

1 COMMONWEALTH OF PENNSYLVANIA
 2 HOUSE OF REPRESENTATIVES
 3 COMMITTEE ON JUDICIARY

4 In re: Landlord-Tenant Issues

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6 Stenographic report of hearing held
 7 in Room 140, Majority Caucus Room,
 8 Main Capitol Building, Harrisburg, PA

9 Tuesday,
 10 September 1, 1992
 11 10:00 a.m.

12 HON. FRANK LaGROTTA, ACTING CHAIRMAN

13 MEMBERS OF COMMITTEE ON JUDICIARY

14 Hon. Jerry Birmelin Hon. David Mayernik
 15 Hon. James Gerlach Hon. Christopher McNally
 16 Hon. David Heckler Hon. Robert D. Reber

17 Also Present:

18 David Krantz, Executive Director
 19 Katherine Manucci, Committee Staff
 20 Paul Dunkleberger, Republican Research Analyst

21 Reported by:
 22 Ann-Marie P. Sweeney, Reporter

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1 ACTING CHAIRMAN LaGROTTA: This is the
2 House Judiciary Committee public hearing on the
3 Landlord-Tenant Act and the issues affecting it. I'm
4 Frank LaGrotta from Lawrence County. I'm acting at the
5 request of the Chairman, Representative Caltagirone, as
6 the Acting Chairman of this hearing. I'm going to ask
7 the other members present to introduce themselves and
8 then we'll begin with testimony. To my right.

9 REPRESENTATIVE McNALLY: Representative
10 Chris McNally of Allegheny County.

11 REPRESENTATIVE BIRMELIN: Representative
12 Birmelin of Wayne County.

13 REPRESENTATIVE REBER: Representative
14 Reber of Montgomery County.

15 ACTING CHAIRMAN LaGROTTA: Thank you,
16 gentlemen.

17 Offering testimony first is Ms. Carlea
18 Lenker of the Pennsylvania Residential Owners
19 Association. Would you sit right here? She has
20 provided written testimony which she's going to go over
21 now and if there are any questions from the panel,
22 proceed that way.

23 MS. LENKER: Good morning. My name is
24 Carlea Lenker. I'm here today representing the
25 Pennsylvania Residential Owners Association. PROA is a

1 non-profit trade association. Our State office is
2 located at 600 Third Street, here in Harrisburg. We
3 represent over 3,500 landlords and multi-family owners,
4 many of which are your constituents.

5 In my professional life, I am a licensed
6 real estate agent and a certified property manager.
7 For the past fifteen years, I have worked for C.M.
8 Detweiler, Inc., located in Camp Hill, PA, supervising
9 their property management division. My purpose in
10 being here today is to share with you some of the major
11 problems confronting landlords and to let you know that
12 it is these very same problems which are limiting the
13 availability of affordable rental housing in
14 Pennsylvania.

15 Let me begin by detailing for you the
16 many facets of the major problems confronting landlords
17 and convey to you that at the nucleus of these problems
18 is the eviction process. I can speak to you candidly
19 on this process, since I must personally deal with this
20 process more often than just on a periodic basis. As
21 you know, landlords are obligated to adhere to the
22 Landlord-Tenant Act; however, tenants today have found
23 many ways to beat the system. By law, in order to
24 remove a tenant from a property, a landlord is required
25 to provide a 15-day notice during the summer months,

1 and a 30-day notice throughout the winter months. In
2 most instances, you will find, many landlords allow
3 their tenants until the end of the month to pay past
4 due rent.

5 Then in order to initiate the eviction
6 procedure the landlord/property owner must comply with
7 the statutes within the Landlord/Tenant law by posting
8 the notice of eviction. If the tenant remains in the
9 property after the said day of eviction, then the
10 landlord must file a Landlord/Tenant complaint with the
11 local district justice, at an average cost to the
12 landlord of \$45 to \$55. By law, the district justice
13 must schedule a hearing date, no less than 7 days from
14 the filing date, and no more than 21 days from the
15 initial complaint.

16 What is happening is that many of our
17 district courts are so backlogged that the hearing
18 dates are often being extended to 30 to 45 days from
19 the filing date. As decreed in the Act, the district
20 justice allows for both sides to state their case
21 before making his or her decision. Even when the
22 judgment is found in favor of the landlord, the
23 landlord must wait an additional 30 days to allow the
24 tenant the right to appeal.

25 On the 16th day subsequent to the

1 hearing, the landlord may file for possession of his or
2 her rental property. Yet, this notice of possession is
3 for only 15 days and again costs the landlord/property
4 owner approximately \$50 to \$75. This fee is another
5 fixed cost established by the act which allows for the
6 landlord to have the constable post the order of
7 possession.

8 Only on the 30th day after the district
9 justice rendered his findings does the landlord have
10 the right to take possession of the rental property;
11 that is, if no appeals have been filed by the tenant or
12 their legal counsel. Now, let me describe for you just
13 what "possession" means for the landlord - arriving
14 with the constable and a moving truck , the moving
15 truck is necessary because the tenant's items and
16 belongings must be stored for a period of 30 days, all
17 at the landlord's expense. Only then, after paying for
18 30 consecutive days of storage does the landlord have
19 the right to sell the belongings of the tenant, if he
20 has still not yet received his payment in full within
21 those 30 days. Believe me, when I say to you very few
22 times are the items left behind by a tenant of any real
23 value, that is in relationship to the expenses of
24 moving and storing those items. Verification of prices
25 with most moving companies, today you will find that

1 the average moving company requires a minimum fee,
2 which is equivalent of 4 hours or \$350, in the
3 Harrisburg area. This rate amount can be higher
4 depending on the part of the city or the State.

5 Going back, if I may, now to when the
6 tenant has filed an appeal of the decision rendered by
7 the district justice, this delays the possession of the
8 property. In situations such as this, what usually
9 transpires is that the landlord/property owner does not
10 receive any income during this time if the tenant does
11 not wish to pay the rent. He or she must now hire an
12 attorney to represent him in court due to the appeal by
13 the tenant. Again, attorney fees and upfront costs
14 vary from county to county in this State. By the time
15 the appeal is heard in the Court of Common Pleas, often
16 as long as six months have passed.

17 This, what I have shared with you, is
18 just an example of an eviction for non-payment of rent.
19 I have not addressed other issues in which it becomes
20 absolutely necessary for a landlord/property owner to
21 evict a tenant, such as dealing in drugs, destruction
22 of property, or violation of lease terms. What I have
23 described for you is the eviction procedure facing
24 landlords/property owners daily. This procedure is a
25 formidable one because tenants can use the system by

1 filing appeals while at the same time residing in the
2 rental unit without paying any rent. This is what is
3 known as the way tenants can beat the system.

4 I'm not just here today to cite the
5 problems facing landlords but also to seek collective
6 solutions as we address this issue. I believe that we
7 do have a solution, and the solution is in the form of
8 House Bill 1154. PROA was instrumental in obtaining
9 the support of many Democrats and Republicans in the
10 House of Representatives. As a result of this support,
11 this bill is prime sponsored by Karen Ritter and
12 co-sponsored by legislators of both political
13 persuasions. Currently, the bill is in the House
14 Business and Commerce Committee, and it is our hope
15 that when the House of Representatives returns on
16 Monday, September 21, the committee will report the
17 bill out of committee.

18 Concerning the bill itself, the key
19 component of HB 1154 is that although the bill still
20 maintains the tenant's right to appeal the decision of
21 the minor court, it does provide the requirement for
22 the tenant to escrow the amount of the judgment if the
23 tenant wishes to stop the eviction process. Hence, the
24 bill establishes an even playing field to the process
25 by stating that if the tenant fails to deposit in

1 escrow the amount of the judgment, the appeal shall not
2 act as a supersedeas to having the landlord commence
3 the eviction process. Therefore, if the tenant chooses
4 to appeal the lower court decision, the tenant still
5 has the right to do so. If, after review, the Court of
6 Common Pleas feels the lower court was incorrect and
7 then overturns the decision in favor of the tenant,
8 then the tenant would receive the money that was posted
9 in escrow. However, if the court finds the decision in
10 favor of the landlord, the money that was posted would
11 then be paid to the landlord.

12 Everyone today is concerned with clean
13 and affordable housing for all. However, the number of
14 landlords providing this service has steadily decreased
15 because many landlords have become so frustrated with
16 the system that many are selling their properties and
17 just getting out of the rental market. People who own
18 rental housing need to make a profit just as any other
19 business. They have taxes, repair bills, and insurance
20 bills to pay. Landlords cannot afford to house tenants
21 for free. Most landlords already allow tenants extra
22 time for their rent and make exceptions for missed or
23 late rent. A decision to evict is a costly decision
24 for a landlord. However, if the landlord has to make
25 the decision to evict, the system should not

1 financially penalize the landlord for making that
2 decision.

3 On behalf of PROA we would greatly
4 appreciate your support in moving House Bill 1154 not
5 only out of committee but out of the House of
6 Representatives. The bottom line is less rental
7 landlords means less rental housing.

8 Thank you.

9 ACTING CHAIRMAN LaGROTTA: Thank you.

10 Chris, questions?

11 BY REPRESENTATIVE McNALLY: (Of Ms. Lenker)

12 Q. With respect to the statement you made on
13 page 5 with the number of landlords steadily
14 decreasing, do you have any specific data indicating
15 how many rental housing units there are today in
16 Pennsylvania as opposed to--

17 Q. No, I don't have that figure on a
18 statewide basis, but I know here in the greater
19 Harrisburg area we've seen a decrease by about 25
20 percent.

21 Q. And does that also correspond to an
22 increase in home ownership?

23 A. Slightly, but not enough. The demand for
24 example, in our office, our phones are ringing
25 constantly. We average about 75 to 100 phone calls a

1 day for tenants looking for housing. We can't begin to
2 fit the needs that they are requiring. There's just a
3 shortage of rental housing.

4 Q. Now, one of the things that sounds quite
5 fair is the idea of including a provision that tenants
6 would have to escrow, in essence, past due rent, but
7 typically isn't it true that tenants have complaints
8 about the quality or the habitability of the rental
9 housing, that that is a reason for the nonpayment?

10 A. Not necessarily. No. The ones that I
11 have dealt with in the last 5 to 10 years the problem
12 has been they've either lost their jobs, their spouses
13 left, their roommate has left. It's never been a case
14 that the property isn't being taken care of. It is a
15 case that economically they cannot afford to stay
16 there. However, they have figured out a way to stay
17 there at the landlord's expense.

18 Q. However, in those cases of
19 landlord/tenant controversy, would it be an acceptable
20 sort of compromise to your organization that not only
21 would there be a provision for escrowing past due rent
22 but that the courts be empowered to, for example,
23 require the landlord, if it's determined that the place
24 is not habitable, to require the landlord to
25 specifically perform various improvements to the

1 property and bring it up to standard?

2 A. Well, it would be something to consider.
3 Again, everybody's terminology of habitability -- I
4 have seen cases where an owner starts off with an
5 excellent property and then it's destroyed by the
6 tenant and the tenant says the owner cannot take care
7 of the plumbing or take care of this or that. So that
8 would be a difficult detail to define habitability but
9 it would certainly be something to consider.

10 Q. Well, I represent a district where, you
11 know, I think there's a great deal of variability in
12 the quality of rental housing. There's rental housing
13 that's in very good repair and well-maintained and
14 landlords who are responsible, but there is a great
15 deal of, my own observation, rental housing which
16 really does not meet that particular standard, and in
17 that case, I mean, folks need someplace to live and
18 they really don't have a remedy to compel the owner of
19 a property to in effect peel back, plow back the rent
20 into maintenance of the property, and I hope that if
21 we're going to have a reform in the Landlord-Tenant law
22 that it would be evenhanded.

23 Thank you.

24 ACTING CHAIRMAN LaGROTTA: Representative
25 Gerlach has joined us. Do you have any questions, Jim?

1 REPRESENTATIVE GERLACH: No, thank you.

2 ACTING CHAIRMAN LaGROTTA: Jerry.

3 REPRESENTATIVE BIRMELIN: Thank you, Mr.
4 Chairman.

5 BY REPRESENTATIVE BIRMELIN:

6 Q. Is it Mrs. Lenker?

7 A. Yes.

8 Q. Mrs. Lenker, I am asking you a question
9 that I recall from being a landlord was a problem with
10 me. I didn't see you address it in your testimony,
11 which I think I would like some clarification on it, if
12 I could.

