



1234 Market St., 16th Floor, Philadelphia PA 19107
philadelphialandbank.org

**Board of Director's Meeting
September 20, 2018 - 3:30 PM
Agenda**

1. Roll Call
2. Public Comment
3. Approval of Minutes for the Meeting of August 23, 2018
4. Property Dispositions
 - 1248-52 S. 23rd Street
5. Resolution Granting Authorization to Acquire Properties at Judicial Sale, Subject To Certain Terms And Conditions
6. Resolution Authorizing Personnel to Execute Settlement Sheet and Title Affidavit on Behalf of Philadelphia Land Bank Upon Approval of the Executive Director, Director of Real Estate, or Senior Counsel
7. Executive Director's Report (including update on property transfers, acquisition, and sales)
8. Adjournment

THIS MEETING IS OPEN TO THE PUBLIC

**PHILADELPHIA LAND BANK
BOARD MEETING MINUTES**

A Regular Meeting of the Board of Directors of the Philadelphia Land Bank was held on Thursday, August 23, 2018, in the offices of the Philadelphia Housing Development Corporation, being its regular meeting place, 17th Floor, 1234 Market Street, Philadelphia, Pennsylvania, pursuant to proper notices.

CALL TO ORDER

Mr. Dunbar called the meeting to order at 3:34 p.m.

ANNOUNCEMENT

Steve Cusano, Senior Counsel, announced that prior to today's Public Session, the Board held an Executive Session regarding that certain litigation matter entitled "Public Advocate v. the Philadelphia Water, Sewer and Storm Water Rate Board, filed in the Philadelphia Court of Common Pleas, Case No. 180800527. The Board also listened to a presentation from Interface Studio regarding the Land Bank's Strategic Plan.

**Agenda Item 1
Roll Call**

The following members of the Board of Directors reported present: Christian Dunbar, Michael Koonce, Rick Sauer, Paulette Adams, Jennifer Kates, Dominique Casimir, Majeedah Rashid, and Lauren Vidas.

The following members of the Board of Directors were not present: Richard DeMarco, Blane Stoddard, and Courtney Voss.

The following staff members were present: Angel Rodriguez, Steve Cusano, Esq., Christi Jackson, Andrea Saah, Esq., Stephen Novotny, and Bradley Vassallo.

Public Attendees: The list of public attendees is attached to these minutes.

A quorum of directors was present and the meeting, having been duly convened, proceeded with business.

**Agenda Item 2
Public Comment**

Mr. Dunbar asked if any member of the public wished to comment upon any item on the Board's agenda.

There were no comments from the public.

**Agenda Item 3
Approval of Board Minutes**

Mr. Dunbar called for a motion to approve the minutes of the Board meeting of July 12, 2018.

Ms. Adams made a motion to approve the minutes of the Board meeting of July 12, 2018. The motion was seconded by Ms. Casimir.

Upon motion made and duly seconded, the Board unanimously approved the minutes of the July 12, 2018 Board meeting as presented.

Mr. Koonce entered the meeting at 3:38 p.m.

Agenda Item 4
Property Dispositions

A. 1248-52 S. 23rd Street

Mr. Novotny presented the proposed conveyance of 1248-52 S 23rd Street to Lily South 23rd Street, LLC, a sole purpose entity wholly owned by the principals of Lily Development, for a price of \$361,000. The property was posted as a competitive sale and five bids were received. Lily South 23rd Street, LLC was scored the most qualified bid based on the company's extensive experience developing new construction residential units in the city. The developer proposes to construct three single family homes with three bedrooms to be sold to owner-occupants at market rate. The project received VPRC approval on May 8, 2018 and City Council approval on June 7, 2018. The EOP will apply for this project. The applicant is compliant with the City of Philadelphia Revenue Department and has no outstanding tax obligations, conflicts of interest, or unresolved violation of City L&I codes.

