COUNCIL COMMITTEE OF THE WHOLE

The Council Committee of the Whole met on November 14, 2017 at 6:00 p.m., with Council President Slavin presiding. Members of Council present were Mr. Anderson, Mr. Sudler, Mr. Neil, Mr. Cole, Mr. Polce, Mr. Hare, and Mr. Lindell. Mr. Lewis was absent. Mayor Christiansen was also present (departed at 6:33 p.m. and returned at 6:34 p.m.). Civilian members present for their Committee meetings were Mr. Caldwell and Dr. Warfield (*Parks, Recreation, and Community Enhancement*), and Mr. Shevock and Dr. Stewart (*Legislative, Finance, and Administration*).

Mr. Hare moved to amend the agenda to change the order of the committees, as follows: Legislative, Finance, and Administration Committee; Parks, Recreation, and Community Enhancement Committee; and Utility Committee. The motion was seconded by Mr. Anderson and unanimously carried.

LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee met with Chairman Hare presiding.

AGENDA ADDITIONS/DELETIONS

Mr. Neil moved for approval of the agenda, seconded by Mr. Shevock and unanimously carried.

Discussion - Development of Procedures/Policies for Council Community Enhancement Fund Expenditures

Mr. Lindell stated that he had requested the discussion of this matter because he had received concerns from several constituents over approximately the past two (2) months regarding the use of community enhancement funds. He stated that some people who had talked to him felt that it is the people's money and did not think there should be big checks and things like that when it comes to donating money.

Referring to checks and balances in regard to the use of the community enhancement funds, Mr. Lindell stated that Mrs. Donna Mitchell, Acting City Manager, has had a standard that she has been using; however, he explained that he is interested in drafting set rules that will apply to Council. He noted that he had not spent any of his community enhancement funds because he wants to make sure that there are set guidelines for each member and that they are consistent. Mr. Lindell noted that his common sense may be different than someone else's common sense; however, he thought that members need to maintain some consistency and be proactive in regard to setting some type of policy. He stated that he was willing to draft a policy, noting that he would be laid up for the next few weeks and would have plenty of time to work on it. Mr. Lindell explained that he wanted to solicit some discussion as far as ideas or anything that should be included.

Mr. Slavin thanked Mr. Lindell for agreeing to take this on. As a matter of context, he reminded members that these funds were created to provide Council the ability to spend within the districts in which they live for improvements, for example, to a park, roadway, etc. Mr. Slavin noted that when members opened this up, they knew that they were going to have to see how it went, and he

thought that they now knew and should probably develop some procedures in regard to what is and is not acceptable. He stated that he did not think that anything had been out of bounds to date but that it is better to be proactive.

Mr. Slavin reminded members that part of this was driven by a complaint from various members of Council who felt that the budget process was the last moment for the next 364 days where they could direct projects within their districts, and this was a way of giving them a toe hold to help things out. He noted that a good example would be speed enforcement in neighborhoods and the need for a detection sign, explaining that these funds would provide members with the ability to contribute along with a legislator and other City funds to make sure that this happens.

Mr. Anderson stated that he agreed with Mr. Slavin that the funds have been spent well and there have not been any abuses; however, he also agreed with Mr. Lindell that there are no guidelines in writing, and it was the intention of members to develop those. Mr. Anderson indicated that a good place to start would be to determine what the understood procedures and guidelines are that members and staff have been operating under, as Mrs. Mitchell and Mrs. Traci McDowell, City Clerk, see them. Responding, Mrs. Mitchell explained that, for the most part, she has been requiring a receipt for reimbursement, where possible, when the request is not a straight donation. For example, she stated that the Fire Department was buying equipment and asked to have money contributed toward that equipment and a receipt was requested for the purchase of the equipment and the City then reimbursed them. Mrs. Mitchell stated that some requests have also been for partial contributions that have not covered 100% of the cost of a purchase. She stated that she thought that Mr. Slavin's example regarding speed enforcement signs in the neighborhoods and asking a legislator to help with community transportation funding (CTF) would be a terrific example of what Council's community enhancement funds would go toward.

Mrs. Mitchell reiterated that the policy has been to try to follow a reimbursement, explaining that the City requests other organizations it helps to provide receipts as well. She indicated that the City's Community Development Block Grant (CDBG) funds are all predicated on providing the accounting records to show that they spent the money to give them the reimbursement, noting that some of these funds are allocated to the Interfaith Mission for Housing. Mrs. Mitchell explained that since this was the way CDBG funds are handled, she was trying to handle the community enhancement funds the same way; however, not everything falls under that, for example, straight donations, like when Mr. Sudler had the park event. She stated her understanding that the funds are supposed to be for community organizations or helping in a member's district, and that is what she has tried to follow.

Mr. Anderson noted that different community organizations often provide a lot of help to organizations within the City. He indicated that it is important for members to know the community organizations, explaining that the YMCA had sponsored an organization that was based in the Fourth District when there was not a facility large enough to hold their event, and although the YMCA is only about 1,000 feet outside the District, it is within the City and the people who participated were from the Fourth District.

Mr. Sudler stated that his concern is the restriction of limiting the discretionary funds to one (1) district, noting that when he first became a councilperson, Mayor Christiansen advised him that "We all serve the City of Dover. It doesn't matter what district we represent. We all represent the City of Dover." Mr. Sudler stated that he believed that there does need be guidelines; however, he would like to see that if a councilperson wants to spend discretionary funds in the guidelines of the usage or ordinance for the City of Dover, it would be okay to assist someone else in another District with a project. He explained that he does not want to see a restriction to only one (1) district. In response to Mr. Sudler, Mrs. Mitchell stated her recollection that in the motion that was made for these discretionary funds, the intent was for each Council member to be able to use that money for their District, so that was the guideline being followed. She indicated that Mr. Sudler raised a good point regarding use of the funds by district or City-wide, and noted that some of the community organizations cross over from the City to the County. Mrs. Mitchell stated that she thought this was something that Mr. Lindell may be able to address in what he had volunteered to do.

Mayor Christiansen stated that he concurred with the intent of Mr. Lindell's efforts to formulate policies that are site specific to these funds; however, he also agreed with Mr. Sudler's thoughts and suggested that it may be something for members to consider. He noted that there are many worthy causes throughout the entire City that may be beneficial to some funding from any or all of the members of Council.

Mr. Lindell asked, for clarification, if Mr. Sudler was fine with spending money within City limits, not necessarily District bound. Responding, Mr. Sudler stated that he would be in agreement with that, as long as it is in the City limits.

Mrs. Mitchell noted that she did not know whether the girl scout troop that was giving out bags earlier this year was from within the City or not. She did not necessarily think that community organizations have to be in City limits, but explained that if that is something that needs to be cleared up, this was the time for clarification.

Mr. Slavin stated that he concurred with Mr. Sudler, noting that he thought that the districts themselves are kind of artificial boundaries for this purpose. He explained that they are good boundaries for election purposes but once members get on as a council, it is helpful to look across the Council districts and help others out.

Mr. Anderson noted that he agreed with Mr. Slavin and, referring to Mrs. Mitchell's comment, he stated that he also wanted to make sure that it was clear that it is about services for the people in the City, not necessarily organizations that are in the City. He explained, for instance, that one (1) of the major service points for The People's Place is in the City; however, their checks are sent to Milford. Mr. Anderson stated that he wanted to make sure that it is clear that the purpose matters and who they are trying to serve.

Mr. Lindell asked, for clarification, if Mr. Anderson was saying that the funds are to be used within City limits and as long as there is a demonstrable ability that the citizens of Dover are benefitting, the organization may be outside of City limits. Mr. Anderson responded that the project should benefit the people in the City.

Mr. Neil stated that he is kind of stingy with this money because it is the taxpayers' money and he is not going to be lavish with anybody. He advised that he did make a contribution to the organization within the Dover Air Force Base for the open house because he thought that was seed money to help people come here and have it grow. Mr. Neil stated that he had also donated money from this source to a scholarship program, in the amount of $100. He explained that he does not think that he has to spend all of that money simply because it is there, noting that he did not spend it all last year. Mr. Neil asked members to keep that in mind. He stated that it is not members' money, noting that they are using it to enhance something or somebody that is going to be beneficial for the City or to protect a group of people, etc.

Mr. Anderson asked Mrs. Traci McDowell, City Clerk, what the current procedures are for accessing the money. Responding, Mrs. McDowell advised that currently City Clerk's Office staff looks for written documentation that members, in fact, do want to donate or contribute to a cause or event. She stated that the City likes to get the receipts in advance; however, there are situations where organizations do not have the funds in advance to make a purchase. For example, she explained that the Dover High ROTC did not have the funds in advance, so the City processed the payment before they made the purchase. Mr. Anderson indicated that this information would make it easier when drafting the procedure.

Mr. Sudler moved to recommend that Council authorize Mr. Lindell to prepare a first draft of the Committee's ideas for approval during a future meeting of the Council Committee of the Whole/Legislative, Finance, and Administration Committee. The motion was seconded by Mr. Anderson and unanimously carried.

By unanimous consent, the Legislative, Finance, and Administration Committee meeting was adjourned at 6:18 p.m.

PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE

The Parks, Recreation, and Community Enhancement Committee met with Chairman Sudler presiding.

AGENDA ADDITIONS/DELETIONS
Mr. Neil moved for approval of the agenda, seconded by Mr. Lindell and unanimously carried.

