

MISSION STATEMENT

The LAWRENCE COUNTY LAND BANK (LCLB) will strategically acquire distressed properties and return them to productive, tax-paying use. The LCLB will: reduce blight; stabilize neighborhoods and property values; promote neighborhood reinvestment and economic development opportunities; and improve the quality of life in Lawrence County.

LCLB PURPOSE

- Facilitate the strategic acquisition of abandoned, tax-delinquent, unmarketable or other distressed properties and reclaim underutilized properties that can be razed to remove blight, rehabilitated, or transferred to increase residential ownership.
- Temporarily hold and manage certain types of properties designated for reuse.
- Work in partnership with Lawrence County municipalities and other appropriate agencies to assemble properties and consolidate ownership of properties in transitional areas.
- Promote healthy, sustainable neighborhoods across Lawrence County.

PRIORITIES & POLICIES

The strategic acquisition and disposition of properties by the LCLB, shall be governed by the following basic priorities and policies. The acquisition, use, and disposition of such properties shall, at all times, be consistent with the authority granted by the PA Land Bank Act 153 of 2012, the articles of incorporation and bylaws of the LCLB, and the public purposes set forth in the foregoing.

1. Policies Governing the Acquisition of Properties

In determining which, if any, properties shall be acquired, the LCLB shall give consideration to the following factors:

1. Proposals and requests by non-profit corporations that identify specific properties for ultimate acquisition and redevelopment.
2. Proposals and requests by governmental entities that identify specific properties for ultimate use and redevelopment.
3. Residential properties that are occupied or are available for immediate occupancy without need for substantial rehabilitation.
4. Improved properties that are the subject of an existing order for demolition that meet the criteria for demolition of improvements.
5. Vacant properties that could be placed into the "Side Lot Disposition Program."
6. Properties that would be in support of strategic neighborhood stabilization and revitalization plans.
7. Properties that would form a part of a land assemblage development plan.
8. Properties that will generate operating resources for the functions of the LCLB.

In determining the nature and extent of the properties to be acquired, the LCLB shall also give consideration to the location, property condition, the underlying values of the subject properties, the lien status, the ability to convey quit claim deeds, the financial resources available for acquisitions, the operational capacity of the LCLB, and the projected length of time for transfer of such properties to the ultimate transferees.

2. Priorities Concerning the Disposition of Properties

The LCLB will, at all times, attempt to identify an end user at the initiation of the acquisition process, thereby identifying a disposition strategy prior to a parcel being acquired. Not all properties that are desirable for land-banking will immediately have an end user. Cost for the LCLB to hold such properties after acquisition will be projected and factored into the acquisition decision.

The disposition of properties shall be based upon a combination of three different factors: The first factor involves the intended or planned use of the property. The second factor considers the nature and identity of the transferee of the property. The third factor addresses the impact of the property transfer on the short and long term neighborhood and community development plans. Within each factor is a ranking of priorities. The disposition of any given parcel will be based upon an assessment of the most efficient and effective way to maximize the aggregate policies and priorities. The Board and Staff of the LCLB shall at all times retain flexibility in evaluating the appropriate balancing of the priorities for the use of property, priorities as to the nature of the transferee of properties, and priorities concerning neighborhood and community development.

Priorities for Use of Property

1. Neighborhood revitalization.
2. Return of the property to productive, tax-paying status.
3. Land assemblage for economic development.
4. Long term “banking” of properties for future strategic uses.
5. Provision of financial resources for operating functions of the LCLB.

Priorities as to the Nature of the Transferee

1. Governmental entities, as per Commonwealth Code (e.g. Municipal right of first refusal).
2. Non-profit institutions including, but not limited to, academic and religious institutions, housing agencies and community development corporations.
3. Individuals who own and occupy residential property for purposes of the “Side Lot Disposition Program.”
4. Entities that are a partnership, limited liability corporation, or joint venture comprised of a private nonprofit corporation and a private profit entity.

