

Union County Housing Study



June 21, 2017

Cover photos by Nicholas A. Tonelli and Doug Kerr

This page intentionally left blank.

Table of Contents

Executive Summary

Introduction	1
Key Findings and Conclusions	1
Recommendations	2
Data	4

Public Outreach

Housing Task Force	5
Stakeholder Interviews	6

Demographics

Population	9
Special Populations	11
Households	13
Disability	15
Migration	17
Population Projections	19

Housing

Regional Context	21
Local Context	22
Housing Units	22
Tenure	23
Household Size & Unit Size	24
Construction Trends	25
Assisted Housing Inventory	29
Floodplain and Flood Insurance	32
Tax Abatement	32

Economy

Jobs	33
Unemployment	36
Commuting	37
Employer Survey	40

Cost & Affordability	43	Recommendations	73
Home Values	47	Key Findings and Conclusions	73
Home Sales	48	Recommendations	74
Cost Burden	51	Appendix A	79
Affordability Analysis	54	Appendix B	80
Transportation	61	Appendix C	81
Affordable Design	63		

Executive Summary

Introduction

Housing has always been a central component of local quality of life. It greatly impacts—and is greatly impacted by—demographic trends, economic development, and local labor markets. These trends are apparent in Union County’s local housing market. Even during economic downturns, Union County’s housing market has remained relatively strong. Building construction and permit activity has remained stable, and housing values have increased steadily. Sale prices and real estate trends show a strong market. Despite steady increases in housing costs, actual household incomes have stagnated, making housing less affordable overall by comparison. The cost of housing in Union County may be putting homeownership—or even rental housing—out of reach for many Union County residents.

Data in this report has been gathered from a variety of sources, ranging from local County-specific databases to national datasets from the US Census Bureau and Bureau of Labor Statistics.

This document represents a unified analysis and plan to serve as a guide for Union County. The effort has involved a review of quantitative data, as well as qualitative interviews with a wide cross-section of local housing stakeholders in the private, public, and non-profit sectors. The housing market analysis identifies demographic and economic trends that affect the demand for housing, defines the supply and demand characteristics of the County’s housing market, and examines projections that will shape housing policy for both short-range and long-range planning.

Key Findings and Conclusions

Demographics

More than many other rural areas of Pennsylvania, Union County’s population has been growing. The number of households in the County is increasing, due to both natural population growth, changes in lifestyle such as shrinking household size, and in-migration. By comparison, households moving to Union County tend to have lower incomes than current residents, which further increases competition for lower-cost housing. Union County’s population is expected to grow by over 30% by 2050, equivalent to an additional 3,975 occupied housing units.

Housing

Union County’s location and amenities make it a desirable place to live, and land use demands have been changing to match the residential growth and economic shifts that are occurring. Housing units have been added to the local inventory at a rate fast enough to keep up with growth. These new units may not be a good match for demand, however, as the countywide vacancy rate has increased as well.

Even though homeownership has decreased for most age groups, the existing housing stock in the County is still relatively well-suited for the current demographic composition. This may not be sustainable, however, since most new construction is occurring in the County’s suburban municipalities, which are the strongest markets but are primarily owner-occupied, leaving renter housing underserved.

The demand for rental housing is exemplified by the difficulty Housing Choice Voucher holders in Union County have finding housing due to the low rental vacancy rate. There are also emerging challenges for homeowners, such as changes to the federal flood insurance program that have reduced the affordability and potential marketability of units located within the 100-year floodplain, which covers much of Lewisburg.

Economy

Many of the fastest-growing industries in Union County pay wages that put homeownership—or even rental housing—out of reach for working families. This is less the case at the County's largest employers who report that most of their entry level positions pay enough to afford the County's median gross rent. On the positive side, Union County's extremely low unemployment rate means greater potential for workers in the job market.

Cost & Affordability

With very few exceptions, incomes in Union County have stagnated or decreased since 2000, similar to national trends. Over the same 14 years, rents in most parts of Union County have increased faster than inflation and home values have been steadily increasing. This means that housing has become more expensive.

As an illustration of this issue, over 4,000 households already living in Union County cannot afford the housing they currently occupy. In addition, many households also face high transportation costs. The situation is more dire for renters than homeowners – the County's median household income is enough to afford a median-valued home, and most homes priced between \$100,000 and \$200,000 do indeed sell relatively quickly.

Recommendations

Objective 1: Create a housing policy that accommodates both emerging demographics and existing residents.

Recommendation A: Continue to strengthen communication between the public sector and the private development community. When it is feasible, form public-private partnerships to fulfill specific goals or complete housing initiatives.

Recommendation B: Streamline the residential development approval process to make it uniform, efficient, and transparent for developers.

Recommendation C: Develop example zoning ordinance language that municipalities may choose to adopt that:

- accommodates the demands of key emerging demographics such as young professionals, senior citizens, and moderate-income homebuyers
- incorporates modern minimum lot sizes based on the number of buildable subdivisions and projected population growth
- allows accessory dwelling units as a more affordable rental housing option on existing lots with infrastructure to accommodate family members such as boomerang children or aging parents

Recommendation D: Express a preference for mixed-income housing and Traditional Neighborhood Development (TND) in any relevant County plan or policy that affects housing development.

Objective 2: Create and preserve housing for households earning below the countywide median income of \$48,827.

Recommendation A: Continue to capitalize the Union County Affordable Housing Fund for homeownership gap financing options for the 80-100% AMI bracket (approximately \$39,000 to \$48,827).

Recommendation B: Apply for State Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund (PHARE)¹ funding to finance housing rehabilitation activities within the designated Sixth Street corridor in Lewisburg. Use the funds to establish a zero-interest deferred loan program to assist renters and owners earning up to approximately \$97,400 (200% of the area median income).

Recommendation C: The UCHA should consider expanding its Residential Rehabilitation Program to include affordable rental housing preservation. This could take the form of a revolving loan fund providing zero-interest loans for rental property owners to cover the cost of bringing their structures up to code. In return, property owners would commit to providing affordability terms for the duration of the loan, such as accepting Section 8 vouchers. This could potentially be administered by the Housing Authority using supplemental funding from traditional and new funding approved by the UCHA Board.

Recommendation D: Collaborate with local businesses to identify potential applicants to the state's Neighborhood Assistance Program.² This program provides up to 55% in PA state tax credits for funding provided by the business to an eligible nonprofit organization to undertake affordable housing and neighborhood conservation initiatives, among other eligible projects.

1 PHARE was established by Act 105 of 2010 (the "PHARE Act") to provide the mechanism by which certain allocated state or federal funds, as well as funds from other outside sources, would be used to assist with the creation, rehabilitation, and support of affordable housing throughout the Commonwealth. The PHARE Act did not allocate any funding but did outline specific requirements that include preferences, considerations, match funding options, and obligations to utilize a percentage of the funds to assist households below 50% of the median area income.

2 The Neighborhood Assistance Program (NAP) is a Pennsylvania tax credit program to encourage businesses to invest in projects which improve distressed areas. A project must serve distressed areas or support neighborhood conservation.

Objective 3: Improve housing quality and accessibility, especially in the rental market.

Recommendation A: Work to identify and address challenges faced by the non-profit community for improving housing quality and accessibility. For example, Habitat for Humanity's competitive mortgage products (zero-percent loan for 20 years) could assist homebuyers earning between 40-60% of the area median income (approximately \$19,500 and \$29,300); however, the cost of land has deterred the nonprofit from expanding homeownership initiatives in Union County.

Recommendation B: Develop universal design³ requirements for all new multi-family development throughout the County. Universal design includes features such as no-step entrances, 36" wide interior doorways, lever door handles, and adequate turn-arounds in halls, bathrooms, etc. for wheelchairs, among other elements.

Recommendation C: Coordinate with Roads to Freedom Center for Independent Living in Williamsport to expand the benefit of their accessibility modification program in Union County.

Recommendation D: Provide technical assistance to municipalities on providing reasonable accommodation policies for persons with disabilities in their zoning ordinance. This would include outreach to landlords for allowing accessibility modifications for persons with disabilities, among other potential issues.

3 "Universal design" is the concept of designing the built environment to be usable to the greatest extent possible by everyone, regardless of their age, ability, or status in life. In the context of housing, it most commonly refers to ease of use for persons with disabilities.

Objective 4: Connect housing to a larger planning dialogue

Recommendation A: Establish a communication protocol with each school district by:

- Enforcing Section 508.1 of the Municipalities Planning Code which requires municipalities to notify school districts when a plan for a residential development is approved.
- Adding new housing development to regular discussion agendas between school board officials and County planning officials.

Recommendation B: Educate municipalities about the importance of contextual architecture and how to incorporate those principles into local ordinances to preserve the neighborhood character.

Recommendation C: Begin discussions with major employers to initiate employer-assisted housing programs. Larger companies frequently have foundations through which a homebuyer assistance program can be created to provide qualifying employees with down payment assistance and closing costs.

Recommendation D: Preserve open space and agricultural land by encouraging new development to be centered around existing infrastructure.

Recommendation E: Ensure that all County plans and policies comply with the State's fair housing plan.

Recommendation F: Monitor changes to flood insurance policy and actively notify affected property owners, and support the Susquehanna Economic Development Association - Council of Government's (SEDA-COG's) Flood Resiliency Program for Lewisburg.

Data

Most of the data used in this Housing Plan was taken from the US Census Bureau's American Community Survey (ACS). This dataset is based on a paper survey sent to approximately 3.5 million addresses per year. Data are collected primarily by mail, with follow-ups by telephone and personal visit. The responses collected are a sampling of US residents and are statistically extrapolated to represent the country as a whole. The Housing Plan relied on the 2010-2014 5-Year Estimates, which is an aggregate of five years of results and therefore more stable than a single year's sample.

The American Community Survey is the most reliable demographic dataset available today. However, because it is only a sample comprised of self-reported data, its values are subject to a margin of error. For smaller, more rural places such as Union County, that margin of error can make a meaningful difference in the numbers reported. All data referenced from the ACS should be taken as a close estimate only and not a perfectly accurate figure.

Public Outreach

An important component of the planning process consisted of a dialogue with knowledgeable stakeholders and local residents about the most pressing housing issues facing Union County today. Information gathered through this public outreach supplements the quantitative data compiled as part of the primary research. The public engagement process solicited multiple perspectives including those of government agencies, affordable and fair housing advocates, housing developers, real estate professionals, and the general public.

Housing Task Force

The Union County Housing Task Force, appointed by the County Board of Commissioners, met early in the process to discuss housing needs across the County. Below is a summary of key points made during the initial meeting. These statements reflect opinions of members of the Task Force and the public present and are not official positions of Union County.

- Transportation is an important influence on the housing market.
- Bucknell University's new policy limiting off-campus housing is a major shift for the Downtown Lewisburg rental market. Units formerly occupied by students will not command the rents they have in the past and are often of substandard quality.
- Although beyond the influence of Union County, changes to the National Flood Insurance Program have had and will continue to have a significant impact on the affordability and marketability of dwelling units located within floodplains. Some less expensive private flood insurance policies are available, but this issue remains unsettling for affected property owners.
- The population residing in the federal prison should be taken into account during any data analysis; however, the housing demand generated by this population group will not be directly addressed in the Housing Plan.
- There is a small Mennonite/Amish population in the area who are major landowners of an estimated 60-70% of the agricultural land in the County.

Stakeholder Interviews

A series of stakeholder interviews were conducted from June 27 to June 29, 2016. Participants included a local realtor, school district superintendents, for-profit and non-profit housing developers, landlords, Union County Housing Authority, and representatives from local municipalities. In total, approximately 23 individuals contributed their input in some way during this period. For a full list of interviewees, see Appendix C.

A summary of the characteristics and unmet needs of the housing market that were identified over the course of the interviews is included below. These statements reflect opinions expressed by interview participants and are not official positions of Union County.

Current State of the Housing Market

- Union County's housing market has remained relatively strong, even during economic downturns.
- Homes priced in the \$150-350,000 range sell quickly, provided they are in good condition. Houses priced below \$150,000 sell very quickly regardless of condition because this inventory is extremely limited.
- Mifflinburg's sales market has been slowly improving over the past few years due to its affordability relative to the Lewisburg area and the opportunity to buy larger lots.
- There's a strong market in the Buffalo Township area for higher end rentals, such as condominiums priced around \$1,500-\$1,600 per month.
- Renters earning \$30,000 per year or less who are seeking quality housing have to look outside of the greater Lewisburg area.

- Rents can decrease 10-20% moving westward from Lewisburg to Mifflinburg, then another 10-20% moving further west.
- Non-profit affordable housing providers and social service agencies described substandard living conditions for potential clients that are revealed during home evaluations.
- Union County Housing Authority reported that its Housing Choice Voucher (HCV) usage is currently at 85%, although at times it has been upwards of 90%. HUD has approved a 125% payment standard because of the low (2%) rental vacancy rate in the County.
- Approximately 6 HCVs expire each month because of a lack of available units. There are currently around 200 households on the HCV waiting list, which is open.
- Mifflinburg has the largest number of residents with HCVs in the County by a wide margin.
- Participation in the free/reduced lunch programs¹ for the local school districts ranges from 25-50%. All school districts have experienced increasing participation in the program.

¹ Participation in these programs is an indicator of the number of families who might have difficulty paying other daily costs, such as housing or transportation.

Influences on the Housing Market

- There are multiple transient populations in Union County such as Bucknell University faculty and students, medical professionals, and federal prison employees that create volatility and turnover in the market.
- Demand is highest for homes within the Lewisburg Area School District. Market activity decreases moving westward and northward through the County.
- The Lewisburg Area School District has had a slight increase in enrollment even as surrounding districts have shrunk.
- The existing buildable subdivisions in the County are being developed, with no new subdivisions expected. There are already few buildable lots available in the Lewisburg area.
- The cost of land around Lewisburg is too high for non-profit developers and limiting for for-profit developers to build anything but higher-end homes (i.e. \$300,000 or more).
- In much of the County outside the Lewisburg area, there is not adequate infrastructure to support multi-family development.
- New developments in East Buffalo Township are not hitting the maximum dwelling units per acre allowable in the zoning code because developers don't see that level of density as marketable. The Township has one site zoned for dense residential use that has remained vacant for years.
- Real estate taxes in Lewisburg are at about the state average, but high for the region. Lewisburg Borough has increased property taxes significantly over the past three years.
- Changes to the floodplain and flood insurance regulations have intensified rising insurance prices in Lewisburg. Private flood insurance is more affordable, but there is currently only one provider and its continued availability is uncertain.
- The cost for stormwater management has increased dramatically, restricting development potential for both non-profit and for-profit builders.
- There is no public transit in the County other than paratransit. Bucknell operates its own buses, as do the retirement communities.
- The Mennonite population, although small, is a large landowner. It is estimated they own roughly 60-70% of the agricultural land in the County. One stakeholder characterized them as owning all of the agricultural land west of Mifflinburg.
- Municipalities in Union County pay Central Keystone Council of Governments for code enforcement services. Some municipalities limit code enforcement activities to reduce their costs.

Future Changes to the Housing Market

- Bucknell University administration has put a restriction on off-campus housing, reducing the approximately 500 students renting in the private market to about 200. By one estimate, this has made around 90 units available in Downtown Lewisburg. However, the quality of much of this housing was questioned and is perceived as substandard.
- Bucknell University plans to continue to expand and increase enrollment.
- Because of updated FEMA floodplain maps and the federal Biggert-Waters Act, flood insurance premiums will increase 20% annually through 2019 until they are no longer subsidized by the federal government. This represents a substantial cost to current homeowners and potential buyers.
- The appointment of a new CEO at Geisinger Medical Center in Danville in 2015 is now causing turnover at lower levels of administration.
- The Lewisburg Area School District is opening a new high school in December, 2016. The current site will be repurposed, including the construction of a number of new market-rate townhouses.
- The new Central Susquehanna Valley Thruway will increase access to the County housing market from nearby major metro areas, especially Harrisburg.
- Three major construction projects – the Thruway, a new power station, and a natural gas pipeline – will have a temporary effect on the housing market due to construction workers.

Unmet Housing Needs

- There is a need for more affordable housing for lower income households, in general.
- There are few options for moderate-income homeowners. There is very little inventory of move-in ready homes in the Lewisburg area for less than \$200,000.
- Union County is a popular retirement destination, with many retirement facilities for such a small region. There is a demand for mid- and upper-range, low-maintenance, accessible housing.
- There is a need for affordable housing that is accessible to persons with disabilities.
- Expanding infrastructure for residential development would expand development activity.
- One participant expressed the opinion that a free housing market will naturally address any unmet needs over time. Any government intervention, especially from above the municipal level, is “forced housing” and an inappropriate use of public resources.

Demographics

Housing markets, although subject to their own unique influences, are pushed and pulled by broader demographic trends. Demographics can be treated as the “demand” counterpart to the housing inventory’s “supply.” In order to make smart, effective housing policy decisions, it is important to understand how the demands of a community and its residents have evolved, and how they are likely to change in the future.

Union County’s Comprehensive Plan, completed in 2009, contains detailed demographic analysis and projections out to 2050. This Housing Plan will reference that work and, where appropriate, present it from a more housing-focused point of view and update it with more recent statistics.

Population

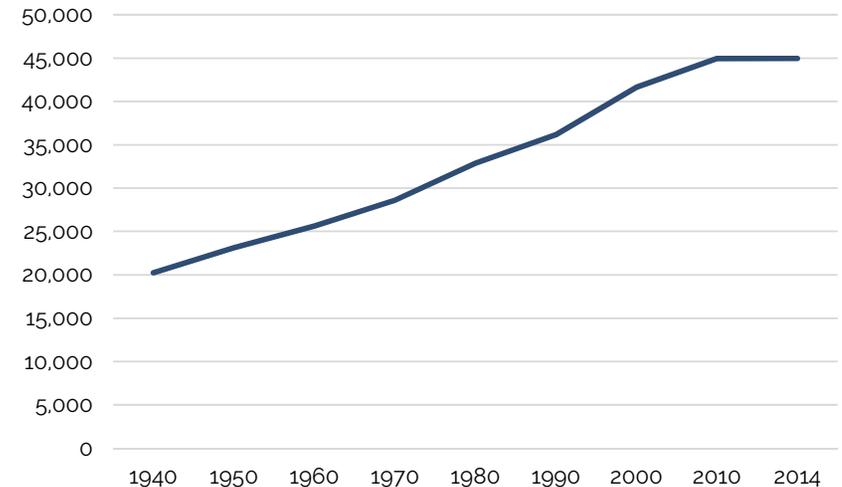
Union County’s population has been growing

Between 2000 and 2014, Union County grew by 8% to reach its current population of 44,955. During this same time period, the population of Pennsylvania grew by less than half that rate (3.9%). More recently, the County population appears to have leveled off after a long period of relatively steady growth, with no significant change between 2010 and 2014 according to American Community Survey estimates.

In its Comprehensive Plan, the County projected around 10,500 new residents between 2000 and 2030, making the 2010 population 45,578 people. The difference between this estimate and the actual census count of 44,947 is only 1.4%, which is a relatively low margin of error.

Assuming a steady rate over the 30 years between 2000 and 2030, the County’s 2014 population was projected to be 46,524, a difference of 3.4% between this estimate and the best current measurement. It should be noted, however, that the 2014 population is based on the Census Bureau’s American Community Survey estimates, which have historically been inaccurate in Union County.

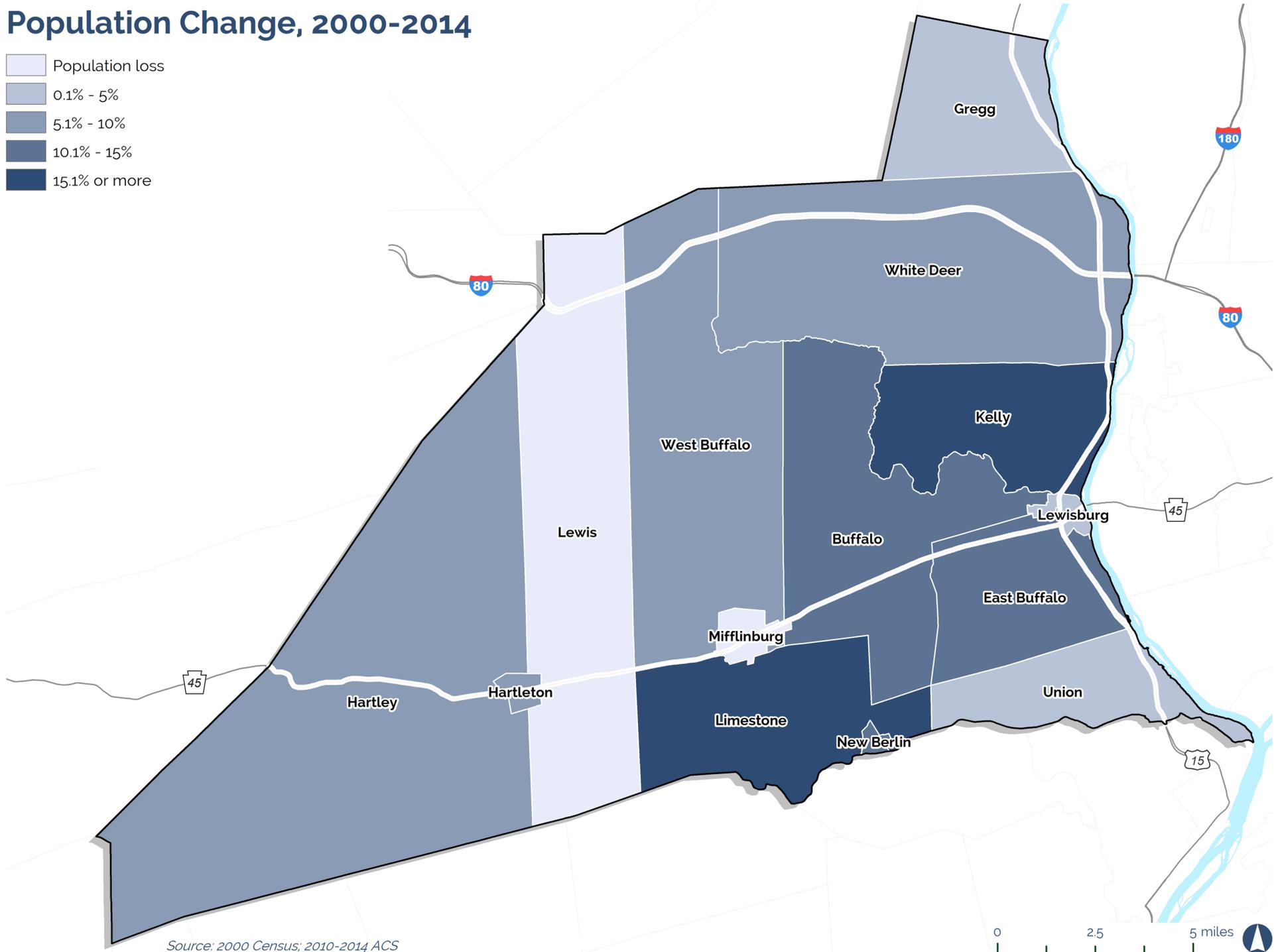
Union County Historic Population, 1940-2014



Source: National Historic Geographic Information System

Population Change, 2000-2014

- Population loss
- 0.1% - 5%
- 5.1% - 10%
- 10.1% - 15%
- 15.1% or more



Source: 2000 Census; 2010-2014 ACS



The strongest population growth has occurred in Kelly Township,¹ East Buffalo Township, and Limestone Township. This was a shift eastward of the growth experienced between 1990 and 2000, which was primarily in the central areas of Union County in and around Mifflinburg. For the most part, the population changes that occurred in municipalities between 1990 and 2000 had little predictive power over the changes between 2000 and 2014.

Population by Municipality, 1990-2014

Municipality	1990	2000	2010	2014	2000-2014 Change
Buffalo Township	2,877	3,207	3,538	3,550	10.70%
East Buffalo Township	5,245	5,730	6,414	6,426	12.15%
Gregg Township	1,114	4,687	4,984	4,916	4.89%
Hartleton Borough	246	260	283	281	8.08%
Hartley Township	1,896	1,714	1,820	1,860	8.52%
Kelly Township	4,561	4,502	5,491	5,355	18.95%
Lewis Township	1,222	1,405	1,480	1,299	-7.54%
Lewisburg Borough	5,785	5,620	5,792	5,781	2.86%
Limestone Township	1,346	1,572	1,723	1,940	23.41%
Mifflinburg Borough	3,480	3,594	3,540	3,541	-1.47%
New Berlin Borough	892	838	873	937	11.81%
Union Township	1,300	1,427	1,589	1,490	4.41%
West Buffalo Township	2,254	2,795	2,983	2,997	7.23%
White Deer Township	3,958	4,273	4,437	4,582	7.23%
Union County	36,176	41,624	44,947	44,955	8.00%

Source: Census 1990; Census 2000; ACS 2006-2010; ACS 2010-2014

¹ The increase in population in Kelly Township between 2000 and 2010 includes the inmate relocation from FCC Allenwood.

