

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

URBAN AFFAIRS COMMITTEE
PUBLIC HEARING

EMPIRE BEAUTY SCHOOL BUILDING
396 POTTSVILLE/SAINT CLAIR HIGHWAY
POTTSVILLE, PA 17901

THURSDAY, NOVEMBER 4, 2021
9:30 A.M.

BEFORE:

HONORABLE ROSEMARY BROWN, MAJORITY CHAIRWOMAN
HONORABLE DAVID G. ARGALL (SENATOR)
HONORABLE CARRIE LEWIS DELROSSO
HONORABLE ABBY MAJOR
HONORABLE TIM TWARDZIK
HONORABLE CRAIG WILLIAMS
HONORABLE ROBERT MERSKI
HONORABLE JARED SOLOMON
HONORABLE DAN WILLIAMS

*Pennsylvania House of Representatives
Commonwealth of Pennsylvania*

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

TESTIFIERS

* * *

THOMAS A. PALAMAR
Pottsville City Administrator
Pottsville Blight Task Force.....8

SANDRA FISK
Borough Manager,
Mahanoy City.....35

MICHAEL T. MCKEEVER, ESQ.
KML Law Group, P.C.,.....70

PATRICIA O'CONNOR
Par King, Inc.....95

MICHAEL J. O'CONNOR
Michael J. O'Connor and Associates
Par King, Inc.....100

BOBBY WEAVER
Black Rock Brewing Company
Press Coffee and Books
Ampersand Coffee Roasters.....117

MARY BETH DOUGHERTY
Staff Assistant,
Senator David Argall.....134

SUBMITTED WRITTEN TESTIMONY

* * *

(See submitted written testimony and handouts online.)

P R O C E E D I N G S

* * *

1
2
3 MAJORITY CHAIRWOMAN BROWN: Good morning.
4 And welcome to the House Urban Affairs Committee
5 hearing. And we are going to start the morning,
6 if you would please rise, and Representative
7 Twardzik will lead us in the Pledge of
8 Allegiance.

9 (Pledge of Allegiance was recited.)

10 MAJORITY CHAIRWOMAN BROWN: Thank you
11 very much.

12 We are going to start the morning.
13 Representative Twardzik will start with some
14 opening comments.

15 Representative Twardzik: Good morning.

16 Thank you everyone for coming out to
17 beautiful Schuylkill County. Yesterday we had
18 the opportunity to tour several of our
19 communities, look at the beautiful fall leaves,
20 and look at the beautiful falling homes. We're
21 here to talk about blight, which is a very
22 important issue that's been here for a long time.
23 I want to thank Representative and Chairman Brown
24 and Chairman Sturla for coming and bringing this
25 important hearing and all of our guests. We'll

1 introduce ourselves in a moment.

2 But more importantly, I thank you for
3 coming in. And we have some great testimony and
4 these are important issues we're going to put in
5 front of our House of Representatives. We have
6 19 bills waiting to be released. So we're
7 working hard on trying to fight this terrible
8 issue.

9 MAJORITY CHAIRWOMAN BROWN: Thank you,
10 Representative Twardzik. And it sounds like
11 you'd be a great radio host. Definitely.

12 It's a pleasure to be here. We had, as
13 Representative Twardzik said, yesterday a tour,
14 which was very interesting for all of us. And
15 the goal -- one of the goals of this Committee
16 for the House Urban Affairs is to look at blight
17 across the State of Pennsylvania. And what
18 blight looks like is different in different areas
19 of Pennsylvania, the volume of the blight, the
20 history of the blight, how it came about. And
21 they all play a role into what we can do to
22 create a better environment that would help us
23 fight this.

24 So we're taking a broad approach to this
25 and looking at different ways we can do this. As

1 Representative Twardzik said, there are several
2 bills that are being looked at. And this is not
3 a new issue. We have Senator Argall at the end
4 who's been very active with this and was a
5 Chairman years ago with the House Committee also
6 and has done great work. But it's one of those
7 issues that just continues, and we have to
8 continue to try to improve on it each and every
9 year as legislators to try to help the community
10 that we serve.

11 So thank you for being here. Thank you
12 for the testimony. It greatly helps us, and we
13 hope to garner some information today to move us
14 forward. So with that, we are going to start
15 with some introductions of the legislators.

16 Representative Carrie Lewis DelRosso.

17 REPRESENTATIVE DELROSSO: Good morning.
18 I'm Representative Carrie Lewis DelRosso. I
19 represent the Pennsylvania House 33rd Legislative
20 District, which is Allegheny and Westmoreland
21 County.

22 REPRESENTATIVE MERSKI: State
23 Representative Bob Merski, the 2nd Legislative
24 District, Erie County.

25 REPRESENTATIVE MAJOR: State

1 Representative Abby Major. I represent the 60th
2 District, which is parts of Armstrong, Butler,
3 and Indiana Counties.

4 REPRESENTATIVE TWARDZIK: Again, Tim
5 Twardzic, the 123rd.

6 MS. GOLDBECK: Christine Goldbeck. I'm
7 the Executive Director for the Committee, and
8 it's good to be home.

9 MAJORITY CHAIRWOMAN BROWN:
10 Representative Rosemary Brown. I have Monroe and
11 Pike Counties, which is the 189th District. And
12 also I wanted to mention that Chairman Sturla was
13 with us yesterday, as well, but today he's
14 actually with the Chesapeake Bay Commission. So
15 he has seen some of the area, and he'll be
16 working with us as we go forward, as well.

17 REPRESENTATIVE WILLIAMS: My name is Dan
18 Williams. Good morning.

19 I represent the 74th District in Chester
20 County. It includes Coatesville, Downingtown,
21 Columbia. It's good to be with you this morning.

22 REPRESENTATIVE SOLOMON: Good morning,
23 everybody.

24 Jared Solomon. I am a State
25 Representative in northeast Philadelphia, the

1 202d Legislative District.

2 Thank you.

3 REPRESENTATIVE KNOWLES: Good morning.
4 My name is Jerry Knowles. I represent portions
5 of Berks, Schuylkill, and Carbon Counties. And I
6 want to thank the Chairwoman for inviting me to
7 attend today and participate.

8 SENATOR ARGALL: Dave Argall, State
9 Senator here in the 29th District. I too want to
10 thank the Chair and Representative Twardzik for
11 inviting me and allowing me to sit in on this
12 House hearing.

13 Yesterday, the tour that they organized
14 was very interesting. I think we literally saw
15 the good, the bad, and the ugly. We saw some
16 amazing success stories in turning symbols of
17 blight into symbols of community pride. As
18 Representative Twardzik indicated, we also saw
19 some projects that still need to be accomplished,
20 but thank you for the invitation.

21 MAJORITY CHAIRWOMAN BROWN: Thank you.
22 And with that, we also have an official
23 duty of taking roll call.

24 Christine, thank you.

25 (Roll call was taken.)

1 MAJORITY CHAIRWOMAN BROWN: Thank you,
2 Christine.

3 And as you mentioned, there may be some
4 members that will be watching the hearing online.
5 If they do have any questions, they will be
6 sending them to us. And if they are not watching
7 it today, they often go back and watch the
8 hearing at a later date for their information, as
9 well.

10 Okay. So we are ready to start. Our
11 first testifier this morning is Thomas Palamar,
12 who is the Pottsville City Administrator and the
13 Pottsville Blight Task Force.

14 Thank you for being with us this morning.

15 REPRESENTATIVE TWARDZIK: Green button.

16 MS. GOLDBECK: Green button.

17 MR. PALAMAR: There we go. I like that.

18 In any event, I'm the City Administrator
19 here in Pottsville. I'm also the Executive
20 Director of the Pottsville Redevelopment
21 Authority. My wife, Theresa, and I are lifelong
22 residents of Schuylkill County, proud to call
23 Pottsville our home.

24 One of the reasons that I take this
25 Blight Task Force so seriously is because it's

1 something that affects all of us. You know, even
2 if we don't live next to a blighted property,
3 friends, family, a business is affected by it.
4 So we've sort of taken this to heart, really to
5 heart and worked collaboratively with our
6 legislative delegation and really tried to make
7 an impact.

8 The information that I sent to you may be
9 a little different than some of the testimony
10 that you've received in the past, but it's
11 purposeful. We present that information
12 consistently and very -- in much the same format
13 and update our statistics because we believe that
14 educating the public and educating the community
15 is really what this is all about. And making
16 sure that people are aware of what we are doing
17 and what they can do.

18 Everyone plays a role in this. And
19 that's the approach that we've taken with our
20 Blight Task Force. We've been doing it for quite
21 a few years, and we are seeing some success. I'm
22 just going to summarize very briefly some of the
23 things that I believe have been very successful
24 for us. Some of our protocol as well as some of
25 the roadblocks that we're still trying to

1 overcome in helping our neighbors. Really,
2 that's what this is all about, us helping our
3 neighbors, helping our communities to thrive,
4 both -- and increase the quality of life in our
5 area.

6 But in any event, when we've -- just
7 keeping this in perspective, you know, looking at
8 the positive, we have over 6,500 units of housing
9 in Pottsville. Four hundred and nine of them are
10 on our blight list. So even though we do have
11 some real problems, and sometimes you only hear
12 about the 409 rather than the remaining
13 properties, they are still of priority to us.

14 So what we normally do every month, we
15 have our task force meeting regularly. It's
16 bimonthly. And then every month at city council,
17 I normally present another 10 properties to them
18 in photograph form and who the owner is and the
19 condition of the property. So we've really tried
20 to keep not only the education of the public, but
21 also the education of -- to the public of who
22 owns these properties that are being neglected
23 and affecting everyone else.

24 Our plan of attack has been pretty simple
25 and straightforward, you know. We try to keep a

1 good inventory of our blighted properties. We
2 visit each one. We assess it. We assign a
3 numerical value to the property based upon its
4 condition. And then it ends up on our
5 spreadsheet, the worst at the top, and you know,
6 the least worst at the bottom.

7 we isolate them into small groups. We
8 send letters to those folks. We try not to make
9 this punitive. We try to, you know, work with
10 folks and help them help themselves, help us. We
11 try to work -- play nicely with them initially
12 and then get progressively a little bit more
13 aggressive as time goes on if we can't get their
14 attention. Again, working in conjunction with
15 all of our moving parts in the community is
16 really important.

17 One of the first things we did with our
18 task force is engage our legislative delegation.
19 They've been extremely supportive and crucial to
20 this fight, but also our District Attorney's
21 office, our police, our fire department, our code
22 officials, our business leaders, everybody
23 working together is how this has really worked
24 out well for us. We have way more tools that we
25 are using to prevent blight.

1 One is our quality of Life Program. You
2 know, what I always call it, it's attacking the
3 obvious and annoying things that you see in a
4 property that are sometimes the first signs of
5 blight: when people stop cutting their grass, the
6 windows begin to break, you know, there's garbage
7 cluttering. Sending our guys out to talk to
8 those folks first and giving them a quality of
9 life ticket -- it's \$25.00, but sometimes it's
10 just what you need to do to prevent it from
11 getting worse. And it has been successful for
12 us.

13 Our nuisance property ordinance has --
14 it's unfortunately also been successful. We
15 haven't had to do it too many times, but if there
16 are more than three visits by police, code, fire,
17 within a 90-day period, we can designate the
18 property as a nuisance. That could result in
19 fines of up to \$1,000.00 a day. It does get
20 people's attention. We -- normally, that's
21 usually rental properties where we see that
22 becoming the biggest issue.

23 Permit denial. We also -- if you own a
24 property that is neglected, and you know, you own
25 another property where you're making money on it,

1 you want to pull a permit on that other property,
2 we'll say no, you need to fix this one first.
3 Then we'll let you -- you can continue to make
4 money. So we try to sort of control our destiny
5 a little bit by controlling theirs, as much as we
6 can.

7 Again, we don't want to make this
8 punitive, but if that's the only thing folks
9 understand, then that's what we do. Also, one of
10 probably my favorite things that we have done is
11 offering assistance to people to repair their
12 homes. So we have a home grant. We're actually
13 in our second round of that now. Folks who are
14 income-eligible can receive grants of up to about
15 \$25,000.00 to fix the major systems in their
16 home, new roofs, heating system, wiring, making
17 their homes accessible so older folks can stay in
18 their homes and enjoy their -- the homes that
19 they've worked their whole lives to keep and
20 maintain.

21 Unfortunately, people's incomes reduce as
22 they get older oftentimes. These home grants are
23 so crucial, and we've finished the first round.
24 We're just starting a second round. Every home
25 that we repair will probably prevent that home

1 from becoming part of this bad list that we have.
2 So I can't say enough about the home program and
3 that -- the ability of that project to prevent
4 blight from affecting our communities. And going
5 right to homeowners who have worked their whole
6 lives probably to build up a future, I think we
7 can help them retain that future.

8 Once, you know -- so they're some of the
9 tools that we use. I think we've also started to
10 realize that our neighborhoods are the life blood
11 of communities. We all know that, but the
12 central business district is also important
13 because it's what people -- how people view us.
14 You saw ours yesterday some of it. And
15 obviously, your central business district is not
16 immune to problems of blight and neglect.

17 We have been really upping our game
18 there. We created a redevelopment plan and a
19 blight certification plan a few years ago. We
20 engaged a consultant, thanks to a grant that we
21 received through Senator Argall. And we've been
22 really collaborating, again, in the community on
23 a very high level to execute this project. But
24 the first part of it was creating that certified
25 blight plan, which was going in, counting the

1 properties, assessing every one, determining if,
2 in fact, the blight plan was appropriate. It
3 turned out to be, so now we are implementing that
4 plan, which includes us taking properties in some
5 instances and putting them -- those properties
6 into the hands of investors and developers.

7 It's been working out pretty well for us.
8 We've acquired five properties for development,
9 five for demolition and development, and two for
10 green spaces. So some of our most -- our best
11 showcase projects have been the projects that
12 we've done through this particular initiative.
13 And I've got say, they are buildings that would
14 have been demolished within five years if we
15 weren't able to save them and put them in the
16 hands of developers and incentivize that
17 development.

18 So it really allowed us to turn things
19 around in our central business district, which is
20 oftentimes the litmus test of a community
21 success. If things look good there, then people
22 are more encouraged to invest in neighborhoods
23 and fix their homes and maintain their homes.

24 A few other things that we've done that
25 have helped us, and I think would help other

1 communities, we are requiring people to register
2 vacant properties. And it's not punitive, but we
3 are requiring that to happen. It's free to
4 register your property, but if you maintain a
5 vacant property and don't do something with it,
6 then we actually do have an increasing cycle of
7 -- it will cost you more to hold onto a property
8 and not do something with it.

9 So it's really -- we do that for our
10 first responders, our police and fire. We need
11 to know what buildings are vacant. We need to
12 know what's going on in those properties. We
13 want to make sure they're maintained. And also,
14 we want to make sure that people understand we're
15 keeping an eye on them.

16 So just in summary, some of our keys and
17 roadblocks to our blight fight, I think a few of
18 the things that we've done that have helped us,
19 we have changed our zoning in our downtown and in
20 our whole city to try to respond best to the
21 things that we saw as things that allowed neglect
22 to happen. The aggressive enforcement of codes
23 and vacant properties.

24 collaboration. Obviously, this type of
25 thing is so important for us and education,

1 making sure people understand what we are doing.

2 There is a new project that they're doing
3 in the county that allows municipalities such as
4 ourselves to review bidder lists of people who
5 are going to buy properties. So important. It's
6 really -- it has been great because it allows us
7 to make sure that we are not allowing more
8 problems into our communities because it's really
9 the same four, five, six characters that seem to
10 show up in Pottsville, Mahanoy City, Tamaqua.

11 The same people are buying properties and
12 neglecting those properties. So being on the
13 same page with that has been crucial, even though
14 they probably will change their name and we'll
15 have to chase them down again.

16 Support of our legislative delegation. I
17 can't say enough about the support that we've
18 received and the staff. You know, Mary Beth
19 Dougherty is probably our local blight
20 specialist. And any time we have a question, we
21 can go right to Mary Beth. Not only does she
22 tell me if I sound crazy or not, but also she
23 usual builds on it a little bit and helps out.
24 So we can't say enough about that support that we
25 receive from all of our legislators. Thank you.

1 A few of the roadblocks that we have.
2 Properties not being insured. If we look at the
3 properties we've demolished with taxpayer money
4 and grant money that comes from the taxpayers
5 ultimately, it's because properties are not
6 insured. We believe that every property that you
7 own in the State of Pennsylvania needs to have
8 basic fire insurance to cover the cost of the
9 demolition. So that's something we really feel
10 strongly about.

11 Also, the fire restoration law. We
12 believe it needs to be revised a bit. Right now,
13 I believe it's \$1,000.00 for every \$7,500.00
14 worth of damage, and that needs to go up. Also,
15 we don't get any money unless there's 60 percent
16 or more damage to the property. You know, we
17 believe that there should be no percentage. If
18 there's a fire, we should get extra money because
19 if someone walks away from a property, if there's
20 50 percent damage, then again, we're still
21 holding the bag for that. And that's an insured
22 property. So we believe that that could help us
23 and all municipalities a great deal.

24 Of course, you know, banks end up with
25 properties. They don't always like to take

1 responsibility for them once they own them.
2 That's a problem. You know, it's this little cat
3 and mouse game we play with LLCs to find out who
4 owns them. Sometimes it's the same with the
5 bank. We go to them. We want them to fix a
6 property. They'll say, well, we don't own it.
7 It's in Tom Palamar's name. Well, Tom Palamar
8 said it went back to, you know, ABC Bank.

9 well, you know, we know where the bank --
10 the property is. So in any event, we would love
11 to see them be held accountable for the property
12 which they're going to benefit financially from
13 at some point in time.

14 And of course, funding. You know, we
15 always say in Pottsville and you know, we want to
16 show you folks that we can do things on our own
17 before we ask you for money, and that if you give
18 us money, it's going to be money -- an
19 investment, not just a grant for us to spend. So
20 you know, we believe that we are doing our part
21 to show you that with the tools that we have and
22 the tools that we can be creative and spend our
23 money and your money very wisely, the taxpayer's
24 money wisely.

