

Harvesting Housing Choices: Planting the Seeds of Affordability through Partnerships



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OFFICE**

Presentation Outline



- 1. WHAT IS AFFORDABLE HOUSING AND WHY DO WE NEED IT?**
- 2. WHAT ARE THE REGULATORY BARRIERS TO HOUSING AFFORDABILITY AND HOW DO WE IDENTIFY THEM?**
- 3. HOW CAN WE ADDRESS REGULATORY BARRIERS TO HOUSING AFFORDABILITY?**

Part 1: What is affordable housing and why do we need it?



MIKE CARPER
AFFORDABLE HOUSING DEVELOPER & ADVOCATE

Misconceptions: What does affordable housing look like?



Reality: Affordable Housing is often indistinguishable.



What is “affordable”?



Technical Definitions

- Definition 1: A housing accommodation that costs a household no more than 30 percent of monthly household income
- Definition 2: Housing that is affordable to low- and moderate-income residents



Housing Cost Burden in 2009 (spending more than 30% of monthly income on housing costs):

- Cost Burden in all Households:
 - 32.6 percent of homeowners with a mortgage
 - 48.1 percent of renters (paying rent)
- Cost Burden in Households Earning Under \$50,000 a Year:
 - 48.3 percent of homeowners
 - 62.3 percent of renters

Who needs affordable housing?

Occupation	Mean Annual Wage	Mean Hourly Wage	Affordable Monthly Housing Cost
Fire Fighters	\$48,720	\$23.43	\$1,218
Dental Assistants	\$31,870	\$15.32	\$797
Paramedics	\$29,900	\$14.38	\$748
Preschool Teachers	\$25,610	\$12.31	\$640
Retail Salespersons	\$25,030	\$12.04	\$626
Waiters and Waitresses	\$19,310	\$9.29	\$483
ALL OCCUPATIONS	\$42,040	\$20.21	\$1,051



Who needs affordable housing?

❖ Young People

- ❖ Our children and grandchildren

❖ Elderly People

- ❖ Our parents and grandparents

❖ Families

- ❖ Our friends and relatives

❖ Workers

- ❖ Nurses, waitresses, child care providers

❖ Public Servants

- ❖ Teachers, policemen, fire fighters

❖ People with Disabilities



Why are affordable housing options important?

- ❖ Economics!
- ❖ Can workers find housing?
- ❖ Can businesses find employees?
- ❖ Do workers need to commute long distances between work and home?
- ❖ Are builders able to build what consumers are able to buy?



What are the regulatory barriers to housing affordability and how do we identify them?



EMMA HAMME – THE LANCASTER COUNTY APPROACH
LINDA MARSHALL – THE CENTRE COUNTY APPROACH

Determining Affordable Housing Needs



Sources & Data

- **Census & American Community Survey**
 - Housing Cost Burden
 - Monthly Housing Costs
 - Tenure (Renter vs. Owner)
 - Housing starts
 - Income
- **Bureau of Labor Statistics**
 - Income by Occupation
- **Local Association of Realtors**
 - MLS Data on Home Sale Price
- **GIS Data**
 - Income, poverty, cost burden, etc. mapping
- **Comprehensive Housing Affordability Strategy Data (CHAS)**
 - ACS Data on Households and Housing by HUD-Defined Income Limits
- **Comprehensive Plans**
 - Housing Elements
 - Existing & Future Land Use
 - Growth Management Plans
 - Population & Housing Unit Projections
- **Property Assessment Offices**
 - Property Values & Sale Prices
 - Building Permits



In the majority of municipalities, the price of an average home was more expensive than the average Lancaster County household could afford.

