

Lawrence County
Affordable
Housing
— and —
Implementation
Plan

November 2018 Edition





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The plan was prepared with assistance from:



Mackin Engineering Company
R.I.D.C. Park West
117 Industry Drive
Pittsburgh, PA 15275-1015
www.mackinengineering.com

Acknowledgments

The Lawrence County Affordable Housing and Implementation Plan was prepared on behalf of the Lawrence County Board of Commissioners, by the Department of Planning and Community Development, with the assistance of many groups, organizations and individuals.

In particular, the following persons deserve recognition for dedicating their time and efforts:

Lawrence County Board of Commissioners

Dan Vogler, Chairman
Steve Craig
Robert Del Signore, Sr.

Lawrence County Department of Planning and Community Development

Amy McKinney, Director
Doniele Russell
Allen Miller
Rebecca Shaffer
Kristine Venasco



Lawrence County Planning Commission

Karolee Loughhead,
Chair
Dave Hammond,
Vice Chair
Mary Burris, Secretary

Everett Bleakney
James Blundo
Larry Lambo
Linda Nitch
Frank Telesz
Dom Viccari

Housing and Implementation Plan Steering Committee

Jennifer Elliott, Lawrence County Community Action
Partnership

J.R. Hardester, County Assessment Office

Court Hower, DON Services

Kimberly Koller-Jones, Blueprint Communities
Initiative

Jim Gagliano, County Administrator

Holly Girdwood, Lawrence County Housing
Authority

Amy Kunselman, Lawrence County Builders, Board
of Realtors

Anita McKeever, DON Services

Alex McCoy, Regional Chamber of Commerce

Cindy Morabito, Office of Sen. Vogel

Jon Natale, Pennsylvania American Water

Gayle Young, United Way of Lawrence County



Resolution R-2018- 241

WHEREAS, the County of Lawrence has received a grant from the Pennsylvania Department of Community and Economic Development (DCED) to complete The Lawrence County Affordable Housing Plan as an amendment to the Lawrence County Comprehensive plan that was adopted in 2016; and

WHEREAS, the Planning Commission of Lawrence County is the official advisory agent to the Board of Commissioners of Lawrence County on matters pertaining to the general planning of land use; and

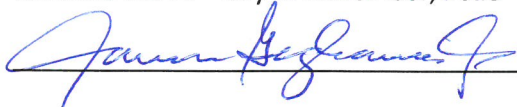
WHEREAS, the Lawrence County Planning Commission recommended at their November 14, 2018 Planning Commission meeting that the Board of Commissioners approve the Lawrence County Affordable Housing Plan as an amendment to the County Comprehensive Plan "Focus Lawrence County" that was adopted in October of 2016.

NOW, THEREFORE IT BE RESOLVED BY THE LAWRENCE COUNTY BOARD OF COMMISSIONERS; that the Commissioners adopted and approve the Lawrence County Affordable Housing Plan as an amendment to the Lawrence County Comprehensive Plan "Focus Lawrence County".

Adopted this 27th day of November, 2018

Vote: 3 YEAS 0 NAYS

Certified this 27th day of November, 2018



James Gagliano, Jr. Chief Clerk/County Administrator



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Refer also to companion documents:

- Community Profiles
- Technical Appendix
 - Data tables
 - Survey results

Introduction

This plan represents Lawrence County's effort to build an understanding of its housing market and the factors that impact what the market offers. The plan describes housing need, the gap between what the market now provides and the ideal scenario of each current and future household in Lawrence County having access to housing that is:

- **suitable**, having enough bedrooms to fit the household and any features needed to make it physically accessible
- **decent**, with basic facilities and not in need of major repairs, and
- **affordable**, with all housing costs amounting to less than 30% of gross household income.

While the plan examines market conditions across the price spectrum, its focus is on affordability, which refers here simply to the ability of a household to afford a place to live. Housing units may be affordable due to some type of intervention or subsidy, or they may be affordable simply because their costs amount to a manageable share of household income.

Based on an analysis of existing trends and conditions, identified needs and expected future demand, Lawrence County's implementation plan is designed to increase the extent to which all renters and owners across the County have affordable housing choices available to meet their needs.

Process

Creating the Plan

Following a kick-off in September 2017, the Housing and Implementation Plan developed over the course of 10 months. A Steering Committee appointed by the Department of Planning and Community Development met at major project milestones to provide direction and feedback.

The planning process comprised three major phases: Gathering, analyzing and mapping current and historical quantitative data, defining and researching community needs and devising and refining strategies and action steps.

The plan document highlights key data points. Further information is available for municipalities (and areas within New Castle) in the Community Profiles, and detailed data tables appear in the Technical Appendix.



Attendees at the March 2018 public meeting share ideas

Public and Stakeholder Input

The plan's Steering Committee helped to compile a list of stakeholders, subject-matter experts and those with a particular perspective or experience that should be reflected in the research. Human service providers, lenders, housing advocates, real estate agents, developers, landlords, housing program administrators and major

employers were invited to participate in focus group sessions and and/or consulted individually.

The plan benefited from feedback gathered at a public meeting in March, as well as an online survey that collected 119 responses from a wide variety of perspectives.

Definitions

For consistency throughout the plan and with state and federal grant program administration, the following terms have specific definitions:

Cost burden refers to households spending more than 30% of gross household income on housing costs. This includes mortgage payments, rent, condominium and other fees, property taxes and homeowners' insurance. For mobile homes, this also includes installment loan payments, site rent, license and registration fees.

Severe cost burden refers to households spending more than 50% of gross household income on housing costs.

Blight refers to objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety and public welfare.

HUD Area Median Family Income (HAMFI) is used in the calculation of existing need. HUD publishes this number for states, counties and large urban areas. In 2018, the figure for Lawrence County was \$57,700.

Income tiers sort households by annual income as a percentage of HAMFI as follows.

	Threshold	Lawrence County Household Income
Extremely low income	< 30% HAMFI	< \$17,310
Very low income	30% to 50% HAMFI	\$17,310 to \$28,850
Low income	50% to 80% HAMFI	\$28,851 to \$46,160
Moderate income	80% to 100% HAMFI	\$46,161 to \$57,700
Above median	> 100% HAMFI	> \$57,700

Median household income, a Census data point, is the observed (or estimated) median income of all households within a given area. This was \$45,764 for Lawrence County in 2016.

Existing Trends and Conditions

Understanding where the housing market in Lawrence County is headed — and what should be done about it — requires an analysis of current conditions and an exploration of why and how things are as they are.

Housing need fluctuates according to a variety of driving forces, key among which are changing numbers and types of households and the economic conditions that affect migration and spending power. Housing supply responds to housing need, but not in a way that provides each household with an suitable, decent and affordable place to live. This section tells the story of both supply and demand, taking stock of today's households and the housing options available to them.

This chapter builds upon the County's Comprehensive Plan, updating and expanding upon its survey of demographic, economic and housing research and placing the data within the context of housing implications. Data sources include the 2000 Census, 2012-2016 American Community Survey, Census Longitudinal Employer-Household Dynamics and HUD State of the Cities Data System unless indicated otherwise.

A section on special needs highlights specific problems identified for subgroups of the County's population.

Population Profile

Among the most important drivers of housing need are household size, type, formation and migration. This section summarizes key trends that lend context to Lawrence County's housing market and expectations for its future.

Trends in Totals

The County's population loss in recent decades is characteristic of Western Pennsylvania, hastened by the decline of steel manufacturing across the region. The County's 2016 population total of 88,528 represents a net loss of 6,115 residents (6.5%) since 2000. This rate falls around the middle of trends in surrounding counties, with Armstrong, Beaver and Fayette counties reporting higher percentage losses and only Butler and Washington counties reporting net gains.

The number of total households in Lawrence County has remained more stable — a net loss of 789, or 2.1%, since 2000. The trend is consistent across nearly every nearby county and across the state, due to declining household size, as households have fewer children and more people tend to live alone.

According to projections in the County's Comprehensive Plan, total population is likely to stabilize around 89,000 persons during the next five years, a figure that still represents a sizeable, relatively high-density population for a county of this size.

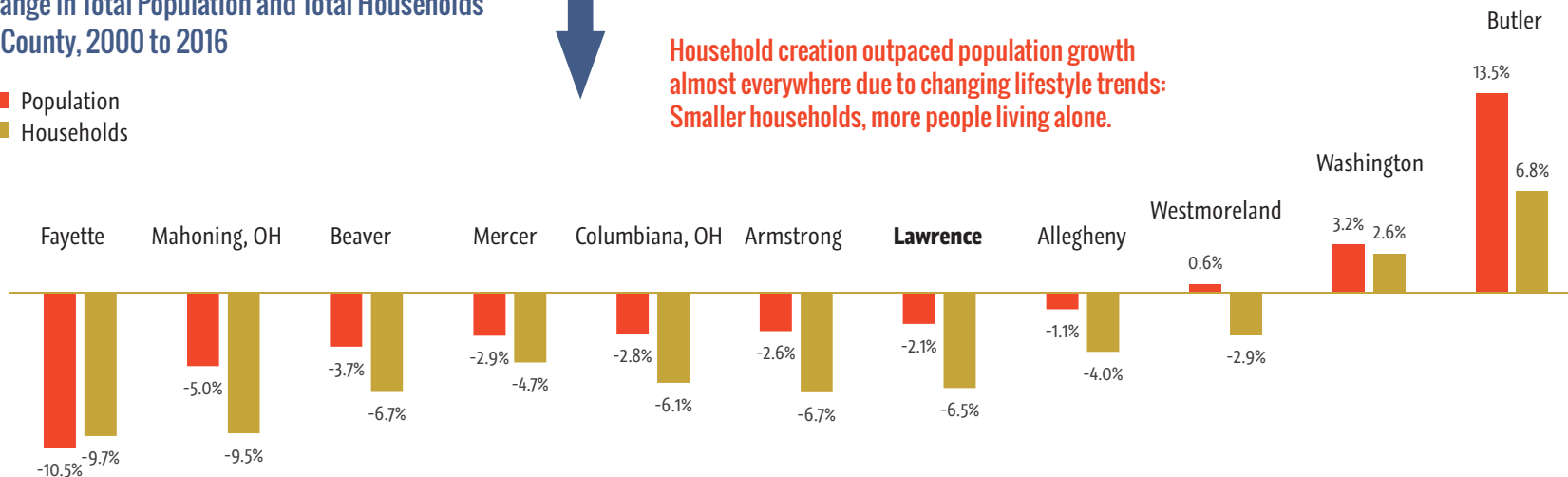
These trends have clear implications for demand. The housing stock in Lawrence County once accommodated a peak population of 112,965, more than 24,000 more people than live in the county today. While the raw total of housing units across the County would not need to increase appreciably (or at all) to accommodate a stagnant household total, the existing stock is mismatched for changing household types and preferences.

Lawrence County
lost **6.5%**
of its population
between 2000 and 2016.

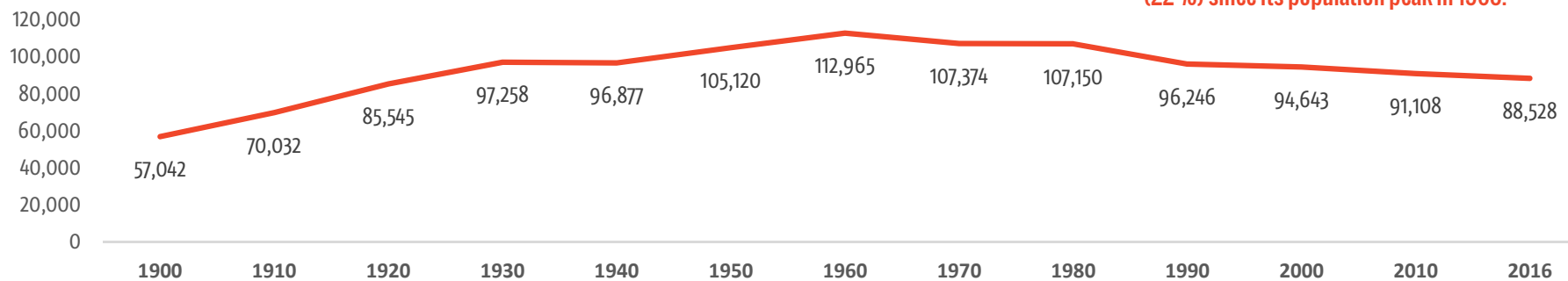
Change in Total Population and Total Households
by County, 2000 to 2016

■ Population
■ Households

Household creation outpaced population growth
almost everywhere due to changing lifestyle trends:
Smaller households, more people living alone.



Lawrence County Historical Total Population



The County has lost more than 24,000 residents
(22%) since its population peak in 1960.

Totals by Geography

The County's 6.5% net population loss since 2000 reflects estimated gains in eight municipalities, mostly townships, offset by losses in the remaining 19. Population loss was somewhat concentrated in New Castle, which accounted for 62% of the County's net loss, despite having only 25% of the County's 2016 total population. In total, the County lost 6,115 residents between 2000 and 2016, and New Castle lost 3,809. Some of New Castle's loss includes residents moving to more suburban or rural areas of the County.

The largest percent gain occurred in Hickory and Wayne townships, where the population expanded by about 10%, followed by more modest gains in Bessemer Borough and Neshannock and Slippery Rock townships. Population loss exceeded 10% in New Castle, Ellwood City Borough and Little Beaver and Mahoning townships. By raw numbers, Hickory and Wayne townships had the largest growth (248 and 219 people, respectively).

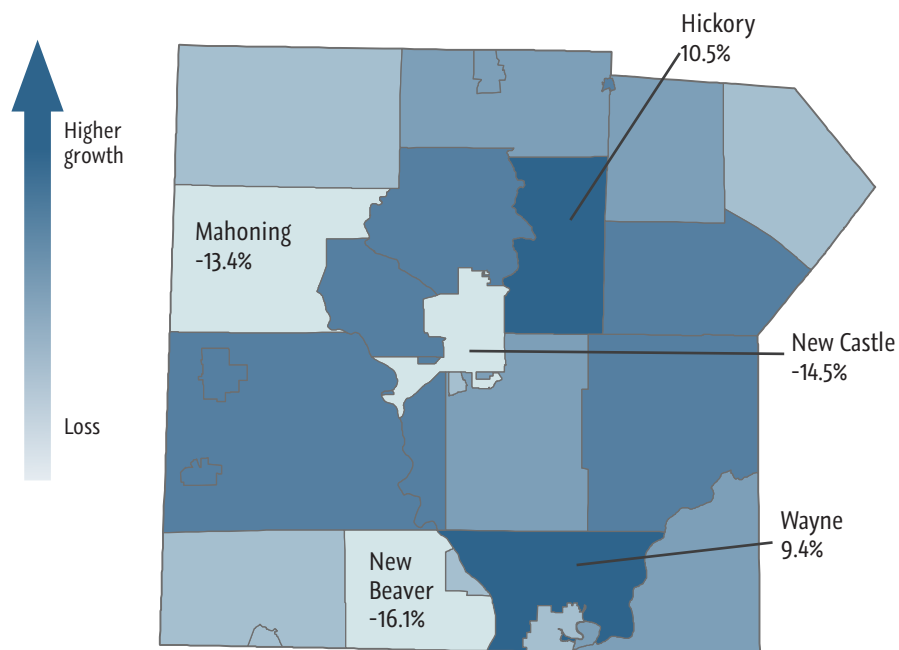
Race and Ethnicity

The County's population has become more diverse since 2000. While the number of people identifying as white alone fell by 7,349 (8.2%) between 2000 and 2016, the County gained 1,234 non-white residents, a growth rate of 26%. Additionally, the number of persons identifying as Hispanic or Latino (which the Census counts as an ethnicity, not a race) more than doubled to 574. Lawrence County is less racially homogenous than other rural counties within the region, but less diverse than the region and state.

Racial and ethnic minorities in Lawrence County are concentrated heavily in New Castle. In 2016, 64.1% of non-white County residents and 51.6% of Hispanic County residents lived in the city. New Castle is 17.1% non-White and 2.5% Hispanic. All but three municipalities across the County are more than 95% white.

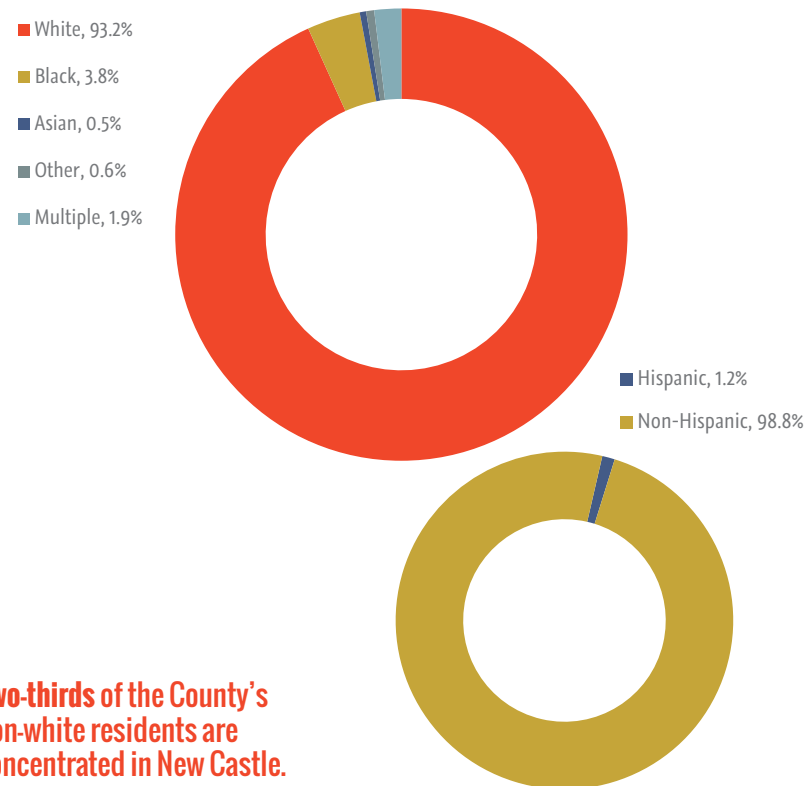
Racial and ethnic minority concentration is, in general, primarily a function of some combination of limited economic opportunity and historical overt or de facto discrimination, along with other factors such as social systems and neighborhood preference.

Population Change by Municipality, 2000 to 2016

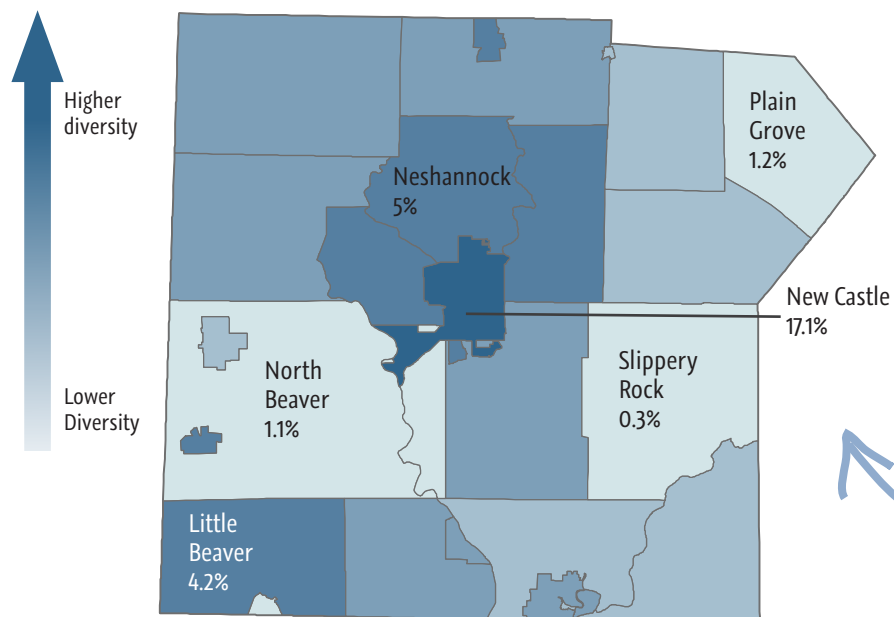


Though Lawrence County is becoming **more diverse**, it remains predominantly **white, non-Hispanic**

County Population by Race and Ethnicity, 2016



Percent Non-White by Municipality, 2000 to 2016



Household Size and Type

Changing household size is one reason that steady population loss over decades in Lawrence County has not resulted in a staggering abundance of vacant housing units. Population loss has occurred at a steeper rate than household loss because households are getting smaller. The trend is a regional and national one: In recent decades, couples have tended to defer marriage and delay having children, and those who do have children have fewer. Single-person households are on the rise.

This was a notable shift for Lawrence County, where since 2000, married couples with children dropped from 22% to 15% of all households while couples without children and non-family households (including single people as well as non-related people living together) grew in share.

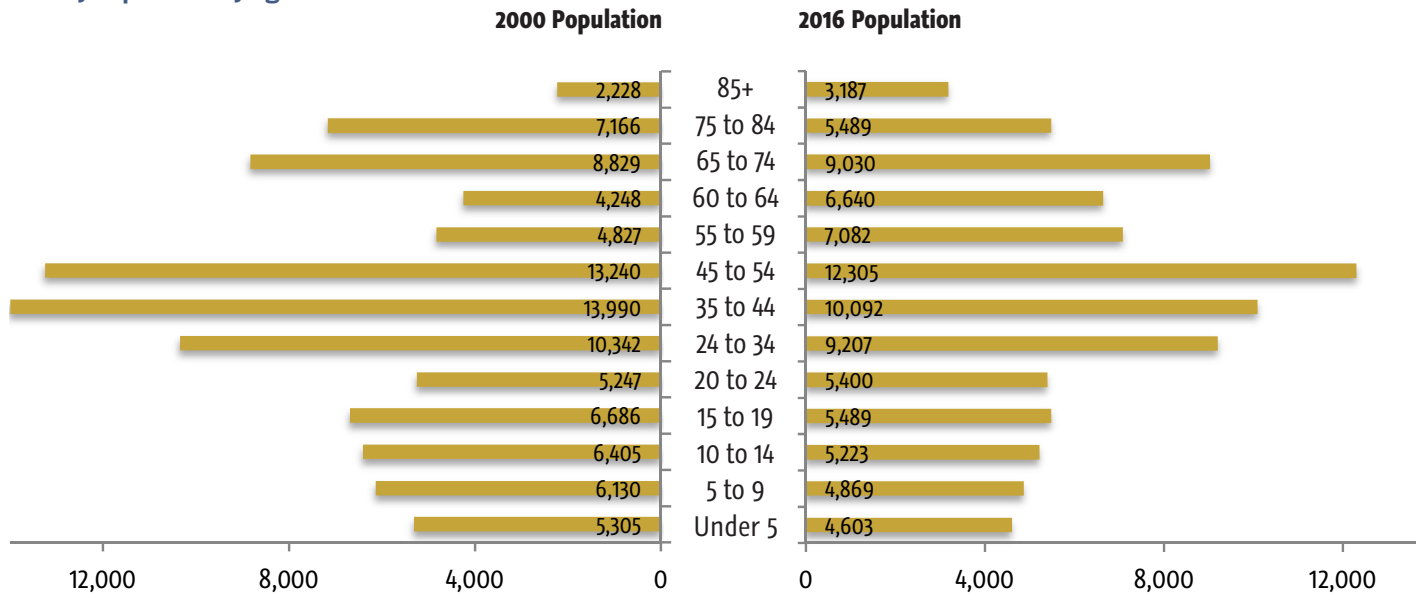
At the same time, the County's median age climbed from 40.5 in 2000 to 44.6 in 2016, reflecting the aging of the sizable Baby Boomer generation. This growth appears in the 55 to 74 age band, which gained 4,848 people (27%) within the context of overall population loss.

Builders and developers translate this trend into increased demand for more compact, accessible units with lower maintenance requirements — single-story patio homes on relatively small lots, for instance, which help control utility costs, reduce stair climbs and minimize lawn care. Accessory dwelling units are also gaining popularity in many metropolitan regions, as they offer property owners a way to extend affordable housing to down-sizing older relatives.

The upswing in older households and single-person households also suggests a broadening general demand for smaller units, especially among those who cannot afford the monthly expense of more housing than they need.

The corollary concern becomes the housing left behind. If there is no large generation of young married couples with children searching out the spacious suburban McMansions characteristic of the Boomer-era American dream, what happens to those homes when their occupants downsize?

