



Minutes - Final

Community and Economic Development Committee

Wednesday, April 27, 2016

6:00 PM

Council Chambers

Roll Call

Present: 3 - David McGuire, Cynthia Mota and Julio Guridy

Discussion: Review of Rental Inspection Program

Mr. Carmen Dragotta stated that there are three types of inspections that housing is responsible for. We do rental inspections, complaints inspections and pre-sale inspections. He went over the rental inspection map stating that you can see the density. There are 7,427 single family rentals. The number underneath is 3,063 multi-unit buildings. There are roughly 10,000 - 11,000 rental units.

Ms. Shannon Calluori stated that represents 27,000 rental units.

Mr. Roger MacLean asked how many properties houses in the city.

Ms. Shannon Calluori stated that they can get that number for Mr. MacLean. She does not have it today.

Mr. Carmen Dragotta stated that the ratio is 61 percent rental properties that are owner occupied. He explained the inspections and the common code, daily inspections, owner-occupied, and no-show inspections. He provided the inspection data from last year.

Mr. David McGuire stated that the initial inspections were 7,000. Are they homes for sale?

Mr. Carmen Dragotta stated that it consist of rental, owner occupied and on left hand side is the initial inspection.

Mr. David McGuire asked can you tell me of all the 7,000 which was a rental unit inspection and what was houses being sold or bought. Why every rental unit is not inspected once every five years since that is your schedule.

Mr. Carmen Dragotta stated 2,378 were rentals, 1012 were rentals for sale, and 797 were owner occupied. Rental inspections are 2,378, plus

the 1,012 will be rentals. He stated that in the Code Book it refers to the properties that are being inspected once every five years. He went over the registration form and the bill for the license. Every rental property registers and a bill is generated every year for \$75 per unit. The inspection process and the protocol on how the inspectors get their assignments broken-down from eastside, west side, south side and wards. Each wards has a Clerk and one person is for complaints/emergency complaints. He showed the letter that is sent out to each landlord and that letter tells the landlord what the inspector is looking for from address, date and time, the meter is certified and the smoke detector is working and carbon monoxide detector is there. If it is not there, we issue a citation. We inspect the property.

Ms. Shannon Calluori stated that you are looking for the data to be broken out that a single family rental versus multi-unit rentals. We can pull those numbers out for you. She stated that they want to share with Council some of the common code violations and some of the things we are looking for when we go the properties. Currently, in the city we use systematic inspections on rental properties. We do complaints inspections. She stated that we have not set a policy that we will inspect every property once every five years, once every six years, we don't have a policy.

Mr. Carmen Dragotta stated that it is on the website and what our inspectors look for. This is owner-occupied and sellers.

Mr. David McGuire stated that there is concern about the expanding number of degraded properties/degraded rental properties and houses. He is trying to get a handle on the quality of houses in Allentown. if we had 20 inspectors assuming we had a budget for that, would you be able to use those people to do.

Mr. Carmen Dragotta stated that it would definitely help. He stated that the inspections are a two-fold problem. There are a lot of illegal units out there. A lot of people don't register their properties. He stated that when the bubble broke in 2008, a lot of people lost the properties. People re-invested and bought them. A large migration went West with a large migration of rental properties. The west never had rental properties. In the last two - three years, we have grown 4,000 - 5,000 rental properties.

Ms. Shannon Calluori stated that the city does have a fine and we work with other city departments. People report from the outside. We are fining illegal units. The other challenge is the older housing stock and tenant turnover in the city. We try to target our inspections where we get a majority of our complaints. We always has the Complaint System as a backup.

Mr. David McGuire asked what does your division, your department or your interaction with others action might can the City Council suggest to the administration about how to make things somewhat better to improve the quality of rental units.

Ms. Shannon Calluori stated that more inspectors we would have more eyes on the streets. We have to understand the challenge. We don't have the data on how bad it really is. We know it is some really bad properties. She doesn't know if the department had twice as many inspectors on the ground that would improve all the properties. We would have a rehab program in place.

Mr. David McGuire thanked Ms. Calluori and Mr. Dragotta and asked anyone else has any questions to ask.

Mr. Julio Guridy stated that people feel that it is misleading to call the \$75 that they pay a rental inspection license, when they are not getting an inspection. He suggested maybe changing the title.

Ms. Shannon Calluori stated that the fee is to support the whole program and have inspectors in place to do the initial inspections and follow up inspections. The registration fee supports the entire program.

Mr. Ray O'Connell asked about Trexler Park Apartments and how many units are at Trexler Park Apartments. He stated that they are paying \$75 times 125 units every year.

Mr. Carmen Dragotta stated 125. They just started in 2012.

Ms. Shannon Calluori stated that we are proactively doing a systematic inspection five days a week. We are out there all the time and we have the reactive complainants inspection in place.

Mr. Carmen Dragotta stated that if the Code changes, it depends on what the upgrade is.

Mr. Ray O'Connell stated that you have 12 inspectors since 2007 and this is 2016. You don't have enough people. You are totally under-staffed.

Ms. Candida Affa stated that you have 11 inspectors and you have three types of inspectors. There is a rental, complaint and pre-sale. She asked about federal housing inspections.