DATA

❖ Median Sale Price

❖ Property Assessment Office,
2007-2008

❖ Median Household Income

❖ American Community Survey,
2006

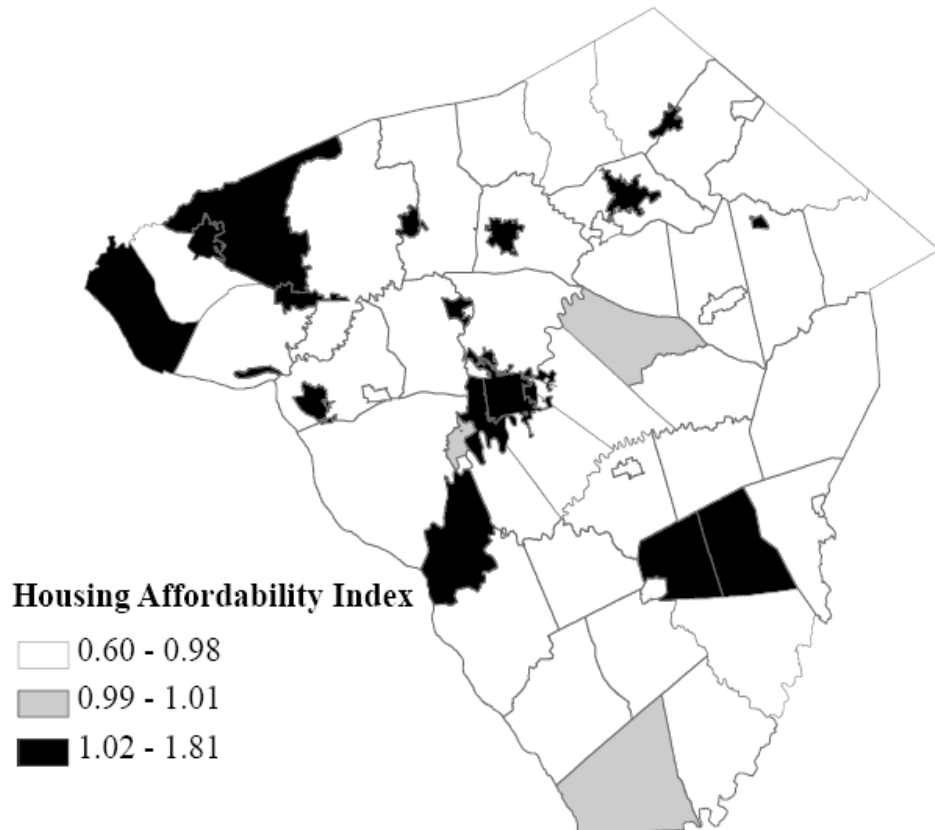
❖ Tax Millage

❖ Property Assessment Office,
2007-2008

❖ Mortgage Interest Rate, Downpayment, & Property Insurance

❖ Claritas & National Averages

Housing Affordability Index: Lancaster County Municipalities, 2006

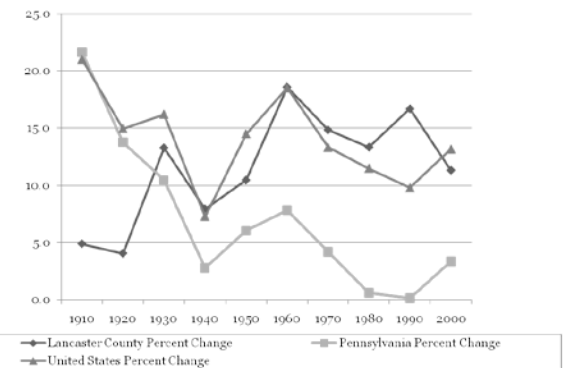


MANY FACTORS CONTRIBUTE TO HOUSING COST:

- ❖ Labor costs
- ❖ Material costs
- ❖ Land values
- ❖ Availability of financing
- ❖ Local economic factors:
 - ❖ Unemployment
 - ❖ Income
- ❖ Population growth
- ❖ Consumer preferences
- ❖ Federal & state priorities



Population Growth Rate of Lancaster County, Pennsylvania, and the United States from 1900 to 2000