Special Populations

There are three populations groups in Union County that do not contribute traditional demand to the local housing market: university students, federal inmates, and Amish and Old Order Mennonite families.

Bucknell University, located in southern Lewisburg, had almost 3,600 undergraduate students enrolled in the 2015-2016 academic year. Until recently these students were allowed to reside off-campus if they wished, but a policy change by the University severely limited this option. The number of students now housed off-campus is limited to 200, down from estimates a few years ago of around 500.

Kelly Township, which has had very strong recent population growth as mentioned previously, is the location of the United States Penitentiary, Lewisburg, which has a total of 1,772 inmates.² Similarly, Gregg Township is home to FCC Allenwood and its 3,285 inmates. These prisoners, although technically residents of the County, obviously do not have any traditional housing challenges.

Student dormitories and correctional facilities are both classified as "group quarters" by the US Census Bureau. Group quarters also include other institutional and non-institutional settings such as nursing homes, mental hospitals, military barracks, group homes, missions, and shelters. In 2014, there were 9,346 residents of group quarters in Union County, or about 20.8% of the countywide population. More than half (5,458) lived in Gregg and Kelly Townships.

² Source: Federal Bureau of Prisons. <https://www.bop.gov/locations/institutions/lew/>

In addition, there is a vibrant Amish/Old Order Mennonite population located primarily in central and western Union County, estimated to be around 275-300 families. There are also small Amish communities in the southern and northern parts of the County. Often, these families do not utilize available services (such as public schools) or government services. These groups are even harder to extract from countywide statistics than those living in group quarters. However, unlike other special populations such as college students and inmates, they are still participants in the housing market.

For some simple population counts, inmates and students can be removed from the sample. However, many descriptive variables cannot be adjusted this way. For example, the median age of prisoners is likely younger than the median age of non-prisoners. However, there is no way to filter out age by prisoners vs. non-prisoners. This means that it can only be inferred and noted that the data is potentially skewed by the large presence of prisoners. Likewise, off-campus students with low or no income may very well be receiving unreported assistance from their parents. These students could therefore inflate the number of low-income households in the County but not represent a corresponding affordable housing need.

For variables whose universe is housing units, such as tenure, unit size, vacancy status, year built, etc., group quarters are not a factor by definition; housing units and group quarters are distinctly different housing types. Data describing households also does not include residents living in group quarters for the same reason; households by definition occupy a housing unit, not group quarters.

While prisoner, student, and Amish/Old Order Mennonite populations cannot always be removed from the data in this study with accuracy, it is important to note their presence since they do not represent similar housing demand to the population at large. Wherever possible, the affect that these populations may have on global trends and statistics is noted throughout this study.

Households

The number of households is increasing, due to both population growth and changes in lifestyle

From 2000 to 2014, the total number of households in Union County increased by 14.3%, compared to a total population increase of 8%. When households grow faster than the total number of people, it suggests that new households are not simply a result of births or immigration, but also reflects changes in preferences and lifestyles. For example, the average County household size has shrunk from 2.5 to 2.36 over that same period. The projection for household growth in the Comprehensive Plan was estimated at 6,000 between 2000 and 2030, or 2,800 by 2014. The actual number of households surveyed in 2014 was 5.7% lower than the projection. Once again, the forecast has proven to be a reasonable if slightly inflated estimate.

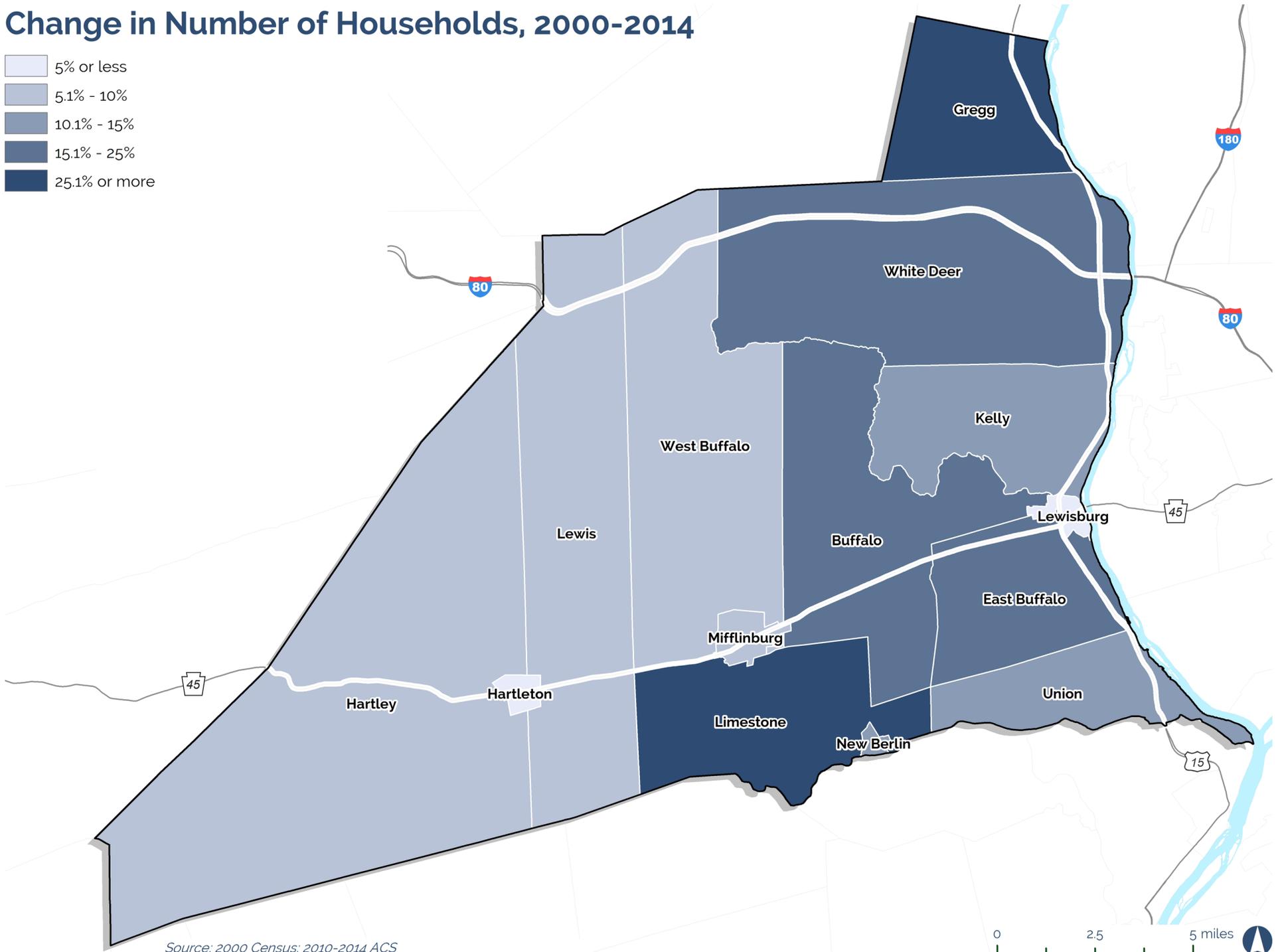
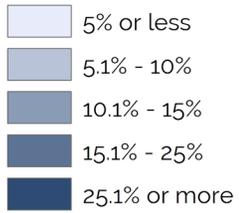
Most municipalities gained households at a faster rate than population, which is in keeping with national and countywide trends. Unlike overall population, no municipalities lost households, indicating that households have indeed gotten smaller over the past decade.

Households by Municipality, 2000-2014

Municipality	2000	2014	2000-2014 Change
Buffalo Township	1,166	1,361	16.72%
East Buffalo Township	1,823	2,123	16.46%
Gregg Township	335	535	59.70%
Hartleton Borough	89	92	3.37%
Hartley Township	648	703	8.49%
Kelly Township	1,313	1,461	11.27%
Lewis Township	477	518	8.60%
Lewisburg Borough	1,778	1,842	3.60%
Limestone Township	526	692	31.56%
Mifflinburg Borough	1,506	1,606	6.64%
New Berlin Borough	333	378	13.51%
Union Township	547	616	12.61%
West Buffalo Township	993	1,088	9.57%
White Deer Township	1,644	2,043	24.27%
Union County	13,178	15,058	14.27%

Source: Census 2000; ACS 2006-2010; ACS 2010-2014

Change in Number of Households, 2000-2014



Source: 2000 Census; 2010-2014 ACS



Disability

Over 5,000 residents in Union County have a disability that could affect their housing situation

More than three-fourths of Union County's housing stock was built prior to the Americans with Disabilities Act (ADA) in 1990. The County's older housing stock, combined with an aging population, will make accessible housing an important issue for the future. Persons with disabilities often require accessible housing features such as ramps, wide doorways, large bathrooms, and grab bars.

Over 5,000 residents in Union County have a disability that could affect their housing situation, representing 12.8% of the population. Approximately 47% of these individuals are between the ages of 18 to 64 and another 44% are 65 and over. The problem is more acute for elderly residents, however, as persons with disabilities account for 34.8% of this age group, while younger adults with disabilities only account for 9.6% of their age group.

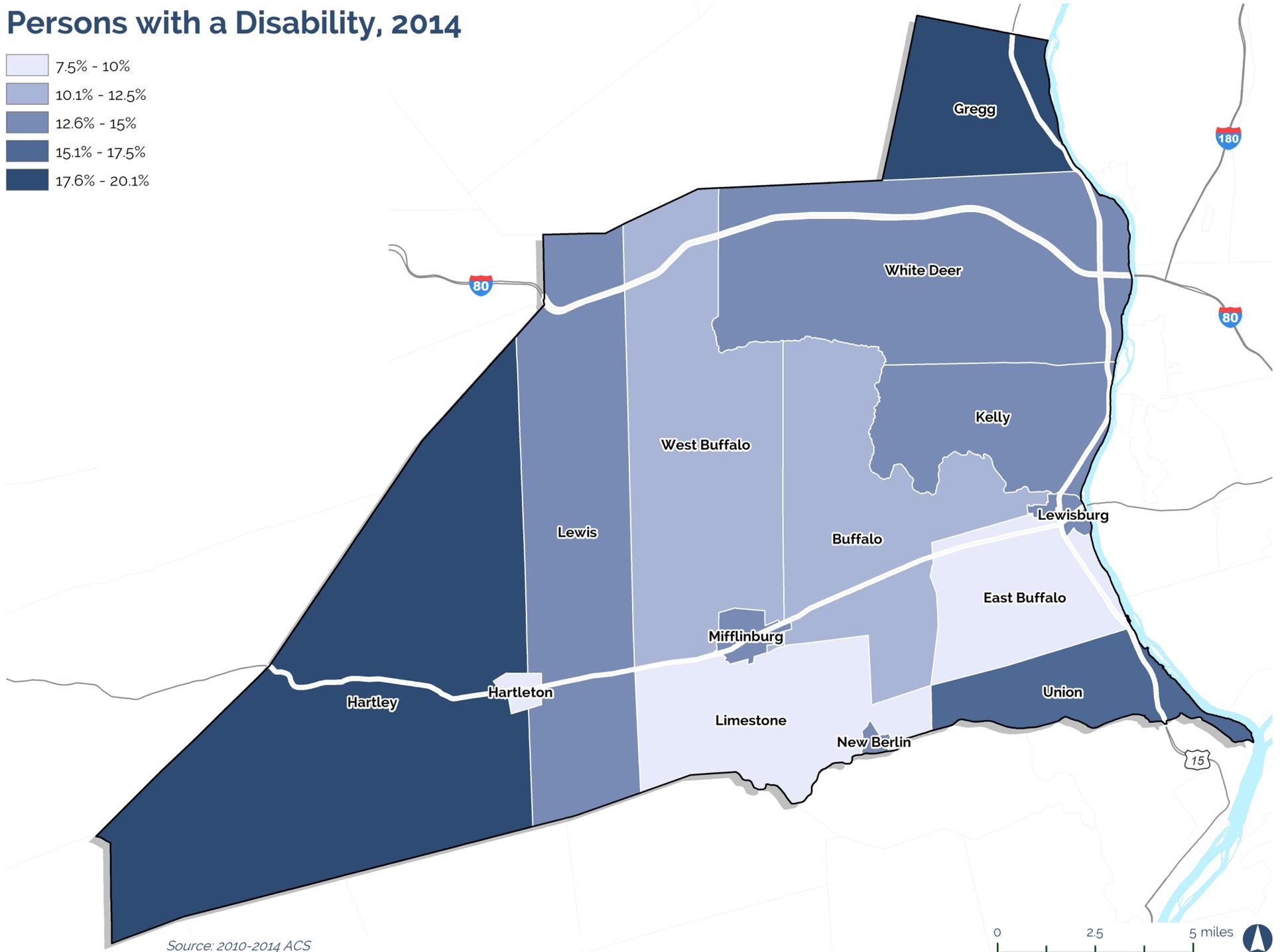
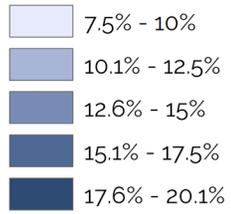
The most common type of disability reported is an ambulatory disability, meaning difficulty walking or moving around. Because this type of disability is correlated with increasing age, and the number of senior citizens is expected to rise significantly, the number of accessible housing units required in Union County is expected to increase. Furthermore, persons with disabilities as a group have lower incomes and are more likely to live below the poverty line than the general population.

Disability by Type, 2014

	With a Disability	Percent with a Disability
Total Population	5,054	12.8%
With a hearing difficulty	1,564	19.0%
With a vision difficulty	778	8.4%
With a cognitive difficulty	1,959	18.0%
With an ambulatory difficulty	2,438	25.8%
With a self-care difficulty	828	8.6%
With an independent living difficulty	1,469	14.4%

Source: 2014 ACS S1810

Persons with a Disability, 2014



Source: 2010-2014 ACS



Migration

People moving to Union County tend to have lower incomes than current residents

The American Community Survey tracks the location of a household one year prior to when it fills out the survey. In 2014, 83.8% of Union County residents reported living in their homes for the whole year, while 5.2% changed addresses within the County, 5% moved from elsewhere within the state, and an additional 5.5% moved from another state. These percentages are comparable to the same from 2010.

In 2013, about 4,600 people moved to Union County while 2,700 left. This resulted in a total net influx of 1,900 residents due to migration alone (i.e. not counting births or deaths). Three of the four most common sources of new residents were counties contiguous to Union – Northumberland, Lycoming, and Centre. Together, these three counties account for 18.6% of new residents. The places where former Union County residents moved away to were also counties in Pennsylvania – Northumberland, Snyder, Lycoming, Delaware, Dauphin, Westmoreland, and Cumberland Counties. These counties together absorbed 35.3% of Union County residents who moved away.

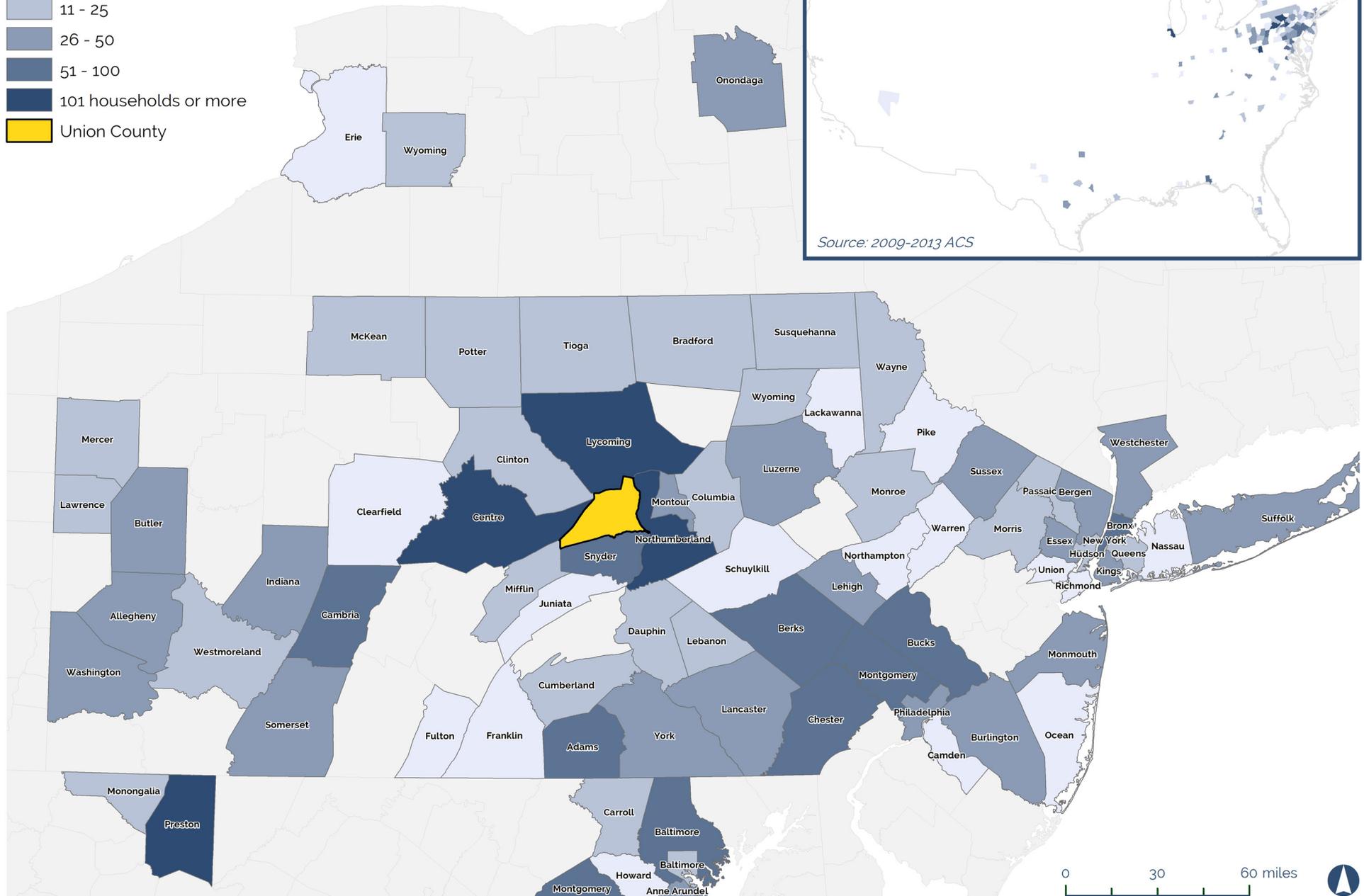
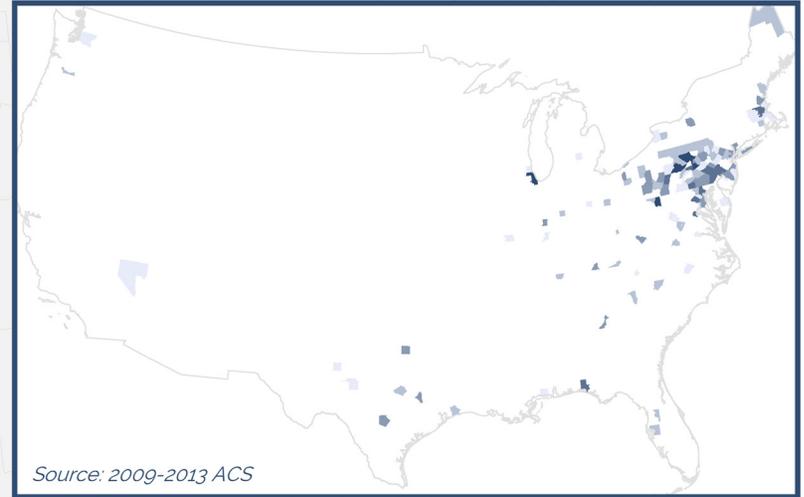
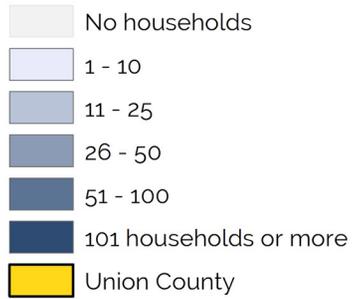
The median income for individuals in Union County in 2014 was \$20,859. Residents who haven't moved during the past twelve months constituted a greater share of higher earners (\$25,000 or more) than lower earners (\$24,999 or less). Residents relocating from out of state are more likely to earn below \$25,000 than above it.

Income by Migration Status, Union County, 2013-2014

Individual income	Total	Same house 1 year ago		Moved within same county		Moved from different county within same state		Moved from different state		Moved from abroad	
\$24,999 or less	24,646	19,735	80.1%	1,349	5.5%	1,247	5.06%	2,093	8.49%	222	0.9%
\$25,000 or more	13,585	12,130	89.3%	503	3.7%	664	4.89%	272	2.0%	16	0.1%

Source: 2014 ACS B07010

Migration Inbound to Union County, 2009-2013



Population Projections

Union County's population is expected to grow by over 30% by 2050

Union County's 2009 Comprehensive Plan relied on the Pennsylvania Department of Environmental Protection's population projections, which extended to 2050 based on 2000 census data for each municipality in the County. The Union County Planning Commission took the extra step of adjusting the projections for certain municipalities known to have large concentrations of people living in group quarters, such as prisons and institutions for the mentally ill.

DEP has since released new projections to 2040 based on 2010 census data. Overall, the new estimates are a reduction of the previous ones. Countywide, the population projection for 2040 was adjusted downward by 708 people, or 1.28% of the original estimate. Changes to the municipal-level projections, which all had larger margins of error to start with, varied considerably, although all but three were adjusted downward.

Because the countywide updated numbers are similar to the ones used in the Comprehensive Plan and the original estimates included custom alterations specific to Union County, the Housing Plan has utilized the estimates from the 2009 Comprehensive Plan to construct the final policy recommendations.

Population Projections by Municipality, 1990-2050

Planning Area	Census 1990	Census 2000	Census 2010	Projection 2020	Projection 2030	Projection 2040	Projection 2050	% Change 2010-2050
Gregg Township	1,114	4,687	4,984	5,036	5,088	5,140	5,193	4.18%
Eastern Planning Area	19,549	20,125	22,134	23,685	25,237	26,789	28,341	28.04%
E. Buffalo Township	5,245	5,730	6,414	7,073	7,731	8,390	9,048	41.07%
Kelly Township	4,561	4,502	5,491	5,869	6,247	6,623	7,001	27.50%
Lewisburg Borough	5,785	5,620	5,792	5,855	5,919	5,983	6,048	4.41%
White Deer Township	3,958	4,273	4,437	4,867	5,297	5,726	6,156	38.75%
Central Planning Area	12,149	13,433	14,246	15,623	17,001	18,380	19,755	38.67%
Buffalo Township	2,877	3,207	3,538	3,912	4,285	4,660	5,033	42.25%
Limestone Township	1,346	1,572	1,723	1,911	2,099	2,288	2,475	43.62%
Mifflinburg Borough	3,480	3,594	3,540	3,802	4,064	4,326	4,587	29.59%
New Berlin Borough	892	838	873	923	973	1,023	1,073	22.93%
Union Township	1,300	1,427	1,589	1,739	1,891	2,041	2,191	37.90%
W. Buffalo Township	2,254	2,795	2,983	3,348	3,713	4,078	4,443	48.93%
Western Planning Area	3,364	3,379	3,583	3,824	4,065	4,306	4,547	26.91%
Hartley Township	1,896	1,714	1,820	1,922	2,023	2,125	2,227	22.35%
Hartleton Borough	246	260	283	288	291	295	300	5.98%
Lewis Township	1,222	1,405	1,480	1,613	1,746	1,880	2,013	36.00%
County Totals	36,176	41,624	44,947	48,194	51,443	54,692	57,939	28.90%

Source: Union County Comprehensive Plan 2009; Decennial Census

Housing

Union County's economy is growing, which in turn is driving development in the local housing market. The diverse housing stock of Union County is generally well-suited to the needs of the existing population, and Union County is a desirable place to live. Given the County's changing demographics, it will be important for the public, private, and non-profit sectors of the economy to respond and adapt to changes in local demand.

