

ADOPTED
May 13, 2015

POLICIES AND PROCEDURES
OF THE
LACKAWANNA COUNTY LAND BANK

AMENDMENT NO. 1 – April 14, 2021_2.3 Process for Acquiring Properties
AMENDMENT NO. 2 - April 14, 2021_4.6 Covenants, Conditions & Restrictions
AMENDMENT NO. 3 – April 14, 2021_4.8 Deed without Warranty
AMENDMENT NO. 4 – April 14, 2021_6.1 Side Lot Disposition Program
AMENDMENT NO. 5 – September 8, 2021_6.5 (a) Additional Requirements

Lackawanna County Land Bank
123 Wyoming Avenue, 5th Floor
Scranton, PA 18503

Phone (570) 963-6830 Fax (570) 963-7596

Lackawanna County Land Bank
Administrative Policies and Procedures
As approved and adopted by the Board of Directors on May 13, 2016

These policies and procedures are a codification of all policies and procedures of the Lackawanna County Land Bank (hereinafter “LCLB”). .

Section 1. Role as a Public Body.

1.1 Public Entity. LCLB is a public entity authorized by state law and created pursuant to Ordinance #239 of 2015 approved by the Lackawanna County Board of Commissioners on June 17, 2015.

1.2 Governing Authority. The core governing documents of LCLB are 68 Pa.C.S.A Section 2101 et seq., Act 153 of 2012 (hereinafter the “Land Bank Act”), Ordinance #239 of 2015 referenced above, the Articles of Incorporation, and the By-laws.

1.3 Purpose. The purpose of LCLB will be to effectively facilitate the return of blighted and abandoned properties to productive reuse through creative leadership that engages key partners to leverage a variety of resources. The LCLB will encourage, whenever possible, owner-occupied homeownership.

Section 2. Property Acquisitions by the LCLB

1.1 Sources of Property Inventory. Sources of real property acquisitions of LCLB include, but are not limited to, the following:

- (a) transfers from local governments or authorities;
- (b) acquisitions by LCLB at tax foreclosures or mortgage foreclosures;
- (c) donations from private entities;
- (d) market purchases;
- (e) conduit transfers contemplating the simultaneous acquisition and disposition of property.
- (f) Lackawanna County Tax Claim Repository List

2.2 Policies Governing the Acquisition of Properties. In determining which, if any, properties shall be acquired by LCLB, LCLB shall give consideration to the following factors:

- (a) Proposals and requests by private and nonprofit corporations that identify specific properties for ultimate acquisition and redevelopment.
- (b) Proposals and requests by governmental entities that identify specific properties for ultimate use and redevelopment.
- (c) Residential properties are available for immediate occupancy without need for substantial rehabilitation.

- (d) Improved properties that are appropriate for demolition of the improvements and properties that meet the criteria for demolition of improvements.
- (e) Vacant properties that could be placed into a Side Lot Disposition Program.
- (f) Properties that would be in support of strategic neighborhood stabilization and revitalization plans.
- (g) Properties that would form a part of a land assemblage development plan.
- (h) Properties that will generate operating resources for the functions of the LCLB.

In the case of an offer to donate a property to LCLB, staff should consider all of the above factors as well as those described in paragraph 2.3 below. LCLB will not determine the value of the donated property for the purpose of tax benefits but will provide a letter describing the property donated.

2.3 Process for Acquiring Properties. A transaction agreement must be executed by LCLB and the grantor of the property except in those cases when LCLB acquires the property at a mortgage or tax foreclosure sale. Act 153 of 2012, Section 2117 (c) (3) provides that all of the following apply to judicial sales:

- (i) Notwithstanding section 612 of the Real Estate Tax Sale Law, the form, substance and timing of the land bank's payment of the sales price may be according to the agreement as is mutually acceptable to the plaintiff and the land bank if all of the following apply:
 - (A) A judicial sale is ordered pursuant to a judgment on a tax claim.
 - (B) The purchaser of the property is the land bank.
 - (C) The sales price is an amount agreed to by the land bank and the plaintiff in the claim.
- (ii) The obligation of the land bank to perform in accordance with the agreement under subparagraph (i) shall be deemed to be in full satisfaction of the tax claim which was the basis for the judgment.
- (iii) The land bank, as purchaser at the sale, shall have an absolute title to the property sold, free and discharged of tax and municipal claims, liens, mortgages, ground rents, charges and estates.
- (iv) The land bank may at times acquire property through Quit Claim process.

