

from blight



to bright

Latest Developments in Blight Tools and Land Banking

10:15-11:30 a.m.

New Tools and How They Can Help Communities Shape Their Future

Liz Hersh, Executive Director
Housing Alliance of Pennsylvania

Blight and Land Reuse Planning: The TRI-COG “Blight Fight” Example

An Lewis, Executive Director
Steel Valley Council of Governments

Latest Developments in Blight Tools and Land Banking

THE ROLE OF PLANNERS

- ✓ Re-envisioning the future of the community
- ✓ Blighted, abandoned land can be neutralized - and even become an asset
- ✓ Economic development cannot happen without addressing blight
- ✓ Data analysis and use of tools are essential to success

Framework: Three-Pronged Approach

Culture
Shift: Zero
Tolerance
for Blight

Modern
Land
Recycling
System

Game
Plan

Why? The High Cost of Doing Nothing

Financial Impact of Blight, Tri-COG Study (2013)

- ✓ Understand the financial implications of blight
- ✓ Assess the cost burden for COG communities
- ✓ Understand the magnitude of the blight problem
- ✓ Recognize the benefit of repurposing and new development
- ✓ Build consensus among stakeholders

How to Calculate the Impact



- ✓ **Direct Costs:** code enforcement, police and fire, public works, demolition
- ✓ **Direct Costs:** Loss of tax revenues
- ✓ **Indirect Costs:** Decreased property values
- ✓ **Future Economic Impacts:** Repurpose vacant residential and commercial sites

Total Annual Impacts

✓ Direct Costs

Municipal services \$10,720,302

Lost tax revenue \$ 8,637,875

✓ Indirect Costs

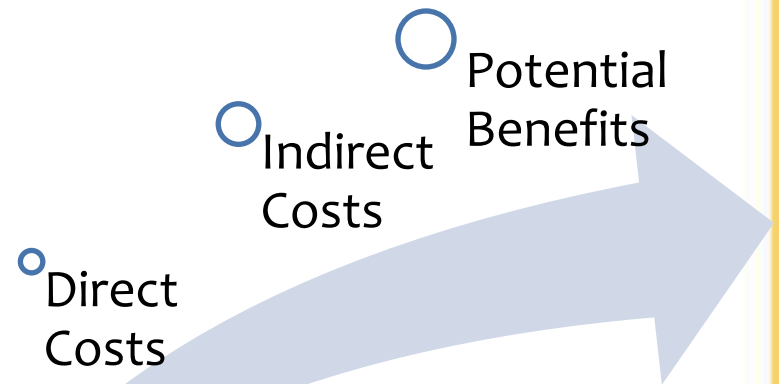
Loss in property values \$218 - \$247M

Loss in real estate tax \$8.5 - \$9.7M

✓ New Development Economic Benefits

\$11.8M - one time

\$8.2M in new tax revenue annually



Huge Benefits when Eliminate Blight



- ✓ Reduces crime, in particular gun-related violence



- ✓ Improves health of residents



- ✓ Raises surrounding property values



- ✓ Increases tax revenue for city and school district

HOW? New Tools Enable Zero Tolerance for Blight

Strategic Code Enforcement

- ✓ Proactive and systematic, augments complaint-driven
- ✓ Database identifies owners
- ✓ Detailed records of every action
- ✓ Identify owners of more than one problem property
- ✓ Target enforcement
- ✓ Use property registration and permit laws
- ✓ Blight court
- ✓ Track noncompliance, fees, and penalties

The goal for strategic code enforcement is to change the owner's stance through education followed by enforcement

from:

I'm going to ignore You

to:

How much time do I have to get my property into compliance?"

Establish Clear Standards that Require Owners to Care for their Properties

Transform the maintenance of building exteriors from optional to required

- ✓ Property Maintenance Code
- ✓ Individual Ordinances

Education first. Follow with consistent enforcement.

Escalating cost for properties that are non-compliant

- ✓ Hall of Shame
- ✓ Criminal Misdemeanors
- ✓ Asset attachment
- ✓ Permit Denial
- ✓ Blight Court

Searchable database

- ✓ Progressive Fines

Assess property condition routinely when property changes hands, becomes vacant or requires a permit

- ✓ Presale Inspections
- ✓ Registration of Vacant and/or Rental Properties
- ✓ Permit Denial for outstanding violations
- ✓ Pre-qualify Bidders at Tax Sale



DATA, DATA, DATA

Deal with violations swiftly and consistently

Example: Quality of Life Ticketing

✓ Allentown SWEEP

Begun 2005. In 2011 Issued >5,800 tickets for \$25-\$100. 60% of tickets were paid. Where fine unpaid, city requests a court hearing

✓ Coal Township – Northumberland County

Begun 2012. Tickets between \$25-300 have improved general cleanliness of township.

Magisterial District Judge fined owner \$4,331 after refused to fix properties



Paying for Code Enforcement



Fees: Can be equal to total cost to administer program

Fines and Penalties: Incentivize compliance through fee structure. The longer the violation is unabated, the bigger the fines get.

Private Asset Attachment: Authorized under Act 90, requires judicial action, based on good record keeping/data.

Blight Fund: In November 2013, Mahanoy City adopted a two-mill increase in their real estate tax to create a blight fund. The tax increase will dedicate approximately \$47,000 annually to the blight fund.