County Population by Age

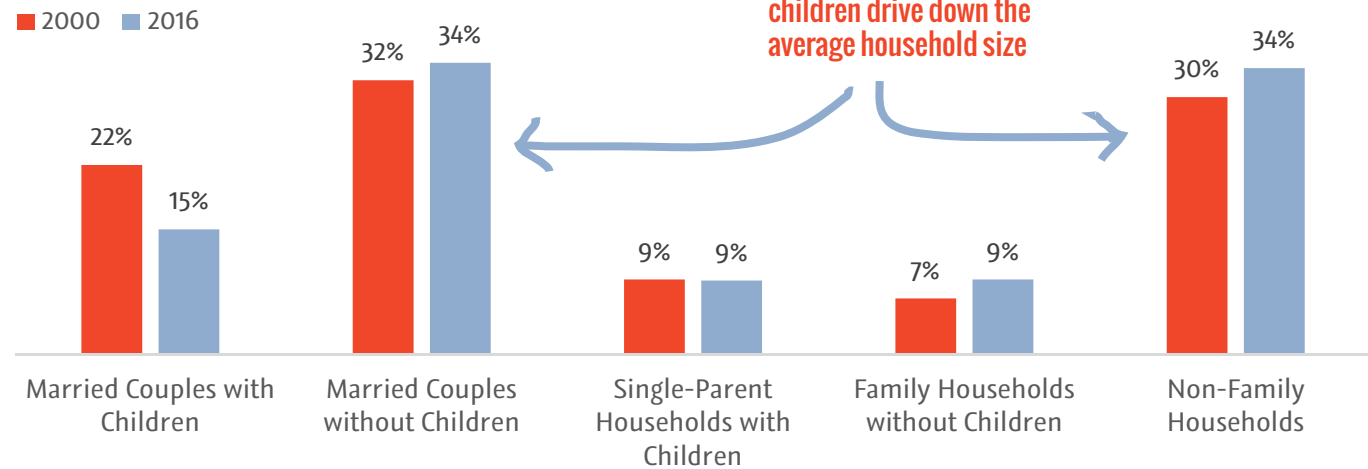


The median age was
44.6 in 2016,
 compared to
40.5 in 2000

Average
household size
fell from



Percent of Total Households by Type, 2000 and 2016



Disability

Housing accessibility, both physical and financial, is often a serious challenge for people with disabilities. The Census Bureau defines disability as a condition lasting six months or more that limits the ability of a person to perform functions and tasks for self-care, such as bathing, dressing, eating, grooming and other personal hygiene activities.

In 2016, 16.3% of Lawrence County residents reported a disability. Disability was more prevalent among seniors, more than one-third of whom had at least one type of disability.

People with disabilities tend to have lower earnings, higher poverty rates and lower employment that all translate to a higher risk of housing cost burden. Only 18.6% of Lawrence County adults with a disability were in the labor force and employed in

2016, compared to 62.8% of those without a disability. The median earnings across this population were only half as high as earnings for those without disabilities, and 21.9% had incomes below poverty level, compared to 10.6% of people without disabilities.

Migration

Lawrence County has a high level of residential stability overall, with 88.9% of households living in the same housing unit as the year before. Of those who moved, 8% came from elsewhere in the County, while 1.7% moved from elsewhere in Pennsylvania and 1.4% moved in from out of state. Notably, the Census did not record any household as having moved in from a foreign country.

Language

However, language barriers exist for a notable segment of the County's population. In 2016, the County had 1,068 speakers of German or "other Germanic languages," of whom 38.7% did not speak English very well.

This includes Amish speakers of Pennsylvania Dutch, a dialect of West Central German common to the area. Pennsylvania Dutch is traditionally a non-written language used primarily at home, while the Amish learn English at school and use it in correspondence and business. Many Amish are bilingual, with command of both English and High German.

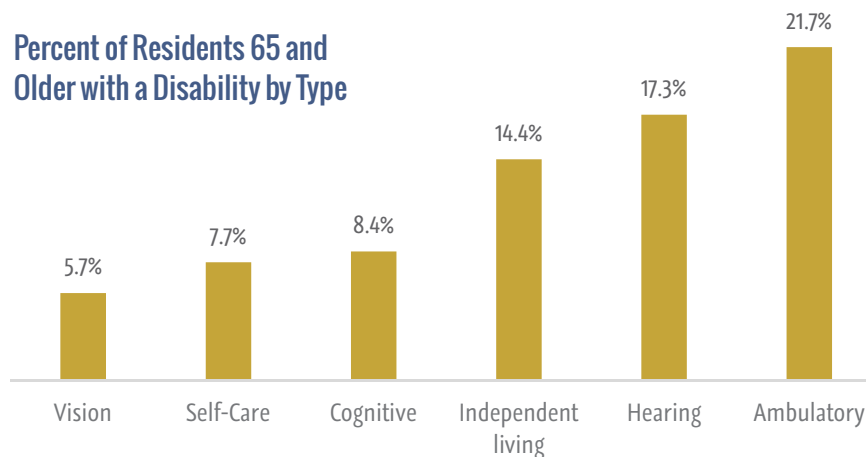
Additionally, the County had 762 Spanish speakers, 26.8% of whom did not speak English very well, and 603 Italian speakers, one-third of whom had limited English proficiency.

Education

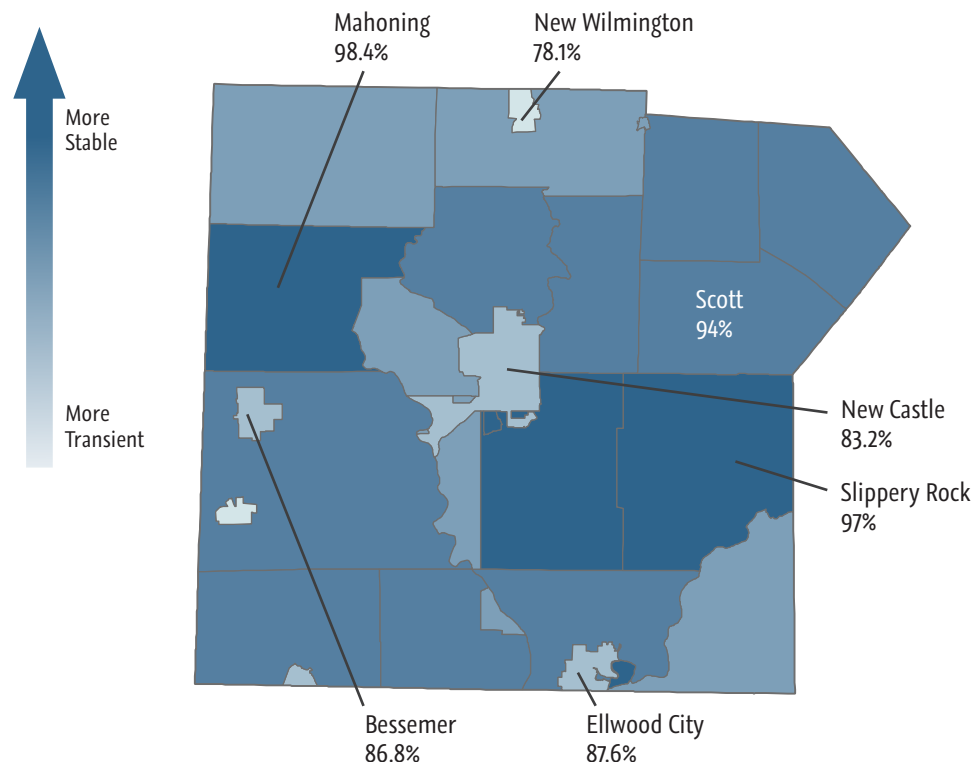
About nine in every 10 County residents had a high school diploma in 2016 (89.5%), comparable to the rate across the Pittsburgh region (92.9%). The County has a lower share of higher education degrees, which could influence the types of jobs the County attracts and the earning power they provide.

14,261 adults in the County (16.3%)
have **some type of disability**, including
35.4% of senior citizens

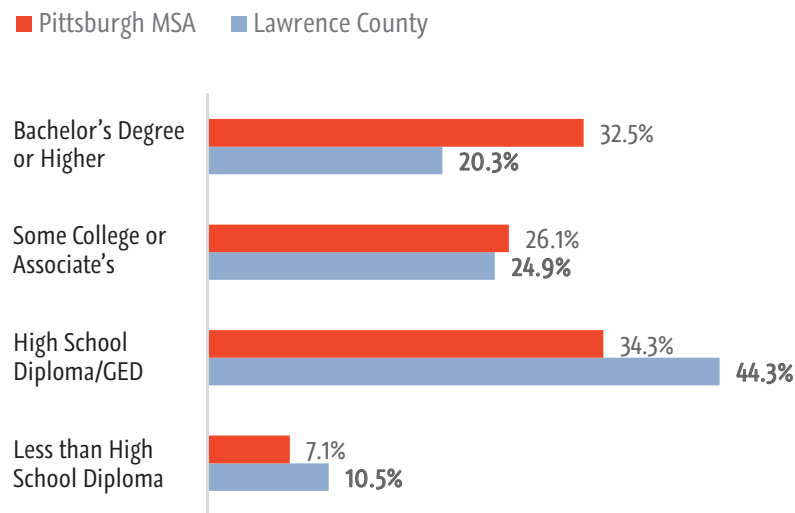
Percent of Residents 65 and Older with a Disability by Type



Percentage of Households Remaining in Same Home for Past Year



Educational Attainment of Residents Age 25 and Up, 2016



89.5% of County residents
have earned a high school diploma
or beyond.

Economic Profile

The jobs gained or lost by a community drive housing demand, attracting or displacing households and setting income levels. This section provides an overview of economic factors that influence Lawrence County's market.

Overview

Lawrence County has recovered more slowly than the greater Pittsburgh region and the state as a whole from the 2008 recession, struggling to regain the employment lost during that time. Between 2007 and 2009, the County experienced a sharp drop in total employment amounting to more than 1,000 jobs, or 6%. Total employment within the County in 2011 remained well below the 2007 figure of around 29,500 total jobs. However, recent years have seen stabilization: The 2013 jobs total reached the 2007 level, and in 2017 the total was 28,271 jobs.

The County was home to 2056 employment establishments in 2017, up from 2,022 in 2013.

Jobs in the County tend to be concentrated along major thoroughfares. The County is well connected to regional markets through interchanges for interstates 79, 80 and 376, access to the Pittsburgh International Airport and maintenance and distribution hubs within its borders. The recently completed Northwest Pennsylvania Comprehensive Economic Development Strategy (CEDS) identified "industrial strongholds" in Lawrence County in the categories of electrical equipment, appliance and component manufacturing and food manufacturing.

Labor Force

The 4.8% County unemployment rate for September 2017 is objectively low, comparable to the 4.6% statewide rate, signaling that County residents who are in the market for work are generally able to find it, whether within or outside the County. This represents a significant change from early 2010, when 10.9% of those in the market were unemployed.

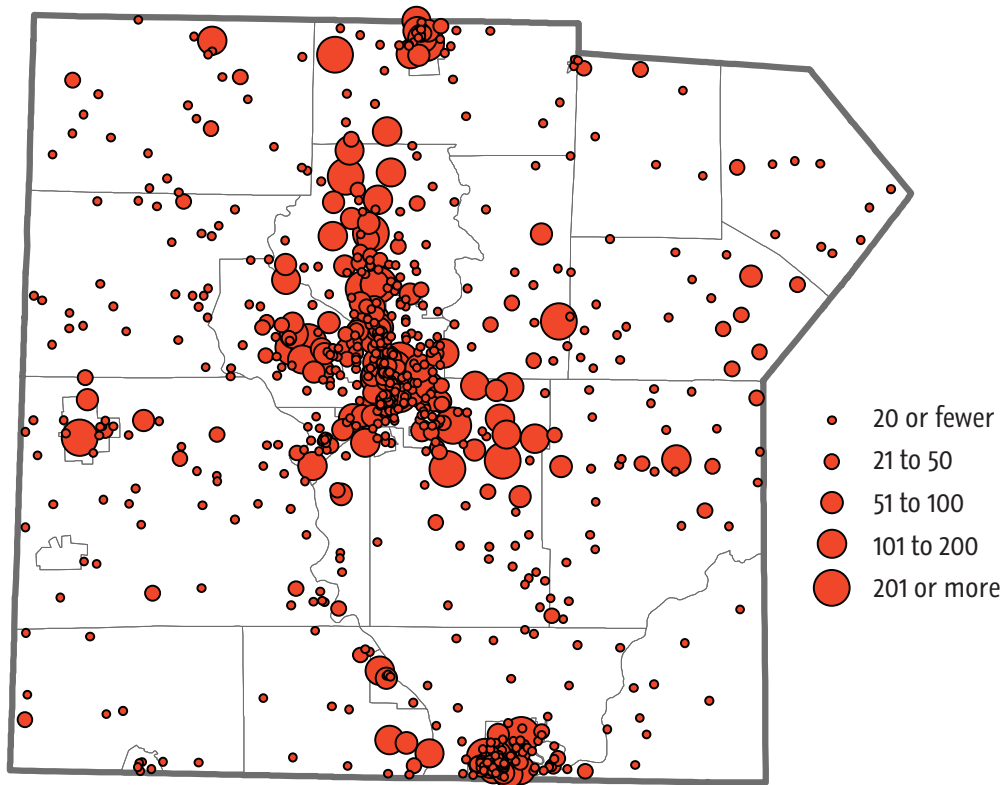
However, the improving unemployment rate also reflects people simply taking themselves off the market. The County's labor force was smaller in October 2017 than it had been since 2000, totaling 40,207. This represents a retraction of 12.5%. It is likely related to both overall population loss and aging.

In total, there were 1,927 unemployed residents in late 2017, when the rate was 4.8%, compared to 4,686 in early 2010, when the rate was 10.9%.

Employment by Industry

Health care and social assistance is the County's leading industry by employment. More than one in every five jobs in the County fell into this category. While the majority of labor sectors within the County experienced a net decline in jobs between 2000 and 2016, health care and social assistance was a notable exception, expanding by 1,462 jobs.

Total Jobs by Site, 2015



Between 2000 and 2016,
the County:

gained
2,329

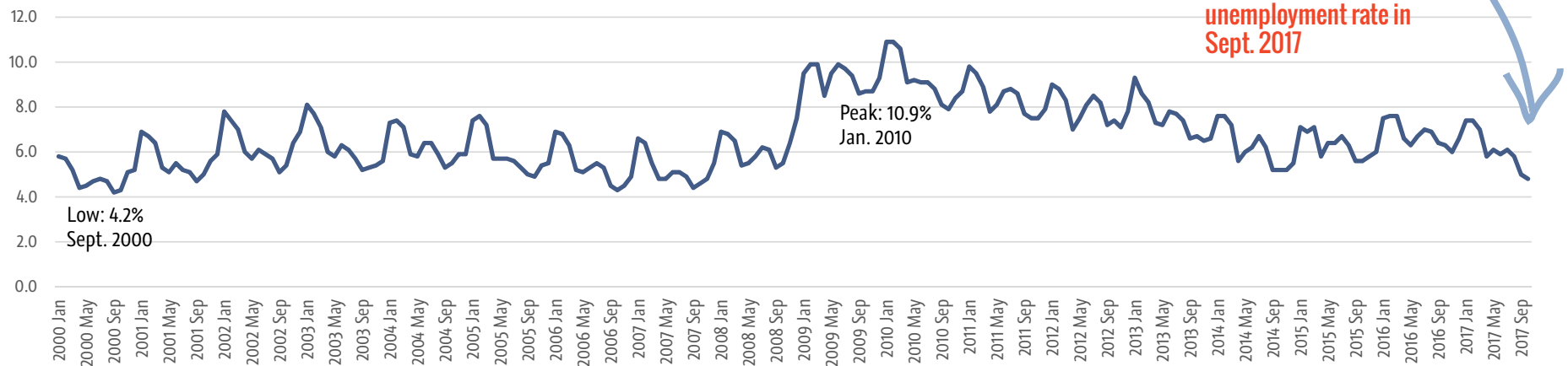
health care,
education and
professional
jobs

and lost
1,514

retail and
wholesale trade
jobs



County Unemployment Rate, 2000 to 2017



The Geography of Work

The County had more workers than jobs in 2015, creating a net outflow that varies by industry. In total, 44.1% of all workers living in Lawrence County also had jobs located there, and 58.7% of all jobs located in Lawrence County were filled by County residents.

Between 2010 and 2015, the worker outflow for Lawrence County increased by 4.8%, suggesting a loss of jobs that forced workers to look beyond the County for employment and possibly face longer commutes. In 2015, roughly twice as many workers commuted out of the County each day as commuted in.

The most popular destination for Lawrence County residents commuting to other locations for work was Allegheny County, followed by contiguous neighbors Mercer, Butler and Beaver counties. The greatest number of incoming workers traveled from Mercer, Beaver and Butler counties.

Despite the large share of cross-county commuters, Lawrence County has the shortest average commute in the region at 22.8 minutes. The average was over 25 minutes in all other area counties, topping out at 28.9 minutes for Armstrong County residents. The statewide average is 26.5 minutes.

Commuting has very real meaning for housing costs. The Center for Neighborhood Technology (CNT) expands the definition of housing costs to include transportation costs, which provides a more complete understanding of affordability of a given home in its location.

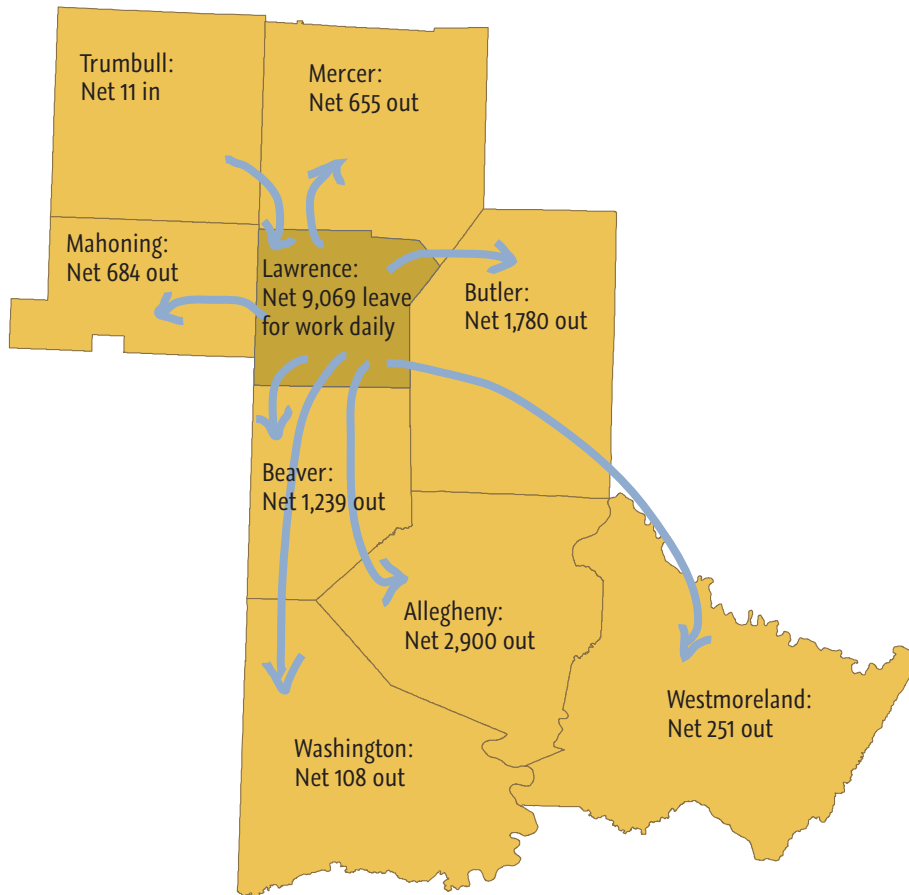
Lawrence County remains a heavily car-centered county, with 84% of workers driving alone to work each day. Transit options are available, but are limited in reach and schedule. Therefore, CNT reports that the average Lawrence County household owns

1.79 vehicles, which they use to travel an average 22,156 household vehicle miles each year. The average annual transportation cost of \$13,003 includes vehicle ownership costs (average \$9,725) and the cost of miles traveled (average \$3,271), as well as the average amount a County household spends on transit (\$7 —many spend zero, while a few spend substantially more).

The average Lawrence County household spends 26% of its annual income on housing costs and 29% *on transportation*, with the remaining 45% available for other spending. Thus, location efficiency is a key concern in providing affordable housing options.

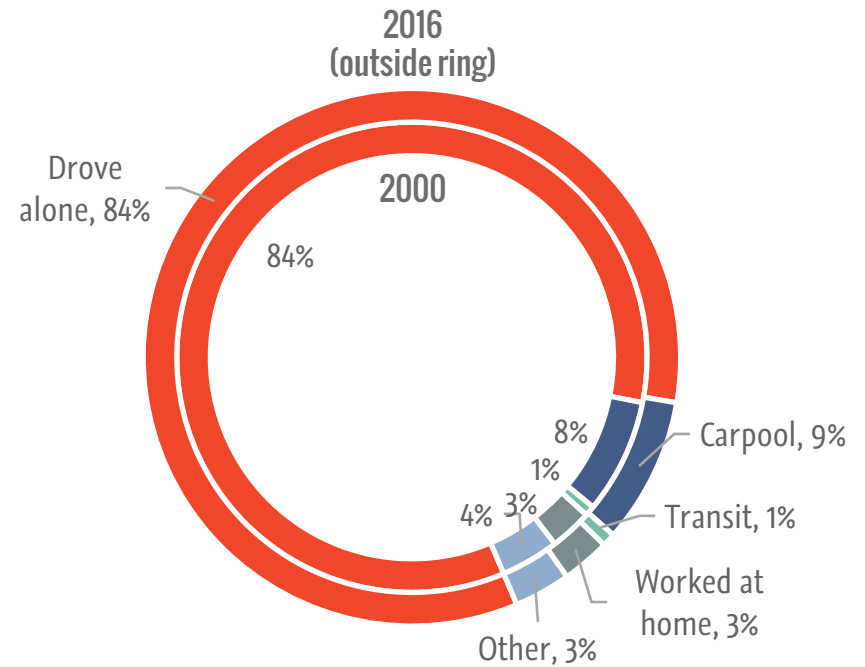
Every day,
9,069 more people leave the
 County for work than enter

Net Commuter Flows, 2015



Average resident commute: **22.8 minutes**

Means of Travel to Work, 2000 and 2016



The way people travel to work
has not really changed since 2000.



Average annual
 transportation costs:
\$13,003

93.6% of County residents pay more than \$11,000 per
 year for transportation.

— htaindex.cnt.org

Household Income

Lawrence County's median household income in 2016, \$45,764, was about \$8,200 less than the median across the Pittsburgh region and about \$9,200 lower than the state.

Projections indicate that this gap will remain consistent through 2018. While Lawrence County has a lower-than-average share of households with incomes exceeding the region's federal area median family income, County residents enjoy a lower overall cost of living than other areas within the metropolitan region.

As was the case across most of western Pennsylvania, the median household income did not keep pace with inflation. After adjusting the 2000 median income to 2016 dollars for an apples-to-apples comparison, Lawrence County's median actually *decreased* by 4.2% over 16 years. This translates to comparatively diminished spending power.

In Lawrence County, the median income for renters was less than half of the median for homeowners. This is not surprising, as lower-income households face greater barriers to mortgage qualification.

Poverty

The 2016 federal poverty line stood at \$11,770 for single-person households and \$24,250 for family of four. Across the County, 12,374 individuals fell below this threshold. The poverty rate of 14.3% was higher than across the region (12%) and state (13.3%).

By age tier, poverty was most prevalent among people between 18 and 34 (17.6%), despite the fixed incomes on which most seniors subsist. The poverty rate among those 65 and older was 8.6%.

Poverty is dramatically different by race and ethnicity in the County. Whereas white residents experienced poverty at a rate of

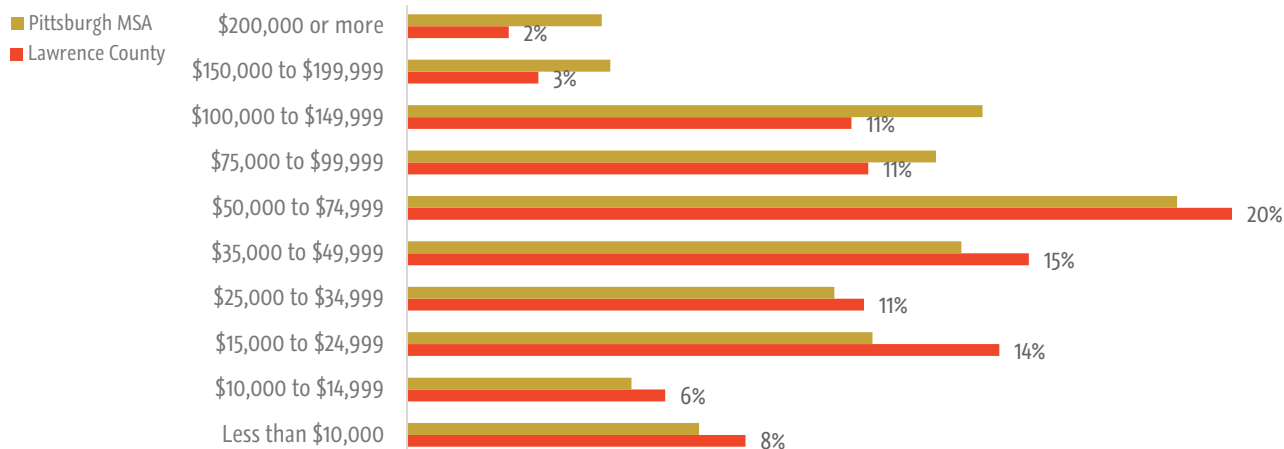
12.5%, the rate was 44.5% for black residents and 34.8% among Hispanic residents.