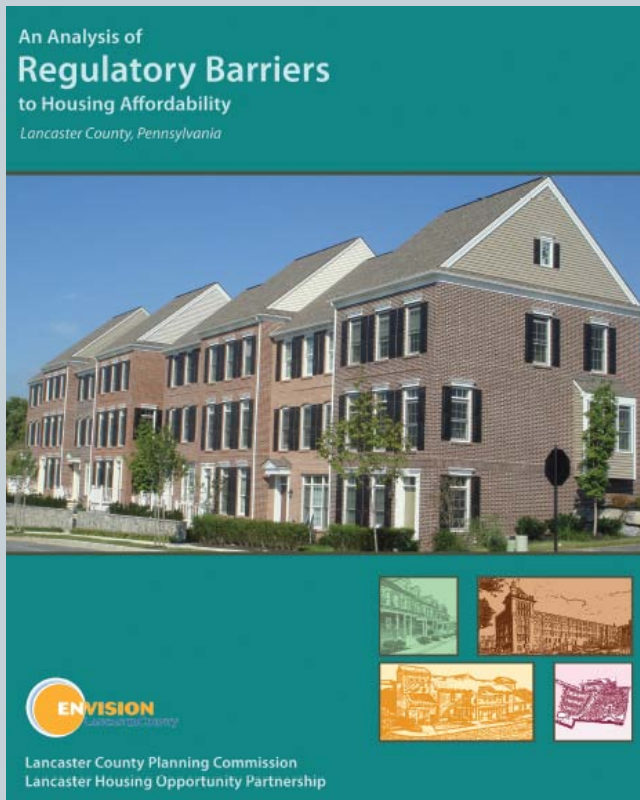


**Local land use regulatory barriers
are not the only barriers!**

An Analysis of Regulatory Barriers to Housing Affordability in Lancaster County



Primary Resources



- HUD’s “Creating a Taskforce on Regulatory Barriers to Housing Affordability”
- PA DCED’s “Reducing Land Use Barriers to Affordable Housing”
- Ordinance Inventory
- Focus Groups

General Findings



DENSITY

- Less land/unit means lower costs for roads, pipes, land, etc.
- Lack of acceptance of higher densities

LOT & SETBACK REQUIREMENTS

- May be more excessive for certain housing types, particularly multi-family
- The more specific the lot requirements, the less flexibility



General Findings



HOUSING TYPES & LAND AVAILABILITY

- Some housing types may be permitted only in limited areas or on land that is not readily developable
- Accessory dwelling units
- House size



STREETS & INFRASTRUCTURE

- Disparity between requirements and actual need
- Land zoned for higher-density development may not be served by required infrastructure

General Findings



FEES & APPROVAL PROCESSES

- When charged on a per-unit basis fees may have a disproportionate impact on smaller, denser housing units
- Special Exception/Conditional Use processes typically take more time and cost more money
- SE/CU may be required for housing types other than single-family detached

FOCUS GROUP DISCUSSION: Developers & Municipal Staff

- Agreed:
 - Value of density
 - Approval processes could be more efficient
 - Public perception & reaction can make or break a project
- Disagreed:
 - Value of the conditional use process
 - Treatment of different housing types
 - Fairness of fees

Data-Driven Regulations



Example: Parking

- Each parking space adds to the overall cost of housing
- Parking requirements may exceed actual demand
- Requirements may be greater for multi-family than for single-family housing types

Census Data: Vehicles per Occupied Housing Unit

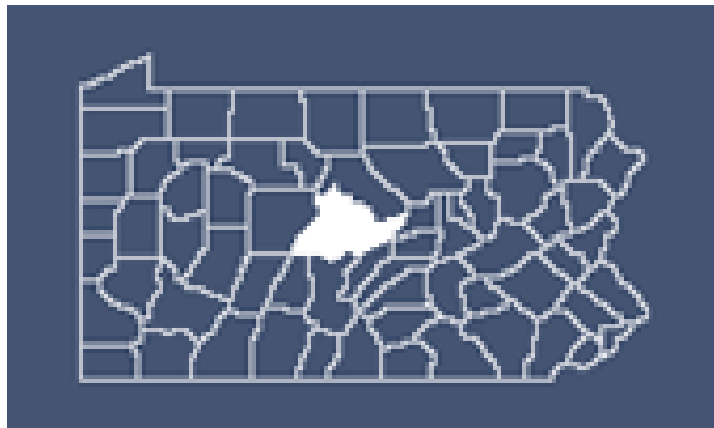
- ❑ All Occupied Housing Units:
 - 1.7 vehicles per unit
- ❑ Owner-Occupied Housing Units:
 - 2.0 vehicles per unit
- ❑ Renter Occupied Housing Units:
 - 1.2 vehicles per unit



CENTRE COUNTY



ADDRESSING THE GAP BETWEEN INCOME AND HOUSING COSTS



CENTRE COUNTY



CENTRE COUNTY
Affordable Housing Coalition

- Made a request to the Centre County Board of Commissioners to commission a study of affordable housing needs
- Objective was to define and quantify housing need
- Completed the study, conducted by Diana T. Myers in late 2005.

