



1234 Market St., 17<sup>th</sup> Floor, Philadelphia PA 19107  
[philadelphialandbank.org](http://philadelphialandbank.org)

## **Board of Directors Meeting**

**June 11, 2015**

**3:30 p.m.**

### **Agenda**


- 1 Roll Call
- 2 Public Comment
- 3 Approval of Minutes
- 4 Updates
- 5 Fiscal Year 2016 Budget
- 6 OHCD Memorandum of Understanding
- 7 Adjournment

**This meeting is open to the public**

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## MEMORANDUM

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Date: June 3, 2015  
To: Board of Directors  
From: John Carpenter and Darren Williams   
Re: Proposed Budget for Fiscal Year 2016

Attached is the proposed budget for the upcoming fiscal year starting July 1, 2015. We reviewed the details of this budget with members of the Board's Finance Committee at a meeting on June 3, 2015. Below is a brief overview of the key elements of this budget.

**Salaries:** The budget includes 22 full time staff at full operations, staged in over the next year. We have six staff members on the roster today, with one additional hire planned in the next month or so. We anticipate bringing other existing staff onto the Land bank's payroll after all labor contracts are complete, projected for September of this year, and may hire three to five additional staff over the following six months as the work levels require it.

**Share of OHCD and PHDC costs:** The Land Bank must pay for the support services and space costs it uses, as these are otherwise funded with Federal money that cannot be used to support Land Bank operations.

**Purchase of Services:** Includes the Land Bank's share of PHDC-purchased services, as well as the direct costs of the Land Bank's strategic plan, audit, and insurance.

**Materials and Supplies:** Includes printing of materials required to publish the Land Bank's Strategic Plan and physically post signage on properties as they are considered for conveyance by the Land Bank.

**Equipment:** Includes the cost of vehicles to allow Land Bank staff to inspect properties for maintenance and potential sale.

**Information Services and Technology:** Includes the engagement of technical resources to help us improve our internal systems, and to build a more modern web-based interface for use by the public to search for, view, and apply for property. It also includes the software licenses, data purchases, and services necessary to support these operations.

**Real Estate:** Includes the cost of reviewing and recording deeds as we transfer property into the Land Bank, expenses related to the tax foreclosure process as we acquire new properties for further conveyance for development, appraisals to establish a sale price for a portion of our conveyances, and basic maintenance for properties as we bring them into our inventory.

**PHILADELPHIA LAND BANK  
FISCAL 2016 OPERATING BUDGET  
JULY 1, 2015 TO JUNE 30, 2016**

*modified 6/3/15*

**Revenue**

City: General Funds	500,000
Philadelphia Redevelopment Authority Funding	3,823,660
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	<b>4,323,660</b>

PHILADELPHIA LAND BANK  
 FISCAL 2016 OPERATING BUDGET  
 JULY 1, 2015 TO JUNE 30, 2016

modified 6/3/15

<b>SALARIES</b>	<u>1,181,600</u>
<i>Share of OHCD Support Salaries</i>	130,000
<i>Share of PHDC Admin Salaries</i>	<u>253,000</u>
<b><u>Fringe Benefits</u></b>	
FICA	90,400
Pensions	384,800
Health Benefits	
Major Medical	302,300
Prescription Plan	52,900
Dental	15,700
Vision	800
Life Insurance	12,000
Group Legal	2,160
Worker's Compensation	7,500
Unemployment Comp	16,000
<b>Total Fringes</b>	<u>884,560</u>
<b><u>Purchase of Services</u></b>	
Telephone	6,800
Training, Travel & Conferences	25,000
Parking & Mileage	15,800
Postage	5,100
Advertisement & Promotions	30,000
<i>Professional Services</i>	
Legal Fees	26,700
Strategic Planning for 2017	100,000
Communications	25,000
Audit and Accounting Consulting	40,000
Insurance broker fees	50,700
Other	6,400
Repair & Property Maintenance	6,400
Rent of Office Space	89,200
Insurance	309,000
<b>Total Purchase of Services</b>	<u>736,100</u>
<b><u>Materials &amp; Supplies</u></b>	
Books, Publications, Dues	5,100
Office Material & Supplies	5,000
Printing	20,200
<b>Total Materials &amp; Supplies</b>	<u>30,300</u>
<b><u>Equipment</u></b>	
Tools and Equipment	4,700
Auto	22,000
<b>Total Equipment</b>	<u>26,700</u>
<b><u>Information Services &amp; Technology</u></b>	
Information Technology improvement	175,000
Drexel Interns	75,000
Software licenses	32,500
Purchase of data services	23,100
Purchase and maintenance of equipment	18,300
	<u>323,900</u>
<b><u>Real Estate</u></b>	
Acquisition & Disposition	407,500
Maintenance	350,000
	<u>757,500</u>
<b>Total Costs All Categories</b>	<u><u>4,323,660</u></u>