A distinct difference was also apparent by education level. Of County residents age 25 and older, 26% of those without a high school diploma had a poverty-level income, compared to only 4.2% of those with a bachelor's degree or higher.

Poverty was concentrated in older, more densely settled municipalities, particularly in New Castle, where more than a quarter of residents were living in poverty.

The median household income was **\$45,764** in 2016, **a 4.2% decrease** since 2000 after adjusting for inflation

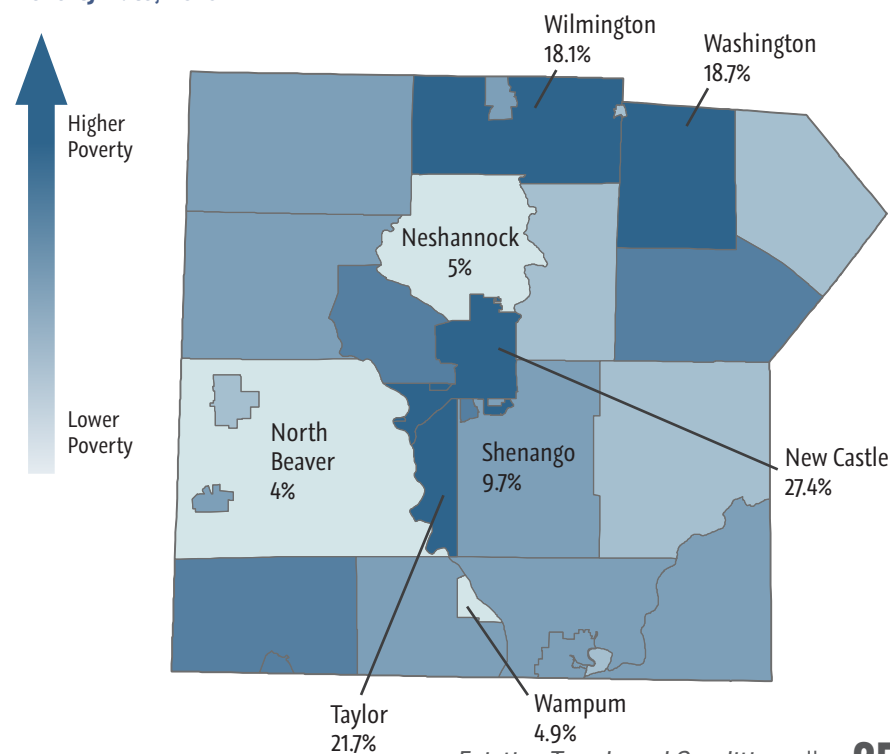
Percent of Households by Income Tier, 2016



Median Household Income by County, 2016



Poverty Rate, 2016



The median income for renter households was **\$24,098**, compared to **\$54,207** for homeowners.

Housing Profile

This section summarizes characteristics of the existing housing stock, including the volume, type, condition, location and cost of renter and owner units.

Trends in Unit Creation

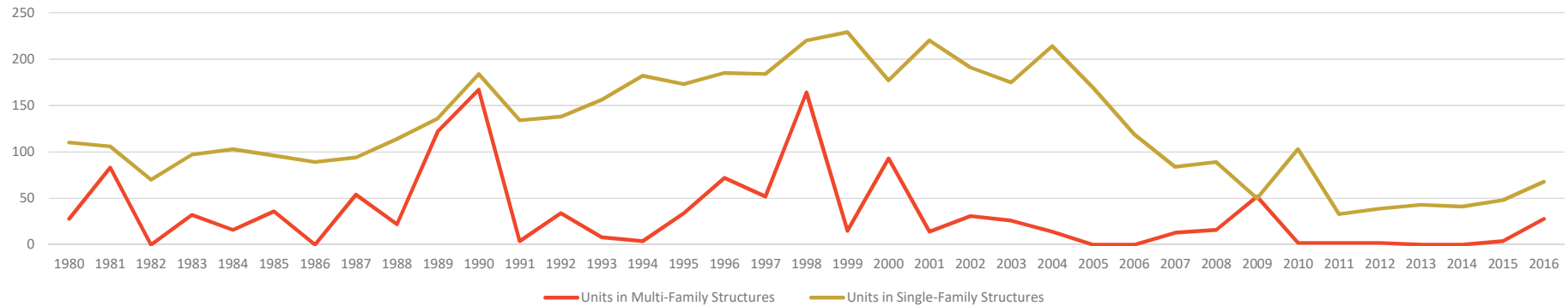
Consistent with other counties across the region, Lawrence County added more housing units than households between 2000 and 2015. This indicates sprawling development patterns of new units being constructed at the suburban fringe as households empty out of older, more densely settled cities and boroughs.

Growth varied by municipality. The Census Bureau estimated a net loss in housing units since 2000 in Ellwood City (-7.4%), New Castle (-2.5%) and Wampum (-4.2%) as well as Mahoning and Taylor townships (-8.1% and -5.5%, respectively). Unit loss can be due to demolition, conversion, deterioration or other removal from the inventory.

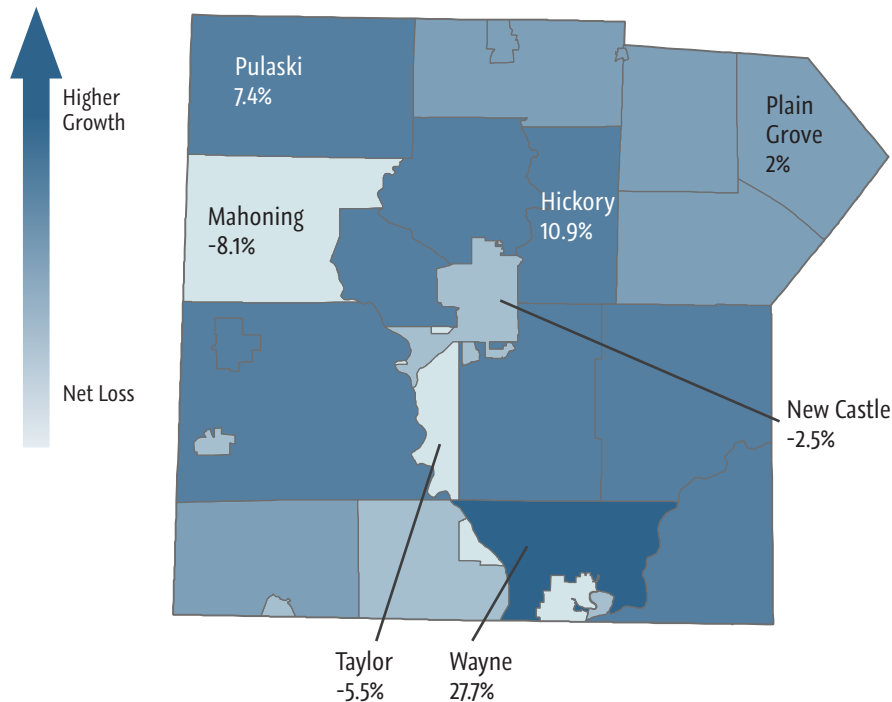
By contrast, total housing units increased by double-digit rates in four townships (Hickory, North Beaver, Slippery Rock and Wayne). Even in these places, more units were built than households added to the total.

A review of building permits issued across the County since 1980 reveals general trends in construction activity. Single-family homes were always added to the market at a greater rate than units in multi-family buildings (duplexes, quads, condominiums or apartments), but interest in both seems to generally follow national market trends. Notably, a slight permit total uptick in 2015 and 2016 marks an end to a lull following the recession. Since 2000, 1,863 single-family units were permitted, comprising 86% of the total, while 297 units in multi-family buildings accounted for the remaining 14%.

Building Permits Issued for Housing Units across Lawrence County, 1980 to 2016

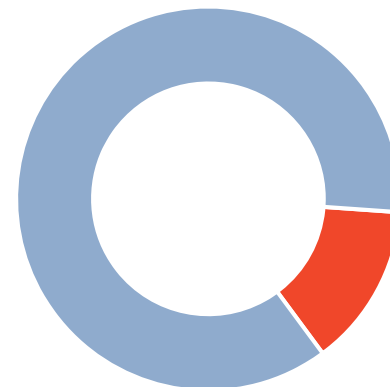


Change in Total Housing Units, 2000 to 2016



A **2.7% gain** in total units since 2000, combined with a **2.1% loss** in total households, indicates **sprawl**.

Units Permitted Since 2000 by Type



2,160 units were permitted from 2000 to 2016

A higher rate of multi-family units (25%) were permitted from 1980 to 1999

Units in Structure

Lawrence County's housing stock is predominantly (79.3%) single-family. In 2016, there were 40,723 units, of which 13.3% were in multi-family buildings and 7.3% were mobile homes.

Regionally, the County's housing mix falls around the middle, as Armstrong, Washington and Westmoreland counties are more heavily single-family, while Allegheny, Beaver, Butler and Fayette counties have more variety. Armstrong and Fayette counties have mobile home shares over 10%, while Allegheny County has only 0.7%.

Within Lawrence County, the housing mix varies greatly across communities, with some (Mahoning, Washington and Slippery Rock townships) having almost entirely single-family stock, while boroughs tend to offer more multi-family options. About a quarter

of housing in New Castle and Ellwood City is in multi-family buildings, while more than one-third of housing in New Wilmington is multi-family, due to the presence of Westminster College. About 84% of its 1,214 students live on campus. The borough has 78 buildings with 10 or more dwelling units.

About half of the 2,979 mobile homes across Lawrence County were located in Mahoning, Pulaski, Shenango, Slippery Rock and Union townships and New Beaver Borough. Each of these communities had more than 200 mobile homes in 2016.

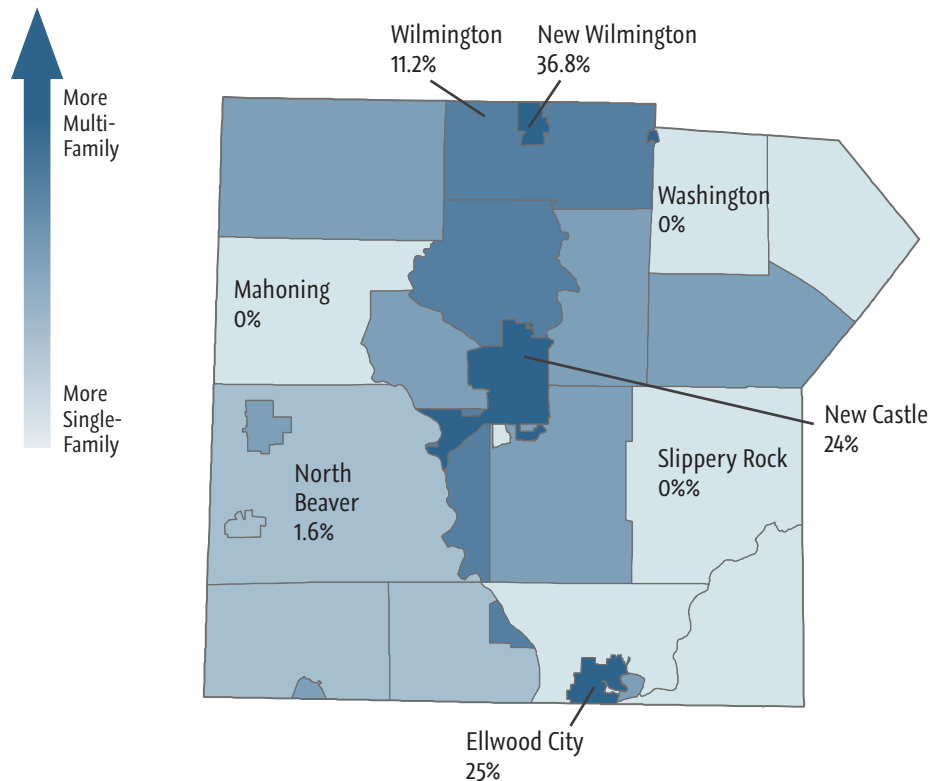
Home Size vs. Household Size

In 2016, three-quarters of Lawrence County's owner-occupied housing had three or more bedrooms, compared to 35% of renter housing. Owners tend to have larger households than renters, an average of 2.5 people to 2.1 people.

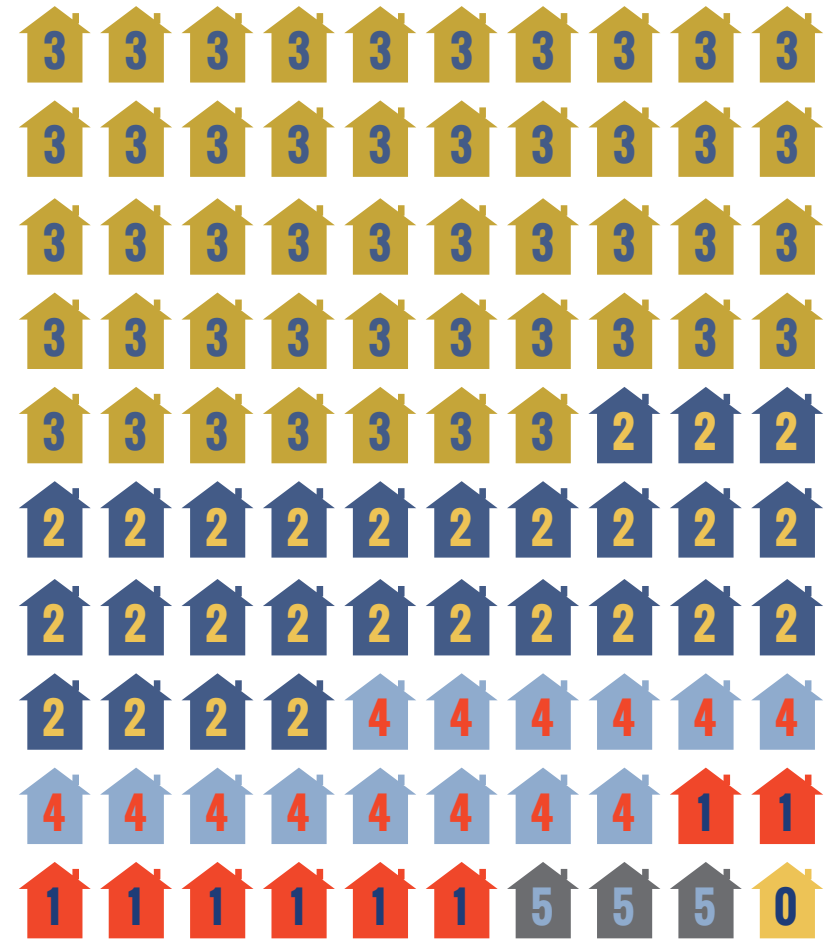
As illustrated on the opposing page, about half of the County's housing stock has three bedrooms, followed by a quarter with two bedrooms. Only 9.8% of housing in the County has one or fewer bedrooms, though the rate of single-person households has increased to almost 30% during the past decade, a trend that is expected to continue. In the absence of a concerted effort to provide smaller housing choices, it is likely that lower-income residents will become increasingly cost-burdened by a lack of alternatives to living in a larger unit than they need.

9.8% of housing units have fewer than two bedrooms, but **29.9%** of County households are people living alone

Multi-Family Housing as Percent of All Housing in Community, 2016



Total Housing Stock by Number of Bedrooms, 2016



Bedrooms in Unit	#	%	Bedrooms in Unit	#	%
None (Studio)	608	1.5%	Three	19,138	47%
One	3,386	8.3%	Four	5,758	14.1%
Two	10,801	26.5%	Five or More	1,032	2.5%

Tenure

In 2016, 73.7% of households in Lawrence County owned their homes. This represents a decline from the 2000 rate of 77.3%. The rate is typical of counties across the region, with the highest ownership rate at 77.4% in Westmoreland County and the lowest at 64.7% in Allegheny County.

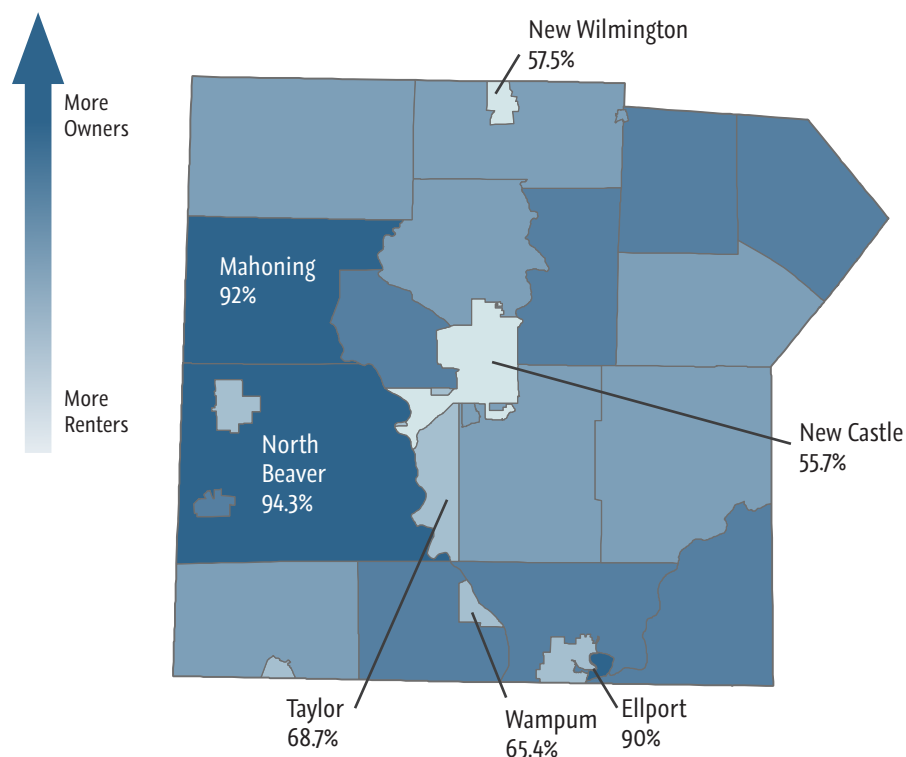
To some extent, the decline reflects the simple fact that it is now more difficult to qualify for a mortgage than it was in 2000. “Qualified mortgages” incentivized by the Dodd-Frank Wall Street Reform and Consumer Protection Act must meet very specific standards that disproportionately impact lower-income households, such as higher standards for acceptable credit scores and debt ratios.

Another explanation is foreclosure. During the height of the mortgage crisis, 2007 and the first half of 2008, HUD estimates that there were 681 foreclosure starts in Lawrence County, a foreclosure rate of 5%. Prior to that, HUD estimated that 1,873 high-cost loans originated in the county, many of which (though not all) could likely be considered sub-prime. This amounted to 28.8% of all loans made at the time.

As shown on the page below, home ownership rates in the County declined the most for younger age tiers, while the rate among seniors remained steady. This suggests that first-time homebuyers face an increasing challenge, and/or that home ownership is no longer as compelling a preference as it once was.

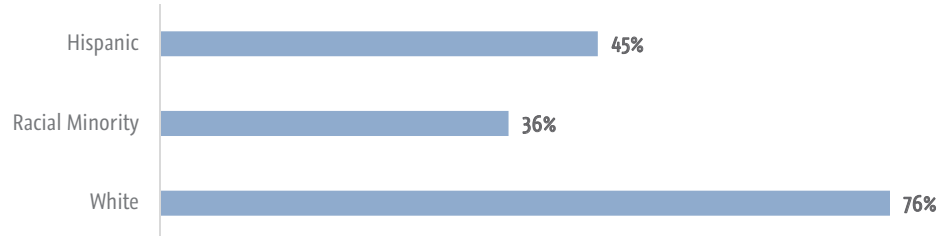
Home ownership was much less common among racial and ethnic minorities, likely as a function of the previously discussed lower income levels characteristic of these groups in the County. While 76% of white residents owned their homes, only 36% of black residents and 45% of Hispanic residents did.

Percent of Homes Owner-Occupied, 2016



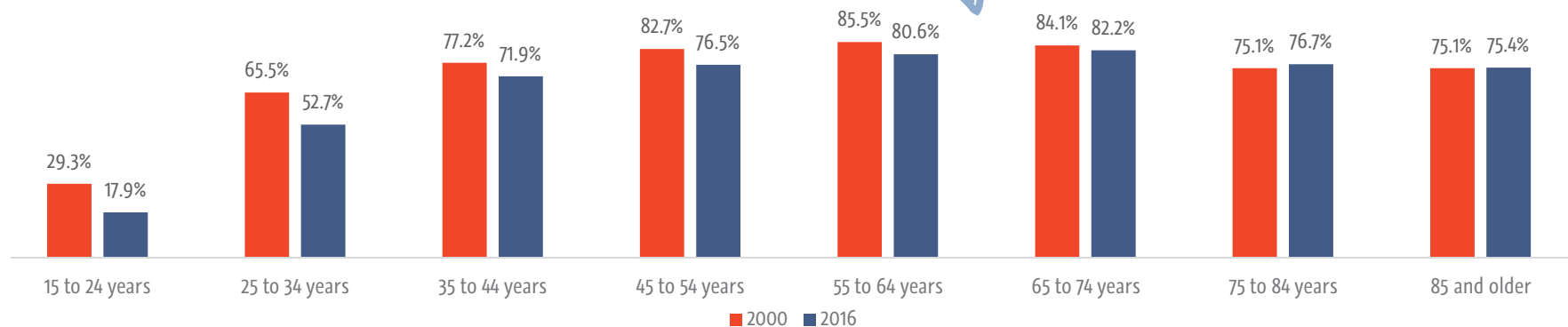
The County's home ownership rate fell from **77.3%** in 2000 to **73.7** in 2016

Percent Homeowners by Race and Ethnicity, 2016



Ownership has become more difficult for everyone, especially younger households

Percent Homeowners by Age, 2000 and 2016



Vacancy

Five percent is a commonly accepted target vacancy rate among housing analysts, representing a balance between housing supply and demand. Vacancy rates lower than 5 percent suggest a lack of adequate housing choices, while higher rates indicate a housing oversupply. Given this measure, Lawrence County's 2.1% vacancy rate for owner-occupied housing describes a tight housing supply, while its rental vacancy rate of 7.5% suggests that unit absorption is slower than landlords would prefer.

For comparison, the homeowner vacancy rate across the Pittsburgh region was 1.7%, and the rental vacancy rate was 5%.

About 7% of Lawrence County's vacant housing was classified as seasonal or recreational use, while 17.9% was for rent and 12.8% was for sale. An additional 7.1% was rented or sold but not occupied. The remaining 54.7% falls into the category of "other," which includes vacancy due to

abandonment and other reasons less clear.

Overall housing vacancy varied by municipality, with rates ranging from 1.9% in Taylor Township to 16.1% in New Castle. Of all vacant housing across Lawrence County, 41.5% is located in New Castle.

Age

Older housing units require serious maintenance, including the replacement of major systems. The age of a structure does not necessarily signal a housing deficiency, as many old homes are well maintained, but 50 years is a threshold typically used to indicate potential problems.

Lawrence County's housing stock is comparatively old, with only one-third of units built after 1970. Another third was built prior to 1940. Unlike many other places, where renter stock tends to be older, the rental and owner stock in the County tends to be generally even in construction date.

The age of homes varies across County

municipalities, as shown at right, with newer construction typically occurring in townships and older stock remaining in the more dense boroughs and New Castle.

Condition

Other indicators of substandard housing include incomplete plumbing facilities and overcrowding.

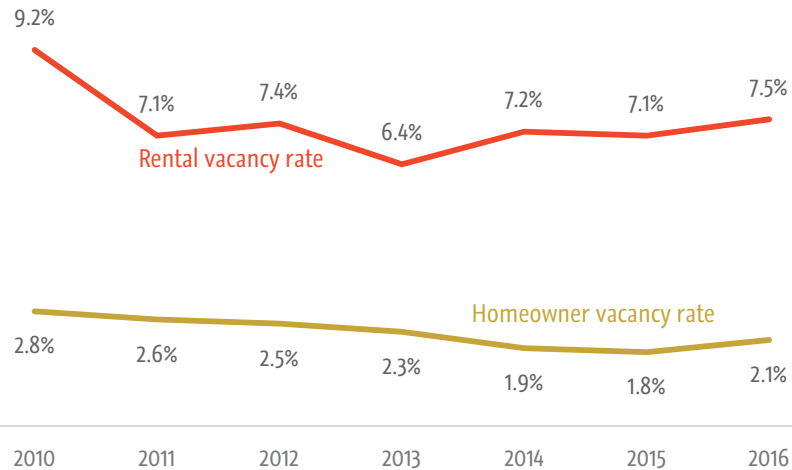
In 2016, 181 owner-occupied homes and 130 renter-occupied homes lacked complete plumbing facilities, an overall rate of 0.9%. This was higher than the regional rate of 0.4%.

The Census Bureau defines an overcrowded household as one with more than 1.01 persons per room, excluding bathrooms, kitchens, hallways, and porches.