Landbanks (Sue Harris)
Ms. Sue Harris, 241 Pine Street, reviewed a presentation entitled "Land Banking...What, Who, Why and How" **(Attachment #1)**. She also provided an article, entitled "What is a Land Bank" by Dan Kildee, Co-Founder and President, and Amy Hovey, Co-Founder and Senior Vice-President, Center for Community Progress **(Attachment #2)**, and an Ordinance to authorize the execution of the Memorandum of Understanding and Annual Funding Agreement between the City of Wilmington and the Wilmington Neighborhood Conservancy Land Bank **(Attachment #3)**.

Mr. Slavin expressed appreciation to Ms. Harris for the time and effort she had put into this matter. He stated that when any issue comes forward, he asks himself three (3) questions: 1) "What is the problem we are trying to solve?", 2) "How is that problem being addressed now?", and 3) "What other entities are addressing the problem and why is this better?". Mr. Slavin asked Ms. Harris to address these questions. Responding, Ms. Harris indicated that the problem is a lack of affordable housing opportunities. She advised that subsidized housing is great; however, it is lacking and housing is needed that people can afford. Ms. Harris indicated that being able to come up with affordable housing would get rid of blight, which is not helping taxes or neighborhoods. She indicated that land banks could help turn properties around to become something very useful.

Mr. Slavin asked how the problem is being addressed now, noting that it seemed that there were four (4) or five (5) entities addressing it. Responding, Ms. Harris stated that everyone is doing the best that they can; however, efforts are hit and miss, scattered, and random, and coordination is needed. She advised that there is a need to go outside of the box, not looking at what has always worked but using new ideas and looking at things in a new way. Ms. Harris suggested such options as turning properties back into group housing, shared living situations, and micro-apartments. She stated that there used to be lots of opportunities for single dwelling units and expressed the need to go back to this since there is a real need for individual housing. Ms. Harris indicated that home ownership is being addressed in the area through Restoring Central Dover, etc.; however, a path to rental and affordable housing is missing in the plan. She noted that actionable steps are needed and she thought that land banking would be one (1) of those steps.

Mr. Slavin asked how the land bank alternative would be better and if it would be a replacement for other approaches, a coordination function, an additional approach, or a hybrid with the other programs. In response, Ms. Harris stated that she thought it would be all of these alternatives, noting that right now it is not being addressed. She indicated that there are a lot of properties at a standstill that no one knows what to do with and that zombie properties are tangled up in courts, probates, etc. Ms. Harris expressed the need to look at all the different angles.

Mr. Polce stated that this topic is of particular interest to him and indicated that he is always looking at economic vitality in Delaware communities. He advised that he remembered that Senator Townsend had created the initial statewide legislation with $6M - $10M enabling language, and noted that, unfortunately, this $6M - $10M enabling language would probably not be coming anytime soon with the fiscal climate of the State. Mr. Polce indicated that his colleagues in Wilmington had made him aware of the $2.125M initial investment from the City of Wilmington. He noted that approximately $325,000 of that was consulting, so there was some reduction in that cost; nonetheless, it was a pretty hefty price tag. Mr. Polce expressed appreciation to Ms. Harris for bringing land banks to members' attention, stating that this would allow for conversation on how they can be creative in thinking about increasing the housing inventory and looking at potential ways to make housing affordable. Mr. Polce advised that his major concern was the price tag and cost of the initial investment.

Mr. Polce indicated that there are numerous grants available from the Department of Housing and Urban Development (HUD); however, he noted that little movement had been seen from HUD and more than $1B had been cut from the federal government's budget under the current administration.

He stated that he did not want to be pessimistic and wanted the conversation to go further. Mr. Polce indicated that he was looking forward to the conversation regarding the next item on the agenda, Plan for Housing Alternatives, and discussing how the less fortunate are treated and how to increase housing stock for individuals who are below the poverty line. He stated that there are ways to utilize community block grants from the Centers for Disease Control and Prevention (CDC) in more creative ways and expressed the need to talk about access to behavioral health services in the brain health arena and a litany of approaches.

Mr. Polce asked if the City was positioned strategically for the initial up-front investment that it would have to undergo. Responding, Ms. Harris indicated that there had already been a lot of research, foundation, and private funding apart from the government. She noted that a lot of people are interested in this and funding would not all necessarily come back on the shoulders of the City.

Mr. Anderson asked if Ms. Harris had looked at other opportunities, such as evaluating a partnership with the County, community reinvestment funds, or other types of funding. Responding, Ms. Harris indicated that an entity that is created would certainly be able to look at these types of funding. She stated that she wants to present this matter to the County. Ms. Harris explained that the City and County are two (2) separate governmental foreclosing units, and the County is not supposed to encroach on City property matters; however, there can be agreements. Ms. Harris stated that the City and the County have all kinds of things happening with properties; however, she had not looked for that type of funding. She explained that she had applied for other types of funding; however, her organization is very new, and funding sources look at those without a background as if they have six (6) heads. Ms. Harris indicated that Port Hope, Inc. did not have any chance of getting the funding that Mr. Anderson suggested; however, there would be some credibility behind an organization that was doing something like creating entities.

In response to Mr. Anderson, Ms. Harris stated that funding is being lost to other areas of the State because there are not mechanisms in place here to accept money. Mr. Anderson noted that the First State Community Action Agency opened an office here because all of the funding was going upstate, and this created another mechanism to obtain funding.

Mr. Neil advised that, as a veteran who had appeared at many Habitat for Humanity homes, he liked their system because somebody has to pay for a home. He indicated that, in essence, the City is doing what Ms. Harris had said, noting that Dover's existing approach is to combine with the National Council on Agricultural Life and Labor Research (NCALL) in trying to get derelict homes turned over to the City for back taxes. Mr. Neil stated that if land banking is viable, he would be in favor of it because Ms. Harris was right that there is not enough housing. He stated that the City deserves applause because it has done and will continue to do a terrific job combining with NCALL to make sure the people are there, and with Habitat for Humanity to make sure there is a lot of sweat equity going into the process.

Mr. Neil thanked Ms. Harris for bringing forward the idea of land banking, noting that he thought it has merit; however, he questioned whether it can be incorporated into what the City is already doing, which are a lot of the same things. Ms. Harris stated that she agreed, noting that she had worked on at least four (4) of the houses downtown and is always part of the Habitat for Humanity

crew. She explained that not all homes go to home ownership and there is a population whose only hopes for their future will be rentals. Ms. Harris expressed her hope that the same kind of rehab could be done to upgrade rental property.

Mr. Polce advised that Syracuse has an interesting model with a robust land bank and requires roughly 50% of their stock inventory to be rental properties specifically micro-targeting those who are below the poverty line. He noted that 50% of their stock looks at first time home ownership, and they work in continuity with HUD on a lot of first-time home buying programs. Mr. Polce indicated that the status of HUD in a few months is unknown and expressed his hope that those programs and incentives will still be there for first-time home buyers.

In response to Mr. Sudler, Ms. Harris advised that she is not a member of the Mayor's Blue Ribbon Task Force to End Homelessness but attends all of their meetings. Mr. Sudler asked if Ms. Harris had thought about getting on the Task Force's agenda to propose partnering for this project. Responding, Ms. Harris indicated that she would like to present the idea of land banking to them, which could possibly be a piece of the entity that they are going to create or part of what they are doing. Ms. Harris noted that she does not have anything with which to partner and was just presenting the idea in hopes that it could be created. She advised that Port Hope would certainly be a part of this and noted that her organization is early in its creation.

Mr. Hare asked whether they were looking at something like what Habitat for Humanity and NCALL are doing to create affordable housing or at creating housing for the homeless. In response, Ms. Harris advised that the bottom line is affordable housing. She noted that Habitat does affordable housing for home ownership, but something beyond that is needed and her organization is looking at rentals.

Mr. Hare noted that he had been hearing much about the homeless, and Ms. Harris stated that homeless individuals are only missing a home and wraparound services. Mr. Hare indicated that, in discussing affordable housing for the homeless, nothing is affordable if someone is not working. Responding, Ms. Harris indicated that this is a misnomer because very few people do not have some form of income if they are getting the services that they should. She explained that people are either disabled, and will get a disability check, or not disabled, and can work a little and create a little income. Ms. Harris stated that if they are too mentally or physically disabled to work, the government offers a safety net. She noted that many people who are left out in the streets appear to have no funds coming in because they have gotten into such a deep well that it is hard to get back into the stream of doctor appointments and meetings with social workers to get the food stamp cards or services they need. Ms. Harris advised that it is sometimes a lot easier for the homeless to stay where they are.

Ms. Harris advised that there are very few people who do not have an opportunity for at least a small amount of income and almost everyone can get at least a $700 monthly minimum disability or Social Security check, and it is impossible to live on this amount in the City of Dover or anywhere. She indicated that those who are not disabled can work and straighten up. Ms. Harris noted that there will always be those who cannot be helped and have chosen not to be a part of society, but many more can be helped. She explained that someone who has a place that costs $300 per month

and receives a food stamp card can easily live on their own in a community and support themselves. Ms. Harris advised that this would not be a burden on the City, would be totally self-supporting, and would give these individuals a little self-esteem. She reiterated that, in Port Hope's view, almost everyone has an opportunity to have some income if they are given the services and help that they need.

