

CITY COUNCIL

Housing, Economic Development and Strategies Committee

**Monday, August 6, 2012
5:00 pm
City Council Office**

The Housing, Economic Development and Strategies Committee's responsibilities includes Housing Planning strategies, Building Code/Inspection, Economic Development, Citywide Economic Development Programs, Small Businesses, Business Improvement Districts and Enterprise Zones.

Committee Members: Randy Corcoran (Chair), Marcia Goodman Hinnershitz (Vice-Chair) and Jeffrey Waltman

Although Council committee meetings are open to the public, public comment is not permitted at Council Committee meetings. However, citizens are encouraged to attend and observe the meetings. Comment from citizens or professionals during the meeting may be solicited on agenda topics via invitation by the Committee Chair.

All electronic recording devices must be at the entry door in all meeting rooms and offices, as per Bill No. 27-2012

- I. Property Maintenance - R. Natale**
 - 1. Review PM Monthly Report and QoL Monthly Report**
 - 2. Update on Rental Permit Process**
 - 3. Update Certificate of Transfer - start date July 1**
 - 4. Rental Housing Fee Review**
 - 5. Outcomes of MDJ Rulings on Codes Cases**
Guilty, Not Guilty, Dismissed
 - 6. Update on implementation of QoL Recommendations**

II. Update on Zoning Backlog and Start of Hearings

Number of letters mailed to properties that will be heard by the hearing master & City Council

III. CD - L. Agudo

1. Update on Microloan Program Loans (delinquent & current)

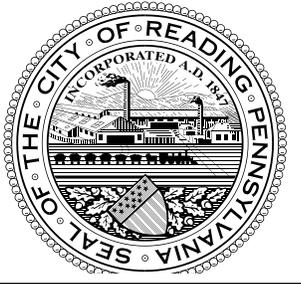
- Micro Loan Enterprise Loan, which has funding that was not authorized by Council – corrective legislation required

2. Update on Implementation of Housing Strategy

3. Update on Status of Economic Development Strategy

Follow Up Items

- February 2012 – Plumbing Code Amendment
- Report on disposition of Codes Cases at MDJ Hearings - ongoing
- Request receipt of monthly Codes Report - ongoing
- Review RFPs for Delinquent BPL and other fee/tax collection
- Update on Certificate of Transfer ordinance amendment and pilot program
- Resolution to fund Micro Loan Enterprise Program
- Response to questions posed by REIA – Meeting scheduled for 6-5-12 w. R. Corcoran
- Economic Development Strategy update



CITY COUNCIL

Housing, Economic Development & Strategies Committee

Meeting Report Monday, July 2, 2012

Committee Members Attending: R. Corcoran, Chair, J. Waltman, M. Goodman-Hinnershitz

Others Attending: L. Kelleher, R. Natale, C. Younger

Mr. Corcoran, Chair, called the meeting to order at approximately 5:408 pm.

Rain Barrel Regulations

David Beane, Chair of the Environmental Advisory Council (EAC) stated that the EAC began looking at rain barrel regulations in summer 2011, which resulted in the ordinance attached to the agenda for this meeting. He explained that water conservation drove the exploration into rain barrel usage. He noted that rain barrel usage also benefits the City's storm water system, as per the MS4 regulations. He stated that the issue was fully vetted by the EAC before and after the ordinance was created. He also suggested creating a separate chapter in the Codified Ordinance book relating to Sustainability.

Mr. Beane highlighted the ordinance. He stated that the user may not use the water for indoor or potable purposes and that the user may purchase the rain barrel system sold at home improvement stores or they can self-fabricate a system.

Mr. Lloyd arrived at this time.

Mr. Bean stated that the maximum size and height regulations in the ordinance relate to

tip prevention. He explained that the ordinance regulates rain barrels and not cisterns. He noted that rain barrels can only be located at the ground level of each property and that the barrels cannot be located on the upper floors. He also noted that a storm water diverter and mosquito screening is also required.

Mr. Bean stated that the ordinance was vetted with Property Maintenance and the Chief Building Official. He stated that a permit fee is not included and the EAC recommended a gradual and reasonable penalty process that starts with a warning.

Ms. Goodman-Hinnershitz inquired if the program is voluntary or mandatory. Mr. Beane stated that the program is voluntary only. He also noted that the EAC is working with the Berks County Conservancy to arrange rain barrel educational programs.

Mr. Corcoran expressed the belief that the ordinance is well thought out and noted his agreement with the program.

Ms. Kelleher stated that she is currently working with an external publisher to re-codify the City's Ordinance Book and that she requested a Sustainability Chapter that would include an index showing other areas where sustainable regulations are located within the existing ordinances and for new ordinances such as this.

