

Proposed Amendment to Bill No. 190606

Deletions appear in ~~strikethrough~~.
Additions appear in **bold**.

AN ORDINANCE

Amending Title 16 of The Philadelphia Code, entitled “Public Property,” by amending Chapter 16-400, entitled “Vacant and Surplus Properties,” Chapter 16-500, entitled “Councilmanic District Development Program,” and Chapter 16-700, entitled “Philadelphia Land Bank,” in order to establish uniform procedures for the disposition of property by the City and City-related agencies to whom the City conveys property, and to amend the provisions governing the Land Bank, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 16-400 of The Philadelphia Code is hereby amended to read as follows:

CHAPTER 16-400. Vacant and Surplus Properties.

§ 16-401. Legislative Findings.

The Council of the City of Philadelphia hereby finds that:

(1) Throughout the City of Philadelphia a large number of properties are vacant and have been vacant for an abnormal amount of time;

(2) The vacant properties are in such poor physical condition as to make them uninhabitable in the present conditions;

(3) Certain properties have been declared by City to be unfit for human habitation since they are in violation of building, fire, health and other City Codes;

(4) The owners of certain vacant or unoccupied properties are delinquent in the payment of Real Estate Taxes, Water and Sewer Rents, or other municipal liens and charges;

(5) The properties in their present conditions are and have become a blighting influence in and about the neighborhood where located and thus are a liability to the City and its citizenry;

(6) Nonpayment of the tax obligations by the owners of these properties indicates that they may have or intend to abandon such properties;

(7) Certain property owners desire to donate properties to the City as an alternative to abandoning them;

(8) It would be in the best interest of the owners of such properties and the citizens of Philadelphia if such property would be acquired, and accepted by the City of Philadelphia, to be held in trust until they can be rehabilitated for use by its citizens under certain terms and conditions;

(9) The City has acquired a number of vacant properties throughout the City at Sheriff's sales within its equity of unpaid taxes. Certain of these properties are surplus to the needs of the City but are capable of being improved, rehabilitated and re-used by the citizens of Philadelphia. Inasmuch as the City has no bonded indebtedness invested in these properties and their re-use will relieve the City of the care, maintenance and management of the properties, arrest the blight

of the neighborhoods within which they are located and restore the properties to productive use, certain of these properties should be made available for disposition in accordance with the provisions of this Chapter;

(10) Certain other vacant properties cannot be acquired by donation either due to inability to locate the owners, heirs or successors in title; title vests in insolvent estates, institutions or corporations; defects exist in the chain of title; or claims of other than municipal creditors such as mortgagees, judgment or lien holders either cannot or will not be released or satisfied of record insofar as they affect title to such properties thereby deeming acquisition by Eminent Domain essential and serving a public purpose which will promote the public health, safety and welfare.

§ 16-402. Definitions.

(1) In this Chapter the following definitions shall apply:

(a) Properties shall be deemed vacant where no legal occupants have occupied the building for a continuous period of six or more months prior to the offer of such property to the City.

[(b) Properties shall be deemed delinquent where the owner of the property is delinquent in the payment of Real Estate Taxes or Water and Sewer Rent and/or against which there are municipal liens.]

[(c) Blighted properties shall include:

(.1) Any premises which because of its physical condition or use is regarded at law as a public nuisance or has been declared "unfit for use" by a City agency or Department in accordance with the provisions of any City Code.

(.2) Any vacant or unimproved lot or parcel of ground in a predominantly built-up neighborhood, which as a result of neglect or lack of maintenance by the owner has become a place for the accumulation of trash and debris or a haven for rodents or other vermin; or has thereon abandoned wells, shafts, basements, excavations, unsafe fence or other unsafe structures so designated by any City agency under the provisions of any City Code or which condition shall be deemed legally to be a public nuisance by the City.

(.3) Those properties defined as blighted by Act No. 94 of June 23, 1978, amending the act of May 24, 1945 (P.L. 991, No. 385) known as the "Urban Redevelopment Law", and any future amendments thereto.]