Individuals and entities that were the prior owners of property at the time of a tax foreclosure shall be ineligible to be the transferee of such property from the LCLB.

Priorities Concerning Neighborhood and Community Development

1. The preservation of existing stable, viable neighborhoods and community gateways.
2. Neighborhoods and community gateways in which a proposed disposition will assist in halting a slowly occurring decline or deterioration.
3. Neighborhoods and community gateways which have recently experienced, or are continuing to experience, a rapid decline or deterioration.
4. Geographic areas which are predominantly non-viable for purposes of residential or commercial development.
5. Within and among each of the first four priorities, shall be a concurrent priority for targeted geographic areas for which a qualified strategic development plan has been approved.

3. Factors in Determining Consideration Due Upon Transfers

The following factors shall constitute general guidelines for determination of the consideration to be received by the LCLB for the transfer of properties. In each and every transfer of real property, the LCLB shall require good and valuable consideration in an amount to be specified below.

For the purpose of this document, "Property Costs" shall mean: the aggregate costs and expenses of the LCLB 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 LCLB allocable to the property.

For the purpose of this document, "Fair Market Value" shall mean the total market value set by the Lawrence County Assessment Office or the value set by an appraisal as performed by a duly-certified appraiser.

The amount of consideration shall be determined by the LCLB in its sole discretion. The consideration to be provided by the transferee to the LCLB may take the form of cash or certified funds, deferred financing, performance of contractual obligations, imposition of restrictive covenants, or other obligations and responsibilities of the transferee, or any combination thereof.

1. Transfers to Non-profit entities for affordable housing

Transfers of property to non-profit entities for the development, operation or maintenance of affordable housing shall require consideration in an amount equal to property cost or fair market value, or a combination of both, to be determined exclusively by the LCLB

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 shall be based upon deed restrictions for the use of the property.

- b. To the extent that transfers of property to governmental entities are anticipated as ‘conduit transfers’ by such governmental entities to third parties, the consideration shall consist of not less than then property costs, to be paid in cash or certified funds. The difference between the property costs and the fair market value may be included in consideration depending upon the relationship between the anticipated uses and the governing priorities of the LCLB.

3. *Side Lot Disposition Program*

The pricing policies applicable to the Side Lot Disposition Program shall be as set forth in the policies and procedures applicable to the Side Lot Disposition Program.

4. *Transfers of Property at Open Market Conditions*

Property that is transferred on the open real estate market, whether through auction or negotiated transfers, without restrictions as to future use shall be based upon consideration determined by the LCLB in its sole discretion. Such consideration shall be paid in full at the time of the transfer.

4. Side Lot Disposition Program

Individual parcels of property may be acquired by the LCLB and transferred to individuals in accordance with the following policies. The transfer of any given parcel of property in the Side Lot Disposition Program is subject to override by higher priorities as established by the LCLB.

These policies pertain to an individual, partnership and its partners, limited liability company (LLC) and its member(s), society, association, joint stock company, corporation and its shareholders, estate, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, any combination of individuals, and any other form of unincorporated enterprise owned or conducted by two or more persons.

A Side Lot Disposition Policies

1. Qualified Properties

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

- a. The property shall be vacant, unimproved real property.
- b. The property shall be physically contiguous to adjacent owner-occupied residential property, with not less than a 75% common boundary line at the side.
- c. Initial priority shall be given to the disposition of properties of insufficient size to permit independent development.

2. Transferees

- a. All transferees must own the contiguous property, and priority is given to transferees who personally occupy the contiguous property.
- b. The transferee must not own any real property (including both the contiguous lot and all other property in Lawrence County) that violates any local codes and ordinances.
- c. The transferee must not own any real property (including both the contiguous lot and any/all other property in Lawrence County) that is tax delinquent or has a history of sold property tax liens.
- d. The transferee must not have been the prior owner of any real property in Lawrence County that was transferred as a result of tax foreclosure proceedings.

3. Pricing

The amount of consideration shall be determined by the LCLB in its sole discretion.