In the case of conduit transfers such a transaction agreement will generally be in the form of an Acquisition and Disposition Agreement prepared in accordance with these Policies. LCLB staff is authorized to create transaction agreements in the form and content as deemed by LCLB to be in the best interest of the LCLB, and shall include to the extent feasible specification of all documents and instruments contemplated by the transaction as well as the rights, duties and obligations of the parties. Prior to the execution of an agreement of sale to purchase a property, LCLB staff is authorized to prepare an underwriting agreement that will:

- 1) Determine that the purchase is consistent with paragraph 2.2 above.
- 2) Determine if clear title can be conveyed by the transferor to the LCLB (see 2.4 below).
- 3) Determine if there are any environmental or structural issues that should be resolved prior to the purchase by LCLB (see paragraph 2.5 below).
- 4) If the property is not available for nominal consideration, determine a fair value of the property consistent with the policies in this document.

2.4 Title Insurance. In acquisitions of property by LCLB through transaction agreements the LCLB generally requires a certificate of title based upon a full title examination and, in the case of Land Banking Agreements, a policy of title insurance insuring LCLB subject to such outstanding title exceptions as are acceptable to LCLB in its sole discretion. In those circumstances when the title is not insurable, LCLB may elect to acquire the property with the intention of initiating a quiet title action.

2.5 Environmental Concerns. LCLB reserves full and complete discretion to require in all transaction agreements that satisfactory evidence be provided to LCLB that the property is not subject to environmental contamination as defined by federal or state law. At a minimum, seller shall complete a disclosure noting any known potential environmental issues.

Section 3. Priorities for Property Repurposing

Section 3.1 Community Improvement Purposes. In transferring properties to organizations or individuals LCLB shall keep in mind community improvement purposes consistent with:

- Neighborhood revitalization plans;
- Return of the property to productive tax-paying status;
- Land assemblage for economic development;
- Long term “banking” of properties for future strategic uses.

Section 3.2 Neighborhood and Community Development Considerations As indicated above, LCLB reserves the right to consider the impact of a property transfer on short- and long-term neighborhood and community development plans. In doing so, the LCLB may prioritize the following in any order in which it deems appropriate:

- the preservation of existing stable and viable neighborhoods;
- neighborhoods in which a proposed disposition will assist in halting a slowly occurring decline or deterioration;
- neighborhoods which have recently experienced or are continuing to experience a rapid decline or deterioration;
- geographic areas where market conditions are weak for the purposes of residential or commercial development;
- increasing the tax base of Lackawanna County and creating opportunities for employment.

Section 4. Conveyance of Properties

4.1 Definitions "Property Costs" shall be defined as 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 LCLB allocable to the property.

"Transfer Closing Costs" shall be defined as all costs incurred by LCLB in the sale of the property to the transferee including but not limited to transfer taxes, legal fees, filing fees, notary fees, title fees, etc.

"Transaction Fee" shall be defined a fee paid by the transferee of the property at closing, and set by a motion of the LCLB.

The consideration to be provided by the transferee to LCLB may take the form of cash, deferred financing, performance of contractual obligations, imposition of restrictive covenants, or other obligations and responsibilities of the transferee, or any combination thereof.

4.2 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 may, at the discretion of the LCLB, consist of the "Property Costs" and "Transfer Closing Costs" to be paid in cash as well as a deed restriction upon the use of the property.

