



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

RESOLUTION NO. 150905

Introduced November 19, 2015

Councilmember Blackwell

RESOLUTION

Approving the 2015 Progress Report and Strategic Plan Update of the Philadelphia Land Bank.

WHEREAS, Chapter 16-700 of The Philadelphia Code, entitled "Philadelphia Land Bank" (the "Land Bank Ordinance"), requires the Philadelphia Land Bank ("Land Bank") to develop annually a strategic plan in coordination with the Philadelphia City Planning Commission to guide its acquisition, maintenance and disposition of property; and

WHEREAS, On December 11, 2014, Council adopted Resolution No. 140915 which approved the Land Bank's 2015 Strategic Plan and Disposition Policy; and

WHEREAS, In accordance with the Land Bank Ordinance the Land Bank issued, and thereafter conducted a public hearing on, its proposed 2015 Progress Report and Strategic Plan Update which, among other things, readopted its 2015 Strategic Plan and proposed updated five-year goals for the acquisition and conveyance of properties; and

WHEREAS, On November 12, 2015, the Land Bank Board of Directors adopted Resolution 2015-25 which approved the 2015 Progress Report and Strategic Plan Update; and

WHEREAS, The Land Bank Ordinance requires Council's approval by resolution of the Land Bank's Strategic Plan; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, AS FOLLOWS:

SECTION 1. The 2015 Progress Report and Strategic Plan Update, attached as Exhibit A to this Resolution, is approved.

City of Philadelphia

RESOLUTION NO. 150905 continued

SECTION 2. Exhibit A referenced in this Resolution and incorporated herein shall be kept on file by the Chief Clerk of City Council and shall be made available to the public for inspection, reading or copying at reasonable times.



2015

Progress Report & Strategic Plan Update

On behalf of the Board and staff of the Philadelphia Land Bank, we are pleased to present this 2015 Progress Report. The report covers our first year of operations.

The Land Bank's Fiscal Year 2015 achievements have laid the foundation for a Philadelphia in which vacant properties are opportunities for revitalization. In FY 15 the Land Bank

- Developed and adopted a Strategic Plan that identified clear goals and that will guide Land Bank decision-making
- Corrected the legal descriptions of 6,400 deeds, which will make it easier for new owners to improve properties
- Began to update and enhance its upfront pricing model, which provides potential buyers with fair and accurate prices
- Started a pilot program to review more than 600 vacant tax delinquent properties for acquisition through tax foreclosure
- Engaged customers and stakeholders with a new website and through Twitter
- Adopted property disposition and procedural policies to ensure clear and transparent operations



Not only did the Land Bank get off to a good start, it kept going. Since June 30 the Land Bank has partnered with the Pennsylvania Horticultural Society to improve property maintenance, issued an RFQ to improve the buyer experience on the property sales website and seen the conclusion of labor negotiations that will enable the Land Bank to add staff.



Philadelphia Land Bank Board

As part of the Progress Report the Land Bank is readopting its existing Strategic Plan.

We could not have reached any of our milestones without the commitment of Mayor Nutter and City Council. Similarly, the Land Bank's organizational development would not have been possible without the dedication of the Land Bank staff.

Most importantly, we would not have made such tremendous progress without our stakeholders. In all of the Land Bank's work, but particularly in the development of its Strategic Plan, advocates with a variety of perspectives and community members from across Philadelphia offered constructive guidance that helped us to get to where we are today.

With a successful year behind us and key next steps underway, we are optimistic about the impact the Land Bank will have in Philadelphia's neighborhoods. On to Year Two!

Majeedah Rashid
Land Bank Board Chair

Developing a Strategic Plan

The Land Bank’s foundation is a data-driven Strategic Plan. In fact, the Strategic Plan is so important the Land Bank began the strategic planning process three months before it was even incorporated.

The Land Bank collected and reviewed vacancy and land use data from multiple sources. It met with more than 100 stakeholders representing 80 organizations.