4. *Additional Requirements*

In the event that multiple adjacent property owners desire to acquire the same side lot, the first applicant to the LCLB will receive priority.

5. Residential Land Transfers

A. *Residential Land Transfer Policies*

These policies pertain to transfers whose future use is residential. At time of transfer the property may be vacant, improved or ready to occupy.

These policies pertain to an individual, partnership and its partners, limited liability company (LLC) and its member(s), society, association, joint stock company, corporation and its shareholders, estate, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, any combination of individuals, and any other form of unincorporated enterprise owned or conducted by two or more persons and are as follows:

1. The transferee must not own any real property that violates any local codes or ordinances.
2. The transferee must not own any real property that is tax delinquent or has a history of sold property tax liens.
3. The subject property must not have been used by the transferee or a family member of the transferee as his or her personal residence at any time during the twelve (12) months immediately preceding the submission of application (except in tenant/owner relationships).
4. The transferee must not have been the prior owner of any real property in Lawrence County that was transferred as a result of tax foreclosure proceedings.
5. The use of transferred property must give consideration to any Community/Neighborhood Plan (if one is in place) and a letter of comment must be received from the appropriate planning groups.

6. The amount of consideration shall be determined by the LCLB in its sole discretion.
7. All development projects must be started and completed within a time frame negotiated with LCLB.
8. Options are available for 10% of the parcel price for up to a 12-month period. This fee will be credited to the parcel price at closing. If closing does not occur, the fee is forfeited. All option agreements are subject to all policies and procedures of the LCLB pertaining to property transfers.
9. A precise narrative description of future use of the property is required.
10. Transactions shall be structured in a manner that permits the LCLB to enforce recorded covenants or conditions upon title pertaining to development and use of the property for a specified period of time. Such restrictions may be enforced, in certain cases, through reliance on subordinate financing held by the LCLB.
11. The transferee must agree to pay future property taxes from time of transfer.
12. If code or ordinance violations exist with respect to the property at the time of the transfer, the transfer agreements shall specify a maximum period of time for elimination or correction of such violations, with the period of time to be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
13. The proposed use must be consistent with current zoning requirements or a waiver for non-conforming use is a condition precedent to the transfer.
14. Where rehabilitation of a property by the transferee is a condition of the transfer, the requirement for such rehabilitation shall be in accordance with rehabilitation standards as established by the LCLB and adequate completion of such rehabilitation shall be a condition to the release of restrictions or lien securing such performance.

The following additional policy shall apply to properties to be transferred to individual transferees as part of a homeownership program:

15. The owner-occupant must complete renovations and move into the structure within a time frame negotiated by the LCLB.

B. Residential Land Transfer Procedures – Owner occupied

The prospective transferee must submit the following documents to the LCLB:

1. Property address being requested
2. Rehabilitation / Improvement Specifications
3. Time Line for rehabilitation / improvement completion (if applicable)
4. Project financing (Pre-Qualification Letter for Lender)
5. Development budget (if applicable)
6. Most recent tax return or alternative income documentation
7. A picture identification
8. Proof of Social Security Number

C. *Residential Land Transfer Procedures – Non-owner occupied*

1. Required Application Documentation. The prospective buyer must submit the following documents to the LCLB Transaction Specialist:
 - a. List of property address(es)
 - b. Project Description
 - c. Development Team Description, including complete information on the following parties:
 - (i) Developer:
 - (ii) Co-developer/Partner:
 - (iii) Owner:
 - (iv) General Contractor:
 - (v) Consultants:
 - (vi) Architect:
 - (vii) Project Manager (during construction)
 - (viii) Lead Construction Lender:
 - (ix) Marketing Agent:
 - (x) Project Management (post-construction)
 - d. Market Information / Plan
 - e. Project Financing
 - f. Development Budget
 - g. All Rental transactions must attach an operating budget
 - h. Income documentation
 - i. Evidence of compliance with all applicable LCLB policies