13 I had a tenant whose lease expired in I
14 think it was January or February. It was a one-year
15 lease, and through the counsel of an attorney friend of
16 mine when these tenants needed to be evicted because
17 they were not paying rent, he told me that if you went
18 to the district justice and filed a complaint, even if
19 the district justice rules in your favor, he will not
20 allow them to be evicted until after April 15. As a
21 common practice. It may not be law, I'm not sure, but
22 could you give us some light on this practice of even
23 if it's wintertime, even if the landlord is right, they
24 will not evict?

25 A. We've discovered throughout the State

1 that many district justices interpret the
2 Landlord/Tenant law that between April 15 and September
3 15 it's a 15-day notice for eviction, after that point
4 in time it's a 30-day date for eviction. They would
5 still follow the same procedure that I detailed that
6 they still have to go to the landlord-tenant hearing
7 and then from that point they would have the 30-day
8 appeal. There is nothing in the books that say you
9 have to wait until after the 15th day, unless it's a
10 particular city that would have their own codes in
11 addition to the Landlord-Tenant code. So I'm not aware
12 of it, but it's possible that there are additional
13 guidelines.

14 Q. Do you find that's a problem in the
15 Harrisburg area for trying to make evictions in the
16 winter?

17 A. I wouldn't say evictions in the winter is
18 a problem. The problem is just trying to get the
19 tenant out and to recoup any loss whatsoever, but for
20 the most part once we get a tenant out of the property
21 very seldom do we get our money.

22 Q. I would also add one other comment to
23 your testimony, and that is in my case not only did the
24 tenants not pay their rent, they trashed the house, so
25 I wound up losing several thousand dollars, but then

1 because they qualified for Legal Services, they went to
2 Legal Services to have them file papers against me so
3 that I could not evict them. So my tax dollars were
4 being used for Legal Services to pay for my tenants to
5 trash my house and not pay their rent and stay there
6 rent-free.

7 A. That's correct. This has been the
8 problem. This is the frustration of the current
9 landlord today that they cannot afford to have the
10 tenants in their property, not paying their rent in
11 addition to trashing the properties.

12 Q. And I would add one other editorial
13 comment, and that is simply that the statement that you
14 made near the end of your testimony that people are
15 less willing to be involved in rentals. This incident
16 convinced me and I would be an absolute fool to rent
17 out a property because everything is stacked against
18 me. Unless you get a big upfront security deposit and
19 some kind of assurance that you can get your money back
20 even if they ruin your place, you're really taking a
21 risk at doing it, and I'm not familiar with the
22 legislation we're discussing here but I thank you for
23 your testimony and I think you could give even more
24 staying examples than you did, and I know that from
25 personal examples.

1 Thank you.

2 ACTING CHAIRMAN LaGROTTA: Bob Reber?

3 BY REPRESENTATIVE REBER: (Of Ms. Lenker)

4 Q. House Bill 1154 that you referred to
5 talks about the escrowing provision. How is that
6 escrow account established? Who is the escrow agent?
7 Who holds the funds?

8 A. It's my understanding it would be held
9 through the courts, through the Prothonotary's office.

10 Q. Have the Prothonotaries throughout the
11 Commonwealth had any kind of interplay, input, if you
12 will, into--

13 A. Rocco can help us here.

14 MR. PUGLIESE: Rocco Pugliese. I'm a
15 lobbyist with the PROA.

16 The bill was introduced by Representative
17 Karen Ritter and, as Carlea Lenker stated, with
18 bipartisan support. It never has been in, it still is
19 currently in the House Business and Commerce Committee.
20 Has there been any opposition by local Prothonotaries
21 in relation to House Bill 1154?

22 REPRESENTATIVE REBER: Are they aware of
23 that provision, Rocco, that has that statutory
24 requirement in it?

25 MR. PUGLIESE: To be very candid with

1 you, I did not survey local Prothonotaries throughout
2 the State, but it was introduced early 1991, early in
3 the session, so I would, I'm not assuming anything, so
4 I don't know if they're aware of it or not.

5 REPRESENTATIVE REBER: Does the escrow
6 dollars, does that then get paid when there's a filing
7 with the Common Pleas Court on appeal? Is that how?

8 MR. PUGLIESE: Yes.

9 REPRESENTATIVE REBER: So there's a
10 current number, a docket number assigned?

11 MR. PUGLIESE: Exactly.

12 REPRESENTATIVE REBER: And then does the
13 legislation specify the procedure and the notice that
14 has to be given to the tenants as to where they send
15 the money, how to direct it? Is there language in that
16 piece of legislation?

17 MR. PUGLIESE: We have an amendment that
18 Representative Terry Van Horne would be offering.

19 REPRESENTATIVE REBER: It just seems to
20 be an administrative nightmare, and we continually
21 receive from the various county clerks and
22 Prothonotaries and departments concerns about these
23 kind of, for lack of a better word, mandate type
24 concepts, and I just see there's some rationale to the
25 provision in the bill. I just want to make sure that

1 if and when it ever gets out of committee it is--

2 MR. PUGLIESE: House Business and
3 Commerce Committee.

4 REPRESENTATIVE REBER: House Business and
5 Commerce Committee and gets to the floor, I would hope
6 that there would be some attention given to all the
7 various procedural guidelines and objections, if any of
8 them have to be handled, because it just seemed to be a
9 county administrator thing at the county level that
10 they are going to have to set up some kind of system to
11 administer.

12 Thank you.

13 ACTING CHAIRMAN LaGROTTA: Thank you.

14 Ms. Lenker, I have a question.

15 BY ACTING CHAIRMAN LaGROTTA: (Of Ms. Lenker)

16 Q. To pick up where Representative McNally
17 left off. If I'm a tenant and you're a landlord and we
18 have a lease and I can't get any heat and I decide
19 after complaining to you on several occasions, that is,
20 I'm going to not pay my rent until you fix the furnace,
21 where can I go to make complaint? Do I go to my
22 district justice?

23 A. You would go to your district justice,
24 or, for example, here in the city of Harrisburg they do
25 have a rent withholding policy through the city of

1 Harrisburg, through landlords such as you're describing
2 that are not making repairs, the tenants are then
3 required to pay their rents to the city, then once the
4 landlord has made the repairs then the city would
5 release the funds back to the landlord.

6 Q. Who makes the determination as to whether
7 or not the landlord, there is a problem with the
8 furnace or the tenant simply is -- who makes--

9 A. For example, in the city of Harrisburg
10 they have their city Codes Office handling those
11 complaints.

12 Q. How long does that generally take between
13 the time I complain about you and someone comes out and
14 makes sure that the furnace is in fact--

15 A. I have seen as little as 48 hours and as
16 long as 30 days, depending on the complaint.

17 Q. So there is some recourse for a tenant
18 who has not, the stipulations are not being adapted?

19 A. That's right.

20 ACTING CHAIRMAN LaGROTTA: Okay, thank
21 you.

22 MS. LENKER: You're welcome.

23 ACTING CHAIRMAN LaGROTTA: Next we have
24 Mr. Robert Hankey, who is president of the Aspen Group.

25 MR. HANKEY: Good morning. I'm listed

1 here as representing the Aspen Group. Actually, I'm
2 representing the Apartment Association Owners of
3 Philadelphia. I happen to be a landlord in the city of
4 Philadelphia and that's the business of the Aspen
5 Group. Our association represents approximately 50,000
6 rental units in the five-county area. We are a
7 collection of large and small property owners. Some of
8 our members own as few as three or four rental units,
9 and some members own perhaps as many as a thousand and
10 more. But we are basically responsible landlords
11 providing service.

12 We are concerned about the current
13 legislation. We recognize the legitimate need for
14 consumer protection in this area against unscrupulous
15 landlords. Unfortunately, the legislation that's in
16 place now is frequently used as a tool by unscrupulous
17 tenants to victimize responsible landlords, and we
18 would seek to propose some modifications to current
19 laws which would not really go contrary to legitimate
20 interests of the consumer but which would curb and
21 curtail some of the existing abuse that does take
22 place.

23 A landlord is a businessman just like any
24 other businessman. We're subjected to the same laws as
25 everyone else is. No one without the subsidy of

1 unlimited tax dollars can continue to provide goods and
2 services without payment. The corner grocer can stop
3 providing his goods and services to his customer who
4 doesn't pay him at any time he chooses. The landlord,
5 unfortunately, cannot. He must resort to a complicated
6 legal process which is time-consuming. If it's found
7 that the tenant is at fault at the time of that legal
8 process and that the landlord is blameless, the net
9 result of all that delay is typically that the landlord
10 gets a judgment for all the money which is owed him,
11 which is basically worthless. The landlord is just out
12 the money.

13 If we were to apply the current
14 Landlord-Tenant practices of the city of Philadelphia
15 -- I say practices because I'm talking about what
16 happens in the real world, not necessarily the intent
17 of the existing legislation or the exact letter of the
18 law, but as it's practiced, if we were to apply that to
19 the corner grocer who, say, had a customer with a
20 30-day credit account and after 30 days the customer
21 didn't pay his bill and the grocer discussed with the
22 customer why he didn't pay his bill, the customer might
23 say, well, the last bag of apples you sold me had worms
24 in it and it was incredible and therefore I'm not going
25 to pay you. Now, the grocer's only redress for this

1 would be to pursue a legal remedy. Meanwhile, every
2 week the customer would be allowed to come back in the
3 store and get his weekly groceries free of charge until
4 this issue has been finally resolved by the courts. If
5 at the end of this whole process, which may be five,
6 six months, okay, the grocer is found to be not at
7 fault or perhaps he is found at fault and he gets a
8 judgment for six months of food, several thousand
9 dollars minus the cost of the bag of apples that had
10 the worms in it, okay, this may sound farfetched in
11 terms of a corner grocer. It is practiced in
12 Philadelphia.

13 We see a couple of things that we feel
14 can mitigate, without sacrificing the consumer
15 protections of the law, can mitigate the abuses. One
16 is just in every way possible, speed up the process.
17 The other is to eliminate the incentives, the economic
18 incentives for unscrupulous tenants to use the law to
19 avoid the payment. In the outline that we provided, we
20 feel that a few of these things that we've suggested
21 will do that.

22 First, as has been mentioned, the House
23 Bill 1154, we're strongly in support of that. You
24 talked about the difficulties of escrow with the
25 Prothonotaries. I think there are a number of

1 solutions if it is too burdensome to have escrows
2 through the Prothonotary. The only necessity is that
3 we have an honest escrow. There are a number of
4 private escrow agents, a lot of ways that these escrow
5 funds can be set up which will lay out, allow for the
6 funds to be set aside for the determination of the
7 court to determine how the escrow should properly be
8 disposed of. In terms of here on 1(C) on my outline,
9 that's what we're talking about when we see legitimate
10 escrow agent. Okay, outside account. Okay, outside
11 the Prothonotary's office there's a lot of ways to set
12 up an escrow account from just taking his funds and
13 disappearing with the funds.

14 There's another problem in Philadelphia,
15 and I'm not sure if that's -- I'm not a lawyer, I'm not
16 sure if this is a statewide problem with the
17 legislation but as it's applied in Philadelphia, if you
18 take a tenant to court and you get a judgment with the
19 district court, the judgment is for the amount of money
20 that is owed on the day of the court date. Now, if the
21 tenant stays in residence in the unit and it takes
22 approximately, after the court date it takes
23 approximately 45 to 60 days to get an eviction lockout,
24 rent money for those 60 days, or it can be as long as
25 90 days, continues to accrue. However, if the tenant

1 pays just the judgment, the whole legal process is
2 wiped out. And you have to, if you want to evict a
3 tenant, he may be two months or three months currently
4 behind on his rent, has paid the judgment for the day
5 of the court date. You just have to start the whole
6 process all over again. We're proposing that the
7 judges are allowed to enter a judgment from the date of
8 the judgment and to specify that rent continues to
9 accrue until the date of the lockout date, and that
10 that money is then added to the amount of the judgment.
11 This would prevent this abuse of being paid off for a
12 portion of what's owed and having to start the process
13 all over again.