**RESOLUTION NO. 2015 -**

**RESOLUTION APPROVING PHILADELPHIA LAND BANK OPERATING BUDGET  
FOR FISCAL YEAR 2016**

**WHEREAS**, the Board of Directors has been presented with the proposed budget for Fiscal Year 2016 which itemizes the categories and amounts of expenses required to fund operations of the Philadelphia Land Bank (“Operating Budget”);

**WHEREAS**, the Board has reviewed and considered the Operating Budget;

**WHEREAS**, a majority of the entire Board of Directors of the Philadelphia Land Bank has voted in favor of adopting the Operating Budget.


**NOW THEREFORE, BE IT RESOLVED** by the Philadelphia Land Bank that:

1. The Operating Budget for Fiscal Year 2016, as presented to this Board and attached hereto, is hereby approved.
2. The Board will receive quarterly financial reporting comparing actual expenditures to Fiscal Year 2016 budgeted expenses.

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## MEMORANDUM

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Date: June 11, 2015  
To: Board of Directors  
From: John Carpenter   
Re: Memorandum of Understanding with Office of Housing and Community Development

We are presenting for Board consideration a Memorandum of Understanding between the Office of Housing and Community Development Office and Land Bank. This MOU is the final operational agreement with a related agency, the Board having approved similar arrangements with PRA and PHDC.

The OHCD MOU has three major components.

First, when the Land Bank takes responsibility for the City's VPRC Program, VPRC staff will migrate to the Land Bank where the Land Bank will supervise and manage that program and its staff. The MOU provides for reimbursement of VPRC staff expenses if that staff remain OHCD employees.

Next, OHCD will support the Land Bank with various administrative services, such as IT, HR, Communications, Office Services and Receptionist. The MOU outlines this agreement and provides for reimbursement to OHCD for the Land Bank's proportionate share of those services.

Finally, the MOU discusses the transfer to the Land Bank of management and processing of Expressions of Interest from those seeking to acquire publicly-owned properties, including the Land Bank's responsibility for use and maintenance of the LAMA Program.

The Agreement will become effective on July 1.

We ask for your approval of this Agreement.

**Philadelphia Land Bank / OHCD  
Memorandum of Understanding  
Summary of Major Terms**

<p>Management of VPRC Program and Staff</p> <p>Allocation of VPRC Sale Proceeds</p>	<p>OHCD intends to transfer to the Land Bank responsibility for managing VPRC and, at that time</p> <p>(1) VPRC staff will either be assigned or transferred to work under Land Bank Management</p> <p>(2) If VPRC staff remain OHCD employees while performing Land Bank work the Land Bank will reimburse OHCD for staff salary and benefits</p> <p>(3) Net income from the sale of City properties through VPRC will be retained by the Land Bank to fund future operations</p>
<p>Support Staff</p>	<p>OHCD will provide support services to the Land Bank including, Receptionist, IT, Communications, Human Resources and Office Services</p> <p>The Land Bank will reimburse OHCD for these expenses</p>
<p>Management of the "Front Door" Program</p>	<p>Upon agreement of OHCD, PRA and the Land Bank, the Land Bank will assume responsibility for receiving, evaluating and processing Expressions of Interest for all available City, PRA and Land Bank properties</p>
<p>Equipment</p>	<p>OHCD will continue its current use of specified computer hardware owned by the Land Bank</p>
<p>Term</p>	<p>Effective Date is July 1, 2015 with annual renewals unless terminated by either party with 90 days' notice</p>

