

Mayor Michael Nutter
215 City Hall
Philadelphia, PA 19107

cc:

Mayor-Elect James Kenney
Revenue Commissioner Clarena Tolson
Finance Director Rob Dubow
Anna Adams, Deputy Director of Finance
Council President Darrell Clarke
Other members of City Council

December 8, 2015

Dear Mayor Nutter,

The undersigned request that you postpone the tax lien auction scheduled for December 16 – 18th 2015. We are concerned that this sale – as well as past and future tax lien sales – could cripple the ability of the Philadelphia Land Bank to acquire privately owned vacant, tax delinquent properties in order to put them back into productive use, as well as hinder the work of non-profits and others working to actively address problem properties. We understand the need to find revenue to fund the School District and other City services, but **getting vacant, tax delinquent properties back into productive re-use is the most effective way to generate stable, long-term revenue for our schools and City.**

We've attached a copy of our June 2015 letter sent in advance of this past summer's pilot tax lien sale, in which we expressed at length how these sales thwart efforts in our neighborhoods to get vacant properties re-purposed as homes, green space, community space and commercial developments. If the Nutter Administration is still determined to move forward with the lien sale this month despite these concerns, **we ask that you remove from the lien sale list properties that meet the following criteria in order to minimize the unintended negative consequences:**

1. Properties that are adjacent to properties already in the public inventory and should be targets of acquisition by the Philadelphia Land Bank.

Assemblage of multiple contiguous parcels is critical for redevelopment and re-use projects. Progress can be stymied for years when developers or community groups must navigate a complex maze of public and private owners, as well as publicly and privately held liens. City Council took a critical step last week by introducing resolutions to transfer the first batch of selected existing surplus public properties in Council districts 2, 5, 6 and 7 into the Land Bank in order to consolidate the public ownership. Selling tax liens on privately held properties that are located next to the Land Bank inventory creates an enormous barrier to site assembly. *If the Land*

Bank wants to acquire those properties at a future date to create assemblage, the Land Bank will have to pay the lien holder the balance of the lien, plus fees and interest charged. This would strain the very limited public funds available for land acquisition, and require an investment of more public dollars.

Our analysis shows that there are:

- 153 tax lien properties within 25 feet of a City owned property, many of which are likely immediately adjacent (list of addresses attached)
- 483 properties within 50 feet
- 716 properties within 75 feet
- 898 properties within 100 feet
- 1735 properties within 250 feet
- 2412 properties within 500 feet (roughly a city block)

2. Properties that are vacant, and for which their tax balances may be uncollectable by the lien holder.

The City invested \$800,000 this past year to create a new tool to identify vacant properties using LIDAR aerial images of the City combined with other data sets. This is an incredibly wise investment that will allow all City departments make smarter and more strategic decisions on policies and procedures that affect vacant property. *We urge the Department to demonstrate that public funds to create this data tool were well spent by using the tool to cross check its tax lien sale target list.* Properties that are vacant and have low value-to-lien ratio have tax balances that are likely uncollectable, and instead should be targets for acquisition or Sheriff's sale.

3. Properties that are under active consideration for acquisition by the Land Bank

The Land Bank has assembled lists of vacant, tax delinquent parcels identified for it's first round of acquisitions. Please consult with the Philadelphia Land Bank to ensure none of those properties targeted for acquisition are included in the lien sale.

4. Properties whose tax liens were sold in the 1997 tax lien sale conducted by the Rendell Administration, and whose tax balance remains uncollected.

Tax liens that were included in the bulk lien sale in 1997 but that still remain delinquent should also be removed from the lien sale list, as this is a very likely indicator that the property owner is deceased, has abdicated his/her responsibility, or is unable to pay. These properties should be quickly evaluated for Land Bank acquisition or Sheriff's Sale since a lien sale is an ineffective way of transferring ownership of the property to an owner who can handle the responsibility.