25 However, I think local governments need

1 some seed money sometimes just to help them do
2 these initiatives because if not, then it will
3 fall again on the burdens of the taxpayers. And
4 some of them can't afford it. I think that's --

5 I'm used to talking fast at city council
6 meetings because I like to keep them brief, so if
7 anybody has any questions or comments, I'd love
8 to respond.

9 MAJORITY CHAIRWOMAN BROWN: Thank you
10 very much for your testimony. I'm sure we have
11 some questions.

12 Representative Lewis DeRosso.

13 REPRESENTATIVE DELROSSO: I have a
14 question. Do you have a local chamber that has
15 been functioning for your south central business
16 district currently?

17 MR. PALAMAR: Yes, we do. And they're
18 very active.

19 REPRESENTATIVE DELROSSO: Okay. So in
20 terms of recruiting small businesses to come in
21 to build your economy so then people have more
22 foot traffic -- I mean, that's what local
23 communities normally like, do you have an active
24 way of doing that? And is there a way that, you
25 know, I think as legislators we can help you at

1 the higher end for that?

2 MR. PALAMAR: Absolutely. It's a great
3 question, and it leads me to something. We also
4 have an entity in the City of Pottsville called
5 the Pottsville Area Development Corporation,
6 which is our economic development entity. And
7 they do work in conjunction with the Chamber and
8 the city to draw businesses to Pottsville.

9 In fact, we're doing this Launch
10 Pottsville business competition right now, where
11 the Redevelopment Authority and some other folks
12 have contributed a great deal of money in it --
13 to it, where people are submitting business ideas
14 to us now, and then we're hoping that we get some
15 great start-ups in Pottsville. So we're -- we do
16 have a great collaboration with the Chamber and
17 also PADCO.

18 MAJORITY CHAIRWOMAN BROWN: Thank you.
19 Representative Merski.

20 REPRESENTATIVE MERSKI: Thank you, Madam
21 Chair.

22 Thank you for your testimony today.
23 It was excellent. You gave us a lot of good ideas on
24 policies and legislation that we can put forward to help
25 you to combat blight. I just had a question about since

1 the inception of the task force in 2012 what trends have
2 you seen? Have you seen blight increase, decrease, stay
3 the same, and just anything along those lines of trends
4 that you've seen since 2012 -- since the inception of
5 the task force?

6 MR. PALAMAR: Thanks for the question.

7 And we always, you know, we always say
8 it's sort of like a thing, once you fix your
9 doorknob, then you see the door that needs to be
10 painted and the window. So we always are our
11 biggest critics and see more. However, we're
12 seeing a definite difference and a decrease.
13 When we started this, when we sent letters out to
14 the people on our blight list, we would be lucky
15 if we'd get one call back. Now, we have about an
16 80-percent response rate when we send those
17 letters out because they know that we mean
18 business.

19 REPRESENTATIVE MERSKI: And just a quick
20 follow-up.

21 I wanted to thank you for that because
22 I'm from Erie, the City of Erie. Population of
23 about 100,000. And to see your quality of life
24 tickets, we as a legislature, give municipalities
25 tools, but the tools are only as good as the

1 people using them. And it's good to see that
2 you're using these.

3 And I love the fact that you're working
4 with -- it's not punitive. You're working with
5 the landowners, the homeowner, property owners to
6 make sure that they remediate the issue before
7 you issue the ticket. I think that's a good
8 thing. You want to -- you know, you don't want
9 to hammer everybody, but at the same time,
10 knowing that you have that big stick if you need
11 it, thank you for your testimony today.

12 This was excellent.

13 MR. PALAMAR: Thank you.

14 You know, the one thing that is also a
15 positive to the quality of life tickets. It is
16 something we can deal directly with the property
17 owner with. If we issue a citation, that's going
18 to eventually go to a magistrate to a district
19 justice. This allows us to sort of control that
20 a little bit without clogging up the judicial
21 system more than we probably already will be
22 later with other people. So it's a nice little
23 tap.

24 MAJORITY CHAIRWOMAN BROWN: Senator
25 Argall.

1 SENATOR ARGALL: We all remember the
2 trends. People wanted to leave larger
3 communities and move out to the suburbs or the
4 farms. But in the last few years, I think, in
5 Allentown, Philadelphia, Lancaster, we've seen
6 some real success stories in communities, large
7 and small, with new housing, rehab housing,
8 especially for millennials.

9 Is there any evidence of that really
10 happening here in Pottsville? And if not, how
11 could we light that fire?

12 MR. PALAMAR: Great question.

13 As we are looking into our community and
14 what the needs are, we have seen a remarkable
15 need for market rate housing in our city. And
16 the Redevelopment Authority has taken that on as
17 one of our priorities moving forward in working
18 with developers, people who obviously we'd love
19 it to be in our downtown where it's really
20 needed, but also in neighborhoods, as well, to
21 create better housing so that we can allow people
22 to live and work here and keep people in our
23 city.

24 MAJORITY CHAIRWOMAN BROWN: Thank you.

25 I have a quick question. And because of

1 the volume of the blight -- and much of what we
2 saw yesterday, as well -- the agenda that you
3 mentioned was, listen, to try to rehab as much as
4 you can, which is wonderful, but obviously, the
5 cost of rehabbing for different owners, depending
6 on their situation, or if it's an LLC, it might
7 be a slightly different approach, but the
8 demolition piece of it -- the cost of the
9 demolition, the process of the demolition, can
10 you go into that a little bit as far as how much
11 that would cost you, how you start to approach
12 that?

13 It does seem like some of the
14 conversation that we had even yesterday during
15 the tour was, boy, you know, it might be better
16 to just demolish, you know, a street and rebuild
17 and refocus on that one section. But obviously,
18 that's probably a large cost. And then there's a
19 lot of red tape with that, as well, and
20 everything else.

21 But on the demolition, is it getting more
22 and more expensive to do demolition? And sort of
23 that process would be helpful.

24 MR. PALAMAR: Sure. We always believe
25 that creating a nice group of demolition

1 contractors who we know and can trust is really
2 key. So we have three or four that work with us
3 on a pretty regular basis. And we get pretty
4 good prices from them. And I was real worried
5 the last -- we just awarded -- in fact, we just
6 awarded a few last Monday night at council we
7 awarded a few more. And the prices were about 20
8 percent more than they had been in the past, but
9 still affordable for us. We could still do it.

10 what we normally do is we go through our
11 list of the bad properties. And then, those that
12 are really -- can't be repaired, we'll go and
13 we'll re-prioritize those. That's how we decide
14 what we're going to do. We have a pretty thick
15 set of bid specs. You know, we like the
16 properties to be left in a condition that we can
17 have them renovated.

18 And obviously, as we move forward to
19 Senator Argall's comment about housing, you know,
20 we do believe that there will be parts of our
21 community that we will be able to, number one,
22 demolish. And then two, possibly encourage some
23 creative housing options for people at some point
24 in the future. So I think we do believe that
25 that's the best use of the real estate.

1 So we are looking to, again, try to
2 create some creative approaches to make the best
3 of these sites that unfortunately once had a
4 home. We'd love to see a home be there again.

5 MAJORITY CHAIRWOMAN BROWN: Thank you.

6 And we did see some great success stories
7 yesterday, too, with that type of initiative, but
8 just curious on the demolition.

9 Thank you very much.

10 MR. PALAMAR: You're welcome.

11 MAJORITY CHAIRWOMAN BROWN:

12 Representative Twardzik.

13 REPRESENTATIVE TWARDZIK: Thank you.

14 Mr. Palamar, appreciate all the good
15 news. You know, began in 2012 when we toured
16 Chairman Sturla's district, Lancaster, they
17 talked about the blight challenges. And he's
18 been doing that for 30 years. And they mentioned
19 that they are finally building market rate
20 apartments downtown. So it took them 30 years to
21 get there. But we're looking at building market
22 rate apartments in town now. We're looking for
23 the housing in 10 years, so we're ahead of the
24 curve with a lot more to go.

25 You had a registration list, which I have

1 introduced a bill, HB 1791, which is going to
2 register blighted properties. And the reason we
3 want to do that is we need to get an accurate
4 count of who has them. We also want to hold them
5 accountable. There will be a fee, so every year
6 they'll have to pony up a little bit of money
7 that they didn't forget they own this property.
8 And sometimes what happens is someone buys a
9 property, lets it go. And eventually, it gets so
10 bad that we as taxpayers have to buy it, then
11 tear it down and take care of the problem. So
12 we're rewarding bad behavior. So this is a way
13 to try to get them on the list and keep up with
14 them.

15 Again, our towns here, Mahanoy City has
16 500 properties that have been identified. And
17 Shenandoah, I believe, is 700. And we were
18 ranked fourth in the country, I believe, as far
19 as properties, empty properties. So we've got a
20 lot of work to do ahead of us, but I've attended
21 your meetings. It's been very informative. It's
22 good for us, and we're going to take and
23 replicate what you do throughout the rest of our
24 county.

25 Thank you for coming.

1 MR. PALAMAR: Thank you.

2 MAJORITY CHAIRWOMAN BROWN: Thank you.

3 Representative Williams.

4 REPRESENTATIVE WILLIAMS: Mr. Palamar,
5 thank you.

6 Mrs. Chairwoman, thank you, as well.

7 Just a quick observation on yesterday's
8 tour. One of the things that was obvious to me
9 was that I saw blighted properties, but I did not
10 see what appeared to be the misuse of those
11 vacancies. Typically, blighted properties are
12 coupled with drug infestations, crime, criminal
13 elements.

14 So I'm curious, has that been a problem?
15 And if not, how have you managed to avoid that?

16 MR. PALAMAR: The -- we call them
17 attractive nuisances oftentimes, you know,
18 properties that become vacant, that become, you
19 know, used for illegal activities, homelessness,
20 you know, other things that people shouldn't do.
21 It has been a problem for us. They normally
22 become our top priority properties.

23 We actually had the Pennsylvania National
24 Guard come in two summers ago and help us board
25 up those properties. So in the instances where

1 those things become a real serious problem for
2 us, we actually go in and purchase plywood and
3 we'll board them up. Thankfully, we haven't had
4 a lot of that. We have a real good police force,
5 as well, and they are in this blight fight with
6 us 100 percent. So normally, we'll make sure
7 that they understand that there is a problem.
8 They'll keep a close eye on it during their
9 patrols. But collaborating with the National
10 Guard to have them boarded up has also been a
11 good thing.

12 MAJORITY CHAIRWOMAN BROWN: Thank you
13 very much.

14 And as the Executive Director to the
15 Committee, Christine has a question and has been
16 very, very helpful. So -- you had a question.

17 MS. GOLDBECK: Thank you very much for
18 your testimony.

19 I actually have two questions and one
20 comment, and I'll be as brief as possible.

21 Your home grant, it's a grant program,
22 not a loan program?

23 MR. PALAMAR: It's a forgivable grant
24 over five years. So once we give you the money,
25 as long as you don't sell your home, we forgive

1 the grant 20 percent.

2 MS. GOLDBECK: Did you do that by
3 ordinance?

4 MR. PALAMAR: No. We did -- it's just
5 part of our program guidelines.

6 MS. GOLDBECK: Okay.

7 MR. PALAMAR: It was -- we applied for
8 the grant through the -- City Council allowed me
9 to apply for it through resolution.

10 MS. GOLDBECK: Okay. The grant, state
11 Federal, both?

12 MR. PALAMAR: It's Federal home money
13 administered by the Pennsylvania Department of
14 Community Affairs.

15 MS. GOLDBECK: Okay. Do a lot of people
16 take advantage of that, use it to --

17 MR. PALAMAR: Yes. We have a waiting
18 list, and I think that's the trick. That's why
19 we were so successful in getting a second grant,
20 because we did a lot of marketing. And I always
21 say to the folks at DCED, it's really not up to
22 them to help us market our, you know, projects.
23 It's up to us.

24 So we had about a 20-person waiting list
25 when we applied for the second time. So it was

1 probably hard for them to say no.

2 MS. GOLDBECK: That's excellent.

3 Blight Task Force bipartisan, bicameral,
4 led by Senator Argall, who took it over for the
5 late Senator Jim Rhoades. And we're all pretty
6 much involved in that. We just looked at
7 Manessens. Manessens has a program that they are
8 doing tax abatement for people who do home
9 improvements. So we found that interesting. We
10 can -- Mary Beth or I can share that with you if
11 you --

12 MR. PALAMAR: Please.

13 MS. GOLDBECK: Second, I was keenly
14 interested in when your Blight Task Force
15 identifies the property, I think you said the
16 worst of the worst, you then go to city council
17 with a list?

18 MR. PALAMAR: Yes.

19 MS. GOLDBECK: And then what happens?

20 MR. PALAMAR: We put them up on a big
21 screen with pictures of the property, the
22 condition of the property, the owner's name, the
23 owner's address. And then, normally the
24 newspaper will pick up on it, too. A little bit
25 of public shaming.

1 MS. GOLDBECK: So it's very much like
2 Allentown's wall of shame?

3 MR. PALAMAR: Yeah.

4 MS. GOLDBECK: Allentown ran a wall of
5 shame that was very, very successful. It sounds
6 like the same principle.

7 MR. PALAMAR: Yeah. I mean, we hate for
8 it to get to that point. And we have reached out
9 to these folks before. We certainly don't want
10 that to be what we do or to be known for it, but
11 if that's the only thing that gets their
12 attention, then so be it.

13 MS. GOLDBECK: Okay. And then just a
14 comment. You had brought up about the LLCs. We
15 actually have finally managed to pierce the
16 corporate veil. Earlier this year, my bosses and
17 the Senate passed HB 264. It was Doyle Heffley's
18 bill. It's now Act 33. And what it says is that
19 any LLC that is going to bid, a tax sale, they
20 have to identify all of the officers. So they
21 can, you know, the TCBS, the tax claim bureaus
22 can track them.

23 That's been something that we have been
24 trying to do since 2008 when we did Act 298, the
25 blight law. And we just keep going in. And

1 every time we can make a little bit of progress
2 for you guys, we make it. And so Act 33 is now
3 in use and you should start to see your TCBS
4 using it.

5 MR. PALAMAR: Thank you so much.

6 MS. GOLDBECK: You're welcome.

7 MAJORITY CHAIRWOMAN BROWN: Thank you,
8 Mr. Palamar, for your testimony.

9 MR. PALAMAR: And thank you for all the
10 work that you do. Thanks for giving us the tools
11 to help ourselves. We appreciate it.

12 MAJORITY CHAIRWOMAN BROWN: Thank you.

13 And before we announce our next
14 testifiers, I also want to announce a few people
15 in the audience. We have Tony Shandone
16 [phonetic] from Shenandoah Borough. He's the
17 Shenandoah Borough manager.

18 where's Tony? Good morning. Good.
19 Thank you for being here.

20 We also have Phyllis Chamberlain from the
21 PA Housing Alliance. Phyllis, there you go.
22 Good morning. Thank you for being here. Okay.
23 Our next testifier is Sandra Fisk, who is the
24 Mahanoy City Borough Manager.

25 MS. FISK: Good morning.

1 MAJORITY CHAIRWOMAN BROWN: Morning.

2 Ms. FISK: Is that okay? Can you hear
3 me?

4 Good morning. My name is Sandra Fisk.
5 I'm the borough manager of Mahanoy City Borough.

6 I would like to introduce you to Bill
7 Killian. He's our code officer. He's been the
8 code officer in Mahanoy City for the past 14
9 years. So he has a lot of history, and I think
10 that his testimony will be very helpful.

11 I'd like to thank the Committee for
12 inviting us. We in Mahanoy City find this issue
13 to be very, very prevailing in our area. So the
14 fact that you guys are working so hard on it just
15 makes us feel very supported. We feel very
16 supported by Senator Argall and Representative
17 Twardzik. They have been behind us 100 percent
18 in all of our efforts. So we thank them and we
19 thank you for having us.

20 Okay. A little background. I am the
21 manager of Mahanoy City Borough, and I've only
22 been there since this January. And I will tell
23 you that I come from a very rural community in
24 Luzerne County, so blight is something that I
25 have had to take a quick class on in the past 10

1 months. And I think that I'm in the right place
2 for it because Mahanoy City really cares about
3 cleaning up blight, not just to do the
4 demolitions, which we all see, but also to try
5 and rehabilitate. Unfortunately, on the tour
6 yesterday, we didn't get to go under the bridge,
7 to go up to the Kyer's Park [phonetic] where you
8 could have really seen a great success story.

9 we're actually on phase three of that
10 rehabilitation of that area. We just applied for
11 another grant for the phase three to make that
12 park. And the community uses it, and it's
13 beautiful. If you ever get the opportunity go
14 see it, please do.

15 The history of Mahanoy City was really
16 the first part of our testimony, but we all know
17 where this came from. It was coal mining. The
18 community had 15,000 people back in the early
19 1900s. Now we're -- we just recently got our
20 numbers. They're less than 4,000. So the
21 infrastructure is still there. The housing is
22 still there. The buildings are still there, and
23 the people are not. So this is what we battle
24 each day.

25 what I have been mostly impressed about

1 Mahanoy City is our ability to find funding and
2 to commit funding. We commit real estate taxes.
3 Up to one and a half mills of real estate taxes
4 we commit every year just to our blight program.
5 And that's not just for taking houses down.
6 That's for acquisition. That's for
7 rehabilitation. That's for whatever needs to
8 happen in our blight programs.

9 This started back in 2014 where council
10 voted and decided to make a serious commitment to
11 blight. We also are now a home rule community.
12 And so with our earned income taxes, we commit
13 \$50,000 out of our earned income taxes -- that
14 could be going into our operating budget, but we
15 put it specifically into a blight or demolition
16 fund.

17 We also have been, up until this year, a
18 CDVG entitlement community. And with that, you
19 can use 30 percent of your CDVG money towards
20 demolition, which is wonderful. But this year,
21 in addition to our normal 30 percent, since the
22 county didn't use all of their money, we have
23 allocated even more. So as of this year, we're
24 committing about \$45,000, just in our CDVG
25 entitlement to that.

1 That's money we generally can use, you
2 know, to help us get grants for like recreation
3 and things like that, but we're really, really
4 trying to put the funds where they need to be to
5 help clean up our community. We apply for
6 competitive grants wherever we can. In fact,
7 we'll be applying for one this year. And we did
8 just receive a blight remediation grant with the
9 help of Representative Twardzik and Senator
10 Argall for \$300,000 to the Commonwealth Financing
11 Authority.