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**CITY OF PHILADELPHIA  
ACTING THROUGH ITS OFFICE OF  
HOUSING AND COMMUNITY DEVELOPMENT**

**AND**

**PHILADELPHIA LAND BANK**

THIS MEMORANDUM OF UNDERSTANDING (“Memorandum”) is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2015 (“Effective Date”) between the City of Philadelphia (the “City”), acting through its Office of Housing and Community Development (“OHCD”), a city of the first class organized and existing pursuant to the laws of the Commonwealth of Pennsylvania, with its principal office located at 17<sup>th</sup> Floor, 1234 Market Street, Philadelphia, PA 19107 and the Philadelphia Land Bank (“Land Bank”), a public body and a body corporate and politic created, organized and existing in accordance with the provisions of the Pennsylvania Land Bank legislation, 68 Pa. C.S.A. § 2101, *et seq.*, with its principal office located at 17<sup>th</sup> Floor, 1234 Market Street, Philadelphia, PA 19107.

**BACKGROUND**

A. On December 2, 2012, the Commonwealth of Pennsylvania enacted legislation commonly referred to as the Pennsylvania Land Bank Act, 68 Pa. C.S.A. § 2101, *et seq.* (“Land Bank Act”) which, among other things, authorized a city of the first class to create a land bank by adopting an ordinance in accordance with the Land Bank Act.

B. On December 18, 2013, the Mayor of the City of Philadelphia signed Bill No. 130156-A, as previously adopted by Philadelphia City Council, which authorized the creation of the Philadelphia Land Bank and which has been codified at Chapter 16-700 of the Philadelphia Code (the “Land Bank Ordinance”).

C. On July 17, 2014, the Land Bank filed articles of incorporation with Pennsylvania’s Department of State and Department of Community and Economic Development as required by the Land Bank Act thereby allowing the Land Bank to operate for the purposes and in the manner specified in the Land Bank Act and the Land Bank Ordinance.

D. The Land Bank will operate and perform its daily business through an agreement with the Philadelphia Housing Development Corporation (“PHDC”). For purposes of this Memorandum, the Land Bank’s performances, rights and obligations may be conducted and exercised by PHDC on behalf of the Land Bank.



E. OHCD desires to assist the Land Bank in its mission to return vacant, abandoned, blighted and tax delinquent properties to productive use and has authorized the assistance and agreements set forth herein.

F. OHCD and the Land Bank enter into this Memorandum (i) through which OHCD will support Land Bank operations by providing certain staffing and related office services; and (ii) to allow the Land Bank to manage the City's Vacant Property Review Committee Program, all upon the terms and conditions stated herein.