5. Properties that are being considered for action under Act 135, also known as the Conservatorship Act.

Under Pennsylvania Act 135, also known as the Blighted and Abandoned Property Conservatorship Act, parties can gain permission from a judge to bring a property they do not own up to Code, when the owner has been unwilling or unable to do so. This takes a significant investment of time and money on behalf of the Petitioner and/or Conservator, but in the past the City or its collection agents have initiated tax foreclosure proceedings *after* the Petitioner and/or Conservator has/have expended those resources, leaving them unable to complete the process, rehabilitate the property, and recoup their investment. Selling tax liens on properties being considered for Conservatorship would further thwart the ability of developers and community groups from using this tool to get blighted properties back up to community standards. The Department should do due-diligence to ensure the lien sale does not complicate pending or planned Act 135 petitions.

6. Remove these properties for the reasons articulated below:

1729 W Allegheny Ave: This property was the subject of a City Council zoning ordinance introduced by Councilwoman Bass, and approved by the Rules Committee on December 2, 2015. A non-profit is seeking acquisition of the parcel for use by Christo Rey High School. Selling the lien to a private investor is very likely to complicate the purchase process and inflate the cost of acquisition, if not halt the project.

1114 Locust St: OPA records indicate that this property is owned by the Philadelphia Redevelopment Authority (PRA). It is one of 3 contiguous parcels at the site being used as an active community garden called Florence Avenue Park.

These properties are just a few examples of vacant lots on the lien sale list. All are part of a larger contiguous set of vacant parcels that should be targets for Land Bank acquisition and assemblage:

5423 Baltimore Ave
1927 N 5th St
2024 Cecil B Moore Ave
846 E Woodlawn St
2261 N Fairhill St
40 Cobbs Creek Pkwy
1607 Germantown Ave

The list of strategic properties attached, which have been identified by PACDC's members as whose redevelopment and active use cannot afford to be potentially impacted by the lien sale process:

(See attached)

Finally, we are concerned that the Department's selection of properties for this lien sale could include owner-occupied properties, including properties for which the owner is currently enrolled in an Owner Occupied Payment Agreement (OOPA). We seek assurances from the Department that OOPA accounts have been cross-checked against the targeted lien sale list, and also recommend that language be inserted into the conditions of the sale that the City reserves the right to "claw back" any liens sold if they later determine the property is owner occupied, and that OOPA agreements remain in effect regardless of who owns the tax lien.

We reiterate that the most effective way to turn delinquent accounts of vacant properties into predictable, long-term sources of tax revenue for the School District and the City is to get them into the hands of responsible property owners that can handle their tax liability, and who can put the properties back into productive use quickly.

We hope you will consider our concerns before advancing tax lien auctions further.

Regards,

Rose Gray, Asociación Puertorriqueños en Marcha
Beth Miller, Community Design Collaborative
Philip Dawson, Esperanza
Andy Trackman, Germantown United Community Development Corporation
Frank Monaghan, Habitat for Humanity
Maria Gonzalez, HACE
Elizabeth Hersh, Housing Alliance of Pennsylvania
Casey O'Donnell, Impact Services Corporation
Jeffrey Allegretti, Innova Services Corporation
Sandy Salzman, New Kensington Community Development Corporation
Zakariyya Abdur Rahman, Nicetown Community Development Corporation
Philip Green, North 5th Street Revitalization Project
Kira Strong, People's Emergency Center
Rick Sauer, Philadelphia Association of Community Development Corporations (PACDC)
John Chin, Philadelphia Chinatown Development Corporation
Laura Weinbaum, Project HOME
Jennifer Clarke, Public Interest Law Center
Stefanie Seldin, Rebuilding Together Philadelphia
Mark Levin, Regional Housing Legal Services, Commonwealth Housing Development Corp.
Donna Henry, Southwest Community Development Corporation
Bryan Fenstermaker, The Enterprise Center
Verna Tyner, Tioga United
V. Lamar Wilson, V. Lamar Wilson Associates Inc.

