Southwestern Pennsylvania
Blighted and Abandoned Properties Solutions Project
12/10/09
Executive Summary

Project Origins: Launched at the behest of Sustainable Pittsburgh's Sustainable Community Development Network, this SWPA Blighted and Abandoned Properties Solutions Project presents analysis and recommendations for raising capacity to address blight and abandonment at scale for Southwestern Pennsylvania.

The report substantiates that addressing blight and abandonment offers the chance to build assets in a community and deliver economic, environmental, and social equity benefits for both community and the region as a whole. However, at present, there exists no regional plan, decision-making table, nor coordinated regional effort to tackle the growing crisis of blight and abandonment in our communities. Southwestern Pennsylvania needs to begin now to develop a collaborative regional strategy and actions to prevent and address blight and abandonment. Sustainable Pittsburgh views this project as a phase I in the process of moving from recommendations to execution toward filling the void and exercising a collaborative regional strategy for addressing blight and abandonment where prevention and mitigation is key to the region's sustainability.

The focus on is blight and abandonment on the neighborhood level; in particular, residential parcels scattered throughout neighborhoods and small, commercial parcels in neighborhood business districts. The focus is not large tract, commercial or industrial sites or brownfields. Rather, the report targets those chronically vacant structures and lots that are not being actively maintained, improved and marketed by their owners. Their blighting influence has a deleterious impact on economic development, quality of life and resident mindset. Addressing blight and abandonment is, ideally, part of a community asset management strategy to prevent property disinvestment that leads to abandonment.

The Advisory Committee for this project tasked exploration to be conducted along strategies including: Education and Outreach; Regional Approach; State Role; Property Inventories.

Extent of the Problem: Blight and abandonment is a decades old phenomena and a still growing problem in the region. The report presents the extent and trends. Insights are presented on population changes, vacancy data, age of homes and homeowners, income, home values and foreclosures in the region. The findings are not surprising. Recent high rates of mortgage foreclosures on top of the region's decades of population loss, stagnant growth, low wages, age of structures and elderly population, along with simple observations, easily indicate a huge problem. But quantifying the problem is difficult for lack of appropriate data sources. Comprehensive property data does not exist. Data does evidence that every county has experienced in increase in vacant units over time. Foreclosure trends continue to rise. The 2007 figure of 67,886 abandoned housing units in Southwestern Pennsylvania commands attention, particularly when factoring that vacancy begets abandoned properties and the compounding associated costs to individuals, neighborhoods, social networks, the economy and region which is working so hard to reach its economic aspirations. Blight and abandonment is certainly not just an urban problem. It affects almost all municipalities in the region. And it affects our regional economy as a whole.

The Business Case: As the Statewide Blight Task Force noted in 2008, "Blight is an "economic crime" costing taxpayers and municipalities millions of dollars annually in lost property tax revenues, sewer and water fees, and increased municipal expenditures." Blight and abandonment is a tip of the iceberg issue that undermines and potentially exacts a downward spiral sentence on quality of life and prosperity across social, economic and environmental essentials for communities and the region. There are real costs. Such conditions are linked to exacerbating crime, loss of property taxes, and decrease in property value and neighborhood and business decline. Abandonment leads to population loss and negatively affects

overall market conditions. Without mitigation, this problem will continue to grow and be a drain on the region's resources. It undercuts the ability of the region's communities to maintain their footing as places of choice.

Studies show blight remediation triggers positive economic impacts for adjacent and nearby viable properties. Targeted remediation is a win-win strategy that pays in stabilizing neighborhoods, increased revenue, increase in property values and lower crime. Targeted remediation stands to buttress public and private investments being made in our region's weak and distressed markets. It pays.

Given the regional impacts and nature of this issue, regional approaches are in order. Not only will it allow the region to avoid the problems mentioned above (as well as the cost that are associated with them), blight remediation also fosters an environment conducive to job creation (including jobs associated with remediation itself) and increase in property values.

Where to Start? The report lays out rationale and recommendations for building new approaches and regional capacity by creating a SWPA Blight and Abandonment Regional Roundtable; deploying an educational/training program; developing demonstration projects to be administered by a proposed Shared Technical Service Entity, and developing approaches to inventory blighted and abandoned properties. Also, acknowledging the important role of the state, many recommendations are detailed on aligning state resources and leadership.

