



# Disposition Policies

Adopted by Land Bank Board, January 23, 2017

Approved by City Council, March 9, 2017

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# Disposition Policies

## Overview and General Information

This policy is intended to create a unified and consistent approach to disposition of real property owned by City of Philadelphia, the Philadelphia Land Bank, the Philadelphia Redevelopment Authority and the Philadelphia Housing Development Corporation, and each has adopted this policy document. (For ease of use the City and these agencies are sometimes collectively referred to as “The City” throughout this document and property owned by the City and each of these agencies is sometimes collectively referred to as “City-owned property”).

In the interest of providing predictability and transparency to the sale and reuse of property, this policy will provide guidance to the City and these agencies when disposing of surplus property as well as information to individuals and organizations considering the acquisition of property owned by the City or these agencies.

### Guiding Principles

The goals of this policy and the disposition of City-owned property are to:

- Encourage the development and reuse of vacant properties consistent with the Land Bank Strategic Plan, the City of Philadelphia’s Comprehensive Plan, Philadelphia 2035 and other City-adopted plans.
- Eliminate blight and revitalize neighborhoods
- Strengthen the City’s tax base
- Sell properties at fair market value if the proposed use is a strictly private one
- Support the production of affordable and workforce housing units
- Support and preserve open space and urban agriculture
- Support City goals by conveying properties at a discount if the proposed use will provide significant community benefits
- Convey land through a predictable, timely and transparent process
- Encourage timely development and discourage real estate speculation

The City and these agencies will consider these goals when making decisions regarding the disposition of their property.

### Applicability

The City, the Land Bank, Redevelopment Authority and Philadelphia Housing Development Corporation will remain responsible for their own decision-making and adherence to this policy during the disposition process. The City will make available to the public only those properties which are not dedicated to a public use or being held for particular City-desired programs or projects.

The City may elect not to convey a requested property. The City will communicate to any applicant who submitted a complete expression of interest and a complete property application for an available property the reason(s) why the property is not being sold.

Requests received for purchase of City property which were submitted before this policy becomes effective may be processed under the December 2014 “Policies for the Sale and Reuse of City Owned Property” if the land holding agency has committed the property to that applicant by issuing a Commitment Letter or presenting the applicant an agreement for sale and development of the property. This policy will become effective 30 days after adoption by Council.

## Qualified Purchasers and Bids

All purchasers of City-owned property must fulfill their commitments to the City and to their neighbors, which includes paying property taxes and maintaining properties in accordance with all municipal codes and ordinances.

A Qualified Purchaser is defined as an individual or organization who

- Does not owe back taxes to the City or is in a current payment agreement
- Is current with all other City-related obligations (e.g., PGW, Water Department) or is in a current payment agreement
- Does not own, or have an interest in, any property that is subject to any significant unremediated violation of City codes and ordinances

All purchasers must submit disclosures as required by the City. Failure to submit disclosures or to provide accurate information in the form requested will result in the denial of the application.

A Qualified Purchaser has submitted a Qualified Bid if the application adequately describes the purchaser's plans for the property. That use must be consistent with applicable City plans, including Philadelphia2035, and the applicant must demonstrate financial and operational capacity to carry out the plans. Plans that require zoning variances or other city land use approvals may be processed as a Qualified Bid if the underlying project proposal is supported by the landholding agency. The detail required of the applicant will be different depending on the proposed use. For example, the use description and capacity required for the purchase of a side yard will be different than that required for a large commercial or residential development.

## Appropriate and Timely Development of Properties

The City expects that properties will be developed in a timely manner according to a written agreement or as specified in the deed of conveyance. Generally, construction should commence within three months from the date of conveyance and should be completed as defined by agreement. To ensure that these expectations are met, the City will place conditions or restrictions on property it conveys to achieve the agreed-upon outcome and will monitor these agreements until construction is complete. Proposed uses must be consistent with the City of Philadelphia's Comprehensive Plan, Philadelphia2035 and other City-approved and accepted plans, and all new owners are required to comply with all City, state and federal codes, regulations and statutes.

### Site Control: Options and Property Reservations

The City recognizes that developers often require legally recognizable site control as part of the development process. The City may execute contingent agreements of sale, property reservation agreements or option agreements to allow developers to pursue financing and other approvals necessary for development.

