

**Altoona Redevelopment Authority
Land Bank Policies and Procedures
As approved and adopted by the Board of Directors on February 15, 2019
As Amended August 18, 2023**

These policies and procedures are a codification of all policies and procedures of the Redevelopment Authority of Altoona (“Redevelopment Authority” or “Authority”) acting as land bank for the City of Altoona.

Section 1. Authority, Purpose and Review

- 1.1 Authority.** The Redevelopment Authority was designated as the land bank for the City of Altoona (hereinafter referred to as the “Land Bank” or the “Authority as Land Bank”) pursuant to Ordinance No. 5726 adopted by the Council of the City of Altoona on October 10, 2018, and as authorized by the Land Bank Law, 68 Pa.C.S. § 2104(h).
- 1.2 Purpose.** The purpose of the Land Bank is to effectively facilitate the return of blighted, abandoned and functionally obsolete properties to productive reuse through creative leadership that engages key partners to leverage a variety of resources.
- 1.3 Land Bank Activities.** These policies and procedures are intended to guide the Land Bank activities of the Authority in accordance with Ordinance No. 5726 and the Land Bank Law.
- 1.4 Adoption and Review.** These policies and procedures (hereinafter “Land Bank Policies”) shall be initially adopted and thereafter reviewed at least every other year by the Board, with opportunity for public input and comment.

Section 2. Property Acquisitions

- 2.1 Sources of Property Inventory.** The Land Bank may acquire real property or interests in real property on terms and conditions and in any manner the Land Bank considers proper. Sources of real property acquisitions by the Land Bank include, but are not limited to, the following:
 - (a) Internal transfers of properties already owned by the Authority to the Land Bank;
 - (b) Transfers from local and county governments, authorities, or agencies;
 - (c) Acquisitions by the Land Bank at tax foreclosure and mortgage foreclosure sales;
 - (d) Donations;
 - (e) Market purchases; and
 - (f) Conduit transfers contemplating the simultaneous acquisition and disposition of property.
- 2.2 Policies Governing the Acquisition of Properties.** In determining which, if any, properties shall be acquired, the Land Bank shall give consideration to the following factors:

- (a) Proposals and requests by the City of Altoona;
- (b) Proposals and requests by private and nonprofit corporations that identify specific properties for ultimate acquisition and redevelopment;
- (c) Proposals and requests by governmental entities that identify specific properties for ultimate use and redevelopment;
- (d) Residential properties that are available for immediate occupancy without need for substantial rehabilitation;
- (e) Properties that have a history of code, zoning, and/or property maintenance violations, and/or are deemed blighted;
- (f) Improved properties that are appropriate for demolition of the improvements;
- (g) Vacant parcels that could be placed into a Side Lot Disposition Program;
- (h) Properties that would form a part of a land assemblage development plan;
- (i) Properties that will generate operating resources for the functions and activities of the Land Bank;
- (j) Properties that would be in support of strategic neighborhood stabilization and revitalization plans.

In the case of an offer to donate a property to the Land Bank, staff should consider all of the above factors as well as those described in paragraph 2.3 below. The Land Bank reserves full and complete discretion to determine whether to accept an offer to donate a property and include it in the Land Bank's inventory. The Land Bank will not determine the value of the donated property for the purpose of tax benefits but will provide a letter describing the property donated.

2.3 Process for Acquiring Properties. A transaction agreement must be executed by the Land Bank and the grantor of the property except in those cases when the Land Bank acquires the property at a mortgage or tax foreclosure sale or when the property is transferred from the City of Altoona.

In the case of conduit transfers (where the Land Bank purchases a property for an identified end user), such a transaction agreement will generally be in the form of an Acquisition and Disposition Agreement prepared in accordance with these policies and procedures. Land Bank staff are authorized to create transaction agreements in the form and content as deemed by the Land Bank to be in its best interest, and shall include to the extent feasible, specification of all documents and instruments contemplated by the transaction as well as the rights, duties, and obligations of the parties. Prior to the execution of an agreement of sale to purchase a property, Land Bank staff shall prepare a written report that includes the following information and determinations:

- 1) Determine that the purchase is consistent with paragraph 2.2 above.
- 2) Determine if clear title can be conveyed by the transferor to the Land Bank (see paragraph 2.4 below).
- 3) Determine if there are any environmental or structural issues that should be resolved prior to purchase by the Land Bank (see paragraph 2.5 below).
- 4) If the property is not available for nominal consideration, determine a fair value of the property consistent with these policies and procedures.

