

April 2009

ALLENTOWN PROGRESS REPORT

Housing Asset Management Strategy
for Allentown, Pennsylvania

Fels Institute of Government

 **Fels** INSTITUTE of
GOVERNMENT
Penn Arts & Sciences



ABOUT THE FELS INSTITUTE OF GOVERNMENT

The Fels Institute of Government is the University of Pennsylvania's graduate program in public policy and public management. Fels was founded in 1937 by entrepreneur and philanthropist Samuel Simeon Fels of the Fels Naptha Soap Company in response to a wave of corruption and mismanagement in Pennsylvania government. Originally established for the purpose of training local government officials, over time Fels broadened its mission; it now prepares its students for public leadership positions in city, state, and Federal agencies, elective politics, nonprofit organizations, and private firms with close connections to the public sector. Its 1,800 living alumni work in leadership roles across the US and around the world.

Complementing the Fels academic program is Fels Research & Consulting, first established in 1946 as a "think and do" tank to work with governments and nonprofit organizations in five different policy areas: urban revitalization, K-12 education, economic and environmental sustainability, regional competitiveness, and human services. Within these policy areas, Fels works with its clients and partners to help them a) Get Better Results b) Move Ideas into Action and c) Pay for Results that Matter.

To find out more about Fels visit <http://www.fels.upenn.edu>.

.....
TABLE OF CONTENTS
.....

Introduction

An Economic Development Challenge	1
A Municipal Cost Burden	2

Progress Report

1. Organization	3
2. Acquisition	5
3. Transactions	7
4. Inspection	9
5. Enforcement	10
6. Collections	11
7. Preservation and Development	12

Exhibits	14
-----------------	-----------

Acknowledgments	15
------------------------	-----------

INTRODUCTION

An Economic Development Challenge

"Establishing a synergy between the business district and the neighborhoods is not an option, it is a necessity. Our housing issues have been a long time in the making. They are not going to be resolved by sitting still."

*Mayor Ed Pawlowski
November 15, 2007*

In November 2007, Mayor Pawlowski released a report by the University of Pennsylvania's Fels Institute of Government, entitled *A Housing Strategy for Allentown's Central-City Neighborhoods* (the report may be viewed at http://www.fels.upenn.edu/neighborhoodrecovery/reports/allentown_report_07.pdf). The Fels Institute report identified the older residential neighborhoods located in the vicinity of the downtown area as "an extraordinary resource" that had become "one of the region's biggest problem areas." The report attributed the problems of these neighborhoods to speculation by absentee owners, inflated real estate values, a lack of suitable housing options for employees of companies located downtown, and a proliferation of housing code violations.

The Fels Institute report called for Allentown's central-city neighborhoods to be "managed as an economic asset that can and should generate significant added value to the city and region" and included a summary of the key elements of a recommended asset management strategy. "If all of the elements of this strategy are adopted and implemented," the introduction to the report concluded, "conditions in the city's downtown-area neighborhoods and the central business district will improve, generating significant economic benefit to the city, county, and region."

This report describes the City of Allentown's progress in implementing this housing strategy since the publication of the Fels Institute report. Through the leadership of Mayor Pawlowski, legislative action by City Council, and capable and reliable action by staff, the City has achieved remarkable successes within a short period. These successes include the generation of additional revenues to the City (through more efficient collection of fees and penalties), faster identification and resolution of property-maintenance problems, more effective action against negligent property owners, and increased opportunities to attract development to the downtown area.

Although more work needs to be done during the coming months and years, these actions, taken together, create a foundation for lasting, long-term gains and improve the prospects for attracting investment that will strengthen the economy of Allentown's central business district and neighborhoods.

INTRODUCTION

A Municipal Cost Burden

A reactive approach to enforcing city codes—by pursuing negligent property owners after they cause problems rather than preventing problems from occurring in the first place—is costly and inefficient. The most neglected residential properties in Allentown cost the city's taxpayers money: the expenses associated with Police Department, Fire Department, or the Bureau of Building Standards and Safety responses to neighbors' complaints and calls for emergency service

The history of two houses on the 300 block of North 8th Street illustrates how substantial this taxpayer expense can be. The two North 8th Street properties, previously single-family homes, had been converted to multi-family rental apartments by an absentee owner and were being operated with no on-site management. During a single year, these two properties together generated a total of 39 calls for service that required responses from multiple departments.

If the average expense to the City per service call response is estimated to be \$500 (including the cost of employee salaries, transportation, and equipment expenses, as well as overhead costs associated with follow-up action such as issuing violation and penalty notices), then these properties had cost the city nearly \$20,000 that year—just to react to problems after they occurred, without addressing the underlying causes of these problems. Over time, the annual taxpayer expense associated with properties such as these only grows. After five years, properties like those on North 8th Street would cost Allentown taxpayers \$100,000; add nine more and city taxpayers have paid nearly \$1 million just to maintain an unsatisfactory status quo.

The Old Allentown Preservation Association was eventually successful in acquiring the two North 8th Street properties and in managing their rehabilitation. Within one year after acquisition, the number of service calls requiring a City response to these properties decreased from 39 to just 3. The houses were subsequently rehabilitated, "deconverted" from multi-family occupancy back to their original single-family use, and purchased by homeowner occupants.

To stabilize and strengthen Allentown's neighborhoods, the City needs to be able to address similar problems quickly and reliably through a blighted property review process, followed by acquisition when needed. This progress report describes the actions taken by the City to address housing problems through a preventive, proactive approach, and to resolve them before they create a significant cost burden for city taxpayers or become a threat to the safety and well-being of neighborhood residents.

PROGRESS REPORT

1. Organization

Goal: Appoint capable leadership and full staffing for key departments.

