



HAPCO NEWSLETTER

APRIL 2023

Serving Philadelphia's Investment & Rental Property Community

Message from the President:

If You Are In Philadelphia Real Estate & Not Paying Attention Now It's Gonna Cost You Big

Whether you own a single rental property or a hundred of them in the City of Philadelphia, it's time to care about what's happening at City Hall.



Greg Wertman

April is generally not known as election season, but in Philadelphia, we have a mayor's race starting to heat up. **The next mayor will set the tone for housing issues, including rent control and the future of the City's Eviction Diversion Program.**

see "Election Season" on page 3

Wondering What Your New Property Assessment Looks Like? Wait 'Til Next Year

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Keep Spreading the Word...

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Need Money To Repair Your Apartments? PHDC Has A Small Loan For That

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Rent Control Hearing a Farce

By HP Board of Directors Editorial Staff

It's not clear if Gauthier was even in attendance as rent control opponents spoke, because her camera was turned off during their testimony, and she only reappeared in the final minute.



Councilmembers Kendra Brooks and Jamie Gauthier

The rent control hearing was a farce, and even the City Councilmember leading it felt obligated to explain herself at its conclusion.

The Committee on Housing, Neighborhood Development, and the Homeless held a three-hour virtual hearing on rent control that afternoon. Resolution 200057 authorized the Committee to hold public hearings to explore the issue. This hearing was the furthest thing from seeking fair and open

see "Rent Control" on page 14

Affordable Housing and Rent Control: Where the Mayoral Candidates Stand



Mayoral Candidates. Credit: Individual website campaign photos.

By HP Board of Directors Editorial Staff

Six candidates for Philadelphia Mayor debated a variety of housing and development questions in a 90-minute forum at the Kimmel Center on March 14, sponsored by BUILD-Philly and Hapco Philadelphia. Two of the

questions focused on affordable housing and rent control.

AFFORDABLE HOUSING: With approximately a quarter of the city living below the federal poverty line and 28% of Philadelphians spending half or more of their income

see "Mayoral Candidates" on page 6

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Election Season continued from page 1

Recently, I and several Hapco Philadelphia board members and our general counsel, attended the recent Mayoral Forum at the Kimmel Center, sponsored by Build Philly and Hapco Philadelphia. This month's Hapco Newsletter is a must-read for anyone in the housing industry to see where each candidate stands on issues facing our sector. You can watch the event on our website. (Look under the "News" section.)

The primary is May 16th. Numerous former City Councilmembers are vying for the top job, which, of course, will lead to a reshaping of council itself.

The question of rent control was posed to the assembled six-person slate. Notably, only one candidate Helen Gym — a rent control proponent — would not give a definitive NO when asked by the moderator whether she supports rent control. Every other candidate—Derek Green, Alan Domb, Jeff Brown, Maria Quiñones Sánchez, and Rebecca Rhynhart — emphatically issued their lack of support for rent control. They also spoke in depth about the future of affordable housing in the city.

Big changes are also coming to City Council

members stepped down from their positions, as required by law, to run for mayor. Moreover, Council President Darrell Clarke announced he will not seek re-election.



Greg Wertman

Now is the time to educate yourselves on replacement candidates' positions. Decisions made will significantly impact housing providers. We are working on what we consider a slate of candidates whom we feel would benefit property owners, so be on the lookout for that.

Hapco Philadelphia is committed to keeping members informed, with up-to-date, accurate, and unbiased reporting. Check HP's website regularly and see the bi-weekly emails "blasts" and join the conversation on HP's online member-only Forum platform. Like us on Facebook!

Get involved. Committee positions are available, and we are always looking for real estate providers and professionals with a "can-do" attitude.

Advertising Rates and Information about the Hapco Monthly Newsletter



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Investment & Rental Property
Community

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Wondering What Your New Property Assessment Looks Like? Wait 'Til Next Year

Backlog of Appeals Has Swamped OPA

By HP Board of Directors Editorial Staff

This is what happens when the City of Philadelphia waits three years to reassess properties.

An average 31-percent spike in property values effectively overwhelms the system with appeals from furious property owners.

That is why the city's Office of Property Assessment (OPA) is now saying a new annual

property value reassessment it had hoped for would be put off until 2024.

"We will continue doing evaluations starting next year," Rob Dubow, director of finance, told *The Philadelphia Inquirer*.

