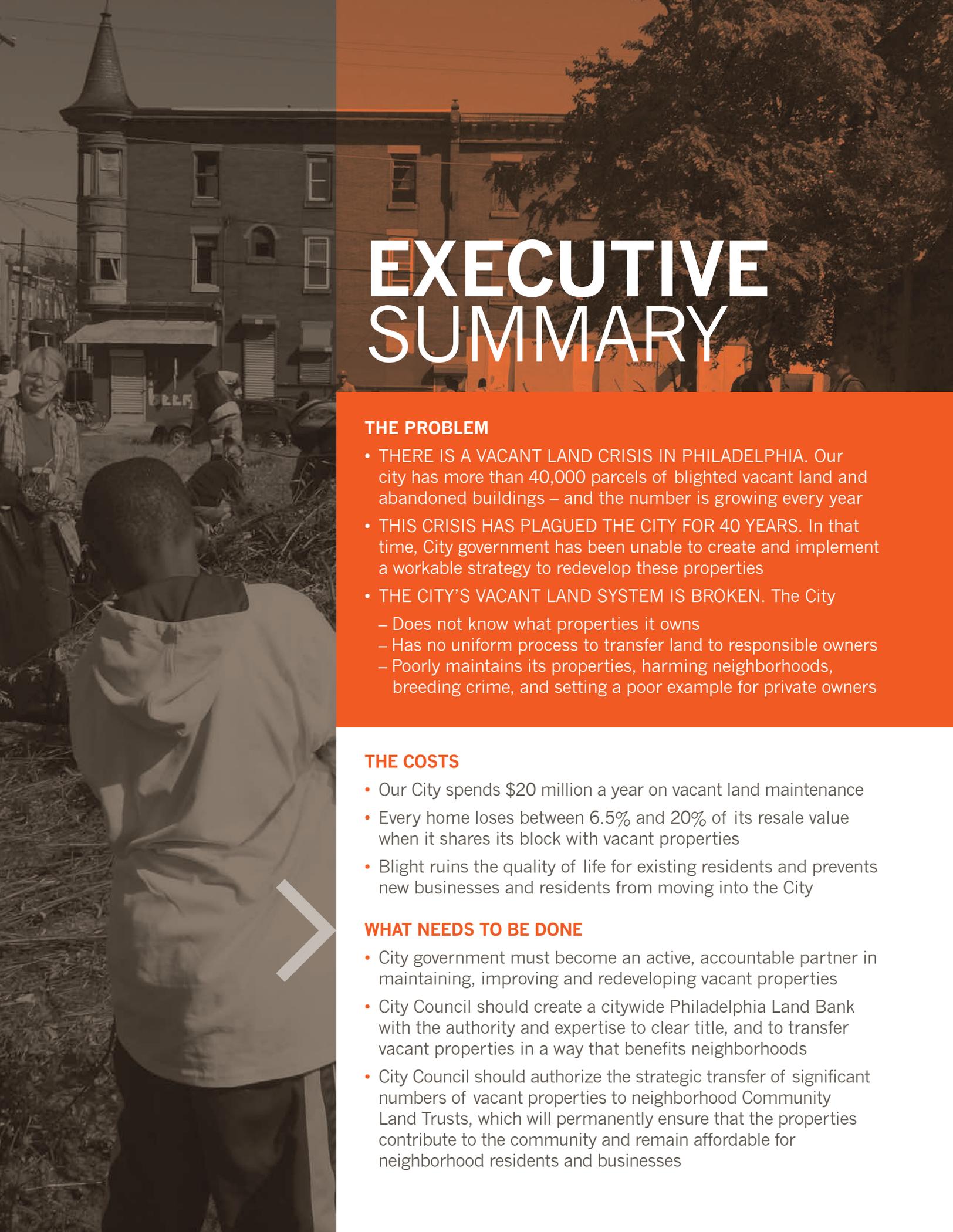


# PUT ABANDONED LAND IN OUR HANDS

A CITY-COMMUNITY PARTNERSHIP  
TO TRANSFORM BLIGHT INTO  
JOBS, HOMES AND PARKS

Spring 2011 Campaign to Take Back Vacant Land



# EXECUTIVE SUMMARY

## THE PROBLEM

- **THERE IS A VACANT LAND CRISIS IN PHILADELPHIA.** Our city has more than 40,000 parcels of blighted vacant land and abandoned buildings – and the number is growing every year
- **THIS CRISIS HAS PLAGUED THE CITY FOR 40 YEARS.** In that time, City government has been unable to create and implement a workable strategy to redevelop these properties
- **THE CITY'S VACANT LAND SYSTEM IS BROKEN.** The City
  - Does not know what properties it owns
  - Has no uniform process to transfer land to responsible owners
  - Poorly maintains its properties, harming neighborhoods, breeding crime, and setting a poor example for private owners

## THE COSTS

- Our City spends \$20 million a year on vacant land maintenance
- Every home loses between 6.5% and 20% of its resale value when it shares its block with vacant properties
- Blight ruins the quality of life for existing residents and prevents new businesses and residents from moving into the City

## WHAT NEEDS TO BE DONE

- City government must become an active, accountable partner in maintaining, improving and redeveloping vacant properties
- City Council should create a citywide Philadelphia Land Bank with the authority and expertise to clear title, and to transfer vacant properties in a way that benefits neighborhoods
- City Council should authorize the strategic transfer of significant numbers of vacant properties to neighborhood Community Land Trusts, which will permanently ensure that the properties contribute to the community and remain affordable for neighborhood residents and businesses



# OUR

CITY GOVERNMENT  
HAS FAILED TO FILL  
40,000 ABANDONED  
PROPERTIES WITH

# JOBS, HOMES & PARKS

**F**or 40 years the City has been unable to create and implement a workable strategy to redevelop 3,000 acres of its own land. Vacant properties fester like open sores in our neighborhoods, sapping our wealth and breeding crime and blight. It's time for a new approach: City Council must create a citywide Philadelphia Land Bank to manage vacant land, and partner with neighborhood Community Land Trusts to guarantee that land is permanently maintained and used for community benefit.

