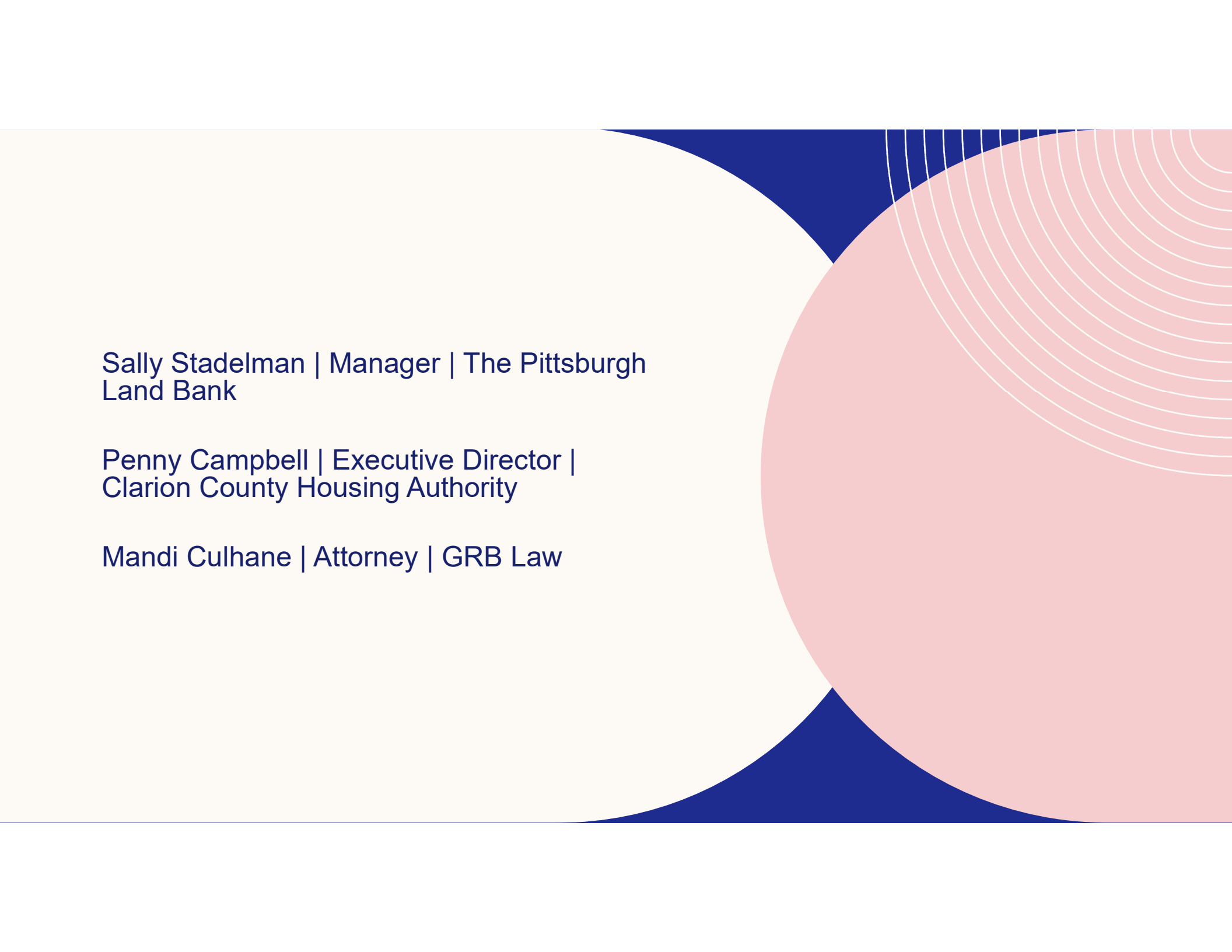


THE NEW REALITIES OF PROPERTY ACQUISITIONS

PA Land Bank Summit

May 23, 2024



Sally Stadelman | Manager | The Pittsburgh
Land Bank

Penny Campbell | Executive Director |
Clarion County Housing Authority

Mandi Culhane | Attorney | GRB Law

NEW REALITIES OF PROPERTY ACQUISITION

**CLARION COUNTY HOUSING AND REDEVELOPMENT
AUTHORITY**

**PENNY CAMPBELL, EXECUTIVE DIRECTOR
JUNE 2024**

CLARION COUNTY REDEVELOPMENT AUTHORITY

- Originally Established October 1961
- Re-Established May 2021
- Land Bank Ordinance effective February 2022
- Shared Services Agreement February 2023

