

Rescheduled Board of Director's Meeting**December 20, 2019 - 4:00 PM****Agenda**

1. Roll Call
2. Public Comment
3. Approval of Minutes for the Meeting of November 20, 2019
4. Property Dispositions
 - 2760 N. Ringgold St.
 - 2908 N. 2nd St.
 - 3848 Melon St.
 - 2916-24 N. 2nd St.
 - 513 W. Susquehanna Ave; 19, 21, 23, 25, 27 E. Somerset St.; 2744, 2746 A. St., 3012, 3018, 3022, 3024, 3026, 3028, 3036, 3042 N. American St.; 190, 191 W. Monmouth St.; 2725, 2729, 2731, 2733, 2735 N. Orkney St.
 - 1703, 1707, 1711 N. 55th St.
 - 1853 E. Ontario St.
 - 1937 E. Dauphin St. and 2300 Emerald St.
 - 2166 N. Franklin St.
 - 2209 Emerald St.
 - 2410 N. 3rd St.
 - 3145 Custer St.
 - 1914, 1928, 1930, 1936, 1938, 1946, 1948, 1952, 1954 N 8th St.
5. Resolution Granting Authorization to Acquire Properties at Judicial Sale, Subject to Certain Terms and Conditions
6. Resolution Approving Philadelphia Land Bank Operating Budget for Fiscal Year Ending 2020
7. Resolution Adopting Disposition Legislation and Disposition Policies
8. Resolution Adopting Philadelphia Land Bank Schedule of Regular Board of Directors Meetings for 2020
9. Discussion Regarding Fee Schedule
10. Officer Elections
11. Executive Director's Report (including update on property transfers, acquisition, and sales)
12. 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 Wednesday, November 20, 2019 commencing at 3:00 p.m. 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

Ms. Rashid called the meeting to order at 3:22 p.m.

ANNOUNCEMENT

Steve Cusano, Senior Counsel, announced that prior to today's Public Session, the Board held an Executive Session in which the Board received information regarding the 2019 audited financial statements, information on upcoming Board elections, and information regarding the status of the lease with Avenue North Renaissance.

Agenda Item 1 Roll Call

The following members of the Board of Directors reported present: Richard DeMarco, Michael Johns, Michael Koonce, Majeedah Rashid, and Rick Sauer.

The following members of the Board of Directors were not present: Paulette Adams, Dominique Casimir, Christian Dunbar, and Joshu Harris.

The following staff members were present: Angel Rodriguez, Steve Cusano, Esq., Anne Fadullon, Wendolyne David, Jamila Davis, Carolyn Terry, 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.

Mr. Rodriguez reminded the Board that, pursuant to the Land Bank's Bylaws, a sale or lease of real property with a value of more than \$50,000 must be approved by a majority of the entire Board (the total number of Board members if there were no vacancies). Being that only 5 Board members were present, the following dispositions need to be tabled because they each have a value in excess of \$50,000 and require at least 6 votes to pass: (i) 2916-24 N. 2nd Street; and (ii) 513 W. Susquehanna Ave; 19, 21, 23, 25, 27 E. Somerset St.; 2744, 2746 A. St., 3012, 3018, 3022, 3024, 3026, 3028, 3036, 3042 N. American St.; 190, 191 W. Monmouth St.; 2725, 2729, 2731, 2733, 2735 N. Orkney St.

Agenda Item 2 Public Comment

Ms. Rashid called for public comment. There were no comments from the public.

Agenda Item 3
Approval of Board Minutes

Ms. Rashid called for a motion to approve the minutes of the Board meeting of October 23, 2019.

Mr. Koonce made a motion to approve the minutes of the Board meeting of October 23, 2019. The motion was seconded by Mr. Johns.

Upon motion made and duly seconded, the Board approved the minutes of the October 23, 2019 Board meeting.

Agenda Item 4
Property Disposition

2314 N. 5th Street and 4253 Mantua Street were removed from the agenda prior to the meeting.

Mr. Vassallo informed the Board that 2760 N. Ringgold Street and 2908 N. 2nd Street were not complaint at the time of this meeting and will be tabled.

A. 110 E. Wishart Street

Ms. David presented 110 E. Wishart Street as a side yard to Victor Diaz. The Board deliberated.

Ms. Rashid called for a motion to approve the Resolution Authorizing Conveyance of 110 E. Wishart Street to Victor Diaz. Mr. Johns made a motion to approve this Resolution. The motion was seconded by Mr. Koonce.

Upon motion made and duly seconded, the Board approved the Resolution Authorizing Conveyance of 110 E. Wishart Street to Victor Diaz attached to these minutes as Exhibit A.

B. 221 W. Sergeant Street and 540 E. Cambria Street

Ms. David presented 221 W. Sergeant Street as a side yard to Luis M. Gonzalez and 540 E. Cambria Street as a side yard to Jose Miranda. The Board deliberated.

Ms. Rashid called for a motion to approve the Resolution Authorizing Conveyance of 221 W. Sergeant Street to Luis M. Gonzalez and the Resolution Authorizing Conveyance of 540 E. Cambria to Jose Miranda. Mr. Johns made a motion to approve these Resolutions. The motion was seconded by Mr. DeMarco.

Upon motion made and duly seconded, the Board approved the Resolution Authorizing Conveyance of 221 W. Sergeant Street to Luis M. Gonzalez and the Resolution Authorizing Conveyance of 540 E. Cambria to Jose Miranda attached to these minutes as Exhibit B and Exhibit C, respectively.

C. 3848 Melon Street

This was tabled because, at the time of the meeting, it was unknown whether the value of the property, as appraised, exceeded the \$50,000 limit referenced earlier.

Agenda Item 5
Resolution Accepting Philadelphia Land Bank
Audited Financial Statements for Year Ending June 30, 2019

Mr. Cusano presented the Board with this Resolution. Mr. Rodriguez explained that the audited financial statements received a unmodified/unqualified opinion and had been reviewed by the Finance Committee and no issues were noted. The Board deliberated.

Ms. Rashid called for a motion to approve the Resolution Accepting Philadelphia Land Bank Audited Financial Statements for Year Ending June 30, 2019. Mr. Koonce made a motion to approve this Resolution. The motion was seconded by Mr. DeMarco.

Upon motion made and duly seconded, the Board approved the Resolution Accepting Philadelphia Land Bank Audited Financial Statements for Year Ending June 30, 2019 attached to these minutes as Exhibit D.

Agenda Item 6
Resolution Amending Resolution 2019-37 Authorizing a Lease with Avenue North
Renaissance for 1420-22 Poplar Street, 1429-31 Ogden Street, and 852-58 N. Carlisle Street

Mr. Cusano presented this Resolution to the Board. Mr. Cusano explained that the purpose of this Resolution is to amend Resolution 2019-37 and for the Board to approve the sublease between Live Nation and Avenue North Renaissance as set forth in the Sublease Summary attached to this Resolution. Mr. Cusano explained that this Resolution was not included in the Board package and provided a copy of this Resolution to each member of the Board and all others attending the meeting including the public. The Board deliberated and asked questions which Mr. Cusano answered.

Ms. Rashid called for a motion to approve the Resolution Amending Resolution 2019-37 Authorizing a Lease with Avenue North Renaissance for 1420-22 Poplar Street, 1429-31 Ogden Street, and 852-58 N. Carlisle Street. Mr. Sauer made a motion to approve this Resolution. The motion was seconded by Mr. DeMarco.

Upon motion made and duly seconded, the Board approved the Resolution Amending Resolution 2019-37 Authorizing a Lease with Avenue North Renaissance for 1420-22 Poplar Street, 1429-31 Ogden Street, and 852-58 N. Carlisle Street attached to these minutes as Exhibit E.

Agenda Item 7
Discussion Regarding Fee Schedule

Mr. Rodriguez reminded the Board about the consolidation that occurred on July 1st involving PHDC, PRA, and the Land Bank and the need to align Land Management among these entities. Mr. Rodriguez informed the Board that PRA currently utilizes a fee schedule, which Mr. Cusano provided to each member of the Board and all others attending the meeting including the public and is attached to these minutes as Exhibit F. Mr. Rodriguez informed the Board that the Land Bank does not currently utilize such a fee schedule. Mr. Rodriguez indicated that the goal is to have a standardized fee schedule applicable for all property dispositions whether done by the Land Bank or PRA, which once finalized would be presented to both boards of directors for approval. The Board discussed and Mr. Rodriguez and Mr. Cusano answered questions. The Board concluded this discussion and moved on to the next agenda item.

Agenda Item 8

Executive Director's Report

Mr. Rodriguez informed the Board that the transfer ordinance was approved by City Council for \$5,048,000 and that these funds will be available sometime in January 2020. Personnel and operating costs are approximately \$2.8 million. Mr. Rodriguez informed the Board that he anticipates presenting the 2020 budget at the December board meeting which was deferred until funding from the City was approved. The Board asked questions regarding the Land Bank's financial status, the status of postponed property acquisitions, and the cost to stay sheriff sale properties which Mr. Rodriguez and Mr. Cusano answered.

Mr. Rodriguez updated the Board on the status of the new disposition legislation that will take effect on January 1, 2020 and provided a brief summary.

Mr. DeMarco asked about reporting requirements and compliance monitoring for workforce and affordable housing which Mr. Rodriguez and Mr. Cusano answered. The Board had discussion on this topic.

Mr. Rodriguez updated the Board on the status of the Strategic Plan and expects that it will be presented to City Council in December before the end of the current session.

Mr. Rodriguez provided the Board with the following reports: dispositions to date (settled) attached to these minutes as Exhibit G, dispositions to date (approved, not yet conveyed) attached to these minutes as Exhibit H, dispositions in pipeline attached to these minutes as Exhibit I, and garden license agreements attached to these minutes as Exhibit J. Mr. Rodriguez informed the Board that certain dispositions are being held up because some title companies will not close on properties acquired at sheriff sale until the one-year anniversary of the sheriff sale. The Board asked questions regarding these reposts which Mr. Rodriguez answered.

Agenda Item 9

Adjournment

There being no further business, Ms. Rashid called for a motion to adjourn the meeting.

Mr. Sauer made a motion to adjourn the meeting. Mr. DeMarco seconded the motion.

Upon motion made and duly seconded, the Board approved to adjourn the meeting. The meeting was adjourned at 4:21 p.m.

SECRETARY TO THE BOARD

EXHIBIT A

RESOLUTION NO. 2019 – 54 RESOLUTION AUTHORIZING CONVEYANCE OF 110 E. WISHART STREET TO VICTOR DIAZ

WHEREAS, Section 16-707 of the Philadelphia Code authorizes the Philadelphia Land Bank (“Land Bank”) to convey, exchange, sell, transfer, lease, grant or mortgage interests in real property of the Land Bank, subject to approval of the Vacant Property Review Committee and resolution by Philadelphia City Council, and subject further to the terms and conditions of Section 16-707.

WHEREAS, the Vacant Property Review Committee reviewed the proposed transfer of 110 E. Wishart (the "Property") at its public meeting held on November 12, 2019.

WHEREAS, the Board of Directors has determined that it is in the best interest of the Land Bank to convey the Property.

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

1. The conveyance of the Property to Victor Diaz for One Dollar (\$1.00) is in the best interests of the Land Bank and is hereby approved, subject to approval by resolution of Philadelphia City Council.
2. The conveyance of the Property complies with all terms and conditions of Section 16-707 of the Philadelphia Code, subject to approval by resolution of Philadelphia City Council.
3. The Executive Director and Senior Counsel are each hereby authorized, in the name of and on behalf of the Land Bank, to negotiate, prepare, execute, deliver, and perform any and all agreements, deeds, and other documents, as may be necessary or desirable, to consummate the conveyance of the Property (collectively, the “Transaction Documents”) and, from time to time and at any time, amend, supplement, and modify the Transaction Documents, or any of them, as may be necessary or desirable. The Transaction Documents and any amendments, supplements, and modifications thereto shall contain such terms and conditions as the Executive Director and Senior Counsel shall deem necessary or appropriate, and, when so executed and delivered by the Land Bank shall constitute the valid and binding obligations of the Land Bank.
4. 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. The Executive Director or Senior Counsel will notify the Board of all modifications to this Resolution at the next Board meeting following the date of such modifications.
5. This Resolution shall take effect immediately upon adoption by the Board.

ADOPTED 11/20/2019

City Council Resolution # 190956, adopted 12/5/2019

EXHIBIT B

RESOLUTION NO. 2019 – 55 RESOLUTION AUTHORIZING CONVEYANCE OF 221 W. SERGEANT STREET TO LUIS M. GONZALEZ

WHEREAS, Section 16-707 of the Philadelphia Code authorizes the Philadelphia Land Bank (“Land Bank”) to convey, exchange, sell, transfer, lease, grant or mortgage interests in real property of the Land Bank, subject to approval of the Vacant Property Review Committee and resolution by Philadelphia City Council, and subject further to the terms and conditions of Section 16-707.

WHEREAS, the Vacant Property Review Committee reviewed the proposed transfer of 221 W. Sergeant Street (the "Property") at its public meeting held on November 12, 2019.

WHEREAS, the Board of Directors has determined that it is in the best interest of the Land Bank to convey the Property.

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

1. The conveyance of the Property to Luis M. Gonzalez for One Dollar (\$1.00) is in the best interests of the Land Bank and is hereby approved, subject to approval by resolution of Philadelphia City Council.
2. The conveyance of the Property complies with all terms and conditions of Section 16-707 of the Philadelphia Code, subject to approval by resolution of Philadelphia City Council.
3. The Executive Director and Senior Counsel are each hereby authorized, in the name of and on behalf of the Land Bank, to negotiate, prepare, execute, deliver, and perform any and all agreements, deeds, and other documents, as may be necessary or desirable, to consummate the conveyance of the Property (collectively, the “Transaction Documents”) and, from time to time and at any time, amend, supplement, and modify the Transaction Documents, or any of them, as may be necessary or desirable. The Transaction Documents and any amendments, supplements, and modifications thereto shall contain such terms and conditions as the Executive Director and Senior Counsel shall deem necessary or appropriate, and, when so executed and delivered by the Land Bank shall constitute the valid and binding obligations of the Land Bank.
4. 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. The Executive Director or Senior Counsel will notify the Board of all modifications to this Resolution at the next Board meeting following the date of such modifications.
5. This Resolution shall take effect immediately upon adoption by the Board.

ADOPTED 11/20/2019

City Council Resolution # 190956, adopted 12/5/2019

EXHIBIT C

RESOLUTION NO. 2019 – 56 RESOLUTION AUTHORIZING CONVEYANCE OF 540 E. CAMBRIA TO JOSE MIRANDA

WHEREAS, Section 16-707 of the Philadelphia Code authorizes the Philadelphia Land Bank (“Land Bank”) to convey, exchange, sell, transfer, lease, grant or mortgage interests in real property of the Land Bank, subject to approval of the Vacant Property Review Committee and resolution by Philadelphia City Council, and subject further to the terms and conditions of Section 16-707.

