

Report of Riley Safer Holmes & Cancila LLP's Internal Operational Assessment of the Cook County Land Bank Authority

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I. Executive Summary

On June 13, 2022, the Cook County Land Bank Authority (the “Land Bank”) retained Riley Safer Holmes & Cancila (“RSHC”) to conduct an internal operational assessment for the purpose of providing legal advice about the Land Bank’s core operational functions. The Land Bank instructed RSHC to evaluate: (1) how the Land Bank acquires properties; (2) how the Land Bank disposes of the properties; (3) how the Land Bank manages its assets; (4) the governance of the Land Bank; and (5) the Land Bank’s compliance culture.

Over the course of four months, RSHC conducted a thorough and independent assessment. We reviewed over 200 documents provided by the Land Bank and over 100 publicly available reports and documents. We examined previous assessments of the Land Bank’s functions, including those conducted by third party consultants, as well as reports from the Cook County Office of the independent Inspector General. We analyzed the legal and reputational risks to public land banks generally. We conducted 20 interviews, including all Land Bank personnel, several former and current Land Bank board members, the Land Bank’s outside legal counsel, a representative of the State’s Attorney’s Office who has handled real estate transactions for the Land Bank, and other key personnel.

Summary of Observations & Recommendations

Since its formation in 2013, the Land Bank has developed into a professional and effective government agency with policies and procedures guiding the strategic initiatives of the organization. The Land Bank has implemented significant structural guardrails to ensure appropriate checks and balances and to balance risk. That said, the Land Bank only within the last three years began implementing formal processes for many of its core functions, including the acquisition and disposition of property. Many of these formal policies and procedures were implemented in response to outside assessments conducted in 2019 and 2020. And while the Land Bank has implemented significant policies and procedures for its core functions, further refinement of the existing policies is needed.

At the conclusion of this Report, we provide 21 specific recommendations for improvements of the Land Bank's operational functions. These recommendations generally fall into one of several categories:

- **Transparency:** We recommend that the Land Bank take several additional steps to promote transparency for several of its core functions, including the process through which the Land Bank acquires and disposes of property.
- **Modifications to existing policies and procedures:** We provide several recommendations regarding revisions to existing Land Bank policies and procedures. We recommend that these modifications are made at the direction of legal counsel.
- **Formalizing processes:** We recommend that the Land Bank formally document each of the primary process flows (i.e., acquisitions, dispositions, and asset management) into Standard Operating Procedures ("SOPs"). These SOPs should be codified in a manual accessible to all employees and reviewed bi-annually.
- **Training:** We recommend additional training on the revised policies and procedures for Land Bank staff. We also recommend annual training for the members of the Board of Directors.
- **Legal support:** We recommend the hiring of in-house counsel. Many of the risks arising out the Land Bank's processes are inherently legal risks. The Land Bank posted the in-house counsel position and recently hired an attorney to serve as Senior Legal Counsel, satisfying this recommendation.
- **Ethics and compliance culture:** We recommend that Land Bank leadership continue to express to staff the importance of a healthy commitment to ethics and compliance.

On December 1, 2022, RSHC provided a presentation to the Board on the observations and recommendations of the internal assessment. The Land Bank requested that RSHC provide a final written report to the Board incorporating those recommendations.

II. The Land Bank

The Land Bank is a public entity and an agency of Cook County authorized by Illinois law and created pursuant to the Ordinance Establishing the Cook County Land Bank Authority dated March 20, 2013, Ord. No. 13-0-7 §§ 103-1 *et seq.* (the “Establishing Ordinance”). The Land Bank is governed by a Board of Directors appointed by the Cook County President and approved by the Cook County Board of Commissioners.