[(d)] (b) Surplus Properties. Surplus properties are those properties which:

(.1) are vacant;

(.2) have been acquired by the City [at Sheriff's sales within the City's equity of unpaid taxes and other municipal claims];

(.3) the City has no bonded indebtedness in;

(.4) are determined to be suitable to effectuate the purposes of this Chapter; and

(.5) have not been designated by the Commissioner of Public Property as necessary for other municipal uses.

(c) *Agency.* The City of Philadelphia (“City”), the Philadelphia Land Bank (“Land Bank”), the Philadelphia Redevelopment Authority (“Redevelopment Authority”), and the Philadelphia Housing Development Corporation (“PHDC”).

(d) *Qualified Applicant.* An individual or entity who receives a Qualified Applicant Certificate from an Agency under the provisions of Section 16-404(2)(a).

(e) *Disposition.* The conveyance, exchange, sale, transfer, lease, grant, or mortgage of one or more interests in real property.

* * *

SECTION 2. Sections 16-403, 16-404, 16-405, 16-406, and 16-407 of Chapter 16-400 of The Philadelphia Code are hereby repealed in their entirety, and replaced with new Sections 16-403 through 16-406, to read as follows:

§ 16-403. *Disposition Policy: General Provisions.*

(1) *Section 16-404 sets forth policies governing the disposition of vacant and surplus properties. Such policies shall apply with respect to the City’s disposition of any such property.*

(2) *The City shall not convey any property to an Agency unless the Agency has adopted the policies set forth in this Chapter with respect to the disposition of the Agency’s vacant and surplus property. **City Council’s approval of any** Any conveyance of property by the City to an Agency shall be conditioned on the Agency’s agreement to follow the disposition policies of this Chapter with respect to all vacant and surplus property held by the Agency, including property that the Agency acquired other than from the City.*

(3) *If the Department of Planning and Development prepares a uniform policy for the disposition of property by the City and City-related agencies which supplements, but is not inconsistent with, the provisions of this Chapter, ~~and if Council approves such uniform policy by resolution,~~ then any conveyance of property by the City to an Agency shall also be conditioned on the Agency’s agreement to follow such uniform policy.*

(4) *The City may enter into a Memorandum of Understanding or other agreements with an Agency to effectuate the purpose of this Section.*

§ 16-404. *Disposition Policy: Inventory, Methods, Terms, and Approvals.*

(1) *Inventory.*

(a) *An Agency shall maintain an up-to-date inventory of vacant and surplus properties owned by the Agency and shall make such inventory publicly accessible on its website and at its offices during normal business hours. The inventory shall include a map of such properties and relevant information about land use conditions such as vacancy and tax delinquency.*

(2) *Methods.*

(a) *An individual or entity who seeks a property must submit a bid or an application to the Agency, in the form specified by the Agency. Properties may only be conveyed*

to applicants who have received a Qualified Applicant Certificate from the Agency. The Agency shall issue a Qualified Applicant Certificate if it finds:

(.1) That the applicant has demonstrated the financial and operational capacity to carry out the proposed use set forth in such application or bid;

(.2) That the applicant has no tax or water delinquencies, or is in a current payment agreement with respect to any such delinquencies; and

(.3) That all properties owned by the applicant ~~are in compliance with~~ **have no outstanding violations under the** The Philadelphia Code, or **are** under agreement to come into compliance.

(b) *Disposition After Advertised Bids.* An Agency may dispose of a vacant and surplus property to a qualified applicant under an advertised bid process that includes the following:

(.1) The Agency shall advertise the availability of a property. Such advertisement shall specify a period of time, not less than 30 days, during which applicants may submit bids on the property. **The advertisement shall define and publish the weighted criteria set forth under Section 16-404(2)(b)(.2).**

(.2) Within ~~180~~ **120** days of the close of bidding, the Agency shall evaluate bidders for selection based upon the following weighted criteria: 30% for economic opportunity and inclusion; ~~20%~~ **15%** for public purpose – social impact; ~~25%~~ **20%** for development team experience and capacity; 20% for financial feasibility; **10% for project design**; and 5% for offer price. The Agency may select a bidder based upon such criteria **to the fullest extent permitted by law**, or it may choose not to select any bidder. The Agency may dispose of vacant and surplus property to a selected bidder.

