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Supporting CDCs. Strengthening Neighborhoods

Mayor Michael Nutter
215 City Hall
Philadelphia, PA 19107

cc: Revenue Commissioner Clarena Tolson
Finance Director Rob Dubow
Anna Adams, Deputy Director of Finance
Council President Darrell Clarke
Other members of City Council

June 22, 2015

Dear Mayor Nutter,

Following up on our letter dated June 11, 2015 we wish to raise concerns about the upcoming tax lien sale scheduled for June 24th to June 29th. We believe the Department of Revenue, Finance Department and Office of Property Assessment need to more closely review the list of properties to be included in the lien sale.

While we support efforts to improve tax compliance, we are concerned that the list contains far too many properties whose tax balance may be uncollectable, and should instead be targets of acquisition by the Philadelphia Land Bank (or tax foreclosure). While we were unable to do an exhaustive review of the list, our very cursory scan revealed a number of properties that may be unwise to include in the lien sale for the reasons listed below:

21457 – 2149 N. 6th St: These vacant lots are owned by the non-profit Asociasion Puertorriquenos en Marcha (APM) **and are exempt from property tax.** APM and its attorneys worked for years with the City to resolve this matter, and the organization is in possession of a letter confirming that the parcels are tax exempt. **This property should be immediately removed from the lien sale.**

220 S. Jessup St: This property is the backyard of 241 W. Quince St, which is fully tax compliant. We raise the question of whether the property owner and the City are in agreement about the parcel size and taxes owed, and urge you to investigate further before allowing the lien to be sold.

According to the Public Interest Law Center’s Garden Justice Legal Initiative, the properties listed below are **active gardens or side yards**. The City should investigate further whether the sale of liens on these properties is appropriate:

1209 South Markoe St.
12 S. 43rd St.
1023 W. Cumberland St.
1302 N. 15th St.
5150 Wayne Ave.

The following properties are **vacant lots** whose tax balance may be “uncollectable” either because the assessed value of the property is below its tax balance, or it has been non-compliant for a significant number of years. **The most effective way to get these properties back into productive use and tax compliant is for the City to acquire them through the Philadelphia Land Bank and seek new owners that can handle the responsibility of the properties.** Selling the liens now will require that the Land Bank pay the lien holder the value of the tax balance, plus the lien holder’s fees, if we wish to gain ownership of these properties in the future for redevelopment.

523 Winton St: Non-compliant since 1997 or longer.
732 Dudley St: Non-compliant since 1997 or longer.

1038 Daly St: This property has been tax delinquent since 1997 or longer, and the Department’s database lists this property as in a payment agreement. This may be an example of a property whose lien was sold in 1997 under Mayor Rendell’s tax lien sale, yet which has remained non-compliant.

846 N 44th St: The “lien sale candidates list” released by the Department lists it as \$5,184 delinquent on an assessed value of \$4,400. (Note: Tax balance and ownership information is inconsistent between the lien sale list and the City’s on line property information databases which lists the property as only \$61.61 delinquent.)

251 N Ruby St: This property is \$6,756 tax delinquent, and assessed at only \$3,800. It has been delinquent since 2006.

5113 Ranstead St: This property is owned by the Walnut Hill Community Development Corporation, and we are unclear if that organization is still functioning. The property has been tax delinquent since 1985.

1252 N 52nd St: This property has been tax delinquent since 1994, and has an assessed value of \$7,900 and a tax balance of \$26,142.

1676 N. Wilton St: This property has been tax delinquent since 1978, and it’s tax balance of \$8,474 far outstrips its assessed value of \$3,800.

2319 E Sergeant St.: This property has a tax balance of \$4,800 and an assessed value of \$5,633.56.

1030 – 1032 Ridge Ave: This property is of strategic importance to the re-development of the area around the Reading Viaduct, and selling its lien may make acquisition of the property in the future more expensive and difficult.

Again, this list of properties was generated after only a very cursory scan of those that will be made available for lien sale. **The City needs more time to investigate each property on its list to determine whether they are appropriate to be included in the lien sale. We share the City's goals of improving tax compliance but are concerned lien sales of certain properties could thwart efforts for redevelopment.**

Thank you,

Beth McConnell
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