(b) To the extent that transfers of property to governmental entities and authorities are anticipated as conduit transfers by such governmental entities to third parties, the aggregate consideration for the transfer may, at the discretion of LCLB, consist of not less than "Property Costs", "Transfer Closing Costs" and "Transaction Fee" to be paid in cash. Depending on the nature of the end use of the property by the third party, the LCLB reserves the right to sell the property for fair market value plus all fees and costs referenced above.

4.3 Transfers to Other Entities In the case of transfers of property to other entities for development, other than side yard transfers described in Section 6, the aggregate consideration for the transfer may, at the discretion of LCLB consist of not less than the "Property Costs", "Transfer Closing Costs", the "Transaction Fee" and not more than the fair market value as determined by the LCLB plus all costs and fees. Non-monetary consideration, such as in-kind services, that fulfill the mission and goals of LCLB may be considered.

4.4 Transferee Qualifications. All applicants seeking to enter into Acquisition and Disposition agreements with LCLB will be required to provide as part of the application such information as may be requested by LCLB, including but not limited to (a) the legal status of the applicant, its organizational and financial structure, (b) its prior experience in developing and managing real

property, and (c) affidavit indicating no delinquent taxes on other properties wherein the applicant has ownership.

4.5 Reserved Discretion. LCLB reserves full and complete discretion to decline applications from individuals and entities that meet any of the following criteria:

- (a) failure to perform in prior transactions with LCLB;
- (b) ownership of properties that became delinquent in tax payments and remain delinquent in tax payments during their ownership;
- (c) parties that have been debarred from transactions with local, state or federal government;
- (d) parties not able to demonstrate sufficient experience and capacity to perform in accordance with the requirements of the LCLB;
- (e) ownership of properties that have any un-remediated citation(s) for violation of state and local codes and ordinances;
- (f) any municipal claims, and;
- (g) properties that have been used by the purchaser or a family member of the purchaser as his or her personal residence at any time during the twelve (12) months immediately preceding the submission of application (except in rental cases).

4.6 Covenants, Conditions and Restrictions. All conveyances by the LCLB to third parties shall include such covenants, conditions and restrictions as the LCLB deems necessary and appropriate in its sole discretion to ensure the use, rehabilitation and redevelopment of the property in a manner consistent with the public purposes of the LCLB. Such requirements may take the form of a deed creating a defeasible fee or reversion, recorded restrictive covenants, subordinate financing being held by LCLB, contractual development agreements, or any combination thereof. LCLB will also include language in the Disposition Agreement that the transferee is precluded from appealing the post development assessed value as determined by the County Assessment office for a period of five years following the transfer of the property.

4.7 Options. Options are available for 10% of the parcel price for up to a six-month period with extensions at the discretion of LCLB. This fee will be credited to the parcel price at closing. If closing does not occur, the fee is forfeited. LCLB may charge a fee for the extension of the option agreement; said fee shall not be credited against the purchase price. All option agreements are subject to all policies and procedures of LCLB pertaining to property transfers.

4.8 Deed without Warranty. All conveyances from LCLB to third parties shall be by either Special Warranty or Quitclaim Deed.

4.9 Prescribed Process for Conveying Properties. The process for conveying a property from the LCLB to another entity shall include a completed application from the proposed transferee and underwriting report prepared by the LCLB staff that verifies that the applicant is qualified consistent with the provisions in Paragraphs 4.4 and 4.5. Conveyances to transferees in excess of \$25,000 shall be approved by the LCLB Board. A Disposition Agreement shall be prepared by

the LCLB staff that includes terms and conditions for the reuse of the property as well as description of how the terms and conditions will be monitored in the future.

Section 5. Owner-Occupant Policy.

5.1 Requirements and Conditions. The vast majority of the properties LCLB will acquire will be vacant. However, in the event that it acquires a property that is the primary place of residence for an owner-occupant through the tax sales process or other means, it shall make best efforts not to displace the owner-occupant and establish payment plans for any delinquent liens that have been acquired by the LCLB. To this end, if feasible, LCLB may offer to lease the premises to the prior owner-occupant at fair market value for a period not less than six months. The residence shall remain the primary residence of the household during the lease period.

