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## **II-C. Housing Plan Element**

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## HOUSING PLAN ELEMENT

One of the primary concerns of any Comprehensive Plan is the existing and future housing stock of the community. This is an important element for several reasons:

- 5) Residential uses of land are the largest portion of the developed land in the community.
- 6) Housing represents the greatest stock of privately held wealth in most communities.
- 7) The shelter function provided by housing is critical to human health and safety.

Housing is not only an important issue, it is a complex one. Most housing is provided by the private sector through the marketplace. Housing decisions are made by individuals and families based on their perceived needs, their incomes, and the availability of the type of housing they desire and can afford in the area in which they wish to locate. Often the match between type of housing, price of housing, and desired location is not optimal from the standpoint of the individual home buyer or renter. A series of tradeoffs must then be made.

Housing values for the area are much lower than most housing in Pennsylvania. This does not imply that the housing is in poor condition but several factors play a part. One, the housing stock in the Borough is older than Pennsylvania housing on average requiring consistent repairs and improvements to remain viable. Second, incomes in the area are generally low to moderate. The older housing requires capital improvements to maintain a high value many of which are beyond the budget of the area residents, especially considering the large portion of elderly homeowners on fixed incomes. However, incomes and home improvements can not fight the general decline in property values for the region. In short, the housing quality in the area is good and persons seeking housing in the area can find an affordable, older house. New housing is not currently being developed, so the choices for young, professional families wanting new starter homes at an affordable price are not plentiful. Additionally, rental properties do not exist in the Borough with the exception of two government subsidized housing units on Main Street. Consequently, young families or individuals who can not afford to purchase housing must locate elsewhere.

The main purpose of the Housing Element of this Plan is to assure that a range of housing choices are provided in the housing market so that households wishing to locate in the Borough can find appropriate housing which meets their basic requirements. This is expressed in one goal:

**"To provide an appropriate mix of affordable housing and housing types for all persons who live in the borough and encourage the development of housing opportunities for first renters and first time home buyers."**

Supporting the Housing goal are several objectives designed to improve the overall value of housing in the area. Here, the first concentration is on the preservation and conservation of neighborhoods and the housing stock within those neighborhoods.

An objective is designed to maintain or encourage opportunities for new residents to locate in new homes or rental properties. Currently rental opportunities do not exist within the Borough

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discouraging families unable to purchase a home from living in the Borough. New housing starts are very slow and turnover in housing is rare leaving little opportunity for first time home buyers to move into the area.

Another objective is to encourage development of alternative types of housing, within the Borough, for the large percentage of elderly living in owner-occupied housing. These objectives focus on specific special housing needs to increase housing diversity within the area

### **Maintaining Housing Value and Assuring Quality Development**

Rice's Landing is a small residential community located on the banks of the Monongahela River. At one time primarily a trading port and mining town, the Borough has settled as a primarily residential area with little commercial activity. The housing stock is aging occupied by increasingly older residents with little housing options other than detached houses. The residents like it this way. However, the Borough realizes its needs to maintain its quality of housing and provide for alternative living styles which would attract young families and turnover existing housing by providing residential options for the elderly population.

***Preserving Older Neighborhoods:*** There are three primary reasons why neighborhoods deteriorate. The first has to do with the age of both the housing stock and the age of the home owners. When these areas developed they were built as new housing for families with children. The children have grown up, moved out, and are now living in homes of their own. The parents are often still in the same house, but are retired and on fixed incomes. Many are not capable of physically maintaining their properties. The houses are beginning to deteriorate. Second, older houses not well maintained become subject to purchase by landlords who with minor rehabilitation efforts turn the housing into rental properties. This in itself is not a poor practice, but absentee landlords can be a concern since they have a tendency to not maintain their properties as well as local landlords or homeowners. Third, the infrastructure in the older areas is not as modern or efficient as that in the developing areas. Streets are narrow, water lines are beginning to need repairs, etc.