The list of strategic properties, which have been identified by PACDC's members as whose redevelopment and active use cannot afford to be potentially impacted by the lien sale process. Additional detail on these properties and the reason for their strategic importance can be provided to the Department:

520 W Roosevelt Blvd	837 E Allegheny Ave
2007 Bellevue St	3204 Kensington Ave
2010 W Ontario St	3062 Kensington Ave
3431 N 16 th St	1225 E Susquehanna Ave
2213 W Estaugh St	131 E Cumberland St
2022 W Tioga St	133 E Cumberland St
2043 W Tioga St	135 E Cumberland St
2103 W Tioga St	1819 E Somerset St
3540 N 17 th St	1825 E Cambria St
2226 W Tioga St	1841 Hart Ln
1818 W Venango St	1843 E Oakdale St
1740 W Erie Ave	1845 E Oakdale St
1742 W Erie Ave	1848 E Oakdale St
1744 W Erie Ave	1914 E Arizona St
1748 W Erie Ave	2012 E Cambria St
2118 W Erie Ave	2019 E Monmouth St
2113 W Erie Ave	2032 N Front St
4021 Lancaster Ave	2038 N Front St
4087 Lancaster Ave	2039 N Front St
4102 Lancaster Ave	2113 E Dauphin St
4128 Lancaster Ave	2117 N Front St
3817 Baring St	2151 E Albert St
3819 Baring St	2206 N Front St
3933 Nectarine St	2210 Amber St
401 N 40 th St	2212 Amber St
431 N Holly St	2213 N Front St
433 Union St	2215 N Front St
512 N 41 st St	2216 Emerald St
3817 Baring St	2218 E Harold St
3819 Baring St	2358 N Front St
3901 Lancaster Ave	2554 Kensington Ave
3933 Nectarine St	2604 E Cumberland St
401 N 40 th St	2634 E Thompson St
433 Union St	2634 E Thompson St
723 E Clearfield St	2700 Boudinot St
725 E Clearfield St	2746 Kensington Ave
3013 Kensington Ave	2769 Frankford Ave
3025 Kensington Ave	2808 Frankford Ave
3053 Kensington Ave	2822 Jasper St
3055 Kensington Ave	2837 Frankford Ave
3065 Kensington Ave	2851 Stouton St
	2859 Stouton St

2868 Jasper St
2940 Ruth St
21 Collom St
27 E Rittenhouse St
31 E Price St
52 W Washington Ln
155 E Chelten Ave
300 W Chelten Ave
4408 Germantown Ave
4928 Germantown Ave
4930 Germantown Ave
4942 Germantown Ave
4943 Germantown Ave
4948 Germantown Ave
4949 Germantown Ave
4951 Germantown Ave
5251 Germantown Ave
5717 Germantown Ave
5901 Greene St
200 Roberts Ave
271 Roberts Ave
4501 Stenton Ave
16 R E Armat St
36 Church Ln
36 E Wister St
38 E Wister St
40 E Wister St
47 E Garfield Ave
51 E Garfield Ave
64 W Queen Ln
67 E Church Ln
77 W Johnson St
81 E Church Ln
83 E Church Ln
4421 Wayne Ave

4537 Wayne Ave
4560 Wayne Ave
4941 Wayne Ave
4954 Wayne Ave
5002 Wayne Ave
2500 N American St
2731 N Front St
2738 Palethorp St
2956 N 2nd St
211 W Indiana Ave
213 W Indiana Ave
2959 N Fairhill St
625 W Indiana Ave
627 W Indiana Ave
629 W Indiana Ave
415 W Clearfield St
3300 N 5th St
2822 N 5th St
3052 N 5th St
3213 N Front St
3235 N Front St
4224 Paul St
1722 Orthodox
4263 Orchard
4280 Orchard
2037 Orchard
4842 Hawthorne
5601 Frankford Ave
1671 Foulkrod
1673 Foulkrod
1675 Foulkrod

Lien Sale Candidates that are within 25 feet of a City-owned property, and should be targets for acquisition by the Land Bank (this list may contain addresses also listed above):