The Plan analyzed market conditions and neighborhood trends. It considered not just property issues, but also economics, transit, open space, affordable housing and other factors.

The Plan identified 32,000 vacant properties eligible for Land Bank ownership. Three-quarters of these properties were in private hands but were tax delinquent.

With input from stakeholders it developed goals (see box) and priority areas. Looking forward, it identified overall acquisition and disposition targets for each of the first five years.

After the Plan was released, more than 100 people attended a public hearing, and more than 30 testified. Much of the testimony was supportive of the Plan and its goals.

The Land Bank Board approved the Strategic Plan on October 6, 2014, and City Council adopted it on December 11, 2014.

The Strategic Plan identified seven key goals

One applied citywide:

- Return individual vacant lots and buildings to productive use

Four related to focus zones identified through the market and neighborhood analysis:

- Promote equitable community development
- Extend private investment
- Contribute to long-term economic vitality
- Reinforce open space initiatives and urban agriculture

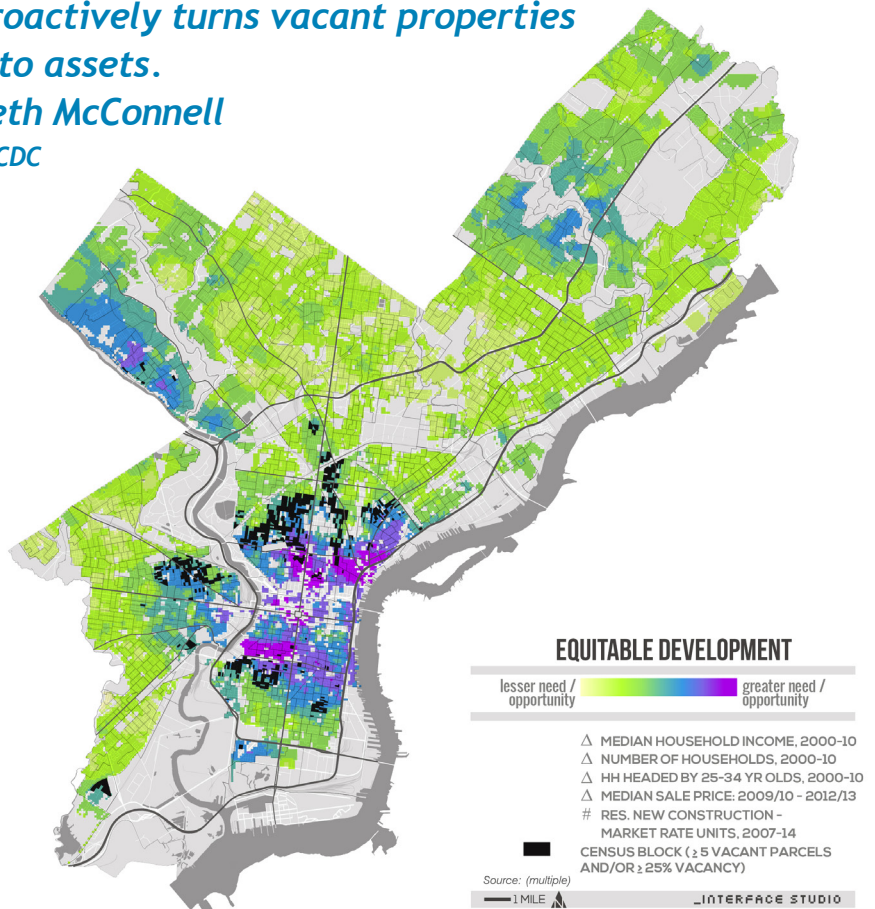
Two related to Land Bank operations:

- Support clear and transparent Land Bank operations
- Actively market Land Bank properties

[The Strategic Plan] establishes a strong vision for a Philadelphia Land Bank that strategically and proactively turns vacant properties into assets.

