

TESTIMONY OF  
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**THE PENNSYLVANIA APARTMENT ASSOCIATION**  
ON BLIGHTED PROPERTY  
BEFORE THE  
SENATE COMMITTEE ON URBAN AFFAIRS AND HOUSING

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Good morning Chairman Yaw and members of the Senate Urban Affairs and Housing Committee. My name is Christine Young Gertz. I am the Government Affairs Director for the Pennsylvania Apartment Association (PAA), and its affiliate, The Apartment Association of Greater Philadelphia (AAGP). Thank you for this opportunity to present our views on the issue of blighted property. The Pennsylvania Apartment Association is pleased to join in the work needed to eliminate neighborhood blight in our Commonwealth's municipalities.

The Pennsylvania Apartment Association is comprised of The Apartment Association of Greater Philadelphia, The Apartment Association of Central Philadelphia, and the Western Pennsylvania Apartment Association. We are affiliated with the National Apartment Association, the leading advocate for quality rental housing in the United States. Association members are professional owners, managers and developers of quality multi-family rental housing. Together, they represent roughly 300,000 apartment homes throughout the Commonwealth.

The PAA is the foremost authority on the apartment industry in Pennsylvania. Apartment industry leaders join the PAA because they appreciate the importance of practicing responsible fiscal and property management. We stress professionalism. Our members know even though they face enormous costs and considerable risks, delivering a quality product is possible only by running their businesses according to the highest operational and service standards. They regularly avail themselves of our nationally recognized education programs that include topics on property maintenance and safety, code compliance, and fair housing. Our certification

courses in apartment management and maintenance are the most highly regarded in the country. PAA members are industry experts who know what it takes to do the job right.

While responsible apartment owners are not a part of the problem, we want to help find workable solutions to the harms irresponsible property owners are causing to communities all over Pennsylvania. Blight in neighborhoods diminishes responsible apartment owners' property values as well as the quality of life of their residents and neighbors. Keeping our communities strong is crucial for our apartment industry as well as Pennsylvania's economic health.

However, while it is imperative we deal with irresponsible property owners, whose neglect of their properties increases blight, we must do so in a way that does not hinder the efforts of conscientious owners, including responsible landlords. Additionally we must not deter nor discourage responsible investors from bringing their business enterprise dollars to Pennsylvania by placing unnecessary obstacles in the way.

Most importantly, we must not allow our fervor for the job to lead us to adopting measures that are superfluous to solutions we already have at our disposal, or, worse, are inherently unjust, especially during these very troubled economic times. We simply can not afford to adopt unfunded or overly burdensome laws and regulations without further diminishing the already scant supply of affordable rental housing in Pennsylvania. If there is one thing the burst of the housing market bubble and abuses in the mortgage industry have taught us is that home ownership is not for everyone. We need quality, affordable rental housing now more than ever. We can't do more harm than good.

The apartment industry, which is vital to the economic health of Pennsylvania, is currently facing a very tough challenge. Costs and taxes are going up while occupancies

are going down. As a result, property values are threatened and, directly related to property values, rental owners' ability to invest in capital improvements, major maintenance projects and future investment in new rental housing has been greatly diminished. Any measures intended to eliminate blight that ignore our present economic crisis would only make the blight problem worse and further deteriorate our neighborhoods.

Moreover, any measure aimed at reducing blight must do so in a way that assures the supposed beneficiaries, the municipality, affected residents and nearby properties are actually the ones who benefit. Often efforts to control blight fail to help these supposed beneficiaries and are easily subject to exploitation by powerful interests groups.

So we have a delicate balance to keep up. We have to eliminate blight in neighborhoods but not impose undue burdens on rental owners that will ultimately cause more blight. We've got to act in ways that further economic growth, not stifle it.

In the past the Pennsylvania Apartment Association has offered its overall support for certain blight bills such as last session's Senate Bill 1291, and HB 2188, which became law as Act 135 on November 26, 2008. But we also offered some constructive criticism . I had the honor of addressing this Committee last year on SB 1291 and offered comments, which I will reiterate in my remarks today, should this Committee decide to re-introduce similar legislation.

1. But to begin with, I believe the newly enacted Act 135 (HB 2188) , which provides for the appointment of conservators to bring residential commercial and industrial buildings into municipal code compliance when owners fail to comply, must be given a chance to work before any new

legislation is added to the matrix of laws intended to control blight. As I stated earlier, legislative actions must not be superfluous, nor should they stifle economic growth. Act 135 may in itself offer the most workable and successful means of cleaning up blighted properties. It is a promising approach that could effectively deal with blighted and abandoned properties. Act 135 compliments the substantial remedies already available to municipalities. City governments must have a chance to take advantage of the provisions of Act 135 to address their specific problems.

2. However, if new legislation similar to SB 1291 is still contemplated, please consider the position of the PAA regarding its other provisions. SB 1291 included a provision that would allow actions against an Owner of blighted property. Governing bodies, municipal officers, aggrieved owners or tenants could bring an action against a blighted property owner. Such a provision would be harmful and wholly unnecessary. It would grant carte blanche authority to anyone who imagines any grievance, however inconsequential, for even a non-critical violation of any building, housing or health ordinance. This provision would simply encourage frivolous lawsuits.
3. The PAA would strongly oppose any subchapter that would allow a department, board or commission to deny an applicant a state permit, certification, or license if the applicant owns any real property in Pennsylvania for which there are delinquent taxes, water, sewer or refuse charges, or which is in serious violation of state and municipal housing,

maintenance or fire safety code requirements. Such a provision would exceed the legislative relationship between the purpose of this bill and the licensing requirements of the various professions that will be affected. Accountants, barbers, cosmetologists, funeral directors, chiropractors, and a host of other professions are licensed by the Commonwealth. Serious constitutional issues are raised when any piece of legislation includes non-germane subjects mixed in with the primary focus of the legislation. There is no place in legislation, whose single subject is blighted properties, for restrictions on professional licensing. Moreover, there is no basis for the state to deny a professional license because of an alleged violation of a property maintenance or fire safety code requirement. Additionally, as a practical matter, it makes no sense to take away a licensed professional's ability to earn income that could be used to keep his or her properties in good condition.

4. Another section of SB 1291 of 2008 would have denied building and zoning permits, zoning variances, municipal licenses and other municipal permits if applicants own any property in any municipality that has been determined to be in serious violation of applicable State or municipal code requirements. This is incompatible with a recent Pennsylvania Supreme Court ruling against a municipality whose ordinances imposed similar penalties. In *Commonwealth of Pennsylvania v. Sandra Hoffman*, No 850 C.D. 2007 (December 11, 2007), the City of Sharon denied the defendant landlord rental licenses for her properties because of past due sewage

charges. The Supreme Court ruled that the Pennsylvania law authorizing cities to collect real property taxes and municipal claims does not grant authority to withhold rental licenses over outstanding taxes and assessments.

I want to thank you for your time, and for the privilege of testifying before this committee. I welcome any questions you may have and will do my best to answer them.