**NOW THEREFORE**, the parties set forth their understandings as follows:

**1. Management of Vacant Property Review Committee Staff**

- 1.1 Pursuant to Chapter 16-400 of the Philadelphia Code, the City has established a program for acquisition and conveyance of vacant and surplus City property through a Vacant Property Review Committee ("VPRC"). OHCD presently employs and manages the staff which supports VPRC ("VPRC Staff"); however, OHCD intends to transfer those management responsibilities to the Land Bank.
- 1.2 At such time as the Land Bank assumes responsibility for managing VPRC Staff, OHCD will either assign, or transfer pursuant to an agreement with its employee union, certain VPRC Staff as determined jointly by the parties and consistent with the staff funding shown in the Land Bank's Fiscal Year 15 Operating Budget. Those VPRC Staff which are transferred will be re-hired as PHDC employees.
- 1.3 If any VPRC Staff are assigned to work for the Land Bank ("Assigned Staff"), then:
  - (a) Assigned Staff shall remain employees of OHCD with all rights, privileges and benefits afforded to employees in accordance with the Collective Bargaining Agreement between Local 1971 and OHCD ("Collective Bargaining Agreement"), as such agreement may be amended from time to time.
  - (b) Assigned Staff shall report and be primarily responsible to PHDC as the Land Bank's managing agent for their daily work assignments and other work duties as determined by the Land Bank and as permitted by the Collective Bargaining Agreement.
  - (c) When Assigned Staff perform occasional work for OHCD, the parties shall work cooperatively to meet their respective needs.

(d) While Assigned Staff are performing work for the Land Bank, OHCD shall pay salary and benefits directly to each of the Assigned Staff at their applicable pay grade and in the same manner as OHCD pays its other employees.

(e) If any Assigned Staff leaves the employ of OHCD during the Term, the Land Bank or its managing agent shall have full authority to hire, as a Land Bank or PHDC employee, a replacement for the position so vacated.

2. **Reimbursement for VPRC Staff Expenses**

(a) Each calendar quarter during the Term, the Land Bank shall reimburse OHCD for its actual expenditures for salaries and benefits paid to Assigned Staff for the preceding quarter ("Assigned Staff Expenses").

(b) In October, January, April and August of each year during the Term, OHCD shall submit to the Land Bank a statement of Assigned Staff Expenses for the preceding calendar quarter. Within ten (10) days of receipt of OHCD's statement, the Land Bank shall reimburse OHCD for all such expenditures.

3. **Allocation of VPRC Sales Proceeds**

As documented in a memorandum dated July 8, 2014 from Deborah McColloch, a copy of which is attached as Exhibit "A" ("McColloch Memorandum"), OHCD, the Philadelphia Redevelopment Authority ("PRA") and PHDC, for its own benefit as prospective agent for the Land Bank, reached agreement on use of VPRC sale proceeds. OHCD and the Land Bank hereby acknowledge and confirm that, consistent with the McColloch Memorandum:

(a) While the Land Bank serves as manager of VPRC, net proceeds from the sale of City surplus properties will be set aside and used to finance, in part, Land Bank operations for the subsequent fiscal year.

(b) On a date determined by the Land Bank, OHCD will direct PRA to commence segregating net sale proceeds from PRA's sale of City surplus properties through VPRC and to set aside those proceeds to be used, in part, to finance Land Bank operations for the subsequent fiscal year.

4. **OHCD Support of Land Bank Employees and Technology Systems**

4.1. OHCD shall provide Land Bank staff: (i) all routine and customary Offices Services, including without limitation, paper, envelopes and stationary, mail services and receptionist, (ii) staff support of the Land Bank's information technology systems, (iii) cell phone purchases and usage, (iv) Communications Services, and (v) Human Resources support (collectively, "OHCD Support Services"). OHCD Support Services shall be provided in similar manner as such services are presently provided to PHDC.

4.2. As full payment for OHCD Support Services for the first year of the Term, the Land Bank will pay to OHCD the total sum of One Hundred Thirty Thousand Dollars (\$130,000) ("OHCD Support Services Reimbursement"), which may be paid in semi-annual installments on or about January 1, 2016 and August 1, 2016.

4.3. Upon each renewal of this Memorandum, OHCD and the Land Bank shall determine the OHCD Support Services Reimbursement for that effective year, which amount the Land Bank shall pay to OHCD in semi-annual payments.

5. **Memorandum of Understanding Regarding Receipt and Processing of Expressions of Interest**

5.1. On June 15, 2012, PRA, the City and PHDC entered into a Memorandum of Understanding ("MOU"), a copy of which is attached as Exhibit "B", with an objective of achieving a more coordinated, consistent and effective approach to the disposition of their surplus vacant real property and the implementation of the "Policies for the Sale and Reuse of City Owned Property" which each had adopted.

