



Pennsylvania Law and Problem Properties

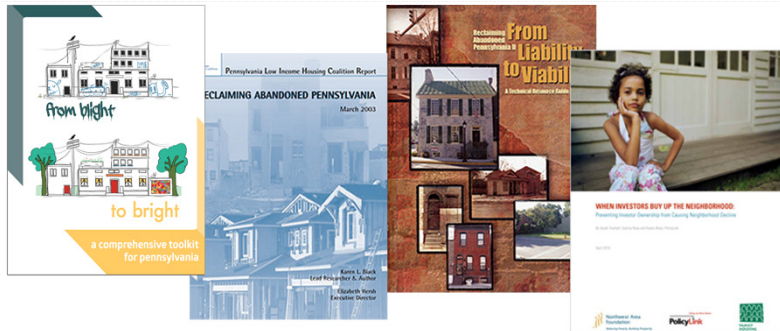
Westmoreland and Indiana Counties
June 25, 2019



 @KarenBlackMay8

Karen Black, May 8 Consulting Inc.

Changing Blight Law and Policy



May 8 Consulting Principal
University of Pennsylvania Urban Studies Lecturer
Drexel University Lindy Institute for Urban Innovation Senior
Research Fellow
Healthy Rowhouse Project Co-Founder

Positive Impacts of Eliminating Blight Has Spurred Changes in Pennsylvania Law

- 30% increase in values of nearby homes
- 39% reduction in gun assaults and 19% in criminal assaults generally
- 27.5% reduction in residents' depression



Courts Uphold Municipalities' Authority

- Federal and state law affirm local government's police powers to enforce acceptable property conditions
- Courts have repeatedly found that vacant and poorly maintained buildings have a profound adverse effect on the well-being of the community



Pennsylvania Is Modernizing 3 Historic Tools

- **Code Enforcement** – Data-driven enforcement of a clear framework of standards
- **Tax Foreclosure** – Improved ability to ensure new owner has capacity and willingness to improve property
- **Eminent Domain** – Tool of last resort to transfer ownership



MAY 8 CONSULTING

Since 2014, A Dozen More Tools Added



What does it do?



How does it work?
What is needed to use the law effectively?



How do we pay for it?



What policies and practices will increase our chances of successfully using this tool?



What types of property are covered?



What legal documents will we need?



What challenges will it solve?



Who is using the tool now?



Where does it apply?



How can we combine this with other strategies?

MAY 8 CONSULTING

Compliance is the Goal for All Tools



MAY 8 CONSULTING

Most Tools Require Collaboration

- City Agencies Include:
- Mayor's Office
 - Departments
 - Planning and Community Development
 - Public Works
 - Public Safety
 - Police
 - Fire
 - Code Enforcement
 - Judicial System
 - Municipal Court
 - DA's Office
 - City Council



