

# **Preventing Blight through Equitable Approaches**

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**Empowering Communities for  
Affordable and Quality Rental  
Housing and Legacy Transfers**

# Homes Within Reach Conference

*Preventing Blight through Equitable Approaches: Empowering Communities for Affordable and Quality Rental Housing and Legacy Transfers*

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**December 7, 2023**

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Manager

Pennsylvania Utility Law Project

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# Pennsylvania Utility Law Project

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PULP is a statewide legal services project of Regional Housing Legal Services and is a member of the Pennsylvania Legal Aid Network.

PULP's mission is to secure just and equitable access to safe and affordable utility services for Pennsylvanians experiencing poverty.

We work to achieve our mission by empowering individuals and communities through:

- Legal Representation, Groups, and Individuals
- Education and Training
- Policy Advocacy
- Supportive Services
- Consultation



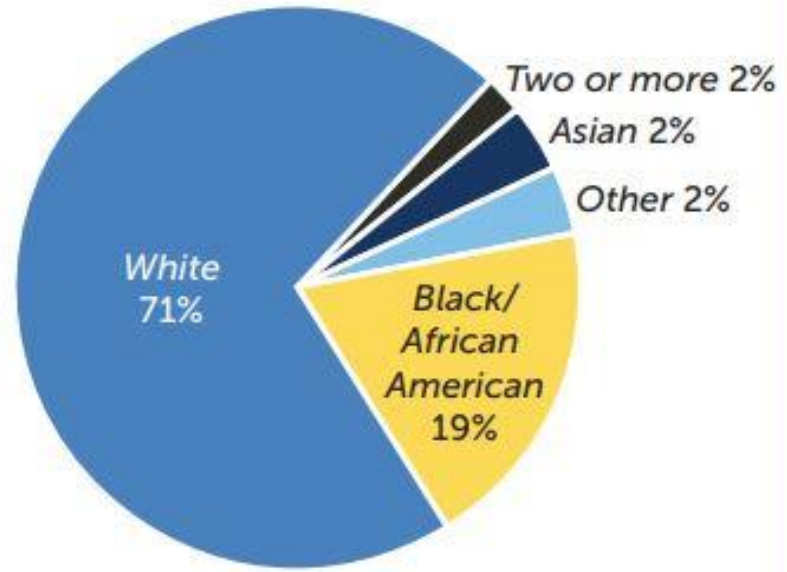
# **Rental Housing Landscape in PA**

## Rentals Make Up 32% of All Housing Units in Pennsylvania



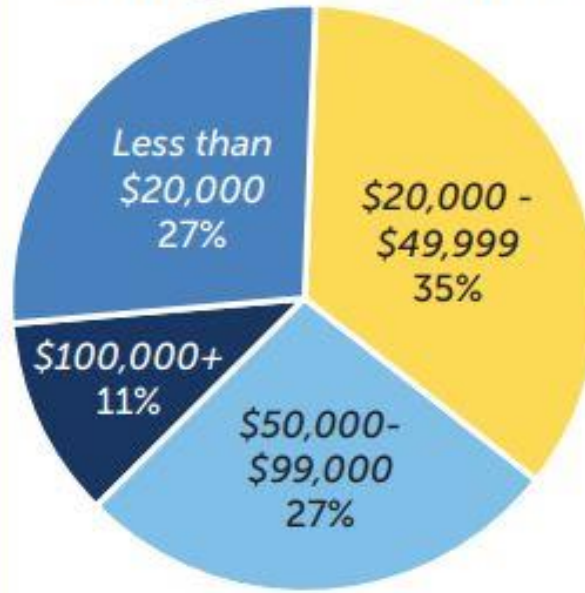
Source: Pennsylvania Budget and Policy Center

### Race of Pennsylvania Renters



Source: Pennsylvania Budget and Policy Center analysis of 2019 Census data.

## Household Income of Pennsylvania Renters



Source: Pennsylvania Budget and Policy Center analysis of 2019 Census data.

The median energy burden of Black households is

43% higher



than that of white (non-Hispanic) households.



ACEEE  
American Council on Energy Efficiency

The median energy burden of Hispanic households is

20% higher



than that of white (non-Hispanic) households.



