

# **Seeing the Connection:**

## How blight affects Pennsylvania's cities and promotes sprawl

*"The familiar image of a beleaguered urban core surrounded by suburban prosperity is giving way to something more realistic and powerful: metropolitan areas in which urban and suburban communities lose out as a result of voracious growth in undeveloped areas and slower growth or absolute decline in older places."*

– Bruce Katz and Jennifer Bradley, "Reinventing American Cities and Suburbs,"  
reprinted in *Greater Philadelphia Regional Review*, Fall 2000

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## **Executive Summary**

Between 1992 and 1997, Pennsylvania lost more acres of farmland, forests, and open space than almost any other state, while ranking nearly last in population growth. This explosive destruction of Pennsylvania's landscape—largely due to suburban “sprawl”—has not been a sign of robust growth but an indication that people and resources are leaving the state's older communities. In fact, while there are a myriad of factors that contribute to sprawl, a look at Pennsylvania's urban and downtown areas reveals one of the biggest causes: *blight*.

In large cities like Pittsburgh and Philadelphia, smaller cities like Allentown and York, boroughs like Norristown and rural communities across the state, the presence of deteriorated housing and infrastructure—“blight”—has decreased livability and discouraged further investment. While this might seem like a zero-sum game with a set of winners (the suburbs) and a set of losers (cities), the truth is that no one is really winning. As cities and older communities fight to retain jobs and repair infrastructure, Pennsylvania's fast-growing suburbs are struggling with higher taxes, loss of open space, increased traffic congestion, and lost sense of community. Over the past few decades, urban and downtown disinvestments have fueled an inefficient pattern of development that creates a host of negative environmental, economic, and social consequences for Pennsylvania.

Many public policies such as low-interest mortgages, improper planning, and rampant highway construction have encouraged disinvestments in Pennsylvania's older communities. In order to reverse this trend and stop our current pattern of sprawling development, PennEnvironment urges the General Assembly to adopt a comprehensive strategy towards efficient land use. Specifically, we recommend a four-point platform:

- Redirect growth into existing communities through a combination of stronger land use planning requirements, increased public participation, and reinvestment in cities.
- Increase funding for rail, bus, bicycle, and pedestrian transportation options. Oppose highway projects that encourage sprawl.
- Protect farms, forests, open space, and wetlands by purchasing land and development rights.
- End taxpayer subsidies for sprawl by requiring developers to pay for new roads, water, and sewer infrastructure, and public services.

In 1995 the Pennsylvania House of Representatives unanimously passed a resolution to examine blight throughout the state and draft remedial legislation—some of which is currently before the state Senate. These bills address several problems associated with blight and provide a common sense, fiscally responsible opportunity to spur reinvestment. PennEnvironment recommends passing this anti-blight package as part of a larger commitment to curb sprawl and promote more efficient land use policies. If Pennsylvania is to retain a high quality of life for the 21<sup>st</sup> century, we must protect our agricultural and natural heritage—and we must do so by increasing the livability of our older communities and town centers.

## Introduction

On October 30, 2001, the Pennsylvania House of Representatives passed, with a near unanimous vote, a bi-partisan package of bills aimed at removing blight in our state's cities, boroughs, and townships. These bills (HB 1934-1948, 1950 and 1952) are considered to be the first "wave" of downtown revitalization legislation inspired by House Resolution 91—which in 1995 directed the House Urban Affairs Committee to study the cause and effect of blight in Pennsylvania, including blight in rural areas.

There are essentially three ways that these bills would help address the problem of blight. If passed, they would:

- Hold seriously irresponsible owners of abandoned and tax delinquent properties more accountable for their actions.
- Establish and expand certain revitalization programs, namely the Elm and Main Street Programs.
- Make it easier for non-profits to redevelop vacant properties.

With the exception of House Bill 1946, PennEnvironment supports House Resolution 91 "Wave One" legislation in order to make our communities more livable, sustainable places.<sup>1</sup> At a time when the state's urban and downtown areas are wrestling with empty storefronts and neglected infrastructure, and suburban areas are struggling to fend off unwanted development and preserve open space—it makes sense for Pennsylvania to stand up against the spread of blight and spur reinvestment. With only modest appropriations, this legislative package is also an especially attractive way to reenergize our community centers in a fiscally tight legislative session.

