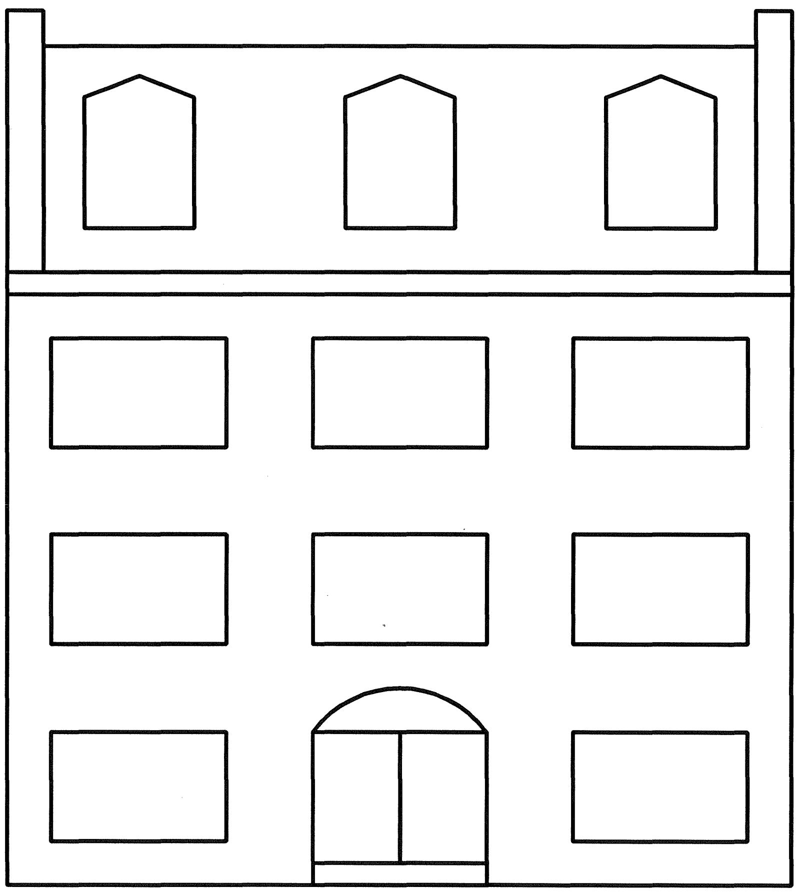
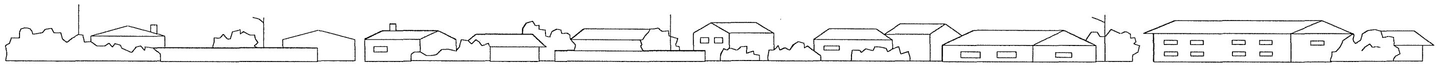
Solutions for Affordable Rental Housing in the Delaware Valley





DELAWARE VALLEY REGIONAL PLANNING COMMISSION
August 1994

The preparation of this report was funded through federal grants from the U.S. Department of Transportation's Federal Highway Administration (FHWA) and Federal Transit Administration (FTA), the Pennsylvania and New Jersey Departments of Transportation as well as by DVRPC's state and local member governments. The authors, however, are solely responsible for its findings and conclusions, which may not represent the official views or policies of the funding agencies.

Created in 1965, the Delaware Valley Regional Planning Commission (DVRPC) is an interstate, intercounty and intercity agency which provides continuing, comprehensive and coordinated planning for the orderly growth and development of the Delaware Valley region. The region includes Bucks, Chester, Delaware, and Montgomery counties as well as the City of Philadelphia in Pennsylvania and Burlington, Camden, Gloucester, and Mercer counties in New Jersey. The Commission is an advisory agency which divides its planning and service functions between the Office of the Executive Director, the Office of Public Affairs, and three line Divisions: Transportation Planning, Regional Planning, and Administration. DVRPC's mission for the 1990s is to emphasize technical assistance and services and to conduct high priority studies for member state and local governments, while determining and meeting the needs of the private sector.

The DVRPC logo is adapted from the official seal of the Commission and is designed as a stylized image of the Delaware Valley. The outer ring symbolizes the region as a whole while the diagonal bar signifies the Delaware River flowing through it. The two adjoining crescents represent the Commonwealth of Pennsylvania and the State of New Jersey. The logo combines these elements to depict the areas served by DVRPC.

DELAWARE VALLEY REGIONAL PLANNING COMMISSION

Publication Abstract

TITLE Report #19 - SOLUTIONS FOR AFFORDABLE RENTAL HOUSING IN THE DELAWARE VALLEY	Date Published: August 1994 Publication No. 94021

Geographic Area Covered: The nine-county DVRPC region, including Bucks, Chester, Delaware, Montgomery and Philadelphia in Pennsylvania and Burlington, Camden, Gloucester and Mercer in New Jersey.

Key Words: Rental housing, rental affordability, rental housing demand, rental housing supply.

ABSTRACT

This report represents a continuation and follow-up to a previous DVRPC report entitled *"Delaware Valley Rental Housing Assessment"* completed in September 1993. This report builds upon the findings of the previous report and develops policy recommendations to improve all aspects of the rental housing market in the Delaware Valley region. In developing policy recommendations the report examines the demand for, and supply of rental housing in the region.

For More Information Contact:

Delaware Valley Regional Planning Commission
Regional Planning Division
The Bourse Building
111 South Independence Mall East
Philadelphia, PA 19106-2515
(215) 592-1800
Fax: (215) 592-9125
e-mail: dvrpc@libertynet.org
website: http://www.libertynet.org/~dvrpc/

SOLUTIONS FOR AFFORDABLE RENTAL HOUSING IN THE DELAWARE VALLEY
TABLE OF CONTENTS

TABLE OF CONTENTS - Continued

SOLUTIONS FOR AFFORDABLE RENTAL HOUSING IN THE DELAWARE VALLEY

LIST OF TABLES

LIST OF TABLES - Continued

EXECUTIVE SUMMARY

This report represents a continuation and follow-up to a previous DVRPC report entitled ***"Delaware Valley Rental Housing Assessment"*** completed in September 1993. That report presented an assessment of the region's rental housing stock and its occupants. Specifically, the report detailed the social, economic, and mobility characteristics of the region's renter population; and the locations, physical conditions and costs of the region's rental housing stock. The report provided a framework with which to study the problems facing the region's rental housing stock and its occupants and to develop policy recommendations to improve the existing stock and promote the production of new stock.

METHODOLOGY

This report builds upon the findings of the previous report and develops policy recommendations to improve all aspects of the rental housing market in the Delaware Valley region. In developing the policy recommendations, DVRPC staff contacted for-profit housing developers, non-profit housing developers, bankers and municipal, county and state officials in the region to obtain their thoughts as to why rental unit production has slumped in recent years, and what policies need to be improved or initiated to increase rental unit production. The persons contacted generally provided similar reasons for the slowdown in rental unit production, and identified similar policy problems and obstacles.

In addition to telephone and in-person interviews, current Comprehensive Housing Affordability Strategy (CHAS) reports from the States of Pennsylvania and New Jersey, the suburban counties of Bucks, Chester, Delaware, Montgomery, Burlington, Camden, Gloucester, and Mercer, the cities of Philadelphia, Trenton and Camden, the Township of Haverford in Delaware County, Pennsylvania and the Township of Gloucester in Camden County, New Jersey were reviewed for their analyses of public policies which adversely affect the affordability and construction of rental housing, as well as descriptions of state and local housing programs and funding levels utilized by each entitlement jurisdiction.

FINDINGS

Demand Issues

Demand for affordable rental housing in the Delaware Valley is significant. In fact, according to Comprehensive Housing Affordability Strategy (CHAS) data from the entitlement jurisdictions[1] of the region, 234,000 or 44% of all low- and moderate-income renter households in 1990 were in need of a rental unit which was free of physical defects, large enough for the household, or renting

---

[1]Entitlement jurisdictions are local or multi-local political subdivisions designated to receive housing and other financial assistance from the federal government.

for 30% or less of monthly income. Percentages within other household categories in some of the entitlement jurisdictions were even worse.

Rental housing generally is not located in the municipalities that are classified as *"affordable"* nor in municipalities with high levels of employment. This situation creates an imbalance between employment and rental housing causing lower paid workers to live further distances from their place of employment or to pay non-affordable rents.

Supply Issues

There are policies at all levels of government which may serve to inhibit the production of affordable rental housing in the Delaware Valley region. However, the most inhibiting policies are found at the municipal level of government in the form of zoning ordinance regulations which exclude the production of multi-family and rental housing. Other policies at the municipal level of government which may inhibit the production of affordable housing include sewer and water moratoria, property tax policies, burdensome building code requirements, and burdensome and time consuming permit review processes.

The issue of availability of construction financing for affordable rental housing production is an obstacle, but not nearly as serious as other obstacles found in the report. In fact, local non-profit community development corporations (CDC's) are fortunate to have a wide range and availability of financing options. Due in large part to the Community Reinvestment Act (CRA) and the efforts of national and local intermediaries such as the Local Initiatives Support Corporation (LISC), the Enterprise Foundation, the National Equity Fund (NEF), the Delaware Valley Community Reinvestment Fund (DVCRF), and the Thrift Institutions Community Investment Corporation (TICIC), local CDC's can generally get financing when they need it. Problems arise with the costs of predevelopment which must be expended by the non-profit developer before permit approvals and before financing is secured. Such costs are usually not covered by traditional financing methods.

State-level housing assistance programs provide much needed services to those organizations producing affordable rental housing. However, most are burdened with lengthy bureaucratic processes which slow the cash flow to local non-profit CDC's, and therefore make the development process longer and more expensive. Study participants identified a number of potential changes to housing assistance programs in both Pennsylvania and New Jersey to improve the environment for producing affordable rental housing.

Likewise, federal housing assistance programs utilized by entitlement jurisdictions in the Delaware Valley region provide much needed services to the organizations producing affordable rental housing. Aside from well publicized problems with the federal public housing and section 8 programs, the Low Income Housing Tax Credit (LIHTC) is the foremost federal program encouraging the production of affordable rental housing. While the program provides an invaluable service to local producers, it also has bureaucratic and administrative problems which inhibit its performance and real potential.

I. INTRODUCTION

Housing, like any other commodity in a market economy is subject to the forces of supply and demand. Since the late 1980's, the production of affordable multi-family and rental housing in the Delaware Valley region has slowed greatly. The factors contributing to the slowdown in production are many, but foremost among them, and the driving force behind many of the contributing factors is the recessionary economic conditions experienced in the nation during the early 1990's.

The recessionary economy has caused an increase in the number of households in need of affordable housing. The forces of demand in the Delaware Valley rental housing market are wielded by households in need of affordable rental housing units. The needs of these households are wide-ranging and include not only varying affordability of rental units but also factors such as the size, type, amenities provided and services available in rental housing units.

In addition to the recessionary economy, the production of twin and multi-family housing units in the Delaware Valley has slowed greatly during recent years. **Table 1** shows the number of residential building permits issued by county in structures with 2 or more units for the years 1980, 1986, 1989, 1990, 1991 and 1992. While the table does not show rental unit production exclusively, it provides a good indication of production levels of duplex and multi-family housing, many of which are rental units and affordable to a wide range of households. Looking at the Delaware Valley region as a whole, production of duplex and multi-family units has steadily decreased since the peak year of 1986 from 5,907 units in that year to 808 units in 1992. This same trend is evident between 1990 and 1992 as production slowed in the region from 2,406 units in 1990 to 808 units in 1992. The greatest decreases in production by county between 1990 and 1992 are found in Bucks, Delaware and Philadelphia counties in Pennsylvania, and Camden and Mercer counties in New Jersey.

As shown on **Table 2**, the net change in rental housing units in the Delaware Valley region between 1980 and 1990 increased by only 2.5%, as compared to a regional population growth of 3.1% and an overall housing stock increase of 8.7%. The largest increase in rental units during this period was in Bucks County and the smallest, actually a significant decrease, was in the City of Philadelphia which lost a total of 12,210 rental units during the decade.

The purpose of this report is to build on the findings contained in a previous DVRPC report entitled ***"Delaware Valley Rental Housing Assessment."*** Specifically, this report examines and measures demand for affordable rental housing, the various programs and methods of supply of affordable rental housing, and identifies the problems and policies which inhibit the production of affordable rental housing in the Delaware Valley.

Table 1
Residential Building Permits Issued, 1980 to 1989 and 1990 to 1992
Structures With 2 or More Units*
Delaware Valley Region

County	*1980*	*1986*	*1989*	*% Change 1980-89*	*1990*	*1991*	*1992*	*% Change 1990-92*
Bucks	364	556	630	0.73	328	235	74	(0.77)
Chester	284	553	604	1.13	145	394	138	(0.05)
Delaware	564	161	307	(0.46)	118	87	14	(0.88)
Montgomery	433	724	602	0.39	345	214	280	(0.19)
Philadelphia	1,626	1,561	219	(0.87)	545	178	61	(0.89)
PA TOTAL:	*3,271*	*3,555*	*2,362*	*(0.28)*	*1,481*	*1,108*	*567*	*(0.62)*
Burlington	52	835	202	2.88	120	24	109	(0.09)
Camden	172	568	165	(0.04)	299	0	38	(0.87)
Gloucester	194	141	120	(0.38)	22	91	44	1.00
Mercer	17	808	196	10.53	484	19	50	(0.90)
NJ TOTAL:	*435*	*2,352*	*683*	*0.57*	*925*	*134*	*241*	*(0.74)*
DVRPC TOTAL:	*3,706*	*5,907*	*3,045*	*(0.18)*	*2,406*	*1,242*	*808*	*(0.66)*

** The building permit activity reported in this table refers to new construction only, and does not include the production of housing units through conversions or alterations (unless the construction costs exceed $100,000).*

SOURCE: Delaware Valley Regional Planning Commission, January 1994; and Philadelphia City Planning Commission, April 1992.

Prepared by: Delaware Valley Regional Planning Commission (DVRPC), May 1994.

Table 2
Net Change in Rental Housing Units
Delaware Valley Region
1980 - 1990

County	*Absolute Change in Units 1980 - 1990*	*Percent Change 1980 - 1990*
Bucks	6,263	15.6%
Chester	3,266	10.7%
Delaware	1,484	2.8%
Montgomery	4,902	7.5%
Philadelphia	(12,210)	-5.1%
PA TOTAL:	***3,705***	***0.9%***
Burlington	3,309	10.9%
Camden	4,115	8.2%
Gloucester	1,778	11.6%
Mercer	1,446	3.8%
NJ TOTAL:	***10,648***	***8.0%***
DVRPC TOTAL:	***14,353***	***2.5%***

SOURCE: DVRPC Report 13, Delaware Valley Rental Housing Assessment, September, 1993.

Prepared by: Delaware Valley Regional Planning Commission (DVRPC), May 1994.

The report is structured into three main sections. The first section examines the demand for affordable rental housing, the locations of employment and rental housing, and current and projected demand for affordable rental housing in the Delaware Valley. The second section examines the supply of rental housing and the various governmental programs and policies that provide rental units and encourage production of affordable rental units. Municipal, state and federal housing programs are examined and analyzed to determine which policies act to inhibit the production process. The third section develops policy recommendations to improve the environment for the production of affordable rental housing in the Delaware Valley. Policy recommendations are provided for municipal and county governments, state governments, and the federal government.

II. RENTAL HOUSING DEMAND IN THE DELAWARE VALLEY

CURRENT DEMAND FOR ELDERLY AND SPECIAL NEEDS HOUSING

As with all major metropolitan regions in the United States, the Delaware Valley region has a significant number of elderly, frail elderly, homeless and special needs populations. A 1993 DVRPC analysis[2] of the largest metropolitan areas in the nation indicated that the Delaware Valley had the second highest percentage of population under 18 and over 65 years of age. Concurrent with large numbers of elderly, homeless and other persons with special needs is a large demand for supportive housing to house and care for these individuals and households. Following is a discussion of these individuals and households in the Delaware Valley and the housing problems they face.

CURRENT DEMAND FOR LOW- AND MODERATE-INCOME RENTAL HOUSING BY HOUSEHOLD CATEGORY

The Delaware Valley region has a significant number of low- and moderate-income rental households with a *"housing problem."* A household with a housing problem is defined as one which meets one or more of the following conditions: (1) occupies a unit with physical defects, (2) lives in overcrowded conditions, and (3) has a housing cost burden exceeding 30% of gross income. According to Comprehensive Housing Affordability Strategy (CHAS) reports for the various entitlement jurisdictions in the nine county Delaware Valley region, 234,598 or 44% of the total 538,000 renter households in 1990 had a housing problem. Likewise, within the five counties of the Pennsylvania portion of the region 177,437 or 44% of the 400,375 total renter households in 1990 had a housing problem; as did 57,161 or 42% of the 137,625 total renter households in the four-county New Jersey portion of the region.

The CHAS data provides a good indication of current demand for low- and moderate -income rental housing units within the Delaware Valley region. Shown on **Table 3A** are the total number of low- and moderate-income renter households broken down into five household categories: (1) total renter; (2) elderly, one and two member; (3) small related, two to four member; (4) large related, five or more member; and (5) all other. Shown on **Table 3B** are the total numbers and percentages of low- and moderate-income renter households with a housing problem broken down into the same five household categories. Following is a description of demand in each of these household categories:

---

[2]Rating the Region, The State of the Delaware Valley, DVRPC, May 1993.

Table 3A
Total Low- and Moderate-Income Renter Households
Delaware Valley Region, 1990

Entitlement Jurisdiction	*Total Renter Households*	*Total Elderly 1&2 Member Households*	*Total Small Related 2-4 Member Households*	*Total Large Related 5+ Member Households*	*Total All Other Households*
Bucks County	47,951	9,095	19,596	2,774	16,486
Chester County	32,396	5,763	12,303	2,175	12,157
Delaware County	49,261	11,561	17,762	2,922	17,016
Haverford Township	2,304	600	623	95	986
Montgomery County	53,026	12,943	18,597	2,373	19,117
Philadelphia City	215,437	43,705	72,591	20,973	78,168
PA TOTAL:	***400,375***	***83,667***	***141,472***	***31,312***	***143,930***
Burlington County	32,532	4,843	14,917	2,778	9,994
Camden City	12,936	1,891	5,942	2,943	2,160
Camden County	33,589	8,550	11,497	1,975	11,594
Gloucester County	16,466	3,064	7,113	1,498	4,791
Gloucester Township	4,577	823	1,940	191	1,623
Mercer County	23,002	5,052	8,957	1,118	7,875
Trenton City	14,523	2,844	5,765	2,243	3,671
NJ TOTAL:	***137,625***	***27,067***	***56,131***	***12,746***	***41,708***
DVRPC TOTAL:	***538,000***	***110,734***	***197,603***	***44,058***	***185,638***

SOURCE: Comprehensive Housing Affordability Strategy (CHAS) reports, Table 1C.
Prepared by: Delaware Valley Regional Planning Commission (DVRPC), May 1994.

Table 3B
Total Low- and Moderate-Income Renter Households With a Housing Problem by Number and Percentage Delaware Valley Region, 1990

Entitlement Jurisdiction	Total Renter HH's With Housing Problem # and (%)	Elderly Households With Housing Problem # and (%)	Small Related HH's With Housing Problem # and (%)	Large Related HH's With Housing Problem # and (%)	All Other HH's With Housing Problem # and (%)
Bucks County	18,140 (38%)	5,468 (60%)	5,912 (30%)	1,544 (56%)	5,275 (32%)
Chester County	11,339 (35%)	2,939 (51%)	3,445 (28%)	979 (45%)	3,769 (31%)
Delaware County	20,690 (42%)	7,283 (63%)	6,039 (34%)	1,695 (58%)	5,615 (33%)
Haverford Township	991 (43%)	354 (59%)	168 (27%)	18 (19%)	454 (46%)
Montgomery County	18,559 (35%)	7,119 (55%)	4,649 (25%)	973 (41%)	5,353 (28%)
Philadelphia City	107,719 (50%)	25,786 (59%)	34,118 (47%)	14,681 (70%)	34,394 (44%)
PA TOTAL:	**177,437 (44%)**	**48,949 (59%)**	**54,331 (38%)**	**19,890 (64%)**	**54,859 (38%)**
Burlington County	12,362 (38%)	2,906 (60%)	4,624 (31%)	1,222 (44%)	3,598 (36%)
Camden City	7,503 (58%)	832 (44%)	3,328 (56%)	2,354 (80%)	1,037 (48%)
Camden County	13,771 (41%)	4,703 (55%)	4,139 (36%)	1,067 (54%)	3,710 (32%)
Gloucester County	6,586 (40%)	1,716 (56%)	2,490 (35%)	854 (57%)	1,581 (33%)
Gloucester Township	1,602 (35%)	510 (62%)	563 (29%)	74 (39%)	471 (29%)
Mercer County	8,511 (37%)	2,526 (50%)	2,598 (29%)	548 (49%)	2,756 (35%)
Trenton City	6,826 (47%)	1,052 (37%)	2,594 (45%)	1,593 (71%)	1,615 (44%)
NJ TOTAL:	**57,161 (42%)**	**14,245 (53%)**	**20,335 (36%)**	**7,712 (61%)**	**14,768 (35%)**
DVRPC TOTAL:	**234,598 (44%)**	**63,194 (57%)**	**74,666 (38%)**	**27,602 (63%)**	**69,627 (38%)**

SOURCE: Comprehensive Housing Affordability Strategy (CHAS) reports, Table 1C.
Prepared by: Delaware Valley Regional Planning Commission (DVRPC), May 1994.

Elderly, One and Two Member Households

According to the CHAS data, the Delaware Valley region contained a total of 110,734 *"elderly,"* low- and moderate-income renter households in 1990. Of this total, 63,194 or 57% of these households had a housing problem. Within the Pennsylvania portion of the region, 59% of the elderly renter households had a housing problem, as did 53% of the elderly renter households in the New Jersey portion of the region. Entitlement jurisdictions with the highest percentages of elderly renter households with housing problems include Bucks County (60%), Delaware County (63%), Burlington County (60%), and Gloucester Township (62%). Total current demand for low- and moderate-income rental units for elderly one and two member households is at least 63,000 affordable rental units.

Small Related, Two to Four Member Households

According to the CHAS data, the Delaware Valley region contained a total of 197,603 *"small related,"* low- and moderate-income renter households in 1990. Of this total, 74,666 or 38% of these households had a housing problem. Within the Pennsylvania portion of the region, 38% of the small related renter households had a housing problem, as did 36% of the small related renter households in the New Jersey portion of the region. Entitlement jurisdictions with the largest percentages of small related renter households with housing problems were the City of Philadelphia (47%), the City of Camden (56%), and the City of Trenton (45%). Total current demand for low- and moderate-income rental units for small related, two to four member households is at least 74,000 affordable rental units.

Large Related, Five or More Member Households

According to the CHAS data, the Delaware Valley region contained a total of 44,058 *"large related,"* five or more member low- and moderate-income renter households in 1990. Of this total, 27,602 or 63% of these households had a housing problem. Within the Pennsylvania portion of the region, 64% of the large related renter households had a housing problem, as did 61% of the large related renter households in the New Jersey portion of the region. Entitlement jurisdictions with the largest percentages of large related renter households with housing problems were the City of Philadelphia (70%), the City of Camden (80%), and the City of Trenton (71%). Total current demand for low- and moderate-income rental units for large related, five or more member households is at least 27,000 affordable rental units.

All Other Households

According to the CHAS data, the Delaware Valley region contained a total of 185,638 *"other"* low- and moderate-income renter households in 1990. These households did not fit into any of the three previous categories, however, many of them have significant housing problems. Of the total, 69,627 or 38% of these renter households had a housing problem. Within the Pennsylvania portion of the region, 38% of the *"other"* renter households had a housing problem, as did 35% of the *"other"* renter households within the New Jersey portion of the region. Entitlement jurisdictions with the largest percentages of other renter households with housing problems were Haverford Township (46%), the City of Philadelphia (44%), the City of Camden (48%), and the City of Trenton (44%). Total current demand for low- and moderate-income rental units for *"other"* renter households is at least 69,000 affordable rental units.

