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Ordinance No. 2013 - 4

**Dauphin County Land Bank Authority**

*WHEREAS*, This Chapter is in accordance with the provisions of Act 153, enacted by the PA General Assembly and signed into law by the Governor on October 24, 2012, and

*WHEREAS*, The Dauphin County Land Bank Authority, hereinafter the "Land Bank", shall possess all powers and duties permitted to it under state law, except where expressly limited in this Chapter, and

*WHEREAS*, The Dauphin County Board of Commissioners finds and declares that there is a need for a land bank to function within the territorial limits of the County of Dauphin, within the Commonwealth of Pennsylvania, and

*WHEREAS*, The mission of the Land Bank is to deter blight and to return vacant property to productive status using a unified, predictable, and transparent process, thereby revitalizing neighborhoods and strengthening the County's tax base.

**§ 1. Creation and Purpose**

1. The purpose of this Ordinance is to create the Dauphin County Land Bank Authority that will use available resources to facilitate the return of vacant, blighted, abandoned and tax-delinquent properties to productive use thereby combating community deterioration, creating economic growth and stabilizing the housing and job market.

The Land Bank will acquire, hold, and transfer interest in real property throughout Dauphin County as approved by the Board of Directors for the following purposes: to deter the spread of blight; to promote redevelopment and reuse of vacant, abandoned, and tax-delinquent properties; to support targeted efforts to stabilize neighborhoods; stimulate residential, commercial and industrial development; all in ways that are consistent with goals and priorities established by this Ordinance, local government partners and other community stakeholders.

2. The County of Dauphin, the Dauphin County Redevelopment Authority, and the Dauphin County Housing Authority, shall identify all surplus vacant property owned by these entities and property these entities wish the Land Bank to acquire.

3. All personnel, facilities, equipment and supplies within the Land Bank shall be governed by a Board of Directors as provided herein.

**§ 2. Definitions**

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

**Municipal Tax** – Any property tax imposed and billed by the Municipal, School District and County governments.

**Owner-occupant** – A natural person with a legal or equitable ownership interest in property which was the primary residence of the person for at least three consecutive months at any point in the year preceding the date of initial delinquency.

**Real property** – Land and all structures and fixtures thereon and all estates and interests in land, including easements, covenants and leaseholders.

**Financial institution** – A bank, savings association, operating subsidiary of a bank or savings association, credit union, or an association licensed to originate mortgage loans or an assignee of a mortgage or note originated by such an institution.

**Land Bank** – A public body and a body corporate and politic established under this chapter.

**Real Property** – All land and the buildings thereon, all things permanently attached to land or to the buildings thereon, and any interest existing in, issuing out of, or dependent upon land or the buildings thereon.

### § 3. Board of Directors

#### 1. Appointments.

The Land Bank shall be governed by a Board of Directors comprised of seven (7) members that reflect the diversity and range of interests affected by the Land Bank's activities.

Each member of the Dauphin County Redevelopment Authority on the date of creation of the Land Bank shall serve on the Land Bank Authority for the same term as his or her term on the Dauphin County Redevelopment Authority and the Dauphin County Board of Commissioners shall appoint two additional members who are residents of Dauphin County and, at least one of whom shall not be a public official or municipal employee and shall maintain a membership with a recognized civic organization in Dauphin County.

- a. The members of the Dauphin County Redevelopment Authority shall serve on the Land Bank Authority Board for so long as they serve on the Dauphin County Redevelopment Authority and the Dauphin County Board of Commissioners shall appoint two additional members who also shall serve a 4 year staggered term with the first member appointed to serve a four year term from January 1 of the year of creation of the Land Bank Authority and the second member appointed to serve a two year term from January 1 of the year of the creation of the Land Bank Authority. Members may be appointed for consecutive terms thereafter with each term being for four years or the unexpired portion thereof. Newly appointed members of the Dauphin County Redevelopment Authority shall automatically be members of the Land Bank Authority for a term the same as his or her term on the Redevelopment Authority.
- b. Members shall continue to serve until their successors have been appointed and confirmed.
- c. Members shall serve without compensation and may seek reimbursement for expenses associated with duties relating to Land Bank activities.
- d. Members of the Board of the Land Bank and its employees shall be subject to the Act of July 19, 1957 (P.L. 101), No. 451, known as the State Adverse Interest Act and the ethical standards and disclosure requirements of 65 Pa.C.S. Chapter 11 and

any other supplemental rules and guidelines adopted by the Board of the Land Bank.