This report, "Seeing the Connection," is meant to help Pennsylvanians understand how blight hurts all of our communities and shows how several of the bills being considered would help address the problem. It is our hope that once the facts are

presented and the arguments made, the Pennsylvania General Assembly's conclusion will be the same as ours: **Blight in Pennsylvania is a severe and costly problem that needs urgent action, and passing this legislation is a logical step on the road to recovery.**

## Blight in Pennsylvania

Many of Pennsylvania's cities, boroughs and town centers are suffering as rampant suburban and fringe development facilitates the abandonment of existing communities. Population and resources have shifted out as wealthier citizens have left, leaving our cities and older communities with decreased tax bases and increased social problems. This has created a destructive, self-reinforcing cycle of abandonment: citizens and businesses move out of a city, which makes the city less livable, which encourages more people to move out...and so on.

What we have been left with is enormous pressure to build farther and farther away from urban centers, causing the development and destruction of farmland and open spaces, and the deterioration of our older communities and downtown centers.

This scenario is playing out in many regions throughout Pennsylvania. According to U.S. Census data, the City of Philadelphia lost 4.3 percent of its population in the 1990s (about 68,000 people), while the metropolitan area's population grew by 3.6 percent in the same period. This population shift has left Philadelphia with over 29,000 abandoned buildings and nearly 31,000 vacant lots—the latter a 100% increase since 1987.<sup>2</sup> In fact, one out of every four residential blocks in Philadelphia has vacant property on it.<sup>3</sup> The result is that the city is currently grappling with how to handle over 8,000 dangerously blighted buildings and many more lots that pose serious threats to the public.<sup>4</sup>

**TABLE 1**

**Vacant Housing Units by Metropolitan Area**

Pittsburgh	92,600
Philadelphia (city only)	84,300
Scranton-Wilkes-Barre-Hazleton	26,000
Harrisburg-Lebanon-Carlisle	24,600
Allentown-Bethlehem-Easton	22,000
York	12,900
Reading	8,000

Source: 2000 U.S. Census

**Philadelphia is not alone.** Pittsburgh lost 10% of its population in the 1990's, and the last major housing study revealed 13,800 vacant buildings in the metropolitan area.<sup>5</sup> Meanwhile, many other cities and boroughs in Pennsylvania have also had to deal with increased blight and abandonment. Comparable statistics of vacant properties are not easily available, but a look at the number of vacant housing *units*\* in these communities indicates considerable levels of abandonment (Table 1). For example, the Scranton-Wilkes Barre-Hazleton metropolitan area and the Harrisburg-Lebanon-Carlisle metropolitan area have more than twice the level of vacant housing units than Montgomery and Bucks counties—areas with similar (or greater) populations.<sup>6</sup> These metropolitan areas have higher levels of older, non owner-occupied housing stock (apartments), where even short periods of neglect can have devastating effects on building integrity.

There is considerable anecdotal evidence that suggests these vacancies have indeed resulted in many dangerous, run-down and abandoned properties – or “blight.” For example, eighteen banks in Lehigh Valley recently decided to prohibit problem landlords from getting loans because of

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\* *Housing Unit.* A housing unit is a house, an apartment, a group of rooms, or a single room occupied or intended for occupancy as separate living quarters. This differs from a property in that one rental property may have several housing units.

mounting pressure from citizens to address the issue of blighted properties.<sup>7</sup> In Lancaster, the mayor has worked aggressively to redevelop and sell abandoned properties in the city, maintaining that even one boarded up, vacant house can bring down a whole neighborhood.<sup>8</sup> In addition, the mayor of Jeannette, a third-class city in Westmoreland County, has spoken specifically about the need for this anti-blight package, while a code enforcement officer for Monessen (also in Westmoreland County) called his city “the king of slum landlord towns.”<sup>9</sup>

There is little doubt that population shifts and a changing economy have left many of Pennsylvania's cities, boroughs, and town centers fiscally depressed and blighted. All across the state, these communities have had to cope with vacant and abandoned properties, and with the increased economic, social, and environmental costs that come with blight.

