Tri-COG Collaborative: Developing a Regional Approach to Fighting Blight

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County History
Allegheny County in the 60s

- Bustling Steel Industry
- Populated Urban Core
- Stable Jobs = Stable Neighborhoods
Approximately 153,000 industrial jobs lost throughout the region

John Hoerr “And the Wolf Finally Came: the Decline of American Steel”
There are 24.9% fewer people living in Allegheny County in 2010 than in 1960.

People moved to the suburbs or other regions entirely.
Population Loss has led to Blighted and Vacant Properties

- Blight and vacancy have a devastating impact on neighborhoods and community resources

- Vacancy results in blighted blocks, high maintenance costs, and uncollected taxes

- Cycle of disinvestment – ultimate cost to taxpayers is that it discourages new private investment in area
Tri-COG Collaborative Blight Studies
Tri-COG Collaborative

Steel Rivers COG
Turtle Creek Valley COG

39 Municipalities
- Braddock Borough
- Braddock Hills Borough
- Chalfant Borough
- Churchill Borough
- Clairton City
- Dravosburg Borough
- Duquesne City
- East McKeesport Borough
- East Pittsburgh Borough
- Edgewood Borough
- Elizabeth Borough
- Forest Hills Borough
- Forward Township
- Homestead Borough
- Glassport Borough
- Liberty Borough
- Lincoln Borough
- McKeesport City
- Monroeville Municipality
- Munhall Borough

North Braddock Borough
North Versailles Township
Penn Hills Municipality
Pitcairn Borough
Plum Borough
Port Vue Borough
Rankin Borough
South Versailles Township
Swissvale Borough
Turtle Creek Borough
Versailles Borough
Wall Borough
West Elizabeth Borough
West Homestead Borough
Whitaker Borough
White Oak Borough
Wilkins Township
Wilkinsburg Borough
Wilmerding Borough

Allegheny County
130 Municipalities
43 School Districts

Blight in Our Area (2012)
- Population = 294,057*
- 149,272 parcels (90% residential)^
- 147,693 Housing Units*
  - 4.7% or 7008 Blighted (AC = 2.9% or 16,429)^
  - Smaller Municipalities tend to have higher rates of blight
- 50,185 Rental Units (33.9%)*
- 15,903 Vacant Units (10.8%)*
- 19,602 Vacant Parcels (13.13%)^
- 16,428 Blighted Residential Properties
- 42% of Allegheny County blight
- 16,845 (11.28%) have Tax Liens
  - Some Delinquency rates over 40%
- 45% of all 911 calls occur within 150’ of a blighted property

*US Census
^Allegheny County
Our Blight Conversation- 2012-Present

Cuing Up the Data and the Discussion

• Financial Impact of Blight, September 2013
• Land Bank Business Plan, July 2014
• EPA Scattered Brownfield Site Inventory/Assessment, 2014-2016
• Effects of Vacant Lots and Green Infrastructure Analysis, May 2016
• Healthy Housing Market Analysis, June 2016
• Commercial Corridor Analysis, September 2016
• Tri-COG Land Bank, 2016
• EPA Scattered Brownfield Site Inventory/Assessment – Phase 2, 2017
The Cycle of Blight
Understand the financial implications of blight

- Assess the cost burden for COG communities
- Understand the magnitude of the blight problem
- Recognize the benefit of repurposing and new development
- Build consensus among stakeholders
Total Annual Impacts

- **Direct Costs**
  - Cost to Municipal Services $10,720,302
  - Cost in Lost Tax Revenue $ 8,637,875

- **Indirect Costs**
  - Loss in Property Values Between $218 and $247 million
  - Loss in RE Tax Between $8.5 - $9.7 million annually

- **New Development - Economic Benefits**
  - $11.8 million - one time
  - $ 8.2 million in New Tax Revenue annually

2012 -> $254 million
Mon Valley Region
→ 23.7% - 96,916 of County residences are affected by blight – Loss of value of $1,264,490,987 (-15%)

- $5,981,042 in County Revenues.
- $28,824,072 in School Revenues
- $7,719,717 in Municipal Revenues

$42,524,831
Real Estate Tax Revenue
Vacant Land Effect on Property Value

• Blighted vacant lots decrease surrounding home values by 6.0%
  • unmaintained lots decrease values by an estimated $424,162,631

