

Using the Tool of Conservatorship To Deal With Blighted Properties



PSAB Webinar

November 4, 2020



Conservatorship 101



- Citation: 68 P.S. Section 1101
- Approved by Legislature in 2008
- Increasingly used through PA to address vacant, blighted properties
- Corrective Action accomplished through a Petition the *Court of Common Pleas*
- Reimbursement of costs available to the Conservator from the sale of the property (if the owner does not reimburse)

Conservatorship 101



The Conservator May Be A:

- Lien Holder or Secured Creditor
- Resident or Business Owner within 2000' of the property
- Non-Profit Corporation, including a Redevelopment Authority
- Municipality or School District

Conservatorship 101



Ineligible Properties:

- **Actively Marketed for sale within the past 60 days; however may not be marketed for an unreasonably high price**
- **Public Housing Unit**
- **Vacant for 12 Months**
- **Not Owned by Current Owner for at Least Six Months**
- **In Foreclosure**
- **Owned by Someone who is Absent in Active Military Service**

Conservatorship 101



2014 Amendments:

- Includes vacant lots where a building has been demolished
- Permits charging a developer fee up to 20% of the total expenses for construction
- Allows petition to include two adjacent properties if they are owned by the same owner
- Provides for reimbursement of petitioner's cost if owner elects to proceed with repairs or demolition
- Allows for the sale of the building after 3 months, rather than 6 months

Conservatorship 101



Conditions of Blight (must satisfy three of nine):

1. The property is a public nuisance
2. The property is in need of substantial rehabilitation, with none occurring during the previous twelve months.
3. The property is unfit for human habitation, occupancy or use
4. The condition of the vacant building materially increases the risk of fire to the building and adjacent properties
5. The building is subject to unauthorized entry, which may pose potential health safety risks

Conservatorship 101



Conditions of Blight (cont.)

6. The building is considered an attractive nuisance to children.
7. The presence of vermin or the accumulation of debris, uncut vegetation, or physical deterioration of the structure or grounds has created potential health and safety hazards and the owner has failed to take reasonable and necessary measures to remove the hazards
8. The dilapidated appearance and other condition of the building negatively affects the economic well-being of residents and businesses near the building
9. The property is an attractive nuisance for illicit purposes.

Conservatorship 101



The Court-Appointed Conservator May:

- Take Possession and Control of the Building, associated land, and any personal property of the owner with respect to the building
- Collect Outstanding Accounts Receivable
- Pursue all Claims or causes of action that an owner could pursue
- Contract for the Repair, Maintenance, or Demolition of the building

Conservatorship 101



The Court-Appointed Conservator May (cont.):

- Borrow Money for the Rehabilitation of the building
- Contract and Pay for Maintenance and Restoration of Utilities
- Enter into New Rental Contracts or Leases for a period no longer than one year (with the court's approval)
- Sell the Property with the approval of the court, if the owner fails to reimburse the Conservator

Conservatorship 101



The Court Petition Should Include:

- A Sworn Statement by the Petitioner that the property meets the statutory conditions
- Documentation supporting the claim
- The Name and Credentials of the Proposed Conservator
- A Preliminary Plan

Conservatorship 101



The Preliminary Plan for the Remediation Work Should Include:

- **A Brief Description of the Petitioner**
- **A Site Plan illustrating property dimensions, as well as a map showing the location of the property**
- **Photographs of the Property**
- **An Inspection Report, Feasibility Study and Cost Estimate for the Rehabilitation or Demolition of the Property**
- **Anticipated Sources of Funding**
- **Information about the Process for Conveying the Property after the blighted conditions have been addressed, should the owner not reimburse the conservator for the repairs/demolition**