## The Costs of Blight

Abandoned buildings and vacant lots—the physical reflection of blight—have negative effects that spread throughout the surrounding neighborhood. They often become de facto dumpsites for contractors and residents, posing safety hazards for pedestrians and children; and they are persistent eyesores, degrading the self-image of the community, inviting crime, and lowering property values. **A recent study in Philadelphia found that all things being equal, the presence of an abandoned house on a block reduced the value of all other properties by an average of \$6,720.**<sup>10</sup>

Abandoned and tax delinquent properties are also an economic liability for the city: in addition to generating no tax revenue, there are substantial costs associated with

demolition and safety maintenance. For example, Philadelphia is expected to spend roughly \$170 million over the next five years tearing down and encapsulating 16,500 blighted residential properties—with no guarantee of future redevelopment.<sup>11</sup>

Unfortunately, increased safety risks, property devaluation, and high maintenance costs associated with abandonment represent only a fraction of the overall price tag of blight. By neglecting our more developed areas and older town centers, Pennsylvania also incurs serious economic, social, and environmental costs that extend beyond individual blighted neighborhoods and into every municipality. More specifically, **the problem of blight in our cities and older communities furthers the problem of sprawl in the rest of the Commonwealth.**

#### *LOSS OF PENNSYLVANIA'S FARMLAND AND RURAL HERITAGE*

Pennsylvania's agriculture has long been an important part of the state's economy and way of life. Over the past several decades, however, farmland in Pennsylvania has been severely threatened by the exodus of people from Pennsylvania's cities, boroughs, and older town centers. Between 1960 and 1990, population in the state's ten largest metropolitan areas (including suburbs) rose by 13% while development shot up 80%.<sup>12</sup> In the 1990's, this voracious rate of development continued even as the state's population growth was relatively stagnant.<sup>13</sup>

According to a 1997 American Farmland Trust report, rural lands in Adams, Bucks, Chester, Delaware, Lancaster, Montgomery, and York Counties are part of the 2<sup>nd</sup> most threatened high-quality farmland area in the country.<sup>14</sup> In fact, **Pennsylvania lost over 10,000 farms and 1.13 million acres of farmland statewide between 1982 and 1997.**<sup>15</sup> As a result, the economic opportunities, scenic beauty, and quiet lifestyle associated with

agriculture—things cherished by many Pennsylvanians—are slowly being lost as suburban developments creep into rural community life.

All across the state, the conversion of farms into new development has destroyed some of the most productive agricultural land in the country and changed the character of many small communities. Again, with minimal population growth at the state level, these changes are undeniably fostered by urban and downtown disinvestments.

#### *LOSS OF OPEN SPACE AND WILDLIFE HABITAT*

In addition to the loss of precious farmland, the abandonment of our existing communities has meant the destruction of Pennsylvania's other open spaces, including forest, meadow and wetland areas. Between 1992 and 1997, the state lost almost half a million acres of these areas, equal to a loss of 10 acres every hour during this period.<sup>16</sup>

**Instead of working to rehabilitate older buildings and promote infill development, we've concentrated most of our new growth on "greenfields," or previously undeveloped land.** In doing so, there have been several environmental consequences: for example, habitat for many wild species has become fragmented, and many natural areas that serve important roles in the water cycle have been lost.

The development and destruction of habitat is the single largest threat facing Pennsylvania's wildlife, which includes sixteen species listed under the federal Endangered Species Act and approximately another 1,000 species considered by the state to be at risk of extinction.<sup>17</sup> For example, wetlands in Southeastern Pennsylvania that provide habitat for the bog turtle, the eastern tiger salamander, the coastal plain leopard frog, the New Jersey chorus frog, and the bald eagle are rapidly being drained and filled to make room for

development, while others are paved over or dissected by highways. Habitat fragmentation has also led to increased residential encounters with deer, bear, and other wildlife as these animals are forced to live in close proximity to new development.<sup>18</sup>

