

***A New Comprehensive Plan
for the
City of Lancaster***



***Housing Plan
1993***

A New Comprehensive Plan for the City of Lancaster

Housing Plan

***Department of Housing and Community Development
City of Lancaster, Pennsylvania
December, 1993***

***Prepared with the assistance of
John Rabenkamp Consultants, Inc.***

***Philadelphia
and***

***American Affordable Housing Institute
New Brunswick, New Jersey***

The Policy Plan

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Executive Summary

The *New Comprehensive Plan for the City of Lancaster* sets forth a vision for the future. During a citizen-participation-based planning process that lasted more than two years, important community issues and priorities for future decision-making and action were identified. The *Policy Plan* for the *New Comprehensive Plan* recommends broad goals and policy objectives to ensure that Lancaster City preserves and strengthens its positive qualities and successfully addresses citizens' priority concerns. The *Policy Plan* describes the city as a multifaceted, complex entity comprised of many inter-related components.

The *New Comprehensive Plan* is being issued as a series of reports. This "housing component" is one of the primary elements of the *Policy Plan*. Because of the major impact housing has on overall quality of life in the community and the complexity of issues surrounding housing, this separate *Housing Plan* has been developed as a major part of the overall *New Comprehensive Plan*.

Housing is a complex issue that must be viewed from many perspectives: condition of the housing stock; availability for

future renters and owners at all income levels; housing costs; housing development; housing occupancy; suitability for current and future population needs; and marketability. Housing refers to more than the physical structures alone, however. Neighborhood conditions, such as parking and play areas for families, quality of the educational system, traffic and noise, public safety, jobs and business opportunities, and condition of the infrastructure all have impacts on housing.

This *Housing Plan* complements the broad goals and policy objectives within the *Policy Plan* by presenting a detailed description of the City's housing policy and by recommending strategies and actions to achieve its housing goals. An underlying theme of the *Housing Plan* is that the existing housing in Lancaster City is in remarkably good condition and has, for the most part, retained its desirable historic character. Another theme, emerging largely from the citizens of Lancaster, is that home ownership increases neighborhood stability and should be increased. A third theme emphasizes the need for housing in a variety of types and price ranges in the City for upper, middle

and lower income households with and without children. Finally, city neighborhoods must be desirable places to live and must offer amenities to attract and retain owners and renters. Lancaster's rich architectural heritage, the sturdiness and affordability of its housing stock, the accessibility of community services and cultural attractions, and its cohesive neighborhoods are among the city's strongest assets in its competition with the suburbs in the housing marketplace.

The *Housing Plan* defines five major housing policies in Chapter I and describes strategies for implementation. Chapter II outlines a "housing philosophy" that, combined with a new method of governance, will result in a better Lancaster. A statistical analysis of population and housing data, which served a basis for the recommended policies, is presented in Chapter III. Finally, Chapter IV presents a housing strategy for future markets.

Housing is much more than shelter alone. As this *Plan* describes, the quality of housing, the degree to which a house and where it is located becomes "home," has a major impact on the overall quality of life in the community.

Introduction

The work of the Urban Planning Studio of Columbia University, the Enterprise Foundation, the Lender's Profile by the Federal Reserve Bank of Philadelphia, and the United Way, have shown that there are many ideas and initiatives in City housing. There have been successful examples of actions by local non-profits to provide housing counseling and shelter. The banking community is exploring new approaches to meet local needs for housing and business credit. More block associations are forming, giving voice to local concerns.

While building on these earlier reports, this document fulfills a very different role. *This Housing Plan is the concrete expression of the City's housing policy.*

Lancaster City's *Housing Plan* must center on issues of shelter and housing quality. However, important citywide objectives are also a part of the

housing issue. For example, the Plan addresses open space, circulation planning, school district policies, etc., which are all related to the "neighborhood." This *Housing Plan* goes beyond the issues related to the provision of shelter and seeks to connect housing strategies to the rest of the *New*

pared during a period of great prosperity for the city. The city was the commercial center of a strong agricultural economy, a hub of rail transportation, and a fledgling industrial center. Yet, the Plan complained that the trains were destroying residential neighborhoods and creating severe conflicts between

land uses. It lamented the level of downtown congestion. It pointed out that there were too few neighborhood parks accessible to residents. The Plan also complained of inadequate parking in both the downtown and the residential areas of the city.

In 1945, as the country preparing for the post-World War II period, the City published another Comprehensive

Plan known as the Baker Plan. It too complained of inadequate parks and a shortage of parking. The primary land use conflict at the time was the negative impact expanding industries were having on residential



Creative partnerships involving business, financial institutions, for-profit and nonprofit housing providers, City government, and potential homebuyers can both improve the housing stock and increase home ownership throughout the city.