Beth McConnell

PACDC



Preparing Properties for Transfer

If properties are going to be returned to productive use, the new owners need properties with clean titles. Unfortunately, the legal descriptions of deeds are not always accurate (see box).

That's why the Land Bank began a massive effort to research and correct the legal descriptions of nearly 9,000 publicly owned properties.

Working with teams of interns from Drexel and Penn, the Land Bank researched and fixed errors in the deeds. The Streets Department's Survey Crew and the City's Law and Records Departments pitched in, providing on-the-ground data and expertise to correct the more challenging errors.

When properties are approved for transfer, their now-accurate deeds will go to the Records Department to be recorded. At that point the next owner will have a title that can be insured and a legal description they can take to the bank.

Why is this important?

When a property owner tries to develop a property, any bank that is providing financing is going to want clear proof of property ownership. And if that proof isn't exact, the owner is going to have to correct it.

That means research, it means surveys, it means money, and most of all, it means time.



By providing new owners with accurate deeds, the Land Bank is not only making it easier for the owner to improve the property, it is bringing revitalization to the neighborhood faster.

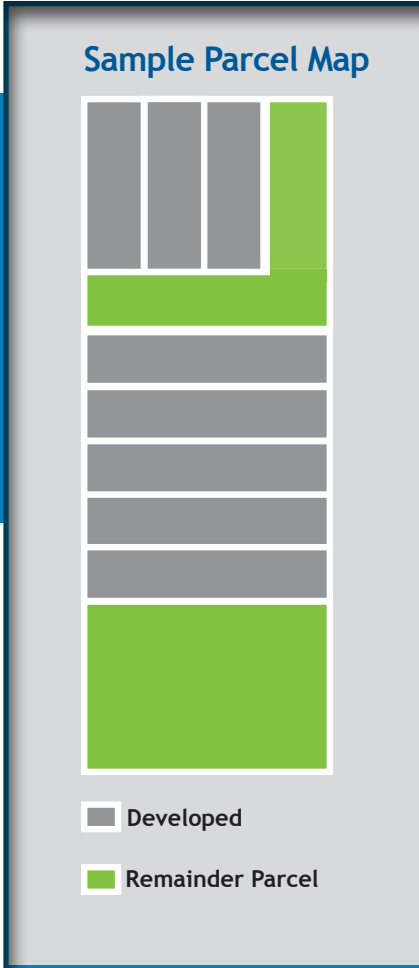
As of June 30, 2015, the Land Bank had corrected approximately 6,400 deeds, with the remaining 2,400 expected to be completed in 2016.

The Land Bank Process for Property Disposition

LAND BANK CLEARS TITLE AND RETURNS LAND TO USE



Preparing Properties for Transfer



“The Land Bank’s commitment to clearing up title issues before properties are sold is critical to ensuring that we can return those properties to a productive use in a timely manner.”

Anne Fadullon

Building Industry Association of Philadelphia

A Real-life Example

3310 Mantua Ave. is located in West Philadelphia. Back in the days of urban renewal, the City acquired the property to help revitalize the community.

And part of it did becoming a garden.

What’s left is called a remainder. Its deed has approximate boundaries, but they aren’t clear enough for a new owner to develop the land.

Enter the Land Bank. The Research Team identified all the changes over the years that affect the parcel, and the Survey Crew visited the site. With the information that each team compiled, the legal description of the deed was rewritten to exactly reflect the boundaries of the property.

Embracing Technology

Technology and analytics are going to play a big role in the Land Bank.

For example, it's not possible to appraise the 8,000 publicly owned properties the Land Bank will soon own. But it is possible to use technology and analytics to create a model that can set fair, accurate and consistent sales prices for each of those properties.

So that's what we're doing.

The City first unveiled "upfront pricing" for its properties in 2012. But the pricing only works if it is kept current.