Total Renter Households

According to the CHAS data, the Delaware Valley region contained a total of 538,000 total low- and moderate-income households in 1990. Of this total, 234,598 or 44% of these renter households had a housing problem. Within the Pennsylvania portion of the region, 44% of the total low- and moderate-income renter households had a housing problem, as did 42% of the total low- and moderate-income renter households in the New Jersey portion of the region. Entitlement jurisdictions with the highest percentages of total low- and moderate-income renter households were the City of Philadelphia (50%), the City of Camden (58%), and the City of Trenton (47%). Total current demand for low- and moderate-income rental units for all renter households in the Delaware Valley region is at least 234,000 affordable units.

The percentages and numbers of households with housing problems shown on **Table 3** indicate significant demand for rental housing units in the Delaware Valley that are without physical defects, large enough to accommodate households in need, and are affordable to the households in need. Demand for affordable rental units is greatest within the urban areas of the region including Delaware County, Camden County, and the cities of Philadelphia, Trenton and Camden. Based on the CHAS data shown on **Table 3**, the supply of affordable rental units in the region is clearly not meeting the demand.

Elderly Populations in the Delaware Valley

Table 4 shows for each of the nine counties of the Delaware Valley region, the populations and percentages of total population of elderly persons 65 years or older, 75 years or older, and 85 years or older from 1990 census data. The data is provided not necessarily to demonstrate the demand for elderly housing, but to indicate the size of the region's elderly population. Within the region as a whole, there were approximately 698,000 persons 65 years or older, or 13.5% of the regional population in 1990. Persons aged 75 years or older numbered approximately 285,000 or 5.5% of total, and persons aged 85 years or older numbered approximately 66,000 or 1.3% of total in 1990.

Elderly populations within the Pennsylvania counties of the region comprised greater percentages in each of three age cohorts (65+, 75+, 85+) than did the elderly populations in the New Jersey counties of the region in 1990. Within the 65 years or older cohort, the elderly population in the Pennsylvania counties comprised 14.1% of the total population, compared to 11.7% in the New Jersey counties. Likewise, in the 75 years or older and 85 years or older cohorts, the elderly

Table 4
Elderly Populations
Delaware Valley Region, 1990

County	1990 Total Population	Persons 65+	Percent 65+	Persons 75+	Percent 75+	Persons 85+	Percent 85+
Bucks	541,174	58,912	10.9%	22,717	4.2%	5,657	1.0%
Chester	376,396	40,977	10.9%	16,096	4.3%	3,903	1.0%
Delaware	547,651	84,932	15.5%	34,374	6.3%	8,113	1.5%
Montgomery	678,111	101,933	15.0%	43,589	6.4%	10,891	1.6%
Philadelphia	1,585,577	240,714	15.2%	102,539	6.5%	22,801	1.4%
PA TOTAL:	**3,728,909**	**527,468**	**14.1%**	**219,315**	**5.9%**	**51,365**	**1.4%**
Burlington	395,066	42,188	10.7%	15,660	4.0%	3,725	0.9%
Camden	502,824	61,191	12.2%	24,041	4.8%	5,274	1.0%
Gloucester	230,082	24,761	10.8%	9,097	4.0%	1,980	0.9%
Mercer	325,824	42,229	13.0%	16,932	5.2%	3,856	1.2%
NJ TOTAL:	**1,453,796**	**170,369**	**11.7%**	**65,730**	**4.5%**	**14,835**	**1.0%**
DVRPC TOTAL:	**5,182,705**	**697,837**	**13.5%**	**285,045**	**5.5%**	**66,200**	**1.3%**

SOURCE: U.S. Department of Commerce, 1990 Census of Population and Housing.

Prepared by: Delaware Valley Regional Planning Commission (DVRPC), April 1994.

populations in the Pennsylvania counties comprised greater percentages of total than in the New Jersey counties — 5.9% to 4.5% and 1.4% to 1.0%, respectively.

Delaware County had the highest percentage of elderly persons 65 years or older in 1990 with 15.5%, and Burlington County had the lowest percentage with 10.7%. Within the 75 years or older cohort, the City of Philadelphia had the highest percentage of total with 6.5%, and Burlington and Gloucester Counties had the lowest with 4.0%. In the oldest age cohort of 85 years or older, Montgomery County had the highest percentage at 1.6%, and Burlington and Gloucester counties had the lowest with 0.9%.

Elderly and Special Needs Household Populations in the Delaware Valley

As indicated on **Table 5**, there are considerable numbers of elderly and special needs households in need of supportive housing in the Delaware Valley. These populations are broken down into seven distinct categories: (1) elderly; (2) frail elderly; (3) severe mental illness; (4) developmentally disabled; (5) physically disabled; (6) alcohol or other drug addictions; and (7) AIDS and related diseases. It should be noted that data is not available from the CHAS reports in some of the household categories within the jurisdictions of Bucks County, Montgomery County, and Gloucester County. Therefore, actual numbers of total households within household categories, jurisdictions, and overall for the region are higher than shown.

However, despite inconsistencies among jurisdictions in the CHAS data, there were at least 232,890 elderly and special needs households in need of supportive housing in 1993 in the Delaware Valley region as a whole. The *"physically disabled"* household category was the largest with 86,665 households in need; while the *"elderly"* and *"frail elderly"* household categories were second and third largest with 59,539 and 31,328 households in need, respectively. The nine-county Delaware Valley region contained a total of 1,894,306 households in 1990. Therefore, the 232,890 households in need of supportive housing represent approximately 12% of all households in the region.

Within the five-county Pennsylvania portion of the region, there were at least 189,534 elderly and special needs households, or 81% of the regional total, in need of supportive housing in 1990. The *"physically disabled"* category was also the largest with 75,560 households in need; while the *"elderly"* and *"frail elderly"* categories were also the second and third largest with 52,351 and 25,491 households in need, respectively. The City of Philadelphia contained a clear majority of total households in need with 136,597 or 72% of the five-county total and 59% of the regional total. The five-county Pennsylvania portion of the region contained a total of 1,383,208 households in 1990. Therefore, the 189,534 households in need of supportive housing represent approximately 14% of all households in the five-county area.

Within the four-county New Jersey portion of the region, there were at least 43,356 elderly and special needs households, or 19% of the regional total, in need of supportive housing in 1990. The largest categories were *"persons with alcohol or other drug addictions"* with 12,237 households and *"physically disabled"* with 11,105 households in need. The *"elderly"* and *"frail elderly"*

Table 5
Non-Homeless Special Needs Populations
Households in Need of Supportive Housing
Delaware Valley Region, 1993

Entitlement Jurisdiction	*Elderly*	*Frail Elderly*	*Severe Mental Illness*	*Develop-mentally Disabled*	*Physically Disabled*	*Persons With AODA**	*Persons With AIDS & Related Diseases*	*TOTAL*
Bucks County	4,229	6,343	380	500	N/A	50	1,000	12,502
Chester County	4,405	1,641	886	1,633	1,109	1,766	230	11,670
Delaware County	5,874	846	3,822	692	9,184	88	1,870	22,376
Montgomery County	N/A	2,178	3,354	857	N/A	N/A	N/A	6,389
Philadelphia City	37,843	14,483	5,000	1,104	65,267	12,200	700	136,597
PA TOTAL:	***52,351***	***25,491***	***13,442***	***4,786***	***75,560***	***14,104***	***3,800***	***189,534***
Burlington County	4,141	1,220	628	1,009	3,984	197	79	11,258
Camden County*	107	3,474	0	434	3,472	11,891	0	19,378
Gloucester County	1,468	439	N/A	1,373	3,265	N/A	N/A	6,545
Mercer County	1,472	704	3,200	64	384	149	202	6,175
NJ TOTAL:	***7,188***	***5,837***	***3,828***	***2,880***	***11,105***	***12,237***	***281***	***43,356***
DVRPC TOTAL:	***59,539***	***31,328***	***17,270***	***7,666***	***86,665***	***26,341***	***4,081***	***232,890***

** Alcohol/Other Drug Addictions*

*** Includes the entitlement jurisdictions of Camden County Consortium, City of Camden and Gloucester Township.*

SOURCE: Comprehensive Housing Affordability Strategy (CHAS) reports, Table 1E.

Prepared by: Delaware Valley Regional Planning Commission (DVRPC), April 1994.

categories also were significant with 7,188 and 5,837 households in need, respectively. Camden County contained the largest number of total households in need with 19,378, or 45% of the four-county total. The four-county New Jersey portion of the region contained a total of 511,098 households in 1990. Therefore, the 43,356 households in need of supportive housing represent approximately 8% of all households in the four-county area.

The number of elderly and special needs households in need of supportive housing shown on **Table 5** indicate significant demand for supportive rental housing in the Delaware Valley region. Demand for supportive rental housing units is greatest within the City of Philadelphia, but the suburban counties of the region also generate considerable demand. Based on the CHAS data presented on **Table 5**, the supply of supportive rental housing units in the region is not meeting the demand.

HOMELESS POPULATIONS IN THE DELAWARE VALLEY

As with all large metropolitan regions of the United States, the Delaware Valley region has a significant number of homeless families and individuals in need of affordable rental housing and supportive services. As part of the Comprehensive Housing Affordability Strategy (CHAS) process required by the U.S. Department of Housing and Urban Development (HUD), entitlement jurisdictions are required to document the numbers of homeless families and individuals within their jurisdictional boundaries. In some cases, data on the homeless populations are not available to jurisdictions, and in other cases a jurisdiction may request a waiver from providing the data to HUD. Moreover, any data collected is inherently inaccurate due to the difficulties in locating and counting the homeless populations. Nevertheless, **Table 6** indicates numbers of homeless families and individuals and the percentages that are sheltered for each entitlement jurisdiction within the region, within five different categories: (1) total homeless families; (2) total homeless persons in families; (3) homeless individuals age 17 or younger; (4) homeless individuals age 18 or older; and (5) total homeless persons. A number of entitlement jurisdictions have reported incomplete data on the homeless within their CHAS reports; therefore, actual numbers of homeless families and individuals in the Delaware Valley region are higher than shown on **Table 6**.

According to the CHAS data, within the Delaware Valley region as a whole, there were at least 13,900 total homeless persons in 1993, 27% of which or approximately 3,750 were unsheltered. Homeless individuals over the age of 18 comprised the largest category of homeless persons with 5,592 individuals, 43% of which or approximately 2,400 were unsheltered in 1993. Also of significance were 4,812 homeless persons within 1,460 homeless families, and 133 homeless individuals age 17 or younger within the region in 1993.

Within the five-county Pennsylvania portion of the region there were at least 8,834 total homeless persons in 1993, 33% of which or approximately 2,900 were unsheltered. The homeless population of 8,834 persons within the five-county Pennsylvania portion of the region represents 64% of the regional total of 13,900 homeless persons. The homeless populations in the Pennsylvania portion of the region are disproportionately concentrated within the City of Philadelphia which had

Table 6
Homeless Populations
Delaware Valley Region, 1993

Entitlement Jurisdiction	(1) Total Number of Homeless Families	Percent Unsheltered	(2) Total Number of Persons in Homeless Families	Percent Unsheltered	(3) Homeless Individuals Age 17 or Younger	Percent Unsheltered	(4) Homeless Individuals Age 18 or Older	Percent Unsheltered	(5) Total Homeless Persons	Percent Unsheltered
Bucks County	257	54%	756	55%	6	33%	184	57%	946	55%
Chester County	*	*	*	*	*	*	*	*	181	9%
Delaware County**	*	*	*	*	*	*	*	*	490	22%
Montgomery County	0	0%	0	0%	86	0%	198	31%	284	22%
Philadelphia City	738	0%	2,793	0%	5	0%	4,135	53%	6,933	31%
PA TOTAL:	**995**	**14%**	**3,549**	**12%**	**97**	**2%**	**4,517**	**52%**	**8,834**	**33%**
Burlington County	49	0%	143	0%	7	0%	271	0.37%	421	0.24%
Camden City	*	*	*	*	*	*	*	*	2,692	*
Camden County	30	3%	120	3%	14	0%	253	19%	387	14%
Gloucester County	35	0%	109	0%	8	0%	22	0%	139	0%
Gloucester Township	0	0%	0	0%	1	0%	75	0%	76	0%
Mercer County	11	45%	41	54%	6	83%	35	57%	82	57%
Trenton City	340	*	850	*	*	*	419	*	1,269	13%
NJ TOTAL:	**465**	**1%**	**1,263**	**2%**	**36**	**14%**	**1,075**	**7%**	**5,066**	**5%**
DVRPC TOTAL:	**1,460**	**10%**	**4,812**	**9%**	**133**	**5%**	**5,592**	**43%**	**13,900**	**23%**

** Information not available.*
*** Includes Haverford Township.*
SOURCE: Comprehensive Housing Affordability Strategy (CHAS) reports, Table 1D.
Prepared by: Delaware Valley Regional Planning Commission (DVRPC), April 1994.

6,933 homeless persons in 1993, or 78% of the five-county total, and 50% of the regional total. Homeless individuals over the age of 18 comprised the largest category of homeless persons with 4,517 individuals, 52% of which or approximately 2,350 were unsheltered. Also of significance were 3,549 homeless individuals within 995 homeless families, and 97 homeless individuals age 17 or younger in 1993 within the five-county area.

Within the four-county New Jersey portion of the region, there were at least 5,066 total homeless persons in 1993 or 36% of the regional total of 13,900 homeless persons. The homeless populations within the New Jersey portion of the region are disproportionately concentrated within the cities of Camden and Trenton with 2,692 and 1,269 total homeless persons respectively, or a combined 78% of the four-county total. Homeless persons in families comprised the largest category in the four-county area with 1,263 homeless persons within 465 families in 1993. Also of significance were 36 homeless individuals under the age of 17, and 1,075 homeless individuals at the age of 18 or older in 1993.

The number of total homeless persons shown on **Table 6** indicate significant demand for affordable rental housing units, as well as housing services for the homeless with special needs. It should be noted that the lack of affordable housing units in the Delaware Valley region is not the sole reason behind the growing problem of homelessness; however, the provision of greater numbers of affordable rental housing units would certainly be a positive step. Homelessness is most concentrated within the urban areas of the region in the cities of Philadelphia, Trenton and Camden. Clearly, the region must take greater steps to address the problems of its homeless populations.

LOCATIONS OF ESTABLISHMENT-BASED EMPLOYMENT AND RENTAL HOUSING

LOCATIONS OF ESTABLISHMENT-BASED EMPLOYMENT IN THE DELAWARE VALLEY

Establishment-based employment[3] within the Delaware Valley region is concentrated in the City of Philadelphia, eastern Bucks, Montgomery, Delaware and Chester counties, Mercer County, western Burlington County, and northern Camden County. **Table 7** lists the top 50 ranking municipalities in the region in total establishment-based employment in 1990, along with other housing related data. The City of Philadelphia topped the list with 836,000 jobs, and the cities of Trenton and Camden ranked second and sixth respectively. Municipalities within the top 50 ranking in employment generally lie within the transportation corridors of I-95, I-276 (Pennsylvania Turnpike), Routes 38 and 70 in Camden and Burlington counties, and Route 1 in Mercer County. Within the City of Philadelphia, employment is concentrated within Center City as well as the South, West, Lower North and Near Northeast sections.

---

[3]Establishment-based employment refers to the number of jobs provided by establishments within a specified community or geographical area.

Table 7
Top 50 Municipalities in Total Establishment-Based Employment
Delaware Valley Region, 1990

Rank	Municipality	County	Total Housing Units	Total HH's (Total Occup. Units)	Total Renter-Occup. Units	Rental Vacancy Rate	Total Home-Owner Units	Total Rental Units	Percent Rental	1990 Emplymt.	Ratio: Emplymt. per Rental Unit
1	Philadelphia	Philadelphia	674,899	603,075	229,474	9.7%	445,425	253,996	37.6%	836,874	3.3
2	Trenton City	Mercer	33,578	30,744	15,030	6.9%	18,548	16,150	48.1%	63,779	3.9
3	Cherry Hill	Camden	25,786	24,529	3,900	10.5%	21,886	4,359	16.9%	50,709	11.6
4	Upper Merion	Montgomery	11,202	10,541	3,440	9.9%	7,762	3,816	34.1%	46,428	12.2
5	Lower Merion	Montgomery	23,868	22,559	5,727	5.5%	18,141	6,058	25.4%	42,889	7.1
6	Camden City	Camden	30,138	26,626	13,741	8.0%	16,397	14,934	49.6%	42,017	2.8
7	Bensalem	Bucks	22,713	20,964	8,421	12.9%	14,292	9,663	42.5%	33,385	3.5
8	Ewing	Mercer	12,518	12,102	3,029	5.5%	9,489	3,206	25.6%	32,234	10.1
9	Hamilton	Mercer	33,457	32,576	8,372	4.1%	25,085	8,731	26.1%	31,636	3.6
10	Pennsauken	Camden	12,715	12,406	2,394	3.7%	10,321	2,487	19.6%	29,529	11.9
11	Radnor	Delaware	10,580	9,831	3,628	9.1%	6,952	3,991	37.7%	28,446	7.1
12	Abington	Montgomery	22,116	21,543	4,640	5.2%	17,476	4,897	22.1%	28,414	5.8
13	Lawrence	Mercer	9,640	9,107	2,527	6.4%	7,113	2,700	28.0%	26,024	9.6
14	Tredyffrin	Chester	11,924	11,427	2,700	6.0%	9,224	2,871	24.1%	25,206	8.8
15	Horsham	Montgomery	8,599	8,279	2,693	5.8%	5,906	2,859	33.2%	23,283	8.1
16	Upper Darby	Delaware	34,115	32,746	11,167	6.6%	22,948	11,962	35.1%	21,275	1.8
17	Mount Laurel	Burlington	12,613	11,844	2,144	5.0%	10,469	2,257	17.9%	21,161	9.4
18	Moorestown	Burlington	6,046	5,830	1,197	5.7%	4,849	1,269	21.0%	20,901	16.5
19	Bristol Twp	Bucks	20,073	19,314	4,552	7.0%	15,521	4,892	24.4%	20,631	4.2
20	Upper Dublin	Montgomery	8,403	8,206	1,001	5.7%	7,402	1,061	12.6%	20,111	19.0
21	Warminster	Bucks	11,207	10,846	2,909	8.1%	8,298	3,166	28.3%	19,600	6.2
22	Middletown	Bucks	14,942	14,481	3,674	5.9%	11,268	3,905	26.1%	19,479	5.0
23	Plymouth	Montgomery	6,392	6,183	1,790	7.8%	4,602	1,941	30.4%	19,460	10.0
24	East Whiteland	Chester	3,001	2,880	847	6.6%	2,154	907	30.2%	18,601	20.5
25	New Hanover*	Burlington	856	784	591	0.2%	265	592	69.2%	17,779	30.0
26	Whitpain	Montgomery	5,703	5,439	1,207	7.6%	4,496	1,306	22.9%	17,316	13.3
27	Norristown	Montgomery	13,080	12,187	5,490	8.2%	7,590	5,980	45.7%	16,559	2.8
28	West Windsor	Mercer	5,829	5,363	1,278	8.1%	4,551	1,390	23.8%	16,392	11.8
29	Evesham	Burlington	13,268	12,562	2,970	9.6%	10,298	3,286	24.8%	16,189	4.9
30	Montgomery	Montgomery	4,825	4,579	415	5.0%	4,410	437	9.1%	15,732	36.0
31	Hatfield Twp	Montgomery	6,087	5,772	2,235	8.9%	3,852	2,453	40.3%	15,584	6.4
32	Princeton Boro	Mercer	3,514	3,265	1,855	3.5%	1,659	1,922	54.7%	15,200	7.9
33	West Whiteland	Chester	4,900	4,601	1,353	6.2%	3,547	1,443	29.4%	14,960	10.4
34	Voorhees	Camden	9,905	9,107	2,846	12.5%	7,059	3,252	32.8%	14,925	4.6
35	West Goshen	Chester	6,802	6,483	1,865	7.8%	4,937	2,023	29.7%	14,921	7.4
36	Pottstown	Montgomery	9,700	9,086	3,746	7.3%	5,954	4,039	41.6%	14,766	3.7
37	Chester City	Delaware	16,512	14,537	6,817	11.8%	9,695	7,727	46.8%	14,765	1.9
38	Haverford	Delaware	18,210	17,720	2,553	6.7%	15,657	2,737	15.0%	14,428	5.3
39	Falls	Bucks	13,307	12,546	2,887	16.3%	10,420	3,450	25.9%	14,397	4.2
40	Upper Moreland	Montgomery	10,362	10,063	3,772	4.4%	6,590	3,944	38.1%	14,338	3.6
41	West Chester	Chester	6,457	6,110	3,705	5.0%	2,752	3,900	60.4%	14,202	3.6
42	Cheltenham	Montgomery	14,467	13,747	4,458	8.0%	10,009	4,847	33.5%	14,034	2.9
43	Upper Gwynedd	Montgomery	4,358	4,143	824	7.1%	3,534	887	20.4%	13,030	14.7
44	Gloucester Twp	Camden	19,893	18,527	4,683	15.9%	15,210	5,568	28.0%	12,505	2.2
45	East Windsor	Mercer	9,069	8,564	3,147	6.0%	5,922	3,349	36.9%	11,970	3.6
46	Ridley Twp	Delaware	12,276	11,926	2,937	6.5%	9,339	3,142	25.6%	11,839	3.8
47	Mount Holly	Burlington	3,823	3,657	1,142	4.5%	2,681	1,196	31.3%	11,513	9.6
48	Springfield	Delaware	8,604	8,435	658	7.7%	7,946	713	8.3%	11,419	16.0
49	Whitemarsh	Montgomery	5,718	5,575	986	4.2%	4,732	1,029	18.0%	11,282	11.0
50	Doylestown Boro	Bucks	4,100	3,884	2,060	5.0%	2,040	2,169	52.9%	11,224	5.2
	Regional Average:					8.1%			31.0%		4.3

** New Hanover Township, Burlington County contains Fort Dix and McGuire Air Force Base, both significant military installations with personnel living in census-defined group quarters and not rental units. Since 1990, Fort Dix has significantly reduced the number of personnel on-base therefore, employment numbers and ratio to rental units are inaccurate.*

SOURCE: U.S Department of Commerce, 1990 Census of Population and Housing; DVRPC Report 8, Year 2020 County and Municipal Interim Population and Employment Forecasts, June 1993.

Prepared by: Delaware Valley Regional Planning Commission, (DVRPC), May 1994.

In general, the top 50 ranking municipalities in establishment-based employment in the region had below average rental vacancy rates. Of the top 50 municipalities, only 14 or 28% had a vacancy rate greater than the regional average of 8.1% in 1990. In terms of the percentage of total housing units that are rental among the top 50 municipalities, 21 or 42% had a rental unit percentage greater than the regional average of 31.0% in 1990. However, when the ratio of total establishment-based employment to total rental units is calculated, 33 of the top 50 municipalities or 66% had ratios greater than the regional average of 4.3 jobs per rental unit. While the regional average of 4.3 jobs per rental unit is not necessarily a benchmark, or recommended ratio, it certainly represents existing conditions in the region and therefore suggests that two-thirds of the top 50 ranking municipalities in total employment in the region have inadequate numbers of rental units. Moreover, 16 municipalities or 32% of the top 50 had ratios of 10.0 or greater, and three municipalities had ratios of 20.0 or greater. Of great significance is Montgomery Township, Montgomery County with a ratio of 36 jobs per rental unit, by far the largest ratio of the top 50 ranking municipalities in employment in the region.