Land Banks

A Modern Land Recycling System

Authorized, for the first time, the establishment of public entities to “confront the problems caused by vacant, abandoned and tax-delinquent properties through the creation of new tools to enable municipalities to turn vacant, abandoned and tax-delinquent spaces into vibrant places.”

Land Banks Change the Market Dynamics of Blight

- Started to address properties where tax liens exceeded property value
- Now being used in Michigan, New York, Georgia, Ohio, St. Louis, Louisville, Kansas
- The latest and best thinking about how to address blighted, abandoned, tax foreclosed properties and get them back onto market

Land Banks Blight Harness the Positive Economics of Blight Remediation

- Cuyahoga County: 2.1% to 9.4% loss of value of properties near vacant &/or tax delinquent &/or foreclosed property
- Philadelphia: 6.5% average property value reduction citywide with some neighborhoods close to 20% reductions
- Neighborhood blocks with higher concentrations of unmanaged vacant lots had 18% lower house prices
- Flint: \$3.5M of demolition produced \$112M in improved surrounding property values

Pennsylvania's Land Banks

1. Dauphin (county excluding Harrisburg)
2. Westmoreland (county)
3. Philadelphia (city/county)
4. Pittsburgh (city)
5. Northeast PA - Pittston/West
Pittston/Duryea/Jenkins (multi-municipal)
6. Harrisburg (city)
7. Venango (county)
8. Lackawanna (county)

Land Bank Basics

Single entity to take charge of addressing the problem of blighted properties and can serve as a center of planning and program coordination to benefit other public agencies-- Code Enforcement, Community Development, Law, Revenue, and others—that have had to respond to this problem on a piecemeal basis in the past.

Land Bank Basics

- ✓ Not a silver bullet for blight, but rather one element of a comprehensive strategy that includes strategic code enforcement, delinquent property tax enforcement and redevelopment based on a plan.
- ✓ Not necessarily a new organization, it can be added powers to support the implementation of existing policies and plans and add value to the existing efforts.

How Land Banks Work in PA

- ✓ Must have separate Board with odd number people – community representation is important
- ✓ Can be staffed by city/redevelopment staff
- ✓ Must comply with local codes, maintain
- ✓ Acquires, inventories, manages and “disposes” of property for reuse
- ✓ Actively markets properties
- ✓ Holds without accruing new tax liabilities

Land Bank Basics

- ✓ Can be created by a county, a municipality with a population of more than 10,000, or a group of two or more smaller municipalities.
- ✓ Created by ordinance or Intergovernmental Cooperation Agreement
- ✓ Governed by a board of 5-11 members

Unique Land Bank Powers

- ✓ Cannot use eminent domain; CAN:
- ✓ Acquire tax delinquent property at judicial sale without competitive bidding
- ✓ Discharge tax liens
- ✓ Hold property tax-free
- ✓ Share up to 50% of property taxes for 5 years after conveyance
- ✓ File an expedited quiet title action
- ✓ Consolidate multiple properties into a single quiet title action
- ✓ Convey properties without a redevelopment agreement.

Land Bank Financing and Funding:

- Grants and loans
- Bond authority
- Proceeds from sale
- 5 year, 50% recapture
- Gaming, Impact Fee Dollars
- Income from investments
- Work-release labor
- Private philanthropy for specific elements
- Municipal pay-in



PA
BLIGHT
LIBRARY

www.pablightlibrary.com

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The logo for SVC COG, consisting of the letters "SVC COG" in white, serif font, centered within a dark purple oval.

SVCOG



Tri-COG Collaborative

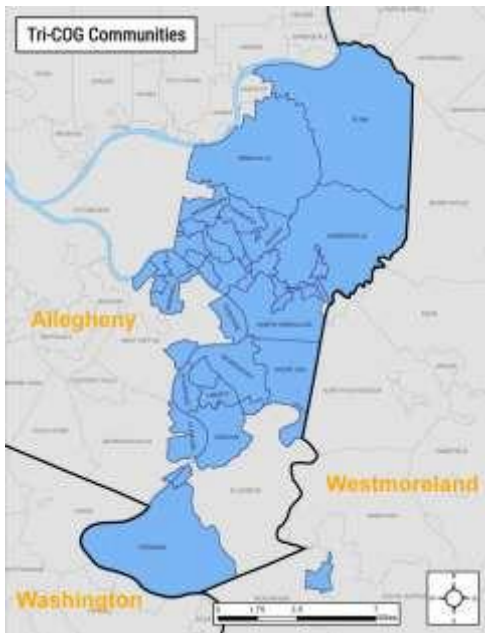
An Lewis, Executive Director

Steel Valley Council of Governments

A non-profit organization of municipalities
in the Mon Valley region of Allegheny
County

Healthy Housing Analysis

A partnership between the: Pa Housing Alliance, Tri-COG Collaborative, and Participating Communities



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Healthy Housing Participants:

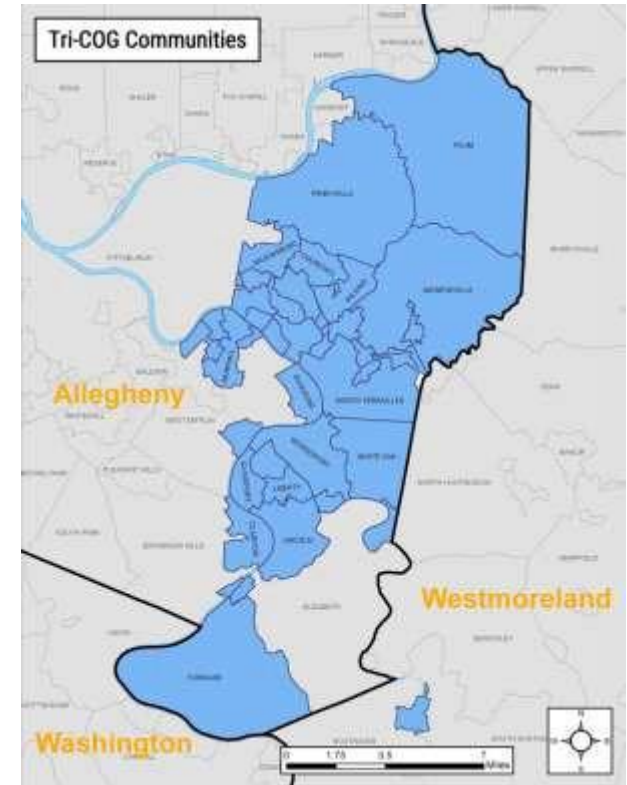
Wilkins
Turtle Creek
East McKeesport
Braddock Hills
City of Clairton

- ✓ Further Analysis
- ✓ Strategy Development
- ✓ Training

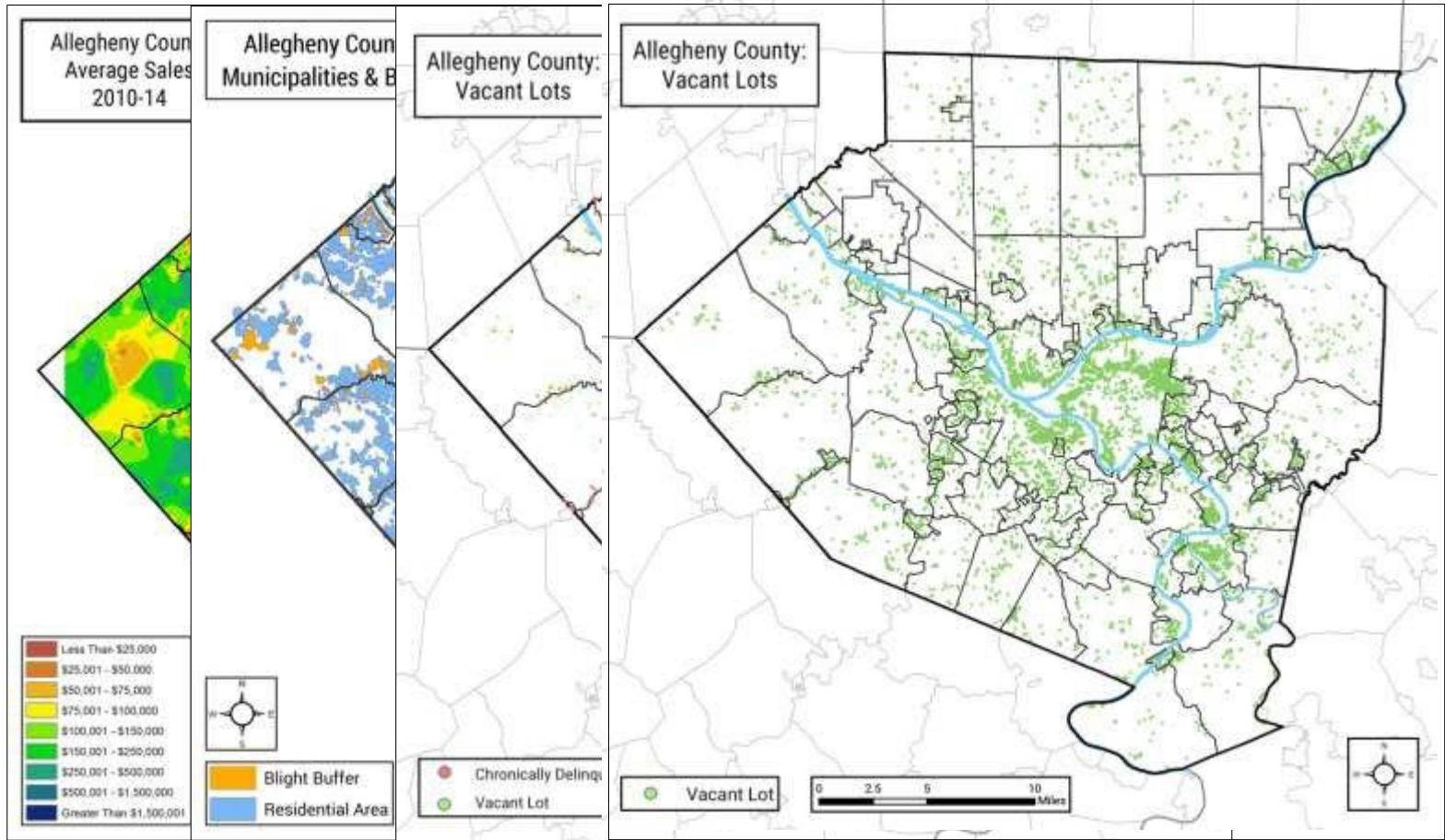
Additional Data Collection

Homestead, Munhall, West Homestead...

