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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING AND PUBLIC MEETING
BEFORE COUNCIL COMMITTEE ON LICENSES & INSPECTIONS

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- - -
Room 400, City Hall
Philadelphia, Pennsylvania
3/21/01
10:22 a.m.

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BILL 000602 - Held at request of sponsor.

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BILL 000712 - Amending Title 4 of the Philadelphia
Code, Subcode "A," and Subcode "PM" by amending
Section A-906.5, entitled "Vacant Property
License," and Section PM-102.4, entitled "Vacant
Structures and Lots," by including vacant
commercial buildings and lots and vacant wharves,
piers, and docks as properties to be licensed
under certain terms and conditions.

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BILL 000713 - Requiring owners of vacant lots and
vacant buildings to post a bond or other security
for the City's potential costs in correcting code
violations or abating unsafe or eminently
dangerous conditions.

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RES. 000665 - Held at request of Administration.

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(Full text of all bills appear within transcript.)

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PRESENT: COUNCILMAN RICHARD T. MARIANO, Chair
COUNCILMAN DARRELL CLARKE, Vice Chair
COUNCILMAN FRANK DICICCO
COUNCILWOMAN JOAN KRAJEWSKI
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN ANGEL L. ORTIZ
COUNCILWOMAN BLONDELL REYNOLDS BROWN

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- - -
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1 3/21/01 L&I COMMITTEE

2 I N D E X

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2 P R O C E E D I N G S

3 COUNCILMAN MARIANO: The committee on
4 Licenses and Inspections public hearing is now
5 open. Mr. Allen, will you read the first bill
6 that we're going to do. Go ahead.

7 THE CLERK: Bill 000602, an ordinance
8 amending Subcode "PM" of Title 4 of the
9 Philadelphia Code, entitled "The Property
10 Maintenance Code," by providing for the suspension
11 and revocation of a residential rental property
12 license, multi-family dwelling license, rooming
13 house license, or vacant lot or building license.

14 COUNCILMAN MARIANO: All right, let me
15 say who's here: Councilman Mariano, that's
16 myself, my dear friend and colleague Councilman
17 Nutter, Councilwoman Krajewski, and Councilman
18 Clarke.

19 All right, do we have any -- Otis --
20 okay, this bill is on hold. Bill 000602 is being
21 held at the request Councilwoman Krajewski.

22 The clerk will read the title of Bill
23 000712.

24 THE CLERK: An ordinance amending Title
25 4 of the Philadelphia Code, Subcode "A," and

1 3/21/01 L&I - BILL 000712
2 Subcode "PM" by amending Section A-906.5, entitled
3 "Vacant Property License," and Section PM-102.4,
4 entitled "Vacant Structures and Lots," by
5 including vacant commercial buildings and lots and
6 vacant wharves, piers, and docks as properties to
7 be licensed under certain terms and conditions.

8 COUNCILMAN MARIANO: Mr. Haigler, are
9 you here to testify for the administration?

10 MR. HAIGLER: Yes. Good day,
11 Councilman Mariano and members of the Committee on
12 L&I. I am Otis Haigler, Jr., Legislative and
13 Regulatory Affairs Manager for the Department of
14 Licenses and Inspections.

15 Today, I'm here to provide testimony on
16 Bill No. 000712, which, if enacted, will amend the
17 administrative and property maintenance codes to
18 provide for the licensure of vacant commercial
19 buildings and lots, as well as vacant wharves,
20 piers, and docks.

21 The purpose of this bill is to close a
22 gap in the requirements of the administrative and
23 property maintenance codes governing the licensure
24 of vacant buildings and lots. The current
25 requirements of the codes only allow for the

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2 licensure of vacant residential buildings and
3 lots.

4 Due to the recent vacant survey
5 conducted by the Department, we were able to
6 identify 2,950 vacant commercial buildings.
7 Additionally, after the tragic circumstances
8 related to the Pier 34 collapse, the Department
9 conducted a survey of all piers in the City and
10 found a total of 147 piers, with 72 of them being
11 vacant.

12 We believe that with the proper
13 licensing and registration of these properties,
14 this will enhance our enforcement efforts to
15 determine the responsible parties to hold
16 accountable for the maintenance of these
17 properties. This will also aid the Department to
18 maintain an up-to-date registry of the property
19 ownership since a new license will be required of
20 any subsequent owner who takes possession of the
21 property through any real estate transaction.

22 The fees which will be charged for the
23 license is nominal and will cover the cost of
24 processing the license and conducting follow-up
25 inspection of the properties.

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2 We thank the L&I Committee for allowing
3 us to provide testimony on Bill 000712 and request
4 that the rules of Council be suspended so as to
5 permit first reading of this bill at the next
6 session of Council.

