

Lackawanna County

# Comprehensive Blight Strategy

Prepared in association with the



and



December 2018

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## I. Introduction

In the spring of 2018, a Blight Task Force<sup>1</sup> was appointed to work with the Lackawanna County Land Bank on a plan for addressing the incidence of blighted properties in the County. Blighted properties are a continuing problem for many municipalities in the County as a result of disinvestment and 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. Christopher Gulotta, of The Gulotta Group LLC was retained by the Land Bank to facilitate the process. 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) was accomplished in early 2018 with a series of discussions with officials from NeighborWorks NEPA and the Lackawanna County Land Bank which culminated in the appointment of the Blight Task Force. Step 2 included hosting four forums or focus groups in different parts of the county to discuss the nature and characteristics of blighted properties. In addition, a survey of municipalities was distributed by NeighborWorks NEPA to document blighted properties and the characteristics of those properties. The first meeting of the Blight Task Force (Step 3) occurred on August 23, 2018 to review the survey data and to confirm the nature and extent of blight suggested by the survey data. The Task Force will conclude its work in November 2018 by hosting a meeting with municipal officials to share information on the priority strategies identified in the report (Step 4). The fifth step, Identifying Priority Action Steps and Implementation will be ongoing after the work of the Task Force has been completed.

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<sup>1</sup> Members of the Task Force include George Kelly (Lackawanna County Land Bank), Todd Pousley (NeighborWorks NEPA), Michele Bannon (City of Carbondale), Karin Foster (West Scranton Hyde Park Neighborhood Watch), Kathleen Madzin (South Scranton Neighborhood Association), Wayne Evans (City of Scranton City Council), Richard Leonori (City of Scranton Historical Architecture Review Board), Thom Welby (State Representative Marty Flynn), Linda Walsh (Keller Williams Real Estate), Matthew Whitney (Electric City Homes), Cheryl Lynn Murnin (urban planner), Teri Ooms (Institute for Public Policy and Economic Development), Lisa Durkin (United Neighborhood Centers), Gary Duncan (Dunmore Neighborhood Watch), and Francis DeAngelo (Taylor Borough Council).

**STEP 1 - GAIN CONSENSUS FOR DEVELOPING A BLIGHT PLAN**

As indicated previously, the Lackawanna County Land Bank and NeighborWorks NEPA provided leadership to document the value and obtain funding for the preparation of a comprehensive plan to address blight.

**STEP 2 - ASSESS THE NATURE AND EXTENT OF BLIGHT**

**A. Summary of Discussions at Focus Groups**

Four “Blight to Bright” focus groups were held in different areas of the county as a prelude to the blight planning process to connect with stakeholders including but not limited to residents, neighborhood associations, businesses, local government, and non-profit organizations. A summary of the discussion at the four focus groups follows:

**Table 1  
Blight to Bright Focus Group Summary**

City/Region	Size of Problem Documentation	Nature and Extent of Blight	Average Time Property Blighted	Problem with Absentee Landlords?	Foreclosure Problem?	Effect of Blight	What Will Success Look Like?
Scranton	# Tax delinquent properties Institute for Public Policy Study (2017)	Downtown-Vacant storefronts Former industrial buildings Neighborhoods-occupied and vacant properties; residential; owner-occupied and rental	3 years or longer	South Side Hill Section	Yes; have Foreclosure Registration Ordinance	Reduced quality of Life Reduced property values Increased crime; chilling effect on economic development Negative effect on local colleges	Improved quality of life Increase in private investment Increased civic pride Repurposed blighted properties (e.g. community gardens)
Carbondale and Up Valley	Carbondale Housing Study (2000) Mayfield-20 properties blighted according to Mayor	Residential Vacant and occupied Owner-occupied and renter	11 years or more	Mayfield	Not noted	Decline in property values, community pride; unsafe conditions	Decline in number of blighted properties Higher quality of life Stable or growing populations and tax base
Down Valley	No information available; observation that problem is centered in core communities	Commercial and residential properties Rental properties Former industrial properties Mobile home sites	At least one year	Not noted	Not noted	Reduced property values Reduce quality of life Less taxes collected	More economic growth Reduced crime More private investment
Mid-Valley	Jessup has a blight review committee County Repository List	Primarily residential Rental and owner-occupied	Over 11 years	yes	Not noted	Reduced property values and quality of life Impacts marketability of properties	Repurposed properties Greater municipal and redevelopment authority cooperation Higher quality of life

The discussion at the four focus groups was generally in agreement that the problem involved both vacant and occupied properties. In the Scranton and Down Valley focus groups, the problem of blighted commercial properties was referenced. In some of the focus areas a problem with absentee landlords was noted. Foreclosure did not seem to be a major cause of blighted properties outside of the City of Scranton. Finally, blighted renter-occupied residential properties seemed to be a problem in most areas of the county.

A flyer advertising the Blight to Bright Focus Group appears in the Exhibits.

