

# City of Philadelphia



(Bill No. 140231)

## AN ORDINANCE

Establishing a new Chapter 16-800 of The Philadelphia Code, entitled “Philadelphia Affordable Housing Opportunity Zones,” authorizing the designation of Affordable Housing Opportunity Zones; establishing definitions; authorizing disposition of publicly-owned zone properties for nominal consideration pursuant to the 1500 New Affordable Housing Units Initiative, all under certain terms and conditions.

WHEREAS, An uneven economic recovery following the Great Recession has brought income inequality into sharp relief across the country, including in Philadelphia. Coupled with the housing crash, which spurred the recession, many regions of the country are grappling with a critical shortage of affordable housing; and

WHEREAS, Philadelphia is uniquely positioned to tackle its affordable housing crisis because we have what many other major cities do not: thousands of publicly owned, buildable parcels of land plus access to untapped federal resources to spur development; and

WHEREAS, The Philadelphia City Council (“City Council”) proposes the 1,500 New Affordable Housing Units Initiative, a legislative and policy response to growing demand for affordable housing in Philadelphia. The initiative envisions the construction of 1,000 affordable rental units and 500 ownership units affordable for moderate-income households over a two-year period; and

WHEREAS, To create 1,000 affordable rental units, City Council proposes the use of Housing Trust Funds in conjunction with unspent federal and state housing assistance funding to accelerate the production of affordable housing units on vacant land in the public inventory through new construction or substantial rehabilitation of existing housing units in strategically designated neighborhoods throughout the City; and

WHEREAS, The proposed plan combines existing affordable housing programs of the City, the Pennsylvania Housing Finance Agency (PHFA) and Philadelphia Housing Authority (PHA) to leverage each more effectively and to “unlock” greater outside funding in order to generate 1,000 affordable rental housing units in Philadelphia; and

WHEREAS, To create 500 affordable ownership units, City Council proposes the use of vacant land in neighborhoods experiencing rapid increases in housing value as leverage to construct homes affordable to households whose incomes are between 80 to 120 percent of Area Median Income; and

# City of Philadelphia

BILL NO. 140231 continued

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WHEREAS, The primary goals of the 1,500 New Affordable Housing Units Initiative are to more effectively utilize state and federal housing funds that are allocated to the City but are not used to their maximum potential; promote and maintain sustainable mixed-income communities by developing affordable rental housing and affordable ownership units on publicly owned land in rapidly gentrifying areas; and

WHEREAS, Additional benefits of the initiative include converting publicly owned land into taxable properties, owned by a taxable entity, providing an additional annual property tax revenue stream to the City and the creation of jobs, both construction and construction-related, including post-construction jobs in managing and maintaining the affordable rental units; now, therefore

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

SECTION 1. A new Chapter 16-800 is added, to read as follows:

*CHAPTER 16-800. PHILADELPHIA AFFORDABLE HOUSING OPPORTUNITY ZONES.*

*§ 16-801. Definitions.*

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

*(a) Philadelphia Affordable Housing Opportunity Zone. Neighborhoods and sub-neighborhoods with at least one hundred publicly-owned surplus properties.*

*§ 16-802. Designation of Zones.*

*(1) The areas of the City generally known as follows shall be designated as Philadelphia Affordable Housing Opportunity Zones:*

\* \* \*

*§ 16-803. Authorization to Dispose of Publicly-owned Property for Nominal Consideration.*

*(1) Publicly owned properties located within the Zones designated in § 16-801 shall be available for disposition for nominal consideration for development of affordable housing under the 1,500 New Affordable Housing Units Initiative, upon approval by ordinance.*

SECTION 2. This Ordinance shall take effect immediately.

# City of Philadelphia

BILL NO. 140231 continued

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**Explanation:**

*Italics* indicate new matter added.

# City of Philadelphia

BILL NO. 140231 continued

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on June 19, 2014. The Bill was Signed by the Mayor on August 5, 2014.



Michael A. Decker  
Chief Clerk of the City Council