

Chapter 9

Strategic Housing Plan



A. Introduction

The Strategic Housing Plan proposes a series of specific actions to address unmet housing needs in Lehigh and Northampton counties.

Key Findings represent those aspects of the data collection and analysis from chapters 2 through 8 that present the most compelling issues to be addressed by the Strategic Housing Plan.

Overarching Housing Concerns are defined through an interpretation of key findings into distinct implementation issues or themes. They essentially serve as a response to the key findings, which in turn helped to generate any new goals, policies and implementation strategies. This interpretation resulted in four overarching concerns of housing Affordability (A), Variety (V), Distribution (D) and Condition (C). A minimum of at least one of the overarching housing concerns correlates to each of the different implementation strategies.

The Strategic Housing Plan takes the form of the LVPC Comprehensive Plan by expressing **Goals, Policies and Implementation Strategies** to meet identified housing needs. Inasmuch as the current LVPC *Comprehensive Plan* includes a housing element, the Strategic Housing Plan is a blend of existing and new goals, policies and implementation strategies. Each of the implementation strategies is linked to one or more overarching housing concerns by listing the A, V, D and C abbreviations from above. The implementation strategies identify the entity that

should be responsible for implementation. For eight of the newly created strategies, there are example opportunities for the LVPC to have a significant role in implementation along with various partners and including an implementation timeframe. These are shown as “opportunity boxes” associated with specific implementation strategies.

Finally, the Strategic Housing Plan includes a discussion of the **Implementation Organization** to accomplish the recommendations that brings together the interests and expertise of the region’s housing, development and government communities.

B. Key Findings

The previous chapters in this report reveal a compelling narrative about the necessary actions to better accommodate housing demand in the Lehigh Valley. A summary of the key findings associated with each chapter of the *Regional Housing Plan* is provided below:

Chapter 2 – Housing Matters

- **Realtor observations.** The community meetings yielded responses from the Lehigh Valley Association of Realtors (LVAR), whose members noted that many buyers between the ages of 28 and 35 lack the necessary 20% down payment to initiate a mortgage. This could result in a huge portion of the young labor force either deferring homeownership or moving to a region where “starter homes” are more affordable.
- **LVPC Housing Survey results.** When asked about reasons influencing current housing choice, the most common responses across the three different survey methods were “better quality neighborhood” and “affordability”.

Chapter 3 – Population and Household Trends

- **Population change across all municipalities.** Over the period of 1980 to 2010, Lehigh Valley townships and boroughs had 87% of the population increase, while Lehigh Valley cities (Allentown, Bethlehem and Easton) had

13%. Thus, the more suburban areas surrounding the three cities have enjoyed the overwhelming majority of population growth, while the proportion of the Valley residing in the three cities decreased from 40% to 34% of the total.

- **Population change in the three cities.** Despite slower growth than the townships overall, all three cities in the Lehigh Valley grew in population from 2000 to 2010, with Easton at 2.1% and Bethlehem at 5.1%. Allentown added 11,400 persons at 11% growth, making it the fastest growing city in Pennsylvania during that decade.
- **Projected population change.** From 2010 to 2040, the two counties are anticipated to grow an additional 35%. Growth will keep housing as a primary issue.
- **Racial diversity.** In 1990, Lehigh Valley was 93% White, versus 82.4% in 2010. In 1990, African Americans comprised 2.2% of the population, versus 6% in 2010. The Hispanic share of the population shifted from 4.9% to 15% over the same period. The Lehigh Valley’s population is becoming more diverse.
- **Changing households.** In 1990, 28.2% of households consisted of nonfamilies; by 2010, that number had risen to 32%. A significant portion of those nonfamily households (80.4%) consists of persons living alone. This translates to a shift in the types of customers as well as the demand. Pre-

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viously, the two-income households were buying the homes, but the market will react differently to a surge of single-income households.

Chapter 4 – Economic Profile

- **Wages.** At \$44,826, Lehigh Valley average annual wages are 5% lower than the state as a whole (\$47,035). A household needs both an income of a certain level and housing prices of a compatible level (with payments no more than 30% of wages) to avoid becoming cost burdened by housing. It's hard to build wealth when the wages are low, but costs and debt are higher.
- **Industries in growth and decline.** Key growth sectors for Lehigh Valley jobs for 2002-2012 include healthcare and social assistance, management of companies, administrative, transportation and warehousing and accommodation and food services. Key Lehigh Valley job loss sectors for 2002-2012 include manufacturing, information, utilities, construction, real estate and other services.
- **Commuting patterns.** 64.3% of Lehigh Valley residents (186,497) work in the Lehigh Valley. 36% of Lehigh Valley residents (103,667) work outside of the Lehigh Valley, while 88,764 workers in the Lehigh Valley commute from homes outside the Lehigh Valley. Thus, the Lehigh Valley is a net exporter of labor. Among employees working in the Lehigh

Valley, 67.8% live here, 28.7% commute from other locations in Pennsylvania and only 3.6% commute from outside Pennsylvania, contrasting sharply with the larger volume commuting to New York, New Jersey or other outside locations.

