

Council of the City of York, PA
Session 2017
Bill No.
Ordinance No.

INTRODUCED BY: Henry Hay Nixon

DATE: June 6, 2017

AN ORDINANCE

Amending Article 307 “Exemption for Dwelling Improvements” to amend the title to read Article 307 “Incentive Programs for Dwelling Improvements” and repeal sections 307.01 through 307.08 and establish new language for sections 307.01 through 307.08 to include Definitions, Eligible Areas, Abatement, Procedure for Obtaining Abatement, Abatement Conditions and Limitations, Revocation of Abatement, Conflicts & Severability, and Effective Date.

NOW, THEREFORE, BE IT ORDAINED, by the Council of the City of York, Pennsylvania, that Article 307 “Exemption for Dwelling Improvements,” of the York City Codified Ordinances shall be hereby amended as follows:

SECTION ONE: That Article 307 “Exemption for Dwelling Improvements” be hereby amended to change the title to read Article 307 “Incentive Programs for Dwelling Improvements” and repeal sections 307.01 through 307.08 and establish new language for sections 307.01 through 307.08 to include Definitions, Eligible Areas, Abatement, Procedure for Obtaining Abatement, Abatement Conditions and Limitations, Revocation of Abatement, Conflicts & Severability, and Effective Date as follows:

ARTICLE 307

Incentive Programs for Dwelling Improvements

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| <u>307.01 Definitions</u> | |
| <u>307.02 Eligible Areas</u> | |
| <u>307.03 Abatement</u> | |
| <u>307.04 Procedure for Obtaining Abatement</u> | |
| <u>307.05 Abatement Conditions and Limitations</u> | |
| <u>307.06 Revocation of Abatement</u> | |
| <u>307.07 Conflicts & Severability</u> | |
| <u>307.08 Effective Date</u> | |
| 307.09 Incentive Grant Program for the reconversion of multi-family dwellings into single-family dwellings and restoration and preservation of historic single family homes. | 307.10 Incentive Loan Program for the reconversion of multi-family dwellings into single-family dwellings and restoration and preservation of historic single family homes. |
| 307.09.01 Application for the Incentive Grant Program. | 307.10.01 Establishment of Incentive Loan Program. |
| 307.09.02 Project review for the Incentive Grant Program. | 307.10.02 Application for the Incentive Loan Program. |
| 307.09.03 Grant approval. | 307.10.03 Project review for the Incentive Loan Program. |
| 307.09.04 Rules and regulations. | 307.10.04 Incentive loan approval. |
| | 307.10.05 Incentive loan program rules and regulations. |
| | 307.11 Funding for the Incentive Grant Program and the Incentive Loan Program. |
| | 307.12 Reports. |
| | 307.13 Forgiveness of loans. |

CROSS REFERENCES

Exemptions authorized - see 72 P.S. §4711 et seq.

307.01 DEFINITIONS.

As used in this article, the following words and phrases shall have the meanings set forth herein:

- (a) “City” means the City of York or designated department therein.
- (b) “Deteriorated property” means any dwelling unit located in a deteriorated neighborhood or a dwelling unit which has been, or, upon request, is certified by a health, housing or building inspection agency as unfit for human habitation, or other health or welfare purposes; or a dwelling unit which has been the subject of an order by such an agency requiring the unit to be vacated, condemned or demolished by reason of noncompliance with laws, ordinances or regulations.
- (c) “Dwelling unit” means a house, double house or duplex, townhouse or row house, apartment, group of rooms or any building intended for occupancy as living quarters by an individual, a family or families or other groups of persons containing a kitchen or cooking equipment for the exclusive use of the occupant or occupants.
- (d) “Deteriorated neighborhood” means any area containing: unsafe, unsanitary or overcrowded buildings, vacant overgrown and unsightly lots of ground; a disproportionate number of tax delinquent properties; a lack of planning, proper light and air and open space; excessive land coverage; defective design or arrangement of building street or lot layouts; economically and socially undesirable land uses; impoverished as certified to by the Commonwealth under the Neighborhood Assistance Act.
- (e) “Improvement” means repair, construction or reconstruction, including alterations and additions, and construction of new structures, having the effect of rehabilitating a deteriorated property so that it becomes habitable or attains higher standards of safety, health, use or amenity, or is brought into compliance with the laws, ordinances or regulations governing applicable standards. Ordinary upkeep and maintenance shall not be deemed an improvement. “Improvement” shall include construction:
- (1) To convert a multifamily structure to a single-family building, if the multi-family structure had originally been designed and built to serve as a single family house.
- (2) To protect, preserve, retain or reestablish the historical integrity of a residential structure in the area established as the Historic District known as “Historic York” as outlined in Article 1731 and in sites established as being a part of the National Register-listed York Historic District also known as the National Register of Historic Places District in York City.
- (f) “Residential construction” means the building or erection of dwelling units, as defined above, upon vacant land or land specifically prepared to receive such structure.
- (g) “Due date” means the date when current year City real estate taxes are last payable at penalty. The date shall at no time be later than December 31, unless this date shall fall on a non-business business day or holiday when the due date shall be extended to the next regular business day. Payments made by mail and postmarked by the US Postal Service on or prior to the actual due date set by the City Treasurer shall be accepted as timely.
- (h) “Applicant” means:
- (1) A property owner of an existing residential property or of a “to be constructed” residential property for which the owner wishes to qualify for the temporary tax abatement through the Residential Tax Abatement Program (RETAP).
- (2) An owner of a residential property that originally had been built as a single family residence, but which has been operated as or converted into a multifamily residence to which the owner shall restore or reconvert back to a single family residence, or
- (3) An owner of an historic single-family home in the Historic York District.
- (i) “Economic and Community Development” shall mean the Department of Economic and Community Development.
- (j) “Fire Department” means the Department of Fire and Rescue Services.
- (k) “Cost of a project” means any of the following expenses incurred for a project:
- (1) Expenses for the acquisition, reconstruction, renovation, improvement, rehabilitation, reconversion or remodeling of a multi-family structure into a single-family structure or for the restoration and preservation of an historic single family home in the Historic York District (HARB) or in sites established as being a part of the National Register-Listed York Historic District.
- (2) Costs and expenses associated with the preparation of plans, specifications, designs or studies to complete the project.

307.02 ELIGIBLE AREAS

Since Council has determined as a fact that Wards 1 through 15 or portions thereof, of the City of York, respectively, constitute “deteriorated neighborhoods” and “deteriorated areas” within the purview of Act 34 of 1971 and the definitions contained in this article, persons making improvements and doing residential construction for residential property in any of the foregoing deteriorated neighborhoods may apply for and receive tax abatements upon such improvements in the manner and in the amounts hereinafter provided.

307.03 ABATEMENT

(a) The abatement from real estate taxes shall be limited to the additional assessment valuation attributable specifically to the reassessed value of improvements and construction on deteriorated property as outlined in the application approved by the City for improvements and construction during 1975 and subsequent years.

(b) The abatement from real estate taxes shall be limited to that portion of the increased assessment attributed to the improvements and construction for which an abatement has been approved by the City and for which a separate assessment has been made by the York County Assessment Office.

(c) For years one through ten for which improvements and residential construction would otherwise be taxable, one hundred percent (100%) of the eligible assessment shall be exempted. After the tenth year, the abatement shall terminate.

307.04 PROCEDURE FOR OBTAINING ABATEMENT

(a) At the time the applicant inquires about or applies for a building permit for construction and/or improvements from the City of York, the Department of Economic and Community Development shall inform the property owner of the existence of the Residential Tax Abatement Program (RETAP) and shall provide interested individuals with program requirements and qualifications.

At minimum, the following shall be placed on the form application for a building permit:

NOTICE TO TAXPAYERS: By Ordinance No. 6, of Session 1975, as amended, you may be entitled to abatement from real estate tax on your contemplated improvement by reassessment. An application for abatement may be secured from the Building Inspector or other properly designated official and must be filed at the time the building permit is secured.

(b) If the applicant confirms that they will not apply for an abatement under either of the City’s real estate tax abatement programs for construction and/or improvements noted in the building permit application, this fact will be noted on the application.

(c) If the property owner decides to apply for the abatement, they must submit the required documentation and information on the forms provided by the City to the Department of Economic and Community Development prior to or at the same time as picking up their permit.

(d) Requests for abatements shall be in writing and submitted on forms prescribed by the City setting forth the following information:

- (1) The types of improvements and residential construction,
- (2) The summary of the plan of the improvements and residential construction,
- (3) The estimated cost of the improvements and residential construction,
- (4) Documentation of the original assessment prior to improvements,
- (5) A copy of the building permit issued for planned construction and improvements,
- (6) If requested by the City, an inspection report of the property by the Department of Economic and Community Development, and
- (7) Any additional information as the City may request.

(e) The Department of Economic and Community Development shall process the application and may schedule an inspection of the property to determine existing deficiencies which at the completion of the project must be corrected.

(f) Upon completion of the improvements, the property owner shall notify the Department of Economic and Community Development for the purpose of obtaining a final inspection to ascertain that minimum City Code standards have been met.