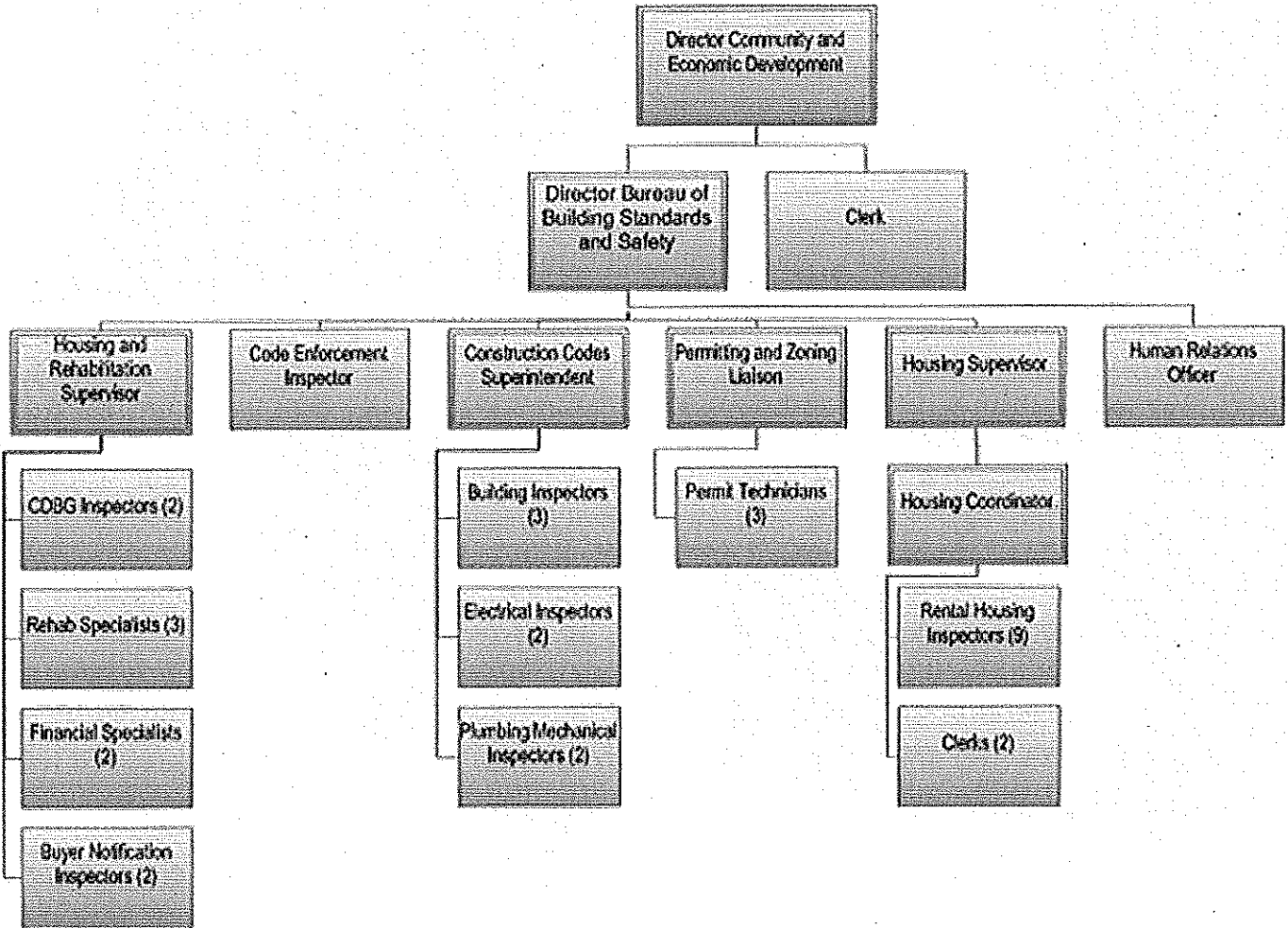
Background: Understaffing and insufficient interagency coordination are significant barriers to the effective implementation of a housing asset management strategy. To address these issues, Mayor Pawlowski appointed new development agency leadership and ensured that sufficient funding would be budgeted to adequately staff the Bureau of Building Standards and Safety to carry out property-maintenance inspections and related code enforcement

Action: Karen Beck-Pooley was appointed Executive Director of the Redevelopment Authority in October 2007. Ms Beck-Pooley's background includes the leadership of neighborhood planning and development activities in the Old Fairgrounds community where she and her family reside. She has a doctorate in City Planning from the University of Pennsylvania, and her work history includes experience as an administrator at New York City's Department of Housing Preservation and Development.

In April 2008, Mayor Pawlowski nominated Joyce Marin to head the City's Department of Community & Economic Development. In her former position as Executive Director of Allentown Economic Development Corporation, Ms. Marin's accomplishments included the reclamation of brownfields sites for future mixed-use development. She has served on a member of the Borough Council in Emmaus, where she also had been employed as Main Street Manager.

The Bureau of Building Standards and Safety is now fully staffed and includes nine Rental Housing Inspectors. This staffing level is sufficient to provide coverage for timely completion of property inspections cycles (described in the "Inspection" section) and for the recently-enacted pre-sales inspection program (described in the "Transactions" section).

ORGANIZATIONAL CHART FOR ALLENTOWN'S BUREAU OF BUILDING STANDARDS AND SAFETY (2008)



2. Acquisition

Operating Plan for Blighted Property Review Committee

Goal: Establish a reliable process for Redevelopment Authority acquisition of neglected buildings from owners who have been unresponsive to code violation notices and other City action to achieve code compliance.

Background: The Blighted Property Review Committee consists of five permanent members, all appointed by the Mayor, including one representative each of City Council, the Allentown City Planning Commission, and the Redevelopment Authority. The BPRC is responsible for determining and certifying properties as blighted and eligible for subsequent Redevelopment Authority acquisition. Following the completion of the blight-certification process, each certified property is processed for acquisition through the Authority's eminent domain powers. Once the Redevelopment Authority's Board approves a Declaration of Taking for each eligible property and after the Authority is granted a Writ of Possession and has paid "just compensation" (the appraised fair market value of the property and other eligible expenses) to the owner, the Authority becomes the owner of the property and can enter into an agreement to convey the property to a selected redeveloper.

Action: As of the end of 2007, the Authority had a backlog of four lists of addresses that had been certified as blighted but against which Declarations of Taking had not yet been filed. During the early months of 2008, Authority and City staff prepared the appropriate documentation and presented two of the lists to City Council (the two others had already gone before Council), and the Redevelopment Authority Board approved the filing of Declarations of Taking against properties active on three of the four lists at its November 2007 and February 2008 meetings.

The Redevelopment Authority has established a schedule that will ensure that blighted properties are acquired each year for subsequent conveyance to responsible redevelopers. Acquisition is limited to vacant buildings and most of the properties acquired are residential (a relatively small number are mixed-use, commercial or industrial properties). The Authority devotes priority attention to 1) properties that have been declared unfit for human habitation, 2) properties located in Allentown's central-city neighborhoods, adjacent to or near downtown and 3) properties located in areas where City inspectors are currently conducting inspections, so that Authority acquisitions can complement the inspection process as needed. The blight certification and property acquisition schedule is shown on the right.

Between the old lists and a new list begun in March 2008, Declarations of Taking have been filed against roughly 30 properties, which are being acquired at an estimated cost of approximately \$600,000.

BLIGHT CERTIFICATION AND PROPERTY ACQUISITION SCHEDULE

	Bureau of Building Standards and Safety	Redevelopment Authority	Acquisition/Disposition Committee	Blighted Property Review Committee	Allentown City Planning Commission
December	Develop property list		Review list and set a preliminary budget.		
January					
February	Reinspect properties	Send letters to owners			
March		Prepare BPRC and ACPC meeting materials. Send letters to owners.		Meet to make determination of blight.	Meet to make determination of blight.
April	Reinspect properties	Community Outreach			
May		Send letters to owners.			
June		Prepare BPRC and ACPC meeting materials.		Meet to certify blight determination.	Meet to certify blight determination
July		Community Outreach	Identify sites for acquisition and finalize budget.		
August		Present Resolution to Authority Board			Meet to recommend reuse
September		Present properties to City Council. Order appraisals and title searches Community Outreach			
October		Contact owners with an offer of purchase. Start Declaration of Taking process. Escrow funds for just compensation payments.			
November		Allow 30 days to file preliminary objections Community Outreach			
December		File Petition to File Estimate of Just Compensation			
January		File Writ of Possession			

3. Transactions

Implementation of Pre-Sale Inspection Program

Goal: Ensure that residential property sales transactions are preceded by a City inspection and, if appropriate, the correction of significant code violations as a condition of sale.

