

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 Community

Real estate values in the Milford Planning Area, 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 and the Borough's historic and small town appeal are two key factors. As the Planning Area continues to improve its quality of life, the demand for and cost of real estate will obviously 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 any case, when compared to the other local municipalities in Pike County, the Township and Borough clearly contain a *fair share* of two-family and multi-family housing which are important to the affordability issue.

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*.)

Age and Condition of Housing

The data presented in the *Age of Housing Units Table* provides a good measure of the relative age of housing. County-wide, only about 16% of the housing units existing in 2000 were constructed prior to 1940. The proportion in Milford Township is somewhat higher at some 22%. Given that the higher density development of Milford Borough started somewhat earlier than the Township and the County, the proportion of pre-1940 homes is significantly higher,

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.

HOUSING UNITS U.S. CENSUS						
	Milford Borough		Milford Township		Pike County	
# Units2000	560		594		34,681	
# Units1990	564		563		30,852	
# Units1980	521		370		17,727	
UNITS BUILT BETWEEN YEARS:						
	#	%	#	%	#	%
1999-3/2000	6	1.1%	5	0.8%	656	1.9%
1995-1998	5	0.9%	55	9.3%	2,943	8.5%
1990-1994	12	2.1%	71	12.0%	5,025	14.5%
1980-1989	42	7.5%	165	27.8%	9,618	27.7%
1970-1979	19	3.4%	104	17.5%	7,341	21.2%
1960-1969	29	5.2%	59	9.9%	3,454	10.0%
1940-1959	93	16.6%	76	12.8%	2,997	8.6%
1939 or earlier	354	63.2%	59	9.9%	2,647	7.6%

HOME OWNERSHIP U.S. CENSUS				
Occupied Units (does not include second homes)	Milford Boro	Milford Twp	Pike County	PA
Home Ownership Rate (Owner-Occupied), 1990	57.5%	81.1%	83.3%	70.6%
Home Ownership Rate (Owner-Occupied), 2000	57.1%	81.4%	84.8%	71.3%
Renters (Rented-Occupied Units), 1990	42.5%	18.9%	16.7%	29.4%
Renters (Rented-Occupied Units), 2000	42.9%	18.6%	15.2%	28.7%

earlier than the Township and the County, the proportion of pre-1940 homes is significantly higher, almost 80%. Although many homes are more than fifty years old, there are very few homes in either the Township or Borough which are not in good condition. Housing deterioration and blight are not issues in the planning area. This is also reflected in housing value data which shows that the planning area, and particularly the Borough, have relatively high housing costs despite are large proportion of older homes.

Census home ownership rates reported for Milford Township and Pike County were substantially higher than for Milford Borough. In fact the Borough home ownership rate was considerably lower than the statewide rate, showing that the Borough has more rental housing available than other municipalities in the County. 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 Borough and Township between 1990 and 2000, with the County and Commonwealth also showing little change.

Home Ownership

As shown in the *Home Ownership Table*, the 2000

OWNER OCCUPIED HOUSING VALUE U.S. CENSUS 2000							
	Milford Boro		Milford Twp		Pike County		PA
	#	%	#	%	#	%	%
total	282	100.0%	386	100.0%	13,091	100.0%	100.0%
less than \$50,000	3	1.1%	--	--	232	1.8%	15.1%
\$50,000 to \$99,999	55	19.5%	53	13.7%	4,414	33.7%	37.4%
\$100,000 to \$149,999	70	24.8%	86	22.3%	4,812	36.8%	24.3%
\$150,000 to \$199,999	86	30.5%	130	33.7%	2,133	16.3%	11.9%
\$200,000 to \$299,999	54	19.1%	83	21.5%	1,157	8.8%	7.4%
\$300,000 to \$499,999	12	4.3%	32	8.3%	278	2.1%	2.9%
\$500,000 to \$999,999	--	0.0%	2	0.5%	51	0.4%	0.8%
\$1,000,000 or more	2	0.7%	--	--	14	0.1%	0.2%
median value	\$156,400	--	\$166,300	--	\$118,300	--	\$97,000



Hickory Hills, Milford Township



Moon Valley Falls, Milford Township

Housing Value

The Year 2000 values of owner occupied housing units for the planning area, Pike County and Pennsylvania are shown in the *Owner Occupied Housing Value Table*. Simply stated, homes in the Milford Planning Area command a higher price than comparable homes in other parts of the County. The Borough and Township have 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 and styles vary widely as shown in the accompanying photographs.

The *Housing Values Table* compares the median value of owner-occupied housing units in 1990 and 2000 as reported by the Census. As noted previously, housing value in the Borough and Township are significantly higher than in the County and Commonwealth, reflecting the strength of the market in Pike County in

general, and the Borough and 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 planning area 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.



