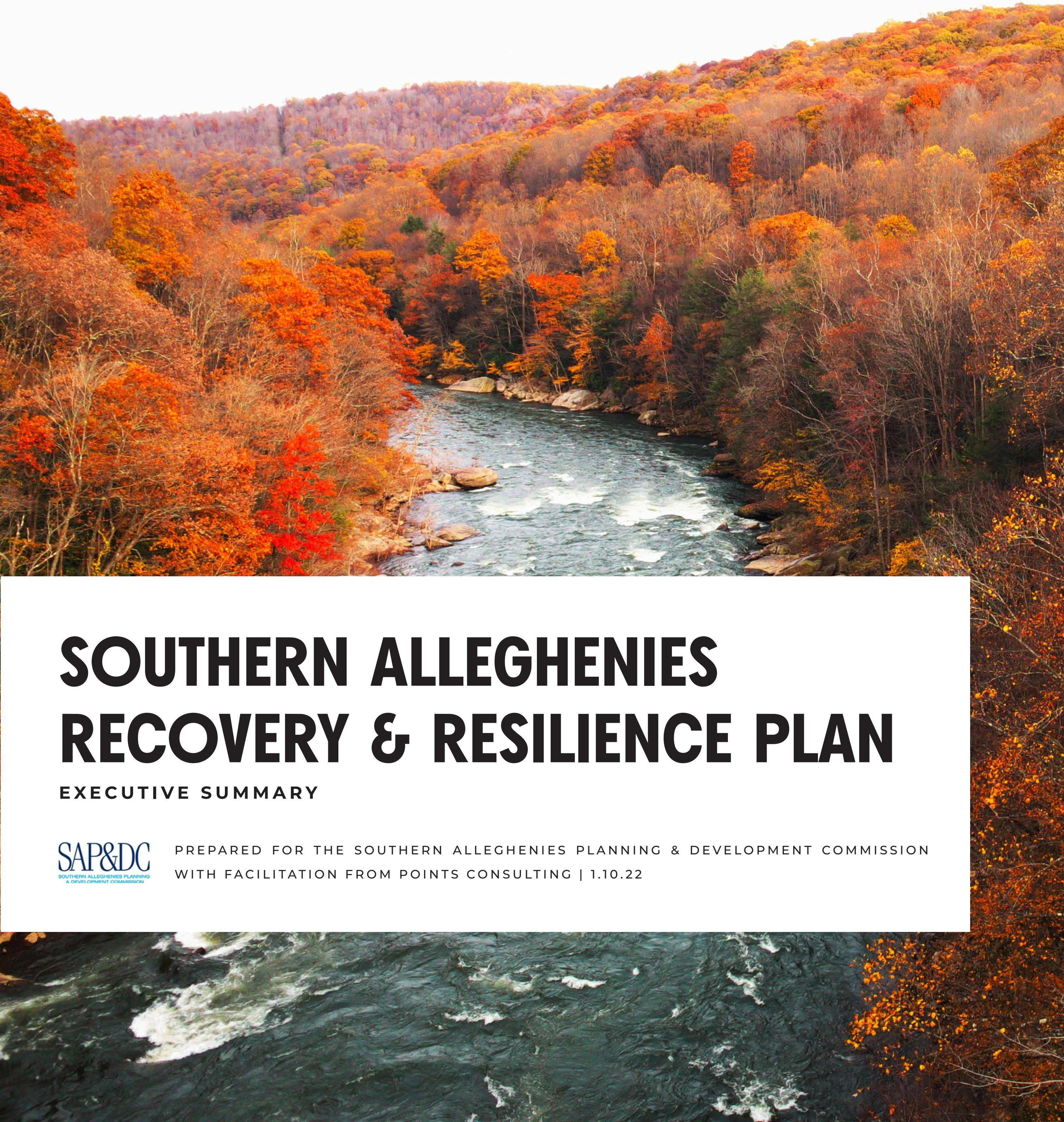

SOUTHERN ALLEGHENIES RECOVERY & RESILIENCE PLAN

EXECUTIVE SUMMARY

PREPARED FOR THE SOUTHERN ALLEGHENIES PLANNING & DEVELOPMENT COMMISSION
WITH FACILITATION FROM POINTS CONSULTING | 1.10.22

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EXECUTIVE SUMMARY

The following are some of the key themes and statistics collected in process of developing this resiliency plan. This information is organized into key themes as they align with the strategic planning priorities noted in chapter II.

HOUSING & BLIGHT

- There is a lack of guidance in the region related to the types of housing that are in demand, affordable to most, and permissible within local municipalities. Such guidance could be elaborated via local comprehensive plans, zoning codes and/or a housing needs assessment.
- Blight is an issue effecting certain residential and industrial districts in the SAP&DC region but which has a multifaceted impact on property values and community identity. With the appropriate legal and funding tools and a strategy for targeted redevelopment, progress can be made across the region.
- Home values are surging throughout the region. The trend is headlined by extended runs of home value appreciation stretching back to the mid-2010s in Fulton, Huntingdon, and Bedford.
- Relatively few new single-family homes have been built since 1970, and the majority that do exist were built prior to 1940. Though providing unrivaled historic charm, many older homes are in disrepair and beyond the means and capabilities of average homeowners to restore.
- Though home prices are much more affordable than national and Pennsylvania averages, moderate incomes in the region result in affordability issues for many households.
- Upward pressure on home values is being driven by in-migration from urban and suburban areas throughout the northeast. The fact that population is decreasing in general obscures the fact that many new residents are coming in, just not at the same rate as prior residents are leaving. Those coming in are bringing greater wealth and (often) higher expectations related to housing.

WORKFORCE RETENTION & ATTRACTION

- Over the past ten years, population has decreased 6% in the SAP&DC region, mostly due to mortality and outmigration of those in the 1- to 24-year-old age range.
- Numerous industrial businesses are interested in further growth in their communities but for the availability of more workforce.
- Workforce availability in the region took a hit during and in the wake of the pandemic. Loss of labor force has been strongest in Cambria and Somerset. Fortunately, the number of business establishments in Bedford, Blair, Fulton, and Huntingdon has rebounded to pre-pandemic levels.
- Even prior to the pandemic, there was a positive trend of middle-aged (45–64) individuals in five of six counties. Blair and Fulton also saw noteworthy growth among those aged 25 to 44 years.
- 2020 permitted a larger number and wider array of work-from-home opportunities. In association with this, the SAP&DC region saw some changes to historic migration patterns, including boosts in Bedford, Fulton, and Blair.
- There are multiple fronts of in-migrants activity. Both historically and in 2020, Huntingdon and Fulton regularly see in-migration from counties in Maryland. The other four counties are more likely to receive new residents from suburban/exurban counties throughout Pennsylvania.
- Most households who relocated during the pandemic followed a particular pattern: more affluent, white-collar urban dwellers tended to move (or purchase a second home) within several hours of their original location. These patterns should temper expectations that a large-scale influx of young new residents will move to the region to live and work.

QUALITY OF PLACE

- The SAP&DC counties rank average in terms of economic resiliency—between 2.5 and 2.7 on a 5-point scale, with Bedford, Fulton, and Somerset scoring the highest. The counties typically score well in terms of social and economic resilience and lower in institutional and environmental resilience.
- The region is rich in natural amenities and has a palatable mix of food, beverage, and recreational assets. Though all developing at different rates, Bedford, Johnstown, and Altoona all have strong momentum on these fronts. However, the region lacks a cohesive identity and recommendations for visitors on where to go and what to do.
- Fulton and Huntingdon, although stronger than average in terms of median incomes, home value appreciation, and migratory growth, suffer from a low number of private-sector employers, which leads to very cyclical economic patterns.
- Currently, Altoona and Johnstown are leading the region in coordinated development that integrates arts and culture, food and beverage, and housing. Similar ingredients exist in other locations but lack the same level of focus.

REMOTE WORKERS

- Regional leaders have demonstrated openness to remote worker attraction programs. However, much still needs to be discussed related to funding, policies, geographic targeting, program policies, and acceptance by the community at large.
- Some efforts are underway to tie together community organizations and assets with coworking spaces, particularly in Altoona and Johnstown, but but generally the region is behind where it would need to be to compete with regions that have a well-developed regional strategy for remote worker attraction.
- Recent development of broadband initiatives and improvement of options and service in nonurban areas are a necessary step for creating an environmental more amenable for remote workers.
- Efforts to attract and retain workforce are most successful when paired with programs that emphasize community development, recreation, and quality of place, and which are hyper-focused on certain geographies with the right combination of assets.

STRATEGIC PLANNING PRIORITIES

Based on existing progress, conversations with SAP&DC and regional leaders, and the consulting team's perception of community needs and opportunities, the following three strategic priorities have been selected:

HOUSING DEVELOPMENT AND BLIGHT REDUCTION

Blighted properties affect pride of place and community well-being as well as occupying valuable space that could be used for community, commercial, or residential purposes. Though the region possesses considerable housing stock, much of it is outdated, blighted, or simply mismatched with the preferences for modern homebuyers.

WORKFORCE RETENTION AND ATTRACTION

The SAP&DC Region features many thriving communities, but many businesses are struggling to develop and maintain the talent needed to grow. This strategy encompasses existing residents, adults interested in returning to the region, remote workers, repeat visitors, and others in the "hybrid work" category (i.e., those with a nontraditional place of employment).

ENHANCING QUALITY OF PLACE

Continued investment in arts, cultural, and recreational amenities will be the catalyst for convincing young- and middle-aged adults to make the SAP&DC Region home. The unique natural and built environment and developing food and beverage scene will serve as starting points for this objective.

For each strategy key problem areas were identified followed by the tools and resources to help guide each strategy, acknowledged probable partners and/or entities to contribute to the strategies, an overview of suggested actions to remedy the issues, and ideal process and outcomes for each approach.