**THE SYSTEM IS BROKEN.** Decades ago the City took over properties and knocked down buildings in the name of "slum removal" and "urban renewal." But today, it still owns 10,000 vacant properties, scattered among multiple agencies.<sup>1</sup> This fragmented ownership, and the burdensome, unpredictable disposition process it creates, has made it difficult for anyone to redevelop these lots and buildings. And so they sit, vacant and blighted, year after year, decade after decade.

# PHILADELPHIA HAS 3000 ACRES OF EMPTY LAND

# THIS IS EQUAL IN SIZE TO 2700 FOOTBALL FIELDS



OUR CITY'S BROKEN  
VACANT LAND SYSTEM

# HURTS LOCAL BUSINESSES

For 15 years, **KATHY VISSAR** rented a small space near Girard Avenue for her business making handcrafted architectural moldings. She did such a good job she needed to expand. Just a few doors down sat an abandoned firehouse owned by the City. Kathy tried to buy it, but the City chose to sell the land to a speculator looking to build condominiums – one of many real estate-bubble projects that never materialized. “We were going to fix the façade, we were going to open two businesses in there,” she says. Kathy also would have been able to accept bigger jobs, allowing her to create much-needed neighborhood employment. The 100-year old building still sits underutilized five years after Kathy tried to buy it.

**PROPERTY LIKE THIS** SHOULD GO TO HARD-WORKING PEOPLE WHO WILL DELIVER ON THEIR PROMISES AND CREATE NEIGHBORHOOD JOBS.



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KATHY VISSAR

# THE STATUS QUO IS THE WORST OF BOTH WORLDS

**T**HE STATUS QUO IS EXPENSIVE FOR THE CITY, AND DAMAGING TO RESIDENTS' QUALITY OF LIFE AND FINANCIAL STABILITY. Blighted land costs us dearly, in lost residents, lost businesses, and lost tax revenue. Just the upkeep of vacant lots costs the City \$20 million a year<sup>2</sup> – and despite all that money, those properties still serve as dumping grounds and crime magnets in every community. Nearby owners lose wealth and property value – between 6.5% and 20% of resale value when they share their block with vacant properties.<sup>3</sup> These properties undermine the morale of neighborhood residents and scare away potential new residents and businesses, who choose not to buy the house next door or to locate their business on the block.