WHEREAS, the Vacant Property Review Committee reviewed the proposed transfer of 540 E. Cambria (the "Property") at its public meeting held on November 12, 2019.

WHEREAS, the Board of Directors has determined that it is in the best interest of the Land Bank to convey the Property.

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

1. The conveyance of the Property to Jose Miranda for One Dollar (\$1.00) is in the best interests of the Land Bank and is hereby approved, subject to approval by resolution of Philadelphia City Council.
2. The conveyance of the Property complies with all terms and conditions of Section 16-707 of the Philadelphia Code, subject to approval by resolution of Philadelphia City Council.
3. The Executive Director and Senior Counsel are each hereby authorized, in the name of and on behalf of the Land Bank, to negotiate, prepare, execute, deliver, and perform any and all agreements, deeds, and other documents, as may be necessary or desirable, to consummate the conveyance of the Property (collectively, the “Transaction Documents”) and, from time to time and at any time, amend, supplement, and modify the Transaction Documents, or any of them, as may be necessary or desirable. The Transaction Documents and any amendments, supplements, and modifications thereto shall contain such terms and conditions as the Executive Director and Senior Counsel shall deem necessary or appropriate, and, when so executed and delivered by the Land Bank shall constitute the valid and binding obligations of the Land Bank.
4. 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. The Executive Director or Senior Counsel will notify the Board of all modifications to this Resolution at the next Board meeting following the date of such modifications.
5. This Resolution shall take effect immediately upon adoption by the Board.

ADOPTED 11/20/2019

City Council Resolution #190956, adopted on 12/5/2019

EXHIBIT D

RESOLUTION NO. 2019 - 57

**RESOLUTION ACCEPTING PHILADELPHIA LAND BANK
AUDITED FINANCIAL STATEMENTS FOR YEAR ENDING JUNE 30, 2019**

WHEREAS, the Land Bank Act, 68 Pa.C.S.A. § 2101, *et seq.*, requires the Philadelphia Land Bank to prepare an annual financial audit for submission to the Department of Community and Economic Development and Philadelphia City Council;

WHEREAS, the Land Bank has engaged the audit firm of Mercadien, P.C., Certified Public Accountants, to audit the Land Bank's financial statements for Fiscal Year 2019;

WHEREAS, Mercadien has issued its Independent Auditor's Report; and

WHEREAS, the Land Bank Board has reviewed, and desires to accept, the Independent Auditor's Report.

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

1. The Independent Auditor's Report of the Philadelphia Land Bank issued by Mercadien, P.C., Certified Public Accountants for Year Ended June 30, 2019 is hereby accepted as attached to this Resolution.
2. Land Bank staff is directed to submit the Auditor's Report to the Department of Community and Economic Development and to Philadelphia City Council as required by the Land Bank Act.
3. This Resolution shall take effect immediately upon adoption by the Board.

ADOPTED 11/20/2019

PHILADELPHIA LAND BANK
(A Component Unit of the City of Philadelphia)
Financial Statements
and
Supplementary Information
June 30, 2019

PHILADELPHIA LAND BANK
(A Component Unit of the City of Philadelphia)

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June 30, 2019

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PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the financial performance of the Philadelphia Land Bank ("Land Bank") provides an overview of the Land Bank's significant financial activities for the fiscal years ended June 30, 2019 and 2018. Please read it in conjunction with the attached financial statements for a comprehensive understanding of the reports.

Overview and Use of the Financial Statements

The management's discussion and analysis is intended to serve as an introduction to the basic financial statements of the Land Bank. The annual financial report is comprised of three components: management's discussion and analysis, the basic financial statements (including related notes to the financial statements), and supplementary information are required by the City of Philadelphia (the "City").

The financial statements are designed to provide readers with a broad overview of the finances of the Land Bank in a manner similar to private-sector business. These statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units on the accrual basis. Under this basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period they are incurred. Depreciation of capital assets is recognized in the statements of revenues, expenses and changes in net position.

The Land Bank is considered to be a governmental unit. As a result, the format of the attached financial statements conforms with GAAP as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The statements of net position present information on all of the Land Bank's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the Land Bank's net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the Land Bank, you need to also consider non-financial factors such as the Land Bank's ability to continue receiving funding from the City, City Council's willingness to transfer properties into the Land Bank inventory, and the Administration's willingness to provide resources to facilitate the operations of the Land Bank.

The statements of revenues, expenses and changes in net position present information on how the Land Bank's net position at June 30, 2019 and 2018, is derived.

The statements of cash flows provide information about the sources and uses of cash during the fiscal year.

Basic Financial Statements

The Land Bank's audited Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows are presented on pages 12 through 14.

PHILADELPHIA LAND BANK
(A Component Unit of the City of Philadelphia)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Assets

The Land Bank's total assets as of June 30, 2019, 2018 and 2017, consisted of the following:

	2019	2018	2017	% Change
<u>Current</u>				
Cash	\$ 943,530	\$ 2,437,517	\$ 3,040,536	-61%
Accounts Receivable	808,366	864,026	349,353	-6%
<u>Non-Current</u>				
Property Held for Development or Sale	28,796,333	25,590,211	25,884,936	13%
Capital Assets	12,544	23,959	35,373	-48%
Total Assets	\$ 30,560,773	\$ 28,915,713	\$ 29,310,198	6%

2019

Total assets at June 30, 2019, reflected a net increase of approximately \$1.6 million from the prior year. The Land Bank acquired 394 properties during the fiscal year from the City of Philadelphia's Department of Public Property (4), from the Philadelphia Redevelopment Authority ("PRA") (12), from Sheriff Sales – tax foreclosure (378), totaling a book value of approximately \$8 million. Property held for development or sale accounts for approximately 94% of total assets with a valuation of approximately \$29 Million. The Land Bank sold forty-seven (47) properties during the fiscal year. The Land Bank continues to utilize the City of Philadelphia's Office of Property Assessment pricing model to determine the valuation "pricing" of its properties. This methodology will be reassessed in 2020, the Land Bank did establish an impairment allowance, to adjust the values of properties valued at \$10,000 or less, for which transfer of ownership may be prohibitive, to reflect changing/current market conditions beyond the pricing model.

Total properties acquired and the entity of origin as of June 30, 2019, 2018 and 2017, consisted of the following:

	2019	2018	2017	TOTAL
<u>Properties Acquired</u>				
PHDC	-	-	134	134
PRA	12	7	162	181
City of Philadelphia (Public Properties)	4	1	673	678
Sheriff Sales	378	35	30	443
Private	-	-	1	1
Total Properties	394	43	1,000	1,437

Cash on hand decreased by approximately 61% from June 30, 2018, to approximately \$944,000. Accounts receivable accounted for approximately 3% of total assets.

The receivable balance of approximately \$808,000 includes \$672,000 pertaining to 72 VPRC purchase money mortgages. Two purchase money mortgages were issued during the fiscal year totaling approximately \$136,000 with the expectation that minimal proceeds will be received as these mortgages are self-amortizing over a ten-year period.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Assets (Continued)

2018

Total assets at June 30, 2018, reflected a net decrease of approximately \$394,000 from the prior year. The Land Bank acquired 43 properties during the fiscal year from the City of Philadelphia's Department of Public Property (1), from the Philadelphia Redevelopment Authority ("PRA") (7), from Sheriff Sales – tax foreclosure (35), totaling a book value of approximately \$843,000. Property held for development or sale accounts for approximately 88% of total assets with a valuation of approximately \$25.6 Million. The Land Bank sold eighteen (18) properties during the fiscal year. The Land Bank continues to utilize the City of Philadelphia's Office of Property Assessment pricing model to determine the valuation "pricing" of its properties. This methodology will be reassessed in 2019, coupled with consideration for establishing an impairment allowance, if the Land Bank continues to maintain ownership of these properties for an extended period of time.

Cash on hand decreased by approximately 20% from June 30, 2017, to approximately \$2.4 million. Accounts receivable accounted for approximately 3% of total assets. Approximately \$108,000 of this balance is due from the PRA and pertains to net sales proceeds from the Vacant Property Review Committee ("VPRC") and personnel costs for shared employee. PRA administered this program which controls the disposition of city owned property during the fiscal year on behalf of Land Bank.

The remaining receivable balance of approximately \$756,000 includes \$701,000 transferred from PRA pertaining to 72 VPRC purchase money mortgages. Twenty-eight (28) purchase money mortgages were issued during the fiscal year totaling approximately \$336,000 (with the expectation that minimal proceeds will be received as these mortgages are self-amortizing over a ten-year period.)

Liabilities

The Land Bank's total liabilities as of June 30, 2019, 2018 and 2017, consisted of the following:

	2019	2018	2017	% Change
<u>Current</u>				
Accounts Payable	\$ 92,472	\$ 2,136	\$ 126,261	4229%
Escrows Payable	42,291	31,611	14,000	34%
Accrued Liabilities	301,959	390,860	46,652	-23%
Compensated Absences	70,681	58,036	42,061	22%
Unearned Revenue	-	1,578,353	2,836,642	-100%
Total Liabilities	\$ 507,403	\$ 2,060,996	\$ 3,065,616	-75%

PHILADELPHIA LAND BANK
(A Component Unit of the City of Philadelphia)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Liabilities (Continued)

2019

At June 30, 2019, total liabilities decreased by approximately \$1.6 million (75%) to approximately \$507,000, primarily consisting of:

- Accounts payable obligations of approximately \$92,000 which is primarily timing difference from recording of deeds payments.
- Escrow payables increased by approximately \$11,000. Land Bank received twenty-three security escrow deposits totaling \$19,000 which will be repaid to the developer(s) upon the issuance of construction completion certificates.
- Accrued administrative expenses and contractual obligations as of June 30, 2019, for approximately \$302,000. Comprised of \$114,000 in payroll costs which include Land Bank's direct payroll accrual, PRA fringe and PHDC salary direct and indirect costs, \$68,000 legal and appraisal fees, \$120,000 due to the Department of Housing and Community Development ("DHCD") for reimbursable operating expenses.
- Compensated absences increased by approximately 22% to \$71,000 as the Land Bank's staff increased by four full time employees and existing staff accrued additional time.

2018

At June 30, 2018, total liabilities decreased by approximately \$1 million (33%) to approximately \$2.1 million, primarily consisting of:

- Accounts payable obligations of approximately \$2,000 which is primarily timing difference from recording of deeds payments.
- Escrow payables increased by approximately \$18,000. Land Bank received twenty-three security escrow deposits totaling \$29,000 which will be repaid to the developer(s) upon the issuance of construction completion certificates.
- Accrued administrative expenses and contractual obligations as of June 30, 2018, for approximately \$390,000. Comprised of \$232,000 in payroll costs which include Land Bank's direct payroll accrual, PRA and PHDC salary direct and indirect costs, \$97,000 legal and appraisal fees, \$39,000 audit fees, \$15,000 due to the Department of Housing and Community Development ("DHCD") for reimbursable operating expenses and \$7,000 for stormwater charges.
- Compensated absences increased by approximately 38% to \$58,000 as the Land Bank's staff increased by four full time employees and existing staff accrued additional time.
- Approximately \$1.6 million of unearned revenue at June 30, 2018, went unexpended. The balance of this funding will remain under the Land Bank's budget authority and will be rolled over into Fiscal Year 2019's approved funding allocation. This represents a 44% decrease from the period ending June 30, 2017.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Revenues

The Land Bank's total revenues for the years ended June 30, 2019, 2018 and 2017, consisted of the following:

	2019	2018	2017	% Change
Revenues applicable to:				
City of Philadelphia	\$ 3,326,733	\$ 850,000	\$ 450,000	291%
Philadelphia Redevelopment Authority	2,091,514	2,300,192	2,146,953	-9%
Other - City Agencies	-	-	45,218	0%
Other - Developer's Escrow	-	-	44,259	0%
Total Operating Revenues	\$ 5,418,247	\$ 3,150,192	\$ 2,686,430	72%

2019

In Fiscal Year 2019, the Land Bank generated revenue of \$5,418,247, \$3,326,733 from the City in general funds and expended \$2,091,514 of deferred revenue from the PRA. As of June 30, 2019, the Land Bank recorded \$5,418,247 in total revenue and had an unearned revenue balance of \$0.

As the Land Bank continues to record the transfer of incoming properties from other City land holding agencies, donated property revenue is generated to offset the recording of assets on the Land Bank's statement of net position. These are synthetic transactions with no offsetting consideration. Consequently, in the initial year when properties are first recorded, revenue artificially increases the Land Bank's net position. During Fiscal Year 2019 forty-seven (47) properties were sold below market value with and/or without subsidy generating net sales proceeds of approximately \$0.5 million, the book value of these properties was approximately \$2.2 million so an annual non-operating loss of approximately \$1.7 million associated with these dispositions is reported through a netting of revenues recorded for transferred properties.

For Fiscal Year 2020, a funding commitment is expected from the City of Philadelphia, as property sales are not expected to fully subsidize the Land Bank's operating budget and land acquisitions as detailed in the strategic plan.

2018

In Fiscal Year 2018, the Land Bank generated revenue of \$3,150,192, coupled with unearned revenue rolled over from Fiscal Year 2017, \$850,000 from the City in general funds and \$2,300,192 from the PRA. As of June 30, 2018, the Land Bank recorded \$3,150,192 in total revenue and had an unearned revenue balance of \$1,578,353. This represents an approximate decrease of 44%.

As the Land Bank continues to record the transfer of incoming properties from other City land holding agencies, donated property revenue is generated to offset the recording of assets on the Land Bank's statement of net position. These are synthetic transactions with no offsetting consideration. Consequently, in the initial year when properties are first recorded, revenue artificially increases the Land Bank's net position. During Fiscal Year 2018 eighteen (18) properties were sold below market value with and/or without subsidy generating net sales proceeds of approximately \$701,000, the book value of these properties was approximately \$1.2 million so an annual non-operating loss of approximately \$485,000 associated with these dispositions will be reported.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Expenses

The Land Bank's total expenses for the years ended June 30, 2019, 2018 and 2017, consisted of the following:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>% Change</u>
Personnel	\$ 1,495,703	\$ 1,431,211	\$ 1,631,267	5%
Office rental	52,153	38,229	81,514	36%
Outside service fees	4,991,303	2,655,951	929,600	88%
Depreciation and amortization	94,922	15,840	11,414	499%
Total Operating Expenses	<u><u>\$ 6,634,081</u></u>	<u><u>\$ 4,141,231</u></u>	<u><u>\$ 2,653,795</u></u>	60%

2019

Total operating expenses increased by approximately \$2.5 million (60%) driven primarily by outside service fees. For fiscal year 2019, 75% of total expenses incurred pertained to outside contracts and service fees which include primarily tax lien acquisitions \$3.7 million, legal fees \$274,000, insurance \$265,000, stormwater charges \$51,000, and \$956,000 for other administrative and technology expenses. Personnel expenses increased by 5% to \$1.5 million. Personnel at June 30, 2019 includes eighteen (18) full-time assigned staff compared to (14) in fiscal year 2018 and an indirect allocation of support staff expenses from PHDC as approved by the inter-agency memorandum of understanding.

