Dear Colleagues,

Let me assure you that I am committed to working with Council President Clarke and the administration on amendments to the Land Bank bill for Council this Thursday, so we are in line for final approval before the end of the year. I know that we share the goal of creating better tools to address the tax delinquency crisis that blights many neighborhoods of the city.

Before the holiday last week, President Clarke outlined some new concerns and possible amendments.  I believe these can be resolved, and am providing some clarifying information in the chart below.

The state law authorizing land banks gives Philadelphia important and desirable new powers, and my bill proposes a governance structure that ensures these powers are implemented wisely without creating an overly burdensome process.  To ensure accountability, the board appointments will be divided between Council and the mayor (similar to the new model adopted at PHA), with a temporary board named in the bill. We on Council will have ongoing opportunities to work with the administration on the new Land Bank’s operating budget, its policies, and its Strategic Plan, which must be given public hearings and Council approval.  Passing this legislation by the end of the year is by no means the end of the process.

As a district Councilperson with many vacant and delinquent properties, like all of us, I want to get these properties repurposed and tax-producing.  In a time of shrinking federal and state funding for redevelopment, we must seize this chance to create a smarter system that will bring in new dollars.

Please do not hesitate to contact me or my staff to discuss these or other issues connected to the Land Bank legislation and possible amendments, and I am happy to arrange a meeting or briefing at your convenience.

Respectfully,

MDQS

Councilwoman María Quiñones Sánchez

| Concerns | Clarification |
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| *1. Under the bill, the Land Bank can acquire real estate without the consent of the council or the administration. This is a power that not even the city has. Before the city can acquire property, the consent of council is required. The same should be true for the Land Bank.* | Currently, Council approval is not required for the City to acquire property through sheriff sale bid provided certain conditions are met.  PHDC, the proposed home of the land bank, has for years also possessed similar powers.  Council is also heavily represented on the proposed Land Bank's board, and thus already would have the ability to review and approve property acquisitions.   Additionally, given the short time frame for sheriff sale listings and the multiple sale lists each month, this idea could create logistical problems as the City works to ramp up listings as well as place a significant new burden on district Council offices like my own.   *Note: Properties that are owned by the City of Philadelphia or the PRA already require Council approval to be transferred into the Land Bank, so this item relates only to properties not currently in public inventory.* |
| *2. Under the bill, the Land Bank can keep all proceeds from the disposition of property and spend without the appropriation authority of the council. The Land Bank should be subject to the appropriation power of council just like every other city agency. Otherwise council will have no budgetary oversight of the Land Bank.* | I agree with the Council President, and included this in my proposed amendments.  While the Land Bank's budget would already be subject to either the appropriations process or the Consolidated Plan process if it receives General Funds or CDBG funds, this will ensure budgetary oversight in the unlikely event that the Land Bank's sole funding source were recycled proceeds from land sales. |
| *3. Under the bill, the land bank can discharge city liens without the approval of the council or the administration. This power should require some checks and balances and the amendment requires the approval of the finance director before the Land Bank can discharge city liens.* | While I am not opposed to this suggestion, I believe it is not needed.  While state law grants the Land Bank the power to potentially discharge liens, the Land Bank would only be able to exercise that power subject to Memoranda of Understanding with the City.  |
| *4. Under the bill, the Land Bank can mortgage or lease property in its sole judgment. The administration as well as council members are concerned that the Land Bank could act as a landlord and finance agency, well beyond its core mission to move property into private ownership as expeditiously as possible.* | These new powers are granted by state law, based on national best practices that are intended to ensure the ability to successfully repurpose blighted land.  It is unclear why we would want to tie our hands in the manner proposed.   We currently use "silent mortgages" as a means of allowing residents to acquire properties at reduced or nominal value, while still protecting the City's interest in ensuring that a property is maintained as used as intended.  Similar financing structures could allow us to make properties available to desirable applicants who cannot afford an up-front lump-sum payment, but who are able to pay in installments. These approaches are crucial if we are to more effectively dispose of properties that have been difficult to sell. |
| *​5. Under the bill, the Land Bank would hear appeals of application denials. The Amendment makes clear that the Land Bank could hear appeals of its decisions and not council or vprc decisions. This clarification notwithstanding, it is of questionable utility for the Land Bank to hear appeals of its own decisions. Ordinarily appeals are to a higher authority.* | I will review this proposal, and am open to adding additional clarification. |
| *6.​ Under the bill the Land Bank can delegate disposition authority to its staff. What would be the role of the Board itself in such cases?* | It is outlined in the state authorizing law that the board of a Land Bank may delegate approval of dispositions to staff, except in specified situations.   My proposed legislation requires Council approval of all properties to be disposed and allows the Land Bank to decide whether its board will also review all dispositions, or delegate some to the staff level. Council will have a voice in that decision through its presence on the Land Bank board, and through the requirement that Council approve the Land Bank's policies. Some measure of delegation may make sense in order to effectively streamline the approval process to the minimum number of essential steps. |
| *7. Under the bill, before the city can take a property to sheriff sale, it must first allow the Land Bank to elect to acquire the property. What would be the process for the Land Bank making such an election and how long would it take? According to the law department, the city and its co-counsel list 1000 properties for sheriff sale each month.* | This is a question of administrative process that would be worked out when the Land Bank adopts its policies (with Council approval).  I would note that it is incorrect that the City must allow the Land Bank to elect to acquire a property before it can be taken to sheriff sale. The proposed legislation restates the powers granted by state law, but the Land Bank will only be able to exercise these powers to the extent granted by any Memoranda of Understanding with the City. |
| *8.​ Under the bill, the Land Bank has the power to exempt its property from real estate taxes and water/sewer charges. How will this power be exercised with respect to properties titled to the Land Bank but leased to others as permitted under the bill?* | This is also a question that would be addressed through the Land Bank's policies. Presumably, it would not make sense to abate taxes in such a situation, and policies could easily be adopted to provide for such a situation. This is a good example of the value of Council's involvement in the process of developing and approving of the Land Bank's policies, and underscore why that is mandated by my proposed legislation. |
| *9.​  In sum, the bill is a massive delegation of governmental power to a board that once appointed, is not answerable to the mayor, the city council or the public.* | I disagree with this characterization. Board members serve only at the pleasure of those who appoint them, with seats equally divided between the Mayor and Council.  The proposed land bank is also subject to extensive public oversight through Council's appointments to the Land Bank's board, as well as requirements for public hearings and Council approval of the Land Bank's biannually-updated Policies, Strategic Plan, and annual performance reports. |