The City's approach to vacant land has failed because the City:

- Doesn't know what land it owns
- Has scattered ownership and management of vacant properties among 17 agencies
- Has no uniform process to transfer land to responsible owners
- Has no policy to guide decisions about re-using vacant land
- Poorly maintains its properties, harming neighborhoods and setting a bad example for private owners
- Sells foreclosed properties to the highest bidder at Sheriff's Sale without a requirement that the new owners redevelop the property
- Provides few tools that enable communities to address blight on their own

## OUR CITY SPENDS OVER \$20 MILLION A YEAR MAINTAINING VACANT LAND (BREAKDOWN BY CITY DEPARTMENT)



\*OHCD & PHDC: Office of Housing and Community Development and Philadelphia Housing Development Corporation



OUR CITY'S BROKEN  
VACANT LAND SYSTEM

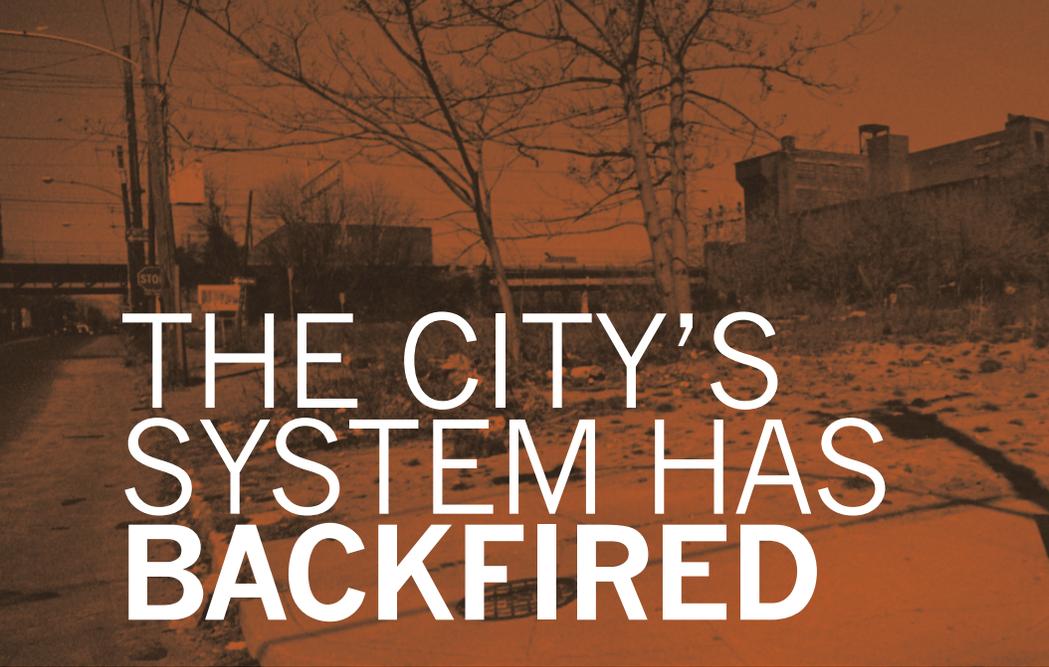
# LIMITS FRESH FOOD ACCESS

**AMANDA STAPLES AND MATT MCFARLAND** have helped start numerous community gardens and are passionate about urban farms and locally-grown food. Their dream of creating a large community garden on vacant City land was derailed by their inability to acquire property. Like many of us, Matt and Amanda see a perfect match between Philadelphia's acres of unused land and our need for fresh, local food at affordable prices. They are reluctant to garden on land they don't own because it could be taken away from them at any time, without warning. "As a community, why don't we have control over land, so nobody can take it from us?"

