

AGENDA
PHILADELPHIA LAND BANK
BOARD OF DIRECTORS' MEETING

TUESDAY, MAY 9, 2023 – 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 April 11, 2023
- III. Executive Director's Report
- IV. Property Dispositions

A. Development – Affordable Housing (unsolicited)

- 1. The properties below are proposed for disposition to BVG Property Group, LLC to develop nine (9) single-family homeownership units, of which five (5) will be sold to households with incomes at or below 100% AMI and four (4) will be market-rate. The application was unsolicited and evaluated pursuant to the disposition policy.

- 372*, 702 Cantrell Street; 613*, 625*, 723 Mercy Street; 737* Tree Street; 535*, 537*, 602* Winton Street (CD1) (**denotes properties approved for transfer by the Department of Public Property or Philadelphia Redevelopment Authority to the Land Bank*)

2. TABLED

~~The properties below are proposed for disposition to 3300 N 16th Street LLC to develop forty-eight condominium units, of which twenty-five (25) of which will be sold to households with incomes at or below 120% AMI and twenty-three (23) will be market-rate. The application was unsolicited and evaluated pursuant to the disposition policy.~~

- ~~• 3340*, 3342*, 3346* N. 16th Street; 3320*, 3327*, 3331*, 3342*, 3344*, 3346*, 3412*, 3414* N. 17th Street (CD8) (**denotes properties approved for transfer by the Department of Public Property to the Land Bank*)~~

3. TABLED

~~The properties below are proposed for disposition to 3300 N 16th Street LLC to develop forty (40) condominium units, of which twenty one (21) will be sold to households with incomes at or below 120% AMI and nineteen (19) will be market-rate. The application was unsolicited and evaluated pursuant to the disposition policy.~~

- ~~• 3217*, 3241*, 3248*, 3253*, 3257* N. 15th Street; 3328, 3333* N. 16th Street; 3314*, 3316*, 3341 N. 17th Street (CD8) (*denotes properties approved for transfer by the Department of Public Property to the Land Bank)~~

B. Development – Assemblage (unsolicited)

1. The property below is proposed for disposition to 3360-70 Kensington Partners LLC to develop a mixed-use project with three (3) commercial units and thirteen (13) affordable multi-family rental units that will all be leased to tenants with incomes at or below 80% AMI. The property will be assembled with the adjacent vacant structure, owned and to be rehabbed by the applicant, and located at 3360-70 Kensington Avenue. The application was unsolicited and evaluated pursuant to the disposition policy.

- 3358 Kensington Avenue (CD7)

C. Development – Affordable Housing (Request for Proposals)

1. The property below is proposed for disposition to Civetta Property Group, LLC to develop fourteen (14) affordable single-family homeownership units that will be sold to households with incomes at or below 100% AMI. Each unit will be approximately 1,200 SF, containing two stories, three bedrooms and 1.5 baths. Applications were solicited via a Request for Proposals for the properties, and the applicant was the most qualified bidder for bidder for the property.

- 1625-41 N. 10th Street (CD5) (property approved for transfer by the Philadelphia Redevelopment Authority to the Land Bank)

V. Public Comment (Old & New Business)

VI. Adjournment

MEMORANDUM

FROM: Andrea Imredy Saah, Esq., Senior Counsel

RE: **Philadelphia Land Bank May 9, 2023 Board Meeting**
Remote Board Meeting Notice, Public Attendance, and Comment Procedures

DATE: April 28, 2023

A meeting of the Board of Directors of the Philadelphia Land Bank (“Land Bank”) is currently scheduled for Tuesday, May 9, 2023, 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_uShnioX9SLuhXBEJVC4utQ

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.

Webinar ID: 863 4196 8429; Passcode: 433530

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 Passcode: 433530

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, May 8, 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

APRIL 11, 2023 BOARD OF DIRECTORS MEETING MINUTES (DRAFT)

A Regular Meeting of the Board of Directors of the Philadelphia Land Bank was held on Tuesday, April 11, 2023 via Zoom webinar, of which proper notices were given. A condensed certified transcript of this meeting is attached to these minutes as Exhibit A.

CALL TO ORDER

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

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

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 public health concerns. 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 or using 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 prior to this meeting 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 meeting agenda and the process for taking public comment were reviewed.

Item I **Roll Call**

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

The following Land Management staff members were present: Angel Rodriguez, Jessie Lawrence, Andrea Imredy Saah, Esq., Jamila Davis, Todd Hestand, Cristina Martinez, Tracy Pinson-Reviere, Mathen Pullukattu, Brian Romano, Ashley Stukes-Martin, Carolyn Terry, and Shelvia Williams.

Public Attendees: The list of public attendees follow 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 March 14, 2023. There were none.

Ms. Fadullon called for a motion regarding approval of the minutes.

Mr. Balloon moved to approve the minutes. Ms. Gonzalez seconded the motion.

Board member Michael Johns abstained from the vote on the March 14th Board meeting minutes because he was not present at the March 14th Board meeting.

Upon motion made and duly seconded, the Board unanimously approved the March 14, 2023 Board Meeting minutes.

Item III
Executive Director's Report

Mr. Rodriguez informed the Board there has been no change in the dispositions that were reported last month. In terms of progress of the projects that were approved, we are seeing fast development in South Philadelphia on Wharton Street and in South Philadelphia in the First District. We are hopeful that the projects and properties will be completed by May and residents will be moving in to occupy the completed homes. We are moving ahead with getting closings for the Turn the Key Program.

Richard DeMarco joined the Board meeting at 10:05 am.

Item IV
Administrative Matters

IV.A. Amendment, Assignment and Assumption of Developer Obligations under Purchase and Development Agreement, Amendment of Declaration of Restrictive Covenants

Ms. Saah informed the Board that this item is back on the agenda from being tabled at the March Board meeting. She stated that Board member Maria Gonzalez submitted a conflict disclosure letter (attached to these minutes as **Exhibit B**) indicating she will recuse herself from this matter because she is the President of HACE, the developer of the project being discussed in this agenda item. Ms. Gonzalez left the meeting at this time.

Ms. Imredy Saah explained that HACE had asked for permission (1) to transfer 19, 21, 23, 25 and 27 E. Somerset Street and 3022 and 3026 N. American Street (the "Premises") to Goods Land Trust ("GLT") after construction of the homes had already been completed; and (2) to convey title to only the homes, not the land, to purchasers, with the land being held by GLT and leased to purchasers of the homes constructed on the land. GLT is a non-profit corporation run by HACE. After the Board's consideration of the request at the April 2023 Board meeting, the Board voted to table the item and requested that the Land Bank staff meet with HACE staff to try to find a

solution that would address the Land Bank's concerns and allow the project to be changed as requested. Ms. Imredy Saah stated that after several meetings, agreement was reached on many issues, although some details are still being worked out.

Changes will include the following:

Lease payments will be reduced from \$30 to \$10 a month.

Property tax on both land and improvements will be paid by the homeowner. The Land Bank will explore with the Department of Revenue and the Office of Property Assessment the possibility of a discounted assessment of land and homes held in land trusts to lessen the burden on the homeowner.

GLT will have the right of first refusal but will give the Land Bank a power of attorney to exercise the right of first refusal during the 30 years after the initial sale of the home if the Land Trust is not in position to do it, including in the event of mortgage foreclosure. This will allow the Land Bank to preserve the home as affordable in the event GLT cannot do so.

GLT will include the homeowners' closing costs in the calculation of the resale price, but the calculation formula will remain the same.

No adjustable-rate mortgages will be allowed.

The limit on the permissible loan to value in the event the homeowner wishes to refinance the purchase money mortgage will increase from 80% to 97%, given that many purchase money mortgages for these homes are issued at a 97% loan to value ratio.

GLT will not be permitted to mortgage land received from the Land Bank.

If GLT or HACE are no longer operational at a future time but GLT still holds title to the land, the Land Bank's power of attorney will allow the Land Bank to revert ownership of the land to the Land Bank and then transfer ownership of the land to the homeowner and terminate the provisions of the GLT lease.

Ms. Imredy Saah requested that the Board approve the changes to the project, which will be memorialized in an Amendment, Assignment and Assumption Agreement between the Land Bank, HACE and GLT, in a revised Declaration of Restrictive Covenants, and in revisions to the GLT lease and other governing documents.

Ms. Lopez-Kriss asked if the homeowner would still be responsible for payment of property taxes assessed on the land if the tax assessments of the land and the improvements were separated into separate accounts. Ms. Imredy Saah responded that GLT was not willing to pay the property taxes on the land, but that the Land Bank will work with the various City agencies to find a way to reduce the assessment for the land and the resale price-restricted home. This is one of the issues that still needs to be resolved.

Mr. Sauer stated that this was a special case, and we need a longer-term solution for properties conveyed to land trusts. He asked whether the revised Land Bank documents will provide a template for future projects. Mr. Rodriguez responded that this project was approved as a traditional affordable homeownership project and that these changes were requested well into the construction phase, thereby limiting the Land Bank's options. However, the process was helpful to the staff in thinking about how to approach future land trust applications.

Ms. Fadullon asked if any comments were received from the public prior to the Board meeting. There were none.

Since no public comments were offered at this time, Ms. Fadullon called for a motion regarding the proposed changes to this homeownership project as requested by HACE and Good Lands Trust.

Mr. Koonce moved to approve the resolution. Mr. Balloon seconded the motion.

Upon motion made and duly seconded, the Board unanimously adopted the **Resolution Amending Resolution 2021-17 to Authorize a Modified Use of 19, 21, 23, 25 and 27. E. Somerset Street and 30322 and 3026 N. American Street, Conveyance of Said Premises and Assignment of Developer's Rights and Obligations Pertaining Thereto to Good Lands Trust, and Amendment of the Declaration of Restrictive Covenants** (attached to these minutes as **Exhibit C**).

IV.B. Interagency Transfers

Ms. Fadullon informed the Board that the two interagency transfers would be presented together.

Mr. Lawrence explained that the next two resolutions pertain to interagency transfers of publicly owned properties to the Philadelphia Housing Authority (PHA) and Philadelphia Housing Development Corporation (PHDC).

- (1) The properties below are proposed for transfer to PHA for disposition, reuse and/or management by PHA, specifically future affordable housing development:
 - 3230-38 Diamond Street; 3010, 3012, 3013, 3014, 3015, 3108, 3110, 3112, 3200, 3202, 3204, 3206, 3214, 3222 W. York Street; 2338, 2340, 2408, 2410, 2412, 2500 N. 31st Street; 2401 and 2549 ½ aka 2551 N. 32nd Street (CD5)
- (2) The properties below are proposed for transfer to PHDC for disposition, reuse and/or management by PHDC, specifically future affordable housing development and community garden preservation.
 - 2268 Cadwallader Street; 3104, 3106, 3107, 3108, 3110, 3115 Cecil B. Moore Avenue; 3003, 3009, 3011, 3029, 3100 Clifford Street; 926, 928, 932 W. Dakota Street; 902, 903, 907, 909, 925 W. Dauphin Street; 2203, 2248 N. Delhi Street; 2232, 2235, 2245, 2248 N. Franklin Street; 2253, 2257, 2259, 2261, 2263, 2332 Germantown Avenue; 2312, 2314 N. Marshall Street; 3109 Morse Street; 911, 913, 915 W. Susquehanna Avenue; 2224, 2301, 2303, 2305, 2234, 2236, 2238 N. 7th Street; 1709-11, 1713, 1717, 1719, 1721, 1727, 1729, 1731, 1717-31 Rear, 1741, 1748, 1749-51, 1750, 1752, 1753, 1754-56, 1755, 1757, 1759, 1801, 1802-10, 1814-22, 1819, 1821, 1825, 1827, 1829-37, 1841-43 N. 31st Street (CD5)
 - 1934 N. Lawrence Street (CD7) (*for community garden preservation*)

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

Ms. Fadullon asked if any public comments were received prior to the Board meeting. There were none.

Ms. Fadullon called for questions or comments from the public.

Linda Black stated that she submitted a request in June 2021 for the removal of a tree on 915 W. Susquehanna Avenue that is affecting her property. She also asked if 2203 N. Delhi Street and 911, 913 and 915 W. Susquehanna Avenue were going to be developed and whether the public will have the opportunity to comment. Mr. Rodriguez responded that these were part of the transfer to the PHA for a future affordable housing development and that the PHA process will provide an opportunity for public comment.

A representative from A Simple Life stated that she and others are trying to preserve 2216-2240 N. 9th Street as green space. Neighbors have been working with PHA, the Council President and the Trust for Public Land to try to preserve it. Mr. Rodriguez responded that the property is not on the agenda for this meeting but that the Land Bank received her email and staff are looking into the availability of this City-owned property and the intended use of the property. Staff will follow up once those issues are clarified.

Ms. Fadullon read Marcos Lomeli's question asking for the procedural reasons for the transfers to the PHA and PHDC. Mr. Rodriguez indicated that PHA is trying to develop homeownership opportunities for their population, and that the development of the properties transferred to PHDC will be facilitated by PHDC under an agreement with PHA.

Ms. Fadullon called for a motion to approve the transfer of properties to PHA and PHDC from the Land Bank.

Ms. Gonzalez asked what PHDC's process will be to seek public comment for the housing development projects. Mr. Rodriguez stated that the properties being transferred to PHA are for a 4% LIHTC project that has already had numerous community meetings and RCO involvement. The disposition process for the properties being transferred to PHDC will be managed by PHA, and their process involves opportunities for community involvement. The PHA Board meetings also provide opportunity for public comment.

Seeing no further questions from the Board, Ms. Fadullon asked for a motion regarding the interagency transfers to PHA and PHDC.

Mr. Johns moved to approve the interagency transfers. Ms. Gonzalez seconded the motion.

Upon motion made and duly seconded, the Board unanimously adopted the **Resolution Authorizing Conveyance of 3230-38 Diamond Street; 3010, 3012, 3013, 3014, 3015, 3108, 3110, 3112, 3200, 3202, 3204, 3206, 3214, 3222 West York Street; 2338, 2340, 2408, 2410, 2412, 2500 North 31st Street; 2401, 2549 ½ aka 2551 North 32nd Street to Philadelphia Housing Authority** (attached to these minutes as Exhibit D), and the **Resolution Authorizing the Conveyance of 2268 Cadwallader Street; 3104, 3106, 3107, 3108, 3110, 3115 Cecil B. Moore Avenue; 3003, 3009, 3011, 3029, 3100 Clifford Street; 926, 928, 932 West Dakota Street; 902, 903, 907, 909, 925 West Dauphin Street; 2203, 2248 North Delhi Street; 2232,**

2235, 2245, 2248 North Franklin Street; 2253, 2257, 2259, 2261, 2263, 2332 Germantown Avenue; 2312, 2314 North Marshall Street; 3109 Morse Street; 911, 913, 915 West Susquehanna Avenue; 2224, 2301, 2303, 2305, 2234, 2236, 2238 North 7th Street; 1709-11, 1713, 1717, 1719, 1721, 1727, 1729, 1731, 1717-31 Rear, 1741, 1748, 1749-51, 1750, 1752, 1753, 1754-56, 1755, 1757, 1759, 1801, 1802-10, 1814-22, 1819, 1821, 1825, 1827, 1829-37, 1841-43 North 31st Street; 1934 North Lawrence Street to Philadelphia Housing Development Corporation (attached to these minutes as **Exhibit E**).

IV.C. Amendments to Approved Dispositions

Ms. Fadullon informed the Board that the amendments to approved dispositions would be presented together. These are amendments to previously approved resolutions.

Board member Andrew Goodman stated that he was recusing himself from this Board item and left the meeting at this time.

Mr. Lawrence presented the changes requested by the developer for each of the dispositions that had already been approved by the Board in the past.

- (1) Amendment to Resolution No. 2022-14, adopted by the Board on July 12, 2022, revising the maximum sales price and AMI level for eight (8) affordable homeownership units constructed by BVG Property Group, LLC, which were to be sold at a price not exceeding \$254,999 to purchasers with a household income at or below 80% of AMI, to a maximum price of \$274,999 to be sold to purchasers with a household income at or below 100% of AMI, due to increased development costs in response to unfavorable geotechnical conditions.
- (2) Amendment to Resolution No. 2022-15, adopted by the Board on July 12, 2022, revising the maximum sales price and AMI level for twelve (12) affordable homeownership units constructed by BVG Property Group, LLC, which were to be sold at a price not exceeding from \$254,999 to purchasers with a household income at or below 80% of AMI, to a maximum price of \$264,999 to be sold to purchasers with a household income at or below 90% of AMI, due to increased development costs in response to unfavorable geotechnical conditions.
- (3) Amendment to Resolution No. 2022-30, adopted by the Board on September 13, 2022, revising the maximum sales price for seven (7) affordable homeownership units to be rehabbed by West NoMa Revitalization Group LLC from \$195,000 to \$215,000, which are to be sold to purchasers with a household income at or below 80% AMI, due to increased development costs to address structural issues, and extending the minimum affordability compliance period to fifteen (15) years from the originally approved ten (10) years to make the units eligible for the Turn The Key program.

Following Mr. Lawrence's presentation, Ms. Imredy Saah explained that Mr. Goodman submitted a conflict disclosure letter (attached to these minutes as **Exhibit H**) because he works in the 3rd Council District office and provided assistance to West NoMa Revitalization Group

LLC with their application. Since all three amendments were being considered and voted on as one item, he had to recuse himself from the discussion and vote on all three.

Ms. Fadullon called for questions or comments from the Board.

Mr. Sauer asked why the AMI income limit is being changed for the two projects being developed by BVG Property Group LLC. Mr. Rodriguez responded that the higher prices for the BVG units may require a higher income level given current mortgage interest rates and that it provides a wider margin for compliance with the income restriction.

Ms. Gonzalez asked whether these homeownership units would be eligible for participation in the Turn the Key Program, which would reduce the sales price to a lower amount to make it affordable to a lower income household, allowing a certain number of these units to be set aside for lower income households. Ms. Fadullon confirmed that was the case, but the TTK subsidy is given to the homeowner, not to the developer. Mr. Rodriguez pointed out that the developer must be able to cover their increased development and construction financing costs.

Mr. Johns expressed concerns about the increases in the AMI levels reducing affordability to lower income households. Ms. Fadullon reiterated that lower income households can purchase these units if they are eligible for a Turn The Key subsidy, but that not all purchasers will qualify for such a subsidy. Mr. Rodriguez explained that developers must first consider qualified Turn The Key applicants that are referred to them, and many of those applicants have incomes well below the maximum AMI level.

Ms. Fadullon asked if any public comments were received prior to the Board meeting. There were none.

Ms. Fadullon called for questions or comments from the public.

Rachael Pritzker, attorney for BVG Property Group, LLC, explained that soil and site conditions could not be ascertained before properties were conveyed to the developer, and that they simply don't want to take a loss on the project, not to make a greater profit.

Jihad Ali asked how percentages on MBE/WBE participation could remain the same if prices increased, and how MBE/WBE compliance is being monitored. Justin Veasey, representative for the developer, reported that he has used minority contractors for everything but HVAC and plumbing, and that the project will likely end at 40-50% MBE and 30% WBE.

David (no last name) asked about preservation of the community garden at 621, 623 and 625 Diamond Street, which has been a community garden since the 1980s. Mr. Rodriguez indicated that those are part of another agenda item. Ms. Fadullon asked the staff if there had been any communication regarding those lots with the Land Bank but postponed the response to consideration of Item V.A.

Dawud Bey confirmed that his MBE company has been working on the BVG projects and that it has been a great partnership; he wants to encourage additional minority firm participation.

Ms. Fadullon called for a motion regarding the three amendments to already approved projects.

Mr. Balloon moved to approve the amendments. Mr. Koonce seconded the motion.

Upon motion made and duly seconded, a majority of the entire Board (six members) voted to adopt the **Resolution Amending Resolution 2022-14 to Revise Unit Sales Price and Maximum Income Eligibility Level for Homeownership Units Constructed on 411, 418, 424, 432 and 434 Cantrell Street, 424 and 426 Mercy Street, and 2612 South 9th Street** (attached to these minutes as Exhibit F), the **Resolution Amending Resolution 2022-15 to Revise Unit Sales Price and Maximum Income Eligibility Level for Homeownership Units Constructed on 2148, 2150, 2154 and 2156 East Birch Street and 2154, 2155, 2156, 2157, 2158, 2159, 2160 and 2161 East Stella Street** (attached to these minutes as Exhibit G), and the **Resolution Amending Resolution 2022-30 to Revise Unit Sales Price and Affordability Compliance Period for Homeownership Units Renovated on 759, 761, 763, 773, 779 and 783 Pallas Street and 4041 Cambridge Street** (attached to these minutes as Exhibit I).

Rick Sauer and Michael Johns voted against approval, and Richard DeMarco abstained because he has done legal work for BVG Property Group LLC in the past, although not related to any of the projects being considered.

Mr. Goodman returned to the meeting at this time.

D. Revision to Compliance Period for Affordable Rental Units in Unsubsidized, Unsolicited Housing Projects

Ms. Imredy Saah requested the Board's approval for the adoption of a policy requiring a thirty (30) year affordability compliance period during which affordable rental units in unsolicited and unsubsidized housing projects must remain affordable at the designated Area Median Income (AMI) level. The policy will apply to all affordable rental units in such projects approved by the Land Bank Board in the future.

Ms. Fadullon called for questions or comments from the Board.

Ms. Fadullon asked if any public comments were received prior to the Board meeting. There were none.

Ms. Fadullon called for questions or comments from the public.

Ms. Lopez Kriss asked whether there is a current affordability compliance period. Ms. Imredy Saah stated that the Land Bank does require a minimum compliance period of 15 years but that the policy was not adopted by the Board. This proposal is being presented in response to the Board's request to adopt a formal policy requiring a 30-year affordability period.

There were questions from Rachael Pritzer, Mo Rushdy, Jihad Ali, Adrienne Hernandez and Tiffany Greene and Board member Michael Johns stating their concerns about a longer affordability period for such projects, which can be reviewed on pages 47 - 66 of the meeting

transcript attached as **Exhibit A**. Ms. Hernandez and Ms. Greene also stated their opposition to the approval of the amendments in the prior agenda item.

Mr. Balloon expressed his appreciation for the public comments and indicated that the Board should revisit the policy in the future if it proves to not be effective. Mr. Goodman reminded the Board that this was discussed extensively in Policy Committee meetings, and that the policy makes sense and is consistent with the policy of similar organizations, especially given the discounted or nominal price at which the properties are sold to developers. Mr. Sauer and Ms. Gonzalez stated that 100 to 120% AMI is market rate in Philadelphia and that a longer affordability time for such projects is fair given the Land Bank's sale of the land at a significant discount.

Ms. Fadullon then offered suggestions of how the Board could proceed regarding the resolution for the 30-year affordability period and then called for a motion regarding the 30-year affordability period for affordable rental units.

Mr. Goodman moved to adopt the 30-year affordability policy as presented. Ms. Gonzalez seconded the motion.

Upon motion made and duly seconded, the Board unanimously adopted the **Resolution Adopting Policy Requiring Thirty-Year Affordability Compliance Period for Affordable Rental Units in Unsolicited, Unsubsidized Housing Projects** (attached to these minutes as **Exhibit J**).

Item V **Property Dispositions**

V.A. Development – Affordable Housing (Request for Proposals)

Ms. Fadullon reminded the Board and the public that this agenda item had been tabled several times prior to this Board meeting and that public comments will be limited to one comment per person given the numerous and extensive public comments regarding this disposition that were received during past Board meetings.

Mr. Lawrence asked the Board to authorize the disposition of the following properties located in the 5th Council District to Civetta Property Group, LLC for the development of seventy (70) single-family homeownership units to be sold to households with incomes at or below 100% of AMI:

621, 623, 625, 637 and 917 Diamond Street; 924, 927, 928 and 936 Edgley Street; 926 and 928 French Street; 2106, 2112, 2140, 2141, 2142, 2143, 2151, 2166, 2170, 2172, 2215, 2217 and 2219 N. Franklin Street; 2112, 2130, 2144 and 2214 N. Marshall Street; 2105, 2107, 2109, 2110, 2111, 2112, 2113, 2119, 2121, 2133, 2140, 2143, 2146 and 2150 N. Percy Street; 904, 910 and 912 W. Susquehanna Avenue; 2102, 2109, 2114, 2126, 2128, 2130, 2131, 2134, 2135, 2136, 2150 and 2210 N. 7th Street; 2101, 2113, 2121, 2155, 2167-69 and 2201 N. 8th Street; 2124, 2126, 2132, 2150 and 2165 N. 9th Street; and 2121 N. 10th Street.

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 developer will purchase the properties for \$7,000. Evidence of project financing was 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 an irrevocable power of attorney and right of reverter. The units will be subject to use and resale restrictions and a minimum 15-year term of affordability under a Declaration of Restrictive Covenants, and purchasers will be income-certified. Each unit will contain three (3) bedrooms and two (2) bathrooms, to be sold at a maximum price of \$280,000.

Ms. Fadullon confirmed the addresses on Susquehanna Avenue and then called for questions from the Board on this item.

Seeing none, Ms. Fadullon recognized Council President Darrell Clarke to comment on this item. Council President Clarke talked about the Turn The Key program and lauded its focus on making new homes available to purchasers by issuing a mortgage subsidy that will make the homes affordable to purchasers at lower income levels. Council President Clarke drove through the neighborhood to look at the sites and indicated that he did notice a few sites that should perhaps not be included in the project in order to obtain approval of City Council, either because they are very small or contain gardens. There will be further walk-throughs in coming weeks, and once residents are comfortable with

Ms. Fadullon asked if any comments were received from the public prior to the meeting. Ms. Imredy Saah read an email from Wesley Corbin that had been sent to the selected developer and mentioned a second email from Charles Dyches (both emails are attached to these minutes as **Exhibit K**).

Ms. Fadullon called for questions and comments from the public. Comments and questions about the project, either in opposition or in support, and providing a range of opinions about the process and about affordable housing development in general, were received from Tiffany Greene, PerrellJerai Simmons, Jeremy Blatstein, Jihad Ali, Zachary Frankel, David (regarding the garden at 631, 623, 625 Diamond Street), Dawud Bey, Charles Dyches, Jettie Fields and Mo Rushdy and can be reviewed on pages 77-89 of the meeting transcript attached as **Exhibit A**. Brennan Tomasetti, the founder of Civetta Property Group, LLC also spoke and stated that she and her husband are proud of their record building affordable housing in the city for several decades.

Mr. Sauer asked about any additional communication that has occurred with the residents of the neighborhood in response to past requests. Brennan Tomasetti of Civetta Property Group responded that the community meeting was held on February 22, 2023 at 6:00 pm. There were three prior attempts to hold community meetings: on November 15, 2022, January 31, 2023 and February 9, 2023. Civetta Property Group will continue to engage the community through the pre-construction and construction process.

Mr. Goodman asked whether the disposition would come back to the Board if the list of properties changes after the Board's vote due to subsequent meetings and conversations with residents. Mr.

Rodriguez responded that properties will not be added, only removed, and the Land Bank will confirm the list with the Council President's office prior to submitting the disposition for approval by City Council.

Ms. Fadullon then recognized Linda Black, who stated that two of the properties are already under development, namely 910 and 912 West Susquehanna Avenue. She stated that the methods used to disseminate the information about community meetings are insufficient.

Seeing no comments from any public attendees who had not spoken yet, Ms. Fadullon called for a motion regarding this disposition.

Mr. Balloon made a motion to approve the disposition of the properties to Civetta Property Group LLC. Mr. Koonce seconded the motion.

Upon motion made and duly seconded, the Board unanimously adopted the **Resolution Authorizing Conveyance 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 North Franklin Street; 2112, 2130, 2144, 2214 North Marshall Street; 2105, 2107, 2109, 2110, 2111, 2112, 2113, 2119, 2121, 2133, 2140, 2143, 2146, 2150 North Percy Street; 904, 910, 912 West Susquehanna Avenue; 2102, 2109, 2114, 2126, 2128, 2130, 2131, 2134, 2135, 2136, 2150, 2210 North 7th Street; 2101, 2113, 2121, 2155, 2167-69, 2201 North 8th Street; 2124, 2126, 2132, 2150, 2165 North 9th Street; 2121 North 10th Street to Civetta Property Group, LLC** (attached to these minutes as **Exhibit L**).

V.B. Side/Rear Yards

Mr. Lawrence requested the Board's approval for the disposition of 815 West Firth Street in the 5th Council District to Carmen Gomez. The applicant resides in and owns her adjacent home and 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 a right of reverter. The property will also be subject to a 30-year mortgage for the appraised value and permanently restricted for use as a side/rear yard.

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

Ms. Fadullon asked if any public comments regarding this item were received prior to the Board meeting. There were none.

Ms. Fadullon called for questions or comments from the public. Tiffani Vaughan pointed to the lack of consistency in the stated policy regarding the availability of lots as side/rear yards in the 5th Council District below Cecil B. Moore Avenue, since the Board approved the disposition of such a lot in April but she has not been able to purchase the lot next to her home for years, both being below Cecil B. Moore. Mr. Rodriguez responded that although the Board approved the disposition last month, Council has not approved the disposition.

Andrea Biblio, who assisted Ms. Gomez with her application for the lot, then introduced Ms. Gomez, who does not speak English well, by phone and translated Ms. Gomez's remarks about her long-time desire to acquire the yard and her excitement and gratitude.

Ms. Fadullon called for a motion regarding the disposition of the side yard.

Mr. Koonce 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 815 West Firth Street to Carmen Gomez** (attached to these minutes as **Exhibit M**).

Item VI

Garden Mortgage Discussion

Mr. Johns left the meeting at this time.

Ms. Fadullon indicated that a lively discussion on the issue of 30-year mortgages for gardens and open spaces began at the April Board meeting, and that this is to provide an opportunity for further discussion. She asked Land Bank staff to set forth some of the issues being considered. Mr. Rodriguez explained the rationale for placing a 30-year self-amortizing mortgage on land that is conveyed for community gardens and open spaces by a public agency and described some of the changes being made to documents to address the garden community's previously stated concerns about conditions which would be considered a default, the opportunity for a cure, and the circumstances under which the land would revert to the Land Bank or to the City. One issue on which there is lack of agreement among agencies is whether to assess the properties at their highest and best use or based on the restricted use. Placing a mortgage for the highest and best use appraised value ensures that no other mortgage will have priority and that the land will not be lost if there is an accident at the garden resulting in a lawsuit, or if the garden organization dissolves or has to declare bankruptcy during the first 30 years of its existence.

He reiterated that this type of coordination is necessary because the Land Bank does not operate in a vacuum and must take into consideration the laws and policies governing land held by agencies other than the Land Bank. The Mayor's directive dated March 25, 2022, which clarified the directive issued in February 2020 regarding dispositions of City-owned surplus land, requires a right of reverter in order to allow the revestment of title to the land should the recipients of the land default on their obligations under the agreement governing the disposition to them. After the issuance of the original letter in 2020, shortly after City Council adopted a revised ordinance and policies governing the disposition of surplus properties held by the Philadelphia Redevelopment Authority (PRA) and the Land Bank, the legal departments of the City, the PRA and the Land Bank agreed to place a 30-year self-amortizing mortgage on properties conveyed for a nominal amount as gardens and open spaces, which would have to be paid only if the property was sold during the 30-year term of the mortgage but which would facilitate compliance with the Mayor's directive. Mr. Rodriguez's extensive comments about the reasons for the mortgage can be reviewed on pages 100 – 105 of the meeting transcript attached as **Exhibit A**. He closed by stating that although the Land Bank is open to continuing negotiations about the terms of the mortgage, there is strong opposition in the City and the PRA to removing the mortgage altogether, which is important for the Board to consider. Also, a 30-year

mortgage requirement is also placed on side/rear yards, which are also sold for a nominal amount, to permit revestment of the property in the event the purchaser fails to maintain the property as a side/rear yard.

Ms. Fadullon asked if the Board had questions.

Ms. Gonzalez stated her belief that if no other legal instrument is more suitable, a mortgage would be appropriate to act as a trigger that the Land Bank is informed if the property is encumbered or sold, but that there should be a discussion about the amount of the mortgage so that it does not affect the garden groups' ability to raise funds.

Ms. Fadullon asked if any comments were received prior to the Board meeting. Ms. Imredy Saah indicated that emails and extensive comments were received from the following individuals and organizations opposing the mortgage on garden properties:

Teresa Elliott of Norris Square Neighborhood Project, Sonia Galiber of Soil Generation, Ruth Goldman of Merck Family Fund, Mimi McKenzie of Public Interest Law Center, with additional comments by attorney Stuart Ebby, Linda Soffer of Spooky Garden, Joshua Warner of Urban Creators, Jenny Greenberg of Neighborhood Gardens Trust, with a letter from the Pennsylvania Department of Conservation and Natural Resources, Elizabeth Way of Hawthorne Community Garden, Dennis Shelly of PEER Environmental, LLC, Casey Kuklick of Pennsylvania Horticultural Society, and Amanda Bock of Brewerytown Garden.

All submitted comments were forwarded to the Board and are attached to these minutes as **Exhibit N**.

Mr. Sauer asked if agreement could be reached about appraising the garden lots at a more nominal value or using a different method. Mr. Rodriguez responded that the possibility of recording an easement or deed restrictions was considered by the agencies but that the goal is to stop the unapproved transfer of the title, and given the agencies' past experience with deed restrictions being ignored, a mortgage for the appraised value was considered to be more effective. If the organization was raising funding from a government agency that would place a declaration on the garden's land and notified the Land Bank, the Land Bank would negotiate with the agency regarding the Land Bank's mortgage.

Ms. Lopez-Kriss asked whether the discussion would result in any concrete action, and Ms. Fadullon indicated that before the Board can recommend a policy change, a full discussion is needed, with a possible resolution to be presented at a future Board meeting.

Mimi McKenzie, Legal Director at the Public Interest Law Center, stated that she had prepared remarks but would defer to other speakers, since the other organizations who had submitted comments had organized themselves to cover all the issues without duplicating comments. Stuart Ebby, a real estate lawyer, would speak first about appropriate legal methods to accomplish the city's goals; Jenny Greenberg, Executive Director of Neighborhood Gardens Trust would speak about the impact of such a mortgage on a garden's ability to access state funds; Adam Butler, a representative of Iglesias Garden, would speak on the impact of a mortgage on a nonprofit organization's finances; Josh Warner, Director of Development and Capacity at Urban Creators, would speak about the equity issues raised by the practice; and other gardens and institutional supporters would also like to comment.

The extensive comments by the speakers listed, as well as Adrienne (no last name), Naomi Smith (Viola Street Garden), Selah Lynch (Farm on Florence), Eloise Young (Mill Creek Urban Farm),

Dennis Shelley (PEER Environmental, LLC), Jeff Carpenter (Arcadia Commons, Victor Young (NGT Board), Malaika Gilpin (One Art Community Center and One Art Oasis Farm), Kim Jordan (Philadelphia Orchard Project), and Elizabeth Way (Hawthorne Community Garden) can be reviewed at pages 110 – 138 of the meeting transcript attached as **Exhibit A**.

These public comments were followed by comments from Ms. Gonzalez, Mr. Balloon, Mr. Goodman, Ms. Lopez Kriss, and Ms. Fadullon, as well as extensive discussion among Board members (see pages 139 – 149 of the meeting transcript attached as **Exhibit A**). Ms. Fadullon then tasked the staff to meet with other agencies' legal departments and with garden representatives as well as the PA Department of Conservation and Natural Resources to identify methods that allow the Land Bank to comply with the City's ordinance and policies as well as the Mayor's directive while still allowing gardens to gain access to funding and minimizing the financial impact of a mortgage on their finances. The Land Bank has already communicated that it will clarify the conditions that would constitute a default of the obligation to keep gardens free and clear of debris and the ability to cure such a default and has that the language will be consistent across agencies and across all the documents. She then thanked everyone who commented and

Item VII **Public Comment (Old & New Business)**

Ms. Fadullon thanked everyone for staying to discuss these important issues.

Item VIII **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. Ms. Gonzalez seconded the motion.

Upon motion made and duly seconded, the Board unanimously voted to adjourn at 1:40 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, April 11, 2023, at 10:00 AM, held remotely using Zoom Webinar.

User Name	Email
John Kelly (Lexitas Legal)	jkellycvr@verizon.net
Tiffani Vaughan	tiffani.vaughan@gmail.com
Kim Jordan	kim@phillyorchards.org
Alex Epstein	aepstein1990@gmail.com
Zakia Elliott	zakiamelliott@gmail.com
Agnes Domocase	Domocase14@gmail.com
Willamae McCullough	willamaemccullough@gmail.com
Brennan Tomasetti	brennan@civettapropertygroup.com
Iris Felder	iris@civettapropertygroup.com
Sharon Hildebrand	shildebrand@mac.com
Jacquie Sims	jacquelyn@maplehousing.org
Tracie Jackson	tracie@maplehousing.org
Altrena Nixon	altrena@yahoo.com
Julian Rios	julian.rios@ceibaphiladelphia.org
Tairone Dos Reis	Info@renovarservices.com
Misty Farrow	mfarrow@ahcopa.org
David Fecteau	David.Fecteau@phila.gov
Raj Patel	rajbp1008@gmail.com
Dennis Shelly	dennis.shelly@peerenviro.net
Eugene Tull	eugene@timberllc.co
Lindsey Samsi	lsamsi@pennrose.com
Marlana Moore	mmoore@pennhort.org
JeNell LaRue	larue.jn@gmail.com
Eloise Young	weezee2003@gmail.com
Marcos Lomeli	marcos.lomeli@ceibaphiladelphia.org
Keila Cordova	954dmc@gmail.com
Nancy Ash	nancyeash@gmail.com
Elizabeth Waring	Elizabethwaring@gmail.com
Cecilia McCrary	cecemccrary@gmail.com
Robert Sherman	robert@shermanteam.com
Carla Puppín	cmpuppín@aol.com
Lynda Black	lyndagrace1@gmail.com
Mariano Lorenzo	marianolorenzo@hotmail.com
Leah Sailhamer	leah.sailhamer@nationwideenergypartners.com
Paul A Snipes Jr	psnipesjr@aol.com
Alex Cupo	alex@sbnphiladelphia.org
Lyle Winklerprins	lyle.winklerprins@peerenviro.net
Andria Bibiloni	abibiloni@philalegal.org
Casey Kuklick	ckuklick@pennhort.org

User Name	Email
Naomi Smith	joyran24@verizon.net
Jane Landis	jlandishome@aol.com
Jihad Ali	Jihadali557@gmail.com
Stuart Ebby	judyebby1@verizon.net
Mimi McKenzie	mmckenzie@pubintl.org
Jethro Heiko	Jethroheiko@gmail.com
Janaiya Reason	Janaiya.reason@pennmedicine.upenn.edu
Teresa Elliott	teresa@myneighborhoodproject.org
Sarah Kang	skang@pubintl.org
Ruth Goldman	rgoldman@merckff.org
Joshua Warner	josh@phillyurbancreators.org
Jenny Greenberg	jgreenberg@pennhort.org
David Langlieb	dlanglieb@phlfund.com
A Simple life	Completeforgiveness@gmail.com
Frank Kummer	fkummer@inquirer.com
Sari Bernstein	sbernstein@pubintl.org
Dimka Braswell	dimbras@outlook.com
Jeff Carpenter	jeff@arcadiacommons.us
adam butler	adam.butler@gmail.com
Malaika Gilpin	Malaika@oneartcommunitycenter.com
Jettie Fields	Jettie.fields@gmail.com
Shelvia Williams	Shelvia.Williams@phdc.phila.gov
Kwame Charles	Sidebyside193@gmail.com
Jacqueline Wiggins	undergroundrr5@verizon.net
Bridget Palombo	bridget.palombo@gmail.com
Mohamed Rushdy	mrushdy@riverwardsgroup.com
Sherita Glenn	srrg2416@gmail.com
Mandy Katz	ranmapushkin@yahoo.com
JS Williamson	jswilliamson@duck.com
INGRIED B WYCHE	biwyche1@gmail.com
John Smith	Zevavic@gmail.com
Abdul-Rahim Muhammad	icpic@rcn.com
Stephen Kaufman	Sjkaufman@comcast.net
Anne-Marie Nicola	anicola@tompkinsfinancial.com
2BD	2bedetermined.co@gmail.com
Erica Mines	erica.mines@phila.gov
Wadia Gardiner	wadia.gardiner@phila.gov
Harry Tapia	htapia@hacedc.org
David	ds1188@hotmail.com
Chris DeBruyn	chris@debruyn.org
Alison Stohr	alison.stohr@phila.gov
Wayne Terry Jr	waynebtjr@gmail.com

User Name	Email
Madeline	peopleskitchenphilly@gmail.com
Amanda Garayua	agarayua@hacedcdc.org
Odessa Tate	odessa.tate@allinthefamilycdc.org
Jonathan Curreri	jon@crowdcopia.com
Sophia Schmidt	sschmidt@whyy.org
Rachael Pritzker	rachael@Pritzkerlg.com
Andrew Menyo	andrew@a2-designgroup.com
Max Frankel	Max@frankelre.com
Charles Dyches	Cdyches23@gmail.com
Francis Henriquez	fhdemolition@outlook.com
Andy Denison	Summerwintergarden@gmail.com
Justin Veasey	Justin@bvgpropertygroup.com
Martha Griffin	hmcsquaredcommunityassociation@gmail.com
Zachary Frankel	Zachary@frankelre.com
Justin Hollinger	justin.hollinger@rhls.org
Regina Hairston	rhairston@aachamber.org
Jeremy Blatstein	jeremy@orensbrothers.com
Keith Brundin	keith.brundin@gmail.com
a weiss	awfromhh6@gmail.com
PerrellJerae Simmons	perrelljeraesimmons@gmail.com
Yolanda do Campo	yolanda@qihabitats.com
Victor Young NGT	victory471@prodigy.net
Dawud Bey	dawud@fineprintcompanies.com
Elizabeth way	way.betsy@gmail.com
Stacey Mosley	staceyhmosley@gmail.com
Selah Lynch	selahlynch@gmail.com
Oronica Fields	Oronicaf@aol.com
Alexander Miller	Alexanderjacomiller@gmail.com
Amy Gottsegen	a.m.gottsegen@gmail.com
Sonia Galiber	sonialgaliber@gmail.com
Tiffany Greene	Call-in
Adrienne Fernandez	Call-in

PUBLIC COMMENTS SUBMITTED IN Q&A
PHILADELPHIA LAND BANK BOARD OF DIRECTORS REGULAR MEETING
 Tuesday, April 11, 2023, at 10:00 AM, held remotely using Zoom Webinar

Question	Asker Name	Answer
2216 N 9th -2240 N9th (2200 block of N Dehli) attempting to keep as open space working with PHS adn neighbor pet	A Simple life	
Question is what are the procedural reasons for the transfers to PHA and PHDC? Why is transfer to these other agencies the smartest way to dispose of these properties for affordable development?	Marcos Lomeli	Answered live
My name is Paul A Snipes, Jr. where can I find a list of land and properties that is not owned by PHA, Land Bank or PHDC. Thanks	Paul A Snipes Jr	Answered live
My name is Paul A Snipes, Jr. where can I find a list of land and properties that is not owned by PHA, Land Bank or PHDC. Thanks		There is no list for privately held proerties. But you can research properties for free at https://atlas.phila.gov/2216%20N%209TH%20ST/property#/
Please keep Turn Key Properties affordable!	Naomi Smith	joyran24@verizon.net
I think at least a minimum portion of Turn Key Properties should be set aside for non-city employees - who live in the targeted neighborhood. Also, its unfortunate that stakeholder residents have no input in the developers who will be working in their neighborhood.	Anonymous Attendee	
Would the guidelines require that whatever the AMI remain the same the entire 30 years? Meaning in the beginning if the project was approved at 60-80% AMI, would that be the max during the 30 years? Or are you saying it would be able to move to 120% AMI within the 30 years?	Jacquie Sims	You are correct if in the beginning if the project was approved at 60-80% AMI, would that be the max during the 30 years
Message from Joyce Smith -must find solutions to help generate deeper affordability for philly residents. It is a major in low income and disinvested neighborhoods	Naomi Smith	Thank you for your comment. Planning and Development is working to identify the means to assist homebuyers at lower AMIs
please direct me to the process to get Uber Street Garden Inc. land transferred out of the land bank for ownership of the land. We've maintained the land as a garden for approximately 25 years. Agnes Domocase(block Captain) McGary Laster (Jr. block Captain) The community, and I (President of the National Association of Each one teach one Philadelphia), would like clarification on the process for ownership. We've communicated with many staff members concerning this issue for many years to no avail recently. I've been rerouted to Jessie Lawrence. we are so confused about the land bank staff respect for responding to our concerns /issues.	Willamae McCullough	Please reach out to Jessie.Lawrence@phdc.phila.gov or myself Angel.b.Rodriguez@phdc.phila.gov to setup a time to meet and review the process

Question	Asker Name	Answer
please direct me to the process to get Uber Street Garden Inc. land transferred out of the land bank for ownership of the land. We've maintained the land as a garden for approximately 25 years. Agnes Domocase(block Captain) McGary Laster (Jr. block Captain) The community, and I (President of the National Association of Each one teach one Philadelphia), would like clarification on the process for ownership. We've communicated with many staff members concerning this issue for many years to no avail recently. I've been rerouted to Jessie Lawrence. we are so confused about the land bank staff respect for responding to our concerns /issues.	Willamae McCullough	Ms. McCollough, Last week, Carolyn Terry sent some dates and times to meet and discuss a status update. Please respond. Thanks!
re: my question about tree removal on 915 West Susquehanna, Mr. Rodriguez, when will you follow up with me and how?	Lynda Black	I have requested an estimate for the tree removal. It usually takes 1-2 days. Once approved we will let you know when it will be scheduled.
Message from Joyce Smith - a senior in my neighborhood who is on a fixed income R.E. Taxes went from \$1,000 to \$7,000. She appealed the increase and was denied. Her taxes increased because a developer rehabbed and flipped an adjacent property. She cant afford the taxes	Naomi Smith	
Message from Joyce Smith	Naomi Smith	
Agree with Rick Sauer	Naomi Smith	
Mr. Lawrence just listed properties at 904, 910, and 915 W Susquehanna Ave, however agenda says 912, not 915. Please clarify. Thank you	Marcos Lomeli	
Would the previous vote by the board apply to this disposition? I.E. would the affordability period be moved from 15years to 30years?	Anonymous Attendee	No it applies to future dispositions for rental properties. The previously approved items were for homeownership.
Is the 30-year self-amortizing mortgage requirement for nonprofits still on the agenda for today's meeting? If so, will there be appropriate time for discussion and comment? This is a very important issue affecting green space and infrastructure opportunities and would like to hear from the Board on its justification.	Alex Cupo	Yes it is. It will be discussed after the side yard dispositions.
Given that there is just 5 more minutes available for today's agenda, can this item be moved to be held for the next meeting? I do not believe that there is ample time to recognize and have a discussion on its implications in the time remaining.	Alex Cupo	Thank you for the suggestion, the Board is prepared to address the issue today. We recognize that all of the agenda items do take time. We will also continue the discussion to next month if needed.
Why does the board continue to allow people to speak multiple times who don't live in our community? Ali has spoken on multiple calls why? He lives where. He can't speak to our community.	PerrellJerae Simmons	Thank you for your comment. At public meetings all people have a right to express their views.