LOCATIONS OF RENTAL HOUSING IN THE DELAWARE VALLEY

Rental housing in the Delaware Valley region is concentrated within the City of Philadelphia, the eastern portions of Bucks, Montgomery, Chester and Delaware counties, western Mercer County, western Burlington County, northern and southern Camden County and northeastern Gloucester County. **Table 8** lists the top 50 ranking municipalities in total rental units in 1990. As with figures for total employment, the City of Philadelphia topped the list with close to 254,000 rental units, with the cities of Trenton, Camden and Chester ranking second, third, and seventh respectively. Municipalities within the top 50 generally lie within the transportation corridors of I-95, I-295, I-276 (Pennsylvania Turnpike), Route 1 in Mercer County, and Routes 38, 42, 55 and 70 in Burlington, Camden and Gloucester counties.

In general, the top 50 ranking municipalities in total rental units in 1990 had below average rental vacancy rates. Of the top 50 municipalities, 17 or 34% had a vacancy rate greater than the regional average of 8.1%. In terms of the percentage of total housing units that are rental among the top 50 municipalities, 25 or 50% had a rental unit percentage greater than the regional average of 31.0% in 1990. However, 21 of the top 50 ranking municipalities in total rental units, or 42% had ratios of employment to rental units greater than the regional municipal average of 4.3 jobs per rental unit. This data suggests that half of the top 50 ranking municipalities in total rental units actually have inadequate numbers of rental units in relation to their employment levels. Moreover, 5 municipalities or 10% of the top 50 ranking municipalities had ratios of jobs to rental units of 10.0 or greater. The highest of these municipalities include Upper Merion Township in Montgomery County with a ratio of 12.2; and Pennsauken Township in Camden County with a ratio of 11.9 jobs per rental unit.

Table 8
Top 50 Municipalities in Total Rental Units
Delaware Valley Region, 1990

Rank	*Municipality*	*County*	*Total Housing Units*	*Total HH's (Total Occup. Units)*	*Total Renter-Occup. Units*	*Rental Vacancy Rate*	*Total Home-Owner Units*	*Total Rental Units*	*Percent Rental*	*1990 Emplymt.*	*Ratio: Emplymt. per Rental Unit*
1	Philadelphia	Philadelphia	674,899	603,075	229,474	9.7%	445,425	253,996	37.6%	836,874	3.3
2	Trenton City	Mercer	33,578	30,744	15,030	6.9%	18,548	16,150	48.1%	63,779	3.9
3	Camden City	Camden	30,138	26,626	13,741	8.0%	16,397	14,934	49.6%	42,017	2.8
4	Upper Darby	Delaware	34,115	32,746	11,167	6.6%	22,948	11,962	35.1%	21,275	1.8
5	Bensalem	Bucks	22,713	20,964	8,421	12.9%	14,292	9,663	42.5%	33,385	3.5
6	Hamilton	Mercer	33,457	32,576	8,372	4.1%	25,085	8,731	26.1%	31,636	3.6
7	Chester City	Delaware	16,512	14,537	6,817	11.8%	9,695	7,727	46.8%	14,765	1.9
8	Lower Merion	Montgomery	23,868	22,559	5,727	5.5%	18,141	6,058	25.4%	42,889	7.1
9	Norristown	Montgomery	13,080	12,187	5,490	8.2%	7,590	5,980	45.7%	16,559	2.8
10	Gloucester Twp	Camden	19,893	18,527	4,683	15.9%	15,210	5,568	28.0%	12,505	2.2
11	Abington	Montgomery	22,116	21,543	4,640	5.2%	17,476	4,897	22.1%	28,414	5.8
12	Bristol Twp	Bucks	20,073	19,314	4,552	7.0%	15,521	4,892	24.4%	20,631	4.2
13	Cheltenham	Montgomery	14,467	13,747	4,458	8.0%	10,009	4,847	33.5%	14,034	2.9
14	Lindenwold	Camden	8,527	7,942	4,410	8.7%	4,117	4,830	56.6%	2,802	0.6
15	Maple Shade	Burlington	9,073	8,475	4,258	9.7%	4,815	4,717	52.0%	6,233	1.3
16	Cherry Hill	Camden	25,786	24,529	3,900	10.5%	21,886	4,359	16.9%	50,709	11.6
17	Pottstown	Montgomery	9,700	9,086	3,746	7.3%	5,954	4,039	41.6%	14,766	3.7
18	Radnor	Delaware	10,580	9,831	3,628	9.1%	6,952	3,991	37.7%	28,446	7.1
19	Upper Moreland	Montgomery	10,362	10,063	3,772	4.4%	6,590	3,944	38.1%	14,338	3.6
20	Middletown	Bucks	14,942	14,481	3,674	5.9%	11,268	3,905	26.1%	19,479	5.0
21	West Chester	Chester	6,457	6,110	3,705	5.0%	2,752	3,900	60.4%	14,202	3.6
22	Upper Merion	Montgomery	11,202	10,541	3,440	9.9%	7,762	3,816	34.1%	46,428	12.2
23	Falls	Bucks	13,307	12,546	2,887	16.3%	10,420	3,450	25.9%	14,397	4.2
24	East Windsor	Mercer	9,069	8,564	3,147	6.0%	5,922	3,349	36.9%	11,970	3.6
25	Evesham	Burlington	13,268	12,562	2,970	9.6%	10,298	3,286	24.8%	16,189	4.9
26	Voorhees	Camden	9,905	9,107	2,846	12.5%	7,059	3,252	32.8%	14,925	4.6
27	Ewing	Mercer	12,518	12,102	3,029	5.5%	9,489	3,206	25.6%	32,234	10.1
28	Collingswood	Camden	6,734	6,399	2,939	7.6%	3,795	3,180	47.2%	5,097	1.6
29	Warminster	Bucks	11,207	10,846	2,909	8.1%	8,298	3,166	28.3%	19,600	6.2
30	Ridley Twp	Delaware	12,276	11,926	2,937	6.5%	9,339	3,142	25.6%	11,839	3.8
31	Lansdale	Montgomery	7,009	6,652	2,722	8.0%	4,287	2,958	42.2%	10,163	3.4
32	Tredyffrin	Chester	11,924	11,427	2,700	6.0%	9,224	2,871	24.1%	25,206	8.8
33	Horsham	Montgomery	8,599	8,279	2,693	5.8%	5,906	2,859	33.2%	23,283	8.1
34	Pemberton Twp	Burlington	10,525	10,051	2,710	5.0%	7,815	2,853	27.1%	7,433	2.6
35	Phoenixville	Chester	6,623	6,270	2,665	6.2%	3,958	2,840	42.9%	5,942	2.1
36	Haverford	Delaware	18,210	17,720	2,553	6.7%	15,657	2,737	15.0%	14,428	5.3
37	Lawrence	Mercer	9,640	9,107	2,527	6.4%	7,113	2,700	28.0%	26,024	9.6
38	Pennsauken	Camden	12,715	12,406	2,394	3.7%	10,321	2,487	19.6%	29,529	11.9
39	Hatfield Twp	Montgomery	6,087	5,772	2,235	8.9%	3,852	2,453	40.3%	15,584	6.4
40	West Deptford	Gloucester	7,638	7,407	2,233	3.8%	5,405	2,321	30.4%	6,333	2.7
41	Mount Laurel	Burlington	12,613	11,844	2,144	5.0%	10,469	2,257	17.9%	21,161	9.4
42	Winslow	Camden	10,493	9,736	1,766	19.3%	8,727	2,187	20.8%	7,395	3.4
43	Glassboro	Gloucester	5,440	5,019	2,045	6.5%	3,395	2,186	40.2%	7,924	3.6
44	Doylestown Boro	Bucks	4,100	3,884	2,060	5.0%	2,040	2,169	52.9%	11,224	5.2
45	Coatesville	Chester	4,391	4,078	2,009	6.3%	2,382	2,143	48.8%	4,822	2.3
46	Deptford	Gloucester	8,872	8,554	1,899	7.7%	6,973	2,057	23.2%	10,740	5.2
47	West Goshen	Chester	6,802	6,483	1,865	7.8%	4,937	2,023	29.7%	14,921	7.4
48	Washington	Gloucester	13,807	13,150	1,759	11.5%	12,048	1,988	14.4%	8,138	4.1
49	Haddon Twp	Camden	6,389	6,242	1,897	2.9%	4,492	1,954	30.6%	4,978	2.5
50	Plymouth	Montgomery	6,392	6,183	1,790	7.8%	4,602	1,941	30.4%	19,460	10.0
	Regional Average:					*8.1%*			*31.0%*		*4.3*

SOURCE: U.S. Department of Commerce, 1990 Census of Population and Housing; DVRPC Report 8, Year 2020 County and Municipal Interim Population and Employment Forecasts, June 1993.

Prepared by: Delaware Valley Regional Planning Commission, (DVRPC), May 1994.

Ratios of Employment to Rental Units by Municipality

Listed on **Table 9** are the top 50 municipalities in the region ranked by their ratios of total employment to total rental units. Municipalities with high ratios of employment to rental units are generally located on the fringes of the region as follows:

Bucks - the small Boroughs of Chalfont, Ivyland and Langhorne Manor;
Chester - the small Boroughs of Avondale in the south and Elverson in the north, and the Borough of Malvern and Townships of Easttown, Willistown, East Whiteland, West Whiteland, Schuylkill, Charlestown, West Pikeland, Upper Uwchlan and West Brandywine along the Route 30 and I-76 corridors;
Delaware - the Townships of Birmingham, Concord, Thornbury and Middletown in the west and Springfield and Tinicum in the east;
Montgomery - the Townships of Upper Hanover, Limerick, and Franconia in the west, Montgomery, Upper Gwynned, Whitpain, Whitemarsh, and Upper Dublin in central county, and Upper Merion, Lower Merion, and West Conshohocken Borough in the southeast;
Burlington - the Townships of New Hanover and Woodland in the east, Hainesport, Westampton and Medford Lakes Borough in central county, and Moorestown and Cinnaminson in the east;
Camden - the Boroughs of Berlin, Gibbstown and Tavistock in central county, and Cherry Hill and Pennsauken Townships in the northeast;
Gloucester - the Borough of Woodbury Heights and Mantua Township in central county, and Logan and Greenwich Townships in the northwest; and
Mercer - Hopewell Township in the north and West Windsor in the east.

In general, the top 50 ranking municipalities in ratio of employment to rental units are suburban in character, with several being very rural at the farthest fringes of the region such as Hopewell, West Windsor, New Hanover, Woodland, Logan, West Brandywine, Limerick, and Upper Hanover. While many of these municipalities are suburban or rural in nature, they contain significant employment and a lack of rental housing units. However, it should be noted that all those employed in a given municipality are not renters, and in fact the majority are homeowners.

A large majority of the top 50 ranking municipalities had below average rental vacancy rates. Of the top 50 municipalities only 6 or 12% had a vacancy rate greater than the regional average of 8.1% in 1990. In terms of the percentage of total housing units that are rental among the top 50 municipalities, only 4 or 8% had a rental unit percentage greater than the regional average of 31.0% in 1990. However, all 50 municipalities had a ratio of employment to rental units of 10.2 or greater, far greater than the regional average of 4.3. This data suggests that the municipalities with the greatest need for a balance between rental housing and employment levels are suburban and rural in character with small populations in comparison to regional municipal averages.

Of the 353 total municipalities in the region, eleven ranked in the top 50 in both total employment and ratio of employment to rental units; two very important categories in the analysis

Table 9
Top 50 Municipalities in Ratio of Employment to Rental Units
Delaware Valley Region, 1990

Rank	Municipality	County	Total Housing Units	Total HH's (Total Occup. Units)	Total Renter-Occup. Units	Rental Vacancy Rate	Total Home-Owner Units	Total Rental Units	Percent Rental	1990 Emplymt.	Ratio: Emplymt. per Rental Unit
1	Tavistock	Camden	11	11	1	0.0%	10	1	9.1%	51	51.0
2	Ivyland	Bucks	192	186	34	5.6%	158	36	18.8%	1,466	40.7
3	Cinnaminson	Burlington	4,877	4,767	203	4.7%	4,674	213	4.4%	8,061	37.8
4	Montgomery	Montgomery	4,825	4,579	415	5.0%	4,410	437	9.1%	15,732	36.0
5	Gibbsboro	Camden	762	750	80	0.0%	682	80	10.5%	2,740	34.3
6	New Hanover*	Burlington	856	784	591	0.2%	265	592	69.2%	17,779	30.0
7	Langhorne Manor	Bucks	304	297	51	3.8%	253	53	17.4%	1,380	26.0
8	Elverson	Chester	180	170	42	0.0%	138	42	23.3%	964	23.0
9	Birmingham	Delaware	1,288	1,237	226	5.8%	1,062	240	18.6%	5,487	22.9
10	Woodbury Heights	Gloucester	1,130	1,107	92	3.2%	1,038	95	8.4%	2,115	22.3
11	Thornbury	Delaware	1,021	995	100	1.0%	921	101	9.9%	2,221	22.0
12	Upper Hanover	Montgomery	1,594	1,547	155	3.7%	1,439	161	10.1%	3,381	21.0
13	Willistown	Chester	3,434	3,296	371	5.6%	3,063	393	11.4%	8,090	20.6
14	East Whiteland	Chester	3,001	2,880	847	6.6%	2,154	907	30.2%	18,601	20.5
15	Concord	Delaware	2,297	2,232	201	2.0%	2,096	205	8.9%	3,974	19.4
16	Upper Dublin	Montgomery	8,403	8,206	1,001	5.7%	7,402	1,061	12.6%	20,111	19.0
17	Mantua	Gloucester	3,619	3,463	338	3.7%	3,281	351	9.7%	6,181	17.6
18	Logan	Gloucester	1,725	1,665	166	4.0%	1,559	173	10.0%	2,980	17.2
19	Upper Uwchlan	Chester	1,390	1,304	97	13.4%	1,293	112	8.1%	1,876	16.8
20	Woodland	Burlington	435	416	91	0.0%	344	91	20.9%	1,504	16.5
21	Moorestown	Burlington	6,046	5,830	1,197	5.7%	4,849	1,269	21.0%	20,901	16.5
22	Springfield	Delaware	8,604	8,435	658	7.7%	7,946	713	8.3%	11,419	16.0
23	Middletown	Delaware	4,482	4,344	687	3.2%	3,795	710	15.8%	10,726	15.1
24	Upper Gwynedd	Montgomery	4,358	4,143	824	7.1%	3,534	887	20.4%	13,030	14.7
25	Limerick	Montgomery	2,520	2,359	351	4.1%	2,169	366	14.5%	5,238	14.3
26	West Brandywine	Chester	2,062	1,992	145	4.0%	1,917	151	7.3%	2,158	14.3
27	Berlin Borough	Camden	2,015	1,950	388	5.6%	1,627	411	20.4%	5,799	14.1
28	Westampton	Burlington	2,158	2,070	159	2.5%	1,999	163	7.6%	2,194	13.5
29	Hainesport	Burlington	1,209	1,161	129	1.5%	1,080	131	10.8%	1,743	13.3
30	Whitpain	Montgomery	5,703	5,439	1,207	7.6%	4,496	1,306	22.9%	17,316	13.3
31	Franconia	Montgomery	2,390	2,343	392	2.5%	1,998	402	16.8%	5,187	12.9
32	W. Conshohocken	Montgomery	491	465	132	6.4%	359	141	28.7%	1,756	12.5
33	Upper Merion	Montgomery	11,202	10,541	3,440	9.9%	7,762	3,816	34.1%	46,428	12.2
34	Lower Moreland	Montgomery	4,243	4,154	492	2.8%	3,751	506	11.9%	6,026	11.9
35	Pennsauken	Camden	12,715	12,406	2,394	3.7%	10,321	2,487	19.6%	29,529	11.9
36	West Windsor	Mercer	5,829	5,363	1,278	8.1%	4,551	1,390	23.8%	16,392	11.8
37	Medford Lakes	Burlington	1,567	1,528	91	0.0%	1,476	91	5.8%	1,070	11.8
38	Schuylkill	Chester	2,115	2,009	220	8.3%	1,895	240	11.3%	2,818	11.7
39	Greenwich	Gloucester	1,865	1,831	278	1.4%	1,587	282	15.1%	3,283	11.6
40	Cherry Hill	Camden	25,786	24,529	3,900	10.5%	21,886	4,359	16.9%	50,709	11.6
41	Whitemarsh	Montgomery	5,718	5,575	986	4.2%	4,732	1,029	18.0%	11,282	11.0
42	Tinicum	Delaware	1,796	1,736	530	3.6%	1,266	550	30.6%	6,013	10.9
43	Charlestown	Chester	876	844	100	5.7%	776	106	12.1%	1,151	10.9
44	Hopewell Twp	Mercer	4,071	3,924	373	5.3%	3,698	394	9.7%	4,170	10.6
45	Chalfont	Bucks	1,144	1,066	161	11.5%	983	182	15.9%	1,924	10.6
46	West Whiteland	Chester	4,900	4,601	1,353	6.2%	3,547	1,443	29.4%	14,960	10.4
47	Malvern	Chester	1,319	1,248	501	5.3%	818	529	40.1%	5,484	10.4
48	Easttown	Chester	3,491	3,385	513	2.7%	2,978	527	15.1%	5,418	10.3
49	West Pikeland	Chester	837	788	78	1.3%	759	79	9.4%	809	10.2
50	Avondale	Chester	347	339	115	4.2%	232	120	34.6%	1,224	10.2
	Regional Average:					8.1%			31.0%		4.3

** New Hanover Township, Burlington County contains Fort Dix and McGuire Air Force Base, both significant military installations with personnel living in census-defined group quarters and not rental units. Since 1990, Fort Dix has significantly reduced the number of personnel on-base therefore, employment numbers and ratio to rental units are inaccurate.*

SOURCE: U.S. Department of Commerce, 1990 Census of Population and Housing; DVRPC Report 8, Year 2020 County and Municipal Interim Population and Employment Forecasts, June 1993.

Prepared by: Delaware Valley Regional Planning Commission, (DVRPC), May 1994.

of the location of rental housing and employment. The eleven municipalities are located in five of the nine counties of the region: Mercer, Burlington, Montgomery, Chester and Delaware. Five of the eleven are located within Montgomery County and include Upper Dublin, Whitemarsh, Whitpain, Upper Gwynned and Montgomery Townships. The remaining six municipalities are West Windsor Township in Mercer County; New Hanover and Moorestown Townships in Burlington County; Springfield Township in Delaware County; and East and West Whiteland Townships in Chester County. Of the eleven municipalities, none ranked higher than 70 out of 353 in the number of total rental units for the region. This data suggests that the most pressing needs for rental housing are found in suburban municipalities with high levels of employment.

RATIOS OF EMPLOYMENT TO RENTAL UNITS BY COUNTY

An analysis of ratios of employment to rental housing units by county in the Delaware Valley region reveals some very interesting information. **Table 10** shows for each of the nine counties in the region the number of total rental units, total employment, and the ratio of employment to rental units in 1990. Also shown are the total number of municipalities in each county, and the number of municipalities above the corresponding ratios for county, state and region.

As shown on **Table 10**, within the Pennsylvania counties of the region, Montgomery County had the highest ratio, (6.07), and the City of Philadelphia the lowest (3.29). The ratio for the 239 municipalities of the five-county area was 4.14 jobs per rental unit. Of the 239 municipalities in the five-county area, 107 or 45% had ratios greater than the overall ratio for their county; 126 or 53% had a ratio greater than the ratio for the five-county area of 4.14; and 123 or 51% had a ratio greater than the ratio for the region as a whole of 4.27. Also, 36 municipalities, or 15% had a ratio greater than 10.0 jobs per rental unit.

Within the New Jersey counties of the region, Burlington County had the highest ratio, (5.32), and Camden County had the lowest (3.84). The ratio for the 114 municipalities of the four-county area was 4.68 jobs per rental unit, considerably higher than the ratio for the Pennsylvania portion of the region. Of the 114 municipalities in the four-county area, 49 or 43% had ratios greater than the overall ratio for their county; 49 or 43% had ratios greater than the ratio for the four-county area of 4.68, and 55 or 48% had a ratio greater than the ratio for the region as a whole of 4.27. Also, 20 municipalities, or 18% had a ratio greater than 10.0 jobs per rental unit.

As stated above, the ratio for the Delaware Valley region as a whole was 4.27 jobs per rental unit. Of the 353 municipalities in the nine-county area, 156 or 44% had ratios greater than the overall ratios for their county; 175 or 50% had ratios greater than the overall ratio for the respective New Jersey or Pennsylvania portion of the region in which they are located; and 178 or 50% had ratios greater than the ratio for the region as a whole. Moreover, 56 municipalities or 16% of the regional total had ratios of 10.0 jobs per rental unit or greater.

Table 10
Ratio: Employment to Rental Housing Units by County
Delaware Valley Region, 1990

County	1990 Total Rental Units	1990 Total Employment	Ratio: Employment to Total Rental Units	Total Municipalities	Total Municip. Above County Ratio	Total Municip. Above State Ratio	Total Municip. Above Regional Ratio	Total Municip. Above Ratio of 10.0
Bucks	50,541	245,345	4.85	54	33	36	34	4
Chester	35,931	197,752	5.50	73	26	33	32	13
Delaware	59,420	230,459	3.88	49	22	21	21	7
Montgomery	75,413	457,500	6.07	62	26	36	36	12
Philadelphia	253,996	836,874	3.29	1	0	0	0	0
PA TOTAL:	475,301	1,967,930	4.14	239	107	126	123	36
			% of Total:	100%	45%	53%	51%	15%
Burlington	35,990	191,345	5.32	40	21	22	24	8
Camden	59,327	227,933	3.84	37	12	10	11	5
Gloucester	18,121	86,079	4.75	24	10	10	11	4
Mercer	41,536	220,592	5.31	13	6	7	9	3
NJ TOTAL:	154,974	725,949	4.68	114	49	49	55	20
			% of Total:	100%	43%	43%	48%	18%
DVRPC TOTAL:	630,275	2,693,879	4.27	353	156	175	178	56
			% of Total:	100%	44%	50%	50%	16%

SOURCES: DVRPC Report 13, Delaware Valley Rental Housing Assessment, September 1993; DVRPC Report 8, Year 2020 County and Municipal Interim Population and Employment Forecasts, June 1993; and U.S. Department of Commerce, 1990 Census of Population and Housing.

Prepared by: Delaware Valley Regional Planning Commission, (DVRPC), May 1994.

The data shows significant numbers of municipalities in the region with greater than average ratios of jobs to rental housing units in relation to their particular county, state portion, and the region as a whole. The data further suggests that at least half of all municipalities in the region have a ratio of jobs per rental unit higher than that for the region as a whole, and therefore have not provided adequate numbers of rental housing units to complement the levels of employment within their boundaries.

ANALYSIS OF AFFORDABILITY

As discussed in the predecessor to this report: Report 13, ***"Delaware Valley Rental Housing Assessment,"*** 40% of the Delaware Valley region's rental households were paying 30% or more of their income for rent and utilities in 1990, and therefore, were living in units not *"affordable"* to them. The report determined that using percentage of income spent for housing costs by current occupants as an indicator of affordability is misleading because household income determines which areas of the region a household can rent within. In determining the affordability of the region's rental housing stock, the report used the average income of renter-occupied households ($23,100 annually), and calculated for each of the 353 municipalities in the region the percentage of this average income which would be spent to rent the median-cost unit in each municipality. The average renter-occupied household in the region could afford to pay $575 per month for rent and utilities in 1990, and therefore could afford to rent the median-cost unit in 217 or 61% of the region's 353 municipalities. However, the median-cost unit was not affordable to the average renter-occupied household in 136 or 39% of the region's municipalities.

Table 11 indicates the percentages of municipalities in each county which were affordable in 1990 based on the criteria described above. Seventy percent (70%) of the municipalities in the four New Jersey counties of the region were affordable, while only 58% of the municipalities in the five counties of Pennsylvania were affordable. The most affordable counties in the region were Gloucester where 92% of the municipalities were affordable, and Camden where 89% were affordable. The least affordable counties were Mercer where only 15% of the municipalities were affordable, and Bucks where 44% were affordable.

