REPORT OF THE COMMITTEE ON FINANCIAL HARDSHIP
PHILADELPHIA HISTORICAL COMMISSION

Michael Sklaroff, Chair
Commission Offices, Room 576, City Hall
20 September 2004

Present
Michael Sklaroff, Esq., Chair
Scott Wilds, Office of Housing and Community Development
Vincent Rivera, AIA
Harris Steinberg, AIA

Randal Baron, Historic Preservation Specialist
Diane M. Hughes, Executive Secretary
Richard Tyler, Historic Preservation Officer

Also
Michele Williams, 1917 Panama Street
Stephanie Haney, 4643 Hazel Avenue
Joan Wells, 4726 Springfield Avenue
Thomas P. Witt, Esq., Wolf Block
George Thomas, Civic Visions, LP
G. Ross Wilson, Parkway Corporation
Jeffrey R. Seligsohn, 1706 Rittenhouse Square
John Gallery, Preservation Alliance
Patricia J. Lavelle, 4645 Hazel Avenue
Gregory Harvey, 1939 Panama Street
Melanie Lamond, 1006 South 46th Street
Joanne S. Kellerman, 208 St. Marks Square
Charles Datner, AIA, 4643 Hazel Avenue
Kathy Dowdell, 1008 South Farragut Street
Mike Hardy, 446 South 43rd Street
Christopher Restak, Esq.

Mr. Sklaroff recognized the presence of a quorum and called the meeting to order at 9:07 a.m.

1917 Panama Street
Michele Williams, Owner
Date: c. 1840/1910

Mr. Tyler introduced this application, which involves work undertaken without a permit. Later when a permit was obtained, the work exceeded that permit which resulted in numerous violations and two judgments. He pointed out that the applicant had made no attempt to respond to these, until the property was listed for sale. Mr. Tyler cited the initial hardship criterion from the ordinance and the Rules and Regulations. He summarized information regarding the owner’s income, which shows that the applicant does not satisfy the initial criterion for financial hardship.

Michele Williams, the owner, attended the meeting and urged the Committee to take into consideration her financial situation when making its recommendation. She argued that her finances do not allow for the restoration of the first floor window. Ms. Williams noted that the installed ironwork at the second floor level is for security and that the lamp installed at the front was fashioned after the neighboring house. She asserted that her father no longer has any pecuniary interest in the property.

Mr. Sklaroff noted that the request for relief entails approval of the removal of historic masonry fabric beneath the window; the installation of ironwork on the 1st and 2nd floors; an iron valance above the 3rd floor window, and light fixture. He asserted his belief that the hardship is self-inflicted. Mr. Wilds questioned the applicant about the market value of her property. Ms. Williams responded that the current value is approximately $829, 000; she purchased the house for $183, 000. Mr. Sklaroff pointed out that an excess property value of $800,000 does not support financial hardship. He believes that the applicant could re-finance to receive funds to cure the illegal work. Mr. Steinberg concurred. Mr. Rivera thought it important that the alterations be compatible with the character of the street. Committee members reviewed photographs of the entire block, which depicts a mixed context. Mr. Rivera remarked that a simplification of the ironwork would provide compatibility to the streetscape. He urged that Ms. Williams work with staff to fashion a compromise application.

Gregory Harvey, Esq., a neighbor, expressed concern because in 1999 he had informed the contractors that permits are required for all exterior alterations. He expressed his dismay at the Committee's legalization efforts in view of the owner's repeated defiance of the ordinance. Mr. Harvey offered the Committee a copy of the listing on the Board of the Revision of Taxes listing, which show both Robert and Michele Williams as the owners of the property.

John Gallery, Preservation Alliance, said that the Committee was very thorough in its discussion, but believes that the provisions of the ordinance allows relief when an applicant is unable to comply with the *Standards* for economic reasons. He said it did not allow the legalization of work in which the owner had the means to perform the work properly but had already spent the money on incorrect work. He asserted that this a self-imposed hardship, the legalization of which will set a precedent.

