

HOUSING PLAN

Future Housing Needs: The future population of any community is the basis for its future housing needs. And, this is true for the Twin Rivers Study Area. According to the Census, there were 38,637 occupied dwelling units in the year 2000. The total dwelling inventory was 41,710. Vacancies amounted to 3,073 units, or 7.4% of the housing stock. Of the vacancies, only a small number were seasonal. For the purpose of future housing needs projection, a more conservative vacancy rate of 5% will be used (about that of Allegheny County).

A second aspect to consider is the number of persons in some type of group quarters. Between 1990 and 2000, the group quarter population increased in the Study Area by nearly 500 persons (35%) to 1,876 persons. For the purpose of the housing needs projection, this number is expected to increase to about 2,000 persons, and then remain constant. This assumption is predicated on the fact that most of the "de-institutionalization" from various State hospitals has been essentially complete. It is assumed that future growth in the institutional segment will be primarily in nursing homes.

The final aspect of the housing needs projection is that of household size. In 1990, the average household size in the Study Area was 2.44 persons; by 2000, this had dropped 3.2%, to 2.36 persons per household. Such a reduction in household size is typical in Western Pennsylvania though, nationally, this trend varies greatly. In areas experiencing heavy in-migration, household sizes are growing. However, this is not the case in Western Pennsylvania. Consequently, a continued modest decrease in household size is projected.

Finally is the issue of losses to the housing stock. Between 1990 and 2000, some 1,480 dwelling units were lost (Census data) in the Twin Rivers Area. Most of this decrease was the result of demolitions, notably in the McKeesport area. As the housing stock in the entire Area is old (much built before 1940), ongoing losses can be expected. However, an annual average of nearly 150 units appears excessive. This factor was decreased to 80 units per year, or about 0.2% annually of the housing stock.

In summary, future housing needs are forecast using the following factors (all figures rounded):

- Expected household population
- Persons per household
- Dwelling unit attrition
- A nominal vacancy rate of 5 percent

Expected household population:

2010	88,700* - 2000 (group quarters)	86,700
2020	89,300* - 2000 (group quarters)	87,300

*These numbers were taken by averaging SPC and GGCA population projections (see Background Report).

Net dwelling unit needs:

2010	$86,700 \div 2.24^* = 38,700$
2020	$87,300 \div 2.17^* = 40,200$

*Average persons per dwelling unit

Units lost to attrition

2000 to 2010	800
2010 to 2020	800

1. Housing units required in 2010 – 40,700. Housing units expected to be available – 40,900.
2. Housing units required in 2020 – 42,300. Units expected to be available – 40,100. Net need – 2,200 units.

Consequently, if there is no significant deviation from current population trends, the total housing market demand from 2000 to 2010 is expected to be flat. This is based upon a decrease in population that will offset smaller household sizes and housing attrition. From 2010 to 2020, a modest population increase is forecast. That increase, coupled with a continuing reduction in household size and the

ongoing loss of units by attrition should create a 10-year need of 2,200 dwelling units.

All of this assumes all current trends will remain in place. Though these projections are quite theoretical in nature, they do provide a baseline figure for the Twin Rivers housing market.

However, if no actions are taken, a more likely scenario can be expected that:

- Older urban places such as the City of McKeesport as well as Glassport and Elizabeth Boroughs will experience higher than 5% vacancy rates.
- The more rural areas, especially Forward and Elizabeth Townships, will experience housing growth via new subdivisions, especially as sanitary sewer service becomes available.
- The remaining areas will experience some increases and decreases which will likely balance out.

The Need for Programs to Preserve the Housing Stock: With the loss of housing units between 1990 and 2000 (essentially in older urban areas) and over 12,000 dwelling units in the Study Area 60 or more years old, there is an obvious need for continuing efforts to maintain the housing stock.

- Demolition: It appears that this approach is contrary to housing stock preservation. However, in the short term, demolition is needed. Dilapidated structures present a severe blighting influences on neighborhoods. Abandoned units can discourage investment in nearby homes, can present safety hazards, and sometimes attract undesirables.
- Rehabilitation: For many years, the Federal Community Development Block Grant funds and HOMES grants have been used for housing rehabilitation needs programs. Often, these programs have focused on total housing rehabilitation and have become increasingly expensive. Over the past five years, the average cost of rehabilitation, per unit, in Western Pennsylvania has risen from under \$15,000 to \$20,000 plus. Then, approximately two years ago, certain additional Federal regulations relative to lead-based paint were

introduced. This has further increased “rehab” cost by \$10,000 to \$15,000 per unit. Consequently, the average cost of a total single-unit rehabilitation can easily fall into the \$25,000 to \$35,000 range. And, this often does not address the exterior appearance. Because of such cost, this traditional approach does not make sense in the TRCOG Area, as an expenditure of \$1,000,000 might well only result in the rehabilitation of 30 to 35 housing units. Recognizing that McKeesport has its own program and the fact Madison and West Newton are in Westmoreland County, it still leaves nearly 29,000 units in the net TRCOG housing service area. Annually, the “rehab” of 35 units equals only 0.1%—not great enough to make a real impact.