Extensive destruction of open space has led to increased water pollution and diminished water supply as well. Normally, rainwater seeps into the ground, filtering out pollutants, replenishing our wells and flowing back into our rivers, streams, and lakes. However, unchecked development has disturbed this natural cycle by creating vast swaths of impermeable surfaces. As rainwater becomes runoff, it carries pollutants (fertilizers, oil, litter) into our waterways and fails to replenish underground aquifers. More impermeable surface area has also increased the risk of flooding and erosion problems: **a one-acre parking lot produces sixteen times the volume of runoff as an undeveloped meadow.**<sup>19</sup>

*INCREASED DIFFICULTY  
CONNECTING PEOPLE AND JOBS*

A major cost of the exodus from mixed-use, transit-oriented or walkable community centers is the inefficient allocation of people and jobs. As businesses continue to locate themselves away from traditional economic hubs and towards automobile-dependent developments, low-income residents without cars are increasingly isolated from new economic growth. As Table 2 indicates, the majority of new jobs are in suburban areas that have not traditionally been served by public transportation. Most of these poorer citizens are left competing for a dwindling set of accessible jobs, while those seeking suburban employment face frustratingly long and expensive “reverse commutes”—that is, where there are sufficient rail and bus routes.

Meanwhile, those *with* cars and jobs are forced to travel longer distances with

<b>TABLE 2</b>			
<b>Business Employment Growth By Selected County 1990-2000</b>			
Allegheny	5.4%	Philadelphia	- 2.1
Butler	36.5	Bucks	16.1
Westmoreland	20.1	Chester	14.4
		Montgomery	14.0
Note: Statewide business growth was 8.4%			
Source: 2000 Census			

increasing congestion. As a result, vast amounts of taxpayers’ time and money are wasted sitting in traffic and on spending for new roads and maintenance. For example, Pennsylvanians drove an average of over 280 million miles *each day* in 1999,<sup>20</sup> causing congestion 65% of the time on Philadelphia freeways and 55% in Pittsburgh. **The total cost of congestion in Pennsylvania’s two largest metropolitan areas due to delays and wasted fuel amounted to over \$2.4 billion in 1999.**<sup>21</sup> This is to say nothing of the higher taxes (to pay for new roads and repairs) and the increased noise and air pollution levels that these areas—and the rest of the state—experience as a result of such travel.

*DECREASED SENSE OF PLACE AND  
COMMUNITY*

As we abandon historic communities that were once vibrant private/public centers, we lose the “sense of place” and social advantages that are unique to these areas. Many planners and architects agree that a sense of place—loosely defined as a positive, instinctual response to a person’s physical environment—is rarely found in the sprawling residential and strip mall developments that typify new growth. These developments rely on homogenous building styles and non-descript architecture, are designed to accommodate the automobile, and usually fail to provide for public spaces. Furthermore, they often contain only a single commercial or

residential “use,” reducing a person’s overall interaction with these particular places.

As a result, new developments typically do not contain the social or physical elements that help form a strong sense of place. Furthermore, because people in auto-oriented, single-use developments tend to interact less frequently with their neighbors, greater emphasis is usually placed on private spaces (living rooms, fenced backyards)—making it even more difficult to form cohesive, lively communities.

On the other hand, this attractive quality is frequently found in older areas containing mixed-use and higher density development. **Whether it’s eating lunch around the Capitol in Harrisburg, going out for an evening in the Shadyside neighborhood of Pittsburgh, or simply living in a thriving borough like Doylestown or Newtown Square, there’s undeniably a sense of place in these communities.** These areas are less dependent on the automobile and encourage pedestrian traffic, contain an eclectic mix of building styles, have more public spaces and a richer sense of history.

The result is that people take greater pride in their neighborhood and are likely to interact with others more frequently – making it easier to form the intangible sense of community often lacking in most new developments.

**Our present pattern of sprawling development negatively affects all of Pennsylvania.** Residents in blighted areas are being forced to live with unsafe conditions and a depressed economy; suburban residents are faced with increased traffic, reduced open space, and a lost sense of community (in addition to increased taxes); rural areas are finding their agrarian economy and way of life threatened; and the state is losing its precious environmental integrity.