Chapter 5 – Housing Profile

- **Median gross rents.** Rents went up 11% in Lehigh County and 14% in Northampton County since 2000. This increase, against a backdrop of wages that are lower than the state average, will inevitably result in a greater proportion of lower income households becoming cost burdened. Many of the lowest income households lack access to financing and have no choice but to rent.
- **Regional housing comparison.** Despite the considerable rise in costs from 2000 to 2010, Lehigh Valley still has relatively low housing values and median gross rents when compared to New York City/Northern New Jersey and Philadelphia markets, with a housing stock of roughly the same age as the rest of the region. This distinction creates potential for Lehigh Valley housing to be attractive to workers in those markets.
- **Homeownership.** Rates for Lehigh County and Northampton County in 2010 were 67.8% and 72.8% respectively, comparable to the state homeownership rate (69.6%). Though the Lehigh Valley rate declined by 0.8% from 2000,

this decrease was less pronounced than the 1.7% noted statewide. Homeownership rates in the Lehigh Valley are higher in the townships at 84.9%, versus 50.1% and 64.4% in the cities and boroughs, respectively.

- **Housing types.** Single family dwellings remain the most popular housing type in the Lehigh Valley in 2010 at 80%, with single family detached at 57% and single family attached at 23% of all housing.
- **Demographics of tenure.** Homeownership for White households is 74.2%, while for African Americans, it's 41.2%. Households of Hispanic ethnicity have a 39.6% homeownership rate. Homeownership rates in the Lehigh Valley for age 44 and younger have declined and rates for ages 45-64 have increased. This could substantiate the speculation from LVAR that younger households have trouble affording a mortgage.
- **Low income and cost burden.** The percentage of extremely low and very low income owners (less than 50% of MFI) that were cost burdened grew from 60.7% to 70.8% from 2000 to 2010. This includes 17,190 households in the Lehigh Valley. The percentage of low income owners (between 50-80% of MFI) that were cost burdened increased from 35.3% to 45.2% from 2000 to 2010. The percentage of extremely low and very low income renters (less than 50% of MFI) that were cost burdened increased from 66.2% to 75.1% from

2000 to 2010. This includes 23,560 households in the Lehigh Valley. The percentage of low income renters (between 50-80% of MFI) that were cost burdened increased from 25.9% to 41.6% from 2000 to 2010.

- **Housing condition.** Rental housing in the Lehigh Valley has a larger percentage of units that are older (over 50 years) and overcrowded than owner-occupied units. Cities typically have the highest overall numbers, but not necessarily percentages.

Chapter 6 – Housing Affordability Analysis

- **Affordability groups.** Households earning above 120% of AMI constitute 40% of Lehigh Valley households, with 50-80% of AMI the next largest at 16.6% of all Lehigh Valley households.
- **Housing types by affordability groups.** Single family detached provides 86% of all ownership units priced affordably to households above 80% of AMI. Single family attached has 38% of all units affordable at the lowest end (under 30% of AMI) but less than 10% of all units affordable to greater than 80% of AMI.
- **Rental supply and income.** 70% of rentals available to less than 50% of AMI are efficiencies or 1-bedroom. Conversely, very few 1-bedroom or efficiency units exist that are priced

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for households earning above 100% of AMI. Thus, lower income families will likely have a difficult time finding suitable housing, forcing them to pick housing within a greater price range than they can reasonably afford.

- **Supply often does not meet demand.** For the Lehigh Valley and the school district study areas, unmet demand for housing less than 50% of AMI is universal. There is a shortage of housing for households that earn 30-50% of AMI in 11 of the 12 study areas. More than half of all households in this income range are cost burdened. There is a theoretical unmet demand for greater than 120% of AMI in 11 of the 12 study areas, with the exception of Saucon Valley-Southern Lehigh. As stated above, this really means that the higher earning households are spending less than 30% of their gross incomes on housing as a trade-off with costs of a commute outside of the Lehigh Valley. Relieving downward pressure by building higher quantities of expensive housing won't solve the pricing problem at the lower end.
- **High income rental undersupply exacerbates low income undersupply.** Higher income renters who lack choice place downward pressure on the market. This is more harmful in the rental market than the ownership market because workers at the lower income levels have the greatest barriers to homeownership.

Chapter 7 – Jobs-Housing Balance

- **Income and commuting patterns.** Of the 378,928 persons working in the Lehigh Valley plus residents working elsewhere, 150,639 or 39.8% are in 50-80% of AMI. Persons in jobs below 100% of AMI constitute 79% of the total. Less than 80,000 of employed persons in the Lehigh Valley (21.1%) work in an occupation that is above the Lehigh Valley AMI.
- **Imbalance is sensitive to small income shifts.** Based on the Lehigh Valley workers-only demand, there is insufficient housing supply for seven of the ten lowest income occupations. If all worker households in the Lehigh Valley chose to live in the two counties, about 30% of those workers would be cost burdened. The impact of non-working households intensifies this need, especially at the lower end. Supplementing household incomes and reducing demand with 1.40 workers per household shows marked increase in housing affordability for the lowest income jobs—showing the sensitivity at the lower income occupations to affordable housing with relatively small income changes.
- **Greatest jobs-housing mismatch.** Job centers have very similar mismatches of wages to housing pricing in the Lehigh Valley overall. Job Centers 1, 3, 4 and 5 have an overall surplus of housing for the Lehigh Valley workers-only demand within reasonable commute times/distances. Job Center 2,

the largest of the job centers including Allentown and Bethlehem, has significant unmet housing demand within its defined housing shed, which could require longer commutes for many of its workers.