Purpose of the Land Bank: As set forth in the Establishing Ordinance, the Land Bank was established to “use available resources to facilitate the return of vacant, abandoned and tax-delinquent properties to productive use thereby combating community deterioration, creating economic growth and stabilizing the housing and job market.” (Exhibit 1, Sec. 103-4.) In order to effectuate that purpose, the Land Bank was given the power to:

...acquire, hold, and transfer interest in real property throughout Cook County as approved by the Board of Directors for the following purposes: to promote redevelopment and reuse of vacant, abandoned, and tax-delinquent properties; support targeted efforts to stabilize neighborhoods; stimulate residential, commercial and industrial development; all in ways that are consistent with goals and priorities established by this Ordinance, local government partners and other community stakeholders.

(*Id.*).

Governing Authority: The governing documents of the Land Bank are the Establishing Ordinance, the Land Bank Rules for the Board of Directors adopted April 25, 2013 and amended in 2014, and the Policies and Procedures for the Acquisition and Disposition of Real Property (the “Policies and Procedures”) approved and adopted by the Land Bank Board of Directors. The Policies and Procedures were most recently amended on June 24, 2022.

Leadership and Staff: The current Executive Director is Jessica Caffrey. The previous Executive Director, Eleanor Gorski, served from August 2021 until she resigned and departed in December 2022. Prior to Ms. Gorski, Rob Rose led the agency from March 2015 until he announced his resignation in March 2021 and departed in June 2021.

The Land Bank currently has thirteen employees, including the Executive Director, the Deputy Director, Senior Legal Counsel, a Planning Analyst, a Senior Acquisitions Manager, two Acquisition Specialists, three Asset Managers, a Closing Specialist, and

Administrative and Executive Assistants. The Senior Acquisitions Manager and Acquisition Specialists manage the acquisition and disposition of properties. Asset Managers ensure the security and maintenance of properties acquired by the Land Bank.

Historical Results: Following its creation in 2013, the CCLBA quickly ramped up operations. Initially, the Land Bank acquired the majority of its properties through donations and direct purchases from private entities (such as Fannie Mae, Freddie Mac, the National Community Stabilization Trust, among others). In FY14, for example, the Land Bank acquired 31 properties (10 through purchases, 19 through donations, and 2 through forfeiture). Today, almost all of the Land Bank properties are acquired through the Scavenger Sale, which is managed by the Cook County Treasurer. In FY20, for example, the Land Bank acquired 601 properties through the Scavenger Sale, and only 6 properties through direct purchases. The Land Bank's current inventory is approximately 1,800 properties.

The Land Bank has had significant success in achieving its goals. According to data provided by the Land Bank, as of February 2023, the Land Bank has generated \$171.57 million in community wealth, saved 726 homes from demolition, and returned \$20.43 million to the Cook County tax rolls.

III. RSHC's Operational Assessment

A. Scope of Representation

Under the Professional Services Agreement entered into between RSHC and the Land Bank on June 13, 2022, RSHC agreed to represent the Land Bank "as legal counsel in conducting a privileged and confidential internal operational assessment for the purpose of providing legal advice, including in the areas of compliance, property acquisition and disposition, asset management, contract negotiation, and bill payment." RSHC further agreed to make an oral presentation to the Board at the conclusion of the assessment, accompanied by a PowerPoint presentation to the Board to "assist the Board in understanding the scope of RSHC's work, including any recommendations that are proposed for consideration."

RSHC's remit was narrow. We were not retained to conduct a forensic audit of the Land Bank's books of records or to analyze individual property transactions. Nor was RSHC retained to investigate any specific allegations of misconduct. Rather, our

mandate was to assess each of the core operational functions of the Land Bank for legal and reputational risk.

B. RSHC's Team

Our assessment was led by Patricia Brown Holmes, RSHC's Managing Partner and former Assistant United States Attorney, Assistant Cook County State's Attorney, and Circuit Court of Cook County Judge. The assessment team also included Kelly Warner, who has led multiple internal assessments for public and private entities; Jack Theis, a former Department of Justice trial attorney and Associate White House Counsel; and Jasmine Morton, a former state appellate prosecutor.

