

WRITTEN TESTIMONY
FOR
PUBLIC HEARING
ON
BLIGHT IN OUR COMMUNITIES – WESTMORELAND COUNTY

June 3, 2021
9:30 a.m.

Salvation Army Community Center
917 Brackenridge Avenue
Brackenridge, PA 15014

To: Pennsylvania House of Representatives – Urban Affairs Committee
Representative Rosemary Brown – Majority Chair
Representative Michael Sturla – Minority Chair
Christina Goldbeck, Executive Director

From: Westmoreland County
Jason W. Rigone
Director - Westmoreland County Department of Planning & Development
Executive Director – Westmoreland County Industrial Development Corporation

Re: Blight In Our Communities – Westmoreland County

Majority Chair Brown, Minority Chair Sturla and Executive Director Goldbeck and committee members, thank you for the opportunity to present testimony before the House of Representatives – Urban Affairs Committee regarding the impact of blight on our communities and the resources and programs available to address this issue.

I, Jason W. Rigone, Director of the Westmoreland County Department of Planning & Development and Executive Director of the Westmoreland County Industrial Development Corporation am here today to provide a brief summary of the impact blight has on our communities, provide feedback on the programs and resources currently available, whether they be federal, state or locally established and lastly to provide some suggestions or identify key areas where we, through our state/county/local partnership, could increase our effectiveness addressing blight within all land use types.

In 2018, Westmoreland County adopted a new county comprehensive plan title *Reimagining Our Westmoreland*. The plan's ultimate goal was to "Attract, develop and retain a diverse and stable workforce that will sustain a health economy." This mission statement of sorts was and is a response to the impact of a declining population. The Plan identified 37 strategies with Strategy 5.1 – Eliminate Blight. Taken from the Plan - *Blighted and abandoned buildings was one of the key issues noted across all community engagement activities. Subsequently a priority action was to address these buildings in an appropriate capacity. Blighted buildings are not only a safety risk, but they also decrease property values and diminish the aesthetic of a community. Lower property values correlate to a smaller tax base and less funding to provide and maintain necessary services. As noted by a study completed by the US Census in 2013, housing is the number one reason why 48 percent of Americans move to a new community. Not all blighted buildings are residential, as many are also commercial or industrial. However, blighted homes diminish neighborhoods to a greater extent. The County's blight issue is not only affecting current residents, but it is also reason for potential new residents to choose a community other than Westmoreland. Many municipalities across the United States are employing innovative methods to remediate blight such as housing receivership, a mechanism which allows municipalities to be appointed as the responsible caretaker of deteriorated properties. Designated redevelopment areas is another tool that allows the County to initiate and support private investment and redevelopment of aging and obsolete properties, thus returning them to an active, revenue-generating space. Stabilizing, rehabilitating, or demolishing blighted properties can restore and enhance neighborhoods across the County.*

The following bullet points illustrate the impact blight has on our communities and the importance of programming/resources which directly address this issue:

- “In high poverty areas, vacant homes can reduce the price of houses within a 500-foot radius by up to 3.6 percent and delinquent properties have an impact of up to 12.3 percent.” (Federal Reserve Bank of Cleveland, <https://www.govtech.com/data/data-helps-calculate-the-true-costs-of-blight.html>)
- In Philadelphia, “Vacant property reduces market values by 6.5 percent citywide and by as much as 20 percent in neighborhoods with the most empty lots and structures.”
- In the Mon Valley, blight costs \$250 million in lost revenue and increases in police, fire, public works, and code enforcement. (Financial Impact of Blight on the Tri-COG Communities, <https://tcvcog.com/wp-content/uploads/2020/04/TCLB-Blight-Impact-Full-Report.pdf>)
- In Monessen, close to 10% of properties are blighted, with another 36% teetering toward blight and 12.5% are tax delinquent in one form or another. (Monessen Blight Inventory)
- Currently 1 in 19 Westmoreland County properties are in some form of tax delinquency. Although not necessary showing evidence of blight, tax delinquency is an initial indicator of potential property deterioration.

