DELAWARE VALLEY REGIONAL PLANNING COMMISSION
REGIONAL HOUSING COMMITTEE
MEETING HIGHLIGHTS
June 25, 2002

The Delaware Valley Regional Planning Commission's Regional Housing Committee met at 10:30 A.M. on June 25, 2002, at the Commission's offices. The meeting was chaired by Ronald Bednar, Pennsylvania Department of Community and Economic Development, who reviewed the agenda and provided for introductions.

1. Heather Kump, Economic Development Planner at DVRPC, discussed ongoing study efforts on the current housing project entitled *Residential Investment in Centers and Corridors*. The purpose of this study is to assess existing trends in residential growth and investment and to review obstacles and opportunities for residential reinvestment in the region's cities, boroughs and older suburbs. Ms. Kump described the first phase of the report, which includes an analysis of indicators of where residential growth and investment are occurring, considering demographic data, housing sales prices, mortgage lending activity (utilizing HMDA data) and building permit trends.

The first phase also includes a discussion of barriers facing residential developers in the Delaware Valley who want to develop in existing centers. Ms. Kump noted that these barriers were identified through background research as well as interviews with several of the region's developers and county planners. Challenges facing builders include financial barriers (including higher lending rates and developer guarantees, since redevelopment is often viewed as riskier than more traditional new development); citizen opposition (AKA NIMBYism); social and physical concerns (such as fears of neighborhood decline, increased traffic congestion and school overcrowding); zoning classifications and development decisions that are too often driven by the tax revenue that will be generated by the project rather than by sound planning principles (AKA the "ratables chase"); a complicated, lengthy and often costly regulatory and approval process; difficulties in assembling land in already developed areas; and the costs associated with remediating perceived or actual environmental contamination in older developed areas.

Ms. Kump noted that a draft of the first phase of the report will be distributed in July to RHC members for review. She then discussed Phase II of the report, which will include an analysis of several case studies of successful residential redevelopment in the region's centers. RHC committee members made several suggestions for additional case studies, including residential developments in Philadelphia, Trenton, Downingtown, Bristol Borough, Darby Borough, Conshohocken and Burlington City.

2. Members of the Regional Housing Committee were then invited to update the committee on ongoing housing activities and initiatives within their individual County or agency. Reports on existing programs and activities were given by Ken Davis of the Department of Housing and Urban Development; Barbara Stephens, from Pennsylvania's Housing Finance Agency;

- over -

and Sean Closkey, Executive Director of New Jersey's Housing Mortgage Finance Agency. Representatives from Chester and Montgomery counties reported that their staff is currently working on preparing annual housing cost profiles as well as analyses of the recently released SF3 Census data. Bob Walker (Chester County) noted that the County's 2001 median housing sales price is expected to top $200,000.

3. Ms. Bell next updated Committee members on the status of DVRPC's TCDI initiative. This competitive program is a new initiative developed by DVRPC to implement the goals of the Year 2025 Plan, by helping to reverse the trend of disinvestment in the region's developed communities and improve neighborhood character and quality of life while enhancing the existing transportation system. Ms. Bell noted that 26 municipal grants totaling $1.5 million were awarded in May, and distributed a list of grant recipients.

Ms. Bell also described three DVRPC work program projects that will be of interest to the Committee during the 2003 fiscal year. The first (as discussed previously) is the second phase of the current project on residential investment in developed centers. A second FY2003 project will explore the concept of Live-Work developments, review successful examples of live-work projects and assess their role in promoting revitalization of the region's core cities and first generation suburbs. Ms. Bell also described a third work program project, which will assess the impact of the existing property tax system on the real estate market, growth patterns and housing affordability. Work on these projects will begin after July 1, 2002. Several committee members expressed an interest in participating on study steering committees for these projects.

4. Mr. Bednar discussed two new reports on housing affordability, including the recently released report of the Millennial Housing Commission to Congress and a report on affordable housing in Philadelphia produced by Temple University's Center for Public Policy entitled *More Than a Home.* He noted that new housing legislation (House Bill 3995, titled the "Housing Affordability Act for America") has recently been proposed in Congress, and suggested that the RHC monitor its progress in coming months. He also suggested that RHC members review the reports for potential ideas for future DVRPC work program projects, reminding members that the Commission's FY2004 work program planning process will begin early in the Fall.

Finally, Mary Bell provided an update on the ongoing "Smart Commute" initiative (previously referred to as the Location-Efficient Mortgage program) currently being pursued by The Reinvestment Fund (TRF) and DVRPC. The basic theory of the program is that homeowners who live close to transit will pay less for transportation and therefore have more money available for housing (making them less of a risk to lenders and allowing the lender to offer more affordable mortgage terms). DVRPC staff recently completed mapping locations in the region's five Southeastern Pennsylvania counties where the program might be implemented, based on proximity to transit and pedestrian access. These "hot spots" are currently being reviewed by the counties.

5. Mr. Bednar adjourned the meeting at approximately 12:00 noon. The next meeting of the RHC will be held in mid-September in DVRPC's Conference Center.