**WE NEED CONTROL** OVER OUR LAND, TO KEEP THE RUG FROM BEING YANKED OUT FROM UNDER INNOVATIVE RESIDENTS.

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AMANDA STAPLES AND MATT MCFARLAND



# THE CITY'S SYSTEM HAS BACKFIRED

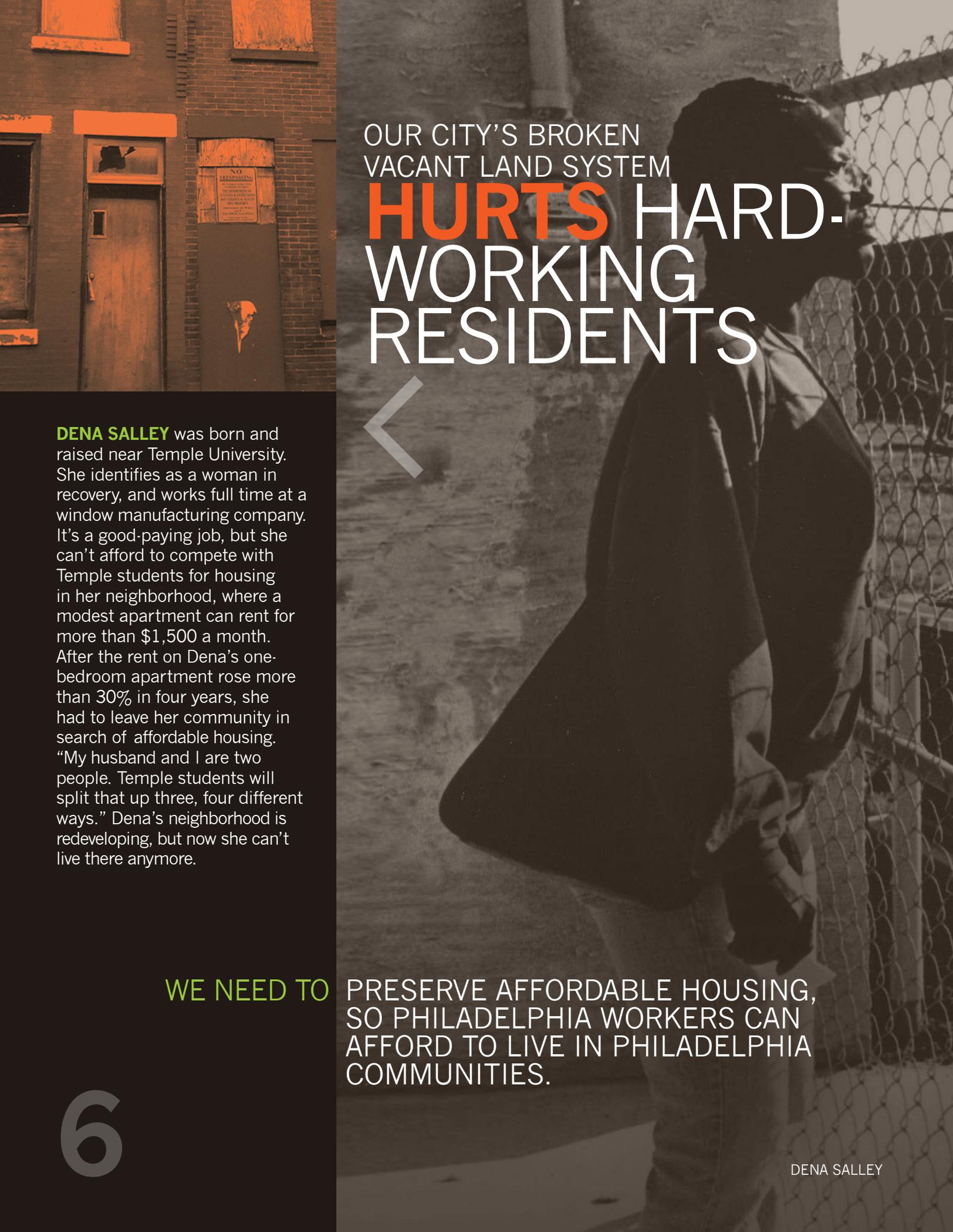


**T**HE CURRENT SYSTEM HAS DISCOURAGED, NOT ENCOURAGED, THE REDEVELOPMENT OF VACANT PROPERTIES. It is marked by slow, inconsistent decisions, unclear procedures, and the perception that you have to “know someone” to acquire a property. Seventeen – 17! – different agencies oversee these properties,<sup>4</sup> and yet no single one is responsible for acquiring, assembling, maintaining or selling them. The City is currently unable to produce a single, complete list of the properties it owns. There is no standard for property maintenance. And while the Nutter Administration has started working on a policy, no clear plan exists for how the city will deal with vacant property.

Adding to the problem are 18,000 privately-owned vacant properties that haven't paid their taxes in 10 or more years. Philadelphia has no strategy for going after these properties and putting them back on the market. The City could foreclose on them, but has chosen not to: the Law Department and the Sheriff's Office refuse to foreclose on properties whose market value is less than the cost of financing the sale.<sup>5</sup> So these properties remain vacant and drag down the value of all the homes and businesses around them.