2. Officers

The Land Bank members shall elect officers to serve as Chair, Vice Chair, Secretary and Treasurer to serve one (1) year terms. Members may be re-elected to serve successive terms. The duties of officers shall be established by the Board according to law.

3. Vacancies

Any vacancy in the two members appointed by the Dauphin County Board of Commissioners shall be filled by appointment by the Dauphin County Board of Commissioners. Vacancies in members serving by virtue of appointment to the Dauphin County Redevelopment Authority shall be filled by the person appointed to fill that vacancy at the Dauphin County Redevelopment Authority.

4. Meetings

The Land Bank shall hold regular public meetings, shall make each meeting's agenda available on the Land Bank's website in advance of such meeting and shall allow for public comment on matters under deliberation at each such public meeting. The place, date and time of the Land Bank meetings shall be determined at the discretion of the Board of Directors. All meetings of the Board of Directors shall comply with the Pennsylvania Sunshine Act. The Chair of the Board may call special meetings by written notice of at least twenty-four (24) hours to each Board member and in accordance with the Pennsylvania Sunshine Act.

A quorum shall be necessary for the transaction of any business by the Board of Directors. A majority of the Members of the Board of Directors, excluding vacancies on the Board, shall constitute a quorum. The Board of Directors shall act by a majority vote of the Members at a meeting at which a quorum is present, except as otherwise provided in this Ordinance. No voting by proxy shall be permitted.

Minutes of all meetings of the Board of Directors and its Committees shall be made and maintained.

5. Land Bank - Powers

The Members of the Land Bank Authority are under a fiduciary duty to conduct the activities and affairs of the Land Bank in the best interests of the residents of the County of Dauphin, including the safekeeping and use of all Land Bank monies and assets. The Board of Directors shall discharge their duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

The Land Bank shall have the following powers and duties:

- a. To develop stewardship and management plans for each acquired interest not inconsistent with or detrimental to the purpose/rationale which justifies its acquisition;
- b. To supervise the management of the property interests acquired;
- c. To develop annual reports of Land Bank activity;

- d. To conduct real property appraisals;
- e. To negotiate real property purchases or trades;
- f. To provide for a system of accounting;
- g. To adopt, amend and/or repeal policies and procedures for contracting and procurement which must be consistent with the provisions set forth in the Dauphin County Codified Ordinances;
- h. To borrow money from private lenders, from cities or counties, from the state or from federal government funds to further or carry out the Land Bank's public purpose by executing leases, trust indentures, trust agreements, agreements for the sale notes, loan agreements, mortgages, deeds to secure debt, trust deeds, security agreements, assignments, and such other agreements or instruments as may be necessary or desirable, in the judgment of the Land Bank, to evidence and to provide security for such borrowing;
- i. To make application directly or indirectly to any federal, state, county, or municipal government or agency or to any other source, whether public or private, for loans, grants, gifts, guarantees, labor, or other aid or financial assistance in furtherance of the Land Bank's public purpose and to accept and use the same upon such terms and conditions as are prescribed by such federal, state, county, or municipal government or agency or other source;
- j. The County hereby assents to real estate tax payment allocation to the Land Bank for properties returned to the tax rolls after Land Bank ownership with regard to County real estate taxes to the extent allowed by state law and the Land Bank Authority is authorized to seek allocation of real estate taxes on return of land to the tax rolls after Land Bank ownership by agreement with other applicable taxing authorities; and
- k. All other powers and duties provided for, authorized or allocated under Act 153 of 2012, 68 Pa.C.S.A. at Section 2107.

#### **§ 4. Land Bank Staff**

1. Employees – The Land Bank may staff in conjunction with the Dauphin County Redevelopment Authority or other partnering public entities, including an executive director, counsel and technical experts and other individuals.

2. Contracts – The Land Bank may enter into a contract or memorandum of understanding or intergovernmental cooperation agreement with a municipality for:

- a. The municipality to provide staffing services to the Land Bank; or
- b. The Land Bank to provide staffing services to the municipality; or
- c. The municipality to provide services to the Land Bank.

## **§ 5. Acquisition of Property**

1. The Land Bank is authorized to acquire real property or interests in real property through donation, gift, purchase, or any other legal means, including tax sale or judicial sale or by transfer from the Tax Claim Bureau. The Land Bank shall hold in its own name all real property it acquires. The Land Bank may only acquire real property located in Dauphin County.

## **§ 6. Inventory**

1. The Land Bank shall maintain and make publicly accessible on its website, and at its offices during normal business hours, the following information: an up-to-date inventory of property owned by the Land Bank.