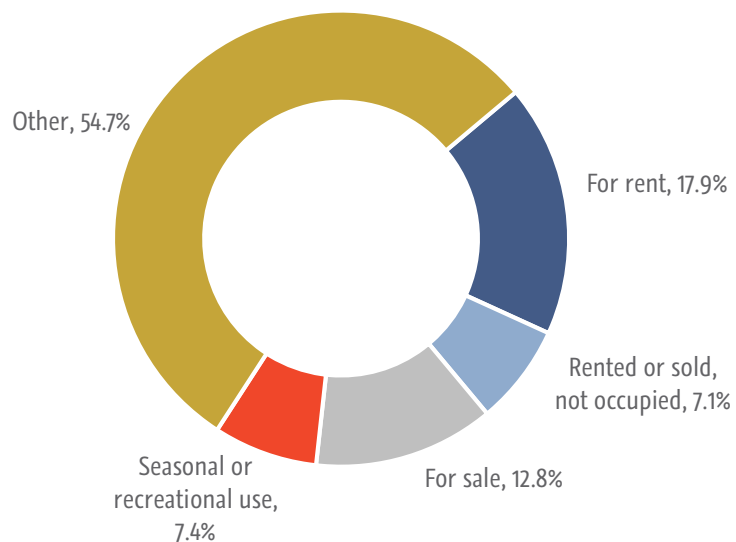
Across the County, 158 owner-occupied homes were overcrowded, of which 33 were severely overcrowded, and 193 renter households were overcrowded, including 30 that were severely overcrowded.

7.5% rental vacancy rate
2.1% homeowner vacancy rate

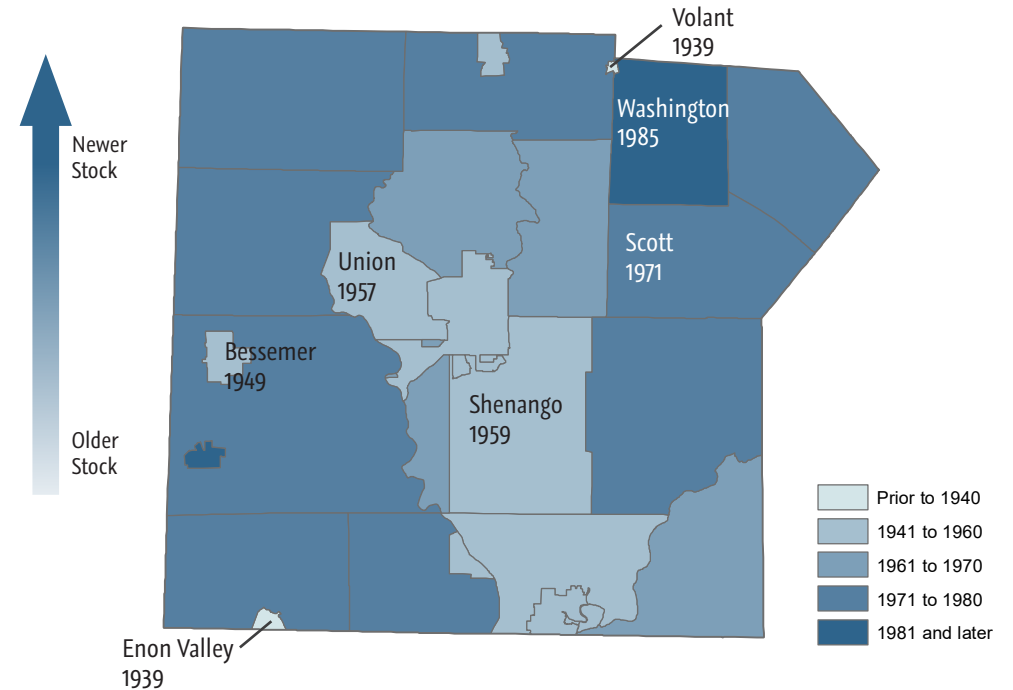
Countywide Vacancy Rates, 2010 to 2016



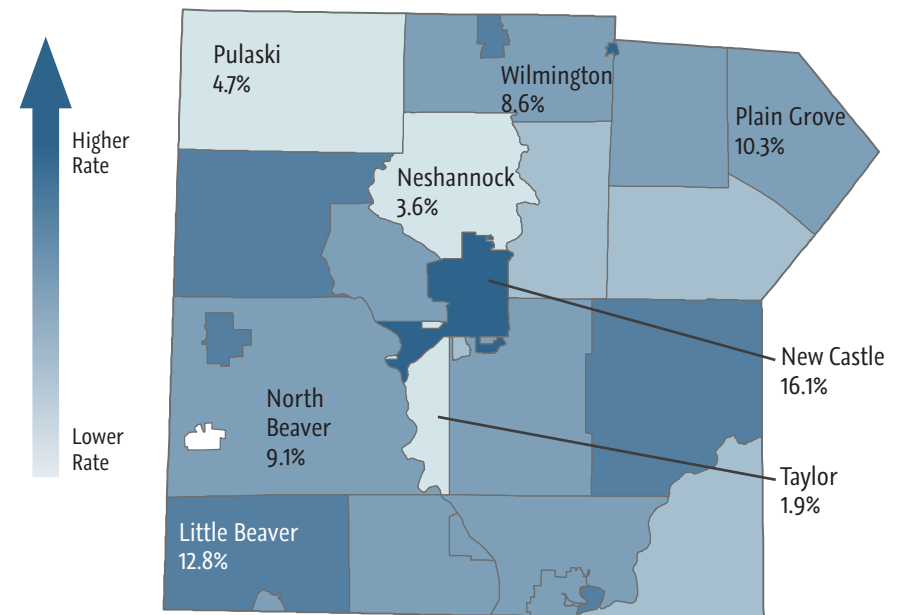
Reasons for Vacancy, 2016



Median Year of Construction for All Homes, 2016



Municipal Vacancy Rate, 2016



Housing Values

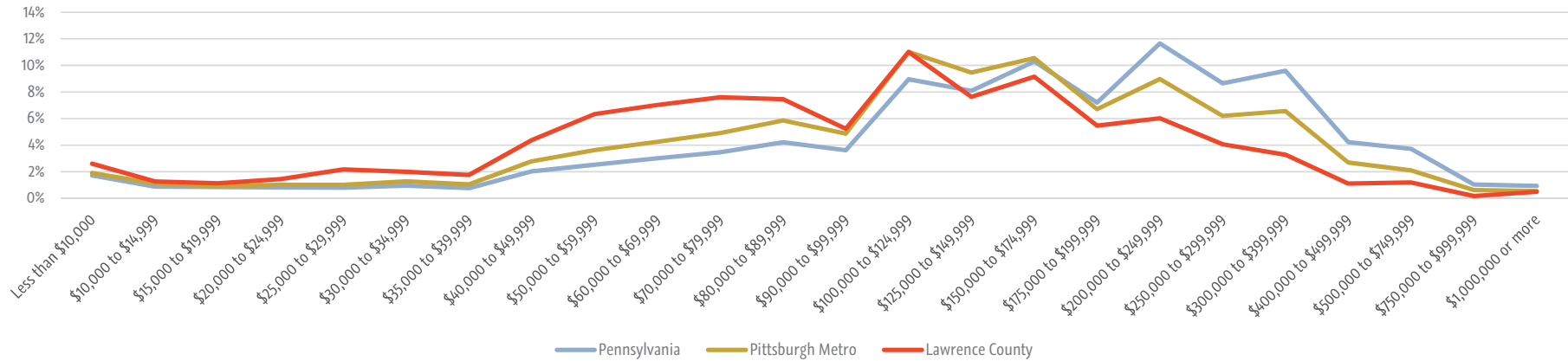
Lawrence County generally avoided the housing bubble of the last decade and was subsequently insulated from the economic recession. Home values have increased only modestly since 2003, according to the County Assessor's office, and median rent, the median value of owner-occupied homes (as self-reported in the Census) and the sale price and price per square foot (as reported by Zillow) are much lower in Lawrence County than in many surrounding counties, the state and the nation.

Home values in Lawrence County skew more affordably than across the region and state. In 2016, half of all owner-occupied homes were valued below \$100,000, compared to one-third of the region's owner-occupied homes and one-quarter of those statewide. At the other side of the scale, only 16.3% of the County's owner-occupied homes were worth \$250,000 or more, compared to 27.7% of homes in the region and 39.8% of those across Pennsylvania.

The median housing value for Lawrence County was \$93,300 in 2016, up from \$71,100 in 2000. However, after factoring in inflation, the change amounts to a *decrease* in value of 0.5%. This represents bad news for homeowners who depend on equity as a means of building wealth, but it represents good news for those in search of an affordable place to live.

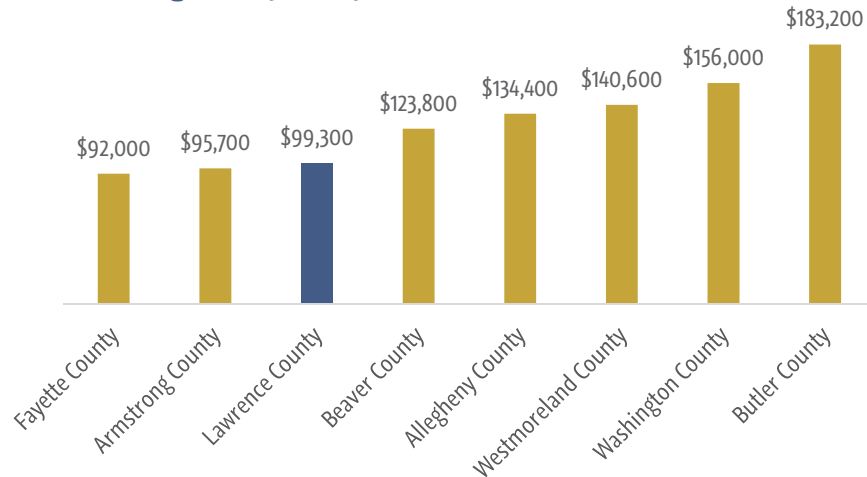
Median housing values varied considerably by municipality, ranging from \$61,400 in New Castle to \$168,400 in Neshannock Township. The 2016 median across the Pittsburgh region was \$136,700. This reflects a higher concentration of more expensive properties in Butler, Washington and Westmoreland counties.

Distribution of Housing Values, 2016

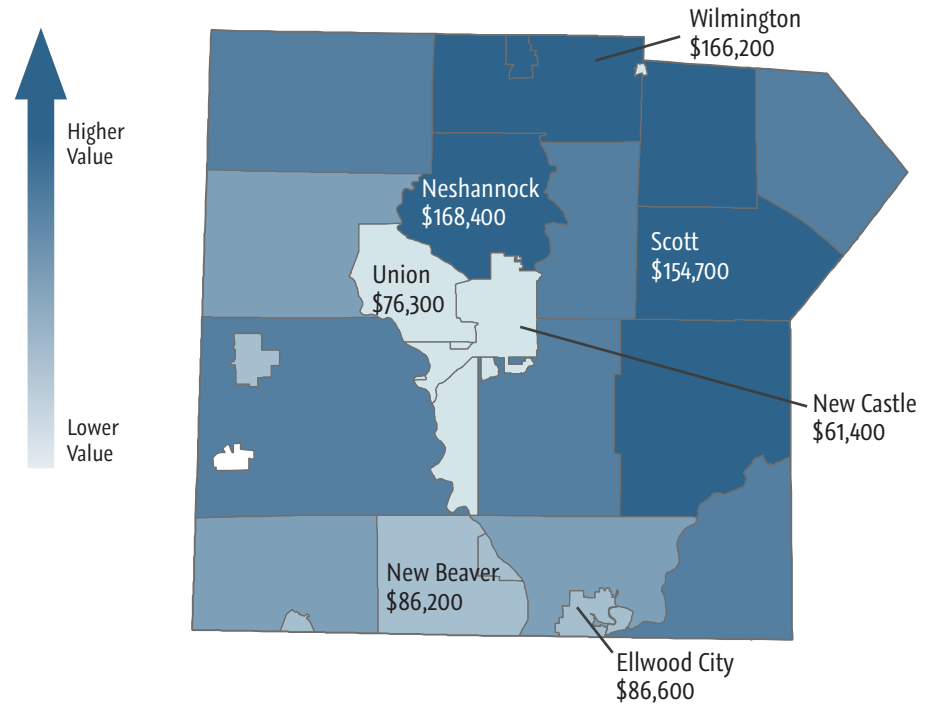


The median housing value fell
0.5% since 2000,
 accounting for inflation

Median Housing Value by County, 2016



Median Housing Value, 2016



Owner Costs

By the Census definition, housing costs for home owners are the sum of payment for mortgages, real estate taxes, various insurances, utilities, fuels, mobile home costs and condominium fees.

The 2016 median monthly housing cost for owners across Lawrence County was \$1,067 for those with a mortgage and \$421 for those who owned their homes outright. About half of owners fell into each category. Of the 14,330 with a mortgage, 18.2% had additional debt in the form of a second mortgage, a home equity loan or both. About half of owners without mortgages were age 65 and up.

The median real estate taxes paid by Lawrence County home owners was \$1,559 in 2016, higher for those with a mortgage (\$1,779) than those without (\$1,346). This total is appreciably lower than the median paid of \$2,323 paid by home owners across the Pittsburgh region.

As illustrated at right, there is no clear bell curve for owner costs across the County, with many weighted within the \$300 to \$600 range and many also paying \$1,000 to \$1,249.

Owner Affordability

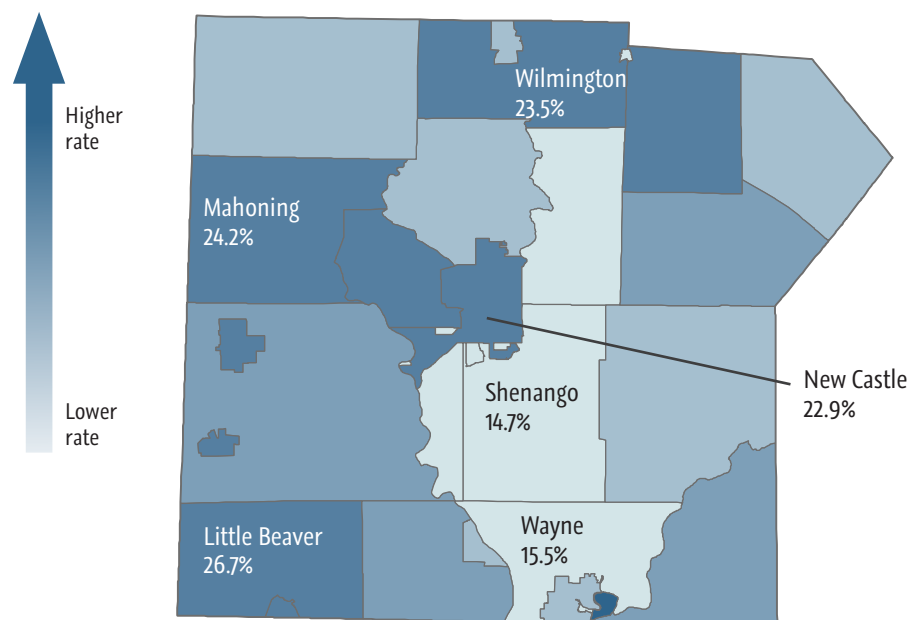
By the conventional definition, a household is considered to be cost-burdened if it pays 30% or more of gross income on housing costs. In 2016, 5,928 owner households in Lawrence County (19.8%) met this definition.

A household can qualify as cost-burdened at any income level, but cost burden hits lower-income households the hardest. About half

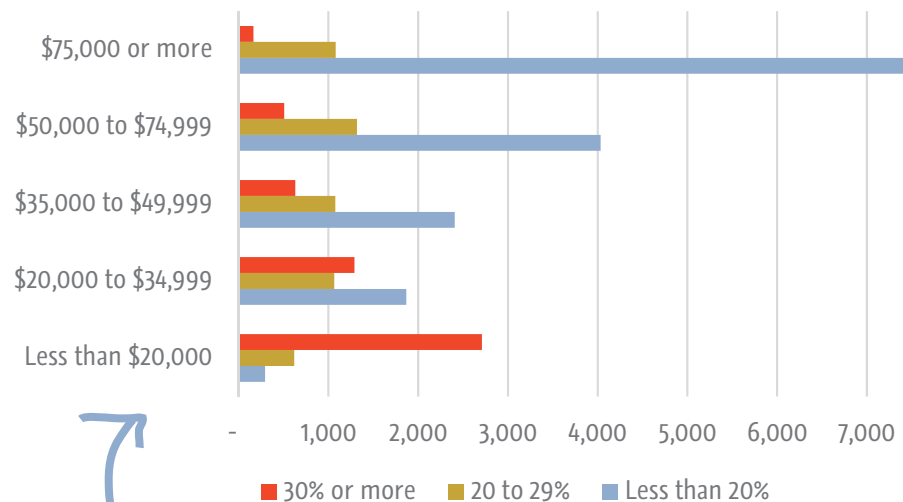
of the County's cost-burdened homeowners made less than \$20,000 per year, and of all 3,624 owners in this income tier, three-quarters were cost burdened. By contrast, only 1.9% of households making \$75,000 or more spent 30% or more of their annual income on housing costs.

Cost burden among owners varied by municipality, driven in some areas by higher housing costs and in others by lower incomes. The rate exceeded 25% in Bessemer, Ellport and Enon Valley boroughs and Little Beaver Township. It was below 15% in Hickory and Shenango townships and South New Castle and Volant boroughs.

Percent of Homeowners Cost Burdened, 2016

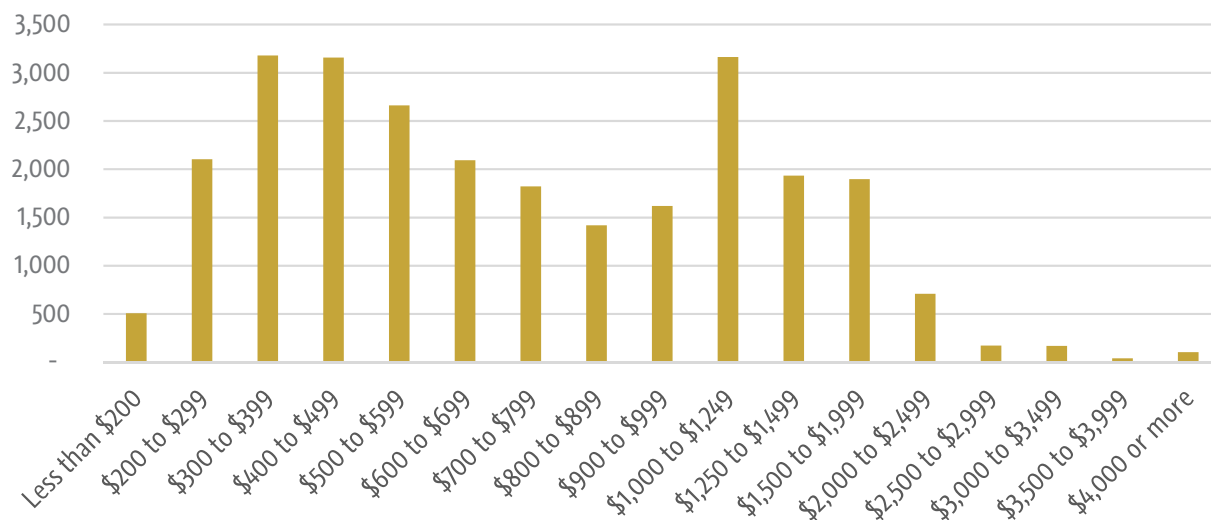


Percent of Income Spent on Housing Costs for Homeowners by Income Tier, 2016



More money, fewer problems!

County Households by Homeowner Housing Costs, 2016



Median monthly owner cost:

\$421 without a mortgage

\$1,067 with a mortgage

Renter Costs

In its calculation of gross rent, the Census includes the estimated average monthly cost of utilities (electricity, gas, water and sewer) and fuels (oil, coal, kerosene, wood, etc.). The median gross rent across Lawrence County was \$643 in 2016. This represents an inflation-adjusted increase of 8.1% from 2000. However, as mentioned previously, the County's median household income *decreased* by 14.1% during the same time, after adjusting for inflation. This translates to a housing affordability problem for renters: Housing costs keep rising, but incomes have comparatively declined.

Additionally, lower-priced units are disappearing from the County's housing inventory, whether through rent increase, conversion or other means. There are now half as many units renting for less than \$500 per month than in 2000 (a total of 2,456,

compared to 4,956). At the opposite end of the scale, the number of units priced at \$1,000 or more has increased from a total of 108 to 2,202.

The total number of rental units across the County has increased by 16.5% to 8,495 since 2000, but much of the increase was in higher-priced stock.

Renter Affordability

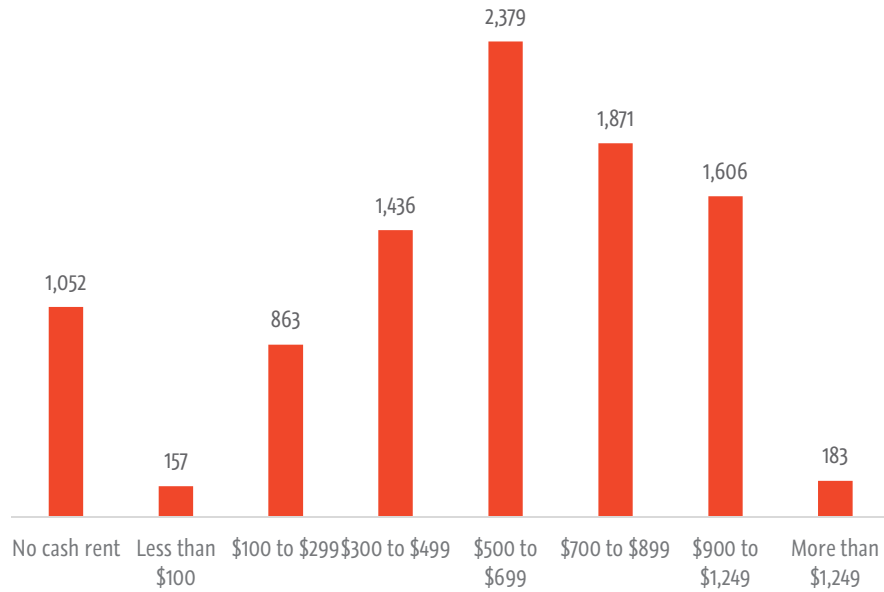
Similar to the discussion of owner cost burden, a renter household is considered to be cost-burdened if it pays 30% or more of gross income on housing costs. In 2016, 4,119 renter households in Lawrence County (43.1%) met this definition.

Cost burden is much more prevalent among renters than owners, and it impacts lower-income renters the most severely. More than 80% of renter households making less than \$20,000 per year were cost-burdened, and

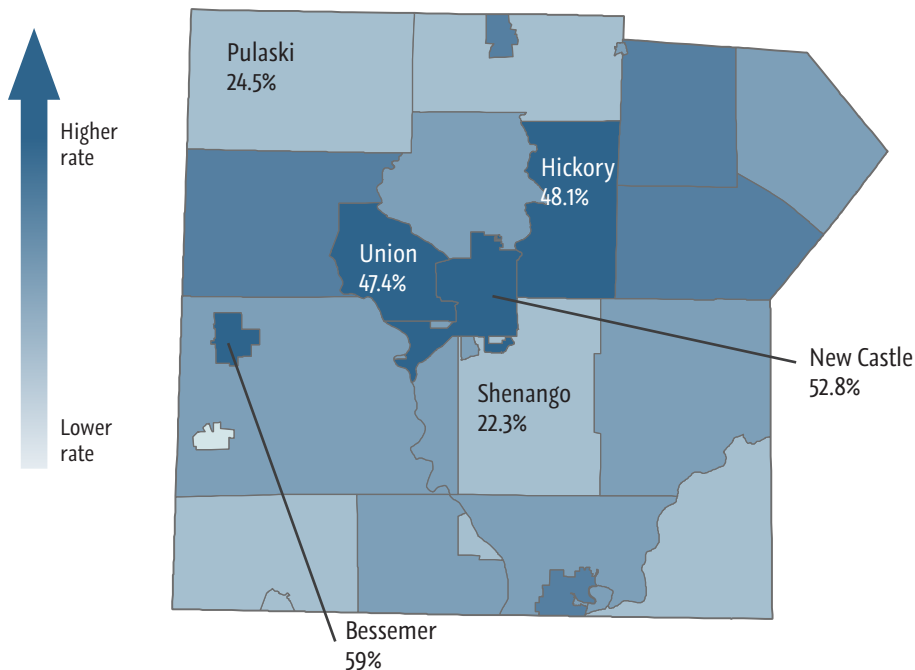
this income group comprises 70% of all cost-burdened renters. By contrast, less than 3% of all renters making more than \$50,000 per year were cost-burdened.

More than 50% of renter households in New Castle and Bessemer were cost burdened. The rate also exceeded 40% in Hickory, Union and Washington townships and Ellwood City and New Wilmington boroughs. Cost burden was lowest for renters in Shenango and Little Beaver townships and Enon Valley borough.

