


AUDIT REPORT TRACKING SYSTEM (ARTS)

SECTION I: SUMMARY INFORMATION			
Audit Title:	Land Bank's Contract and Deed of Trust Monitoring Processes Should Be Strengthened	Audit Release Date:	04/26/2016
Department:	Land Bank	Last Report Date:	First ARTS Report
Department Director:	Ted Anderson	This Report Date:	10/17/2016
Contact Person/Phone:	(816) 513-9049	Expected Presentation Date:	11/03/2016
SECTION II: RECORD OF IMPLEMENTED RECOMMENDATIONS			
1. Implemented 09/26/2016.	5. Implemented 09/12/2016.		
2. Implemented 09/26/2016.	6. Implemented 09/12/2016.		
3. Implemented 09/12/2016.	7. Implemented 09/12/2016.		
4. Implemented 09/12/2016.			
SECTION III: SUMMARY OF IMPLEMENTATION EFFORTS			
Recommendation 1: The executive director of Land Bank should develop policies and procedures to identify and track deed of trust requirements, compliance with the requirements, and corrective actions taken to address noncompliance.			
<i>Status of Recommendation: Implemented</i>			
summary...we implemented procedure 16-005 on 9/26/2016, a copy is attached.			
Recommendation 2: The executive director of Land Bank should develop enforcement policies to guide staff through major decision points during the life of a deed of trust that include possible actions to be taken for failure to meet deed of trust requirements and unsatisfied deed of trust provisions at the end of the deed term.			
<i>Status of Recommendation: Implemented</i>			
summary...we implemented procedure 16-005 on 9/26/2016, a copy is attached.			
Recommendation 3: The executive director of Land Bank should develop procedures to ensure the initial mowing lists provided to contractors are accurate and updated throughout the mowing season to remove properties as they are sold.			
<i>Status of Recommendation: Implemented</i>			
summary...we implemented procedure 16-004 on 9/12/2016, a copy is attached.			
Recommendation 4: The executive director of Land Bank should develop a monitoring process for staff that gives reasonable assurance that mowing work has been completed.			
<i>Status of Recommendation: Implemented</i>			
summary...we implemented procedure 16-004 on 9/12/2016, a copy is attached.			
Recommendation 5: The executive director of Land Bank should develop a monitoring procedure to provide reasonable assurance that contractors followed mowing contract requirements.			
<i>Status of Recommendation: Implemented</i>			
summary...we implemented procedure 16-004 on 9/12/2016, a copy is attached.			
Recommendation 6: The executive director of Land Bank should develop and follow written procedures for responding timely to contractor-identified issues on Land Bank properties.			
<i>Status of Recommendation: Implemented</i>			
summary...we implemented procedure 16-004 on 9/12/2016, a copy is attached.			
Recommendation 7: The executive director of Land Bank should work with Procurement Services to develop mowing contracts and scope of services that correctly identify who is responsible for monitoring activities and include monitoring activities that are achievable by Land Bank.			
<i>Status of Recommendation: Implemented</i>			
summary...we implemented procedure 16-004 on 9/12/2016, a copy is attached.			
SECTION IV: ADDITIONAL OUTCOMES			
We will likely need additional personnel in order to fully implement these new procedures.			

	KCMO LAND BANK POLICY AND PROCEDURE		
	PROCEDURE 16-004	Effective Date: 9-17-16	Supersedes:
	Subject: Mowing Process	Unit:	
	Approved By: Mark Moore - Chair		Prepared by: Ted Anderson

PURPOSE:

The purpose of this policy is to establish protocols for consistent handling of Land Bank Mowing and Weed Abatement, which is handled by mowing contractors.

