

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 170051-A)

RESOLUTION

Approving the 2017 Strategic Plan, Performance Report, Acquisition Policies and Disposition Policies 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, The Land Bank has consulted with the Office of the Mayor; members and staff of City Council; and constituent, neighborhood and advisory groups; in an effort to develop a strategic plan that contains the necessary components identified in the Land Bank Ordinance and addresses the concerns of public and private interests; and

WHEREAS, In accordance with the Land Bank Ordinance, the Land Bank published its Strategic Plan, including its Performance Report and proposed Acquisition and Disposition Policies, and subsequently conducted a public hearing to consider public comments on the Plan and Policies; and

WHEREAS, On January 19, 2017, the Land Bank Board of Directors adopted Resolution 2017-1 which approved the 2017 Strategic Plan, Performance Report, Acquisition Policies and Disposition Policies of the Philadelphia Land Bank; and

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

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

City of Philadelphia

RESOLUTION NO. 170051-A continued

SECTION 1. The 2017 Strategic Plan, Performance Report, Acquisition Policies and Disposition Policies of the Philadelphia Land Bank, attached as Exhibit “A” to this Resolution, is approved.

SECTION 2. Exhibit “A” referenced in this Resolution 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.

EXHIBIT A



2017



Strategic Plan & Performance Report

Acknowledgements

Philadelphia Land Bank
Tania Nikolic, Interim Executive Director
Nicholas Scafidi, General Counsel

Honorable Jim Kenney, Mayor

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THANK YOU!

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2017

DRAFT Strategic Plan

& Performance Report

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Executive Summary

The Philadelphia Land Bank Board is pleased to present the 2017 Land Bank Strategic Plan.

The Philadelphia Land Bank offers opportunities to redevelop vacant properties and improve the quality of life in the city's neighborhoods. It can help to preserve community assets, create new amenities and support affordable housing, urban gardening and economic development.

The 2017 Strategic Plan is the result of a collaborative, data-driven process. It incorporates the experience of stakeholders working in fields affected by vacant land.

Building on the themes and values of prior plans, the Plan assesses:

- Real estate market conditions in Philadelphia
- Affordable housing needs and opportunities
- Means of stimulating development
- Ways to expand green and open space
- Goals for property acquisition and disposition
- Methods for increasing transparency in the City's Acquisition and Disposition policies and processes

This plan aligns the work of the Land Bank with the City's affordable housing plans, including the draft Assessment of Fair Housing. It draws from the extensive work of Philadelphia City Planning Commission's (PCPC) Citywide Vision, Philadelphia 2035 Plan and where available, district plans. During the citywide and district planning processes residents have had an opportunity to work with planning professionals to think about aligning needs: access to green space, strategies for managing vacant land, production of new affordable and market rate rental and homeownership opportunities within their neighborhoods. Where possible, the Land Bank seeks to be the implementation tool for realizing those plans.

The revisions to the Land Disposition Policies incorporate the thoughts, experiences and concerns of professionals working across the various land holding agencies as well as the Food Advisory Council, community development and advocacy organizations working in Philadelphia. The changes provide clear direction on the requirements to acquire land from the City and the geographic areas eligible for various programs.

The Strategic Plan appendices also contain a performance report of the Land Bank's work in the past year. That work includes preparing to take ownership of more than 2,161 properties, acquiring properties at Sheriff's sale and issuing multiple requests for proposals (RFPs) for workforce housing. The Strategic Plan anticipates the acceleration of both land acquisition and disposition activities over the next five years. Furthermore, it presents a land acquisition approach to support the production of affordable and low income housing developments, side yards and community gardens.

The ability of the Land Bank to support these transactions will depend on additional revenue to cover direct cost for acquiring properties as well as funding for staff to collect, review and assess an applicant's capacity and the feasibility of projects. Revenue to support this work can come from external sources, land sales, additional public sources or a combination of several of these sources to meet the overall operations cost.

Vacant land represents both blight and opportunity. This Strategic Plan positions Philadelphia to make the most of the opportunities – balancing the challenges of today and the long-term vision for our City.

Land Bank Plan Introduction

In December 2013, Philadelphia City Council passed and Mayor Nutter signed legislation creating the Philadelphia Land Bank (Land Bank). Since that time it has achieved numerous milestones that improve access to blighted properties for redevelopment purposes. Namely, it is nearing completion of an effort to research and correct the legal descriptions of more than 6,000 deeds. By the end of FY 2017 (June 2017), approximately 2,161 properties will be in the Land Bank's ownership.

As of July 2016 the Land Bank started acquiring vacant, tax delinquent properties at tax foreclosure sale. Prior to the beginning of the Kenney Administration, the Land Bank and City agreed to acquire 70 parcels through the tax foreclosure process, which will be completed by Spring 2017. We anticipate that an additional 350 properties will be acquired before the end of this fiscal year.

As of August 2016 the backlog of requests for properties (expressions of interest) has been resolved and the Land Bank staff are working to improve procedures to increase response times. Towards that end, staff reviewed thousands of properties in partnership with the Philadelphia City Planning Commission (PCPC), Licenses and Inspections (L+I), Parks and Recreation, the Neighborhood Gardens Trust and other public entities, and identified parcels in our inventory to target for disposition, as well as parcels to target for acquisition in order to leverage our existing public inventory of land.

The Land Bank is working to improve the website user experience in order to simplify the expressions of interest submission process. In FY18, the Land Bank will continue to align its goals to the goals of the Department of Planning and Development. This will ensure that acquisition and disposition actions support the need for affordable, workforce and market-rate rental and homeownership opportunities in Philadelphia as well as expand green space as side yards or community gardens and support commercial and economic development. The proposed acquisition processes and program criteria will lead to a more transparent Land Bank and elevated levels of production.

Our strategic plan seeks to build from the prior Land Bank Plans as well as the work of the Philadelphia City Planning Commission's Citywide Vision, Philadelphia2035 District Plans, and adopted neighborhood plans. These plans assisted the Land Bank to think strategically about the City's needs, opportunities and the desires of residents. This Strategic Plans also reflects the direct experiences of various City agencies acquiring, assembling and disposing of property in Philadelphia.

Philadelphia's Real Estate Market

In 2013, the Division of Housing and Community Development (DHCD) contracted with Reinvestment Fund to complete a Market Value Analysis (MVA) study of the Philadelphia's residential real estate market. The MVA offers Philadelphia decision-makers a way to understand the stresses and strengths of Philadelphia's sub-markets.¹ This tool provides the City with a way to look at property investments (median sales price, permit activity, new construction and percentage of condos), signs of distress (vacancy and foreclosure) and characteristics of places (variation in sales prices, owner-occupancy and housing density) to identify the health and diversity of conditions in our neighborhoods. The MVA helps to identify places that are stable or performing well, as well as those that are experiencing growth or decline. This can assist City agencies to make critical decisions about where and which type of public investment is important to homeowners and renters. In combination with more recent sales data and information about neighborhood conditions and needs, the Land Bank can also use this information to determine where to acquire land and what is the most appropriate reuse for the property acquired to spur growth, improve the quality of living conditions for existing residents, and to create opportunities for neighborhoods to remain economically diverse.

The MVA released in January of 2015 (representing market characteristics between 2013 and 2015) shows that Philadelphia has ten distinct housing markets, the strongest of which is concentrated in Center City and is dominated by condominiums (67 percent of all sales activity). The tables below show some of the characteristics of each market in Philadelphia. Table 2 links the MVA block groups to census data and provides information about the households that reside in these block groups.

Table 1: Reinvestment Fund Study by Market Category

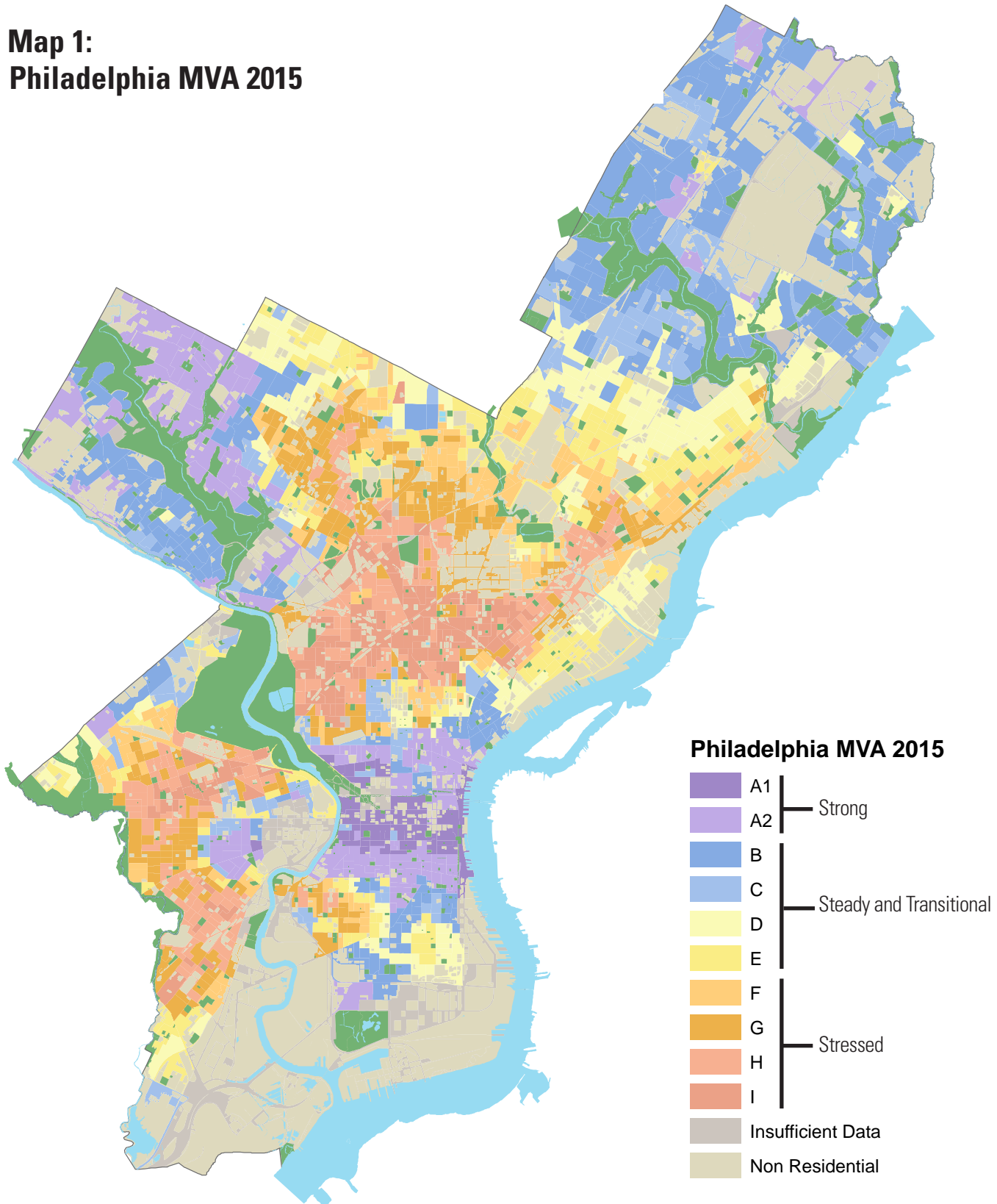
MVA Market Category	Median Sales Price	Percent New Construction (08-15)	Percent Vacancy	Percent of Properties with Permits	Percent Owner Occupied	Forclosures as Percent of Sales	Subsidized Housing
A1	\$458,429	2.1%	3.4%	33.9%	35.6%	6.8%	0.8%
A2	\$330,164	5.1%	2.0%	8.8%	47.7%	10.0%	4.6%
B	\$191,327	0.8%	1.7%	4.9%	75.1%	18.7%	0.1%
C	\$148,248	1.2%	3.3%	6.6%	33.8%	28.4%	5.2%
D	\$117,613	0.3%	1.9%	4.4%	71.6%	35.1%	0.5%
E	\$75,952	0.2%	3.5%	4.4%	60.3%	39.4%	4.3%
F	\$49,674	0.2%	4.5%	4.3%	62.1%	45.0%	2.9%
G	\$28,794	0.4%	6.9%	4.4%	51.6%	38.5%	6.7%
H	\$17,227	0.3%	9.6%	4.1%	49.9%	30.0%	7.5%
I	\$9,956	0.2%	11.9%	3.4%	43.6%	19.0%	14.1%

Market Conditions in the area where the public owns land

The detailed assessment is particularly useful when looking at the data on a map. The clustering of block groups with similar market conditions, as well as the location of "borders" between such clusters can inform our understanding of where market changes are occurring. For instance the F, G, H and I markets have higher levels of vacancy. When these areas of high vacancy are proximate to markets that are strong, these become significant opportunities for new development to occur on a larger-scale basis. In these high vacancy areas it is important to consider how land decisions today may influence further development opportunities for the neighborhood.

¹ Census block groups are the smallest geographic unit of analysis in the study.

Map 1: Philadelphia MVA 2015



0 0.5 1 2 3 4 Miles

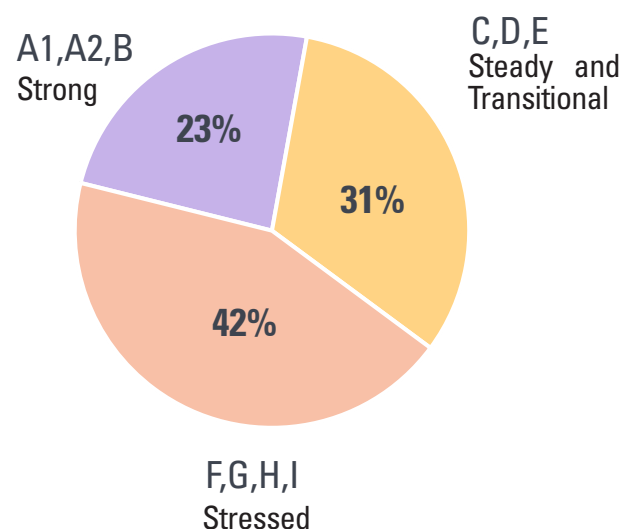


Table 2: MVA Categories with Block Group Population Characteristics

MVA Market Category	Number of Block Groups	Population 2014 ACS	Percent of	Housing Units 2014 ACS	Percent of Housing Units	Owner Occupied Housing Units 2014 ACS	Percent of Owner Occupied Housing Units
A1	41	56,975	3.7%	37,269	5.6%	11,112	3.6%
A2	103	124,910	8.1%	62,387	9.3%	24,890	8.1%
B	166	223,448	14.4%	92,602	13.8%	61,676	20.1%
C	97	121,740	7.9%	58,212	8.7%	17,953	5.9%
D	151	176,692	11.4%	69,630	10.4%	44,293	14.4%
E	163	191,915	12.4%	75,817	11.3%	39,282	12.8%
F	126	141,304	9.1%	56,620	8.5%	29,665	9.7%
G	170	182,323	11.8%	76,037	11.4%	31,306	10.2%
H	159	153,984	10.0%	67,631	10.1%	25,590	8.3%
I	111	116,429	7.5%	52,062	7.8%	17,233	5.6%
Split	10	15,822	1.0%	6,891	1.0%	2,492	0.8%
Not classified	39	41,378	2.7%	14,484	2.2%	1,331	0.4%

Out of Philadelphia's 1,336 block groups, 23 percent of block groups were in the top three market types (A1, A2 or B), 31 percent were characterized in the steady or transitional category (C, D or E market types), and 42 percent were noted as stressed or distressed (F, G, H or I).² It is important to consider that while investment is occurring in Philadelphia, there are still significant areas that rely on public investment and nonprofit investment activities to drive new investment activity. **Forty percent of Philadelphia's population, or 594,040 people, reside in a stressed or distressed market where the median sales price for homes is less than \$50,000 and vacancy levels are at the highest rates.** In H and I markets, the vacancy rate for homes hovers around 10 percent in each block group. These areas are also challenged with high levels of foreclosure and related sales.

Distribution of Block Groups by MVA Category



² An additional 39 block groups (three percent of the total) were not analyzed: these represent non-residential areas of the City or areas with very limited market activity.

Market Data with Public Ownership of Land

Table 3 below shows the number of publicly owned parcels by market type. It highlights the fact that the vast majority of the public inventory of land is concentrated in the areas of highest vacancy and lowest real estate values—the median sales price for residential units in I Markets was less than \$10,000, while the median sales price in H Markets was approximately \$17,000 (see Table 1).

It also highlights that the public maintains some vacant parcels in stronger markets and these parcels require additional due diligence to determine the highest and best use of the land to further broader housing and community development policy in Philadelphia. Of the total known inventory of land held by a public agency ³—7,827 parcels—approximately 2,436 are currently either in the process of being transferred to a developer or under further evaluation to determine the long term reuse. This leaves an estimated 5,391 parcels currently available for disposition.

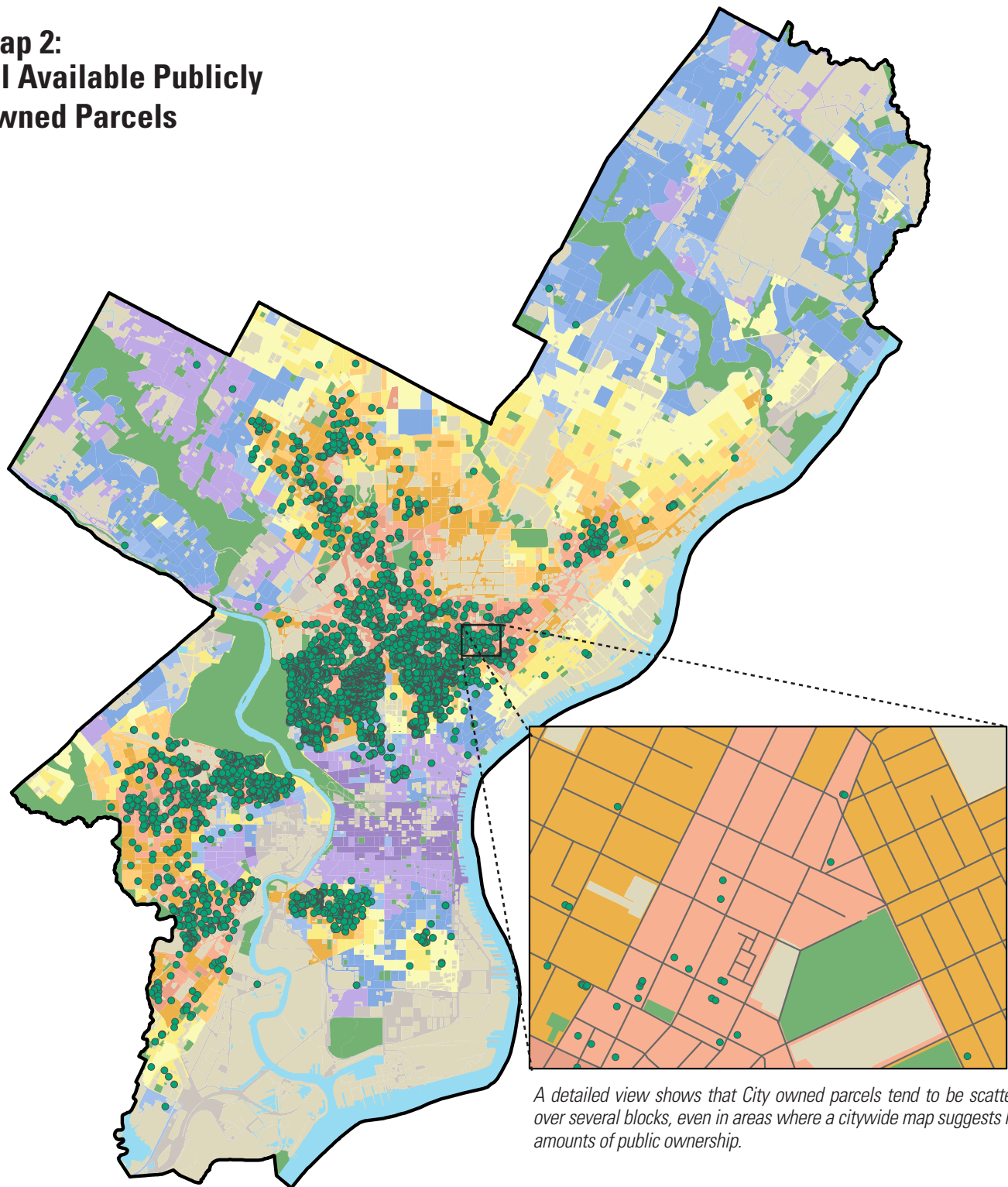
Table 3: Publicly owned properties by MVA market type

Market Type	Properties Available for Disposition	Median Sales Price	Percent Vacancy
A1	0	\$458,429	3.4%
A2	114	\$330,164	2.0%
B	58	\$191,327	1.7%
C	213	\$148,248	3.3%
D	45	\$117,613	1.9%
E	191	\$75,952	3.5%
F	405	\$49,674	4.5%
G	828	\$28,794	6.9%
H	1388	\$17,227	9.6%
I	2136	\$9,956	11.9%

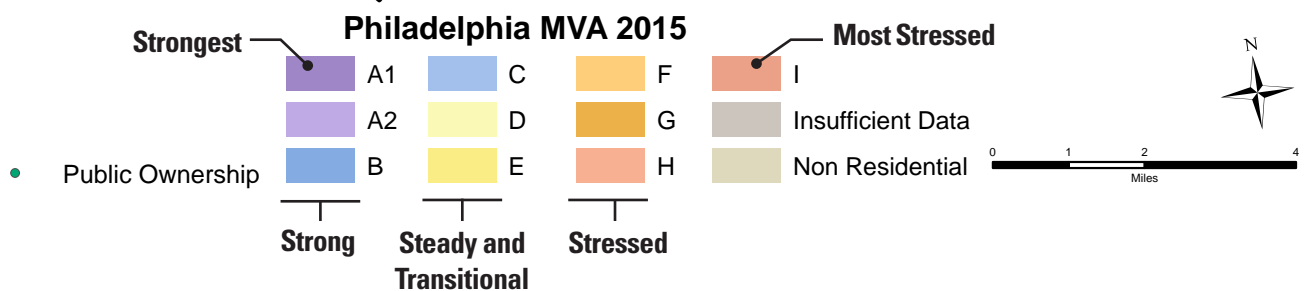
- **7,287 Publicly Held Parcels**
- **5,391 Parcels Available for Disposition**
- **1,190 Parcels have more than one expression of interest**

³ Publicly owned properties include properties owned by the Philadelphia Redevelopment Authority, Philadelphia Housing Development Corporation, Philadelphia Land Bank, and the City of Philadelphia Surplus Properties

Map 2: All Available Publicly Owned Parcels



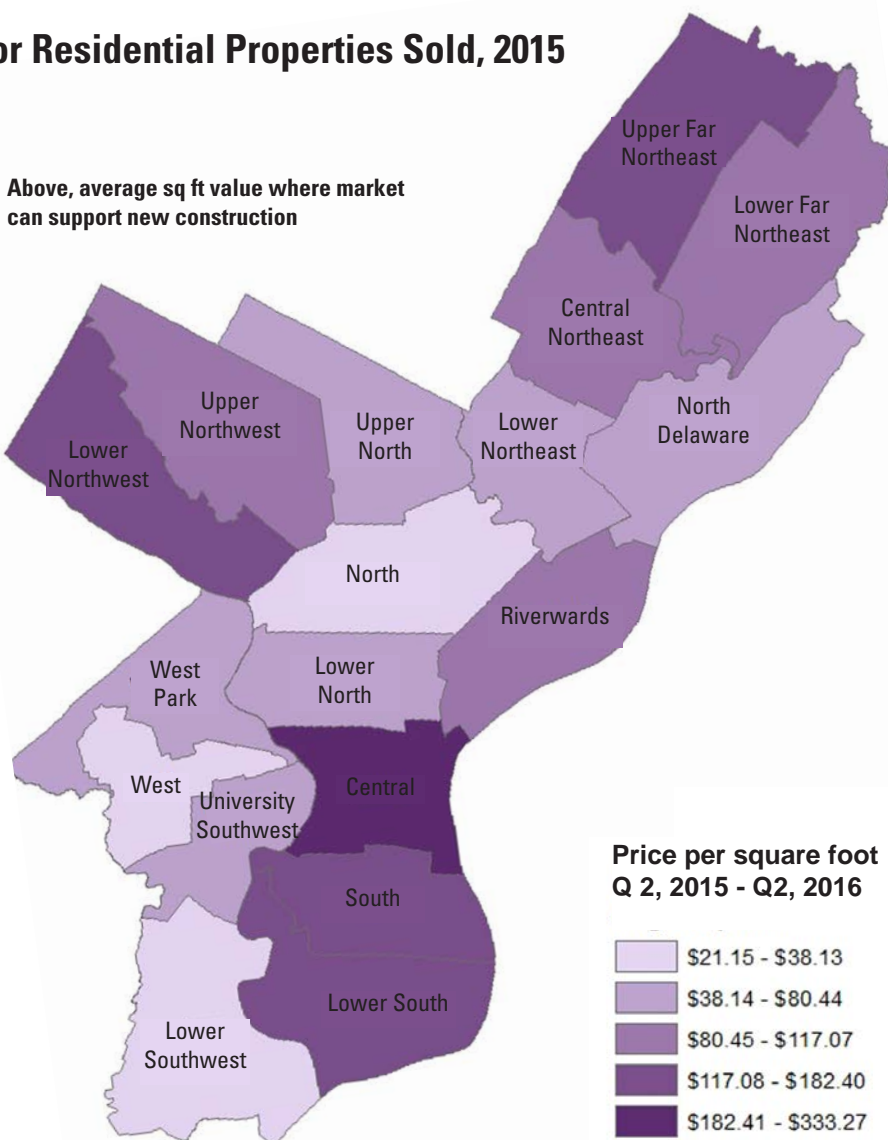
A detailed view shows that City owned parcels tend to be scattered over several blocks, even in areas where a citywide map suggests high amounts of public ownership.