Westmoreland County has proactively approached addressing blight by maximizing programs to ensure communities have the needed resources. From an operational perspective, Westmoreland has partnered with the Redevelopment Authority of the County of Westmoreland (RACW) since at least the early 1990s to administer a county-wide demolition program. Primarily this program was funded through the federally funded Community Development Block Grant (CDBG) program with annually investment of \$250,000-\$300,000. In some years funding has exceeded \$500,000. This ensures the RACW has ample resources to proactively partner with municipalities which participate in our CDBG program to actively address residential and commercial structures beyond the point of preservation. To provide additional resources, Westmoreland County approved the creation of what is titled the “DEMOFUND” authorized under Pennsylvania Act 152 of 2016. Act 152 permitted counties to charge a fee of \$15 for every mortgage or deed recorded to supplement the

CDGB county-wide demolition program. This (Act 152) program has increased resources annually by approximately \$300,000. The combination of these 2 programs provides approximately \$600,000 annually. Although substantial, additional resources could always be beneficial. Additionally, the release of the "Blight Program" administered by the DCED and Commonwealth Finance Authority (CFA) helps supplement site specific projects and is a welcome resource. However, although important, funding is only one piece of the equation to effectively address blight.

The Westmoreland County Land Bank (LB), created by law from Pennsylvania Act 153 of 2012, is an extension of the Redevelopment Authority of the County of Westmoreland. Land Bank legislation came about as a result of municipalities finding themselves in difficult scenarios while redeveloping property within their boundaries. A Land Bank can offer the tools and powers necessary to obtain site control and move forward with an action plan, creating a productive reuse for the community. Currently the Land Bank operates in 24 of Westmoreland County's 65 municipalities (along with the school districts serving those areas). We highly recommend other counties that have not taken the step to create a county land bank to do so.

The LB acquires, holds and transfers interest in real property throughout Westmoreland County as approved by the Board of Directors for the following purposes: to deter the spread of blight; to promote redevelopment and reuse of vacant, abandoned, and tax-delinquent properties; to support targeted efforts to stabilize neighborhoods; to stimulate residential, commercial and industrial development; all in ways that are consistent with goals and priorities, local government partners and other community stakeholders.

Since its creation, the LB has been a vital tool to battling blight and most effectively addressing properties with significant title issues and financial liens. Most notably, the LB partnered with the Westmoreland County Industrial Development Corporation to tackle the former Monsour Hospital property. This severely dilapidated property posed a direct threat to the health, safety and welfare to the residents of City of Jeannette and the 30,000 motorists that passed by the structure daily on US Route 30. The project included addressing nearly \$40 million dollars in federal, state and local liens. Although the property was situated along a highly marketable commercial corridor, the vast level of financial encumbrances and severe title defects negated the opportunity for the private sector to address. Through the partnership and creative deal structuring, site ownership was secured, financial liens eliminated and the 90,000 structure removed with the site redeveloped for commercial reuse. The site was sold through an open Request For Proposal process and is slated for development in 2022. The Conservatorship Act (Act 135 of 2008), while noteworthy legislation and resource, was considered to address the threat; however, this particular process would not have address the financial liens and title issues and likely the site would still be in the public sector's hands and thus the LB was used to ensure the property could be re-positioned for productive commercial use.

So far my testimony has focused solely on the financial resources and organizations tasked with addressing blight that have been relatively effective. However, there remains challenges and gaps in our ability to fully tackle blight in our communities. These following are areas of need (but not prioritized):

1. The most effective way to address blight is not reactively but rather proactively.

This proactive approach can be in different forms.