THE BALANCE BETWEEN EMPLOYMENT AND RENTAL HOUSING

Although much has been researched and written about the concept of a *"jobs to housing balance"* within local and regional areas, few if any have addressed the balance between employment and the rental portion of the housing stock of particular localities or regions. Using the determination of affordability or non-affordability of each of the region's municipalities, **Table 12** has summarized by county the total employment and total number of rental housing units in both affordable and non-affordable municipalities for the entire region. **Table 12** also calculates the ratio of employment to rental units by county for both affordable and non-affordable municipalities.

Table 11
Rental Affordability
Delaware Valley, 1990

County	Total Number of Municipalities	Number of "Affordable Municipalities"	Percent of Municipalities
Bucks	54	24	44%
Chester	73	45	62%
Delaware	49	34	69%
Montgomery	62	34	55%
Philadelphia	1	1	100%
PA TOTAL:	***239***	***138***	***58%***
Burlington	40	23	58%
Camden	37	33	89%
Gloucester	24	22	92%
Mercer	13	2	15%
NJ TOTAL:	***114***	***80***	***70%***
DVRPC TOTAL:	***353***	***217***	***61%***

SOURCE: DVRPC Report 13, Delaware Valley Rental Housing Assessment, September 1993.

** An "affordable" municipality is one where a household occupying a rental unit earning the region's average annual income for renter-occupied households ($23,100) would pay less than 30% of their income to rent a median-cost unit in that location, including utilities.*

Prepared by: Delaware Valley Regional Planning Commission (DVRPC), May 1994.

EMPLOYMENT IN AFFORDABLE AND NON-AFFORDABLE MUNICIPALITIES

As shown on **Table 12**, in 1990 in the Delaware Valley region as a whole 60% of total employment was located within municipalities classified as *"affordable"* and 40% within those classified as *"non-affordable."* Comparable statistics for the five-county Pennsylvania portion of the region show that 63% of employment was located within affordable municipalities and 37% within non-affordable municipalities. However, it should be noted that employment within the City of Philadelphia (836,000 jobs) accounted for 68% of the employment within affordable Pennsylvania municipalities. Within the four-county New Jersey portion of the region, statistics show that 51% of employment was located within affordable municipalities and 49% within non-affordable municipalities. It also should be noted that 73% of total employment in the region in 1990 was located within the five Pennsylvania counties.

The differentials in employment percentages between affordable and non-affordable municipalities by individual county were much different than the Pennsylvania and New Jersey multi-county aggregates. Of the nine counties in the region, five had a majority of employment within non-affordable municipalities as compared to affordable municipalities. These counties included: Bucks (70%), Chester (61%), Montgomery (74%), Burlington (64%) and Mercer (66%). It should be noted that total employment within these counties represents nearly half of the regional total. The remaining four counties had less than a majority of employment within their non-affordable municipalities as compared to affordable municipalities, and include Delaware (45%), Philadelphia (0%), Camden (33%) and Gloucester (12%).

The data suggests that a significant amount of total employment (40%) in the Delaware Valley region is within municipalities where the region's average renter household could not afford to rent that municipality's median-cost rental unit. The data also suggests that the region's average renter household must live longer distances from place of employment or pay more than 30% of income in rent and utilities. Moreover, in five of the nine counties of the region, the majority of jobs are located in non-affordable municipalities.

RENTAL HOUSING STOCK IN AFFORDABLE AND NON-AFFORDABLE MUNICIPALITIES

As shown on **Table 12**, within the Delaware Valley region as a whole in 1990, 74% of all rental units were located within municipalities classified as *"affordable;"* and 26% within those classified as *"non-affordable."* Comparable statistics for the five-county Pennsylvania portion of the region show that 77% of the rental units were located within affordable municipalities and 23% within non-affordable municipalities. However, it must be noted that rental units within the City of Philadelphia (254,000 units) accounted for 69% of all rental units in affordable Pennsylvania municipalities. Within the four-county New Jersey portion of the region, statistics show that 64% of the rental units were located within affordable municipalities and 36% within non-affordable municipalities. It also should be noted that 75% of all rental units in the region in 1990 were located within the five Pennsylvania counties.

Table 12
Jobs to Rental Housing Balance
Affordable vs. Non-Affordable Municipalities*
Delaware Valley Region, 1990

County	Employment in Affordable Municip.	Affordable Municip. Percentage of Total	Employment in Non-Afford. Municip.	Non-Afford. Municip. Percentage of Total	Employment in All Municip.	Rental Units Affordable Municip.	Affordable Municip. Percentage of Total	Rental Units Non-Afford. Municip.	Non-Afford. Municip. Percentage of Total	Rental Units All Municip.	Ratio: Employment-Rental Units Affordable Municip.	Ratio: Employment-Rental Units Non-Afford. Municip.	Ratio: Employment-Rental Units All Municip.
Bucks	72,609	30%	172,736	70%	**245,345**	16,030	32%	34,511	68%	**50,541**	4.5	5.0	**4.9**
Chester	76,319	39%	121,433	61%	**197,752**	20,345	57%	15,586	43%	**35,931**	3.8	7.8	**5.5**
Delaware	127,226	55%	103,233	45%	**230,459**	45,737	77%	13,683	23%	**59,420**	2.8	7.5	**3.9**
Montgomery	119,847	26%	337,654	74%	**457,501**	31,088	41%	44,325	59%	**75,413**	3.9	7.6	**6.1**
Philadelphia	836,874	100%	- - -	0%	**836,874**	253,996	100%	- - -	0%	**253,996**	3.3	- - -	**3.3**
PA TOTAL:	***1,232,875***	***63%***	***735,056***	***37%***	***1,967,931***	***367,196***	***77%***	***108,105***	***23%***	***475,301***	***3.4***	***6.8***	***4.1***
Burlington	68,309	36%	123,036	64%	**191,345**	15,472	43%	20,518	57%	**35,990**	4.4	6.0	**5.3**
Camden	152,993	67%	74,940	33%	**227,933**	50,463	85%	8,864	15%	**59,327**	3.0	8.5	**3.8**
Gloucester	75,826	88%	10,253	12%	**86,079**	16,038	89%	2,083	11%	**18,121**	4.7	4.9	**4.8**
Mercer	74,929	34%	145,663	66%	**220,592**	17,964	43%	23,572	57%	**41,536**	4.2	6.2	**5.3**
NJ TOTAL:	***372,057***	***51%***	***353,892***	***49%***	***725,949***	***99,937***	***64%***	***55,037***	***36%***	***154,974***	***3.7***	***6.4***	***4.7***
DVRPC TOTAL:	***1,604,932***	***60%***	***1,088,948***	***40%***	***2,693,880***	***467,133***	***74%***	***163,142***	***26%***	***630,275***	***3.4***	***6.7***	***4.3***

** As per DVRPC Report 13, Delaware Valley Rental Housing Assessment, September 1993.*

SOURCE: U.S. Department of Commerce, 1990 Census of Population and Housing; and DVRPC Report 8, Year 2020 County and Municipal Interim Population and Employment Forecasts, June 1993.

Prepared by: Delaware Valley Regional Planning Commission (DVRPC), May 1994.

The differentials of percentages of rental units within affordable and non-affordable municipalities by individual county were noticeably different than the Pennsylvania and New Jersey multi-county aggregates. Of the nine counties in the region, four had a majority of rental units within non-affordable municipalities. These counties included: Bucks (68%), Montgomery (59%), Burlington (57%), and Mercer (57%). The remaining five counties had less than a majority of rental units located within non-affordable municipalities and included: Chester (43%), Delaware (23%), Philadelphia (0%), Camden (15%), and Gloucester (11%).

The data suggests that in 1990 the vast majority of rental units within the region (74%), were located within municipalities where the region's average renter could afford to rent that municipality's median-cost rental unit. However, four of the nine counties of the region have significant majorities of their rental units within non-affordable municipalities. Coincidentally, these four counties also have a majority of their employment within non-affordable municipalities making it difficult for the region's average renter household from both living and working in the same municipality or within close proximity.

Ratio of Employment to Rental Units in Affordable and Non-Affordable Municipalities

The ratio of employment to rental housing units has been calculated and summarized by county for both affordable and non-affordable municipalities on **Table 12**. The overall ratio of jobs per rental unit for the Delaware Valley region as a whole in 1990 was 4.3; while the ratio in affordable municipalities overall was lower at 3.4 and the ratio in non-affordable municipalities overall was considerably higher at 6.7. Comparable ratios for the five-county Pennsylvania portion of the region were 4.1 overall, 3.4 in affordable municipalities and 6.8 in non-affordable municipalities. Likewise, within the four-county New Jersey portion of the region the ratios were 4.7 overall, 3.7 in affordable municipalities and 6.4 in non-affordable municipalities. A definite pattern is evident throughout the region in the ratios of jobs per rental unit. Ratios are higher in the non-affordable municipalities than in the affordable municipalities, meaning simply that there is more of an imbalance between employment and rental housing within the non-affordable municipalities.

The same pattern is evident within each of the nine individual counties of the region, (excluding Philadelphia which is both a municipality and county and its median-cost rental unit is affordable to the region's average renter household). Regardless, each of the eight suburban counties of the region exhibit higher ratios of jobs per rental unit in their non-affordable municipalities than in their affordable municipalities. The highest ratio was found within Camden County where there were 8.5 jobs per rental unit in the non-affordable municipalities. Other counties with high ratios in non-affordable municipalities include Chester (7.8), Delaware (7.5) and Montgomery (7.6).

The data suggests a problem for the average Delaware Valley renter household on three levels. On the first level, a significant amount of employment is located within non-affordable municipalities of the region. This employment attracts households of all income levels, (including renter households), to these suburban municipalities in search of employment. Assuming a rental household is employed, it must undertake the difficult task of locating affordable rental housing as close as possible to the workplace. On the second level, the non-affordable municipalities with significant employment opportunities also have only 26% of the region's total rental housing stock. The dearth of rental housing in the high employment, non-affordable municipalities creates a rental housing shortage for those renter households seeking to live in close proximity to their place of employment. And finally on the third level, renters employed in the high employment, non-affordable municipalities have a very difficult time in competing for an inadequate supply of rental units, most of which are not affordable to them anyway. When a suitable rental unit is located by a renter household, it is likely that it will cost more than 30% of the household's income for rent and utilities and therefore creating a housing cost burden to the household.

PROJECTED DEMAND FOR RENTAL HOUSING IN THE DELAWARE VALLEY

Using a methodology utilized by the Montgomery County Planning Commission to estimate regional housing demand for a six municipality area,[4] **Table 13** has calculated a rough estimate of total housing demand for the Delaware Valley region in the year 2020. Data used in the calculation is from DVRPC Data Bulletins and other DVRPC data, as well as the 1960, 1970, 1980 and 1990 censuses of population and housing.

The first step was to project the number of households by county in 2020 which was accomplished by dividing the projected population for 2020 by the projected household size for 2020. The second step was to project the group quarters population by dividing the 1990 group quarters population by the total 1990 population, resulting in the group quarters percentage of the total population in 1990. This percentage was assumed to remain constant through 2020, and therefore was simply multiplied by the 2020 projected population for the resulting 2020 projection for group quarters population. The third step was to project the vacancy rate in 2020 by taking a weighted average of vacancy rates in 1960, 1970, 1980 and 1990 for each county. The fourth step was to calculate the projected change in households between 1990 and 2020. The change in households was calculated by subtracting the 2020 projected group quarters population from the projected total 2020 population, dividing that remainder by the projected 2020 household size, and finally subtracting out the 1990 total households. The fifth and final step was to calculate the housing unit demand for 2020. The demand was calculated by multiplying the change in households between 1990 and 2020 by (one plus the projected 2020 vacancy rate). The results are found in the column labeled *"Housing Units Needed 2020"* on **Table 13**.

According to the methodology used, overall housing unit demand in 2020 for the Delaware Valley region will be 266,698 units. As would be expected, the largest demand is projected in the suburban counties, and negative demand is seen in the City of Philadelphia. Bucks County is

---

[4]Fair Share Analysis, Indian Valley Area, Montgomery County Planning Commission, July 1992.

Table 13
Calculation of Housing Unit Demand
Delaware Valley Region, 2020

County	1990 Population	1990 Households	1990 Household Size	1990 Group Quarters Population	2020 Projected Population	2020 Projected Households	2020 Projected Household Size	2020 Projected Group Qtrs. Population	2020 Projected Vacancy Rate	Change in Households 1990 to 2020	Housing Units Needed 2020	% of Total Stock 1990*	Projected Rental Demand 2020
Bucks	541,174	190,507	2.84	8,131	680,896	256,845	2.651	10,230	0.048	62,479	**65,482**	25%	16,370
Chester	376,396	133,257	2.82	12,910	489,300	183,602	2.665	16,782	0.042	44,048	**45,901**	26%	11,934
Delaware	547,651	201,374	2.72	17,955	548,981	211,962	2.590	17,999	0.037	3,639	**3,772**	28%	1,056
Montgomery	678,111	254,995	2.66	19,806	759,070	300,146	2.529	22,171	0.036	36,385	**37,712**	28%	10,559
Philadelphia	1,585,577	603,075	2.63	44,552	1,509,154	604,145	2.498	42,405	0.074	(15,906)	**(17,090)**	38%	(6,494)
PA TOTAL:	3,728,909	1,383,208	2.70	103,354	3,987,401	1,556,700	2.561	109,587	0.058	130,645	135,777	31%	42,091
Burlington	395,066	136,554	2.89	14,156	471,039	174,265	2.703	16,878	0.049	31,467	**33,019**	25%	8,255
Camden	502,824	178,758	2.81	8,891	588,962	219,516	2.683	10,414	0.052	36,877	**38,790**	31%	12,025
Gloucester	230,082	78,845	2.92	4,111	314,971	115,247	2.733	5,628	0.049	34,343	**36,009**	22%	7,922
Mercer	325,824	116,941	2.79	16,020	388,452	146,255	2.656	19,099	0.044	22,123	**23,104**	34%	7,855
NJ TOTAL:	1,453,796	511,098	2.84	43,178	1,763,424	655,283	2.691	52,019	0.049	124,809	130,921	29%	37,967
DVRPC TOTAL:	5,182,705	1,894,306	2.74	146,532	5,750,825	2,211,984	2.600	161,606	0.055	255,454	266,698	31%	82,676

Total Housing Unit Demand to 2020:	***266,698***	***100%***
Total Homeowner Unit Demand to 2020:	***184,022***	***69%***
Total Rental Unit Demand to 2020:*	***82,676***	***31%***

** DVRPC Report 13, Delaware Valley Rental Housing Assessment, calculated percentages of the region's total housing stock that were renter-occupied in 1990. Therefore, it can be assumed that these same percentages of the projected demand for all housing units in 2020 will be rental units.*

SOURCE: U.S. Department of Commerce, 1990 Census of Population and Housing; and DVRPC Data Bulletins.
Prepared by: Delaware Valley Regional Planning Commission (DVRPC), May 1994.

projected to have the highest demand for new housing with 65,000 units, and Chester County is projected to have the second highest demand with 45,000 units.

Using actual percentages of rental units to the total stock by county in 1990 from DVRPC Report 13, ***"Delaware Valley Rental Housing Assessment,"*** projected rental housing demand can be calculated from the overall housing demand projected for 2020. In 1990, 31% of the region's total housing stock were rental units. Therefore, at least 31% of the stock, and likely more, should be rental in 2020. Thirty-one percent of the 266,698 total units projected for 2020 represents a projected demand for 82,676 rental units in 2020 for the region. Comparable projections for the Pennsylvania counties of the region show that based on 31% of the stock being rental in 1990, 42,091 rental units will be needed in 2020. Likewise, for the New Jersey counties of the region based on 29% of the stock being rental in 1990, 37,967 rental units will be needed in 2020. Bucks County is projected to have the largest demand for rental units in 2020 with a need for 16,370 units. The counties of Chester, Montgomery and Camden also show large demands for rental units in 2020. As with the overall demand for housing, the City of Philadelphia shows a negative demand for rental units in 2020.

It should be noted that this calculation of demand for rental units in 2020 covers all types of rental housing and does not consider housing costs to households. Projected rental units using this methodology are of all affordability levels and include the need for low- and moderate-income rental housing as well as luxury rental units. Regardless of affordability, the data suggests a significant demand for rental housing units in the region between the present and 2020.

ELDERLY AND TOTAL POPULATION FORECASTS TO 2020

The Delaware Valley's elderly population age 65 or older is forecasted to increase significantly more than the total population between 1990 and 2020. As shown on **Table 14**, the region's elderly population is forecasted to increase by 19.4%, while the total population is forecasted to increase by only 10.9%. By 2020, the region will contain approximately 833,000 persons age 65 or older, up from 698,000 in 1990. Increases in the elderly population are even greater within individual counties of the region with the exception of Philadelphia and Delaware County. The greatest growth in the elderly population between 1990 and 2020 will be in the counties of Chester (96.9%), Gloucester (84.7%), Bucks (84.2%) and Burlington (68.0%). Within the five-county Pennsylvania portion of the region, elderly population growth is forecasted to increase between 1990 and 2020 by 11.5% while total population is forecasted to increase by only 6.9%. Likewise, within the four-county New Jersey portion of the region, elderly population growth is forecasted to increase by 43.8% while total population is forecasted to increase by only 21.3%.

Table 14
Population Forecasts, 1990 to 2020
Persons 65 Years or Older, and Total Population

	1990 Census Total Population	*1990 Census Persons 65+*	*1990 Census Percent 65+*	*2020 Forecast Total Population*	*2020 Forecast Persons 65+*	*2020 Forecast Percent 65+*	*Percent Change 1990-2020 Persons 65+*	*Percent Change 1990-2020 Total Pop.*
Bucks	541,174	58,912	10.9%	680,096	108,532	16.0%	84.2%	25.7%
Chester	376,396	40,977	10.9%	489,300	80,700	16.5%	96.9%	30.0%
Delaware	547,651	84,932	15.5%	548,981	83,347	15.2%	-1.9%	0.2%
Montgomery	678,111	101,993	15.0%	759,070	125,531	16.5%	23.1%	11.9%
Philadelphia	1,585,577	240,714	15.2%	1,509,154	190,200	12.6%	-21.0%	-4.8%
PA TOTAL:	***3,728,909***	***527,528***	***14.1%***	***3,986,601***	***588,310***	***14.8%***	***11.5%***	***6.9%***
Burlington	395,066	42,188	10.7%	471,039	70,864	15.0%	68.0%	19.2%
Camden	502,824	61,191	12.2%	588,962	73,471	12.5%	20.1%	17.1%
Gloucester	230,082	24,761	10.8%	314,971	45,723	14.5%	84.7%	36.9%
Mercer	325,824	42,229	13.0%	388,452	54,972	14.2%	30.2%	19.2%
NJ TOTAL:	***1,453,796***	***170,369***	***11.7%***	***1,763,424***	***245,030***	***13.9%***	***43.8%***	***21.3%***
DVRPC TOTAL:	***5,182,705***	***697,897***	***13.5%***	***5,750,025***	***833,340***	***14.5%***	***19.4%***	***10.9%***

SOURCE: DVRPC, Report 8, Year 2020 County and Municipal Interim Population and Employment Forecasts, June 1993.

Prepared by: Delaware Valley Regional Planning Commission (DVRPC), April 1994

The population growth figures shown on **Table 14** indicate significant future demand for elderly rental and homeownership housing accommodations for elderly households of all income levels. Demand for elderly rental and homeownership housing will be greatest in the suburban counties of Bucks, Chester, Burlington and Gloucester, and lowest in the urban areas of the region including Delaware County and the cities of Philadelphia, Camden and Trenton.

III. RENTAL HOUSING SUPPLY IN THE DELAWARE VALLEY

MUNICIPAL ZONING AND DEVELOPMENT CONTROLS

The New Jersey Municipal Land Use Law (N.J.S.A. 40:55D-1 et. seq.) and the Pennsylvania Municipalities Planning Code (Act of 1968, P.L. 805, No. 247) grant each municipal government within each respective state, the power to enact zoning ordinances to implement comprehensive plans for the physical development of their land areas. Although these pieces of enabling legislation are extremely different in their finer details, the power they grant solely to municipalities governs the type and intensity of development that occurs within municipal boundaries. No other agency of government at any level has this power. Because each individual municipality possesses this power over its future land use and development, certain difficulties arise in the provision of rental housing for households of all income levels. Following is a description of these difficulties.

For-Profit Housing Developers

Restrictive municipal zoning provisions and development controls were cited by each of the for-profit housing developers contacted as major contributing reasons for the slowdown in multi-family housing construction in general and rental housing production in particular. According to one developer, a reason that municipalities are reluctant to zone land for multi-family and rental unit construction is the notion that renters are a transient population and that they do not add to the stability of the community. Municipalities of all sizes and types strive for stability in their communities so that they can remain attractive to new residents as well as to the business community which produces community-supporting tax ratables. Another developer stated that even when multi-family zoning is provided it is not in the locations where it is most needed, particularly near employment centers and transit services. Additionally, water and sewer infrastructure are rarely provided in areas zoned for multi-family construction making affordable rental units more expensive or impossible to produce.

Municipalities with rent control ordinances are another problem mentioned by a developer in relation to restrictive municipal zoning and development controls. Very few developers will build rental units in these municipalities because rent control ordinances create an artificial housing market that does not account for the real operating expenses of a rental housing complex. The lack of specification in many municipal zoning ordinances for the provision of rental units accessible to persons with disabilities is yet another problem expressed by a developer. There is an extremely large demand for units of this type, yet very few are constructed each year. Finally, several of the developers mentioned overly burdensome construction requirements within building codes. Many of these requirements add unnecessary costs to each unit and render them less affordable when completed. Moreover, many municipal building codes have antiquated requirements for the demolition of structures which lead to the loss of structurally rehabilitatable buildings in historic and culturally significant neighborhoods.

Non-Profit Community Development Corporations

Because most non-profit community development corporations (CDC's) work predominantly within heavily urbanized areas such as Philadelphia and Camden, municipal zoning and development controls are not as much a hindrance to development and rehabilitation as they are in suburban communities. However, within the City of Philadelphia, according to one CDC, the City Planning Commission sometimes questions new construction and rehabilitation projects in older neighborhoods if they do not maintain their original historical charm and appearance. The CDC's understand this sentiment, but feel that the City sometimes loses sight of the main goal — to produce affordable housing at the least possible cost. Another problem mentioned by CDC's working in the inner cities are municipal building codes, historical reviews and permit approval processes which add unnecessary costs to the projects and make rental units less affordable when completed.

CHAS Reviews

A review of the fifteen CHAS reports for the region reveals a number of municipal zoning and development control-related policy problems explaining the slowdown in rental unit production. These policy problems fall into four general and overlapping categories: zoning and subdivision policy problems; building code policy problems; sewer infrastructure policy problems; and problems of the development review and permitting process.

The problems with zoning and subdivision policy are the most numerous of the four categories. Principal among these problems is the reality that the zoning provisions of many municipalities in the region are restrictive and exclusive to the construction of multi-family, high-density housing and do not encourage cluster residential developments and mixed housing type configurations. Also, many municipalities have not zoned sufficient amounts of land for medium and high-density residential development in areas with sewer, water and transportation infrastructure.[5] Many municipal zoning ordinances contain excessive subdivision and site improvement requirements which discourage the use of comparable, less expensive construction systems, discourage development and increase the final costs of development when undertaken. Moreover, many municipal ordinances restrict the conversion of single-family residences to multi-family residences through excessive off-street parking requirements.

