Program Design and Implementation for Addressing Blight

Scale & Market Define the Strategy
Strategies for addressing blighted properties depend upon a number of variables
- Community Needs
- Frequency/Number
- Density
- Local Market
- Political Climate
- Available Financing and Subsidy
- Etc.

Urban Versus Rural Blight
- Let’s examine York City’s and York County’s issues with blight as examples.
- The number of instances has an impact on the strategy

The City’s Situation
- The Redevelopment Authority (RDA) owns about 55 single family homes, about 11 multifamily properties, and about 165 vacant lots (+/- 5%)
- The City also owns property separate from that owned by the RDA
- The properties are spread throughout the City
The City’s Situation

• There are a few small pockets of properties within a few blocks of each other
• The cost of rehabilitation to an acceptable standard is expensive
• Resale value is significantly lower than development costs

The County’s Situation

• Municipalities have been contacting the County regarding vacant and blighted properties
• This is mostly complaint driven
• The municipalities are looking for help/tools
• The similar cost issues will apply in the County

The County’s Situation (cont.)

• The County Redevelopment Authority has occasionally held properties
• There is outreach planned with the goal of defining the scale of the problem and the needs of the municipalities:
  – The Township Managers (meet monthly)
  – The Zoning and Planning Officials (meet quarterly)
  – And the Economic Alliance is also doing outreach to the municipalities
The County’s Situation (cont.)

- The County’s Targeted Initiative may add related data
- A draft County Ordinance has been prepared for the formation of a County Vacant Property Review Committee
- Yoe Borough is considering a “Conservatorship”

Wellsville

- Blighted property that was acquired by the Borough at Tax Sale
- Application was submitted for CDBG funds for demolition
- CDBG funds were granted and the property has been demolished

Wellsville

- Additional photos

Demolition in Goldsboro

CDBG funded the acquisition of the property
New Construction in Goldsboro

- Developed by Housing Initiatives Corp.
  - CDBG
  - HOME
  - FHLB
  - State DCED

Brownfields

West York Borough

- Demo & “Pocket Park”

West York Borough

What to do?

In all cases the most important step is to carefully define the local market

- The Local Market’s Property Values and Construction Costs
- Options for Disposition & their Market Potential
- Financial implications of various Disposition Strategies
- The Scale of the Problem
Basic Process for Program Implementation

Expanded Process

Key Issues for “Programs”

- Construction Standards
  - What is the minimum level of quality that is acceptable
- Construction Management
  - Who’s watching the construction process
- Disposition
  - Do marketing efforts keep track with the production side

Financing for Redevelopment

- The properties are often suffering from significant deferred maintenance and likely vandalism
- Appraisals (especially in the City) are relatively low
- The Cost of housing rehabilitation to an “above average” standard typically exceeds market value (financing gap)
- Subsidy is typically needed (to fill the gap)
- There are limits to the interest level of private developers
Financing for Redevelopment

• Most often Homeownership is much preferred over Rental as a disposition strategy
• Financing Homeownership programs presents significant practical and sometimes philosophical challenges
• Rental projects of 25+ units in relatively close geographic proximity may be financeable with LIHTCs

Questions?