PROCEDURE:

1. **Inventory-** The Land Bank's land inventory changes in two ways—when it sells properties and when it intakes properties. It usually intakes properties from the Jackson County Delinquent Land Tax Sale in April or May of each year, right at the beginning of the mowing season. So that Land Bank has an accurate inventory and that each lot will get mowed and further so that Land Bank will not pay for the mowing of lots it no longer owns, Land Bank staff shall:
 - A. Complete an accurate inventory of Land Bank property by April 1st of each year and communicate that to the mowing contractors in a way that can be tracked.
 - B. Complete another accurate inventory within 30 days of receiving the Jackson County Delinquent Land Tax parcels each year and communicate that to the mowing contractors in a way that can be tracked.
 - C. Add other properties received by other methods within a week of their acquisition and communicate those to the mowing contractors in a way that can be tracked.
 - D. Notify the mowing contractors every two weeks of the sold Land Bank properties so that the contractors must quit mowing those parcels. A record shall be kept of these communications.



2. **Contracts-** Either the Land Bank or another entity acting for it, in cooperation with Kansas City's General Service's Department's Procurement Division, will procure mowing contractors by Requests for Proposals ("RFP"). Each mowing contract shall address at a minimum:
 - A. The initial term and additional periods.
 - B. Compensation- in an amount not to exceed.
 - C. How invoicing/billing is to be handled.
 - D. That each mowing contractor's corporate entity must be in good standing under the laws of the State of Missouri.
 - E. How monitoring will be handled under the contract. Monitoring should include a statistically significant review of a portion of the mowed lots.

F. In accord with the Payment section below, the contract shall require an accurate invoice and a mowing report as further described in that section.

3. Payment- Payment should only be made after the contractor provides reasonable assurance that the work involved has been completed satisfactorily. Documentation required for payment shall include:
- A. An invoice which identifies the work completed by property.
 - B. A mowing report which contains at least:
 - 1. The address of the property.
 - 2. The mowable square feet of the property (as opposed sometimes to the total square feet of the property).
 - 3. The date the mowing was completed.
 - 4. The ("Exceptions") left behind for pickup. The Exceptions are defined below.
4. Exceptions- Primarily the mowing program consists of mowing and light weed abatement and trash pickup on residential lots. On occasion we find we have properties on which dumping or excess vegetation exist. The contractors are expected to stack these items at the curb, if possible, for pickup by the City. If stacking at the curb is not possible, the contractors shall report these issues in a timely manner. These items shall be listed on the mow report:
- A. Tires
 - B. Debris
 - C. Trees/limbs/brush

A list of the exceptions identified by the contractors shall be sent to the appropriate party for pickup or other action as soon as possible, but no later than 5 business days post receipt.



	KCMO LAND BANK PROCEDURE AND POLICY	
	PROCEDURE 16-005	Effective Date: 9-26-2016
	Subject: Deeds of Trust Monitoring	Unit:
	Approved By: 	Prepared by: Ted Anderson

PURPOSE:

The purpose of this policy is to establish protocols for consistent monitoring of Land Bank Deeds of Trust.

BACKGROUND:

In most cases, the Land Bank of Kansas City, Missouri ("LB"), holds a non-monetary deed of trust on the property it sells. This performance-based deed of trust secures promises to make repairs, pay real estate taxes and keep the properties free from nuisance and property maintenance violations. The questions presented are how does the LB 1) keep track of the requirements in those deeds of trust, 2) determine which buyers are compliant and 3) what is the LB's remedy when it finds non-compliance.

PROCEDURE:

1. The LB staff shall keep a current list of sold property, with the buyer's name and deed of trust value.
2. An electronic copy of each deed of trust shall also be kept indexed to the property.
3. Each LB inspector shall average ten (10) inspections each week.

POLICY:

- A. If a buyer is in compliance a notation should be made in the file.
- B. If a buyer is not in compliance with a valid deed of trust but the buyer is making reasonable progress and the buyer is communicating and forthcoming with LB staff, reasonable accommodations and extensions should be granted to get the property in compliance. The file shall be documented with this information.
- C. If a buyer is not in compliance with a valid deed of trust and is either not making progress or not communicating and forthcoming with LB staff, the LB shall take appropriate increasingly sterner measures, including:
 1. Sending a form of demand letter outlining the buyer's obligations and possible LB remedies.
 2. Asking the appropriate property maintenance code inspector to check and cite the property for violations, if any.
 3. Foreclosing on the LB's deed of trust.
 4. If a buyer is not in compliance at the end of the deed of trust's term, usually three (3) years, LB staff shall file a certificate stating that on the real estate records.