Mr. Hare stated that he had spoken with two (2) unemployed individuals at an event where employers were present and offered to get them jobs where they would make $10 per hour and receive a meal every day. He advised that when he told them the job was at a fast food place, they indicated that this was beneath them and they would not work there. Mr. Hare noted that these were the same people that members see in the Council Chambers all the time.

In response to Mr. Hare, Ms. Harris advised that you can fix a lot of things but you cannot fix stupid, and it was a shame that those who are seen all the time had become the face of the homeless. She informed members that there are quiet individuals who stay in their tents, come to the Hopes and Dreams Peer Resource Center in the daytime, and look for help at the Dover Interfaith Mission for Housing, and they are not seen so much. Ms. Harris advised that she wished members would get to know a lot more of the homeless people out there, noting that her organization would be happy to take members out there one day. Mr. Hare stated that he had gotten to know quite a few homeless individuals. Ms. Harris indicated that she was afraid he had gotten to know the ones that had given him the wrong idea, and there were a lot more out there who are good rather than bad.

Ms. Harris stated that something had been mentioned about Port Hope becoming a partner; however, she explained that nobody could do anything until the City creates the ordinance, law, and resolution regarding land banking.

Mr. Anderson stated that the City had more than 450 vacant houses and easily qualified when this legislation passed. He noted that there had been a lot of private and public efforts and asked if the City's vacancy rates qualify for the 3% cutoff. Responding, Mr. David Hugg, Acting Director of Planning and Community Development, stated that, to the best of his knowledge, the City's vacancy rates, etc., are all such that the City would qualify. He advised that the vacancy rate is substantially above 3% and is more like 15%. Mr. Hugg reminded members that, in essence, the City has a land bank organization in action in Dover called the Downtown Dover Partnership (DDP), which, by its charter, is a 501(c)(3) with the authority to buy and transfer land to do those kinds of things. He noted that the DDP's focus is not as broad as what members were discussing; however, they had been a participant in some of the activities of Habitat, NCALL, and Milford Housing. Mr. Hugg stated that the DDP is a quasi-City organization that does not really operate under the City's name.

Mr. Anderson stated that, from his experience, the DDP is approximately 95% focused on the business side. Responding, Mr. Hugg advised that the DDP is focused primarily on commercial and other non-residential projects, which he thought may be part of its stated mission. He noted that the DDP had been involved in some housing-related projects and its Board would have to decide whether or not this entity would be appropriate for the City's charge. Mr. Hugg stated that the Town of Smyrna has a redevelopment authority that was set up under earlier State legislation that has the same kinds of powers and has invested in mixed residential/commercial projects. He

indicated that this had not been an easy road and they probably do not qualify in the sense of the land bank discussion.

Responding to Mr. Anderson, Mr. Hugg advised that the initial funding for Smyrna's redevelopment corporation was obtained by transferring the fines and penalties from the vacant building ordinance to the redevelopment authority. He stated that this was the funding mechanism that allowed them to create a revolving loan fund, and a $300,000 grant from the United States Department of Agriculture (USDA) bankrolled some of their activities. Mr. Hugg indicated that the thinking was that fees and fines collected for a vacant building probably ought to be put toward removing that vacant building, with the idea that someday the fund would go to $0.

Mr. Sudler stated that, as a housing rental professional, the only way he realistically saw someone being able to afford a $300 rental cost would be to rent a room that has access to a common kitchen and bathroom area. He advised that, looking at the HUD regulations, he thought that the amount for a one-bedroom unit would be at least $850 with full utilities and as high as $787 with partial utilities. Mr. Sudler stated that, from what he had seen, partial disability checks are approximately $700 to $800 and full disability from $900 to a maximum of $1,000. He noted that he did not know of any rental housing assistance program in the City, other than HUD public housing, where someone would pay $200 or $300, apart from federal or State programs. Mr. Sudler advised that he did not think any renter could afford to allow someone to stay in a one-bedroom apartment, house, or trailer for $300. He indicated that a key issue was how to provide adequate housing for the homeless at a cost they can afford and suggested that Ms. Harris may want to try to address this moving forward.

Mr. Slavin stated that, as a member of the DDP speaking on his own behalf, he did not think the DDP is a good fit and would much rather see a separate entity created. He noted that the DDP's focus is in a particular geographic area of the City and members had heard that there was a need to have a spread of properties across the City. Mr. Slavin advised that this matter is not the DDP's concern, noting that the DDP had not brought it to members, who would have to convince the DDP that this is now part of their mission. Mr. Hugg indicated that he agreed and had mainly offered the DDP as an example of an organization in the City. Mr. Slavin stated that the structure of how the DDP operates is on the books; therefore, it would not take reinventing the wheel.

Mr. Slavin moved to recommend that the City Clerk prepare: 1) a packet of research materials, including existing ordinances for the DDP and other local governments, and distribute it to all members of Council as background, and 2) a draft ordinance based on that research for discussion at the February meeting of the Council Committee of the Whole/Parks, Recreation, Community Enhancement Committee. The motion was seconded by Mr. Anderson.

In response to Mr. Hugg, Mr. Slavin clarified that the research materials and draft ordinance would be prepared by Mr. Hugg.

Responding to Mr. Sudler, Mr. Slavin stated that the objective of the ordinance would be to create a land bank. Mr. Hugg noted that it would be enabling legislation.

Mr. Hare stated his understanding that the motion was to bring back a first draft proposal for review. Mr. Slavin stated that the proposal would go to the Committee first and noted that he would make a second motion regarding funding.

Mr. Hare indicated that he would like to have the particulars and to find out how a land bank would be funded and whether the City would have to hire an executive director.

The motion to recommend that Mr. Hugg prepare: 1) a packet of research materials, including existing ordinances for the DDP and other local governments, and distribute it to all members of Council as background, and 2) a draft ordinance creating a land bank, based on that research, for discussion at the February meeting of the Council Committee of the Whole/Parks, Recreation, and Community Enhancement Committee was unanimously carried.

Mr. Slavin moved to recommend that, as part of the FY 19 budget discussions, Mr. Hugg and Mrs. Donna Mitchell, Acting City Manager, identify possible funding mechanisms that are in place in other local governments that could help to fund the land bank initiative. The motion was seconded by Mr. Neil and unanimously carried.

Plan for Housing Alternatives (Victory Church)

Pastor Robert Appling, 2465 Sharon Hill Road, representative of Victory Church, advised that they had come to Council meetings for over a year and a half with anywhere from 20 to 50 homeless individuals and had worked with the homeless with great results. He explained that some of the homeless are in jobs, some in homes, and some are self-sufficient. Pastor Appling indicated that many of the homeless are also drunks and drug addicts who just do not care and this distinction must be made. He explained that, to facilitate what Victory Church has been doing, he met with Mayor Christiansen, who introduced him to Mr. David Hugg, Acting Director of Planning and Community Development; several members of the City's inspections team; and the Fire Marshal. Pastor Appling advised that Victory Church made a $550,000 bid on a property on Loockerman Street with empty buildings, met with a committee from Dover, and were finally turned down on that project.

Pastor Appling stated that most of the homeless that Victory Church worked with when outside the City were from the City, and Victory Church sold their church and moved into the City. He indicated that they were currently partnering with People's Church on Bradford Street, and were preparing to hold their third service there the following Sunday. Pastor Appling advised that Victory Church is trying to get a central location to do more to help the homeless, as they had been discussing each week when they attended City Council meetings. He indicated that Victory Church's suggestion for helping the homeless is something like group homes. Pastor Appling noted that they have been asking for empty, abandoned property to remodel and fix, but not like Habitat for Humanity's approach where property is sold to a single family. He stated that they are talking about rehabilitating a property for five (5) to eight (8) people, with a manager on the property to see to it that things run properly.

Mr. Mark Harmon, 731 West Division Street, Lead Pastor, Victory Church, stated that Victory Church's mind-set is to try to collaborate with the City, as opposed to working against the City, which works better for everybody in the community. He advised that they had come up with an idea to use homes downtown that are dilapidated or do not have residents any longer for a group home. Pastor Harmon stated that, as Mr. Sudler had indicated during discussion of the previous agenda item, Landbanks, it is almost impossible to find any house to occupy in the range of $300 or $400. He noted that in a group home, three (3) or four (4) different people could pay for the property so that it would still be able to make money and be run efficiently. Pastor Harmon explained that he had learned that it is not always the case that housing through the Dover Housing Authority or Delaware State Housing Authority is cheaper because someone still has to pay the rent, and if someone is paying $300 this means that the government is paying whatever else is left. He advised that a group home would, in their minds, be true affordable housing paid for by those who are inside the units. Pastor Harmon stated that this makes more sense to him than a situation where people are not able to pay rent on their own and the government, City, or County has to put in funds.

Pastor Harmon noted that Mr. Hare had previously stated that a lot of homeless people do not work; however, he advised that this is a misconception and a lot of them do have jobs and income but have situations that are sometimes mind-boggling. He explained, for instance, that a young man with mental issues works for them and is retired from the military. Pastor Harmon indicated that this individual does not stay at his own house because he does not want to bring more damage to his wife and children and feels that they are safer without him in the home. He advised that the family receives this individual's military retirement check and is able to take care of their house. Mr. Harmon noted that this may not make sense to some, but it makes every bit of sense to this man. He advised members that there are situations that go beyond their logic and thinking, explaining that homelessness is not always the result of an individual not having money or other things but because they are struggling with a lot of issues. Mr. Harmon advised that the Mayor had already taken on the challenge of homelessness for a lot of the military and retired individuals, and the Mayor probably understands that there are a lot of situations that go beyond what people may think.

