Legislation Text

File #: 170564, **Version:** 1

Amending Section 2-305 of The Philadelphia Code, entitled "Office of Property Assessment; Chief Assessment Officers; Powers and Duties," by further providing with respect to the manner in which assessments are determined for certain properties that are subject to rent restrictions, affordability requirements and other related restrictions, and for properties with respect to which federal or state income tax credits have been obtained; and by providing for additional reporting requirements with respect to such properties; all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Section 2-305 of The Philadelphia Code is amended to read as follows:

§ 2-305. Office of Property Assessment; Chief Assessment Officer; Powers and Duties.

* * *

(2) Except as Council may ordain from time to time, the Chief Assessment Officer shall:

* * *

(d) Promulgate and make available on the City's official website Assessment Standards and Practices Regulations that with respect to assessments made in calendar year 2011 and thereafter:

(i) Set forth a methodology for the valuation of properties for taxation purposes. The methodology employed shall be made available to the public, including an explanation of the extent to which the methodology employed conforms to nationally recognized assessment standards such as those approved by the International Association of Assessing Officers (IAAO) for mass appraisals of real property. The Government of the District of Columbia's document "Appraiser's Reference Materials," attached as Appendix "1," shall serve as a point of reference.

(.1) In applying the provisions of Section 402(c) of the General County Assessment Law, Act of 1933, P.L. 853, No. 155, as amended, 72 P.S. § 5020-402(c), the methodology used to calculate actual value shall explicitly provide for consideration of the impact on the actual value of each property of applicable rent restrictions, affordability requirements, and any other related restrictions prescribed by any federal or state programs; shall not consider federal or state tax credits as real property or income attributable to real property; and shall take into account arm's length sales, if any, of comparable low income housing tax credit properties.

(A) With respect to properties that are subject to rent restrictions, affordability requirements or other related restrictions prescribed by any federal or state programs, as contemplated by Section 402(c) of the General county Assessment Law, it is the expectation of Council that the methodology used to calculate actual value will include the following attributes, and if the methodology

conflicts with any of these attributes, the Office of Property Assessment shall include an explanation of the rationale for doing so:

(.a) If the income approach is used to determine the actual value of such properties, the capitalization rate shall be no less than the bond rating set forth by Merrill-Lynch as the Triple C (CCC) Bond Benchmark at the time the valuation is made.

(.b) The methodology shall explicitly provide that the assessors (i) shall look to the actual income and expenses of such properties, without considering federal or state income tax credits as real property or income attributable to real property, (ii) shall not consider the rents of other non-low income housing tax credit properties, and (iii) in the case of properties with respect to which low income housing tax credits under section 42 of the Internal Revenue Code have been assigned by the Pennsylvania Housing Finance Agency, the methodology shall not value any such property based on net income greater than the median net income of a statistically sound representative sample of the annual audits of such properties submitted by the Pennsylvania Housing Finance Agency. The Office of Property Assessment shall document its analysis of any such sample of annual audits.

* * *

(u) Make underlying supporting data, documentation, methodology and any other information used to certify each property assessment publicly available by May 1.

(i) All properties to which the provisions of Section 402(c) of the General County Assessment Law, Act of 1933, P.L. 853 as amended, 72 P.S. § 5020-402 are applicable, including but not limited to low income housing tax credit properties, shall be separately identified, along with the relevant supporting data, documentation and methodology.

Explanation:

Italics indicate new matter added.

powered by Legistar™