

8 HOUSING PLAN



OUR HOUSING STOCK

In 2010, there were 14,281 housing units in the region. North Lebanon had the largest number of housing units, 4,661 (33 percent). South Lebanon and North Cornwall ranked second and third with 3,606 units (25 percent) and 3,082 units (22 percent), respectively. Cornwall Borough had 1,806 units (13 percent) and West Cornwall had 1,048 units (19 percent).

Housing vacancies at the time of the 2010 census were 5.5 percent across the region, lower than the county's 6.0 percent, much lower than the state's 9.9 percent, and well within the desired 4 to 6 percent range. Municipal figures ranged from 4.0 in North Lebanon to 14.5 percent in West Cornwall where the vacancy rate is inflated by the number of seasonal homes in the Mt. Gretna area and elsewhere on South Mountain.

Home ownership in the region is strong. Among occupied housing units, owner occupancy rates by municipality are much higher than the county's 74.7 percent, except in North Cornwall Township (63.5 percent), which correspondingly has the highest rental unit percentage (36.5 percent).

The majority of housing units in the region are single family, detached units (69.8 percent). At 13.9 percent of housing units, single family attached units were a distance second. Mobile homes, concentrated in North Lebanon and West Cornwall Townships were the only other housing type to comprise more than 5.0 percent of all housing units.

Over the past 7 decades, housing construction across the region was highest in the 1990s. Cornwall Borough and West Cornwall Township have notable percentages of housing built prior to 1939, and North Lebanon Township's housing construction peaked in the 1970s.

Housing values across the region are generally higher than for the county as a whole. The region had greater percentages of homes valued between \$100,000 and \$199,999 and over \$300,000. This correlates with higher percentages of housing construction in recent decades, specifically since 1980. Median housing unit values were higher than the county median (\$149,500) in all but West Cornwall Township (\$124,500) where seasonal housing units may drive values down.

A FORECAST OF AGE-RESTRICTED HOUSING

Age-restricted housing communities, also known as age-qualified or active adult communities, are collections of housing units, detached or attached, for sale or for rent and marketed to persons of a specified minimum

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age. They can be the sole purpose of a master plan or can be a portion of a larger master-planned development, as long as they are separate from other parcels and continuous.

The Housing for Older Persons Act of 1995 (HOPA) establishes regulations for these communities, which are enforced by the Fair Housing Administration within HUD. In addition to not discriminating against people on the basis of race or religion, the Act requires is that one member of the household must be over 55 in 80 percent or more of the occupied homes. The Fair Housing Administration enforces the age requirement by requiring that active adult communities file affidavits every two years. Active adult communities ask their residents to show proof of age through driver's licenses, birth certificates, military IDs or state-issued ID cards.

SUPPLY TRENDS

Construction of new senior housing and care projects has slowed across the country. The flow of financing and market demand both dwindled as a result of the economic recession.¹¹ When the market was high, empty-nester were expected to flock to 55-plus or active adult communities. Under current conditions, many in this age-group are unwilling to move or unable to sell.¹²

According to the third quarter 55+ Housing Market Index released by the National Association of Home Builders on November 10, 2011, builder confidence in the 55+ housing market for single-family homes fell three points to 12 compared to the same period one year ago. The 55+ single-family HMI measures builder sentiment based on current sales, prospective buyer traffic and anticipated six-month sales for the 55+ single-family market. A number greater than 50 indicates that more builders view conditions as good than poor. More specifically, present sales dropped 4 points to 11. Expected sales (six months into the future) dropped 9 points to 15. Traffic of prospective buyers rose 2 points to 13. Fifty-five-plus (55+) multifamily condo sales showed a similar trend. Alternatively, 55+ multifamily rentals remain the strongest segment of the 55+ housing market.

Approximately 2,082 of the 3,639 approved and proposed housing units (59 percent) are age-targeted, age-restricted or assisted living units.