Agreements or contracts for this purpose must meet the following conditions:

- The applicant must be a Qualified Purchaser
- For each proposed project, the City will determine the length of time it will allow for that agreement or contract and may renew the agreement or contract at its discretion
- The applicant may not occupy or use the property unless approved in writing by the City

- A fee will be due upon execution (nonprofits and city-supported projects may be exempt from a fee) and an additional fee may be imposed for extensions of the agreement or contract. AFFORDABLE HOUSING DEVELOPMENT PROJECTS WILL BE EXEMPTED FROM PAYING A FEE
- The contract terms will be public information

Site Control options will be issued only for those projects which the City deems feasible and which the City can recommend for approval by City Council after the developer secures the necessary entitlements, financing, tenants and/or approvals.

## Public Information

In addition to standard property transaction records that are available to the public, the City will maintain and make available for public review and inspection:

- An inventory of real property owned by the City
- A record of all real property conveyed
- The price, the new owner and the use for which the property was conveyed

This information will be posted on the Land Bank's website at [www.philadelphialandbank.org](http://www.philadelphialandbank.org).

Property Conveyances to be Presented to Vacant Property Review Committee

Each landholding agency is responsible for assuring that property transfers submitted to their respective approving body are compliant with this policy. Transactions that comply in all respects with this policy may be presented directly to the landholding agency Board of Directors or the Vacant Property Review Committee for final action.

Redevelopment Authority or Land Bank transactions which deviate from, or are not addressed in, this policy will be presented to the Vacant Property Review Committee at a regularly scheduled public meeting for its review and recommendation. Reviews are required, for example, for applicant requests related to pricing, non-conforming property uses and issues involving application or interpretation of this policy. The Committee will thereafter direct its recommendation to the Redevelopment Authority or the Land Bank Board of Directors and this recommendation will be documented in the records of that agency's formal decision process; however, the final decision will be made by the agency itself.

Applicants whose proposed transactions require Committee review will be notified when their request is scheduled for consideration, and be given the opportunity to present information and documents to the Committee. As noted below under the General Sales provisions of this policy, when a purchaser offers less than the asking price for a property, and the City negotiates a final sales price, that sale price must receive approval from both the Vacant Property Review Committee and the landholding agency Board of Directors or the Commissioner of Public Property, as applicable.

The Land Bank shall establish an appeal process for its properties wherein an affected individual or an organization may request reconsideration of a decision made by the Land Bank and submit evidence relevant to determinations on general eligibility, eligibility for reduced or nominal pricing, the value of a property, and compliance with terms or conditions of sale. Any such appeal will be heard by the Vacant Property Review Committee and the Committee will make its recommendation to the Land Bank Board.

## Ethics

### Home Rule Charter and Philadelphia Code requirements

The City of Philadelphia is committed to ethical and transparent processes for the disposition of property. All real estate transactions are governed by City and State laws and rules that generally prohibit, among other things, conflicts of interest, the disclosure of confidential information, and the representation of a person or organization by a City official or employee in a transaction with the City.

### Financial Assistance

Any grant, loan, tax incentive, bond financing subsidy (for land purchase or otherwise), or other form of assistance that is realized by or provided to a person in the amount of \$50,000 or more through the authority or approval of the City is by law considered Financial Assistance under Chapter 17-1400 of the Philadelphia Code. Financial Assistance recipients must meet eligibility requirements by disclosing their political contributions. Financial Assistance includes the transfer of City property for less than market value. Recipients of Financial Assistance must comply with campaign contribution limits and must disclose campaign contributions for five years after receiving Financial Assistance. They must also disclose solicitations for any reason from any City official. For more information on these requirements, please see [www.phila.gov/integrityworks](http://www.phila.gov/integrityworks). Any person inside or outside of City government with a concern that the disposition or administration of City property is unethical or violates the City's Financial Assistance requirements should contact the City's Chief Integrity Officer at (215) 686-2178 or Inspector General at (215) 686-1770.

### City Council Approval

Under law, the sale of property by the City, the Redevelopment Authority and the Land Bank must be approved by City Council before the property can be conveyed.

### Public Notice of Land Bank Board Actions

The Land Bank will provide public notice of proposed property conveyances before those transactions are considered for approval. This notice includes the physical posting of a notice at each property, notice to interested Registered Community Organizations and publication of proposed transactions on the Land Bank's website. These notices will be provided at least ten days before any action is taken.

## Property Sales

The City uses several processes to sell property.

