

## Pittsburgh Land Bank: FAQs

### **What is a land bank?**

A land bank is a locally-created, locally-controlled, state-enabled, single-purpose entity whose job it is to amass, inventory, manage and market blighted, abandoned and tax foreclosed properties that are sitting deteriorated and unused, bringing down property values and depressing the local market. Land banks offer public agencies a number of robust options to undercut dynamics in the real estate market that often encourage, rather than avert, urban blight. Properties that are too deteriorated, low-value, or constrained by title problems to be feasibly preserved or rehabbed either by the market, partnerships, or even subsidized nonprofit programs can often be turned into assets, or at least less actively negative influences, by the intervention of a land bank.

### **What does the land bank do?**

Land banks enable new homeowners to invest in their communities. The job of the land bank is to make it faster, easier, and cheaper for responsible new owners—developers, community groups, neighbors, farmers, gardeners, builders—to fix up blighted, abandoned properties and get them back onto market. It is like a re-sale operation for forgotten land, removing problem properties from an endless cycle of vacancy, abandonment, and tax foreclosure, and returning them to productive and income-generating, neighborhood-improving use.

### **Is the land bank a government (or quasi-governmental) agency?**

The Land Bank is not a government agency. The land bank is a public entity created by the city that will have a separate Board, made up of City Council members and community members, in the Council Districts with the greatest number of vacant properties who are residents of or work at the community-based organization. The Board will fairly and accurately represent the communities most directly affected by blight and abandonment.

### **Does the land bank infringe on property rights?**

Land banks protect property rights. Our current system allows irresponsible property owners to steal equity from law abiding, tax-paying owners. The presence of a blighted property on a block reduces the market value of neighboring properties by thousands of dollars. This not only harms those owners, it reduces the taxable value of their properties, thereby taking revenue from local governments.

### **Can't the URA already do the same thing as a land bank?**

Why not use existing entities, like redevelopment authorities or local governments? Redevelopment authorities like the URA are generally focused on specific areas or projects and do not take a comprehensive approach to bolstering real estate markets. Many local governments do land bank properties, either intentionally through strategic acquisitions or reluctantly via the tax claim bureau repositories, but few have the staff or financial resources to effectively maintain, manage, and market these properties. As a result, local governments and

redevelopment authorities can become exactly what they are trying to fight – large-scale owners of vacant and blighted properties. Land banks, on the other hand, have the technical and financial capacity, and the focus, to systematically inventory, maintain, and sell properties in a way that strengthens local markets, engages the community, and improves neighborhoods.

### **Why do we need a land bank?**

Because currently it is no one's job—or within anyone's power—to look at all the vacant blighted property in the city and get it into productive re-use. Obstacles such as inability to find the owner and lack of clear title—with no clear path to retrieve it, and debt on the property that often exceeds the property's worth—overwhelm potential buyers. Local communities need a modern system for addressing blighted, abandoned properties to make it easier for responsible buyers to purchase developable land that is currently unavailable in order to revitalize local housing markets, raise property values, and improve community infrastructure.

### **Land bank or land grab?**

Non-displacement is of the highest priority for the land bank, with homeownership preservation as the goal. Currently, there are systems in place that require tax-foreclosing bodies to provide hardship payment plans to owner-occupants who are unable to pay their taxes. The requirement for tax-foreclosing bodies will not change under the Land Bank. The land bank will make every effort to refrain from purchasing owner-occupied housing so as not to displace individuals or families. And, the land bank will not try to acquire owner-occupied properties without first confirming that an appropriate payment plan has been offered for any municipal taxes or claims, including evaluation for an income-based payment agreement.

### **Can the land bank kick you out of your house if you owe taxes?**

Homeownership preservation is critically important. Both the state legislation that authorizes the creation of land banks and Pittsburgh's land bank require that there be a preference toward keeping people in their homes. There is already a system in place for hardship payment plans. The City's Federally-mandated Foley settlement language provides a safety net for those who have fallen on hard times.

Sources: [Center for Community Progress](#), [Housing Alliance of Pennsylvania](#), [Smart Growth America](#), [Pittsburgh Community Reinvestment Group](#)