from blight to bright

a comprehensive toolkit for pennsylvania
PA Communities Are Fighting Blight

• We are no longer willing to accept abandoned properties as part of our landscape
• We understand that we can change the culture of blight by aggressively, consistently and proactively using all tools available under PA law
• The status quo is not an option. We are taking PA’s 300,000 vacant properties from liability to viability
Status Quo is not an Option

Mon Valley Study by Tri-COG (2013):

• $11 million a year in direct costs for municipal services
• $9 million a year in lost tax revenue
• $8-10 million in lost tax revenue due to reduction in surrounding property values
• $8 million a year loss in investment and economic development
• And another $12 million in one time costs as well
Status Quo is not an Option

True Costs of Vacancy

- $20 Million
- $70 Million
- $3.6 Billion

Philadelphia
Huge Benefits when Eliminate Blight

- Reduces crime, in particular gun-related violence
- Improves health of residents
- Raises surrounding property values by up to 30% just by greening a vacant lot
- Increases tax revenue for city and school district
Fighting Blight Pays

2014 Study of Anti-Blight Philadelphia Windows and Doors Code Enforcement Program Found:

• Compliance by owners of long-term vacant structures created $74 million in increased sales prices of surrounding properties

• Increased values raised $2.34 million in additional transfer tax revenue for city

• Fees can fund inspections and enforcement
What is Strategic Code Enforcement?

• Proactive and systematic, augments complaint-driven
• Database identifies owners
• Detailed records of every action taken to show a pattern of violations to a judge
• Can identify owners of more than one problem property and areas to target enforcement
• Enforce registration and permit laws
• Bundle enforcement actions for the magistrate (blight court model) to be able to see patterns and take appropriate action
• Track noncompliance, fees, and penalties
Finding the Needed Funding

**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.
PA Has Two Categories of New Tools

Over the last decade, we have developed new state laws and proven local tools to fight blight.

1. Tools that enable you to establish a data-driven, strategic code enforcement system to prevent and address blight.

2. Tools to address long-term vacant properties that pose a threat to health and safety where code enforcement has been ineffective.
Gain the Owner’s Attention

The goal for strategic code enforcement is to change the owner’s stance

*I’m going to ignore You*

*How much time do I have to get my property into compliance?*
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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</thead>
<tbody>
<tr>
<td>What does it do?</td>
<td>How does it work? What is needed to use the law effectively?</td>
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<tr>
<td>How do we pay for it?</td>
<td>What policies and practices will increase our chances of successfully using this tool?</td>
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<tr>
<td>What types of property are covered?</td>
<td>What legal documents will we need?</td>
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<tr>
<td>What challenges will it solve?</td>
<td>Who is using the tool now?</td>
</tr>
<tr>
<td>Where does it apply?</td>
<td>How can we combine this with other strategies?</td>
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Four Key Blight Elimination Practices for Strategic Code Enforcement...
Create and Proactively Enforce a Framework of Clear Standards That Requires Owners to Care for their Properties

• Transform the maintenance of building exteriors from optional to required
  – International Property Maintenance Code
  – Local ordinances
Progressive, Data-Driven Enforcement

Dealing with a violation swiftly and consistently is most cost-effective approach to preventing blight

Enforcement Examples: 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
Strategic Data-Driven Enforcement

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

• Permit Denial

• Presale Inspections: Easton requires inspection before sale. $150 inspection fee and $75 certificate of occupancy fee

• Registration of Vacant/Rental Properties
Target Limited Resources and Recruit Partners and Allies

- Target enforcement efforts to 3-5 worst properties that have greatest negative impact.
- Reserve harshest penalties for absentee owners who have clear assets but refuse to invest in their properties.
- Do not impose severe fees and penalties on good owners or owners without money who will walk away from their properties.
- Publicize actions taken to motivate other owners.
Recruit Partners and Allies

- **Judges/Prosecutors**: Assign single jurist to hear all property related cases – *Blight Court*
- **School Districts**: Waive past taxes to reactivate property
- **For Profit Companies**: Foreclosure Registration – for profit implements law for a fee, alerts city when foreclosure imminent and contacts lender re code violations and registration fees
  - Susquehanna Township: Enacted 2011 with $200 one-time fee to be split with for-profit. By 1/1/2014 had 157 registered properties. Generated $16K for part-time inspector
3. Change the Culture and Hold Properties to Clear Standards

- Consistent enforcement creates a real threat
  - Searchable code enforcement database
  - Progressive Fines
- Impose an increasing cost on properties that are non-compliant
  - Hall of Shame
  - Criminal Misdemeanors
  - Asset attachment
  - Permit Denial
Demolish or Transfer the Worst Properties to Responsible New Owners

Use the tools that state law gives you and require owner to pay for action taken wherever possible

- Asset attachment
- Eminent domain
- Conservatorship
- Open Estate to Transfer Property
- Land Bank
Sample Ordinance, Pleadings, Petitions, Documents and Updates Online

Blight to Bright is a Living Dynamic Document

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