

Borough of Braddock

Comprehensive Blight Strategy Plan

October 2017

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I. Introduction

In June 2017, a Blighted Property Task Force¹ was appointed by the Borough to develop a plan for addressing the incidence of blighted properties in the Borough. Blighted properties are a continuing problem for the Borough as a result of disinvestment due to loss of population and jobs as well as changing market conditions.

The process used to develop this Comprehensive Blight Plan is detailed in the publication, *We Can Do This: A Five-Step, Fast Track Blight Plan*, published by the Housing Alliance of Pennsylvania in 2016. Mr. Gulotta is also the author of the *Five-Step, Fast-Track* publication.

The five steps in the process include:

Step 1: Gain Consensus for Developing a Blight Plan

Step 2: Assess the Nature and Extent of Blight

Step 3: Convene a Blight Task Force

Step 4: Engage municipal officials

Step 5: Identify Priority Action Steps and Implement!

Step 1-Gain Consensus for Developing a Blight Plan

This step was accomplished earlier in 2017 with discussions among and between Borough officials which culminated with the appointment of the Blighted Property Task Force. In January 2017, the Borough was invited to make application to the PA Department of Community and Economic and Community Development (PA DCED) for a Blight Training and Technical Assistance Grant. This grant was subsequently approved by PA DCED and the Borough entered into a contract with the Housing Alliance of Pennsylvania in March 2017 for services that include the development of a community-driven blight action plan, planning to create a land bank, and technical assistance to the Borough in effectively using the Code Enforcement Department. These services are being provided to the Borough by Christopher Gulotta of The Gulotta Group who is a subcontractor to the Housing Alliance of Pennsylvania.

Step 2-Assess the Nature and Extent of Blight

A number of documents discuss the nature and extent of blight in the Borough. They include:

¹Members of the Task Force included: Sara Mai Bardi (resident), Deborah Brown (Borough Manager), Serita Clifford (resident), Clara Davis (resident), Hallie Dumont (Module Housing), Joe Dursa (Borough Engineer), Denise Germanoski (Building Inspection Underwriters), Frank Howard (resident), Shawn Jacobs (Building Inspection Underwriters), Deborah Jackson (resident), Jason Morneau (resident), Patrick Shattuck (Mon Valley Initiative), Mahogany Thactin (resident), Laura Zinski (resident-Mon Valley Initiative)

I. Braddock Housing Analysis (2017)

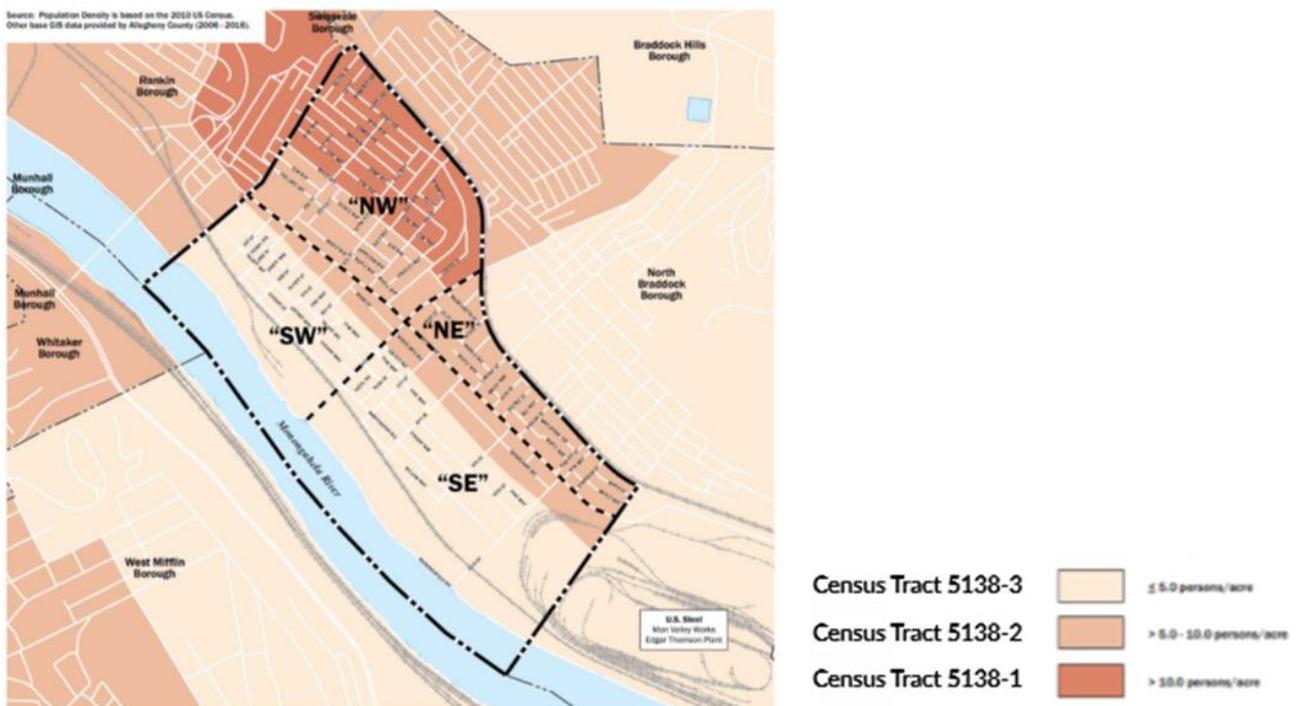
This document was commissioned by the Mon Valley Initiative on behalf of the Borough. There is a wealth of information in the Analysis about the nature and extent of blight in the Borough.

