

Good morning Chairman Yaw, Vice-chairman Argall and Committee members. My name is Gary Bender and I am the Grants Administrator and Demolition Coordinator for Schuylkill County. On behalf of the Schuylkill County Board of Commissioners, I wish to thank the Committee for this opportunity to testify about an issue which is vitally important to our county, our region and our state. I will speak today on blight and the Demolition Rehabilitation Program in Schuylkill County.

Schuylkill County lags behind the state average in several important areas. Area population has continued to decline (3.5% between 1990 and 2008), despite a small gain in population by the state. The age of the population is among the oldest in the state. Likewise, the housing stock, a majority of which (53%) was built prior to 1940, is among the oldest in the state. The sales price of homes is among the lowest in the state. The number of new jobs and the wages of workers also lag behind state averages while the unemployment rate is among the highest.

In an effort to reduce or reverse the downward trend, the County had previously embarked on an aggressive modernization program. As part of this program, land development policies and attitudes were changed. Within the past several years, the County completed an update to the Comprehensive Plan, and began implementing the Comprehensive Plan by initiating a new zoning ordinance which covers 35 of the 67 municipalities in the County. While the state has mandated that municipalities adopt the Universal Construction Code, the County encouraged the municipalities to adopt local property maintenance codes and to undertake enforcement. The implementation of local codes is a requirement of the County for a municipality to participate in the County-wide Demolition Program. Over the past twelve years, the County-wide Demolition and

Rehabilitation Program has been an effective tool in removing blight and hazards that diminish the quality of life in our county. It was created in 1996 and funded, in part by the Board of Commissioners to address the problem. Since 1998 the program has removed 235 blighted structures and rehabilitated 58 adjoining structures in 25 separate communities at a cost of \$2,897,951. An additional \$40,000 was spent under Act 137 allocation for a special rehabilitation project with the Schuylkill Women in Crisis center bringing the total program cost to \$2,937,951. Through tough code enforcement, 23 structures were removed or rehabilitated by the negligent property owners at no cost to the county. Funding for the program was from the following sources:

May 1997 State DCED Revitalization Grant	\$250,000
November 1997 Pine Grove Landfill Host Fee	\$125,000
December 1998 CES Landfill Host Fee Allocation	\$289,000
1998 – 2003 Act 137 Allocations	\$232,882
1998 – 2007 County CDBG Allocations	\$879,405
2005 DCED Blighted Structure Grant	\$ 67,000
Local Municipal Share	\$1,091,718
 Total Funds Allocated	 \$2,935,005
 Total Funds Expended	 \$2,897,951.00

It is quite evident that both the County and all the participating Municipalities have made a significant investment and commitment to remove and prevent such eyesores that threaten the health, safety, and welfare of the surrounding community.

For the past several years, the only funds available for the County Demolition Program come from the Office of Economic Development through the Community Development Block Grant. Unfortunately, County CDBG funds can only be used for non-entitled communities. The County continues to seek other sources of revenue for the

Program.

The County also partners with Schuylkill Community Action in joint demolition/rehabilitation/new housing projects. In 2003, Schuylkill county and SCA participated in a joint project in Mahanoy City where 11 row structures were removed and replaced with 3 independent housing units. Since then there have been other such joint projects in the municipalities of Pottsville, Shenandoah, and Girardville that have resulted in 12 structures being demolished and replaced with 6 independent housing units. Currently the County is partnering with Schuylkill Community Action in applying for grant funds through the Neighborhood Stabilization Program. Through the development of this application, it is proposed to acquire thirty-eight (38) parcels in nine proposed project areas in six municipalities. Twenty-five residential and commercial structures have been targeted for demolition. SCA plans to construct six single-family, home ownership units and nine rental units. The total cost of this endeavor is projected to be \$4,122,177.

The desired affect of these changes is to make a positive impact on the appearance and bearing of our local communities. A demolition program is needed to carry forward this plan. The number of vacant abandoned houses in some of the communities in Schuylkill County is as high as 20.7%. There are over 1700 properties in tax foreclosure status, according to the Tax claim Bureau, garnered from the County Repository, Judicial Tax Sale, and unsold properties on the Upset Sale list, most of which are abandoned. The presence of so many abandoned structures denigrates the community's appearance and creates an atmosphere of disinvestment. Due to the shrinking population, this abandoned housing stock is surplus with no reuse potential.

Better maintained properties are readily available to meet the housing market demands.

Therefore, removal is the only recourse to salvage the community's dignity.