CENTRE COUNTY AFFORDABLE HOUSING NEEDS ASSESSMENT: A BLUEPRINT FOR ACTION

OCTOBER 25, 2005

**Diana T. Myers and Associates, Inc.
6 South Easton Road
Glenside, PA 19038
215-576-7970**

Centre County Affordable Housing Needs Assessment



• **Identified public policy barriers for 6 municipalities in Centre County. Each municipality had populations with high housing costs compare to household income.**

- (2) Boroughs
- (2) Higher residential growth townships
- (2) Townships in the outlying regions of the County

Centre County Affordable Housing Needs Assessment



ANALYSIS LOOKED AT:

- **Household demographics, including housing burden**
- **Comprehensive plans & existing land use**
- **Permitted housing types in each residential zoning district**
- **Permitted, conditional or special exception uses**
- **Codes**
- **Administrative process**
- **Fees (zoning, tapping fees, school and municipal taxes)**

Centre County Affordable Housing Needs Assessment



CONSULTANT RECOMMENDED:

- **County follow HUD's questionnaire for Removal of Regulatory Barriers**
- **Convene stakeholders to develop strategies**
- **Test regulations with one or two municipalities, provide incentives and showcase the results**
- **Recommendations were presented to stakeholders at a public meeting in November 2005.**



MUNICIPAL WORKSHOP on BARRIERS

March 2005

Sara Pratt, Author



CENTRE COUNTY
Affordable Housing Coalition

ADDRESSING BARRIERS TO AFFORDABLE **HOUSING** DEVELOPMENT: **TOOLKIT**


MOUNT NITTANY
MEDICAL CENTER



HOUSING ALLIANCE OF PENNSYLVANIA

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How can we address regulatory barriers to housing affordability?



LINDA MARSHALL – THE CENTRE COUNTY APPROACH
RAY D'AGOSTINO – THE LANCASTER COUNTY APPROACH

**2006 - Early
2007**

Centre County
Affordable
Housing
Coalition
developed a
primer for
municipal
officials and
developers.

HOMES WITHIN REACH



TOOLKIT

*A Source of Options for Centre County
Municipal Officials and Developers*

 CENTRE COUNTY
Affordable Housing Coalition



Needs Assessment Implementation

- ❖ Created a Centre County housing coordinator position
- ❖ Appointed a Housing Cabinet to advise the Centre County Board of Commissioners.

HOUSING CABINET:

- Central Pennsylvania Builders Association
- Centre County Affordable Housing Coalition
- Centre County Association of REALTORS
- Centre County Housing Authority
- Centre County Housing and Land Trust
- Commercial lender
- Habitat for Humanity of Greater Centre County
- (2) Municipal regional representatives from residential growth areas
- (3) Planning Directors (Centre County, Centre Region, and State College Borough)

Needs Assessment Implementation

- ❖ Centre County received a LUPTAP grant to develop model policies.
- ❖ Project Steering Committee:
Centre County
Housing
Cabinet

INCLUSIONARY HOUSING :