County Renters by Monthly Housing Cost, 2016

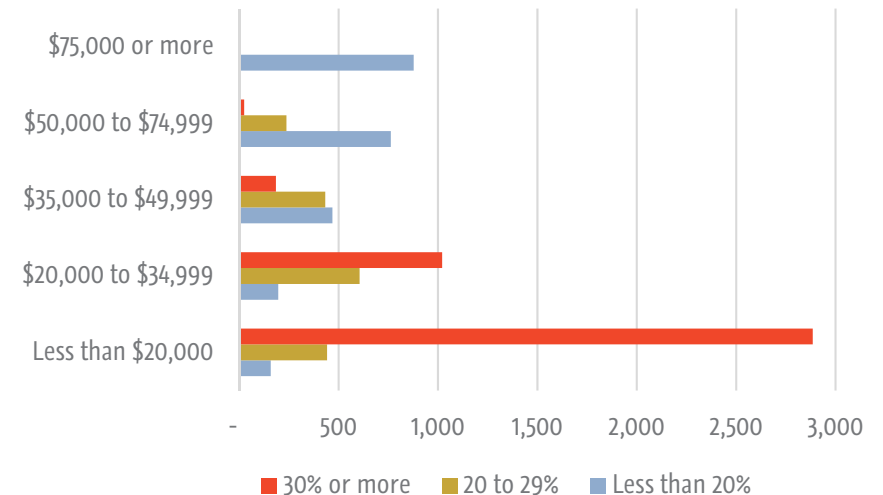


Percent of Renters Cost Burdened, 2016



82.8% of renter households making \$20,000 or less per year are **cost burdened**

Percent of Income Spent on Housing Costs for Renters by Income Tier, 2016



Key Findings

In summary, the analysis of existing trends and conditions in Lawrence County reveals:

- Population and household growth are stagnating, despite continued growth in the number of total housing units. To avoid further strain on the existing housing stock by sprawling development patterns, the County will need to incentivize investment in existing homes and infill, particularly in core communities.
- The County's population is aging, a trend that has implications for housing needs as well as the workforce and school enrollment. Demand will continue to rise for relatively small, accessible, low-maintenance single-level homes in areas with connection to amenities (grocery stores, medical offices, etc.).
- Population loss has especially impacted older, more densely settled core communities, as decades of industrial transition have eliminated middle-class jobs. Higher poverty in these areas has accelerated the deterioration of housing stock.
- The concentration of affordable housing in core communities likely contributes to the concentration of racial and ethnic minorities in these areas, given the dramatically lower median income levels and ownership rates among these groups in the County.
- Household income has not kept pace with inflation or rising housing costs since 2000. This translates to diminished spending power that makes housing less affordable, especially for renters.
- Home ownership rates across the County have fallen since 2000 for all age groups except seniors, indicating difficulty in buying and staying in homes. Some of this can be attributed to tightened lending standards following the 2008 market collapse.
- The County is a bedroom community to the 20,381 workers who leave each day to work elsewhere. To these households, Lawrence County is a comparatively attractive place to live and send children to school.
- The average County household spends more of its annual income on transportation than housing costs (29% vs. 26%), due in part to the low connectivity between housing and jobs.
- The existing housing stock is generally mismatched with changes in household type and size, particularly the proliferation of single-person households. Attracting new family households may require retrofitting existing units to provide modern amenity preferences.
- Rental housing has become more expensive across the County since 2000, reflecting a large decrease in lower-priced units in the inventory.
- Cost burden impacts 19.8% of home owners and 43.1% of renters and is far more prevalent and problematic for lower-income households.

Local Affordability Analysis

This section examines factors impacting the ability of Lawrence County households to secure and maintain affordable, decent and suitable housing.

An analysis of home sales data since 2013 illustrates market realities, in terms of where homes are being sold at various price levels. While no municipality within the County appears to be completely out of reach for lower-income buyers, the lowest-priced homes are heavily concentrated in core communities.

Barriers to affordable housing include both roadblocks to the creation of new affordable housing units and barriers that prevent households from accessing or

affording suitable housing units. Many of these barriers are beyond the control of County government, but identifying and understanding them will help the County formulate a strategy to address what it can and mitigate the negative effects of what it cannot.

An analysis of comparative tax burden examines the relationship between municipal and school property tax rates and the value of properties within each jurisdiction, ultimately determining where property taxes have the greatest impact on housing affordability.

A section on special needs identifies specific problems for subsets of the population that should be considered in housing policy formulation.

Finally, an examination of public policy focuses on County efforts to expand affordable housing opportunities, including units and vouchers administered by the County Housing Authority.

Sales Records Analysis

Data from the Lawrence County Assessment Office provides insight on a property-by-property level as to what's happening in the local market. The office provided data on all residential sales within the County between June 2013 and June 2018.

This data provides valuable perspective on local market activity not only because it is more recent than reports from the American Community Survey (ACS), but also because it is transaction-level: Whereas housing values in the ACS are a sample of self-reported estimates, prices reported by the Assessment Office include the actual figures for every residential sale.

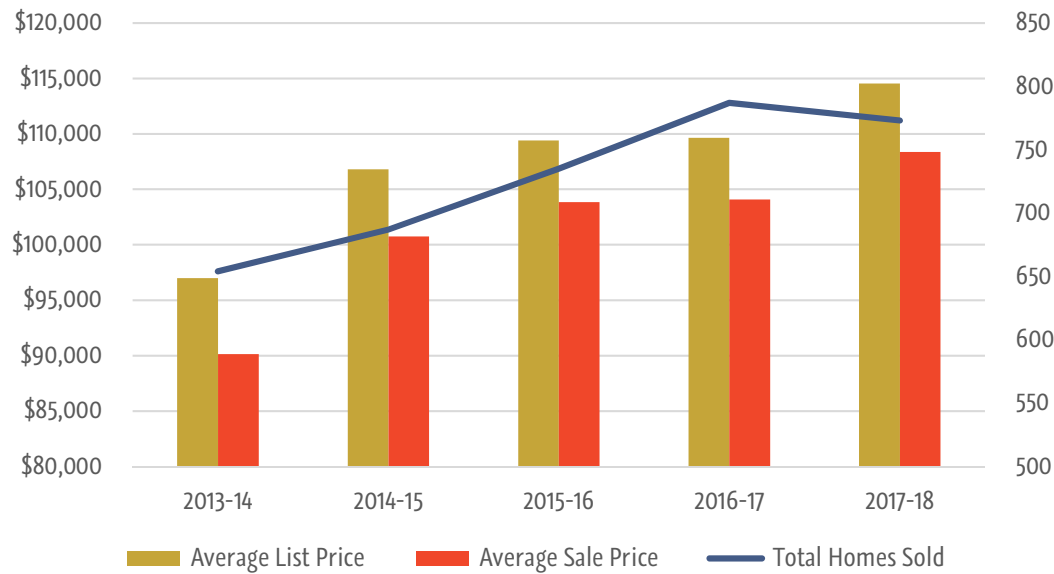
According to these records, housing sales across the County strengthened during the five years studied, rising 18% from 654 total units sold in 2013-14 to 773 in 2017-18.

The average sales price also rose 20%, from \$90,153 to \$108,361. The difference between list price and sales price narrowed from 7% in 2013-14 to 5.4% by 2017-18, suggesting a gaining advantage for sellers.

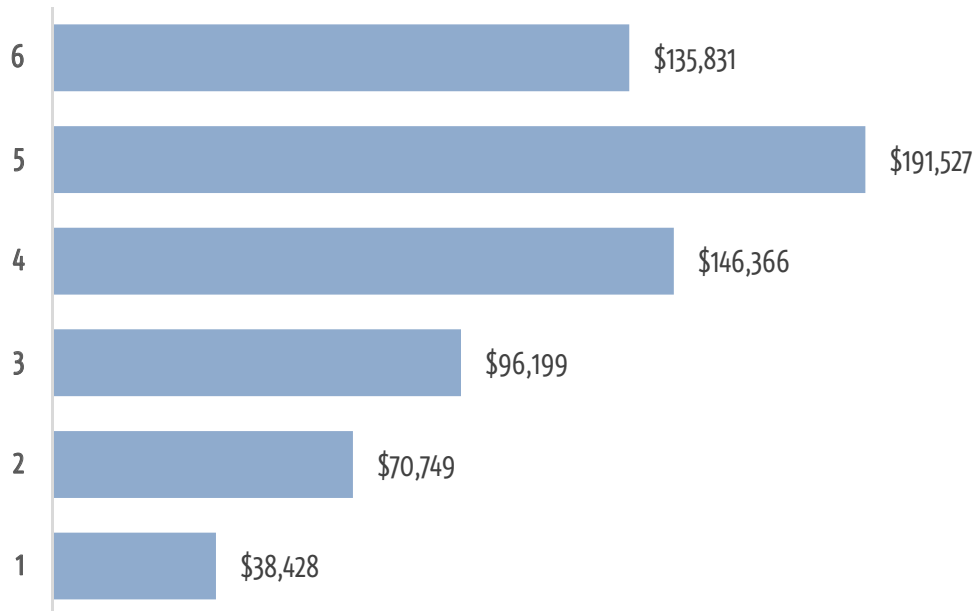
The average sale price varied dramatically by location. Roughly one-quarter of all home sales occurred in New Castle, 956 total, where the average price by ward ranged from a low of \$17,829 in the 8th Ward to a high of \$61,212 in the 2nd Ward. By contrast, the average price exceeded \$150,000 in five townships (listed at right, plus Neshannock Township) and New Wilmington Borough.

In general across the County, smaller homes tend to be priced lower. The majority (58%) of all homes sold had three bedrooms, with an average price of \$96,199. Two-bedroom homes accounted for 21% of all sales and averaged \$70,749, while four-bedroom homes accounted for 17% at an average of \$146,366. Only 36 homes were sold with less than two bedrooms, and only 15 homes were sold with more than five.

Annual Home Sales by List Price and Sale Price, June 2013 to June 2018



Average Price of Homes Sold by Number of Bedrooms, June 2013 to June 2018



Top five areas

highest average
sale price

lowest average
sale price

Wilmington Township
62 sales
\$232,989

8th Ward, New Castle
28 sales
\$17,829

Washington Township
19 sales
\$172,182

5th Ward, New Castle
78 sales
\$31,034

New Wilmington Borough
52 sales
\$156,088

6th Ward, New Castle
9 sales
\$32,297

Slippery Rock Township*
67 sales
\$154,596

3rd Ward, New Castle
77 sales
\$33,534

Scott Township*
51 sales
\$153,800

7th Ward, New Castle
62 sales
\$33,834

* Including only the portion of the municipality within Lawrence County

One way to evaluate sales data is through the lens of affordability, or what household income level would be required to afford the purchase price of a home without becoming cost-burdened. The map and graph at right apply the household income level definitions established on Page 9 and explored further in the Net Demand section on Page 72.

Calculations determined the maximum affordable purchase price for households at different percentages of Lawrence County's HUD Area Median Family Income, which was \$57,700 in 2018. A household making 30% of this figure, for classification purposes, is considered extremely low income. Using some basic assumptions about costs, this household could afford a house priced at \$58,536.¹

Between June 2013 and June 2018, one-third of the inventory sold was affordable to extremely low income households, and 90% of the inventory was sold at prices affordable to households making the median income. In a trend consistent with price increases, as shown in the graph on the opposite page, the share of homes affordable only to median and above-median income households grew between 2013 and 2018.

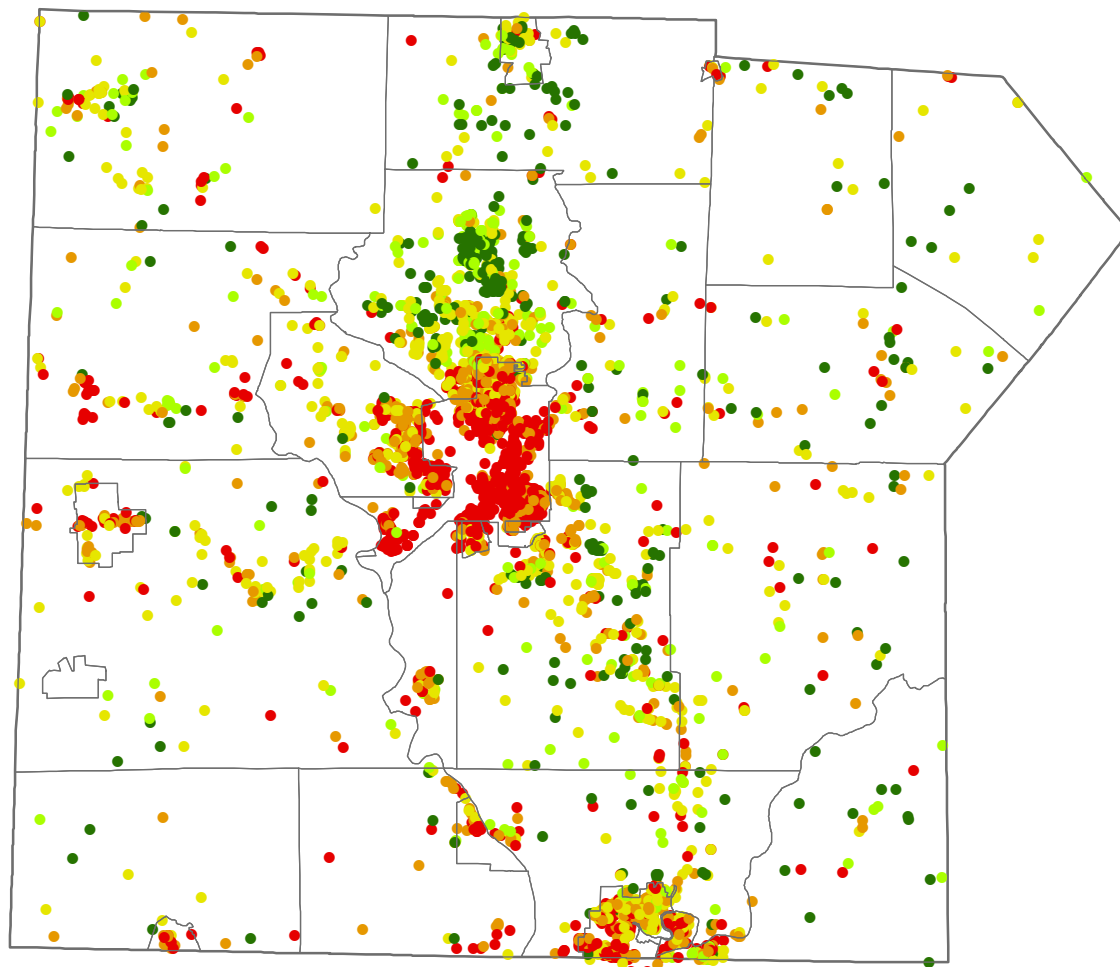
The map illustrates drastic geographic differences in the affordability levels of homes sold. At least one-third of all homes sold were out of reach for below-median income households in New Wilmington Borough and Hickory, Neshannock, Perry, Plain Grove, Scott, Washington, Wayne and Wilmington townships. By contrast, of the 956 homes sold in New Castle between June 2013 and June 2018, only six were

at prices out of reach to below-median income households. In Ellport and South New Castle boroughs, 100% of homes sold were affordable to below-median income households.

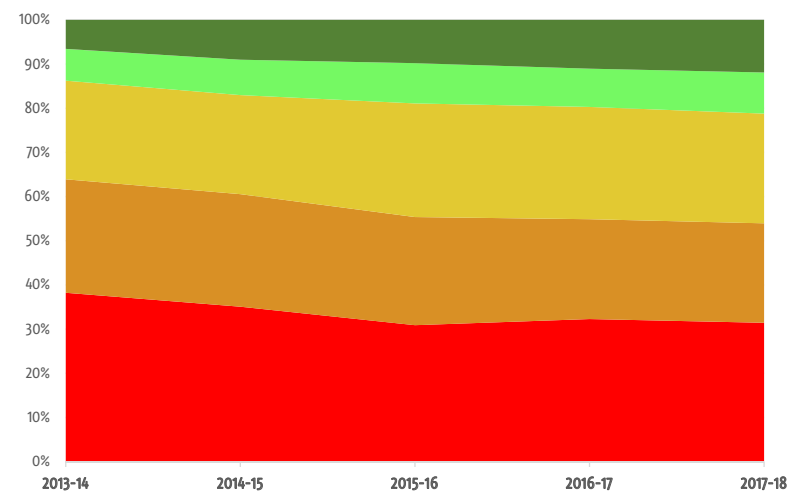
While 26% of all homes sold across the County were located in the city, 54% of all homes priced below \$58,536 (affordable to extremely low income households) were located here. The map illustrates scattered sales at each price point across the County, showing that it is possible to find an affordable home in virtually any community — however, depending on household income, the selection of affordable homes is far larger in certain areas.

¹ This calculation assumed a 30-year fixed-rate mortgage at a 4.59% interest rate, a 10% down payment, private mortgage insurance at 0.75% of the principal, homeowner's insurance equal to the value of the home divided by 1,000 and multiplied by \$3.50, and that the sum of principal, interest, taxes and insurance could not equal more than 30% of gross monthly income.

Location of Homes Sold by Household Affordability Level, June 2013 to June 2018



Countywide Homes Sold by Affordability Level



Affordable to:

- Extremely low income (price < \$58,536)
- Very low income (price < \$97,560)
- Low income (price < \$156,096)
- Moderate income (price < \$195,120)
- Above median income (price \$195,120)

Note: Categories are not shown as cumulative. It is understood that a higher-income household could buy from any of the lower home price categories.

Of all homes sold in New Castle,
69% were priced at a level
 affordable to extremely low
 income (ELI) households.

54% of the County's homes
 affordable to ELI
 households were sold in
 New Castle.

Barriers to Affordable Housing

While the term “affordable housing” is a common euphemism for subsidized low-income projects, it refers in this report simply to *housing that is affordable*. As the graphic on the opposing page illustrates, the annual income for many Lawrence County workers is insufficient to rent or buy a place to live without becoming cost burdened. The most obvious barrier to affordable housing in a community is income levels that do not keep pace with rising housing costs.

Other barriers to affordable housing in Lawrence County include (but are not limited to) the following problems.

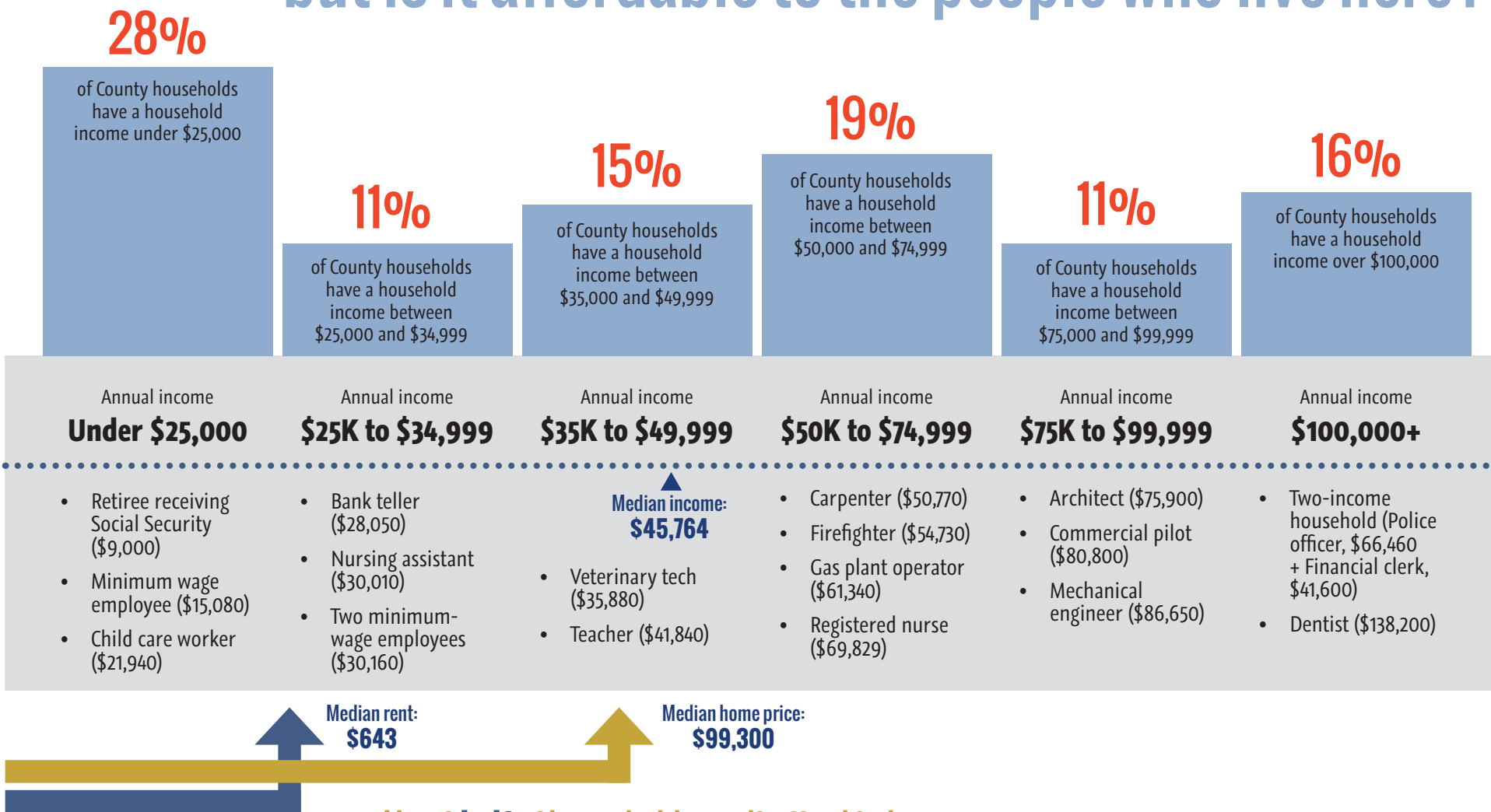
Market Realities

The pace of new housing construction in recent years has been extremely sluggish due to market conditions that one developer called “atrocious” — the value per square foot of a finished home is far less than its construction cost, particularly in New Castle. Land costs are prohibitive in many of the County’s townships, reaching up to \$30,000 per lot. Tap-in fees are an expensive prospect in areas where water/sewer service is available, as are on-lot wastewater treatment systems in areas where it is not. The simple math of supply and demand would dictate that stagnation in supply, relative to demand, will drive up costs.

What also happens in a stagnant housing market is a lack of filtering. This term refers to a process in which homes built for middle- or upper-income households become less expensive over time as their occupants move up and out into what they perceive as better homes in better neighborhoods. Nationally, filtering happens at a rate of about 1.9 percent per year, such that a 50-year-old home is occupied by someone with an income 60 percent lower than its first occupant.¹ The phenomenon occurs more slowly in areas where a lack of construction provides fewer new options for upper-income households to buy up into.

¹ Hertz, Daniel. “What filtering can and can’t do.” *City Observatory*, October 2015. <https://bit.ly/1QNn4fj>

Lawrence County's housing is comparatively affordable, but is it affordable to the people who live here?



About **30%** of households can't afford the cost of an average rental.

About **half** of households can't afford to buy the median-priced home.*

* Assuming a 30-year fixed-rate mortgage with 10% down and a rate of 4.59% on a property with the average Lawrence County millage rate.

Data sources: BLS Occupational Employment and Wage Estimates, Pennsylvania, May 2017; 2016 American Community Survey

Applied here, the concept suggests that if new units with modern amenities were available to appeal to upper-income households, their leaving behind older units would create housing opportunities more likely to be affordable to households of more modest means without subsidy.

Locally, the housing market downturn of the late 2000s caused families that might have been considering buying a larger home to instead remodel their starter home, but often not in ways that would improve its resale value — for instance, adding a master suite instead of modernizing kitchen facilities.

The cost of materials has climbed dramatically, with lumber up 30% over the past year. Local sources reported that this reflects national fluctuations — “We pay the same for brick and mortar as everyone else,” whether or not there’s local demand for materials.

Older homes in core communities often require a lot of work in restoration and

modernization, but charging enough rent to economically justify the work would make rent unaffordable. The market makes it possible to purchase a home for \$80,000, invest an additional \$40,000 in stabilization/modernization and realize a market value of only \$75,000 afterward.

Developers operate according to careful calculus that is roughly summarized in the graphic on the following page. In most cases, the housing units that New Castle and Lawrence County need simply do not pencil out, especially with rent or purchase price levels that would make them available to lower-income households.

In Lawrence County, limitations on the location of infrastructure (particularly water/sewer and natural gas) greatly impact the geography of development. As extending infrastructure is an expensive proposition, the areas where it is cost-effective to build new housing are somewhat limited. This is positive from the perspective of controlling

urban sprawl but also represents an affordable housing consideration.

Finally, there are simply fewer builders in Lawrence County now. Many used to be qualified contractors prior to 2008, but have since changed their business plan to focus on remodeling or other tasks. This is reflected in the composition of the County Builders’ Association, only a couple of which remain “true builders.”

