

Proposed Amendments to Bill No. 260423

Matter to be added by amendment in **Bold**
Matter to be deleted by amendment in ~~Strikethrough~~

AN ORDINANCE

Amending Chapter 16-400 of The Philadelphia Code, entitled “Surplus Properties,” by adding methodology for disposition by property exchange, and making other technical changes, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Section 16-400 of The Philadelphia Code is hereby amended as follows:

TITLE 16. PUBLIC PROPERTY

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CHAPTER 16-400. SURPLUS PROPERTIES

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§ 16-402. Definitions.

(1) In this Chapter the following definitions shall apply:

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~~(f) (g) Property Exchange. The conveyance, sale, transfer or grant of fee title to real property from any Agency to a private, non-Agency or non-governmental party, in exchange for the acquisition by the Agency of real property owned by the private party for the purpose of furthering the mission of the Agency or a governmental party. For purposes of this paragraph, the following City-related entities shall be considered governmental parties: the Philadelphia Housing Development Corporation, the Philadelphia Housing Authority, the Philadelphia Authority for Industrial Development, the Philadelphia Industrial Development Corporation, and any of their respective affiliates. Agency.~~

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§ 16-404. Disposition: Inventory, Methods, Terms, and Approvals.

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(2) Methods

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(b) All surplus properties shall be disposed of by an Agency pursuant to either a competitive process, as set forth in subsection 16-404(2)(c), ~~[or]~~ **or** pursuant to the requirements of subsection 16-404(2)(d), ~~or pursuant to the requirements of subsection 16-404(2)(e), or 16-404(2)(f).~~

(c) Disposition Pursuant to Competitive Process. Except as authorized under subsection [16-404(2)(d)] ~~16-404(2)(d), 16-404(2)(e), or subsection 16-404(2)(f),~~ an Agency shall dispose of a surplus property pursuant to a process that includes the following:

* * *

(f) Property Exchange.

*(.1) An Agency shall dispose of surplus properties to a qualified applicant without following the process set forth in ~~subsection~~ **subsections** 16-404(2)(c), ~~subsection~~ 16-404(2)(d), or ~~subsection~~ 16-404(2)(e) only if the following conditions are met:*

~~(.a) The applicant holds title to properties which the Agency wishes to acquire in order to support the preservation of a community garden, open space, or recreational area, the development of affordable housing, or the development of a community-benefiting use as further defined in the Disposition Policy.~~

~~(.b) The Agency affirms that the applicant's properties are a whole or portion of a larger site identified as an opportunity for open space or development, or the properties are contiguous.~~

~~(.c) The value of the surplus properties to be conveyed is substantially similar to the value of the properties to be acquired from the applicant, as determined by an independent third-party appraisal or an in-house opinion of value by a real estate analyst, plus any recent expenses incurred related to property ownership by the applicant that can be documented and provided to the Agency.~~

~~(.d) Title to the properties to be acquired by the Agency will be conveyed by the applicant for One and 00/100 U.S. Dollar (\$1.00) free and clear of all liens, as determined by the Agency.~~

~~(.e) Exchange must be pre-authorized by a letter signed by the District Councilmember representing the district where the properties are located.~~

(.a) An individual or entity meeting the standards of provisions of 16-404(2)(a) and a private, non-Agency or non-governmental owner of real property jointly provide the Agency written notice of interest in the conversion of real property owned by such private, non-Agency or non-governmental party in any of the circumstances set forth in 16-404(2)(d)(1).

(.b) The owner of the real property described in subsection 16-404(2)(f)(1)(a) has provided the Agency written notice of intent to transfer ownership of such property to the party and for the use set forth in the notice of interest in exchange for proper consideration.

(.c) The individual or entity meeting the standards of provisions of 16-404(2)(a) certifies its eligibility to acquire surplus property without competitive process pursuant to subsection 16-404(2)(d) or 16-404(2)(e).