(.3) Within ~~180~~ **120** days of the close of bidding, the Agency shall provide all bidders with either a denial letter or a purchase agreement that includes an offer price valid for no less than one year (subject to extension by the Agency), any applicable appraisals and restrictions, and a provision stating that the transferee shall neither offer for sale, nor sell, nor assign the premises or any portion thereof ~~without written approval~~ regardless of any consideration paid, nominal or otherwise, **without the Agency's written approval, in the form of a certificate of completion, which establishes the satisfaction of some or all terms and conditions under Section 16-404(3).**

(c) *Disposition without Advertised Bids.* An Agency may dispose of vacant and surplus properties to a qualified applicant without inviting and advertising bids under the following process:

(.1) Disposition without advertised bids shall be permitted only in one of the following circumstances:

(.A) A qualified applicant seeks property for use as a side or rear yard, provided such property has no visible structures, such property is not more than 1,400 square feet, such property is comprised of no more than two non-partitioned parcels, and the applicant owns and occupies adjacent property as a primary residence.

(.B) A qualified applicant seeks property for use as a community garden, provided such applicant is a non-profit organization.

(.C) A qualified applicant seeks property for use as a business expansion, provided such applicant owns an existing business located **either** within 1,000 feet of such property **if such use is parking, or otherwise within 500 feet of such property.**

(.D) A qualified applicant seeks property for use as a development, provided that such use satisfies at least one of the following criteria.

(.i) At least 50% of the proposed development site is already owned by such applicant.

(.ii) At least 51% of the development qualifies as either affordable housing, under local or federal guidelines, or mixed-income housing, pursuant to Section 14-702(7) of The Philadelphia Code.

(.iii) The development is a community-based facility that benefits low-income and moderate-income households.

(.2) Within ~~180~~ **120** days of receiving an application for the disposition of a property without advertised bids, the Agency shall advise the applicant in writing that the application has been accepted or denied.

(.3) If the application has been accepted, the Agency shall provide the applicant with a purchase agreement that includes an offer price valid for no less than one year (subject to extension by the Agency), any applicable appraisals and restrictions, and a provision stating that the transferee shall neither offer for sale, nor sell, nor assign the premises or any portion thereof without written approval regardless of any consideration paid, nominal or otherwise, **without the Agency's written approval, in the form of a certificate of completion, which establishes the satisfaction of some or all terms and conditions under Section 16-404(3).**

(3) Terms.

(a) **If the conditions of subsection (b) are not satisfied, an Agency may** dispose of a vacant and surplus property to a qualified applicant at the fair market value of such property as determined by an independent appraisal or in-house opinion of value by a licensed appraiser. The qualified applicant may submit information that is relevant to the value of such property for consideration.

(b) An Agency may dispose of a vacant and surplus property to a qualified applicant at a price that is nominal or less than fair market value, if either:

(.1) The Agency is disposing of the property under the "Disposition After Advertised Bids" process set forth in Section 16-404(2)(b); or

(.2) The Agency determined that such applicant is not a religious institution and that the disposition of such properties to the applicant will create beneficial community impact through, without limitation, one or more of the following proposed uses: a side or rear yard, as defined by Section 16-4034(2)(c)(.1)(A); affordable or mixed-use housing, as defined by Section 16-4034(2)(c)(.1)(D)(.i); a community-based facility, as defined by Section 16-4034(2)(b)(.1)(D)(.iii); workforce housing; an economic development project that creates jobs for community residents; an innovation in design and sustainability; an urban agriculture project; a use that creates community open space; and any other use that advances the Strategic Plan, the Comprehensive Land Use Plan, Philadelphia 2035, or any other plans approved by the City of Philadelphia.

(c) An Agency may develop policies to permit, in specified circumstances, alternative forms of payment by applicants who cannot afford immediate payment in full.

