

**REDEVELOPMENT AUTHORITY OF THE**  
**COUNTY OF CUMBERLAND LAND BANK**  
**ADMINISTRATIVE POLICIES AND PROCEDURES**

These policies and procedures are a codification of all policies and procedures of the Redevelopment Authority of the County of Cumberland (RACC) Land Bank (hereinafter “RACC Land Bank”)

**Section 1. Role as a Public Body**

**1.1 Public Entity**

The RACC Land Bank is a public entity authorized by state law and created pursuant to a County of Cumberland Ordinance.

**1.2 Governing Authority**

The core governing documents of Land Bank are 68 Pa.C.S.A. Section 2101 et seq., Act 153 of 2012 (hereinafter the “Land Bank Act”), Act 33 of 2018 which provides for the operation of Land Bank by a redevelopment authority designated by County Ordinance.

**1.3 Purpose**

The purpose of RACC Land Bank will be to effectively facilitate the return of blighted and abandoned properties to productive reuse through creative leadership that engages key partners to leverage a variety of resources.

**Section 2. Property Acquisitions by the RACC Land Bank**

**2.1 Sources of Property Inventory**

Sources of real property acquisitions of Land Bank include, but are not limited to, the following:

- (a) transfers from public bodies such as municipalities,
- (b) acquisitions at tax sale or from the county repository of unsold properties,
- (c) acquisitions at mortgage foreclosure sales,
- (d) donations from organizations,
- (e) market rate purchases,

(f) conduit transfers where the subsequent buyer has been vetted by the RACC Land Bank and is in the interest of the subsequent buyer to have the RACC Land Bank acquire the property.

## **2.2 Policies Governing the Acquisition of Properties**

In determining which, if any, properties shall be acquired by RACC Land Bank, the RACC Land Bank shall consider the following factors:

- (a) Proposals and requests by private and nonprofit corporations that identify specific properties for redevelopment and a detailed plan for redevelopment.
- (b) Proposals and requests by public entities for uses that complement the mission of those organizations.
- (c) Properties that may be sold to adjoining residential owners as side yards for construction of accessor uses such as garages.
- (d) Properties that are appropriate for demolition of the improvements and are subject to a demolition order by a municipality.
- (e) Properties that would be in support of strategic neighborhood stabilization and revitalization plans.
- (f) Properties that would form a part of a land assemblage development plan.
- (g) Properties that will generate operating resources for the functions of the Land Bank.

All property purchases of the RACC Land Bank shall be approved by RACC Board.

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 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 RACC 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.

A conduit transfer is one which the subsequent buyer of the property is identified prior to the RACC Land Bank purchase of the property. 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. These transaction agreements shall be in a form and content as deemed by the RACC Land Bank, 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 RACC Land Bank 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 RACC Land Bank (see 2.4 below).
3. Determine if there are any environmental or structural issues that should be resolved prior to the purchase by the RACC 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 the policies of this document.

#### **2.4 Title Insurance**

In all acquisitions of property by RACC Land Bank through transaction agreements, the RACC Land Bank generally requires a policy of title insurance insuring the RACC Land Bank subject to such outstanding title exception as are acceptable to the RACC Land Bank. In those circumstances when the title is not insurable, the RACC Land Bank may elect to acquire the property with the intention of initiating a quiet title action.

## **2.5 Environmental Concerns.**

RACC Land Bank reserves full and complete discretion to require in all transaction agreements that satisfactory evidence be provided to the RACC 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.

## **3. Priorities for Property Repurposing**

### **3.1 Community Improvement Purposes.**

In transferring properties to organizations or individuals RACC Land Bank shall acknowledge community improvement purposes consistent with:

- Neighborhood revitalization plans
- Return of the property to productive tax-paying status
- Land assemblage for economic development
- Long term “banking” of the properties for future strategic uses

### **3.2 Neighborhood and Community Development Considerations**

As indicated above, RACC 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 RACC Land Bank may prioritize the following in any order in which it deems appropriate:

- the preservation of existing stable and viable neighborhoods;
- neighborhoods in which a proposed disposition will assist in halting a slowly occurring decline or deterioration;
- neighborhoods which have recently experienced or are continuing to experience a rapid decline or deterioration;

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- geographic areas where market conditions are weak for the purposes of residential or commercial development;
- increasing the tax base for Cumberland County communities and creating opportunities for employment.