These three effects combine to create a situation of decreasing housing values and increasing blight. There are several actions which can be taken by the municipalities to improve housing values and preserve neighborhoods. The is to participate in the housing rehabilitation program but this, by itself, will not turn the tide of decreasing value. It is also necessary to create and respect the zoning in those areas which are not yet fully blighted. Spot zoning and uncritical award of variances tends to lead to a further mixing of land uses and, very likely, continued neighborhood deterioration.

**Recommendation:** Encourage the development of alternative housing types for elderly persons-personal care.

**Recommendation:** Explore shared services to promote consistency and affordability in code enforcement and apply zoning controls and building codes stringently in areas which are beginning to suffer from blight by focusing on two objectives for land use which refer directly to the concern for improved quality of housing:

1. Updating the Zoning, Subdivision and Land Development Ordinances which

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recognizes the importance of carefully controlling the type and quality of development allowed in the region.

2. Update the Building Codes in the region for consistency and ensuring the general safety and welfare of its citizens.

**Recommendation:** Concentrate substantial resources on improving the infrastructure of older areas which are not currently blighted.

**Recommendation:** To encourage all residents to maintain their properties in a way which makes the region an attractive place in which to live and visit through increased enforcement of existing ordinances.

**Housing Rehabilitation:** One approach which both preserves the quality of the housing stock and helps assure a supply of affordable housing is publicly sponsored housing rehabilitation. The Borough should actively promote and participate in the County run housing rehabilitation program. This program makes grants available for low and moderate income homeowners who rehabilitate their own homes. It is necessary for households to qualify on the basis of income, to bring their properties up to code and to continue to live in their homes for at least five years after receiving the grant. There are several potential areas of the Borough which could be approved for the County funds. A County-wide housing conditions survey should be undertaken to determine areas where housing deterioration and neighborhood blight are becoming significant concerns. These areas should then be the focus of the rehabilitation program.

**Recommendation:** Focus housing rehabilitation efforts in the declining neighborhoods and other areas with substantial neighborhood blight by focusing on these objectives:

1. Supporting and participating in the Greene County Housing Rehabilitation Program.
2. Coordinating local housing efforts with the Greene County Housing Authority.
3. Address housing needs by identifying all existing housing programs available in the area and explore grantsmanship opportunities to finance programs not available.

**Assuring High Quality New Developments:** The other side of the prevention of blight and, therefore, of maintaining housing value is to assure that the structures themselves are built to last, that the neighborhoods are designed for long term stability, and that the infrastructure is appropriate for the type and density of land use after full development occurs in an area. Strict adherence to building codes can assure that the houses are well built. Concern with the interaction between the natural environment and the manmade environment has led to new design criteria in housing development such as cluster development, green space set asides, stormwater management, and other regulatory and incentive efforts which will help assure stable neighborhoods.

New housing is provided largely by the private sector but the goals of the housing developer are not necessarily completely congruent with the needs of the community. New developments often are constructed with little apparent thought of how they will integrate into the overall community. Few interconnections between these developments will lead to isolated enclave type neighborhoods. Little planning for commercial or community services in, or near, the developments is evident. Hence, the

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public sector needs to take an active role to assure that both community and private goals are met.

**Recommendation:** Design the updated zoning and subdivision land ordinances to assure that new subdivisions and developments occur in a manner which is consistent with sound planning practice and that they minimize the cost to the region for services and infrastructure.

**Recommendation:** Strictly enforce building codes.

**Recommendation:** Plan infrastructure extensions carefully to assure that development occurs at a sustainable pace. Plan the location of infrastructure carefully to minimize the costs to the Borough and to assure that developments are served at levels which reflect full built-up demand.

### **Maximizing Housing Choice**

Traditional single family housing is becoming very expensive. Most American families pay more than 25 percent of their incomes for housing related costs. A new single family home in the region typically costs around \$80,000. By the standard used by most banks in awarding mortgages, a household would need an annual income of at least \$35,000 to purchase such a home. This does make it easier to attain goals related to high quality development but it suggests that alternative types of housing are necessary for many residents to have access to affordable new housing.