HOUSING AND BLIGHT REDUCTION STRATEGY

KEY PROBLEMS SUMMARY

1. Significant inventory of older homes in various stages of disrepair and blight
2. Existing housing stock inventory of primarily single-family; not able to accommodate diversity of dwelling needs or diversity of households
3. Too little new housing being developed
4. Lack of shovel-ready housing sites which would garner interest from builders and developers due to combination of geological challenges, regulatory barriers, and lack of infrastructure
5. Blighted industrial properties that are difficult for private investors to approach due to large size and multitude of unknown risks
6. Too little institutional capacity, tools, and funding to significantly impact housing issues
7. Many employers citing housing as the primary barrier in preventing them from recruiting more employees to fill roles within their companies

TOOLS

Act 90,13 & 152, HOME & CDBG dollars, innovative KOZ, Land Banks, Rehabilitation Programs, potential USHUD grant, and Regional Housing Community Development Corporation

PARTNERING ORGANIZATIONS

SAP&DC, Private Sector Developers, Community Development Agencies: The Progress Fund, Allegheny Highland Association of Realtors (Bedford, Blair, and Huntingdon Counties), Somerset County Redevelopment Authority, Cambria County Redevelopment Authority, Huntingdon County (commissioners, planning commissioners, boards of Realtors, and businesses and industries), Cambria County and Johnstown Redevelopment Authority, Blight Task Force, Blair County Commissioners, Tri-County Center for Community Action (Bedford, Fulton, and Huntingdon Counties), Altoona Housing Authority, municipal/government bodies, school districts, ABDC Corporation, SAWDB, and city code enforcement entities.

SUGGESTED ACTIONS

Southern Alleghenies' housing issues are complex and inextricably linked to the economic disruptions the region has experienced over the past 40 years. Recovering once-vibrant neighborhoods while at the same time strategically creating new market responsive mixed-use neighborhoods will play a major role in establishing a healthy housing market as well as assist with economic recovery and resilience.

TARGET OUTCOMES

HOUSING AND BLIGHT REDUCTION

Target pockets with significant housing disrepair (blight elimination) resulting in transition from places of last resort to neighborhoods of choice.

Increase urban dwelling of those in 65+ and 18- to 35-year age ranges, who typically have more interest in near-urban residency

Establish broader mix of housing tools designed to effectively attract private sector housing partners.

Increase local and regional capacity to use the blight elimination state regulatory tools more effectively.

Create housing options that link deliberately to services and jobs, thereby helping to reduce household mobility barriers.

Reuse of one or more existing hotel parcels and, potentially, other buildings for housing purposes.

Create regional capacity to mount a substantive, scalable housing initiative, ensuring progress in each of the desired outcome areas

Increase development of the following housing types for which demand far exceeds current supply*

NOTE

** Housing types include: Workforce housing or "missing middle" for average income households, Upper levels of historic urban buildings adapted or redeveloped for rental and for-sale housing units, Townhomes and/or duplexes within one mile of urban core areas, Studio or efficiency-sized rental units for very small households, and Single-family homes on large parcels (4+ acres) in certain rural areas.*

FOCUSED STRATEGIES

The regional housing market opportunity is unpredictable and not competitive with other housing markets that draw the attention of investors, developers, and builders. Strategies should focus on clearly defining the region's housing priorities and how it will facilitate, incentivize, and partner with the private sector to accomplish goals.

Reach a consensus on housing objectives that could consider an SAP&DC Complete Neighborhoods Task force focusing on the following:

- Short-term regional leadership and professionals: define and organize for housing success.
- Determine three to five geographic focus areas that will deliver the highest impact to the SAP&DC region.
- Assess current housing programming, update tools, incentives, capacity, determine voids, and supplement with new programs.
- Identify short- and long-term desired outcomes (i.e., revitalized neighborhoods, multifamily development, workforce housing, land bank, etc.).

Stakeholder Convening and Market Investigation.

- Identify regional stakeholders to engage in strategy (public and private) who can carry forward priorities identified by task force.
- Convene meetings between investors and builders willing to work in a nonprofit capacity with genuine interest in community improvement, problems, properties, and development.
- Host discussions between developers/builders and local community development, and planning and zoning staff to identify challenges, misunderstandings, outdated zoning codes, and difficulties that create barriers for housing development.
- Identify a comprehensive list of funding sources from nonprofit and public sources that could supplement goals for targeted populations (i.e., low-income, seniors, disabled, etc.).
- Conduct a regional housing needs assessment to quantify total housing need by county and distributed by housing style and type (e.g., large single-family, middle-density, dense multifamily, etc.).
- In partnership with local economic development and redevelopment authorities, develop a comprehensive list of highest potential redevelopment opportunities for blighted commercial/industrial locations. Consolidate information on properties including pictures, building history, property value, remediation issues, known and unknown risks, etc.

Consider the feasibility of establishing a regional housing community development corporation (CDC), which would concentrate high-level financing and development expertise and options within the local market, build credibility, and provide attractive options for private sector partners.

- Create management and organizational infrastructure within 1 to 3 years of assigning appropriate roles and identify skillset and capacity gaps to be filled by chosen entities.
- Establish sources and uses of multiyear budget, identify local and external funders, seek commitments and strategize partnerships.
- Determine work program and schedule and initiate first 18months of 3-year programming.

CASE STUDY

FRAYSER CDC, MEMPHIS, TENNESSEE

An example of a community that facilitated strategic plans to address their own blight issues was in Memphis, Tennessee and was successful from implementation and collaboration.

The community of Frayser fell under distress with blighted homes much like in SAP&DC region and once led Tennessee in foreclosures and bankruptcies according to the Frayser Community Development Corporation (Frayser CDC). The average home in the area sells for about $40,000, which is down from $47,600 in 2006 but higher than the $21,000 average several years ago.

In 2012, the Frayser CDC established what it called a Tipping Point approach to blight elimination and neighborhood revitalization. The Tipping Point approach involved the CDC identifying a neighborhood area that showed signs of both visible disinvestment and well cared for properties. In other words, a neighborhood that could potentially tip either way — toward growing blight or toward market driven revitalization. The Frayser CDC felt that with a strategic intervention addressing blight in an area where pockets of homeowner pride were evident that the Memphis homebuyers could discover undervalued properties and turn them into quality affordable market rate housing.

The Frayser CDC, with the help from the Tennessee Housing Development Agency, which provided a $3.7 million grant, acquired and/or issued lawsuits against 25 properties in neighborhoods that were completely blighted and vacant.

The CDC found that fixing blight helps attract investors to the community, especially after renovating 18 properties for local neighborhoods. Frayser spent $1 million to acquire and restore 18 homes; the homes were purchased at an average cost of $10K and renovated for an additional $46K. Homes in the area targeted by the CDC and within 500 feet now have a current taxable value of nearly $37 million, representing a 15% rise since the acquisition and rehab efforts were initiated. The CDC’s work stimulated a response from third-party investors, whose work in the community created an additional $6 million in total real estate value. For every dollar spent to acquire and renovate blighted homes, an additional $6 of value was realized. For the CDC’s $1 million investment, the city and county will see additional tax revenue of $119 thousand, offering the CDC a total 12% return on their investment. In addition to the increased real estate value and tax revenue, the area has also seen a decrease in crime.

WORKFORCE RETENTION AND ATTRACTION STRATEGY

KEY PROBLEMS SUMMARY

1. The region's population is rapidly aging. Younger households are growing in certain locations but not in the region, generally.
2. The recent history for the region is net out-migration. Though in-migration is occurring, not enough to offset the population losses.
3. The region's prime labor force working age (25–54) has steadily declined since 2000, exacerbating national labor shortage trends.
4. The percentage of young adults with college degrees in the region is well below Pennsylvania and US levels.
5. Many visitors to the SAP&DC Region perceive it as a nice place to visit but wouldn't want to live there.
6. Many private employers indicate that they would expand services/operations were it not for lack of additional workers.

TOOLS

Start-up Alleghenies, Alleghenies Angel Fund, Penn State's LaunchBox, SBDC, USDA/EDA, Private Sector Businesses, SAWDB

PARTNERING ORGANIZATIONS

Economic Development Agencies: Appalachian Regional Commission, ABDC, BCDA, Bedford CareerLink, FIDA, Cambria County Industrial Development Corporation, Fulton Industrial Development Association, HCBI, JARI, SCEDC, PA Department of Community & Economic Development, Team PA Foundation, St. Francis Small Business Development Center & Center for Global Competitiveness, SAP&DC, Southern Alleghenies Workforce Investment Board, and local county governments.

SUGGESTED ACTIONS

Numerous regional and local initiatives address the aforementioned economic and workforce development issues. To date, most initiatives are locally siloed, offering little potential for sharing and building off lessons learned, and the skill sets developed. There is a need to organize these efforts in a manner that creates regionally scaled programming and outcomes that are designed to stem population loss, realize younger household growth, and measurably increase skilled workforce.

TARGET OUTCOMES

WORKFORCE RETENTION AND ATTRACTION

Expand the number of community-specific young professionals groups focused on professional development and networking.

Increase the in-migration of younger households (particularly among cohorts aged 25–35 and 35–45).

Increase draw of households led by mid-career and experienced adults with a regional or familial tie to the SAP&DC region.

Establish a model public-private partnership regional growth initiative that links young household retention and attraction to economic and quality of life opportunities.

Develop a remote worker incentive and recruitment process that can be deployed in multiple locations within the region.

FOCUSED STRATEGIES

The region's loss of skilled talent, employers, and population can be abated through strategic approaches on key issues. Perhaps not every community will be stabilized from a financial and economic perspective, but concentrated efforts can turn the tide of momentum for certain locations, which would benefit the regional overall.

Target specific communities in the region for redevelopment and target specific communities outside the region for recruitment.

