



Acquisition Policies

Adopted by Philadelphia Land Bank Board, January 23, 2017
Approved by City Council, March 9, 2017

Aquisition Policies

Overview

The Philadelphia Land Bank (Land Bank) is a tool for the City of Philadelphia and its community and economic development partners to reactivate vacant properties. The Land Bank will use its powers to:

- Activate vacant land
- Support low income and affordable housing developments
- Make side and rear yards available to abutting property owners
- Increase public open spaces and community gardens
- Assist businesses to expand
- Support community and economic development projects

Strategically acquiring privately owned, vacant tax delinquent properties will support these goals. The acquisition processes and policies are consistent with the disposition policies of the land-holding agencies. Entities and individuals seeking assistance from the City on the various land acquisition categories must meet the terms of the corresponding disposition policy.

Land Bank Acquisition Criteria and Processes

The Land Bank has identified six categories of potential acquisitions for its 2016-2020 five-year plan. In the case of side yards, gardens or business expansions, all individuals and entities requesting the Land Bank to acquire property must meet Land Bank disposition requirements. The Land Bank cannot acquire parcels that are in a payment agreement, sequestration, or are included in a bankruptcy. Where a third party owns the public lien, if applicant resolves this issues independently, properties can be considered for acquisition.

Category I: Opportunity Sites

Goal/Public Purpose: Identify properties in active and emerging real estate markets to support redevelopment activity. Reuse strategies for these parcels include side yards, affordable, workforce, and market rate housing, commercial development and community amenities. Properties that are able to be combined into a larger parcel with adjacent properties that are either publicly owned or privately owned and tax delinquent will be prioritized.

Properties for Opportunity Sites are:

- Vacant lots in the L+I vacancy database
- In strong, active real estate markets or markets in transition
- More than \$2,000 delinquent (total between taxes and L&I violations; tax delinquent-only properties must be at least three years delinquent)

Steps to acquire properties:

1. Identify properties that meet the above criteria
2. Assess property reuse potential with Philadelphia City Planning Commission (PCPC) and external stakeholders
3. Explore with Departments of Revenue, Finance, and L+I costs and benefits of potential tax collection compared to potential reuse
4. Secure agreement by District Council person to pursue property for intended program outcome
5. Secure approval from Philadelphia School District to waive tax liens
6. Certify properties for sheriff's sale process

Category II: Side and Rear Yards Requests

Goal/Public Purpose: Transfer properties to current abutting property owners to promote community investment, reduce on-going maintenance costs to the city and promote block cohesiveness.

Side and rear yard requests will be considered if:

- Median sales price of homes in the census block group is less than \$75,000
- The requestor owns and lives in the abutting property
- The property sought is not abutting a publicly owned parcel or other tax delinquent parcel that contributes to an assemblage for development
- The property sought is tax delinquent for more than three years or has public liens; the total amount owed is more than \$800

The Land Bank will only seek to acquire side yards for property owners that can commit to maintaining the property up to City code standards and able to pay taxes on the acquired property. The Land Bank staff will also evaluate and consider area conditions and needs in evaluating sites, including the overall level of occupancy and vacancy on the block.

Exceptions to the median sales price criteria will only be considered for long time owner-occupied property owners (more than 7 years and continuous occupancy) that have improved the vacant, tax delinquent parcel and are currently maintaining it.

Steps:

1. Determine if the property owner and the requested property meet the criteria above
2. Review assessment with City Council
3. Explore with Departments of Revenue and Finance costs and benefits of potential tax collection compared to potential reuse
4. Secure approval from Philadelphia School District to waive tax liens
5. Certify properties for sheriff's sale process

NOTE: The Land Bank's disposition policies allow certain properties to be conveyed for a yard at nominal value. As a result, the cost of acquiring a yard may exceed any revenue received from the "sale." The Land Bank can support homeowners in eligible areas who can absorb all costs for acquisition. Assisted acquisitions are subject to the availability of funding, established annually through the budget process.

Category III: Business Expansion Requests

Goal/Public Purpose: Attract and retain business and employment opportunities.