So the Land Bank issued an RFP and selected a firm to refine and refresh this upfront pricing model. That model will consider the size of each property and the market conditions surrounding it, and will recommend a sales price.

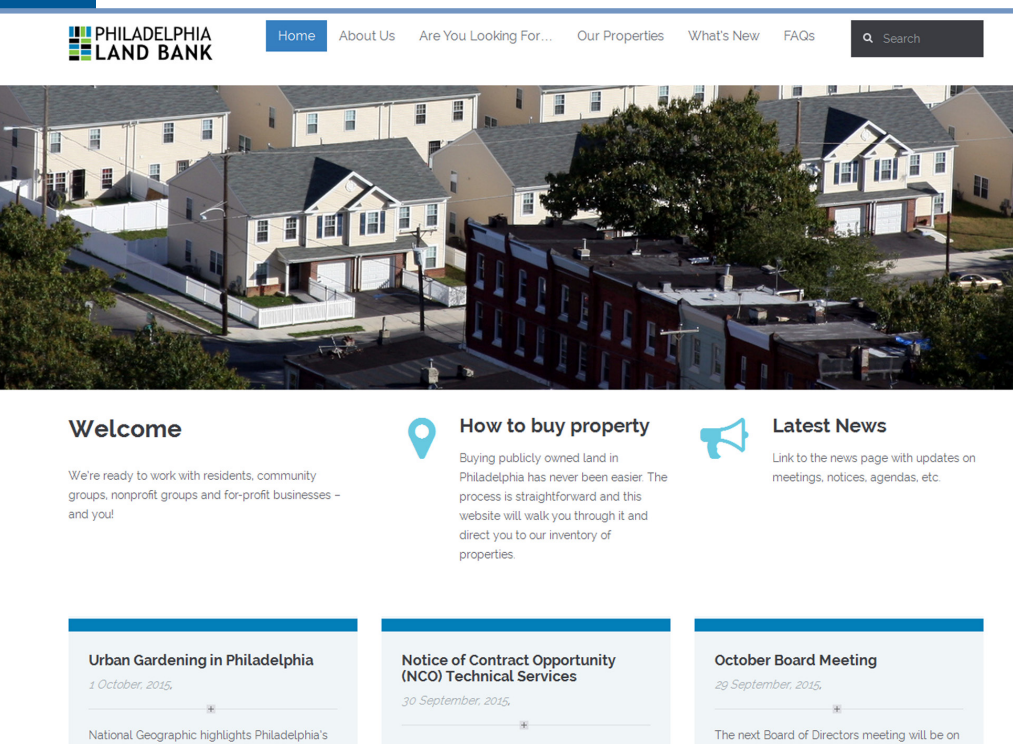
www.philadelphialandbank.org



The sales prices will be available for almost every property on the Land Bank's property sales website. And that site is getting an overhaul too.

The Land Bank is developing an RFQ for the fall to help us improve the experience of potential buyers on its property sales site. When we're done, the site will be easier to navigate, the search tool will be improved, and potential buyers will be able to track their property as it moves through the system. Potential buyers will even be able to see photos of the properties online.

Finally, the Land Bank has begun open data discussions. Land Bank data is, in most cases, public data, and the Land Bank is exploring how best to make its data accessible and useful to the public.



Building an Organization



On July 1, 2014, the Philadelphia Land Bank didn't exist. Twelve months later it is a functioning organization committed to its mission, transparency and the highest ethical standards.

Step One was simple - incorporation. Once the Land Bank came into being the Board began developing and adopting policies that would govern how it operated.

The Board adopted the Strategic Plan that would guide the acquisition and disposition of properties. At the same time it adopted disposition policies so

that all potential buyers could see the guidelines the Land Bank would follow as it sold properties.