**B. American Community Survey Data (2012-2016)**

American Community Survey data are estimates for various data items that are available through the US Census and are updated annually. Tables including this data follow for the various regions of the county:

**Table 2**

**Lower Valley/Scranton/Dunmore  
Data from American Community Survey**

	Dunmore	Moosic	Moscow	Old Forge	Scranton	Taylor	County	PA	US
% Vacant HU	8.1	8.7	6.8	10.4	14.2	11.6	12.6	11.3	12.2
Year Structure Built-Prior to 1939 (%)	52.1	24.1	27.6	31.6	55.9	32.4	39.4	26.5	13.0
% Renter-Occupied	38.0	16.8	20.7	33.7	49.1	39.7	34.1	31.0	36.4
% Move-In Since 2010	33.4	25.3	22.3	27.6	36.7	28.2	28.9	30.2	37.6
Median Housing Value	155.1K	\$146.5K	196.5K	\$143.5K	104.5K	\$116.1K	\$147.1K	\$167.7K	\$184.7K
Cost Burdened Owners (%)	20.8	17.7	22.5	28.3	26.1	15.1	22.7	20.9	23.2

Source: American Community Survey, Selected Housing Characteristics 2012-2016 5 Year Estimates

The percentage of vacant housing units in the Lower Valley including Scranton ranges from 14.2% for Scranton to 6.8% for Moscow Borough. A vacancy rate in excess of 10% is indicative of a weaker housing market that often results in lower housing prices. In extreme cases, prices are so low that an owner may decide to abandon the property rather than to maintain the property and pay taxes. All communities have rental housing rates less than 50%. While rental housing can be an asset in a community if it is well-maintained, if rental housing is concentrated in poorer neighborhoods it can threaten neighborhood stability which is a cause of blighted properties.

**Table 3**

## Mid-Valley Data from American Community Survey

	Archbald	Blakely	Clarks Summit	Dickson City	Jessup	Olyphant	Throop	County	PA	US
% Vacant HU	8.6	8.1	5.9	14.8	8.5	6.3	6.9	12.6	11.3	12.2
Year Structure Built-Prior to 1939 (%)	31.1	33.6	21.9	37.3	39.4	34.3	43.9	39.4	26.5	13.0
% Renter-Occupied	21.4	32.0	22.5	38.9	29.1	44.0	25.1	34.1	31.0	36.4
% Move-In Since 2010	21.2	27.7	21.8	34.7	24.7	27.6	28.8	28.9	30.2	37.6
Median Housing Value	\$139.8K	\$142.K	194.5K	\$149K	\$145.1K	\$149.8K	\$113.1K	\$147.1K	\$167.7K	\$184.7K
Cost Burdened Owners (%)	20.5	30.9	11.3	22.7	26.9	25.6	16.9	22.7	20.9	23.2

Source: American Community Survey, Selected Housing Characteristics  
2012-2016 5 Year Estimates

With the exception of Dickson City, the percentage of vacant housing units is relatively low in Mid-Valley communities. Rental housing rates are all under 50% of the total housing stock. As is the case through-out the county about a third or more of the housing is nearly 80 years old.

Housing this old generally requires major updates in electrical and plumbing systems if that has not already occurred. There may also be some foundation issues for properties this old. Higher maintenance costs of older housing are particularly a problem for owners on fixed incomes such as elderly households. Any effort to address blight should be responsive this issue.

**Table 4**

## Upper Valley Data from American Community Survey

	<b>Carbondale</b>	<b>Jermyn</b>	<b>Mayfield</b>	<b>County</b>	<b>PA</b>	<b>US</b>
% Vacant HU	14.1	6.4	12.8	12.6	11.3	12.2
Year Structure Built-Prior to 1939 (%)	55.8	51.7	47.4	39.4	26.5	13.0
% Renter-Occupied	43	37.9	15.0	34.1	31.0	36.4
% Move-In Since 2010	32.9	25.7	19.7	28.9	30.2	37.6
Median Housing Value	\$87K	126.3K	\$129.4K	\$147.1 K	\$167.7K	\$184.7K
Cost Burdened Owners (%)	18.1	25.3	27.0	22.7	20.9	23.2

Source: American Community Survey, Selected Housing Characteristics  
2012-2016 5 Year Estimates

Carbondale has a noticeably lower median housing value than the balance of the communities in the Upper Valley. This could be a function of the housing stock (square footage, typical number of bedrooms and bathrooms) as well as housing condition. Over 50% of the housing in Carbondale is nearly 80 years old. Vacancy rates in the Upper Valley with the exception of Jermyn are higher than the state average.