Goals: Creation of a Blight Strategy

Address Vacant and Abandoned Properties

Homeowner Rehabilitation

4

Redevelopment Authority Seeks Funding for Blight & Abandoned Buildings in Clarion County

Friday, June 4, 2021 @ 12:06 AM
Posted by Ron Wilshire



CLARION, Pa. (EYT) – Blighted and abandoned properties are the main targets of the re-established Redevelopment Authority of Clarion County.

(Photo by Dave Cyphert of [ProPoint Media Photography](#))

"The role of the redevelopment authority would be to facilitate the return of blighted and abandoned properties to productive use, to promote the elimination of blighted areas, and to supply sanitary housing throughout the county," said Housing Authority Director Penny Campbell to the Clarion County Commissioners as they approved Resolution Number 10 of 2021, authorizing the re-establishment of the authority.

"One of the first things we're hoping to do is to get awarded a grant to do a county-wide blight study. That will help us determine where we go from there — what kind of projects we focus on, and where, in the county." According to Campbell, the Clarion County Redevelopment Authority was originally activated in 1961, and it appears to have sat dormant for

FARMINGTON TOWNSHIP

Initiated by local residents

- Including community clean-up Engineering Report
- Health and Safety Risk scored between MODERATE and HIGH



DILLON SERVICE STATION



Main entrance into the Clarion downtown area. Deplorable, blighted condition for about two decades. Legal action for failure to remediate environmental concerns, failure to pay all local taxes for 2+ years, as well as delinquent federal income tax.

Project Objectives:

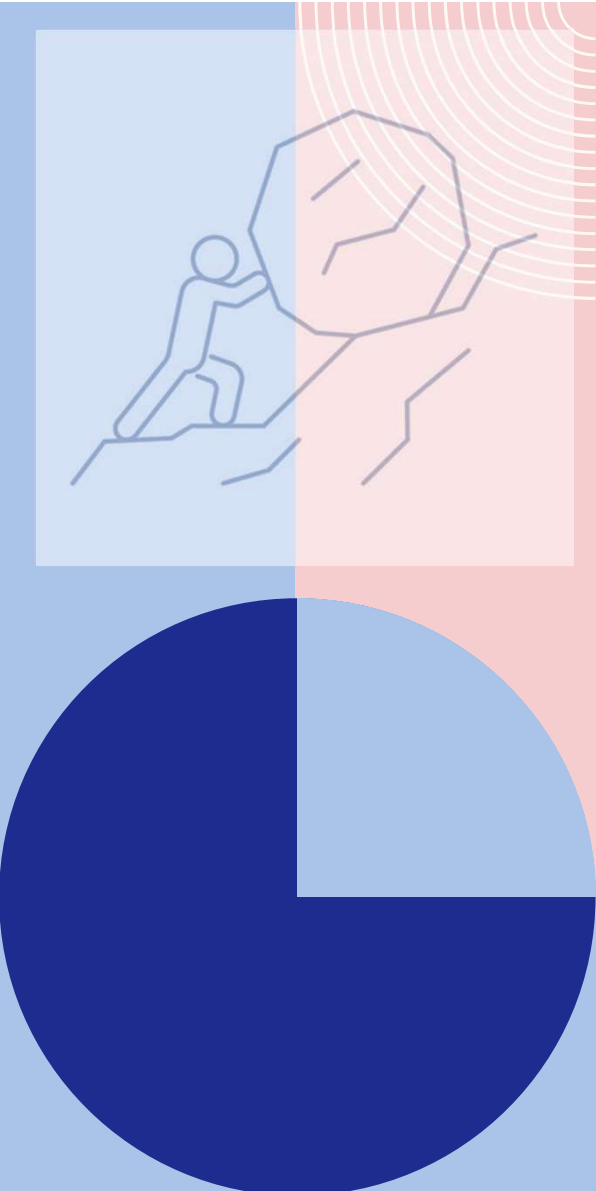
- Environmental remediation of a 20+ year brownfield site
- Demolition of a blighted structure in a highly visible area
- Community enhancement by way of development of the remediated property