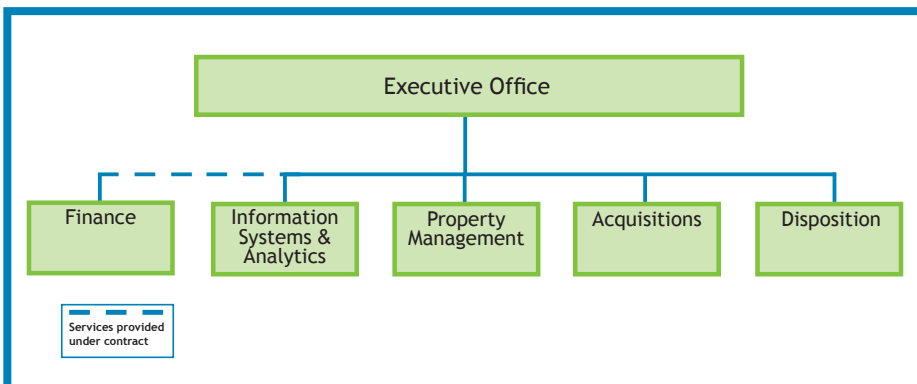
The Land Bank is committed to transparent operations. So the Board adopted a Right to Know policy that spelled out how the public could get records from the Land Bank and a Public Comment policy to ensure that the public could make its views known. The Land Bank also posts the agendas and board information packets for its Board meetings on its website well in advance of each meeting.

The Land Bank Board members are committed to the highest ethical standards. To identify and meet those standards, the Board adopted a Conflict of Interest policy and began developing a Procurement policy that would spell out how the Land Bank would obtain goods and services.

To carry out its mission, the Land Bank began adding key staff. It selected an Executive Director and a Deputy, General Counsel, staff to oversee the maintenance and sales of property, and staff to meet the Land Bank's technology and analytics needs.

After its first year the Land Bank is well-positioned to turn Philadelphia's vacant properties from liabilities into assets.

Land Bank Organization Chart



The Coming Year

With a strong foundation built in its first year, the Land Bank is focusing on the future. Most importantly, it will begin to acquire and dispose of properties.

Late in its first year, the Land Bank began discussions with Council members about transferring properties owned by other agencies into the Land Bank. Those transfers will start the process of moving nearly 8,000 properties into Land Bank ownership.

The Land Bank has also begun to target tax delinquent vacant properties for acquisition to support each of the Land Bank's goals. (See box.)

The Land Bank will also improve the customer experience. Interim improvements will make the property sales website more user-friendly, and a complete overhaul of that website in 2016 will better connect users to vacant property data.

The Land Bank aims to be a good neighbor, and it is taking steps to better maintain its properties. It will be engaging contractors to clean, secure and maintain vacant lots and vacant buildings, and it will partner with the Pennsylvania Horticultural Society to include Land Bank properties in PHS's nationally acclaimed Land Care program.