• Stabilizing vacant blighted lots would increase home values by 7.6%
  • estimated increase of $5,145 in property value per affected house
  • $457,620,095 property value increase countywide

• Stable vacant lots are estimated to increase surrounding home values by 1.6%
  • Maintained residential vacant lots add an estimated $234,394,760

• Installing green infrastructure on a blighted vacant lot will increase nearby property values
Huge Benefits When We Eliminate Blight

• Reduces crime, in particular gun-related violence

• Improves health of residents

• Raises surrounding property values by up to 30% just by greening a vacant lot

• Increases tax revenue for city and school district
Blight Strategies: Multi-Municipal Code Enforcement
First line of defense for a community to stop the spread of blight

Effective code enforcement is important not only for maintaining healthy and safe communities for our residents, but it is also a proven tool to reverse the damaging effects of blight.
Problem
- Lack of follow up
- Lack of resources to pay for full time & certified inspector
- Perception that there was not enough to do to fill a full time position, or boroughs faced lot of turn over with part time positions
- Dissatisfaction with relying on some third parties

Solution
- Member municipalities approached the TCVCOG to see if there was a multi-municipal solution.
- Manager Committee helped to shape the program
- Pilot Program began in March 2015 with Wilkins Township and Churchill Borough
- Program now has six communities
Why Multi-Municipal?

Cost Sharing

- Able to hire full time employees who work part time in participating towns
- Education and certification
- Effective technology, allowing better use of limited resources
- Municipality of Monroeville donated first vehicle

Finding Regional Solutions

- Oftentimes irresponsible property owners hold properties in many different communities
- Ensures neighboring communities are practicing the same level of enforcement
- Allows for use of state enabled legislation
- Access to larger network
Program Highlights

Effective use of technology

- Highly effective database
- Reporting mechanism to keep municipal staff and council informed
- Data driven enforcement - enabling officer to be both reactive and proactive
- Centralized administration

Participating Communities

- Churchill Borough
- East McKeesport Borough
- Pitcairn Borough
- Wilkins Township
- Wilmerding Borough
- Chalfant Borough

Diverse range of housing quality, % of rentals, and types of communities (bedroom, highly commercialized)
Effective Database

- Custom designed database, allows for adaptability
- Database can be reached in the field using a tablet
- Search by address, lot/block or owner
- Data is easily exported
Notice of Violation letters are instantly generated based on borough specific ordinance.

Compliance date triggers follow up if necessary.

Citations and court decisions can be properly tracked.

Observations can list complaints or conversations had with property owners.

Pictures can be attached.

Resolution Date field allows for good follow-up reporting.
Notice of Violation letters automatically generated

- Letters are automatically generated based on Ordinance Violations coded in database
- Letters can be altered to include additional details relevant to the observed violation
- Letters can be printed while officer is in the field, allowing COG staff to complete the administrative work
Tracking the Data

- Activity Summary
- Code Violation by Month
- Code Violation history by Property Owner
- Property Owner List
- Property Status List
- Rental Properties List
- Zoning Approval history
- Outstanding Actions
Occupancy Inspections

• Occupancy Inspections are the town’s only opportunity to get inside of a property to determine structural integrity and household safety

• Occupancy Inspections can be performed:
  • At time of sale
  • Change in tenant
Choose a violation and add a comment

Toggle between different areas to inspect
Failed Inspections - to allow for follow up and re-inspections

Total Inspections Summary

<table>
<thead>
<tr>
<th>Address</th>
<th>Apt</th>
<th>Property Owner</th>
<th>Inspection Date</th>
<th>Pass/Fail</th>
</tr>
</thead>
<tbody>
<tr>
<td>111 Herman</td>
<td></td>
<td>SEANS REAL ESTATE SERV</td>
<td>7/6/2016</td>
<td>Fail</td>
</tr>
<tr>
<td>824 Commerce Street</td>
<td>1</td>
<td>SEANS REAL ESTATE SERV</td>
<td>7/6/2016</td>
<td>Pass</td>
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<tr>
<td>403 Commerce</td>
<td>32</td>
<td>KERRIGAN &amp; SEANS</td>
<td>7/12/2016</td>
<td>Fail</td>
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<tr>
<td>524 Commerce Street</td>
<td>30</td>
<td>KERRIGAN &amp; SEANS</td>
<td>7/19/2016</td>
<td>Fail</td>
</tr>
<tr>
<td>524 Commerce</td>
<td>47</td>
<td>KERRIGAN &amp; SEANS</td>
<td>7/12/2016</td>
<td>Fail</td>
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<tr>
<td>524 Commerce Street</td>
<td>33</td>
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<td>524 Commerce Street</td>
<td>47</td>
<td>KERRIGAN &amp; SEANS</td>
<td>7/19/2016</td>
<td>Pass</td>
</tr>
</tbody>
</table>

