

**Testimony Presented to the
House Republican Policy Committee
Hearing on Blight in Pennsylvania Communities
June 12, 2009**

**by
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Thank you for inviting me to speak with you today. I want to take this opportunity to present some observations and recommendations about blight prevention and housing preservation, based on my experience as the City of Philadelphia's Housing Director (from 1992 to 2001), as a consultant on housing reinvestment policy for the cities of Allentown, Reading, and York, and as cosponsor (first with 10,000 Friends of Pennsylvania, then with the Housing Alliance of Pennsylvania) of three well-attended statewide conferences on "Vacant Property in Pennsylvania Cities and Towns."

Prevention and preservation strategies--preventing housing deterioration and abandonment through the preservation of existing housing--cost less and are less disruptive than financing high-cost gut rehabilitation projects or tearing down vacant buildings on a large scale. With the continuation of the foreclosure crisis and the prolonged global economic upheaval, housing vacancy will increase in many urban, suburban, and rural areas, and the threat of additional vacancy will have to be factored into strategic planning for the foreseeable future. For these reasons, prevention and preservation strategies will become even more important during the coming years.

The good news is that local and county governments have the capability to use existing powers to promote housing preservation and community stabilization measures without the need for new state legislation or substantial new funding. I want to describe how this capability can be used to best advantage.

A Fels Institute report on which a current prevention- and preservation-oriented strategy for the City of Allentown is based can be viewed at http://www.fels.upenn.edu/neighborhoodrecovery/reports/allentown_report_07.pdf.

A progress report detailing implementation actions undertaken in Allentown is available at http://www.housingalliancepa.org/var/newsfile/file/303-Fels%20Allentown%20Progress%20Report_Kromer0409.pdf

Urban and rural communities that adopt the following measures will be best positioned to reduce or avoid housing emergencies.

1. Require licensing of all rental units on an annual basis and establish and manage an areawide rental property inspection cycle so that, over a designated period, every rental property in the area is inspected.

2. Mandate a pre-sales inspection of all residential properties listed for sale so that, as a condition of settlement, any significant health and safety code violations are addressed by the buyer and/or seller.
3. Require absentee rental property owners to identify a county-based "local agent" (such as a licensed real estate broker or licensed certified property manager).that will have legal responsibility for property maintenance issues equivalent to that of the owner, with legal exposure for related fines and penalties.
4. Manage collections of rental licensing fees, license renewal fees, fines, and penalties efficiently, so that revenue is collected in a timely manner and failure to renew a rental license results in license revocation.
5. Set charges for abatement of code violations and penalties for code violations at realistic levels in order to adequately compensate government for intervention needed to address health and safety issues.
6. Enable municipal, county, and school district planning and development agency staff to obtain ready access to each other's property information systems, so that issues such as the relationship between rental property overcrowding and excessive school district costs per pupil can be addressed.
7. Create and maintain a list of properties designated as unfit for human habitation, and take action to seek code compliance or prepare for public-sector acquisition in the event that no other alternative is available.
8. Make available moderate-rehabilitation financing, at a low subsidy level on a year-round basis to enable pre-qualified for-profit and nonprofit developers to upgrade recently-vacated single-family homes and return them to the real estate market for subsequent owner-occupancy.
9. Establish agreement between local/county government and magisterial district judges about the circumstances under which worst-case cases of noncompliance with codes are to be prosecuted and about the manner in which these cases are to be presented to the judiciary.

The Fels Institute of Government is pleased to be working in coordination with the Housing Alliance of Pennsylvania, 10,000 Friends of Pennsylvania, and others in order to ensure that our combined resources are used to greatest advantage to promote housing preservation in Pennsylvania. I would welcome any opportunity to be of further assistance.

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