TABLE I - Housing Characteristics in Selected Municipalities

Municipality	% Vacant units	median value (\$)
Shenandoah Boro.	20.7	15,000
Mahanoy City Boro.	18.6	18,300
Ashland Boro.	16.7	22,000
East Union Twp	13.8	16,000
Girardville Boro.	13.3	31,600
City of Pottsville	12.6	25,406
Coaldale Boro.	11.9	24,300
Minersville Boro.	11.7	32,900
Mahanoy Twp.	10.6	12,500
St. Clair Boro.	10	27,100
Port Carbon Boro.	8.6	50,000
Cressona Boro.	6.8	47,500
Schuylkill County	10.7	32,700

Demolition is and continues to be the only practical solution to the continuing problem of hundreds of abandoned and hazardous structures which threaten the health and safety of the communities in Schuylkill County. There is no economically viable alternative to demolition for most of these structures. Resale values, should the structure be rehabilitated, would not justify the cost of rehabilitation.

For the current year's Demolition Program, the County contacted the municipalities to solicit participation. Each municipality that expressed an interest in the program provided a list of properties that they had identified as blighted and deteriorated and pledged 25% of the cost of demolition. Within weeks of making a request for information, 15 municipalities identified immediate concern over 72 properties with a total estimated demolition cost of \$1,473,950. Many communities lacked the capacity or time to respond. Two additional communities identified structures that were candidates for demolition but were unable to make a financial commitment. Given this level of need, a multi-year funding proposal is needed.

County Demolition funds will only be used to demolish properties that are abandoned, blighted and which meet the economic infeasibility test defined above. Properties must either be owned by the Municipality via fee-simple title duly recorded in the Courthouse or be condemned by the local municipality having undergone the process as proscribed by state law. In such instances, the municipality must show that the owner lacks the private resources to remove the property and the Solicitor for the Municipality must certify that all requirements have been met.

Properties that are deemed to be eligible for listing in the National Register of Historic Places as determined by the Pennsylvania Historic and Museum Commission are **not** eligible for demolition funding.

Properties that adjoin or are attached to another structure present other requirements. When an attached property is proposed for demolition, the property(ies) to which it is attached must be occupied or habitable. The municipality must certify the condition of the attached structure(s).

The County, working with each community, prepares specifications and bid documents for demolition work on each property selected for demolition. The County awards the bid and oversees work. Municipalities are required to approve the work before payment is released to the contractor.

Municipalities must then agree to maintain the lot that results. Attempts are made to sell the resulting lots. Small parcels are often transferred to neighboring property owners. Larger parcels with development potential are often held by the municipality and a developer is sought. All properties not owned by the municipality are liened for the cost of demolition.

As mentioned earlier, Schuylkill County continues the process of updating land development policies and attitudes about the physical attributes of the communities. Demolition is an integral part of this strategy. Removal of blighted properties has an immediate affect on the investment activity of surrounding property owners.

As a requirement for participating in the Demolition Program, local units of government that have a vacant, dilapidated units are encouraged to remedy this situation by active code enforcement. Adoption and administration of a code enforcement program will benefit the community in a number of ways. First, incipient problems that threaten the health and safety of residents can be identified early so that larger repair bills can be avoided. Many homeowners and, especially renters and landlords, may be unaware of the dangers that old and deteriorating housing systems present. Vacant Landlords may be unaware or unconcerned about the condition of their properties.

Second, code enforcement can create economic development. By assisting homeowners and landlords in identifying and addressing housing problems, work is created for the

building trades and suppliers which can have a multiplier effect on the local economy.

Third, code enforcement can improve the quality of life in the community. The appearance of the community will improve as blighted properties are cleaned up or removed. Surrounding property owners often feel encouraged, and even compelled, to make such improvements to their own properties. Potential problems with vermin and other pests can be more readily controlled in communities with active code enforcement programs.

Last, by working consistently and effectively with property owners, the number of abandoned buildings can be reduced. Through early legal intervention, property owners will be forced to clean up their own messes, including the clearance of properties no longer fit for habitation. State law permits communities to escrow the fire insurance following a fire to ensure that the funds are used for building repair or clearance. Each community should adopt such a law and enforce it.

Demolition is also part of the overall housing plan of the County. The County will continue to work with and support Schuylkill Community Action and their variety of programs. These programs are supportive of community efforts to encourage the upkeep of the existing, aging housing stock and rehabilitate deteriorated housing. However, when rehabilitation is not feasible, demolition should be available to prevent the spread of blight.

Lastly, the State needs to play an integral role in assisting communities. This can work in two ways: one by providing funding for agencies to support successful programs dealing with blight and also implementing legislation that can assist Counties and local municipalities by providing new tools to deal with unfit structures and uncaring

landowners.

On behalf of the Schuylkill County Board of Commissioners, I want to thank the Senate Urban Affairs and Housing Committee for traveling to Schuylkill County to solicit input.