

AGENDA
PHILADELPHIA LAND BANK
BOARD OF DIRECTORS' MEETING

TUESDAY, DECEMBER 13, 2022 – 10:00 AM

BECAUSE OF THE CONTINUED CLOSURE OF LAND BANK OFFICES TO THE PUBLIC
DUE TO THE COVID-19 PANDEMIC, THIS MEETING WILL BE HELD REMOTELY ON ZOOM.
THIS MEETING IS OPEN TO THE PUBLIC

**INSTRUCTIONS FOR REGISTERING FOR PUBLIC ACCESS TO THIS MEETING
AND FOR SUBMISSION OF PUBLIC COMMENTS ARE LOCATED ON THE PAGE
FOLLOWING THE AGENDA**

AGENDA

- I. Roll Call
- II. Approval of Minutes of the Meeting of November 15, 2022
- III. Election of Board Officers and Approval of 2023 Board Meeting Schedule
- IV. Review and Acceptance of Philadelphia Land Bank Audited Financial Statements for Year Ending June 30, 2022
- V. Review and Approval of Philadelphia Land Bank Fiscal Year 2023 Budget; Financial Report Year to Date
- VI. Property Dispositions (*corrections to agenda in red*)
 - A. Development – Affordable Housing (Unsolicited)
 - (1) The properties below are proposed for disposition to Fine Print Construction, LLC to develop forty-four (44) mixed-income homeownership and rental units and one commercial unit for a property management office. Eight (8) affordable single-family homeownership units will be sold to households with incomes at or below 80% AMI. Eleven (11) units in four (4) multi-family buildings (*three triplexes, one duplex*) will be leased to households with incomes at or below 80% AMI. One multi-family building will contain twenty-five (25) rental units of which four (4) units will be leased to households with incomes at or below 80% AMI. The application was unsolicited and evaluated pursuant to the disposition policy.
 - 2329 Ellsworth Street; 2445 Federal Street; 2315*, 2316*, 2317*, 2318*, 2337*, 2339*, 2349* Greenwich Street; ~~2014 Manton Street~~; 1709, 1711, 1822R-34 and 1836 Point Breeze Avenue; 1555 S. Ringgold Street (CD2) (**denotes properties being transferred by the Philadelphia Redevelopment Authority to the Land Bank.*)

- (2) The property below is proposed for disposition to Holloman, LLC to develop a multi-family building with ~~six (6) five (5)~~ affordable rental units. Two (2) units will be leased to seniors with incomes at or below 50% AMI. ~~Four (4) Three (3)~~ units will be leased to households with incomes at or below 80% AMI. The application was unsolicited and evaluated pursuant to the disposition policy.

- 1736 N. 22nd Street (CD5) *(Property being transferred by the Department of Public Property to the Land Bank.)*

B. Development – Affordable Housing (Request for Proposals)

- (1) The property below is proposed for disposition to BMK Properties, LLC to develop seventeen (17) single-family affordable homeownership units that will be sold to households with incomes at or below 80% AMI. Each unit will contain three (3) bedrooms and two (2) bathrooms. Applications were solicited via a Request for Proposals for affordable housing development at or below 80% AMI, and the applicant was the most qualified bidder for the property.

- 3001 Martha Street (CD1) *(Property being transferred by the Department of Public Property to the Land Bank.)*

- (2) The properties below are proposed for disposition to Civetta Property Group, LLC to develop ~~seventy (70) seventy-one (71)~~ single-family affordable homeownership units that will be sold to households with incomes at or below 100% AMI. Each unit will contain three (3) bedrooms and two (2) bathrooms. Applications were solicited via a Request for Proposals for affordable housing development at or below 100% AMI, and the applicant was the most qualified bidder for the properties.

- 621*, 623*, 625*, 637*, 917* Diamond Street; 924*, 927*, 928*, 936* Edgley Street; 926, 928* French Street; 2106*, 2112*, 2140*, 2141*, 2142*, 2143*, 2151*, 2166, 2170, 2172, 2215, 2217*, 2219* N. Franklin Street; 2112*, 2130*, 2144*, 2214* N. Marshall Street; 2105, 2107*, 2109*, 2110*, 2111*, 2112*, 2113, 2119*, 2121*, 2133, 2140*, 2143*, 2146*, 2150, ~~2151*~~ N. Percy Street; 904*, 910, 912 W. Susquehanna Avenue; 2102*, 2109*, 2114*, 2126*, 2128*, 2130*, 2131, 2134*, 2135*, 2136*, 2150*, 2210* N. 7th Street; 2101*, 2113, 2121*, 2155*, 2167-69*, 2201 N. 8th Street; 2124*, 2126, 2132*, 2150*, 2165* N. 9th Street; 2121* N. 10th Street (CD5) *(*denotes properties being transferred by the Department of Public Property or the Philadelphia Housing Development Corporation to the Land Bank.)*

C. Development – Gardens/Open Space

- (1) The properties below are proposed for conveyance to Historic Fairhill, Inc., a nonprofit organization, to be stabilized as managed open space. The property will be subject to a 30-year mortgage and permanently restricted for use as open space.

- 911, 913, 915, 919, 921, 923, 925 W. Auburn Street (CD5) *(Properties being transferred by the City of Philadelphia to the Land Bank.)*

VII. Public Comment (Old & New Business)

VIII. Adjournment

MEMORANDUM

FROM: Andrea Imredy Saah, Esq., Senior Counsel

RE: **Philadelphia Land Bank December 13, 2022 Board Meeting**
Remote Board Meeting Notice, Public Attendance, and Comment Procedures

DATE: December 2, 2022

A meeting of the Board of Directors of the Philadelphia Land Bank (“Land Bank”) is currently scheduled for Tuesday, December 13, 2022, with the executive session to begin at 9:30 A.M. and the meeting to begin at 10:00 A.M or as soon as the Executive Session has ended. Because of the continued closure of Land Bank offices to the public due to health concerns, this meeting will be held remotely using Zoom webinar. The meeting is open to public attendees and for public comments and questions.

PLEASE NOTE: To participate in the meeting on your computer, you must register in advance. This requirement is necessary to allow us to collect the names of participants as required by law. Using a computer, tablet or smartphone, use the following link:

https://us02web.zoom.us/webinar/register/WN_6hBlBusqQlKRWAUv3al23g.

After registering, you will receive a confirmation email containing information about joining the webinar. Members of the public who join before 10 A.M. will be given access when the meeting begins.

To join the meeting by calling in, dial one of the following numbers:

+1 267 831 0333 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099 or +1 346 248 7799

Webinar ID: 825 0608 2170; Passcode: 732993

The Board agenda and package will be available to view no later than five (5) days prior to the Board meeting at <https://phdcphila.org/who-we-are/boards/philadelphia-land-bank-board/>.

Public comment and questions regarding the matters that are posted on the agenda may be submitted prior to and during the Board meeting.

To speak during the Board meeting when public comment on the agenda item is requested by the Board Chair, use raise the “Raise Hand” function at the bottom of the screen. You may also enter your questions/comment in the “Q&A” function. *Do not use the Chat function for questions or comments.* The Board Chair may limit repetitious questions/comments. Q&A submissions will be attached to the minutes of the meeting.

To submit questions or comments prior to the Board meeting, you must email the following information to andrea.saah@phdc.phila.gov by 3:00 p.m. on Monday, December 12, 2022:

- Your full name and group or company affiliation, if applicable;
- Contact information (your email address or phone number);
- Identify the agenda item that you are addressing; and
- State your question/comment in a clear and concise manner.

Questions/comments submitted via email will be summarized at the Board meeting, answered or addressed to the extent possible, and attached to the minutes of the meeting.

If possible, the Board meeting will be recorded and made publicly available within thirty (30) days. If you have a question or comment about an agenda item after the meeting concludes, please submit it as described above. It will be addressed to the extent possible by Land Bank staff or at the next Board meeting.

PHILADELPHIA LAND BANK

NOVEMBER 15, 2022, BOARD OF DIRECTORS MEETING MINUTES (DRAFT)

A Regular Meeting of the Board of Directors of the Philadelphia Land Bank was held on Tuesday, November 15, 2022, via Zoom webinar, of which proper notices were given.

CALL TO ORDER

The meeting was called to order at 10:02 a.m.

Andrea Imredy Saah, Senior Counsel, made the following announcements:

Today's Board meeting is being held via an authorized communication device because of the continued closure of Land Bank offices to the public due to the Covid pandemic. This meeting is being recorded. Questions and comments may be made using the Q&A or raised hand button at the bottom of the screen. If you are calling in and not using the Zoom webinar link, you may ask questions or make comments by pressing *9 on your phone. You can also use the "raise hand" function at the bottom of the screen. Please do not use the chat function. If any member of the public has any issues submitting questions or comments, please send an email to Andrea.Saah@phdc.phila.gov. Please note all questions and comments received by email or through the Q&A section will be included in the minutes.

Prior to today's Public Session, the Board held an Executive Session at which the agenda was reviewed, and the responses that were received from the public to the agenda.

Item I **Roll Call**

The following members of the Board of Directors reported present: Anne Fadullon, Maria Gonzalez, Joshu Harris, Andrew Goodman, Michael Koonce, Michael Johns, Rebecca Lopez Kriss, Majeedah Rashid and Rick Sauer.

The following Board member was absent: Alexander Balloon and Richard DeMarco.

The following staff members were present: Angel Rodriguez, Jessie Lawrence, Andrea Imredy Saah, Esq., Jamila Davis, Todd Hestand, Cristina Martinez, Mathen Pullukattu, Tracy Pinson-Revire, Brian Romano, and Carolyn Terry.

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.

Item II
Approval of Board Minutes

Ms. Fadullon called for questions or comments regarding the minutes of the Board meeting of October 11, 2022. There were none.

Ms. Fadullon called for a motion regarding approval of the minutes. Mr. Goodman moved to approve the minutes. Mr. Koonce seconded the motion.

Upon motion made and duly seconded, the Board unanimously approved the October 11, 2022, Board Meeting minutes.

Item III
Executive Director's Report

No Executive Director's Report was presented due to the length of the agenda.

Item IV
Amendment to Approved Dispositions

Item IV(1)

Mr. Lawrence asked the Board to approve an amendment to Resolution No. 2021-30, which approved the conveyance of 1921 S. 6th Street for the development of one affordable single-family rental unit at no more than 120% of Area Median Income. The amendment will approve the conversion of the unit to an affordable single-family home to be sold at \$275,000 to a purchaser with a household income not exceeding 100% of AMI, which allows the home to be eligible for a "Turn the Key" program subsidy to the home purchaser. The home will be subject to resale restrictions and require income certification of purchasers.

Ms. Fadullon called for questions or comments from the Board. There were none.

Ms. Fadullon called for questions or comments from the public. Harry Pagan inquired about a lot he has been caring for and applied to acquire as a side yard two years ago so that he could continue to use it as a community garden for the neighborhood. Millicent Clark also asked about how homeowners could apply for lots that were being disposed of to developers as side or rear yards instead. After some discussion and an explanation from Mr. Rodriguez about affordable housing being the priority use in this area, and about how community members could apply for a side yard or community garden, Mr. Pagan clarified that he was asking about another lot, not 1921 S. 6th Street. Ms. Fadullon asked him to contact the Land Bank staff regarding this application for the lot he was using, and Mr. Lawrence posted his email address in the chat. Shaakira Berryman then asked for clarity on the time period for the restrictions. Mr. Rodriguez explained that the resale and income certification restrictions are in place for a minimum period of 15 years. If the first buyer sells before the 15 year-period ends, the period resets to another 15 years for the next buyer, up to a maximum period of 30 years in total. The second homebuyer must also be certified as income qualified.

Seeing no further questions, Ms. Fadullon called for a motion regarding the proposed amendment to Resolution No. 2021-30 pertaining to 1921 S. 6th Street. Ms. Gonzalez moved to approve the amendment. Mr. Harris seconded the motion.

Upon motion made and duly seconded, the Board unanimously adopted the **Resolution Amending Resolution 2021-30 to Authorize Sale instead of Rental of Home, to Authorize Increase in Affordability, and to Set Unit Sales Price** (attached to these minutes as **Exhibit A**).

Item IV(2)

Mr. Lawrence asked the Board to approve an amendment to Resolution No. 2021-31, which approved the conveyance of 2544 S. 5th Street for the development of one affordable single-family rental unit at no more than 120% of Area Median Income. The amendment will approve the conversion of the unit to an affordable single-family home to be sold at \$275,000 to a purchaser with a household income not exceeding 100% of AMI, which allows the home to be eligible for a “Turn the Key” program subsidy to the home purchaser. The property will be subject to resale restrictions and require income certification of purchasers.

Ms. Fadullon reiterated that this is another request to approve a change to a disposition that has already been approved. She then called for questions from the Board. There were none.