Pastor Harmon stated that there is money available for homeless ex-military men and women and homes that can be purchased through these types of funding. He indicated that there are also ways to collaborate between all of the different homeless shelters and coalitions in the area, and collaboration would work well because the government does not give a lot of money to individuals anymore. He explained that collaboration would allow for the money to be spread out, and a lesser amount could be used while still getting the job done. Pastor Harmon stated that their proposal would be for Victory Church to have some of the buildings downtown that may not be used and refurbish them to be used by some of the homeless people. He explained that the homeless would be paying for these buildings while renting there.

Mr. Slavin, noting that Victory Church had identified vacant buildings, asked whom the buildings were owned by and how the Church proposed to get ownership or permission to use them in this way. Responding, Mr. Harmon advised that there are buildings downtown that were owned by different landlords who lost them, noting that the City had seized some of them. He indicated that they are unsure who owns them and that they could not give specific names, except for a few.

Mr. Slavin asked if Pastor Harmon was talking about eminent domain and asking the City to come in, take over a property, and give it to them. In response, Pastor Harmon stated that he was not and was talking about homes that are already abandoned and no longer in someone's possession.

Mr. Slavin indicated that he understood the solution they were suggesting and that it economically fits a need for those who cannot afford housing. He explained that the House of Pride, a social service agency on New Street, had run places where people could rent a room and have a shared common area. Mr. Slavin noted that the City received many complaints that this housing was not managed well and asked how the proposed group housing would be different. He indicated that he knows it would be different because he knows who Pastor Harmon and Pastor Appling are; however, he thought they needed to answer that question and be prepared to answer it over and over again.

Responding to Mr. Slavin, Pastor Harmon noted that he had managed homeless buildings for more than 17 years with some of the hardest of populations. He explained that most of them were kids who aged out of foster care, and this involved trying to prevent them from being on drugs, being thieves, and some of the issues that follow foster care children at times. Pastor Harmon indicated that Victory Church's project would be run differently due to the fact that there is experience and people who understand making sure that the community is first. He stated that they were not going to try to create a cash cow, as some people say or had said in the past, noting that it is ridiculous for anybody who gets into this line of work to have that type of focus. Pastor Harmon stated the need, if they are going to proceed, to do it together with the ordinances of the City, as well as their own morals.

Mr. Sudler stated his belief that Connections Community Support Programs, Inc. has a home on Bertrand Avenue where at least four (4) to five (5) individuals live. He indicated that he was unsure if they rent rooms or are placed there individually under one (1) umbrella. Mr. Sudler asked if Victory Church had looked at the Connections model and if this might assist them in adhering to the ordinance or changing their objective to fit in with the ordinance without complexity. In response, Pastor Harmon advised that he had recently met with Mr. Darius Brown, who he stated is the director of housing for Connections from Wilmington. Mr. Harmon indicated that he had a chance to go through the houses, some of which are bigger than normal. He explained that the houses have bedrooms and the residents are able to have televisions, beds, and couches in their rooms. Mr. Harmon noted that they have people there 24 hours per day, which he thought was wise because it is desired to make sure that a house is maintained properly and there is no type of violence or anything like that going on in the house, and to get rid of quarrels quickly. He explained that Connections is one (1) of the groups he had been talking about collaborating with because they have a lot of money for housing. Pastor Harmon indicated that Connections does not have enough housing in Kent County and is trying to get housing and collaborate to help with funding. He stated that Connections understands that there is a homeless situation here and, because most of their clients are homeless, they have been focused on housing in this area.

Mr. Anderson thanked Pastor Harmon and Pastor Appling for coming and their efforts in the community. He advised that he would like to support what they are doing and requested that they look at some of the lessons of the past. Mr. Anderson stated that there are several small group homes that work well most of the time and people do not know that they exist. He indicated that the

numbers that Victory Church was discussing seemed reasonable and cautioned them not to push the numbers to expand. Mr. Anderson explained that problems have existed when people try to get 10, 15, or 20 people into a place, which causes real disruptions in the neighborhood. He noted that, in his opinion, part of what caused what used to be a vibrant community in the area of Queen Street, Governors Avenue, and New Street to go downhill was converting these houses to micro-apartments with a dozen people in places that were built originally for one (1) large family. Mr. Anderson stated that the model that Victory Church was speaking of would work and is very necessary, and he supported it. He noted that he wanted it to be on record that he wanted to be cautionary. Mr. Anderson advised that he thought the City's limit of five (5) unrelated people is something that should not be tinkered with because he thought that exceeding it had brought problems not only in the neighborhood but also with safety, as was evidenced in some fires where people had problems escaping.

Mr. Polce stated that this topic was of particular interest to him, especially looking at national and regional statistics indicating that roughly 73% of the homeless population is comorbid, meaning that they have classic behavioral health diagnoses coupled with substance use disorder and potentially opioid use disorder. He indicated that, as an individual who has a personal interest in brain health and substance use disorder, it is really important to have this conversation. Mr. Polce stated that he would welcome Pastor Harmon and Pastor Appling at the Delaware Center of Health Innovation (DCHI) Behavioral Health Subcommittee for the Dover/Smyrna Healthy Neighborhoods, which is a statewide entity that Mr. Polce currently chairs. He explained that DCHI has three (3) Healthy Neighborhoods, including one (1) in Wilmington and Claymont, one (1) in Smyrna and Dover, and one (1) in the Seaford area. Mr. Polce indicated that he chairs the subcommittee that looks specifically at behavioral health, noting that more often than not they talk about homelessness and the housing stock issue. He stated that the next meeting was scheduled for December 4, 2017 from 2:00 to 4:00 p.m. and invited them to attend, noting that he would follow up via email.

Mr. Polce asked if Victory Church would ideally like to adopt a model that is similar to Oxford Homes, if their efforts were not specific to individuals with substance use disorder and behavioral health, or if they would be truly just a safe gap for homelessness. Responding, Pastor Harmon stated that they want to put in a model that is like Oxford Homes, since the reason for the epidemic is that people who were mentally disabled were put out of mental homes because these homes were keeping people too long. He explained that people who could have returned to their homes or the community with medication were being kept by hospitals for 30 or 40 years. Pastor Harmon indicated that these individuals were put out of hospitals and there were then many homeless people on the street. He noted that a lot of the homeless are not where they are simply because they decided one day to quit their jobs but because they have mental issues. Pastor Harmon stated that he did not believe that you can have a homeless shelter without having someone there who is giving some type of help for mental conditions.

Mr. Polce concurred with Pastor Harmon and stated that, with this clarification, the conversation is very timely because this currently an issue statewide. He indicated that he would like to connect Victory Church with Mr. Jim Martin, a certified peer recovery and resilience individual that Mr. Polce works with on a daily basis. He explained that Mr. Martin runs a number of these types of facilities modeled after Oxford and is primarily in Georgetown. Mr. Polce noted that the City is

not unique in dealing with exponential volumes of individuals who are going through some form of trauma leading to substance use disorder, specifically heroin use disorder, and determining how to combat it from a community health population perspective. He indicated that a number of communities statewide had asked, "How do we ensure that there's a balance? That these individuals who are vulnerable are receiving critical services and a shelter adopted by a home first model, but also striking the balance with the local community?" Mr. Polce noted that there is nothing more fearful in communities than change and there could be an uprising if an Oxford House is put in certain communities, and he stated the need to realize this and strike a proper balance. He advised that members would see legislation coming out of the General Assembly regarding Oxford Homes and sober living communities that will require them to be credentialed and accredited by the Community Healthcare Association. He explained that this is a national organization and entity that accredits these types of facilities to ensure that a proper balance is struck.

Mr. Polce expressed appreciation for Mr. Anderson's comments, stating that Mr. Anderson was very thoughtful when he stated that there has to be a proper balance in making sure that there is a right fit. He indicated that he was more than willing to help in Victory Church's endeavor as much or as little as they want, noting that he is able to connect them with resources at any level. Mr. Polce stated that this is an important issue because of the need to make sure that addiction and interdiction of the addiction itself are critical components to any form of sober living facility and that important critical services are being offered. He noted that an element that is often forgotten is making sure that there is a component with the Department of Labor, local business, or whatever might work to build a true workforce and career pipeline for these individuals. Mr. Polce advised that if this could be tackled simultaneously while providing shelter, there would be a winning model, but only if there was the ability able to do all those things.

Mr. Caldwell thanked Pastor Harmon and Pastor Appling for bringing up the issue of the homeless and what is needed. He informed members that he lives on Bertrand Drive in the Lincoln Park area, so he knows the issues that are taking place in that community. Mr. Caldwell advised that he had seen the problems that the HUD house there has had in the past couple of years. He explained that he is a member of the neighborhood watch in the Lincoln Park area and, noting the discussion of crime and mental illness, he advised that there would be an uprising if another homeless house is put in this community. Mr. Caldwell stated that he concurred about the need for a serious discussion regarding this problem in the City of Dover. He indicated that the Lincoln Park area had dealt with this problem and he constantly sees the homeless walking up and down the streets, whether it be Lincoln Street, Bertrand Street, or throughout the area. Mr. Caldwell reiterated that there would be concern among the people about anything of this magnitude for group housing in their community.