BEST OPTION: CONSERVATORSHIPS

7

- Same Owner
- Multiple Liens – Including and IRS Lien
- Public Engagement
 - Blueprint Community Interest
 - Clarion Borough
 - Economic Development Corporation
 - Industrial Development Authority
- Local Resident Interest
 - Farmington Township Residents
- 4 Properties – 2 Conservatorships
- Enables smaller communities to partner with the Redevelopment Authority to tackle blight





CHALLENGES

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- IRS Lien
- Unpaid Taxes – **Judicial Sale List** (Dillon)
- Environmental Contamination (Dillon)
- Predominant Location
- Local Resident Interest
- Lack of Township/County Financial Support
- Possible Asbestos
- Costly Demolition and Remediation
- Mixed Board Support
- Specialized Legal Representation
- First Conservatorship in Clarion County – Learning Curve

OUTCOME – DILLON SERVICE STATION

- September 2023 – EPA Brownfields Grant Awarded (Collaboration with Economic Development Corporation)
- November 2023 – Conservatorship Granted
- December 2023 – Ownership Change at Judicial Sale
- January 2024 – Conservatorship Hearing to Present Remediation Plan
- February 2024 – Conservatorship Hearing with Petition to Terminate Conservatorship by New Owners
- February 2024 – Conservatorship Terminated
- May 2024 – Demolition Completed by New Owners



OUTCOME – FARMINGTON TOWNSHIP

- November 2024 – Conservatorship Granted
- January 2024 – Conservatorship Hearing for Approval of Remediation Plan
- March 2024 – Demolition Completed
- April 2024 – Board Approval to Process as Free and Clear Sale
- May 2024 – Negotiations with Adjacent Property Owners
- TBD – Court Approval for Sale of Properties



TAKE AWAYS

- Valuable Tool - particularly for smaller communities
- Alternative to bypass outstanding liens
- Complicated Process
- Time Consuming
- Costly - Approximately \$10,000 + demo costs total per conservatorship
- Local Politics/Community Engagement – both positive and negative
- Partnership Opportunity for Smaller Communities



THANK YOU

Penny Campbell
Clarion County Redevelopment Authority
814-226-8910 Extension 105
pennycampbell@clarionhousing.com



TYLER V. HENNEPIN COUNTY

Impact on Land Bank Acquisition Process

***TYLER V. HENNEPIN COUNTY, 598 U.S.
631, 143 S. CT. 1369 (MAY 25, 2023)***

- “Hennepin County, Minnesota, sold Geraldine Tyler’s home for \$40,000 to satisfy a \$15,000 tax bill. Instead of returning the remaining \$25,000, the County kept it for itself. The question presented is whether this constituted a taking of property without just compensation, in violation of the Fifth Amendment.”
- Holding: Ms. Tyler plausibly stated a claim under the Takings Clause and was entitled to just compensation. The judgment of the Court of Appeals for the Eighth Circuit was reversed.

IMPACT ON LAND BANK ACQUISITION PROCESS

- PA Tax Collection Statutes do provide for the return of any excess proceeds to the prior owner.
- “Priority Bid” - 68 Pa. C.S. § 2117(d)(4)(i). “The land bank may tender a bid at the sale in an amount equal to the total amount of all municipal claims and liens which were the basis for the judgment. Upon tender under this subparagraph, the property shall be deemed sold to the land bank ***regardless of bids by other parties.***”

POSSIBLE SOLUTIONS

- The *Tyler* Court and post-*Tyler* cases seem to suggest that there can be no federal Takings Clause claim as long as there is *some* procedure in place for the prior owner to recover any excess proceeds
- Even if the owner fails to take advantage of that procedure.
- *Nelson v. City of New York*, 352 U.S. 103 (1956); MN; MI; OH
- Philly/ALCO

City of Philadelphia

BILL NO. 240187 continued

(d) The Land Bank shall not exercise its right to be the sole bidder with respect to any property it seeks to acquire at a tax sale pursuant to 68 Pa. C.S. § 2117(d)(4) unless notice of the Land Bank's intent to do so has been provided to all interested parties in the City's tax sale petition and no party has requested, in writing to the Land Bank delivered at least ten (10) days before the tax sale, that the property be subject to open bidding. For any property with respect to which a tax sale petition was filed prior to this subsection (d) becoming law, but for which no tax sale has taken place, and which property the Land Bank may seek to acquire as sole bidder, notice of such intent to acquire shall be provided by first-class mail to all interested parties, and such interested parties shall have until (10) days before the tax sale to request, in writing to the Land Bank, that the property be subject to open bidding.

