

HOUSING PLAN

Municipalities Planning Code Requirements

The Pennsylvania Municipalities Planning Code (MPC) addresses housing from the perspective of ensuring affordable housing for families of all income levels. In terms of planning, MPC §301 requires comprehensive plans to include an element *to meet the housing needs of present residents and of those individuals and families anticipated to reside in the municipality, which may include conservation of presently sound housing, rehabilitation of housing in declining neighborhoods and the accommodation of expected new housing in different dwelling types and at appropriate densities for households of all income levels.*

In terms of land use management as effected by zoning, MPC §604 requires zoning ordinances to *provide for the use of land within the municipality for residential housing of various dwelling types encompassing all basic forms of housing, including single-family and two-family dwellings, and a reasonable range of multifamily dwellings in various arrangements, mobile homes and mobile home parks, provided, however, that no zoning ordinance shall be deemed invalid for the failure to provide for any other specific dwelling type.*

Court decisions have upheld this zoning provision of the MPC establishing a *fair share* rule which considers the percentages of land available for a given type of housing, current population growth and pressures within the municipality and surrounding region, and the amount of undeveloped land in a community. The Pennsylvania Department of Economic Development publication titled, *Reducing Land Use Barriers to Affordable Housing, Fourth Edition, August 2001*, lists a number of barriers to affordable housing associated with land use regulations, including among others:

1. insufficient amount of land zoned for medium and high density residential development
2. excessive lot frontage and setback requirements which dictate greater lot sizes
3. excessive street widths and construction standards unrelated to expected traffic volumes
4. lack of provisions for cluster design and planned

residential development

5. limitations on the use of mobile homes and manufactured homes
6. plan review and administrative delays

Affordability in a Growing Rural Community

Real estate values in Blooming Grove Township, and all of Pike County, have been increasing rapidly given the appeal of the quality lifestyle so close to metropolitan areas. The Township's natural setting is a key factor. As the demand for land and housing continues the cost of real estate will obviously also continue to increase. Balancing this demand driven housing cost increase with the need for affordable housing is difficult, particularly when coupled with the problem of providing adequate sewage disposal for higher density housing in an area such as Blooming Grove Township with marginal soils and high quality streams.

Housing Affordability Considerations

Municipalities throughout the country have been addressing housing issues for many years. *Pennsylvania Housing*, a 1988 study conducted by the Pennsylvania Housing Financing Agency, defined *affordable* as requiring less than thirty percent of gross monthly income for rent or less than twenty-eight percent for a mortgage and other related housing costs. U.S. Department of Housing and Urban Development (HUD) guidelines continue to define *affordable housing* as costing no more than thirty percent of a household's gross monthly income. (See also the *Affordable Housing Study Sidebar*.)



Hidden Estates, Route 739

Age and Condition of Housing

The data presented in the *Rate of Housing Development Table* provides a good measure of the relative age of housing. The highest proportion of homes in Blooming Grove Township were constructed in the 1970's, largely in association with the development of Hemlock Farms. County-wide, the greatest proportion were constructed during the 1980's. Although many homes are more than fifty years old, there are very few homes in the Township which are not in good condition; therefore, housing deterioration and blight are not issues.

RATE OF HOUSING DEVELOPMENT U.S. CENSUS				
	Blooming Grove		Pike County	
# Units 2000	3,273		34,681	
# Units 1990	3,104		30,852	
# Units 1980	2,037		17,727	
# Units 1970	391		10,139	
YEAR STRUCTURE BUILT				
	#	%	#	%
1999-3/2000	32	1.0%	656	1.9%
1990-1998	548	16.7%	7,968	23.0%
1980-1989	875	26.7%	9,618	27.7%
1970-1979	1,054	32.2%	7,341	21.2%
1960-1969	354	10.8%	3,454	10.0%
1940-1959	191	5.8%	2,997	8.6%
1939 or earlier	219	6.7%	2,647	7.6%