- **Regional transit and housing.** Transit area jobs-housing balance reveals that LANta has effectively provided transit service near the majority of the Lehigh Valley employment base. However, each transit area has a large unmet need for housing, meaning that housing opportunities are not as clustered as job opportunities. The Lehigh Valley suburban development pattern has inhibited households' ability to reliably use alternative methods of transportation to go to and from work. Housing development along transit routes should incorporate a mix of housing types, sizes and prices to match demand.
- **Dependency on job centers outside the region.** Job center and transit center findings show a greater likelihood of Lehigh Valley residents commuting out of the Valley for work depending on how far east in the Valley they live. Most Lehigh Valley New York City bus stops terminate before reaching Allentown.

Chapter 8 – Critical Influences on Housing Markets

- **Concentrations of crime.** Jurisdictions with significantly higher Crime Indexes will typically show significantly low-

er demand for housing, particularly for people with higher incomes who have the capacity to move to safer areas.

- **Affluence and school performance.** Generally, school districts with higher graduation rates and test scores typically had lower percentages of students in the Free/Reduced Lunch Program and higher housing sales prices. The districts with higher concentrations of lower income households typically had lower academic outcomes. During the 2011-2012 school year, only the Allentown, Bethlehem and Pen Argyl school districts fell short of the primary statewide graduation target.
- **Affordable housing provider capacity.** Existing public and private nonprofit housing developers do not have sufficient capacity in terms of access to capital, staff size and housing production to meet the Lehigh Valley needs for low and moderate income housing. The private sector needs to become more active participants for the Lehigh Valley to substantially change the imbalance of housing price to income.

C. Overarching Housing Concerns

The housing affordability and jobs-housing balance analyses reveal the overarching concerns associated with housing supply and demand that, along with the key findings, inform the goals, policies, and implementation strategies associated with the Strategic Housing Plan.

- **Affordability (A).** The housing affordability analysis and the jobs-housing balance analysis indicate that housing values in the Valley do not reflect local households' ability to pay. The Lehigh Valley market is undersupplied in housing for the households earning less than 50% of AMI (\$29,350), based on the housing affordability analysis, and even up to 80% of AMI (\$46,960) from the more income conservative jobs-housing balance analysis. The total number of owner and rental cost burdened households under 50% of AMI is 40,750. The most vulnerable Lehigh Valley households are the least served, with large housing shortages below 30% of AMI (\$17,610). This translates into many households at the lowest incomes being forced to pay above 30% of their gross income for housing, exceeding the threshold and becoming cost burdened. The alternative is to seek housing outside the Valley.
- **Variety (V).** The lack of variety of housing at either end of the income spectrum is an additional challenge for the Lehigh Valley. Most notably, the Lehigh Valley does not have many larger market rate rental units for modest income households (2 and 3+ bedroom units). Almost all of the affordable, larger rental housing stock is subsidized housing. Unfortunately, there is not enough subsidized housing for all households that qualify. Even if there were, this housing is not available to households that do not meet the income qualification for subsidized units but cannot afford rents above \$1,000 per month. Likewise, the lack of diversity above 120% of AMI (\$70,440) means households seeking alternatives to single family detached housing must buy below their ability to pay or consume housing that does not meet their preferences. Development trends for apartments indicate that the market will be building to this price range, however, not yet on-line at a sufficient level to provide greater diversity. The challenge related to downward market pressure is intensified when both volume and variety at the highest levels are considered. In addition, the overrepresentation of single family detached housing—as opposed to single family attached, multifamily or modular/mobile home—could force households into living environments that they otherwise would not choose or cannot truly afford.
- **Distribution (D).** Whether looking at the Valley as a whole, at a school district level or in terms of employment centers or as individual regions, the need for housing priced to working households earning below 50% of AMI (\$29,350) is

universal. While the numbers presented in this report likely overstate demand, given the concentration of retiree or zero-worker households in the Valley, the fact remains that there is not enough quality, appropriately priced housing to accommodate the Valley's employment base anywhere. In addition, the concentration of certain housing types with low demand (due to a combination of factors, including age, fewer amenities or poor condition) can result in inadvertent concentration of lower priced housing or low income households in few select places, particularly the cities and boroughs with older housing stock. Lastly, the disproportionate growth of low-density housing in the distant suburban townships—along with jobs clustered far from population centers—results in a persistent imbalance of jobs and housing across much of the Valley, coupled with a public transportation network that cannot fully meet the commuting needs for those individuals who cannot afford cars or cannot drive.

- **Condition (C).** While housing condition is not a widespread issue within the Lehigh Valley, those households most susceptible to cost burdening (earning below 50% of AMI or \$29,350) are also most susceptible to substandard housing conditions. RKG Associates' analysis indicates that more than half of single family detached houses affordable to persons earning below 30% of AMI (\$17,610) can be considered in poor condition. About one-half of single family attached and 70% of condominium units affordable to this

income group can be classified similarly. In contrast, about 90% of ownership units priced to households earning over 80% of AMI (\$46,960) are valued at or above the regional average (on a per square foot basis). Anecdotal information provided by community stakeholders indicates condition issues are highly concentrated in specific neighborhoods, almost exclusively in the urban core area of the Valley. The overall cost of reusing existing housing stock serves to preserve the existing tax base and to offer a variety of housing types across incomes, while reducing overall land consumption and reducing the cost of development. Incentive-based zoning and development regulations, local historic districts and associated tax credits programs can effectively direct growth into areas where existing infrastructure, community facilities and services are readily available.