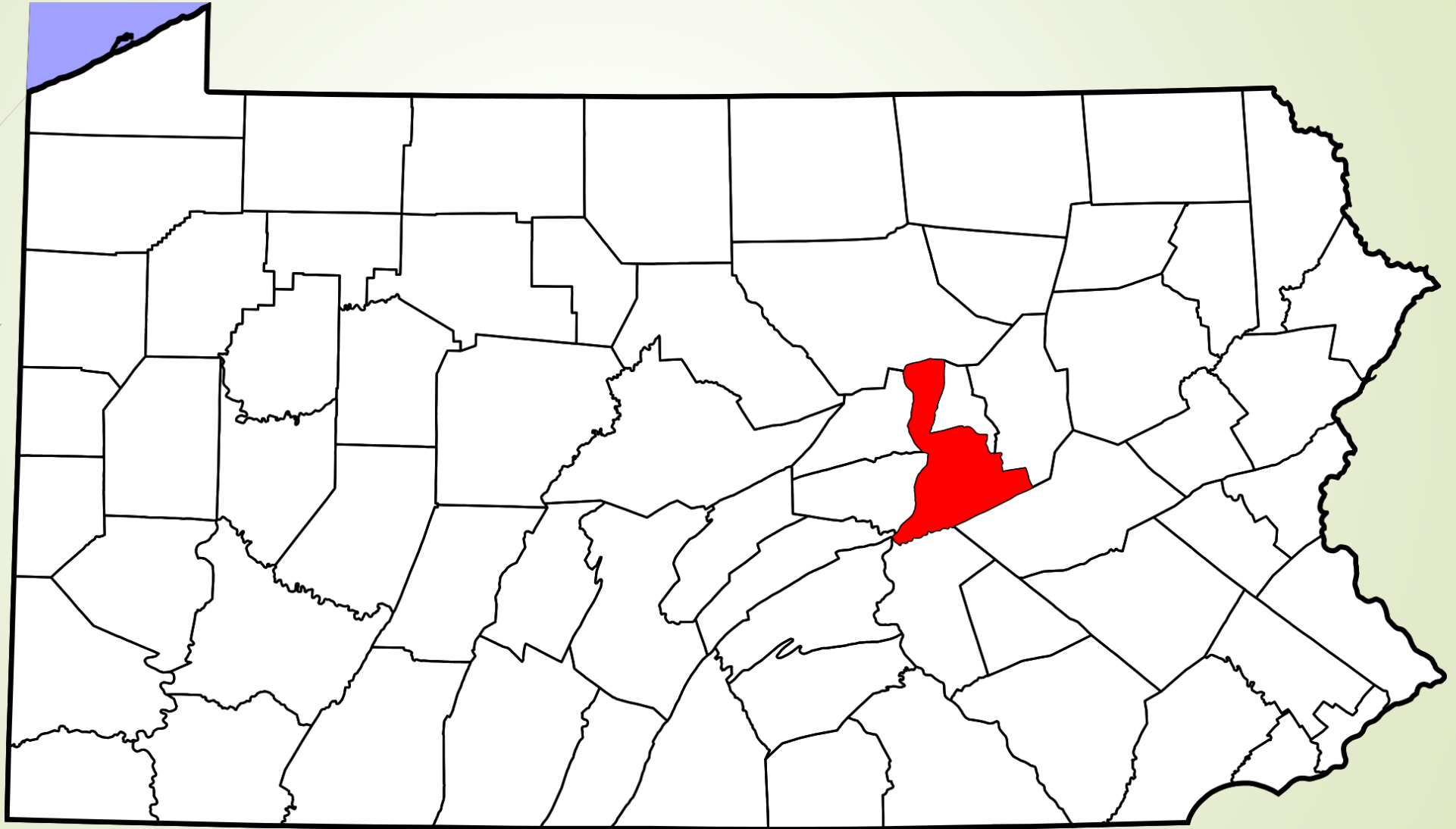
Conservatorship 101



Why Conservatorship?

- Allows the community to address the property without going through the eminent domain process
- Is the ultimate end game in that the blighted property conditions are addressed

Northumberland County Case Studies





Characteristics of Properties

- Same Absentee Owner
- Not Tax Delinquent
- Owner Historically Pays Fines Imposed by District Justice But Does Little or Nothing to Address the Problem
- End Use: Side Yards for Adjoining Owners
- Source of Funds: State (Keystone Communities)

