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Hearing Testimony - PA's Abandoned and Blighted Property Conservatorship Act.

March 26, 2021

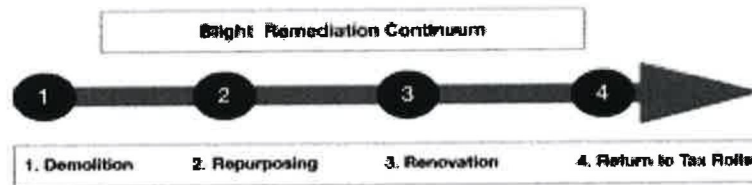
Gerald Driggs - Director, Upper Allegheny Valley CDC

The Upper Allegheny Valley Community Development Corporation was established in July of 2020 under the non profit 501c3 umbrella of FCP Services, Inc., also known as Faith Community Partners. We serve the communities of Tarentum, Harrison Township, and Brackenridge in the northeastern corner of Allegheny County.

Blight remediation is a key priority for us. It is a central part of our overall redevelopment strategy. This region has suffered for decades from disinvestment, loss of industry, high unemployment, and a crippling economy. These dynamics have resulted in both residential and commercial properties being abandoned, underutilized, or allowed to deteriorate into eyesores, hazards, and barriers to new investment.

Unfortunately these dynamics exist in far too many river-towns and small communities throughout Allegheny County. We all know the negative results associated with unaddressed blight and the abandonment of once thriving residential and commercial properties. It stifles redevelopment and if allowed to continue ensures continued decline.

In response to the growing impact of blight in our region, our CDC has adopted a strategy called *Proactive Blight Remediation*. We see blight remediation as a continuum that ranges from demolition to returning a blighted building to the tax rolls while meeting community needs and priorities and creating a viable community asset. FCP focuses on buildings that are still salvageable that can be renovated and repurposed, returned to the tax rolls, and can serve as a catalyst for continued reinvestment.



One of the most common responses to blight is to demolish and remove buildings that have no viable path to reclamation. Using a medical analogy, we think of that as blight triage. In many situations demolition is the only and best alternative because of the deteriorated nature of the building. This is especially true in residential neighborhoods where blighted homes are an anchor around the necks of the entire neighborhood. Their removal opens new opportunities for creative use of the cleared lots and reduces the risk of crime, lowering property values, etc. Stop the bleeding, stabilize the patient and move on.

On the other hand, many river-towns have once thriving central business districts that are no longer viable and are littered with empty, deteriorating, or abandoned buildings that are off the tax rolls and contributing little to the viability of the community. Tearing these buildings down may solve one problem (getting rid of eyesores and crime laboratories) but it does little to promote viable revitalization. Vacant commercial lots, unless in close proximity or interconnected, provide little incentive for significant redevelopment in the commercial heart of a community.

The Upper Allegheny Valley CDC believes that a viable option for redevelopment in the CBD of river-towns is strategic repurposing and renovation of existing buildings in ways that meet documented needs and opportunities in the community for all segments of the population. This is a treatment approach to blight as opposed to triage.

To accomplish this goal, we draw on a virtual toolkit of strategies, legal remedies, financial incentives, and partnering initiatives. We use these approaches to acquire, renovate, and repurpose strategically targeted properties. Our strategy relies on what we call the *catalyst affect*. Successful renovation of salvageable blighted properties provides a catalyst for other development. I realize that sounds like stating the obvious, but we are finding that our communities are eager to have alternatives to demolition where renovation is feasible.

In numerous situations we are plagued with blighted properties that are unattainable through normal commercial channels. A primary goal of ours is to create innovative and affordable ways to acquire buildings that are in strategic locations in our target redevelopment areas.

Unfortunately, we have taken the **conservatorship** option contained in the legislation we are reviewing today, off the table. The costs outweigh the benefits. The *Abandoned and Blighted Property Conservatorship Act* is a time-consuming, complicated, and expensive process that we have assessed as a possible remedy, but not a practical one. It was well-intentioned but, the nearly 150 item punch list of steps that must be satisfied for each property is a costly and impractical option for a community-based CDC like ours. The time, money, legal services, and documentation required for each property application are excessive.

Realistically, we agree that some level of externally imposed remedies on absent and uncooperative property owners is required. However, the criteria protecting the property owners versus the incentives provided to the entities seeking conservatorship are a disincentive to pursue this option.

The *Housing and Community Development Network of New Jersey* recently offered a practical yet controversial option. “**Spot Blight Eminent Domain**, is a powerful and strategic tool that can be used by municipalities to *improve neighborhoods for existing residents*, and not simply to redevelop them for the highest bidder. Spot Blight is a surgical and specific tool for a municipality under very specific and regulated circumstances, to take individual properties for redevelopment or rehabilitation. It is designed to transfer the worst properties to responsible new owners in a relatively short timeframe with limited administrative overhead.”

The Spot Blight approach can be used on either residential or commercial property, but is not used on vacant land. This legal tool is designed to address situations where a particular abandoned property or set of properties is adversely affecting the value of nearby occupied properties. It can only be used on properties that have been determined to be legally abandoned and thus, cannot be used to harass homeowners into giving up their property. It reduces the time for properties to be acquired, owners compensated, and redevelopment begun.

Although not perfect, this approach might provide, in well defined circumstances, a streamlined path to **conservatorship** where a property obtained by a municipality can be transferred to a qualified nonprofit developer or CDC with an approved development plan.

I am not suggesting that **Spot Blight Eminent Domain** is a substitute for the process now covered by the *Abandoned and Blighted Property Conservatorship Act*. However, it could be a viable option that could be used in specialized circumstances giving local municipalities more control over their own destinies. It is a strategy that has detractors but under the right conditions, may in fact be an incentive for nonprofit developers to cooperate more closely with local municipalities.

As we collectively struggle to eliminate blight, we need to reduce or eliminate the degree of difficulty a community organization has to acquire blighted properties that stand in the way of implementing well-thought out redevelopment plans. These factors are: time, legal costs, administrative tasks, legal entanglements, and excessive documentation.

When code enforcement, permitting, zoning ordinances, fines, land use regulations, innovative programs, tax incentives, and other legal frameworks are still not enough, it may be time for more direct strategies to acquire the worst offenders and transfer the property to new owners with a plan and the resources to transform blight to valuable community assets.

Gerald Driggs - Director
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