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AN OVERVIEW OF EFFECTIVE STRATEGIES TO ADDRESS BLIGHTED PROPERTIES

South Central PA Housing Summit
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Prevention Strategies

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- **Encourage municipalities to enact a comprehensive property maintenance code**
The International Property Maintenance Code has been adopted by many municipalities to provide clear guidance to code enforcement officers and property owners on code violations.

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- **Encourage municipalities to take advantage of state laws that allow municipalities to disqualify certain buyers at tax sales**
 - Owners of properties with code violations
 - Owners of properties that are tax delinquent or
 - Owners of properties for which rental licenses have been revoked

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□ **Encourage municipalities to develop education and recognition program for property owners and tenants** that may include:

- *Regular communication (such as articles in municipal newsletters) explaining what is in the property maintenance code(s) to enhance understanding of expectations*
- *Develop program to recognize property owners that have done an exceptional job maintaining/improving their properties (Golden Broom Award)*

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□ **Encourage municipalities to implement rental licensing and/or inspection program**

- *Rental licensing would allow municipalities to obtain current information on tenants, contact information for landlords, etc.*
- *A rental inspection program would subject rental properties to periodic inspections (every 1-3 years) to identify code violations.*

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□ **Encourage municipalities to enact an ordinance that would require a code inspection prior to the sale of any property in the municipality**

- *State law requires that any purchaser of a building with code violations to correct the code violations within 18 months*
- *12 months for a purchaser of a vacant lot*

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□ **Encourage municipalities to implement an ordinance that requires absentee landlords who live outside of a certain radius provide contact information for a local manager of the property**

- *Radius could be whatever the municipality feels is appropriate (10, 15, 25 miles)*
- *Designed to get action quickly, particularly in the event of an emergency*

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□ Encourage communities to provide funding through state and federal sources such as CDBG and HOME to preserve existing housing stock

- *This could include loan/grant programs for rehabilitation of homeowner or rental properties*
- *Applications may be made to the state for funding to leverage CDBG funds received by state entitlements*

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□ Develop a county-wide early warning system to capture data on properties that are at-risk of becoming blighted in the near future

- *This data base should include properties that have been foreclosed upon, and are on the list of properties for judicial tax sale or are in the county repository. The data based should be on a public web-site for municipalities to review.*
- *These properties should be put on a "watch" list for code inspections by municipalities.*

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□ Improve communication with District Justices to encourage them to deal firmly but fairly with owners of blighted properties

- *Ask President Judge to schedule a meeting with District Judges*
- *Share information with District Justices about the need for their support and their role in the blight prevention/remediation process.*

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□ Encourage Redevelopment Authority to petition the Court of Common Pleas to become the administrator of a decedent's estate if the estate is not opened by the personal representative (executor or administrator of the estate)

- *The attorney's fees are paid out of the administration of the estate through the sale of the property*
- *The estate attorney appointed by the Redevelopment Authority conducts a search for heirs*

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Strategies for Dealing with Blighted Properties

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- **Encourage municipalities to enact ordinances that ticket for code violations as a summary offense**
 - *Modest fines for first offense; fines increase for subsequent offenses*
 - *Several municipalities across the state have already implemented with some success.*

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- **Encourage municipalities to implement provisions in Act 90 of 2010**
 - *Allows municipalities to place liens for costs incurred by municipalities in achieving code compliance on subject property and any other property owned by the same owner in the Commonwealth*
 - *Also allows for denial of permits for owners that are delinquent in paying taxes or convicted of serious code violations*
 - *Allows extradition of code violators charged with criminal offense under Crimes Code*

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- **Encourage District Attorney to charge repeat code violators with a 2nd degree misdemeanor that could result in the imprisonment of the owner.**
 - *Must have four summary convictions for the same violation at the same property*
 - *1st degree misdemeanor for five summary convictions*

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□ **Encourage appropriate entities to pursue appointment of property conservatorship under state law**

- *Conservator (could be Housing/Redevelopment Authority or other enumerated organizations under state law) makes property repairs/demolishes property under court supervision.*
- *Court of Common of Common Pleas may allow conservator to recoup repair costs by selling the property.*

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□ **Encourage communities to allocate CDBG funds for acquisition and/or clearance of blighted properties**

- *The maximum amount (30%) can be allocated to blight reduction activities.*
- *Opportunities to leverage other funds through the state should be fully explored.*

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Strategies for Redeveloping Blighted Properties

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□ **Acquiring property through eminent domain (Redevelopment Authority)**

- *Redevelopment Authorities have powers under state law to acquire vacant, blighted properties for redevelopment after providing owner notice to make corrective repairs.*
- *Owner must be paid the fair market value.*
- *Properties can be marketed to potential developers for redevelopment.*

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□ **Acquiring properties through eminent domain (municipality)**

- *Municipalities have power to acquire blighted properties for fair market value for health and safety purposes.*
- *Properties are usually demolished by municipalities and the property is sold to the highest bidder; in the alternative the property could be convey to the Redevelopment Authority who could sell to the adjoining property owner for a negotiated amount.*

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□ **Encourage municipalities to enact programs to incentivize private development**

- *One example is the Local Economic Revitalization Tax Assistance Act which phases in real estate taxes on income producing property (residential or commercial) over a period of up to ten years.*
- *A companion laws allows municipalities to phase in improvements on owner occupied properties in designated areas.*
- *Still another is federal historic tax credits and other federal and state tax credits that encourage developers to invest in major redevelopment projects.*

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□ **Develop more capacity to redevelop blighted properties through the voluntary sale of blighted properties to the Housing Authority (Redevelopment Authority) or a subsidy non-profit development corporation**

- *The Authority or non-profit could market the property to a private developer after dealing with any environmental or structural issues.*

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□ **Conduct feasibility study for establishing a land bank authority under state law**

- *State law permits counties and municipalities with a population of at least 10,000 to establish a land bank for the purpose of acquiring problem properties.*
- *Land banks can trump other bidders at the judicial sale stage and can acquire blighted properties that may otherwise be purchased by speculators.*

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