Comprehensive Plan.

Past comprehensive plans have established the City's housing policies. In 1929, the City published its first Comprehensive Plan. The plan, called the Nolen Plan, was pre-

areas. Finally, the Plan complained of the effects created by the "rural surplus." "Rural surplus" refers to the migration of undereducated and unskilled people from rural areas to the city. Living conditions were abysmal for these "surplus" people. The Baker Plan set policies dealing with the physical replacement of substandard housing, development of vacant lands within the city, and rehabilitation programs. These three elements were the basis of housing policy for the City for over 40 years.

Following World War II, urban renewal changed the face of the city. Urban renewal dis-

placed hundreds of families, "rural surplus" migration continued, and local streets became neighborhood-dividing highways.

Lancaster and the world have undergone changes since then. Just as Lancaster underwent strains in its past transitions, so too must it struggle through the strains of its latest transition. For all those pressures, the City of Lancaster is a very special place. It has, through a combination of good fortune and the industry of its people, succeeded in continuing to be a successful and vibrant community. Lancastrians can and should be very proud of the

city's rich architectural heritage, diversified employment base, cultural institutions and its people. As reaffirmed throughout the *New Comprehensive Plan's* public outreach efforts, the city is blessed by a community of talented and deeply committed citizens.

Despite the city's problems, we must still emphasize that there are things that entrepreneurial action by government can correct. It is the essence of government and the responsibility of public service to work to improve our collective lives. Such problem-solving brings a sense of vibrancy to a community.



I. Toward Implementation: Policies and Priorities

After a thorough analysis of the available housing data, this *Housing Plan* identified five major policy areas that demand attention and resources.

1. Housing Quality

First, the City must work to manage the existing stock of housing to ensure both its quality and its market relevance.

2. Rehabilitation and Development

Second, the City must manage the conversion, rehabilitation, and new development ac-

tivities that result from underlying shifts in economic structure and social conditions.

3. Neighborhood Improvement

Third, the City must work to improve the city's diverse neighborhoods to enhance the quality of life for the city's residents and meet the needs of the marketplace.

4. Neighborhood Spirit

Fourth, the City must strive to enhance the neighborhood

spirit that inspires local activities and individual community involvement.

5. Housing Assistance

Fifth, the City must provide direct assistance to housing consumers in both traditional and non-traditional methods.

Policies in each of these areas start with leadership and organization from City government; however, success will depend upon the recruitment, encouragement and support of partners.



Neighborhood vitality and spirit is important to Lancaster's quality of life.

A. Housing Stock Management

Maintenance and Rehabilitation

The preservation of the high quality of the city's current housing stock must remain a central focus of City government's housing efforts. As incomes continue to rise at a slower pace than housing prices and as family sizes continue to increase, the housing stock will come under increasing pressure.

The City's first priority is to stimulate the maintenance of existing homes by the private sector. Second, the City must work to stimulate, ensure, and ultimately support the rehabilitation of deteriorated structures. Finally, the City, with the Redevelopment Authority, must be prepared to bring abandoned structures back into service as quickly as possible.

The maintenance of public health and safety as well as the appearance of the city's structures drives the City's code enforcement functions. Essential for the City's long term housing policies is a corollary goal of reducing the carrying costs of real estate in the city. Enforcement actions must recognize and accept cost-effective solutions. Lancaster City should emphasize energy efficient solutions. Housing programs should not be administratively burdensome to home

purchasers, existing owners or renters.

All successful maintenance strategies rest on two parallel sets of policies: (1) coercive requirements such as code enforcement; and (2) compliance incentives. Where incentives are unavailable, code enforcement has had limited results. The availability of grants, low interest loans, or reverse mortgages as part of the total effort, ensures the long term success of the program.

The additional scrutiny and broader incentives triggered by the creation of Historic Districts, where appropriate, enhances the City's overall maintenance efforts.

Finally, maintenance and rehabilitation of the city's public housing stock remains an important objective. The public sector has as much responsibility for maintaining its housing stock as does the private sector.

Transaction-based Housing Code Enforcement

Frequency and Purpose of Inspection

A comprehensive review of all structures in a neighborhood is the most successful system of code enforcement. In the

heyday of Federal funding, this type of approach was fiscally feasible although its cost effectiveness was questionable. The City's Housing Management Plan guided housing policy through the decade of the 1980's. With this effort, the owner-occupied housing stock was inspected once and the rental stock twice through the entire decade. The HMP became outdated. By 1990, the City recognized that it did not have the resources to sustain the plan. The City now must adjust its approach to effectively use the resources available to provide the highest level of service possible to the residents.