Overall demographic trends in the Borough that are referenced in the Analysis include:

- A homeownership rate of 47.7%
- A poverty rate of 36.3%
- A predominance of single parent households with children (75.7%)
- A housing vacancy rate of 32.7%
- A predominance of older housing stock (52.6% built prior to 1939)

This data is significant because it documents many households in Braddock have lesser financial means to maintain housing that because of its age, requires more rather less financial resources to maintain. The vacancy rate of nearly 33% suggests substantial disinvestment in the community as properties have become less habitable because of a deteriorated housing conditions or uninhabitable.

The Analysis divides the Borough into four quadrants: Northwest, Northeast, Southwest, and Southeast.



The Northwest census tract is primarily composed of census tracts 1 and 2 (Part); the Northeast census tract is composed primarily of census tract 2 (Part). The Southwest and Southeast census tracts are primarily composed of census tract 3. Census tracts 2 and 3 have the most compelling data related to blighted properties:

- Renter housing in census tract 2 composes 68.4% of all occupied housing while the comparable figures for census tracts 1 and 3 are 38.1% and 62%, respectively.
- 48.6% of the population is below the poverty level in census tract 2; the comparable figures for census tracts 1 and 3 are 35.1% and 8.2%

The Analysis includes a housing conditions survey to determine the condition grade of each property looking at the following characteristics:

- Missing Roof
- Missing Windows/Doors
- Visible Cracks in Foundation
- Visible Cracks in Façade
- Dilapidated Windows, Doors, Railing, Stairs, Pavement, etc.
- Unmaintained Landscaping/Vine Growth
- Roof in Poor Condition
- Chimney in Poor Condition
- Peeling Paint
- Visibly Stained/Dirty Exterior

The results of the six housing conditions for the Borough overall follow:

A (Excellent)-78 units or 9.9% of housing structures

- Immaculate, with no or 1 minor instance of the General Housing Characteristics (GHC)

B (Good)-296 units or 37.7% of housing structures

- 1 or 2 visible instances of GHC, very livable and not vacant

C (Average)-226 units or 28.8% of housing structures

- 2 or 3 visible instances of GHC, livable and maintained to a certain degree

D (Below Average) 101 units or 12.9% of housing structures

- 3 or more major and highly visible instances of the GHC; in unsatisfactory condition but still likely livable; periodically maintained or only recently abandoned

F (Poor)-61 units or 7.8% of housing structures

- In highly deteriorated condition with many instances of the GHC; may be salvaged but not likely lived in and except in a few cases not maintained and almost certainly vacant

X (Bad)-23 units or 2.9% of housing structures

- Worst condition housing structures still standing; unsound and should be demolished

Focusing on the poor and bad units, which are without question blighted, the total number of blighted units would be 84 or 10.7%. The Northeast quadrant has 49 of the 84 blighted properties or 58%. This reflects the fact that many blighted properties in other quadrants have been demolished over the years.

Housing Goals and Recommendations in the Analysis related to the problem of blighted properties in the Borough include:

Housing Goals	Related Recommendations
Preserve and Improve Existing Housing Stock	<ul style="list-style-type: none"> • Institute a residential abatement /tax freeze program that keeps property taxes at the same baseline level as homeowners make value-improving improvements to their properties • Continue to administer and expand house-related programs through the Mon-Valley Initiative
Reduce vacancy, abandonment, blight and tax delinquency by focusing efforts on target areas to improve and rehabilitate housing stock	<ul style="list-style-type: none"> • Establish a vacant property registration requirement • Bolster and safeguard security and maintenance of vacant properties
Increase homeownership opportunities and owner occupancy, attract new residents, and work toward new housing opportunities	<ul style="list-style-type: none"> • Develop a program to match prospective homebuyers with elderly residents or heirs looking to sell • Create and launch a targeted marketing campaign to attract new residents
Repurpose vacant lots or transfer lots to adjoining property owners, resize neighborhood residential density	<ul style="list-style-type: none"> • Explore opportunities with Allegheny County Economic Development to explore mow/garden to own enhancement to the County's side yard/Vacant Property Recovery Program