Mr. Caldwell explained that there is a house behind his which has been vacant for two and one half or three (3) years and a house across the street that has been vacant for two and one half years, and both homes are just sitting there. He informed members that if anyone or group with any magnitude of a problem with mental illness is put in these homes, people will not be happy and there will be an uprising within the community. Mr. Caldwell noted the need for this discussion to continue.
In response to Pastor Harmon, Mr. Caldwell stated that he lives in the Bertrand area right across the street from the HUD house. Pastor Harmon asked if Mr. Caldwell knew how many people with mental illnesses live in Lincoln Park. Responding, Mr. Caldwell indicated that this was the problem

and that they did not need more in addition to what they already have in that particular area. Pastor Harmon noted that mental illness does not mean crime. Mr. Caldwell advised that he was not saying that; however, he knew of issues with mental illness in his community. He indicated that their community has officers who tell the neighborhood watch what has taken place within their community based upon problems in certain houses, and he wanted to let members know.

Mr. Neil stated that he was scared by the comment that Pastor Appling had made that he had talked to the gentleman from Connections in Wilmington who was looking for places in Kent County. He stated that there are people who are homeless in Dover and asked that people not be brought down from Wilmington. Pastor Harmon explained that there are already homeless people here who live in Kent County.

Mr. Sudler indicated that, as a State Human Relations Commissioner who promotes fair housing in the State of Delaware, he would be remiss in not stating that people cannot be discriminated against based on mental or physical illness. He noted that he was not saying that anyone is right or wrong and asked everyone to keep in mind that these individuals have a right to affordable housing in any community. Mr. Sudler advised that he thought that the main objective and concern were to communicate with existing community members to see how transition can be easy, fair, and respectable in the community, and noted that there are valid concerns.

Mr. Polce stated that he thought the most appropriate venue would be with grassroots advocates at DCHI. He reiterated that he would send information, noting that he would love to further the conversation in that venue.

Mr. Neil moved for adjournment of the Parks, Recreation, and Community Enhancement Committee meeting. The motion was seconded by Mr. Lindell and unanimously carried.

Meeting adjourned at 7:29 p.m.

UTILITY COMMITTEE

The Utility Committee met with Chairman Cole presiding.

AGENDA ADDITIONS/DELETIONS
Mr. Hare moved for approval of the agenda, seconded by Mr. Neil and unanimously carried.

Request for Street Name Change - Krisko Circle (Remaining segment of Krisko Circle which runs in a west-east direction from Stover Boulevard just east of Bay Road) (Planning Reference: MI-17-07)
In accordance with Chapter 98, Article II, Section 98-45 Street Name Change Procedure, of the Dover Code, members considered a petition, submitted by Mr. Garth E. Jones, P.E., Chesapeake Utilities, to change the street name of the remaining segment of Krisko Circle to Energy Lane. The petition requests that the remaining segment of Krisko Circle, which runs in a west-east direction from Stover Boulevard just east of Bay Road, be changed to Energy Lane.

Mr. David Hugg, Acting Director of Planning and Community Development, indicated that the street name change request was initiated by Chesapeake Utilities. He noted that this property was the Stover business park a number of years ago and estimated that there were approximately a dozen lots with a hotel on the front lot, but that the rest of the property had not been developed. Mr. Hugg informed members that Chesapeake Utilities had acquired the property for its new headquarters, warehouse, etc. He explained that at the time the Stover Park project was active, Krisko Circle was in fact a circle; however, under the Chesapeake development plans, it is now a cul-de-sac.

Mr. Hugg stated that Chesapeake Utilities would like to have a street name that is more appropriate to their business and proposed Energy Lane. He indicated that the proposed street name is consistent with street naming protocols and staff recommended that this matter go to Council for consideration.

Staff recommended approval of the requested street name change from Krisko Circle to Energy Lane, as recommended by the Planning Commission, and that a public hearing before City Council be set for December 11, 2017 at 7:30 p.m.

Mr. Neil asked if there would be any City expenses for the street name change, for example the cost of maps, etc. Responding, Mr. Hugg, stated that since the street is currently only partially developed, and he believed it was a private street, as part of the site plan development, the naming will change and Chesapeake Utilities will be responsible for putting up the street signs and those kinds of things. He indicated that he was unaware whether Chesapeake Utilities plans to dedicating this as a public street. Mr. Hugg explained that if they do want to dedicate the street to the City, it would go through the City's normal process to ensure it meets the standards for being accepted by the City, which is a function of the Public Works Department. In regard to the street name change, Mr. Hugg stated that there is no immediate cost to the City for maps or anything like that, explaining that it is one of the rolling changes that staff will make as part of the mapping process. Mr. Hugg advised that 911 would change their maps, indicating that it is probably the most important change so that public safety personnel would be aware of the name change to Energy Lane.

Mr. Hare moved to recommend approval of the requested street name change from Krisko Circle to Energy Lane, as recommended by the Planning Commission, and that a public hearing before City Council be set for December 11, 2017 at 7:30 p.m., as recommended by staff. The motion was seconded by Mr. Sudler and unanimously carried.

Neighborhood Building Blocks Grant - Central Dover LED Lights

Mrs. Donna Mitchell, Acting City Manager, advised members that the Neighborhood Building Blocks Grant Application was completed by Mrs. Ann Marie Townsend, former Director of Planning and Community Development, in December 2016, and the City was notified of the grant award on June 29, 2017. Since that time, staff has been working through the details and an action plan.

Mrs. Mitchell explained that, in working with the Sustainable Energy Utility (SEU), this project will serve as a pilot for a complete City-wide LED light change out. She explained that the SEU has six (6) pre-qualified vendors for their energy efficiency programs and the City is working with two (2) of the vendors on proposals for the pilot in accordance with the Cooperative Purchasing provisions of the City's Purchasing Policy. Mrs. Mitchell advised that the goal is to have the pilot

program completed by June, and the larger project will be budgeted next fiscal year. She noted that when the pilot program is complete, the City could have an event for members of Council and community to demonstrate the difference between the LED lights and the non-LED lights that the City currently has.

Mrs. Mitchell stated that the streets identified in the grant application are in the Central Dover area, and are part of the Restoring Central Dover efforts. Members were advised that the installation is planned for the following streets: South Kirkwood, South Queen, Reed, and North New.

Mrs. Mitchell noted that a lot of technology had gone into these new lights, therefore, with this program, the City can get lights that will provide many opportunities. She explained that there are lights with sensors on top which can be brightened if there is crime in an area, or dimmed if there are complaints regarding light pollution. Mrs. Mitchell stated that these lights also have control mechanisms which can be set, noting that this will help if there is a shooting, because the lumens on the lights can be raised to make it brighter if there are police working in the area.

Mrs. Mitchell reiterated that this would be part of a larger project that will be budgeted for in Fiscal Year 2019. She stated that the current staff recommendation is for Committee approval of the project not to exceed $194,634, which is the money awarded under the grant plus the $100,000 budgeted in the Electric Fund. Mrs. Mitchell noted that item #3, Electric Utility Cost of Service and Rate Design Study, was scheduled for consideration by the Council Committee of the Whole/Utility Committee next, and advised members that she also had the rate consultant working with this in regard to the new rate tariffs for the LED lights. She also noted that the energy cost for the lights is in the street light budget in the General Fund, and changing all of the City lights to LED lights would use less energy; therefore, her long-term goal would be a reduction in the General Fund budget through these LED lights.

Mr. Sudler moved to recommend approval of this project, not to exceed $194,634, as recommended by staff. The motion was seconded by Mr. Anderson and unanimously carried.

Electric Utility Cost of Service and Rate Design Study

Mrs. Donna Mitchell, Acting City Manager, advised members that City staff solicited a Request for Proposals to update the electric utility cost of service rates as well as design the rate structure for parity between each customer class and received eight (8) very good proposals. She stated that one (1) of the goals of this rate design study is to look at what the City is charging for demand versus energy.

Mrs. Mitchell noted that the 2015 Energy and Information data had the average electric rate for Delaware at 11.17 cents per kilowatt and the average rate for Dover was 11.11 cents per kilowatt. She stated that the same information had industrial rates for Dover at 11.5 percent higher than the average industrial rate in Delaware, however, the residential rates were 4.9 percent lower. Mrs. Mitchell advised that this data shows that the City's commercial customers are being charged above the average and demonstrates the need for this rate design study.

Mrs. Mitchell stated that staff recommended New Gen Strategies & Solutions because of the modeling that they demonstrated, how they do the rate model, and the services provided with that rate model. She explained that it can be done specifically for one (1) customer if needed and it is very intuitive, which is why she thought it was the best rate study model. It will be turned over to the City for our future use and they do biannual training for staff on the model.

Staff recommended approval of New Gen Strategies & Solutions in the amount of $45,300.

Mr. Hare moved to recommend approval of staff's recommendation, seconded by Mr. Sudler and unanimously carried.

Mr. Sudler moved for adjournment of the Utility Committee meeting. The motion was seconded by Mr. Neil and unanimously carried.

Meeting adjourned at 7:39 p.m.

By unanimous consent, the Council Committee of the Whole meeting was adjourned at 7:39 p.m.

