

Legislation Text

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Amending Title 20 of The Philadelphia Code, entitled "Officers and Employees," by adding a new Chapter to prohibit certain persons that deal in real estate from employment or appointment to positions that can affect title to City owned real estate, including penalties, definitions and other related items; all under certain terms and conditions.

WHEREAS, The City of Philadelphia owns over 10,000 parcels of vacant real estate, according to the Philly Land Bank Alliance; and

WHEREAS, The Philadelphia Land Bank will soon be fully operational, allowing a more expeditious turnover of vacant property back to productive use; and

WHEREAS, Presently, at least five different City agencies, commissions or boards have control over disposition of City owned unused and/or underutilized vacant properties; and

WHEREAS, The persons who sit on the City boards, commissions and agencies have enormous power in the real estate market, since they can decide what properties to sell, whom to sell it to, and at what price; and

WHEREAS, In order to incentivize quick development of these vacant and blighted properties, many parcels, or groups of parcels, can and will be sold for a minimal or reduced amount of money, oftentimes at less than the fair market value; and

WHEREAS, Individuals that have ownership interests or who deal in real estate development ventures could reap substantial financial benefits by having insider knowledge from members of the decision making City entities, which would enable these real estate developers to purchase vacant properties at a discount from the various City boards, commissions and agencies; and

WHEREAS, In order to avoid any appearance of impropriety, the City should insure that no individual or family member connected to the real estate development industry holds a decision making position on any City board, commission or agency that can dispose of these vacant properties; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Title 20 of The Philadelphia Code is hereby amended by adding a new Chapter as follows:

TITLE 20. OFFICERS AND EMPLOYEES.

* * *

CHAPTER 20-1800. RULES GOVERNING OFFICIALS AND EMPLOYEES APPOINTED TO BOARDS, COMMISSIONS, OR AUTHORITIES WITH POWER TO AFFECT TITLE TO CITY OWNED REAL ESTATE.

§ 20-1801. *Definitions. For purposes of this Chapter, the definitions found in Section 20-601 of this Title shall apply along with the following:*

(1) Entity that has authority to affect title to City real estate. Includes all of the following:

- (i) Philadelphia Authority for Industrial Development*
- (ii) Philadelphia Redevelopment Authority*
- (iii) Philadelphia Housing Development Corporation*
- (iv) Philadelphia Land Bank*
- (v) Vacant Property Review Committee*

(2) Person who deals in real estate. Any person, and his or her family member, that receives income from or has a financial interest in buying, selling, sub-dividing, building, construction, or any other transference of an interest in real estate, or is associated with any corporation or other entity that deals in real estate, including but not limited to community development corporations, except the sale, purchase, or transfer in ownership of the person's or family member's primary place of residence.

§ 20-1802. *Person Who Deals in Real Estate Prohibited from Serving on Certain Boards, Commissions and Authorities.*

(1) No person who deals in real estate may:

- (i) accept an appointment to, nor may that person serve as a member or employee of an entity that has the authority to affect title to City real estate;*
- (ii) hold a position with the City that includes a duty to take or recommend official action regarding title to City owned real estate.*

(2) Duty to report change in status. All City officials, employees and potential appointees that are appointed or employed with an entity that has the authority to affect title to City real estate shall have an on-going duty to report, within 48-hours, in the event that individual becomes a person who deals in real estate.

§ 20-1803. *Violations. It shall be a violation for any person to accept an appointment or continue in employment, or fail to report a change in status in violation of this Chapter. Each day that a violation exists or a person fails to report a change in status as required shall constitute a separate offense.*

§ 20-1804. *Penalties. A violation of this Chapter shall subject the person to a \$2000 fine for each violation, and the person shall be barred from City employment for two (2) years from the date of the offense, except, any person in violation of this Chapter on the date of enactment shall have a seven (7) days from that date in which to come into compliance.*

Explanation:

Italics indicate matter added.