Northumberland County

5-7 North Bay Street Before



Northumberland County

5-7 North Bay Street After



Northumberland County

1445-1451 West Chestnut Street Before



Northumberland County

1445-1551 West Chestnut Street After



Northumberland County



1550 West Lynn Street Before

Northumberland County



1550 West Lynn Street After

Northumberland County

1721 West Independence Street Before

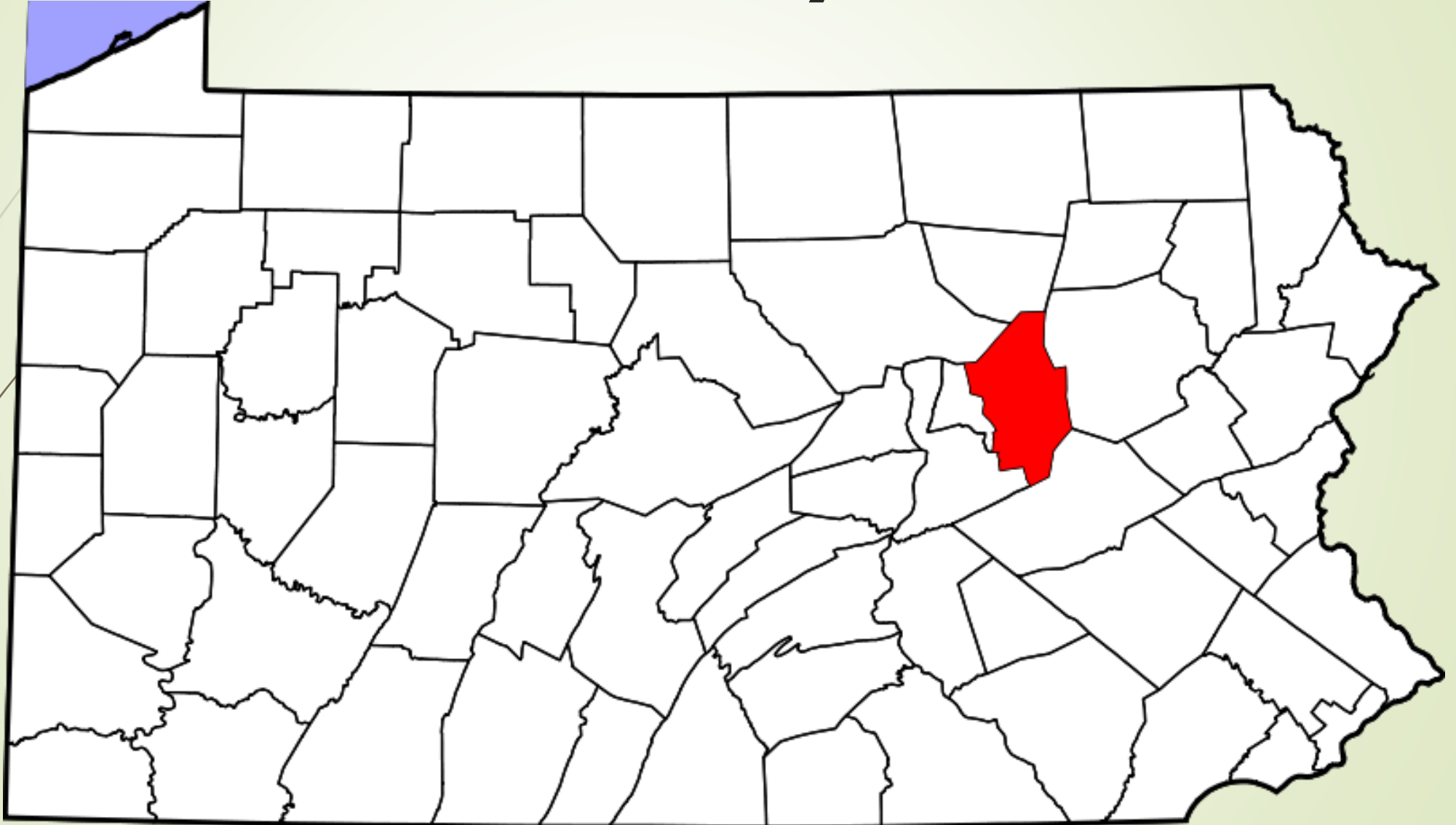


Northumberland County

1721 West Independence Street After



Columbia County Case Studies



Columbia County



- * Former Hotel
- * Absentee owner from Chicago
- * Borough donated labor to demolish; CCRA rented equipment