7 I will be happy to answer any questions
8 you may have.

9 COUNCILMAN MARIANO: Is there any
10 questions for Mr. Haigler from the committee?

11 Councilman DiCicco.

12 COUNCILMAN DICICCO: Thank you,
13 Mr. Chairman.

14 Good morning, Mr. Haigler.

15 MR. HAIGLER: Good morning.

16 COUNCILMAN DICICCO: You say in your
17 testimony that you -- what you're requesting here
18 basically is the licensing and registration of
19 these vacant properties. Are they not registered
20 in some fashion already?

21 MR. HAIGLER: No, sir. Vacant
22 commercials are not -- in accordance with the
23 provisions of the Property Maintenance Code, as
24 well as administrative code, there are no
25 provisions in any one of those codes to license

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2 vacant properties. There are provisions in there
3 to license vacant residential buildings and lots
4 but not vacant commercial. We don't have anything
5 in the codes to allow us to do that.

6 COUNCILMAN DICICCO: What will be the
7 fee structure? Is that going to be by square
8 footage or --

9 MR. HAIGLER: No, sir, it's \$25, a flat
10 fee of \$25 per property. And that's primarily to
11 cover the cost of licensing the property as well
12 as doing follow-up inspections of the properties.

13 COUNCILMAN DICICCO: And that's
14 annually?

15 MR. HAIGLER: Yes, sir.

16 COUNCILMAN DICICCO: And 25 bucks is
17 enough to get us there, to do the annual
18 inspections?

19 MR. HAIGLER: The inspections is
20 primarily a cursory inspection to make sure -- to
21 see what the condition are. We're not actually
22 going inside the vacant properties; we're just
23 going through to make sure that they're still in
24 the same condition that they were before.

25 So it's not something where we're

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2 actually going in and doing an in-depth inspection
3 of all of the excess and all the normal equipment
4 requirements that are found in buildings. We're
5 just -- it's basically a cursory inspection.

6 COUNCILMAN DICICCO: Okay. I'll wait
7 till we get to the next bill. I think that might
8 clear up some of my questions.

9 MR. HAIGLER: Yes.

10 COUNCILMAN MARIANO: I just want to say
11 that Councilman Ortiz and Councilwoman Blondell
12 Reynolds Brown has joined the committee.

13 Any other questions from the
14 committee?

15 (No further questions.)

16 COUNCILMAN MARIANO: Seeing none -- you
17 got any more questions, Councilman DiCicco? We're
18 going to go on to the next bill. Hughie?

19 THE CLERK: Bill 000713, an ordinance
20 amending Subcode "PM" of Title 4 the Philadelphia
21 Code, entitled "The Philadelphia Property
22 Maintenance Code," by requiring owners of vacant
23 lots and vacant buildings to post a bond or other
24 security for the City's potential costs in
25 correcting code violations or abating unsafe or

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2 eminently dangerous conditions when authorized by
3 law; providing that failure to post such security
4 will result in suspension of the vacant property
5 licenses and all other licenses issued to such
6 persons under the Property Maintenance Code,
7 including residential rental property license,
8 multifamily dwelling license, and rooming house
9 licenses, until such security is posted; and
10 providing that during such a period of license
11 suspension, there shall be no right to recover
12 possession of premises or to collect rent, all
13 under certain terms and conditions.

14 COUNCILMAN MARIANO: Thank you.

15 Just let me say, this was my bill, and
16 the reason I did this is, we copied this on a bill
17 from Chicago, an ordinance which allows the City
18 to recoup the cost of code violations through a
19 bond requirement.

20 Did you read the amendments,
21 Mr. Allen?

22 THE CLERK: No, not yet.

23 COUNCILMAN MARIANO: Mr. Haigler, you
24 going to testify on this?

25 MR. HAIGLER: Good day, Councilman

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2 Mariano and members of the Committee. I am Otis
3 Haigler, Jr., Legislative and Regulatory Affairs
4 Manager for the Department of Licenses and
5 Inspections.

6 Today, I am here to provide testimony
7 on Bill 000713, which, if enacted, will amend the
8 Property Maintenance Code to provide for the
9 posting of a bond on vacant property for the
10 purposes of reimbursing the City for the cost of
11 abating unsafe and eminently dangerous conditions
12 associated with the property.

13 The Department applauds the work of
14 this Council, and in particular, the work of
15 Councilman Mariano for both the submission of Bill
16 000713 and also for providing other assistance
17 which enhances and strengthens the tools of L&I as
18 we fight a common problem faced by both the
19 Council and the Administration -- vacant, blighted
20 properties.