(d) An Agency shall, in cooperation with the City Planning Commission, require that the following conditions of title, without limitation, be incorporated into the deed conveying title to vacant and surplus properties approved for disposition: the properties shall be developed and used in accordance with the Comprehensive Land Use Plan; the properties shall be rehabilitated and/or improved within eighteen (18) months of acquisition of title unless the qualified applicant has demonstrated practical cause as to why the time for completion should be extended, provided that no extension shall be for more than six (6) months without further approval of the Board of Directors of the agency that disposed of such properties to the qualified applicant; and for each deed of conveyance, an irrevocable power of attorney, subject to an interest, shall appoint the grantor as true and lawful attorney of the grantee to enter into and take possession of such property, with other necessary provisions, in the event of a failure by the grantee to comply with any term and condition established.

(e) An Agency shall require a redevelopment contract for all dispositions of vacant and surplus properties.

(.i) For dispositions by the Redevelopment Authority, the redevelopment contract shall be in accordance with the Urban Redevelopment Law and Chapter 16-600.

(.ii) For dispositions by any other Agency, the redevelopment contract shall include the provisions required by Section 16-601(a) through 16-601(e), except that all references in such provisions to the Redevelopment Authority shall be considered as references to the Agency.

(.iii) For all dispositions, the General Counsel of the Agency must certify that a redevelopment contract has been signed by the qualified applicant, and the certification must be attached to the disposition ordinance or resolution required by Section 16-404(4).

(f) An Agency may impose additional conditions of sale upon the disposition of vacant and surplus properties to qualified applicants including, without limitation, deed restrictions, restrictive covenants, and mortgages. The Agency shall monitor compliance with such conditions, including by requiring periodic reporting by transferees.

(4) Approvals.

(a) An Agency shall not dispose of vacant and surplus properties to a qualified applicant without recommendation by resolution of the Board of Directors of the Agency, and subsequent approval by a resolution or ordinance of City Council which includes any attachments required by Section 14-604. Such recommendation and approval may not be given until at least ten (10) days after public notice has been provided as required by subsection (b).

(.i) Section 14-604(4)(a) shall not apply to a license or lease of vacant and surplus properties if the duration of the license or lease is less than one (1) year.

(b) An Agency shall provide public notice of proposed dispositions as early as practicable. Public notice shall include a conspicuous posting on property proposed for disposition, and notice to those registered community organizations as defined in Section 14-303(11A) whose registered geographic area of concern contains a property proposed for disposition. Any individual or organization may submit comment in writing regarding a

proposed disposition to the Agency which maintains title to property proposed for such disposition. The Agency shall transmit, or otherwise make available, all such comments to its Board of the Directors.

(c) The Agencies shall **define, publish, and** make available an appeals process whereby an individual or organization that submits an application or bid for vacant and surplus properties may request reconsideration of **certain decisions** ~~a recommendation by the Board of Directors~~ with respect to such properties.

§ 16-405. *Transfer of Title from the City of Philadelphia.*

(1) The Commissioner of Public Property is authorized, upon approval by resolution or ordinance of City Council, to execute and deliver deeds conveying fee simple title to vacant and surplus properties, without consideration or City-imposed restrictions other than as set forth in Section 16-404, to the Redevelopment Authority, and to the Redevelopment Authority for subsequent transfer to the Land Bank.

§ 16-406. *Uniform Strategic Plan.*

(1) The Department of Planning and Development shall annually publish a Uniform Strategic Plan on its website. The Uniform Strategic Plan shall not be published until: (i) the Department conducts a public hearing on the Plan; (ii) after such hearing, the Plan is approved by the Boards of Directors of the Land Bank, the Redevelopment Authority, and the Philadelphia Housing Development Corporation; and (iii) after such approval by the Boards of Directors, City Council approves the Plan by ordinance or resolution. An approved Uniform Strategic Plan shall remain in force until a successor plan has been approved.

(2) **Every five years, the ~~The~~ Uniform Strategic Plan shall include a Five Year Plan, which** guide the acquisition, maintenance, and disposition of vacant and surplus property, and shall address the following elements.

(a) An analysis to determine market conditions and trends in census tracts where the Agencies hold or are likely to hold property. To the extent feasible, this analysis shall specifically evaluate the relative need and availability for affordable or mixed-income housing that is accessible or visitable; economic development that creates jobs for community residents; community facilities that provide needed services to residents; side and rear yards; food-producing urban agriculture; community open space; and any additional core beneficial land uses that may be identified by the Agencies.