**High Density and Multi-family Zoning:** An alternative which might be considered is a high density residential zone which would set a maximum lot size of (perhaps) one-quarter acre. Homes built on lots of this size would be likely to be less expensive than those typically built in the area. Allowing, or even encouraging, manufactured and modular housing in this zone would significantly reduce housing costs. In a similar vein, the Township could create a multi-family zone for garden apartments and zero lot line developments. This would assure that a supply of rental housing at various price ranges would be available. Both of these approaches have the added advantage of concentrating development and, therefore, helping to preserve greenspace within the Borough. Care should be taken that both multi-family and high density zones are located along the main transportation routes and that the areas chosen have adequate infrastructure to support high density development.

**Recommendation:** Set aside areas of vacant land for multi-family housing and the promotion of open space reducing the extensions and maintenance of infrastructure.

**Recommendation:** Encourage the development of moderate to high end rental housing through updated zoning and subdivision ordinances.

**Encouraging Homeownership:** A major concern for the area is the loss or failure to attract young college graduates and young professional families. A reason cited is the lack of new housing opportunities at moderate prices. A development of townhomes or condominiums would fill a need for moderate priced housing and encourage increased homeownership opportunities. The increase in opportunities for younger families to live in the area could greatly enhance the character of the area and its economic future.

**Recommendation:** Encourage the development of home ownership opportunities such as

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townhouses through updated zoning and subdivision ordinances.

**Recommendation:** Explore home ownership programs to encourage families to purchase homes and live in the area.

**Recommendation:** Create educational programs concerning the benefits, preparation for, and promotion of home ownership.

**Senior Citizen Housing:** The Borough, like most areas of the Commonwealth, are experiencing an increase in the percentage of its population over the age of 65. This trend will continue to occur for at least the next two decades. As the aging process of the community continues, the percentage of homeowners who are still living in the same home in which they raised their families even though they are now "empty nesters" will increase. This is a concern for several reasons: first, as householders age they are less able to physically care for their homes; second, many are on fixed incomes and cannot afford the costs of upkeep and preventive maintenance; third, these one or two person households are using housing space which might be better made available for younger households with children. It is, therefore, in the best interest of the municipality to provide alternative housing for these persons. Studies have shown, however, that most persons are unwilling to leave their communities in order to secure housing more appropriate for their senior lifestyles and needs. Appropriate senior citizen housing must be built in the same neighborhood to be attractive to these persons. This housing may be federally assisted under Section 202 of the U.S. Housing and Urban Development Act of 1956. Alternatively, many developers in the larger urban areas are beginning to build "life care" facilities which allow residents to live in their apartments or townhouses as long as they are able, then transfer to increasingly assisted housing as their needs change. These latter are usually quite expensive but they do offer an attractive alternative to many better-off seniors.

**Recommendation:** Allow the establishment of personal care housing for the elderly and the handicapped along appropriate corridors in an appropriate area within the Borough.

**Recommendation:** Explore with private developers the creation of at least one life care facility in the region.

**Mobile Homes:** Mobile homes are the least expensive way for many households to enter into homeownership. There are several concerns with this type of housing, however, not the least of which is the fact that mobile homes tend to depreciate rather than appreciate over time. This has the effect of causing mobile home parks and neighborhoods with substantial concentrations of mobile homes to lose value and deteriorate. In order to meet the goal of maximizing housing choice, mobile homes should not be completely discouraged in the Borough; however, an over abundance of mobile homes would conflict with the goal of a high quality, stable, and economically viable housing stock.

Perhaps the best alternative would be to zone a few lots of the Borough for mobile homes and to discourage their use in other areas. In recent years this practice has come under increasing scrutiny by the courts; it might be challenged. By creating a special zone for mobile home parks the Borough may be able to both have the advantage of this low cost alternative to traditional homeownership and maintain quality development elsewhere.

**Recommendation:** Create special mobile home zoning in a small, open area of the Borough consistent with the recommendations of the Future Land Use Plan.

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## **Notes: Funding Sources and Implementation Opportunities**

### **Housing Rehabilitation Funding**

Housing rehabilitation can be funded by using a variety of federal and state grants. The two most widely used are the Pennsylvania Community Development Block Grant (CDBG) and the Pennsylvania Housing and Community Development (H&CD) Grant Program (now the Communities of Opportunities Program).

