

**Testimony of**  
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**Pennsylvania Legislature**  
**Senate Urban Affairs and Housing Committee Public Hearing**  
**September 16, 2010**  
**10:00 a.m.**

House Bill 712  
The “Pennsylvania Land Bank Act”

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Chairman Yaw, members of the Senate Urban Affairs and Housing Committee, it is an honor to be invited to meet with you today to discuss the pending legislation on land banks.

Land banks are entities that focus on the conversion of vacant, abandoned, and tax delinquent properties back into productive use. They take an otherwise problematic properties and create community assets by making redevelopment more efficient and affordable. Additionally, if given the proper legal and administrative mechanisms, land banks allow local governments to overcome the legal barriers commonly associated with problem properties.

Land banks have been created across the country over the last four decades. While every community is different, nearly every community in America has faced a challenge in introducing vacant and abandoned properties to the true investor market. Many communities have lengthy and inadequate foreclosure proceedings that do not often result in insurable title, and are saddled with antiquated systems which assume that tax enforcement will result in local developers and purchasers taking title to properties left behind by irresponsible owners. Clearly over the last few decades, out of town investors have been able to prevail. By treating tax-foreclosed property as real estate, rather than as a disposable commodity, a community can engage local investors and real estate agents in converting the once-forgotten properties to a productive part of the landscape.

We have learned that successful and effective land banks share some key elements. First, they are connected to the tax collection and foreclosure process. Second, they are policy driven

and transparent in both policy formation and execution. Third, they are scaled to the metropolitan level, providing the most diverse real estate market possible. Fourth, they have a focus and emphasis on community engagement and participation.

Like Michigan, communities across the state of Pennsylvania are struggling to cope with vacant, abandoned and tax delinquent properties. Land banks are a unique tool that can be used by communities and municipalities to facilitate the return of problem properties to productive use. Together with significant tax foreclosure reform, Michigan has used land banks to revitalize neighborhoods and increase property values and fight chronic blight.

Since 2003 the Michigan Land Bank Act has been viewed as the “model” land bank legislation in this country, and in the past seven years over 30 new local land banks have been created in Michigan pursuant to this authority. Pennsylvania House Bill 712 is a significant step forward for the state. It will allow the creation of key tools needed to address the devastating costs imposed on communities by vacant, abandoned and tax delinquent properties.

I appreciate the work of your Senate Committee in reviewing carefully pending House Bill 712. I thank you also for the privilege and honor of appearing before this Committee to share these thoughts.

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