(e) Upon exercise by the Land Bank of such sole bidder rights, the Land Bank must make the property acquired at tax sale available for reacquisition by the prior owner based on the following. The prior owner seeking to reacquire such property must, within sixty (60) days of the date of the tax sale, notify the Land Bank in writing, at its public address via certified mail, return receipt requested, of the prior owner's intent to purchase the property. The Landbank shall transfer such property to the prior owner if, within 60 days of delivery of the notice of intent to reacquire, the prior owner has tendered payment to the Land Bank the full amount bid by the Land Bank for the property at the tax sale. Upon receipt of such purchase amount, the Landbank shall promptly prepare and provide to the prior owner a deed conveying the property from the Land Bank to the interested party.

Allegheny County

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ATTENTION: RECORD OWNER WITH NOTICE TO HEIRS OR ASSIGNS

1. The County of Allegheny has filed a Petition in Court for the collection of delinquent real estate taxes (“Taxes”) due for the property located at:

STREET
CITY, STATE, ZIP
MUNICIPALITY
BLOCK & LOT (“Property”)

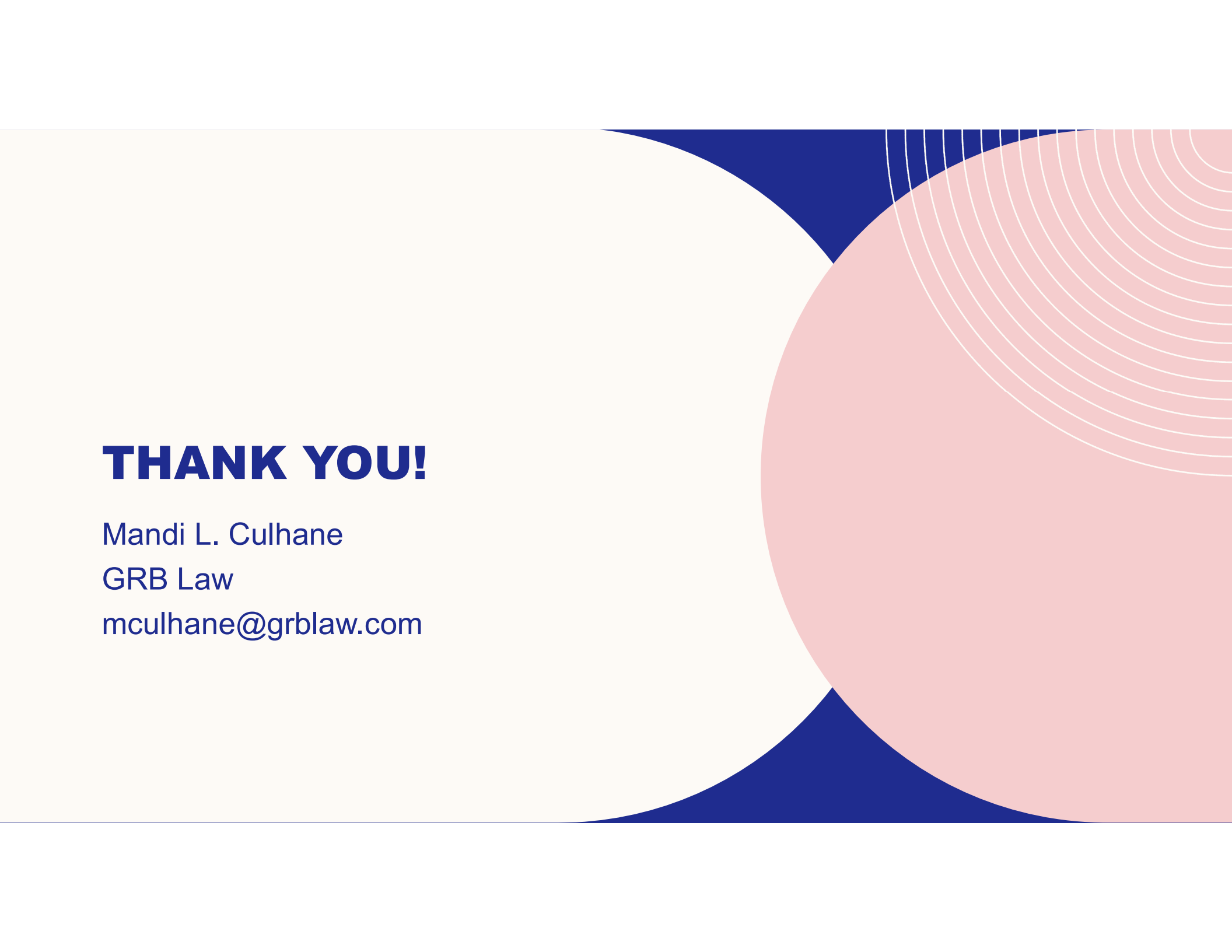
2. According to a review of the Public Records you are the Record Owner or may be an heir of the record owner.