Business expansion acquisition requests will be considered if:

- The existing business is operational and seeking to expand to adjacent parcel of land
- The land or building is currently vacant and not being maintained by the current property owner
- The parcel has public liens in the form of tax delinquency or code enforcement of at least \$2,000
- The proposed use aligns to existing uses of the property
- Business owner covers all expenses for acquisitions and pays fair market value for the parcel of land

Steps:

1. Respond to requests as they are submitted
2. Coordinate with PCPC (and external stakeholders, if appropriate) to determine if the proposed use is compatible with surrounding uses
3. Work with underwriting team to ensure the business has capacity and financial resources to acquire and redevelop property (ies)
4. Explore with Departments of Revenue and Finance costs and benefits of potential tax collection compared to potential reuse
5. Secure agreement by District Council person to pursue property for intended program outcome
6. Secure approval from Philadelphia School District to waive tax liens
7. Certify properties for sheriff's sale process

Category IV: Affordable Housing Development Opportunities

Goal/Public Purpose: Support the Department of Housing and Community Development (DHCD) to address the need for safe, healthy and affordable housing opportunities. Affordable housing generally serves households below 80 percent of the area median income (AMI) and may be additionally restricted to serve low-income households at 50 percent of AMI.

In 2016-17, DHCD and Land Bank will issue a joint site-specific RFP for the development of affordable housing and a second to low-income and affordable housing developers to acquire land for additional development sites.

Sites for affordable housing developments will be considered using the following criteria:

- Projects that leverage existing publicly owned land
- Proposed projects consistent with existing neighborhood and district plans and proposing a strategic and appropriate reuse, as determined by the PCPC
- Projects that align to DHCD's efforts to further housing opportunities for low-income and protected classes under the federal Fair Housing Act. Providing new opportunities for housing in areas of greatest need, and in areas considered to provide low-income households opportunities to increase access to educational options, transportation, job centers or recreation and park facilities.

Steps:

1. DHCD will identify priority areas for potential affordable housing and resources to support projects
2. DHCD and the Land Bank will release Requests for Proposals for potential developments anticipated to produce new units between 2018-2022
3. Explore with Departments of Revenue and Finance costs and benefits of potential tax collection compared to potential reuse
4. Secure agreement by District Council person to pursue property for intended program outcome
5. Secure approval from Philadelphia School District to waive tax liens
6. Certify properties for Sheriff's sale process

NOTE: The acquisition of properties through the Land Bank for the development of affordable housing should not be construed as automatic support for public funding for a project. All funding requests will continue to be addressed through the City's competitive RFP processes.

Category V. Gardens and Open Space

Goal/Public Purpose: Encourage community building, socialization, education, recreation and food production activities through community gardening.

Properties will be considered for community gardens if:

- The applicant is a nonprofit with regular board meetings
- The applicant has continuously gardened on the property for the previous five years or has at least 5 years of experience in a community garden
- The Neighborhood Garden Trust, Pennsylvania Horticultural Society or a similar entity has determined the applicant has the capacity to maintain, improve and insure the property
- The City Planning Commission staff has deemed the garden to be a neighborhood asset
- Properties in areas of the city lacking access to permanent open spaces will receive priority

Steps:

1. The Land Bank, in cooperation with external advocates and stakeholders, will identify areas of the City where new gardens achieve a greater public purpose
2. The applicant must demonstrate how gardening on the site will eliminate blight, increase access to fresh produce for low-income residents and foster neighborhood cohesion and sense of community
3. Explore costs and benefits of potential tax collection compared to potential reuse with Departments of Revenue and Finance
4. Secure agreement by District Council person to pursue property for intended program outcome
5. Secure approval from Philadelphia School District to waive tax liens
6. Certify properties for sheriff's sale process

Category VI. Other Neighborhood and Economic Development Reuses

Goal/Public Purpose: To support neighborhood revitalization strategies that provide new or expanded social services, education, recreation and commercial amenities and investment.

Other Neighborhood and Economic Development reuses will be considered if:

- Proposed use and location aligns to a stated community need in a neighborhood or district plan.
- Proposed development has secured resources to acquire the land from the Land Bank at fair market value and has funding and organizational capacity to develop the proposed project.
- Each parcel has more than \$800 tax delinquency and public liens and abuts publicly owned land that will also be acquired as part of the redevelopment plan.

Steps:

1. Respond to requests as they are submitted
2. Coordinate with City Planning Commission (and external stakeholders, if appropriate) to determine if the proposed use is compatible with surrounding uses
3. Work with underwriting team to ensure the applicant has capacity and financial resources to acquire and redevelop property(ies)
4. Explore with Departments of Revenue and Finance costs and benefits of potential tax collection compared to potential reuse
5. Secure agreement by District Council person to pursue property for intended program outcome
6. Secure approval from Philadelphia School District to waive tax liens
7. Certify properties for sheriff's sale process