14 The second point that we feel would be
15 very important is to create a unified court system in
16 the cities of first and second class. That is to have
17 the Landlord-Tenant court joined to the Court of Common
18 Pleas. As it is now, one of the problems that we have
19 in Philadelphia is the issue of squatters, people who
20 have taken up residence in a building with no lease, no
21 understanding, they are just there. This happens in a
22 variety of ways. Frequently, when you have a tenant
23 that is under eviction and that tenant, prior to a
24 lockout situation, may just depart the premises. But
25 he may give over the keys to yet a third party, unknown

1 to the landlord, and when you come to the unit you find
2 that there's a completely unknown person living in your
3 unit.

4 Now, you have two choices under the law
5 to eject a squatter. You can file a motion for
6 ejectment in the Common Pleas Court. That takes six
7 months or more. The fastest way to deal with the
8 squatter is to treat him as if he had a lease and to go
9 through the eviction process. This one is the shorter
10 of the alternatives. If the Landlord-Tenant court was
11 joined as part of the Common Pleas Court, then the
12 motion for ejectment in the case of the squatter could
13 be brought before the Landlord-Tenant court and dealt
14 with much more quickly.

15 In eliminating some of the incentives,
16 the economic incentives for unscrupulous tenants to
17 play the game of using the laws, we have for a number
18 of years put forth the concept of wage attachment for
19 nonpayment of rent. We feel that this is fair. It
20 would, if there was a way for the landlord to be paid
21 for rent, not paid when in the final analysis, the
22 court has decreed that the rent is judged and that
23 every landlord is owed the money, if there was a way to
24 eliminate the money, it would eliminate some of the
25 games that are played in living rent-free. We feel

1 that that provision, which has, I know, come before the
2 legislature many times, is a reasonable one. Eliminate
3 jurisdictional limits in Landlord-Tenant court. This
4 is just the elimination in the Landlord-Tenant court of
5 the volume ceiling for the amount that can be brought.
6 With today's rents and the long lead times in getting
7 ultimate adjudication on some of these issues, the
8 amount of money that's owed a landlord frequently can
9 exceed the jurisdictional limit of Landlord-Tenant
10 court.

11 And in general, speeding up the eviction
12 process. We would like to see the time period for
13 which an appeal can be taken narrowed down from 30 days
14 to 10 days. We don't see how that anyone with a
15 legitimate appeal process and a legitimate appeal could
16 have -- would be harmed by the necessity to just make
17 known and file their intent to appeal a judgment within
18 a 10-day period of time. Typically when an
19 unscrupulous tenant is going to file an appeal, they
20 will wait until the 29th or the 30th day to file it.
21 It's just another tactic to stretch out the process.

22 That's basically what we feel what these
23 proposals here would swiftly benefit the landlord, and
24 we feel that they could be worked out in a way that
25 would not harm the legitimate interests of consumer

1 protection.

2 ACTING CHAIRMAN LaGROTTA: Thank you.

3 Chris?

4 BY REPRESENTATIVE McNALLY. (Of Mr. Hankey)

5 Q. I wonder if you can corroborate the
6 statement made by Mrs. Lenker concerning is there a
7 similar reduction in the number of rental housing units
8 in the city of Philadelphia that, as she stated, is
9 true in the Harrisburg area?

10 A. I have no hard data on that, but I would
11 say that it's certainly true. You really need only to
12 take a drive through the neighborhoods of Philadelphia
13 and look at a number of vacant and deteriorated
14 buildings that are boarded up and out of use. The
15 rental rehab activity in Philadelphia is confined
16 almost exclusively today to government subsidies and
17 low-income housing. The kind of housing niche that
18 occurs just above where you have the wage earner who
19 can afford to pay, who has a job and doesn't qualify
20 for government subsidy, that area of housing is sadly
21 lacking in Philadelphia. There is no money to, there
22 is no economic availability of money to rehab that
23 housing. The housing that's there is in a
24 deteriorating and abandoned state, most of it.

25 As I say, I have no hard data but I think

1 you need only to drive through the neighborhoods and
2 see. And there's virtually no rehabilitation of old
3 housing going on today in Philadelphia other than that
4 for people who qualify for government subsidies,
5 Section 8.

6 Q. Well, I wonder, though, you know, we've
7 heard the statement that this is discouraging people
8 from becoming landlords and landladies. And we're
9 talking about the city of Harrisburg, which has had a
10 reduction of population; Philadelphia, a reduction in
11 population. And that naturally corresponds to simply a
12 reduction in the demand for housing generally, and
13 probably rental housing in particular. You know, I
14 would like to see some evidence, hard evidence, that
15 this is in fact true. I hope we're not going to be
16 blaming some recession in the rental housing business
17 on the Landlord-Tenant law when in fact maybe it's
18 related to just the general population level or maybe
19 some other issues.

20 Another thing that I don't see dealt with
21 here again is the habitability issue. I have a rental
22 housing unit two doors away from me on my street where
23 I live and, you know, my own personal feeling is the
24 worst thing that can happen to a neighborhood is that a
25 homeowner-occupied unit is turned into a rental housing

1 unit. And because this landlord just lets the place --
2 it's overgrown with weeds, even when tenants change
3 they don't make any kind of repairs or maintenance,
4 it's literally the worst house on the block, and
5 there's nothing here in terms of tenants being able to
6 enforce some habitability standards. There's nothing
7 that would allow, which is another major problem,
8 neighbors of that substandard housing unit to compel
9 the landlord to bring the unit up to the standards of
10 the neighborhood at least. If we're going to have some
11 reform, it's going to have to be on both fronts, not
12 only in terms of redressing grievances of landlords but
13 redressing grievances of tenants as well as the people
14 in the neighborhoods that have to live with some of
15 these problems.

16 A. I believe that most of those concerns are
17 currently provided for at least in the city of
18 Philadelphia. For one, if the tenant has a complaint
19 as to habitability of the property, they can call the
20 local L&I branch office. And the Philadelphia L&I,
21 Licenses and Inspections, Department is very prompt in
22 responding to tenant complaints. And they will come
23 out and issue a citation to the landlord for anything
24 they find having to do with a substandard with respect
25 to the property. There is a law in Philadelphia that

1 precludes a landlord from proceeding with an eviction
2 process if there is an open L&I violation on the
3 property. So that clearly is a mechanism whereby a
4 tenant who has a legitimate grievance about the
5 habitability is protected.

6 Q. Well, there is clearly a mechanism, but
7 that mechanism is about as effective as the eviction
8 process you're describing for landlords. I have
9 examples of people that I've been trying to help, we
10 have the same sort of thing in Pittsburgh and in
11 Allegheny County. We have one constituent who lives
12 next to a rat-infested trap and the landlord or the
13 owner of the building can't even be found. You know,
14 the whole problem of just trying to tear the building
15 down, because that's what needs to be done, is just a
16 nightmare for the people who have to live next to that,
17 and the mechanism, as I say, is just as effective as
18 the eviction process.

19 A. But let me ask you a question. You say
20 the landlord can't be found. Is it that the tenants
21 who are living there--

22 Q. He evades--

23 A. Is it that the tenants who are living
24 there are, in fact, not paying any rent to the landlord
25 who can't be found?

1 Q. Well, it's a question, again, he evades
2 the whole process. He actually lives in the building.
3 You know, I don't know what the tenants are doing.
4 It's really a matter for the neighbors.

5 A. I understand those concerns and I support
6 them. I mean, we are not -- I mean, we are
7 representing responsible landlords. We understand the
8 thrust of the legislation is to provide, in some ways,
9 punitive measures against unscrupulous landlords such
10 as you described. But if the legislation that you have
11 also penalizes scrupulous landlords, it does not have
12 the desired effect. If you're punished no matter what
13 happens, then there's no incentive to behave in a
14 responsible manner. And, you know, there has to be a
15 balance so that the type of person that you're
16 describing does have some punitive measures extracted
17 against him but it can't be at the expense of
18 penalizing the responsible people, the people who are
19 behaving in a responsible way and providing housing in
20 a manner for which they are trying to create through
21 the legislation. And it's my position that the
22 irresponsible landlord is clearly a minority of
23 landlords. I mean, I think you are, of all the rental
24 housing in Pittsburgh or wherever you're talking about,
25 I think you are talking about a minority of the rental

1 units, not a majority. And, I mean, there are some
2 real problems.

3 Now with respect to reducing the supply
4 of rental housing, I don't know that this process
5 necessarily on the face of it reduces the supply of
6 rental housing. What happens is we are all
7 businessmen, we are in business to make a profit. No
8 landlord is going to go into this business and do it
9 and wind up, as you pointed out, just paying out money
10 out of his pocket every month. All right? Now, the
11 cumbersome eviction process is basically, has become
12 basically a cost of doing business. What happens in
13 the long term is either the landlord passes that cost
14 of doing business on to his tenants, the tenants that
15 do pay rent, if he can. And if he can't, he goes out
16 of that business. Now, that doesn't mean that another
17 landlord won't come in and take his place.

18 So I'm not sure that it's correct to say
19 that rental housing per se is being decreased. But one
20 thing I'm sure of is that if you have that cost of
21 doing business, okay, that this rent that responsible
22 tenants are paying is higher because of it, and that
23 all of those costs ultimately have to get passed on to
24 the consumer, no businessman, you know, aided with an
25 unlimited supply of tax dollars, is going to absorb

1 costs and not pass them on to his consumers. I mean,
2 it just can't be. And the overall quality of the
3 housing probably deteriorates. I mean, if you have a
4 cost that you have to pass on to your customers and
5 your customers have a budget and a maximum amount they
6 can afford to pay, it means that that cost of doing
7 that is going to come at the expense of other things.

8 I mean, this is not, you know, rental
9 housing, at least in Philadelphia, and I suspect
10 everywhere, is not an oligopoly or monopoly. It is not
11 dominated by two or three major landlords. It is a
12 highly competitive business. And you need only to look
13 in the Philadelphia want ad section to see how
14 competitive it is in terms of rental ads for
15 apartments. So I don't think that, you know, I mean,
16 there's always going to be somebody coming in, I
17 believe, to become a new landlord when someone drops
18 out, but they are going to become a new landlord at a
19 higher rental price, and I think the consumer is harmed
20 by this. I mean, the legitimate consumer is harmed by
21 some of the abuses that we're talking about.

22 ACTING CHAIRMAN LaGROTTA: Thank you.

23 Bob.

24 BY REPRESENTATIVE REBER: (Of Mr. Hankey)

25 Q. Real quickly, I'm not totally familiar,

1 and I see our resident attorneys from Philadelphia,
2 Representatives Wogan, Kosinski and Denny O'Brien are
3 not here, so maybe you can enlighten me. You refer to
4 Landlord-Tenant court. Is that a municipal court that
5 sits in Landlord-Tenant matters?

6 A. Yes, it is a municipal court.

7 Q. Do you have an idea of the number of
8 appeals that are taken to the next appellate level?
9 And the reason I ask that is we seem to be hearing a
10 lot of testimony regarding the process and I'm just
11 curious as to the amount of original actions that
12 either are resolved at the municipal court level or the
13 district justice level, as the case might be. What
14 kind of percentage are we talking about of these
15 appeals that are taken?

16 A. I have no hard data on that. My own
17 experience in operating properties in Philadelphia is
18 that it's a relatively small percentage.

19 Q. That would be a similar response that I
20 would have also from my experience of 20 years of
21 practicing and handling cases like this.

22 A. It is truly a relatively small
23 percentage.

24 Q. So, just so I understand that, the times
25 haven't changed in the 12 years I've been in the

1 General Assembly, that the real issue ultimately comes
2 down to fundamental procedural fairness in the original
3 action process is where the real problem exists?

4 A. Yes, sir. Absolutely.

5 Q. Okay.

6 A. Yeah, anything that can be done to speed
7 up that process.

8 Q. Now, you're aware, and that's my next
9 question, you referenced the grocer. The grocer
10 doesn't have a specific set of procedures that are
11 dovetailed for his particular profession like landlords
12 have. You understand that we have a set of Rules of
13 Civil Procedure, we have specific statutory acts. In
14 Philadelphia we even have a court that's called the
15 Landlord-Tenant court.