After years of blighting the community, taxpayer-owned land should be used to revitalize the community. Otherwise, the City is just like any other real estate speculator who has sat on blighted land in neighborhoods only to sell it when there was an upturn in the market.

**IS THIS ANY WAY TO BRING  
BACK OUR NEIGHBORHOODS?**



OUR CITY'S BROKEN  
VACANT LAND SYSTEM

# HURTS HARD- WORKING RESIDENTS

**DENA SALLEY** was born and raised near Temple University. She identifies as a woman in recovery, and works full time at a window manufacturing company. It's a good-paying job, but she can't afford to compete with Temple students for housing in her neighborhood, where a modest apartment can rent for more than \$1,500 a month. After the rent on Dena's one-bedroom apartment rose more than 30% in four years, she had to leave her community in search of affordable housing. "My husband and I are two people. Temple students will split that up three, four different ways." Dena's neighborhood is redeveloping, but now she can't live there anymore.

**WE NEED TO** PRESERVE AFFORDABLE HOUSING,  
SO PHILADELPHIA WORKERS CAN  
AFFORD TO LIVE IN PHILADELPHIA  
COMMUNITIES.

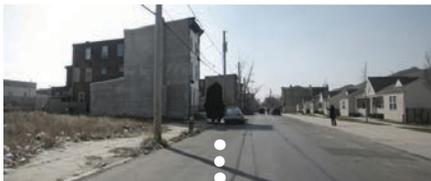
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DENA SALLEY



IT'S TIME TO CREATE  
**NEW TOOLS & PARTNERSHIPS**

**THE CITY MUST ACT TO BRING VACANT PROPERTIES INTO RESPONSIBLE OWNERSHIP. IT CAN'T DO IT ALONE, AND IT CAN'T DO IT WITH THE SAME OLD FAILED POLICIES.** Two new tools – a citywide Philadelphia Land Bank and neighborhood Community Land Trusts – will allow the City to effectively manage and transfer land to responsible, long-term owners who are accountable to the community.