Mr. Wilds cited a property on Diamond Street, where the owner could not afford to comply with the Commission's regulations, demonstrating the correct meaning of financial hardship. Mr. Sklaroff thought that more information should be obtained about the ownership of the property and requested that the applicant submit to the Committee a copy of the deed. He recommended that the application be tabled for a period not to exceed ninety (90) days for a return to the Hardship Committee and for a period not to exceed one-hundred and twenty days (120) to return to the Commission. Committee members asked the applicant to work with staff on a revised application which simplifies the ironwork as well as to provide a copy of the deed.

The Financial Hardship Committee recommended the tabling of the application for a period not to exceed 90 days for its return to the Financial Hardship Committee and a period not to exceed 120 days for its return to the Commission.

<u>4643 Hazel Avenue</u>

Stephanie Haney, Owner
Date: 1910-1911

Mr. Baron presented this application. He informed the Committee that Ms. Haney, the current owner acquired the property on 18 August 2003. The fourth floor collapsed onto the neighboring house on 23 September 2003 while interior work was being performed. He noted that the owner applied for two interior permits on 14 October 2003 and 19 October 2003 after the fact. On 14 November 2003, the full Commission denied the legalization of the work done without a permit and voted to require the owner to rebuild the cornice and the 4th floor. Although the owner claims that Licenses and Inspections told her to seal the building, the work far exceeds that request. The porch has been rebuilt with an incorrect floor, column and brickwork. The applicant has installed vinyl and wood windows, built a rear porch and parapet wall of mismatched brick in addition to the removal of the mansard. This application proposes the legalization of the incorrect alterations done without a permit based on financial hardship. Mr. Baron noted that the staff has received many letters from neighbors who support the Commission's decision.

Christopher Restak, counsel for the owner, Charles Datner, architect, and Stephanie Haney, the owner, attended the meeting. Mr. Restak said that Ms. Haney has been working with staff and the architect; however, until the Commission approves the work, no permits can be issued. In response to the Committee's query about ownership of the property, Mr. Restak asserted that Ms. Haney is the sole owner of record with the proceeds of the re-mortgaging used to repay her father. The Committee inquired about the purchase price for the property, which was $130,000 compared to the current market value of $380,000.

Mr. Tyler stressed to the Committee that substantial work was done without benefit of a permit and that what now exists is a self-imposed hardship. Mr. Baron clarified the extent of inappropriate work:

1. non-installation of the cornice behind the chimney;
2. legalize the mixed-match brick on the alley side; however, the extension of the cornice would cover the brick;
3. vinyl windows installed in the alley;
4. porch column does not match the historic columns;
5. porch floor's height does not match neighboring porches;
6. incorrect brickwork, trim and missing window below the front porch; and
7. removal of the mansard and dormer.

Mr. Baron clarified that the staff has tried to help the applicant shape an application but has not granted any approvals for the exterior work. He explained that the staff could approve an application for the correct wood windows or accurate restoration of the porch if these items had been presented separately from plans showing removal of the mansard or installation of the vinyl windows.

Melanie Lamond, a realtor in the neighborhood, expressed concern about setting a precedent, by allowing applicants to benefit from doing work without a permit and receiving relief after the fact through the financial hardship process.

Paul Steinke, a neighbor, explained that this block of houses was constructed as an architectural whole, book-ended by two taller properties at either end of groups, of which this is one. He believes that the allowance of the removal of the 4th floor would be a disfigurement of the block and he urged the Committee to support the rebuilding of the 4th floor.

Christine Miller, a neighbor, thought that the purchase of the property was not a sound investment. She had toured with a eye toward buying it and thought it to be in very bad condition. She alluded to the previous owner's neglect.

