

Legislation Text

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Amending Chapter 21-1600 of The Philadelphia Code, entitled "Housing Trust Fund," to authorize the establishment of separate sub-funds to receive, respectively, revenues attributable to recording fees and revenues attributable to certain payments required upon construction of certain real estate; to provide for and authorize the manner in which such revenues may be appropriated and spent; and to designate the agency within City government responsible for administering the Housing Trust Fund; all under certain terms and conditions.

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. Chapter 21-1600 of The Philadelphia Code is hereby amended to read as follows:

CHAPTER 21-1600. HOUSING TRUST FUND.

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§ 21-1602. Establishment of the Philadelphia Housing Trust Fund.

(1) The Philadelphia Housing Trust Fund ("Trust Fund") shall be created by the Finance Director as a separate Fund held by the City of Philadelphia [into which shall be deposited revenue collected pursuant to Section 10-1001 of The Philadelphia Code for the purpose of funding the Trust Fund]. *The fund shall be administered by the Department of Planning and Development's Division of Housing and Community Development.*

(2) [It is the intention of the City Council that the Trust Fund be used for the purposes of this Ordinance. Therefore, any] *Revenue collected pursuant to Section 10-1001 of The Philadelphia Code for the purpose of funding the Trust Fund shall be deposited into the Trust Fund. Any assets remaining in the Trust Fund at the end of any fiscal year shall be carried into the next fiscal year, including all interest and income earned, as well as any repayments or forfeitures of loans and/or grants.*

§ 21-1603. Creation, Distribution and Use of the Trust Fund's Assets.

\* \* \*

(9) *Proposed annual expenditures from the Housing Trust Fund shall be incorporated into the City's Annual Consolidated Plan submitted to City Council for approval. Expenditures from the Housing Trust Fund shall be made only pursuant to appropriations made in the City's Operating Budget.*

§ 21-1604. Establishment of Housing Trust Fund Sub-Funds.

(1) *The Director of Finance is authorized to divide the Housing Trust Fund into two segregated sub-funds, the Recording Fee Sub-Fund and the Construction Impact Tax Sub-Fund. Once such Sub-Funds are*

*established, Section 21-1601 and subsection 21-1602(1) shall apply to both Sub-Funds; subsection 21-1602(2) and Section 21-1603 shall apply only to the Recording Fee Sub-Fund.*

*(2) The Director of Finance and such other officials as the Mayor may determine are authorized to implement the provisions of Section 21-1605.*

§ 21-1605. *Trust Fund Assets Held in the Construction Impact Tax Sub-Fund.*

*(1) Upon establishment of the Sub-Funds authorized by Section 21-1604, taxes collected pursuant to Chapter 19-4300 shall be deposited in the Construction Impact Sub-Fund of the Housing Trust Fund. Any assets remaining in this Sub-Fund at the end of any fiscal year shall be carried into the next fiscal year, including all interest and income earned, as well as any repayments or forfeitures of loans and/or grants.*

*(2) Funds appropriated from the Construction Impact Tax Sub-Fund shall be used to fund programs and projects that support Equitable Neighborhood Development for the benefit of households whose annual income, adjusted for size, is less than 120% of the median income of the Philadelphia Metropolitan Statistical Area, as defined by The United States Department of Housing and Urban Development, that:*

*(a) Increase production and preservation of affordable housing for sale or rental;*

*(b) Increase access to homeownership through the provision of down payment and closing cost assistance; and*

*(c) Stabilize and maintain high levels of homeownership in middle neighborhoods.*

*(3) Funds appropriated from the Construction Impact Tax Sub-Fund may be used to pay all costs associated with the borrowing of funds for the purposes set forth in subsection 21-1605(2), including, but not limited to, through a service agreement with a third party providing for the issuance of bonds.*

*(4) Funds appropriated from the Construction Impact Tax Sub-Fund may be awarded to any entity, regardless of its legal form, so long as the entity is otherwise eligible to receive a contract.*

*(5) Any project consisting of four or more units and receiving a grant or deferred loan financing from the Construction Impact Sub-Fund shall have workforce wages and benefits determined by the Philadelphia Labor Standards Unit and the Unit shall be subject to the reporting requirements set forth in Sections 17-107, 17-1605 and 21-1106 of the Philadelphia Code. The Unit shall also provide quarterly reports to the Clerk of City Council, on workforce residency, including residency by Council District for workers residing in the City.*

*(6) Proposed annual expenditures from the Construction Impact Tax Sub-Fund shall be incorporated into the City's Annual Consolidated Plan submitted to City Council for approval. Expenditures from this Sub-Fund shall be made only pursuant to appropriations made in the City's Operating Budget.*

*(7) It is the intent of Council that funds in the Construction Impact Tax Sub-Fund will provide net new resources for affordable housing activities in Philadelphia, but such funds may be used to supplement funding levels for housing production, accessibility, preservation and homelessness prevention in the event*

*current funding or sources of funding are reduced or eliminated.*

SECTION 2. This Ordinance shall take effect upon the enactment into law of legislation establishing a construction impact tax.

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Explanation:

[Brackets] indicate matter deleted.

*Italics* indicate matter added.