Question	Asker Name	Answer
This forum is not helping is and causing more chaos. The board never answer questions entirely. People of the community can't be heard.	PerrellJerae Simmons	
Why was Darrell Clarke allowed to leave the meeting without answering questions? Affordable Housing term is misleading ! Low key fraud. It's too many word play games It's unfair to mislead the community .	PerrellJerae Simmons	
The developer is lying she never came	PerrellJerae Simmons	
Ask for a sign in sheet? Who signed for the meeting?	PerrellJerae Simmons	
My concern is the amount of time that others have already taken out of their morning to participate on that particular item, and as I personally have a meeting to attend now, I cannot stay online indefinitely. Given that this issue affects 30+ nonprofits, it would be fair to consider moving this conversation for another meeting with greater discussion to allow for public input earlier in the agenda.	Alex Cupo	Answered live
My concern is the amount of time that others have already taken out of their morning to participate on that particular item, and as I personally have a meeting to attend now, I cannot stay online indefinitely. Given that this issue affects 30+ nonprofits, it would be fair to consider moving this conversation for another meeting with greater discussion to allow for public input earlier in the agenda.	Alex Cupo	We intend to stay on and discuss this garden item.
concern about chemicals from grounds of former factories 22-16-2250 N 9th - aware of illness in other areas from disturbed soil and that testing isn't required before soil is disturbed	A Simple life	
This is Andria Bibiloni, Ms. Gomez's attorney. I am here with Ms. Gomez	Andria Bibiloni	Thank you if you wish to speak please raise your hand.
Would non-recourse loans apply to ALL garden dispositions? Or does that only apply to the PRA dispositions / on a case-by-case basis by the discretion of the Landbank?	Anonymous Attendee	The land bank board can only set policy on land bank properties
How many instances are there of these defaults or other unapproved uses happening with green spaces or community gardens? How common is it?	Kim Jordan	
Understood. Would the Landbank be applying non-recourse loans to ALL of its garden dispositions? Or would that be determined on a case-by-case basis?	Anonymous Attendee	The agreed upon terms that were mentioned earlier would be applied moving forward across the board.
Angel, is there a vacant property list that I can view?	Paul A Snipes Jr	You can use this link to review our inventory: https://phl.maps.arcgis.com/apps/webappviewer/index.html?id=2eb44dec9464cb79f2132d1c5883674

Question	Asker Name	Answer
As there is recognition that this particular topic is of considerable concern, does it warrant a dedicated conversation and/or special meeting on this topic alone? This would ensure that those that wish to raise these concerns have their questions and issues addressed, without keeping PLB Staff & Board far beyond their scheduled time for these meetings. Thank you for taking this time, and much respect for those staying on to hear and to express these concerns.	Alex Cupo	Thank you for the suggestion. I am sure that this conversation will continue with the staff, PILC and NGT
Did we just deviate from the first public speakers list	Victor Young NGT	SLightly
What's the difference between recourse mortgage and non-recourse mortgage please?	Joshua Warner	A simple way to describe a Recourse mortgage as a mortgage where the dollar value of the note is demanded upon a default and possibly the land. Non-recourse mortgage is where the land is revested only not the dollar value.
When did the executive order on in effect	Victor Young NGT	Original executive order was February 2020, it was revised 3/25/2022
Based on your definition, it sounds like the land can be taken back by the Land Bank regardless if there is a recourse or non-recourse loan at play. Is this correct?	Anonymous Attendee	No - we are including clarity in the language as to what is a default and provide a time period to cure the default. As the last speaker just mentioned we would allowing 30 to 60 days to cure the default.
from Joyce Smith /East Parkside	Naomi Smith	
Sorry, I had to attend another meeting, but it seems the focus is onthe urban gardens and farms. Please, this work is to help THE PEOPLE. No mortgage should be forthcoming to those who garden or uban farm. And, the land mass of this gardens is miniscule copared to the vacant lant/lots/sideyards as you wellkno. Moreover, how much of this community garden and urban farm work is done by WOMEN??? Free that land and GIVE to the garden and urban farm volunteers /workers. We'll pay the water bill. Period.--Jacqueline Wiggins, Urban Creators Board member	Jacqueline Wiggins	
I thank all the gardners for speaking up and bringing much needed attention to this critical issue around placing mortgage liens on community spaces that improves the quality of life of residents	Naomi Smith	
Not only is the prior practice of using a deed restriction and a reversionary clause/right of reentry superior to the current practice for addressing the city concerns, it is permissible under the Land Bank's current disposition policy and would not require legislative action	Mimi McKenzie	

Question	Asker Name	Answer
Exactly, can you establish a separate committee to discuss these issues to reach some clarity outside these landbank meetings	Nancy Ash	
seems to me mr ebby esq answered all of this	Anonymous Attendee	
Does the Philly Urban Agriculture Plan give best practices on the kinds of L&I or code enf. requirements that would work? For garden "debris," etc.?	Joshua Warner	

Condensed full transcript of April 11, 2023 Board meeting follows

CITY OF PHILADELPHIA
PHILADELPHIA LAND BANK

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BOARD OF DIRECTORS MEETING

DATE: Tuesday, April 11, 2023

LOCATION: Zoom Teleconference

REPORTED BY: John Kelly, Court Reporter

BOARD MEMBERS: ANNE FADULLON, Chair
ANDREW GOODMAN, Vice Chair
MARIA GONZALEZ, Secretary
MICHAEL JOHNS, Board Member
REBECCA LOPEZ KRISS, Treasurer
ALEXANDER BALLOON, Board Member
MICHAEL KOONCE, Board Member
MAJEEDAH RASHID, Board Member
RICK SAUER, Board Member
RICHARD DeMARCO, Board Member

ALSO PRESENT: ANDREA IMREADY SAAH, Esquire, Board Counsel
JESSIE LAWRENCE
ANGEL RODRIGUEZ

Pages 1 through 151

AGENDA

	PAGE
I. Roll Call	4
II. Approval of Minutes of the Meeting of March 14, 2023	5
III. Executive Director's Report	5
IV. Administrative Matters	
A. Amendment, Assignment and Assumption of Developer Obligations under Purchase and Development Agreement, and Amendment of Declaration of Restrictive Covenants	6
B. Interagency Transfers	14
C. Amendments to Approved Dispositions	24
D. Revision to Compliance Period for Unsolicited Affordable or Mixed-Income Rental Projects	44
V. Property Dispositions	
A. Development - Affordable Housing (Request for Proposals)	68
B. Side/Rear Yards	92
VI. New Business - Garden Mortgage Discussion	99
VII. Public Comment (Old & New Business)	106
VIII. Adjournment	150

BOARD MEETING
4/11/2023

3 (3 - 6)

<p style="text-align: right;">Page 3</p> <p style="text-align: center;">P R O C E E D I N G S</p> <p>CHAIR FADULLON: Good morning, everybody, and welcome to the April meeting of the Philadelphia Land Bank Board. We will start with a statement from our attorney about holding virtual meetings.</p> <p>MS. SAAH: Good morning, everyone. 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 public health concerns. This meeting is being recorded. Questions and comments may be made using the Q&A or raised hand button at the bottom of your screen. If you are calling in and not using the Zoom webinar link, you may ask questions or make comments by pressing star 9 on your phone or using the "raise hand" function at the bottom of your phone screen. Please do not use the chat function. If any member of the public has issues submitting questions, please send an email to my email address which I will place in the chat. Please note all questions and comments received by email prior to this meeting or through the Q&A function will be included in today's meeting minutes. Also, prior to today's Public Session, the Board held an Executive Session at which the meeting agenda was reviewed and the process for taking public comment was also reviewed. Thank you.</p>	<p style="text-align: right;">Page 5</p> <p>executive director's report.</p> <p>MS. SAAH: The minutes, please.</p> <p>CHAIR FADULLON: Oh, the minutes. I missed the minutes. I got so excited. All right. Hopefully the Board has had a chance to review the minutes from the March 14 Land Bank Board meeting. If there's no questions or comments on those minutes, I will entertain a motion.</p> <p>MR. BALLOON: I move that we approve the minutes.</p> <p>MS. GONZALEZ: I second.</p> <p>CHAIR FADULLON: Motion has been made and properly seconded to approve the minutes from the March 14th Land Bank Board meeting. All in favor?</p> <p>(Chorus of ayes.)</p> <p>CHAIR FADULLON: Any opposed?</p> <p>(No response.)</p> <p>CHAIR FADULLON: All right. Minutes carry.</p> <p>MR. JOHNS: I recuse. I wasn't here.</p> <p>CHAIR FADULLON: Oh, you want to recuse because you weren't here. Note for the record that Board Member Johns recuses because he was not in attendance at the March meeting. Thank you.</p> <p>All right. Now we have the executive director's report.</p> <p>MR. RODRIGUEZ: Good morning, Board Members and</p>
<p style="text-align: right;">Page 4</p> <p>CHAIR FADULLON: Thank you, Andrea, and now we'll have roll call.</p> <p>MS. SAAH: Yes. Anne Fadullon?</p> <p>CHAIR FADULLON: Present.</p> <p>MS. SAAH: Andrew Goodman?</p> <p>MR. GOODMAN: Good morning. Present.</p> <p>MS. SAAH: Rick Sauer?</p> <p>MR. SAUER: I'm here.</p> <p>MS. SAAH: Alex Balloon?</p> <p>MR. BALLOON: I'm here.</p> <p>MS. SAAH: Rebecca Lopez Kriss?</p> <p>MS. LOPEZ KRISS: I'm here.</p> <p>MS. SAAH: Majeedah Rashid?</p> <p>MS. RASHID: Here.</p> <p>MS. SAAH: Michael Koonce?</p> <p>MR. KOONCE: Present.</p> <p>MS. SAAH: Maria Gonzales?</p> <p>MS. GONZALEZ: Present.</p> <p>MS. SAAH: Michael Johns?</p> <p>MR. JOHNS: Present.</p> <p>MS. SAAH: And let's see, who have I missed. Rich DeMarco, who is not present. Okay. Thank you. We have a quorum and can proceed.</p> <p>CHAIR FADULLON: Thank you. Next item we have is the</p>	<p style="text-align: right;">Page 6</p> <p>public. For the executive director's report, from last month to this month there hasn't been a change in the dispositions that have been reported last month, but I will say that in terms of progress on projects that we have already approved, we are seeing very fast development in South Philadelphia on Wharton Street, also in South Philadelphia in the First District.</p> <p>We hope to see projects on properties being completed hopefully by May, and have residents moving in. So we're really excited about that prospect, and as we move closer and farther ahead with getting our closings on the Turn the Key program.</p> <p>CHAIR FADULLON: Great. Thank you. And I also want to note for the record that we are now joined by Rich DeMarco.</p> <p>MS. SAAH: Yes.</p> <p>MR. DeMARCO: Good morning, everyone. Sorry.</p> <p>CHAIR FADULLON: Good morning. That's okay. We're going to move on to Section IV, administrative matters, and we're going to start with IV.A, which is an amendment, assignment and assumption.</p> <p>MS. SAAH: Yes. So this is coming back from the March Board meeting. I just wanted to note that Maria Gonzalez, our Board Member, has submitted a conflict disclosure letter</p>

<p style="text-align: right;">Page 7</p> <p>1 indicating that she will recuse herself from this matter</p> <p>2 because she is the president of HACE, which is the developer</p> <p>3 at issue with this resolution.</p> <p>4 MS. GONZALEZ: I'm recusing myself.</p> <p>5 CHAIR FADULLON: Thank you. We will see you shortly.</p> <p>6 MS. SAAH: Yes, hopefully very shortly. Okay.</p> <p>7 After that Board meeting, the staff of the Land Bank</p> <p>8 and someone with HACE Affordable Housing Corporation met</p> <p>9 many times to discuss the issues that the Land Bank was</p> <p>10 concerned about in the Good Lands Trust lease and documents.</p> <p>11 This was a request from HACE to transfer 19, 21, 23</p> <p>12 and 25 East Somerset Street and 3022 and 3026 North American</p> <p>13 Street and the homes built on those properties to the Good</p> <p>14 Lands Trust, which is a nonprofit corporation that is owned</p> <p>15 by HACE.</p> <p>16 And they also requested permission for the land trust</p> <p>17 to then sell only the homes to purchasers, leasing the land</p> <p>18 to the purchasers and thereby maintaining permanent</p> <p>19 affordability.</p> <p>20 And we indicated that that would require revisions to</p> <p>21 the Land Bank's Declaration of Restrictive Covenants</p> <p>22 governing the resale price, the affordability term, the Land</p> <p>23 Bank's first right of refusal, and the conditions under</p> <p>24 which the Declaration of Restrictive Covenants would</p>	<p style="text-align: right;">Page 9</p> <p>1 The resale price, the Land Trust agreed to include</p> <p>2 closing costs paid by the homeowner at their purchase of the</p> <p>3 home in the calculations of the resale value, so not just</p> <p>4 the original price of the home, what they paid out of pocket</p> <p>5 including the mortgage but also the closing costs which can</p> <p>6 be many thousands of dollars. So that was agreeable.</p> <p>7 Capital improvements, they retain the Land Trust</p> <p>8 provision in the resale value. And then with respect to a</p> <p>9 mortgage foreclosure, again, the Land Trust will give the</p> <p>10 Land Bank a power of attorney, and I'm sorry, I read power</p> <p>11 of authority but it's power of attorney which is a form of</p> <p>12 authority, to exercise the purchase option during the first</p> <p>13 30 years following the Land Bank's initial sale of the home.</p> <p>14 And again, that's if the Land Trust is unable to exercise</p> <p>15 the purchase option.</p> <p>16 Mortgage refinancing by the owner must be approved by</p> <p>17 the Land Trust. However, the Land Trust was willing to</p> <p>18 raise the amount, the total debt that can be refinanced from</p> <p>19 80 percent of loan to value ratio to 97 percent, and that</p> <p>20 was because many of the original mortgage -- the initial</p> <p>21 mortgage that the homeowner obtains is a 97 percent loan to</p> <p>22 value ratio, so they can refinance that to get a lower</p> <p>23 interest rate, which is really important considering the</p> <p>24 current interest rates for mortgages. Also, no adjustable</p>
<p style="text-align: right;">Page 8</p> <p>1 terminate.</p> <p>2 So we negotiated a number of terms. The details, the</p> <p>3 minor details are still being worked out, but we've reached</p> <p>4 agreement on many of these issues.</p> <p>5 So the ones where a change will occur in the Land</p> <p>6 Trust documents are:</p> <p>7 The lease payments are being reduced from \$30.00 to</p> <p>8 \$10.00 a month, and they indicated that that \$10.00 a month</p> <p>9 payment is a very important touch point, a way for them to</p> <p>10 connect with the homeowner on a monthly basis to identify</p> <p>11 any potential financial problems the homeowner may be facing.</p> <p>12 The property tax will still be paid on land and</p> <p>13 improvements by the homeowner, but the Land Bank has reached</p> <p>14 out to the Department of Revenue and we will reach out to</p> <p>15 the OPA to see what can be done to obtain a reduced</p> <p>16 assessment for the land that's held in a land trust and for</p> <p>17 homes with these permanent resale restrictions.</p> <p>18 The right of first refusal, the Land Trust will have</p> <p>19 the right of first refusal that will give the Land Bank the</p> <p>20 power of attorney to exercise the right of first refusal</p> <p>21 during the 30 years after the initial sale of the home if</p> <p>22 the Land Trust is unable to exercise that right. So we</p> <p>23 would be in second position and could preserve, could</p> <p>24 basically purchase back the home if we needed to.</p>	<p style="text-align: right;">Page 10</p> <p>1 rate mortgages will be allowed.</p> <p>2 Collateralization of land, the Land Trust and HACE</p> <p>3 will not be able to place a mortgage on land received from</p> <p>4 the Land Bank and held by the Land Trust.</p> <p>5 And then finally, with respect to the termination of</p> <p>6 the Declaration of Restrictive Covenant restrictions, in the</p> <p>7 event that the Land Trust or HACE for some reason go out of</p> <p>8 business, the Land Bank will have the authority to revert</p> <p>9 title to the land back to the Land Bank and to convey the</p> <p>10 land to the homeowners for nominal consideration.</p> <p>11 And this was a concern for us because past land trusts</p> <p>12 in Philadelphia have run into this issue where they went</p> <p>13 defunct, the homeowner only had title to the home, not to</p> <p>14 the land, and was unable to transfer title. No one was able</p> <p>15 to transfer to the land to the homeowner because the board</p> <p>16 was no longer in existence. So that was a really important</p> <p>17 provision for us and the Land Trust agreed to that.</p> <p>18 So based on that, the Staff is requesting the Board to</p> <p>19 approve this change to the project and to authorize changes</p> <p>20 to the PDA and to the Declaration of Restrictive Covenants.</p> <p>21 CHAIR FADULLON: Thank you, Andrea. I just want to</p> <p>22 say thank you to the staff from both the Land Bank and HACE</p> <p>23 for jumping on this and working on it. I know it was not an</p> <p>24 easy lift. I know it took a lot of work and a lot of</p>

BOARD MEETING
4/11/2023

5 (11 - 14)

<p style="text-align: right;">Page 11</p> <p>1 meetings and a lot of coordination, so I just want to</p> <p>2 acknowledge that and thank you all for getting to this</p> <p>3 point.</p> <p>4 With that, Rebecca, you have a question or comment?</p> <p>5 MS. LOPEZ KRISS: Yeah. So if the resolution on the</p> <p>6 taxes -- one potential resolution is that the OPA would</p> <p>7 split the parcel, that the land would have a parcel and the</p> <p>8 improvement would be a parcel. So in that case, the</p> <p>9 homeowner would still be responsible to pay the taxes on the</p> <p>10 parcel of the land?</p> <p>11 MS. SAAH: That is correct. The Land Trust was not</p> <p>12 willing to assume that payment responsibility. That --</p> <p>13 CHAIR FADULLON: Any other -- oh, sorry, go ahead,</p> <p>14 Andrea.</p> <p>15 MS. SAAH: That is why we are really going to work</p> <p>16 hard to find some, either an exemption or a reduced</p> <p>17 assessment, a willingness to reduce the assessment.</p> <p>18 MS. LOPEZ KRISS: Or, I mean, is there any way that</p> <p>19 those taxes paid can be built into the resale value somehow?</p> <p>20 I don't know, or consider the taxes paid on something,</p> <p>21 that's how -- into the resale formula?</p> <p>22 CHAIR FADULLON: I think that's the one final thing</p> <p>23 that has to be worked out, and I think there will be</p> <p>24 different things on the table there. Go ahead, Rick.</p>	<p style="text-align: right;">Page 13</p> <p>1 with a group in West Philadelphia who is looking to come in</p> <p>2 as a land trust, and we are having repeated meetings to talk</p> <p>3 about, these are key issues that we have to resolve.</p> <p>4 But I think we're pretty close, and this was really</p> <p>5 helpful in setting up a template moving forward for Land</p> <p>6 Trust.</p> <p>7 CHAIR FADULLON: Any other questions or comments from</p> <p>8 the Board?</p> <p>9 (No response.)</p> <p>10 CHAIR FADULLON: Andrea, did we receive anything in</p> <p>11 advance from the public on this item?</p> <p>12 MS. SAAH: We did not, no.</p> <p>13 CHAIR FADULLON: Okay. Thank you. I notice we do</p> <p>14 have a couple hands up, so again, we are talking about</p> <p>15 authorizing amendment assignment from HACE to their Land</p> <p>16 Trust and that's the item we're on. So can we un-mute</p> <p>17 Sophia Schmidt?</p> <p>18 (Pause.)</p> <p>19 CHAIR FADULLON: Go ahead, Ms. Schmidt. You should be</p> <p>20 able to un-mute yourself.</p> <p>21 MS. SCHMIDT: I'm sorry, I think I accidentally hit</p> <p>22 the "raise hand" button.</p> <p>23 CHAIR FADULLON: Okay. Thank you for that comment.</p> <p>24 Next we have Francis Henriquez. Mr. Henriquez or Ms.</p>
<p style="text-align: right;">Page 12</p> <p>1 MR. SAUER: Yeah, just one follow-up question. This</p> <p>2 was certainly a special case, but I think some of the</p> <p>3 discussions at the end, we need to have a longer term</p> <p>4 solution for disposition of properties to community land</p> <p>5 trust for homeownership or other purposes in the future.</p> <p>6 Do we think the changes you made to the PDA and the</p> <p>7 other agreements provide a template for future projects now</p> <p>8 and those could be resolved more quickly?</p> <p>9 MR. RODRIGUEZ: Yeah, I think that's a good point and</p> <p>10 thanks for bringing that up, Rick. Yes, so the difference,</p> <p>11 the big difference here is that this was disposed as a</p> <p>12 normal disposition, and in the middle of the development</p> <p>13 phase an amendment was requested.</p> <p>14 In the future, if somebody elects to do a land trust,</p> <p>15 we would have a different set of requests, and also we would</p> <p>16 also set certain terms and limits that, hey, we need to talk</p> <p>17 to you about, what's your long-term lease look like, what</p> <p>18 are the fees, much like how we look at, say somebody wants</p> <p>19 to do, you know, multi-family development and there's an</p> <p>20 HOA. You know, what does the HOA agreement look like, what</p> <p>21 are the requirements to the homebuyer in those situations.</p> <p>22 And we are putting that list together to synthesize</p> <p>23 that. I think it will be a lot easier for any other group</p> <p>24 coming in to do that, and we have been talking extensively</p>	<p style="text-align: right;">Page 14</p> <p>1 Henriquez, you should be able to un-mute yourself.</p> <p>2 (Pause.)</p> <p>3 CHAIR FADULLON: All right. Unfortunately, we don't</p> <p>4 seem to be able to hear from Francis Henriquez. Francis,</p> <p>5 maybe you could put your question in the Q&A.</p> <p>6 It looks like the hand has gone down. All right. So</p> <p>7 with that, I will call the question. Again, the staff</p> <p>8 recommendation is to approve the amendment, assignment, and</p> <p>9 assumption of the developer obligations under the Purchase</p> <p>10 and Development Agreement and amendment of the Declaration</p> <p>11 of Restrictive Covenants.</p> <p>12 MR. KOONCE: Motion to approve.</p> <p>13 MR. BALLOON: Second.</p> <p>14 CHAIR FADULLON: Motion has been made and properly</p> <p>15 seconded to approve this amendment, assignment, and</p> <p>16 assumption. All in favor?</p> <p>17 (Chorus of ayes.)</p> <p>18 CHAIR FADULLON: Any opposed?</p> <p>19 (No response.)</p> <p>20 CHAIR FADULLON: All right. Motion carries.</p> <p>21 That brings us to Item IV.B. We are going to take</p> <p>22 Item IV.B.1 and Item IV.B.2 together because they are both</p> <p>23 interagency transfers.</p> <p>24 MR. LAWRENCE: Thank you, and good morning, Board.</p>

BOARD MEETING
4/11/2023

6 (15 - 18)

<p style="text-align: right;">Page 15</p> <p>1 Today we're presenting Item IV.B, as Anne said, together.</p> <p>2 These administrative items are pertaining to an interagency</p> <p>3 transfer, one of which, IV.B.1, is pertaining to the</p> <p>4 transfer of city-owned properties, PRA owned properties and</p> <p>5 Land Bank owned properties to PHA for their management,</p> <p>6 reuse and disposition for future housing development.</p> <p>7 That one pertains to properties that are in the Fifth</p> <p>8 District. They are located at 3230 to 38 Diamond Street,</p> <p>9 3030, 3030 (sic), 3012, 3013, 3014, 3015, 3108, 3110, 3112,</p> <p>10 3200, 3202, 3204, 3206, 3214, 3222 W. York Street; also in</p> <p>11 the Fifth District, 2338, 2340, 2408, 2410, 2412, 2500 N.</p> <p>12 31st Street; and also, 2401 and 2549-1/2 which is also known</p> <p>13 as 2551 N. 32nd Street. That pertains to Item IV.B. 1.</p> <p>14 Item IV.B.2 again is also interagency transfer for</p> <p>15 properties that are also owned by the City, PRA, and the</p> <p>16 Land Bank, ultimately to PHA -- I'm sorry, PHDC for the</p> <p>17 conveyance of those properties, for the management on their</p> <p>18 end. Those properties are being moved for future affordable</p> <p>19 housing development and also one property pertaining for the</p> <p>20 preservation of a community garden.</p> <p>21 Those properties are located in the Fifth District and</p> <p>22 one in the Seventh District. Those in the Fifth are 2268</p> <p>23 Cadwallader Street; 3104, 3106, 3107, 3108, 3110, 3115 Cecil</p> <p>24 B. Moore Avenue; 3003, 3009, 3011 and also 3029 and 3100</p>	<p style="text-align: right;">Page 17</p> <p>1 (Pause.)</p> <p>2 CHAIR FADULLON: Ms. Black, you should be able to un-</p> <p>3 mute yourself.</p> <p>4 (Pause.)</p> <p>5 CHAIR FADULLON: It looks like we may have Francis</p> <p>6 Henriquez un-muted. Francis, you can go ahead and give your</p> <p>7 comment.</p> <p>8 MS. HENRIQUEZ: Hi. I'm not sure if I'm going to --</p> <p>9 it's not about that one. It's just, I submitted an</p> <p>10 application and I just wanted to see the status. I am not</p> <p>11 sure if I am in the right chat. I have two addresses.</p> <p>12 CHAIR FADULLON: Okay. We're going to put the</p> <p>13 information to contact staff in the chat so that you can</p> <p>14 reach out to them about the applications and find out the</p> <p>15 status, okay?</p> <p>16 MS. HENRIQUEZ: Okay.</p> <p>17 CHAIR FADULLON: Thank you.</p> <p>18 MS. HENRIQUEZ: Thank you.</p> <p>19 CHAIR FADULLON: And Lynda Black, please.</p> <p>20 MS. BLACK: Yes. Thank you. I was just able to un-</p> <p>21 mute myself. My apologies. My question is about 2203 North</p> <p>22 Delhi Street and 915 West Susquehanna Street.</p> <p>23 For 915 West Susquehanna Street, in 2021, I submitted</p> <p>24 a request about a tree that is on 915 West Susquehanna that</p>
<p style="text-align: right;">Page 16</p> <p>1 Clifford Street; 926, 928, 932 W. Dakota Street; 902, 903,</p> <p>2 907, 909, 925 W. Dauphin Street; 2203, 2248 N. Delhi Street;</p> <p>3 2232, 2235, 2245, 2248 N. Franklin Street; 2253, 2257, 2259,</p> <p>4 2261, 2263, 2332 Germantown Avenue; also, 2312 and 2314 N.</p> <p>5 Marshall Street; 3109 Morse Street; 911, 913, 915 W.</p> <p>6 Susquehanna Avenue; 2224, 2301, 2303, 2305, 2234, 2236, 2238</p> <p>7 N. 7th Street; 1709 to 11, 1713, 1717, 1719, 1721, 1727,</p> <p>8 1729, 1731, 1717 to 31 Rear, 1741, 1748, 1749 to 51, 1750,</p> <p>9 1752, 1753, 1754 to 56, 1755, 1757, 1759, 1801, 1802 to 10,</p> <p>10 1814 to 22, 1819, 1821, 1825, 1827, 1829 to 37, 1841 to 43,</p> <p>11 all on N. 31st Street; and finally, 1934 North Lawrence</p> <p>12 Street in the Seventh District, again, those last set of</p> <p>13 properties pertaining to a transfer to PHDC from the Land</p> <p>14 Bank. Thank you.</p> <p>15 CHAIR FADULLON: Thank you, Jessie. Any question on</p> <p>16 this item from the Land Bank Board?</p> <p>17 (No response.)</p> <p>18 CHAIR FADULLON: Andrea, have you received any</p> <p>19 comments from members of the public in advance of the</p> <p>20 meeting regarding this item?</p> <p>21 MS. SAAH: I have not.</p> <p>22 CHAIR FADULLON: All right. It looks like we have a</p> <p>23 couple hands up again on this item from members of the</p> <p>24 public. Let's start with Lynda Black.</p>	<p style="text-align: right;">Page 18</p> <p>1 has been impacting my property, and I have not received any</p> <p>2 success in having anyone address the tree, remove the tree,</p> <p>3 or get back to me about the status of my request for the</p> <p>4 removal of the tree. So I'm curious about that, given that</p> <p>5 that is a property that was just mentioned on the agenda.</p> <p>6 I'm also curious about 2203 North Delhi Street, and</p> <p>7 actually also 911 and 913, I think it is, Susquehanna. Are</p> <p>8 those properties currently under some sort of agreement for</p> <p>9 development? So those are two questions.</p> <p>10 CHAIR FADULLON: So I think all of those have to do</p> <p>11 with Item V.A, and I'm not seeing any of those addresses</p> <p>12 listed.</p> <p>13 MS. BLACK: They were just mentioned under IV.B.</p> <p>14 MS. SAAH: They are part of the transfer to PHDC.</p> <p>15 CHAIR FADULLON: Oh, okay, I'm sorry. I'm trying to</p> <p>16 look through and I didn't see them. Okay. Do we have</p> <p>17 answers to those questions? And I apologize for not seeing</p> <p>18 them.</p> <p>19 MR. RODRIGUEZ: So first, Can I get that addition</p> <p>20 again where the tree is located?</p> <p>21 MS. BLACK: 915 West Susquehanna. I sent an email to</p> <p>22 you in June of 2021. And I sent other emails since then.</p> <p>23 MR. RODRIGUEZ: I will talk to our project management</p> <p>24 team about that. The transfers of properties to PHDC are</p>

<p style="text-align: right;">Page 19</p> <p>1 for the development of affordable housing. Those affordable</p> <p>2 houses will be at 80 percent of AMI or 100 percent of AMI,</p> <p>3 they will be developed in partnership between PHA and PHDC.</p> <p>4 MS. BLACK: So they're currently not -- so there is an</p> <p>5 agreement, obviously there is an agreement to develop them.</p> <p>6 Is there any sense as to when those properties might be</p> <p>7 developed?</p> <p>8 MR. RODRIGUEZ: Well, after the transfer is done, then</p> <p>9 there will be a request for proposal issued by PHA to</p> <p>10 identify developers for that development.</p> <p>11 MS. BLACK: And will the public have opportunity to</p> <p>12 comment?</p> <p>13 MR. RODRIGUEZ: I believe so. In the PHA process,</p> <p>14 when they issue RFPs, there is a public comment situation.</p> <p>15 MS. BLACK: Thank you very much.</p> <p>16 CHAIR FADULLON: Thank you, Ms. Black.</p> <p>17 MS. BLACK: I --</p> <p>18 CHAIR FADULLON: Next, we -- oh, do you have another</p> <p>19 one?</p> <p>20 MS. BLACK: No.</p> <p>21 CHAIR FADULLON: Okay. Thanks. Sorry. Didn't mean</p> <p>22 to cut you off. Next we have Marcos Lomeli. Go ahead,</p> <p>23 please.</p> <p>24 (Pause.)</p>	<p style="text-align: right;">Page 21</p> <p>1 been able to get from the Land Bank how to get in there with</p> <p>2 them. We've had funders. We just haven't been able to get</p> <p>3 clarity on who owns it so it can be purchased.</p> <p>4 MR. RODRIGUEZ: So that property, just so the Board is</p> <p>5 aware, that is not a property that's under identified for</p> <p>6 transfer and not a part of this agenda item.</p> <p>7 I will say that we did receive your email. We were</p> <p>8 looking into the status of it, because currently it is a</p> <p>9 city-owned property, and we were reaching out to the Council</p> <p>10 office to get clarity as to what the end use would be.</p> <p>11 We do have your email. Once we get that clarity, we</p> <p>12 will reach out to you. But currently it's not in the Land</p> <p>13 Bank's inventory, and I know there was some -- you know,</p> <p>14 there were conversations about PHA developing it, but that</p> <p>15 is not on this agenda item. But we can follow up with you</p> <p>16 as to what will happen.</p> <p>17 A SIMPLE LIFE: Thank you.</p> <p>18 CHAIR FADULLON: Thank you. And it looks like Marcos</p> <p>19 Lomeli was able to put his question in the chat, so I'm</p> <p>20 going to read them and see if we can answer it.</p> <p>21 So the question is, what are the procedural reasons</p> <p>22 for the transfer for PHA and PHDC? Why is transfer to these</p> <p>23 other agencies the smartest way to dispose of these</p> <p>24 properties for affordable development?</p>
<p style="text-align: right;">Page 20</p> <p>1 CHAIR FADULLON: Mr. Lomeli, I believe you're un-muted</p> <p>2 and you can provide your comment.</p> <p>3 (Pause.)</p> <p>4 CHAIR FADULLON: Mr. Lomeli?</p> <p>5 (No response.)</p> <p>6 CHAIR FADULLON: You just muted yourself again. Okay.</p> <p>7 You're un-muted now. We should be able to hear you.</p> <p>8 (Pause.)</p> <p>9 CHAIR FADULLON: All right. We seem to be having some</p> <p>10 technical difficulty with Mr. Lomeli. I apologize. Perhaps</p> <p>11 you could put your question in the Q&A, and let's go to A</p> <p>12 Simple Life.</p> <p>13 A SIMPLE LIFE: Hi. I'm calling about 2216 through</p> <p>14 2240 North Ninth Street. We've been working with PHA and my</p> <p>15 neighbor is going to petition that she's communicating with</p> <p>16 Clarke. She got a verbal that he would keep it as a clean</p> <p>17 space. It's almost an acre. It's unique and in the</p> <p>18 presence of being surrounded by all this gentrification,</p> <p>19 we're trying to keep it for the community here.</p> <p>20 And so I'm here, and I've been planting trees for</p> <p>21 almost 20 years here, and I don't know what the next step</p> <p>22 is, so I'm not sure what we're doing in this next process</p> <p>23 with that or what the status is. And we've been talking to</p> <p>24 Trust for Public Land for more than a decade and we haven't</p>	<p style="text-align: right;">Page 22</p> <p>1 MR. RODRIGUEZ: So the purpose of this transfer was</p> <p>2 to, PHA is trying to develop homeownership opportunities</p> <p>3 for their population. The easiest situation was, instead of</p> <p>4 having to do an agreement with the Land Bank, allowing them</p> <p>5 to RFP our land while it's titled to us, was to transfer it</p> <p>6 to PHDC to effect the terms of the agreement that they had</p> <p>7 set forth.</p> <p>8 So that's why it was chosen to transfer it out to</p> <p>9 PHDC, so they could facilitate a partnership with PHA for</p> <p>10 affordable housing development.</p> <p>11 CHAIR FADULLON: Thank you. All right. Those are the</p> <p>12 public comments we have, so unless the Board has other</p> <p>13 questions or comments, I will entertain a motion.</p> <p>14 MS. GONZALEZ: Hi, Anne. I just have a question. So</p> <p>15 I know that we have a long list of properties that are going</p> <p>16 to be transferred, and the proposal is for affordable</p> <p>17 housing and also for land and garden space, and you know, it</p> <p>18 doesn't denote which property will be for which.</p> <p>19 And I just wanted to ask the staff, what would be the</p> <p>20 process for PHDC to seek public comment from the community</p> <p>21 after the transfer goes through?</p> <p>22 MR. RODRIGUEZ: So as I stated before, the property</p> <p>23 that is being -- Jessie, correct me if I'm wrong -- it would</p> <p>24 be the Lawrence Street property?</p>

<p>Page 23</p> <p>1 MR. LAWRENCE: That's correct. That's the one that's</p> <p>2 earmarked for community garden preservation. All the rest</p> <p>3 is for affordable housing.</p> <p>4 MR. RODRIGUEZ: Right. So the first batch is going to</p> <p>5 a 4 percent LIHTC project where the community has already</p> <p>6 had extensive communications with the developer and with</p> <p>7 PHA. There is a CBA in place. This has been presented to</p> <p>8 the Board a couple of years ago, and had been tabled</p> <p>9 numerous times.</p> <p>10 So at this point, an agreement has been met with the</p> <p>11 community and that's why we're moving forward with this</p> <p>12 transfer. So the community has already been heard and there</p> <p>13 have been extensive meetings.</p> <p>14 But the second batch with PHDC, PHA will be issuing</p> <p>15 RFQs and in that process there is a community engagement</p> <p>16 piece that they go through.</p> <p>17 CHAIR FADULLON: And all of these would be heard at</p> <p>18 the PHA Board meetings, which are public as well.</p> <p>19 MS. GONZALEZ: Thank you.</p> <p>20 CHAIR FADULLON: All right. Any other questions or</p> <p>21 comments from the Board?</p> <p>22 (No response.)</p> <p>23 CHAIR FADULLON: Seeing none, can I get a motion on</p> <p>24 these interagency transfers?</p>	<p>Page 25</p> <p>1 Pursuant to that approval, BVG was approved for the</p> <p>2 scope that included eight affordable single-family units</p> <p>3 which would be sold to homebuyers at or below 80 percent of</p> <p>4 AMI. The rest of the five units will be sold for market</p> <p>5 rate.</p> <p>6 After the properties were sold to BVG on December 15,</p> <p>7 2022, BVG conducted a geotechnical investigation which</p> <p>8 commenced construction, prior to commencing construction.</p> <p>9 That resulting report confirmed that there were unfavorable</p> <p>10 conditions for construction as proposed, and the developers</p> <p>11 incurred increased development costs associated with soil</p> <p>12 remediation and reinforced foundation systems.</p> <p>13 As a result, BVG has requested a \$25,000 increase to</p> <p>14 that particular maximum sale price for that approved</p> <p>15 disposition. So again, for that particular item, the Board</p> <p>16 is requested to approve an amendment that will raise the</p> <p>17 maximum sales price of eight affordable units from \$254,999</p> <p>18 to \$274,999, and the amendment will also approve the</p> <p>19 increase of an AMI level for those eight affordable units</p> <p>20 from 80 percent to 100 percent of AMI so that they still</p> <p>21 remain eligible for the Turn the Key program.</p> <p>22 All other terms of that sale will remain the same in</p> <p>23 regards to economic opportunity applicability and the</p> <p>24 Declaration of Restrictive Covenants for 15 year period for</p>
<p>Page 24</p> <p>1 MR. JOHNS: Motion to approve the interagency</p> <p>2 transfers.</p> <p>3 MS. GONZALEZ: Second.</p> <p>4 CHAIR FADULLON: Motion has been made and properly</p> <p>5 seconded to approve the interagency transfers. All in</p> <p>6 favor?</p> <p>7 (Chorus of ayes.)</p> <p>8 CHAIR FADULLON: Any opposed?</p> <p>9 (No response.)</p> <p>10 CHAIR FADULLON: All right. That carries. And that</p> <p>11 brings us to Item IV.C. And again, these are all amendments</p> <p>12 to already approved dispositions, so we're going to take</p> <p>13 these all as one item as well.</p> <p>14 MR. GOODMAN: Madam Chair, quick note. I'll be</p> <p>15 recusing myself for this agenda item.</p> <p>16 CHAIR FADULLON: Thank you. Note for the record that</p> <p>17 Board Member Goodman is recusing himself.</p> <p>18 MR. LAWRENCE: Thanks again, Anne. So Item IV.C is in</p> <p>19 regards to amendments to approved dispositions. Item 1</p> <p>20 under IV.C is in regard to Resolution No. 2022-14, which was</p> <p>21 approved by the Board in July of last year. That resolution</p> <p>22 approved BVG Property Group as the developer of 13 mixed-</p> <p>23 income single-family homeownership homes and units in South</p> <p>24 Philadelphia in the First District.</p>	<p>Page 26</p> <p>1 income verification.</p> <p>2 Item IV.C.2 is also an item that was approved for BVG</p> <p>3 in July of 2022, Resolution No. 2022-15. Again, they were</p> <p>4 approved for the development of 19 mixed income single-</p> <p>5 family -- mixed income homeownership units in Port Richmond,</p> <p>6 also in the First District.</p> <p>7 Pursuant to that approval, just like the previous one,</p> <p>8 the scope was approved for 12 affordable homes in the 19</p> <p>9 units, and those 12 affordable homes will be sold to 80</p> <p>10 percent of AMI or lower for target household incomes. The</p> <p>11 remaining seven will be sold for market rate.</p> <p>12 Like the other item, BVG purchased the properties on</p> <p>13 December 15, 2022. They conducted a geotech investigation.</p> <p>14 The resultant report also confirmed unfavorable conditions</p> <p>15 for the construction as proposed and they have now requested</p> <p>16 an increase to offset the increased development costs</p> <p>17 associated with the soil remediation and reinforced</p> <p>18 foundation systems on that project as well.</p> <p>19 This particular item, BVG is requesting a \$10,000</p> <p>20 increase for the sale price of each affordable home.</p> <p>21 Therefore, the amendment will raise the maximum price for</p> <p>22 the 12 affordable homes from \$254,999 to \$264,999, and it</p> <p>23 will also increase the AMI level of those 12 units from 80</p> <p>24 percent of AMI to 90 percent of AMI, still allowing it to</p>

<p style="text-align: right;">Page 27</p> <p>1 qualify for the Turn the Key program.</p> <p>2 All other sales terms remain the same. They will</p> <p>3 still remain subject to economic plan and a Declaration of</p> <p>4 Restrictive Covenants and 15 year term will still apply.</p> <p>5 Item IV.C.3 is for a different group. It's in regards</p> <p>6 to a resolution that passed for 2022, September 2022,</p> <p>7 Resolution No. 2022-30. That resolution approved the</p> <p>8 developer, West NoMa Revitalization Group, to rehab seven</p> <p>9 existing two- and three-story homes in West Philadelphia,</p> <p>10 Third District, and two single-family homes that will be</p> <p>11 sold for \$195,000 to households at or below 80 percent of</p> <p>12 AMI. Each of those units contain three bedrooms and one and</p> <p>13 a half bathrooms.</p> <p>14 This is a particular sale that is not completed yet.</p> <p>15 Prior to completing that disposition, the developer gained</p> <p>16 access into the structures and they are now aware of</p> <p>17 significant structural issues that need to be addressed in</p> <p>18 each.</p> <p>19 The unanticipated higher renovation costs in addition</p> <p>20 to overall increase in labor and materials and trades,</p> <p>21 financing costs associated with rising interest rates,</p> <p>22 they've all led to a budget increase of about \$20,000 per</p> <p>23 property for the applicant.</p> <p>24 As a result, they've requested an increase in the</p>	<p style="text-align: right;">Page 29</p> <p>1 that he had conflict of interest, and because we were taking</p> <p>2 all three of these items as a consent agenda item, he</p> <p>3 recused himself from all three.</p> <p>4 CHAIR FADULLON: Right. Thank you.</p> <p>5 And recognize Rick Sauer.</p> <p>6 MR. SAUER: Thank you, Madam Chair. So I understand</p> <p>7 why the request to increase the sales price to cover the</p> <p>8 additional costs to either remediate the land issue or</p> <p>9 increased construction costs. I don't quite understand for</p> <p>10 C.1 and C.2 why the AMI is being changed.</p> <p>11 I mean, to qualify for Turn the Key you just need to</p> <p>12 below 100 percent of AMI, so I don't know why it has to go</p> <p>13 up from 80 to 90 percent of AMI to qualify, or is it the</p> <p>14 issue that the unit now selling for \$274,999 is no longer</p> <p>15 affordable to someone at 80 percent of AMI, and thus we need</p> <p>16 to increase the bandwidth of who qualifies for those units?</p> <p>17 What's the rationale for increasing the AMI for those two</p> <p>18 projects?</p> <p>19 MR. RODRIGUEZ: So if you'll look, typically when the</p> <p>20 Land Bank has posted, what RFPs we've issued, the vast</p> <p>21 majority, like say in the Fifth District, would be 100</p> <p>22 percent of AMI with a max sales price at \$280,000, not that</p> <p>23 every homebuyer will be at 100 percent, but it's the outer</p> <p>24 limit, and that's why we were looking at -- that's why we</p>
<p style="text-align: right;">Page 28</p> <p>1 sales price of each home equal to that amount so that the</p> <p>2 project remains feasible.</p> <p>3 So today, that resolution, that amended resolution for</p> <p>4 Item IV.C.3 will actually allow for the increase of the</p> <p>5 maximum sales price of the seven 80 percent of AMI homes</p> <p>6 from \$195,000 to \$215,000. They'll also extend the minimum</p> <p>7 affordability compliance unit. The previous approval</p> <p>8 approved for ten years of a compliance period. That</p> <p>9 compliance period will be extended to 15 years per the</p> <p>10 approval of this particular amendment to ensure that the</p> <p>11 units are actually eligible for the Turn the Key program.</p> <p>12 All other terms will remain the same. All these</p> <p>13 applicants remain in compliance with the City of</p> <p>14 Philadelphia's -- are in good standing with the City of</p> <p>15 Philadelphia, and again, all terms will remain the same for</p> <p>16 each one of those outside of the ones described here.</p> <p>17 CHAIR FADULLON: Thank you, Jessie. And before we</p> <p>18 proceed, I need to allow Andrea to explain why Andrew</p> <p>19 Goodman needed to recuse himself.</p> <p>20 MS. SAAH: Yes. I just wanted to explain to folks</p> <p>21 that because he works in the Third Council District's</p> <p>22 office, he provided assistance to West NoMa Revitalization</p> <p>23 when they first submitted their appreciation just in terms</p> <p>24 of how to complete the application, and he therefore felt</p>	<p style="text-align: right;">Page 30</p> <p>1 had discussed increasing the AMI on those properties.</p> <p>2 And for the others, because of the increased pricing</p> <p>3 to \$264,000, we upped the AMI. Again, that does not mean</p> <p>4 that, you know, the people who would qualify to enter into</p> <p>5 that property would be 90, but it just gives a wider margin</p> <p>6 for compliance.</p> <p>7 MR. SAUER: Well, it seems like when the projects</p> <p>8 initially came before the Board, they were approved for sale</p> <p>9 at 80 percent of AMI, so the initial decision was based on</p> <p>10 that, and now we're increasing the eligibility of the units,</p> <p>11 who they can be affordable to.</p> <p>12 I understand that doesn't mean that's who, someone at</p> <p>13 90 percent of AMI would buy it versus someone at 100 percent</p> <p>14 of AMI versus 80, but that does provide some concern for me.</p> <p>15 If it's not a matter of the fact that someone at 80</p> <p>16 percent of AMI could not afford a \$275,000 house, I still</p> <p>17 don't quite understand the need to increase the AMI</p> <p>18 eligibility.</p> <p>19 CHAIR FADULLON: I'm sorry. Everybody all of a sudden</p> <p>20 was bouncing through the screen. Maria, go ahead.</p> <p>21 MS. GONZALEZ: Thank you, Chairperson.</p> <p>22 So I just have a question. Related to, just to get it</p> <p>23 straight, Turn the Key program, let's say it's a unit that,</p> <p>24 hypothetical, the one that was increased from \$195,000 to</p>

BOARD MEETING
4/11/2023

10 (31 - 34)

<p>Page 31</p> <p>1 \$215,000, so if they're eligible for Turn the Key subsidy, 2 would that reduce further the sales price of \$215,000 to a 3 lower amount?</p> <p>4 MR. RODRIGUEZ: Correct.</p> <p>5 MS. GONZALEZ: Okay.</p> <p>6 CHAIR FADULLON: So up to \$75,000 lower.</p> <p>7 MR. RODRIGUEZ: Correct.</p> <p>8 MS. GONZALEZ: Up to \$75,000, right, to make it 9 affordable to a lower income household.</p> <p>10 MR. RODRIGUEZ: Correct.</p> <p>11 MS. GONZALEZ: Right. So I think that, you know, 12 along with the previous question, I think it will make sense 13 if those units that were eligible for Turn the Key would be 14 targeted to lower income households because that's what, you 15 know, it was designed for.</p> <p>16 CHAIR FADULLON: So I think there's a clarifying point 17 here, right. Turn the Key is a subsidy to the homebuyer, 18 and so these units are eligible for a homebuyer to buy them 19 and get Turn the Key subsidy, but it's not 100 percent of a 20 guarantee, right.</p> <p>21 So for example, I'm just going to round up. So for 22 the first one, where now the house price has to be \$275,000 23 in order to cover the costs, it could potentially be brought 24 down to as low as \$200,000 and affordable to a lower income,</p>	<p>Page 33</p> <p>1 greater participation on the lower-income households in the 2 purchase of those units.</p> <p>3 CHAIR FADULLON: Yeah. And again, I think what 4 happens here is that because we approve developments for 5 Turn the Key, it's sort of a misnomer, right, because the 6 development doesn't get Turn the Key money. It's really the 7 homebuyer that gets it, and so I think that it's confusing. 8 Michael Johns?</p> <p>9 MR. JOHNS: Yes. So to Rick's points and to Maria's 10 point too, I guess I'm having a hard time with changing the 11 AMI since it was originally approved at 80 percent.</p> <p>12 And I understand the reasoning that it's 90 percent, 13 but the effect of these units really being affordable is 14 always, is just a real concern because if you look at the 15 AMI at 80 percent -- not our fault because it's not just 16 Philadelphia -- is like \$84,000 for a family of four.</p> <p>17 And it really starts to, if that number moves up to 90 18 percent and that number moves up to 100 percent of AMI, you 19 talk about affordable housing now being the gentrifying 20 housing in these neighborhoods.</p> <p>21 So it's tough to agree with that shift from 80 percent 22 to 90 percent. That's really --</p> <p>23 CHAIR FADULLON: And I think that's a concern, right, 24 as we see construction costs go up, interest rates, all of</p>
<p>Page 32</p> <p>1 but if a buyer like that can't be identified or for whatever 2 reason, it still could be sold for the \$275,000 price which 3 again, if someone at 80 percent of AMI could qualify for a 4 mortgage and buy that house, they certainly could.</p> <p>5 But I believe that the reason the AMIs were increased 6 is because \$275,000 is not necessarily affordable to someone 7 at 80 percent, spending only 30 percent of their income, 8 etcetera, but would be affordable to somebody at 100 percent 9 of AMI. So I think that's what's happening.</p> <p>10 MS. GONZALEZ: Right.</p> <p>11 MR. RODRIGUEZ: There's also a concern, like there's 12 another portion to this, is the front construction 13 financing. So the terms with increased costs in this 14 climate, construction financing also shifts. So if your 15 development costs are going up, that also impacts on the 16 financing of the development.</p> <p>17 MS. GONZALEZ: No, and I fully understand that and 18 appreciate that. Trust me, we go through that every day, 19 and I fully can appreciate that, especially during these 20 times. I was just, you know, questioning as to, you know, 21 if maybe there would be a set-aside for lower-income 22 households so that there's, you know, more equity, 23 especially in neighborhoods that are, you know, seeing a lot 24 of development, that there's a variety of income levels and</p>	<p>Page 34</p> <p>1 that, because again, we are not necessarily putting subsidy 2 into the development.</p> <p>3 MR. JOHNS: Right.</p> <p>4 CHAIR FADULLON: So it costs what it costs to build 5 these units. We're not putting any subsidy in, and I think, 6 yeah, that's something that we've got to keep our eye on. I 7 agree with those comments. We don't want to get it to the 8 point where these are beyond really truly market rate units 9 as opposed to affidavit units.</p> <p>10 But again, what makes these affordable is if the 11 homebuyer is able to access Turn the Key. And again, I 12 think that's why there's confusion, because the Turn the Key 13 money is not provided to the developer. It's provided to 14 the homeowner.</p> <p>15 MR. JOHNS: And I won't belabor this, but does -- and 16 I can't remember, probably we spoke about this before -- 17 does the developer have an obligation to outreach to the 18 list of individuals on the Turn the Key?</p> <p>19 MR. RODRIGUEZ: We do the marketing. Just so 20 everybody on the Board is clear, the way our development 21 contract is is that they have to accept our referrals. So 22 we, PHDC and Land Management, are qualifying the city 23 employees and non-city employees, and the developer has to 24 work with those homebuyers for compliance periods.</p>

<p>Page 35</p> <p>1 They're not able to market on their own or solicit</p> <p>2 their own buyers. They have to accept our referrals of</p> <p>3 qualified homebuyers.</p> <p>4 MR. JOHNS: Thanks.</p> <p>5 CHAIR FADULLON: Rick, do you have another question?</p> <p>6 MR. SAUER: Yeah, just a quick comment. So if the</p> <p>7 assumption here is that the homebuyer will be getting the</p> <p>8 Turn the Key subsidy, in essence bringing the sales price</p> <p>9 possibly down to \$200,000 at the most, I would think that</p> <p>10 people at 80 percent of AMI, there would be enough people at</p> <p>11 80 percent of AMI that would still qualify for that versus</p> <p>12 the need to boost the threshold.</p> <p>13 CHAIR FADULLON: Any other comment from the Board?</p> <p>14 (No response.)</p> <p>15 CHAIR FADULLON: Andrea, did we receive any comments</p> <p>16 from the public prior to the Board meeting?</p> <p>17 MS. SAAH: No, not regarding any of these amendments.</p> <p>18 CHAIR FADULLON: Okay. It looks like we have one hand</p> <p>19 up from the public. Can we un-mute Rachael Pritzker? Oh,</p> <p>20 and we have another one. Okay. Rachael Pritzker.</p> <p>21 MS. PRITZKER: Good morning, everybody. I just wanted</p> <p>22 to just quickly mention that in this situation for BVG, it's</p> <p>23 just unique because unfortunately given, you know, the</p> <p>24 liability concerns the city has around allowing people to do</p>	<p>Page 37</p> <p>1 appreciate the understanding of that.</p> <p>2 CHAIR FADULLON: Thank you. Thank you for those</p> <p>3 comments. Next we have Jihad Ali.</p> <p>4 MR. ALI: Hello. Good afternoon, members of the Board</p> <p>5 and Madam Chairperson. Just listening to the comments, the</p> <p>6 only -- I didn't really have a problem with the raising the</p> <p>7 price, the AMI, because I thought somewhere along the line,</p> <p>8 I know when I looked at marketing, we were talking about</p> <p>9 police officers and teachers.</p> <p>10 Now, you know, I'm still trying to see how that</p> <p>11 happened, but you know, in my mind, you know, I try to get</p> <p>12 over the fact that not all black people are low-income. So,</p> <p>13 you know, I don't think police officers are considered low-</p> <p>14 income and I don't think firefighters are considered low-</p> <p>15 income, so you know, some of that marketing is to them. So,</p> <p>16 you know, as a former police officer, I'm sensitive to that.</p> <p>17 And so I don't see that as a problem.</p> <p>18 I do think that, you know, listening from everything</p> <p>19 that I heard today, I do think that maybe the agency should</p> <p>20 start to look at, see how you can assist the other, the</p> <p>21 IV.C.3 developer more because they seem to be more in tune</p> <p>22 to really making affordability for the lower tier income.</p> <p>23 So I don't have a problem with that, but what I do</p> <p>24 have an issue with, when your staff member said that</p>
<p>Page 36</p> <p>1 geotechnical on their sites before disposition, you kind of</p> <p>2 don't know some of the conditions that you're meeting.</p> <p>3 So the intent is not to not meet the AMI or the</p> <p>4 affordability. That is always the intent. However, you</p> <p>5 know, as you all know with development, you kind of get into</p> <p>6 these situations where we have to account for soil and site</p> <p>7 conditions that we don't have the ability to discover ahead</p> <p>8 of time.</p> <p>9 So this isn't a function of just, we want to make more</p> <p>10 money. We just don't want to be in the red. And so that's</p> <p>11 where we're at. If there is a way that the Board could</p> <p>12 explore some flexibility around that earlier in the process,</p> <p>13 I think it would help avoid some of this, but it just so</p> <p>14 happened that that was the soil and the sites.</p> <p>15 We have our engineer as well in the event that anybody</p> <p>16 had specific questions, and did provide detail reports and</p> <p>17 information so it was really clear that this was not just an</p> <p>18 interest rate issue or a financing, this is a site condition</p> <p>19 issue. So I just wanted to make that clear and definitely</p> <p>20 take to heart all the comments on affordability.</p> <p>21 That was our intention, as was the developer's. We</p> <p>22 just, I know that the intention of this program is not to</p> <p>23 have people be in the negative and/or not be able to do this</p> <p>24 or provide a great product. So that's where we are, and we</p>	<p>Page 38</p> <p>1 everything else remained the same, I don't see how the</p> <p>2 percentages on the MBE can remain the same when we're</p> <p>3 increasing the monetary amount.</p> <p>4 And also as a follow-up to that part, my whole concern</p> <p>5 has consistently been MBE and reports and documentation for</p> <p>6 that. So is there anything that we can see as far as the</p> <p>7 MBE participation during this stage before the project is</p> <p>8 over?</p> <p>9 MR. RODRIGUEZ: I mean, I'm a little confused as to</p> <p>10 the question. I mean, there's --</p> <p>11 CHAIR FADULLON: I think the question is, is there any</p> <p>12 way to get some reporting on the status of how the MBE/WBE</p> <p>13 compliance is going while the project is in process.</p> <p>14 MR. ALI: Thank you.</p> <p>15 MR. RODRIGUEZ: I think that Justin Veasey, the</p> <p>16 developer, has his hand up and he can best answer that</p> <p>17 question.</p> <p>18 CHAIR FADULLON: Okay. Can we un-mute Mr. Veasey</p> <p>19 please?</p> <p>20 MR. VEASEY: Hello.</p> <p>21 CHAIR FADULLON: Go ahead, please.</p> <p>22 MR. VEASEY: Thank you all for taking the time,</p> <p>23 members of the Board. So just to weigh in on our project a</p> <p>24 little bit, this went back for me probably three years ago</p>