### General Sales

The City will publish its property inventory on the City website [www.PhillyLandWorks.org](http://www.PhillyLandWorks.org) or [www.philadelphia-landbank.org](http://www.philadelphia-landbank.org), generally with a listing price. Individual requests for properties will be accepted and reviewed on an ongoing basis.

If the City receives more than one Qualified Bid for a property, the City may provide first preference to any Qualified Purchaser whose plan provides for a public purpose (see below). If no public purpose is proposed, the City will determine the most qualified applicant or may use a Competitive Sales approach to obtain the best offer for the property.

When a purchaser offers less than the asking price for a property, purchasers must submit counter-offers through a Counter Offer Bid Form, available online at [www.philadelphialandbank.org](http://www.philadelphialandbank.org). The Vacant Property Review Committee and the agency Board must approve the final sales price.

### Competitive Sales

Competitive Sales will invite bids for City properties. Advertising such as broker listings, the use of the Multiple Listing Service, websites or other recognized methods may be used to encourage broad participation in the sale of selected properties.

Property prices will be established using an Automated Valuation Model, a competitive market analysis or an appraisal.

Properties will be placed on the market for a period of time sufficient to allow for broad engagement by potential buyers, but for no less than 30 days.

The City retains its rights to approve or reject a Qualified Bid based on clear criteria, including price. Competitive Sales may be used where the property's AVM is \$50,000 or more or where there are multiple applicants for a single parcel.

### Direct Sales

#### For-Profit Entities

The City may direct the transfer of property or properties to a specific entity without a competitive process when that entity has acquired a significant amount of property adjacent to the City property and intends to develop all of the property together or when an entity operates a business adjacent to or across the street from the City property and desires to expand its business.

In the case of an entity desiring to develop its property in conjunction with City property, the entity must own at least 75% of the proposed development site and, after acquiring the City-owned properties, must own 100% of the development site. If the developer does not own at least 75% of the development site, the City may give the developer a preference in the competitive bidding process for the City-owned parcels.

If a business located adjacent to or across the street from City-owned property desires to use the City-owned property to expand their business, the City may consider the impact of the expanded business to the immediate surrounding community, job creation, wage level of jobs created and other factors to determine the desirability of the business expansion. Property that is transferred directly to a specific entity without a competitive process shall be transferred at fair market value as determined by an external, independent appraisal obtained within 90 days of the date the sale is approved by the City, unless a reduction in price is merited pursuant to other sections of this policy.

The project must meet all other requirements in this policy to ensure the entity is a Qualified Purchaser and the project is in compliance with feasibility requirements.

### Nonprofit Entities

The City may direct the transfer of property to a specific nonprofit entity that is furthering the Division of Housing and Community Development or City Planning Commission plans, goals and initiatives for building sustainable and opportunity-rich communities. The types of community development projects that are eligible for directed sales are also eligible for nominal consideration and are noted below under the price reduction section of this policy.

### Individuals

The City may direct the transfer of property or properties to an individual or household who is eligible to purchase land under the side or rear yard program.

### Requests for Proposals/Qualifications

If the City has a specific planned use for one or more parcels, or if certain parcels are deemed of a significant scale and/or of neighborhood or City significance, a Request for Proposals (RFP) or Request for Qualifications (RFQ) may be issued to identify and select a potential developer. This format allows the City to explain the planned use and any restrictions that might be placed on the developer or successive owners of the property. An RFP/RFQ may be developed in consultation with City Council, the City Planning Commission or other stakeholders, as appropriate. It will be advertised to encourage broad participation. Selection criteria will be included in the RFP/RFQ and may include factors such as developer capacity and proposed development outcomes as well as the price. The issuance of an RFP/RFQ does not obligate the City to select a developer or a purchaser.

### Discontinued Programs

The City may transfer property to applicants who applied for and were awarded property under discontinued City programs for 30 days following the approval of this policy by City Council. Thereafter no property transfers will be permitted under a discontinued program. All proposed transfers must be submitted to the Vacant Property Review Committee.

## Pricing

### Listing Price

The City will publish prices for properties when it is able to confidently reflect market pricing. The City may use an appraisal to establish the price of any property. For vacant structures, the cost of repair or demolition may be considered in determining price. Information regarding the Land Bank pricing model can be found on the Land Bank's website.