A similar problem found in many municipal zoning ordinances relates to the establishment of group homes. The definition of *"family"* in many ordinances precludes the establishment of group homes to *"inhabitants related by blood, marriage, or other social bond."*[6] Group homes can be an excellent source of affordable rental housing when permitted. However, tantamount to the problems with local zoning policy are the governmental and legal environment which have helped to create them. In both Pennsylvania and New Jersey, municipal governments are granted the power to plan

---

[5]Delaware County, PA Consortium, CHAS, Fiscal Years 1994-1998, December 1993.

[6]Camden County, NJ Consortium, CHAS, Fiscal Years 1994-1998, October 1993.

and regulate land development in their jurisdictions through zoning, subdivision and land development ordinances while the county governments and regional agencies are strictly limited to an advisory role.

Municipal building and fire safety codes are another source of problems relating to the slowdown in rental unit production. While intended to set minimum levels of protection for the public, building and fire safety codes add costs to development projects, particularly when applied to the rehabilitation of older housing structures.[7] Alternatives such as manufactured housing and other housing types that do not meet conventional subdivision and building code requirements are not now permitted by many municipalities.[8] Municipal building permit and sewer tap-in fees also add thousands of dollars to construction costs and make finished units less affordable.

Municipal sewer infrastructure policies are a third source of problems for rental unit production. In the few municipalities where multi-family high-density housing is zoned, adequate water and sewer infrastructure is usually not provided. This situation discourages the development of rental housing because the developer must provide the infrastructure. When rental housing is developed under this scenario, the units are rendered less affordable. Additionally, many municipalities or local sewer authorities implement sewer moratoriums to slow the rate of growth. Eventually, developers build anyway and housing costs are greatly increased because the developers either build local *"package treatment"* plants or pay for the provision of increased municipal sewer service.

The municipal development review and permitting process is the fourth source of problems for rental unit production. Municipal review and approval of land development is characterized in the CHAS reports as an inefficient and lengthy process with numerous and duplicative requirements. There are a large number and variety of approvals and permits required by various local, county, state and federal jurisdictions. These various requirements have an enormous cumulative impact on construction time and unit affordability.[9] Moreover, many municipalities have a lack of professional planning staff to assist in the review process and the state level agencies such as the DER, DEPE, DCA's and DOT's contribute to the problem by requiring additional review and approval processes.[10] With respect to the City of Philadelphia and its considerable stock of city-owned buildings and vacant land, there are problems with the City's *"acquisition and disposition"* process. The City's CHAS report[11] states that the process is very slow, and hinders the development, conversion and rehabilitation of these buildings and lands into viable rental complexes by non-profit community development corporations and private developers.

---

[7]State of New Jersey, Draft CHAS, Fiscal Year 1994, October 1993.

[8]Chester County, PA CHAS, Fiscal Year 1994, December 1993.

[9]Bucks County, PA Consortium, CHAS, Fiscal Years 1994-1998, October 1993.

[10]Delaware County, PA Consortium, CHAS, Fiscal Years 1994-1998, December 1993.

[11]City of Philadelphia, PA Preliminary CHAS, Fiscal Year 1994, November 1993.

BANK FINANCING FOR AFFORDABLE RENTAL HOUSING PRODUCTION

In 1977, in response to mounting evidence of lending bias and discrimination in low- and moderate-income communities, the United States Congress enacted the Community Reinvestment Act (CRA). The purpose of the CRA was to encourage financial institutions to meet the credit needs of the communities in which they operate. The Act requires that each financial institution shall be evaluated by one of four federal agencies charged with carrying out its mandates. Specifically, each financial institution is evaluated based upon its lending practices, its investment practices, and its service provision to low- and moderate-income communities in its operational area. The evaluation of each financial institution takes into account its financial capacity and size, legal impediments, local economic conditions and demographics.[12] The CRA specifically addresses the problem of restrictive bank financing as an obstacle to the production and rehabilitation of affordable rental and homeownership housing.

For-Profit Housing Developers

Restrictive bank financing practices were cited by each of the for-profit developers contacted as a major contributing reason for the slowdown in multi-family and rental unit production. Banks now are very selective in determining what types of projects they will finance in light of the problems experienced by the S&L industry. When banks do lend money, they are requiring large amounts of equity contribution from the developer, which has the effect of sapping operating cash from the developer and the successful construction of rental developments very difficult.

Non-Profit Community Development Corporations

Due in large part to the Community Reinvestment Act (CRA) of 1977, the efforts of local banks and lending institutions in response to CRA requirements, the efforts of the Local Initiatives Support Corporation (LISC) and its subsidiary National Equity Fund (NEF), and equity and loan funding available through various state and federal programs, local CDC's are fortunate to have a wide range and availability of financing options. The availability of equity and loan financing is clearly one of the least pressing problems faced by local CDC's in their efforts to develop and rehabilitate affordable rental housing.

The Local Initiatives Support Corporation (LISC) is a non-profit community development intermediary created in 1979 which operates in 30 geographical areas of concentration, including Philadelphia. LISC channels private-sector financial resources to local non-profit CDC's in the form of low-interest loans, and also provides technical assistance to CDC's as they proceed with development and rehabilitation projects. In Philadelphia, local corporations and foundations contribute funds that are matched by the national LISC organization based in New York City. These

---

[12] The CRA Report, February 1994, Comptroller of the Currency, Administrator of National Banks, Washington, D.C.; and Housing New Jersey, Vol. 3, Issue 6, January 1994.

funds are then loaned to CDC's and often attract additional lending from local banks, corporate and individual investors or state and local governments.[13] The National Equity Fund (NEF) was created by LISC in 1987 to organize partnerships of Fortune 500 corporations which invest in affordable housing produced by local non-profit CDC's. Investors in NEF receive their return on investment in the form of Low Income Housing Tax Credits, which corporations can apply against their federal tax obligations.[14] The efforts of LISC and NEF have been, and will continue to be, very helpful to local CDC's in the Philadelphia area in developing and rehabilitating affordable rental housing.

Lending for Market-Rate Housing

A telephone conversation with a major bank in Philadelphia which lends capital for the construction of market rate rental and homeownership housing reveals an interesting perspective on the issue of rental housing production. The bank official stressed that lending for and construction of *"market rate"* and *"affordable housing"* are two entirely different worlds. Financing arrangements on affordable housing developments are extremely complex packages involving outright grants, subsidies, and numerous layers of financing. Also, there is a tremendous need and demand for affordable rental housing, and this demand is being addressed mainly by non-profit community development corporations. Private market developers do not get involved because they simply cannot earn money on these projects. Conversely, the market rate rental housing development world is completely different. The financing arrangements are much less complex, and there is not nearly the same level of demand for market rate rental units.

According to the bank, a reason for the difference between the supply of and demand for rental housing can be traced to the 1986 tax law changes which took away many of the benefits to investing in real estate. Prior to 1986, large numbers of market rate rental housing units were produced. In fact, more rental units were produced than were needed. Since 1986, production of market rate rental units has nearly stopped. The long recession beginning in 1989 coupled with the slowdown in production further depressed the production of all forms of housing and real estate development. The oversupply of market rate rental units caused rent levels to decline and made development of new rental complexes less profitable. Simultaneously, interest rates dropped, and more renter households were able to afford to buy homes, thereby further decreasing demand for rental units. A major reason for the slowdown in market rate rental housing construction is the fact that such projects simply have become economically unfeasible for the developer. The current market rate rents are not sufficient to cover the development and operating costs. However, the bank official mentioned that the market for existing multi-family apartment complexes is currently very active for pension funds and other institutional investors because rent levels will begin to increase as demand approaches the supply of rental units.

---

[13] About the Local Initiatives Support Corporation, LISC, April 1992.

[14] The National Equity Fund, 1992 Annual Report.

Lending for Low- and Moderate-Income Housing

In 1992, the New Jersey Savings League created the Thrift Institutions Community Investment Corporation (TICIC), a subsidiary lending consortium of 90 thrift institutions in New Jersey designed to help its members meet their CRA requirements for lending in their communities while simultaneously minimizing the risk on loans to developers of multi-family housing projects. According to TICIC, the CRA has been successful in bringing attention to the credit needs of low- and moderate-income communities and in funneling funding to these areas but that clearly there is room for more success. The majority of lending deals to low- and moderate-income communities underwritten by TICIC include outside funding sources such as NJDCA's Balanced Housing program, federal HOME, and the federal LIHTC to ensure that they are safe and sound. Safe and sound lending in low- and moderate-income communities generally is not possible without these outside funding sources.[15] The federal regulations governing the CRA are currently being reviewed for revisions and improvements. According to TICIC, a problem with the regulations is that they do not emphasize the importance of lending for multi-family projects, and the evaluation criteria are ambiguous in distinguishing between the number of loans provided by an institution and the number of units produced. In other words, the number of loans originated is more important than the number of units financed. The final regulations are scheduled to be released by May 31, 1994; however, it is unclear whether they will address these concerns.[16]

A telephone conversation with another major national bank in Philadelphia reveals a very interesting point of view on the production of affordable rental housing. As with many large banks, the bank has a division entirely dedicated to the financing of multi-family affordable rental and homeownership housing designed to meet the requirements of the CRA. The bank official stated that rental housing has been virtually the only housing that has been constructed in the City of Philadelphia in recent years. In fact, the bank is worried that not enough homeownership housing is being constructed. Since 1986 when the Low Income Housing Tax Credit (LIHTC) was enacted, virtually all of the rental housing constructed in the Philadelphia area has been through this program. The LIHTC is being utilized by private sector and non-profit developers to the point that investments from corporate and individual investors are replacing the need for bank loans. According to the bank official, there is a plentiful amount of capital available for the rehabilitation and development of affordable rental housing by both private sector and non-profit development corporations. In terms of policy problems, the bank official noted that since the S&L crisis, federal regulators have become tighter with federal banking regulations but that this has not adversely impacted their lending patterns.

---

[15]Housing New Jersey, Volume 3, Issue 6, January 1994.

[16]President - Thrift Institutions Community Investment Corporation (TICIC), March 1994.

CHAS Reviews

Review of the fifteen CHAS reports for the region reveals limited comments relating to problems and limitations of bank financing for affordable housing development. However, two jurisdictions had brief comments. The first jurisdiction is the City of Camden which states that there is a lack of investment by local lending institutions and corporations in the city's community development and revitalization activities.[17] The second jurisdiction is Bucks County, Pennsylvania which cites federal manipulation of the money supply and interest rates which create the boom and bust business cycles and a lack of capital for rental housing production.[18]

FEDERAL TAX POLICY

Tax policies of the federal government have played an important role in the production and affordability of both market rate and affordable housing over the past several decades. The foremost federal tax policy benefitting homeowners is the allowance to deduct home mortgage interest from federal income tax payments. This demand-side policy has allowed the majority of American households to become homeowners. However, there are no such demand-side benefits for renter households. The primary federal tax policy benefit for renter households is a supply-side policy, and is known as the Low Income Housing Tax Credit (LIHTC). The Tax Reform Act of 1986 established the LIHTC to encourage the construction and rehabilitation of rental housing units for low-income families, senior citizens, persons with disabilities and the homeless. The tax credit is available to owners of and investors in rental housing for up to 10 years as a dollar-for-dollar reduction of federal income tax liability, provided that the rental housing project remains in compliance with occupancy and rent requirements for a 15-year compliance period.[19]

The LIHTC has been extensively utilized in the Delaware Valley since its inception in 1986. **Table 15** indicates the numbers of low-income housing tax credit units allocated and produced for the nine counties of the Delaware Valley region for the seven-year period 1987 through 1993. Between 1987 and 1993, 8,362 tax credit units were allocated and produced in the region. The majority, or 5,634 of the units were allocated in the Pennsylvania counties and of that total, 4,547 were allocated in the City of Philadelphia over the seven-year period. Bucks County received the fewest number of units over the seven-year period with only 37 units. The peak year for the Pennsylvania counties as a whole was 1989 when 1,205 units were allocated and produced, although the individual counties, excepting Montgomery, had individual peaks in different years.

---

[17]City of Camden, NJ CHAS, Five Year Plan 1994-1999, Annual 1994, November 1993.

[18]Bucks County, PA Consortium, CHAS, Fiscal Years 1994-1998, October 1993.

[19]Pennsylvania Housing Finance Agency, Tax Credit Program, 1994.

Table 15
Low Income Housing Tax Credit Units
Delaware Valley, 1987 - 1993

County	1987	1988	1989	1990	1991	1992	1993	Total	Average 1987-1993
Bucks County	0	4	1	0	15	0	17	37	5
Chester County	8	5	43	25	25	12	43	161	23
Delaware County	125	157	105	6	88	59	22	562	80
Montgomery County	4	7	245	5	0	0	66	327	47
Philadelphia	306	398	811	484	903	865	780	4,547	650
PA TOTAL:	***443***	***571***	***1,205***	***520***	***1,031***	***936***	***928***	***5,634***	***805***
Burlington County	0	0	42	0	17	0	0	59	8
Camden County	200	96	188	432	275	101	518	1,810	259
Gloucester County	0	0	5	0	0	0	0	5	1
Mercer County	0	216	202	30	119	187	100	854	122
NJ TOTAL:	***200***	***312***	***437***	***462***	***411***	***288***	***618***	***2,728***	***390***
DVRPC TOTAL:	***643***	***883***	***1,642***	***982***	***1,442***	***1,224***	***1,546***	***8,362***	***1,195***

SOURCE: New Jersey Housing and Mortgage Finance Agency, and Pennsylvania Housing Finance Agency, 1994.

Prepared by: Delaware Valley Regional Planning Commission (DVRPC), May 1994.

The New Jersey counties of the region saw the allocation and production of 2,728 units between 1987 and 1993, with the peak for the New Jersey counties as a whole occurring in 1993 with 618 units, of which 518 units were allocated in Camden County. Camden County received the highest unit allocation of the New Jersey counties over the seven-year period with 1,810 units, and Gloucester County received the fewest of any county in the region with only 5 units. The peak year for the Delaware Valley region as a whole came in 1989 when 1,642 units were allocated and produced.

For-Profit Housing Developers

A lack of federal tax benefits to be derived from both the development of, and investment in real estate were cited by two of the for-profit developers contacted as contributing reasons for the slowdown in rental unit production. The problems with federal tax benefits apply to all forms of real estate development and investment, but particularly to affordable rental unit construction because these projects are the most difficult to make financially feasible. With the sweeping tax law changes in 1986, many of the tax-related benefits to real estate development were taken away. Specifically, before the 1986 changes, real estate developers would assemble groups of investors or *"syndicators"* in a limited partnership entity which could invest in real estate development projects and claim a *"passive"* loss on their federal tax returns if the development project failed or lost money. The term *"passive"* refers to the investors' not being actively involved in the real estate business as their main source of income. The capability of the limited partner investors to claim passive losses on failed real estate projects made investment in all forms of real estate extremely attractive because of the ability of investors to save money on taxes even if the project lost money or failed.

However, the 1986 tax law changes required that any investor in real estate must be *"actively"* involved in the real estate business in order to claim a loss relating to a real estate development. The result of the change in the law was to discourage passive investors in real estate development projects, and therefore a reduction in all forms of real estate development, including rental and for-sale housing.

Non-Profit Community Development Corporations

The federal Low Income Housing Tax Credit (LIHTC) program is one of the major funding sources available to local CDC's for the development and rehabilitation of affordable rental housing. The CDC's contacted agreed that the program serves a good purpose but has a very complex and burdensome process which if streamlined would make the program more efficient. One CDC in Philadelphia mentioned that it is trying to initiate a project whereby it would develop affordable rental units using the LIHTC program on vacant Philadelphia Housing Authority (PHA) properties. The units would be managed by the CDC, subsidized by the PHA and would count as replacement units under HUD requirements for the PHA. Such a development scenario is allowable under the LIHTC program and would benefit local low-income households, the PHA and the CDC's.

CHAS Reviews

Of the fifteen CHAS reports reviewed for the region, only three commented on federal tax policy as a barrier to the production of affordable rental housing. The first jurisdiction is the City of Philadelphia which believes that the federal LIHTC program is complex and renders the production of affordable housing a *"needlessly complicated, expensive and difficult task."*[20] The City does however, provide tax abatements to encourage the rehabilitation or new construction of rental housing. The second jurisdiction is Chester County, Pennsylvania. The County believes that the changes in federal tax policy enacted in 1986 removed some of the financial incentives available to developers of rental housing and hurt production levels. According to the County, the greatest impact was upon moderate-cost rental housing because the federal government created the LIHTC to encourage development of rental housing for low-income households, but no program for moderate-income households.[21] The third jurisdiction is Haverford Township which commented that the Federal tax law changes enacted in 1986 had both a positive and negative impact on the construction of rental housing. Specifically, the changes removed some of the financial incentives for developers of rental housing while simultaneously creating the LIHTC to encourage affordable rental housing construction. As a result, the impact of the changes was greatest on the development of moderate-cost rental housing because incentives were taken away for its construction and none were replaced.[22]

LOCAL PROPERTY TAX POLICY

The problems associated with municipal property tax policies and the production of affordable rental housing are common to all areas of the Delaware Valley region. The problems are found in both Pennsylvania and New Jersey, in rural townships and large cities and in the numerous suburban townships and boroughs of the region. The problem for all types and sizes of municipalities arise from the municipal tax and spending structure in place in both Pennsylvania and New Jersey. This structure mandates that municipal governments rely on property taxes to finance the various municipal services they provide to their residents. These services are increasingly expensive and are directly related to the population and real estate values of the municipality.

In the large cities and urban townships of the region, a declining industrial base has caused the local property tax base to shrink, constraining the financing of local services and placing a greater tax burden on residential properties.[23] Ironically, areas of the inner cities and urban townships with the highest property taxes are also the areas with the most available and affordable housing stocks.[24] As property taxes rise in the inner cities and urban townships of the region, lower-income households experience increasing difficulty in paying the property tax bills, and frequently become

---

[20]City of Philadelphia, PA Preliminary CHAS, Fiscal Year 1994, November 1993.

[21]Chester County, PA CHAS, Fiscal Year 1994, December 1993.

[22]Haverford Township, Delaware County, PA CHAS, Fiscal Years 1994-1998, November 1993.

[23]City of Trenton, NJ CHAS, Fiscal Years 1994-1998, December 1993.

[24]City of Camden, NJ CHAS, Five Year Plan 1994-1999, Annual Plan 1994, November 1993.

tax delinquent. When this happens, many rental and owner-occupied units become vacant, deteriorate and fall out of the housing stock. Because of the high tax values on these inner city properties, non-profit and for-profit developers are hesitant to rehabilitate them because they will not recapture the rehabilitation value put into the units and more importantly, extremely deep rental assistance subsidies are needed for tenants to occupy the units once completed. The bottom line is that the local property tax policies in the large cities and urban townships cause affordable rental units to be lost from the stock and not replaced.

The problems are similar in the suburban municipalities of the region. Some of the suburban municipalities have significant amounts of vacant land that could be developed with affordable rental units. However, those with developable land may not be served with mass transit to provide convenient access to affordable housing tenants. Property tax rates in the suburban municipalities are also high, but they are more affordable in terms of the relationship between suburban incomes and home values. High property tax rates encourage suburban municipalities to zone their land areas for land uses that do not place large demands upon the school system and other municipal services. These types of land uses are generally large lot single-family residential and industrial, commercial and other employment generating uses. Not included on the list of desirable land uses for this *"ratables chase"* is multi-family rental housing. High density housing does not produce significant tax revenues for a municipality and simultaneously burdens the provision of local services, while industrial and commercial uses generate significant tax revenues for the municipality and do not burden local service provision.[25]

It is important to note that regardless of the type or size of municipality, local property tax rates are determined by the municipal governing body. Aside from state enabling legislation which sets general parameters; county, state and federal governments and agencies have no power to regulate the tax rates and little influence in changing these municipal policies.

ECONOMIC/DEMOGRAPHIC TRENDS AND CONDITIONS

The interrelated factors of recessionary economic conditions in recent years and the demographic characteristics of young potential home-buying and renter households are contributing reasons for the slowdown in rental unit production. Due to the poor economic performance during the most recent recession, many young people are uncertain about their job security and not comfortable with establishing themselves in a specific geographical area through buying a home or signing a yearly rental lease agreement. People in the early years of their careers often move from job to job or are moved to different locations by their employers. This causes instability and uncertainty in their lives. A similar problem is found with young people struggling to save money to purchase a home who often move home with their parents rather than occupying a rental unit.

---

[25]State of New Jersey, Draft CHAS, Fiscal Year 1994, October 1993.

The scarcity of employment opportunities available to low-income households which currently, or in the future will reside in rental units is another factor contributing to the slowdown in rental unit production. The lack of employment opportunities and low education levels among low-income households creates a rental housing market demand that can only be supported with government subsidy programs. A rental housing market which relies on subsidy operates artificially and cannot long sustain itself. Economic development within low-income communities is a major activity of most local CDC's, and should be encouraged, along with an improved educational system, by all levels of government as alternatives to reliance on government subsidy programs.

INNER CITY INFILL AND REHABILITATION

For-Profit Housing Developers

Each of the for-profit developers were asked about the deteriorating and abandoned housing stocks in certain areas of the inner cities of the region; whether they had ever considered infill and/or rehabilitation projects; and why these types of projects are rarely undertaken by private sector developers. One developer responded that these types of projects are unfamiliar to most private sector developers and therefore they choose to stay with what they know best — market rate development in the suburbs. Also, these types of projects are most suited to either a very small organization which can rehabilitate one or two units at a time, or to a very large organization with significant capital and the ability to redevelop and rehabilitate much larger project areas. Another developer said that his organization has looked into several infill and rehabilitation projects in the City of Philadelphia but did not feel comfortable because the potential rent revenues did not justify the investment. A third developer mentioned that his organization has looked into infill and rehabilitation projects in the City of Camden but did not get involved because there is not a significant level of cooperation and sharing of resources between the city and the private sector. The City of Camden has excellent potential to improve its conditions, but it first must improve its social problems, improve the educational system and create lasting partnerships with the private sector.

Non-Profit Community Development Corporations

Local non-profit community development corporations (CDC's) are the leaders in providing new and rehabilitated affordable rental housing units within the inner city areas of the Delaware Valley region. In producing affordable rental units in the inner city, CDC's encounter numerous problems and obstacles. Within the City of Philadelphia, one of the largest problems is the City's lengthy and cumbersome *"acquisition and disposition"* process which is discussed below. However, another problem encountered by CDC's in the inner city are environmental cleanups on former industrial sites slated for development of affordable rental housing. The Pennsylvania Department of Environmental Resources (DER) and the New Jersey Department of Environmental Protection and Energy (DEPE) have very stringent requirements that must be followed. The result is that development costs increase dramatically when environmental cleanup problems arise, and units are rendered less affordable when completed. A third problem encountered by CDC's in the inner city is the issue of tax abatement by cities. Specifically, within Philadelphia the abatement period is only three years, after which the City assesses the properties at their market values which are much higher once development or rehabilitation is completed. High property tax rates render the rental units less affordable. A beneficial policy change would be for the City to lengthen the abatement period and assess affordable housing units at less than market rate.

City of Philadelphia

Within the City of Philadelphia there are numerous vacant structures and vacant properties. These properties represent a vital resource for the revitalization and redevelopment of the city. Because of this fact, these properties are actively sought by non-profit and for-profit developers as well as by city agencies as opportunities for development and redevelopment. However, there are serious problems associated with the process established by the city to dispose of the properties which are city-owned. The process is known as the *"acquisition and disposition"* process.

Tantamount to the various problems with the process is the fact that the properties are owned by a variety of different city and quasi-city agencies including: Philadelphia Redevelopment Authority (RDA); Philadelphia Housing Development Corporation (PHDC); Philadelphia Industrial Development Corporation (PIDC); Philadelphia Commercial Development Corporation (PCDC); Philadelphia Housing Authority (PHA); Office of Housing and Community Development (OHCD) and the Department of Public Property (DPP). The widely disparate ownership coupled with an extremely poor informational inventory on the properties results in an extremely lengthy and confusing process for both acquiring and disposing of city-owned properties. There is not a central database which contains vital information on each property such as ownership, liens, or condition of structures. Acquiring clean title on a property from the city can take anywhere from six months to two years.