- (g) The Department of Economic and Community Development shall conduct an inspection to ensure that the property now meets minimum City Code standards and shall promptly notify the property owner of the result of their inspection.
- (h) Upon certification that the City Code standards have been met, the property owner shall then request a reassessment of the property from the York County Assessment Office, which reflects an increase in the assessed value of improvements.
- (i) Should the property owner disagree with the assessment of the York County Assessment Office and wish to appeal, the Assessment Appeal Request must be filed with the York County Assessment Office with 30 days of the date of the "Notice of Change in Assessment."
- (j) Once notice is received from the County Assessment Office, the property owner shall forward a copy of the "Notice of Change in Assessment" to the Department of Economic and Community Development.
- (k) After determination that all requirements of this article have been met, the Director of Economic and Community Development shall issue a "Letter of Approval" which shall include the effective date of the City abatement to the property owner, with a copy to the City Treasurer and the York City Business Administrator.
- (l) The Department of Economic and Community Development shall also send to the City Treasurer a copy of the ReTAP application with all supporting documentation.
- (m) The City Treasurer shall prepare a spreadsheet of the reduction in assessment value for each year of the abatement period as specified herein and shall provide such information to the County and York City School District as required by these taxing entities.
- (n) The City Treasurer shall recalculate the York City real estate taxes on an annual basis based on the applicable assessment value and millage rate and reissue the tax bill before sending it to the property owner.

307.05 ABATEMENT CONDITIONS AND LIMITATIONS

- (a) No tax abatement shall be granted if the property owner does not obtain the necessary and proper permits prior to improving the property.
- (b) No tax abatement shall be granted if property taxes or other lienable charges on any property covered by this article or if the property taxes or other lienable charges on any other property owned by one or more of the property owners are not paid by the due date as determined by the City Treasurer.
- (c) The date of the issuance of the building permit shall be deemed to be the beginning date of the improvement period.
- (d) If an eligible property is granted a tax abatement pursuant to this article, the improvement shall not, during the abatement period, be considered a factor in assessing other properties.
- (e) The abatement from taxes granted under this article shall be upon the property and shall not terminate upon the sale or exchange of the property during the ten-year abatement period.
- (f) The granting of a City real estate tax abatement is limited to an abatement of York City real estate taxes only. It does not assure that additional abatements will be granted by York County or the York City School. Different requirements and procedures may apply.

307.06 REVOCATION OF ABATEMENT

- (a) The abatement from real estate taxes provided in this article shall be forfeited by the applicant and/or any subsequent owner of the real estate for failure to pay real estate taxes related to this property or the owner's other properties in the City by their due date. Upon nonpayment of real estate taxes, the City Treasurer shall discontinue the abatement.
- (b) The City Treasurer shall also discontinue the real estate tax abatement for a property upon certification from the Business Administrator that the owner has become in arrears on payment of sewer and/or refuse fees to the degree that the City has begun special collection efforts as approved by Council and the property owner has failed to agree to and follow a payment plan approved by the City or the City has filed a lien against the property for the debt.
- (c) The abatement from real estate taxes provided in the article shall also be forfeited if the property owner and/or any subsequent owner appeals the real estate assessment during the abatement period.

307.07 CONFLICT & SEVERABILITY

(a) Any ordinance or part of any ordinance which conflicts with the provisions of this article is hereby repealed.

(b) The provisions of this article are severable and if any of its sections, clauses or sentences shall be held illegal, invalid or unconstitutional, such provisions shall not affect or impair any of the remaining sections, clauses or sentences. It is hereby declared to be the intent of Council that this article would have been adopted if such illegal, invalid or unconstitutional section, clause or sentence had not been included herein.

308.08 EFFECTIVE DATE

This article shall become effective _____ upon approval by the Mayor. The York City Department of Economic and Community Development and the York City Redevelopment Authority may grant exceptions to the procedure specified in Section 307.04 for projects that are already in development by the entities noted above as of the date of approval by the Mayor.

307.09 INCENTIVE GRANT PROGRAM FOR THE RECONVERSION OF MULTI-FAMILY DWELLINGS INTO SINGLE-FAMILY DWELLINGS AND RESTORATION AND PRESERVATION OF HISTORIC SINGLE FAMILY HOMES.

In order to help protect the public safety, health and welfare of the City, Council has determined to establish a grant program to assist in the eradication of blight in single family homes throughout the City and to ensure preservation and restoration of historic single family homes in the Historic York District. This program shall be hereafter known as the "Incentive Grant Program" for reconversion of multi-family dwellings into single family dwellings and for restoration and preservation of the historic single family homes in the Historic York District. The Incentive Grant Program shall work to reduce and eliminate blight, lessen density of residential dwellings in the City, enhance the quality of life in neighborhoods and improve the safety, health and welfare of the City by providing financial assistance in the form of grants to owners of multi-family structures for their conversion back to single family structures and for restoration and preservation of historic single family homes in the Historic York District.

