

OCTOBER 20, 2014 COUNCIL MEETING MINUTES

The October 20, 2014 Council Meeting was called to order at 7:50 P.M. in the Council Chambers at the Municipal Building

APPROVAL OF AGENDA ITEMS

Mayor DeLuca – Good Evening, we will call this meeting to order. We have to amend the Agenda we are going to add **Resolution 2014-062** - a Resolution of The Municipality of Penn Hills, County of Allegheny, Commonwealth of Pennsylvania ratifying, affirming and approving a Global Settlement with Charles V. DeNinno. The rest of the Agenda will stand as presented. Will you please stand for the Pledge of Allegiance?

ROLL CALL

Dr. Kincaid
Mayor DeLuca
Mr. Underwood
Mr. Palumbo
Mrs. Kuhn

Also present were Manager Rayan, Manager's Secretary Sorce, Finance Director Schrecengost, Planning Director Davidson, Controller Futules, Solicitor Chelsea Dice and Engineer Minsterman.

CITIZEN TO ADDRESS COUNCIL

Mayor DeLuca – Irene McLaughlin – 8908 Upland Terrace – I am here as an attorney, as a mediator, as a former judge and I am continuing as you all know to work with the Penn Hills CDC on the issue of Blight in Penn Hills so we are going to zoom in on Blight in process a little snap shot of what is happening in Penn Hills. You do have a handout that has this parcel map and you have basically Dauntless Drive and each parcel on Dauntless here is colored coded for its property status with a legend at the bottom that is placed on the back in a pretty self explanatory table with the tools of Vacant Property Registration and the COG Land Bank just because they were discussed at the last meeting and we are continuing to have this discussion about Blight and I appreciate what is being done in Penn Hills and there is more to do. Because of your having to introduce The Vacant Property Registration Ordinance there was an article that you probably all saw that basically was interviewing a number of people including Christine Donovan who is a member of the Penn Hills CDC and as the article said bought her home on Dauntless twenty five years ago and at that point every parcel twenty eight parcels that are all here in front of you were owner occupied and now three properties on her street are vacant, one has a deceased owner, one is in foreclosure, the third owner now has his primary residence out of state and appears to be using his Penn Hills property just to store his cars. A study out of Ohio which includes Cleveland

shows a 2.1% reduction of value of properties near the vacant property just when a property is simply vacant so it really does underscore your work with the Vacant Property Registration. When the study added vacant and or tax delinquent and or foreclosed property value reduction went down 9.4% and that is what Christine and others on Dauntless are dealing with now. One quarter of the properties on Dauntless are being rented. No surprise that is the national trend since our 2008 economic crisis. Credit standards are tough, the rental housing market is booming, people need rental housing. The fact that there are more renters is not the problem; the problem is in the management of certain rental properties. There are good landlords and bad landlords and a bunch of clueless in between. This year 107 Dauntless which is the prime property at the corner of Dauntless and Ritzland was bought by ARDR International LLC. This is one of four LLC's Dov Ratchkauskas uses to purchase, finance and manage his growing real estate portfolio throughout the region. LLC's Limited Liability Companies are not the problem, good landlords use LLC's. Prosecution against bad landlord LLC's is difficult. Penn Hills Code Department has had to file court citations against Dov Ratchkauskas LLC's for failure to obtain a basic occupancy permit on about fifty properties over the last three years. Deputy Mayor Sara Kuhn reported on this reported on the work of the Municipality with regard to this and we thank you for your leadership on this matter Ms. Kuhn. Bad landlords in today's real estate market are milking our housing stock for cash flow. There is no investment in the property it is simply paper being bought up in bulk and being used to just get the rents that they can get. Last count Dov Ratchkauskas was up to about 140 properties in Penn Hills and he is not as you all tell me not the only bad landlord in Penn Hills. I got a property across the street from me that has changed hands. When it last changed hands it went into mortgage foreclosure and it was a good thing because it was a drug house and when it went into mortgage foreclosure it became part of a bundle. The corporate owner was out of South Carolina sent somebody up to go in and look at the property I followed him in, the property was a disaster, disaster, smelled liked dogs nothing functional in the property he said this is live in, move in condition put up a sign \$550.00 down \$300.00 a month for sale. \$500.00 down. Thankfully my neighbor up the street actually bought the property moved in and started to work on it. She had a family of a zillion different contractors and they did work on the property. Unfortunately, for whatever reason she could not sustain the property she has lost it, it is back into a foreclosure, back into a dot.com kind of a situation, bulk property this time the for sale sign says \$1,000.00 down, \$550.00 a month. No money going into these properties except for that which those who occupy the properties may try to do on their own. So vacancy, dead owners, foreclosure, bad landlords create Blight. Local study right here in Pittsburgh's Eastern Suburbs shows conservatively 15 – 17% drop in value of property within 150 feet of a Blighted property. That study is posted at The Turtle Creek Valley COG's website as many as you probably know. You also have in your packet the list of complaints that Christine has filed at our online complaint portal at the Municipality Website over the last year or so on Dauntless Drive and around her neighborhood. Exterior property, maintenance violations that she sees that everybody sees garbage, trash, rubbish, debris, grass, weeds, trees, shrubs Blight in its most presentable form. Only about 20% of these complaints were addressed and for good reason we had these conversations in our committee meetings, Howard is there, Howard has the background, Howard can