II. Braddock Avenue Market Restoration Study

The Braddock Avenue Market Restoration Study was completed in 2012 by Rothschild Doyno Collaborative. While the Study was more focused on physical planning and emerging market

opportunities it does document vacant structures in disrepair in four designated areas along Braddock Avenue:

Braddock Gateway: Borough line to 3rd Street

Investment Ready: 3rd Street to Corey Street

Business Center: Corey Street to 8th Street

Community and Recreation: 8th Street to Borough line

Vacant lots along Braddock Street that can be redeveloped to benefit an adjacent use are identified in the Study as are focus activities. There are also a substantial number of blighted commercial structures along Braddock Avenue. The Redevelopment Authority is moving ahead to acquire 60 properties along Braddock Avenue; most of these properties are vacant lots but there are a number of blighted structures on this street as well.

III. Act 47 Recovery Plan and Amendments

The Act 47 Recovery Plan as amended references a number of recommendations related to blight. They include:

- The Borough shall develop, via ordinance, an annual tenant registration system requiring every person owning any residential property within the Borough which is rented, in whole or in part, to one or more persons for residential purposes to certify to the Borough the name, mailing address and telephone number of the owner and of all tenants occupying the rental property
- The Borough should continue to support efforts of the TCVCOG to establish a land bank for vacant property as long as the cost to the Borough does not exceed the estimated benefit and the school district participates
- The Borough shall work with Allegheny County and its neighboring municipalities in the development of the Carrie Furnace site and the future development opportunities along the Braddock Avenue Corridor this will spur.
- The Borough will work with Allegheny County to actively market development opportunities in the Borough.
- The Borough shall continue to utilize CDBG funds to support the code enforcement office. The Manager should review current fees to determine opportunities to transfer some funding obligations from CDBG to fees charged.
- The Borough shall initiate discussions with Allegheny County Department of Economic Development and the County administration to begin moving various planning forward on the development of a master plan for the area southwest of Braddock Avenue.

IV. Supplemental American Community Survey Data

While the 2017 Housing Analysis is very comprehensive and highlights much data contained in the American Community Survey (ACS) data, there are some data item not referenced in that Analysis that relate to blighted properties, directly or indirectly. This data includes:

- The median value of a housing in Braddock is \$31,700 according to 2011-2015 American Community Survey data; according to ACS 72.3% of all owner-occupied housing units are valued at less than \$50,000. The County median value for owner-occupied units is \$129,600. This reflects extremely poor market conditions that create a disincentive to maintain real estate assets because the asset is worth so little. It also makes it increasingly difficult to obtain code compliance because owners will realize little if no return on their investment in making property upgrades or improvements;
- Similarly, median rents in the Borough (\$583) are quite low compared with Allegheny County (\$780). This disparity suggests that landlords will be less inclined to upgrade units or respond to code complaints because the value of the real estate is lower compared to other areas of the county.
- 33% of the homeowners in the Borough with a mortgage are paying more than 35% of the monthly income toward housing costs; for these households money is very tight and housing maintenance must be a lower priority compared to medical expenses, food, and clothing. The comparative figure for Allegheny County is 16.7%

Step 3- Convene a Blight Task Force

FIRST MEETING

The first meeting of the Blight Task Force occurred on July 27, 2017 to get feedback from Task Force members on the nature and extent of blight. Observations of Task Force members about the nature and extent of blight:

- The 2017 Housing Analysis Study does a good job documenting conditions by neighborhood.
- The Borough's 3rd party codes inspector issues citations for health and safety infractions such as unsafe porches, decks, fire escapes and failing roofs when they in town to respond to complaint-driven inspections.
- There are title questions involving a number of blighted properties as a result of heirs failing to open an estate following the death of the owner; in some of these properties squatters (frequently family members) are occupying these properties although utilities have been turned off.
- Properties that are blighted and that have been foreclosed on by a lender are not typically a problem.

Task Force members comments about the characteristics of blight in the neighborhoods included:

- a. Braddock Ave.
 - i. Blighted properties are primarily commercial and residential above storefronts.
 - ii. 60-70% of the blighted structures are vacant.
 - iii. The occupied blighted structures are predominately commercial rentals.
 - iv. The blighted properties are predominately structures rather than vacant lots (note: the numerous lots are mowed by the Borough to keep them from becoming overgrown with vegetation).
 - v. Properties that have been tax delinquent for at least three years and meet the definition of blight under state law can be considered for the Vacant Property Recovery Program (VPRP) that is operated by the County.
 - vi. The Redevelopment Authority hopes to acquire approximately 60 of these properties using its eminent domain powers; about $\frac{1}{4}$ of these properties are structures.
 - The eminent domain actions are in progress and should be concluded in the next 12 months; the Authority will then bundle the properties for marketing to organizations and developers.
- b. Northwest
 - i. This is a residential area; as a result, blighted properties in this area are predominately residential in nature.
 - ii. The blighted properties in this neighborhood are both vacant and occupied; those that are occupied are a mix of owner and renter-occupied.
 - iii. Most of the blighted properties are lots rather than structures which could be an opportunity to develop a side yard disposition program (if not tax delinquent for three years or more which would qualify them for the VPRP).
- c. Northeast
 - i. This is a smaller area geographically and as a result there are 40-50 structures total.
 - ii. The blighted structures are primarily vacant; those that are not are primarily owner-occupied.
 - iii. There are a combination of blighted structures and lots.
 - iv. A large public housing development in this area is in good shape.
- d. Southwest
 - i. The blighted structures in this neighborhood are residential; the other types of structures in this neighborhood are industrial structures.
 - ii. The blighted structures are primarily occupied and are a combination of owner and renter-occupied.
 - iii. There are many vacant lots in this neighborhood but the Borough is keeping them mowed.