ACEEE  
American Council on Energy Efficiency

The median energy burden of Native American households is

45% higher



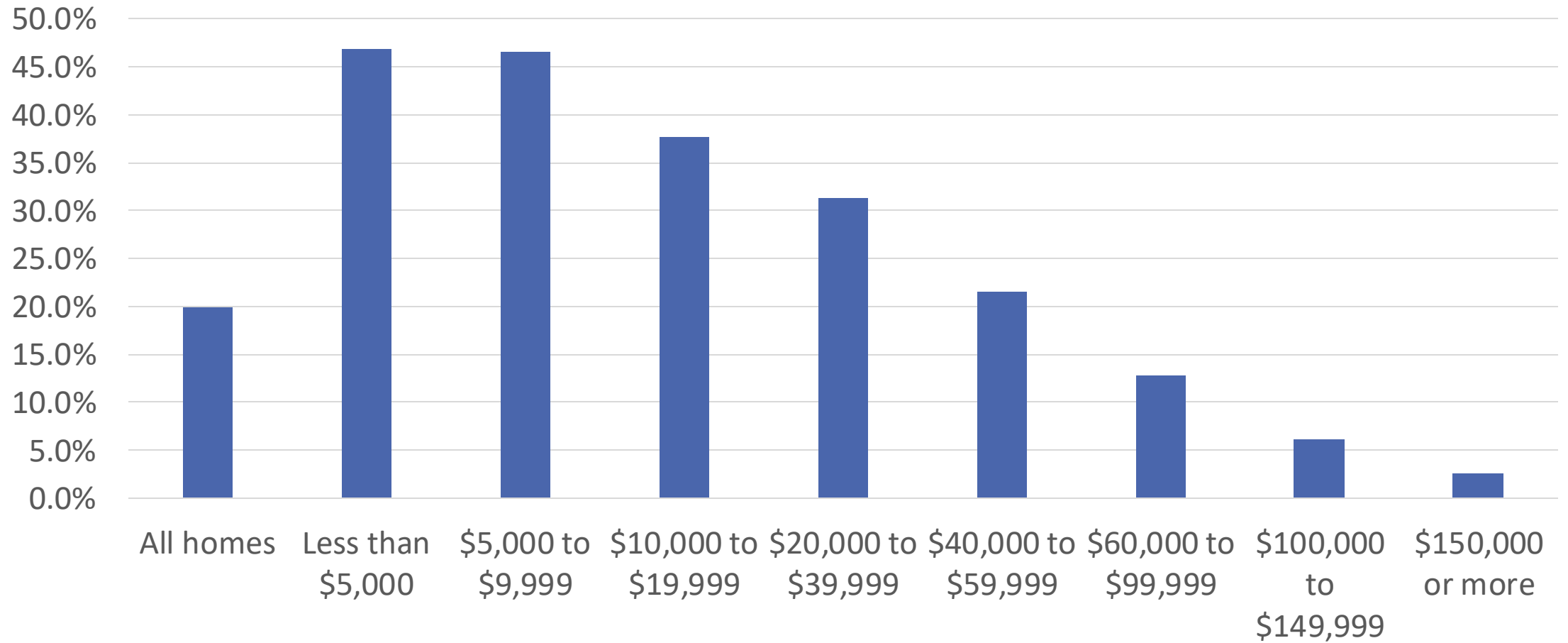
than that of white (non-Hispanic) households.



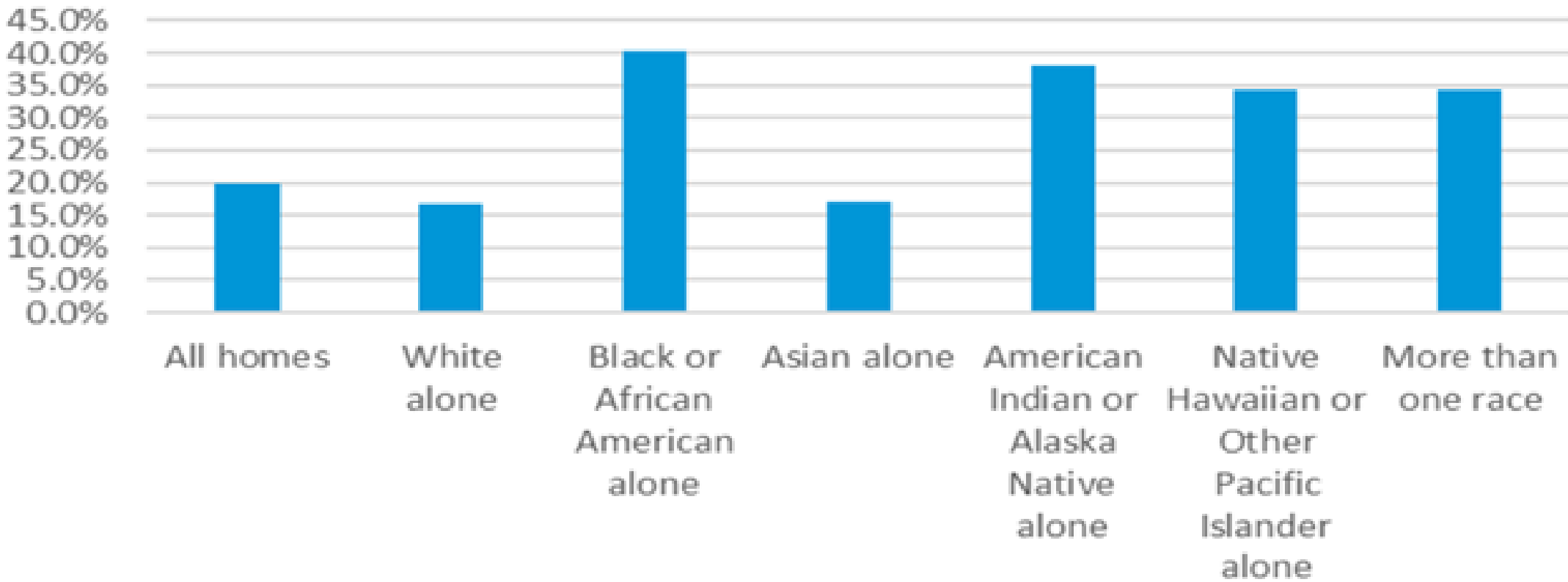
ACEEE  
American Council on Energy Efficiency