16 A. I understand.

17 Q. You've already been elevated to somewhat
18 of a primordial status when it comes to procedural due
19 process in the Commonwealth of Pennsylvania. Now, I
20 think the process is how do we fundamentally make sure
21 that works? Is that a fair characterization?

22 A. Yes. I mean, we're not saying that we
23 should do away with that process. I'm just contrasting
24 how ludicrous that would seem if you took the corner
25 grocer and someone who didn't want to pay for an

1 alleged whatever.

2 Q. Those kinds of things happen. I have a
3 lot of small businessmen that I know, a lot of the
4 attorneys that sit on this committee have certainly,
5 I'm sure, over the years, had cases where there have
6 had unpaid accounts and they have gone through the
7 trials and tribulations of chasing that particular
8 individual through the judicial system.

9 A. It's one thing to collect an unpaid
10 account, but the landlord occupies a unique situation
11 in not only does he have to deal with collecting an
12 unpaid account but he has to keep digging the hole
13 deeper by continuing to provide business, which the
14 other normal businessman does not have to do. I mean,
15 when you have a bad paying account, the first thing you
16 do is stop selling to them.

17 Q. I understand. I mean, you get back to
18 the intent by intent of the Rules of Civil Procedure
19 and the statutes. If there is a breakdown in the
20 workability of that, I think that's where we have to
21 channel our efforts.

22 A. Absolutely. I'm saying that because the
23 landlord occupies that unique situation where he is
24 compelled by law to continue to provide a service to a
25 person who is not paying for that service, he deserves

1 some special attention to make sure the system does not
2 provide abuses as may be applied by an unscrupulous
3 person.

4 Q. Let me ask you this final question.
5 Where then, turning our concern and the focus of our
6 inquiries here and your testimony, where then
7 specifically at the original level do we have problems?
8 Do we shorten the time period? Is that probably the
9 area we have to look to?

10 A. Anything that can be done to shorten the
11 time period, okay, anything that can be done to -- the
12 most important thing to a landlord when you have a
13 dispute with a tenant and the tenant is not paying
14 rent, the most important thing to a landlord is to get
15 possession of the unit so that he can get it re-rented
16 and producing income again.

17 Q. Well, let me ask you this. Wouldn't it
18 make sense then in the so-called escrowing procedure or
19 process that we really ought to have, ought to be doing
20 that as part and parcel of the filing of the appeal on
21 the ultimate service upon the tenant so during an
22 original action and the 30-day wait that has to
23 ultimately be accustomed to moving towards a possession
24 procedure, isn't that really where we ought to be
25 talking about the escrowing concept, as opposed to only

1 after an appeal has been filed with some form of
2 appellate jurisdiction? If I'm sitting in your shoes,
3 I would definitely jump and say "yes."

4 A. As a layperson, I say "yes." I believe,
5 and I'm not a lawyer, but I believe the difficulty in
6 accelerating the thing up to that point is the tenant
7 really isn't doing anything. I mean, what you're
8 doing.

9 Q. Well, there hasn't been a determination.

10 A. You've filed a complaint that the tenant
11 hasn't paid rent. You go to court and the judge
12 determines in the landlord's favor that, yes, the
13 tenant hasn't paid rent, should have paid rent, and you
14 owe the money.

15 Q. I was more concerned about where the
16 judge has entered his decision, or I guess they can
17 take 15 days to enter a decision after the hearing?

18 A. No, they enter the decision immediately.

19 Q. They don't have the authority to take --
20 well, in any event--

21 A. From that date.

22 Q. From that date on is what I'm talking
23 about once there's been a finding in favor of the
24 landlord.

25 A. From then until when you can get

1 possession of the apartment in Philadelphia will
2 probably be 60 days. Now, that's, I mean, that's
3 abusive because you have — you've now been to court,
4 the judge has found in the landlord's favor against the
5 tenant. The tenant has not paid rent and should have.
6 And anything that can be done.

7 Q. Well, why doesn't House Bill 1154 have
8 that kind of procedure built into it, if that's the
9 panacea for the problem that is being testified to, and
10 maybe I'm asking the wrong person these questions.

11 A. You probably are. I had nothing to do
12 with the drafting, but it helps.

13 The other thing, although the number of
14 appeals is a relatively small percentage, when you have
15 a tenant who does appeal, the amount of time that
16 tenant can stay in residence rent-free is
17 disproportionate so that the amount of dollars that you
18 lost on a tenant who files an appeal, it is one more
19 important thing. You will lose five times the amount
20 of dollars on an appeal as you would an unappealed
21 conviction. So it's important in that respect.

22 ACTING CHAIRMAN LaGROTTA: Thank you.

23 MR. PUGLIESE: In relation, there's a
24 real overbearing issue here, and that is the politics,
25 Bob, you know, that pervades throughout the whole

1 system, and that is when you have a situation such as
2 wage attachment, for example, we had a bill, wage
3 attachment bill which passed the House but then it was
4 reconsidered on a parliamentary procedure action. That
5 issue never came back again. And it was fruitless for
6 us to even introduce another wage attachment bill.

7 REPRESENTATIVE REBER: Wage attachment is
8 a whole other ball game. I'll be quite honest, because
9 I find that whole process repugnant.

10 MR. PUGLIESE: On the eviction process,
11 the shortening of the process, we just felt in talking
12 to certain members of the House of Representatives that
13 politically it was not -- it wasn't easy. So what we
14 decided to do, what we being in the PROA decided to do,
15 was look at a situation whereby correct the conviction
16 process where it relates to the appeal process

17 REPRESENTATIVE REBER: Well, Rocco, maybe
18 I'm the dumbest guy here then if I'm not catching,
19 there's a concern about the abuse of process that's
20 going on by unscrupulous tenants. I'm hearing that and
21 if, in fact, there are a minimal amount of appeals
22 filed, then it's at the original court level, and the
23 timeframe immediately thereafter seems to be causing
24 the problem. So if that is the part that's broke, why
25 aren't we zeroing in on that is the part that--

1 MR. HANKEY: If you say malpractice, what
2 is malpractice? In the Harrisburg area I would say
3 it's real malpractice. I say there's a good amount of
4 appeals being filed in order to be--

5 REPRESENTATIVE REBER: Well, what's that
6 number?

7 MR. HANKEY: I don't know.

8 REPRESENTATIVE REBER: I would doubt
9 there's an excess of 15 percent.

10 MR. HANKEY: Oh, I would say between 10
11 to 15 percent.

12 REPRESENTATIVE REBER: Okay. Well, then
13 again, that, in my mind, still isn't a major issue. I
14 can't see that as the major -- enough said.

15 ACTING CHAIRMAN LaGROTTA: Thank you.
16 Deborah Chapman.

17 Representative Heckler has joined us.

18 MS. CHAPMAN: Good morning. On behalf of
19 700,000 manufactured home owners in our State, thank
20 you, Acting Chairman LaGrotta, Representative Piccola,
21 Minority Chairman, and members of the House Judiciary
22 Committee, for the opportunity to present testimony
23 today on Pennsylvania's Landlord-Tenant Act of 1951.
24 My name is Deborah Chapman, and I'm founder and
25 president of Pennsylvania Manufactured Home Owners of

1 American, Inc. PAMHOA is a nonprofit organization
2 founded to promote manufactured home owners' rights
3 through changes in legislation, improved resident-
4 landowner relations, mediation of resident-landowner
5 disputes, and increased public awareness of the
6 manufactured housing lifestyle.

7 Today I, as well as others, will be
8 testifying on the eviction procedures pertaining to the
9 Landlord-Tenant Act. I am sure you will hear some
10 nightmare scenarios of problem tenants in traditional
11 rental situations. The traditional renter of an
12 apartment or conventional home does not own that home.
13 The manufactured home owner finds himself in a very
14 unique situation. They own their home, however rent
15 only their homesite. Manufactured home owners face
16 many monumental abuses in their lifestyle because they
17 are captives of the landowners. Unlike apartment
18 dwellers or conventional home renters, they do not have
19 the option to easily pack their belongings and search
20 for another home. The most important of their
21 belongings is their home; a home which cannot be moved
22 in most cases due to unavailable homesites for pre-
23 owned homes.

24 One of the worst abuses manufactured home
25 owners experience is throughout our judicial system.

1 The judicial system from the district justice level up
2 to the Pennsylvania Superior Court seldom recognize the
3 Mobile Home Park Rights Act enacted back in 1976. The
4 legislature at that time realized a great need for a
5 separate law governing the owners of manufactured
6 housing communities and the residents who rent
7 homesites from them. The rulings that have come down
8 primarily in the district magistrate hearings have
9 blatantly ruled against the statutes of the Mobile Home
10 Park Rights Act, even when an individual or attorney
11 cites that act. They instead refer to and make their
12 judgments on the Landlord-Tenant Act, which is very
13 inadequate for the manufactured home lifestyle. Since
14 the legislature has already recognized the need for Act
15 261, we, the homeowners, are asking that this committee
16 include a reference to Act 261 exclusively for
17 manufactured housing situations within the
18 Landlord-Tenant Act. An explanatory inclusion that
19 there are special and certain circumstances on eviction
20 when it pertains to a resident in a manufactured
21 housing community. Now that this committee is
22 attempting to look into the need to amend this section
23 of law, we feel it would be a good time to make this
24 point clear.

25 Although we are here to discuss eviction

1 procedures, there are a few other amendments the
2 residents of manufactured housing would like to see in
3 the Landlord-Tenant Act. In Article V, Section 512(c)
4 this should be amended to read: "Failure of the tenant
5 to provide the landlord with a new mailing address
6 (instead of his new address) in writing upon
7 termination of the lease or upon surrender and
8 acceptance of the leasehold premises shall relieve the
9 landlord from liability under this section."

10 Manufactured home owners are many times
11 harassed by unscrupulous landowners. In too many cases
12 we have seen them continue that harassment after the
13 resident has left the community. Sometimes the
14 landowner has shown up in the party's new neighborhood
15 or community where they reside continuing the
16 harassment. We feel a mailing address is sufficient
17 notice to be given and any business or notification of
18 the party can be done through this address if the
19 resident so chooses, whether it be a P.O. Box, or a
20 family member or friend address.

21 In Article V, Section 502-B Tenants'
22 Rights to Cable Television. Our question would be, are
23 landowners allowed by statute to charge a resident of a
24 manufactured housing community for cable television
25 services if that resident chooses not to use that

1 service and does not want cable television? Many
2 residents choose not to subscribe to a cable service -
3 do not want this service and sometimes decide to retain
4 an aerial antenna or place an aerial antenna upon his
5 personally owned home. A numerous amount of landowners
6 are informing their residents they may not place such
7 an antenna, and if an antenna is in place it must be
8 removed when the landowner decides to make cable
9 services available to the residents. In some case if
10 they decide they do not want the service they are
11 charged with the service anyway. This imposes somewhat
12 of a threat and in a manufactured home community sets
13 the stage for a possible eviction. For if a resident
14 breaks a rule or regulation, the landowner may use this
15 as a first violation in a six-month period. An
16 example: If the landowner imposes a new regulation --
17 removal of all aerial antennas by May 1 -- and a
18 resident does not comply, with a second violation of
19 the rules or regulations that resident could be evicted
20 under Act 261.

21 We would like, therefore, to see this
22 section of statute amended to allow that manufactured
23 home owner and community resident the right to choose
24 for himself the monthly expense of cable television
25 services or placement of their own aerial antenna, as

1 long as they meet municipal ordinances. Some of our
2 homeowners are on fixed incomes and cannot afford the
3 minimal subscription charge of \$18.00 monthly, or even
4 an average \$10.00 monthly charged by the landowner,
5 whether or not they choose to use cable service. The
6 difference here, again, is they are homeowners. While
7 I am not knowledgeable on the language in statute for
8 FCC regulations, it is my understanding that it is
9 every citizen's right to access airwaves, they are
10 entitled by birthright and taxes they pay.

11 Pennsylvania Manufactured Home Owners of
12 America, the 700,000 residents of manufactured housing
13 in our Commonwealth, and I would like to again thank
14 you for listening to some of the problems we face every
15 day. I would be happy to provide more detailed
16 information at a later date. If the committee has any
17 questions, I would be happy to answer those at this
18 time.

