
Blighted Property Review Committee

Thursday, June 16, 2016

Non-Hearing Meeting Report

BPRC Members Attending: L. Olsen, Chair; M. Wolfe, W. Bealer, B. Twyman, H. Urena, N. Eyrich, W. Cinfici

Others attending: L. Kelleher, K. Potts, L. Burns-Glover

Mr. Olsen, Chair, called the meeting to order at 6:05 p.m. and announced that a quorum was present.

Mr. Bealer stated that as of next month Mr. Cinfici will replace him as the Planning Commission's representative to the BPRC as he was just elected Planning Commission Chair. Introductions were made.

Public Comment

Mr. Olsen opened the floor for public comment. As no one stepped forward to speak, the comment period was closed.

Approval of Agenda and Minutes

Mr. Olsen called the BPRC's attention to the May Certification minutes that were distributed electronically and the agenda for this meeting.

Ms. Wolfe moved, seconded by Mr. Urena, to approve the agenda and the minutes as distributed. The motion was approved unanimously.

After Certification

Mr. Olsen explained that the BPRC process to certify properties is an efficient model that has been copied by many other municipalities. He stated that before the Spencer administration slowed the certification schedule the BPRC was holding 3-4 rounds per year and certifying approximately 25 properties per round. However, that administration never followed through to define the next steps to affect the ownership of the certified properties.

Mr. Olsen asked Ms. Kelleher to explain the internal work to define the available acquisition processes, apart from eminent domain.

Ms. Kelleher explained that during the McMahon administration an internal group and Mr. Olsen met with organizations that had the immediate capacity to rehabilitate residential properties. The group was called the Housing Partners and the group would review the list of certified properties. The first properties that were taken through the eminent domain process were five (5) for Habitat for Humanity on North 4th Street and one (1) on Fairview Street for NHS. The Reading Redevelopment Authority (RRA) covered the cost of the eminent domain process. The process took approximately two (2) years and was costly. After that experience internal staff met to define other acquisition processes, a summary of which is attached to the agenda. Title was finally obtained for five (5) of the six (6) properties at the beginning of the Spencer administration.

Ms. Kelleher gave a brief explanation of each acquisition type. She noted that the group also prepared an advertisement to market the certified properties, which is also attached to the agenda. Under this concept the properties would be advertised on the City's website and possibly through the realtors association to attract individuals, developers and organizations (private or non-profit) to apply to take title to a property. The committee to review the applications would make decisions based on the applicant's ability to rehab or demolish the property after title to the property was acquired. The applicant would pay a fee that would be used to offset some of the costs. The committee would then review the conditions at the property regarding the types of delinquencies, liens, code violations to determine the fastest and cheapest acquisition strategy. She noted that the advertisement is not etched in stone and can be modified to suit the City's desires.

Unfortunately the Spencer administration stopped the Housing Partner meetings and the work of internal staff and nothing was developed to replace those groups. However, the group did compile seven (7) different acquisition strategies for certified properties. Each strategy has all the documentation that is required to move the acquisition from start to finish. She noted that with help from John Kromer, Ms. Butler was put in contact with an attorney in Schuylkill County who successfully used the

conservatorship process. He helped Ms. Butler prepare the required documentation and understand the steps. He also offered to assist with the first few properties the City processes through the Court of Common Pleas. She explained the process starts with a petitioner and a developer and if the property owner fails to respond to the court notices he could lose title after the property rehabilitation has been completed.

Ms. Kelleher explained that the City has only tried conservatorship one time for a property on North 14th Street that was heavily fire damaged and vacant for two (2) plus years. After the first notice, the property owner made repairs and placed the property up for sale. The property quickly sold as an owner occupied property.

Mr. Olsen stated that at one time Mr. Kromer suggested that the City take a \$10M bond out to assist with the rehabilitation of certified properties; however, that never occurred. He noted that the City and RRA are hesitant to take title without having an individual or organization to immediately pass the title to, as both the City and RRA want to avoid having financial responsibility for the property.

Mr. Eyrich noted that the rehabilitation of blighted properties is critical as it benefits the City's tax base and creates jobs. Mr. Twyman agreed and noted the importance of working with the current administration to restart this initiative.

Ms. Wolfe agreed with the need to have the acquisition process in place. She described her church's longstanding desire and work to attempt to take title to a property in the church's neighborhood. She stated that it has been a few years and the church is still struggling to work with various City offices.

The group discussed the need to select a rehabilitation area.

Ms. Potts described her recent meeting with Mr. Steckman about selecting an area of focus where various City resources would be used to lift the area. She reported that Mr. Steckman agreed to allow afterhours work to update the Google map on the City's website showing the vacant properties and the certified properties. At the meeting Mr. Steckman also described his interest in starting land banking in Reading. Several

members of the group questioned starting the land banking initiative as Mayor Scott has told many that he is not supportive of this initiative.

Mr. Twyman suggested that the mayor may believe that the goal of land banking in Reading would be used to benefit only certain parties. He offered to discuss this issue with the mayor.

Ms. Kelleher stated that if the land bank ordinance is enacted Council and the mayor would define the powers of the land bank board and that the board would make the absolute decision to approve or reject the transfer of a property to a third party.

Mr. Twyman noted the need to make the administration aware of the need to undertake activities that will improve neighborhoods and restore housing that will be attractive to the middle class.

Mr. Olsen stated that he and Ms. Kelleher went to a half day conference on façade and Main Street programs in Allentown. He described how Allentown's 7th Avenue was rehabilitated by the Main Street group.

Mr. Olen asked Ms. Kelleher what recommendation she would make. Ms. Kelleher replied that she recommends introducing the advertisement proposal to the mayor to show him that the process is designed not for special parties but for anyone with interest in rehabilitating or demolishing blighted properties.

Mr. Twyman suggested that the group consider the information discussed this evening and come to a consensus at a future non-hearing meeting. Ms. Kelleher stated that the next round of hearings begins in August so the group could have non-hearing meetings in July and September.

Mr. Olsen suggested meeting in September to finalize the recommendation to the administration.

Other Matters

Ms. Kelleher reported that Senator Argall continues to work with his blighted property task force to develop new initiatives that will address blighted properties. He is currently working on creating regulations for the foreclosure process and define a process that will provide increased demolition funding for municipalities.

Ms. Kelleher explained that under the foreclosure process a bank can currently start the process and wait several years to conclude the process and take title. Until title transfers to the bank the property remains in the name of the property owner who is delinquent in payments to the bank. She noted that there are homes in Reading that went into foreclosure in 2008 and title did not transfer until 2015-6.

Ms. Potts described the work and presentations she is having for the Reading Berks Association of Realtors (RBAR).

Mr. Olsen thanked the Mr. Bealer for his long faithful service to the BPRC.

The next determination hearing will be held on Thursday, August 18th at 6 pm.

Mr. Urena moved, seconded by Ms. Wolfe, to adjourn the meeting at approximately 6:55 pm.

Respectfully submitted by Linda A. Kelleher, Secretary