Mr. Carmen Dragotta stated that Lonnie handles the complaints, and he knows sewer back-ups. He stated that the city goes into. They do an

assessment inspection. They don't do the same inspection.

Mr. Julio Guridy stated that is a good point. We do our own inspection internally that is a HUD mandated inspection that has to be done. In addition to that, the city does an inspection. The Allentown Housing Authority spends about \$75,000 per year just on inspections.

Mr. Daryl Hendricks asked how do you determine which homes get inspected. Is it random?

Mr. Carmen Dragotta stated that you have Ward 8 in your packet and George does it now. They will pick an area and there are rental properties and it generates a list of when they are coming out.

Ms. Shannon Calluori stated that they have to do it systematically. By law, we can't do it randomly. She stated that they divide and concur around the city and we assign a certain number of inspectors and they literally go block by block. We study best practices around the country and look for ways to improve our system.

Mr. Julio Guridy stated that Bethlehem does it like that.

Ms. Cynthia Mota asked if they ever worked with Real Estate Agents because there are people that don't know they have to pay a certain amount of money when they rent their property.

Mr. Carmen Dragotta stated when they buy a house, the realtor knows it. When they do the closing, we mail the notification form and everything is in a packet. On the website, there is a Guide for Landlords.

Ms. Shannon Calluori stated that another thing she would like to highlight is that we are working to bring a Landlord Training in June. We are going to focus on making sure they have contracts in place, how to screen their tenants, property maintenance and keeping up with their properties and basic safety and security.

Mr. David McGuire asked anything more from Council and asked any questions from the public.

Mr. Kenneth Heffentrager, 733 N. 11th Street, stated that he is a little confused. Last fall, we requested a map of the parcels in the City of Allentown that had rental units and we were told it was 8,824. The number of rental units came to 37,509. We were in 2012, the city conducted 4,056 initial inspections. They are overwhelmed and you have to find inspectors. Five years is too long.

Ms. Shannon Calluori asked Mr. Heffentrager to send the map to her.

Mr. Ken Laudenslager, 721 W. Cumberland Street, stated that was a member of the committees from the Crime Watch organizations that pushed this ordinance through in 1999. Tom Burke was the primary author. At that time, it was to make this program revenue neutral. We need more inspectors.

Mr. Julio Guridy stated that when it first started it was only \$15 and went up to \$25 and now it is \$75. Every time a property is sold, it gets re-inspected.

Ms. Shannon Calluori stated that we do that now.

Ms. Cynthia Mota stated that it is going to go up.

Ms. Shannon Calluori stated that is the late charge. If you don't pay by a certain time, you get an additional \$25 late charge.

Ms. Betsey Levin, 1852 Chew Street, stated that she was part of the broad-based coalition. We are all concerned. She knew from Recycling that there are 36,000 units in the city. She asked Mr. Dragotta that last year, you did 2,378 rental inspections last year. She asked when the fee was increased and now we have two lawsuits outstanding.

Mr. David McGuire stated 2,378.

Mr. Carmen Dragotta stated that is total inspections and pre-sales.

Ms. Shannon Calluori stated that they have another number which is the actions taken which is almost 20,000 on what they count that is actions taken.

Mr. Ray O'Connell stated that has been settled.

Mr. Tom Hahn, 2016 E. Highland Street, asked the amount of money that is generated. What is the revenue for the department?

Ms. Shannon Calluori stated that she doesn't have that number. We can get that money for you.

Mr. David McGuire stated that in fairness, this is not a complete meeting. It is just an overview. This is an initial effort by this Council to take a look at and get a hold of quality of housing in the city.

Mr. Tom Hahn stated before we consider other people without the financial background that goes with the money they take in should be public information.

Mr. David McGuire thanked Mr. Hahn.

Ms. Diane Fegley, 1002 S. Bradford Street, stated that she works part-time as a realtor, but her office in particular does rentals. There is a desperate need for a change. The county stated that on Section 8 properties, they fail 90 percent of the properties that the city approves.

Ms. Candida Affa stated that she agrees with Mr. Hendricks and one of the biggest problem is bank owned properties. The ones that are decayed in the city.

Ms. Shannon Calluori stated that we inspect them. Are you talking about foreclosed properties? If they are vacant, we are not inspecting them.

Mr. Carmen Dragotta stated that usually they are registered under the Vacant Registry.

Ms. Shannon Calluori stated that we have an ordinance that requires banks even when they initiate a foreclosure process to register with the city.

Ms. Diane Fegley stated that when the banks get them they sell them as is.

Mr. Carmen Dragotta stated that the bank will sell that mortgage three to four times.

Ms. Shannon Calluori stated that one of the possible solutions is Wells Fargo reached out to the Redevelopment Authority this year and donated five properties and four of which are actively being renovating and two were just sold and two will go on the market in the near future. There is a national nonprofit connecting the Redevelopment Authority with banks.

Ms. Diane Fegley stated that the burden should be shifted to the bank.

Mr. David McGuire asked any other questions. He thanked Ms. Calluori and Mr. Dragotta for the presentation.

15-799 Rental Inspection Review Materials

Attachments: [Rental and Pre-Sales Inspection Code](#)
[2016 Budget - Building Standards and Safety](#)

Adjourned: 7:01 PM