### **C. USPS Vacant Property Data**

The United States Post Office provides information on vacant addresses in each community. The information provided by the Post Office for municipalities with the highest number of vacant addresses follows:

**Table 5**

**Top Ten Communities with Vacant Addresses and Length of Vacancy**

(Listed in Order)

<u>Municipality</u>	<u># Vacant Addresses</u>	<u>% Vacant Addresses</u>	<u># Vacant Addresses 36 months or longer</u>	<u>% vacant 36 months or longer</u>
Scranton	2283	5.2	1204	52.7
Carbondale	314	4.5	71	22.6
Dunmore	230	2.7	86	27.4
Old Forge	145	2.20	108	74.4
Taylor	116	3.1	97	83.6
Dickson City	103	2.7	29	28.1
Archbald	95	2.5	47	49.4
Blakely	80	2.2	35	43.7
Throop	66	2.9	25	37.8
Moosic	56	1.66	47	83.9
<u>County</u>	3758	3.0	1927	51.2

**Source: USPS Data through 6/30/2018**

Note: the numbers above reflect vacant addresses including residential, commercial and other addresses, however the vast majority of vacant addresses are residential. The American Community Survey (ACS) data reflects vacant housing units only. There is a discrepancy between the ACS data and the US Post Office (USPO) data in terms of the percentage of units vacant. For example, the ACS data for Scranton indicates a 14.2% vacancy rate for housing units while the USPO data for Scranton for all addresses (residential, commercial, and other) indicates a 5.2% rate. A possible explanation is that the USPO data is for *addresses* rather than *units* and multiple housing units may be listed as one address.

This data is not alarming in terms of the total percentage of vacant addresses as this is relatively low for these communities. However, it is interesting to note that 93% of the vacant property addresses are in these ten communities. What is alarming is the relatively high percentage of properties that have been vacant for over 36 months. These are truly abandoned properties that are blighted or in danger of being blighted. Nearly 53% of the vacant addresses have been vacant for more than three years in Scranton; other communities with exceptionally high percentages include Moosic, Taylor, Old Forge, Archbald and Blakely. This is indicative of struggling efforts in those communities to effectively address blight. Properties that are blighted for a long-term period will definitely cause property values to decline in the immediate vicinity and may result in the abandonment of more properties over time as values decline precipitously.



**D. Summary of Municipal Blighted Property Municipal Efforts Surveys**

**Table 6**

**Municipality Blighted Property Survey Results**

Municipality	Number of Blighted Properties	Number of Structures	Number With Vacant Structures	Number of Home Owner Units	Median Number of Years Blighted	Number With Absentee Owners	Median Number of Years Owned
Archbald	7	7	4	3	2	0	5
Benton Twp.	4	4	4	N/A	5	4	8.5
Blakely	18	18	7	5	3.5	1	20
Carbondale	7 (see note)	6	6	?	10	2	7.5
Clarks Summit	10	10	5	4	10	9 or 10	10
Covington Twp.	4 to 10	4	3	1	4	0	Blank
Dalton	3	Blank	Blank	Blank	Blank	Blank	Blank
Dickson City	12	11 or 12	7 or 8	1	5	5 or 6	20+
Elmhurst Twp.	2	2	2	N/A	7.5	1	10+
Fell Twp.	20 (Est.)	5	4	0	2	0	17.5
Glenburn Twp.	1	1	1	N/A	2	0	20+
Jefferson Twp.	7	7	4	3	6	1	20
Jermyn	10 to 15	3	3	N/A	15?	2	1.5?
Jessup	5	5	5	N/A	4	2 or 3	10?
Mayfield	14	14	9	3	10+	0	10+
Moosic	4	4	2	Blank	5+	0	Unknown
Moscow	5	4	4	N/A	5	3	10+
Olyphant	No Survey Submitted						
Roaring Brook Twp.	1	1	1	N/A	26	1	26
South Abington Twp.	No Data/Do not feel blighted properties are a problem						
Spring Brook Twp.	No Data/Do not feel blighted properties are a problem						
Taylor	1						
Vandling	No Data/Do not feel blighted properties are a problem						

Note: Carbondale indicated that this figure represents a sample of the properties

NeighborWorks NEPA sent out surveys to all municipalities in the county to get an idea of the number of blighted properties in each municipality and the characteristics of these properties. In completing the survey municipalities were provided with the definition of blight under state law. These survey results in Table 6 document the incidence of blighted properties in each community along with the characteristics of the blighted properties. Strategies that address blight in these communities should be tailored to address these characteristics. The same survey asked municipalities to share reasons for blighted properties; the responses are included in Table 7:

**Table 7**  
**Municipal Blighted Property Survey Results**

<b>Municipality</b>	<b>Reasons for Blight</b>				
	<b>Owner Elderly</b>	<b>Owner Deceased</b>	<b>Owner Absentee</b>	<b>Owner Neglect</b>	<b>Other</b>
Archbald		1		5	1 Lightning
Benton Twp.			1	4	2 Foreclosure
Blakely	2	1	1	14	
Carbondale	1	2	2	5	
Clarks Summit	5	1	1	3	
Covington Twp.	1			2	1 Fire
Dalton				3	
Dickson City		1	10		
Elmhurst Twp.				2	
Fell Twp.	1	1	2	1	
Glenburn Twp.				1	
Jefferson Twp.		1	1	5	
Jermyn			1	3	
Jessup		1	3	3	1 Contractor Hired
Mayfield			1	12	1 Fire
Moosic	1	2	3		
Moscow				5	
Roaring Brook Twp.		1	1		