Inspection by Month for WILMERDING

<table>
<thead>
<tr>
<th>Reference</th>
<th>Inspection Date</th>
<th>Re-Inspect?</th>
<th>Parcel ID</th>
<th>Property Owner</th>
<th>Property Address</th>
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<tbody>
<tr>
<td>2016-5-1</td>
<td>9/1/2016</td>
<td></td>
<td>0949/00067000000</td>
<td></td>
<td></td>
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</tbody>
</table>

Total # of Failed Inspections: 18
**Data Driven Enforcement**

- Outstanding Actions Reporting
- Allows for organized follow up

<table>
<thead>
<tr>
<th>Parcel ID</th>
<th>Address</th>
<th>Owner</th>
<th>resolved?</th>
<th>Event Date</th>
<th>Compliance Date</th>
<th>Violation</th>
</tr>
</thead>
<tbody>
<tr>
<td>0453P00082000000</td>
<td>238 CHURCHILL RD</td>
<td>FANHAUSER JOHN JR &amp;</td>
<td>✔️</td>
<td>6/1/2015</td>
<td>6/25/2015</td>
<td>301.1 Sanitation</td>
</tr>
<tr>
<td>0453R0020000000</td>
<td>245 HARRISON RD</td>
<td>KANE JUDITH &amp; JOHN SH</td>
<td>✔️</td>
<td>4/13/2015</td>
<td>4/22/2015</td>
<td>303.1 Accumulation of Rubbish</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4/13/2015</td>
<td>4/22/2015</td>
<td>304.3 Premises Identification</td>
</tr>
<tr>
<td>0454H00042000000</td>
<td>695 LARIMER AVE</td>
<td>EISEL WILLIAM S</td>
<td>✔️</td>
<td>4/2/2015</td>
<td>4/3/2015</td>
<td>308.2.1 Rubbish Storage Facility</td>
</tr>
<tr>
<td>0454V0063000000</td>
<td>647 HIGHLAND AVE</td>
<td>WATSON CRYSTAL</td>
<td>✔️</td>
<td>3/30/2015</td>
<td>4/2/2015</td>
<td>308.2.1 Rubbish Storage Facility</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6/4/2015</td>
<td>6/8/2015</td>
<td>303.1 Accumulation of Rubbish</td>
</tr>
</tbody>
</table>
Data Driven Enforcement

GIS Mapping
- Code Violations
- Vacant Properties
- Rental Properties
- Tax Delinquencies
- Inspections

Visualizing community data can lead to strategic planning and better use of available legal tools.
Complaint Driven Enforcement

• Allowing the public to file complaints
• Allowing public to follow up on code enforcement activities of those complaints
  - Free up municipal and code enforcement staff time
The Power of Partnerships

- Problem property for the Borough for years, but had limited success in addressing the building deficiencies
- Borough of Wilmerding hired TCVCOG
- Worked with the DA’s office and CEA to condemn building
- Successfully defended condemnation against property owner’s request for a stay in the court of common pleas
- Property deemed uninhabitable and residents were ordered to leave
- Partial building collapse weeks later
Code Enforcement is a tool to...

- Maintain adequate levels of health and for residents
- Address property owners and properties that are a nuisance to the community
- Encourage economic development by making community more attractive to interested residents and businesses
- Engage with community members
Blight Strategies: Land Banking

**Blight**

- Direct costs to communities in TCC: $19,358,177
- Estimated loss in property value of $218 million to $247 million
- Significant deterrent to new development

**Productive Use**

- More tax revenue for municipalities, school districts and county
- Property values increase
- Revitalized communities, attractive for new residents and growth
Tri-COG Land Bank Formed

- 1/10/2017 Allegheny County signed ICA
- 3/9/2017 Obtained EIN from US IRS
- 3/16/2017 ICA Accepted by PA Department of State