Office rental increased by approximately 36% to \$52,153. This can be attributed to payment to PRA based on square footage utilized as opposed to the revised computation outlined in the memorandum of understanding which utilizes total hours worked by the Land Bank staff which significantly increased as staff was added, over total PHDC hours worked to calculate reimbursable amounts.

An inter-agency memorandum of understanding also exists with DHCD. For Fiscal year 2019, approximately \$240,000 was expended to reimburse DHCD for services and contracts entered into on behalf of the Land Bank.

2018

Total operating expenses increased by approximately \$1.5 million (56%) driven primarily by outside service fees. For fiscal year 2018, 64% of total expenses incurred pertained to outside contracts and service fees which include primarily tax lien acquisitions \$1.23 million, legal fees \$384,000, insurance \$127,000, stormwater charges \$456,000, and \$455,000 for other administrative and technology expenses. Personnel expenses decreased by 12% to \$1.43 million. The Land Bank received cost saving as PRA assigned employees were replaced with PHDC employees with lower fringe rates, as well as fringe benefits decreased by \$300,000 as an employee entered the DROP program this fiscal year. Personnel at June 30, 2018 includes fourteen (14) full-time assigned staff compared to (9) in fiscal year 2017 and an indirect allocation of support staff expenses from PHDC as approved by the inter-agency memorandum of understanding.

Office rental decreased by approximately 53% to \$38,229. This can be attributed to payment to PRA based on square footage utilized as opposed to the revised computation outlined in the memorandum

PHILADELPHIA LAND BANK
(A Component Unit of the City of Philadelphia)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Expenses (Continued)

of understanding which utilizes total hours worked by the Land Bank staff which significantly increased as staff was added, over total PHDC hours worked to calculate reimbursable amounts.

An inter-agency memorandum of understanding also exists with DHCD. For Fiscal year 2018, approximately \$165,000 was expended to reimburse DHCD for services and contracts entered into on behalf of the Land Bank.

Net Position

The Land Bank's net position is derived for FY 2019 by the difference between revenue and expense. Through June 30, 2019, the Land Bank's net position of \$30,053,369 represents approximately (104%) of revenue generated as a result of the Land Bank recording the ownership of 2,403 properties (\$28,801,333) and primarily the net loss of \$1,667,577 on FY 2019 property dispositions coupled with cumulative net capital assets purchased. In subsequent years the Land Bank's net position surplus/deficit will be contingent on how many properties the Land Bank acquires and disposes of and changes to the City of Philadelphia land disposition policy.

The Land Bank's net position is derived for FY 2018 by the difference between revenue and expense. Through June 30, 2018, the Land Bank's net position of \$26,854,717 represents approximately (103%) of revenue generated as a result of the Land Bank recording the ownership of 2,055 properties (\$26,590,211) and primarily the net loss of \$485,017 on FY 2018 property dispositions coupled with cumulative net capital assets purchased. In subsequent years the Land Bank's net position surplus/deficit will be contingent on how many properties the Land Bank acquires and disposes of and changes to the City of Philadelphia land disposition policy.

Alternative Funding

The Land Bank has been the recipient of funds made available directly or indirectly from the City to support the Land Bank's initial startup. As property is transferred into the Land Bank and tax foreclosure properties are acquired, the Land Bank strives to reduce the dependency on the City for subsidy and the Land Bank will continue to strive to reduce the financial dependency on the City.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the statements and should be thoroughly read for a complete detailed understanding of the financial position and activities of the Land Bank.

Issues That May Have a Significant Impact

An issue raised in the FY 2018 Management's Discussion & Analysis statement was the City Administration's efforts to consolidate the functions and services of the Housing Agencies (Land Bank, PRA and PHDC). As of the writing of this statement the City Administration has been successful in consolidating the agencies. The Staffing and Labor Plan by Local 1971 (DC33) and DC 47 which provides Union Representation to the housing agencies has been ratified. All staff are now PHDC employees allowing for the effective transfer and operations of PRA Land Management operations to the Land Bank.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia)

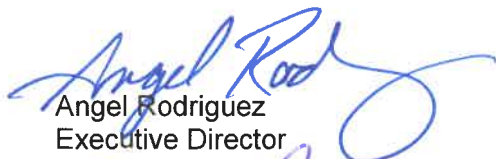
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Issues That May Have a Significant Impact (Continued)

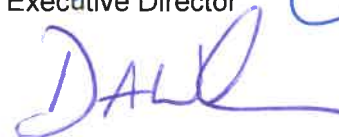
Currently, the Land Bank seeks to hire two (2) Senior Development Specialists and a full-time permanent Deputy Executive Director, that will be solely dedicated to Land Management. The Land Bank is also developing an action plan to align how each land holding agency disposes of property. Currently, PHDC, the Land Bank and the City of Philadelphia Department of Public Property have an agreed upon process. The Land Bank is working to resolve any issues with PRA's process as their dispositions are governed by Urban Renewal Law, which the other agencies are not required to follow.

As of June 30, 2019, two thousand four hundred and three (2,403) properties have been transferred to or acquired by the Land Bank. This number will increase drastically once the proposed City Council legislation changes how the City of Philadelphia manages its inventory of surplus vacant property. The proposed legislation will likely result in the transfer of the City of Philadelphia's three thousand eight hundred and fourteen vacant (3,814) parcels, eliminate the Vacant Property Review Committee (VPRC) and streamline the process for disposition by one (1) month. The Land Bank is currently assessing the impact that this transfer will have on its operations, i.e. insurance and property management functions.

Sincerely,



Angel Rodriguez
Executive Director



Darren Williams
Director of Finance

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Philadelphia Land Bank
City of Philadelphia, Commonwealth of Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the Philadelphia Land Bank (the "Land Bank"), a Component Unit of the City of Philadelphia, as of and for the years ended June 30, 2019 and 2018, and the related notes to financial statements, which comprise the Land Bank's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Land Bank as of June 30, 2019 and 2018, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages one through eight be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Land Bank's basic financial statements. The accompanying schedules of payments to other City agencies and capital assets are presented for purposes of additional analysis as required by the City of Philadelphia and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2019, on our consideration of the Land Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Land Bank's internal control over financial reporting and compliance.

Mercadieu, P.C.

Certified Public Accountants

October 29, 2019

BASIC FINANCIAL STATEMENTS

PHILADELPHIA LAND BANK
(A Component Unit of the City of Philadelphia)

STATEMENTS OF NET POSITION
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets		
Cash	\$ 943,530	\$ 2,437,517
Accounts receivable, net of allowance for doubtful accounts	<u>808,366</u>	<u>864,026</u>
Total Current Assets	<u>1,751,896</u>	<u>3,301,543</u>
Noncurrent Assets		
Property held for development or sale	28,796,333	25,590,211
Capital assets, net of accumulated depreciation	<u>12,544</u>	<u>23,959</u>
Total Noncurrent Assets	<u>28,808,877</u>	<u>25,614,170</u>
Total Assets	<u><u>\$ 30,560,773</u></u>	<u><u>\$ 28,915,713</u></u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 92,472	\$ 2,136
Escrows payable	42,291	31,611
Accrued liabilities	301,959	390,860
Compensated absences	70,681	58,036
Unearned revenue	<u>-</u>	<u>1,578,353</u>
Total Current Liabilities	<u>507,403</u>	<u>2,060,996</u>
Total Liabilities	<u>507,403</u>	<u>2,060,996</u>
Net Position		
Net investment in capital assets	28,808,877	25,614,170
Unrestricted	<u>1,244,492</u>	<u>1,240,547</u>
Total Net Position	<u>30,053,369</u>	<u>26,854,717</u>
Total Liabilities and Net Position	<u><u>\$ 30,560,773</u></u>	<u><u>\$ 28,915,713</u></u>

See notes to financial statements.

PHILADELPHIA LAND BANK
(A Component Unit of the City of Philadelphia)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2019 and 2018

	2019	2018
Operating Revenues		
Revenues applicable to:		
City of Philadelphia	\$ 3,326,733	\$ 850,000
Philadelphia Redevelopment Authority	2,091,514	2,300,192
Total Operating Revenues	5,418,247	3,150,192
Operating Expenses		
Personnel	1,495,703	1,431,211
Office rental	52,153	38,229
Outside services fees	4,991,303	2,655,951
Depreciation and amortization	94,922	15,840
Total Operating Expenses	6,634,081	4,141,231
Operating Loss	(1,215,834)	(991,039)
Net Gain on sales and transfers of land	3,560,043	1,279,043
Miscellaneous fees	37,321	8,630
Capital contributions	817,122	313,500
Total Non-Operating Revenues	4,414,486	1,601,173
Changes in Net Position	3,198,652	610,134
Net Position, Beginning of year	26,854,717	26,244,583
Net Position, End of year	<u>\$ 30,053,369</u>	<u>\$ 26,854,717</u>

See notes to financial statements.

PHILADELPHIA LAND BANK
(A Component Unit of the City of Philadelphia)

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Receipts from contracts with the City of Philadelphia and other agencies	\$ 4,044,916	\$ 1,137,594
Payments to employees for wages and benefits	(1,268,151)	(1,209,353)
Payments to suppliers for other costs	<u>(5,406,290)</u>	<u>(2,442,023)</u>
Net cash used in operating activities	<u>(2,629,525)</u>	<u>(2,513,782)</u>
Cash Flows From Non-Capital Financing Activities		
Proceeds from sale of property held for development or sale	<u>1,135,538</u>	<u>1,910,763</u>
Net cash provided by non-capital financing activities	<u>1,135,538</u>	<u>1,910,763</u>
Net Decrease in Cash	(1,493,987)	(603,019)
Cash, Beginning of year	<u>2,437,517</u>	<u>3,040,536</u>
Cash, End of year	<u><u>\$ 943,530</u></u>	<u><u>\$ 2,437,517</u></u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating loss	\$ (1,215,834)	\$ (991,039)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	94,922	15,840
Changes in operating assets and liabilities:		
Accounts receivable	55,660	(514,673)
Accounts payable	90,336	(124,125)
Accrued liabilities	(88,901)	344,208
Unearned revenue	(1,578,353)	(1,259,968)
Compensated absences	<u>12,645</u>	<u>15,975</u>
Net Cash Provided by Operating Activities	<u><u>\$ (2,629,525)</u></u>	<u><u>\$ (2,513,782)</u></u>

See notes to financial statements.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia)

NOTES TO FINANCIAL STATEMENTS

A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Reporting Entity

The Philadelphia Land Bank (“Land Bank”) is an independent governmental unit. In December 2012, the Commonwealth of Pennsylvania enacted the *Pennsylvania Land Bank Act, 68 Pa.C.S.A. §§ 2101-2120*, authorizing the creation of “land banks” by municipalities as tools to facilitate the return of vacant, abandoned and tax delinquent land/properties to productive use. In December 2013, City Council unanimously passed the ordinance which created the Philadelphia Land Bank, which Mayor Nutter signed into law. In July 2014, the Land Bank was incorporated.

The Land Bank’s mission is to return vacant and tax delinquent property to productive reuse. The Land Bank consolidates many of the land acquisition and disposition processes of the City under one umbrella, making it easier for private individuals and organizations to acquire properties that contribute to neighborhood disinvestment and turn them into assets for the community in which they are located. The Land Bank possesses a number of tools that enable it to help return derelict properties to productive use. The Land Bank:

- Acquires tax-delinquent properties through tax foreclosure.
- With the City’s consent, clears the title to those properties so that new owners are not burdened by old liens.
- Consolidates properties owned by multiple public agencies into single ownership to speed property transfers to new private owners.
- Assists in the assemblage and disposition of land for community, nonprofit and for-profit uses.

The Land Bank is governed by a board of directors composed of eleven members, five appointed by the Mayor and five by City Council, with the eleventh appointed by the other ten board members. All board members’ terms end with the end of the administration and Council’s term in January 2020, although they will serve until they are replaced. Members serve at the pleasure of their appointing authority.

The Land Bank is funded both directly and indirectly through the City of Philadelphia (the “City”). In its inaugural year, the Land Bank received general fund dollars directly from the City and through the Philadelphia Redevelopment Authority (“PRA”) at the Mayor’s request. As of June 30, 2019, the City has not indicated any intention to suspend or terminate its funding relationship with the Land Bank.

Financial Reporting

The Land Bank is considered to be a governmental organization. As such, the Land Bank presents its financial statements in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Land Bank considers itself to be a special purpose governmental organization engaged only in business type activities.

PHILADELPHIA LAND BANK
(A Component Unit of the City of Philadelphia)

NOTES TO FINANCIAL STATEMENTS

**A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Related Party and Memorandum of Understanding

There are no organizations or agencies that should be included in the Land Bank's financial statements. Through a Management Contract with the Philadelphia Housing Development Corporation ("PHDC"), PHDC manages, oversees and operates the everyday activities of the Land Bank, which includes the authority to act on behalf of the Land Bank, hiring dedicated full time Land Bank staff, and organizing administrative and clerical support staff. PHDC personnel are also responsible for maintaining accurate financial records, facilitating the payment of operational expenses and debts, and all external financial reporting.

Component Unit

The City of Philadelphia considers the Land Bank as a Component Unit of the City, with its annual financial information being consolidated into the City's Comprehensive Annual Financial Report ("CAFR").

Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. All pass-through funding is recognized as revenue when the related costs are incurred. Such costs could include costs of acquisition and rehabilitation of certain real property to be alternately conveyed to program beneficiaries.

Land Bank records all revenues derived and related expenses incurred from its programs and activities as operating revenues and expenses since they are generated from the Land Bank's daily operations needed to carry out its purposes.

In its accounting and financial reporting, the Land Bank follows the pronouncements of the GASB and other entities that promulgate accounting principles. GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. Per the Statement, the sources of authoritative generally accepted accounting principles ("GAAP") are categorized in descending order of authority as follows: GASB Statements and Interpretations, GASB Technical Bulletins, GASB Implementation Guides, and literature of the American Institute of Certified Public Accountants ("AICPA") cleared by the GASB. Authoritative GAAP is incorporated periodically into the *Codification of Governmental Accounting and Financial Reporting Standards* ("Codification"), and when presented in the Codification, it retains its authoritative status. If the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP described above, a governmental entity should first consider accounting principles for similar transactions or other events within a source of authoritative GAAP described above and then may consider non-authoritative accounting literature from other sources. These include GASB Concepts Statements; pronouncements and other literature of the Financial Accounting Standards Board, Federal Accounting

NOTES TO FINANCIAL STATEMENTS

**A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Measurement Focus and Basis of Accounting (Continued)

Standards Advisory Board, International Public Sector Accounting Standards Board, and International Accounting Standards Board, and AICPA literature not cleared by the GASB; practices that are widely recognized and prevalent in state and local government; literature of other professional associations or regulatory agencies; and accounting textbooks, handbooks and articles.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosure of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable generally represent amounts due under terms of grants and contracts for expenditures incurred or services provided prior to year-end. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off. The Land Bank had no such balances at June 30, 2019. See Note D.