19 ACTING CHAIRMAN LaGROTTA: Thank you.

20 Would you clear something up for me? At
21 the outset, are the manufactured home owners covered
22 under the Landlord-Tenant Act right now?

23 MS. CHAPMAN: They are covered under both
24 acts.

25 ACTING CHAIRMAN LaGROTTA: They are

1 covered under both acts?

2 MS. CHAPMAN: There are some references
3 to manufactured housing in the Landlord-Tenant Act.

4 ACTING CHAIRMAN LaGROTTA: Okay.

5 Representative Heckler, questions?

6 REPRESENTATIVE HECKLER: I do have a
7 couple of questions.

8 BY REPRESENTATIVE HECKLER: (Of Ms. Chapman)

9 Q. You mentioned a specific difficulty with
10 the insistence by the landowner upon subscription to
11 cable, for instance. Is this a service that is being
12 resold by that park owner to the tenants?

13 A. Yeah. Usually it's included in the rent.

14 Q. But what I'm trying to get at, is the
15 park owner making a profit or is it simply a question
16 of that owner having determined that as an aesthetic
17 matter they don't want TV antennas in the park anymore?

18 A. I don't know because I've never seen the
19 paperwork on what they deal with the cable company. I
20 really can't answer that.

21 Q. Well, it seems to me that there's some
22 distinction, and it would be helpful, I don't know if
23 anybody has any expertise on this.

24 A. I'd like to comment a little bit on that.
25 Manufactured housing is considered single-family

1 dwellings, just like conventional housing. You cannot
2 discriminate against manufactured housing. If there
3 are no municipal ordinances in that municipality
4 against putting an aerial antenna on your home, then a
5 manufactured home owner should be able to put an aerial
6 antenna on his home if he so chooses.

7 Q. Well, you're mixing a couple legal
8 concepts in a way that I think is a little bit
9 dangerous and I don't think what you've just stated is
10 an accurate proposition of law. Fairness is another
11 issue. I think that it is legitimate, again my
12 opinion, I think that the law is such that it is
13 legitimate for the owner of a property to make certain
14 determinations, presumably to enhance the value of what
15 he is offering to all of his tenants, of an aesthetic
16 nature, of parking regulations, regulating fences in
17 the yards, those kinds of things, and obviously we're
18 considering legislation, or not this committee but the
19 legislature is considering legislation that would
20 restrict undue, burdensome, sort of ridiculous
21 regulations of that sort, but there's certainly a
22 legitimate, I mean, for instance, it would seem
23 legitimate that if I'm a mobile home park owner, I'm
24 going to be able to say you can have, you can paint
25 your residence within this certain range of colors or

1 we require pre-approved colors so you can't paint it
2 mauve with green trim. That would be something that
3 would be a burden upon your neighbors. I'm not exactly
4 sure whether a TV antenna falls into this category or
5 not.

6 What I'm trying to get at is there have
7 been abuses in various kinds of residential settings
8 with the resale of utilities. It is my presumption
9 that these days it is not possible for a mobile home
10 park owner to resell electricity, is that right? You
11 tie in directly?

12 A. That's a not my understanding. It's my
13 understanding that they are not, under the PUC laws,
14 and they are pretty much at their own entity, that
15 whatever happens within that, if they are bringing --
16 if they have their own septic system or what water
17 system and they meter each home site, they can charge
18 basically anything they want to at the present time.

19 Q. Okay. But, well, okay.

20 A. So they can resell at whatever cost they
21 choose to sell.

22 Q. Okay. Septic and water, if it's on-site,
23 you don't know about -- is it your impression they can
24 also resell services that are provided by another
25 provider? Like, you know, electricity, like cable TV,

1 like water from a water company or sewage which is then
2 discharged into standard, that's your understanding?

3 A. Um-hum.

4 Q. It would be interesting to me if, at some
5 point, we can figure out if, for instance, the cable
6 service you're speaking of is being resold and it's a
7 profit issue or whether they're just saying you've got
8 to tie into suburban cable because we don't want to
9 see--

10 A. Considering a lot of the abuses we have
11 seen in this area, it wouldn't really surprise me if
12 they were doing that.

13 Q. We need something a little bit more
14 factual. I beg your indulgence, Mr. Chairman.

15 One other matter. You mentioned
16 landlords or the property owners following tenants and
17 harassing them after they have relocated their
18 residence. What sort of harassment are we talking
19 about? Attempts to collect debts?

20 A. No, just following them into their
21 neighborhood. I personally had an experience eight
22 years ago, I can speak from that. Our rent was paid,
23 we were out of the community, we now live in
24 conventional housing, and two weeks after I moved the
25 landlord was in my neighborhood knocking on my

1 neighbors' doors who I never met before. Two weeks
2 later he was back in front of my house and sat there
3 for two weeks -- or two hours and would not leave.

4 Q. Well, I mean, we're not talking about a
5 business practice, I assume. I mean, it sounds to me
6 like you should have been here for the stalking
7 hearing, and I'm not being frivolous. That's criminal
8 conduct.

9 A. It is, and I took him to court and he got
10 a slap on the hand, but, you know, it was a very
11 traumatic experience to have this man who harassed me
12 for three years, made my life very miserable, to come
13 into my neighborhood after I had nothing to do with the
14 man any longer.

15 Q. Well, this was a -- he had a personal
16 motive towards you.

17 A. That's the reason I don't think it is
18 ever necessary for you to give your new address. Why
19 not a P.O. Box or something else that they can notify
20 you if they need to. There's no reason for a new
21 address.

22 REPRESENTATIVE HECKLER: Thank you, Mr.
23 Chairman. Thank you.

24 ACTING CHAIRMAN LaGROTTA: Thank you.

25 BY REPRESENTATIVE BIRMELIN: (Of Ms. Chapman)

1 Q. I just have one brief comment on the TV
2 antenna scenario. I come from northeastern
3 Pennsylvania. We have a great number of second home
4 communities. These are in most cases the person owns
5 the home and he owns the land on which he's located and
6 when they buy that land there are deed restrictions
7 which say you cannot have an outside antenna, you
8 cannot have a dog in that yard, you must paint your
9 house a certain color. And that is their own land. As
10 a deed restriction when they buy the land. Are you
11 telling me that people who go into mobile home parks,
12 put their mobile home on their land and then assume
13 that they have a right to something that they've
14 already agreed, that they will not have?

15 A. Most times manufactured home owners know
16 nothing about any restrictions until they have signed
17 on the dotted line, moved into the community, have
18 their homes set up and all of a sudden they receive 82
19 rules and regulations they never knew about. We are
20 trying to get legislation in now to remedy that.
21 However, at the present time they don't have to receive
22 any notification of anything until they are a resident.

23 Q. Well, I'm having a hard time
24 comprehending this situation. If I buy a mobile home
25 and I'm going to move into a mobile home park, I'm

1 going to want to know what are you going to require of
2 me, not just how much you are going to ask in the rent.
3 Am I going to sign a lease? It's my understanding, and
4 you may correct me if I'm wrong, unless you've signed
5 an agreement to limit those restrictions of antennas,
6 et cetera, that they have no legal force unless you
7 have agreed to that in signing when you signed up as a
8 tenant?

9 A. Well, they do sign leases I guess before
10 they move into the community. However, the rules and
11 regulations are not brought forth until after they are
12 in the community many times, most times. And also,
13 being in the community physically, basically you must
14 abide by those rules and regulations because if you
15 violate them twice in a six-month period, you can be
16 evicted. And there is nowhere for these people to go
17 and it's very costly to move, so if they don't agree
18 with it, they are very captive in these situations.

19 Q. I can understand they are captive, but
20 you shouldn't, as a tenant, you shouldn't move into
21 something that you don't know what you're moving into,
22 is a situation apparently.

23 A. But they are given very cheery scenarios
24 before they move into the community. Once they are in
25 there things change, quite often.

1 Q. Well, it would be my understanding, and
2 again, I'm not a lawyer either like my colleague to my
3 left here, Mr. Reber, who knows more about it than I
4 do, it would seem to me that unless you agree to
5 something in writing, then you are not in any legal
6 sense obligated to obey it, and I'll stand corrected if
7 I'm wrong on this but if I were a mobile home owner and
8 I was moving in a mobile home park, I would know before
9 I moved in there what the rules and regulations were
10 and whether or not I could abide by them with the clear
11 understanding what would happen to me, and it would be
12 my observation from your testimony that you have a lot
13 of people that aren't looking out very carefully for
14 themselves and if they go in there that they should be
15 able to put up a TV antenna. This is terrible. I have
16 the freedom of TV reception right that's being
17 violated, which is not the case. If you go in and you
18 agree to something and it says no TV antennas and you
19 signed an agreement that says that you don't think you
20 have a recourse.

21 A. That could be in the rules and
22 regulations of the park.

23 Q. But the lease must indicate that you will
24 abide by the rules and regulations as they existed on
25 the day of the signing of the lease.

1 A. Not all the time.

2 Q. Well, it should be.

3 A. A lot of things should be.

4 Q. Well, I think you're into a legal area
5 here where I have no objection to a mobile home park
6 owner saying no TV antennas. You must put skirting
7 around your mobile home. A lot of mobile home parks
8 require that.

9 A. I think the majority of manufactured home
10 owners want a very nice, aesthetic community. They
11 want rules and regulations. They are not against those
12 rules and regulations, but I think the difference here
13 is that they are kind of caught in between
14 homeownership and renting and that they are considered,
15 they are considered tenants, basically, and the
16 initial, their monetary investment into this home,
17 which can be quite a bit of money these days, is never
18 taken into consideration. These people are painted a
19 very wonderful scenario of not throwing their rent
20 money out because they're going to some day get
21 something for this home if they decide to sell it,
22 which is never the case -- not never, but not too
23 often. It's a very complicated situation. There's
24 many, many monumental problems associated with
25 manufactured housing. This is just a very, very small

1 part of it. It's certainly not one of our major
2 problems.

3 Q. Well, I appreciate your testimony. I
4 just wanted to re-emphasize that I think maybe through
5 your association you ought to be in an educational
6 process.

7 A. That's exactly what we're trying to do.

8 Q. To at least tell them what they're
9 getting into. To go into something that you agree to
10 and then not find out it's what you agreed to.

11 A. That's one of the things that we advise
12 that you make sure you get a copy of those rules and
13 regulations before you sign on the dotted line.

14 REPRESENTATIVE BIRMELIN: Thank you.

15 ACTING CHAIRMAN LaGROTTA: Just let me
16 reiterate, because I need to ask you one question.

17 BY ACTING CHAIRMAN LaGROTTA: (Of Ms. Chapman)

18 Q. If I rent a piece of land from you,
19 you're telling me that I cannot say to you, the
20 landowner, you hand me a lease and it says I agree to
21 abide by all the rules and regulations, I am the
22 renter, and I say to you could I see the rules and
23 regulations that I'm agreeing to, now in that
24 particular situation, if you don't show that to me,
25 tell me how, why would I sign the lease?

1 A. A lot of times they're going through a
2 dealer. The dealer sets up for them to move into a
3 certain community. I have lot A, B, C here in this
4 community 26 and 27 in this community, choose your lot.
5 I believe that they choose their home site and many
6 times the dealer takes care of all of the paperwork,
7 including the lease.

8 Q. Couldn't I ask the dealer for a copy of
9 the rules and regulations?

10 A. A lot of people don't know about rules
11 and regulations. They are not told of rules and
12 regulations.

13 Q. So this isn't a legal issue which we need
14 to consider in terms of a law change, it's more of an
15 education process, as Jerry said?

16 A. Um-hum.

17 ACTING CHAIRMAN LaGROTTA: Any other
18 questions?

19 REPRESENTATIVE HECKLER: Thank you, Mr.
20 Chairman.

21 BY REPRESENTATIVE HECKLER: (Of Ms. Chapman)

22 Q. At the risk of laboring this a little bit
23 now that we're into this issue of how these leases come
24 about, is there a cooling off period? Is there a --
25 does the law provide at this point that there's any

1 period of time during which that lease would be
2 revocable unilaterally by the tenant?

3 A. Not at this time.

4 Q. Would that be an appropriate -- what I'm
5 hearing is that either educated consumerism or just
6 thought, for instance, the kind of care that people
7 would normally exercise in buying a stick built home
8 that's fastened down to real estate would alleviate
9 this?

