

Chairman Argall, members of the committee thank you for the opportunity to testify before you today on the future of both the Main Street and Elm Street programs, a subject near and dear to my heart. As the author of the Elm Street legislation that was signed into law nine years ago and as a longtime advocate for our state's Main Street program, I am pleased to give my perspective on the future and importance of these two programs in assisting our older communities in stabilizing and revitalizing traditional residential neighborhoods and downtowns in Pennsylvania. I would be remiss if I did not acknowledge the significant support and leadership of Chairman Argall over the years in ensuring the continuation and success of these two valuable revitalization programs. Indeed, when I came up with the idea for Elm Street over a decade ago, Senator Argall was very instrumental in helping me shepherd my bill through the Senate and stood with me as we watched then Governor Ed Rendell sign Elm Street into law.

The Main Street and Elm Street programs are invaluable tools for assisting struggling older communities to attain a level of much needed stability and to set them down the path toward revitalization. Many communities across our

Commonwealth have participated in and benefited from these two programs. However, in recent years funding for these programs has been reduced significantly from appropriations of fourteen million dollars for the two programs to now just 10.8 million. Of that 10.8 million allocated Main Street and Elm Street now have to share funding with other revitalization programs, such as Enterprise Zones and affordable housing, which comprises the Keystone Communities Program. Given this reduced funding level the Department of Community and Economic Development has been forced to reduce participation in these programs and has eliminated aspects of the programs that I see as vital to their effectiveness. Restoring a better level of funding for these two programs needs to be achieved to ensure their future effectiveness.

Due to the cuts in funding DCED no longer provides the funding for the administrative costs associated with Main Street and Elm Street managers positions. Previously, these positions were a shared cost between the community and the state. The result has been that it is increasingly difficult to fund these critical positions. While grants exist for important bricks and mortar projects there is practically no grant programs available anywhere to fund the manger positions. This makes it extremely difficult to hire and keep a Main Street or Elm Street manger to implement the revitalization plan. The manager is the critical

“go to” person in the designated community, to build a local support organization, make sure objectives and goals are met, to liaison with residents, business people, and community leaders, and to be the vital linchpin of any successful Main Street or Elm Street effort. While I understand DCED’s desire for communities to demonstrate a level of “sustainability first” before becoming a part of the program the requirement of a community to come up with the administrative funding for the manager’s position is, in my opinion, the wrong way to prove sustainability. Proving sustainability before being allowed into the program is kind of like the bank that will loan you money as soon as you can demonstrate that you don’t need it. Those communities most in need of the assistance that Main Street and Elm Street provide are least able to meet this particular administrative cost. Alternatively, if these communities are either able to pay the salary of a manager or assign those responsibilities to an existing municipal employee charged with other duties it holds out the very real potential for a possible conflict of interest or a less than focused allocation of time to implement the goals and objectives of the program that DCED sees as important. The state needs to reinstate funding for the manager’s position at least in the initial years of participation, and even as a partial ongoing share in subsequent years, in order to ensure an effective application of the program. State funding of

these manager positions is also important in order to retain qualified Main Street or Elm Street Managers whose wealth of experience and expertise in serving as a manager makes them all the more effective and makes them a knowledgeable resource for new Main Street and Elm Street Managers starting out in other communities. It is the experienced Main Street and Elm Street managers who serve as mentors for new managers, offering advice and guidance to avoid missteps and to better understand the way to properly execute initiatives and see that goals are effectively reached. The funding of the administrative side of these programs is relatively small but very critical to ensure their future success. I should note that Senator Argall and I have met with officials from DCED on this matter and the department has shown a willingness to try and address this concern.

In regard to other adjustments to these programs that can ensure their success for the future I believe extending the potential participation in the programs beyond the five year period can be important. We recognized the need for this in 2008 when the legislature amended the Elm Street law to allow DCED the discretion to extend participation in Elm Street for a designated neighborhood up to an additional five years. We should apply the same criterion to Main Street. My legislation, House Bill 700, would do just that. When it comes to Main Street

or Elm Street, a one size fits all approach is less than desirable. Sometimes a community needs a little more time in either Main Street or Elm Street to realize their goals, meet their objectives, and get across the finish line to revitalization. Nothing is worse than to fund and support an Elm Street or Main Street initiative only to pull the plug prematurely when progress is being made, yet more time is needed to create a success story. That is a waste of a good investment. Allowing a community to be in the program for up to ten years will increase the likelihood of success for those communities where a five year period is too short.

There are other adjustments to both Elm Street and Main Street that I feel could enhance these programs and ensure their future success. While Elm Street's mission is to focus on revitalizing residential areas in close proximity to a commercial downtown, recognizing the symbiotic relationship between downtowns and neighborhoods, and Main Street focuses on revitalizing the commercial core, there is and should be a little more attention given to revitalizing the commercial aspects to an Elm Street neighborhood and the residential potential of downtowns. Both laws speak to this but a greater emphasis needs to be made. Neighborhood stores and "third places" are stabilizing influences in any traditional neighborhood, enlisting local merchants in providing much needed goods and services to a residential area, providing

employment opportunities at neighborhood shops, and enhancing the vitality that comes from a mixed use setting. Likewise, a residential presence in a commercial downtown, with apartments above stores, mid-rise apartment buildings, and other housing options help to enliven a downtown by ensuring a people presence around the clock, providing a built-in customer base for merchants, and adding to feelings of safety by providing eyes on the street. Main Street and Elm Street need to remain as separate programs as they have distinctly different missions and encounter different challenges and priorities but adding a residential element to the commercial downtown and a commercial component to a residential neighborhood are good stabilizing factors in traditional communities and should be fostered more.

Finally, I would like to suggest two other important additions to Elm Street that I believe will enhance the success of the program. DCED, in conjunction with other agencies and financial institutions, should encourage rent-to-own housing initiatives that would foster greater home ownership in our residential Elm Street neighborhoods. This would provide greater stability in these targeted neighborhoods. Too often there are more rental units than home ownership in Elm Street neighborhoods. This can lead to a measure of transience that can thwart efforts to stabilize residential areas where residents need to take on the

stakeholder role of owning one's own home to create a culture of responsibility in a neighborhood. Homeownership also gives lower income people a chance to build up equity. A good rent-to-own model where a portion of monthly rent is escrowed toward closing costs and down payment costs on owning the home one rents makes homeownership less daunting for those of limited means. Rent-to-own offers an easy and seamless path to home ownership.

The last element that needs to be mentioned is to reintroduce the neighborhood elementary school into our Elm Street neighborhoods. The traditional neighborhood school provided a wonderful civic anchor to residential neighborhoods, adding stability to a neighborhood by their very presence. A neighborhood school ensures easy access of parents to teachers, affords children walkable access to their school and its playground, and could be a marvelous incentive for young professionals lured to a traditional neighborhood by a beautiful old house to stay in that neighborhood after they have children rather than fleeing to the suburbs for better schools. A neighborhood school's intimacy and smaller scale make them desirable institutions that will enhance a neighborhood and foster greater stability.

This concludes my testimony. I am happy to answer any questions you might have.