MODEL POLICIES for CENTRE COUNTY



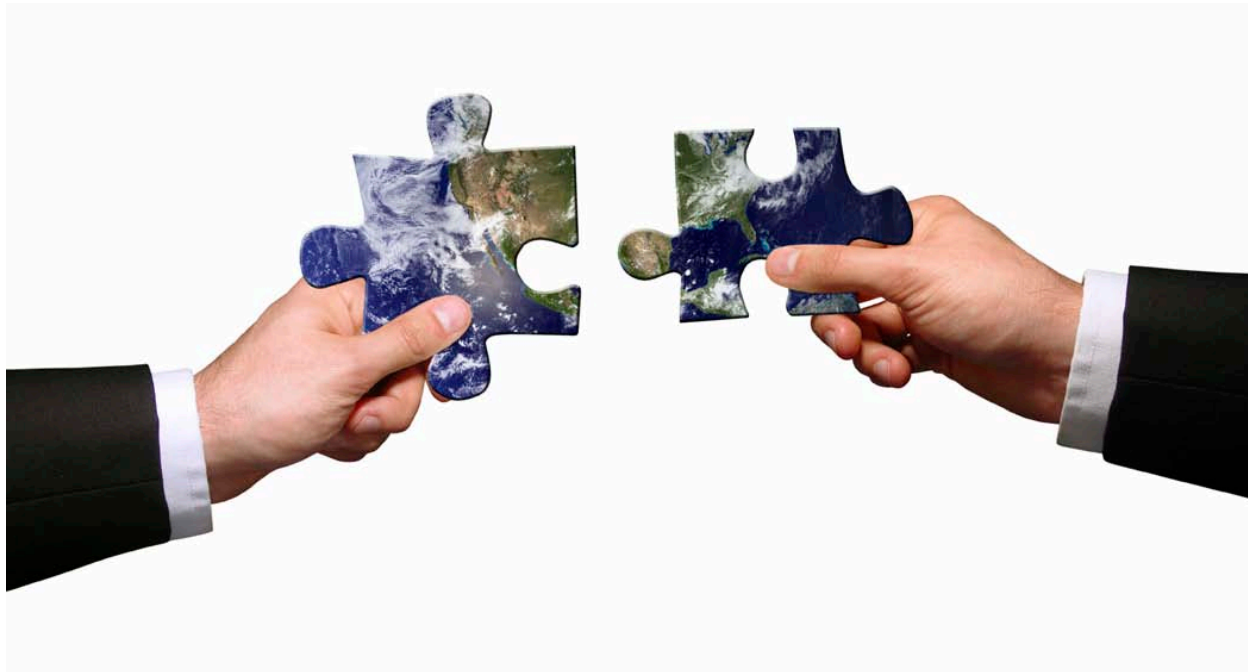
June 30, 2010

PROGRESS in Centre County



- **Developers have explored inclusionary housing opportunities**
- **(6) municipalities have adopted some form of inclusionary housing regulations**
- **(2) municipalities have regulations in draft form**

Recommended PROCESS PARTNERS



EXPERTS

- **Developers**
- **Builders (Green building expertise)**
- **REALTORS®**
- **Lenders (Commercial and Residential)**
- **Non-profit or agency-sustaining housing affordability**
- **Planners**
- **Consumers**



ADVOCATES



SPEAKERS BUREAU

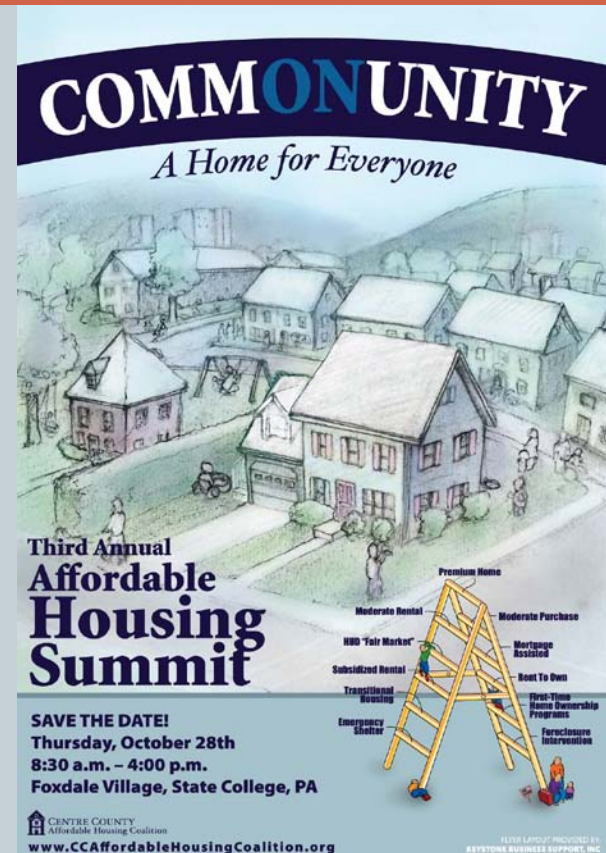
Annual HOUSING SUMMIT



VIDEO



- Presentations on affordable housing to: civic groups, faith-based organizations, governmental entities, others.



