

**Request for Proposals for Line of Credit
Questions and Answers
Final**

1. Is the Philadelphia Land Bank a non-profit organization or a government agency?

The Philadelphia Land Bank is not a non-profit entity. It can be classified as a quasi-governmental entity. The Land Bank was created by Chapter 16-700 of the Philadelphia Code in accordance with the Pennsylvania Land Bank Act, 68 Pa. C.S.A. §§ 2101, *et seq.* Pursuant to the Pennsylvania Land Bank Act, the Philadelphia Land Bank is a public body, corporate and politic.

2. Please provide the 2016 Financials.

The Land Bank's 2016 and 2017 audited financial statements are included with these Questions and Answers as Exhibit A and Exhibit B, respectively.

3. Can you provide details of how a typical transaction works for the Land Bank to acquire a property?

The Land Bank acquires tax delinquent properties at sheriff's sale. Pursuant to the Pennsylvania Land Bank Act, 68 Pa. C.S.A. §§ 2101, *et seq.*, the Land Bank has a "priority bid", which allows the Land Bank to acquire tax-delinquent properties at a sheriff's sale without competitive bidding.

4. Please provide details into the process for the Land Bank to receive funding through the city and redevelopment?

The Land Bank receives its funding through an allocation of the City's general fund. The Land Bank follows the City's budgeting process when requesting this allocation.

5. Per the audit it mentioned management agreement between the City, PRD, PHDC and other agencies. Please provide these agreements.

These agreements will not be provided at this time, but will be provided to the selected applicant.

6. Is that annual appropriation by the City contingent to any other requirements/restrictions to receive funding from the City of Philadelphia ("City"), Philadelphia Redevelopment Authority ("PRA"), or other related City agencies?

Appropriations from the City are not contingent on any other funding.

7. Has any funding request been denied when the budget has been submitted to the city?

No.

8. What is the time table for the land bank to be self-funded?

There is no timetable. Potential applicants should assume that the Land Bank may never be self-funded.

9. What's the typical "hold period" for each piece of land?

There is no typical "hold period". The "hold period" depends on the proposed use of the land and market conditions.

10. Is there a maximum number of properties the Land Bank is able to hold?

No.

11. Capital Contributions – Please provide details on how the Land bank receives capital contributions?

If by capital contributions, you are referring to funding, the Land Bank currently receives its funding from the City and from the sale of properties.

12. When will the 2019 Strategic Plan be completed?

The Land Bank is June 2019 for City Council to adopt the 2019 Strategic Plan.

13. What is the current projection for property sales in 2019 and 2020?

The Land Bank currently estimates an additional 27 property sales (consisting of 33 lots) in the fourth quarter of FY 2019 (April-June 2019) for expected revenues of approximately \$600,000.

Please note that some of these expected dispositions are not shown on Exhibit E because they have not received all approvals required for disposition (Vacant Property Review Committee, Land Bank Board, and City Council). Of this number, 22 sales (consisting of 25 lots) are expected to be nominal or highly discounted dispositions for side yards, gardens, or affordable housing.

For FY 2020, the Land Bank has 6 sales (consisting of 19 lots) in the pipeline, of which 4 sales (consisting of 10 lots) are expected to be nominal or highly discounted dispositions. The expected revenues for these sales is approximately \$438,000.

In addition, since February 2019, the Land Bank posted 47 properties for competitive sale and expects a majority of those properties to settle in FY 2020.

14. How many properties are planned to be acquired and held under management in 2019?

The Land Bank currently has 2,387 properties in its inventory and anticipates acquiring between 250 and 325 properties each fiscal year at sheriff's sale.

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15. Please provide details on the process for selling/redeveloping properties held by the Land Bank. Are there any metrics or criteria for sale of held properties?

The Land Bank disposes of properties pursuant to the current disposition policies and Mayor Kenney's letter dated March 21, 2019 both included as Exhibit G.