<p style="text-align: right;">Page 39</p> <p>1 in this process and when I first started, my point was to</p> <p>2 deliver a great, affordable product, having a lot of MBE/WBE</p> <p>3 participation, also at a great price, which was why my</p> <p>4 prices were at the \$254,000, which is pretty low considering</p> <p>5 some other projects.</p> <p>6 That also being said, I had wrote several times with</p> <p>7 concerns of the geotech but couldn't gain access. So that's</p> <p>8 why my increases, just so the Board knows, the Port Richmond</p> <p>9 properties, that land fortunately wasn't as bad for us so I</p> <p>10 only needed to cover a \$10,000 co-op change order. The</p> <p>11 South Philly ones is where we really got hurt.</p> <p>12 To address Mr. Jihad Ali's comment, right now, up to</p> <p>13 speed, I'm probably in the sheet rock phase. I have, my</p> <p>14 foundations were minority contractor. My legal is WBE. My</p> <p>15 framing was minority contractor. My electrician's minority.</p> <p>16 The only subs that I have not had minority</p> <p>17 participation on or women owned have been HVAC and plumbing.</p> <p>18 Everything else is completely compliant and I'm above my</p> <p>19 minority and women owned. I think I'll end up, it's</p> <p>20 supposed to be 25 minority, 10 percent women owned. I think</p> <p>21 I'll end up at 40 to 50 minority and probably 30 percent</p> <p>22 women owned, and I have upcoming projects, you know,</p> <p>23 incoming that have been approved by other Council members</p> <p>24 after seeing the project that I'm delivering and the</p>	<p style="text-align: right;">Page 41</p> <p>1 program there, and also they have a carpentry program that</p> <p>2 wants to help us maintain the wall around the garden and the</p> <p>3 agriculture program would be helping us in the garden.</p> <p>4 And there's also been a lot of community support and</p> <p>5 concern since neighbors have been walking by and seeing the</p> <p>6 posting there, talking about taking out the garden. So I</p> <p>7 wanted to see what the plan was there.</p> <p>8 I've also talked with the Gardens Trust about making</p> <p>9 it a permanent garden. So I wanted to see if anyone could</p> <p>10 respond to that.</p> <p>11 CHAIR FADULLON: Sure. Can you clarify the addresses</p> <p>12 again that you're speaking about?</p> <p>13 DAVID: Yes, 621, 623 and 625 Diamond Street.</p> <p>14 MR. RODRIGUEZ: That is not -- that's on the</p> <p>15 development, the RFP, the Hartranft RFP, ont on the item at</p> <p>16 hand.</p> <p>17 CHAIR FADULLON: Okay. So it's 621 -- say it again?</p> <p>18 DAVID: 621, 623 and 625. It's a contiguous piece of</p> <p>19 land, the three properties.</p> <p>20 CHAIR FADULLON: 623, 625, okay.</p> <p>21 DAVID: Yes.</p> <p>22 CHAIR FADULLON: So, yeah, that isn't this agenda</p> <p>23 item, but it will be coming up, but can we just respond to,</p> <p>24 we had an inquiry about that or any conversation about that?</p>
<p style="text-align: right;">Page 40</p> <p>1 participation that I'm having go down on my job sites.</p> <p>2 So I just wanted to make that clear. Thank you.</p> <p>3 CHAIR FADULLON: Thank you, Mr. Veasey.</p> <p>4 All right. And next we have David.</p> <p>5 DAVID: Can you hear me okay?</p> <p>6 CHAIR FADULLON: Yes, we can. Go ahead, please.</p> <p>7 DAVID: Yes. Sorry about that. So I wanted to bring</p> <p>8 up the community garden that we have on Diamond Street.</p> <p>9 It's three of the properties that were listed, 621, 623 and</p> <p>10 625. That's been a community garden since the 1980s, and I</p> <p>11 took over leadership of the garden after the previous person</p> <p>12 who's been in charge of it passed away in 2007.</p> <p>13 He had planted fruit trees. When he passed away, they</p> <p>14 came in and cut out all the fruit trees. I replanted about</p> <p>15 20 fruit trees there in 2014, and we'd also been growing all</p> <p>16 kinds of vegetables and grapes and different things.</p> <p>17 So we've been maintaining that. It's been bearing</p> <p>18 fruit for six or seven years now, and the posting says that</p> <p>19 the plan is to knock it down and build low-income housing,</p> <p>20 which low-income housing is good but we also need to have</p> <p>21 green spaces, and this has been a green space in the</p> <p>22 community for many decades now.</p> <p>23 So that's my main concern. I've been talking with</p> <p>24 Anna from the Ferguson School. She runs the agriculture</p>	<p style="text-align: right;">Page 42</p> <p>1 MR. RODRIGUEZ: Are you talking about the last, the</p> <p>2 development item or this item?</p> <p>3 CHAIR FADULLON: The development item. As long as</p> <p>4 he's already given his comment, 621 through 625 Diamond</p> <p>5 Street as a garden, has there been any -- I'm just asking</p> <p>6 the question. The answer could be no, but just if there had</p> <p>7 been any consideration or communication about that.</p> <p>8 MR. RODRIGUEZ: Andrea, have we received anything</p> <p>9 along those lines?</p> <p>10 MS. SAAH: Hold on. With respect to public comments?</p> <p>11 No, no prior --</p> <p>12 CHAIR FADULLON: I mean -- okay. All right. I'm</p> <p>13 sorry, David. We're going to have to get to that when we</p> <p>14 get to that on the agenda item.</p> <p>15 DAVID: Yes, that's fine. That's in this call?</p> <p>16 CHAIR FADULLON: Yes. That will be Item V.A, when we</p> <p>17 talk about development for affordable housing.</p> <p>18 DAVID: Okay. All right. Thank you.</p> <p>19 CHAIR FADULLON: All right. Thanks. Sorry.</p> <p>20 All right. It looks like the next is Dawud Bey.</p> <p>21 Go ahead, Mr. Bey. You should be able to un-mute</p> <p>22 yourself.</p> <p>23 MR. BEY: Yes. Can you hear me?</p> <p>24 CHAIR FADULLON: Yes, we can. Go ahead, please.</p>

<p style="text-align: right;">Page 43</p> <p>1 MR. BEY: Hey, good morning, everybody. I just wanted</p> <p>2 to just jump in on the BVG comments and just kind of give a</p> <p>3 little update as related to what Justin Veasey was just</p> <p>4 saying in regards to MBE participation.</p> <p>5 Fromfert (phonetic) Construction is one of the</p> <p>6 contractors that's basically handling the foundations and</p> <p>7 the framing on these jobs and the job's been moving very,</p> <p>8 very well.</p> <p>9 And I think partnerships like that is really building</p> <p>10 a lot of morale within the community by a lot of people</p> <p>11 seeing African-American contractors actually building in</p> <p>12 their communities. So I just wanted to give a big ups</p> <p>13 basically to the whole program. What we intended on doing</p> <p>14 both from the Land Bank and from developers' perspective and</p> <p>15 the minority developer program perspective is actually</p> <p>16 working. So I just wanted to, you know, continue to</p> <p>17 encourage to push minority participation and to try to link</p> <p>18 as many developers and new contractors from the community</p> <p>19 together as much as possible.</p> <p>20 So I just wanted to add my little two cents on that</p> <p>21 and just congratulate Justin on a job well done.</p> <p>22 CHAIR FADULLON: Thank you, Mr. Bey.</p> <p>23 All right. I'm not seeing any other hands up, so I'm</p> <p>24 going to call the question. Can I get a motion on those</p>	<p style="text-align: right;">Page 45</p> <p>1 homeownership and rental projects.</p> <p>2 The background on this is that the Land Bank Board had</p> <p>3 asked the Land Bank staff to evaluate the feasibility of</p> <p>4 requiring a 30 year compliance period for affordable rental</p> <p>5 units in these unsolicited affordable or mixed-income rental</p> <p>6 or homeownership/rental projects that don't receive public</p> <p>7 financing, and the Land Bank evaluated the cash flow for</p> <p>8 such projects, using rent levels for affordable rental units</p> <p>9 set by the Pennsylvania Housing Finance Agency.</p> <p>10 We determined that a 30 year affordability compliance</p> <p>11 period would not affect the financial feasibility of such</p> <p>12 projects, and this policy would apply to all future</p> <p>13 unsolicited, unsubsidized affordable and mixed income</p> <p>14 rental or mixed homeownership/rental projects approved by</p> <p>15 the Land Bank Board, not to previously approved projects.</p> <p>16 So the staff recommends the adoption of this policy.</p> <p>17 CHAIR FADULLON: I just want to clarify, because I'm</p> <p>18 looking at my Board agenda. My Board agenda, it just talks</p> <p>19 about mixed income rental projects, but what you just</p> <p>20 described means this would apply to homeownership projects</p> <p>21 as well.</p> <p>22 MS. SAAH: No, no. Sometimes we've had applications</p> <p>23 for mixed homeownership and rental projects.</p> <p>24 CHAIR FADULLON: So if we get those -- but this would</p>
<p style="text-align: right;">Page 44</p> <p>1 items from the Board?</p> <p>2 MR. BALLOON: I move that we approve the amendments.</p> <p>3 MR. KOONCE: Second.</p> <p>4 CHAIR FADULLON: Motion has been made and properly</p> <p>5 seconded to approve Items C.1, 2, and 3. All in favor?</p> <p>6 (Chorus of ayes.)</p> <p>7 CHAIR FADULLON: Opposed?</p> <p>8 MR. SAUER: Nay.</p> <p>9 MR. JOHNS: Nay.</p> <p>10 MR. GOODMAN: And note my abstention, Madam Chair. I</p> <p>11 abstain from this vote.</p> <p>12 CHAIR FADULLON: Okay. All right. Hold on. I've got</p> <p>13 one, two, three, four, five, six -- from what I can gather,</p> <p>14 it's six for, two against, and one abstention, so motion</p> <p>15 passes.</p> <p>16 All right. That brings us to Item IV.D, which is a</p> <p>17 revision to the compliance period for unsolicited affordable</p> <p>18 or mixed income rental project.</p> <p>19 MS. SAAH: Thank you, Madam Chair. This is a request</p> <p>20 to the Board to adopt a policy of requiring an affordability</p> <p>21 compliance period of 30 years for affordable rental units in</p> <p>22 unsolicited applications that are unsubsidized, meaning they</p> <p>23 don't receive any public financing, proposing a fully</p> <p>24 affordable or mixed-income rental projects for mixed</p>	<p style="text-align: right;">Page 46</p> <p>1 only apply to the rental portion of those types of projects?</p> <p>2 MS. SAAH: Correct.</p> <p>3 CHAIR FADULLON: So we're really talking about only</p> <p>4 extending the affordability period for rental units, not</p> <p>5 homeownership units, correct?</p> <p>6 MS. SAAH: Correct.</p> <p>7 CHAIR FADULLON: Okay. I just want to clarify.</p> <p>8 MS. SAAH: Affordable rental units within these</p> <p>9 projects.</p> <p>10 CHAIR FADULLON: Got it. Thank you. Any other --</p> <p>11 MS. SAAH: I will rewrite the resolution to make that</p> <p>12 clearer.</p> <p>13 CHAIR FADULLON: Any other questions or comments from</p> <p>14 the Board on this item?</p> <p>15 (No response.)</p> <p>16 CHAIR FADULLON: Andrea, did we receive any comments</p> <p>17 from the public prior to the Board meeting on this item?</p> <p>18 MS. SAAH: We did not.</p> <p>19 CHAIR FADULLON: Okay. And it does look like we have</p> <p>20 -- do we have any members of the public who wish to comment</p> <p>21 on this item?</p> <p>22 (Pause.)</p> <p>23 CHAIR FADULLON: I'm going to wait ten seconds because</p> <p>24 a hand keeps getting raised and then going down and then</p>

<p>Page 47</p> <p>1 getting raised. Do we have any members of the public that 2 wish to speak on this item? 3 (No response.) 4 CHAIR FADULLON: We have a panelist who wishes to 5 speak on this item. Go ahead, Rebecca. 6 MS. LOPEZ KRISS: Just a really quick clarifying 7 question. So this changes, this is the adoption of a policy 8 requiring 30 year affordability compliance period. There is 9 no affordability compliance period currently? 10 MS. SAAH: We have -- 11 MR. RODRIGUEZ: It's 15. 12 MS. SAAH: Go ahead. 13 CHAIR FADULLON: Currently it's 15. This would extend 14 it to 30 years. 15 MS. LOPEZ KRISS: Okay. 16 MS. SAAH: But it was not a Board adopted policy, 17 which is why we're -- 18 MS. LOPEZ KRISS: 19 MS. SAAH: The Board had requested us to -- 20 MS. LOPEZ KRISS: I see. Okay. 21 CHAIR FADULLON: Any other questions from the Board? 22 (No response.) 23 CHAIR FADULLON: All right. And we do have one hand 24 up from the public, Rachael Pritzker.</p>	<p>Page 49</p> <p>1 in terms of affordability, because partly we look at what 2 PHFA rents are and how they increase. 3 What we found was that PHFA rents year over year were 4 increasing by 6 percent. Then we compared them with what 5 the rents are in areas where we had approved certain 6 developments that fit into this category, and we found that 7 actually there was not much difference between the market 8 rents in the area and the affordability rents. That had an 9 impact on it. And then we just would look at what the 10 impact was. 11 Now, mind you, this research was starting before, you 12 know, the series of rate hikes, so the current financing 13 climate, right, is, you know, is a factor, but when we were 14 doing our research, that wasn't a factor at the time. 15 I would also state that with a lot of this in certain 16 areas, we also factored in that there's mixed income 17 neighborhood, you know, overlays where regardless for mixed 18 income use, if you were building up or had a large 19 development in certain areas, we were going to end up with a 20 50 percent AMI, 50 year deed restriction, income 21 restriction, in which case we were going to, you know, this 22 30 years was less than what would have to be complied with 23 for the mixed income neighborhood requirement. 24 CHAIR FADULLON: And I would also just note that under</p>
<p>Page 48</p> <p>1 MS. PRITZKER: Thank you. I just wanted to ask two 2 questions. I wanted to understand what financial 3 institutions were consulted on this, so how we came up with 4 the statement that this won't affect any financing for 5 projects, because what we're seeing on our end is, if you 6 can't cover the debt service ratio on some of these 7 projects, in addition to how expensive financing has gotten 8 and construction, like projects are not penciling, 9 especially ones with income restrictions, so I wanted to 10 understand like how that was evaluated, and if there would 11 be any mechanism, you know, if the climate gets worse or 12 people have trouble getting financing, to look at this, 13 especially in comparison to some of the lack of subsidies 14 that are easy to get to help make this work, if there's any 15 sort of analysis or reflection period to make sure that this 16 isn't another layer of difficulty for affordability to be 17 provided. 18 I think we want to do stuff in theory but sometimes it 19 doesn't work, and I just want to make sure there's an 20 opportunity for us as a city to revisit that. We want to 21 make this more attractive, not less. 22 MR. RODRIGUEZ: If I could address how the staff 23 approached it, so what we did was, we looked at previously 24 submitted applications and areas, and what we looked at also</p>	<p>Page 50</p> <p>1 the disposition policy, an affordable unit is up to 120 2 percent of area median income, you know, which is \$100,000. 3 So I don't think it's that restrictive to think that a unit 4 could be affordable to someone, you know, to a household 5 making \$100,000 for a certain period of time. 6 I'm going to recognize Board Member Johns. 7 MR. JOHNS: Yes. The idea that there is a period of 8 time to sort of consider the effect of this resolution, and 9 I guess I'm sort of piggybacking on Rachael's comment, have 10 there been folks outside of the agency engaged with 11 developers or finance folks to kind of, you know, sort of 12 flesh this out a little bit more? 13 I guess I'm concerned that we're saying now, 30 years 14 and that's it, particularly since interest rates are 15 fluctuating and we don't know kind of what's going to 16 happen. Is there a way to have a variance in that 17 resolution, I guess is the question. 18 MR. RODRIGUEZ: You mean to lessen the number of years 19 of compliance? 20 MR. JOHNS: I'm trying not to stymie the ability of 21 developers to engage in affordable housing, and 30 years is 22 a long time. 23 MR. RODRIGUEZ: I think the biggest impact we had, 24 which I was shocked at, was looking at what were affordable</p>

<p>Page 51</p> <p>1 rents. And like I said, we used PHFA and we actually looked 2 at what the trend was. PHFA year over year is going up 6 3 percent. When you look at PHFA rents from efficiency to 4 three-bedrooms and all of that and then you look at where 5 our inventory is, those rents are keeping up or maybe \$100 6 less than what the market rents are in the 7 neighborhood.</p> <p>8 I think that was a big telling issue for us. So, you 9 know, having this affordability piece, I mean -- and again, 10 the genesis of this request was the Board's request that 11 there be a longer term of affordability. So we looked at 12 that. So I don't know if you remember this, but there was 13 kind of a pushback as to, would this stymie, you know, any 14 applications from developers. But when we looked it, the 15 numbers were the numbers. I mean, you know, was there a 16 marginal issue? I mean, I think the numbers penciled out as 17 marginal.</p> <p>18 And yeah, I can't speak to the fluctuation in the 19 construction lending market or how this would get converted 20 over to long-term financing and debt service. Again, we 21 started this prior to the increase in interest rates. But 22 what we looked at was, you know, a year over year, what 23 would be the trend.</p> <p>24 MS. PRITZKER: Yeah, I think that is my question, is</p>	<p>Page 53</p> <p>1 100 years as long as people can actually do it.</p> <p>2 And I think that's really our goal here in the city, 3 is how do we get more affordability and open up avenues for 4 other folks, not the typical ten developers who are well 5 financed and resourced, to be participating in that.</p> <p>6 So you know, that's really where my head's at with it, 7 and just want to make sure that we're doing things that are 8 really thoughtful and inclusive in that way.</p> <p>9 CHAIR FADULLON: Again, I think part of this is, what 10 are we talking about when we're talking about affordable 11 housing and how are we defining affordable housing, right, 12 because I just very quickly looked up, 120 percent of area 13 median income is almost \$126,000 for a household, right.</p> <p>14 If you take 30 percent of their income, that's \$3,100 15 a month in rent. I don't think that's unfinanceable, and I 16 don't think that's a hardship, right. I get --</p> <p>17 MS. PRITZKER: But isn't that what this Board is --</p> <p>18 CHAIR FADULLON: -- I get -- hold on --</p> <p>19 MS. PRITZKER: -- typically pushing for?</p> <p>20 CHAIR FADULLON: Well, no. But what we're talking 21 about here is, again -- and let me finish, please -- is 22 unsolicited RFPs, and how you get that and you're able to 23 get that is 51 percent of your units have to be affordable 24 to 120 percent of median or below.</p>
<p>Page 52</p> <p>1 is it in consideration with the existing context, because as 2 I think everybody knows, you know, depending on who you are 3 and what your experience is, you get different financing, 4 you get different terms.</p> <p>5 We don't all walk into the bank and get the same rates 6 and terms, so especially if we're trying to expand, you 7 know, minority development, women owned development. Those 8 are typically groups who have a tougher time on the 9 financing side, and dealing with the conversation around, 10 you know, non-profit development of affordable housing.</p> <p>11 So I just wanted to understand, given the current 12 climate, again, you know, it's very, very challenging out 13 here, and just also if we're trying to have it be that, you 14 know, women, minorities, non-profits and those folks are 15 participating in this, that also is just a challenge from a 16 financial perspective.</p> <p>17 So I wanted to, again, reiterate that I think it's 18 important that we don't operate in a vacuum and we engage 19 with these financial institutions who are lending to these 20 types of groups to ensure that we're doing something that's 21 aligned with what they also could finance.</p> <p>22 But we're not in a situation where we do 30 years, 23 which I don't have any issue with, but I just want to make 24 sure it's feasible, is all. I don't have any issue if it's</p>	<p>Page 54</p> <p>1 So I think probably what we're talking about is, for 2 me, if you're doing 120 percent of median, yeah, it should 3 definitely be 30 years. If you're doing 60 or 80 percent, I 4 get that the financing may not work and we may need to look 5 at a shorter period.</p> <p>6 So I mean, maybe what we're talking about here is, we 7 need to look at -- and I don't want to make it too 8 complicated -- but are there different periods based on what 9 your true affordability level is, and maybe that's something 10 that we have to consider, because I do agree, you know, 11 we're not subsidizing these units, and if the affordability 12 is very deep, then yes, the deals may not pencil at a deep 13 affordability level.</p> <p>14 But it's going to be very hard to convince me that at 15 120 of median, that these deals will not pencil. But I do 16 think that if we, as a Board, and I think as a Board we are 17 trying to push for deeper affordability, then these longer 18 affordability periods may very well impact the ability to 19 get the deals financed.</p> <p>20 MS. PRITZKER: I think that's a great idea, and I 21 apologize for interrupting. Definitely a lot of value in 22 hearing the rest of your thought. I would wholeheartedly 23 agree with that, especially because, again, the Board is 24 usually invested in seeing what the Council office is trying</p>

<p style="text-align: right;">Page 55</p> <p>1 to get, you know, for those folks who really mirror the</p> <p>2 large majority of people in our city who need the housing,</p> <p>3 which is typically not at the higher, you know, 100, 80 to</p> <p>4 120, so I think along somewhat of a sliding scale.</p> <p>5 I know New York has a model where they sort of</p> <p>6 incentivize, you know, the more affordability you provide,</p> <p>7 the longer the benefit -- you know, they do stuff that's</p> <p>8 more of a carrot than a stick from an incentives</p> <p>9 perspective, but it's reflective of, like you're saying,</p> <p>10 what we're trying to incentivize and what we can make to</p> <p>11 encourage that. So I think that's a great suggestion.</p> <p>12 CHAIR FADULLON: Thanks. Thank you.</p> <p>13 Next we have Mo Rushdy.</p> <p>14 MR. RUSHDY: Good morning, Madam Chair and everyone on</p> <p>15 the Board. Thank you very much for allowing me to speak.</p> <p>16 And I think you hit the nail on the head. A lot of the</p> <p>17 projects that are in city land, the market rate homes are</p> <p>18 probably in the 85 percent to 100 percent AMI --</p> <p>19 (Inaudible discussion.)</p> <p>20 CHAIR FADULLON: Excuse me, Board member -- there we</p> <p>21 go. Okay. Go ahead, Mo. Sorry about that.</p> <p>22 MR. RUSHDY: Not a problem -- are falling in the 85 to</p> <p>23 100 percent AMI. So I agree that 100 percent, if someone is</p> <p>24 going in and going to be putting up 51 percent affordable</p>	<p style="text-align: right;">Page 57</p> <p>1 going to get these jobs financed.</p> <p>2 And if you say 30 years for 120 percent AMI, I think</p> <p>3 that the only application you're going to get through the</p> <p>4 Board is a lot of 120 percent AMI units which at the end of</p> <p>5 the day are servicing people who are making over, you know,</p> <p>6 single income over \$78,000 up to, like you said, \$110,000,</p> <p>7 \$120,000 for a family of four.</p> <p>8 So I would just briefly just say and conclude, you</p> <p>9 know, it would be great if the Board can consider that these</p> <p>10 time frames, you can incentivize the developers to reach</p> <p>11 these lower AMIs by controlling that period, keeping it at</p> <p>12 that lower AMI level, maybe less than 80 percent, 75 percent</p> <p>13 of AMI, right, and if you're going to go over the 80 percent</p> <p>14 AMI, then you would have to do a 30 year deed restriction</p> <p>15 and you will push people to do more on the lower AMI. Thank</p> <p>16 you so much for allowing me to speak.</p> <p>17 CHAIR FADULLON: Thank you. And next I'm going to go</p> <p>18 to a phone number that ends in 552. Go ahead, 552. You</p> <p>19 should be able to un-mute yourself. There you go.</p> <p>20 (Pause.)</p> <p>21 CHAIR FADULLON: We should be able to hear you if you</p> <p>22 want to provide your comment.</p> <p>23 MS. FERNANDEZ: Can you hear me now?</p> <p>24 CHAIR FADULLON: Yes. Go ahead, please.</p>
<p style="text-align: right;">Page 56</p> <p>1 homes at 120 percent AMI, really, you're covered for the</p> <p>2 next 15, 20 years with the rent increases. You're going to</p> <p>3 be fine.</p> <p>4 I think the whole intent, though, of developing on</p> <p>5 city land, on proactive applications, is that you're using</p> <p>6 the market rate homes, the 49 percent of market rate homes</p> <p>7 on public land which is sold at nominal value, that you're</p> <p>8 able to cross-subsidize into the 51 percent and reach, you</p> <p>9 know, lower AMI.</p> <p>10 I'll give you an example. You know, we're doing a 500</p> <p>11 unit job. That 500 unit job barely got financed. You know,</p> <p>12 land was less than \$10,000 a unit, but barely got financed</p> <p>13 at 1.15 net coverage, but 100 percent of the homes are</p> <p>14 between 75 percent to 100 percent AMI.</p> <p>15 Now, what we have to recognize in today's market is</p> <p>16 that an 80 unit apartment building that cost \$20 million at</p> <p>17 a mortgage of \$89,000 a year ago, and today it's \$130,000.</p> <p>18 That's an average of \$500 more cost of financing per unit,</p> <p>19 okay, on the whole job.</p> <p>20 So I think what you said is a great proposal here,</p> <p>21 which is, you know, if you're going to do the affordable</p> <p>22 units at 60 percent to 80 percent AMI on that 51 percent,</p> <p>23 sub-80 percent AMI, I think the 30 years is going to be a</p> <p>24 deterrent for getting these jobs financed. You're just not</p>	<p style="text-align: right;">Page 58</p> <p>1 MS. FERNANDEZ: Okay. All right. This is Adrienne</p> <p>2 Fernandez of Swampoodle Neighborhood Parcels Association RCO,</p> <p>3 and I want to comment on the amendment to the three</p> <p>4 resolutions.</p> <p>5 I am requesting that the vote for these three be held.</p> <p>6 The changes, the increase in AMI is going to have negative</p> <p>7 impacts in the communities that are losing lots of land to</p> <p>8 Land Bank that's being transferred for majority market rate</p> <p>9 housing.</p> <p>10 In conjunction with this, there's a bill in City</p> <p>11 Council right now, Bill 22-1015, that is attempting to</p> <p>12 reinstate tax abatement for properties that would fall within</p> <p>13 the type of development that this resolution, you're trying</p> <p>14 to amend the resolution for.</p> <p>15 So overall, this would bring negative impacts to</p> <p>16 communities with lots of vacant lots owned by the city or</p> <p>17 being transferred to the city and saying that houses that are</p> <p>18 \$255,000 or apartments that are over \$3,000 a month are</p> <p>19 available to be rented by persons, families in those</p> <p>20 communities.</p> <p>21 I also think the Land Bank needs to make a fact sheet</p> <p>22 that has information about the changes in AMI that are in</p> <p>23 plain language for especially the RCOs who are many times,</p> <p>24 you know, holding public meetings about development for</p>

<p>Page 59</p> <p>1 these properties.</p> <p>2 I do also agree with Rachael Pritzker that the</p> <p>3 banking, the financing by banks, that information needs to</p> <p>4 be placed in plain language so at the same time RCOs can</p> <p>5 understand the financing side of the situation.</p> <p>6 I came into the meeting late because your Zoom</p> <p>7 information was pretty difficult to find, and RCOs are not</p> <p>8 receiving Land Bank notices every month as required. We are</p> <p>9 not receiving that, so it was difficult to get into the</p> <p>10 meeting. I had to call PHDC CEO to get the information to</p> <p>11 get into the meeting because it was not coming up on Google.</p> <p>12 So again, I'm asking, for the reasons I've stated and</p> <p>13 the other reasons, just trying to be brief, that the vote</p> <p>14 for these three resolutions which are amendments be held</p> <p>15 because there's not enough commenters here from RCOs.</p> <p>16 From developers, there are a good amount from</p> <p>17 development side, including the legal, the comments from</p> <p>18 lawyers, and these amendments are going to have a great</p> <p>19 impact on the public.</p> <p>20 The 30 year mortgage for the change in the AMI, the</p> <p>21 change in the lowest prices of homes and the lowest rents</p> <p>22 for apartments, that's a very long time, especially to make</p> <p>23 that change in the period of COVID where development costs</p> <p>24 are higher because of special circumstances under COVID,</p>	<p>Page 61</p> <p>1 a model that looks like New York, which for affordable</p> <p>2 housing is a failed model, is not something I want to see</p> <p>3 Philadelphia follow. And that's me sharing my comments.</p> <p>4 CHAIR FADULLON: Thank you so much. And then next we</p> <p>5 have Jihad Ali.</p> <p>6 MR. ALI: Thank you once again, Madam Chair. I just</p> <p>7 want to agree with you. I thought that the 30 year thing,</p> <p>8 the 30 year mortgage restriction, I don't see that as a</p> <p>9 problem, because really, what we're really talking about is</p> <p>10 making this affordable in the year up to 2053.</p> <p>11 So you know, it depends. It is a complicated subject</p> <p>12 but it's not complicated for everybody. And I think at the</p> <p>13 end of the day, everybody has a different perspective and a</p> <p>14 different agenda, but I think this Board has an agenda to</p> <p>15 ensure affordability in the long-term future.</p> <p>16 God willing, I wish I could say I would be here in</p> <p>17 2053, but even though I'm not here, I think that this effort</p> <p>18 of this Board, that will be there. And I think you should</p> <p>19 hold your ground on that because really that's what we're</p> <p>20 doing.</p> <p>21 We've had instances, Mr. Goodman will tell you the</p> <p>22 whole issue at 40th and Market was because people weren't</p> <p>23 looking forward to the future, and you see how that worked</p> <p>24 out for us.</p>
<p>Page 60</p> <p>1 they're not permanent circumstances.</p> <p>2 So what happens when the price of construction</p> <p>3 materials and even labor correct to another market price, a</p> <p>4 lower market price, and now these properties are overpriced</p> <p>5 for the 30 year mortgage period? So I think that needs to</p> <p>6 be investigated more.</p> <p>7 And overall, I think those three resolutions should be</p> <p>8 held and a fact sheet should be prepared by Land Bank and be</p> <p>9 distributed to RCOs and others in our development community</p> <p>10 so we all have the same information and we all have clear</p> <p>11 information about a complicated process that is linked in</p> <p>12 with other complicated processes, like Bill 22-1015, which</p> <p>13 is linked to the state bill, PA House Bill 581.</p> <p>14 So this is all pretty complicated, and overall, I</p> <p>15 agree with the Board member who said that in some of these</p> <p>16 cases, the affordable housing is actually going to affect</p> <p>17 and trend gentrification. I put that in my own words, but</p> <p>18 that's basically what he said, is promoting gentrification.</p> <p>19 I have no intention of, no interest in --</p> <p>20 CHAIR FADULLON: I'm sorry, we're going to need you to</p> <p>21 wrap up, okay? We've got to get to some other folks, so if</p> <p>22 you could just wrap up really quickly, that would be great.</p> <p>23 Thank you.</p> <p>24 MS. FERNANDEZ: Okay. Lastly I'll say that to create</p>	<p>Page 62</p> <p>1 So I think the Board should hold their ground on that,</p> <p>2 and so be it, and if these established market rate</p> <p>3 developers are not there to do those projects, you already</p> <p>4 know that you have that developer that's doing the IV.C.3</p> <p>5 project. You know those type of developers will be here.</p> <p>6 That's my comment.</p> <p>7 CHAIR FADULLON: Thank you, Mr. Ali.</p> <p>8 And we have Call-In User 1.</p> <p>9 MS. GREENE: Hi, Tiffany Greene for Point Breeze. I</p> <p>10 agree with the young lady who spoke. This resolutions need</p> <p>11 to be sent out to the RCOs. They need to be put, and also</p> <p>12 need to be addressed because nobody knew about these</p> <p>13 resolutions coming through, number one, and that's not</p> <p>14 right.</p> <p>15 In reference to these prices, I just had this</p> <p>16 discussion with Katherine Johnson. The problem with this is</p> <p>17 that the city, when you have these prices like \$253,000,</p> <p>18 \$276,000 or whatever, the thing of it is is that we cannot</p> <p>19 focus on just development costs.</p> <p>20 We have to talk about the impact on the community in</p> <p>21 which you are building these homes. What we originally</p> <p>22 asked for, because Point Breeze was one of the first --</p> <p>23 (inaudible) -- that was complaining about this, is that we</p> <p>24 want any support, neighborhood preservation put on the front</p>

<p style="text-align: right;">Page 63</p> <p>1 end so that the housing price will be like \$170,000, 2 \$180,000.</p> <p>3 What you're doing with this \$253,000 and \$276,000 cost 4 is that you're opening up the door for four, five hundred 5 thousand dollar developers and realtors to come into these 6 low-income black areas and then begin to gentrify them, 7 okay, because what -- like developers tell us, oh, well, you 8 know, if the city's selling their property for \$250,000, so 9 we're just a little bit above that in terms of four and five 10 hundred thousand dollars.</p> <p>11 And that is what we can't have because let me tell you 12 tell you the impact of this is. First off, when you sell a 13 house at \$250,000, you are increasing the property tax 14 assessment in the area. The property tax assessments 15 increase, the property rents, okay, and also at that 16 particular point everything else begins to get an increase.</p> <p>17 So the city would be really pushing this, because then 18 you have other landlords who at this particular point will 19 want to either begin to sell, you know, increase their 20 rents, you know, long-term landlords and everything.</p> <p>21 It's a ripple effect. The city should not be in the 22 business of selling quarter-million dollar homes using city 23 property. You must find a way to fund these homes and put 24 it on the front end so they stay at \$150,000 to \$170,000, so</p>	<p style="text-align: right;">Page 65</p> <p>1 Policy Committee going back more than a year, and I know, 2 you know, 2022, the predominant kind of RFPs that made it to 3 these agenda items were homeownership related, but we still 4 have seen rentals and a mix of homeownership as well as 5 rentals, so I do think this is still very much relevant.</p> <p>6 And we know also that the reality is that 80 percent 7 AMI is still, you know, the 80 percent of AMI rents are 8 still very much market rate in many of the communities where 9 city vacant land is.</p> <p>10 The 30 year term brings us into kind of better, more 11 common practices with other kind of entities like us. This 12 does come with a significant reduction of, you know, land 13 sale price. I know that's not the same as an operating 14 subsidy, but you're still, you know, disposing of properties 15 for \$1.00 each, \$100.00 each, whatever it might be.</p> <p>16 And also, many of these kind of mixed income rental 17 dispositions or the subsequent development projects do also 18 come, as was already stated, with sometimes even stricter 19 terms, you know.</p> <p>20 Most of them are pursuing the density bonuses that 21 have 50 year deed restrictions attached to these, and this 22 time it's just 30. So I think it makes sense. And then, 23 you know, as Alex referenced, later maybe we revisit. Thank 24 you.</p>
<p style="text-align: right;">Page 64</p> <p>1 we can have a more wider participation in terms of buying 2 these houses.</p> <p>3 It is not about the developer and his development 4 costs. It's about the impact that you're going to have on 5 these neighborhoods, these untouched neighborhoods around 6 Philadelphia where you will begin to gentrify them. And if 7 that's the case, then Philadelphia is the real gentrifier.</p> <p>8 This right here, I'm going to send a letter out asking 9 that these resolutions be put on hold and that you have a 10 discussion about this, because you cannot go into these 11 untouched areas with these type of prices. You're going to 12 impact everybody else. It's not just about the developer.</p> <p>13 CHAIR FADULLON: Thank you, Ms. Greene.</p> <p>14 And now I'm going to recognize Alex Balloon.</p> <p>15 MR. BALLOON: Thank you, Chair. I want to say, I 16 appreciate all the information as a Board member, and I'll 17 just say that on this particular agenda item, I think it's 18 healthy for us to revisit this policy if it doesn't prove to 19 be effective, and I think it's healthy for any organization 20 to revisit their policies. Thanks.</p> <p>21 CHAIR FADULLON: Great. And Board Member Goodman.</p> <p>22 MR. GOODMAN: And so related to that, you know, I hope 23 that we do, you know, make a motion on this as it exists. 24 You know, this has been a topic of much discussion in the</p>	<p style="text-align: right;">Page 66</p> <p>1 CHAIR FADULLON: Great. Thank you. Board Member 2 Sauer.</p> <p>3 MR. SAUER: Sorry. I just wanted to sort of concur 4 with Andrew Goodman's comments there. And the other thing I 5 would say is that, thinking back over the last couple of 6 years when unsolicited, unsubsidized mixed income 7 developments have come before the Board, my recollection is 8 very few of them are below 80 percent of AMI. Most of them 9 are 100 percent or higher AMI.</p> <p>10 So again, if we're giving away public land at a 11 significant discount to achieve a public good, we ought to 12 make sure that that investment we're making is going to last 13 for a significant period of time.</p> <p>14 CHAIR FADULLON: Thank you. All right. And Board 15 Member Gonzalez.</p> <p>16 MS. GONZALEZ: Just briefly, I just wanted to add 17 context to the conversation. You know, when we're talking 18 about affordable housing in many of the neighborhoods in 19 Philadelphia, we're talking about families that are just 20 barely making 50 or 60 percent of AMI, households that are 21 making \$50,000 to \$60,000 a year. That's, you know, when 22 we're talking about affordable housing and really developing 23 for that set, for us, you know, 100, 120 percent AMI, that's 24 market.</p>

<p style="text-align: right;">Page 67</p> <p>1 So I think it is appropriate for the disposition of, 2 you know, city owned land to allow others to come into the 3 space and develop housing for different demographics and 4 different income levels. 5 And I think it is fair and equitable to have a 6 restriction of 30 years. I mean, I think that, you know, 7 ultimately I think that's fair, and we need to preserve 8 affordability in many of our neighborhoods longer term. I 9 don't think 10, 15 years really does it. 10 CHAIR FADULLON: Thank you. All right. Just to 11 remind folks, what's on the floor is a recommendation to 12 approve an increase in the affordability period for 13 unsolicited dispositions for rental units from 15 to 30 14 years. 15 And I'm just going to lay out possible things that the 16 Board can do, right. The Board can make a motion that they 17 want to accept that. The Board can make a motion that they 18 don't want to accept that, and the Board can make a motion 19 anywhere in between, which means you could say, for example, 20 any rental units that were over 100 percent of median, 100 21 to 120 percent, it would be 30 years, and less than, it 22 would be 15 years, or any iteration in between. So I just 23 want to sort of lay out what the options are. 24 With that, I will entertain a motion.</p>	<p style="text-align: right;">Page 69</p> <p>1 each commenter to commenting one time for a period of two 2 minutes, because again, we've heard extensive public comment 3 on this item already. 4 With that, I'm going to turn it over to, I guess, 5 Jessie to present. 6 MR. LAWRENCE: Thank you again. Item V.A, today we're 7 asking the Board to authorize the disposition of properties 8 in the city's North Central area to Civetta Property Group 9 for the development of an affordable housing project in the 10 Fifth District. 11 The proposal includes 70 single-family affordable 12 homeownership units, all of which are three stories, ranging 13 between 1,300 and 1,400 square feet, containing three 14 bedrooms and two bathrooms, and sold to households 15 with incomes at or below 100 percent of AMI. 16 The maximum sales price for these units are \$280,000. 17 Applications were solicited via requests for proposals for 18 the properties and the applicant was the most qualified 19 bidder for the properties. 20 The addresses include 621, 623, 625, and 637, and 917 21 Diamond Street; on Edgley Street, we have 924, 927, 928, and 22 936; on French Street, we have 926 and 928; on Franklin, we 23 have 2106, 2112, 2140, 2141, 2142, 2143, 2151, 2166, 2170, 24 2172, 2215, 2217, and 2219 North Franklin; on North</p>
<p style="text-align: right;">Page 68</p> <p>1 MR. GOODMAN: I move for the adoption of the 2 resolution. 3 MS. GONZALEZ: I second. 4 CHAIR FADULLON: Motion has been made and properly 5 seconded to adopt the resolution which is -- 6 (Inaudible discussion.) 7 CHAIR FADULLON: Can folks mute themselves? All 8 right. So there is a motion on the floor that has been made 9 and properly seconded, which is to accept the recommendation 10 as it has been presented, which is to increase the 11 affordability period for rental units through unsolicited 12 proposals from 15 to 30 years. 13 All in favor? 14 (Chorus of ayes.) 15 CHAIR FADULLON: Any opposed? 16 (No response.) 17 CHAIR FADULLON: All right. Motion carries. 18 That brings us to Section V of our agenda, which is 19 property dispositions. The first one we have is one for 20 affordable housing. I believe this has been heard before 21 this Board four times, so we will hear it again. We will do 22 our normal process of having comments from the Board and 23 then we will hear public comment. However, I want folks to 24 understand during the public comment period we will limit</p>	<p style="text-align: right;">Page 70</p> <p>1 Marshall, we have 2112, 2130, 2144 and 2214; on Percy 2 Street, we have 2105, 2107, 2109, 2110, 2111, 2112, 2113, 3 2119, 2121, 2133, 2140, 2143, 2146, and 2150; on West 4 Susquehanna Avenue, we have 904, 910, and 915 (sic); on 5 North Seventh Street, we have 2102, 2109, 2114, 2126, 2128, 6 2130, 2131, 2134, 2135, 2136, 2150, and 2210; on Eighth 7 Street, we have 2101, 2113, 2121, 2155, 2167 to 69, and 8 2201; and finally, on Tenth Street, we have 2124, 2126, 2131 9 (sic), 2150, 2165 -- I'm sorry, that was on Ninth Street; 10 and on Tenth Street, we have 2121 N. 10th Street. 11 The developer will purchase these properties at a bid 12 price of \$7,000. Evidence of the project financing has been 13 provided. The applicant is in compliance and good standing 14 with the City of Philadelphia. The project is subject to an 15 economic opportunity plan and will be subject to an 16 irrevocable power of attorney and right of reverter/reentry. 17 Sale of all units will be subject to a Declaration of 18 Restrictive Covenants and the units will be subject to the 19 use restrictions and income verification for a 15 year term. 20 Thank you. 21 CHAIR FADULLON: Thank you, Jessie. We did have a 22 point of clarification that I'm going to recognize just to 23 make sure, that properties were listed as 904, 910, 915 West 24 Susquehanna, but the agenda says 912, not 915. Can we just</p>

<p>Page 71</p> <p>1 double check the Susquehanna ones? Is it 904, 910, and 912?</p> <p>2 (Pause.)</p> <p>3 MR. LAWRENCE: I said yes, that's correct.</p> <p>4 CHAIR FADULLON: Okay. All right. So just to</p> <p>5 clarify, it's 904, 910, and 912 Susquehanna Street. Yes,</p> <p>6 okay. Great. All right. Any questions from the Board on</p> <p>7 this item?</p> <p>8 (No response.)</p> <p>9 CHAIR FADULLON: Seeing none, Mike, I have seen the</p> <p>10 Council president pop up. Is he here to comment on this</p> <p>11 item?</p> <p>12 MR. KOONCE: He was here to comment on the item.</p> <p>13 MR. RODRIGUEZ: I believe -- there he is.</p> <p>14 CHAIR FADULLON: Okay, there he is. All right.</p> <p>15 Council President, is there something that you would like to</p> <p>16 say about this item?</p> <p>17 PRESIDENT CLARKE: Yes. First off, thank you very</p> <p>18 much. I'm juggling between running the budget hearings and</p> <p>19 Land Bank and doing a number of other things, so thank you</p> <p>20 all and good morning.</p> <p>21 Just briefly, I'd just like to take an opportunity to</p> <p>22 talk about the Turn the Key program, which frankly I think</p> <p>23 is an awesome program in terms of making affordability to</p> <p>24 homeownership in the City of Philadelphia, something that</p>	<p>Page 73</p> <p>1 minority.</p> <p>2 And one of the things that I would like to see is us</p> <p>3 move, proceed with the Land Bank decision with the</p> <p>4 understanding that there may be some deletions prior to the</p> <p>5 introduction and passage of the resolution in Council.</p> <p>6 I'm old school. I like to actually walk the blocks</p> <p>7 with the neighbors to get their perspective on their</p> <p>8 particular blocks, which we plan on doing with all of the</p> <p>9 pertinent people, to have a perspective on what should stay</p> <p>10 as a garden or what is realistically an opportunity to build</p> <p>11 a house.</p> <p>12 I saw a couple of relatively small lots. There is a</p> <p>13 timing issue in terms of making sure that we get these folks</p> <p>14 in the queue, this money available. We had a public hearing</p> <p>15 recently. I know you talked about a two-minute limit, Ms.</p> <p>16 Fadullon, but that's very difficult for politicians to do.</p> <p>17 I'll try to be as quickly as possible.</p> <p>18 So we will have a further conversation. We will have</p> <p>19 on-site visits with residents on the block, and anybody who</p> <p>20 is interested. I'm going to reach out to Senator Kitchen,</p> <p>21 see if she's interested in participating in that walk-</p> <p>22 through.</p> <p>23 We've already identified the block captains to get the</p> <p>24 perspective. And when people are comfortable with the</p>
<p>Page 72</p> <p>1 has gone way beyond a lot of people's ability to afford,</p> <p>2 given the unprecedented level of new housing starts in the</p> <p>3 city and to some degree the unprecedented values and the</p> <p>4 prices have been really problematic.</p> <p>5 So I want to thank all of the folks in the city, the</p> <p>6 various departments, and members of Council who have worked</p> <p>7 together to make funding available to this, particularly the</p> <p>8 Turn the Key financing that allows us to write down the</p> <p>9 purchase price as it relates to the mortgage to</p> <p>10 significantly low levels, non-traditional levels, as low as</p> <p>11 60 percent of AMI, something that we don't talk about</p> <p>12 enough.</p> <p>13 I want to thank Senator Kitchen and a number of</p> <p>14 individuals who have hosted some meetings over in the</p> <p>15 neighborhood to talk to the residents, and I know that there</p> <p>16 was some conversations and issues about some of the parcels.</p> <p>17 And I actually twice decided to personally drive</p> <p>18 through the neighborhood and I actually called Mike Koonce</p> <p>19 one Saturday morning and turned my camera on to show him the</p> <p>20 site.</p> <p>21 And I must say that there are a number of the sites</p> <p>22 within the scope of this proposal that are somewhat</p> <p>23 questionable as to whether or not they should be a part of</p> <p>24 the path to move forward for homeownership, a small</p>	<p>Page 74</p> <p>1 proposed, likely altered proposal, we would like to be in a</p> <p>2 position to move forward with the resolution, but we can't</p> <p>3 do that until we get the sign-off from the Land Bank.</p> <p>4 That's pretty much -- and I want people to understand,</p> <p>5 the price points will be much lower than the flyers may</p> <p>6 indicate. They will not be at \$280,000 once the mortgage</p> <p>7 subsidy is put in place. They can be as low as under</p> <p>8 \$200,000. That more than meets the 80 percent median income</p> <p>9 opportunities.</p> <p>10 CHAIR FADULLON: Thank you, Council President. We</p> <p>11 appreciate those comments and we appreciate you showing up</p> <p>12 at a Land Bank Board meeting.</p> <p>13 PRESIDENT CLARKE: Yeah, I got to get back on budget.</p> <p>14 If there are any questions of me, I'm prepared to answer</p> <p>15 them.</p> <p>16 CHAIR FADULLON: Does the Board have any questions of</p> <p>17 the Council President?</p> <p>18 (No response.)</p> <p>19 PRESIDENT CLARKE: There being none --</p> <p>20 CHAIR FADULLON: Seeing none, I think you can go back</p> <p>21 to your other business. Thanks so much.</p> <p>22 PRESIDENT CLARKE: Have to go back and count the money</p> <p>23 for the citizens of the City of Philadelphia. Thank you</p> <p>24 all.</p>

<p style="text-align: right;">Page 75</p> <p>1 CHAIR FADULLON: Thank you. All right. Andrea, did 2 we receive any comments from members of the public prior to 3 the meeting on this item? 4 (No response.) 5 CHAIR FADULLON: You're muted. 6 MS. SAAH: Yes. Thank you, Madam Chair. We did. We 7 received a letter from -- well, an email forwarded to us 8 from Wesley Corbin, who attended the community meeting and 9 stated, sent an email which was distributed to the Board 10 stating that he -- I'll just read it because it's a brief 11 letter. 12 "I've lived in West Philadelphia since before we used 13 ZIP Codes. My family home is titled 1952. I have watched 14 the neighborhood go from middle class white working families 15 to a neglected community. The people who remain here have 16 been overlooked until now as we see an influx of out-of-the- 17 community investees. We were told nothing. 18 "When most of my neighbors knew about the change 19 coming, it was because of the noise from digging. Civetta 20 was the first firm to my knowledge to come to the 21 neighborhood for the neighborhood's point of view. I do not 22 have a problem about who does the work, but I do want the 23 hood to thrive. 24 "I'm told all units are family residents. This I am</p>	<p style="text-align: right;">Page 77</p> <p>1 We're going to go to Call-In User 1, and just again, remind 2 people, two minutes, and state your issues and we're going 3 to move on. Thanks. Go ahead, Call-In User 1. 4 MS. GREENE: Hi, Tiffany Greene. I have a concern 5 about Mr. Civetta constantly getting these projects. I 6 think this is turning into a monopoly of some kind. I think 7 there should be more of a program to work with particularly 8 minority developers to help get part of this land and this 9 wealth. 10 I mean, it's becoming monotonous, to see he got one 11 under -- he has gotten a project in Councilman Curtis Jones' 12 project, and now this -- in North Philly and other areas, 13 because, I mean, when we talk with him, I mean, he's using 14 his wife as a minority contractor. 15 And for a lot of African-Americans, see, that's where 16 we lose out, because his wife is being used as the minority 17 contractor, and so therefore a minority business is not 18 really contributing -- is not really getting any kind of 19 support that I know of at this particular point. 20 I haven't seen all of the details of this particular 21 project, but this is what he's done in Point Breeze. He 22 used his wife as a minority contractor, and that's a 23 problem. 24 Again, I'm going to go back to, you say turn the key.</p>
<p style="text-align: right;">Page 76</p> <p>1 pleased with because it helps us remain a neighborhood and 2 not just a destination or investment to walk away from. I 3 like the fact that the firm is from here and the owners live 4 in the city. From my point of view, this deal was made 5 before most of us knew. However, I believe the project will 6 give residents more benefits than takeaways. Therefore, 7 I've decided not to challenge the Civetta construction plan 8 to build units in North Philadelphia. Progress must 9 continue, and I believe at this time this is the best path." 10 That was one. The other was from Mr. Charles Dyches. 11 It says, "My question is what has changed since last Zoom 12 meeting. This I just received this morning. Why is the 13 Land Bank so in a rush to give these properties to this 14 developer? What about the lots we took care of for years? 15 We want compensation. Each lot is a different size. How 16 can every house cost the same price? 17 "I would like to know, there's questions about 18 benefits to the Board or Council member. Who's authorized 19 these meetings so soon? I guess you guys don't respect the 20 community." 21 Both of these emails will be appended to the minutes. 22 Thank you, Madam Chair. 23 CHAIR FADULLON: Thank you, Andrea. All right. And 24 with that, we're going to open it up for public comment.</p>	<p style="text-align: right;">Page 78</p> <p>1 I say turn the neighborhood. You're turning the 2 neighborhood with a \$250,000 -- that's a quarter million 3 dollars. You want to sit and say that these price points in 4 terms of mortgages and everything -- I'm saying in terms of 5 impacting the neighborhood, long-term residents. That's a 6 quarter million dollar home that you are selling, okay. 7 We need to work on finding funding that will lower it 8 down to \$170,000 and \$180,000 so that more people can 9 participate. Everything is not about the city workers, 10 because I'm not even sure they're going to go with this 11 program. You have people making \$15.00 an hour or less. 12 They want housing too, single-family homes. 13 And so therefore, we have to change this whole concept 14 of \$200,000 level, because you're opening up the door for 15 private markets to come in and sell at three and four 16 hundred thousand dollar level in these low-income, black and 17 minority communities. 18 You have to see the impact that you're having on long- 19 term, and the private area. People can't invest back into 20 the neighborhood because if the city's going to sell a house 21 for \$250,000 or \$280,000, then that means when a person down 22 the street sells their home, they're going to sell 23 comparable to that, so how is a young person just coming out 24 of college or a young family getting married or something</p>