12 So that's where the money comes from, but
13 the strategies that we have in order to identify
14 the properties that need the most attention, like
15 the gentleman from Pottsville was talking
16 about -- I mean, you know, where do you go first?
17 We all look at that. Where do we -- where do we
18 go first?

19 One of my first months working in Mahanoy
20 City, Bill took me on a tour of the community and
21 I was like, oh my God, that's a beautiful home.
22 Oh, that's such a shame. Oh, that's a beautiful
23 home. Like, you just go through and it's -- and
24 it really is just a little care could go such a
25 long way to making this a community -- I've never

1 seen people who care so much about their
2 community, and we want to be there to support
3 them.

4 So we started back in 2016, Mahanoy City
5 entered Act 47 distress status. And at that
6 time, they were assigned a coordinator,
7 Pennsylvania Economy League. And with that, they
8 did a blight plan. And with the blight plan that
9 they developed, Pennsylvania Economy League, PEL,
10 had a gentleman working on their team that could
11 kind of help manipulate data a little bit. And
12 we prepared -- he prepared this blight mapper
13 project.

14 The surveys were done. People walked the
15 town. Council members -- you did it. Members of
16 the community all got together and walked the
17 town, took pictures of properties, wrote down
18 what the blight situation was. And we prepared
19 what we would call our blight mapper. So it's an
20 online -- it's an interactive map. It shows --
21 and you guys will have a colored copy of the main
22 map in your testimony from me, but if you see,
23 there's grades of blight.

24 So from zero to two is maybe just needs
25 some repair, all the way to 8 to 10, which is

1 falling down pretty much. So the interesting
2 thing about this is we got the tax -- we got the
3 Tax Claim Bureau involved. And then we got
4 delinquent tax information and we wrote -- we put
5 that over the map, as well.

6 Now, I didn't take a picture of that, but
7 those would be in blue. So when you look at that
8 map, it's not just one area of Mahanoy City.
9 It's not like we can say, okay, East Pine Street,
10 that's the place where the trouble is. Look at
11 it. There's pink and red all over it, and the
12 same thing when you look through -- we put the
13 tax claim information right over top of it. So
14 that also helps us identify not only which
15 properties are in most need for repair or
16 demolition, but it also helps us recognize what
17 situation are they in because some funding
18 sources require it to be in delinquent tax status
19 or not.

20 And then we have to recognize what
21 strategies that we need to use in order to handle
22 the properties that we're looking at. So this is
23 a wonderful tool. We have actually budgeted for
24 the next year a couple thousand dollars in our
25 operating budget to try to go to the next level.

1 The gentleman that we have from PEL, he set this
2 up, but he's not -- this isn't something that we
3 have to maintain. We're going to look into
4 either buying a software or an app or something
5 that we can use, and which we would be more than
6 happy to share with the rest of the community,
7 you know, once we get it to the next level.
8 Right now, it's kind of in its infancy stages,
9 but we use it.

10 I mean, we pull it up, we look. What's
11 this property, what's the status, what's going
12 on? So this is something that I have found just
13 very, very special that our community is doing
14 with regards to that. With that, I'm going to
15 turn it over to Bill. He has a lot more history
16 and he can talk to you a lot more about, you
17 know, enforcement and different tools that we can
18 use in our community.

19 MR. KILLIAN: Good morning, everybody.
20 Again, thank you for the opportunity.

21 And to go on from what Sandra had said
22 with our blight mapper project, the next step of
23 that will be identified -- all of these
24 properties have already been identified. We will
25 now go through all of my code files and we will

1 also attach any notice violations, quality of
2 life tickets, anything relevant to blight, and
3 attach it to that also. So there will be a
4 complete history of the property, its owner, its
5 tax status, and if it is under current violation.

6 So that, moving forward, will be another
7 part of the puzzle. We had also talked about,
8 along with our remediation, back in 2015, our
9 then community leaders decided to start a
10 program, which is the demolition dumpster
11 program. And what they have done is any property
12 that was raised, they would then put that parcel
13 of land out for bid. It was very, very
14 attractive to those that lived around it because
15 it gave them the additional side yard or rear
16 yard, maybe for a garage or private parking or to
17 put up a swing set for their children.

18 So what we had done was we had taken
19 those funds and put them into its own account.
20 And then we offered to the community -- there may
21 have been times when we did not have money to
22 tear down properties, but those people showed
23 interest, like, hey, if I could buy this property
24 and tear it down, it would be great if I had a
25 little bit of help. So that's what this program

1 did for us. It allowed us to offer those people
2 up to \$2,000.00 in dumpster funds, again, to help
3 them tear the blighted property down that may be
4 next to them or behind them or adjoined to them.

5 It's a very successful program. We've
6 had a lot of people use it. I believe this year
7 alone we actually had four. We actually had an
8 individual that bought a double home with an
9 attached garage, and we gave him even a little
10 more additional funding to help. We also paid
11 those people, where it is in the tax sale, if it
12 has gone through all of its procedures and what
13 they call judicial liens where all the liens have
14 been wiped off, we as the code officer or the
15 officials, would write a letter to the Schuylkill
16 County Tax Claim Bureau and ask that they accept
17 whatever bid that the individual has placed on it
18 for the purpose of demolishing.

19 We've had great cooperation with the Tax
20 Claim Bureau on that. So it's just another
21 way -- it's kind of terrible that it falls back
22 on an individual that lives next to a blighted
23 property because we feel the responsibility
24 should be on that property owner, but again, it's
25 another tool. And it's small, but it's very

1 effective.

2 So with that being said, we'll go into
3 some of the problems and difficulties that I see.
4 I'm basically on the street every day for the
5 last 14 years. And it was great to hear that
6 there is a bill that has passed to help us with
7 the limited liability corporations. That was one
8 of our biggest.

9 We've had people go buy properties at a
10 tax claim and say they're so and so LLC. And
11 when you look up that property, it was like a
12 mailbox in the middle of a field. So obviously,
13 the problem persists. There are problems that I
14 see -- and I'm sure everyone in this room runs
15 into. So under the code, there's a certain
16 procedure that we need to follow for a blighted
17 property, which is what is called the notice of
18 violation, which tells the person that, hey, you
19 have this problem with your house. We're giving
20 you X amount of days to take care of that
21 problem.

22 However, what happens is when we send
23 that notice of violation -- and if the person
24 fails to correct -- we simply issue a citation at
25 the local magistrate. If that person fails to

1 then respond to that notice that they're
2 currently being cited for a problem with their
3 property, a bench warrant is issued. From there,
4 it goes no further. We do have -- I understand
5 we have those that help with extradition for
6 people that live outside our community.

7 Unfortunately, I think it's -- it's not working.
8 There's not -- it's too time consuming, and I
9 don't think sometimes it's worth the money to
10 send a police officer to Florida to bring
11 somebody back to Mahanoy City because their
12 windows are broken out of their property. It
13 doesn't work.

14 Maybe a possible solution to that is a
15 relaxation of services rules. Would it be
16 possible to have a hearing without the person
17 even being involved and being physically in the
18 courtroom? That way we could continue to get the
19 code -- I'm sorry, establish a code history on
20 the individual and the property that allows us to
21 take it a step higher.

22 We did have -- in the Crimes Code, there
23 was Chapter 75, the Municipal Housing Code
24 Avoidance. That has been appealed -- or
25 repealed. That was a major blow to us. What

1 that allowed us to do was after four or five
2 convictions, we could then turn that case file
3 over to the police and this person could be
4 charged criminally. That has since been taken
5 away. That was our teeth.

6 we now really only have to fall back on
7 what they consider the housing property nuisance.
8 And I have that here. So we have -- public
9 nuisance, I'm sorry. We had a case where we did
10 file on someone criminally for this public
11 nuisance. What had happened was the roof had --
12 it leaked and eventually collapsed, and the back
13 portion of the house kind of shifted and fell
14 over onto the neighboring structure.

15 Unfortunately, we lost that case because
16 it was not deemed a nuisance. It was a private
17 matter between two property owners. So that
18 individual was found not guilty on that. I think
19 the public nuisance law itself is -- there's no
20 bookends on it. It's kind of an open thing. So
21 short of a building falling out into the street
22 where it can physically hurt someone and that --
23 it is then a nuisance to the public, that's where
24 this comes in. But again, the housing code
25 avoidance, that -- I think that needs to be

1 revisited and something needs to come out of that
2 because it's just not -- we don't have anything
3 to fall back on at this point.

4 I have, for instance, in my 14 years
5 probably in the neighborhood of 700 citations
6 with 331 warrants that needed to be served for
7 housing code violations. So we've run to a point
8 where we're at the end of the rope. And the
9 public perception is not good when that happens
10 also because obviously, we all know, he's not
11 doing his job. Yes, we are. We just ran out of
12 options.

13 Another problem that we ran into -- and
14 actually, it was on part of our tour where we
15 were at, Main Street. And the property at the
16 rear had fallen down, and it's still standing.
17 Is -- that person has filed for bankruptcy.
18 That, again, is a hurdle for us. Because at that
19 point, all -- all proceedings that we do on that
20 property cease once a person files for
21 bankruptcy.

22 Now, there are ways you can get the
23 property forgiven, but again, the individual is
24 not going to tear it down in bankruptcy. It
25 falls back on us again. And Mr. Palamar had

1 talked about the ability to deny permits. Again,
2 a very effective tool. That is only really
3 community-specific. I know about everybody
4 that's in my community who owns properties, and I
5 know if Joe owns five properties and he comes for
6 a permit on one and he has an open violation,
7 we're going to deny his permits.

8 what I thought would be a great
9 opportunity is to have a statewide database that
10 we can all look at as code officers, public
11 officials. If Joe has a property in
12 Philadelphia, I should know about it. We could
13 -- we could stop issuing permits for that. So
14 again, there are some of the things that I had
15 saw. There are many, many more, but these are
16 the ones that I typically run into on a daily
17 basis.

18 And that's pretty much what I have. And
19 again, thank you for your time and coming here to
20 see our problems.

21 Thanks again.

22 MAJORITY CHAIRWOMAN BROWN: Thank you
23 very much, both, for your testimony and the
24 strong details that you included, which are
25 helpful for us.

1 One quick question that I have is on your
2 demolition dumpster program. That -- the
3 \$2,000.00 or maybe possibly more, depending on
4 the situation, that funding comes from your 1.5
5 mill blight money that -- your remediation money
6 that you use in the city?

7 MR. KILLIAN: We allocate a portion of
8 that, but we also -- any -- once we take a
9 property down and then it's deeded in our name,
10 we then place that parcel out for bid, for people
11 to bid on. So whatever we get in in that bid
12 goes back into that program --

13 MAJORITY CHAIRWOMAN BROWN: You can use
14 some of those dollars on that?

15 MR. KILLIAN: -- to regenerate. Yeah.

16 MS. FISK: Right. And that was one of
17 those properties that you guys saw yesterday on
18 the tour that we brought you up to on Spruce
19 Street --

20 MAJORITY CHAIRWOMAN BROWN: Yes.

21 MS. FISK: -- where that corner lot, that
22 was one that we had taken down the property. So
23 then we had put that out for bid. We put a bunch
24 of our properties out for bid this summer. And
25 that one sold to the neighbor. As you can see,

1 he's fixing the house and he's going to make a
2 nice yard there. But the funds that we got -- I
3 think we got like \$1,000.00 for that property, or
4 \$3,000? It was like \$1,000.00 for that property.
5 Every little bit helps. You know, we put it into
6 the pot. And then we have the opportunity, you
7 know, to go ahead and provide assistance. If a
8 community member wants to come and take a
9 property down that's next door to them, we want
10 to help.

11 MAJORITY CHAIRWOMAN BROWN: Great. Thank
12 you very much for that clarification.

13 MS. SANDRA: Sure.

14 MAJORITY CHAIRWOMAN BROWN:
15 Representative Solomon.

16 REPRESENTATIVE SOLOMON: Thank you,
17 Chairwoman.

18 Thank you for the testimony.

19 You know, Mr. Palamar had talked about
20 sort of an entry point, it seems as Pottsville,
21 as they have this meeting with council and they
22 put up on the big screen and media and public can
23 see these properties. And the hope is that
24 begins the coordination and collaboration around
25 fixing this problem.

1 So I'm interested in your process. And
2 you say you do -- you do one of these blight
3 tours. Is that an ongoing process?

4 MS. FISK: When they developed the
5 mapper, it was just the survey that they did.

6 REPRESENTATIVE SOLOMON: Right.

7 MS. FISK: That was pretty much -- when
8 was that? That was like 2016, '17?

9 MR. KILLIAN: It was actually, I believe,
10 2019. It was, again, community leaders, myself.
11 And we actually had the Blue Mountain School
12 District had sent students up. We had an app on
13 our phone that we went to every single property,
14 and we were able to identify all of its
15 deficiencies and then take a picture of it. And
16 it relayed back onto this map.

17 REPRESENTATIVE SOLOMON: So '19, everyone
18 is at the table --

19 MR. KILLIAN: Yes.

20 REPRESENTATIVE SOLOMON: -- everyone is
21 engaged?

22 what do you do right -- do you know what
23 happened right after that mapper was done?

24 MS. FISK: well, that project actually
25 just got finished. We did -- the whole thing --

1 we finished just overlaying the taxes. And then,
2 the next level will be the code violations that
3 we're going to lay over the mapper.

4 And our next step is going to be to get
5 an app together to use the data that we have and
6 make it more user friendly for us. And going
7 forward, we really haven't talked to council
8 about the next step as far as keeping up on the
9 data, if that's what your question is.

10 REPRESENTATIVE SOLOMON: So mapper code
11 violations and then taking to the granular about
12 you identify one blighted property on that map,
13 what do you do next?

14 MS. FISK: We have a list.

15 MR. KILLIAN: Yeah, we really haven't
16 gotten to that part yet.

17 MS. FISK: Right. Right. Yeah, we have
18 a list of where we're going next. So when we see
19 a funding opportunity, we have a list of probably
20 top 25; is that accurate?

21 MR. KILLIAN: Yeah, that's accurate.

22 MS. FISK: We have probably a list of our
23 top 25. And then we can recognize funding
24 opportunities, then we can see what we can do
25 next. Like I said, we have the CDVG money for

1 this year. We're going to identify which ones of
2 the top 25 we can take care of. And then --

3 REPRESENTATIVE SOLOMON: And you deal
4 with those top 25, who's around the table to
5 address them? Obviously, it's the two of you.
6 Who else is part of this process?

7 MS. FISK: We have a committee system
8 with our council, which is great. So we do
9 actually have a blight committee for our borough
10 council that gets together and we discuss those
11 kinds of things. Obviously, with Bill in
12 conjunction of it.

13 We talk about when we do get a grant, you
14 know, what our next step is going to be and which
15 properties are going to be identified. We get
16 our solicitor involved in whatever we need to as
17 far as acquisition goes, if we need to acquire
18 the properties or not. And I can tell you that,
19 unfortunately, a good portion of the demolitions
20 I've seen this year, just in my first year are
21 because of safety.

22 I mean, the one that you guys saw on our
23 Centre Street, that fell out into the street.
24 There's a picture of it back there. So that was
25 a safety issue. That was an emergency, and I've

1 seen quite a few of those. And I'd like not to
2 see any more of those.

3 REPRESENTATIVE SOLOMON: So last one,
4 what about your process currently is working and
5 what is not working?

6 MS. FISK: I think the process -- I think
7 our process is working pretty well. I've got to
8 be honest with you. I think that the Committee
9 is very engaged. I think that Bill has a lot of
10 data. We have a lot of help from Jim Rhoades,
11 from Alfred Benesch, the late Senator's son. He
12 actually lives in the community.

13 He has given us data on a lot of
14 properties to help us along our way. So I really
15 feel like our process is going pretty well. I
16 feel like some of the things that Bill identified
17 would be really helpful for us to, you know, move
18 to the next level on some of those things. But
19 right now, I feel like our process is going well.

20 It's a big thing. And like Senator --
21 Representative Twardzik said, I mean, some of
22 these communities, they take 30 years to get
23 where they need to be. If it takes us that long,
24 it's okay, slow and steady. We'll get there.

25 MAJORITY CHAIRWOMAN BROWN:

1 Representative Knowles.

2 REPRESENTATIVE KNOWLES: Thank you, Madam
3 Chair.

4 And thank you for testifying today. As a
5 local government official, and continuing as a
6 State Representative, we hear from a number of
7 very frustrated constituents who happen to be in
8 the neighborhood where there is blight, maybe in
9 some cases one property that really, it looks
10 terrible. And you know, we're very sympathetic
11 to people who, you know, who have that issue.

12 I guess my question is, is there anything
13 that comes to mind with either of you that
14 something that we as legislators dealing with
15 legislation, that we could be doing? You know,
16 bearing in mind that we need to be concerned
17 about protecting the rights of the individuals,
18 but holding them accountable?

19 Is there any legislation that comes to
20 mind that we can do to help you?

21 MR. KILLIAN: Off the top of my head, I
22 -- not really. Again, all the things that we
23 had touched base on would certainly help. I
24 think the harsher -- and unfortunately, we get to
25 a point where you try to work with a person the

1 best you can, but the punishment, at the end of
2 the day, is not quite there. If it were more
3 harsh, I think people would be a little more
4 responsible.

5 we talked about the repeal of the Crimes
6 Code about the, you know, the Housing Code
7 Avoidance. At the end of the day, if a person
8 does not comply with an order, they are avoiding
9 what we're trying to accomplish, whether it be
10 tearing down the property or fixing it up and
11 making it another viable structure.

12 Again, I think there is a point where we
13 need to be stringent on people.

14 REPRESENTATIVE KNOWLES: A follow-up.

15 Yeah, you kind of went where I was going
16 to go next. Led by the honorable Senator, the
17 delegation has been successful in bringing
18 dollars back to the County to demolition of the
19 blighted property. And I always think to myself,
20 it's certainly a good thing. But do we send a
21 message to people when we demolish the
22 properties?