OPA wanted to release reassessments every year to avoid traumatic jumps in property values, a Herculean task in ordinary times.

But with staff contending with a record number of property tax appeals OPA says there

just isn't enough manpower to do both.

The bottom line of delaying reassessments until 2024 is that those valuations and tax bills may create even more sticker shock for Philadelphia property owners.

For a full breakout of the assessment delays you can visit the HAPCO Philadelphia website at <https://hacophiladelphia.com/free-content/waiting-for-your-philly-property-to-be-reassessed-get-in-the-endless-line>

Keep Spreading the Word...

By HP Board of Directors Editorial Staff

We talk a lot about strength in numbers, which is why we continue to work hard to boost our membership.

Our new promotional video was included in the launch of our Facebook ad last month and got more than three thousand views in less than a week! It also led to two hundred people going to our website to learn who we

are and what we do. Some of them became new members. And now we're preparing to mail a new brochure to thousands of rental owners across the city that promotes several of our new services, including the Hapco

Handbook, lease package and documents, Ask the Attorney, and our in-person educational series. You can find all this and more on our website at hacophiladelphia.com.

But frankly, the best promotion comes from you. Please be sure to like us on

Facebook, and direct your friends to our website. Thank you for being a valued Hapco Philadelphia member. Let's keep growing!

Need Money To Repair Your Apartments? PHDC Has A Small Loan For That

New Rental Improvement Fund Has Loans for Small Rental Owners

By HP Board of Directors Editorial Staff

Philadelphia's aging rental housing stock means a legacy of historic properties that are costly to maintain for Mom and Pop rental property owners.

And often when those rental owners need money for repairs and maintenance, many banks won't lend them the smaller amounts they need and can afford to pay back.

That's why the Philadelphia Housing Development Corporation (PHDC) is now rolling out a new small loan program aimed at helping small rental owners get the repair money they desperately need.

The Rental Improvement Fund (RIF) offers loans under \$100,000 to eligible rental owners with no more than five properties comprising fifteen units.

The PHDC says when rental owners can't maintain their property it has significant and generational impacts on the health, safety, and economic security of renter households.

In those cases, a rental license must be obtained immediately following completion of the repair work.

Priority will be given to units currently occupied by a tenant, but vacant units with a valid rental license may be eligible in some cases.

PHDC say the RIF loans can be used for any repair that addresses a safety, health, habitability, energy or water efficiency concern. Examples of repairs that are covered include, but not limited to:

- New and repaired roofs, windows, doors
- Repairs to deteriorated walls, floors and ceilings
- Asbestos, mold, and lead remediation
- Electrical and plumbing improvements
- Energy efficiency upgrades
- Heating and cooling systems



You can find out about income eligibility and loan amounts and apply for a RIF loan by visiting the HAPCO Philadelphia website at <https://hacophiladelphia.com/blog/need-money-to-repair-your-rental-property-phdc-has-a-small-loan-for-that>

Who is eligible for the Rental Improvement Fund?

- Landlords who own no more than 5 properties and no more than 15 units
- Units where the current rent is affordable to households earning at or under 60% AMI
- Property must meet Philadelphia's code requirements after repairs are completed.

Properties must have a valid rental license, **unless** the loan proceeds will be used to address open code violations or do lead remediation work that currently prevents the property from getting a rental license.



Top: Allan Domb., Jeff Brown, Maria Quiñones Sanchez; Bottom: Rebecca Rhynhart, Derek Green, and Helen Gym.

on rent, the candidates were asked what their priorities were regarding housing affordability.

Former Councilmember and real estate magnate **Allan Domb** said the focus must be on improving good-paying jobs. Domb says the City must leverage the Land Bank, which aims to turn delinquent or vacant properties into development opportunities. He says the City must make it worthwhile for developers to build affordable housing. Domb added that with interest rates more than doubling in just over a year, the city might consider

buying down interest rates to make home loans more affordable.

Grocery store owner **Jeff Brown** believes the real estate tax system is broken and is ruthless to the poor. He wants all real estate tax increases capped at 5% to ensure taxes don't force people from their homes. He wants to end the Land Bank and sell those properties to developers of affordable housing. He also wants the City to consider financial assistance for direct ownership or to seek minority developers to convert property to affordable housing. He says the City

should consider floating a bond to finance these projects, and he wants to eliminate councilmanic prerogative for affordable housing — a practice which gives council members control of land use in their region.

