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November 10, 2009

Mayor Ed Pawlowski  
City of Allentown  
435 Hamilton Street  
Allentown, PA 18101-1699  
*Via E-mail*

Dear Mayor Pawlowski,

On behalf of the 2,200 members of the Lehigh Valley Association of REALTORS® (LVAR), I am writing in response to your letter dated October 30 regarding the proposed rental licensing fee increase from \$30 to \$75 per unit annually.

We first want to thank you and members of City Council for being open to discussion with our Association on the variety of housing related issues in recent years. As real estate professionals, our members are always eager to provide constructive input on issues impacting the industry and consumers. We appreciate that you and City Council continue to rely on our member's expertise.

At first blush, our members were shocked to learn of the proposed 150% increase in the rental licensing fee, especially coming off the heels of a 43% increase in August (from \$21 to \$30), which was set to take effect in January 2010. However, after close evaluation and careful examination of the program costs and budgetary constraints facing the City in 2010, our members have come to understand the City's perspective and need for such an increase.

As you mentioned, the goal is to make the Rental Licensing and Inspection program self sustaining, and a fee of \$75 per unit annual will achieve this goal. More importantly, the fee increase will lessen the broader tax burden that has been assumed by Allentown property owners and taxpayers for many years from expenses related to the program.

Although LVAR would prefer that the fee not be increased so substantially, we are cognizant of the City's dire financial situation and understand the rationale behind the decision. We do caution, however, that a fee of \$75 per unit annually will put Allentown at a competitive disadvantage from an investment perspective, as it is a higher fee than Easton, Bethlehem, and other municipalities in the Lehigh Valley.

It is our hope that in the future the City will consider opportunities to encourage and incentivize responsible homeownership and investment in Allentown, perhaps in the form of a discount fee for responsible investors, multi-unit discounts, or others.

Sincerely,

Ryan T. Conrad  
Government Affairs Director

Cc: Allentown City Council  
Ken Bennington  
David Paulus  
LVAR Board of Directors

Moving Real Estate Professionals in the Right Direction

# Rental Fee Comparisons by Municipalities

Upper Darby	\$85.00
Bristol Township	\$100.00
Eddystone Borough	\$100.00
Bethlehem	\$55.00
Columbia (Lancaster County)	\$100.00
Longswamp	\$75.00
Pottstown	\$100.00
Reading (01/01/10)	\$95.00
Trappe	\$75.00
Warrick Township	\$100.00

+ \$35 Fee \$90  
Pottstown