The MVA data include information through the second quarter of 2015. To supplement this analysis, PCPC staff viewed all sales data between the second quarter of 2015 and the second quarter of 2016. Map 3 below shows the median square foot values of residential properties in Philadelphia based upon Office of Property Assessment certified sales for 2015. This data were mapped to show price per square foot by PCPC Planning District. Table 3 shows the average price per square foot for residential properties sold over last three years by City Planning District and demonstrates relatively stable prices during this period of time.

**Table 4 and Map 3:
Average Price Per Square Foot for Residential Properties Sold, 2015**

Planning District	2015	2014	2013
Central	\$333.27	\$300.23	\$280.88
Lower South	\$182.40	\$177.41	\$185.85
Lower Northwest	\$134.71	\$129.01	\$140.63
Upper Far Northeast	\$129.70	\$124.84	\$126.12
South	\$129.65	\$115.44	\$111.42
Lower Far Northeast	\$117.07	\$109.86	\$118.69
Central Northeast	\$106.15	\$105.62	\$107.67
River Wards	\$103.00	\$90.98	\$92.80
Upper Northwest	\$92.81	\$88.54	\$93.70
West Park	\$80.44	\$64.16	\$71.14
North Delaware	\$75.71	\$73.71	\$78.95
University/Southwest	\$69.35	\$70.94	\$77.23
Upper North	\$53.73	\$49.03	\$58.03
Lower North	\$53.24	\$53.52	\$50.67
Lower Northeast	\$51.62	\$49.35	\$54.68
Lower Southwest	\$38.13	\$42.48	\$37.92
West	\$35.27	\$34.29	\$37.02



Population Growth and Need

After decades of decline, Philadelphia’s population began to stabilize and has grown nearly every year since 2003. **Over the period 2015 to 2025, the total population of the City of Philadelphia is forecasted to increase from 1,567,000 to 1,617,000 persons, or about 3 percent (DVRPC, PCPC).** This would continue the steady growth that the City has experienced over the past ten years, during which the City stabilized its overall share of Greater Philadelphia’s population.

During this same period, the overall number of jobs in Philadelphia is also forecasted to grow by roughly three percent, from 773,000 to 797,000 jobs (DVRPC, PCPC). This assumes continued improvement in the City’s economic competitiveness resulting from its growing labor force, program of tax reductions, transportation investments, and availability of developable sites.

Table 5: Citywide Population, Housing Characteristics, and Employment* Census 2010, Estimated 2015, Forecast 2020 and 2025

	2010	2015	2020	2025
Citywide Population	1,526,006	1,567,442	1,594,787	1,616,816
Housing Units	670,171	681,183	692,715	702,084
Households	599,736	614,820	625,312	634,045
Household Population	1,468,623	1,505,319	1,529,449	1,550,230
Group Quarters Population	57,383	62,123	65,343	66,585
Employment*	738,546	772,847	786,308	797,156
* Employment by place of work, not by place of workers’ residence				

The number of households in Philadelphia is expected to grow at a pace similar to the City’s overall population, with smaller households becoming more prevalent in some districts while other districts maintain their appeal for larger households, including families with children. The group quarters population, including persons in dormitories, nursing homes, and correctional facilities, is forecast to grow modestly overall, with more pronounced increases at universities capable of expanding on-campus housing options.

Among Philadelphia’s 18 planning districts, the areas expected to absorb the most population growth between 2015 and 2025 include areas within and around the region’s ‘Metropolitan Core’ of Center City and University City. These districts include Central, University/Southwest, Lower North, and South. (DVRPC)

Employment growth from 2015 to 2025 is also expected to be concentrated in the ‘Metropolitan Core’ districts of Central and University/Southwest, with high job growth also forecast for the Lower South District, part of a ‘Metropolitan Subcenter’ and home to the redeveloping Navy Yard and port complex. All of the City’s districts are forecast to support at least some net increase in employment, as growing district populations generate additional demand for goods and services.

With added population and employment, land becomes more valuable and necessary for meeting a variety of resident and employer needs and opportunities. Parcels that appear to be blighted sites today can become locations for infill housing and commercial development to meet the growing demand from existing and new households, particularly as we try to seek ways to support economic opportunity for Philadelphia’s low- and moderate-income households.

Educational Attainment, Income and Labor Force Participation

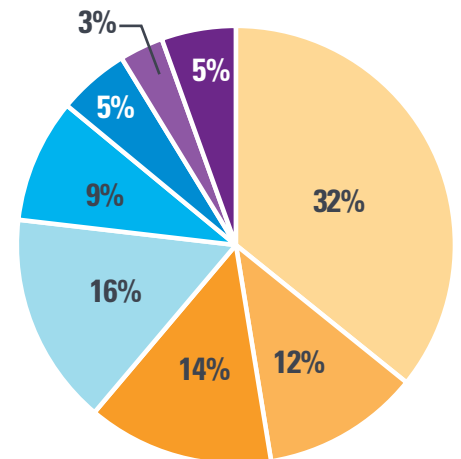
With steady and sustained projected population growth and employment opportunities it is critical to ensure opportunities expand for Philadelphians with low educational attainment rates and low labor force participation rates.

According to American Community Survey (ACS) data (2011-2013), the unemployment rate was nearly 25 percent for Philadelphia adults 25 to 64 without a high school degree – much higher than the 16 percent estimated for the same group across Pennsylvania. Unemployment rates remain persistently high in communities that also have high concentrations of adults with low educational attainment. Focused, continued efforts will be required to raise skills and job-readiness to better match residents with future job opportunities and ensure employers of an adequate local workforce.

Only 59 percent of Philadelphia adults 16 and over participated in the labor force, (ACS 2009-2013), compared to nearly 63 percent of the same-aged adults in Pennsylvania. Labor force participation is particularly low among residents without a high school degree. Philadelphia's low level of labor force participation contributes to the city's low median income and high rate of poverty.

Significant new investment into early child care services, Community Schools program, and physical investment into Philadelphia's recreational facilities, libraries and public facilities may offer an alternative path for children in Philadelphia today and their families seeking pathways to better opportunities.

% of Philadelphia Households by Income Range



< \$25,000

\$25,000 - \$34,999

\$35,000 - \$49,999

\$50,000 - \$74,999

\$75,000 - \$99,999

\$100,000 - \$124,999

\$125,000 - \$149,999

\$150,000 +

Philadelphia households which are more likely to be cost burdened, paying more than 30% of gross income on housing. 56% or more than half of Philadelphia households may be cost burdened. See also page 13.

Business Opportunity Areas

In addition to prominent, regionally-significant job centers, Philadelphia offers a range of business opportunities in commercial, institutional, and industrial areas distributed throughout the City and close to available workers.

Philadelphia's more than 270 commercial corridors, centers, and districts range from super-regional shopping centers to smaller, neighborhood-serving convenience centers. Commercial locations proximate to communities experiencing growth in population may be particularly well-positioned to serve existing and meet new residential-based demand.

In the Philadelphia City Planning Commission's district plans, residents, businesses and planners have already begun highlighting the areas of growing consumer demand. District plans recommend physical improvements to the public realm (lighting and pedestrian safety improvements), changes to zoning classifications and identify critical blocks and structures to stabilize and restore. The Land Bank can be a resource in the implementation of these plans. Where appropriate, it can respond to commercial corridor managers' need to acquire and dispose of vacant buildings and vacant lots to small businesses and investors seeking to provide new services and amenities to residents.

Health care and educational campuses anchor the economies of a number of City districts outside of the Center City/ University City core. These campuses are often major consumers of goods and services. They are also employment centers that offer a wide range of jobs with different skills/educational requirements and often employ a diverse workforce. As these institutions plan and expand, they provide opportunities for stimulating real estate markets that are stressed and encouraging investment for both existing residents, students, faculty and administrators.

More than a dozen large, industrially-zoned districts are available to accommodate job-creating enterprises in the production, distribution, and repair sectors. These districts offer infrastructure, sites, and locations suitable for a range of industrial and industrially-related businesses. Many of these larger sites are operated and managed by Philadelphia Industrial Development Corporation (PIDC) and act to meet the needs of existing and new industry expanding in the Philadelphia region. The Land Bank's resources are not required to sustain this continued activity in Philadelphia, but could complement these efforts and extend commercial investment into nearby corridors.



Point Breeze Avenue at 21st Street, South Philadelphia



Germantown Avenue at Butler Street

Housing Trends and Open Space Needs

According to the ACS data, almost half (47 percent) of Philadelphia households rent their homes. Of those renters, many spend more than 30 percent of their income to cover basic housing costs and are considered cost burdened. **The estimated number of renters that were cost burdened in 2009 was 123,515. Unfortunately, that number increased by 16 percent to 143,965 in 2014. Of those renters, 14 percent were over the age of 65. Fifty-six percent (or 81,187) of cost-burdened renters earned less than \$20,000 annually between 2010-2014.**

Within Philadelphia there are specific rental housing developments that currently provide income-restricted housing for seniors, families and special needs populations. In 2016, there are estimated to be 13,022 Low Income Housing Tax Credit and 9,829 HUD Special Need or Elderly units, in addition to the supply of housing available to Philadelphia Housing Authority tenants (13,647) and voucher recipients.

In an effort to align the Land Bank with the City and Philadelphia Housing Authority's recently completed Affirmatively Further Fair Housing goals, the Land Bank will acquire land to:

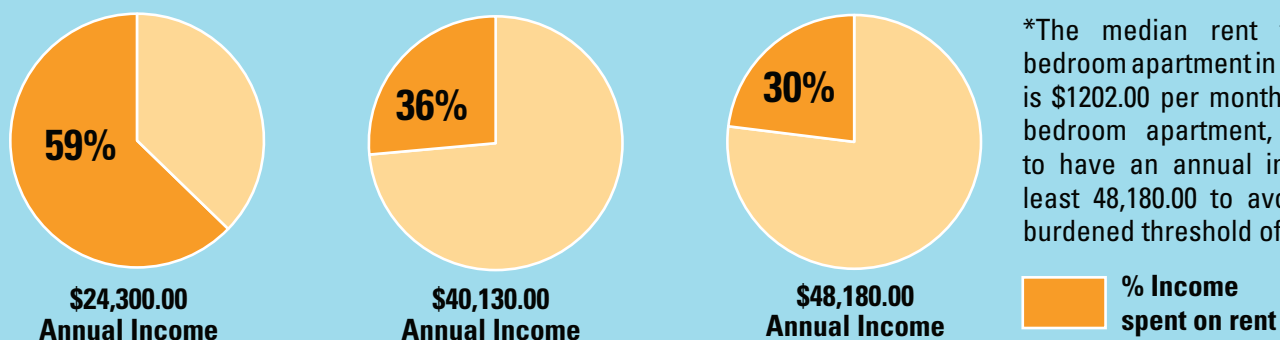
- Develop new affordable rental housing opportunities.
- Develop new affordable homeownership opportunities.
- Expand accessible and affordable housing for persons with disabilities.
- Expand permanent housing for homeless and special needs populations.

The City seeks to have a balanced approach to development and will support new low-income housing developments in areas of greatest need as well as economically diverse communities. The maps on the following pages highlight Philadelphia's areas of racially or ethnically concentrated areas of poverty.

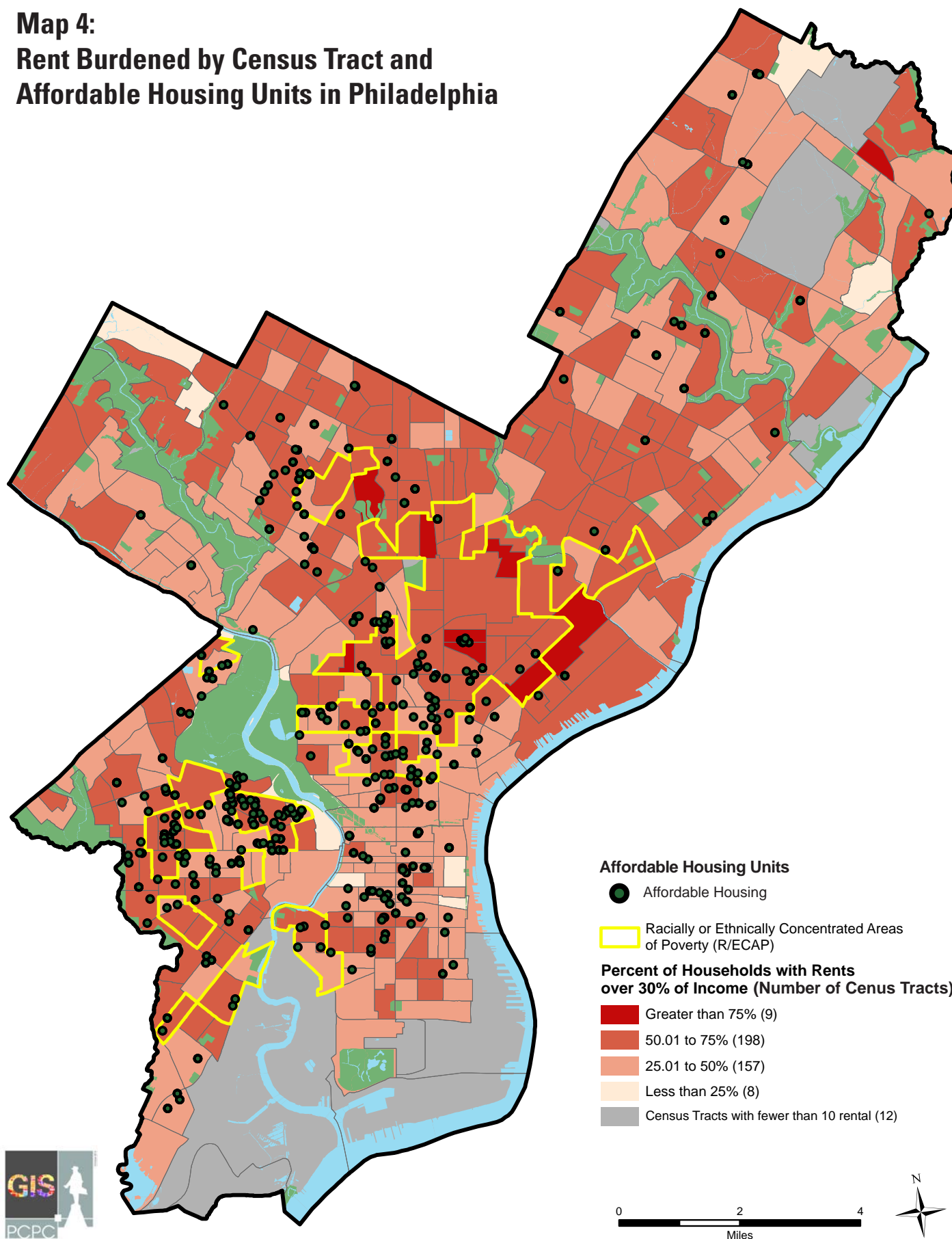
The following series of maps show the areas of the city where renters are cost burdened (paying more than 30 percent of their income on housing cost- see Map 4), the location of existing affordable housing developments (Map 5) and the areas of Philadelphia where there is the greatest unmet demand for affordable housing units based upon the existing supply of units (Map 6). This information can assist us to understand where to prioritize production of new affordable housing developments in Philadelphia.

What does housing cost burden look like in Philadelphia?

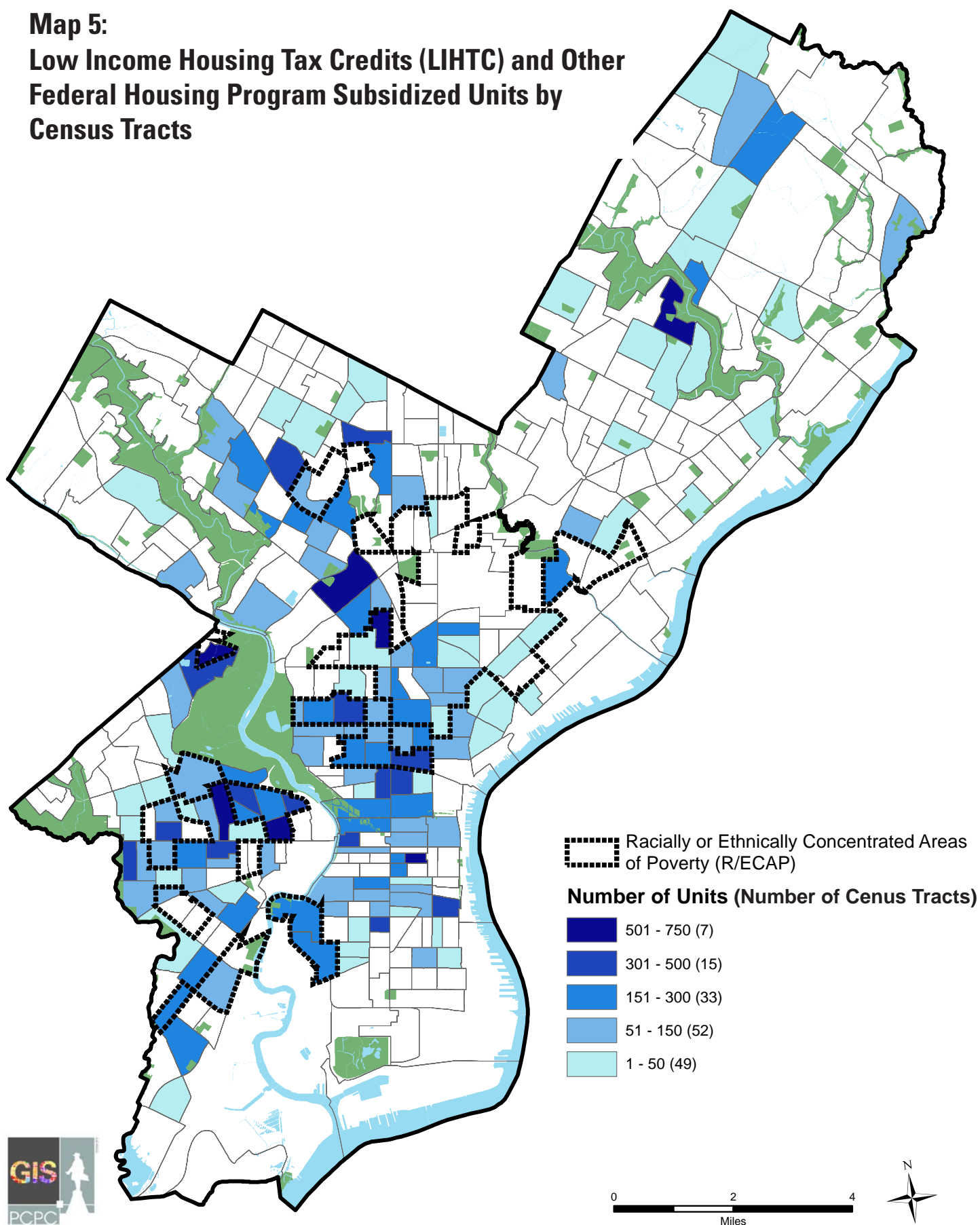
% Income spent on housing for a median priced two-bedroom apartment*



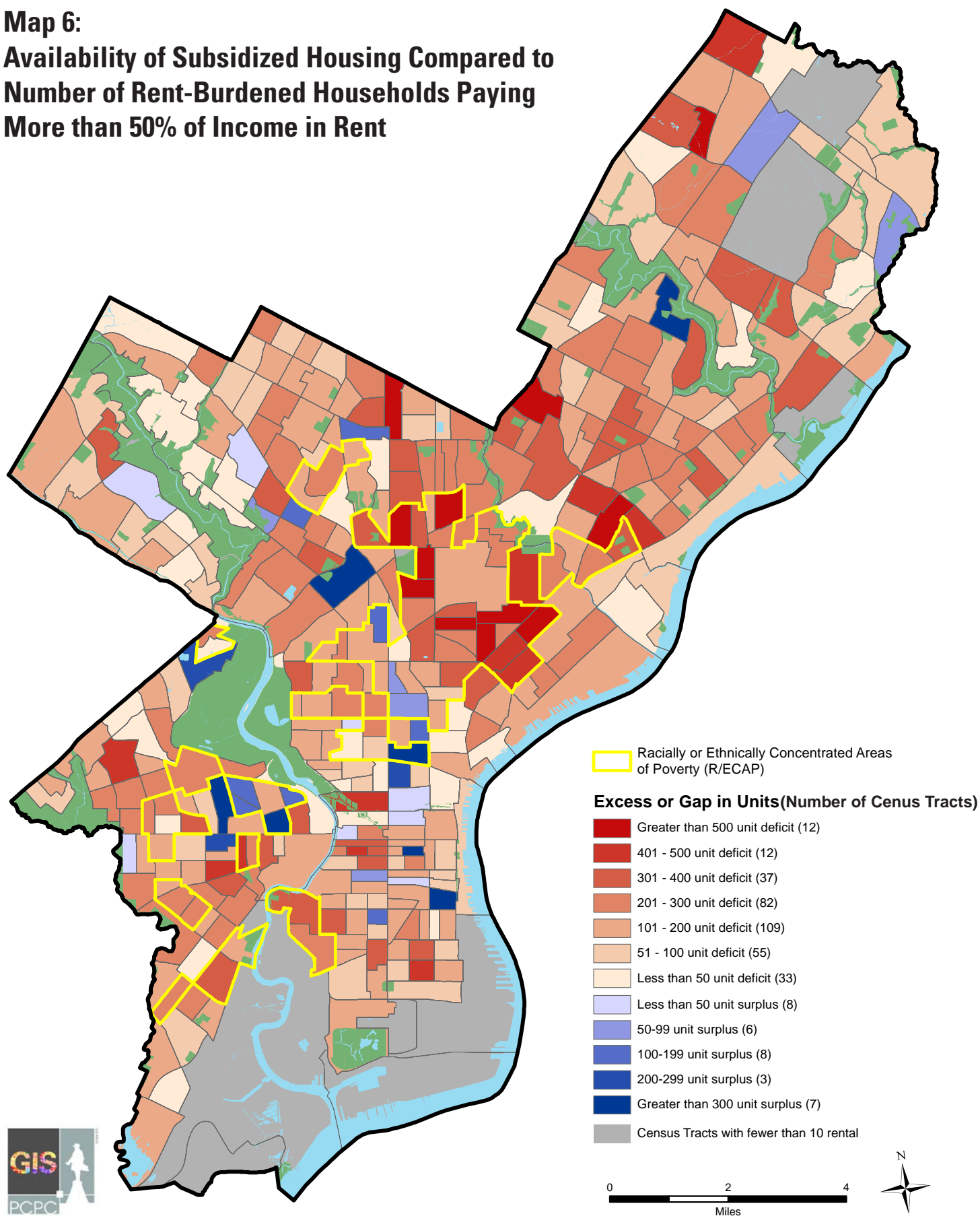
Map 4: Rent Burdened by Census Tract and Affordable Housing Units in Philadelphia