Financial Requirements

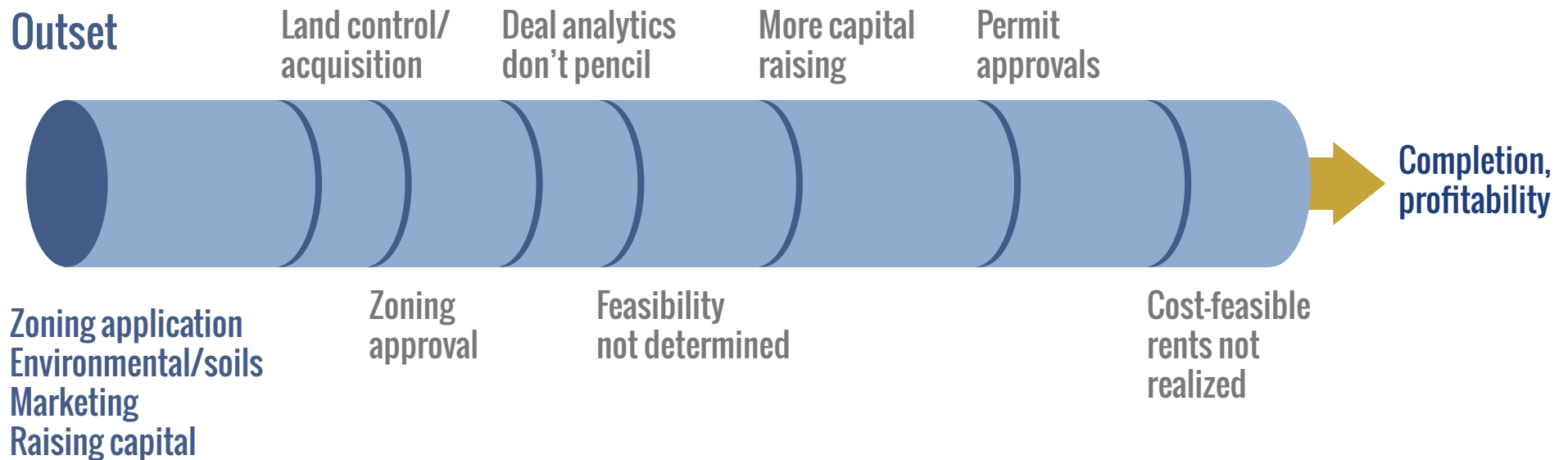
Falling home ownership rates nationwide are related to tougher lending standards implemented in 2014 under the Dodd-Frank Act. Criteria for mortgage underwriting have become much more demanding, which has the effect of excluding households with credit problems, high debt or a lack of down payment savings.

Education

The plan’s stakeholders unanimously emphasized a need to create more financial independence for County residents by

Land development pipeline

Not for the risk-averse: The project could fall apart at any stage



Source: Adapted from "Understanding and Calculating Residual Land Value," an Urban Land Institute presentation by Tennyson Williams, March 2012. <https://bit.ly/2jRVPXi>

providing education on budgeting, saving and increasing earning power. They identified a need to engender pride in one's home, an effort that could tie into existing programs to provide housing while addressing mental health, drug, alcohol or other issues.

Housing Discrimination

While overt housing discrimination is generally less common than in decades prior, complaints persist of unfair treatment on the basis of protected class status. About one-third of respondents to the plan's online survey disagreed or strongly disagreed that the County's residents, landlords and real estate agents are aware of rights and protections under the Fair Housing Act.

Protected classes in Lawrence County include race, color, national origin, religion, sex, familial status, ancestry, disability, age over 40. Protection is not provided on the basis of sexual or gender orientation or source of income (such as a Section 8 voucher), thus it is still legal in Lawrence County to reject a potential tenant for these reasons.

Regulatory Red Tape

Local ordinances, fees, requirements and procedures can very effectively make housing much more expensive to develop. Some examples:

- Exclusionary zoning occurs when a municipality has an insufficient amount of land zoned for medium- or high-density residential development, or when different types of multi-family structures are not allowed.
- Excessive lot dimension requirements (setbacks, etc.) and parking minimums can add unnecessary cost.
- Zoning ordinances commonly limit housing options that would be affordable to small households (accessory dwellings, conversions, shared housing).
- Older housing can become too costly to rehabilitate with public funds because of layers of remediation requirements (lead-based paint, as an example).

- Many local street width requirements are unreasonably high, adding to costs and unintentionally speeding up traffic.
- Some ordinances require costly infrastructure where more flexible alternatives would better meet goals. (Example: Traditional concrete/pipe storm water systems vs. natural surface drainage)
- Code requirements apply equally to housing, though the costs of compliance hit affordable housing harder.
- State agency permitting processes (such as DEP) can be prohibitively onerous. As a developer related, "No bank wants to hear that the approvals process is going to take a year and a half." Plug-and-play best management practices would help.
- Levies and fees tend to add up, such as New Castle's stormwater assessment.

Comparative Tax Burden

Property tax rates across Lawrence County are well known to be an important variable in housing affordability, adding thousands to the annual cost of ownership. Renters pay property tax indirectly, inasmuch as landlords factor the cost into monthly rent.

The County conducted a full property reassessment in 2003, by contrast with neighboring areas where the base year dates back decades (Butler County, 1969; Crawford County, 1971; Mercer County, 1973).

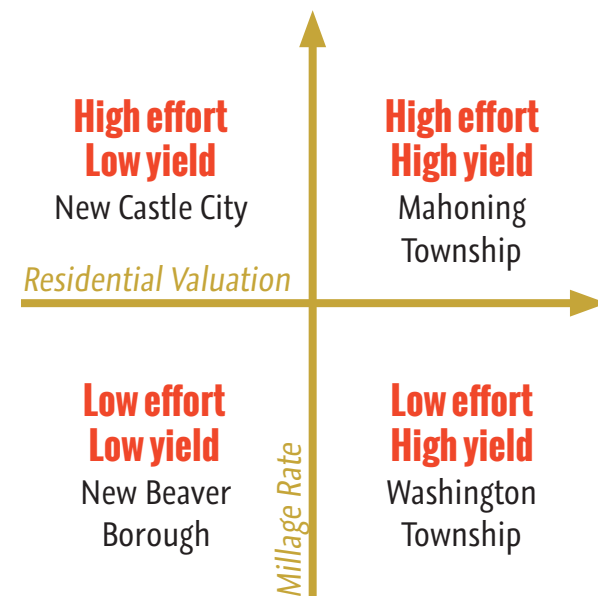
Municipalities set millage rates with consideration for achieving a revenue level sufficient to sustain the budget, balancing political pressure to keep levies low with the practical realities of ever-increasing costs and unfunded mandates. Additionally, fluctuation in a community's assessed value (such as a decline for Ellwood City in 2018) can drive changes in millage rates.

School millage rates in Pennsylvania constitute the bulk of a property's tax

liability. Like municipal rates, they vary widely by jurisdiction. Less like municipal rates, their variance often has "no logical relationship either to residents' ability to pay or a community's ability to raise revenue."¹ A 2017 report concluded that the state's poorest taxpayers — the bottom 25 percent, measured by property value and income — bear a heavier effective tax burden than those in the top 25 percent.²

Because property tax is a function of both rate and property value, the same rate applied to a low-value district and a high-value district will yield different revenue. Therefore, property-rich districts can choose to maintain relatively basic operations while keeping rates low (a low-effort, high yield environment, as shown at right) or to generate higher revenue with rate increases to fund extra amenities (that in turn improve the jurisdiction's competitive appeal). This would be a high-effort, high-yield environment.

Municipal Tax Environment Examples:



¹ Mezzacappa, Dale. "Study: Pa. is 'Wild West' of property taxes." Philadelphia Public School Notebook, March 2, 2017.

² Stadler, Zahava, et al. "Building Equity: Fairness in Property Tax Effort for Education." EdBuild, February 2017.

Conversely, property-poor districts are typically in the position of setting high millage rates just to maintain basic service levels. When blight and vacancy weaken a tax base, tax rates must rise to generate the same revenue level, increasing the burden on taxpayers who remain. Increasing tax burden without concurrent increases in amenities makes a community less competitive for new residents and investment, perpetuating a vicious cycle. This is a high-effort, low-yield tax environment of which New Castle is the most obvious local example.

In order to gauge the impact of property taxes in different areas of Lawrence County, the calculation on the preceding page determines 1) the income a household would need to purchase the median-priced home

in each municipality without being cost-burdened, 2) the income a household would need to purchase the same home including its property taxes, and 3) the percentage difference between the two. The calculation is based on a 30-year fixed mortgage at a 4.59% rate with 10 percent down. It applies the 2017 millage rates for the County, municipality, school district and any other assorted levy. Private mortgage insurance was assumed to be 0.75% of the principal, and homeowner's insurance was estimated at \$3.50 for every 1/1000th of value.³

The highest combined millage rates tend to be found in the County's core communities, where a relatively high tax effort level is needed to sustain urban amenities given weakening tax bases. Combined rates ranged

from a low of 21.575 in Scott Township to 32.489 in Ellwood City Borough and a more complicated calculation in New Castle.⁴ These differences are largely driven by school district, rates for which range from 13.483 in Shenango Area (Shenango Township and South New Castle Borough) to 20.53 in Blackhawk (Enon Valley Borough) and 17.27 in New Castle Area (New Castle City and Taylor Township). Six townships have millage rates below 1, and New Wilmington Borough does not levy property tax.

³ The 4.59% APR was the three-month trend rate according to Bankrate.com as of March 2018. The homeowner's insurance estimate is a calculation used by the Federal Reserve Bureau. This exercise caps affordability at 30% of gross household income.

⁴ New Castle has two separate millage rates for land (32.31) and improvements (9.357). Because the ratio of improvements to land varies widely, this calculation uses 2.3%, the median tax rate paid for a City property with a mortgage.

Property Tax Impact by Municipality

	Municipal Millage Rate	School Millage Rate	Misc. Other Millage Rate	County Millage Rate	Combined Millage Rate	2016 Median Home Value	Taxes on Median Value Home	Income Needed to Afford Principal, Interest and Insurance	Income Needed to Afford Principal, Interest, Insurance and Taxes	Difference
Bessemer Borough	5.2	14.37	0	6.999	26.569	\$88,700	\$2,357	\$18,767	\$26,623	42%
Ellport Borough	4	16.74	0	6.999	27.739	\$96,000	\$2,663	\$32,632	\$41,508	27%
Ellwood City Borough	8.75	16.74	0	6.999	32.489	\$86,600	\$2,814	\$29,437	\$38,815	32%
Enon Valley Borough	3.4	20.53	0.36	6.999	31.289	\$89,600	\$2,803	\$30,456	\$39,801	31%
Hickory Township	1	14.176	0.375	6.999	22.55	\$119,300	\$2,690	\$40,552	\$49,519	22%
Little Beaver Township	1.14	14.37	0.35	6.999	22.859	\$111,300	\$2,544	\$37,833	\$46,313	22%
Mahoning Township	5.59	14.37	0	6.999	26.959	\$102,900	\$2,774	\$34,977	\$44,224	26%
Neshannock Township	1.75	15.5715	0.6	6.999	24.921	\$164,800	\$4,107	\$56,018	\$69,708	24%
New Beaver Borough	1.67	14.37	0.33	6.999	23.369	\$86,200	\$2,014	\$29,301	\$36,015	23%
New Castle City*	32.31 (L), 9.357 (I)	17.27	0	6.999	-	\$61,400	\$1,412	\$20,871	\$25,578	23%
New Wilmington Borough	0	15.23	0	6.999	22.229	\$167,200	\$3,717	\$56,834	\$69,223	22%
North Beaver Township	1.7	14.37	0.4	6.999	23.469	\$129,800	\$3,046	\$44,121	\$54,275	23%
Perry Township	1.79	16.74	0.5	6.999	26.029	\$123,400	\$3,212	\$41,946	\$52,652	26%
Plain Grove Township	0.9	15.23	0	6.999	23.129	\$132,200	\$3,058	\$44,937	\$55,129	23%
Pulaski Township	0.9	15.23	0.9	6.999	24.029	\$131,600	\$3,162	\$44,733	\$55,274	24%
Scott Township	0.28	14.176	0.12	6.999	21.575	\$154,700	\$3,338	\$52,585	\$63,710	21%
Shenango Township	2.4	13.483	0.5	6.999	23.382	\$122,600	\$2,867	\$41,674	\$51,229	23%
Slippery Rock Township	0.65	14.176	0.19	6.999	22.015	\$149,300	\$3,287	\$50,749	\$61,705	22%
South New Castle Borough	5.5	13.483	0.5	6.999	26.482	\$64,800	\$1,716	\$22,027	\$27,747	26%
Taylor Township	2.74	17.27	0.8	6.999	27.809	\$77,000	\$2,141	\$26,173	\$33,311	27%
Union Township	3.3	14.92	0.29	6.999	25.509	\$76,300	\$1,946	\$25,936	\$32,423	25%
Volant Borough	7	15.23	0	6.999	29.229	\$77,900	\$2,277	\$26,479	\$34,069	29%
Wampum Borough	2.85	16.74	0	6.999	26.589	\$91,500	\$2,433	\$31,102	\$39,212	26%
Washington Township	0.25	15.23	0	6.999	22.479	\$162,100	\$3,644	\$55,100	\$67,246	22%
Wayne Township	1.5	16.74	0	6.999	25.239	\$116,100	\$2,930	\$39,464	\$49,232	25%
Wilmington Township	0.8	15.23	0	6.999	23.029	\$166,200	\$3,827	\$56,494	\$69,252	23%

* New Castle levies different tax rates on land and improvements. For the purpose of this exercise, the "taxes on median value" was calculated using the median taxes paid on City homes with a mortgage (2.3% of the property's assessed value), which also assumes that assessed value and median value are roughly comparable.

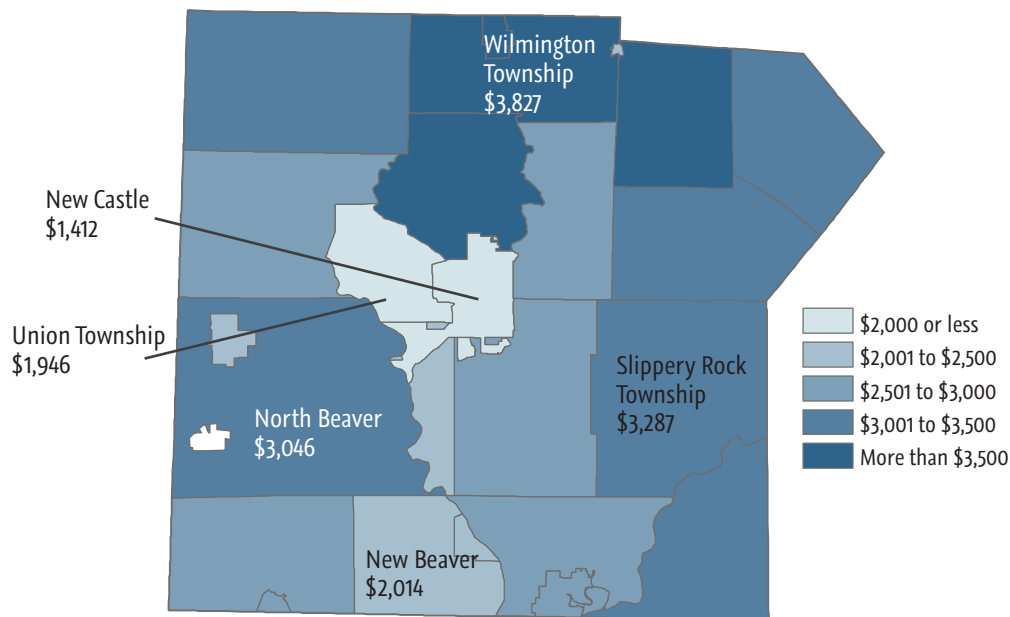
The difference in tax impact shown in the preceding table is less than might be expected, ranging from 42% in Bessemer Borough and 32% in Ellwood City to a low of 21% in Scott Township. By this calculation, accounting for both rate and the value of property being taxed, New Castle's effective tax burden falls into the middle of the pack. However, the city's high rate has an outside impact on higher-value properties, a fact that effectively discourages investment.

Stakeholders reported that high property taxes are a substantial obstacle to development and redevelopment in New Castle. For example, given the city's weak housing market, a developer rehabilitating a unit can expect that the cost of purchasing and improving the property will far exceed its market value when finished. On top of that,

the assessed value of the improved property will be subject to the city's high combined tax rate. In the long run, the city's millage rate should be expected to continue increasing in step with the recommendations of its Act 47 Amended Recovery Plan, which identify this revenue source as a critical component of fiscal solvency.

Property tax often represents a problem for owners on fixed incomes, such as seniors and people with disabilities, who may have paid off their homes but nonetheless face the threat of losing the property if they are unable to keep current with tax bills.

Annual Taxes on Median Value Home

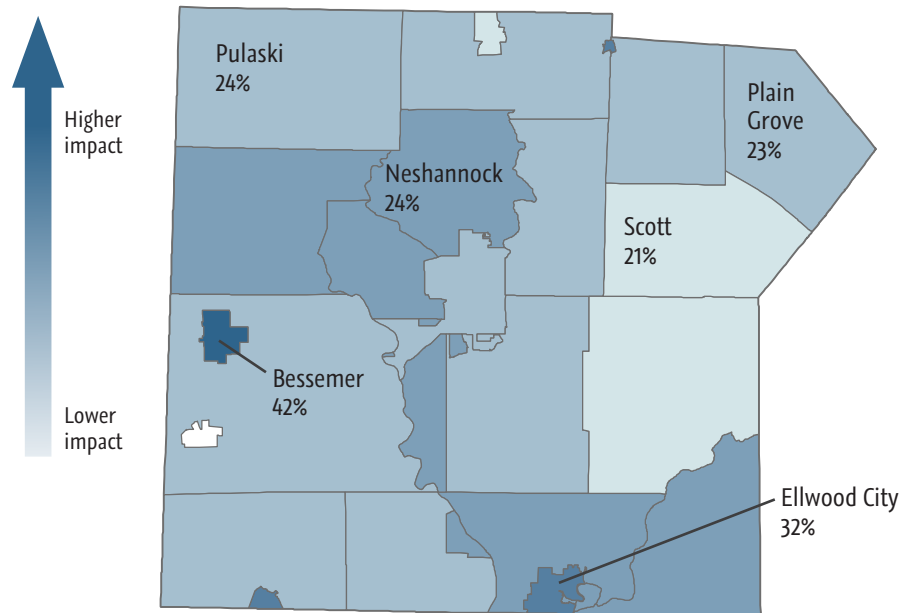


New Castle, which already has the highest millage rate in the County, must

continue raising its tax rate

on a depleted base to replace other lost revenue sources.*

Differential Tax Burden by Municipality (within School District)



**New Castle's Act 47 Amended Recovery Plan recommends annual property tax increases as a means of replacing other lost revenue.*

Special Needs

Seniors

As the Existing Trends and Conditions section of the report illustrates, Lawrence County should anticipate a trend of expansion among senior citizen households, many of whom will live alone. Generally speaking, the housing implications for this group include:

- The need to age in place, often in housing that is not well suited for the needs of aging households. Much of Lawrence County's stock is large with substantial maintenance demands and is not visitable.¹
- The need to downsize. The County currently lacks a supply of accessible apartments located in areas with access (via walking or transit) to daily amenities. What happens to the large homes that will be left behind?
- Fixed incomes. Households with housing cost burden will have little left over to allocate for other needs, such as health care, food and transportation.

People with Disabilities

People with disabilities tend to have lower earnings, higher poverty rates and lower employment that all translate to a higher risk of housing cost burden. As noted previously, Lawrence County adults with disabilities are much less likely to participate in the labor market than those without disabilities, and even those who work tend to have much lower income levels. Housing implications for this group include:

- The vast majority of housing is ill-equipped to accommodate people who require a wheelchair or walker. Stairways, narrow hallways and doors and conventional bathroom layouts limit mobility and independence. It's difficult to find affordable, available first-floor accessible units.
- The growing number of people with self-care disabilities suggests a need for the integration of service provision with accessible housing.²

- Modification work cannot keep pace with need. Requests can currently take up to six months to address.
- A need yet unaddressed in the County comprises adults with autism who need some support, but can live somewhat independently.

Mobile Home Residents

Lawrence County has a relatively high number of mobile home residents, who require some special policy considerations:

- In the words of one stakeholder, mobile home living is a "guarantee of poverty" in the current climate. Some parks charge up to \$250/month lot rent, while the units depreciate as vehicles do. Buying a mobile home does not build wealth.
- Mobile homes represent a source of affordable housing, but typically are not visitable: They must be 30" from the ground, and features are undersized.
- Loans and grants are not available to assist with water/sewer upgrades in mobile home parks.

¹ A house is visitable when it meets three basic requirements: one zero-step entrance, doors with 32 inches of clear passage space, and one bathroom on the main floor that can be entered using a wheelchair.

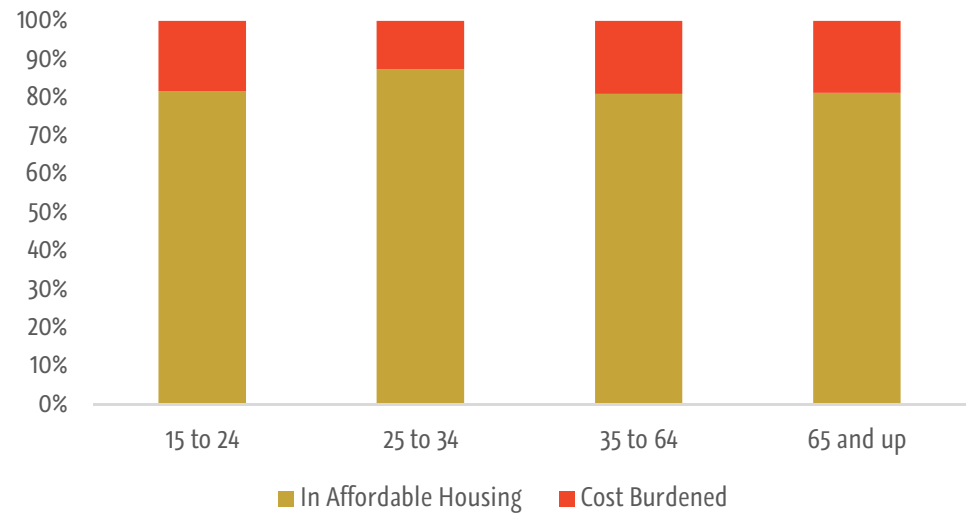
² For example, Beacon Hill Village in Boston offers fee-based services and referrals through membership associations of older people living independently.

The number of mobile homes across Lawrence County has fallen from **3,330** in 2000 (8.4%) to **2,979** in 2016 (7.3%)

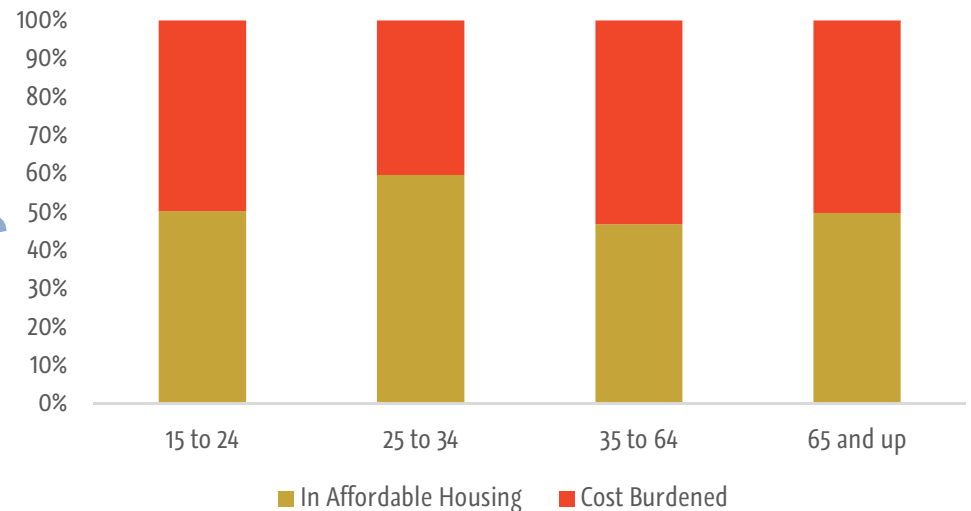
... though they remain an important form of affordable housing for many.

Cost burden has the greatest impact on households at both ends of the age spectrum.

Homeowner Cost Burden by Age Category, 2016



Renter Cost Burden by Age Category, 2016



Health Impacts

Stakeholders reported during the planning process that many of Lawrence County's existing affordable housing units, particularly rental units in New Castle, are in poor condition. Maintenance is a housing cost often deferred for households with limited incomes, and landlords whose units command the modest rent levels of a relatively weak market often cannot will not see returns on investments in improved housing condition. Without proactive maintenance, units tend to deteriorate in a variety of ways.