### **E. Institute for Public Policy Measuring the Impact of Bight Study**

In 2017, The Institute for Public Policy and Economic Development completed a study of the incidence and impact of blighted properties in Lackawanna and Luzerne Counties. The study found:

- There are 4,838 vacant units in the county that are longer term vacant (i.e. not for sale or rent or for seasonal use).
- Census Bureau analysis has concluded that as many as 39% of these vacant properties are blighted; the Study took a conservative approach and assumed that 35% or 1,693 of the vacant units are blighted.

The Study extrapolated that the aggregate potential value of blighted homes was over \$167 million. Annual taxes on these properties would amount to over \$1.4 million. Based on other studies that have documented the impact of blighted properties on surrounding property values, a mid-range estimate is that blighted properties in the county have resulted in a reduction of over \$20 million in the values of surrounding properties.

In addition to the above-referenced surveys and data sources, municipalities were surveyed about what they are currently doing to address blight including what ordinances they have in place. Table 8 (next page) summarizes this information from the sixteen municipalities that returned surveys:

**Table 8**  
**Municipal Effort Survey**

Municipality	Property Maintenance		Types of Codes					Approach					Tools		
	Property Maintenance Code	IPMC/Version	Nuisance	Abandoned Auto	Junkyard Trash	Weed Uncut Grass	Other	Systematic	Inspect Rentals	Inspect at Sale	Inspect at Tenant Turnover	Other	Act 90	Ticketing	Rental Registration
Archbald	✓	2006	✓					✓	✓		✓				✓
Benton Twp.	✓		✓		✓										
Blakely	✓	2012	✓	✓	✓	✓		✓	✓					✓	✓
Carbondale	✓	See Survey	✓	✓	✓	✓	NBD Pres. Code	✓							✓
Clarks Summit	✓	2009	✓	✓	✓	✓		✓			Driveby		✓	✓	
Covington Twp.	✓		✓	✓	✓		Burning								
Dalton															
Dickson City	✓	2009	✓				Quality of Life	✓			Random Ins.		✓	✓	
Elmhurst Twp.	✓	2006													✓
Fell Twp.	✓	2018	✓	✓	✓	✓		✓		✓	✓				✓
Glenburn Twp	✓		✓		✓										
Jefferson Twp.	✓			✓	✓										
Jermyn	✓	2012	✓	✓	✓	✓								✓	✓
Jessup	✓	✓	✓	✓	✓	✓								✓	
Mayfield	✓	2012						✓		✓	✓	Complaints			✓
Moosic	✓	2018	✓	✓	✓	✓							✓	✓	✓
Moscow	✓	2009	✓			✓									✓
Olyphant	✓	2009	✓	✓	✓	✓								✓	
Roaring Brook Twp.			✓	✓	✓										✓
S Abington Twp.	✓	2018													
Spring Brook Twp.	✓	2009	✓	✓	✓	✓	Zoning	✓			See Survey				✓
Taylor														✓	
Vandling	✓	2010	✓	✓	✓	✓		✓	✓	✓	✓			✓	✓

The vast majority of communities have implemented a property maintenance code; however, it is unclear to what extent municipalities are enforcing all provisions in the code given the limited budget and capacity of municipalities. Many communities have implemented an ordinance to ticket for code violations. Fourteen (14) communities have implemented a rental housing licensing ordinance. Only one municipality has implemented an ordinance to deny permits or encumber assets of the owner in the case of serious code violations.

The various data sources described in this section provide insight into the extent, nature, and characteristics of blight in Lackawanna County. This data has been shared with the Task Force

with the objective of ensuring that strategies that emerge from the blight planning process will be the most effective in the context of the blighted property problem in the county.

### **STEP 3 - CONVENE A BLIGHT TASK FORCE-DISCUSSION OF PRIORITY STRATEGIES**

As indicated earlier, the Blight Task Force met for the first time on August 23, 2018 to process the information that had been gathered about the nature and extent of blight in the county. Between the first and second meetings of the Task Force, Task Force members were asked to read *from Blight to Bright*, a Housing Alliance of PA publication that is a compendium of tools available to address blighted properties in Pennsylvania. The consultant reviewed each tool at the second meeting of the Task Force which was held on September 20, 2018. The tools were grouped into three categories: prevention, remediation and redevelopment. After questions from the Task Force were answered, Task Force members identified the most effective tools for addressing blight in Lackawanna County<sup>2</sup>. Appendix A lists all of the tools to address blight and the number of votes for each. A list of the priority strategies that emerged from this process follows.

