

**REPORT OF THE COMMITTEE ON FINANCIAL HARDSHIP
OF THE PHILADELPHIA HISTORICAL COMMISSION**

**MONDAY, 3 FEBRUARY 2025
REMOTE MEETING ON ZOOM
ZACHARY FRANKEL, CHAIR**

CALL TO ORDER

START TIME OF MEETING IN ZOOM RECORDING: 00:00:00

The Chair called the meeting to order at 2:02 p.m. The following Committee members joined him:

Committee Member	Present	Absent	Comment
Zachary Frankel, Chair	X		
Robert Thomas, AIA	X		
Donna Carney		X	
Matthew Treat	X		
Dan McCoubrey, FAIA, LEED AP BD+C	X		

The meeting was held remotely via Zoom video and audio-conferencing software.

The following staff members were present:

Jonathan Farnham, Executive Director
Kim Chantry, Historic Preservation Planner III
Allyson Mehley, Historic Preservation Planner III
Leonard Reuter, Esq., Law Department
Daniel Shachar-Krasnoff, Historic Preservation Planner II
Alex Till, Historic Preservation Planner II

The following persons were present:

Eugene Desyatnik
German Yakubov, Haverford Square Properties
Hanna Stark, Preservation Alliance
Paul Steinke, Preservation Alliance

AGENDA

ADDRESS: 510 E WILDEY ST

Proposal: Legalize alterations to front façade owing to financial hardship

Review Requested: Final Approval

Owner: GLY Investments LLC

Applicant: German Yakubov, Haverford Sq GC LLC

History: 1840

Individual Designation: 2/28/1967

District Designation: None

Staff Contact: Kim Chantry, kim.chantry@phila.gov

OVERVIEW: This application requests that the Historical Commission relax its review standards owing to a finding of financial hardship and allow for the retention of front façade work which does not comply with plans for a rear addition and selective front façade work approved by the Historical Commission in 2020 and 2023, or an electrical permit approved in 2024. The approved plans called for wood six-over-six double-hung windows in existing openings, the existing (non-historic) front door to remain, and no exterior electrical work. The completed work includes vinyl windows with grilles between the glass in openings which are slightly larger than the former openings, a new front door that is not based on historic documentation, and the electric meter and associated conduit installed on the front façade. The residential building permit included the following “PHC Staff Review” conditions, none of which were met:

This permit is subject to the following conditions.

CONDITIONS

Homeowner assumes all liability for any work they perform. If a contractor is not named compliance with codes is the sole responsibility of the homeowner performing the work.

PHC Staff Review of railings required for final approval.

PHC Staff Review of siding required for final approval.

PHC Staff Review of door assembly 'shop' drawings required for final approval.

PHC Staff Review of window assembly 'shop' drawings required for final approval.

The approved plans called for Hardie Plank siding to bring the front façade closer to the original wood clapboard appearance, and it appears that this product was indeed used although a sample was not provided to the staff for review. The Department of Licenses and Inspections issued a violation for the exterior work at the request of the Historical Commission's staff, which prompted an application for legalization from the property owner/developer. That application was reviewed by the Architectural Committee in December 2024 and the Historical Commission in January 2025, when the legalization request was denied. Commissioners noted that the perceived hardship appeared to be self-imposed and did not excuse the applicant from following the approved permit conditions. Several Commissioners encouraged the applicant to work with the staff on a solution, or submit a financial hardship application, given that the argument for legalization was based on financial concerns. The Historical Commission's staff offered to work with the applicant on a solution, but that offer was declined. Instead, the applicant chose to submit this financial hardship application.

Pursuant to Sections 14-1005(5)(b) and (6)(d) of the Philadelphia Code, the Commission may determine that a building, structure, site, object, or public interior portion of a building or structure cannot be used for any purpose for which it is or may reasonably be adapted. Such a

finding, commonly referred to as a finding of financial hardship, allows the Commission to consider the approval of an application to alter or demolish an historic property that may not otherwise satisfy the Commission's review standards. However, such a finding does not release the historic resource from the Commission's regulation; it allows the Commission to consider relaxing its review standards. To substantiate a claim of financial hardship to justify an alteration as this application seeks to do, the applicant must demonstrate that the property cannot be used for any purpose for which it is or may be reasonably adapted. In this case, the applicant must prove that it was not possible for any reasonable developer to rehabilitate the building with the accurate restoration of the front façade in a way that would provide a reasonable return on the investment. The Historical Commission must determine whether it was feasible to rehabilitate the building according to preservation standards given the condition, configuration, location, and other characteristics of the building and current construction costs, real estate market, and other factors. In this particular case, the applicant claims that conditions at the property that were not apparent until construction had begun drove up construction costs unexpectedly and compelled cost-cutting measures wherever possible. The applicant claims that there was no financially feasible way to rehabilitate the building while accurately restoring the front façade. He claims that he is losing money on the project even with the cheaper façade.

This application was reviewed by the Architectural Committee which recommended denial, pursuant to Standard 6. Since the time of review by the Architectural Committee, the applicant has provided a written summary outlining the hardship, and photographs of the property during construction, which show that the front wall is entirely new construction.

SCOPE OF WORK:

- Legalize alterations to front façade owing to financial hardship.