C. Methodology of RSHC's Assessment

RSHC immediately began our assessment upon our retention. We conducted our assessment in three phases: (1) collecting and reviewing relevant documentation and analyzing potential legal and reputational risks; (2) conducting interviews of key personnel; and (3) preparing observations and recommendations for the Board of Directors.

Phase I: Background Research and Analysis

Document Collection and Review: RSHC requested and reviewed over 200 documents in an effort to understand the past and current policies governing the procedures of the Land Bank. The Land Bank staff cooperated with and promptly responded to all of our requests for documents and information. We attach to this Report several of the key documents provided by the Land Bank, including:

- The Land Bank's Enabling Ordinance (Ord. No. 13-0-7 §§ 103-1 *et seq.*) and amendments (Exhibit 1)
- The Land Bank Policies and Procedures (the "Policies and Procedures"), which were last amended on June 24, 2022 (Exhibit 2)
- An organizational chart for the Land Bank (Exhibit 3 (as of April 26, 2022))
- The Land Bank's public website, including the documents available on the website

- Board of Directors Reports from 2015-2022, including Executive Director reports and reports made to the Finance Committee and the Land Transactions Committee (an example of which is attached as Exhibit 4)
- Board orientation materials (Exhibit 5)
- Annual Data & Activity Reports (Exhibit 6)
- The Decision Criteria for the 2019 Scavenger Sale (Exhibit 7)
- Function-specific protocols and process flows (i.e., documents describing standard processes for asset management and the disposition process)
- Documents related to pricing of properties, including a Pricing Module and a Disposition Pricing Guide (Exhibit 8)
- Documents related to the dispositions of property, including an Affidavit of Compliance with Municipal Requirements, an Aldermanic Acknowledgment Letter, template Land Banking Agreements, and template Term Sheets (Exhibit 9)
- Documents related to the Land Bank's evaluation of offers, including the Land Bank property offer evaluation scorecard, a Disposition Checklist, and related documentation (Exhibit 10)
- Documents related to employment at the Land Bank, including the Land Bank Employee Protocols, an Acknowledgement of Land Bank Policies and Procedures, and an Employee Time and Attendance Policy (Exhibit 11)
- The Land Bank Procurement Code and Procurement Code Guidelines (Exhibit 12)
- Requests for Qualifications for Land Bank vendors (Exhibit 13)

We also reviewed other public reports relevant to the Land Bank, including a 2022 report from the Cook County Treasurer's Office on the Scavenger Sale ("Maps of Inequality: From Redlining to Urban Decay and the Black Exodus," Exhibit 14) and University of Chicago reports from 2021 and 2022 regarding the Scavenger Sale and the tax foreclosure processes (Exhibits 15 and 16).

Finally, in an effort to understand public perception of the Land Bank, we reviewed media reports related to the Land Bank for the last several years. We also examined media reports regarding land banks from other jurisdictions in order to understand the challenges and risks generally facing public land banks.

Analysis of Previous Assessments: We also reviewed several past internal and external assessments of the Land Bank's operations, including, for example, a compliance examination conducted by the independent consulting firm RSM US LLP in June 2020, reports from the Cook County Office of the independent Inspector General relevant to the Land Bank, and an independent financial audit conducted by the accounting firm Washington, Pittman & McKeever LLC in November 2018. We incorporated any outstanding recommendations made in these previous assessments into our recommendations below.

Analysis of Legal Requirements and Obligations: As part of our assessment, we examined the legal framework within which the Land Bank operates, including, for example, the Enabling Ordinance and its amendments, the Cook County Ethics Ordinance, and the Open Meetings Act.

Analysis of Legal and Reputational Risks: We also examined potential risks common to the operational functions of all public land banks. As part of that review, we looked to the policies and procedures in land banks in other jurisdictions, as well as public reporting on the potential operational risks facing those entities.¹

We identified the following categories of potential risk common to all public land banks: (1) fraud, particularly in the disposition of properties; (2) conflicts of interest, again with particular relevance in sale of public property; (3) the failure to present and enforce a clearly defined and transparent process that a land bank uses to sell property, including clearly defined procedures for pricing, due diligence of purchasers, and selection of winning bids; (4) management of properties after they are acquired by municipalities but before sale; and (5) failure to enforce and train employees on established procedures. This list is not exhaustive, and again, are common among all public land banks. We crafted the recommendations presented below with these potential risks in mind.