Regional Context

Union County's location and amenities make it a desirable place to live

The following description of the County's natural setting and constituent communities has been excerpted from the Comprehensive Plan.

Union County provides an appealing rural quality of life, yet is easily accessible to the major metropolitan areas of the Mid-Atlantic region. The region's quality of life is in large part due to its strong agricultural heritage and small historic downtowns. While agriculture remains at the foundation of the County's economy, industries such as agribusiness, wood products, education, and tourism, in addition to residential growth trends, are factors which will influence the pattern of future land use in the County.

Union County is rich in natural features, including prime agricultural soils, woodlands, high-quality streams, wildlife, and diverse vegetation. Its topography consists of mountain ridges and rolling valleys, stretching west from the Susquehanna River and consisting of high-quality prime agricultural soils. The natural and scenic resources of Union County attract residents and visitors alike and are vital to the local heritage, culture, and economy.

Union County is unusual in that the majority of its land use is forest land. The Bald Eagle State Forest stretches across the northern portion of the County and is home to two state parks: the R.B. Winter State Park and the smaller Sand Bridge State Park. The public land system represents about 33% of land use in the County. The Bald Eagle State Forest occupies the majority of public land within the County and is also a regional resource located in Centre, Clinton, Mifflin, and Snyder Counties. Part of the Pennsylvania State Forest system, Bald Eagle joins Rothrock State Forest to the west and Tiadaghton State Forest to the north.

The vast woodlands in this area generally form a green ribbon around the farmland, and are the source of numerous assets in the County, including plant and animal habitats, protection of steep slopes and streams, scenic vistas, trails, recreation, and forest products, such as timber products, firewood, and woodchips. Given its location, the County woodlands create a natural gateway to the north and west.

Agricultural soils, both prime and of statewide importance, are present throughout the valleys of Union County. Much of these areas are working farms, including cropland and grazing for livestock. The majority of agricultural land in the County is enrolled in Agricultural Security Areas and a growing number of farms are protected from development by agricultural easements.

Local Context

Residential growth and economic shifts are changing land use demands in the County

Each of Union County's three Comprehensive Planning Areas has its own distinctive sense of place. The Eastern Planning Area is the most densely populated and home to Bucknell University and other cultural and historic resources in the County. The Central Area, which includes the Borough of Mifflinburg, is characterized by its agricultural and small town heritage. The Western Planning Area can be defined by its rural and recreational resources, in addition to its small towns.

The existing land use pattern in Union County is shaped by the County's natural features and agricultural heritage. Approximately 60% of Union County is classified as woodlands, which includes state-owned, federally-owned, or privately-owned open space and forests. These woodlands are concentrated in the mountain ridges along the northern and southern boundaries of the County.

Agricultural land comprises the second highest percentage of land use in the County (29%). The County's most productive agricultural soils are located in Buffalo and Penns Creek valleys and are generally surrounded by forested land to the north, west, and south and the Susquehanna River to the east. This rural landscape is dotted with existing towns and villages that include a mix of residential, commercial, institutional, and industrial-type land uses.

Over the past few decades as population growth has occurred in the County, residential, commercial, and employment-based land uses have spread west and north from the Susquehanna River and Lewisburg, changing the traditional land use pattern. Residential growth has been most pronounced along the edges between woodlands and agricultural land within White Deer, Buffalo, West Buffalo, and Lewis Townships. New non-residential development also has extended outside of the historic town centers in Mifflinburg and Lewisburg along Route 15 and Route 45.

Housing Units

While housing units are being added to the local inventory, household size is decreasing

New housing units are being constructed at a rate exceeding population growth. Between 2000 and 2014, the number of households in Union County grew by 14.3%, while the number of housing units increased by 16%. Since production outpaced demand and more units than needed were built, this contributed to a net increase in the countywide vacancy rate from 10.3% to 11.6%.

This scenario was slightly offset by the change in household size, which decreased from 2.5 occupants per unit in 2000 to 2.34 occupants per unit in 2014. Decreasing household size is a national demographic trend caused by several factors, including households delaying having children, young people becoming more inclined to live alone for longer periods of time, baby boomers becoming empty nesters as their adult children move out, and the increasing presence of single senior citizens. At the local level, stakeholders noted that the Marcellus Shale boom increased temporary housing demand in the past, and three major construction projects starting this year will likely continue to do so in the future. A disproportionate number of these temporary residents tend to be single-person households.

Not all categories of vacant units increased, however. The number of units actively listed as for rent stayed about the same, but those listed as for sale more than tripled. Seasonally vacant units also increased by around 22%.

The vast majority of new housing development in Union County has been in single-family, detached units. Multi-family development exists in the region, but according to local stakeholders, it is more common in neighboring Snyder County. The infrastructure necessary to support multi-family housing does not exist in much of Union County.

Tenure

Homeownership has decreased, which will increase competition in Union County's tight rental market

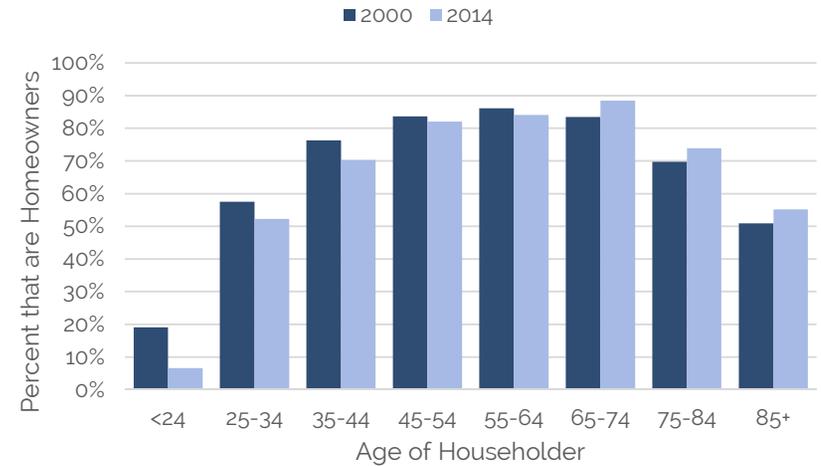
The rate of homeownership countywide has essentially remained flat, shifting from 73.3% in 2000 to 72.2% in 2014. This slight decrease, though small, reflects the national trend. While homeownership did not move much in Union County overall, the change in homeownership rates did vary by municipality. Homeownership decreased by at least 5 percentage points in Limestone Township, Hartleton, Buffalo Township, Lewisburg, Gregg Township, and Mifflinburg; it increased in Hartley Township, New Berlin, and White Deer Township.

Just over half of all households in Union County headed by a person under the age of 35 rents rather than owns a home. The large student population in the County contributes to this low homeownership rate. As householders age into their 40s and beyond, more and more become homeowners. Home ownership rates typically peak at ages 65 to 74.

Since 2000, the share of the County's households who own their homes has decreased for all ages under 65 years old to varying degrees, even though in most cases the raw number has gone up. A falling ownership rate in younger age groups can signal the difficulty of making a first-time home purchase. Falling ownership rates among the middle-aged usually signals moves to the rental market, whether due to having been priced out of the sales market, default, downsizing, an inability to access or maintain credit, or a perceived advantage of renting.

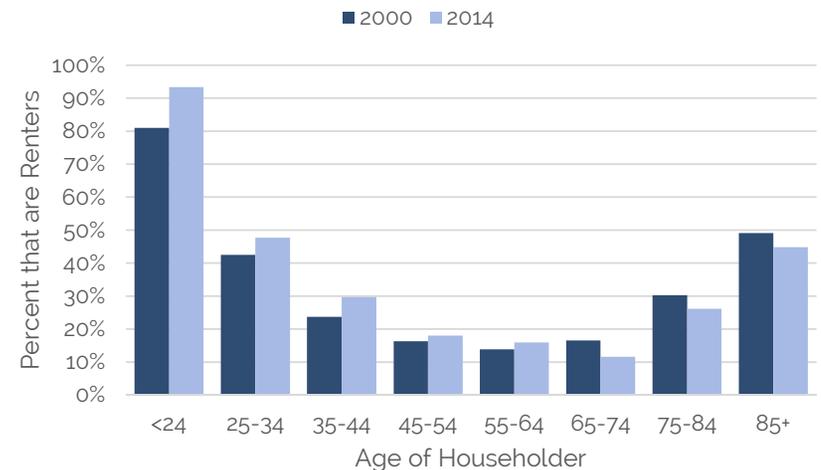
No matter the age category, decreasing homeownership translates into increased competition for all rental units. Both young and old households for whom homeownership is not an option and who depend on renting as a more affordable alternative could see their housing choices decrease even further.

Homeownership by Age, 2000-2014



Source: 2010-2014 ACS, table B25007; 2000 Census, table H016

Renters by Age, 2000-2014



Source: 2010-2014 ACS, table B25007; 2000 Census, table H016

Household Size & Unit Size

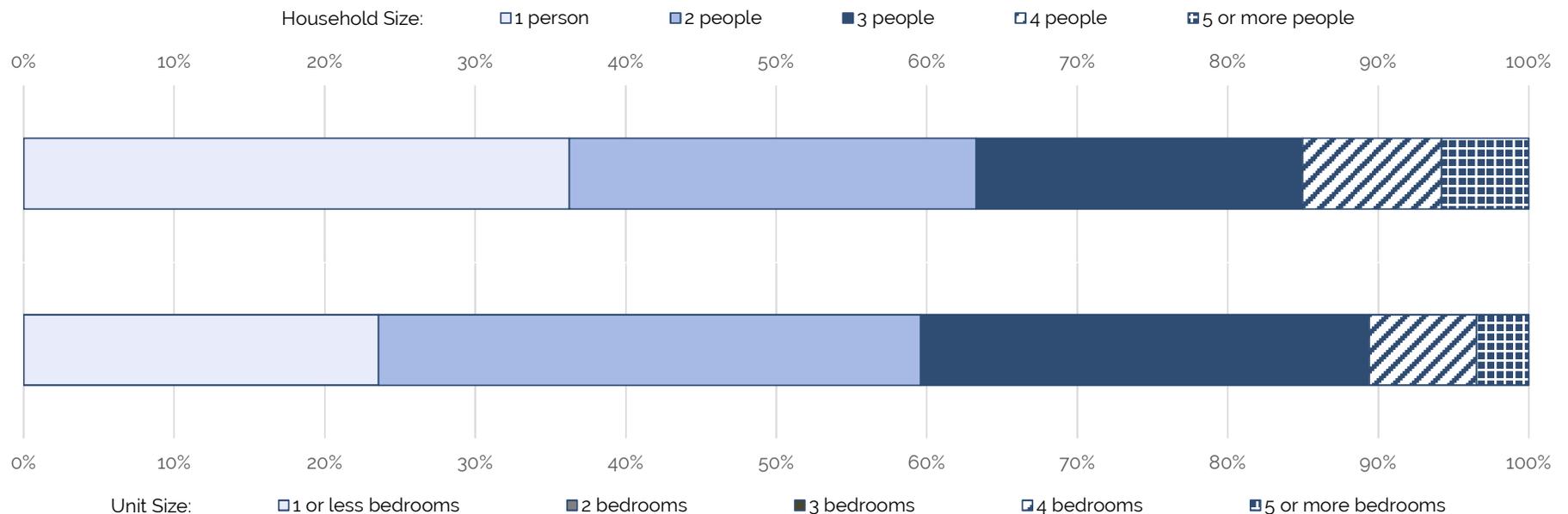
The existing housing stock is relatively well-suited for the current demographic composition

One way to measure whether housing stock is suited to the local population is to compare household size to the number of bedrooms in dwelling units in the local inventory. To understand this dynamic, assume that each household lives in the smallest unit it comfortably can. For example, a single person lives in a one-bedroom or studio apartment, two people live in a one- or two-bedroom home, and so on. A shortage of small units means that individuals are forced into units with more bedrooms simply because there aren't enough small units to go around. In turn, the supply of one- and two-bedroom units available for two-person households is reduced, forcing these households into even larger units. This effect trickles up through the entire spectrum of housing demand.

The amount of one- and two-person renter households in Union County generally matches the number of studio, one-, and two-bedroom rental units. Likewise, there are enough three-, four-, and five-bedroom units to accommodate the County's three-, four-, and five-person households.

In Union County's case, the mismatch between housing unit size and household size is most likely to occur for small households. The average household size in the County has decreased slightly over the past decade, falling from 2.5 to 2.36 persons. If this trend continues, a shortage of small housing units relative to household size will only become more apparent.

Household Size vs. Unit Size, 2014



Source: 2014 ACS DP02; DP04

Construction Trends

Construction in Union County has largely recovered from the Great Recession. Most new construction is occurring in the County's suburban municipalities, which are the strongest markets

New construction permits are issued for a wide variety of housing types, from the placement of doublewides to the construction of new single-family housing. The issuance of a permit does not guarantee that a project will be built during that year, or even that it will be built at all. However, applications for permits are a reasonable metric for the activity of homebuilders. It also can signal an increased level of confidence in the market, as banks will approve construction loans only when demand can be demonstrated.

Countywide, 1,044 new construction permits were issued between 2004 and 2015. The number of permits issued annually ranged from a high of 129 in 2006 to a low of 54 in 2011. The lull between 2011 and 2015 demonstrates the influence of the housing crisis, as homebuilders scaled back operations nationwide. However, stakeholders indicated that Union County was much less adversely affected by the recession than many other communities. This is reflective of the region, as Pennsylvania's older housing stock insulated it somewhat from the impact in higher-growth areas of the country. The negative impacts of the recession have begun to recede, although stakeholders also indicated that banks are more stringent about allowing access to credit in the post-recession housing market.

Most construction permits issued were in Buffalo, East Buffalo, and West Buffalo Townships. These communities generally have above-average home values as well as a relatively available supply of buildable land.

Number of Permits Issued, 2004-2015



Source: Union County Planning Department, 2016

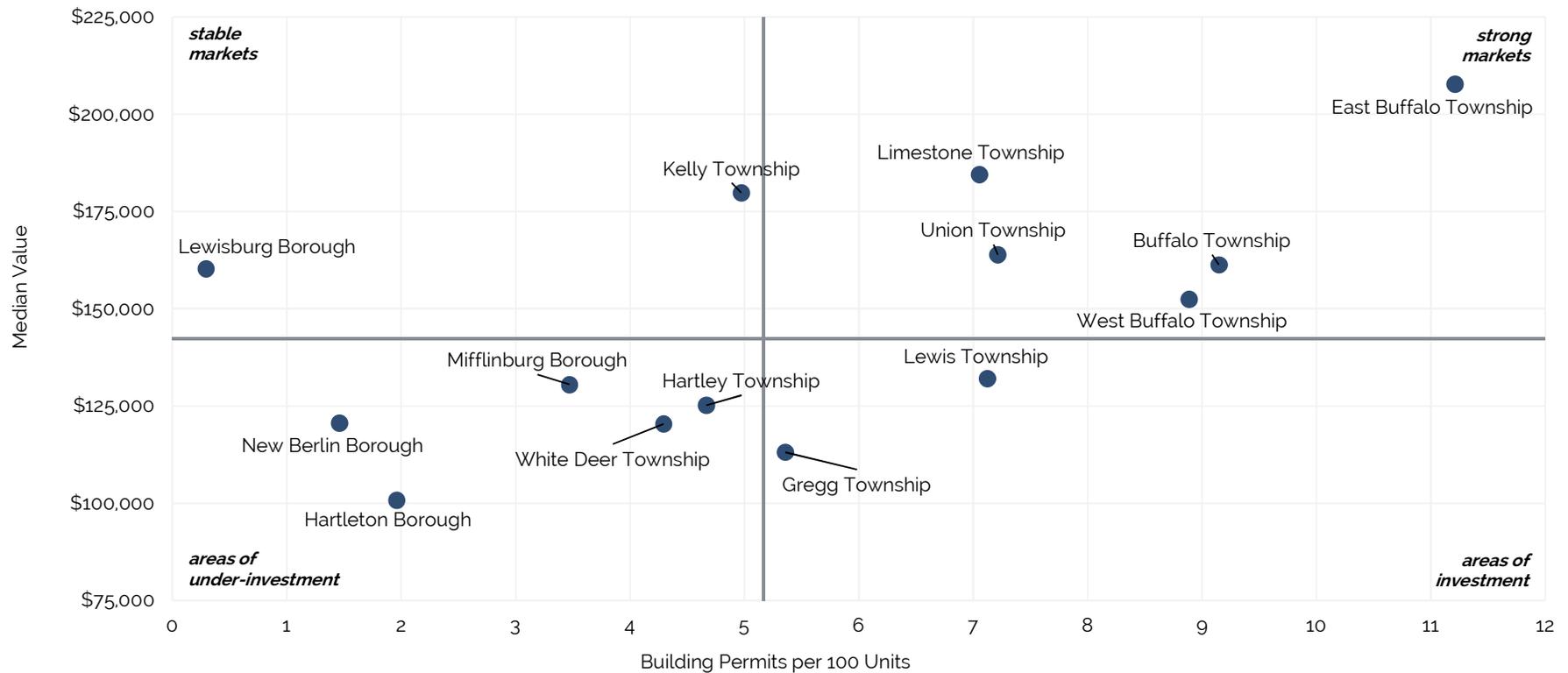
Another useful way to analyze building permit data is to compare them to home values. The following figure plots residential building permits per 100 housing units against median home values for every municipality in Union County. The vertical axis is positioned at the median number of permits for all municipalities; the horizontal axis is positioned at the median home value.

Areas with high values and many permits are strong markets, with housing stock that is very likely to be in areas perceived as desirable. Conversely, places with low values and few permits are seeing under-investment, with less desirable housing. Areas where there are many building permits but below-median housing values may be seeing a resurgence of investment in older communities, new construction of moderately priced housing, or a mix of factors. Finally, areas with low numbers of issued permits but high median values represent stable markets, in which the housing stock is stable and communities are not likely to be struggling.

Most municipalities in Union County can be classified as either strong markets or areas of under-investment. The strongest markets tend to be toward the eastern end of the County. East Buffalo Township had the highest number of building permits per units overall, as well as the highest median housing value. Buffalo, West Buffalo, Union, and Limestone townships also have high numbers of building permits per unit and higher median values.

Areas such as Lewisburg, New Berlin, Hartleton, and Mifflinburg boroughs, however, have the lowest permit-to-unit ratios in Union County. Lewisburg has relatively high home values, though, indicating a slow but stable community. However, the other three areas may be experiencing stagnation and under-investment.

Median Housing Value (2014) and New Construction Permits (2004-2014)



Future Housing Demand

Demand for housing in Union County will increase by 3,975 units by 2050

The economy of Union County is growing, and its population is growing with it. Union County added 1,510 jobs and 3,331 residents between 2000 and 2014, and the local economy is expected to continue growing in the future. Driven by economic development in the region, the County is adding population in a part of the state that has long suffered from blue-collar job loss.

Projections from the County's 2009 Comprehensive Plan demonstrate the additional number of occupied housing units that will be necessary in order to keep pace with projected patterns in population growth. Union County is projected to add demand for 3,975 housing units

between 2014 and 2050. This represents a 28.7% increase in occupied housing inventory. If current growth patterns continue, the areas projected to grow the most will be West Buffalo, East Buffalo, and Buffalo Townships. However, all areas of Union County are expected to experience increasing demand to varying degrees.

It is important to note that a need for additional occupied units does not necessarily require an increase in housing production. The number of new occupied housing units required to accommodate additional population is affected by changing family size, vacancy and demolition rates, conversions between different housing types, and other similar factors. In addition, there are some unique circumstances in Union County that have meaningful consequences on the nature of local housing demand.

Occupied Units Projected to be Needed by 2050

	1970	1980	1990	2000	2010	2050 (projected)	2010-2050 Change	2010-2050 % Change
Buffalo Township	525	820	968	1,166	1,290	1,835	545	42.25%
East Buffalo Township	1,042	1,397	1,634	1,823	2,154	3,039	885	41.09%
Gregg Township	255	312	362	335	360	375	15	4.17%
Hartleton Borough	69	63	76	89	100	106	6	6.00%
Hartley Township	360	503	580	648	678	830	152	22.42%
Kelly Township	681	736	1,072	1,313	1,582	2,017	435	27.50%
Lewis Township	242	350	399	477	530	721	191	36.04%
Lewisburg Borough	1,593	1,689	1,791	1,778	2,013	2,102	89	4.42%
Limestone Township	216	371	431	526	587	843	256	43.61%
Mifflinburg Borough	963	1,266	1,401	1,506	1,554	2,014	460	29.60%
New Berlin Borough	252	278	333	333	349	429	80	22.92%
Union Township	299	422	481	547	640	883	243	37.97%
West Buffalo Township	339	576	739	993	1,119	1,667	548	48.97%
White Deer Township	811	1,221	1,422	1,644	1,809	2,510	701	38.75%
Union County	7,647	10,004	11,689	13,178	14,765	19,371	4,606	31.20%

Source: NHGIS; ACS 2010-2014; calculations by Mullin & Lonergan Associates

Bucknell University's decision to require that nearly all students reside in on-campus housing will have a significant impact on future rental housing demand in Lewisburg Borough. Prior to Bucknell's change in policy, approximately 500 students lived off-campus in any given academic year. A maximum of 200 students will be living off-campus with the new housing policy in effect. Bucknell is planning to expand enrollment by about 300 students in 2017, and these students will also live in on-campus university housing stock.

This decision removes one of Union County's core target markets for rental housing. As a result, there is currently an excess of rental housing on the market in Lewisburg, a formerly tight market. One private landlord interviewed estimated that a total of 90 units became available in Lewisburg alone as a result of Bucknell's policy shift. He suggested that much of this formerly student-occupied housing is of substandard quality, and is no longer rentable in the private market without significant re-investment.

Several short-term economic development activities have had temporary impacts on Union County's housing market. The Marcellus Shale industry slightly increased demand in the housing market amongst oil and gas workers. However, private-sector stakeholders interviewed for this study noted that the Marcellus Shale industry is no longer significantly affecting conditions in the local housing market. In addition, there are three major construction projects—Hummel's Station Plant, the Central Susquehanna Valley Throughway road improvement project, and the Sunbury Pipeline—that are expected to temporarily increase housing demand amongst construction workers and related employees

Assisted Housing Inventory

Housing Choice Voucher holders in Union County have difficulty finding housing due to the low rental vacancy rate. At the same time, many landlords in Lewisburg are not open to accepting the vouchers for rent payment

Assisted housing refers to units that were developed with a public source of financing. Generally, these housing units require tenants to be income-eligible, meaning that their annual income must be at or below a certain amount in order to qualify to live there.

Subsidized Housing

Union County Housing Authority, based in Lewisburg, is the sole public housing organization in the County. The Authority does not operate a traditional public housing program. Instead, it leverages development in the private rental market, operating a total of 162 units of publicly-supported housing in six developments, although it only owns three of these developments (68 units). The three developments partially owned, managed, and operated by the Authority are:

- Meadow View Apartments, Mifflinburg: 30 units for the elderly and disabled
- Datesman Village, West Milton: 30 units for the elderly and disabled
- Newky Apartments, New Columbia: 8 units for low-income families

The Authority operates and/or manages several additional developments, which are supported through the Project-Based Section 8 Program or the Low-Income Housing Tax Credit program:

- Kelly Apartments, Lewisburg: 80 units for the elderly and disabled
- White Deer Commons, New Columbia: 24 units for families
- Penn House Commons, East Buffalo: 31 units for families (with occupancy as of 3/17)

Because of the funding sources used to subsidize these developments, they are subject to affordability periods with set expiration dates. Based on data from the National Housing Trust, Kelly Court Apartments (72 units for families), Meadow View, and Datesman Village, as well as Devitt House (36 units for the elderly and disabled) and Century Village (40 units for families) are all financed under the Rural Housing Service Section 515 program, which typically has a 20-year housing affordability period. According to data from the National Housing Trust, the affordability period for Century Village expired on October 31, 2015. The affordability period for Kelly Court Apartments will expire in 4.5 years, although the owner plans to renew it. Plans for the remainder are unknown.

For more detailed information on the assisted housing inventory, refer to Appendix B of this document.