21 After a careful review of Bill 000713
22 with senior members of the Department, it was
23 agreed that this bill has great merit and the
24 intentions for which it was drafted, namely to
25 reduce the burden on the Department's resources to

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2 abate deleterious conditions associated with
3 vacant properties found within the neighborhoods
4 of the City, are commendable. However, we would
5 like to respectfully offer amendments to the bill
6 which we feel will increase the likelihood for
7 compliance by the owners of specifically vacant
8 commercial structures.

9 It has been our experience that
10 ascertaining a responsible party for vacant
11 commercial structures is more feasible than for
12 residential properties since vacant are buildings
13 owned by businesses, which, for various reasons,
14 may have closed their operations within the City,
15 but in some way, either through corporate
16 ownership or trusteeship, maintain responsibility
17 for the property. This information could be
18 obtained from various City records, and the
19 likelihood of finding a responsible party to
20 comply with the provisions of this bill is greater
21 for this type of occupancy. Also, based on our
22 experience, the greatest drain on our resources
23 for demolitions where bonds would be of the
24 greatest assistance comes from the abatement of
25 these types of occupancies.

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2 The amendments offered by the
3 Department will address our concerns and is in
4 line with the intent for which the bill was
5 introduced and will not add any additional burdens
6 on the Department to enforce its provisions.

7 It is, therefore, with great pleasure
8 that the Department endorses a favorable
9 consideration of this bill, with the stipulated
10 amendments by the Committee, and we look forward
11 to continuing this cooperative effort to address
12 our common concerns.

13 Thank you. And I'll be happy to
14 address any questions you may have at this time.

15 COUNCILMAN MARIANO: Thank you, Mr.
16 Haigler.

17 Any questions?

18 Councilman DiCicco.

19 COUNCILMAN DICICCO: Thank you.

20 Unless I'm reading this wrong, my
21 concern is, it says that any person who takes
22 ownership of a property pursuant to the abatement
23 agreement under the Emergency Nuisance Abatements
24 Program set forth in Section PM-309.0 shall be
25 exempt from the foregoing license and bond

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2 requirements for a period of two years after
3 taking ownership.

4 What mechanisms do we have or
5 safeguards do we have in place that will prevent
6 someone from just changing corporate names to get
7 around the bond requirement or ownership?

8 MR. HAIGLER: That was an
9 administrative amendment to this bill, but the
10 amendment that we offered, which is further
11 included within the bill itself, it says that the
12 bond or other security shall provide that it will
13 not expire, and the City need not release it upon
14 transfer of the property, unless and until a
15 subsequent owner posts a comparable bond or other
16 security. That's the amendment that we offered
17 and that kind of closes that gap.

18 COUNCILMAN DICICCO: Okay. So if I own
19 a building and I put up the required bond, but the
20 building is still vacant and there are other
21 issues, L&I violations that I am cited for, does
22 the dollar amount of the abatement to the property
23 come out of the bond, or is that a separate --

24 MR. HAIGLER: I believe it comes out of
25 the bond because in the case in the bill that the

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2 bond is for abating the property, whatever we have
3 to do to abate the property, we could go after the
4 proceeds from the bond that was posted to do
5 that.

6 COUNCILMAN DICICCO: What happens if
7 the abatement exceeds whatever the bond was?

8 I mean, I'm going back to a bill that
9 we did about a year or so ago -- I call it the
10 "Broken Window Bill," I can't remember the name
11 -- where L&I now has the authority to cite a
12 property owner for every day after the proscribed
13 period of time to make the corrections for every
14 broken window, a \$300 for every broken window in
15 that building.

16 I mean, in the building, the infamous
17 building in Councilman Clarke's building I always
18 refer to, around 22nd and Arch, there are probably
19 a couple thousand windows in that building, so at
20 \$300 a day, if we were to do that, it will
21 probably exceed the bond requirements in the
22 matter of a week.

23 MR. HAIGLER: I'm not sure of that. I
24 think that's two separate issues there. One
25 addresses court fines that may be placed against

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2 the property. The other one deals specifically
3 with the abating of the property. And the bond
4 primarily would be for the demolition. When we
5 have to deal with taking that property down, the
6 City will be reimbursed the cost of what they put
7 out to demolish the property.

8 We got a cost figure from our Deputy
9 Commissioner this morning that the average cost to
10 demolish a vacant commercial property runs
11 somewhere in the neighborhood of between 80 to
12 \$100,000. So the City would be recovering that
13 cost, the cost that it actually puts out to take
14 care of that dangerous condition of that property.

15 COUNCILMAN DICICCO: But it won't have
16 any other effect on the other violations that the
17 building may be cited for.