DEMAND TRENDS

While most households in the U.S. made up of members age 55 and older are not located in age-restricted communities (single-family homes, condominiums, and rentals), the number of those that are increased from 5.4 percent in 2001 to 7.0 percent in 2007 then fell to 6.8 percent in 2009, according to a joint report released by the MetLife Mature Market Institute and the National Association of Home Builders in January 2011.¹³

¹¹ Boom in senior living projects: Will demand meet supply? The Wichita Eagle, June 23, 2011.

<http://www.kansas.com/2011/06/23/1904477/demand-meet-supply.html#ixzz1fDFkhASI>

¹² 55-and-Up Complexes Shift Gears. The New York Times, June 9, 2011

http://www.nytimes.com/2011/06/12/realestate/age-restricted-complexes-shift-gears-in-the-regionconnecticut.html?_r=1

¹³ Housing Trends Update for the 55+ Market: New Insights from the American Housing Survey, National Association of Home Builders and MetLife Mature Market Institute, January 2011.

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“The shares of households in different types of 55+ communities have been relatively stable since 2005; however, that implies an increase in demand for housing in 55+ communities going forward, as the share of households age 55+ is projected to grow annually, as the baby boomer wave rolls over the 55 year mark, to account for nearly 45% of all U.S. households by the year 2020,” according to the same report.

Tax-free retirement income makes Pennsylvania an attractive state for retirees.

Proximity to major metropolitan centers via the interstate highway system enables retirees living in Lebanon County to stay close to their families and leisure pursuits in the mid-Atlantic region.

If economic recovery continues to waver, some seniors may choose to retire in their current home.

WHAT IF DEMAND IS LESS THAN SUPPLY?

If an excess of age-restricted housing developments were to occur, resulting in high vacancy rates or stalled construction timelines for approved units, municipalities may negotiate with developers to remove the age-restriction from such developments, as has occurred in Lansdale prior to plan approved and in several Connecticut towns—some post-construction with conditions that a set percentage of homes to “be offered at prices affordable to buyers earning 80 percent of the local median income. (The restriction does not apply to resales.)”^{14,15}

OUR FAIR SHARE OF HOUSING

The PA MPC requires all municipalities or multi-municipal planning regions to provide for all types of housing, including a variety of housing unit types and affordability levels for current residents and expected future residents.

CHOICE IN HOUSING UNIT TYPES, PRESENT AND AT BUILDOUT

To ensure that each municipality is providing for its “fair share” of the various types of affordability of housing units, the courts have determined that the percentage of land available for non-single-family dwellings is relevant. This percentage must be considered in light of population growth pressures within the community and the county, and in light of the total amount of undeveloped land in the community. Where the amount of land for non-single-family dwellings is disproportionately small in relation to the above factors, the municipality will be held to be exclusionary.

The courts apply two methodologies in determining whether a municipality or region satisfies its fair share needs. For the purposes of this analysis fair share uses include: single-family attached units, also known as duplexes or twins, and townhouses, multifamily units (apartments), and mobile home parks.

- Test #1 examines the amount of land zoned for fair-share uses and compares it to the total land area of the region (gross acres). Based on the majority of development occurring in moderate to high density residential districts, the single family to multi-family housing unit ratio is approximately 4:1,

¹⁴ Lansdale planners approve WB Homes development, Moulton Builders' appeal, Montgomery-LansdalePatch, February 15, 2011. <http://lansdale.patch.com/articles/lansdale-planners-approve-wb-homes-development-moulton-builders-appeal>

¹⁵ 55-and-Up Complexes Shift Gears. The New York Times, June 9, 2011

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and not an issue. Based on the buildout of approved and anticipated projects, this ratio would increase to 7:1 a trend toward fewer areas zoned for multi-family uses. See Table 8-1.

- Test #2 examines the ratio of multi-family share units to single-family detached units to determine if they are substantially unequal. If so, the courts will examine whether or not current zoning will permit the ratio to improve at buildout. The current housing composition pattern favors single-family to multi-family housing units, but is not exclusionary. Single family units comprise 69.8 percent of all units across the region. Percentages of single-family units are higher, thus a higher ratio, in Cornwall, North Lebanon and South Lebanon, and lower in North Cornwall and West Cornwall. Mobile homes exist in every municipality. Since there are existing units of every multi-family type in the region, existing conditions do not appear to be an issue. However, as pointed out above, the buildout of approved and anticipated projects would trend conditions toward fewer areas zoned and therefore less opportunity for multi-family uses. The region should consider ways to encourage or require the housing pattern to sustain a fair balance to housing type choices. See Table 8-2.