3. Pursuant to Section 2117(d)(4) of the PA Land Bank Act, 63 Pa.C.S.A. §2117(d)(4) a Land Bank may tender a bid of the Upset Price for the Property and the Property will be deemed sold to the Land Bank.

4. THERE MAY BE EQUITY IN THE PROPERTY ...

POSSIBLE SOLUTIONS – CONT'D

- Amendments to PA Land Bank Act; Tax Collection Statutes?
- Appraisals
- Upset Price



THANK YOU!

Mandi L. Culhane

GRB Law

mculhane@grblaw.com



The Pittsburgh Land Bank

Pennsylvania Land Bank Summit
June 4, 2024



Land bank fails to fight blight

This vacant lot in Larimer is all the land bank has to show after seven years and spending at least \$343,000.

KDKA INVESTIGATIONS

Pittsburgh's land bank hasn't rehabbed a single blighted house in its 9 years

KDKA
NEWS

By Andy Sheehan
August 29, 2022 / 6:50 PM EDT / CBS Pittsburgh



Account overdue: Frustration mounts among some who have been banking on a land bank — for 8 years

[Eric Jankiewicz](#) November 10, 2022

'Game changer': After years of delays, Pittsburgh's land bank poised to notch fifth sale by end of August



NEENA HAGEN ✓

Pittsburgh Post-Gazette

nhagen@post-gazette.com ✉

AUG 24, 2023

5:30 AM

Editorial: Miraculous turnaround: Pittsburgh land bank is thriving, and could be even better



THE EDITORIAL BOARD ✓

Submit a letter to the editor

letters@post-gazette.com

JAN 21, 2024

5:30 AM

TAKING STEPS FORWARD

- **Identify the WHY**
- Access to Funding
 - \$3.5 Million ARPA Allocation
- Addressing legislative and process barriers
 - Access to property in the City's Inventory
 - Landcare
- Identifying partners, properties, and end users