- Utilize research (from this report and elsewhere) to settle on key growth neighborhoods, communities within the region (i.e., amenity centers) that can serve to promote the best of the region externally and determine key out-of-region markets from migrating talent.
- Determine the cost and feasibility of surveying visitors to the Southern Alleghenies to determine thoughts, preferences, and perspectives on regional amenities.
- Determine priorities and connecting points for each individual county, rolling up to regional cluster-based development strategy.
    - Identify and plug gaps in local economic development leadership.
    - Focus on diversifying employment options in small counties, namely Huntingdon and Fulton.
    - Consider developing a regional dashboard data tool that will provide cohesiveness with CEDS, regional strengths, and planning priorities
- Develop co-branding and marketing of the SAP&DC region such as marketing program and measure success from a predetermined evaluation metric.
    - If successful, consider hiring professional social media/marketing agency to develop branding and roll out the program in target markets.

Consider deployment of remote worker program attraction model and outsourcing the process to a professional group with specialization.

- Determine appetite from regional leadership in each key community to the concept of a region-wide remote worker attraction model.
    - Design program policies that run with the grain of existing community values and economic development priorities.
    - Determine potential funding sources and initiate conversations.
- Explore and study lessons learned from this assessment as well as the City of Johnstown's pilot effort.

Establish a task force that inventories and assesses recent local/regional talent retention/attraction programming and sets 10-year objectives.

- Identify regional champions in fields of workforce/talent retention and development. Convene for selection of task force and goal-setting exercises.
- Utilizing existing local retention/attraction initiatives, gauge existing skill sets and local capacity levels, scaling at regional levels, and create network focused on regional outcomes over 5- to 10-year period.

Consider deploying an electronic survey of former residents, students, and those with weak ties to the SAP&DC region to determine interests, perceptions, weaknesses, and strengths related to worker attraction.

Work with regional colleges and universities on postgraduation engagement questions related to settlement, interest in returning to the region, etc.

Establish regional locally focused youth (middle and high school ages) retention initiative programs, host career day fields trips with local employers, and orient educators to link talents to experiential learning.

Establish other initial pilot programs that align with priority objectives, quantify outcomes for 1- to 3-year durations and connect with housing and quality of place strategies.

QUALITY OF PLACE STRATEGY

KEY PROBLEMS SUMMARY

1. Few threads connect recreational and cultural assets across the six-county region.
2. Region's many cultural and natural resource assets are not well known to external population, thus reducing opportunity to translate into economic opportunity.
3. Perception that region's culture is stuck in time rather than progressing with current trends. The region's ability to compete with economic and quality of place offerings is unclear and, where present, not well advertised.
4. Unique, historic downtowns have authentic and genuine appeal that is sometimes obscured by vacant storefronts and/or urban blight.
5. Regional thought leaders and organizations are not aligned to significantly impact major impediments to quality-of-life achievements.

PARTNERING ORGANIZATIONS

Explore Altoona, Bedford County Visitor's Bureau, Johnstown & Cambria County Visitor's Bureau, Laurel Highlands Visitor's Bureau, Fulton County Chamber of Commerce and Tourism, Huntingdon County Visitor's Bureau, Central Pennsylvania Convention & Visitor Bureau, Juniata River Valley Visitors Bureau and Center for Entrepreneurial Leadership, PennTAP, Pennsylvania Downtown Center. Local Colleges and Universities: Pennsylvania Highlands Community College, Allegany College of Maryland, St. Francis University, Juniata College, Mount Aloysius College, Sheetz Center for Entrepreneurial Excellence, University of Pittsburgh at Johnstown, Penn State Altoona, Somerset County Technology Center, Community Development Agencies: Bedford, Blair, Cambria, Fulton, Huntingdon, and Somerset County commissioners, Community Foundation for the Alleghenies (Bedford, Cambria, and Somerset Counties).

TOOLS

Coworking spaces, ambassador programs, active outdoor clubs, talent recruitment amenities programing, enhancement of community events, and the Pennsylvania Downtown Center.

SUGGESTED ACTIONS

The region has several qualities of place initiatives, many in their early stages. These efforts should be continued, expanded, and marketed to the several targeted markets.

TARGET OUTCOMES

QUALITY OF PLACE

Establish amenity centers serving as magnets to younger households (18- to 35-year-olds) and empty nesters (65+).

Fully leverage rural and agricultural assets to create unique natural resources, integrated lifestyles, and economic opportunities

Establish quality of place (QOP) metrics to track and evaluate over time.

Further integrate natural amenities into the experience of living in the region.

Create a diverse array of restaurant and night-life opportunities within amenity centers.

FOCUSED STRATEGIES

Build and market many strong QOP initiatives while doubling down with a regional marketing strategy and implementation of big idea quality of life (QOL) initiatives.

Create a Southern Alleghenies cultural and recreational asset map.

- Engage with leaders in tourism, cultural industries, and recreational industries to develop a full map for further planning.
- Develop a visually engaging regional geographic map.
- Consider creating separate themed maps (e.g., food and beverage, heritage, etc.).
- Determine near-term and long-term gaps that could be filled by nonprofit or for-profit entities.
- Utilize surveys and other research to examine possibilities for expanding local festivals and special events.
- Utilize surveys and other research material to determine additional community preferences for community assets at a local level.

Continue development of existing qualified life assets, including but not limited to the following:

- Whitewater rafting/kayaking opportunities
- Johnstown area mountain biking trails
- Fermented beverage businesses and industries
- United 93 Memorial Trail
- Great Allegheny Passage

Consider development of a Southern Alleghenies marketing program designed with specific objectives to be accomplished.

- Consider issuing an RFP soliciting a qualified/experienced professional firm to market region to target markets.
- Establish a multifaceted regional marketing program designed to generate multiple regional touch opportunities: talent, visitors, and businesses.
- Establish a regional broadcast network with new programming, opportunities and successes.

Improve identification to key natural amenities (e.g., rivers, lakes, and mountains).

- Improve wayfinding tools and signage from high pedestrian and foot traffic areas to natural amenities.
- Consider inviting and incentivizing social media influencers to visit, write, and post about the region and its amenities.

WORKER ATTRACTION GUIDANCE

Assessing remote worker recruitment tools and best practices is one of the particular focuses of this study. Some aspects of remote worker attraction have been integrated into the above Worker Retention and Attraction Plan, but PC's team stopped short of promoting it as a core strategy recommendation, primarily because we believe that concept will require more discussion and buy-in from local and regional economic development leadership. Therefore, the following topics should be taken as general guidance and advice for SAP&DC and others in the region to consider as they explore this possibility.

The majority of remote workers are young, well-educated, and relatively affluent. It is essential that the third spaces that regional leaders invest in have the authentic energy and vibe that such workers desire. Aspects such as interesting architecture, public art, restaurants, and entertainment are all ingredients of this atmosphere. Attempts to save money by placing coworking spaces in business parks, former big box stores, and other creatively sterile environments are not likely not lead to success.

To the extent that leaders pursue remote worker attraction models, the role of worker retention should not be neglected. The most successful models emphasize not just providing benefits to remote workers, but also stimulating community cohesion. Networks that utilize the skills and knowledge of remote workers will make them feel more at home (i.e., volunteering activities, mentorship with young business leaders/entrepreneurs, religious and community groups, etc.)

A successful worker strategic plan for a portion or entirety of the SAP&DC Region:

- Research indicates that most people who relocate to work remotely settle within a 90-minute radius of their original location.
- Key locations within the SAP&DC Region are within 150 miles of numerous metro areas including Pittsburgh, Washington DC, Baltimore, Harrisburg, Philadelphia to name a few.
- Those moving within the 90-minute proximity of their prior locations, interest in more affordable housing is primary motivator.
- Home prices in the SAP&DC Region are among the lowest in the Keystone State offers an advantage in recruiting within these markets.
- This factor must be kept in balance with the fact that housing supply is relatively thin, even for existing residents.

A regional approach should be undertaken that emphasizes the full spectrum of the SAP&DC Region. Johnstown has assets that do not exist in Bedford, Bedford has assets that do not exist in Somerset, and so on throughout the region. As the region develops out its coworking and business incubator infrastructure, leaders should consider developing collaborative agreements that allow remote workers to access spaces in any location within the region, and not just their location of residence.

Young adults in the millennial generation (current 25- to 40-year-olds) are the most likely to be remote workers. Millennials are accustomed to receiving and vetting marketing pitches and, as a rule, value sincerity and authenticity above highly polished exhibitions. The genuine historic feel, and even occasional grittiness of the region's downtown areas can serve as a benefit to many millennials seeking such an authentic built environment.

Regional leaders should consider connecting the dual issues of remote worker attraction and the inadequacy of housing:

- Development of market-rate rentals in urban environments, especially in downtown environments with existing amenities and resources (i.e., coworking space, restaurants, nightlife, walkable environments, etc.)
- Incentives that align with the need to redevelop single-family and multifamily buildings.
- Leaders should explore the possibility of down payment assistance in addition to or in lieu of a general relocation stipend.
- Incentives should be aligned with specific geographic pockets that have solid infrastructure and that leaders would like to see redeveloped.

CASE STUDY

DOWNTOWN HOUSING IN SMALL TOWNS, WOODBINE, IOWA

Along the Boyer River in Harrison County, Iowa, sits the city of Woodbine. A small farming city, Woodbine is home to about 1,500 people. The city has experienced a population decrease of about 6.7% since the 2010 Census. Like so many other rural communities in the United States, Woodbine has lost both businesses and community wealth during the past decade. Motivated to act, the broader community spurred into action, with the local Chamber of Commerce transitioning into the Woodbine Main Street program.

One of the more important facets of Woodbine's efforts to improve the economics of their downtown was the restoration of upper-level housing in the downtown area.