- a. Community planning - A blight plan that follows the Pennsylvania Housing Alliance's Five-Step Blight Plan Process is recommended on a regional level. It will generate consensus for a blight strategy, assess the nature and extent of blight, convene a blight task force, engage municipal officials, and set out a blight strategy and tactics necessary to address blight. Most importantly, the plan will use a data-driven, progressive-discipline approach advocated in the handbook, *Blight to Bright*. In Westmoreland, the Alle-Kiski region developed a blight plan application for CFA's – Blight Remediation Program that would support decision making in the Redevelopment Authority's Brownfield Assessment Program funded by the US EPA. The Westmoreland County Land Bank will benefit by identifying blighted and tax-delinquent property for community beneficial reuse. The county's CDBG Slum and Blight Clearance Program, along with the Demofund Program will align with areas identified in the land use plan and Regional Blight Plan for demolition projects. The Plan could also advance future multi-municipal efforts to unify ordinances and code enforcement. The following municipalities will participate in the Plan: Allegheny Township, Arnold City, East Vandergrift Borough, Hyde Park Borough, New Kensington City, Lower Burrell City, Oklahoma Borough, Upper Burrell Township, Vandergrift Borough, Washington Township, and West Leechburg Borough.

The economic development impacts of the project include the identification of properties for potential re-use and redevelopment. Such information is essential for existing, expanding, or new companies to make location decisions. Implementation of the blight plan will improve the economic climate of our communities by reducing the negative effects of blight. Additionally, the plan will identify corridors, entrances, and visually important areas for beautification and improve the county's visual appeal. Unfortunately because of the high volume of funding requests and limited resources, this regional initiative will not move forward until other funding sources are secured.

- b. Code enforcement - Effective code enforcement, tasked at the municipal level is another proactive form of blight mitigation. Many of our communities invest valuable resources in code enforcement to ensure properties are maintained in a manner outlined in local ordinances. Unfortunately many of our smaller communities lack the resources necessary to maintain full time code enforcement service and at times this work falls on the shoulders of law enforcement or public safety departments who are not trained adequately or where code enforcement is not prioritized. As a county, we have promoted the option of regional code enforcement that helps distribute the financial burden and results in a consistent expectation across neighboring communities. Additionally redevelopment authorities and land banks, although effective tools in the fight against blight, operational funding at the state level is non-existent. These organizations

including code enforcement require dedicated funding streams to ensure they operate at optimum levels.

a. We tend to focus on demolition as the primary and correct response. Many times, structures have deteriorated to a condition where demolition is the only action possible. However, we have observed that there is a need to address blight through preservation rather than demolition. Many of our downtowns have felt the brunt of decades of suburban development and many of our iconic buildings have deteriorated to a point where private sector investment is not an option. This deterioration is not linear but rather exponential. Unfortunately many of the traditional tools such as CDBG funding does not permit (without a low or moderate income use) to preserve the structures through selective demolition or stabilization recognizing that many of these buildings have unique architecture or have a scale not easily replaced in current market conditions. The need for programmatic support and funding that effectively preserves our downtown commercial buildings with the ultimate goal to be reused for a market based use is vital. We can tear them down and address the most immediate concern. Or we can work strategically and more effectively redevelop our downtown communities. However new and more flexible resources are sorely needed.

3. As mentioned earlier, properties which fall into tax delinquent status is a signal blight could develop in the near future and as mentioned previously, preservation is preferred to demolition. Unfortunately, the current laws that manage the tax delinquent/collection process require a time-consuming process. As a result, many of

these properties deteriorate to the point where demolition is the only option. Once a building's envelope (roof, windows, doors, etc.) is exposed/penetrated by the weather, deterioration is exponential. We recognize and respect that property ownership is protected in this country and property owners have rights to addressing tax delinquent or code related issues before the public sector can enter the property or take ownership. However these rights can have a negative impact on the community whereby blight is created and the public sector many times is required to step in eventually and expend public resources while community property values are negatively impacted.

To summarize our recommendations, additional funding for regional planning, support for code enforcement, resources for preservation and modification to tax delinquent process should be strongly considered.

Thank you for the opportunity to provide comment and for your consideration.