¹ To the extent that we learned helpful information to the CCLBA in that review, we can share that with CCLBA staff at a later time.

Phase II: Interviews with Key Personnel

After the conclusion of our review and analysis of the relevant background materials, RSHC interviewed key personnel with information related to the core functions of the Land Bank. We conducted 20 interviews, including interviews with all Land Bank employees, the Deputy Director and Executive Director, several current and former Land Bank Board members, the Land Bank's outside counsel, a representative from the State's Attorney's Office who has handled real estate transactions for the Land Bank, and other key personnel.

In order to encourage candor from each interviewee, we informed each individual that statements made in the interview would not be for attribution. All of the individuals we requested to interview participated in the interview process. In addition, for the interviews with CCLBA staff members, we advised the individuals of their rights and privileges under the law and the Constitution.

Phase III: Reports and Recommendations

After analyzing the Land Bank documents and conducting interviews, we prepared a summary of our observations and recommendations. We met with a working group of the Land Bank Board of Directors on October 27, 2022 to provide a summary of our observations and recommendations. On December 1, 2022, Patricia Brown Holmes made a presentation to the Board of the Land Bank regarding the final set of observations and recommendations. That oral presentation was accompanied by a PowerPoint presentation.

In December 2022, the Land Bank requested that RSHC prepare a final report of our assessment. This Report does not serve as an exhaustive documentation of every fact that RSHC learned over the course of our assessment, but instead focuses on the facts and information relevant to our mandate.

D. Independence and Cooperation

RSHC conducted this assessment with independence and without interference from the Land Bank or any third parties. In addition, as part of the Professional Services Agreement between RSHC and the Land Bank, the Land Bank agreed to "to cooperate fully with RSHC in all matters related to this engagement and to fully and accurately disclose to RSHC all facts and documents that may be relevant to the matter or that RSHC

may otherwise request.” (*Id.*) The Land Bank fulfilled this obligation. Throughout this assessment, the Land Bank staff cooperated with and promptly responded to all of our requests for documents and information.

IV. Observations and Recommendations

We provide below a series of observations and recommendations regarding each of the core functions of the Land Bank. The goal of each of these recommendations is to bolster the transparency of the Land Bank’s processes, to protect against legal and reputational risk, and to further support the Land Bank’s overall commitment to ethics and compliance. These recommendations should serve as a roadmap for the Land Bank to continue on its progression toward a professional and transparent government agency.

We note that the Land Bank Executive Director, in coordination with the Land Bank Board of Directors, should determine the appropriate process to evaluate and implement these recommendations. We further note that for each of these recommendations, the Land Bank should conduct its own analysis as to whether implementing the recommendation would be financially or technically feasible.

A. Acquisitions of Property

We make the following observations and recommendations regarding the process through which the Land Bank acquires property.

1. Standard Operating Procedure for acquisitions: The process for determining how the Land Bank selects properties for acquisition could benefit from further refinement. In 2020, the OIG recommended that the Land Bank institute a Standard Operating Procedure for the acquisition of property. The current Policies and Procedures include a series of considerations when determining which properties will be acquired by the Land Bank, and we reviewed a “Decision Criteria” document that sets forth criteria for what properties should be acquired from the Scavenger Sale. But the OIG recommended (and we agree) that further specific guidance is needed.

- **Recommendation: We recommend that, when the new in-house counsel starts, they expand the current “Decision Criteria” document and implement a Standard Operation Procedure that,**

inter alia, provides specific guidance for all acquisition channels, including the selection of scavenger sale properties. This will be a consistent recommendation throughout this Report: there should be centralized Standard Operating Procedures for both staff roles and for Land Bank processes that should be codified in a manual and reviewed bi-annually.