Map 5:
Low Income Housing Tax Credits (LIHTC) and Other
Federal Housing Program Subsidized Units by
Census Tracts



Map 6:
Availability of Subsidized Housing Compared to
Number of Rent-Burdened Households Paying
More than 50% of Income in Rent

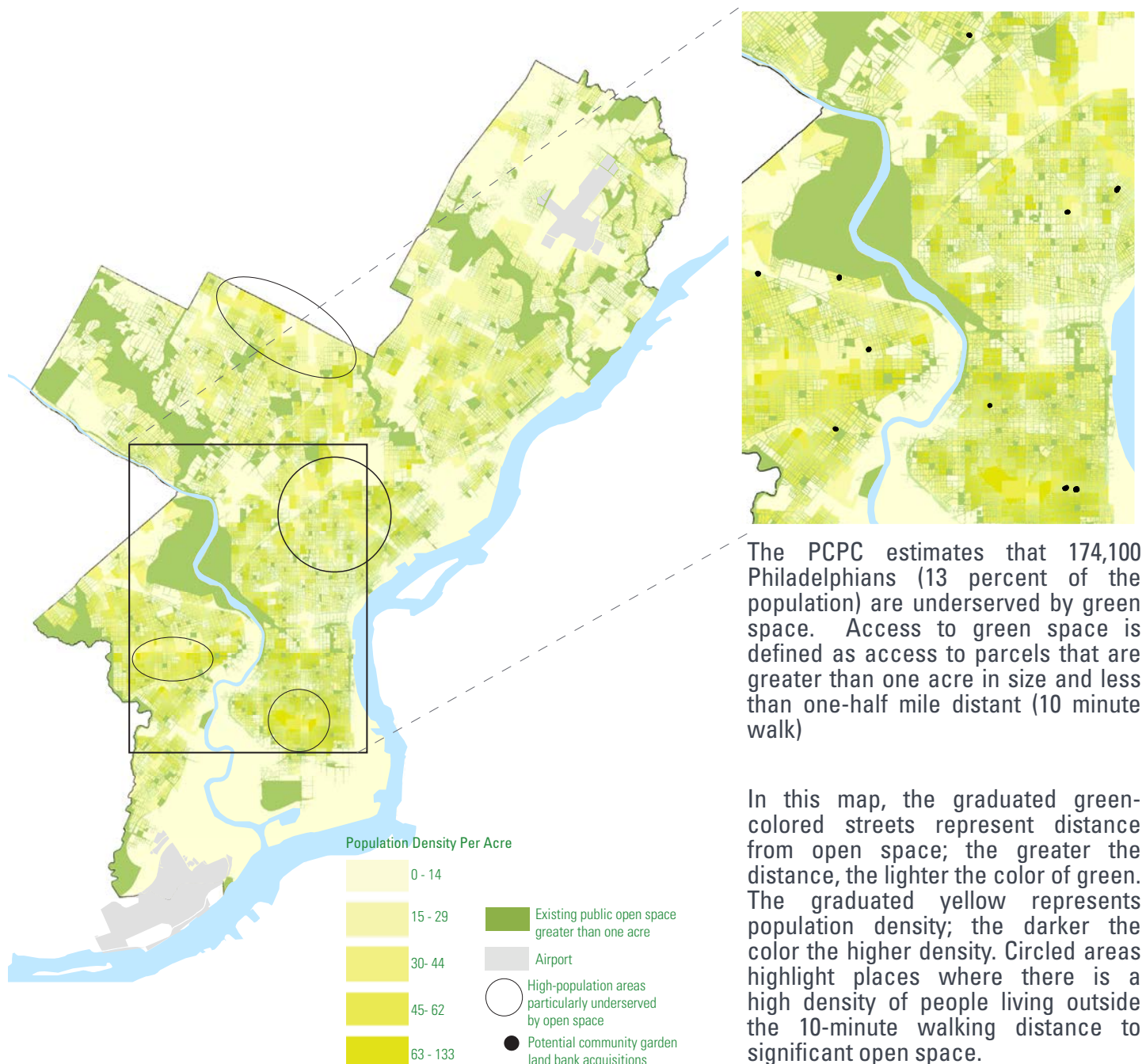


Map 7:

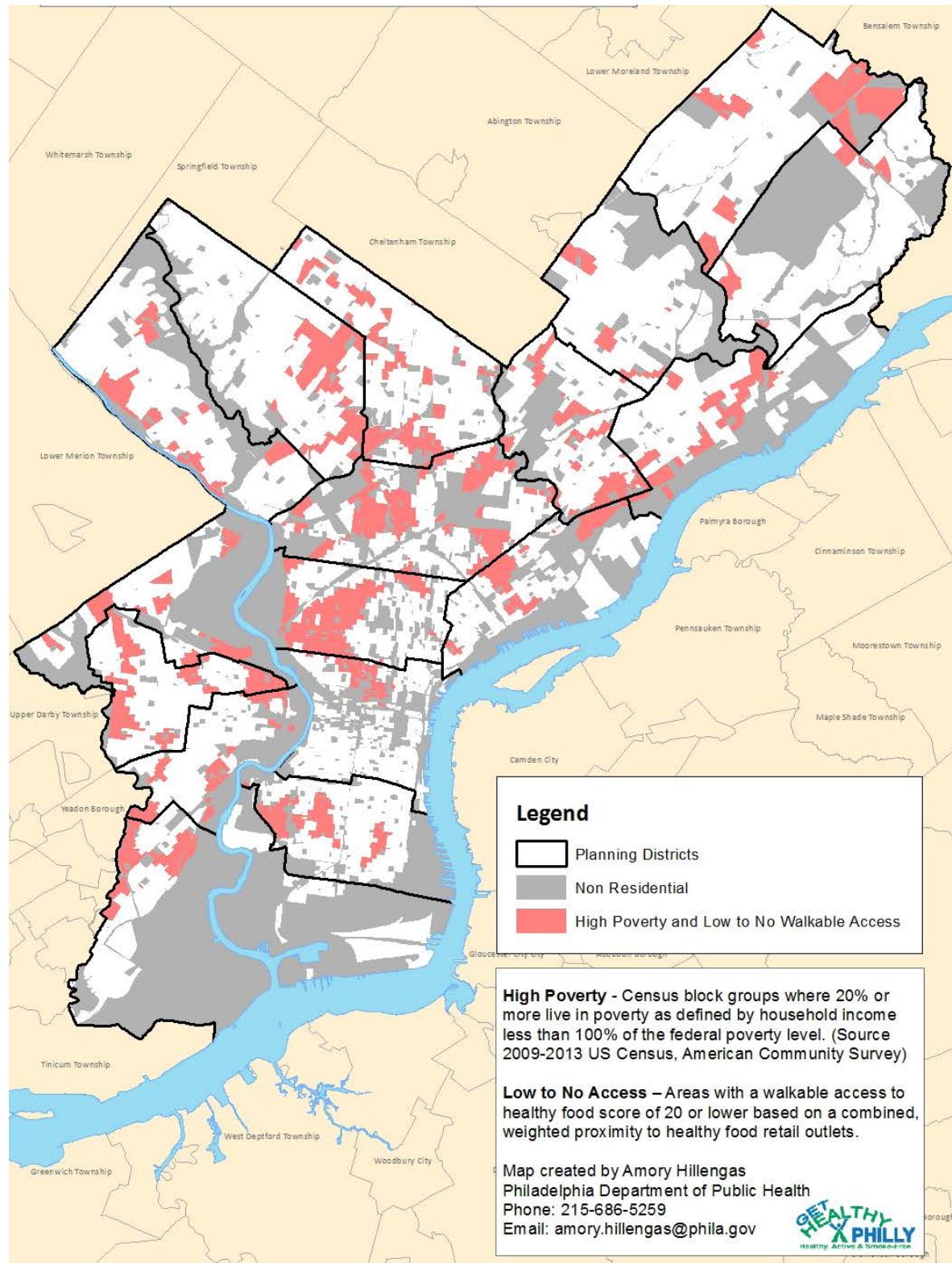
Accessibility to Existing Public Open Green Space Greater than One Acre

Densely populated areas tend to have greater reliance on public transit and therefore people who are more likely to walk to amenities such as schools, parks, and shopping. Increasing access to green space in these areas, will serve significantly more residents than in places where there are fewer housing units and a less dense neighborhood fabric.

Community garden acquisitions can help to close gaps in green space accessibility. While this is not the only strategy for increasing access, we are embracing it as an immediate action as we assess ongoing interest and capacity to increase overall access in the city. The Land Bank does not have the capacity to own and manage public parks, but can be responsive to these requests by community groups, development entities or public partners for whom this is their primary mission.



Map 8 High Poverty and Low to No Walkable Access to Healthy Foods, 2014



Note: Walk scores between 70 and 100 indicate good connections where a car is not needed to access essential amenities, goods, and services. This map helps other City agencies, while working with the Land Bank, prioritize areas for improving healthy food access.

Meeting Accessibility Needs

As the City works to expand the supply of affordable housing in Philadelphia, it also aims to ensure that housing units meet the needs for people with disabilities. In that effort, the City of Philadelphia continues to require that all City-funded new construction housing developments address accessibility requirements. New construction homeownership, rental and special needs developments must have 10 percent of their units accessible to persons with mobility disabilities.

DHCD continues to require, to the extent feasible, all new construction to include visitability design features in all units. This includes at least one no-step entrance at the front, side, back or through the garage. All doorways should be 32 inches wide and hallways and other room entrances at least 36 inches wide. From FY2013-16, DHCD-funded developments added 189 accessible units, 60 units for people with hearing or vision disabilities and 876 visitable units.



Paschall Village, Accessible Units
Image Source: Philadelphia Housing Authority

Implementing the Vision

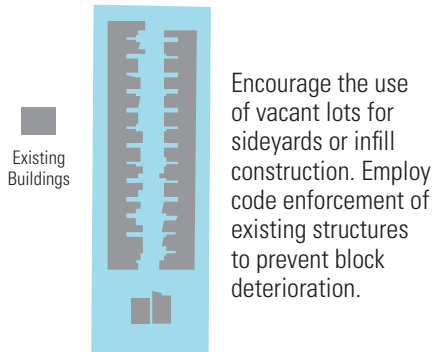
The Land Bank can be an essential tool for implementing the recommendations and realizing the vision articulated in the PCPC's District Plans (an ongoing component of the Philadelphia 2035 Comprehensive Plan). Each District Plan represents nearly a year of intensive work, including a survey of current land uses and vacancy for every parcel in the district and a detailed assessment of needs and opportunities for the neighborhoods. The recommendations contained in each plan reflect input gathered through multiple public meetings and extensive community outreach and are formulated in cooperation with City Council offices and other City agencies. District Plans have been completed for twelve of the city's eighteen planning districts, with work on plans for four additional districts currently underway.

The surveys, outreach, and planning conducted as a part of the District Plans will help enable the Land Bank to identify and prioritize vacant and tax delinquent parcels for acquisition, as well as to delineate disposition strategies for parcels in its inventory. For instance, a Relative Vacancy Analysis that was undertaken as a part of the Lower North District Plan outlined a hierarchy of strategies for different blocks, depending on the overall level and pattern of vacancy. These strategies ranged from land assembly for parks, gardens, and new large-scale development in higher vacancy areas to the facilitation of side yards and small-scale development in lower vacancy areas. Other District Plans have recommended the use of land acquisition and disposition as site-specific methods for increasing access to open space and healthy food, strengthening commercial corridors and other community assets, and helping residents to invest in their own neighborhoods. In each of these cases, the District Plans will help provide the context to ensure that as land is considered for acquisition or disposition it is evaluated in the context of existing plans, vacancy levels, and market conditions.

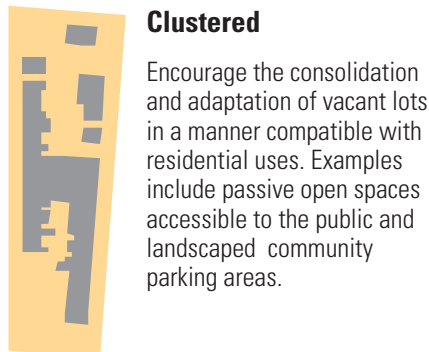
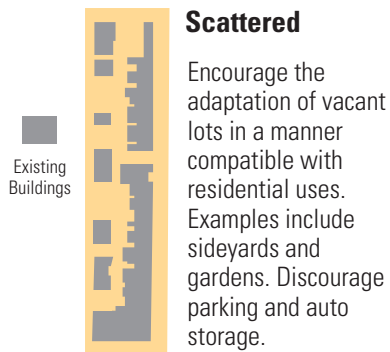
Relative Amounts of Vacancy

The amounts of vacancy on a block can influence decisions for how properties are acquired, consolidated, disposed of, and improved. Sometimes blocks can be stabilized with the improvement of a few parcels, others require larger interventions.

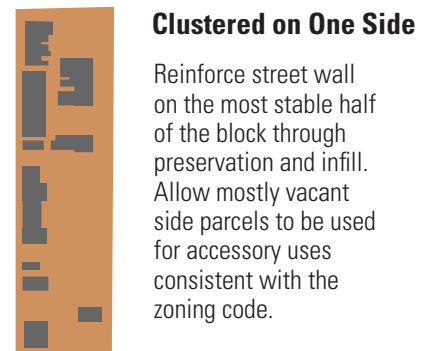
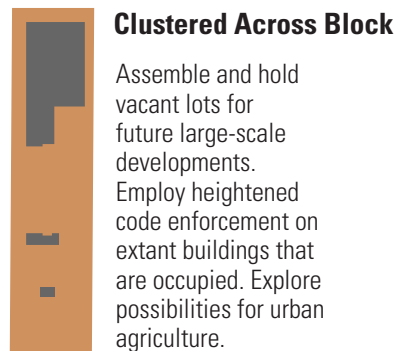
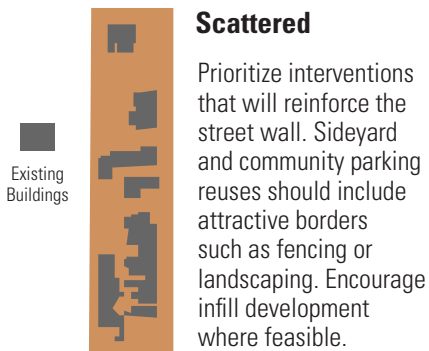
Low Vacancy/Stable



Moderate Vacancy



High Vacancy



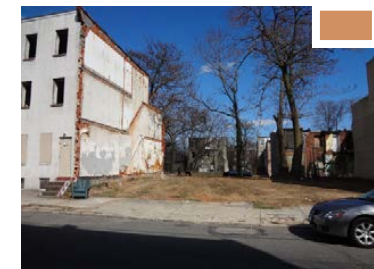
Vacancy Examples



Example of Low-Vacancy Block



Example of Moderate-Vacancy Block



Example of High-Vacancy Block

Potential Temporary and Long-Term Responses To Vacancy

Low Vacancy/Stable

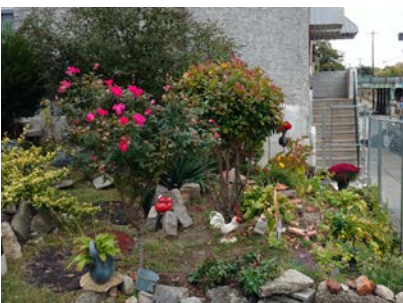


Buildings



Infill in Brewerytown/Fairmount
Infill development and/or rehabilitation of a single unit can help stabilize a block
Image source: nakedphilly.org

Sideyards/Open Space



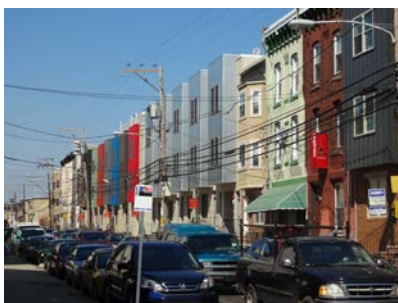
North District Sideyard
Sideyard landscaping can create comfort and grandeur even within a small space.

Urban Agriculture



Pocket Garden
A single lot or a few small lots together can form a large growing area that also adds life to the street. Image Source: PHS Blog

Moderate Vacancy



Infill in Lower North District
Several lots of new housing redefines the street while still respecting the character and scale of existing housing.



North District Sideyard Patterns
Scattered sideyards provide households with open space and redefine the rhythms of the street.



Community Garden - Norris Square
Several lots can be bound together to form both growing and social spaces usable by the surrounding community. Image Source: PHS

High Vacancy



Redevelopment - Paseo Verde
Whole blocks can be redeveloped for mixed-uses and transit oriented development. Image Source: ULI.org



Lower North District Open Block
Block sized vacant areas if cleaned and maintained can be used as community open space.



Urban Farm - Greensgrow
A larger area covering all or most of a block can be used to produce and/or sell large quantities of produce and other agricultural products. Image Source: fishtownspotlights.com

Aligning Land Planning to Needs and Opportunities

In an effort to understand the capacity of the Land Bank to address blight in Philadelphia, the Land Bank worked with the GIS staff at the PCPC to analyze information from the Departments of Revenue and Licenses and Inspections (L+I), all land holding agencies and the Office of Property Assessment, using data as of September 2016. The goal was to understand the scale of the problem in Philadelphia and where the Land Bank could be a tool for assembling land and improving neighborhood conditions and amenities.

While public entities own and have available approximately 5,400 properties, only 15 percent of the inventory and disposition has had multiple expressions of interest since 2012. In analyzing data we sought to develop criteria for acquisition activities that align to the needs of Philadelphians and the ability of the Land Bank to secure properties to assist partners to achieve that goal. Furthermore, we sought to reduce the existing inventory of publicly owned land by identifying tax delinquent parcels that are adjacent to public land.

Table 6 shows that as of September of 2016, there were an estimated 43,352 properties that were vacant, 28,509 vacant lots and 14,843 vacant buildings. Of the vacant lots, 13,363 properties were tax delinquent or had L+I liens and 7,038 buildings were tax delinquent or had L+I liens. Of those with a public lien, 8,025 lots and 4,770 buildings were at least 3 years delinquent or more than \$800 delinquent. This assisted the City to identify the potential universe of properties that could be acquired to inform what should be acquired.

Table 6: Scale of Vacant Property Problem in Philadelphia

	Vacant Land	Vacant Residential Buildings	Total
Estimated Number of Vacant Parcels	28,509	14,843	43,352
Tax Delinquent and/or with Public Liens*	13,363	7,038	20,401
Tax Delinquent by \$800 or more or more than 3 years delinquent*	8,025	4,770	12,795
Total 2017-18 Acquisition Budget	350	0	350

In Philadelphia, the approximately 3,600 vacant lots and an additional 200 buildings encumbered by the 1997 lien sale were not considered a part of this analysis. The US Bank liens on these properties is approximately \$18-20 million on the additional debt to the City is approximately \$41 million.*

****Note:** Almost 20 years later, some of these liens still remain outstanding. These entities currently own the initial debt and have incurred additional fees on the properties associated with the lack of repayment. The properties continue to incur new debt and public liens in addition to the lien sale balance. In many cases, the value of the property is far less than the combined debt. While the City's Finance and Revenue departments can agree to waive public liens, these private liens must first be satisfied before the Land Bank can seek to acquire the properties.

Disposition and Acquisition Goals

In the 2016-17 Land Bank Strategic plan we sought to estimate the number of acquisitions and dispositions based upon our analysis of available land, vacancy level, market conditions and property.

Table 7 includes properties disposed of by the City through the Vacant Property Review Committee (VPRC) process. The 2016-17 budget provides funding to support the acquisition of 350 parcels. 500 parcels will be targeted for acquisition, because the plan assumes a 30 percent drop off rate. Properties may drop off if the property becomes tax compliant. In the 2016-17 budget each parcel is estimated to cost \$1,200 in related cost. In this table, the 2017-18 Acquisition Goal assumes the same level of funding is available for parcel acquisitions. Disposition number for Side Yards and Open Space uses assume the properties are being sold but at a discounted rate, unless otherwise restricted to eligible applicants. Land already committed to specific affordable or low-income housing development projects are noted in the 2016-17 disposition goals, but speculative for future years. The Land Bank will seek to dispose of properties that will be developed with income targets. The Land Bank does not provide financing or grant resources to development projects, therefore subsidies for the variety of projects require other sources of funds.

Table 7 Part A: Acquisition 5 Year Goals

Acquisitions (Year I is current year)	Year I		Year II		Year III		Year IV		Year V		5 Year Total
	7/1/16- 6/30/17		7/1/17- 6/30/18		7/1/18- 6/30/19		7/1/19- 6/30/20		7/1/20- 6/30/21		2016- 2021
Tax Foreclosures Acquisitions	Percent	Count	Percent	Count	Percent	Count	Percent	Count		Count	
Side Yards	25%	88	25%	81	25%	81	25%	81	25%	81	412
Total Housing/Mixed Use	68%	237	68%	221	68%	221	68%	221	68%	221	1,121
20% for 30% or below of AMI		48		45		45		45		45	228
30% for 60% or below of AMI		71		66		66		66		66	335
25% for 120% or below of AMI		59		55		55		55		55	279
25% non-income restricted		59		55		55		55		55	279
Business Expansions	1%	4	1%	3	1%	3	1%	3	1%	3	16
Gardens/Open Space	6%	21	6%	20	6%	20	6%	20	6%	20	101
Subtotal		350		325		325		325		325	1,650
Interagency Transfers		2,161		1,392		1,392		1,391		1,391	7,727
Total Acquisitions		2,511		1,717		1,717		1,716		1,716	9,377

*Note: Only 269 properties were identified during the planning process. The additional 81 properties will be selected through the RFP process or through additional outreach to the business community.

Note** 'AMI' is the Area Median Income

Table 7 Part B: Disposition 5 Year Goals

Dispositions (Year I is current year)	Year I		Year II		Year III		Year IV		Year V		5 Year Total
	7/1/16-6/30/17		7/1/17-6/30/18		7/1/18-6/30/19		7/1/19-6/30/20		7/1/20-6/30/21		2016-2021
	Percent	Anticipated Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	
Side Yards	18%	45	25%	81	25%	100	25%	112	25%	124	462
Total Housing/Mixed Use	68%	170	63%	205	63%	252	63%	284	63%	316	1227
20% for 30% or below of AMI		81		41		50		57		63	292
30% for 60% or below of AMI		33		62		76		85		95	351
25% for 120% or below of AMI		28		51		63		71		79	292
25% non-income restricted		28		51		63		71		79	292
Business Expansions	1%	3	2%	6	2%	8	2%	9	2%	10	36
Gardens/Open Space	13%	33	10%	33	10%	40	10%	45	10%	50	201
Total Dispositions (Includes interagency transfers and tax acquired properties.)		251		325		400		450		500	1,926

Note: Housing at this level will likely require City subsidy. Projects that secure City subsidy must comply with the City accessibility and visitability goals. Year 1 Projections reflect actual anticipated disposition. In this year, 43% or 70 projects will go to households below 30% AMI

Acquisition Strategy

The Land Bank was established in Philadelphia to use its powers to:

- Support housing and community development
- Increase public open spaces and community gardens
- Make side and rear yards available to abutting property owners
- Assist businesses to expand
- Strengthen the City's tax base

The Land Bank will strategically acquire privately owned, vacant tax delinquent properties to support the above goals. The proposed land acquisition processes and policies are consistent with the disposition policies of the landholding agencies. Using data noted above, the Land Bank assessed opportunities and demand through each programmatic lens. The Land Bank intends to establish and evaluate priorities on an annual basis. It will also provide interested entities with an opportunity to submit expressions of interest for tax delinquent privately owned parcels for the Land Bank to acquire. The Land Bank presents set goals in each of the categories to ensure a balanced approach to supporting the range of development needs in Philadelphia.