The Board posed several questions regarding the Land Bank's process of vetting and scoring of applicants. Mr. Novotny explained that all applicants are required to submit a tax status certification request and a conflict of interest and public disclosure form, and that the Department of Revenue issued a certificate of tax clearance for the applicant; the Land Bank also verifies that the applicant is still in compliance just prior to settlement. Mr. Novotny further explained that this applicant had extensive experience developing single family units in the city, and that they had completed over 250 such projects. Mr. Novotny also provided a brief overview of the process.

The Board then asked additional questions regarding the developer's past projects and the Land Bank's scoring criteria and competitive sale process. Mr. Dunbar called for a motion approving the Resolution Authorizing Conveyance of 1248-52 S. 23rd Street, but a motion was not made so the Board continued deliberating. Several board members raised the issue of whether the applicant should be at the Board meetings to address questions, while others raised the question of whether the competitive sale process as it currently exists precludes the Board from raising concerns. Mr. Sauer asked for a session to learn how competitive sales are scored. The Board then further discussed the developer's past projects.

The Board was unable to complete its deliberations on this matter due to most of the members having to leave at approximately 4 p.m. to attend a memorial service at City Hall for a City Council employee. In the interest of time and because of other matters on the agenda that needed to be addressed, Mr. Rodriguez asked the Board to email to him any questions they may have regarding this conveyance prior to the next meeting so that the staff can present answers to those questions at the next meeting. By motion made by Mr. Koonce, seconded by Ms. Casimir, the Board decided to table the Resolution Authorizing Conveyance of 1248-52 S. 23rd Street to the September meeting.

Agenda Item 5

Resolution Approving Amended and Restated Memorandum of Understanding Between the Philadelphia Land Bank, the City of Philadelphia, Philadelphia School District and Philadelphia Gas Works to Coordinate the Acquisition of Tax Delinquent Properties

Mr. Cusano asked that the Board approve the Resolution Approving Amended and Restated Memorandum of Understanding Between the Philadelphia Land Bank, the City of Philadelphia, Philadelphia School District and Philadelphia Gas Works to Coordinate the Acquisition of Tax Delinquent Properties. The Board deliberated and asked several questions which Mr. Rodriguez and Mr. Cusano answered.

Upon completion of the Board's deliberation, Mr. Dunbar called for a motion to approve the Resolution Approving Amended and Restated Memorandum of Understanding Between the Philadelphia Land Bank, the City of Philadelphia, Philadelphia School District and Philadelphia Gas Works to Coordinate the Acquisition of Tax Delinquent Properties.

Ms. Vidas made a motion to approve the resolution. The motion was seconded by Mr. Sauer.

Upon motion made and duly seconded, the Board unanimously approved the Resolution Approving Amended and Restated Memorandum of Understanding Between the Philadelphia Land Bank, the City of Philadelphia, Philadelphia School District and Philadelphia Gas Works to Coordinate the Acquisition of Tax Delinquent Properties attached as Exhibit A to these minutes.

Agenda Item 6

Resolution Authorizing Personnel to Execute Settlement Sheet on Behalf of Philadelphia Land Bank Upon Approval of the Executive Director, Director of Real Estate, or Senior Counsel

Mr. Cusano asked that the Board approve the Resolution Authorizing Personnel to Execute Settlement Sheet on Behalf of Philadelphia Land Bank Upon Approval of the Executive Director, Director of Real Estate, or Senior Counsel. The Board deliberated and asked several questions about the process for reviewing the settlement sheet, which Mr. Rodriguez, Mr. Cusano, and Ms. Jackson answered.

Upon completion of the Board's deliberation, Mr. Dunbar called for a motion to approve the Resolution Authorizing Personnel to Execute Settlement Sheet on Behalf of Philadelphia Land Bank Upon Approval of the Executive Director, Director of Real Estate, or Senior Counsel.

Ms. Casimir made a motion to approve the resolution. The motion was seconded by Ms. Adams.