Berwick Hotel Property Before

Columbia County



*** Property sold to non-profit for 24-unit scattered-site LIHTC project approved by PHFA**

Berwick Hotel Property After

Columbia County



Espy-Scott Township Before

- Flooded in 2011
- Owner walked away because property needed to be elevated
- \$135 K rehab cost, including elevation
- Bank worked with Township to file conservatorship petition
- CCRA funded demo with FEMA \$ but asbestos removal (\$3K) not covered

Columbia County



- Property sold to adjoining property owners

Espy-Scott Township After

Columbia County

Lightstreet landmark leveled

New home planned to replace blighted old house

By LEON BOGDAN
Press Enterprise Writer

LIGHTSTREET — An historic home here that had become a blighted property left vacant in recent years had to be demolished out of concerns for the neighborhood, a housing official said Tuesday.

The Main Street home was believed to have been built by a Methodist minister from Baltimore in the mid-1800s. It had fallen into such disrepair that police had to shut down the street at one point when its roof began blowing off.

A new home is planned for the lot at 1601 Main St.

But for now, the property will remain empty due to a lack of available funding, said Rich Kisner, executive director of Columbia County's Housing Corporation. It took control of the property four years ago.

Besides exterior deterioration, Kisner said the interior had extensive water damage and mold throughout as well as a lot of asbestos that would cost up to \$8,000 to safely re-

See **LANDMARK**
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ROD FOX uses an excavator to demolish the old brick house at 1601 Main St., Lightstreet, on Tuesday morning. Fox is an equipment operator for G&M Crawford.



DEMOLITION WASTE is loaded into a trailer to be hauled away from the work site in Lightstreet on Tuesday morning. **PHOTOS BY BILL HUGHES**