Other problems relate to the method of disposition of the properties by the city. Because there is not a central agency which handles inquiries on vacant city-owned properties, an interested party must contact one of the city or quasi-city agencies and inquire about the property in question. Once the city agency holding ownership is determined, the applicant must contact that agency and then is referred by that agency to the Vacant Property Review Committee (VPRC), an inter-agency task force which meets monthly. The applicant then presents his case and plan for the property to the VPRC which then makes a recommendation to the Commissioner of Public Property who in turn transfers the property to the RDA or the PIDC for disposition. Problems are magnified at this point of the process by a lack of staff at the disposition agencies caused by antiquated city employment policies and budget restraints. In addition, disposition is a manual process desperately in need of computerization.

An additional problem relates to vacant properties owned by the Philadelphia Housing Authority (PHA). The PHA is not a participant in the process and is not represented on the VPRC because it is a federally regulated agency. The properties owned by PHA have been acquired with federal funds, and federal regulations stipulate that each public housing unit lost from the stock must be replaced by another unit, making the packaging of vacant properties, owned by various agencies including PHA, a very difficult and time consuming task.

CHAS Reviews

Of the fifteen CHAS reports reviewed for the region, only one commented on policy problems relating to inner city infill construction and rehabilitation of rental housing. The City of Philadelphia offers city-owned land and vacant buildings to developers at low cost for the production of affordable rental housing, but is hindered by a complex and time consuming acquisition and disposition process for the sale of these properties.[26] The complexity and length of the process deters many developers from participating and producing affordable rental housing. When developers do participate, their costs are greatly increased because of the lengthy process, and the resulting rental units are rendered less affordable.

EMPLOYER-ASSISTED RENTAL HOUSING PROGRAMS IN THE DELAWARE VALLEY

Employer-assisted housing programs are a benefit and/or incentive offered by employers whereby the employer assists its employees in finding either homes for purchase or rent that are convenient to the workplace and, therefore, also benefit the employer by attracting and maintaining quality employees and increasing worker productivity. While employer-assisted housing programs can assist employees in either purchasing or renting, they also can be characterized as either supply-side, where the employer develops or assists in the development of housing units, or demand-side where the employer assists the employee in buying or renting a housing unit. Demand-side programs are more prevalent than supply-side programs in the Delaware Valley region, as are programs that assist employees in becoming homeowners. Demand-side programs that assist employees with rental housing are scarce in the Delaware Valley region.

A DVRPC survey[27] in the spring of 1994 of 73 different major employers in the Delaware Valley region revealed that very few had any type of employer-assisted or facilitated rental housing program. Surveyed major employers included 32 hospitals, 26 large private sector corporations, and 15 of the largest colleges and universities in the Delaware Valley.[28] Of the 73 employers surveyed, nine had some form of employer-assisted or facilitated rental housing program. Of the nine employers with programs, four were at colleges and universities, four at hospitals, and one at a large corporation. Following are brief descriptions of each of the nine employer-assisted and facilitated rental housing programs.

---

[26] City of Philadelphia, PA Preliminary CHAS, Fiscal Year 1994, November 1993.

[27] Employers were chosen as follows: (1) the largest three employers in each of the nine counties of the DVRPC region; (2) hospitals were chosen out of the telephone directories; and (3) the colleges and universities with the top 15 enrollments in the region.

[28] See Appendix A for listing of major employers.

1. Princeton University, Princeton, New Jersey

Princeton University owns and operates a stock of 715 rental housing units reserved for use by faculty and staff of the University only. The stock contains mainly apartment units with a small number of single-family detached units, and remains nearly 100% occupied except for the summer months. The units are scattered throughout Princeton Township and Princeton Borough, and many are within walking distance of the University campus. The units rent at rates affordable to the faculty and staff and are well regarded as an excellent employee benefit.

2. University of Pennsylvania, Philadelphia, Pennsylvania

The University of Pennsylvania, although offering two mortgage guarantee programs to its employees for the purchase of homes,[29] does not have any formal rental housing assistance program. However, the University has a contract with a nearby apartment complex where incoming researchers and other employees in need of furnished apartments for short periods of time can live. The University has negotiated reduced rents for temporary use by the researchers and other employees. Also, the University's Office of Off-Campus Living maintains computerized listings of available rental units categorized by size and location for use by students, staff and faculty in locating rental housing. The listings are updated weekly, and the office provides the use of telephones to contact realtors and landlords.

3. Temple University, Philadelphia, Pennsylvania

Temple University owns ten rental apartments housed within two rowhouses on their main campus in North Philadelphia which are reserved for current, full-time University faculty and staff only. The units are 70% occupied and rent at rates set by the University. The units are located in close proximity to University buildings and are very convenient for the faculty and staff living in them.

4. Villanova University, Radnor Township, Delaware County, Pennsylvania

Villanova University has a very limited rental assistance program whereby the University pays rent at a nearby apartment complex for visiting professors for a period of one semester. The apartment complex is located very close to the University and is very convenient for the visiting professors.

5. Helene Fuld Medical Center, Trenton, New Jersey

The Helene Fuld Medical Center owns ten single-family attached homes in the City of Trenton which are reserved as living space for foreign nurses from outside of the United States

[29] DVRPC, Bridging the Gap - Closing the Mismatch Between Jobs and Workers, p. 77, October 1992.

working at the Medical Center. Currently, only three of the houses are occupied by a total of six nurses. The nurses living in the units pay $125 per month in rent which covers all utilities. All units are within two blocks of the Medical Center.

6. Fox Chase Cancer Center, Philadelphia, Pennsylvania

The Fox Chase Cancer Center owns 54 apartment units and seven single-family detached houses which are reserved for rental to post-doctoral employees of the center. The units are rented to these employees at a 33% discount for a period of up to three years. After three years, the employees can either begin to pay full market-rate rents for their units or they can move out to other accommodations. The reduced rate rents are subsidized from research grants received by the post-doctoral employees. All of the rental units are within walking distance of the center.

7. Cooper Medical Center, Camden, New Jersey

The Cooper Medical Center does not have an *"official"* employer-assisted rental housing program. However, in the very near future the hospital will enter into an unofficial agreement with Fair Share Housing Development, Inc., a local non-profit community development corporation, which is rehabilitating 64 attached single-family homes on Haddon Avenue and Washington Street around the corner from the hospital in the City of Camden. Of the 64 total units, eleven will rent at market rates, and the remaining 53 units will be reserved half for low-income households, and half for moderate-income households. Currently, none of the units are occupied, but it is the intention of the unofficial agreement between Cooper and Fair Share Housing that as many Cooper Hospital employees as possible move into the eleven market rate units when they become ready for occupancy. The units are all located within walking distance to the hospital, and the redevelopment project would benefit greatly from having stable Cooper employees living within the neighborhood.

8. Rohm and Haas Delaware Valley, Inc., Bristol, Pennsylvania

The Rohm and Haas Corporation has an employer-assisted rental housing program for new employees in need of rental housing. Under the program, new employees are referred to a relocation firm specializing in locating rental housing. The firm meets with the new employees, interviews them to determine their housing needs and preferences, and gives them a tour of rental housing complexes in Bucks, Montgomery and Burlington counties that meet their needs. Rohm and Haas does not subsidize the housing occupied by employees in any way, but merely assists employees in finding rental housing, close to their plant, which will satisfy their employees needs.

9. West Jersey Hospital, Camden, New Jersey

The West Jersey Hospital of Camden owns one apartment and eight rowhomes which are rented to lower-income employees of the hospital. The units are conveniently located on the grounds of the hospital and are occupied by employees who are on-call and frequently work on weekends. The nine rental units are rented at below-market rates, and are subsidized by the hospital.

STATE PROGRAMS

A. STATE OF NEW JERSEY

According to the State of New Jersey's Comprehensive Housing Affordability Strategy (CHAS) report for fiscal year 1994, approximately $25 million in state funds and over $90 million in federal funds will be allocated and used throughout the state to construct affordable housing, rehabilitate substandard units, carry out neighborhood revitalization programs, provide services for the homeless and special needs populations, increase the capacity of non-profit organizations, develop public housing resident and community initiatives and provide direct financial assistance to first-time homebuyers.

The most prominent of the state-level programs that address the needs of the rental housing market and renter households in New Jersey are the Neighborhood Preservation Balanced Housing program, the HOME Rental Rehabilitation program, the Small Cities Community Development Block Grant (CDBG) program and the Multi-Family Rental Financing program. Each of these programs provide much needed assistance to renter households and to the producers of affordable rental housing. However, each of the programs also have certain problems which prevent them from performing to their full capacity and capability.

Neighborhood Preservation Balanced Housing

Created in 1985 by the New Jersey Legislature as part of the Fair Housing Act, the Balanced Housing program is administered by the New Jersey Department of Community Affairs (NJDCA). The program provides grants to municipalities that qualify for urban aid or are participating in the Mt. Laurel process through COAH or the courts. Non-profit and for-profit developers can apply for funding through qualifying municipalities. Grants are in the form of a per unit subsidy for acquisition, site preparation, rehabilitation, or construction of rental or for-sale housing. Program rules require that all households served by the program have incomes below 80% of the county median adjusted by household size, and half of all units served must be below 50% of county median. Funding for the program is generated from a realty transfer fee of $0.75 per $500 increment of value above $150,000 and is assessed on all real estate transactions in the state. Between 1986 and 1993, within the four counties of the New Jersey portion of the region, $39.2 million has been granted and 2,492 new and rehabilitated units have been produced.[30]

From the perspective of the administrators of the Balanced Housing program, its problems are not unique. All of the typical obstacles to the production of affordable rental housing such as high land and construction costs, land availability, ability to attract private loans for the project, environmental site remediation costs in the inner city, and community acceptance are present with

---

[30]Fast Facts for Neighborhood Preservation Balanced Housing Program, 1986 through 1993, NJDCA, Division of Housing.

the Balanced Housing program. The largest problem with the program is the need for additional funding. The amount of state funding allocated to the program each year is directly dependent upon and driven by the condition of the economy and the real estate market. Another less significant problem is that the program is available only to urban aid municipalities and those participating in the COAH process.[31] Other suburban municipalities could benefit from the program if some of the traditional obstacles to production were eliminated or ameliorated.

HOME Rental Rehabilitation

The HOME Rental Rehabilitation program is administered by the NJDCA and provides deferred payment loans of up to $10,000 per unit through municipalities to owners of substandard rental properties in the private market. The program is funded through the federal HOME Investment Partnerships program each fiscal year. Eligible activities include the repair of major housing systems, energy-related repairs, improvements for persons with disabilities, and the abatement of lead-based paint hazards.[32] Within the four New Jersey counties of the region, HOME funds are being utilized on projects in Burlington Township in Burlington County; Gloucester City and Gloucester Township in Camden County; and Woodbury City in Gloucester County.

The largest problem with the HOME Rental Rehabilitation program is that it is very staff labor-intensive to administer because of numerous federal requirements. Examples of these labor-intensive requirements are annual monitoring for compliance with federal Housing Quality Standards and annual income and rent-level recertifications on each unit and tenant household.[33] These activities require significant staff time which could be spent on other more important activities such as processing applications for the rehabilitation of additional units.

Small Cities Community Development Block Grant (CDBG)

The Small Cities CDBG program is also administered by the NJDCA and provides federal CDBG funding on a competitive basis to non-entitlement municipalities, counties and consortia of two or more municipalities for community development and housing rehabilitation activities. Funding is in the form of grants of up to $350,000.

As with other state housing programs, the Small Cities CDBG program has administrative problems. The largest of these is that components of the applications change as projects progress from the application stage to the implementation stage. Specifically, environmental problems may arise on the site, and costs may be more than estimated which result in the grantee trying to negotiate for a larger grant from NJDCA. Another problem is that the grantees sometimes spend the grant money in ways not acceptable to the NJDCA which cause slowdowns in the development process.

---

[31]NJDCA, Neighborhood Preservation Balanced Housing, Program Director, March 1994.

[32]State of New Jersey, Draft CHAS, Fiscal Year 1994, October 1993.

[33]NJDCA, HOME Rental Rehabilitation, Program Director, March 1994.

A third problem is that third-party participation by a municipally-sponsored non-profit group can cause slowdowns in the process because of the increased complexity introduced by the group.[34]

Multi-Family Rental Financing

The Multi-Family Rental Financing program is administered by the New Jersey Housing & Mortgage Finance Agency (NJHMFA). The program provides construction and permanent financing to non-profit and for-profit developers for the construction and rehabilitation of rental housing in the State of New Jersey. The majority of projects financed through the program combine funding from outside sources to allow the deals to be financially feasible. Outside funding sources include the Balanced Housing program, CDBG and the LIHTC program.

The largest problem with the program is that it receives no subsidies from the State for the operation of the rental projects. Financing is available for construction and rehabilitation of rental units generated from the sale of bonds, but no funding is available for tenant rental subsidies. This represents an especially significant problem given the scarcity of federal Section 8 rental assistance.

The Mount Laurel Doctrine and the New Jersey Council on Affordable Housing

The affordable housing delivery system in New Jersey is extremely unique with a history dating to 1975. In that year, the New Jersey Supreme Court ruled in the case of *Southern Burlington County NAACP v. Township of Mount Laurel* that developing municipalities have a constitutional obligation to provide a realistic opportunity for the construction of low- and moderate-income housing. The Court reaffirmed the *"Mount Laurel Doctrine"* in 1983 in its Mount Laurel II decision which provided guidance in determining a municipality's fair share of affordable units and authorized specific judicial remedies to ensure that municipalities meet their constitutional obligation. The New Jersey Legislature in 1985 passed the Fair Housing Act which created the Council on Affordable Housing (COAH) as an administrative alternative to the Court system.[35]

The primary responsibilities of COAH are to establish housing regions in the State, determine municipal and regional housing need numbers, provide guidelines for municipalities to follow in addressing their housing need and developing housing plan elements and fair share plans — which are now required under the Fair Housing Act to be a part of the municipal master plan effective August 1, 1988. The so-called *"COAH process"* begins with the preparation of a municipal housing plan element and fair share plan that addresses the municipality's need for low- and moderate-income housing. The validity of a municipality's zoning ordinance may be at risk if a housing plan element has not been adopted by the effective date. Once adopted, the municipality has the option of *"filing"* its housing plan element and fair share plan with COAH. This action provides the municipality access to COAH's administrative process of review and mediation in the event litigation is brought

[34] NJDCA, Small Cities CDBG, Program Director, March 1994.

[35] NJ COAH, Requirements of a Housing Element and Fair Share Plan, 1988.

against the municipality. In addition to the filing option, a municipality can petition COAH for *"substantive certification,"* or approval, of its housing plan element and fair share plan. This action renders the municipality immune from litigation and provides a legal presumption that it has met its fair share obligation for a period of six years.[36] It should be noted that participation by municipalities in the COAH process is optional and not mandatory. Municipalities may choose not to participate, however, in doing so they put themselves at risk of litigation brought by developers or other interested parties without the ability to rely on the COAH process for their defense.

The Mount Laurel Doctrine and COAH process have had a noticeable impact on the rental housing market in the State of New Jersey. COAH rules mandate that 25% of a municipality's fair share obligation be rental units.[37] As of November 1993, COAH had certified 158 municipal plans for 19,958 potential units statewide, approximately 4,900 of which are or will be rental units.[38]

The Rutgers University Center for Urban Policy Research (CUPR) recently completed a statewide analysis of the effects of the Mt. Laurel Doctrine and the COAH process on affordable housing production between 1987 and 1992. **Table 16A** shows for the four New Jersey counties of the Delaware Valley region the numbers of affordable units both: (a) zoned for or planned, and (b) actually constructed, during the six-year period. As **Table 16A** shows, within the four New Jersey counties of the region a total of 6,305 units (6,145 new and 160 rehabilitated) were zoned for or planned; and a total of 2,517 units (1,994 new and 523 rehabilitated) were actually constructed during the six-year period. Although COAH documentation does not explicitly identify the number of rental units, it can be assumed in light of COAH rules that 25% or approximately 2,200 of the 8,822 total units are or will be rental.

As mentioned above, the COAH process is optional and not mandatory for New Jersey municipalities. **Table 16B** shows the COAH-status of the 114 municipalities within the four New Jersey counties of the Delaware Valley region. Within the four counties, the total calculated need for affordable units, as calculated by COAH, is 17,113 units for the period 1993 to 1999. The table also indicates the number of municipalities within each of the COAH-status categories (filed, petitioned, court transferred, and certified), as well as the number of affordable units proposed to be provided within each of the categories by county. Within the four counties as a total, 12,251 units are proposed to be provided by 55 of the 114 municipalities through the COAH process. The 12,251 units represent 72% of the total calculated need (17,113 units) of the four counties for the period 1993 to 1999. The majority of the units are proposed to be provided in municipalities that have been transferred to COAH's jurisdiction from the courts (6,654 units) and municipalities that have been certified by COAH (4,108 units). As with the period 1987 to 1992, COAH documentation thus far for the period 1993 to 1999 does not explicitly identify the number of proposed rental units,

---

[36]Ibid.

[37]COAH Substantive Rules, N.J.A.C. 5:93-5.13 Rental Housing.

[38]COAH, Status of Municipalities, November 1993.

however, it can be assumed in light of COAH rules that 25% or approximately 3,060 of the 12,251 total units are or will be rental.

Council on Affordable Housing (COAH)

The Mount Laurel process from the perspective of the Council on Affordable Housing has largely been a successful effort to create municipal zoning for and encourage the actual construction of affordable rental housing in the State of New Jersey. The largest problem with the process according to COAH is that participation by municipalities is optional. Before 1985 when COAH and the Balanced Housing program were created, the only incentive for municipalities to participate in the COAH process was the threat of litigation brought by a developer. Even now with Balanced Housing program funding available, suburban municipalities are not impelled to participate because the majority of the Balanced Housing funding goes to urban municipalities. There is not enough funding in Balanced Housing to go around to all those municipalities in need of assistance in meeting their COAH fair share obligations. According to COAH, the process would be much more successful if all municipalities in the State were required to participate.[39]

A second problem from the perspective of COAH relates to the optionality of the program, and that is that the process is market driven and therefore reliant upon economic conditions. When the residential real estate development market is slow or stagnant, very few affordable units are produced, while at the same time there are static or increasing numbers of households in need of affordable housing. However, aside from the problems, COAH prefers to emphasize the positive aspects of the process, the greatest of which are significant production of affordable housing units and approved zoning provisions for significantly more affordable units in growing municipalities across the State of New Jersey.[40]

For-Profit Housing Developers

Each of the for-profit developers contacted stated that it is difficult to develop affordable housing in New Jersey because of the Mount Laurel Doctrine and COAH process. The developers said that the affordable rent levels and sales price limits are such that building a successful and reasonably profitable development are very difficult. Rent levels and sales prices on affordable units are not sufficient to cover the actual costs of construction and development. Therefore, the costs for the affordable units are passed on to the renters and buyers of the market rate units. In addition, the COAH process adds another layer of administrative red tape which slows down the development process and adds considerably to the final costs of the development and the affordability of the units.

---

[39]NJ Council on Affordable Housing, Executive Director, April 1994.

[40]Ibid.

TABLE 16A
COAH-Produced or COAH/Courts Influenced
Affordable Housing Zoning, Construction, and Rehabilitation
New Jersey Counties of the Delaware Valley Region
1987 - 1992

	Total Units Zoned For/Planned			Actual Units Constructed			Total Units Zoned For/ Planned and Constructed		
County	**New**	**Rehab.**	**Total**	**New**	**Rehab.**	**Total**	**New**	**Rehab.**	**Total**
Burlington	1,777	60	1,837	451	179	630	2,228	239	2,467
Camden	1,177	70	1,247	60	181	241	1,237	251	1,488
Gloucester	1,265	24	1,289	575	66	641	1,840	90	1,930
Mercer	1,926	6	1,932	908	97	1,005	2,834	103	2,937
TOTAL:	6,145	160	6,305	1,994	523	2,517	8,139	683	8,822

SOURCE: "COAH-Produced or COAH/Courts Influenced Affordable Housing Zoning, Construction and Rehabilitation, 1987 - 1992"; Center for Urban Policy Research (CUPR), Rutgers University, August 1992.

TABLE 16B
COAH Status of Municipalities
New Jersey Counties of the Delaware Valley Region
November 1993

County	# Munic. in County	(1) Total Calculated Need (Units)	(2) # Munic. COAH-Filed (Mun/Units)	(3) # Munic. COAH-Petitioned (Mun/Units)	(4) # Munic. Court Transfer (Mun/Units)	(5) # Munic. COAH-Certified (Mun/Units)	(6) TOTAL (Mun/Units)	(7) # Munic. Non-Participating (Mun/Units)
Burlington	40	4,438	(2/529)	(3/580)	(7/1,898)	(9/1,787)	(21/4,794)	19
Camden	37	4,662	(0/0)	(1/359)	(2/2,505)	(10/252)	(13/3,114)	24
Gloucester	24	3,915	(0/0)	(1/23)	(3/1,108)	(8/959)	(12/2,090)	12
Mercer	13	4,098	(0/0)	(0/0)	(4/1,143)	(5/1,110)	(9/2,253)	4
TOTAL:	***114***	***17,113***	***(2/529)***	***(5/960)***	***(16/6,654)***	***(32/4,108)***	***(55/12,251)***	***59***

SOURCE: (1) COAH, 1993-1999 Low- and Moderate-Income Housing Need Estimates by County, October 12, 1993, and (2) COAH, Status of Municipalities, November 1993.

NOTES:

(1) Represents the COAH-calculated low- and moderate-income housing need estimates for the period 1993 to 1999.

(2) Municipality has filed adopted housing element and fair share plan with COAH. Affords municipality access to COAH administrative process of review and mediation in event of litigation.

(3) Municipality has filed adopted housing element and fair share plan and has petitioned COAH for substantive certification of the plan.

(4) Legal jurisdiction of municipality transferred from the courts to COAH. Municipality must file housing element and fair share plan with COAH within 120 days.

(5) Municipal housing element and fair share plan received substantive certification from COAH. Municipality gains presumption of having validly met obligation and is immune from litigation for six years.

(6) Figures represent total participation in the COAH process. Total includes units in municipalities that have filed, petitioned, been transferred and certified.

(7) COAH process is optional, not mandatory. Municipalities have chosen not to participate, at risk of litigation.

Non-Profit Community Development Corporations

The State of New Jersey Department of Community Affairs (NJDCA) administers numerous programs that benefit and encourage the production and rehabilitation of rental housing in the State. Several of these programs assist non-profit developers of rental and for-sale housing. The two most frequently utilized of these programs are the Balanced Housing program which provides a per unit subsidy for acquisition, site preparation, rehabilitation or construction of for-sale and rental housing for low- and moderate-income occupancy; and the Small Cities Community Development Block Grant program which provides grants of up to $350,000 for economic development, housing and public facilities activities that assist low- and moderate-income households in non-entitlement towns and cities and non-HUD designated counties.[41]

While these two programs provide an invaluable service to non-profit housing developers in the State there are problems that exist which slow down construction and rehabilitation projects and add to their final costs. Specifically, non-profit housing developers use these programs as *"reimbursements"* to pay off bank loans they have secured to begin work on their projects. The cash flow from the two programs is slow due to administrative and bureaucratic constraints. This situation causes the non-profits to carry their bank loans for longer periods and to pay more interest on the loans while waiting for the reimbursement grants. The end result is that the projects cost more to produce and the rental units are less affordable. Another problem with the State programs is that none provide funding for the pre-development costs associated with a project, i.e. all of the costs incurred by a non-profit in order to apply for assistance under the various State programs. These costs include real estate appraisals, surveys, preliminary architectural and engineering fees, environmental studies and others. Non-profit corporations do not have significant sums of cash in reserve for these costs, and have difficulty securing loans for these purposes.