Ms. Fadullon called for questions from the public. There were none.

Ms. Fadullon called for a motion regarding the proposed amendment to Resolution No. 2021-31 pertaining to 2544 S. 5th Street. Ms. Lopez Kriss moved to approve the amendment. Ms. Gonzalez seconded the motion.

Upon motion made and duly seconded, the Board unanimously adopted the **Resolution Amending Resolution 2021-31 to Authorize Sale instead of Rental of Home, to Authorize Increase in Affordability, and to Set Unit Sales Price** (attached to these minutes as **Exhibit B**).

Item V **Property Dispositions**

Item V.A(1) – Affordable Housing (Unsolicited)

Mr. Lawrence asked the Board to authorize the disposition of 2329 Ellsworth Street; 2445 Federal Street; 2315, 2316, 2317, 2318, 2337, 2339 and 2349 Greenwich Street; 1709, 1711, 1822R-34 and 1836 Point Breeze Avenue; and 1555 S. Ringgold Street in Point Breeze in the 2nd Council District to Fine Print Construction, LLC for the development of forty-four (44) mixed-income homeownership and rental units and one commercial unit for a property management office. Eight (8) affordable single-family homes will be sold to households with incomes at or below 80% AMI. Nine (9) units in three triplex buildings and two (2) units in one duplex building will be leased to households with incomes at or below 80% AMI. One multi-family building will contain twenty-five (25) rental units, of which four (4) units will be leased to households with incomes at or below 80% AMI. The others will be leased at market rate, and the building will also contain one commercial unit

(leasing office). The application was unsolicited and evaluated pursuant to the disposition policy. The purchase price will be \$26,000.

Evidence of project financing has been provided. The applicant is compliant and in good standing with the City of Philadelphia. The project will be subject to an Economic Opportunity Plan and subject to an irrevocable Power of Attorney and Right of Re-entry Reverter. A Declaration of Restrictive Covenants will be placed on the affordable homeownership units and the affordable rental units to ensure that they remain affordable for a minimum of 15 years, and purchasers of the single-family homes will be income certified.

Ms. Fadullon then summarized this item, stating that this was the first time the Board was considering these properties for development, that of forty-four (44) proposed units, eight (8) are for homeownership for households at or below 80% of AMI, fifteen (15) are rental units to be leased to tenants at or below 80% of AMI, and the rest are market-rate rentals.

Ms. Fadullon called for questions or comments from the Board. Mr. Johns stated that he had a serious concern about the size and layout of the units, especially the single-family units and triplex units, which he believes are too small for families and will affect the long-term viability of the units. Ms. Gonzalez indicated that she shares the same concerns about the long-term viability of the units for families. Ms. Lopez Kriss agrees that many of the units are too small for families but wondered if smaller households moving into these units would free up the larger homes in the neighborhood for larger families. Mr. Goodman asked about emergency access to the large multi-family building, since it was on a flag lot.

Ms. Fadullon asked the developer to speak to the Board's concerns. Dawud Bey of Fine Print Construction, LLC responded that there is a 15-ft wide alley easement in the rear of the large flag lot that will provide emergency access and facilitate the collection and disposal of trash at the building. Regarding the size and layout of the floor plans, he indicated that changes would be made to some of the floor plans, but that the single-family homes are the same size as the homes built by Civetta Property Group on nearby streets, that the design will be improved, and each home will have an unfinished basement.

Ms. Fadullon asked if any comments were received from the public prior to the meeting. Ms. Imredy Saah indicated that emails asking questions about the development were received from Colin Barrett and Rajvir Jutla, emails opposing rental properties and requesting homeownership affordable to buyers at or below 60% of AMI or community-benefiting uses from Ella Mae Bruce and Tara Bruce, as well as three letters from community organizations that met with the developer at a community meeting he held and expressed their strong support for the project (all were forwarded to the Board prior to the meeting and are attached to these minutes as Exhibit C).

Ms. Fadullon called for comments from the public. Colin Barrett asked whether units on Greenwich Street were homeownership or rental units, and asked for reassurance that proper underpinning and construction practices would be used for excavation of the basements and homes. Mr. Lawrence confirmed that the units on Greenwich Street would be homeownership units. Ms. Fadullon indicated she would postpone answers to the construction-related questions until all public commenters had a chance to state their concerns.

Dave Langlieb, Executive Director of the Accelerator Fund, indicated that Fine Print Construction LLC is the type of developer the Accelerator Fund was created to support and that they will provide construction lending to the developer, who will employ minority subcontractors and neighborhood residents and has deep roots in the community.

Shaakira Berryman indicated that she strongly supports the project and believes that with some design changes, the units would be very livable for small families. Ella Mae Bruce stated that every rental unit in the multi-family building should be affordable to lower- and moderate-income families, and that even at 80% of AMI, many families would not be able to afford these rental units.

Albert Littlepage, current President of Point Breeze CDC, stated that he supports the project for several reasons: the community asked for more minority-owned developers, which Fine Print Construction LLC is; many of these units will be attractive to individuals or couples who are currently sharing larger homes, thus making those homes available; and this developer is making half of the units available at 80% of AMI. Projects that are affordable at or below 60% of AMI require different types of funding and subsidy and would entail a different type of project. He is in strong support of this developer and this project, and his community organization submitted one of the letters of support.

Claudia Sherrod, current President of Point Breeze Community Network Plus, the former director of South Philadelphia Homes, Inc., and former President of Point Breeze CDC, stated her support for the project. Large families have lived in small homes in the area for years, and she appreciates that they will not have the large utility bills that accompany larger homes. She believes this project will be a positive development for the community.

Tara Bruce stated her concerns about the large number of rental units and the increased residential density with no supporting commercial development such as supermarkets or other amenities. Rachael Pritzker expressed appreciation for the amount of work that the developer as well as the Land Bank and the Minority Developer Program have invested in making it possible for this developer to develop this project. Daaiyah Turner Bey stated that she is very excited for this project, as it will allow families like hers to remain in the neighborhood.

Mohamed Rushdy spoke in favor of this project on behalf of the Building Industry Association, which has been mentoring minority developers and assisting them so that they can participate in the affordable housing development programs offered by the Land Bank and the Minority Developer program. Derek Cain (sp?) stated that he is a participant in the Minority Developer Program and understands how much effort and preparation is required to succeed in this industry. He supports this developer and this project.

Tabitha Fulton, Dawud Bey's wife, spoke about his roots in the community and his steadfast commitment and dedication to giving back to the community. Ibrahim Beyah stated that he is looking forward to the new homes in the area, since he is looking to start a family and wants to remain there. Kaazim Bey asked the Board if they had any concerns other than size of the units or design considerations. Altrena Nixon asked for information about the Minority Developer Program, and Mr. Rodriguez provided the email address for Todd Hestand in the chat.

Dawud Bey then spoke about his commitment to developing affordable housing in South Philadelphia. He also stated that the rents charged will actually be lower than what is permitted at 80% of AMI because of current market conditions, and he also hopes to rent some of the triplex units at 50% of AMI in order to obtain a mixed-income height bonus for those buildings. He described his experience developing homes and rental properties in the area and his commitment to the neighborhood.

Mr. Sauer and Mr. Koonce asked for clarification about market-rate rents, and Ms. Fadullon responded that it appeared that current market conditions provide natural affordability, but that the units that are designated as affordable will continue to be affordable for 15 years, whereas the rents for market-rate units can increase as market conditions change. Mr. Johns reiterated his concerns about the size of the units from a design and long-term viability standpoint. Mr. Goodman asked if any future changes in unit size or numbers would have to come back to the Board; Mr. Rodriguez indicated that only a change in excess of 15% of the number of units or the total square footage would require Board approval.

Ms. Fadullon called for a motion regarding the proposed disposition to Fine Print Construction, LLC. Ms. Lopez Kriss moved to approve the disposition. Mr. Goodman seconded the motion.

Since the voice vote appeared to be relatively evenly divided for and against the project, Ms. Fadullon polled the Board, with the following results:

Mr. Sauer – No
Mr. Goodman – Yes
Ms. Rashid – Yes
Mr. Johns – No
Ms. Lopez Kriss – Yes
Ms. Gonzalez – No
Mr. Koonce – No
Mr. Harris – Yes
Ms. Fadullon – Yes

Ms. Saah (General Counsel for Land Bank) advised the Board that any disposition worth \$50,000 or more must be approved by the majority of the entire Board, not just a majority of the quorum. Given that there was no definitive vote on this disposition, Ms. Fadullon indicated that the disposition would be brought back to the Board at a future meeting for reconsideration and advised the developer to consider the stated concerns in preparing for that meeting.

Item V.B(1) – Business Expansion (Unsolicited)

Mr. Lawrence asked the Board to approve the disposition of 3418, 3420 and 3422 Kensington Avenue in the 7th Council District to GM Holdings, LLC to complete a parking lot that exists on adjacent properties they own. The application was unsolicited and evaluated pursuant to the disposition policy, and the purchase will be for \$95,000, the appraised fair market value. Evidence of project financing has been provided. The applicant is compliant and in good standing with the City of Philadelphia. The project will not be subject to an Economic Opportunity Plan but will be subject to an irrevocable Power of Attorney and Right of Re-entry Reverter.

Ms. Fadullon called for questions from the Board. Mr. Goodman asked if the lots were already being used as part of the parking lot and whether other applications had been received for them. Mr. Lawrence confirmed that they were being used as part of the parking lot, and Mr. Rodriguez confirmed that there were no other qualified applications for these parcels.

Ms. Fadullon asked if any public comments regarding this disposition had been received prior to the meeting; Ms. Imredy Saah indicated that there were none.

Ms. Fadullon called for public comments. Rachael Pritzker, attorney for the applicant, spoke on behalf of the developer, indicating that the lots have been maintained by the applicant as a parking lot for many years and that the process to acquire them has been a multi-year effort due to various changes in the disposition policy and process.

Hearing no further comments, Ms. Fadullon called for a motion regarding the proposed disposition to GM Holdings, LLC. Mr. Sauer moved to approve the disposition. Ms. Gonzalez seconded the motion.

Upon motion made and duly seconded, the Board unanimously adopted the **Resolution Authorizing Conveyance of 3418, 3420 and 3422 Kensington Avenue to GM Holdings, LLC** (attached to these minutes as **Exhibit D**).

Item V.C(1) – Affordable Housing (Request for Proposals)

Mr. Lawrence asked the Board to approve the disposition of 621, 623, 625, 637, 917 Diamond Street; 924, 927, 928, 936 Edgley Street; 926, 928 French Street; 2106, 2112, 2140, 2141, 2142, 2143, 2151, 2166, 2170, 2172, 2215, 2217, 2219 N. Franklin Street; 2112, 2130, 2144, 2214 N. Marshall Street; 2105, 2107, 2109, 2110, 2111, 2112, 2113, 2119, 2121, 2133, 2140, 2143, 2146, 2150, 2151 N. Percy Street; 904, 910, 912 W. Susquehanna Avenue; 2102, 2109, 2114, 2126, 2128, 2130, 2131, 2134, 2135, 2136, 2150, 2210 N. 7th Street; 2101, 2113, 2121, 2155, 2167-69, 2201 N. 8th Street; 2124, 2126, 2132, 2150, 2165 N. 9th Street; and 2121 N. 10th Street, all in the 5th Council District, to Civetta Property Group, LLC for the development of seventy-one (71) single-family affordable homeownership units to be sold to households with incomes at or below 100% AMI. Each 3-story unit will contain three (3) bedrooms and two (2) bathrooms. Applications were solicited via a Request for Proposals for affordable housing development at or below 100% AMI, and the applicant was the most qualified bidder for the properties. The purchase price will be \$7,100.

Evidence of project financing has been provided. The applicant is compliant and in good standing with the City of Philadelphia. The project will be subject to an Economic Opportunity Plan and subject to an irrevocable Power of Attorney and Right of Re-entry Reverter. A Declaration of Restrictive Covenants will be placed on the homes to ensure that they remain affordable for a minimum of 15 years, and purchasers of the single-family homes will be income certified.

Ms. Fadullon called for questions from the Board. Mr. Johns stated that the developer shows the same plans and renderings for each of his projects, and that the developer needs to provide more site specific plans and renderings for each of the projects that he will be building. He is also concerned about the number of dispositions made to this developer.

Ms. Fadullon asked if any public comments were received prior to the meeting. Ms. Imredy Saah indicated that emails about how to acquire properties included in the disposition as side yards or community gardens were received from Kevin Brokenbrough, Margaret Moody and Abdullah Hamididdin, an email asking how to acquire one of the lots for development was received from Hassan Drago, an email asking many questions about the development was received from Tamara Clark, an email supporting the development of homeownership units but at lower income levels was received from Tara Bruce, and an email asking how community members are supposed to be able to participate in Board meetings and stating that properties are being stolen from the community was received from Charles Dyches (all were forwarded to the Board prior to the meeting and are attached to these minutes as Exhibit E).