Category I: Opportunity Sites

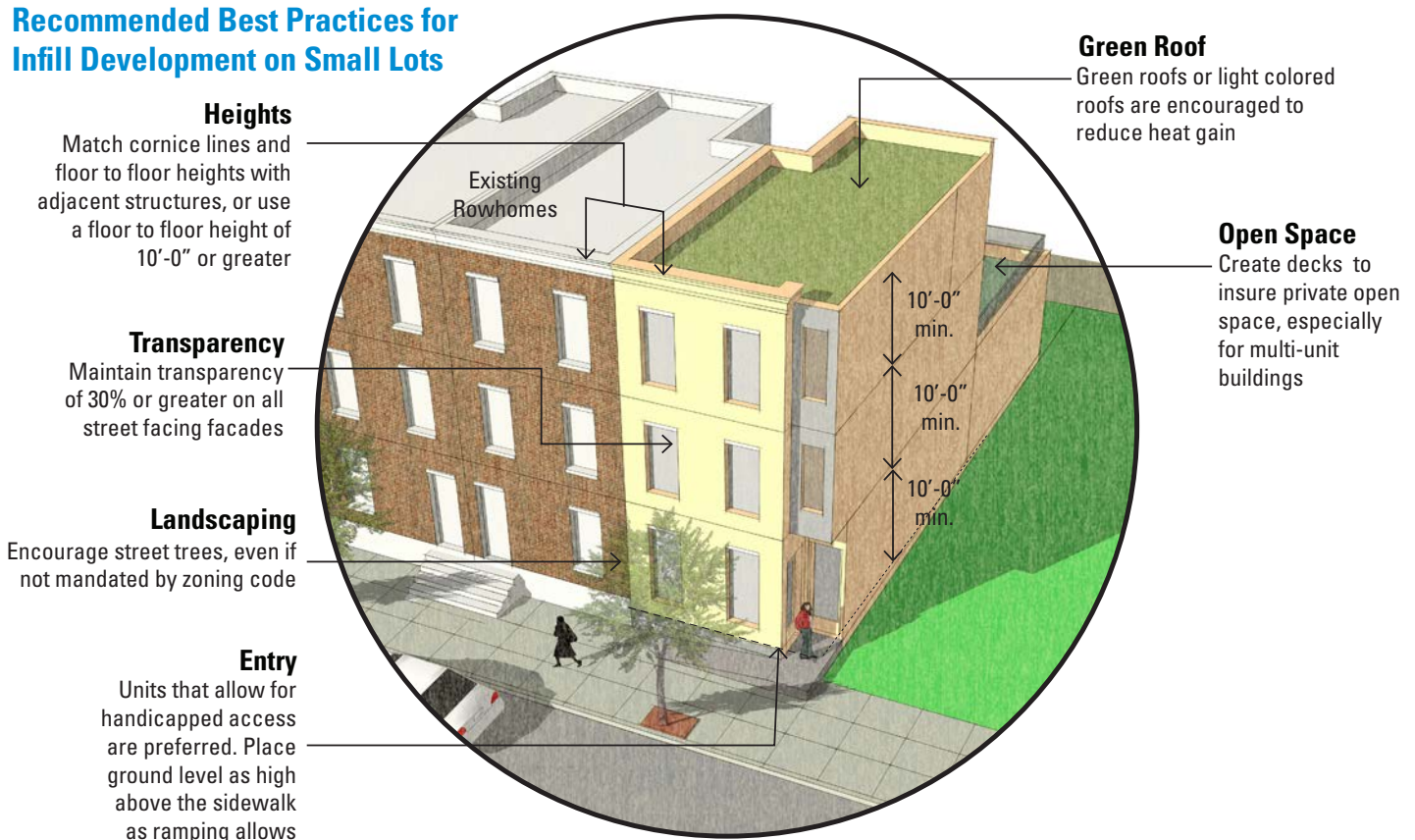
Goal/Purpose: Eliminate Blight in Strong Markets

Acquire land in areas where there is demand for new housing and commercial services and provide additional opportunities for the production of low-income, affordable, workforce, and market rate housing as well as community and commercial amenities. As neighborhoods appreciate in value, some households may have fewer opportunities to remain in their existing neighborhoods, opportunity sites sought to find high value public investment opportunities. Towards this end, the Land Bank identified properties in active and emerging real estate markets to support redevelopment activity. In these markets, the Land Bank identified tax delinquent vacant parcels and properties with L+I liens abutting existing publicly owned land. Reuse strategies for these parcels include low-income, affordable, workforce, and market rate housing, commercial development and community amenities.

While some of these sites represent development opportunities, many are limited today due to their size. When assembled with the abutting existing inventory of land, they become much more viable for redevelopment. In order for the Land Bank to be viable and sustained, the Land Bank must sell properties at various price points to generate revenue. Selecting land for acquisition that is in active real estate markets ensures that some inventory, if disposed of at fair market value and through competitive bidding processes, will generate revenue.

When the Land Bank disposes of property it requires investment into the property and can encourage developers to design and build products that are sensitive to the existing neighborhood fabric.

Recommended Best Practices for Infill Development on Small Lots



Category II: Increase Public Open Space and Community Gardens

Goal/Public Purpose: Preserve Community Gardens

Recognizing that community gardens encourage the productive use of vacant land, provide spaces for community building, socialization, and educational, recreational and food production activities, particularly in areas of the City lacking access to quality and permanent open space and limited access to fresh produce.

To continue to support the existence and expansion of these gardens in Philadelphia, the Strategic Plan includes a broader definition of what constitutes a community garden and establishes clear criteria for acquisition and disposition actions. Working with Neighborhood Gardens Trust (NGT) the Land Bank assessed over 400 requests for land to be used as community gardens and sorted the list into three categories identifying gardens that are:

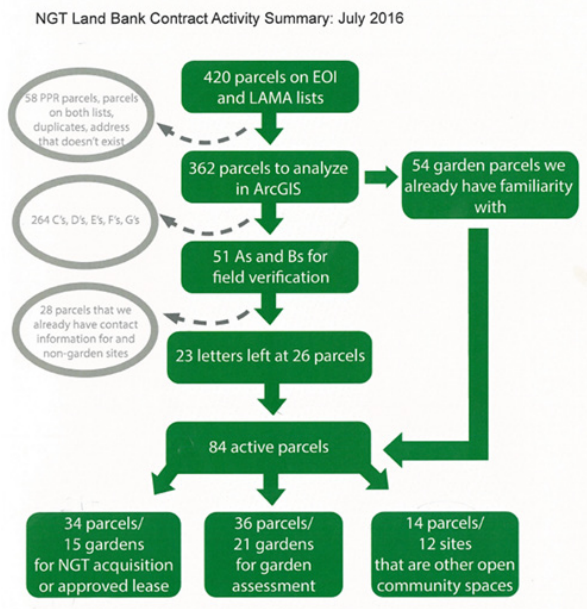
- Preservation-ready
- Require additional assessment
- Parcels that are not operating as community gardens but alternatively operate as other types of public open spaces or side yards

To analyze these requests, the Neighborhood Garden Trust removed duplicate requests for properties, field verified the condition of the garden and scored them on a scale of A-G, A being the best. They also conducted outreach to the gardeners to assess their interest in meeting the requirements of ownership. Eighty-four parcels were determined to be actively used as gardens today. From this process, the NGT identified 34 parcels within 15 gardens that were deemed Preservation-ready and which this plan recommends for acquisition. Another subset of gardens are emerging and in the formative stage of development, while a remainder of properties were determined to be used as side yards or other forms of public or community open space.

In future years, the Land Bank intends to continue to work with our horticultural partners to support the use of vacant land for various agriculture uses and encourage additional gardens. We are also aware that community gardens may serve as temporary and permanent green open spaces for neighborhoods. Our plan and disposition policies allow for greater flexibility in this area and seek to support gardens that address citywide needs for additional green space and tree coverage.



Above, local garden activity. Right, summary of Land Bank contacts regarding existing and future gardening sites.



Category III: Side and Rear Yards Requests

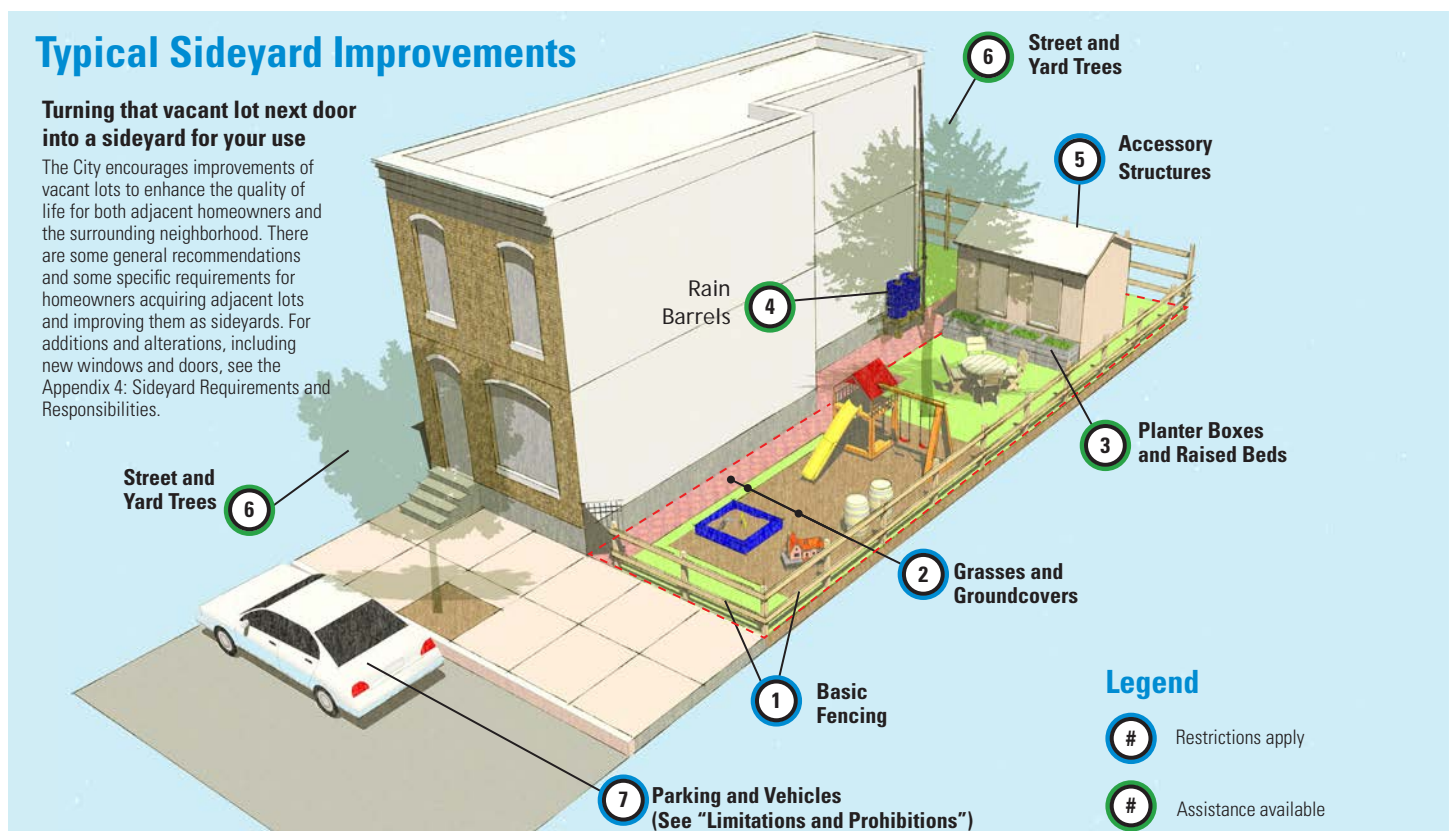
Goal/Public Purpose:

When this inventory is not contiguous to other publicly owned parcels nor contributing to a larger assemblage of land that can support development nor viable for infill housing, this plan recommends the Land Bank staff work with City Council to dispose of these parcels to current adjacent property owners that commit to acquiring the land, eliminating the blight and bringing the property up to existing City Code.

The City currently owns a significant number of scattered site parcels. Some are in neighborhoods with high owner-occupancy rates and where there is little demand for land for new infill scattered site construction at this time. Vacant scattered land in these markets may be a nuisance to residents and may discourage further investment by adjacent property owners. The landholding housing agencies have limited resources for land maintenance activities, and are often unable to maintain the land at a standard desired by residents. The side/rear yard program affords residents the opportunity to invest in these properties and improve their neighborhoods. In some of these cases, citizens are already maintaining and improving the publicly owned property, to the considerable benefit of adjacent residents.

In our effort to expand the side and rear yard program, we also sought to align the program's acquisition and disposition activities to the Citywide Vision articulated in Philadelphia2035. The Land Bank will require residents that seek to purchase or lease land to have an improvement plan in place that considers increasing tree coverage, access to green space, and storm water management capacity. Lastly, side yards must be consolidated to allow for an accessory use.

Further to ensure that side yards do not compete with our efforts to support infill housing opportunities in strong, high demand real estate markets, the Land Bank's side yard program will focus on disposing of land in areas where the median sales price of homes is \$75,000 or less. (See map 8 for 2016 eligible areas.) Ideal blocks have higher occupancy levels.



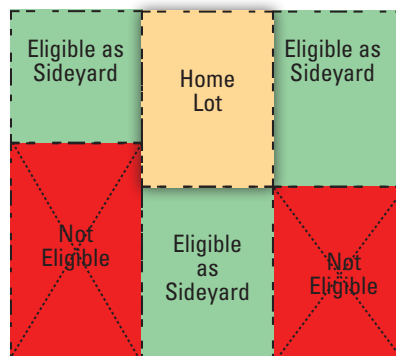
Recommendations for Improvements Based on City Codes and Adopted Plans

		Leasees*		Not Allowed	Owners		Not Allowed
		Must	May*		Must	May	
1	Basic Fencing Good fencing defines your side yard as private space while still maintaining a friendly appearance for neighbors and visitors. Even the most basic enclosures are subject to restrictions. Chain link fencing is not allowed on sideyards that are leased or purchased from the city.		✓		✓		
2	Grasses and Groundcovers (Low Vegetation) Grasses and groundcovers create welcoming play surfaces and reduce stormwater. At least 50% of the sideyard area must be maintained as grasses, groundcovers, or other pervious vegetation.	✓			✓		
3	Planter Boxes & Raised Beds Planter boxes and raised beds work in areas with poor soil and where contamination is suspected.		✓			✓	
4	Rain Barrels Rain barrels reduce stormwater run-off and provide irrigation.		✓			✓	
5	Accessory Structures Accessory structures such as storage sheds, do not require a building permit if they are less than 200sf. However, they still need to conform to size and placement requirements and may not be allowed until the lots are consolidated.		✓			✓	
6	Street and/or Yard Trees Street and yard trees provide shade, prevent erosion, and can be fruit bearing. Sideyard owners may provide a street and/or a yard tree if they are not already present. "Treephilly" makes a variety of trees available at no cost.		✓			✓	
7	Parking Parking on a sideyard is NOT allowed unless it is in accordance with the zoning code and has a legal curb cut per the requirements of the Streets Department			✗			✗

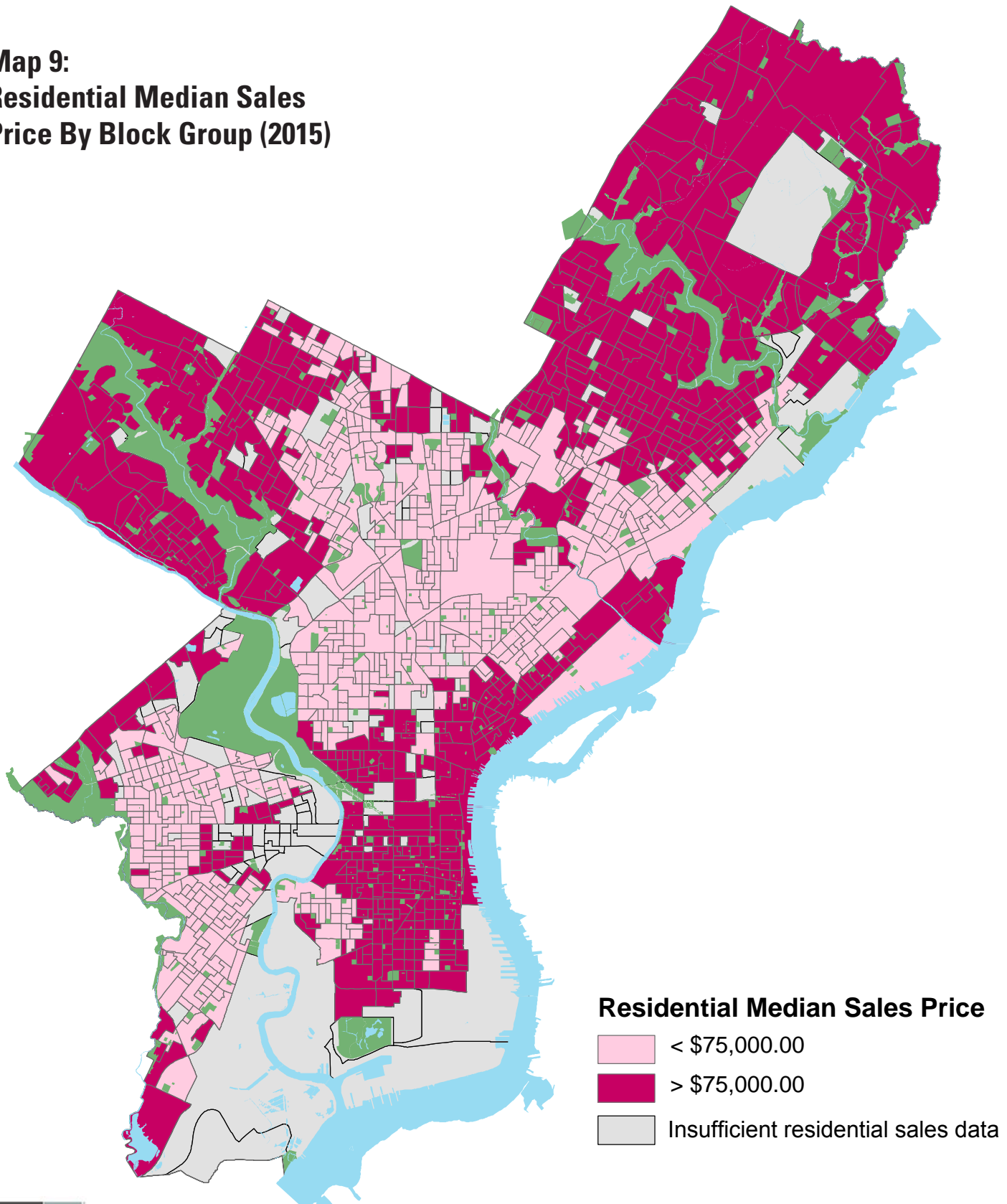
***Leasees must provide at least one improvement from the "May" category**

Which Lots Are Eligible to Become a Sideyard?

Side yards can be created from a lot next door which touches the residential lot either on the side or rear property lines. Lots which only touch one corner of the residential lot, lots which have only a partial property line in common and lots which are not adjacent to the residential lot may not be acquired through the sideyard program.



Map 9: Residential Median Sales Price By Block Group (2015)



Note: Areas available for the side and rear yard program will be updated annually and posted on the Land Bank website annually

0 0.5 1 2 3 4 Miles



Category IV. Housing and Mixed-Use Development

Goal/Public Purpose: Sustain Diverse Communities by Supporting Various Housing and Mixed Use Developments

Acquire land for the production of market rate, affordable and mixed income housing developments. To ensure Philadelphia neighborhoods continue to thrive and grow, the Land Bank will acquire and dispose of land that facilitates the production of a range of housing products. Many of Philadelphia's neighborhoods are stable while others are decreasing in value due to increasing blight or increasing in value due to significant demand. Where possible, the Land Bank will seek to be a means for leveraging and encouraging private investment in markets that are emerging, preserving rental and homeownership opportunities in rapidly appreciating markets and sustaining investment into stable markets. Towards that end we will strive to acquire and dispose of land for developments, in the following ranges:

70% of all acquisitions and 65% of all disposition activities will be for housing

20% of this will seek to supply housing for household at 30% or below of AMI

30% of this will seek to supply housing for households at 60% or below of AMI

25% of this will seek to supply housing for households at 120% or below of AMI

25% of this will seek to supply non-income restricted housing

As noted earlier in the report the demand for low-income and affordable housing continues to grow in Philadelphia. The Land Bank can be a tool for assembling land to support new developments, but since most developments require a combination of land, grants and financial resources, acquisition activities must also align with funding for projects. The Land Bank will seek to support projects that align to DHCD's efforts to further housing opportunities for low-income and protected classes under the federal Fair Housing Act. Proposed developments that leverage existing publicly owned land and/or have secured funding, will have a higher priority for acquisition.

The proposed Land Bank acquisition policy and strategy outlines a process by which low-income and affordable housing developers can seek assistance in assembling land for development. Working with DHCD, the City seeks to align areas of need with resources for producing subsidized housing and land available to support developments. The Land Bank will issue site specific RFPs for development and solicit requests for projects. The application process timing will also align to allow affordable housing developers to secure Commonwealth and other resources to finance the proposed development. Additionally, in strong and high-value neighborhoods the Land Bank will continue to support City Council's Workforce Housing Program, creating opportunities for low- to moderate-income households to buy and rent in neighborhoods that have significantly increased in sales prices.

Category V. Business Expansion Projects

Goal/Public Purpose:

Philadelphia's employment sector continues to grow by attracting and retaining new businesses and employment opportunities. The Land Bank seeks to be responsive to neighborhood-based commercial and industrial businesses seeking to expand at their existing location. Long term the Land Bank will seek to acquire land to implement strategy set forth in adopted neighborhood and district plans. The City's primary interactions with the business community is through the services offered by the Commerce Department and the Philadelphia Industrial Development Corporation. The Land Bank will work with these colleagues to assess the opportunity and respond to requests on an as-needed basis.

Category VI. Other Neighborhood Economic Development Projects

Goal/Public Purpose:

Investment into Philadelphia's neighborhoods to attract and provide new amenities for residents is also an important priority of the Land Bank. The Land Bank will work with public and private partners to respond to requests to support land assembly activities for a diversity of new social services, education, recreation and commercial amenities and investment. The Land Bank will provide land in support of financially viable projects that align to neighborhood plans and address a neighborhood need.

South Philadelphia Family Care Center



Image Source: VSBA.com, Accessed January 2017

Economic Impact

Assessing the Fiscal Benefits to the City of Philadelphia from Disposition of Properties by the Philadelphia Land Bank

Purpose:

The Land Bank began operating in the 2014 and has spent significant time to date developing structures, systems and processes for managing land transactions. The Land Bank was created to support a variety of housing and community investment activities, yet the financial plan for how to support and sustain these various demands remains unclear. To advance this public conversation and ground it in analysis, the Office of Planning and Development sought outside help to evaluate the public return for acquiring and disposing of land through the Land Bank compared to the benefits of sales to third parties through Sheriff's sales.

