Licenses & Inspections
Riverwards Coalition
Philly’s Building Boom - The Ecstasy and the Agony

November 7, 2019
Philadelphia’s Unique Challenges

Average age of homes

<table>
<thead>
<tr>
<th>City</th>
<th>Average Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philadelphia</td>
<td>82</td>
</tr>
<tr>
<td>NYC</td>
<td>57</td>
</tr>
<tr>
<td>Detroit</td>
<td>67</td>
</tr>
<tr>
<td>Boston</td>
<td>57</td>
</tr>
<tr>
<td>Baltimore</td>
<td>46</td>
</tr>
<tr>
<td>Chicago</td>
<td>50</td>
</tr>
</tbody>
</table>

Poverty rate

<table>
<thead>
<tr>
<th>City</th>
<th>Poverty Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philadelphia</td>
<td>25.7%</td>
</tr>
<tr>
<td>NYC</td>
<td>18.9%</td>
</tr>
<tr>
<td>Detroit</td>
<td>35.7%</td>
</tr>
<tr>
<td>Boston</td>
<td>21.0%</td>
</tr>
<tr>
<td>Baltimore</td>
<td>21.9%</td>
</tr>
<tr>
<td>Chicago</td>
<td>19.1%</td>
</tr>
</tbody>
</table>
L&I Permit and License Revenue

L&I Revenue Summary - FY14 to FY19

FY14: $51,394,837
FY15: $52,955,166
FY16: $54,512,357
FY17: $59,973,298
FY18: $66,204,516
FY19: $73,672,885
Construction Statistics

Permit Issuance

Building Permits and Total Permits Issued by Fiscal Year

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Permits Issued</th>
<th>Building Permits Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>46,859</td>
<td>19,835</td>
</tr>
<tr>
<td>FY16</td>
<td>54,333</td>
<td>28,168</td>
</tr>
<tr>
<td>FY17</td>
<td>62,635</td>
<td>30,355</td>
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<tr>
<td>FY18</td>
<td></td>
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</tr>
<tr>
<td>FY19</td>
<td></td>
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</tr>
</tbody>
</table>

- Total Permits Issued
- Building Permits Issued
ISSUE #1 – Sheeting & Shoring Failures
ISSUE #2 – Lack of Shear Walls
ISSUE #3 – Basement Dig-Outs
ISSUE #3 – Basement Dig-Outs
ISSUE #3 – Basement Dig-Outs
ISSUE #3 – Basement Dig-Outs
ISSUE #4 – Damage to Adjacent Property
ISSUE #4 – Damage to Adjacent Property
ISSUE #5 – Unsecured Construction Sites
ISSUE #6 – Poor Dust and Soil Control
ISSUE #7 – Sidewalk and Street Blockages
ISSUE #8 – Building Envelope Deterioration
Factors – “Inexperienced Contractors”

**Day 1 – Zoning, Successful Architecture Layouts, Construction Estimating and Marketing**

Finally understand how to zone a piece of property effectively so you can maximize the value of any lot.

You’ll get trained on zoning studies in Philadelphia so that you can confidently know what you can build on a piece of land *without* talking to an architect (architects charge $500-$1000 for this service!)

Discover how to lay out row homes in the city for maximum livability and value.

You’ll learn what layouts work best for 14’, 16’ and 18’ row homes.

Learn how to leverage old school and new school marketing to drive awareness and get your new construction purchased *before* a shovel hits the ground.

This is the trick the “big dogs” use in new construction. If you can pre-sell the homes you’re building, you’ll reduce your risk to near-zero and enjoy more banks wanting to lend to you at better rates.
Factors – “Get Rich Quick Mentality”

"INVESTOR ALERT!! This property is priced to sell in a VERY desirable location. Owner is only selling because he has a larger investment opportunity. Building and zoning permit APPROVED for single family 4 bedroom 3.5 bathroom home with a roof deck! Tax abatement applied for pending approval! Owner will be reviewing all offers by next Monday."
Factors – “Excessive Rainfall”

Philly has its first dry week in over 10 months after wettest one-year period on record
by Anthony R. Wood, Updated: September 23, 2019 - 1:03 PM

Officially, as of Sunday Philadelphia had experienced seven consecutive days without a drop of rain, and what is perhaps most remarkable about that is that the region hasn’t had such a dry run since last December.

“That’s pretty impressive,” Brad Rippey, a meteorologist with the U.S. Department of Agriculture in Washington, said Monday. “But I think it tells you more about how wet it’s been.”
Factors

• Construction in all forms is a high risk activity

• Age of Building Stock. Many homes built with rubble stone foundations. Suspectable to collapse when undermined

• The Zoning Code allows for expanded floor area which is encouraging “tear downs” to create more salable space. Starting to see tear downs in the middle of a row and one side of a twin

• Change in the Building Code allows basements to be used as habitable space including sleeping rooms but requires 7.5-ft high ceilings

• Building Boom

• Trend toward larger homes

• Inexperienced Contractors / Get Rich Quick Mentality

• Excessive Rainfall
Response - Riverwards Coalition Formation

Modeled after the Police Advisory Counsel Concept

1. To improve and expand L&I-community relations and communication.
2. To provide community perspective and recommendations concerning L&I procedures and code enforcement efforts.
3. To promote awareness of critical life-safety issues.
4. To encourage individuals and groups to assist L&I in its code enforcement efforts.
5. Improve response times when there is an emergency situation.
Response – Educational Media
Response - Completed

- Require an engineer to evaluate the need for sheeting and shoring on a project
- Require a separate bracing plan to included in permit plan set so that shear wall assembly can be easily checked
- Require an engineer to evaluate all excavations deeper than 3-ft. when within 3-ft. of a property line.
- Started Advisory Council – Riverwards Coalition
- Weekend Patrol Inspections Re-started
- Audits and Investigations Unit Expansion
- Referrals to the District Attorney’s Office
- Pre-Construction Meetings Started
- Quality Control Inspector Hired
- Basement Dig-Out Information Prepared
- EZ Permit Limitation #1 – Now specifically prohibits basement work and structural modifications
- EZ Permit Limitation #2 – Issuable only to owner-occupied properties (Oct 1 start)
Looking Ahead

Gearing up for these next steps

1. FAQ’s - Publish “Frequently Asked Questions” that explains the codes and the enforcement process
2. Vibration Monitoring of Historic Buildings – Preparing Ordinance
3. Strengthen Contractor Insurance and Bonding Requirements
4. Excavator’s License
5. Prohibit and Tow Construction Equipment Parked in the Street
6. Special Inspections (by third party engineer) for Exterior Envelopes

Internal discussion and analysis underway

7. Prohibit the Demolition of One Side of a Twin Property – Likely would require an ordinance
8. Prohibit Basements in New Construction in selected areas of the City – Ordinance required
9. Standardize Right-of-Entry Agreements
10. Create Legal Fund for Property Owners Paid for with a Permit Fee Surcharge
11. Require a Full Warranty on New Construction
12. Expand State Proposal for Funding Allow Claims for Damage to Adjacent Property
13. Zoning Code Changes
   • Prohibition against building taller than the existing housing stock on a block.
   • other?
Riverwards Coalition – Patrol
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