



Pittsburgh Community Reinvestment Group

Vacant Property Working Group 2006 Year in Review

The Vacant Property Working Group

The Vacant Property Working Group (VPWG), a program of the Pittsburgh Community Reinvestment Group, is a coalition of community stakeholders collectively working to eradicate vacant and nuisance properties in the City of Pittsburgh and Allegheny County. VPWG partners include community development organizations, citizen councils, faith-based entities, private developers, government agencies, financial institutions, universities and others. The mission of the Vacant Property Working Group is to build and refine policies, programs and resources needed to recycle vacant land and promote community revitalization.

In 2006, the VPWG accomplished a number of successes in policy and programming that advanced land recycling and community development in Pittsburgh's neighborhoods.

Property Recycling

City of Pittsburgh Land Reserve

A primary function of the VPWG is to assist community development corporations (CDCs) in acquiring and assembling land using the City of Pittsburgh Treasurer's Sale and Land Reserve process. Over the past year, VPWG staff maintained a data system that tracks all CDC property requests at each phase of the Land Reserve process, allowing quick information retrieval and trend analysis. The database identifies which phases of the system are obstacles in recycling vacant land so that policy recommendations are focused and supported by data. Including the December 2006 Sale, the database now has complete data for 2 years or 8 consecutive Treasurer's Sales.

An additional service provided this year is the production of monthly and quarterly Land Reserve Activity Reports. These reports are brief, one page summaries that document changes in the reserve over a one month/quarter period. These snapshots allow quick identification of properties flowing in/out of the reserve and alert organizations of properties in default. Activity reports easily document the success of the Reserve system and are useful tools for local political leaders in tracking developments in their jurisdictions.

Over the past year, the Land Reserve has seen a steady flow of properties into and out of the system. The Reserve continues to be a critical tool in assembling land for large-scale housing projects, including those in Beltzhoover, Central Northside, East Liberty, Garfield, and Mt. Washington. In addition, the Reserve is being used for scattered site rehabilitation and vacant lot

stabilization in neighborhoods across the City. Below is a snapshot of Land Reserve activity in 2006.

Land Reserve at a Glance, 2006	
Reserve Capacity	300
Properties in Reserve as of 12/31/06	231
Total CDC property requests	148
Properties approved & placed in Reserve	69
Properties removed from Reserve	46
Net effect on Reserve balance	+23
Properties fully recycled since 1999	173

Vacant Property Steering Committee

As part of the late Mayor Bob O'Connor's Redd Up Campaign, a Steering Committee was formed to explore strategic approaches to address vacant property in the City of Pittsburgh. Made up of public, private and community partners, this Committee sought to identify the extent of the problem in the City and propose recommendations based on local needs and national best practices. As a participant, the VPWG prepared a paper identifying 'Barriers to Property Reclamation'. Using the knowledge and experience of VPWG partners, the paper identified various process barriers related to:

- Municipal systems that hold property owners accountable for the financial and physical state of their properties
- Acquisition and ownership of vacant property
- Reuse of vacant property into productive, aesthetic and tax generating uses

Tax Lien Buybacks

One of the major obstacles commonly identified in the land acquisition process is the ability to obtain a clear, marketable title for delinquent and abandoned property. Over the past year, VPWG worked with City Finance, Real Estate, Law and URA partners in reinstating a buyback process for community development projects. Working with the Finance Department, VPWG members prioritized projects and submitted requests for the individual buyback of liens with Capital Asset Research Corporation (CARC). Prior to the CARC settlement, there were a total of 16 buyback negotiations for Land Reserve properties, clearing titles for important parcels in Garfield, Oakland, East Liberty, Central Northside and Spring Garden. VPWG advocacy efforts were also successful in the request for \$200,000 for additional buyback funds in the 2007 budget.

Capital Asset Research Corporation (CARC)

While reinstating the buyback process was necessary to move current development projects forward, the City settlement with CARC was a tremendous achievement. On December 7, 2006 Mayor Luke Ravenstahl announced that his administration reached an agreement with CARC that would allow the City to buyback the remaining lien portfolio. The deal returned ownership of the liens to the City, along with the ability to compromise part or all of the debt on a property when appropriate. Regaining control of the liens means a more concrete timeline for acquisition and title clearing and an environment more conducive to investment and development.