- e. Southeast
 - i. The structures in this area are primarily industrial.
 - ii. Residential structures in this neighborhood that are blighted are both owner and renter-occupied.
 - iii. The blighted properties include residential structures as well as lots.

Finally, at the July 27th meeting Task Force members discussed other characteristics of blighted properties including the observation that blighted properties have been blighted for 10-15 years and have been owned by the current owner for the same period of time. It was noted that many of the owners of these blighted properties are deceased.

SECOND MEETING

At the second meeting of the Task Force which was held on August 24, 2017, the consultant reviewed each tool available to address blighted properties described in the Housing Alliance publication, *From Blight to Bright*. The tools were grouped into three categories: prevention, remediation and redevelopment. After questions from the Task Force were answered, Task Force members were each given seven “sticky notes” which they could use as votes to select what they felt would be the most effective tools for addressing blight in the Borough². Appendix A lists all of the tools to address blight and the number of votes for each.

Top Tier Strategies

A number of top tier strategies emerged from the Task Force voting. These tools received nine votes or more. All are under the category of tools that can be deployed to *prevent* blighted properties. A list and description of the top tier strategies follow:

The Borough may implement a rental housing licensing program

One of the recommendations in the Borough Act 47 Recovery Plan is to develop an annual tenant registration program; while this is advisable it should be accomplished in the context of a more comprehensive ordinance that requires the licensing of rental units. A licensing ordinance would include obtaining the following information for each renter-occupied structure

- (1) The street address, ward and lot number of the rental unit(s);
- (2) The number and the type of rooms within each rental unit within a structure;
- (3) Name, residence address, telephone number and, where applicable, an e-mail address, mobile telephone number and facsimile number of all owners of the rental unit(s);

² As described in the Five-Step, Fast Track publication all of the tools to address blighted properties are listed under one of the three categories on a large blank wall and members of the Task Force “vote” for that item by placing sticky notes on the items that they feel would be most effective.

- (4) Name, residence address, telephone number and, where applicable, an e-mail address, mobile telephone number and facsimile number of the responsible local agent designated by the owner or owners;
- (5) The maximum number of tenants permitted by the owner and/or responsible local agent in each rental unit;
- (6) The name, address, telephone number and, where applicable, an e-mail address, mobile telephone number and facsimile number of the person authorized to collect rent from the tenants;
- (7) The name, address, telephone number and, where applicable, an e-mail address, mobile telephone number and facsimile number of the person authorized to make or order repairs or services for each rental unit, if the person is other than the owner or the responsible local agent
- (8) The name, address and telephone number of any lien holder(s) on each rental unit or on the real property on which each rental unit is located at time of annual registration;
- (9) The name, listed telephone number and address of all tenants, the authorized number of occupants, the actual number of occupants and the termination date of the leasehold interest;
- (10) The name, address and telephone number of any entity which insures the rental unit for fire or casualty.
- (11) The name of the responsible entity or person if the owner resides outside of the county

The information is collected on a form that is sent to landlords on an annual basis. The Borough would charge an annual fee to cover its costs for the registration process including but not limited to maintaining a database of information, sending out forms and following up with landlords if they fail to comply with the registration process. If the landlord fails to comply with the registration process the ordinance would specify fines that the landlord would be required to pay. In addition, in failing to register the rental unit the landlord would no longer be permitted to operate the property as a rental unit until the paperwork is filed with the Borough.

Licensing of rental units is a good tool to prevent blight because it will provide the Borough with valuable contact information that is essential for properly notifying landlords about issues relating to their units including disruptive tenant conduct.

The Borough may expand financial resources for the demolition of properties by pursuing state grants

Because of the magnitude of the blighted property problem in the Borough it would be advisable to increase the available resources to address blighted properties by rehabilitating or demolishing those properties. The Borough receives Community Development Block Grant funds from Allegheny County

which it uses for code enforcement and the demolition of blighted properties. However, these funds are very limited (under \$100,000) and the number of properties it can demolish or rehabilitate is very limited.