10 A. The reason I didn't suggest a lot of that
11 is because we do have some legislation in Urban Affairs
12 right now that I think will adequately take care of
13 that within the Mobile Home Park Rights Act. It's not
14 my intention to bring to this committee parts of the
15 Mobile Home Park Rights Act and get this in the
16 Landlord-Tenant Act. I don't believe that manufactured
17 housing, governing manufactured housing belongs in the
18 Landlord-Tenant Act because if you really study this,
19 you will understand that it is very difficult. The
20 people are in a very unique situation and I don't feel
21 that most of the Landlord-Tenant Act even pertains to
22 these people.

23 Q. Does that legislation in Urban Affairs, I
24 know a lot of us have gotten correspondence on it
25 because if we're not part of the committee, we're

1 really not up to speed on it, does that include a
2 provision of taking this whole area out of the
3 Landlord-Tenant Act?

4 A. No.

5 REPRESENTATIVE HECKLER: Thank you.

6 ACTING CHAIRMAN LaGROTTA: Thank you, Ms.
7 Chapman, for your testimony.

8 ACTING CHAIRMAN LaGROTTA: Next we have
9 Jennifer Evert and Linda Johnson. Ms. Evert represents
10 the Tenants' Action Group, and Linda Johnson represents
11 the Community Legal Services.

12 We'll ask you to summarize.

13 MR. GOULD: I also work in Community
14 Legal Services in Philadelphia and am the Master
15 attorney of the housing unit. Ms. Evert is of the
16 Tenants' Action Group and she has some testimony.
17 Linda and myself do not. I would just like to make a
18 couple of comments before she begins, if that's okay,
19 on some of the things that have been said.

20 There's a lot of discussion about, you
21 know, unscrupulous tenants, and I think as people are
22 aware there are also unscrupulous landlords. We're not
23 denying there are some bad tenants, but there are also
24 a lot, maybe a minority, but we think there is an equal
25 amount of bad landlords, and I think, as she will

1 testify to, there has to be a system set up which I
2 think is largely in place which protects the interest
3 of both parties.

4 Secondly, there was some question about
5 hard data. We brought some hard data which she'll
6 testified to, but one of them is the question about
7 appeals and the sum of them is that tenants just appeal
8 Landlord-Tenant cases all over the Commonwealth. We
9 have, well, we asked in Philadelphia exactly the
10 question that the Representative did ask, exactly how
11 many appeals did take place in 1988, and the answer is
12 less than 1 percent each year. And I think that's an
13 indication where you have, I think, a lot of rhetoric
14 and a lot of what's happening when you look at the data
15 and you find something completely different.

16 The third issue is about L&I. I think
17 there were some questions about code enforcement and
18 there seemed to be an impression given by people
19 testifying who obviously represented the landlord's
20 interest that in Philadelphia at least you can get L&I
21 to come out to your property and somehow do something
22 for a bad heater, for even a structural problem, when
23 in fact that is not the case. If you call L&I in
24 Philadelphia, at best someone will come out in a month
25 or two months. But let's assume for the moment that

1 they even come out and they find a violation. What
2 you're going to get is a violation. They are not going
3 to take action against a landlord. Maybe a year, maybe
4 two years, maybe never to get the landlord to go ahead
5 and repair. Assuming they do take action, they go to
6 municipal court and, at best, the landlord is fined
7 maybe \$25, \$50 or \$100. And landlords have found it
8 much easier just to get fined than actually to go ahead
9 and make the repairs. And then even if they do get
10 fined, there's a substantial likelihood that they won't
11 pay the fines because they know that there's a
12 substantial likelihood in Philadelphia that the fines
13 will not get collected.

14 Thirdly, I want to mention this issue
15 about appeals and House Bill 1154, which is on the
16 agenda in the House. One thing that is notably absent
17 from all the testimony is the existing procedure in
18 virtually all the Pennsylvania counties where a tenant
19 has to appeal. In Philadelphia and in Pittsburgh, I
20 suspect it's the same in Harrisburg, I suspect in every
21 major county, a tenant has to put money into escrow in
22 order to maintain possession of the property during the
23 appeal, and if the tenant does not do this, the
24 landlord or the lawyer can then go to court and dismiss
25 what's called a supersedeas, which allows the tenant to

1 stay in possession and evict a tenant. And this
2 happens in Philadelphia, and I suspect around the
3 State. So it's not as you can simply appeal and stay
4 there building forever.

5 Secondly, in Philadelphia, the appeal
6 process has been dramatically shortened where appeals
7 are now being heard, there's a status conference within
8 20 or 30 days after an appeal is taken, and often a
9 hearing is taken within 1 to 2 months after that
10 process. As for this procedure, that's in 1154
11 regarding the requirement that the tenant pay the
12 amount of the back judgment that's owed, while any
13 other creditor in Pennsylvania when they sue somebody,
14 including the grocer who sues somebody for not paying
15 the grocery bills, if that person doesn't pay and the
16 grocer goes to court and sues the person who went into
17 the supermarket and didn't pay the bill, that person
18 can appeal and does not have to pay the judgment below.
19 And I think the notion of singling out tenants would be
20 very unfair because no other person is required to pay
21 that.

22 We realize that the landlord is providing
23 ongoing service during the appeal and we, therefore,
24 realize that the landlord has to be protected but that
25 protection exists in virtually every county which

1 requires either a bond or ongoing rent and therefore
2 that person is protected, and we believe that therefore
3 the payment of the judgment below would be punitive and
4 would be something that would be much different than
5 any other creditor or debtor that needs to be paid.

6 With that, I would like to have Jennifer
7 Evert proceed with her testimony.

8 MS. EVERT: Good morning. On behalf of
9 the Tenants' Action Group, TAG, I would like to thank
10 the Committee for inviting us to give testimony. The
11 Tenants' Action Group has served Philadelphia's tenants
12 since 1973. Since that time we have grown to a staff
13 of more than 40 people. While tenants' rights and
14 tenant counseling remain the core of our work, we have
15 added several programs that provide rental assistance
16 to tenants facing eviction or utility shut-off. The
17 full range of our history and programs is laid out in
18 an attachment to this statement.

19 TAG is contacted by more than 5,000
20 tenants per year. We offer 30 free classes each month
21 on tenants' rights, and 2 class each week on eviction
22 defense. Thousands of tenants contact us as walk-ins
23 or for emergency assistance over the phone. We believe
24 this experience gives us a good understanding of the
25 position of tenants in Philadelphia.

1 We would like to focus our testimony on
2 that part of the Landlord-Tenant Act that establishes
3 procedures for eviction. It is our belief that the act
4 protects legitimate interests of landlords in obtaining
5 speedy evictions where the tenant has failed to pay
6 rent or has broken the lease, while also protecting the
7 necessary tenant rights. We would strongly oppose
8 efforts by the legislature to weaken the tenant
9 protections that now exist around the issue of
10 eviction.

11 As the Landlord-Tenant Act is applied in
12 Philadelphia, a landlord may file a complaint in court
13 when a tenant does not pay rent, breaches a condition
14 of their lease, or fails to move after the landlord has
15 given a proper written notice. Depending on the nature
16 of the complaint, the contents of the lease, and the
17 time of year, leases shorten the notice period to as
18 little as 5 days. When a landlord files a complaint in
19 Housing Court, a case is scheduled and the tenant is
20 served with summons. The time between filing and a
21 hearing is approximately 21 days. If a landlord wins a
22 judgment for possession, the tenant must appeal their
23 case within 30 days or move. If a tenant fails to
24 move, the landlord can obtain a writ from the court
25 authorizing a sheriff or a Landlord-Tenant officer to

1 put the tenant out. The Landlord-Tenant officer, who
2 carries out most of the evictions in Philadelphia, acts
3 within days of receiving the court authorization, alias
4 writ of possession. This process is speedier than
5 exists in virtually any type of court proceeding.
6 Moreover, it is in the public's best interest to allow
7 tenants adequate time to find new housing.

8 Eviction can result in homelessness
9 and/or unemployment for many individuals.
10 Additionally, uprooting families can be disruptive to
11 children, forcing them to adjust to new schools and
12 neighborhoods. The expense of homelessness,
13 unemployment, and disrupted families eventually falls
14 upon the taxpayer. These societal costs could be
15 minimized by allowing tenants sufficient time to
16 relocate.

17 There can be no doubt that, as enforced
18 by Philadelphia's Municipal Court, the Landlord-Tenant
19 Act serves landlords well. Approximately 20,000 cases
20 are filed each year. According to TAG studies,
21 approximately 20 percent of the cases are settled by
22 agreement between the landlord and the tenant. Many
23 more are decided by a default judgment, in which the
24 tenant fails to appear and the landlord wins
25 automatically. Often, this is due to the tenant's lack

1 of counsel and inadequate knowledge about legal
2 procedures. Only a small number of cases go before a
3 judge, where again due to lack of counsel and knowledge
4 about legal procedures on the part of the tenant, the
5 landlord usually prevails. If anyone, it is the tenant
6 who has difficulty in the court system.

7 One of the most important aspects of
8 tenants' rights in Pennsylvania is the warranty of
9 habitability established in 1978 by the Supreme Court
10 case of Pugh v. Holmes. The warranty diminishes the
11 obligation to pay rent if the landlord fails to repair
12 serious problems after being given notice by the tenant
13 and adequate time to fix what is broken. According to
14 TAG's January 1991 study, in nearly half of the
15 contested cases going before a judge, the tenant raised
16 warranty issues. TAG's study found that whether or not
17 the tenant prevailed in these cases depended primary on
18 whether or not the tenant was represented by a lawyer
19 in court. Unrepresented tenants were often unable to
20 defend themselves and successfully support their cases.
21 This record based upon TAG statistical studies,
22 bolstered by anecdotal information gleaned from TAG's
23 twice-weekly monitoring of the eviction process over
24 the last 14 years, supports the view that Housing Court
25 is a friendly environment to landlords and provides few

1 obstacles to evicting a tenant besides honoring the
2 requirement of due process.

3 What about appeals? Well, to hear
4 landlords talk, we would expect that the state's courts
5 would be crowded by frivolous appeals that allow
6 tenants to live rent-free while the wheels of justice
7 slowly turn. In Philadelphia, the facts are the
8 opposite. According to statistics provided by our
9 Court of Common Pleas, 212 appeals were filed in 1988,
10 199 in 1989, 212 in 1990, and 238 in 1991, including
11 those files by landlords. These appeals were based on
12 approximately 20,000 cases each year. Thus, less than
13 1 percent of the cases are appealed. Landlord's
14 interests are adequately protected when tenants appeal.
15 In Philadelphia, like virtually every other county in
16 the State, in order to proceed in an appeal tenants are
17 required to escrow their ongoing rent. If the tenant
18 fails to escrow such rent, the tenant can be evicted
19 not withstanding the appeal.

20 In conclusion, the Tenants' Action Group
21 believes that justice favors the landlord over the
22 tenant in Philadelphia. We have written several
23 reports and met with the Municipal Court administration
24 frequently in an attempt to level the playing field
25 between landlord and tenant. But these problems are

1 found primarily in the implementation of the
2 Landlord-Tenant Act, not in the act itself. We believe
3 that the current procedure clearly protects the
4 interest of the landlord. It should not be changed to
5 make it more difficult for the tenant to proceed in
6 court.

7 Thank you.

8 ACTING CHAIRMAN LaGROTTA: Thank you.

9 REPRESENTATIVE REBER: No questions, but
10 I would like to just have an editorial aside follow-up
11 on Dave Heckler's testimony on the mobile home parks'
12 rights action.

13 I recall that act but I wasn't exactly
14 positive on all the specifics. We had counsel pull a
15 copy and Section 3389(8.4) specifically, as I thought,
16 sets forth the law as to park rules and regulations and
17 it specifically says that the owner/operator of a park
18 may at any time establish reasonable rules and
19 regulations provided the residents in the park are
20 given a copy and the regulations are included in any
21 written lease and it is delivered to the residents and
22 also posted, and if it is an oral situation, if there
23 is an oral lease, the resident shall be provided with a
24 written copy of the rules, and then it goes on to set
25 forth in 10-point bold face print the particular manner

1 in which these rules and regulations have to be
2 supplied and what have you. So I think there is
3 certainly a fundamental notice to any individual that
4 in any reason or shape or for that matter would serve
5 an affirmative defense if in fact there was an attempt
6 to evict a person based upon these where in fact the
7 provisions of 3389(8.4) were not followed.