(Ord. 36-2008. Passed 9-2-08.)

307.09.01 APPLICATION FOR THE INCENTIVE GRANT PROGRAM.

An owner of a multi-family structure who plans to convert the structure back to a single-family structure or an owner of a historic single family home in the Historic York District that has plans for restoration and preservation of the structure may submit an application to Economic and Community Development requesting financial assistance for a project. The application must be on a form required by Economic and Community Development and must include all of the following:

- (a) The name and address of the applicant and any corresponding tax identification numbers.
 - (b) A description of the project. The description shall include all of the following:
 - (1) A detailed narrative describing the project.
 - (2) A detailed statement of the cost of the project, including the amount and type of any debt, the loan provider, interest rate and other debt information.
 - (3) A statement of the amount of grant funds being requested.
 - (c) A deed or other legal restriction requiring that the structure shall permanently remain a single-family structure.
 - (d) Any other information required by Economic and Community Development.
- (Ord. 36-2008. Passed 9-2-08.)

307.09.02 PROJECT REVIEW FOR THE INCENTIVE GRANT PROGRAM.

Upon receiving a completed application, Economic and Community Development shall review the application to determine if the applicant meets all of the following requirements:

- (a) That the cost of the project is reasonable.

(b) That the project will meet the goals of the program by accomplishing any or all of the following: eliminating blight, lessening density of residential dwellings in the City, enhancing the quality of life in neighborhoods, improving the safety, health and welfare of the City, and helping preserve the cultural and historic nature and beauty of the Historic York District.

(c) That the structure once converted, improved, restored and/or preserved will permanently remain a single-family structure.

(d) That the financing for the project identifies a party other than the City that will hold responsibility for repayment of any debt.

(e) That the applicant submitted satisfactory financial information concerning the project.

(f) That the applicant holds no tax, sewer or refuse delinquencies with the City, the School District of the City of York, York County or the Commonwealth of Pennsylvania.

(g) That the applicant does not have any outstanding Building Code, Property Maintenance Fire or any other code violations with the City of York.

(h) That the applicant complied with all other criteria established by Economic and Community Development.

(Ord. 36-2008. Passed 9-2-08.)

307.09.03 GRANT APPROVAL.

(a) Upon completing the review required by Section 307.09.03 and determining that the applicant will meet all requirements, Economic and Community Development may approve any Incentive Grants under \$15,000.

(b) Incentive Grants of \$15,000 or higher shall go before the Loan Committee for a review and action as established by Section 137.15 of the City's Codified Ordinances.

(Ord. 36-2008. Passed 9-2-08.)

307.09.04 RULES AND REGULATIONS.

Economic and Community Development will establish any additional rules and regulations for the Incentive Grant Program. (Ord. 36-2008. Passed 9-2-08.)

307.10 INCENTIVE LOAN PROGRAM FOR THE RECONVERSION OF MULTI-FAMILY DWELLINGS INTO SINGLE-FAMILY DWELLINGS AND RESTORATION AND PRESERVATION OF HISTORIC SINGLE FAMILY HOMES.

Purpose:

307.10.01 ESTABLISHMENT OF INCENTIVE LOAN PROGRAM.

The Council has determined the City must establish a low-interest loan program to assist in the eradication of blight in single-family homes throughout the City and to ensure preservation and restoration of historic single family homes in the Historic York District. This program shall be hereafter known as the "Incentive Loan Program" for reconversion of multi-family dwellings into single-family dwellings and for restoration and preservation of the historic single-family homes in the Historic York District. The Incentive Loan Program shall work to reduce and eliminate blight, lessen density of residential dwellings in the City, enhance the quality of life in neighborhoods and improve the safety, health and welfare of the City by providing financial assistance in the form of low-interest loans to owners of multi-family structures for their conversion back to single family structures and for restoration and preservation of historic single family homes in the Historic York District.

(Ord. 36-2008. Passed 9-2-08.)