5.2. The MOU appointed PRA as the initial point of contact for accepting and processing all Expressions of Interest, as therein defined. At such time as agreed by the parties, and upon receipt of any required consent, the Land Bank shall succeed to the role and responsibilities of PRA pursuant to the MOU. The parties shall work cooperatively to accomplish the efficient transfer of those responsibilities.

5.3. Proceeds of the sale of properties sold during the term of the MOU shall belong to the party that held title at the time of the sale of such property.

**6. LAMA**

6.1. Pursuant to a Memorandum of Understanding between PRA and the Land Bank, and upon satisfaction of certain conditions, PRA has agreed to assign to the Land Bank a Professional Services Contract with Davenport Group USA, Ltd. ("Davenport") pursuant to which the Land Bank will become responsible for operation and use of Davenport's land management software application ("LAMA").

6.2. When the Land Bank assumes full responsibility for LAMA, the Land Bank shall provide to OHCD all technical expertise, hardware, management and maintenance services required for its use of LAMA.

**7. Equipment**

OHCD presently uses those items of computer hardware identified on Exhibit "C". To the extent that the Land Bank has or acquires an ownership interest in those items, the Land Bank agrees that OHCD may continue to use those items.

**8. Term**

The term of this Memorandum ("Term") shall commence on the Effective Date and shall automatically renew and continue thereafter from year to year unless terminated by either party by providing written notice at least ninety (90) days prior to the anniversary of the Effective Date.

**9. Further Provisions**

9.1. During the Term, OHCD and the Land Bank will meet upon either party's request to discuss implementation of this Memorandum.

9.2. During the Term and upon request by OHCD, the Land Bank will report to OHCD regarding the work of Assigned Staff

9.3. The parties will use their best efforts to work cooperatively to resolve any controversy or dispute that may arise in relation to any term, condition or provision of this Memorandum. Any dispute which the parties cannot resolve on their own will be submitted for determination to the Mayor's Chief of Staff.

9.4. This Memorandum may not be assigned except upon prior written consent of all parties.

9.5. Nothing in this Memorandum is intended to confer third-party beneficiary rights upon any person, association, group or entity.

9.6. Nothing herein shall be construed as a waiver of those defenses, immunities, and limitations on damages available to the City, OHCD or the Land Bank pursuant to the Pennsylvania Political Subdivision Tort Claims Act, Act of October 5, 1980, P.L. 693, No. 142, (42 Pa.C.S.A. § 8541 *et. seq.*) or other applicable law.

9.7. This Memorandum may be amended only by written consent of both parties.

**IN WITNESS WHEREOF**, the parties hereto have caused this Memorandum to be executed by its duly authorized officials.

**CITY OF PHILADELPHIA  
ACTING THROUGH ITS OFFICE OF  
HOUSING AND COMMUNITY DEVELOPMENT**

By: \_\_\_\_\_  
Deborah McColloch  
Director

**PHILADELPHIA LAND BANK**

By: \_\_\_\_\_  
Majeedah Rashid  
Chair

**RESOLUTION NO. 2015 -**

**RESOLUTION AUTHORIZING A MEMORANDUM OF UNDERSTANDING  
BETWEEN THE OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT AND  
THE PHILADELPHIA LAND BANK**

**WHEREAS**, the Office of Housing and Community Development (“OHCD”) and the Philadelphia Land Bank desire to enter into a Memorandum of Understanding through which OHCD will provide staffing and administrative services to the Land Bank and the Land Bank will reimburse OHCD for those services; and

**WHEREAS**, the Board has considered the Memorandum of Understanding and finds that its adoption to be in the best interests of the Land Bank.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the Philadelphia Land Bank that the Executive Director of the Land Bank may enter into the Memorandum of Understanding with the Office of Housing and Community Development in form and substance acceptable to the Executive Director consistent with the terms and conditions stated in the Executive Summary presented to the Board.