Ongoing inspections should be "transaction-based". This type of a system would require the City to inspect all properties when they are sold. In addition, the rental housing stock should be inspected at the time a tenant vacates a unit. Based on the 1990 Census, 2,500 annual moves, including approximately 600 house sales, would produce the need for approximately 1,200 unit inspections per year.

A transaction-based system will ensure that most structures will come under periodic inspection. However, the City will need to maintain a strong "complaint response" capability. An aging, long-term home-

owner that stops maintaining his or her property will only come to the City's attention through a complaint. A landlord who allows the rapid deterioration of a unit could avoid scrutiny for some time without a well-staffed complaint-response system.

Funding

The funding of the transaction-based portion of the inspection system should be primarily fee based. The triggering event would be either a sale or a move, which creates an opportunity to charge a reasonable fee for the inspection. As the number of annual transactions should be predictable, the City should calculate the personnel and equipment needs of the department dedicated to these inspections and divide by the number of anticipated inspections for the year. The City may choose to subsidize this cost to reduce barriers to home ownership. However, the City should make this decision after the realistic fee level has been set. Since it is doubtful that the City could use federal HOME or CDBG funds for this activity, local tax revenues should continue to fund the complaint response effort. Public funding of the complaint based portion of the inspection and code enforcement system allows the focus of the program to remain on the condition of the housing stock and encourages neighbors to report housing problems.

Lancaster City can use CDBG funds for selected code enforcement activities.

Nature of Inspections

The inspections system should be fair and equitable. The emphasis should be on major safety matters (e.g., wiring) rather than on minor, more cosmetic matters.

Lancaster City's Building Code enforcement staff should continue to show reasoned flexibility in applying the code. The Appeals Board should review and reevaluate various requirements to encourage reuse without sacrificing public safety. They should also review requirements to ensure that the

current standards do not add to burdensome costs and design problems in adaptive reuse projects.

The City's housing codes should be based upon national model codes, such as those developed by the Building Officials and Code Administrators (BOCA) or the Council of American Building Officials (CABO). Adherence to a model code provides several benefits. First, the code evolves with time as the responsible association reviews changing technologies and products. Further, a national code ensures the availability of cost-effective training. A locally created code ensures that new personnel will have a long learning curve. The



The vast majority of Lancaster properties are kept up by responsible property owners who understand the value of periodic maintenance. Code enforcement helps property values by ensuring that neighboring property owners provide at least minimum maintenance. Historically, properties maintained at code levels provide a better long-term return to the investor.

learning curve facing new employees mirrors the confusion of builders in the city who must learn and work with a unique code.

Housing inspectors are trained professionals playing a critical role in maintaining the quality of the city's housing stock. Yet, most of the City's inspection efforts are dissipated by non-housing complaints. During the summer of 1993, the failures of the current trash system caused 60% of the complaints. Housing inspectors have become the City's trash police. This emphasizes the need for a comprehensive, equitable trash collection system.

Investor Management

Successful code enforcement requires a "responsible party" for each property. Whether the

responsible party is the owner, property manager or an attorney, the issuance of a certificate of occupancy for a rental unit should be conditioned upon the registration of the locally responsible party for each rental unit. The locally responsible party will be subject to any fines or penalties under the program.

The primary purpose of the inspection system is the impartial review of the condition of the housing stock. A complaint-based inspection system together with the Vacant Property Reinvestment Board should be aggressively used to identify, closely monitor and eventually eliminate the few irresponsible and predatory landlords that may plague the city from time to time.

The single greatest impediment to the successful over-

sight of the rental housing stock is the slow response of the judiciary. Enforcement actions languish; hearings are often scheduled and postponed as "higher priorities" demand the court's attention. The result is that actions are delayed, City inspectors waste considerable time, and investors are unfairly burdened by the process. Ultimately, the tenant population is poorly served. It is in the City's interest to develop a more efficient system. The City should consider supporting legislation to allow it to create a special court to hear such matters. In the alternative, the City could establish, through judicial management, a commitment of an uninterrupted periodic block of time for such cases. Finally, the courts could be encouraged to develop a "master" based system that shifts the hearing work load from the few judges to several experts. Whatever the method, the City must press for reform in this area.

Incentives for Maintenance: Grants and Loans

The City must help home owners and investors find the resources needed to complete the necessary repairs. Often, providing contacts in the private sector for home equity loans, FHA insured home improvement loans, or other lending sources will be sufficient.