#### **Prevention Strategies**

**Municipalities may assist the County in making households more aware of programs available to income eligible households to rehabilitate properties.**

The County Office of Economic and Community Development administers a housing rehabilitation program that provides funds up to \$24,999.99 per unit for the rehabilitation of properties. Qualified households must have an income less than 80% of the county median income (\$53,050 for a family of 4). The program is available for owner-occupied housing and renter-occupied housing. The funds are provided to the owner in the form of a five-year forgiveness loan.

The City of Scranton has a similar program to assist with the rehabilitation of existing housing stock. Non-profit organizations in the city such as NeighborWorks NEPA also have initiated programs to address housing conditions. Several of these programs focus on critical home repairs with the objective of addressing deferred maintenance in a timely manner to avoid more costly repairs in the future.

These programs can be very helpful to households on fixed incomes, including seniors who are struggling with maintaining a home. Program administrators should consider different approaches for involving municipalities in the marketing of the program. This could include the development of a flyer that would be posted in the municipal building, periodic newsletter articles that could be included in municipal newsletters, or arranging community meetings to discuss the availability of the program.

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<sup>2</sup> 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. Each member of the Task Force is given seven sticky notes and can place a maximum of two sticky notes on one strategy.

**Municipalities may enact an ordinance that tickets for property maintenance code violations as a summary offense**

Ticketing for code violations before a code citation is issued can be an effective way of resolving a code issue at an early stage. It should be emphasized that vigilant code enforcement is the underpinning of any effort to prevent blighted properties because it is an early intervention approach that can identify and resolve property maintenance issues before they turn into full-blown blighted property conditions.

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 code 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 can be 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. Ticketing allows the municipality to focus its efforts on chronic code violators by resolving less serious problems quickly. As indicated above nine municipalities have already implemented a ticketing ordinance.

Scranton has also implemented a ticketing ordinance although the fines in that ordinance are quite high and may hinder getting issues resolved at the ticketing stage.

### **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.

### **Municipalities may take advantage of state laws that allow municipalities to disqualify certain buyers at tax sales**

Pennsylvania state law<sup>3</sup> allows municipalities to disqualify purchasers at tax sales that have outstanding delinquent taxes, code violations, and municipal liens. The law also allows municipalities to disqualify any prospective bidder whose rental license was revoked by a municipality in that county.

It makes sense that owners who have failed to maintain their properties or meet their legal obligation to pay real estate taxes should not be able to acquire additional properties at a tax sale.

In order for this process to work, it is necessary that the Tax Claim Bureau establish a pre-registration process for prospective bidders. After the preregistration process closes, municipalities are provided with the list of prospective bidders and may provide information to the Tax Claim Bureau, consistent with state law, to disqualify the bidder.

The state law also allows municipalities to challenge a successful bidder within 20 days after the sale. In interpreting the state law, courts have held that property owners that have disqualifying conditions may still bid on the property as long as they resolve the issue(s) within 20 days after the tax sale.

### **Case Study: Schuylkill County**

Schuylkill County Tax Claim Bureau requires all bidders to register and sign an affidavit that they are not tax delinquent in paying real estate taxes, have no municipal utility bills that are more than one-year outstanding, and do not bid for or act as an agent for any landlord who has had his or her rental license revoked. At the judicial sale, the bidder must be approved by the municipality in which the property is located.

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<sup>3</sup> 72 P.S. Section 580.619

## Remediation Strategies

### **Appropriate entities may pursue appointment of property conservatorship under state law**

Conservatorship allows certain entities including municipalities, other taxing authorities, non-profit corporations and nearby property owners to file a petition with the Court of Common Pleas to be appointed the conservator of the property for the purposes of making repairs to address code violations. The Abandoned and Blighted Property Conservatorship Act was approved by the legislature in 2008.<sup>4</sup>

As part of its petition, the conservator prepares a preliminary plan that could include the demolition of the property if rehabilitation is economically unfeasible.

If the court grants the petition, the conservator proceeds with the work and the owner has the opportunity to reimburse the conservator for the work. If the owner does not do so, the court may authorize the conservator to sell the property to recoup some of its costs.

At no time does the conservator take title to the property, so this may be more politically acceptable than eminent domain. Conservatorship is an excellent tool for dealing with properties that have been blighted for a longer period of time as this is an end game for dealing with these properties so they no longer consume time of municipal officials in obtaining compliance with local codes.

### **Municipalities and the County may expand resources for the demolition of properties by seeking state funding.**

Because of the magnitude of the blighted property problem in the County as documented in the municipal blight surveys, it would be advisable to increase the available resources to address blighted properties by rehabilitating or demolishing those properties.

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. 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. County CDBG funds may be used as the match for Keystone Communities funding.

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<sup>4</sup> 68 P.S. Section 1101



### **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 2018 the County was approved for \$750,000 in Redevelopment Capital Assistance (RACP) funds and a third allocation of Keystone Communities funding in the amount of \$500,000.

In 2015, PA DCED approved \$500,000 to construct new housing units on a site in Mount Carmel Township 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 were used to develop five cottage style apartments for lower income seniors. The project was completed on May 1, 2017 and is fully occupied.