Revenue Recognition - Government Grants and Contracts

The Land Bank records funding received in advance under contracts with the PRA and the City as unearned (deferred) revenue until the related costs are incurred or services performed, at that time they are recognized as revenue. In accordance with the terms of the PHDC Management Contract, Land Bank reimburses PHDC for all eligible and allowable costs incurred on behalf of the Land Bank and recognizes revenue accordingly.

Property Held for Sale

Property held for development or sale will be stated at the lower of the cost of acquisition (or equivalent valuation) or an impaired value, which reflects the land/property true valuation in accordance with GASB Statement No.'s 34, 42 and 72. This methodology will be applied to long-held vacant properties, as well as units recently acquired for sale. As of June 30, 2018, the Land Bank owned 2,055 total properties, 719 acquired from PHDC, 1,101 acquired from the City of Philadelphia Department of Public Property, 169 acquired from the Philadelphia Redevelopment Authority, 65 from sheriff sale, and one private acquisition. As of June 30, 2019, the Land Bank owned 2,403 total properties, 700 acquired from PHDC, 1,094 acquired from the City of Philadelphia Department of Public Property, 181 acquired from the Philadelphia Redevelopment Authority, 427 from sheriff sale, and one private acquisition. The Land Bank utilized the City of Philadelphia's Office of Property Assessment pricing model to determine the valuation "pricing" of its properties as the equivalent of the cost of acquisition. This methodology will be reassessed in 2020, coupled with consideration for establishing an impairment allowance, if the Land Bank maintains ownership of these properties for an extended period of time.

NOTES TO FINANCIAL STATEMENTS

**A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Inventory (Property) Impairment Reserve Account

The Land Bank utilizes the City of Philadelphia's Office of Property Assessment pricing model to determine the valuation "pricing" of its properties as the equivalent of the cost of acquisition. Prior to the current Fiscal Year, the Land Bank has not attempted to adjust its property valuation to reflect changing/current market conditions. A large tranche of properties the Land Bank maintains interest in are in economically and geographically challenged locations, sometimes prohibiting the easy transfer of ownership. Accordingly, the valuations of these properties are unlikely to appreciate thus inflating the Land Bank's Balance sheet. Effective July 1, 2018, the following methodology was adopted to more accurately account for potential property value impairment. A fifteen (15) percent contra asset impairment account reserve was set up by the Land Bank (as a provision for the potential future loss of market value of its property inventory portfolio at the end of the reporting period). This methodology was applied to all properties in the Inventory with a book value of \$10,000 or less. A corresponding reduction in current year revenue was recorded in the Land Bank's income statement.

Capital Assets and Depreciation

Capital assets are carried at cost or estimated historical cost, less accumulated depreciation. Capital assets are defined by the Land Bank as assets with a cost of more than \$750 and an estimated useful life in excess of one year. Depreciation is provided on the straight-line method over the estimated useful lives of the related assets as follows:

Buildings (operating real estate)	30 years
Leasehold improvements	10 years
Vehicles, furniture and equipment	10 years
Computer equipment and hardware	5 years

As of July 1, 2017, the Land Bank adopted an addendum to SAP E-72-002 (personal property perpetual inventory) which increased the minimum purchase price from \$500 to \$750 for an expenditure to be considered a capital asset.

Lease Obligations

The Land Bank has two lease agreements as of June 30, 2019 and 2018. Both are thirty-six-month leases with Ford Credit for the lease of two vehicles. Lease payments will not be capitalized and will be expensed monthly. The first lease was entered into in October 2016, for a total of \$12,459 with an outstanding balance of \$1,121 and \$5,936 for the years ended June 30, 2019 and 2018, respectively. The second lease was entered into in June 2017, for a total of \$14,138 with an outstanding balance of \$3,556 and \$10,582 for the years ended June 30, 2019 and 2018, respectively.

Compensated Absences

Land Bank staff are employed by PHDC and accrue leave time in accordance with PHDC personnel policies. PHDC employees accumulate sick and vacation time in accordance with their applicable contracts. Employees are not compensated for unused sick leave upon termination unless termination is due to retirement. Retiring employees are entitled to 30% of their accumulated sick time. Employees may carry over unused vacation on January 1 of each year, up to 560 hours. Compensated absences are accrued when incurred and reported as a liability. A corresponding entry is recorded to accounts receivable, since all such amounts are reimbursable by the respective agencies. The accrued liability for compensated absences is also reflected in PHDC's financial statements.

NOTES TO FINANCIAL STATEMENTS

**A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Other Post-employment Benefits

On behalf of Land Bank, PHDC accounts for other post-employment benefits under GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement requires governmental agencies to recognize an expense under the accrual basis for the annual required other post-employment benefits contributions, regardless of amounts paid into the plan annually. The cumulative difference between amounts expensed and paid creates a liability (asset) similar to net pension obligations. For the years ended June 30, 2019 and 2018, the Land Bank did not incur costs for other post-employment benefits.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets and property held for development or sale, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position invested in capital assets net of related debt excludes unspent debt proceeds. Net position is reported as restricted when limitations on their use are imposed through external restrictions by creditors, grantors or laws or regulations of other governments. Unrestricted net position consists of all other net position not included in the above categories.

Income Taxes

The Land Bank is exempt from federal income taxes under Section 115 [1] of the Internal Revenue Code. Accordingly, no provision for income taxes is presented in these financial statements. In addition, properties held for development are exempt from real estate taxes.

Accounting Pronouncements Issued, Not Yet Implemented

The GASB has issued a pronouncement that has an effective date that may impact future financial presentations.

GASB Statement No. 87, Leases

This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

PHILADELPHIA LAND BANK
(A Component Unit of the City of Philadelphia)

NOTES TO FINANCIAL STATEMENTS

B. BUDGETARY INFORMATION

Annual budgets are adopted based upon approved funding commitments with outside grantor(s) (The City of Philadelphia, PRA) on a basis consistent with U.S. GAAP. All budgets continue to exist for the period defined in the scope of the funding management agreement. In December of each year, the Land Bank prepares a subsequent year budget and submits it to the City for consideration. The Mayor and Council decide the level of support and origin of funds the Land Bank receives.

The appropriated budget is prepared by account and function. Once the budget is funded, the Land Bank may make transfers of appropriations within the agency without written authorization from the grantor.

C. CASH AND CASH EQUIVALENTS

Legal and Contractual Restrictions

City of Philadelphia agencies are authorized by statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral (with their trust department or other custodians) obligations of the United States, the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth. Under Pennsylvania Act 72 of 1971 ("Act 72"), as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit. The Land Bank has no investments and receives no interest income for cash on deposit.

Analysis of Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Land Bank's deposits may not be returned to it. The Land Bank maintains its cash balances in accounts at a financial institution. The Federal Deposit Insurance Corporation ("FDIC") provides insurance coverage up to \$250,000. The financial institution secures Land Bank deposits in excess of FDIC with a pledge of collateral in accordance with Act 72. The pool of assets applicable to the financial institution's collateralization consists of Government National Mortgage Association (GNMA) securities and other collateral eligible under the U.S. Treasury Tax and Loan Program as in effect on the effective date of Act 72.

D. ACCOUNTS RECEIVABLE

Accounts Receivable as of June 30, 2019 and 2018, are as follows:

	2019	2018
PRA and Net VPRC proceeds	\$ -	\$ 108,153
Private Developers	115,000	-
Purchase Money Mortgages	693,366	755,873
	<u>\$ 808,366</u>	<u>\$ 864,026</u>

PHILADELPHIA LAND BANK
(A Component Unit of the City of Philadelphia)

NOTES TO FINANCIAL STATEMENTS

D. ACCOUNTS RECEIVABLE (CONTINUED)

The VPRC ("vacant property review committee") program is administered directly by Land Bank staff coordinating the disposition of City-owned properties. Effective April 2018, the Land Bank processes all VPRC sales and directly collects the sales proceeds. Previously, Philadelphia Redevelopment Authority would administer the process and the Land Bank would receive the net sales proceeds. The purchase money mortgages ("PMM") receivable will likely be unrealized and the expense is being amortized over the life of the mortgage.

E. CAPITAL ASSETS

Capital assets activity as of June 30, 2019 and 2018, was:

	2019	2018
Computers and equipment	\$ 55,637	\$ 55,637
Furniture and equipment	2,870	2,870
Total Capital Assets	58,507	58,507
Less - accumulated depreciation	(45,963)	(34,549)
Total Capital Assets	\$ 12,544	\$ 23,959

Depreciation expenses for capital assets were \$11,414 and \$11,414 for the years ended June 30, 2019 and 2018, respectively.

F. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at June 30, 2019 and 2018, consist of the following:

	2019	2018
Accounts Payable	\$ 92,472	\$ 2,136
Escrows Payable	42,291	31,611
Accrued Administrative Expenses	301,959	390,860
Compensated Absences	70,681	58,036
	\$ 507,403	\$ 482,643

G. RELATED-PARTY TRANSACTIONS

Related parties of the Land Bank include the City, PHDC and the PRA. Net Accounts payable to PRA are \$48,155 and \$1,726, net amounts receivable from PHDC are \$24,131 and \$65,940, and net accounts payable to the City are \$120,644 and \$0 as of June 30, 2019 and 2018 respectively. Substantially all assets, liabilities, revenues and expenses as of and for the years ended June 30, 2019 and 2018, are included under and dependent upon contracts and management agreements with the City and its agencies. These are included in the accounts payable and accounts receivable line items in the Statements of Net Position.

NOTES TO FINANCIAL STATEMENTS

H. PENSION PLAN

Plan Description

Land Bank staff can participate in the City of Philadelphia Municipal Public Employee Retirement System, a cost-sharing, multiple-employer Public Employees Retirement System ("PERS"). The City of Philadelphia issues a publicly available financial report that includes the applicable financial statements and required supplementary information for the PERS. The report may be obtained by contacting the Director of Finance of the City of Philadelphia. All full-time employees are eligible and required to participate in the PERS. The PERS provides pension benefits, deferred allowances and death and disability benefits. PHDC employees hired prior to January 1, 2002, participate in the J Plan. Under this plan, if an employee terminates his or her employment after at least 10 years of service but before reaching the age of 55, he or she may receive a refund of total contributions or defer pension benefits until reaching retirement age. Employees who retire after age 55 with at least one year of credited service are entitled to receive pension benefits for the rest of their lives equal to 2-1/2% of their final average compensation times the number of years for which they were employed by a participant in the PERS. After the first 20 years of service, the percentage of average final compensation to which an employee is entitled for each year of credited service decreases from 2-1/2% to 2%. Under Plan J, the highest maximum allowable benefit is 80%.

Participants in PERS may opt for early retirement with a reduced benefit. The Deferred Retirement Option Plan was initiated on October 1, 1999. Under this plan, employees who reach retirement age may accumulate their monthly service retirement benefit in an interest-bearing account at the Board of Pensions for up to four years and continue to be employed by PHDC.

PHDC employees hired after December 31, 2001, participate in Plan Y. Under this plan, employees with 10 years credited service may retire at age 60. Employees retiring after 60 are entitled to receive pension benefits for the rest of their lives equal to 2.2% of their final average compensation times the number of years for which they were employed by a participant in the PERS. After 10 years of service, the percentage of average final compensation to which an employee is entitled for each year of credited service decreases from 2.2% to 2%. Under Plan Y, the highest maximum allowable benefit is 100%.

Employees under Plan Y who are not eligible to be represented by a union must vest their retirement benefits in five years rather than the normal 10-year vesting period. Members of the 5-year vesting (the Y5 Plan) are required to pay a higher contribution rate of .62 of one percent in addition to the normal Plan Y rate for five years. Their contribution rate then reverts to the normal Y Plan rate for the remainder of their employment.

Under each plan, provisions include death benefits, whereby the surviving beneficiary is entitled to receive 50% of monthly retirement payments. Additionally, the plans provide for disability benefits under which the disabled employee is entitled to receive benefits computed as if the employee were receiving a regular service pension. All Land Bank pension obligations and post-employment benefits are included in PHDC's financial statements.

NOTES TO FINANCIAL STATEMENTS

H. PENSION PLAN (CONTINUED)

Contributions Required and Made

Employees of PHDC were required to pay 4.75%, 3.08% (4.08% if hired after November 14, 2014), 3.63% and 3.87% of their gross earnings to the pension plan for the J Plan, Y Plan, Y5 Plan and Y10 Plan, respectively, for 2019; compared to 4.75%, 3.14% (4.14% if hired after November 14, 2014), 3.63% and 3.10% of their gross earnings to the pension plan for the J Plan, Y Plan, Y5 Plan and Y10 Plan, respectively, for 2018. Employees of the higher DC-33 Plan pay based on a tiered system.

PHDC was required to contribute at actuarially determined rates, which were 294.31% and 253.103% of covered payroll for the J Plan for 2019 and 2018, respectively, and 10.86% and 10.180% of covered payroll for the Y Plan for 2019 and 2018, respectively. PHDC contributed 3.24% and 1.44% of covered payroll for Plan 10 for 2019 and 2018, respectively. PHDC makes quarterly payments to the City PERS within 30 days of the end of each quarter. The Land Bank reimbursed PHDC for \$64,065 and \$58,220 in pension related expenses for the years ended June 30, 2019 and 2018, respectively. There were no eligible J Plan employees in 2019.

I. RISK MANAGEMENT

The Land Bank is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Land Bank carries insurance.

The Land Bank is not currently a named defendant in any pending lawsuits.

J. PURCHASE MONEY MORTGAGES

The Land Bank has the authority to enter into PMM agreements with potential property buyers to subsidize the agreed purchase price which consequently protects the Land Bank's financial interest. These PMMs are self-amortizing over a period of ten years. The Land Bank will recognize the PMM as a receivable and revenue in the agreement year and amortize annually, until forgiven. Upon default, the PMM principal and accrued interest calculated at 4% annually, is due in full immediately. The Land Bank recorded new PMM receivables of \$136,000 in 2019.