Though a generous grant provided by the Philadelphia Local Initiative Support Corporation (LISC), the team worked with Dr. Susan Wachter, Sussman Professor of Real Estate and Finance at The Wharton School and Econsult Solutions (ESI) to define the research questions and develop a financial modeling tool to evaluate the benefits. The model compares the estimated fiscal benefits to the City if it utilizes the Land Bank to acquire and strategically dispose of properties to the estimated fiscal benefits to the City if those same tax delinquent properties are sold to third parties through Sheriff's sales. The tool conservatively measures both the direct and indirect financial benefits in each scenario.

Methodology:

Building from ESI's 2010 Vacant Land study and published research finding of both Dr. Wachter and ESI, the model looks at the specific impact for a subset of tax delinquent properties identified by the City and the return on investment for the variety of proposed reuses. The model used Office of Property Assessment assessed values and recent sales transactions in 2015 and 2016. The analysis also drew from the Planning and Development Developer Services team's knowledge of the cost for construction, projected taxes and fees associated with various types of development in Philadelphia. The Department of Licenses and Inspections provided data on the cost of managing blight; including the annual expenditures for owning and maintaining lots as well as the public safety costs (fire, police and 311 complaints) associated with vacant property. The consultant team drew from prior research to estimate the economic impact on adjacent properties if redevelopment occurs and adjusted it based upon the anticipated reuse of the parcel.

The Summary Output (Table 8) shows the economic benefits under three different scenarios with the estimated Year 1 tax delinquent acquisition goals. The model can be adjusted to estimate the impact for any number of properties. The model aggregated data for 70 different neighborhoods, recognizing that the market conditions and the return on the investment vary considerably across the City. The number of properties, average lien value, and average OPA assessment values were aggregated for each neighborhood and can be adjusted as conditions change.

*Source: <http://www.econsultsolutions.com/report/vacant-land-management-in-philadelphia-the-cost-of-the-current-system-and-the-benefits-of-the-reform/>

Scenario 1:

The Land Bank has identified 269 properties for its initial acquisitions. The initial list of 269 properties was selected based on specific criteria as determined by the Land Bank and an anticipated end use. The criteria include, but are not limited to, parcels that: (a) are vacant of any structure, (b) where tax delinquency is at least three years old, (c) are near other publically owned or tax delinquent properties that could potentially be assembled for development, (d) are appropriate for side yards, (e) an eligible community garden or (f) responds to an existing businesses' need for expansion. Scenario I assesses the impact of acquiring and disposing of approximately 2,650 tax delinquent properties over five years.

Scenarios 2 and Scenario 3:

In Scenario 2 the Land Bank acquires and sells 1,000 properties in Year I and acquires and disposes of approximately 5,000 over 5 years. Scenario 3 assumes the Land Bank acquires and sells 2,000 properties in Year I and 10,000 properties over 5 years. In these scenarios, the exact parcels are not known. Therefore, the citywide average tax delinquency per parcel of \$6,454 is used. In addition, the delinquent parcels average lien value is a weighted average of the properties identified in Scenario 1.

Findings:

In Scenario I, the model found a significant upfront public return and cost savings for utilizing the Land Bank compared to third party sales from the Sheriff Sale process. This scenario projects estimated revenue of \$2.1 million and annual savings of approximately \$480,000 for the first ten years and \$524,000 from year 11 onward (this captures additional tax assessments after the abatement expires). This compares to revenue of approximately \$700,000 and annual cost savings of \$25,000 the first ten years and \$30,000 from year 11 onward.

The significant differences are primarily due to:

- a) The acquisition strategy focused on acquiring tax delinquent properties abutting publicly owned properties
- b) Land Bank redevelopment requirements (if land is purchased from Land Bank, the property must be developed within one year, properties acquired at sheriff sale do not have redevelopment requirements).

The upfront return and the long term benefits are significantly higher in all three cases (see Table 8).

Estimates for Scenario II: \$7.9 million upfront, \$2.1 million annual savings (years 1-10) and \$2.4 million annual savings (after year 11) compared to \$4.1 million upfront through the Sheriff's sale process alone and annual savings of \$102,000 in saving (year 1-11) and \$135,000 in savings (after year 11).

Estimates for Scenario III as \$15.8 million upfront, \$4.3 million annual savings (years 1-10) and \$4.8 million annual savings (after year 11) compared to \$4.1 million upfront through the sheriff sale process alone and annual savings of \$102,000 in saving (year 1-11) and \$135,000 in savings (after year 11).

Table 8: Economic Benefit Summary Output

<i>Sheriff Sale Process Alone</i>				<i>Sale through the Land Bank</i>			
Scenario 1				Scenario 1			
	Upfront	Annual Savings (years 1-10)	Annual Savings (after year 11)		Upfront	Annual Savings (years 1-10)	Annual Savings (after year 11)
In Year I: 269	\$708,767	\$25,070	\$30,139	Year I: 269	\$2,137,626	\$480,155	\$523,973
Scenario 2				Scenario 2			
	Upfront	Annual Savings (years 1-10)	Annual Savings (after year 11)		Upfront	Annual Savings (years 1-10)	Annual Savings (after year 11)
Year I: 1,000	\$4,172,479	\$102,976	\$135,179	Year I: 1,000	\$7,900,168	\$2,163,004	\$2,430,635
Scenario 3				Scenario 3			
	Upfront	Annual Savings (years 1-10)	Annual Savings (after year 11)		Upfront	Annual Savings (years 1-10)	Annual Savings (after year 11)
Year I: 2,000	\$8,344,957	\$205,952	\$270,357	Year I: 2,000	\$15,800,335	\$4,326,008	\$4,861,271

These analyses assume that 30 percent of the properties will be sold for market-rate development (including residential, mixed use or business expansions), 45 percent of the properties will be sold at a nominal fee for affordable housing, and the remaining 25 percent will be disposed of at a nominal fee for green space (side yards, community gardens and green space). These percentages can be changed in the model to reflect the organization's financial needs and the decisions by the Land Bank Board. The acquisition list attempts to balance the variety of needs and demand for housing as well as generate revenue to contribute to the organization's operating budget.

In Scenario I, we identified specific properties to input into the model. These parcels were reviewed and analyzed by PCPC neighborhood planners and reviewed with City Council to determine appropriate reuses. In Scenarios II and III, we relied on the citywide averages. The pace of redevelopment of the parcels required in Scenarios II and III and the location of these parcels will have a material effect on the monetary returns identified in these scenarios. If the Land Bank acquires and holds properties for significant periods of time, the economic benefits will not be as significant.

Estimated Operating Cost

We also assessed the cost for expanding the Land Bank's operations. Utilizing the current year's operating budget of \$3.6 million, the team assessed how the entity would need to grow to process, manage and maintain the significant increase in the inventory of land under its purview. Table 9 shows the estimated annual budget cost.

Table 9: Annual Budget Costs to Achieve Moderate, Aggressive or Ambitious Five-Year Goals

	Scenario I: Moderate	Scenario II: Aggressive	Scenario III: Ambitious
	Acquisition of 9,377 properties and disposition of 1,345 properties.	Acquisition of 14,377 properties and disposition of 5,000 properties.	Acquisition of 24,377 properties and disposition of 10,000 properties.
Expenses			
Salaries and Benefits	\$2,027,500	\$2,316,302	\$2,570,524
Purchase of Services	\$400,000	\$470,588	\$517,647
Materials & Supplies	\$25,100	\$29,529	\$32,482
Equipment	\$8,800	\$28,800	\$30,800
IT Services	\$295,600	\$354,720	\$369,500
Real Estate Transaction Cost	\$710,000	\$2,730,769	\$5,461,538
Property Maintenance Cost	\$2,008,800	\$2,800,000	\$4,000,000
TOTAL ANNUAL BUDGET COSTS	\$5,475,800	\$8,730,709	\$12,982,492
Budget Narrative	Assumes current staffing (17 people), maintenance of 2,161 properties in addition to 350 new properties. The proposed staffing level and budget can support the acquisition of approximately 325 properties annually and the disposition of approximately 420 properties annually.	Assumes an annual budget for 20 people and maintenance of 3,500 properties. The proposed staffing level and budget can support the acquisition of / disposition of 1,000 tax delinquent properties in addition to the transfer of publicly owned properties.	Assumes an annual budget for 22 people and maintenance of 5,000 properties. The proposed staffing level and budget can support the acquisition of /disposition of 2,000 tax delinquent properties in addition to the transfer of publicly owned properties.
Assumptions			
Per Property Real Estate Cost	\$2,730.77	Note: The Vacant Property Review Committee is included within the budget.	
Per Employee Materials and Supplies	\$1,476.47		
Per Property Maintenance Cost			
25% of acquisitions are vacant structures average cost of \$750 per parcel (sealing, demolition and remediation as required)	\$750.00		
Insurance Per Property cost (structures/lots)	\$175.00		
75% of acquisitions are vacant land \$250 per parcel (includes improvements, mowing and land care annual cost)	\$250.00		
Per Employee Purchase of Services	\$23,529.41		

Conclusion: Carving a Path

Recognizing that the Land Bank is still acquiring land from the various public landholding agencies, has limited resources in the FY17 budget for property maintenance, and has less insight into the ability to quickly acquire and redevelop properties at the scale proposed in Scenarios II and III, this plan proposes a trajectory of growth that is based upon Scenario I. Scenario I demonstrated incremental growth for the entity and annually increases its production numbers for dispositions, while still prioritizing the acquisition of private tax delinquent land that has an intended end use, was vetted by multiple public and private partners and addresses blighted properties that are negatively impacting existing neighbors. Scenario 1 also assumes full consolidation of all public land into the Land Bank in five years. The public return is significant in Scenario I. We did not measure but recognize each of the redevelopment uses has additional public benefits to the City and its residents. Land for affordable housing, increases the opportunity that low-income families can afford to live in healthy and safe homes. Side yards can provide needed open space and an amenity to residents living in densely populated parts of Philadelphia, while community gardens and farms offer places for residents to socialize, exercise, and produce locally-grown produce.

The adoption of a more conservative approach to growth allows staff to adapt and respond to changing economic conditions and new opportunities. In Year I, acquisition activities are focused on vacant land, while in the later years we are assuming acquisitions are a mix of vacant land and buildings. This will require additional resources, skills and planning to ensure the Land Bank is a positive influence on neighborhoods.

In 2016-17, the Land Bank's low-income and affordable housing activities will be driven to create new opportunities for low-income housing in stronger markets. This aligns the work of the Land Bank with the various needs and challenges identified as part of the Affirmatively Furthering Fair Housing plan. In addition, the Land Bank intends to work with DHCD to solicit requests for properties to support low-income and affordable housing projects that respond to developer demands. These two complementary approaches will assist in expanding the low-income and affordable housing opportunities desperately needed in Philadelphia.

As noted throughout this Plan, the strategies propose to decrease the public inventory of vacant land and improve the use of existing publicly owned land in the interim when additional planning is necessary to determine the highest and best outcome for both the City and existing neighborhoods.

Appendix 1. Aquisition Policies

Overview

The Philadelphia Land Bank (Land Bank) is a tool for the City of Philadelphia and its community and economic development partners to reactivate vacant properties. The Land Bank will use its powers to:

- Activate vacant land
- Support low income and affordable housing developments
- Make side and rear yards available to abutting property owners
- Increase public open spaces and community gardens
- Assist businesses to expand
- Support community and economic development projects

Strategically acquiring privately owned, vacant tax delinquent properties will support these goals. The acquisition processes and policies are consistent with the disposition policies of the land-holding agencies. Entities and individuals seeking assistance from the City on the various land acquisition categories must meet the terms of the corresponding disposition policy.

Land Bank Acquisition Criteria and Processes

The Land Bank has identified six categories of potential acquisitions for its 2016-2020 five-year plan. In the case of side yards, gardens or business expansions, all individuals and entities requesting the Land Bank to acquire property must meet Land Bank disposition requirements. The Land Bank cannot acquire parcels that are in a payment agreement, sequestration, or are included in a bankruptcy. Where a third party owns the public lien, if applicant resolves this issues independently, properties can be considered for acquisition.

Category I: Opportunity Sites

Goal/Public Purpose: Identify properties in active and emerging real estate markets to support redevelopment activity. Reuse strategies for these parcels include side yards, affordable, workforce, and market rate housing, commercial development and community amenities. Properties that are able to be combined into a larger parcel with adjacent properties that are either publicly owned or privately owned and tax delinquent will be prioritized.

Properties for Opportunity Sites are:

- Vacant lots in the L+I vacancy database
- In strong, active real estate markets or markets in transition
- More than \$2,000 delinquent (total between taxes and L&I violations; tax delinquent-only properties must be at least three years delinquent)

Steps to acquire properties:

1. Identify properties that meet the above criteria
2. Assess property reuse potential with Philadelphia City Planning Commission (PCPC) and external stakeholders
3. Explore with Departments of Revenue, Finance, and L+I costs and benefits of potential tax collection compared to potential reuse
4. Secure agreement by District Council person to pursue property for intended program outcome
5. Secure approval from Philadelphia School District to waive tax liens
6. Certify properties for sheriff's sale process

Category II: Side and Rear Yards Requests

Goal/Public Purpose: Transfer properties to current abutting property owners to promote community investment, reduce on-going maintenance costs to the city and promote block cohesiveness.

Side and rear yard requests will be considered if:

- Median sales price of homes in the census block group is less than \$75,000
- The requestor owns and lives in the abutting property
- The property sought is not abutting a publicly owned parcel or other tax delinquent parcel that contributes to an assemblage for development
- The property sought is tax delinquent for more than three years or has public liens; the total amount owed is more than \$800

The Land Bank will only seek to acquire side yards for property owners that can commit to maintaining the property up to City code standards and able to pay taxes on the acquired property. The Land Bank staff will also evaluate and consider area conditions and needs in evaluating sites, including the overall level of occupancy and vacancy on the block.

Exceptions to the median sales price criteria will only be considered for long time owner-occupied property owners (more than 7 years and continuous occupancy) that have improved the vacant, tax delinquent parcel and are currently maintaining it.

Steps:

1. Determine if the property owner and the requested property meet the criteria above
2. Review assessment with City Council
3. Explore with Departments of Revenue and Finance costs and benefits of potential tax collection compared to potential reuse
4. Secure approval from Philadelphia School District to waive tax liens
5. Certify properties for sheriff's sale process

NOTE: The Land Bank's disposition policies allow certain properties to be conveyed for a yard at nominal value. As a result, the cost of acquiring a yard may exceed any revenue received from the "sale." The Land Bank can support homeowners in eligible areas who can absorb all costs for acquisition. Assisted acquisitions are subject to the availability of funding, established annually through the budget process.

Category III: Business Expansion Requests

Goal/Public Purpose: Attract and retain business and employment opportunities.

Business expansion acquisition requests will be considered if:

- The existing business is operational and seeking to expand to adjacent parcel of land
- The land or building is currently vacant and not being maintained by the current property owner
- The parcel has public liens in the form of tax delinquency or code enforcement of at least \$2,000
- The proposed use aligns to existing uses of the property
- Business owner covers all expenses for acquisitions and pays fair market value for the parcel of land

Steps:

1. Respond to requests as they are submitted
2. Coordinate with PCPC (and external stakeholders, if appropriate) to determine if the proposed use is compatible with surrounding uses
3. Work with underwriting team to ensure the business has capacity and financial resources to acquire and redevelop property (ies)
4. Explore with Departments of Revenue and Finance costs and benefits of potential tax collection compared to potential reuse
5. Secure agreement by District Council person to pursue property for intended program outcome
6. Secure approval from Philadelphia School District to waive tax liens
7. Certify properties for sheriff's sale process

Category IV: Affordable Housing Development Opportunities

Goal/Public Purpose: Support the Department of Housing and Community Development (DHCD) to address the need for safe, healthy and affordable housing opportunities. Affordable housing generally serves households below 80 percent of the area median income (AMI) and may be additionally restricted to serve low-income households at 50 percent of AMI.

In 2016-17, DHCD and Land Bank will issue a joint site-specific RFP for the development of affordable housing and a second to low-income and affordable housing developers to acquire land for additional development sites.

Sites for affordable housing developments will be considered using the following criteria:

- Projects that leverage existing publicly owned land
- Proposed projects consistent with existing neighborhood and district plans and proposing a strategic and appropriate reuse, as determined by the PCPC
- Projects that align to DHCD's efforts to further housing opportunities for low-income and protected classes under the federal Fair Housing Act. Providing new opportunities for housing in areas of greatest need, and in areas considered to provide low-income households opportunities to increase access to educational options, transportation, job centers or recreation and park facilities.

Steps:

1. DHCD will identify priority areas for potential affordable housing and resources to support projects
2. DHCD and the Land Bank will release Requests for Proposals for potential developments anticipated to produce new units between 2018-2022
3. Explore with Departments of Revenue and Finance costs and benefits of potential tax collection compared to potential reuse
4. Secure agreement by District Council person to pursue property for intended program outcome
5. Secure approval from Philadelphia School District to waive tax liens
6. Certify properties for Sheriff's sale process

NOTE: The acquisition of properties through the Land Bank for the development of affordable housing should not be construed as automatic support for public funding for a project. All funding requests will continue to be addressed through the City's competitive RFP processes.

Category V. Gardens and Open Space

Goal/Public Purpose: Encourage community building, socialization, education, recreation and food production activities through community gardening.

Properties will be considered for community gardens if:

- The applicant is a nonprofit with regular board meetings
- The applicant has continuously gardened on the property for the previous five years or has at least 5 years of experience in a community garden
- The Neighborhood Garden Trust, Pennsylvania Horticultural Society or a similar entity has determined the applicant has the capacity to maintain, improve and insure the property
- The City Planning Commission staff has deemed the garden to be a neighborhood asset
- Properties in areas of the city lacking access to permanent open spaces will receive priority

Steps:

1. The Land Bank, in cooperation with external advocates and stakeholders, will identify areas of the City where new gardens achieve a greater public purpose
2. The applicant must demonstrate how gardening on the site will eliminate blight, increase access to fresh produce for low-income residents and foster neighborhood cohesion and sense of community
3. Explore costs and benefits of potential tax collection compared to potential reuse with Departments of Revenue and Finance
4. Secure agreement by District Council person to pursue property for intended program outcome
5. Secure approval from Philadelphia School District to waive tax liens
6. Certify properties for sheriff's sale process

Category VI. Other Neighborhood and Economic Development Reuses

Goal/Public Purpose: To support neighborhood revitalization strategies that provide new or expanded social services, education, recreation and commercial amenities and investment.

Other Neighborhood and Economic Development reuses will be considered if:

- Proposed use and location aligns to a stated community need in a neighborhood or district plan.
- Proposed development has secured resources to acquire the land from the Land Bank at fair market value and has funding and organizational capacity to develop the proposed project.
- Each parcel has more than \$800 tax delinquency and public liens and abuts publicly owned land that will also be acquired as part of the redevelopment plan.

Steps:

1. Respond to requests as they are submitted
2. Coordinate with City Planning Commission (and external stakeholders, if appropriate) to determine if the proposed use is compatible with surrounding uses
3. Work with underwriting team to ensure the applicant has capacity and financial resources to acquire and redevelop property(ies)
4. Explore with Departments of Revenue and Finance costs and benefits of potential tax collection compared to potential reuse
5. Secure agreement by District Council person to pursue property for intended program outcome
6. Secure approval from Philadelphia School District to waive tax liens
7. Certify properties for sheriff's sale process

Appendix 2: Methodology and Assumptions of the Economic Impact Model

Property Disposition through Land Bank

The Land Bank has proposed three different property disposition strategies, which are accounted for in the analysis:

- Market rate development (including residential, mixed-use or business expansions)
- Subsidized development (affordable housing), and
- Green space (side yards, community gardens and green space).

The default model assumed that 30 percent of the properties will be sold for market rate development, 50 percent of the properties will be sold at a nominal fee for affordable housing, and the remaining 20 percent will be for green space. These percentages can be changed in the model to reflect financial needs and land use decisions by the Land Bank.

Property Disposition through Sheriff Sale

There are three different results assumed through the Sheriff Sale process.

- First, it is assumed that of all the properties that enter the Sheriff Sale process, the tax delinquency of 60 percent are resolved. There is no assumption or methodology included for one-time payments versus payment agreements. Data were unavailable for this measure; this is an estimate and can be changed in the model.
- Second, it is assumed that 25 percent of the properties sell at Sheriff Sale. Data were unavailable for this measure; this is an estimate and can be changed in the model.
- Third, it was assumed of the properties selected, 12 percent will be re-developed in a reasonable time. The proportion is based on the number of properties sold at Sheriff Sale that then had building permits issued. To note, the proportion that then had Certificates of Occupancy issued was only three percent. This value can be changed in the model.

Fiscal Impacts

The model compares the fiscal impacts benefits to the City of Philadelphia from land disposition through the Land Bank as compared to selling tax delinquent parcels at Sheriff Sale.

Cost and gains to the Land Bank:

- Direct one-time cost: \$1,200 per parcel for acquisition
- Direct benefit to Land Bank: revenue from the sale of parcels for market-rate development

Fiscal benefits from Sheriff Sale

- Direct benefit to the City: delinquent real estate tax revenues recovered from the Sheriff Sale.

Fiscal benefit to City when properties sell at the Sheriff Sale or if Property sells after the Land Bank acquires it for redevelopment.

- Upfront revenues to the City: Real estate transfer tax; recording fees; wage, BIRT, and sales tax from construction; permitting and fees from construction
- Ongoing revenues to the City: cost savings on property maintenance of vacant lots by the City; real estate tax on the unimproved portion of the property assessment; real estate tax of increased assessment; after 10-year abatement, increase in real estate tax on surrounding properties.

Data Sources

Inputs in the model come from the following data sources:

- 1) A list of 269 Land Bank-identified properties, which includes their tax delinquency amounts and OPA market value.
 - a. This data provided the number of parcels of interest, neighborhood of location, real estate tax delinquency amount, and OPA assessment value (which was also used as a proxy for initial value of sales from the Land Bank)
- 2) The average parcel delinquency for the city of \$6,454 was used in Scenarios 2 and 3 where specific properties have not yet been identified. Once specific properties are known, their data can be input to the model.
- 3) Current city tax rates, recording fees and average permit fees for new construction.
- 4) The Land Bank provided preliminary development proportions for how it intends to develop parcels: market rate (30%), subsidized (affordable) development (50%), or green space (20%).
- 5) A comparison of properties sold at Sheriff Sale that then had building permits pulled. This revealed that 12 percent of properties sold at Sheriff Sale had building permits pulled.
- 6) ESI assumptions where data were unavailable including the proportion of tax delinquencies resolved because of Sheriff Sale (60%) and the proportion of properties selected for Sheriff Sale that sell at the sale (25%).
- 7) ESI's 2010 Vacant Land study, which can be found at: <http://www.econsultsolutions.com/report/vacant-land-management-in-philadelphia-the-cost-of-the-current-system-and-the-benefits-of-the-reform/>.

Note: The 2010 study was used as a baseline for the fiscal benefit from construction on new parcels, the increase in surrounding property value, and the cost to the City to maintain vacant parcels. The cost to maintain vacant parcels citywide in the study was approximately \$20 million. Based on updated L&I, CLIP, and Fire Department data, that number was increased to \$40 million citywide.

8) The neighborhood current average value is the value of a new residential home sale as compared to older home sales for each of the 70 neighborhoods. For the neighborhood boundaries ESI used neighborhood boundaries created by Neighborhood Information Services in the Cartographic Modeling Lab, University of Pennsylvania. <http://www.cml.upenn.edu/nis>. This was used to adjust the property value impact of new development in each neighborhood.

Computing Estimation of Land Bank Fiscal Benefits to the City of Philadelphia:

There are five factors in the model:

- Assumptions
- Inputs
- Outputs
- Summary Outputs
- Lien Values for NBHD (Neighborhood)

Assumptions Tab

This tab includes the assumptions for percentages and values that inform the rest of the report, along with their sources. Values in this tab can be changed and will flow through the model's calculations.

Inputs Tab

The inputs tab includes the list of 70 Philadelphia neighborhoods and additional inputs used in the calculations.

