

**In Witness before the Pennsylvania State Senate Urban Affairs & Housing
Committee**

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Neighborhood Blight Reclamation and Revitalization Act

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Good morning Ladies and Gentlemen and thank you for again allowing me the opportunity to speak with your committee about an issue that impacts not only Tamaqua but many other boroughs throughout the Commonwealth.

It is a great honor and responsibility to testify not only on behalf of Tamaqua but all 960 boroughs that have been represented by the Pennsylvania State Association of Boroughs since 1911. It would be impossible to fit Pennsylvania's 9,100 borough officials, let alone the 2.1 million residents of boroughs into this hearing room, so you are stuck with me. As President of Tamaqua Council, I can tell you we are grateful that Borough's Association continues to be our advocate on important issues like this—because we can't always be here.

When I had the opportunity to speak with you last year, I noted the many ways Tamaqua has been working to fight blight over several decades. I'm not going to restate that testimony but I'm proud to say that Tamaqua continues to make great progress in addressing blight. But Pennsylvania law sure makes it difficult and sometimes impossible. We have tried just about every tool in the toolbox and we know what works and what does not. I can tell you that the anti-blight measures in the bill you are considering will work.

To illustrate how, let's imagine for a minute that you are an elected borough council member, city council member or township supervisor. What's the first thing that happens?

Your phone rings.

- It's a sweet elderly woman who lives not far from you and she wants to know why the Borough isn't doing anything about the vacant building that's falling apart next to her home.
- A few weeks later you hear that a different woman—who lives on the other side of town—and who is not as sweet—because she brought a dead rat in a bread-bag into Borough Hall and dropped on the secretary's desk demanding that the Borough do something about her neighbor's rat-infested home.
- Then at the next council meeting, a young man stands up during the public participation part of the meeting and tells you that his mother's home is attached

to a home that is being neglected and the roof is leaking into her home—and he wants the Borough to do something about it.

- At that same council meeting you get a letter from the County Tax Claim Bureau that has a list of four properties that sold during a Judicial Sale. The letter says the municipality has 15 days to petition the Court of Common Pleas to prohibit the sale if (and I quote) *“the municipality can prove by a preponderance of evidence that the purchaser has over the preceding 3 years exhibited a course of conduct that demonstrates that the purchaser (1) permitted an uncorrected housing code violation to continue to be unabated after being convicted of such violation and (2) subsequently permitted that property to pose a threat to health, safety or property either because of a failure to maintain it in a reasonable manner or because of its continued use in an unsafe, illegal or unsanitary manner.”* On the list there are no addresses for the purchasers of these properties, only their names. What would you do if the names were “PROPERTY OWNER,” “PROPERTY OWNER” “PROPERTY OWNER” and “BUSINESS NAME, INC.”

My original testimony actually had the names of people included but I was asked to not include names even though they have been convicted and found guilty. Now if you were Tamaqua’s code enforcement officer, you would have recognized the names and realized that it’s really only two people, not four. One name is an “alias” and the business name is the corporate name of bar that’s owned by the other name. (Believe me, this testimony was easier to follow with the names included). My point is that if the notorious, convicted code violators wanted to buy a property at Sheriff or Judicial Sale in your community, you would not recognize their names and would have no way of knowing with 15 days that they had any history at all. I’m sure if these were the Judiciary Committee and I was speaking of two convicted murders, I’d be allowed to use their names.

There seems to be some invisible bias in favor of property owners who neglect their buildings. And I’m not just talking about people who forget to cut the grass for a few weeks. One of these “PROPERTY OWNERS” purchased school buildings in multiple communities using his name various aliases. He let them deteriorate until they had to be torn down with tax dollars and then skipped out of state to avoid prosecution. He was found guilty in absentia because we couldn’t find him to serve the warrant. And if his name showed up on a list of Judicial Sale purchasers in your community, how would you know that—especially within 15 days? You wouldn’t know it and you would not have any reason to protest the sale. By the way, that PROPETY OWNER is now deceased, but he took our communities through such an ordeal that I keep looking for his name or alias to appear on the Judicial Sale lists.

And what about the other “PROPERTY OWNER” who also owns a business? If his name was on a Judicial or Upset Sale list, would you know to protest the sale? No, of course you wouldn’t. How are you going to find out that he has been found guilty and sentenced to jail not once but twice for his deteriorating building in Tamaqua?

Now, if you had the **statewide data base** that's proposed, then you would know it. It would be a great tool. I don't think using someone's name should be taboo if they are found guilty.

This particular "PROPERTY OWNER", by the way, was indeed fined and sentenced to jail last year for failing to address his blighted building on Broad Street in Tamaqua. We are fortunate enough to have a District Judge who understands that allowing a building—especially an attached building—to deteriorate is a crime and the victims are the neighbors, the neighborhood and the community. Not all judges feel that way. The "PROPERTY OWNER" appealed his case and the Court of Common Pleas dropped the jail time. So, as of today, he's on a payment plan for the fine, but the building condition has only worsened. So the Borough "won" the case, but nothing has changed.

Just a few weeks ago, we took him back to court and he was again sentenced to jail by the District Judge and he again appealed his case. When we get to the Court of Common Pleas the same thing could happen again. And, the building will continue to deteriorate. We fully support the efforts to **educate our judiciary** on the seriousness of code violations. Finding someone guilty does not fix the problem. Remember, most cases never make it past a District Justice who typically assess a small fine and leave it at that. Tamaqua has pushed these cases and we still struggle because the judiciary often views chronic code violations as a minor matter that will be addressed with small fines. We don't want fines, penalties and jail time, we want the building repaired.