CHAS Review

Of the eight CHAS reports reviewed for the New Jersey portion of the region, two commented on state-level policy problems, both relating to the Council on Affordable Housing (COAH) and the Mount Laurel Doctrine. The first jurisdiction is the State of New Jersey which states that because the COAH process is voluntary, many municipalities altogether avoid participation or take a deliberate and slow path.[42] In addition, the COAH process relies on private sector production which has been tremendously slowed by the recent prolonged recession. Therefore, fewer affordable units are being produced.

The second jurisdiction is the City of Trenton which comments that the affordable housing built under the COAH process *"has been largely limited to housing built for sale to families at the upper reaches of the very low-income and low-income populations, marketed in ways that resulted*

---

[41]Directory of Housing Assistance Programs, New Jersey Department of Community Affairs, 1993.

[42]State of New Jersey, Draft CHAS, Fiscal Year 1994, October 1993.

in residents of the communities in which they were built occupying the great majority of the units."[43] Trenton's CHAS report also states that even when a municipality has a COAH-approved housing plan, the municipality may continue to impose exclusionary zoning restrictions in the remainder of the community and preventing the provision of additional affordable units.[44]

B. COMMONWEALTH OF PENNSYLVANIA

According to the Commonwealth of Pennsylvania's Comprehensive Housing Affordability Strategy (CHAS) report for fiscal year 1994, approximately $65 million in federal funds and $50 million in Commonwealth funds will be allocated across the Commonwealth for housing and community development activities. The most prominent of the Commonwealth-level programs that address the needs of the rental housing market and the renter households of Pennsylvania are the PennHOMES program, the Housing and Community Development (HCD) program and the CDBG for Small Cities program. Each of these programs provide valuable assistance to renter households and to the producers of affordable rental housing. However, each also have certain problems which prevent them from performing to their full capacity and capability.

PennHOMES

The PennHOMES program is a competitive low-interest deferred loan fund administered by the Pennsylvania Housing Finance Agency (PHFA) that can be used to support the development of lower-income rental housing. Eligible activities under the program include development cost write-downs, interest rate reductions and rental assistance. Loans are available to private developers, non-profit community development corporations and other non-profits. All rental units assisted must serve households at or below 60% of the county median income, and at least half of the units assisted must serve households at or below 50% of the county median. The PHFA can authorize funding of up to $20,000 per rental unit serving households at or below 50% county median and up to $14,000 per rental unit serving households at or below 60% county median. The maximum aggregate amount of assistance for any one project is $1 million.[45] Funding for the program comes from PHFA reserves accumulated from the Single Family Mortgage program.

As with other state housing programs, the PennHOMES program has problems that inhibit its performance. The largest of the problems is that the funding source, reserves from the Single Family Mortgage program, are not adequate to serve the need, and fluctuate from year to year. The administrative aspects of the program also present problems. The paperwork required by the program is highly burdensome both for PHFA staff and loan applicants. Additionally, because the program is competitive, the special needs housing groups feel they are at a disadvantage in receiving loans.

---

[43]City of Trenton, NJ, CHAS, Fiscal Years 1994-1998, December 1993.

[44]Ibid.

[45]Pennsylvania Housing Finance Agency, "The PHFA HOMES Program".

Pennsylvania Equity Bridge Loan Program

The Pennsylvania Equity Bridge Loan Program is a new program developed by the Pennsylvania Housing Finance Agency (PHFA) which combines the resources of the Office of the State Treasurer, the PHFA, and the Commonwealth of Pennsylvania. In the funding of Low Income Housing Tax Credit (LIHTC) developments, corporations have become significant investors. In many instances, when corporate investment is involved, the pay-in from the investors is over a period of time, spanning up to six years or longer. Since the funds from the investors are needed to construct the development, financing in the form of a bridge loan is needed. The interest rate on such bridge loans tends to negate the increased investment normally attributable to corporate investors.

To optimize the resources available to produce affordable rental housing, the PHFA is offering the Pennsylvania Equity Bridge Loan Program at interest rates considerably below the market. The program has been funded at a level of $12 million and will be available to developments sponsored by either for-profit or non-profit developers, or some combination thereof. This loan program is only available to developments using the PHFA's PennHOMES loan program.

Housing and Community Development (HCD)

The Housing and Community Development (HCD) program is a state grant program administered by the Pennsylvania Department of Community Affairs (PDCA) to assist in the development or rehabilitation of housing for low- and moderate-income residents and community development projects. Eligible rental housing assistance activities include: (a) pre-development or development expenses for the construction or rehabilitation of subsidized housing projects if funds are unavailable from other sources; (b) rehabilitation of rental properties whose tenants have low- or very-low incomes; (c) site improvements to support new construction of housing units; and (d) public improvements to support the rehabilitation of housing units. The annual grant program is competitive and is available to counties, municipalities, redevelopment authorities and non-profit housing developers.[46]

The largest problem with the HCD program lies within the enabling legislation that created it. The program is very flexible and very broad in its scope of eligible activities. Because it is so flexible and broad-ranging in scope, much of the state funding allocated to the program goes to existing owner-occupied rehabilitation projects and not to multi-family low-income projects primarily because ownership projects are more palatable to local governments. Another problem, specific to the Delaware Valley region, is that high land and construction costs limit the ability of HCD funding to produce significant amounts of affordable rental housing.[47]

---

[46] Commonwealth of Pennsylvania, CHAS, Fiscal Years 1994-1998, November 1993.

[47] Pennsylvania Department of Community Affairs, HCD Program Director, March 1994.

Community Development Block Grant (CDBG) for Small Cities

Community Development Block Grant (CDBG) for Small Cities is a federally funded program administered by the PDCA to aid counties and municipalities that are not within HUD-designated urban counties or are not entitlement municipalities. Within the Delaware Valley region, Conshohocken Borough and Limerick Township in Montgomery County are the only two municipalities receiving funding through the program each year. Pennsylvania is the only state in the nation with a state legislated CDBG program. The legislation creating the program was passed in 1984 and is known as Act 179. The Act stipulates that 85% of the total funding received from the federal government each fiscal year is allocated by formula among *"entitlement communities"* as defined by the Act (27 third class cities, 126 boroughs and townships having a population of 4,000 or greater and designated as UDAG-distressed, and 54 non-urban counties). The Act also stipulates that 13% of the total funding is reserved for competitive distribution to the non-entitlement communities under the Act. Eligible activities include acquisition, rehabilitation, land clearance, and site and public improvements to support new housing. Requirements of the program stipulate that more than 51% of the multi-family units assisted, serve households below 80% of the county median income. Funding for the program comes from the Commonwealth's federal CDBG allocation for states.

The largest problem with the program also lies within its enabling legislation, Act 179, which requires 85% of the total funding be allocated by formula to a set of state-defined entitlement communities. Under the Act, each of these communities receives some amount of funding without regard to areas of greatest need or state priorities. The PDCA does not have the ability to adjust the program each year or create set asides to target projects with the greatest needs or projects of state priority. From the perspective of the PDCA, the program would work more efficiently if all of the funding were allocated each year on a competitive basis as do the other 49 states in the nation. However, the local communities entitled to receive the funding each year feel they know better than the Commonwealth how to best spend the funding. Another problem with the program is the significant amount of time required of PDCA staff to annually monitor each of the projects funded.

Non-Profit Community Development Corporations

As major beneficiaries of Commonwealth-level housing programs, local community development corporations (CDC's) are well positioned to comment on their problems. According to the CDC's contacted, the largest problem with both the Pennsylvania Housing Finance Agency's PennHOMES program and the CDBG for Small Cities program administered by the Pennsylvania Department of Community Affairs is that there is not enough funding to go around to assist all of the affordable rental housing projects in need. Specifically, the PennHOMES program is underfunded in relation to state needs and as a result is highly competitive, and has very selective underwriting practices. One CDC mentioned that there needs to be a better partnership and better coordination between the City of Philadelphia and the PHFA in awarding and administering the program funds. Federal CDBG program funding put toward affordable housing by the City of Philadelphia is also insufficient in relation to needs. The amount of funding should more closely approximate the amounts being committed by outside private sector sources such as the National Equity Fund (NEF) which will commit significant financial resources to the Philadelphia area over the next five years for affordable housing production.

CHAS Review

The CHAS report for the Commonwealth of Pennsylvania identifies several problems with the Commonwealth-level housing programs administered by the Department of Community Affairs (DCA) and the Pennsylvania Housing Finance Agency (PHFA). The main problems with federal and Commonwealth housing programs are inconsistent income requirements for households, and funding cycles that are not coordinated. At the Commonwealth level, application and funding procedures for housing resources need to be streamlined so that funds are administered more efficiently. Additionally, DCA and PHFA funding streams for affordable housing need to be better coordinated for more efficient end results.[48]

FEDERAL PROGRAMS

The federal government has been a major player in the provision of affordable housing in the United States since the Housing Act of 1937 which created the public housing program. Since that time, a plethora of federal housing assistance programs have been authorized and funded by Congress to serve the wide ranging housing needs of very-low and low-income Americans. The largest and most visible of these programs include public housing, Section 8 rental assistance, the HOME program and the Community Development Block Grant program. Each of these programs serve low- and very-low-income Americans in different ways, and each have problems which adversely affect the production and operation of rental housing in the Delaware Valley. A problem associated with each of the federal programs described below is the fact that the Davis-Bacon Wage Law must be followed whenever federal funds are utilized for a housing or community development project. The law stipulates that wages paid to workers on these projects are at levels set by the federal government and not at local prevailing wage rates. In most cases, the Davis-Bacon wage rates are higher than local prevailing wage rates which cause affordable housing production costs to be higher than necessary.

PUBLIC HOUSING

The federal low-rent public housing program is administered at the local level by locally owned and operated public housing authorities or *"PHA's."* Funding for the operation and maintenance of the public housing units of each PHA is provided by the U.S Department of Housing and Urban Development (HUD) via two main programs. The Performance Funding System (PFS) provides operating subsidy and preventive maintenance funding to each PHA based upon the number of units in their stock and average per unit operating costs of a *"high performing authority,"* as

[48]Commonwealth of Pennsylvania, CHAS, Fiscal Years 1994-1998, November 1993.

determined by HUD. Residents of public housing pay 30% of their monthly income in rent and the federal operating subsidy makes up the remaining difference. A recurring problem for PHA's is that the operating subsidy funding received each fiscal year is not sufficient to cover their actual operating costs. The unfortunate result is that maintenance of public housing units is deferred into the future and the physical conditions of the units deteriorate.

The Comprehensive Grant Program (CGP) provides funding to PHA's for the comprehensive modernization of public housing developments. Funding under the CGP is allocated by a complex formula involving numerous variables relating to the age, type and conditions of the public housing stock of each PHA. While the CGP program allocates more than $1 billion annually to PHA's, the conditions of much of the stock remain in desperate need.

It should be noted that the problems associated with the federal public housing program are twofold. While the federal government can legitimately be blamed for underfunding and neglecting public housing over the years, the local management of public housing authorities is also partly responsible for the conditions of much of the public housing stock today. The largest problems facing public housing today are the general inconsistency of funding from the federal government, the overly burdensome regulatory environment imposed upon PHA's by HUD, and management deficiencies at certain PHA's throughout the nation. A significant problem facing large PHA's are large numbers of vacant units in need of modernization. The problem is worsened by the large numbers of households on PHA waiting lists for public housing units. These problems are evident at the large PHA's in the Delaware Valley region.

As **Table 17** indicates, the Delaware Valley region is host to nineteen (19) public housing authorities which operate a combined total of 32,306 public housing units. The five counties of the Pennsylvania portion of the region contain six (6) PHA's operating a combined 26,735 units, or 83% of the regional total. The Philadelphia Housing Authority is the largest authority in the region with a stock of 22,543 units representing 70% of the regional total. The Housing Authority of the City of Chester is next largest in the Pennsylvania counties with 1,707 units. The remaining four (4) PHA's representing the four suburban Philadelphia-area counties each operate less than 800 units. Of the combined 26,745 public housing units operated in the Pennsylvania portion of the region, 89% are designated as family units and 11% are reserved for elderly households.

The New Jersey portion of the region contains thirteen (13) PHA's which operate a combined total of 5,561 units or 17% of the regional total. The Camden Housing Authority is the largest authority in the New Jersey counties with 2,431 units; while the Trenton Housing Authority is next largest with 1,964 units. The remaining eleven (11) PHA's in the New Jersey counties are very small, operating 211 units or less. Of the combined 5,561 public housing units operated in the New Jersey portion of the region, 65% are designated as family units and 35% are reserved for the elderly. In the region as a whole, 85% of all public housing units are designated as family units and 15% are reserved for the elderly.

Table 17
Public Housing Authorities
Delaware Valley Region, 1994

Public Housing Authority	***Total Public Housing Units***	***Total Family Units***	***Total Elderly Units***	***Percent Family Units***	***Percent Elderly Units***
Bucks County	538	74	464	14%	86%
Chester County	507	254	253	50%	50%
Delaware County	764	683	81	89%	11%
Chester	1,707	1,407	300	82%	18%
Montgomery County	686	341	345	50%	50%
Philadelphia	22,543	21,132	1,411	94%	6%
PA TOTAL:	***26,745***	***23,891***	***2,854***	***89%***	***11%***
Beverly	70	70	0	100%	0%
Burlington	211	86	125	41%	59%
Camden	2,431	1,535	896	63%	37%
Clementon	70	70	0	100%	0%
Collingswood	95	0	95	0%	100%
Florence	50	50	0	100%	0%
Glassboro	80	0	80	0%	100%
Gloucester City	90	0	90	0%	100%
Gloucester County	100	0	100	0%	100%
Haddon Township	100	100	0	100%	0%
Hightstown	100	50	50	50%	50%
Princeton	200	100	100	50%	50%
Trenton	1,964	1,553	411	79%	21%
NJ TOTAL:	***5,561***	***3,614***	***1,947***	***65%***	***35%***
DVRPC TOTAL:	***32,306***	***27,505***	***4,801***	***85%***	***15%***

SOURCE: Comprehensive Housing Affordability Strategy (CHAS) reports; and Guide to New Jersey Affordable Housing", Department of Community Affairs, 1993.

Prepared by: Delaware Valley Regional Planning Commission (DVRPC), May 1994.

Section 8 Rental Assistance

The federal Section 8 rental assistance program is administered at the local level in the Pennsylvania counties of the region by local public housing authorities. In the New Jersey counties of the region, the program is administered by local public housing authorities as well as the New Jersey Department of Community Affairs (NJDCA). The program operates differently than the public housing program in many respects. The largest difference is that the Section 8 program is a demand-side program, whereas public housing is a supply-side program. Low-, very-low, and moderate-income households participating in the Section 8 program receive a certificate or voucher directly from the administering agency which pays the difference between 30% of household monthly income and the monthly rent on any housing unit renting at or below the *"fair market rent"* for the area as determined by HUD. The program allows households to be much more mobile in their choice of housing location.

The largest problem with the federal Section 8 program is that current allocations of certificates and vouchers in the various jurisdictions of the region are not adequate to serve the needs of the low- and moderate-income households. Most jurisdictions of the region have extensive waiting lists for certificates and vouchers, and many have closed the waiting lists to additional households. A related problem is with the administration of the program by HUD in Washington which reportedly has an inadequate information management system on the national and regional inventories of certificates and vouchers as well as HUD's multi-year obligations to provide this type of housing assistance.

As indicated on **Table 18**, a total of 20,979 certificates and vouchers are currently administered in the nine counties of the Delaware Valley region. The vast majority of the certificates and vouchers, 15,894 or 76% are administered in the Pennsylvania counties. The City of Philadelphia administers the largest number of certificates and vouchers in the region with a total of 9,090, or 43% of the regional total. Within the New Jersey counties, a total of 5,085 certificates and vouchers are administered, with the largest number handled by the NJDCA in Camden County with 1,511. The Gloucester County Housing Authority handles the next largest number with 1,302. As **Table 18** indicates, the number of certificates administered is much greater than the number of vouchers. In fact, in the region as a whole, 16,344 certificates and 4,635 vouchers are administered by the combined 15 agencies.

HOME Investment Partnerships

The federal HOME Investment Partnerships program provides funding for the construction and rehabilitation of rental and owner-occupied housing as well as tenant-based rental assistance to entitlement jurisdictions throughout the nation. The program is administered at the local level by the county office of community development or other similar offices within smaller entitlement jurisdictions. Eligible activities under the HOME program for rental housing include rental housing development and tenant-based rental assistance.

Table 18
Section 8 Certificates and Vouchers
Delaware Valley Region, 1994

Administrative Agency	*Section 8 Vouchers*	*Section 8 Certificates*	*Total*
Bucks County H.A.	243	1,412	1,655
Chester County H.A.	283	787	1,070
Chester City H.A.	162	616	778
Delaware County H.A.	337	1,484	1,821
Montgomery County H.A.	121	1,359	1,480
Philadelphia H.A.	1,761	7,329	9,090
PA TOTAL:	***2,907***	***12,987***	***15,894***
NJDCA - Burlington	87	12	99
NJDCA - Camden	444	1,067	1,511
NJDCA - Gloucester	37	125	162
NJDCA - Mercer	395	721	1,116
Burlington County H.A.	75	469	544
Clementon H.A.	0	49	49
Glassboro H.A.	0	85	85
Gloucester County H.A.	650	652	1,302
Hamilton Twp. H.A.	40	177	217
NJ TOTAL:	***1,728***	***3,357***	***5,085***
DVRPC TOTAL:	***4,635***	***16,344***	***20,979***

SOURCE: Comprehensive Housing Affordability Strategy (CHAS) reports; NJDCA, Division of Housing, March 1994; and Guide to New Jersey Affordable Housing, NJDCA, 1993.

Prepared by: Delaware Valley Regional Planning Commission (DVRPC), May 1994.

Development of rental housing using HOME funds requires that 80% of the tenants are below 60% of the area median income, and 20% of the tenants are below 50% of the area median income. Matching funds equalling 30% of the federal HOME funds expended on the project are required from state, local or private sources for development programs. HOME funds can also be used to establish a rental assistance program for tenants. The program operates like the Section 8 program except the rental assistance under HOME terminates after two years. Matching funds equalling 25% of the federal HOME funds expended are required from state, local or private sources for the establishment of rental assistance programs.

In addition to the use of HOME funds for rental housing development and tenant-based rental assistance, 15% of the HOME grant each fiscal year to an entitlement jurisdiction must be set aside for non-profit Community Housing Development Organizations (CHDO's) which are deeply involved in the rehabilitation and construction of affordable rental housing.

Two of the largest problems with the HOME program relate to the matching funds requirements and the required 15% set aside for CHDO's. Many local jurisdictions consider the required percentages for matching funds too high. Secondly, if a participating jurisdiction more than fulfills the CHDO set-aside in any given year, then that excess in CHDO commitments cannot transfer to following fiscal years. As a result, a participating jurisdiction must fund a new CHDO project every year. The long lead time involved particularly in rental housing development and the finite number of CHDO's in any given jurisdiction make it difficult to fund a new CHDO project annually. A third problem relates to HUD requirements for annual tenant income recertifications and unit quality inspections. Local jurisdictions must perform these chores, even if they have small or scattered site projects requiring larger amounts of staff time. Initiating a minimum unit threshold on rental projects for these requirements would save staff time and increase administrative efficiency. A fourth problem relates to the Davis-Bacon wage laws which require local wages to be paid at levels set by the federal government on projects utilizing federal funds. Specifically, the thresholds at which the Davis-Bacon law is triggered need to be harmonized between the HOME program and the Community Development Block Grant (CDBG) program. Currently, the law is triggered with 12 or more unit projects for HOME and 8 or more unit projects for CDBG. Often, a jurisdiction will use funds from both programs on the same project, and the inconsistent requirements make the entire development process more difficult.[49]

The various entitlement jurisdictions of the Delaware Valley region received significant amounts of HOME funding in federal fiscal year 1993. As shown on **Table 19**, the region as a whole received $21 million in FFY 1993. The vast majority of this funding, $16.1 million or 77% of the regional total, went to the Pennsylvania counties of the region, with the City of Philadelphia receiving the largest allocation for the region with $12.03 million. In the New Jersey counties, a total of $4.9 million or 23% of the regional total was received, with the largest allocation going to the City

---

[49]Bucks County, PA Office of Community Development, HOME Program Administrator, March 1994.

of Camden with $1.5 million. The smallest allocations were $66,000 to Haverford Township, Delaware County and $50,000 to Gloucester Township, Camden County.

Community Development Block Grant (CDBG)

The federal Community Development Block Grant (CDBG) program provides funding for a wide variety of community development activities directed at neighborhood revitalization and economic development. Entitlement jurisdictions have the freedom to choose how to spend their CDBG dollars provided that the local programs initiated either benefit low- or moderate-income persons or aid in the prevention or elimination of slums and blight.

Significant amounts of CDBG funding have been received by the various entitlement jurisdictions of the region in federal fiscal year 1993. As shown on **Table 19**, the region as a whole received $53.2 million in CDBG funding in FFY 1993. It should be noted that the CDBG dollar allocations shown on **Table 19** represent the amounts set aside for housing purposes only, and not total CDBG dollars received. The vast majority of the CDBG funding allocated to the region went to the Pennsylvania counties, $48.1 million or 91% of the regional total, and particularly to the City of Philadelphia which received $39.9 million or 75% of the regional total. Delaware County received the next largest allocation of the Pennsylvania jurisdictions with $5.1 million. In the New Jersey counties, a total of $5 million or 9% of the regional total was received, with the largest allocations going to the City of Camden, $1.3 million; and the City of Trenton, $1.2 million. The smallest allocations in the region were $204,000 to Haverford Township, Delaware County and $171,000 to Gloucester Township, Camden County.

Table 19
Federal Funding Received
Delaware Valley Region
(Set-Asides for Housing Purposes)
Federal Fiscal Year 1993

Entitlement Jurisdiction	*Funding Received by Jurisdiction - Last FY*	
	HOME	*CDBG*
Bucks County*	$1,000,000	$1,150,000
Chester County	$756,000	$500,000
Delaware County	$1,025,000	$5,136,000
Haverford Township	$66,000	$204,000
Montgomery County	$1,268,000	$1,260,000
Philadelphia City	$12,033,000	$39,903,000
PA TOTAL:	***$16,148,000***	***$48,153,000***
Burlington County	$687,000	$680,000
Camden City	$1,495,000	$1,341,000
Camden County	$820,000	$997,000
Gloucester County	$547,000	$391,000
Gloucester Township	$50,000	$171,000
Mercer County**	$500,000	$269,000
Trenton City	$811,000	$1,205,000
NJ TOTAL:	***$4,910,000***	***$5,054,000***
DVRPC TOTAL:	***$21,058,000***	***$53,207,000***

** Includes Bensalem Township, a separate entitlement jurisdiction.*
*** Includes Hamilton Township, a separate entitlement jurisdiction.*
SOURCE: Comprehensive Housing Affordability Strategy (CHAS) reports, Table 3A.

Prepared by: Delaware Valley Regional Planning Commission (DVRPC), May 1994.

IV. POLICY RECOMMENDATIONS

Following are policy recommendations based on data collection, analysis and research contained in this report. The recommendations are intended to improve the conditions for the production and rehabilitation of rental housing in the Delaware Valley region. The recommendations are categorized by level of government and include recommended actions for municipal, county, state and federal agencies and programs.

MUNICIPAL/COUNTY RECOMMENDATIONS

- Municipalities in the New Jersey counties of the region should prepare Housing Plan Elements which address their need for affordable housing, as determined by the New Jersey Council on Affordable Housing (COAH). The Housing Plan Elements should be implemented in part through the rezoning of appropriate lands for the construction of multi-family housing. Within the four New Jersey counties of the region — Burlington, Camden, Gloucester and Mercer — there still remain 82 municipalities of a total 114 or 72%, that have not received substantive certification from COAH.