While efforts have been made to save Pennsylvania’s farmlands and open spaces—the Growing Greener program, Municipalities Planning Code reform, and numerous local government bonds for open space preservation—these efforts alone are not sufficient. If the state legislature is truly committed to preserving Pennsylvania’s natural heritage, there needs to be a more comprehensive, coordinated approach to economic development and land use policies. At or near the top of the priority list must be tackling increased blight in our urban and downtown areas.

## Addressing the Fundamental Problems

The exodus from our urban and older communities is neither a true indication of people’s preferences nor simply the product of “free market” decisions. Throughout the past fifty years, many public policies such as low-interest mortgage programs, improper planning, and rampant highway construction have encouraged disinvestments in these communities and fueled our current pattern of low-density suburban development.

Other state and local governments that have acknowledged such policy problems have reaped many environmental and economic benefits. For example, Portland, Oregon is considered to have one of the highest qualities of life in the country, with a vibrant downtown area, walkable neighborhoods, and abundant natural and recreational resources—largely the result of longstanding policies favoring urban reinvestment over sprawling development. At the state level, Maryland’s anti-sprawl policies, including priority funding areas, have been an effective part of efforts to protect important natural resources like the Chesapeake Bay.

In Pennsylvania, however, efforts to change policies and redirect growth back into existing communities have been nonexistent

and/or slow in coming: **a 1999 report ranked Pennsylvania 49<sup>th</sup> out of the 50 states in urban revitalization efforts.**<sup>22</sup>

Even with the creation of several new programs over the past couple of years—Keystone Opportunity Zones (KOZ's), Neighborhood Improvement Districts (NID's), and the Main Street Program—the state is still failing to initiate policies that will break the cycle of abandonment and encourage strong reinvestment in our older communities. House Resolution 91 legislation is therefore a logical place for Pennsylvania's elected officials to begin addressing the problem of blight, especially with current budget constraints that may prohibit other costlier revitalization efforts.

Specifically, the legislation before the Pennsylvania Senate would help address three fundamental problems that affect the state's older communities and town centers:

- Egregiously irresponsible property owners who increase blight
- Lack of capital and negative perceptions of older, more urbanized areas
- Barriers to investment.

*1.) HOLDING IRRESPONSIBLE  
PROPERTY OWNERS MORE  
ACCOUNTABLE*

Most homeowners and landlords properly maintain their properties and contribute to the stability of their neighborhood. However, it takes only a few slumlords owning severely blighted properties to nullify these contributions and bring down property values. As stated earlier, just one abandoned building has been found to reduce neighborhood property values by over \$6,700.

With the objective being to squeeze out maximum profits, these irresponsible owners often invest as little capital as they can while extracting as much rent as

possible, and never fully concern themselves with issues of the greater community. Similarly, there are real estate speculators who purchase abandoned and run-down properties only to “sit on” them in the hopes that a few become worthwhile investments.

In both instances, as properties are deemed un-profitable, these landlords often stop paying property taxes, ignore basic maintenance as defined by safety regulations and building codes, and abandon their run-down properties altogether. In extreme cases, some landlords even proactively disinvest in their properties by removing and reselling valuable pieces of the building—fixtures, architectural detail—before abandonment.<sup>23</sup> Meanwhile, state and local governments watch helpless without the necessary tools to stop this, and neighborhoods suffer tremendous economic loss and blight. **By ignoring their obligations and refusing to adhere to the same standards as their neighbors, these owners unfairly punish every responsible citizen who cares about his or her community.**

In general, the short-term economic motivation of only a few seriously irresponsible property owners has been generating long-term economic and social problems for Pennsylvania's communities.

### Urban Blight Eradication Act

Currently, there are very few ways to regulate seriously irresponsible property management. There is no system of tracking owners of sub-standard and tax delinquent properties, and state and municipal officials are not allowed to deny permits even to the most egregious of these violators. Irresponsible speculators can purchase blighted properties too easily at post-sheriffs sales without having to rehabilitate them. In addition, municipalities that are forced to incur costs associated with the maintenance and/or demolition of dangerously blighted

properties are not able to legally seek restitution from the property owner to recover their expenses. Thus, not only do municipalities often have difficulty knowing who is causing the deterioration of their communities, but there's also little that can be done if and when they find out.