Conversely, the Fresh Paint and Sidewalk Programs, now used by the TRCOG, have much more modest costs and result in an exterior, visual benefit to the community. For the upcoming program year, the cost limits will be \$2,500 for the Fresh Paint Program and \$1,500 for the Sidewalk Program; a possible total expenditure, per unit, of \$4,000. Using the theoretical \$1,000,000 in program funds, combined, these programs could address 250 or more units annually. This is seven to eight times the result of the full rehab program. That level could approach 1% of the total housing stock and over a multi-year period make a significant impact.

The foregoing measures the effectiveness of the Fresh Paint, Sidewalk Programs in theory. They are, in fact, viable programs.

The TRCOG is able to service 32 homes in their current program year, with over 40 on a waiting list. The need for this program is ongoing, and should be expanded. If funding were increased to \$500,000 per year, there is little doubt its impact could be seen quite quickly. If the net number of problem units 5% of the total housing stock (excluding McKeesport), a need of 1,500 units is seen. At 125 units per year, nearly 8% of all units in need could be addressed annually. Over a 10-year period, a good portion of the deteriorated housing stock could at least receive a facelift. Of course, administrative funds would be needed and not all units could be helped. Yet, this does represent a very real option to have a positive visual impact on the TRCOG Area. And, with some cooperation, there is no reason Madison and West Newton could not benefit from this program.

Up to this point, the Plan has concentrated upon traditional, almost status quo, policies and programs. However, if the TRCOG is to pursue a program of population stabilization and stimulate real growth, more aggressive actions are needed.

The Twin Rivers Assets Program: This program is designed to view all vacant properties, abandoned homes, and tax-titled properties as possible community assets. It requires the use of the TRCOG GIS system. Essentially, it will focus on the older communities. All municipalities would be invited to participate.

Phase 1: Using parcel-based maps, identify vacant, tax title, and abandoned properties. This program can work in both Allegheny and Westmoreland County; however, due to differences in the treatment of tax title and sheriff sale property, Allegheny County presents a special challenge. Many Twin Rivers communities related the difficulty they experience in attempts to acquire abandoned properties. This is primarily caused by Allegheny County procedures/laws and the attitude of other taxing bodies, primarily school districts. These are difficult problems that must be resolved if this program is to succeed. But, the reward would be dramatic.

Though the acquisition of tax-titled properties offers one option, it need not be the only one. In some communities, cleared vacant properties already exist. The Patterson property in Glassport is one such area, which Glassport officials relate could accommodate up to 126 new housing units.

Phase 2: Ask local developers and real estate agents to participate in a workshop on housing. Seek to identify:

- Strong market areas
- Weak market areas
- Unmet needs
- Persons willing to serve on a TRCOG housing task force

This group should review the results of the property identification in Phase 1 to determine the most promising development sites that are available.

Phase 3: Search out developers who have successfully used government programs focused on moderate to middle-income home renters/buyers. Those of the Pennsylvania Housing Finance Agency (PHFA) are one such option. Often such sources have greater income flexibility than those that based on Federal standards. For example, the PHFA Single-Family Program allows mortgages up to \$189,000 for a new home in Allegheny County, and families of three or more can earn up to \$65,000 annually. Conversely, the HUD “LMI” limit for a family of three in Allegheny County is \$38,950, only some 40% the PHFA standard. Furthermore, while there are various HUD-based housing initiatives, and the private market focused on those with higher incomes, few are at the middle ground—a good starting point for housing in the Twin Rivers Area. Marketing to true middle-income residents would translate into high returns for local taxing bodies.

Phase 4: Analyze the prior two steps to determine housing opportunities for the TRCOG Area. This should include single-family and townhouse developments, not just multi-family complexes.

Phase 5: Identify possible projects and project areas. Set up neighborhood meetings to discuss tentative housing initiatives during the preliminary stages. Address concerns—involve the neighborhood. Respect historic assets—try to keep projects affordable to moderate—middle-income persons.

Phase 6: Partnering: Review possible private-sector partners. Consider an RFP process. Form a formal alliance with developers’ to initiate and finalize projects.

Phase 7: Examine the problems of land assemblage, tax lien problems, eminent domain, etc. Work with legislators to devise processes or change laws to convert unused real estate parcels to assets.

Phase 8: Contact the Allegheny County Redevelopment Authority, if needed, for land assemblage and disposition needs.

To facilitate such housing development, the creation of the Twin Rivers Housing Development Corporation is needed. Such a corporation should help to facilitate projects, especially if some type of public assistance is required.