23 So they lose the property, but there's
24 never -- you know, whatever you sell the property
25 for, the chances of you making up what you've

1 spent to demolish it are very slim. And my
2 question would be, not as a whole, do you believe
3 that the judiciary -- and having said that, I
4 know that we had a meeting with part of our
5 judiciary, particularly the district magistrates,
6 impressing upon them as to the part that they
7 play in this. Do you think that the judiciary --
8 I know I'm putting you on the spot -- but do you
9 think that the judiciary is doing their job or
10 that they could be doing a better job?

11 MR. KILLIAN: In my area, I believe that
12 they are. Attorney -- or I'm sorry, Magistrate
13 Kilker and I, we work very well together. He
14 understands the difficulties that we run into.
15 He understands that blight is a big problem
16 within our community. He was actually even
17 involved in -- when we were doing the blight
18 mapper project, he was involved in some of the
19 meetings. And we tried to take steps to take
20 things back and ask for his input. What can we
21 do? What can we suggest to make things better
22 for us that would help us in that?

23 And again, I don't mean to beat the drum
24 here, but when we talk about the housing code
25 avoidance, prior to it being repealed, we had

1 taken 10 individuals and we had charged them
2 criminally. Out of them 10, seven never replied
3 because they were out of state owners. We were
4 fortunate enough to take three to court.

5 The one, again, we had lost because it
6 was not deemed a public nuisance. And the other
7 two simply took a plea agreement, which was nice
8 because, again, they were found guilty. They
9 admitted that they were guilty to this and we
10 ended up getting restitution for the costs of
11 demolition of the property. Now, it comes in
12 small portions, and it will take many years to
13 recoup all of the money, but it kind of shows
14 that if you have that stringent penalty, people
15 do seem to -- I don't know if they will comply,
16 but there is the opportunity to gain some of that
17 revenue back, though it's in small portions.

18 REPRESENTATIVE KNOWLES: I think it's
19 important to note that it's not as simple as our
20 constituents think it is. And you bring up, you
21 know, it sounds so simple that you fine them and
22 you make them fix it up, but it doesn't work that
23 way. And it even makes it more difficult when we
24 look at these properties and we realize the
25 number of absentee landlords.

1 I've got a situation in my neighborhood
2 where there's three guys from Philadelphia that
3 own it and they kind of walked away from it and
4 it's a real eye sore in the neighborhood.

5 So again, thank you for what you do.

6 And thank you, Madam Chairwoman.

7 MS. FISK: The only other thing I would
8 think of legislatively while I'm sitting here --
9 and I don't know what the regulations are in the
10 tax claim, but we also find it difficult that we
11 do have people that are identifying properties on
12 the tax claim. They want to purchase them. They
13 go to the county. They put their bid down, and
14 then some of them don't hear for a year. So in
15 that year's time, a property that somebody wants
16 to buy that could be rehabilitated, it is
17 deteriorating and sitting vacant, where, you
18 know, somebody could be buying it.

19 Now, I understand. I've spoken to
20 Schuylkill County, and I know they have some
21 staffing issues. They're very overworked and
22 they're getting a lot of property bids in. So
23 it's very challenging for them, but I don't know
24 what that process is as far as what they need to
25 go through before they can accept a bid and

1 actually, you know, have that purchase happen.
2 But you know, maybe something along those lines
3 that might streamline that process would be very
4 helpful for us because we have some properties
5 out there that are absolutely saveable and people
6 want to buy them.

7 I also don't want anybody to think
8 there's a bleak picture in Mahanoy City because I
9 see a lot of people coming in. We have so many
10 permits we put out. People are rehabilitating
11 houses. They're really trying. It's a community
12 that I feel like is really on its way up, but
13 that might be something that might be helpful for
14 us. If we could get those sales to go faster,
15 then we could get people in there fixing up the
16 properties and there wouldn't have to be a
17 demolition.

18 REPRESENTATIVE KNOWLES: Madam Chair, one
19 last thing if I may.

20 MAJORITY CHAIRWOMAN BROWN: Absolutely.

21 REPRESENTATIVE KNOWLES: I don't want to
22 monopolize the time, but one of the -- one of the
23 things that as a result of something very similar
24 to this, one of the ideas that was presented to
25 me was that as most of you probably know in this

1 room, when people fall behind in their taxes,
2 nothing really happens until I believe the third
3 time that they don't pay their taxes. And
4 somebody had suggested to me that, okay, you get
5 three bites at the apple. And that would mean
6 that you could come in and pay your taxes and you
7 can keep your property, but the next time you do
8 that, it would immediately be put up for sale.

9 I think that's a good idea because people
10 are making a game out of it where they just, you
11 know, they pay the taxes from three years ago and
12 they're always behind on their taxes. So I just
13 wanted to share that with you.

14 Thank you.

15 MAJORITY CHAIRWOMAN BROWN: Thank you,
16 Representative.

17 Representative Major.

18 REPRESENTATIVE MAJOR: Thank you,
19 Chairwoman.

20 And thank you for your testimony. I
21 wanted to talk a little bit -- we heard a lot
22 yesterday and today about these LLCs from out of
23 state that come in and buy up the properties.
24 You mentioned in Mahanoy City that you have
25 roughly 500 blighted properties.

1 Can you talk about the percentage of them
2 that are owned by these LLCs. And is there -- I
3 guess my question is you're talking about the
4 permits, and if somebody has a blighted property
5 you're denying them the permit. Are there 500
6 LLCs that own these properties, or are some of
7 them private, some of them -- can you comment on
8 that, please?

9 Thank you.

10 MR. KILLIAN: It's actually a mix of --
11 to give you a percentage, maybe 15, somewhere
12 around there, 15 percent maybe. Another problem
13 we see with it is we have -- we may have the same
14 individual file for multiple LLCs. So there --
15 they find ways to skirt the system and get around
16 what we're trying to accomplish.

17 And again, the permit denial is kind of
18 twofold. Yes, you do want them to fix up the
19 property, but again, if they have a property in
20 Pottsville, that needs to be fixed up first, you
21 know. Obviously, it takes precedence. So again,
22 we're not all about always denying those permits,
23 but again, we feel that people need to be held
24 accountable for other properties that they have
25 also.

1 And again, going back on your question,
2 some of the properties that we have that are
3 blighted can be -- they were legacy homes. The
4 last living person is now deceased. We actually
5 had one that was -- it was deeded in 1950 to an
6 individual. He was -- he died a number of years
7 ago. The house sat there and deteriorated.
8 However, the family, the relatives, even though
9 they had no legal responsibility to the property,
10 felt guilty and were paying the taxes, which made
11 it harder for us to, at the end of the day, do
12 what we needed to do to take care of that
13 property.

14 So again, going back to community or,
15 well, the Federal government programs, sometimes
16 guidelines help us, whereas in that instance, the
17 criteria is, is it blighted? Yes. Is it a
18 nuisance to the neighborhood? Yes. Are the
19 taxes delinquent? No. So that then eliminated
20 that possibility to use funding. So I think
21 there has to be some type of a leeway on that
22 also.

23 REPRESENTATIVE MAJOR: Thank you.

24 And that's a shame almost you have to ask
25 them to stop paying their taxes so you can help

1 them with their property. Hopefully that House
2 bill that was passed and signed into law will
3 help you with the LLC issue, but if it's only 15
4 percent of that is the issue, then it just --
5 the loss of population is really -- is really the
6 huge culprit here. And it's a hard -- it's a
7 hard issue to fight. Yeah.

8 Thank you very much.

9 MAJORITY CHAIRWOMAN BROWN: Senator
10 Argall.

11 SENATOR ARGALL: Just one quick point I
12 want to make sure the members of the Committee
13 understand. Representative Twardzik referenced
14 it earlier. The scope of the issue, the
15 demolition program has been, I think, helpful.
16 The State, as far as I know, we pay more to local
17 communities to take properties down than at any
18 time in the past.

19 Many of the counties take advantage of
20 the \$15.00 fee. Schuylkill County certainly
21 does. So that brings in millions of dollars
22 statewide. But we were so pleased to finally
23 track down that last million dollars, and then
24 for the County, for 67 communities, and then
25 Representative Twardzik and I had that meeting

1 with you where you reminded us that Mahanoy City
2 alone could use 15 times that rent amount that we
3 had for the entire county.

4 And so the scope of the issue is
5 extraordinary and any help from my colleagues in
6 helping us to find additional funding would be
7 very much appreciated in towns like Mahanoy City,
8 as well as in Lancaster.

9 Thank you.

10 MAJORITY CHAIRWOMAN BROWN: Thank you,
11 Senator.

12 And Christine is going to just make a few
13 comments. We do have, based on some of your
14 comments and some of the details -- and I
15 appreciate the suggestions as well as setting the
16 stage for what you're doing and the current
17 situation, but then also some of the suggestions
18 that could help you. And we do have a few pieces
19 of legislation in the works. So just as a quick
20 recap before we move onto the next testifier.

21 Thanks, Christine.

22 MS. GOLDBECK: You're welcome, Madam
23 Chair.

24 First, a quick question. Mary Beth and I
25 are shaking our heads over this Title 18. Do you

1 know the section number? And do you know when it
2 was removed?

3 MR. KILLIAN: I'm not sure when it was
4 removed. It was -- it's Chapter 75. It's 7510
5 Municipal Housing Code Avoidance.

6 MS. GOLDBECK: We'll be on that, I assure
7 you.

8 Okay. You had mentioned the -- by the
9 way, that was Phil Klotz [phonetic] who helped
10 you with your database, right? From PEL, was it
11 Phil Klotz [phonetic]?

12 MS. FISK: No, Adam Showski [phonetic].

13 MS. GOLDBECK: Okay. Okay.

14 MS. FISK: He actually did the computer
15 work.

16 MS. GOLDBECK: Did the computer work?

17 MS. FISK: Yeah.

18 MS. GOLDBECK: Okay. Okay.

19 You mentioned that a statewide blight
20 database would be helpful. We have been working
21 on achieving that since the late Senator Jim
22 Rhoades. Senator Argall has just been cracking
23 away at it, just like with the LLC, and we
24 finally got that done for you all.

25 we do have a bill that would establish a

1 statewide blight data registry. We all recognize
2 the importance of that. It's a little bit of an
3 uphill battle, but we're going to go back in and
4 fight it. So there is language being written now
5 by Chairman Sturla. And if you want to see
6 potentially what it could look -- what it might
7 look like -- we may have to tweak it a bit --
8 look at SB 1292 of 2008.

9 It was -- it was initially in what became
10 Act 90, our blight law, but back when we were
11 fighting for that blight law, there were things
12 we had to remove to get the Act. That was one of
13 the things, but we have gone back in to clean
14 that up. Okay.

15 Yep. That's it.

16 MAJORITY CHAIRWOMAN BROWN: Just a quick
17 update there, and to let you know we are still in
18 agreement on that statewide database.

19 So thank you very much for your
20 testimony. Appreciate it.

21 MR. KILLIAN: Thank you.

22 MS. FISK: Thank you all very much.

23 MAJORITY CHAIRWOMAN BROWN: Christine is
24 going to add one more comment, as well.

25 MS. GOLDBECK: I got -- I've got too many

1 papers in front of me here. You also talked
2 about the foreclosure and the timeframe. Act 32
3 -- and Mike McKeever will testify to this a
4 little bit later. Act 32 reduces that time frame
5 for vacant and abandoned property at sheriff
6 sale.

7 So what we've taken -- we tried to go
8 full hog for a lot of properties and we ran into
9 a lot of properties. So we backed off a bit and
10 said, okay, how can we still win dealing with the
11 vacant properties? So what we did is becoming a
12 game changer for those who are using it. As you
13 know, usually it's 300 to -- 350 to 500 days
14 about to do regular -- take it to property tax
15 sale. This new law, Act 32 absolutely reduces
16 it.

17 It still maintains, you know, all the
18 rights and the notification privileges, but it is
19 proving to be a game changer where it's being
20 used, vacant and abandoned, Act 32.

21 MAJORITY CHAIRWOMAN BROWN: Thank you,
22 Christine.

23 And I think as Chairman Knowles mentioned
24 before, you know, there's always that balancing
25 level of protection of rights of property owners

1 that we have to make sure we maintain while we
2 try to make things more efficient and productive
3 to take care of certain situations.

4 So thank you, Christine. Our next
5 testifier is Michael McKeever, attorney from KML
6 Law Group in Philadelphia.

7 Thank you for being here, Mr. McKeever.

8 MR. MCKEEVER: Thank you, Madam Chair.

9 And thank you to the Committee. I
10 appreciate the opportunity to talk about my law
11 practice and how it intersects with the issues of
12 blight and vacant and abandoned properties.

13 I've represented banks, lenders, mortgage
14 servicers. For the purposes of today, I'm just
15 going to call them the lender. I've been dealing
16 in foreclosure proceedings for over 30 years in
17 the Commonwealth. As a consequence of that
18 representation, I've also had more than my fair
19 share of interactions with tax sales, as we see
20 our clients lose properties or properties are
21 jeopardized by that.

22 I think some of the comments made today
23 regarding that process, I think, could be tweaked
24 and modified in some way to avoid some of the
25 issues that have been discussed today in terms of

1 identifying responsible parties. Over the course
2 of the 30 years of representation of lenders,
3 I've seen the lending community move from a, you
4 know, relatively local-based population of banks,
5 credit unions, savings and loans to a much more
6 national level of lenders. In fact, it's more an
7 integral part of global finance, if you will.

8 That's fantastic because I think it has
9 really reduced the cost of lending and has
10 offered opportunities to homeownership because of
11 that global reach. But for the local individual
12 and the local municipalities and local neighbors,
13 it has created a tsunami of frustration in trying
14 to find responsible parties. Because what
15 happens in mortgage finances is loans are
16 originated with a mortgage company, and soon
17 thereafter, they're packaged into a product that
18 is then sold -- bought and sold on wall street,
19 et cetera, as investment vehicles.

20 They're fantastic investment vehicles
21 because there's a steady rate of return. It's
22 over a fixed period of time. Everybody here who
23 has a pension owns a piece of a house, owns a
24 piece of a lot of houses in America because
25 pension funds are huge supporters of the housing

1 finance agency -- of the network of loans. So
2 the problem is that each one of those loans is
3 put into a package of loans that's owned by a
4 trust, an LLC. You can't always identify who
5 actually the mortgage servicer is. And that
6 mortgage servicer, on behalf of the loan owner,
7 is really the responsible party. They're the
8 responsible party to pay the taxes, to pay the
9 insurance, whether or not the loan is in current
10 status or in default. They're responsible to
11 repair the property if the homeowner refuses to
12 do so.

13 So over the last, I'd say 15 years, since
14 the, you know, rate recession in 2008 and
15 forward, there's been increasing emphasis and
16 increasing legislative responses to try to get
17 the mortgage companies and mortgage servicing
18 companies to step up sooner rather than later to
19 repair properties. The number one issue that
20 servicers are concerned about is if they are not
21 the owner of a property as a result of a
22 foreclosure action or otherwise, then going in
23 and repairing a property means that they have to
24 put more money into an already difficult
25 situation and that they may not be protected.

1 That is, that homeowner can come back,
2 resume making payments, take back the property,
3 they're still the owner and they can get all the
4 benefit of the lender doing that work without
5 perhaps ever paying taxes on additional sums.
6 They should, but there are ways for them to avoid
7 the payment of those sums.

8 So lenders, the line in the sand for
9 lenders is once a foreclosure is completed and a
10 sheriff's deed is recorded, there is not a
11 lender, a responsible lender in the United States
12 today that would not pay to maintain that
13 property once they are entitled. And in fact, in
14 many situations even before that, if there's an
15 imminent threat -- and we've talked about
16 imminent harm, whether to the property or even
17 the neighboring property, many lenders will step
18 in, depending upon what the status of the loan
19 is, et cetera, when required to do so.

20 And we think about lenders as, because
21 there's all these LLCs and trusts, et cetera, and
22 we look at a foreclosure proceeding, a complaint
23 in mortgage foreclosure in Pennsylvania, you'll
24 see all those different trust names there. You
25 know, essentially, there's about 10 major

1 servicers in the United States. There's probably
2 25 of any consequence, but it's really a small
3 concentrated industry. And they are bound by --
4 almost every loan is either insured by the
5 Department of Housing or Urban Development at the
6 Federal level, Fannie Mae, Freddie Mac, or the
7 VA.

8 Those four entities, all Federal
9 entities, account for about 80 percent of the
10 mortgage loans held in America today. The other
11 20 percent are held by private investors.
12 Generally, those loans are serviced by the same
13 mortgage service lenders that service the
14 government loans. Why is that important?

15 Because generally, those servicers are
16 servicers that have government-insured loans,
17 Fannie, Freddie, HUD and VA, are bound by the
18 dictates of those organizations to service loans
19 properly. They are also overseen at the Federal
20 level by the CFPB, Consumer Financial Protection
21 Bureau, which is something that came out of the
22 great recession in 2008.

23 That Bureau has tremendous regulatory
24 power over mortgage servicers in the United
25 States, and it has completely changed the way

1 mortgage servicers approach the servicing of
2 loans. If I can distill that to its core
3 essence, what the CFPB did is it's forced
4 mortgage lenders to remember that they were
5 working at a local level with individual
6 borrowers, and they've got to act that way in
7 processing the loans because before the focus was
8 on everybody but that end consumer or that
9 homeowner.

10 Obviously, that has benefits at a
11 community level. There are national property
12 preservation standards that these servicers abide
13 by. Those standards are developed under the
14 auspices of the Mortgage Bankers Association,
15 which is an industry trade group. They are
16 approved by Fannie Mae, Freddie Mac, VA, and HUD.
17 And essentially, those mortgage servicers have to
18 abide by those mortgage standards -- those
19 property preservation standards.

20 There was discussion about a statewide
21 database, even if there's not statutory authority
22 for that, at this point, you know, one of the
23 things I would encourage is the development of
24 that to share at a base level contact information
25 for the various mortgage servicers. As I said,

1 we're talking about a universe maybe of 25
2 servicers of any substance or size. How do you
3 find that out?