6. Commercial Land Transfers

A. *Commercial Land Transfer Policies*

The following policies pertain to transfers of real property for which the intended future use is non-residential. At time of transfer, the property may be vacant, improved or ready to occupy. These policies pertain to an individual, partnership and its partners, limited liability company (LLC) and its member(s), society, association, joint stock company, corporation and its shareholders, estate, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, any combination of individuals, and any other form of unincorporated enterprise owned or conducted by two or more persons:

1. The transferee must not own any real property that violates any local codes or ordinances.
2. The transferee must not own any real property that is tax delinquent or has a history of sold property tax liens.
3. The subject property must not have been used by the transferee or a family member of the transferee 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. The transferee must not have been the prior owner of any real property in Lawrence County that was transferred as a result of tax foreclosure proceedings.
5. The use of transferred property must give consideration to any Community/Neighborhood Plan (if one is in place) and a letter of comment must be received from the appropriate planning groups.
6. The amount of consideration shall be determined by the LCLB in its sole discretion.
7. All development projects should be started and completed within a time frame negotiated with the LCLB.
8. Options are available for 10% of the parcel price for up to a 12-month period. This fee will be credited to the parcel price at closing. If closing does not occur, the fee is forfeited. All option agreements are subject to all policies and procedures of the Land Bank pertaining to property transfers.
9. A precise narrative description of future use of the property is required.
10. Transactions shall be structured in a manner that permits the LCLB to enforce recorded covenants or conditions upon title pertaining to development and use of the property for a specified period of time. Such restrictions may be enforced, in certain cases, through reliance on subordinate financing held by the LCLB.
11. The transferee must agree to pay future property taxes from time of transfer.
12. If code or ordinance violations exist with respect to the property at the time of the transfer, the transfer agreements shall specify a maximum period of time for elimination or correction of such violations, with the period of time be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
13. The proposed use must be consistent with current zoning requirements, or a waiver for non-conforming use is a condition precedent to the transfer.

B. Commercial Land Transfer Procedures

Required Application Documentation. The prospective buyer must submit the following documents to the LCLB Transaction Specialist.

1. List of property address(es)
2. Project Description
3. Development Team Description, including complete information on the following parties:
 - a. Developer
 - b. Co-developer/Partner
 - c. Owner
 - d. General Contractor
 - e. Consultants
 - f. Architect
 - g. Project Manager (during construction)
 - h. Lead Construction Lender
 - i. Marketing Agent
 - j. Project Management (post-construction)
4. Market Information / Plan
5. Project Financing

6. Development Budget
7. Operating Budget
8. Income documentation
9. List of Potential Tenants and pre-lease agreements
10. Evidence of compliance with all applicable LCLB policies

7. Disposition Procedures for Foreclosed Parcels

The following process will be followed when foreclosed parcels are to be considered by the LCLB:

1. Accept expressions of interest or applications from municipalities, general public, institutions, nonprofits, etc.
2. Conduct due diligence: Identify the need for acquisition, cost-benefit analysis, conduct site visit, review zoning and land use regulations, identify end user/disposition strategy.
 - a. \$20.00 property inspection fee covers hard costs of review (mileage, postage, etc.); fee waived for municipalities and nonprofit organizations.
3. LCLB executive director consults with the LCLB board chairman on decision to accept or reject request. All decisions are final.
 - a. Municipality notified of application and shall have five (5) business days to register objections.
4. Applicants notified of decision.
5. Applicant and LCLB agree upon purchase price; applicant makes non-refundable down payment of 10% (ten percent) of the purchase price.
6. Approved applications move to Solicitor's Office for LCLB foreclosure.
 - a. Title work ordered.
 - b. Research completed.
 - c. Court documents prepared.
 - d. Solicitor's Office reviews and revises court documents.
7. Solicitor files LCLB foreclosure.
8. Solicitor's staff monitors court dates.
9. Solicitor invokes use of alternative redemption period at judgment hearing.
10. Notification to owner of 45-day redemption period, as per legislation.
11. Solicitor's staff monitors redemption.
 - a. If redemption, LCLB pursues its portion of redemption from Clerk of Courts/Treasurer.
 - b. If no redemption, notice of forfeiture and deed transfer to LCLB.
12. LCLB Board of Directors approves deed transfer to end user. All decisions are final.
13. If an end user has been identified, end user notified and deed transferred to new owner.
14. If end user fails to complete transaction, municipality notified about taking ownership.
15. If no end user has been identified, LCLB evaluates actions needed to stabilize property.