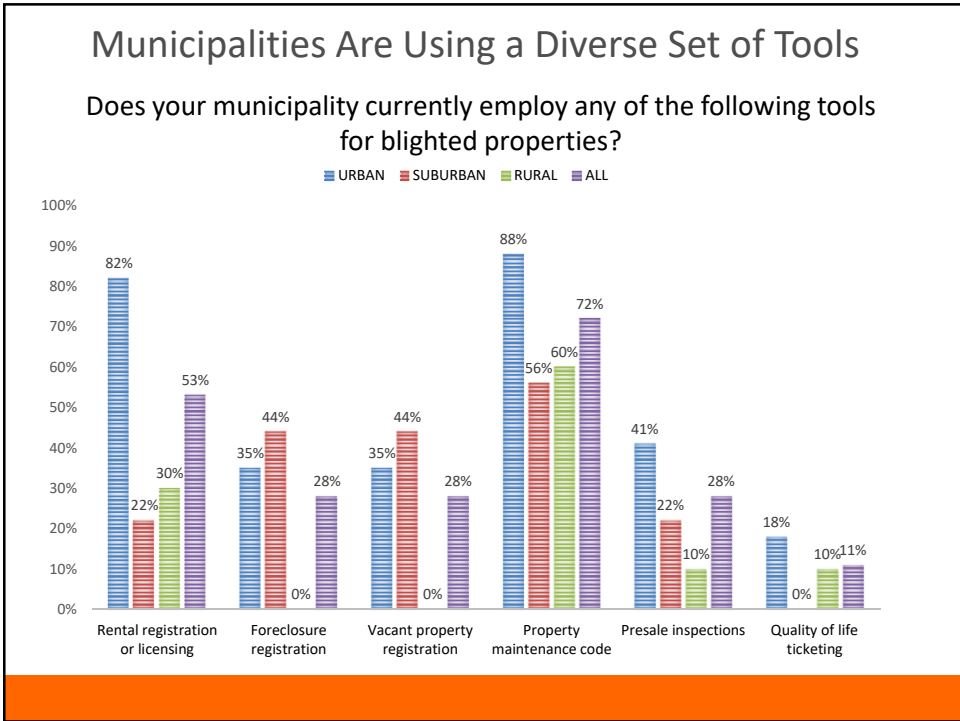
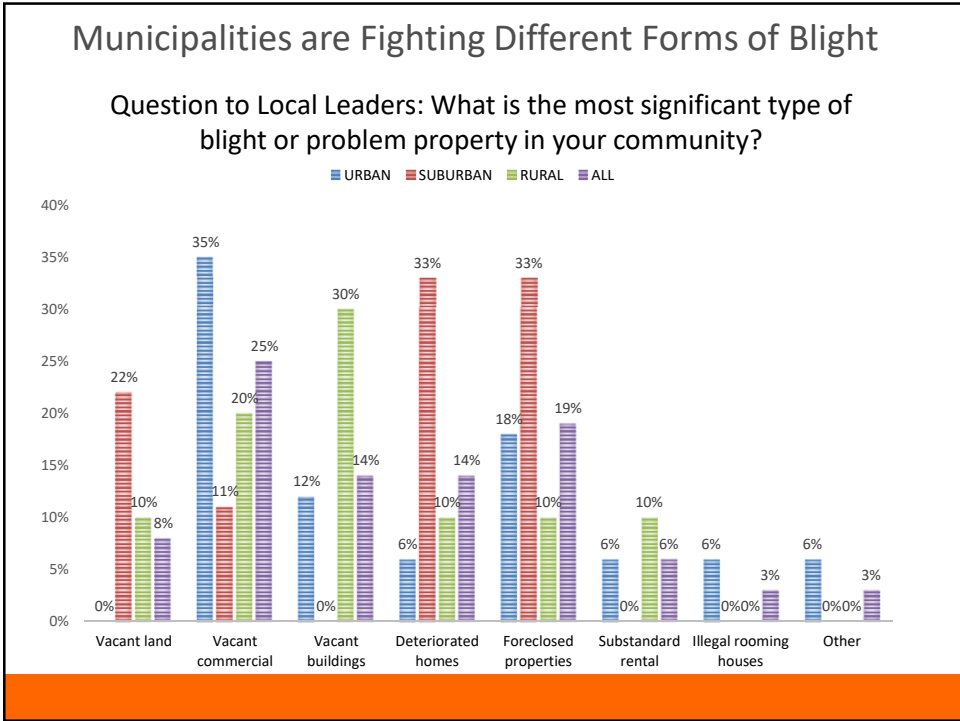
- Public & Quasi-Public Agencies Include:
- Land Bank Authority
 - Housing Authority
 - Public Schools
 - Regional Commission

New State Authorized Tools Seek To:

1. Increase local government's ability to transfer to responsible owners ([land banks](#))
2. Require identification and registration of owners and properties ([vacant, foreclosed and rental property registration](#))
3. Make tax and code compliance a prerequisite for obtaining some government services ([permit denial](#))
4. Allow enforcement with limited court involvement ([quality of life ticketing](#))

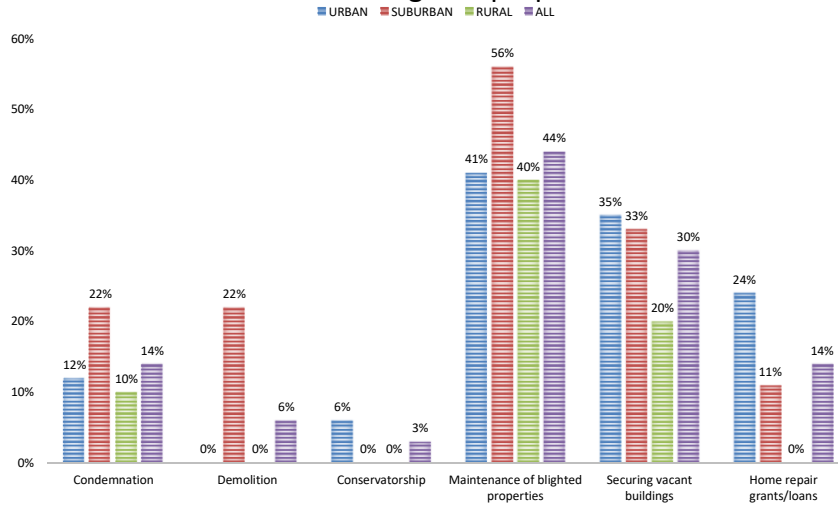
New State Authorized Tools Seek To:

5. Expand receivership ([resident and non-profit conservators](#))
6. Create personal liability for property condition ([asset attachment](#))
7. Require buyers to remediate violations within a specific timeframe ([pre-sale inspection](#))
8. Move properties out of ownership limbo ([zombies](#))
9. Provide financial assistance to property owners ([loans and grants](#))



Municipalities Are Using a Diverse Set of Tools

Does your municipality currently employ any of the following tools for blighted properties?



Focus on Three Tools to Address Problem Properties



1. Conservatorship
2. Quality of Life
Ticketing
3. Vacant Property
Registration

Conservatorship

1. **Eligible Property** - not legally occupied for 12 months or actively marketed for 60 days, no new owner for 6 months, no foreclosure action
2. **Must meet 3 conditions that show poor condition** such as health and safety issues, not fit for occupancy
3. **Eligible Conservator** - resident, business owner within 2000 feet, lienholder, non-profit, municipality, RDA can be conservator
4. **Conservator Fee** - \$2500 or 20% sale price
5. **PA Actions Brought** - 368 (2009-17) 269 in Phila, 54 in Allegheny, 13 in Northumberland and 10 in Butler.
6. **Controversy** – for-profit businesses using tool but 65% of petitioners were private non-profits

Quality of Life Ticketing

1. **Conditions addressed** – Trash, high weeds, abandoned cars
2. **Benefits** – Cheaper to administer/Municipality keeps fees
3. **Key Decisions** - Warnings vs fines and door hangers vs. violation notices vs. stickers
4. **Example - Wilkes Barre**
 1. Taking it To The Streets: Teams of building, health and rental inspectors dedicating one day each week to WALK an assigned neighborhood. (Begins with those with higher-than-average number of complaints.)
 2. Most residents pay ticket – if not, magistrate hearing
 3. 2019: 215 QOL between March and Mid-May (decreased from 355 in 2017 and 264 in 2018)

Vacant Property Registration

1. **Goal** -provide municipality with full picture of vacant properties – About 550 ordinances nationally
2. **Registration** - annual fee, insurance, reactivation plan and maintenance. Post contact information in visible location.
3. **Fees** - increase over time and are liens against the property. Those with excess liens can be put up for sheriff's sale.
4. **Waivers** - owners can seek waiver of fee – temp use
5. **Fines** - failing to register
6. **Examples**
 - **Arlington MA** discourages boarding up property
 - **San Francisco**: Must register vacant storefront within 30 days of it becoming empty and pay \$711 fee (\$2844 for failure to register) even if for active sale or rent

Group Exercise: Using the Tools

General Questions

What tools should the city, counties, partner businesses, and/or non-profits use to address the issue(s) presented in each scenario?

- Things to consider:
 - Property owner resources and additional assets/properties?
 - Active community-based organizations in the neighborhood?
 - Market Condition - distressed market/middle market/strong market?

Scenario 1: Underutilized Building

A four-story building near to a major commercial corridor appears dilapidated from the sidewalk. The street level retail space has been vacant since 2007. There may be residential tenants living on the upper floors but it is unclear. The owner is an LLC that has ignored repeated code citations under the Property Maintenance Code. Neighboring businesses complain about the appearance of the building and the rodents that have spread from the building.

- What are the fundamental issues with this situation?
- What are reasonable first steps the municipality should take to address the issue?
- If those first steps fail, what next?

Scenario 2: Declining Neighborhood

A relatively stable homeowner neighborhood is seeing increased foreclosed and vacant properties and deferred maintenance on many of its homes. Dozens of owner-occupied and rented single-family houses have porches and roofs in disrepair. Two investor-owned long term vacant and abandoned properties are covered with litter and trash.

- What tools should be introduced to address these conditions?
- Who would the municipality work with to ensure local support and implementation?
- How can the county be engaged?