Research has increasingly recognized housing as an important determinant of health. The following problems are related to substandard housing, both generally and according to local anecdotal evidence.¹

- **Contamination** of drinking water or food, unsanitary waste disposal, the presence of insects or rodents and overcrowding can create or exacerbate infectious disease.
- **Damp, moldy conditions** are associated with chronic respiratory problems such as asthma as well as recurring headaches, nausea, fever, vomiting and sore throat. Excess interior moisture can be caused by leaks, inadequate ventilation, in turn creating an ideal environment for mites, roaches, viruses and mold.
- **Old, dirty carpeting** collects dust, allergens and toxic chemicals that can cause allergic, respiratory, neurological and other illnesses.
- **Uncomfortable temperatures** can result from insufficient insulation or a lack of funds to maintain energy bills or install air conditioning, adversely impacting resident health and safety.
- **Pest infestations**, often the result of structural defects, are associated with allergy and asthma problems.
- **Exposure to toxic substances** such as tobacco smoke, nitrogen dioxide (from malfunctioning stoves, ovens, furnaces, dryers, etc.), carbon monoxide (from malfunctioning heating systems), lead (from lead-based paints), asbestos, and radon (from structural defects in basements) can cause or exacerbate an array of serious chronic health problems, including neurodevelopmental abnormalities, asthma, cancer and, in the case of carbon monoxide, acute poisoning.

¹ Research supporting each of the connections described here appears in Krieger, James, MD, MPH and Higgins, Donna L., PhD, "Housing and Health: Time Again for Public Action." *American Journal of Public Health*, May 2002, 92(5): 758-768.

- **Injury risk** is heightened when substandard homes have exposed heating sources, clutter, slippery surfaces, poorly designed stairs, inadequate lighting or unprotected upper-story windows. Building design and materials directly impact a home's fire risk.
- **Psychological distress** has been linked to substandard housing conditions, particularly dampness, excessive indoor temperature and crowding.
- **Neighborhood-level impacts** include air quality, noise exposure, environmental contamination and poor street and sidewalk design. Neighborhoods that lack collective trust and social cohesion are more likely to experience physical violence.

The health benefits of housing
are so extensive that
**doctors have started
referring to safe, stable,
affordable housing
as a type of
vaccine.**

– Megan Sandel, MD, MPH. “Housing
is a Critical Vaccine.” Enterprise
Community Partners, February 2016.

Public Policy

Addressing affordable housing needs in Lawrence County is the work of a variety of agencies and organizations, each of which applies a specific set of resources to advance its goals within the framework of programmatic and financial limitations. This section focuses on the overall delivery system for affordable housing programs from the County's perspective, ultimately to inform recommendations for how the County can maximize its efforts to ensure that all residents have access to decent, suitable and affordable housing.

County's Role

Much of government's ability to exert influence on the type, location, density and volume of housing built lies at the local level. Through zoning and land development regulations and approvals, municipalities control what gets built — with incentives,

disincentives or outright limitation. Pennsylvania county governments, by contrast, are generally limited to:

- **Administering** programs designed to address housing problems within the framework of municipal regulation (homeowner rehabilitation programs, funding affordable housing construction, land banking),
- **Assisting** municipalities and organizations with technical and/or financial assistance to address mutual goals and objectives (applying for and allocating grants, participating in collaborative projects),
- **Advising** municipalities and organizations to remove barriers to desired housing development (reviewing ordinances to identify de facto exclusionary policies or requirements that unnecessarily drive up the costs of development) and

- **Adopting** policies to establish leadership and standards with which local policies should or must achieve consistency.

Because not every municipality within Lawrence County has adopted local land use ordinances, the County does have some direct control over land development. The County's Planning Commission enforces a Subdivision and Land Development Ordinance across the nine municipalities that have not adopted local rules.¹ The County has not adopted a countywide zoning ordinance, so development can proceed according to fewer rules in other communities.²

¹ Municipalities without SALDOs include Ellport, Enon Valley, South New Castle, SNPJ, Volant and Wampum boroughs and Little Beaver, Plain Grove and Washington townships.

² Municipalities without zoning ordinances include Enon Valley, South New Castle and SNPJ boroughs and Little Beaver, Perry, Scott, Slippery Rock, Washington and Wayne townships.

Adopted Policies

The County has expressed its broad, overall goals for future development in the 2016 update to its Comprehensive Plan. The plan is organized into four vision areas, each of which is accompanied by a set of guiding principles and associated recommendations:

- **Core Communities** focuses on the urbanized town centers within the County that are faced with a unique set of issues that are not affecting most suburban and rural areas.
- **Connecting Communities** is two-fold: the physical transportation connections and the social connections that cross political boundaries.
- **Healthy Communities** examines the relationship between the built environment and the natural environment to the overall health of residents.

- **Complete Communities** analyzes the impact of land use choices on the sustainability of communities.

The plan weaves housing throughout each section, examining its relationship to each vision area. It is most strongly related to Core Communities and Complete Communities, which establish the following housing-specific principles:

- Offer a variety of safe, decent and attractive housing alternatives in mixed-income neighborhoods well connected to local amenities such as retail, dining, education, recreation and health care.
- Position core communities to meet the demands of a changing population by focusing local land use regulations more on the function and character of neighborhoods than the traditional separation of uses.

- Encourage the revitalization of existing urban and suburban areas.
- Promote sustainable development practices.

The future land use component of the plan clarifies further:

- With little residential development in demand, the majority of new residential development should occur in designated and future growth areas. In particular, the emphasis should be on multi-family and medium to high density residential development. Residential redevelopment is also important, as there is an opportunity to retrofit existing vacant commercial buildings within the downtown centers to accommodate such development.

Program Administration

Lawrence County's largest direct impact on the provision of affordable housing opportunities comes through its administration of federal grant programs. The County allocates Community Development Block Grant funds to non-entitlement municipalities and works with the Lawrence County Community Action Partnership (LCCAP) and other agency partners to plan and implement programs that have expanded access to affordable housing, improved the conditions of low-income neighborhoods and improved the safety and quality of housing for low-income households. Program funding sources have included the HOME Investment Partnerships Program, Emergency Solutions Grants Program and Neighborhood Stabilization Program.

The County maintains a Three-Year Housing and Community Development Plan that guides grant administration. In its current plan, the County identified the following needs:

- Acquisition, rehab and rental for homeless or special needs housing
- Acquisition and clearance for donation to nonprofit for existing program
- Acquisition and clearance for land banking
- Acquisition and rehab for lease/purchase program
- Provide shelter and supportive services
- Blight removal
- Acquisition, clearance or rehab for public facility

The Pennsylvania Housing Finance Agency publishes an inventory of affordable housing subsidized by its programs.³ It includes 10 total properties in Lawrence County:

- Dennis Schill Manor, 70 one-bedroom senior units in Ellwood City

- Lightner Greene, 50 units (40 two-bedroom, 10 one-bedroom) for people age 55+ in Neshannock Township
- Neshannock Woods, 81 one-bedroom senior units in Neshannock Township
- Crestview Gardens, 165 family units of varying size in New Castle
- Hileman Apartments, 40 family units in New Castle
- Oakview Apartments, 10 one-bedroom permanent supportive housing units in New Castle
- Sheridan Place, 29 one-bedroom senior units in New Castle
- Vista South, 100 one-bedroom senior units in New Castle
- Westview Terrace, 98 family units of varying size in New Castle
- Stone Brook Apartments, 30 one- and two-bedroom family units in Taylor Township.

³ Particularly, project-based Section 8 vouchers, PennHOMES (or federal HOME) funding, low-income housing tax credits (LIHTC), PA Housing and Rehabilitation Enhancement Fund (PHARE) and PHFA primary funding.

Other County Initiatives

Implementing a recommendation from its Comprehensive Plan, Lawrence County has established a land bank to acquire, hold and dispose of vacant properties with an ultimate goal of returning blighted, abandoned and tax-delinquent properties to productive use.

As enabled by State Act 153 of 2012, land banks are quasi-public entities well-positioned to address the problems created by long-vacant properties: Vacant properties decline in assessed and market value and drag down the value of neighboring properties; deferred maintenance makes rehabilitation costs prohibitively expensive (and the property more difficult to sell); vacant spaces invite criminal activity.

Once operational, Lawrence County's land bank is expected to retain the proceeds from property sales to cover the costs of operation, inventory maintenance and strategic property acquisition.

Lawrence County uses the Optional County Affordable Housing Funding Act (State Act 137) to generate funds for projects and programs that provide "sustainable and comprehensive solutions to address housing and community development needs across the County." The County's Act 137 fund is created through an increase on the fees charged for the recording of deeds and mortgages.

This source has proven to be a valuable resource for County programs and projects, both on its own and as leverage for other state, federal and private funds. In 2016, Commissioners reaffirmed their commitment to address housing needs by amending the ordinance to further increase the recording fee by \$3.50.

In early 2017, Commissioners created a Demolition Fund to address blighted property through State Act 152. The fund is generated through a \$15 fee for each deed or mortgage recorded in the County.

Lawrence County Housing Authority

The County Housing Authority (LCHA) is its largest provider of rental housing for low-income households. The authority currently manages 393 Housing Choice (Section 8) Vouchers, which holders can use to rent housing in the private market, and the following properties:

- Lawrence Manor, New Castle (Age 50+)
- Crescent Place, Ellwood City (Age 50+)
- Skyview Towers, New Castle (Age 50+, people with disabilities)
- McGrath Manor, New Castle (Age 18+)
- Grant Street Homes, New Castle (Family)
- Lincoln Terrace, New Castle (Family)
- Sciota Street, New Castle (Family)
- Big Run, New Castle (Family)
- Neshannock Village, New Castle (Family)
- Harbor Heights, New Castle (Family)
- Brinton Hill, New Castle (Family)
- Walnut Ridge, Ellwood City (Family)

The concentration of public housing units in two of the County's most densely settled areas, New Castle and Ellwood City, reflects early HUD directives to site public housing in the area of perceived greatest need. The policy reflected an approach of least resistance, as land was cheap in inner-city areas and such projects faced less neighborhood opposition than they would have in wealthier areas. This had the effect, in New Castle and elsewhere, of concentrating poverty and exacerbating its impact on neighborhood vitality. The extreme concentration of minority poor generally tends to ignite "social dynamite" — a combination of crime, welfare dependence, family disintegration and poor education that leaves fallout well beyond city borders.¹

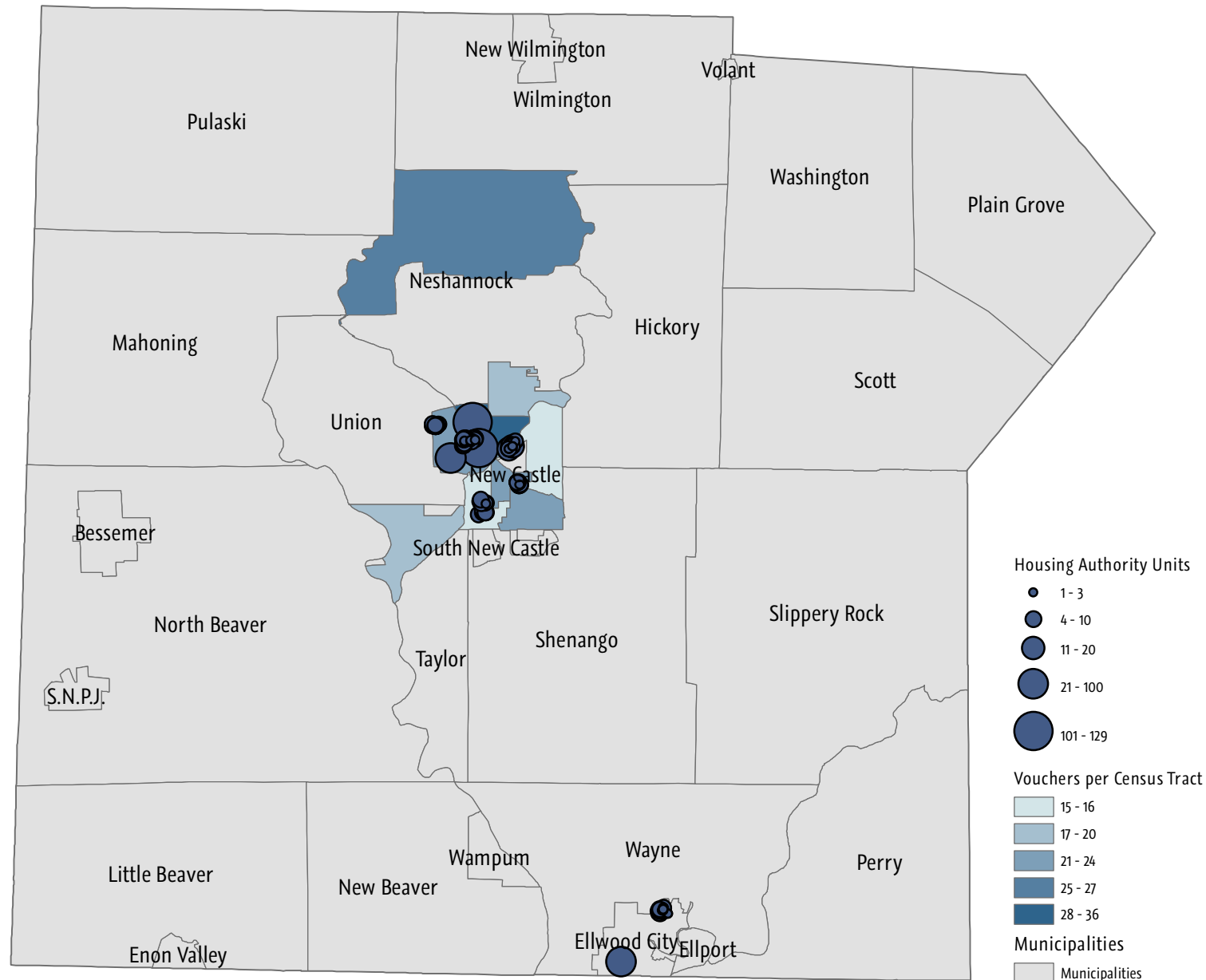
To the extent that HUD still funds the construction of new public housing units, they no longer take the form of large towers in high-poverty areas. Current policy direction favors the integration of public housing units with units at a variety of affordability levels. However, the funds available to LCHA are currently insufficient to support the maintenance and improvement

of existing units, let alone the construction of new units. Given this constraint, LCHA strives to administer its resources in a manner that fairly and equitably provides affordable housing opportunities to the County's low-income population.

The map on the following page illustrates the location of LCHA properties, with markers sized according to the total number of dwelling units at each site. The map also includes a layer illustrating total voucher holders per census tract. According to staff, LCHA's voucher holders are less concentrated in New Castle than might be expected, which indicates that they are able to find housing in other areas of the private market. However, some limitations to housing choice occur where: 1) The asking price exceeds what LCHA can pay, 2) Landlords refuse to participate in the program, 3) Accessible units are not available, for those with a disability, or 4) Transportation costs or lack of vehicle access rule out suburban areas where homes are isolated from the amenities of daily life.

¹ Rusk, David. *Baltimore Unbound: A Strategy for Regional Renewal*. Johns Hopkins University Press. October 1, 1995.

LCHA Properties by Total Dwelling Units and Census Tracts by Total Vouchers, 2018



Data source: HUD Open Data feature service,
<https://egis-hud.opendata.arcgis.com>

Enumerating Need

This section analyzes available data to produce a calculation of affordable housing need and demand for Lawrence County. The projections section applies conservative extensions of past trends to forecast the size and distribution of the County's future population, and the net demand section factors in known existing housing needs by income tier. The net demand figure represents an estimate of the number of households that will, by 2025, need some type of intervention to achieve decent, affordable housing.

The difference between need and demand

Often used interchangeably in discussions about the housing market, the terms **housing need** and **housing demand** differ:

- Need refers to a deficit in which households are not housed in decent, suitable and affordable places to live. In this report, need includes households that are cost-burdened (paying more than 30% of gross household income on housing costs) as well as those who are living in inadequate housing.
- Demand refers to the number and types of homes that buyers or renters choose to occupy according to preferences and purchase power, describing those who are in the market for housing.

Due primarily to income limitations, not everyone who needs decent, suitable affordable housing is in the market for housing. Therefore, need as defined here will always exceed demand.

Projections

Carrying current trends into the future can give policymakers a sense of what will happen absent change—in the form of local public intervention, national housing trends that play out at the local level or a regional economic event that has local consequences. Because the accuracy of projections is limited to the reliability of the assumptions on which they are based, they should be interpreted only as an extension of existing trends and conditions.

For this report, projections for total population and households cite calculations by the Southwestern Pennsylvania Commission (SPC).¹ Projections for housing units, tenure and tenure by income level are linear extensions of past Census and CHAS data.² Linear projection was selected among all applicable methods because “simple trend models often provide reasonably accurate

projections for short and even long horizons, and the empirical evidence suggests that more complex and sophisticated models do not offer more accurate projections.”³

Total Population

SPC expects modest net population growth for Lawrence County in the long term, with the total climbing by 353 (0.3%) from an observed 91,108 residents in 2010 to 91,461 in 2020. Between 2020 and 2030, SPC estimates a more ambitious growth rate of 5% to bring the total to 95,722 residents.

The projection horizon for this report is 2025, a date for which calculations promise reasonable predictive power. SPC’s total population projection for Lawrence County is 93,592 in 2025, a 6% increase from the latest (2016) estimate.

Projected population growth rates vary across municipalities, with 11 expected to lose total residents and another 11 expected to gain more than 10%. The map on the opposing page illustrates these differences. In raw numbers, the most dramatic net gain occurs in Neshannock Township (2,290 residents), where a 24% projected growth rate assumes a continuation of rapid expansion that has occurred since 2000. The largest expected net loss occurs in New Castle, where a 3% loss rate translates to 581 residents by 2025.

Households

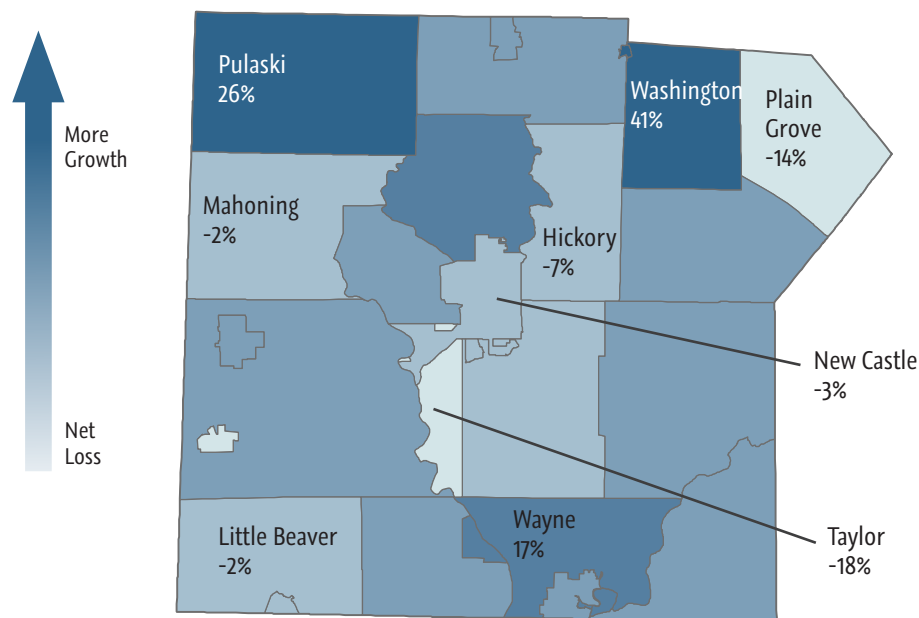
Across the region, household formation has outpaced population growth due to the increasing share of single-person households and a corresponding decrease in families with children. This is reflected in SPC’s expectations for the number of future

¹ SPC Cycle 10A forecast (June 2016)

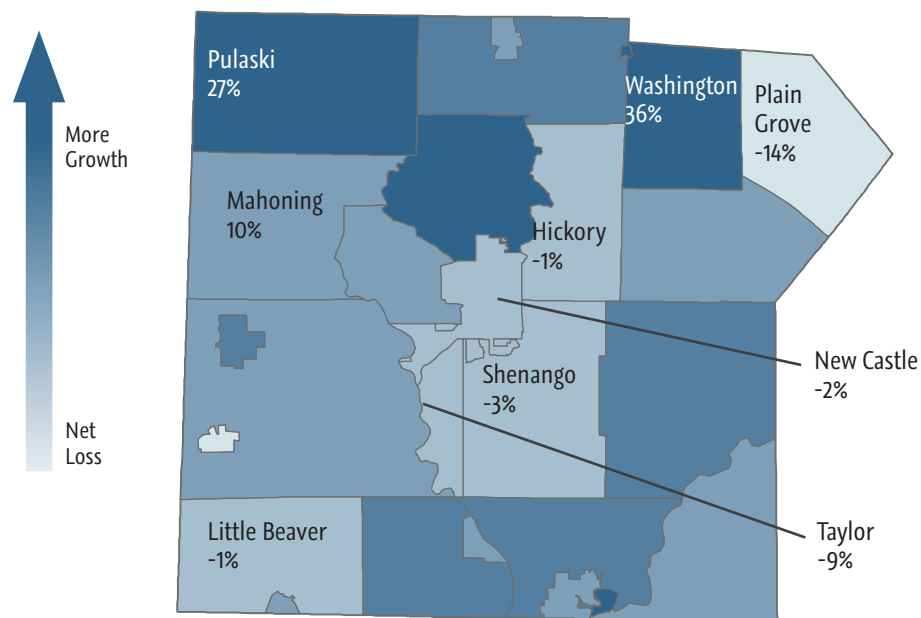
² Decennial Census and American Community Survey Five-Year Data (2016); HUD Comprehensive Housing Affordability Strategy 2010-2015 (released May 2017).

³ Rayer, Stefan. “Demographic Techniques: Small-area Estimates and Projections.” *International Encyclopedia of the Social and Behavioral Sciences* (Second Edition). Elsevier Ltd., 2015. pp. 162-169.

Projected Population Change, 2016 to 2025



Projected Household Change, 2016 to 2025



Household formation



4.9% between 2010 and 2025

will continue to outpace

population growth



2.7% between 2010 and 2025

households in Lawrence County. Between 2010 and 2020, SPC anticipates a net increase of 665 households (2%). By 2030, the total rises by an additional 2,343 (6%) to 40,134.

The rate of change in net households across the County between 2016 and 2025 is 7%, which looks aggressive compared to the 2% rate between 2010 and 2020 because the 2016 estimate (36,302) is lower than the observed 2010 total (37,091).

Similar to the change in population total, the percent change in households by 2025 is wildly different across municipalities, ranging from a 36% gain in Washington Township to a 14% loss in Plain Grove Township. In terms of raw numbers, the largest gain in total households is expected for Neshannock Township (2,655), while the greatest loss is expected for New Castle (224).

Total Units

Local permit data and stakeholder feedback set low expectations for change in the net total of housing units for future years. As one builder put it, “We’re now building housing at a rate that would take 100 years to replace the existing stock.” This reflects market weakness, as the value per square foot of a finished home is less than its construction cost.

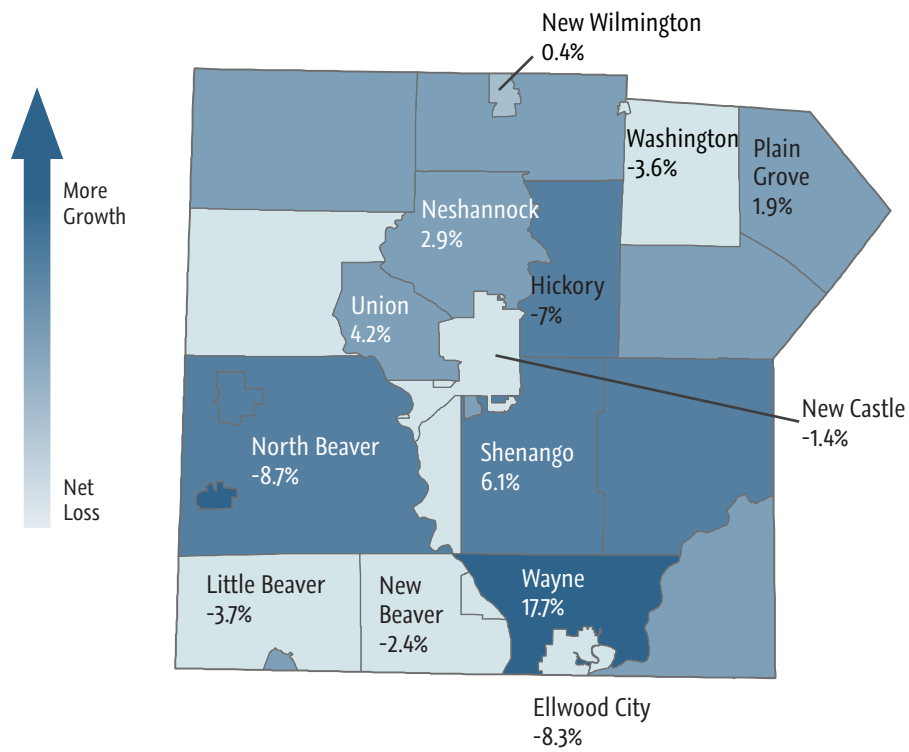
Thus it is no surprise that projections indicate sluggish expansion for Lawrence County’s housing inventory. Overall, the County should see a net gain of 644 units by 2025, reflecting losses (demolitions, abandonment, conversion) offset by new construction.

