

Legislation Text

File #: 090473, **Version:** 0

Authorizing the Committee on Legislative Oversight to hold public hearings to explore the opportunity to implement a permanent SCOPE (Selling City Owned Properties Efficiently) Project to create a simplified and cost effective process for putting vacant and underutilized City-owned properties back into productive use.

WHEREAS, The Philadelphia Redevelopment Authority (RDA) is responsible for acquiring, selling and leasing real estate to achieve economic redevelopment and to promote growth; and

WHEREAS, Vacant and abandoned property take away from the quality of neighborhood life and drain City and community resources and services; and

WHEREAS, The RDA, which maintains a land bank of 5,500 parcels, has established a pilot program in partnership with the Greater Philadelphia Association of Realtors to efficiently advertise and sell these properties; and

WHEREAS, The pilot program is modeled after Baltimore's SCOPE project (Selling City-Owned Properties Efficiently), which was created to capitalize on the marketing knowledge and professional expertise that the real estate industry has to effectively market and sell real estate; and

WHEREAS, Baltimore's SCOPE Project is a cooperative venture between the City of Baltimore, the Baltimore Economy and Efficiency Foundation and The Greater Baltimore Board of REALTORS, Inc; and

WHEREAS, The program engages local real estate agents to list and sell properties - that City officials have identified - through the multiple listing service to responsible buyers, who will in turn rehabilitate the properties within 18 months of the settlement; and

WHEREAS, Participation in the Baltimore's Project is open to Brokers and agents who are members of The Greater Baltimore Board of REALTORS, Inc and/or the Real Estate Brokers of Baltimore. Brokers and agents are required to submit an application outlining their experience with the City real estate market and documenting their professional qualifications; and

WHEREAS, Brokers and agents are required to meet certain conditions to qualify. In determining an applicants' eligibility, the following is considered: volume and nature of business conducted in the City; familiarity with foreclosure sales; experience with private lenders on Broker's Price Opinions; knowledge of the neighborhoods in which properties are located; and compliance with licensing laws and adherence to industry professional and ethical standards; and

WHEREAS, Available properties are grouped into batches of 3-6 individual property addresses that reflect a range of prices and conditions. All brokers and agents who have been approved for participation receive a list of the property groupings and are asked to select the batches that they are interested in listing; and

WHEREAS, Before entering a SCOPE property, potential buyers must sign a Hold Harmless agreement and acknowledge that they understand the risks associated with entering the properties. Furthermore, buyers must

document the fact that they have the resources available or are able to borrow the funds sufficient to renovate the property based on the City's estimated cost of renovations; and

WHEREAS, As of July 2008, Baltimore had settled 270 properties through the SCOPE project. With the average sale price of \$27,346, the City collected over \$7 million and paid \$680,000 in commissions; and

WHEREAS, Implementing a permanent SCOPE Project in Philadelphia will increase tax revenues and help revitalize neighborhoods. Additionally, the process will help create jobs through the rehabilitation process; and

WHEREAS, The SCOPE project is an open and transparent way to efficiently and effectively sell city-owned properties for productive uses; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That authority be given to the Committee on Legislative Oversight to hold public hearings to explore the opportunity to implement a permanent SCOPE (Selling City Owned Properties Efficiently) Project to create a simplified and cost effective process for putting vacant and underutilized City-owned properties back into productive use.