D. Goals, Policies & Strategies

RKG Associates reviewed the stated housing goals, policies and implementation strategies in the LVPC *Comprehensive Plan The Lehigh Valley... 2030* in context of the findings from this analysis. Overall, RKG Associates found the Goals, Policies and Strategies still to be relevant for addressing the housing needs identified. The existing *Comprehensive Plan* Goals 1 and 2 are reworded but maintain the original intent. The findings of the analysis, however, lead to recommendations for more specific strategies moving forward. Presented below are the proposed housing Goals, Policies and Implementation Strategies. Also included with select *Actionable Strategies* (in green boxes) are

the associated opportunities, partnerships and timeframes for more decisive implementation. It is noteworthy that policies and strategies for making improvements to the housing supply as described herein are directly related to income levels of Lehigh Valley households. Housing affordability at the lower end of household incomes is very sensitive to small increases in household income. This means that a combination of increasing housing supply in this price range and wage improvement strategies (skill development and job creation) together can make appreciable differences in affordability.

Goal #1 To strive for livable mixed income neighborhoods throughout the Lehigh Valley that collectively reflect the diversity of housing types, tenures and income levels of the region.

Although the wording of this Goal has changed slightly from the *Comprehensive Plan*, the Policies and Strategies promoting improved housing access and social/economic opportunity remain largely the same.

Policies

- To promote economic and social integration, residential communities should include a variety and mix of housing types and values.
- Housing type and location choices should be expanded in accord with the following principles:

- A mix of housing types, sizes and prices to match needs should be located convenient to major employment centers, transit service, and goods and services to reduce needed commute time and cost.
- Over-concentrations of low- and moderate-income housing in any one area of a jurisdiction should be avoided. New low and moderate income housing should be located in stable neighborhoods where social and economic integration is possible.

- New housing development should be sited and designed to be consistent with the goals and policies associated with areas recommended for urban development, rural development, natural resources protection and farmland preservation of the *Comprehensive Plan*.

Implementation Strategies

- Municipalities should provide for the basic forms of housing defined by the Pennsylvania Municipalities Planning Code (MPC) within appropriate areas based on the LVPC *Comprehensive Plan* and local comprehensive plans. These include the following: single family and two family dwellings, a reasonable range of multifamily dwellings in various arrangements, mobile homes and mobile home parks. Municipalities may provide for the entire range of housing types within their borders or may provide for these uses cooperatively with adjacent municipalities as part of the multi-municipal planning and implementation provisions of the MPC. **(A, V, D)**
- Municipalities should incorporate zoning provisions to encourage or require a mix of housing types compatible with job concentration within or in proximity to the municipality. **(A, V, D)**

- Counties, municipalities and financial institutions should explore opportunities to incentivize the creation of mixed income residential environments. **(A)**

- **Actionable Strategy:** Support existing downtown and neighborhood revitalization and brownfield redevelopment policies and programs that encourage higher density and mixed-use development to encourage mixed income housing and employment centers. **(A, D, C)**

- **Opportunity:** The Lehigh Valley Planning Commission will support the region's Neighborhood Partnership, Main Street, borough, city and suburban revitalization initiatives and programs like the Lehigh Valley Economic Development Corporation's brownfield revitalization program to encourage the stabilization, clean-up, reuse and rehabilitation of vacant and underutilized buildings and lands for a variety of uses, including housing.

- **Partners Involved:** Allentown, Bethlehem, Easton, boroughs, townships, LVEDC, CACLV

- **Timeframe:** Ongoing

- LVPC reviews will support plans, ordinances and projects consistent with these policies. Changes will be recommended for plans, ordinances and projects that are not consistent. **(A, V, D, C)**

Goal #2 To promote the creation of a range of housing types, prices and rents to foster culturally and economically diverse neighborhoods, which allow households to find new housing that meets changing needs within their existing community.

Like Goal #1, this Goal's efforts to promote affordable housing remain essential, even if the wording has slightly changed. Both the housing affordability analysis and the jobs-housing balance analysis revealed the need for more housing at the lowest (under 50% of Area Median Income) income categories and a greater variety of housing at the highest (over 120% of Area Median Income) categories.