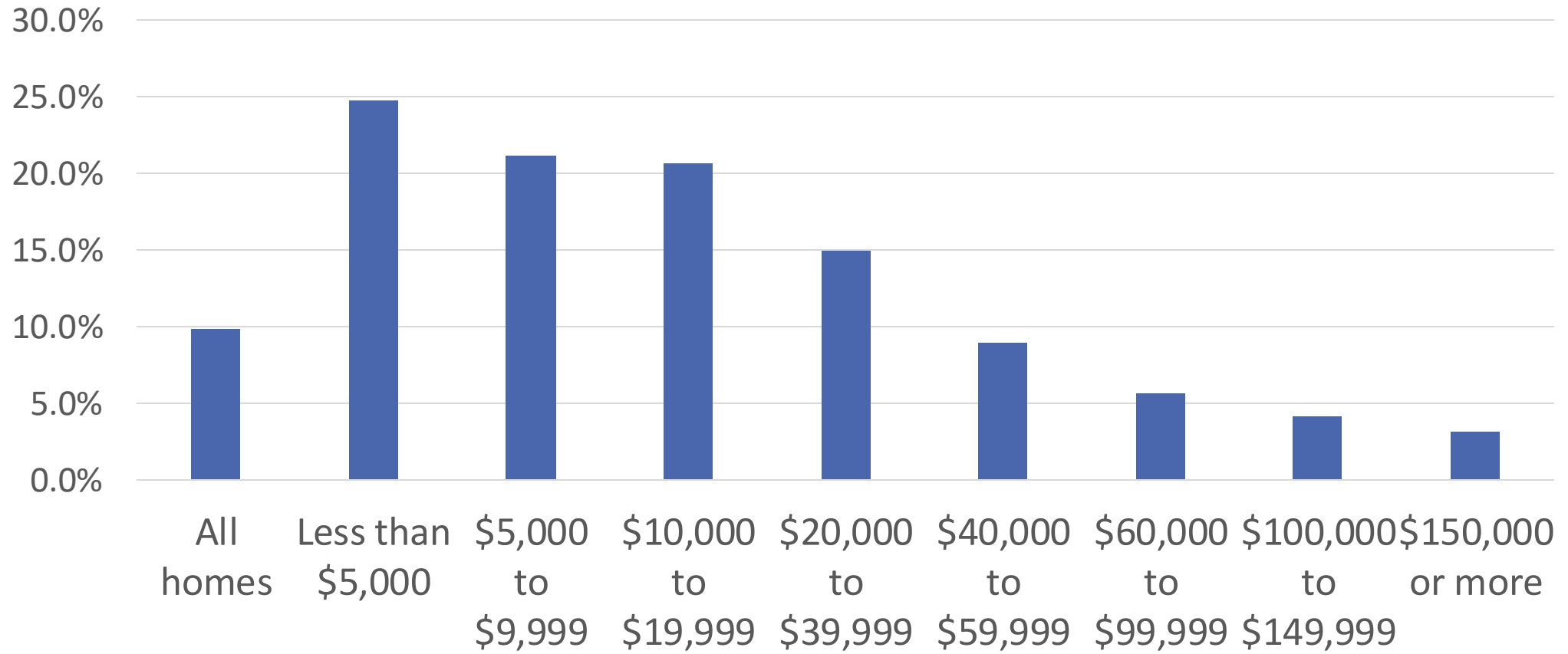
## Reducing or forgoing food or medicine to pay energy costs - Household Income