The PA Department of Community and Economic Development (DCED) Keystone Communities has provided funding to communities that have enacted a comprehensive strategy to address blight. This program waives the match requirement which is typically 1:1 but because Braddock is an Act 47 community this requirement may be waived. The key to qualifying for these funds is the development of a targeted and focused strategy for addressing blighted properties. Targeted areas could include gateway streets, designated neighborhood revitalization areas, or areas around major community assets such as hospitals and libraries.

Case Study: Northumberland County

Five communities in Northumberland County have received \$500,000 in Keystone Communities funding 2014 after completing a comprehensive blight strategy in 2012. The communities and the county provided matching funds from the CDBG program and Act 137 program. Over 40 properties were demolished with the 2014 monies and two properties were rehabilitated. In 2017 PA DCED approved an additional \$200,000 for this effort.

In 2015, PA DCED approved \$500,000 to construct new housing units on a site that included blighted and fire-damaged properties. These funds along with \$72,500 in funding through the Federal Home Bank of Pittsburgh and Act 137 County Housing Trust funds. The five cottage style apartments for lower income seniors were completed on May 1, 2017 and are fully occupied.

Another source of funds for consideration by the Borough could be the PA DCED Neighborhood Assistance Program which provides a 75% credit for business donations to address blighted properties. Major businesses could be solicited for contributions which would need to flow through a 501(c) (3) organization that would receive an allocation of credits from PA DCED. Businesses have an interest in seeing blight addressed as it may affect their current business operation if a nearby property is blighted. It is also difficult to attract management personnel to a community that has a blighted property problem. Banks are a good source of donations as they are often seeking tax credits and want to meet their obligations under the Community Reinvestment Act.

The Borough may complete an inventory of blighted properties that may qualify for the County's Vacant Property Recovery Program.

The County operates a Vacant Property Recovery Program that supports municipalities by having the Redevelopment Authority acquire vacant properties which have been tax delinquent for three years. The Authority has acquired a number of properties along Braddock Avenue through this program over the years. It may be helpful to have an inventory of properties that would qualify for this program to

help developers and property owners to identify parcels which could be acquired through this program.

This inventory could be particularly effective in redeveloping larger tracts of ground in the Southeast and Southwest sections of the Borough by providing developers with information about parcels that may qualify for the program. In addition, this inventory could assist homeowners to acquire adjoining parcels as side yards. An intern could compile this inventory with oversight from the Borough staff. The challenge will be in keeping this inventory updated so it remains current and usable for the purpose of spurring private investment in the Borough. According to the Redevelopment Authority no other municipality in the County has undertaken such an inventory so this should give the Borough a comparative advantage over other communities in attracting private investment which will grow the tax base, and may create new businesses and jobs.

Middle Tier Strategies

A number of other strategies garnered more than a few votes and are worthy of discussion as possible tools to address blighted properties. These include:

Prevention Strategies

The Borough may implement a rental housing inspection program

A rental housing inspection program is a logical extension of a rental housing licensing program. Renter properties are inspected on a cycle (usually every 2-3 years) to insure compliance with Borough codes including but not limited to the property maintenance code. This insures that rental units are maintained and are not unsafe for human habitation.

Inspection fees would be assessed to the owners to cover the cost of administering the program. A typical fee schedule is \$25 per unit for up to three (3) units and \$20 for each unit thereafter. If a violation is found the owner is provided with a notice of violation or a warning letter. The unit must be reinspected after the repairs are made. When a reinspection must be made to ensure compliance, the Borough should charge an additional reinspection fee for every reinspection when the violation has not been abated.

When a rental unit passes inspection, the owner is typically issued a Certificate of Compliance for that unit which allows the owner to continue to lease and re-lease the unit to a tenant. If the unit fails the reinspection the Borough may treat the structure as an unlawful structure consistent with the Borough's Property Maintenance Code and Related Provisions Ordinance.

The Borough may enact an ordinance that tickets for code violations

Ticketing for code violations before a code citation is issued can be an effective way of resolving a code issue at an early stage. A ticketing effort can enhance the code enforcement effort by obtaining compliance faster rather than going through the code citation process which includes the scheduling

of a hearing date before a District Justice which can extend the process for resolving property maintenance issues. Ticketing is accomplished by inserting a provision in the property maintenance code (or other ordinances such as abandoned vehicles, vegetation, or trash) that permits staff to issue a ticket for the code violation much in the same way that overtime parking is ticketed. A best practice is to give the owner of the property a warning letter before the ticket is issued. The warning letter states the relevant provision(s) in the code and typically gives the owner a period of time, typically ten days, to take care of the problem.

If the owner is not responsive to the warning letter a ticket is issued by the codes officer or another public official designated by the governing body. Jurisdictions that have implemented ticketing charge a fine for the first offense in the range of \$10-\$25. If the problem is not resolved within a stipulated period of time, say ten days, a second ticket is issued in a higher amount.