Former City Councilmember **Maria Quiñones Sánchez**, author of the Land Bank, acknowledged it is being underutilized and wants to see it fully funded and grow. “No one on the stage has built more affordable housing in public/private partnerships than I

continued on page 7

have. Ultimately the affordability crisis has to be managed through public/private partnership,” she said. She suggested a variety of potential solutions, including the introduction of a fixed rate housing plan, a type of city housing voucher subsidy program. Her website states it would offer housing to families that they can afford at a fixed predictable rent and the landlord benefits from a stable payment. But she says it is not rent control.

Former City Controller **Rebecca Rhynhart** says the city must balance development with fairness. It must be easier to do business with the city. She supports a rent subsidy program and wants to keep longtime homeowners in gentrified neighborhoods in their homes. She says the city will even go door-to-door to teach and enroll people in programs that already exist, such as the Longtime Owner Occupants Program (LOOP) and the Senior Tax Freeze.

Former City Councilmember **Derek Green** says affordable housing is a real crisis and that the city must get out of the way of the private sector in developing low-income and workforce housing. Unused city land should be utilized as an incentive to developers. “We as a city are not doing that, we’re not partnering. We need to get more land out to those developers and not restrict them.” He also does not support any new taxes that would inhibit growth.

Former Councilmember **Helen Gym** says the conversation must include extremely vulnerable communities: the homeless and disabled, and she cites 37% of children are born into poverty in the city. She says the answer can’t be short-term and must focus on permanent affordability, supporting an overhaul of the tax code and a new commission to review incentives and ensure housing affordability is prioritized.



RENT CONTROL: When each candidate was asked “yes or no, do you support rent control?” they responded:

Green: “No.”

Gym: “This is not a yes or no question for me, so. Sorry.”

Domb: “You have to understand that 90% of the owners of properties in Philadelphia are individual mom and pops. In California, it’s 30%. So. the answer is no. We’re hurting our own homeowners and investors.”

Brown: “No, it’s very destructive.”

Quinones Sanchez: “No, I have a fixed-rate model that’s better.”

Rhynhart: No.

To watch the candidates answer these questions or to watch the full Mayoral Forum, scan to code below or go to the “News” section of the Hapco Philadelphia website. You’ll be asked to log in before viewing.

Important Deadlines in the upcoming Primary Elections

PENNSYLVANIA

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 PA deadline to request a mail-in ballot: May 9, 2023
 PA Primary Election Day: May 16, 2023

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Advertising relevant to investment in and operation of properties is accepted. The advertisements help defray the cost of producing and distributing the publication. They are also a valuable resource for members, who own and manage more than 30,000 small and mid-size rental buildings in Philadelphia, by helping them identify vendors who offer goods and services relevant to their business interests.

Hapco Philadelphia reserves the right to decline advertising inconsistent with rental property acquisition, sale, maintenance, and management.

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An advertisement in the Newsletter does not imply endorsement by Hapco Philadelphia. Members are urged to request and consult references as they consider prudent.

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Pennsylvania's minimum wage debate revisited



Keith Srakocic/AP Photo

By Christen Smith | The Center Square

In this April 14, 2016, file photo, union organizers, students, and supporters for a \$15 an hour wage march through the Oakland section Pittsburgh.

(The Center Square) – The pandemic's impact on income growth aside, lawmakers say workers need not wait for another “once-in-a-century” emergency to earn a livable wage.

And the time has finally come, according to the House Democratic Policy Committee, to use their narrow majority to more than double the state's minimum wage from \$7.25 to \$15 per hour.

“Too many people have worked too hard for too long to not be able to pay their bills,” said Rep. Patty Kim, D-Harrisburg. “We are not going to wait another 14 years to raise the minimum wage.”

Pennsylvania and 19 other states still offer minimum wages aligned with the federal rate

of \$7.25 per hour. The rest – including all of the commonwealth's neighbors – have increased pay to between \$10 and \$14 per hour.

Kim said Monday she's been advocating for a higher rate since 2013, though strong Republican majorities in both chambers prevented the legislation from moving forward. On Monday, she said any raise enacted should be tied to inflation – as lawmakers salaries are – “so that we never have to have this conversation again.”

Close calls have unfolded over the years, with some Senate Republicans supporting a \$10 minimum wage as recently as 2021, **The Center Square previously reported.** The offer wasn't enough to strike a deal with Democrats in the chamber, however.