Policies

- Housing supply should be sufficiently diverse that all households, working or living in the Lehigh Valley, can own or rent at pricing appropriate for their incomes. Diversity in the rental market is particularly important, given that for the lower incomes renting may be the only current option.
 - Housing supply and diversity should evolve to accommodate future housing demand, including changing household size and composition, changing race and ethnicity, increasing population of older persons, alternative housing types and evolving demands for ownership versus rental housing.
 - Municipalities should consider the impact of regulations and fees in the balance between housing affordability and other objectives, such as environmental quality, urban design, maintenance of neighborhood character and the protection of public health, safety and welfare.
- The particular needs of disadvantaged segments of the population should be addressed. These segments may include the individuals with disabilities and/or cross-disabilities, veterans, the elderly and minority groups.
 - The housing market should be open and free from discrimination based on sex, sexual orientation, race, age, national origin, familial status or disability. The strict enforcement of fair housing laws should be used in achieving this policy.
 - Financial institutions doing business in the Lehigh Valley should assist with regional housing needs through the continued support of housing development corporations and the loan pool for the construction of rental housing for the low and moderate income people. A cooperative effort by local financial institutions in providing mortgage assistance for moderate income families for new and older housing units should be undertaken.
 - Mobile homes and modular homes installed on permanent foundations should be allowed in the same districts and with the same requirements as other single family detached dwellings.

Implementation Strategies

- Municipalities should revise land development ordinances to eliminate provisions that unnecessarily increase costs of constructing new housing. Specifically, this can be addressed in the following ways:
 - Municipalities should use LVPC suggested ordinances dealing with subdivisions, mobile home parks and planned residential developments. **(A, V)**
 - Municipalities should follow suggested zoning standards for residential uses as contained in the LVPC Zoning Guide. **(A, V, D, C)**
 - Municipalities should adopt zoning ordinances in accord with lot sizes and densities shown in the *Comprehensive Plan*. **(A, D, C)**
 - The location of new residential areas should be consistent with the overall goals and policies of this *Comprehensive Plan*. Residential zones should be located in areas recommended for urban development in the *Comprehensive Plan*. **(D)**
 - Municipalities should ensure opportunities for the development or rehabilitation of homes with basic amenities or design features to guarantee housing for low income households or members of protected classes. **(A, C)**
- The LVPC will support the efforts of area housing authorities, social service agencies, nonprofit organizations and housing development corporations when such efforts are consistent with the policies of this plan. **(A, V, C)**
- LVPC reviews will recommend against excessive standards that will unnecessarily raise housing costs. **(A)**
- LVPC reviews of land use regulations and comprehensive plans will advocate densities consistent with the *Comprehensive Plan* and the mobile home/modular home policies of this element. **(A, V, D, C)**

Goal #2 To promote the creation of a range of housing types, prices and rents to foster culturally and economically diverse neighborhoods, which allow households to find new housing that meets changing needs within their existing community.

- **Actionable Strategy:** Engage and educate the public, nonprofit and for-profit sectors on affordable housing needs and available programs to meet these needs. **(A)**
 - **Opportunity:** The Lehigh Valley Planning Commission will continue to publish the Annual Development and Building Activity report and augment the document with annual housing sales data. An LVPC event around the report will be part of community communication and dialogue on regional housing and associated development issues.
 - **Partners Involved:** Research and outreach organizations
 - **Timeframe:** Annual

- **Actionable Strategy:** Enhance and expand opportunities for nonprofit housing organizations to build capacity and collaborate with the private sector. **(A, V, C)**
 - **Opportunity:** The Lehigh Valley Planning Commission will support the creation of an affordable housing loan consortium bringing investors, financial institutions and private individuals together to pool resources and/or devise innovative strategies for developing housing at or below 50% of the Area Median Income to address the 40,750 existing owner and rental households that are cost burdened.
 - **Partners Involved:** Financial institutions, foundations, counties, investors, industry leaders, public and private housing developers, nonprofit housing organizations
 - **Timeframe:** 12-24 months

- **Actionable Strategy.** Increase direct outreach to municipalities on housing issues. **(A, V, D, C)**
 - **Opportunity:** The Lehigh Valley Planning Commission will engage the region's municipalities and school districts on the region's housing market, including the amount, location and form of revitalization, redevelopment and development. The LVPC will continue to provide tailored professional zoning and development guidance on housing needs and issues.
 - **Partners Involved:** Counties, nonprofit housing organizations
 - **Timeframe:** Ongoing

Goal #3 To promote and maintain suitable living environments and housing.

The retention of existing low priced housing units remains a key Strategy to building equilibrium for supply and demand among households earning below 50% of the Area Median Income. Housing stock affordable at the lowest levels is considered to be in fair or poor condition. Implementing a comprehensive housing rehabilitation and neighborhood stabilization effort is essential to preserve affordable neighborhoods while improving the quality of life for residents. Utilizing state and federal grant/loan programs with local matching funds will be necessary to enable existing rehabilitation groups to expand their efforts.

Policies

- Neighborhoods with substantial amounts of older housing and structures that require upgrading should be revitalized by cooperative efforts of public and private institutions.
 - Adequate government services should support neighborhood rehabilitation programs. The scattered demolition of unusable units should be undertaken where appropriate to provide a decent living environment.
 - Neighborhoods should be protected from adverse impacts, including environment impacts. Such impacts include, but are not limited to, noise, air pollution, visual blight, offensive odors, glare and vibrations.
- Infill and redevelopment should be encouraged through improved regulatory clarity and predictability.

