



# EXECUTIVE SUMMARY

FEBRUARY 2023



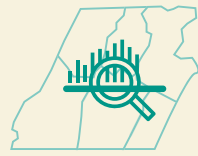
## **Housing is a priority in the Southern Alleghenies region.**

That much has been clearly articulated by recent plans at the regional level and by efforts undertaken in communities throughout the six counties.

But why is housing—a very broad topic—a priority? What problems related to housing need to be solved in the region? And what does it mean to address these problems in ways that might actually result in better outcomes for the region’s households, its economy, and its ability to compete and thrive in the decades ahead?

*Alleghenies Ahead on Housing* is a Regional Housing Strategy that delves into these questions in order to provide the region, its counties, and its communities with a framework for making well-informed decisions about policies and investments that influence the quality of the region’s housing opportunities. As a follow-up to the *Alleghenies Ahead* Comprehensive Plan, it does so under the guiding principle to “plan regionally and implement locally,” recognizing that shared priorities can best be addressed by shared strategies that are customized to fit local conditions and strengths.

While many important housing indicators in the region—prices, vacancy rates, homeownership rates—vary from place to place, the overarching problems that need solving across the region are similar. So, too, is the general toolkit of policies and programs that will be responsive to these problems and the approach that will be needed at the sub-regional level to take action.



## A persistent pattern of soft demand

There are stark differences, of course, between housing conditions found in parts of Johnstown, in the region's stable suburban communities, in seasonal enclaves near lakes and mountains, and in a broad range of other community types. But a **common thread that connects all of the region's housing sub-markets is demand that has been either somewhat or exceedingly soft for years if not decades.** Numerous trends examined in *Alleghenies Ahead on Housing* point to this pattern.



### Stagnant or declining number households

There were 5,000 fewer households in the region in 2020 than 2000; only one county (Fulton) experienced household growth, but at a rate of just 0.3% per year



### Surge in chronic vacancies

Chronically vacant or abandoned housing units climbed from 5,000 in 2000 to over 15,000 by 2020, with significant percentage increases in all six counties; these are only the most conspicuous properties among the region's growing inventory of blighted housing



### Lagging home values and rents, and low price appreciation

Home values and rents kept pace with inflation in much of region between 2000 and 2020, but remained far behind national levels; the region's pandemic bounce in home prices mirrored the national bounce (in percentage terms) but only after lagging far behind during the previous decade



### Limited "willingness" to pay

Very few of the region's households with incomes above \$50,000 (51% of all households) are used to spending what they can technically afford to spend on housing due to the region's low home prices and rents; because of this, and plentiful inexpensive options, they may not be willing to spend what it actually costs to build new housing



### Concentrated levels of need

One-third of the region's households have incomes below \$35,000 and have a limited ability to pay for housing; the options they tend to have are older properties in the parts of cities or boroughs with the highest rates of poverty and chronic vacancy—environments that thwart the upward mobility of these households while preventing the recovery of weak markets



**On the present course defined by soft demand, the housing market is unlikely to resolve blight, improve existing housing conditions, or hasten the production of new housing opportunities on its own. A new course is needed for different outcomes to be realized.**

A central conclusion of *Alleghenies Ahead on Housing* is that deliberate and strategic interventions are needed—of a greater scale and complexity than currently exist—to spur the types and levels of investment that will produce a more competitive housing supply and stronger levels of demand.



## A Vision for Housing

*Alleghenies Ahead on Housing* describes a basic, three-pronged vision for housing based on analysis of existing conditions, key issues and priorities expressed during the planning process, and the core values embedded in the region's shared comprehensive plan.

This vision, and the measurable outcomes that describe progress towards the vision, serve as the basis for a decision-making framework and for a responsive **Regional Housing Toolkit**.



### 1 A stronger housing market

Supply and demand are in a healthier balance, allowing the private market to function in ways that produce more positive community outcomes



### 2 A more adaptable housing market

A more functional market responds more readily to changing preferences, producing better matches between households and housing



### 3 A response to need that promotes community vitality

Housing for households with low incomes are in better condition and can be found in areas with good services and economic opportunities



## The Regional Housing Toolkit

The toolkit is designed to represent the broad range of interventions that will move the region closer to its vision for housing, and most of them represent tools for overcoming soft demand and high risk. Not all tools will be applicable to the conditions, goals, and capacity of every community. Choosing and resourcing the right combination of tools will be decisions to make at the sub-regional level.

Rental rehab subsidies for existing market-rate units

Rent subsidies to developers/owners of new market-rate units

Equity pool for new rental or mixed-use developments

Financial support to homeowners for above-market home upgrades

Acquisition, rehab, and resale of existing homes

Subsidies for infrastructure and amenities to developers of new subdivisions

Purchase commitments for new homes at sufficient prices

Buy-back agreements for buyers of new homes

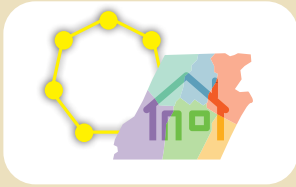
Proactive acquisition, demolition, and land banking of obsolete/blighted housing

Rehab or new construction subsidies for income-restricted housing

Additional public or charitable aid for emergency shelter construction/expansion with supportive services

Expanded regulation of rental conditions with strong enforcement

Land use and development regulation updates



## A model for implementation: localized housing strategy coalitions



**Steering the region's housing market, and its diverse sub-markets, onto a healthier course is not something that can be accomplished without diverse local partnerships working collaboratively to choose the right tools, commit the right resources, and find the right opportunities to experiment.**

*Alleghenies Ahead on Housing* provides guidance on how to identify and cultivate these localized coalitions—which must reflect the economic, institutional, and civic networks that are unique to each place. As these coalitions emerge and take action, their experiences will become valuable learning tools for other coalitions, and the Southern Alleghenies Planning & Development Commission can play a critical role in connecting coalitions and supporting their work.

### A Call to Action

Functioning coalitions will only emerge in parts of the region where the leadership and will exists to form and sustain them. In some cases, informal coalitions already exist and have potential to grow. In other places, coalitions will need to be formed from scratch if there is any interest in achieving different housing outcomes. All will require passionate local leaders and team-builders who begin with some basic questions:

- *Why does better housing matter to me and my business, institution, or community?*
- *What role can I play, or what skills can I offer?*
- *What does my community's coalition look like, or what should it look like to have a shot at success?*
- *Who should I connect with to get the conversation started?*
- *What are our coalition's goals? What is our plan?*