URA to PLB Project Highlights



**City of Bridges CLT
Affordable Fourplex**



**Hazelwood Initiative
Lytle Street Playground**

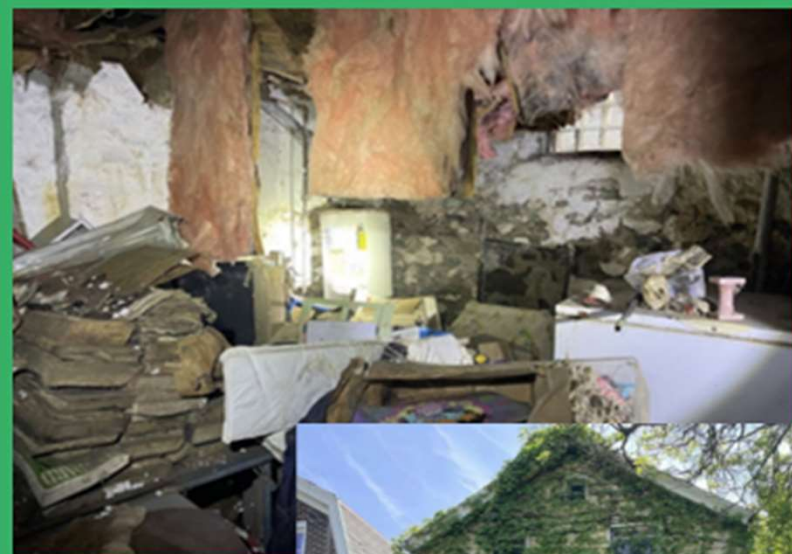


**Allegheny Land Trust
Healcrest Farm**



Pittsburgh Land Bank Current Projects

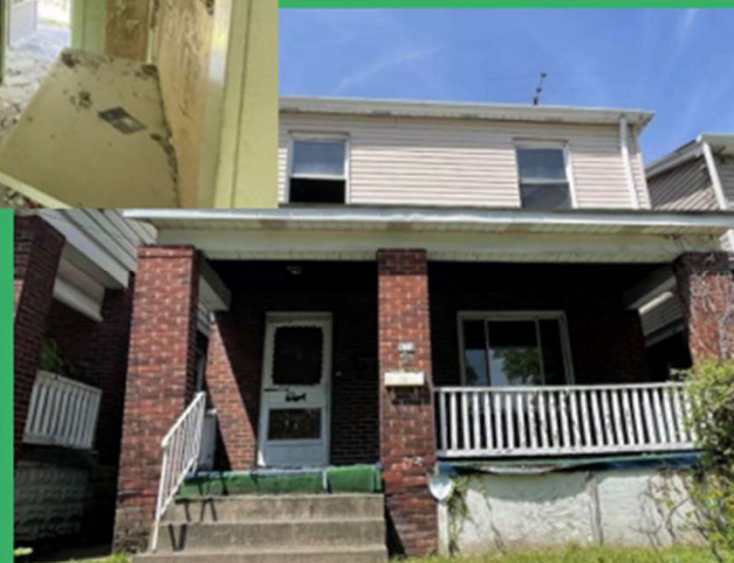
Pittsburgh Housing Development Corporation (PHDC) Stabilization Pilot



