

Potter County Demolition Funds Program **Pennsylvania Act 152 of 2016**

Authorization

On _____, 2021, the Potter County Board of Commissioners passed an Ordinance regarding the imposition of a \$15.00 increase in fees charged by the Recorder of Deeds for recording Deeds and Mortgages to fund the Potter County Demolition Funds Program, effective _____, 2021, as granted by the County Demolition Funds Act, Pennsylvania Act 152 of 2016. This legislation is scheduled to expire in January of 2027.

Purpose

The Potter County Demolition Funds Program is designed to achieve the following goals: (1) the elimination of blight influences in the community; (2) the elimination of potential health and safety hazards caused by the accumulation of debris, presence of vermin, or physical deterioration of structure of grounds; (3) the reduction of crime by elimination of vacant, deteriorated buildings as locations for criminal activity; (4) the increase in value of adjacent property by elimination of blight; and (5) the creation of residential and economic development opportunities by the elimination of blighted buildings.

Program Benefits

- It generates needed revenue to address ongoing blight situations countywide.
- The funding is not tied to federal CDBG 'opt-in' communities or constrained by CDBG regulations.
- It is aligned with the Comprehensive Plan strategies and goals.
- It can be used as match for other state and federal funding programs.
- It is focused on residential or commercial projects, but could be used for larger redevelopment projects.

Program Guidelines

Administration

The Potter County Office of Community Development will administer the Demolition Funds Program by working with municipalities, or other eligible public non-profit organizations, to determine whether the proposed demolition project meets program guidelines. Attached you will find the program guidelines and application form. If you have any questions concerning the program, please contact Ellen Russell, Director, Potter County Office of Community Development at: (814) 274-8290, ext. 209 or email: erussell@pottercountypa.net.

Eligible Applicants

To qualify for participation in the Potter County Demolition Funds Program, the following criteria have been established:

1. The property must be in public ownership through a municipality, redevelopment authority, community development corporation, municipal authority, or public non-profit organization that can demolish a property and preferably has the ability to impose a lien to recover costs, and

2. The property must qualify as blighted as set forth in PA Act 152 of 2016.

Blighted Property Defined

For the purposes of this Act, blighted property is defined as a property which meets at least three of the criteria listed below, consistent with the PA Act 152 of 2016, as determined by the County.

1. The building or physical structure is a public nuisance.
2. The building is in need of substantial rehabilitation and no rehabilitation has taken place during the previous 12 months.
3. The building is unfit for human habitation, occupancy, or use.
4. The condition and vacancy of the building materially increases the risk of fire to the building and to adjacent properties.
5. The building is subject to unauthorized entry leading to potential health and safety hazards and one of the following applies:
 - a. The owner has failed to take reasonable and necessary measures to secure the building.
 - b. The municipality has secured the building in order to prevent such hazards after the owner failed to do so.
6. The property is an attractive nuisance to children, including, but not limited to, the presence of abandoned wells, shafts, basements, excavations, and unsafe structures.
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 or other conditions of the building negatively affects the economic well-being of residents and businesses in the close proximity to the building, including decreased property value and loss of business, and the owner has failed to take reasonable and necessary measures to remedy appearance or the condition.
9. The property is an attractive nuisance for illicit purposes, including prostitution, drug use, and vagrancy.

Funds Available

Based on reports and knowledge regarding recent demolition projects, residential demolition and site restoration costs can range from \$10,000 to \$40,000, depending on the site. Nonresidential demolition and site restoration typically runs higher in cost. The program is geared to provide up to 50% of the costs of demolition or no more than \$20,000.

Eligible Properties

To be eligible for the Demolition Program, properties must meet the following criteria:

1. Be located in Potter County.
2. Have documentation to meet the definition of a blighted property as previously defined.
3. Be vacant at the time of application.
4. Verify any legal and/or code enforcement remedies that have been attempted.

Eligible Costs

Demolition and clearance actions must preferably include: determination of environmental hazards on the property (asbestos) and proper removal; testing and disposal of hazardous materials; utility disconnections; and demolition permits. Once demolition is complete, the site should be leveled and seeded as appropriate, and any damages to sidewalks, curbs, drives, etc. repaired.