As noted above, a transaction agreement between the grantor and the Land Bank is not required when the Land Bank acquires a property at a tax foreclosure sale, including a judicial sale. The Land Bank Law grants the Land Bank the power to acquire tax delinquent properties at judicial sales through a negotiated agreement with the Tax Claim Bureau of Blair County and without competitive bidding. Specifically, Section 2117(c)(3) of the Land Bank Law provides that all of the following apply to judicial sales:

- (i) *Notwithstanding section 612 of the Real Estate Tax Sale Law, the form, substance and timing of the land bank's payment of the sales price may be according to the agreement as is mutually acceptable to the plaintiff and the land bank if all of the following apply:*
 - (A) *A judicial sale is ordered pursuant to a judgment on a tax claim.*
 - (B) *The purchaser of the property is the land bank.*
 - (C) *The sales price is an amount agreed to by the land bank and the plaintiff in the claim.*
- (ii) *The obligation of the land bank to perform in accordance with the agreement under subparagraph (i) shall be deemed to be in full satisfaction of the tax claim which was the basis for the judgment.*
- (iii) *The land bank, as purchaser at the sale, shall have an absolute title to the property sold, free and discharged of tax and municipal claims, liens, mortgages, ground rents, charges and estates.*

The Land Bank's acquisition of property at a tax foreclosure sale shall be at the direction of the Board and in accordance with the Land Bank Law, Ordinance No. 5726, these policies and procedures, and any agreements negotiated with the Tax Claim Bureau of Blair County.

- 2.4 Title Insurance.** In acquisitions of property by the Land Bank through transaction agreements, the Land Bank shall generally require a certificate of title based upon a full title examination and a policy of title insurance insuring the Land Bank subject to such outstanding title exceptions as are acceptable to the Land Bank in its sole discretion. In those circumstances when the title is not insurable, the Land Bank may still elect to acquire the property with the intention of initiating a quiet title action or taking other actions to clear the title. The Land Bank reserves its discretion to NOT require a certificate of title regarding any property being acquired.
- 2.5 Environmental Concerns.** The Land Bank reserves full and complete discretion to require in all transaction agreements that satisfactory evidence be provided to the Land Bank that the property is not subject to environmental contamination as defined by federal or state law. At a minimum, seller shall complete a disclosure noting any known potential environmental issues.
- 2.6 Publicly Available Inventory.** The Land Bank will maintain and make publicly accessible on its website and at its offices during normal business hours the following information:
 - (a) an up-to-date inventory of real property owned or held by the Land Bank;
 - (b) a record of all properties conveyed by the Land Bank to other parties within the previous and current calendar year; and
 - (c) for each property conveyed, the price, the new owner and the use for which the property was conveyed.

Section 3. Priorities for Property Repurposing

3.1 Community Improvement Purposes. In transferring properties to organizations or individuals the Land Bank shall keep in mind community improvement purposes consistent with:

- (a) Neighborhood revitalization plans;
- (b) Return of the property to productive tax-paying status;
- (c) Land assemblage for economic development;
- (d) Long term “banking” of properties for future strategic uses.

3.2 Neighborhood and Community Development Considerations. As indicated above, the Land Bank reserves the right to consider the impact of a property transfer on short- and long-term neighborhood and community development plans. In doing so, the Land Bank may prioritize the following in any order in which it deems appropriate:

- (a) Improving the quality of neighborhoods and attracting new residents and businesses;
- (b) Increasing the tax base of the City of Altoona and creating opportunities for economic development and employment;
- (c) Preservation of existing stable and viable neighborhoods;
- (d) Neighborhoods in which a proposed disposition will assist in halting a slowly occurring decline or deterioration;
- (e) Neighborhoods which have recently experienced or are continuing to experience a rapid decline or deterioration; and
- (f) Geographic areas where market conditions are weak for the purposes of residential or commercial development.

Section 4. Conveyance of Properties

4.1 Acquiring Property from the Land Bank.

- (a) The Land Bank is interested in helping those seeking to acquire vacant, abandoned, and tax delinquent property located in Altoona. Interested persons should complete and submit a Request for Investigation Form to request that the Land Bank investigate the status and ownership of a property and determine if it is eligible for acquisition by the Land Bank.
- (b) The Land Bank is not obligated to acquire, investigate, and/or convey any property and reserves the right to decline to proceed with any proposal or application for any property at any time. The acquisition and transfer of a property is at all times at the sole discretion of the Land Bank. The Land Bank does not guarantee the acquisition and/or transfer of any property. The Land Bank reserves the right to pause or terminate the acquisition process for any property at any time and for any reason.

4.2 Definitions.

"*Property Costs*" shall be defined as the aggregate costs and expenses of the Land Bank attributable to the specific property in question, including costs of acquisition, maintenance, repair, demolition, marketing of the property and indirect costs of the operations of the Land Bank allocable to the property.

