

WeHav (West End Home Equity Assurance Value) is a home equity (homeq) insurance "plan", of sorts. The insurance industry doesn't offer consumer homeq insurance, but is looking at doing so -and why not? -insurance is profitable because is it based upon the income from premiums and the investment of those monies exceeding the cost of claims. The less the risk, the fewer the claims, the less payout, while income continues over time, from millions of premium paying policy-holders.

Some industry promoters of homeq insurance try to promote the fear that the value of one's home will decrease because the neighborhoods are going to hades, and therefore the homeowner should protect this illusion of potential loss by way of homeq insurance -or as it has been re-labeled "assurance", after marketing studies indicated that gullible consumers were more receptive to "assurance" than more "insurance".

The problem with existing homeq insurance plans/schemes is that most owners see the "lemon-ness" of the schemes, and do not enroll in the plans; therefore the "premiums" without the resources of such as the insurance industry, cannot fund the plans.

The State of Illinois approached homeq by creating a state law specifically covering homeq plans: **Home Equity Assurance Act 65 ILCS 95/**; that law requires a set percentage of owner voters in any district who may want the homeq plan, to petition to have the issue put on the ballot; the process then proceeds via referendum toward community-wide approval or rejection.

The Pittsburgh City Council District 2 WeHav plan is concocted from the Illinois law -BUT it does not include the petition-for-referendum/referendum foundation of the Illinois law.

"Our" WeHav plan is deviously entwined in a recent Pennsylvania State law -

HB1142 enacted/Act 2000-130 "Neighborhood Improvement Districts" [NIDs]

- which was apparently intended to supersede existing Business Improvement District (BID) legislation. BIDs usually cover readily-defined local business districts, and more or less physical/infrastructure improvements, not insurance plans.

HB1142 page 2-3 states:

"... assessment-based programs most consistent with neighborhood needs, goals and objectives, as determined and expressed by property owners in the designated district."

"Assessment" = "tax"; and "...as determined and expressed by property owners in the designated district." does not translate to imposing an NID on 8000+ residential property owners.

HB1142 /Act 2000-130 is very loosely written; someone wisely discovered some of its loopholes and used them as a way to fund WeHav, because NIDs are funded by mandatory taxes assessed upon all affected property owners. In the case of WeHav, this is some, but not all residential property owners -for some unexplained reason, and by what legality, condominiums and more-than-6-unit residential buildings are apparently excused from the annual WeHav real-estate tax on all "dwelling units."

- HB1142 /Act 2000-130 also confers additional powers to the City and to the non-profit corporation managing the NID (the NID managing authority); this delegation of powers is a yet-unchallenged possible conflict with **Article III Sec. 31 of the Pennsylvania State Constitution**.

- Among other powers, **HB1142 /Act 2000-130 Section 4(6)** gives additional eminent domain power to the City, on behalf of the NID,. Eminent domain has been a long-existent threat and an actual issue in some neighborhoods, especially on the fringes of the targeted area like Fairywood and McKinney Lane/Ridgemont.

Crucially, the Pennsylvania NID law is driven by an also yet-unchallenged No_vote mechanism, whereby property owners who oppose establishment of an NID, must mail-in their written non-secret opposition "No_vote" if they want to negate the blanket "yes_vote" the law dictates to all.

Many people see this as an insult, even a potential threat, to the principles of our USA-style of self-determining, secret-referendum, democracy.

None of these details are mentioned in the **February 2002 Bill No.5 Public Notice** from the Pittsburgh City Clerk's office.

According to **HB1142 Section 5(1)** that multi-page document, was supposed to have been "... **provided by the [City] to all property owners and lessees [tenants] of property owners located in the proposed NID.**" -- It was actually mailed to less than all of the residential property addresses, not to the property owner, nor to the lessees, and some mailed much later than the botched conduction of the No_vote and its May 3 deadline.

The Pittsburgh District 2 NID seems to be the first residential improvement district (RID) established in the state under the NID law -and therefore, shamefully, the first to manipulate the loopholes, as well as the first to abuse the use of the law by ignoring instructions set forth in HB1142 Section **5(b),(c),(d)** and Section **6(b)(2)**.

Since July, an ad hoc group of residents from most of the various 12 neighborhoods have had several "resource meetings" seeking ways to overturn and challenge the process of passage of City Council Bill No.5 by Council (6-3 vote) on July 2, and the signing by Mayor Murphy on July 12 (Resolution #478).

A woman from Sheraden recently noticed **Section 8(b)** in the NID law: "**Request for Termination**" (of the neighborhood improvement district.) -and that is what is now about to happen throughout all 12 neighborhoods.

The ad hoc group is taking up the effort to formally request the termination of the NID established by Resolution #478, and with that, the termination of the WeHav plan, preventing levy of the mandatory annual "WeHav" real-estate tax.

The intention is to connect with residents of every targeted street who will then gather a signed, verifiable "Request for Termination Form" from every opposition residential property owner. The more who assist, the faster and the more complete the outreach coverage.

There is a loophole in HB1142/Act 2000-130 that is to be faced: the decision to "approve" the formal request for termination of the NID is up to the very members of City Council who many residents believe "illegally" passed Bill No.5 on July 2.

When the Termination Request Forms of more than the required 40% of property owners are publicly presented to Council, it will be up to Council to carry out the will of the vast majority of the residential property owners in the 12 targeted neighborhoods/communities by approving the formal Request for Termination, --or to publicly refuse to approve the formal Request for Termination, in the light of City-wide attention.

If Council should refuse, that would seem to be fuel to calls by some for investigation by State and Federal authorities, and may be additional matter for potential legal action.

Area-wide ACTION is about to begin, if not already underway, as you read this.

Come on and pitch in - You are important!

All of the documents noted here, plus e-mail, updates, and more are available at:
<http://www.pauljsentner.com>

The noted documents may also be available for reference at local public libraries, where if need be, you can also find guidance for use of the internet from the staff at libraries with internet connection.