Section 6. Side Lot Disposition Program.

6.1 Side Lot/Structure Transfers. Improved (those with an existing structure that is feasible to rehabilitate) or unimproved parcels may be acquired by LCLB, and transferred to individuals owning contiguous property in accordance with the policies described below. The transfer of any given improved or unimproved parcel in the Side Lot Disposition Program is subject to override by higher priorities as established by the LCLB.

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

- (a) The parcel shall be a vacant improved or unimproved real property;
- (b) The parcel shall be physically contiguous with not less than a 75% common boundary line at the side;
- (c) Intended use for the improved or unimproved parcel must be disclosed by the transferee and such use shall be consistent with local codes including but not limited to zoning codes.

6.3 Side Lot Transferees.

- (a) All transferees must own the contiguous property, and priority is given to owner-occupied transferees.
- (b) The transferee must not own any real property that is subject to any un-remediated citation(s) of violation of state and local codes and ordinances.
- (c) The transferee must not own any real property that is tax delinquent.
- (d) The transferee must not have been the prior owner of any real property in the County that was acquired by a local government through execution of a judgment relating to municipal liens.

6.4 Pricing.

- (a) Parcels of property that are not capable of independent development, i.e., the parcel is not buildable under local zoning laws, may be transferred for a price to be determined by the LCLB

consistent with value of the property, if any, as determined by LCLB plus “Transfer Costs” and “Transaction Fees”.

(b) Parcels that are capable of independent development shall be transferred for consideration in an amount not less than the “Property Costs”, “Transfer Costs”, and “Transaction Fees” as described above.

6.5 Additional Requirements.

(a) As a condition of transfer of an improved or unimproved parcel, the transferee must enter into an agreement that the parcel is not subject to sale, subdivision or partition within a five-year period following the date of the transfer

(b) In the event that multiple adjacent property owners desire to acquire the same side parcel, the improved or unimproved parcel shall either be transferred to the highest bidder for the property. An unimproved parcel may be divided and transferred among the interested contiguous property owners; to be in compliance with the Pennsylvania Municipalities Planning Code, Act 247 as amended and to conform to the municipal Zoning and Subdivision and Land Development Ordinances in the county’s forty municipalities or a variance modification approved by the local municipality. The cost of the subdivision shall be borne by the property owners.

(c) The improved or unimproved conforming parcel may remain a separate parcel for assessment purposes so the LCLB may benefit from tax recapture going forward.

(d) Property transfers must be in compliance with the Pennsylvania Municipalities Planning Code, Act 247 as amended and approved by the local municipality, and all other codes and regulations of the municipality.

RESOLUTION NO. 21-013
OF THE
LACKAWANNA COUNTY LAND BANK

AMENDMENT NO. 1
TO THE POLICIES AND PROCEDURES OF THE
LACKAWANNA COUNTY LAND BANK

ADOPTED MAY 13, 2016

WITH RESPECT TO

SECTION 2.3, "PROCESS FOR ACQUIRING PROPERTIES"

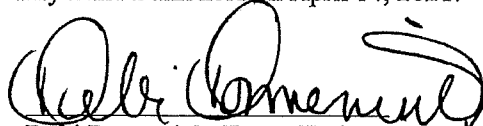
WHEREAS the Governing Body of the Lackawanna County Land Bank wishes to approve an amendment to Section 2.3, "Process for Acquiring Properties" of the Land Bank By-Laws adopted May 13, 2016; and

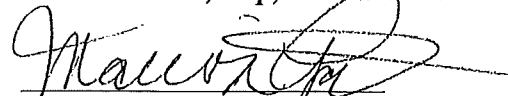
BE IT RESOLVED that under Section 3, "Process for Acquiring Properties", the following shall be added:

"When the LCLB receives an application from a prospective buyer to purchase a LCLB owned property or a property that is on the Tax Claim Repository list of unsold property, the LCLB will notify a representative of the municipality of the buyer's intent for the property and request comment. The LCLB will also request a representative of the municipality to vet the prospective buyer for any delinquent taxes or municipal fees. Once the LCLB completes this due diligence, and as time permits, the LCLB Board of Directors will be requested to approve the acquisition of the property from the Tax Claim Repository to the LCLB at the next meeting of the LCLB Board of Directors. Conveyance of the property to the prospective buyer will be considered by the LCLB Board of Directors at a subsequent meeting. In some circumstances, the Land Bank Board of Directors reserves the right to approve the acquisition of a property from the Tax Claim Bureau Repository of Unsold Property and the conveyance of the property to the prospective purchaser at the same meeting."

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Lackawanna County Land Bank does hereby approve an amendment to Section 2.3, "Process for Acquiring Properties" of the Land Bank By-Laws adopted May 13, 2016,

ADOPTED at a regular meeting of the Lackawanna County Land Bank held on April 14, 2021.


Debi Domenick, Esq., Chairwoman


Marion Gatto, Secretary

RESOLUTION NO. 21-014
OF THE
LACKAWANNA COUNTY LAND BANK

AMENDMENT NO. 2
TO THE POLICIES AND PROCEDURES OF THE
LACKAWANNA COUNTY LAND BANK

ADOPTED MAY 13, 2016

WITH RESPECT TO

SECTION 4.6, "COVENANTS, CONDITIONS AND RESTRICTIONS"

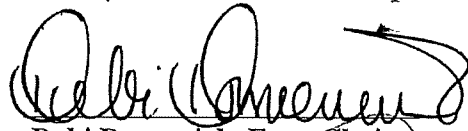
WHEREAS the Governing Body of the Lackawanna County Land Bank wishes to approve an amendment to Section 4.6, "Covenants, Conditions and Restrictions" of the Land Bank By-Laws adopted May 13, 2016; and

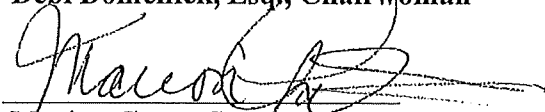
BE IT RESOLVED that under Section 4.6, "Covenants, Conditions and Restrictions", the following shall be deleted:

"LCLB will also include language in the Disposition Agreement that the transferee is precluded from appealing the post development assessed value as determined by the County Assessment office for a period of five years following the transfer of the property."

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Lackawanna County Land Bank does hereby approve an amendment to Section 4.6, "Covenants, Conditions and Restrictions" of the Land Bank By-Laws adopted May 13, 2016.

ADOPTED at a regular meeting of the Lackawanna County Land Bank held on April 14, 2021.


Debi Domenick, Esq., Chairwoman


Marion Gatto, Secretary

RESOLUTION NO. 21-015
OF THE
LACKAWANNA COUNTY LAND BANK

AMENDMENT NO. 3
TO THE POLICIES AND PROCEDURES OF THE
LACKAWANNA COUNTY LAND BANK

ADOPTED MAY 13, 2016

WITH RESPECT TO
SECTION 4.8, "DEED WITHOUT WARRANTY"

WHEREAS the Governing Body of the Lackawanna County Land Bank wishes to approve an amendment to Section 4.8, "Deed without Warranty" of the Land Bank By-Laws adopted May 13, 2016; and

BE IT FURTHER RESOLVED that under Section 4.8, "Deed without Warranty", the following shall be deleted.

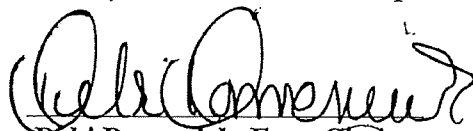
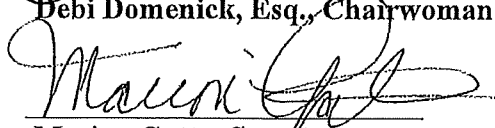
"either Special Warranty or."

Leaving Section 4.8, "Deed without Warranty" to read as follows:

"All conveyances from LCLB to third parties shall be by Quitclaim Deed."