Throughout the year, VPWG leaders advocated and provided input to City, CARC and media representatives on the state of the CARC portfolio, the impact upon community development and the need for a solution. The VPWG commended the Mayor's Office for their commitment to bringing this issue to a close.

Projects and Events

Each year, the VPWG engages in projects that provide community development professionals educational training and opportunities to engage in decision-making efforts that affect how our region grows. This year, VPWG expanded upon previous projects and established an innovative new series for community development practitioners.

PCRG Lunch & Learn Series

In September 2006, PCRG launched the Lunch & Learn Series. This lunch series was created to devote additional time and resources to issues raised by CDCs, which could not be adequately addressed during monthly VPWG meetings. The PCRG Lunch & Learn Series aims to build the knowledge of participants by providing forums for discussion and information sharing among local experts and practitioners. The bi-monthly events provide opportunities for community developers and advocates to stay abreast of new regulations, policies, practices and techniques.

To address some of the most frequently asked questions regarding property acquisition, Sergeant Richard Fersch from the Allegheny County Sherriff's Office kicked off the series with a lively discussion on 'Understanding the Sherriff's Sale'. The session was a success and feedback indicated interest in additional sessions on the same topic, both basic and more advanced.

Building upon the energy of the first session, the second in the series featured Director of City Planning Pat Ford and other planning staff for a presentation and discussion on the City's multi-year sector planning process. Close to 50 representatives from community, government and banking fields attended to hear about the 'Sector Neighborhood Asset Plans' (SNAPs) and what the outcomes and implications of this process are. The 2006 sponsor for the Lunch & Learn Series was Fifth Third Bank.

Local Vacant Property Roundtable

In December, PCRG and the Housing Alliance of Pennsylvania hosted a local roundtable discussion on vacant property and state blight legislation. Participants identified local barriers and obstacles that need to be addressed through state legislative changes. The Housing Alliance held similar sessions across the state to identify local needs that can be incorporated into their state policy agenda. Participants included:

- Housing Alliance of Pennsylvania
- Pittsburgh Community Reinvestment Group
- Federal Reserve Bank of Cleveland, Pittsburgh Office
- Community Technical Assistance Center (CTAC)
- Urban Redevelopment Authority of Pittsburgh (URA)
- South Side Local Development Company
- Rosedale Block Cluster

- Spring Garden Neighborhood Council
- Manchester Citizens Council
- Carnegie Mellon University, Center for Economic Development
- Cool Space Locator
- Office of Mayor Luke Ravenstahl
- East Liberty Development, Inc.
- United Christian Community Development Corporation
- Young Preservationists Association of Pittsburgh

Second Class City Treasurer's Sale and Land Reserve Orientation

For the second year, the VPWG held an annual orientation and overview of the City Treasurer's Sale and Land Reserve process. In addition to producing a revised procedure manual, PCRG conducted an orientation in March for CDC staff and organizations new to the land reserve process. The session also served as a 'refresher' for veterans on the process and provided opportunity to share best practices and ask questions.

In addition to hosting the orientation for CDCs on how to utilize the Land Reserve, VPWG representatives also presented an overview of the process before City Council in May. This presentation is also held annually to familiarize new Council members with the Land Reserve, to discuss challenges for community developers and to emphasize the critical nature of this process as a tool in advancing neighborhood development efforts.

Additional new documents produced this year include a revised 'Project Feasibility Application' for land reserve requests and a 'Guide to the Prothonotary Electronic Search System'.

Policy and Issue Education

Pennsylvania State Blight Bills

Two laws were enacted by the State Legislature this year that were part of an original package of blight bills introduced in the 2003-04 session. The first piece of legislation requires municipalities to maintain lists of tax delinquent property owners, including name and address, for credit bureaus to access. By allowing creditors to access delinquency information, absentee landlords and speculators are prevented from purchasing additional property. Acts 12 and 18 also create provisions allowing a delinquent owner to donate the property to a municipality for tax forgiveness.

