



**TESTIMONY ON
INDIANA COUNTY HOUSING ISSUES**

PRESENTED TO THE SENATE URBAN AFFAIRS AND HOUSING COMMITTEE

BY

LuAnn Zak, Assistant Director
Indiana County Office of Planning & Development

April 14, 2022

On behalf of the Indiana County Commissioners, I'd like to thank Senator Pittman and the Committee for this opportunity to provide input for housing issues specific to blight, deferred maintenance and land banking. Indiana County has provided various types of housing program assistance to its residents for the last thirty years through its Office of Planning & Development. This undertaking was placed with this County department in 1990 due to the merging of staff and programs from the Redevelopment Authority of Indiana County (RAIC). The RAIC continues to operate with a Board of Directors as the housing agent for the Indiana County Commissioners working cooperatively to promote and provide assistance to maintain safe housing stock.

The cornerstone of any community is its housing stock. Communities will flourish or wither depending upon the condition of the housing stock. Investments, both public and private, made in the housing results in other economic opportunities when safe, decent and affordable housing is available.

Indiana County has developed and undertaken multiple types of housing projects to provide safe, decent and affordable housing to its residents. The County has provided housing rehabilitation for private homeowners; housing accessibility modifications, first-time homebuyers assistance; new construction including permanent housing for homeless veterans; furnace and roof replacements for homeowners over the age of 55, conversion of student housing rentals to single family units to name a few. From these housing initiatives other partnerships have formed with both private and public agencies as well as non-profits.

During my 30+ years with the County our housing programs have focused on deferred maintenance issues. Homeowners want to maintain the property however the low to moderate income households do not have sufficient funds remaining after paying for basics living expenses to undertake needed health and safety repairs. In the 1990's when the County's housing programs were initiated, \$5,000 to \$10,000 would address all major violations for electrical, heating, roofs, exterior, window replacements. In today's financial reality each one of those items alone can easily exceed \$10,000.00 to address.

Due to limited funding including staffing we have taken every opportunity to partner with other agencies and municipalities. Indiana County was a partner with Lawrence County in the HUD Healthy Homes program that addressed lead paint testing and remediation in housing with pregnant women and/or children under the age of 6. This enabled the County to address the rehabilitation needs while the HUD Healthy Homes Funds provided the lead testing and remediation costs.

The County's current +55 Furnace and Roof Replacement Program was developed by an opportunity presented by the Aging Services Agency, Inc. of Indiana County. Several years ago, the PA Department of Aging had one time funding available for housing repairs through the local Aging Services Offices. A former County Commissioner who was familiar with the County's housing programs approached our office asking what was the number one housing rehabilitation request made by senior citizens. The immediate response was furnaces. The partnership with the Aging Services Agency resulted in over 80 furnace replacements in less than a nine-month period. Due to the identified need the County developed a furnace, hot water tank and roof replacement program funded by the Pennsylvania Housing Affordability and Rehabilitation Enhancement Funds. This program has been ongoing for approximately five years with a consistently growing waiting list.

For the last twenty-years (20) Indiana County has operated a housing modification rehabilitation program for permanently disabled residents. Not only has the program improved the quality of life for our disabled

residents by making their homes more accessible, but it has provided needed rehabilitation for health and safety repairs. Many disabled residents have limited income so housing repairs and/or accessibility items are beyond their reach. Assisting the residents with these types of housing modifications keeps them from being institutionalized.

Indiana County has partnered multiple times with the Children's Institute of Pittsburgh, Indiana Regional Medical Center, and local nursing care facilities to modify the homes of residents in order to send the people home. A \$50,000.00 project cost to rehabilitate and modify a home on the surface will sound pricey but the flip side is to keep someone in their home is less expensive than the price of a medical and/or nursing facility. This is tax dollars well spent.

However, there is an issue that drastically effects the costs of private homeowner rehabilitation projects in the Commonwealth. The PA Department of Labor & Industry's Prevailing Wage enforcement has directed all housing rehab projects, even when utilizing federal program dollars that do not require the Davis-Bacon Wage Act, must pay PA Prevailing Wage in projects costing over \$25,000.00. Keep in mind these are not public works projects between a contractor and a municipality but a contract between the contractor and private homeowner. This ruling has more than doubled the costs of repairs and in a rural area like Indiana County where we are already struggling for a pool of contractors. Many times, due to the paperwork associated with prevailing wage reporting some contractors will decline to bid on the projects. These are typically very small family run businesses without an administrative staff to complete the paperwork. The small housing rehabilitation projects are not attractive to the larger union contractors. A legislative remedy to this directive would allow precious housing funds to assist more households.

Over the last ten years municipal requests for assistance to demolish blighted unsafe structures have been increasing. In response to these municipal requests, we have initiated discussions investigating multiple options to fight blight including the establishment of a land bank utilizing the Redevelopment Authority.

The challenge to getting a land bank has been the preplanning necessary as well as the start-up cost. Funding for blight remediation planning has been very competitive and we were unfortunately unsuccessful in our most recent attempt to secure funding for a Blight Remediation Plan through the Commonwealth Financing Authority. The data collected and implementation guidance that a blight remediation plan could provide would be useful in moving to the next steps of implementation, like starting a land bank. Clear direction, seed money, and the staff to manage the operations and administration of the land bank have been the most glaring challenges to achieving that goal.

Indiana County has had some success and progress in working towards completion of a Blighted Property Inventory (BPI) Project. The BPI is a pilot study that we have undertaken with the assistance of student interns from the Indiana University of Pennsylvania (IUP) in our Student Planner Program (SP2) as well other students completing group projects in planning and GIS courses. The purpose of the BPI project is to collect blight data in 13 of the 38 municipalities of the County in an effort to analyze where blight exists and to what extent and inform future decisions regarding blight remediation and code enforcement.

While the utilization of Student Planner Program (SP2) has provided accurate data the process is slow because of the everchanging personnel every semester. The financial ability to hire a consultant and/or a dedicated staff person to direct the process would fast track the development of the data. Eventually the data collection is to include all 38 municipalities of the County.

Code enforcement is another major challenge in rural municipalities. The lack the staff along with limited financial capacity the utilization of this blight fighting tool is out of reach. Efforts have been explored in the past to establish a coalition or collective of municipalities to share a code enforcement officer but nothing has ever come to fruition.

Aging and increasingly vacant housing stock is an ongoing issue that will continue and likely become more prevalent. This is a major factor that contributes to blight in a variety of forms. A land bank would be one tool to help alleviate this issue.

In the past the Commonwealth had funding that enabled housing providers to develop localized solution to address needs. In past years, there had been funding available through PA DCED that provided flexibility to solve local funding gaps specific to local needs. This flexibility with the State funds is important when developing a financial package developed for a particular need. What the Borough of Indiana needs is different than what the Borough of Kittanning needs to assist with housing. One type of program does not fit all.

Positive economic impacts are a direct result of housing investment dollars. Not only is the physical asset maintained but the small local contractors and businesses benefit. For example, the furnace replacement program that the County undertook with the Aging Services Agency Inc. involved multiple HVAC contractors throughout all areas of Indiana County. This benefited the homeowners, the small contractors, their employees and the local suppliers. In addition, still to this day we receive referrals directly from the HVAC contractors when they encounter senior citizens without heat and financial resources.

Again, I would like to thank Senators Pittman and Saval for the opportunity to participate in today's public hearing.