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Lackawanna County Land Bank does hereby approve an amendment to Section 4.8, "Deed without Warranty" of the Land Bank By-Laws adopted May 13, 2016.

ADOPTED at a regular meeting of the Lackawanna County Land Bank held on April 14, 2021.


Debi Domenick, Esq., Chairwoman

Marion Gatto, Secretary

RESOLUTION NO. 21-016
OF THE
LACKAWANNA COUNTY LAND BANK

AMENDMENT NO. 4
TO THE POLICIES AND PROCEDURES OF THE
LACKAWANNA COUNTY LAND BANK

ADOPTED MAY 13, 2016

WITH RESPECT TO

SECTION 6.2 (b), "SIDE LOT DISPOSITION PROGRAM/ QUALIFIED PROPERTIES"

WHEREAS the Governing Body of the Lackawanna County Land Bank wishes to approve an amendment to Section 6.2 (b), "Side Lot Disposition Program/Qualified Properties" of the Land Bank By-Laws adopted May 13, 2016; and

BE IT RESOLVED that under Section 6.2 (b), "Side Lot Disposition Program/Qualified Properties" the following shall be deleted.

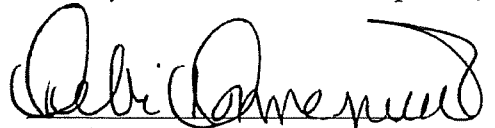
"with not less than a 75% common boundary line at the side;"

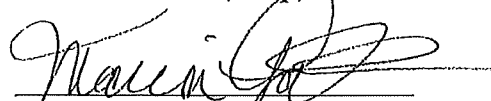
Leaving Section 6.2 (b), "Side Lot Disposition Program/Qualified Properties" to read as follows:

"The parcel shall be physically contiguous."

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Lackawanna County Land Bank does hereby approve an amendment to Section 6.2 (b), "Side Lot Disposition Program/Qualified Properties" of the Land Bank By-Laws adopted May 13, 2016,

ADOPTED at a regular meeting of the Lackawanna County Land Bank held on April 14, 2021.


Debi Domenick, Esq., Chairwoman


Marion Gatto, Secretary

RESOLUTION NO. 21-031
OF THE
LACKAWANNA COUNTY LAND BANK

AMENDMENT NO. 5
TO THE POLICIES AND PROCEDURES OF THE
LACKAWANNA COUNTY LAND BANK

ADOPTED MAY 13, 2016
AMENDED APRIL 14, 2021

WITH RESPECT TO
SECTION 6.5 (a), "ADDITIONAL REQUIREMENTS"

WHEREAS the Governing Body of the Lackawanna County Land Bank wishes to approve an amendment to **Section 6.5 (a) Additional Requirements** of the Land Bank Policies and Procedures adopted May 13, 2016; amended April 14, 2021, and

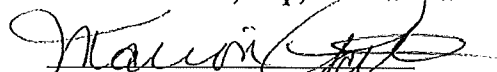
BE IT RESOLVED that under Section 6.5 (a), "Additional Requirements" shall be changed to read as follows:

"As a condition of transfer of an improved or unimproved parcel, the transferee must enter into a purchase agreement stating that the parcel is not subject to sale, subdivision or partition within a five-year period following the date of the transfer. The Land Bank Board of Directors may approve a transfer within this 5-year period under certain circumstances. All requests for property transfers prior to the five-year period must be a written request to the Board of Directors of the Land Bank detailing the reason for the requested sale of the property. Purchasers of Land Bank owned properties who violate any requirements or restrictions stated in the Purchase Agreement or Deed will be prohibited from participating in future Land Bank transactions."

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Lackawanna County Land Bank does hereby approve Amendment # 5 to "Section 6.5 (a), "Additional Requirements" of the Land Bank Policies and Procedures adopted May 13, 2016, amended April 14, 2021

ADOPTED at a regular meeting of the Lackawanna County Land Bank held on September 8, 2021.


Debi Domenick, Esq., Chairwoman


Marion Gatto, Secretary