Housing Choice Vouchers

In addition to assisted housing units, Union County Housing Authority also operates a Housing Choice Voucher (HCV) program with 499 vouchers. As of January, 2017, 461 vouchers were in use. These vouchers are distributed to families earning less than 50% of the Median Family Income (less than \$28,600 for a family of four in Union County) and can be used for any units on the rental market (assuming they are priced at fair market rent) in lieu of a cash payment to the landlord. Voucher holders pay 30% of their rent and the voucher covers the remaining 70%.

Stakeholders interviewed noted that vouchers have been difficult to utilize in Union County. In 2013, the County vacancy rate for rental properties was about 2%, which is extremely low. Many landlords, if given the choice, choose not to participate in the voucher program due to the extra regulatory requirements. This is true even among landlords who own former student housing that was occupied prior to Bucknell revising its housing policy. Rather than accepting vouchers, landlords choose to wait on the outcome of Bucknell's lottery process, hoping to receive the few remaining off-campus students.

Due to this reluctance, the Authority implemented emergency payment standards, which allows it to pay up to 125% of the allowable fair market rent for a unit. However, this reduces the number of families in need that can receive assistance. This issue may be partially resolved by increasing dialogue and technical assistance between the Housing Authority and the private landlord community. As Bucknell's housing policy will continue to leave a significant portion of Lewisburg's rental inventory vacant, landlords may be more open to participating in the voucher program as time passes.

Waiting Lists

The Housing Authority maintains a waiting list for Housing Choice Vouchers and for each housing development it owns or manages. The HCV waiting list, which is the largest, is currently at around 174 households that have been vetted and approved for the program. It is unlikely for someone on the HCV waiting list to already be receiving housing subsidy.

Because there are limited affordable and available units in the County's rental market, several vouchers expire each month without the voucher holder being able to find housing and are assigned to the next person on the list. Since this is the way HCVs work, the length of the waiting list understates rather than overstates the demand for affordable housing.

Residents can be on the waiting list for multiple assisted subsidized developments and the HCV program simultaneously. This is because some residents still need a voucher to be able to afford the required rent in a subsidized unit. For the most part, it is the Housing Authority's experience that applicants target specific developments where they wish to live and do not apply for more than a few.

Special Needs Housing

In addition to addressing affordability, public assistance is essential to address the housing demand of persons with special needs. This includes permanent supportive, transitional, and emergency housing for populations such as:

- victims of domestic violence
- individuals with physical, developmental, and behavioral health issues leaving treatment facilities and/or institutions
- individuals transitioning out of nursing homes
- individuals leaving incarceration
- youth aging out of foster care
- homeless individuals and families

The Housing Authority's Justice Bridge Housing Program (JBHP) is one example of a program aimed specifically at one of these groups. JBHP serves non-violent offenders from Union County, all of whom have a substance abuse (drug or alcohol) disorder and are at high risk of recidivism. Participants receive monthly rental subsidies for up to 12 months or until they transition to the County's federally funded HCV program or, if financially able, obtain market-rate housing. Participants also receive support services as long as they are on parole or probation.

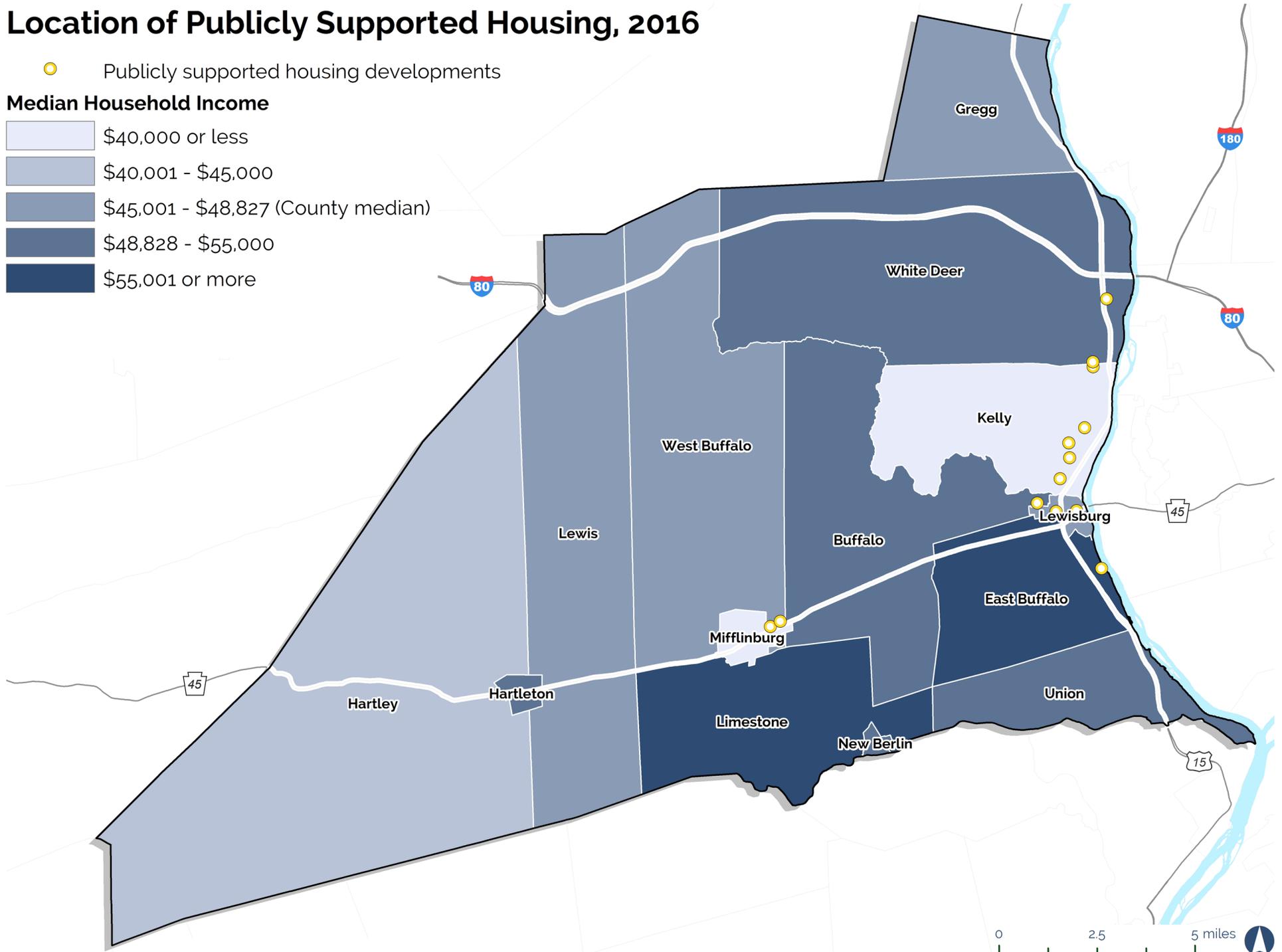
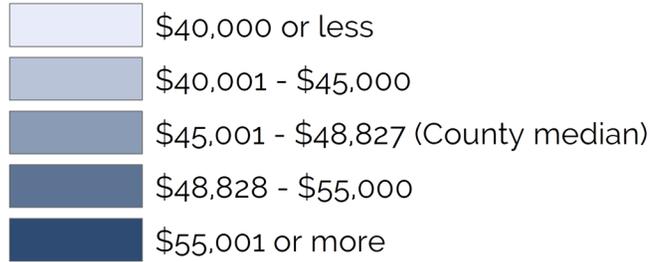
Since its initiation in November 2012, JBHP has housed an average of 10 people each year with a recidivism rate of less than 30%, less than the County average of 53% and state rate of 60%. The Housing Authority expects to receive funding for a similar pre-entry justice program which could add perhaps two additional participants per year. They are also considering expanding the JBHP model, which uses tenant-based rental assistance alongside supportive services, to other special needs groups.

The Union County Planning Commission is aware that these types of housing need to exist within the County, but addressing these issues is outside the scope of this study.

Location of Publicly Supported Housing, 2016

● Publicly supported housing developments

Median Household Income



Floodplain and Flood Insurance

Changes to the federal flood insurance program have reduced the affordability and potential marketability of units located within the 100-year floodplain

Although not an issue over which the County has any influence, flood insurance premiums have become a growing concern for homeowners in Union County, especially for residents of Lewisburg Borough and other communities near the Susquehanna River.

The National Flood Insurance Program (NFIP) was established by Congress in 1968. The program enables property owners in participating communities to purchase insurance protection from the government against losses from flooding. The NFIP is a federal program, managed by the Federal Emergency Management Administration (FEMA) with three components: flood insurance, floodplain management, and mapping of flood hazard zones.

On July 6, 2012, the Biggert-Waters Flood Insurance Reform Act went into effect, which reauthorized the NFIP through September 30, 2017, and made a number of reforms aimed at making the program more financially and structurally sound. The purpose of the legislation was to change the way the NFIP operates and to raise rates to reflect true flood risk. The result was up to a 10 fold increase in premiums for many property owners.

Floodplains in Union County are most prominent along the West Branch of the Susquehanna River, White Deer Creek, Buffalo Creek, and Penns Creek. A large portion of the Borough of Lewisburg - 45% of all the parcels in the borough - is within the 100-year floodplain. In contrast, only 3% of the total parcels in Union County touch the 100-year floodplain. According to the Susquehanna River Basin Commission (SRBC), this river basin is one of the nation's most flood-prone areas.

On top of the dramatic rate increases triggered by the Biggert-Waters Act, a revision of flood hazard zones has placed a burden on many homeowners whose homes were not within flood zones at the original time of purchase. The emergence of private flood insurance, primarily

offered provisionally by a single insurer, has offered some relief for now. Regardless, many homeowners are worried about the future value and marketability of their properties.

Although not directly addressable by the County or this Housing Plan, all of these issues stand to have a significant impact on the housing market moving forward and are important for the County and impacted communities to understand and monitor.

Tax Abatement

A tax abatement program to spur investment is probably not feasible in Union County

Tax abatement programs reduce or eliminate the amount of property taxes owners pay on new construction, rehabilitation, or major improvements. An abatement program can be structured a number of different ways - a full abatement for a period of years, a graduated schedule of abatement, abatement only applicable to the value of new improvements, etc. Additional restrictions, such as a mandatory affordability period for rental housing, can also apply. In the case of Union County, tax abatements could be most effectively used for the rehabilitation of substandard properties.

Each property owner is subject to three taxing bodies - Union County, a local municipality, and a school district. According to County staff, the school districts, which levy the highest taxes by a wide margin, are unlikely to participate in an abatement program. Many municipalities in the County impose no or negligible property taxes. This means that besides municipalities with sizable millage rates that would choose to participate, any countywide abatement program would rely primarily on the relief of County taxes to incentivize property owners.

Several example properties were evaluated in Lewisburg, Mifflinburg, and New Berlin and, based on these conditions, a tax abatement program to facilitate housing rehab would likely not be feasible.

Economy

Economic trends are a primary driver of housing markets. The availability, mix, and quality of employment opportunities influence the geographic distribution of households and the types of units in which they live. Forces that substantially shape economic conditions include growth by industry types, unemployment, and the location of jobs and the local labor pool. To provide even more unique local context, some of the largest employers in Union County provided information about their workforce and hiring practices.

Jobs

Many of the fastest-growing industries in Union County pay wages that put homeownership—or even rental housing—out of reach for working families

Overall, the County has experienced positive job growth since 2000. The largest number of jobs gained between 2000 and 2014 were in the Health Care and Social Assistance industry, which was also the fastest-growing economic sector in Union County. Other fast-growing sectors include Construction; Professional, Scientific, and Technical Services; Accommodation and Food Services; and, Transportation and Warehousing.

Union County has followed the regional trend of deindustrialization. The manufacturing industry has lost over 40% of its workforce since 2000, amounting to over 1,400 fewer jobs. The information, public administration, and wholesale trade sectors also shrank, although none started with even a quarter of the jobs manufacturing provided in 2000.

Employees by Industry, 2000-2014

Industry	2000	2014	Change	
Information	285	160	-125	-43.86%
Manufacturing	3,571	2,118	-1,453	-40.69%
Management of Companies and Enterprises	9	6	-3	-33.33%
Public Administration	869	717	-152	-17.49%
Wholesale Trade	414	388	-26	-6.28%
Administrative and Support and Waste Management Services	268	281	13	4.85%
Real Estate and Rental and Leasing	106	112	6	5.66%
Educational Services	2,512	2,723	211	8.40%
Agriculture, Forestry, Fishing and Hunting	462	519	57	12.34%
Arts, Entertainment, and Recreation	191	222	31	16.23%
Other Services, Except Public Administration	614	747	133	21.66%
Finance and Insurance	306	381	75	24.51%
Utilities	111	139	28	25.23%
Retail Trade	1,441	1,839	398	27.62%
Transportation and Warehousing	535	728	193	36.07%
Accommodation and Food Services	1,120	1,533	413	36.88%
Professional, Scientific, and Technical Services	360	497	137	38.06%
Construction	975	1,385	410	42.05%
Mining, Quarrying, and Oil and Gas Extraction	39	59	20	51.28%
Health Care and Social Assistance	2,078	3,222	1,144	55.05%
Civilian employed population 16 years and over	16,266	17,776	1,510	9.28%

Source: 2010-2014 ACS, table S2403; 2000 Census, table P049

Nationally, job loss in fields that have traditionally provided a wage capable of sustaining a family, such as manufacturing, have been replaced by gains in service-sector positions that pay far less. This is true to some extent in Union County. The median wage for the rapidly growing Health Care and Social Assistance sector is \$30,801. This is below the \$35,164 median wage of the Manufacturing sector and significantly below the countywide median household income (which includes households with multiple wage earners) of \$48,827.

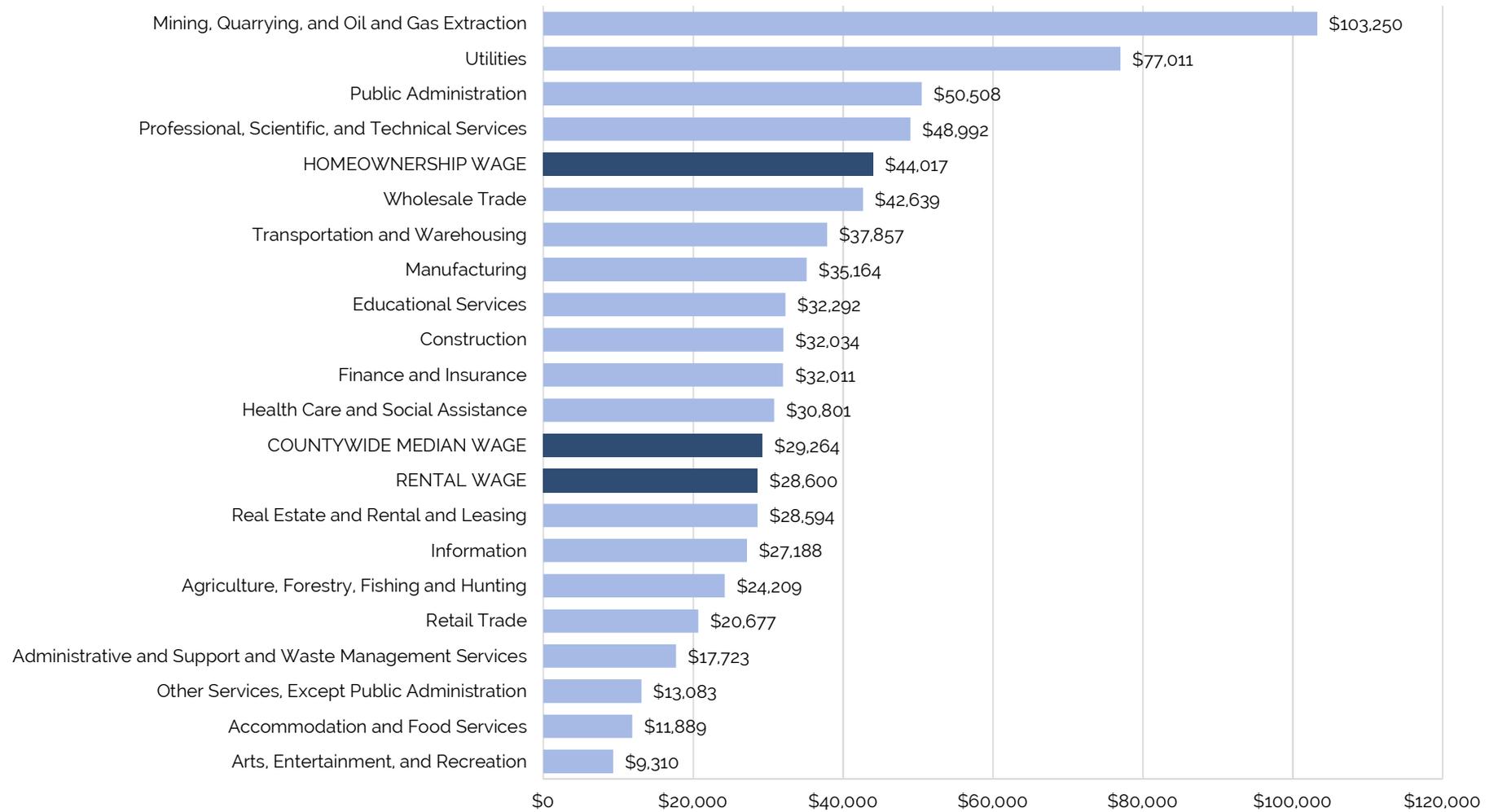
The highest median income in 2014 was in the Mining and Oil/Gas Extraction sector, followed by the Utilities sector. The lowest wages were among the Arts, Entertainment, and Recreation and Accommodation and Food Services sectors, which together grew by 33.9% between 2000 and 2012.

As discussed in the following chapter, the annual income required to afford the median gross rent in Union County is \$28,600. The income required to purchase the median home with a traditional 30-year mortgage is higher at \$44,017. Only four industries pay median wages at a rate high enough to afford the median home price in Union County for a household with a single wage earner. Combined, these four industries accounted for 1,412 (8.6%) of all jobs in Union County. This means that for most people working in Union County, it would be difficult to afford purchasing most housing with only one income stream. With the current wage distribution, the majority of houses in Union County require multiple incomes to purchase. With dual incomes working at the median wage in most industries, it would be possible to purchase the median-priced home. .

Because the income required to afford the median rent is lower, the rental market in Union County can house lower-wage workers who may be priced out of homeownership opportunities. The industries paying median wages below what it would take to purchase the median home include some of Union County's fastest-growing sectors, such as Health Care and Social Assistance and Construction. These jobs are generally replacing traditional manufacturing jobs. While a median single-earner household in these industries could not afford to purchase the median home, their income is high enough that they would likely be able to find quality, viable homeownership opportunities for units selling below the median. These wages can also afford the median rent in Union County, although there may be few of these rental options outside of Lewisburg.

However, there are several industries where median wages are significantly below the wage required to afford the median rent in Union County. These eight industries account for 5,301 jobs in Union County, or 29.8% of the total workforce. The average growth rate in these low-paying industries was 21%, compared to 9.2% among all jobs. It is likely that this trend will continue, meaning that more workers will have less money to spend on housing.

Median Earnings by Industry, Union County, 2014



Source: Bureau of Labor Statistics, 2014. Calculations by Mullin & Lonergan Associates

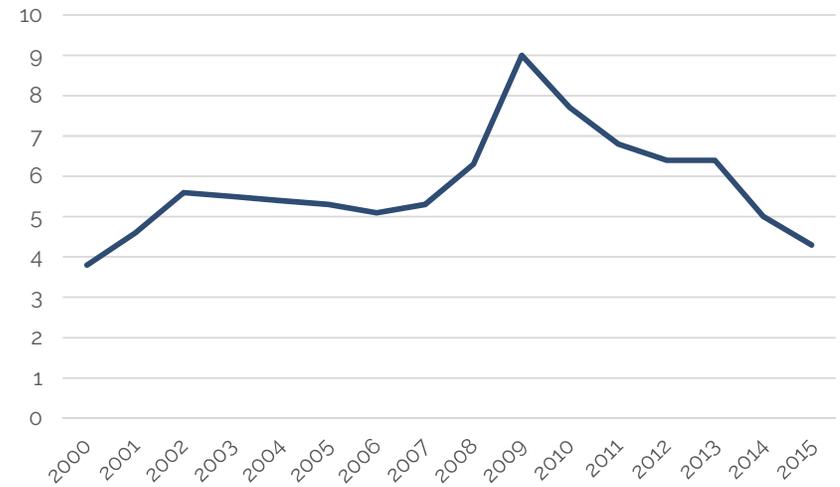
Unemployment

Unemployment is extremely low in Union County

Union County's unemployment rate reached a peak of 9% in 2009 before falling to just 5% in 2014. Unemployment has continued to fall, reaching 3.5% in December, 2015 compared to a monthly low of 4.4% during 2007 prior to the housing market collapse. By and large, the County's unemployment rate has been consistent with the state rate. However, since 2010 the County has been improving more quickly.

Nationally and in Pennsylvania, decreases in unemployment have been attributed in part to a decline in labor force participation due to workers ending their job searches. However, while the labor force in Union County grew by 4.6% between 2007 and 2014, the percentage of the total population participating in the labor market also grew from 49.4% to 50.4%. This indicates that workforce participation has kept pace with population increase.

Unemployment Rate, 2000-2015



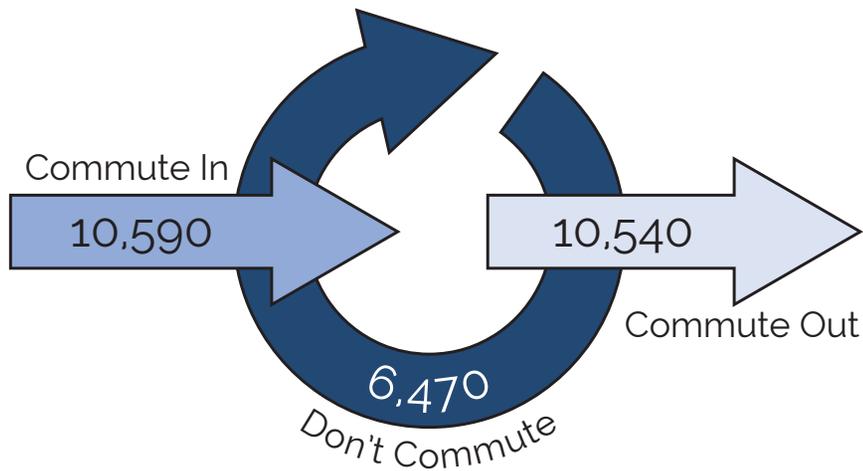
Source: Bureau of Labor Statistics

Commuting

Commuting patterns in Union County are extremely balanced

Virtually the same number of workers leave the County for their jobs as commute into the County for work. Of the approximately 17,000 employed County residents captured by the Census Department's OnTheMap tool, just under 40% live and work within the County.