18 MR. HAIGLER: On the fines, I don't
19 believe so.

20 COUNCILMAN DICICCO: Thank you.

21 COUNCILMAN MARIANO: Councilman
22 Nutter?

23 COUNCILMAN NUTTER: Thank you,
24 Mr. Chairman.

25 Just very quickly, Mr. Haigler, I've

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2 been distracted on a couple of occasions. Can you
3 tell me in 25 words or less with the amendments
4 how this will all work and what the bill will do
5 and how it will play out from a process
6 standpoint?

7 MR. HAIGLER: Sure. I'll attempt to.
8 I'm not an expert on bonds, but I'll attempt to do
9 the best I can.

10 The way it will work is that, as the
11 bill reads, the Law Department will determine the
12 bond that's needed for the property. Every vacant
13 commercial building -- and this goes hand and hand
14 with the other bill, 712. So now that we will be
15 able to license vacant commercial buildings --

16 COUNCILMAN NUTTER: Let me narrow my
17 question. I'm sorry.

18 MR. HAIGLER: Sure.

19 COUNCILMAN NUTTER: Let's get down to
20 the part about -- right at the bottom of the bill,
21 it talks about license suspension, including
22 residential rental property licenses, multifamily
23 dwelling licenses, rooming house licenses until
24 the security is posted and providing during such a
25 period of license suspension, there shall be no

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2 right to recover possession of premises or to
3 collect rent.

4 MR. HAIGLER: In actuality, that
5 section of the bill does not really apply to the
6 amendments that we've issued. The amendments
7 we've issued only cover vacant commercial
8 property. So that section of the bill is a
9 current requirement that's in the bill now.

10 COUNCILMAN NUTTER: It's in the code
11 now?

12 MR. HAIGLER: They're in the code now,
13 related to residential properties.

14 COUNCILMAN NUTTER: No problem. No
15 further questions. Thanks.

16 COUNCILMAN MARIANO: Any other
17 questions?

18 (No further questions.)

19 COUNCILMAN MARIANO: No further
20 questions for this witness.

21 We're going to hold the next one
22 right?

23 All right, next is Bill No. 000655 --
24 it's a resolution, actually. He's going to read
25 it now.

1 3/21/01 L&I - RES. 000665

2 THE CLERK: Resolution 000665, a
3 resolution authorizing the Committee on Licenses
4 and Inspections to hold hearings on ways to
5 provide better coordination and access to records
6 among City agencies and ways in which the
7 Department of Licenses and Inspections can be more
8 proactive for citizens through the increased use
9 of the Internet.

10 COUNCILMAN MARIANO: And we're going to
11 hold this one, okay, under an Administration
12 request.

13 So we're going to go right out of our
14 hearing into the meeting.

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1 3/21/01 L&I - PUBLIC MEETING

2 COUNCILMAN MARIANO: So we're going to
3 open the public meeting of Licenses and
4 Inspections, and we have a quorum.

5 COUNCILMAN DICICCO: There was no
6 amendments to 712, right?

7 COUNCILMAN MARIANO: No.

8 COUNCILMAN DICICCO: All right, I move
9 that Bill No. 000712 be reported out of a
10 committee with a favorable recommendation and a
11 recommendation that the rules of Council be
12 suspended.

13 (Duly seconded.)

14 COUNCILMAN MARIANO: All in favor?

15 All against?

16 No against. It passes. Thank you.

17 COUNCILMAN DICICCO: I move that the
18 amendments to Bill No. 000713, as recorded
19 earlier, be reported out of this committee with a
20 favorable recommendation.

21 (Duly seconded.)

22 COUNCILMAN MARIANO: We have a second.

23 All those in favor?

24 Opposed? None.

25 Seeing none, it passes. The amendments

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2 pass.

3 COUNCILMAN DICICCO: I move that Bill
4 No. 000713, as amended, be reported out of
5 committee with a favorable recommendation and that
6 the rules of Council be suspended.

7 (Duly seconded.)

8 COUNCILMAN MARIANO: We hear a second.

9 All those in favor?

10 Opposed?

11 Seeing none. So Bill No. 000713, as
12 amended, passes with a favorable recommendation
13 and a suspension of the rules.

14 That would be the end of the public
15 meeting on Council's Committee on Licenses and
16 Inspections. Thank you. Thank you, everyone.

17 (Adjourned 11:40 a.m.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Wednesday, March 21, 2001, were
reported fully and accurately by me, and that this
is a correct transcript of same.

RE: COUNCIL COMMITTEE ON LICENSES AND INSPECTIONS
BILL NO.'S 000712, 000713

_____,
JOSEPHINE CARDILLO,
Registered Professional Reporter