City of Philadelphia

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

Legislation Details (With Text)

File #:	250568	**Version:** 1	**Name:**		
Type:	Bill		**Status:**	ENACTED	
File created:	5/29/2025		**In control:**	Committee on Finance	
On agenda:			**Final action:**	6/12/2025	

Title: Authorizing and approving the execution and delivery of a Service Agreement between The City of Philadelphia and the Philadelphia Redevelopment Authority relating to the financing of a Housing Opportunities Made Easy (H.O.M.E.) Plan which includes housing production and preservation, home affordability, home owner and renter assistance, related contractor training and support, blight and vacant property reduction, urban beautification, neighborhood infrastructure, and other related programs; approving the issuance by the Authority of bonds, notes or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) in one or more series to finance or refinance such plan and authorizing and approving the obligation of The City of Philadelphia to pay in full when due the Service Fee and other amounts payable under the Service Agreement; authorizing certain City officers to take certain actions required to issue such bonds, notes or other evidences of indebtedness; covenanting that The City of Philadelphia will make necessary appropriations in each of the City's fiscal years to provide for, and will make timely payments of, the Service Fee and other amounts due under the Service Agreement; requiring an annual program statement and budget to be approved by Council, and other requirements; and authorizing and approving the Director of Finance of the City and other City officials to take other necessary or appropriate actions to effectuate the purposes of this ordinance; all under certain terms and conditions.

Sponsors: Council President Johnson, Councilmember Gilmore Richardson

Indexes: HOUSING

Code sections:

Attachments: 1. Bill No. 25056800, 2. L250568 , Exhibit As Introduced, 3. Bill No. 25056801, As Amended, 4. L250568, Exhibit, As Amended, 5. CertifiedCopy25056801

Date	Ver.	Action By	Action	Result	Tally
6/13/2025	1	MAYOR	SIGNED		
6/12/2025	0	CITY COUNCIL	READ AND PASSED	Pass	16:0
6/5/2025	0	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL		
6/5/2025	0	CITY COUNCIL	ORDERED PLACED ON THIS DAY`S FIRST READING CALENDAR		
6/5/2025	0	CITY COUNCIL	READ AND ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR		
6/5/2025	0	Committee on Finance			
6/5/2025	0	Committee on Finance			
6/5/2025	0	Committee on Finance			
6/5/2025	0	Committee on Finance			
6/4/2025	0	Committee on Finance			
6/4/2025	0	Committee on Finance			
6/4/2025	0	Committee on Finance			

powered by Legistar™

5/29/2025 0 CITY COUNCIL Introduced and Referred

Authorizing and approving the execution and delivery of a Service Agreement between The City of Philadelphia and the Philadelphia Redevelopment Authority relating to the financing of a Housing Opportunities Made Easy (H.O.M.E.) Plan which includes housing production and preservation, home affordability, home owner and renter assistance, related contractor training and support, blight and vacant property reduction, urban beautification, neighborhood infrastructure, and other related programs; approving the issuance by the Authority of bonds, notes or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) in one or more series to finance or refinance such plan and authorizing and approving the obligation of The City of Philadelphia to pay in full when due the Service Fee and other amounts payable under the Service Agreement; authorizing certain City officers to take certain actions required to issue such bonds, notes or other evidences of indebtedness; covenanting that The City of Philadelphia will make necessary appropriations in each of the City's fiscal years to provide for, and will make timely payments of, the Service Fee and other amounts due under the Service Agreement; requiring an annual program statement and budget to be approved by Council, and other requirements; and authorizing and approving the Director of Finance of the City and other City officials to take other necessary or appropriate actions to effectuate the purposes of this ordinance; all under certain terms and conditions.