Ms. Fadullon called for public comments. PerrellJerae Simmons, a resident of the neighborhood, stated that many community members were not aware of this meeting and are not able to participate in Zoom meetings. She indicated that many developers who have been building in the community have negatively affected the quality of life for the residents, and that the Land Bank should have communicated with the community before this meeting

Kevin Brockenbrough stated that he has lived in the neighborhood since 1980 and has been block captain since 1983. He has maintained multiple lots on the street for decades, built a shed on one of the lots to contain the equipment to maintain them, and that the recent developer who purchased the lot on which the shed was built did not make him whole for the damage done to his shed and equipment. The same developer also damaged the garden and fence he had maintained on other lots. He claimed that he was told that the lots he maintained would never be taken from him, and that he believes he should have obtained legal ownership after 21 years. He stated that the City should make him and other neighbors whole for the work they did to maintain to the properties.

Mr. Rodriguez clarified that the properties Mr. Brockenbrough mentioned in his email are nearly all privately owned, and that the Land Bank has had no involvement with any of those properties. He also stated that the one property mentioned in the email that is owned by the Land Bank is being used for parking. Ms. Fadullon then explained that in order to obtain title by adverse possession after 21 years, the claimant has to file a legal action in court – it does not happen automatically.

Mr. Dyches stated that he has lived in the neighborhood since 1974. He is frustrated that developers are ruining the quality of life in the neighborhood, closing off streets, drilling at all hours, dumping construction debris, building large multi-family buildings that don't fit in with the rest of the neighborhood, and stated that the City should be allowing residents to purchase the lots and should be communicating with the neighborhood residents well in advance of the meeting.

Ms. Fadullon indicated that she assumed that the developer had held a meeting with the community before this meeting, in keeping with the Land Bank's recent policy change. Mike Tomasetti, one of the owners of Civetta Property Group, LLC, explained that he had set up a meeting organized by one RCO and had also reached out to another RCO, but that none of those meetings had occurred yet.

Ms. Fadullon restated that the Board's policy is for those meetings to occur prior to the disposition being brought before the Board. She indicated that she would take a few additional comments and then would propose that the Board move to bring this disposition back to the board after the community meeting had been held.

Mohamed Rushdy then testified on behalf of the Building Industry Association in support of this development, which will bring affordable housing to this neighborhood in compliance with the RFP requirements set by PHDC and the Land Bank. He hopes that the Board will support these projects in order to build the number of affordable homes that are needed to be built in the next few years. Millicent Clark, who is on the community advisory council and is a neighborhood resident, asked Mr. Rodriguez if any of the properties included in the disposition would qualify for side or rear yard dispositions or community garden dispositions, and also stated her concerns that no community meetings have been held. Mr. Rodriguez explained that none of the publicly owned properties included in this disposition were eligible for acquisition as yards or gardens. He stated that the Land Bank inspects all of the properties before they are included in a disposition to determine how they are being used, but that some of the properties are being illegally occupied.

Ms. Fadullon then stated that since none of the community meetings have occurred prior to this meeting, which is now part of the Board's requirement for consideration of a disposition, she would call for a motion but encouraged the Board to move to table this item and postpone its consideration to a future meeting. Mr. Sauer moved to table the disposition to Civetta Property Group, LLC until a community meeting has been held. Mr. Koonce seconded the motion.

Upon motion made and duly seconded, the Board unanimously approved tabling the disposition to Civetta Property Group, LLC.

Item V.D(1) – Gardens/Open Space

Mr. Rodriguez asked the Board to authorize the disposition of 1834, 1837, 1840, 1846 and 1848 S. Allison Street and 5517 Paschall Avenue in the 3rd Council District Original American Foundation, a non-profit organization, for development of community gardens. The non-profit has been gardening on some of the lots, wants to finish fencing them, cleaning and adding raised garden beds. All work will be done by neighbors. The applicant is compliant and in good standing with the City of Philadelphia. The project will not be subject to an Economic Opportunity Plan but will be subject to an irrevocable Power of Attorney and Right of Re-entry Reverter. The properties will also be subject to a 30-year mortgage and permanently restricted for use as community gardens.

Ms. Fadullon called for questions or comments from the Board. There were none.

Ms. Fadullon asked if comments were received from the public prior to the board meeting from the public. Ms. Imredy Saah indicated that Andrew Gentsch sent an email stating that he is interested in purchasing the vacant lot at 5517 Paschall Avenue as a yard and open space (the email was forwarded to the Board and is attached to these minutes as **Exhibit F**). Ms. Imredy Saah added that since Mr. Gentsch does not live adjacent to the lot and is not a non-profit organization, he would not be qualified to acquire the lot as a yard or as a community garden.

Ms. Fadullon called for questions or comments from the public. Jovian Patterson, board chair of the Original American Foundation, explained that he grew up in the area and that his organization has been working in the community for several years, growing vegetables for the community, cleaning the area of illegal dumping, organizing workshops, teaching self-sustainability gardening techniques, and organizing community get-togethers. They want to partner with other organizations and expand to other parts of the city. Alison Macrina offered her support for the Original American Foundation

and for this project. She has been volunteering with the organization for a while and is impressed with both the work they have done in the spaces and with their ambitions for the neighborhood, organizing and involving the community.

Ms. Fadullon called for a motion regarding the disposition to Original American Foundation. Mr. Johns moved to approve the disposition. Mr. Sauer seconded the motion.

Upon motion made and duly seconded, the Board unanimously adopted the **Resolution Authorizing Conveyance of 1834, 1837, 1840, 1846 and 1848 South Allison Street and 5517 Paschall Avenue to Original American Foundation** (attached to these minutes as **Exhibit G**).

Item V.D(2) – Gardens/Open Space

Mr. Rodriguez asked the Board to authorize the disposition of 5804 Hazel Avenue in the 3rd Council District to Mending Broken Wings Foundation, a non-profit organization, for development of a community garden. The non-profit has been maintaining the lot and will complete the garden with additional plantings. The garden will serve as a gathering space for seniors and youth from the neighborhood. The applicant is compliant and in good standing with the City of Philadelphia. The project will not be subject to an Economic Opportunity Plan but will be subject an irrevocable Power of Attorney and Right of Re-entry Reverter. The properties will also be subject to a 30-year mortgage and permanently restricted for use as managed open space.

Ms. Fadullon called for questions or comments from the Board. There were none. There were also no public comments received prior to the meeting.

Ms. Fadullon called for comments from the public. Stephanie Scott, director of the organization, explained that the goal of the garden is bridge the gap in communications between the youth and the seniors and to improve both groups' mental health by providing them a place to gather, to garden, and to communicate about better choices.

Ms. Fadullon called for a motion regarding the disposition to Mending Broken Wings Foundation. Mr. Koonce moved to approve the disposition. Mr. Johns seconded the motion.

Upon motion made and seconded, the Board unanimously adopted the **Resolution Authorizing Conveyance of 5804 Hazel Avenue to Mending Broken Wings Foundation** (attached to these minutes as **Exhibit H**).

Item V.E – Side/Rear Yards

Mr. Rodriguez asked the Board to authorize the disposition of 2039 E. Fletcher Street in the 7th Council District (incorrectly listed on the agenda as 1st Council District) to Conner Kingsley and Gabrielle Gionet and 239 N. Paxon Street in the 3rd Council District to Bonnie Magrum. Both sets of applicants reside in and own their adjacent home. The applicants are compliant and in good standing with the City of Philadelphia. The projects will not be subject to an Economic Opportunity Plan but will be subject an irrevocable Power of Attorney and Right of Re-entry Reverter. The properties will be subject to a 30-year mortgage and permanently restricted for use as side/rear yards.

Ms. Lopez Kriss asked why the Land Bank was considering a disposition of 2039 E. Fletcher Street as a rear yard when housing in this area is rapidly increasing in price and why a property extending across the rear of several homes would be sold to the owners of just one home. Mr. Rodriguez clarified that this Council District has prioritized side and rear yards, not the development of affordable housing, and that the Land Bank does not actively solicit side/rear yard applications from other possible applicants. Ms. Fadullon pointed out that subdividing a lot like this for sale to multiple adjacent homeowners is very complicated and expensive. Mr. Rodriguez confirmed that the disposition notice was posted on the lot, so neighbors would have seen the notice of the proposed disposition.

Ms. Fadullon asked Ms. Imredy Saah if any comments from the public were received regarding either of these lots. There were none. Ms. Fadullon suggested that since there is a newly elected Councilmember for this district, staff should verify land use priorities with the new Councilmember. Ms. Lopez Kriss reiterated her concerns, particularly her desire that this lot be considered for affordable housing, since it is in an area with rapidly increasing housing prices.

Ms. Fadullon called for questions or comments from the public. Gabrielle Gionet, one of the applicant homeowners, explained that all of her neighbors have a rear yard that is fenced off. The lot is currently fenced with a gate but has a lot of trash, and they are excited about cleaning it up and sharing it with their neighbors. She pointed out that leaving it as an open lot rather than building on it will benefit all of the neighbors by not blocking sunlight to the rear of their properties.

Ms. Fadullon called for a motion regarding the dispositions of 2039 E. Fletcher Street and 239 N. Paxon Street as side/rear yards. Ms. Gonzalez moved to approve the dispositions. Mr. Sauer seconded the motion. Mr. Harris then stated that given Ms. Lopez Kriss's concerns, he would prefer to vote on the two dispositions separately. Ms. Lopez Kriss then moved to table the disposition of 2039 E. Fletcher Street until the new Councilmember could be consulted.

Since the first motion had not been addressed, Ms. Fadullon asked Ms. Gonzalez to clarify her motion. Ms. Gonzalez moved to approve the proposed disposition of 2039 E. Fletcher Street. Mr. Sauer seconded the motion.

Five Board members voted in favor of the disposition, and four Board members voted against it. Since a disposition requires approval by a majority of the entire Board (six members), this disposition will be tabled to a future meeting. Land Bank staff should consult the new Councilmember before then.

Ms. Fadullon then called for a motion regarding the disposition of 239 N. Paxon Street as a side/rear yard. Mr. Koonce moved to approve the disposition. Mr. Sauer seconded the motion.

Upon motion made and duly seconded, the Board unanimously adopted the **Resolution Authorizing Conveyance of 239 North Paxon Street to Bonnie Mangrum** (attached to these minutes as **Exhibit D**).

Item VI
Public Comment (Old & New Business)

No old or new business was brought up for consideration in response to Ms. Fadullon's request.

Item VII
Adjournment

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

Mr. Koonce moved to adjourn the meeting. Mr. Johns seconded the motion.

Upon motion made and duly seconded, the Board unanimously voted to adjourn at 12:24 pm.

NOTE: All comments and questions submitted via the Q&A function follow the list of attendees attached to these minutes.

SECRETARY TO THE BOARD

PUBLIC ATTENDANCE SHEET
PHILADELPHIA LAND BANK BOARD OF DIRECTORS REGULAR MEETING
 Tuesday, November 15, 2022, at 10:00 AM, held remotely using Zoom Webinar.