Land Bank Members
  - Allegheny County, 6 School Districts, and 21 Municipalities
    - Clairton SD/City of Clairton
    - Gateway SD/Monroeville, Pitcairn
    - Fox Chapel SD/Sharpsburg
    - McKeesport Area SD – Dravosburg, McKeesport, South Versailles, White Oak
    - Shaler SD– Etna and Millvale
    - Woodland Hills/Braddock Hills, Chalfant, Churchill, East Pittsburgh, Edgewood, Forest Hills, North Braddock, Rankin, Swissvale, Turtle Creek, Wilkins
**LB Governance Structure**

- 2 Municipal representatives
- 2 School Board representatives
- 1 appointee from Allegheny County Executive
- 3 qualified professionals selected by Advisory Committees
- 1 Resident designated for community representation selected by Advisory Committees

A committee of related community organizations will be developed to provide support to the Land Bank and Board of Directors.
Membership in the Land Bank

• All 3 Taxing Bodies must be members – Allegheny County, Municipality, School District
• Submit to the Terms of the Intergovernmental Cooperation Agreement
  o Assign representatives to the Municipal and School District Committees
  o Commit to the 3 financial components to make the Land Bank financially sustainable
    o Tax Discharge
    o 50% Tax Recapture for 5 Years
    o 5% of Collected Delinquent Real Estate Taxes for jurisdictions participating in the Land Bank
Land Repurposing at the Local Scale: Different Strategies for Different Kinds of Places

- Driven by a plan for the place and data
  - Neighborhood Restoration
  - Neighborhood Preservation
  - Site Development
  - Economic Redevelopment
  - Fringe/Edge Areas
Neighborhood Restoration

- Case Study: North Braddock
  - Obstacles:
    - Vacant lots mixed into residential neighborhood
    - Risky and unpalatable for private developer

- Land Bank Solution
  - Offer different programs like: Side Lot, Adopt-A-Lot and In-Fill Housing Starts
Neighborhood Preservation

- Case Study: Penn Hills
  - Obstacles:
    - Abandoned Homes in a stable neighborhood
    - No proactive entity to maintain and revert homes back to normal state
  - Land Bank Solution:
    - Use information systems, GIS and local data to locate and assess the problem
    - Use Land Bank powers to acquire and stabilize the properties
Site Development

- Case Study: Clairton
  - Obstacles to Development:
    - 247 Vacant Lots
    - +150 Different Owners

- Land Bank Solution:
  - Use Delinquency as Vehicle for Acquisition
  - Consolidate Parcels for potential redeveloper
Regional Development Strategies

- Case Study: Tri-COG

  Obstacles - *The problem is Regional but the efforts are*
  - Fragmented
  - Insular

- Land Bank Solutions:

  Data Consolidation and Standardization
  
  Ability to Record and Analyze Regional Trends
Turtle Creek Example
“Fringe/Edge” Area

- Stronger Market in the northern part of the Borough
- Secure a few properties to stabilize the street
- Then move South
Candidate Properties - Evaluation Process

Receive acquisition candidate applications from members or interested transferees

- Made electronic copies and entered all candidates into ePropertiesPlus

Based on municipality interviews, site visits, sales data and other factors, TCLB staff identified at least one property for further review from each member that submitted properties

Propose to consider candidates for further research

- Met with each municipality to gather more information about properties
  - Visited properties to take photos and preliminarily assess exterior of structures and surrounding neighborhood

Visits

Master List

Analysis
How do we narrow the properties down further???

**Type A Properties** – Properties that show promise in terms of the potential impact for reconstruction or reuse. Most likely a high return of investment to Land Bank and community.

**Type B Properties** – Properties undesirable in current state, but have potential after moderately intense rehab. Important for community, most likely a moderate to “break even” return of investment for Land Bank.

**Type C Properties** – “Worst of worst” Structures in poor condition, likely need demo. Properties may be located in weak market. Important for community, most likely a negative return of investment for Land Bank.