307.10.02 APPLICATION FOR THE INCENTIVE LOAN PROGRAM.

An owner of a multi-family structure who plans to convert the structure back to a single-family structure or an owner of an historic single family home in the Historic York District that has plans for restoration and

preservation of the structure may submit an application to Economic and Community Development requesting a low-interest loan for a project. The application must be on a form required by Economic and Community Development and must include all of the following:

- (a) The name and address of the applicant and any corresponding tax identification numbers.
- (b) A description of the project. The description shall include all of the following:
 - (1) A detailed narrative describing the project.
 - (2) A detailed statement of the cost of the project, including the amount and type of any debt, the loan provider, interest rate and other debt information.
 - (3) A statement of the amount of loan funds being requested.
- (c) A deed or other legal restriction requiring that the structure shall permanently remain a single-family structure.
- (d) Any other information required by Economic and Community Development.
(Ord. 36-2008. Passed 9-2-08.)

307.10.03 PROJECT REVIEW FOR THE INCENTIVE LOAN PROGRAM.

Upon receiving a completed application, Economic and Community Development shall review the application to determine if the applicant meets all of the following requirements:

- (a) That the cost of the project is reasonable.
- (b) That the project will meet the goals of the program by accomplishing any or all of the following: eliminating blight, lessening density of residential dwellings in the City, enhancing the quality of life in neighborhoods, improving the safety, health and welfare of the City, and helping preserve the cultural and historic nature and beauty of the Historic York District.
- (c) That the structure once converted, improved, restored and/or preserved will permanently remain a single-family structure.
- (d) That the financing for the project identifies a party other than the City that will hold responsibility for repayment of the debt.
- (e) That the applicant submitted satisfactory financial information concerning the project.
- (f) That the applicant holds no tax, sewer or refuse delinquencies with the City, the School District of the City of York, York County or the Commonwealth of Pennsylvania.
- (g) That the applicant does not have any outstanding Building Code, Property Maintenance Fire or any other code violations with the City of York.
- (h) That the applicant complied with all other criteria established by Economic and Community Development. (Ord. 36-2008. Passed 9-2-08.)

307.10.04 INCENTIVE LOAN APPROVAL.

(a) Upon completing the review required by Section 307.10.03 and determining that the applicant will meet all requirements, Economic and Community Development may approve any low-interest Incentive Loan under \$15,000.

(b) Low interest Incentive Loans of \$15,000 or higher shall go before the Loan Committee for a review and action as established by Section 137.15 of the City's Codified Ordinances. (Ord. 36-2008. Passed 9-2-08.)

307.10.05 INCENTIVE LOAN PROGRAM RULES AND REGULATIONS.

Economic and Community Development will establish any additional rules and regulations for the Incentive Loan Program. (Ord. 36-2008. Passed 9-2-08.)

307.11 FUNDING FOR THE INCENTIVE GRANT PROGRAM AND THE INCENTIVE LOAN PROGRAM.

(a) The Mayor may establish specific line items within the annual recommended budget presented to Council to fund the Incentive Grant Program and the Incentive Loan Program according to the funding sources listed in this section. Economic and Community Development shall award grants and loans based in part

on the amount of appropriation Council approves annually through the budget process. The line items shall include costs for staff oversight for the programs. Council may approve additional funding for each program above what the Mayor has proposed, in conformity with Section 307.05(c) of the City's Codified Ordinances, in addition to the funding sources outlined in this section.

(b) The Mayor may sign agreements with banking institutions or other business entities to participate in the Incentive Grant Program or Incentive Loan Program by providing grant or low-interest loan funding that the City may match through either program.

(c) The City may accept contributions earmarked to fund either the Incentive Grant Program or the Incentive Loan Program.

(d) Funds repaid to the City as part of the Incentive Loan Program shall directly go back into that program to help fund additional loans.

(e) The City may set aside Community Development Block Grant funding or other state, federal or other grant, loan or funding source proposed by the Mayor and approved by Council for the Incentive Grant Program or Incentive Loan Program.

(Res. 132-2008. Passed 9-2-08.)

307.12 REPORTS.

Council shall receive reports from Economic and Community Development on the Incentive Grants and Incentive Loans approved. The reports shall give the names and addresses of the recipients of the grants and loans and the amounts of the grants and loans.

(Res. 132-2008. Passed 9-2-08.)

307.13 FORGIVENESS OF LOANS.

Any request for forgiveness of loans approved through the Incentive Loan Program shall follow the process established by Section 137.15 and 137.16 of the Codified Ordinances.

(Res. 132-2008. Passed 9-2-08.)

SECTION TWO: This ordinance shall become effective in accordance with the law.

PASSED FINALLY:

BY THE FOLLOWING VOTE:

YEAS: _____, _____, _____, _____, _____

NAYS: _____.

ATTEST:

Michael Ray Helfrich, President of Council

Dianna L. Thompson-Mitchell, City Clerk

Presented to the Mayor for approval this _____ day of _____.

Approved:

Mayor Date

Vetoed:

Mayor Date