User Name (Original Name)	Email
Jamila Davis	Jamila.Davis@phila.gov
Altrena Nixon	altrena@yahoo.com
Sharon Park	spark@homestarter.com
Israel Dafils	idafils@yahoo.com
Dennis Shelly	dennis.shelly@peerenviro.net
Shaakira Berryman	bb.Shaakira@gmail.com
Tabitha Fulton (c/o Shaakira Berryman)	bb.Shaakira@gmail.com
Keila Cordova	954dmc@gmail.com
Jay Frank	Joshuafranklin@jayfieldllc.com
Shelvia Williams	Shelvia.Williams@phdc.phila.gov
Carolyn Terry	Carolyn.Terry@phdc.phila.gov
Barry Lohr	barry.lohr@bdnreit.com
Ibrahim Beyah	ibebeyah@gmail.com
Jacquie Sims	jacquelyn@maplehousing.org
Daaiyah Turner Bey	daaiyahtu@gmail.com
Christopher Miano	cmiano@gmail.com
Mike Tomasetti	Mike@civettapropertygroup.com
Opal Foster	blueopal66@gmail.com
Heather B.	hjbfirm@gmail.com
Ella Mae Ella Bruce	ellabruce@yahoo.com
Tara Bruce	brucie75@yahoo.com
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Millicent Clark	mclar2003@yahoo.com
David Langlieb	dlanglieb@phlfund.com
Derrick Cain	Caincapitalgroup@gmail.com
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Jovian Patterson	originalamericanfoundation@protonmail.com
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Stephanie Scott	1stephaniejscott@gmail.com
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Ismaail Bey	ismaailbey@gmail.com
DAWUD BEY	dawud@fineprintcompanies.com
Terica	tericagreen@gmail.com
Kevin Brockenbrough	Bishop2108@gmail.com
Harry	Geop80geo@gmail.com
Kaazim Bey	Kaadibey@yahoo.com
Albert Littlepage	apage1801@aol.com
Betty Beaufort	Bettybeeten@gmail.com
Colin	Colin.barrett88@gmail.com
Christopher Pitt	Chris@pittpassdevelopmentgroup.com

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Lee Elsey	lee@livingcityarch.com
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brian lanier	brian.lanier@phdc.phila.gov
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Mohamed Rushdy	mrushdy@riverwardsgroup.com
KATHERINE Goodman	kateagoodman@gmail.com
Francis Henriquez	fhdemolition@outlook.com
Mrs.Moody	mmoody1107@gmail.com
Wayne T	waynebtjr@gmail.com

PUBLIC COMMENTS SUBMITTED IN Q&A
PHILADELPHIA LAND BANK BOARD OF DIRECTORS REGULAR MEETING
 Tuesday, November 15, 2022 at 10:00 AM, held remotely using Zoom Webinar

#	Question	Asker Name	Answer
1	I would like to speak! Claudia. Sherrod	Claudia Sherrod	Lots or hand up. You will be recognized. Appreciate your Patience.
2	This is another project that represents what is already going on to the detriment of Point Breeze! This is 2 blocks away from my home. There is the only opportunity the community has to voice concerns. We are overrun here in Point Breeze.	Ella Mae Ella Bruce	
3	Has the board looked at the entirety of the development that is going on along the Point Breeze corridor or is it being ignored? This is was a concern that I brought up previously with the Board.	Ella Mae Ella Bruce	
4	Can we get the developer to confirm what Anne Fadullon stated regarding th rent on the affordable and market rate units	Jacquie Sims	
5	Thank you to the developer and Anne!	Jacquie Sims	

Exhibit A

RESOLUTION NO. 2022 – 45

RESOLUTION AMENDING RESOLUTION 2021-30 TO AUTHORIZE SALE INSTEAD OF RENTAL OF HOME, TO AUTHORIZE INCREASE IN AFFORDABILITY, AND TO SET UNIT SALES PRICE

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 in the form and by the method determined to be in the best interests of the Land Bank, subject to approval by resolution of Philadelphia City Council, and subject further to the terms and conditions of Chapter 16-404 of the Philadelphia Code;

WHEREAS, the Board of Directors (the “**Board**”) approved the conveyance of 1921 S. 6th Street (the “**Property**”) to Civetta Property Group, LLC (the “**Purchaser**”) for the price of Ten Thousand Dollars (\$10,000.00) for the development of one (1) housing unit to be rented to a household with an income at or below 120% of Area Median Income (“**AMI**”) (the “**Development**”), pursuant to Resolution 2021-30 adopted on June 8, 2021;

WHEREAS, the Developer, having completed the construction of the unit, desires to convert the completed unit from a rental unit to a homeownership unit, to be sold at a maximum sales price of \$275,000 to a purchaser with an income at or below 100% of AMI to permit the home to be eligible for a “Turn the Key” program subsidy to the home purchaser;

WHEREAS, the Board has determined that it is in the best interests of the Land Bank to approve the conversion of the unit from a rental unit to a homeownership unit, to approve the reduction of the AMI eligibility level from 120% of AMI to 100% of AMI, and to set the maximum sales price for the unit at \$275,000.

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

1. The conversion of the unit from a rental unit to a homeownership unit, the reduction of the AMI eligibility level from 120% of AMI to 100% of AMI, and a maximum sales price of \$275,000 for the unit is in the best interests of the Land Bank and is hereby approved, subject to approval by resolution of Philadelphia City Council.
2. The prior conveyance of the Property to the Developer complied with all applicable terms and conditions of Section 16-404 of the Philadelphia Code.
3. Subject to the terms of this Resolution, the Executive Director and Senior Counsel are each hereby authorized, in the name of and on behalf of the Land Bank, to prepare, execute, deliver, and perform any and all agreements and other documents, as may be necessary or desirable, to consummate the modifications to the Development (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 subject to the terms of this Resolution, and, when so executed and delivered by the Land Bank shall constitute the valid and binding obligations of the Land Bank.

Exhibit A

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 by Philadelphia Land Bank Board of Directors on November 15, 2022.

Exhibit B

RESOLUTION NO. 2022 – 46

RESOLUTION AMENDING RESOLUTION 2021-31 TO AUTHORIZE SALE INSTEAD OF RENTAL OF HOME, TO AUTHORIZE INCREASE IN AFFORDAILBITY, AND TO SET UNIT SALES PRICE

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 in the form and by the method determined to be in the best interests of the Land Bank, subject to approval by resolution of Philadelphia City Council, and subject further to the terms and conditions of Chapter 16-404 of the Philadelphia Code;

WHEREAS, the Board of Directors (the “**Board**”) approved the conveyance of 2544 S. 5th Street (the “**Property**”) to Civetta Property Group, LLC (the “**Purchaser**”) for the price of Ten Thousand Dollars (\$10,000.00) for the development of one (1) housing unit to be rented to a household with an income at or below 120% of Area Median Income (“**AMI**”), pursuant to Resolution 2021-31 adopted on June 8, 2021;

WHEREAS, the Developer, prior to taking title to the Property, desires to convert the unit from a rental unit to a homeownership unit, to be sold at a maximum sales price of \$275,000 to a purchaser with an income at or below 100% of AMI to permit the home to be eligible for a “Turn the Key” program subsidy to the home purchaser;

WHEREAS, the Board has determined that it is in the best interests of the Land Bank to approve the conversion of the unit from a rental unit to a homeownership unit, to approve the reduction of the AMI eligibility level from 120% of AMI to 100% of AMI, and to set the maximum sales price for the unit at \$275,000.

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

1. The conversion of the unit from a rental unit to a homeownership unit, the reduction of the AMI eligibility level from 120% of AMI to 100% of AMI, and a maximum sales price of \$275,000 for the unit 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 to the Developer complies with all applicable terms and conditions of Section 16-404 of the Philadelphia Code.
3. Subject to the terms of this Resolution, the Executive Director and Senior Counsel are each hereby authorized, in the name of and on behalf of the Land Bank, to prepare, execute, deliver, and perform any and all agreements 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 subject to the terms of this Resolution, and, when so executed and delivered by the Land Bank shall constitute the valid and binding obligations of the Land Bank.

Exhibit B

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 by Philadelphia Land Bank Board of Directors on November 15, 2022.

Exhibit C

From: Colin Barrett <colin.barrett88@gmail.com>

Sent: Wednesday, October 12, 2022 11:01 AM

To: Andrea Saah

Subject: Proposed Land Parcels

External Email Notice. This email comes from outside of City government. Do not click on links or open attachments unless you recognize the sender.

Hi Andrea,

My name is Colin and I own 2335 Greenwich St, the house next door to one of the proposed areas where new housing will be built.

I know there was a meeting to discuss this last night, but I was unable to attend. Do you have a summary of the meeting notes I can have?

Some of my concerns/questions surround:

1. Will these proposed homes have basements/will underpinning be done?
2. What is the name and experience/expertise of the construction companies being proposed?
3. Will these homes be low income and/or government housing?

If you can provide any additional detail on these items/questions it would be appreciated.

Thank you!

Colin Barrett

Colin.Barrett88@gmail.com

Exhibit C

From: Rajvir Jutla <rajvir.jutla@gmail.com>

Sent: Thursday, September 29, 2022 11:50 AM

To: Andrea Saah

Subject: Greenwich St land parcels

Follow Up Flag: Follow up

Flag Status: Flagged

External Email Notice. This email comes from outside of City government. Do not click on links or open attachments unless you recognize the sender.

Hello,

I am the property owner at 2314 Greenwich St, Philadelphia, PA 19146. We received notice that 2315,2316,2317, 2318 Greenwich St is proposed to convey those parcels for "mixed income homeownership and rental units".

Can you explain exactly what types of home that would entail, and who would qualify to buy those homes? We are a young family and would like to make sure that we have property owners on our street that take pride in their home, and rental units typically do not add value in that sense.

Look forward to hearing from you.

Thanks,

Rajvir Jutla

Exhibit C

From: Ella Bruce <ellabruce@yahoo.com>
Sent: Monday, November 14, 2022 9:20 AM
To: Andrea Saah
Subject: PLB Board Meeting Agenda Item V.A(1) November 15, 2022

Follow Up Flag: Follow up

Flag Status: Flagged

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Ella Mae Bruce ellabruce@yahoo.com

Agenda Item V.A(1) (Opposed to the Sale of These Properties)

As a nearby neighbor who resides in Point Breeze I want express my Concerns about development in Point Breeze.

Most importantly...CITY properties need to be developed for affordable housing/low income housing.

Development of City owned properties needs to have the end goal of **HOME OWNERSHIP** and must address households with an AMI that is significantly lower than 80%.

No City owned properties should to be developed as rental properties at Market rate.

Point Breeze is being overrun with market rate development and has become unaffordable for many who have resided here for years and wish to remain in the community.

I've spoken before this board in the past and continue for have the same concerns about the increased density which is translating to overcrowding.

Has the "desired" density been reached yet?

Every project has not been completed, yet more and more permits are issued and it seems that there is no real plan for the city.

"Stuff" is just being built with no continuity of design and leaving the community with no character or charm. There still needs to be a moratorium on building in Point Breeze.

It would be great if developers would truly invest in the community (especially Point Breeze).

What is needed desperately is a Super Market. Several multifamily projects that have been developed in Center City that have included Super Markets. Even on the 1400 Block of Point Breeze Avenue (where there was a supermarket) the developer did not build back what was there. This is one of the reasons that I don't put much stock in a developer's t seems to be for their profit and not to improve the quality of life for the residents currently residing in the community. This city should be investing in its residents, by improving housing conditions using Land Bank/City owned properties. Investment in the community looks like something totally different from what we are getting.

Have we learned nothing from the January 2022 Fire in Fairmount? People should not be made to live 28 people to a 2 unit property. This city has to do better for its residents!

Philadelphia needs to be better stewards of the land in its possession. This land needs to be used to benefit the citizens of this City who are housing insecure. More oversight needs to happen when conveying these city properties so that what is being bu rwhelming devastation to quality of life for current residents.

Exhibit C

From: tara bruce <brucie75@yahoo.com>
Sent: Thursday, November 10, 2022 10:27 AM
To: Andrea Saah; Tara Bruce
Cc: Tara Bruce
Subject: 11/15/22 Board of Directors 10am Meeting

Follow Up Flag: Follow up

Flag Status: Flagged

External Email Notice. This email comes from outside of City government. Do not click on links or open attachments unless you recognize the sender.

Good Day,

My name is Tara Bruce & I am a resident of the Point Breeze(District 2) section of South Philadelphia. At this time, I am writing in **Opposition** of Agenda Item:

V. Property Disposition

A. Development – Affordable Housing (Unsolicited)

(1) The properties below are proposed for disposition to Fine Print Construction, LLC to develop forty-five (45) mixed- income homeownership and rental units. Eight (8) affordable single-family homeownership units will be sold to households with incomes at or below 80% AMI. Nine (9) triplex units and two (2) duplex units will be leased to households with incomes at or below 80% AMI. One multi-family building will contain twenty-six (26) rental units of which four (4) units will be leased to households with incomes at or below 80% AMI. The application was unsolicited and evaluated pursuant to the disposition policy. • 2329 Ellsworth Street; 2445 Federal Street; 2315*, 2316*, 2317*, 2318*, 2337*, 2339*, 2349* Greenwich Street; 2014 Manton Street; 1709, 1711, 1822R-34 and 1836 Point Breeze Avenue; 1555 S. Ringgold Street (CD2)

These City Owned parcels of land should benefit the current residence of Philadelphia & especially Point Breeze residence whom wish to remain in Point Breeze & desire a path to HOMEOWNERSHIP. All development on these parcels of City land should/could be developed for lower-income homes(an AMI of 60% is a goal), seniors housing and recreation, as well as, Youth Arts & Education programs, all things in desperate need in Point Breeze. Any Market Rate development ideas on city owned land should be a No No. There should be no rentals on new developed city owned land. Single families home is what is needed. We are seeking people that want to put down roots in Point Breeze, who want to remain in Point Breeze as a next generation resident & who have always invested in this community & deserved to be put first(and heard) in the the development.

Again, I am speaking in Opposition.

Tara Bruce
brucie75@yahoo.com

Thank you for your time.
Be Well!

Exhibit C



pbcdezoning@gmail.com ~ Philadelphia, PA 19146 ~ Phone: (267)240-1855

November 7, 2022

To: Councilman K. Johnson, 2nd Councilmanic District
Philadelphia Landbank

Re: Support Letter, Fine Print Construction, LLC.