WHEREAS, The City of Philadelphia (the "City") has determined that the Philadelphia Redevelopment Authority (the "Authority") will, at the direction of and with the cooperation of the City, pursuant to the Service Agreement (as defined herein), provide financial and administrative services to the City in connection with, and undertake, all or a portion of a Housing Opportunities Made Easy (H.O.M.E.) Plan (the "H.OM.E. Plan") which includes housing production and preservation, home affordability, homeowner and renter assistance, related contractor training and support, blight and vacant property reduction, urban beautification, neighborhood infrastructure, and other related programs of the H.O.M.E. Plan, including the financing or refinancing of certain costs thereof, all as further described in Exhibit A hereto in order to encourage the provision of healthful homes and a decent living environment, eliminate blight, preserve critical affordable housing, respond to inadequacies in the supply of residential owner-occupied and rental housing in the City, encourage the provision of adequate places for employment, and promote economic activity to improve the health, safety and welfare of residents of the City; and

WHEREAS, The Council of the City (the "Council") has, by this Ordinance, determined that it is in the best interests of the City to: (i) authorize and approve the execution and delivery of a Service Agreement (the "Service Agreement") by and between the City and the Authority; (ii) approve the issuance by the Authority of bonds, notes or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) in such amount and for such purposes as described in Section 1 herein in one or more series, either as taxable or tax-exempt obligations; and (iii) authorize and approve the performance by the City of its obligation to pay in full when due the Service Fee (as defined in the Service Agreement) and other amounts payable under the Service Agreement; and

WHEREAS, The City is authorized to enter into the Service Agreement to enable the financing and refinancing of certain costs of the H.O.M.E. Plan; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Council hereby: (i) authorizes and approves the execution and delivery of the Service Agreement, which shall be substantially in the form of Exhibit B hereto; (ii) approves the issuance from time to time by the Authority of bonds, notes or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) (the "Obligations") in an aggregate principal amount not to exceed Eight

powered by Legistar™

Hundred Million Dollars ($800,000,000), plus amounts necessary for costs of issuance, amounts necessary to effect any refunding of Obligations, interest on the Obligations and costs of credit or liquidity enhancement, at any one time outstanding, in one or more series, either as taxable or tax-exempt obligations, to finance or refinance certain costs of the H.O.M.E. Plan, interest on the Obligations, costs of credit or liquidity enhancement, amounts necessary to effect any refunding, and the costs of issuing the Obligations (collectively, the "Project"); and (iii) authorizes and approves the performance by the City of its obligation to pay in full when due the Service Fee payable under the Service Agreement (the "Service Fee") and other amounts payable under the Service Agreement; provided that all expenditures of proceeds of the Obligations on the H.O.M.E. Plan shall be subject to Section 2 of this Ordinance.

SECTION 2. The Service Agreement authorized by this Ordinance shall provide that no proceeds of Obligations shall be used except in accordance with the provisions of this Section 2; and shall further provide that City Council is an intended beneficiary of such provisions and may sue for their specific enforcement.

(a) Prior to each fiscal year in which the Mayor intends to spend the proceeds of Obligations, the Mayor shall submit to Council for its approval by resolution a detailed H.O.M.E. Program Statement and Budget ("Annual Program Statement and Budget") setting forth the allocation for expenditure of proceeds of Obligations on the component programs listed in Exhibit A. At least sixty days before the Mayor submits the Annual Program Statement and Budget to Council for its approval by resolution, the Mayor shall send to each member of Council a preliminary Annual Program Statement and Budget in the same detail that will be contained in the final Annual Program Statement and Budget for which the Mayor will request approval of Council. The Annual Program Statement and Budget shall include, for each program included in the Annual Program Statement and Budget:

(i) A description of each program with respect to which proceeds are intended to be spent;

(ii) The targeted percent(s) of Area Median Income (AMI) for each program;

(iii) An identification of each Council District affected by each program;

(iv) A list of any properties the Mayor will ask Council to take action on, and the nature of the action that will be requested. This provision does not preclude the Mayor from requesting any action from Council on properties related to the H.O.M.E. Plan at any time.