<p style="text-align: right;">Page 79</p> <p>1 going to purchase a house at \$250,000, \$280,000? They can't 2 find anything in the \$100,000 range.</p> <p>3 So I'm asking the city at this point to really re- 4 think the housing price and find other ways to bring it 5 down. The quarter million dollar level is not working.</p> <p>6 CHAIR FADULLON: Thank you, Ms. Greene, appreciate 7 that. Next we have PerrellJarae Simmons.</p> <p>8 MS. SIMMONS: Yes. Good morning. I want to start off 9 by saying to the Board that more than 80 percent of Philly 10 residents are in the dark. These meetings are not 11 transparent. The Land Bank, the Board is giving away this 12 land and you keep saying that you're preserving the 13 communities and this is progress.</p> <p>14 Again, Mr. Clarke just spoke of, he was in the 15 neighborhood and was surveying about -- on Saturday or 16 Sunday, and he spoke to some prominent figures. Which 17 people are prominent? Because we've been conducting 18 meetings. We've been surveying, knocking on doors. So it's 19 really hard to understand how you guys are making decisions 20 and you're not giving the information to the community to 21 even understand what decisions you're making.</p> <p>22 And you guys are making meetings every month. Nothing 23 is changing. No one is coming to our meetings to speak to 24 us or explain or educate us on exactly what your plan is.</p>	<p style="text-align: right;">Page 81</p> <p>1 CHAIR FADULLON: Hello.</p> <p>2 MR. BLATSTEIN: Thank you. Thank you for kind of 3 really trying to dispose of city-owned land for the Turn the 4 Key program. I guess I have a question that doesn't have to 5 be answered right now in terms of, at what point in the 6 process was City Council President Darrell Clarke involved 7 in understanding what pieces of land were going to be put up 8 for this RFP. This RFP has been out there for months, and 9 for him to come in here and kind of say that he had an issue 10 with some of the lots seems like it's kind of counter- 11 intuitive because he's known that these lots have been on 12 the Board. So that's my one point.</p> <p>13 The other point is that, I know what other people have 14 been saying about housing costs are at unattainable levels 15 throughout the city. The only way we can kind of start to 16 lower the price is by building more housing. The Turn the 17 Key program is that program.</p> <p>18 And like Darrell Clarke said, it's really, the price 19 of these houses is under \$200,000, and it really is for work 20 force housing for city workers.</p> <p>21 The last point is just, in order to build more 22 housing, there has to be a better understanding of community 23 outreach and who is responsible for that. So my question 24 is, when we're going about this, is it the City</p>
<p style="text-align: right;">Page 80</p> <p>1 All we hear is developer, developer, developer, 2 profit, profit, profit. Where is it actually an opportunity 3 for us as people in the community? We don't understand how 4 the city workers are becoming a priority over the actual 5 people of the community.</p> <p>6 And I just want to know, why did you guys let Mr. 7 Clarke off the phone so quickly, because we should be able 8 to address our questions to him since he appointed your 9 Board to be over our neighborhood and just make decisions 10 for us. Why does he not have to speak and address us as 11 actual, the president, Council member?</p> <p>12 We didn't vote for you guys. We don't know any of 13 you. We don't even know if you guys live in the city. We 14 have a lot of investors and developers on these calls that 15 are speaking to the numbers and the pricing. We don't need 16 to hear about numbers. We need to understand how you guys 17 are just taking and giving away the properties that people 18 have taken care of and maintained.</p> <p>19 You guys have not informed us with enough information, 20 and every month we're just coming back for these calls, for 21 what?</p> <p>22 CHAIR FADULLON: Thank you, Ms. Simmons.</p> <p>23 Next we have Mr. Blatstein.</p> <p>24 MR. BLATSTEIN: Hello, Board.</p>	<p style="text-align: right;">Page 82</p> <p>1 Councilperson or is it the developer or is it the Land Bank 2 who's responsible for educating the community about these 3 programs and what they're doing with their land in the 4 community? Thank you.</p> <p>5 CHAIR FADULLON: Thank you. Next we have Jihad Ali.</p> <p>6 MR. ALI: Thank you, Madam Chairperson, Members of the 7 Board. I just wanted to give you an update. I've been down 8 here to the four times that these hearings have been, and 9 that's only because of the notification that I receive from 10 the counsel and executive director and your person, Toni, 11 that follows up. So that's why I'm always on time. So the 12 system works.</p> <p>13 People may not be aware of how you have to utilize the 14 system, so maybe you could do more marketing on that. But 15 it definitely works as far as letting you know about these 16 meetings.</p> <p>17 And I just wanted to tell you, I've had some 18 conversations about Mr. Civetta in terms of MBE 19 participation. I wanted to thank you, Madam Chair, and the 20 executive director I guess and also Gary Jonas, because each 21 one of you I've talked to about the need for me to speak for 22 him, and he did reach out and we're going to have a dialogue 23 to talk about MBE participation. So I know that wouldn't 24 have happened without your help. Thank you.</p>

<p>Page 83</p> <p>1 CHAIR FADULLON: That's great. Good news. Great to 2 hear. Next we have Zachary Frankel.</p> <p>3 MR. FRANKEL: Good morning, Board. Thank you for 4 taking the time. I just wanted to chime in and say that my 5 firm supports the development of affordable housing and 6 encourages the development of these parcels.</p> <p>7 CHAIR FADULLON: Thank you. And next we have David, 8 who I'm sure is going to ask about those same lots again.</p> <p>9 DAVID: Yes. I don't need to use my whole two 10 minutes, I guess, but just to remind you, I have the garden 11 on Diamond Street and Marshall. It's 621, 623, 625. It's 12 been a community garden here since the eighties, and I 13 replanted fruit trees that had been here for decades in 14 2014. They've been bearing fruit, and they're full-grown.</p> <p>15 And we have a relationship with the school around the 16 corner, with the agriculture program and also their 17 carpentry program to maintain the wall which needs some 18 repairs right now.</p> <p>19 I didn't mention this earlier, but I've also worked 20 with the Pennsylvania Horticultural Society. I'm the head 21 of the North Philly Tree Planters Association. I've planted 22 a lot of trees in the area. I'm also the block captain for 23 this block and have been living here for almost 20 years.</p> <p>24 So yeah, I don't want to see this green space get</p>	<p>Page 85</p> <p>1 MR. BEY: Hi. Can you all hear me?</p> <p>2 CHAIR FADULLON: Yes, we can. Go ahead, please.</p> <p>3 MR. BEY: Again, you all, I just wanted to jump in to 4 add my two cents. I really do think that this MBE program 5 and the whole Turn the Key program has actually been 6 efficient. I just wish that we could get some consistency, 7 not just from people, the laymen folk, I would say within 8 the community, but the community organizers, the community 9 activists, people like that, to get some kind of consistency 10 on what it is that they want, because me being an African- 11 American contractor and a certified minority contractor, I 12 still see the same people giving the same pushback, even 13 when I come up to try to do programs and things like this.</p> <p>14 We're just trying to, you know, trying to figure out, 15 where is the consistency, who do they want to build these 16 type of properties, because you got people like myself and 17 my wife, you know, trying to do affordable housing and we 18 still get the same kickback from people within our 19 community.</p> <p>20 So my thing is like, let's try to get some consistency 21 on who we want and try to, you know, see if we can make more 22 to see the partnerships like we've done with Civetta.</p> <p>23 I believe I'm doing like 26 houses for him right now 24 in Wharton Street area and Gray Ferry area, and I believe</p>
<p>Page 84</p> <p>1 taken out. I hear what Darrell Clarke said. I agree with 2 that, that even if this doesn't move forward, that we at 3 least need to look at some of these lots within the entire 4 grouping and see if at least some of them can be preserved 5 as green space.</p> <p>6 So that's basically what I wanted to bring up.</p> <p>7 CHAIR FADULLON: Okay. Thank you. And we'll make 8 sure that it's reiterated that those lots in particular 9 should sort of get a second look.</p> <p>10 DAVID: Thank you.</p> <p>11 CHAIR FADULLON: Sure. Next we have Mike Tomasetti.</p> <p>12 MS. TOMASETTI: Sorry, Anne. It's Brennan.</p> <p>13 CHAIR FADULLON: Oh, it's Brennan again. Sorry. Go 14 ahead.</p> <p>15 MS. TOMASETTI: I just wanted to address for the 16 record the comment about use of the wife. So for the 17 record, I was the founder of Civetta Property Group over 25 18 years ago in Philadelphia. My partner, my husband, and I 19 have been working together for over 20 years investing in 20 real estate in the City of Philadelphia, and are really 21 proud to be working and achieving the MBE and WBE goals, and 22 will continue to do so.</p> <p>23 CHAIR FADULLON: Thank you. And next we have Dawud 24 Bey.</p>	<p>Page 86</p> <p>1 with our minority participation, it's been building a lot of 2 strong community morale, and I just think that people should 3 continue to see these type of partnerships going on in the 4 community. Thank you.</p> <p>5 CHAIR FADULLON: Thank you, Mr. Bey.</p> <p>6 And next we have Charles Dyches.</p> <p>7 (Pause.)</p> <p>8 CHAIR FADULLON: Mr. Dyches, it looks like you un- 9 muted yourself for like two seconds and then somehow muted 10 yourself again, but you should be able to un-mute.</p> <p>11 MR. DYCHES: Okay. My question is, how does Darrell 12 Clarke want you guys to vote on property when he don't know 13 which ones he's going to take off the list and which ones 14 he's going to keep on.</p> <p>15 It's like every month, nothing has changed. The 16 developer don't know nothing. His wife's supposed to be the 17 one that founded the company, but she hasn't came out to 18 speak with us and neither had Darrell Clarke.</p> <p>19 He gets on this call and jump off, but nobody never 20 spoke to us. Ms. Kitchen come down here and she just say 21 that they chose her to sit in on our meetings. So nobody 22 from the city, nobody -- they just give us a little flyer 23 with these numbers on there, but the numbers are wrong.</p> <p>24 Each lot size is different, so how are you going to charge</p>

<p style="text-align: right;">Page 87</p> <p>1 the same price for each block? Each block is different, and</p> <p>2 the lot sizes are not the same.</p> <p>3 CHAIR FADULLON: Thank you, Mr. Dyches.</p> <p>4 Next we have David Fecteau. David? Oh, the hand came</p> <p>5 down. All right. Let's go to Jettie Fields.</p> <p>6 MS. FIELDS: Hello.</p> <p>7 CHAIR FADULLON: Hello.</p> <p>8 MS. FIELDS: Hi. Thank you for the opportunity to</p> <p>9 speak. I just wanted to circle back to what one of the</p> <p>10 other callers was talking about in regards to the cost of</p> <p>11 the development properties being around \$250,000, even</p> <p>12 \$200,000. I think it's pretty astronomical when you're in</p> <p>13 these crime-infested, you know, urban communities and it's</p> <p>14 drawing more people into our communities.</p> <p>15 You know, being a property owner in one of the</p> <p>16 communities, it makes me wonder what type of considerations</p> <p>17 is the Board making regarding us when the properties around</p> <p>18 us are increasing in value, increasing our property taxes.</p> <p>19 How do we be able to continue to afford our property taxes</p> <p>20 to keep our homes so we're not in a position of losing them</p> <p>21 and going into apartments and things?</p> <p>22 CHAIR FADULLON: Thank you, Ms. Fields. And next we</p> <p>23 have Mo Rushdy.</p> <p>24 (Pause.)</p>	<p style="text-align: right;">Page 89</p> <p>1 incomes.</p> <p>2 I just want to say that I support this development. I</p> <p>3 know it's been four times here and I know that I've probably</p> <p>4 spoken a couple times and I sound like a broken record here,</p> <p>5 but we need to encourage hundreds of these homes to be built</p> <p>6 on these in-fills that are in these neighborhoods, making</p> <p>7 these neighborhoods unsafe, unappealing, and it's a great</p> <p>8 thing and we should all encourage more like what the Civetta</p> <p>9 Group is doing there. Thank you so much.</p> <p>10 CHAIR FADULLON: Thank you. All right. Everybody who</p> <p>11 had their hand up got the opportunity to speak, and so I am</p> <p>12 now going to, unless there's other comments or questions</p> <p>13 from the Board, I'm going to call the question. Can I get a</p> <p>14 motion?</p> <p>15 MR. SAUER: I just have one quick question, Anne.</p> <p>16 CHAIR FADULLON: Sure. Oh, I'm sorry, Rick. I didn't</p> <p>17 see your hand up.</p> <p>18 MR. SAUER: I know -- I stuck up my hand quickly. I</p> <p>19 know this is, what, the fourth time or the fifth time, I</p> <p>20 can't remember how many, this has been on the agenda, and</p> <p>21 there's been some pretty consistent concerns raised by</p> <p>22 neighborhood residents.</p> <p>23 So is either the Land Bank staff or the developer able</p> <p>24 to articulate what additional communication has happened</p>
<p style="text-align: right;">Page 88</p> <p>1 CHAIR FADULLON: Can we un-mute Mr. Rushdy, please?</p> <p>2 MR. RUSHDY: Thanks again, Madam Chair, Board, for</p> <p>3 allowing me to speak today. I just want to say, again, to</p> <p>4 put things in perspective, we're short 37,000 affordable</p> <p>5 homes. People who are making \$25.00 and \$30.00 an hour,</p> <p>6 there's no affordable housing.</p> <p>7 Yes, the word "affordable" might be misleading. It</p> <p>8 might sometimes mean low-income, but affordable housing is,</p> <p>9 you know, someone that's making \$50,000 or \$55,000 a year</p> <p>10 was able to get a single-family house, three bedrooms, two</p> <p>11 bathrooms, 1,200 square feet of house in a neighborhood that</p> <p>12 is selling homes at 500 and 600 thousand dollars, yes,</p> <p>13 that's affordable.</p> <p>14 Now, we have, you know, I'm going to talk on behalf of</p> <p>15 the BIA. The BIA has supported the one percent construction</p> <p>16 tax, so the City Council has this great effort of the NPI,</p> <p>17 Neighborhood Preservation Initiative, thankfully that</p> <p>18 Council President Clarke introduced and we supported him for</p> <p>19 that, so that we can use these funds, right, to tackle the</p> <p>20 issues that are being discussed today.</p> <p>21 So yes, these homes are for, you know, \$250,000, but</p> <p>22 there are tools, tools that the city has, that City Council</p> <p>23 has to buy down rates, to give soft second mortgages, down</p> <p>24 payment assistance programs where we can then reach lower</p>	<p style="text-align: right;">Page 90</p> <p>1 with neighborhood residents over the last couple sessions</p> <p>2 that we've been, you know, having this on our agenda just so</p> <p>3 I understand how things have progressed?</p> <p>4 CHAIR FADULLON: Sure. Can we get the developer back</p> <p>5 on again and un-mute her and allow her to comment on that?</p> <p>6 MS. TOMASETTI: Hi, Anne. Yes. So we conducted</p> <p>7 community meeting for Hartranft RFP on February 22nd at 6:00</p> <p>8 p.m. and prior to that we made three previous attempts at</p> <p>9 community meetings on November 15th, January 31st, and</p> <p>10 February 9th. And it is part of our program that we will</p> <p>11 continue to engage the community throughout the pre-</p> <p>12 construction and construction process.</p> <p>13 CHAIR FADULLON: Thank you. Andrew Goodman, you have</p> <p>14 your hand up.</p> <p>15 MR. GOODMAN: Thanks, Madam Chair. More just a</p> <p>16 process related question. So if the Board votes today but</p> <p>17 then subsequent, you know, meetings and conversations with</p> <p>18 residents and stakeholders and what not leads to a</p> <p>19 modification in the addresses and which end uses for which</p> <p>20 addresses, does it then come back to the Board? How does</p> <p>21 that process work?</p> <p>22 MR. RODRIGUEZ: So if the Board approves this</p> <p>23 allotment, it's not that we're adding properties. If</p> <p>24 properties fall off, they would be removed, and then that</p>

BOARD MEETING
4/11/2023

25 (91 - 94)

<p style="text-align: right;">Page 91</p> <p>1 would be included in the development agreement and that's</p> <p>2 what would be conveyed out. And also, we would touch base</p> <p>3 with Council office prior to issuing any City Council</p> <p>4 resolutions to make sure that we weren't working against</p> <p>5 ourselves.</p> <p>6 MR. GOODMAN: Got you. Thank you.</p> <p>7 CHAIR FADULLON: Okay. And we do have one more hand</p> <p>8 up in public comment for someone who has not had a chance to</p> <p>9 speak yet, Lynda Black, so can we un-mute her, please?</p> <p>10 MS. BLACK: Thank you so much. Can you hear me?</p> <p>11 CHAIR FADULLON: Yes, we can. Go ahead, please.</p> <p>12 MS. BLACK: Thank you. I appreciate that very much.</p> <p>13 I have a few things to say, not a question. I do want to</p> <p>14 state, and this will be short, I do want to state that the</p> <p>15 property, one of the properties under this list is already</p> <p>16 under development, so I'm not sure if the public needs to</p> <p>17 know that, but that's an important, if the public doesn't</p> <p>18 already know that, but it's an important thing to note that</p> <p>19 one of the properties -- two of the properties listed, at</p> <p>20 least two of the properties listed are already under</p> <p>21 development. That's 910, 912 West Susquehanna.</p> <p>22 I went to several of the meetings about these</p> <p>23 properties that Civetta mentioned. When there are zoning</p> <p>24 meetings and there are community meetings around properties,</p>	<p style="text-align: right;">Page 93</p> <p>1 asking the Board to authorize the disposition of 815 West</p> <p>2 Firth Street to Carmen Gomez, the adjacent homeowner. The</p> <p>3 property is located in the Fifth District and the</p> <p>4 application was evaluated pursuant to the disposition</p> <p>5 policy.</p> <p>6 The applicant is in good standing with the City of</p> <p>7 Philadelphia and compliant, will not be subject to an</p> <p>8 economic opportunity plan since this is development of a</p> <p>9 side yard, and the property will be subject to the 30 year</p> <p>10 mortgage use restrictions as just a side yard. Thank you.</p> <p>11 CHAIR FADULLON: Any comments or questions from the</p> <p>12 Board on this item?</p> <p>13 (No response.)</p> <p>14 CHAIR FADULLON: Seeing none, Andrea, did we receive</p> <p>15 any comment from members of the public prior to the meeting</p> <p>16 on this item?</p> <p>17 MS. SAAH: We did not.</p> <p>18 CHAIR FADULLON: Okay. It looks like we have a couple</p> <p>19 hands raised, public comment. I just want to verify that</p> <p>20 these hands are raised for this agenda item, which is the</p> <p>21 disposition of a side yard at 815 West Firth Street.</p> <p>22 Tiffani Vaughan?</p> <p>23 MS. VAUGHAN: Hi. Can you all hear me?</p> <p>24 CHAIR FADULLON: Yes, we can. Go ahead, please.</p>
<p style="text-align: right;">Page 92</p> <p>1 more information -- information about the meetings needs to</p> <p>2 be passed out, needs to be distributed, communicated much</p> <p>3 better. There can be flyers that can be posted on utility</p> <p>4 poles. There can be information put in mailboxes for the</p> <p>5 surrounding area.</p> <p>6 However those meetings are communicated, it is not</p> <p>7 enough. It is not enough. It is not enough. Thank you</p> <p>8 very much.</p> <p>9 CHAIR FADULLON: Thank you, Ms. Black.</p> <p>10 All right. Everybody who has had their hand up has</p> <p>11 had a chance to speak at least once, and if there's no other</p> <p>12 questions from the Board, I will entertain a motion on this</p> <p>13 item.</p> <p>14 MR. BALLOON: I move that we approve the disposition.</p> <p>15 MR. KOONCE: Second.</p> <p>16 CHAIR FADULLON: Motion has been made and properly</p> <p>17 seconded to approve this disposition. All in favor?</p> <p>18 (Chorus of ayes.)</p> <p>19 CHAIR FADULLON: Any opposed?</p> <p>20 (No response.)</p> <p>21 CHAIR FADULLON: All right. Motion carries, and that</p> <p>22 brings us to Item V.B, which is the disposition of side/rear</p> <p>23 yards.</p> <p>24 MR. LAWRENCE: Thanks again, you all. Today we're</p>	<p style="text-align: right;">Page 94</p> <p>1 MS. VAUGHAN: Hi. So I do have a question regarding</p> <p>2 the side yard in general. I realize this is a -- it's in</p> <p>3 the same district, District Five?</p> <p>4 CHAIR FADULLON: Correct.</p> <p>5 MS. VAUGHAN: Okay. And from my past understanding,</p> <p>6 you know, I've come to learn that anything above Cecil B.</p> <p>7 Moore or anything below Cecil B. Moore is not being approved</p> <p>8 for the side yards, and there's something nice about that</p> <p>9 consistency.</p> <p>10 I've been in conversations with Michael Koonce and</p> <p>11 Jessie for five years about a lot that is next to me. I</p> <p>12 live in the Fifth District below Cecil B. Moore, and so I'm</p> <p>13 trying to understand a bit about the process.</p> <p>14 I wasn't able to join last month's meeting but 1217</p> <p>15 Pennock was approved, which is actually two blocks south of</p> <p>16 me for a side yard, similar size, similar situation, which</p> <p>17 doesn't seem equitable as we talk about the rules and</p> <p>18 regulations of why certain side yards are not being approved</p> <p>19 above and below certain points.</p> <p>20 So I'm just hoping to understand, if you could provide</p> <p>21 clarity around why not all of these side yards in District</p> <p>22 Five are being treated the same.</p> <p>23 MR. RODRIGUEZ: The best answer I can give you is that</p> <p>24 to your point, typically there is an area that was</p>

<p style="text-align: right;">Page 95</p> <p>1 identified by the Council office, an area where affordable</p> <p>2 housing would be the priority, so typically we do not</p> <p>3 consider side yards or garden applications unless it's a</p> <p>4 one-off basis and that is done, as you mentioned, in</p> <p>5 conversation with the Council office.</p> <p>6 So I know that last month, there was a property that</p> <p>7 was approved by the Board. I don't believe that property</p> <p>8 has moved forward, though. Am I correct in that, Jessie?</p> <p>9 MR. LAWRENCE: You are.</p> <p>10 MR. RODRIGUEZ: So again, you know, we try to maintain</p> <p>11 as much consistency in terms of our application of</p> <p>12 dispositions. We do end up with one-offs because we work</p> <p>13 closely with the Council office. I know that Michael Koonce</p> <p>14 has his hand raised. Maybe he can add to that.</p> <p>15 MR. KOONCE: I think one of the reasons why that</p> <p>16 exception was made was because the 1217 Pennock Street</p> <p>17 property is only 700 square feet and wasn't believed to be a</p> <p>18 buildable lot, whereas the property next to -- geez, I've</p> <p>19 forgotten your name already -- Tiffani Vaughan, I believe?</p> <p>20 MS. VAUGHAN: You got it, yep.</p> <p>21 MR. KOONCE: Is a buildable lot. They're not similar</p> <p>22 in size.</p> <p>23 MS. VAUGHAN: I hear that, but in living in the</p> <p>24 neighborhood and walking past it every day and seeing the</p>	<p style="text-align: right;">Page 97</p> <p>1 there's elbows being rubbed places, and that it's not fair</p> <p>2 and equitable across the board.</p> <p>3 So I just, I want to just understand, because, like,</p> <p>4 I'm not going anywhere and I'm just going to continue to</p> <p>5 call all of you until I'm dead, so I just want to make sure,</p> <p>6 you know, I'm getting a fair shake too, and the folks that</p> <p>7 are really committed to this neighborhood are getting a fair</p> <p>8 shake in taking care of the land that has remained vacant.</p> <p>9 And I think it's Civetta, I'm going to say it wrong,</p> <p>10 they're behind us. They're going to be taking over the</p> <p>11 whole street, and everyone on the street is really excited</p> <p>12 about it. We're not bucking this affordable housing. We</p> <p>13 think it's a great opportunity for our neighborhood.</p> <p>14 But there are, you know, two or three lots that</p> <p>15 weren't included in that bundle and they remain open, and</p> <p>16 they're in between homes that have been built. So it</p> <p>17 doesn't really seem -- it isn't making sense and it isn't</p> <p>18 adding up, and I'm just hoping to get clarity here.</p> <p>19 CHAIR FADULLON: Thank you, Ms. Vaughan. Thank you,</p> <p>20 appreciate that. And next we have Andria Bibiloni.</p> <p>21 MS. BIBILONI: Good afternoon. Can you hear me?</p> <p>22 CHAIR FADULLON: Yes, we can. Go ahead, please.</p> <p>23 MS. BIBILONI: Hi. This is Andria Bibiloni. I'm with</p> <p>24 Philadelphia Legal Assistance. I represent Ms. Carmen</p>
<p style="text-align: right;">Page 96</p> <p>1 lot there, they are the same size, maybe give or take a</p> <p>2 square foot or so.</p> <p>3 I guess more of like what the question is and the</p> <p>4 concern is, if we are going to have rules that keeps the</p> <p>5 community from caring for lots that are eyesores or really</p> <p>6 become poop graveyards for people's pets, then it should</p> <p>7 remain consistent.</p> <p>8 And so I would just, I would hope that there's a</p> <p>9 little bit of I guess integrity held to that, because like,</p> <p>10 for me, you know, I've been trying and have been calling --</p> <p>11 you know, Michael, I talked to you for three years, and then</p> <p>12 after you, I spoke with Jessie about caring for this lot,</p> <p>13 about all of the issues that were happening, being nine</p> <p>14 months pregnant and almost tripping on the side of the</p> <p>15 street because it wasn't paved, and you know, you've been</p> <p>16 helpful in trying to get those things fixed.</p> <p>17 But you know, as someone who is committed to the</p> <p>18 community, who lives here, who's a property owner, is</p> <p>19 planning to die here, you know, we're just trying to make</p> <p>20 these vacant lots not vacant.</p> <p>21 And so it's a hard pill to swallow when an actual</p> <p>22 piece of land that's closer to Girard that's even more</p> <p>23 expensive and even more desirable from an affordable housing</p> <p>24 perspective is getting approved. It kind of feels like</p>	<p style="text-align: right;">Page 98</p> <p>1 Gomez. Ms. Gomez is 78 years old. She's a Spanish</p> <p>2 monolingual resident of 817 West Firth Street.</p> <p>3 Ms. Gomez traveled by bus this morning to my office at</p> <p>4 Seventh and Arch so that she could participate in the</p> <p>5 meeting. She has been trying since 2014 to get ownership of</p> <p>6 this lot, and because of language barriers and other</p> <p>7 financial barriers, it has been very difficult, and so she</p> <p>8 is very excited, very grateful to have made it this far, to</p> <p>9 be able to speak with you all this morning.</p> <p>10 And with that, I'm going to hand it over to Ms. Gomez</p> <p>11 to speak. She's going to speak in Spanish and I'm going to</p> <p>12 translate for her.</p> <p>13 CHAIR FADULLON: Thank you.</p> <p>14 (Ms. Gomez speaking Spanish.)</p> <p>15 MS. BIBILONI: So she says, My name is Carmen Gomez,</p> <p>16 as you know. I'm grateful to be here and I'm really hopeful</p> <p>17 that you will approve my application which has been my</p> <p>18 dream.</p> <p>19 (Ms. Gomez speaking Spanish.)</p> <p>20 MS. BIBILONI: She says that she hopes that you really</p> <p>21 keep her in mind, that you think of her in her situation and</p> <p>22 that you approve her because she really needs the lot. It</p> <p>23 is a place that she uses for gardening that helps her to</p> <p>24 stay calm and alleviates her stress.</p>

<p style="text-align: right;">Page 99</p> <p>1 (Ms. Gomez speaking Spanish.)</p> <p>2 MS. BIBILONI: Again, she just wants to express her</p> <p>3 thanks and her appreciation. She's getting emotional</p> <p>4 because she just has been trying to get this for so long.</p> <p>5 It's something that she has encountered a lot of barriers,</p> <p>6 again because of her language, not understanding English and</p> <p>7 all the complicated forms.</p> <p>8 And she just hopes that you approve her. She's</p> <p>9 thankful to you and to God for the opportunity.</p> <p>10 CHAIR FADULLON: Great. Thank you. Thank you very</p> <p>11 much. All right. With that, I'm going to call the</p> <p>12 question. Can I get a motion on this side yard disposition?</p> <p>13 MR. KOONCE: Motion to approve side yard.</p> <p>14 MS. GONZALEZ: I second.</p> <p>15 CHAIR FADULLON: All right. Motion has been made and</p> <p>16 properly seconded to approve the disposition of 815 West</p> <p>17 Firth Street as a side yard. All in favor?</p> <p>18 (Chorus of ayes.)</p> <p>19 CHAIR FADULLON: Any opposed?</p> <p>20 (No response.)</p> <p>21 CHAIR FADULLON: All right. That completes that item.</p> <p>22 Now we're moving on to New Business. As many of us recall,</p> <p>23 there was a lively discussion last Board meeting about the</p> <p>24 mortgages on gardens, and we agreed that we would put it on</p>	<p style="text-align: right;">Page 101</p> <p>1 also unclear in both PRA documents and somewhat in Land Bank</p> <p>2 documents. We also agreed not to issue non-recourse</p> <p>3 mortgages for gardens and open spaces. These mortgages</p> <p>4 would be self-amortizing with a note of over a 30 year term,</p> <p>5 and it would reduce by the same amount every year moving</p> <p>6 forward.</p> <p>7 There is one item that there was a bit of pushback</p> <p>8 between the two items, is how the mortgages would be</p> <p>9 assessed, whether it be restricted use value or highest and</p> <p>10 best use. I will say that that is an ongoing conversation</p> <p>11 between the Land Bank and the PRA. Hopefully we can get to</p> <p>12 a resolution with that.</p> <p>13 The last point, although I'd like to highlight with</p> <p>14 the Board, is that this type of coordination between</p> <p>15 agencies is really necessary because Land Bank doesn't</p> <p>16 actually operate in a vacuum or unilaterally. We have to</p> <p>17 work and establish operational agreements with the city,</p> <p>18 PRA, you know.</p> <p>19 One of the significant examples of that is interagency</p> <p>20 transfers. A lot of the subject gardens are held by</p> <p>21 multiple agencies and therefore have to be transferred. The</p> <p>22 agreement is to transfer them to the Land Bank for</p> <p>23 disposition, but with that there were agreements between the</p> <p>24 three different legal departments to make sure that there</p>
<p style="text-align: right;">Page 100</p> <p>1 the agenda, so we are going to discuss that further this --</p> <p>2 I think -- no, we're now in the afternoon.</p> <p>3 So I think maybe if we start with sort of the Land</p> <p>4 Bank staff laying out some of the issues, and then we'll</p> <p>5 take some questions from the Board, and then we'll go to</p> <p>6 public comment. So go ahead, staff.</p> <p>7 MR. RODRIGUEZ: Good afternoon, Board. Just in terms</p> <p>8 of just setting elements as to giving a rationale as to why</p> <p>9 we apply the 30 year mortgage, first I just want to say that</p> <p>10 I know last month there was an issue raised as to garden</p> <p>11 dispositions that were happening on the PRA side.</p> <p>12 I would like to inform the Board that to my knowledge,</p> <p>13 Gardens Trust has agreed to accept a 30 year mortgage for</p> <p>14 three gardens that are being disposed of by PRA.</p> <p>15 And then secondly, I'd like the Board to know that</p> <p>16 myself and Andrea Saah met with PRA Legal Department to make</p> <p>17 sure that we had consistent language across the board, items</p> <p>18 that we agreed to were consistent language across</p> <p>19 development agreements, mortgages and notes, consistent and</p> <p>20 clear language defining what would constitute a default in</p> <p>21 the development agreement, mortgages and notes, and also</p> <p>22 clear and consistent language as to how to cure in the</p> <p>23 development agreements, mortgages and notes.</p> <p>24 These were items that we found were inconsistent and</p>	<p style="text-align: right;">Page 102</p> <p>1 was consistency and that each agency's concerns were</p> <p>2 addressed.</p> <p>3 One of those which is front and center is really the</p> <p>4 revised mayor's executive order which is dated March 25,</p> <p>5 2022. In that executive order, the mayor outlines two</p> <p>6 issues, one that any agency that's disposing of land has to</p> <p>7 have a certain recourse that is included with the</p> <p>8 disposition of nominal properties, but most importantly, and</p> <p>9 I'll read this directly from the letter is, a restriction</p> <p>10 requiring that the failure of compliance with any term or</p> <p>11 condition established in connection with the transfer of</p> <p>12 title by the transferee will cause the title to the property</p> <p>13 to revert to the ownership of the City of Philadelphia</p> <p>14 Redevelopment Authority or the Philadelphia Land Bank</p> <p>15 automatically without conveyance thereof being required.</p> <p>16 This is different and significant compared to what had</p> <p>17 happened prior to the change in the disposition policy. As</p> <p>18 we all know, the disposition policy was revamped in 2020.</p> <p>19 This requirement is actually talking about reversioning title,</p> <p>20 not maintaining a consistent use should there be a default,</p> <p>21 and that's significant.</p> <p>22 Based on that, in negotiations with the three legal</p> <p>23 departments and based on the experience that each agency</p> <p>24 had, it was agreed that, in conjunction with the deed</p>

<p style="text-align: right;">Page 103</p> <p>1 restrictions, a 30 year mortgage would be placed on the</p> <p>2 properties to comply with this item in the executive order.</p> <p>3 It achieves three things. It prevents the sale of</p> <p>4 property with or without the use of a title company;</p> <p>5 prevents the collateralization of the property which hinders</p> <p>6 the agency's ability to revert title; and three, it ensures</p> <p>7 that for the agencies to revert title in cases of bankruptcy</p> <p>8 or successful judgment in a lawsuit.</p> <p>9 Again, the standard is to revert title, not to ensure</p> <p>10 conformity with use moving forward. Based on the experience</p> <p>11 of agencies, each had experienced situations where title</p> <p>12 companies had ignored deed restrictions or had seen</p> <p>13 properties conveyed without title insurance, so in dealing</p> <p>14 with all the legal departments, they felt that the best</p> <p>15 instrument to utilize would be a mortgage, and that most</p> <p>16 people do not ignore that.</p> <p>17 I think the exact phrase was, title companies</p> <p>18 sometimes miss a mortgage or a declaration, but it's</p> <p>19 unlikely that a title company will miss both encumbrances on</p> <p>20 a property.</p> <p>21 Then the next issue, just to expound more on</p> <p>22 collateralization, the reason for not allowing a non-profit</p> <p>23 to collateralize a property that it has received for nominal</p> <p>24 consideration is that it ensures our ability to take title</p>	<p style="text-align: right;">Page 105</p> <p>1 side yard dispositions which also require mortgages to</p> <p>2 ensure that we are able to revert the land. And I'll just</p> <p>3 close there.</p> <p>4 CHAIR FADULLON: Thank you, Angel.</p> <p>5 Are there questions about this from the Board at this</p> <p>6 point? This won't be your last chance to ask questions, but</p> <p>7 I'm just checking right now. Are there any questions from</p> <p>8 the Board at this point?</p> <p>9 (No response.)</p> <p>10 CHAIR FADULLON: I'm not seeing a hand raised, so</p> <p>11 Andrea, did we -- oh, I am, sorry. Go ahead, Maria.</p> <p>12 MS. GONZALEZ: Thank you, Madam Chair.</p> <p>13 I think, based on experience, I think a mortgage</p> <p>14 instrument, unless there's something else that is available</p> <p>15 -- again, I'm not an attorney -- will be appropriate, you</p> <p>16 know, to places just to make sure that it acts as a trigger</p> <p>17 if there is a conveyance or if there's an encumbrance on the</p> <p>18 property, that the Land Bank is informed.</p> <p>19 I think the one thing that we need to have more</p> <p>20 discussions will be on the value, on what dollar amount, you</p> <p>21 know, will be just or equitable to place it on properties</p> <p>22 such as gardens, because if we're talking about the best and</p> <p>23 highest value, I don't think gardens are going to serve that</p> <p>24 purpose, so I think, just trying to arrive at an amount that</p>
<p style="text-align: right;">Page 104</p> <p>1 back should there be a mortgage or a recourse grant from a</p> <p>2 state or federal agency that places that agency or the bank</p> <p>3 in first position, again, putting agencies out of compliance</p> <p>4 with the mayor's executive order.</p> <p>5 And then finally, you know, should there be a</p> <p>6 bankruptcy, a mortgage allows a public agency to negotiate</p> <p>7 with the bankruptcy trustee to attempt to regain title of</p> <p>8 the property, which is the objective. An example would be</p> <p>9 Germantown settlement properties. And also, the mortgage is</p> <p>10 a preemptive measure that provides standing and recourse to</p> <p>11 regain title should there be a lien placed on the property</p> <p>12 because we would be in first position if there was a</p> <p>13 satisfaction required for a legal claim against the</p> <p>14 insurance fees.</p> <p>15 I would, in closing, just say to the Board that we are</p> <p>16 committed to continuing negotiating in terms of the terms of</p> <p>17 the 30 year mortgage. I have to say that in discussions</p> <p>18 with the City and the PRA, there is not consensus, there is</p> <p>19 no consensus to remove the 30 year mortgage for gardens and</p> <p>20 open space, and I think the Board should take that into</p> <p>21 consideration.</p> <p>22 And also, I think there's an issue of consistency.</p> <p>23 Part of this, when this issue, this executive order was put</p> <p>24 out, this applied to not just gardens and open space but</p>	<p style="text-align: right;">Page 106</p> <p>1 satisfies both what the Land Bank is trying to do and also</p> <p>2 allow the groups to do what they need to do to raise</p> <p>3 resources for the preservation of these spaces.</p> <p>4 CHAIR FADULLON: Thank you, Maria.</p> <p>5 Andrea, did we receive any comments from the public on</p> <p>6 this item?</p> <p>7 MS. SAAH: Madam Chair, we did. And I will list the</p> <p>8 names and the organizations that sent extended comments.</p> <p>9 They have all been forwarded to the Board for their review,</p> <p>10 and I will not summarize them because they are very</p> <p>11 extensive, basically raising the same points that had been</p> <p>12 raised in the past, but I do have to mention them.</p> <p>13 Teresa Elliott from Norris Square Neighborhood</p> <p>14 Project; Sonia Galiber from Soil Generation; Ruth Goodman</p> <p>15 from the Merck Family Fund; Mimi McKenzie from Public</p> <p>16 Interest Law Center; Linda Soffer from Spooky Garden; Josh</p> <p>17 Warner from Urban Creators; Jenny Greenberg from</p> <p>18 Neighborhood Gardens Trust; Elizabeth Way from Hawthorne</p> <p>19 Community Garden; Dennis Shelley from Peer Environmental,</p> <p>20 LLC; Casey Kucklic from Pennsylvania Horticultural Society;</p> <p>21 Amanda Bock from Brewerytown Garden; and then Attorney</p> <p>22 Stuart Ebby also provided comments in conjunction with Mimi</p> <p>23 McKenzie's comments from Public Interest Law Center.</p> <p>24 CHAIR FADULLON: And I'm assuming they all are saying</p>

<p>Page 107</p> <p>1 the mortgage is an issue and a problem?</p> <p>2 MS. SAAH: Correct, yes. And they will all be</p> <p>3 appended, they will all be part of the minutes, as were all</p> <p>4 of the comments from the last meeting. Thanks.</p> <p>5 CHAIR FADULLON: Thank you. Okay. All right. We're</p> <p>6 now going to take public comment on this. Again, I'm going</p> <p>7 to limit it a little bit because we had extensive comment on</p> <p>8 this last time, right, but we didn't unfortunately have the</p> <p>9 ability to really have a discussion about it.</p> <p>10 But before I do that, I'm going to recognize that Rick</p> <p>11 Sauer has his hand up. Go ahead, Rick.</p> <p>12 MR. SAUER: Sorry about that. I just wanted to follow</p> <p>13 up on one thing that Maria Gonzalez was talking about with</p> <p>14 regard to the mortgage value that's assessed on it.</p> <p>15 I believe in some of the testimony that I read, they</p> <p>16 did talk about how many other land banks around the country</p> <p>17 use a much more nominal value, whether it's 5, 10, 20</p> <p>18 thousand dollars, while still having a mortgage recorded, I</p> <p>19 guess, if they do that.</p> <p>20 So I'd be sort of curious to hear both from Land Bank</p> <p>21 staff as well as some of the community garden organizations</p> <p>22 as to whether that's a potential, if we can get various city</p> <p>23 agencies to agree to it, whether that would be a potential</p> <p>24 way to enable this to work better.</p>	<p>Page 109</p> <p>1 those, who would be in what position for revestment issues.</p> <p>2 That was not the case there, but you know, I think</p> <p>3 that the consistent message from the other legal departments</p> <p>4 was that an easement wouldn't work, a different type of</p> <p>5 declaration wouldn't really do that because we, I know PRA</p> <p>6 places a declaration on properties and they've them be</p> <p>7 ignored. So I hope that answers your question.</p> <p>8 CHAIR FADULLON: Rebecca? Rebecca, you have a --</p> <p>9 there we go.</p> <p>10 MS. LOPEZ KRISS: Yeah. I was curious. I mean, we</p> <p>11 approached this topic last month and we're approaching it</p> <p>12 again this month. What are we discussing exactly? Like,</p> <p>13 there isn't really a motion. Like, what does this</p> <p>14 discussion lead to, logistically or functionally?</p> <p>15 CHAIR FADULLON: Well, I think first we have to have</p> <p>16 the discussion, right. I think we have the discussion and</p> <p>17 then based on the discussion -- and again, I kind of defer</p> <p>18 to Andrea about whether the Board would want to then</p> <p>19 recommend that we put some sort of policy, something on the</p> <p>20 agenda for approval, I guess at the May Board meeting or</p> <p>21 where we want to go. But I think the next step is going to</p> <p>22 be a result of the conversation.</p> <p>23 MS. LOPEZ KRISS: Okay.</p> <p>24 CHAIR FADULLON: So with that, I'm going to go and</p>
<p>Page 108</p> <p>1 MR. RODRIGUEZ: One of the suggestions that was posed</p> <p>2 was using an easement and that was discussed amongst the</p> <p>3 legal departments, and much like our deed restrictions and</p> <p>4 other items, the experience of other agencies has been that</p> <p>5 that is easily ignored. It's more of a, I think, in</p> <p>6 conjunction of looking at, the idea is to stop the transfer</p> <p>7 of the title, to allow the agencies to intercede prior to</p> <p>8 something like that.</p> <p>9 What the experience has been is that it's after the</p> <p>10 fact, and then you end up in extensive negotiations with</p> <p>11 whomever has received title after there was some form of</p> <p>12 default or, you know, unapproved transfer of title.</p> <p>13 So the idea being that that, like an easement, would</p> <p>14 not have made the case. I would say that I know that, you</p> <p>15 know, there was one case where the state had put a</p> <p>16 declaration on the deed, but I think the Board needs to</p> <p>17 understand that when the property is conveyed, that funding</p> <p>18 where there's recourse funding, the requirement is that you</p> <p>19 have title to the property, right.</p> <p>20 So, you know, it'd be a different conversation if we</p> <p>21 were in a situation where we knew beforehand, much like</p> <p>22 other developments or other acquisitions where we know in</p> <p>23 advance that somebody is trying to get state funding for</p> <p>24 something, we would work with them and then negotiate with</p>	<p>Page 110</p> <p>1 let's recognize Mimi McKenzie.</p> <p>2 MS. MCKENZIE: Just making sure you can hear me.</p> <p>3 CHAIR FADULLON: Yes, we can. Go ahead, please.</p> <p>4 MS. MCKENZIE: Okay. Good afternoon, members of the</p> <p>5 Land Bank Board. I'm Mimi McKenzie, the legal director at</p> <p>6 the Public Interest Law Center.</p> <p>7 We appreciate that you've agreed to discuss the 30</p> <p>8 year mortgage practice. We hope -- although we're at the</p> <p>9 end of the agenda, I recognize we're competing with lunch</p> <p>10 and other meetings -- we hope that you'll give this issue</p> <p>11 the consideration that it deserves.</p> <p>12 I had actually prepared some comments, but I think I'm</p> <p>13 just going to put them aside and just let you know that we</p> <p>14 have organized ourselves in order to ensure that you can</p> <p>15 weigh all the factors that are impacting this issue, and we</p> <p>16 want to avoid duplication of comments.</p> <p>17 And so we would respectfully ask that you next call on</p> <p>18 Stuart Ebby, who is a real estate transaction expert who has</p> <p>19 come here today to provide comment on the most effective</p> <p>20 tools for conveying land, ensuring that restrictions on land</p> <p>21 are honored and reclaiming land in the event that that</p> <p>22 becomes necessary.</p> <p>23 After that, Neighborhood Gardens Trust will talk about</p> <p>24 the impact that this mortgage has on state money that's</p>

<p>Page 111</p> <p>1 supposed to flow to our city.</p> <p>2 Adam Butler from Cesar Iglesias will talk about the</p> <p>3 impact that a 30 year mortgage has on the financial health</p> <p>4 of a non-profit.</p> <p>5 Josh Warner from Urban Creators will talk about the</p> <p>6 equity issues raised by this practice.</p> <p>7 And then I think there are probably quite a few garden</p> <p>8 non-profits and institutional supporters and funders who</p> <p>9 also want to comment.</p> <p>10 So with that, I will thank you and respectfully</p> <p>11 request that you hear from Mr. Ebby.</p> <p>12 CHAIR FADULLON: Okay. Thank you. I just want to say</p> <p>13 that we want to hear from folks, but again, we talked about</p> <p>14 this for about an hour. We took comments for about an hour</p> <p>15 at the last meeting, so if the comments start to get</p> <p>16 repetitive, that it's just, this is a hardship, it's a</p> <p>17 hardship, it's a hardship, we don't want the mortgage, we</p> <p>18 don't want the mortgage, we would appreciate sort of</p> <p>19 consolidating and condensing those, because I think we get</p> <p>20 that that's the big issue and that that's what we're talking</p> <p>21 about.</p> <p>22 But with that -- and again, just please limit your</p> <p>23 comments as brief as possible, because we definitely want to</p> <p>24 get through this. Go ahead, Stuart Ebby. We will recognize</p>	<p>Page 113</p> <p>1 talk about this, that people could ignore recorded</p> <p>2 restrictions. You know, it doesn't matter, because you can</p> <p>3 enforce them whether the people find them, ignore them, know</p> <p>4 about them. You have a right to enforce them and you can</p> <p>5 always do that.</p> <p>6 I don't think anybody -- I mean, I can always learn --</p> <p>7 I've never seen anybody, a developer buy a property in the</p> <p>8 City of Philadelphia without a proper title search and</p> <p>9 without title insurance because you can't get financing</p> <p>10 without that.</p> <p>11 But again, even if someone did proceed without title</p> <p>12 insurance, that's not what's important. What's important is</p> <p>13 the restrictions are a matter of record and therefore people</p> <p>14 ignore them at their peril. You can always enforce them.</p> <p>15 Similarly, I was interested to hear somebody say --</p> <p>16 excuse me, I think it was executive director -- say that the</p> <p>17 problem is, someone buys or takes title to a garden and then</p> <p>18 can put a mortgage on it.</p> <p>19 But that mortgage has got to be subject to your prior</p> <p>20 rights, has to be. When you give a deed subject to</p> <p>21 restrictions, your rights are fixed. And if I come in and</p> <p>22 take a mortgage on that property, I'm taking it subject to</p> <p>23 your rights.</p> <p>24 So it just doesn't make any sense to me, with all due</p>
<p>Page 112</p> <p>1 you next. Go ahead, Mr. Ebby.</p> <p>2 MR. EBBY: Okay. Thank you, Madam Chairman, members</p> <p>3 of the Board. I can't see you now.</p> <p>4 CHAIR FADULLON: Yeah. I think that's sort of a</p> <p>5 limitation, is we can hear you. I don't know why you can't</p> <p>6 see us. I don't know why that is. You should be able to</p> <p>7 see us, but anyway, we can hear you, and I assure you we are</p> <p>8 paying attention, so go ahead, please.</p> <p>9 MR. EBBY: Thank you, Madam Chairman. It's been a</p> <p>10 long meeting and I take seriously your admonition to be</p> <p>11 brief, so let me cut right to the chase.</p> <p>12 For those who don't know me, I've been a real estate</p> <p>13 lawyer in Philadelphia -- actually, I'm retired, but I was a</p> <p>14 real estate lawyer in Philadelphia for 60 years, and taught</p> <p>15 real estate as a lecturer at Temple Law School and also for</p> <p>16 the last 15 years as an adjunct professor of law at the</p> <p>17 University of Pennsylvania Law School.</p> <p>18 I'm not here on behalf of any client. I'm not being</p> <p>19 paid. I'm here because Mimi McKenzie and PILCOP asked me to</p> <p>20 comment on this controversy between use of a mortgage and</p> <p>21 use of what I will call the traditional methods.</p> <p>22 Let me just very briefly talk about the traditional</p> <p>23 methods, the reverter, the restriction and reverter. The</p> <p>24 Board is concerned, and I just heard the executive director</p>	<p>Page 114</p> <p>1 respect, it doesn't make any sense to me to say that, you</p> <p>2 know, somehow a mortgage can get ahead of this.</p> <p>3 And the same thing applies to judgment liens or</p> <p>4 bankruptcies. We have a recording system in Pennsylvania.</p> <p>5 It's been the law since at least 1715. Your rights are</p> <p>6 fixed when you record your document, and nobody can get</p> <p>7 ahead of you.</p> <p>8 So it seems to me the use of restrictions and the</p> <p>9 reverter is effective. It's been used since the year one.</p> <p>10 I don't see any reason to abandon it.</p> <p>11 The other thing I want to say is, which I find very</p> <p>12 interesting, is your mortgage. I don't think they're</p> <p>13 enforceable. I don't think they're enforceable. A</p> <p>14 mortgage, a mortgage note legally must -- and I wrote the</p> <p>15 book on this for the Pennsylvania Bar Association -- it must</p> <p>16 secure a debt or something which can be reduced to a debt,</p> <p>17 for example, a guarantee, a liquidated amount.</p> <p>18 What you are trying to do, it's perfectly clear from</p> <p>19 the context, is use a mortgage to secure not a promise to</p> <p>20 pay a specific amount of money, but to do what you said</p> <p>21 you'd do, to keep this property open, not to develop it, to</p> <p>22 use it as a garden and so forth.</p> <p>23 Unfortunately, that is not something that a mortgage</p> <p>24 can properly be used for, and I think, if I were on your</p>