The City Electrical Inspector coordinates his work with third party electrical inspection agencies to ensure that rehabilitation projects meet City electrical codes.

In meeting the needs of low- and moderate-income households, the City has provided direct grants and loans under the Homeowner Rehabilitation Assistance Program. These investments in the city's housing stock have been important to the city's overall housing quality and should be continued. Lancaster City should strive to ensure that sufficient funding is available for all eligible applicants. Funding sources such as federal HOME and Community Development Block Grant (CDBG) can be used to operate these programs.

Besides targeting individual homes, the City supports various community associations and nonprofit organizations through its CDBG funds. Examples of such partnership include the Hazel Street rehabilitation with SACA and the Umbrella Works with the Housing Development Corporation (HDC). In keeping with neighborhood enhancement goals, the City also targets improvements such as curb and sidewalk repair and street plantings.

Maintaining Lancaster's Historic Fabric

Historic Districts

The formal designation of historic areas throughout the

city has provided additional financial incentives and legal protection for the preservation of both the quality of the housing stock and the historic character of Lancaster. Expansion of the districts or the creation of new districts should be encouraged where appropriate. Lancaster's rich architectural heritage of the city is its strongest asset in the city's competition with the suburbs in the housing marketplace.

Identification and Protection of Historic Resources

The City should consider easing the requirements for the expansion or creation of new historic districts so that the districts will be more inclusive. This expansion should be based, in part, on the recom-

mendations contained in the City's *Preserving Community Character*, published in August of 1992. A Comprehensive Resource Inventory (CRI) should be prepared to identify all historic structures. A CRI would classify historic structures by levels of historic significance and lead to the development of clear and usable guidelines. The City should use these guidelines in the administration of both the new and existing historic districts.

One frustration caused by the administration of historic districts has been the tendency of private home owners or investors to experience "gotcha." Unaware of specific requirements, property owners embark on improvement plans only to discover, after the fact, that their plans are unacceptable. The long term success of the



Lancaster's many historic homes and buildings are precious, community-defining resources. Public policies should protect these valuable assets.

program depends upon the ability of the regulators to clearly articulate the requirements in advance and to express these requirements to residents.

Demolition Procedure

The City should develop a review procedure that considers the impact of any potential demolition on the historic fabric of the neighborhood and evaluates alternatives to demolition. Amendments to the building code should include impact review procedures for approving the demolition of any historic building. Such procedures should include appropriate notification procedures and a description of the historic significance of the structure. Additionally, the procedure

should require statement of the reasons the structure cannot be repaired as well as the steps to be taken to mitigate the impacts of demolition on the historic character of the neighborhood. The City should also be informed of the intended use of the property after demolition occurs.

No demolition permit should be issued until the applicant provides evidence that all plans and financing for the future use of the property have been approved. This will prevent the premature loss of historic resources. Unless required for public safety, the City should not issue a demolition permit separately from a building permit for the replacement structure.

City Staffing

The Department of Housing and Community Development should include a staff position that requires experience in the assessment and management of historic resources. By taking this action, the City can ensure that the City has the requisite expertise to effectively administer the historic districts. Examples of responsibilities include reviewing building permit applications for historic impact, overseeing government-funded rehabilitation projects, and providing technical assistance to property owners.

Incentives For Preservation

Historic renovation and preservation require financial resources and the availability of public funds is severely limited. Lancaster City's ability to achieve its preservation goals depends on the cooperation of the private sector to provide equitable lending.

City-sponsored grant and loan programs should be structured to provide incentives for preservation and renovation of historic structures. For example, in competitive grants, the City should provide a priority for activities that will have a beneficial impact on the city's architectural heritage. Preferential interest rates may be considered where appropriate. In



A demolition permit should not be issued without considering the impact of the demolition on the fabric of the neighborhood.

short, the City should review its financial incentives to ensure that they retain the vitality of the city's history and do not work at cross purposes with the City's housing goals.

The City should also provide "incentives" to property owners through education. The City should continue and expand upon its efforts to publicize the benefits created by the historic districts. The City should develop and distribute a comprehensive brochure oriented toward both property owners and realtors. This brochure should describe the varied benefits of historic preservation and the responsibilities of individual property owners.

Maintenance of Public and Publicly Supported Housing Stock

While the City does not own any housing, housing owned by the Housing Authority as well as shelters and other facilities supported by public funds are part of the housing stock.