523 W YORK ST	1629 N 17TH ST
3920 MOUNT VERNON ST	1112 W NEVADA ST
1514 RUFFNER ST	4848 N SYDENHAM ST
2401 RIDGE AVE	2209 N ORKNEY ST
2534 W OXFORD ST	2248 MUTTER ST
2261 N PHILIP ST	2310 WATERLOO ST
2516 INGERSOLL ST	2927 N HOWARD ST
2733 N GRATZ ST	1114 LOCUST ST
1216 W HAROLD ST	5112 MALCOLM ST
1822 N 24TH ST	765 PALLAS ST
2218 E HAROLD ST	1480 N WILTON ST
2337 N LEITHGOW ST	2121 SEYBERT ST
1543 S GARNET ST	2623 N STANLEY ST
2257 N BANCROFT ST	1006 W ORLEANS ST
2644 W STERNER ST	2115 EARP ST
3033 N WARNOCK ST	3543 N WARNOCK ST
40 REGER ST	2409 N HANCOCK ST
101 COLLOM ST	2647 W STERNER ST
2532 N PATTON ST	2249 N WOODSTOCK ST
2217 N ORIANNA ST	725 E CLEARFIELD ST
1201 S 35TH ST	913 DIAMOND ST
2524 W DAKOTA ST	2725 W EYRE ST
2500 N COLORADO ST	3933 NECTARINE ST
2305 N REESE ST	3059 N REESE ST
2502 INGERSOLL ST	2454 GERMANTOWN AVE
1524 S LINDENWOOD ST	230 E HAINES ST
219 SHEDAKER ST	2346 N ORKNEY ST
2312 WATERLOO ST	639 DIAMOND ST
2530 W ARIZONA ST	5322 PENTRIDGE ST
3906 WYALUSING AVE	2116 E AUBURN ST
2821 N LEE ST	2432 N BOUVIER ST
781 PALLAS ST	3314 N 5TH ST
3251 N REESE ST	1502 S ETTING ST
2100 N 7TH ST	2602 W MONTGOMERY AVE
1321 N 17TH ST	2103 N PHILIP ST
5460 DELANCEY ST	3027 RIDGE AVE
3121 N CHADWICK ST	4458 N COLORADO ST
2924 N BONSALL ST	5416 RIDGEWOOD ST
2457 N BOUVIER ST	2801 W FLETCHER ST
2407 N HANCOCK ST	3046 RUTH ST
2820 N WATER ST	1229 S HOWARD ST
5421 HUNTER ST	3010 N 6TH ST
2203 N NATRONA ST	2808 N WATER ST
	2354 N ORKNEY ST

3805 POPLAR ST
934 W YORK ST
2135 N ORIANNA ST
2562 N 18TH ST
1837 N TAYLOR ST
1946 N DARIEN ST
418 W YORK ST
7115 UPLAND ST
3024 N WARNOCK ST
3211 SHELBOURNE ST
3840 OLIVE ST
2259 N PHILIP ST
2341 N ORKNEY ST
1509 N MYRTLEWOOD ST
3209 CECIL B MOORE AVE
2558 N CORLIES ST
2321 N 19TH ST
1237 W VENANGO ST
1867 WILLINGTON ST
1449 KERBAUGH ST
6163 HEGERMAN ST
1929 W DAUPHIN ST
2337 MUTTER ST
2031 RIDGE AVE
2518 SHARSWOOD ST
2150 N RANDOLPH ST
2022 N ORIANNA ST
2445 N LEITHGOW ST
1329 N 8TH ST
5000 N 7TH ST
4414 N CLEVELAND ST
1843 E OAKDALE ST
2402 N 15TH ST
739 N DE KALB ST
2520 INGERSOLL ST
2408 N LEITHGOW ST
2233 N REESE ST
2323 N REESE ST
1471 N 53RD ST
3628 N CAMAC ST
336 MECHANIC ST
1923 N UBER ST
3821 ARCHER ST
2512 EMERY ST
1914 E ARIZONA ST
1351 S DOVER ST
2403 N 4TH ST
2114 N FRANKLIN ST

5143 RANSTEAD ST
4454 N COLORADO ST
1044 W MONMOUTH ST
4224 PAUL ST
2219 N WOODSTOCK ST
2215 WILDER ST
1221 S BUCKNELL ST
1848 E OAKDALE ST
2114 N MARSHALL ST
1349 S 29TH ST
2229 N CARLISLE ST
2339 N LEITHGOW ST
1934 N 31ST ST
2237 N REESE ST
3009 W DAUPHIN ST
1719 TITAN ST
3849 MOUNT VERNON ST
3129 N CHADWICK ST