(b) No proceeds of any Obligations may be expended for the H.O.M.E. Plan *component programs* [, or for payment of costs of issuance,] until Council approval required under Section 2(a) has been obtained except as provided in Section (c). *Costs of issuance, service fees, and other such fees related to securing the Obligations, may be expended prior to Council approval required under Section 2(a).*

(c) A Project Review Team ("Review Team") is hereby created, consisting of *two* member*s* to be appointed by the Mayor and two members to be appointed by the President of Council ("Council Appointees"), all of whom shall serve at the pleasure of the appointing authority. The Review Team may, *by agreement of all members,* authorize the following:

(i) Changes to the approved Annual Program Statement and Budget, including reallocation

powered by Legistar™

of program funds, provided that the total Annual Program Statement and Budget does not change and the cumulative reallocation of funds does not exceed *10%* of the total Annual Program Statement and Budget. Any change in the total Annual Program Statement and Budget or reallocation exceeding *10%* of the Annual Program Statement and Budget must be submitted to Council for approval in a revised Annual Program Statement and Budget.

(ii) Start-up expenditures of $5 million prior to approval of the first Annual Program Statement and Budget, provided that the program allocations for the funds are identified.

If the Council Appointees determine that an authorization will have a material effect on a Council District, prior to authorization, the Council Appointees shall first provide each District Councilperson whose district is directly affected the opportunity to meet with the Review Team in order for the District Councilperson to review, comment upon and make recommendations concerning such matter, and the Council Appointees shall not approve any matter without first obtaining written authorization from each District Councilperson whose district is directly affected by such matter.

(d) *For any quarter* in which the proceeds of Obligations are spent, the Mayor shall submit a report to Council. The *quarterly* report shall summarize, in accordance with the Annual Program Statement and Budget, and listed by program:

(i) all actual or committed expenditures;

(ii) all real estate transactions;

(iii) participation of Minority, Female, and Disabled Owned Disadvantaged Business Enterprises as those terms are defined in Section 17-501 of The Philadelphia Code.

(iv) steps taken to ensure that homeowner beneficiaries of H.O.M.E. Plan funds or programs were referred to available resources for tangled title counseling.

(e) The provisions of this Section 2 are not severable from the remaining provisions of this Ordinance, but are essentially and inseparably connected with all other provisions of this Ordinance. It is hereby declared to be the legislative intent of Council that Council would not have enacted this Ordinance or any portion of this Ordinance unless all provisions of this Section 2 were a valid part of such enactment. No proceeds of any Obligations of any series shall be spent unless there is full compliance with the approval process set forth in Section 2 of this Ordinance, and all required approvals are obtained. Provided that to the extent that the Authority has issued Obligations in reliance upon this Ordinance, the covenants and representations of this Ordinance, and the Service Agreement are fully enforceable upon the City. The Council of the City of Philadelphia is an intended beneficiary of the requirements of this Section 2. Council shall have standing to sue for specific enforcement of the requirements of this Section 2, and the City and the Authority agree not to challenge the standing of Council in any action for such specific enforcement. No violation of Section 2 shall effect the legality, validity or enforceability of any other Section of this Ordinance.

(f) For fiscal year 2026, any of the submissions required by Section 2 may be made any time during the fiscal year.

SECTION 3. *Notwithstanding any other provision of law to the contrary, including any provision establishing a need for further approvals by resolution or otherwise, and under the following limitations, Council hereby*

authorizes the disposition of real estate within the City of Philadelphia, whether such property is currently owned by the City or by the Authority or the Philadelphia Land Bank and whether such transfer is made through one or more intermediary such as the Authority or Land Bank:

(1) Disposition must be made for the purpose of developing housing in connection with the Mayor's H.O.M.E. Plan.

(2) The disposition must be pre-authorized by a letter signed by the District Councilmember representing the district where the properties are located.

(3) This authorization shall apply to no more than 1,000 parcels, selection of which shall be determined by the Director of Planning and Development and identified on a running list which shall be made publicly available on a City website.

(4) No such parcel may exceed 1,500 square feet in area.