**Pennsylvanians have a right to know who is creating blight, posing serious safety threats to their neighborhood, and directly contributing to property devaluation.**

Furthermore, municipalities should have as many options as possible to both discourage and punish egregious violators of tax and building code regulations. These irresponsible property owners should not have the ability to continue their deleterious practices unabated and spread blight across Pennsylvania.

House Bill 1952, also known as the "Urban Blight Eradication Act," addresses these fundamental problems and is one the most important pieces of House Resolution 91 "Wave One." The bill would do the following:

- Create a statewide computer registry of all chronic violators of building/safety codes and tax payments.
- Allow state agencies to deny permits to these violators.
- Ensure that properties bought at sheriff's sales are compliant with building and safety codes within a reasonable time frame, so as to discourage speculation.
- Give municipalities the ability to recover funds from irresponsible owners for costs associated with the maintenance and/or demolition of their dilapidated properties.

While these provisions will go a long way in reducing blight in Pennsylvania, an additional benefit of HB 1952 is that it will not cost taxpayers any money.<sup>24</sup> More likely, local municipality revenues and personal property values would increase as

new regulatory tools raise the incentive for owners to pay taxes and invest in their properties.

**2.) INCREASING CAPITAL AND IMPROVING PERCEPTION**

Another fundamental problem facing urban communities is lack of capital. Because investment in distressed communities is perceived as highly risky, some businesses stay away and many lenders are unwilling to extend loans to companies or non-profits that express interest in redeveloping these communities. Unable to attract private investment, these older neighborhoods and downtown areas face rapid deterioration—which continues the cycle of abandonment and makes any future investment that much more unlikely.

The reluctance to invest in downtown and urban areas exacerbates an additional problem: the reluctance to *live* in these places. For many Pennsylvanians, the idea of living in cities and older community centers conjures up images of crowded, blighted buildings and unsafe neighborhoods – not cozy pedestrian walkways or beautiful historic homes. While it is true that Pennsylvania's cities and older communities are hurting, they still have tremendous potential to be safe and vibrant communities. Now is a critical juncture, however, where the need for public investment will become overwhelming if a commitment is not made soon.

**Main Street Program**

One of the more successful programs aimed at attracting businesses to downtown communities and improving the perception of urbanized areas is the Main Street Program. With relatively little cost to the state (\$2.5 million per year), the program provides money for the establishment of a local organization dedicated to downtown business revitalization. The organization promotes downtown business, offers matching grants for local infrastructure enhancements like sidewalk repairs, façade

upgrades, and other pedestrian-oriented improvements, and hires a full-time professional to coordinate these activities.

According to the Pennsylvania Downtown Center, **every state dollar put into the Main Street Program has produced \$9.24 dollars of local and private funds for downtown reinvestment.**<sup>25</sup> With just \$12.5 million of state money over five years, the Main St. Program has resulted in:

- 1,081 new businesses.
- 4,406 new jobs.
- 1,015 building improvements.
- \$115.6 million total reinvestment in downtowns.

Having had applicants and participants from 53 of the Commonwealth's 67 counties, the Main Street Program truly represents one of only a few successful statewide strategies for downtown revitalization in Pennsylvania. Unfortunately, the Main Street Program is not fully established: it exists only under executive order, which means it could be dissolved without the approval of the General Assembly. House Bill 1935 would secure the Main Street Program under state statute.

As one of the most fiscally sound and popular revitalization programs, any opportunity to expand the Main Street Program should also be explored.