The inputs tab breaks out different inputs for each of the three capacity scenarios. The inputs and their sources include:

For each scenario, the following four columns can be changed and updated. Until specific properties are identified for Scenarios 2 and 3, the values per neighborhood are zero and the results are based on citywide averages.

- Number of Parcels
- Average Tax Delinquency (Land Bank)
- Average of Minimum of Delinquency and Assessed Value (Land Bank)
- Average Assessed Value (Land Bank)

Composition of Development with Land Bank columns – these are the proportions for intended development: market-rate, subsidized (affordable or workforce housing), and green space. Currently it is assumed the same proportions of development occur citywide and these values come from the Assumptions Tab. However, these can be changed by neighborhood based on the Land Bank’s development priorities at any given time in the Inputs Tab and can be different for each scenario.

Sheriff Sale Impact columns - Currently it is assumed the same proportions of Sheriff Sale results occur citywide and these values come from the Assumptions Tab. However, these can be changed by neighborhood based on more precise information at any given time in the Inputs Tab.

Impact Factors and Effects columns – these are calculations and assumptions used throughout the model to account for differences across neighborhoods real estate markets and the impacts from Land Bank development.

- **Impact to City Greened Parcels** - This is the assessed value of turning vacant properties into green space. The value is an assumption and is currently set at one percent citywide since some of the green space will be side yards as compared to community gardens and the impact is across the neighborhood and not only the immediately adjacent properties. The value comes from the Assumptions Tab. However, these can be changed by neighborhood based on different information at any given time in the Inputs Tab.
- **Neighborhood Adjustment** – This calculation compares OPA assessed value across the city to the average OPA value in each neighborhood. This adjusts the citywide per parcel estimate of increases in property value from remediating blighted, vacant land.
- **Land Bank Price Adjustment** – This is an assumption that due to the strategic efforts of the Land Bank to assemble and sell parcels, parcels sold for market-rate development value is that much higher than the OPA value, which is used as a proxy for initial sale value. The value comes from the Assumptions Tab and is currently set at ten percent. However, these can be changed by neighborhood based on different information at any given time in the Inputs Tab.
- **Value Adjustment of New Property versus Average Property in Neighborhood** – This calculation compares the average current housing sales prices of new homes versus older homes. This assumption is that newer homes will have a higher property value impact as compared to the older homes already in those neighborhoods. This is used to estimate the new assessed value of properties that are market-rate development that feeds into the estimate of real estate taxes on improvements gained after the ten year tax abatement.

Outputs Tab

The outputs tab contains the calculations by neighborhood that determine the financial benefits for each of the three scenarios. This tab is all calculations with values coming from the Assumptions and Inputs Tab. The per parcel calculations are on the top half of the tab and the results of Sheriff Sale and Land Bank disposition, by neighborhood, by scenario are on the lower half of the tab. The bottom half of the tab first shows the results of Sheriff Sales, then Land Bank-directed market-rate development, affordable housing development, and green space respectively.

The neighborhood columns for Scenarios 2 and 3 are set up so that if specific property data are known and entered into the Inputs tab, the results will flow through the model and no adjustments are needed to override the current citywide average calculations being used for those two scenarios.

Summary Outputs Tab

The Summary Outputs tab aggregates the neighborhood results of Sheriff Sales compared to the Land Bank-directed development as calculated in the Outputs tab. The results are shown as upfront, Year 1 and Year 11 (end of ten year real estate tax abatement). Results for Scenarios 1, 2, and 3 are on this tab. Changing data on the Assumptions and Inputs tabs will change the results on the Summary Output Table.

TRANSLATING CITYWIDE ESTIMATES OF THE IMPACT OF VACANCY INTO PER-PARCEL AVERAGES

A	Assumptions	Value	Data Source
	# Vacant parcels	43,000	City
	# Tax Delinquent Vacant Parcels	20,401	City
	# Parcels developed	680	2010 Report
	Average Citywide OPA Assessment - residential	\$141,223	City data
	% of Parcels Tax Delinquency Resolved thru Sheriff Sale	60%	ESI Assumption
	% of Parcels Sold at Sheriff Sale	25%	ESI Assumption
	% of Parcels Re-developed due to Sheriff Sale	12%	City Sheriff Sale and Permit Data
	% of Parcels sold for market rate development through Land Bank	30%	Land Bank
	% of Parcels sold for affordable housing development through Land Bank	50%	Land Bank
	% of Parcels sold for green space through Land Bank	20%	Land Bank
	% increase in surrounding property values due to green space	1%	ESI Assumption
	% value increase due to Land Bank strategic selection and sale	10%	ESI Assumption
B	Tax Information	Value	Data Source
	Realty Transfer Tax Rate (assumes only public share)	3%	City
	City Real Estate Tax Rate	0.63%	City
	Real Estate Tax Abatement length	10	City

TRANSLATING CITYWIDE ESTIMATES OF THE IMPACT OF VACANCY INTO PER-PARCEL AVERAGES (CONTINUED)

C	Scenarios	Scenario 1	Scenario 2	Scenario 3	
	Number of Properties	269	1,000	1,500	
	Properties Identified	Yes	No	No	
	Use Citywide Averages for All Calculations	No	Yes	Yes	
	Average Citywide Principal Delinquency		\$3,251	\$3,251	
	Average Citywide Total Delinquency		\$6,454	\$6,454	
D	Impacts from Remediation (All Properties)	Citywide (\$M)	Time Period	Per Parcel	Data Source
	Cost to City for Land Bank to purchase property			\$1,200	Land Bank
	City no longer bears added expense of maintaining vacant parcels	\$40.0	ongoing	\$930	2010 Report updated with new data on L&I, CLIP, and Fire costs related to vacant parcels
	City gains property taxes because houses not diminished by proximity to vacancy	\$50.0	ongoing	\$1,163	2010 Report
E	Impacts from Redevelopment (Market)	Citywide (\$M)	Time Period	Per Parcel	Data Source
	Permit and fee revenues from construction		upfront	\$3,495	City
	Recording fee from all transactions		upfront	\$252	City
	Tax revenues from construction (BIRT, Sales, Wage - direct & indirect)	\$1.9	upfront	\$2,794	2010 Report
F	Impacts from Redevelopment (Subsidized)	Citywide (\$M)	Time Period	Per Parcel	Data Source
	Realty transfer tax base is assumed to be 1/2 of current OPA assessment		upfront	100%	ESI assumption
	Recording fee from all transactions		upfront	\$252	City
	Permit and fee revenues from construction		upfront	\$3,495	City
	Tax revenues from construction (BIRT, Sales, Wage - direct & indirect)	\$1.9	upfront	\$2,794	2010 Report
	Real Estate Tax from Affordable Development	\$0.0	ongoing	\$0	ESI - assume non-profit developers
G	Impacts from Redevelopment (Green Space)	Citywide (\$M)	Time Period	Per Parcel	Data Source
	Realty transfer tax base is assumed to be 1/2 of current OPA assessment		upfront	100%	ESI assumption
	"Recording fee from all transactions (model assumes 1/2 of green space lots recording fee waived for side yards)"		upfront	\$252	City
	Real Estate Tax from Green Space	\$0.0	ongoing	\$0	ESI - assume non-profit green space, side yards will be minimal

INPUTS

Neighborhood	Parcel Data - Scenario 1				Composition of Development with Land Bank - Scenario 1			
	Number of Parcels	Average Tax Delinquency (Land Bank)	Average of Minimum of Delinquency and Assessed Value (Land Bank)	Average As- sessed Value (Land Bank)	Percentage of Parcels that are Market Value	Percentage of Parcels that are Subsidized	Percentage of Parcels that are Green Space	Total Percentage
Allegheny West	0	-	-	-	30%	50%	20%	100%
Belmont	8	\$6,424	\$6,018	\$10,100	63%	0%	38%	100%
Brewerytown	0	-	-	-	30%	50%	20%	100%
Bridesburg	1	\$7,375	\$7,375	\$33,000	100%	0%	0%	100%
Bustleton	0	-	-	-	30%	50%	20%	100%
Byberry	0	-	-	-	30%	50%	20%	100%
Cedar Park	2	-	-	-	0%	0%	100%	100%
Center City East	0	-	-	-	30%	50%	20%	100%
Center City West	0	-	-	-	30%	50%	20%	100%
Chestnut Hill	0	-	-	-	30%	50%	20%	100%
Cobbs Creek	4	\$13,777	\$8,227	\$9,675	100%	0%	0%	100%
East Falls	1	\$0	\$0	\$56,000	30%	50%	20%	100%
East Germantown	0	-	-	-	30%	50%	20%	100%
East Mount Airy	0	-	-	-	30%	50%	20%	100%
East Oak Lane	0	-	-	-	30%	50%	20%	100%
Eastwick	7	\$12,594	\$12,594	\$37,843	30%	50%	20%	100%
Elmwood	0	-	-	-	30%	50%	20%	100%
Fairhill	19	-	-	-	0%	0%	100%	100%
Fairmount	2	\$11,748	\$11,748	\$27,700	50%	0%	50%	100%
Fishtown	2	\$1,892	\$1,892	\$32,800	100%	0%	0%	100%
Fox Chase	0	-	-	-	30%	50%	20%	100%
Frankford	4	-	-	-	0%	0%	100%	100%
Germantown	0	-	-	-	30%	50%	20%	100%
Girard Estates	0	-	-	-	30%	50%	20%	100%
Grays Ferry	0	-	-	-	30%	50%	20%	100%
Haddington	2	\$9,144	\$6,750	\$18,750	0%	50%	50%	100%
Harrowgate	9	-	-	-	0%	0%	100%	100%
Hartranft	26	\$7,749	\$4,072	\$5,450	8%	69%	23%	100%
Holmesburg	0	-	-	-	30%	50%	20%	100%
Hunting Park	4	-	-	-	0%	0%	100%	100%
Juniata Park	0	-	-	-	30%	50%	20%	100%
Kensington	21	\$6,731	\$6,731	\$18,038	71%	0%	29%	100%
Kingsessing	0	-	-	-	30%	50%	20%	100%
Lawncrest	0	-	-	-	30%	50%	20%	100%
Logan	0	-	-	-	30%	50%	20%	100%
Manayunk	9	\$0	\$0	\$38,256	30%	50%	20%	100%
Marconi Plaza	0	-	-	-	30%	50%	20%	100%
Mayfair	0	-	-	-	30%	50%	20%	100%
Mill Creek	2	\$12,782	\$2,100	\$2,100	100%	0%	0%	100%

North Central	18	\$3,784	\$3,444	\$7,039	11%	89%	0%	100%
Ogontz	0	-	-	-	30%	50%	20%	100%
Olney	0	-	-	-	30%	50%	20%	100%
Overbrook	6	-	-	-	0%	0%	100%	100%
Oxford Circle	0	-	-	-	30%	50%	20%	100%
Pennsport	2	\$3,886	\$3,886	\$10,750	0%	100%	0%	100%
Pennypack	0	-	-	-	30%	50%	20%	100%
Pennypack Park	0	-	-	-	30%	50%	20%	100%
Point Breeze	4	\$1,654	\$1,654	\$9,060	0%	100%	0%	100%
Poplar	10	\$7,097	\$6,752	\$13,040	80%	20%	0%	100%
Powelton	7	\$0	\$0	\$9,767	43%	0%	57%	100%
Rhawnhurst	0	-	-	-	30%	50%	20%	100%
Richmond	3	\$3,217	\$3,217	\$23,050	0%	0%	100%	100%
Riverfront	0	-	-	-	30%	50%	20%	100%
Roxborough	2	\$0	\$0	\$52,680	100%	0%	0%	100%
Schuylkill	1	-	-	-	0%	0%	100%	100%
Somerton	0	-	-	-	30%	50%	20%	100%
South Philadelphia	31	\$6,066	\$6,045	\$13,487	0%	48%	52%	100%
Strawberry Mansion	0	-	-	-	30%	50%	20%	100%
Tacony	0	-	-	-	30%	50%	20%	100%
Tioga	0	-	-	-	30%	50%	20%	100%
University City	2	\$6,941	\$6,941	\$27,450	50%	50%	0%	100%
West Kensington	58	\$5,322	\$3,720	\$4,148	31%	53%	16%	100%
West Mount Airy	0	-	-	-	30%	50%	20%	100%
West Oak Lane	0	-	-	-	30%	50%	20%	100%
West Torresdale	0	-	-	-	30%	50%	20%	100%
Wharton	1	\$11,527	\$11,527	\$61,700	100%	0%	0%	100%
Wissahickon Park	0	-	-	-	30%	50%	20%	100%
Wynnefield	1	\$4,347	\$4,347	\$18,200	0%	100%	0%	100%
Citywide	269				30%	50%	20%	100%

Glossary of Variables

Number of parcels	Number of properties proposed for the land bank within the neighborhood
Average Lien Value	Average of Lien Values on Land Bank Parcels
Average of Minimum of Lien and Market Values	Properties with liens greater than assessed value will not be able to sell for the lien. This value takes the minimum of each Land Bank property's Lien and Assessed Value, and averages for the neighborhood.
Average Assessed Value (OPA)	The average assessed value of all residential (Cat Code = 1) properties in the neighborhood.
Percentage of Parcels that are Market Value	Estimated percentage of parcels in a neighborhood that will be sold by the Land Bank at market value
Percentage of Parcels that are Subsidized	Estimated percentage of parcels in a neighborhood that will be sold at a subsidized rate
Percentage of Parcels that are Green Space	Estimated percentage of parcels in a neighborhood that would be converted into green space, including parks and community gardens
Percentage of Parcels Developed in Absence of a Land Bank	Estimated percentage of parcels in a neighborhood that would be purchased and developed if a land bank did not exist to hold and sell them
Neighborhood Adjustment	The ratio of the average assessed value of residential in a neighborhood compared to the average assessed value of residential properties in the city as a whole
Value adjustment of new property versus average property in neighborhood	The proportional adjustment to price of new construction versus housing at the average age of the neighborhood's housing stock.
Land Bank Price Adjustments	User-selected proportion for which the Land Bank can sell a property above the OPA market value.

Summary Outputs, Detailed

Land Bank Disposition Compared to Sheriff Sales Assumptions Used in the Model

November 7, 2016

Summary Outputs

Scenario 1 : 269 Properties

Sheriff Sale Process Alone	Uprfront	Annual Savings (years 1-10)	Annual Savings (after year 11)
Delq Real Estate Tax received from Sheriff	\$633,152		
Additional Fiscal to City			
Uprfront (RTT)	\$7,914		
Uprfront (Recording Fees)	\$16,947		
Uprfront (taxes from construction activity, BIF)	\$22,549		
Uprfront (permits and fees)	\$28,205		
Ongoing (reduction in maintenance costs)		\$7,507	\$7,507
Ongoing (unimproved property tax received from parcel)		\$10,810	\$10,810
Ongoing (property tax revenue after 10-year abatement)		\$5,069	\$5,069
Ongoing (increase in neighboring property values)		\$6,753	\$6,753
Total	\$708,767	\$25,070	\$30,139
Sale through the Land Bank	Uprfront	Annual Savings (years 1-10)	Annual Savings (after year 11)
Cost to the Land Bank to Acquire Properties		\$322,800	
Revenue to Land Bank from Sales to Market Rate		\$1,229,493	
Gain to City from Market Rate Development			
Uprfront (RTT)		\$33,532	
Uprfront (Recording Fees)		\$18,179	
Uprfront (taxes from construction activity, BIRT, &)		\$201,559	
Uprfront (permits and fees)		\$252,119	
Ongoing (reduction in maintenance costs)		\$67,104	\$67,104
Ongoing (unimproved property tax received from parcel)		\$7,061	\$7,061
Ongoing (property tax revenue after 10-year abatement)		\$43,818	\$43,818
Ongoing (increase in neighboring property values)		\$68,480	\$68,480
Gain to City from Subsidized Development (Affordable Housing)			
Uprfront (RTT)		\$30,636	
Uprfront (Recording Fees)		\$24,999	
Uprfront (taxes from construction activity, BIRT, &)		\$277,188	
Uprfront (permits and fees)		\$346,718	
Ongoing (reduction in maintenance costs)		\$92,283	\$92,283
Ongoing (unimproved property tax received from parcel)		\$0	\$0
Ongoing (property tax revenue after 10-year abatement)		\$0	\$0
Ongoing (increase in neighboring property values)		\$76,835	\$76,835
Gain to City from Green Space			
Uprfront (RTT)		\$21,394	
Uprfront (Recording Fees)		\$24,610	
Ongoing (reduction in maintenance costs)		\$90,846	\$90,846
Ongoing (increase in neighboring property values)		\$77,547	\$77,547
Total	\$2,137,626	\$480,155	\$523,973

Summary Outputs, Detailed

Land Bank Disposition Compared to Sheriff Sales
Assumptions Used in the Model

November 7, 2016

Scenario 2: 5,000 Properties						
Sheriff Sale Process Alone	Upfront	Annual Savings (years 1-10)	Annual Savings (after year 11)			
Delq Real Estate Tax received from Sheriff :	\$3,872,400			Annual Savings (years 1-10)	Annual Savings (after year 11)	
Sale through the Land Bank						
Cost to the Land Bank to Acquire Properties				\$1,200,000		
Revenue to Land Bank from Sales to Market Rate				\$3,498,801		
Gain to City from Market Rate Development						
Upfront (RTT)				\$95,422		
Upfront (Recording Fees)				\$75,600		
Upfront (taxes from construction activity: BIRT, se				\$838,235		
Upfront (permits and fees)				\$1,048,500		
Ongoing (reduction in maintenance costs)					\$279,070	\$279,070
Ongoing (unimproved property tax received from parcel)					\$20,093	\$20,093
Ongoing (property tax revenue after 10-year abatement)						\$267,632
Ongoing (increase in neighboring property values)					\$348,837	\$348,837
Gain to City from Subsidized Development (Affordable Housing)						
Upfront (RTT)				\$159,036		
Upfront (Recording Fees)				\$126,000		
Upfront (taxes from construction activity: BIRT, se				\$1,397,069		
Upfront (permits and fees)				\$1,747,500		
Ongoing (reduction in maintenance costs)					\$465,116	\$465,116
Ongoing (unimproved property tax received from parcel)					\$0	\$0
Ongoing (property tax revenue after 10-year abatement)					\$0	\$0
Ongoing (increase in neighboring property values)					\$581,395	\$581,395
Gains to City from Green Space						
Upfront (RTT)				\$63,615		
Upfront (Recording Fees)				\$50,400		
Ongoing (reduction in maintenance costs)					\$186,047	186,047
Ongoing (increase in neighboring property values)					\$282,446	282,446
Total	\$4,172,479	\$102,976	\$135,179	\$7,900,168	\$2,163,004	\$2,430,635

Summary Outputs, Detailed

Land Bank Disposition Compared to Sheriff Sales Assumptions Used in the Model

November 7, 2016

Scenario 3: 2,000 properties					
Sheriff Sale Process Alone	Upfront	Annual Savings (years 1-10)	Annual Savings (after year 11)	Sale through the Land Bank	
Delq Real Estate Tax received from Sheriff :	\$7,744,800			Upfront	Annual Savings (years 1-10)
Additional Fiscal to City					Annual Savings (after year 11)
Upfront (RTT)	\$96,810			\$2,400,000	
Upfront (Recording Fees)	\$126,000				
Upfront (taxes from construction activity: BIF	\$167,647				
Upfront (permits and fees)	\$209,700				
Ongoing (reduction in maintenance costs)		\$55,814	\$55,814		
Ongoing (unimproved property tax received from parcel)		\$90,371	\$90,371		
Ongoing (property tax revenue after 10-year abatement)			\$94,405		
Ongoing (increase in neighboring property values)		\$69,767	\$69,767		
	\$8,344,957	\$205,952	\$270,357		
Cost to the Land Bank to Acquire Properties					
Revenue to Land Bank from Sales to Market Rate				\$6,997,602	
Gain to City from Market Rate Development					
Upfront (RTT)				\$190,844	
Upfront (Recording Fees)				\$151,200	
Upfront (taxes from construction activity: BIRT, &				\$1,676,471	
Upfront (permits and fees)				\$2,097,000	
Ongoing (reduction in maintenance costs)					
Ongoing (unimproved property tax received from parcel)					
Ongoing (property tax revenue after 10-year abatement)					
Ongoing (increase in neighboring property values)					
				\$558,140	\$558,140
				\$40,185	\$40,185
				\$697,674	\$697,674
Gain to City from Subsidized Development (Affordable Housing)					
Upfront (RTT)				\$318,073	
Upfront (Recording Fees)				\$252,000	
Upfront (taxes from construction activity: BIRT, &				\$2,794,118	
Upfront (permits and fees)				\$3,495,000	
Ongoing (reduction in maintenance costs)					
Ongoing (unimproved property tax received from parcel)					
Ongoing (property tax revenue after 10-year abatement)					
Ongoing (increase in neighboring property values)					
				\$930,233	\$930,233
				\$0	\$0
				\$0	\$0
				\$1,162,791	\$1,162,791
Gains to City from Green Space					
Upfront (RTT)				\$127,229	
Upfront (Recording Fees)				\$100,800	
Ongoing (reduction in maintenance costs)					
Ongoing (increase in neighboring property values)					
				\$372,093	\$372,093
				\$564,892	\$564,892
Total	\$8,344,957	\$205,952	\$270,357	\$15,800,335	\$4,861,271

Appendix 3: Performance Report

In its 2015 Strategic Plan the Land Bank set some ambitious goals, and it is well on its way toward meeting most of them.

The most important goal was to bring land into the Land Bank from other public agencies. The Land Bank set a target of 2,000 properties in 2016. As of Dec. 1, nearly 1,600 properties had been transferred to the Land Bank from the other land-holding agencies. Another 620 properties are in the pipeline to be transferred.

The Land Bank also set a goal to convey 250 properties to new owners. In the first nine months of 2016, staff working for the Land Bank and the Redevelopment Authority sold 195 properties, putting the Land Bank and the City on track to meet this goal as well.

The Land Bank set a goal to acquire 250 properties through tax foreclosure in 2016. Through the first nine months of the year, the Land Bank acquired 16 properties. (See Table 8 for a list of properties acquired.) More than 325 additional properties are under review by a team of Land Bank, Revenue and Finance department staff to identify additional parcels appropriate for acquisition.

The Land Bank had a number of other accomplishments in 2016.

The Land Bank issued three Requests for Proposals for workforce housing. These homes, targeted to middle-income families, will help preserve affordability in the appreciating neighborhoods of Francisville, Point Breeze and West Poplar.

The Land Bank cleaned and greened nearly 400 properties. It also removed dangerous trees on two properties and stabilized dangerous structures on two properties.

The Land Bank is reviewing more than 500 requests to purchase properties. Many of these requests were for some of the Land Bank's most desirable properties and will be addressed through a competitive bidding process. Requests were to acquire properties for housing, business development, side yards and community gardens.

Finally, the Land Bank has identified 42 properties that it is holding for future development (see Table 9).

Following a productive 2016, the Land Bank is looking forward to even more accomplishments in 2017.

Land Bank 2016 Milestones

- 1600+ properties acquired
- 195 properties sold
- 400 properties cleaned & greened
- 3 workforce housing RFPs issued
- 500+ purchase requests under review

1) Because the properties that came into the Land Bank inventory did not yet have anyone who had expressed interest in purchasing them, all of the dispositions in the first three quarters of 2016 were properties in the inventory of other agencies that were processed by Land Bank and Redevelopment Authority staff.

2) Cleaning and greening took place through a contract with the Pennsylvania Horticultural Society.