A limited letters of administration bill, Act 171, passed right before the session expired. This law allows redevelopment authorities to administer an estate when the owner dies and no one else steps forward to claim the property. The passage of this law gives municipalities another tool to use for reclaiming abandoned property and returning it to a tax generating use.

URA Project Pipeline and Criteria

In 2006, PCRG continued leading an initiative to build community consensus on how Urban Redevelopment Authority (URA) predevelopment funds are distributed for residential community development projects. There is consensus among community developers and the

URA on the need for a consistent system to not only increase transparency in decision making, but also foster more strategic development and provide CDCs with an understanding of the information and steps needed to successfully develop a housing project. In order to move this effort forward, PCRG welcomed Meredith Benedict, a Fellow in Public Affairs with the CORO Center for Civic Leadership. Building upon prior efforts, Meredith was asked to identify the steps and stakeholders needed to move the initiative from concept to implementation.

Recommendations in the final report, *Strategic Development: Implementing a Standardized Application and System for Evaluating Predevelopment Fund Requests at the Urban Redevelopment Authority*, will be used by PCRG and URA leaders as a guide for moving the initiative forward. At the end of 2006, PCRG established a monthly meeting schedule with URA leaders to increase communication and information sharing. A finalized process and application are expected in early 2007.

Nuisance Properties

A major policy initiative for the VPWG in 2006 was addressing policy and code enforcement issues related to nuisance properties. Over the past year, advocacy efforts by VPWG members contributed to a number of changes in the Housing Court system including the:

- Appointment of a single justice to hear all City housing court cases
- Redistribution of housing court calendars to community organizations
- Assignment of an Assistant City Solicitor to housing and BBI related cases

To adequately research and understand code enforcement and housing court, VPWG formed a dedicated Housing Court Committee to concentrate on systems and make recommendations back to the VPWG at large. Members also documented specific cases, both successes and failures, in their neighborhoods. With a system that has been in place only one year, the Committee and VPWG dedicated time to observing the system and soliciting community input.

PCRG Legislative Updates

PCRG continued the distribution of Legislative Updates on federal, state and local legislative initiatives related to community investment, development and blight. This service provides members and partners with current legislative information and the resources needed to stay informed on policy that affects our region. Current and past editions of PCRG Legislative Updates can be found at www.pcr.org.

The Year Ahead

The Vacant Property Working Group (VPWG) has an exciting agenda planned for 2007. Priority issues for the first half of 2007 are implementing systems associated with the CARC settlement and passing legislation in City Council to address nuisance properties and code enforcement. The Lunch & Learn series will continue in 2007 addressing tentative topics such as *Code Enforcement & Housing Court*, *Water & Sewer Barriers for Community Development*, *Manufactured/Modular Housing*, and *Planning Green Space in your Neighborhood*. Over the next year, PCRG will also continue working with the URA on crafting a standardized system for predevelopment funding, including awareness efforts and CDC training. PCRG will increase

access to information by using the PCRG and URA websites as information portals. Finally, the VPWG is looking forward to the National Vacant Property Campaign's first ever national conference to be held in Pittsburgh on September 24-25, 2007. A pre-conference event focused solely on statewide vacant property issues is also being planned.

Partners and Participants

The VPWG recognizes all of the partners who contributed to our success in 2006.

