for number of board members, transparency, acquisition, maintenance and disposition
- Requirement to address how the newly-created land bank will handle *occupied* tax-delinquent properties
- Gives eligible jurisdictions a new tool to recycle tax-delinquent land and put it back on the tax rolls

Changes



Current System

- Reactive
- Resource-Limited
- Not scalable
- 12-18 months to clear title
- Interacts with vacant properties *only*
- **Disconnected** (no one entity/persons 'job' to address these issues comprehensively)

Proposed System

- Proactive
- Dedicated funding streams
- Scalable
- 9 months to clear title
- Interacts with occupied properties
- **Aligned** (focuses attention on the issue)

Pittsburgh Land Bank: Mission



The mission of the Land Bank shall be to return unproductive Real Property to beneficial reuse through an equitable, transparent, public process, thereby revitalizing neighborhoods in line with community goals and needs. The Land Bank is intended to serve as the depository for unused, inactive Real Property held in the names of public entities. The Land Bank shall strive to support socially and economically diverse communities and strengthen the City's tax base.

City Council Bill 2014-0025



- City Council Bill 2014-0025, Sponsored by Councilwoman Deborah L. Gross, Introduced January 14, 2014
- Provides the legal framework for the creation of The Pittsburgh Land Bank as a separate legal entity from the City with the sole purpose of recycling and re-purposing vacant and tax delinquent real property
- Policies and Procedures to be determined by the Board, public process

Major Sections



- Board Composition
- Powers
- Acquisition
- Discharge of tax liens
- Disposition
- Policies, Strategic Plan, and Annual Report
- Interim Board

Board Composition



- 3 appointees from Council
- 4 appointees from the Mayor's office
- Non-profit/advocacy requirement
- Term length

Powers



- The Land Bank may exercise all of the powers, duties, functions and responsibilities of a land bank under the Land Bank Act and any other provisions of the Land Bank Act and any other Pennsylvania law.

Acquisition



- The Land Bank may acquire Real Property by
 - Gift
 - Transfer
 - Exchange
 - Foreclosure
 - Purchase

 - Owner-Occupied Policy

 - *No Eminent Domain*

Discharge of Tax Liens



- **Discharge of Real Property Taxes**

- The Land Bank may discharge and extinguish the tax liens and municipal claims owed to the Members of the Land Bank that encumber Real Property owned by the Land Bank by resolution of the Board.

- **Occupied Properties and Tax Payment Plans**

- The Land Bank shall adopt policies providing for plans and agreements by which occupied households may pay their delinquent taxes. Special hardship provisions for low-income owner-occupants shall be enumerated in the policies and procedures adopted by the Board.

Maintenance



- LB shall maintain its Real Property in accordance with applicable statutes, laws and codes
- There shall be a preference for locally-sourcing its partnerships, joint ventures, contracts, and other collaborative relationships with private entities for the maintenance, management and rehabilitation of Real Property of the Land Bank

Disposition



Subject to the policies and procedures of the Board, provisions of this Ordinance, the Land Bank Act and other applicable laws, the Land Bank may convey, exchange, sell, transfer, lease, grant, or mortgage interests in real property of the Land Bank to any public or private Person on terms and conditions, in the form and by the method determined to be in the best interests of the Land Bank through any means authorized, and under the following terms and conditions:

- **Consistency**

- Consistency with land use plans and planning provisions. All proposed uses of land or buildings on Real Property disposed of by the Land Bank shall be consistent with the provisions of the City's Comprehensive Plan and any adopted neighborhood plans in the area in which the Real Property is located. If no such adopted neighborhood plan exists, the Land Bank shall determine that proposed uses are consistent with the goals of the community by consulting with any community groups in the area in which the Real Property is located, the Department of City Planning, and the Urban Redevelopment Authority of Pittsburgh.

- **Proceeds**

- Any proceeds from the sale or transfer of Real Property by the Land Bank shall be retained, expended, or transferred by the Land Bank as determined by the Board in the best interests of the Land Bank.

Policies, Strategic Plan, Etc.



- Policies & Procedures
- Strategic Plan
- Annual Report
- Publicly available information (re: Inventory)
 - Up-to-date inventory of property owned by the Land Bank
 - A map showing the properties in the Land Bank's inventory
 - A record of property conveyed by the Land Bank to other parties
 - Copies of its Policies and Procedures, Strategic Plans, Bylaws

Interim Board



- The Land Bank shall initially be governed by an Interim Board of Directors comprised of seven (7) members who shall serve terms of three (3) months, or until all the members of the Permanent Board have been appointed.