**VACANT PROPERTIES FROM AROUND THE CITY ARE DEPOSITED INTO THE PHILADELPHIA LAND BANK**



**THEY ARE THEN TRANSFERRED TO NEIGHBORHOOD COMMUNITY LAND TRUSTS**



**THESE LAND TRUSTS RESTORE THE LAND AND BUILDINGS AND PUT THEM BACK TO USE**



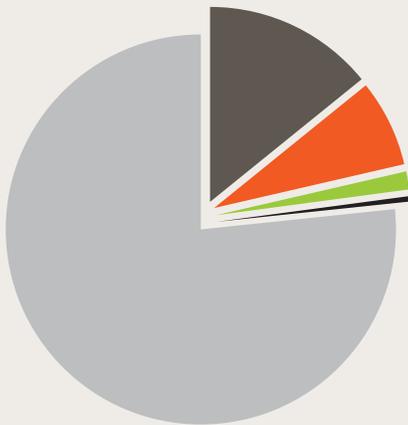
**NEIGHBORHOOD SNAPSHOT**

Eastern North Philadelphia is a community that could benefit from these new tools. A full 25% of all the land in the neighborhood sits vacant, while development pressure over the past decade has quadrupled median housing values. In a 2008 survey of more than 325 neighborhood residents, 95% of people surveyed supported a community organization owning, managing and redeveloping vacant land and buildings. A Philadelphia Land Bank, along with a neighborhood Community Land Trust can solve these problems – and Philadelphians want them.

TOOL #1

# PHILADELPHIA LAND BANK

## VACANT PROPERTY OWNERSHIP IN PHILADELPHIA



- 14.3% DEPT. OF PUBLIC PROPERTY
- 7% REDEVELOPMENT AUTHORITY
- 1.7% PHILADELPHIA HOUSING DEVELOPMENT CORP.
- 0.1% OTHER CITY ENTITIES
- 76.9% NON-CITY ENTITIES

**W**E NEED A PHILADELPHIA LAND BANK TO TURN VACANT LAND INTO PRODUCTIVE LAND. City Council should pass a law creating a Philadelphia Land Bank, with the power to hold publicly-owned vacant land. The Land Bank would sell or transfer properties based on clearly stated priorities. And it would have the power to strategically acquire private land for public benefit.

A land bank is a virtual bank – a detailed computer listing of all available parcels – that the city has gained title to through tax foreclosure, eminent domain, purchase, or donation. In a typical land bank, the city obtains the title, deposits the land into the bank, wipes the property clean of all municipal liens, and then provides the land for a published cost to responsible owners who agree to maintain and redevelop the property. In return, the buyer must offer the city proof that it will place the property into productive reuse within a reasonable timeframe.

A land bank will solve many of the City's problems. Cleveland, Atlanta, Dallas, and other cities around the country have established land banks, with a mission to clear the way for responsible non-profits and developers to reuse vacant land in a way that benefits communities. A Philadelphia Land Bank will allow the City to:

- Finally figure out what land it owns, and share that inventory information with the public
- Create a single, transparent, streamlined process for transferring abandoned land and buildings to new owners
- Prioritize land for affordable housing and other community needs
- Strategically assemble larger sites to meet community needs and market demand

The land bank will finance its activities by selling properties, issuing bonds, receiving grants, and accepting donations of money and land.



TOOL #2

# COMMUNITY LAND TRUSTS

**T**HE SECOND KEY TOOL THAT OFFERS THE CITY AN EFFECTIVE NEW PARTNER IN ADDRESSING THE VACANT LAND CRISIS IS THE NEIGHBORHOOD COMMUNITY LAND TRUST (CLT). A CLT is a nonprofit, community-based organization that owns real estate in order to provide benefits to the community.

The community land trust controls and cares for the property it owns over the long term. It sells or rents the buildings that sit on its land to eligible home buyers, tenants, business owners, farmers, or non-profit organizations. In exchange for affordable, high-quality buildings or locations, owners agree to resell their properties to the land trust or to another low- to moderate-income household or business if they move. It's all spelled out and guaranteed in a contract called a long-term ground lease agreement. This contract provides the occupant with a fair return on their investment if they decide to sell, while preserving the affordability of the property. This ownership model, shared between the resident and the community land trust, ensures the property will not become prohibitively expensive as market values rise, pushing neighbors and businesses from the community.

## THE TIME IS NOW

While the City has the authority to form a land bank now, pending state legislation will make the land bank work better once it's in place. This legislation simplifies the process of putting properties into the land bank. It allows a Philadelphia Land Bank to acquire foreclosed properties simply by tendering a bid at Sheriff's Sale equal to municipal claims and liens. In other words, the Land Bank will acquire the property by paying the amount of any back taxes or fines owed to the City. The Land Bank's bid will get top priority regardless of the amount anyone else might bid. This is how a Philadelphia Land Bank would play its part in helping get land for neighborhood Community Land Trusts.