The PA CDBG program provides funds to address community needs such as street improvements, water and sewer improvements, housing rehabilitation, as well as many other community related activities. The PA H&CD program targets its money to Housing Assistance, Community Development, Downtown Pennsylvania, and Economic Development. There are three (3) ways to obtain funding.

1. Because the municipalities are not a PA CDBG entitlement community, i.e., the municipalities do not receive an annual allocation of its own PA Community Development Block Grant (CDBG) funds, the municipal officials may submit a proposal to Armstrong County requesting use of part of the County's entitlement funds.
2. The Borough may also apply directly to the Pennsylvania Department of Community and Economic Development for "competitive" CDBG funds. These funds are set aside for communities which are both "entitlement" and "nonentitlement communities." Rice's Landing is a nonentitlement communities. There is a high degree of competition for these funds and the amount of money is limited to approximately \$5 million statewide.
3. The Pennsylvania Housing and Community Development Grant (H&CD) Program is a competitive program which provides funds to communities for four general purposes one of which is housing assistance. A housing rehabilitation program would fall under the category of housing assistance. The municipalities can apply for up to \$350,000 for any given year. Application must be made to the Department of Community and Economic Development. It is recommended that the municipalities apply for both PA CDBG and PA H&CD funds to initiate the housing rehabilitation program. This program has been recently refined into the Communities of Opportunities Program.

### **Program Guidelines**

To be eligible for the funding, a program must be concentrated upon low/moderate-income families according to State and Federal guidelines. Grants should be made available to low/moderate-income households to rehabilitate their housing units. It is recommended that the Borough's make the housing rehabilitation program Borough-wide and that it be limited to owner-occupied housing.

Conditions for participation in the program should include:

- Homeowners must have resided in their homes for at least one year prior to making application for rehabilitation assistance.
- The owner must continue to live in the property and maintain it in accordance with Section 8 Housing Quality Standards of the U.S. Department of Housing and Urban Development for five years to receive the full benefit of the forgiveness loan from the Borough.
- Eligibility for the loans is based on the eligibility income range from the following table:

**TABLE IIC-1**  
**HUD SECTION 8 INCOME LEVELS**  
**GREENE COUNTY**  
**(1996)**

FAMILY SIZE: PERSONS	VERY LOW INCOME	LOW/MODERATE
1	\$13,500	\$21,550
2	\$15,400	\$24,650
3	\$17,300	\$27,700
4	\$19,250	\$30,800
5	\$20,800	\$33,250
6	\$22,350	\$35,750
7	\$23,850	\$38,200
8	\$25,400	\$40,650

Source: Pennsylvania Department of Community and Economic Development, 1996

If the owner of a dwelling is eligible for a forgiveness loan, he must "borrow" the full amount of the loan from the Borough. As long as the owner remains in and maintains the property as determined by an annual inspection by the Housing Rehabilitation administrating agency, one-fifth of the amount of the loan will be forgiven annually for five years.

If the owner sells or transfers his property in less than five years, the outstanding amount of the loan will be paid from the proceeds of the sale. The funds which are recovered are then available to fund additional rehabilitation activities throughout the Borough. Loans should only be given to rectify deficiencies and to weatherize the property. Critical deficiencies must be addressed first.

Loans are to be made up to \$10,000. If a balance of the \$10,000 maximum remains after eligible repairs are made, then those funds can be spent for other code deficiencies and weatherization improvements. It is important to note that when a unit is eligible for rehabilitation assistance, the unit must be brought up to the HUD Section 8 Quality Standards. If the maximum amount of the loan is not sufficient to cover these expenses, the owner of the home must come up with the additional amount needed to bring the unit into compliance.

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## Affordable Housing

There is a belief at every level of government that every family should have a choice of affordable housing available to them as stated in the Housing Plan Goals and Objectives at the beginning of this chapter.

