

# Neighborhood Blight Reclamation and Revitalization Act

Pennsylvania General Assembly

State Senate, Committee on Urban Affairs and Housing

Senator Yaw, Chair

Senator Argall, Vice Chair

Testimony by Pennsylvania Downtown Center Geoff Brace, Program Coordinator

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Good morning senators. I bring greetings from the Pennsylvania Downtown Center's Executive Director Bill Fontana and our Board Chair, Cynthia Philo, the CEO of the Old City District in Philadelphia. I am joined here today by our Marketing and Communications Coordinator, Norah Johnson. Our staff and board are extremely grateful for the opportunity to provide this testimony today. In particular, I would like to thank Senator Yaw and Senator Argall for their leadership and initiative to host this hearing on a matter that stands to benefit Pennsylvania's economy at a time when instability and decline are very much at the forefront of the news headlines on a daily basis. On April 24<sup>th</sup>, I was fortunate enough to join Senator Argall and representatives of Upper Schuylkill Revitalization Inc., including the Executive Director and volunteers in Frankville, Ashland, Mahanoy City, Ringtown and Shenandoah. This tour, in addition to providing a view of the exciting initiatives being driven by residents, business owners and elected officials, helped to highlight the obstacles these communities face. The largest of these obstacles is blight, which imposes a higher degree of risk and lowers the Return on Investment that is needed to stimulate vitality in these downtowns. Perhaps just as important as the economics of a vital and vibrant community, blight also undermines the sense of pride residents hold in communities that they truly do love. The heritage of these communities is very strong, but the frustration of watching blight ravage a community has an enormous psychological impact on these communities.

The merits of the Neighborhood Blight Reclamation and Revitalization Act are very clear to the Pennsylvania Downtown Center. We believe the enactment of this legislation will eliminate blight and allow for the revitalization of Pennsylvania's communities. The prosperity of Pennsylvania depends on the prosperity of our downtowns, Main Streets, traditional commercial districts and surrounding neighborhoods. This bill is a critical and extremely important step in the direction toward revitalized communities and economic prosperity.

With our support, it is only fair for the Pennsylvania Downtown Center to offer perspective on some of the challenges that we see in the successful implementation of this legislation. While the intent and the powers created in the bill are extremely valuable, implementation, as is the case for all public policy, is where the challenges lie. Some of these observations may warrant amendments to this particular bill or may trigger additional legislation aimed at other areas of public policy.

The first obstacle that the Pennsylvania Downtown Center envisions relates specifically to local government capacity. Pennsylvania has 2,565 incorporated municipalities. Most of these municipalities do not have the staff capacity to undertake the critical tasks associated with community revitalization. It is not a matter of being disinterested. The genuine interest of revitalization is almost always evident in a community. However, with challenges of crumbling infrastructure, stagnant tax bases, increased

demands for municipal services and, in some communities, higher rates of crime and poverty, these communities must prioritize. When forced to choose between repairing a sewer line that is leaking sewage or pursuing blight remediation strategies, community leaders will rightly repair the sewer line. The time and intensity of resources necessary to be effective in engaging revitalization simply exceeds what most communities have at their disposal. Joe Palubinsky, Borough Manager in Shenandoah, told me during a visit with Downtown Shenandoah, Inc. that even with this bill in place, he was worried if he and his staff would be able to effectively pursue the remedies that would be made available to this community.

The inclusion of the Municipal Code Enforcement Grant Program appears to be a reasonable attempt to address this concern. There are several possible improvements to make on this particular proposal.

1. Increase the time frame from 3 years to 5 years. Several years ago, DCED Main Street designation rose from 3 years to 5 years for the simple fact that after 3 years, the community was only beginning to see the affects of the revitalization efforts.
2. Connect the awarding of these grants to communities that are engaged in active and ongoing revitalization efforts such as, but not necessary limited too, -Main Street and Elm Street.
3. In the absence of ongoing revitalization efforts, connect the award of these grants to communities that have established comprehensive plans that identify community revitalization priorities.
4. Consider requiring communities selected to engage the Pennsylvania Downtown Center or the Center for Local Government Services in technical assistance that will assist in establishing a community vision and strategic plan. This vision and plan would prioritize the areas in a community most qualified for and in need of blight remediation. The vision and plan would also identify strategies which include both code enforcement and other community revitalization initiatives, such as marketing, physical improvements and community organizing. The existence of a vision and plan increases the likelihood communities selected for this program will not only address issues of blight and code enforcement, but will concurrently be able to address other social, physical, economic and institutional challenges undermining the vitality of these communities.

The second obstacle observed by the Pennsylvania Downtown Center is local non-profit organization capacity. Almost all of the organizations with which the PDC works through the DCED New Communities Programs are led by a volunteer board of directors and one or two full time staff. While community development corporations in larger communities have full time staff dedicated specifically to real estate development, community development or business development, most of our Main Streets and Elm Streets do not have such specialized staff capacity. The initial excitement and the optimism that we hold for the successful use of this bill may be tempered by the fact that organizations in communities needing these remedies the most, will be handcuffed by their limited staff capacity. This concern is especially pronounced in light of state budget cuts during the 2008-2009 budget cycle and the proposed cuts for 2009-2010. Many of these cuts, especially in the area of community development, will further limit non-profit organizations' capacity. The economic picture, being what it is, certainly dictates this reality, but the impact needs to be fully understood. The degree to which the General Assembly can limit these cuts for the upcoming budget cycle will only increase the prospects of successful implementation when this bill becomes law.

The final concern we have lies in the economics of the communities most impacted by the remedies associated with blight. Most specifically we are concerned that as the physical evidence of blight is removed, the economic and social factors contributing to blight have not been adequately addressed. A truly healthy community requires a diverse blend of incomes, housing and families. This requires a community to incorporate affordable housing, workforce housing and market rate housing. Most incentives designed to address the physical quality of life in our communities focus on affordable housing. As part of the ongoing public policy efforts intended to address blight, this committee's ability to consider and craft incentives that further drive workforce and market rate housing will have a tremendous impact on physical conditions associated with blight.

To close, I would like to stress the Pennsylvania Downtown Center's support of the Neighborhood Blight Reclamation and Revitalization Act. Our Executive Director, Bill Fontana, was part of the Blight Committee that the late Senator Rhoades organized. The development of this legislation represents what effective public policy is intended to do: identify root causes of community and social problems, form policy solutions that are appropriate to our shared values and advance the legislation necessary to enact this policy. PDC is proud to have been a part of this process to date and looks forward to the day this bill becomes law. We are prepared to mobilize our membership to engage in advocacy of state senators and state representatives, committee members and leadership of both chambers, and also to serve as ongoing spokespeople for the important role this bill will play in helping to restore prosperity to Pennsylvania's economy.

I welcome the opportunity to answer any questions you may have at this point. Without trying to act as if I am dodging your questions, there may be items that I will have to clarify with PDC's Executive Director. I will certainly accept the responsibility of being in contact with you or your appropriate staff to answer any of those questions, should I need to seek that clarification.