One of the more important facets of Woodbine's efforts to improve the economics of their downtown was the restoration of upper-level housing in the downtown area. To date, more than $10 million has been invested in downtown Woodbine through public and private sources. Over 28 buildings have been rehabilitated. Additionally, over 36 upper-story units were added to the downtown district, increasing the taxable value of the district's three block footprint by $2.5 million.

The consensus opinion from economic and community development groups who have advertised remote worker incentive programs is that demand rapidly and considerably outpaced their expectations. This fact points to several policies and practices that must be in place for such programs to be successful:

- Clearly convey definitions of program policies and ideal candidates via the program website to cut down on speculative interest and hone in on qualified leads.
- The process for assessing and on-boarding candidates must be timely, organized, and respectful of candidate's priorities and confidentiality.

Many businesses are shifting to a hybrid model for office workers, which allows them to come into the office just a few times per week or month. Some businesses prefer this model for various reasons, including saving money on urban office space, increasing worker productivity, and accommodating employee preferences. This model is especially appealing to younger workers. Lastly, rural communities face challenges in attraction for workers and retention of younger generations.

Leaders in the SAP&DC region also need to face the reality that it is difficult to attract a type of worker when there are

CASE STUDY

PURDUE RESEARCH FOUNDATION, WEST LAFAYETTE, INDIANA

About 65 miles northwest of Indianapolis, West Lafayette is home to Purdue University, which has an enrollment of over 40,000 students. Amid the pandemic and a growing trend toward remote work, West Lafayette, and the Purdue University Research Foundation (PRF) partnered to take advantage of this trend and attract new professional talent to their community. They wanted to recruit move-ready talent and increase their tax base. After a successful 2020 pilot program through which Purdue University and the university research foundation identified and recruited remote workers to live and work in the Discovery Park District, they are now scaling the effort and seeking new partners.

The successful pilot program focused on marketing the unique value offered by Purdue University and the West Lafayette community. Program participants were also offered a $5,000 relocation stipend and unique amenities such as access to Purdue University facilities, discounts on housing, coworking space, courses through Purdue Online, and programming through Purdue Foundry (a local business development service). The program generated 295 applicants with 21 who met the minimum program requirements—living outside Indiana, earning more than $50K annually, having employer authorization, and being willing to move within the next six months.

A recent economic evaluation indicated that for a roughly $10,000 investment that recruits a person who makes roughly $90K annually, the program will generate $11K in local taxes and $45K spent annually in the local community.

currently relatively few workers in the same category in the area. This challenge is manifest both in the job descriptions of such workers and in their socioeconomic status. The SAP&DC region currently has strong concentrations of workers in the areas of service, healthcare, manufacturing, and transportation, but not a strong contingent of professional/technical types of positions. The WFH trend only moderately impacted blue collar and service workers while having a more significant impact on those in professional/technical roles. Additionally, the demographic that has most embraced shifts in working from home is well-educated, childless, and high-income young adults. Though there are clear pockets of young adult activity in the SAP&DC region currently, it is not one of the region's core strengths.

CASE STUDY

TULSA REMOTE & KAISER FAMILY FOUNDATION, TULSA, OKLAHOMA

The City of Tulsa developed a strategic plan to retain its workforce and accommodate remote workers for their 400,000 population. What used to be a predominately petroleum-based economy in the city has been transitioning to a more diverse base of industries and now has major firms in telecommunications, manufacturing, energy, and aviation. As the city's population continued to grow along with the economy, local officials anticipated the need for a diverse group of talented professionals across a range of industries to participate in the ascension of Tulsa's economy. Tulsa Remote is the program economic development leaders developed to bring diverse, bright, and driven individuals to the city for community building, collaboration, and networking. Tulsa Remote has directed its efforts toward recruiting workers who currently reside outside Oklahoma, hold remote positions, and have in interest in relocating to Tulsa.

Launched in 2018, the program brings remote workers and "digital nomads" to the community by offering $10,000 grants and community building opportunities. The program is funded by the private Kaiser Family Foundation.

In just three years, the program has brought over 1,000 new remote workers to Tulsa from across a broad range of industries. These participants were chosen from over 40,000 applications to the program. Although these new residents have said the $10,000 was certainly enticing, what was even better was the sense of community new residents found in the city. The top reasons members of the program applied to live in Tulsa are

- high quality of life with low cost of living;
- ability to have a home office, yard, or garden;
- lack of pollution and traffic congestion;
- proximity of neighborhoods to downtown; and
- ability to have a pet.

So far, about 90% of those who have relocated have stayed beyond the one-year duration of the program. An important determinant of success has been how responsive the Tulsa Remote staff has been toward inquiries from prospective applicants. When someone expresses interest in the program, it is important to keep them engaged and to follow up, just as an employer would be responsive during a hiring process. Other results from the program have been the stimulation of new startup businesses in Tulsa and relocated remote workers taking new local jobs in Tulsa. Ultimately, the program has also had success because Tulsa Remote markets its community well and maintains a sense of community and quality of life that new workers value immensely.

SOCIOECONOMIC AND HOUSING INSIGHTS

POPULATION & MIGRATION

- 2010 to 2020 the SAP&DC region decreased over 29,000 people and within each county. Yet, there are some positive trends:
    - Bedford, Fulton, Huntingdon, and Somerset counties have a large portion of individuals in the mature adult category (40- to 49-years of age)
    - Blair and Huntingdon counties host a large number of 20- to 29-year-olds
- Bedford and Fulton typically pull more relocators from Maryland counties such as Allegany and Frederick. Blair draws people from exurban counties in eastern Pennsylvania and loses population to the west including counties such as Allegheny, and Westmoreland.
- Counties from which net migrators were drawn over the most intense months of COVID were primarily urban or suburban areas of the northeastern states. A few of the highest rated individual counties include Butler, Philadelphia, Baltimore City (MD), and Lynchburg (VA).

Blair, Fulton, and Cambria all saw a boost in the young adult age group (25 to 44 years of age) between 2010 to 2019.

EMPLOYMENT

- Industries that have expanded employment in the last decade include Agriculture, Forestry, Fishing and Hunting, and Transportation and Warehousing.
- Many business establishments in the region sustained operations during the pandemic. Four of the six Southern Alleghenies counties (Bedford, Blair, Fulton, and Huntingdon) are above where they were in the first quarter of 2020.
- Nationally, 55% of employers reported that the forced remote work phenomenon went somewhat or much better than expected, and 10% said it was worse than expected.
- Within the next year: 58% of businesses plan to open more satellite and suburban offices, and 51% plan to consolidate space in non-premier business districts.

The top two biggest threats to community resiliency observed by locals in the region were aging/decreasing local population and blighted areas

RESILIENCY

- The highest rated counties in SAP&DC Region for community resiliency include Bedford, Fulton, and Somerset, each of which ranks among the top ten in the State. Cambria ranks in the middle. Huntingdon and Blair both rank in the bottom third of all counties in the state.
- 40% of survey respondents consider the SAP&DC region resilient to challenges, while 47% feel the region is vulnerable.
- To improve resiliency, community member indicated a desire to invest in the following over the next five years:
    - Retention or re-attraction of young adults
    - Reducing/removing blighted properties
    - Broadband internet
    - Quality of place (for example: public art, trails and parks, special events, etc.)
    - Non-subsidized but attainably-priced housing

DEMOGRAPHICS

The region's population is declining. Overall, the SAP&DC region decreased by over 29,000 people between 2010 and 2020, and each of the six counties lost residents. In terms of gross population loss, Cambria and Blair led, losing 14,700 and 6,000 residents, respectively. On the other end of the scale, Fulton decreased by just over 300 and Huntington by 1,400. In percentage terms, Cambria and Somerset counties had the highest rate of loss at -10.3% and -6.2%, respectively, and Huntingdon and Fulton had the smallest percentage population declines.

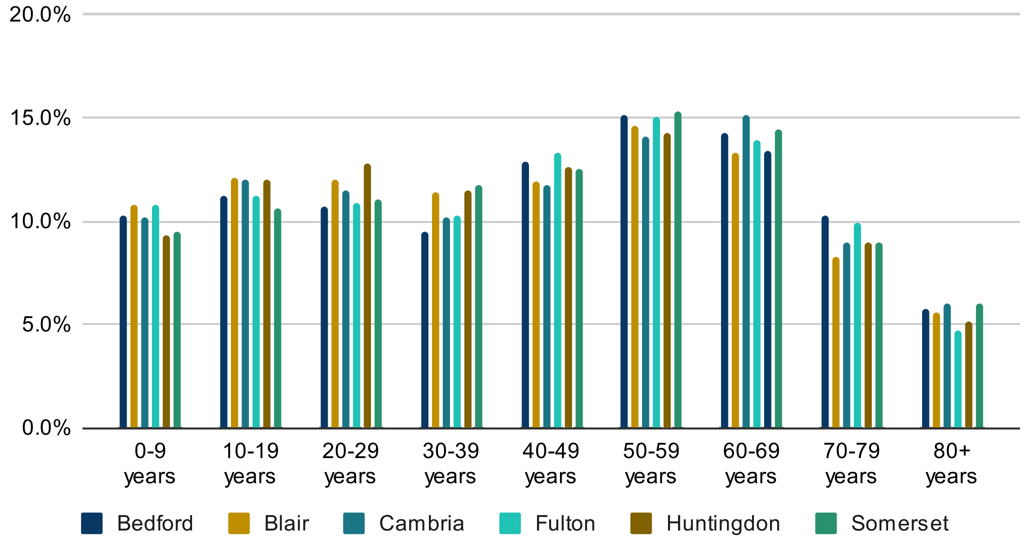
These trends are out of step with Pennsylvania, as the state saw its population grow by a modest 0.6% over the same period. It is worth noting, however, that most counties in the state lost population. Just 20 of the state's 67 counties increased in population over this term. Most growth was within the greater Philadelphia metro area.