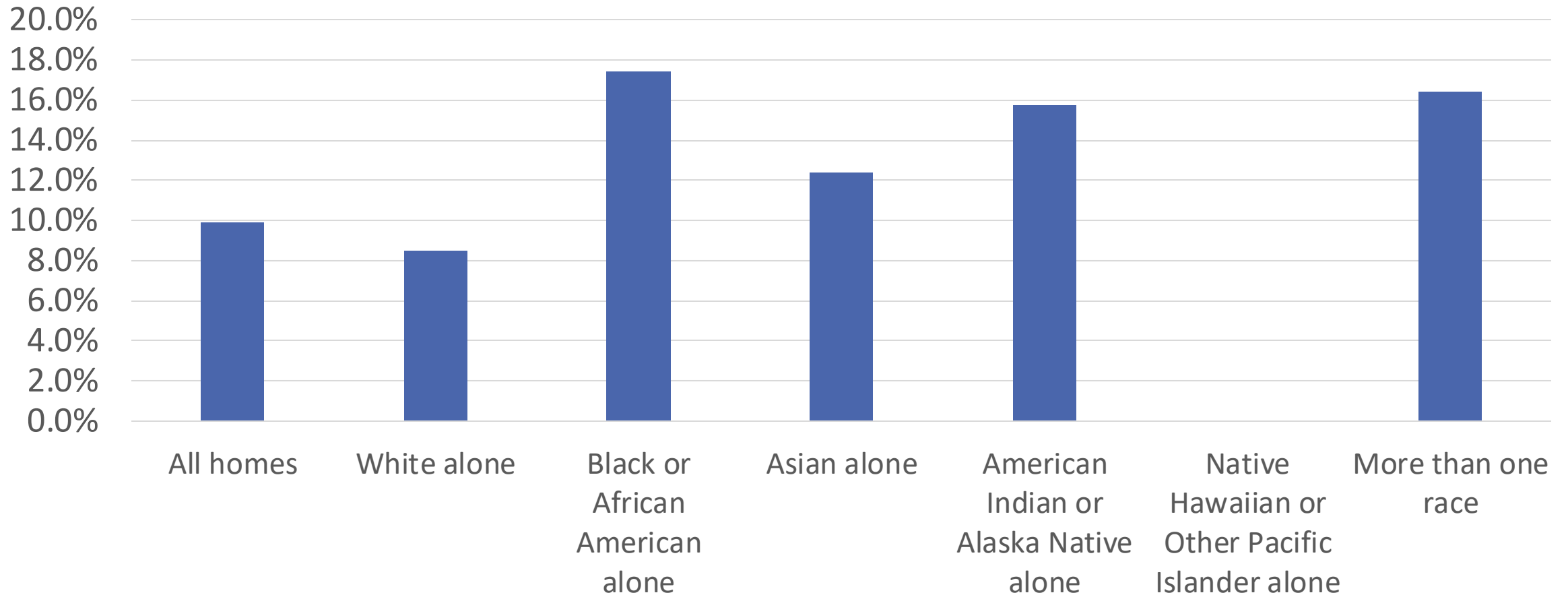
# Reducing or forgoing food or medicine to pay energy costs - Race of Householder



# Leaving home at unhealthy temperature - Household Income



# Leaving home at unhealthy temperature – Race of Householder



# Improving Rental Housing Through Energy Efficiency Programs

## Challenges in Rental Housing:

- Quality of Affordable Units
- Limited Affordable Housing Stock
- Financial Barriers to Entry

## How Energy Efficiency Programs Help:

- Modernize and Upgrade
- Expand Affordable Housing Stock
- Alleviate Financial Strain

# **Overview of Energy Efficiency Programs**

# Energy and Water Utility Programs

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## **Low Income Usage Reduction Program (LIURP)**

- Utility-administered (gas/electric) low income residential usage reduction program mandated by PA PUC regulations at 52 Pa. Code, Chapter 58.
- Part of the suite of universal service programs in PA.
  - LIURP: Provides energy efficiency and weatherization measures.
  - CAPs (Customer Assistance Programs): Offers reduced bills and forgiveness of debts.
  - Hardship Funds: Provides grants to pay utility bills.
  - CARES: Facilitates customer referrals.

## **Act 129 Energy Efficiency and Conservation (Electric)**

- State law enacted in 2008 mandating electric utilities to reduce energy consumption and demand for residential and commercial customers.

# Federal and State Programs

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- **Weatherization Assistance Program (WAP)**
  - Providers install weatherization and efficiency measures and educate on conservation.
- **Low Income Home Energy Assistance Program (LIHEAP)**
  - Grants: Annual grant assistance to reduce costs and/or prevent a crisis (termination/lack of fuel)
  - Crisis Interface: Emergency repair or replacement an inoperable heating systems.
  - Clean and Tune: Services to cleaning and inspecting heating equipment.
  - Cooling Pilot: Free installation of cooling equipment.
- **Water Service Line Leak Repair Programs / Lead Service Line Replacement Programs**
  - Funding to fix leaks and/or remove lead pipes.
  - Programming is very limited, working to expand.
- **Whole Home Repairs**
  - Grants for homeowners and loans for small landlords, making weatherization of aging housing more affordable.