## **§ 7. Discharge and Abatement of Real Estate Taxes, Water and Sewer Charges, and Other Municipal Claims**

1. The Land Bank is authorized to discharge liens and other municipal claims, charges, or fines of Dauphin County and the Land Bank may seek to enter into an agreement for discharges from the applicable municipal body against the properties it acquires.

2. For the duration of the time a property is held by the Land Bank, the Land Bank is authorized to abate all real estate taxes, water and sewer charges, and other municipal charges by the County of Dauphin and to the extent necessary, may seek abatement or non-taxable status, from other applicable government entities.

## **§ 8. Disposition of Property**

1. The Land Bank is authorized to convey, exchange, sell, transfer, lease, grant, or mortgage interests in real property of the Land Bank in the form and by the method determined to be in the best interests of the Land Bank, except where expressly limited in this Section.

2. The Board of Directors may delegate this disposition authority to the staff of the Land Bank except in the following circumstances in which the Board itself must review and approve transfers of property at a public meeting:

- a. The proposed terms of the transaction conflict with the Land Bank's published policies or procedures; or
- b. When otherwise required by state law.

## **§ 9. Pricing**

1. Market Value shall be determined by up-to-date data, and by using the valuation method that the Land Bank or its staff has determined is most appropriate given the particular conditions of the property and surrounding market.

2. Nominal or reduced price disposition shall be an option for any property owned by the Land Bank.

3. In calculating a reduced sales price, the discount shall take into account the benefit provided by the proposed use, and the amount of discount needed to make the project both initially financially feasible and continually sustainable.

4. For housing projects serving households at a mix of income levels, the Land Bank may count the number of low and moderate income households served and provide proportionate discounting.

5. The Land Bank shall make available an appeals process wherein a potential purchaser may submit evidence relevant to the value of a property.

6. The Land Bank shall enforce any provisions agreed upon as conditions of sale between the transferee and the Land Bank through legally binding mechanisms, including but not limited to deed restrictions, covenants, and mortgages.

#### **§ 10. Policies**

1. Policies of the Land Bank shall be initially adopted and thereafter reviewed at least every other year by the Board of Directors of the Land Bank, with opportunity for public input and comment. Policies shall be published on the Land Bank's website.

#### **§ 11. Financial Provisions**

The Land Bank shall retain proceeds from the sale of any properties to cover or contribute to operating costs, maintenance of inventory, and to support additional strategic property acquisition, up to whatever amount shall be specified in the Land Bank's policies, provided that is consistent with law.

#### **§ 12. Dissolution; Distribution of Assets in Case of Dissolution**

The Land Bank may be dissolved according to the requirements of state law upon a finding adopted by a two thirds majority of the Board of Directors and approved by the Dauphin County Board of Commissioners that there is no longer any need for a land bank to function within the territorial limits of the County of Dauphin. Assets, upon dissolution of the Land Bank, shall be distributed according to law.

#### **§ 13. Indemnification**

1. The Land Bank shall obtain insurance to defend and indemnify the Land Bank and the Members of the Board of Directors with respect to all claims or judgments arising out of their activities as Members with respect to all negligence claims, and claims or judgments arising out of Land Bank activities performed on behalf of the Land Bank or County. Insurance may be through coverage by the County of Dauphin.

2. The County shall indemnify the Land Bank and the Members of the Board except it shall not be obligated to indemnify the Land Bank Board Members for:

- a. Punitive damages or liability arising out of conduct which is based upon willful or wanton conduct.
- b. Conduct which is outside the scope of the Land Bank.
- c. Any settlement or judgment in which the County did not participate.

d. The defense of any criminal or disciplinary proceeding.

3. To be eligible for defense and indemnification, the Land Bank or Members shall be obligated to:

- a. Notify, within five days of receipt, the County of Dauphin of any claim made against the Members or Land Bank and deliver all written demands, complaints and other legal papers received with respect to such claim.
- b. Cooperate during the investigation and defense of any claim against the County or any Member of the Land Bank, including, but not limited to, preparing for and attending depositions, hearings and trials and otherwise assisting in securing and giving evidence.


**§ 14. Repealer**

All Ordinances and parts of Ordinances inconsistent with this Ordinance are hereby repealed insofar as they are inconsistent herewith.

ENACTED AND ORDAINED as an Ordinance this 22 day of May, 2013.


Attest:

**BOARD OF COMMISSIONERS OF  
DAUPHIN COUNTY**

  
\_\_\_\_\_  
Laura E. Evans, Esquire  
Chief Clerk

  
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Jeff Haste, Chairman

  
\_\_\_\_\_  
Mike Pries, Vice Chairman

  
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George P. Hartwick, III, Secretary