

ALTOONA'S JOURNEY FROM DISTRESS TO RECOVERY

WORKING SMART TO ACHIEVE FINANCIAL STABILITY



CASE STUDY



COMMUNITY
Altoona

REGION
Southwest (Blair County)

POPULATION
44,589

STARTING ON THE PATH TO RECOVERY

Under the Municipalities Financial Recovery Act of 1987 – commonly known as Act 47 – the Department of Community & Economic Development (DCED) has a responsibility to assist Pennsylvania municipalities that are experiencing severe financial difficulties to ensure the health, safety, and welfare of their citizens.

After years of financial challenges, the city of Altoona was suffering from insufficient revenues and the inability to control its expenditures, and was relying on debt to maintain necessary services. In May 2012, Altoona was declared distressed after meeting the three criteria established by Act 47, including three years of deficit of one percent or more and expenditures exceeding revenues, as well as a decrease in quality and quantity in municipal service.

CONNECTING LEADERSHIP WITH THE RIGHT RESOURCES

In September 2017, after more than five years of hard work and extensive collaboration among elected officials, city staff, and DCED, Altoona became the quickest municipality to exit the Act 47 program. As part of the city's recovery plan, Altoona created a new revenue source by forming an agreement with the local water authority to return ownership to the city and lease operations back to the water authority in exchange for payment. DCED also helped extensively with annual budget reviews, monitoring of cash flows, and technical assistance as needed.

DCED also provided grant opportunities and ongoing support. The Department awarded Altoona grants for technical assistance to address blight, to upgrade Altoona's information technology capabilities and its tax administration software, and to support the development of a detailed housing strategy and downtown investment plan.

IMPACT

- **5 years to recover from Act 47 distressed status; fastest city to exit Act 47 program**
- **Transformed downtown into attractive business district**
- **Ongoing recovery plan addresses blight and improves government operations**

"[DCED was] never shy about answering any questions we had – it was good to have them on our side to be able to lean on for advice or questions throughout this process."

— Matt Pacifico
Mayor of Altoona

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A FUTURE CHANGING FROM BLIGHT TO BRIGHT

After more than 40 years of blight, Altoona's downtown is now a desired destination. City officials aim to maintain that momentum through plans to redevelop the downtown area and to find innovative ways to attract new business.

As part of its continued commitment to sustainability, Altoona's Blight Task Force continues to address the municipality's blight issues.

To learn more about how DCED works with local communities, municipalities, and elected officials, contact the Governor's Center for Local Government Services at dced.pa.gov/local-government