# New Energy Efficiency Programs

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- **Infrastructure Investment and Jobs Act (IIJA) Programs**
  - Expanded Weatherization Assistance Program
    - \$182M over 5 years
    - Includes “Weatherization Readiness”
- **Inflation Reduction Act (IRA) Programs**
  - **HOMES**
    - \$129.9M over 10 years
    - \$4,000-\$8,000 for home efficiency, depending on projected savings
  - **HEEHRA** – High Efficiency Electric Home Rebate
    - \$129.2M over 10 years
    - Up to \$14,000 “Rebate” for Qualified Electrification
  - **“Solar for All”**

# Call to Action

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- 1. Training With PULP For Tenants, Landlords, or Housing Advocates**
- 2. Assist Tenants to Enroll in Energy Efficiency Programming**
- 3. Incorporate Inquiries about Utility Issues into Intake Processes**
- 4. Outreach to Utility Providers Regarding Multifamily Energy Efficiency Programming**

# Tenant Participation in Energy and Water Programs

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- **Barriers:**

- Tenant Access Denied Due to Landlord Non-Participation
  - Lack of Landlord Consent
  - No Response to Utility Solicitations

- **Solutions:**

- Promoting Landlord Participation and Enhancing Responsiveness
- Addressing Landlord Issues through Trainings and Legal Services
  - Financial Concerns
  - Legal Considerations
    - Rights and Obligations to Tenants, Terms and Conditions, Warranty Disclaimers



# Municipal Authority to Enact Rental Licensing Laws

How Does the Commonwealth Court's decision in *Landlord Services Bureau v. City of Pittsburgh* affect Rental Licensing in Pennsylvania?



Robert Damewood, Esq.  
Regional Housing Legal Services  
*Homes Within Reach*  
Hershey, PA  
December 7, 2023

# Regional Housing Legal Services



Regional Housing Legal Services is a legal aid program whose mission is to create housing and economic opportunity in under-served communities in Pennsylvania and to effect systemic change for the benefit of lower-income households.

## Disclaimer

- *This presentation is intended to provide a general overview of legal principles that affect local housing policy. It is not intended as legal advice. Check with your local solicitor!*

## Landlord Services Bureau v. Pgh

- *Landlord Services Bureau v. City of Pittsburgh*, 291 A.3d 961 (Pa. Commonwealth Ct., March 17, 2023)
- Struck down Pittsburgh’s rental licensing ordinance, holding that some features imposed affirmative obligations upon rental unit owners without express legal authority
- Relied upon the so-called “Business Exclusion” of the PA Home Rule Law, 53 Pa.C.S. §2962(f)
- The Court did not address other legal challenges



## Municipal Legal Authority 101

- **Dillon's Rule:** Local governments may only exercise powers that are (1) expressly granted by the state, (2) necessarily and fairly implied, or (3) crucial to the existence of local government
- **Home Rule:** Home rule municipalities may exercise all powers not denied by the state Constitution, by statute or by the municipality's charter, subject to limitations specified in the home rule/optional charter authorizing statutes

## Home Rule Authorizing Statutes

- **First Class City Home Rule Act**, 53 P.S. §3421.1 et seq.
- **Optional Third Class City Charter Law**, 53 P.S. §41101, et seq.
- **PA Home Rule Law**, 53 Pa.C.S. §2901 et seq.
- Similar grants of power, different limitations
- Only the PA Home Rule Law contains the Business Exclusion

## Home Rule Business Exclusion

- *A home rule municipality shall not determine duties, responsibilities or requirements placed upon businesses, occupations and employers except as expressly provided by statute applicable throughout the state, to all municipalities or to a class or classes of municipalities*
- Only applies to affirmative burdens, not “negative or passive” ones (e.g., anti-discrimination laws)
- To overcome the exclusion, a home rule municipality may invoke the authority that any municipality has been granted

## The Business Exclusion Prohibits:

- Preservation Ordinances, e.g., advance notice, TOPA/COPA (Smaller Manufacturers v. Pgh)
- Source of Income Ordinances requiring LLs to accept housing vouchers (Apartment Assn. v. Pgh)
- Some Rental Licensing Requirements (Landlord Services Bureau v. Pgh) – *under appeal*
- Most local regulation of the housing market is likely off limits: Just Cause Eviction; advance notice of rent increases; laws regulating tenant screening services, housing aggregators, etc.