Union County Community Patterns, 2014



Source: OnTheMap

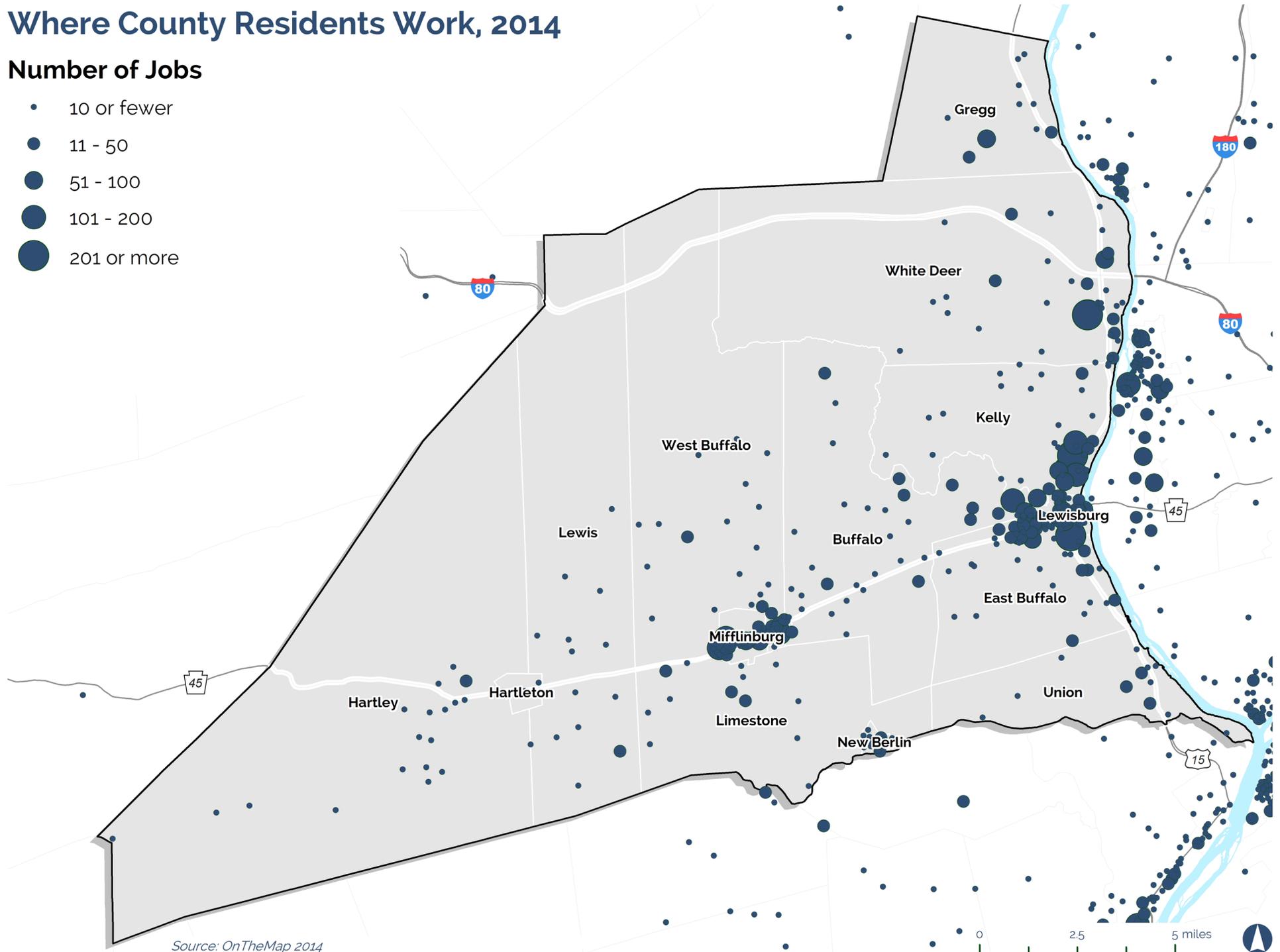
The most common destinations for commuters from Union County are other nearby Pennsylvania counties. Major employment centers include Milton (Northumberland County), Williamsport (Lycoming County), Danville (Montour County), Sunbury (Northumberland County), Selinsgrove (Snyder County), and the Harrisburg metropolitan area (Dauphin and Cumberland Counties). Together with Union, these six counties account for 72% of all workers living in Union County.

Within Union County, most jobs held by locals are concentrated in the greater Lewisburg area, followed by Mifflinburg. Most jobs are also within access of the County's major roads, such as Route 15, Route 45, and Interstate 80. There are jobs in the more rural parts of the County, but they are not nearly as concentrated as those in the more urbanized areas. Workers who live in the County, on the other hand, are much more dispersed, even considering the larger population centers like Lewisburg and Mifflinburg.

Where County Residents Work, 2014

Number of Jobs

- 10 or fewer
- 11 - 50
- 51 - 100
- 101 - 200
- 201 or more

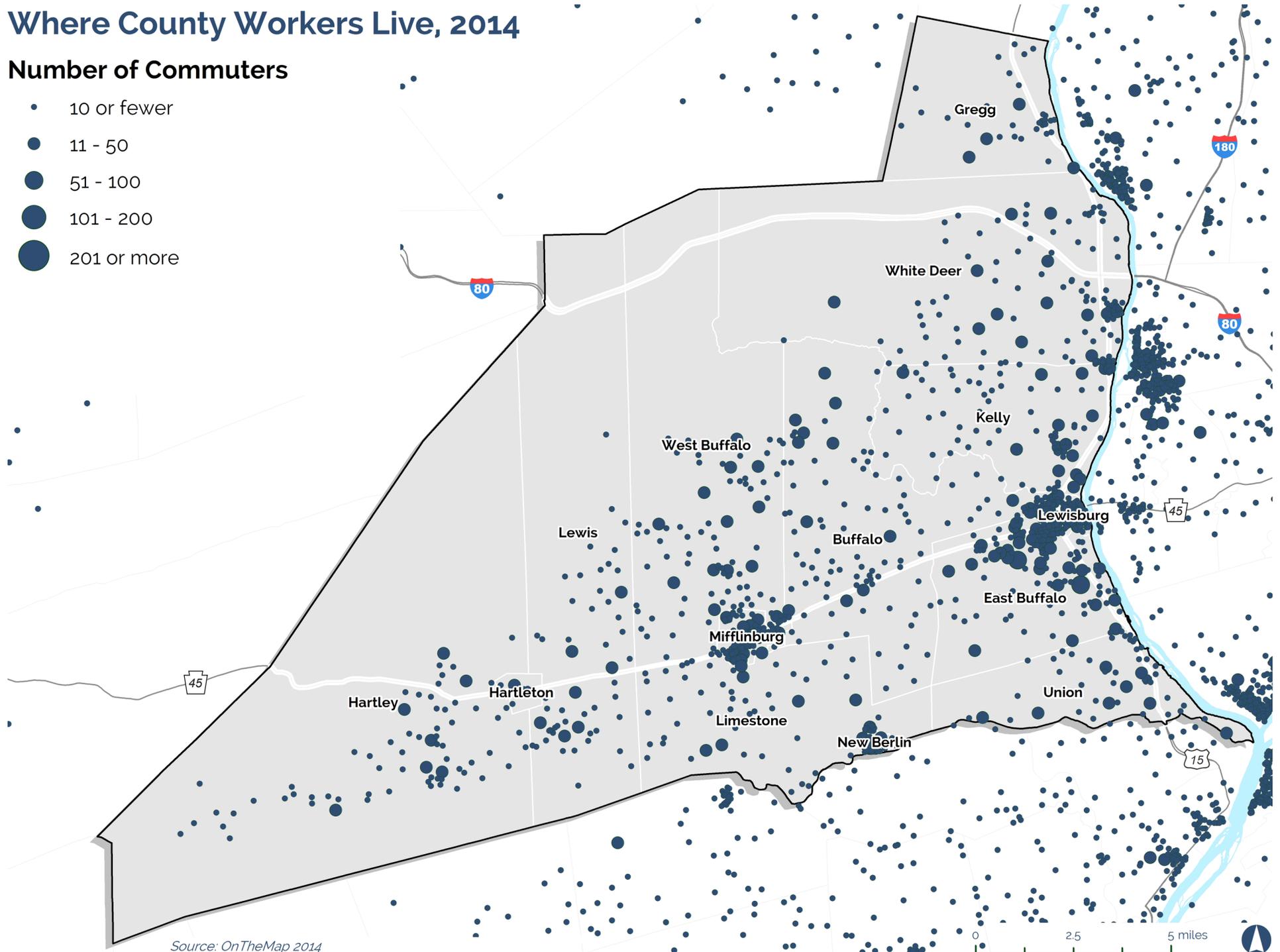


Source: OnTheMap 2014

Where County Workers Live, 2014

Number of Commuters

- 10 or fewer
- 11 - 50
- 51 - 100
- 101 - 200
- 201 or more



Source: OnTheMap 2014



Employer Survey

Most entry level positions at the County's largest employers pay enough to afford median rent

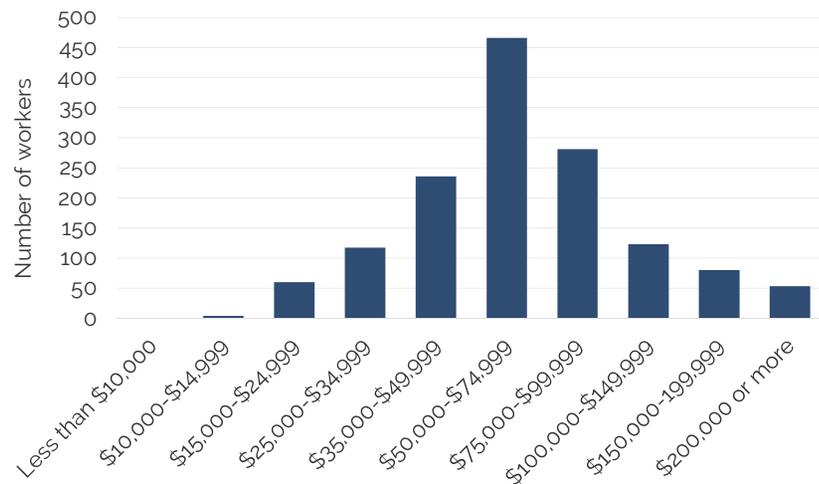
In order to get a truer understanding of the local economy in Union County, nine of the County's largest employers were asked to take a survey about their workforce and hiring practices. Five organizations responded who together employ 2,038 full-time (35 hours/week or more) and 647 part-time employees. Approximately 35.6% of this represented workforce lives outside of the County.

Most salaried employees represented by survey respondents earn between \$50,000 and \$75,000 per year. The distribution of salaries is weighted toward this average, meaning that there are few extremes at either end, although there are more workers that earn above \$75,000 than earn below \$50,000. In addition, \$50,000 is higher than the County's median household income of nearly \$49,000 and more than twice as much as the individual median income of nearly \$21,000. All of this means that salaried employees are much more likely to be among the County's highest earners.

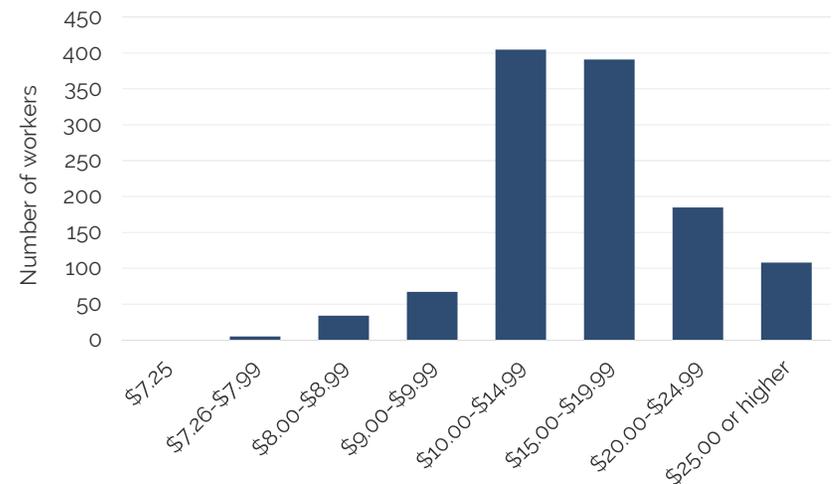
Most hourly employees earn between \$10 and \$20 per hour, with very few workers earning less than \$10. For reference, the median income for an individual in the County (\$20,859) corresponds to just over \$10/hour, and the median income for a household (\$48,827) corresponds to around \$23.50/hour. This assumes working 40 hours per week for 52 weeks per year; many hourly workers are part-time and earn significantly less the median on an annual basis.

Surveyed employers each typically fill anywhere from 5 to 125 full-time positions annually and between 20-55 part-time positions (for those who have part-time workers). On average, 36.6% of open positions require an advanced degree (bachelors and above) and 27.8% require vocational training (two-year community college or equivalent certification program). However, the qualifications for these positions varied among employers. For instance, one survey respondent estimates that 70% of their open positions require an advanced degree and none require vocational training.

Salary Ranges, 2015



Hourly Wage Ranges, 2015



According to the survey respondents, the vast majority of entry level positions pay between \$25,000 and \$35,000 annually. It is not known if these positions are typically salaried or hourly, full-time or part-time. Based on context of the other data collected, however, it is likely that most entry level positions are paid hourly and/or are part-time. As explained in the following section, \$25,000 is enough to afford the median rent in three of the 14 municipalities in the County, and \$35,000 is enough to afford it in all of them. In contrast, \$35,000 is enough income to afford the median valued home in only three municipalities, and \$25,000 can afford it in none.

Employers were asked how easily they can recruit candidates from other areas in the state and in the country. Responses tended to indicate little to no difficulty; no respondents expressed high difficulty in attracting employees. The amenities survey respondents think of as most important to being able to attract employees are the quality of K-12 schools, local taxes, and the housing stock affordable to lower wage positions.

For their own businesses, survey respondents ranked the quality of the workforce, public infrastructure, and transportation access as the amenities most relevant to their success. They related that the most significant housing-related challenges their employees face are finding affordable rental units, finding housing in a desirable location, and finding housing in their preferred school district. Similar to the opinions of local experts, employers seemed to feel that there were adequate senior-specific housing opportunities in Union County. They also did not identify the current size of houses in the inventory as an issue.

Challenge faced by employees in Union County	Number Agreed
Cannot find housing they can afford in the location they want	4
Cannot find rental housing they can afford	4
Cannot find housing in school district they want to be in	3
Cannot find housing near work	1
Cannot find sales housing they can afford	1
Cannot find large houses (three-bedroom and larger)	0
Cannot downsize or find small houses	0
Lack of senior-specific housing	0

Cost & Affordability

Affordability is an issue for many households across the County, and understanding the level of affordability of the current housing supply is a critical component to understanding housing need. This means not only examining rents and sales prices, but also what people in different types of jobs earn and who is already struggling to afford their housing costs. The section describes factors that determine the relative affordability of housing, to whom it is affordable, and what places are more affordable than others.

Income

Incomes in Union County have stagnated, except in Lewisburg and New Berlin

After adjusting for inflation, most areas of Union County have actually experienced a decrease in household income since 2000. For example, while the countywide median household income increased by about \$8,500, this actually represents a 12.1% *loss* after adjusting for inflation. This is in line with national trends; most households have experienced stagnant income gains that do not adequately compensate for inflation and price increases for basic goods and services, including housing. However, Union County has experienced significantly less income growth than Pennsylvania overall. While Union County's median income was \$261 higher than Pennsylvania's in 2000, it is now over \$4,000 lower.

Most places in Union County experienced stagnant wage gains. Exceptions to this were New Berlin and Lewisburg Boroughs, both of which experienced a significant increase in household income. This finding is concurrent with stakeholder's qualitative feedback on the changing demographics of Union County - Lewisburg is becoming increasingly attractive to professionals with above-average incomes. At the same time, poverty in and around the central Mifflinburg is increasing.

Change in Median Household Income, 2000-2014

	2000	2000 (Inflation- Adjusted)	2014	% Change
Buffalo Township	\$37,188	\$51,125	\$49,162	-3.8%
East Buffalo Township	\$62,411	\$85,800	\$68,533	-20.1%
Gregg Township	\$36,750	\$50,522	\$47,292	-6.4%
Hartleton Borough	\$40,938	\$56,280	\$49,167	-12.6%
Hartley Township	\$34,167	\$46,971	\$43,105	-8.2%
Kelly Township	\$31,576	\$43,409	\$39,832	-8.2%
Lewis Township	\$36,500	\$50,179	\$48,036	-4.3%
Lewisburg Borough	\$30,511	\$41,945	\$46,326	10.4%
Limestone Township	\$42,857	\$58,918	\$58,889	0.0%
Mifflinburg Borough	\$35,216	\$48,414	\$37,212	-23.1%
New Berlin Borough	\$31,750	\$43,649	\$51,563	18.1%
Union Township	\$47,986	\$65,945	\$53,056	-19.5%
West Buffalo Township	\$39,152	\$53,825	\$45,778	-15.0%
White Deer Township	\$42,310	\$58,166	\$52,411	-9.9%
Union County	\$40,248	\$55,531	\$48,827	-12.1%
Pennsylvania	\$39,987	\$54,973	\$53,115	-3.3%

Source: ACS 2014 B19013; Decennial Census 2000 SF3

Local Context

Household income, industry wages, gross rent, median value – the jargon of housing affordability can make the idea turn abstract rather quickly. To keep this analysis grounded in the real data for Union County, three hypothetical households will serve as affordability benchmarks throughout this chapter. Households earning well above the County’s median income generally do not face many barriers to housing. Therefore, in order to actually provide meaningful insight into the housing market, these three fictional households all earn near or below the median income.

- **Chris**, a recent college graduate, just started as a medical record clerk at a local hospital. His starting salary is \$29,500, which is just below the local median salary of \$30,801 for the Health Care and Social Assistance industry.
- **Tim** and **Manuel** are neighbors. Manuel has a sales position at a local retailer earning \$11.50 per hour; his shifts usually add up to 40 hours each week, or around \$24,000 per year. Tim works at a local fast food restaurant at \$9.00 per hour; he usually is only able to work 35 hours per week on average, for approximately \$16,400 per year.
- **Joan** is a human resources associate for a small company. Her husband **Michael** is currently a stay-at-home dad and plans to be for a few more years until their young child starts school. The family lives on Joan’s salary of \$45,000.



	Median Household Income
Tim	\$16,400
Manuel	\$24,000
Chris	\$29,500
Mifflinburg Borough	\$37,212
Kelly Township	\$39,832
Tim & Manuel	\$40,400
Hartley Township	\$43,105
Joan & Michael	\$45,000
West Buffalo Township	\$45,778
Lewisburg Borough	\$46,326
Gregg Township	\$47,292
Lewis Township	\$48,036
Union County	\$48,827
Buffalo Township	\$49,162
Hartleton Borough	\$49,167
New Berlin Borough	\$51,563
White Deer Township	\$52,411
Union Township	\$53,056
Limestone Township	\$58,889
East Buffalo Township	\$68,533

Rent Costs

Rents have increased faster than inflation in most parts of Union County

While incomes have remained stagnant, rents across Union County have continued to rise. In 2014, the median gross rent (which includes monthly utilities) across Union County was \$715 per month, compared to \$473 in 2000. If median gross rent had increased only at the rate of inflation, it would have only been \$650, or \$65 less than today's value.

Between 2000 and 2014, units renting for less than \$500 decreased from 52.3% of the rental inventory to 25.4%. At the same time, units renting for over \$1,000 increased from 3.2% to 19.8%. Even after accounting for inflation, this represents a significant shift towards more expensive rental units.

A diverse set of factors likely influenced this trend, including increased demand for rental housing, decreasing household sizes, and shifts in Union County's local economy. However, the median rent in Union County is still about 14% less than the statewide median. It is also rising at a less rapid rate than the state, indicating more overall stability in rent prices during this time period and matching similar changes to household income.

Chris's \$29,500 annual salary means that he can technically afford to spend roughly \$738 for housing. Of the 20 available apartments near enough to the hospital for Chris to have a reasonable daily commute, only one-third are priced at or below this amount. Luckily for Chris, he is able to find an apartment for \$665 plus an average of \$65 for utilities per month, totaling \$730. This does not leave much extra for furnishing a new apartment or for any emergency expenses that might come up, but it is a workable living arrangement for Chris.

Change in Median Household Income, 2000-2014

	2000 Median Gross Rent	2000 Rent in 2014 Dollars	2014 Median Gross Rent	Percent Change, 2000-2014
Buffalo Township	\$401	\$551	\$843	52.92%
East Buffalo Township	\$539	\$741	\$862	16.33%
Gregg Township	\$492	\$676	\$630	-6.86%
Hartleton Borough	\$608	\$836	\$788	-5.73%
Hartley Township	\$433	\$595	\$619	3.99%
Kelly Township	\$481	\$661	\$629	-4.88%
Lewis Township	\$509	\$700	\$693	-0.97%
Lewisburg Borough	\$500	\$687	\$716	4.16%
Limestone Township	\$517	\$711	\$775	9.04%
Mifflinburg Borough	\$428	\$588	\$596	1.29%
New Berlin Borough	\$495	\$681	\$788	15.80%
Union Township	\$450	\$619	\$677	9.43%
West Buffalo Township	\$439	\$604	\$803	33.05%
White Deer Township	\$426	\$586	\$541	-7.62%
Union County	\$473	\$650	\$715	10.00%
Pennsylvania	\$531	\$730	\$832	13.97%

Source: ACS 2014 B19013; Decennial Census 2000 SF3

While the inflation-adjusted median rent rose in most parts of Union County, it rose more in some areas than in others. Rents in Buffalo Township more than doubled between 2000 and 2014, representing a 53% increase in the inflation-adjusted median rent. Similarly, East Buffalo Township and West Buffalo Township also experienced large increases in rent, with inflation-adjusted median rents increasing 16% and 33%, respectively. In Lewisburg - the largest rental market in the County by number of units - rents increased from \$500 to \$716. After adjusting for inflation, this represents a 4.2% increase.

Some municipalities, such as Gregg Township, Hartleton Borough, and White Deer Township, experienced decreases in the inflation-adjusted median rent between 2000 and 2014. These communities are all in rural portions of Union County and have low total numbers of rental units due to the high rate of homeownership. Median rents in these communities are on the lower end, ranging from \$541 in White Deer to \$788 in Hartleton.

Stakeholders reported that younger working families are interested in renting in Lewisburg and the surrounding area, but cannot find quality affordable rental housing. The largest draw to the Lewisburg area is the Lewisburg school district, which is a regional top performer. The most expensive areas to rent a unit in Union County are East Buffalo Township (median gross rent of \$862 per month) and Buffalo Township (median gross rent of \$843 per month).

Chris's new apartment is in Lewisburg, which is a convenient location for him to get to work every day. Townships immediately surrounding his neighborhood, however, have housing beyond his financial reach.

Geography	2014 Median Gross Rent
White Deer Township	\$541
Mifflinburg Borough	\$596
Hartley Township	\$619
Kelly Township	\$629
Gregg Township	\$630
Union Township	\$677
Lewis Township	\$693
Union County	\$715
Lewisburg Borough	\$716
Chris	\$738
Limestone Township	\$775
Hartleton Borough	\$788
New Berlin Borough	\$788
West Buffalo Township	\$803
Buffalo Township	\$843
East Buffalo Township	\$862

Home Values

Despite stagnant incomes, home values have been steadily increasing

In 2014, the median home value for owner-occupied homes in Union County was \$154,000, compared to \$97,800 in 2000. This is an inflation-adjusted increase of 14.5%. However, the rate of appreciation in home value in most areas of the County is still lower than the statewide rate. Exceptions are Buffalo, Kelly, and Limestone Townships.

By category, 24% of homes across the County were valued by their owners at less than \$100,000, an additional 46.6% were between \$100,000 and \$200,000, and the remaining 29.3% were more than \$200,000. Most home values were between \$100,000 and \$175,000.

However, a substantial amount of variation exists between home values among the municipalities of Union County. There is more than a \$100,000 difference between the median value in the most expensive municipality (East Buffalo Township: \$207,700) and the least expensive municipality (Hartleton: \$100,800). Overall, higher home values are concentrated in the suburban areas surrounding Lewisburg, with lower values throughout the rural southern, western, and northern portions of the County.

Joan and Michael are currently renters but are actively looking to purchase their first home for their growing family. Based on their household income, they can theoretically afford a house valued at no more than \$156,000. This price puts them very close to the median home value for the County, which means they should have options available to them. However, competition in this price range is high and the homes for sale are located all over the County; most of the ones they've seen listed in and around Lewisburg are outside of their budget. Joan and Michael have ultimately decided to put a \$110,000 offer on a three-bedroom house in White Deer Township that needs another \$20,000 worth of renovation. Assuming that an unexpected job loss don't come up during the next few years, this should be a reasonable option for them.