Implementation Strategies

- Recognizing that access to capital has changed, financial institutions should explore innovative strategies of reinvestment in older residential neighborhoods. Financial institutions and existing housing development corporations should cooperate in increasing the availability of mortgage financing funds within these older areas. **(A, V, D, C)**
- Municipalities should make use of federal and state grant programs to accomplish housing rehabilitation. Specifically, communities should use the Community Development Block Grant programs, federal housing programs for rehabilitation of existing housing and neighborhood improvement programs administered by the Pennsylvania Department of Community and Economic Development. **(C)**
- Municipalities should establish thorough and workable code enforcement programs to improve areas with substantial amounts of older housing. Financial support for the improvements should include both private and public sector sources. **(D, C)**

- **Actionable Strategy:** Develop a strategic housing rehabilitation program. **(C)**

- **Opportunity:** The Lehigh Valley Housing Study (see Goal #5) should develop a model housing rehabilitation program translatable to urban, suburban and rural municipalities. The program should include a property maintenance toolbox and provide specific recommendations on aging-in-place, neighborhood stabilization and revitalization, façade improvements and housing stock preservation.

- **Partners Involved:** Allentown, Bethlehem, Easton, boroughs and townships, counties, nonprofit housing organizations

- **Timeframe:** 12-18 months

- Municipalities should seek to balance rental and home-ownership opportunities to provide multi-generational and multi-income neighborhoods in more homogenized communities and to stabilize suburban and urban high percentage rental neighborhoods. **(A, V, D, C)**
- Municipalities should seek creative partnerships with the private sector, regional entities and other governmental bodies to support the preservation and improvement of existing housing stock. Development of targeted employer-assisted housing programs and utilization of county redevelopment authorities should be high regional concerns. **(C)**

- Municipalities should adopt new or updated property maintenance codes to ensure that the existing housing stock and associated lands meet minimum public health and welfare standards. **(C)**
- Municipalities should understand the number, concentration and dynamics of rental housing. Identification of rental housing units and maintenance of this information over time through registration, licensing and/or inspection programs will enable municipalities to establish landlord/tenant educational and other services to ensure that basic health, safety and welfare standards are met. **(D, C)**
- Municipalities should encourage the maintenance and reuse of existing housing stock through creative zoning and development, local historic districts, historic tax credits, among other incentive-based regulatory opportunities, to maintain municipal tax bases and support the viability of existing communities. **(V, D, C)**
- Municipalities and counties should inventory affordable housing units developed using public subsidies and develop an affordable housing preservation strategy. **(A, D)**

Goal #4 To promote the orderly development of new, well-planned residential environments.

Similar to Goal #2, Goal #4 remains relevant within the Lehigh Valley given the market economics and social benefits of integrating communities and neighborhoods. The LVPC *Comprehensive Plan* urban development area provides the basis for municipalities inside the boundary to be more judicious with their development patterns than traditional single-use neighborhoods. This document's analysis of property values, particularly land values, by unit type reveals that the average lot value for higher density development (e.g. townhouses, condominiums, etc.) is lower than for single family detached units, allowing for a lower housing entry price. Tools such as conservation design, traditional neighborhood development, cluster development and planned residential development encourage creative solutions to designing more integrated neighborhoods. These efforts will be most effective when tied to density bonuses or other financial and non-financial (e.g. regulatory) incentives that can help lower per unit prices.

Policies

- Encourage new residential neighborhoods in the areas recommended for urban development in this *Comprehensive Plan*.
- Developments should be located and timed to make maximum use of existing and future investments in services such as public sewer and community water facilities, ade-

quate public roads and transportation systems, shopping facilities, police and fire protection, recreational opportunities, schools and social services.

- Encourage the utilization of innovative residential development techniques such as planned residential development, traditional neighborhood development, conservation design and cluster development to provide high quality residential living environments and minimize the impact of development upon the natural environment of the site.
- New residential development should not locate in areas where identified noises, odors, glares or vibrations exceed accepted standards such as those promulgated by federal agencies, unless the impacts can be remedied by construction, site planning or other techniques.

Implementation Strategies

- Municipalities should plan and budget for the orderly development of services, facilities and utilities as part of an overall capital improvements program to provide suitable areas for new residential growth. **(V, D)**
- LVPC reviews will support housing proposals in areas recommended for residential development. **(D)**
- LVPC reviews will consider noise in assessing the suitability of a site for residential development. **(D)**

Goal #4 To promote the orderly development of new, well-planned residential environments.

- The LVPC will support legislation which requires the coordination of development with the availability of adequate infrastructure. **(D)**
- The LVPC will encourage the adoption of cluster, conservation design, traditional neighborhood development and planned residential development provisions and their use where it would be consistent with the policies of this plan. **(V, D)**
- The LVPC will advocate workable legislation that enables the fair share of off-site infrastructure impact costs to be financed by the residential developer. Once workable legislation is in place, municipalities will be encouraged to use it to help finance needed off-site improvements. **(D)**

- **Actionable Strategy:** Continue to promote density increases along commercial corridors. **(D)**
 - **Opportunity:** The Lehigh Valley Planning Commission will coordinate with high-growth municipalities to refine or rework comprehensive plans, official maps, subdivision and land development ordinances, impact fees and other regulatory mechanisms to encourage and expedite housing development at densities appropriate to growth experienced or anticipated.
 - **Partners Involved:** Counties, municipalities, nonprofit housing organizations
 - **Timeframe:** Ongoing

- **Actionable Strategy:** Monitor regional growth corridors and target municipal outreach to these communities. **(D)**
 - **Opportunity:** The Lehigh Valley Planning Commission will continue to develop model ordinances relating to the region's housing with a focus on design and density appropriate for new and existing development. Commercial corridors and districts, transit and community services access, multi-generational communities, mixed-use and multifamily housing will be primary focuses of the LVPC's municipal assistance program.
 - **Partners Involved:** Counties, municipalities, LANta
 - **Timeframe:** Ongoing

Goal #5 To create an overarching consortium of housing interests to enhance regional coordination and effectiveness.