Often property owners—and even sometimes enforcement agents say "you can't get blood from a stone." Well, don't forget about that "BUSINESS INC. Here's what really bothers me. That "BUSINESS INC." is the name of the bar owned by the negligent "PROPERTY OWNER." The bar sits just three blocks from the building that is falling apart. So while this property owner refuses to address the blighted building that that sweet elderly lady (remember her?) called you about, he is still operating his bar just down the street. Now I have nothing against the bar, but how could he be fined and sentenced to jail on Broad Street and two blocks away he's able to maintain a liquor license, restaurant license and be entitled to permits?

Pennsylvania should **require owners to bring their properties into compliance before issuing any permit approvals or renewals.** If he knew that his code violations and neglected building would jeopardize his liquor license, his bar or his car, he just might be motivated to either address the code violations or sell the building to someone who will. Give municipalities the ability to pursue an **owner's other assets** to address the blighted building and watch how quickly the property would get cleaned up. Right now a property owner with the means to fix a blighted building can just ignore it even if they have the assets that could pay for demolition or repairs.

Tamaqua spends hundreds of thousands of tax payer dollars taking enforcement action and demolishing blighted properties and all the while the property owners gets to keep their assets and permits? It's just not right and it's no wonder many municipalities don't

even bother. Even if a municipality “wins” an enforcement action, the property owner pays the fine, which is often less expensive than fixing the problem. Sure, a lien can be filed on a demolished property but the owner can just abandon it, let it languish on the Tax Sale list and the lien is never satisfied. So, the tax payers foot the bill to address the property. If an owner knew it was his or her assets that would be used to demolish or repair their neglected building, they would address it very quickly.

Please don't think I'm picking on this PROPERTY OWNER. Unfortunately for him, he is just a perfect example of how property owners get away with leaving a property deteriorate. And the fact that he resides in New Jersey also helps to make the point that it is not always easy to serve warrants on out of state owners. **The judicial process to return out of state owners needs to be streamlined.** In his case, we are fortunate he does own a bar in Tamaqua—it makes it slightly easier to serve the warrants.

We are not picking on him or targeting him. His property is part of our downtown, part of our historic district and is attached on both sides. No one wants him to go to jail or pay fines or lose his bar or other assets. Our community is dumbfounded that he would rather pay fines and go to jail than address his building. In Tamaqua, we actually offer low interest loans (3%) and grants he could use to fix his building and put it in the Keystone Opportunity Zone (KOZ). As a KOZ property, if his building were code compliant, he'd actually be exempt from paying most local, school, county and state taxes. If that's picking on someone, I wish someone would pick on me by offering me a grant, low interest loan or tax exemption.

Like I said, he's just a good, bad example. Actually, I wish his were the only problem property we struggle with. Tamaqua has many more. Each month we sit down and review a list of dozens of problem properties and we struggle to find a way—with existing laws—to address them. More and more of them are owned by lending and financial institutions. Some lenders are extremely responsible and others do not feel it is their responsibility to address blighted properties even if they own them. Yet in every mortgage agreement I've ever seen there is a clause that gives the lender the right to address property issues when the borrower defaults. I suspect lenders would much prefer that the owner's other assets be used to address a property building.

This issue is not a “lenders vs. municipalities” issue. Actually, lenders and municipalities are on the same side and would all benefit from a statewide registry, private asset attachment, private right of action, permit denials and a more tuned-in judiciary.

Each month we have a committee that will continue to sit down and review the Sheriff Sale list, the Judicial Sale list and the list of dozens of problem properties as we try to come up with a strategy to address each of them. We spend a great deal of tax payer dollars addressing issues that should be addressed by the property owner.

Do you remember the list of property complaints from the beginning of my testimony? The dead rat, the leaky roof, the blighted building? Everyone thinks these are Borough problems and they want the municipality to solve the problem. What's sad is that the

municipality didn't cause these problems—negligent property owners did. It's time to start making those responsible for causing the problems responsible for solving them. The measures you're considering will help.

In addition to the provisions in the bill, I recommend consideration of additional measures. First, consider requiring **property liability insurance for structures** that are attached to adjacent structures or even for all properties similar to the way automobile insurance is mandated. Second, eliminate the disincentive for property owners to improve their properties by **eliminating the school property tax**. Finally work with the Attorney General's office to establish an **anti-bligh agent** who can work with the local District Attorneys to assist in protecting the criminal violation of building codes by notorious multi-community offenders.

I would like to conclude by restating that Tamaqua has and will continue to do everything within its power to fight blight in our community. We are unique in that we have the will to do what needs to be done the willingness to put resources to making it happen—but it's not easy and it's not enough. Most property owners have pride in their property and in their community. But there are those notorious owners who cannot be budged with the existing laws. They are willing to face jail time and fines to let their property become a devaluing and dangerous presence in our communities. The measures you are considering will most certainly help us win our fight in Tamaqua and across Pennsylvania by putting the responsibility where it belongs.

There are many smaller communities who do not have the experienced and talented staff and supportive officials that we have. The measures in this bill will help costly enforcement action actually work for these communities and make it worth the effort.

Tamaqua is fortunate to have the means and will to “throw the book” at notorious property owners. As I told the late Senator Rhoades last July, we just need a heavier book!

Thank you for your time and consideration. I am available now or at any time to answer questions.