Background: In light of the increasing number of real estate transactions, many involving non-residents, as well as the proliferation of code violations associated with residential properties, City officials recognized the need for a more proactive approach to code compliance. Frequent property transfers involving absentee buyers and sellers made it particularly difficult for the City to hold the appropriate parties responsible for addressing property improvement and maintenance needs.

Action: On November 7, 2007, City Council approved Bill No. 109-2007, which requires “the inspection of all residential properties...prior to the transfer of title for compliance with standards found in the City of Allentown, Property Rehabilitation and Maintenance Code, and the allowable use designation according to the City of Allentown Zoning Ordinance.” The ordinance calls for a seller of a property to contact the Bureau of Building Standards and Safety and request an inspection; the request must be made within three days of the listing date or offer to sell. Following the inspection, the Bureau’s inspector completes a Buyer Notification Report, which lists any code violations that must be corrected by the seller or buyer as a condition of sale.

Compliance – the resolution of issues identified in the Buyer Notification Report – is monitored by means of a re-inspection by the same Bureau inspector who conducted the initial inspection and completed the Buyer Notification Report. The term of compliance for owner-occupied properties is six months. Rental properties are subject to compliance terms established in the rental license inspections requirements of the Allentown Property Rehabilitation and Maintenance Code.

A significant feature of the ordinance is the requirement that sellers notify the City of the property buyer’s name and address within three days of the transfer. This requirement will help put an end to the practice by some absentee-owners of falsely listing the property address as their address. Another strong feature of the program is the verification of a property’s allowable use prior to sale. This requirement assures the buyer that the property has no zoning ordinance use violations—that is, that the property was not illegally converted to a multifamily home or does not include more units than zoning allows.

Implementation of the ordinance began in February 2008. Prior to the start of implementation, the City completed a mass mailing to real estate brokers and lenders containing information about the purpose and intent of the program and the responsibilities set forth in the ordinance. In order to ensure notification of all sellers and buyers who are subject to the ordinance, the City has been monitoring deed transfers (particularly sale-by-owner transactions) as well property conveyances to successful bidders at Sheriff's Sales

In order to achieve a quick turn-around of pre-sale inspections, two inspectors have been assigned to conduct inspections of owner-occupied property transfers, and one inspector has been assigned to inspect absentee-owner property transfers. These inspectors are supported by other Bureau staff as needed to keep pace with fluctuations in demand.

As of January 2009, 915 homeowner properties and 343 rental properties had been inspected. To date, 587 owner-occupant sellers and 157 rental property sellers have addressed violations identified in their Reports, after which they received Certificates of Occupancy. However, serious housing conditions have been identified in some properties. Twenty-three homeowner properties and twelve rental properties have been certified as unfit for human habitation following inspection. (Six homeowner properties have since received Certificates of Occupancy.) In addition, numerous sanitary or life-safety violations have been cited in several properties, including missing smoke detectors, trash and debris and the lack of ground fault interrupter (GFI) outlets.

The Bureau has developed tracking procedures for the compilation of data in order to facilitate analysis of inspection results. Items such as the number and types of violations identified (allowable use, life-safety, minimum habitability standards, building maintenance), residency of buyers, and the rate and method of compliance are tracked.

4. Inspections

Goal: Complete periodic inspections of all rental properties in the city based on an inspection-cycle schedule.

Background: Understaffing and the retirement of veteran inspectors in recent years reduced the City's effectiveness in keeping pace with the need to monitor property conditions systematically and to refer cases for enforcement action and/or blight certification..

Action: The City is now implementing its second cycle of citywide inspections, involving more than 20,000 residential rental units in Allentown. The first cycle of inspections, which had begun in 2000, took longer to complete than anticipated had been planned—eight years, rather than five years. However, it is anticipated that the current and subsequent inspection cycles will progress more quickly due to several factors: in many instances, major violations (such as violations of allowable-use code provisions, as well as the lack of appropriate second means of egress, fire separation, or basic facilities) were addressed in the first cycle of inspections. In addition, the Bureau is now adequately staffed to manage the workload, and the development of administrative procedures and staff training will not be required, as had been the case during the first cycle.

5. Enforcement

Goal: Strengthen the City's ability to act swiftly to enforce city codes, impose penalties on negligent owners, and address health and safety hazards decisively.

Background: When housing inspections and the issuance of violation notices are not followed by the imposition of penalties against unresponsive property owners, a city becomes known as a place where the code enforcement process is "toothless" and can be circumvented. To avoid being characterized in this manner, Allentown has taken action, in coordination with the judicial system as needed, to sanction rental property owners that have accumulated numerous violations and have a history of unresponsiveness.

Action: Based on the fact that the City's Property Rehabilitation Code's defines an absentee owner's "duly authorized agent" (also known as a "local agent" or "responsible agent") as identical to the property owner in terms of legal responsibility, the City has started taking legal action against agents representing absentee owners of properties with accumulated code violations. Magistrates have supported the City's actions by imposing fines on these agents as needed to compel the correction of code violations. This approach is a substantial improvement over past practice, in which local agents' exposure had been limited to responsibility for accepting service-of-process actions only, with no legal exposure associated with property conditions. This limitation had made it easier for absentee landlords and their representatives to avoid responsibility for code violations and payment of related penalties.

As more of these cases are brought before the courts, the City is exploring the possibility of utilizing its existing Appeals Board to administratively resolve minor code-related complaints (for example, the revocation of a rental license due to non-payment of renewal fees) that do not need to be referred to the judicial system.

The aggressive enforcement of standards in rental properties is designed to preserve housing stock and to provide a safe environment for tenants and neighbors. In extreme cases, where buildings are found to be unfit for human habitation due to seriously hazardous conditions, the City can evacuate tenants immediately and assist with relocation in order to ensure that displaced tenants are adequately rehoused. To support these actions, the City has set aside Community Development Block Grant funding that is available to be used to pay security deposits or rent for a safe and sanitary replacement housing unit.

6. Collections

Rental License Registration/Revocation

Goal: Ensure timely collection of registration and renewal fees and take action to address non-payment of fees.

Action: The City's new policy of sending delinquent notices to all properties carrying water/sewer delinquencies in excess of \$500 is being applied with significant results: To date, more than \$690,000.00 has been collected in delinquent rental registration/license fees and water/sewer charges by inspections staff initiating the revocation notice process. If a rental unit registration or license is revoked as a result of this process, the City charges a \$100.00 fee to reinstate it.

These successful results were achieved through an organizational change: the employment of a collections clerk (whose salary is funded through fee revenues generated through the rental inspections process) in the Audit and Enforcement office, who devotes full-time attention to the collection of delinquent fees and charges.