- Municipalities in the Pennsylvania counties of the region should review and amend restrictive and exclusionary zoning provisions and implement inclusionary zoning in certain areas for the construction of multi-family housing affordable to households of all income levels.

- Municipalities in the region should use zoning provisions to encourage the construction and rehabilitation of affordable multi-family housing in areas already served by sewer and water infrastructure and public transportation facilities.

- Municipalities in the region should use zoning provisions to encourage the construction and rehabilitation of affordable multi-family housing units for persons with special needs including, but not limited to the elderly, frail elderly, mentally ill, developmentally disabled, physically disabled, persons with alcohol or other drug addictions, and persons with AIDS and other related diseases.

- Municipalities with rent control ordinances should review them for their impact on the construction of rental units and on the rental market. These ordinances can keep existing units affordable, but deter developers from building and managing rental complexes.

- Municipalities should review their building code requirements with respect to the construction, rehabilitation and demolition of rental housing so that unnecessary and cost-increasing requirements are eliminated, and historic and culturally significant structures are not unnecessarily demolished.

- Municipalities should review their zoning ordinances for excessive subdivision and site improvement requirements which discourage development and increase the final costs of affordable and market-rate rental housing.

- Municipalities should review their zoning ordinances for restrictions on the establishment of group homes based on the definition of family, and amend to allow non-related individuals to establish group households in appropriate areas.

- Municipalities should review their zoning ordinances for duplicative and time consuming approval requirements which increase construction time and reduce the affordability of finished rental units.

- Municipalities should merge resources and forge partnerships with the private sector to produce affordable rental housing. For example, a municipality could donate land and agree to physically maintain rental units produced by a private sector developer which are affordable to low- and moderate-income households in the community.

- Municipalities should explore single-room occupancy (SRO) housing as a cost-effective method of providing affordable housing.

- Municipalities with high ratios of employment to rental housing should strive through zoning provisions to create a better balance between employment and multi-family housing.

- Municipalities should adopt zoning ordinance language which permits appropriate residential conversions and accessory apartment units to increase the rental housing stock.

- The City of Philadelphia should continue to improve and streamline the organization and efficiency of the *"acquisition and disposition"* process for vacant and abandoned city-owned properties. Specifically, the City should create a central database inventory of all city-owned properties, and designate one city agency to administer all aspects of the process.

- Counties and municipalities should encourage large employers to initiate employer-assisted rental housing programs so that employees can live closer to work, be more productive, reduce traffic congestion and improve air quality.

- The Pennsylvania counties of the Delaware Valley region should establish affordable housing trust funds pursuant to Act 137 — Optional County Affordable Housing Funds Act.

- County Planning Boards and Commissions in the region should encourage municipalities to implement the changes listed above.

STATE OF NEW JERSEY RECOMMENDATIONS

- The Department of Community Affairs should streamline the bureaucracies of all the State's housing assistance programs, particularly the Balanced Housing and Small Cities programs, so that the cash flow is expedited and non-profit housing developers can produce affordable rental units for less money in less time.

- Modify the Balanced Housing and Small Cities programs, so that non-profit housing developers can obtain State funding for pre-development costs incurred in the preparations for application for State assistance under the programs. Such costs include, but are not limited to appraisals, surveys, preliminary architectural and engineering fees and environmental studies. Also, cash flow from the programs needs to be accelerated so that construction times are lessened, and units produced more affordably.

- The Department of Community Affairs should allow non-profit housing developers a larger *"developer's fee"* from State housing assistance programs if the non-profit organization agrees to use the larger fee proceeds for the start-up costs of a subsequent affordable rental housing project.

- The Department of Environmental Protection and Energy, and the Department of Transportation should review their permit review and approval processes for duplicative and time consuming requirements which increase construction time and reduce the affordability of finished rental units.

- The New Jersey Legislature should explore possible alternative local property tax systems that would discourage fiscal zoning and the *"ratables chase"* by municipalities and thereby render the zoning of land for multi-family housing less detrimental to local government tax revenues.

- The New Jersey Legislature should provide a subsidy for the operation of rental projects developed or rehabilitated under the NJHMFA's Multi-Family Rental Financing program.

- The New Jersey Legislature should consider the creation of a state-level subsidy program to encourage developers to build and/or rehabilitate/retrofit affordable housing units for persons with disabilities.

COMMONWEALTH OF PENNSYLVANIA RECOMMENDATIONS

- The Pennsylvania Legislature should amend the Pennsylvania Municipalities Planning Code so that Section 604(4) is more explicit as to the types of housing to be provided to which specific household income levels within municipal zoning provisions.

- Pennsylvania municipalities, land developers and Courts should strive to attain the goals expressed under Section 609.1(c)(2) of the Pennsylvania Municipalities Planning Code pertaining the Commonwealth's curative amendment process with respect to the provision of affordable rental housing.

- The Department of Community Affairs should encourage municipalities in the Commonwealth to participate in the Commonwealth's Housing and Community Development (HCD) program to develop affordable housing.

- The Pennsylvania Legislature should explore the feasibility of possible alternative local property tax systems including personal income, sales, or use taxes in lieu of property taxes as is currently proposed. Such alternative systems would discourage fiscal zoning and the *"ratables chase"* by municipalities and thereby render the zoning of land for multi-family and rental housing less detrimental to local government revenues.

- The Pennsylvania Legislature should strengthen existing provisions in the Municipalities Planning Code allowing joint municipal zoning (Article VIII-A), by changing the local tax structure to allow the sharing of tax revenues among groups of municipalities that have implemented a joint municipal zoning ordinance. Such a change would encourage municipalities to engage in joint municipal zoning and would allow the costs and benefits of new affordable housing development to be distributed equitably.

- The Pennsylvania Legislature should devise a method to increase available loan funding under the PHFA's PennHOMES program; and the PHFA should streamline its administration of the program to reduce burdensome requirements on both staff and loan applicants.

- The Pennsylvania Legislature should amend and streamline the enabling legislation for the Commonwealth's impact fee law (Act 209 of 1990) so that non-transportation issues such as rental housing and other improvements can be considered in the assessment of impact fees on land developers.

- The Pennsylvania Legislature should amend the enabling legislation to create an incentive within the Housing and Community Development (HCD) program under the PDCA so that more Commonwealth funding is allocated to multi-family rental projects.

- The Pennsylvania Legislature should amend the enabling legislation creating the Commonwealth's CDBG for Small Cities program so that 100% of the federal funding received is allocated on a competitive basis and targeted to those areas with the greatest needs. Additionally, the PDCA and the federal government should streamline their administration of the program to reduce burdensome monitoring requirements on staff. Additionally, the CDBG program should be analyzed for other methods of funding affordable rental housing.

- The PDCA, PHFA and U.S. Department of Housing and Urban Development should coordinate income level (percentage of median) and other program requirements including funding cycles so that Commonwealth housing programs run more efficiently and are adequately funded.

- The Pennsylvania Legislature should consider the creation of a state-level subsidy program to encourage developers to build and/or rehabilitate/retrofit affordable housing units for persons with disabilities.

FEDERAL RECOMMENDATIONS

- The Congress of the United States should enact legislation which, in addition to the Low Income Housing Tax Credit, encourages passive investment in affordable housing development by the private sector, as well as encourages more non-profit and private sector housing developers to construct and rehabilitate affordable housing.

- The U.S. Department of Housing and Urban Development should encourage participation in the Administration's new Empowerment Zones program, particularly those cities and counties experiencing severe distress and deterioration including the cities of Philadelphia and Camden.

- The Congress of the United States should review and streamline the regulations and processes governing the federal Low Income Housing Tax Credit program so that it becomes less complex, expensive and time consuming.

- The U.S. Department of Housing and Urban Development should amend the regulations for the HOME Investment Partnerships program so that labor-intensive monitoring and tenant income level recertifications are streamlined and less burdensome on the locality.

- The Congress of the United States should fund PHA operating subsidies in a more consistent manner, and appropriate larger sums for the comprehensive modernization of public housing developments.

- The Congress of the United States should authorize more Section 8 certificates and vouchers to serve the needs of low-income households, and promote the construction of affordable rental units by non-profit community development corporations.

- The Congress of the United States should amend the statutes governing the HOME Investment Partnerships program so that local matching fund percentages are reduced and excess CHDO set-asides generated can be carried over to the following fiscal years.

- The Congress of the United States should harmonize the project unit thresholds on the HOME and CDBG programs which trigger the Davis-Bacon wage law so that local jurisdictions and non-profits using funding from both programs can develop rental housing more efficiently.

- The U.S. Department of Housing and Urban Development should continue to ensure that the federally-subsidized stock of affordable rental housing is maintained and not lost through prepayment of mortgages held by the federal government.

RECOMMENDATIONS FOR FURTHER STUDY

- Analysis of municipal land development ordinances and their impact on the production of rental housing in the region.

- Analysis of the types of rental housing in the region available to serve the needs of the elderly, special needs and homeless populations.

- Analysis of municipal impact fees, their impact on developers in the region, and the impact on the production of rental housing in the region.

- Further analysis of ratios of establishment-based employment to rental housing by municipality, and determination of parameters for high and low ratios in the region.

- Further analysis of lending patterns and lending needs for rental housing production in the region.

APPENDIX A

LISTING OF PUBLIC AND PRIVATE SECTOR AGENCIES AND ORGANIZATIONS CONTACTED

A. For-Profit Housing Developers

1. Freedom I, Limited Partnership; Washington Township, Mercer County, New Jersey
2. LCOR, Inc.; Marlton (Evesham Township), Burlington County, New Jersey
3. Twin County Construction; Borough of Pottstown, Montgomery County, Pennsylvania
4. Atrium House Management; Borough of Royersford, Montgomery County, Pennsylvania
5. Bill Finlayson; Developer, Pennsauken Township, Camden County, New Jersey
6. Hovnanian Corporation; Mount Laurel Township, Burlington County, New Jersey
7. Scully Company, Jenkintown, Pennsylvania

B. Non-Profit Community Development Corporations and Related Organizations

1. Philadelphia Association of CDC's, Philadelphia, Pennsylvania
2. Affordable Housing Network of New Jersey, Trenton, New Jersey
3. Pennsylvania Assoc. of Non-Profit Homes for the Aging (PANPHA), Mechanicsburg, Pennsylvania
4. Local Initiatives Support Corporation (LISC), Philadelphia, Pennsylvania
5. Hispanic Association of Contractors and Enterprises (HACE), Philadelphia, Pennsylvania
6. Women's Community Revitalization Project (WCRP), Philadelphia, Pennsylvania
7. Association of Puerto Ricans on the March (APM), Philadelphia, Pennsylvania
8. Greater Germantown Housing Development Corporation (GGHDC), Philadelphia, Pennsylvania
9. The Community Builders, Philadelphia, Pennsylvania
10. Fair Share Housing Development, Inc., Cherry Hill, New Jersey
11. Moorestown Ecumenical Neighborhood Development, Inc. (MEND), Moorestown, New Jersey
12. Octavia Hill Association, Philadelphia, Pennsylvania

C. State Agencies and Offices

1. New Jersey Council on Affordable Housing (COAH), Trenton, New Jersey
2. PDCA, Southeast Regional Office, Philadelphia, Pennsylvania
3. PDCA, Bureau of Housing and Development, Harrisburg, Pennsylvania
4. PHFA, PennHOMES Program, Harrisburg, Pennsylvania
5. NJHMFA, Trenton, New Jersey
6. NJHMFA, Housing Assistance Corporation, Trenton, New Jersey

7. NJDCA, Division of Housing, Trenton, New Jersey
8. NJDCA, Neighborhood Preservation Balanced Housing Program, Trenton, New Jersey
9. NJDCA, HOME Rental Rehabilitation Program, Trenton, New Jersey
10. NJDCA, Small Cities CDBG Program, Trenton, New Jersey
11. Bucks County Office of Community Development, Doylestown, Pennsylvania

D. Banking, Lending and Related Institutions

1. CoreStates Bank, Corporate Public Responsibility, Philadelphia, Pennsylvania
2. Thrift Institutions Community Investment Corporation (TICIC), Cranford, New Jersey
3. Delaware Valley Community Reinvestment Fund (DVCRF), Philadelphia, Pennsylvania
4. National Assoc. of Community Development Loan Funds (NACDLF), Philadelphia, Pennsylvania
5. National Equity Fund (NEF), Chicago, Illinois
6. Federal Reserve Bank of Philadelphia, Philadelphia, Pennsylvania

E. Academic and Research Institutions

1. Mercer Somerset Middlesex Regional Council, Inc., Princeton, New Jersey
2. American Affordable Housing Institute, Rutgers University, New Brunswick, New Jersey
3. Rutgers University Center for Urban Policy Research (CUPR), Piscataway, New Jersey

APPENDIX B

LIST OF MAJOR EMPLOYERS SURVEYED IN THE DELAWARE VALLEY REGION

A. Hospitals

1. Abington Memorial Hospital, Abington, Pennsylvania
2. Albert Einstein Medical Center, Philadelphia, Pennsylvania
3. Delaware County Memorial Hospital, Upper Darby, Pennsylvania
4. Fitzgerald Mercy Hospital, Darby, Pennsylvania
5. St. Joseph's Hospital, Philadelphia, Pennsylvania
6. Methodist Hospital, Philadelphia, Pennsylvania
7. Graduate Hospital, Philadelphia, Pennsylvania
8. Temple University Hospital, Philadelphia, Pennsylvania
9. Pennsylvania Hospital, Philadelphia, Pennsylvania
10. Fox Chase Cancer Center, Philadelphia, Pennsylvania
11. Episcopal Hospital, Philadelphia, Pennsylvania
12. Misericordia Hospital, Philadelphia, Pennsylvania
13. Presbyterian Hospital, Philadelphia, Pennsylvania
14. Germantown Hospital, Philadelphia, Pennsylvania
15. Children's Hospital of Philadelphia, Philadelphia, Pennsylvania
16. Hahneman Hospital, Philadelphia, Pennsylvania
17. Thomas Jefferson University Hospital, Philadelphia, Pennsylvania
18. University of Pennsylvania Hospital, Philadelphia, Pennsylvania
19. West Jersey Hospital, Camden, New Jersey
20. Underwood Memorial Hospital, Woodbury, New Jersey
21. Cooper Medical Center, Camden, New Jersey
22. Kennedy Memorial Hospital, Cherry Hill, New Jersey
23. Lourdes Medical Center, Camden, New Jersey
24. Rancocas Hospital, Willingboro, New Jersey
25. Zurbrugg Hospital, Riverside, New Jersey
26. Memorial Hospital of Burlington County, Mount Holly, New Jersey
27. Hamilton Hospital, Hamilton, New Jersey
28. St. Francis Hospital, Trenton, New Jersey
29. Helene Fuld Medical Center, Trenton, New Jersey
30. Mercer Medical Center, Trenton, New Jersey
31. Princeton Medical Center, Princeton, New Jersey
32. West Jersey Hospital, Camden, New Jersey

B. Large Private-Sector Corporations

1. The Prudential Insurance Company of America, Ft. Washington, Pennsylvania

2. Merck & Co. Inc., West Point, Pennsylvania
3. Martin Marietta Management and Data Systems, King of Prussia, Pennsylvania
4. Thomas Jefferson University, Philadelphia, Pennsylvania
5. CoreStates Financial Corp., Philadelphia, Pennsylvania
6. Bell of Pennsylvania, Philadelphia, Pennsylvania
7. Cigna Corp., Philadelphia, Pennsylvania
8. Rohm and Haas Delaware Valley Inc., Bristol, Pennsylvania
9. St. Mary Hospital, Langhorne, Pennsylvania
10. USX Corp., Fairless Works, Fairless Hills, Pennsylvania
11. Computer Sciences Corp., Integrated Systems Division, Moorestown, New Jersey
12. Martin Marietta Government Electronics Systems, Moorestown, New Jersey
13. Memorial Health Alliance, Mount Holly, New Jersey
14. Mobil Oil Corp., Paulsboro, New Jersey
15. Sony Music Entertainment Inc., Pitman, New Jersey
16. The Vanguard Group of Investment Cos. Inc., Wayne, Pennsylvania
17. Shared Medical Systems Corp., Malvern, Pennsylvania
18. Philadelphia Electric Co., Coatesville, Pennsylvania
19. Princeton University, Princeton, New Jersey
20. Martin Marietta Astro Space, East Windsor, New Jersey
21. Educational Testing Service, Princeton, New Jersey
22. Boeing Defense & Space Group, Helicopters Division, Ridley Park, Pennsylvania
23. Crozer-Keystone Health System, Media, Pennsylvania
24. Mercy Health Corp., Bala Cynwyd, Pennsylvania
25. Unisys Corporation, King of Prussia, Pennsylvania
26. Metropolitan Life Insurance Corp., Bensalem, Pennsylvania

C. Colleges and Universities

1. University of Pennsylvania, Philadelphia, Pennsylvania
2. Temple University, Philadelphia, Pennsylvania
3. West Chester University, West Chester, Pennsylvania
4. Villanova University, Radnor, Pennsylvania
5. Drexel University, Philadelphia, Pennsylvania
6. Community College of Philadelphia, Philadelphia, Pennsylvania
7. Rowan College of NJ, Glassboro, New Jersey
8. Camden County College, Blackwood, New Jersey
9. Penn State University, Media, Pennsylvania
10. Widener University, Chester, Pennsylvania
11. Delaware County Community College, Media, Pennsylvania
12. Rutgers University, Camden, New Jersey
13. Bucks County Community College, Newtown, Pennsylvania
14. La Salle University, Philadelphia, Pennsylvania
15. St. Joseph's University, Philadelphia, Pennsylvania

BIBLIOGRAPHY

Comprehensive Housing Affordability Strategy (CHAS), Federal Fiscal Years 1994 through 1998. Bucks County Office of Community Development. October 1993.

Comprehensive Housing Affordability Strategy (CHAS), 1994 - 1998. Burlington County Department of Economic Development, Office of Housing and Community Development. December 1993.

Comprehensive Housing Affordability Strategy (CHAS), Five Year Plan: 1994 - 1999, Annual Plan 1994. City of Camden Division of Planning, Camden Redevelopment Agency. November 1993.

Comprehensive Housing Affordability Strategy (CHAS), Fiscal Years 1994 - 1998. Camden County Office of Community Development, Camden County Consortium. October 1993.

Comprehensive Housing Affordability Strategy (CHAS), Fiscal Year 1994. Chester County Office of Community Development. December 1993.

Comprehensive Housing Affordability Strategy (CHAS), Federal Fiscal Years 1994 through 1998. Delaware County Planning Department, Division of Housing and Community Development, Delaware County Consortium. December 1993.

Comprehensive Housing Affordability Strategy (CHAS), 1994 Annual Plan. Gloucester County Office of Municipal and County Government Services. November 1993.

Comprehensive Housing Affordability Strategy (CHAS), 1994 Annual Plan. Gloucester Township, Camden County. December 1993.

Comprehensive Housing Affordability Strategy (CHAS), Fiscal Years 1994 - 1998. Haverford Township, Delaware County. November 1993.

Comprehensive Housing Affordability Strategy (CHAS), Fiscal Years 1994 - 1998. Mercer County Office of the County Executive, Mercer County HOME Consortium. December 1993.

Comprehensive Housing Affordability Strategy (CHAS), Federal Fiscal Years 1994 through 1998. Montgomery County Department of Housing and Community Development. December 1993.

Comprehensive Housing Affordability Strategy (CHAS), Federal Fiscal Years 1994 - 1998. Commonwealth of Pennsylvania, Department of Community Affairs. November 1993.

Comprehensive Housing Affordability Strategy (CHAS), Federal Fiscal Year 1994. City of Philadelphia, Office of Housing and Community Development. November 1993.

Comprehensive Housing Affordability Strategy (CHAS), Fiscal Year 1994. State of New Jersey, Department of Community Affairs. December 1993.

Comprehensive Housing Affordability Strategy (CHAS), Fiscal Year 1994. City of Trenton, Department of Housing and Development. December 1993.

1992 Annual Report. National Equity Fund (NEF), Chicago, Illinois.

1993 Inventory of Assisted Rental Housing. Pennsylvania Housing Finance Agency, Harrisburg, Pennsylvania.

About the Local Initiatives Support Corporation. Local Initiatives Support Corporation (LISC), New York, New York. April 1992.

Affordable Housing in Montgomery County, Obstacles and Opportunities. Montgomery County Inter-Agency Task Force on Affordable Housing. March 30, 1992.

Annual Report 1992 - 1993. Delaware Valley Community Reinvestment Fund (DVCRF), Philadelphia, Pennsylvania.

Bridging The Gap, Closing The Mismatch Between Jobs and Workers in the Delaware Valley. Delaware Valley Regional Planning Commission. October 1992.

Building The Dream, Solutions For Affordable Homeownership. Delaware Valley Regional Planning Commission. July 1991.

COAH Municipal Number Summary, 1993 - 1999 Low- and Moderate-Income Housing Need Estimates by County. New Jersey Council on Affordable Housing (COAH), Trenton, New Jersey. October 11, 1993.

COAH-Produced or COAH/Courts Influenced Affordable Housing Zoning, Construction, and Rehabilitation, 1987 - 1992. Rutgers University Center for Urban Policy Research (CUPR), Piscataway, New Jersey. August 1992.

COAH Substantive Rules, N.J.A.C. 5:93-5.13 Rental Housing. New Jersey Council on Affordable Housing (COAH), Trenton, New Jersey. 1994.

Directory of Housing Assistance Programs. New Jersey Department of Community Affairs. 1993.

Fair Share Analysis, Indian Valley Area. Montgomery County Planning Commission. July 1992.

Fast Facts for Neighborhood Preservation Balanced Housing Program, 1986 through December 1993. New Jersey Department of Community Affairs, Division of Housing.

Final Report. The Pennsylvania Economic Development Partnership, Committee on the Housing Industry. May 23, 1990.

Guide to New Jersey Affordable Housing. New Jersey Department of Community Affairs. 1993.

Housing New Jersey, A Monthly Report on Affordable Housing. Volume 3, Issue 6. January 1994.

Low Income Rental Housing Tax Credit Program. Pennsylvania Housing Finance Agency (PHFA), Harrisburg, Pennsylvania. 1993.

Municipal Land Use Law, Chapter 291, Laws of NJ 1975, 40:55D-1 et. seq. New Jersey Planning Officials, North Plainfield, New Jersey. February 1993.

"Not In My Back Yard," Removing Barriers to Affordable Housing. Advisory Commission on Regulatory Barriers to Affordable Housing, Washington, D.C. July 1991.

Partners in Progress for Philadelphia. Federal Reserve Bank of Philadelphia. April 1993.

Pennsylvania Municipalities Planning Code, Act of 1968, P.L. 805, No. 247 as reenacted and amended. Commonwealth of Pennsylvania, Department of Community Affairs, Planning Services Division. September 1993.

Rating The Region, The State of the Delaware Valley. Delaware Valley Regional Planning Commission. May 1993.

Report 13, Delaware Valley Rental Housing Assessment. Delaware Valley Regional Planning Commission. September 1993.

Requirements of a Housing Element and Fair Share Plan. New Jersey Council on Affordable Housing (COAH). 1988.

Status of Municipalities. New Jersey Council of Affordable Housing (COAH). November 1993.

Synopsis of the HOME-Funded Rental Rehabilitation Program. New Jersey Department of Community Affairs, Bureau of Housing Services. 1993.

The Mismatch Between Jobs and Workers in the Delaware Valley. Delaware Valley Regional Planning Commission. July 1991.

The PHFA HOMES Program. Pennsylvania Housing Finance Agency (PHFA), Harrisburg, Pennsylvania. 1993.

The CRA Report. Comptroller of the Currency, Administrator of National Banks, Washington, D.C. February 1994.