Upon motion made and duly seconded, the Board unanimously approved the Resolution Authorizing Personnel to Execute Settlement Sheet on Behalf of Philadelphia Land Bank Upon Approval of the Executive Director, Director of Real Estate, or Senior Counsel, attached as Exhibit B to these minutes.

Agenda Item 7

Executive Director's Report

Mr. Rodriguez distributed the handouts attached as Exhibit C to these minutes. However, due to several members of the Board having to leave to attend a memorial service for a City Council staff member, the Executive Director's report was tabled.

Mr. Rodriguez then requested that Board members indicate via email their response to the request to postpone the September board meeting, currently scheduled for September 13th, to September 20th.

Agenda Item 12
Adjournment

There being no further business to come before the Board, Mr. Dunbar called for a motion to adjourn the meeting.

Ms. Koonce made a motion to adjourn the meeting. Ms. Vidas seconded the motion.

Upon motion made and duly seconded, the Board approved to adjourn the meeting. Mr. Dunbar declared the meeting adjourned at 4:13 p.m.

SECRETARY TO THE BOARD

GUEST SIGN-IN SHEET



BOARD OF DIRECTORS
REGULAR MEETING

Thursday, August 23, 2018 at 3:30 PM
1234 Market Street, 17th Floor, Philadelphia, PA 19107

ALL GUESTS ARE REQUIRED TO SIGN-IN
THIS SIGN-IN SHEET WILL BE PART OF THE MEETING MINUTES AND ANY INFORMATION CONTAINED HEREIN WILL BE MADE PUBLIC

	NAME	COMPANY	EMAIL
1	Karen Minner	Community Reinvestment	phillips@quail.com
2	Evelyn Brown	Council	Evelyn.Brown@phila.gov
3	Owen Wolf	None	O.WOLF2@yahoo.com
4			
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EXHIBIT A
RESOLUTION NO. 2018 - 40

RESOLUTION APPROVING AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING BETWEEN THE PHILADELPHIA LAND BANK, THE CITY OF PHILADELPHIA, PHILADELPHIA SCHOOL DISTRICT AND PHILADELPHIA GAS WORKS TO COORDINATE THE ACQUISITION OF TAX DELINQUENT PROPERTIES

WHEREAS, the Philadelphia Land Bank (“**Land Bank**”) entered into a Memorandum of Understanding dated September 15, 2017 (the “**Original MOU**”) between the School District of Philadelphia, the Philadelphia Gas Works, and the City of Philadelphia by and through its Office of the Director of Finance, Department of Revenue, and Law Department (collectively, the “**Parties**”) to memorialize a process for the Land Bank to identify and acquire delinquent properties at judicial sale and to make payment to the City for certain amounts;

WHEREAS, the Land Bank and the Parties now desire to renew, extend, amend, and restate the Original MOU pursuant to an Amended and Restated Memorandum of Understanding (“**Amended and Restated MOU**”) as more specifically provided in the summary of major terms (“**Summary**”) attached to this Resolution;

WHEREAS, the Board of Directors of the Philadelphia Land Bank (“**Board**”) has determined that entering into the Amended and Restated MOU is in the best interests of the Land Bank.

NOW THEREFORE, BE IT HEREBY RESOLVED by the Board of Directors of the Philadelphia Land Bank that:

1. The Executive Director is hereby authorized to enter into the Amended and Restated MOU in form and substance acceptable to the Executive Director and Senior Counsel consistent with the Summary, but with the advice of Senior Counsel may modify the Amended and Restated MOU which are in the best interests of the Land Bank and which do not materially alter the substantive process now represented in the attached Summary.
2. The Executive Director with the advice of Senior Counsel may modify this Resolution as may be necessary or desirable to carry out its purposes and intents.
3. This Resolution shall take effect immediately upon adoption by the Board.