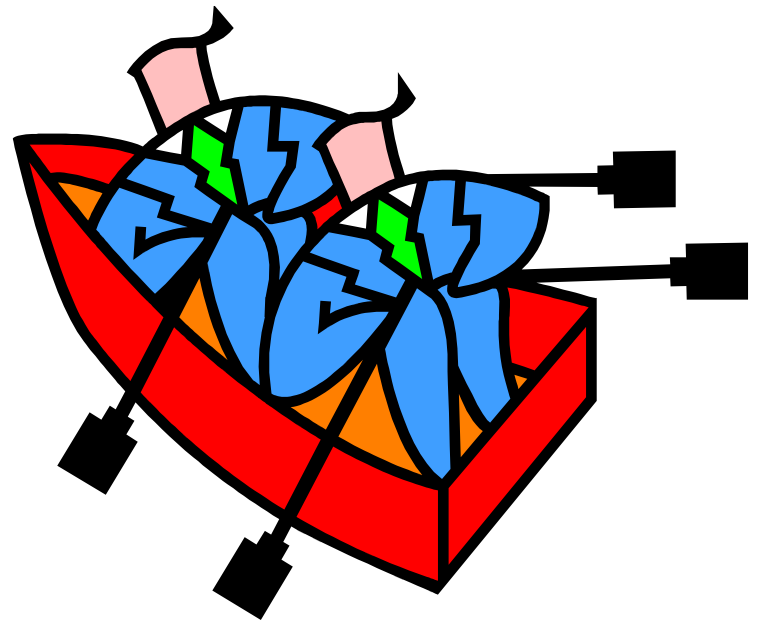
MEDIA

- **Work with reporters**
- **Conduct radio/television interviews**
- **Meet with editorial board(s)**
- **Produce a video in order to put a face on housing needs**
- **Write articles for publication**



BASIC FUNDAMENTALS

- **Political will**
- **Commitment**
- **Creativity**
- **Persistence**
- **Patience**
- **Teamwork**
- **Fairness**



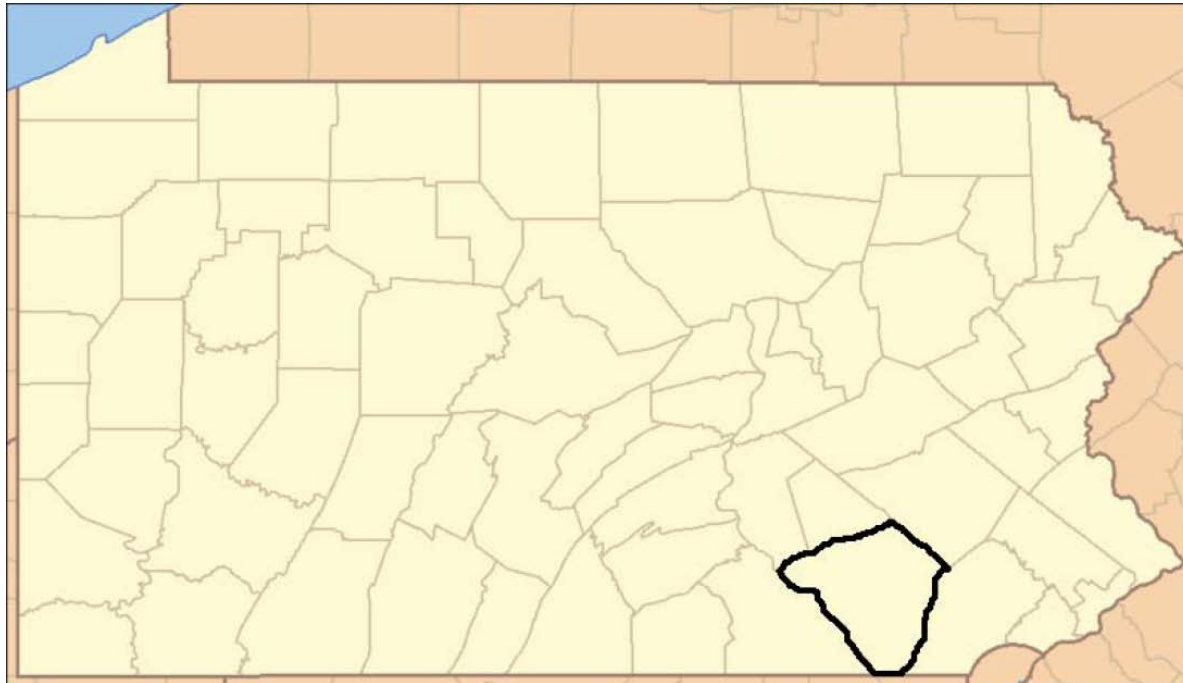
Centre County's Step by Step Process for MUNICIPAL OFFICIALS