Table 8: List of All Properties Acquired by the Land Bank at Sheriff's Sale

Count	FY Acquired	Property Address	Date Acquired	Proposed End Use
1	2015-16	1213 N Etting St	5/24/2016	Workforce Housing
2	2015-16	1330 N Marston St	5/24/2016	Workforce Housing
3	2015-16	1332 N Marston St	5/24/2016	Workforce Housing
4	2015-16	1334 N Marston St	5/24/2016	Workforce Housing
5	2015-16	1336 N Marston St	5/24/2016	Workforce Housing
6	2015-16	1409 N 28th St	5/24/2016	Workforce Housing
7	2015-16	1426 N Marston St	5/24/2016	Workforce Housing
8	2015-16	1444 N 27th St	5/24/2016	Workforce Housing
9	2015-16	1448 N 27th St	5/24/2016	Workforce Housing
10	2015-16	1450 N 27th St	5/24/2016	Workforce Housing
11	2015-16	1455 N 28th St	5/24/2016	Workforce Housing
12	2015-16	2700 W Cabot St	5/24/2016	Workforce Housing
13	2016-17	2346 N 21st St	8/17/2016	Workforce Housing
13	2016-17	2346 N 21st St	8/17/2016	Workforce Housing
14	2016-17	1443 N Marston St	8/17/2016	Workforce Housing
15	2016-17	1445 N Marston St	8/17/2016	Workforce Housing
16	2016-17	4731 Duffield St	5/24/2016	Economic Development

Table 9: Properties requested held or reserved at the Land Bank

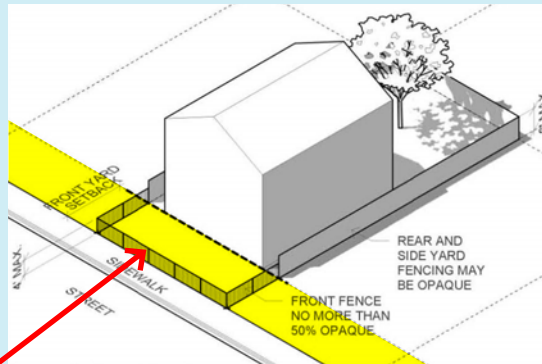
Count	Location	Current Use	Term of Hold/Proposed Next Step
1	1517 S Capitol St	Existing Garden	TBD/Discuss Conveyance or Licence Agreement
2	2514-16 N 11th St	Existing Garden	TBD/Discuss Conveyance or Licence Agreement
3	2614 N Sartain St	Existing Garden	TBD/Discuss Conveyance or Licence Agreement
4	2950 N Sydenham St	Existing Garden	TBD/Discuss Conveyance or Licence Agreement
5	702 Cantrell St	Existing Garden	TBD/Discuss Conveyance or Licence Agreement
6	2816 N Orkney St	Existing Garden	TBD/Discuss Conveyance or Licence Agreement
7	158 W Wyoming Ave	Existing Garden	TBD/Discuss Conveyance or Licence Agreement
8	1675 Orthodox St	Existing Green Space	TBD/Discuss Conveyance or Licence Agreement
9	1677 Orthodox St	Existing Green Space	TBD/Discuss Conveyance or Licence Agreement
10	1679 Orthodox St	Existing Green Space	TBD/Discuss Conveyance or Licence Agreement
11	1716 S Taylor St	Existing Green Space	TBD/Discuss Conveyance or Licence Agreement
12	2257 Hope St	Existing Side Yard	Discuss adjacent owner's use of property
13	2046 Martha St	Existing Side Yard	Discuss adjacent owner's use of property
14	1712 N 42nd St	Proposed Garden	Discuss with applicant use of lot for garden
15	1708 N 42nd St	Proposed Garden	Discuss with applicant use of lot for garden
16	1700 N 42nd St	Proposed Garden	Discuss with applicant use of lot for garden
17	518 Master St	Vacant Lot	Workforce Housing RFP
18	1153 S Sydenham St	Vacant Lot	Workforce Housing RFP
19	625 N 11th St	Vacant Lot	Workforce Housing RFP
20	637 N 13th St	Vacant Lot	Workforce Housing RFP
21	869 N 20th St	Vacant Lot	Workforce Housing RFP
22	845 N 16th St	Vacant Lot	Workforce Housing RFP
23	1153 S Sydenham St	Vacant Lot	Workforce Housing RFP
24	1602 Willington St	Vacant Lot	Workforce Housing RFP
25	1533 Latona St	Vacant Lot	Workforce Housing RFP
26	1418 N Marston St	Vacant Lot	Workforce Housing RFP
27	1436 N Marston St	Vacant Lot	Workforce Housing RFP
28	1422 N Marston St	Vacant Lot	Workforce Housing RFP
29	1145 S Sydenham St	Vacant Lot	Workforce Housing RFP
30	1138 S Sydenham St	Vacant Lot	Workforce Housing RFP
31	1433 N Marston St	Vacant Lot	Workforce Housing RFP
32	1424 N Marston St	Vacant Lot	Workforce Housing RFP
33	1423 N Marston St	Vacant Lot	Workforce Housing RFP
34	1334 N Marston St	Vacant Lot	Workforce Housing RFP
35	1336 N Marston St	Vacant Lot	Workforce Housing RFP
36	1426 N Marston St	Vacant Lot	Workforce Housing RFP
37	2700 W Cabot St	Vacant Lot	Workforce Housing RFP
38	1409 N 28th St	Vacant Lot	Workforce Housing RFP
39	1455 N 28th St	Vacant Lot	Workforce Housing RFP
40	1444 N 27th St	Vacant Lot	Workforce Housing RFP
41	1448 N 27th St	Vacant Lot	Workforce Housing RFP
42	1450 N 27th St	Vacant Lot	Workforce Housing RFP

Appendix 4: Sideyard Requirements and Responsibilities

Philadelphia City Code Do's and Don'ts

Fencing

Fencing can create privacy but must also be considerate of neighbors and visitors. It cannot be higher than 4 ft on front property edges or within front setbacks. Additionally, fencing in these areas cannot be more than 50% opaque. For additional details, see the diagram at the right from the zoning code.



Fencing along the front property line and within the front setback cannot be more than 50% opaque

Chain Link Fencing

Chain link fencing may not be used to enclose a sideyard for both leasees and owners



Accessory Structures

Accessory structures cover a range of uses and applications including storage sheds, greenhouses, detached garages and more. However, it should be noted that storage cannot be a primary use of a lot in a residential zoning district - which means for many sideyards that a storage shed cannot be added until the lots have been consolidated.

Sideyard owners should also be aware of the size limit of 130 square feet and the height limit of 15 feet for structures which are accessory to residential uses. The full requirements can be found in code section 14-604.



Accessory structures can be very practical and add character, but they have requirements and limitations under the code

Parking Prohibitions and Restrictions



Parking in a sideyard is not allowed for most of the vacant lots being disposed of by the City.

"Accessory parking for any single-family, two-family or multi-family use in an attached or semi-detached building in the RSA-5, RM-1, CMX-2, and CMX-2.5 districts shall be prohibited unless it can be accessed from a shared driveway, alley, or rear street." Section 14-803(1)(c) of the Philadelphia Code

Additionally, parking cannot be the primary use of any lot in the city, regardless of zoning district. As a result, even if the zoning district and access available allows off-street parking, a parking pad cannot be created until the sideyard has been consolidated with the house lot.

Pools

Pools, while permitted in the Philadelphia Code, have many dimensional requirements and restrictions. On small lots used as sideyards, they may be unable to meet dimensional requirements, create very awkward spaces, and can be very unsightly. They are not recommended for sideyards.

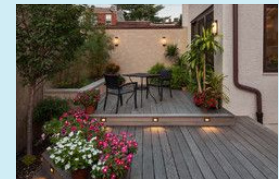
Alterations and Additions

New windows and doors on the demising wall separating the lots are often used to provide more light, air, and access to the sideyard. These new points of access can also accommodate ramps, allowing the entire house to become accessible to people with disabilities. Also, rowhomes are often expanded into the sideyard lot. Lot consolidation and in most cases, building permits will be required to make these changes.



Raised Decks

Raised decks require a building permit and may not encroach within the sideyard setback dictated by the zoning code. A building addition may change the definition of which portions of the property constitute a sideyard. This can be clarified at the Department of Licenses and Inspections.



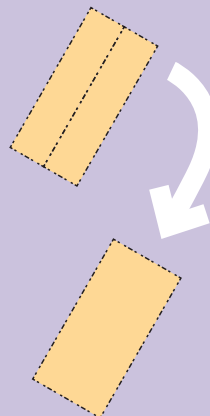
Sidewalks

You've acquired a sideyard, now who takes care of the sidewalks out fronts? Who is responsible for sweeping it, shoveling it and repairing it? You are. The property owner is responsible for all sidewalks that front the lot(s) which they own.



Lot Consolidation

Many desirable sideyard improvements can only be done legally if the your house lot and the sideyard lot are consolidated into a single lot. The combining of 2 or more lots is a legal process that usually includes the creation of a land survey, which has a cost.



Lot consolidation allows you to legally make these alterations and additions:

- Accessory Structures
- Accessory Parking (in some zoning districts)
- Windows and Doors in Demising Walls
- Additions Built into the Sideyard

For More Information

For more information on the process for consolidating lots, see this web link to the Office of Property Assessment's webpage:
<http://www.phila.gov/OPA/Pages/FAQ.aspx>

Appendix 5: Disposition Policies

Overview and General Information

This policy is intended to create a unified and consistent approach to disposition of real property owned by City of Philadelphia, the Philadelphia Land Bank, the Philadelphia Redevelopment Authority and the Philadelphia Housing Development Corporation, and each has adopted this policy document. (For ease of use the City and these agencies are sometimes collectively referred to as “The City” throughout this document and property owned by the City and each of these agencies is sometimes collectively referred to as “City-owned property”). In the interest of providing predictability and transparency to the sale and reuse of property, this policy will provide guidance to the City and these agencies when disposing of surplus property as well as information to individuals and organizations considering the acquisition of property owned by the City or these agencies.

Guiding Principles

The goals of this policy and the disposition of City-owned property are to:

- Encourage the development and reuse of vacant properties consistent with the Land Bank Strategic Plan, the City of Philadelphia’s Comprehensive Plan, Philadelphia 2035 and other City-adopted plans.
- Eliminate blight and revitalize neighborhoods
- Strengthen the City’s tax base
- Sell properties at fair market value if the proposed use is a strictly private one
- Support the production of affordable and workforce housing units
- Support and preserve open space and urban agriculture
- Support City goals by conveying properties at a discount if the proposed use will provide significant community benefits
- Convey land through a predictable, timely and transparent process
- Encourage timely development and discourage real estate speculation

The City and these agencies will consider these goals when making decisions regarding the disposition of their property.

Applicability

The City, the Land Bank, Redevelopment Authority and Philadelphia Housing Development Corporation will remain responsible for their own decision-making and adherence to this policy during the disposition process. The City will make available to the public only those properties which are not dedicated to a public use or being held for particular City-desired programs or projects.

The City may elect not to convey a requested property. The City will communicate to any applicant who submitted a complete expression of interest and a complete property application for an available property the reason(s) why the property is not being sold.

Requests received for purchase of City property which were submitted before this policy becomes effective may be processed under the December 2014 “Policies for the Sale and Reuse of City Owned Property” if the land holding agency has committed the property to that applicant by issuing a Commitment Letter or presenting the applicant an agreement for sale and development of the property. This policy will become effective 30 days after adoption by Council.

Qualified Purchasers and Bids

All purchasers of City-owned property must fulfill their commitments to the City and to their neighbors, which includes paying property taxes and maintaining properties in accordance with all municipal codes and ordinances.

A Qualified Purchaser is defined as an individual or organization who

- Does not owe back taxes to the City or is in a current payment agreement
- Is current with all other City-related obligations (e.g., PGW, Water Department) or is in a current payment agreement
- Does not own, or have an interest in, any property that is subject to any significant unremediated violation of City codes and ordinances

All purchasers must submit disclosures as required by the City. Failure to submit disclosures or to provide accurate information in the form requested will result in the denial of the application.

A Qualified Purchaser has submitted a Qualified Bid if the application adequately describes the purchaser's plans for the property. That use must be consistent with applicable City plans, including Philadelphia2035, and the applicant must demonstrate financial and operational capacity to carry out the plans. Plans that require zoning variances or other city land use approvals may be processed as a Qualified Bid if the underlying project proposal is supported by the landholding agency. The detail required of the applicant will be different depending on the proposed use. For example, the use description and capacity required for the purchase of a side yard will be different than that required for a large commercial or residential development.

Appropriate and Timely Development of Properties

The City expects that properties will be developed in a timely manner according to a written agreement or as specified in the deed of conveyance. Generally, construction should commence within three months from the date of conveyance and should be completed as defined by agreement. To ensure that these expectations are met, the City will place conditions or restrictions on property it conveys to achieve the agreed-upon outcome and will monitor these agreements until construction is complete. Proposed uses must be consistent with the City of Philadelphia's Comprehensive Plan, Philadelphia2035 and other City-approved and accepted plans, and all new owners are required to comply with all City, state and federal codes, regulations and statutes.

Site Control: Options and Property Reservations

The City recognizes that developers often require legally recognizable site control as part of the development process. The City may execute contingent agreements of sale, property reservation agreements or option agreements to allow developers to pursue financing and other approvals necessary for development.

Agreements or contracts for this purpose must meet the following conditions:

- The applicant must be a Qualified Purchaser
- For each proposed project, the City will determine the length of time it will allow for that agreement or contract and may renew the agreement or contract at its discretion
- The applicant may not occupy or use the property unless approved in writing by the City
- A fee will be due upon execution (nonprofits and city-supported projects may be exempt from a fee) and an additional fee may be imposed for extensions of the agreement or contract. AFFORDABLE HOUSING DEVELOPMENT PROJECTS WILL BE EXEMPTED FROM PAYING A FEE
- The contract terms will be public information

Site Control options will be issued only for those projects which the City deems feasible and which the City can recommend for approval by City Council after the developer secures the necessary entitlements, financing, tenants and/or approvals.

Public Information

In addition to standard property transaction records that are available to the public, the City will maintain and make available for public review and inspection:

- An inventory of real property owned by the City
- A record of all real property conveyed
- The price, the new owner and the use for which the property was conveyed

This information will be posted on the Land Bank's website at www.philadelphialandbank.org.

Property Conveyances to be Presented to Vacant Property Review Committee

Each landholding agency is responsible for assuring that property transfers submitted to their respective approving body are compliant with this policy. Transactions that comply in all respects with this policy may be presented directly to the landholding agency Board of Directors or the Vacant Property Review Committee for final action.

Redevelopment Authority or Land Bank transactions which deviate from, or are not addressed in, this policy will be presented to the Vacant Property Review Committee at a regularly scheduled public meeting for its review and recommendation. Reviews are required, for example, for applicant requests related to pricing, non-conforming property uses and issues involving application or interpretation of this policy. The Committee will thereafter direct its recommendation to the Redevelopment Authority or the Land Bank Board of Directors and this recommendation will be documented in the records of that agency's formal decision process; however, the final decision will be made by the agency itself.

Applicants whose proposed transactions require Committee review will be notified when their request is scheduled for consideration, and be given the opportunity to present information and documents to the Committee. As noted below under the General Sales provisions of this policy, when a purchaser offers less than the asking price for a property, and the City negotiates a final sales price, that sale price must receive approval from both the Vacant Property Review Committee and the landholding agency Board of Directors or the Commissioner of Public Property, as applicable.

The Land Bank shall establish an appeal process for its properties wherein an affected individual or an organization may request reconsideration of a decision made by the Land Bank and submit evidence relevant to determinations on general eligibility, eligibility for reduced or nominal pricing, the value of a property, and compliance with terms or conditions of sale. Any such appeal will be heard by the Vacant Property Review Committee and the Committee will make its recommendation to the Land Bank Board.

Ethics

Home Rule Charter and Philadelphia Code requirements

The City of Philadelphia is committed to ethical and transparent processes for the disposition of property. All real estate transactions are governed by City and State laws and rules that generally prohibit, among other things, conflicts of interest, the disclosure of confidential information, and the representation of a person or organization by a City official or employee in a transaction with the City.

Financial Assistance

Any grant, loan, tax incentive, bond financing subsidy (for land purchase or otherwise), or other form of assistance that is realized by or provided to a person in the amount of \$50,000 or more through the authority or approval of the City is by law considered Financial Assistance under Chapter 17-1400 of the Philadelphia Code. Financial Assistance recipients must meet eligibility requirements by disclosing their political contributions. Financial Assistance includes the transfer of City property for less than market value. Recipients of Financial Assistance must comply with campaign contribution limits and must disclose campaign contributions for five years after receiving Financial Assistance. They must also disclose solicitations for any reason from any City official. For more information on these requirements, please see www.phila.gov/integrityworks. Any person inside or outside of City government with a concern that the disposition or administration of City property is unethical or violates the City's Financial Assistance requirements should contact the City's Chief Integrity Officer at (215) 686-2178 or Inspector General at (215) 686-1770.

City Council Approval

Under law, the sale of property by the City, the Redevelopment Authority and the Land Bank must be approved by City Council before the property can be conveyed.

Public Notice of Land Bank Board Actions

The Land Bank will provide public notice of proposed property conveyances before those transactions are considered for approval. This notice includes the physical posting of a notice at each property, notice to interested Registered Community Organizations and publication of proposed transactions on the Land Bank's website. These notices will be provided at least ten days before any action is taken.

Property Sales

The City uses several processes to sell property.

General Sales

The City will publish its property inventory on the City website www.PhilllyLandWorks.org or www.philadelphia-landbank.org, generally with a listing price. Individual requests for properties will be accepted and reviewed on an ongoing basis.

If the City receives more than one Qualified Bid for a property, the City may provide first preference to any Qualified Purchaser whose plan provides for a public purpose (see below). If no public purpose is proposed, the City will determine the most qualified applicant or may use a Competitive Sales approach to obtain the best offer for the property.

When a purchaser offers less than the asking price for a property, purchasers must submit counter-offers through a Counter Offer Bid Form, available online at www.philadelphialandbank.org. The Vacant Property Review Committee and the agency Board must approve the final sales price.

Competitive Sales

Competitive Sales will invite bids for City properties. Advertising such as broker listings, the use of the Multiple Listing Service, websites or other recognized methods may be used to encourage broad participation in the sale of selected properties.

Property prices will be established using an Automated Valuation Model, a competitive market analysis or an appraisal.

Properties will be placed on the market for a period of time sufficient to allow for broad engagement by potential buyers, but for no less than 30 days.

The City retains its rights to approve or reject a Qualified Bid based on clear criteria, including price. Competitive Sales may be used where the property's AVM is \$50,000 or more or where there are multiple applicants for a single parcel.

Direct Sales

For-Profit Entities

The City may direct the transfer of property or properties to a specific entity without a competitive process when that entity has acquired a significant amount of property adjacent to the City property and intends to develop all of the property together or when an entity operates a business adjacent to or across the street from the City property and desires to expand its business.

In the case of an entity desiring to develop its property in conjunction with City property, the entity must own at least 75% of the proposed development site and, after acquiring the City-owned properties, must own 100% of the development site. If the developer does not own at least 75% of the development site, the City may give the developer a preference in the competitive bidding process for the City-owned parcels.

If a business located adjacent to or across the street from City-owned property desires to use the City-owned property to expand their business, the City may consider the impact of the expanded business to the immediate surrounding community, job creation, wage level of jobs created and other factors to determine the desirability of the business expansion. Property that is transferred directly to a specific entity without a competitive process shall be transferred at fair market value as determined by an external, independent appraisal obtained within 90 days of the date the sale is approved by the City, unless a reduction in price is merited pursuant to other sections of this policy.

The project must meet all other requirements in this policy to ensure the entity is a Qualified Purchaser and the project is in compliance with feasibility requirements.

Nonprofit Entities

The City may direct the transfer of property to a specific nonprofit entity that is furthering the Division of Housing and Community Development or City Planning Commission plans, goals and initiatives for building sustainable and opportunity-rich communities. The types of community development projects that are eligible for directed sales are also eligible for nominal consideration and are noted below under the price reduction section of this policy.

Individuals

The City may direct the transfer of property or properties to an individual or household who is eligible to purchase land under the side or rear yard program.

Requests for Proposals/Qualifications

If the City has a specific planned use for one or more parcels, or if certain parcels are deemed of a significant scale and/or of neighborhood or City significance, a Request for Proposals (RFP) or Request for Qualifications (RFQ) may be issued to identify and select a potential developer. This format allows the City to explain the planned use and any restrictions that might be placed on the developer or successive owners of the property. An RFP/RFQ may be developed in consultation with City Council, the City Planning Commission or other stakeholders, as appropriate. It will be advertised to encourage broad participation. Selection criteria will be included in the RFP/RFQ and may include factors such as developer capacity and proposed development outcomes as well as the price. The issuance of an RFP/RFQ does not obligate the City to select a developer or a purchaser.

Discontinued Programs

The City may transfer property to applicants who applied for and were awarded property under discontinued City programs for 30 days following the approval of this policy by City Council. Thereafter no property transfers will be permitted under a discontinued program. All proposed transfers must be submitted to the Vacant Property Review Committee.

Pricing**Listing Price**

The City will publish prices for properties when it is able to confidently reflect market pricing. The City may use an appraisal to establish the price of any property. For vacant structures, the cost of repair or demolition may be considered in determining price. Information regarding the Land Bank pricing model can be found on the Land Bank's website.

The Redevelopment Authority and the Land Bank will provide the selected Qualified Purchaser of its property a sale and development agreement that includes the price for which the property will be sold. If the Qualified Purchaser does not execute this agreement within six months of receiving it, the sale price commitment will expire. The City will provide the selected Qualified Purchaser of its property a commitment letter that includes the price for which its property will be sold. If the Qualified Purchaser does not settle with the City within six months of receiving the commitment letter, the sale price commitment will expire.

Nominal and Discounted Pricing

The City may choose to support certain projects that serve a public purpose by conveying a property at a discounted price, including for nominal consideration. If a property is identified for one of the following uses, the City will evaluate the proposal and property request to determine if the proposed project provides significant community benefits that would merit City support in the form of the reduction in price.

Certain properties acquired with funding from Qualified Redevelopment Revenue Bonds are not eligible for discounted pricing and must be sold to private parties at fair market value. The City will indicate on its website the properties subject to this requirement.

The following programs qualify for discounted pricing:**Affordable and Workforce Housing**

Developments that provide affordable or workforce housing as defined under local or federal guidelines may acquire property for a discount or for nominal consideration. Such developments do not have to be directly subsidized by the City, state or federal government to qualify for discounted pricing. Restrictions or covenants to preserve affordability will be recorded against the property.

Economic Development Projects

Developments that advance the City's economic development goals as articulated in the City's Comprehensive Plan, Philadelphia 2035 and other City-approved and accepted plans may be eligible for discounted pricing. The project must be deemed to have significant economic impact on the City to qualify under this section. The Commerce Department may recommend that a reduction in the purchase price be considered for a proposal that is, or will be, the recipient of significant public financial assistance or investment. A recommendation for a reduction in the purchase price shall describe the relationship between public financial assistance or investment and the recommended reduction in purchase price.

Community Development Projects

Developments that propose significant incremental community benefits may be eligible for discounted and nominal pricing. Community benefits may include:

- Support for existing community facilities or provision of space for new community facilities such as libraries, recreation centers, health centers, computing centers, and playgrounds
- Significant improvements to community infrastructure including the greening of schoolyards or recreation center yards or other publicly owned parcels to achieve stormwater management, public recreation, community gardening goals or urban agriculture
- Creation of new infrastructure or support for existing infrastructure to improve safety and mobility for children, seniors, and other pedestrians, including sidewalk improvements, pedestrian plazas, traffic medians, or easements for trails

Religious Institutions are not eligible for discounted pricing. However, nonprofit organizations affiliated with religious institutions may be eligible for discounted pricing if the property will be used for secular purposes only, such as a publicly accessible community facility.

Discounted Pricing and Self-Amortizing Mortgages

For properties conveyed for community development purposes, the City may deed restrict the property and/or provide a self-amortizing mortgage for the difference between the market value and the discounted price. The self-amortizing mortgage will ensure that if the property is resold to another party within 10 years, the buyer will not unduly benefit from the discounted price agreed to by the City. The Vacant Property Review Committee may recommend self-amortizing mortgages for other projects that meet public purposes.