And in 2019, the Senate forged a compromise with former Gov. Tom Wolf to raise the wage to \$9.50 by 2022, but the measure lacked support from the House's GOP majority.

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Minimum Wage *continued from page 8*

But now, with Democrats in control of both the lower chamber and the governor's mansion, there's more leverage to make a deal – though it will be hard given the inflationary strain on the economy.

As of now, Senate Majority Leader Joe Pittman, R-Indiana, said creating “maximum wage jobs” is a bigger priority.

“This period of high inflation cannot be addressed through artificial minimum wage increases,” he said. “Family sustaining wages must grow if we are going to truly help the residents across this commonwealth who are struggling financially.”

But for Genale Rambler, a home health care worker from Myerstown, raising the wage would “be life changing.” Rambler and her husband sink every dollar they earn into caring for her ailing parents. They've sold their home, drained their savings account and forgone medical care to cover the bills, she said.

“We hear all the time that workers are already making above \$15, and that elected leaders don't need to take action on this issue,” she said. “This is simply not true. I am a skilled, trained caregiver, and I make less than \$15 an hour.”

Federal **data** shows just under 64,000 residents make \$7.25 or less an hour and nearly three-quarters of those include tipped workers. Another 418,000 make up to \$12 an hour, and 510,000 earn between \$12 and \$15 per hour.

Further, the number of “at-or-below” workers declined more than 40% between 2017 and 2022 – largely due to the pandemic-induced labor shortage.

Claire Kovach, a senior research analyst at the Keystone Research Center, said one in four workers would benefit from a \$15 minimum wage, which would boost annual earnings by an average of \$4,300.

Most of those workers, according to the center, include women between the ages of 20

and 39 and people of color, while 18% are over the age of 55. This busts the myth, Kovach said, that most minimum wage earners are “high school kids flipping burgers.”

Critics of the policy argue that businesses will cut positions or reduce hours to cover the cost of wage mandates, erasing its economic benefits for workers. A recent **analysis** from the Independent Fiscal Office found that a \$12 an hour rate could cost Pennsylvania 5,000 jobs.

Lowering total work hours for employees also jeopardizes health and retirement benefits, according to 2021 study from the **Harvard Business Review.** Researchers examined schedule and pay data for more than 5,000 workers in California, where the minimum wage rose from \$9 to \$11 per hour between 2015 and 2018 – and every year since.

For every \$1 increase in the minimum wage, the average number of work hours for each

employee dropped 20.8%, correlating to an average earnings decrease of 13.6%. Researchers concluded employers recovered 27.5% of the cost of the mandate using this strategy.

Andrea Grove-Musselman, owner of Elementary Coffee in Harrisburg, told the committee she's seen no negative revenue impacts as a result of offering her nine employees wages higher than the minimum rate.

She argued her employees work harder, provide better service and bring in more customers, boosting her overall bottom line.

“My business is my family,” she said. “There's a level of sacrifice you take on when becoming a business owner. It's tough, but I honor my employees by paying them a livable wage.”

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SECRET TO KEEPING IDEAL RESIDENTS

A landlord asked on our Q&A about a common landlording issue, the renewal conundrum. The landlord had an ideal resident who pays her rent on time, doesn't complain a lot, does not bother neighbors or damage anything, and that's about as good as it gets.

"The problem is young people never stay. I expected her to do a year and then move in with her boyfriend, or back with family, hanker for a new place, whatever. Her lease is up on March 31st. So my question is, if you have a good renter and want them to stay and renew, when should you offer them a lease renewal, and how is it handled?"

The landlord's first thought was to offer a renewal right after she pays her last month's rent, aka March 1st. But this may lead to the resident looking at new places for a whole month. Once they get it into their head that they want someplace new, they're gone. So what are thoughts of other landlords?

Following this question came the usual mix of landlord responses. One suggested that the landlord first make sure that the resident knows she has the option to stay, because some renters don't realize that they have the option to extend the lease. It was also suggested to give a 30-day notice to renew and

preferably even 60 days so they won't feel in a rush to run out and immediately look for another place.

MY SECRET FOR KEEPING RESIDENTS MORE THAN A YEAR:

To the landlord with the renewal conundrum, let me share with you a concept that has worked extremely well for me over the years in keeping ideal residents more than one year, and has saved me thousands in turnover costs. Consider utilizing this for all your future residents moving forward.