ADOPTED 8/23/18

Amended and Restated Memorandum of Understanding Between the Philadelphia Land Bank, the City of Philadelphia, Philadelphia School District and Philadelphia Gas Works
Summary of Major Terms

Section 1 - Term	<i>Change from the Original MOU to allow the term to automatically renew</i> - The term is now amended to commence on 9/18/2018 and end on 9/15/2019 and automatically renews for additional, consecutive, one-year periods, unless terminated pursuant to Section 11.
Section 2 – Hold Requests	<i>No change from the Original MOU</i> – The Land Bank may not have in effect at any given time more than five hundred (500) Hold Requests. As properties are removed from the hold list, including properties that the Land Bank has approved for acquisition with adequate funding and those that are placed back onto the Tax Sale list, the Land Bank can request an equivalent number of holds up to the five hundred (500) limit.
Section 3 – One-Hundred and Twenty Day Hold	<i>No change from the Original MOU</i> – Upon receipt of a Hold Request, the Departments flag the relevant delinquent account to prevent the property from being exposed to Tax Sale for 120 days. A Hold Request prevents the Departments, PGW, and Water from entering into a payment agreement, other than as mandated by applicable (i) law, (ii) court order, or (iii) regulatory ruling.
Section 4 - Prompt Evaluation by the Departments	<i>Minimal change from the Original MOU to more accurately indicate when the City will provide notice</i> – At an appropriate time prior to Tax Sale, the City submits notice to the Land Bank that it has placed the property into one of two categories: Eligible for Tax Sale or Ineligible for Tax Sale. If Eligible for Tax Sale, written notice includes the City’s best estimate as to the earliest practicable date the property will be moved through the Tax Sale process. If Ineligible for Tax Sale, the City will inform the Land Bank as to the reason why the property is ineligible, among those reasons listed in Section 5(a).
Section 5 - Eligibility for Sale and Terms of Sale	<i>No change from the Original MOU</i> – Properties are Ineligible for Tax Sale Properties if: (i) account is tax compliant (either full payment or approved payment agreement); (ii) a court-ordered stay or postponement is in place; (iii) account is under appeal; (iv) owner is in bankruptcy; (v) lien(s) have been discharged in prior Tax Sale; or (v) Departments have a reasonable suspicion that the lien(s) are defective.

	<p><i>No change from the Original MOU</i> – For properties Eligible for Tax Sale and which are acquired, the Land Bank will be required to pay the Sheriff’s costs and the total Real Estate, Water and PGW liens due, up to the OPA assessed value. The Land Bank will take responsibility for any higher priority liens that survive the Tax Sale.</p> <p><i>No change from the Original MOU</i> – For properties where the Sheriff’s costs and the Real Estate, Water, and PGW liens due, together with any prior liens, such as certain federal and Commonwealth liens, exceed the OPA assessed value, the Land Bank pays OPA assessed value. Where the Land Bank pays OPA assessed value and that amount is not sufficient to satisfy the Real Estate Tax, Water, and PGW debt, the amount paid will be applied first to Sheriff’s costs, then to any liens with priority over real estate taxes, then to real estate taxes, and finally, if funds remain, to Water and PGW claims; and all remaining balances will be zeroed out by Law as of the date of sale.</p>
Section 6 – Discharge of Liens	<i>No change from the Original MOU</i> – The Land Bank’s bid at Tax Sale shall be the full amount due for all City Liens and PGW Liens as of the date of the Tax Sale. The amount of the Land Bank’s bid shall have no impact on the amount due from the Land Bank. Law and PGW coordinate removal, release, and discharge of liens after sale.
Section 7 – Prompt Follow-Up by the Land Bank	<i>No change from the Original MOU</i> – As soon as practicable after making a Hold Request and receiving a determination on candidates marked Eligible for Tax Sale, but in no case later than thirty (30) days before the hold expires, the Land Bank shall evaluate whether it in fact intends to acquire the property and shall give notice of that decision to the Departments and PGW.
Section 8 – Hold Released After One Hundred Twenty (120) Days	<i>No change from the Original MOU</i> – If at end of 120 days from receipt of a Hold Request, the Departments communicate the expiration of the hold period and the Land Bank has neither communicated that it plans to acquire nor requested an extension, the flag may be removed from the property and ordinary collection – including Tax Sale – may resume.
Section 9 – Sixty (60) Day Hold Extension	<i>No change from the Original MOU</i> – A hold may be extended for an additional 60 days, but only once per property, and only if the total number of Hold Requests remains within 500.
Section 11 – Notice of Termination.	<i>No change from the Original MOU</i> – Any party can terminate upon 60 days notice to all other parties. The Departments will facilitate completion of the acquisition of any properties approved by the Land Bank prior to the effective date of such notice.