The experience with ticketing has been positive with the vast majority of owners either resolving the problem during the warning stage or after the first ticket is issued. No doubt there will be a few cases when the owner is not responsive in resolving the code violation during this stage and there will be a need to file a formal code citation with the District Justice. However, the process of adjudicating the code violation through the District Justice is an expensive and time-consuming process that requires substantial staff resources and can take many months to resolve.

Case Study: Coal Township, Northumberland County

Coal Township, Northumberland County (population 10,383) implemented a ticketing ordinance for code violations in 2012 with good results. According to Township Manager Rob Slaby, approximately 95% of the code violators resolve the issue after a warning or after the first ticket is issued. The Coal Township ordinance provides that the ticket must be paid in ten days. If there are future violations of the same offense the fines increase. For example: for the first offense, the ticket is \$25; the second offense fine is \$50, and the fine increases to \$100 and \$300 for the third and fourth offense, respectively. Other communities that have had a good experience with ticketing for code violations include Kane Borough in McKean County and Newville Borough in Cumberland County.

The Borough may develop an incentive program that rewards landlords for compliance with codes

There are a variety of approaches to incentivize landlords to comply with the property maintenance codes. One approach is to reward landlords that pass the rental housing inspection on the first try with a longer inspection period. For example, if the Borough implements a schedule to inspect rental units every 2 years, landlords that pass on the first try could be inspected every three years instead of

every two years. Landlords could also be incentivized to repair units by implementing a program to phase-in taxes on improvements that is discussed later in this document.

The Borough may develop an education program to train responsible owners to bid at Sheriff's sales

The process of acquiring properties at Sheriff's sales can be intimidating for someone who has not bid on a property in the past. One of the objectives of the Borough should be to encourage responsible parties to be on these properties. Unfortunately, a number of bidders are speculators who scoop the properties up for pennies on the dollar. They rarely repair or upgrade the properties and frequently the properties are abandoned after they become uninhabitable, and these properties invariably become tax delinquent. The cycle repeats itself as these properties are then sold again at a Sheriff sale.

Cambria County has hosted a seminar to share information with individuals about the process of acquiring properties that are tax delinquent. The seminar included information on upset sales, judicial sales, private sales, and county repository sales, as well as sheriff's sales. The Borough could develop a similar training program with the assistance of a local college that would develop a service learning project around this objective. The local realtors' association could also be a partner in this effort.

Remediation Strategies

The Borough may start a Hall of Shame to publicize and shame owners who fail to bring their property up to codes

Owners who chronically violate codes and are not responsive to code violations can sometimes be shamed into action including selling the property, if their lack of cooperation is publicized. This is done by posting a photograph of the property on the Borough's website along with the name and address of the owner. Another effective approach is erecting a sign on the property with the property owners name and address and encouraging the local media to do a story on the property.

If the Borough implements this it will need to decide who can decide what types of properties are appropriate for this approach. For example, Allentown, which has implemented the Hall of Shame includes only investor-owned rental properties whose owners live outside of the state and have repeatedly refused to make needed property repairs.

Redevelopment Strategies

The Borough may incentivize private development

It is important that municipalities create a climate for investment and reinvestment. One of the ways to do this is to enact the phase of real estate taxes for *improvements* for properties in deteriorated areas. Most municipalities are familiar with the Local Economic Revitalization Tax Assistance Act which allows for the phase in of taxes on improvements for commercial income producing properties over a ten-year period following the completion of improvements. A lesser known state law also

permits the phase-in of taxes on improvements to owner-occupied residential properties in deteriorated areas.³

The designated area should have some evidence of deterioration including vacant or abandoned properties, properties that are tax delinquent, properties encumbered with municipal liens, and properties out of compliance with the property maintenance code. When these programs have been combined with other incentives, including below market rate financing they have been successfully in encouraging private investment which has resulted in residential home improvements and new business development and improvements that can eventually expand the local tax base.

SECTION II

Step 4: Engage Municipal Officials/ Step 5: Identify Priority Action Steps and Implement!

The overarching goal of this effort is to mobilize the Borough to aggressively address the problem of blighted properties. There are three key pieces needed to make this happen:

- Focusing the strategies to address blight in areas where they are most appropriate
- Effectively deploying existing and future financial resources
- Redoubling the effort to repurpose blighted properties to expand the tax base.

A. Focusing the Strategies to Address Blight in Areas Where They Are Most Appropriate

Strategies have varying effectiveness depending on neighborhood conditions. The chart below shows which strategies are most effective in different neighborhoods that are in varying stages:

Strategy	Neighborhood Stage		
	Stable	Transitional	Challenged
Rental Housing Licensing	X	X	
Expand Financing Resources		X	X
Inventory of Blighted Properties	X	X	X
Rental Housing Inspection Program	X	X	X
Ticketing	X	X	X
Incentive Program for Landlords		X	
Education Program for Sheriff's Sales	X	X	X
Hall of Shame	X	X	
Incentivize Private Development		X	X

Based on the American Survey data and other studies discussed on pages 3-6 the neighborhoods in the Borough fall into one of the three neighborhoods which are described below:

³Improvement of Deteriorated Property or Area Tax Exemption Act, 72. P.S. Section 4711 et seq.