In the future, the revocation of a rental license associated with a particular property will trigger the inspection of all other properties owned by that owner. In this way, the City can proactively ensure that all other rental units under the owner's charge are being operated in a safe and sanitary manner and that the owner's entire portfolio is meeting all City Code requirements.

The City's Public Nuisance Abatement Administrative Fee was increased from the decades-old level of \$50.00 to \$300.00, or 15% of the cost of nuisance abatement, whichever is higher. This fee increase will adequately compensate the City for time spent correcting public nuisances on private property, from trash removal to building demolition when needed to prevent a catastrophe.

The cost of nuisance abatement, in cases where a property owner fails to take action to correct serious code violations, has increased substantially over the years, from approximately \$10,000 during 1990 to approximately \$250,000 in 2008, with supplemental funding needed in major cases, such as the Colonial Theater demolition and the Montex Mills clean-up and demolition.

7. Preservation and Development

All of the activities described in this report are being implemented as part of a larger effort to preserve and upgrade existing properties in Allentown and to encourage appropriate new residential, commercial, and industrial development on vacant land. A series of related actions in support of this broader policy have been completed or are being pursued.

- The Zoning Task Force, which spent a year reviewing the existing Zoning Code, presented recommendations for updating the Zoning Code to the Bureau of Planning and Zoning for review prior to public hearings and submission to the Allentown City Planning Commission and City Council.
- The City has been working with representatives from the Bureau of Building Standards and Safety and the Planning and Zoning departments to review existing codes and regulations addressing the rehabilitation of mixed-use properties. This ad hoc group has determined that there are no significant regulatory barriers to the development of upstairs residential units in small and medium-sized mixed-use properties, a finding that is expected to facilitate the reuse of older downtown-area properties and encourage the development of additional residential units along Hamilton Street.
- The City is exploring the possibility of using tax increment financing to stimulate the development of property along a section of Hamilton Street in the central business district.
- City development agencies are exploring the possibility of reviving the urban homestead program, possibly through testing this program model on a pilot basis. Based on a review of homestead cases that had been completed fifteen years ago, City staff found that more than sixty percent of the homesteaders who had participated in the program at that time were still owner-occupants living in the same properties. A revival of this strategy could help the City address one of its primary goals: to increase homeownership and residential stability in downtown neighborhoods.
- In coordination with community constituencies, the Bureau of Planning and Zoning has completed a neighborhood plan for the Old Allentown community and is working on the completion of plans for the 4Cs area and the Old Fairgrounds neighborhood.
- The City and Redevelopment Authority are exploring the creation of a financing model to support the "deconversion" of multi-family houses back to their original single-family status, for subsequent owner-occupancy. One model being studied is a Borough of Pottstown program through which prospective homeowner-occupants are offered self-amortizing, interest-free loans (financed, in Pottstown's case, by Montgomery County's Revitalization Fund) to support deconversion projects. Collingswood, NJ has operated a similar program successfully for years.

- The Redevelopment Authority is exploring the availability of funding to capitalize a \$1 million working capital fund to support the acquisition of properties through negotiated purchase as well as through the Blighted Property process. A fund that included some non-government money without income restrictions would broaden the Authority's ability to participate in "market-rate" transactions and generate additional revenue to support reinvestment activities.

EXHIBITS

Transactions

Bill No. 109-2007: An Ordinance requiring inspection of all residential properties...prior to transfer of title.

Buyer Notification Inspection Procedure

Seller's Request for Inspection: Request for Buyer Notification Inspection

Receipt of Buyer Notification Inspection Report

Enforcement

Excerpts from Property Rehabilitation & Maintenance Code: Definitions; Applied Meanings of Words and Terms; Minimum Standards Required.

Collections

30 Day Residential Rental Revocation Notice

Preservation and Development

"Money on the house: Pottstown's no-interest loans encourage buyers to come—and stay," by Nancy Petersen, *The Philadelphia Inquirer*, January 13, 2008

Collingswood Multi-Family Housing Conversion Program

ORDINANCE NO.

FILE OF CITY COUNCIL

BILL NO. 109 - 2007

NOVEMBER 7, 2007

AN ORDINANCE

An Ordinance requiring inspection of all residential properties and units in the City of Allentown prior to transfer of title for compliance with standards found in the City of Allentown, Property Rehabilitation and Maintenance Code, and the allowable use designation according to the City of Allentown Zoning Ordinance.

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

SECTION ONE: That Article 1760, Buyer Notification Inspection of Residential Properties and Units, be added to the Property Rehabilitation and Maintenance Code as follows:

**ARTICLE 1760
BUYER NOTIFICATION INSPECTION OF
RESIDENTIAL PROPERTIES AND UNITS**

- 1760.01 Purpose
- 1760.02 Definitions
- 1760.03 Inspections Required
- 1760.04 Compliance
- 1760.05 Abatement of Violations
- 1760.06 Guarantee
- 1760.98 Severability
- 1760.99 Fees

1760.01 Purpose

To protect and improve the public health and safety by causing all residential properties and units to be inspected for compliance prior to transfer of title with the standards for basic safety and maintenance as found in the City of Allentown Property Rehabilitation and Maintenance Code and the allowable use designation according to the City of Allentown Zoning Ordinance. To make sellers aware and to notify buyers of property defects as related to the applicable Codes.

1760.02 Definitions

The following definitions are hereby added to section 1760.02 Definitions

Buyer Notification Report means a Notice of Violation which is issued to a seller of residential property or units upon inspection by the public officer as required under Article 1760. The Buyer Notification Report shall list any discovered or uncorrected violations of the Allentown Property Rehabilitation and Maintenance Code and the allowable use designation according to the City of Allentown Zoning Ordinance. The Buyer Notification Report shall expire one year from the date of original inspection.

Certificate of Occupancy means a certificate issued by the public officer at compliance with the standards in the City of Allentown Property Rehabilitation and Maintenance Code and the allowable use designation according to the City of Allentown Zoning Ordinance following inspection of such property as required by this Ordinance.

Temporary Certificate of Occupancy means a certificate issued at compliance with section 1760.05(2) of this ordinance.

Transfer of Title means the conveyance of ownership, either in whole or in part, of real estate whether by will, voluntary or involuntary transfer, or any other means.

Unfit for Human Habitation means a dwelling, dwelling unit or rooming unit which is dangerous or detrimental to life or health because it is dilapidated, unsanitary, unsafe, vermin-infested or lacking in the facilities and equipment standards according to the City of Allentown Property Rehabilitation and Maintenance Code, as designated by the City of Allentown Bureau of Building Standards and Safety.

1760.03 Inspections Required

A. The seller of any residential property in the City of Allentown is hereby required to secure the Buyer Notification Report from the City of Allentown prior to the transfer of title. The seller of the property or their agent shall have three (3) business days from the date of listing, or offer to sell, to request an inspection from the Bureau of Building Standards and Safety and pay the appropriate fee for said inspection. Upon inspection, a Buyer Notification Report shall be prepared and issued by the public officer, within three (3) business days. Failure of the seller to comply with this subsection and/or refusal to provide access to the public officer for inspection upon reasonable notice shall be deemed a violation of this Ordinance.