<p style="text-align: right;">Page 115</p> <p>1 side and I had the toolkit that you have, I would be very 2 reluctant to use a mortgage when I could use restrictions 3 and the reverter because someday, somebody is going to 4 challenge the mortgage, saying it's not enforceable, and 5 they have a very good chance of winning because as I say, it 6 doesn't secure a debt.</p> <p>7 Now, you may say, not you, Madam Chairman, but someone 8 may say, wait a minute. We have a note and the note says if 9 you don't comply with the obligations, then you owe us 10 whatever it is, a million dollars. That's not a real debt. 11 That's what any first year law student will tell you is a 12 penalty.</p> <p>13 If I say, I'm going to the Whole Foods and do your 14 shopping this week, and if I don't do it, I'll pay you a 15 million dollars, that's not enforceable. You don't have any 16 damage. You may have a damage if I don't go to the store 17 for you, but not a million dollars. It's an arbitrary large 18 amount. You can't collect it. It's not enforceable.</p> <p>19 So I think, I think that the traditional way of doing 20 this works, and if it were I, I would stay with it. Now, 21 Ms. McKenzie or others will tell you why the mortgage as a 22 business matter gives the gardens a lot of trouble, but 23 that's beyond my expertise and leave that to them. Okay.</p> <p>24 CHAIR FADULLON: Thank you, Mr. --</p>	<p style="text-align: right;">Page 117</p> <p>1 these type of mortgage restrictions are on improvements on 2 the land which would be buildings and they're usually time 3 based with a penalty if the mortgage is not held for this 4 period, which is 30 years.</p> <p>5 For the gardens, I agree with the last commenter that 6 it's not clear if the 30 year mortgage can be enforceable 7 when, I'm saying when it's land and there are no 8 improvements on the land.</p> <p>9 So clarity is needed for these 30 year mortgages for 10 the gardens and also for the homes and multi-units. Are 11 they monetary penalty based or monetary and penalty based, 12 or are they time based only, or some combination? And 13 that's my comment.</p> <p>14 CHAIR FADULLON: Thank you, appreciate that.</p> <p>15 Next we have Jenny Greenberg.</p> <p>16 MS. GREENBERG: Good afternoon and thank you for the 17 opportunity to speak and for including the 30 year mortgage 18 on nominal fee dispositions of community gardens on the 19 agenda.</p> <p>20 I'm Jenny Greenberg, executive director of the 21 Neighborhood Gardens Trust, Philadelphia's land trust for 22 the protection of community gardens and shared open spaces. 23 We've been working for over 35 years to protect 51 gardens 24 around the city, totalling 13 acres of protected green</p>
<p style="text-align: right;">Page 116</p> <p>1 MR. EBBY: I'll conclude there and I'll answer any 2 questions if anybody has any.</p> <p>3 CHAIR FADULLON: Thank you, Mr. Ebby, appreciate it.</p> <p>4 Next we have phone number ending in 552.</p> <p>5 MS. FERNANDEZ: Hello?</p> <p>6 CHAIR FADULLON: Hi, go ahead, please.</p> <p>7 MS. FERNANDEZ: Hi, this is Adrienne Fernandez again.</p> <p>8 I just had a comment about what the last speaker was talking 9 about, about this 30 year mortgage. This is only for 10 gardens, is that right, that were --</p> <p>11 CHAIR FADULLON: Right. We're talking about mortgages 12 on community gardens right now. Yes.</p> <p>13 MS. FERNANDEZ: And they're talking about 30 year 14 mortgages?</p> <p>15 CHAIR FADULLON: On gardens, yes.</p> <p>16 MS. FERNANDEZ: Okay. I also in this case and also in 17 the affordable housing home and apartment case, talking 18 about, I said there should be a fact sheet document, 19 especially for the RCOs so when these properties come up in 20 public meetings, we all have the same information.</p> <p>21 The 30 year mortgage question on even just talking 22 about the gardens which is just the land usually with no 23 improvements, buildings on the land and/or the affordable 24 homes and affordable multi-units, from my experience usually</p>	<p style="text-align: right;">Page 118</p> <p>1 space, and are working today with 25 additional gardens that 2 asked for help with land preservation.</p> <p>3 We've worked closely with the Philadelphia Land Bank 4 and Redevelopment Authority to protect gardens where 5 community stewards have cared for city land for years but 6 have no assurance for their future.</p> <p>7 As Mr. Rodriguez recently stated, NGT essentially had 8 our hand forced to agree to prior three PRA held gardens. 9 We have a non-recourse, 30 year mortgage. We asked for an 10 extension on making a decision on those and that request was 11 denied, and we just couldn't risk losing them.</p> <p>12 But today I wanted to actually focus my comments on 13 the work that we do with the Commonwealth of Pennsylvania to 14 purchase gardens that have been lost to developers. And I 15 want to talk about how the city's decision to add the 30 16 year mortgage in addition to the deed restriction and 17 reversionary language restricts the flow of state resources 18 to our city.</p> <p>19 The Pennsylvania Department of Conservation and 20 Natural Resources, DCNR, provides land acquisition grants 21 for 50 percent of the market value of land or its 22 development rights, and the Commonwealth awards millions of 23 dollars a year for land conservation projects using an open 24 space deed restriction to ensure the land is protected</p>

<p>Page 119</p> <p>1 permanently from development.</p> <p>2 Before the 30 year mortgage, we had success leveraging</p> <p>3 the value of Land Bank dispositions dollar for dollar to</p> <p>4 bring additional state resources to our city, but not</p> <p>5 anymore.</p> <p>6 I attached to my comments, which hopefully you have, a</p> <p>7 letter from Ashley Rebert, DCNR's chief of land conservation</p> <p>8 and stewardship, stating that the 30 year mortgage places an</p> <p>9 encumbrance on the property that makes it ineligible for</p> <p>10 DCNR funding and puts it out of compliance with their</p> <p>11 policies. In other words, the Commonwealth interprets the</p> <p>12 mortgage as opening these properties up to being developed,</p> <p>13 making it a bad investment.</p> <p>14 In 2022, Pennsylvania passed the Growing Greener 3</p> <p>15 legislation which allocated \$640 million in conservation</p> <p>16 funding. This is a once in a generation opportunity. Last</p> <p>17 year, NGT was able to raise \$600,000 through DCNR to acquire</p> <p>18 threatened community green spaces. However, accessing that</p> <p>19 funding is contingent on having a match, and the 30 year</p> <p>20 mortgage prevents us from leveraging the value of city</p> <p>21 nominal fee dispositions to meet this requirement.</p> <p>22 PHDC staff has stated that the reason the 30 year</p> <p>23 mortgage is necessary is that the open space use</p> <p>24 restrictions could be missed in a title search, and so when</p>	<p>Page 121</p> <p>1 We at Urban Creators have been doing affordability for</p> <p>2 13 years. We haven't built any homes, but we've been home</p> <p>3 for dozens and dozens of neighbors, friends, youth, and</p> <p>4 seniors. We're a black-owned and black-run farm in a black</p> <p>5 neighborhood. In that regard we have, I mean, to use your</p> <p>6 parlance, we're affordable housing. We have over let's say</p> <p>7 98 percent MBE, minority business enterprises, involved in</p> <p>8 our work, in our garden.</p> <p>9 In the Fairhill and Hartranft neighborhoods,</p> <p>10 especially given the amount of seniors and community input</p> <p>11 and community collaboration we've had over the years, we can</p> <p>12 also say that we're a healthy amount of WBE in our work in</p> <p>13 North Philadelphia.</p> <p>14 So I'm going to start with a question, and I'm not</p> <p>15 sure if the Board can answer right now, but it goes along</p> <p>16 the lines of what Maria and what Rick Sauer had spoken on</p> <p>17 earlier before the public comment period.</p> <p>18 How does this Board ensure that race, class, age, and</p> <p>19 abilities based equity is maintained through these garden</p> <p>20 dispositions?</p> <p>21 We've heard a lot of figures, a lot of mortgage and</p> <p>22 jargon here, but really, this is a matter of equity, as it</p> <p>23 was pointed out by two of your Board members.</p> <p>24 We have disposition policies that you've heard and you</p>
<p>Page 120</p> <p>1 non-profits nefariously flip gardens to developers, the</p> <p>2 developers won't know that they're acquiring deed restricted</p> <p>3 land. If this is the actual concern, recording the deed</p> <p>4 restriction in a confirmatory deed the way the Commonwealth</p> <p>5 does makes it impossible to miss. I also attached to my</p> <p>6 comments the Commonwealth's confirmatory deed as a model.</p> <p>7 There's no question that 30 year mortgage weakens the</p> <p>8 protection of community stewarded green spaces which help to</p> <p>9 mitigate so many of the health, public safety and</p> <p>10 environmental threats Philadelphians face, and there's no</p> <p>11 question that a deed restriction with either a reverter or</p> <p>12 right of reentry clause in the event of a violation of the</p> <p>13 deed or purchase agreement is every bit as effective.</p> <p>14 So on behalf of NGT gardens, I must ask, what is the</p> <p>15 real motivation behind this mortgage? Thank you.</p> <p>16 CHAIR FADULLON: Thank you.</p> <p>17 And next it looks like we have Joshua Warner.</p> <p>18 MR. WARNER: Good afternoon, everyone. Can you hear</p> <p>19 me?</p> <p>20 CHAIR FADULLON: Yes, we can. Go ahead, please.</p> <p>21 MR. WARNER: Excellent. So my name is John Warner. I</p> <p>22 am director of capacity and development at Urban Creators.</p> <p>23 We run Life Do Grow Farm at 2316 North 11th Street in the</p> <p>24 Hartranft neighborhood of North Philadelphia.</p>	<p>Page 122</p> <p>1 can read in the comments that are unfair financially and</p> <p>2 really make it a problem for us to continue doing our work.</p> <p>3 If we look at public properties over the years in</p> <p>4 Philadelphia, many of these were acquired through</p> <p>5 foreclosure or eminent domain over the years. The city, the</p> <p>6 Redevelopment Authority, Land Bank, Housing Authority,</p> <p>7 whomever, has gained ownership of these properties that used</p> <p>8 to be private over the years. And in many cases, that</p> <p>9 destroyed black wealth in neighborhoods like mine.</p> <p>10 Over the years, like these public properties tended to</p> <p>11 remain vacant or attracted trash, attracted crime. These</p> <p>12 were eyesores and impediments on the existing neighbors</p> <p>13 around in neighborhoods.</p> <p>14 So not only did the city own the land or destroy like</p> <p>15 what wealth there was, there was no attempt to like really</p> <p>16 clean up or improve or what not. We gardens have stepped in</p> <p>17 in many, many neighborhoods across Philadelphia to do that</p> <p>18 work, to do the work of the public sector. We are also</p> <p>19 public servants, the cost maintained by neighbors in these</p> <p>20 neighborhoods with vacant land versus the benefits reaped by</p> <p>21 neighbors in areas with thriving gardens and thriving farms.</p> <p>22 We have done the work to turn these properties around.</p> <p>23 We have educated youth. We have fed neighbors. We have</p> <p>24 sweated. We have cried. We have laughed in all these</p>

<p>Page 123</p> <p>1 places. And it just seems like a slap on the face to turn 2 around and saddle these places with mortgages, with debt. 3 I understand self-amortizing, all that. But you know, 4 we've done the work. We've done the work of the public 5 sector. Now we are to bear the cost? That is patently 6 unfair. 7 CHAIR FADULLON: Thank you, Mr. Warner. Mr. Warner, 8 I'm going to need you to wrap up. 9 MR. WARNER: Wrap up. Thank you, Chair. If we speak 10 about Turn the Key program, you know, these gardens and 11 farms and neighborhood activists, we built the doors for 12 you. If you're going to turn the key and provide more 13 affordability, we're the ones that built the doors. You owe 14 us. We have done public sector work. 15 This Board needs to step up and recognize that. Mr. 16 Rodriguez, you speak of the Land Bank and the Redevelopment 17 Authority like going back and forth in the nitty-gritty of 18 the details. Please invite us to those conversations. 19 The Policy Committee of this Land Bank Board, the 20 staff of PRA and the staff of PLB, us gardens that have had 21 skin in the game for decades, we deserve to make these 22 decisions with you. Thank you all for your time. 23 CHAIR FADULLON: Thank you, Mr. Warner, appreciate 24 that. And next we have Naomi Smith.</p>	<p>Page 125</p> <p>1 MS. LYNCH: Hello. Can you hear me? 2 CHAIR FADULLON: Yes, we can. Go ahead, please. 3 MS. LYNCH: Hi. Thanks. I'm a gardener and organizer 4 for the garden called the Farm on Florence. It's in 5 Southwest Philly, 54th and Florence Avenue, sort of three 6 sections. One is just -- (inaudible) -- our goal is just to 7 improve the health and happiness of the residence in our 8 community as many gardens are, and sometimes affordable 9 housing and like gardening seem in opposition, but I think 10 all of our goal is to improve health and happiness of the 11 residents, our community. 12 Okay, sorry. More like specific, some of the things 13 that happen in our garden, like kids show up, like pre-teen 14 boys and they're like eager to help us dig in the ground, 15 play in the garden. It's just like a wonderful thing for 16 kids to do. 17 A kid the other day was excited to eat kale. We found 18 out it was growing in the garden. He turned down chips in 19 order to eat kale, so just some examples. 20 We have a beautiful community. It includes many 21 elderly people who have lived in this neighborhood for 22 decades. It includes people who were dealing with isolation 23 before. Anyway, I could go on, but health and happiness of 24 our community is what we are devoted to.</p>
<p>Page 124</p> <p>1 (Pause.) 2 CHAIR FADULLON: Go ahead, Ms. Smith. You should be 3 able to un-mute yourself. 4 (Pause.) 5 CHAIR FADULLON: You're un-muted. We should be able 6 to hear you. 7 MS. SMITH: Good morning. 8 CHAIR FADULLON: Good morning. 9 MS. SMITH: My name is Naomi Smith. I am a 10 resident of East Parkside, and I'm a gardener. I've been 11 gardening at the Viola Street Garden for over 50 years plus. 12 The Neighborhood Gardens Trust is in the process of working 13 with the Water Department to pipe in water in our garden. 14 We desperately need a stable and reliable source of 15 water. The Land Bank's proposal is hindering our ability to 16 get the water we need. Currently we are connecting four 17 water hoses to a fire hydrant around the corner to water our 18 garden. Several of our gardeners are seniors, and this 19 presents a hardship to them and others. So we are asking the 20 Board to reconsider their proposal to place mortgage liens on 21 gardeners. Thank you. 22 23 CHAIR FADULLON: Thank you, appreciate that. 24 And Selah Lynch.</p>	<p>Page 126</p> <p>1 Our hope is the NGT will gain control of our land and 2 it can be a permanent green space. And really, I'm kind of 3 an echo what the previous gardener said, like the on-the- 4 ground effects of this 30 year mortgage are, you know, that 5 maybe it will take much longer for NGT to get our land or, 6 you know, obviously maybe we won't get it. 7 And one of the things that affects is us being able to 8 make investments in the land that make it accessible, and to 9 elderly people is a big one or to disabled people. 10 Water is a huge issue. We right now have a big IBC 11 plastic tank that we string three hoses together like across 12 a street to fill up every like once a month. 13 Having like a water pump that we could I'm pretty sure 14 easily get a grant or fund, but you know, it costs like 15 thousands of dollars. Anyway, it would help the garden 16 flourish to a huge extent. 17 Having a shade structure is another investment we are 18 dreaming and hoping to make, but we can't make this, you 19 know, kind of until we know we have like control of the 20 land. 21 And my understanding is just that the 30 year mortgage 22 puts that in jeopardy, slows it down, and if we have it, you 23 know, there's always the risk -- oh, right. Here's another 24 one, last one.</p>

<p style="text-align: right;">Page 127</p> <p>1 It's just, another thing that makes me shiver is</p> <p>2 someone comes and dumps a bunch of construction like debris,</p> <p>3 like that happens a lot in our neighborhood, just giant</p> <p>4 piles of construction debris show up. It's expensive and</p> <p>5 time consuming to remove this, and the thought that after 20</p> <p>6 years, that might happen and then we lose like the garden</p> <p>7 because, you know, because there's a clause that says this</p> <p>8 garden isn't, you know, keeping clean enough.</p> <p>9 So anyway, I hope I painted an on-the-ground picture</p> <p>10 that is helpful in some way to you. Thank you for doing</p> <p>11 this, and I will be listening eagerly. Oh, wait --</p> <p>12 CHAIR FADULLON: Thank you.</p> <p>13 MS. LYNCH: I just --</p> <p>14 CHAIR FADULLON: Very quickly, because I've got a lot</p> <p>15 of hands --</p> <p>16 UNIDENTIFIED SPEAKER: Sorry. I was one of those, I</p> <p>17 had to leave for a work meeting. I couldn't log back in.</p> <p>18 Sorry. I just wanted to -- one more voice on that front,</p> <p>19 especially in like the language of like "clear and free of</p> <p>20 debris."</p> <p>21 The clear and consistent language thing in all these</p> <p>22 points sounds wonderful, especially on that. And so, yeah,</p> <p>23 sometimes we do get things dumped on the garden and it takes</p> <p>24 us a week or two to clean it up. We always clean it up, but</p>	<p style="text-align: right;">Page 129</p> <p>1 perspective on this. I'm private sector, been developing</p> <p>2 stormwater projects for ten years in Philadelphia on private</p> <p>3 property.</p> <p>4 And in the course of doing that, I realize that a lot</p> <p>5 of the work that I've done over the last ten years has been</p> <p>6 one of those projects that provided little to no community</p> <p>7 benefit, neighborhood benefit.</p> <p>8 And I was fortunate to get involved with a grant</p> <p>9 program that's funded by the William Penn Foundation that</p> <p>10 includes the Nature Conservancy and the Drexel Academy of</p> <p>11 Natural Sciences.</p> <p>12 And what we're doing is finding opportunities to use</p> <p>13 the money that the city, the Water Department is already</p> <p>14 spending on stormwater to provide neighborhood benefit that</p> <p>15 has been shown in the Green City Clean Waters program during</p> <p>16 its first half-life.</p> <p>17 And what we're doing is, we focus on historically</p> <p>18 underinvested communities, which is, no surprise, North,</p> <p>19 West, and Southwest Philly, and looking for what we call</p> <p>20 anchor properties, identifying anchor properties which tend</p> <p>21 to be schools, churches, that sort of thing, and finding</p> <p>22 ways to expand the impact of what we might do on a school</p> <p>23 property to a zone within the neighborhood, and the whole</p> <p>24 idea about bringing more green into the neighborhood.</p>
<p style="text-align: right;">Page 128</p> <p>1 I hate the idea of the garden being vulnerable to that sort</p> <p>2 of thing for that.</p> <p>3 And also things like, yeah, if it's at someone's</p> <p>4 discretion, someone could walk by and see our rain barrels</p> <p>5 which are not the most attractive thing but they're like</p> <p>6 great for the city, great for the garden, for that to be</p> <p>7 considerably like -- considered trash by someone, like it's</p> <p>8 not far fetched.</p> <p>9 So I just wanted to just highlight that other point,</p> <p>10 and I really did like everything that everyone else said on</p> <p>11 the 30 year mortgage itself, so like, thank you.</p> <p>12 CHAIR FADULLON: Thank you. Next we have Eloise</p> <p>13 Young.</p> <p>14 MS. YOUNG: Good afternoon. I'm speaking on behalf of</p> <p>15 the Mill Creek Urban Farm, which is located at 49th and</p> <p>16 Brown Street in West Philly.</p> <p>17 We oppose the placement of 30 year mortgages on</p> <p>18 community gardens and open spaces. We have invested many</p> <p>19 years and lots of hard work and money in our green space.</p> <p>20 We urge you to stop this practice. Thank you.</p> <p>21 CHAIR FADULLON: Thank you. Next we have Dennis</p> <p>22 Shelley.</p> <p>23 MR. SHELLY: Hi. Thank you. I just, I appreciate the</p> <p>24 opportunity to just give a little bit of a different</p>	<p style="text-align: right;">Page 130</p> <p>1 And in these neighborhoods, conveniently or</p> <p>2 inconveniently, they also tend to be where the Land Bank</p> <p>3 properties are concentrated.</p> <p>4 What we are looking at is, let's build out from the</p> <p>5 anchor property and in the surrounding area, making it a</p> <p>6 green zone, and a key part of that can be Land Bank</p> <p>7 properties.</p> <p>8 And from our purposes the ones that are at low areas</p> <p>9 that tend to collect street runoff gives us an opportunity</p> <p>10 to use Water Department funding to manage stormwater, and</p> <p>11 then clean up the property and turn it over to a land trust</p> <p>12 or a community development organization to take long-term</p> <p>13 ownership of the property and long-term responsibility.</p> <p>14 So from my perspective, what we're doing is providing</p> <p>15 new green spaces. You know, preserving existing green</p> <p>16 spaces and gardens is incredibly important, but we also need</p> <p>17 to be looking at developing new green spaces, and we have an</p> <p>18 opportunity to do that.</p> <p>19 And if we restrict the ability of CDCs and land trusts</p> <p>20 to take title because of a mortgage restriction, it's a</p> <p>21 wasted opportunity. To me, if we build more green space in</p> <p>22 some of these neighborhoods, it's going to attract the</p> <p>23 development we want and hopefully allow people to stay in</p> <p>24 their homes and make them want to stay in their homes.</p>

<p style="text-align: right;">Page 131</p> <p>1 That's about all I have to say, but thank you.</p> <p>2 CHAIR FADULLON: Thank you, Mr. Shelly.</p> <p>3 And next we have Jeff Carpenter. Go ahead, Mr.</p> <p>4 Carpenter. You should be able to un-mute yourself. There</p> <p>5 you go.</p> <p>6 MR. CARPENTER: I'm the president of Arcadia Commons.</p> <p>7 We shepherd three green spaces in East Kensington. We've</p> <p>8 been doing it for ten years now. One of them has a lot</p> <p>9 that's been in the Land Bank process for three years now.</p> <p>10 Another park is the future one at Huntingdon and Emerald, to</p> <p>11 be our Firefighters Memorial Park, which will be the largest</p> <p>12 green space in the neighborhood when we get title.</p> <p>13 The Community Design Collaborative did the design for</p> <p>14 the park. We have raised over \$100,000 so far and will</p> <p>15 probably need another \$150,000 to complete it.</p> <p>16 These properties from the Land Bank will probably</p> <p>17 appraise at around \$2 million, far more than our current</p> <p>18 assets. So a recourse mortgage would put our balance sheet</p> <p>19 underwater in the eyes of potential funders of any kind. It</p> <p>20 would be impossible to raise the needed funds.</p> <p>21 We ask that you change from the mortgage policy back</p> <p>22 to your previous policy. Thank you.</p> <p>23 CHAIR FADULLON: Thank you, Mr. Carpenter.</p> <p>24 And next we have Victor Young.</p>	<p style="text-align: right;">Page 133</p> <p>1 Thank you all for your patience. I know that we're all in a</p> <p>2 hurry, but before we go on, I just feel like we need to have</p> <p>3 a collective deep breath together, so if you could just take</p> <p>4 a moment and breathe in deeply, and let's exhale, and let's</p> <p>5 come together. We're here. People are missing their lunch,</p> <p>6 so thank you again.</p> <p>7 My name is Malaika, and I'm here today representing</p> <p>8 One Art Community Center and One Art Oasis Farm, located</p> <p>9 here in West Philadelphia.</p> <p>10 And we're here, all of us, on the unceded land of the</p> <p>11 Leni Lenape, the original people of this area. And you</p> <p>12 know, as we think about the original people of the land, we</p> <p>13 think about all the land theft, right, and the tricks that</p> <p>14 have occurred over so many years and so long ago.</p> <p>15 But then, you know, this is why we are here today,</p> <p>16 because we are really protective of this land that we have</p> <p>17 put so much love in, and we've all seen in the past how</p> <p>18 things have flowed.</p> <p>19 We are here at One Art and we've had the honor to be</p> <p>20 on this sacred land for over 20 years. With blood, sweat</p> <p>21 and tears, we have cleaned, cleared, cultivated and created</p> <p>22 an inspirational space where we can grow.</p> <p>23 And over the years, One Art has grown community and</p> <p>24 community space along with tons of food. With laughter, joy</p>
<p style="text-align: right;">Page 132</p> <p>1 MR. YOUNG: Can you hear me okay?</p> <p>2 CHAIR FADULLON: Yes, we can. Go ahead, please.</p> <p>3 MR. YOUNG: Okay. I have one question. You say a lot</p> <p>4 of this came about by an executive order. When did that</p> <p>5 executive order go into effect?</p> <p>6 MR. RODRIGUEZ: The original executive order was</p> <p>7 issued in February 2020. It was revised in March 2022.</p> <p>8 MR. YOUNG: Revised in March 2022. Okay. So an</p> <p>9 executive order expires. Will this practice still be in</p> <p>10 effect once an executive order expires if a new mayor goes</p> <p>11 into effect?</p> <p>12 MR. RODRIGUEZ: I asked that question specifically of</p> <p>13 the City Law Department, assuming that it would expire. The</p> <p>14 way the executive order was written is that it survives this</p> <p>15 administration. The next mayor would have to proactively</p> <p>16 rescind this executive order, either get rid of it totally</p> <p>17 or change it.</p> <p>18 MR. YOUNG: Okay. So my last statement is, from NGT</p> <p>19 Board standpoint, we were forced to make this agreement</p> <p>20 because of that, so that's all I have to say. Thank you.</p> <p>21 CHAIR FADULLON: Thank you, Mr. Young.</p> <p>22 Next we have Malaika Gilpin. Are we able to allow</p> <p>23 Malaika Gilpin to be un-muted, please? There we go.</p> <p>24 MS. GILPIN: Okay. Well, good afternoon, everyone.</p>	<p style="text-align: right;">Page 134</p> <p>1 and peace, we've planted seeds for a place where we can heal</p> <p>2 ourselves, heal each other, heal our families, our</p> <p>3 communities, heal the city, and heal Mama Earth.</p> <p>4 I've had the opportunity to speak multiple times at</p> <p>5 these Land Bank hearings. My first time was when the Land</p> <p>6 Bank was just being introduced, and I was filled with so</p> <p>7 much hope.</p> <p>8 For years, we were building on land, and the land was</p> <p>9 insecure, and finally with the Land Bank coming, you know,</p> <p>10 on the table, we were like, yeah, this is going to be a</p> <p>11 transparent path to land ownership. Our city is finally</p> <p>12 investing in an agency that values urban ag and food</p> <p>13 sovereignty and the people who grow the food that help our</p> <p>14 communities to become healthy.</p> <p>15 So that was my first testimony, and then recently my</p> <p>16 latest testimony was at the Land Bank hearing to get support</p> <p>17 for our farm which, after being told for years that it was</p> <p>18 safe, had actually been sold at a sheriff sale.</p> <p>19 So the Land Bank was really instrumental in helping us</p> <p>20 get through and have a land swap, so we're really grateful.</p> <p>21 And once again, I'm filled with hope and sharing it widely,</p> <p>22 right, so that other gardens and farms could be reassured,</p> <p>23 because there is indeed a transparent path to vacant land</p> <p>24 being transferred into the hands of those who care for her</p>

<p>Page 135</p> <p>1 and nurture her.</p> <p>2 However, when reviewing the 30 year mortgage, I</p> <p>3 realize I totally got excited way too soon, and I'll be the</p> <p>4 first to admit, I have trust issues. We, you know, had hope</p> <p>5 that the change being made in creating the Land Bank would</p> <p>6 provide this clear pathway, and right now, we don't feel</p> <p>7 like it's clear.</p> <p>8 We don't feel trust in terms of the contract in so</p> <p>9 many different ways that others have spoken about. But</p> <p>10 there's, you know, just eye to eye, like defining factors</p> <p>11 that we don't see eye to eye on.</p> <p>12 And you know, according to the 30 year mortgage, there</p> <p>13 is land insecurity through this land mortgage, this 30 year</p> <p>14 mortgage, if there's trash on it.</p> <p>15 Well, what's considered trash to you, we transform</p> <p>16 into treasure, reusing what's been discarded to create</p> <p>17 functional beauty. This 30 year mortgage suggests, if the</p> <p>18 land is cited for weeds, the land can be negatively affected</p> <p>19 with this agreement. But what you consider weeds are our</p> <p>20 wildflowers.</p> <p>21 Is this mortgage really fair? Is it really necessary?</p> <p>22 As stated multiple times, we are a strong, united group of</p> <p>23 farmers, gardeners, lawyers, neighbors, youth, healers. We</p> <p>24 care, and we're willing to come to the table. So just call</p>	<p>Page 137</p> <p>1 Land Bank can take a look at all of the work that has gone</p> <p>2 into the urban ag plan, especially the planners and the team</p> <p>3 from Soil Generation and hundreds of growers and community</p> <p>4 gardeners across the city that have put into it, and all of</p> <p>5 the research that shows where are these gardens located,</p> <p>6 where are they most threatened, and why are they important</p> <p>7 there.</p> <p>8 They're important for equity issues. They're</p> <p>9 important for environmental issues. They're important</p> <p>10 because people grow food there that they need to eat.</p> <p>11 So I really hope that this can be an important factor</p> <p>12 in your consideration of this policy, to make sure that the</p> <p>13 decisions that are being made about these spaces will take</p> <p>14 into account these city plans and these city priorities.</p> <p>15 Thank you.</p> <p>16 CHAIR FADULLON: Thank you. And last, we have</p> <p>17 Elizabeth Way, but I then want to give some time for the</p> <p>18 Board to converse, so Elizabeth Way.</p> <p>19 MS. WAY: Yes. Hi. Can you hear me?</p> <p>20 CHAIR FADULLON: Yes, we can. Go ahead, please.</p> <p>21 MS. WAY: I'm Elizabeth Way. I'm from the Hawthorne</p> <p>22 Community Garden. We're a garden space that got transformed</p> <p>23 from a construction debris dump into a 23 raised bed garden</p> <p>24 with sitting area that's used by families and children and</p>
<p>Page 136</p> <p>1 us to the table. We're ready. We want to talk about this.</p> <p>2 We want to go deeper with you. We want to collectively come</p> <p>3 together with a solution that actually makes sense.</p> <p>4 Thank you all so much for your time and have a</p> <p>5 beautiful rest of your day.</p> <p>6 CHAIR FADULLON: Thank you, Ms. Gilpin.</p> <p>7 And next we have Kim Jordan.</p> <p>8 MS. JORDAN: Okay. Thank you very much. I'm with the</p> <p>9 Philadelphia Orchard Project. I'm co-executive director</p> <p>10 there, and we are a non-profit that works with a number of</p> <p>11 community based organizations and farms and gardens all over</p> <p>12 the city, including One Art, including Urban Creators,</p> <p>13 including Neighborhood Square Project and Urban Tree</p> <p>14 Connection and other groups that you've heard from, and so</p> <p>15 I'm not going to reiterate what anyone else has already</p> <p>16 said. I appreciate you staying to listen to all these</p> <p>17 comments.</p> <p>18 The thing I wanted to focus on today is two plans that</p> <p>19 the city finalized this year and has agreed upon to pursue,</p> <p>20 the tree plan and the urban ag plan.</p> <p>21 Maintaining green spaces and growing spaces for people</p> <p>22 in the city is of vital importance and it is something that</p> <p>23 has been agreed upon by a number of city departments that</p> <p>24 these are priorities. So I really hope that members of the</p>	<p>Page 138</p> <p>1 neighbors in Hawthorne.</p> <p>2 We plant vegetables, flowers, and we've organized and</p> <p>3 activated the space. We're committed to having this garden</p> <p>4 stay a garden now and hopefully for the future.</p> <p>5 We've been trying with NGT for the last few years to</p> <p>6 move our garden into their portfolio. We were part of the</p> <p>7 three gardens that were part of the March 31st deadline to</p> <p>8 kind of sign the 30 year mortgage or not.</p> <p>9 And I just wanted to let you know that in spite of our</p> <p>10 waiting to come into a portfolio, to have some protection to</p> <p>11 be a garden, our gardeners have, you know, raised funds to</p> <p>12 take care of a very much needed tree planting project in our</p> <p>13 garden space that has been neglected for many, many years.</p> <p>14 This benefits the gardens as well as our neighbors.</p> <p>15 And so we really see that our intention is for the</p> <p>16 long term, and that we feel that this space is of great</p> <p>17 value to our community.</p> <p>18 I just hope that we are able to reach better</p> <p>19 definitions of how land gets transferred into gardens and</p> <p>20 that you take the garden community input seriously. Thank</p> <p>21 you.</p> <p>22 CHAIR FADULLON: Thank you, appreciate that.</p> <p>23 So I appreciate all the comments that we've had, and I</p> <p>24 think we understand the issues, but I want to open it up for</p>

<p style="text-align: right;">Page 139</p> <p>1 any comments from the Board as well.</p> <p>2 It seems to me that what we've got to figure out here</p> <p>3 is, is there a way for us to meet -- and I just want to</p> <p>4 clarify, right, that the Land Bank policies are legislated,</p> <p>5 so that none of the Boards have the ability to just wipe the</p> <p>6 policies out because they've been legislated. And then we</p> <p>7 have the mayor's letter, obviously.</p> <p>8 So I think we've got to figure out, is there a way to</p> <p>9 sort of meet those objectives but not necessarily bind the</p> <p>10 hands of gardens so that they're not able to make the</p> <p>11 improvements that they need to make to make sure that these</p> <p>12 gardens are the best they can be.</p> <p>13 And I do think there's already been some conversation</p> <p>14 about the language around, you know, weeds and debris and</p> <p>15 all of that, because I think we all agree that was way too</p> <p>16 nebulous. But I'm going to recognize Maria, and then I saw</p> <p>17 Alex with his hand up as well. So go ahead, Maria.</p> <p>18 MS. GONZALEZ: Thank you, Chair. So my question is</p> <p>19 related to this confirmatory deed. Would that accomplish</p> <p>20 the same goal as making sure that there is no, you know,</p> <p>21 nefarious transfer of the land during this restricted</p> <p>22 covenant period?</p> <p>23 MR. RODRIGUEZ: Is that directed towards us?</p> <p>24 MS. GONZALEZ: Yes.</p>	<p style="text-align: right;">Page 141</p> <p>1 this Board who have pard in community gardens.</p> <p>2 So thank you again, and I certainly recognize the</p> <p>3 downstream effects for non-profits that this causes. And</p> <p>4 I'm hopeful we'll find and identify a solution. Thank you,</p> <p>5 Chair.</p> <p>6 (Pause.)</p> <p>7 CHAIR FADULLON: Andrew? Sorry.</p> <p>8 MR. GOODMAN: No problem at all. Thank you, Madam</p> <p>9 Chair. I just have a couple questions/comments. I'll break</p> <p>10 it also, though, so I'm not taking too much time. I heard a</p> <p>11 lot more details and specifics this month relative to</p> <p>12 previous months about some of the financial impacts that</p> <p>13 this has on our non-profit partners and collaborators in the</p> <p>14 community garden space, and I think it's really important</p> <p>15 that we truly kind of think of them and acknowledge them as</p> <p>16 such, because they are.</p> <p>17 They are helping to advance a kind of key tenet of</p> <p>18 Land Bank strategic plans from years prior, right. While</p> <p>19 the Land Bank is not beholden to dispose of all parcels or</p> <p>20 anything like that, community garden open spaces are a kind</p> <p>21 of strategic, community minded reuse and redevelopment, and</p> <p>22 that is, at the end of the day, our goal, is to be kind of</p> <p>23 achieving those goals and functions.</p> <p>24 And to particularly have, you know, written testimony</p>
<p style="text-align: right;">Page 140</p> <p>1 MR. RODRIGUEZ: We couldn't speak to that without</p> <p>2 reviewing it, and we would have to actually review it in</p> <p>3 conjunction with City Law and with PRA, because again, it's</p> <p>4 about the title transfer and who's on title to make sure.</p> <p>5 So we would have to review that. I can't speak to it. I</p> <p>6 know we looked at easements, but not confirmatory deeds.</p> <p>7 MS. GONZALEZ: Yeah. Easements is a little different</p> <p>8 because, you know, it's just different. But I think that if</p> <p>9 the purpose was to make sure that there was, you know,</p> <p>10 confirmation within that there's no illegal transfer of the</p> <p>11 land, you know, during the reverter period, then that could</p> <p>12 be an option. I would just like to hear more about that,</p> <p>13 you know, possibly at other meetings.</p> <p>14 (Pause.)</p> <p>15 CHAIR FADULLON: Alex, go ahead please, I'm sorry.</p> <p>16 MR. BALLOON: That's okay. I didn't want to go</p> <p>17 without being recognized. Thank you so much. I want to</p> <p>18 echo Maria's comments and just say that I really appreciate,</p> <p>19 I read all of the letters and I appreciate the thought that</p> <p>20 went into it, that garden advocates took the time for a very</p> <p>21 long meeting to have their voices heard.</p> <p>22 I have been a member of a community garden. I know</p> <p>23 that it is not an easy feat to organize and manage a</p> <p>24 community garden, and I think there are other members of</p>	<p style="text-align: right;">Page 142</p> <p>1 from two separate funders saying that this messes up their</p> <p>2 ability to fund community garden non-profits particularly</p> <p>3 resonated with me.</p> <p>4 So I wanted to acknowledge that, and then ask two more</p> <p>5 specific questions that I'm not sure have been brought up</p> <p>6 yet. It feels like this is designed to address a problem</p> <p>7 that has not necessarily surfaced yet.</p> <p>8 I know that this has happened with development</p> <p>9 dispositions, but I'm not sure if this has happened with</p> <p>10 open space dispositions. I mean, it's a change in</p> <p>11 affordability levels from a development RFP or a change in</p> <p>12 unit count, like that's harder to see from the naked eye --</p> <p>13 CHAIR FADULLON: It's really, I just want to -- it was</p> <p>14 because of side yards being sold, side yards being disposed</p> <p>15 of for side yards and then being sold for development</p> <p>16 purposes at very high resale prices.</p> <p>17 MR. GOODMAN: Okay. So the precedent is from side and</p> <p>18 rear yards, not community gardens and open space, and this</p> <p>19 tool was developed to address that as opposed to it coming</p> <p>20 from, like, is this a practice, is this a common land bank</p> <p>21 practice of other land banks around the country? I don't</p> <p>22 know, but I just ask those questions because I wasn't</p> <p>23 familiar with any kind of garden or non-profits going rogue</p> <p>24 prior to the mortgage being implemented, so I just wanted to</p>

<p>Page 143</p> <p>1 put that out there.</p> <p>2 And I'll leave it there for now and come back around</p> <p>3 if we have more time.</p> <p>4 CHAIR FADULLON: Rebecca?</p> <p>5 MS. LOPEZ KRISS: It is my understanding that that has</p> <p>6 happened, that like non-profits have gone defunct and then</p> <p>7 tried to sell property or tried to flip property that</p> <p>8 they've been sitting on, and so like, I don't think it's</p> <p>9 like outside the realm of possibility that a non-profit goes</p> <p>10 defunct or even a community garden that's just volunteer</p> <p>11 led, I think it's also, the law was very precarious.</p> <p>12 I think, you know, to the point made before, it</p> <p>13 doesn't seem like there has to be an either-or, but it</p> <p>14 definitely feels like, what's the solution to protect the</p> <p>15 interests of the city and the property and maintain it for a</p> <p>16 particular use that we've agreed on, and meet the goals of</p> <p>17 the organizations. I don't know what those are.</p> <p>18 CHAIR FADULLON: Andrew, do you want to make another</p> <p>19 comment?</p> <p>20 MR. GOODMAN: I guess I'm still not aware, I know that</p> <p>21 there are non-profits that have strayed from their</p> <p>22 agreements in the past. I'm just not sure of any non-</p> <p>23 profits that have strayed from their community garden and</p> <p>24 open space agreements without first coming back to the city,</p>	<p>Page 145</p> <p>1 provide, given the executive order, yet somehow allow the</p> <p>2 gardeners to access what they need to access through these</p> <p>3 other grant funds or whatever it is in order to make the</p> <p>4 improvements that they would like to make.</p> <p>5 And it sounds like one of the things that needs to be</p> <p>6 further explored is this, and I'm probably not going to say</p> <p>7 it right, but this confirmatory deed to see if that is</p> <p>8 potentially a tool.</p> <p>9 MS. LOPEZ KRISS: I think the other thing that would</p> <p>10 be helpful would be to clarify -- you know, I think one of</p> <p>11 the concerns that we heard a lot was that you could shut me</p> <p>12 down if I have aesthetically, this garden doesn't meet what</p> <p>13 you think it should meet.</p> <p>14 And I think that -- I mean, if we clarify that that is</p> <p>15 absolutely not the intent of a 30 year mortgage and nobody's</p> <p>16 doing like checks in that way --</p> <p>17 CHAIR FADULLON: And again, I just want to state that</p> <p>18 at the beginning, one of the things that Angel said has been</p> <p>19 worked through and agreed upon is very consistent language</p> <p>20 that's not as nebulous, so that it's not, you know,</p> <p>21 wildflowers are mistaken for weeds or there's, you know,</p> <p>22 short dumping that then gets resolved.</p> <p>23 Everybody acknowledged that that was a problem and</p> <p>24 that that language was too loose, and so I think that's</p>
<p>Page 144</p> <p>1 and that's like the kind of, that's the specific part I</p> <p>2 wanted to ask.</p> <p>3 MS. LOPEZ KRISS: I don't -- sorry, like I don't</p> <p>4 understand the actual fiscal mechanics of this. The issue</p> <p>5 is that, if we put a mortgage on the property, then an</p> <p>6 organization can't leverage the property for further</p> <p>7 financing; is that correct?</p> <p>8 CHAIR FADULLON: Yes --</p> <p>9 MS. LOPEZ KRISS: But they don't pay us money on this</p> <p>10 mortgage.</p> <p>11 CHAIR FADULLON: Right, but it's still seen as an</p> <p>12 encumbrance on the value, right? And I'll just say I don't</p> <p>13 know exactly how the state money works, but I do think</p> <p>14 there's probably some way to get at this, right, and I don't</p> <p>15 think we're going to figure it out today.</p> <p>16 So what I would recommend is, and I know there's been</p> <p>17 conversations, but it sounds like we sort of have to have</p> <p>18 some additional conversations behind the scenes that should</p> <p>19 include the gardeners and various agencies involved in this,</p> <p>20 right, because there's public property, there's</p> <p>21 Redevelopment Authority, there's us --</p> <p>22 MS. LOPEZ KRISS: I think it would also be helpful --</p> <p>23 CHAIR FADULLON: -- to see if there's a way to get at,</p> <p>24 how do we provide the assurance that we are required to</p>	<p>Page 146</p> <p>1 something that has already, yes, that's already agreed that</p> <p>2 that's going to be completely fixed.</p> <p>3 I think the larger issue is, the question is mortgage</p> <p>4 or not to mortgage. That is the question, right? And I</p> <p>5 think what we're trying to say is, I think we all understand</p> <p>6 that where we want to get to is, we don't want restrictions</p> <p>7 on the gardens that prevent them from being gardens and</p> <p>8 being the best gardens they can be, right? We all want</p> <p>9 that. That's a common goal.</p> <p>10 We have the mayor's executive order and the</p> <p>11 disposition policies that we are required to meet, and those</p> <p>12 have been in conflict. However, I think there is a</p> <p>13 commitment to try to figure out what is the mechanism that</p> <p>14 would meet the legislated and mayor executive order</p> <p>15 requirements but still provide the flexibility that the</p> <p>16 gardeners need.</p> <p>17 And it sounds like potentially a confirmatory deed may</p> <p>18 be one way, or maybe there's some sort of different type of</p> <p>19 mortgage or some sort of something that isn't necessarily a</p> <p>20 mortgage that's at the value of highest and best use.</p> <p>21 I do think there's probably some wiggle room here, but</p> <p>22 it sounds to me like we've got to look into some of this</p> <p>23 stuff a little bit further. Go ahead, Andrew.</p> <p>24 MR. GOODMAN: Just want to kind of get to the</p>

<p style="text-align: right;">Page 147</p> <p>1 executive order piece, because it's important and that was</p> <p>2 new information this month. So I want to say it back just</p> <p>3 to make sure I'm getting it correct with the function of</p> <p>4 Mayor Kenny's letter.</p> <p>5 So that letter is a directive from the chief executive</p> <p>6 of the City of Philadelphia. It guides the relevant</p> <p>7 departments under his purview. It does not change</p> <p>8 disposition policy in the Code nor does it usurp or override</p> <p>9 the relevant Board of Directors' ability to make a separate</p> <p>10 and independent decision, but of course we have to live with</p> <p>11 the impacts of how they work together or don't. Is that</p> <p>12 accurate?</p> <p>13 CHAIR FADULLON: I just want to say, I think our Law</p> <p>14 Department would shut that down. I think that, you know,</p> <p>15 the Land Bank does not operate outside of city government,</p> <p>16 right? It's a function of, and as I think Angel pointed out</p> <p>17 at the beginning, most if not all of the properties in the</p> <p>18 Land Bank have either come to us through City of</p> <p>19 Philadelphia surplus properties or the Redevelopment</p> <p>20 Authority.</p> <p>21 And I think the Law Department would not say, because</p> <p>22 they're in Land Bank, you don't have to comply with the</p> <p>23 mayor's executive -- I just, to me, I don't think it's -- I</p> <p>24 think we've got to figure out, what is a mechanism that</p>	<p style="text-align: right;">Page 149</p> <p>1 going to do going forward, because just saying a 30 year</p> <p>2 mortgage at this level is not working.</p> <p>3 All right. So I think we don't have like an official</p> <p>4 motion or anything like that, but I do think, let's try to</p> <p>5 get to the point, and if it's helpful that if I sit in these</p> <p>6 meetings or however it needs to be done, let me know.</p> <p>7 I apologize in advance for my schedule, but if they</p> <p>8 can happen without me, that's great, but I think let's</p> <p>9 really dig into this and see if we can come forward with</p> <p>10 something that is going to be workable, because yeah, we all</p> <p>11 want these gardens to exist and to exist in a way that is</p> <p>12 the most beneficial to the gardeners and the communities and</p> <p>13 all of that.</p> <p>14 And we certainly don't want to have something that</p> <p>15 hinders their ability to have water on them or the other</p> <p>16 improvements, and we want them to be protected. I think we</p> <p>17 all agree on these outcomes. So we've just got to figure</p> <p>18 out how to get there.</p> <p>19 So I think that's the charge to the staff, and let's</p> <p>20 definitely include gardeners and their representatives in</p> <p>21 the conversation, and again, I'm happy to participate if</p> <p>22 that would be helpful, but I don't want it to be delayed</p> <p>23 because of my scheduling non-availability oftentimes.</p> <p>24 All right. Well, that concludes our agenda, if you</p>
<p style="text-align: right;">Page 148</p> <p>1 works sort of on all fronts. And I think we can get there.</p> <p>2 I think we can get there.</p> <p>3 MR. GOODMAN: Then just one clarifying point, though,</p> <p>4 like a couple resolutions ago, we voted on a resolution that</p> <p>5 only affected properties going through the Land Bank Board</p> <p>6 and not others. So how would this --</p> <p>7 CHAIR FADULLON: But we did not have a mayor's</p> <p>8 executive order, right? That was also on top of that. I</p> <p>9 just think that's apples to oranges to some extent.</p> <p>10 And I understand, right, because there are certain</p> <p>11 things where we could, but that also was a more restrictive,</p> <p>12 not a less restrictive --</p> <p>13 MR. GOODMAN: Right.</p> <p>14 CHAIR FADULLON: And we all know how that works in a</p> <p>15 lot of our different things. We can always go more</p> <p>16 restrictive. We just can't go less.</p> <p>17 But again, I mean, I know -- I think we share, we all</p> <p>18 want to get to the same outcome. And so I would say, let's</p> <p>19 allow the staff and the different agencies and the gardeners</p> <p>20 to investigate this confirmatory deed or figure out some --</p> <p>21 it sounds to me like through discussions there's already</p> <p>22 been some progress made.</p> <p>23 I think we've got to let that continue and get to the</p> <p>24 point where we are here saying, okay, this is what we're</p>	<p style="text-align: right;">Page 150</p> <p>1 can believe it, and so I just want to thank everybody for</p> <p>2 hanging in there with us. We knew this was going to be a</p> <p>3 long one, but there were a lot of important issues and</p> <p>4 things that we really needed to discuss.</p> <p>5 So I want to thank the communities for hanging in</p> <p>6 there throughout this meeting. We've been here together for</p> <p>7 quite some time, but you hung in there and took time out of</p> <p>8 your days and your busy schedules, and we really appreciate</p> <p>9 that, and I want to thank the Board for really hanging in</p> <p>10 and the staff as well, because these are important issues,</p> <p>11 and it takes time, and this was quite the agenda.</p> <p>12 So with that, I'm going to ask for a motion to</p> <p>13 adjourn.</p> <p>14 MR. KOONCE: Motion to adjourn.</p> <p>15 MS. GONZALEZ: Second.</p> <p>16 CHAIR FADULLON: All in favor?</p> <p>17 (Chorus of ayes.)</p> <p>18 CHAIR FADULLON: Opposed?</p> <p>19 (No response.)</p> <p>20 CHAIR FADULLON: All right. We stand adjourned, and</p> <p>21 we will see you back here in May. Thank you so much,</p> <p>22 everybody.</p> <p>23 (Whereupon, at 1:40 p.m., the proceedings were</p> <p>24 concluded.)</p>

C E R T I F I C A T I O N

I hereby certify that the foregoing proceedings, the
Philadelphia Land Bank Board of Directors Meeting, were
reported by me on April 11, 2023, and that I, John A. Kelly,
read this transcript and attest that this transcript is a
true and accurate record of the proceedings.

By:

John A. Kelly

Court Reporter



Exhibit B

April 10, 2023

Via Certified Mail and Email

Anne Fadullon
Board Chair
Philadelphia Land Bank
1234 Market Street, 16th Floor
Philadelphia, PA 19107

Angel Rodriguez
Executive Director
Philadelphia Land Bank
1234 Market Street, 16th Floor
Philadelphia, PA 19107

General Counsel
City of Philadelphia Board of Ethics
One Parkway Building
1515 Arch Street, 18th Floor
Philadelphia, PA 19102-1504

James Leonard, Esquire
Commissioner
Department of Records
Room 111, City Hall
Philadelphia, PA 19107

Re: Conflict Disclosure Letter

Ladies/Gentlemen:

In accordance with the Land Bank's Public Disclosure and Disqualification Procedure for Conflict Issues, I write to disclose my interest in and association with the HACE Affordable Housing Corporation, of which I am the President.

The Land Bank Board will discuss three resolutions pertaining to HACE's homeownership development project at 19, 21, 23, 25 and 27 E. Somerset Street and 3022, 3024, 3026, and 3028 N. American Street (agenda items IV.A) at the Board meeting to be held on April 11, 2023. In my position as the President of HACE Affordable Housing Corporation, I am responsible for the organization's actions with respect to this project and for ensuring that the project is completed in accordance with the agreements governing the project.

Due to this conflict of interest, I must disqualify myself and abstain from using the authority of my membership on the Land Bank Board to participate in Board discussions or official Board action related to agenda items IV.A at the April 11, 2023 Board meeting. I must remove myself from the opportunity to influence in any manner the Land Bank's actions related to these matters, including leaving the meeting while the Executive Director consults with Land Bank Board members and while the Land Bank Board otherwise considers and votes on the matters. For the record, I have not attended any of the Board's Policy Committee or Executive Committee meetings at which these matters were discussed.

This letter will also confirm that I will abide by the Land Bank's Public Disclosure and Disqualification Procedure for Conflict Issues and will not take official action in any future Land Bank committee meetings, Board deliberations or official action involving this project while the above-described conflict exists. Please contact me if you require further clarification.