SUPPLEMENTARY INFORMATION

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia)

SCHEDULE OF PAYMENTS TO OTHER CITY AGENCIES

*** Philadelphia Housing Development Corporation (PHDC)**

FY 2019 PHDC labor expenses

July 2018 - April 2019	<u>\$ 273,679</u>
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6/30/2019 Accrued labor expenses

May & June 2019 labor expenses	<u>24,131</u>
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Other payment reimbursements

Insurance Broker Fee	9,206
Computer Supplies	428
Other	<u>2,928</u>
	<u>12,562</u>

Total reimbursed PHDC expenses	<u>\$ 310,372</u>
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*** Philadelphia Redevelopment Authority (PRA)**

Accrued labor & reimbursable expenses

Annual Rent	\$ 52,153
Accrued March-June 2019 fringe expenses	<u>48,155</u>

Total PRA expenses	<u>\$ 100,308</u>
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*** Division of Housing & Community Development (DHCD)**

Q1 & Q2 of FY 2019	\$ 120,376
Accrued Q3 & Q4 of FY 2019	<u>120,044</u>

Total DHCD expenses	<u>\$ 240,420</u>
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*** City of Philadelphia**

L&I Zoning Board Review fee	\$ 520
Survey Fee (Orianna St)	680
Accrued Survey fees (Bodine St)	<u>600</u>

Total City of Philadelphia expenses	<u>\$ 1,800</u>
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PHILADELPHIA LAND BANK
(A Component Unit of the City of Philadelphia)

SCHEDULE OF CAPITAL ASSETS
As of June 30, 2019

Computer Equipment (5 years)	Amount	Date Purchased	Useful Life (Months)	FY 2019 Depreciation	Accumulated Depreciation	Net Book Value
Dell Latitude E74400	\$ 1,429	3/22/2015	60	\$ 286	\$ 1,222	\$ 207
Dell Optiplex 7020 MT	669	3/20/2015	60	134	573	96
Dell Optiplex 7020 MT	669	3/20/2015	60	134	573	96
Dell Optiplex 7020 MT	669	3/20/2015	60	134	573	96
Dell Optiplex 7020 MT	669	3/20/2015	60	134	573	96
Dell Optiplex 7020 MT	669	3/20/2015	60	134	573	96
Dell Optiplex 7020 MT	669	3/20/2015	60	134	573	96
Dell Optiplex 7020 MT	669	3/20/2015	60	134	573	96
Dell Optiplex 7020 MT	669	3/20/2015	60	134	573	96
IBM 16GB Memory Kit (Server)	11,610	3/23/2015	60	2,322	9,918	1,692
Dell Precision T1700 GIS 42710-120	1,449	6/9/2015	60	290	1,176	273
Dell Precision T1700 GIS 42710-120	1,449	6/9/2015	60	290	1,176	273
Dell Precision T1700 GIS 42710-120	1,449	6/9/2015	60	290	1,176	273
Dell Latitude E7450	1,644	9/30/2015	60	329	1,233	411
Dell Optiplex 7020 MT 210-ACRY 17.3	860	9/20/2015	60	172	650	210
Dell Optiplex 7020 MT 210-ACRY 17.3	860	9/20/2015	60	172	650	210
Dell Optiplex 7020 MT 210-ACRY 17.3	860	9/20/2015	60	172	650	210
Dell Optiplex 7020 MT 210-ACRY 17.3	860	9/20/2015	60	172	650	210
Dell Optiplex 7020 MT 210-ACRY 17.3	860	9/20/2015	60	172	650	210
Dell Optiplex 7020 MT 210-ACRY 17.3	860	9/20/2015	60	172	650	210
Dell Optiplex 7020 MT 210-ACRY 17.3	860	9/20/2015	60	172	650	210
Dell Optiplex 7020 MT 210-ACRY 17.3	860	9/20/2015	60	172	650	210
Dell Optiplex 7020 MT 210-ACRY 17.3	860	9/20/2015	60	172	650	210
Dell Precision 3620 XCTO	1,652	6/5/2016	60	330	1,013	639
Dell Precision 3620 XCTO	1,652	6/5/2016	60	330	1,013	639
Dell Optiplex 5040	1,197	6/1/2016	60	239	736	461
Dell Optiplex 5040	1,197	6/1/2016	60	239	736	461
Dell Optiplex 5040	1,197	6/1/2016	60	239	736	461
	<u>39,875</u>			<u>7,975</u>	<u>31,218</u>	<u>8,657</u>
Computer Software (5 years)	Amount	Date Purchased	Useful Life (Months)	FY 2019 Depreciation	Accumulated Depreciation	Net Book Value
Microsoft Dynamics SL 2015	15,762	3/10/2015	60	3,152	13,576	2,186
	<u>15,762</u>			<u>3,152</u>	<u>13,576</u>	<u>2,186</u>
Equipment (10 years)	Amount	Date Purchased	Useful Life (Months)	FY 2019 Depreciation	Accumulated Depreciation	Net Book Value
Widmer S-3 Check Signer	975	5/7/2015	120	97	404	571
Epson Home Cinema Projector	1,896	6/18/2015	120	190	765	1,131
	<u>2,870</u>			<u>287</u>	<u>1,169</u>	<u>1,702</u>
TOTAL	\$ 58,507			\$ 11,414	\$ 45,963	\$ 12,544

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Philadelphia Land Bank
City of Philadelphia, Commonwealth of Pennsylvania

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Philadelphia Land Bank (the "Land Bank"), City of Philadelphia, Commonwealth of Pennsylvania, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which comprise the Land Bank's basic financial statements, and have issued our report thereon dated October 29, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Land Bank's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Land Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of the Land Bank's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Land Bank's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Land Bank's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Land Bank's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mercadieu, P.C.
Certified Public Accountants

October 29, 2019

EXHIBIT E

RESOLUTION NO. 2019 – 58

RESOLUTION AMENDING RESOLUTION 2019-37 AUTHORIZING A LEASE WITH AVENUE NORTH RENAISSANCE FOR 1420-22 POPLAR STREET, 1429-31 OGDEN STREET, AND 852-58 N. CARLISLE STREET

WHEREAS, the Board of Directors of the Philadelphia Land Bank (“**Land Bank**”) adopted Resolution 2019-37 on May 15, 2019.

WHEREAS, pursuant to the terms of the lease, a sublease of the Property by Avenue North Renaissance (a/k/a The North Broad Renaissance) to Live Nation Worldwide, Inc., or its designee, requires approval of the Board of Directors of the Philadelphia Land Bank.

WHEREAS, the Land Bank desires to amend Resolution 2019-37 to provide for such approval, among other things, and the Board of Directors of the Philadelphia Land Bank has determined that it is in the best interest of the Land Bank to amend Resolution 2019-37 pursuant to this Resolution.

NOW THEREFORE, BE IT HEREBY RESOLVED by the Board of Directors of the Philadelphia Land Bank (the “**Board**”) that:

1. The phrase “up to fifteen (15) years” set forth in the Summary of Major Lease Terms attached to Resolution 2019-37 is hereby deleted in its entirety and replaced with “to September 30, 2047” as indicated immediately below.

Term	Initial term of one (1) year. The term is automatically extended to September 30, 2047 upon resolution of City Council, without any further action of the Board.
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2. The following is added as Section 6 to Resolution 2019-37:

“The Board hereby approves a sublease of the Property by Avenue North Renaissance (a/k/a The North Broad Renaissance) to Live Nation Worldwide, Inc., or its designee, upon terms and conditions materially in conformance with the terms and conditions set forth in the sublease summary attached to Resolution 2019-57 and upon such other terms and conditions which the Executive Director and Senior Counsel deem necessary or desirable not in conflict with the sublease summary. The Board further authorizes the Executive Director and Senior Counsel, each individually, in the name of and on behalf of the Land Bank, to negotiate, prepare, execute, deliver, and perform any and all agreements and other documents, as may be necessary or desirable, to consummate the aforementioned sublease of the Property.”

3. 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. The Executive Director or Senior Counsel will notify the Board of all modifications to this Resolution at the next Board meeting following the date of such modifications.
4. This Resolution shall take effect immediately upon adoption by the Board.

ADOPTED 12/9/2019

Sublease Summary

Term	Initial term of five (5) years beginning January 15, 2020.
Renewals	Four (4) consecutive renewal options of five (5) years each. At the end of the last five (5) year renewal option, one (1) renewal option to extend the sublease to September 30, 2047.
Rent	<p>Rent begins on January 15, 2020.</p> <p><u>Initial Term:</u></p> <ul style="list-style-type: none"> • Annual Rent - \$60,000 plus a minimum of \$20,000 in annual donations or sponsorships to Avenue North Renaissance. The donations or sponsorships may be in the form of cash, property, or a combination of both. The value of any donated property shall be determined by the proceeds to Avenue North Renaissance from the sale or auction of such property. <p><u>Renewal Term:</u></p> <ul style="list-style-type: none"> • At the end of the initial term and each renewal period the annual rent will be adjusted to be the average determined by three (3) appraisers. The first appraiser will be obtained (and paid for) by the subtenant. The second appraiser will be obtained (and paid for) by the sublandlord. The third appraiser will be selected by the appraisers selected by the subtenant and the sublandlord and shall be paid for equally by the subtenant and the sublandlord. • The annual rent for the first renewal period may be less than the base rent in the initial term considering the property's zoning. Following the first renewal period, in no event shall annual rent in any renewal period be less than the annual rent paid in the immediately prior renewal period. • A portion of the annual rent, as determined by the parties, during each renewal period may be donations or sponsorships to Avenue North Renaissance in the form of cash, property, or a combination of both, but must be a minimum of \$20,000.
Real Estate Taxes, Insurance, and Other Costs	All costs, expenses, liabilities, and obligations relating to the operation of the Property and all obligations under the master lease including, without limitation, insurance, utilities, taxes, construction, repair, and maintenance are the subtenant's responsibility.
Permitted Use	The loading and unloading of personnel and equipment in connection with operations conducted at The Metropolitan Opera House, 858 N. Broad St. (the "Venue"); (ii) private (non-public) parking of motor vehicles, trailers, and buses for staff and employees in connection with operations conducted at the Venue; (iii) equipment storage in connection with operations conducted at the Venue. Notwithstanding the foregoing, the use of the Property for any public parking is prohibited. Charging or collecting any amount, fee, or other consideration from any person or entity for parking or storage of any type of vehicle or item on the Property, or any part thereof, is prohibited.
Zoning and Improvements	<p>Subtenant shall re-zone the Property for the permitted use and pay for all associated costs and expenses. Subtenant shall improve the Property as follows:</p> <ul style="list-style-type: none"> • In accordance with a plan approved by the Executive Director of the Land Bank that includes, at a minimum: (i) adequate lighting, (ii) paving of the entire area of the Property, (iii) curb cuts, (iv) adequate fencing and signage to prevent unauthorized use of the Property. • Commence improvements within 180 days from full execution of sublease. If zoning is not obtained, after good faith efforts, subtenant can terminate before the 180 days expires. • Improvements must be completed within 180 days from expiration of the initial 180 day period above.
Confession of Judgment	Sublease will contain a confession of judgment for rent and possession. Sublease may not be amended or modified without approval of the Land Bank.

EXHIBIT F
PHILADELPHIA REDEVELOPMENT AUTHORITY
SERVICES FEE SCHEDULE
Revised February 1, 2019

<u>TYPE OF FEE</u>	<u>AMOUNT OF FEE</u>	<u>DATE DUE</u>	<u>PURPOSE</u>
LEGAL COSTS/FEEs			
1. Redevelopment and Development Agreements (Non-CDBG related projects)	\$250.00	Execution/Closing	Cover recording and preparation/processing costs
2. Amendment, Extension or Assignment of Redevelopment Agreement	\$500.00 or 1% of acquisition cost, whichever is greater	Execution/Closing	Cover recording and preparation/processing costs
3. License Agreement	\$500.00 (Fee may be waived if there is a community purpose/benefit)	Execution	Preparation/processing costs
4. Amendment, Extension or Assignment of License Agreement	\$250.00 (Fee may be waived if there is a community purpose/benefit)	Execution	Preparation/processing costs
5. Subordination of Mortgage	\$250.00	Execution	Cover recording and preparation/processing costs
6. Approved Mortgagee Letter	\$250.00	Execution	Preparation/processing costs
7. Loan Modification Fee (For Low-Income Housing Projects)	\$500.00	Execution/Closing	Document preparation/processing costs
8. Right of Entry Agreement (Applicable when no Redevelopment Agreement or Development Agreement)	\$250.00 (Fee may be waived if there is a community purpose/benefit)	Execution	Preparation/processing costs
9. Unauthorized Changes to Plans from Those Plans Submitted with Redevelopment Agreement or Development Agreement (i.e., where completed, as-built Project plans materially differ from those	5% of total Project construction hard costs for those Projects where such costs are less than \$500,000; 10% of total Project	Prior to Issuance of Certificate of Completion	Prohibit Unauthorized Plan Changes or Modifications; Preparation/processing costs

<u>TYPE OF FEE</u>	<u>AMOUNT OF FEE</u>	<u>DATE DUE</u>	<u>PURPOSE</u>
LEGAL COSTS/FEES			
submitted with Redevelopment Agreement or Development Agreement	construction hard costs where such costs equal to or exceed \$500,000 (exceptions may be administratively made if there is no public impact because of the unauthorized plan change or if there is no impact on value of project as completed)		
10. Fee for Release of Redevelopment Agreement and/or Deed Restrictions from Conveyances Made Under the Side Yard Program or Pursuant to the Open Space Management Program (Resolution No. 2018-101, adopted December 12, 2018)	<p>1. For ten (10) years following conveyance by the Authority pursuant to either the Side Yard Program or Open Space Management Program:</p> <ul style="list-style-type: none"> • If the property is being sold, the owner shall compensate the Authority from the sale proceeds in an amount consistent with the self-amortizing mortgage concept set forth in the City's Land Disposition Policy; • If the owner is developing the property, the owner shall compensate the Authority based on the Authority's determination of the property's fair market value in an amount consistent with the self-amortizing mortgage concept set forth in the City's Land Disposition Policy; 	On or before issuance of release	Over the years, both programs have achieved their intended purposes. The characteristics of these neighborhoods have improved to the point where these open spaces can be developed into residential housing which is a more productive and beneficial use of this land.