Table 8-1 Residential Zoning District Capacity

Zoning District	District Acreage	District Percent of Regional Total	Projected Available Acreage for Development	Projected Available Percent of Regional Total Available
High Density Residential	1,378.12	3.3%	353.24	5.3%
Medium Density Residential	533.20	1.3%	56.18	0.8%
Residential Institutional	206.93	0.5%	7.82	0.1%
Village Residential	237.09	0.6%	45.18	0.7%
Special Purpose (Mobile Home) Residential	225.45	0.5%	105.15	1.6%
Moderate to High Density Subtotal (majority multi-family)	2,580.79	6.2%	567.57	8.5%
Low Density Residential	6,399.05	15.3%	2,240.09	33.5%
Planned Development	221.05	0.5%	0.00	0.0%
Residential Forest	2,383.65	5.7%	1,103.94	16.5%
Rural Residential	1,456.98	3.5%	664.74	9.9%
Low Density Subtotal (majority single-family)	10,460.72	25.0%	4,008.77	59.9%
Residential Total	13,041.51	31.1%	4,576.34	68.3%
Regional Total	41,923.14	100.0%	6,695.83	100.0%
Ratio	Existing		Projected	
Single-family to Multi-family Housing Unit Ratio (by acres)	4:1		7:1	

Source: LCC/GIS; Gannett Fleming

Table 8-2 Distribution of Housing Unit Types

Housing Type	Total housing units	Single-family, detached	Single-family, attached	2 to 4 units	5 to 9 units	10 to 19 units	20 or more units	Mobile home	Boat, RV, van, etc.	Single Family to Multi-family Ratio (by units)
Pennsylvania	5,481,676	57.1%	18.1%	4.9%	3.3%	2.5%	5.3%	4.5%	--	3:2
Lebanon County	53,389	59.3%	18.0%	9.5%	3.3%	1.7%	2.8%	5.3%	0.1%	3:2
CLSD Region	12,690	69.8%	13.9%	3.4%	2.1%	3.3%	1.2%	6.2%	0.1%	3:1
Cornwall Borough	1,495	75.2%	19.9%	0.9%	1.3%	--	0.0%	2.7%	--	2:1
N Cornwall Twp	2,834	50.1%	21.5%	6.0%	3.8%	13.8%	4.5%	0.4%	--	1:1
N Lebanon Twp	4,171	78.4%	7.8%	2.8%	1.0%	--	--	9.9%	--	3:1
S Lebanon Twp	3,089	74.4%	14.0%	3.4%	3.3%	0.7%	0.6%	3.4%	0.3%	2:1
W Cornwall Twp	1,101	67.0%	9.7%	2.5%	--	0.7%	--	20.0%	--	2:1

Source: U.S. Census Bureau, American Community Survey, 2005-2009

AFFORDABILITY

Affordability is defined as housing costs that do not pose a cost burden to the homeowner or renter. The US Census Bureau defines the households that spend 30% more of their monthly household income on housing costs as cost burdened. Those households that spend more than 50% of monthly household income on housing costs are considered extremely cost burdened.

SNAPSHOT OF COST BURDENED HOUSEHOLDS

Percentages of cost burdened home owners (households spending 30% or more of household income on selected homeownership costs) are generally lower than county and state, as estimated by the US Census Bureau and shown in Table 8-3. Selected monthly owner costs include:

- the sum of payments for mortgages, deeds of trust, contracts to purchase, or similar debts on the property, including payments for the first mortgage, second mortgage, home equity loans, and other junior mortgages
- real estate taxes
- fire, hazard, and flood insurance on the property
- utilities (electric, gas, and water and sewer)
- fuels (oil, coal, kerosene, wood, etc.) and
- where appropriate, the monthly condominium fees or mobile home costs (installment loan payments, personal property taxes, site rent, registration fees, and license fees).