- ✓ - Conduct Data Collection
- ✓ - Analysis



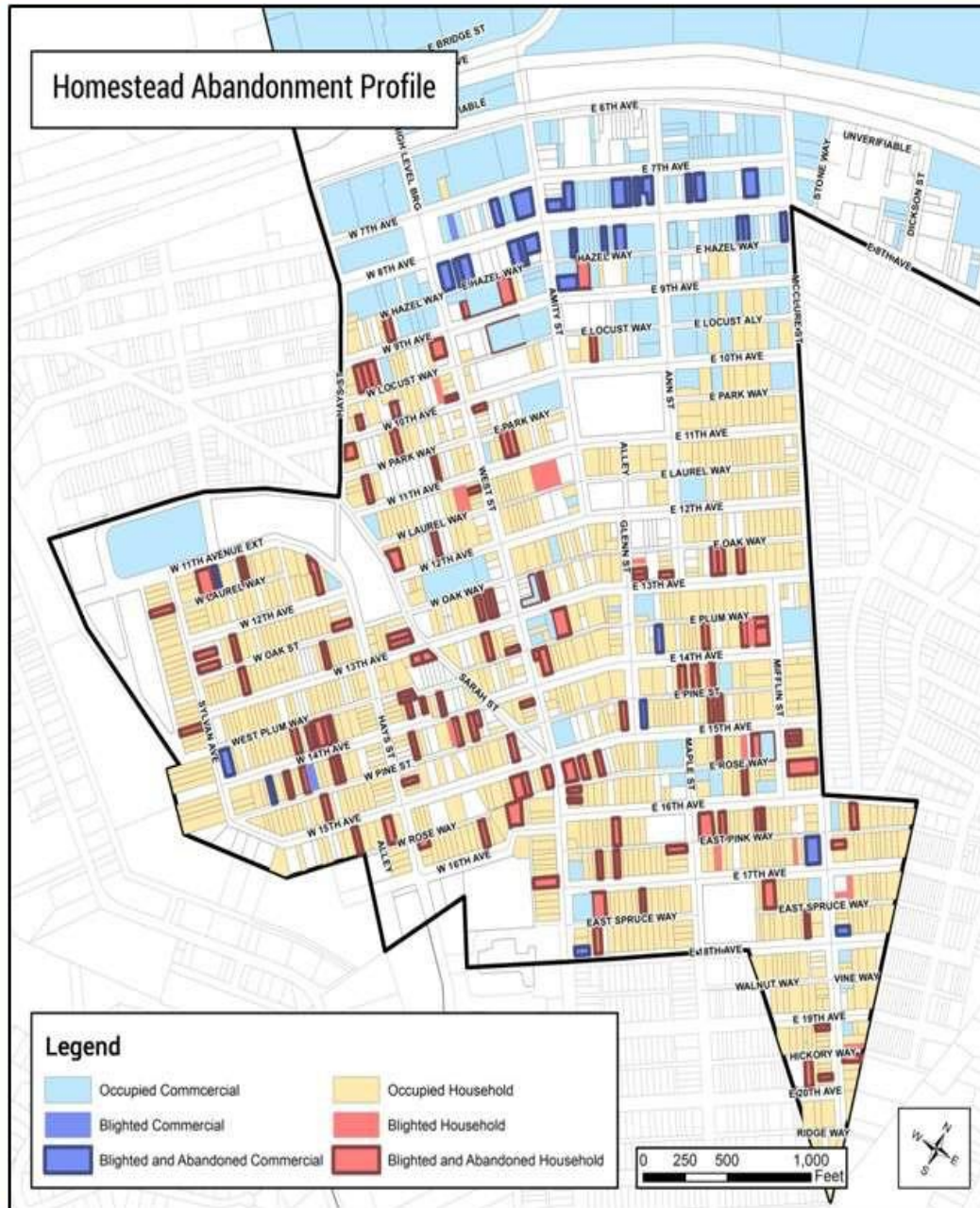
A LOCAL EXAMPLE



Healthy Housing Analysis

LocalData

1. Where's the Blight?
2. What's abandoned



Healthy Housing Analysis

LocalData; Home Advisor;
local experts

3. What condition are they in?
(roof, broken windows and doors etc.)

4. What's it going to cost?



**Total Exterior Renovation costs
for Homestead estimated at
\$3,998,985**



Healthy Housing Analysis

LocalData