## Holding: Pgh Has No Authority to Implement the Following:

- Inspection without permission of an owner or lessee
- Obligation to hire a responsible local agent
- “Obligation” to follow best practices
- “Obligation” to attend a landlord academy
- Obligation to have registration and inspection information put on a public, online database

## LSB v. Pgh Could Affect:

- Home Rule Municipalities chartered under the PA Home Rule Law
- Non-Home Rule Municipalities

## LSB v. Pgh Does Not affect:

- Cities of the First Class (Philadelphia)
- Third Class Charter Cities:
  - Bethlehem
  - Erie
  - Harrisburg
  - Lancaster
  - Lock Haven
  - Meadville
  - Oil City
  - Titusville
  - Williamsport
  - York

## What Can Municipalities Do?

### 1. Be prepared to cite statutory authority!

- The *Municipal Housing Ordinance Authorization Law* grants broad powers to multiple classes of municipalities “to enact and enforce suitable ordinances to govern and regulate the ... occupation, maintenance...use and inspection of all buildings and housing...” 53 P.S. §§ 4101, et seq.
- This was not considered by the Commonwealth Court

## What Can Municipalities Do?

### **2. Review your rental licensing law**

- Is there a direct connection between the requirements of your rental licensing law and the purposes of the statutory authority you cite?
- Are any provisions of your rental licensing law drafted similarly to the ones struck down by the Commonwealth Court?

### **3. Await a PA Supreme Court decision**

- PASC has accepted the case for review



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Legacy Transfer  
**RE-USE**  
*for*  
**Affordable Rental  
Housing**

HOUSING ALLIANCE OF PENNSYLVANIA  
2023 HOMES WITHIN REACH CONFERENCE  
HERSHEY, PA  
DECEMBER 7, 2023



PA Home Matters – Duquesne, LLC

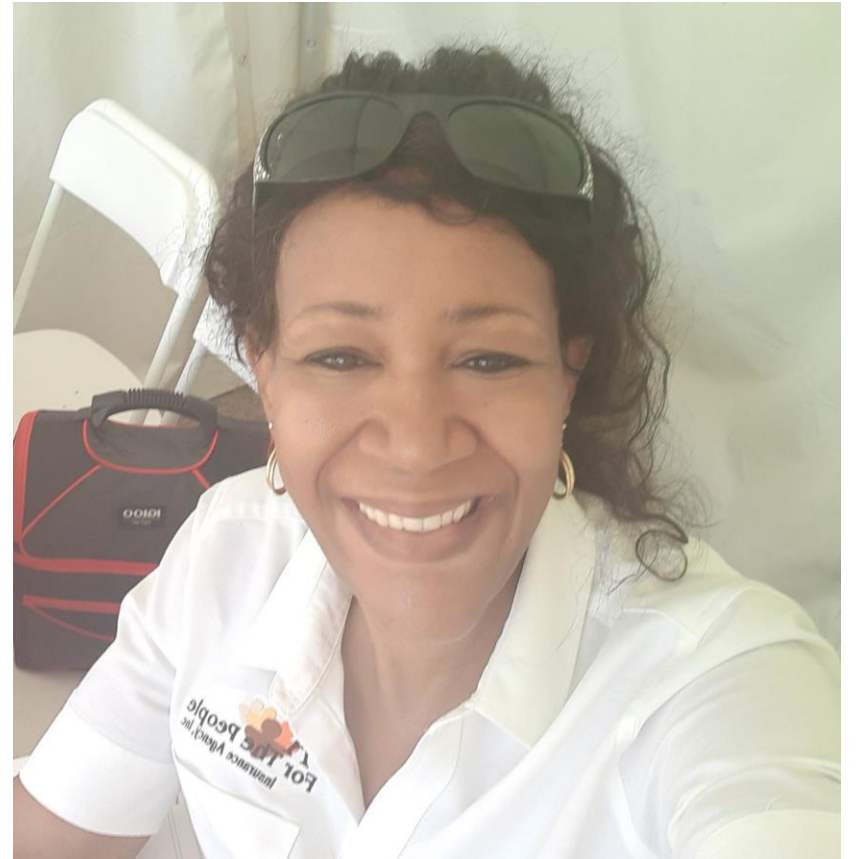
*Mission: Redevelopment of Abandoned and Blighted Property Rehabilitation in Distressed Areas*

# Meet The Founder

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Sylvia “Sylvie” Celeste Deaderick – PA Home Matters Duquesne LLC Founder & Managing Member is a Commercial Realtor / Project Manager with Tillman Realty Group, LLC and Property & Casualty Insurance Broker specializing in Construction Insurance and Risk Management with A For The People Insurance Agency serving all Pennsylvania counties.