<u>TYPE OF FEE</u>	<u>AMOUNT OF FEE</u>	<u>DATE DUE</u>	<u>PURPOSE</u>
LEGAL COSTS/FEES			
	<p>2. After this ten (10) year period and until expiration of the restrictions as provided in the deed or Redevelopment Agreement, the Authority shall receive an administrative fee of Five Thousand Dollars (\$5,000) adjusted by a multiplier equal to the percent increase in the average settled price of single-family properties in Philadelphia County from December 2013 until the date the request is originally received from the owner. Notwithstanding, in no event will such administrative fee be less than Five Thousand Dollars (\$5,000).</p>		
SETTLEMENT FEES			
1. Deeds	\$275.00 for first Deed, \$100.00 for any additional Deed or other recordable document	Execution/Closing	Cover recording and preparation/processing costs

EXHIBIT G
dispositions to date (settled)

PLB Dispositions To Date (Settled)
as of 11-15-2019

	Property Address	Purchaser	City Council Res. Adopted	City Council Res. No.	PLB Board Res. Date	PLB Board Res. No.	No. of DOR Parcels	Council District	Actual Settlement Date	Price	OPA Value (at time of approval)	Type of Sale	Type of Pricing	Notes	Housing - # of Lots	# of Units 30% AMI	# of Units 60% AMI	# of Units 120% AMI	# of Units Market	Housing - Total # of Units	Sideyard	Garden/ Open Sp.	Business Expansion/ Commercial
	FISCAL YEAR 2020 - SETTLED																						
1	2831 W Harold St	Janie Waddell	4/11/2019	190264	4/17/2019	2019-17	1	5	7/12/2019	\$1	\$5,200	NON- COMP	NOM	sideyard							1		
2	2147 E Orleans St	The Student-Run Emergency Housing Unit of Philadelphia, Inc.	11/29/2018	181019	12/13/2018	2018-51	1	1	7/24/2019	\$1	\$9,200	NON- COMP	NOM	pre-fab construction demonstration project for low-income homeownership (80% AMI)	1		1			1			
3	805 N 40th Street	PRA (for Habitat for Humanity)	5/16/2019	190387	5/15/2019	2019-36	1	3	8/28/2019	\$1	\$9,700	NON- COMP	NOM	scattered site mixed income housing - affordable homeownership	1	1				1			
4	818 N 40th Street	PRA (for People's Emergency Center)	5/16/2019	190387	5/15/2019	2019-36	1	3	8/28/2019	\$1	\$24,600	NON- COMP	NOM	scattered site mixed income housing - affordable rental	1		3			3			
5	1309 S 20th St	JKC Investments LP	6/20/2019	190572	6/19/2019	2019-39	1	2	9/9/2019	\$170,000	\$33,700	COMP	MKT	market rate rental housing (4 3-bd/3 ba units)	1				4	4			
6	3133 Hurley St	Barbara Hill-Cassie	4/11/2019	190268	4/17/2019	2019-18	1	7	9/23/2019	\$1	\$6,400	NON- COMP	NOM	sideyard							1		
7	2340 N 19th St	Carolyn Williams	6/14/2018	180618	6/14/2018	2018-27	1	5	10/16/2019	\$1	\$6,600	NON- COMP	NOM	sideyard							1		
8	1248-52 S 23rd St (3 cons. Lots)	Lily S 23rd St, LLC	6/7/2018	180575	9/20/2018	2018-42	1	2	11/1/2019	\$361,000	\$45,400	COMP	MKT	single-family market rate homeownership	3				3	3			
9	2751 Kensington Ave	Rock Ministries of Philadelphia, Inc.	5/2/2019	190334	5/15/2019	2019-28	1	7	11/5/2019	\$1	\$58,800	NON- COMP	NOM	community open space								1	
	TOTAL FY 2020 - SETTLED						9			\$531,007	\$199,600				7	1	4	0	7	12	3	1	0
	TOTAL SETTLEMENTS SINCE INCEPTION						154			\$2,619,165					134	62	157	59	47	253	16	6	0

EXHIBIT H
dispositions to date (approved, not yet conveyed)

	Property Address	Purchaser	Status	Agency	City Council Res. Adopted	City Council Res. No.	PLB Board Res. Adopted	PLB Board Res. No.	No. of DOR Parcels	Council District	Price	OPA Value (at time of approval)	Type of Sale	Type of Pricing	Notes	Housing - # of Lots	# of Units 30% AMI	# of Units 60% AMI	# of Units 120% AMI	# of Units Market	Housing - Total # of Units	Sideyard	Garden/ Open Sp.	Business Exp./ Comm. Dev.
	APPROVED BUT NOT YET SETTLED (sorted by address)																							
1	1106 North St	Louise Smith	Settlement delayed due to encroachment and damage caused by neighboring developer. This has now been resolved. Settlement likely in Dec/Jan.	PLB	6/21/2018	180662	7/12/2018	2018-32	1	5	\$1	\$63,000	NON-COMP	NOM	sideyard (with 30-yr self-extinguishing mortgage)							1		
2	1235 W Cambria St	Alice Veal	Title company will not insure until one year after sheriff sale which is up on 12/18/19. Settlement likely in Jan.	PLB	4/11/2019	190265	4/17/2019	2019-14	1	5	\$1	\$34,300	NON-COMP	NOM	sideyard							1		
3	1238 N 15th St	Derrick Jacobs	Settlement request memo recently completed. Settlement likely in Dec/Jan.	PLB	12/6/2018	181051	12/13/2018	2018-50	1	5	\$83,000	\$6,800	NON-COMP	MKT	single-family workforce housing (price <= \$200K) plus	1			1		1			1
4	1327 S 27th St; 2613, 2616, 2701, 2703, 2714, 2719, 2724, 2727, 2735 Earp St; 2639, 2641, 2643 Reed St; 2614, 2626, 2630, 2642, 2648, 2700 Sears St	Civetta Property Group LLC	PDA in process	PLB	10/31/2019	190836	10/23/2019	2019-51	17	2	\$1,900	\$400,000	COMP	DISC	15 homeownership units at < 80% AMI, 4 units at 80-120% AMI	17		15	4		19			
5	1722 N 3rd St	Maria Laboy	PDA complete. Need to follow-up with applicant regarding signature.	PLB	5/2/2019	190334	5/15/2019	2019-27	1	7	\$1	\$85,700	NON-COMP	NOM	sideyard							1		
6	1901-09, 1911-15 N 33rd St 8 cons. lots)	Mosaic Berks LP (1901 - 1915 N 33rd St RFP 02-26-2018)	PDA signed. Waiting on the EOP to be signed by DHCD.	PLB	6/13/2019	190513	5/15/2019	2019-35	2	5	\$50,000	\$95,000	COMP	MKT	multi-family market rate homeownership (20) and rental (28) units	8				48	48			
7	1907 E Sterner St	Justin Santiago	Applicant may no longer live next to the side yard. PLB to confirm.	PLB	5/2/2019	190334	5/15/2019	2019-26	1	7	\$1	\$3,900	NON-COMP	NOM	sideyard							1		
8	2201, 2219-21 (2 cons. lots), 2223, 2225 and 2227 N 27th St; 2610-16 (4 cons. lots) W Fletcher St	PHA (PHA 27th & Fletcher St)	Waiting on PHA for comments to PDA. Settlement expected in spring 2020	PLB	5/10/2018	180433	5/10/2018	2018-19	6	5	\$6	\$203,700	NON-COMP	NOM	multi-family very low-income and low-income rental	10	42	42			84			
9	237 W Thayer St	Ivette Ramirez	PDA in process. PDA to be completed within 1 week.	PLB	5/16/2019	190392	5/15/2019	2019-31	1	7	\$1	\$6,700	NON-COMP	NOM	sideyard							1		
10	2449 N Marston St	Eddie Johnson	PDA complete. Waiting on the title report and once received this will move to settlement.	PLB	5/2/2019	190325	5/15/2019	2019-29	1	5	\$1	\$6,400	NON-COMP	NOM	sideyard							1		
11	250 W Thayer St	Marisol Mendez	Title company will not insure until one year after sheriff sale which is up on 1/30/20. Settlement likely in Feb 2020.	PLB	3/7/2019	190141	3/20/2019	2019-6	1	7	\$1	\$9,700	NON-COMP	NOM	sideyard							1		
12	265 W Thayer St	Luis Berrios Ortiz	Cannot be processed for disposition at this time because lot has been posted to vacate for vehicle and trampoline several times and applicant has not yet complied.	PLB	5/2/2019	190334	5/15/2019	2019-25	1	7	\$1	\$6,700	NON-COMP	NOM	sideyard							1		
13	2741 N Orkney St	Tomasita Hernandez Ortiz	PDA in process. PDA to be completed within 1 week.	PLB	5/2/2019	190334	5/15/2019	2019-24	1	7	\$1	\$5,400	NON-COMP	NOM	sideyard							1		
14	2776, 2778 Emerald St	Elton Enterprise	PDA prepared and sent to developer. Developer did not sign. Developer now claiming they need a few months to organize.	PLB	5/10/2018	180439	5/10/2018	2018-20	2	7	\$62,000	\$40,600	NON-COMP	MKT	commercial expansion									2
15	2901 N 6th St	Antonia Serrano	PDA in process. PDA to be completed within 1 week.	PLB	5/16/2019	190392	5/15/2019	2019-34	1	7	\$1	\$3,800	NON-COMP	NOM	sideyard							1		
16	2923 N Orianna St	Josefina Rivera	PDA in process. PDA to be completed within 1 week.	PLB	5/16/2019	190392	5/15/2019	2019-32	1	7	\$1	\$7,000	NON-COMP	NOM	sideyard							1		
17	2937 N 8th St	Daniel and Denise Anderson	Title company will not insure until one year after sheriff sale which was 11/8/19. Settlement likely Dec/Jan.	PLB	3/28/2019	190217	4/17/2019	2019-21	1	5	\$1	\$10,000	NON-COMP	NOM	sideyard							1		
18	3017 N Philip St	Nellie Montes	PDA complete. Need to follow-up with applicant regarding signature.	PLB	6/20/2019	190574	6/19/2019	2019-38	1	7	\$1	\$7,200	NON-COMP	NOM	side yard							1		
19	3247 Tampa St	Teresa Andino	PDA complete. Settlement request completed. Waiting on the title report and once received this will move to settlement.	PLB	4/11/2019	190268	4/17/2019	2019-19	1	7	\$1	\$8,200	NON-COMP	NOM	sideyard							1		
20	3411 N 7th St	Marielys Comas	PDA complete. Need to follow-up with applicant regarding signature.	PLB	4/11/2019	190268	4/17/2019	2019-20	1	7	\$1	\$9,500	NON-COMP	NOM	sideyard							1		
21	3415 Tampa St	Maria Hernandez	PDA in process. PDA to be completed within 1 week.	PLB	5/16/2019	190392	5/15/2019	2019-33	1	7	\$1	\$5,400	NON-COMP	NOM	sideyard							1		
22	3519 N Marshall St	Santos Santiago and Carmen Rivera	Current garden license. PDA in process. PDA to be completed within 1 week.	PLB	5/2/2019	190333	5/15/2019	2019-23	1	7	\$1	\$9,800	NON-COMP	NOM	sideyard							1		
23	4707 Hawthorne St	Sonia Santos Cruz	PDA in process. PDA to be completed within 1 week.	PLB	5/16/2019	190392	5/15/2019	2019-30	1	7	\$1	\$8,500	NON-COMP	NOM	sideyard							1		
24	4731, 4735 Duffield St	Arway Apron & Uniform Rentals	Zoning approval not yet obtained. Once obtained, property will move to settlement.	PLB	12/8/2016	161073	1/19/2017	2017-2	2	7	\$18,000	\$56,100	NON-COMP	MKT	commercial expansion									2
25	614 W Allegheny Ave	Jorge Gonzalez	PDA complete. Need to follow-up with applicant regarding signature.	PLB	4/11/2019	190262	4/17/2019	2019-13	1	5	\$1	\$12,500	NON-COMP	NOM	sideyard							1		

PLB Dispositions To Date (Approved, Not Yet Conveyed)
as of 11-20-2019

	Property Address	Purchaser	Status	Agency	City Council Res. Adopted	City Council Res. No.	PLB Board Res. Adopted	PLB Board Res. No.	No. of DOR Parcels	Council District	Price	OPA Value (at time of approval)	Type of Sale	Type of Pricing	Notes	Housing - # of Lots	# of Units 30% AMI	# of Units 60% AMI	# of Units 120% AMI	# of Units Market	Housing - Total # of Units	Sideyard	Garden/ Open Sp.	Business Exp./ Comm. Dev.
26	641 E Clearfield St	Guillermina Santos	PLB has been working with title company to remove a \$1.7 mortgage on title remaining from sheriff sale. Title company unwilling to remove. Buyer not interested in acquiring due to mortgage; being processed as garden license.	PLB	12/14/2017	171095	12/14/2017	2017-58	1	7	\$1	\$3,100	NON-COMP	NOM	sideyard							1		
27	5107, 5109, 5111, 5113, 5121, 5123, 5125 Market St (all owned by DPP)	Kalidave LP (DPP property, RFP managed by PLB) 51st & Market St RFP 07-09-	PDA complete. Opportunity zone deal. Settlement likely in Dec/Jan.	PRA	3/7/2019, restated 10/24/2019	190138, restated 190814	8/14/2019, restated 10/16/2019	PRA 2019-60, restated PRA 2019-76	7	3	\$420,000	\$108,500	COMP	MKT	market rate rental housing with commercial space	7				28	28			
	TOTAL (Approved but not yet conveyed)								57		\$634,926	\$1,217,500				43	42	57	5	76	180	20	0	5

EXHIBIT I
dispositions in pipeline

PLB Dispositions FY20 (In Pipeline)
as of 11-20-2019

	Property Address	Project Name	Purchaser	Agency	No. of Lots	Council District	Price	OPA Value (2019)	Type of Sale	Type of Pricing	Notes	Housing - # of Lots	# of Units 30% AMI	# of Units 60% AMI	# of Units 120% AMI	# of Units Market	Housing - Total # of Units	Sideyard	Garden/ Open Sp.	Business/ Organ. Expansion/ Developmt
	AWAITING APPROVAL FISCAL YEAR 2020 (sorted by address)																			
1	110 E Wishart St (IGA to SY)		Victor Diaz	PLB	1	7	\$1	\$3,800	NON-COMP	NOM	sideyard							1		
2	1421 Letterly St (IGA to SY)		Karen Hughston	PLB	1	5	\$1	\$5,600	NON-COMP	NOM	sideyard							1		
3	1532 Seybert St (IGA to SY)		Vera Ball	PLB	1	5	\$1	\$4,500	NON-COMP	NOM	side yard							1		
4	1703, 1707, 1711 N 55th St	Five Loaves Two Fish Community Garden	NGT	PLB	3	4	\$3	\$22,200	NON-COMP	NOM	community garden preservation								3	
5	1853 E Ontario St (IGA to SY)		Alicia Feliciano	PLB	1	1	\$1	\$7,600	NON-COMP	NOM	side yard							1		
6	1914, 1928, 1930, 1936, 1938, 1946, 1948, 1952, 1954 N 8th St	Norris Choice Phase III	PHA	PLB	9	5	\$9	\$55,200	NON-COMP	NOM	PHA affordable homeownership project	9		9			9			
7	1937 E Dauphin St, 2300 Emerald St	Emerald St Urban Farm	NGT	PLB	2	7	\$2	\$25,900	NON-COMP	NOM	community garden preservation								2	
8	2166 N Franklin St (IGA to SY)		Emily Brooks Randle	PLB	1	5	\$1	\$22,700	NON-COMP	NOM	side yard							1		
9	2209 Emerald St (IGA to SY)		Jose Gonzalez	PLB	1	7	\$1	\$16,800	NON-COMP	NOM	side yard							1		
10	221 W Sergeant St (IGA to SY)		Luis M Gonzalez	PLB	1	7	\$1	\$1,800	NON-COMP	NOM	side yard							1		
11	2212, 2214 Fernon St	2212-14 Fernon Street	Point Breeze Fund LLC	PLB	2	2	\$140,000	\$48,700	NON-COMP	MKT	developer owns supermajority of development site	2								
12	2314 N 5th St (IGA to SY)		Oscar Santos	PLB	1	7	\$1	\$5,100	NON-COMP	NOM	side yard							1		
13	2410 N 3rd St (IGA to SY)		Natasha Pagan	PLB	1	7	\$1	\$9,900	NON-COMP	NOM	side yard							1		
14	2637 Waterloo St (IGA to SY)		Santos Valentin	PLB		7	\$1	\$6,000	NON-COMP	NOM	side yard							1		
15	2760 N Ringgold St (IGA to SY)		Kim M Moore	PLB	1	4	\$1	\$5,100	NON-COMP	NOM	side yard							1		
16	2908 N 2nd St (IGA to SY)		Criselida Alfaro	PLB	1	7	\$1	\$31,100	NON-COMP	NOM	side yard							1		
17	2916-24 N 2nd St (5 consolidated lots)		HACE	PLB	1	7	\$1	\$97,800	NON-COMP	NOM	community garden creation								5	
18	3145 Custer St (IGA to SY)		Maria Torres	PLB	1	7	\$1	\$7,300	NON-COMP	NOM	side yard							1		
19	3318, 3320 N 5th St (IGA to Open Space)		Iglesia De Dios Vision Misionera Int.	PLB	2	7	\$2	\$7,000	NON-COMP	NOM	community open space								2	
20	3848 Melon St (IGA to SY)		Lorraine Durham	PLB	1	3	\$1	\$20,500	NON-COMP	NOM	side yard							1		
21	513 W Susquehanna Ave; 19, 21, 23, 25, 27 E Somerset St; 2744, 2746 A St; 3012, 3018, 3022, 3024, 3026, 3028, 3036, 3042 N American St; 190, 191 W Monmouth St; 2725, 2729, 2731, 2733, 2735 N Orkney St		HACE	PLB	23	7	\$23	\$185,200	LT LEASE	NOM	for community garden in the near term (via 5-yr lease at \$23/yr)								23	
22	4253 Mantua St (IGA to SY)		Geraldo Valdivia	PLB	1	3	\$1	\$8,400	NON-COMP	NOM	side yard							1		
23	540 E Cambria St (IGA to SY)		Jose Rafael Miranda	PLB	1	7	\$1	\$41,600	NON-COMP	NOM	side yard							1		
	TOTAL PROJECTED PLB TO BE SUBMITTED FOR APPROVAL FY2020				57		\$140,056	\$639,800				11	0	9	0	0	9	16	35	0