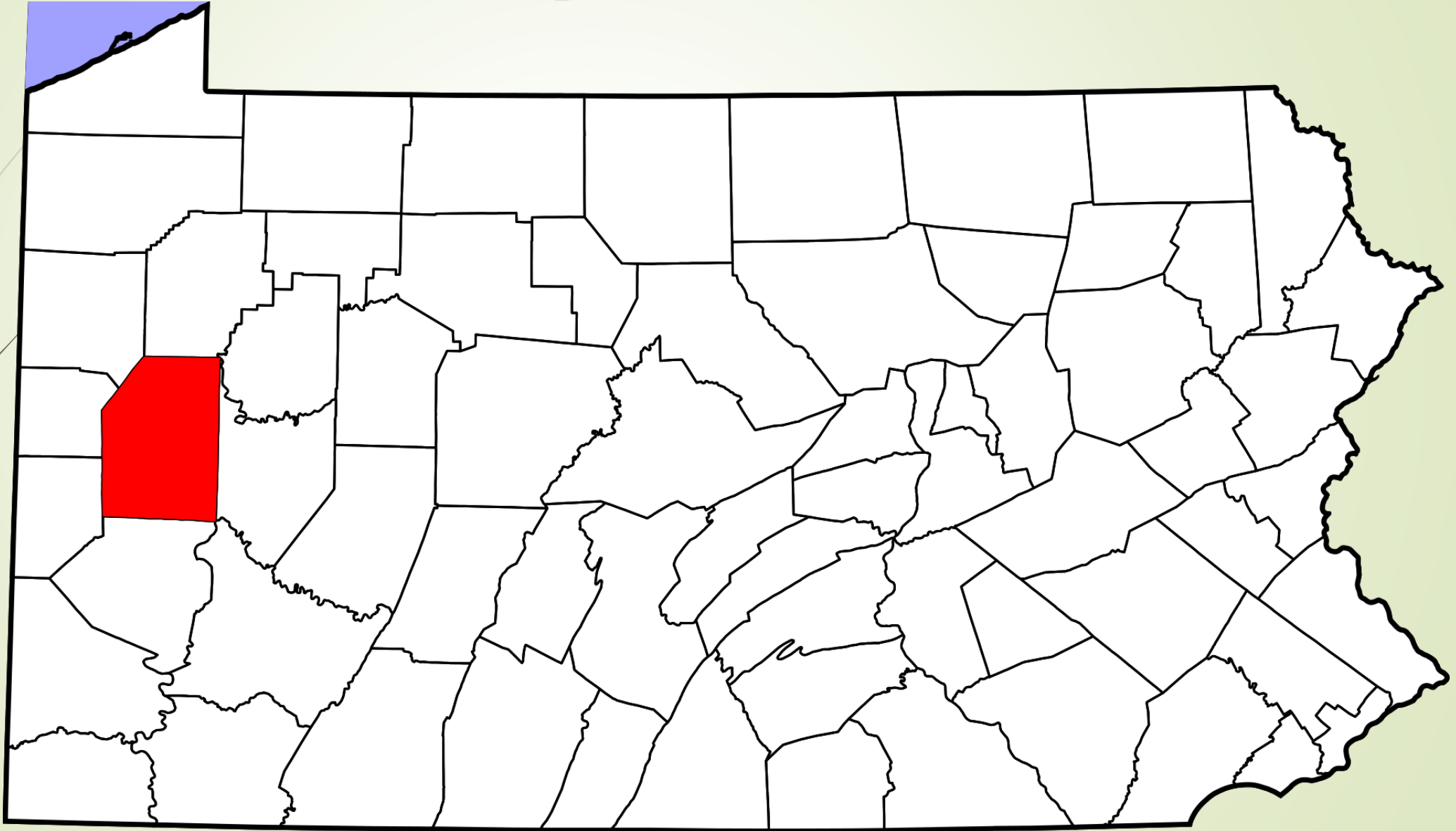


THE EARLY 19TH-CENTURY BRICK HOUSE at 1601 Main St., Lightstreet, is seen in a 2012 file photo. The blighted property was deemed unsafe and demolished Tuesday.

- Original Plan for demolition; revised to rehab because of pushback due to historic nature of structure
- CCRA unsuccessful in getting proposals for rehab
- Switched back to demolition in plan
- CCRA conservator; township filed petition

Lightstreet, Scott Township

Butler County Case Studies



Butler County



- Began conservatorship process but bought property from owner (quicker and cheaper)
- Substantial costs for rehab due to mold/construction costs
- Corner property with “state road easement”

Main Street, Bruin Borough Before

Butler County



- 2010 –
Unit demolished for infill affordable housing in partnership with local non-profit and Vo-tech
- End use: Home has been purchased by income eligible family and now back on the active tax rolls

Main Street, Bruin Borough

Butler County



2016

**Vacant home
was demolished
using CDBG funds**

Gray Ave., Cabot Before

Butler County



**Current Status
(August 2016)**

**Unit demolished for
infill affordable
housing in
partnership with
local non-profit
and Vo-tech**

Gray Ave., Cabot After

Butler County



2016

**Vacant home was
demolished using
CDBG funds**

Donegal Township Before

Butler County



- End Use - infill affordable housing in partnership w/ local non-profit and Vo-tech
- Current Status - hearing to end conservatorship held in Sept 2016

Donegal Township After

Butler County



**Vacant home was
demolished using
CDBG funds**

Argyle St. Petrolia Borough Before

Butler County



End Use:

Purchased as a side lot by neighbor (greenspace) free of all tax liens, claims and encumbrances

June 2011:

Conservatorship terminated

Argyle St. Petrolia Borough After

Butler County



- Abandoned, unoccupied home with years of neglect
- Property demolished with CDBG funds

121 South Argyle St., Petrolia Borough Before

Butler County



- **Current Status:**
Side lot purchase
by neighbor
(green space)
- **Conservatorship**
terminated June
2011

121 South Argyle St., Petrolia Borough After

Butler County



Vacant Home

- Deceased owner, granted conservatorship to Redevelopment Authority
- 2015: Unit was demolished with Act 137 Funds
- Slated for sale as a side lot to neighbor pending court approval later this year (limited re-use in rural setting)

712 Fairview Rd., Washington Township

Butler County



- Conservatorship petition filed Jan 2010
- Former owner had several tax delinquent properties
- Site of 2 abandoned residential structures
- Future use as commercial property (Florist greenhouse)
- Job creation/economic generator to small rural community
- Conservatorship terminated in June 2011

School St., Bruin Borough



Questions?

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