As the Coordinating RCO, we are exciting about the development of a Mixed Income project that consist of affordable rental, and homeownership opportunities that equate incomes at or below 80% AML.

Over the pass few Months a few RCO's and I meant with the developer to discuss this project. We came to the same conclusion that this would be a great project in the Point Breeze Community.

Therefore, without reservation we support the proposed project set forth by Fine Print Construction, LLC.

Please contact me if there are any additional observations. Thanks!

Albert Littlepage, President
Point Breeze CDCoalition

pointbreezecoalition.org | pbcdezoning@gmail.com

Page 1 of 1

Exhibit C

Point Breeze Community Network Plus

2141 Federal; Street Philadelphia, PA 19146

Councilman Kenyatta K. Johnson, 2nd Councilmanic District
Philadelphia Landbank

Ref.: Support Letter, Fine Print Construction, LLC.

As an RCO for the areas follows: South Street to Snyder, Broad to the River we feel deeply about the manner the area is presently and for future growth develops. We are extremely excited to hear about the opportunity to have a development of a Mixed Income project that consist of affordable rental, and homeownership opportunities that equal income at or blow 80% AMI.

This unique project has been discussed with the Coordinating RCO and others in the community . We are excited for the opportunity to be on board with the Point Breeze Neighbors and organizations alike.

Our letter is in support of the present project set forth by Fine Prints Construction, LLC. Pending future projects, we are there to help enhance.

Questions, please feel free to contact me, personally.

Sincerely,

 11/7/22

Claudia S. Sherrod, President Point Breeze Community Network Plus

Exhibit C

Tasker Morris Neighborhood Association
1539 S. Patton Street
Philadelphia PA 19146

November 7th, 2022

To: PHDC/Philadelphia Land Bank; Councilman K.Johnson
Re: Point Breeze/ Beywatch Development



The potential to embrace affordable housing and new home ownership alternatives excites Tasker Morris Neighborhood Association. We have previously collaborated with this developer and discovered that they are reputable, dependable, and genuinely interested in the development of the communities.

In light of this, we wholeheartedly back the proposed proposal put forth by Fine Print Construction, LLC.

You can get in touch with us if you have any more questions.

Charles Reeves Jr.
President, Tasker Morris Neighborhood Association

Exhibit D

RESOLUTION AUTHORIZING CONVEYANCE OF 3418, 3420, 3422 KENSINGTON AVENUE TO GM HOLDINGS, LLC

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 in the form and by the method determined to be in the best interests of the Land Bank, subject to approval by resolution of Philadelphia City Council, and subject further to the terms and conditions of Chapter 16-404 of the Philadelphia Code.

WHEREAS, the Board of Directors (the “**Board**”) has determined that it is in the best interest of the Land Bank to convey 3418, 3420 and 3422 Kensington Avenue (collectively, the “**Property**”) to GM Holdings, LLC (the “**Purchaser**”).

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

6. The conveyance of the Property to the Purchaser for Ninety-Five Thousand and 00/100 Dollars (\$95,000.00) is in the best interests of the Land Bank and is hereby approved, subject to approval by resolution of Philadelphia City Council.
7. The conveyance of the Property complies with all applicable terms and conditions of Section 16-404 of the Philadelphia Code, subject to approval by resolution of Philadelphia City Council.
8. Subject to the terms of this Resolution, the Executive Director and Senior Counsel are each hereby authorized, in the name of and on behalf of the Land Bank, to 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 subject to the terms of this Resolution, and, when so executed and delivered by the Land Bank shall constitute the valid and binding obligations of the Land Bank.
9. 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.
10. This Resolution shall take effect immediately upon adoption by the Board.

Adopted by Philadelphia Land Bank Board of Directors on November 15, 2022.

Exhibit E

From: Kevin Brockenbrough <bishop2108@gmail.com>

Sent: Monday, November 14, 2022 11:50 AM

To: Andrea Saah

Subject: The land bank taking our gardens

Follow Up Flag: Follow up

Flag Status: Flagged

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Hello my name is Kevin Brockenbrough I am the block captain and the Democratic committee man for the 20th ward fifth division I maintain several Garden either 2100 block of N. 8th St. I've maintained these gardens since 1993 I maintained 2111 to 2113 N. 8th St. when all of a sudden a gentleman knocked on my door telling me I had to move my property out of the lot that I maintained for over 21 years and that he had bought 2111 when they started the construction they destroyed a shed that I was building to put away all my landscaping equipment that I had purchased over the 29 years of maintaining these properties and destroyed my fence and materials the other property that I maintained since 1993 was 2146 two 2152 N. eighth the fences to this garden were the the contractor that did 2144, 2154-56 and the house behind it they destroyed and my gardens were left full of construction debris making them unusable when we took the gardens we were told that they could not be taken from us and this came from the horticultural society and based on the adverse possession law of Pennsylvania we rightfully own these properties 2155- 2157 is maintained by the family in 2153 n8th we use our gardens and it's not fair to those of us that care about and maintain our gardens and have done so for decades.

Sincerely Kevin Brockenbrough

2108 N 8th Street

Phila Pa 19122

Ps I would like to speak at the zoom meeting

Exhibit E

From: Margaret Moody <mmoody1107@gmail.com>

Sent: Monday, November 14, 2022 6:15 PM

To: Andrea Saah

Subject: 2132 n9th street

Follow Up Flag: Follow up

Flag Status: Completed

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Good evening my name is Margaret Moody I'm a long time resident of 2134 n9th street. Me and my family was interested in the lot next to our resident. Many yrs ago I try to get that lot and they gave me the run around. I'm unable to attend the meeting tomorrow I have to work. When they posted that information I have been calling the number on the paper and I have got know response.

Exhibit E

From: Abdullah Hamididdin <hrhabdullah@gmail.com>

Sent: Thursday, November 10, 2022 8:54 AM

To: Andrea Saah

Subject: A letter regarding the proposed conveyance

Follow Up Flag: Follow up

Flag Status: Flagged

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To whom it may concern,

I live at 2131 N Franklin st, the lot behind my house has received a notice regarding future development. I'm not writing this letter in hopes that you won't build the lot. Nothing lasts forever and I'm not trying to stand in the way of change. I do request that our lot be the last to be developed.

Since I moved to this neighborhood I have been improving that lot. I started off by cleaning the trash. I used to leave garbage cans in the back but they would get stolen. I then started farming the lot, and I installed a tree swing. I have been teaching the local children how to be self-sustainable. We planted pumpkins, peppers, tomatoes, carrots, cucumbers and radishes.

Unfortunately the city cut the grass and cut down our pumpkins plants. I filled a complaint with L&I because they destroyed my property but never got a response. I requested the lot be rezoned as a garden but I was ignored. I requested the road get a speed bump installed because a drunk driver slammed into my parked car while children were walking to school one morning, also ignored.

It's painful to know you live in a part of town that's actively ignored by its government officials. I ask that you grant this request for the children in this neighborhood. 2 days ago we had a fire pit night and it was the first time they made s'mores. They're learning gardening and nature, they're learning to clean their neighborhood because they're enjoying where they live. They've taken fresh vegetables from the garden to their families, literally reaping what they've sowed.

I'm unaware what developments are coming, I'm assuming duplexes because Temple is a few blocks away. If this lot was turned into a community garden it would benefit everyone around it.

Thank you,

Abdullah Hamididdin

Exhibit E

From: Hassan Drago <hassandrigo4@gmail.com>

Sent: Saturday, November 5, 2022 8:04 PM

To: Andrea Saah

Subject: 14th Deadline

Follow Up Flag: Follow up

Flag Status: Flagged

External Email Notice. This email comes from outside of City government. Do not click on links or open attachments unless you recognize the sender.

Dear Andrea Imreov Saan. Senior Counsel,

Hello my name is Hassan Drago (27) and I am from the Fairhill section of Philadelphia. I grew up on the 2500 block of north 6th street. I currently live on the 2100 block of Franklin st. I currently work for (The Wrights Jantorial Service) company and have been for the past 4 years. I would love to see the neighborhood I grew up in to be more city like, the vacancy is becoming an eye sore. It would be an honor and a greatly appreciated opportunity to own my first house in the neighborhood that I grew up in and becoming part of the change. I would love to know how I can purchase this land. I see the signs on the block that the 14th is the deadline to inquire. The land that would be my first choice is 2151 N. Franklin. If it could not be this property for any reason ANY property on the list I would be interested in. My credit score is well above averaged and have some start-up money for the bank or hard money lenders to complete the house in whatever condition it is in. I also have an LLC "The Drago Collection Co," and have a business account with PNC Bank. My brother is in the carpentry Union here in Philadelphia so I have a lot of access to license contractors who can do the job properly. Like I stated before this would be a highly appreciated opportunity.

-Thank you and hope to hear from you Sincerely, Hassan Drago

Exhibit E

From: Tamara Clark <tamaracclark@yahoo.com>

Sent: Monday, November 14, 2022 12:53 PM

To: Andrea Saah

Cc: Millicent Clark

Subject: Philadelphia Land Bank Conveyance

Follow Up Flag: Follow up

Flag Status: Flagged

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Dear Andrea Imredy Saah,

I am writing with questions in response to a notice about a proposed land conveyance in the 19122 zip code. I am not sure what questions are appropriate to ask in your meeting tomorrow; however, I send the questions below that arise for me:

4. What is the timeline for the proposed construction?
5. How many units will be in each parcel of land?
6. What are some of the properties that the applicant has done already in Philadelphia?
7. Does the applicant intend to hire local laborers? If so, where do they apply?
8. Does the applicant plan to design the facades of the properties to fit in with the surrounding properties?
9. Does the applicant plan to plant trees in front of the properties?
10. What is the AMI in the area that will be used to determine the affordable housing parameter?
11. Will local residents receive preference when the units are sold?

Peace...

Tamara Clark

"If you don't like something, change it. If you can't change it, change your attitude." – Maya Angelou

Exhibit E

From: tara bruce <brucie75@yahoo.com>
Sent: Monday, November 14, 2022 7:43 AM
To: Andrea Saah; Tara Bruce
Subject: 11/15/22 Board of Directors 10am Meeting Part 1

Follow Up Flag: Follow up

Flag Status: Flagged

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Good Day,

My name is Tara Bruce & I am a resident of South Philadelphia. At this time, I am writing with a comment for the Agenda Item:

C. Development – Affordable Housing (Request for Proposals) (1) The properties below are proposed for disposition to Civetta Property Group, LLC to develop seventy-one (71) single-family affordable homeownership units that will be sold to households with incomes at or below 100% AMI. Each unit will contain three (3) bedrooms and two (2) bathrooms. Applications were solicited via a Request for Proposals for affordable housing development at or below 100% AMI, and the applicant was the most qualified bidder for the properties. • 621*, 623*, 625*, 637*, 917* Diamond Street; 924*, 927*, 928*, 936* Edgley Street; 926, 928* French Street; 2106*, 2112*, 2140*, 2141*, 2142*, 2143*, 2151*, 2166, 2170, 2172, 2215, 2217*, 2219* N. Franklin Street; 2112*, 2130*, 2144*, 2214* N. Marshall Street; 2105, 2107*, 2109*, 2110*, 2111*, 2112*, 2113, 2119*, 2121*, 2133, 2140*, 2143*, 2146*, 2150, 2151* N. Percy Street; 904*, 910, 912 W. Susquehanna Avenue; 2102*, 2109*, 2114*, 2126*, 2128*, 2130*, 2131, 2134*, 2135*, 2136*, 2150*, 2210* N. 7th Street; 2101*, 2113, 2121*, 2155*, 2167-69*, 2201 N. 8th Street; 2124*, 2126, 2132*, 2150*, 2165* N. 9th Street; 2121* N. 10th Street (CD5) (*denotes properties being transferred by the

These City Owned parcels of land should benefit the current residence of Philadelphia. All development on City land should/could be developed for lower-income homes, an AMI 80% is a goal, seniors housing and/ or recreation, as well as, Youth Arts & Education programs. Any Market Rate development ideas on city owned land should be a No. Single families home is what is needed & I appreciate that in this plan & design.

Tara Bruce
brucie75@yahoo.com

Thank you for your time.
Be Well!

Exhibit E

From: Charles Dyches <cdyches23@gmail.com>

Sent: Monday, November 14, 2022 10:21 PM

To: Andrea Saah

Subject: Zoom meeting on 11-15-2022

Follow Up Flag: Follow up

Flag Status: Flagged

External Email Notice. This email comes from outside of City government. Do not click on links or open attachments unless you recognize the sender.

There is no way for residents to join meeting if courts are open along with everything else in the city. You guys keep stealing property out of our communities for your own gains. I will be contacting FBI along with the Governor and State Attorney General along with D.A. Larry Krasner . This whole zoom meeting was a haux.
Charles Dyches

Exhibit F

From: Andrew Gentsch <agent3@earthlink.net>

Sent: Sunday, November 13, 2022 7:15 PM

To: Andrea Saah

Cc: Andrew Goodman; Victoria Lyga

Subject: 5517 Paschall Ave.