### Elm Street Program

Older, downtown commercial areas are often surrounded by many residential neighborhoods that have fallen into decline over the past several decades—due to the reasons mentioned above. **Usually with beautiful, historic, and reasonably priced properties, many experts believe preserving and promoting downtown residential areas is vital to any long-term revitalization strategy.**

House Bill 1934 seeks to establish a downtown residential enhancement program to be administered by the Department of Community and Economic Development (DCED). With an appropriation of \$2.5 million, the "Elm Street Program," would be modeled after the Main Street Program—providing for a similar organization and full-time professional to revitalize neighborhoods nearby or adjacent to commercial downtown areas.

Together, the Elm and Main Street Programs provide a coherent and long-term strategy for investment in our older, more urbanized communities. Passing HB 1934 is therefore a critical piece of any reinvestment strategy in Pennsylvania.

### *3.) REMOVING UNNECESSARY BARRIERS TO REINVESTMENT*

Time is the worst enemy of an abandoned or vacant building. Left to the perils of weather and vandalism, these structures can become rotted or debris-infested quickly. With historic structures, the time lag between abandonment and investment can be particularly frustrating since irreplaceable elements—architectural detail, woodwork,

Left open to the elements for even several months, a house worth tens of thousands of dollars can quickly turn into a net liability. By the time someone applies for and obtains a typical vacant row house...the property has deteriorated to the point where only complete gut rehabilitation is possible.

-- "Blight Free Philadelphia"

original flooring—are often lost in the process. Meanwhile, as these buildings are left unattended, the value of adjacent properties continues to fall and the spread of blight is facilitated.

## House Bills 1947 and 1948

House Bills 1947 and 1948 aim to reduce the time before reinvestment by amending the 2<sup>nd</sup> Class Township and 2<sup>nd</sup> Class County Codes to waive the formal bidding requirements for non-profit housing organizations when purchasing vacant properties. These bills are virtually identical to Act 64 of 1997, Acts 44 and 54 of 1998,

and Act 73 of 2000—all of which waived the bidding requirements for non-profits, but simply dealt with different jurisdictions. In fact, House Bill 1948 became law in February of 2002 as Act 12; leaving the passage of House Bill 1947 as the logical conclusion to this series of bills that reduces the time between abandonment and reinvestment.

## Conclusion and Recommendations

### **Pennsylvania’s rapid development of farmland and open space in the face of minimal population growth makes little environmental or economic sense.**

Furthermore, there is an emerging consensus that there are significant social and aesthetic implications of sprawl. If the state legislature is truly committed to preserving Pennsylvania’s natural heritage and retaining vibrant economic, social, and cultural centers, it must produce an aggressive preservation and reinvestment strategy. This strategy has to significantly address the deterioration of the state’s cities and older community centers.

The current House Resolution 91 legislation before the Pennsylvania Senate represents over a half-decade of research, discussion, and hard work to fight abandonment and blight. Except for House Bill 1946, which does not sufficiently provide for open space protection (see footnote 1), PennEnvironment believes these efforts have produced an effective set of bills whose passage is a logical and necessary step to spurring reinvestment. Indeed, this inexpensive and fiscally responsible legislation is especially important in a session with few opportunities for major financial commitment.

Of course, these bills can only be a part of the solution. While Pennsylvania has created several successful preservation and investment programs, it will take numerous aggressive legislative fixes to address a half-century of policies favoring inefficient growth. In addition to passing House Resolution 91 “Wave One,” there are several other anti-blight measures that PennEnvironment recommends the General Assembly take this legislative session:

- **Pass HB 90 and 91, which would establish an historic home tax credit program.** Without financial assistance for rehabilitation and maintenance, many owners are unable to preserve historic residential structures that are often anchors of older neighborhoods.
- **Provide for receivership of deteriorating properties.** Non-profit corporations should be able to be named “receivers” by the courts in order to control, maintain, and manage properties owned by landlords who are undergoing bankruptcy or foreclosure hearings. This would save many buildings from becoming blighted and keep residents from being forced out of their apartments.
- **Pass HB 1951, the Mortgage Guarantee Corporation Act, which would provide loan insurance to private developments in distressed communities.** Businesses and

entrepreneurs who are willing to take a chance and invest in distressed areas must have better access to capital.