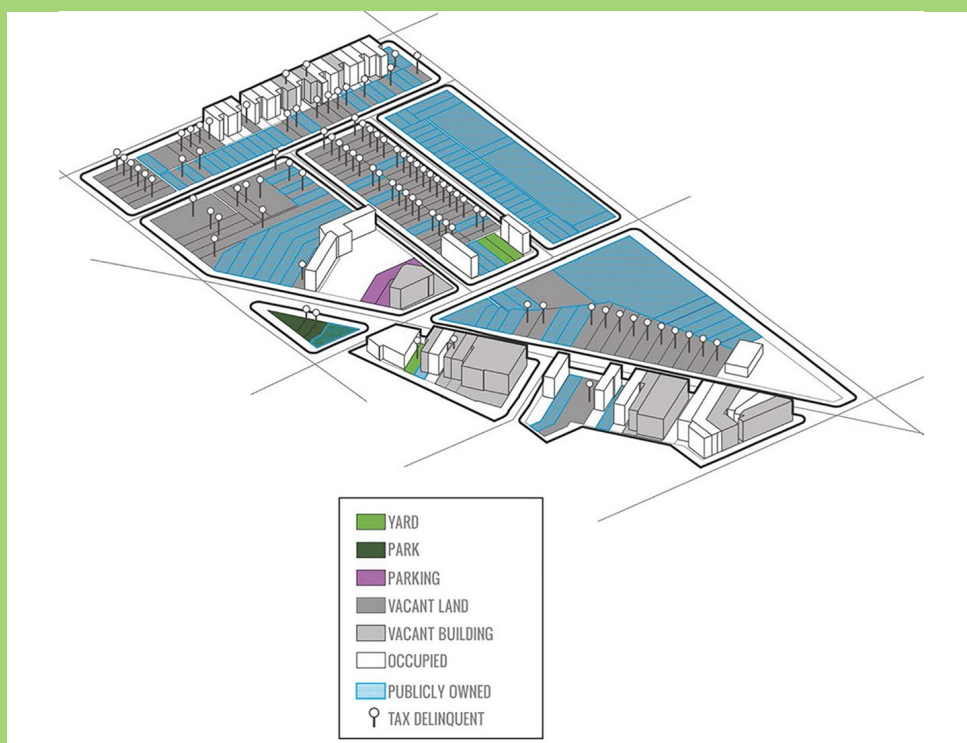
Finally, the Land Bank will be expanding its capacity. New staff will be coming on board to handle property dispositions, maintenance and technology.

The Land Bank is moving forward, and so is Philadelphia!

One key Land Bank tool is the ability to acquire vacant tax delinquent properties through tax foreclosure. This will enable the Land Bank to obtain properties that are causing blight and dragging down neighborhoods and convey them to new owners with viable plans.

Late in its first year the Land Bank began a pilot program to acquire vacant tax delinquent parcels. Working with the Planning Commission, the Law and Revenue Departments and the Sheriff's Office the Land Bank has identified more than 600 properties all across the city for potential acquisition.

These acquisitions will advance projects that address every use and priority identified in the Strategic Plan. Vacant today, these properties will become affordable housing, open space, yards, businesses and market-rate development.



Engaging Stakeholders

Building on the relationships formed during the development of the Strategic Plan, the Land Bank board and staff continued to engage the community and its stakeholders.

In fact, as soon as the Strategic Plan was adopted, Land Bank representatives began outlining what it meant to key constituencies. The Land Bank met with

- Citizen groups, like the Block Captain Boot Camps and Citizens Planning Institute
- Open space and urban agriculture advocates Neighborhood Gardens Trust and Grounded in Philly
- For-profit and nonprofit developer groups such as the Building Industry Association, Philadelphia Association of CDCs and the Development Workshop
- Legal organizations like the Philadelphia Bar Association
- Supporters of equitable development such as the Philadelphia Coalition for Affordable Communities and the Campaign to Take Back Vacant Land

The Land Bank also reached out to the general public.

It launched a new website full of information in an easy-to-follow format. Philadelphialandbank.org also includes a tool that enables visitors to sign up to receive updates.

The website also helps the Land Bank meet its goal of transparency. Board packets, meeting minutes, property sales and other information enable the public to follow the Land Bank as it conducts its work.

And the Land Bank tweets - @PhilaLandBank. Followers receive web updates, RFP announcements, links to news stories, responses to inquiries and general information.

If Philadelphia's residents aren't engaged, the Land Bank won't fulfill its promise. That's why community and stakeholder outreach remains a high priority.



BUILDING INDUSTRY ASSOCIATION
of Philadelphia



Acquisition & Disposition Goals

In its initial Strategic Plan the Land Bank identified annual goals for the acquisition and disposition of properties. Those goals included both intra-agency transfers and tax foreclosures.

Now, with a year of operations under its belt, the Land Bank has updated those annual goals based on actual experience. (See table.)

The agency transfers are expected to begin in Fiscal Year 2016 and continue through FY 2019.