Follow Up Flag: Follow up

Flag Status: Flagged

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Ms Saah,

I am sorry for this late correspondence. I spent last work on the recent Election.

I am writing this email to inform you that I am interested in purchasing the vacant lot at 5517 Paschall Avenue. I think that the tax payers would be better served by taking my offer, and putting the property on the tax rolls.

I ALSO intend to use the property as open space.

Please advise me on how to proceed.

Andrew Gentsch

5513 Paschall Ave.

Exhibit G

RESOLUTION NO. 2022 – 48

RESOLUTION AUTHORIZING CONVEYANCE OF 1834, 1837, 1840, 1846 AND 1848 S. ALLISON STREET AND 5517 PASCHALL AVENUE TO ORIGINAL AMERICAN FOUNDATION

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 in the form and by the method determined to be in the best interests of the Land Bank, subject to approval by resolution of Philadelphia City Council, and subject further to the terms and conditions of Chapter 16-404 of the Philadelphia Code.

WHEREAS, the Board of Directors (the “**Board**”) has determined that it is in the best interest of the Land Bank to convey 1834, 1837, 1840, 1846 and 1848 S. Allison Street and 5517 Paschall Avenue (the “**Property**”) to Original American Foundation (the “**Purchaser**”).

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

1. The conveyance of the Property to the Purchaser for One and 00/100 U.S. Dollar (\$1.00) and a thirty (30) year mortgage of One Hundred Forty-Nine Thousand Nine Hundred Ninety-Nine and 00/100 Dollars (\$149,999.00) 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 applicable terms and conditions of Section 16-404 of the Philadelphia Code, subject to approval by resolution of Philadelphia City Council.
3. Subject to the terms of this Resolution, the Executive Director and Senior Counsel are each hereby authorized, in the name of and on behalf of the Land Bank, to 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 subject to the terms of this Resolution, 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 by Philadelphia Land Bank Board of Directors on November 15, 2022.

Exhibit H

RESOLUTION NO. 2022 – 49

RESOLUTION AUTHORIZING CONVEYANCE OF 5804 HAZEL AVENUE TO MENDING BROKEN WINGS FOUNDATION

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 in the form and by the method determined to be in the best interests of the Land Bank, subject to approval by resolution of Philadelphia City Council, and subject further to the terms and conditions of Chapter 16-404 of the Philadelphia Code.

WHEREAS, the Board of Directors (the “**Board**”) has determined that it is in the best interest of the Land Bank to convey 5804 Hazel Avenue (the “**Property**”) to Mending Broken Wings Foundation (the “**Purchaser**”).

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

1. The conveyance of the Property to the Purchaser for One and 00/100 U.S. Dollar (\$1.00) and a thirty (30) year mortgage of Thirty-Nine Thousand Nine Hundred Ninety-Nine and 00/100 Dollars (\$39,999.00) 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 applicable terms and conditions of Section 16-404 of the Philadelphia Code, subject to approval by resolution of Philadelphia City Council.
3. Subject to the terms of this Resolution, the Executive Director and Senior Counsel are each hereby authorized, in the name of and on behalf of the Land Bank, to 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 subject to the terms of this Resolution, 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 by Philadelphia Land Bank Board of Directors on November 15, 2022.

Exhibit I

RESOLUTION NO. 2022 – 50

RESOLUTION AUTHORIZING CONVEYANCE OF 239 N. PAXON STREET TO BONNIE MANGRUM

WHEREAS, Section 16-707 of the Philadelphia Code authorizes the Philadelphia Land Bank (the “**Land Bank**”) to convey, exchange, sell, transfer, lease, grant or mortgage interests in real property of the Land Bank in the form and by the method determined to be in the best interests of the Land Bank, subject to approval by resolution of Philadelphia City Council, and subject further to the terms and conditions of Chapter 16-404 of the Philadelphia Code.

WHEREAS, the Board of Directors (the “**Board**”) has determined that it is in the best interests of the Land Bank to convey 239 N. Paxon Street (the “**Property**”) to Bonnie Mangrum (the “**Purchaser**”).

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

1. The conveyance of the Property to the Purchaser for One and 00/100 U.S. Dollar (\$1.00) and a thirty (30) year mortgage of Forty-Nine Thousand Nine Hundred Ninety-Nine and 00/100 U.S. Dollars (\$49,999.00) 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 applicable terms and conditions of Section 16-404 of the Philadelphia Code, subject to approval by resolution of Philadelphia City Council.
3. Subject to the terms of this Resolution, the Executive Director and Senior Counsel are each hereby authorized, in the name of and on behalf of the Land Bank, to 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 subject to the terms of this Resolution, 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 by Philadelphia Land Bank Board of Directors on November 15, 2022.

DECEMBER 13, 2022 PLB BOARD MEETING

MATERIALS FOR AGENDA ITEM III

RESOLUTION NO. 2022 - ____

RESOLUTION ELECTING OFFICERS OF THE PHILADELPHIA LAND BANK

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Philadelphia Land Bank that the following individuals are elected to the position below appearing opposite their names, to hold office for one year or until their successors are appointed and qualified:

Anne Fadullon – Chair
Andrew Goodman – Vice Chair
Maria Gonzalez – Secretary
Rebecca Lopez Kriss – Treasurer

This Resolution shall take effect immediately upon adoption by the Board.

Adopted by Philadelphia Land Bank Board of Directors on _____.

RESOLUTION NO. 2022 – ____

**RESOLUTION ADOPTING PHILADELPHIA LAND BANK SCHEDULE OF
REGULAR BOARD OF DIRECTORS MEETINGS FOR 2023**

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

1. For calendar year 2023, the regular meetings of the Board (“Board Meetings”) shall be held at 10:00 a.m. Eastern Prevailing Time on the following dates (generally the 2nd Tuesday of each month):

January 17, 2023 (3rd Tuesday)

February 14, 2023

March 14, 2023

April 11, 2023

May 9, 2023

June 13, 2023

July 11, 2023

August 8, 2023

September 12, 2023

October 10, 2023

November 14, 2023

December 12, 2023 (Annual Meeting)

2. While the offices of the Philadelphia Land Bank at the Philadelphia Housing Development Corporation remain closed to the public due to public health concerns, Board Meetings will be held remotely on Zoom, with Board members physically present, visible and audible in their remote locations. A memorandum explaining the attendance and comment procedures for participation by members of the public, including a link for attendance, will be published at least ten (10) days prior to each Board meeting with the agenda on the Philadelphia Land Bank’s website at <https://phdcphila.org/who-we-are/boards/philadelphia-land-bank-board/>.
3. When, in the future, it is determined that in-person or hybrid Board Meetings may resume safely, advance public notice will be provided. Once such a determination is made, Board Meetings will be held in person in the 17th Floor Boardroom at 1234 Market Street, Philadelphia, PA 19107, with the possible continued option of remote participation via Zoom.
4. Public notice of this schedule shall be given in accordance with the provisions of the Pennsylvania Sunshine Act, 65 Pa.C.S.A. §§ 701, *et seq.*
5. The Executive Director, with the advice of Senior Counsel, may modify this Resolution as may be necessary or desirable to carry out its purposes and intents. 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.
6. This Resolution shall take effect immediately upon adoption by the Board.

Adopted by Philadelphia Land Bank Board of Directors on _____.

DECEMBER 13, 2022 PLB BOARD MEETING

MATERIALS FOR AGENDA ITEM IV

RESOLUTION NO. 2022 - ____

**RESOLUTION ACCEPTING PHILADELPHIA LAND BANK
AUDITED FINANCIAL STATEMENTS FOR YEAR ENDING JUNE 30, 2022**

WHEREAS, the Land Bank Act, 68 Pa.C.S.A. § 2101, *et seq.*, requires the Philadelphia Land Bank (the “**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 engaged the audit firm of Mercadien, P.C., Certified Public Accountants (“**Mercadien**”) to audit the Land Bank’s financial statements for Fiscal Year 2022;

WHEREAS, Mercadien has issued its Independent Auditor’s Report (attached to this Resolution); 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, 2022, is hereby accepted.
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 by Philadelphia Land Bank Board of Directors on _____.

PHILADELPHIA LAND BANK
(A Component Unit of the City of Philadelphia,
Commonwealth of Pennsylvania)
Financial Statements
and
Supplementary Information

June 30, 2022

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

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PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

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, 2022 and 2021. 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 as required by the City of Philadelphia, Commonwealth of Pennsylvania (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, 2022 and 2021, 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, Commonwealth of Pennsylvania)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Assets

The Land Bank's total assets as of June 30, 2022, 2021 and 2020, consisted of the following:

	2022	2021*	2020	\$ Change	% Change
<u>Current</u>					
Cash	\$ 2,320,716	\$ 1,644,864	\$ 4,243,039	\$ 675,852	41%
Accounts Receivable	2,259,271	871,685	714,358	1,387,586	159%
<u>Non-Current</u>					
Property Held for Development or Sale	30,017,607	30,175,291	28,958,012	(157,684)	-1%
Capital Assets	489,484	539,075	17,967	(49,591)	-9%
	<u>\$ 35,087,078</u>	<u>\$ 33,230,915</u>	<u>\$ 33,933,376</u>	<u>\$ 1,856,163</u>	6%

*Certain account balances have been restated to conform with current year presentation. See Note K for details.

2022

Total assets at June 30, 2022, reflected a net increase of approximately \$1.9 million (6%) from the prior year. The Land Bank made no acquisitions in the current year through sheriff sales but added twelve (12) properties from other sources. Property held for development or sale accounts for approximately 86% of total assets with a valuation of approximately \$30 million. The Land Bank sold fifty-four (54) properties during the fiscal year. The Land Bank continues to utilize the City's Office of Property Assessment pricing model to determine the valuation "pricing" of its properties. This methodology will be reassessed in the subsequent year; the Land Bank did evaluate and record 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, 2022, 2021 and 2020, consisted of the following:

	2022	2021	2020
<u>Properties Acquired</u>			
PRA	12	-	-
City of Philadelphia (Public Properties)	-	137	-
Sheriff Sales	-	-	119
Total Properties	<u>12</u>	<u>137</u>	<u>119</u>

Cash on hand increased by approximately 41% from June 30, 2021, to approximately \$2.3 million. Accounts receivable accounted for approximately 6% of total assets.

The receivable balance of approximately \$2.3 million includes \$2.1 million pertaining to 103 Vacant Property Review Committee ("VPRC") purchase money mortgages.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Assets (Continued)

2021

Total assets at June 30, 2021, reflected a net decrease of approximately \$1.2 million from the prior year. This value is reduced to \$700 thousand after inclusion of prior period restatement for lease assets as a result of GASB Statement No. 87, *Leases*, implementation. The Land Bank didn't make any acquisitions in the current year through sheriff sales but did add one hundred thirty-seven (137) properties from other sources. Property held for development or sale accounts for approximately 92% of total assets with a valuation of approximately \$30 million. The Land Bank sold twenty-seven (27) properties during the fiscal year. The Land Bank continues to utilize the City's Office of Property Assessment pricing model to determine the valuation "pricing" of its properties. This methodology will be reassessed in 2022; the Land Bank did evaluate and record 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.

Cash on hand decreased by approximately 61% from June 30, 2020, to approximately \$1.6 million. Accounts receivable accounted for approximately 3% of total assets.

The receivable balance of approximately \$872 thousand includes \$699 thousand pertaining to 82 VPRC purchase money mortgages.

Liabilities

The Land Bank's total liabilities as of June 30, 2022, 2021 and 2020, consisted of the following:

	2022	2021*	2020	\$ Change	% Change
<u>Current</u>					
Accounts Payable	\$ 539,196	\$ 112,368	\$ 581,377	\$ 426,828	380%
Lease Payable	40,049	38,769	-	1,280	3%
Escrows Payable	166,289	181,789	106,541	(15,500)	-9%
Accrued Liabilities	218,063	132,988	119,591	85,075	64%
Compensated Absences	183,852	135,445	101,660	48,407	36%
Unearned Revenue	-	-	2,031,212	-	0%
<u>Non-Current</u>					
Lease Payable	452,904	492,953	-	(40,049)	-8%
	<u>\$ 1,600,353</u>	<u>\$ 1,094,312</u>	<u>\$ 2,940,381</u>	<u>\$ 506,041</u>	46%

*Certain account balances have been restated to conform with current year presentation. See Note K for details.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Liabilities (Continued)

2022

At June 30, 2022, total liabilities increased by approximately \$506 thousand (46%) to approximately \$1.6 million. Liabilities primarily consist of:

- Accounts payable obligations of approximately \$539 thousand which is primarily timing differences from recording of deed payments.
- Lease payable obligations of approximately \$492 thousand which is the unamortized lease liability for the rental of office space from PHDC and SEPTA.
- Escrow payables decreased by approximately \$15,000. Land Bank received three security escrow deposits totaling \$9,500 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, 2022, were approximately \$218 thousand. Comprised of \$115 thousand in payroll costs which include Land Bank's direct payroll accrual and PHDC salary direct and indirect costs.
- Compensated absences increased by approximately 36% to \$184 thousand as the Land Bank's staff accrued additional time.