# COMMUNITY LAND TRUSTS BUILD STRONG NEIGHBOR- HOODS

## IT IS CRITICAL TO MAKE THE COMMUNITY A FULL PARTNER, BECAUSE OF THE SCALE OF THE VACANCY CRISIS AND THE SPECIAL SKILLS AND PERSPECTIVE COMMUNITY LAND TRUSTS BRING TO THE TABLE

The City has to stop looking at each property as an individual product for sale. Once it sells a property, the City sees its work as done. The City's Department of Public Property does not impose any obligations on new owners to redevelop or care for the properties, and the Department of Licenses and Inspections often lacks the resources to enforce existing laws when code violations appear. In startling contrast, a community land trust commits to keeping land and buildings in well-maintained condition and filled with uses that benefit the community over the long term.

In addition to creating long-term affordability and greater control over neighborhood land use and development, land trusts represent the community. They are membership organizations made up of community residents. Typically they're governed by a board of directors made up of renters and owners of community land trust properties, along with other community, government, philanthropic and non-profit leaders. This makes CLTs accountable to the community and the city for the safety, care, and use of its land, and for the affordability, condition, and security of buildings located on the land.

A community land trust takes permanent responsibility for the land it owns, extending the impact of public funds for affordable housing and economic development to help generations of residents and business owners. A land trust stands diligently behind the tenants, homeowners, non-profit organizations and business owners who lease its land, helping them to succeed. Community land trust homes are six times less likely to go into foreclosure than non-land trust homes.

## COMMUNITY LAND TRUSTS SERVE A WIDE RANGE OF INTERESTS

CONSTITUENT GROUP	BENEFIT
CITY OF PHILADELPHIA GOVERNMENT	LONGER RETURN ON INITIAL SUBSIDIES REDUCTION IN LAND MAINTENANCE COSTS TAX REVENUE FROM PRODUCTIVE USES
FAMILIES/HOMEOWNERS	LOWER COST HOMES, NOW AND FOR FUTURE GENERATIONS
UNEMPLOYED/UNDEREMPLOYED	JOBS
BUSINESSES & NON-PROFITS	AFFORDABLE LOCATIONS – NO DRAMATIC RENT INCREASES
GARDNERS/OUTDOOR ENTHUSIASTS	OPEN SPACES PROTECTED AND GIVEN LONG-TERM CARE
CHILDREN & YOUTH	PLACES TO PLAY



# A RECORD OF SUCCESS

**C**OMMUNITY LAND TRUSTS HAVE REDEVELOPED BLIGHTED LAND FOR THE BENEFIT OF COMMUNITIES IN BOSTON, SYRACUSE AND OTHER CITIES.

Philadelphia was home to some of the first urban community land trusts in the United States. These pioneering efforts didn't last because of poor business practices and lenders' lack of familiarity with this new development model. But today, hundreds of community land trusts thrive across the country. Since 1989, the Dudley Street Neighborhood Initiative has used its community land trust subsidiary, Dudley Neighbors Inc., to redevelop an inner-city area in the Roxbury/North Dorchester section of Boston, which had been devastated by arson, redlining and disinvestment. To date, more than 650 parcels in this once-neglected area have been redeveloped. With Dudley Neighbors Inc. owning the land and serving as the watchful steward, the Dudley Triangle has been transformed through the construction of 400 affordable homes, community centers, new schools, the Dudley Town Common, a community greenhouse, parks, playgrounds, gardens, an orchard, and other public spaces.