The secret to getting residents to stay longer than one year starts not 30 days out, not even 60 days out. It starts with the MIND-SET you CREATE, going all the way back to the time of application and at the initial lease signing.

On the application you ask: Would you like to receive a gift every year on your anniversary date? (By the way, never use the term "renewal" with your residents, use the term "anniversary" date).

On the lease agreement, the first line reads: Welcome! As one of our new 3-Star Residents, we look forward to serving you for the next 3 years.

It's all about creating and reinforcing this mindset throughout the term, including asking them to let you know which anniversary gift they want to select from a couple of options you offer. And you ask this "six" months before their anniversary date.

This is just one of many ways you can rid yourself of the renewal conundrum, add to your peace of mind, and save thousands on turnover costs on even just one rental.

FEE FOR FISH?

Do you charge a monthly fee for a pet? It's typical for landlords to charge fees for pets, especially for cats and dogs. But what about pet fish? This is a topic which is very seldom even brought up between landlords and residents. Some landlords charge a monthly fee for fish. One example I read recently a property manager charges \$15 a month to allow pet fish.

If a resident just happens to bring up the subject (or much more likely scenario, the landlord discovers a large fish tank during a property inspection) some landlords will require that the residents have renter's insurance if a large aquarium is kept in the rental. For the average landlord, most don't address fish as pets in their leases with rental residents one way or the other. This short note is just for you to consider giving thought to this topic and possibly addressing pet fish in the lease and whether you charge additional monthly fee or require additional deposit or renter's insurance when large tanks are involved.

The tips in this column are shared by regular contributors to the MrLandlord.com Q&A forum, by real estate authors and by Jeffrey Taylor, Founder@Mrlandlord.com. To receive a free sample of the Mr. Landlord newsletter, call 1-800-950-2250 or visit the Q&A Forum at LandlordingAdvice.com, where you can ask landlording questions and seek advice of other landlords 24 hours a day.

PennDOT Begins Preliminary Construction On New I-95 Cap At Penn's Landing

King of Prussia, PA

The Pennsylvania Department of Transportation (PennDOT) has given its contractor approval to begin construction on the \$328.9 million contract to replace and expand the existing covered section (I-95/CAP) of Interstate 95 at Penn's Landing along the riverfront in Center City Philadelphia.

PennDOT issued a Notice to Proceed (NTP), to Buckley & Company Inc., of Philadelphia, its general contractor on the milestone project. The NTP allows the contractor to establish a protected work zone and perform preliminary construction activities across a project area that stretches over and adjacent to the interstate between Market and South streets.

Large-scale construction activities, including the demolition of bridge structures, will begin this spring following a public pre-construction meeting to provide residents and business owners with details and scheduling of the coming construction.

The time and location of the pre-construction meeting will be announced jointly by PennDOT, the Delaware River Waterfront Corporation (DRWC), a partner in the I-95/CAP project and the City of Philadelphia.

In addition to replacing the cap over I-95 between Chestnut and Walnut streets, the I-95 Central Access Philadelphia (CAP) Project will improve pedestrian and multi-modal connections between Center City and the waterfront. The project has two main components: a new Park at Penn's Landing, and a new signature bridge at South Street, both of which will also extend over Columbus Boulevard to connect cyclists and pedestrians to the newly completed Delaware River Trail.

The new Park will be an 11.5-acre civic space spanning I-95 and Columbus Boulevard between Chestnut and Walnut Streets, extending from Front Street to the Delaware River. A concurrent DRWC project construction will include the Park topside amenities including

gardens, play areas, flexible open space, a contemplative setting for the Irish and Scottish Memorials, and a mass-timber Pavilion.

During construction, I-95 motorists will experience minor lane shifts on the mainline and adjacent ramps. Other travel restrictions also will take place on I-95 and adjacent surface streets — including Columbus Boulevard and Front Street, during various phases of construction.

Pedestrian access between Center City and the waterfront also will be maintained on Dock Street and Market Street during construction.

Additional project details, construction updates, project detours and other information will be available on www.95revive.com and ParkatPennsLanding.com.

The project is financed with federal, local, and private funds.