***Affordable housing law*** Several laws at all levels of government were created to deal with the provision of affordable housing. The Federal Fair Housing Act was enacted to ensure that persons would have available to them a decent home in a suitable environment. New Jersey has been the home to several important cases involving affordable housing at the federal level. The rulings on these cases, Mount Laurel I and II, basically state that communities must provide their share of a region's affordable housing stock and that regulations do not relieve the municipality of this obligation.

***Affordable housing programs*** Several strategies are available to promote affordable housing. As previously outlined in this section of the plan, rehabilitation of existing homes can be used to provide sound affordable housing.

Weatherization is a form of housing rehabilitation that involves reducing the energy costs of a low income household. Both owner-occupied and rental dwellings are eligible for weatherization service. The Weatherization program is funded through the federal Department of Energy and has received a portion of Low Income Home Energy Assistance Program funds provided by the Department of Health and Human Services. The Bureau of Human Resources should be contacted for more information.

## Other Housing Legislator

Housing in the region ranges from sound to deteriorating. The two challenges which should be addressed are a lack of affordable multi-family housing and the renovation or rehabilitation of owner occupied homes which show some deterioration.

***Affordable Housing and the Law*** The Federal Fair Housing Act (as amended 1990) was created to ensure that every family would have a decent home in a suitable environment available to them. There is a growing body of both statutory and case law which pertains to affordable housing:

***Federal Case Law*** As mentioned earlier, Mount Laurel I and II. New Jersey has become home to landmark cases involving affordable housing. In the Mount Laurel I Decision, the Supreme Court ruled that communities in growth areas must take their fair share of the regions affordable housing stock.

In Mount Laurel II, the New Jersey and United States Supreme Courts ruled regulations do not relieve a municipality of their obligation to account for their fair share of affordable housing in a region. And, affirmative measures such as builders' remedies, mandatory set asides, subsidies and mobile home zoning may be used to ensure that the fair share goal is achieved.

***Commonwealth of Pennsylvania Laws Regarding Affordable Housing*** The Pennsylvania Municipalities Planning Code Section 301(2.1) states that each municipal zoning ordinance is

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designed to provide for the use of land within the municipality for residential housing of various dwelling types encompassing all basic forms of housing. These forms include single family and two family dwellings, a reasonable range of multi family dwelling units in various arrangement, mobile homes, and mobile home parks. However, no zoning ordinance will be deemed invalid for the failure to provide for any specific dwelling type. Basically, this provision discourages exclusionary zoning and promotes affordable housing

*Surric V. Zoning Hearing Board of Upper Providence Borough*: This was the 1977 test case that the Pennsylvania Supreme Court established provisions for affordable housing. In particular, it like the Mount Laurel case, requires communities in growth regions to provide their share of affordable housing.

### **Funding Sources for Affordable Housing (as of 1996)**

*U.S. Department of Housing and Urban Development (HUD)*: HUD is the base funding source of many Housing Program. Their funds are used for developing affordable housing and purchasing mortgages (Fannie MAE, Freddie MAC and Finny MAE) and for rehabilitation and weatherization. The primary source of direct funding for housing is the Community Development Block Grant (CDBG) Program.

*Pennsylvania Department of Community and Economic Development (DCED)*: The Pennsylvania Department of Community Affairs offer several programs that utilize CDBG monies as a funding source. They are: Entitlement CDBG funds, Competitive CDBG, and Housing and Community Development Funds, now the Communities Program, and the HOME Program.

### **Community Development Block Grants (CDBG)**

The largest funding source for housing is the CDBG program. Both entitlement and competitive funds are eligible for this activity. The CDBG Competitive grants are usually due in Harrisburg in late March. The current maximum grant amount for housing rehabilitation is \$250,000. Applications for funding should be submitted to the Pennsylvania Department of Community Affairs. It is quite possible to reapply for additional funding to continue the housing program after the first grant funds are expended.

### **Other State and Federal Affordable Housing Programs**

Most federal and state programs for housing are targeted to low and moderate income families or individuals. To address the needs of affordable housing, rehabilitation of existing housing and future housing needs it is recommended that the following programs be examined and possibly implemented.