Recent Home Construction

Affordable Housing Study

The Summer 2000 *Affordable Housing Study* for Jacksonville, Florida provides a good description of how affordable housing is assessed. *The American Dream* has long been associated with the possibility of owning one's home. National housing-market surveys report that the home ownership rate reached a peak in the late 1990s—almost sixty-seven percent in 1999—due mainly to a robust economy with record levels of low unemployment and low interest rates. However, while this unprecedented economic expansion enabled many Americans to purchase their own homes, it has pushed housing prices and rental rates higher, preventing many other households, with insufficient incomes, from either becoming homeowners or finding affordable, safe, and decent rental housing. Housing affordability is a relative concept—both rich and poor can experience difficulty in affording housing, depending on how much they spend toward housing costs. Housing in one community with a relatively high median income can be quite expensive but affordable compared to housing in another community with a relatively low median income.

Federal governmental guidelines, primarily those established by the U.S. Department of Housing and Urban Development (HUD), define affordable housing as costing no more than thirty percent of a household's gross monthly income—referred to here as the 30 percent rule. The income counted is derived from all wages earned by people fifteen and older in the household. For homeowners, affordability is generally defined as owning a house with a value equal to slightly more than twice the household's annual income. The homeowner costs counted typically include a mortgage payment (principal, interest, taxes, and insurance) and utilities. For renters, the costs usually include contract rent and utilities. The 30 percent rule leaves seventy percent for food, clothing, health care, child care, transportation to work, and other basic expenses. Because of increasing housing costs, many lower income Americans are forced to make tradeoffs and go without necessities. Tenants experiencing unexpected emergencies typically fall behind in their rent and face eviction. If not assisted, they may become homeless.





Apartments Along Route 390

Home Ownership

As shown in the *Home Ownership Table*, the 2000 Census home ownership rates reported for Blooming Grove Township and Pike County were substantially higher than for the Commonwealth as a whole. With many urban inhabitants, the data for Commonwealth also reflects the higher proportion of multi-family dwellings. There was an insignificant change in home ownership in the Township between 1990 and 2000, with the County and Commonwealth also showing little change.

Housing Value

The Year 2000 values of owner occupied housing units for the Township, Pike County and Pennsylvania are shown in the *Owner Occupied Housing Value Table*. The Township has a higher proportion of homes of greater value than either the County or State, and this is reflected in the median value data. Nevertheless, home values vary widely with twenty-five homes valued under \$50,000 and nine at more than \$500,000. The *Housing Values Table* compares the median value

of owner-occupied dwellings in 1990 and 2000. As noted previously, housing value in the Township is significantly higher than in the County and Commonwealth, reflecting the strength of the market in Pike County in general, and the Township, in particular. While high values are positive in terms of housing condition and real estate tax revenue, it may indicate the need to evaluate the affordability of housing for younger couples and older residents. Equally important is the change in median value between 1990 and 2000 which provides a measure of demand for housing compared to the regional market. After adjustment for inflation, which between 1990 and 2000 is a factor of 1.318, median housing value in the Township and County actually decreased significantly in the ten years between the Censuses. This suggests that the housing values are not keeping pace with the cost of living, or that more recent housing construction has been of more modest values. The data is perplexing when considered in terms of the value of real estate in Pike County and the recent dramatic increases in real estate values since 2000.

HOME OWNERSHIP U.S. CENSUS			
Occupied Units (does not include second homes)	Blooming Grove	Pike County	PA
Home Ownership Rate (Owner-Occupied), 1990	88.8%	83.3%	70.6%
Home Ownership Rate (Owner-Occupied), 2000	89.6%	84.8%	71.3%
Renters (Renter-Occupied Units), 1990	11.2%	16.7%	29.4%
Renters (Renter-Occupied Units), 2000	10.4%	15.2%	28.7%