8. Approvals of Land Transfers

The executive director of LCLB will consult with the board chairman on decisions to recommend acceptance or rejection of deed transfer requests. Municipalities will be notified of all approved

transfers and provided five (5) business days to register any objections. Applicants will be notified of acceptance or rejection. The LCLB board of directors shall approve all deed transfers. All decisions are final.

9. Land Assembly Policies

The LCLB is willing to receive title to properties from community development corporations and other entities, and hold title to such properties pending future use by the LCLB, by the transferor of the property, or by other third parties. The receipt by the LCLB of any and all conveyances of real property shall at all times be solely at the discretion of the LCLB, and nothing in this policy shall be deemed to require the LCLB to take title to any property nor to limit the discretion of the LCLB in negotiating the terms of its acquisition of any property, whether donated or otherwise.

All conveyances received by the LCLB in its land-banking capacity must comply with the requirements set forth below in Part A, and will be reviewed and considered by the LCLB in accordance with the procedures set forth in Part B. If the transfer is approved by the LCLB, the LCLB shall hold the property, and may use or convey the property or any interest in the property, subject only to the right of repurchase set forth in Part C.

Following the transfer of any properties to the LCLB in accordance with this policy, the LCLB shall have the right, but not the obligation, to maintain, repair, demolish, clean, and grade the subject property and perform any and all other tasks and services with respect to the subject property as the LCLB may deem necessary and appropriate in its sole discretion.

A. Requirements for Conveyances to the LCLB in its land-banking capacity

1. Property that is intended to be conveyed to the LCLB and to be held by the LCLB in its land-banking capacity shall be clearly designated as such in the proposal for the transfer, and in the records of the LCLB.
2. No property shall be transferred to the LCLB pursuant to this land-banking policy unless the transferor is either a private nonprofit entity or a governmental entity.
3. The subject property must be located in Lawrence County, Pennsylvania.
4. The subject property must not be occupied by any party or parties as of the date of transfer to the LCLB.
5. The subject property must, as of the date of the transfer to the LCLB, be free of any and all liens for ad valorem taxes, special assessments, and other liens or encumbrances in favor of local, state or federal government entities.
6. The subject property must, as of the date of the transfer to the LCLB, be free of all outstanding mortgages and security instruments.

B. Procedures for Conveyances to the LCLB in its land-banking capacity

1. The transferor of any proposed conveyance to the LCLB in its land-banking capacity shall prepare a written proposal containing the following information:

- a. A current legal description of the property.
 - b. A current title report, or other similar evidence, indicating that the property is free of all liens and encumbrances specified in Part A.
 - c. A description of the transferor's intended uses of the property and the time frame for use and development of the property by the transferor.
2. Following receipt of the proposal, the LCLB shall review the proposal and notify the transferor of its approval or disapproval, and of any changes or additions that may be necessary as determined by the LCLB in its sole discretion.

C. Right of Repurchase by the Transferor

1. The transferor shall have a right to repurchase the subject property from the LCLB at any time within a period of three (3) years from the date of transfer to the LCLB by giving notice to the LCLB.
2. The right of repurchase may be exercised by the transferor upon payment to the Land Bank of the purchase price. The purchase price shall be an amount equal to (i) all expenditures of the LCLB (whether made directly by the LCLB or through payments to a third party contractor) in connection with the subject property incurred subsequent to the date of conveyance to the LCLB, and (ii) an amount determined by the LCLB as its average indirect costs, on a per parcel basis, of holding its portfolio of properties.
3. The LCLB shall have the right, at any time within the three year period following the date of the original transfer, to require the transferor to exercise its right of repurchase by giving written notice to the transferor of the requirement that it exercise its right of repurchase and the amount of the purchase price. The transferor must exercise its right of repurchase, and close the re-conveyance of the property within sixty (60) days of receipt of such notice. Failure of the transferor to exercise and close upon its right of repurchase within such period of time shall result in a termination of all rights of repurchase with respect to the subject property.