Property Maintenance

- **Quality of Life Report**

Mr. Natale reviewed the monthly Quality of Life report with the Committee showing the following monthly district totals:

- District 1 707
- District 2 2,323
- District 3 1,888
- District 4 1,649
- District 5 1,626
- District 6 1,558

Mr. Natale stated that of the 207 appeals heard, 72 were granted (34%).

Mr. Natale distributed a Property Maintenance Summary sheet. He stated that 143 suspected illegal rentals were visited and six (6) were placarded for failure to comply. He explained that failure to register the rental property can result in placarding and ultimately eviction of the tenants. He stated that of the properties inspected 12 went to citation, 35 complied and four were provided with extensions.

Mr. Waltman expressed his belief in cracking down on illegal rentals. Mr. Natale agreed, noting that with assistance from the Council Office, Codes was able to identify over 8,000 illegal rental properties over the past few years. He noted that the number of illegal rentals is decreasing. Ms. Kelleher expressed the belief that the largest remaining illegal rental properties are probably single family rentals that have been in the possession of the current owner for a very long period of time. Mr. Natale noted that the post-settlement inspection, included in the Certificate of Transfer program will also help to identify new illegal rentals.

Mr. Waltman requested a report showing the number of illegal rentals uncovered over the last four years and if they are currently registered as a legal rental property.

Mr. Marmarou, Ms. Reed and Mr. Sterner arrived at this time.

Mr. Natale described his plan to educate landlords through REIA and RBAR. He noted the improved management of Property Maintenance through the use of technology and reporting.

There was a discussion on the new rental inspection billing against the former which in effect escrowed the billing fee over a 3-5 year basis. Mr. Corcoran noted the need for the City to correct this system as many good landlords are now finding this new billing system to be too costly and plan to sell their properties and invest in other places.

- **Certificate of Transfer**

Mr. Natale stated that the program was effective July 1st. He explained that the process begins with the seller obtaining zoning information about the property listed for sale. He explained that he will be meeting with individual user groups such as RBAR, REIA, settlement companies, etc.

- **Property Maintenance Monthly Report & MDJ Rulings**

Mr. Natale will provide this information separately.

- **Zoning Backlog**

Ms. Kelleher reported that the Business Analyst and Zoning Administrator have drafted letters rejecting the zoning applications that are in the backlog. The initial letters going out are focused on properties that can be approved or rejected by the Zoning Administrator. Letters to the properties to be addressed by the Hearing Master will go out next. Letters were also sent to properties that will go to Council Conditional Use hearings. She explained that a property owner will have the option to either appeal the

denial to the Zoning Hearing Board or to apply to the Hearing master or Council for a zoning permit.

The group discussed the BPRC process and its ability to make property owners correct property deficiencies.

CD

- **Micro Loan – Enterprise Program**

Mr. Agudo explained that this loan provided collateral from the City's CDBG allocation; however, if the loan is delinquent the City is responsible for the balance of the loan. He noted that the Abe Lincoln defaulted on their loan and the City will finish making payments in 2013. He noted that the remaining seven loans are current.

- **Micro Loan Family Business Program**

Mr. Agudo explained that this program has been in place since 2007. The program provides \$51M through a public private partnership to family owned businesses (new or existing). He explained that because the program is not well marketed by the City, there are currently only two existing loans, one of which is delinquent. He expressed the belief that Fulton should be asked to market this program. He explained that the bank managers and underwriters secure the loan which eliminates the City's risk. He noted the need for Council to authorize each loan before it is finalized.

Mr. Agudo stated that Herbein and Co identified that funding for this loan was not authorized by City Council. He stated that he will be preparing a resolution to correct the situation. He stated that \$27,778 of the \$301,199 has been repaid.

Ms. Reed inquired how different types of businesses such as restaurants are evaluated and graded. She noted that restaurants have a high failure rate, although the failure is not always the fault of the owner. Mr. Agudo replied that Fulton is responsible for vetting all applications.

Mr. Acosta explained the application process for these loans. He added that the Family Business Program loans must also be approved by the Small Business Administration (SBA).

- **Commercial Loans**

Mr. Agudo stated that several loans in this category which were issued by the City up to 20 years ago are delinquent. He stated that the contract with Bingaman Hess was revised to allow review of these loans for collection purposes. He noted that a Philadelphia law firm is also reviewing some of the loan documents. He explained that

many of these loans deferred payments over a 20 year period; however, those who took loans have not begun to make payments.

Mr. Acosta explained that last year Council authorized several loans to be written off.

The group discussed the need for loans to be carefully documented so they will be collectable. The need for improved accountability for staff and those taking loans was fully discussed.

- **Implementation of Housing Strategy**

Mr. Agudo stated that that he has been meeting with various parties and organizations that are responsible for various portions of the strategy.

