



Pittsburgh Community Reinvestment Group

Vacant Property Working Group 2005 Year in Review

The Vacant Property Working Group

The Pittsburgh Community Reinvestment Group's Vacant Property Working Group (VPWG) is a coalition of community stakeholders working collectively toward the eradication of vacant and nuisance properties in the City of Pittsburgh and Allegheny County. Nearly 50 organizations work with VPWG on an on-going basis, sharing information, assisting with project development, seeking input from community members. VPWG partners include community organizations, faith-based entities, government agencies, financial institutions, universities and other community stakeholders. The VPWG mission is to build and refine the policies, programs and resources necessary to recycle vacant land and promote community revitalization.

Over the course of the past year, the VPWG accomplished a number of successes in policy and programming that advanced land recycling and community development in Pittsburgh's neighborhoods.

Projects and Events

Each year, the VPWG engages in projects that benefit Pittsburgh's entire community development field. These projects provide community development professionals educational training and opportunities to engage in decision-making efforts that affect how our region grows. This year, there were three major projects managed by VPWG staff.

Second Class City Treasurer's Sale and Land Reserve Orientation

Traditionally, community developers and other parties interested in learning how to acquire property through the City of Pittsburgh Treasurer's Sale and land reserve process inquire about the program and receive individual instruction or training as needed by the VPWG staff person. As the interest in the program grew, it became apparent that hosting an annual or semi-annual (depending on demand) training session for all interested parties would be more efficient. This session could also serve as a 'refresher' for veterans on the process and an opportunity to share best practices and ask questions.

The first annual VPWG orientation and training session was held on January 14, 2005. Along with the session, a written document was produced that outlines the process and necessary steps and actions for CDCs. This was the first documented version of the process.

Mayoral Candidates Debate on Neighborhood Development

In 2005, the city of Pittsburgh saw the election of a new mayoral administration. As a coalition organization, PCRG wanted to impress upon the new administration the importance of community development in building stable and healthy communities and the strength of this professional field in Pittsburgh. In cooperation with the Community Technical Assistance Center (CTAC), PCRG sponsored a candidate's debate highlighting issues pertinent to neighborhoods and community development professionals.

Held May 2, 2005 at the Kelly Strayhorn Theater in East Liberty, the debate highlighted development issues and allowed candidates the opportunity to present their ideas to an audience of community development staff, board, and financial partners. Topics covered included:

- Support for a city/county merger or consolidation of services
- Future sales of tax lien portfolios
- Parks and green spaces
- Gap financing for housing development
- Funding for community organization operating support as mandated by Act 47

The event was moderated by Andrew Conte of the *Pittsburgh Tribune Review* and Brian O'Neill of the *Pittsburgh Post Gazette* and was broadcast on Pittsburgh Cable Television. Over 175 representatives from the community development field attended the event.

URA Project Pipeline and Criteria

In January 2005, Deputy Mayor Tom Cox initiated discussions between the URA and community organizations regarding the development pipeline and a lack of development resources for these projects. These discussions were intended to focus on neighborhoods and how as a collective community development field, we can begin to look at the allocation of limited development resources for neighborhoods. In cooperation with the Community Technical Assistance Center (CTAC), PCRG initiated an analysis of the development pipeline and the process used for URA development fund allocation.

Working with community developers and URA staff, the project pipeline was revised for accuracy/feasibility and estimates were generated on the amount of funding dollars needed for housing development over the next 3-5 years. The study found that housing development projects pending with the URA suggests a \$5.5 million shortfall in needed project dollars for 2005 and a gap of \$16 million for 2006.

PCRG also compiled standard funding criteria for development projects from existing sources such as Grantmakers of Western PA, ACCBO, PPND, PHFA, and URA. Criteria for funding projects were compiled into a draft document, distributed to the CD industry for comment and revision in April 2005.

The goal is to generate a new documented system for tracking development projects and allocating URA project funds. The goal is a new application and checklist system that will make the process of fund allocation more objective, transparent and consistent.

Discussions are ongoing with URA officials regarding a new system for allocating development project funds. PCRG and other community representatives have the commitment and cooperation of the URA to draft and implement a new application and checklist system that will make the process of development fund allocation more objective, transparent, and consistent. PCRG will continue to work with URA officials to create and implement a new system as well as host an annual event bringing community developers together and providing a '101 Course' on the development and funding process in the City of Pittsburgh. Given the time sensitivity of an outgoing administration, I anticipate new criteria will be developed and implemented by the years end.