The Redevelopment Authority and the Land Bank will provide the selected Qualified Purchaser of its property a sale and development agreement that includes the price for which the property will be sold. If the Qualified Purchaser does not execute this agreement within six months of receiving it, the sale price commitment will expire. The City will provide the selected Qualified Purchaser of its property a commitment letter that includes the price for which its property will be sold. If the Qualified Purchaser does not settle with the City within six months of receiving the commitment letter, the sale price commitment will expire.

### Nominal and Discounted Pricing

The City may choose to support certain projects that serve a public purpose by conveying a property at a discounted price, including for nominal consideration. If a property is identified for one of the following uses, the City will evaluate the proposal and property request to determine if the proposed project provides significant community benefits that would merit City support in the form of the reduction in price.

Certain properties acquired with funding from Qualified Redevelopment Revenue Bonds are not eligible for discounted pricing and must be sold to private parties at fair market value. The City will indicate on its website the properties subject to this requirement.

### The following programs qualify for discounted pricing:

#### Affordable and Workforce Housing

Developments that provide affordable or workforce housing as defined under local or federal guidelines may acquire property for a discount or for nominal consideration. Such developments do not have to be directly subsidized by the City, state or federal government to qualify for discounted pricing. Restrictions or covenants to preserve affordability will be recorded against the property.

#### Economic Development Projects

Developments that advance the City's economic development goals as articulated in the City's Comprehensive Plan, Philadelphia 2035 and other City-approved and accepted plans may be eligible for discounted pricing. The project must be deemed to have significant economic impact on the City to qualify under this section. The Commerce Department may recommend that a reduction in the purchase price be considered for a proposal that is, or will be, the recipient of significant public financial assistance or investment. A recommendation for a reduction in the purchase price shall describe the relationship between public financial assistance or investment and the recommended reduction in purchase price.

#### Community Development Projects

Developments that propose significant incremental community benefits may be eligible for discounted and nominal pricing. Community benefits may include:

- Support for existing community facilities or provision of space for new community facilities such as libraries, recreation centers, health centers, computing centers, and playgrounds
- Significant improvements to community infrastructure including the greening of schoolyards or recreation center yards or other publicly owned parcels to achieve stormwater management, public recreation, community gardening goals or urban agriculture
- Creation of new infrastructure or support for existing infrastructure to improve safety and mobility for children, seniors, and other pedestrians, including sidewalk improvements, pedestrian plazas, traffic medians, or easements for trails



Religious Institutions are not eligible for discounted pricing. However, nonprofit organizations affiliated with religious institutions may be eligible for discounted pricing if the property will be used for secular purposes only, such as a publicly accessible community facility.

#### Discounted Pricing and Self-Amortizing Mortgages

For properties conveyed for community development purposes, the City may deed restrict the property and/or provide a self-amortizing mortgage for the difference between the market value and the discounted price. The self-amortizing mortgage will ensure that if the property is resold to another party within 10 years, the buyer will not unduly benefit from the discounted price agreed to by the City. The Vacant Property Review Committee may recommend self-amortizing mortgages for other projects that meet public purposes.

The characteristics of the self-amortizing mortgage are:

- The length of the mortgage will be 10 years from the date of conveyance
- The City will determine the market value of the property on which the mortgage is placed
- The principal amount of the mortgage is the amount of the price reduction agreed to by the City
- The purchaser will not be required to make any payments on the mortgage if the property is used in conformance with the originally agreed-upon terms for the 10-year period
- The amount of the obligation will not decrease in the first 3 years. The principal balance of the mortgage will decrease evenly over the remaining 7 years, that is, years 4-10 on a pro rata basis
- Upon completion of the 10-year term the City will satisfy the mortgage if the buyer has not transferred the property and has complied with all agreements and restrictions affecting the property
- If the purchaser sells the property before the 10-year expiration date of the mortgage, the City must receive the remaining amount owed on the mortgage before the mortgage will be satisfied
- This mortgage may be assumed by the spouse, children or grandchildren of the original purchaser

## Open Space Programs

Open space programs include side/rear yards, individual gardens, community gardens and community-managed open spaces, and other uses.

### Side and Rear Program

Goal: The City seeks to transfer surplus publicly owned vacant properties to responsible parties who will maintain the land to city codes and standards.

Eligible Areas/Properties/Applicants:

The program-eligible areas are limited to US Census block groups where the median sales price of homes is less than \$75,000. The Land Bank will publish on its website a list of eligible areas on an annual basis. Median sales price for a census tract will be determined using OPA-recorded sales data for the prior six quarters. The eligibility of the area is determined at the time of the application.