B. In the event that any transfer of title occurs without an inspection having been conducted under the requirement in Article 1760.03 A, the buyer is responsible for obtaining the Buyer Notification Report, to include paying the appropriate fee for said inspection.

1760.04 Compliance

A. Notices shall be issued as required in the City of Allentown Property Rehabilitation and Maintenance Code. A Certificate of Occupancy shall be issued by the public officer upon compliance with the City of Allentown Property Rehabilitation and Maintenance Code and the allowable use designation according to the City of Allentown Zoning Ordinance. A Temporary Certificate of Occupancy shall be issued by the public officer upon compliance with Section 1760.05(2) of this Ordinance. The public officer shall not issue a Temporary Certificate of Occupancy for a residential property if the property is unfit for human habitation.

B. The buyer and/or their agent, shall within three (3) business days of transfer of title, provide to the City of Allentown Bureau of Building Standards and Safety, the buyers name, address and date of transfer.

C. All properties subject to Article 1759 of the City of Allentown Property Rehabilitation and Maintenance Code must comply with both the provisions of Article 1759 as well as the provisions of Article 1760.

1760.05 Abatement of Violations

In the event that the violation of the City of Allentown Property Rehabilitation and Maintenance Code exist in or upon the premises, such violations shall be addressed by either:

- (1) The seller abating the violations prior to the transfer of title; or
- (2) The buyer executing a notarized statement acknowledging:
 - (a) Receipt of the Buyer Notification Report; and
 - (b) That such buyer who shall use the premises as their single-family, owner occupied, primary residence shall begin to abate the violations set forth in the Buyer Notification Report within 30 days of taking possession and shall fully comply the premise within six months of taking possession; or
 - (c) All buyers not covered under 1760.05(2)(b) shall abate the violations set forth in the Buyer Notification Report under the provisions of the City of Allentown Property Rehabilitation and Maintenance Code.

1760.06 Guarantee

Compliance with City of Allentown Property Rehabilitation and Maintenance Code does not indicate compliance with any other standard or Code. Permits are required for work done to comply with the Code. Appropriate fees apply. There is no guarantee made or liability of any kind assumed by the City of Allentown under this Article as a result of the inspection of any property or the issuance of a Buyer Notification Report.

1760.98 Severability

The provisions of this Code are severable and if any provision of this Code is held unconstitutional or illegal the remaining provision of this Code shall in no way be affected or impaired.

1760.99 Fees

- A. All fees must be paid prior to scheduling inspections or re-inspections, except upon application to the Bureau of Building Standards and Safety providing sufficient proof of economic hardship, in which case, such fees shall be paid at time of transfer or sale. Fees for inspections made pursuant to these requirements shall be:
 1. \$100.00 per property. This fee includes one (1) re-inspection.
 2. \$35.00 per each additional re-inspection.
- B. Fees for inspection shall be amended from time to time, no more frequently than annually, after a public hearing and with approval of City Council.

SECTION TWO: This Ordinance shall take effect on January 31, 2008 for all residential properties and units offered for sale on or after the effective date of this ordinance.

CITY OF ALLENTOWN

Buyer Notification Inspection Procedure

Program Effective January 31, 2008

In an effort to protect and improve the public health and safety of our residents and community, anyone who offers their property for sale or transfers title, whether voluntarily or involuntarily, must have their property inspected for compliance with the City of Allentown Property Rehabilitation and Maintenance Code and the Zoning Ordinance. If you are selling your property, please follow these simple steps to ensure you are complying with these requirements. We appreciate your cooperation as we strive to improve the quality of life in our great City.

1. **Request for Inspection:** Within 3 business days of offering their property for sale, a seller must contact the Bureau of Building Standards and Safety at 610-437-7688 or 610-437-7694 to request an inspection
2. **Fees:** Sellers are responsible to pay the applicable inspection fee of \$100 per property at the time they request the inspection. This fee includes a free re-inspection, with a \$35 charge for each additional re-inspection thereafter. Sellers may submit an application to the Bureau providing sufficient proof of economic hardship. If approved, the fees shall be paid for at time of transfer of title.
3. **Buyer Notification Report:** Upon completion of the inspection, the public officer will prepare a Buyer Notification Report outlining the code and/or zoning violations. The Buyer Notification Report is valid for 1 year from the date of inspection.
4. **Correcting Code Violations:**
 - a. If no violations are found upon inspection, a **Certificate of Occupancy** will be issued by the public officer to the seller indicating Code compliance.
 - b. If violations are found upon inspection, the seller has two options:
 - i. Correct the violations prior to the transfer of title. Notify the Bureau and the public officer will then re-inspect the property and issue a Certificate of Occupancy; or
 - ii. Provide a copy of the Buyer Notification Report to the buyer. The buyer is responsible for executing a notarized statement indicating they received the Buyer Notification Report, and that they agree to begin abating the violations within 30 days of purchase. A Temporary Certificate of Occupancy will be issued by the City to the buyer upon receipt of the notarized statement. If the property is a single-family, owner occupied, primary residence, the buyer has 6 months from the date of purchase to correct the violations. The public officer will then re-inspect the property and issue a Certificate of Occupancy indicating code compliance.
5. **Reporting Requirement:** The buyer must provide the Bureau of Building Standards and Safety their name, address, and date of purchase within 3 business days from the date of purchase.

*If you have any questions, please contact the Bureau of Building Standards and Safety at 610-437-7688 or 610-437-7694
You may also obtain further information at our website, www.allentownpa.gov*

SELLER'S REQUEST FOR INSPECTION
CITY OF ALLENTOWN
REQUEST FOR BUYER NOTIFICATION INSPECTION

EFFECTIVE 1/31/08

Complete this form and return with payment to the Bureau of Building Standards and Safety Office. Hours are 8:00 am to 4:30 pm. Application must be received no later than 3 business days from the date of offer to sell or listing.