Change in Median Home Value, 2000-2014

	Median Home Value 2000	Median Home Value 2014	Change, 2000-2014
Buffalo Township	\$91,700	\$161,300	75.9%
East Buffalo Township	\$143,900	\$207,700	44.3%
Gregg Township	\$85,600	\$113,100	32.1%
Hartleton Borough	\$80,700	\$100,800	24.9%
Hartley Township	\$84,600	\$125,200	48.0%
Kelly Township	\$99,100	\$179,800	81.4%
Lewis Township	\$87,900	\$132,100	50.3%
Lewisburg Borough	\$99,900	\$160,300	60.5%
Limestone Township	\$98,200	\$184,500	87.9%
Mifflinburg Borough	\$89,000	\$130,500	46.6%
New Berlin Borough	\$86,100	\$120,600	40.1%
Union Township	\$97,100	\$163,900	68.8%
West Buffalo Township	\$98,100	\$152,400	55.4%
White Deer Township	\$91,600	\$120,400	31.4%
Union County	\$97,800	\$154,000	57.5%
Pennsylvania	\$97,000	\$164,500	69.6%

Source: 2014 ACS, DP04; 2000 Census DP4 SF3

Home Sales

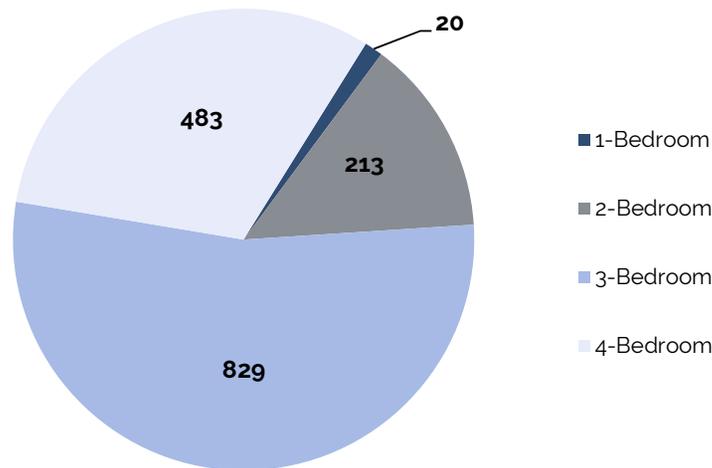
Union County's housing market is generally stable, with most homes priced between \$100,000 and \$200,000 selling in reasonable amounts of time

With the assistance of a professional realtor, Multiple List Service (MLS) data was obtained for every residential real estate transaction completed in Union County from 2010 to 2015. This data contains important factors such as sales price, days on market, and number of bedrooms. In total, there were 1,545 transactions between 2010 and 2015.

Three-bedroom units had the highest number of transactions, followed by four-bedroom units. While four-bedroom units comprise only 12.9% of the total housing stock, four-bedroom units comprise 31.3% of sales. This means that a disproportionate number of four-bedroom units have been sold during this time. This may be due to their prevalence on the rental market as student housing, which would increase their use as investments.

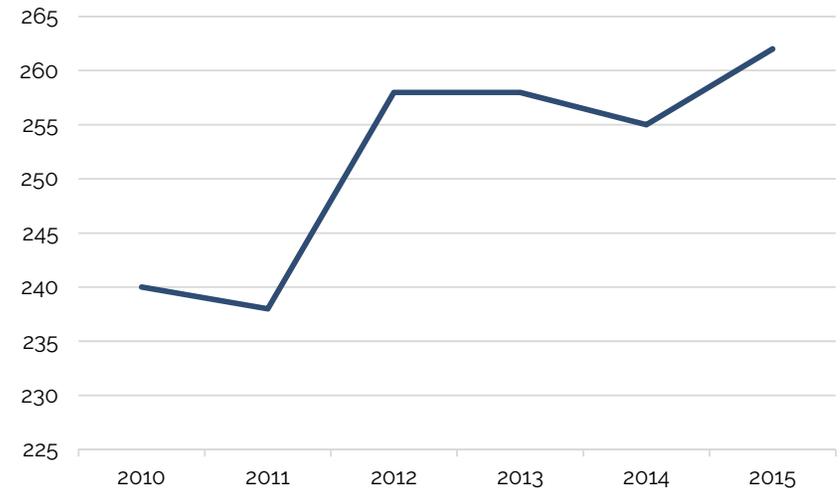
The housing crisis and recession of 2009 did not have an apparent negative impact on home sales in Union County. In fact, home sales have continued at a steady level, including during the years that were the most difficult for the national housing market. This finding was reinforced by stakeholders, several of whom noted that Union County's relatively modest housing market protected it from the boom-bust cycles that impacted much of the country.

Home Sales by Bedroom, 2010-2015



Source: MLS

Home Sales by Year, 2010-2015

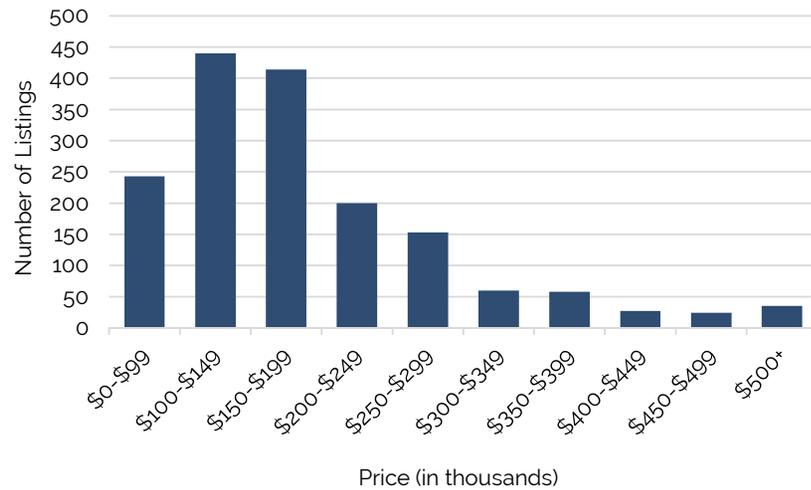


Source: MLS

The median sales price in Union County was \$162,000 between 2010 and 2015. The majority of listings tended to be between \$100,000 and \$200,000. A small number of properties are listed at prices over \$300,000, indicating that Union County's housing stock is relatively uniform. However, there are also a small number of residential properties that were listed for prices over \$400,000, with the highest sale being \$1.4 million.

Sales prices have generally increased over the past five years, with two-bedroom units increasing the most (a \$36,750 increase). Prices for four-bedroom units are also generally increasing, but remain stable. This indicates that two-bedroom and three-bedroom units may be the most desirable. One-bedroom units show stagnation in price, but due to the low sample size this is not necessarily indicative of market trends.

List Prices, Union County, 2010-2015



Prices by bedroom show a premium for large housing units in Union County. The difference in the median sales price for a two-bedroom unit compared to a one-bedroom unit is \$29,000. Similarly, the difference between a three-bedroom unit and a two-bedroom housing unit is \$34,000. However, the difference between a four-bedroom unit and a three-bedroom unit is \$73,000. Four-bedroom houses in Lewisburg Borough are especially expensive: the median four-bedroom unit in Lewisburg sold for \$252,250, compared to \$177,000 in the balance of Union County.

Source: MLS

Sold Prices by Bedroom and Year, 2010-2015

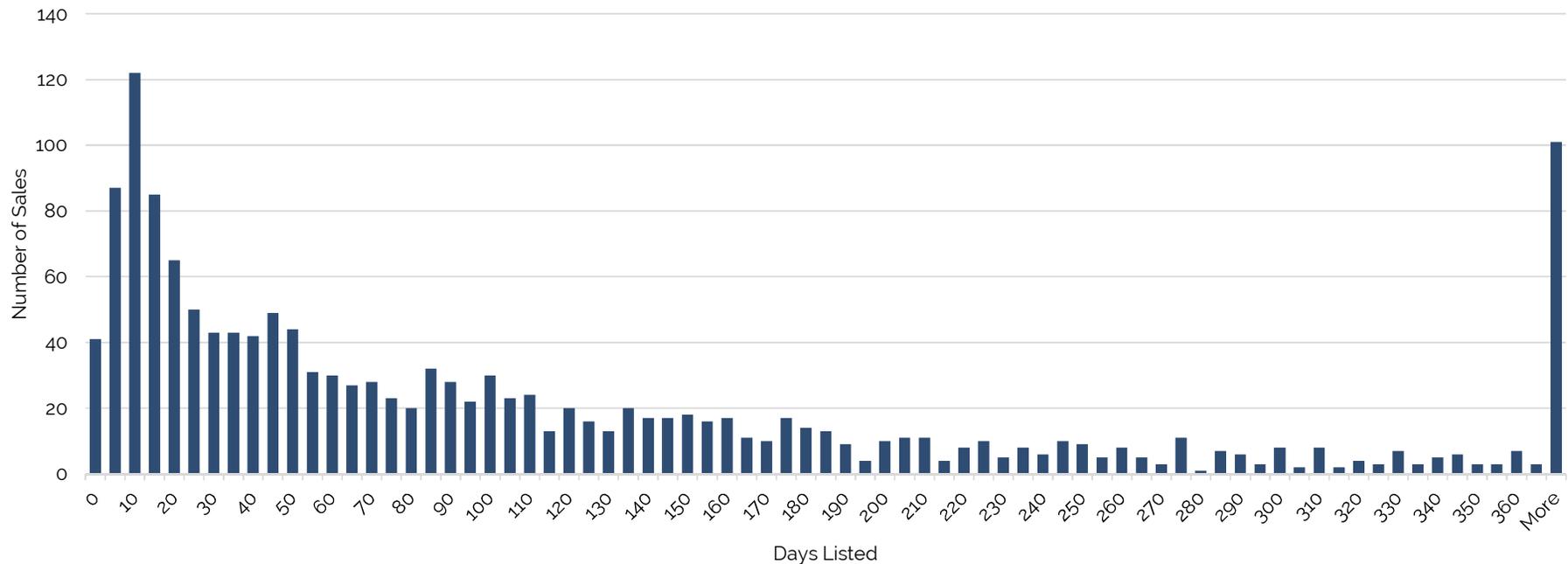
	2010	2011	2012	2013	2014	2015	All Years
1BR	\$124,900	\$80,000	\$74,950	\$90,000	\$132,250	\$94,000	\$92,000
2BR	\$97,250	\$125,000	\$121,000	\$109,000	\$119,250	\$134,000	\$121,000
3BR	\$144,450	\$147,500	\$148,500	\$150,800	\$168,000	\$163,250	\$155,000
4BR	\$215,250	\$220,000	\$229,950	\$248,000	\$211,750	\$221,650	\$228,000

Source: MLS

Judging by the number of days homes are listed for sale, the housing market in Union County has a stable to above-average rate of turnover. The median number on days on market is 68, which, when compared to national trends, indicates an average amount of time needed for homes to sell. The average number of days on market is 126, although this is less representative of the actual market conditions due to the presence of 10 homes that spent over 1,000 days on the market.

In total, 101 homes (6.5% of sales) spent over a year listed for sale. The median number of days on market for homes that sold at or below the median sales price (\$162,000) was 66 days. In comparison, the median number of days on market for homes above the median sales price was 71 days. This may indicate slightly more interest and overall market demand for modestly-priced homes.

Sales by Days on Market



Source: MLS

Cost Burden

Over 4,000 households already living in Union County cannot afford the housing they currently occupy. This problem has worsened since 2000

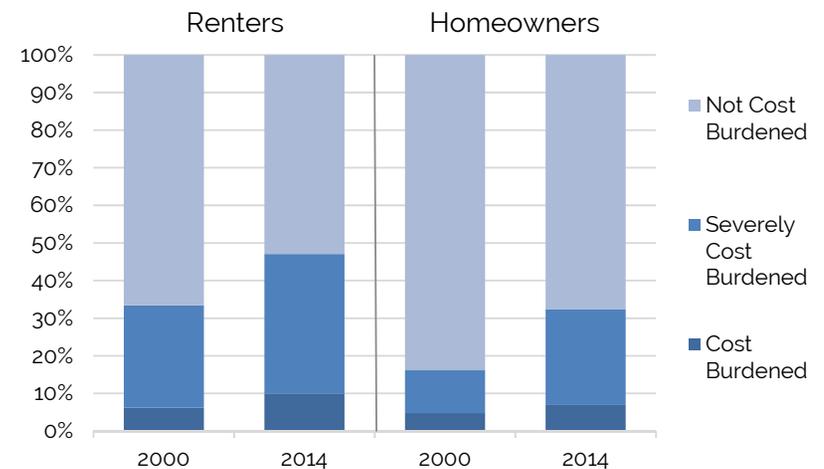
Due to the mismatch between the cost of housing and the incomes of current residents, affordability is an issue for many households across Union County. A household is considered to be cost burdened when it spends more than 30% of its income on rent and utilities. When a household is paying more than that, it can become difficult to pay for other essential items such as transportation, food, health care, and education. This scenario is more prevalent among lower and moderate income households.

In 2014, 2,478 homeowners (22.8% of all homeowners) and 1,793 renters (42.8% of all renters) in Union County were cost burdened. Among this sample, most (1,937 homeowners and 1,413 renters) were paying 35% or more of their income towards housing costs. To be clear, these cost burdened households are existing County residents who are, for whatever reason, paying more for their housing than is typically considered "affordable" for their particular income. This statistic does not necessarily mean that 4,271 affordable housing units need to be created in the County.

Tim and **Manuel** live in the same apartment building. They each pay \$550 in rent, plus an extra \$65 for utilities, internet access, rental insurance, etc. Although manageable, Manuel's total housing costs of \$615 are just over 30% of his income and classify him as cost burdened. Tim's \$615 accounts for 45% of his income, on the other hand, which is a significant hardship and causes him to live paycheck-to-paycheck.

Cost burden in Union County has substantially increased since 2000, especially for homeowners. While only 16.2% of homeowners were cost burdened in 2000, this rate increased by nearly half to 22.8% in 2014. Renter cost burden also increased, from 33.5% in 2000 to 42.8% in 2014. There has been a net increase of about 1,900 cost-burdened households in Union County, most of whom are homeowners. This has increased the percentage of cost-burdened households from 15.7% in 2000 to 22.8% in 2014. While a higher percentage of renters are cost burdened, in terms of raw numbers there are now more cost burdened homeowners.

Change in Cost Burden by Tenure, 2000-2014



2014 ACS DP04; 2000 Census DP4 SF3

The prevalence of renter cost burden decreases as household income increases. Cost burden most significantly impacts those earning less than \$10,000 a year, which accounts for 12.1% of the total renter population. About 81.6% of these households spend over 30% of their income on housing. Some of these households may be students, although there is no accurate way to filter out the low-income non-student population from this sample.

Cost burden also impacts the middle-income renter households in Union County. Households earning \$20,000 to \$34,999 comprise 24% of Union County's renter population and may have incomes too high to qualify for many assistance programs. However, even among those earning \$35,000 to \$49,999—the income range containing Union County's median household income—cost burden remains an issue. In this income band, 10% of renter households spend over 30% of their household income on rent.

Tim and Manuel have considered moving in together to save money. As roommates, their combined household income would increase to \$40,400, meaning they could afford to spend a total of \$1,010 each month on housing. Two-bedroom units are available in their building for \$675, well within their joint budget. Manuel and Tim are fortunate that they are able to use this option, but it represents one of the limited choices that most households at this income level are forced to make.

No households in Union County whose income reached \$75,000 or higher reported spending over 30% of their income on housing in 2014. This indicates that there are enough affordable housing options for households with high incomes, but that options for low and medium-income households are lacking.

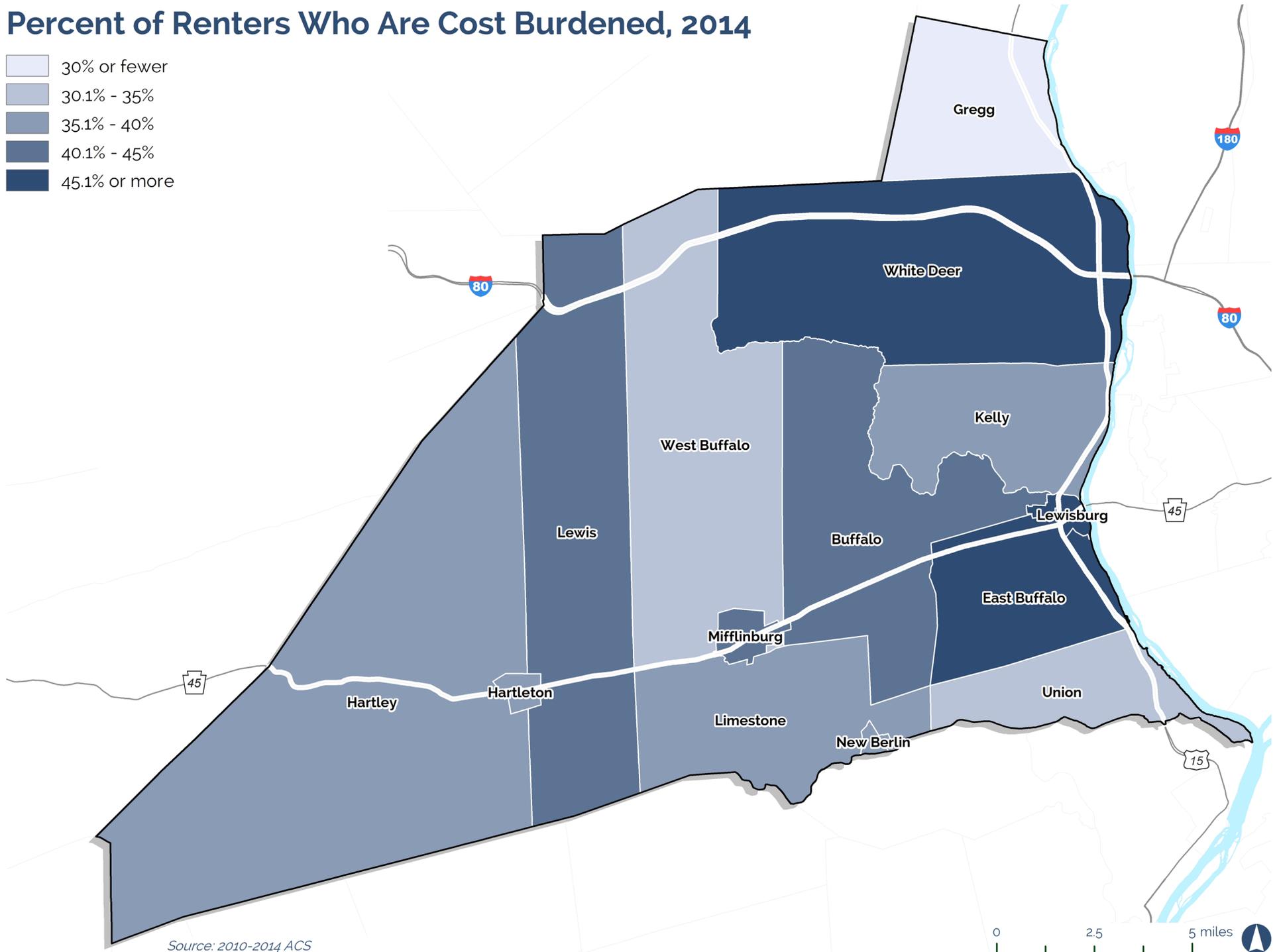
Gross Rent as a Percentage of Income by Household Income, 2014



Source: 2014 ACS B25074

Percent of Renters Who Are Cost Burdened, 2014

- 30% or fewer
- 30.1% - 35%
- 35.1% - 40%
- 40.1% - 45%
- 45.1% or more



Source: 2010-2014 ACS



Affordability Analysis

To afford the median rent, a household in Union County must earn \$14.90 an hour, or \$28,600 annually. To purchase a home, a household must earn \$44,017 annually

The following figures show area median incomes and the amount a household at that income threshold would be able to spend on

housing each month without becoming cost-burdened. The figures also show the monthly housing budget for persons making 80%, 50%, and 30% of the median income. When a household has lower income, the amount of housing they can afford decreases. This reduces the supply of housing affordable to them.

Monthly Housing Budget by Income and Municipality, 2014

	Median		80% MHI		50% MHI		30% MHI	
	Income	Monthly Housing Budget						
Buffalo Township	\$49,162	\$1,229	\$39,330	\$983	\$24,581	\$615	\$14,749	\$369
East Buffalo Township	\$68,533	\$1,713	\$54,826	\$1,371	\$34,267	\$857	\$20,560	\$514
Gregg Township	\$47,292	\$1,182	\$37,834	\$946	\$23,646	\$591	\$14,188	\$355
Hartleton Borough	\$49,167	\$1,229	\$39,334	\$983	\$24,584	\$615	\$14,750	\$369
Hartley Township	\$43,105	\$1,078	\$34,484	\$862	\$21,553	\$539	\$12,932	\$323
Kelly Township	\$39,832	\$996	\$31,866	\$797	\$19,916	\$498	\$11,950	\$299
Lewis Township	\$48,036	\$1,201	\$38,429	\$961	\$24,018	\$600	\$14,411	\$360
Lewisburg Borough	\$46,326	\$1,158	\$37,061	\$927	\$23,163	\$579	\$13,898	\$347
Limestone Township	\$58,889	\$1,472	\$47,111	\$1,178	\$29,445	\$736	\$17,667	\$442
Mifflinburg Borough	\$37,212	\$930	\$29,770	\$744	\$18,606	\$465	\$11,164	\$279
New Berlin Borough	\$51,563	\$1,289	\$41,250	\$1,031	\$25,782	\$645	\$15,469	\$387
Union Township	\$53,056	\$1,326	\$42,445	\$1,061	\$26,528	\$663	\$15,917	\$398
West Buffalo Township	\$45,778	\$1,144	\$36,622	\$916	\$22,889	\$572	\$13,733	\$343
White Deer Township	\$52,411	\$1,310	\$41,929	\$1,048	\$26,206	\$655	\$15,723	\$393
Union County	\$48,827	\$1,221	\$39,062	\$977	\$24,414	\$610	\$14,648	\$366

Source: ACS 2014 B19013

To live in a median-priced rental unit in Union County (\$715 per month) and not pay more than 30% of household income on rent, an annual income of \$28,600 is required, assuming a full-time position and two weeks of unpaid annual leave. For reference, the median household income in Union County was \$48,827. This indicates that rents in the most expensive municipalities are relatively affordable¹ for households making the median income, if not necessarily for workers living on their own.

The hourly wage needed to afford the median rent in different municipalities varies. To afford the median gross rent in East Buffalo Township, the most expensive area of Union County, an hourly worker would need to earn a minimum of \$17.24 an hour. This translates into a salary of \$34,480. To afford a unit in White Deer Township, the least expensive area, an hourly worker would need to earn a minimum of \$10.82 an hour, or \$21,640 annually.

The least expensive areas to rent are White Deer Township (median gross rent of \$541 per month) and Mifflinburg (median gross rent of \$596 per month). These communities have also seen decreasing or stagnant rents, indicating they will likely not become more expensive in the near future. To afford a median-priced rental unit in White Deer Township or Mifflinburg, a household would have to earn \$21,640 and \$23,840, respectively.

Tim and **Manuel**, the two hourly service workers, do not have enough income to afford the typical rent in most municipalities in the County. **Chris**, the entry-level office employee who earns a bit more, can afford the median rent in over half the municipalities as well as the countywide median, but would have a harder time in the more expensive communities. **Joan and Michael**, although living on a single mid-career professional income, are able to afford a typical apartment throughout the County. If **Tim and Manuel** moved in together, their new two-income household would have a much easier time affording housing costs.

Income Required to Afford Median Rent, 2014

	Annual Income Required to Afford Median Gross Rent	Hourly Wage Required to Afford Median Gross Rent
Median Household Income	\$48,827	-
Joan & Michael	\$45,000	-
Tim & Manuel	\$40,400	-
Buffalo Township	\$34,480	\$17.96
East Buffalo Township	\$33,720	\$17.56
Gregg Township	\$32,120	\$16.73
Hartleton Borough	\$31,520	\$16.42
Hartley Township	\$31,520	\$16.42
Kelly Township	\$31,000	\$16.15
Chris	\$29,500	-
Lewis Township	\$28,640	\$14.92
Countywide Median Rent	\$28,600	\$14.90
Lewisburg Borough	\$27,720	\$14.44
Limestone Township	\$27,080	\$14.10
Mifflinburg Borough	\$25,200	\$13.13
New Berlin Borough	\$25,160	\$13.10
Union Township	\$24,760	\$12.90
Manuel	\$24,000	-
West Buffalo Township	\$23,840	\$12.42
White Deer Township	\$21,640	\$11.27
Tim	\$16,400	-

Source: ACS 2014 B19013. Calculations by Mullin & Lonergan Associates

¹ In all cases, "affordable" means paying no more than 30% of income on housing costs regardless of the amount of total household income.