814 Delmont Street –
Beltzhoover



844 Gearing Avenue –
Beltzhoover



Pittsburgh Land Bank Current Projects



Olde Allegheny Community Garden

20 West North Ave - Former Light of Life Property Affordable Housing Preservation

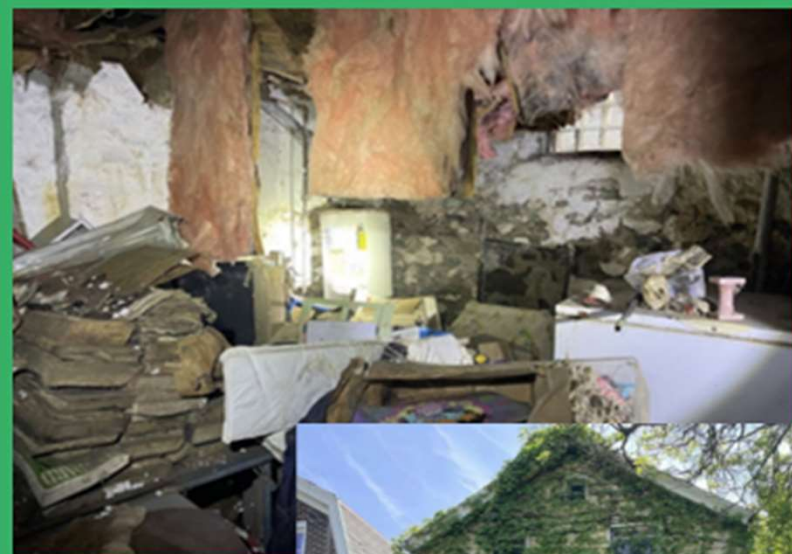


Brownsville Road - Brashear Association Program Expansion



Pittsburgh Land Bank Current Projects

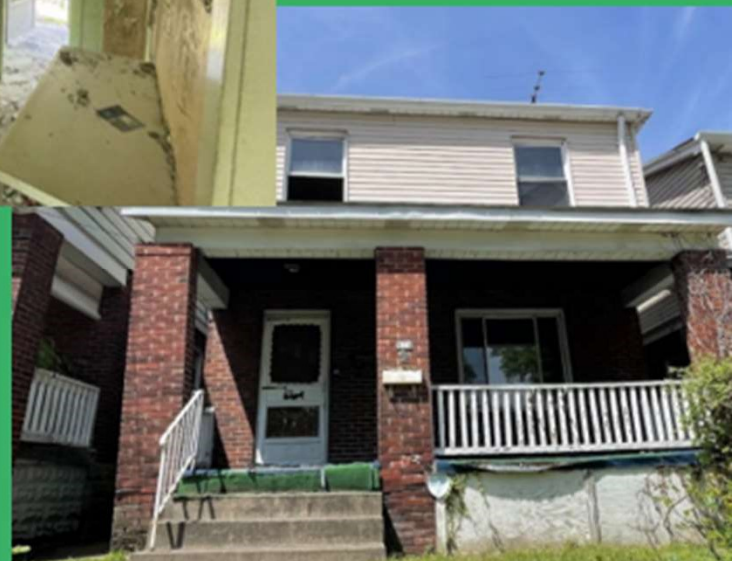
Pittsburgh Housing Development Corporation (PHDC) Stabilization Pilot



814 Delmont Street –
Beltzhoover

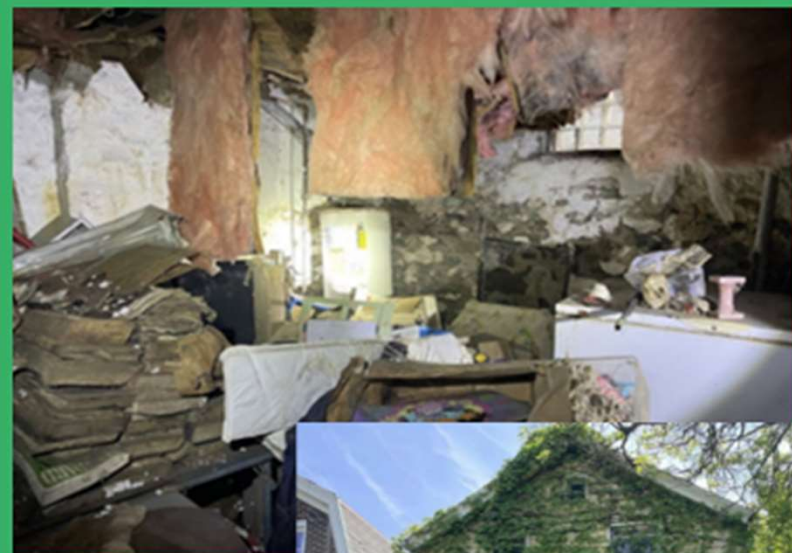


844 Gearing Avenue –
Beltzhoover



Pittsburgh Land Bank Current Projects

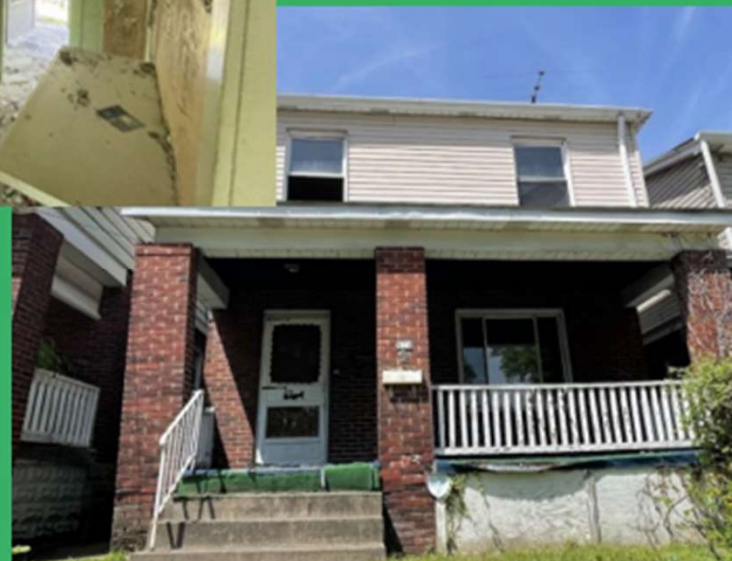
Pittsburgh Housing Development Corporation (PHDC) Stabilization Pilot



814 Delmont Street –
Beltzhoover



844 Gearing Avenue –
Beltzhoover





Who we serve – Current PLB Buyers

City of Bridges Community Land Trust
Allegheny Land Trust
Brashear Association
Habitat for Humanity
Farmer Girl Eb – MWBE small business
The Garden Café - small business
Soil Sisters – MWBE small business