EXHIBIT B
RESOLUTION NO. 2018 – 41

**RESOLUTION AUTHORIZING PERSONNEL TO EXECUTE SETTLEMENT SHEETS
ON BEHALF OF PHILADELPHIA LAND BANK UPON APPROVAL OF THE
EXECUTIVE DIRECTOR, DIRECTOR OF REAL ESTATE, OR SENIOR COUNSEL**

WHEREAS, the Board of Directors of the Philadelphia Land Bank (“**Board**”) has determined that it is in the best interests of the Land Bank to authorize certain Land Bank staff with the authority to execute settlement sheets on behalf of the Land Bank upon approval of either the Executive Director, Director of Real Estate, or Senior Counsel.

NOW THEREFORE, BE IT HEREBY RESOLVED by the Board of Directors of the Philadelphia Land Bank that:

4. Daiana Ramos is hereby authorized to execute and sign settlement sheets on behalf of the Land Bank when approved to do so by either the Executive Director, Director of Real Estate, or Senior Counsel.
5. The Executive Director with the advice of Senior Counsel may modify this Resolution as may be necessary or desirable to carry out its purposes and intents.
6. The execution of any settlement sheets by Daiana Ramos prior to the effectiveness of this Resolution is hereby ratified and confirmed.
7. This Resolution shall take effect immediately upon adoption by the Board.

ADOPTED 8/23/18

EXHIBIT C (6 pages)

Land Bank Update as of August 23, 2018

TAX ACQUISITIONS Status Report as of 8/23/2018:

FY 2019 Budgeted Acquisitions	\$3,125,780.00
<i>Less: July 2018 Acquisitions</i>	<i>(\$297,814.00)</i>
<i>Less: August 2018 Acquisitions (est.)</i>	<i>(\$382,239.00)</i>
Balance	\$2,445,727.00

Reconciliation of the initially proposed Acquisition List FY 2018

As I have explained in past Board meetings, initially the Land Bank proposed to acquire 320 properties for FY 2018 we soon realized that a significant number of properties lacked a Tax Information Certificate (TIC) and/ or Judicial Decree for the already approved list of properties on the "One Drive" which meant they would have to be acquired in fiscal year 2019.

The attached report shows a comprehensive reconciliation of the initial Tax Acquisition List of 320 properties. Please note, shortly after approval we scrubbed the data and the list contained 317 properties (**SEE ATTACHED**):

Total Master List	317		
Acquired	90	\$ 769,793.85	28.39%
Not Available	93	\$ 209,629.57	29.34%
US BANK	23	\$ 113,473.13	7.26%
To Be Acquired	111	\$ 834,415.75	35.02%
TOTALS	317	\$1,927,312.30	100.00%

Acquired	\$ 769,793.85
To Be Acquired	\$ 834,415.75
TOTAL	\$1,604,209.60

The criteria used internally at the Land Bank to "back fill" the deficit left by the lack of a Tax Information Certificate (TIC) and Judicial Decree for the already approved list, consisted of the following overarching goal to avoid blight and/ or remediate blight with a focus of these (but not limited to) key indicators (**SEE ATTACHED**):

- Vacant Lots
- Proximity to Publicly Owned
- Focus on blocks with limited vacancy
- High Value blocks that can subsidize nominal dispositions

DISPOSITIONS:

Currently PLB staff is processing 354 lots towards settlement. The attached report shows what stage and intended use, by council district the lots are.