Abutting lots sought by homeowners as side yards, outside of an eligible area, may be purchased at the Land Bank's established value of the property. The proposed use must conform to the City Planning Commission's recommendations for residential or accessory land use.

An applicant must be the owner of an abutting property and must be using that property as his/her primary residence at the point of application and settlement. The property to be acquired must share a common boundary at either the side or back of the applicant's property.

The property must be a vacant lot; properties with permanent structures are not eligible for this program. Properties with temporary or auxiliary structures, such as sheds, may be eligible at the discretion of the City. Applicants must not own any properties that are encumbered with outstanding taxes or municipal liens. Applicant must comply with all city building codes and health and safety ordinances on all properties the applicant owns within the City.

Applicants can only acquire one parcel from the City. Exceptions to this rule can be considered by the Vacant Property Review Committee where the combined size of the two sideyard parcels is less than 1440 square feet and if there is no other interested applicant for the additional parcel.

Parcels that create development opportunities, defined as abutting other publicly owned vacant land and/or tax delinquent vacant land, are not eligible for side/rear yards, unless the Vacant Property Review Committee in consultation with the Planning Commission determines that all City-owned abutting parcels are appropriate for side or rear yards.

If multiple applicants request a parcel under the Side/Rear Yard Program, the property will be offered to the Qualified Purchaser who submits a complete Expression of Interest first.

#### Terms of Purchase:

- Properties in eligible markets are available for nominal consideration
- Property owner must have a plan for how he/she will improve the property, including information on the proposed improvements, a budget demonstrating the anticipated costs and time for completing the work
- The City will place obligations in its deed to the purchaser to ensure that the property is improved and maintained in a manner that complies with all Philadelphia Codes.
- The applicant is encouraged to consolidate the parcels and obtain a single OPA account for the primary residence and side yard within one year.

Side Yard Exceptions: Exception to the eligible area policy will only be considered for long time owner-occupied property owners (defined as a resident who has lived in the home continuously for at least 7 years) if they are currently maintaining the vacant property. Side yards in these areas will have thirty (30) year mortgage placed on the property for the full fair market value and must be satisfied at the time of sale.

#### Individual Garden Agreements

Goal: The City supports the use of vacant land for urban agriculture that improves the quality of life in the City's neighborhoods.

The City can provide an individual or household temporary access to publicly owned land for the applicant to maintain that land for his or her personal use. The intent is to provide an interim use for the land to eliminate blight and improve safety until development is possible. An applicant must live within 500 feet of the property or

up to 1,500 feet of the property with the approval of the Land Bank Board. The applicant is not required to be a homeowner. Individual gardens are temporary and the land remains available for development or available for the side yard/rear yard program if it meets the eligibility requirements.

Terms: The Individual Garden Agreement (IGA) will last for one year. Garden agreements can be renewed annually at the request of the applicant and at the discretion of the City. The City can terminate the agreement with cause, upon prior written notice to the other party. IGAs are available for \$25 per year.

#### Additional requirements:

The IGA will require the applicant to maintain the garden and to maintain the sidewalk space (public right of way) outside of the garden, including snow removal and removal of overgrowth.

#### Acceptable Uses

The applicant may enter and use the property for the following non-commercial, gardening purposes:

- To grow food, flowers, ornamental plants, and other landscaping
- To compost in rodent-resistant containers
- To place certain improvements to support the gardening use with the prior written approval of the City, such as tool sheds, fences, raised-beds, storm water storage containers, composting containers, signs and bulletin boards
- Children's play equipment that is non-permanent and shall be removed by the Gardener at the termination of the IGA
- Certain Uses Not Permitted (A complete list of prohibited uses will be included in the lease agreement)
- No permanent structures may be installed on the property
- Cars cannot be parked or repaired on the site
- Must agree not to grow any plants regulated or prohibited by federal laws on the lot

#### Community Gardens and Community-managed Open Spaces

Goal: The City of Philadelphia recognizes that community gardens encourage the productive use of vacant land, provide spaces for community building, socialization, educational, recreation and food production activities, particularly in areas of the City lacking access to quality and permanent open space. The City will support existing and established gardens that have capacity to sustain and maintain the land to ensure its viability.