- **Update on Economic Development Strategy**

Mr. Agudo stated that he is considering several approaches and expressed the belief that the Market Rate Study will provide an important tool to include in this initiative.

Mr. Agudo stated that CD is the first Department to develop performance management around goals and a strategic plan. He stated that staff members will begin training shortly.

Yard Waste Collection

Mr. Lloyd stated that he will be prepared to discuss this issue at the July 16th work session.

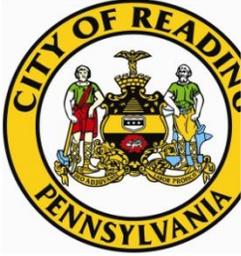
Ms. Kelleher distributed information collected from other municipalities that collect grass or have grass drop off sites.

Other Matters

Ms. Goodman-Hinnershitz described the Public Works Committee's review of the UGI meter installation. She asked Ms. Kelleher to compile the minutes from the Public Works meetings where the topic was discussed. Mr. Waltman noted the need for historic districts to be considered separately.

The meeting adjourned at approximately 7:15 pm.

Respectfully submitted by Linda Kelleher CMC, City Clerk



**CITY OF READING, PA
OFFICE OF THE MANAGING DIRECTOR**

David B. Kersley, MBA
Business Analyst & Director of Continuous
Improvement

MEMORANDUM

To: Vaughn D. Spencer, Mayor
Carole Snyder, Managing Director
Members of City Council
Lenin Agudo, Director of Community Development

Date: Tuesday, July 2, 2012

Re: Monthly Report: Quality of Life Violations

The City of Reading's Quality of Life enforcement system became effective on February 14, 2011. The following is a summary of QOL violations issued during, and for the year-to-date ending in, the month of June, 2012.

2012 Quality of Life Ordinance Enforcement Summary

	June	YTD	YTD Fees
Violations:			
QOL 01 Accumulation of Rubbish or Garbage	256	2,919	\$185,895
QOL 02 Animal Waste	9	296	\$11,965
QOL 03 Disposal of Rubbish or Garbage	80	1,022	\$33,775
QOL 04 High Weeds, Grass or Plants	710	2,189	\$147,245
QOL 05 Littering/Scattering Rubbish	4	17	\$515
QOL 06 Motor Vehicles	33	304	\$15,965
QOL 08 Operating/Vending without Permit	0	1	\$ 25
QOL 09 Outdoor Placement of Indoor Furniture	94	1,415	\$60,550
QOL 10 Illegal Dumping, Hauling	0	2	\$125
QOL 11 Littering via Private Advertising Materials	0	0	\$ -
QOL 12 Failure to Remove Ice/Snow	0	37	\$1,125
QOL 13 No Storage Containers for Waste	107	1,701	\$78,290
QOL 14 Storing/Discarding Appliances	0	2	\$60
QOL 15 Storing Hazardous Materials	0	6	\$325
QOL 16 Storing of Recyclables	8	147	\$4,885
QOL 18 Swimming Pools	2	12	\$570
QOL 21 Satellite Dishes in Historic District	0	34	\$950
QOL 22 Registered Trash Hauler Required	0	10	\$360

Total Violations Issued	1,304	10,114	\$542,625
-------------------------	-------	--------	-----------

In the first six months of the year, a total of 10,114 violation notices were issued and fines and fees of \$542,625 assessed. The greatest numbers of violations were written for accumulation of rubbish or garbage (2,919), high weeds and grass (2,189), storage containers for trash (1,701) and outdoor placement of indoor furniture (1,415); together, these four violation categories represent 81% of the total. Of 10,114 violations issued, 5,107 (50%) were at registered rental properties; in June, violations at rental properties equated to 52% of the total.

We also report monthly on the distribution of violations based on Council District.

Violations by Council District

	June	YTD
District 1	86	707
District 2	386	2,323
District 3	231	1,888
District 4	201	1,649
District 5	226	1,626
District 6	172	1,558

Appeals

Some 207 appeals were heard in June, compared to 146 appeals in the prior month. In June, 72 appeals were granted (35% of cases heard). In the first six months of the year, a total of 678 appeals were heard, with 300 granted (44% of cases heard). Across the first six months of the year, appeals heard represent 6.7% of violations issued, and appeals granted equate to 3.0% of total violations.

Realized Revenue

Budgeted revenue for the program in 2012 is \$175,000. Actual revenue received through the end of June, net of refunds issued after successful appeals, was \$223,090, or 127% of the annual budget target; \$26,035 in payments were processed in June. In an effort to increase the rate of collection (approximately 41%), courtesy notices will be mailed in July to those with past-due violations before referring delinquent violations to an outside collector.