Sincerely,

Maria N. Gonzalez, President



Exhibit C

RESOLUTION NO. 2023 - 11

RESOLUTION AMENDING RESOLUTION 2021-17 TO AUTHORIZE A MODIFIED USE OF 19, 21, 23, 25 AND 27 E. SOMERSET STREET AND 3022 AND 3026 N. AMERICAN STREET, CONVEYANCE OF SAID PREMISES AND ASSIGNMENT OF DEVELOPER'S RIGHTS AND OBLIGATIONS PERTAINING THERETO TO GOOD LANDS TRUST, AND AMENDMENT OF THE DECLARATION OF RESTRICTIVE COVENANTS

WHEREAS, the Philadelphia Land Bank Board of Directors (the "Board") approved the disposition of 19 E. Somerset Street, 21 E. Somerset Street, 23 E. Somerset Street, 25 E. Somerset Street, 27 E. Somerset Street, 3022 N. American Street, and 3026 N. American Street (collectively, the "Premises") and two other properties to HACE Affordable Housing Corporation (the "Developer") by Resolution 2021-17, adopted on April 13, 2021;

WHEREAS, the Philadelphia Land Bank (the "Land Bank") and the Developer entered into a Purchase and Development Agreement dated July 9, 2021 and recorded November 20, 2021 in the Philadelphia Department of Records (the "PDA"), requiring the development of the Premises for affordable homeownership and the sale of both land and improvements erected thereon to income-qualified purchasers;

WHEREAS, the Land Bank conveyed the Premises to the Developer by Deed dated June 1, 2021, effective June 29, 2021, and recorded November 20, 2021 in the Philadelphia Department of Records;

WHEREAS, a Declaration of Restrictive Covenants dated July 29, 2021 was recorded November 20, 2021 in the Philadelphia Department of Records (the "DORC"), stating the requirements for the sale and resale of the Premises and the improvements erected thereon and the qualifications to be met by the purchasers of said Affordable Homes ("Qualified Purchasers") for a specified period of affordability;

WHEREAS, the Developer desires to extend the affordability period indefinitely and has therefore requested that the Land Bank permit (1) a modification in the use of the Premises, allowing the Developer to retain title to the Premises indefinitely, to sell only the improvements erected on the Premises and to lease the Premises to Qualified Purchasers, under modified provisions (the "Modified Use"); (2) to convey the Premises, together with any improvements erected thereon, to Good Lands Trust (the "Assignee"), a Pennsylvania non-profit corporation wholly owned by the Developer, for said Modified Use; and (3) to assign the Developer's rights and responsibilities under the PDA and the DORC, as amended for said Modified Use, to the Assignee;

WHEREAS, a modification in the use of the Premises and a conveyance of the Premises and/or assignment of interests in the PDA prior to issuance of a Certificate of Completion require the Board's prior approval by resolution and Philadelphia City Council's prior approval by resolution, in accordance with and subject to the terms and conditions of Section 16-404 of the Philadelphia Code;

WHEREAS, the Assignee has agreed to assume, undertake and perform the rights and obligations to develop, maintain and manage the Premises, as modified for the Modified Use, in accordance with an Amendment, Assignment and Assumption Agreement (the "Agreement") and an amended DORC, both to

be entered into by the Land Bank, the Developer and the Assignee;

WHEREAS, the Assignee has agreed to modify the documents governing its operations, including but not limited to land leases, agreements of sale, deeds, and its operating manual, in accordance with the terms negotiated by the Land Bank, the Developer and the Assignee;

WHEREAS, the Land Bank Board of Directors has determined that it is in the best interest of the Land Bank (1) to consent to the modification in the use of the Premises, allowing the Assignee to retain title to the Premises indefinitely, to sell only the improvements erected thereon and to lease the Premises to Qualified Purchasers; (2) to permit the Developer to convey the Premises, together with any improvements erected thereon, to the Assignee for said Modified Use; and (3) to permit the Developer to assign the Developer's rights and responsibilities under the PDA and the DORC, as amended for said Modified Use, to the Assignee, all pursuant to this Resolution;

NOW THEREFORE, BE IT HEREBY RESOLVED by the Board of Directors of the Philadelphia Land Bank that, subject to the terms and conditions of this Resolution:

1. The Land Bank authorizes (1) the modification in the use of the Premises, allowing the Developer to retain title to the Premises indefinitely, to sell only the improvements erected thereon and to lease the Premises to Qualified Purchasers; (2) the conveyance of the Premises by the Developer to the Assignee under for said Modified Use; and (3) the assignment by the Developer of its rights and obligations under the PDA and DORC, as amended for said Modified Use, to the Assignee, subject to approval by resolution of Philadelphia City Council.
2. 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 effectuate the purposes and intents of this Resolution in accordance with the terms of this Resolution (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.
3. The Executive Director with the advice of Senior Counsel may modify this Resolution as may be necessary or desirable to carry out its purposes and intents. The Executive Director or Senior Counsel will notify the Board of all modifications to this Resolution at the next Board meeting following the date of such modifications.
4. This Resolution shall take effect immediately upon adoption by the Board.

Adopted by Philadelphia Land Bank Board of Directors on April 11, 2023.

Exhibit D

RESOLUTION NO. 2023 - 12

**RESOLUTION AUTHORIZING CONVEYANCE OF
3230-38 DIAMOND STREET; 3010, 3012, 3013, 3014, 3015, 3108, 3110, 3112, 3200, 3202,
3204, 3206, 3214, 3222 WEST YORK STREET; 2338, 2340, 2408, 2410, 2412, 2500 NORTH 31ST
STREET; 2401, 2549 ½ AKA 2551 NORTH 32ND STREET
TO PHILADELPHIA HOUSING AUTHORITY**

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 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 3230-38 Diamond Street; 3010, 3012, 3013, 3014, 3015, 3108, 3110, 3112, 3200, 3202, 3204, 3206, 3214 and 3222 W. York Street; 2338, 2340, 2408, 2410, 2412 and 2500 N. 31st Street; and 2401 and 2549 ½ aka 2551 N. 32nd Street (collectively, the “**Property**”) to the Philadelphia Housing Authority (the “**PHA**”) for disposition, reuse and/or management as determined by the PHA.

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 PHA for Twenty-Three and 00/100 U.S. Dollars (\$23.00) is in the best interests of the Land Bank and is hereby approved.
2. The conveyance of the Property 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, 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 April 11, 2023.
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Exhibit E

RESOLUTION NO. 2023 - 13

**RESOLUTION AUTHORIZING CONVEYANCE OF
2268 CADWALLADER STREET; 3104, 3106, 3107, 3108, 3110, 3115 CECIL B. MOORE AVENUE;
3003, 3009, 3011, 3029, 3100 CLIFFORD STREET; 926, 928, 932 WEST DAKOTA STREET;
902, 903, 907, 909, 925 WEST DAUPHIN STREET; 2203, 2248 NORTH DELHI STREET;
2232, 2235, 2245, 2248 NORTH FRANKLIN STREET;
2253, 2257, 2259, 2261, 2263, 2332 GERMANTOWN AVENUE;
2312, 2314 NORTH MARSHALL STREET; 3109 MORSE STREET;
911, 913, 915 WEST SUSQUEHANNA AVENUE;
2224, 2301, 2303, 2305, 2234, 2236, 2238 NORTH 7TH STREET;
1709-11, 1713, 1717, 1719, 1721, 1727, 1729, 1731, 1717-31 REAR, 1741, 1748,
1749-51, 1750, 1752, 1753, 1754-56, 1755, 1757, 1759, 1801, 1802-10, 1814-22, 1819, 1821, 1825,
1827, 1829-37, 1841-43 NORTH 31ST STREET; 1934 NORTH LAWRENCE STREET
TO PHILADELPHIA HOUSING DEVELOPMENT CORPORATION**

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 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 2268 Cadwallader Street; 3104, 3106, 3107, 3108, 3110 and 3115 Cecil B. Moore Avenue; 3003, 3009, 3011, 3029 and 3100 Clifford Street; 926, 928 and 932 West Dakota Street; 902, 903, 907, 909 and 925 West Dauphin Street; 2203 and 2248 North Delhi Street; 2232, 2235, 2245 and 2248 North Franklin Street; 2253, 2257, 2259, 2261, 2263 and 2332 Germantown Avenue; 2312 and 2314 North Marshall Street; 3109 Morse Street; 911, 913 and 915 West Susquehanna Avenue; 2224, 2301, 2303, 2305, 2234, 2236 and 2238 North 7th Street; 1709-11, 1713, 1717, 1719, 1721, 1727, 1729, 1731, 1717-31 Rear, 1741, 1748, 1749-51, 1750, 1752, 1753, 1754-56, 1755, 1757, 1759, 1801, 1802-10, 1814-22, 1819, 1821, 1825, 1827, 1829-37 and 1841-43 North 31st Street; and 1934 N. Lawrence Street (collectively, the “**Property**”) to the Philadelphia Housing Development Corporation (“**PHDC**”) for disposition, reuse and/or management as determined by PHDC.

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

1. The conveyance of the Property to PHDC for Seventy-Four and 00/100 U.S. Dollars (\$74.00) is in the best interests of the Land Bank and is hereby approved.
2. The conveyance of the Property 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, 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 April 11, 2023.
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Exhibit F

RESOLUTION NO. 2023 - 14

**RESOLUTION AMENDING RESOLUTION 2022-14 TO REVISE UNIT SALES PRICE AND
MAXIMUM INCOME ELIGIBILITY LEVEL FOR HOMEOWNERSHIP UNITS CONSTRUCTED
ON 411, 418, 424, 432 AND 434 CANTRELL STREET, 424 AND 426 MERCY STREET,
AND 2612 SOUTH 9TH STREET**

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 1739 S. 5th Street; 1919 S. 6th Street; 2612 S. 9th Street; 411, 418, 424, 432-34, 624 and 626 Cantrell Street; and 424 and 426 Mercy Street Street to BVG Property Group LLC (the “Purchaser”) for the development of fourteen (14) housing units (comprised of eight (8) affordable rental units, three (3) market-rate rental units, and three (3) market-rate homeownership units), pursuant to Resolution 2021-50 adopted on November 9, 2021;

WHEREAS, the Board approved the modification of the mixed rental and homeownership development to a homeownership-only development with five (5) market-rate homeownership units and eight (8) affordable homeownership units to be sold to households with an income at or below eighty percent (80%) of Area Median Income (“AMI”) (the “Maximum Income Eligibility Level”) for a price not to exceed \$254,999 (the “Maximum Sale Price”) pursuant to Resolution 2022-14 adopted on July 12, 2022;

WHEREAS, unfavorable soil conditions have resulted in unanticipated soil remediation and foundation reinforcement requirements for all of the homeownership units being constructed, leading to increases in development and construction costs;

WHEREAS, the Developer has requested an increase in the Maximum Sale Price for the affordable homeownership units to \$274,999 to cover the additional development and construction costs for each unit;

WHEREAS, an increase in the Maximum Sale Price would necessitate that the Maximum Income Eligibility Level for the homes be raised to one hundred percent (100%) of AMI;

WHEREAS, the Board has determined that it is in the best interests of the Land Bank to approve an increase in the Maximum Sale Price from \$254,999 to \$274,999 and an increase in the Maximum Income Eligibility Level from eighty percent (80%) of AMI to one hundred percent (100%) of AMI;

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

1. An increase in the Maximum Sale Price for the affordable homes from \$254,999 to \$274,999 and an increase in the Maximum Income Eligibility Level from eighty percent (80%) of AMI to one hundred percent (100%) of AMI are in the best interests of the Land Bank and are hereby approved, subject to approval by resolution of Philadelphia City Council.

2. The approved revisions comply 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 approved revisions (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 April 11, 2023.
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Exhibit G

RESOLUTION NO. 2023 - 15

RESOLUTION AMENDING RESOLUTION 2022-15 TO REVISE UNIT SALES PRICE AND MAXIMUM INCOME ELIGIBILITY LEVEL FOR HOMEOWNERSHIP UNITS CONSTRUCTED ON 2148, 2150, 2154 AND 2156 EAST BIRCH STREET AND 2154, 2155, 2156, 2157, 2158, 2159, 2160 AND 2161 EAST STELLA STREET

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 2148, 2150, 2154 and 2156 East Birch Street; 2032 East Lehigh Avenue; 2055 and 2057 East Rush Street; and 2154, 2155, 2156, 2157, 2158, 2159, 2160 and 2161 East Stella Street to BVG Property Group LLC (the “Purchaser”) for the development of eighteen (18) housing units (comprised of twelve (12) affordable rental units and six (6) market-rate rental units), pursuant to Resolution 2021-51 adopted on November 9, 2021;

WHEREAS, the Board approved the modification of the mixed-income rental development to a mixed-income homeownership and rental development with four (4) market-rate homeownership units, three (3) market-rate rental units, and twelve (12) affordable homeownership units to be sold to households with an income at or below eighty percent (80%) of Area Median Income (“AMI”) (the “Maximum Income Eligibility Level”) for a price not to exceed \$254,999 (the “Maximum Sale Price”) pursuant to Resolution 2022-15 adopted on July 12, 2022;

WHEREAS, unfavorable soil conditions have resulted in unanticipated soil remediation and foundation reinforcement requirements for all of the homeownership units being constructed, leading to increases in development and construction costs;

WHEREAS, the Developer has requested an increase in the Maximum Sale Price for the affordable homeownership units to \$264,999 to cover the additional development and construction costs for each unit;

WHEREAS, an increase in the Maximum Sale Price would necessitate that the Maximum Income Eligibility Level for the homes be raised to ninety percent (90%) of AMI;

WHEREAS, the Board has determined that it is in the best interests of the Land Bank to approve an increase in the Maximum Sale Price from \$254,999 to \$264,999 and an increase in the Maximum Income Eligibility Level from eighty percent (80%) of AMI to ninety percent (90%) of AMI;

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

1. An increase in the Maximum Sale Price for the affordable homes from \$254,999 to \$264,999 and an increase in the Maximum Income Eligibility Level from eighty percent (80%) of AMI to ninety percent (90%) of AMI are in the best interests of the Land Bank and are hereby approved, subject to approval by resolution of Philadelphia City Council.

2. The approved revisions comply 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 approved revisions (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 April 11, 2023.

Exhibit H

April 10, 2023

Via Certified Mail

Anne Fadullon
Board Chair
Philadelphia Land Bank
1234 Market Street, 16th Floor
Philadelphia, PA 19107

Angel Rodriguez
Executive Director
Philadelphia Land Bank
1234 Market Street, 16th Floor
Philadelphia, PA 19107

General Counsel
City of Philadelphia Board of Ethics
One Parkway Building
1515 Arch Street, 18th Floor
Philadelphia, PA 19102-1504

James Leonard, Esquire
Commissioner
City of Philadelphia Department of Records
Room 111, City Hall
Philadelphia, PA 19107

Re: Conflict Disclosure Letter

Ladies/Gentlemen:

In accordance with the Land Bank's Public Disclosure and Disqualification Procedure for Conflict Issues, I write to disclose my interest in and therefore why I will abstain from participating in section C3 of the April 2023 Land Bank Board meeting agenda.

The Land Bank Board will discuss Amendments to Approved Dispositions in agenda section C3 at its meeting to be held on Tuesday, April 11, 2023. In my day-to-day professional capacity as Director of Equitable Development for 3rd District City Councilmember Jamie R. Gauthier, I have provided technical support and guidance about the application process related to the amendment that will be considered in agenda section C3.

Due to this conflict of interest, I must disqualify myself and abstain from using the authority of my membership on the Land Bank Board to participate in Board discussions or official Board action related to the Amendments to Approved Dispositions in agenda section C3. I must remove myself from the opportunity to influence in any manner the Land Bank's actions related to this matter. This includes leaving the meeting while the Executive Director consults with Land Bank Board members and while the Land Bank Board otherwise considers and votes on the matter.

This letter will also confirm that I will abide by the Land Bank's Public Disclosure and Disqualification Procedure for Conflict Issues and will not take official action in any future Land Bank deliberation or official action involving the Amendments to Approved Dispositions in agenda section C3 while the above-described conflict exists. Please contact me if you require further clarification.

Sincerely,

Andrew Goodman

Exhibit I

RESOLUTION NO. 2023 - 16

RESOLUTION AMENDING RESOLUTION 2022-30 TO REVISE UNIT SALES PRICE AND AFFORDABILITY COMPLIANCE PERIOD FOR HOMEOWNERSHIP UNITS RENOVATED ON 759, 761, 763, 773, 779 AND 783 PALLAS STREET AND 4041 CAMBRIDGE STREET

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 759, 761, 763, 773, 779 and 783 Pallas Street and 4041 Cambridge Street (collectively, the “Property”) to West NoMa Revitalization Group LLC (the “Purchaser”) for the renovation of seven (7) affordable homeownership units (each, a “Home”) to be sold to households with an income at or below eighty percent (80%) of Area Median Income (“AMI”) (the “Maximum Income Eligibility Level”) for a price not to exceed \$195,000 (the “Maximum Sale Price”), with the resale price restricted to remain affordable for a minimum of ten (10) years and a maximum of thirty (30) years (the “Affordability Compliance Period”), pursuant to Resolution 2022-30 adopted on September 13, 2022;

WHEREAS, significant structural issues in each of the Homes discovered after the approval of the conveyance have resulted in increases in development and construction costs;

WHEREAS, the Developer has requested an increase in the Maximum Sale Price for the affordable homeownership units to \$215,000 to cover the additional development and construction costs for each unit;

WHEREAS, the requested increase in the Maximum Sale Price will not necessitate a change in the Maximum Income Eligibility Level, which will remain at eighty percent (80%) of AMI;

WHEREAS, the Developer has requested that the Affordability Compliance Period be revised to a minimum of fifteen (15) years and a maximum of thirty (30) years, to ensure that the completed Homes are eligible for the Turn The Key program;

WHEREAS, the Board has determined that it is in the best interests of the Land Bank to approve an increase in the Maximum Sale Price from \$195,000 to \$215,000 and a revision in the Affordability Compliance Period from a minimum of ten (10) years to a minimum of fifteen (15) years;

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

1. An increase in the Maximum Sale Price for the affordable homes from \$195,000 to \$215,000 and a revision in the Affordability Compliance Period from a minimum of ten (10) years to a minimum of fifteen (15) years are in the best interests of the Land Bank and are hereby approved, subject to approval by resolution of Philadelphia City Council.
2. The approved revisions comply 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 approved revisions (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 April 11, 2023.

Exhibit J

RESOLUTION NO. 2023 - 17

**RESOLUTION ADOPTING POLICY REQUIRING THIRTY-YEAR AFFORDABILITY
COMPLIANCE PERIOD FOR AFFORDABLE RENTAL UNITS IN
UNSOLICITED, UNSUBSIDIZED HOUSING PROJECTS**

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 the terms and conditions of Chapter 16-404 of the Philadelphia Code.

WHEREAS, the Board of Directors (the “Board”) asked the Land Bank staff to evaluate the financial feasibility of requiring a thirty (30) year affordability compliance period for income-restricted rental units in unsolicited affordable or mixed-income rental projects or rental/homeownership projects which do not receive any public financing;

WHEREAS, the Land Bank staff determined that a thirty (30) year affordability compliance period would be financially feasible for such projects;

WHEREAS, the Board has determined that it is in the best interest of the Land Bank to adopt a policy requiring a thirty (30) year period of affordability for income-restricted rental units in unsolicited affordable or mixed-income rental projects or rental/homeownership projects which do not receive any public financing;

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

1. The adoption of a policy requiring a thirty (30) year period of affordability for income-restricted rental units in unsolicited affordable or mixed-income rental projects or rental/homeownership projects which do not receive any public financing is in the best interests of the Land Bank and is hereby approved.
2. The adopted policy complies with all applicable terms and conditions of Section 16-404 of the Philadelphia Code.
3. This Resolution shall take effect immediately upon adoption by the Board.

Adopted by Philadelphia Land Bank Board of Directors on April 11, 2023.
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Exhibit K

Andrea Saah

From: Iris Felder <iris@civettapropertygroup.com>
Sent: Wednesday, April 5, 2023 12:42 PM
To: Andrea Saah
Cc: Angel B Rodriguez
Subject: 9th & Diamond RFP : Letter of Support

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 Afternoon Andrea,

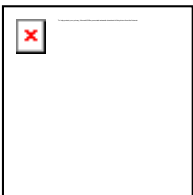
Hope all is well!

Just wanted to provide this letter of support from our Hartranft community meeting on February 22nd.

Please view below.

Kind Regards,

Iris Felder
Director of Community Relations
Civetta Property Group
257 North Third Street
Philadelphia, PA 19106
iris@civettapropertygroup.com



----- Forwarded message -----

From: WordPress <info@civettapropertygroup.com>
Date: Mon, Mar 6, 2023 at 12:04 PM
Subject: community response
To: <sales@civettapropertygroup.com>

From: wesley S corbin <wcorbin19122@gmail.com>
Subject: community response

Message Body:

My name is Wesley Corbin;

PLB Board of Directors DRAFT Meeting Minutes for April 11, 2023

Page 78 of 124

Exhibit K continued

I have lived in North Philadelphia (19122) since before we used zip codes. My family home is titled 1952. I have watched the neighborhood go from Middle class white working families to a black neglected community. The people who remained feel we have been overlooked until now, as we see an influx of out of the community investees. We were told nothing. When most of my neighbors knew about the change coming it was because of the noise from digging.

Mike Civetti was the first firm to my knowledge to come to the neighborhood for their point of view. I do not have an about who does the work, but I do want the hood to Thrive. I am told all units are Family residents. This I am pleased with because it helps us remain a neighborhood and not just a destination or investment to walk away from. I like the fact that the Firm is from here and the owners live in the city. From my point of view this deal was made before most of us knew. I believe the project will give residents more benefits than takeaways. Therefore, I have decided not to challenge the Civetti construction plan to build units in North Philadelphia. Progress must continue and I believe at this time this is the best path.

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This e-mail was sent from a contact form on Duelmotion

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Andrea Saah

From: Charles Dyches <cdyches23@gmail.com>
Sent: Monday, April 10, 2023 10:29 PM
To: Andrea Saah
Subject: Re: Questions

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

My question is what has changed since last zoom meeting? Why is the land bank so in a rush to give these properties to this developer? What about the lots we took and took care of for years ? We want compensation. Each lot is a different size how can every house cost the same price? I would like to know what's the kick back for Darrell Clarke and the land bank board? 14,000,000 roughly is going to be made after the houses are sold . Who's authorizing these meetings so soon? I guess you guys don't respect the community.

Sent from my iPhone

Exhibit L

RESOLUTION NO. 2023 – 18

**RESOLUTION AUTHORIZING CONVEYANCE 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 NORTH FRANKLIN STREET; 2112, 2130, 2144, 2214 NORTH MARSHALL
STREET; 2105, 2107, 2109, 2110, 2111, 2112, 2113, 2119, 2121, 2133, 2140, 2143, 2146, 2150
NORTH PERCY STREET; 904, 910, 912 WEST SUSQUEHANNA AVENUE; 2102, 2109,
2114, 2126, 2128, 2130, 2131, 2134, 2135, 2136, 2150, 2210 NORTH 7TH STREET; 2101, 2113,
2121, 2155, 2167-69, 2201 NORTH 8TH STREET; 2124, 2126, 2132, 2150, 2165 NORTH 9TH
STREET; 2121 NORTH 10TH STREET
TO CIVETTA PROPERTY GROUP, 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 621, 623, 625, 637 and 917 Diamond Street; 924, 927, 928 and 936 Edgley Street; 926 and 928 French Street; 2106, 2112, 2140, 2141, 2142, 2143, 2151, 2166, 2170, 2172, 2215, 2217 and 2219 North Franklin Street; 2112, 2130, 2144 and 2214 North Marshall Street; 2105, 2107, 2109, 2110, 2111, 2112, 2113, 2119, 2121, 2133, 2140, 2143, 2146 and 2150 North Percy Street; 904, 910 and 912 West Susquehanna Avenue; 2102, 2109, 2114, 2126, 2128, 2130, 2131, 2134, 2135, 2136, 2150 and 2210 North 7th Street; 2101, 2113, 2121, 2155, 2167-69 and 2201 North 8th Street; 2124, 2126, 2132, 2150 and 2165 North 9th Street; and 2121 North 10th Street (collectively, the “Property”) to Civetta Property Group, LLC (the “Purchaser”) for the construction of seventy (70) single-family affordable homeownership units.

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 Seven Thousand and 00/100 Dollars (\$7,000.00) 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 April 11, 2023.

Exhibit M

RESOLUTION NO. 2023 – 19

**RESOLUTION AUTHORIZING CONVEYANCE OF
815 WEST FIRTH STREET
TO CARMEN GOMEZ**

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 815 West Firth Street (the “**Property**”) to Carmen Gomez (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 for Nineteen Thousand Nine Hundred Ninety-Nine and 00/100 U.S. Dollars (\$19,999.00) 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 April 11, 2023.
--

Public comments received in advance of 4/11/2023 Board discussion
regarding 30-year mortgage for garden dispositions

Andrea Saah

From: Teresa Elliott <teresa@myneighborhoodproject.org>
Sent: Monday, April 10, 2023 8:00 AM
To: Andrea Saah
Subject: April 11, 2023 Land Bank Board meeting comment
Attachments: NSNP statement to Land Bank April 2023.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

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Dear Andrea,

Attached please find my statement for Tuesday's Board meeting. I am addressing agenda item VI - New Business – Garden Mortgage Discussion.

Thank you and best regards,

Teresa

Teresa Elliott
Executive Director I Norris Square Neighborhood Project
2141 N. Howard Street, Philadelphia PA 19122


<https://myneighborhoodproject.org/>



Norris Square Neighborhood Project

2141 N Howard Street, Philadelphia, PA 19122
(215) 634-2227 | myneighborhoodproject.org

April 10, 2023

NORRIS SQUARE NEIGHBORHOOD PROJECT (NSNP) was founded in 1973 and began as a small project created to help educate and protect children living in a deeply challenged section of Philadelphia.

NSNP's half-acre of urban gardens was created between 1980 and 2006 by the women of Grupo Motivos and community residents on previously abandoned, unsafe vacant land. Each of NSNP's six gardens represents and embodies the diversity of the Puerto Rican culture and West African diasporas in Philadelphia. However, securing this property and preventing its imminent loss has been an immense challenge. Although NSNP obtained title to most of the property on which it gardens through the City between 1996 and 2005, the existence of real estate tax and other liens that should have been extinguished have posed an ongoing risk of property loss via foreclosure. To further complicate matters, the existence of those liens has prevented NSNP from becoming eligible to acquire title to property on which it has already been gardening for decades from the Land Bank.

After many years of ongoing efforts from board members and staff, and with support from nonprofit legal services organizations and pro bono attorneys, NSNP is finally close to becoming eligible to apply for Land Bank property. However, the requirement that the property be encumbered by a 30-year recourse mortgage poses a considerable risk to the financial sustainability of the organization. While NSNP has no intention of selling or using the property for anything other than gardening, under the terms of the mortgage, a failure to maintain the property in accordance with the agreement could result in loss of the property and personal liability for the costs of any deficiency in the event of foreclosure. Additionally, since NSNP's gardens are situated in a historically redlined, rapidly gentrifying area, acquiring title to property that is encumbered by a 30-year mortgage for the current fair market value as a developable site could pose serious complications for our financial profile that may concern funders.

As an organization that has been serving children and youth for 50 years with limited resources and great love for our community, we urge the Land Bank to consider an alternative that doesn't threaten the viability of neighborhood organizations that transform abandoned lots into safe havens and cultural treasures.

For more information on Norris Square Neighborhood Project, visit <https://myneighborhoodproject.org/>

A handwritten signature in black ink, appearing to read "Teresa Elliott". The signature is fluid and cursive, with the first name "Teresa" and last name "Elliott" clearly distinguishable.

Teresa Elliott
Executive Director
Norris Square Neighborhood Project

Andrea Saah

From: sonia galiber <sonialgaliber@gmail.com>
Sent: Monday, April 10, 2023 11:40 AM
To: Andrea Saah
Subject: Land Bank Board Meeting Written Testimony Submission: 30 Year Mortgage Policy Negatively Impacts Urban Agriculture Community
Attachments: Board Submission Land Bank Board 30 year mortgage statement-2.pdf
Follow Up Flag: Follow up
Flag Status: Flagged

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Hello,

We at Soil Generation are submitting a written testimony for the Land Bank Board in preparation for the upcoming meeting tomorrow on April 11th.

Please see the attached PDF file.

Thank you,

--

Sonia Galiber (she/her)



www.soilgeneration.org



April 11, 2023

Land Bank Board Meeting Written Testimony Submission:

30+ Year Mortgage Policy Negatively Impacts Urban Agriculture Community

Over the past nine years, Soil Generation has advocated for a shift in policy, resources, and public narrative around urban agriculture, from being a hobby to being recognized as a legitimate form of food, land, and environmental justice, as well as a form of cultural preservation and resilience.

After years of asking the Land Bank for transparency in its processes for access to land for growing food, this year, land stewards were slapped with a very restrictive Land Bank policy of only receiving a 30+ year mortgage for land acquired through the Land Bank.

The 30+ year mortgage is not a feasible, viable, accessible, or a true pathway for community land ownership for growers of color in Philadelphia. It's also UNLAWFUL.¹

Over the years, along with racist and gendered micro *and* macro aggressions that our communities have had to endure, while at the same time advocating for reform, we have witnessed our policy demands implemented with the most critical aspects removed such as the use of community-centered stipulations and guidelines. These ensure frontline communities are not harmed with the promotion of risky and unproven **false solutions such as the 30+ year mortgage.**²

Our communities know all too well that not all “solutions” are inherently equitable, just, or facilitate a world in which all can thrive. We’ve seen institutions learn the ways that people have understood their disenfranchisement and oppression through our advocacy and calls for reform. Institutions seemingly then “address” them, by creating more complex loopholes and strategies that do not serve the people. Ultimately, there is no real change in impact.

An important example is the creation of the Land Bank. Our communities advocated for the Land Bank to serve the purpose of creating a transparent and equitable process for land stewards to acquire land, which is written into law within the [Land Bank Bill 130156-A](#). However, the Land Bank has taken the position to create restrictions and barriers for our communities built around our feedback. The Land Bank’s decision to push the 30+ year mortgage onto our communities in lieu of a real solution is just another extension of this oppressive strategy.

The [30+ year mortgage](#) is harmful and a **false solution** for the following reasons:

1. It's *paternalistic* to our communities
 - a. If stewards do not maintain the land to Land Bank standards, they may have it *repossessed*
 - b. No permanent structures are allowed on property
2. It *compounds financial barriers*
 - a. Impacts credit and ability to qualify for grants & loans
3. It *prevents* the building of community and generational *wealth*
 - a. Income generated from sale of crops grown on property is not to exceed a permitted amount of \$1000
 - b. No commercial use of land is permitted

This year our advocacy culminated, with the release of Philadelphia's first ever urban agriculture strategic plan, [Growing From the Root](#), co-authored with Interface Studios and the Department of Parks and Recreation.

HOWEVER, despite the heavy lifting by of our members through the years; the mobilized efforts of our beloved community and comrades, those most impacted by food and land insecurity; and most of all, despite what appears to be shifts in narrative and political attention, Black and Brown gardens continue to be vulnerable and lost to systematic development and poor land disposition policies and practices.

After decades of erasure, disinvestment, and exclusion, extensive research and data was produced through the Urban Agriculture plan process to legitimize the truths of our communities institutionally AND to propose policy solutions. The Land Bank, along with 17 other city departments and agencies were very much involved in the urban ag plan process and exposed to this data.³

THE DATA⁴

- 1 in 3 active gardens or farms are in areas with the highest intensity of new construction
- 70% of active gardens and farms are located in high poverty areas where more than 20% of the population lives below the poverty level
- 67% are in high-poverty areas where the population of POC is greater than 50%
- 54% of respondents know a garden that is currently being threatened, and 46% know of a garden that was lost/stolen. The majority of reported lost gardens were lost to development
- 27% of respondents have personally experienced race and ethnicity impacting their ability to obtain access to land and land security

It becomes especially appalling when considering hundreds of community members spent time and energy in the creation of an Urban Agriculture Plan while simultaneously, dozens of those

same growers received ongoing news about their gardens being lost or threatened by sheriff sale.

While we celebrate initiatives like Councilmember Kendra Brooks' [Restore Community Land campaign](#) and the first ever [Urban Agriculture Plan](#), the ongoing urgent reality of Black and Brown land loss has only accelerated. These initiatives, while they are in support of growers eventually having land access, are still not enough to stem the tide of real estate pressure in our city. It is outrageous that despite these and other initiatives, **there is still simply not enough political will to disrupt the status quo within the vast system of institutions in place to save our gardens**. We are contextualizing our stance against the 30+ year mortgage and ongoing land insecurity of gardens to illustrate the inherent contradiction in city government commitments and its impacts. The time for ignorance has long passed!

Our ecology is changing rapidly. As the people most impacted by environmental and economic injustices, Black and Brown people have already been doing the work of learning to live with the land in ways that policy does not reflect, nor does the status quo address. Policy alone will never be the litmus test for what is just. Policy reflects those who write it, enforce it and implement it. It's only meant to be accessible to these groups. **Therefore, existing policies within the given system fail to ultimately carry us into a way of life that is as abundant as Nature herself.**

In principled struggle,

Soil Generation

[See our Threatened Gardens Campaign demands from 2018](#)

REFERENCES

1- [Land Bank Bill 130156-A](#)

WHEREAS, A municipal land bank would ensure clear, transparent, and efficient operations by serving as a single entity to acquire, hold, and dispose of vacant property with the participation and approval of City Council; and

WHEREAS, The consolidation of ownership of all publicly-owned surplus property in a municipal land bank is expected to increase efficiency, and allow a greater proportion of public funds to be invested directly into community revitalization; and

WHEREAS, Extensive grassroots community planning over the last decade by local Community Development Corporations and advocacy groups, with the support of the private sector, has found that creation of a municipal land bank is necessary for the strategic redevelopment of Philadelphia; and

WHEREAS, A municipal land bank should prioritize long-term community and economic development, promote the economic vitality of communities and Philadelphia as a whole, and should adopt disposition policies that encourage a range of beneficial uses by permitting nominal or reduced price disposition of property for development of: affordable or mixed-income housing that is accessible or visitable; economic development that create jobs for community residents; community facilities that provide needed services and enrichment opportunities; side- and rear-yards; urban agriculture; and community open space; and

WHEREAS, A municipal land bank should ensure that communities affected by vacant land have substantial and meaningful involvement in its decisions relating to those communities, with this goal strongly informing the land bank's governance, structure, and operations; and...

2- [Climate Justice Alliance's definition of False Solutions](#)

3- List of agencies who not only read but engaged in the information gathering and editing of the [Urban Ag Strategic Plan](#).

- Philadelphia Parks & Recreation
- Philadelphia Housing Authority
- Rebuild Philadelphia
- Department of Public Health
- Office of Sustainability
- Department of Streets
- Philadelphia Water Department
- Revenue, Law & Sheriff Department
- Philadelphia School District
- Philadelphia Parks & Recreation
- **Philadelphia Land Bank**
- Planning & Development
- Department of Public Health
- Office of Sustainability
- Department of Streets
- Philadelphia Water Department
- Revenue Department
- Philadelphia School District

4-Data on Land Security from *Growing From the Root* (the [Urban Ag Strategic Plan](#)):

- 1 in 3 active gardens or farms are in areas with the highest intensity of new construction
- 70% of active gardens and farms are located in high poverty areas where more than 20% of the population lives below the poverty level
- 67% are in high-poverty areas where the population of POC is greater than 50%
- 50% of block groups have a very low proportion of food stores that sell fresh produce (fewer than 1 in 10)

- +140 known gardens and farms in Philadelphia have been lost since 2008
 - Our public engagement process produced the following feedback from growers: Land insecurity is the number one issue for growers and the top priority for how investments should support community-led efforts. If people don't have land security, then long-term investment in infrastructure cannot happen. More than half of participants in this plan's second public meeting (58%) said the most important action the City should take to invest in community-led agricultural efforts is to help gardeners and farmers achieve land security. 50% said the most important policy commitment the City can make is to a transparent process for selling and leasing land for agriculture.
 - Fewer than half (44%) of gardens in the Philadelphia Garden Data Collaborative database are secure, meaning that the whole garden is owned by the gardeners, farmers, or a supportive organization (e.g., Parks & Recreation, schools, or land trusts)
 - 54% of respondents know a garden that is currently being threatened, and 46% know of a garden that was lost/stolen. The majority of reported lost gardens were lost to development.
 - 27% of respondents have personally experienced race and ethnicity impacting their ability to obtain access to land and land security.
 - 40,000 plus vacant properties citywide are publicly owned (1/3 of vacant land in the city)
 - The Philadelphia Garden Data Collaborative (PGDC) database identifies more than 400 active gardens and farms across more than 900 parcels, or pieces of land in Philadelphia
-

Andrea Saah

From: Ruth Goldman <rgoldman@merckff.org>
Sent: Monday, April 10, 2023 8:19 AM
To: Andrea Saah
Subject: Testimony for Tomorrow's Land Bank Meeting
Attachments: Land Bank Testimony.docx

Follow Up Flag: Follow up
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Dear Andrea:

Attached is my testimony. I will sign up to speak.

Thanks,

Ruth Goldman
Program Officer
Merck Family Fund
Boston, MA
rgoldman@merckff.org

To the Philadelphia Land Bank Board:

I am the Program Officer for the Merck Family Fund (“the Fund”), located in Boston, Massachusetts. Since 1993, the Fund has made \$1M a year in grants to community gardens, urban farms and the neighbors who steward these spaces in New York City, Boston, and beginning 2011, Philadelphia. Each year, the Fund invests approximately \$400k in 12 - 14 mostly grassroots and community led organizations who are working side by side with residents, young people and families, to grow food, create safe and nurturing spaces, and reconnect with each other and the land. In total, the Fund has invested upwards of \$5M in Philadelphia’s gardens and farms and most importantly in the communities who care for these spaces.

These same organizations realized the threat development was to their unsecured land and in 2013 fought to establish the Land Bank. The Land Bank was designed to help gardeners and urban farmers preserve the beautiful and vital spaces they had worked for decades to create. Instead, the Land Bank has put up one road block after another, making it nearly impossible for the Neighborhood Gardens Trust or any non-profit to receive land. Requirements like the 30-year mortgage have no precedent in any other jurisdiction and make no sense given that garden transfers come with easements or restrictions limiting the use of the land to growing food.

Personally, I have spent the last 12 years visiting the Fund’s grantees, watching them grow while stewarding bountiful spaces for young people, seniors, families and many others to learn about themselves, the earth, each other and recover from trauma, healing themselves and the land. They inspire me and fill me with hope. In the midst of so many obstacles, they have created beauty and love.

The city neglected these spaces for decades and left them to fill up with trash and illegal dumping. Just as the city neglected the people in these neighborhoods. Now, they are beautiful - filled with life and love and nutrient rich food. You have the opportunity to protect and preserve these spaces. The gardeners are asking for you to do the right thing. I am asking you to do the right thing. Please rescind the 30-year amortizing mortgage and implement the simple suggestions outlined in the December 2nd letter from Neighborhood Gardens Trust, Urban Creators and the Public Interest Law Center.

Sincerely,

Ruth Goldman
Program Officer
Merck Family Fund
Boston, MA
rgoldman@merckff.org

Andrea Saah

From: Mimi McKenzie <mmckenzie@pubintl.org>
Sent: Monday, April 10, 2023 2:53 PM
To: Andrea Saah
Cc: STUART EBBY
Subject: comments for 4.11.2023 Land Bank Board meeting
Attachments: 23.03.13 Land Bank Board Letter final 243 PM.pdf; 23.04.11 Public Comments of Stuart Ebby for Land Bank Board Meeting.pdf

Importance: High

Follow Up Flag: Follow up

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Good afternoon Andrea,

Pursuant to your March 31, 2023 memorandum (Re: Philadelphia Land Bank April 11, 2023 Board Meeting Remote Board Meeting Notice, Public Attendance, and Comment Procedures), I am submitting the following attached public comments for Agenda Item Number VI. New Business – Garden Mortgage Discussion prior to tomorrow’s Land Bank Board meeting.

We look forward to tomorrow’s Board meeting.

- Public Comments on the Impact of the 30-year Mortgage Requirement on Community Garden Dispositions on behalf of 30 organizations. Note: this 23.03.13 Letter was submitted for last month’s Board meeting but I wanted to be sure the Board has it for tomorrow’s discussion as well.
- Public Comments from Stuart Ebby. Mr. Ebby, who is copied here and will attend tomorrow’s Board Meeting, has expertise in real estate transactions. He will address the fact that the Land Bank’s prior practice of using a deed restriction with a reverter or a right of re-entry clause is an extremely effective tool for conveying land and ensuring that the land is used for its intended purpose. Mr. Ebby’s contact information is:
 - email: judyebby1@verizon.net
 - phone: [REDACTED]

Best,
Mimi McKenzie
[Mimi McKenzie](#)
Legal Director
(she/her)

March 13, 2023

To: Philadelphia Land Bank Board
1234 Market St., 17th Floor
Philadelphia, PA 19107

Re: The impact of the 30-year mortgage requirement on community garden dispositions

Dear Chair Fadullon and Land Bank Board of Directors:

We are community gardens, nonprofits, and other allied organizations across Philadelphia who seek to secure our community-owned gardens and green spaces through the Land Bank. We aim to protect and support community gardens and urban farms as critical neighborhood anchors that increase access to fresh food; foster safer, stronger, healthier communities; and contribute to climate resiliency, reducing dangerous high heat temperatures, flooding, and air pollution. We are writing to urge the Land Bank to reconsider its relatively recent practice of placing a 30-year self-amortizing mortgage and note on nominal land dispositions for community gardens and open spaces.

The Philadelphia Land Bank's Disposition Policy, overseen by Philadelphia Housing Development Corporation (PHDC) staff, requires only that one of four restrictions be applied to nominal land dispositions for uses such as community gardens and open space. Prior to 2020, PHDC required an open space deed restriction and a reversionary clause to successfully ensure that properties acquired through nominal land dispositions for open space and community gardens could not be developed or sold for other uses. Since 2020, PHDC has been requiring a 30-year self-amortizing mortgage and note.

Self-amortizing mortgages are often used as a tool for affordable housing and homeownership, but they are not an appropriate tool for preserving land for open space and agriculture. Not only is a 30-year self-amortizing mortgage and note not required under the Land Bank nominal land Disposition Policy, but the use of a 30-year mortgage and note jeopardizes the ability of nonprofit organizations to preserve community gardens and open spaces. Indeed, the 30-year mortgage has a significant adverse impact on the financial health of the nonprofit organizations best suited to acquire and preserve these properties.

A Deed Restriction and Reversion Clause Ensure that Community Gardens and Open Spaces Are Not Later Redeveloped

Philadelphia has a long history of nonprofit organizations successfully preserving community gardens through nominal dispositions from the City with deed restrictions that ensure that the land can only be used as open space or a community garden and cannot be developed. We are not aware of any community garden disposition conveyed under these conditions that was ever "flipped" or sold for development purposes.

Where a reversion clause is also added to the deed, the land reverts to the City if it can no longer be maintained as a community garden or open space. These conditions can be featured prominently and clearly in the deed to ensure that they are immediately flagged in a title search. We propose that the City

return to using these two control measures for nominal open space, community garden and farm dispositions.

The 30 Year Mortgage Harms the Preservation of Community Gardens and Open Spaces

- **IMPACT TO VALUE:** The mortgage and note amount used by PHDC is based on the market valuation of the property as a developable site. However, the presence of the open space deed restriction reduces the property's value significantly. This puts nonprofits in a difficult financial position of having their mortgage liabilities exceed the value of their underlying land collateral. Further, contrary to the recommendation of the Land Bank's auditor, the valuation is not determined by an independent appraiser. Other major cities use an independent appraiser to ensure an objective and unbiased valuation.
- **JEOPARDIZES NONPROFIT'S FINANCIAL HEALTH:** With the use restricted as open space, the value of the asset is significantly less than the liability/mortgage. This jeopardizes an organization's financial health, showing up in audits or financial statements and making an organization ineligible for grants and funding opportunities. For example, two of the Neighborhood Gardens Trust's (NGT) 10 pending dispositions have received valuations totaling \$3.3 million. Urban Creators' farm has been valued at \$1.4 million.
 - Certain garden dispositions have been subject to a Recourse Mortgage, meaning in the case of default, the City could initiate a foreclosure or take other legal action to collect the entire mortgage amount and any portion of the judgment that is not covered by the sale of the property.
 - The Recourse Mortgage provided to Urban Creators would place an undue financial burden. If, for example, 15 years into the loan term the Garden was found in default of the mortgage, and the value of the property had decreased or was sold at Sheriff sale for less than the mortgage value, then Urban Creators would not only lose their land, but the City could get a deficiency judgment to go after their assets to recoup the difference.
- **AMBIGUOUS TERMS JEOPARDIZE LAND PROTECTION AND COMMUNITY INVESTMENT:** The terms for default in the mortgage are not clearly defined, leaving the property vulnerable for repossession via foreclosure and depriving organizations of their interest and rights in the property. For example, a garden could be in default of the mortgage and foreclosed upon if it is not "clean and free of debris." That ambiguity puts significant community investments at risk. Using the same two examples:
 - Urban Creators has invested \$2.2 million into the creation of Life Do Grow Farm and management of its community programs since 2011.
 - NGT's Summer Winter Garden has a 40-year history as a community garden, with hundreds of residents spending thousands of hours transforming a rubble and debris filled lot into a beautiful flourishing garden, with over \$700,000 invested by the community, Pennsylvania Horticultural Society, and Drexel University. Today, the Garden sits in the middle of Drexel's campus and would be subject to a \$2.8 million mortgage and could be subject to default and foreclosure if not kept "clean and free of debris."
- **HINDERS ACQUISITION OF THE MOST THREATENED GARDENS:** The 30-year mortgage makes it more expensive and difficult to secure state land acquisition grants and prevents nonprofits from leveraging the value of nominal fee land dispositions to raise needed resources from the Commonwealth. For example, in 2019 NGT was able to secure a \$92,000 state grant from the Department of Conservation and Natural Resources to acquire land from a

developer at a community garden in Kensington by matching the grant with a nominal fee disposition by the City. Today, with the new requirements and the artificially inflated value of the property, this would be impossible. The Department would not accept the mortgaged property as a match.

- **NOT A RECOGNIZED BEST PRACTICE:** The Center for Community Progress, a nationally recognized leader working with land banks across the country, is not aware of any other municipalities that enforce the use of 30-year self-amortizing mortgages on open space, urban farms or community gardens and do not recommend this as a best practice.
 - The few land banks that use mortgages on open space and community garden dispositions have significantly shorter terms (5 or 10 years) and much lower valuations (\$5,000 to \$20,000).
- **BURDENSOME PAPERWORK:** the mortgage creates administrative burdens on the City which must provide an annual statement on the outstanding mortgage amount for each property to each property owner for 30 years.

In sum, the PHDC has several options to ensure that land conveyed pursuant to the nominal disposition policy remains a community garden or open space and does not unnecessarily burden nonprofit organizations who are trying to preserve these important neighborhood spaces. We urge you to adopt one of these workable alternatives that address both the City's and the organizations' concerns. We also welcome the opportunity to meet with you and others at the Land Bank for further discussion. It is a high priority to work together to resolve these issues to ensure we all can deliver on our missions. We look forward to hearing from you.

Sincerely,

Public Interest Law Center
Neighborhood Gardens Trust
Urban Creators
Iglesias Gardens
Urban Tree Connection
The People's Kitchen Philadelphia
Moore to Love Garden
Original American Foundation
Holly Street Neighbors Community Garden
One Art Community Center
Arcadia Commons
Neighbors of 5852 Vine St
Hunting Park Community Garden &
Orchard
Philadelphia Orchard Project
Norris Square Neighborhood Project
Brewerytown Garden
Hawthorne Garden
Pemberton Sitting Garden
Farm on Florence
15th Street Garden

Pennsylvania Horticultural Society
Spooky Garden
The Wiota Street Garden
Summer Winter Garden
East Park Revitalization Alliance
The Village of Arts and Humanities
Food Policy Advisory Council (FPAC)
Soil Generation
Merck Family Fund (allied in support)
Claneil Foundation (allied in support)

My name is Stuart Ebby. I am a retired real estate attorney. I practiced real estate law in Philadelphia for nearly 60 years. I have experience in all phases of real estate law, including sales and purchases; mortgage financing; development and construction; leasing; loan restructuring, workout and foreclosure; brokerage and management; zoning and subdivision; title insurance claims; closing opinions; and capital markets financing. I have been on the opposite side of transactions with agencies of the City of Philadelphia including the Philadelphia Redevelopment Authority. I have written numerous articles on real estate practice and I was elected to the American College of Real Estate Lawyers in 1986. I also taught real estate transactions at University of Pennsylvania Law School for over 15 years. I retired at the end of last year from both practicing law and teaching. My decades of experience working in and teaching real estate law have given me great familiarity with the different methods of conveying and reclaiming properties, deed restrictions, mortgages, title searches, and general real estate and real estate development practices.

In preparing my public comments, I have reviewed the following attached documents:

- Philadelphia Land Bank Disposition Policies, effective January 1, 2020
- An example of a 30-year Nonrecourse Mortgage and Note that PRA has proposed to a community garden
- An example of a 2018 Recorded Deed used by PRA, containing a deed restriction and a reverter clause
- An example of a 2020 Recorded Deed with a corresponding Purchase and Development Agreement used by the Land Bank, containing a deed restriction and a right of re-entry clause

As an initial matter, if the City of Philadelphia is concerned with preserving community gardens and open space and preventing parcels that it has conveyed for nominal value from being sold to, and flipped by, developers, the pre-2020 standard practice of land conveyance by the City was an extremely effective way to accomplish those goals. Prior to 2020, the City would convey land to gardens with restrictive covenants, also referred to as deed restrictions, with either a reverter or a right of re-entry clause in the event of a violation of the deed or purchase agreement by the garden. Thus, the City could (a) enforce the deed restrictions or (b) regain ownership of the property, if the land was not being used as required in the deed restrictions. These methods have been effectively utilized for centuries for these types of land conveyances.

I understand that the City is now requiring gardens to sign 30-year self-amortizing mortgages and notes and that the City is planning to use both non-recourse and recourse mortgages and notes to convey properties to gardens. A non-recourse mortgage would only permit the City to foreclose on the property in the event of a default by the garden. However, a recourse mortgage, which I understand the City is planning on utilizing in most dispositions, would entitle the City to not only foreclose on the property, but also make the gardens liable for repayment of the entire mortgage, therefore putting the gardens' other assets at risk. I understand that the City is concerned that the pre-2020 method of conveyance using deed restrictions with a reverter or a right of re-entry clause leaves them open to the following vulnerabilities:

1. A non-profit community garden might flip the land that it has obtained for a nominal value for a large profit and a deed restriction is thought to be ineffective if a sale of the garden land is done without a proper title search;
2. A deed restriction does not prevent the gardens from using the property as collateral to obtain a mortgage – this is thought to jeopardize the City’s position in the event it seeks to recover title; and
3. If a judgment lien is placed on a garden as a result of inadequate insurance coverage, it is thought that a deed restriction would not protect the City’s interest vis-a-vis the creditor or a purchaser at a sheriff’s sale.

Based on my many years of experience and knowledge of the law, I would respectfully suggest that none of those concerns poses a problem under the pre-2020 practices of using deed restrictions or a reversionary clause which allows the City to recover title automatically, without a foreclosure sale.

Flipping the land without a title search

First, I understand the City is concerned that gardens might flip their property to a developer who will purchase the land without doing a proper title search to find the deed restriction. In all my decades of experience, I have never seen a developer purchase property in the City of Philadelphia without a title search. And in my experience, title companies are very good at finding deed restrictions on land. Even where the deed and the agreement containing the actual terms between the parties are separately recorded, they are easily found in title searches.

Nevertheless, if for some reason neither the developer nor the title company can find the deed restriction, it does not matter. Any purchaser of the land would be bound by the restriction, regardless of whether they are aware of its existence, and the City can enforce the restriction against whoever owns the land. Exactly the same applies to reversionary clauses – if they are properly recorded, any purchaser is subject to them whether he finds them or not.

In addition, if the fear is that the property would be sold to someone who will not do a proper title search, that buyer will also fail to find any mortgages on the property. So, to the extent one is concerned about lack of a proper search, a mortgage does not solve the problem.

Gardens using the property as collateral for mortgages

Second, I understand that the City is concerned that gardens will use their land as collateral for mortgages and that could jeopardize the City’s position for re-vestment. Under the pre-2020 practices of using deed restrictions plus either a reverter or a right of re-entry, any mortgage placed on the property by a subsequent purchaser is subject and subordinate to the City’s rights. In other words, the mortgagee would be subject to the restrictions and the reversionary clauses. This is precisely why it is so important to record deeds on real property. That deed restriction/reversionary right will follow the property regardless of ownership.

Lien placed on the property from inadequate insurance

Third, I understand that the City is worried that if a garden's insurance coverage is inadequate or lapsed and a claim is made leading to a successful judgment in a lawsuit, the garden property might be attached to satisfy a claim. In that event, if a lien were placed on the property, it would be the same situation as a mortgage. Any successive owner of the property would be subject to the restrictions on the property; in other words, a lienholder would have the right to foreclose on the garden property, but the purchaser at the sale would be subject to the deed restrictions and the reverter or right of re-entry clauses.