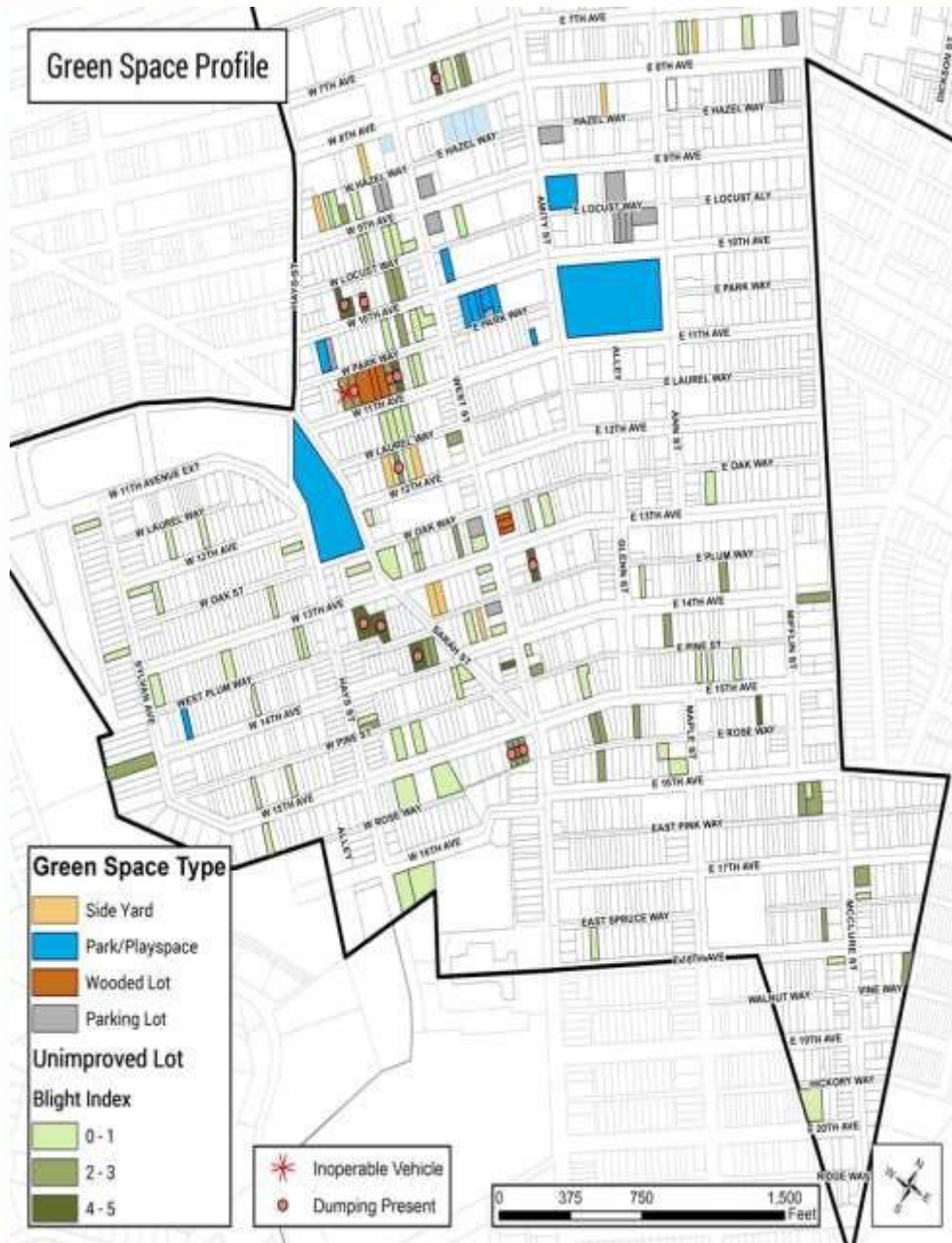
5. Where are the Vacant Lots?
6. What are they used for?
7. What condition are they in?
8. Do they need to be maintained?
9. Other items like abandoned cars and trailers.

The team located and assessed

288 “vacant lots”

32 instances of minor and major dumping

6 abandoned cars



Homestead Asssets



Healthy Housing Analysis

Local input; LocalData; county parcel dataset

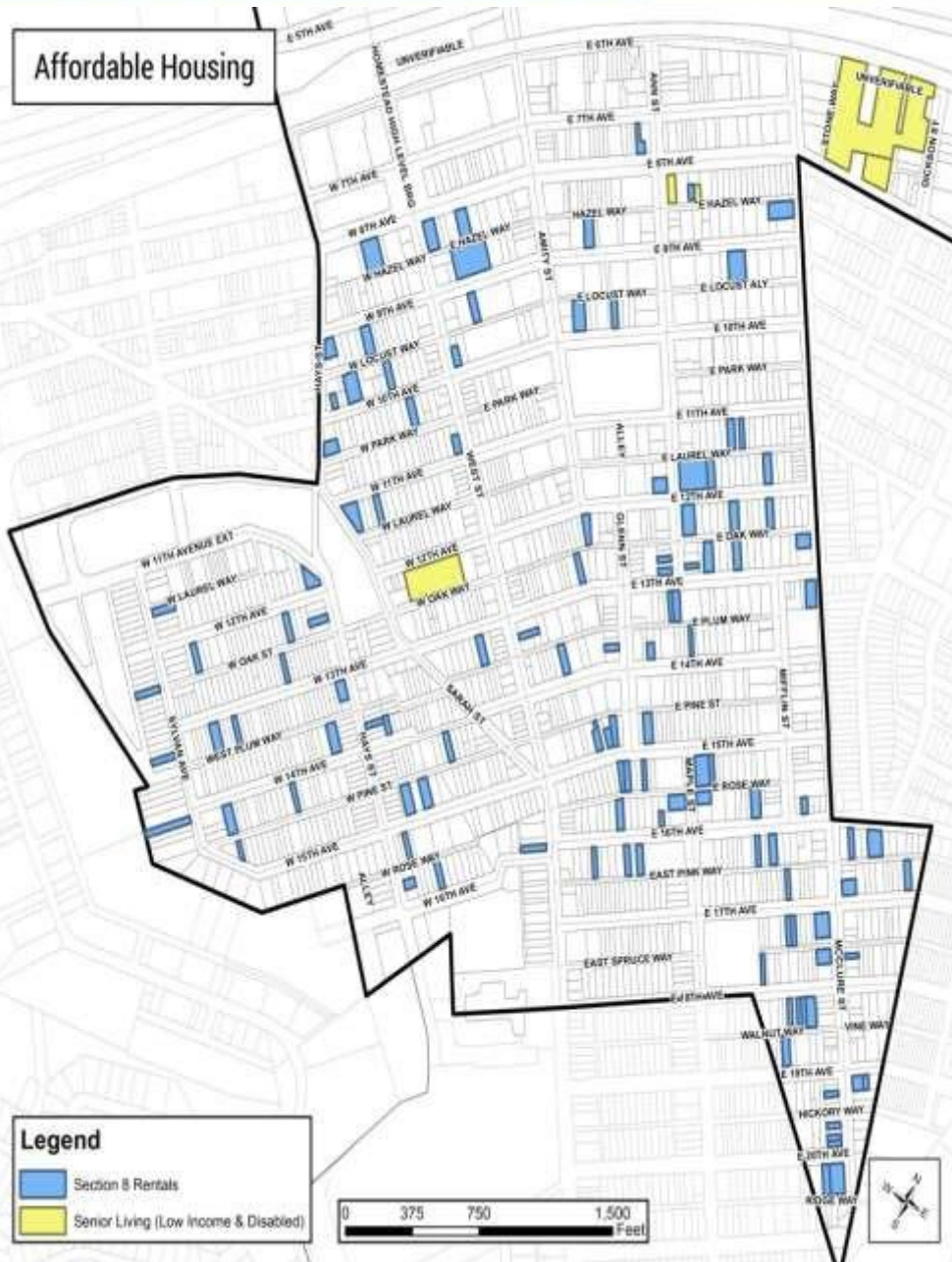
10. Where are what are the community assets?