Timothy A. Slavin
Council President

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Attachments

Attachment #1 - Presentation entitled "Land Banking...What, Who, Why and How", provided by Ms. Sue Harris

Attachment #2 - An article, entitled "What is a Land Bank" by Dan Kildee, Co-Founder and President, and Amy Hovey, Co-Founder and Senior Vice-President, Center for Community Progress, provided by Ms. Sue Harris

Attachment #3 - An Ordinance to authorize the execution of the Memorandum of Understanding and Annual Funding Agreement between the City of Wilmington and the Wilmington Neighborhood Conservancy Land Bank, provided by Ms. Sue Harris

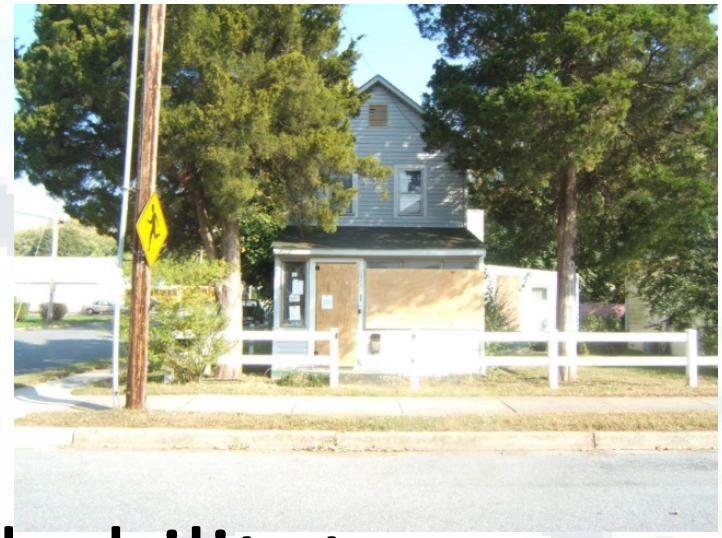
Land Banking… What, Who, Why and How

What is a Land Bank

A Public or community-owned entity created to acquire, manage, maintain, and repurpose vacant, abandoned, and foreclosed properties ---–the worst abandoned houses, forgotten buildings, and empty lots.



What Does a Land Bank Do?



The purpose is to rehabilitate or demolish the properties or get them into the hands of the new owners who will improve them in accordance with the long term interests of the community.

In July 2008, Congress passed the Housing and Economic Recovery Act of 2008 (HERA), marking the first time that land banking was expressly recognized in federal legislation.

As of June of 2017 there are 170 land banks operating in the country.

A land bank is a *direct response* to a growing inventory of problem properties that the private market has altogether rejected.





Who creates Land Banks

- Typically land banks are created as public entities provided for in local ordinance, pursuant to authority provided in state enabling legislation.
- Land bank programs can also be developed within existing entities, such as redevelopment authorities, housing departments or planning departments.

Because a land bank is not a traditional form of local government and exercises only limited powers, some form of state enabling legislation is usually necessary.

As of August of 2015, the following eleven states have passed comprehensive land bank legislation:

❑	Michigan	2004
❑	Ohio	2009
❑	New York	2011
❑	Georgia	2012
❑	Tennessee	2012
❑	Missouri	2012
❑	Pennsylvania	2012
❑	Nebraska	2013
❑	Alabama	2013
❑	West Virginia	2014
❑	Delaware	2015



On August 11, 2015, Governor Markell signed into law Senate Bill No. 66, as amended. This enables counties and municipalities to create land banks in order to acquire vacant or abandoned property through foreclosure and other means.

§ 4701 Short title.

This chapter shall be known and may be cited as the "Delaware Neighborhood Conservation and Land Banking Act.“ effective September 10, 2015

80 Del. Laws, c. 155, § 1.;

Governor Carney Signs Anti-Blight Legislation

Governor John Carney on Thursday September 7, 2017, signed into law House Bills 187 and 188.



Why are Land Banks Created

The concepts of "**land banks**" and "**land banking**" first emerged in the 1960s

As a new urban planning tool.



With a growing inventory of abandoned tax-delinquent inner-city properties, land banks acquire and manage the properties no longer accessible or desired by the market.



Land banks have special powers

Land banks are designed to acquire and maintain problem properties and then transfer them back to responsible ownership and productive use in accordance with local land use goals and priorities.



In order to accomplish these tasks, land banks are granted special powers and legal authority pursuant to state-enabling statutes.

SUMMIT COUNTY LAND BANK

Michigan Land Bank Fast Track Authority

One of the most important special powers of a land bank is they have the authority to target and complete property transfers, without seeking additional approvals from other levels of local government.

How are Land Banks Created

A foreclosing governmental unit (a political subdivision of the State) may create a land bank by the adoption of a local law, ordinance, or resolution, as appropriate to such foreclosing governmental unit.

The local law, ordinance, or resolution creating the land bank shall specify all of the following:

(1) The name of the land bank.

(2) The number of members of the board of directors, requiring not less than 7 members.

(3) The names of the initial individuals to and the length of terms for which they are to serve.

(4) The qualifications, manner of selection or appointment, and terms of office of board members.

GENESEE COUNTY LANDBANK

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Land banks are generally funded through a variety of sources, which may include revenue from the sale of properties, foundation grants, general fund appropriations from local and county governments, and federal and state grants.



How Land Banks Get Properties

- **Tax foreclosure process** – allows for direct transfer of property to a land bank if the impositions are greater than the value of the property.
- **Property forfeited** to the city
- **Transfer of property** from private individuals and probate estates.

- The first task is the acquisition of title to such properties;
- The second task is the elimination of the liabilities;
- The third task is the transfer of the properties to new owners in a manner most supportive of local needs and priorities.

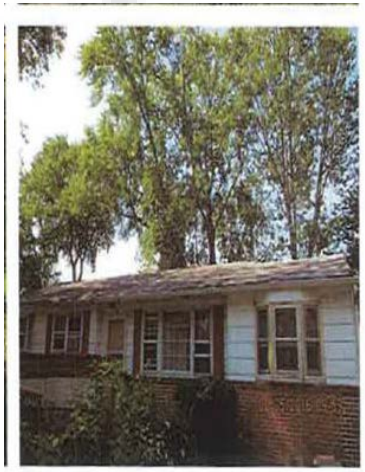
Land Bank Property Life Cycle:



- In December of 2015, the Center for Community Progress, a national nonprofit that addresses blight and vacancy in cities across the country, produced a report focused on Wilmington.



In Nov of 2015 The City of Wilmington's City Council gave final approval to a proposal to create a land bank for Wilmington with a unanimous vote of all members in attendance. The Wilmington Neighborhood Conservancy Land Bank was established.



- **Agenda No# 4288**
- **Sponsors: Council President Gregory**
- **Council Member Shabazz**
- **AN ORDINANCE TO AUTHORIZE THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND ANNUAL FUNDING AGREEMENT BETWEEN THE CITY OF WILMINGTON AND THE WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK**

- **WHEREAS,** pursuant to Section 2-308 of the City Charter, the City of Wilmington is authorized to enter into agreements that shall run for more than a period of one year if approved by City Council by Ordinance; and

- The Wilmington Neighborhood Conservancy Land Bank is a 501(c) (3) entity dedicated to translating problem parcels into productive use.
- The WNCLB consists of a 15-person board representing the City, the State, Community Reinvestment Act (CRA), officers of local banks, and neighborhood-serving entities.





$5.5 million awarded to Strong Neighborhoods projects statewide

Date Posted: *Monday, March 13th, 2017*

- The housing projects chosen for funding in this round, listed by jurisdiction, are:
- **City of Wilmington**, lead applicant Wilmington Neighborhood Conservancy Land Bank, $2.1 million
  - Wilmington Neighborhood Conservancy Land Bank, $645,000 to acquire blighted properties and remove them
- ……

Louisiana LAND BANK

How Dover can create a Land Bank

- A foreclosing governmental unit may create a land bank by the adoption of a local law, ordinance, or resolution, as appropriate to such foreclosing governmental unit. (after verifying a vacancy rate at 3% or above)
- Each county in this State shall have the ability to create a land bank *(regardless of vacancy rate)*

- There are four critical elements is successful land bank initiatives:
- **Connect the Land Bank to the tax collection and foreclosure system**. Tax collection is the principal interaction with abandoned properties –as owners typically do not pay taxes on abandoned property.
- **Scale the land bank around the most diverse real estate market possible.** Land banks are most effective when they are not relegated to ownership of only the worst of the foreclosed or abandoned properties.

- **Ensure a Land Bank is policy driven – and transparent in policies and transactions.** The public –for good reason – is often suspicious of any government role in the real estate market.
- **Emphasize community engagement and participation.** The land held by Land Banks is typically scattered among neighborhoods throughout the community.

LANDBANK

The best land banks do not work alone, but rather develop strategic partnerships with non-profits, community organizations, lenders, and local governments – all in an effort to leverage the resources available to deal with the most distressed land in the community.



The successful land banks often begin with state legislation that streamlines the tax foreclosure process and authorizes the creation of land banks with sufficient powers and funding to be proactive and effective.



We are fortunate that Delaware has enacted enabling legislation that puts the teeth into this that is required to make it successful and meaningful.

Using the example of Wilmington Land Bank and others, Dover City Council should propose the adoption of a local law, ordinance or resolution to establish a land bank.