explain to us the priorities. It does make sense, garbage and overgrowth is not a priority when compared with structural emergencies, building permits, demolitions, and all of the work that the Code Department has to handle but all of Penn Hills residents owners and renters need life safety protection that Code requires and every Penn Hills resident deserves high quality of life they should not have to tolerate Blight. The big Blight and the small Blight because it all adds up to Blight and it lowers the standard in the Community and it lowers our property value and it lowers our tax base. Penn Hills needs a strategic plan to address and prevent Blight that is not the traditional reactive complaint driven one list of priorities for the department where Blight always gets minimal attention. And that is not just Penn Hills that is everywhere. That's the way Code has been but now there is a new approach that has been emerging and Penn Hills needs to join that employs a full array of tools for the little jobs before they become big expensive problems. For the bad landlords Penn Hills needs a data driven progressive discipline approach that allows for the stepping up of enforcement and the escalating of potential penalties in a strategic manner. Forty three property citations against Dov Ratchkauskas were filed and withdrawn when the occupancy permit could finally be issued by the department who worked very hard to get those properties into compliance with those bad landlords withdrawn no guilty, no fines, no costs that is the old method of traditional get it done, get the result of compliance, that is the goal as opposed to trying to send a message through the chronic offenders to the others that we have a standard, we have a process, you have to come into compliance. Our existing structures code was adopted in the mid 1980's when all the homes on Dauntless Drive were owner occupied it really could be reviewed and updated for our current conditions. We do have a rental registration that I have not gotten familiar with I don't really know how robust it is you have introduced a Vacant Property Registry Ordinance based on Allentown's Ordinance. I presented workshops with Allentown's Mayor Pulaski on Blight Strategies for Municipalities. He took the leadership to develop a comprehensive Blight Strategy that includes not only the Property Maintenance Ordinance and Vacant Property Registration and Rental Registration but also quality of life violation tickets. It is a low resource self funded way to effectively address Christine's forty seven complaints. It is a ticket process you don't have to go to court, it is like a parking ticket when your grass is high, when your garbage is on your property, and there are those exterior violations. Aggressive advocacy by Allentown's solicitor on identified cases is an integral part of the whole comprehensive plan in Allentown. Code Enforcement officers do a very good job in the Court Room on the vast majority of citations but solicitors do need to be brought in early to advise on when and how to escalate the enforcement on the chronic offender and be allowed to do it. He also does public shaming, landlord hall of shame and a whole host of other development incentives, but that is Allentown and we are Penn Hills. We have got to develop our own full tool box for our housing stock, our real estate markets, and our neighborhoods. The handbook that I have been carrying around and mentioning here was a subject of a seminar awhile ago that inspired the Vacant Property Registration Ordinance is a great handbook that introduces over twenty tools that employ the progressive Code Enforcement approach. The committee has been doing all kinds of research and has come up with all kinds of ideas. There are all kinds of information out there because that is the wave of the future of Code Enforcement in our current

economy. We need a full complement of tools so we have the right tool for the job, the big job and the small job when the necessary resources and most efficient use of data and technology are put to implement the right tool to use. So we really have an opportunity right now to reinforce and reinvigorate neighborhood quality of life for all Penn Hills neighborhoods that protect and support our property owners, all of our residents, our good property investors, our housing stock and our property values. So that is all that I have to say about all that and again I really do appreciate what Penn Hills is doing but it feels piece mail and it feels like there is still tremendous frustration with community members when they are using the portal, they are doing their on line complaints and they are seeing continuing deterioration. We would not be here if those problems were actually taken care of and they just weren't marked closed on the portal. It is a problem that is ongoing that needs what you have been doing and even stepped up doing more comprehensive full approach that really gets fully put in place and we will continue to work with you through the Budget Hearings cause we know that everything involves resources. I am available for any questions if you have any.

Mayor DeLuca - I just have one quick question so you are saying on this page where it says closed that is still a problem. So once they close it it starts right back up again, is that right?