Education and Outreach: Around the region, the complexity and capacity to address blight and abandonment is highly variable. There are informational, resource and policy voids regarding blighted and abandoned property challenges and solutions at the local, county and regional levels. In order to address blight and abandonment, municipal and county government leaders and neighborhood leaders need support. All need at least a working knowledge of the legal framework including foundational concepts like due process of law and clear title. Addressing blight and abandonment at scale on a regional basis will require capacity building to achieve a broad constituency. This diverse constituency needs to have at least a working knowledge of the slow and tedious 'liability to viability' transition. Education is also necessary for productive dialogue regarding beneficial reuse and the education is needed to address changes the state leaders need to enact in order to create opportunities and resources for local solutions. It is recommended that a partnership be created between the Local Government Academy, Housing Alliance of Pennsylvania, and Sustainable Pittsburgh to fully develop and deploy a regional education and training outreach program. The projected cost is approximately $50,000.

The report presents a recommended **SWPA Liability to Viability Guide to Capacity Building**. This guide lays out the necessary steps of moving from liability to viability by way of abandoned property acquisition, remediation and transfer of clear title to new ownership. The *Educational* components of the Guide comprise the necessary elements of a recommended training outreach effort across the region. The *Service* components buttress recommendations to create a Shared Technical Services Entity.

Regional Approach: To address blighted and abandoned properties at scale for Southwestern Pennsylvania, it is recommended that a SWPA Abandoned and Blighted Properties Regional Roundtable be convened. No such entity currently exists (The Vacant Properties Working Group facilitated by PCRG is a model whose focus is on the City of Pittsburgh). Absence of such a regional structure is indicative of lack of regional comprehension and appreciation of the collective negative economic and social impacts of blight and abandonment. a problem pervasive throughout all the ten counties. Consistent with this report, the first order of business for the Roundtable would be to take up the recommendations presented.

Neighborhood Strategy & Abandoned Property Acquisition
As part of the overall asset management plan, it is recognized that the region needs a scalable model for acquisition, remediation and transfer of abandoned properties. However, acquisition cannot be the only

strategy to address blight and abandonment as it is simply too expensive. Various methods of addressing blight and abandonment must be considered in the planning phase. Included are "greening" strategies. Toward providing the scalable model, the report presents a **SWPA Liability to Viability Model** and recommends development and deployment of a Shared Technical Service Entity for Neighborhood Strategy Implementation. The following four elements of the model are essential to planning and implementing solutions to address blight and abandonment.

- Local capacity building for data collection.
- Participation by taxing bodies and water/sewer provider.
- Committees of local government officials, residents and business representatives.
- A **Shared Technical Service Entity** shared amongst participating localities. Among rationale is that the Entity would allow for efficiencies gained from economies of scale in implementing neighborhood plans. The work of this entity would also assure that uniform evaluative measures are part of neighborhood planning and implementation across the region. Per selected demonstration project areas, abandoned parcels identified for acquisition, remediation and transfer in the neighborhood strategy would be submitted to this entity to handle due diligence of the liability to viability phases. This proposed entity would be professionally staffed and engage the needed service providers as required by any given project. The cost of deploying the Shared Technical Services Entity is approximately $500,000.

Recommended Demonstration Project Strategy:
A leading opportunity for the proposed Regional Roundtable is to determine one or two locations around the region where commitment, cooperation, and need converge to enable successful implementation of demonstration projects. It is recommended that such a project would apply the Liability to Viability Model and Capacity Building Guide in adjoining localities comprising a sub-regional pilot area. The demonstration projects would be facilitated by the Shared Technical Services Entity under the guidance of the Regional Roundtable. The purpose of the demonstration projects is to demonstrate cost efficiencies and evaluative measures for addressing blighted and abandoned properties at a level of volume otherwise not likely to be addressed ad hoc. Outcomes of the demonstration project would prove invaluable in further developing scalable approaches for other locations throughout the region. It is recommended that the selection of communities to be addressed in a demonstration project begin with criteria that focuses on where significant current and future public investments are being facilitated.