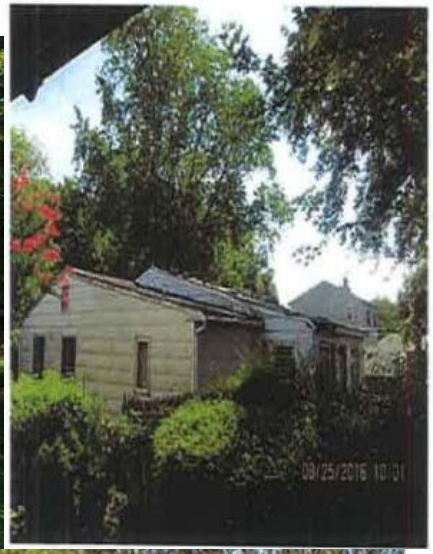
cclba
Cook County Land Bank Authority

Dover's next steps to begin this process:

- With the benefit of counsel, the City Council should now discuss the make up of the Land Bank they wish to establish. Will you work with an existing entity such as a planning department or form a new public entity?
- Council should discuss the type of ordinance, law or resolution that they would establish setting up the regulations and guidelines in accordance with State Law, the City of Dover Consolidated plan and Action Plan.













What is a Land Bank?

Dan Kildee, Co-Founder and President
Amy Hovey, Co-Founder and Senior Vice-President
Center for Community Progress

So, what is a Land Bank?

Land banks are not financial institutions. They are public or community-owned entities created for a single purpose: to acquire, manage, maintain, and repurpose vacant, abandoned, and foreclosed properties –the worst abandoned houses, forgotten buildings, and empty lots.

There are approximately 75 communities now operating formal land bank programs across the country. And while land banks are most often associated with communities with large-scale blight and abandonment, many communities now see the benefit of implementing land banking as a means of preventing the contagious blight that can sweep across urban neighborhoods like a plague, infecting house after house until whole blocks – even neighborhoods - become empty and abandoned shadows of their former selves.

Land banks across the country are often created to replace an antiquated system of tax foreclosure and property disposition. Land banks replace those "liquidation" based systems - generally comprised of the sale of tax liens (the uncollected tax receivables of a given municipality) or public tax auctions are essentially liquidation systems, wherein government trades their interest in tax-delinquent property to speculators, often for pennies on the dollar. Those systems place a higher premium on the modest collections derived from such transactions, with no consideration for the impact such a transaction will have on surrounding properties. That impact, in cities across America, is devastating to a neighborhood struggling to hold its own in an already weakened market. Those local governments sell interest in properties to investors who view property not as real estate, but as an investment on paper to be sold to another investor or simply represent a loss in the larger pool of properties or tax liens they may have acquired. It is rare that such sales lead to reinvestment in those properties. Families don't shop for the family home at tax lien sales, and developers don't seek the site for their next multi-million dollar deal at the courthouse auction.

A land bank is the alternative to such systems, as they give communities the opportunity to repurpose abandoned properties in a manner consistent with the communities' values and needs - demolishing unsalvageable homes and creating open green space or a community garden, restoring interesting buildings, or simply holding land in careful stewardship until a new purpose can be determined.

Land banks treat properties as real estate, not as a disposable commodity that, once used, not longer has a meaningful purpose.

Quick Guide to Land Banks

What Can A Land Bank Do?

Sell or convey property through locally developed policies that reflect the community's priorities

- Sell through negotiated sales
- Convey property for other than monetary consideration
- Sell, lease, manage property with terms deemed to be in the interest of the Land Bank
- Utilize land bank financing tools for tax foreclosed and other targeted properties
- Support local planning decisions by adhering to local priorities as to use and transferee of land bank owned properties

Sample Land Bank Programs

- Demolition
- Property maintenance
- Rental management
- Land Use Planning
- Sales
- Real Estate Development and Rehabilitation
- Land assembly for development

Sample Governance Structure

- Legal authority determined by statute or intergovernmental agreement
- If a formed as an independent or quasi-indepent public entity, the Board of Directors appointed according to local ordinance, intergovernmental agreement, or state authorizing statute

- Policies and procedures determined by Board, implemented by staff according to adopted policies -delegation of authority determined by Board policy

- Land banks may create local agreements with county, cities, townships, and villages as to the use and transferee of properties within their specific municipalities

- Public participation may include Advisory Council of citizens and interested parties

Potential Sources of Income

Land bank authorities typically have access to a variety of sources of income to fund land bank programs, including: foundation grants, government contracts, land sale revenues, specific tax collection, developer fees, and rental income. Below is a description of these income sources:

1) Land banks are typically eligible for foundation grants due to its corporate structure or governmental status. When a land bank is in its formative stages and initially developing its capacity to operate, it may need to rely heavily upon foundation grants to covers operating costs. Such grant funding allows a land bank to build its capacity to operating programs that will potentially generate resources to operate the programs of the land bank.

2) Federal grants funded through HUD's Neighborhood Stabilization Program (NSP) may provide acquisition, maintenance and operating funds for land banks for a maximum period of ten years. Specific guidance for NSP can be found at the NSP Resource Exchange, www.hud.gov/nspta. In addition, land banks can be used in conjunction with the HOME and CDBG programs with certain specific limitations. Be sure to check with local program managers regarding the availability of HOME and CDBG funding and the potential connections for land banks within each program.

3) Land sales revenue is generated when the land bank authority is able to sell properties for more than the land cost the land bank. Land banks are able to acquire property at below market value in a variety of ways. First, land banks are able to accept donated land. Property owners may want to donate their land for the tax benefits or even to relieve themselves of the maintenance obligations for the property. It is advisable that the land bank conduct proper due diligence prior to accepting donated property. It is appropriate for a land bank to provide a letter of acceptance for donated properties, but not to designate a donative value to the donor -rather it should advise donors to consult their tax professional for assistance in determining the tax implications for the donor. Secondly, the land bank may purchase low value properties at the auctions though it will be bidding against other buyers.

4) Some land bank can receive a portion of the tax revenue for land bank properties that are transferred to new owners. Under Michigan law land banks receive 50% of the specific tax generated on all properties that are sold by the land bank for five (5) years succeed the transfer of the property.

5) If the land bank participates as a developer or co-developer in real estate development projects in targets redevelopment areas. As a result of these development projects, the land bank may generate a developer's fee ranging from 7% to 20% of project costs.

6) Many land banks have the authority to keep properties in their inventory and rent them to both commercial and residential tenants. A rental program is often necessary in the current economy due to the difficulty in securing financing for real estate. Further, the provision of stable and quality rental properties to the market is an important aspect of any stable real estate market, and this program may be within the overall mission of the land bank.

Sample Land Banking Agreement



About this Tool

Description:

This document provides a sample written agreement for land banks to allow nonprofit developers or other governmental agencies to land bank a property within a land bank until it is ready for disposition or development.

How to Adapt this Document:

This document should be used as a guide for creating a customized land banking agreement that meets the needs of the land bank and the CDC/governmental entity. It addresses the major land bank categories that should be included at a minimum. However, it should not be used as-is. Each land banking agreement will likely have its own individual structure.

Source of Document:

Substantial portions of this document come from a document utilized by the Genesee County Land Bank Authority.

Disclaimer:

This document is not an official HUD document and has not been reviewed by HUD counsel. It is provided for informational purposes only. Any binding agreement should be reviewed by attorneys for the parties to the agreement and must conform to state and local laws.

This resource is part of the NSP Toolkits. Additional toolkit resources may be found at www.hud.gov/nspta

LAND BANKING AGREEMENT

This Land Banking Agreement is entered into by and between XXXXX Business XXXXXXX, a XXXXX Corporation, with offices at XXXXXX, ("XXXX") and the XXXXX Land Bank Authority, a XXXX public body corporate (or private non-profit) with offices at XXXXXX, (the "Land Bank").

WITNESSETH:

1. Transfer of Property. Within 14 calendar days of the date of execution of this Agreement, XXXX will transfer to the Land Bank all of its right, title and interest in the following described real estate situated in XXXXXX, County of XXXXX, State of XXXXX, to wit, (the "Subject Property"):
Commonly Known As: XXXX, XXX, XX XXXXX

Tax ID # XX-XX-XXX-XX

Described as: (insert legal description)

The Subject Property shall be conveyed by Warranty Deed to the Land Bank by warranty deed with XXXX bearing all costs and fees associated with the transfer.

2. Quality of Title. The Subject Property shall have no liens, judgments, mortgages, or other encumbrances held by any third party. As evidence thereof, XXXX shall furnish suitable title evidence, to wit: a commitment for title insurance or a title search in a form acceptable to the Land Bank. Said title evidence shall be issued in advance of the conveyance and shall be approved by the Land Bank prior to issuance of the conveyance contemplated hereby. As of the date of the transfer of the Subject Property no third party shall have any lease, license, permit or other occupancy or use rights therein.

3. Condition of Property. XXXXX shall provide to the Land Bank in advance of the transfer any and all environmental assessments which it has in its files and shall provide access to surveys, maps, plans and diagrams concerning the Subject Property. If, in the sole discretion of the Land Bank the Subject Property requires any additional site assessment such work will be contracted for and paid by XXXX. The Land Bank retains the right to refuse to accept the

transfer of the Subject Property in the event the Subject Property, or any part of it, is characterized as being subject to environmental contamination. XXXX acknowledges and affirms that neither XXXXX nor any of its officers, directors, agents or employees have actual knowledge of existing environmental contamination on the subject property, except to the extent as may be disclosed within the materials provided.

