

ORDINANCE NO.

FILE OF CITY COUNCIL

BILL NO. 92 - 2024

November 5, 2025

WHEREAS, Allentown voters passed a referendum in November of 2024 allowing City Council, by ordinance, to remove from the Home Rule Charter a cap which was placed on the city's deed-transfer tax in the Home Rule Charter – the tax has remained unchanged since its authorization in the 1970s where a 1% tax was levied by city ordinance, .5% is shared with the City of Allentown school district; and

WHEREAS, Allentown City Council is desirous of increasing the deed transfer tax rate by .5%, as stated, a tax initially authorized in the 1970s, that has not been changed since its inception 50 plus years ago; and

WHEREAS, Allentown City Council recognizes that maintaining the city's housing stock is central to the city's livability, to stabilizing and increasing property values, improving quality of life and promoting public safety; and

WHEREAS, the City developed a Housing Needs Assessment and Strategic Plan for 2024-2029 - (Welcome Home Allentown - that includes a series of recommendations to improve Allentown's housing stock, encourage home ownership, encourage attainable rental units, and assist vulnerable homeowners with costly repairs which prevent future homelessness; and

WHEREAS, the Housing Needs Assessment and Strategic Plan (attached) calls for a dedicated source of funding and spells out a specific concrete plan (pages 65 through 95) that was developed with input of our community and strategic partners and proposed a budget that will serve as a guide for the funds collected as a result of this increase; and

WHEREAS, Recent statistics show LLCs and Corporate entities are purchasing nearly 50% of city real estate annually and

WHEREAS, City Council directs and will authorize the additional 0.5% of funding – estimated in the vicinity of three million dollars based on 2026 budgetary estimates – be deposited in an underutilized housing fund managed by the Community and Economic Development Department to help achieve the housing goals detailed in the recommendations and as developed in the City's action plans; and

WHEREAS, to effectuate and implement these goals:

- An action plan for such funds shall be presented to City Council annually from the Community and Economic Development Department outlining the goals, plans, programs and any initiatives utilizing this funding. The initial plan shall be submitted to City Council no later than June 30, 2026. Additional reports or updates shall be provided to the Community and Economic Development Committee as requested.
- City Council shall review the annual plan and audit of all expenditures from this fund, with an eye to the cost benefits of all initiatives and how they correspond with stated goals.

- Sunset Review: After five years the Community and Economic Development Department shall present a comprehensive review and analysis of the program, and council shall make the decision on continuing with the program.
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ORDINANCE

An Ordinance of the City of Allentown, County of Lehigh and Commonwealth of Pennsylvania, amending Section 570-13 of the Realty Transfer Tax Ordinance by increasing the Realty Tax by 0.5% for the purpose of raising funds to deal with issues relating to housing.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION ONE: That the City's Code, Part II, General Legislation, Chapter 570, Taxation, Article II, Realty Transfer Tax, Section 570-13, Imposition of tax; interest, Subsection (A), of the Allentown Codified Ordinances, is amended to read as follows:

§ 570-13 Imposition of tax; interest.

A. Every person who makes, executes, delivers, accepts or presents for recording any document or in whose behalf any document is made, executed, delivered, accepted or presented for recording shall be subject to pay for and in respect to the transaction or any part thereof, a tax at the rate of ~~4~~4.5% of the value of the real estate represented by such document, which tax shall be payable at the earlier of the time the document is presented for recording or within 30 days of acceptance of such document or within 30 days of becoming an acquired company.

SECTION TWO: That 50% of the Realty Transfer Tax annually collected by the City of Allentown shall be transferred and deposited into the unappropriated balance of the Housing Fund to be used for housing initiatives.

SECTION THREE: That this Ordinance takes effect on January 1, 2026.

SECTION FOUR: That all Ordinances or parts of Ordinances conflicting with the provisions of this Ordinance be and the same are hereby repealed.