- 2017 – 3 vacant Lots, 11 Structures → In Process
- 2018 Anticipates – 8 vacant Lots, 25-30 Structures
How We Evaluate and Select Properties

<table>
<thead>
<tr>
<th>Weighted Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Value – 45 Points</strong></td>
</tr>
<tr>
<td>• 35 Assessed Value</td>
</tr>
<tr>
<td>• 5 Trend</td>
</tr>
<tr>
<td>• 5 Sales Density</td>
</tr>
<tr>
<td><strong>Property Assessment – 40 Points</strong></td>
</tr>
<tr>
<td><strong>Acquisition Ease – 3 Points</strong></td>
</tr>
<tr>
<td>• Donation: 3</td>
</tr>
<tr>
<td>• Community is aware of interest in donating: 1</td>
</tr>
<tr>
<td>• Tax Foreclosure: 0</td>
</tr>
<tr>
<td><strong>Interest Buyers – 3 Points</strong></td>
</tr>
<tr>
<td>• Buyer shows active interest: 3</td>
</tr>
<tr>
<td>• Community is aware of interest around property: 1</td>
</tr>
<tr>
<td>• No awareness of interest: 0</td>
</tr>
<tr>
<td><strong>Block Condition – 3 Points</strong></td>
</tr>
<tr>
<td>Community Impact (Property is the only blighted property on street, etc)</td>
</tr>
<tr>
<td>• Yes: 2, No: 0</td>
</tr>
<tr>
<td>Low % of Blight on Street</td>
</tr>
<tr>
<td>• Yes: 1, No: 0</td>
</tr>
<tr>
<td><strong>Community Impact – 6 Points</strong></td>
</tr>
<tr>
<td>Close to community assets</td>
</tr>
<tr>
<td>• Yes: 2, No: 0</td>
</tr>
<tr>
<td>Part of a larger economic development plan</td>
</tr>
<tr>
<td>• Yes: 2, No: 0</td>
</tr>
<tr>
<td>Highly Visible w/in community</td>
</tr>
<tr>
<td>• Yes: 2, No: 0</td>
</tr>
</tbody>
</table>
Scoring for Properties with Structures

**Millvale/Shaler SD**

Grade: B  
Total Points: 63  
Market Assessment: 28/45  
Property Assessment: 30/40  
Acquisition Ease: 0/3  
Disposition Ease: 3/3  
Block Condition: 0/3  
Community Impact: 2/6  
SD and Mun. Delinquency: $22,739.92

**Turtle Creek/Woodland Hills SD**

Grade: B  
Total Points: 58  
Market Assessment: 15/45  
Property Assessment: 40/40  
Acquisition Ease: 0/3  
Disposition Ease: 0/3  
Block Condition: 3/3  
Community Impact: 0/6  
SD and Mun. Delinquency: $27,646.82

**Wilkins/Woodland Hills SD**

Grade: B  
Total Points: 55  
Market Assessment: 25/45  
Property Assessment: 30/40  
Acquisition Ease: 0/3  
Disposition Ease: 0/3  
Block Condition: 0/3  
Community Impact: 0/6  
SD and Mun. Delinquency: $37,794.96

**Etna/Shaler SD**

Grade: B  
Total Points: 55  
Market Assessment: 31/45  
Property Assessment: 20/40  
Acquisition Ease: 0/3  
Disposition Ease: 0/3  
Block Condition: 2/3  
Community Impact: 2/6  
SD and Mun. Delinquency: $9,595.17
Managing the information is a critical piece

- All Records are maintained in ePropertiesPlus
- Connects to Allegheny County real estate website
- Connects to field inspection surveys
- Our geographic information system (GIS) allows us to integrate spatial analysis in the process
Elements of a successful land bank

**Sustainable financial resources**
It takes time and money to acquire properties and maintain properties.

**Commitment to Communities**
Municipal plans and priorities
Land Bank needs to work alongside existing community development corporations.

**Effective Scale**
Diverse real estate portfolio minimizes risk and increases opportunities for success.

**Strategic acquisition and disposition practices**
Understand your inventory both Tax Delinquency and Parcel Condition.
Have a way to track it.
Have a way to map it.

**Ability to be Nimble and Responsive**
Flexible for communities’ plans and needs but also responsive enough for new opportunities.

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**Coordination**
- Land Banking
- Strategic Code Enforcement
- Brownfield Development
- Education and Knowledge Sharing
- Affordable Housing
- Planned Greening
- Urban Agriculture
- Economic Development

**Building Partnerships**
Our Contact Information

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• Liz Kozub – liz@tricoglandbank.org – 412-462-7600

www.tricoglandbank.org