Local participants are limited to clearance and site restoration construction costs only. Municipalities and eligible public non-profit organizations are responsible for all necessary legal, architectural/engineering and recording fees, which can be counted as part of the project match.

Site Control/Ownership

Applicants must identify and demonstrate site control or legal ownership at the time of application. Site control preferably requires the municipality or other recognized public non-profit organization to demonstrate that it has taken action to require demolition or repair of the proposed property from the property owner. Further, the applicant has committed and is able to exercise the necessary police powers, or has identified alternative legal authority to enable demolition of the proposed property, or that the owner agrees for the municipality to serve as the applicant.

Title Search

As a condition precedent to the award, the applicant shall furnish or cause to be furnished to the County a current title search demonstrating that the proposed property is free and clear of any lien or security interest. A bring-down title search must be submitted by the applicant within thirty (30) days prior to the demolition date.

Cost Estimate

A firm cost quotation prepared by a licensed contractor or other certified professional must be submitted with the application. These firm cost quotations must be signed and dated. Please note that if the application is approved, the firm cost quotation becomes a binding part of the agreement between the applicant and the County, there the projected figures must be accurate and must include an agreement as to who will be responsible for any unforeseeable cost overruns. Cost quotations are subject to the following:

1. An asbestos report must be submitted for commercial, industrial, institutional, or multi-unit residential exceeding four (4) units. If asbestos containing material is detected, an asbestos removal specification will be required for the project. This is an eligible project cost, but must be accounted for in the Cost Estimate.
2. Any project of \$25,000 or more, **regardless of funding source**, will be subject to Pennsylvania Prevailing Wage Rates.
3. Municipal applicants must follow municipal procurement requirements, which may require formal bidding for the project.

Municipal Demolition Considerations

1. All requests must be complete and be submitted via application to:
Potter County Office of Community Development
Gunzburger Building, Suite 200
One North Main Street
Coudersport PA 16915

The application and guidelines are also available online at the county's website at:

2. The proposed property is required to meet the definition of 'blighted property'. Blighted Property is defined as a property that meets at least three (3) of the nine (9) criteria under the PA Act 152 of 2016.
3. The municipality will preferably contribute at least 50% of the cost to demolish the blighted structure. This contribution can include legal fees spent in the acquisition of the property.

Special considerations may be made on a case-by-case basis for a higher county percentage or contribution on larger projects that have a countywide benefit.

4. If the property is sold, Potter County will receive a proportionate share of the sales associated with the county's contribution to the project unless another arrangement is agreed to by the owner, municipality and the County. The County will deposit the reimbursement in the Potter County Demolition Fund/Blight Remediation Program to supplement future demolition projects.
5. Post demolition, municipalities are required to place a lien, on behalf of the County, for the cost of demolition and site restoration construction costs borne by the County for non-publicly owned properties.
6. Funding allocation will be approved by the Potter County Blighted Property Review Committee, consisting of:
 - a. One (1) member of the Board of Commissioners.
 - b. The Director of the Potter County Office of Community Development.
 - c. The Director of the Potter County Planning Office.
 - d. Two (2) residents of the County, appointed by the Board of Commissioners.They will meet as needed as applications come into the Office of Community. Applications will be considered in the order in which they are submitted.
7. Implementation of funded activities will be governed by an executed agreement.
8. Municipal officials are responsible for ensuring all local, county, state, and federal requirements are met when carrying out projects.
9. Payment can be made directly to the contractor based on an invoice, or the municipality can be reimbursed based on proof of payment to the contractor.

Conflicts of Interest

An elected official, officer, director, or employee of an applicant who is a party to or who has a private interest in a project shall disclose the nature and extent of the interest to the Potter County Office of Community Development as part of the application process. The elected official, officer, director, or employee may not vote on any action of the applicant concerning the project, participate in the deliberations of the applicant concerning the project or be involved in the administration of the demo funds if awarded.

Waivers and Exemptions

Notwithstanding any of the foregoing, the Potter County Blighted Property Review Committee (PCBPRC) may, in its sole discretion, waive or exempt any of the forgoing application requirements or conditions if the PCBPRC determines that such waivers or exemptions are in the best interest of the public in view of all the circumstances then known to exist.