



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

BILL NO. 130155

Introduced March 7, 2013

**Councilmember Johnson
for
Council President Clarke**

**Referred to the
Committee on Public Property and Public Works**

AN ORDINANCE

Amending Chapter 16-400 of The Philadelphia Code, entitled "Vacant and Surplus Property," by authorizing the Commissioner of Public Property and the Philadelphia Redevelopment Authority to take a mortgage in lieu of the purchase price for transfers of certain City-owned real estate for use by the purchaser as his/her principal residence; all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 16-400 of The Philadelphia Code is amended to read as follows:

CHAPTER 16-400. VACANT AND SURPLUS PROPERTY

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§ 16-404. The Vacant Property Review Committee.

(1) A Vacant Property Review Committee is hereby created to be composed of the executive heads or their designees of the following:

- (a) The Department of Public Property;
- (b) The Department of Revenue;
- (c) The City Planning Commission;
- (d) The Redevelopment Authority;
- (e) The Philadelphia Industrial Development Corporation;

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- (f) The Department of Licenses and Inspections;
- (g) President of City Council or his designee;
- (h) The Philadelphia Housing Development Corporation;
- (i) Chairman, City Council Committee on Public Property and Public Works;
- (j) Director of Housing and Community Development;
- (k) The Philadelphia Commercial Development Corporation;
- (l) The Department of Commerce;
- (m) Philadelphia Association of Community Development Corporations;
- (n) Local Initiatives Support Corporation.

(2) The Vacant Property Review Committee shall serve as an advisory committee to determine whether or not to recommend or certify to the Commissioner of Public Property whether title to certain properties shall be accepted by the Commissioner of Public Property.

(3) The Vacant Property Review Committee before certifying or recommending acceptance of title to property, to the Commissioner of Public Property shall:

(a) Examine all properties submitted to the City for acquisition under the provisions of this Section and shall only approve those properties for acquisition which meet one or more of the standards and terms set forth in this Section as follows:

(.1) The property or grounds offered are vacant, blighted, abandoned, delinquent in the payment of taxes due, unfit for human habitation, a public nuisance, or a danger to the community under the provisions of this Section or any Section of The Philadelphia Code of General Ordinances.

(.2) The property constitutes all or part of a parcel of ground which is designated for a public purpose by the City or any of its constituent agencies.

(.3) The property is delinquent in the payment of taxes and/or municipal liens charged against it.

(4) The Vacant Property Review Committee shall determine what City surplus properties are suitable to effectuate the purposes of this Chapter and shall give its recommendation to the Commissioner of Public Property that these properties be made available for disposition in accordance with the provisions of this Chapter.

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(5) The Vacant Property Review Committee, in conjunction with the City Planning Commission, upon making a determination that any property is blighted, and not readily acquirable by donation for reasons as hereinbefore provided in the legislative findings, may certify said blighted property to the Redevelopment Authority for acquisition pursuant to the provisions of Act No. 94 of June 23, 1978, amending the act of May 24, 1945 (P.L. 991, No. 385) known as the "Urban Redevelopment Law", except that:

(a) No property shall be certified to the Redevelopment Authority unless it is vacant.

(b) No property shall be certified to the Redevelopment Authority unless the owner of the property or an agent designated by him for receipt of service of notices within the City of Philadelphia has been served with notice of the determination that the property is blighted, together with an appropriate order to eliminate the conditions causing the blight and notification that failure to do so may render the property subject to condemnation. The notice shall be served upon the owner or his agent in accordance with the provisions pertaining to service of notice of determination of a public nuisance. The owner or agent shall have the right of appeal from the determination in the same manner as an appeal from the determination of a public nuisance.

(c) No blighted property shall be certified to the Redevelopment Authority until the time period for appeal has expired and no appeal has been taken, or, if taken, the appeal has been disposed of, and the owner or his agent has failed to comply with the order.

(d) No single vacant lot or parcel of ground shall be certified to the Redevelopment Authority on which more than ten (10) dwelling units can be constructed under existing zoning regulations.

(6) The Vacant Property Review Committee shall, in cooperation with the City Planning Commission, determine the conditions of title to be incorporated into the deed for each property to be disposed of pursuant to the provisions of this Chapter. Failure of compliance with said conditions will cause title to the property to revert to the ownership of the City of Philadelphia, or the Redevelopment Authority of the City of Philadelphia, automatically, without any conveyance thereof being required, upon notice that such failure exists and no attempt is made to remedy such failure. Such conditions shall include, but not necessarily be limited to, the following:

(a) The property shall be developed and used in accordance with the Comprehensive Land Use Plan of the City of Philadelphia.

(b) The property shall be rehabilitated and/or improved and said rehabilitation and/or improvement is to be completed within one year of acquisition of title, unless practical cause is shown why the time for completion should be extended, provided that no extension of time shall be for more than six (6) months, except with further approval of the Vacant Property Review Committee.

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(c) When conveying title to a purchaser for use as his/her principal residence, the City or the Philadelphia Redevelopment Authority shall be authorized to take a mortgage in lieu of the purchase price and thereafter have the mortgage marked satisfied without consideration, provided the purchaser:

(.1) on the date of conveyance from the City or the Philadelphia Redevelopment Authority, has household income at or below 150% of Area Median Income;

(.2) at the site of the property, obtains the construction permit within six months of the date of conveyance and completes construction or rehabilitation of his/her principal residence and secures a certificate of occupancy within 24 months of the date of conveyance; and

(.3) following issuance of the certificate of occupancy in accordance with (c)(.2) above, uses the property as his/her principal residence for five continuous years. Such mortgage shall accrue no interest if the required terms are complied with and shall be subordinate to any construction or permanent financing used to complete the construction. Failure by the purchaser to strictly comply with the requirements of this Chapter, including but not limited to, (c) .1 through .3 above, shall entitle the City or the Philadelphia Redevelopment Authority to reclaim the property pursuant to subparagraph 6 above and/or immediate payment of the full purchase price of the property, plus interest from the date of conveyance, in accordance with applicable law.

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SECTION 2. This Ordinance shall take effect immediately upon final passage.

Explanation:

Italics indicate new matter added.