

**Testimony for the Senate Urban Affairs and Housing Committee  
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Lancaster, PA  
Southern Market Center**

**Presented By:**

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Good morning and thank you for this opportunity to present testimony to the Senate Urban Affairs and Housing Committee. My name is Randy Patterson and I serve in Mayor Gray's Administration as the Director of Lancaster's Department of Economic Development and Neighborhood Revitalization. I have served in this position since 2006. Prior to joining Mayor Gray's administration I served as the Deputy Executive Director and Executive Director of the Lancaster County Housing and Redevelopment Authority for 12 years.

I would like to present how the City of Lancaster is dealing with blighted vacant and abandoned buildings, as well as our efforts to ensure property owners properly maintain their properties. Through these efforts the City of Lancaster has focused its attention on stabilizing neighborhoods and increasing the overall economic vitality of the City. I would also like to comment on the importance of measures included in Senate Bill 1291, introduced in 2008, which would provide valuable tools that Lancaster could utilize to successfully deal with owners of vacant and blighted buildings who choose not to take the actions necessary to correct the property code violations.

In 2006 the City of Lancaster developed a strategic plan which focused on seven key areas: Arts and Entertainment, Housing, Neighborhoods, Mobility, Public Amenities, Retail Sector and Customer-Centered Culture. Two of these

focus areas, Housing and Neighborhoods, are directly impacted by the City's efforts to deal with vacant properties and blighted properties.

One of the City's primary tools to deal with vacant and blighted properties is the Lancaster Property Reinvestment Board Program. In creating this program the City recognized that to sustain and enhance its residential neighborhoods, vacant and blighted properties if not dealt with are harmful to the social economic well-being of the City, depreciate property values and generally jeopardize the health, safety and welfare of our residents.

While the City first employs its code enforcement program to deal with property owners who fail to properly maintain their properties, the Property Reinvestment Program enables the City to move on those properties which are uninhabitable and condemned within 60 days of the condemnation, or where a property is vacant and the owner has failed to clear code violations within 90 days of notification. The City has taken steps to reduce the period of time it takes to move a property through the program, have it rehabilitated and sold to a homeowner from as long as two years to a maximum of 18 months. At any point in the process the owner of a property could enter into an agreement with the City or the Redevelopment Authority and agree to rehabilitate the property before the property would be taken by the Authority through eminent domain, sold to an

individual willing to rehabilitate the property and either choose to live in the property or sell to a homeowner.

The City also restructured the Rehabilitation Agreement to require a property owner to more definitively delineate the time frame in which the property is to be rehabilitated. The City monitors the rehabilitation of the property and if the property owner fails to meet their obligations the City can reinitiate the taking process.

Through this expedited process the City has been able to systematically work through a back log of vacant and blighted properties extending as far back as 2003. The City is now able to begin dealing with properties that have been condemned less than 90 days.

The second program the City has instituted to preempt the deterioration of properties in the City is the systematic exterior and interior code enforcement inspection of all rental properties in the City. This inspection program has enabled the City to develop an accurate inventory of rental properties in the City and to establish a schedule whereby all rental properties are inspected a minimum of once every four years.

The City has also organized an internal Housing Work Group to bring a multi-discipline approach to dealing with problem properties in the City. Members of the working group include staff from the City's Bureau of Code Compliance and

Inspections, Fire Bureau, Police Bureau, Neighborhood Revitalization Division, Zoning Officer, Bureau of Solid Waste Management and the County District Attorney's Office. Properties are referred to the Work Group with the intent of bringing the previously mentioned offices of the City to bear in a coordinated effort to resolve the problems that have been identified.

The Neighborhood Blight Reclamation and Revitalization Act of 2008 states that substandard, deteriorating and abandoned residential, commercial and industrial structures are not only a public safety threat and nuisance which diminishes property values, but nearby property owners lose equity in their properties and cities can lose property tax revenues as a result of lower property values. While each of the City initiatives mentioned previously enables the City to take a proactive approach to dealing with blighted properties in the City, particularly residential properties, additional tools that are included in Senate Bill 1291 could provide additional methods for the City to deal with slumlords and property owners unwilling to properly maintain their properties.

Enabling cities to place a lien against not only the blighted property, but all assets of an owner of an unremediated blighted property will eliminate the opportunity for a property owner to hide assets from a municipality which incurs costs to eliminate the blighted property either through demolition or remediation.

Recently the City has encountered a number of blighted properties that following foreclosure proceedings have ended up in the possession of a bank or other mortgage lender. Through the City's Property Reinvestment Program, we have experienced protracted timelines in our attempts to have the mortgage holder take responsibility for remediating property maintenance code violations. The provisions in Senate Bill 1291 requiring a mortgage lender or Federal insurer in possession of the building to assume responsibility for remediating the code violations and maintaining the property would provide the City with additional leverage to ensure that these properties do not sit unrepaired while the lender or insurer tries to sell the property.

The provision that the City and State may deny a permit, license, certification or approval for a property owner if they have other property in the City or State which is in violation of the City's property maintenance codes or have delinquent taxes, water, sewer or refuse charges should certainly provide an incentive to property owners to maintain their properties or to remediate property maintenance violations in a timely manner. The City has recently revised its rental registration and licensing ordinance with provisions that enable the City to deny issuing a registration or license for any property owned by an individual or corporation if they have failed to pay taxes, water, sewer and/or trash charges. In this ordinance the City also prohibits any person whose Residential Rental Occupancy License has

been revoked by the City, pursuant to the Act of July 7, 1947 (P.L. 1368, No. 542) (the “Act”) as amended, from purchasing property in the City at any tax sale governed by the Act.

We also view other provisions of the bill, including the State Blight Data Collection System and the municipal grant program to assist cities in covering the cost of administering a vigorous code enforcement program, as important to address the negative impact of blighted properties on property values and our resident’s quality of life. We encourage the Senate Urban Affairs and Housing Committee and the General Assembly to move this legislation forward.

Thank you for the opportunity to offer what the City of Lancaster is doing to combat blighted properties in our neighborhoods, and to encourage passage of legislation that would provide the City with additional practical tools to complement our efforts. It is time to enact tough legislation that will enable cities to deal with slumlords and others property owners who disregard the negative impact of the blighted properties they own on their neighbors, our neighborhoods and our City. The property rights of the majority of our residents and businesses should not be put at risk due to the irresponsible actions, or lack of action, of a few.

I would be happy to answer any questions you may have.