Passionate about the study of real estate since 1985. Once licensed in both California and Pennsylvania. Has practiced real estate in Southwestern Pennsylvania for nearly 20 years.



- PA Home Matters, founded January of 2013, as a not-for-profit organization to assist families with real estate legacy transfer.
- Our REAL ESTATE LEGACY TRANSFER ASSISTANCE mission is to coordinate free and low-cost services to aid heirs to acquire and redevelop distressed, single family & multifamily housing for Affordable Housing “ReUse” with support services for underserved communities.
- PA Home Matters – Duquesne formed to assemble parcels in the city of Duquesne Pennsylvania July of 2020. – a family run for profit housing rehabilitation business .



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# Disclaimer

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This information and materials are provided for informational purposes only.

**The information is not provided as legal advice.**

The information provided cannot be used for mediation, arbitration, or litigation purposes.

Transmission and/or receipt of this information does not create a broker-client relationship. No one should act upon this information without seeking appropriate counsel on the particular facts and circumstances at issue.

African American communities are disproportionately impacted by inefficient or nonexistent real estate legacy transfer preparation.



Annually more than 300 estates loose properties as “unknown heirs” at auction between the monthly Allegheny County Sherif Sale and the quarterly City of Pittsburgh Treasurers Sale.





# DISTRESSED NEIGHBORHOOD'S LIFE CYCLE: Ten 2-bedroom units hidden beneath the overgrowth



Mission: Redevelopment of Abandoned and Blighted Property  
Rehabilitation in Distressed Areas

# Case Study #1

Husband & wife, married in 1953, raised a family of six children, acquired more than 40 properties during their 58 year marriage. Some 7 units, duplex or triplex and many single family. Let's guess 100 units.

Wife dies, at 74, in 2011 with 28 properties held solely in her name located in East Liberty, Homewood, Lincoln-Larimer. Obviously a visionary. All distressed. All within the path of progress.

Surviving husband – investment partner, remodeling contractor and plumber by trade, automatically inherits her properties, by law, though four of their six children and 15 grandchildren and 9 great grands survived her.

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## *Case Study #1 continued*

2016 Husband dies at 84 years old. He's survived by three of his six children, 16 grand children, and 13 great-grand.

One of his children passed between his death and burying his wife.

At his death at least 31 heirs stood to benefit from their many years of real estate investments.

Fast forward to winter of 2020. As an assemblage specialist a dear client of mine approached me interested in acquiring a distressed 7-unity multifamily. In my due diligence I found the 28 parcels held in her name. As I researched I found they'd both passed away, no estate was open, and 22 of the 28 parcels were either purchased by the URA or City of Pittsburgh through auction for tax delinquency between 2011 and 2020.

Why?



# Case Study #2

Man dies unexpectedly at 55 leaving an estranged-wife and 3 young adult children in 2015

He owned a fourplex, free and clear and one single family home that was mortgaged. During his life he paid the single family mortgage with the proceeds from the fourplex.

The wife, still legally married after 10 years of separation, unaware of his ownership or his financial arrangements did not collect rent or pay the mortgage. 5 years after his passing in my probate prospecting I found her just before his home was sold at auction in a foreclosure. We couldn't stop the sale in time. The taxes on the duplex were unpaid forcing her to sell the tenant occupied property for peanuts to satisfy delinquent tax and water liens.