Mr. Wilds thought that the Committee could consider some type of compromise if the applicant were willing to rebuild the mansard and dormer. Mr. Tyler expressed concern about granting relief for work done without a permit. Mr. Sklaroff inquired if the applicant was willing to extend the cornice; the applicant was non-committal. Mr. Sklaroff recommended that the issue of the mansard and dormer be held in abeyance for 60 days and the Committee agreed. He also asked the neighbors opinions on the installation of the correct column as well as the mansard being rebuilt. The neighbors present agreed that the property should be restored with accurate details. The issue of a possible insurance claim surfaced. Ms. Haney said that her father was handling the claim. Committee members thought that the insurance claim, status of proceeds and documentation should be presented to the Committee and asked that it be presented at the next meeting.

The Financial Hardship unanimously voted to recommend tabling the application for a period not to exceed sixty (60) days.

Mr. Sklaroff recused himself and turned the chair over to Mr. Wilds.

<u>1706 Rittenhouse Square</u>
Parkway Corporation, Owner
DATE: c.1930

Mr. Baron gave a synopsis of the application noting that at least minimal answers had been provided to the baseline questions. He noted that the property has not been listed for sale but only for lease by this applicant. There have been several offers for lease but with substantial conditions. Mr. Baron reported that the analysis as submitted does not include an appraisal or any documentation that would demonstrate an attempt to sell the property.

George Thomas, G. Ross Wilson, Jeffrey Seligsohn and Thomas Witt, counsel for the project, appeared before the Committee. Mr. Thomas referred to a study done which he believes shows that the building was misclassified owing to the removal of both the interior and exterior historic fabric. Additionally, the upper floor's ceiling height with steel girders is 8 inches above head room rendering the building difficult to use owing to the phenomenal cost for rectifying the situation. In addition, the 2nd floor receives light only from the front and rear windows but none from the sides which renders the entire building problematic. Mr. Tyler remarked that a core could be cut into the center to introduce light.

Mr. Witt spoke to the issue of selling the property and noted that the sale of the property is impractical owing to the structural issues.   He offered that re-use should be reasonable and profitable; however, he believes that this cannot be accomplished with the condition of this building. Mr. Witt elaborated on the lease offers as outlined in the analysis. Mr. Tyler remarked that the three lease offers as proposed seemed an unreasonable burden to the owner. Mr. Witt stressed that the practicality of a sale is predicated on its re-use.

Mr. Wilds inquired if the lease offers are consistent with the current market. Mr. Seligson responded in the affirmative.

John Gallery, Preservation Alliance, disagreed with Mr. Witt's assertion that a sale is impractical; the location is the hottest area of the city. He pointed out that the property was put up for lease but that the owner made no attempt to sell the property. He said that improvements that need to be made would be more feasible for a buyer who would amortise them over a longer period of time than for a lessee. He noted that this property is owned by an affluent developer in one of the hottest areas of the city. Mr. Gallery contrasted this with the handling of the Church of Christ, a similar situation, where the owner did not make an attempt to sell the property and the Commission used this to deny the demolition. He believes that this further demonstrates that the Committee is not being consistent in this application of the ordinance or *Standards'* requirements. Mr. Gallery further pointed out that the transactions listed in the analysis happened in 2000, with no evidence of any current attempts for leasing or selling. He concluded that the requirement for financial hardship should not be narrowed to leasing only.

Mr. Rivera thought that the property value would increase with the development of the vacant lot next door. Mr. Witt responded that it is impossible to build the proposed structure with the existing building and that with the parking lot next door, the existing building would be less valuable. Mr. Steinberg suggested that the owner provide more information about the current sale value. He previously recommended denial of the application owing to not enough evidence about the re-use issue, but after a lengthy discussion, he thought that the application demonstrates financial hardship as a lease property and Mr. Rivera concurred. Mr. Wilds disagreed saying that he thought the impracticability of sale had also been demonstrated owing to the steel beams and resultant lack of headroom.

The Financial Hardship recommended a finding of hardship by a vote of 2 to 1, based on the inability to lease the property. Mr. Wilds opposed the recommendation.

The Committee adjourned at 1:08 p.m.

Respectfully submitted,

Diane M. Hughes
Executive Secretary