DATE: _____

ADDRESS OF PROPERTY TO BE INSPECTED: _____

NUMBER OF UNITS: _____

(CHECK ONE) PRIMARY RESIDENCE RENTAL

NAME & MAILING ADDRESS OF SELLER (OWNER): _____

CONTACT PERSON – PHONE NUMBER: _____

REAL ESTATE AGENT & ADDRESS: (IF APPLICABLE): _____

REAL ESTATE AGENT'S PHONE NUMBER (IF APPLICABLE): _____

PURCHASER'S NAME & ADDRESS: (If known); _____

(OFFICE USE ONLY)	
AMOUNT PAID _____	RECEIPT# _____
PROPERTY ACCOUNT # _____	

COST OF INSPECTION IS \$100.00 PER PROPERTY. (THIS INCLUDES (1) REINSPECTION, ADDITIONAL REINSPECTIONS ARE \$35.00 EACH. PAYMENT AND COMPLETED REQUEST FORM MUST BE RECEIVED PRIOR TO INSPECTION – NO EXCEPTIONS. YOU WILL BE NOTIFIED BY PHONE TO ARRANGE FOR AN INSPECTION. PLEASE MAIL COMPLETED FORM WITH PAYMENT TO:

CITY OF ALLENTOWN
BUILDING STANDARDS & SAFETY
435 HAMILTON STREET – 3RD FLOOR
ALLENTOWN PA 18101-1699

Owner Occupied - 610.437.7688 Fax 610.437.8798
Rental Properties - 610.437.7694 Fax 610.437.7693



BUYER NOTIFICATION PROGRAM
RECEIPT OF BUYER NOTIFICATION INSPECTION REPORT
USE ONLY IF BUYER IS AGREEING TO DO THE CODE WORK

Date: _____

RETURN TO:

To Whom It May Concern:

City of Allentown
Building Standards & Safety
435 Hamilton Street – 3rd Floor
Allentown PA 18101
Phone: 610.437.7688 fax 610.437.8798
610.437.7694 fax 610.437.7693

RE: ACCEPTANCE FORM

Please sign to certify that you have received a copy of the City of Allentown Buyer Notification Inspection Report.

THIS FORM MUST BE NOTARIZED TO BE VALID.

I, _____
Buyer's Signature/ Print Name

Do hereby certify that I have received a copy of and agree to correct the violations cited by the City of Allentown Housing Inspector on the Buyer Notification Report.

At: _____
(Site Location Address)

That such buyer who shall use the premises as their single-family, owner occupied, primary residence shall begin to abate the violations set forth in the Buyer Notification Report within 30 days of taking possession and shall fully comply the premise within six months of taking possession; or All buyers not covered under 1760.05 (2) (b) shall abate the violations set forth in the Buyer Notification Report under the provisions of the City of Allentown Property Rehabilitation and Maintenance Code.

PRESENT OWNER: _____

ADDRESS: _____

PHONE NUMBER: _____

BUYER: _____

ADDRESS: _____

PHONE NUMBER: _____

Current Use: a). Rental b). Owner Occupied

Future Use: a). Rental b) Owner Occupied

Please Circle

Subscribed and sworn before me this

_____ day of _____, 20_____

(Signature of Notary Public)

My Commission Expires: _____

PROPERTY REHABILITATION & MAINTENANCE CODE

**TABLE OF CONTENTS
ARTICLE 1741
ADMINISTRATION AND ENFORCEMENT**

ARTICLE 1742 - DEFINITIONS

- 1742.01 Definition of Terms
- 1742.02 Terms Not Defined
- 1742.03 Applied Meanings of Words and Terms

1742.03 APPLIED MEANINGS OF WORDS AND TERMS

For the purposes of this Code, the following definitions shall apply:

39. Owner means the owner or owners of the freehold of the premises or lesser estate therein, a mortgagee or vendee in possession, assignee of rents, receiver, executor, trustee, lessee or other person, firm or corporation in control of a building or of premises or their duly authorized agents.

1747.01 MINIMUM STANDARDS REQUIRED

1747.02 EXTERIOR CONDITIONS

Every foundation, exterior wall, retaining wall and exterior roof shall be substantially weathertight, watertight and rodent-proof, shall be kept in sound condition and good repair and shall be safe to use and capable of supporting the load which normal use may cause to be placed thereon. (12199 §7.1 8/4/76; 13332 §13 5/18/95)

1747.03 INTERIOR CONDITIONS

A. Every floor, interior wall and ceiling shall be substantially rodent-proof, shall be kept in sound condition and good repair and shall be safe to use and capable of supporting the load which normal use may cause to be placed thereon. (12199 §7.2 8/4/76)

B. Every cellar floor, basement floor and crawl space shall be maintained in a smooth, dry, hazard-free condition so as to prevent conditions conducive to decay or deterioration of the structure. (12554 §1 5/4/83)

C. Every interior wall and ceiling in a dwelling shall be maintained so as to be free of holes or cracks and loose plaster or other materials the collapse of which might cause injury. (12554 §1 5/4/83)

D. The surface of every interior wall and ceiling shall be finished with paint, paneling, wallpaper or equivalent material so as to be reasonably smooth, clean, tight and easily cleaned. (12554 §1 5/4/83)

1747.04 WINDOWS AND DOORS

Every window, exterior door and basement or cellar door and hatchway shall be substantially weathertight, watertight and rodent-proof and shall be kept in sound working condition and good repair. All entrance doors into a dwelling unit or rooming unit shall be maintained in sound condition and good repair and equipped with locks. (12199 §7.3 8/4/76)

1747.05 STAIRS, PORCHES AND BALCONIES

Every inside and outside stair, porch and any appurtenance thereto shall be safe to use and capable of supporting the load that normal use may cause to be placed thereon, and shall be kept in sound condition and good repair. Structurally sound handrails shall be provided on any steps containing five (5) risers or more. Porches and/or balconies located more than three (3') feet higher than the adjacent area shall have structurally sound protective guardrails not less than thirty-six (36") inches high, and, if unenclosed, balusters or rails spaced no more than six (6") inches apart shall be provided regardless of the number of risers. (12630 §1 11/7/84; 12801 §1 10/21/87; 13332 §14 5/18/95)

Bureau of Building Standards and Safety
610.437.7695 Fax 610.437.7693

October 4, 2007

30 Day Residential Rental Revocation Notice

Re:

In accordance with Ordinance #12199, as amended, known as the Allentown Property Rehabilitation & Maintenance Code, the Residential Rental Unit Registration for the above mentioned property will be revoked in thirty (30) days for the following:

Tenant Listing Delinquent Water Registration Fee Local Agent

Section 1759.05(A) requires the registration of every residential rental unit in the City, and revocation shall apply as follows:

Section 1759.05(C) - Registration shall be revoked if the owner or operator of a Residential Rental Unit does not provide the name of a responsible agent (if applicable), does not pay the registration fee, is not current on water and sewer fees for the Residential Rental Unit, does not submit a complete and accurate occupant listing by Residential Rental Unit by April 15th of each year, does not correct code violations found in response to a complaint within the time frame cited by the Public Officer, and/or has not complied with the disorderly conduct provision of this ordinance.

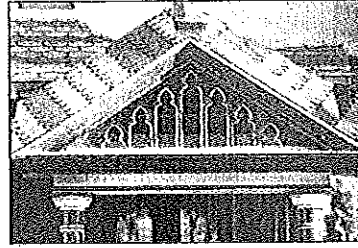
Section 1759.99(B) (1) - Stipulates a fine of not less than Five Hundred (\$500) Dollars per rental unit for each month the violation exists. Each month the violation exists constitutes a separate violation. A fine shall not be sought for any period during which the unit is vacant and the owner is taking appropriate action to correct the violation.

Section 1759.99 (A) (4) - The fee to reinstate a revoked Residential Rental Registration or Residential Rental License shall be One Hundred (\$100) Dollars per Residential Rental Unit.