2021

At June 30, 2021, total liabilities decreased by approximately \$2.4 million (81%) to approximately \$563 thousand. After inclusion of prior period restatement for leases payable as a result of GASB Statement No. 87, *Leases*, implementation total liabilities decreased by approximately \$1.8 million (63%) to approximately \$1.1 million. Liabilities primarily consist of:

- Accounts payable obligations of approximately \$112 thousand which is primarily timing differences from recording of deed payments.
- Lease payable obligations of approximately \$531 thousand which is the unamortized lease liability for the rental of office space from PHDC and SEPTA.
- Escrow payables increased by approximately \$75 thousand. Land Bank received fourteen security escrow deposits totaling \$147 thousand 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, 2021, were approximately \$133 thousand. Comprised of \$124 thousand in payroll costs which include Land Bank's direct payroll accrual and PHDC salary direct and indirect costs.
- Compensated absences increased by approximately 33% to \$135 thousand as the Land Bank's staff increased by one full-time employee and existing staff accrued additional time.
- In Fiscal Year 2021, the Land Bank generated no unearned revenue. The prior year balance of \$2,031,212 was recognized as revenue to offset expenses for the current year.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Revenues

The Land Bank's total revenues for the years ended June 30, 2022, 2021 and 2020, consisted of the following:

	2022	2021	2020	\$ Change	% Change
Revenues applicable to:					
City of Philadelphia	\$ 3,001,814	\$ 2,031,212	\$ 4,318,787	\$ 970,602	48%
Gain on land sales	820,764	92,766	130,070	727,998	785%
	<u>\$ 3,822,578</u>	<u>\$ 2,123,978</u>	<u>\$ 4,448,857</u>	<u>\$ 1,698,600</u>	80%

2022

In Fiscal Year 2022, total revenue increased by approximately \$1.7 million (80%).

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 2022, fifty-four (54) properties were sold with several of them below market value with and/or without subsidy generating net sales proceeds of approximately \$22 thousand, the book value of these properties was approximately \$678 thousand resulting in an annual operating loss of approximately \$656 thousand. This loss on land sales was netted with revenues recognized in the amount of \$1.47 million for proceeds received on the sale of properties for which purchase money mortgage receivables were held.

2021

In Fiscal Year 2021, total revenue decreased by approximately \$2.3 million (52%). The Land Bank recognized \$2,031,212 of unearned revenue from the City in general funds that was received in the prior year for the current year's expenses.

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 2021, twenty-seven (27) properties were sold with several of them below market value with and/or without subsidy generating net sales proceeds of approximately \$213 thousand, the book value of these properties was approximately \$351 thousand resulting in an annual operating loss of approximately \$137 thousand. This loss on land sales was netted with revenues recognized in the amount of \$230 thousand for proceeds received on the sale of properties for which purchase money mortgage receivables were held.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Expenses

The Land Bank's total expenses for the years ended June 30, 2022, 2021 and 2020, consisted of the following:

	2022	2021*	2020	\$ Change	% Change
Personnel	\$ 1,657,047	\$ 1,568,971	\$ 2,091,556	\$ 88,076	6%
Office rental	16,707	22,943	55,476	(6,236)	-27%
Outside service fees	1,136,857	840,113	2,084,286	296,744	35%
Depreciation and amortization	138,332	141,279	93,670	(2,947)	-2%
	<u>\$ 2,948,943</u>	<u>\$ 2,573,306</u>	<u>\$ 4,324,988</u>	<u>\$ 375,637</u>	15%

*Certain account balances have been restated to conform with current year presentation. See Note K for details.

2022

Total operating expenses increased by approximately \$375 thousand (15%) driven primarily by personnel costs and outside service fees. For Fiscal Year 2022, 39% of total expenses incurred pertained to outside contracts and service fees which include primarily legal fees \$21 thousand, insurance \$478 thousand, \$432 thousand of property maintenance costs and \$204,000 for other administrative and technology expenses. Personnel expenses increased by 6% to \$1.7 million. Personnel at June 30, 2022, includes seventeen (17) full-time assigned staff compared to eleven (11) in Fiscal Year 2021. An indirect allocation of \$94,822 for support staff expenses from PHDC as approved by the inter-agency memorandum of understanding continues to be applied.

Office rental annual payment remained the same at \$55,476. \$16,707 of this amount was interest expense and the remainder was principal under GASB Statement No. 87 requirements. This rental payment can be attributed to payment to PHDC 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.

2021

Total operating expenses decreased by approximately \$1.8 million (41%) driven primarily by personnel costs. For Fiscal Year 2021, 33% of total expenses incurred pertained to outside contracts and service fees which include primarily legal fees \$23 thousand, insurance \$514 thousand, and \$303 thousand for other administrative and technology expenses. Personnel expenses decreased by 25% to \$1.6 million. Personnel at June 30, 2022, includes eleven (11) full-time assigned staff compared to twenty-one (21) in Fiscal Year 2020. An indirect allocation of \$88,284 for support staff expenses from PHDC as approved by the inter-agency memorandum of understanding continues to be applied.

Office rental remained the same at \$55,476. This can be attributed to payment to PHDC 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.

No inter-agency memorandum of understanding exists with the Division of Housing and Community Development.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Net Position

2022

The Land Bank's net position is derived for Fiscal Year 2022 by the difference between operating and non-operating revenues and expenses. Through June 30, 2022, the Land Bank's net position of \$33,486,725 represents approximately one-hundred and twelve percent (112%), the value of the 2,525 Land Bank properties held for development or sale net of reserves totaling \$30,017,607. The change from the prior year was primarily due to the net gain on land sales and gain on donated property that totaled \$1.3 million combined. 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's land disposition policy.

2021

The Land Bank's net position is derived for Fiscal Year 2021 by the difference between operating and non-operating revenues and expenses. Through June 30, 2021, the Land Bank's restated net position of \$32,136,603 represents approximately one-hundred and seven percent (107%), the value of the 2,569 Land Bank properties held for development or sale net of reserves totaling \$30,175,291 and primarily the net gain of \$92,766 on Fiscal Year 2021 property dispositions coupled with the value of contributed land acquired for nominal value. 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's 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 operations since its origination. 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 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.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Issues That May Have a Significant Impact

For the close of Fiscal Year 2022 several events occurred that had a significant impact on the operations of the Land Bank.

First, the impact of the COVID-19 pandemic has lessened, and the Land Bank's productivity stabilized and increase for dispositions; Second, the sheriff sales continued to be suspended for the second year in a row; Third – the City of Philadelphia and City Council approved a \$100 million bond issuance. As part of that bond issuance money was allocated for the Turn the Key program.

The COVID-19 pandemic significantly changed how the Land Bank operates. The Land Bank continues to pivot, and our staff continues to meet the challenge of operating effectively in a hybrid environment. The Land Bank continues to host public meetings to satisfy legislative requirements for the disposition of public property.

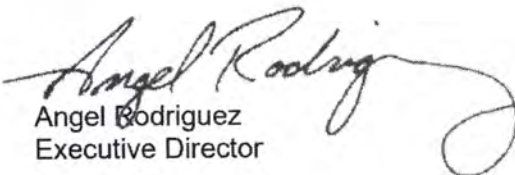
Because of the continued impact of the COVID-19 pandemic, municipal tax lien Sheriff sales have not resumed. The Sheriff's office has issued a Request for Proposal to launch an on-line platform for sales to resume. For FY 2022, the Land Bank did not acquire any tax delinquent properties.

For Fiscal Year 2022, the City of Philadelphia and City Council approved a \$100 million bond issuance. As part of that bond issuance money was allocated for the Turn the Key program. The Turn the Key program is a subsidy directed at first time homebuyers, this program is to work in conjunction with increased affordable housing production by the Land Bank.

Since January of 2022, the Land Bank has issued 19 Requests for Proposals (RFP) for the development of affordable housing. 10 RFP's have been awarded to various developer which will result in the anticipated development of 377 affordable homeownership units. An additional 8 developers were awarded projects as a result of unsolicited affordable applications, which will result in the development of an additional 108 units.

Together these projects are expected to produce a total of 485 affordable homeownership units funded in part with homeowner subsidy thru the Turn the Key program. An additional 9 RFPs were posted from July through September. It is anticipated that these 9 RFPs will result in the development of an additional 236 affordable homeownership units. The average sales price of the parcels ranges from \$1 to \$1,000.

Sincerely,


Angel Rodriguez
Executive Director


Darren Williams
Vice President 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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Philadelphia Land Bank (the "Land Bank"), a Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania (the "City"), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which comprise the Land Bank's basic financial statements as listed in the table of contents.

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, 2022 and 2021, and the changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Land Bank and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note K to the financial statements, in 2022 the Land Bank adopted new accounting guidance GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Land Bank's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Land Bank's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Land Bank's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Land Bank's basic financial statements. The accompanying schedules of payments to other City agencies and capital assets, as listed in the table of contents, are presented for purposes of additional analysis as requested by the City and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the schedules of payments to other City agencies and capital assets are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2022, on our consideration the Land Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 the Land Bank's 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

November 4, 2022

BASIC FINANCIAL STATEMENTS

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

STATEMENTS OF NET POSITION

June 30, 2022 and 2021

	2022	2021*
Current Assets		
Cash	\$ 2,320,716	\$ 1,644,864
Accounts Receivable, net of allowance for doubtful accounts	2,259,271	871,685
Total Current Assets	4,579,987	2,516,549
Noncurrent Assets		
Property Held for Development or Sale, net of reserve	30,017,607	30,175,291
Capital Assets, net of accumulated depreciation	489,484	539,075
Total Noncurrent Assets	30,507,091	30,714,366
Total Assets	<u>\$ 35,087,078</u>	<u>\$ 33,230,915</u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 539,196	\$ 112,368
Lease payable	40,049	38,769
Escrows payable	166,289	181,789
Accrued liabilities	218,063	132,988
Compensated absences	183,852	135,445
Total Current Liabilities	1,147,449	601,359
Noncurrent Liabilities		
Lease payable	452,904	492,953
Total Noncurrent Liabilities	452,904	492,953
Total Liabilities	1,600,353	1,094,312
Net Position		
Net investment in capital assets	30,507,091	30,714,366
Unrestricted	2,979,634	1,422,237
Total Net Position	33,486,725	32,136,603
Total Liabilities and Net Position	<u>\$ 35,087,078</u>	<u>\$ 33,230,915</u>

*Certain account balances have been restated to conform with current year presentation. See Note K for details.

See notes to financial statements.

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PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years Ended June 30, 2022 and 2021

	2022	2021
Operating Revenues		
Revenues applicable to:		
City of Philadelphia	\$ 3,001,814	\$ 2,031,212
Net gain on land sales	820,764	92,766
Total Operating Revenues	3,822,578	2,123,978
Operating Expenses		
Personnel	1,657,047	1,568,971
Office rental	16,707	22,943
Outside services fees	1,136,857	840,113
Depreciation and amortization	138,332	141,279
Total Operating Expenses	2,948,943	2,573,306
Operating Income (Loss)	873,635	(449,328)
Contributed land	458,650	1,573,273
Miscellaneous fees	17,837	23,686
Total Non-Operating Revenues	476,487	1,596,959
Changes in Net Position	1,350,122	1,147,631
Net Position , Beginning of year, as previously reported	-	30,992,995
Prior period restatement	-	(4,023)
Net Position , Beginning of year, as restated	32,136,603	30,988,972
Net Position , End of year	\$ 33,486,725	\$ 32,136,603

See notes to financial statements.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2022 and 2021

	2022	2021*
Cash Flows from Operating Activities		
Receipts from contracts with the City of Philadelphia and other agencies	\$ 3,239,207	\$ 2,242,288
Payments to employees for wages and benefits	(1,000,023)	(978,999)
Payments to suppliers for other costs	(2,108,762)	(4,138,990)
Net cash from operating activities	<u>130,422</u>	<u>(2,875,701)</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from sale of property held for development or sale	<u>545,430</u>	<u>277,526</u>
Net cash from capital and related financing activities	<u>545,430</u>	<u>277,526</u>
Net Change in Cash	675,852	(2,598,175)
Cash, Beginning of year	<u>1,644,864</u>	<u>4,243,039</u>
Cash, End of year	<u><u>\$ 2,320,716</u></u>	<u><u>\$ 1,644,864</u></u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities		
Operating income (loss)	\$ 873,635	\$ (449,328)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation and amortization	138,332	141,279
Changes in operating assets and liabilities:		
Accounts receivable	(1,387,586)	(157,327)
Accounts payable	426,828	(469,010)
Lease payable	(38,769)	(32,533)
Accrued liabilities	85,075	13,397
Unearned revenue	-	(2,031,212)
Escrow payable	(15,500)	75,248
Compensated absences	<u>48,407</u>	<u>33,785</u>
Net Cash from Operating Activities	<u><u>\$ 130,422</u></u>	<u><u>\$ (2,875,701)</u></u>

*Certain account balances have been reclassified to conform with current year presentation.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

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 of Philadelphia, Commonwealth of Pennsylvania (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 2024, although they will serve until they are replaced. Members serve at the pleasure of their appointing authority.