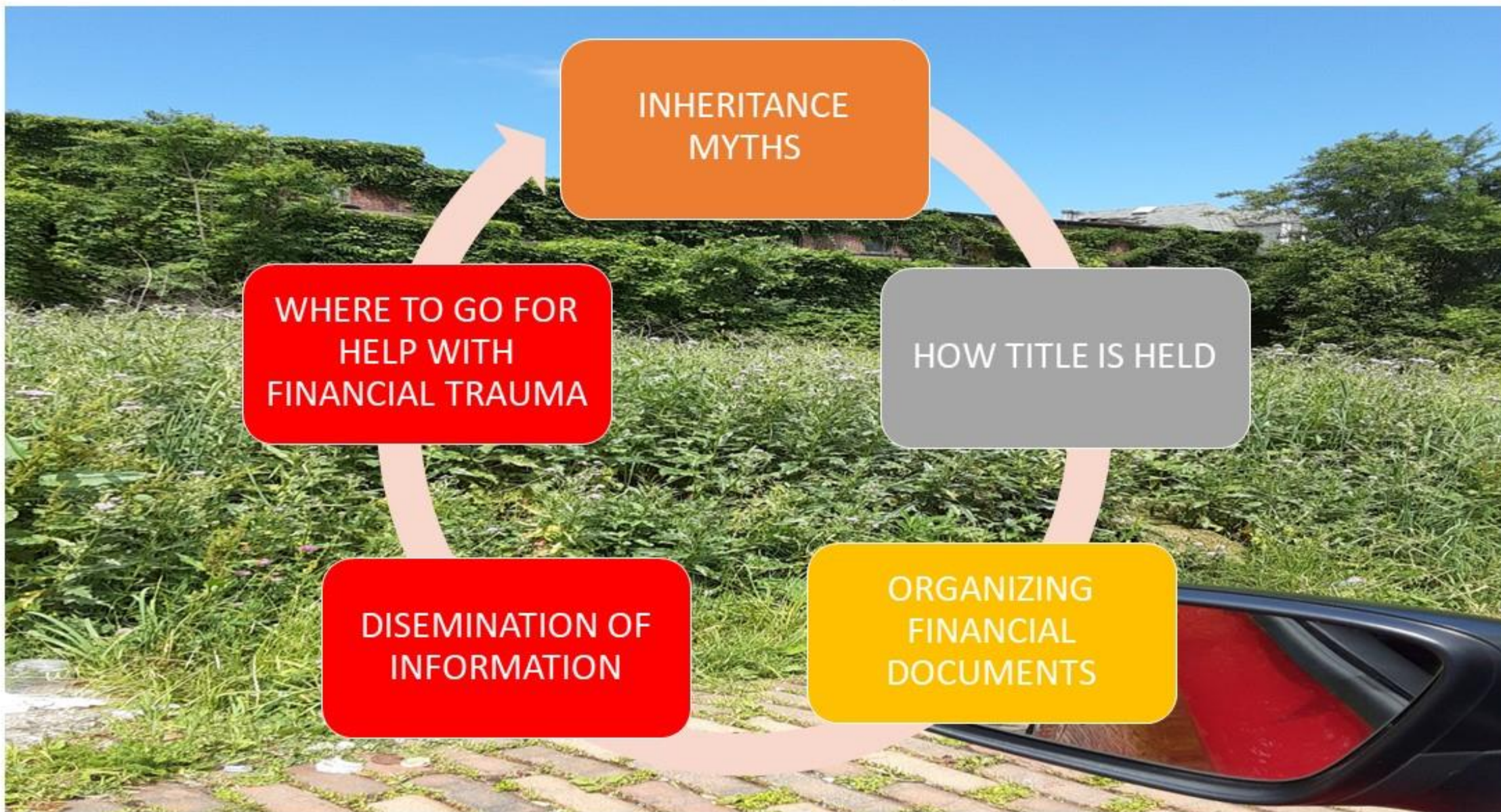
Her children, like Case Study #1, did not benefit from the decedent's investment.

**Why?**

Mission: Redevelopment of Abandoned and Blighted Property  
Rehabilitation in Distressed Areas



## ADDRESSING THE "Why?"



Mission: Redevelopment of Abandoned and Blighted Property  
Rehabilitation in Distressed Areas

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# Immediate Solutions That Work

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## Quitclaim and Record --- Before Owner Passes

ownership interest as “*tenants in common with a right of survivorship*” add responsible party to the deed **before owner’s death**. Quitclaim deeds can be found online or any office supply store.

## Open Probate – After Owner Passes

Determine **who is willing** to be responsible for maintaining the documentation

Those with an interest **Renounce** their control over the estate in a notarized document from the Wills/Orphans court.

Apply to **open probate** at the local Wills/Orphans Court for small estates. *The death certificate and renunciations are required to apply.*

Once probate is open contact area housing organizations for a referral to an attorney to handle the estate. Approximately \$500 average legal costs for small estates that have opened probate.

# SOLUTION: The “ReUse” Plan

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Identify a comprehensive rehabilitation rental process

- Determine the amount of fair market rent for the immediate area. HUD FMR search.
- A budget plan that includes holding costs, legal fees and possible delinquent taxes upon funding.
- Collaborative relationships with local, county, state federal subsidized housing resources.
- Sufficient community alliances as resources and development partners for assistance through the renovation and maintenance process. Local rehab funding.
- Pre-completion rental opportunity marketing for possible full occupancy prior to completion.



# 10 UNITS OF 1,000'S ACROSS OUR COMMUNITIES



**Opportunities for revitalization impact the entire community**





*Contact our office for free real estate  
legacy transfer resources and referrals.*

**[sylvie@pahommatters.org](mailto:sylvie@pahommatters.org)**

*Learn your options when your family needs  
help keeping "Nanna's" home in the family.*

**AFFORDABLE HOUSING DEVELOPMENT  
LEGACY REAL ESTATE TRANSFER ASSISTANCE**

*Thank you*  
**Sylvia Celeste Deaderick**  
**(412) 345-3093**