More than 400 owner households in the Region are cost burdened, as shown in Table 8-3. Municipal percentages for this category range from 8.3 percent of owner households in West Cornwall to 25.8 percent of owner households in North Lebanon. As a region, rates of cost burdened owner households are lower than the county and the state.

Cost burdened renters are more common. More than 700 renter households spend more than 30 percent of their monthly income on housing and associated costs, as shown in Table 8-4. Municipal percentages for this category range from 24.9 percent of renter households in North Lebanon to 41.4 percent of renter households in North Cornwall. Again, Percentages of cost burdened home renters are lower than county and state.

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Table 8-3 Percentage of Household Income Spent on Owner Costs (With and Without a Mortgage)

Geography	Owner Households with Mortgage*	Percentage of Household Income spent on Owner Costs				Owner Households without Mortgage*	Percentage of Household Income spent on Owner Costs 30% or more
		Less than 20%	20% to 29%	30% or more	Not computed		
Pennsylvania	2,200,339	824,787	662,504	713,048	7,076	1,278,726	221,465
<i>Percent of</i>		37.5%	30.1%	32.4%			21.1%
Lebanon County	23,189	9,292	7,541	6,356	34	14,339	1,640
<i>Percent of</i>		40.1%	32.5%	27.4%			11.4%
CLSD Region	6,150	2,552	2,038	1,560	0	3,843	428
<i>Percent of</i>	100.0%	41.5%	33.1%	25.4%			11.1%
Cornwall Borough	821	239	306	276	0	446	53
<i>Percent of</i>		29.1%	37.2%	33.6%			11.9%
N Cornwall Twp	1,072	534	286	252	0	604	52
<i>Percent of</i>		49.8%	26.6%	23.5%			8.6%
N Lebanon Twp	2,321	893	829	599	0	1,437	170
<i>Percent of</i>		38.5%	35.7%	25.8%			25.8%
S Lebanon Twp	1,535	680	511	344	0	970	121
<i>Percent of</i>		44.3%	33.3%	22.4%			12.5%
W Cornwall Twp	401	206	106	89	0	386	32
<i>Percent of</i>		51.4%	26.4%	22.2%			8.3%

* Excluding units where selection monthly owner costs as a percentage of household income (SMOCAPI) cannot be computed

Source: US Census Bureau, American Community Survey, 2005-2009

Table 8-4 Percentage of Household Income Spent on Gross Rent

Geography	Renter Households	Percentage of Household Income spent on Gross Rent*			
		Less than 15%	15% to 29%	30% or more	Not computed
Pennsylvania	1,283,530	183,486	467,710	605,334	112,901
<i>Percent of</i>		14.3%	38.5%	47.2%	
Lebanon County	12,119	2,272	4,772	5,075	546
<i>Percent of</i>		18.7%	39.4%	41.9%	
CLSD Region	1,917	381	833	703	81
<i>Percent of</i>		19.9%	43.5%	36.7%	
Cornwall Borough	133	21	62	50	65
<i>Percent of</i>		15.8%	46.6%	37.6%	
N Cornwall Twp	949	193	366	390	16
<i>Percent of</i>		20.3%	38.6%	41.1%	
N Lebanon Twp	293	10	220	63	12
<i>Percent of</i>		3.4%	71.7%	24.9%	
S Lebanon Twp	444	142	136	166	52
<i>Percent of</i>		32.0%	30.6%	37.4%	
W Cornwall Twp	98	15	49	34	0
<i>Percent of</i>		15.3%	50.0%	34.7%	

* Excluding units where gross rent as a percentage of household income (GRAPI) cannot be computed

Source: US Census Bureau, American Community Survey, 2005-2009

UNIVERSAL DESIGN TECHNIQUES

Universal design is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design. When applied to housing, the intent is to make homes useable by as many people as possible at little or no extra cost. While the Americans with Disabilities Act provided the foundation for accessible or adaptable design in building codes to accommodate persons with disabilities in public buildings, the universal design principles and features can be applied to all buildings.