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, Commonwealth of Pennsylvania)

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 considers the Land Bank as a component unit of the City, with its annual financial information being consolidated into the City's Annual Comprehensive Financial Report ("ACFR").

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 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

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

NOTES TO FINANCIAL STATEMENTS

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

Measurement Focus and Basis of Accounting (Continued)

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.

Cash

For purposes of the statements of cash flows, the Land Bank considers short-term investments that have original maturities of ninety days or less to be cash.

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, 2022. See Note D.

Revenue Recognition - Government Grants and Contracts

The Land Bank records funding received in advance under contracts with the Philadelphia Redevelopment Authority ("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, 2021, the Land Bank owned 2,569 total properties, 685 acquired from PHDC, 1,080 acquired from the City's Department of Public Property, 177 acquired from the PRA, 627 from sheriff sale, and one private acquisition. As of June 30, 2022, the Land Bank owned 2,527 total properties, 685 acquired from PHDC, 1,080 acquired from the City's Department of Public Property, 177 acquired from the PRA, 585 from sheriff sale, and one private acquisition. The Land Bank utilizes the City'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 2023, coupled with consideration for adjusting the impairment allowance, if the Land Bank maintains ownership of these properties for an extended period of time.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

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'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 statements of net position. 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 statements of revenues, expenses, and changes in net position.

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.

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 525 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.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

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, 2022 and 2021, 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 or sale are exempt from real estate taxes.

B. BUDGETARY INFORMATION

Annual budgets are adopted based upon approved funding commitments with outside grantor(s) (the City, 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.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

NOTES TO FINANCIAL STATEMENTS

C. CASH AND CASH EQUIVALENTS

Legal and Contractual Restrictions

City 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, 2022 and 2021, are as follows:

	2022	2021
Private Developers	\$ 115,000	\$ 115,000
Purchase Money Mortgages	2,086,284	698,699
Other	57,987	57,986
	<u>\$ 2,259,271</u>	<u>\$ 871,685</u>

The VPRC 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, PRA 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. Amortization expense was \$88,741 and \$102,157 for the years ended June 30, 2022 and 2021, respectively.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

NOTES TO FINANCIAL STATEMENTS**E. NONCURRENT ASSETS**

Noncurrent assets consist of property held for development or sale and capital assets. Property held for development or sale and capital asset activity as of June 30, 2022 and 2021, was:

	2022	2021
Property held for development or sale	\$ 31,262,562	\$ 31,464,932
Property reserve	(1,244,955)	(1,289,641)
Total property held for development or sale	<u>\$ 30,017,607</u>	<u>\$ 30,175,291</u>
Computers and equipment	\$ 72,722	\$ 72,722
Furniture and equipment	2,871	2,871
Lease asset	550,640	550,640
Total capital assets	626,233	626,233
Less - accumulated depreciation	(67,918)	(64,216)
Less - accumulated amortization	(68,831)	(22,942)
Total capital assets	<u>\$ 489,484</u>	<u>\$ 539,075</u>

Depreciation expenses for capital assets were \$3,704 and \$6,590 for the years ended June 30, 2022 and 2021, respectively. Amortization expense for lease assets were \$45,887 and \$22,943 for the years ended June 30, 2022 and 2021, respectively.

F. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at June 30, 2022 and 2021, consist of the following:

	2022	2021
Accounts payable	\$ 539,196	\$ 112,368
Lease payable	492,953	531,722
Escrows payable	166,289	181,789
Accrued administrative expenses	218,063	132,988
Compensated absences	183,852	135,445
	<u>\$ 1,600,353</u>	<u>\$ 1,094,312</u>

G. RELATED-PARTY TRANSACTIONS

Related parties of the Land Bank include the City, PHDC and the PRA. Net accounts payable and accounts receivable were \$0 with all three entities as of June 30, 2022 and 2021, respectively. Substantially all assets, liabilities, revenues and expenses as of and for the years ended June 30, 2022 and 2021, are included under and dependent upon contracts and management agreements with the City and its agencies. Liabilities are included in the accounts payable and accounts receivable line items in the statements of net position. Transactions include City budget appropriation revenue, PHDC allocated staff payroll, and rental of PHDC office space.

NOTES TO FINANCIAL STATEMENTS

H. PENSION PLAN

Plan Description

Land Bank staff can participate in the City Municipal Public Employee Retirement System, a cost-sharing, multiple-employer Public Employees Retirement System ("PERS"). The City 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. 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 the J Plan, 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 the Y Plan. 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 the Y Plan, the highest maximum allowable benefit is 100%.

Employees under the Y Plan 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 Y Plan 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.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

NOTES TO FINANCIAL STATEMENTS

H. PENSION PLAN (CONTINUED)

Contributions Required and Made

Employees of PHDC were required to pay 3.54% (4.23% if hired after September 9, 2014), 4.54% (5.23% if hired after September 9, 2014), 4.17% (4.60% if non-represented), and 2.37% (2.77% if non-represented) of their gross earnings to the pension plan for the Y Plan, Y5 Plan, S16 Plan and 10 Plan, respectively, for 2022: 3.49% (4.49% if hired after September 9, 2014), 4.25% (5.25% if hired after September 9, 2014), 4.04% (4.53% if non-represented), and 2.33% (2.75% if non-represented) of their gross earnings to the pension plan for the Y Plan, Y5 Plan, S16 Plan and 10 Plan, respectively, for 2021. Employees of the higher DC-33 Plan pay based on a tiered system.

PHDC was required to contribute at actuarially determined rates, which were 408.835% and 408.835% of covered payroll for the J Plan for 2022 and 2021, respectively, and 12.902% and 12.902% of covered payroll for the Y Plan for 2022 and 2021, respectively. PHDC contributed 3.08% and 3.08% of covered payroll for Plan 16 for 2022 and 2021, respectively. PHDC makes quarterly payments to the City PERS within 30 days of the end of each quarter. The Land Bank employees are by default primarily PHDC employees that are assigned to the Land Bank. PHDC records all retirees' expenditures – pension and fringe. Land Bank doesn't recognize any liability or deferred inflows or outflows of resources for retirees since they are PHDC employees and are reflected on PHDC financials. The Land Bank reimbursed PHDC for \$69,034 and \$66,210 in pension related expenses for the years ended June 30, 2022 and 2021, respectively. There were no eligible J Plan employees in 2022.

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. Amortization expense was \$88,741 and \$102,157 for the years ended June 30, 2022 and 2021, respectively. 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 \$1,453,576 in Fiscal Year 2022 and the June 30, 2022 and 2021, ending balances were \$2,086,284 and \$698,699, respectively.

K. CHANGE IN ACCOUNTING PRINCIPLE

Effective June 30, 2022, the Land Bank implemented GASB Statement No. 87, *Leases*. The requirements of this Statement improve financial reporting by increasing the usefulness of the Land Bank financial statements by requiring recognition of lease assets and liabilities for leases that previously were classified as operating leases. It established 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. Accordingly, net position was restated by \$4,025 to retrospectively record the lease liability and asset and to fully recognize the related prior period interest expense and amortization of the lease asset as required by the Statement No. 87. See Note L for additional detail regarding the active Land Bank leases subject to this standard.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

NOTES TO FINANCIAL STATEMENTS**L. LEASES**

Lease	Date	Payment Terms	Annual Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2022
Rental of Office Space	1/1/2021	12 years	<u>\$ 55,476</u>	3.25%	<u>\$ 550,640</u>	<u>\$ 492,953</u>

The Land Bank entered into a noncancelable lease with SEPTA as a sublessee and existing tenant agency to PHDC's lease of SEPTA office space at their 1234 Market Street location in Philadelphia. The lease expires October 31, 2032. There are no additional renewal years included and neither PHDC or the Land Bank will acquire the office space at the end of the 12-year lease term. The interest rate on the lease is fixed based on the prime interest rate of 3.25% as of the January 1, 2021, lease commencement date.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 40,048	\$ 15,428	\$ 55,476
2024	41,369	14,107	55,476
2025	42,734	12,742	55,476
2026	44,144	11,332	55,476
2027	45,600	9,876	55,476
2028-2032	279,058	26,047	305,105
	<u>\$ 492,953</u>	<u>\$ 89,532</u>	<u>\$ 582,485</u>

M. POST-EMPLOYMENT BENEFIT PLAN OTHER THAN PENSION ("OPEB")**Plan Description**

In addition to pension benefits, Land Bank staff can participate in other post-employment medical, prescription drug, dental, vision and life insurance benefits for retired employees through provisions of City ordinances, civil service regulations, and agreements with its various employee bargaining units (the "Plan"). The Plan is considered to be a single employer, defined benefit OPEB Plan. PHDC provides medical, prescription drug, dental and vision benefits for five years after retirement. PHDC also provides life insurance of \$6,000 until the death of the retiree. Substantially all of PHDC's employees may become eligible for those benefits if they reach normal retirement age while working for PHDC.

PHDC pays the full cost of coverage for these benefits, except for a co-payment for major medical insurance that is based on the coverage selected by retirees in the Plan. The Plan does not issue a stand-alone financial report. All reporting and disclosures pertaining to OPEB are reflected in PHDCs financial accounts.

Funding Policy

PHDC is funding plan benefits on a pay-as-you-go basis. Land Bank is not obligated to contribute to the Plan.

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

NOTES TO FINANCIAL STATEMENTS

N. IMPACT OF COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Land Bank operates. Due to the impact of statewide stay-at-home practices and closure of all non-essential retail businesses, operating revenues were negatively impacted in the current year. It is unknown how long these conditions will last and what the complete financial effect will be to the Land Bank.

SUPPLEMENTARY INFORMATION

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

SCHEDULE OF PAYMENTS TO OTHER CITY AGENCIES

Philadelphia Housing Development Corporation (PHDC)

Labor & reimbursable expenses

Labor expenses	\$ 94,822
Fringe benefits	345,845
Overhead (parking, phone service, etc.)	8,566
Annual Rent	55,476

Total reimbursed PHDC expenses	\$ 504,709
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Philadelphia Redevelopment Authority (PRA)

Labor & reimbursable expenses

PRA maintenance work on PLB properties for FY 22	323,550
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Total PRA expenses	\$ 323,550
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City of Philadelphia - Survey District

Surveys	\$ 1,360
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Total City of Philadelphia expenses	\$ 1,360
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(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

As of June 30, 2022

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**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 the 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 accompanying 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, 2022, and the related notes to financial statements, which comprise the Land Bank's basic financial statements, and have issued our report thereon dated November 4, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Land Bank's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Land Bank's financial statements will not be prevented, or detected or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of current year findings and recommendations as finding 2022-001 that we consider to be a material weakness.

**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)**

Report on 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 financial statements. 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*.

Land Bank's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Land Bank's response to the findings identified in our audit and described in the accompanying current year findings and recommendations. The Land Bank's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

November 4, 2022

PHILADELPHIA LAND BANK

(A Component Unit of the City of Philadelphia, Commonwealth of Pennsylvania)

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Finding 2022-001

Criteria

Management is responsible for establishing and maintaining effective internal control over the financial reporting function and year-end closing process.

Condition

For the period audited, instances of inadequate recordkeeping and internal control over financial reporting were noted.

Cause

Inconsistent treatment and application of accounting principles and Land Bank financial reporting policies by staff when recording transactions. Limited or untimely documented review of transaction supporting documentation and reconciliations.

Effect

An opportunity exists for possible misstatement.

Recommendation

We recommend that Land Bank adopt written policies to establish more effective internal controls in the financial reporting function and that the staff involved in the financial reporting and recordkeeping functions consistently adhere to the policies established. We also recommend that Land Bank develop procedures to ensure that a monthly review process is in place to ensure account balances are reconciled on a monthly basis which would enable a timely year-end closing of the accounting records.

Management's Response to Finding

Land Bank is in agreement with this finding and will complete and implement a corrective action plan.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Finding 2021-001

Condition

For the period audited, instances of inadequate recordkeeping and internal control over financial reporting were noted.

Status

The condition still exists as current year finding 2022-001.