*Section 202 Supportive Housing for the Elderly (HUD)*: The large number of senior citizens in the region creates substantial demand for elderly housing. This program provides capital advance grants for construction, reconstruction, and rehabilitation of housing for very low income elderly. Funding is available to CBO's and other developers. Contact HUD Regional Office.

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**Section 811 Supportive Housing for the Disabled (HUD):** This program, like, Section 202, provides capital advance grants for construction, reconstruction, and rehabilitation of supportive housing. Contact HUD Regional Office.

**HOME - Home Investment partnership program (HUD, DCA):** This program offers funding and general guidelines to municipal governments; while allowing the local government the freedom to tailor implementation strategies for providing affordable housing to their own communities. This program contains the following Goals:

1. Provide affordable housing to low to very low income Pennsylvanians (80 percent of median income)
2. Assist local governments in achieving adequate supplies of affordable housing
3. To foster and strengthen partnerships between the public and private sectors which will increase the production and management of affordable housing.

**Low Income Rental Housing Tax Credits (Federal):** The tax credit program is intended to assist in the creation and preservation of affordable multifamily housing for families with low incomes, senior citizens, handicapped individuals, and homeless persons. The program makes available a dollar-for-dollar federal income tax credit up to 70 percent of the project's cost. Contact Pennsylvania Housing Finance Agency (PHFA).

**Home ownership Program (PHFA):** Provides for low interest loans made through local banks to purchasers who have not owned a home in the last three years. Requires a low down payment and subsidizes interest rate. Available for individuals and families only, but a useful way for banks to meet their CRA commitment.

**PennHOMES (PHFA, DCA):** A combined resource program to create multi-family rental housing by reducing financing costs. Both for profits and non-profits are eligible. Contact local bank or DCED.

**Housing and Community Development Grants (DCED):** This is the Commonwealth's largest pool of state monies for housing and community revitalization. It is a competitive program with the following eligible housing activities: owner occupied rehabilitation, rehabilitation of investor owned properties up to four units, new construction, and site improvements. Contact DCED for further details. This program is now known as the Communities Opportunities Program.

**Act 137 Housing Fund:** County Commissioners can increase fees for deeds and mortgages to provide a match for other affordable housing programs.

**Fannie Mae, Ginny Mae and Freddie MAC (HUD):** In these two programs Federal Funds are used to help low to moderate income and first time home buyers. When implemented, these programs help keep younger families in the local area, aid in slowing down housing turn over and the housing cycle and stimulate a sense of community. Local Real Estate Brokers, Financial Institutions should be contacted for more information and the Regional HUD Office.

**Community Service Block Grant Program and Employment and Community Conservation Program:** These programs are administered through the Department of Community Affairs, Bureau

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of Human Resources. These programs are targeted toward wider scale (community and neighborhood) type activities. In addition this Bureau funds the Neighborhood Assistance Program (NAP) which has the following components:

Housing Initiative, Weatherization, Local Initiative, Progressive Readiness Employment Program (PREP), and Enterprise Zone Extension Credit Program.

The status of these programs, including their funding and timing, is unclear at the present time due to changes in the organization of the Department of Community and Economic Development.

***Historic Rehabilitation Tax Credit (IRS):*** Tax credits may be taken on improvements made to income producing properties in the Historic District if work meets certain standards set by the Secretary of the Interior.

### **Locally Based Programs**

The regional municipalities could take several steps related in preserving and promoting its housing stock. The following are suggested projects that the municipalities could undertake:

***Community Reinvestment Act (CRA) With Local Banks:*** Under the guidelines of the Community Reinvestment Act, a Federal Law, local financial institutions must provide funds for community, economic and affordable housing development in the municipalities in which they conduct business. This vehicle could be used for mortgage programs under the PHFA Home ownership Program to stimulate home ownership in areas where it is now low, providing low interest loans for housing rehabilitation projects, and developing Senior Housing Units.

***Zoning Ordinance, Subdivision and Land Development Ordinance:*** Preparation of a revised Subdivision and Land Development Ordinance and Zoning Ordinance should promote affordable housing, encourage new housing structures, preservation of existing sound housing and the demolition of blighted structures. The ordinance writing and updating process would take a year to complete and require substantial public input.

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