Policy and Issue Education

Research and advocacy for sound public policy is PCRG's main objective. The VPWG undertook and monitored a number of policy issues this year and had some great successes.

PCRG Legislative Updates

PCRG began the distribution of Legislative Updates in June 2005. This bimonthly publication is a briefing on federal, state, and local policy initiatives related to PCRG's Anti-Predatory Lending and Vacant Property programs. The updates are distributed electronically and are available for download at www.pcr.org. This is a new service for members and partners which provides current legislative information and the resources to stay informed on policy that affects our region. Over the past year, the Legislative Update has covered a number of issues.

5 issues were produced, including a Policy Year in Review section included in the December 2005 update.

Housing Court

This issue was brought to the attention of VPWG last January when the group hosted a number of City representatives to discuss the issue. With the state mandating the dismantling of Pittsburgh Magistrates Court, community groups felt a transitory system was not effective in addressing issues of code compliance and nuisance properties in their communities.

VPWG efforts began with a decision to monitor the transitional system that was established. VPWG hosted district justice Cathleen Bubash and worked with former Magistrate Irene McLaughlin to collect information. In October, the VPWG played a lead role in working with Councilman Peduto on a resolution supporting a centralized housing court system. VPWG staff participated in a Council Post Agenda Session on the matter and was successful in efforts to get the resolution passed and bring awareness of the issue to Council and the general public. In December, President Judge Joe James enabled this legislation by appointing a single justice to hear all housing court cases for a one year term

Abandoned Cars

Due to the lead role VPWG played in addressing issues related to housing court, the group was approached by the Pittsburgh Police Bureau to undertake the similar issue of abandoned cars.

The VPWG hosted Assistant Police Chief, Nathan Harper to discuss the issue and plan a strategy for addressing abandoned cars in our neighborhoods.

Eminent Domain

With the Supreme Court ruling in *Kelo v. New London*, the issue of eminent domain became a hot topic in Pennsylvania this year. Bills introduced early in the session attempted to restrict all use of eminent domain powers for property that would not be held by a municipality. Working extensively with partners at the URA, the VPWG took on this issue as an important topic in revitalizing our neighborhoods. In September, VPWG staff testified before the Pennsylvania Legislative Committee on State Government and helped defeat a first set of bills severely limiting powers of eminent domain. The group played an integral role in advocating for changes to eminent domain legislation and partnered with 10,000 Friends on PA, the Housing Alliance and the Pennsylvania Association of Housing and Redevelopment Authorities (PAHRA) to propose changes to newly introduced bills. Although legislation eventually passed restricting these powers, the combined advocacy efforts provided flexibility and changes to the text to minimize the impact upon Pennsylvania's Redevelopment Authorities.

Guest Speakers:

Ron Graziano, BBI

Joanne Foerster, OMB

Judy Dyda, Mayor's Office

Tom Cox, URA

District Justice Kathleen Bubash

Julie DeSeyn, URA

Nathan Harper, Assistant Police Chief

State Representative Michael Diven

Property Recycling

Improve and streamline Treasurer's Sale Process

Over the past year, VPWG staff has created and maintained a property tracking data system for land reserve properties. While the City Finance Department manages the master database, the VPWG system tracks CDC properties at each phase of the Treasurers Sale and land reserve process allowing quick information retrieval for CDCs and the ability to provide trend analysis. The system identifies which phases of the system are obstacles in recycling vacant land so that policy recommendations are focused and supported by data. An additional service provided this year is the production of monthly Land Reserve Activity Reports that document changes in the reserve over the past month. This helps all PCRG members understand what developments are active and also alerts organizations of properties that need to be removed from the reserve.

One obstacle identified was the low approval numbers for applications due to a lack of review time at the URA. The VPWG and City Partners worked to collectively amend the Treasurer's Sale schedule to allow additional review time and communication with CDCs for the URA. This small change can have a great impact, allowing minor errors to be corrected and avoiding application denials and resubmissions.

Facilitation of lien buyback process.

The Vacant Property Working Group (VPWG) successfully worked to reinstate the process of City lien buybacks from Capital Asset Research Corporation (CARC). The VPWG assisted in facilitating an agreement between Pittsburgh Water and Sewer Authority (PWSA) and CARC that would remove one of the many barriers preventing buybacks from occurring. The VPWG has also conducted a letter writing campaign to City and School Board officials to have them commit to not selling another tax lien portfolio and agreeing to work with the VPWG on any future sale proposals.

