



City of Philadelphia

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

BILL NO. 190005

Introduced January 24, 2019

Councilmember Quiñones Sánchez

AN ORDINANCE

Amending Chapter 16-700 of The Philadelphia Code, entitled “Philadelphia Land Bank,” to amend standards for the acquisition and disposition of vacant and underutilized property; and to further provide for certain powers, duties, and responsibilities of the Philadelphia Land Bank; all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 16-700 of The Philadelphia Code is hereby amended to read as follows:

CHAPTER 16-700. PHILADELPHIA LAND BANK.

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§ 16-705. Acquisition.

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(3) Acquisition of Tax Delinquent Properties.

(a) Tax Sale Actions Initiated by the Land Bank.

(.1) Assignment of Liens and Claims to the Land Bank. The Land Bank is authorized to enter into agreements with the City of Philadelphia, [and] the School District of Philadelphia, *and any private entities to acquire*, assign and transfer a lien or pre-judgment claim to the Land

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Bank, and to exercise the rights, privileges, and remedies of an assignee as stated in 53 P.S. § 7101 et seq., provided that the Land Bank shall not accept assignment of any liens or pre-judgment claims against an owner-occupied property.

(.2) Certifications for Tax Sale Actions Requested by the Land Bank. The [Land Bank is authorized to request the] City of Philadelphia *shall* certify for upset or judicial sale a property that is both vacant and delinquent as to municipal taxes or claims, *no more than 90 days after the Land Bank requests such certification*, [provided that the Land Bank determines that the acquisition is consistent with its mission and policies] *unless the City of Philadelphia establishes, in writing, that the property cannot be certified because: the account is tax compliant (either full payment or approved payment agreement); a court-ordered stay or postponement is in place; the account is under appeal; the owner is in bankruptcy; the lien(s) has been discharged in a prior tax sale; or the departments have a reasonable suspicion that the lien(s) is defective*. Application for such certification may be made to the Land Bank by an individual or organization, and such applicants shall be entitled to explanation in writing if denied.

(b) Tax Sale Actions Initiated by the City of Philadelphia. The City of Philadelphia shall provide to the Land Bank notice of potential upset and judicial sales listing properties by address. Before any upset or judicial sale of real property initiated by the City of Philadelphia, the Land Bank shall elect whether to seek acquisition of the property. The Land Bank shall not seek to acquire such owner-occupied properties without first confirming that an appropriate payment plan has been offered for any municipal taxes or claims, including evaluation for an income-based payment agreement. *If the Land Bank elects to seek acquisition of the property, its bid at any upset or judicial sale shall not exceed the lesser of the property's assessed value or the sum of city liens against the property for real estate taxes only.*

(4) [Subject to the prior approval of the Finance Director, the Land Bank is authorized to] *The City of Philadelphia shall discharge real estate, water, sewer, stormwater, gas, and other municipal liens, and other municipal, claims, charges, or fines, against the properties [it] the Land Bank acquires to the fullest extent permitted by law, except that taxes imposed by the Board of Public Education of the School District of Philadelphia shall be levied, assessed, and collected in accordance with all provisions, restrictions, rights of notice, appeals, interest, penalties, and other such matters as are applicable to City taxes.*

(5) For the duration of the time a property is held by the Land Bank, [the Land Bank is authorized to exempt] such property *is exempt* from all real estate taxes, water, sewer, stormwater and other municipal charges to the extent permitted by law.

* * *

§ 16-706. Inventory.

(1) The Land Bank shall maintain and make publicly accessible on its website, and at its offices during normal business hours, the following information:

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(c) A record of all property conveyed by the Land Bank to other parties, including, but not limited to: the sale price for which the property was conveyed; the party to whom the property was conveyed; a summary of any terms or conditions of the conveyance, including the intended use of the property; and the approximate income of the households that will benefit from the intended use, if the sale price was less than fair market value; [and]

(d) Copies of its Policies, Strategic Plans, and Performance Reports; *and*

(e) *The listing price of all properties owned by the Land Bank, based upon the valuation method that the Land Bank deems most appropriate given the particular conditions of the property and surrounding market, as well as the cost of redevelopment.*

(2) The Land Bank shall provide a mechanism, [through which individuals may request and receive] *to process applications for the disposition of properties in a timely manner pursuant to § 16-707, and to provide applicants with ongoing notifications as to changes in the status of any property owned by the Land Bank.*

(3) The Land Bank shall provide to members of the interagency Vacant Property Review Committee and City Council electronic access to relevant information maintained by the Land Bank regarding all properties owned by the Land Bank. The Land Bank shall additionally provide to these members a mechanism to receive according to their preference either periodic aggregate reports or ongoing notifications as to changes in the status of those properties or of a subset thereof, such as an individual Planning District or Council District.