8 So I do think that the act does provide
9 many of the concerns that we heard in some earlier
10 testimony, and if there is need for fine tuning the
11 act, maybe we can address that, but I think the
12 overriding concerns possibly were a little overstated.

13 ACTING CHAIRMAN LaGROTTA: Thank you,
14 Bob.

15 Chris.

16 REPRESENTATIVE McNALLY: Would you be
17 able to restate the process that you described for the
18 appeal in terms of what the tenant's obligations are if
19 the tenant chooses to appeal? You know, I think you
20 mentioned something about placing rent in escrow.

21 MR. GOULD: I can respond to that. In
22 Philadelphia, a tenant is required to place rent in
23 escrow in order to affect the appeal. The appeal is
24 now probably heard within three months, and during that
25 three-month period they must pay the money. If they do

1 not, the landlord has the ability to go into court,
2 file a motion, it gets heard very quickly and can have
3 the tenant evicted if there is no proof of payment.
4 And I understand that there's a similar procedure in
5 virtually every county in the Commonwealth. Now, it
6 may be different, I'm not saying it's in every county,
7 but I think in every major city. I think a survey was
8 done and there's either a bond requirement or some type
9 of escrow requirement that tenants cannot live
10 rent-free. Now, maybe there's an exceptional case.
11 I'm not saying that somehow somebody got by and didn't
12 get it. The normal case is not that. Virtually all
13 tenants pay their money into escrows, and if they
14 don't, they end up being evicted.

15 BY REPRESENTATIVE McNALLY: (Of Mr. Gould)

16 Q. Well, let me ask you another question
17 then. You know, you described a three-month, you know,
18 appeal, that appeals are heard within three months.
19 The original case may take, well, you know, I think the
20 landlords describe the situation where a month passes
21 without any rent being paid, it's only after that that
22 a complaint to evict a tenant is filed, then there's
23 another period that even intervenes before the district
24 justice has a hearing. And, you know, so that
25 somewhere on the order of a month and a half, two

1 months or more passes before, you know, before there's
2 even a judgment entered at the district justice level,
3 and that, evidently according to your statistics, that
4 represents 99 percent, roughly, of all the
5 Landlord-Tenant cases in Philadelphia. That's still a
6 long period of time, particularly for a landlord who
7 perhaps only has one unit or two units, you know, maybe
8 it's a retired person who is renting the second floor
9 of their house. A month or two under those
10 circumstances is a long period of time for a landlord
11 to go without being paid. You know, are you saying
12 that that's short enough or do we, you know, it seems
13 to me that we should be able to expedite in some
14 fashion the, as Mr. Reber has indicated earlier, maybe
15 our focus ought to be on expediting that initial
16 process.

17 A. Well, one of the problems is the time
18 from filing the complaint to the actual hearing date
19 itself. That time period can vary from, sometimes,
20 from 7 to 14, 15 days or maybe even a little longer. I
21 mean, the problem is the tenant's ability, and I think
22 you certainly stated there are tenants who have
23 legitimate claims and need the opportunity to try to go
24 out and get counsel and try to be able to put their
25 case together and it's the quickest process there is in

1 the State is a landlord going to court to get
2 possession. If you want to sue your cleaners, it could
3 take you a month or a month and a half to get a
4 hearing. You don't get that quick, and someone said
5 landlords are put on this expedited process with their
6 own procedure. I think if you shorten that process,
7 what you're going to do is make it virtually impossible
8 for tenants to properly defend themselves in court, to
9 be able to get counsel to represent themselves to the
10 extent they c
11 an. I think it will almost make it impossible.

12 Thirdly, after a judgment is entered, we
13 heard talk that it takes 60 days to get a tenant out.
14 That's not the case in Philadelphia. A tenant has to
15 appeal in 30 days. If they don't appeal within that
16 time period, if the landlord promptly files the
17 necessary writs, they can get a tenant out within 30
18 and 35 days. There is not a 60-day period. Now, often
19 landlords may wait, but that's up to them. They can
20 get the proper writs to get a tenant out, we think,
21 very quickly. And given the economic situation that
22 existed and the number of homeless, I think if you
23 expedite that process to make it even quicker, I think
24 you're going to find, especially the cities filled with
25 large number of people--

1 Q. Okay, let me just make sure I understand
2 this process, and I don't know if I'm permitted, I may
3 ask the landlord representatives to respond to this,
4 what you're describing is a process that today's
5 September 1. Tenant Smith or Jones doesn't pay his
6 rent for September. We're up to September 30, the
7 tenant still has not paid his rent. At that point, say
8 on October 1, the landlord files a complaint, perhaps
9 by October 14 he'll have a hearing?

10 A. Way before that. They'll have the
11 hearing within three weeks of the date of filing the
12 complaint.

13 Q. I'm assuming that the landlord is going
14 to wait.

15 A. Oh, until October 1st. I'm sorry.

16 Q. Until September 30 to clear the tenant in
17 breach of the lease. So he files his complaint October
18 1, he'll get a hearing with the district justice
19 October 14 or so. The middle of October. He'll have
20 to wait until November 15 before he can determine
21 whether he can get a writ for possession?

22 A. No, he can begin the eviction process.
23 There's one different writ you have to get, at least in
24 Philadelphia, but you can begin that process the next
25 day. It's called a writ of possession, which can be

1 filed within 15 days. The tenant gets a judgment
2 saying they have to leave and then he gets a notice
3 saying they have 30 days to appeal. They then get at
4 some point within 15 days of what's called a writ of
5 possession. If they do not respond to that and leave,
6 they then get a writ which the sheriff or whoever is
7 doing the eviction actually serves on the tenant when
8 they are actually being evicted, which usually will be
9 within 30 days within the date of judgment. Most cases
10 are decided at the hearing. Every once in a while if
11 it's a complicated case, a judge will wait, but I would
12 say 98 percent of the cases, or 99 percent of the
13 cases, judges will enter a judgment the day of the
14 hearing, so there's not a wait after that.

15 Q. Well, so just to get a fixed period of
16 time from you, if we have a tenant who didn't pay his
17 rent today, he doesn't pay his rent in September, and
18 on October 1 the landlord starts this process, when
19 would you, in your estimation, when you would say that
20 that landlord would be able to get that tenant out of
21 that unit?

22 A. I would say in most cases tenants do not
23 wait to be physically evicted. That's a very
24 embarrassing process for them.

25 Q. I understand that. But we're doing this

1 process. How does the process itself work?

2 A. The notice, they can go to court October
3 1.

4 Q. No, he would file complaint on October
5 14.

6 A. They probably would get them out about
7 November 14 or 15, if they decided to wait, which is a
8 relatively small percentage. Most tenants, a lot of
9 tenants leave before they go to court. A lot of cases
10 have resolved. I mean, one of the processes there is a
11 court mediation system where hopefully people do not
12 have to be evicted, and the testimony was about 20
13 percent of the cases are actually resolved, and there
14 is a mediation system which works, has some problems to
15 it, but the tenant, as you say, who wants to sort of
16 wait until the very end I guess would be November 15,
17 but there's a relatively small percentage of cases.

18 REPRESENTATIVE McNALLY: Okay, thank you.

19 ACTING CHAIRMAN LaGROTTA: Dave.

20 REPRESENTATIVE HECKLER: Just briefly.

21 BY REPRESENTATIVE HECKLER: (Of Mr. Gould)

22 Q. You made an initial remark, or a series
23 of remarks, concerning the inappropriateness of
24 requiring an escrow of the full amount of the alleged
25 judgment due. And you suggested that that was unfair

1 because nobody else has to escrow it in other kinds of
2 litigation. Can you make, this is the difference, as
3 far as I'm concerned, this is a different kind of
4 situation. That argument doesn't wash, and my initial
5 reaction is that paying rent is an expectation and that
6 refusal to do that is just prima facie evidence of bad
7 faith. In 25 words or less, convince me that I'm
8 wrong.

9 A. Well, I think you're wrong because, one,
10 people do have defenses to paying rent, just like other
11 people have defenses to not paying their bills.

12 Q. Absolutely, but why not put it in escrow?
13 The matter is in litigation.

14 A. If you owe me money and I sue you and I
15 win and you appeal, for any creditor relationship in
16 Pennsylvania--

17 Q. You're going back to -- I'm sorry to cut
18 you off, but you're going back to the argument--

19 A. The question is, is the landlord
20 protected from that time period? And the answer is
21 "yes."

22 Q. Okay. But he provided, or she provided,
23 those services in the past. There's a presumption,
24 there's a lease, there's a written lease, there's a
25 presumption that the tenant has been there and that

1 therefore they should be paying rent. Now there may be
2 very excellent reasons why no rent should be paid, but
3 what I'm saying is that service has been provided,
4 you're in court and presumably the judicial process
5 will sort out who owes who what. You don't have any
6 other equitable arguments then why that money should
7 not at least be somewhere safe where if the judgment is
8 rendered in favor of the landlord, they are going to be
9 paid what they were entitled to under the law?

10 A. I think the reason is the same reason
11 that I'll hearken back that other debtors are not
12 required to pay. For example, if someone paints your
13 house and did a terrible job and they sue you and they
14 get a judgment for \$10,000 or \$5,000, you're not going
15 to be required to put that \$5,000 into escrow because,
16 one, that would make it very difficult for you to
17 appeal. Just requiring tenants to do the same thing
18 would make it very difficult for them to appeal when
19 there's a question as to whether or not there's a
20 legitimate basis for putting that money into escrow.
21 Maybe the rent was not owed. Maybe in fact the real
22 rent owed was \$17,000. Maybe the person repaired and
23 deducted and went out and made all the repairs
24 themselves to the property. The district justice or
25 the municipal court judge ignored the fact that that

1 took place and now the appeal took place and the person
2 has no money to put up into escrow and therefore cannot
3 go ahead with the appeal and is deprived his right to
4 appeal.

5 Q. I hear you, but if I hire somebody to
6 paint my house and it's presumed in my mind that I had
7 this money to pay them upon satisfactory completion,
8 if, in fact, they don't complete satisfactorily, I say
9 you will not get a penny out of me, sue me. But it
10 seems to me that to suggest that I am unable, and let's
11 say the court at the first level says, no, Heckler, the
12 job was fine, pay up, to suggest at that point that I
13 can't appeal because I don't have that money tells me
14 that I didn't intend to pay to begin with.

15 A. Maybe that was a bad analogy. That
16 claims that they gave the person \$1,000 in groceries
17 when in fact they didn't and they only gave them \$200
18 in groceries.

19 Q. But there was a pre-existing -

20 A. Maybe it was an oral understanding and
21 the person, the customer went into the store he said, I
22 was only going to pay \$200, and the grocer says you're
23 going to pay \$1,000. In order for the customer to
24 appeal, they would have to put up \$1,000, in fact his
25 understanding, oral or otherwise, was only \$200. I

1 mean, there are reasons why the law does not require a
2 debtor who appeals from a lower court. The only other
3 reason is it's an assembly process. If you've ever
4 seen it, it's unbelievable. There's 60, 70 people. It
5 would have taken place much quicker than this hearing
6 is taking place, and 70 cases would have been disposed
7 of in a period of probably 2 hours. It's extraordinary
8 to see. It makes Judge Wapner look like the Supreme
9 Court. That's not the real world down there. The real
10 world is the tenants come in, what do you owe? Judge:
11 Next case.

12 Q. Now you may be touching on an argument
13 that could persuade me.

14 REPRESENTATIVE HECKLER: Thank you.

15 ACTING CHAIRMAN LaGROTTA: Anything else?

16 (No response.)

17 ACTING CHAIRMAN LaGROTTA: Thank you very
18 much.

19 Final testimony today is Mr. Melvin T.
20 Johnson, who is chairman of the Harrisburg Fair Housing
21 Council. Mr. Johnson has submitted written testimony.
22 If you would summarize, please, and then take
23 questions.