4 well, you know, there are the legal
5 pleadings that are filed. It unfortunately, is
6 not always clear who the mortgage servicer is,
7 but there are ways to figure that out. But
8 mostly, there is a legal action filed by an
9 attorney who is licensed and barred in the State
10 of Pennsylvania. And that attorney has a legal
11 obligation to protect their client, the mortgage
12 servicer or lender.

13 And I've done this over the years. I
14 say, if my law firm is involved in that case,
15 even though I have nothing to do with property
16 preservation at this point, we forever get
17 requests from local constituents, local
18 officials, we do sometimes represent our clients
19 in code enforcement actions. And what I've often
20 seen is, you know -- I once had a case where on a
21 Friday afternoon at 5:30, I got an e-mail from a
22 very large client saying my CEO was just
23 subpoenaed criminally, just sued criminally in --
24 somewhere in one of the local boroughs here in
25 the Commonwealth and they have to be here in

1 court on Tuesday.

2 And it turns out there was a long history
3 of attempted communication, but the right party
4 communication was not in place. And you know, it
5 eventually got worked out, but there's nothing
6 like suing the CEO criminally of a large national
7 lender to get a lot of attention.

8 Could they do a better job? Yes.

9 Every -- I would say one place to look is
10 once the sheriff's deed is recorded, there is a
11 certification of address that should be the
12 appropriate address for that mortgage lender.
13 That's a slow process though. Who wants to write
14 a letter these days, et cetera.

15 So I do think there's opportunities to
16 create e-mails and phone contacts for more
17 instantaneous response. States have tried --
18 New Jersey, I -- we sent out hundreds of notices
19 on every foreclosure, notifying different
20 municipalities and different taxing authorities
21 within the municipalities, as to who the
22 responsible parties are.

23 I can tell you that our experience is we
24 don't get a lot of notices back because most
25 properties don't have these blight issues or

1 don't have these code enforcement issues in the
2 foreclosure process. So I think putting a
3 blanket in like that probably doesn't help, but
4 what needs to help -- what needs to happen, I
5 think, what I've learned from Act 32 of 2018, the
6 vacant and abandoned property statute, is working
7 in conjunction -- and Bill mentioned this, and I
8 think Tom, as well -- that working in conjunction
9 with the local officials and the lenders when you
10 have a property that's blight or getting close to
11 it, and there is a mortgage on it, looking to see
12 if the mortgage is current.

13 If it's in default, I think it's really
14 much easier because there should be a
15 Pennsylvania law firm standing behind that, or a
16 Pennsylvania lawyer. And that's your first stop.
17 Another excellent resources is the county
18 sheriff's office who handle the sheriff sales
19 because those real estate deputies who handle
20 those sales, they know who to call when there's a
21 problem. And in terms of developing a database,
22 that's where some information sharing would be, I
23 think, ideal, especially for the code enforcement
24 officers.

25 One of the things that Act 32 did, it was

1 a statute that was designed to address vacant and
2 abandoned properties. It took such an inordinate
3 amount of time to get it passed because there is
4 such a concern on the consumer side, those folks
5 who represent homeowners who are in default, that
6 for goodness sakes, if -- what if the owner of
7 the property happens to be in the hospital or
8 never answers the door and we think it's vacant
9 and abandoned and that property is put into
10 foreclosure when, in fact -- and I'm talking
11 about a property that has to be in default, that
12 is they have not made payments, and then nobody
13 is quite sure if it's vacant.

14 As I would say, as we all would know what
15 a vacant property would look like. We all can go
16 to a property. You probably can figure it out.
17 I will tell you that nationally there is very few
18 judges who like to make that call, so -- which
19 means, as an attorney representing a creditor, I
20 have to go through my proof, I've got to bring in
21 hearings and witnesses and testimony. Well, all
22 of that adds time to the foreclosure instead of
23 compressing it.

24 And I totally understand why a judge
25 doesn't want to be making that call because

1 they're not quite sure. He or she may not know,
2 and they certainly don't want that blow-back when
3 it turns out that there was some unusual
4 circumstances there. So they're very
5 conservative in the determination.

6 New Jersey put a vacant and abandoned
7 statute on. It had great timelines. It said the
8 judge has to rule in 30 days. We filed 10 cases,
9 not one of them was decided in less than six
10 months. And the statute was designed to save us
11 six months out of an 18-month process. It didn't
12 save any time, frankly. And it added costs to
13 the servicer, so they're reluctant to do it.

14 Again, going back to Act 32, what I think
15 it did do was lay the ground work for future --
16 for future work. And the pandemic actually
17 highlighted this, but even going back to the
18 Great Recession, when we started doing homeowner
19 outreach for homeowners in default, what we found
20 is that about 30 percent of properties in default
21 were vacant and just nonresponsive.

22 Philadelphia was the first out of the
23 gate to do a mortgage diversion program. They
24 got a bunch of Federal money. They actually
25 employed door knockers for every loan that was in

1 foreclosure in 2008 and '9 when the program first
2 rolled out. And they knocked on every door. And
3 then they've got a hotline and they kept up with
4 the stats, and it's pretty consistent, about 30
5 percent are vacant or abandoned.

6 Coming out of the pandemic, you know, we
7 kept pushing our clients, look, I'm getting
8 calls, the neighbors are complaining. This
9 property is vacant. We couldn't figure out a
10 better way that it's vacant, but there was --
11 there's no's easy mechanism in Pennsylvania to
12 get it declared vacant from our perspective.

13 And I would also add that because of the
14 Federal regulatory oversight on lenders, God
15 forbid they make a mistake and they determine
16 that one property -- they say that one property
17 is vacant, they go through all of the stuff. And
18 what they go through is, you know, they hire two
19 or three companies who come out and inspect. The
20 reports have to match up. You know, they
21 obviously know if utilities are off. But you
22 know, these days you don't know if somebody has
23 got solar power or is running off a generator,
24 who knows.

25 So it's not just that. It's mail. It's

1 destruction of the property. Grass is not cut,
2 et cetera. I think in Act 32, we have 14
3 different requirements and we have to meet three
4 of those. Well, two have to be they're in
5 default and they're in default for 120 days. And
6 then, you've got to meet three of the other
7 fourteen.

8 So it's not an easy determination. What
9 I'd suggest is that we continue to look at that
10 and work hand in glove with the code enforcement
11 officers. I think that if local officials got
12 some ability to walk into court and got a vacant
13 property determination, probably even at the
14 magistrate level, which -- because that's even
15 more local than the Court of Common Pleas, that
16 that might then be leveraged with mortgage
17 servicers, with loans that are in default, to
18 push that case a little bit faster.

19 The second component of that is the more
20 of those vacant properties you can get, the
21 infrastructure would have to be revised a bit on
22 the sheriff's sale side. You know, sheriff's
23 sales right now, when I enter judgment and ask
24 the sheriff to set a sale, because of a lot of
25 things, funding being one of them, but just the

1 process itself, it's about three to four months
2 after the request is made. In some counties,
3 it's even longer, but for the most part, most
4 sheriffs are scheduling within four months.

5 To get to that point to ask for the sale
6 in four months is about a year-long process. And
7 that's if everything goes right. Okay. And I'll
8 talk about one particular issue where it often
9 goes off the rails, but the point being that if
10 there is a more -- and the statute provides it,
11 Act 32 provides a 60-day window to schedule those
12 vacant and abandoned. In my opinion, based on my
13 experience, the sheriff's sales of vacant
14 properties go a lot easier.

15 You generally have bidders who are much
16 more interested, much more responsible. They
17 will -- because they don't have to worry about
18 getting someone out of the property. It's
19 already been determined vacant by a court who has
20 competent jurisdiction and then approved by the
21 Common Pleas Court as it goes through the
22 process. So if you do that, then they could walk
23 in freely on the day after the sheriff's sale,
24 having made their deposit or made the payment,
25 and they can remove folks -- or remove not folks,

1 because nobody would be there, but they can
2 remove any personal property, they can secure it,
3 and they can begin their journey back to being a
4 responsible homeowner in a vibrant community.

5 The thing, I think, that is missing, you
6 know, so ridiculously simple, tax claim bureaus
7 don't do this, and nor do the sheriff's offices
8 consistently, but I think any bidder at any of
9 those that buy a property should be required to
10 fill out a certified form of some sort that says,
11 I am responsible. Here is my contact
12 information. Here is, you know, I'm the owner of
13 the LLC. Here's the other parties. This is
14 where we are. This is our e-mail, our phone
15 number.

16 You know, I don't even know -- I don't
17 know if tax claims can do that as a -- I think
18 that sheriffs have a lot more leniency there to
19 impose that restriction, or I should say
20 requirement, because I think that that
21 transparency is vitally important. And it should
22 be promoted because I think that keeps people on
23 task.

24 You know, eventually you can find out who
25 does it, but knowing -- because I know that a lot

1 of code and blight issues intersect with sheriff
2 sales. Again, it's a 14-month process at best.
3 So you know, the property continues to
4 deteriorate. And then, what a lot of code folks
5 do -- and I get why they do it -- is as soon as a
6 lender's name is involved, they look to that
7 lender to repair it. And I get it, because
8 they're a big corporation and they should be
9 responsive in doing it. My clients know the game
10 that they're in and know that they're responsible
11 for it and they'll take care of the property.

12 One other, you know, we talk about zombie
13 foreclosures or properties that just don't move
14 through the process. I think Bill mentioned this
15 about, you know, some delays in identifying the
16 owner at or around the foreclosure or sheriff's
17 sale. One thing that -- there's a couple things.
18 One is when you're dealing with deceased parties
19 in a foreclosure action, or even a tax claim
20 action, it's extremely complicated in
21 Pennsylvania.

22 If there was no will or there is no
23 estate rated, there's no will, you know, most of
24 these properties are way underwater. There's no
25 value to anyone to go to probate. In fact, it

1 costs them a lot of money, a lot of time. And
2 you know, in the words of few -- for who, for
3 what? why would I bother to do that?

4 Now, some people feel morally or
5 ethically obligated because it's their family
6 property or whatnot, but the fact is, to raise an
7 estate in Pennsylvania on an insolvent estate is
8 still a, at least a \$5,000 to \$10,000
9 proposition. And frankly, why do it? If it's
10 vacant, nobody cares about it, the heirs are
11 scattered. It's not a clean, you know, the
12 husband passes away and the wife is the owner.
13 We're not talking about that.

14 we're talking about cousins are in line
15 of succession. There's no children, or it
16 skipped a generation. One child passed away, so
17 the grandchildren are entitled, their aunts and
18 uncles. It's complicated stuff, and it's not an
19 easy task.

20 oftentimes, when there's a delay in the
21 transfer of title after a sheriff's sale, you
22 will see it's because of the title reasons, such
23 as that. We've got a lot more homeowners who
24 have mortgages when they pass away. You know,
25 the old days of getting a mortgage in your

1 twenties and paying it off in your fifties is no
2 longer the case. The rise of reverse mortgages,
3 a fantastic product for certain people -- I'm not
4 a big fan, but it's out there -- leads to a lot
5 of mortgages for people who are -- who are
6 elderly. And remarkably, there's no mechanism in
7 place on those mortgages for when those people
8 pass away. There's no requirement those folks
9 have wills or responsible parties.

10 So that just complicates it and delays.
11 I -- our foreclosures that take three or four
12 years are all related to some title issue or
13 another -- and there's no easy way to fix title
14 issues in Pennsylvania, other than separate legal
15 actions, et cetera, that require notices to
16 responsible parts. So there's -- those are kind
17 of my highlights. There's a lot more around
18 foreclosure and what we could do.

19 I do think that Act 32 gives us a
20 mechanism to schedule sheriff sales more rapidly
21 for vacant properties. I think that should be
22 the focus. You know, we're all in agreement that
23 a homeowner who has been in -- at least I'm in
24 agreement that a homeowner in a property who
25 shows some indication that they want to stay in a

1 property should be given every opportunity to do
2 so. And there are plenty of programs available
3 now that let that happen.

4 But vacant properties, let's separate
5 them out. Let's treat them differently. Let's
6 move them along because that vacant property at
7 day one could be that blighted property at day
8 400. Let's nip that in the bud. Or it could be
9 the third property on that block, and let's not
10 lest that continue to fall. Let's get that taken
11 out of the equation.

12 So I do think you can cut the vacant and
13 abandoned property foreclosure to as little as
14 six months. And there are some Federal
15 constraints still on there, but I do think that
16 Pennsylvania can do what it can do. And you
17 know, I think there's already a relaxed notice
18 provision for vacant properties, although most
19 lenders are very conservative in sending
20 statutory required Act 6 or Act 91 letters, which
21 provide 30, 60 days additional time.

22 But again, looking -- instead of looking
23 for one magic solution as we've been talking
24 about, there are lots of little pieces here that
25 we have to look at to see if we can move that

1 along. So I'm welcome to answer any questions.

2 And thank you for the opportunity to talk
3 to you all.

4 MAJORITY CHAIRWOMAN BROWN: Thank you,
5 Mr. McKeever.

6 And obviously, we can see the variation
7 and how many bits and pieces of things can really
8 affect each individual situation. So it gets
9 very confusing, I think, unless you deal with it
10 each and every day like you do. So we appreciate
11 the details once again.

12 And I think we have some questions.

13 So Representative Merski.

14 REPRESENTATIVE MERSKI: Thank you, Madam
15 Chairwoman.

16 Attorney McKeever, thank you for your
17 testimony today.

18 Just a quick question. You kept
19 referencing, you know, in Pennsylvania, what are
20 the best practices that you know from other
21 states that we should be employing to speed up
22 this process?

23 MR. MCKEEVER: I'm trying not to focus on
24 the negative side of that because I think I've
25 seen a lot of, I'd say unnecessary adversarial

1 approach towards lenders. Frankly, some of it
2 was deserved, and I'd especially say 15 years ago
3 plus, 10 years ago. But I do think lenders since
4 2010 have become much better and much more
5 responsive regarding property preservation and
6 the local impact.

7 I think working in that kind of more
8 holistic approach where we're on the same page,
9 because I do think that lenders, you know,
10 lenders, knowing that they have acquired title or
11 soon will acquire title don't want to spend a lot
12 of money on paying fines and penalties because
13 they'd rather spend that money on fixing the
14 property up. So how do you -- how do you
15 leverage that?

16 They also probably have some tolerance to
17 pay some of the legal fees on behalf of the
18 borough to -- or help to subsidize that in some
19 way to effectuate that transfer of ownership.
20 You know, again, as soon as they're the owners,
21 they get it, they understand. You don't see
22 lenders walk away. In fact, all four of those
23 lenders I mentioned have a strict no walk away
24 policy anymore. That was not in place 15 years
25 ago, and lenders did walk away. They'd leave

1 their mortgage on and walk away, or they'd
2 satisfy the mortgage and really walk away, even
3 though they, you know, had not been paid.

4 So I think where it has worked best is
5 kind of looking at a more solution or pragmatic
6 approach. There's -- when you talk about
7 property registration, again, you know, some
8 cities and towns exorbitant prices on that. And
9 it was really a penalty to what ultimately was
10 the lender because most homeowners or LLCs that
11 own property just, they don't pay it.

12 They have a big fine on the private
13 property, which again, the lender ends up paying
14 a clear title, but I think that property
15 registration could be an effective tool. I think
16 it works well within a database information,
17 there's information sharing. Lenders generally
18 want to do the right thing. And I think that is
19 -- it's a sea of change. It might not look like
20 it at times when you're dealing with certain
21 properties, but that -- that, I think, is out
22 there. And you know, I think that's one of the
23 positives.

24 Like I said, New Jersey, New York --
25 Illinois has been very aggressive about notice

1 requirements, notice requirements, notice
2 requirements to boroughs, municipalities, et
3 cetera. I have not seen that really change the
4 dynamic, but I think there are opportunities to
5 combine that with -- with some of these other
6 ideas and really drive better value for
7 everybody.

8 MAJORITY CHAIRWOMAN BROWN: Thank you.
9 Representative Solomon.

10 REPRESENTATIVE SOLOMON: Thank you,
11 Chairwoman.

12 Thank you so much for your testimony.

13 I was wondering what you think about the
14 Mortgage Electronic Reporting System, MERS,
15 MERSCORP. I'm kind of confused about it myself.
16 I -- like if the idea is you want to get sort of
17 good paper and find it, but then you have these
18 entities that kind of hide that paper from public
19 view, and it operates on the Internet. It's
20 unclear -- I'm really unclear what those -- what
21 MERS and MERSCORP really are -- but how do you
22 pierce that sort of corporate veil and actually
23 get the documents a county needs when it seems
24 like those entities are created to do exactly the
25 opposite?

1 MR. MCKEEVER: Right. There's actually
2 -- and it's a great question. MERS was created,
3 I'd say, in the early to mid-2000s, I guess.
4 Twenty-five -- 2005, '6, I guess, that's when it
5 started to get rolled out. MERS was created in
6 response to increase the rapid transfer in sales
7 at assignment of mortgages. Because the
8 investors -- investors would buy and sell
9 mortgage pools all the time. And then, to record
10 individual assignments on each of those became --
11 is very costly. They still do it, but it's very
12 costly.

13 And in some very celebrated cases,
14 recorder of deeds were backed up 12, 18, 24
15 months, which, in effect, made it very difficult
16 to buy and sell those loans. So they tried to
17 create this national -- MERS is a national
18 registry of mortgage loans that choose to
19 participate in it.

20 There actually is a code enforcement
21 component contact thing for MERS. And so to your
22 point -- and I can provide that information to
23 the Committee, and in some way if you can get it
24 out to the code enforcement folks -- you can get
25 access to that database and find out who the

1 responsible or current holder or mortgage
2 servicer is from that database. I don't know how
3 up-to-date it is. I haven't looked at it, but I
4 do know it responds to what I've been talking
5 about and what you have raised, Representative,
6 which is that -- why just make that a tool for
7 the investor? If it is a mortgage in the MERS
8 situation, why not provide that information to
9 the public, as well?

10 So I'll get that out to you all. And
11 it's -- in fact, you can probably google it if
12 you're a code enforcement officer, and I'm sure
13 you'll find the links and the information and the
14 ability to register and then get access to it.
15 Will that help? It might help on some loans, but
16 it's not going to be a panacea for everything,
17 but it does help get down to it. Yeah.