4. Maintenance and Use by the Land Bank. During the term of this Agreement, the Land Bank shall have no obligation to secure or maintain the Subject Property. The Land Bank shall have no obligation to insure the improvements located on the Subject Property. It is understood that XXXXX will provide any and all required maintenance, insurance and security during the term of this Agreement.

OR you can you the following language:

During the term of this Agreement, the Land Bank shall have the right but not the obligation to undertake such action as may be reasonably necessary to secure the donated property. The Land Bank shall have the right, but not the obligation, to provide maintenance services to the donated property and to insure the improvements located on the donated property. The Land Bank shall have no right to make alterations or improvements to the donated property without the prior written approval of the City of Mt. Morris. It is understood that the City will provide any and all required maintenance and improvements during the term of this agreement.

5. Reconveyance.

(a) XXXXX shall have the absolute option at any time during the term of this Agreement to repurchase the subject property. The consideration for such repurchase shall be a pro-rated amount for each parcel conveyed computed based upon an amount equal to the sum of (1) all expenditures of the Land Bank, whether made directly by the Land Bank or through payments to a third party contractor in connection with the subject property incurred subsequent to the date of conveyance to the Land Bank, and (2) an amount determined by the Land Bank, pursuant to its policies and procedures, as the average indirect cost on a per parcel basis of holding its portfolio properties.

(b) It is understood that the XXXXX is currently marketing the subject properties and the Land Bank, accordingly, agrees to issue its conveyance either to the XXXXX or to a purchaser of a unit or units, said conveyance to take place as expeditiously as possible in order to facilitate the closing of the sale of the properties. The conveyance by the Land Bank of all or part of the property shall be by quitclaim deed.

(c) The Land Bank shall also have the right, at any time within the term of this Agreement, to require the XXXXX to exercise its right of repurchase by giving written notice of the requirement that it exercise its right to repurchase, in the amount of the repurchase price. In such case the City of XXXXX must exercise its right to repurchase within sixty (60) days within receipt of such notice. Failure of the XXXXX to exercise and close upon its right to repurchase within such 60 days shall result in termination of all rights of repurchase with respect to the donated property.

6. Hold harmless. XXXXX agrees to hold harmless, indemnify and defend the Land Bank, its officers, directors, employees and agents from and against any and all claims, losses, damages, liabilities and costs, including, but not limited to, costs of defense arising out of, or in any way connected wholly or in part with, this Agreement.

7. Miscellaneous. This Agreement and the other documents and instruments referred to in it contain the entire agreement between the Land Bank, XXXXX and no other party shall be entitled to rely on this Agreement or have any contract or other rights under it. Each party to this Agreement shall pay its own costs and expenses, including without limitation legal fees, associated with entering into this Agreement. Michigan law shall govern this Agreement, which may be amended only by written agreement among all the parties.

8. Effective Date and Term. This Agreement shall be effective when signed by all three parties and shall remain in effect for 360 days unless the Subject Property is conveyed back to XXXXX. XXXXX obligations contained in Paragraph 6 shall survive the termination of this Agreement.

XXXXX BUSINESS GROUP, INC

By:_____

Its:

Dated:_____

GENESEE COUNTY

LAND BANK AUTHORITY

By:_____

Its: Executive Director

Dated:_____

Function	*Lead Entity*	*Possible Source*	*Budget*	*Action Step*
Administration	Land Bank	Grant Funding / Land Sales		1) Executive Director to develop staff plan 2) Create business plan to ensure long-term stability
Information Technology / GIS	D-Access / CLR	LB General Funds		Executive Director / CLR to begin to build the relationship with D-Access
Legal	ABC Law Firm	LB General Funds		Interview law firms with land bank experience
Office	Land Bank	LB General Funds		Executive Director to locate site
Acquisition	Land Bank / City of XXX	NSP / LOC /Bond		Executive Director to work with Acquisition Committee to create an acquisition strategy and create an acquisition fund
Property Clean-up	Land Bank / City of XXXX / Maintenance Contractor	NSP2 / LB General Funds / alternative sentencing / work release / MPRI		1) Executive Director to create property maintenance standards 2) send out RFP to maintenance companies & CDCs 3) Meet with MPRI to discussion possible collaboration

Function	*Lead Entity*	*Possible Source*	*Budget*	*Action Step*
Insurance	Land Bank	LB General Funds		Executive Director to procure require insurance (general liability and property)
Inspection	Land Bank / Contractor / CDCs	LB General Funds / EPA funds		1) Executive Director to create an inspection checklist 2) Train inspectors
Grass / Snow removal	Land Bank / Contractor / CDCs	NSP2 / LB General Funds		1) Executive Director to create property maintenance standards 2) send out RFP to maintenance companies & CDCs 3) Meet with MPRI to discussion possible collaboration
Boarding / Securing	Land Bank / Contractor / CDCs	NSP2 / LB General Funds		1) Executive Director to create property maintenance standards 2) send out RFP to maintenance companies and CDCs

Function	*Lead Entity*	*Possible Source*	*Budget*	*Action Step*
Demolition	Land Bank / Contractor /	NSP1/ NSP2 / Brownfield TIF / CDBG		1) Create a list of targeted demolition in compliance with funding source 2) Procure Demolition contractor according in compliance with funding source
Housing Rehabilitation	Joint Ventures / Developers	Varied		Executive Director to manage in collaboration with the municipality
Catalytic Economic Development	Joint Ventures / Developers	Varied		Executive Director to manage in collaboration with the municipality
Environmental Remediation	Consultants / Contractor	EPA / DEQ / DBRA		Executive Director to manage in collaboration with the municipality

Agenda No# 4288

Sponsors: Council President Gregory
Council Member Shabazz

AN ORDINANCE TO AUTHORIZE THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND ANNUAL FUNDING AGREEMENT BETWEEN THE CITY OF WILMINGTON AND THE WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK

WHEREAS, pursuant to Section 2-308 of the City Charter, the City of Wilmington is authorized to enter into agreements that shall run for more than a period of one year if approved by City Council by Ordinance; and

WHEREAS, the City desires to authorize the execution of the Memorandum of Understanding (the "MOU") and the Annual Funding Agreement between the City of Wilmington and the Wilmington Neighborhood Conservancy Land Bank (the "Land Bank"); and

WHEREAS, the City suffers from a large number of vacant, abandoned and blighted properties that drain City resources and that negatively impact quality of life for the citizens of the City; and

WHEREAS, the similar institutions and organizations to the Land Bank have been proven to be an effective vehicle for the removal of vacant, blighted, and abandoned property in other states and cities; and

WHEREAS, the General Assembly of the State of Delaware enacted Chapter 47 of Title 31 of the Delaware Code, known as the "Delaware Neighborhood Conservation and Land Banking Act," which enables any political subdivision of the State of Delaware that has the power to cause the sale of real property located within its respective jurisdiction for the collection of liens inuring to that subdivision to create an entity, known as a land bank, for the purpose of returning vacant, abandoned, and delinquent properties to productive use; and

WHEREAS, the City passed Substitute No. 1 to Ordinance No. 15-040 authorizing the establishment of the Land Bank; and

WHEREAS, the City and the Land Bank have diligently been working on negotiating an agreement that will enumerate certain rights and responsibilities of the City and the Land Bank to ensure the success of the Land Bank and its mission to help the City fight against crime and blight; and

WHEREAS, the City and Land Bank have crafted and agreement that reflects the intentions of both the City and the Land Bank by way of the MOU which is attached hereto and made a part hereof as 'Exhibit A' and by way of the Annual Funding Agreement which is attached hereto and made a part hereof as 'Exhibit B'.

THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:

SECTION 1. the MOU, a copy of which, in substantial form, is attached hereto as Exhibit AA,@ for a period of ten (10) years beginning on the date of execution, and the Annual Funding Agreement as contemplated in the MOU, a copy of which, in substantial form, is attached hereto as Exhibit AB,@ are hereby approved, and the Mayor and the City Clerk are hereby authorized to execute as many copies of said agreements, as well as all additional undertakings related thereto, as may be necessary.

SECTION 2. This Ordinance shall be effective upon its passage by City Council and approval of the Mayor.

First Reading ..... November 3, 2016
Second Reading.... November 3, 2016
Third Reading . . .

Passed by City Council,

_____
President of City Council

ATTEST:_____
City Clerk

Approved as to form this
_____ day of _____, 2016

_____
Assistant City Solicitor

Approved this _____ day of _____, 2016

_____
Mayor

SYNOPSIS: This Ordinance authorizes the execution of the Memorandum of Understanding and Annual Funding Agreement between the City of Wilmington and the Wilmington Neighborhood Conservancy Land Bank (the "Land Bank") which will empower and enable the Land Bank to assist the City in fighting crime and blight that stem from a high number of vacant and abandoned properties located within the City.

Fiscal Impact Statement

This Ordinance authorizes the execution of the Annual Funding Agreement and the Memorandum of Understanding between the City of Wilmington and the Wilmington Neighborhood Conservancy Land Bank for a period of ten (10) years with a non-binding commitment of financial support made by the City to the Land Bank in an amount of $15,000,000 (fifteen million dollars).