2006 Vacant Property Working Group Partners	
2006 Private Partners	2006 Public Partners
Allegheny Valley Bank	Allegheny County Court of Common Pleas
Bellevue Communications	Allegheny County Dept. of Economic Development
Bloomberg News	Allegheny County Sherriff's Office
Capital Asset Research Corporation	City of Erie - City Council
Carnegie Mellon Univ. Heinz School for Public Policy	City of Pittsburgh - Bureau of Building Inspection
Chase Home Finance	City of Pittsburgh - City Council
CitiFinancial Inc.	City of Pittsburgh - Department of City Planning
Citizens Bank of Pennsylvania	City of Pittsburgh - Department of Finance
Coro Center for Civic Leadership	City of Pittsburgh - Department of Law
Dick Corporation	City of Pittsburgh - Mayor's Office
Dollar Bank	City of Pittsburgh - Police Bureau
ESB Bank	City of Pittsburgh - Department of Public Works
Fannie Mae	Clean Pittsburgh Commission
Fidelity Bank	Federal Reserve Bank of Cleveland
Fifth Third Bank	PA Association of Housing and Redevelopment Authorities
First Commonwealth Bank	PA Department of Community and Economic Development
First National Bank of Pennsylvania	Pennsylvania Housing Finance Agency
GLS Properties	Pittsburgh Housing Development Corporation
GSP Consulting	Pittsburgh Public Schools
Howard Hanna	Pittsburgh Water and Sewer Authority
HSBC NA	The Office of Congressman Michael Doyle
Iron and Glass Bank	The Office of Mayor Luke Ravenstahl
Laurel Savings Bank	The Office of State Representative Michael Diven
McCormack, Baron Salazar	The Office of State Senator James Ferlo
Mellon Financial Corporation	U.S. Department of Housing and Urban Development
National City Bank of Pennsylvania	Urban Redevelopment Authority of Pittsburgh
Northwest Savings Bank	The Office of State Senator Jay Costa
Parkvale Savings Bank	The Office of State Senator Wayne Fontana
Pittsburgh City Paper	The Office of State Representative Jake Wheatley
Pittsburgh Post Gazette	The Office of State Representative Don Walko
Pittsburgh Tribune Review	The Office of State Representative Paul Costa
PNC Financial Services Group	The Office of State Representative Thomas Petrone
Seivers & Co.	The Office of State Senator Jane Orié
Sky Bank	The Office of State Representative Sean Ramaley
WDUQ Pittsburgh	The Office of State Representative Joseph Preston
SPUR Consulting	The Office of State Representative Shawn Flaherty

2006 Non-profit & Community Partners

10,000 Friends of Pennsylvania	Mon Valley Initiative
ACTION Housing	Mount Washington Community Development Corporation
Allegheny County Local Government Academy	National Community Reinvestment Coalition
Amani Community Development Corporation	National Training and Information Center
Beechview Block Watch	National Vacant Property Campaign
Bloomfield-Garfield Corporation	Neighborhood Housing Services of Southwestern PA
Breachmenders Ministries	New Life Community Housing Development Corporation
Carnegie Mellon University Center for Economic Dev.	North Point Breeze Planning and Development Corporation
Central Northside Neighborhood Council	Northside Community Development Fund
Community Design Center of Pittsburgh	North Side Leadership Conference
Community Leaders United for Beechview	Oakland Business Improvement District
Community Technical Assistance Center	Oakland Planning and Development Corporation
Crafton Heights Citizen Council	Observatory Hill, Inc.
East Allegheny Citizens Council	PA Cleanways of Allegheny County
East Liberty Concerned Citizens	Pennsylvania Resource Council
East Liberty Development, Inc.	Pittsburgh Downtown Living Initiative
Fineview Citizens Council	Pittsburgh Fair Housing Partnership
Friendship Development Associates	Pittsburgh History and Landmarks Foundation
Garfield Jubilee Association	Pittsburgh Partnership for Neighborhood Development
Glen Hazel Citizens Association	Regional Housing Legal Services
Greenlots	Schenley Heights Collaborative
Habitat for Humanity	South Side Local Development Company
Hazelwood Initiative	South Side Slopes Neighborhood Association
Highland Park Community Development Corporation	Spring Garden Neighborhood Council
Hill Community Development Corporation	Spring Garden Neighborhood Enterprises
Hill District Consensus Group	Sustainable Pittsburgh
Hill House Association	Troy Hill Citizens Council
Housing Alliance of Pennsylvania	University of Pittsburgh, GSPIA
Lawrenceville Corporation	University of Pittsburgh, School of Social Work
Lawrenceville United	Pitt Law School, Community Economic Development Clinic
Lincoln Larimer Community Development Corporation	United Christian Community Development Corporation
LIVING Ministries	Urban Land Institute
Manchester Citizens Corporation	West Pittsburgh Partnership

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