The 2017 Strategic Plan outlines the Land Bank's strategic goals for the acquisition of properties at sheriff's sales.

16. Is there a maximum number of properties the Land Bank is able to hold?

No.

17. Please provide detail on any current or anticipated purchases/projects.

Due to the confidential nature of such information, the Land Bank cannot release information regarding anticipated property purchases.

18. Is there a detailed property schedule available showing current holdings and status of all projects? If so, please forward.

The Land Bank's current property inventory, a list of settled/completed dispositions (as of 4/8/2019), and a list of approved, but yet to be settled/completed dispositions (as of 4/8/2019) are included with these Questions and Answers as Exhibit C, D, and E, respectively.

19. What projects is the Land Bank involved with (and therefore, what projects will the funds be used to facilitate), and are those projects located in low- to moderate-income areas (based on Area Median Income, as published by HUD)?

See response to question 18 for information regarding current projects. The funds from the line of credit will be used for day-to-day working capital liquidity on an as needed basis.

20. Is the Philadelphia Land Bank, as Borrower, able to certify the following: None of the real property acquired by the Borrower was acquired by the City of Philadelphia, or any other governmental authority, through the exercise of eminent domain and then sold by the Philadelphia Land Bank to a third party for private purposes.

It is not known at this time if any property currently or previously owned by the Land Bank was acquired by the City or any other governmental authority through eminent domain.

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21. Page 23 and 24 of the 2017 strategic plan for the Philadelphia Land Bank outline Acquisition and Disposition 5-year goals. Please provide actual results for historical years FY17 and 18, and YTD 19 as well as updated goals, if available for FY20 and 21.

Actual results for dispositions for FY 2017 and 2018, and YTD 2019 are shown in Exhibit D. Disposition goals for FY 2020 and 2021 are not yet available.

Please note that of the total number of properties currently in the Land Bank's inventory (2,387 as of 4/5/2019), approximately 1,880 were acquired from other public land-holding agencies and approximately 500 were acquired at sheriff's sales.

The Land Bank has sold 138 properties in 36 sales since it began selling properties in early 2017.

22. Please provide FYTD19 financials and budget

The Land Bank does currently maintain FYTD 2019 financials. Included with these Questions & Answers is Exhibit F - the FY 2019 approved budget and the FYTD 2019 budget versus actual as of 12/31/2018.

23. Please provide FY20 budget, if available.

The FY 2020 budget is not yet available because it has not yet been approved by City Council and the Land Bank Board of Directors.

24. Page 5 of the Management's Discussion and Analysis points out the "For Fiscal Year 2019, a funding commitment..." Was the expected funding commitment received and if so please describe (both amount and tenor).

For FY 2019, the Land Bank was approved for \$4,168,194 of general funds of which \$350,000 was approved for general operations. The balance of the general fund allocation was identified for property acquisitions at sheriff's sale.

The \$350,000 was made available as of July 1, 2019 and the remaining balance is made available as the Land Bank acquires properties at sheriff's sale.

25. When are appropriations received from the City of Philadelphia?

See response to question 24.

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26. What is the history of those appropriations?

For FY 2019, see response to question 24. For prior fiscal years, the Land Bank had been funded from general fund allocations from the City and other related City entities. The Land Bank carried a cash balance forward up until FY 2018. In October 2017, the Land Bank entered into an agreement with the City, et. al., allowing the Land Bank to acquire properties at sheriff's sales at which point the Land Bank used the balance of funds to acquire 276 properties.

See response to question 4.

27. Is there any other security that banks should be aware?

As stated in the RFP, the Land Bank seeks an unsecured line of credit. In addition, there will be no guarantors.

28. Is there a draw down schedule on the funds?

No. The Land Bank anticipates drawing down on the line of credit to support the Land Bank's day-to-day working capital liquidity on an as needed basis.

DISCLAIMER: If any information contained in this Q&A deviates from the RFP, the RFP shall govern and control.