18 MAJORITY CHAIRWOMAN BROWN: It looks like
19 that's it for questions.

20 Thank you, Attorney McKeever --

21 MR. MCKEEVER: Thank you.

22 MAJORITY CHAIRWOMAN BROWN: -- for being
23 here and making the trip today.

24 MR. MCKEEVER: Thank you for your time.

25 MAJORITY CHAIRWOMAN BROWN: Thank you.

1 MR. McKEEVER: Thank you.

2 MAJORITY CHAIRWOMAN BROWN: Next, we have
3 Attorney Michael O'Connor from Michael O'Connor
4 and Associates in Frackville.

5 Good morning.

6 MS. O'CONNOR: Good morning.

7 I am Patricia O'Connor, and I want to
8 thank you, Madam Chair -- and also Representative
9 Tim Twardzik, for inviting us here -- for the
10 opportunity to testify before your Committee.

11 We are here to discuss a prior success,
12 our prior success, in alleviating blight and our
13 commitment to continuing this process in our
14 local communities. My background is I am a
15 graduate of the University of Pennsylvania. I
16 received my degree in economics from the Wharton
17 School and got my masters from Penn, as well, in
18 business.

19 My husband, Michael, is a Villa Nova
20 grad. And he has his undergraduate and master 3
21 degrees in political science with a concentration
22 on local and state government, and his law degree
23 from Western Michigan Law School.

24 So I am just going to, if you don't mind,
25 I'm just going to read this. It's only about 35

1 minutes. I'm kidding. It's about four minutes,
2 maybe less.

3 MAJORITY CHAIRWOMAN BROWN: You just woke
4 everyone up, right?

5 MS. O'CONNOR: I'm a fast reader. And
6 I'm going to go -- I mean, I know you've
7 discussed blight. And I have a whole essay here
8 on what blight is and how we need to combat that,
9 you know, theoretically, but I'll jump right to
10 Cherry Street Commons, which is our affordable
11 housing project that we developed.

12 Cherry Street Commons is a 17-unit
13 affordable housing development funded by tax
14 credits and PHFA loans. It's mostly situated on
15 what was an old railroad bed in Frackville
16 Borough. To say that that area was a blighted
17 area is really an over -- it's an understatement
18 because it was just really -- really quite
19 decrepit in that area. And this was, you know,
20 really sorely needed.

21 The railroad beds mostly situate -- or
22 the rail yard at one time was used to transport
23 coal from the Mahanoy Plane south to the
24 Philadelphia Market. Our corporation, Par King,
25 Inc., acquired the property in a private sale in

1 the mid-1990's. And we started working on the
2 project in 2008.

3 On the corner of East Frack and South
4 Mahanoy Street in Frackville, we purchased
5 through a Judicial tax sale the extremely
6 dilapidated Sportsman's Bar. The bar had been
7 condemned by the Borough, barring all entry. It
8 was a truly dangerous structure. And we used our
9 own funds to purchase and we used our own funds
10 to demolish the building.

11 Through Federal Bankruptcy sales, we
12 purchased three additional properties adjacent to
13 the railroad yard. All of the buildings were
14 located on Railroad Avenue in Frackville. All
15 were condemned by the Borough. They had been
16 condemned. The structure closest to the top of
17 the street had a completely collapsed roof. We
18 received funds through a county loan from
19 Schuylkill Act 137 to demolish that particular
20 building.

21 At the end of the block -- the other end
22 of the block -- using PHFA funds, we demolished
23 two connected structures that had been abandoned
24 and deteriorating for over a decade. Both had
25 been condemned, had no heat, had been stripped of

1 piping, and were rodent-infested. There was also
2 a squatter that was living in one of these
3 horrendous buildings that we had to evict.

4 We started actual construction in the
5 spring of 2018. This was a decade-long
6 commitment to the project, and we were completely
7 occupied by December 31st, 2019. It was an
8 extremely challenging undertaking for all
9 parties. The primary issue we encountered, which
10 threatened the success of the project, had to do
11 with the soils on the property. Soil testing was
12 conducted prior to even breaking ground, and
13 weekly after that.

14 It was determined that our cobalt levels
15 were slightly above the norm, which is apparently
16 not unusual for soils in our part of the State.
17 The ruling by the DEP, who designated all the
18 soil on site as historical fill, was that it was
19 safe to keep all the dirt on the property, but if
20 it had to be removed, it would have to go to a
21 special disposal site at quite an -- it was quite
22 an expensive proposition.

23 The soil was replete with rocks and other
24 debris. In addition, because it had been a
25 railroad yard, there was also some timber.

1 occasionally, we came up with a few parking
2 meters that had -- I guess, they had used that
3 site for some Borough dumping. It was a very
4 interesting site.

5 We were also required to bring in clean
6 fill to cap over all the green space at the end
7 of the construction. We removed approximately
8 3,000 tons of soil and spent over \$300,000
9 unbudgeted dollars in order to facilitate its
10 transportation and specialized disposal. We were
11 able to pay for the removal through an extremely
12 understanding and cooperative PHFA, which
13 provided additional loans to cover much of the
14 costs.

15 An extremely important component to the
16 completion -- the successful completion of our
17 project is that it truly was a public-private
18 partnership. We received cooperation from all
19 levels of government. Frackville Borough, with
20 collaboration from the Borough code enforcement
21 officer, expedited demolition permits. And In
22 one instance, demolition, which was a safety
23 priority, occurred as material from a collapsing
24 roof was beginning to actually fall from the
25 building.

1 We received county cooperation from our
2 county administrator, Gary Bender, and the County
3 Commissioners with a loan through Schuylkill Act
4 137, which we used to take down the dangerous
5 structure just described. We were the recipients
6 of overwhelming support from our Borough Council,
7 especially our Council President, Ron Jordan, and
8 solicitor Mark Semanchik. Our State
9 Representative at the time, prior to Mr.
10 Twardzik, was Neal Goodman. And he was extremely
11 enthusiastic and supportive.

12 However, the most important factor, as
13 far as we were concerned, was the help that we
14 received from Senator Argall. He was always
15 available to provide advice and direction and aid
16 in really navigating through the process before,
17 during, and after the completion of Mary -- I
18 mean of Cherry Street Commons.

19 He and Mary Beth Dougherty, his
20 legislative assistant who is right over here,
21 helped us successfully navigate through this
22 entire process. And we can't thank them enough.
23 And it really showed that the public-private
24 enterprise was the way to really expedite and
25 successfully, you know, to complete our project.

1 Michael.

2 MR. O'CONNOR: At one time, I was the
3 solicitor for nine boroughs -- nine boroughs and
4 townships. And so I come out with that
5 perspective, and also the perspective as a
6 developer. I think the most important thing I
7 see is there needs to be more funding for code
8 enforcement officers. I note that you traveled
9 to a community yesterday that once had 30,000
10 residents and now has 4. The borough manager
11 that was here today told me he could use five or
12 six code enforcement officers to be able to
13 tackle this kind of problem.

14 And I know from, you know, from being a
15 solicitor, there's certain communities that can
16 afford to do one or two, and there's some that
17 can't afford any. So I think what needs to be
18 done is that there needs to be more funding for
19 code enforcement officers. And I know they're
20 not very popular people.

21 I mean, and it's not an easy job, but the
22 communities that do have them and use them well
23 are the ones that have the higher property
24 values. And you're not going to have these
25 problems because they stay on top of it. And

1 I've seen that in my practice as a solicitor when
2 you had a very good code enforcement officer.

3 But there is a need for funding for that.

4 We also need more funding for priorities
5 for existing blight remediation or redevelopment.
6 We need all kinds of dollars for that. I mean,
7 they're needed for demolition. They're also
8 needed to correct dangerous situations. Another
9 thing I've noticed is that in certain boroughs
10 and townships, you need to take down a whole
11 block in order to revitalize that area. And I
12 think that you need to be able to use the county
13 or the borough's eminent domain powers to be able
14 to do that.

15 Now, I know that's restricted now. It's
16 not for profit, but you can use it for housing
17 developments as far as affordable housing and
18 also for housing authorities. But we have to
19 look at the exceptions to see are there any more
20 exceptions we can use to be able to remediate
21 these properties, be able to put it back in the
22 tax rolls and make it attractive for developers
23 to be able to come in and do that.

24 So you need incentives, you know,
25 property tax abatement, tax credits. I mean,

1 I've seen the success of High Ridge, where there
2 was keystone opportunity grants. There's KOZ
3 zones. I mean, there was a lot of money put in
4 for economic development for those types of
5 facilities, but now the problem is that you're
6 not -- you need to be able to house the workers.

7 And my thinking right now is there's much
8 more need for workforce housing right now than
9 ever before. I mean, we're building -- bringing
10 in new employers from out of state, and there's
11 not a place, a suitable place for some of the
12 workforce to live. And I think it's a concern
13 for the companies that are moving here.

14 It's also a concern for local officials
15 because the school districts, you know, are they
16 able to take on more students? But the most
17 important thing is that -- I was in a meeting the
18 other day with Senator Argall. And what I
19 noticed was that some of the for-profit
20 developers don't want to touch workforce housing.
21 And the reason why is because the rents aren't
22 high enough. There's not enough return on that,
23 right. So you need to have subsidy somewhere to
24 be able to offset that, right.

25 Now, affordable housing is one thing. We

1 did affordable housing in Frackville. That takes
2 you to a certain income level, but there's a gap
3 between that and when you see as far as a
4 for-profit. And some of the rents that we heard
5 of, there's no way that, you know, a family who's
6 working would be able to afford the type of rents
7 that they were talking about as far as to make it
8 profitable for a private developer to be able to
9 do.

10 So we're looking at it from different
11 areas. I think there's a need for more code
12 enforcement, and strong code enforcement, but
13 also, there's a need to be -- to fill this gap in
14 for funding. I just saw yesterday in the
15 affordable housing newsletter, Rhode Island just
16 put together funds just for workforce housing
17 because they saw the gap there. And what they
18 did was, they put 9, 10 million dollars in so
19 there's an incentive for developers to come and
20 do that.

21 So I have the article here. I just
22 didn't have time to include the testimony. We
23 just got this yesterday, but I think it's
24 something we need to look at, and look at it
25 strong because what's the incentive? One of the

1 things we heard the other day is a lot of people
2 choose to live outside of this county and commute
3 in, where we'd like to have them in the
4 community. I think it's very important to have
5 them in the community.

6 So again, I want to say thank you for
7 allowing us to be here today.

8 Thanks, Mr. Twardzic, for inviting us.
9 And we're open to any questions you might have to
10 ask.

11 MAJORITY CHAIRWOMAN BROWN: Thank you
12 very much.

13 You know, the workforce housing has been
14 coming up consistently in a lot of our meetings.
15 We have begun to have more detailed meetings, and
16 even by geographic areas. From the Poconos that
17 I represent, sort of the water park capital of
18 the country --

19 MR. O'CONNOR: Sure. Sure.

20 MAJORITY CHAIRWOMAN BROWN: -- even some
21 of those employers, Kalahari, for example, is
22 actually establishing their own workforce
23 housing, which is sort of interesting, going
24 after that on their own. But we are also looking
25 at additional ways to support that in that

1 region, but it's all across the state, as you
2 mentioned. So that is something that versus the
3 affordable and the workforce, that we are having
4 continued conversation. So thank you for
5 bringing that up today, as well.

6 MR. O'CONNOR: That's great.

7 MAJORITY CHAIRWOMAN BROWN: The code
8 enforcement piece, of course, is very
9 interesting. And I think with the dollars to put
10 towards that, how to get more code enforcement,
11 especially in areas with higher needs and issues
12 and they need more active officials, I'm
13 wondering if there's any sort of creative way we
14 can look at down the road to -- almost as we have
15 like school board members, or we have members
16 that are elected officials, in some way that
17 where the cost isn't there, but the ability for,
18 you know, these people to do a job --

19 MR. O'CONNOR: Right.

20 MAJORITY CHAIRWOMAN BROWN: -- that's
21 very important to a community, there may be some
22 things like that that we can look at also down
23 the road that would be, if you have certain
24 training, if you have this, if you have that, if
25 you're elected by the people, you would be almost

1 like an auditor or a code enforcement official --

2 MR. O'CONNOR: Right.

3 MAJORITY CHAIRWOMAN BROWN: -- for a
4 certain community. Maybe there's something
5 creative there. That's just sort of rolling
6 around --

7 MR. O'CONNOR: Sure.

8 MAJORITY CHAIRWOMAN BROWN: -- in my
9 thoughts.

10 And the other last question that I had
11 really was regarding the historical fill and the
12 DEP. That dollar amount, the \$300,000 that was
13 unanticipated as investment to the property when
14 purchasing it is a really strong amount. Now
15 obviously, we're all very concerned about keeping
16 the environment and making sure we do things
17 right, but that is the first time I've heard this
18 conversation --

19 MR. O'CONNOR: Yes.

20 MAJORITY CHAIRWOMAN BROWN: -- that
21 mentioned in the realm of blight remediation and
22 what we might be up against. I'm sure the other
23 legislators here that have this area --

24 MR. O'CONNOR: Sure.

25 MAJORITY CHAIRWOMAN BROWN: -- have heard

1 this before. But I'm just curious for the
2 historical fill piece, that you're saying it's
3 very common --

4 MR. O'CONNOR: Yes.

5 MAJORITY CHAIRWOMAN BROWN: -- in this
6 area to have that pop up.

7 MR. O'CONNOR: Yeah, it is.

8 MS. O. CONNOR: well, particularly
9 because it's a coal region.

10 MAJORITY CHAIRWOMAN BROWN: Exactly.

11 MS. O'CONNOR: So I imagine there are
12 areas that I know that are -- we had spoken about
13 developing that had -- in Mahanoy City, for
14 example. And I know there are two
15 representatives here from Mahanoy City, but as
16 soon as I looked at it, I thought, I can't even
17 imagine what the soil difficulty would be there
18 because it was actually part of the coal field.
19 I mean -- and it wasn't the coal field itself,
20 but it was adjacent and I could see the ground
21 was black from coal. I can't imagine what the
22 DEP would make of that.

23 You know, cobalt was the issue. And as
24 far as historical fill, if you keep it on the
25 property, no one has a problem with it. So it's

1 not dangerous if you keep it on the property.

2 MR. O'CONNOR: And if the landfill costs
3 are unbelievable. I mean, especially landfills.
4 It's very, very expensive. And I mean, there's
5 no way to regulate that. That's what their cost
6 is to be able to take this type of this type of
7 -- type of blight. And you know, you're right.
8 Soil is blight. That's part of it. You can tear
9 the building down, but you have the soils. You
10 still have blight.

11 MAJORITY CHAIRWOMAN BROWN: Right. Of
12 course, like -- yeah. And with this area, I
13 think that is known obviously with the coal and
14 everything.

15 MR. O'CONNOR: Right.

16 MAJORITY CHAIRWOMAN BROWN: But to hear
17 that dollar amount and the movement of that soil
18 becoming a huge issue. Yeah, that is something
19 that's very interesting and I thank you for
20 bringing that up.

21 MR. O'CONNOR: Sure.

22 MAJORITY CHAIRWOMAN BROWN: So the
23 definition of historical fill is something I'm
24 kind of curious to see what that is.

25 MR. O'CONNOR: Yes.

1 MAJORITY CHAIRWOMAN BROWN: So thank you
2 very much.

3 MR. O'CONNOR: You're welcome.

4 MAJORITY CHAIRWOMAN BROWN: Senator
5 Argall.

6 SENATOR ARGALL: What the Chair of the
7 Committee had pointed out with the workforce
8 housing is I think an issue that we're all going
9 to be hearing a lot more about. And our meeting
10 that the O'Connors had referenced earlier in the
11 week, I think the possible solution is going to
12 be very different than a solution that we used
13 for affordable housing. But I do think if we
14 work with the local municipalities, if the local
15 borough, the local city, the local township comes
16 to the State and says essentially, look, we have
17 a proven need here that the market will support
18 these X number of homes in this location. It
19 meets the planning and zoning requirements. Then
20 I think the State should be able to help with
21 some kind of infrastructure dollars.

22 So it would not be a traditional, you
23 know, so much per unit subsidy, but we ought to
24 be able to help with the water, the sewer, the
25 roads. And so I think it would be very different

1 from the kind of beautiful facilities that you've
2 built. But I do think that's not an issue we're
3 going to be able to ignore in Schuylkill County
4 and elsewhere.

5 Thank you.

6 MAJORITY CHAIRWOMAN BROWN: Thank you,
7 Senator.

8 Representative Solomon.

9 REPRESENTATIVE SOLOMON: Thank you,
10 Mr. O'Connor. Thank you, Chair.

11 I was just wondering, so you put out a
12 call for more code enforcement officers.

13 MR. O'CONNOR: I think so.

14 REPRESENTATIVE SOLOMON: And in
15 Philadelphia, that's also a huge issue.

16 MR. O'CONNOR: Sure is.

17 REPRESENTATIVE SOLOMON: I was wondering,
18 sir, in terms of what are the best practices,
19 because we need also effective code enforcement.

20 MR. O'CONNOR: Right.

21 REPRESENTATIVE SOLOMON: So in
22 Philadelphia, for instance -- and I deal with
23 this in my district -- we will not only get the
24 police district because they have quality of life
25 tickets they issue.

1 MR. O'CONNOR: Sure.

2 REPRESENTATIVE SOLOMON: But we'll also
3 get ticketing inspections. They issue ticket
4 after ticket that's given at time to the renter.

5 MR. O'CONNOR: Right.

6 REPRESENTATIVE SOLOMON: But also at
7 times, both to the renter and then sent to the
8 out-of-state landlord. Many times at the closing
9 table, those tickets are waived. So they've
10 amounted and now they're no longer part of the
11 landlord -- there's no longer an issue for
12 that --

13 MR. O'CONNOR: Sure.

14 REPRESENTATIVE SOLOMON: -- that
15 landlord. How do we make, not just get -- how do
16 we get more, of course, code enforcement, but
17 also effective code enforcement in Pennsylvania?

18 MR. O'CONNOR: I mean, I think there's a
19 way to do outside contracting for this, too. I
20 mean, you could hire an agency who could come in,
21 do it. Most of these boroughs and townships that
22 you saw can't afford it. And they can't -- they
23 can hardly afford one, let alone an army of them.
24 Philadelphia is a different problem, right.