TABLE 1: POPULATION CHANGE, 2010-2020

Region	2010 Population	2020 Population	Change	Percent Change
Bedford	49,699	47,817	(1,882)	(3.8%)
Blair	127,045	121,007	(6,038)	(4.8%)
Cambria	143,461	128,672	(14,789)	(10.3%)
Fulton	14,862	14,501	(361)	(2.4%)
Huntingdon	45,994	44,590	(1,404)	(3.1%)
Somerset	77,759	72,916	(4,843)	(6.2%)
SAP&DC Region	**458,820**	**429,503**	(29,317)	(6.4%)
Pennsylvania	**12.71 M**	**12.78 M**	80,386	0.6%

Source: US Census Bureau, 2010 and 2020 Annual Population Estimates

FIGURE 1: AGE COHORT DISTRIBUTION BY COUNTY



Source: U.S. Census Bureau, 2010 and 2019 American Community Survey 5-Year Estimates

Current age distribution data indicates age cohorts that compose the largest components of population and which cohorts have been changing over time. In comparison to Pennsylvania, the SAP&DC region has a higher proportion of individuals in all cohorts age 40 and over. As indicated in Figure 1, the most dramatic differences are among those in the 60- to 79-year-old age brackets.

Distributions are similar on a county-by-county basis, but there are a few key differences. Bedford, Fulton, Huntingdon, and Somerset each have an encouraging large portion of individuals in the mature adult category (i.e., 40- to 49-years of age). The amount of 20- to 29-year-olds in Blair and Huntingdon Counties are also an encouraging sign for future prospects of the region.

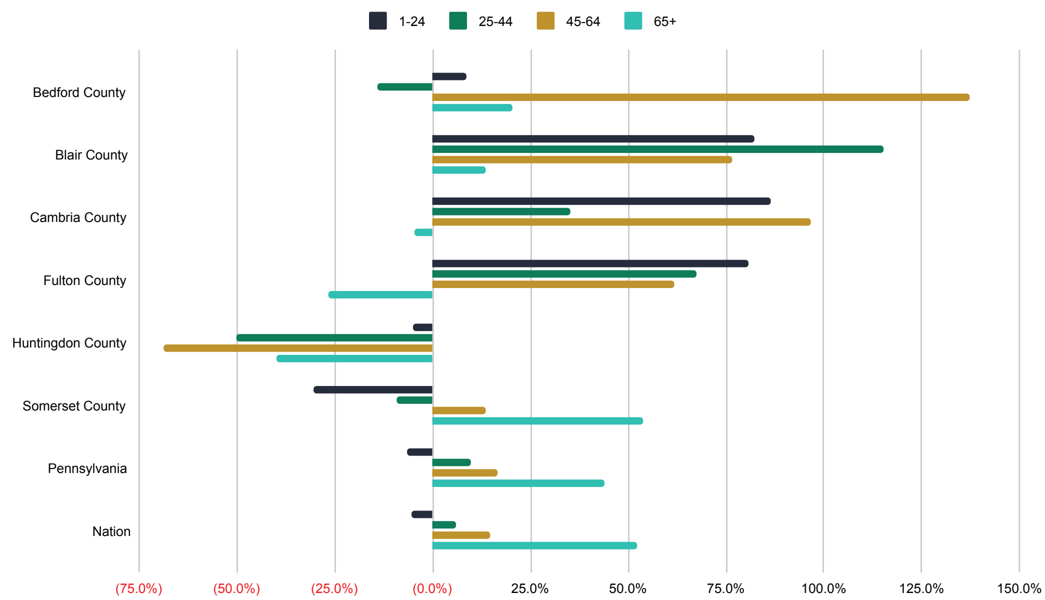
The amount of 20- to 29-year-olds in Blair and Huntingdon Counties are also an encouraging sign for future prospects of the region.

Determining change over time for specific age cohorts is challenging since the Census Bureau focuses efforts on communities with a population of 65,000 or higher. For 2010–19, only Blair and Cambria counties surpass that threshold within the SAP&DC region. As anticipated, both counties had increased population among individuals 65–74. Interestingly, Blair County saw a boost of those aged 25 to 34 (+1,000), and those aged 10 to 14 (+790). Cambria County, meanwhile, did not see appreciable gains in any younger age cohorts.

MIGRATION

Between 2019 and 2020, Bedford and Fulton were the only two counties to experience positive migratory change in population, but only slightly (+44 and +16, respectively). The trend follows suit for Fulton County, but for Bedford this is a reversal of prior years' trends. The other counties continued to see negative change due to migratory causes, most notably Cambria (-768). Within Pennsylvania at large, counties immediately adjacent to urban areas saw the greatest benefit, including Montgomery, Cumberland, Butler, and York.

FIGURE 2: MIGRATION GROWTH BY AGE, 2010-2019



Source: Points Consulting using U.S. Census Bureau, Population Division

A layer deeper within these data reveal not only migration patterns, but migration by age group. Figure 2 displays percent change in persons per age group who migrated between 2010 and 2019. Most notably, Blair, Fulton, and Cambria all saw a boost in the young adult age group (25 to 44 years of age). In real terms, Blair experienced the greatest impact, increasing its yield of population in this group by 860 individuals. Interestingly, Bedford witnessed a massive boost in those in the 45- to 64-year-old cohort. The 137% increase is associated with a numeric increase of 265 individuals. In practical terms, a continued growth in this cohort could have an outsized impact on Bedford County. Lastly, Huntingdon saw notable net decreases across all age groups.

It is worth pointing out a few more regional dynamics specific to particular counties. Being closer to the southern border, Bedford and Fulton typically pull more relocators from Maryland counties such as Allegany and Frederick. Blair County regularly draws people from exurban counties in eastern Pennsylvania and loses population to the west including counties such as Allegheny, and Westmoreland. Somerset generally loses population to immediately surrounding counties on all sides. Meanwhile, new residents tend to come from scattered areas in central and eastern Pennsylvania.

CASE STUDY

REMOTE SHOALS WORKER ATTRACTION PROGRAM, FLORENCE, ALABAMA

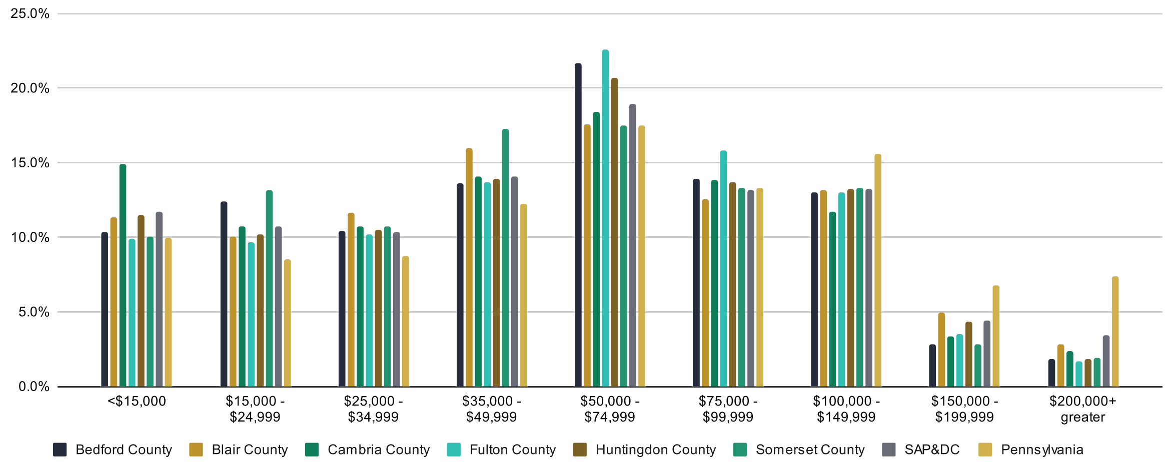
The Shoals Chamber of Commerce and the Shoals Economic Development Authority (SEDA) partnered to create the Remote Shoals program to relocate talented remote workers to the region. The Shoals program, closely modeled after Tulsa Remote, touts the region’s low cost of living, its welcoming community, and its creative culture as some of the incentives to attract new workers. In addition, Remote Shoals offers $10K, with 25% up front for relocation, another 25% after the first six months, and the rest after the first year.

The Shoals also markets its location as an advantage in that it is relatively close to major cities such as Birmingham, Nashville, and Memphis and just a one-hour flight to Atlanta. This means those who relocate are close to major metropolitan areas but do not experience some of the drawbacks of these areas such as pollution, traffic congestion, and a generally higher cost of living.

To be considered for the Remote Shoals program, candidates must have a minimum annual income of $52K, be able to move to the area in six months, be 18 or older, and hold full-time employment in a remote capacity outside of the principal counties. Candidates are evaluated by program staff and ultimately must complete an interview to be personally selected.