STANDARDS FOR REVIEW:

The Secretary of the Interior's Standards for the Treatment of Historic Properties and Guidelines include:

- *Standard 6: Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.*
- *Standard 9: New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.*
 - o The vinyl windows and entrance door do not match the old in design or materials. The electrical meter was not installed in an inconspicuous location. This application fails to satisfy Standards 6 and 9.

STAFF RECOMMENDATION: The staff recommends that the application demonstrates that the building could not have been rehabilitated according to preservation standards in such a way that it would have provided a reasonable rate of return on the investment. Unexpected conditions at the building related to foundations and party walls increased construction costs such that no developer could have made money on the project. It is unfortunate that the developer did not consult with the Historical Commission and the Department of Licenses and Inspections after discovering the unexpected conditions, but the Historical Commission's task is to endeavor to bring properties into compliance with the preservation ordinance, not to punish.

In retrospect, it seems self-evident that this building, which was cheaply and poorly originally constructed, and which had been poorly maintained for decades, could not have been rehabilitated for a profit. The staff recommends that the Historical Commission approve the application, pursuant to Section 14-1005(6)(d).

ARCHITECTURAL COMMITTEE RECOMMENDATION: The Architectural Committee voted to recommend denial, pursuant to Standard 6.

START TIME OF DISCUSSION IN ZOOM RECORDING: 00:02:50

PRESENTERS:

- Ms. Chantry presented the application to the Committee on Financial Hardship.
- Property owner and developer German Yakubov represented the application.

DISCUSSION:

- Mr. Yakubov described the poor condition of the building, which was discovered only after construction had begun, and enumerated the additional costs incurred during the redevelopment project, owing to the existing conditions.
- Mr. McCoubrey asked about the bottom-line numbers.
 - o Mr. Yakubov responded that the loss is ongoing because he is still carrying the property, which has not yet sold. His holding costs are \$4,500 per month. He is currently losing about \$12,000 to \$20,000, which will increase each month that the property is not sold.
- Mr. Frankel stated that the Historical Commission is not offering this hardship procedure as a means of circumventing the process, but rather as a way to follow the process.
- Mr. Yakubov stated that he did install the Hardie Plank siding to the front facade, as was called for in the approved plans, and therefore did not entirely dismiss the Historical Commission's jurisdiction.
- Mr. Thomas noted that the electrical service could have been located on the interior, given that the front wall is entirely new construction. He thanked the applicant for rehabilitating this distressed building.
- Mr. McCoubrey asked about the potential to install snap-on exterior muntins on the windows.
 - o Mr. Yakubov responded that he will ask the manufacturer but does not believe that there would be enough space for the exterior muntins to allow the bottom sash to move up and down.
- Mr. McCoubrey thanked the applicant for rebuilding the house as a means of preserving it, noting that it required a new foundation and new party walls, which is a great deal of work for a modest house.

PUBLIC COMMENT:

- Paul Steinke of the Preservation Alliance asked if the applicant had previously agreed to replace the front door. He commented that the Alliance believes there is nothing to gain by forcing the applicant to undo the work in this instance, but that it could set a precedent for others looking to do work first and ask for forgiveness later. He recommended that a mitigation strategy be taken by the property owner to show some deference to the Historical Commission.

COMMITTEE ON FINANCIAL HARDSHIP FINDINGS & CONCLUSIONS:

The Committee on Financial Hardship found that:

- The approved plans from 2020 and 2023 called for wood six-over-six double-hung windows in existing openings, the existing, non-historic front door to remain, and no exterior electrical work. The completed work includes vinyl windows with grilles between the glass in openings which are slightly larger than the former openings, a new front door that is not based on historic documentation, and the electric meter and associated conduit installed on the front façade.

The Committee on Financial Hardship concluded that:

- Unexpected conditions at the building related to foundations and party walls increased construction costs such that no developer could have made a reasonable rate of return on investment with the project.
- The application demonstrates that the building at 510 E. Wildey Street could not have been rehabilitated according to preservation standards in such a way that it would have provided a reasonable rate of return on the investment, pursuant to Section 14-1005(6)(d).

COMMITTEE ON FINANCIAL HARDSHIP RECOMMENDATION: The Committee on Financial Hardship voted to recommend that the Historical Commission find that the property at 510 E. Wildey Street could not have been rehabilitated according to preservation standards in such a way that it would have provided a reasonable rate of return on the investment, and to approve the application for legalization of the front facade work, pursuant to Section 14-1005(6)(d), with a recommendation that the applicant explore the feasibility of applying exterior muntins to the windows.

ITEM: 510 E Wildey St					
MOTION: Legalize work owing to finding of hardship					
MOVED BY: McCoubrey					
SECONDED BY: Treat					
VOTE					
Committee Member	Yes	No	Abstain	Recuse	Absent
Zachary Frankel	X				
Robert Thomas	X				
Donna Carney					X
Matthew Treat	X				
Dan McCoubrey	X				
Total	4				1

ADJOURNMENT

START TIME OF DISCUSSION IN ZOOM RECORDING: 00:21:53

ACTION: The Committee on Financial Hardship adjourned at 02:24 p.m.

PLEASE NOTE:

- Minutes of the Philadelphia Historical Commission and its advisory Committees are presented in action format. Additional information is available in the video recording for this meeting. The start time for each agenda item in the recording is noted.
- Application materials and staff overviews are available on the Historical Commission's website, www.phila.gov/historical.