School district tax lien sale to Xspand, Inc.

Continued vigilance and advocacy prevented an additional tax lien sale this year. Such sales generate immediate revenue for governments but encumber properties needed for development. In 2005, VPWG obtained a commitment from the Murphy Administration and the Pittsburgh Public School District that it would not sell additional liens, but financial pressure on government budgets make this a continued issue on the VPWG agenda.

REO properties

To expand the services PCRG provides to financial partners, the VPWG requested REO property information from our bank partners. This information was distributed to community members to see if any parcels are suitable for development. In addition to PCRG partners, successful relationships built in the APLI program allowed for the collection and distribution of REO information from Fannie Mae as well as national lenders such as CitiFinancial, Chase Home Finance, and HSBC. PCRG has facilitated negotiations between out of state banks and CDCs, but no successful transactions have occurred to date. PCRG hopes to strengthen this program and increase the transaction rate to benefit both community developers and financial institutions.

The Year Ahead

In cooperation with the URA, host a Development 101 Seminar for CBOs and CDCs to educate all about the development process.

Work with the new administration in refining the criteria and process for allocation URA development funding.

With local legislators, push the package of vacant property bills currently in the state legislature building upon the attention eminent domain has brought to property acquisition and development issues.

Work with City and PWSA officials to ensure adequate funding is provided for the ongoing buyback of liens from CARC for community development projects.

Strengthen the REO information collection, distribution, and deal facilitation system. Currently, there is no established process for collecting REO information or handling CDC requests. The VPWG will examine how to add value to the process for banks and CDCs.

Partners and Participants

2005 Private Partners	2005 Public Partners
Allegheny Valley Bank Capital Asset Research Corporation Chase Home Finance CitiFinancial Inc. Citizens Bank of Pennsylvania Dollar Bank ESB Bank Fannie Mae Fidelity Bank First National Bank of Pennsylvania GLS Properties HSBC NA Iron and Glass Bank Laurel Savings Bank Mellon Financial Corporation National City Bank of Pennsylvania Northwest Savings Bank Parkvale Savings Bank Pittsburgh Cable Television Pittsburgh City Paper Pittsburgh Post Gazette Pittsburgh Tribune Review PNC Financial Services Group Sky Bank SPUR Consulting	Allegheny County Court of Common Pleas Allegheny County Dept. of Economic Development City of Pittsburgh - Bureau of Building Inspection City of Pittsburgh - City Council City of Pittsburgh - City Planning City of Pittsburgh - Finance Department City of Pittsburgh - Law Department City of Pittsburgh - Mayor's Office City of Pittsburgh - Police Bureau PA Association of Housing and Redevelopment Authorities PA Department of Community and Economic Development Pennsylvania Housing Finance Agency Pittsburgh Housing Development Corporation Pittsburgh Public Schools Pittsburgh Water and Sewer Authority The Office of Congressman Michael Doyle The Office of State Representative Michael Diven The Office of State Senator James Ferlo U.S. Department of Housing and Urban Development Urban Redevelopment Authority of Pittsburgh
2005 Community Partners	
10,000 Friends of Pennsylvania Allegheny County Local Government Academy Bloomfield-Garfield Corporation Breachmenders Carnegie Mellon University Central Northside Neighborhoods Council Community Design Center of Pittsburgh Community Technical Assistance Center Crafton Heights Citizen Council East Allegheny Citizens Council East Liberty Concerned Citizen East Liberty Development, Inc. Fineview Citizens Council Friendship Development Associates Garfield Jubilee Association Glen Hazel Citizens Association Hazelwood Initiative Highland Park Community Development Corporation Hill Community Development Corporation Housing Alliance of Pennsylvania Lawrenceville Stakeholders Lawrenceville United	Lincoln Larimer Community Development Corporation Manchester Citizens Corporation Mon Valley Initiative Mount Washington Community Development Corporation National Community Reinvestment Coalition National Training and Information Center New Life Community Housing Development Corporation North Point Breeze Planning and Development Corporation North Side Leadership Conference Oakland Business Improvement District Oakland Planning and Development Corporation Observatory Hill Pittsburgh Downtown Living Initiative Pittsburgh Partnership for Neighborhood Development Regional Housing Legal Services South Side Local Development Company Spring Garden Neighborhood Council Sustainable Pittsburgh Troy Hill Citizens University of Pittsburgh Urban Land Institute West Pittsburgh Partnership