The Hilltop Alliance
PHDC
Rising Tide Partners
Bloomfield Garfield Corporation
Amani Christian CDC
Hazelwood Inc
The Urban Academy of Pittsburgh

Transfers from City to PLB

Pilot: Direct Residential Sales Program

SPRING GARDEN | 1266 HIGH STREET



- **Competitive Sale to Buyer:** Qualified End User prioritizing owner occupants
- **End Use:** Pilot Direct Residential Sales Program

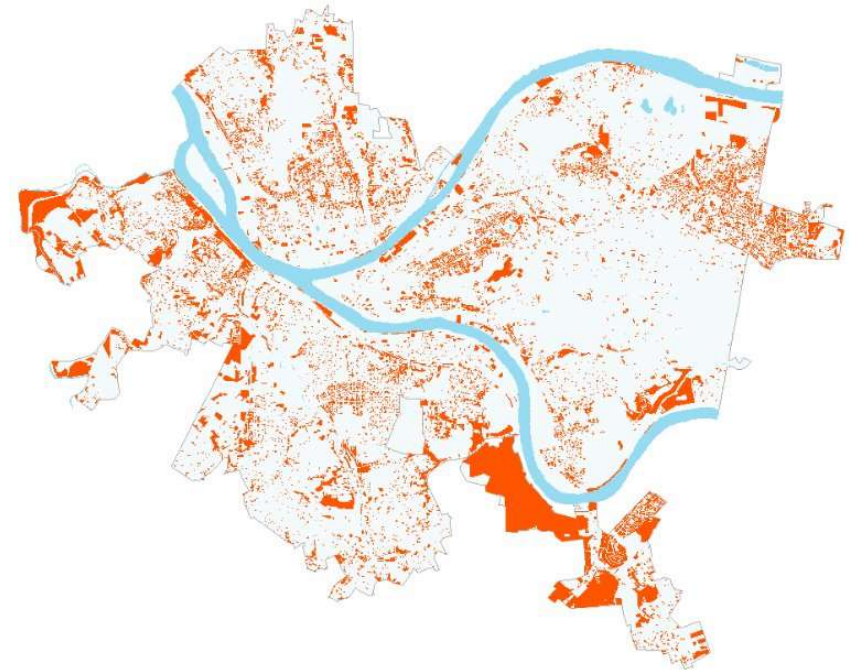




The Cost of Blight

Vacant Property Data

- 1,894 Condemned Structures
- The PLB estimates that there are over 1,000 vacant structures eligible for tax foreclosure
- Over 500+ properties on PLI's "Dead End" List
- 2023 City Demolition Budget: \$4,000,000



~ 23,757 parcels are vacant or distressed in Pittsburgh (2016 Cost of Blight Report)

PLB BUYER REQUIREMENTS

Buyers Must:

- ☐ be fully financed to cover the cost of purchasing and rehabbing the home
 - ☐ provide an approved rehab plan
 - ☐ Pass a qualified buyer check – meaning they do not own any properties that are delinquent on municipal taxes, school taxes, county taxes, water, sewage, or refuse bills or other municipal claims
- Low to moderate income buyers preferred
 - PLB will use Deed Restriction requiring buyers to live in the property for 5 years



End User Accountability

How does the PLB ensure that developments are completed in a timely manner and in accordance with state and local rules and regulations?

- ☐ **Renovation Enforcement Mortgage** held against the property until the renovation work has been satisfactorily completed. This mortgage doesn't require the buyer to make any payments, nor does it accrue interest; it is a safeguard to make sure that the property conveyed is renovated in accordance with the sales agreement and in a manner that complies with local and state laws.
 - ☐ **Deed-in-escrow** a deed held in trust by a third party to be turned over to the grantee only upon fulfillment of the renovation work outlined in the sales agreement.
 - ☐ **Reverter Deed-in-escrow** a clause in a deed or statement that, upon the occurrence (or non-occurrence) of a specific event or events, mandates that title to the deeded property returns (reverts) to the original owner (land bank).
 - ☐ **Flexibility around Deed Restrictions** that the PLB can place on certain property sales and transactions to maintain control over the end use.
-

QUESTIONS?