This process is primarily intended to “kick start” new housing construction in the older urban areas of the TRCOG. It is assumed the private marketplace, unaided,

will continue to build developments in the suburban and rural areas. However, if those areas see a benefit to more middle-income units, there is no reason to exclude them.

Special Housing Needs: As the Area population ages, more comprehensive housing options are needed. These usually involve a combination of independent living, assisted living, and nursing home care on a single campus. Such facilities are visually attractive, good neighbors, and allow current or former area residents to “age in place.” The majority of such facilities are developed and operated by church or nonprofit agencies. This is due to the fact such agencies often have a financial and administrative resource to build and administer such projects. In upcoming years, such housing should be attractive in the Study Area.

In addition, some TRCOG municipalities have expressed interest in various forms of housing for older residents, primary market-based. Rather than a “continuum of care” project, there is interest in patio homes or apartments for those aged 55 or older. How can these facilities be encouraged? First, collect demographic data to identify a local market.

Then, invite possible sponsors in the TRCOG Area to a seminar on such facilities. Ask existing Regional facilities to provide speakers, tips, and background on the construction and successful operation of these developments. Look for developers, architects, or builders who specialize in such projects. Together, this combination should generate a critical mass of interest.

If real interest is generated, work with potential sponsors to prepare a “bankable” feasibility/market study. If warranted, assist projects to fruition.

Ongoing Needs: Other needed ongoing housing activities:

- Code Enforcement – Continue and expand this effort.
- Adopt property maintenance codes.
- Continue and promote First-Time Homebuyers’ Program.
- Examine modular homes as an alternative to stick-built units.

- Upgrade standards for mobile home parks (land rental communities) to make them more visually compatible with traditional housing (see Land Use).

ECONOMIC DEVELOPMENT PLAN

Economic Development: Traditionally, this topic is not part of a comprehensive plan. However, it is of such importance it is critical to include it in the Twin Rivers COG Plan. To retain population and to attract new residents in contemporary society, there are two primary qualities: good job opportunities and quality of life.

Economic development has become an increasingly popular activity of state, regional, and local organizations. This popularity has fostered a plethora of economic agencies, programs, and projects across Pennsylvania and in the Pittsburgh region. A quick review of the Pittsburgh Regional Alliance or the Southwest Pennsylvania Commission web site reveals the name, number, and variety of economic development agencies.

An examination of the Background Report demonstrates why these issues are important. Table 28 shows there are only three municipalities in the Twin Rivers Area whose median household income exceeds the State level. However, there are six municipalities whose median incomes are less than 80% of the State median. And, a few that are very low. At \$23,715, McKeesport is a good example of this disparity.

Consequently, the issue is twofold. What to do, and how to do it?

Beyond the statistical issues of income previously presented, there is a more critical question: What economic sectors currently are generating employment in the TRCOG Area? According to the 2000 Census, the greatest percentage of jobs are in Retail Trade, followed by Health Services and Manufacturing. Combined, these three account for about one half of all jobs. A review of current major employers confirms that finding that these three sectors are important. Some leading TRCOG employers, by category, include:

Manufacturing/Industrial:

Consolidated Coal
Vista Metals
Chem-Ply
Seimans/Westinghouse

Elizabeth Carbide
Westinghouse
USX
Fisher Body

Retail Trade:

Century III Mall
Giant Eagle
Foodland
Olympia Shop and Save
Scozio's Shop and Save

Service:

McKeesport Hospital
The School Districts are all major employers

The general truisms of economic development are:

- Most jobs are created by existing, local, firms by expansion, spin-offs, or subcontracting.
- Generally, manufacturing jobs pay the best, service jobs are usually next, while retail jobs pay modestly.

Following that reasoning, the initial focus should be on the retention and creation of traditional manufacturing employment. This maybe somewhat contrary to the Regional focus on high-tech and biotech; however, the needed university and medical resources common in the City of Pittsburgh are not found locally.

Various studies have identified industrial clusters in the Southwestern Pennsylvania/Pittsburgh/Mon Valley area. These include:

- Information technology
- Biomedical/biotechnology
- Manufacturing

- Advanced manufacturing*
- Advanced materials (including plastics)
- Hospitality
- Finance

*Firms with significant R&D resources.

Though different studies may focus on different segments of the economy, both the Regional Economic Revitalization Index (1999) and the draft Economic Overview (Mt. Auburn Association) seem to be in general agreement on the applicable clusters.



In Pennsylvania, economic programs geared toward industry normally have three primary components: land and buildings, low interest loans (usually for property, machinery, or equipment), and training. A fourth component is tax abatement, either through LERTA efforts or the State's KOZ, KOEZ, or KOIZ programs

The Commonwealth Business Calling Program complements these program resources. That effort is part of Team Pennsylvania's activities and involves calling on industries to determine their current status, future needs, and identify problems. In the Twin Rivers Area, the Southwest Planning Commission (SPC) is in charge of the Call Program.