To implement the Strategic Housing Plan recommendations, a new organizational structure is necessary that brings together the interests and expertise of the region's housing, development and government communities. To enhance regional coordination and effectiveness, this document recommends the creation of the Lehigh Valley Housing Study (LVHS) to spearhead and advocate for regional housing issues, including the quantity, quality and all-income appropriate units in proximity of the region's employment centers.

Policies

- Housing production and sustainability are critical to the region's economy and tantamount to the public health, safety and welfare. Monitoring of housing development patterns and production trends, encouragement of transit-oriented and mixed-use development, housing affordability and sub-regional needs are necessary work plan components of a regional housing consortium.
- Housing preservation, revitalization, advocacy and affordability in urban, suburban and rural communities are key to stabilization and growth during all periods of a community's life cycle from high growth eras to times of population loss. Maintenance, promotion and access to housing are critical elements of a regional housing consortium's agenda.
- Planning and the regulatory environment affect housing diversity, density and pricing significantly. Plans, policies and laws which ensure housing variety, concentration and access across all incomes are a primary focus of a regional housing consortium.
- Housing finance across varied market conditions has a significant impact on the regional, municipal and personal economies. Creation and support of public/private development finance, housing rehabilitation funds, homeownership counseling, among other housing finance opportunities, are essential areas of focus for a regional housing consortium.

Goal #5 To create an overarching consortium of housing interests to enhance regional coordination and effectiveness.

Implementation Strategies

- **Actionable Strategy:** The Lehigh Valley Planning Commission should create a Lehigh Valley Housing Study to continually identify, monitor and, through the combined efforts of housing partners, coordinate the implementation of solutions to the region's housing issues. **(A, V, D, C)**

- **Opportunity:** The Lehigh Valley Planning Commission will establish a consortium of public, private and nonprofit housing entities to address the region's jobs-housing imbalances, housing affordability, availability, condition and market. This regional housing consortium will consider all relevant aspects of the Lehigh Valley's housing needs and issues as they relate to comprehensive regional planning.

- **Partners Involved:** Counties, Allentown, Bethlehem, Easton, boroughs, townships, realtors, financial institutions, public and private housing developers, industry leaders, foundations, nonprofit housing organizations

- **Timeframe:** Establish LVHS: 6-9 months
Implement Solutions: 6 months-10 years

- The Lehigh Valley Housing Study should organize stakeholders around a comprehensive vision for the region's housing. **(A, V, D, C)**

- The Lehigh Valley Housing Study should foster coordination and collaboration around the region's complex and varied housing issues. **(A, V, D, C)**
- The Lehigh Valley Housing Study should advocate for equilibrium across all housing issues. **(A, V, D, C)**
- The Lehigh Valley Housing Study should develop and implement a singular, coordinated regional housing education, outreach and networking effort. **(A, V, D, C)**
- The Lehigh Valley Housing Study should provide an effective platform for regional housing resource development and management to grow competitiveness and eliminate duplication. **(A, V, D, C)**

E. Implementation Organization

Goals of Lehigh Valley Housing Study

The Lehigh Valley Housing Study is envisioned to be an overarching consortium of housing interests to accomplish the following:

- **Comprehensive Vision** – Only a few of the existing housing stakeholders are regionally focused and/or regionally coordinated. Having a single entity with decision-making representation from the existing public, private and nonprofit housing entities will foster a more holistic perspective of housing issues. This is particularly important given housing need/opportunity is not exclusively focused in the lower income groups or for households with special needs. Having broader perspective will enable more creative and integrated strategies.
- **Coordination** – Partnerships and relationships currently exist within the various stakeholders involved in housing development, preservation and rehabilitation. However, the depth and breadth of the housing market—and community—make it challenging to sustain and improve those relationships. Having a single entity that welcomes all perspectives on housing issues in the Lehigh Valley will improve coordination and collaboration.
- **Advocacy** – There are a number of entities within the Lehigh Valley that advocate for improving market/regulatory conditions, affecting housing equilibrium. However, these groups are focused on specific aspects of housing need and challenges, trusting other organizations to address other needs. A unified, singular housing coalition provides the benefit of “growing” the support base across all issues, while ensuring no issues go unaddressed/neglected.
- **Networking and Outreach** – While coordination is important as a standalone issue, it only addresses the interaction among the active housing stakeholders. Education, outreach and networking with the community, groups related to housing provision and outside housing entities is also important given the physical and financial challenges of creating supply/demand equilibrium for the Valley. A singular entity charged with developing and implementing a networking and outreach effort is a more effective and efficient approach.
- **Resource Development/Management** – The 2007 Affordable Housing Assessment noted that existing resources at the time were insufficient to meet all housing needs in the Lehigh Valley. Unfortunately, that condition has not changed. To this point, the LVHS provides a more effective platform to develop and foster new/enhanced regulatory, financial and technical resources within the Valley. For example, improving local networking can create partnerships that make the

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Valley more competitive for state/federal grants. It also can lead to the reduction of duplication within the Valley which can save precious financial resources.

