



CITY OF PHILADELPHIA

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Chief Assessment Officer

May 10, 2016

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke:

This letter is in response to questions raised at the April 6, 2016 hearings before the Committee of the Whole on the Office of the Mayor's budget. At this hearing, the following questions were asked:

Councilman Greenlee

Provide details about CAMA process.

See attached PDF.

Councilwoman Parker

Do any commercial properties have multiple exemptions? Provide examples.

Yes. Some properties that are categorized as commercial may have multiple exemptions. For example, 3118-98 Chestnut Street, a University of Pennsylvania parcel, includes some statutorily exempted assessment granted on the portion of the property that is currently being used by the exempt owner. But it also includes some abatement that is being applied to the portion of the assessment that is equitably-owned by the for profit developer of the apartments and retail space.

While the above example describes an agreement that the City of Philadelphia is well aware of (as the beneficiaries of the exemptions/abatements have met all necessary eligibility criteria), the challenge for OPA is tracking the multiple exemptions using a system that can only code a single exemption at a time. Multiple exemptions are currently tracked "manually." This is something that will be addressed with the implementation of a real CAMA system.

Forward information of properties with abatements, Homestead, LOOP.

The ordinances that created the LOOP provision, and authorized Philadelphia to offer the Homestead Exemption were put in place in order to address concerns related to the properties that received substantial increases in their assessments as a result of AVI providing more accurate valuations. However, those laws have evolved to also address concerns over multiple exemptions. The multi-agency (OPA, Revenue, Inspector General) auditing procedures that are in place are designed to find properties that are enjoying more than one of the above (abatement, Homestead, or LOOP), but those procedures are also being modified as the City continues to find the best and most efficient ways to manage these programs.

Are there any strictly commercial or industrial properties receiving Homestead?

Currently, there are 213,612 properties receiving some Homestead Exemption. Out of these, there are 73 properties coded as commercial, and 28 properties coded as industrial that receive some Homestead Exemption. However, while some of these may be either miscoded or subject to audit, most have met the eligibility requirement for the exemption. Note that a property originally built for commercial or industrial use may be used as a primary residence, and therefore be eligible for the Homestead Exemption.

Provide the number of appeals for 2014 and 2015.

For 2014, approximately 25,000 appeals were filed with BRT. Of these, approximately 103 are still outstanding.

For 2015, approximately 4,700 appeals were filed with BRT. Of these, approximately 266 are still outstanding.

Councilman Johnson

Can you provide an overview of how often we'll be doing assessments? Provide a citywide map of the assessment that took place for 2014, and the assessment that took place in 2016-for 2017.

OPA will continue to conduct annual reassessments, with a general focus on all 579,000 parcels, but paying attention to the aspects of AVI which need immediate attention. With the new CAMA system, annual reassessments that comprehensively address all parcels will be commonplace.

We have maps that outline where changes occurred as a result of the 2014 reassessment effort, as well as the current (2017) assessment project. We've given a copy to Councilman Johnson, but also have a copy for City Council.

Can you identify rapidly developing areas and what the assessments are?

OPA is requesting some additional time to provide an answer to this multi-part question. While we can provide a "snapshot" based on anecdotal evidence or cursory research, response from the Office of Property Assessment should, at the very least, include indicators of local and regional sales trends.

Council President Clarke

12 and Lehigh Avenue, no activity in that area, but assessments are going up...why?

While our research indicates that there have been sales over the past 3 years in the GMA, we have put together a report that includes all sales activity in the GMA and the nearby base GMA. Attached is a map of the entire zone (G). The neighborhood in question is in GMA 341, while additional sales in the base GMA (112) were considered with adjustments. The adjustments are made based on the subject properties being assessed.

We have also attached a complete sales report for Zone G that includes sales used for the 2014 and 2015 assessments.

Sincerely,



Michael Piper
Chief Assessment Officer
Office of Property Assessment