State Role: Specific to the recommended demonstration projects, DCED would be of significant assistance in comprising a multi-agency group to work with the Shared Technical Services Entity to help explore and assemble technical assistance and appropriate funding from across DCED programs and other agencies. What is in mind here is an action team akin to DCED's Community Action Team but specific to addressing blight and abandonment per the Liability to Viability model in cooperation with the Shared Technical Services Entity per initial demonstration projects.

Recommended Integration/Realignment of State Funding and Technical Assistance Programs:
The report inventories the plethora of funding and assistance programs administered by the state that are potentially relevant to addressing blight and abandonment. Regional and local governments provide yet another layer of programs and policies. Given the daunting number and array of programs offered (at least offered in the past as enabled by prior budgets), it is recommended that efforts commence to work with the state to realign, integrate, and consolidate these funding and assistance programs in order to establish a designated new pooled funding and assistance program, along the lines recommended in this report, specific to addressing blight and abandonment in Southwestern Pennsylvania. In integrating its funding programs and technical assistance, the state can provide flexibility and tailor interventions strategically to the appropriate political jurisdiction and level of system (neighborhood, municipality, county, region) in ways that are scalable and designed to achieve cost efficiencies with the volume of blighted and abandoned properties across the community fabric of the region.

An important first recommended step is to identify a Blight and Abandonment Ombudsperson at the Department of Community and Economic Development who will be the point, go-to person at the state. Due to the number of programs and division of responsibilities in the department, it is necessary to have a single point of contact who has sufficient rank to communicate across the department, identify priorities, pull together appropriate programs and ensure accountability. This person would serve as a funding coordinator to counties and municipalities and provide guidance and direction through the grant proposal process. Also, it is recommended that a state level steering committee be created to oversee solutions to the issue of blight and abandonment. This committee should include the state point person, a representative of counties and of local municipalities, plus appropriate non-governmental agencies such as the Housing Alliance of Pennsylvania. Both the Ombudsperson and the committee would provide a critical point of contact and coordination for the Southwestern Pennsylvania Region Blighted and Abandoned Properties Roundtable's collaborations with the state. Also, the Commonwealth's support and funding assistance would be a boon to implementing the recommendations in this report.

The report also provides a list of additional actions for state consideration. These are drawn largely from the 2004 report of the Legislative Budget and Finance Committee and the Housing Alliance of Pennsylvania entitled, "From Liability to Viability" and subsequent updates. It is recommended that priorities for action be established through an appropriate process including involvement by the above recommended DCED Ombudsperson and state level steering committee.

Property Inventory: A well-organized, up to date blighted and abandoned property inventory is a valuable information resource that can support the following activities. Making vacant property inventory data available on a regional basis should be a high-priority goal in order to facilitate:
- Completing strategic investment plans that include designation of desired reuses for blighted and abandoned properties listed in the inventory.
- Marketing available properties for redevelopment.
- Assessing real estate market trends by periodically recording and analyzing changes in the number, type and location of blighted and abandoned properties.
- Facilitating tax collection and code enforcement, particularly with respect to multiple blighted and abandoned properties owned by a single individual or entity.

Although much of the inventory information addressed in the report is available through public agencies in digitized form, most of this information cannot be consolidated into a regional database. There are a myriad of impediments to creating a regional vacant property inventory. Although these impediments are significant, they are not necessarily insurmountable. Our region does have the capacity to incrementally collect and map property data and systematically measure the problem and evaluate solutions. As shown in the examples summarized in the report, property inventories that include detailed information about blighted and abandoned property characteristics, have been organized and are operating reliably in areas with characteristics similar to those of Southwestern Pennsylvania. In addition, a regionally oriented resource for property information and data sharing, the Pittsburgh Neighborhood and Community Information System (PNCIS), is already in place at the University of Pittsburgh and is available to support the creation of a regional blighted and abandoned property inventory. It is recommended that the Pittsburgh Neighborhood and Community Information System's (PNCIS) be expanded for a role as a data warehouse and clearinghouse for access to regional data. The cost is not projected. Recommendations for data collection at the local level are provided in the report as are suggestions for County level inventory as well. The recommended Regional Roundtable should play a key role in initiating and guiding communication that leads to agreement on how many, most, or all of these inventory approaches and issues will be addressed in Southwestern Pennsylvania.

For more information about the recommendations please contact Sustainable Pittsburgh.