The Lehigh Valley Housing Study should include representation from all of the region's most active and influential housing advocates, residential developers, homebuilders, planning commissioners, mortgage lenders and public housing administrators. The LVHS would provide the umbrella organization from which the Housing Study partners would push forward housing initiatives of regional importance.

Directing the Lehigh Valley Housing Study

The Lehigh Valley Housing Study should be coordinated and directed by the Lehigh Valley Planning Commission. The LVHS would benefit from the organization's regional focus; its status as the Lehigh Valley Metropolitan Planning Organization (MPO); its depth of staffing resources and expertise in areas of regional planning, governmental relations and regulations, growth and sustainable development; and environmental issues. As a result, the LVPC would also expand its functional expertise in the area of regional housing issues and would begin tracking market data and reporting on regional housing activity to the housing community. RKG Associates believes this responsibility should be part of the LVPC for strategic reasons that include:

- **Objectivity** – The LVPC is well respected within the Valley, having served in this capacity for other regional planning issues (e.g. transportation). This is particularly important when addressing/working with elected bodies that live within the political realm. Having objective, professionally-trained leadership will benefit efforts to improve the housing supply/demand equilibrium.
- **Capacity** – The LVPC already has professional staff prepared and trained to provide the technical expertise needed to create fact-based, technical analyses/documents. The LVPC's model ordinances are a direct example of in-house capabilities. While additional staffing is needed to augment subject-matter based expertise, the LVPC offers existing, readily available and highly capable support services to make the Housing Study's efforts successful. RKG Associates believes the Housing Study professional staff should be part of the LVPC team, where professional and support services already exist. This is the most efficient approach.
- **History** – The LVPC's MPO status is to address transportation issues on a regional scale. As noted above, the LVPC is well regarded in the community regarding its other regional efforts. Expanding the organization's reach more directly into housing issues is a logical action as the LVPC

represents all local and county government entities on issues of land use, infrastructure, etc.

- **Policy Development** – The LVPC is uniquely qualified to provide policy development and implementation assistance for housing issues. A substantial part of the LVPC’s mission is to develop and advocate for policies that improve regional conditions and protect and grow the economy. The LVPC already offers services in comprehensive and community planning, transportation planning, water and sewer planning, open space planning and stormwater management planning. On a local level, they review and comment on community plans and even serve as staff for those municipalities that do not have in-house expertise. Coupled with the data resources, subdivision and land development management and infrastructure network planning and maintenance, the LVPC touches and affects the main areas impacting housing policy and development.

Topics of Focus for Lehigh Valley Housing Study

The Housing Study would consist of housing-related professionals nominated by the LVPC and should include representation from the current Regional Housing Advisory Committee. The Housing Study would meet at least quarterly to discuss and plan regional housing initiatives. These housing professionals would provide their considerable expertise and housing

experience to the Housing Study, with the LVPC providing professional staff support and day-to-day implementation. The Housing Study members would work on issues through a committee structure to address global issues such as:

- **Housing Production and Sustainability** – focusing on issues related to housing development patterns, production trends, transit-oriented development (TOD) and mixed-use development, local housing needs, housing affordability and pricing and quarterly market tracking and reporting.
- **Housing Revitalization, Advocacy and Affordability** – focusing on the provision of affordably priced housing in both urban and suburban locations, some publically subsidized and other units through public/private development partnerships. Housing rehabilitation and urban redevelopment in distressed neighborhoods will likely be a major topic of discussion.
- **Planning and Regulatory Environment** – focusing on increasing housing diversity, product type, housing density and pricing in housing markets serving the Lehigh Valley’s employment centers.
- **Housing Finance & Program Funding** – focusing on issues related to public/private development finance for housing development, housing rehabilitation funding, first homebuyer homeownership training and credit counseling.

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- **Housing Information, Data Analysis & Market Reporting**
 - The LVPC will continue to be responsible for assembling and reporting information about the region’s housing market to members of the community and newly created LVHS. The LVPC already serves as a repository for a variety of regional data such as building permit activity, population projections, home sales, comprehensive plans, zoning and regulatory codes and other information. RKG Associates would envision the need to provide housing practitioners, developers, builders, public officials and Realtors with current and comprehensive data to improve people’s understanding of the Lehigh Valley housing market. This information flow will keep practitioners current and help them evaluate changing needs and opportunities within the housing market.

The Lehigh Valley Housing Study would be supported by the Lehigh Valley Planning Commission because the city mayors from Allentown, Bethlehem and Easton and the county executives from Lehigh County and Northampton County are permanently represented on the LVPC Board. It is important that these chief executives be involved to stay current with the mission and initiatives being undertaken by the LVHS.

It is of note that the boroughs and townships are also represented on the LVPC and that the specific housing needs of all of the region’s communities are as significant a development discussion

as the needs of the Community Development Block Grant entitlement communities.

Growing the existing LVPC structure to include the LVHS by adding other housing experts is critical to the efficiency and viability of the effort. A formal structure should be determined by the LVPC as part of its strategic planning effort in 2015.