Stable Neighborhoods

Stable neighborhoods have higher median housing values, lower vacancy rates, better housing conditions, low tax delinquency rates, and rental housing rates that are substantially lower than owner-occupied rates. These neighborhoods also have a lower percentage of households with a mortgage that are housing cost burdened (i.e., pay greater than 35% of their monthly income toward housing costs) and a lower percentage of households living below the poverty line.

Stable neighborhoods need to surgically remove blight because the incidence of blight is scattered. Strategies that prevent blight are most effective in these areas. These strategies would include rental housing licensing, rental housing inspections, and educating residents about the opportunity to buy properties at Sheriff's sales. As mentioned above, blight is more scattered in these areas. The development of a Hall of Shame initiative and inventorying blighted properties can be strategies that are very effective in dealing with properties that are already blighted in these neighborhoods. Funding for the rehabilitation of structures, especially owner-occupied structures should be promoted in these areas to preserve the existing housing stock. The Borough does not need to be as concerned about encouraging private investment in stable areas as property values are higher and people are willing to spend money without public incentive if the return on their investment is good and not uncertain.

Transitional Neighborhoods

Transitional neighborhoods are characterized by a median housing value that is trending downward over a period of time. In addition, vacancy rates and tax delinquency rates are substantially higher in transitional neighborhoods than stable neighborhoods and the neighborhood has become predominantly renter-occupied. In transitional neighborhoods, the number of housing cost-burdened households with a mortgage is higher as are households living below the poverty line. Finally, housing conditions in these neighborhoods are more deteriorated than stable neighborhoods.

Transitional neighborhoods need a combination of prevention, remediation and redevelopment strategies. Prevention strategies that are particularly effective in these areas include rental housing licensing and inspections because these strategies are designed to stem the further deterioration of rental properties. Developing an inventory of blighted properties in these neighborhoods is particularly important so efforts are focused on blocks within transitional areas that have the highest potential for redevelopment. These include properties that are near community assets such as a library, commercial shopping district, or community park. Strategies that can be effective in remediating properties that are already blighted include the implementation of a Hall of Shame Initiative and the continued implementation of the Redevelopment Authority's Vacant Property Recovery Program.

Demolition funds available to the Borough should be targeted to transitional areas to strategically acquire and demolish properties near community assets where redevelopment is more likely. Incentivizing private investment in these neighborhoods through tax abatement is an effective strategy because without that incentive people may defer improvements to their property because a lack of confidence in recouping their investment through higher property values.

Challenged Neighborhoods

Challenged neighborhoods have substantially lower median housing values, and a high percentage of housing with very deteriorated housing conditions compared to the Borough as a whole. These neighborhoods are also characterized by vacancy rates exceeding 20% of all housing units and tax delinquent rate exceeding 50%. These neighborhoods also have a disproportionate rate of renter-occupied housing and have a high percentage of households with a mortgage that are housing cost burdened. The abandonment of structures in these neighborhoods is widespread.

Challenged neighborhoods are experiencing widespread disinvestment and because market conditions are poor, property values have plummeted. increasingly property owner is no longer paying taxes and abandoning their properties. In these neighborhoods prevention tools such as rental housing licensing and inspections have proven to be less effective because landlords have little incentive to maintain units because of lower property values. Nevertheless, this program should be enforced in these areas. The initiation of a Hall of Shame program in challenged neighborhoods probably will be less effective as property owners with severely blighted properties in these areas may be beyond being shamed into action.

However, it is important to enact incentives to redevelopment properties such as the phase-in of real estate taxes on improvements to spur private investment in these areas. In addition, it is important that an entity take responsibility for assembling larger tracts of vacant land in these areas that were formerly the site of blighted properties that have since been demolished. The land assembled should be near community assets discussed above if possible. This organization responsible for this land assembly could be the Redevelopment Authority or a local community development corporation. Demolition funds should be focused on structures near vacant lots that are being acquired. In the interim these larger sites be used for urban agriculture or pop-up events similar to what is happening in the Borough now on a smaller scale.

Marketing these sites to private developers will be a difficult undertaking given current market conditions in these areas. However, it is likely that the Borough will see good results over time if a concerted effort is made to repurpose the blighted properties. (see discussion under C. below).

It should be emphasized that even challenged neighborhoods have a good future if blight strategies and resources are deployed strategically by the Borough.

Based on an evaluation of relevant criteria it appears that a portion of the Northwest neighborhood is stable, specifically the area bounded by Braddock Avenue, Camp Street, Second and Fourth Streets. Also segments of Holland, Comrie, and Corey Streets in the Northwest neighborhood appear to be stable. In the Northeast neighborhood the area in the vicinity of Orchard Street would meet the criteria for being a stable neighborhood.

