

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

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.** Sources of real property acquisitions by the Authority as 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 Authority as 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.** Properties may be acquired through one of two methods: 1) a “standard acquisition” by the Authority as Land Bank for future disposition to an undetermined end user; or 2) a “conduit transfer,” in which the Authority as Land Bank purchases a property for transfer to an identified end user. In determining which, if any, properties shall be acquired, the Authority as 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) Improved properties that are appropriate for demolition of the improvements;
- (e) Vacant parcels that could be placed into a Side Lot Disposition Program;
- (f) Properties that would form a part of a land assemblage development plan;
- (g) Properties that will generate operating resources for the functions and activities of the Land Bank;
- (h) 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 Authority, staff should consider all of the above factors as well as those described in paragraph 2.3 below. The Authority 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 Authority 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 Authority in its capacity as Land Bank and the grantor of the property except in those cases when the Authority acquires the property at a mortgage or tax foreclosure sale.

In the case of conduit transfers, such a transaction agreement will generally be in the form of an Acquisition and Disposition Agreement prepared in accordance with these policies and procedures. Redevelopment Authority staff are authorized to create transaction agreements in the form and content as deemed by the Authority 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, Redevelopment Authority staff shall prepare an underwriting agreement that will:

- 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 Authority (see paragraph 2.4 below).
- 3) Determine if there are any environmental or structural issues that should be resolved prior to purchase by the Authority (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 Authority is not required when the Authority acting as Land Bank acquires a property at a tax foreclosure sale, including a judicial sale. The Land Bank Law grants the Authority 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 Authority's acquisition of property at a tax foreclosure sale in its capacity as Land Bank 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 Authority as Land Bank through transaction agreements, the Authority shall generally require a certificate of title based upon a full title examination and, in the case of land banking agreements, a policy of title insurance insuring the Authority subject to such outstanding title exceptions as are acceptable to the Authority in its sole discretion. In those circumstances when the title is not insurable, the Authority may elect to acquire the property with the intention of initiating a quiet title action.
- 2.5 Environmental Concerns.** The Authority reserves full and complete discretion to require in all transaction agreements that satisfactory evidence be provided to the Authority 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 Authority 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 Authority as Land Bank;
  - (b) a record of all properties conveyed by the Authority as 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 Authority as 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 Authority as 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 Authority as 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 Definitions.**

*"Property Costs"* shall be defined as the aggregate costs and expenses of the Authority as 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 Authority as Land Bank allocable to the property.

*"Qualified Applicant"* shall be defined as an applicant for the purchase of property determined by the Authority as Land Bank to be qualified in accordance with Paragraphs 4.4 and 4.5 below.

*"Transfer Closing Costs"* shall be defined as all costs incurred by the Authority as 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.

### **4.2 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 Authority, 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 Authority, 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 Authority reserves the right to sell the property for fair market value plus all fees and costs referenced above.

**4.3 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, the aggregate consideration for the transfer may, at the discretion of the Authority, consist of not less than the “Property Costs”, “Transfer Closing Costs” and “Transaction Fee” and not more than the fair market value as determined by the Authority 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.

**4.4 Transferee Qualifications.** All applicants seeking to enter into Acquisition and Disposition agreements with the Authority as Land Bank will be required to provide as part of the application such information as may be requested by the Authority, 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 indicating no delinquent taxes or outstanding violations of the City’s property maintenance code on other properties located within the City wherein the applicant has ownership.

**4.5 Reserved Discretion.** The Authority as 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 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) ownership of properties that have any un-remediated citations(s) for violation of state and local codes and ordinances; and
- (f) 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).

**4.6 Covenants, Conditions and Restrictions.** All conveyances by the Authority as Land Bank to

third parties shall include such covenants, conditions and restrictions as the Authority as 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 Authority, contractual development agreements, or any combination thereof. The Authority will also include language in the Disposition Agreement that the transferee is 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.

- 4.7 Options.** Options are available for 10% of the parcel price for up to a six-month period with extensions at the discretion of the Authority as Land Bank. This fee will be credited to the parcel price at closing. If closing does not occur, the fee is forfeited. The Authority as 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.
- 4.8 Deed without Warranty.** All conveyances from the Authority as Land Bank to third parties shall be by Quitclaim Deed.
- 4.9 Prescribed Process for Conveying Properties.** The process for conveying a property from the Authority as Land Bank to another entity shall include a completed application from the proposed transferee and underwriting report prepared by Authority staff that verifies that the applicant is qualified consistent with the provisions in Paragraphs 4.4 and 4.5. Conveyances to transferees shall be approved by the Board. A Disposition Agreement shall be prepared by Authority 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.
- 4.10 Appeals Process.** The Authority as Land Bank shall make available an appeals process wherein a Qualified Applicant who has submitted an application for a property transfer may submit evidence relevant to the value of the property. Notwithstanding any appeals process made available by the Authority, the Board has the sole discretion to make the final determination regarding the consideration to be provided for any property transfer.

## **Section 5. Owner-Occupant Policy.**

- 5.1 Requirements and Conditions.** The vast majority of the properties the Authority as Land Bank will acquire will be vacant. However, in the event that it 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 Authority as Land Bank. To this end, if feasible, the Authority as Land Bank may offer to lease the premises to the prior owner-occupant at fair market value for a period not less the 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/Structure Transfers.** Improved (those with an existing structure that is feasible to rehabilitate) or unimproved parcels may be acquired by the Authority as Land Bank, and transferred to individuals owning contiguous property in accordance with the policies described below. The transfer of any given improved or unimproved parcel in the Side Lot Disposition Program is subject to override by higher priorities as established by the Authority as 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 a vacant improved or 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 improved or unimproved 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 not own any real property that is subject to any un-remediated citation(s) of violation of state and local codes and ordinances.
  - (c) The transferee must not own any real property that is tax delinquent.
  - (d) The transferee must not have been the prior owner of any real property in the County that was acquired by a local government through execution of a judgment relating to municipal liens.
- 6.4 Pricing.**
- (a) Parcels of property that are not capable of independent development, i.e., the parcel is not buildable under local zoning laws, may be transferred for a price to be determined by the Authority consistent with value of the property, if any, as determined by the Authority plus “Transfer Costs” and “Transaction Fees”.
  - (b) Parcels that are capable of independent development shall be transferred for consideration in an amount not less than the “Property Costs”, “Transfer Closing Costs” and “Transaction Fees” as described above.
- 6.5 Additional Requirements.**
- (a) As a condition of transfer of an improved or unimproved parcel, the transferee must enter into an agreement that the parcel is not subject to sale, subdivision or partition within a five-year period following the date of the transfer.
  - (b) In the event that multiple qualified adjacent property owners desire to acquire the same side parcel, the improved or unimproved parcel shall be transferred to the highest bidder for the

property. An unimproved parcel may be subdivided and transferred among the interested contiguous property owners; the cost of the subdivision shall be borne by the property owners.

- (c) The improved or unimproved parcel must remain a separate parcel for assessment purposes so the Authority as Land Bank may benefit from tax recapture going forward.