10. Transfer of Rehabilitated Properties

These policies apply to the disposition by the LCLB of improved real property which is rehabilitated by or on behalf of the LCLB prior to its disposition to a transferee.

A. Rehabilitation and Marketing

1. The LCLB shall undertake, in its sole discretion, rehabilitation of properties prior to the transfer to third parties. The nature and extent of any such rehabilitation shall be determined by the LCLB in its sole discretion.
2. At the commencement of rehabilitation a sign may be placed on the property indicating that the property is owned by the LCLB.

3. A real estate agent, or Realtor, may be selected in accordance with LCLB guidelines to assist in the marketing of the property. A listing agreement will normally be signed with such agent approximately two months prior to completion of the rehabilitation. Marketing of the property will normally commence at this point. The Land Bank will make available information on the property and on the procedures to be followed by parties interested in the possible acquisition of the property.

B. Sale of Rehabilitated Properties

1. A non-refundable escrow deposit shall be required for all contracts for the disposition of property rehabilitated by the LCLB. Such deposit shall be in an amount established by the LCLB, but shall not be less than \$500 for a purchase price of \$30,000 or less, and \$1,000 for a purchase price greater than \$30,000.
2. A sales contract shall be submitted to the LCLB for review, and must comply with all policies and procedures of the LCLB. The sales contract shall not be binding upon the LCLB until approved by the Director.

11. Blight Elimination

Because the LCLB will generally be on the receiving end of the most challenged and damaged property in Lawrence County, the best use for many of those acquired properties will be the elimination of blight. As a result, many of these properties may be demolished.

Demolition may occur in conjunction with a transfer to a qualified end-user. Demolition may also occur while the LCLB works to identify a side-lot end-user or users who will take title to the future unimproved land, or in coordination with land assembly for future use.

Every LCLB demolition will be completed to the standards required by the local municipality and/or to other higher standards required by the Pennsylvania Department of Environmental Protection (DEP).

12. Maintenance

As a general policy, the LCLB will work with qualified end-users, community-minded neighbors, and others to return a property to productive, private ownership as soon as possible. However, the LCLB will acquire parcels that may require periodic maintenance while an end-user is solicited.

The LCLB's resources are best used to identify an end-user who will take title to the property and return it to productive use. With this in mind, the LCLB will attempt to achieve an appropriate balance between necessary maintenance and the efficient use of its resources.

Maintenance Properties

When an inspection determines that a lot or structure has marketable potential and recommends against demolition, the parcel shall be considered a Maintenance Property.

To use resources most efficiently, the LCLB will prioritize maintenance partnerships with public-sector or non-profit partners whenever possible. The LCLB will seek qualified vendors as needed for all necessary maintenance on properties.

The LCLB recognizes that the appropriate level of maintenance may vary by property. Maintenance resources will be coordinated in such a way to most efficiently return the property to a productive use. When partnering with the public sector, the LCLB will coordinate its maintenance with the existing maintenance schedule of the municipality.

Any resident, business, neighbor, block watch or other organization interested in caring for vacant LCLB properties are eligible to adopt a lot. The Adopt-a-Lot program will be offered at no cost.

13. Insurance

All properties that the LCLB acquires will be covered by general liability insurance for the duration of the LCLB's ownership. The LCLB may secure property insurance for those parcels with structures present that are not scheduled for blight elimination.

Factors to consider regarding the purchase of property insurance include the proposed length of LCLB ownership and the present fair market value of the property.