The balance of the Northwest and Northeast neighborhoods can be considered transitional while the Southwest and Southeast neighborhoods as a whole can be characterized as challenged.

B. Effectively Deploying Existing and Future Financial Resources

The Borough's declining allocation of CDBG funds has makes it increasingly important that it leverage other sources of funds such as Keystone Communities. The Borough uses it CDBG funds for Code Enforcement and Demolition. While code enforcement is essential there is a diminishing effectiveness in neighborhoods where property values are so low that property owners will see little financial return for any improvements they are required to make to address codes. For this reason, there is growing recognition that code enforcement is most effective in stable and transitional areas where property values have not declined precipitously.

As discussed above, demolition funding needs to be utilized in situations where they will return the most investment in terms of redevelopment of properties in the short term with the objective of growing the tax base and stabilizing property values in the neighborhood. A formal ranking system should be developed by the Borough to prioritize which properties will be acquired and demolished. At a minimum, this ranking system should reflect the following factors: (1) dangerous property conditions which affect residents and adjoining properties (2) location of property in relation to other community assets, and (3) likelihood that property can be repurposed quickly for private investment.

The Borough through the Redevelopment Authority or a local community development corporation should be prepared to access below market rate financing through the PA Department of Community and Economic Development to assist developers to improve the economic feasibility of proposed projects. Where market conditions are not as robust, it is critical that a local organization partner with private developers to develop a financing package that provides an adequate return on investment for a developer.

C. Redoubling the Effort of the Borough to Repurpose Blighted Properties

Dealing with blighted properties and the owners of those properties is discouraging, as many members of the Task Force pointed out. However, with the effective tools to address blighted properties highlighted in this report, there is a hope that there will be a renewed commitment on the part of the Borough to address this problem. This renewed commitment might include a review of current ordinances, and the enactment of ordinances for tools referenced in this Plan including the enactment of a rental housing licensing and inspection ordinance, an ordinance that allows the Borough to ticket for code violations and the phase in of taxes on improvements.

The Borough must ramp up efforts to market and repurpose blighted properties to grow the Borough's tax base and to create jobs and to increase the supply of safe, decent and affordable housing. An action team composed of representatives of the Borough, Redevelopment Authority, Mon Valley Initiative, Braddock Economic Development Corporation and Enterprise Zone Corporation of Braddock should be meeting on a quarterly basis to discuss what properties should be targeted and what the responsibility of each organization is in terms of the marketing effort. As properties are successfully marketed the focus should change to a new set of blighted properties. As with the deployment of

blight strategies this marketing effort should be strategic in terms of focus areas and should be geared to meeting community needs.

Ratcheting up the effort to address blighted properties in the short term will create momentum to expand upon the efforts discussed in this Plan as the Borough becomes more confident in implementing effective solutions to prevent, remediate and redevelop blighted properties. Short term successes accomplished through the implementation of rental housing or ticketing ordinances should give the Borough renewed confidence to address the problem and a foundation for a sustained effort to deal effectively with blighted properties going forward.

Appendix A

PRIORITIZATION OF STRATEGIES BY BRADDOCK TASK FORCE

Note: Number of Task Force votes in parentheses

Prevention Strategies

- (9) The Borough may implement a rental housing licensing program
- (6) The Borough may implement a rental housing inspection program
- (5) The Borough may enact an ordinance that tickets for code violations
- (2) Communications with District Justices may be strengthened
- (1) The Borough may develop an education and recognition program
- (1) The Redevelopment Authority may petition the Court of Common Pleas to become the administrator of estates that are not opened
- (4) The Borough may develop an education program to train responsible owners to bid at sheriff's sales
- (0) The Borough may enact an ordinance to register properties that have been foreclosed
- (3) The Borough may enact an ordinance that requires owners to register vacant properties
- (4) The Borough may develop an incentive program that rewards landlords for compliance with codes
- (3) The Borough may assist the Redevelopment Authority in getting the word out about the availability of funds through the Allegheny County Home Improvement Program.

Remediation Strategies

- (6) The Borough may start a Hall of Shame program to publicize and shame owners who fail to bring their property up to codes
- (2) The Borough may expand implementation of Act 90 of 2010 which allows the Borough to revoke permits and to lien personal and real estate assets of owners
- (9) The Borough may expand financial resources for the demolition of properties by pursuing state grants
- (1) The Borough can encourage the District Attorney to charge repeat code violators with the crime of Municipal Housing Code Avoidance
- (1) Appropriate entities may pursue the appointment of property conservatorship under state law

Redevelopment Strategies

- (6) The Borough may incentivize private development
- (1) The Borough may participate in a land bank under state law
- (10) The Borough may complete an inventory of blighted properties that may qualify for the County's Vacant Property Recovery Program
- (2) The Borough may identify sites for new residential development