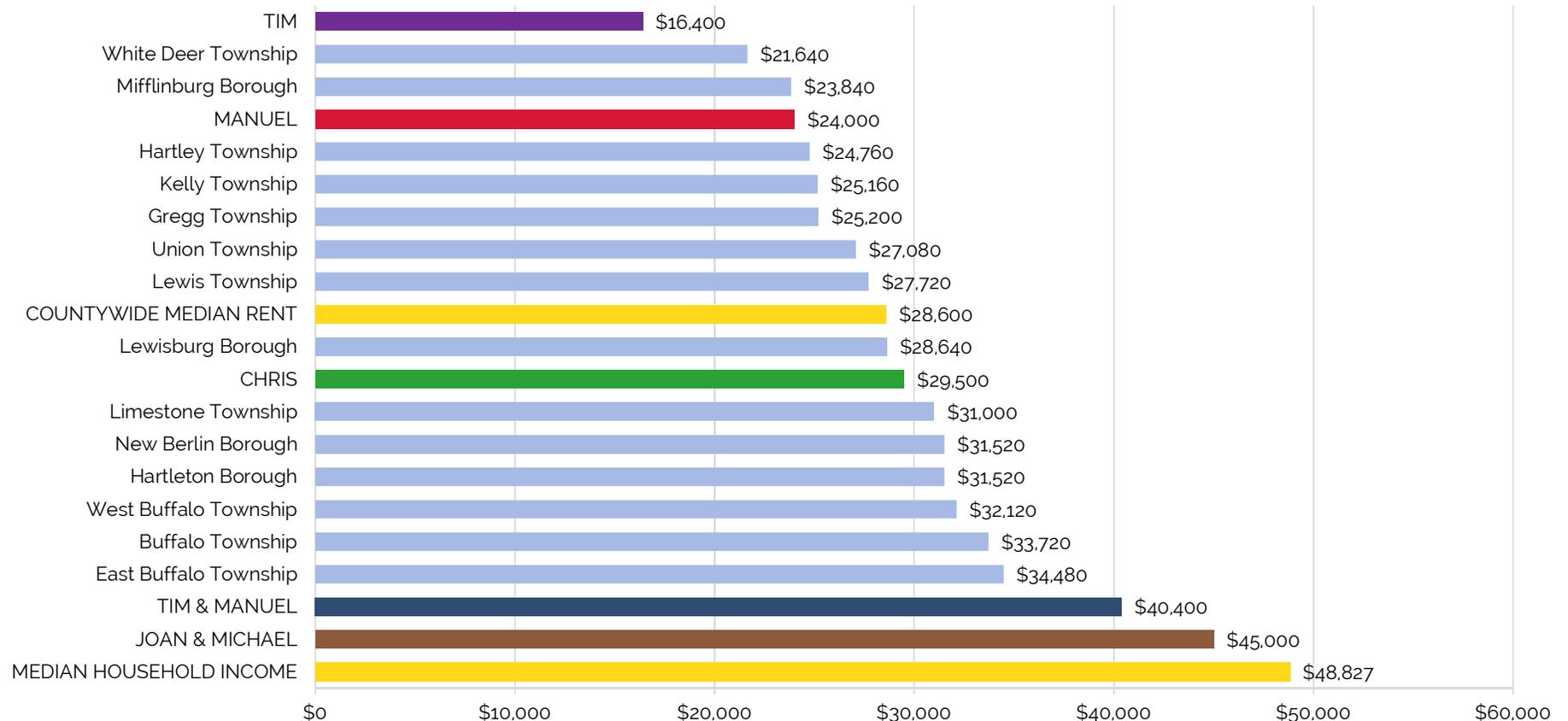
These hourly-rate calculations assume that workers are able to work for a full 40 hours a week, 50 weeks out of the year. However, many hourly employees are unable to find full-time work. In addition, many hourly workers receive little to no benefits and, therefore, need to spend higher proportions of their income on health care, or miss hourly income due to unpaid sick time. These extra expenses can decrease hourly workers' housing budgets. When these factors are taken into account, the hourly wage needed to afford the median rent would be higher.

These calculations also do not consider the availability of units. Rental units outside of the Lewisburg area are less common, and

a prospective renter may not be able to find a unit due to the low number of units available. For reference, Lewisburg had around 1,200 rental units in 2014, Kelly Township had 640, and Mifflinburg 570. The supply of rental units may not be able to meet demand, even if overall rental rates are affordable.

Finally, renters may or may not live in a household with multiple income earners. Households with more than one employed adult, even if they all earn below the median wages for the industries in Union County, are more likely to be able to afford housing costs without spending more than 30% of their combined income.

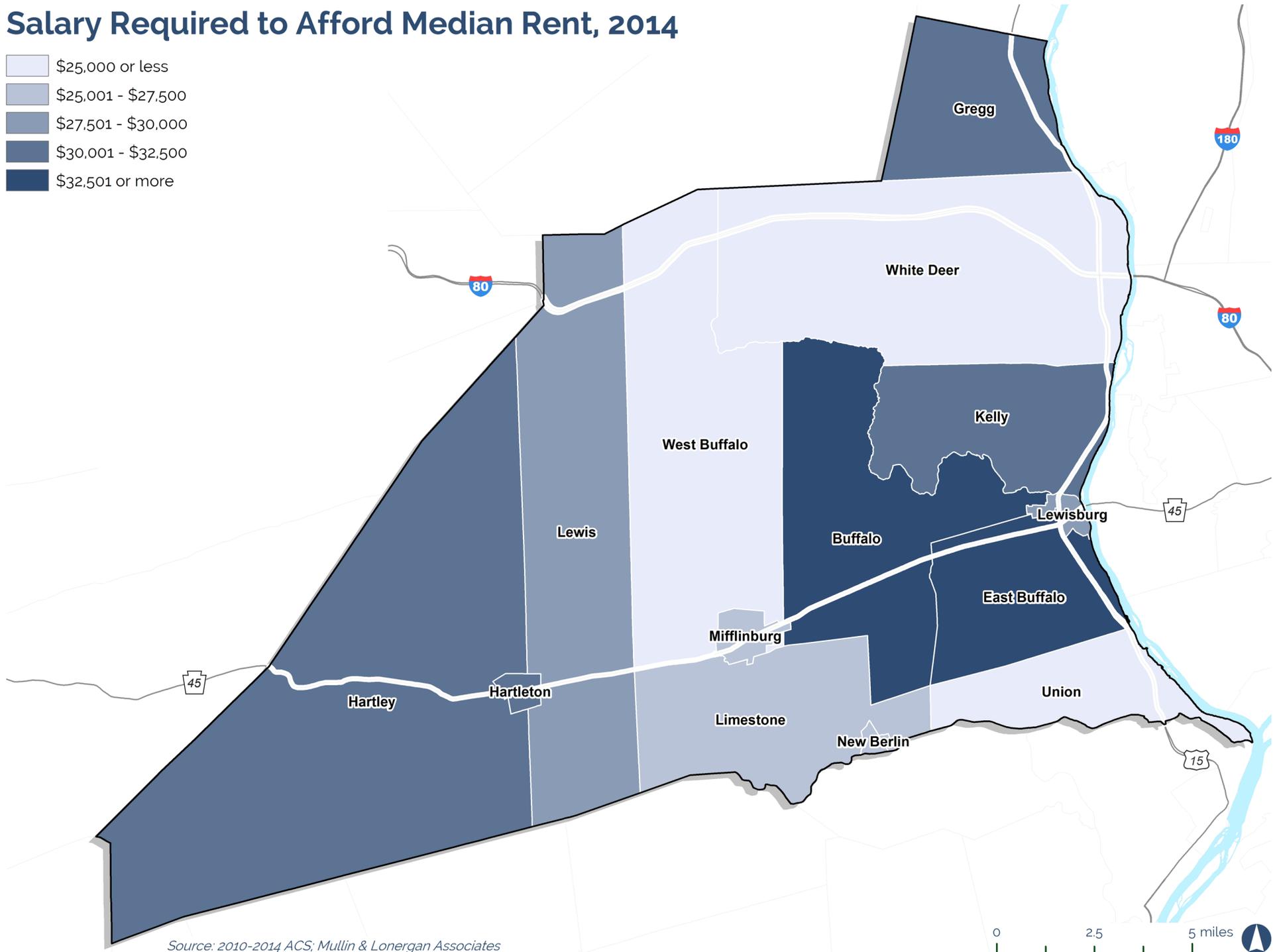
Income Required to Afford Median Rent, 2014



Source: ACS 2014 B19013. Calculations by Mullin & Lonergan Associates

Salary Required to Afford Median Rent, 2014

- \$25,000 or less
- \$25,001 - \$27,500
- \$27,501 - \$30,000
- \$30,001 - \$32,500
- \$32,501 or more



Source: 2010-2014 ACS; Mullin & Lonergan Associates



An evaluation of the affordability of owner-occupied housing requires more complex calculations due to the impact of mortgage interest rates, mortgage insurance, and property taxes. The results are an estimate of housing costs for a unit purchased at the median housing value in each area of Union County. For more information on how the estimated monthly owner costs were calculated, refer to Appendix A.

The median household incomes in each municipality in Union County can generally afford the median home values. Countywide, an income of \$44,017 is required in order to spend no more than 30% of income on housing costs. This is lower than Union County's actual median household income of \$48,827. Limestone Township is an exception as the median household income required to afford a median-valued home is over \$10,000 higher than actual median incomes in this Township.

Tim, Manuel, and Chris cannot realistically afford homeownership with their relatively low incomes. **Joan and Michael**, however, can afford a typical house in most municipalities. They will have a difficult time in some areas of the County, such as the majority of the Lewisburg school district for example, but homeownership is an attainable goal for their level of household income.

Incomes Required to Afford Median-Value House, 2014

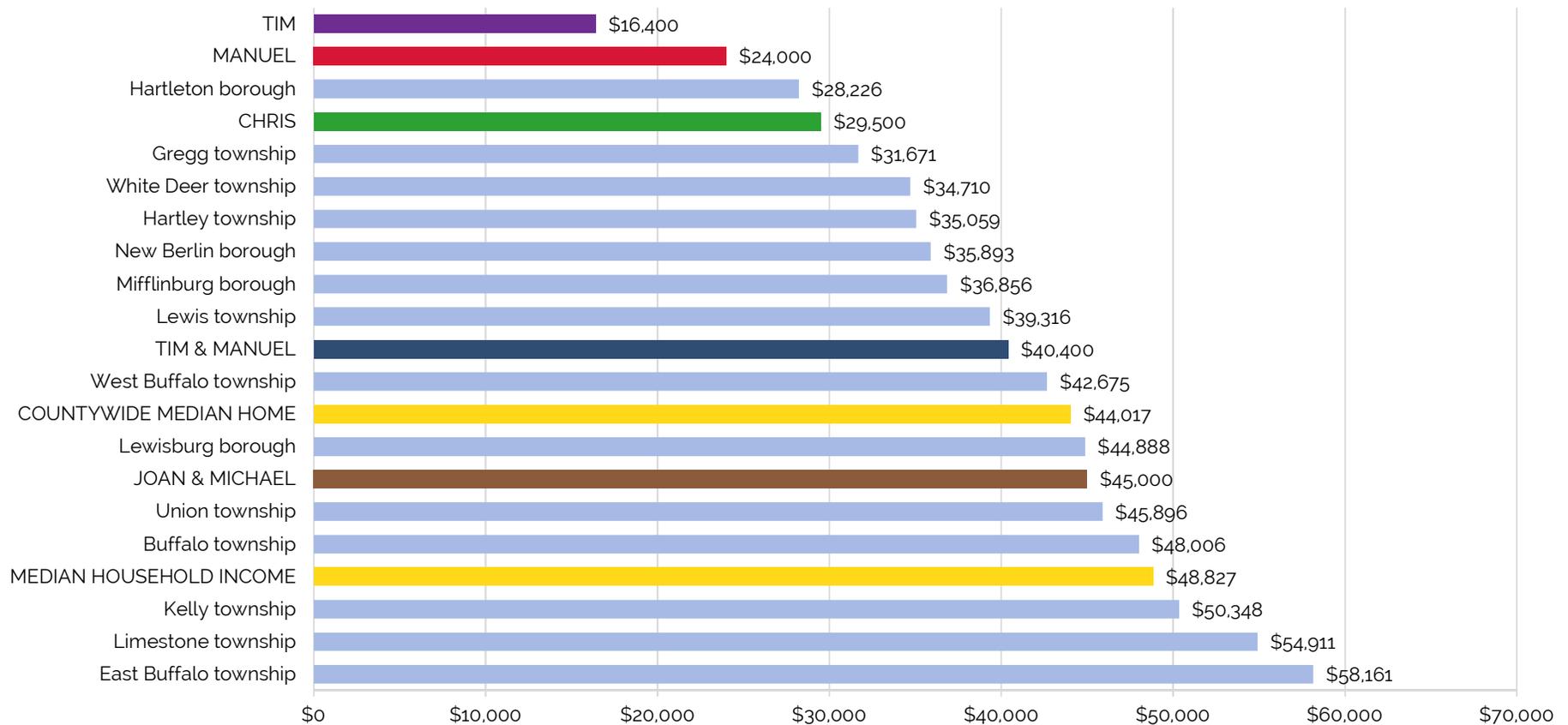
	Median House Value	Estimated Monthly Owner Costs	Income Required to Afford Median House	Actual Median Household Income
Buffalo Township	\$161,300	\$1,200	\$48,006	\$49,162
East Buffalo Township	\$207,700	\$1,454	\$58,161	\$68,533
Gregg Township	\$113,100	\$792	\$31,671	\$47,292
Hartleton Borough	\$100,800	\$706	\$28,226	\$49,167
Hartley Township	\$125,200	\$876	\$35,059	\$43,105
Kelly Township	\$179,800	\$1,259	\$50,348	\$39,832
Lewis Township	\$132,100	\$983	\$39,316	\$48,036
Lewisburg Borough	\$160,300	\$1,122	\$44,888	\$46,326
Limestone Township	\$184,500	\$1,373	\$54,911	\$58,889
Mifflinburg Borough	\$130,500	\$921	\$36,856	\$37,212
New Berlin Borough	\$120,600	\$897	\$35,893	\$51,563
Union Township	\$163,900	\$1,147	\$45,896	\$53,056
West Buffalo Township	\$152,400	\$1,067	\$42,675	\$45,778
White Deer Township	\$120,400	\$868	\$34,710	\$52,411
Union County	\$154,000	\$1,100	\$44,017	\$48,827

Source: ACS 2014 DP04. Calculations by Mullin & Lonergan Associates

One important component not accounted for in this data is the condition of housing. Because much of Union County's housing stock is over 50 years old, significant rehabilitation may be necessary in the cases of less expensive housing units. This is generally reflected in both the price of the units and their perceived value to the owner, but not always. This is especially true of rental property, as landlords may be able to rent homes with quality issues with little consequence. Because detailed countywide data on building conditions is not available, the quality of Union County's less expensive housing stock is unknown. And, because lower-cost housing may have substantial physical issues, especially given Union County's older housing stock, quality affordable housing may actually be more expensive to afford than the data shows.

These figures support the comments expressed by experts throughout the stakeholder interview process. Several local housing developers reported that working families and young middle-income professionals would like to purchase or rent in Lewisburg, but are unable to find a quality home at an affordable price. While the median home values and rents in Lewisburg are only slightly above the countywide figures, the quality of housing in Lewisburg is often significantly lower. For homeowners, the additional rehabilitation required contributes to total housing costs. For renters, landlords have generally been able to fill low-quality housing by leveraging the low vacancy rate as well as the demand from Bucknell students. As a result, many working families who would prefer to live in Lewisburg choose to live in lower-cost alternatives, such as New Berlin or Mifflinburg.

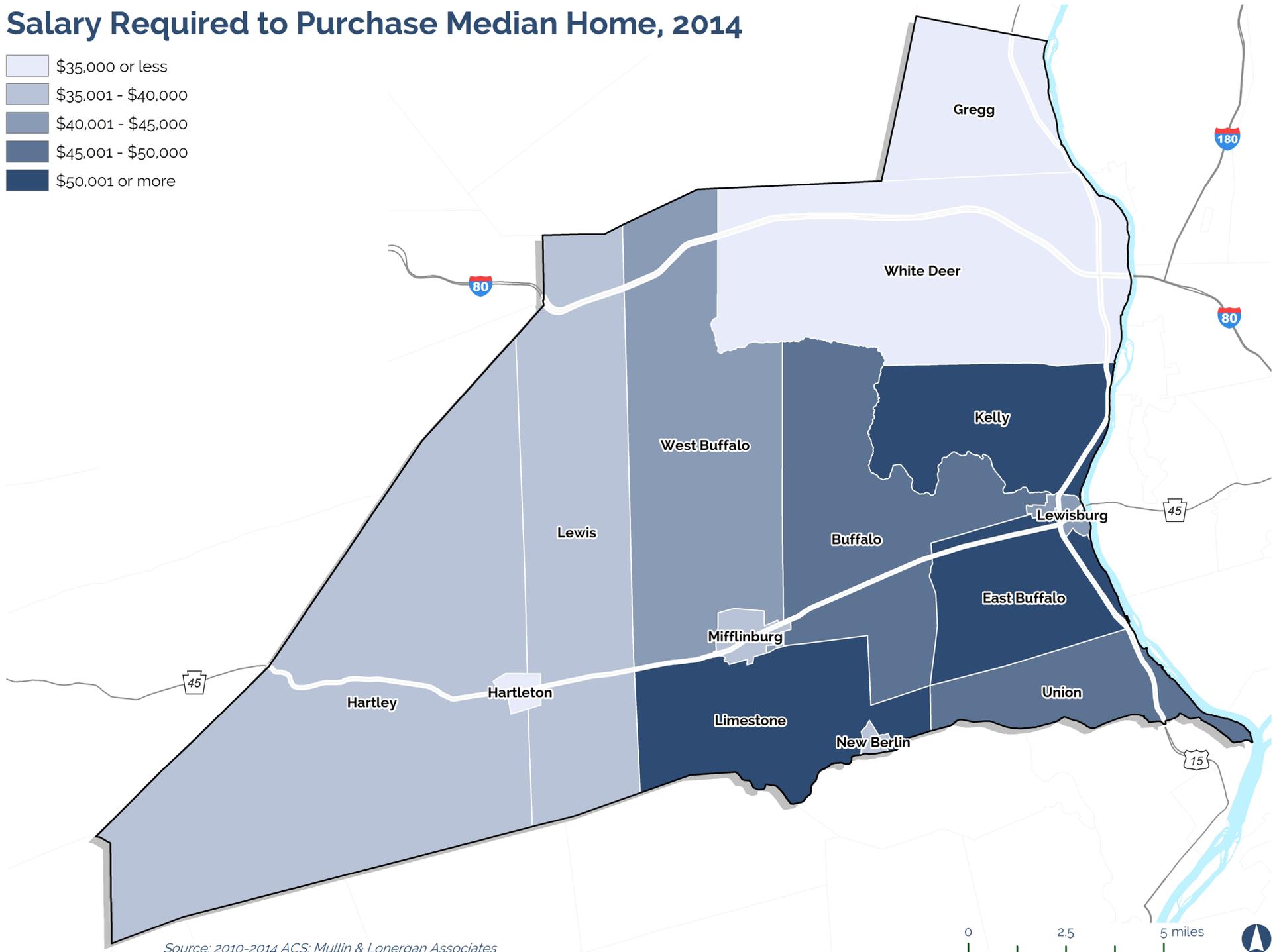
Income Required to Afford Median-Value House, 2014



Source: ACS 2014 DP04, Calculations by Mullin & Lonergan Associates

Salary Required to Purchase Median Home, 2014

- \$35,000 or less
- \$35,001 - \$40,000
- \$40,001 - \$45,000
- \$45,001 - \$50,000
- \$50,001 or more



Source: 2010-2014 ACS; Mullin & Lonergan Associates

Transportation

Many Union County households pay high transportation costs

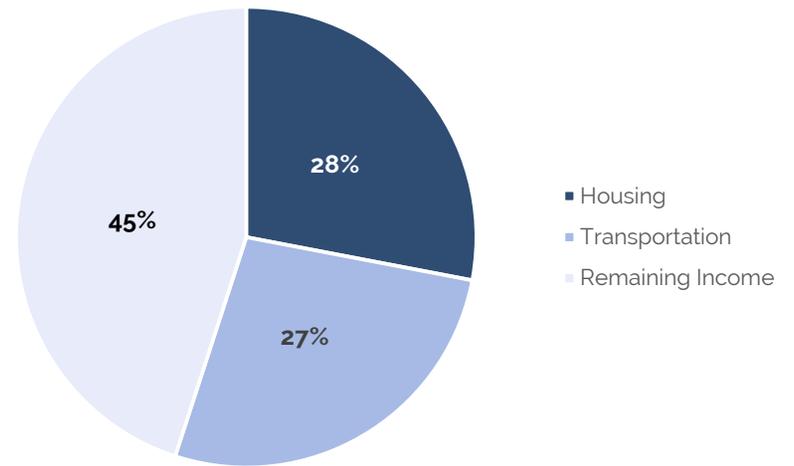
Transportation plays a significant role in housing, as households must balance their housing costs and location with their transportation costs and commute times. This is especially true in rural areas such as Union County, where the development of extensive public transportation systems is often infeasible.

Transportation is typically a household's second-largest expenditure after housing. While there is no consensus on what proportion of a household's income should be spent on transportation, most policy work on this subject uses 15% as a general guideline. In Union County, the average household spends 27% of their income on transportation. In dollar terms, this means that the typical household in Union County spends \$13,084 on transportation. Combined with the 28% spent on housing costs, this leaves 45% of a household's income for all other activities, including food, child care, education, health care, and other necessities.

While housing may be more affordable in the more rural areas of Union County, the increased transportation costs associated with living there may offset this advantage. Nationally, 77 cents of every dollar saved by less expensive housing is offset by the increased transportation costs associated with that location.¹ While this type of data does not exist for Union County, this trend is likely at the local level.

Employment in the entirety of Union County is heavily concentrated in Lewisburg and, to a much lesser extent, Mifflinburg. Land costs and housing costs generally reflect this. Residents in the western and northern municipalities of Union County may be able to find less expensive housing, but subsequently face longer commute times and fewer employment alternatives.

Major Household Expenditures in Union County



Source: Center for Neighborhood Technology

¹ Source: Center for Housing Policy, "Something's Gotta Give", http://www.tbrpc.org/resource_center/pdfs/housing/Somethings_gotta_give.pdf

Affordable Design



Photo: morganwoodsapts.com

Union County's Housing Task Force is concerned with all aspects of housing need throughout the County, not strictly affordable housing. However, affordability was recognized as an important need through the quantitative and qualitative data analysis performed for this study.

Misconceptions surrounding "affordable housing" – whom it serves, what it looks like, what it costs – are common. All of these aspects can differ greatly from development to development depending on the structure and financing of the project. The affordability of market-rate or publicly assisted housing says nothing about that housing's location, density, or design. Of course, housing that costs less for the resident is usually constrained by the financial realities of land prices, construction costs, revenue per unit, and so on for the developer. This does not mean that good design is not possible for affordable housing, however.

The following are only some examples of affordable housing that have made good design a priority. The examples here are of a building scale that might be found in Union County, although each development is tailored to its specific place in terms of architecture, site area, and affordability level. There is no assumption that these particular examples could necessarily be successful in Union County if built as-is.

Columbia Parc at the Bayou District

New Orleans, LA

Partners: St. Bernard Redevelopment, LLC; Bayou District Foundation; Housing Authority of New Orleans

Columbia Parc at the Bayou District is a 683-unit mixed-income development, spanning 17 city blocks in New Orleans. The development includes a mix of two-story townhomes and three-story corner apartment buildings. Two-thirds of the units are public or assisted housing, while one-third are market-rate. Each housing unit has either a stoop, porch, or balcony to contribute to an active street life.

The financing for Columbia Parc includes tax credit equity, a loan funded through Community Development Block Grants, additional acquisition and construction loans, private debt for construction and bridge financing, and a permanent mortgage through Oak Grove Capital and Freddie Mac. In addition, a payment in lieu of taxes structure from the city of New Orleans reduced the rental rates required to make the project feasible.

The location in the Gentilly neighborhood was previously home to the St. Bernard public housing development, which was physically deteriorated prior to suffering additional damage during Hurricane Katrina. Extensive outreach to former St. Bernard residents resulted in more than 350 former resident households signing up for the project's public housing waiting list.



Photos: columbiaparc.com

Source: submission profile for ULI's Excellence in Affordable and Workforce Housing Award



Fairgate Stamford, CT

Partners: Charter Oak Communities; City of Stamford; State of Connecticut

Fairgate is a mixed-income development located on the site of the former Fairfield Court public housing development. Fairgate was the final phase of the Fairfield Court HOPE VI revitalization, and was completed in 2009. Of the 90 units at Fairgate, 55 are affordable to households with incomes below 60% AMI, and 35 are market rate units without subsidy or income restrictions.