ASSUMPTION: NO ONE SET OF POLICIES FITS ALL

1. Understand the concept
2. Identify the households to be served by policies
3. Establish a legislative purpose
4. Plan for inclusionary housing
5. Decide on an appropriate approach-voluntary or mandatory
6. Explore other inclusionary housing opportunities
7. Sustain housing affordability
8. Promote cost effective building standards
9. Develop an affordable housing plan
10. Consider model policies

LANCASTER COUNTY



Lancaster Housing Opportunity Partnership



- **Mission Statement:** Helping people of low to moderate income access affordable homes throughout Lancaster County, by providing advocacy, education, financial assistance and facilitating the production of affordable housing.

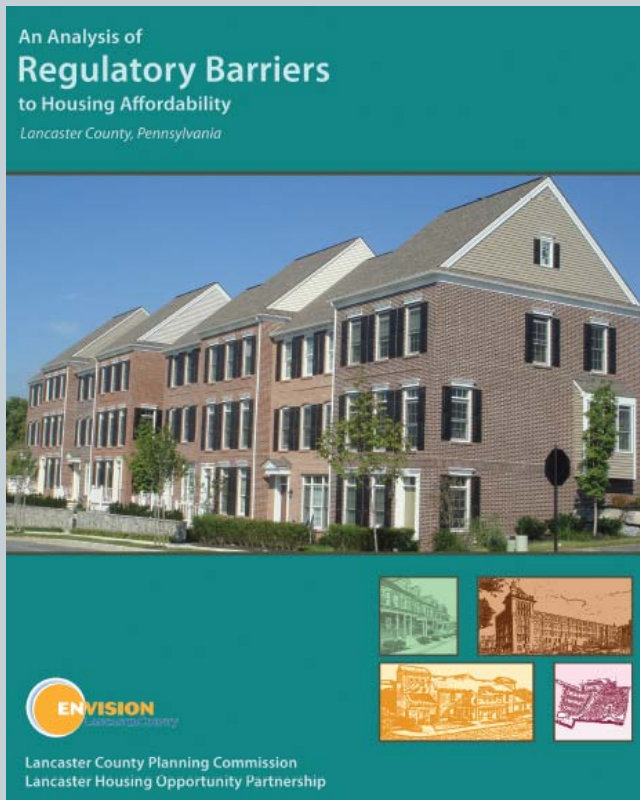
Board Composition

- Non-profit affordable housing developers
- Businesses & employers
- Social service agencies
- Government representatives
- Lenders
- Realtors

Partnerships



Regulatory Barriers Task Force Members:



- Affordable Housing Developers
- Realtor
- Planners
- Social Service Providers
- Elected Municipal Official
- Municipal Staff
- Housing & Redevelopment Authority Staff
- Building Industry Association Representative

Putting the Report to Work



Outreach

- Presentations to municipal officials, housing organizations, and interested groups
- Use of findings in Planning Commission reviews
- Promotion as part of Planning Commission Smart Growth Toolbox

Dog & Pony Show



Model Affordable Housing Land Use Regulation Task Force



Members

- Land Use Attorney
- Engineer/Landscape Architect
- For-Profit Developer
- Non-Profit Developer
- Municipal Staff
- Elected Municipal Official
- Planner
- Housing Advocate
- Experts, as needed

Mission

- To develop model land use regulatory techniques and policies that will:
 - Reduce the cost of housing overall
 - Lead to the creation of more affordable housing throughout Lancaster County
- The model will be unique in that it will provide *options*
- It will embrace smart growth principles.

Next Steps in Lancaster County



Marketing

- Getting the public on board
- How public perception impacts municipal-level decision making
- The housing, education, and economic development connection



Market Study

- Looking at the County as an economic region, where are:
 - Jobs
 - Transit
 - Housing Needs
- Drill down needs to the municipal level to aide local decision making and target funding opportunities

The End



QUESTIONS??

Contact Information



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