HOUSEHOLD INCOME

FIGURE 3: DISTRIBUTION OF HOUSEHOLD INCOME

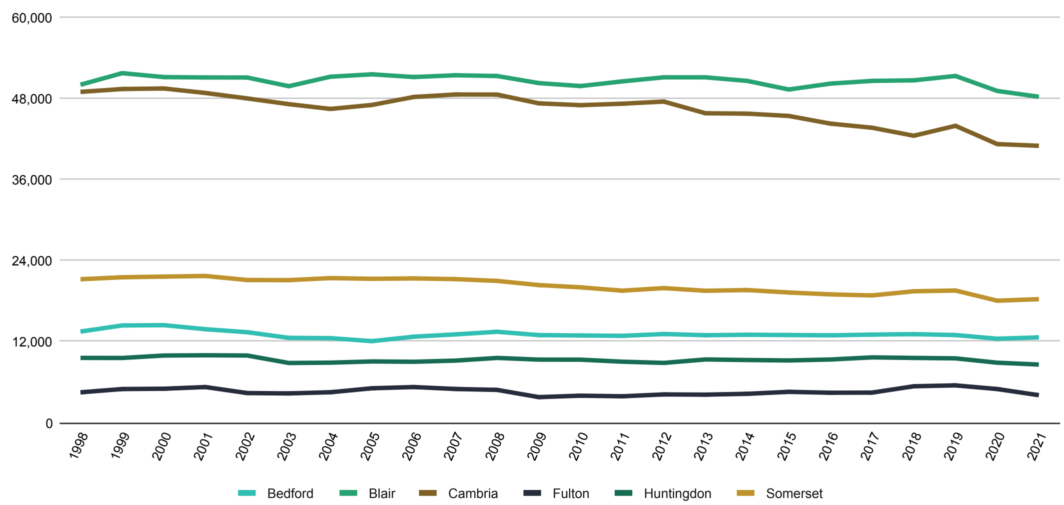


Source: Points Consulting, 2021 using Esri Business Analyst

Most households within each county, the SAP&DC region, and the state of Pennsylvania tend to earn an income in the $50–$75K range. The region trails statewide benchmarks among higher income groups; for example, households earning over $100K are 9 percentage points higher at the state than the regional level.

INDUSTRY & EMPLOYMENT

FIGURE 4: CHANGE IN EMPLOYMENT OVER TIME



Source: Points Consulting using LEHD Quarterly Workforce Indicators

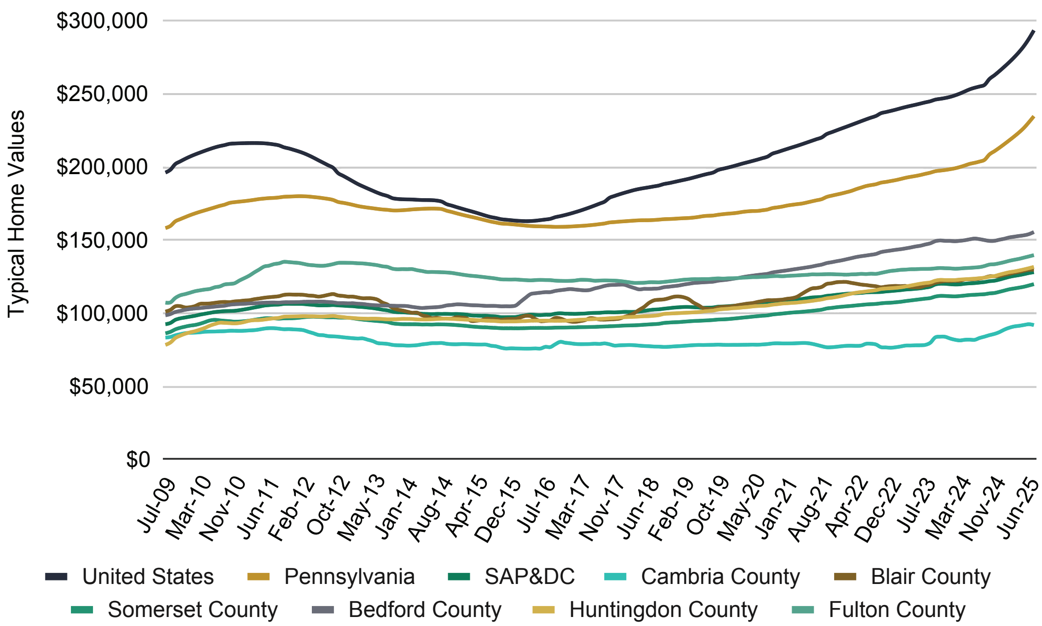
Figure 4 tells the story of the employment change in the SAP&DC region over an extended period (1998–2021). All counties lost some employment, but Blair remained the largest employing county and most stable over the period. Cambria has been hardest hit, decreasing in private sector employment by 16.3% over the period. Somerset also fared poorly in percentage terms, decreasing by 13.9%. Bedford and Huntington have seen ups and downs but are generally in an average pattern for rural counties in Pennsylvania. Fulton, as previously noted, experienced wild swings due to a low number of private sector employers.

Industries that have expanded employment in the last decade include agriculture, forestry, fishing and hunting and transportation and warehousing.

KEY HOUSING INDICATORS

Across Pennsylvania, smaller rural towns are seeing a boom in real estate business as people consider moving to less populated areas or buying a second home in midst of the pandemic. As noted previously, the number of households relocating is not great, but in markets with relatively low inventory, it does not take much to alter trajectory of the market. Low interest rates and the ability to work from home drive a desire for larger, more affordable locations and homes.

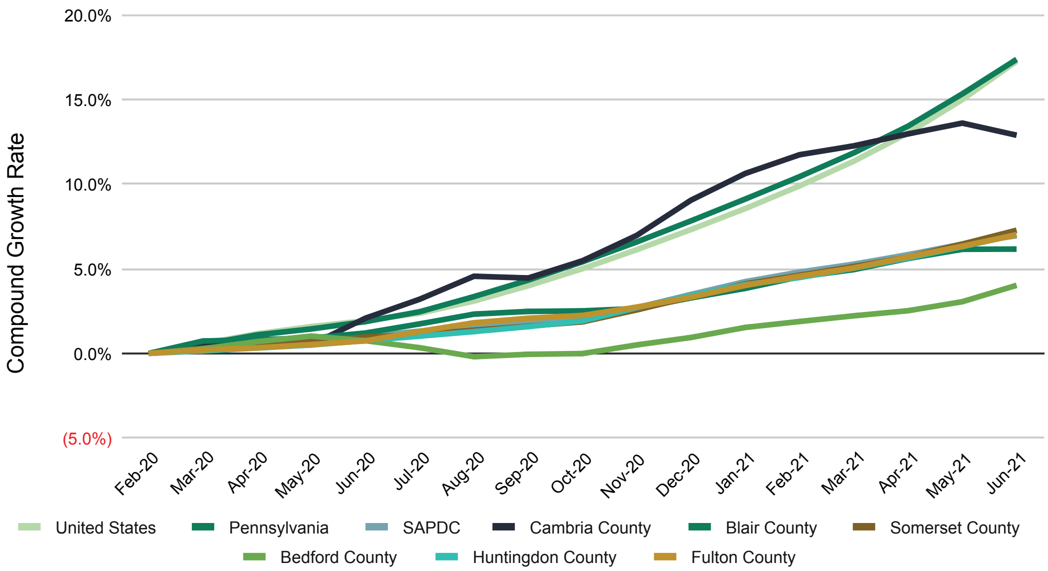
FIGURE 5: REGIONAL HOME VALUES 2005–2021



Source: Points Consulting using Zillow Home Value Index (ZHVI)

Figures 5 and 6 display changes in single-family home values over time. Appreciation in home values is both a positive and negative for community development. On the one hand, it is a benefit to existing homeowners, on the other hand, it creates affordability issues for nonhomeowners and new residents moving to the region.

FIGURE 6: TYPICAL HOME VALUES BY COUNTY, 2020–2021



Source: Points Consulting using Zillow Home Value Index (ZHVI)

Fortunately, homes are generally far less expensive than both national and state benchmarks. Counties in the region saw little home value appreciation between 2005 and late 2015. Since that time, all counties have seen increases to a greater or lesser degree. Bedford and Fulton have the most dynamic trends in home values. Interestingly, Bedford surpassed Fulton as the region's most expensive housing market in early 2016.

Indicating both a lack of supply and high demand, prices in certain counties have escalated rapidly in recent months. Cambria, Fulton, and Somerset all saw a greater than 7% increase in typical home values between the start of the pandemic and summer 2021.

Over the past year, data on sale prices indicate that single-family homes in the region are selling from 12.5% to 14.3% more than in 2019–2020.

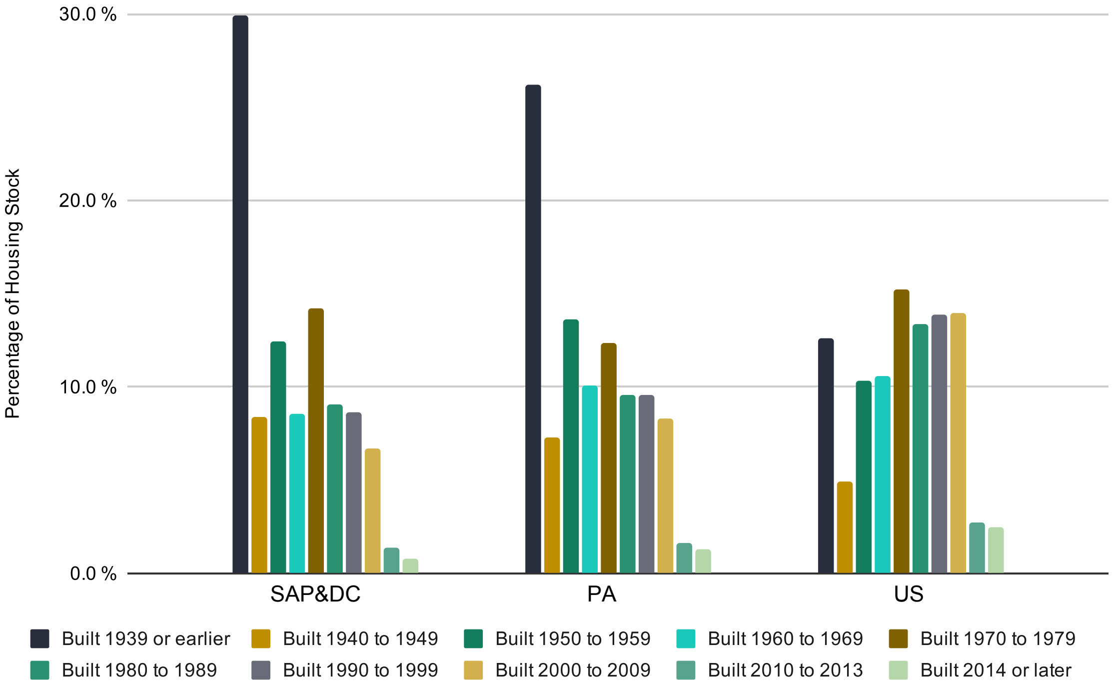
During the early months of the pandemic, the housing market surged amid moderate relocation from cities as residents worked and took online classes from home. This fueled the demand for larger homes in the suburbs and other low-density areas. These events have a natural effect on prices that continued to climb for all homes through October 2021. Over the past year, data on sale prices indicate that single-family homes in the region are selling from 12.5% to 14.3% more than in 2019–2020.