#### **4. Conveyance of Properties.**

##### **4.1 Definitions.**

“Property Costs” shall be defined as the aggregate costs and expenses of the RACC 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 RACC Land Bank allocable to the property.

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

“Transaction Fee” shall be defined as a fee paid by the purchaser of the property at closing in the amount of 2% of the selling price but not less than \$750.00.

The consideration to be provided by the buyer may take the form of cash, deferred financing, performance of contractual obligations, imposition of restrictive covenants, or other obligations and responsibilities of the buyer.

##### **4.2 Transfers to Public Entities**

The sales price to public entities such as municipalities, school districts, or authorities may, at the discretion of the RACC Land Bank, consist of the “Property Costs”, “Transfer Closing Costs” and the “Transaction Fee” to be paid in cash as well as a deed restriction restricting future uses of the property for public purposes.

#### **4.3 Transfers to Other Entities**

In the case of transfers of property to other entities for development, other than side yard transfers described in Section 6, the aggregate sales price for the transfer may, at the discretion of the RACC Land Bank consist of not less than the “Property Costs”, “Transfer Closing Costs”, and “Transaction Fee” and not more than the fair market value plus all costs and fees. Non-monetary consideration, such as in-kind services, that fulfill the mission and goals of the RACC Land Bank may be considered. Transfers under this section shall be approved by the Board of the Land Bank.

#### **4.4 Buyer Qualifications**

All applicants seeking to enter into Acquisition and Disposition Agreements with the RACC Land Bank will be required to provide as part of the application such information as may be requested by the RACC Land Bank, including but not limited to (a) the legal status of the applicant, its organizational and financial structure, and (b) its prior experience in developing and managing real property.

#### **4.5 Reserved Discretion**

RACC 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 RACC Land Bank;
- (b) ownership of properties that become 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 RACC Land Bank,

(e) ownership of properties that have any un-remediated citation for violation of state and local codes and ordinances.

#### **4.6 Covenants, Conditions and Restrictions**

All conveyances by the RACC Land Bank to purchasers shall include such covenants, conditions and restrictions as the RACC 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 RACC 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 RACC Land Bank, contractual development agreements, or any combination thereof. The Land Bank will also include language in the Disposition Agreement that the buyer 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 RACC Land Bank. This fee will be credited to the parcel price at closing. If closing does not occur, the fee is forfeited. The RACC 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 policies and procedures of the RACC Land Bank pertaining to property transfers.

#### **4.8 Deed Without Warranty**

All conveyances from RACC 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 RACC Land Bank to another entity shall include a completed application from the proposed purchaser and a report prepared by the RACC Land Bank staff that verifies that the applicant is qualified consistent with the provisions in Paragraphs 4.4 and 4.5. A Disposition Agreement shall be prepared by the RACC Land Bank staff that includes terms and conditions for the reuse of the property as well as description of how the terms and conditions will be monitored in the future.

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

#### **5.1 Requirements and Conditions**

RACC Land Bank is expected to acquire vacant properties. However, in the event that it acquires a property that is the primary place of residence for an owner occupant that has not been determined to be unfit for human habitation for a municipality it shall make best efforts to avoid displacement of the owner-occupant. To this end, if feasible, the RACC 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/Structure Transfers**

Improved (those with an existing structure that is feasible to rehabilitate) or unimproved parcels may be acquired by RACC 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 RACC 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 50% 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 Purchasers**

Purchasers of properties under the Side Yard Disposition program shall meet the following criteria:

- (a) The purchaser must own the contiguous property; priority is given to owner-occupied purchasers;
- (b) The purchaser must not own any real property that is subject to any unremediated citation of violation of state and local codes and ordinances;
- (c) The purchaser must not own any real property that is tax delinquent;
- (d) The purchaser 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 Sales Price**

The following policies apply to the sales of property in this Section:

(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 consistent with value of the property, if any, as determined by the RACC Land Bank plus any costs associated with transferring the parcel;

(b) Parcels that are capable of independent development shall be transferred for consideration in an amount not less than the “Property Costs” as described above.

#### **6.6 Additional Requirements**

(a) As a condition of transfer of an improved or unimproved parcel, the purchaser must enter into an agreement that the parcel is not subject to subdivision or partition within a five year period following the date of the transfer;

(b) In the event that multiple 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 divided 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 may be consolidated with the adjoining parcel however, the taxes levied on the lot acquired will be subject to the tax sharing for a period of five years pursuant to the terms of the intergovernmental agreement with the taxing authorities.