The characteristics of the self-amortizing mortgage are:

- The length of the mortgage will be 10 years from the date of conveyance
- The City will determine the market value of the property on which the mortgage is placed
- The principal amount of the mortgage is the amount of the price reduction agreed to by the City
- The purchaser will not be required to make any payments on the mortgage if the property is used in conformance with the originally agreed-upon terms for the 10-year period
- The amount of the obligation will not decrease in the first 3 years. The principal balance of the mortgage will decrease evenly over the remaining 7 years, that is, years 4-10 on a pro rata basis
- Upon completion of the 10-year term the City will satisfy the mortgage if the buyer has not transferred the property and has complied with all agreements and restrictions affecting the property
- If the purchaser sells the property before the 10-year expiration date of the mortgage, the City must receive the remaining amount owed on the mortgage before the mortgage will be satisfied
- This mortgage may be assumed by the spouse, children or grandchildren of the original purchaser

Open Space Programs

Open space programs include side/rear yards, individual gardens, community gardens and community-managed open spaces, and other uses.

Side and Rear Program

Goal: The City seeks to transfer surplus publicly owned vacant properties to responsible parties who will maintain the land to city codes and standards.

Eligible Areas/Properties/Applicants:

The program-eligible areas are limited to US Census block groups where the median sales price of homes is less than \$75,000. The Land Bank will publish on its website a list of eligible areas on an annual basis. Median sales price for a census tract will be determined using OPA-recorded sales data for the prior six quarters. The eligibility of the area is determined at the time of the application.

Abutting lots sought by homeowners as side yards, outside of an eligible area, may be purchased at the Land Bank's established value of the property. The proposed use must conform to the City Planning Commission's recommendations for residential or accessory land use.

An applicant must be the owner of an abutting property and must be using that property as his/her primary residence at the point of application and settlement. The property to be acquired must share a common boundary at either the side or back of the applicant's property.

The property must be a vacant lot; properties with permanent structures are not eligible for this program. Properties with temporary or auxiliary structures, such as sheds, may be eligible at the discretion of the City. Applicants must not own any properties that are encumbered with outstanding taxes or municipal liens. Applicant must comply with all city building codes and health and safety ordinances on all properties the applicant owns within the City.

Applicants can only acquire one parcel from the City. Exceptions to this rule can be considered by the Vacant Property Review Committee where the combined size of the two sideyard parcels is less than 1440 square feet and if there is no other interested applicant for the additional parcel.

Parcels that create development opportunities, defined as abutting other publicly owned vacant land and/or tax delinquent vacant land, are not eligible for side/rear yards, unless the Vacant Property Review Committee in consultation with the Planning Commission determines that all City-owned abutting parcels are appropriate for side or rear yards.

If multiple applicants request a parcel under the Side/Rear Yard Program, the property will be offered to the Qualified Purchaser who submits a complete Expression of Interest first.

Terms of Purchase:

- Properties in eligible markets are available for nominal consideration
- Property owner must have a plan for how he/she will improve the property, including information on the proposed improvements, a budget demonstrating the anticipated costs and time for completing the work
- The City will place obligations in its deed to the purchaser to ensure that the property is improved and maintained in a manner that complies with all Philadelphia Codes.
- The applicant is encouraged to consolidate the parcels and obtain a single OPA account for the primary residence and side yard within one year.

Side Yard Exceptions: Exception to the eligible area policy will only be considered for long time owner-occupied property owners (defined as a resident who has lived in the home continuously for at least 7 years) if they are currently maintaining the vacant property. Side yards in these areas will have thirty (30) year mortgage placed on the property for the full fair market value and must be satisfied at the time of sale.

Individual Garden Agreements

Goal: The City supports the use of vacant land for urban agriculture that improves the quality of life in the City's neighborhoods.

The City can provide an individual or household temporary access to publicly owned land for the applicant to maintain that land for his or her personal use. The intent is to provide an interim use for the land to eliminate blight and improve safety until development is possible. An applicant must live within 500 feet of the property or up to 1,500 feet of the property with the approval of the Land Bank Board. The applicant is not required to be a homeowner. Individual gardens are temporary and the land remains available for development or available for the side yard/rear yard program if it meets the eligibility requirements.

Terms: The Individual Garden Agreement (IGA) will last for one year. Garden agreements can be renewed annually at the request of the applicant and at the discretion of the City. The City can terminate the agreement with cause, upon prior written notice to the other party. IGAs are available for \$25 per year.

Additional requirements:

The IGA will require the applicant to maintain the garden and to maintain the sidewalk space (public right of way) outside of the garden, including snow removal and removal of overgrowth.

Acceptable Uses

The applicant may enter and use the property for the following non-commercial, gardening purposes:

- To grow food, flowers, ornamental plants, and other landscaping
- To compost in rodent-resistant containers
- To place certain improvements to support the gardening use with the prior written approval of the City, such as tool sheds, fences, raised-beds, storm water storage containers, composting containers, signs and bulletin boards
- Children's play equipment that is non-permanent and shall be removed by the Gardener at the termination of the IGA
- Certain Uses Not Permitted (A complete list of prohibited uses will be included in the lease agreement)
- No permanent structures may be installed on the property
- Cars cannot be parked or repaired on the site
- Must agree not to grow any plants regulated or prohibited by federal laws on the lot

Community Gardens and Community-managed Open Spaces

Goal: The City of Philadelphia recognizes that community gardens encourage the productive use of vacant land, provide spaces for community building, socialization, educational, recreation and food production activities, particularly in areas of the City lacking access to quality and permanent open space. The City will support existing and established gardens that have capacity to sustain and maintain the land to ensure its viability.

Definitions:

A community garden is defined as one or more properties managed and maintained by a group of individuals to grow and harvest food or non-food items (such as flowers) for personal or group consumption, for donation, or for sale that is incidental in nature. A community garden area may be divided into separate garden plots or orchard areas for cultivation by one or more individuals or may be farmed collectively by members of the group. A community garden may include common areas (such as hand tool storage sheds) maintained and

used by the group. Community gardens may be used for recreational purposes, and improvements to facilitate such purposes may be allowed on a case-by-case basis upon review by the City and with community support. Community-managed open spaces are spaces available to the public and may be used for recreational purposes or passive activities.

Purpose: Gardens and Open Space requests must demonstrate how their project supports public priorities of:

- Eliminating blight
- Increasing access to produce for low-income populations
- Fostering neighborhood cohesion and a sense of community

The City makes no representation or warranty as to the status of the property regarding the physical and environmental condition of the lot or its fitness for any use. Users are encouraged to take precautions against contaminants in the soil before consuming produce grown on site.

Terms

Types of Agreements:

Purchase: The City will consider selling publicly owned lots to garden organizations that commit to preserving and maintaining the land as a community garden or open space, particularly in areas with limited access to green space, fresh food and concentrations of low- and moderate-income households.

Gardens targeted for preservation must be in continuous operation (during the growing seasons) for at least five years before seeking ownership. The applicant must demonstrate to the satisfaction of the City the operational and financial capacity to maintain and manage the property. A signed letter of support by a Registered Community Organization, local Community Development Corporation, other civic association or a letter of support signed by the majority of the neighbors on the block or within a one block radius of the garden is required. Documented opportunities for neighborhood residents to access and benefit from the site is also a consideration.

Applicants with an established performance record seeking to work in the existing neighborhood can seek to acquire additional sites if they can also meet the above stated criteria.

Approved gardens will be conveyed with a deed restriction for nominal consideration. All sales agreements will have a reverter clause that allows the City to retake title if the property is no longer being operated as a garden.

Lease:

Community gardens and community-managed Open Spaces are eligible for leases for up to one year in length, when approved by the Land Bank Board of Directors. In some instances where a proposed lessee seeks a term in excess of one year, the application must be approved by the Vacant Property Review Committee and City Council.

Gardeners can also work with existing nonprofit partners to lease land from the City for a one time application fee per lease, in recognition of the beneficial community impact. The City shall provide 60 day notice as if a lease will be terminated or a lease not renewed. The City can at any time at its sole discretion deny any lease or purchase agreement in the interest of preserving other development opportunities.

Requirements for Community Gardens:

- Leases may be held by nonprofit organizations or unincorporated nonprofit associations
- Entity must secure and maintain insurance acceptable to the City that names the landholding agency and the City as additional insureds
- Entity must provide maintenance and use plan which demonstrates its obligation to maintain the lot in a clean, safe, secure and sanitary condition, free of weeds, trash, debris, garbage, vermin and rats
- Entity must comply with all existing codes and rules regarding vacant lots
- Entity must obtain and pay for any and all permits and approvals required by the City to construct or operate the site
- Lot cannot be used to park, keep or store any motor vehicle, trailer, or boat at any time
- Lot cannot be used to keep pets, animals or livestock on the lot
- Lot cannot be used to store building materials to be used off site. If intended for onsite use, materials must be used within 14 days
- Entity must monitor all activities on the lot and not permit gardener or neighbors to convene, children to play, or community events to be held on the lot before 5 AM or after 10 PM
- Entity must maintain the area within the public right-of-way, including both snow removal and removal of trash and debris to allow for passable sidewalks
- Entity must agree not to grow any plants regulated or prohibited by federal laws on the lot
- Entities must agree in the lease to use the property at their own risk and accept the property "As-is"

Acceptable Uses:

The gardeners may enter and use the property only for the following non-commercial, gardening purposes:

- To grow food, flowers, ornamental plants, and other landscaping
- To compost in rodent-resistant containers
- Social and business activities of gardeners
- Construction improvements such as tool sheds, fences, raised beds, storm water storage containers, composting containers, signs and bulletin boards may be allowed with the prior consent of the City. All improvements will be discussed and agreed upon at the time of leasing.

Appendix 6: Current Property Disposition Processes

Landholding agencies property review processes

<u>Land Bank</u>	<u>VPRC</u>	<u>PRA</u>
(1) Request Received and Applicant Contacted to complete an application	(1) Request Received	(1) Request Received and Applicant Contacted
(2) Staff Review application package (project, financing, tax clearance & disclosures)	(2) Staff Review Applicant's Request	(2) Staff Review and obtain Tax Clearance & Disclosures
(3) City Council Support	(3) City Council Support	(3) City Council Support
(4) Vacant Property Review Committee	(4) Tax Clearance & Disclosures	(4) Staff Review of development package (project & financing)
(5) Draft Purchase Agreement to Applicant to execute (price & project defined)	(5) Vacant Property Review Committee	(5) Draft Redevelopment Agreement to Applicant to execute (price & project defined)
(6) City Council Resolution	(6) Offer Letter Signed by Applicant	(6) PRA Board Approval
(7) Land Bank Board Approval	(7) City Council Resolution	(7) Review by Planning Commission
(8) Documentation prep and review title report for settlement	(8) PRA Board Approval	(8) City Council Resolution
(9) Property Sold	(9) Deed Prep by VPRC staff	(9) Documentation prep and review title report for settlement
Note: All disposition requests are submitted through the philadelphialandbank.org website. The City's goal is to transfer all properties into the Land Bank. Until such time, the current flow charts highlights the processes managed by each land holding entity. Properties valued at greater than \$50,000 require a competitive bidding process. Requests for properties that are less than \$50,000 and where there is only one bid, follow the process outlined here.	(10) City Law Department Review of Deed	(10) Property Sold
	(11) Public Property Commissioner Signs Deed	
	(12) Documentation prep and PRA prep for settlement	
	(13) Property Sold	

Appendix 7: Ethics Policies

A Member of the Land Bank Board who in the discharge of the Member's official duties has one of the following "Conflict Issues":

- (1) an adverse interest as defined in the State Adverse Interest Act (71 P.S. § 776.1 et seq.);
- (2) a conflict of interest as defined in the Public Officials and Employees Ethics Act (65 Pa.C.S.A. § 1101 et seq.); or
- (3) a conflict of interest or representation involving a business colleague as prohibited by the City Ethics Code (Philadelphia Code §§ 20-602(5), 20-607, 20-608(c))

shall take the following actions as soon as possible and before Land Bank action occurs to make public the nature and extent of the financial interest, contract interest, or business relationship at issue:

- (a) Prepare a letter that:
 - 1) includes the Member's name and position;
 - 2) identifies the relevant matter on which the Land Bank is taking action (such as specific property being considered for transfer);
 - 3) describes the circumstances (including relevant relationships and financial interests) giving rise to the Conflict Issue;
 - 4) describes the relevant duties that that would normally require the Member or the Land Bank to take official action;
 - 5) includes a statement that the Member disqualifies himself/herself from official action related to the Conflict Issue, including participating in preliminary discussions and review as well as final votes and decisions.
- (b) Cause one (1) copy of such letter to be delivered by certified mail to each of the following: the Chair of the Land Bank; the Executive Director of the Land Bank; the General Counsel of the Board of Ethics; and the Commissioner of the Department of Records.
- (c) Abstain from taking official action and remove himself/herself from the opportunity to influence in any manner the Land Bank's actions related to the Conflict Issue. This includes leaving the room while the Land Bank Board considers the matter.

The Chair of the Land Bank shall cause such letters to be read at the first public meeting after the disclosure letter has been sent and also to be attached to the meeting minutes. At subsequent meetings on which action is taken relating to the Member's Conflict Issue, the Chair shall note the Member's disclosed Conflict Issue and disqualification from related official action. The Chair shall exclude the Member from any participation, including votes, deliberations, and other official action related to the Member's Conflict Issue. When the Chair of the Land Bank is the individual filing a disclosure and disqualification letter, another officer of the Land Bank shall carry out the duties described for the Chair in this Paragraph.

The agenda for Land Bank meetings is set 10 days before the Board meeting. Upon receipt of a copy of the agenda, Members should review it for potential Conflict Issues, and if they discover any, should immediately follow this public disclosure and disqualification procedure.

In the event that a Member becomes aware of a conflict just before the Board meeting, that Member shall publicly announce his/her financial interest in the matter, state that he/she will not participate in the matter, leave the room during consideration of the matter and file the required letters within 5 days after the Board meeting.

Any Member who is unsure whether he or she has a Conflict Issue or who has questions about this procedure should contact the Land Bank's General Counsel.

Appendix 8: Summary of Public Comments

After publishing the draft Strategic Plan on Dec. 21, 2016, the Land Bank received comments from the public at a hearing held on Jan. 5, 2017, and via email at landbank@phila.gov. Those comments summarized in plain English (denoted in bold), and the Land Bank's responses, are below.

(A) The target for the number of properties to be made available for the lowest income bracket of affordable housing should be increased.

Following significant public comment on this topic the Land Bank revised the draft Strategic Plan to double the number of properties targeted for disposition for affordable housing for households below 30 percent of AMI. Because the capacity of the Land Bank to dispose of properties remains unchanged, the increase for below 30 percent of AMI was achieved by reductions in the properties targeted for 60-120 percent of AMI and non-income restricted.

(B) Publicly owned land should be transferred to the Land Bank as quickly as possible.

Interagency transfers are a very labor-intensive process. This plan proposes the transfer of all public owned land over five years. The transfer schedule in the Strategic Plan is a realistic timeline given current staffing levels.

(C) The Land Bank should be more aggressive in acquiring privately held, tax delinquent properties where redevelopment opportunities exist.

Acquiring privately held, tax-delinquent parcels requires funding, staffing and consensus with the Finance Department to complete the transaction. The current acquisition targets reflect anticipated funding and staffing levels. The Land Bank will prioritize acquisitions where redevelopment opportunities, including affordable housing and urban agriculture, exist over those where no redevelopment opportunity exists.

(D) The Land Bank should be fully funded and staffed.

The Land Bank's funding and staffing levels are a function of the annual budget process, not the strategic planning process.

(E) There should be neighborhood level distribution goals for green space.

The Philadelphia City Planning Commission, Office of Sustainability, Parks and Recreation Department and the Land Bank will continue to work to expand greenspaces in Identified areas of need.

(F) The Land Bank should support accessible and visitable affordable housing.

The Land Bank does support accessible and visitable affordable housing. Virtually all of the Land Bank property dispositions for affordable housing will also require a funding subsidy from the City that brings with it accessibility and visitability requirements.

(G) The Land Bank should be easy, accessible, transparent and accountable.

The Land Bank agrees with this statement and strives to meet this goal.

(H) The Land Bank should be applauded for setting defined targets for levels of housing affordability.

The Land Bank appreciates the comment.

(I) The Affirmatively Furthering Fair Housing model should not be implemented.

Affirmatively furthering fair housing is a requirement under federal law.

(J) Land Bank properties should not be used for the highest use, as in how much money the City can make, but should be used for the people who live in the neighborhood.

Both the acquisition and disposition targets of the Land Bank include uses with limited revenue generation potential such as affordable housing, side yards, gardens and urban agriculture.

(K) The Plan has too much emphasis on using vacant lots as side yards and there should be stronger protections to enable the temporary use of side yards to be converted to permanent developed uses.

Once a side yard is conveyed to an adjacent property owner the parcel can be used as the owner desires, subject to the zoning code. To ensure that realistic development opportunities are not lost to side yards, the disposition policy limits the conveyance of property for side yards in high opportunity neighborhoods.

(L) Community Development Corporations should be at the forefront of determining future land uses.

The Land Bank seeks to align its work to district plans and city-approved neighborhood plans, many of which were developed by a local CDC. In addition, more than 40 percent of properties conveyed by the Land Bank are anticipated to be for affordable housing. It is very likely that community development corporations will have a significant role in development of that housing.

(M) There should be more notification about Land Bank meetings.

The Land Bank seeks to provide sufficient public notice through its website, social media, newspaper advertising and meeting notices posted in its office.

(N) Land acquired by PHA in Brewerytown by eminent domain should have been put into the Land Bank.

PHA is acquiring properties for redevelopment efforts it is leading and so transferring properties into the Land Bank for future transfer back to PHA would not have been a good use of resources.

(O) Tax delinquent commercial properties should be prioritized for acquisition.

The Land Bank cannot acquire occupied properties, whether business or residential. Vacant commercial land will be considered in high opportunity areas.

(P) The Vacant Property Review Committee should not be part of the Land Bank process.

The participation of the Vacant Property Review Committee in the Land Bank process is outlined in the ordinance that created the Land Bank.

(Q) The acquisition policies should be changed to allow for acquisition of a single lot in strong market neighborhoods for affordable housing.

The acquisition policies have been amended to make clear that acquisition of a single lot in strong market neighborhoods is permissible. In year one, the Land Bank prioritized parcels that are adjacent to existing publicly owned land to maximize the total land acquired and sold for redevelopment.

(R) Land Bank policies should be implemented more transparently.

The Land Bank strives to meet both the letter and the spirit of the transparency provisions in the ordinance that created it.

(S) Community gardens should be eligible as a permanent use rather than as a transitional use until market-rate development is feasible.

Community gardens are eligible as a permanent use. The Land Bank proposed disposition policies allow for property to be conveyed of for community gardens, as well as one- and five-year leases.

(T) The Plan should include a reliable path for garden groups to access land for new gardens and for preservation-ready gardens to secure permanent land ownership or access.

The Land Bank is currently working on a project with the Neighborhood Gardens Trust to achieve these goals.

(U) The Land Bank should support community gardens through the acquisition of privately owned, tax delinquent parcels.

The Land Bank's acquisition targets include properties for gardens and open space.

(V) The Plan should include text and analysis around equity and food justice, be aligned with the Phila2035 goal to provide convenient access to healthy food and incorporate food security into analysis of need and opportunity.

The Land Bank recognizes the importance of equity, food justice and food security, as well as convenient access to healthy food. It is for this reason that the Land Bank's disposition targets include nearly 200 properties for gardens and open space. In the interest of completing the 2016 Strategic Plan in a timely fashion, the Land Bank will consider this comment for the 2017 Strategic Plan.

(W) There should be clarity around staffing of the Land Bank and the amount of time necessary to process property requests.

Staffing is a function of the annual budget process. The amount of time necessary to process a property request is dependent on many factors, including the end use and the capacity of the requestor.

(X) There should be assurances that once a property is in the Land Bank it cannot go to Sheriff's sale.

Once a property is in Land Bank ownership it cannot go to Sheriff's sale.

(Y) The Land Bank should show which Council Districts have put land into the Land Bank.

Property ownership – Land Bank, City, Philadelphia Redevelopment Authority and Philadelphia Housing Development Corp. – by Council district is available at phillylandworks.com.

(Z) The Land Bank should incorporate fair housing concerns as articulated in the City's Assessment of Fair Housing.

The Strategic Plan does align the work of the Land Bank with the City's Assessment of Fair Housing (AFH). The AFH is a framework for ongoing housing and community development activities, and as such its goals and strategies are broad in nature. They are intended to inform decision-making, not set a series of targets to be met. That said, the Strategic Plan includes advancing the goals of Affirmatively Furthering Fair Housing, including creating affordable housing opportunities in strong markets.

(AA) Mapping in the Plan should be revised to reflect eviction and housing quality data.

While the work of the Land Bank can further the goal of producing affordable, accessible housing, it cannot address evictions or substandard housing conditions. Accordingly, maps reflecting eviction and housing quality data are not included in the Strategic Plan.

(BB) There should not be another tax lien securitization.

The City has not scheduled another tax lien securitization. The Land Bank will seek to be part of any discussion regarding any future tax lien securitization.

(CC) Funding dedicated to the Housing Trust Fund should be doubled.

Funding for the Housing Trust Fund is an issue beyond the purview of the Land Bank Strategic Plan.

(DD) The Land Bank should commit in the Plan to participating in work in progress around mitigating environmental contamination on public land; analysis of existing garden data; and development of an urban agriculture strategic planning process.

In FY17, the Land Bank began to collaborate with other City, nonprofit and community-based entities continue to address these issues. The Land Bank will continue to participate in these efforts.

(EE) The Land Bank should prioritize the equitable distribution of a range of community beneficial uses and resources.

The majority of the properties targeted for acquisition and disposition fall into categories that could be described as community beneficial uses.

(FF) Section 8 and other affordable housing should not be forced on Northeast Philadelphia.

The City of Philadelphia and the Land Bank support the availability of diverse housing options in all Philadelphia neighborhoods. The use of Housing Choice (Section 8) vouchers is governed by federal law.

(GG) Abandoned and vacant properties in distressed neighborhoods should be a Land Bank priority, especially for acquisitions attached to an equitable housing plan.

Properties for affordable housing comprise a significant amount of the Land Bank's target for acquisitions and dispositions.

(HH) The Assessment of Fair Housing is a draft and the City did not follow Federal procedures in developing it, and thus it should not be aligned with the Land Bank Strategic Plan.

The Assessment of Fair Housing (AFH) is a critical component of meeting the statutory requirement to affirmatively further fair housing, and as such the Land Bank has aligned its Strategic Plan with the AFH.

(II) The comment period was too short and the time and location of the public hearing was inconvenient.

The ability to provide comments on the Strategic Plan in person, via email and via U. S. Mail, the location of the public hearing at a central location conducive to public transit and the scheduling of the hearing to extend past usual business hours were all intended to provide the public with as much opportunity as possible to comment on the draft Strategic Plan.

(JJ) The City cannot afford the discounts the Land Bank offers on properties sold for affordable housing.

The City currently spends \$20 million annually to address public safety and maintenance concerns for abandoned blighted properties. The City also forgoes millions of dollars in tax revenue due to lack of payment by property owners. The Land Bank provides a strategy to address the blight and bring the land back to productive use, reducing public cost and increasing tax revenue. While the Land Bank has set aggressive targets for the acquisition and disposition of property for affordable housing, it also envisions a significant number of acquisitions and dispositions to support market-rate housing and business expansion where the sale price will be at fair market value.



City of Philadelphia

RESOLUTION NO. 170051-A continued

CERTIFICATION: This is a true and correct copy of the original Resolution,
Adopted by the Council of the City of Philadelphia on the ninth of March, 2017.

Darrell L. Clarke
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Quiñones Sánchez
Sponsored by: Councilmember Quiñones Sánchez and Council President
Clarke