The team located and assessed

13 parklets

18 Play spaces.

Affordable Housing



Healthy Housing Analysis

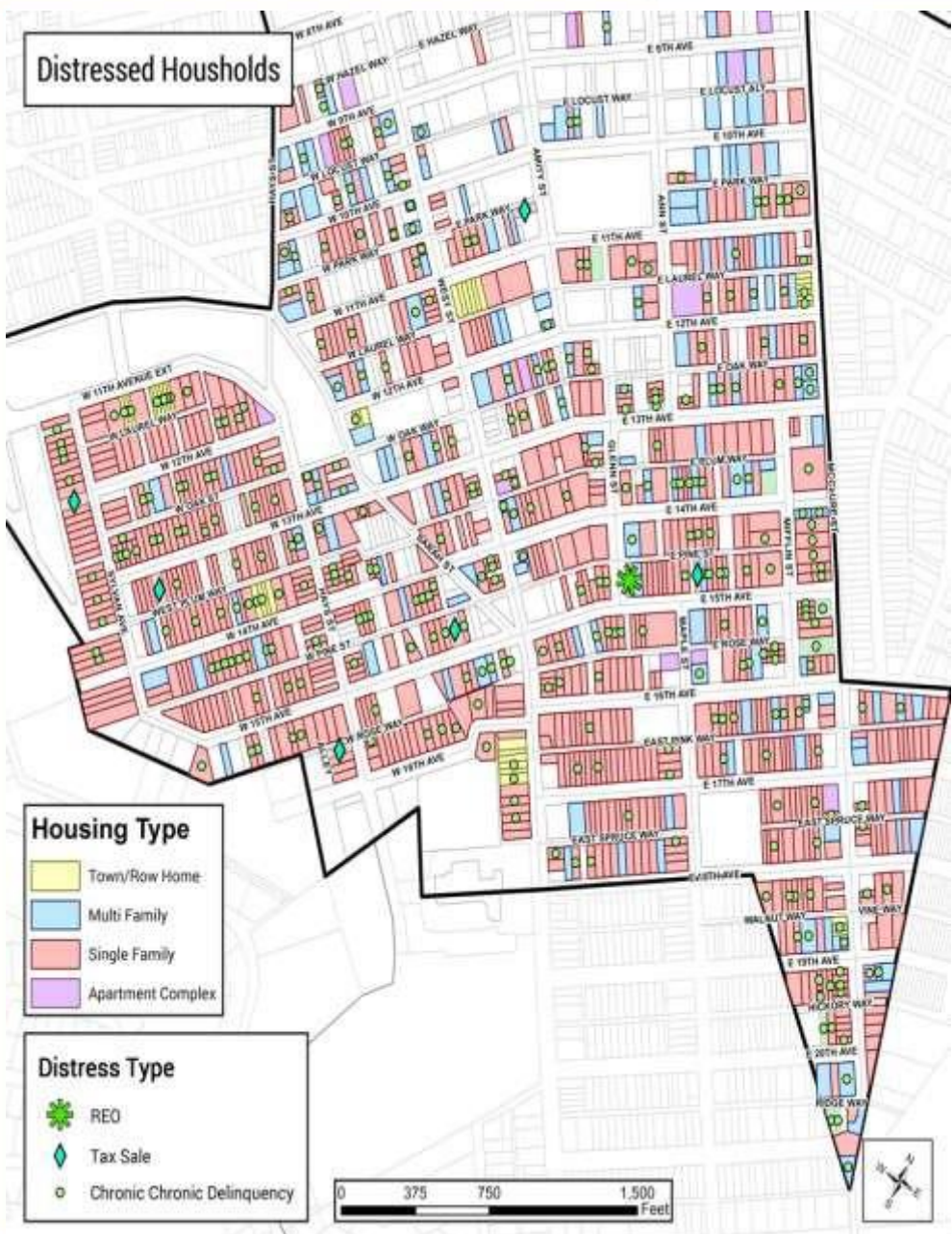
PHFA; Allegheny County Housing Authority

