



City of Philadelphia

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

BILL NO. 190157

Introduced March 7, 2019

**Councilmember Quiñones Sánchez
for
Council President Clarke**

AN ORDINANCE

Amending Chapter 16-400 of The Philadelphia Code, entitled "Vacant and Surplus Properties," by requiring affordable housing for certain dispositions; 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 hereby amended to read as follows:

CHAPTER 16-400. VACANT AND SURPLUS PROPERTY.

* * *

§ 16-406. Disposition by Redevelopment Authority.

(1) Disposition of all such properties by the Redevelopment Authority must be by ordinance or resolution approved by the Council of the City of Philadelphia.

(2) All properties sold or transferred by the Redevelopment Authority pursuant to this Chapter shall be for development and use in accordance with the Comprehensive Land Use Plan of the City of Philadelphia.

(a) The Commissioner of Public Property is further authorized to include such additional terms and conditions in the deeds of conveyance to the Redevelopment Authority as he deems necessary or desirable to effectuate the purposes of this Chapter.

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(3) Property acquired by the Redevelopment Authority pursuant to Section 16-404(5) hereof, within a redevelopment area, shall be disposed of under a redevelopment agreement in accordance with provisions of the Urban Redevelopment Law, Act of May 24, 1945, as amended.

(4) *All dispositions of property by the Redevelopment Authority, including those certified by the Vacant Property Review Committee, shall have the following affordable housing requirements if a proposed disposition of real property will result in the development of multifamily residential housing consisting of 3 or more units:*

- a. *33% of the units developed for rent or lease must be rented to persons of low income. Low income rental units shall:*
 - i. *Have total monthly costs (including rent and utility costs) that do not exceed 30% of gross monthly income for households earning up to 50% of the Area Median Income (AMI), adjusted for household size, as reported by HUD for the Philadelphia Metropolitan Statistical Area;*
 - ii. *Be occupied by households earning up to 50% of the Area Median Income (AMI), adjusted by household size, as reported by HUD for the Philadelphia Metropolitan Statistical Area at the time of the household's initial occupancy of the unit; and*
 - iii. *At no time be occupied by households earning greater than 100% of the Area Median Income (AMI), adjusted by household size, as reported by HUD for the Philadelphia Metropolitan Statistical Area; provided that, in the event the income of a tenant is found by the Redevelopment Authority to first exceed the maximum income provided for by this subsection (iii), a tenant shall nonetheless be deemed in compliance with this subsection (iii) until the first expiration of a lease occurring after the tenant's income exceeded the maximum permitted by this subsection (iii). The Redevelopment Authority may waive this requirement upon a showing of exceptional circumstances.*
- b. *33 % of the units developed for owner-occupancy must be sold to persons of low income. Low Income ownership units shall:*
 - i. *Have a maximum sale and resale price, during the term of affordability, calculated on the basis of a down payment of no more than 5% of the purchase price, a fixed rate 30 year mortgage, consistent with the average monthly rate published from time to time by Freddie Mac, and total monthly costs (including mortgage principal and interest, property taxes, property insurance, and condominium or homeowner association fees) that do not exceed 30% of gross monthly income for households earning up to 70% of the AMI, adjusted for household size, as reported by HUD for the Philadelphia Metropolitan Statistical Area.*

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- ii. *Be sold to one or more members of a household with household earnings up to 70% of the AMI, adjusted for household size, as reported by HUD for the Philadelphia Metropolitan Statistical Area at the time of sale; and*
- iii. *Be the principal residence of at least one person who owned the unit during the period of affordability.*

§ 16-407. Disposition by the Philadelphia Land Bank.

- (1) Dispositions of all such properties by the Philadelphia Land bank shall be in accordance with Chapter 16-700 of The Philadelphia Code.
- (2) *All dispositions of property by the Philadelphia Land Bank shall have the following affordable housing requirements if a proposed disposition of real property will result in the development of multifamily residential housing consisting of 3 or more units:*
 - a. *33% of the units developed for rent or lease must be rented to persons of low income. Low income rental units shall:*
 - i. *Have total monthly costs (including rent and utility costs) that do not exceed 30% of gross monthly income for households earning up to 50% of the Area Median Income (AMI), adjusted for household size, as reported by HUD for the Philadelphia Metropolitan Statistical Area;*
 - ii. *Be occupied by households earning up to 50% of the Area Median Income (AMI), adjusted by household size, as reported by HUD for the Philadelphia Metropolitan Statistical Area at the time of the household's initial occupancy of the unit; and*
 - iii. *At no time be occupied by households earning greater than 100% of the Area Median Income (AMI), adjusted by household size, as reported by HUD for the Philadelphia Metropolitan Statistical Area; provided that, in the event the income of a tenant is found by the Redevelopment Authority to first exceed the maximum income provided for by this subsection (iii), a tenant shall nonetheless be deemed in compliance with this subsection (iii) until the first expiration of a lease occurring after the tenant's income exceeded the maximum permitted by this subsection (iii). The Philadelphia Land Bank may waive this requirement upon a showing of exceptional circumstances.*
 - b. *33 % of the units developed for owner-occupancy must be sold to persons of low income. Low Income ownership units shall:*
 - i. *Have a maximum sale and resale price, during the term of affordability, calculated on the basis of a down payment of no more than 5% of the purchase price, a fixed rate 30 year mortgage, consistent with the average monthly rate published from time to time by Freddie Mac, and total monthly costs (including*

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mortgage principal and interest, property taxes, property insurance, and condominium or homeowner association fees) that do not exceed 30% of gross monthly income for households earning up to 70% of the AMI, adjusted for household size, as reported by HUD for the Philadelphia Metropolitan Statistical Area.

- ii. Be sold to one or more members of a household with household earnings up to 70% of the AMI, adjusted for household size, as reported by HUD for the Philadelphia Metropolitan Statistical Area at the time of sale; and*
- iii. Be the principal residence of at least one person who owned the unit during the period of affordability.*

Explanation:

[Brackets] indicate matter deleted.

Italics indicate new matter added.