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**Testimony for the Senate Urban Affairs and House Committee
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Penn State University – Beaver Campus
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Presented by:

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Good Morning Senator Yaw, members of the committee, fellow panelist, and attendees. I greatly appreciate the opportunity to present testimony on HB 712.

My name is Mario Leone. I am the Manager for the Borough of Monaca, which I have served in this capacity for the past 3 years. I am also the appointed Treasurer for both the Beaver County Regional Council of Governments, and the Beaver County Earn Income Tax Committee. I also served as an elected Township Commissioner for over 12 years previously to becoming the Manager for the Borough of Monaca. So I have been involved with municipal government for over 15 years.

Dealing with property blight has been a problem and challenge for years. Beaver County was hardest hit during the collapse of the steel industry in the 80's. However, the problem of blight we are dealing with today is more unique, and our current legislation does not address the issues we are facing today. HB 712 will provide municipalities with an additional tool to help solve our current issue with an abundance of property foreclosures. Existing tools are inadequate; with the uncertainty of tax foreclosure process, and the cost and difficulty of condemnation with existing laws which have been on the books for decades, and never anticipating people and business owners simply walking away from their properties.

Land Banks no doubt will provide a "new" tool for municipalities to take management of properties that no purchaser otherwise wants, and with the goal of turning vacant spaces into vibrant places. This is a great piece of legislation which is long overdue. However, I believe there needs to be 3 additional amendments to the bill addressing:

1. It's Size
2. Environmental Liability Concerns
3. FUNDING

First, the size of a “Land Bank Jurisdiction” must be reduced from the 10,000. In the Borough of Monaca with a population of 6,200 we would be required to enter into an intergovernmental agreement to form a jurisdiction large enough to establish a legal “Land Bank”. This adds unnecessary costs associated with passing of Ordinances, and time delays in finding neighboring municipalities that will be interested in partnering to form a “Land Bank Jurisdiction”. The formation of Inter-Governmental Agreements can be a monumental task in itself at times. I foresee this as a major hurdle for small municipalities in Beaver County and throughout the Commonwealth. We are creating a “new” tool that may not be easy to use or will not properly fit. For ex: We need a smaller or more flexible screw driver that can reach those screws located in those small hard to reach areas. I am suggesting that the size of “Land Bank Jurisdictions” not be limited, or at a minimum reduce it to 5,000. As regional action in combating blight can be beneficial, I strongly feel that these issues need to be addressed individually by each respective “political jurisdiction”.

Secondly, HB 712 needs to provide a clause for protecting “**Municipal**” Land Banks from environmental liabilities associated with ownership of Brownfields. There are some vacant properties that no one wants to take ownership of because of the liabilities associated with the contamination. This issue also needs to be addressed.

Thirdly, and probably most important “**FUNDING**”. For Land Banking legislation to become effective it will need adequate funding. First, to facilitate acquisition and secondly, funding is required to facilitate demolition and/or remediation of blighted properties. Sections 11 and 12 discuss Financing and Borrowing options for Land Banks, but there needs to be a pool of funding allocated to facilitate the implementation of this legislation. Appropriate State and Federal funding sources for Municipal Land Banks is critical to address what has essentially become an unfunded mandate on municipal governments across our Commonwealth, and Country attempting to deal with the fall-out from the nation-wide housing mortgage foreclosure crisis.

As this legislation provides us with a “new” tool in expediting the process in acquiring property it still leave us with no funding to help address this critical problem. Local budgets/millage currently cannot support line items to address blighted properties, as we are struggling to maintain our current infrastructure needs and services.

In closing, I think it is a great piece of legislation which is long overdue. It may need some fine tuning, but I look forward to it passing the Senate and being signed by the Governor in some form as soon as possible. So that we can begin aggressively addressing this rapidly growing problem of abandoned properties. I recently read a statistic that stated an abandoned house or lot reduces the value of all other surrounding properties by an average of \$6,720.00. Can we afford to wait any longer?

I thank you for this opportunity to testify on HB 712, and I will be happy to address any questions that the panel may have for me.