Another source of funds for consideration by the County could be the PA DCED Neighborhood Assistance Program, which provides a 75% credit for business donations to address blighted properties in higher poverty areas. 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.

A number of counties have increased the filing fees for deeds and mortgages to establish a Demolition Fund under Act 152 of 2016. The state law allows counties to increase the filing fees by \$15 per deed or mortgage; these funds are placed into a Demolition Fund to accomplish demolition of blighted properties. The Demolition Fund is an excellent source of local match for state grant programs.

Finally, a relatively new program is the PA Housing Rehabilitation and Enhancements Act (PHARE), available through the PA Housing Finance Agency, which provides funding to demolish blighted properties and to expand the supply of housing stock. PHARE funds may be used to demolish properties in a neighborhood revitalization area where housing will be rehabilitated or new infill housing occurs.

### **Municipalities may enact a permit denial/asset encumbrance ordinance**

The Neighborhood Blight Reclamation and Revitalization Act (Act 90 of 2010) allows municipalities to encumber assets of a property owner when the owner fails to take substantial steps to correct a serious code violation within six months of a final court order and the

municipality incurs expenses in addressing the code issues. An example would be a situation when a municipality incurs costs in tearing down a property when the owner fails to take corrective action. Serious violation is defined in the Act as “a violation of a State law or a code that poses an imminent threat to the health and safety of a dwelling occupant, occupants in surrounding structures or a passerby.” In addition to the property that is cited for code violations, any other real property may be liened by the municipality, including the owner’s personal residence. Personal assets such as wages and bank accounts may also be encumbered.

Asset attachment is an excellent tool when an owner has multiple properties and substantial personal assets. When the owner is an association or LLC, no liens may be placed on the assets of general partners or individual members of the LLC.

Act 90 of 2010 also allows municipalities to deny permits to owners of tax delinquent properties or properties that have judgments for serious code violations, including the renewal or issuance of a rental housing license. This can give a municipality substantial leverage in dealing with owners of rental properties who are not fulfilling their obligations.

Act 90 also permits counties to establish Housing Courts. A Housing Court would hear appeals from District Justices on cases relating to property maintenance and public nuisance issues.

## **Redevelopment Strategies**

### **Municipalities may enact programs to 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.<sup>5</sup>

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.

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<sup>5</sup> Improvement of Deteriorated Property or Area Tax Exemption Act, 72. P.S. Section 4711 et seq.

**Municipalities, in cooperation with the County may be proactive in developing an inventory of developable sites and marketing these sites to developers**

While removing blighted properties is critical, equally important is the redevelopment of those properties for productive uses that may grow the tax base, create jobs, and/or improve the quality of life in the community. Consideration should be given to creating an inventory of developable sites based on input from municipalities. The Lackawanna County Land Bank could take this on as an additional activity. The inventory, along with information for each site including but not limited to zoning, acreage and tax incentives such as LERTA, can be listed on the Land Bank website. If the Land Bank wants to be even more proactive, it can develop a request for proposals for high priority sites that would be sent to reputable developers.

**Discussions About Other Strategies**

A number of other strategies were discussed by the Task Force members. All of the strategies discussed and the number of “votes” for each strategy are included in the Exhibits. Strategies that may not be in the top tier of strategies based on the prioritization process may still have some merit in a particular community. For example, while the development of a Landlord Training Program is not in the top tier of strategies recommended all four of the Scranton representatives on the Task Force listed this as a high priority strategy. Other noteworthy ideas discussed at the Task Force meetings included the importance of mapping blighted properties especially in the City of Scranton, revising the City of Scranton’s condemnation process, implementing “pink” zones where permitting requirements may be loosened and creating a Vacant Property Registration Program.

**STEP 4 - ENGAGE MUNICIPAL OFFICIALS**

The sharing of information, including new ways to address blighted properties, has already begun with the representatives from municipalities that serve on the Task Force. Information in this Plan will be shared with the balance of the municipalities in the county at a joint meeting of the Blight Task Force and municipal officials in November 2018. The networking among and between municipalities at this meeting is important because it gives municipal officials a chance to share what is working, what is not working, and to learn more about the strategies discussed in this Plan.

In addition, sample ordinances related to the tools discussed in this plan will be shared with the municipal officials at the meeting. Sample ordinances related to Act 90 of 2010, ticketing, the phasing of taxes on improvements will be provided to municipal officials who are on the front line in addressing blighted properties.

Several Counties that have implemented blight plans have planned code enforcement forums as a follow-up activity to help communities address tough issues associated with code enforcement including but not limited to obtaining service on out-of-state owners, dealing with hoarders, working with senior homeowners on fixed incomes, and preparing for hearings before Magisterial District Justices. This could be an action item in the work plan that will be developed by key stakeholders following the adoption of this plan.

