

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 090307)

RESOLUTION

Authorizing Council's Committee on Housing, Neighborhood Development and the Homeless to hold hearings on the impact of mortgage foreclosures on renters in foreclosed properties.

WHEREAS, Studies have shown that in highly populated urban areas similar to Philadelphia (New York and Chicago) as many as 50% of the persons displaced by foreclosures during the recent financial crisis are renters; and

WHEREAS, According to a new report issued by the National Low Income Housing Coalition and the National Law Center on Homelessness entitled "Without Just Cause," renters of foreclosed properties are now among those most at risk of homelessness, but their plight has received little attention.

WHEREAS, Tenants who pay their landlords regularly are still evicted after their landlords are foreclosed upon; and

WHEREAS, Many tenants are afraid to break their leases and move during a foreclosure action, even though it may ultimately terminate their lease prematurely, because to do so might ruin their credit; and

WHEREAS, A tenant is legally obligated to pay rent to his/her landlord until the sheriff's sale even if the landlord is not paying the mortgage, but under Pennsylvania law a lease is automatically terminated by a sheriff's sale due to foreclosure; and

WHEREAS, Tenants have little recourse for breach of lease against a landlord whose property is in foreclosure because the landlord is often in bankruptcy proceedings; and

WHEREAS, Renters are usually the last to learn about a foreclosure and have many times been pressured to vacate their homes with as little as three weeks notice between foreclosure and eviction, often losing security deposits or prepaid rent; and

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WHEREAS, Philadelphia's Residential Mortgage Foreclosure Diversion Program does not apply to rental units thus placing renters at much greater risk for homelessness, *now therefore,*

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby authorizes Council's Committee on Housing, Neighborhood Development and the Homeless to hold hearings on the impact of mortgage foreclosures on renters in foreclosed properties.

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CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the sixteenth of April, 2009.

Anna C. Verna
PRESIDENT OF THE COUNCIL

Patricia Rafferty
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmembers Jones, Blackwell, Tasco, Green and Sanchez

Sponsored by: Councilmembers Jones, Blackwell, Tasco, Green, Sanchez, Reynolds Brown, Goode, Greenlee, Kenney, DiCicco, Miller and Clarke