“*Qualified Applicant*” shall be defined as an applicant for the purchase of property determined by the Land Bank to be qualified in accordance with Paragraphs 4.5 and 4.6 below.

“*Transfer Closing Costs*” shall be defined as all costs incurred by the Land Bank in the sale of the property to the transferee including but not limited to transfer taxes, legal fees, filing fees, notary fees, title fees, etc.

“*Transaction Fee*” shall be defined as a fee paid by the transferee of the property at closing in the amount of 2% of the selling price but not less than \$750.

The consideration to be provided by the transferee to the Authority may take the form of cash, deferred financing, performance of contractual obligations, imposition of restrictive covenants, or other obligations and responsibilities of the transferee, or any combination thereof. In determining the consideration to be paid by the transferee, the Land Bank may consider the cost of demolishing or renovating any structures on the property. The Land Bank has sole discretion to determine the consideration to be provided by the transferee. Sections 4.3 and 4.4 below provide guidance on the consideration to be provided but in no way restrict the discretion of the Land Bank.

4.3 Transfers to Governmental Entities

- (a) **To the extent that transfers of property to governmental entities are designed to be held by such governmental entities in perpetuity for governmental purposes, the aggregate** consideration for the transfer may, at the discretion of the Land Bank, consist of the “Property Costs” and “Transfer Closing Costs” to be paid in cash as well as a deed restriction upon the use of the property.
- (b) To the extent that transfers of property to governmental entities and authorities are anticipated as conduit transfers by such governmental entities to third parties, the aggregate consideration for the transfer may, at the discretion of the Land Bank, consist of not less than “Property Costs”, “Transfer Closing Costs” and “Transaction Fee” to be paid in cash. Depending on the nature of the end use of the property by the third party, the Land Bank reserves the right to sell the property for fair market value plus all fees and costs referenced above.

4.4 Transfers to Individuals and Non-Governmental Entities. In the case of transfers of property to individuals and non-governmental entities for development, other than side yard transfers described in Section 6 below, the aggregate consideration for the transfer may, at the discretion of the Land Bank, consist of not less than the “Property Costs”, “Transfer Closing Costs” and “Transaction Fee” to be paid in cash plus all costs and fees. Non-monetary consideration, such as in-kind services, that fulfill the mission and goals of the Land Bank may be considered. Depending on the nature of the end use of the property, the Land Bank reserves the right to sell the property for fair market value plus all fees and costs referenced above.

4.5 Transferee Qualifications. All applicants seeking to acquire property from the Land Bank will be required to provide as part of the application such information as may be requested by the Land Bank, including but not limited to

(a) the legal status of the applicant, its organizational and financial structure, (b) its prior experience in developing and managing real property, and (c) affidavit stating that properties owned by applicant or in which applicant has an ownership interest located in the City of Altoona or the County of Blair are not delinquent on taxes, and do not have any outstanding citations for unremediated violations of any applicable state and local codes and ordinances.

4.6 Reserved Discretion. The Land Bank reserves full and complete discretion to decline applications from individuals and entities that meet any of the following criteria:

- (a) failure to perform in prior transactions with the Authority, the Land Bank, or the City;
- (b) ownership of properties that became delinquent in tax payments and remain delinquent in tax payments during their ownership;
- (c) parties that have been debarred from transactions with local, state, or federal government;
- (d) parties not able to demonstrate sufficient experience and capacity to perform in accordance with the requirements of the Land Bank Policies and Procedures;
- (e) parties that owned properties foreclosed on for tax delinquency within the last 10 years;
- (f) ownership of properties that have any un-remediated citations(s) for violation of state and local codes and ordinances; and
- (g) properties that have been used by the purchaser or a family member of the purchaser as his or her personal residence at any time during the twelve (12) months immediately preceding the submission of application (except in rental cases).

4.7 Covenants, Conditions and Restrictions. All conveyances by the Land Bank to third parties shall include such covenants, conditions, and restrictions as the Land Bank deems necessary and appropriate in its sole discretion to ensure the use, rehabilitation, and redevelopment of the property in a manner consistent with the public purposes of the Land Bank. Such requirements may take the form of a deed creating a defeasible fee or reversion, recorded restrictive covenants, subordinate financing being held by the Land Bank or the Authority, contractual development agreements, or any combination thereof. The Land Bank will also include language in the Disposition Agreement that the transferee, and any successors, are precluded from appealing the post development assessed value as determined by the County Assessment office for a period of five years following the transfer of the property.

4.8 Options. Options are available for 10% of the parcel price for up to a six-month period with extensions at the discretion of the Land Bank. This fee will be credited to the parcel price at closing. If closing does not occur, the fee is forfeited. The Land Bank may charge a fee for the extension of the option agreement; said fee shall not be credited against the purchase price. All option agreements are subject to all Land Bank policies and procedures pertaining to property transfers.