UNIVERSAL DESIGN FEATURES

- Stepless Entrances
- Clear door opening width (32" minimum, 34" - 36" wide doors) for all doorways.
- Windows for viewing, 36" maximum sill height.
- Electrical receptacles placed at heights and in locations accessible by wheelchair.
- Clear knee space (minimum 29" high) under sinks (must have pipe protection), counters, and cook tops. Space may be open or achieved by fold-back or self-storing doors.
- Knee space under lavatory sinks (29" high).
- Single-lever water controls at all plumbing fixtures and faucets.
- Magnetic latches in lieu of mechanical locks
- Color contrast between floor surfaces and trim and between stair treads and risers.
- 8' minimum garage door height or alternate on-site parking for tall vehicles.

Some features are already in use by builders of age-restricted and age-targeted housing. But homes with these features would be useful in the general housing stock as well. Homes with at least some universal design features are better able to serve residents with permanent disabilities and residents with temporary disabilities, e.g. those recovering from an injury and using crutches, a cane, or a wheelchair. They also make homes more welcoming to visitors with such disabilities. Making all homes compliant with ADA would place an excessive burden on builders and code enforcement officers, but encouraging the application of universal design features could increase the value and marketability of new and renovated homes.

ENERGY SAVING HOUSING APPROACHES

The UCC Administration and Enforcement regulation adopted the *International Energy Conservation Code 2009* for use throughout the Commonwealth of Pennsylvania, effective December 31, 2009. Municipalities expressed interest in encouraging developers to strive for higher efficiencies for these and other energy use design elements:

- Internal systems, e.g. HVAC, electricity use, low flow plumbing fixtures
- Structural design/construction, e.g. passive lighting, building massing (lower surface to interior ratio), energy-efficient windows, added insulation
- Site design, e.g. tree placement to block winds and shade summer sun,
- Community design, e.g. narrow setbacks and building separation (less heat loss), mixed use (proximate destinations, minimum road/street construction), non-vehicular travel choices (reasonable distances and continuous facilities), provision of transit facilities

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EMERGENCY HOUSING

In 2005, The United Way of Lebanon County recognized that, despite an excellent quality of life for many, there are persistent social and health concerns for a significant portion of the population. It conducted a *Community Needs Assessment* to begin a strategic process for addressing these concerns. The assessment found that there are no public emergency homeless shelter programs for families or individuals who have lost their housing and concluded that the availability of more affordable housing units for rental and purchase is a critical issue in the County.

The United Way began an update to its Community Needs Assessment in 2011. Upon release of the updated *Assessment*, municipalities should review its findings and consider if housing needs, particularly those in central Lebanon County, warrant a shared approach to solutions within the Region or the wider community.

The municipalities noted that while no permanent shelters have been constructed since 2005, various community organizations, including Fort Indiantown Gap, the Pennsylvania National Guard Armory in Lebanon, The salvation Army, Lebanon County Christian Ministries, and various fire companies, make their facilities available in times of need—most recently following the flood conditions resulting from Hurricane Irene and Tropical Storm Lee in Summer 2011. They appreciate this community service and don't anticipate a separate permanent shelter at this time.

FINDINGS ON HOUSING

1. If an excess of age-restricted housing developments were to occur, resulting in high vacancy rates or stalled construction timelines for approved units, municipalities may need to take action by working with developers to revise plans to better match market conditions.
2. According to analysis for the Regional Comprehensive Plan, additional capacity for moderate to high density residential uses is not needed in the next 10 years. However, build-out of current moderate to high density residential zoning districts is possible in the next 20-30 years and could result in fewer areas available for multi-family uses. Designation of additional lands as moderate to higher density residential districts would provide for improved choice in the Region's housing stock for first-time homebuyers, individuals, couples without children, single parents with few children, seniors, regardless of income level. Higher density neighborhoods—whether smaller single-family lots or multi-family structures—require less outdoor maintenance time, effort and cost; and encourage more walking and bicycling to connected employment, service and recreational destinations, and support transit use in areas of available service and thus saving on transportation costs, among other benefits. The market demand for these features is increasing among retiring generations who are downsizing their lifestyles and among younger generations that have downsized their American dream. In addition, denser housing may extend the lifespan of the residential zoning footprint without the need to re-zone agricultural lands to residential use. Municipal Officials and Planning Commissions may want to consider what lands within the Planned Development Area would be appropriate for such uses.