(b) An inventory and mapping of vacant properties in each census tract or grouping of census tracts, including properties that are owned by the Agencies and properties that are privately owned and delinquent as to municipal taxes or claims.

(c) Proposed goals for the five-year period following adoption or revision of this plan for acquisition, maintenance, and conveyance of properties that support the Comprehensive Land Use Plan and the goals of community plans accepted by the City Planning Commission, and which encourage equitable redevelopment. This shall include, but is not limited to, items such as defined targets for the share of future housing units to be built on public properties affordable to different income ranges of very low-income, low-income, and moderate-income households, as well as economic development/job creation projects, urban agriculture, open space, and additional core beneficial land use needs that were identified pursuant to (a) of this

subsection. These goals shall be based on the analysis of each census tract or grouping of census tracts that were identified pursuant to (a) of this subsection, taking into account the existing inventory of the Agencies as well as the universe of vacant and tax delinquent or City-liened properties, and demand for land based on requests received in the previous year. The Uniform Strategic Plan may also include analysis of the anticipated availability of funding, and the feasibility of inclusionary housing requirements if applicable.

(d) Recommendations for uses of properties in census tracts that advance the goals of the Uniform Strategic Plan.

~~(e) Defined annual targets for the overall number of properties transferred.~~

~~(f) Defined annual goals for acquisition including identifying the geographic areas where the Agencies would seek to acquire properties and for what purpose.~~

(3) **Every year, the** ~~The~~ Strategic Plan shall include a Performance Report, which shall evaluate acquisition, maintenance, and disposition of vacant and surplus property during the prior ~~five~~ years, and shall address the following elements during that period.

(a) A list of all properties acquired by the Agencies.

(b) A list of all properties conveyed by the Agencies that includes: the price, **with reference to any discount applied**; name of the buyer; proposed use; a summary of any special terms and conditions of the conveyance; and the approximate income of the households that will benefit from the intended use, if the sale price was less than fair market value.

(c) A list of all properties held or reserved for an applicant, including the term of the hold period.

(d) An aggregated analysis of all maintenance activities.

(e) An aggregated analysis of all requests received including their proposed use, duration and status, and reason for termination if applicable.

(f) An aggregated analysis of any efforts related to monitoring and enforcing compliance with provisions agreed upon as conditions of past sales.\

~~(g) Defined annual targets for the overall number of properties transferred.~~

~~(h) Defined annual goals for acquisition including identifying the geographic areas where the Agencies would seek to acquire properties and for what purpose.~~

~~(i) (g)~~ An aggregated analysis demonstrating the Agencies' yearly progress towards fulfilling the goals set forth in the Uniform Strategic Plan, and if achievement or reasonable progress towards such goals is not achieved, a revised plan to be executed during the following year.

SECTION 3. Chapter 16-500 of the Philadelphia Code is hereby repealed in its entirety and replaced as follows:

CHAPTER 16-500. Blight Reduction Committee.

§ 16-501. Legislative Findings.

(1) *The Urban Redevelopment Law Statutes of the Commonwealth of Pennsylvania provides special powers to local governments and their Redevelopment Authorities to acquire blighted properties.*

(2) *Such powers on the part of any Redevelopment Authority are conditioned upon the creation or existence of a blighted property review committee by ordinance of the governing body of the municipality. By law, the committee must include at least one member of the governing body, a representative of the Redevelopment Authority, a representative of the appropriate planning commission, and a representative to be designated by the chief executive officer or officers from the executive branch of the government of the municipality.*

(3) *The Blight Reduction Committee created by this Chapter shall serve as the blighted property review committee required by Section 12.1 of the Urban Redevelopment Law.*

§ 16-502. Blight Reduction Committee.

(1) *A Blight Reduction Committee is hereby created. The Committee shall be composed of the executive heads or their designees of the following:*

- (a) The Department of Planning and Development*
- (b) The City Planning Commission*
- (c) The Philadelphia Redevelopment Authority*
- (d) The Office of the Mayor; and*
- (e) The President of City Council.*

§ 16-503. Blighted Property.

(1) *Blighted property shall include:*

(a) Any premises which because of physical condition or use is regarded as a public nuisance at common law or has been declared a public nuisance in accordance with the provisions of this Code.