In 1984, local clergy founded Syracuse, New York's Time of Jubilee Community Land Trust in a heavily blighted neighborhood. The community land trust was formed to build and care for permanently affordable housing on a 12.5-acre parcel of vacant, publicly owned land. Jubilee's challenge was great and they spent years persuading bankers who were unfamiliar with the community land trust model to provide mortgage financing for resale-restricted homes on leased land. By 1992, however, they had sold 26 houses. Another 60 homes were built and sold over the next decade. Today, the trust uses federal funds to acquire and renovate vacant single-family houses. Under a lease-to-purchase arrangement, households gain ownership of their homes and sign a long-term lease for the underlying land with Time of Jubilee.

Community Land Trusts received national recognition in 1992, when a definition of "community land trusts" was added to federal law. State housing finance agencies and private lenders in 45 states, including Pennsylvania, now provide loans for the purchase and improvement of community land trust homes. A national association of community land trusts, the National CLT Network, provides training, technical assistance, and support for land trusts nationwide.

## HOW COMMUNITY LAND TRUSTS SUPPORT THEMSELVES

Community Land Trusts around the country support their projects and day-to-day operations in a variety of ways. They apply for federal grants through the HOME program, and obtain financing for rental homes through low-income housing and historic preservation tax credit programs. They receive grants from private foundations and donors, and they often sustain themselves through the development, lease, management, and real-estate transfer fees they earn in the course of their operations.



# A CALL TO ACTION

It is time for the City of Philadelphia to become an active, accountable partner in maintaining, improving and redeveloping the property it owns. The policies of the past must be overturned. We call on our elected officials to exercise leadership in revitalizing our neighborhoods and our city.

**1. WE CALL ON CITY COUNCIL TO CREATE A CITYWIDE PHILADELPHIA LAND BANK WITH OWNERSHIP AND CONTROL OF ALL PUBLICLY-OWNED VACANT PROPERTY.** The land bank will have authority to acquire, clean and clear title and transfer vacant properties. The land bank should establish clear goals and priorities for vacant property use that benefit the community. The Board of Directors should include substantial community representation to ensure neighborhood interests are protected.

**2. WE CALL ON CITY COUNCIL TO GIVE THE PHILADELPHIA LAND BANK AUTHORITY TO STRATEGICALLY TRANSFER SIGNIFICANT NUMBERS OF VACANT PROPERTIES TO NEIGHBORHOOD COMMUNITY LAND TRUSTS.** Community land trusts will take full and immediate responsibility for the care and maintenance of these properties, reducing annual City costs and ensuring the land and buildings contribute to the community and remain affordable for neighborhood residents and businesses. By transferring the properties to respected non-profit organizations who will permanently own and care for them, the City can transform vacant land and buildings from liabilities to assets for our communities and our city.



**1** Econsult Corporation, “May 8 Consulting and Penn Institute for Urban Research, Vacant Land Management in Philadelphia: The Costs of the Current System and the Benefits of Reform”; Philadelphia Redevelopment Authority and Philadelphia Association of CDC’s (November 2010) [http://may8consulting.com/pub\\_16.html](http://may8consulting.com/pub_16.html) (RDA Report).

**2** RDA Report (2010).

**3** Id.

**4** Id.

**5** Id.

## END NOTES

# ABOUT THE SPONSORING COALITION

**THE CAMPAIGN TO TAKE BACK VACANT LAND** is a coalition of Philadelphia community, faith and labor groups that have joined together to pass a law that gives communities control of vacant land in their neighborhoods. Its membership is growing every day.

#### CURRENT MEMBERS AND ALLIES:

- Action United
- AIDS Coalition to Unleash Power (ACT UP)
- Christ Centered Housing Ministries
- Circle of Hope Church
- Disabled In Action
- East Park Revitalization Alliance
- Liberty Resources
- Neighborhood Networks
- Norris Square Civic Association
- Philadelphia Orchard Project
- Poor People's Economic Human Rights Campaign
- Service Employees International Union 32BJ
- United Communities of Southeastern Philadelphia
- Working Group for a Grassroots Movement
- Women's Community Revitalization Project

**FOR MORE INFORMATION OR TO GET INVOLVED CONTACT:**



267-746-1376

[www.takebackvacantland.org](http://www.takebackvacantland.org)