## **STEP 5 - IDENTIFY PRIORITY ACTION STEPS AND IMPLEMENT**

The five-step process concludes with what is arguably the most important part of the effort to effectively address blighted properties: implementation. The Five Step, Fast Track Process includes the key step of forming an Action Team that will meet on a regular basis following the completion of the plan to accomplish tasks for implementing the strategies referenced in this Plan. The members of the Action Team should include representatives of the Land Bank, NeighborWorks NEPA, county officials such as the Tax Claim Bureau Director, municipal representatives and other entities that can offer expertise in the implementation phase.

The Action Plan that is developed should be in a chart format. Under each strategy, tasks should be identified that will need to be accomplished to implement that strategy. In addition, a time frame for accomplishing each task, key organizations that will need to take responsibility for the implementation of the task, resources required to implement the task, and measurements of success should be reflected in the Action Plan. A sample Action Plan is included in the *Five Step, Fast Track* publication.

## **CONCLUSION**

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 municipalities to address such properties. This renewed commitment might include a review of current ordinances, and the enactment of ordinances for tools referenced in this Plan including ticketing for code violations, permit denial under Act 90 of 2010, and the phase in of taxes on improvements. Providing additional training for code officers in particular, and increasing resources for the code enforcement effort in general, may be another outcome. 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 municipalities become more confident in implementing effective solutions to prevent, remediate and redevelop blighted properties. Short term successes accomplished through the implementation of a ticketing ordinance or a successful conservatorship action should give municipalities renewed confidence to address the problem and a foundation for a sustained effort to deal effectively with blighted properties going forward.

## **Exhibits**

**Bright to Blight Forum Flyer**

**Municipal Blighted Property Survey**

**Municipal Effort Survey**

**List of Strategies Considered by Task Force/Prioritization Results**

# BLIGHT TO BRIGHT

## PUBLIC MEETINGS



### Addressing Vacant and Abandoned Properties in our Community

Learn more about the Lackawanna County Land Bank's plan to develop a county-wide strategy for identifying and addressing blighted properties.

**We want to hear from you!**

- What is blight?
- How does blight affect residents and businesses?
- What are we doing now to reduce and prevent blight?
- What other tools are available to address blight?



**Wednesday, May 23**

6PM | **Goodwill at North**  
1539 N. Main Avenue, Scranton

**Monday, June 4**

6PM | **PNC Field**  
235 Montage Mountain Road, Moosic

**Thursday, June 7**

6PM | **Anthracite Center**  
41 N. Main Street, Carbondale

**Monday, June 11**

6PM | **911 Center**  
30 Valley View Drive, Jessup

**Questions?** Contact Todd Pousley at [tpousley@nwnepa.org](mailto:tpousley@nwnepa.org) or (570) 558-2490



**Lackawanna**  
County  
COUNTY COMMISSIONERS  
Patrick M. O'Malley • Jerry Notarianni  
Laureen A. Cummings



# Blighted Properties Survey

Name of Municipality: \_\_\_\_\_  
 Person Completing this Survey: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Please use the following definition when completing this survey:

A property is considered blighted when...

- The property exhibits signs of deterioration sufficient to constitute a threat to human health and safety or,
- The property has been declared a public nuisance by the local government or,
- The property is an attractive nuisance to children including abandoned wells, shafts, basements, and unsafe fences or structures or,
- Any structure from which the utilities, plumbing, heating, sewerage or other basic facilities have been removed or disconnected so the property is unfit for human habitation or,
- The property has otherwise been declared by the municipality as unfit for human habitation or,
- The land is abandoned for at least six months and there are unpaid municipal liens against the property or the liens placed against a property are 150% in excess of the value of the property.

1. Do you feel that blighted properties are a problem in your municipality?  Yes  No
2. How many blighted properties are in your municipality? \_\_\_\_\_
3. Please provide the addresses of the properties that are blighted in your municipality and answer the following questions for each. *(Attach additional sheet if necessary.)*

Address of property	Is there a structure on the property? <i>(circle response)</i>	If yes, is that structure vacant or occupied? <i>(circle response)</i>	If the structure is occupied is it a homeowner unit (HU) or rental? <i>(circle response)</i>	Approx. how long has the property been blighted?	Is it owned by someone who lives outside of the county? <i>(circle response)</i>	Approx. how long has the current owner owned the property?	Why is the property blighted? Enter a code from the list below*
	Yes / No	Vac / Occ	HU / Rental		Yes / No		
	Yes / No	Vac / Occ	HU / Rental		Yes / No		
	Yes / No	Vac / Occ	HU / Rental		Yes / No		
	Yes / No	Vac / Occ	HU / Rental		Yes / No		
	Yes / No	Vac / Occ	HU / Rental		Yes / No		
	Yes / No	Vac / Occ	HU / Rental		Yes / No		
	Yes / No	Vac / Occ	HU / Rental		Yes / No		

\*Reasons for blighted property:

- |   |  |
|---|--|
| (a) Elderly homeowner; unable to keep up with home<br>(b) Property owner is deceased; property is not being maintained by the heirs | (c) Absentee owners (live outside of the area)<br>(d) Owners/Landlord does not properly maintain property<br>(e) Other <i>(please write in response)</i> |
|---|--|

## Municipal Effort Survey

Name of Municipality: \_\_\_\_\_

Person Completing Form: \_\_\_\_\_

Contact Information (e-mail; phone): \_\_\_\_\_

1. Does your community have a property maintenance code? \_\_\_yes\_\_\_no
2. What is the nature of that code?  
\_\_\_ International Property Maintenance Code (indicate version \_\_\_\_\_)  
\_\_\_ Nuisance Ordinance  
\_\_\_ Abandoned Automobile Ordinance  
\_\_\_ Junkyard/Trash Ordinance  
\_\_\_ Weed/Uncut Grass Ordinance  
\_\_\_ Other (specify \_\_\_\_\_)
3. Is your code enforcement effort complaint driven only (as opposed to systematic)? \_\_\_yes\_\_\_no
4. If the answer to number 3 is no, check your approach to code enforcement (check all that apply)  
\_\_\_ inspection of rental units on a \_\_\_\_\_year cycle (indicate how often you inspect rental units)  
\_\_\_ inspections when the property is sold  
\_\_\_ inspection upon tenant turnover  
\_\_\_ other (specify \_\_\_\_\_)
5. Have you enacted the provisions of Act 90 of 2010 that allows municipalities to deny permits and to encumber assets of owners who are out of compliance with codes? \_\_\_yes\_\_\_no
6. Have you enacted a ticketing ordinance for code violations? \_\_\_yes\_\_\_no
8. Do you have a rental registration ordinance? \_\_\_yes\_\_\_no  
What information do you collect from landlords as part of the rental registration process? Check all that apply  
\_\_\_ name of tenants  
\_\_\_ name of local property manager  
\_\_\_ name of mortgagees (lenders)  
\_\_\_ insurance information  
\_\_\_ other (specify \_\_\_\_\_)
9. Is there anything else you want to share about your efforts to address blight in your municipality (examples: regular training of code enforcement officers, tax exemption program on improvements, disqualification of bidders at tax sales, absentee owner ordinance, etc.)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



# Lackawanna County Comprehensive Blight Strategy

## Task Force Prioritization of Strategies

(number of votes in parentheses; 1st number- total number of votes, 2<sup>nd</sup> number-votes from representatives outside of Scranton. 3<sup>rd</sup> number -votes from Scranton representatives)

### Top Tier and Middle Tier Strategies in Bold

#### Prevention Strategies

**(12- 8-4) Municipalities may assist the County in making households more aware of programs available to income eligible households to rehabilitate properties**

**(11-8-3) Municipalities may enact an ordinance that tickets for property maintenance code violations as a summary offense**

**(10-8-2) Municipalities may take advantage of state laws that allow municipalities to disqualify certain buyers at tax sales**

(4-0-4) Municipalities, with the assistance of the County, may establish a Landlord Training Program

(2-1-1) Municipalities may implement a rental licensing program

(2-0-2) Municipalities with the assistance of the county and its planning commission may want to capture data on properties that are at-risk of becoming blighted in the near future

(2-0-2) Municipalities may implement an ordinance to require lenders to register properties in default and to oversee security and maintenance

(2-2-0) Communication with District Justices may be strengthened to encourage them deal firmly but fairly with owners of blighted properties

(1-0-1) Municipalities may enact an ordinance that requires owners to register vacant properties

(1-0-1) The County may develop an educational program to provide guidance to responsible owners about how to acquire properties at tax sales

(0-0-0) Municipalities may implement a rental housing inspection program

(0-0-0) Municipalities may develop an education and recognition program for property owners and tenants

(0-0-0) Municipalities may enact an ordinance that would require a code inspection prior to the sale of any property in the municipality

(0-0-0) The Redevelopment Authority may petition the Court of Common Pleas to become the administrator of a decedent's estate if the estate is not opened by the personal representative (executor or administrator) of the estate

## **Remediation Strategies**

**(17-12-5) Appropriate entities may pursue appointment of property conservatorship under state law**

**(6-2-4) Municipalities and the County may expand resources for the demolition of properties by seeking state funding**

**(5-4-1) Municipalities may enact a permit denial/asset encumbrance ordinance**

**(2-0-2) Municipalities may start a Hall of Shame to publicize and shame owners who fail to bring their property up to code**

**(1-1-0) Municipalities can encourage the District Attorney to charge repeat code violators with the Crime if Failure to Comply with a Code Requirement**

**(0-0-0) Redevelopment Authorities may use the tool of eminent domain to deal with vacant, blighted properties**

## **Redevelopment Strategies**

**(9-5-4) Municipalities may enact programs to incentivize private development**

**(9-6-3) Municipalities, in cooperation with the County may be proactive in developing an inventory of developable sites and marketing these sites to developers**