(b) Any premises which because of physical condition, use or occupancy is considered an attractive nuisance to children, including but not limited to abandoned wells, shafts, basements, excavations, and unsafe fences or structures.

(c) Any dwelling which because it is dilapidated, unsanitary, unsafe, vermin-infested or lacking in the facilities and equipment required by this Code, has been designated as unfit for human habitation.

(d) Any structure which is a fire hazard, or is otherwise dangerous to the safety of persons or property.

(e) Any structure from which the utilities, plumbing, heating, sewerage or other facilities have been disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.

(f) Any vacant or unimproved lot or parcel of ground in a predominantly built-up-neighborhood, which by reason of neglect or lack of maintenance has become a place for accumulation of trash and debris, or a haven for rodents or other vermin.

(g) *Any unoccupied property which has been tax delinquent for a period of two years.*

(h) *Any property which is vacant but not tax delinquent, which has not been rehabilitated within one year of the receipt of notice issued under this Code to rehabilitate.*

§ 16-504. Abandoned Property.

(1) *Any abandoned property. A property shall be considered abandoned if:*

(a) *it is a vacant or unimproved lot or parcel of ground on which a municipal lien for the cost of demolition of any structure located on the property remains unpaid for a period of six months;*

(b) *it is a vacant property or vacant or unimproved lot or parcel of ground on which the total of municipal liens on the property for tax or any other type of claim of the municipality are in excess of 150% of the actual value of the property as established by the Office of Property Assessment; or*

(c) *the property has been declared abandoned by the owner, including an estate that is in possession of the property.*

§ 16-505. Certification.

(1) *The Blight Reduction Committee and the City Planning Commission, upon making a determination that any property is blighted within the terms of this chapter, must certify said blighted property to the Redevelopment Authority, except that:*

(a) *No property shall be certified to the Redevelopment Authority unless it is vacant. A property shall be considered vacant if:*

(.1) *the property is unoccupied, or its occupancy has not been authorized by the owner of the property;*

(.2) *in the case of an unimproved lot or parcel of ground, a lien for the cost of demolition of any structure located on the property remains unpaid for a period of six months; or*

(.3) *in the case of an unimproved lot or parcel of ground, the property has remained in violation of any provision of this Code applicable to such lots or parcels, including licensing requirements, for a period of six months.*

(2) *No property shall be certified to the Redevelopment Authority unless the owner of the property or an agent designated by him/her for receipt of service of notices has been served with notice of the determination that the property is blighted, together with an appropriate order to eliminate the conditions causing the blight and notification that failure to do so may render the property subject to condemnation under the Urban Redevelopment Law. The notice shall be served upon the owner or his agent in accord with the provisions of The Philadelphia Property Management Code. The owner or his agent shall have the right of appeal from the determination in the same manner as an appeal from the determination of public nuisance.*

(3) *No blighted property shall be certified to the Redevelopment Authority until the time period for appeal has expired and no appeal has been taken, or, if taken, the appeal has been disposed of, and the owner or his agent has failed to comply with the order.*

§ 16-506. Acquisition and Disposition.

(1) Acquisition and disposition of blighted property under this Chapter shall not require preparation, adoption or approval of a redevelopment area plan or redevelopment proposal, but at least thirty (30) days prior to acquisition of any property under this section, the Redevelopment Authority shall transmit identification of the property to the City Planning Commission and shall request a recommendation as to the appropriate reuse of the property. The Redevelopment Authority shall not acquire the property if the City Planning Commission certifies that disposition for residential or related use would not be in accord with the Comprehensive Land Use Plan.

(2) Power of eminent domain shall be exercised pursuant to a resolution of City Council, resolution of the Redevelopment Authority and the procedure set forth in the act of June 22, 1964 (Sp. Sess., P.L.84, No.6), known as the "Eminent Domain Code," as amended.

(3) Property disposed of within a redevelopment area shall be disposed of under a redevelopment contract in accordance with the provisions of the Urban Redevelopment Law. Property disposed of outside an urban renewal project area shall be disposed of by deed in accordance with the provisions set forth in Chapter 16-400.