The region expressed interest in these types of housing choices at the outset of the planning process. See also *Map 10, Future Land Use Discussion* and *Tables 5-11 and 5-12*, pages 50 and 53, for locations and alternative uses considered.

3. Housing affordability may be an issue in the region. One in four owner households with a mortgage and more than one in three renter households spend 30 percent or more of monthly income on housing and related costs – a threshold known as cost-burdened. These percentages may reflect the dominance of single family homes over other, smaller housing types as well as the pressures of the recession. They are, however, lower than county and state figures. These figures are worth tracking over the next ten years alongside housing and economic changes to see if housing affordability improves and cost-burdened households decrease.
4. Municipalities are also interested in encouraging, but not requiring, new home construction that incorporates universal design and energy conservation features.

GOALS, OBJECTIVES AND RECOMMENDATIONS

GOAL 6. FOSTER REASONABLE HOUSING CHOICES IN TYPE, COST, AND ACCESSIBILITY.

Objectives

A. Encourage and incentivize a wider range of housing choices.

Rec 44. Establish incentives for developers to provide a variety of housing types and price levels and/or to make a percentage of units available at prices affordable for low to middle income households.

This recommendation aims to expand choice in the housing market, particularly among newer units. Density incentives in the zoning ordinance are the most common incentive type.

Time for Action: Medium Term (0-5 years)

Lead Partners: Municipal Officials and Planning Commissions

Support Partners: Lebanon County Planning Department; Recent Residential Developers

Funding Sources: General Funds

Rec 45. Establish incentives for developers to incorporate universal design features in new homes. Review online resources and guide developers to such sources.

Universal design is the design of products and environments to be usable by people of all ages, sizes, and abilities, to the greatest extent possible, without the need for adaptation or specialized design. The intent is to make, in this case, housing accessible, convenient and usable by more people at little or no extra cost. Universal design is not an industry standard or a code requirement. However, incorporating some features makes each home more usable and marketable. Municipal Planning Commissions should review online resources and determine which, if any, would be appropriate references to encourage the development of accessible housing stock that is not specifically age-restricted.

Time for Action: Medium Term (0-5 years)

Lead Partners: Municipal Planning Commissions

Support Partners: Lebanon County Planning Department; Recent Residential Developers

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Funding Sources: n/a

Rec 46. Encourage site design, building orientation, and building design that are energy efficient.

Site design principles to mitigate the need for heating, cooling, and lighting were formalized into many municipal development standards after the energy crisis of the 1970s and are still relevant today. Block winter winds (generally from the north and west) with evergreen vegetation and unheated spaces (garages). Block summer sun and allow winter sun (and radiant heat) with shade trees on the south side of structure. Use windows on the north side of the structure for year-round passive lighting. As ordinances are updated, gaps in these areas should be revised.

Time for Action: Short Term (0-2 years)

Lead Partners: Municipal Officials and Planning Commissions; Lebanon County Planning Department

Support Partners: Lebanon County Planning Department; Recent Residential Developers

Funding Sources: General Funds, as needed

Rec 47. Ensure that on-site residential energy production is permitted and reasonably regulated.

Public interest in renewable energy has increased and state incentives for residential and commercial applications have further developed this market in Pennsylvania. As planning commissions review their ordinances, they should assess the need to revise or update regulations related to solar panels, wind turbines, and geothermal systems, as well as outdoor furnaces.

Time for Action: Short Term (0-2 years)

Lead Partners: Municipal Officials and Planning Commissions; Lebanon County Planning Department

Support Partners: Residential energy contractors

Funding Sources: General Funds, as needed