#### Definitions:

A community garden is defined as one or more properties managed and maintained by a group of individuals to grow and harvest food or non-food items (such as flowers) for personal or group consumption, for donation, or for sale that is incidental in nature. A community garden area may be divided into separate garden plots or orchard areas for cultivation by one or more individuals or may be farmed collectively by members of the group. A community garden may include common areas (such as hand tool storage sheds) maintained and used by the group. Community gardens may be used for recreational purposes, and improvements to facilitate such purposes may be allowed on a case-by-case basis upon review by the City and with community support. Community-managed open spaces are spaces available to the public and may be used for recreational purposes or passive activities.

Purpose: Gardens and Open Space requests must demonstrate how their project supports public priorities of:

- Eliminating blight
- Increasing access to produce for low-income populations
- Fostering neighborhood cohesion and a sense of community

The City makes no representation or warranty as to the status of the property regarding the physical and environmental condition of the lot or its fitness for any use. Users are encouraged to take precautions against contaminants in the soil before consuming produce grown on site.

## Terms

Types of Agreements:

**Purchase:** The City will consider selling publicly owned lots to garden organizations that commit to preserving and maintaining the land as a community garden or open space, particularly in areas with limited access to green space, fresh food and concentrations of low- and moderate-income households.

Gardens targeted for preservation must be in continuous operation (during the growing seasons) for at least five years before seeking ownership. The applicant must demonstrate to the satisfaction of the City the operational and financial capacity to maintain and manage the property. A signed letter of support by a Registered Community Organization, local Community Development Corporation, other civic association or a letter of support signed by the majority of the neighbors on the block or within a one block radius of the garden is required. Documented opportunities for neighborhood residents to access and benefit from the site is also a consideration.

Applicants with an established performance record seeking to work in the existing neighborhood can seek to acquire additional sites if they can also meet the above stated criteria.

Approved gardens will be conveyed with a deed restriction for nominal consideration. All sales agreements will have a reverter clause that allows the City to retake title if the property is no longer being operated as a garden.

**Lease:**

Community gardens and community-managed Open Spaces are eligible for leases for up to one year in length, when approved by the Land Bank Board of Directors. In some instances where a proposed lessee seeks a term in excess of one year, the application must be approved by the Vacant Property Review Committee and City Council.

Gardeners can also work with existing nonprofit partners to lease land from the City for a one time application fee per lease, in recognition of the beneficial community impact. The City shall provide 60 day notice as if a lease will be terminated or a lease not renewed. The City can at any time at its sole discretion deny any lease or purchase agreement in the interest of preserving other development opportunities.

#### Requirements for Community Gardens:

- Leases may be held by nonprofit organizations or unincorporated nonprofit associations
- Entity must secure and maintain insurance acceptable to the City that names the landholding agency and the City as additional insureds
- Entity must provide maintenance and use plan which demonstrates its obligation to maintain the lot in a clean, safe, secure and sanitary condition, free of weeds, trash, debris, garbage, vermin and rats
- Entity must comply with all existing codes and rules regarding vacant lots
- Entity must obtain and pay for any and all permits and approvals required by the City to construct or operate the site
- Lot cannot be used to park, keep or store any motor vehicle, trailer, or boat at any time
- Lot cannot be used to keep pets, animals or livestock on the lot
- Lot cannot be used to store building materials to be used off site. If intended for onsite use, materials must be used within 14 days
- Entity must monitor all activities on the lot and not permit gardener or neighbors to convene, children to play, or community events to be held on the lot before 5 AM or after 10 PM
- Entity must maintain the area within the public right-of-way, including both snow removal and removal of trash and debris to allow for passable sidewalks
- Entity must agree not to grow any plants regulated or prohibited by federal laws on the lot
- Entities must agree in the lease to use the property at their own risk and accept the property "As-is"

#### Acceptable Uses:

The gardeners may enter and use the property only for the following non-commercial, gardening purposes:

- To grow food, flowers, ornamental plants, and other landscaping
- To compost in rodent-resistant containers
- Social and business activities of gardeners
- Construction improvements such as tool sheds, fences, raised beds, storm water storage containers, composting containers, signs and bulletin boards may be allowed with the prior consent of the City. All improvements will be discussed and agreed upon at the time of leasing.