SECTION 4. Chapter 16-700 of the Philadelphia Code is hereby amended to read as follows:

CHAPTER 16-700. PHILADELPHIA LAND BANK

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§ 16-705. Acquisition.

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(3) Acquisition of Tax Delinquent Properties.

(a) Tax Sale Actions Initiated by the Land Bank.

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(.2) Certifications for Tax Sale Actions Requested by the Land Bank.

The Land Bank is authorized to request the City of Philadelphia certify for upset or judicial sale a property that is both vacant and delinquent as to municipal taxes or claims, provided that the Land Bank determines that the acquisition is consistent with its mission and policies. *The City of Philadelphia shall certify such property for upset or judicial sale no more than ninety (90) days after the Land Bank requests such certification, unless the City of Philadelphia has established in writing that the property cannot be certified because: the account is tax compliant (either full payment or approved payment agreement); a court-ordered stay or postponement is in place; the account is under appeal; the owner is in bankruptcy; the lien(s) has been discharged in a prior tax sale; or the departments have a reasonable suspicion that the lien(s) is defective.* Application for such certification may be made to the Land Bank by an individual or organization, and such applicants shall be entitled to explanation in writing if denied.

(b) Tax Sale Actions Initiated by the City of Philadelphia. The City of Philadelphia shall provide to the Land Bank notice of potential upset and judicial sales listing properties by address. Before any upset or judicial sale of real property initiated by the City of

Philadelphia, the Land Bank shall elect whether to seek acquisition of the property. The Land Bank shall not seek to acquire such owner-occupied properties without first confirming that an appropriate payment plan has been offered for any municipal taxes or claims, including evaluation for an income-based payment agreement. *If the Land Bank elects to seek acquisition of the property, its bid at upset or judicial sale shall not exceed the lesser of such property's assessed value or the sum of city liens against such property for real estate taxes only.*

* * *

(4) ~~Subject to the prior approval of the Finance Director, the Land Bank is authorized to~~ The City of Philadelphia shall discharge real estate, water, sewer, stormwater, gas, and other municipal liens, and other municipal claims, charges, or fines, against the properties it the Land Bank acquires to the fullest extent permitted by law, except that taxes imposed by the Board of Public Education of the School District of Philadelphia shall be levied, assessed, and collected in accordance with all provisions, restrictions, rights of notice, appeals, interest, penalties, and other matters as are applicable to City Taxes.

(5) For the duration of the time a property is held by the Land Bank, [the Land Bank is authorized to exempt] such property *is exempt* from all real estate taxes, water, sewer, stormwater and other municipal charges to the extent permitted by law.

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SECTION 4. Sections 16-706, 16-707, 16-708, 16-709, 16-710, and 16-711 of Chapter 16-400 of The Philadelphia Code are hereby repealed in their entirety, and replaced with new Sections 16-706 through 16-709, to read as follows:

§ 16-706. *Disposition.*

(1) *The Land Bank may convey, exchange, sell, transfer, lease, grant or mortgage interests in real property in the form and by the method determined to be in the best interests of the Land Bank, and in accordance with the disposition policy set forth in Section 16-404.*

§ 16-707. *Ethics and Conflicts of Interest.*

The Land Bank shall be governed by the State Adverse Interest Act of July 19, 1957 (P.L.1017, No. 451) and 65 Pa. C.S. Ch. 11 (relating to ethics standards and financial disclosure). The Land Bank shall also be governed by Chapter 20-600 (Philadelphia's "Standards of Conduct and Ethics") and Chapter 20-1200 ("Lobbying"). As part of its policies, the Land Bank shall adopt strict ethical guidelines for Land Bank board members and employees, and promulgate rules addressing and protecting against potential conflicts of interest. These guidelines and rules shall supplement any applicable state and local laws.

§ 16-708. *Financial Provisions.*

(1) *The Land Bank may be financed by the City of Philadelphia and through any other means authorized in 68 Pa. C.S. § 2101 et seq.*

§ 16-709. *Dissolution; Distribution of Assets in Case of Dissolution.*

(1) The Land Bank may be dissolved according to the requirements of 68 Pa. C.S. § 2114.