



Testimony of Beth McConnell
Policy Director, Philadelphia Association of Community Development Corporations
Before the Committee on Public Property and Public Works, City Council of Philadelphia
On Bill No. 190606
October 1, 2019

Good morning Chairperson Henon, Vice Chair Greenlee and other members of the Committee. My name is Beth McConnell, and I'm the Policy Director for the Philadelphia Association of Community Development Corporations (PACDC) here to testify on Bill No. 190606.

This bill would make several important changes to the way Philadelphia manages vacant surplus property. First, it would eliminate the Vacant Property Review Committee (VPRC). PACDC advocated for eliminating VPRC during the discussions over the creation of the Philadelphia Land Bank (PLB) in 2013. PACDC holds a seat on the VPRC, and as such we've seen first-hand the important work it has done in overseeing the process of disposing public property. But the goal of the PLB was—and still is—to streamline the process, and create transparency and accountability.

By eliminating VPRC and folding its functions into the PLB, Philadelphia moves one step closer to having one land holding agency, with an open, transparent process, with one set of policies and procedures, and one path to disposition. City Council can take another step by working with the Administration to transfer all remaining vacant, surplus public property into the PLB, including the inventory still held by the Office of Public Property and the Philadelphia Redevelopment Authority (PRA).

PACDC is also pleased to see the provisions of Bill No. 190606 that establish scoring criteria for properties subject to competitive bid. These criteria highly values economic opportunity and inclusion, as well as social impact, while de-emphasizing purchase price. We support policies that advance long-term equitable development goals over short-term financial gain.

While scoring criteria for competitive bids already exists, this bill makes the criteria publicly known in ordinance for the first time. It will be important for definitions of this scoring criteria to be developed as part of the PLB disposition policies, so that there is uniform agreement on what "economic opportunity and inclusion" and "public purpose" means. PACDC also requests that the bill be amended to ensure that scoring criteria results are disclosed to the applicants in their approval or denial letters, creating some transparency in how the criteria is applied.

For disposition decisions without advertised bids, PACDC has also requested that the bill be amended to define “affordable housing” as intended for properties where at least 51% of the rental units are designated for households below 80% Area Median Income, and for-sale units below 120% AMI. While we strongly support prioritization of land for affordable homes that serve far lower income populations, this would give the PLB flexibility to support development of homes under the Mixed Income Housing and Workforce Housing Programs, and ensure that mixed income rental properties developed through the Low Income Housing Tax Credit would qualify for disposition without advertised bid.

The legislation also allows Philadelphia’s land holding agencies to discount the sale price for nominal or less than fair market value for reasons including affordable housing, innovation in design and sustainability, workforce housing, economic opportunity, and other criteria. While PACDC strongly supports this concept, some of these categories are not defined in the legislation so must be more clearly articulated in the PLB disposition policies. We are pleased to see the amendments require reporting of discounts applied in the PLB’s annual performance report, and recommend that report also contain justification for the discounts.

The bill also could reduce the amount the PLB must pay the City of Philadelphia to acquire vacant, tax delinquent parcels at Sheriff’s Sale by limiting the price to the lesser of the assessed value or real estate taxes due. Right now, PLB operates under a Memorandum of Understanding (MOU) between various City agencies and the School District which requires PLB to pay all municipal liens and back taxes to acquire a property. This requires General Fund allocations to the PLB each year to cover the cost of, essentially, the City of Philadelphia paying the City of Philadelphia. While this bill will not eliminate that practice altogether, it will allow PLB to stretch its limited acquisition dollars further by reducing the cost of acquisition.

PACDC was a strong advocate of creating the Philadelphia Land Bank, along with our allies and partners that cared deeply about turning vacant properties into opportunities for green space and community gardens, market rate housing and commercial development, as well as affordable homes and community space. The PLB has come a long way since 2013, and this bill will move it a few steps further. We look forward to continuing to work with Council and the Administration in updating the PLB’s Strategic Plan, and acquisition and disposition policies in the coming months.

Thank you for the opportunity to testify.

Contact:

Beth McConnell

bmccconnell@pacdc.org

215-732-5829 x 110