25 So I mean, I would think you would have

1 you to have a public-private type of deal where
2 we have funding for somebody to come in and be
3 able to do this for them. It's a lot easier
4 coming from out of town to enforce it than
5 somebody in town, right. So what happens is
6 that, you know, you have a neighbor or somebody
7 on your block who has a property, you have a hard
8 time approaching that person or somebody --
9 because these people have to get elected, too, at
10 the end of the day, right. So if you bring
11 outside people in who can just enforce the codes,
12 I think they'll make everybody's life easier to
13 be able to come and do that.

14 Now, like I said, people don't like code
15 enforcement officers because they get nit-picky
16 on certain things. But at the end of the day,
17 what I'm seeing is it increases the property
18 value. By them doing their jobs -- and it's not
19 always an easy job -- you'll see the property
20 values rise. So I think you need to do that. I
21 think you'll be able to get the code enforcement.

22 And also, you need to have -- be able to
23 get after these absentee guys, but don't waive
24 the fees. Don't waive the costs. Make sure that
25 it's going to be painful at the closing table,

1 all right, that they have to pay this up. You
2 know, when you do -- go to a closing, you're
3 paying all the municipal liens as far as water,
4 sewer, whatever is out there.

5 I think blight should be a part of it.
6 And that way, they're going to think twice about
7 buying a property and then leaving it go until at
8 some point they abandon it or they sell it.
9 You've got to keep on top of them.

10 MS. O'CONNOR: Yeah, there has to be
11 accountability for these absentee -- these
12 absentee owners. Because if -- you've seen, and
13 I believe Representative Twardzik gave you a tour
14 of some of our area. I mean, there are entire
15 blocks where it's absentee owners. I mean,
16 someone has to hold them accountable. You know,
17 if it can be a code enforcement officer,
18 terrific. But if not, an outside agency could
19 take care of that.

20 MR. O'CONNOR: And speaking of, my wife
21 is from northeast Philadelphia. So she knows the
22 problem pretty well. She grew up in Torresdale
23 and went to Archbishop Ryan High School. So she
24 knows the Philadelphia problem pretty well.

25 MS. O'CONNOR: I do.

1 MR. O'CONNOR: Her brother still lives
2 there, and her mother lived there until the time
3 that she died. So she knows the problem pretty
4 well.

5 MAJORITY CHAIRWOMAN BROWN: Thank you.
6 And our wonderful host, Representative
7 Twardzik.

8 REPRESENTATIVE TWARDZIK: I will try to
9 live up to that. Actually, you know, Michael, I
10 really appreciate your testimony. And when we
11 attended that hearing with Senator Argall the
12 other day or a meeting about workforce housing,
13 it's amazing that what's old is new again. So
14 we're trying to figure out how to build company
15 homes again.

16 But the interesting part is, this gives
17 us an opportunity to fight blight because there
18 is infrastructure in our small towns. We just
19 have to get the tools together to tear down these
20 properties block by block and then build the nice
21 townhouses, the nice little area communities that
22 people want to live in because we are going to
23 continue to grow here as a warehousing
24 distribution area. We do have some new
25 manufacturing with Ashley Furniture building

1 furniture.

2 So we are improving, and we just have to
3 have the right stuff for the new people to come
4 in. And one of the more important things you
5 brought up was trying to get management to get
6 here and building some nice homes --

7 MR. O'CONNOR: Right.

8 REPRESENTATIVE TWARDZIK: -- because
9 they're the people who are going to be our
10 leaders. And right now, they're living in
11 Allentown, Wilkes-Barre and beyond. Let's bring
12 them back into our communities --

13 MR. O'CONNOR: Sure.

14 REPRESENTATIVE TWARDZIK: -- where they
15 can make a difference.

16 But I really appreciate your investment
17 in our community. I hope you'll do more and it
18 will be easier for the next one.

19 MS. O'CONNOR: (Inaudible.)

20 MAJORITY CHAIRWOMAN BROWN:

21 Representative Williams.

22 REPRESENTATIVE WILLIAMS: Actually, I was
23 resisting speaking because I resonated with not
24 only your comments, Mr. O'Connor, but also
25 Representative Twardzic's comments, as well. It

1 is clear to me that we're not really going
2 forward. We're looking backwards at what
3 fundamentally worked decades ago.

4 MR. O'CONNOR: That's right.

5 REPRESENTATIVE WILLIAMS: The
6 construction was done to house workers as well as
7 people who were part of, I guess, investing in
8 the community in a personal way, not just in
9 dollars and cents.

10 So my point is that we continue. I'm
11 actually inspired to hear this kind of testimony
12 that reminds us that some of the issues we're
13 confronting that have to deal with property, you
14 can't go from a 30,000 participants in a
15 community to 4,000 and not realize that the issue
16 is not singularly property. It's people.

17 So that concept and that focus gives me
18 some encouragement. I just want to say thank you
19 for your testimony.

20 MR. O'CONNOR: I appreciate that.

21 MAJORITY CHAIRWOMAN BROWN: Thank you
22 once again for your testimony.

23 MR. O'CONNOR: Okay. Thank you for your
24 time.

25 MAJORITY CHAIRWOMAN BROWN: Next, we have

1 Bobby weaver, who is a Pottsville business owner.

2 MR. WEAVER: Can you guys hear me all
3 right?

4 This has been way longer than I thought.
5 I was just trying to stay. All right.

6 So -- sorry, I'm not used to these
7 things, Dave. This is why I don't get invited to
8 these things normally.

9 MAJORITY CHAIRWOMAN BROWN: We always run
10 over. That's our -- that's our status, right.

11 MR. WEAVER: Oh, man.

12 MAJORITY CHAIRWOMAN BROWN: We always run
13 over. Thank you for your patience.

14 MR. WEAVER: Got it.

15 All right. So my name is Bobby weaver.
16 I am, I think, the youngest person in this room.
17 So I own Black Rock Brewing Company, Press Coffee
18 and Books, Ampersand Coffee Roasters, Pottsville
19 Athletics, Gymnasiums, and events, Rush Food
20 Trucks, a total of three apartment buildings, a
21 currently blighted property. I am the --
22 corporation's president. And I am a licensed
23 building code official in the State of
24 Pennsylvania.

25 UNIDENTIFIED SPEAKER: (Inaudible.)

1 MR. WEAVER: Sixer season tickets.

2 MAJORITY CHAIRWOMAN BROWN: Now we know
3 why it's hard for you to sit still, right.

4 MR. WEAVER: Yes. So this is why it's
5 hard for me to sit still. So obviously, I typed
6 up a testimony, but I kind of just wanted to open
7 it up because I have some thoughts and ideas
8 here, you know, as someone who is a consummate
9 starter, a serial entrepreneur, if you will, it's
10 -- I -- I tend to disagree with some of the other
11 testimonies we've seen here in regards to code.

12 I think, personally, in the
13 municipalities that I've been involved with, from
14 Pottsville to Dauphin County, to other stuff
15 we've done in Harrisburg -- you know, we actually
16 just opened our second Black Rock location in
17 Linglestown, right. So we're out and doing
18 things. And every step of the way, we are
19 confronted with uneducated, not enough continued
20 education code officers that they are conditioned
21 to say no.

22 You know, the biggest issue we have in
23 Schuylkill County with blight is population.
24 That's really it. I mean, you have housing for x
25 amount of people and you have half that many. I

1 mean, I could barely keep one house maintained
2 let alone, what is it, four houses to every one
3 residing house in some of these significantly
4 blighted areas.

5 And you know, it's all about population.
6 And for me, you know, I was born and raised in
7 Pottsville, but I left for a long time. I was
8 out doing venture capital stuff in California. I
9 was living in Thailand. You know, I was doing VC
10 stuff in Berlin. So when I came back to
11 Pottsville it was like, you know, it feels like
12 every other house has not been abandoned, but
13 just not -- nobody is living there.

14 And so, you know, we talk about workforce
15 housing. And I've talked with Dave about this.
16 I moved 20 -- 20 people to Pottsville, you know,
17 LA, New York, San Francisco, Chicago, Cleveland,
18 Lancaster, Harrisburg, you know. And I provide
19 them a place to live because, you know, at the
20 end of the day, I don't think any of these blight
21 issues will even come close to being solved --
22 they're not going to be solved through code
23 enforcement. They're not going to be solved in
24 any other way except for having people that want
25 to live here. That's all it's going to take.

1 One family can maintain one home, but the tax
2 base of one family can't maintain five, can't
3 maintain even two.

4 So I don't know -- I don't think the
5 focus -- and we've been doing a better job, but
6 it needs to be on, you know, encouraging town
7 centers to make a place that people want to live
8 because that's what it comes down to. That's
9 really it, because once you have a place -- you
10 know, there's -- once we start seeing these
11 places that people want to live, people will buy
12 blighted homes and rehab them and do other
13 things.

14 So I don't know. I kind of -- I'd rather
15 open it up to questions because I've been in
16 this. And I had mentioned I own a blighted
17 property because the building next to Black Rock
18 -- I don't know when you guys were there if you
19 saw it, but that was a severely blighted
20 building, I mean, for five years. And the City
21 Redevelopment Authority, with Tom Palamar's
22 assistance, came up and we bought the building.

23 But I mean, I just got the estimates
24 back. We're looking at \$420,000 construction of
25 a building whose future appraisal value is at

1 305. You know, with 47 percent of that project
2 budget being sprinkler systems and 88 compliance.
3 Forty-seven percent, it's crazy. It's absolutely
4 crazy.

5 And there is a strong desire to start new
6 things. You know, I actually -- especially if
7 you read my testimony, I am more directing it
8 towards commercial code, commercial blighted
9 buildings. I really do not have a lot of
10 experience in the residential sector. And
11 watching code officers like -- I know I come on a
12 little bit strong sometimes, but I don't want to
13 imply that code officers aren't helping the
14 residential section, but they are a significant
15 hindrance in the commercial.

16 To take a building that's been vacant for
17 10 years, you know, the YWCA building, I mean,
18 we're currently in a code fight over second floor
19 occupancy where our walls are 12-hour fire rated.
20 The fire chief thinks it's crazy. And the whole
21 cost of that building -- we purchased that
22 building for \$100,000. Second floor sprinkler
23 systems are \$168,000. That's where we're at
24 currently, right.

25 And it's, you know -- and there's an

1 education gap. I mentioned I've a building code
2 officer. It took me three hours. I read the
3 book. I passed the test. And officers, I find
4 they -- they are conditioned. I mean, it is -- I
5 mean, I've talked to a certified plans examiner
6 in L&I who literally cited to me sections of the
7 UCC Code book that aren't Pennsylvania State law.

8 This happens. It's this persistent -- I
9 wish I knew what it was more, but this need to be
10 right when you're not and, you know, it's just
11 ironic. I mean, I keep coming back to chapter
12 one in the UCC Code book was not adopted in
13 Pennsylvania. We came up with Section 403.

14 And if you -- you should go back to your
15 areas, ask them, ask them for what -- what is
16 administration of code and they are going to
17 quote you something that is not Pennsylvania
18 State law. And then they're going to fight you
19 tooth and nail on it. Just how it is. It's just
20 how it is, so -- questions?

21 MAJORITY CHAIRWOMAN BROWN: Thank you.
22 Yeah. Thank you very much.

23 You're a very strong reminder, I think,
24 with all the conversation that happened today in
25 regards to how you get people to move back into

1 an area. And thank you for what you do for this
2 area because with all your businesses and having
3 20 people move back, I think it's just another
4 reminder of the economic recruitment --

5 MR. WEAVER: Yep.

6 MAJORITY CHAIRPERSON BROWN: -- and a
7 large business recruitment area and why it's a
8 great place to put this business here, and then
9 how you can create a nice family lifestyle for
10 the employees and it's a great place to live and
11 work. So I think that aspect of recruiting
12 businesses to not ever ignore that because that
13 brings the people back in --

14 MR. WEAVER: Absolutely.

15 MAJORITY CHAIRWOMAN BROWN: -- just like
16 what you're doing.

17 And definitely the comments regarding the
18 code enforcement officials is real. I've had
19 that definitely even in the district that I have
20 as far as government telling me -- not telling me
21 no, not looking for ways to tell me no, but to
22 try to help me make it happen as opposed to just
23 putting up a block. And that's critical to what
24 they're trying -- what they should be doing
25 opposed to just saying no.

1 So thank you for that reminder, as well.

2 MR. WEAVER: Yeah, that's the biggest.

3 MAJORITY CHAIRWOMAN BROWN: Yeah.

4 Representative Merski.

5 REPRESENTATIVE MERSKI: Thank you, Madam
6 Chairwoman.

7 Thank you for your testimony. I was glad
8 to hear that you talked about the education of
9 our code enforcement officers. I do have some
10 legislation in right now, HB 1827, which would
11 put a fee for -- a dollar fee on code
12 enforcement, education grants for our code
13 enforcement officers, and looking at changing
14 that to \$250.00 if not in compliance to allow for
15 the education of our code enforcement officers.

16 Many times, code enforcement officers are
17 just hired off the street. They don't have any
18 training. And then, we just put them to work and
19 they have to learn it on the job. And I think
20 that just like we train our firefighters, just
21 like we train our police officers, these folks
22 need training. And we need to provide resources
23 for this and this fee would allow for that. So
24 HB 1827 is a bill that we are working on with
25 that.

1 It is frustrating to hear -- I understand
2 the need for fire safety. And I understand the
3 need for ADA compliance, but when we're looking
4 at blighted communities, it is very difficult
5 because you're making a huge investment knowing
6 you're not going to get a return on your
7 investment for many, many years. And then to
8 have that -- another hurdle, another hurdle to
9 jump through or jump over, it is hard.

10 So if there's anything that, you know,
11 you think that you could recommend us -- you
12 can't -- you can't make buildings unsafe. The
13 reason that these laws were put into place is
14 because people died in fires. And so you don't
15 want to do that, you know, but how can the
16 government, how can the State help you in these
17 areas where we know we're not going to get the
18 return on investment, I think is critical.

19 It's very easy to do in an area where you
20 know you're going to capitalize on those rents
21 and you're going to make that money back real
22 quick. It's much more difficult in places like
23 -- I'm from Erie. Same situation, where you have
24 a glut of unoccupied structures and you know that
25 the return on your investment is going to take

1 30, 40 years. You'll never see it in your
2 lifetime, maybe your children's. So I wanted to
3 thank you for that. But HB 1827 is a bill for
4 that education.

5 MR. WEAVER: I wanted to touch on that
6 quick because I do think there are -- I think
7 we've seen this in the City of Pottsville. And
8 obviously, Tom Palamar was here talking. We've
9 struggled to find any resources for our code
10 officers as well. I mean, we've been left to our
11 own devices. We've developed our own code
12 education program because labor and industry
13 doesn't really want to help. Nobody really wants
14 to take any responsibility.

15 You know, I've paid for my lawyers, you
16 know, my UCC lawyers, to come out and try to
17 explain the process better than, you know, the
18 100-page manual that includes snippets of
19 thousands of pages of statutes. And so there is
20 already provisions in Pennsylvania's UCC Code for
21 buildings that have been classified as
22 uncertified. So those could be constructed at
23 any point in time that have never been given an
24 official occupancy certificate.

25 They're typically historic buildings or

1 other things like -- I mean, we had the Fire and
2 Panic Act of -- I believe it was 1965 that
3 brought us through the early 2000s before this
4 adoption of these major -- I guess if you have a
5 blighted building that's been unoccupied and
6 unimproved for 50 or 60 years, the expectation to
7 bring it up to the 2018 current code is -- it's
8 not a conversation of in the next couple decades.
9 You'll never see the money back ever.

10 And I just mentioned -- the issue is, I
11 see a lot of opportunities in these blighted
12 communities. And the only thing holding back
13 major investment has consistently been the code
14 requirements and the percentage of total rehab
15 costs that go just to the two categories of fire
16 and ADA. It's really that. I mean, you know, in
17 projects -- because we're talking about, you
18 know, the cost of a fire suppression system in a
19 two-bedroom house as a percentage of the total
20 cost in Philadelphia versus Mahanoy City is
21 dramatic, right. I mean, that could go from 10
22 percent to 90 percent.

23 And there is this, you know, buildings
24 that have been consistently maintained are
25 obviously easier to bring to Code. And so you

1 take a building that's been abandoned since the
2 '50s and you need to bring it up to current code,
3 you know, I -- as someone who is currently
4 rehabbing a blighted building, blighted buildings
5 -- and have with the Black Rock Brewing Company,
6 but blighted construction is a different form of
7 construction. It is demo.

8 It is -- your bathrooms are always too
9 small. You never have a 36-inch gap. Your grade
10 -- everything is wrong. Every single thing is
11 wrong. And you know, I just don't think we're
12 ever going to see revitalizations in these towns
13 with the current code. Like, there has to be a
14 line. There has to be -- and I don't know if
15 it's a temporary occupancy. We've seen other
16 states do that.

17 You know, even if you just brought up a
18 blighted building to the Fire and Panic Act that
19 was active only 15 years ago, and then you have a
20 temporary occupancy for 20 years, at least
21 there's an opportunity there to like bring it up
22 to current. But you know, buildings built in
23 2005 are having a hard time catching up to the
24 2018 Building Code, let alone '55, you know.

25 I don't know.

1 MAJORITY CHAIRWOMAN BROWN: Thank you.
2 Senator Argall.

3 SENATOR ARGALL: Thanks for what you're
4 doing. I've told him, I wish I had five people
5 like him in every one of the 94 municipalities
6 that I represent.

7 There is an ongoing discussion with the
8 person who will be testifying after you to see if
9 indeed we need to amend the UCC, which will be
10 extraordinary difficult. I was there the last
11 time we did it, and it was a monumental effort.
12 There is a segment of the Pennsylvania Architects
13 Association that believes that we can do what
14 you're suggesting under the existing law. If
15 indeed they are correct, it will be much easier
16 to move in that direction than in the amending
17 the law, but I think we continue to hear it that
18 in the revitalization of our older communities,
19 we need to find a better way to help people like
20 you to breathe new life into these old buildings.