Together with a strong commitment to environmental and open space preservation, including a fully funded Growing Greener program, stronger planning requirements, and increased funding for public transportation, these anti-blight measures will help ensure that Pennsylvania's natural heritage and vibrant downtown areas will be secure for many generations to come.

## Notes

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<sup>1</sup> House Bill 1946 is intended to encourage investment in not-yet-blighted but distressed areas by loosening the eligibility requirements of the Tax Increment Financing Act. However, because of its ambiguous language and some concern over previous TIF developments, PennEnvironment believes that the current language does not sufficiently protect open space, or "greenfields," from development.

<sup>2</sup> PA Horticultural Society. "IMPACT 2000: Vacant Land Management Study-Update," November 1999.

<sup>3</sup> Eastern Pennsylvania Organizing Project and the Temple University Center for Public Policy. "Blight Free Philadelphia, A Public-Private Strategy to Create and Enhance Neighborhood Value," October 2001.

<sup>4</sup> City of Philadelphia. "Neighborhood Transformation: A Strategy for Investment and Growth," April 18, 2001.

<sup>5</sup> U.S. Census, American Housing Survey, 1995.

<sup>6</sup> 2000 U.S. Census. Bucks County: pop. 600,000 and 12,326 vacant housing units; Montgomery County: pop. 725,000 and 10,787 vacant housing units. Both the Scranton-Wilkes Barre-Hazleton and Harrisburg-Lebanon-Carlisle MSA's have populations of approximately 600,000.

<sup>7</sup> McDermott, Joe. "Local Banks Won't OK Loans to Problem Landlords," *Morning Call*, December 15, 1999.

<sup>8</sup> Harris, Bernard. "City Takes Control of 9 Empty Homes," *Lancaster New Era*, March 12, 2001.

<sup>9</sup> Jacobs, Susan. "New State Law Targets 'Slumlords'," *Pittsburgh Post-Gazette*, November 21, 2001.

<sup>10</sup> "Blight Free Philadelphia"

<sup>11</sup> "Neighborhood Transformation"

<sup>12</sup> Governor Ridge's Report of the 21<sup>st</sup> Century Commission. September 1998, p. 16.

<sup>13</sup> Pennsylvania's population grew 3.4% in the 1990's, compared to 13.1% nationally.

<sup>14</sup> "Farming On the Edge," located at: <http://www.farmlandinfo.org/cae/foe2/>

<sup>15</sup> American Farmland Trust: <http://farmlandinfo.org/fic/states/pennsylvania.html>

<sup>16</sup> U.S. Department of Agriculture. "Summary Report 1997 Natural Resources Inventory," December 1999.

<sup>17</sup> PA Department of Conservation and Natural Resources: [www.dcnr.state.pa.us/forestry/pndi/pndiweb](http://www.dcnr.state.pa.us/forestry/pndi/pndiweb).

<sup>18</sup> For recent articles, see: Batz, Bob, Jr. "14,000 bears are waking up, and they're looking for dinner,"

*Pittsburgh Post-Gazette*, March 7, 2002; Hanna, John. "Black bear shows up for 7 a.m. shift at Leetsdale's Abtrex Industries," *Courier Times*, August 5, 2001; Hellyer, Joan. "Community finds way to keep deer out of death trap," *Courier Times*, December, 30, 2001

<sup>19</sup> Schuler, Tom. *Environmental Land Planning Series: Site Planning for Urban Stream Protection*. Center for Watershed Protection, December, 1995.

<sup>20</sup> PennDOT 2000 Annual Report.

<sup>21</sup> Shrank, D. and Tim Lomax. *The 2001 Urban Mobility Report*. Texas Transportation Institute, 2001.

<sup>22</sup> Sierra Club. "Solving Sprawl," 1999.

<sup>23</sup> PA Low Income Housing Coalition. Executive Summary, "A Status Report on Efforts to Pass Strong Receivership Legislation During the 1999-2000 Session of the Pennsylvania General Assembly."

<sup>24</sup> While there is a small cost associated with the computer registry provision, this would be absorbed by a fee assessed to violators under the current language.

<sup>25</sup> All figures for the Main St. Program provided by Bill Fontana, Executive Director of the PA Downtown Center.