§ 16-707. Disposition of Property.

(1) The Land Bank is authorized to convey, exchange, sell, transfer, lease, grant, or mortgage interests in real property of the Land Bank in the form and by the method determined to be in the best interests of the Land Bank, subject to approval by the Vacant Property Review Committee and City Council by Resolution, under the following terms and conditions:

(a) Certification of Compliance. Applicants for properties must provide the Land Bank with certification from the Department of Revenue that the applicant has no tax or water delinquencies *or is in a current payment agreement*, and from the Department of Licenses and Inspections that all other properties owned by the applicant are in compliance with the provisions of The Philadelphia Code or under agreement to come into compliance, which certifications shall not be untimely withheld.

* * *

(c) Public Notice and Opportunity to Comment. The Land Bank shall provide public notice of proposed dispositions as early as practicable and at least ten (10) days before any final action

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will be taken, which shall include posting a notice conspicuously on the subject property. Final action for the purposes of this Section shall include approval by City Council, review by the Vacant Property Review Committee and the Land Bank board, or a decision by staff [who have been delegated board disposition authority]. The Land Bank shall also provide notice to those registered community organizations as defined in Section 14-303(11A) whose registered geographic area of concern contains a property proposed for disposition.

* * *

(3) *Where City Council approves of proposed dispositions, the [The] Board of Directors shall promptly direct the Land Bank to promptly prepare, execute, deliver, and perform all agreements, deeds, and other documents as may be necessary to desirable to consummate the conveyance of such dispositions [may delegate its disposition authority to the staff of the Land Bank], except [in the following circumstances:*

(a) *The] where the proposed terms of the transaction conflict with this Chapter[, the Land Bank's published policies or procedures;*

(b) *The transferee has a significant history of: tax or water delinquencies; owning property maintained in a condition that violates The Philadelphia Code; or failing to redevelop properties previously acquired from the City of Philadelphia or other local public agencies;*

(c) *The value of the property is in excess of \$50,000 (fifty thousand dollars); or*

(d) *When otherwise required by state] or other applicable law.*

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§ 16-708. [Pricing] *Terms of Sales.*

* * *

(4) *Conditions of sale between the transferee and the Land Bank shall be imposed using legally binding mechanisms, including but not limited to deed restrictions, restrictive covenants, and mortgages. The Land Bank shall monitor compliance with such provisions, including by requiring periodic reporting by transferees. Failure of compliance with said conditions will cause title to the property to revert to the ownership of the Land Bank, automatically, without any conveyance thereof being required, upon notice that such failure exists and no attempt is made to remedy such failure.*

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(5) *Where the Land Bank directly conveys, exchanges, sells, transfers, leases, grants, or mortgages properties, such as where an individual property owner seeks adjacent property with no visible structures for use as a side or rear yard, the Land Bank shall respond to applications for disposition within 180 days of receipt, in the form of either a denial letter or a purchase agreement. The purchase agreement shall include a final sales price, any applicable appraisals, a deed restriction, and a provision stating the transferee shall neither offer for sale, nor sell, nor assign the premises or any portion thereof without written approval regardless of any consideration paid, nominal or otherwise.*

§ 16-709. Policies, Strategic Plan, and Performance Report.

(3) Strategic Plan. Within one year following the effective date of this legislation, and annually thereafter, the Land Bank shall develop a Strategic Plan to guide its acquisition, maintenance, and disposition of property. *The Strategic Plan shall include appendices entitled Acquisition Policies and Disposition Policies which shall be considered part of the Strategic Plan, for the sole purpose of effectuating those policies set forth in this Chapter.* The Strategic Plan shall address the following elements, and be developed in coordination with the Philadelphia City Planning Commission:

* * *

(g) *An Equitable Development Forecast, which assesses the economic impact of the Land Bank, including but not limited to fiscal benefits deriving from the City's acquisition and disposition of vacant, surplus inventory, with findings including but not limited to cost savings from utilizing the Land Bank compared to third party sales from the Sheriff Sale process. An Equitable Development Forecast shall be submitted to the Mayor and to the Chief Clerk of City Council no less than once every two years.*

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§ 16-710. Financial Provisions.

(1) To the extent allowed by law, the Land Bank shall retain proceeds from the sale of any properties [to cover operating costs, maintenance of inventory, and to support additional strategic property acquisition], up to whatever amount shall be approved by Council.

SECTION 2. The provisions of Section 1 of this Ordinance shall be effective immediately.

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Explanation:

[Brackets] indicate matter deleted.

Italics indicate new matter added.