By percentage, the largest losses occur in Mahoning Township and Ellwood City Borough (9% and 8%, respectively), with the largest gains in Wayne and Slippery Rock townships (18% and 10%). By raw numbers,

the largest losses occur in Ellwood City and New Castle (281 and 155), and the largest gains are located in Wayne and Shenango townships.

A noteworthy corollary trend is the difference between total households and total units. As Lawrence County’s number of households is expected to rise more rapidly than the number of units in its housing inventory, the number of vacant units would decrease. This translates to increased pressure in the market for rent or sale, as supply will be comparatively limited. Market pressure increases prices, which would have the effect of limiting the housing options available to people with lower incomes. This will especially impact small households, the most rapidly growing category, as the County has a limited inventory of smaller housing units.

Projected Change in Number of Units, 2016 to 2025

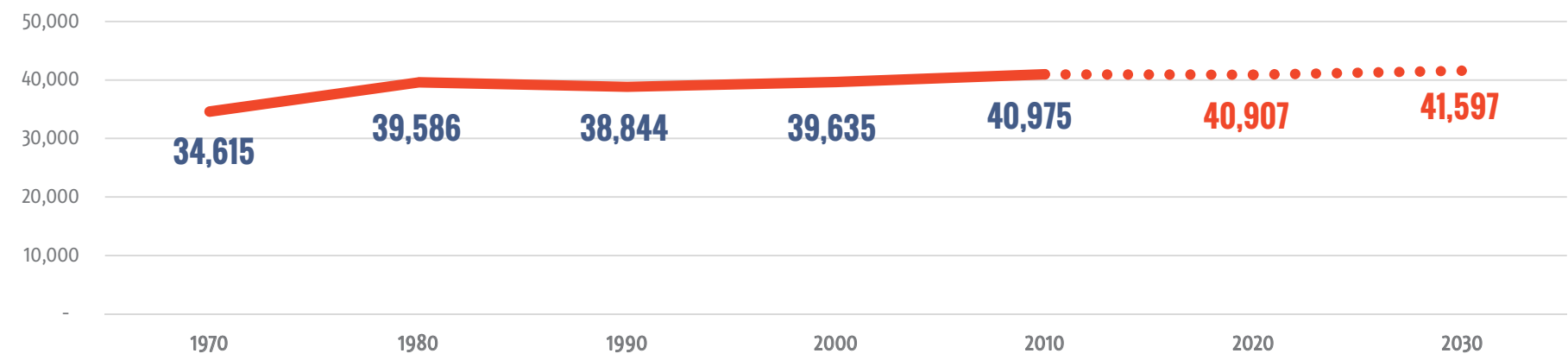


A weak market and sluggish supply

in the long term, given some growth in households, will translate to

lower vacancy and higher prices.

Total Housing Units: Lawrence County Historical Totals and Projected Increase



Housing Tenure

The volatility of the national housing market since its crash in the late 2000s has made it more difficult than ever to determine a trajectory for the future of home ownership. To wit, consider the following contradictory scenarios:

- The Mortgage Bankers' Association expects that the U.S. home ownership rate will recover (from 63.7% in 2015) to between 64.8% and 66.5% by 2020.
- The Urban Institute expects that the U.S. home ownership rate will continue a slope of decline to 60.3% by 2030.⁴

The home ownership rate in Lawrence County fell from 77.3% in 2000 to 73.7% in 2016, a trend discussed further in the Housing Profile. This analysis applies a conservative approach to future prediction, resulting in a home ownership rate that fluctuates only minimally through 2025. The rate reflects the average of ownership rates across 2000

and 2016, reflecting tempered recovery from the housing market crash balanced against changing preferences — individuals now between the ages of 25 and 34 are less likely to purchase a home than previous generations, due to more demanding lending standards and delaying marriage and children.⁵

By this calculation, Lawrence County is expected to see a 76% home ownership rate through 2020. Rates for municipalities are illustrated in the map on the following page, ranging from 57% in New Wilmington (including its student population) and 60% in New Castle to rates of 89% or above in Plain Grove, Mahoning and North Beaver townships and Ellport Borough.

Income Tier and Tenure

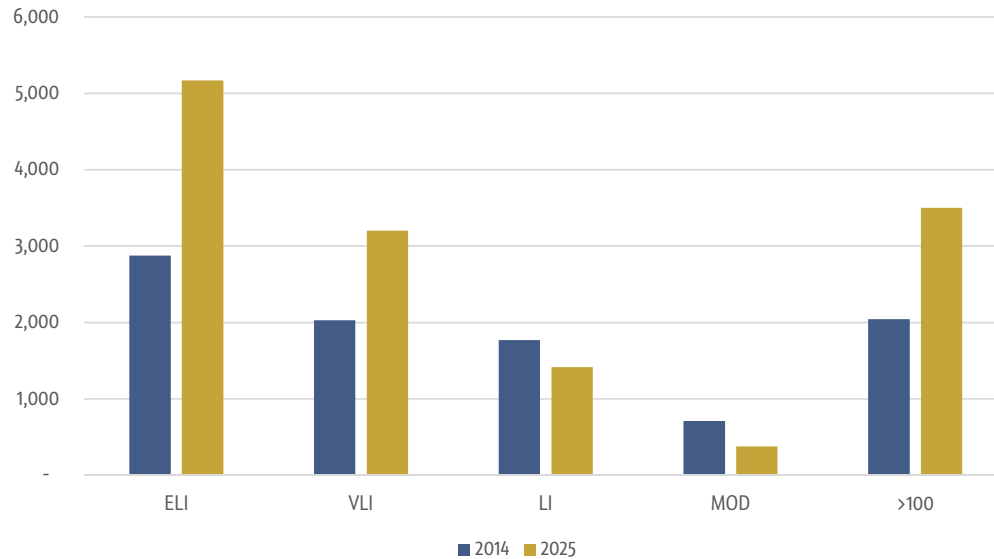
HUD's Comprehensive Housing Affordability Strategy dataset breaks renter and owner totals down by income tier, according to percentage of HUD Area Median Household Income. The distribution of the County's households across these categories appears on the following page. Renters comprise two-thirds of all 4,510 extremely low-income households, but owners comprise the majority (58%) of all households below 80 percent of the median income, due to a relatively large number of owners in the 50% to 80% category.

Linear projections applied to this data based on past trends indicate a declining rate of ownership and a shift into lower income tiers, especially for renters. By 2025, the total number of Lawrence County households below 80 percent of the median income will increase by 1,931 (12%) to 17,976.

⁴ Spader, Jonathan, et al. "Homeowner Households and the U.S. Homeownership Rate: Tenure Projections for 2015-2035. Joint Center for Housing Studies of Harvard University, December 2016.

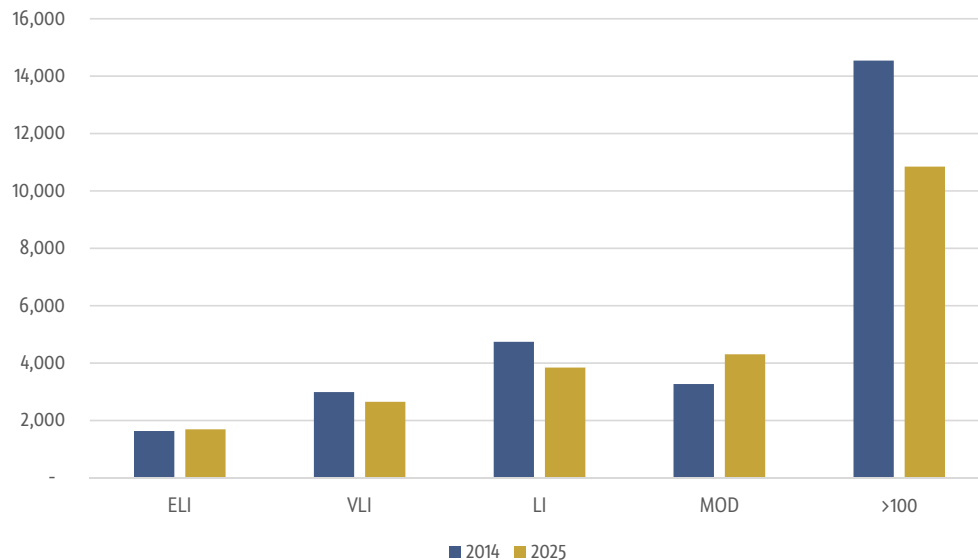
⁵ Oyedele, Akin. "Six reasons why more millennials aren't buying homes." *Business Insider*, June 5, 2017.

Current and Projected Total Renter Households by Income Tier



	2014		2025	
	#	%	#	%
Extremely low income	2,875	30%	5,171	38%
Very low income	2,030	22%	3,202	23%
Low income	1,770	19%	1,417	10%
Moderate income	710	8%	378	3%
Above median	2,045	22%	3,501	26%
Total renters	9,430	100%	13,668	100%

Current and Projected Total Owner Households by Income Tier



ELI: Extremely low income, < 30% median
VLI: Very low income, 30% to 50% median
LI: Low income, 50% to 80% median

MOD: Moderate, 80% to 100% median
<100: Above median income level

Renters are expected to fall increasingly into lower income categories.

	2014		2025	
	#	%	#	%
Extremely low income	1,635	6%	1,692	7%
Very low income	2,990	11%	2,651	11%
Low income	4,745	17%	3,844	16%
Moderate income	3,270	12%	4,308	18%
Above median	14,545	54%	10,850	46%
Total owners	27,185	100%	23,344	100%

Net Affordable Housing Need

Affordable housing demand can be quantified as the combination of two factors:

- Low-income households with **existing housing need** are those who are not currently being served by the market, commonly defined as those that are cost-burdened (paying more than 30% of gross household income on housing costs) as well as those who are living in inadequate housing.
- **Projected need** accounts for the expected increase in the number of low-income households.

Existing Need

As defined previously in the report, “low income” refers here to households who make less than 80% of the HUD Area Median Family Income, which for Lawrence County was \$57,700 in 2018.

In 2014, the latest year for which HUD provided an estimate, there were 16,045 low-income households across Lawrence County, 8,175 of which (51%) were cost-burdened. This includes 4,205 households that are considered extremely cost-burdened, paying 50% or more of their incomes toward housing costs.

Housing inadequacy is difficult to quantify. Code enforcement and associated record-keeping varies by community and would likely underestimate the total prevalence of housing problems, especially those not visible from the curb. Deficiencies in major systems (plumbing, electrical, heating) are not always obvious. For the purpose of estimate, inadequate housing is defined here as a unit that is overcrowded (more than one person per room) and/or lacks complete plumbing and kitchen facilities.

Across the County, HUD estimates that 1,164 households lived in inadequate units. After removing the cost-burdened households in this category to avoid double-counting, 652 households had non-cost housing needs.¹

Combining the total of cost-burdened low-income households and households suffering deficient living conditions, the existing need for affordable housing in Lawrence County is **8,827 units**. This represents the number of households that would require some type of intervention to achieve decent and affordable housing.

Projected Need

Future need for affordable housing is based on the expected increase in the number of low-income households, based on the premise that their needs will not be met by an already insufficient inventory of affordable housing. Between 2016 and 2025, this number is projected to rise by **1,931**.

¹ Based on research in other jurisdictions, about 44% of households living in deficient units are also cost burdened.

Net affordable housing need

8,827 households whose needs aren't being met by the market right now

+ **1,931** expected increase in low-income households by 2025

10,758 households that will need some type of intervention to achieve decent, affordable housing by 2025



The net affordable housing need calculation on the previous page puts a number to a trend that is already familiar to housing stakeholders — the need for affordable housing in Lawrence County is growing. It is consistent with other themes described in the report:

- Achieving and maintaining home ownership has become increasingly difficult since the late-00s recession, especially for younger and minority households.
- Income has not kept pace with housing cost increases. As affordable as Lawrence County housing is in general comparison to other areas of the region, wage stagnation means that it is becoming less affordable to the people who live here.

The net need number should be considered in light of the following:

- Less obvious costs of living, primarily transportation, tremendously impact housing affordability. If HUD included transportation costs as part of its cost burden calculation, the net demand number across Lawrence County would be *substantially* higher.
- HUD's definition of a deficient housing unit is suitable for purposes of quantifying need, but does not capture many of the ways in which a unit can be unsafe or unsuitable for habitation. In this way, the calculation is likely an understatement of real-world conditions.
- Cost burden represents people paying for too much home, a situation that is exacerbated in Lawrence County by the mismatch between household types and available housing units. Many older homes in the area were built for larger families, while the number of single-person households is on the rise.

- Housing construction and rehabilitation across the County is at a relative standstill due to a weak market. Should this constraint on available supply continue as the number of households increases, the effect will be a decrease in the number of available units and, eventually, upward pressure on prices.

Implementation Plan

Armed with limited resources to address complicated housing problems, communities often face difficult allocation choices: Is it better to focus funding on the neighborhoods with the greatest need, or to prevent more stable neighborhoods on the brink of decline from slipping past the point of no return? Is there a moral imperative to prioritize projects that benefit the lowest-income households, or should a community look for investments that can help other households avoid falling into this category?

This plan proposes a strategic framework designed to generate the greatest possible leverage for Lawrence County's neighborhoods, communities, businesses and residents. Establishing clear housing policies at the County level will help direct resources

toward focused efforts that can create sustained impact, as opposed to spreading resources thin across many efforts that, while important to the households they benefit, are less likely to amount to neighborhood stabilization.

The implementation plan has two parts. One set of recommendations is organized by neighborhood typology, recognizing that different market conditions will require different approaches. The second set of recommendations more generally applies to actions that will address identified housing needs across Lawrence County.

Simply summarized, the strategy is to **remove barriers** to private housing development and redevelopment that will adjust the stock to meet the needs of changing household types, while making strategic investments to **build competitive neighborhoods** and help **meet the needs** of those the market is least likely to serve.

Typology-Based Strategies

Maximize the impact resources can have by making the right types of investments in the right places.

Lawrence County's Three-Year Housing and Community Development plan sorts communities into three categories based on local conditions and market strength. These categories can continue to be a useful framework for evaluating housing and community development investment decisions. Their descriptions are expanded here, with examples of each followed by strategy recommendations.

Healthy Communities

These areas show little to no lasting impacts of the recession and have limited problems with foreclosure and blight. Their housing markets bear prices that are at least equal to rehabilitation costs.

Examples: Parts of Neshannock Township, Wilmington Township and Scott Township

Strategies:

- Support the provision of quality public services and facilities to protect neighborhood strength.
- In thriving areas with proximity to jobs and amenities, look for opportunities to use the land bank to acquire and hold properties for future affordable housing development.
- Identify and address policy barriers to the development of affordable housing types (see page 46).

Tipping-Point Communities

These areas show market strength and are viable, but under threat of slipping maintenance and the appearance of vacancy on otherwise sound blocks. These areas have marketable assets and require only minor stabilization to bolster their value.

Examples: Bessemer/North Beaver Township, Ellwood City area, South New Castle Borough/Upper East Side of the City of New Castle connecting to northern Shenango Township, northern section of the City of New Castle connecting to Union Township

Strategies:

- Focus on scattered-site infill and rehabilitation projects (as opposed to large, transformative construction undertakings).
- Invest in the public realm. Adding street trees, sitting areas and other pedestrian-scale amenities will add value to the neighborhood.
- Respect the historic context of existing blocks, designing infill to fit harmoniously into and reinforce local built character.
- Identify and proactively address code deficiencies before properties deteriorate to the point of major rehabilitation needs.
- Acquire vacant homes through tax sale and convey them to partner agencies for rehabilitation and resale.
- To the maximum extent possible, create affordable housing opportunities using the neighborhood's existing housing. This can be achieved through rehabilitation (either through acquisition or owner assistance) and/or providing lower-income households with financial or counseling assistance.

Distressed Communities

These areas are generally the lowest-income communities and have large areas dominated by blight and abandoned or foreclosure properties. These areas have architecture and neighborhood fabric that could serve as a foundation for redevelopment, but require larger-scale transformation efforts to overcome widespread disinvestment. Small homes are available here that could help meet affordable housing need if improved.

Examples: Lower East Side, West Side and Croton area of New Castle City, Pulaski Township, Mahoningtown

Strategies:

- Layer funding sources, programs and partnerships to pursue large-scale redevelopment projects, such as area clearance for the construction of mixed-income housing. Incorporate green spaces, commercial amenities and streetscape improvements.
- Ensure that current residents and business owners have a seat at the table in neighborhood revitalization discussions. Avoid displacement.
- Use tax-increment financing (TIFs) or tax abatement strategies to improve the feasibility of market-rate construction.
- Pair strategic code enforcement with providing tools to help owners maintain properties. For instance, engage community organizations to educate owners about standards, liaise between parties, negotiate creative solutions, assist with needed repairs for elderly owners.

General Strategies

Promote economic integration.

Neighborhoods are stronger and more resilient when they include households at a wide range of income levels. However, a high degree of economic segregation exists between distressed areas of Lawrence County's core communities and its more prosperous suburban townships.

Households that can afford market-rate units have been reluctant to invest in distressed areas of New Castle given the possibility that the cost of modernizing and rehabilitating a home would exceed its finished value. The city currently lacks desired options for downtown living that would attract new residents.

The concentration of affordable units in New Castle limits housing choice elsewhere for lower-income households.

Strategies:

- Create an incentive program to help bridge the gap between rehabilitation costs and value for owner-occupied housing in New Castle. Stimulating private investment often costs less in public funds than financing rehabilitation, and incentives can take a wider variety of forms (credits, abatement) than direct fund allocation.

Example: Some cities (Richmond, VA; Port Huron, MI; Baltimore, MD) have versions of an "urban pioneer" incentive program that provides funds to homebuyers forgivable for a given term of owner-occupancy, usually five to seven years. Such programs are typically funded with federal or state housing program sources but can also benefit from foundation or private grantors.

- Work with the County's large employers to design employer incentives for living near work. Employer-assisted housing has a double bottom line — it helps employers recruit and retain qualified workers and improve communities, and it helps workers secure affordable housing near their jobs while expanding their purchase power.

The Pennsylvania Housing Finance Agency (PHFA) has an employer-assisted housing program that multiplies the benefits to both sides.

Example: The University of Pennsylvania's employer-assisted housing program provides up to \$11,500 toward closing costs for eligible employees who buy within the program's boundary area.

- Expand and market opportunities for downtown living. Continue investing in streetscape, Riverwalk and other amenities that define New Castle and other core communities, building walkability and a full complement of neighborhood amenities, and promote the area’s advantages to businesses and developers. Review land use requirements to ensure that flexibility exists for adaptive reuse and for the creation of residential living above storefronts.

Example: Denver established a Downtown Housing Office to gather and distribute property information and market available opportunities and financing tools to housing developers. It also created a revolving loan program for facade improvements.

- Identify and remove barriers to the development of affordable housing types, especially in higher-value areas.

- ▶ Review the County’s Subdivision and Land Development Ordinance and municipal land use regulations for policies that:

1) effectively exclude multi-family housing or dictate that it take the form of only apartments in a high-intensity district. Many low-density residential areas would benefit from the introduction of duplex, triplex and other “missing middle” housing types, multi-unit or clustered housing is compatible in scale with single-family homes and helps meet the growing demand for walkable urban living.¹

2) effectively require expensive housing by imposing large minimum dwelling or lot sizes, or by including unnecessarily intense demands on street width, parking, stormwater infrastructure, etc. (See Page 50)

- ▶ Time is money — and, in the case of housing development, it is a cost passed on to buyers. Create an easy, transparent process for housing development. Provide assistance to make municipal websites more of a one-stop shop with downloadable forms and clear, organized information on what permits are needed for any construction project, what information is needed to secure the permit and contact information for the agency issuing the permit.

¹ More information: missingmiddlehousing.com

Reposition the housing inventory to better match the needs of changing household types.

The data in this report and the experience of stakeholders confirm that Lawrence County's housing stock is ill-suited to serve the expanding number of small households. This includes seniors that demand accessible, low-maintenance affordable units that will help them sustain independence. It also includes Millennials, who in general have deferred marriage and child rearing and are less likely to buy a home than previous generations. Market research for both groups indicates a preference for smaller energy-efficient, easily maintained living spaces in walkable communities.

This presents two problems in Lawrence County: Meeting demand for these units and finding uses for the large family homes for which there will be less future demand.

Strategies:

- Remove barriers to the creation of small housing units.
 - ▶ Assist municipalities to provide for accessory dwelling units (ADUs) in their zoning ordinances. Allowing owners to build “granny flats” or rent out garage apartments, for example, drastically expands affordable housing opportunity without changing a neighborhood's existing character.
 - ▶ Review municipal land use regulations and make recommendations to add flexibility for density (example: no lot size minimums) in areas where affordable housing could leverage access to jobs, amenities and transportation.
 - ▶ Promote the construction of patio homes in traditional neighborhood designs. (See Page 82.)
- In the long run, consider approaches to allow for the conversion of large single-family homes for other uses. As demand for this housing type continues to wane, municipalities will need to build in regulatory flexibility for adaptive reuse or lose the stock to abandonment. Possible reuses depend on the neighborhood context, but could involve multiple-unit rentals, office space or living arrangements for non-traditional household types.

Example: The ranch patio homes below, in Denver, CO, are part of a master-planned mixed-use community on the site of the former Stapleton International Airport. The project was eventually planned to include 8,000 for-sale homes and 4,000 rental units, including 800 of each priced as workforce housing.



Source: Boulder Creek Neighborhoods

Integrate housing planning with transportation planning and economic development initiatives.

As noted earlier in the plan, the typical Lawrence County household spends more annually on transportation costs than on housing costs. Due to sprawling settlement patterns, many residents live far from work, a fact that impacts traffic congestion, environmental quality, public health, neighborhood character and the amount of money households have available to spend on other necessities.

The County's future land use map promotes the concentration of development in areas where it makes sense — where it would be supported by existing infrastructure and transportation. Making the map a reality will involve a concerted effort in coordination.

Strategies:

- Identify areas where housing investment would be well served by nearby jobs, schools and amenities. Solicit housing development in these areas. When subsidy is involved, create a scoring system that awards more points to housing that meets identified needs and/or location preferences.
- Create a formal forum for housing issues across the County. This could take the form of a Local Housing Options Team or Housing Coalition, at which members keep informed on needs and projects and find opportunities to advance mutual aims. Ensure that this group is engaged in transportation and economic development planning activities at the County or regional level.
- Evaluate the location of Park-and-Ride facilities across the County and, if necessary, consider expanding the capacity and/or location of sites.

Use the land bank as a tool to build up whole neighborhoods, not just housing.

Lawrence County's new land bank represents a powerful tool to clear vacant, often blighted properties and return them to productive use. As policies begin to take shape to govern how the program will operate, the following considerations have to do with its potential to be layered with other investments to create lasting, transformative neighborhood improvement.

Strategies:

- Focus on a limited geographic area. Select and prioritize targeted areas, both to build momentum in the program's early phases and overall as a means of concentrating and intensifying impact. (There could be opportunities for exceptions to meet other program goals.)
- Incorporate a holistic approach. A neighborhood gains value not only from the improvement of individual properties, but more generally as it develops as a desirable place to live. Revitalization will need to involve public realm improvements, such as open space and streetscape improvements.
- Consider creating an open space management program, involving other agencies and volunteers in a plan for the maintenance and temporary use of vacant lots.
- Envision neighborhood transformation as a process that will span many years. Large projects should be phased and benchmarked to allow for the completion (and celebration) of milestones along the way.
- Create a community land trust (CLT) or other shared-equity homeownership program to permanently hold land and enter into long-term renewable leases with income-eligible homeowners. (When the owner sells, they earn a portion of the marginal equity, and the remainder is kept in the trust to preserve affordability for other buyers.)

Grow upward mobility.

To a large extent, the problem with affordable housing in Lawrence County is not the price of housing — it's the fact that households do not earn enough money to live in it without being cost burdened.

The County can create conditions for the market to produce housing affordable to its households, but it also needs to create opportunities that will give its households more economic power.

Strategy:

- Continue to invest in public services that educate the public on housing issues and financial literacy. Counseling may be an approach that helps engender pride in home ownership and helps root residents more deeply in civic life.
- Connect employers and education through workforce training programs.

Meet special needs.

Certain subgroups of the County's population are disproportionately impacted by housing problems and face difficulty sustaining decent, affordable and suitable living conditions in the private market without assistance.

Strategy:

- Continue working with partner agencies to expand the physical accessibility of housing stock and find housing solutions for people with various types of disabilities.
- Educate municipalities, builders and developers on the advantages of designing new housing to be adaptable at the outset, which is an inexpensive and easy way to make later modification possible.

Cultivate capacity.

Housing problems are complex and impossible to solve in isolation. The planning process created momentum for collaboration that should continue as specific action steps begin to materialize.

Strategy:

- Appoint a Housing Advisory Council to meet regularly and work together on implementing the plan's strategies.
- Explore the creation of a building materials reuse/upcycling facility similar to Construction Junction in Pittsburgh.