## Current Property Disposition Processes

Landholding agencies property review processes

| <u>Land Bank</u>   | <u>VPRC</u>   | <u>PRA</u>  |
|--|---|---|
| (1) Request Received and Applicant Contacted to complete an application                | (1) Request Received                                | (1) Request Received and Applicant Contacted  |
| (2) Staff Review application package (project, financing, tax clearance & disclosures) | (2) Staff Review Applicant's Request                | (2) Staff Review and obtain Tax Clearance & Disclosures                             |
| (3) City Council Support   | (3) City Council Support                            | (3) City Council Support  |
| (4) Vacant Property Review Committee   | (4) Tax Clearance & Disclosures                     | (4) Staff Review of development package (project & financing)                       |
| (5) Draft Purchase Agreement to Applicant to execute (price & project defined)         | (5) Vacant Property Review Committee                | (5) Draft Redevelopment Agreement to Applicant to execute (price & project defined) |
| (6) City Council Resolution  | (6) Offer Letter Signed by Applicant                | (6) PRA Board Approval  |
| (7) Land Bank Board Approval   | (7) City Council Resolution                         | (7) Review by Planning Commission   |
| (8) Documentation prep and review title report for settlement                          | (8) PRA Board Approval                              | (8) City Council Resolution   |
| (9) Property Sold  | (9) Deed Prep by VPRC staff                         | (9) Documentation prep and review title report for settlement                       |
|  | (10) City Law Department Review of Deed             | (10) Property Sold  |
|  | (11) Public Property Commissioner Signs Deed        |   |
|  | (12) Documentation prep and PRA prep for settlement |   |
|  | (13) Property Sold                                  |   |

**Note:**

All disposition requests are submitted through the [philadelphialandbank.org](http://philadelphialandbank.org) website. The City's goal is to transfer all properties into the Land Bank. Until such time, the current flow charts highlights the processes managed by each land holding entity. Properties valued at greater than \$50,000 require a competitive bidding process. Requests for properties that are less than \$50,000 and where there is only one bid, follow the process outlined here.



# CITY OF PHILADELPHIA

**JAMES F. KENNEY**  
Mayor

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March 21, 2019

Darrell L. Clarke  
Council President  
City Hall, Room 494  
Philadelphia, PA 19107

Dear Council President Clarke and all Members of City Council:

I am writing today to inform you of changes that I have directed the Director of Planning and Development to implement for all future dispositions of City-owned properties. These changes are in accordance with the disposition policies approved by City Council in Resolution 170051, approving the 2017 Strategic Plan, Performance Report, Acquisition Policies and Disposition Policies of The Philadelphia Land Bank.

First, effective immediately, the default disposition for all City-owned properties will be through a competitive process. Properties will be marketed for at least 30 days to allow for broad engagement of potential purchasers. Issuances for competitive sales will include criteria by which applications will be evaluated, such as proposed use, community impact, minority participation, developer experience, project feasibility and offer price. All land-holding agencies have been informed that they are to use this competitive process regardless of the estimated value of the property.

Secondly, the City will limit the use of Non-Competitive sales (sales without a competitive process) to only the following, limited circumstances:

- Where the applicant seeks to expand their business and can show proof of ownership of either directly adjacent property or in very close proximity to their current business.
- Where the applicant can show ownership of a supermajority of the surrounding properties and the acquisition of the remaining parcels will result in 100% ownership and development of the assemblage.

- Where an applicant proposes projects in which the proposed reuse will be housing for low and moderate-income households or community based-facilities such as daycare, healthcare or senior center to benefit low-and moderate-income communities.
- Where the applicant meets the criteria in the Garden Agreement or Community Garden and Community-managed Open Spaces as stated in the 2017 Land Disposition Policies.
- Where the applicant meets the criteria under the side/rear yard program of the 2017 Land Disposition Policies.

For all Non-Competitive Sales, the City shall publicly post, on the Land Bank website, the parcels' addresses, applicant's name, and all supporting documentation to show how the applicant meets the above guidelines.

Thirdly, the Department of Public Property (DPP) and the Philadelphia Land Bank (PLB) have negotiated the terms of a Memorandum of Understanding that will align the practices for VPRC properties with those used by the PLB, and further require purchasers of VPRC properties to enter into a Purchase Development Agreement (PDA) as is required for PLB dispositions. The PLB will negotiate and monitor the PDA's for compliance on behalf of the Department of Public Property.

Thank you for your consideration of this matter, and if you or your staff have any questions they may be directed to Anne Fadullon, Director of Planning and Development, or my Chief of Staff, Jim Engler.

Sincerely,

A handwritten signature in black ink that reads "James F. Kenney". The signature is written in a cursive, flowing style.

James F. Kenney  
Mayor

CC: All Members of City Council  
Anne Fadullon, Director of Planning and Development