One of the problems of the TRCOG Area is they are not now fully a part of the economic development infrastructure. There are various options available. Many communities have created their own economic development organization. In Pennsylvania, this normally entails the creation of an industrial development corporation (IDC). Such corporations are quasi-public institutions that can buy, develop, sell, and lease land for business purposes. However, this is a highly competitive field. To operate a successful economic development corporation takes money, personnel, and a multi-year commitment. At this point, this strategy does not suggest the creation of another "IDC." But, it does see the need for a TRCOG staff person to be solely focused on traditional areas of economic development. Currently, all staff resources are assigned to existing programs and a

new person will be needed. Funding for a two-to-three-year period should be requested from Allegheny County, local foundations, or the State (DCED). Why? Because the numerous economic agencies and programs now are only impacting the Twin Rivers Area in an episodic and peripheral manner. A good example was the recent KOIZ tax abatement program. A formal presentation to the TRCOG was never made to determine if there were possible sites in the Region, and, though an area in Glassport was selected, it was not done as part of a TRCOG strategy. Simply stated, Twin Rivers must become a player in the economic development field to promote local employment and benefit local businesses. This is the first step in Year 1.

The initial duties of an economic staff person would highlight manufacturing/ industrial assistance:

- Creating key liaisons with SPC, the Allegheny County of Economic Development, RIDC, DCED, SPEDD, and other key agencies. This will be through calls, contacts, and meetings.
- Asking to assist SPC locally in the Call Program for the TRCOG Area.
- Identifying individual company needs and act as an advocate for these firms.
- Identifying possible greenfield industrial parks or brownfield projects in the TRCOG Area. There already exist in the TRCOG Area some sites that might be considered. The "Patterson" property in Glassport may be such a candidate. A second area is land to the north of the Allegheny County Airport. Part of that area is now being used as a gravel pit. A light industrial park, especially one related to the air facility, would be ideal here. Finally, an area in Forward at the Village of Axelton has a potential. It would be near the current municipal building. In this instance, an urban redevelopment approach is needed.
- The creation of a Twin Rivers IDC should be a last consideration.

These steps would be in program years two and three.

Not all economic developments need be industrial. The most promising source of new service jobs is UMPC-McKeesport, a 216-bed hospital, whose service area extends beyond the TRCOG. The facility hosts a Womansplace and is part of the

PACE network for elderly patients. It also has residency programs for family practice and internal medicine. These facilities can encourage the location of support services near the hospital. Private doctor offices, X-ray labs, magnetic imaging, and rehab centers are often satellite private operations. And, the health service area can create good paying jobs.

The retail sector is primary market-driven and no special assistance is suggested for the major strip malls, Century III, or big-box outlets. Conversely, the downtowns in many of the older villages and boroughs are languishing. The typical programs to assist such places include facade treatments, expanded parking, joint marketing, and business recruitment. Assistance is available via Pennsylvania's Main Street Program. In the TRCOG, there is the potential of creating a multi-municipal program. West Newton currently has such an effort [Downtown West Newton Incorporated (DWN)] and would be a good resource to consult with potential participants. However, the success of Main Street efforts has been quite varied. Before formally considering this step, an objective study is needed to:

- Identify needs
- Determine possible actions
- Determine the feasibility
- Determine market areas

DCED has a Main Street planning grant program that can assist in such an endeavor. The economic development specialist should:

- Contact municipalities to determine real interest.
- Convene a meeting explaining the planning program as well as the resulting five-year Main Street Program. A DCED representative as well as leaders from the DWN and other existing Main Street communities should be invited to share experiences and ideas.
- Those municipalities interested can then join together, and under the TRCOG umbrella, apply for the downtown-planning grant—the needed first step in this process. If successful, an implementation grant can be secured and a shared Main Street Manager retained.

There are two municipalities that could immediately benefit from the Main Street Program, Elizabeth and Glassport Boroughs. Both have traditional downtowns with little parking. Neither has a specific downtown plan, which could target activities to improve customer parking and further lack an overall design theme.

If there is one area that represents a potential unrealized benefit, that is tourism, especially in the West Newton area. Though the Youghiogheny River trail is clearly marked, it is isolated from the Borough by the “Yough” River and a lack of signs/connections. Though no one strategy can be a key to a successful strategy, the connection of the “Yough” to downtown West Newton would be an important link to capture restaurant and retail spending. A few concepts:

- Signage from the trail to the Borough’s downtown.
- Opening vistas from the trail to the east side of the river.
- Bridge improvements for access.

The “Downtown” effort should begin in Year 1 and move to the action phase in year two.