Christine Donovan DeCarlos – 114 Dauntless Drive – 25 years and I am a life time resident of Penn Hills, graduated from Penn Hills High School. I am here just to say because I am very upset that my street has gone downhill in the last two years very badly. I live next door to an empty house with a blowing gutter, the lady across the street passed away two years ago and it is sitting empty with lumber in the yard. I feel like I am being pushed out and I have considered leaving Penn Hills because of that. I don't want to but I am because I have called John McCafferty he knows me I call him every morning at 8:00, I watch what goes on in my street, Dov Ratchkauskas just moved in a new tenant at 107. There is no occupancy permit John told me. I don't even know my neighbors anymore. It is just very uncomfortable. So I am asking as a long time resident if we could beef up the Code. I understand somebody is retiring in January so we are down to two. In a Municipality of 43,000 I feel we need more Code Officers.

Mayor DeLuca – thank you.

Irene McLaughlin – just to quickly note those two years I have been working with the committee for I guess three or four years because when we started working Code had a really good reputation, people were really saying Code works here and I have seen them work on my street just proactively but the two years that Christine just mentioned and she two years ago was leading the housing house tour project for the CDC she was out there absolutely trumpeting Penn Hills and organized with our support but she was the driver of the house tour the first house tour ever in Penn Hills, so in these last two years we have seen this deterioration. It is really a new phenomenon in certain communities in Penn Hills.

Mayor DeLuca – you mentioned the last two years and that is when we let go two Code Officers.

Irene McLaughlin – yes we can't wait another year for the litigation to get settled. We know that is a huge problem we know it is a huge constraint but we know that we could come up with ways to deal with it and not wait for that to be done before we take care of our Community. Thank you so much.

Mayor DeLuca – thank you.

APPROVAL OF MINUTES

Mr. Underwood made a motion to approve the October 6, 2014 Council Meeting Minutes.

Dr. Kincaid seconded the motion.

There being no further discussion the motion was approved by a 5-0 vote.

EXPENDITURES – OCTOBER 20, 2014

Dr. Kincaid made a motion to approve the Expenditures of October 20, 2014, Journal Vouchers – 1 - \$3,002,120.00, C.D. Requisitions – 4 - \$20,033.17, Master – 29074 – 29230 - \$1,328,995.89, makes a grand total of \$4,351,149.06.

Mr. Underwood seconded the motion.

There being no further discussion the motion was approved by a 5-0 vote.

RESOLUTIONS

Mr. Underwood made a motion to approve **Resolution 2014-060** approving a **one time** change to The Rules and Regulations of The Personnel Board of The Municipality of Penn Hills regarding the minimum qualifications for the position of Lieutenant in The Penn Hills Police Department.

Dr. Kincaid seconded the motion.

Mayor DeLuca – before I open this up for questions to the members of the audience this Resolution is because we are having a Lieutenant retire and we are doing this one time change so we have a bigger selection for candidates.

There being no further discussion the motion was approved by a 5-0 vote.

Mr. Underwood made a motion to approve **Resolution No. 2014-061** adopting The 6-Year Capital Improvements Program of 2014-2019.

Mr. Palumbo seconded the motion.

There being no further discussion the motion was approved by a 5-0 vote.

Dr. Kincaid made a motion to approve **Resolution 2014-062** ratifying, affirming and approving a Global Settlement with Charles V. DeNinno.

Mr. Underwood seconded the motion.

Gentlemen in audience (who didn't come up to microphone) – Why isn't this on the Agenda?

Moe Rayan – it was just settled on Wednesday in Federal Court and the Agenda was already posted and advertised.

Mayor DeLuca – yes this lawsuit has been going on since 2004. Are there any other questions?

Mrs. Kuhn – I just want to say because I am sure everybody knows that I ask continually Moe where are we with DeNinno, where are we with DeNinno, ten years is a very long time and it just goes to show what our Court Systems are because of the fact it is one appeal after another after another and nothing ever gets accomplished so believe me I am so glad to see that we finally have settled this and that hopefully now Mr. DeNinno will go away.

Mayor DeLuca – we still have another one that is ten years old.

Moe Rayan – yes.

Mrs. Kuhn – we will take as they come.

Moe Rayan – that concludes all activities with Mr. DeNinno.

There being no further discussion the motion was approved by a 5-0 vote.

Mayor DeLuca – with that we will entertain a motion to adjourn, we will go into an Executive Session for Personnel Matters.

ADJOURNMENT

Mayor Deluca entertained a motion to adjourn.

Dr. Kincaid made a motion to adjourn.

Mr. Palumbo seconded the motion.

The meeting was adjourned at 8:17 P.M.

DATE

MAUREEN M. SORCE
MANAGER'S SECRETARY