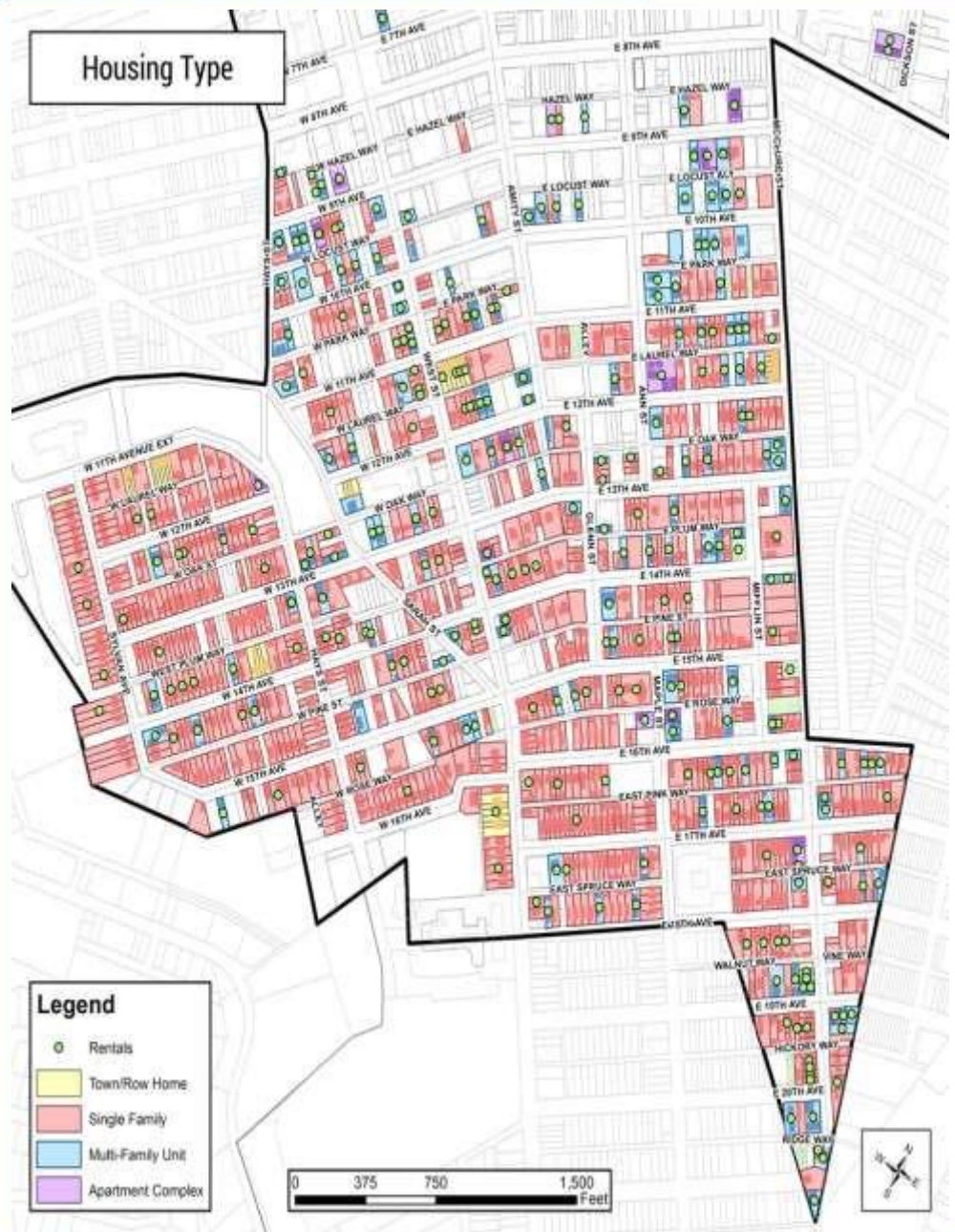
11. Where's our affordable housing?
- Senior living
 - Section 8

Healthy Housing Analysis

Sheriff's office; Parcel Dataset;
Treasurer's office

- 12. Where are the tax delinquencies/liens?
- 13. Foreclosures?
- 14. Tax Sales?





Healthy Housing Analysis

County Parcel Dataset

15. Where's the rental housing?

What's the composition of Homeowners and Renters?

Residential Structures + foreign tax mailing address = rental

Also multi-family units.