21 And Madam Chairman, as soon as I have any
22 answers for you, I'll certainly share it with
23 your Committee.

24 Thank you.

25 MAJORITY CHAIRWOMAN BROWN: Thank you

1 very much, Senator.

2 Representative Major.

3 REPRESENTATIVE MAJOR: Thank you,
4 Chairwoman.

5 And thank you, Bobby, for your testimony
6 today. What you're doing, I think, is
7 commendable. And we've been seeing a lot of
8 younger people taking on these huge tasks in our
9 small town communities. I, too, come from a
10 former booming coal mining area and we have,
11 maybe not the scale that you do here, but the
12 same issues.

13 And I think I just want to go back to
14 what you said about population being primarily
15 the issue. And I think that everybody is doing
16 great work to take bites out of this blight
17 issue, but I just wanted to agree with you and
18 say, you know, no matter what we do, population
19 is going to be the issue because we don't have
20 the industry, the coal mining industry, like we
21 once did to support 30,000 people into these like
22 -- did I say that right?

23 Close enough.

24 MR. WEAVER: Naturally, Tower City.

25 REPRESENTATIVE MAJOR: You know, so when

1 we go from 30,000 people to 4,500 people, you're
2 always going to have that issue. There's never
3 going to be, you know -- 100 years ago, there was
4 one family, one home. And by the time we can --
5 even if we make monumental efforts to grow the
6 population, these houses will be falling over
7 before we could get back to that level if we ever
8 even could.

9 So I appreciated your comments on the
10 population. I think that that is our -- a huge
11 issue for us, just because no matter what we do,
12 the people that we bring in, we're still going to
13 have this blight issue. So we have to look at
14 both sides of the population and also how do we
15 remedy these issues because they're not going
16 away.

17 Thank you.

18 MR. WEAVER: I think also, just to add to
19 that, of bringing population in, there are
20 examples from other states and even other
21 countries, that have had blighted buildings that,
22 you know, our Black Rock project wouldn't have
23 been possible without a credit union buying off
24 on a future value appraisal. Right. That is
25 basically, you know, since the financial crisis

1 has completely left the conversation of, you
2 know, what's a building going to be worth after
3 X, Y, and Z.

4 But you know, going back to blighted
5 construction being its own separate thing, you
6 know, I would have to believe that if you were
7 able to buy a building in a blighted community
8 for \$20,000, and you get an appraisal worth \$150
9 and somebody could bridge some of that gap and
10 start improving it, it wouldn't be nearly as
11 difficult. It's really just, you know, when you
12 could go and buy a building for 20 or \$30,000,
13 that really doesn't get you any further away from
14 blight. It just changes hands.

15 MAJORITY CHAIRWOMAN BROWN: Christine.

16 MS. GOLDBECK: Bobby, thank you so much.

17 I just wanted to point out that when we
18 were out in the Allegheny valley in June in
19 Representative DelRosso's district, we ran into a
20 number of young people like yourself who are
21 coming back and reinvesting in their hometowns,
22 in their communities. And they share a lot of
23 those same frustrations that you do, but they're
24 also seeing successes in bringing back, like you
25 did, 20 people. And that 20 people, again, turns

1 into another 10. So it's long, it's grueling,
2 but it is paying off, if that's any comfort to
3 you. So please don't stop.

4 MR. WEAVER: If I didn't have to worry
5 about -- if I didn't have to worry about Code, it
6 would have been 100 people by now, so --

7 MAJORITY CHAIRWOMAN BROWN: Thank you,
8 Mr. Weaver. We appreciate you testifying today.

9 MR. WEAVER: Thanks for having me.

10 MAJORITY CHAIRWOMAN BROWN: Keep
11 investing. Thank you so much.

12 MR. WEAVER: I will keep trying.

13 MAJORITY CHAIRWOMAN BROWN: Okay. We're
14 running a little bit over, but our last testifier
15 is Mary Beth Dougherty, who is staff assistant to
16 Senator Dave Argall, and also the Pottsville
17 Blight Task Force.

18 Thank you, Mary Beth. And she was with
19 us yesterday, as well.

20 MS. DOUGHERTY: Yes. Thank you, Madam
21 Chairman. I will try and be as brief as possible
22 because I am the only thing standing between
23 everybody and lunch, I guess, at this point. So
24 thank you so much.

25 I did ask today to be the caboose of the

1 testifiers, just to kind of wrap up some things
2 that we have done successfully in Schuylkill
3 County, which you have heard a lot of the good
4 things, some of the things that we are using, our
5 municipalities are using. Senator had mentioned
6 Act 152 money. The County is using that for a
7 demolition fund.

8 Some things that I think we need to work
9 on some more, we mentioned Representative Doyle
10 Heffley's Act 33 that was passed recently. Thank
11 you very much, first of all, for enacting it and
12 supporting it. That deals with the LLC issue. I
13 do believe that is just the first step. We need
14 to keep watching that problem.

15 Many of the municipal folks that are here
16 today -- I'm not going to mention the gentleman
17 by name, but we have one gentleman that owns over
18 150 properties in Schuylkill County. These are
19 properties off the County Tax Claim Bureau
20 website in various LLCs, corporate name. This is
21 only some of them that I took the time to
22 research out. Most of them are back in
23 delinquent tax status. They're blighted. They
24 have violations.

25 I don't know if you remember yesterday

1 when we were in Girardville. I stopped and said
2 my grandfather's house is sitting here, dumpy and
3 dilapidated, my late grandfather. That is owned
4 by one of these corporations that happens to be
5 in bankruptcy. So that further complicates the
6 problem, but it's something that I think we need
7 to keep looking at. These folks find ways
8 constantly to skirt -- to skirt the laws and get
9 around.

10 I've also taken to watching deed
11 transfers in the paper. And one morning, I was
12 reading the paper over before I went to work, and
13 I happened to notice that there was a deed
14 transfer of 18 properties on one deed. So I
15 started doing some research on that and
16 discovered that in Pennsylvania that you can
17 transfer more than one property on one deed, not
18 only in a single municipality, but more than one
19 municipality. There were 18 deeds transferred on
20 -- or 18 parcels transferred on this one deed.

21 Sixteen of them were in Mahanoy City
22 Borough, and two of them were in Girardville
23 Borough. They don't even need to be in
24 contiguous municipalities. They're nine miles
25 apart, but yet, it was an LLC that had done it.

1 And again, I started doing some research
2 on it. And you know, within a matter of two or
3 three days, it had transferred, I believe, into
4 three different LLCs. And I -- there's something
5 not right about it. I just can't quite figure
6 out what the deal is. I don't know if they're
7 trying to escape paying taxes. I don't have it
8 quite figured out yet, but I do think looking at
9 the way we record deeds in the Commonwealth needs
10 to be part of this, part of this puzzle.

11 I also learned through doing research in
12 all of this that both parties do not need to sign
13 off on a deed when it's transferred. It only
14 needs to be, I believe, the seller. The buyer
15 does not need to sign off on the deed. That --
16 there's room for problems there, as well. So I
17 think that is something that we are beginning to
18 take a look at as far as the task force goes.

19 Mortgage lender responsibility. I was
20 going to say, Mike is here, but he left. It's
21 Bobby over there now.

22 Mike had been at the table with us back
23 years ago when we were doing mortgage lender
24 responsibility, trying to do it. And as
25 everybody knows, we hit a brick wall with it. We

1 were able to get expedited foreclosure through
2 working with the banks and those folks, but I
3 don't think it's working. I don't think it's
4 doing what it was intended to do.

5 Again, in preparing for this today, I
6 called the county sheriff's office, Schuylkill
7 County Sheriff's Office to find out how many
8 expedited foreclosure proceedings they had
9 processed since the law went into effect, not a
10 single one has been done in Schuylkill County.
11 Now I understand we've been through COVID, and
12 that kind of changed the landscape. I do
13 understand that, but I don't necessarily think
14 it's getting us to the point we wanted to be at
15 in accomplishing what it was supposed to
16 accomplish.

17 So hopefully -- I was very grateful to
18 hear Mike is willing to come back and reignite
19 conversations on the issue because that, in my
20 testimony, I do say I would love to invite that
21 industry back to the table. I've had people
22 behind me here, municipalities, borough managers
23 and things, snag me out in the hallway and say
24 that's not true, that's not true. It's not
25 working. We still have a problem with

1 foreclosures. And you know, so I think hopefully
2 if we can get back to the table with the folks in
3 that industry, you know, it was mentioned in a
4 couple other testimonies. I think Mahanoy City
5 had mentioned it.

6 There is still a problem. It's -- people
7 are told to get out of their houses when the
8 foreclosure proceedings begins. They get a
9 letter from the lender saying you're being
10 foreclosed upon, you need to, you know, vacate
11 the premise, or the premises. And Mike was
12 right, they -- we believe they are still the deed
13 holder. They are still the title holder, but
14 that's where this zombie title thing comes into
15 effect because they're gone.

16 They say, the bank told me to get out,
17 you know, I'm no longer responsible, but the bank
18 is saying, oh, yes, you are, but we still told
19 you to get out. And you know, people go and
20 that's how it ends up becoming vacant and
21 abandoned. And right now, that law does not
22 require banks at all to maintain any maintenance
23 on said property until it's actually foreclosed
24 upon. So even though they initiate a vacant and
25 abandoned foreclosure process, it's still in

1 limbo until it's finished. So I was grateful to
2 hear he's willing to come back to the table and
3 start conversations again.

4 So hopefully we can get moving on
5 something going forward there because I do still
6 think it's a problem. I think most of the people
7 behind me here would tend to agree. Just as an
8 example, a quick example of a bizarre problem --
9 and Mike had mentioned it with the register of
10 wills and estates and things. One of my
11 coworkers in the Senate, in Senate communications
12 lives in Lancaster County. And he has a house
13 next to him -- I've kind of become the go-to
14 person in the Senate for staff questions and, you
15 know, other Senators needing help with
16 constituents and things.

17 So the staffer called and he said, I have
18 a problem. This house next to me is in
19 foreclosure. The property owner, the deed holder
20 passed away. He's divorced. His ex-wife wants
21 nothing to do with it. It's been this problem in
22 the neighborhood. It's a nice neighborhood. The
23 houses have, you know, good value to them. It's
24 an eyesore. It's devaluing my property.

25 And we went through everything trying to

1 think of -- I think I e-mailed Christine, I'm
2 like, help me out here. What ideas do you have?
3 We tried everything, and eventually reached out
4 to Mike, because ironically enough, somebody
5 wants to buy the property. Somebody wants it and
6 wants to fix it up and move their family into it.

7 So we eventually, with Mike's help, we
8 did eventually get to the right mortgage company.
9 The mortgage company basically said, nope, we
10 don't want to have anything to do with it because
11 the homeowner is deceased. We don't want to do
12 anything. We don't want to get involved in it.
13 So they're willing to sit it -- let the property
14 sit there and just let it continue to decay, even
15 though there is somebody that is willing to buy
16 it from them because it was too much trouble with
17 what Mike had said previously, you know, with the
18 estate and the decedent.

19 So I learned something new, you know,
20 that maybe there's things that we need to try to
21 start taking a look at, you know, in that avenue
22 to help with some of those properties. And it is
23 a -- that's a problem in this area, too, you
24 know, mom, dad, pass away, there may be children,
25 there may not. You know, what happens to the

1 property? It sits there, continues to decline
2 and decay, and it eventually becomes the
3 municipality's problem.

4 And you know, we end up having to look to
5 Representative Twardzik or Senator Argall, you
6 know, to help with demolition funding. And then
7 it's another long process through the tax sale
8 process to get possession of it. You know, so I
9 think conversations last night, today, you know,
10 there's some opportunities maybe to revisit the
11 tax sale law, you know, RETSL. So we've been
12 giving a lot of work here today, I think,
13 Christine.

14 And finally, the last thing. And it's
15 been touched on already, code enforcement and
16 code enforcement officers, the job that they do.
17 Right now in Pennsylvania, there's just zero
18 qualifications. Usually in these little
19 communities, it comes down to somebody stepping
20 up and being willing to do the job. They get
21 hired at a council meeting, handed a badge, and
22 sent on their way to go out there and do your
23 thing. And you know, it's usually with very
24 little pay, no training whatsoever. It's
25 on-the-job training, and that's about it.

1 You know, it gets very frustrating. You
2 get yelled at. You get screamed at. In these
3 small towns, you have your cousin, your brother,
4 your, you know, sister-in-law that you have to be
5 citing. You have to be the bad guy to do the job
6 the right way. I think -- I think we need to
7 start making a look at potentially ways to
8 incentivize, especially in these smaller
9 communities, joint efforts on programs.

10 I think, as Representative Major had
11 mentioned, population is definitely an issue that
12 comes into play with some of these problems.
13 It's not probably going to get better. Ideally,
14 do I wish it would? Yes. And I think they're
15 doing some really good things in Pottsville and
16 Minersville, but some of these smaller
17 communities where we were yesterday, you know,
18 north of the -- were landlocked.

19 There's not a lot of opportunity to bring
20 business or industry into those kind of
21 communities. So I think it is heading in the
22 direction that we need to somehow look at
23 incentivizing services among communities, you
24 know.

25 And Jerry is over there -- Representative

1 Knowles is thinking, oh, God, she's going to ask
2 me to vote on spending money or something like
3 that. But I think we need to start looking at
4 incentivizing ways to encourage it, to encourage
5 joint services and joint programs. And you know,
6 we're at a point now that maybe code enforcement
7 would be a good first vehicle as a way to
8 encourage partnership and encouraging, you know,
9 less parochialism, if that's the right word here,
10 and start working together. Because I think
11 financially, and population-wise, I think it's
12 coming that direction.

13 We have the problem right now. So you
14 know, let's start with code enforcement and see
15 if we can make it work somehow. So with all that
16 said, I will stop talking. And if you have any
17 questions, I will try my best to answer them. I
18 just look forward to continued work on a whole
19 variety of blight-related issues.

20 So thank you all so much. It was great
21 to spend time with you yesterday. I hope it was
22 a learning experience. I enjoyed it. And again,
23 thank you so much for coming.

24 MAJORITY CHAIRWOMAN BROWN: Thank you,
25 Mary Beth. And thank you, especially as a

1 staffer, we know how hard our staffs work -- Jim
2 is over there, too -- in regards to becoming very
3 strong experts in information for us as
4 legislators as we're pulled in so many different
5 directions.

6 Thank you.

7 And Bobby is over there smiling about
8 your code enforcement official comments. So he's
9 very happy.

10 MS. DOUGHERTY: When he says UCC, I just
11 cringe because, as those of you who were around
12 back in those days know, that was not an easy
13 process and --

14 MAJORITY CHAIRWOMAN BROWN: Right.
15 Right. I think it was one of my first votes when
16 I came into office. We dealt with some of that.

17 So with that, Representative Knowles.

18 REPRESENTATIVE KNOWLES: Ms. Dougherty,
19 thank you for --

20 MS. DOUGHERTY: Oh, I'm sorry scared now.

21 REPRESENTATIVE KNOWLES: -- your
22 testimony. Thank you for your testimony.

23 I heard Bobby mention it, and Mary Beth,
24 I heard you mention it, and that is the code
25 enforcement officers. I got to think that -- and

1 I know there are some of them out there. I got
2 to think that they're kind of scratching their
3 heads, saying what the hell do you want? Do you
4 want me to enforce the law or don't you?

5 Because on one hand, we are saying that
6 they need to enforce the law, the UCC Code. And
7 then on the other hand, we're saying because of
8 them we can't move projects forward. So I would
9 say that I don't think you've got to have a
10 doctorate or a master's degree to be a code
11 enforcement officer. I think you need to
12 understand and know the UCC, but I think that
13 we've got to talk about common sense. And I
14 think in our society today that's what we've
15 lost. We've lost common sense.

16 And you know, that makes a -- that makes
17 a code enforcement officer's job more difficult.
18 But the only way that we're going to move forward
19 in these small communities, particularly when
20 we're talking about row homes, when we're talking
21 about these old properties, is there's got to be
22 some common sense, but yet, we need to make sure
23 that they're safe.

24 Thank you for your testimony.

25 And Madam Chairwoman, thank you so much

1 for inviting me to be here today.

2 MAJORITY CHAIRWOMAN BROWN: Okay. Thank
3 you very much, first of all, to our staff, the
4 Urban Affairs Committee staff who set this up
5 with Representative Twardzik who really, I know
6 we're thankful to have Senator Argall here, who
7 has worked for many years on this issue, but
8 Representative Twardzik really pushed us as a
9 Committee to be here today to look at the area
10 and continue our hard work and bring further
11 details to us.

12 I thank the video crew for being here so
13 that there's accessibility for constituents and
14 the rest of our Committee to watch this. And we
15 have a strong blight package that we are working
16 on for January, and this really helps us kind of
17 hone in to some of the things that we're working
18 on and make sure that we take a multiprong
19 approach. And our job -- I always feel our job
20 in government is to help set the environment up
21 that it's productive. We can't do everything,
22 but we can help set an environment up, as was
23 discussed, that helps things move forward in a
24 productive manner.

25 But I am going to give the last word to

1 our gracious host, Representative Twardzik.

2 Thank you.

3 REPRESENTATIVE TWARDZIK: Thank you,
4 Madam Chairwoman.

5 And thank you all the testifiers for the
6 informative testimony.

7 We learn a lot every time we open our
8 ears, and we try to do that as much as we can in
9 Harrisburg. This new job is quite interesting.
10 We learn a lot every day.

11 I want to thank my staff, Rachel and
12 Sherry, who have done yeoman's job keeping me
13 up-to-date and making sure constituents services
14 continue in the district.

15 Testifiers, thank you. Staff, thank you.
16 And importantly, the audience, a lot of leaders
17 in our communities are here. Thanks for taking
18 all the time. And since we need more population,
19 we should go out and go forth and populate.

20 MAJORITY CHAIRWOMAN BROWN: Thank you
21 very much, Representative.

22 God bless you all, and this hearing is
23 adjourned.

24 (Whereupon, the proceedings concluded
25 at 12:00 p.m.)

C E R T I F I C A T E

I hereby certify that the proceedings are contained fully and accurately in the notes taken by me from audio of the within proceedings and that this is a correct transcript of the same.

Tracy L. Powell
Tracy L Powell, Court Reporter