Seventh Street, Milford Borough



West Ann Street, Milford Borough

HOUSING VALUES – U.S. CENSUS				
Housing Data	Boro	Twp	County	PA
Median Value Owner-Occupied, 2000	\$156,400	\$166,300	\$118,300	\$97,000
Median Value Owner-Occupied, 1990	\$150,000	\$165,400	\$117,700	\$69,700
Median Value Owner-Occupied, 1990, inflation adjusted to 2000	\$197,700	\$217,997	\$155,129	\$91,865
% Change 1990 - 2000 inflation adjusted	-20.9%	-23.7%	-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 Milford Planning Area and all of 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 on the Twin Towers 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 Planning Area

Housing affordability is a complex issue typically related to the mix of housing types, real estate demand, housing values, and household incomes in the community. In the Milford Planning Area 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, 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 Milford Planning Area 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, in the Planning Area is shown on the *Housing Affordability Data Table*. The proportion of multi-family dwellings in the Borough is significantly higher than in the Township and County, providing a basis for more affordable housing in the Planning Area. Similar to the single-family units in the Planning Area, multi-family units are of a range of styles and values, from rented apartments in older converted homes to newer townhouses owned in fee. (See the accompanying photographs.)

The *Housing Affordability Data Table* also includes additional information to provide an indication of the affordability of housing. Median housing costs are higher in the Borough and Township than in the County and State; however, median household income in the Township is also higher, thus potentially offsetting some housing affordability issues.



Apartments, East High Street, Milford Borough

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 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 Hsehlds home exp >30% of Income	% Hsehlds with rent >30% of Income
Milford Boro	65.2%	4.5%	--	30.4%	\$156,400	\$556	\$33,571	35.8%	47.0%
Milford Twp	82.5%	7.1%	0.8%	9.7%	\$166,300	\$682	\$48,264	31.1%	31.4%
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							
	Milford Boro		Milford Twp		Pike County		PA
	#	%	#	%	#	%	%
total households	520	100.0%	525	100.0%	17,447	100.0%	100.0%
less than \$10,000	74	14.2%	31	5.9%	1,016	5.8%	9.7%
\$10,000 to \$14,900	50	9.6%	23	4.4%	1,123	6.4%	7.0%
\$15,000 to \$24,999	70	13.5%	45	8.6%	2,134	12.2%	13.8%
\$25,000 to \$34,999	74	14.2%	81	15.4%	2,221	12.7%	13.3%
\$35,000 to \$49,999	86	16.5%	95	18.1%	3,288	18.8%	16.9%
\$50,000 to \$74,999	77	14.8%	102	19.4%	4,106	23.5%	19.5%
\$75,000 to \$99,999	51	9.8%	84	16.0%	1,957	11.2%	9.6%
\$100,000 to \$149,999	18	3.5%	45	8.6%	1,154	6.6%	6.6%
\$150,000 to \$199,999	14	2.7%	9	1.7%	263	1.5%	1.8%
\$200,000 or more	6	1.2%	10	1.9%	185	1.1%	1.9%
median household income	\$33,571	--	\$48,264	--	\$44,608	--	\$40,106



Townhouses, Milford Town Green, Milford Township

In the Borough, median household income is substantially lower, thus likely exacerbating housing affordability problems. In both the Borough and Township 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 recent dramatic increases in real estate values 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, added to the overall cost of home construction



Apartments, Broad Street, Milford Borough



Apartments, East Ann Street, Milford Borough



Townhouses, Wheatfield Village, Milford Township

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 the Milford Planning Area. In terms of meeting the specific housing needs of lower income residents, the Borough and 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. (Note: 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. Adopt standards to ensure that higher density development is directed to identified growth areas served by an adequate water supply, sewage disposal system, and other improvements. (See the following *High Density Housing Sidebar.*)
- 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



Townhouses at Sawkill Creek, Milford Borough

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.
- C As housing needs are identified consider the development of joint housing plans with neighboring municipalities.
- C Consider providing some incentives (density or design) for developers who provide age restricted and/or affordable housing.



Townhouses, Raspberry Ridge, Township and Borough

Higher Density Housing in the Planning Area

Providing for higher density housing, a typical housing affordability remedy, is somewhat problematic in the Milford Planning area. The Borough is largely developed with few vacant lots, and already has a substantial proportion, almost 50%, of multi-family dwellings. The Township’s proportion of multi-family dwellings is higher than all other townships in the County. 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 other local municipalities in Pike County as well as Milford Borough and Milford Township. It can reasonably be said that the Borough and Township, taken together as the Milford Planning Area, have provided their fair share of higher density housing given the proportion of multi-family units. In addition, higher density housing must have access to a central water supply and a central sewage disposal system. While the Borough and part of the Township is served by a public central water supply, sewage disposal is provided by on-lot systems, and this is a limiting factor for higher density development.

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.