OWNER OCCUPIED HOUSING VALUE U.S. CENSUS 2000					
	Blooming Grove		Pike County		PA
	#	%	#	%	%
total	1,148	100.0%	13,091	100.0%	100.0%
less than \$50,000	25	2.2%	232	1.8%	15.1%
\$50,000 to \$99,999	256	22.3%	4,414	33.7%	37.4%
\$100,000 to \$149,999	373	32.5%	4,812	36.8%	24.3%
\$150,000 to \$199,999	258	22.5%	2,133	16.3%	11.9%
\$200,000 to \$299,999	184	16.0%	1,157	8.8%	7.4%
\$300,000 to \$499,999	43	3.7%	278	2.1%	2.9%
\$500,000 to \$999,999	7	0.6%	51	0.4%	0.8%
\$1,000,000 or more	2	0.2%	14	0.1%	0.2%
median value	\$137,300	--	\$118,300	--	\$97,000

HOUSING VALUES – U.S. CENSUS			
Housing Data	Blooming Grove	Pike County	PA
Median Value Owner-Occupied, 2000	\$137,300	\$118,300	\$97,000
Median Value Owner-Occupied, 1990	\$128,100	\$117,700	\$69,700
Median Value Owner-Occupied, 1990, inflation adjusted to 2000	\$168,836	\$155,129	\$91,865
% Change 1990 - 2000 inflation adjusted	-18.7%	-23.7%	5.6%

Recent Real Estate Demand

The effect of the recent dramatic increases in the demand for real estate and the associated cost of housing in the Township and Pike County must also be noted. While demand in Pike County has long been strong when compared to other areas of Pennsylvania, it has literally skyrocketed in the years since the 2000 Census. Owing largely to the 9/11 terrorist attack and increased urbanite desire for a better quality of life, real estate values in the County have been reported by area real estate brokers to have increased some 25% since 2000. This increase, without a compensating increase in locally rooted incomes, will only add to the housing affordability issue.

Housing Affordability in the Township

Housing affordability is a complex issue typically related to the mix of housing types, real estate demand,

HOUSING MARKET CONTRAST	Bergen County	Pike County
Median Household Income	\$65,241	\$44,608
Median Home Value	\$250,000	\$118,000
Median Property Taxes / % of Income	\$5,499 8%	\$1,915 4%

Bergen County Comparison (Year 2000)

housing values, and household incomes in the community. In Blooming Grove Township and Pike County, the number of residents commuting to work in nearby metropolitan areas also adds to the housing affordability mix. These commuters, who have often

recently moved to the County, are employed in more lucrative jobs than residents who are employed locally. This higher income, coupled with the high value of homes sold in the metropolitan area, add to the cost of real estate in Pike County. These *equity exiles* can afford to pay more for housing and the demand they drive increases housing values beyond the level of affordability for many Township residents relying on the local job market. Comparing the information in the *Owner Occupied Housing Value Table* and the *Household Income in 1999 Table* to the *Bergen County Comparison Figure* puts the local versus metropolitan differences into perspective.

The proportion of multi-family dwelling units and mobile homes, housing which is generally more

affordable, as shown on the *Housing Affordability Data Table* is very low in the Township. The *Housing Affordability Data Table* also includes additional information to provide an indication of the affordability of housing. In both the Township and County a significant proportion of home owning households and renting households have housing costs which exceed the *thirty percent rule* for household income and housing expense. It is also important to remember that the data does not account for the dramatic increases in real estate values since 2000 which likely have added to the affordability problem. In addition, the recent enactment of the State Uniform Construction Code has, while aimed at ensuring the safety and durability of construction, has added to the overall cost of home construction

HOUSING AFFORDABILITY DATA U. S. CENSUS 2000									
	% Single-family	% Duplex	% Mobile Homes RV's	% Multi-family	Median Housing Value	Median Gross Rent	Median Hsehold Income	% Owner Hseholds home exp >30% of Income	% Hseholds with rent >30% of Income
Blooming Grove	96.3%	0.7%	2.8%	0.2%	\$137,300	\$766	\$42,386	26.1%	38.2%
Pike Co	80.7%	2.0%	14.8%	3.5%	\$118,300	\$701	\$44,608	29.2%	39.6%
PA	55.9%	17.9%	5.0%	21.1%	\$97,000	\$531	\$40,106	22.8%	35.5%