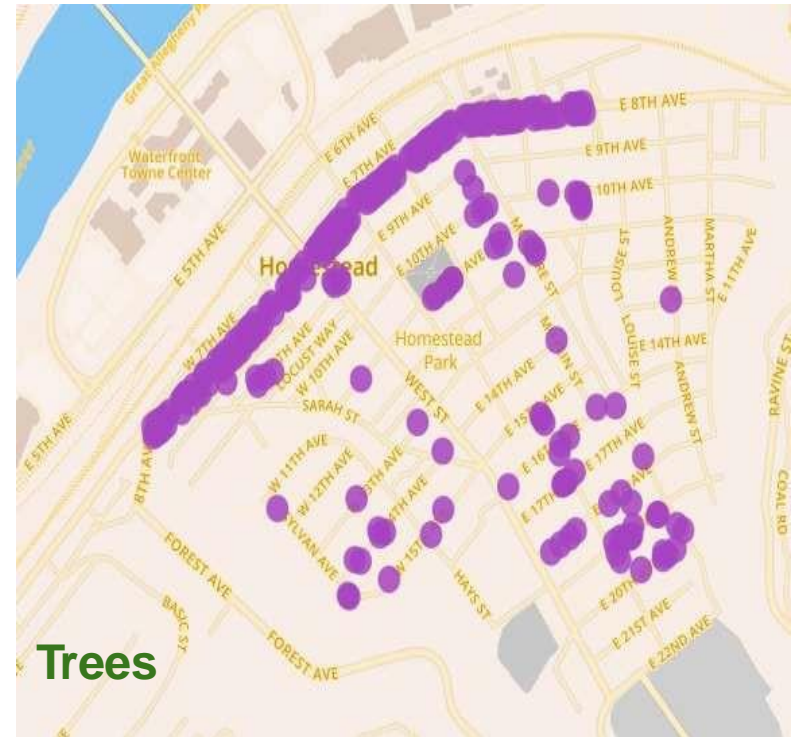


Localdata

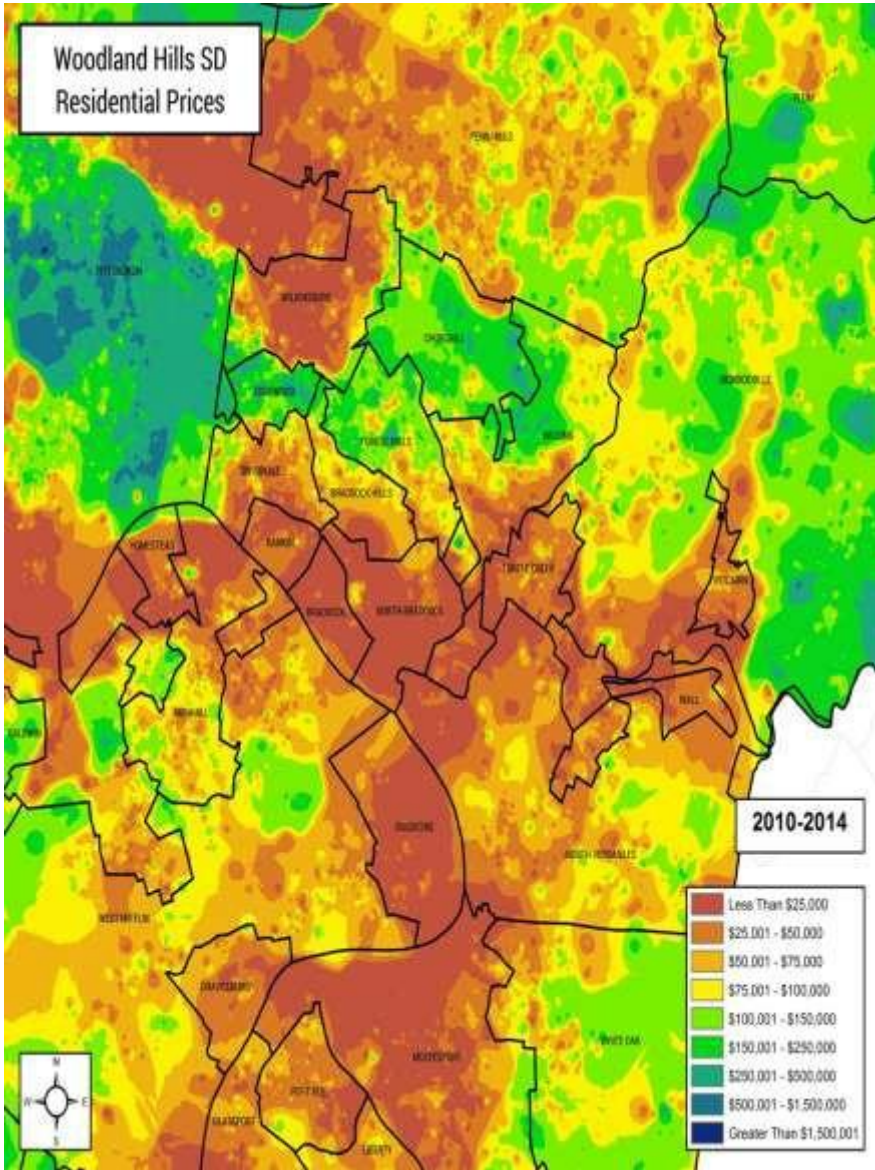
16. What about quality of life?
- Graffiti, Potholes, dumping, broken windows
 - Bike racks, benches, trashcans, condition of crosswalks

Localdata

17. Stormwater management
- Storm Drains and Trees



Healthy Housing Analysis



RealStats

18. Where are the Sales?
-The Bottom Line

Healthy Housing Analysis



Where will this help?

Public Realm

Code enforcement

Local community
planning

The definitive problem
property list.... no matter
what the municipality
strategies to combat the
problem

Private

Community groups

Real estate
development



SVCOG



TRI-COG Collaborative

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