Finally, I have reviewed a recent example of the City's mortgage and note and there are serious questions as to whether they are even enforceable as a matter of law. The prior practice of using deed restrictions with a reverter or a right of re-entry clause is a superior practice for accomplishing what I understand to be the City's goals. I am curious as to why the City is insisting on using a mortgage and note and would welcome the opportunity to address those reasons and answer your questions. Thank you.

Andrea Saah

From: Linda Conley <thespookygarden@gmail.com>
Sent: Friday, April 7, 2023 7:18 AM
To: Andrea Saah
Cc: Marlana Moore
Subject: Written Comments for 4/11

Follow Up Flag: Follow up
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Dear Andrea,

I would like to submit the written comment below to be admitted into testimony at the Land Bank Board Meeting, scheduled for Tuesday, April 11, 2023.

My name is Linda Soffer and I am with Spooky Garden, a Neighborhood Gardens Trust partially-protected garden. My email is thespookygarden@gmail.com and phone # [REDACTED]
Agenda Item: New Business - Garden Mortgage Discussion
[Written Comment](#)

Thank you,
Linda Soffer

Linda Soffer, Garden & Event Coordinator
Spooky Garden
1116 N 4th Street, Philadelphia, PA 19123

Linda Soffer, Garden Coordinator
Spooky Garden, An NGT property
thespookygarden@gmail.com

Spooky Garden has been in existence since 1983, when a group of neighbors joined together to clear debris from 4 adjoining parcels of land in the Northern Liberties neighborhood, and planted trees, shrubs, flowers and vegetables. The land has been maintained as a garden since then, and many of the original plants continue to thrive. Upon learning that the land was owned by the City, **a formal preservation effort began in 2005**. After considerable work by neighbors, two of the parcels were preserved by NGT with the support of Council President Darrell Clarke, and the two remaining parcels were joined into one and identified for future preservation. **In 2016, the Philadelphia City Council passed an ordinance that approved NGT's acquisition of the remaining parcel (1118 N 4th St), but the final transfer has been prevented by the 30 year mortgage requirement.**

Spooky Garden is a neighborhood treasure that is enjoyed year round by residents of Northern Liberties and the surrounding neighborhoods. **Our annual, free Halloween event has welcomed over 10,000 visitors since its inception in 2002 and has become a holiday tradition enjoyed by 2 generations of Philadelphia residents. The current membership supports 20 surrounding households and provides these families with fresh culinary herbs, fruits, vegetables and flowers that are grown and harvested in a communal manner. Several times a year we donate fresh vegetables to the local community refrigerator, and we regularly share fresh flower bouquets with the office staff of Bodine High School, one of our near neighbors.** The garden also provides open green space to nearby families, and amenities that include a cookout area with a grill, table & chairs, a community composter to recycle food scraps, a hammock for relaxing in the shade, and a multi-purpose area for gatherings and lawn games. Members have held barbecues, birthday parties, family reunions and weddings under our majestic elm tree.

The fact that half of the garden is unpreserved is a highly problematic situation that presents unsafe conditions, and has prevented the garden from realizing its full potential to serve the community. This parcel of land is badly in need of regrading, and contains trees that are in desperate need of proper maintenance to remove dangerous limbs that are a structural encroachment over an adjacent residence. The rubble from a pre-existing structure that has never been properly removed invites infestation from rats, posing a public health hazard. While neighbors have made every effort to keep this portion as safe and clean as possible, without acquisition by NGT it cannot be properly maintained. This fact has prevented the garden from being able to expand our food growing space and provide educational programs to local residents. We have also had to decline requests for service opportunities from volunteer groups as well as from faculty and students from neighboring Bodine HS due to unsafe conditions.

Both NGT and the surrounding neighbors have every intention **to preserve the land that the garden occupies as safe & permanent open green space**, as it has been maintained for the past 40 years. To imply otherwise is an insult to the Philadelphia residents who have spent countless hours caring for this land, cultivating the trees, shrubs and flowers and growing nutritious food. **The benefits of community connection that the garden provides far surpass any monetary value that can be assigned to the land. For our members and the surrounding community, it is priceless.**

Andrea Saah

From: Josh Warner <josh@phillyurbancreators.org>
Sent: Monday, April 10, 2023 3:03 PM
To: Andrea Saah
Subject: PHDC Written Comments for 4/11/23 -- Urban Creators
Attachments: UrbanCreators_written Comments_to PLB Board -- 2023.04.10.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

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Dear Ms. Saah,

Attached, please find Urban Creators written comments.

Thank you,
Josh



Urban Creators
Life Do Grow Farm
2316 N 11th Street
Philadelphia, PA 19133
josh@phillyurbancreators.org

April 10, 2023

Dear Chair Fadullon and Land Bank (PLB) Board of Directors,

My name is Joshua Warner; I am Co-Director of Urban Creators, the organization that has stewarded and revived 2316-50 N. 11th Street (DBA: Life Do Grow Farm) for the past 14 years. I am submitting four (4) requests for the Board to take action on – all related to the imposition of a 30-year mortgage on garden / open space nominal land transfers.

Should Life Do Grow gain deed and title to our Farm under the PHDC mortgage provision, we would immediately be harmed in the form of a massive liability on our balance sheet – a “debt” for a property which we have loved, improved, and farmed for our community’s benefit for over a decade. It is our years of sweat equity, along with the financial and programmatic support of local and national foundations, that have turned an abandoned dump into a thriving community anchor. The work that we have put in – which has raised the land’s value – should not be capitalized and charged back to us in the form of a long-term mortgage that will drastically alter our ability to carry out our mission: which is to support and empower our North Philly community and neighbors. Urban Creators has spent over \$2.5 million dollars since 2010 improving this site, feeding neighbors, and strengthening community, and as such, we insist that the PLB Board take the following steps:

- 1) We request that the Board un-do this damaging practice of applying a 30-year, self-amortizing mortgage to all Garden / Open Space nominal dispositions conducted by

PLB, PRA, and PHDC. Having the gardens take on debt to the public sector – after having done the work to improve community spaces – is a form of indentured servitude. It cannot and will not stand.

- 2) We request that you set a meeting between the PLB Board's Policy sub-committee and all gardens and open spaces with pending applications for nominal land disposition, to take place no later than May 2nd, 2023. This meeting should be in-person and organized for two purposes: 1) for gardens to share facts regarding the incurred and/or probable damages suffered due to imposition of 30-year mortgages, while PHDC / PLB share their facts around why a 30-year mortgage is a best practice moving forward (vs. the previous policy of issuing open space deed restrictions and reversionary clauses for nominal dispositions); 2) for the PLB Board Policy Subcommittee to form new recommendations, in collaboration with attending garden leaders, on disposition policy for all pending and future garden / open space nominal land dispositions.
- 3) Create a dedicated Liaison staff position in PHDC, along with a Standing Sub-Committee of the PLB Board that handles garden and open space dispositions, applications, communication and questions, in order to facilitate and expedite this process.
- 4) Return to in-person meetings for all PHDC and PLB Board meetings.

Sincerely,

Joshua Warner,
Director of Development & Capacity

Andrea Saah

From: Jennifer Greenberg <jgreenberg@Pennhort.org>
Sent: Monday, April 10, 2023 11:51 AM
To: Andrea Saah
Subject: Public Comment Submission To Land Bank Board
Attachments: NGT Public Comment to Land Bank_April 2023.pdf

Follow Up Flag: Follow up
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Andrea,

I'm attaching public comments to Land Bank board for tomorrow's agenda item on 30-year self-amortizing mortgage on community gardens.

Thanks,
Jenny

Jenny Greenberg (she/her)
Executive Director
Neighborhood Gardens Trust
jgreenberg@pennhort.org
O: 215-988-8798


Public Comment to the Land Bank Board of Directors
Submitted by the Neighborhood Gardens Trust
April 11, 2023

Thank you for including the 30-year mortgage on nominal fee dispositions of community gardens on the agenda. I'm Jenny Greenberg, Executive Director of the Neighborhood Gardens Trust, Philadelphia's land trust for the protection of community gardens and shared green spaces. Since 1986, we've preserved 51 gardens, encompassing over 13 acres. We're currently working with 25 additional gardens that asked for help with land preservation.

NGT works with Philadelphia Land Bank and Redevelopment Authority to protect gardens where community stewards have cared for city-held land for years but have no assurance for the future. We also work with the Commonwealth of PA to purchase gardens that have been lost to developers. Today I want to speak about how the city's decision to add a 30-year mortgage in addition to a deed restriction and reversionary language restricts the flow of state resources to our city.

The PA Department of Conservation and Natural Resources (DCNR) provides land acquisition grants for 50% of the market value of land or its development rights. The Commonwealth awards millions of dollars a year for land conservation projects, using an open space deed restrictions to ensure the land is protected permanently from development.

Before the 30-year mortgage, we had success leveraging the value of Land Bank dispositions dollar-for-dollar, bringing additional state resources to our city. Not anymore.

I've attached a letter from Ashley Rebert, DCNR's Chief of Land Conservation and Stewardship stating that the 30-year mortgage would place an encumbrance on the property, making it ineligible for DCNR funding and putting it out of compliance with their non-conversion language. In other words, the Commonwealth interprets the mortgage as opening these properties up to being developed, making it a bad investment.

In 2022, Pennsylvania passed the Growing Greener III legislation, allocating \$640 million in conservation funding. This is a once in a generation opportunity. Last year, NGT was able to raise \$600,000 through DCNR to acquire threatened community green spaces. However, accessing that funding is contingent upon having a match, and the 30-year mortgage prevents us from leveraging the value of city nominal fee dispositions to meet this requirement.

PHDC staff have stated that the reason the 30-year mortgage is necessary is that the open space use restrictions could be missed in a title search and so when nonprofits nefariously flip gardens to developers, the developers won't know they are acquiring deed restricted land. If this is the actual concern, recording the deed restriction in a confirmatory deed, the way the Commonwealth does makes it impossible to miss. I've also attached the Commonwealth's confirmatory deed as a model.

There is no question the 30-year mortgage weakens the protection of community stewarded green spaces which help to mitigate so many of the health, public safety, and environmental threats Philadelphians face. And there is no question that a deed restriction with either a reverter or a right of re-entry clause in the event of a violation of the deed or purchase agreement is every bit as effective. So, on behalf of NGT I must ask what is the true motivation behind the mortgage?

March 31, 2023

Jenny Greenberg
Executive Director
Neighborhood Gardens Trust
100 N 20th Street, 5th Floor
Philadelphia, PA 19103

Re: Philadelphia Land Bank Policy Issue
Potential Impact to DCNR Funded Properties

Dear Ms. Greenberg:

As you are aware, when DCNR provides grant funds for land acquisition or conservation easement made possible by the Keystone, Recreation, Park and Conservation Fund, the acceptance of those funds comes with perpetual restrictions.

Attached is DCNR's policy on Conversion of Property Interests Acquired or Developed with State Funding, which states, "*Properties that are acquired or developed with DCNR grant funding are not permitted to be converted to purposes/uses other than public recreation and conservation. No change of use and no transfer of ownership, control, or interest in the property may occur, and no encumbrance may be placed on the property, without written consent of the Department or its successor.*"

A 30-year self-amortizing mortgage would place an encumbrance on the property that would make it ineligible for DCNR grant funding and could result in a conversion of use for any properties currently deed restricted with DCNR non-conversion language.

If you have any questions regarding the above, please contact me at arebert@pa.gov or phone at 717-772-3322.

Sincerely,

Handwritten signature of Ashley D. Rebert in blue ink.

Ashley D. Rebert, Alternate State Liaison Officer

PREPARED BY:

Gregory P. Duffy, Esquire
Duane Morris LLP
30 South 17th Street
Philadelphia, PA 19103

AFTER RECORDING, RETURN TO:

Gregory P. Duffy, Esquire
Duane Morris LLP
30 South 17th Street
Philadelphia, PA 19103

OPA Account Nos.: 313081500 and 311067300

CONFIRMATORY DEED

THIS SPECIAL WARRANTY DEED is made on the 1 day of April, 2021 and effective as of the 1 day of April, 2021 **NEIGHBORHOOD GARDENS TRUST**, a Pennsylvania non-profit corporation ("Grantor"), in favor of **NEIGHBORHOOD GARDENS TRUST**, a Pennsylvania non-profit corporation ("Grantee").

WITNESSETH, that the said Grantor is the owner of certain premises commonly known as 1937 East Dauphin Street and 2300 Emerald Street in the City of Philadelphia, Pennsylvania, all as further described in **Exhibit A**, attached hereto and made a part hereof.

WHEREAS, the said Grantor desires to execute and record this instrument to confirm such ownership and to confirm the encumbrance of said premises by the restrictions set forth on **Exhibit B**, attached hereto and made a part hereof.

NOW THIS INDENTURE WITNESSETH that the said Grantor, for and in consideration of the sum of One and 00/100 Dollars (\$1.00) lawful money of the United States of America, unto it well and truly paid by the said Grantee, at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained and sold, ratified and confirmed, and by these presents does grant, bargain and sell, ratify and confirm unto the said Grantee, its successors and assigns,

ALL THAT CERTAIN land described in **Exhibit A**, attached hereto and made a part hereof.

BEING THE SAME PREMISES which Philadelphia Land Bank by Deed dated June 25, 2020 and recorded June 30, 2020, in the Department of Records in and for Philadelphia County, Pennsylvania, at Instrument number 53683518, granted and conveyed unto Neighborhood Gardens Trust, a Pennsylvania non-profit corporation, in fee.

BEING known as 1937 East Dauphin Street and 2300 Emerald Street, in Philadelphia, Pennsylvania 19125.

BEING Tax Parcel Nos. 313081500 and 311067300.

TOGETHER with all and singular the buildings, improvements, ways, waters, water courses, rights, liberties, privileges, hereditaments and appurtenances whatsoever thereunto belonging, or in anywise appertaining, and the reversions and remainders, rents, issues and profits thereof; and all the estate, right, title, interest, property, claim and demand whatsoever of the Grantor, its successors and assigns, in law, equity or otherwise, of, in and to the same, and every part thereof.

TO HAVE AND TO HOLD the said lot or piece of ground, with the buildings and improvements thereon erected, hereditaments and premises hereby granted or mentioned, and intended so to be, with the appurtenances, unto said Grantee, its successors and assigns, to and for the only proper use and behoof of said Grantee, its successors and assigns, forever.

UNDER AND SUBJECT to the covenants, conditions, easements and restrictions as may appear of record.

AND SUBJECT to the restrictions as set forth in **Exhibit B**, attached hereto and made a part hereof.

THIS TRANSFER IS EXEMPT from transfer tax as a transfer to a tax-exempt conservancy under Pennsylvania Statutes, 72 P.S. § 8102-C.3(18) and 61 Pa. Code § 91.193(b)(18) and under Philadelphia Code § 19-1405(16) and also pursuant to 72 P.S. § 8102-C.3(4) and Philadelphia Code § 19-1405(4) as a deed which confirms the prior conveyances where full transfer tax was paid (if applicable) and where this transfer does not extend or limit existing record legal title or interest.

AND THE GRANTOR, for itself, its successors and assigns, does covenant, promise and agree, to and with the said Grantee, its successors and assigns, by these presents, that it, the said Grantor and its successors and assigns, all and singular the hereditaments and premises hereinabove described and granted, or mentioned and intended so to be, with the appurtenances, unto the said Grantee, its successors and assigns, against it, the said Grantor and its successors and assigns, and against all and every person or persons whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor but not otherwise, shall and will subject as aforesaid **SPECIALLY WARRANT** and forever **DEFEND**.

[Signature on Following Page.]

IN WITNESS WHEREOF, Grantor has caused this Special Warranty Deed to be executed on the day and year first above written.

Sealed and Delivered
In the Presence of Us:

NEIGHBORHOOD GARDENS TRUST,
a Pennsylvania non-profit corporation

By: Jennifer Greenberg (Seal)
Name: Jennifer Greenberg
Title: Executive Director

Exhibit B

DCNR Restriction

This property, or interest in property, was either acquired with or donated as a match for funds provided by the Pennsylvania Department of Conservation and Natural Resources ("Department"). The source of the funds is Keystone Recreation, Park and Conservation Fund Act, the act of July 2, 1993 (P.L. 359, No. 50) (32 P.S. §§ 2011 et seq.) ("Act"). This property, or any portion of it, may not be converted to purposes other than those authorized under the Act for property acquired with Department funds. No change of use and no transfer of ownership, control, or interest in this property may occur, and no encumbrance may be placed on this property, without the written consent of the Department or its successor. The restriction in this paragraph applies to both the surface and subsurface of the property. This restriction has the effect of a covenant running in perpetuity with the land and is binding upon the owner(s) of the property and upon all subsequent owners, successors, and assigns. This restriction is enforceable by the Department and its successors.

Andrea Saah

From: Betsy Way <way.betsy@gmail.com>
Sent: Monday, April 10, 2023 2:52 PM
To: Andrea Saah
Subject: Land Bank Board Meeting April 11
Attachments: Land Bank LEtter.docx

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Hi,

My attached comments address VI. New Business - Garden Mortgage Discussion

Elizabeth Way
Hawthorne Community Garden
Way.betsy@gmail.com
[REDACTED]

Public Forum re: preserving green space in Philadelphia as long-term gardens
April 11, 2023

To the Land Bank Board,

The Hawthorne Community Garden has operated as a community space for over 7 years, with 23 raised garden beds, flower boxes and sitting space around the perimeter. Our gardeners have put in many hours to transform a trashy, construction debris dump into a green space for families and residents of the neighborhood. We plant vegetables, flowers and energize community spaces. These committed people, along with the Neighborhood Garden Trust, want to preserve this space now, and well into the future, as a well-attended, supported community garden.

The Neighborhood Garden Trust has advocated for over three years to transfer our garden into their portfolio. PRA staff have been unresponsive to repeated requests to negotiate the current transfer proposal; a 30-year self-amortizing lease set at the full value of the land with a foreclosure provision to take back the land if not “free and clear of debris”. The Neighborhood Garden Trust has been blocked at every attempt to clarify terms or negotiate less onerous provisions. Their last meeting was well over two years ago.

In February of this year, PRA declared a March 31 deadline as a “take it or leave it” proposition for three gardens proposed by NGT, to either sign a 30-year lease with onerous terms, or move to a year-to-year agreement. This approach clearly signals a deaf ear to community voices.

We are acting as good stewards, investing our labor, money and love into the land. After many unsuccessful attempts to get assistance from the city, our gardening community has raised funds to accomplish much needed tree pruning work that has been neglected for the past 10 years. As the Land Bank Board considers concerns about how garden transfers proceed, please note that the gardeners and neighbors of many community gardens like ours have demonstrated similar serious intention for the long-term viability of gardens and urban farms in Philadelphia.

I implore you to create a cooperative, open dialogue to set reasonable terms for how garden lands can be transferred in a manner that promotes healthy environments and avoids unnecessary burdens on community organizations.

Regards,
Elizabeth Way
Director, Hawthorne Community Garden

Andrea Saah

From: Dennis Shelly <dennis.shelly@peerenviro.net>
Sent: Monday, April 10, 2023 1:29 PM
To: Andrea Saah
Subject: FW: April 11 Land Bank Board Meeting - Garden Mortgage Discussion
Attachments: Memo on 30-yr Mortgage Issues_122222.pdf

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Dennis P. Shelly, P.E.
Founder, Managing Member
cell: 610-766-1938



PEER Environmental, LLC
A Cetrified Philadelphia Local Business Entity
2401 Walnut Street, Suite 102
Philadelphia, PA 19103
www.peerenviro.net

From: Dennis Shelly
Sent: Monday, April 10, 2023 1:26 PM
To: andrea.saab@phdc.phila.gov
Subject: April 11 Land Bank Board Meeting - Garden Mortgage Discussion

I want to voice my full support to the (attached) December 2, 2022 memorandum from Neighborhood Gardens Trust, Urban Creators and the Public Interest Law Center regarding the requirements of PHDC for a 30-year self-amortizing mortgage for properties that are restricted for neighborhood benefit use. This requirement jeopardizes the abilities of nonprofit organizations to preserve community gardens and green spaces and has a significant adverse impact on the financial health of the nonprofit organizations best suited to acquire and preserve these properties.

The points in the memorandum would not be improved by my input. My input is from the “on-the-ground” effort to identify suitable abandoned properties and to obtain funding to convert these properties for neighborhood benefit. PEER Environmental is part of a team, the Resilient Communities Stormwater Initiative (RCSI) that is funded by the William Penn Foundation. The team, which includes The Nature Conservancy, the Drexel Academy of Natural Sciences, and Clean Water Action, is focused on providing cause to spend monies committed by the Philadelphia Water Department to manage stormwater better to create lasting neighborhood benefit through GSI.

The RCSI team has been identifying “anchor” projects (typically institutional or commercial properties) in historically underinvested neighborhoods. We seek to incorporate smaller projects that radiate from these anchor parcels to create green “zones” in the neighborhood. It is no surprise that abandoned, undeveloped properties tend to be concentrated in these same neighborhoods. The Team has been working to identify low-lying properties that can be natural locations for the collection of runoff from streets. By doing so, PWD funding is available to develop the stormwater management

PLB Board of Directors DRAFT Meeting Minutes for April 11, 2023

Page 116 of 124

infrastructure that will leave behind a cleared parcel on which a garden, playground, or passive park can be constructed. The implementation of this approach requires the participation of a Land Trust or Community Development Corporation to accept long-term ownership/responsibility for maintenance of the property. At this point, Neighborhood Gardens Trust and ACANA (African Cultural Alliance of North America) are considering this role in southwest Philadelphia. We currently are working to expand this concept into north Philadelphia.

Discussions with management at the Land Bank have indicated general support for this approach. Unfortunately, the imposition of the described self-amortizing mortgage requirements will greatly impede this effort, resulting in for-profit development being the only viable alternative.

To be clear, the creation or preservation of green spaces does not impede development. To the contrary, these spaces attract interest (and development). While we recognize the interests of the Land Bank to assure that properties transferred for neighborhood use are managed properly and the need to simplify the return of title when not cared for that may be better solved through conservation easements that do not impede the ability of community organizations to acquire vacant Land Bank property or outside sources of funding. we believe that it is in response to a minor potential problem that will be the detriment of efforts of many to address the need for green space and to reduce flooding in these neighborhoods.

I support fully the message and alternative measure presented in the December 2, 2022 memorandum.

Sincerely,

Dennis P. Shelly, P.E.

Founder, Managing Member

cell: [REDACTED]



PEER Environmental, LLC

A Cetrified Philadelphia Local Business Entity

2401 Walnut Street, Suite 102

Philadelphia, PA 19103

www.peerenviro.net

DATE: December 2, 2022

FROM: Neighborhood Gardens Trust
Urban Creators
Public Interest Law Center

RE: Philadelphia Housing Development Corporation's harmful restrictions on community garden land dispositions and proposed solution of a conservation easement

Introduction

Neighborhood Gardens Trust (NGT), Urban Creators, the Public Interest Law Center, and other nonprofits across Philadelphia seek to protect and support community gardens and urban farms as critical neighborhood anchors that increase access to fresh food; foster safer, stronger, healthier communities; and contribute to climate resiliency, reducing dangerous high heat temperatures, flooding, and air pollution.

Organizations seeking to acquire and permanently protect community gardens on City-owned land are subject to the Philadelphia Land Bank's Disposition Policy, which is overseen by Philadelphia Housing Development Corporation (PHDC) staff. The Disposition Policy requires that one of four restrictions be applied to nominal land dispositions for uses such as community gardens and open space. Prior to 2020, PHDC required an open space deed restriction and a reversionary clause to successfully ensure that properties acquired through nominal land dispositions for open space and community gardens could not be developed or sold for other uses.

Since 2020, PHDC has been requiring a 30-year self-amortizing mortgage and note. Self-amortizing mortgages are often used as a tool for affordable housing and homeownership, but they are not an appropriate tool for preserving land for open space and agriculture. Nor is a 30-year self-amortizing mortgage and note required under the Land Bank nominal land Disposition Policy. As explained below, PHDC's use of a 30-year mortgage and note jeopardizes the ability of nonprofit organizations to preserve community gardens and green spaces and has a significant adverse impact on the financial health of the nonprofit organizations best suited to acquire and preserve these properties.

A Deed Restriction and Reversion Clause Ensure that Community Gardens and Open Spaces Are Not Later Redeveloped

NGT has successfully preserved community gardens through nominal dispositions from the City for 30+ years with deed restrictions that ensure that the land can only be used as open space or a community garden and cannot be developed. We are not aware of any community garden disposition conveyed under these conditions that was ever "flipped" or sold for development purposes.

Where a reversion clause is also added to the deed, the land reverts to the City if it can no longer be maintained as a community garden or open space. These conditions can be featured prominently and clearly in the deed to ensure that they are immediately flagged in a title search. We propose that the City return to using these two control measures for nominal open space, community garden, and farm dispositions.

The 30 Year Mortgage Harms the Preservation of Community Gardens and Open Spaces

- **IMPACT TO VALUE:** The mortgage and note amount used by PHDC is based on the market valuation of the property as a developable site. However, the presence of the open space deed restriction reduces the property's value significantly. This puts nonprofits in a difficult financial position of having their mortgage liabilities exceed the value of their underlying land collateral.

Further, contrary to the recommendation of the Land Bank's auditor, the valuation is not determined by an independent appraiser. Other major cities use an independent appraiser to ensure an objective and unbiased valuation.

- **JEOPARDIZES NONPROFIT'S FINANCIAL HEALTH:** With the use restricted as open space, the value of the asset is significantly less than the liability/mortgage. According to NGT's accountants, this would jeopardize an organization's financial health, showing up in audits or financial statements and make an organization ineligible for grants and funding opportunities. Three of NGT's 10 pending dispositions have received valuations totaling \$2.8 million. Urban Creators' farm has been valued at \$1.4 million.
 - Certain garden dispositions have been subject to a Recourse Mortgage, meaning in the case of default (further described below), the City could both seize the property back as well as seek damages in the amount of the mortgage balance.
 - The Recourse Mortgage provided to Urban Creators would place an undue financial burden. If, for example, 15 years into the loan term the Garden was found in default of the mortgage, not only would Urban Creators lose the land, but they would additionally owe the City \$700,000, forcing the organization into insolvency.
 - PHDC agreed to a Non-Recourse Mortgage for NGT's dispositions.
- **AMBIGUOUS TERMS JEOPARDIZE LAND PROTECTION AND COMMUNITY INVESTMENT:** The terms for default in the mortgage are not clearly defined, leaving the garden property vulnerable for repossession via foreclosure and depriving organizations of their interest and rights in the property. For example, a garden could be in default of the mortgage and foreclosed upon if it is not "clean and free of debris." That ambiguity puts significant community investments at risk:
 - Urban Creators has invested \$2.2 million into the creation of Life Do Grow Farm and management of its community programs since 2011.
 - NGT's Summer Winter Garden has a 40-year history as a community garden, with hundreds of residents spending thousands of hours transforming a rubble and debris filled lot into a beautiful flourishing garden, with over \$700,000 invested by the community, Pennsylvania Horticultural Society, and Drexel University. Today, the Garden sits in the middle of Drexel's campus and would be subject to a \$2.3 million mortgage and could be subject to default and foreclosure if not kept "clean and free of debris."
- **HINDERS ACQUISITION OF THE MOST THREATENED GARDENS:** The 30-year mortgage makes it more expensive and difficult to secure state land acquisition grants and prevents the City from leveraging the value of nominal fee land dispositions to raise needed resources from the Commonwealth. For example, in 2019 NGT was able to secure a \$92,000 state grant from the Department of Conservation and Natural Resources to acquire land from a developer at a community garden in Kensington by matching the grant with a nominal fee disposition by the City. Today, with the new requirements and the artificially inflated value of the property, this would be impossible. The Department would not accept the mortgaged property as a match.
- **NOT A RECOGNIZED BEST PRACTICE:** The Center for Community Progress, a nationally-recognized leader working with land banks across the country, is not aware of any other municipalities that enforce the use of 30-year self-amortizing mortgages on open space, urban farms, or community gardens and do not recommend this as a best practice.
 - The few land banks that use mortgages on open space and community garden dispositions have significantly shorter terms (5 or 10 years) and much lower valuations (\$5,000 to \$20,000).

- **BURDENSOME PAPERWORK:** The mortgage creates administrative burdens on the City which must provide an annual statement on the outstanding mortgage amount for each property to each property owner for 30 years.

As an Alternative Measure, We Propose a Conservation Easement to Restrict Development and Ensure the Property is used in Perpetuity as a Community Garden or Open Space

The use of a conservation easement in addition to or in lieu of the deed restriction ensures that pending land transfers with PHDC will permanently be restricted as community gardens, urban farms, and community-managed open spaces without undue burden on the nonprofit organizations best able to preserve these properties. A conservation easement has numerous advantages.

- **RETAINS CITY'S INTEREST IN PROPERTY:** With a conservation easement, the City has a substantial interest in longer term controls to prevent the change in use through redevelopment or future sales of any property intended to be maintained for open spaces, community gardens, or urban farms. Conservation easements are a widely-used alternative for protecting critical open space resources for public benefit.
- **ESTABLISHED LEGAL TOOL:** A conservation easement provides the City with the ongoing legal enforcement power it seeks to prevent real estate development on properties intended for community gardens and urban farms. Conservation easements are an established legal tool with straightforward enabling legislation and established case law in the Commonwealth of Pennsylvania. See Pennsylvania's Conservation and Preservation Easements Act, 32 Pa.C.S. § 5051.
- **RUNS WITH THE CHAIN OF TITLE:** A conservation easement restricts the use of the property to advance a conservation purpose. It is a recorded document that is a part of the chain of title for a property, running with the land so it is applicable to present and future landowners.
- **TAILORED AND CUSTOMIZABLE:** Conservation easements are tailored and customizable. While for certain applications (such as, conserving hundred-acre tracts of working forests) they can be highly complex documents, for this purpose, they can be simple and straightforward.
- **GIVES THE CITY REAL PROPERTY INTEREST:** We propose PHDC be the easement holder, giving the City a real property interest in the land used for community gardens and open spaces. The proposed easement would restrict use of the land for open space and gardening. Building on the site would be defined and limited to structures needed to support the garden or organizational programming.
- **CITY CAN TAKE ACTION IF THERE ARE VIOLATIONS:** If there were any violations of the easement, PHDC would be able to take legal action against the property owner. Courts liberally construe conservation easements in favor of the easement holder.
- **PREVENT "FLIPPING" FOR DEVELOPMENT:** The conservation easement will routinely appear on a title search in potential real property sales, redevelopments, or financings. Conservation easements thus meet the City's objectives of preventing lots from being "flipped" for development without burdening the nonprofit organization.
- **MONITORING IS THE RESPONSIBILITY OF EASEMENT HOLDER:** Monitoring would be conducted by the easement holder; PHDC would assume a similar compliance/enforcement role as it does as a mortgage holder without the administrative burden of tracking mortgages over thirty years.

Andrea Saah

From: Casey Kuklick <ckuklick@Pennhort.org>
Sent: Monday, April 10, 2023 2:27 PM
To: Andrea Saah
Subject: Public Comment for 4.11 Land Bank Board Meeting - Pennsylvania Horticultural Society
Attachments: PHS Testimony Land Bank Board Meeting 4 11 2023.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

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Hi Andrea,

Please find attached public comment from PHS in advance of the Land Bank board meeting tomorrow. Our comments are in relation to the "Garden Mortgage issue" identified on the agenda. All of my contact information is below.

Thanks very much,

Casey Kuklick

Casey Kuklick
Chief of Staff
PHS Pennsylvania Horticultural Society
100 N. 20th Street - 5th Floor
Philadelphia, PA 19103-1495
p: 215.988.1629; m: [REDACTED]
e: ckuklick@pennhort.org; w: www.PHSONline.org





**PHS Testimony to Philadelphia Land Bank on Garden Mortgage Issue
Submitted April 11th, 2023**

Greetings everyone and thank you for this opportunity to testify. My name is Casey Kuklick and I'm the Chief of Staff at the Pennsylvania Horticultural Society.

PHS's history with community gardens in Philadelphia goes back decades, to the 1970s, when we first started working with neighborhood leaders across the city to support the development and care for gardens, parks, and green spaces. At a time when Philadelphia was experiencing significant population loss and economic decline, PHS worked with community-based groups (or grassroots groups) that had stepped up to create and preserve neighborhood green spaces where there was blight, and to build stronger communities where there was disinvestment and neglect.

That initial investment, and the hard work of both PHS and so many gardeners and organizations has continued over the decades. Today, our Community Gardens team supports over 160 Philadelphia gardens and urban farms with technical assistance, seedlings, soil, compost, and other tools that enable these spaces to thrive as sources of recreation and fresh food for neighbors. As an organization, we raise over \$1.3 million dollars annually from our members, donors, foundations, and government to support this work. These investments pay off: importantly, many of the community gardens that we work with are well-established, have strong governance structures in place, and are well-cared for and maintained. There is abiding demand for what they bring to communities - many of them have been around for decades, and have years-long wait lists for plots. More recently, we have seen evidence that well-cared for and maintained green spaces can even have a significant effect on reducing gun violence in our city.

There is no question that these gardens benefit greatly from – and deserve – a clear path to stable land tenure. PHS, our partners at the Neighborhood Gardens Trust, and so many urban agriculture and gardening groups create a suite of services – from garden start up assistance through permanent land acquisition – that together give gardens a steady and secure path to sustainability and preservation. The Land Bank's decision to impose a 30-year mortgage requirement on nonprofits seeking to acquire land on gardens' behalf puts this well-honed system and the decades-long investments made in it at significant risk. It unnecessarily jeopardizes the ability of groups to do their vital work altogether. For these reasons, PHS strongly supports our partners' call for a reversal of the 30-year mortgage requirement, and the reinstitution of the deed restriction and reversionary clause policy that allows these organizations to feasibly carry out their mission.

Thank you.

Casey Kuklick
Chief of Staff
Pennsylvania Horticultural Society
100 N. 20th Street
Philadelphia PA 19103
e: ckuklick@pennhort.org
m: [REDACTED]

Andrea Saah

From: Amanda B. <amanda.bock@gmail.com>
Sent: Monday, April 10, 2023 9:26 AM
To: Andrea Saah
Subject: Written comment for 4.11.23 Land Bank Board meeting
Attachments: Land Bank Board letter from Brewerytown Garden.pdf

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 Saah,

Please find attached written comment I have prepared on behalf of Brewerytown Garden concerning the 30-year mortgage requirement impact on community garden dispositions.

My contact information: amanda.bock@gmail.com (email), [REDACTED] (cell)

My affiliation is Brewerytown Garden, 2634-44 West Master Street, Philadelphia 19121 (mailing address), brewerytown.garden@gmail.com (email)

Thank you for including my written comment. I sent this in March originally, but since there is a standalone agenda item for the April meeting that directly relates to this letter, I am resubmitting it for inclusion in the April meeting notes.

Best wishes,
Amanda Bock

**TO: Philadelphia Land Bank Board
1234 Market Street, 17th Floor
Philadelphia, PA 19107**

March 13, 2023

RE: The impact of the 30-year mortgage requirement on community garden dispositions

Dear Ms. Fadullon, Board Chair, and the Land Bank Board of Directors,

We are writing to urge the Land Bank to reconsider its relatively recent practice of placing a 30-year self-amortizing mortgage and note on nominal land dispositions for community gardens like ours. For the last decade, Brewerytown Garden has made a positive impact on our community through providing space for neighbors to grow food, establishing Brewerytown's only farmer's market, and organizing weekly no-cost community programming throughout the summer. We are a thriving and vibrant neighborhood hub, but the precarity of some of the land we steward inhibits our ability to fully serve our community.

We have invested significant funds, volunteer labor, and love into Brewerytown Garden. Our half acre garden is home to raised bed plots for over 75 Brewerytown households, a greenhouse, an open area for public events and workshops, honeybees, a compost system, and a meditation garden – along with a wait list of over 90 neighbors eager to garden once space opens up. Each summer, our gardeners manage and staff our farmer's market where neighbors can purchase local produce, including crops grown right here at our garden, at below-market cost. We offer weekly programming for children, families, and seniors that has included artmaking, nutrition and botany classes, yoga for children, senior health and wellness fairs, dance lessons, and movie nights under the stars. During the early days of Covid, we demonstrated our nimbleness to meet the moment, pivoting from our usual activities to partner with the USDA and the Common Market to operate a weekly distribution site for free produce boxes, and swiftly secured grant funds that allowed us to supplement produce with eggs and bread.

We are very proud of the work we do, the bonds we form with our neighbors, and the relationship Brewerytown Garden has built with our community. To have some of the land we steward in limbo in the Land Bank is unfortunately an impediment to our growth and ability to function. For example, two Brewerytown Garden parcels held by the Land Bank have very dilapidated sidewalks that we wish to replace in order to make our block more beautiful and accessible. The sidewalk in question sits at our garden entrance, and we have a plan and the funds to repair it – but are unable to move this project forward while the parcels remain under city ownership.

Community gardens like ours are beneficial to Philadelphians' mental and physical health and the environment, break down healthful food access barriers, and engender community care. We know that gardens and greenspaces are vital components of a thriving neighborhood, and believe strongly in the work that land trusts like Neighborhood Gardens Trust do to secure these spaces for years to come. We urge the Board members of the Land Bank to reconsider agreement terms so that land preservation of gardens and greenspace is not prohibitive.

Sincerely,

The Gardeners at Brewerytown Garden

2634–44 West Master Street | Philadelphia PA | 19121
brewerytown.garden@gmail.com

MAY 9, 2023 PLB BOARD MEETING
MATERIALS FOR AGENDA ITEM IV.A.1

RESOLUTION NO. 2023 – ____

**RESOLUTION AUTHORIZING CONVEYANCE OF
372 AND 702 CANTRELL STREET; 613, 625 AND 723 MERCY STREET;
737 TREE STREET; 535, 537 AND 602 WINTON STREET
TO BVG PROPERTY GROUP, 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 372 and 702 Cantrell Street; 613, 625 and 723 Mercy Street; 737 Tree Street; and 535, 537 and 602 Winton Street (collectively, the “**Property**”) to BVG Property Group, LLC (the “**Purchaser**”) for the construction of five (5) affordable single-family homeownership units and four (4) market-rate single-family homeownership units.

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 Nine Thousand and 00/100 Dollars (\$9,000.00) 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 _____.

DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

1. **ADDRESS:** 372, 702 Cantrell Street, 613, 625, 723 Mercy Street, 737 Tree Street, 535, 537, 602 Winton Street

2. PROPERTY INFORMATION

Zip Code: 19148	Census Tract: 004101, 004201, 004202	Council District: 1
Zoning: RSA-5	Lot Area: 6,377 SF	
OPA Value: \$657,300	Appraised Value: \$630,000	
Redevelopment Area: N/A	Urban Renewal Area: N/A	

3. APPLICANT INFORMATION

Applicant Name: BVG Property Group, LLC	Type: Business / Legal Entity
Entity Owners: Justin Veasey, Joseph F. Byrne IV and Daniel Govberg	
Mailing Address: 251 St. Asaphs Road – 3 Bala Plaza East Suite 201, Bala Cynwyd, PA 19004	
Authorized Contact: Justin Veasey	
Application Date: February 7, 2023 – Revised March 13, 2023	

4. PROJECT INFORMATION

Disposition Type: Non-Comp: 51% of Site as Affordable, Workforce, or Mixed Income Housing	Strategic Plan Goal (Land Bank Only): Housing - Workforce (61%-120% AMI)
Price Paid at Settlement: \$9,000	Proposed Use: Residential
Development Type: New Construction	No. of Buildings: 9
Units: 9 units - Residential / X units - Commercial	End User: Sale to Homebuyer
Gross Floor Area (sq. ft.): 13,000 SF	Construction Cost / sq. ft.: \$180
Construction Costs: \$2,340,000	Project Funding Available: Committed and Verified - Applicant has provided documentation of available, committed funds in an amount no less than total project costs.
Total Project Costs: \$2,812,350	Mortgage Amount: \$N/A

5. APPROVALS, DEADLINES, EOP

Agreement Executed: TBD	Economic Opportunity Plan Goals: MBE – 25% and WBE – 10%
Land Bank Board Approval: TBD	PRA Board Approval: N/A
Construction Commencement Deadline: 3 months after settlement	Construction Completion Deadline: 18 months after settlement

DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

6. DEVELOPMENT SUMMARY

A. How was title acquired?

The properties at 702 Cantrell Street and 723 Mercy Street are owned by the Land Bank. The properties at 602 Winton Street and 625 Mercy Street are owned by the City. The properties at 372 Cantrell, 535 Winton Street, 537 Winton Street, and 737 Tree Street are owned by the PRA. All the properties have the necessary approvals to be transferred to the Land Bank.

B. Application Summary:

Applicant will develop five (5) affordable single-family units and four (4) single-family market rate units. Application was unsolicited and evaluated pursuant to the disposition policy. An EOP plan will apply for this project.

C. Unit Details:

- 9 Total Units
- Homeownership
- Maximum sale price of \$279,000 for the five (5) affordable units
- Affordable units will target households with incomes at or below 100% AMI.
- Affordable units are two stories, with a basement, containing 3 bedrooms and 2 baths.
- Market Rate units are three stories, with a basement, containing 4 bedrooms and 3 baths with a roof deck.
- Approximately between 1,200 to 1,750 SF each.
- Eligible for Neighborhood Preservation Initiative's Turn the Key Program.

D. Summary of Restrictions or Covenants:

This transaction is subject to the following only if the box is checked:

☒ Irrevocable Power of Attorney ☒ Right of Re-entry/Reverter

A Declaration of Restrictive Covenants will be placed on all the units to ensure that the homes will remain affordable for a minimum of 15 years, and purchasers for the affordable units will be income certified.

E. Community Outreach:

- Staff received a completed Community Outreach Package to confirm a community meeting was held:
☒ Yes ☐ No ☐ N/A
- Meeting Date (if applicable): March 18, 2023

7. STAFF RECOMMENDATION

Staff recommends the disposition of 372, 702 Cantrell Street, 613, 625, 723 Mercy Street, 737 Tree Street, 535, 537, 602 Winton Street to BVG Property Group, LLC for their proposed development of mixed income housing units.

Prepared by: Brian Romano – Project Manager II

Reviewed by: Jessie Lawrence – Director, Real Estate

Attachments - If box below is checked, the item is attached.

- ☒ Property photos
- ☒ Site Map
- ☒ Floor Plans
- ☒ Sources and Uses (Excel spreadsheet)
- ☒ Appraisal Summary

DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

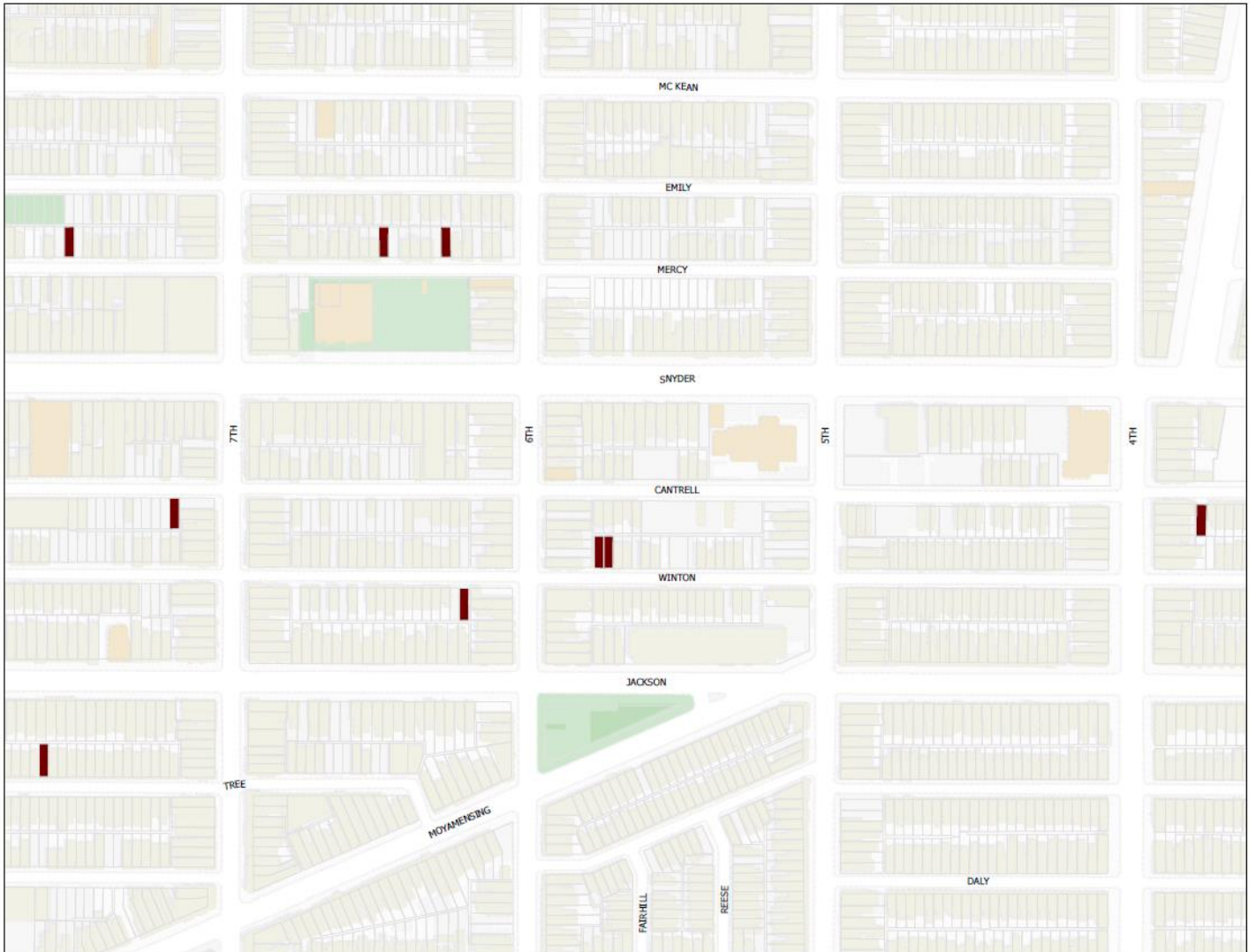
Site Photos



DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

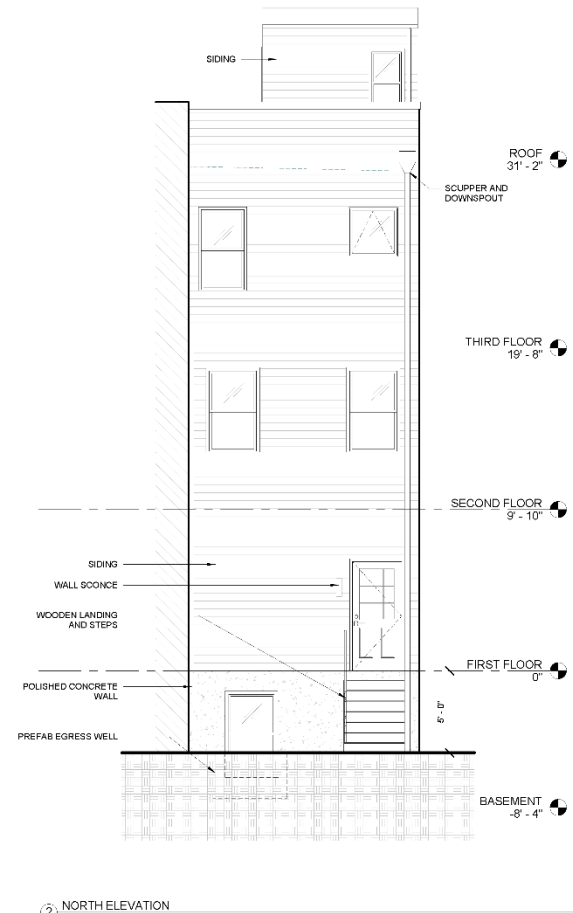
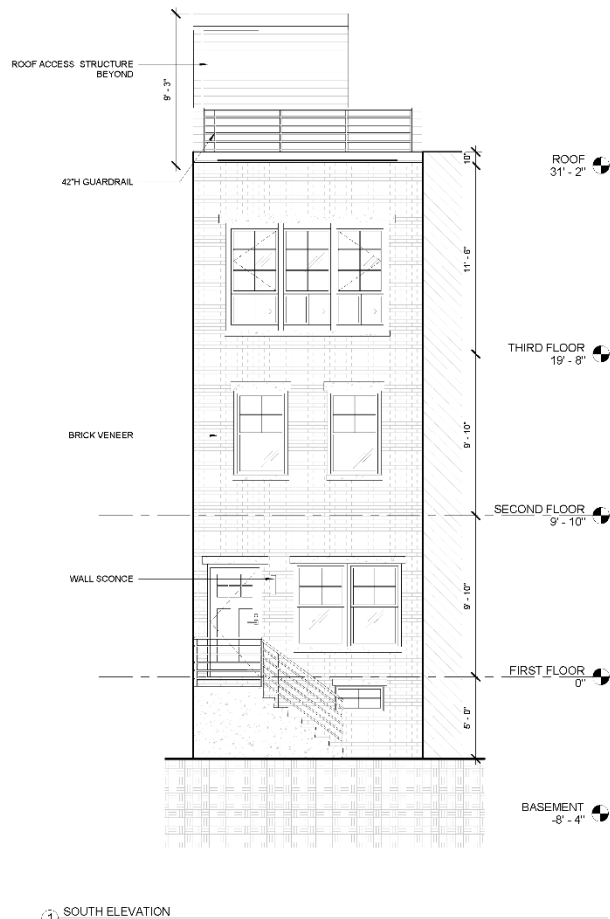
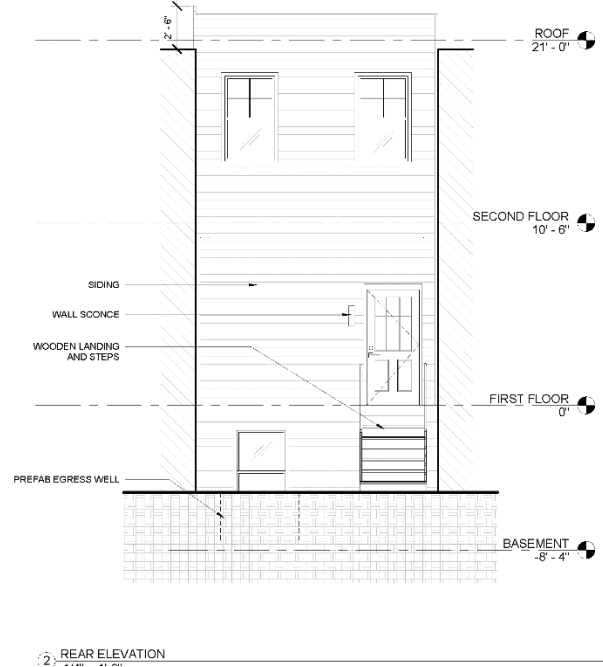
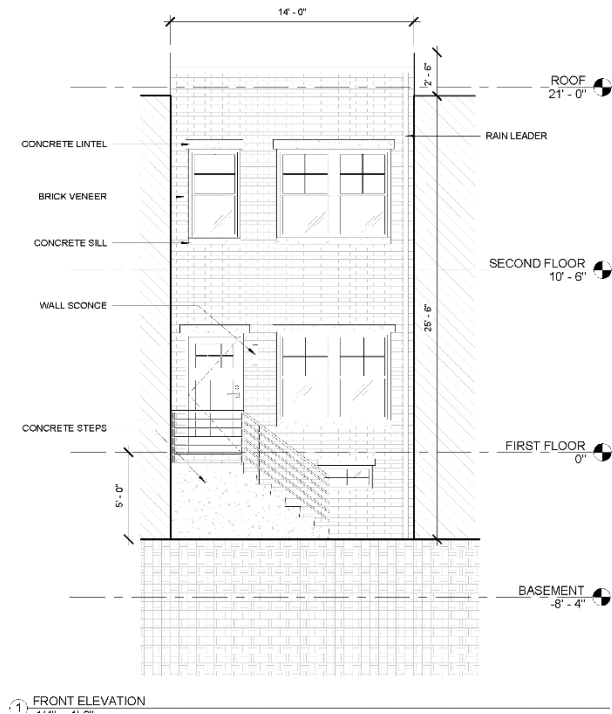
SITE MAP



DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

UNIT ELEVATIONS (Affordable 2 Story Units & Market-Rate 3 Story Units)



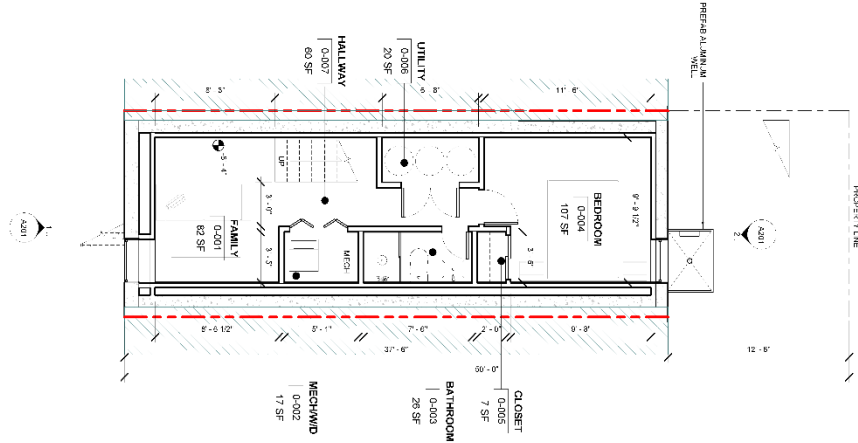
DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

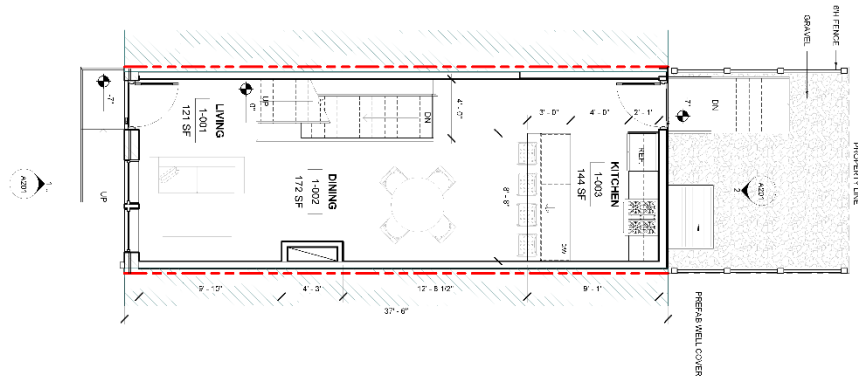
AFFORDABLE UNIT PLANS

(372 & 702 Cantrell Street, 535 & 537 Winton, and 737 Tree Street)

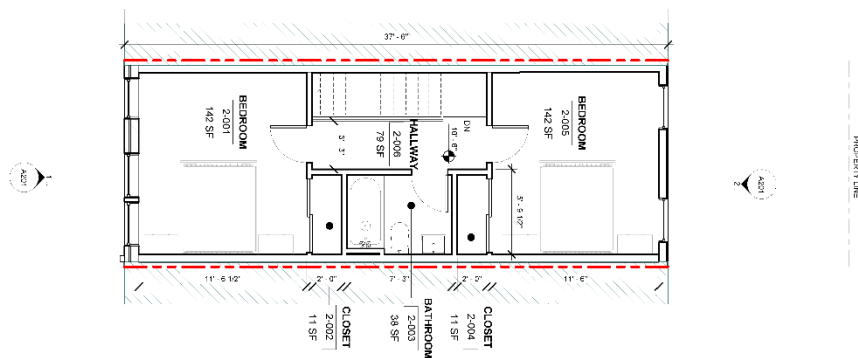
1. BASEMENT PLAN



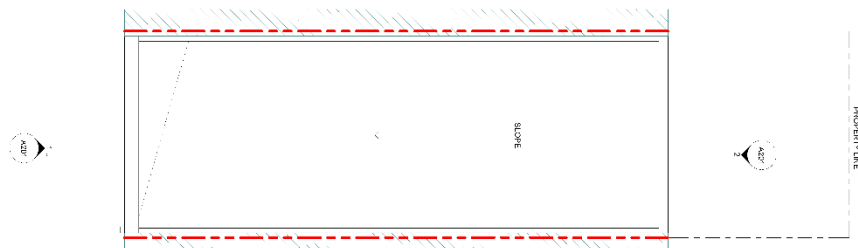
2. FIRST FLOOR PLAN



3. SECOND FLOOR PLAN



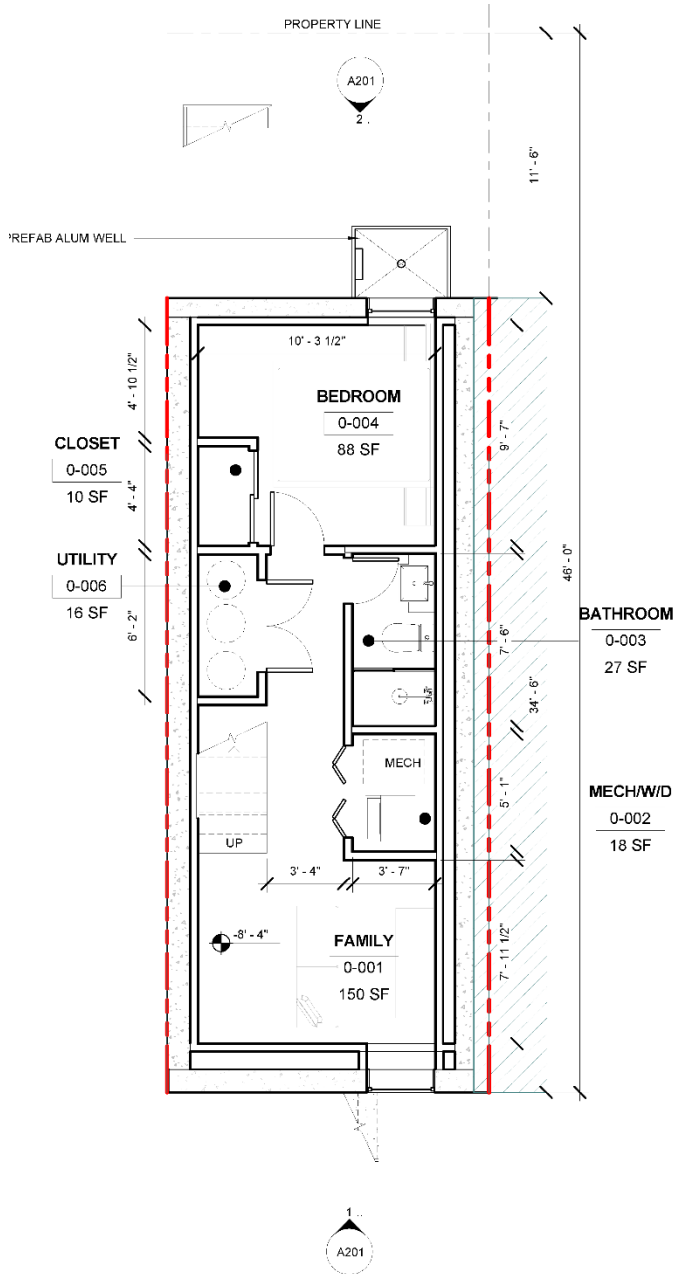
4. ROOF PLAN



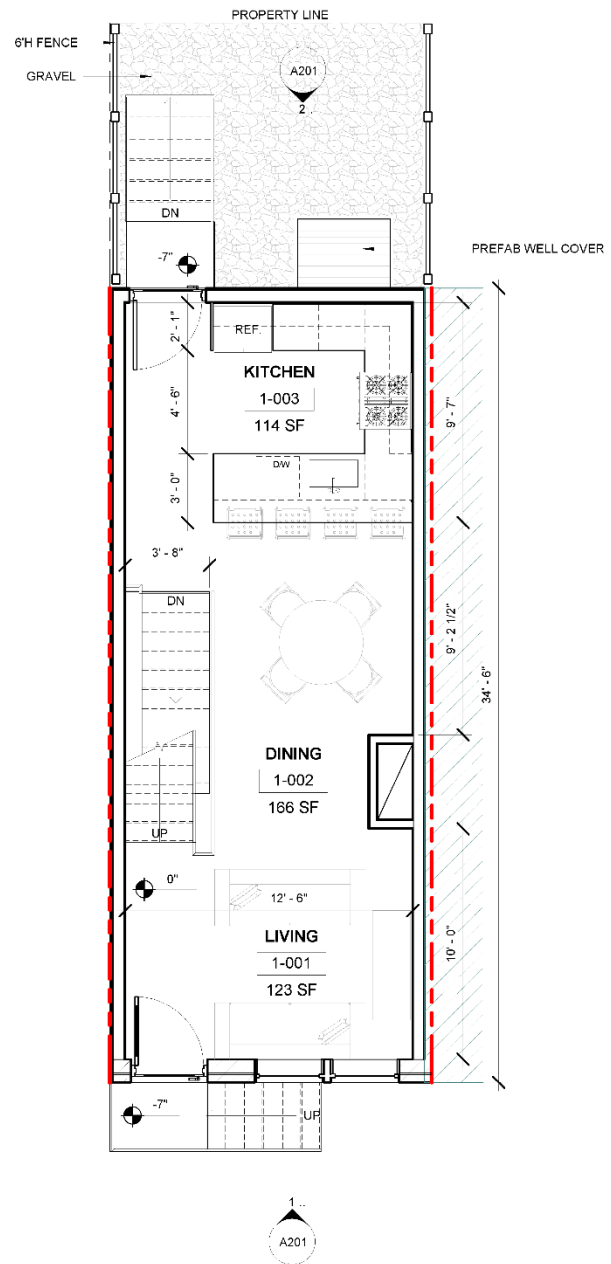
DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

MARKET-RATE UNIT PLANS, BASEMENT & 1ST FLOORS (613, 625 & 723 Mercy Street & 702 Cantrell Street)



1 BASEMENT PLAN

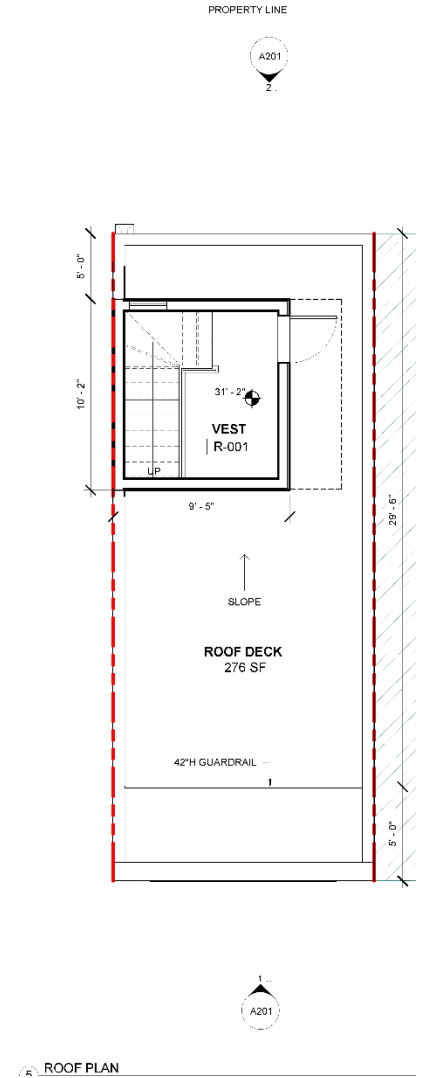
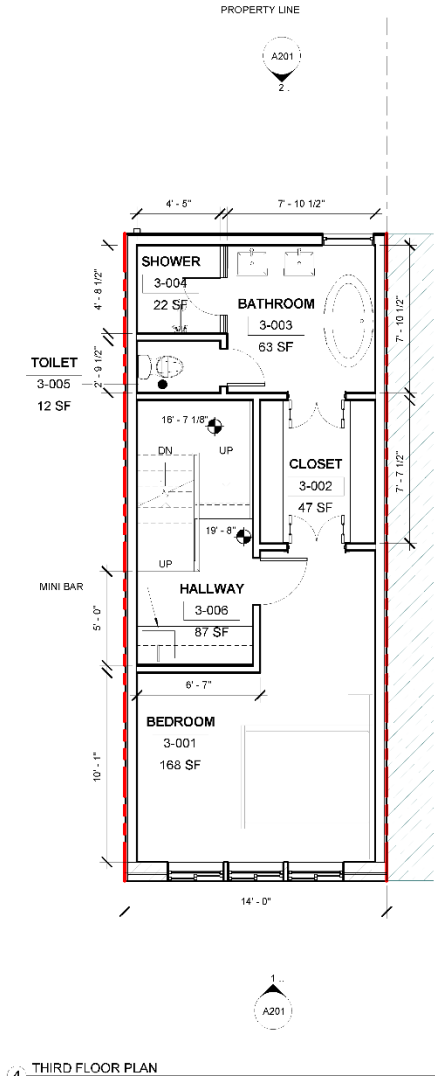
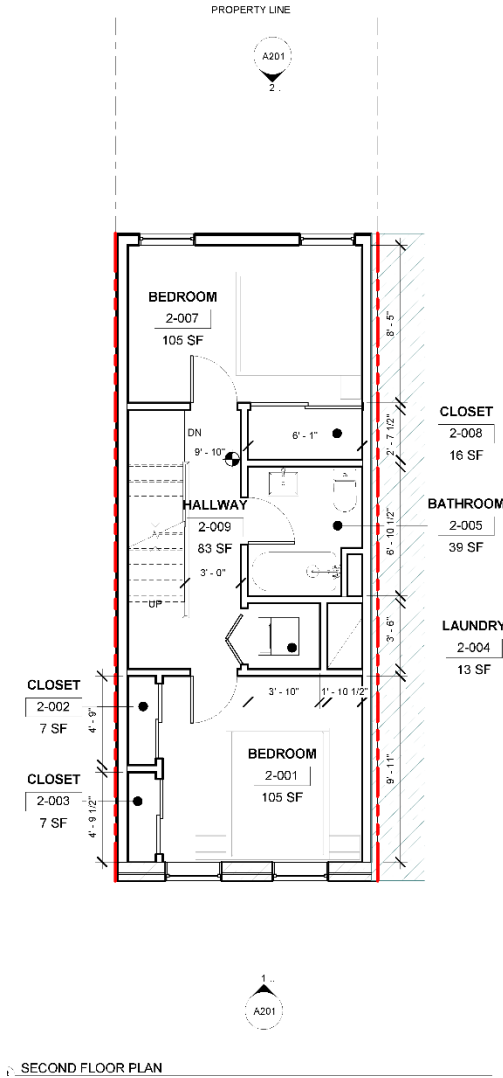


2 FIRST FLOOR PLAN

DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

MARKET-RATE UNIT PLANS BASEMENT, 2ND & 3RD FLOORS & ROOFDECK
(613, 625 & 723 Mercy Street & 702 Cantrell Street)



DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

DEVELOPMENT BUDGET/ SOURCES AND USES OF FUNDS

Applicant: BVG Property Group, LLC
Property Address: 737 Tree Street; 535, 537, 602 Winton Street; 613, 625, 723 Mercy Street; 372, 702 Cantrell Street

SOURCE OF FUNDS

Committed (Y/N)	Source	% Total	Indicate Source and, if applicable, describe
	\$2,079,595.00	70.00%	
Senior Debt			
Subordinate Debt	\$0.00	0.00%	
Developer Equity	\$891,255.00	30.00%	Daniel Govberg POF- BVG Property Group, LLC Lead Investor
Other - describe to the right	\$0.00	0.00%	
TOTAL SOURCE OF FUNDS	\$2,970,850.00	100.00%	

USE OF FUNDS

HARD COSTS

	Cost	% Total
ACQUISITION		
Property Acquisition	\$9,000.00	0.32%
Closing Costs	\$8,500.00	0.30%
Other - describe in space to the right	\$0.00	0.00%
UNIT CONSTRUCTION		
Complete table at bottom of page	\$2,340,000.00	83.20%
OTHER CONSTRUCTION		
Landscaping	\$0.00	0.00%
Permits	\$20,000.00	0.71%
Clearance and Demolition	\$4,500.00	0.16%
Utility Connections & Tap Fees	\$0.00	0.00%
INFRASTRUCTURE		
Streets and Sidewalks	\$0.00	0.00%
Water and Sewer	\$0.00	0.00%
Stormwater & Drainage	\$0.00	0.00%
Impact Fees	\$0.00	0.00%
OTHER HARD COSTS		
Hard Cost Contingency	\$27,500.00	0.98%
Other - describe in space to the right	\$0.00	0.00%
TOTAL HARD COSTS	\$2,409,500.00	85.68%

SOFT COSTS

PROFESSIONAL FEES		
Site Planning	\$9,000.00	0.32%
Architecture & Engineering	\$120,000.00	4.27%
Legal	\$35,000.00	1.24%
Consultant	\$0.00	0.00%
Survey	\$0.00	0.00%
Market Study	\$0.00	0.00%
Environmental	\$19,350.00	0.69%
Organization Expense	\$0.00	0.00%
Other Consultants	\$0.00	0.00%
FINANCE COSTS		
Construction Loan Interest	\$150,000.00	5.33%
Construction Origination	\$25,000.00	0.89%
Appraisal	\$4,500.00	0.16%
Construction Insurance	\$15,000.00	0.53%
Property Taxes	\$0.00	0.00%
OTHER SOFT COSTS		
Holding Costs	\$0.00	0.00%
Soft Cost Contingency	\$25,000.00	0.89%
Developer Fee, if applicable	\$0.00	0.00%
Other - describe in space to the right	\$0.00	0.00%
TOTAL SOFT COSTS	\$402,850.00	14.32%
TOTAL DEVELOPMENT COST	\$2,812,350.00	100.00%

Construction/Rehab. Costs

	Unit Description	Unit Sq. Ft.	Cost/Sq. Ft.	Unit Cost	# Units	Total Const. Cost	Total Sq. Ft.	Total Sq. Ft. %
1	702 Cantrell Street	1,200	\$180.00	\$216,000.00	1	\$216,000.00	1,200	9.23%
2	737 Tree Street	1,200	\$180.00	\$216,000.00	1	\$216,000.00	1,200	9.23%
3	372 Cantrell Street	1,200	\$180.00	\$216,000.00	1	\$216,000.00	1,200	9.23%
4	535 Winton Street	1,200	\$180.00	\$216,000.00	1	\$216,000.00	1,200	9.23%
5	537 Winton Street	1,200	\$180.00	\$216,000.00	1	\$216,000.00	1,200	9.23%
6	613 Mercy Street	1,750	\$180.00	\$315,000.00	1	\$315,000.00	1,750	13.46%
7	625 Mercy Street	1,750	\$180.00	\$315,000.00	1	\$315,000.00	1,750	13.46%
8	723 Mercy Street	1,750	\$180.00	\$315,000.00	1	\$315,000.00	1,750	13.46%
9	602 Winton Street	1,750	\$180.00	\$315,000.00	1	\$315,000.00	1,750	13.46%
	TOTALS			\$2,340,000.00	9	\$2,340,000.00	13,000	100.00%

DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

APPRAISALS

<u>Address</u>	<u>Ownership</u>	<u>Zoning</u>	<u>SF</u>	<u>Lot/Structure</u>	<u>OPA</u>	<u>Value</u>
702 Cantrell Street	Land Bank	RSA-5	706	Lot	\$ 67,600	60,000
737 Tree Street	PRA	RSA-5	700	Lot	\$ 69,100	60,000
535 Winton Street	PRA	RSA-5	695	Lot	\$ 71,500	65,000
537 Winton Street	PRA	RSA-5	672	Lot	\$ 70,000	65,000
372 Cantrell Street	PRA	RSA-5	792	Lot	\$ 86,800	80,000
613 Mercy Street	PRA	RSA-5	701	Lot	\$ 77,000	75,000
625 Mercy Street	City	RSA-5	701	Lot	\$ 77,000	75,000
723 Mercy Street	Land Bank	RSA-5	690	Lot	\$ 68,300	75,000
602 Winton Street	City	RSA-5	672	Lot	\$ 70,000	75,000

MAY 9, 2023 PLB BOARD MEETING
MATERIALS FOR AGENDA ITEM IV.B.1

RESOLUTION NO. 2023 – ____

**RESOLUTION AUTHORIZING CONVEYANCE OF
3358 KENSINGTON AVENUE
TO 3360-70 KENSINGTON PARTNERS 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 3358 Kensington Avenue (the “Property”) to 3360-70 Kensington Partners LLC (the “Purchaser”) for assemblage with the adjacent 3360-70 Kensington Avenue and the construction of three (3) commercial units and thirteen (13) affordable (80% AMI) rental units.

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 Four Thousand Six Hundred and 00/100 Dollars (\$4,600.00) 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 _____.

DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

1. **ADDRESS:** 3358 Kensington Avenue

2. **PROPERTY INFORMATION**

Zip Code: 19134	Census Tract: 019200	Council District: 7
Zoning: CMX-2	Lot Area: 1,045 SF	
OPA Value: \$4,600	Appraised Value: \$30,000	
Redevelopment Area: N/A	Urban Renewal Area: N/A	

3. **APPLICANT INFORMATION**

Applicant Name: 3360-70 Kensington Partners LLC	Type: Business / Legal Entity
Entity Owners: Shift Neighborhood Fund LP - Brian Murray, CEO	
Mailing Address: 3401 I Street, Philadelphia, PA 19134	
Authorized Contact: Margo Geppert	
Application Date: November 15, 2022	

4. **PROJECT INFORMATION**

Disposition Type: Non-Comp: Owns 50% of Development Site	Strategic Plan Goal (Land Bank Only): Housing - Workforce (61%-120% AMI)
Price Paid at Settlement: \$4,600	Proposed Use: Mixed Use
Development Type: Rehabilitation	No. of Buildings: 1
Units: 13 units - Residential / 3 units - Commercial	End User: Lease to Tenant
Gross Floor Area (sq. ft.): 8,669 SF	Construction Cost / sq. ft.: \$150
Construction Costs: \$1,300,350	Project Funding Available: Committed and Verified - Applicant has provided documentation of available, committed funds in an amount no less than total project costs.
Total Project Costs: \$2,364,655	Mortgage Amount: \$N/A

5. **APPROVALS, DEADLINES, EOP**

Agreement Executed: TBD	Economic Opportunity Plan Goals: MBE – 35% & WBE – 35%
Land Bank Board Approval: TBD	PRA Board Approval: N/A
Construction Commencement Deadline: 3 months after settlement	Construction Completion Deadline: 18 months after settlement

DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

6. DEVELOPMENT SUMMARY

A. How was title acquired?

The property at 3358 Kensington Avenue is in Land Bank ownership and was acquired from the PRA in June 2017.

B. Application Summary:

The applicant intends to acquire the property to develop a mixed-use project with three (3) commercial units and thirteen (13) affordable multi-family rental units that will all be leased to tenants with incomes at or below 80% AMI. The property will be assembled with the adjacent vacant structure, owned and to be rehabbed by the applicant, and located at 3360-70 Kensington Avenue. The property at 3358 Kensington Avenue will act as a courtyard entrance for the development's residential component. The commercial spaces will be prioritized to include local artisans, makers, and food/ beverage makers to fill them. Application was unsolicited and evaluated pursuant to the disposition policy. An EOP plan will apply for this project.

C. Unit Details:

- Three (3) ground floor commercial spaces ranging between 692 SF and 836 SF
- All affordable rental units leased to households with incomes at or below 80% AMI.
- Seven (7) affordable studios with a maximum rent of \$1,476/month, at 330 SF to 364 SF.
- More than half of the studios will be accessible.
- Four (4) affordable one-bedroom units with a maximum rent of \$1,582/month, at 483 SF to 500 SF.
- Two (2) affordable two-bedroom units with a maximum rent of \$1,898/month, at 938 SF.
- Basement for mechanical and storage space.

D. Summary of Restrictions or Covenants:

This transaction is subject to the following only if the box is checked:

☒ Irrevocable Power of Attorney ☒ Right of Re-entry/Reverter

A Declaration of Restrictive Covenants will be placed on all the units to ensure that the rental units will remain affordable for a minimum of 30 years, and tenants for the affordable units will be income certified.

E. Community Outreach:

- Staff received a completed Community Outreach Package to confirm a community meeting was held:
☒ Yes ☐ No ☐ N/A
- Meeting Date (if applicable): April 26, 2023

7. STAFF RECOMMENDATION

Staff recommends the disposition of 3358 Kensington Avenue to 3360-70 Kensington Partners LLC for development of a mixed-use project with three (3) commercial units and thirteen (13) affordable multi-family rental units.

Prepared by: Brian Romano – Project Manager II

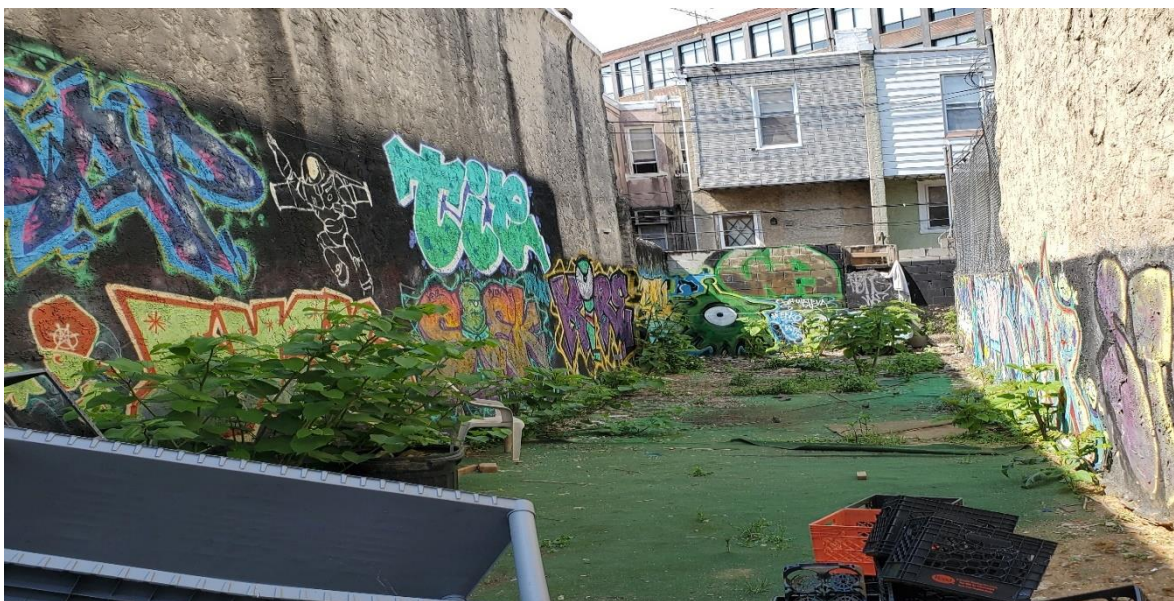
Reviewed by: Jessie Lawrence – Director, Real Estate

Attachments - If box below is checked, the item is attached.

- ☒ Property photos
- ☒ Site Map
- ☒ Floor Plans
- ☒ Sources and Uses (Excel spreadsheet)
- ☒ Appraisal Summary Page

DEVELOPMENT FACT SHEET

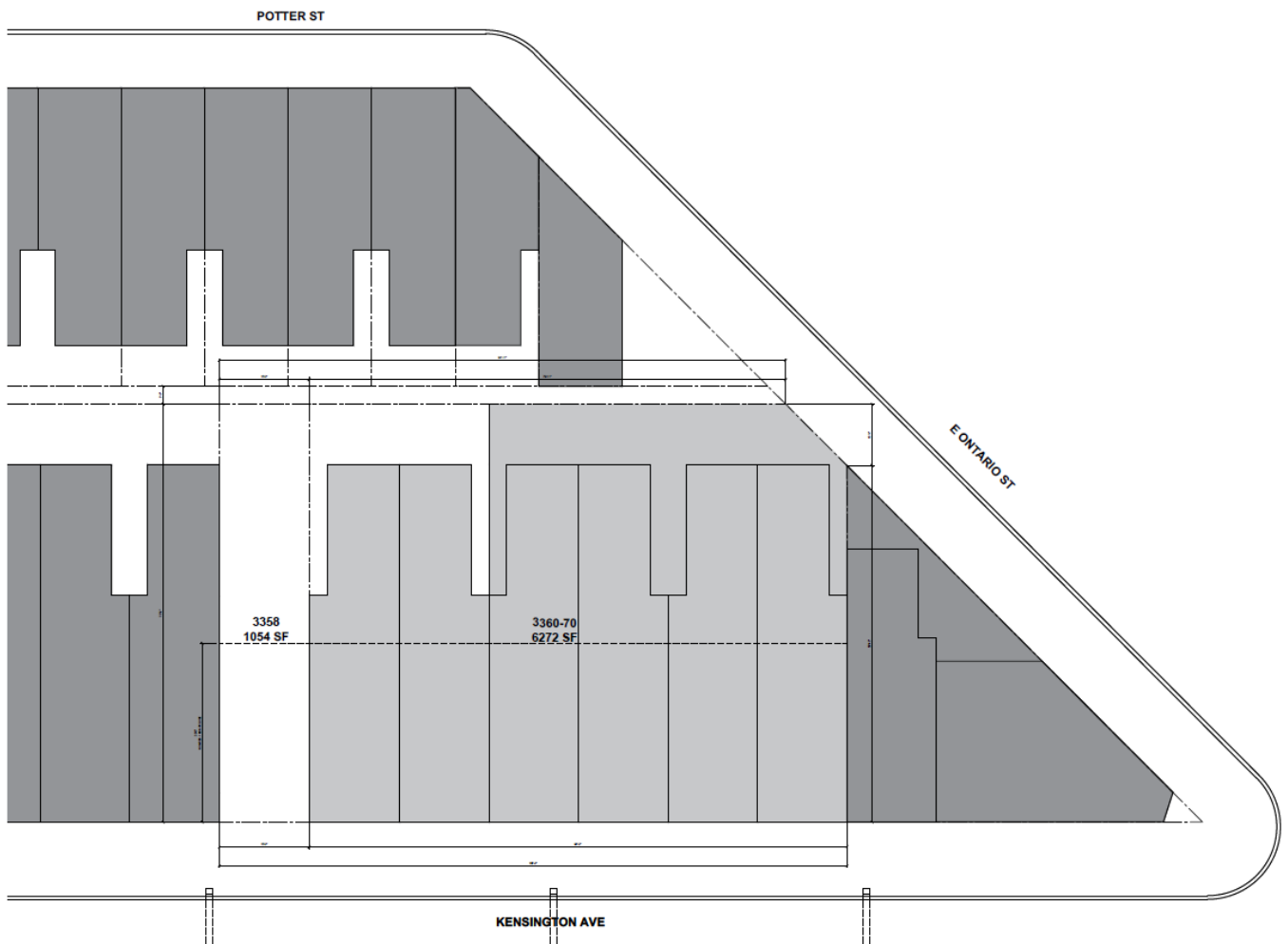
Last Updated: 5.3.2023



DEVELOPMENT FACT SHEET

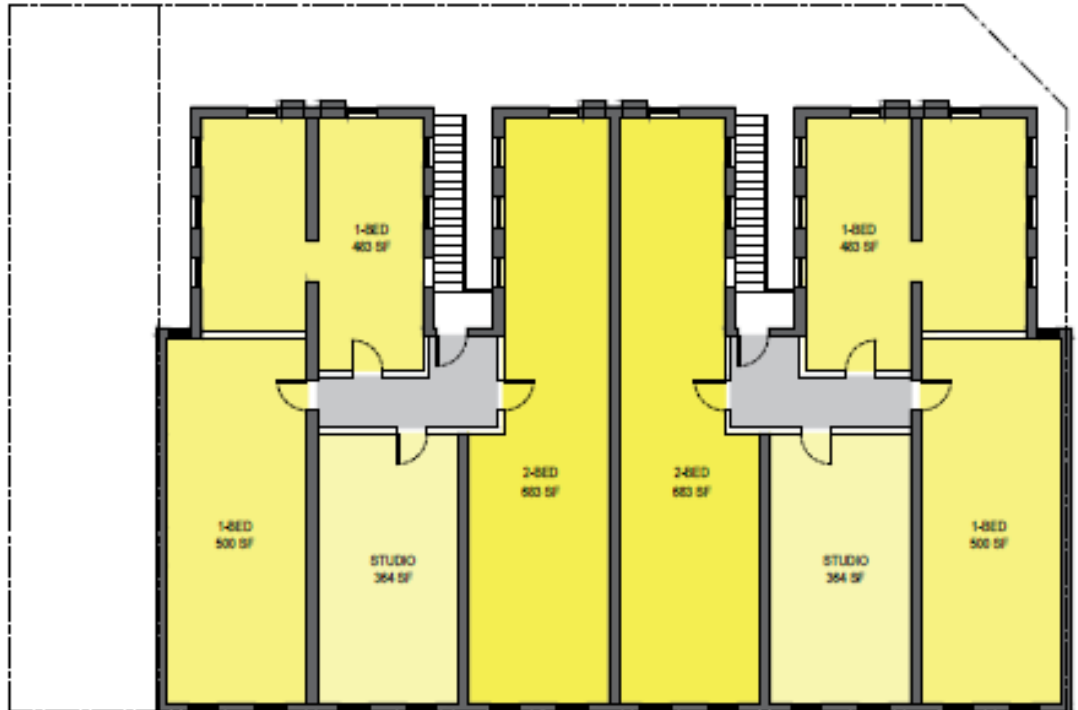
Last Updated: 5.3.2023

RENDERED ELEVATION & SITE PLAN



DEVELOPMENT FACT SHEET

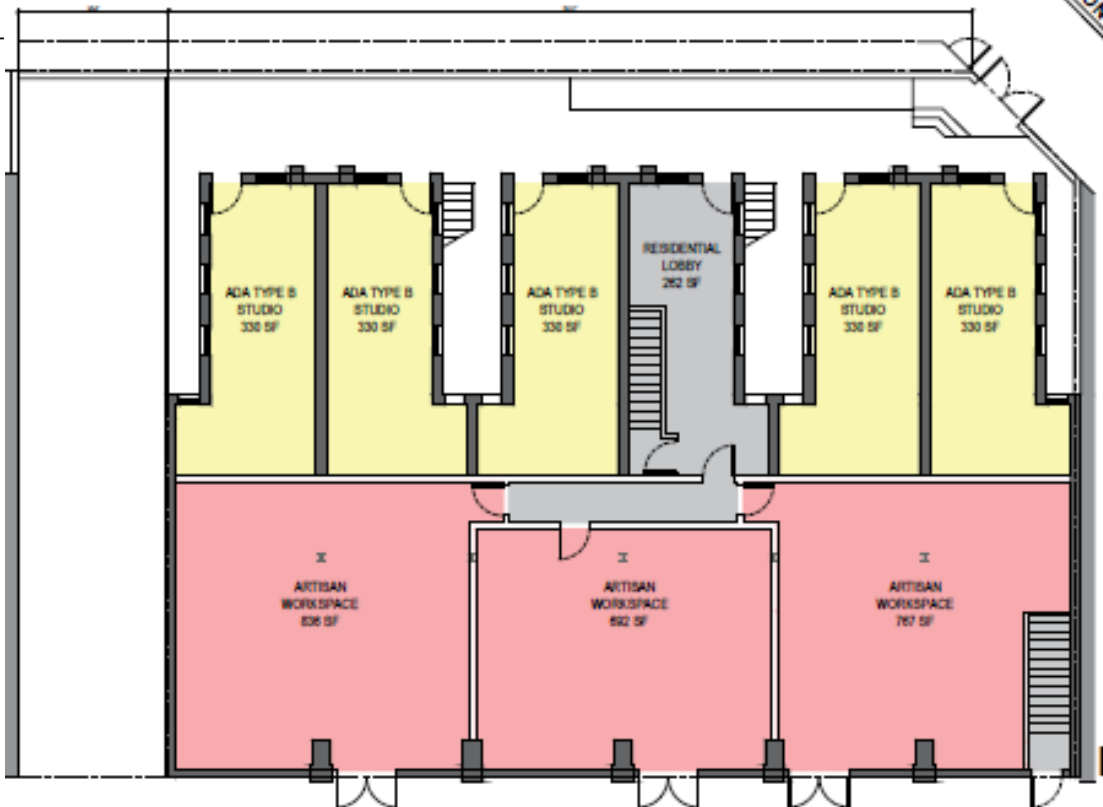
Last Updated: 5.3.2023



L2

UNITS	L1	L2	TOTAL
STUDIOS	5	2	7
1-BED	0	4	4
2-BED	0	2	2
TOTAL	5	8	13 UNITS
COMMERCIAL	2,295 SF		

AREA	L1	L2	TOTAL
EXISTING	5,023	5,023	10,046
NEW	0	0	0
TOTAL	5,023	5,023	10,046F



L1

KENSINGTON AVE

DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

DEVELOPMENT BUDGET/ SOURCES AND USES OF FUNDS

Applicant: 3360-70 Kensington LLC
Property Address: 3358-70 Kensington Ave Philadelphia PA 19134

SOURCE OF FUNDS

	Committed (Y/N)	Source	% Total	Indicate Source and, if applicable, describe
Senior Debt		\$1,486,456.07	62.71%	
Subordinate Debt		\$0.00	0.00%	
Developer Equity		\$873,829.31	36.87%	Shift Neighborhood Fund Equity - 3360-70 Kensington Ave previous acquisition price included
Other - describe to the right		\$10,000.00	0.42%	Storefront Improvement Grant
Other - describe to the right		\$0.00	0.00%	
TOTAL SOURCE OF FUNDS		\$2,370,285.38	100.00%	

USE OF FUNDS

HARD COSTS

	Cost	% Total	
ACQUISITION			
Property Acquisition	\$255,000.00	10.78%	
Closing Costs	\$8,125.20	0.34%	
Other - describe in space to the right	\$4,600.00	0.19%	
UNIT CONSTRUCTION			
Complete table at bottom of page	\$1,300,350.00	54.99%	
OTHER CONSTRUCTION			
Landscaping	\$0.00	0.00%	
Permits	\$19,320.62	0.82%	
Clearance and Demolition	\$0.00	0.00%	
Utility Connections & Tap Fees	\$0.00	0.00%	
INFRASTRUCTURE			
Streets and Sidewalks	\$0.00	0.00%	
Water and Sewer	\$0.00	0.00%	
Stormwater & Drainage	\$0.00	0.00%	
Impact Fees	\$0.00	0.00%	
OTHER HARD COSTS			
Hard Cost Contingency	\$65,299.00	2.76%	
Other - describe in space to the right	\$50,000.00	2.11%	General Construction - 3358 Kensington
Other - describe in space to the right	\$10,783.05	0.46%	Previously Incurred - WIP
TOTAL HARD COSTS	\$1,713,477.87	72.46%	

SOFT COSTS

PROFESSIONAL FEES			
Site Planning	\$0.00	0.00%	
Architecture & Engineering	\$130,598.00	5.52%	
Legal	\$31,500.00	1.33%	
Consultant	\$0.00	0.00%	
Survey	\$0.00	0.00%	
Market Study	\$0.00	0.00%	
Environmental	\$100,000.00	4.23%	
Organization Expense	\$0.00	0.00%	
Other Consultants	\$0.00	0.00%	
FINANCE COSTS			
Construction Loan Interest	\$40,877.54	1.73%	
Construction Origination	\$14,864.56	0.63%	
Appraisal	\$5,500.00	0.23%	
Construction Insurance	\$16,324.75	0.69%	
Property Taxes	\$6,434.88	0.27%	
OTHER SOFT COSTS			
Holding Costs	\$70,000.00	2.96%	
Soft Cost Contingency	\$23,038.86	0.97%	
Developer Fee, if applicable	\$118,514.27	5.01%	
Other - describe in space to the right	\$27,598.94	1.17%	Previously Incurred Soft Costs
Other - describe in space to the right	\$20,000.00	0.85%	Cost Certification
Other - describe in space to the right	\$45,925.71	1.94%	Special Inspections / Title Fees
TOTAL SOFT COSTS	\$651,177.51	27.54%	

TOTAL DEVELOPMENT COST

\$2,364,655.38 100.00%

Construction/Rehab. Costs

	Unit Description	Unit Sq. Ft.	Cost/Sq. Ft.	Unit Cost	# Units	Total Const. Cost	Total Sq. Ft.	Total Sq. Ft. %
1	1BD	555	\$150.00	\$83,250.00	4	\$333,000.00	2,220	25.61%
2	2BD	938	\$150.00	\$140,700.00	2	\$281,400.00	1,876	21.64%
3	Studio	329	\$150.00	\$49,350.00	7	\$345,450.00	2,303	26.57%
4	Commercial	839	\$150.00	\$125,850.00	1	\$125,850.00	839	9.68%
5	Commercial	695	\$150.00	\$104,250.00	1	\$104,250.00	695	8.02%
6	Commercial	736	\$150.00	\$110,400.00	1	\$110,400.00	736	8.49%
	TOTALS			\$613,800.00	16	\$1,300,350.00	8,669	100.00%

DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

PHILADELPHIA LAND BANK Danielle Deuber, Staff Appraiser

This is a Restricted Use Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2 (c) of the Uniform Standards of Professional Appraisal Practice (“USPAP”). As such, it does not present discussion of the data, reasoning and analyses used to develop the opinion of value, except for commentary contained in the scope of work section of this report. Supporting documentation concerning the data, reasoning, and analyses is retained in the work file of the appraiser. The depth of discussion contained in this report is specific to the needs of the Philadelphia Land Bank of the and for the intended use stated in the report. The appraiser is not responsible for the unauthorized use of this report. The analyses, opinions and conclusions relating to the subject property were developed, and this report has been prepared in conformity with USPAP requirements. The estimate of value is subject to certain Limiting Conditions and Assumptions outlined in this report.

IDENTIFICATION OF SUBJECT PROPERTY: 3358 Kensington Ave
Philadelphia, PA 19134

OPINION OF VALUE: \$30,000

USE OF REAL ESTATE EXISTING AS OF
MARCH 22, 2023 THE EFFECTIVE DATE OF VALUE: Vacant Land

USE OF REAL ESTATE REFLECTED
IN THIS APPRAISAL AS OF MARCH 22, 2023 Vacant Land

SUBJECT PROPERTY OWNERSHIP AND SALES HISTORY: The subject property is owned by Philadelphia Land Bank.

IDENTIFICATION OF THE CLIENT:

Philadelphia Land Bank

-1-

Value only good for 6 months

MAY 9, 2023 PLB BOARD MEETING
MATERIALS FOR AGENDA ITEM IV.C.1

DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

. **ADDRESS:** 1625-41 N. 10th Street

2. PROPERTY INFORMATION

Zip Code: 19122	Census Tract: 014500	Council District: 8
Zoning: RSA-5	Lot Area: 26,352 SF	
OPA Value: \$24,400	Appraised Value: \$ 2,600,000	
Redevelopment Area: N/A	Urban Renewal Area: N/A	

3. APPLICANT INFORMATION

Applicant Name: Civetta Property Group	Type: Business / Legal Entity
Entity Owners: Michael Tomasetti and Brennan Tomasetti	
Mailing Address: 51 N 3rd Street Unit 154, Philadelphia PA 19106	
Authorized Contact: Michael Tomasetti	
Application Date: 10/15/2022	

4. PROJECT INFORMATION

Disposition Type: RFP	Strategic Plan Goal (Land Bank Only): Housing - Workforce (61%-120% AMI)
Price Paid at Settlement: \$1,400	Proposed Use: Residential
Development Type: New Construction	No. of Buildings: 14
Units: 14 units - Residential / 0 units - Commercial	End User: Sale to Homebuyer
Gross Floor Area (sq. ft.): 16,800 SF	Construction Cost / sq. ft.: \$153
Construction Costs: \$2,570,400	Project Funding Available: Committed and Verified - Applicant has provided documentation of available, committed funds in an amount no less than total project costs.
Total Project Costs: \$3,050,179	Mortgage Amount: \$N/A

5. APPROVALS, DEADLINES, EOP

Agreement Executed: TBD	Economic Opportunity Plan Goals: 20% MBE, 20% WBE
Land Bank Board Approval: TBD	PRA Board Approval: N/A
Construction Commencement Deadline: 3 months after settlement	Construction Completion Deadline: 18 months after settlement

DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

6. DEVELOPMENT SUMMARY

A. How was title acquired?

The property currently owned by the PRA has all the approvals to be transferred to the Land Bank.

B. Application Summary:

Civetta Property Group will develop fourteen (14) single-family affordable homeownership units to be sold at 100% AMI per RFP specifications. Applications were solicited via a Request for Proposals (RFP) for the property, and the applicant was the most qualified bidder for the property. An EOP plan will apply for this project.

C. Unit Details:

- 14 single family units.
- Each unit is two-stories with 3 bedrooms and 1.5 bathrooms.
- Approximately 1,200 SF each.
- All homeownership, targeting households with incomes at or below 100% AMI, as specified by the RFP.
- Maximum sale price of \$280,000.

D. Summary of Restrictions or Covenants:

This transaction is subject to the following only if the box is checked:

☒ Irrevocable Power of Attorney ☒ Right of Re-entry/Reverter

A Declaration of Restrictive Covenants will be placed on all the units to ensure that the homes will remain affordable for a minimum of 15 years, and purchasers for the affordable units will be income-certified.

E. Community Outreach:

- Staff received a completed Community Outreach Package to confirm a community meeting was held:
☒ Yes ☐ No ☐ N/A
- Meeting Date (if applicable): 04/25/2023

7. STAFF RECOMMENDATION

Staff recommends the disposition of 1625-41 N. 10th Street to Civetta Property Group for development of fourteen (14) affordable single-family homeownership units.

Prepared by: Mathen Pullukattu – Senior Development Specialist

Reviewed by: Jessie Lawrence – Director, Real Estate

Attachments - If box below is checked, the item is attached.

- ☒ Property photos
- ☒ Site Map
- ☒ Floor Plans
- ☒ Sources and Uses (Excel spreadsheet)
- ☒ Appraisal Summary Pages

DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

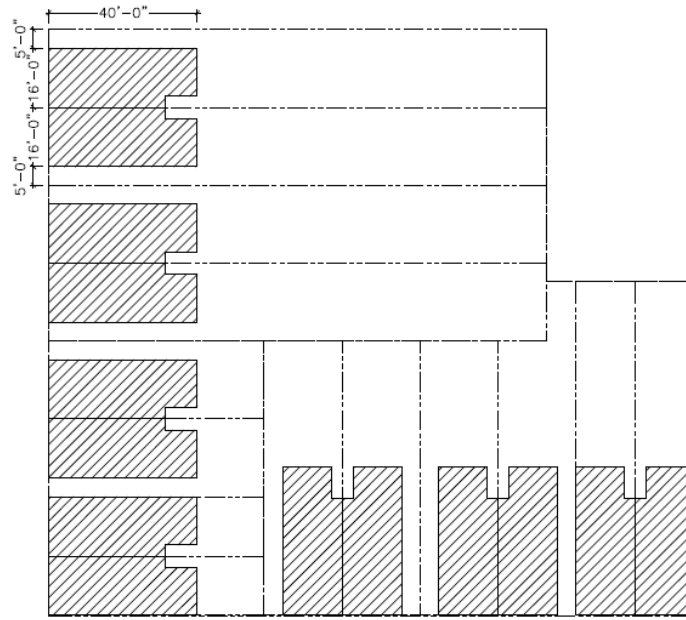
Site Photos



DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

SITE MAP



1625-41 N 10th RSA-5
14 homes



DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

FLOOR PLANS

PROVIDE PRIVACY
FENCE AT REAR YARD

EMERGENCY ESCAPE &
RESCUE WINDOW
5.86 SF, 27.6" W x 30.5" H

EMERGENCY ESCAPE &
RESCUE WINDOW
5.86 SF, 27.6" W x 30.5" H

REFER TO SHEET A-0.1
FOR WALL ASSEMBLY
TYPE

FLOOR REGISTER

A-3.1 2

EMERGENCY ESCAPE &
RESCUE WINDOW
6.28 SF, 29.6" W x 30.5" H

2 LEVEL 2 FLOOR PLAN

REFER TO SHEET A-0.2
FOR WALL ASSEMBLY
TYPE

REFER TO SHEET A-0.1
FOR WALL ASSEMBLY
TYPE

PROVIDE (1) LAYER OF
1/2" MIN TYPE X GWB TO
UNDERSIDE OF STAIR

CRAWL SPACE, FLOOR
ACCESS PANEL,
24"X 24"

A-3.1 4

A-3.1 2

1 LEVEL 1 FLOOR PLAN

N

DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

DEVELOPMENT BUDGET/ SOURCES AND USES OF FUNDS

Applicant: Civetta Property Group
Property Address: N Central CB Moore RFP (14) Homes

SOURCE OF FUNDS

	Committed (Y/N)	Source	% Total	Indicate Source and, if applicable, describe
Senior Debt				
Subordinate Debt		\$2,745,160.00	90%	Legacy Funding
Developer Equity		\$305,019.00	10%	Civetta Cash
Other - describe to the right				
TOTAL SOURCE OF FUNDS		\$3,050,179.00		

USE OF FUNDS

HARD COSTS

	Cost	% Total	
ACQUISITION			
Property Acquisition	\$1,400.00	0.05%	
Closing Costs	\$20,000.00	0.66%	
Other - describe in space to the right	\$0.00	0.00%	transfer tax
UNIT CONSTRUCTION			
Complete the table below	\$2,570,400.00	84.27%	
OTHER CONSTRUCTION			
Landscaping	\$17,062.00	0.56%	
Permits	\$22,750.00	0.75%	
Clearance and Demolition	\$5,500.00	0.18%	
Utility Connections & Tap Fees	\$19,643.00	0.64%	
INFRASTRUCTURE			
Streets and Sidewalks	\$13,125.00	0.43%	
Water and Sewer	\$10,587.00	0.35%	
Stormwater & Drainage	\$12,500.00	0.41%	
Impact Fees	\$14,000.00	0.46%	
OTHER HARD COSTS			
Hard Cost Contingency	\$153,000.00	5.02%	
Other - describe in space to the right	\$0.00	0.00%	
TOTAL HARD COSTS	\$2,859,967.00	93.76%	

SOFT COSTS

PROFESSIONAL FEES			
Site Planning	\$5,000.00	0.16%	
Architecture & Engineering	\$55,125.00	1.81%	
Legal	\$5,000.00	0.16%	
Consultant	\$0.00	0.00%	
Survey	\$14,100.00	0.46%	
Market Study	\$0.00	0.00%	
Environmental	\$8,750.00	0.29%	
Organization Expense	\$0.00	0.00%	
Other Consultants	\$0.00	0.00%	
FINANCE COSTS			
Construction Loan Interest	\$25,112.00	0.82%	
Construction Origination	\$13,300.00	0.44%	
Appraisal	\$1,000.00	0.03%	
Construction Insurance	\$14,875.00	0.49%	
Property Taxes	\$16,275.00	0.53%	
OTHER SOFT COSTS			
Holding Costs	\$15,925.00	0.52%	
Soft Cost Contingency	\$15,750.00	0.52%	
Developer Fee, if applicable	\$0.00	0.00%	
Other - describe in space to the right	\$0.00	0.00%	
TOTAL SOFT COSTS	\$190,212.00	6.24%	
TOTAL DEVELOPMENT COST	\$3,050,179.00	100.00%	

Construction/Rehab. Costs

	Unit Description	Unit Sq. Ft.	Cost/Sq. Ft.	Unit Cost	# Units	Total Const. Cost	Total Sq. Ft.	Total Sq. Ft. %
1	14 Single Family Homes	1,200	\$153.00	\$183,600.00	14	\$2,570,400.00	16,800	100.00%
	TOTALS			\$183,600.00	14	\$2,570,400.00	16,800	

DEVELOPMENT FACT SHEET

Last Updated: 5.3.2023

APPRAISAL SUMMARY

Address	Opinion of Value	Use of Real Estate	Current Ownership
1625-41 N. 10 th Street	\$ 2,600,000.00	Vacant Lot	PRA