If you disagree with this action you may appeal for a review to the Housing Board of Appeals within thirty (30) days of service of this violation notice.

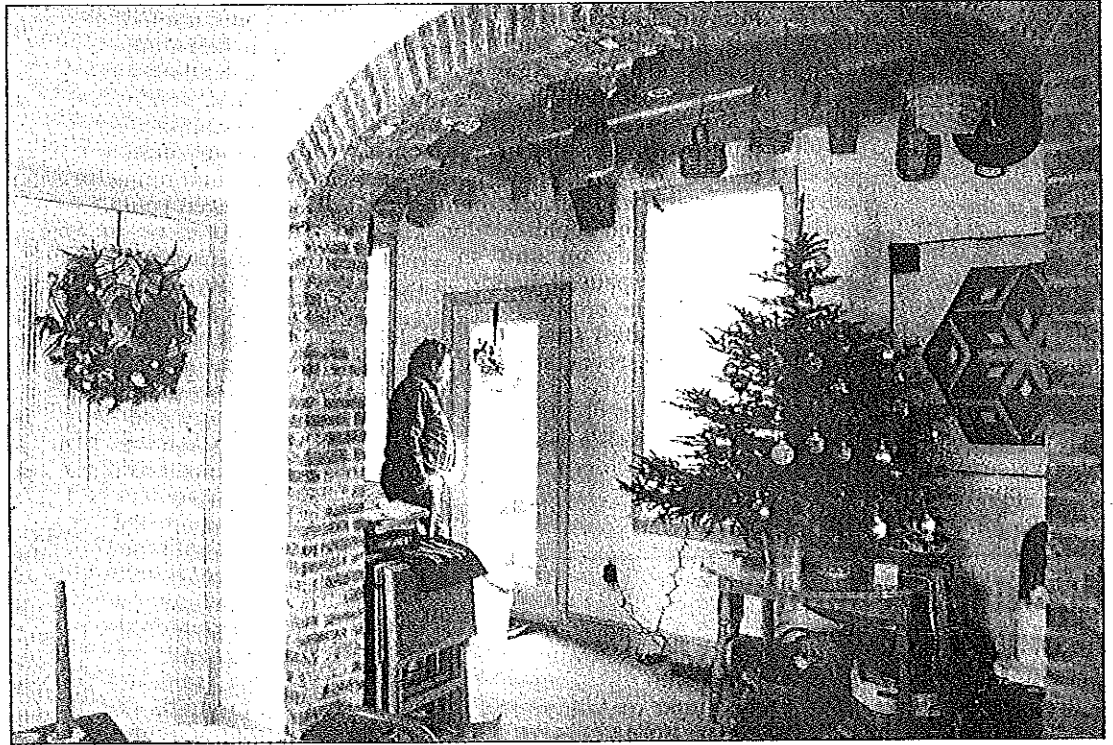
Sincerely,

CD:ck
Certified Mail
Return Receipt



These houses with historic details are on North Hanover Street in the incentive district.

BONNIE WELLER
Inquirer Staff



JONATHAN WILSON / Inquirer Staff Photographer

A \$20,000 interest-free loan through Pottstown Borough — one that can be forgiven if he lives there seven years — helped Paul Desch buy and remodel his house on Walnut Street.

Money on the house

By Nancy Petersen
INQUIRER STAFF WRITER

When Paul Desch and his wife, Beth, bought an old, boarded-up brick house in Pottstown's historic district two years ago, they got not just a home, but a deal.

The town lent him \$5,000 merely for buying the house and \$15,000 more for converting it back into a single-family home by ripping out an apartment. Best of all, the interest-free loans will become grants if the Desch family lives in the house for seven years.

"It was something I wanted to do, but I

Pottstown's no-interest loans encourage buyers to come — and stay.

couldn't have without that money," Desch said. "It was fantastic."

For those in the market for a home, Pottstown has an unusual offer aimed at attract-

ing middle-class residents and ending a long bout of economic malaise. A New Jersey town has a similar program, and the idea could be attractive to other struggling communities with sound housing stock.

Buyers of houses in a district that covers about a third of Pottstown immediately qualify for \$5,000. If the house is a single-family home

See **POTTSTOWN** on B11

Incentives help Pottstown replace renters with buyers

POTTSTOWN from B1 that has been carved up into apartments, the borough will lend up to \$15,000 to remove one apartment, an additional \$10,000 to remove the second, and \$5,000 for any additional unit.

"We are trying to entice people to come to Pottstown to buy residences and live in them," economic-development director Terri Lampe said. "There is no criteria for income eligibility or anything like that."

So far, 72 home buyers have participated, but only five undertook apartment conversions, a number officials hope will rise as word spreads about the offer — and the availability of \$400,000 for loans this year. Seventeen other applications are pending.

"As far as I can tell, we are the only ones in the state" with such a program, code-enforcement officer Bill Sharon said. In New Jersey, Collingswood has had a similar, and successful, program since 1999.

Pottstown has plenty to offer: a professional symphony, a growing arts community, the Schuylkill hiking and biking trail, a branch of Montgomery County Community College, and good restaurants, among other attractions. It is also home to the Hill School, one of the region's finest preparatory schools.

And there's a wealth of older homes, dating from the late 1700s, with features such as tiled vestibules, hardwood floors, stained-glass windows, and rich architectural details.

"The prices are still affordable," Sharon said. In 2006, the median sales price for a home was \$130,750, substantially below Montgomery County's median of \$275,000.

About 44 percent of the borough's 9,996 housing units were rentals in 2000, according to the census, compared with about 26 percent county-wide. The current borough



BOHNE WELER / Inquirer Staff Photographer

"We are trying to entice people," said Pottstown's director of economic development, Terri Lampe. "There is no criteria for income eligibility." She surveys rehabbed houses on a historic block of North Hanover Street.

rental figure is closer to 50 percent, Lampe said.

The public school system of 2,800 students serves only the borough. All the public schools are meeting No Child Left Behind performance goals.

Like many older towns in Pennsylvania, Pottstown has a storied manufacturing history with good-paying union jobs that allowed blue-collar workers to own homes in their community.

Firestone and Bethlehem Steel had a presence, but those jobs left years ago. And when homeowners and speculators started carving up houses into apartments in the 1970s, there was no municipal oversight over design or construction, said Jack Wolf, whose term as Borough Council president expired last month.

"We ended up with all sorts of wacky things happening," he said. "And it changed the town."

The owners became absentee landlords and the tenants transients, he said.

"We had a lot of disadvantaged people attracted by less-than-savory landlords, and it became problematic," Wolf said. "We figured if we have people invest in their own

home and we help them, we will have stable neighborhoods."

Launched in 2003, the loans are financed by Montgomery County's Revitalization Fund.

Anthony Flint at the Lincoln Institute of Land Policy, a think tank in Cambridge, Mass., said that despite concerns about transients and absentee landlords, eradicating apartments was not necessarily a good thing.

"Sustainability and affordability goals require a range and variety of housing," he said. "This sounds like it might result in stability, perhaps at the cost of diversity."