4.9 Deed without Warranty. All conveyances from the Land Bank to third parties shall be by Quitclaim Deed, unless the Land Bank determines, in its sole discretion, that a Special Warranty deed may be used.

4.10 Prescribed Process for Conveying Properties. The process for conveying a property from the Land Bank to another entity shall include a completed application from the proposed transferee and a written report prepared by Land Bank staff that verifies that the applicant is qualified consistent with the provisions in Paragraphs 4.5 and 4.6. Conveyances to transferees shall be approved by the Board. A Disposition Agreement shall be prepared by Land Bank staff that includes terms and conditions for the reuse of the property as well as a description of how the terms and conditions will be monitored in the future.

Section 5. Owner-Occupant Policy.

Requirements and Conditions. The vast majority of the properties the Land Bank will acquire will be vacant. However, in the event that the Land Bank acquires a property that is the primary place of residence for an owner-occupant through the tax or mortgage foreclosure sale process or other means, it shall make best efforts not to displace the owner-occupant and establish payment plans for any delinquent liens that have been acquired by the Land Bank. To this end, if feasible, the Land Bank may offer to lease the premises to the prior owner-occupant at fair market value for a period not less than six months. The residence shall remain the primary residence of the household during the lease period.

Section 6. Side Lot Disposition Program.

6.1 Side Lot Transfers. Unimproved parcels may be acquired by the Land Bank, and transferred to individuals or entities owning contiguous property in accordance with the policies described below. The transfer of any given unimproved parcel in the Side Lot Disposition Program is subject to override by higher priorities as established by the Land Bank.

6.2 Qualified Properties. Parcels of property eligible for inclusion in the Side Lot Disposition Program shall meet the following minimum criteria:

- (a) The parcel shall be vacant unimproved real property;
- (b) The parcel shall be physically contiguous with not less than a 75% common boundary line at the side;
- (c) Intended use for the side parcel must be disclosed by the transferee and such use shall be consistent with local codes including but not limited to zoning codes.

6.3 Side Lot Transferees.

- (a) All transferees must own the contiguous property, and priority is given to owner-occupied transferees.
- (b) The transferee must be in substantial compliance with the local housing, building, planning and zoning codes and regulations for their primary residence and other properties they own in the City of Altoona and Blair County.
- (c) The transferee must be current on all real estate taxes and assessments, including municipal fees, for their primary residence and all other properties they own in the City of Altoona and Blair County.

- (d) The transferee must not have been the prior owner of any real property in Blair County that was transferred as the result of tax foreclosure proceedings or municipal lien enforcement.

6.4 Pricing.

- (a) For purposes of this Section, an unimproved lot with less than fifty feet of frontage is presumed to be “not capable of independent development.”
- (b) The minimum price for an owner-occupant to purchase a single contiguous lot that is not capable of independent development is \$100.00. The final price is determined at the discretion of the Land Bank.
- (c) The minimum price for a non-owner-occupant to purchase a single contiguous lot that is not capable of independent development is \$1,000.00. The final price is determined at the discretion of the Land Bank.
- (d) The minimum purchase price for a single contiguous lot that is capable of independent development shall be determined in accordance with Section 4 above.
- (e) The minimum price for the purchase of multiple contiguous side lots shall be determined in accordance with Section 4 above.
- (f) Side lot purchasers are responsible for all “Transfer Closing Costs” as defined in Section 4 above.
- (g) The foregoing pricing requirements are guidelines and may be waived or modified as determined by the Land Bank to accommodate unique circumstances.

6.5 Additional Requirements.

- (a) Unless otherwise agreed to by the Land Bank, as a condition of transfer of a parcel under the Side Lot Disposition Program, the transferee must enter into an agreement that the parcel is not subject to sale within a five-year period following the date of the transfer. The Land Bank Board of Directors may approve a request by the transferee to sell the parcel within the prescribed five-year period under certain circumstances. The reason for the sale must be made in writing by the transferee and submitted to the Land Bank as part of its application or during the five-year period. The Land Bank Board of Directors has the discretion to approve or disapprove any request made under this paragraph, and reserves the right to charge a reasonable fee for releasing the restriction.
- (b) A side parcel may be consolidated through an approved subdivision and recorded deed.
- (c) In the event that multiple qualified adjacent property owners desire to acquire the same side parcel, the parcel shall be transferred to the highest bidder for the property. Alternatively, a side parcel may be subdivided and transferred among the interested contiguous property owners; the cost of the subdivision shall be borne by the property owners.