Between 2019 and 2021, higher-priced home listings have surged (a 42.7% increase in homes valued at $200–749K) while lower-cost home listings have declined (a 13.9% drop in homes valued under $100K).

TRENDS IN HOUSING TYPE, VACANCY, AND VALUE

Figure 7 displays home building trends in the SAP&DC compared to the state and the nation. A remarkable 29.9% of the region's housing stock was built prior to 1939. The next largest decade of production was 1970–1979, when 14.1% of housing stock was built.

FIGURE 7: HOUSING UNITS BUILT OVER TIME



Source: Points Consulting using ACS 2015–2019

The historic housing stock of the region is noteworthy draw for certain homebuyers but a concerning sign of high levels of maintenance for other buyers.

Rather than building new homes or renovating outdated housing stock an option presented by the National Association of Realtors in 2021 from their own research project was the conversion of hotels/motels into multi-family housing.

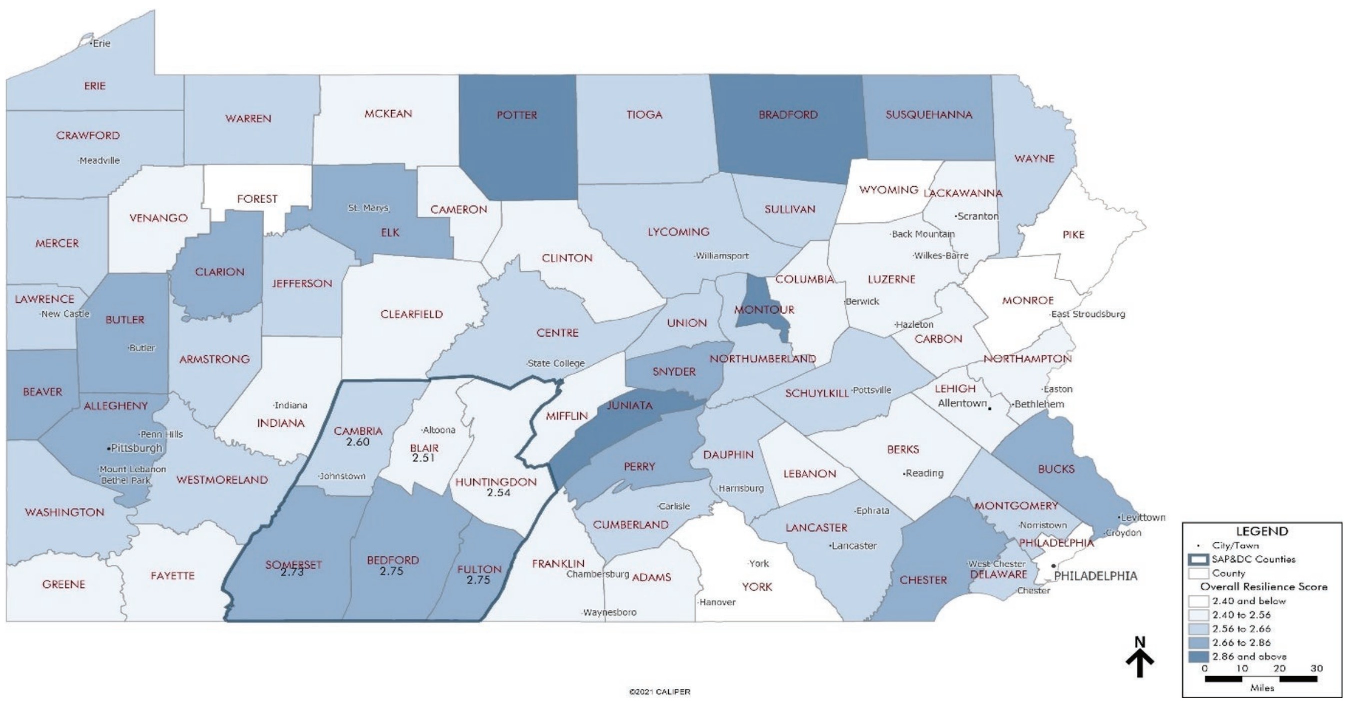
The historic housing stock of the region is noteworthy draw for certain homebuyers but a concerning sign of high levels of maintenance for other buyers.

ECONOMIC RESILIENCY

COMMUNITY RESILIENCY

Resilience to natural and manmade disasters is a crucial quality for communities that survive hardship and are able to thrive afterwards. The last 24 months have brought numerous examples of disasters community responses, including the COVID pandemic, regional wildfires, and civic unrest.

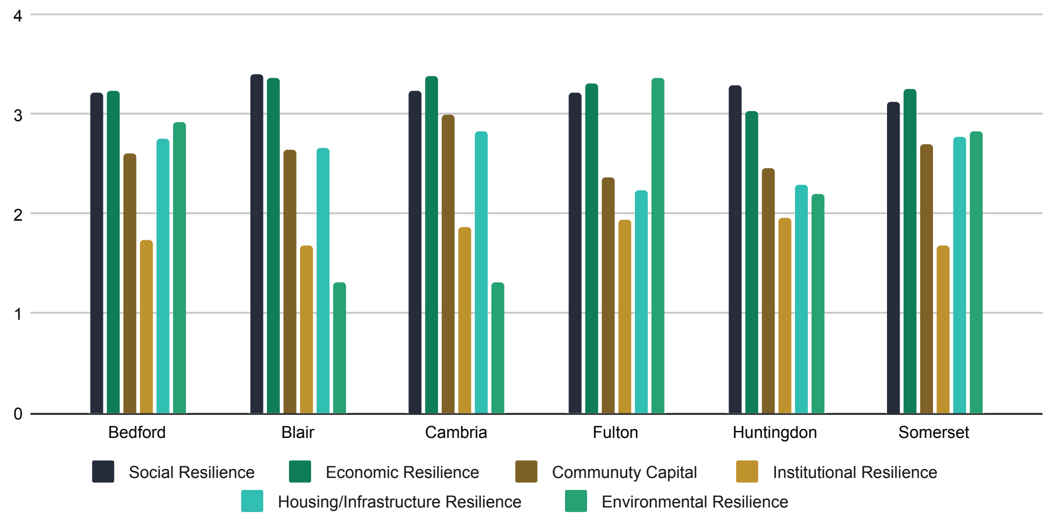
FIGURE 8: RESILIENCY SCORES FOR THE SAP&DC REGIO COMPARED TO REST OF PENNSYLVANIA



Source: Points Consulting using BRIC model

> ***Resilience to natural and manmade disasters is a crucial quality for communities that survive hardship and are able to thrive afterwards.***

FIGURE 9: RESILIENCY INDEX, DETAILS BY CATEGORY



Source: Points Consulting using BRIC model

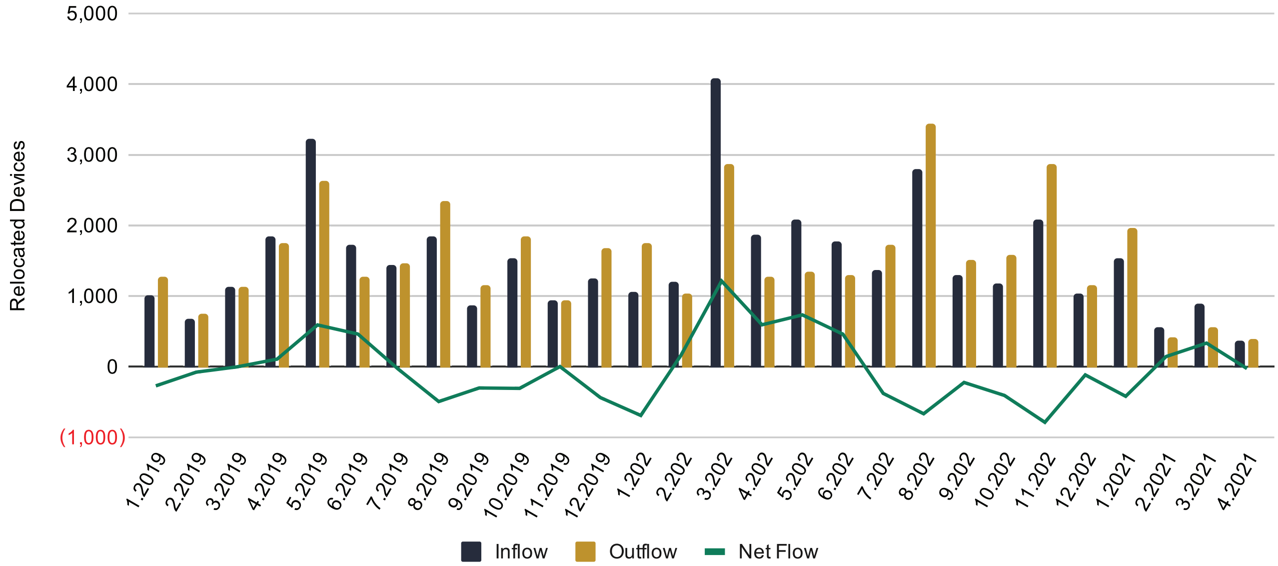
The six-county SAP&DC region posts average overall resiliency when compared with the rest of Pennsylvania. Counties with the highest scores in Pennsylvania include Potter, Montour, Bradford, and Juniata. Those highest rated within the SAP&DC Region include Bedford, Fulton, and Somerset, each of which ranks among the top ten. Cambria ranks in the middle. Huntingdon and Blair, meanwhile, both rank in the bottom third of all counties in the state.