2. Secondary review regarding occupancy status: The Land Bank relies on the occupancy status of a property in determining whether to acquire a property. That determination is made by the Acquisition Specialist in an inspection affidavit, notarized by their supervisor, and accompanied by a photograph.
 - **Recommendation: We recommend that an additional layer of review should be conducted by either a supervisor above the Acquisition Specialist or the Deputy Director.** That supervisory review should be documented.

3. Public access to information regarding acquisitions: The Land Bank website contains limited public information about how the Land Bank acquires land and vacant structures.
 - **Recommendation: We recommend that the Land Bank update the website to include specific direction about (1) the process by which the Land Bank acquires land and vacant structures and (2) the current priorities and mechanics for the acquisitions.** This will further enhance transparency around the process. We understand that the Land Bank is working with other Cook County agencies to create that type of public-facing document.

B. Dispositions of Property

We make the following observations and recommendations regarding the process through which the Land Bank acquires property.

1. Codification of the disposition Scorecard: The property disposition Scorecard – where the Land Bank staff assesses different potential purchasers of a property and compares on objective criteria – is one of the most important procedural advancements made by the CCLBA in recent years. By implementing the Scorecard, CCLBA has moved away from an informal process for deciding the winning bid to a more objective, documented, and defensible process. But the use of the Scorecard, though mandated in practice, is not yet codified in or mandated by the Policies and Procedures. The current Policies and Procedures states that CCLBA staff will “consider offer price, developer qualifications, source of capital, and the proposed redevelopment plan, among other factors, when selecting a transferee.” (Section 5.2) But these factors are not weighted or directed to be weighted, as they are in the Scorecard.
 - **Recommendation: We recommend that the new in-house counsel codify the requirement of the Scorecard in the Policies and Procedures.** We understand that the “weighting” will likely change over time (e.g., perhaps new categories that should be considered while scoring will be added, and the weighting of priorities will shift). So the current Scorecard itself need not be codified. But the concept of having a Scorecard should be codified.

2. Due diligence/vetting of purchasers: The description of due diligence/vetting of potential purchasers in Sections 3 and 5 of the Policies and Procedures needs to be updated. These sections have not been updated in several years, and should be aligned with the current practice.
 - **Recommendation: At the direction of the new Counsel, we recommend that the Land Bank update the description of the process for due diligence and vetting for potential purchasers in the Policies and Procedures.**

3. Conflicts of interest for employment or familial relationships: Under the current Policies and Procedures, all purchasers of property must disclose any

employment or familial relationship that “*may* prevent the purchaser from acquiring” property (Section 9.2 (“Disclosure of Employment and Familial Relationships”)). By including “*may*,” it implies that there could be a waiver of a conflict of interest. There is not a specific procedure in the Policies and Procedures for such a waiver. In addition, Section 9.1 (“Prohibited Transactions”) prohibits various categories of individuals, including “County elected officials” or individuals with familial relationships with a County elected official, from acquiring property from the Land Bank or having a financial interest in any transaction with the Land Bank. The Policies and Procedures do not appear to prohibit other elected officials, such as Chicago City Council Alderpersons, from engaging in transactions with the Land Bank.

➤ **Recommendation:** We recommend that the Land Bank update Section 9.2 of the Policies and Procedures to either (1) indicate that employment or familial relationships “*will*” prevent a purchaser from acquiring the property, or (2) institute a specific procedure for a waiver of a conflict of interest. If a procedure for waiver is adopted, we recommend that the waiver should be approved by the Board’s Land Transactions Committee. We further recommend that, at the direction of counsel, the Land Bank consider whether to expand the prohibition in Section 9.1 of the Policies and Procedures to include elected officials beyond “County elected officials.”

4. Review of EPP: The database used by the Land Bank to manage inventory - Electronic Property Plus (EPP) - is a powerful tool. It provides a record for many of the key decisions carried out by Land Bank staff. But it has some technical limitations. We heard feedback that the EPP application is too “manual” and not sufficiently automated, leading to increased time spent dealing with the website. Some staff suggested that a mobile application may help.