Motorists can check conditions on more than 40,000 roadway miles, including color-coded winter conditions on 2,900 miles, by visiting www.511PA.com. 511PA, which is free and available 24 hours a day, provides

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For a complete list of construction projects impacting state-owned highways in Bucks, Chester, Delaware, Montgomery and Philadelphia counties, visit the District 6 Traffic Bulletin.

Information about infrastructure in District 6, including completed work and significant projects, is available at www.pennDOT.pa.gov/D6Results. Find PennDOT's planned and active construction projects at www.projects.pennDOT.gov.

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Over the Transom

Edited by Robert Christian

Some recent traffic on Hapco's Online Forum:

Names have been withheld to protect the innocent. Responses reflect the views of the Forum respondents and not necessarily those of Hapco Philadelphia.

RENT CONTROL MEETING

Post: Re: [DIG] Video of Philadelphia City Council rent control hearing 03/22/23

I 'testified' at the City Council meeting. There was a write-up in Saturday's Inquirer about the meeting. Started on the front page and was continued on page 6. Have not looked at Sunday's paper yet if it's in there as well.

I am actually quoted for what I said (and the only one!).

I spoke in general about how City Council, with the laws that they have passed, keep on sticking their hands in the landlords' pockets, which certainly doesn't help keep rents down.

Not sure if it was heard by others, but I was actually interrupted and told that this was a discussion on rent control, and I replied it

was a discussion on keeping landlords in business, and they let me continue.

I suggest that the staff writer who did the article, Jake Blumgart, be contacted to not only hear from us our complete side of the story, but to make it public that we were only allowed two minutes of comment while those supporting rent control were allowed ten minutes.

City Council should be asked publicly and held accountable for this disgraceful action!!!!

Response: Definitely the new hot topic for city council.

Meanwhile I'm looking at increasing rent on two properties. Property #1 property taxes increased 240% (Not a typo). Property #2 property taxes increased 212%.

Philadelphia Water Revenue Bureau is proposing raising water rates 20%. Property insurance is going up. Building supplies and contractor labor costs are going up.

Really glad I own single family houses in Philly and always have the "sell to a homeowner" exit plan.

Interesting that those in favor of rent control at this hearing all had 10 minutes to speak. Those opposed were given 2 minutes. The Pennsylvania Apartment Owners Association wasn't invited.

So, it's pretty clear which direction things are headed. Time to take a hard look at your Philadelphia rental portfolios.

RENT CONTROL LETTER

Post: Below is a letter I sent to all council members on rent control. Please write. Emails of council people can be found online.

As council members consider rent control, they also need to consider its unintended consequences. First of all, there is no cap on expenses for housing providers. Taxes, insurance and utility costs will continue to go up. Unable to increase rents, housing providers will see profits decrease. It is very likely small mom and pop providers will sell their holdings and invest elsewhere. For those who stay, they will not make capital improvements. I renovated a property spending \$50,000 on a new kitchen, bathroom and other amenities. Of course, I raised the rent. Even with the rent increase, it will take me 5 years to recoup my investment. Would this happen in a rent controlled property? Absolutely not. In most cases — where rent control was established — the cost of rents in surrounding neighborhoods went up because of increased demand. Rent control also discourages new investors from constructing new properties. Because of these negative consequences, 37 states in our country have banned rent control. Instead of rent control, help tenants who can't afford rents with direct subsidies. Improve the current Section 8 program which is a bureaucratic disaster. Work with housing providers to come up with solutions. Make the relationship less adversarial and more cooperative. Putting the entire responsibility for affordable housing on housing providers is short sighted, inequitable and will drive many of us out of business. More importantly, statistics tell us: it has never worked. Housing stock decreases, blight spreads and rents go up

continued on page 13

Over the Transom continued from page 12

in bordering neighborhoods. Good intentions can have disastrous consequences.

Response: Great idea and great letter.

Response: Fantastic letter

Response: That was a really terrific letter. True enough re: improvements and the time it takes to recover the costs. Thank you for the eloquent representation.

RENT INCREASES FOR SECTION 8?

Post: Has anyone been able to get a Section 8 rent increase in Phila within the past few years? I haven't been able to get a rent increase in many years from Section 8. With excessive tax increases, rising insurance cost, a lengthy eviction process, now possible rent control, it is getting tougher every day to provide quality, affordable housing and still make a profit in Philly these days. If you are getting Section 8 increases are there any tips that you care to share?