HOUSEHOLD INCOME IN 1999 – U.S. CENSUS 2000					
	Blooming Grove		Pike County		PA
	#	%	#	%	%
total households	1,396	100.0%	17,447	100.0%	100.0%
less than \$10,000	79	5.7%	1,016	5.8%	9.7%
\$10,000 to \$14,999	106	7.6%	1,123	6.4%	7.0%
\$15,000 to \$24,999	216	15.5%	2,134	12.2%	13.8%
\$25,000 to \$34,999	174	12.5%	2,221	12.7%	13.3%
\$35,000 to \$49,999	241	17.3%	3,288	18.8%	16.9%
\$50,000 to \$74,999	300	21.5%	4,106	23.5%	19.5%
\$75,000 to \$99,999	147	10.5%	1,957	11.2%	9.6%
\$100,000 to \$149,999	85	6.1%	1,154	6.6%	6.6%
\$150,000 to \$199,999	23	1.6%	263	1.5%	1.8%
\$200,000 or more	25	1.8%	185	1.1%	1.9%
median household income	\$48,264	--	\$44,608	--	\$40,106



Home in Hemlock Farms



Mobile Home Community

Specific Housing Actions

Local municipalities must recognize that housing needs cannot be addressed entirely at the local level. In fact, with the exception of ensuring that land use and building regulations are reasonable in terms of affecting costs, small municipalities can do little to manage housing affordability which is so dependent on regional economic real estate market factors. This is clearly the case in Blooming Grove Township. In terms of meeting the specific housing needs of lower income residents, the Township must look to the Wayne County Housing Authority and their contacts with private affordable housing organizations for assistance and to ensure resident access to publically funded housing development, rent assistance and housing rehabilitation programs. Pike County currently contracts with the Wayne County Housing Authority for federal housing services. The Pike County Comprehensive Plan suggests that the County *determine whether a separate Pike County housing agency, such as a Housing Authority or Community Housing Development Organization (CHDO), should be created to identify housing needs and issues, identify and/or institute programs to meet the housing needs of Pike County residents, and facilitate resident use of those programs.*

Specific actions related to affordable housing include:

- Assess any proposed land use controls in terms of barriers to affordable housing and make necessary adjustments to moderate costs. (See the following *High Density Housing Sidebar.*)
- Consider higher residential density where a central water supply system and a central sewage disposal system are provided.

Higher Density Housing in Blooming Grove Township

Providing for higher density housing, a typical housing affordability remedy, is somewhat problematic in the Township. It is not so much the lack of multi-family units that drives housing costs up, but the overall demand for single-family housing on larger lots which is so pressing in all the municipalities in Pike County. In addition, higher density housing must have access to a central water supply and a central sewage disposal system. Given the marginal soils for large soil based systems and high quality streams which demand more expensive sewage treatment plants to ensure water quality protection if a stream discharge is proposed, providing central sewage required for higher density housing is often difficult.

Density Bonuses for Affordable Housing

Another technique used by some municipalities to stimulate the construction of affordable housing is to allow a higher density for units of somewhat lower value to meet the needs of low to moderate income residents. Given the level of demand for higher end housing, the willingness of developers to construct affordable units at a reasonable density bonus is uncertain. In addition, the same water supply and sewage disposal limitations would apply.

- Promote the use of *conservation design*, traditional neighborhood, and planned residential development, and development incentives such as density bonuses as a means of providing more affordable housing.

- Review land use controls in terms of standards not directly linked to public health and safety which increase housing costs.
- Support the housing recommendations of the Wayne County Housing Authority (which currently serves Pike County) relative to subsidized housing programs for low and moderate income families and ensure area residents receive fair consideration for available programs.
- Encourage Pike County to assess the need and benefit of a County authority or agency (as opposed to contracting with the Wayne County Housing Authority) to address housing needs.
- Cooperate with area municipalities and the County to plan for housing needs regionally.
- As housing needs are identified consider the development of joint housing plans with neighboring municipalities.
- Consider providing some incentives (density or design) for developers who provide age restricted and/or affordable housing.