SECTION 4. The Director of Finance of the City (the "Director of Finance") is hereby authorized to execute and deliver, on behalf of the City, the Service Agreement in substantially the form of Exhibit B hereto, with such changes as the City Solicitor shall advise based on requirements of law or otherwise, and the Director of Finance shall approve, consistent with the terms of this Ordinance. No amendment or supplement to the Service Agreement which permits the total aggregate principal amount of the Authority's Obligations (at any one time outstanding) described in Section 1 hereof to be exceeded shall be executed unless first approved by ordinance of the Council.

SECTION 5. The issuance of Obligations to refund outstanding Obligations (whether at maturity, through redemption or otherwise) is hereby authorized, and the Director of Finance is hereby authorized to execute and deliver, on behalf of the City, any required amendment or supplement to the Service Agreement in such form as the City Solicitor shall advise and the Director of Finance shall approve, consistent with the terms of this Ordinance; provided that no amendment or supplement to the Service Agreement shall permit the issuance of Obligations by the Authority which causes the total aggregate principal amount of the Authority's Obligations (at any one time outstanding) described in Section 1 hereof to be exceeded unless first approved by ordinance of the Council.

SECTION 6. The Service Agreement authorized by this Ordinance (and any required amendment or supplement thereto) shall be executed in conjunction with the issuance by the Authority of its Obligations in an aggregate principal amount, together with the aggregate principal amount of any other Obligations issued by the Authority (at any one time outstanding) that does not exceed that set forth in Section 1 hereof to be applied for the purposes described in Section 1 hereof. The Obligations shall not be executed or delivered until the Director of Finance has approved the terms thereof.

SECTION 7. The City covenants to budget and make appropriations beginning in Fiscal Year 2026 and in each and every fiscal year thereafter in such amounts as shall be required in order to make timely all Service Fee payments due and payable and to pay timely all other amounts due and payable under the Service Agreement.

SECTION 8. As long as the Obligations issued by the Authority are outstanding, the City covenants unconditionally to make all Service Fee payments and pay all other amounts due as provided for under the Service Agreement directly to any trustee and/or other entity (the "Trustee") to which the Service Fee may be assigned as security for payment of the Obligations issued by the Authority, any other payments due to a lender

powered by Legistar™

or a holder with respect to any Obligations, and the obligations of the Authority under any credit facility and/or liquidity facility securing the related Obligations, only out of current revenues of the City, which payments shall not be suspended, abated, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever and regardless of any rights of set-off, recoupment or counterclaim that the City may have against the Authority or the Trustee or any holder of Obligations, any credit provider or any other party or parties and regardless of any contingency, act of God, event or cause whatsoever and notwithstanding any circumstances or occurrence that may arise after the date thereof.

SECTION 9. The City agrees to be bound by each and every provision, covenant and agreement set forth in the Service Agreement.

SECTION 10. The Director of Finance and all other proper officials of the City are hereby authorized, jointly and severally, on behalf of the City, to execute all documents (including without limitation one or more continuing disclosure agreements, letters of representation, continuing covenant agreements, escrow agreements, dealer manager agreements, reimbursement agreements for any lines or letters of credit, and intergovernmental or other cooperation agreements with the Authority and/or other appropriate parties, as directed by the Director of Finance) as may be necessary in order to accomplish the intent and purpose of this Ordinance and the Project, and to take all actions as may be required by the Constitution and the laws of the Commonwealth of Pennsylvania in order to effectuate the financing approved hereby and the issuance of the Obligations.

SECTION 11. The Council reasonably expects that the proceeds of each series of tax-exempt Obligations will be expended for the Project within three years of the issuance of each such series and will not take any action or omit to take any action which would cause the expenditure of the proceeds of tax-exempt Obligations for the Project to proceed other than with due diligence.

SECTION 12. In accordance with Treasury Regulations §1.150-2, the City hereby states its intention that a portion of the proceeds of the Obligations will be used to reimburse itself or the Authority for expenditures for costs of the Project paid prior to the date of issuance of one or more series of the Obligations. The maximum principal amount of Obligations expected to be issued for the Project is $800,000,000.

SECTION 13. This Ordinance shall take effect immediately.

powered by Legistar™