➤ **Recommendation:** We recommend that the Land Bank conduct a thorough analysis of EPP to determine which functionalities exist

but are not currently being used. If certain functionalities that would be beneficial to the Land Bank's operations are not available in EPP (e.g., per-property cost data), then the Land Bank should consider alternative processes to achieve those goals. The Land Bank should also ensure that the version of EPP in use is the most updated and mechanisms are in place to ensure the most up to date and useful version of the tool is in place. We understand that this review is currently underway.

5. Price determinations: While a process is in place for setting prices, that process does not currently require the documentation and support for sale price determinations.
 - **Recommendation: We recommend that a Standard Operation Procedure should be drafted and codified explaining how acquisition specialists are to document and support sale price determinations.**

6. Public access to information about acquiring Land Bank properties: There is limited instruction on the Land Bank's website on how to acquire properties. The Scorecard, for instance, is not on the website. Several Land Bank staff members noted that a significant amount of time is spent fielding questions from potential buyers about how to acquire Land Bank properties. A webinar or a flow chart on the website would enhance transparency and would alleviate burden on Land Bank staff.
 - **Recommendation: We recommend that the Land Bank should add the Scorecard to the website, which, again, will further enhance transparency around the disposition process.** For the same reason, the Land Bank should also add additional educational material, including perhaps a webinar or a flow chart, to the website to provide more detail regarding the disposition of property.

C. Asset Management

We make the following observations and recommendations regarding the process through which the Land Bank manages the properties it acquires.

1. Per-property cost analysis: Historically, costs to hold a property post-acquisition but pre-disposition were not measured. CCLBA recently estimated the costs to hold property, but that was an aggregate estimate, not on a per-property basis. The Land Bank might consider whether it would be beneficial - or even feasible -- to track individual costs for individual properties, ideally in EPP. This information may assist in pricing decisions and give guidance to the strategy for acquisitions.

➤ ***Recommendation: We recommend determining whether this level of cost analysis is feasible, and if so, implement this tracking.***

2. Procurement Code: The CCLBA Procurement Code was drafted in 2014, and the CCLBA Procurement Code Manual was drafted in 2014 and modified in 2020.

➤ ***Recommendation: We recommend that the Land Bank, at the direction of the new in-house counsel, review the CCLBA Procurement Code and the Manual to ensure that the policies and procedures identified therein meet the current standards and requirements for procurement.*** The revised Code and Manual should be approved by the Board.

D. Governance of the Land Bank

We make the following observations and recommendations regarding the governance of the Land Bank.

1. Training for members of the Board of Directors: After receiving an introductory training when Board members join, no further annual training is provided. The Land Bank recently implemented training for new Board members, but there is no additional training to reinforce the expectations and roles or to provide enhanced education on Land Bank policies and procedures. Best practices

would dictate that, for the Board to support the core functions of the Land Bank, the Board needs to be well-trained.

- **Recommendation:** We recommend that the Land Bank provide annual training to all Board members, including on the Land Bank's Policies and Procedures.

2. Bylaws/Rules for the Board of Directors: When we requested the Rules governing the Board of Directors, we were provided the 2014 Rules governing the Board of Directors, which do not appear to be available on the website.

- **Recommendation:** At the direction of the new in-house counsel, the Land Bank should update Board Rules or bylaws as needed and publish the modified Rules on the website. This review should occur at least every other year so that they remain updated.

3. Roles/responsibilities of the Board and its committees: The roles and responsibilities of the Board of Directors and its committees have not been recently assessed for efficacy. It is important that each Board member regularly reviews his or her own performance on the Board and participates in a manner suitable for Board service. Each Board member should also recommit annually to following the rules and regulations of the Board.

- **Recommendation:** We recommend that the Land Bank conduct a review to examine the scope of the roles and responsibilities of the Board and the committees and implement any necessary modifications, including annual Board training and Board self-evaluations.