Response: Have you made requests via the S8 portal? Assuming that you have made request via the portal there is a finance tab and you can track progress by rent increase tracker. If you have followed this process and you're not seeing progress I would recommend you reach out to Sharon Robinson, the landlord liaison. Sharom.Robinson@pha.phila.gov

PHA is definitely backed up but requests have led to increases. Not necessarily 100% of what I requested. Each case is different depending on the specifics. The increases also do not take effect until voucher anniversary date.

WROUGHT RAIL

Post: I need to replace a small wrought iron railing for the front steps of a property in North Philly. Does anyone have any recommendations? Thank you.

Response: Don's Welding 267-770-7654. Did a nice one for me at 30th and Susquehanna.

Response: Try Paul at 215-206-1065. He has replaced and fixed a few of my railings.

Response: Willie the Welder did a great job on a fence for me and very reasonable 267-242-5926

DISPOSING OF CREDIT REPORTS

Post: I am curious as to when other people dispose of tenants' credit reports. When you are done processing an application or when the tenancy is over? I have an applicant who had an issue with identity theft and wants me to give him a letter stating I will dispose of his credit report after I am done processing the application and they are approved. My concern would be what if they cause damages to the house and I need to take them to court. I don't believe I need their social security number. Do I? After a little research I found that you are supposed to dispose of credit reports when you are done using the report. I feel that I am done using it at the end of the tenancy. He wants me to dispose of it when I am done processing the application. He is a compliance officer at a large bank so I just want to make sure I am clear on the rules. I found this: <https://www.ftc.gov/business-guidance/resources/disposing-consumer-report-information-rule-tells-how> Any thoughts?

Response: You will need their Social Security number to collect on a judgment in court.

Response: If you end up needing to locate someone to serve them with a complaint in landlord/tenant court or to recover damages, etc., skip tracers will tell you they need the person's SSN. If you do hang on to someone's SSN, it is necessary to store that securely – for example in a safe.

Response: We do not keep local copies of credit reports. They are kept on the credit check website that we use (mrlandlord)

We do keep scans of applications but we are very careful with them, and I suggest everyone else be careful as well. If I remember correctly, there's PA legislation where if you get hacked you have to pay a penalty for every person whose information you have stored electronically even if they don't end up having their identity stolen. Plus, you have to pay for a certain period of credit monitoring for each person.

What we do is 1) use a firewall 2) password protect every file that has personal information and 3) move every tenant who isn't current to a drive that isn't accessible from our network.

Response: Thanks everyone for the responses. I just realized I wrote that he wants me to dispose of the report, I meant the application. I understand I need to dispose of his credit report when I am done using it if I print it. He does not want me to have his social after I process the application. I think I am going to start doing what Justin does and not print the reports.

LANDLORD FOCUS

Post: We are currently looking for small landlords and property managers serving immigrant populations for an in-person focus group discussion to collect feedback on their unique needs and concerns. Date: April 4, 2023, 5:30 – 7:30 pm; Location: 1919 Cottman Ave. Phila., 19111Attn: Claire. shelly@phila.gov. Sponsored by: Office of Community Empowerment and Opportunity. C. Michael Robinson, Director of Community Engagement & Neighbor Services.

Refreshments and Compensation will be provided.



Councilmembers Kendra Brooks and Jamie Gauthier

testimony, public opinion and truth-seeking.

The “expert panelists” assembled by the committee comprised eleven supporters of rent control, each of whom were given ten minutes to push their pro-rent control agenda. Councilmembers Jamie Gauthier and Kendra Brooks, both staunch pro-rent control advocates, led the hearing and notably lobbed only softball questions to their panelists in open support for their positions.

No rent control opponents were invited to speak as panelists.

Finally, following an exhaustive display of favoritism, after approximately 131 minutes of one-sided lecturing and posturing, those who signed up to speak against rent control were told to keep their testimony to two minutes.

Those eleven additional speakers spoke for about 32 minutes, with no questions by the two council members. 131 minutes versus 32 minutes. It’s not clear if Gauthier was even in attendance as rent control opponents spoke, because her camera was turned off during their testimony, and she only reappeared in the final minute. Several additional rent control opponents — not knowing if they’d actually be called upon to speak —

finally gave up after waiting two and a half hours and left angered and disgruntled.

In an apparent effort to justify the blatant unfairness, Councilmember Kendra Brooks ended the hearing by claiming she believed in a balanced conversation, but that the city “was already in conversation with” those who opposed rent control, insinuating that their voices apparently weren’t deemed important enough for this hearing.