EXHIBIT J
garden license agreements

PLB FY20 Garden/Other License Agreements (Signed)
as of 11/20/2019

	INDIVIDUAL GARDEN / OTHER LICENSE AGREEMENTS Property Address	Indiv. Garden Agmt. Signed	Council District	No. of Lots	Being Processed for Disp.
	FISCAL YEAR 2020 - SIGNED 18 new, plus 4 renewals) (sorted by date of signing)				
1	2427 N Leithgow St	7/5/2019	7	1	
2	4338 Tackawanna St	7/29/2019	7	1	
3	1853 E Ontario St	8/6/2019	1	1	YES
4	2410 N 3rd St	8/9/2019	7	1	YES
5	2934 Gransback St (renewal)	8/16/2019	7	1	
6	2324 McClellan St (renewal)	8/25/2019	2	1	
7	2410 N Orianna St	9/10/2019	7	1	
8	2423 N 6th St	9/10/2019	7	1	
9	110 E Wishart St	9/18/2019	7	1	YES
10	2131 N Orianna St (renewal)	9/20/2019	7	1	
11	3012 N American St	9/27/2019	7	1	
12	3361 N Orkney St	9/27/2019	7	1	
13	2908 N 2nd St	10/2/2019	7	1	YES
14	4253 Mantua Ave	10/7/2019	3	1	YES
15	3430 Hartville St	10/8/2019	7	1	
16	221 W Sergeant St	10/16/2019	7	1	YES
17	2646 Palethorp St	10/16/2019	7	1	
18	2166 N Franklin St	10/21/2019	5	1	YES
19	3848 Melon St	10/22/2019	3	1	YES
20	2314 N 5th St	10/24/2019	7	1	YES
21	2760 N Ringgold St	10/25/2019	4	1	YES
22	131 E Willard St (renewal)	10/30/2019	7	1	
	TOTAL COUNTS FY2020	18 (plus 4 renewals)		18*	10
	TOTAL GARDEN AGREEMENTS SIGNED SINCE INCEPTION * Lots with renewed agreements are counted only once.	86 (plus 10 renewals)		102 lots *	29 (plus 6 sold)

**THE FOLLOWING PERTAINS TO ITEMS 4 TO 10
ON THE DECEMBER 18, 2019 AGENDA**

RESOLUTION NO. 2019 – _____

**RESOLUTION AUTHORIZING CONVEYANCE OF
2760 N. RINGGOLD STREET TO KIM M. MOORE**

WHEREAS, Section 16-707 of the Philadelphia Code authorizes the Philadelphia Land Bank (“Land Bank”) to convey, exchange, sell, transfer, lease, grant or mortgage interests in real property of the Land Bank, subject to approval of the Vacant Property Review Committee and resolution by Philadelphia City Council, and subject further to the terms and conditions of Section 16-707.

WHEREAS, the Vacant Property Review Committee reviewed the proposed transfer of 2760 N. Ringgold Street (the "Property") at its public meeting held on November 12, 2019 and Philadelphia City Council approved conveyance of the Property by Resolution No. 190953, adopted on December 5, 2019.

WHEREAS, the Board of Directors has determined that it is in the best interest of the Land Bank to convey the Property.

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

1. The conveyance of the Property to Kim M. Moore for One Dollar (\$1.00) is in the best interests of the Land Bank and is hereby approved.
2. The conveyance of the Property complies with all terms and conditions of Section 16-707 of the Philadelphia Code.
3. The Executive Director and Senior Counsel are each hereby authorized, in the name of and on behalf of the Land Bank, to negotiate, prepare, execute, deliver, and perform any and all agreements, deeds, and other documents, as may be necessary or desirable, to consummate the conveyance of the Property (collectively, the “Transaction Documents”) and, from time to time and at any time, amend, supplement, and modify the Transaction Documents, or any of them, as may be necessary or desirable. The Transaction Documents and any amendments, supplements, and modifications thereto shall contain such terms and conditions as the Executive Director and Senior Counsel shall deem necessary or appropriate, and, when so executed and delivered by the Land Bank shall constitute the valid and binding obligations of the Land Bank.
4. 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. The Executive Director or Senior Counsel will notify the Board of all modifications to this Resolution at the next Board meeting following the date of such modifications.
5. This Resolution shall take effect immediately upon adoption by the Board.

1. **ADDRESS:** 2760 N. Ringold Street

2. **PROPERTY INFORMATION**

Zip Code: 19132	Census Tract: 017201	Council District: 4
Zoning: RSA-5	Lot Area: 653 sq ft	
OPA Value: \$5,100	Appraised Value: \$n/a	Open EOIs:

3. **APPLICANT INFORMATION**

Name: Kim M. Moore
Mailing Address: 2758 N. Ringold Street
Type: Individual
Authorized Contact: Kim M. Moore
Application Date: 4/25/2019

4. **PROJECT INFORMATION**

Disposition Type: Non-Competitive Sale*	Strategic Plan Goal: Side Yard
Price: \$1.00	Determined by: Nominal*
Development Type: Rehabilitation	Proposed Use: Side Yard*
Units: 0 - Residential 0 - Commercial	Buildings/Structures: 0
Gross Floor Area: 632 sq ft	End User: Owner-Occupied (by Applicant)
Construction Costs: \$150	Construction Cost / sq. ft.: \$
Total Project Costs: \$150	Project Funding Available: Committed and Verified*

5. **DISPOSITION APPROVALS**

Developer Agreement Executed:	
Economic Opportunity Plan (EOP): Not Applicable*	Restrictions or Covenants: Yes*
VPRC Approval: 11/12/19	City Council Approval: 12/5/19
Philadelphia Land Bank/PRA Board Approval:	
Settlement Date:	Construction Deadline:

*See Development Summary for more information

6. DEVELOPMENT SUMMARY

The applicant proposes to rehabilitate 2760 N. Ringold Street as a side yard. Improvements include a vegetable garden and flowers.

Evidence of project financing has been provided in the form of a bank statement.

The applicant is compliant and in good standing with the City of Philadelphia.

The project will not be subject to an Economic Opportunity Plan.

The property will be subject to use restrictions as a side yard.

7. STAFF RECOMMENDATION

The Philadelphia Land Bank recommends the disposition of 2760 N. Ringold Street to Kim M. Moore as a side yard.

Prepared by: Bradley Vassallo – Senior Development Specialist

Reviewed by: Steve Cusano – Senior Counsel



RESOLUTION NO. 2019 – _____

**RESOLUTION AUTHORIZING CONVEYANCE OF
2908 N. 2ND STREET TO CRISELIDA DELGADO**

WHEREAS, Section 16-707 of the Philadelphia Code authorizes the Philadelphia Land Bank (“Land Bank”) to convey, exchange, sell, transfer, lease, grant or mortgage interests in real property of the Land Bank, subject to approval of the Vacant Property Review Committee and resolution by Philadelphia City Council, and subject further to the terms and conditions of Section 16-707.

WHEREAS, the Vacant Property Review Committee reviewed the proposed transfer of 2908 N. 2nd Street (the "Property") at its public meeting held on November 12, 2019 and Philadelphia City Council approved conveyance of the Property by Resolution No. 190956, adopted on December 5, 2019.

WHEREAS, the Board of Directors has determined that it is in the best interest of the Land Bank to convey the Property.

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

1. The conveyance of the Property to Criselida Delgado for One Dollar (\$1.00) is in the best interests of the Land Bank and is hereby approved.
2. The conveyance of the Property complies with all terms and conditions of Section 16-707 of the Philadelphia Code.
3. The Executive Director and Senior Counsel are each hereby authorized, in the name of and on behalf of the Land Bank, to negotiate, prepare, execute, deliver, and perform any and all agreements, deeds, and other documents, as may be necessary or desirable, to consummate the conveyance of the Property (collectively, the “Transaction Documents”) and, from time to time and at any time, amend, supplement, and modify the Transaction Documents, or any of them, as may be necessary or desirable. The Transaction Documents and any amendments, supplements, and modifications thereto shall contain such terms and conditions as the Executive Director and Senior Counsel shall deem necessary or appropriate, and, when so executed and delivered by the Land Bank shall constitute the valid and binding obligations of the Land Bank.
4. 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. The Executive Director or Senior Counsel will notify the Board of all modifications to this Resolution at the next Board meeting following the date of such modifications.
5. This Resolution shall take effect immediately upon adoption by the Board.

1. **ADDRESS:** 2908 N. 2nd St.

2. **PROPERTY INFORMATION**

Zip Code: 19133	Census Tract: 017601	Council District: 7
Zoning: RSA-5	Lot Area: 1,342	
OPA Value: \$31,100	Appraised Value: \$N/A	Open EOIs: 1

3. **APPLICANT INFORMATION**

Name: Criselida Delgado
Mailing Address: 2910 N. 2nd St.
Type: Individual
Authorized Contact: Criselida Delgado
Application Date: 9/30/19

4. **PROJECT INFORMATION**

Disposition Type: Non-Competitive Sale*	Strategic Plan Goal: Side Yard
Price: \$1.00	Determined by: Nominal*
Development Type: Rehabilitation	Proposed Use: Side Yard*
Units: - -	Buildings/Structures:
Gross Floor Area:	End User:
Construction Costs: \$500	Construction Cost / sq. ft.: \$0.37
Total Project Costs: \$500	Project Funding Available: Committed and Verified*

5. **DISPOSITION APPROVALS**

Developer Agreement Executed:	
Economic Opportunity Plan (EOP): Not Applicable*	Restrictions or Covenants: Yes*
VPRC Approval: 11/12/19	City Council Approval: 12/5/19
Philadelphia Land Bank/PRA Board Approval:	
Settlement Date:	Construction Deadline:

*See Development Summary for more information

6. DEVELOPMENT SUMMARY

The applicant proposes to rehabilitate the property as a side yard. Property is in an eligible area so no mortgage is required.

Evidence of project financing has been provided in the form of a bank statement.

The applicant is compliant and in good standing with the City of Philadelphia.

The project will not be subject to an Economic Opportunity Plan.

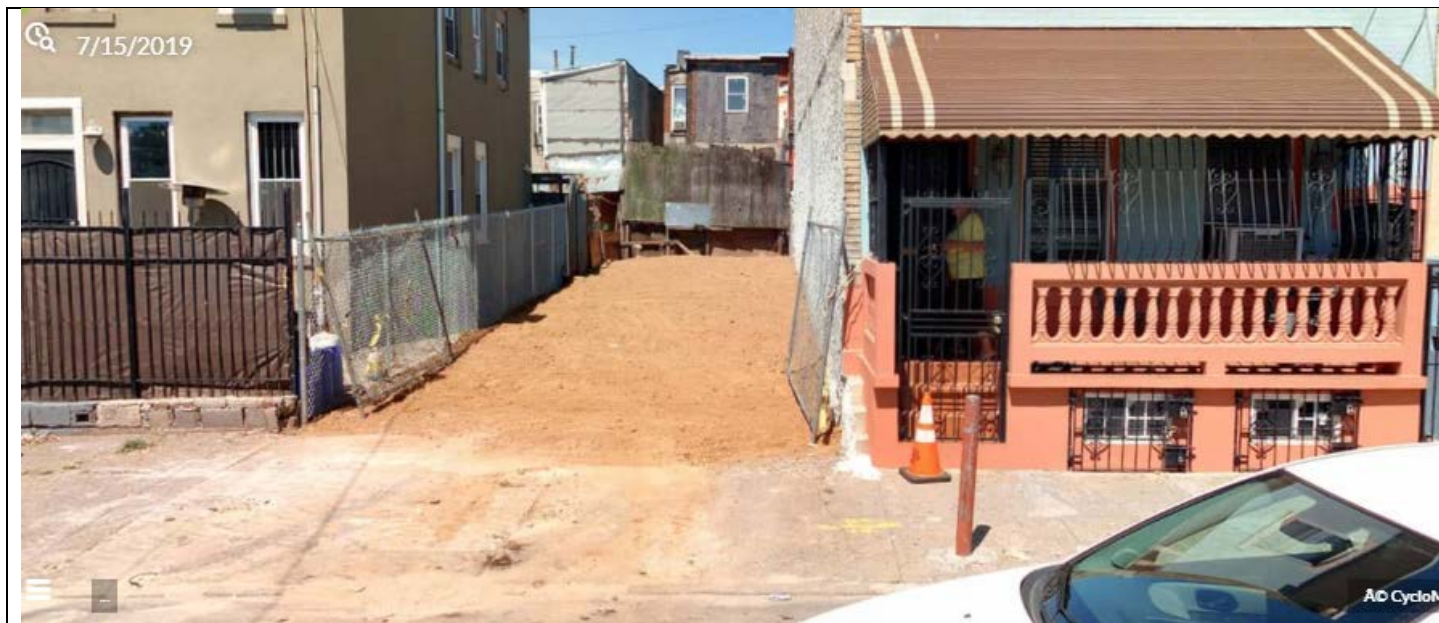
The property will be subject to use restrictions as a side yard.

7. STAFF RECOMMENDATION

The staff upon review of application recommends this disposition.