Montgomery County planner Brian O'Leary said that in an economically distressed town like Pottstown, you want to encourage home ownership.

"We are advocates for rental housing, but you can have too much of it," he said. "This is a technique for upgrading old housing stock, making it competitive in the market, and attracting new homeowners."

In Collingswood, next door to Camden, the program "took off," said John Kane, director of community development. "About 150 homes have

been converted back to single-family homes, and the most blighted properties have all gone. Basically, property values have tripled."

Desch said he and his family had lived on Walnut Street in a four-apartment building that he bought about 20 years ago before he purchased his current home.

He enclosed two porches and broke through brick walls to open up the floor plan.

"We have totally remodeled the place," said Desch, who did much of the work himself. "It is very livable and very usable."

Kane, a Pottstown resident for 12 years, said his house had been owned by an absentee landlord who hadn't kept up with maintenance.

When his kitchen floor collapsed, he had to jack up the second floor to install a new wall. The grant money helped pay for that plus a new roof, he said.

Both men said the paperwork was daunting. The borough and county review applications, and no check is issued until the work is done. Homeowners must apply for the loans within a year of buying the house, and they have to submit three bids before the borough approves the work.

Of the homeowners who have applied for the programs, only two have sold their homes within seven years. The loan balance is collected at settlement and returned to the fund, Lampe said.

Kane and Desch said they talked up Pottstown's programs every chance they got.

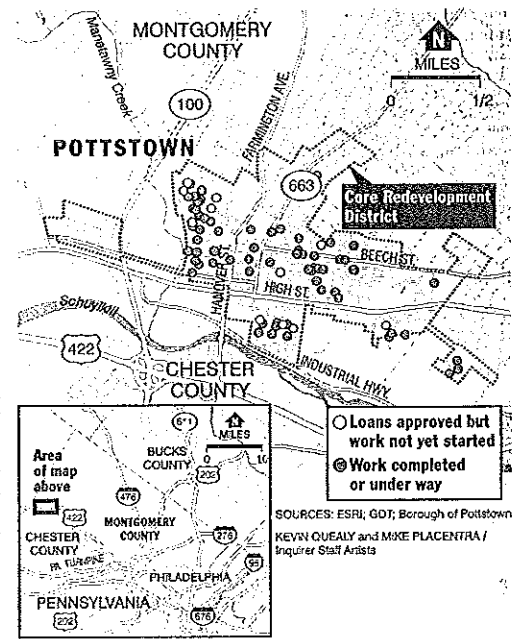
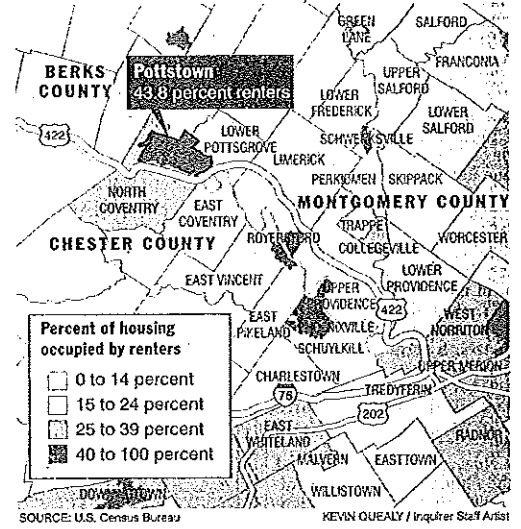
"I tell them to go for it," said Desch, 49. "I can't say enough about it. It helps everyone — the neighbors, the homeowners, the Police Department, everyone."

Contact staff writer Nancy Petersen at 610-701-7602 or npetersen@phillynews.com.

Feel Free to Stay, Folks

Borough officials in Pottstown are offering new homeowners forgivable loans starting at \$5,000 if the residents stay at least seven years. Out of 62 municipalities in Montgomery County, Pottstown ranks sixth for its rate of renters.

Montgomery County municipalities	
Percentage of renter-occupied housing	
1. Hatfield Borough	53.2%
2. Norristown	51.9
3. Schwenksville	50.8
4. Bridgeport	50.1
5. Royersford	47.6
6. Pottstown	43.8
County average	26.5



Investor-Owner

1. Will receive financing up to 100% of an appraisal based on when the work is finished.
2. Will receive financing at prime rate of bank.
3. Will have mortgages placed against the property to cover the loan amount and the interest expense of the first year.
4. Will be required to pay off all mortgages whenever the house is sold or refinanced.

Investor-Reseller

1. Will receive financing up to 100% of an appraisal based on when the work is finished.
2. Will receive financing at prime rate of bank.
3. Will have mortgages placed against the property to cover the loan amount and the interest expense of the first year.
4. Will be required to pay off all mortgages whenever the house is sold or refinanced.
5. Will be urged to use a professional realtor who will actively market the property.

COLLINGSWOOD MULTI-FAMILY HOUSING CONVERSION PROGRAM



M. James Maley, Jr.
Mayor

Joan C. Leonard
Commissioner

Michael A. Hall.
Commissioner

Bradford C. Stokes
Administrator

John J. Kane, Jr.
Community Development

Borough of Collingswood
678 Haddon Avenue

Collingswood, NJ 08108

Phone: (856) 854-0720 Ext. 126

www.collingswood.com

Introduction

The Borough of Collingswood desires to make home ownership more attractive and to lessen the pressure of overdevelopment on parking and services. The plan chosen to accomplish this task is the Multi-Family Conversion Program.

This program will provide incentives to all categories of persons who may wish to participate. They are:

1. Owner-occupants
2. Investor-owners
3. Investor-resellers

The financial management of the program will be through First Colonial National Bank. The administrative management will be through the Borough Community Development Office.

All interested in the program are encouraged to call the Community Development Office at (856) 854-0720, extension 126.

Eligibility Criteria

1. Structure originally built as single family home.
2. Structure located in an officially designated redevelopment area.
3. Structure is now zoned For multifamily use
4. Applicant will apply for permanent return of structure to single family use.
5. Applicant meets creditworthiness standards of bank.
6. Applicant will accept mortgage lien which will allow financing up to 100% of home value.
7. Applicant will follow procedures established by the Borough of Collingswood.

Owner-Occupant

1. Will be required to make no payments during the first year in which the loan is in effect as long as the applicant is the owner and occupies the premises.
2. Will receive financing up to 100% of an appraisal based on when the work is finished.
3. Will receive financing rate ~~2 1/2%~~ prime rate of bank.
4. Will have mortgages placed against the property to cover the loan amount and the interest expense of the first year.
5. Will be required to pay off all mortgages whenever the house is sold or refinanced.

ACKNOWLEDGMENTS

The Fels Institute of Government's assistance to the City of Allentown in developing a rental housing asset management strategy was made possible through planning grants from the City of Allentown, the Century Fund, and the County of Lehigh.

Fels Research & Consulting
Fels Institute of Government
University of Pennsylvania

3814 Walnut Street
Philadelphia, PA 19104
(215) 898-2600

www.fels.upenn.edu