Breathtaking. Wow.

The fact is that while supporting rent control may sound like a noble cause, it has been proven by study after study across the country not to work. In fact, it’s a miserable failure at all levels.

93% of ALL economists say it has the opposite effect of its intended consequence; it reduces the quality and quantity of available housing. Small mom-and-pop landlords — who may own one or two units and are the vast majority of landlords in the city — are already running for the exits and selling and leaving Philadelphia en masse because of the enormous regulatory burdens the city places on them. Now rent control? If passed, the end result will be little to no quality affordable rental housing in the city.

The overwhelming majority do not price gouge. Even rent control proponents testified at the Wednesday hearing that most Philadelphia landlords are not raising rents by more than 3.3%, which is half the current rate of inflation (Bureau of Labor statistics for urban areas through February 2023). The way to achieve a better housing stock is to have better relations with businesses that provide the service and treat them like partners in a process, not the enemy.

Almost all of Philadelphia’s mayoral candidates oppose rent control. At a debate this month, five of the six attending candidates said they do not support it. Allan Domb said rent control will hurt our local homeowners and investors, and Jeff Brown called it “very destructive”. Only Helen Gym wouldn’t answer the question as to whether she supports it. We know with absolute assurance that she is a rent control supporter.

Hapco Philadelphia landlords who own or manage some 20,000 units in the City are an important resource for the city in seeking solutions to affordable housing woes. We will continue to speak out for fairness and justice ... even when we’re not asked to.

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Reasons to JOIN Hapco Philadelphia

— hapco@hapcophiladelphia.com —

FEATURES & BENEFITS OF MEMBERSHIP:

Hapco Philadelphia is the pre-eminent rental real estate industry trade group in the Philadelphia region.

Hapco Philadelphia (HP) was established in 1954 to represent the collective interests and municipal concerns of owners of rental properties in the City of Philadelphia. Now with nearly 2,000 members, its owners/managers control over 20,000 low- and moderate- and market-rate rental units, including single-family and multi-family properties throughout the Philadelphia.

The Hapco Philadelphia board is an all-volunteer 401C-4, Not-For-Profit organization, comprised of entrepreneurs, teachers, police, lawyers, architects, and who helm firms ranging from start-ups to mom-and-pops, and old-line multi-generational firms.

HP advocates for an improved business environment, fair and reasonable laws, rules and regulations that protect the health and safety of tenants and at the same time enable landlords to operate in a free, fair, and open marketplace.

- NEW Fully Integrated Website
 - Streamlined forms for landlord & tenant legal actions
 - Searchable archive
 - Continuous updates of legislative matters
 - Updated news & information feeds
 - Announcements & calendar events
 - PA state level legislative activity & PROA
 - Online store (coming soon!)
 - Special “ask our lawyer” section
- Exclusive members-only online Forum
- Facebook, LinkedIn & YouTube channel
- Online monthly newsletter, including news, trends, & editorials

- Educational series, lectures & roundtables
- Affordable, Tax deductible membership dues
- General Membership Seminars featuring guest speakers from the local business community, building, industry, and elected officials
- HP-PAC to support our various interests and causes on behalf of its members
- Exclusive members-only discount at major retailers like Home Depot and Sherwin-Williams
- Affordable, tax-deductible membership dues
- Get involved! Exciting opportunities to make a difference by joining Hapco Philadelphia’s wide array of committees.
- Meet-and-Greets!

Membership Fee Increase (Effective June 1st, 2023):
 New Member / Renewal fee: \$206.00



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HapcoPhiladelphia and its members appreciate and value their tenants and the symbiotic relationship they share. Unfortunately, sometimes that relationship breaks down, with the necessity of court intervention in order to reclaim your property. Eviction is likely a last resort.

Everyone knows that going to court is time-consuming and expensive; HapcoPhiladelphia membership benefits include access to our one-stop solution to Philadelphia Municipal Court. Exclusive members-only fee structure provides top legal professionals who will guide and advise you on how the process works, from paperwork origination, mediation, settlement negotiation and, if necessary, actual eviction and lock-change, so you are comfortable knowing your rights as a property owner are known and respected.

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To join HapcoPhiladelphia and for more information, or to register visit at HapcoPhiladelphia.com



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