(.d) The owner of the real property described in subsection 16-404(2)(f)(1)(a) commits to convey the subject property to the Agency in exchange for surplus property of substantially similar value, as determined by an independent third-party appraisal or an in-house opinion of value by a real estate analyst. The property valuation shall consider any documentation provided to the Agency of recent expenses incurred by the property owner to improve the condition of the property.

(.e) Title to the property to be acquired by the Agency will be conveyed by the owner of the real property described in subsection 16-404(2)(f)(1)(a) for One and 00/100 U.S. Dollar (\$1.00) free and clear of all liens, as determined by the Agency.

(.f) The property exchange is pre-authorized by a letter signed by the District Councilmembers representing the district where the property to be acquired by the Agency and the surplus property to be disposed by the Agency are located.

(.2) If the conditions of subsection 16-404(2)(f)(1) are met, the subject property shall be eligible for acquisition by the Agency in exchange for surplus property of

substantially similar value no later than 60 days after the receipt of proof of title and valuation from the applicant, the Agency shall advise the applicant in writing that the Agency will recommend the requested property or properties to the Agency's board for disposition to the selected applicant. private, non-Agency or non-governmental owner. The Agency shall

(.3) Upon the acquisition by the Agency of the applicant's properties, the Agency shall provide the selected applicant with owner of the subject property such documents and information as it deems appropriate to effectuate the property exchange, including, but not limited to, a purchase agreement which states stating the sale-sales price of the surplus properties, property, the required deadline for the execution of the purchase agreement, and the requirements to be met in connection with the transfer of title of the Agency's and the applicant's properties, and such other requirements as deemed appropriate by the Agency. relevant properties. Property acquisition and disposition pursuant to this subsection 16-404(2)(f) shall require written agreement by the Agency, approval by resolution of the Board of Directors of the Agency, and approval by a resolution or ordinance of City Council, but shall otherwise be exempt from

(.4) A Property Exchange shall not be subject to the provisions of subsection subsections 16-404(3) or subsection and 16-404(4).

(.3) The Agency may dispose of property acquired pursuant to this subsection to the Qualified Applicant identified in subsection 16-404(2)(f)(.1)(.a) without accepting applications from other entities. Such disposition shall require written agreement by the Agency, approval by resolution of the Board of Directors of the Agency, and approval by a resolution or ordinance of City Council, but shall otherwise be exempt from the provisions of subsections 16-404(3) and 16-404(4).

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(4) Approvals.

(a) An Agency shall not dispose of, or lease for more than one year, a surplus property, without approval of the disposition by resolution of the Board of Directors of the Agency, and approval by a resolution or ordinance of City Council. A summary of the lease or disposition terms shall be provided for inclusion with the Council approval resolution or ordinance. Such approvals may not be given until at least ten (10) days after public notice has

been provided as required by subsection (b), and [, regarding dispositions for Land [Development located in the 3rd and 4th Council Districts,] ***Development***, not unless the selected applicant has held at least one community meeting with notice provided to *the District Councilmember and* those Registered Community Organizations as defined in subsection 14-303(11A) whose registered area of concern contains one or more of the properties included in the application: **If there is more than one RCO whose registered boundaries include the requested property, the district councilmember whose district includes the requested property shall select one of those RCOs as the Coordinating RCO, or may select two or more RCOs whose registered boundaries include the requested property to serve jointly as the Coordinating RCO. The selection of coordinating RCO(s) shall not be duly withheld and shall be selected in a timely manner. It is the responsibility of the applicant to contact the Coordinating RCO once assigned to schedule the community meeting. Evidence of the community meeting, including notice of the meeting, certificate of mailing, meeting agenda and letter summarizing the meeting discussion, must be submitted to the Agency before the application will be placed on the Agency's board meeting agenda. The Agency has the right to reject the application if evidence of this RCO meeting is not provided within 60 days of the RCO meeting taking place.**

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