4. Financial audits: The Ordinance requires annual financial audits. We note that the Land Bank has not completed a financial audit since 2018, though audits for 2018-2021 are currently underway.

- **Recommendation:** We recommend that the Land Bank, going forward, ensures that annual audits are occurring.

E. Land Bank Personnel

Finally, we make the following observations and recommendations regarding Land Bank personnel.

1. Commitment to ethics and compliance: As a general matter, staff expressed a healthy commitment to ethics and compliance. Land Bank staff expressed the perception that most employees “want to do the right thing” and feel that they could report misconduct if they saw it.
 - **Recommendation: We recommend that the Land Bank continue a “tone at the top” that commits to a healthy ethics and compliance culture.**

2. Expansion of Land Bank staff: The Land Bank Staff has not expanded to meet the increased demands of the Land Bank: Land Bank inventory has risen from 434 properties in fiscal year 2019 to 1806 in fiscal year 2022, and Land Bank property applications have increased from 5,012 in fiscal year 2019 to 8,399 in fiscal year 2022 (through November 2022). Land Bank staff are stretched thin. A repeated and significant concern that we heard across Land Bank staff and outside personnel is that additional staff is needed to execute the core functions of the Land Bank. This is particularly important for the diligence process for approving property transfers.
 - **Recommendation: Additional staff would assist in each of the Land Bank’s functions, but would be particularly helpful when it comes to vetting/conducting due diligence for acquisitions and dispositions.**

3. Socializing policies and procedures: Awareness of the Land Bank’s policies and procedures is inconsistent. For example, in our interviews, we did not find a consistent understanding of the conflict of interest policy, procurement policies, or other important policies, or of the position-specific guidance recently drafted by the Land Bank. In addition, previous auditors reported inconsistent following of the policies that are in place.

- **Recommendation: We recommend that the Land Bank, at the direction of the new in-house counsel, standardize and codify the Standard Operating Procedures for both staff positions and Land Bank Processes. In addition, Staff should be made aware of the existence and location of both the governing policies and the SOPs on the shared drive. Staff should also receive periodic training on the substance of the updated SOPs and the relevant policies.**
4. Guidance for Acquisition Specialists: We specifically note that the operational guidelines for Acquisition Specialists need further refinement. The document is a step in the right direction in formalizing the role and the responsibilities of Acquisition Specialists but it needs additional clarity and substance.
- **Recommendation: We recommend that the Land Bank revise the Acquisition Specialist guidelines into a Standard Operating Procedure that would provide additional clarity and substance.**
5. Outside employment of Land Bank staff: Further direction is needed regarding outside work of Land Bank employees – in particular, when, whether, and how they can act as a broker in real estate transactions.
- **Recommendation: We recommend that the Land Bank, at the direction of the new in-house counsel, draft specific guidelines on when and how current employees can act as a broker in real estate transactions and how to disclose this information.** This direction should also be informed by existing guidance from the Cook County Ethics Board. From our perspective, we see some risk in allowing Land Bank employees to engage in real estate transactions. But we also understand that a hardline rule prohibiting individuals from conducting real estate transactions might dissuade strong candidates or existing employees from working at the Land Bank.

6. Legal support: Finally, there are a variety of responsibilities that should be handled by in-house counsel.

- **Recommendation: In-house legal advice will support the Land Bank's core functions.** The Land Bank recently hired an attorney, which we view as a positive development.

F. Recent Improvements

We conclude by noting that over the past eighteen months – including during our assessment – the Land Bank implemented many new and important policies and procedures, continuing the progression toward a professional and transparent government agency that protects against the risks noted above. These advancements include: (1) the implementation of a pilot program using a Scorecard for acquisitions and a more formal process for pricing; (2) the development of a strategic master plan for acquisitions; (3) a commitment to provide additional detail about its policies and procedures on the Land Bank website; and (4) as noted above, the Land Bank relies on outside counsel for legal services, and recently hired in-house counsel..