REPORT OF THE COMMITTEE ON
FINANCIAL HARDSHIP

Michael Sklaroff, Chair
Commission Offices, Room 578, City Hall
19 November 2004

Present

Michael Sklaroff, Chair
Kafey Lindsay
Vincent Riviera
Scott Wilds

Richard Tyler
Randal Baron

Stephanie Haney, applicant
Arlene Matzkin
Richard Dretsch
Patricia Lavelle
Kathy Dowdell
Joanne Kellerman
Lotte Gottschlich
Chad Gottschlich
Larry Moore, block president

4643 Hazel Avenue
History: built 1910
Owner: Stephanie Haney

The Hardship Committee convened to review the information submitted by Ms. Haney regarding her claim of financial hardship.

Stephanie Haney attended the meeting without her lawyer or architect; however, Christopher Restak, Ms. Haney's counsel, faxed a letter explaining his absence. Several letters by interested parties were distributed.

Mr. Sklaroff summarized the status of this matter as of the last meeting. The Committee had requested additional information regarding possible insurance proceeds. Mr. Restak sent a letter from Harry Simons, counsel for Marvin Haney, Ms. Haney's father and co-owner with her of the property until recently. Mr. Simons wrote that both Maryland Assurance Company of America, the insurer of Legacy Homes Inc., Mr. Haney's business, and United Fire and Casualty Company, his general liability insurer, deny any coverage on 4643 Hazel Avenue.

In response to questions, Ms. Haney explained that her father owned the property at the time of the collapse of the fourth floor, but that she has since taken out a loan and purchased the property from him for $ 300,000 pursuant to their initial agreement. Her father thought that the property was insured when the work was undertaken. She said that the amount now invested in the property, about $ 400,000, probably exceeds its value. It cost more to rehabilitate the house than predicted. The house holds two units, an owners unit and a rental which brings in about $ 1000 a month. Ms. Haney claims that the re-mortgage took into account this rental stream.

Arlene Matzkin representing the neighborhood stated that she was concerned about whether the applicant had zoning approval for a rental unit.

Mr. Tyler explained that staff has examined the applicant's submitted financial records. The Commission's Rules and Regulations establish the Section 8 eligible guideline of eighty percent (80%) of the median income for Philadelphia as the initial criterion for exception under the Unnecessary Hardship provision of the ordinance. Ms. Haney's income exceeds this amount. He noted a consistent pattern of exterior work without permits or exceeding the permits even after the collapse. Staff recommends against a finding of hardship. He said that a finding of hardship in these circumstances would undermine the community's confidence in our procedures.

Mr. Sklaroff stated that, although Ms. Haney may have a hardship, that her father who was an owner at the time of the work has not shown any case for hardship.

Mr. Riviera noted that the applicant had not done her due diligence in investigating the restrictions and condition of this property.

Mr. Wilds added that he was troubled by the extrication of Ms. Haney's father from responsibility, the possibility that this project was performed as an investment property by Ms. Haney's father who is himself a builder, and a consistent failure to get permits for the work performed.

Ms. Lindsay asked what is the timeline for restoration and what possibilities for compromise exist. Also she wondered whether the father's records should be requested.

Committee members explained that the applicant decides what records she wishes to submit. She can always come back with an application to rebuild a portion of the fourth floor or some other compromise which would be evaluated when the Commission receives the information.

Mr. Wilds made a motion to recommend a finding of no hardship. Mr. Riviera seconded the motion.

The motion passed 3 to 1 with Ms. Lindsay voting against the motion.

The meeting adjourned at 10:45 AM.

Respectfully submitted,

Randal Baron