Fairgate offers one-, two-, and three-bedroom units in a townhouse configuration with individual entrances, as well as a community building and an after-school program operated by the Boys & Girls Club of Stamford. Residents of Fairgate may choose to participate in supportive services provided through Charter Oaks Communities' close partnership with Family Centers, which provides a Resident Services Coordinator, other direct services, and linkages with a variety of local high quality service providers.



Photos: charteroakcommunities.org

Source: Charter Oaks Communities

Greenbridge

Seattle, WA

Partners: King County Housing Authority

King County Housing Authority developed Greenbridge to replace Park Lake Homes, a collection of World War II-era dwellings built to house defense workers, as part of its effort to revitalize the White Center neighborhood. Together with nearby Seola Gardens, KCHA has committed more than \$250 million in public and private funding since the early 2000s toward this goal.

By the time all renters and homeowners have moved in, the community will be home to more than 3,000 people in 900 to 1,000 homes. This collection of housing spreads over 100 acres and consists of both rental and for-sale homes. It also incorporates a variety of styles, from townhomes and cottages to apartment buildings and, in the future, single-family homes.

Nearly 60% of the units are occupied by residents who lived in the neighborhood prior to redevelopment. Others are moderate-income working families and eventually homeowners able to pay market rates.

Source: King County Housing Authority



Photos: kcha.org



Photos: homesightwa.org



Photos: masonvale.com

Masonvale Fairfax, VA

Partners: Mason Housing Inc.; George Mason University

Masonvale is an employer-assisted housing development of 156 workforce rental units on the eastern edge of the George Mason University (GMU) campus in Fairfax County, Virginia. Occupying 11.3 acres in a cluster design on 27 acres, the site is defined by two protected riparian valleys. The units consist of one and two-bedroom stacked flats, two- and three-bedroom townhomes, and duplexes.

Units are limited to faculty, staff, and full-time graduate students at GMU and employees of the City of Fairfax and Fairfax County, with priority for new faculty. The homes are offered to eligible residents at rents that average 5-15% below market value. This pricing makes the units affordable to families earning 70-90% AMI, depending on unit type.

Masonvale was developed out of a unique public/private partnership between the public university and the development team where GMU's sole contribution was the land. Mason Housing, Inc., is a nonprofit entity that was established to develop and manage the new community. Through its relationship with GMU, Mason Housing, Inc. was able to secure \$39.8 million in tax-exempt bond financing through the Fairfax County Economic Development Authority. Achieving 100% financing with variable-rate tax-exempt bonds facilitated the financing of the project.

Source: submission profile for ULI's Excellence in Affordable and Workforce Housing Award

Mifflin Mills Lebanon, PA

Partners: Lebanon County Housing Authority

Mifflin Mills is an affordable rent-to-own townhouse community developed by the Lebanon County Housing Authority. The development is comprised of 20 three-bedroom townhomes located on a formerly vacant, blighted city block. In addition, the property was designed to blend in with streetscape of the surrounding neighborhood, further enhancing to the neighborhood revitalization.

The units are first leased for 15 years before being sold to their tenants. During each year of occupancy, funds are escrowed for tenants to use toward the down payment on the townhome. Two of the homes feature elevators to make them fully accessible for persons with a mobility impairment, while all of the units are designed to be easily visitable by persons with disabilities.

Construction of Mifflin Mills was completed in October 2009 and all dwellings were occupied as of December 2009. Because Mifflin Mills is a rent-to-own development turnover is expect to be minimal.



Photos: rgsassociates.com

Source: Lebanon County Housing Authority



Photos: morganwoodsapts.com

Morgan Woods Edgartown, MA

Partners: The Community Builders; Town of Edgartown

Morgan Woods is a 60-unit, 21 building community built on 12-acres of land assembled and donated by the Town of Edgartown. Located on the Island of Martha's Vineyard, the project provides desperately needed housing that is affordable to the Island's permanent residents, effectively doubling it. The 24 workforce units are priced for households earning between 110% - 140% AMI; the remaining 36 units are priced for low-income families.

The site design uses "cluster development" principles within a disguised density concept, with structures that resemble large single-family homes, but contain multi-family units. Construction utilized modular units that were shipped to the island during the off-season. The site layout incorporates three clusters of housing units arranged around landscaped common areas.

Edgartown entered into a 99-year ground lease with The Community Builders at \$1 per year. The Town also committed \$400,000 to site infrastructure, paid for numerous studies, and negotiated a Payment In Lieu of Taxes, effectively capping annual real estate taxes for the first 15 years of operations.

Source: submission profile for ULI's Excellence in Affordable and Workforce Housing Award

Old Town Commons

Alexandria, VA

Partners: EYA; Alexandria Redevelopment and Housing Authority (ARHA)

Old Town Commons is a mixed-income, transit-oriented development in Alexandria, Virginia. The 365 units of affordable rental and market-rate for-sale housing are the result of a public/private partnership between the Alexandria Redevelopment and Housing Authority (ARHA) and private market-rate developer EYA.

Located in a historic district, the development doubled the original density with a combination of taller multifamily buildings and four-story rowhouses that blend with nearby Old Town rowhouses. The affordable rental units (a mix of public housing units and project-based Section 8 units) are designed to be indistinguishable from their market-rate owner-occupied units.

The sole financing of the Old Town Commons project was the proceeds of the sale of the land under the market-rate units, the contribution of the land under the affordable units, and equity raised from 9% low-income housing tax credits. This arrangement provided sufficient funds to construct all the ARHA units with no debt service, which allows AHRA to offer the affordable housing units to families earning incomes at 40 to 50% of the area median income.

A notable aspect of this project is the replacement of public housing units: the 134 public housing units at Old Town Commons, combined with 60 new off-site units at nearby Glebe Park, achieved a full replacement of 194 units.



Photos: vhdllc.us

Source: submission profile for ULI's Excellence in Affordable and Workforce Housing Award



Photos: mhpartners.org

Olney Springs Olney, MD

Partners: Elm Street Development; Montgomery Housing Partnership; Montgomery County Department of Housing & Community Affairs

Olney Springs is a mixed-income community in Montgomery County, MD that offers homeownership opportunities for the full income spectrum. The community's 57 townhomes and 57 single-family homes include 40% market-rate homes, 30% workforce homes, and 30% affordable homes through the county's Moderately-Priced Dwelling Unit (MPDU) program.

The MPDU homes are restricted to households with incomes at or below 60% of area median income (AMI). The workforce homes are divided into three income bands, ranging up to 110% of AMI. The project's financing also includes a \$1,900,000 initial equity investment and an acquisition and development loan.

The site plan centers on a large stream valley, which is open to the entire community and has been reforested as part of the development. A foot bridge and trail system connect the sections of the development on opposite sides of the stream. Other outdoor amenities include playgrounds, a half basketball court, and picnic area.

Source: submission profile for ULI's Excellence in Affordable and Workforce Housing Award

Yarmouth Way

Boulder, CO

Partners: Community Housing Capital/Mile High Community Loan Fund; City of Boulder, Division of Housing and Human Services

Yarmouth Way is a mixed-income residential development with 25 single-family units on 1.82 acres in Boulder, Colorado. The project was developed by 4655 Yarmouth, LLC, a partnership between Thistle Communities, a nonprofit developer, and Allison Management, a for-profit developer. Yarmouth Way offers three- and four-bedroom family-oriented workforce units in a city where most permanently affordable units are only one- or two-bedrooms. The 10 permanently affordable workforce units are targeted to buyers in the 69-109% of Area Median Income. All 25 units—whether deed-restricted or not—were produced to sell at affordable price points for the Boulder market.

Boulder's Inclusionary Housing Ordinance requires 20% of all new developments over four homes be permanently affordable to families at 80% AMI. Yet, many of the affordable housing units built to comply with this requirement are small. Only 6% of the permanently affordable homes in the city are single-family. At Yarmouth Way, part of the strategic plan was to offer townhomes and homes with three bedrooms to accommodate working families.

Partnering with market developer Allison Management for project execution, Thistle was able to apply its Neighbor-Works low-cost revolving predevelopment fund and debt from nonprofit lender Community Housing Capital/Mile High Community Loan Fund, a Community Development Financial Institution (CDFI). Four of the 10 workforce units at Yarmouth were funded when another site in Boulder met its affordable housing requirements through the city's "payment in lieu" program.



Photos: huduser.gov

Source: submission profile for ULI's Excellence in Affordable and Workforce Housing Award

Recommendations

Key Findings and Conclusions

Demographics

More than many other rural areas of Pennsylvania, Union County's population has been growing. The number of households in the County is increasing, due to both natural population growth, changes in lifestyle such as shrinking household size, and in-migration. By comparison, households moving to Union County tend to have lower incomes than current residents, which further increases competition for lower-cost housing. Union County's population is expected to grow by over 30% by 2050, equivalent to an additional 3,975 occupied housing units.

Housing

Union County's location and amenities make it a desirable place to live, and land use demands have been changing to match the residential growth and economic shifts that are occurring. Housing units have been added to the local inventory at a rate fast enough to keep up with growth. These new units may not be a good match for demand, however, as the countywide vacancy rate has increased as well.

Even though homeownership has decreased for most age groups, the existing housing stock in the County is still relatively well-suited for the current demographic composition. This may not be sustainable, however, since most new construction is occurring in the County's suburban municipalities, which are the strongest markets but are primarily owner-occupied.

The demand for rental housing is exemplified by the difficulty Housing Choice Voucher holders in Union County have finding housing due to the low rental vacancy rate. There are also emerging challenges for homeowners, such as changes to the federal flood insurance program that have reduced the affordability and potential marketability of units located within the 100-year floodplain, which covers much of Lewisburg.

Economy

Many of the fastest-growing industries in Union County pay wages that put homeownership—or even rental housing—out of reach for working families. This is less the case at the County's largest employers who report that most of their entry level positions pay enough to afford the County's median gross rent. On the positive side, Union County's extremely low unemployment rate means greater potential for workers in the job market.

Cost & Affordability

With a very few exceptions, incomes in Union County have stagnated, similar to national trends. At the same time, rents in most parts of Union County have increased faster than inflation and home values have been steadily increasing. This means that housing has become more expensive.

As an illustration of this issue, over 4,000 households already living in Union County cannot afford the housing they currently occupy. In addition, many households also face with high transportation costs. The situation is more dire for renter than homeowners – the County's median household income is enough to afford a median-valued home, and most homes priced between \$100,000 and \$200,000 do indeed sell relatively quickly.

Recommendations

Objective 1: Create a housing policy that accommodates both emerging demographics and existing residents.

Union County has experienced strong growth over the past decade, and this trend is expected to continue over the next several decades. Change will come from natural population growth as well as from in-migration of those drawn by the County's economic opportunity and high quality of life. These changing demographics will affect the housing types that will be demanded in the future.

However, the status quo of housing will not match the needs of the future population. The industries that are adding jobs are not ones with wage scales that match current housing prices. There will be more senior citizens, modest-income households, and Millennials. To responsibly manage growth and development, it will be critical to re-evaluate the impact and implications of the County's current housing policy.

Recommendation A: Continue to strengthen communication between the public sector and the private development community. When it is feasible, form public-private partnerships to fulfill specific goals or complete housing initiatives.

Recommendation B: Streamline the residential development approval process to make it uniform, efficient, and transparent for developers.

Recommendation C: Develop example zoning ordinance language that municipalities may choose to adopt that:

- accommodates the demands of key emerging demographics such as young professionals, senior citizens, and moderate-income homebuyers
- incorporates modern minimum lot sizes based on the number of buildable subdivisions and projected population growth
- allows accessory dwelling units as a more affordable rental housing option on existing lots with infrastructure to accommodate family members such as boomerang children or aging parents

Recommendation D: Express a preference for mixed-income housing and Traditional Neighborhood Development (TND) in any relevant County plan or policy that affects housing development.

Objective 2: Create and preserve housing for households earning below the countywide median income of \$48,827.

Following state and national trends, Union County faces stagnant incomes and rising housing costs. Because of this, a growing proportion of existing residents cannot afford housing at current prices. The County's limited affordable housing funds are currently prioritized for the needs of lower-income households. However, this ignores a large proportion of moderate-income households who may be able to more easily achieve homeownership and housing stability. The existing lack of supply for market-rate housing for moderate-income families—particularly in Lewisburg—contributes to a high level of cost burden in Union County and puts additional pressure on lower-income residents, as competition for existing affordable housing stock increases.

Union County has several housing developments that have mandatory affordability periods built into their deeds, providing much-needed affordable rental housing. However, these affordability periods will eventually expire. While an expiring affordability period does not necessarily mean that the units will become unaffordable for current residents, it does raise the potential for this to occur. Preserving these units by extending the affordability periods can prevent the potential for future displacement of residents, and is considerably more cost-effective than developing new affordable housing.

Recommendation A: Continue to capitalize the Union County Affordable Housing Fund for homeownership gap financing options for the 80-100% AMI bracket (approximately \$39,000 to \$48,827).

Recommendation B: Apply for State Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund (PHARE)¹ funding to finance housing rehabilitation activities within the designated Sixth Street corridor in Lewisburg. Use the funds to establish a zero-interest deferred loan program to assist renters and owners earning up to approximately \$97,400 (200% of the area median income).

Recommendation C: The Union County Housing Authority should consider expanding its Residential Rehabilitation Program to include affordable rental housing preservation. This could take the form of a revolving loan fund providing zero-interest loans for rental property owners to cover the cost of bringing their structures up to code. In return, property owners would commit to providing affordability terms for the duration of the loan, such as accepting Section 8 vouchers. This could potentially be administered by the Housing Authority using supplemental funding from the State's CDBG and HOME HUD grants.

Recommendation D: Collaborate with local businesses to identify potential applicants to the state's Neighborhood Assistance Program.² This program provides up to 55% in PA state tax credits for funding provided by the business to an eligible nonprofit organization to undertake affordable housing and neighborhood conservation initiatives, among other eligible projects.

¹ PHARE was established by Act 105 of 2010 (the "PHARE Act") to provide the mechanism by which certain allocated state or federal funds, as well as funds from other outside sources, would be used to assist with the creation, rehabilitation, and support of affordable housing throughout the Commonwealth. The PHARE Act did not allocate any funding but did outline specific requirements that include preferences, considerations, match funding options, and obligations to utilize a percentage of the funds to assist households below 50% of the median area income.

² The Neighborhood Assistance Program (NAP) is a Pennsylvania tax credit program to encourage businesses to invest in projects which improve distressed areas. A project must serve distressed areas or support neighborhood conservation.

Objective 3: Improve housing quality and accessibility, especially in the rental market.

The quality of existing housing was a significant concern raised by local stakeholders. Many units in Union County are showing their age and are in need of repair. Low-cost rental properties are especially vulnerable, as the amount of investment required may be sizeable. However, it may be difficult for landlords to rehabilitate these properties while maintaining low rents for their tenants. This scenario is occurring in Lewisburg's rental stock, which is split between less expensive, deteriorating rental housing formerly occupied by students and well-maintained rental housing that is too expensive for working families. This situation limits the County's inventory of quality, affordable market-rate housing.

A number of County residents have a physical disability that may affect the type of housing they need. There is currently not enough accessible housing in Union County to satisfy demand, and the housing that is accessible may not necessarily be available to those who need it. The Roads to Freedom Center for Independent Living, a non-profit disability service organization located in Williamsport, assists with accessibility modifications for disabled persons. However, there is no publicly supported local resource for Union County residents.

In addition, senior citizens are a growing segment in Union County. Seniors have special housing needs, and many residents 65 and older require housing with accessibility features. While Union County has desirable senior housing facilities, it is likely that a large proportion of seniors would prefer to age in place. Improving housing accessibility for persons with disabilities would have the added benefit of increasing the housing options of independent seniors.

Recommendation A: Work to identify and address challenges faced by the non-profit community for improving housing quality and accessibility. For example, Habitat for Humanity's competitive mortgage products (zero-percent loan for 20 years) could assist homebuyers earning between 40-60% of the area median income (approximately \$19,500 and \$29,300); however, the cost of land has deterred the nonprofit from expanding homeownership initiatives in Union County.

Recommendation B: Develop universal design¹ requirements for all new multi-family development throughout the County. Universal design includes features such as no-step entrances, 36" wide interior doorways, lever door handles, and adequate turn-arounds in halls, bathrooms, etc. for wheelchairs, among other elements.

Recommendation C: Coordinate with Roads to Freedom Center for Independent Living in Williamsport to expand the benefit of their accessibility modification program in Union County.

Recommendation D: Provide technical assistance to municipalities on providing reasonable accommodation policies for persons with disabilities in their zoning ordinance. This would include outreach to landlords for allowing accessibility modifications for persons with disabilities, among other potential issues.

¹ "Universal design" is the concept of designing the built environment to be usable to the greatest extent possible by everyone, regardless of their age, ability, or status in life. In the context of housing, it most commonly refers to ease of use for persons with disabilities.

Objective 4: Connect housing to a larger planning dialogue

Housing does not exist in a vacuum. Factors such as transportation, land use, economic development, and social issues all have significant impacts on the real estate market. While the Housing Task Force is centered on housing, related topics were commonly brought up during stakeholder interviews.

While Union County's strong school districts play a major role in its regional draw, there is currently little to no communication with the school districts when new housing developments are approved by the Planning Commission. This reduces the districts' ability to plan for increased enrollment due to new families relocating. In addition, major County employers have noticed that their employees have trouble finding affordable housing in their preferred locations.

Ultimately, housing planning should be connected to a larger dialogue regarding the direction and priorities of Union County as a whole.

Recommendation A: Establish a communication protocol with each school district by:

- Enforcing Section 508.1 of the Municipalities Planning Code which requires municipalities to notify school districts when a plan for a residential development is approved.
- Adding new housing development to regular discussion agendas between school board officials and County planning officials.

Recommendation B: Educate municipalities about the importance of contextual architecture and how to incorporate those principles into local ordinances to preserve neighborhood integrity.

Recommendation C: Begin discussions with major employers to initiate employer-assisted housing programs. Larger companies frequently have foundations through which a homebuyer assistance program can be created to provide qualifying employees with down payment assistance and closing costs.

Recommendation D: Preserve open space and agricultural land by encouraging new development to be centered around existing infrastructure.

Recommendation E: Ensure that all County plans and policies comply with the State's fair housing plan.

Recommendation F: Monitor changes to flood insurance policy and actively notify affected property owners, and support the Susquehanna Economic Development Association - Council of Government's (SEDA-COG's) Flood Resiliency Program for Lewisburg.

Appendix A

The definition of rental affordability is a gross rent that does not exceed 30% of household income. For example, rent and utilities of \$15,000 per year (or \$1,250 per month) require an income of at least \$50,000 per year to be affordable ($\$50,000 \times 30\% = \$15,000$). Likewise, if a household has an income of \$72,000 per year (or \$6,000 per month), the maximum gross rent that is affordable to that household is \$2,000 per month ($\$6,000 \times 30\% = \$2,000$).

The definition for the affordability of homeownership is similar to the one for renting, although the monthly "cost" of homeownership is less straightforward to determine than monthly rent. The maximum home price that is affordable for a new home buyer was based on the following assumptions:

- The mortgage is a 30-year fixed-rate loan at a 3.85% interest rate¹
- The buyer made a 3% down payment on the sales price²
- Private mortgage insurance (PMI) is 0.8% of the amount mortgaged
- Homeowner's insurance is equivalent to the value of the home divided by 1,000 and then multiplied by \$3.50³

- Homeowners pay the same amount for utilities as a percentage of housing costs as the median renter in the County, which is 15%
- Principal, interest, taxes, and insurance (PITI) plus estimated utilities equals no more than 30% of gross monthly income, a threshold of financial health commonly used by banks

It is important to note that this analysis does not include additional monthly housing costs such as maintenance, homeowner association fees, etc. It also does not take into account the condition of homes and any additional investment beyond the purchase price that might be necessary to make the home livable. There are also more factors than monthly mortgage payments that contribute to a household's ability to achieve homeownership such as credit score, employment history, and the ability to save for a down payment that are not taken into account here.

¹ The annual average rate for a presumed 2015 purchase year, according to Freddie Mac

² The down payment required by Fannie Mae and Freddie Mac for their affordable mortgage products

³ An estimation method used by the Federal Reserve Bureau

Appendix B

Developments Managed by Union County Housing Authority (as of 6/2016)

Complex	Location	Owner	Built	Units/ Filled	Occupancy	1BR	2BR	3BR	4BR	5BR	Agency ¹	HUD S8 ²	Wait List ³
Datesman Village	West Milton	UCHA	1979	30/30	elder/disabled	30					USDA RD	-	14
Kelly Apartments	Kelly Township	Sencit	1986	80/76	elder/disabled	79	1				PHFA	79 project	27
Meadow View Apts	Mifflinburg	UCHA	1978	30/30	elder/disabled	30					USDA RD	30 project	31
Newky Apartments	New Columbia	UCHA	1981	8/8	general		8				-	5 tenant	7
White Deer Commons †	New Columbia	RHI	1983	24/20	general		14	10			PHFA	4 project	11
Penn Commons †	East Buffalo	LH, LP	2016	31/0	general	5	12	8	6		PHFA	6 project	0
TOTAL				203/164		144	35	18	6	0			90

Developments Not Managed by Union County Housing Authority (as of 6/2016)

Complex	Location	Owner	Built	Units/ Filled	Occupancy	1BR	2BR	3BR	4BR	5BR	Agency ¹	HUD S8 ²	Wait List
Essex Place †	East Buffalo	Warrior Run	2000	28/25	general		16	10		2	PHFA	17 tenant	13
Century Village	Kelly Township	Mortensen	1981	40/39	general		34	6			PHFA	40 project	80
Meadow View †	Kelly Township	Conifer	2005	48/47	general		24	24			PHFA	31 tenant	16
Heritage House	Lewisburg	P.H. Partners	1982	80/79	elder/disabled	80					PHFA	80 project	35
Mifflin Place †	Mifflinburg	Warrior Run	1995	24/23	elder/disabled		24				PHFA	20 tenant	22
Deer Hollow †	West Milton	Warrior Run	2001	20/19	general		16	4			PHFA	14 tenant	8
Kelly Court	Kelly Township	Pursel M.G.	1977-84	72/68	general	6	62	4			USDA RD	53 tenant	7
Devitt House	Kelly Township	Phoebe Min.	1991	36/36	elder/disabled	36					USDA RD	36 project	26
Total				348/336		122	176	48	0	2			207

† low-income-housing tax credit

1. Governmental agency associated with development of the complex (PHFA: Pennsylvania Housing Finance Agency, USDA RD: U. S. Dept. of Agriculture – Rural Development).

2. Section 8 (S8) vouchers to subsidize rents provided by federal Housing and Urban Development (HUD); two kinds – project-based vouchers and tenant-based vouchers.

3. Since the number of individual names on the combined wait lists of 90 is 74, about 20% of the total names (16 out of 90) were multiple entries across those wait lists.

Appendix C

Union County Planning Commission staff developed a list of local stakeholders from 40 unique organizations from around the County involved with housing issues in some way. Representatives from these organizations were contacted multiple times and through multiple channels to participate in the outreach process for the Housing Plan. The following individuals participated in stakeholder interviews conducted from June 27 to June 29, 2016.

Name	Organization
Henry Baylor	East Buffalo Township
Levi Beachy	Fine Touch Builders
Nelson Beachy	Fine Touch Builders
David Cooney	Landlord
Mark DiRocco	Lewisburg Area School District
Sally Farmer	New Berlin
Millie Funk	Heritage House
Kevin Gardner	Landlord

Name	Organization
Alan Hack	Warrior Run School District
Ralph Hess	East Buffalo & Kelly Townships
Stacy Hinck	Lewisburg Borough
Sandra Hopkins	SUN Habitat for Humanity
Sabra Karr	Villager Realty, Inc.
Stacey Kifolo	East Buffalo Township
Ken Kipp	Gregg Township Planning Commission
John Kurelia	Warrior Run School District
Dan Lichtel	Mifflinburg Area School District
Willian Lowthert	Lewisburg Borough
Bob Musser	Buffalo Valley Lutheran Village
Bruce Quigley	Union County Housing Authority
Gale Reish	Union County Housing Authority
Matt Schumacher	East Buffalo Township
Tim Turner	Landlord