24 MR. JOHNSON: Mr. Chairman, members of
25 the panel, thank you for the opportunity to testify in

1 this matter before you this morning. The Harrisburg
2 Fair Housing Council is a nonprofit organization whose
3 major function is to provide safer, decent, affordable
4 housing free of discrimination in the central
5 Pennsylvania area. In addition, the council operates a
6 help line for tenant-landlord assistance. I must say
7 to you tenant and landlord assistance. This line
8 handles in excess of 2,600 calls annually covering
9 every conceivable type of housing problem possible.
10 One of the major problems in this area is the area OF
11 security deposits. Unfortunately, almost none of the
12 landlords comply with the provisions of the current
13 Landlord-Tenant Act in terms of putting the escrow
14 funds in an account and then notifying the tenant of
15 the bank in which the funds are kept and the amount
16 deposited. In fact, there is no accounting by most
17 landlords of any escrowed funds. Recently, in
18 Cumberland County an apartment complex owner admittedly
19 spent \$117,000 of the escrow collected from his
20 tenants. Recent article. Former township commissioner
21 of Cumberland County and from Hampden Township.

22 ACTING CHAIRMAN LaGROTTA: The picture
23 from this far back looks like the Chair of this
24 committee, Tom Caltagirone.

25 MR. JOHNSON: Another politician. Sorry.

1 While he is currently serving a term in
2 Federal prison on an unrelated charge, he is also
3 filing for bankruptcy. In this case many of the
4 tenants were left unprotected. The bank is the first
5 in line for the mortgage payments during the bankruptcy
6 preceding, and the tenants must seek legal help in
7 order to attempt to collect their funds.

8 There is currently another major complex
9 in the area that has told the management company that
10 runs the complex not to refund any monies, including
11 security deposits. I personally talked to the owner
12 and he informed me, he is out of State, by the way, he
13 has informed me that if he were pressured to pay any
14 money he would declare bankruptcy also. The security
15 deposits are to be placed in escrow, which Webster has
16 defined as "money put into the custody of a third party
17 for delivery to a grantee only after the fulfillment of
18 specified conditions." There is nowhere in any law that
19 states that this money is to be used as personal funds
20 for owners. The money from the security deposits was
21 not his to play with. They were not his to use in any
22 fashion. But what checks do we have? What protection
23 does the tenant have today? None.

24 There is currently no system in place to
25 monitor whether the requirement to place the escrow in

1 a bank is being enforced. However, there is a problem
2 with the landlords having to pay income tax on an
3 escrow account, which I feel should not be. Harrisburg
4 Fair Housing Council suggests that landlords not hold
5 the escrow but deposit funds with a local housing
6 agency or some other public agency or some agency that
7 has some credibility. This would have the effect of
8 relieving the landlord of paying tax on the escrowed
9 funds and would safeguard the money of the tenants. As
10 the area of interest on security deposits is rather
11 vague anyhow, we believe that the tenants would forego
12 their interest if they felt a reliable agency had taken
13 over the guardianship of their money.

14 Landlords in some areas have also taken a
15 moral view of the reason they require security
16 deposits. Recently I talked to a complex owner and he
17 said that he requires a separate security deposit from
18 each unmarried adult living in the unit. While the
19 current law states that an amount of no more than two
20 months' rent can be required for security, many do not
21 adhere to this law. Especially in areas of college
22 campuses where you have students living together, and
23 it also has affected senior citizens who are living
24 together for economic reasons. Additionally, is it
25 discrimination if landlords set separate rules for

1 married and unmarried persons. I believe this subject
2 needs to be made clear within the law to stop a double
3 standard.

4 Another area of concern is the harassment
5 of tenants. What is reasonable access to tenant's unit
6 by the landlord? Can a landlord enter a unit to show
7 the premises to a new prospect at any time, or at his
8 own convenience? Can a landlord increase the rent as a
9 form of harassment? What level of an increase
10 constitutes possible harassment? Do we need rent
11 control or is a maximum percent increase a year needed
12 in the law? These types of cases usually appear when a
13 tenant complains about repairs that are needed. It
14 appears that we need to do something to strengthen this
15 particular area.

16 What is the penalty for a landlord for an
17 illegal eviction? Landlords have changed locks on
18 doors, set belongings out of doors, and performed other
19 illegal acts that impact on many illegal evictions. A
20 person who is put under these conditions are prime
21 candidates for the street as temporary homeless
22 persons. There should be some tangible penalty for
23 landlords who do this.

24 I appreciate the opportunity to speak to
25 you today. These are only a few of the problems that

1 we get on a daily basis at the Fair Housing Council
2 here in Harrisburg.

3 ACTING CHAIRMAN LaGROTTA: Thank you, Mr.
4 Johnson.

5 Questions?

6 BY REPRESENTATIVE REBER: (Of Mr. Johnson)

7 Q. As a public service announcement to your
8 organization, I sit here and I've been sitting here for
9 12 years, maybe I've been sitting here for too long,
10 probably a lot of people think that, but I know when I
11 was in law school in Ohio we used to work very closely
12 with students with Community Legal Services out there
13 and worked for two years out there with them and these
14 kind of scenarios you talked about the top of page 2 of
15 your testimony about the management company of a major
16 complex specifically said they weren't going to do
17 anything. If that set of facts came to light, I mean,
18 I can't conceivably see why a class action isn't
19 brought against them in State court or Federal court,
20 if the jurisdictional limit, by a first-year law
21 student could certainly win a case like that, and don't
22 we have a coalescing of the educational institutions in
23 and about this area with Dickinson Law School and
24 Widener and Community Legal Services or whatever?

25 A. Not to the extent that we need.

1 Community Legal Services, I believe, has economic
2 guidelines where persons of only a certain--

3 Q. But that's why I used the reference to
4 the law schools, because we tend to always have that
5 problem develop on the guidelines. But it would seem
6 to me that, you know, where there's a case in
7 controversy such as we have here, you know, these are
8 the kinds of projects that are the best learning tools,
9 and when you have a beneficial result coming from it,
10 it just seems to me that there's untapped resources out
11 there. Now, obviously the people can afford counsel
12 and go that route in a class action if the dollars are
13 sufficient, and you used the word "major" complex, so I
14 assume it's not a two-house rental. These are things
15 that bother me because I've been out there in the
16 trenches for years and still in my own kind of way
17 continue to do that, and I just don't understand why
18 we're not--

19 A. Well, we are, to some extent. We do have
20 a relationship with Widener Law School. In fact, we
21 have been so pervasive in giving them cases that they
22 at one point asked them to hold up on referring cases.
23 They have had a very low enrollment during the summer
24 months and so they only took 10 cases during the
25 summer. We expect that they will move and handle cases

1 as they did last winter with us. Not being a lawyer,
2 maybe I don't talk the same language that lawyers do,
3 but if you have some question with Dickinson Law
4 School.

5 Q. No, I applied there and they rejected me,
6 so I don't have that.

7 A. We do have that and those kinds of things
8 certainly would be appreciated and we have asked for
9 those services in the past and not very recently, I
10 might add, but we have asked for those services in the
11 past and I believe our Legal Services is as inundated
12 as anyone can be. They have a waiting list to talk
13 with people and people have to make appointments, so
14 really, the system is choked. At this present time the
15 number of people who are homeless or are potentially
16 homeless under adverse conditions, the legal system is
17 really choked.

18 Q. Well, you know, that's part of it, and
19 it's easy for everybody to sit and philosophize for the
20 public and private sector to come forth with the
21 solutions, but I think there are some solutions for
22 some of these types of problems.

23 A. You're absolutely right, but we have a
24 number of situations where a tenant just complained
25 about repairs that should be made. We had a situation

1 that was photographed last week where raw sewage was
2 coming down on an apartment. The landlord just refused
3 to do anything. It's only when the tenant complains
4 about conditions that we find that landlords in many
5 cases increase the rent so substantially that it really
6 forces the people to move. There's nothing to prohibit
7 them from doing that. And this is a form of
8 harassment, and these are the kinds of things that we
9 feel are unnecessarily burdensome of the tenants
10 because they are afraid to report things that they
11 should be reporting for fear that they will be evicted,
12 for fear that the rent, in fact, will go up. And in
13 fact, when they go to leave if the landlord has not --
14 I've been a landlord myself and we have people who are
15 members of the landlords association, or one of the
16 associations here, and they said to us, oh, yeah, we
17 had a meeting the other day and we talked about how not
18 to return security deposits and how they find reasons,
19 the apartment has been damaged, the apartment has been
20 this. No one goes into an apartment and really takes
21 Polaroid shots of the apartment before they move in to
22 actually ascertain the exact condition of the
23 apartment, so that when they move out the landlords
24 find artificial reasons to keep much of the security
25 deposit money.

1 The main reason for that is in most cases
2 they don't have it. They have not escrowed it as they
3 should, and I would venture to say 99 percent of the
4 landlords do not comply with the law by notifying
5 tenants that their money is safe and in a certain bank
6 and where it is and how much is there. That's just not
7 done. Now we have these laws on the books. It's not
8 new, but there's no enforcement, and that's what I'm
9 saying is when he sits down and says to me, you know,
10 I'm not paying the money, if you force me, I'll go
11 bankrupt, and I seriously believe the gentleman,
12 there's no protection really for the tenant. And we
13 need to strengthen this whole area.

14 Q. Again, I think it comes back to
15 implementing through the initiation of the appropriate
16 action that's already on the books, because I agree
17 with what you're saying and I understand the
18 practicalities as to why it doesn't happen, but I think
19 the important thing is to in some way, shape, or form
20 make it happen, and where we have to go to get those
21 resources, maybe we have to be creative to initiate
22 those kinds of procedures. Nonetheless, I appreciate
23 your testimony, Mr. Johnson. Thank you.

24 ACTING CHAIRMAN LaGROTTA: Thank you, Mr.
25 Johnson.

1 I thank everyone.

2 MR. MILLIRON: Mr. Chairman, only because
3 of what was said earlier on the record, could I make
4 one statement? It had nothing to do with the last
5 witness, it was concerning the testimony of the
6 Pennsylvania Manufactured Home Owners of America, and
7 just again since you're having it transcribed, is that
8 okay, Mr. Chairman?

9 ACTING CHAIRMAN LaGROTTA: Yes.

10 MR. MILLIRON: I'm sorry, my name is John
11 Milliron. I'm with the Mobile Home Park Owners
12 Association.

13 This is the third committee that this
14 group has testified in front of in the last year and a
15 half. The other two hearings -- I was not aware until
16 late last night that she would be presenting testimony
17 -- in front of the Consumer Affairs Committee, the
18 Urban Affairs Committee, and now the Judiciary
19 Committee. At both of the other two committees she was
20 specifically asked how many paid members they have, and
21 the number was less than 2,300. She keeps claiming to
22 represent 700,000 people in Pennsylvania, when in most
23 cases the local organizations have refused to join her
24 group because of what was brought earlier, and that is
25 the example of the cable TV. There are several parks,

1 the tenants went to the owners and said, we don't want
2 antennas all over. So the rules and regulations were
3 written not to have antennas. As a result, a small
4 group was formed that opposes any kind of rules or
5 regulations at the parks. They do not represent the
6 700,000 people that they claim.

7 And secondly, and just lastly, Mr.
8 Chairman, these personal stories of harassment are
9 always made at these public hearings and they
10 inevitably give an impression that that person is what
11 the industry is, and that's -- I'm sure you did not
12 feel that way, but -- that's totally incorrect, and I
13 appreciate you, Representative Reber, researching
14 quickly Act 261. But every single thing that she has a
15 complaint about is currently covered by law. And her
16 comment that the dealers make all the arrangements,
17 first of all, it's been declared illegal by the
18 Attorney General about two months ago, but any tenant
19 that allows a dealer to sign a lease for them at the
20 park and then comes back later and says we didn't know
21 what was in it and it's our fault is untrue. And this
22 appears to be an ongoing thing every six months in
23 front of a committee.

24 Thank you, Mr. Chairman.

25 ACTING CHAIRMAN LaGROTTA: Thank you,

1 John.

2 Anything else, gentlemen?

3 (No response.)

4 ACTING CHAIRMAN LaGROTTA: Thank you all
5 for attending.

6 (Whereupon, the proceedings were
7 concluded at 12:05 p.m.)

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I hereby certify that the proceedings
and evidence are contained fully and accurately in the
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