In its first year the Land Bank began a pilot program to review more than 600 properties for potential acquisition through tax foreclosure. Those properties, which are located in neighborhoods throughout the city, will support each of the goals identified in the Strategic Plan:

- Promote Equitable Community Development
- Extend Private Investment
- Contribute to Long-Term Economic Vitality
- Reinforce Open Space Initiatives & Urban Agriculture

The Land Bank will start to acquire these properties in FY 2016. As the Land Bank gains more experience with the tax foreclosure process the number of properties acquired will increase each year.

The acquisitions will result in dispositions. Sales of both agency properties and tax-foreclosed properties are expected to increase each year.

More Specific Goals

The Land Bank will continue to track its acquisition and disposition of properties in 2016, including the expected uses and locations. This information will enable the Land Bank to develop more specific goals - including the use and geography of properties - during its 2017 strategic planning process.

The Land Bank will acquire properties for which a viable use and an eligible owner have been identified so that they are conveyed to new owners relatively quickly. For this reason the acquisition goal for a given year matches the disposition goal for the following year.

Five Year Production Goals

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------------------------|------------|-------------|-------------|-------------|-------------|
| Acquisition | | | | | |
| Intra-agency transfers | 0 | 2000 | 2000 | 2000 | 2500 |
| Tax foreclosed | 0 | 250 | 500 | 750 | 1000 |
| Total | 0 | 2250 | 2500 | 2750 | 3500 |
| Disposition | | | | | |
| Existing inventory | 250 | 250 | 350 | 450 | 600 |
| Recently tax foreclosed inventory | 0 | 0 | 250 | 500 | 750 |
| Total | 250 | 250 | 600 | 950 | 1350 |

Public Comment

On Oct. 23, 2015 the Land Bank posted notice on its website of a public hearing on its 2015 Progress Report and Strategic Plan Update. A preliminary version of that report was posted to the website on Oct. 27 and the final draft was posted on the site on Oct. 30. The public hearing was held on Nov. 4. The public comments fell into six broad themes that are outlined below.

Existing inventory of public land should be moved into the Land Bank inventory as quickly as possible and no later than the end of 2017.

The Land Bank has been meeting with Council members to facilitate movement of publicly owned property into the Land Bank. The goals outlined in the report represent the Land Bank's estimation as to the realistic time frame for completing that task.

Commenters expressed support for the Land Bank's acquisition pilot program and urged that it be completed by 2016.

The Land Bank's goal is to complete most of the pilot program acquisitions in 2016. Not every property considered for acquisition will be acquired. Pilot acquisitions will be pursued in an equitable and transparent manner.

The Land Bank should identify specific goals for property dispositions, including affordable, accessible and integrated housing; green spaces and agriculture; businesses; addressing food deserts and community uses.

The Land Bank's Strategic Plan identifies targeted uses for vacant properties, including the uses cited in the comments, and in readopting the Strategic Plan the Land Bank is reiterating its commitment to those uses. The Land Bank will track the acquisition and disposition of properties in 2016, including the geography and anticipated uses, and that information will be used during the 2017 strategic planning process to identify specific targets for both uses and locations of properties for disposition.

The Land Bank should have clear and transparent acquisition policies that are agreed to by all City Departments.

The Land Bank is working with stakeholders and relevant City Departments to develop an acquisition policy. That policy will be made available for public comment before the Land Bank Board considers it for adoption.

Land Bank data and information should be readily available and easy to use.

The Land Bank is committed to sharing its data as quickly and as easily as it can be made available. Data and other organizational information, such as an organizational chart, will be posted on the Land Bank website as soon as they are available.

Individual comments included making garden agreements long-term; preventing sales of tax-delinquent properties used as gardens; making gardens accessible; directing property sales revenue toward education; supporting enhanced maintenance; implementing the original strategic plan; and operating transparently and fairly. The Land Bank appreciates these thoughtful comments.