Each individual county has its own bright spots. To cite a few examples, Bedford excels at temporary shelter availability, Blair at population stability, Cambria at housing stock construction quality, Fulton at school restoration potential, Huntingdon at local disaster training, and Somerset at race/ethnicity income equality.

COVID POPULATION IMPACT

Figure 10 and the subsequent county-level charts indicate three metrics: inflow, outflow, and net flow. Net flow is simply the difference between devices that come in and devices that leave the area. All three factors are displayed to emphasize the fact that under any conditions there is a churn of people moving in and out. So, although gross population may not change significantly, the individuals living in the area may be significantly different.

FIGURE 10: NET-MIGRATION TRENDS IN SAP&DC REGION, JANUARY 2019- APRIL 2021



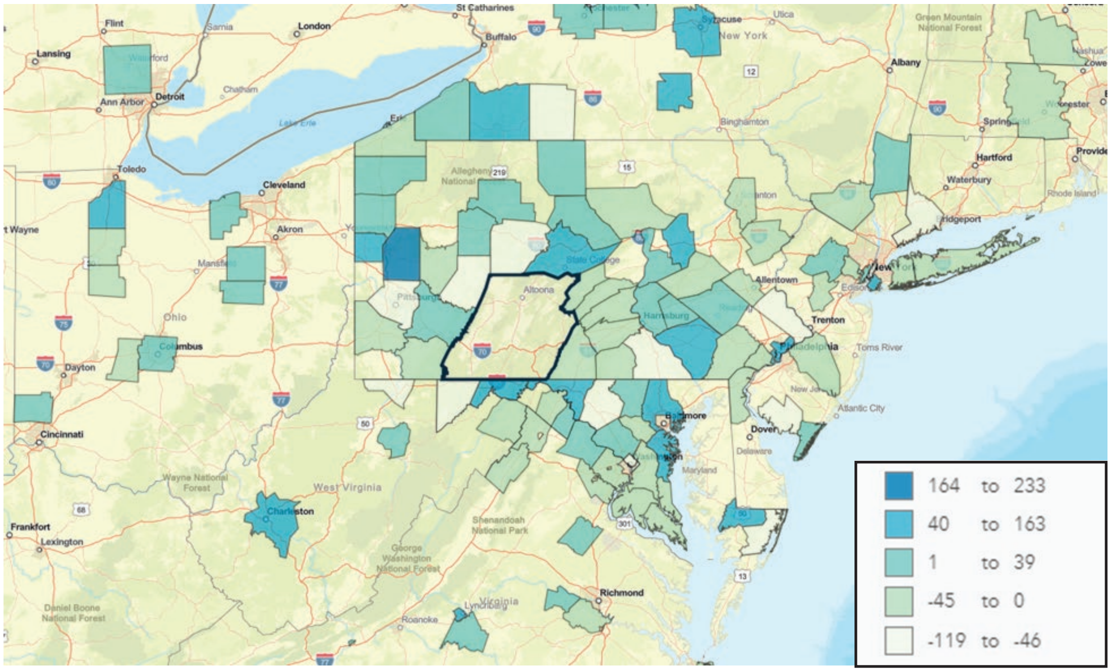
Source: Points Consulting using Unacast

Data indicate that expectations of mass in-migration stimulated by the pandemic have been largely unfulfilled. On the net, the region continued to lose devices in 2019 and 2020, while seeing a slight gain of 45 in the spring months of 2021. Confirming the findings of the census migration data previously mentioned, Bedford and Fulton did see some positive net in-migration (+27 and +111, respectively). Interestingly, Unacast data also indicate an increase in Blair County in 2020 (+448), while the census does not. The data also indicate strong seasonal patterns that generally indicate net in-flow in spring and summer months and net outflow in fall and winter months.

> ***The data also indicate strong seasonal patterns that generally indicate net in-flow in spring and summer months and net outflow in fall and winter months.***

Counties from which net migrators were drawn over the most intense months of COVID were primarily urban or suburban areas of the northeastern states. A few of the highest rated individual counties include Butler, Philadelphia, Baltimore City (MD), and Lynchburg (VA). However, positive in-migration was seen from more distant locations such as Kanawha (WV), Onondaga (NY), and Kings (NY). The data also permit some level of analysis on income, though it is not precise. Generally speaking, those flowing into the SAP&DC Region were coming from areas of higher income.

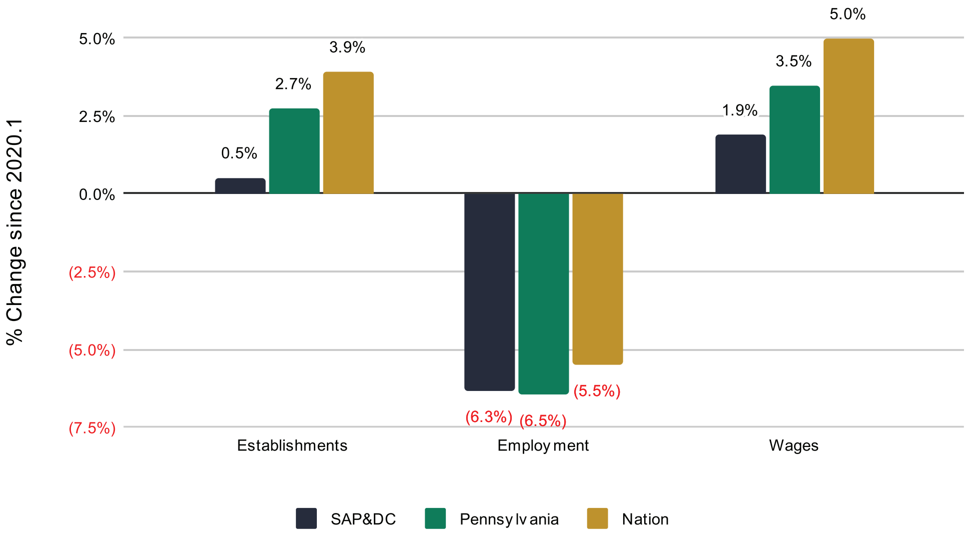
FIGURE 11: COUNTY-BASED NET MIGRATION TO/FROM THE SAP&DC REGION



COVID ECONOMIC IMPACT

The 2020–2021 global pandemic impacted the economic lives of Americans in many ways, some short-term and some potentially longer-term. Some short-term effects are measurable in terms of employment, income, business establishments, etc. Longer-term effects will take many months, if not years, to fully comprehend. Economists are beginning to recognize measurable long-term changes in terms of factors such as labor force participation, employment tenure, wage growth, and lingering supply chain issues, to name a few. In this section, PC provides our best effort to quantify known regional effects in both short-term and long-term socioeconomic metrics.

FIGURE 12: CHANGE IN ESTABLISHMENTS, EMPLOYMENT & EARNINGS IN SAP&DC REGION COMPARED TO PENNSYLVANIA & NATION



Source: Points Consulting using Quarterly Census of Employment & Wages

Figure 12 displays the percentage change in business establishments, employment, and wages between quarter one and quarter three of 2020. Generally speaking, many business establishments in the region sustained operations during the pandemic. And, in fact, as of the most recent data, four of the six Southern Alleghenies counties (Bedford, Blair, Fulton, and Huntingdon) are now above where they were in the first quarter of 2020. Those remaining behind are Cambria and Somerset counties.

Average quarterly employment is down in all six counties. The counties with the largest drop in employment are Fulton (-20.0%), Huntingdon (-7.4%), and Cambria (-7.1%). The other three counties' employment bases also continue to be lower, led by Somerset (-5.8%), Blair (-5.0%), and Bedford (-3.6%). Overall, employment is down around 38,000 compared to its Q1 2020 peak as of the first quarter of 2021.

Generally speaking, many business establishments in the region sustained operations during the pandemic.

A third measure of the impact of the pandemic is average quarterly wages. Likely owing to the strong federal and state response to restore households' income during the pandemic, average wages have performed relatively well. Average wage growth has been strongest in Huntingdon (+4.9%), followed by Bedford (+4.4%), Blair (+2.8%), and Somerset (+1.8%). Average wage growth was still lower in 2021 Q1 than it was in 2020 Q1 in two of the counties: Cambria at -0.2% and Fulton at -1.5%.

From February 2020 to July 2021, the impact of the pandemic on labor force participation has been drastic. All counties remain at levels below pre-pandemic levels, though not all to an equal degree. As shown in Figure 13, Blair is the closed to pre-pandemic levels (855 fewer workers or -1.4%). Cambria is the worst off (3,100 fewer workers or -5.5%).

FIGURE 13: CHANGE IN LABOR FORCE, FEBRUARY 2020 TO JULY 2021

Source: Points Consulting using Bureau of Labor Statistics, Current Population Survey

ABOUT

POINTS CONSULTING

At Points Consulting (PC) we believe in the power of peoples' interests, passions, and behaviors to shape the world arounds us. Now more than ever, people are the primary factor in the success of businesses, organizations and communities. Our work is focused not only on how people impact communities and organizations, but how to align their potential to create more successful outcomes for all. We partner with private and public entities on projects such as feasibility studies, economic impact studies, and strategic planning. In summary, at Points Consulting we believe in "Improving Economies. Optimizing Workforce."

PC was founded in 2019 and since that time has completed many projects both regional and national in focus. Firm President, Brian Points, has worked in the public/private management consulting industry for the past 14+ years focusing on research projects, in general, and feasibility studies, in particular. In past roles he has managed many projects funded by federal agencies including the USDA, the DoD, and the EDA.

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