Prepared by: Wendolyne David Senior Development Specialist

Reviewed by: Steve Cusano – Senior Counsel



RESOLUTION NO. 2019 – _____

**RESOLUTION AUTHORIZING CONVEYANCE OF
3848 MELON STREET TO LORRAINE DURHAM**

WHEREAS, Section 16-707 of the Philadelphia Code authorizes the Philadelphia Land Bank (“Land Bank”) to convey, exchange, sell, transfer, lease, grant or mortgage interests in real property of the Land Bank, subject to approval of the Vacant Property Review Committee and resolution by Philadelphia City Council, and subject further to the terms and conditions of Section 16-707.

WHEREAS, the Vacant Property Review Committee reviewed the proposed transfer of 3848 Melon Street (the "Property") at its public meeting held on November 12, 2019 and Philadelphia City Council approved conveyance of the Property by Resolution No. 190948, adopted on December 5, 2019.

WHEREAS, the Board of Directors has determined that it is in the best interest of the Land Bank to convey the Property.

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

1. The conveyance of the Property to Lorraine Durham for One Dollar (\$1.00) is in the best interests of the Land Bank and is hereby approved.
2. The conveyance of the Property complies with all terms and conditions of Section 16-707 of the Philadelphia Code.
3. The Executive Director and Senior Counsel are each hereby authorized, in the name of and on behalf of the Land Bank, to negotiate, prepare, execute, deliver, and perform any and all agreements, deeds, and other documents, as may be necessary or desirable, to consummate the conveyance of the Property (collectively, the “Transaction Documents”) and, from time to time and at any time, amend, supplement, and modify the Transaction Documents, or any of them, as may be necessary or desirable. The Transaction Documents and any amendments, supplements, and modifications thereto shall contain such terms and conditions as the Executive Director and Senior Counsel shall deem necessary or appropriate, and, when so executed and delivered by the Land Bank shall constitute the valid and binding obligations of the Land Bank.
4. 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. The Executive Director or Senior Counsel will notify the Board of all modifications to this Resolution at the next Board meeting following the date of such modifications.
5. This Resolution shall take effect immediately upon adoption by the Board.

1. **ADDRESS:** 3848 Melon Street

2. **PROPERTY INFORMATION**

Zip Code: 19104	Census Tract:	Council District: 3
Zoning: RSA-5	Lot Area: 902 sq ft	
OPA Value: \$20,500	Appraised Value: \$27,000	Open EOs:

3. **APPLICANT INFORMATION**

Name: Lorraine Durham
Mailing Address: 3850 Melon Street
Type: Individual
Authorized Contact: Lorraine Durham
Application Date: 10/22/2019

4. **PROJECT INFORMATION**

Disposition Type: Non-Competitive Sale*	Strategic Plan Goal: Side Yard
Price: \$1.00	Determined by: Nominal*
Development Type: Rehabilitation	Proposed Use: Side Yard*
Units: 0 - Residential 0 - Commercial	Buildings/Structures: 0
Gross Floor Area: 902 sq ft	End User: Owner-Occupied (by Applicant)
Construction Costs: \$500	Construction Cost / sq. ft.: \$0.55
Total Project Costs: \$500	Project Funding Available: Committed and Verified*

5. **DISPOSITION APPROVALS**

Developer Agreement Executed:	
Economic Opportunity Plan (EOP): Not Applicable*	Restrictions or Covenants: Yes*
VPRC Approval: 11/12/19	City Council Approval: 12/5/19
Philadelphia Land Bank/PRA Board Approval:	
Settlement Date:	Construction Deadline:

*See Development Summary for more information

6. DEVELOPMENT SUMMARY

The applicant proposes to rehabilitate 3848 Melon Street as a side yard. Improvements include outdoor seating and a vegetable garden.

Evidence of project financing has been provided in the form of a bank statement.

The applicant is compliant and in good standing with the City of Philadelphia.

The project will not be subject to an Economic Opportunity Plan.

The property will be subject to a 30 year non-amortizing mortgage and use restrictions as a side yard.

7. STAFF RECOMMENDATION

The Philadelphia Land Bank recommends the disposition of 3848 Melon Street to Lorraine Durham as a side yard.

Prepared by: Wendolyn David – Senior Development Specialist

Reviewed by: Steve Cusano – Senior Counsel



RESOLUTION NO. 2019 – _____

**RESOLUTION AUTHORIZING CONVEYANCE OF
2916-24 N. 2ND STREET TO HACE AFFORDABLE HOUSING CORPORATION**

WHEREAS, Section 16-707 of the Philadelphia Code authorizes the Philadelphia Land Bank (“Land Bank”) to convey, exchange, sell, transfer, lease, grant or mortgage interests in real property of the Land Bank, subject to approval of the Vacant Property Review Committee and resolution by Philadelphia City Council, and subject further to the terms and conditions of Section 16-707.

WHEREAS, the Vacant Property Review Committee reviewed the proposed transfer of 2916-24 N. 2nd Street (the "Property") at its public meeting held on November 12, 2019 and Philadelphia City Council approved conveyance of the Property by Resolution No. 190956, adopted on December 5, 2019.

WHEREAS, the Board of Directors has determined that it is in the best interest of the Land Bank to convey the Property.

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

1. The conveyance of the Property to Hace Affordable Housing Corporation for One Dollar (\$1.00) is in the best interests of the Land Bank and is hereby approved.
2. The conveyance of the Property complies with all terms and conditions of Section 16-707 of the Philadelphia Code.
3. The Executive Director and Senior Counsel are each hereby authorized, in the name of and on behalf of the Land Bank, to negotiate, prepare, execute, deliver, and perform any and all agreements, deeds, and other documents, as may be necessary or desirable, to consummate the conveyance of the Property (collectively, the “Transaction Documents”) and, from time to time and at any time, amend, supplement, and modify the Transaction Documents, or any of them, as may be necessary or desirable. The Transaction Documents and any amendments, supplements, and modifications thereto shall contain such terms and conditions as the Executive Director and Senior Counsel shall deem necessary or appropriate, and, when so executed and delivered by the Land Bank shall constitute the valid and binding obligations of the Land Bank.
4. 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. The Executive Director or Senior Counsel will notify the Board of all modifications to this Resolution at the next Board meeting following the date of such modifications.
5. This Resolution shall take effect immediately upon adoption by the Board.



DEVELOPMENT FACT SHEET

Last Updated: December 10, 2019

1. **ADDRESS:** 2916-24 N 2nd Street

2. **PROPERTY INFORMATION**

Zip Code: 19133	Census Tract: 017601	Council District: CD 7
Zoning: RSA-5	Lot Area: 10,754 SF	
OPA Value: \$97,800	Appraised Value: N/A	Open EOIs: 5

3. **APPLICANT INFORMATION**

Name: HACE Affordable Housing Corporation
Mailing Address: 167 W Allegheny Ave, Philadelphia, PA 19140
Type: Nonprofit
Authorized Contact: Maria Gonzalez
Application Date: 11/07/19

4. **PROJECT INFORMATION**

Disposition Type: Non-Competitive Sale*	Strategic Plan Goal: Garden / Open Space
Price: \$1	Determined by: Nominal*
Development Type: New Construction	Proposed Use: Community Garden
Units: - -	Buildings/Structures:
Gross Floor Area:	End User:
Construction Costs: \$	Construction Cost / sq. ft.: \$
Total Project Costs: \$10,000	Project Funding Available: Acceptable Plan Verified*

5. **DISPOSITION APPROVALS**

Developer Agreement Executed: TBD	
Economic Opportunity Plan (EOP): Not Applicable*	Restrictions or Covenants: Yes*
VPRC Approval: 11/12/19	City Council Approval: 12/5/19
Philadelphia Land Bank/PRA Board Approval: TBD	
Settlement Date: TBD	Construction Deadline: TBD



DEVELOPMENT FACT SHEET

Last Updated: *December 10, 2019*

*See Development Summary for more information

6. DEVELOPMENT SUMMARY

HACE Affordable Housing Corporation, a not for profit operating in North Philadelphia intends to take the parcel of land and transform it into a community garden which they will manage. This is part of their overall strategy for Crime Prevention through Environmental Design, displacing the current criminal activity.

7. STAFF RECOMMENDATION

The staff recommends this disposition as it meets with the Strategic Goals of the Land Bank and will become a community asset.



DEVELOPMENT FACT SHEET

Last Updated: *December 10, 2019*

Prepared by: Wedolyne David – Senior Development Specialist

Reviewed by: Steve Cusano – Senior Counsel

DEVELOPMENT FACT SHEET

Last Updated: *December 10, 2019*



DEVELOPMENT FACT SHEET

Last Updated: *December 10, 2019*



RESOLUTION NO. 2019 - _____

RESOLUTION AUTHORIZING A LEASE WITH HACE FOR 513 W. SUSQUEHANNA AVE.; 19, 21, 23, 25, AND 27 E. SOMERSET ST.; 2744 AND 2746 A ST.; 3012, 3018, 3022, 3024, 3026, 3028, 3036, AND 3042 N. AMERICAN ST.; 190 AND 191 W. MONMOUTH ST.; AND 2725, 2729, 2731, 2733, AND 2735 N. ORKNEY ST.

WHEREAS, Section 16-707 of the Philadelphia Code authorizes the Philadelphia Land Bank (“Land Bank”) to convey, exchange, sell, transfer, lease, grant or mortgage interests in real property of the Land Bank, subject to approval of the Vacant Property Review Committee and resolution by Philadelphia City Council, and subject further to the terms and conditions of Section 16-707.

WHEREAS, the Land Bank desires to lease to HACE, a Pennsylvania non-profit corporation, 513 W. Susquehanna Ave; 19, 21, 23, 25, and 27 E. Somerset St.; 2744 and 2746 A St.; 3012, 3018, 3022, 3024, 3026, 3028, 3036, and 3042 N. American St.; 190 and 191 W. Monmouth St; and 2725, 2729, 2731, 2733 and 2735 N. Orkney St. (collectively, the “Property”) pursuant to terms set forth in Exhibit “A” attached hereto.

WHEREAS, the Vacant Property Review Committee reviewed the lease of the Property to HACE at its public meeting held on November 12, 2019 and Philadelphia City Council approved conveyance of the Property by Resolution No. 190955, adopted on December 5, 2019.

WHEREAS, the Board of Directors has determined that it is in the best interest of the Land Bank to lease the Property pursuant to this Resolution.

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

1. The lease of the Property to HACE is in the best interests of the Land Bank and is hereby approved, subject to the terms and conditions of this Resolution.
2. The lease of the Property complies with all terms and conditions of Section 16-707 of the Philadelphia Code.
3. The Executive Director and Senior Counsel are each hereby authorized, in the name of and on behalf of the Land Bank, to negotiate, prepare, execute, deliver, and perform any and all leases, agreements, and other documents, as may be necessary or desirable, to consummate the lease of the Property with terms and conditions materially in conformance with the terms set forth in Exhibit “A” attached hereto (collectively, the “Transaction Documents”) and further containing such other terms and conditions which the Executive Director and Senior Counsel deem necessary or desirable and, when so executed and delivered by the Land Bank, shall constitute the valid and binding obligations of the Land Bank.
4. 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. The Executive Director or Senior Counsel will notify the Board of all modifications to this Resolution at the next Board meeting following the date of such modifications.
5. This Resolution shall take effect immediately upon adoption by the Board.

Exhibit A

Term	Five (5) years
Rent	Twenty-Three Dollars (\$23.00) annually
Real Estate Taxes, Insurance, and Other Costs	All costs, expenses, liabilities, and obligations relating to the ownership and operation of the premises including insurance, utilities, taxes, construction, repair, and maintenance are tenant's responsibility.
Permitted Use	Community gardening and open space



DEVELOPMENT FACT SHEET

Last Updated: December 10, 2019

1. ADDRESS: 513 W SUSQUEHANNA AVE; 19 E SOMERSET ST; 21 E SOMERSET ST; 23 E SOMERSET ST; 25 E SOMERSET ST; 27 E SOMERSET ST; 2744 A ST; 2746 A ST; 3012 N AMERICAN ST; 3018 N AMERICAN ST; 3022 N AMERICAN ST; 3024 N AMERICAN ST; 3026 N AMERICAN ST; 3028 N AMERICAN ST; 3036 N AMERICAN ST; 3042 N AMERICAN ST; 190 W MONMOUTH ST; 191 W MONMOUTH ST; 2725 N ORKNEY ST; 2729 N ORKNEY ST; 2731 N ORKNEY ST; 2733 N ORKNEY ST; 2735 N ORKNEY ST

2. PROPERTY INFORMATION

Zip Code: 19133	Census Tract: 017601	Council District: CD 7
Zoning: RSA-5	Lot Area:	
OPA Value: \$175,200	Appraised Value: \$528,000	Open EOIs: 0

3. APPLICANT INFORMATION

Name: HACE, Inc.
Mailing Address: 167 W Allegheny Ave, Philadelphia, PA 19140
Type: Nonprofit
Authorized Contact: Maria Gonzalez
Application Date: 11/07/19

4. PROJECT INFORMATION

Disposition Type: License / Lease Agreement	Strategic Plan Goal: Garden / Open Space
Price: \$23	Determined by: Nominal*
Development Type: New Construction	Proposed Use: Community Garden
Units: - -	Buildings/Structures:
Gross Floor Area:	End User:
Construction Costs: \$	Construction Cost / sq. ft.: \$
Total Project Costs: \$10,000	Project Funding Available: Acceptable Plan Verified*

5. DISPOSITION APPROVALS

Developer Agreement Executed: TBD	
Economic Opportunity Plan (EOP): Not Applicable*	Restrictions or Covenants: Yes*
VPRC Approval: 11/12/19	City Council Approval: 12/5/19

DEVELOPMENT FACT SHEET

Last Updated: *December 10, 2019*

Philadelphia Land Bank/PRA Board Approval: TBD

Settlement Date: TBD

Construction Deadline: TBD

*See Development Summary for more information

6. DEVELOPMENT SUMMARY

HACE, a not for profit operating in North Philadelphia intends to take the parcel of land and transform it into managed open space. This is part of their overall strategy for Crime Prevention through Environmental Design, displacing the current criminal activity. HACE will maintain the lots and report on activities and property management activities.

Term: Five (5) years

Rent: Twenty-Three Dollars (\$23.00) annually

Real Estate Taxes, Insurance, and Other Costs: All costs, expenses, liabilities, and obligations relating to the ownership and operation of the premises including insurance, utilities, taxes, construction, repair, and maintenance are tenant's responsibility.

Permitted Use: Community gardening and open space

7. STAFF RECOMMENDATION

The staff recommends this disposition as it meets with the Strategic Goals of the Land Bank and will become a community asset.

DEVELOPMENT FACT SHEET

Last Updated: *December 10, 2019*

Prepared by: Wedolyne David – Senior Development Specialist

Reviewed by: Angel Rodriguez – Executive Director

2744—2746 A. ST.



DEVELOPMENT FACT SHEET

Last Updated: *December 10, 2019*

19-21 E. SOMERSET ST,



DEVELOPMENT FACT SHEET

Last Updated: *December 10, 2019*

23 E. SOMERSET ST.



25-27 E. SOMERSET ST.



DEVELOPMENT FACT SHEET

Last Updated: *December 10, 2019*

513 W. SUSQUEHANNA AVE.