The City should encourage the City Housing Authority (LCHA) to continue to rehabilitate the 66 units scattered throughout residential areas of the city. The LCHA has received funding under the Moderate Rehabilitation of Obsolete Public Housing (MROP) Program and has embarked on a plan to accomplish this end.

Placing these units back into productive use must remain the most important goal of the Authority and the City.

The Housing Authority has also been aggressive in seeking funding to modernize and rehabilitate the housing stock in its larger properties as well.

Finally, the City must continue to monitor the shelters and housing facilities supported by public monies.

All of these efforts are needed to ensure that the publicly-supported housing providers continue to be an asset to the city, the county and the neighborhoods as well.

B. New Housing Opportunities

The opportunities for reuse, conversion, rehabilitation of existing housing and new housing construction will be at the heart of a renewing tax base. Efforts to bring obsolete or underutilized industrial buildings and blighted or vacant parcels back into productive use have the potential to provide new revenue for the City's tax rolls. These efforts will stabilize residential neighborhoods and support increasing property values.

Sources of New Housing Potential

The shift in the city's economic structure from a large manufacturing base to a stronger service orientation has left many industrial structures functionally obsolete. Changes in production processes have forced manufacturers to opt for more land-intensive plants outfitted for truck transportation. As a result, obsolete buildings present an opportunity for an expansion of the city's housing stock.

Potential sites for expansion of the housing stock lie in vacant land scattered throughout the city. Although scarce, these sites present the opportunity to provide in-fill residential uses that are in keeping with the neighborhood character and scale. To make the best use of the underlying land, residen-

tial buildings and/or garages that have fallen into irreversible disrepair should be considered for demolition.

City Initiatives: The First Steps

The City of Lancaster should maintain an inventory of properties within the city that are potential candidates for rehabilitation, conversion and reuse. This listing should include ownership, land use and zoning classification, and the tax status of the parcels. This inventory is not a simple list. Effectively administered, it will perform two roles. First, it will ensure that the private and non-profit sectors do not overlook realistic opportunities for housing development. Second, it will stimulate action on these buildings. It is common for a large corporation to own an underutilized industrial tract without any intention of using the parcel. However, the corporation may allow the property to languish for years before it finally disposes of the parcel. Similarly, when firms go out of business, the land can be tied up for years. In many of these situations, timely action by the City can focus attention, prompt decisions, and place the property back on the market. Occasionally, cities have found parcels at favorable prices or on preferen-

tial terms from distant and uninterested landowners. The comparison of the list of "opportunities" to the staff's daily knowledge of distressed properties will stimulate City action to help convert these problem or underutilized properties into opportunities.

On a smaller scale, the efforts of the Vacant Property Reinvestment Board are critical in recycling properties to beneficial uses and responsible ownership.

A precursor to the reuse, conversion or development of projects is forward planning. The City's leadership continues to receive high marks from the private sector for its willingness and thoughtfulness in seeking to achieve feasible projects. However, some developers feel that they have been "invited" by the leadership only to be stopped by the review and approval process. Cooperative planning should occur before an investor has created specific site plans. This planning effort should include participation from neighborhood leaders, developers, nonprofits, community organizations and residents to establish the scale and character of potential rehabilitation or reuse. The inventory can become a meaningful listing of opportunities only *after* the City has engaged in a forward planning process. This process will ensure that the

projects are viable from a regulatory viewpoint. Only then has the City delivered on its end of the public-private partnership that will be necessary to bring these projects to fruition.

These efforts can be undertaken without large outlays of public funds. Ongoing coordination efforts of the involved City departments and officials will be necessary. This will require a "customer service" attitude by all department officials.

Realized Through Partnerships With Housing Producers

Expansion of the housing stock through rehabilitation and reuse can produce the variety of housing types in demand throughout Lancaster. The City can realize and promote this variety by identifying and forging partnerships with the housing producers in the area. An entrepreneurial atmosphere will further the City's ability to capitalize on the market demand for its product.

The private sector development community has the skilled labor, technical expertise and the market savvy to bring to a partnership with the City. Additionally, the private sector builders and real estate professionals have a commitment to real estate investment in the city. Yet, all investments need to be financed in some way and credit is scarce. The regulatory process has not been altogether



Lancaster's southwest area has had the largest undeveloped tracts of land in the city. Now that these tracts are largely developed, most new city housing development will be small scale in-fill projects.

smooth or coordinated. Finally, many worthy projects need the assistance of public funds.

Nonprofit organizations are important in the housing production "partnerships" in the City of Lancaster. Currently, the city has one major nonprofit agency in the housing production business. The Housing Development Corporation (HDC) has produced over 800 rental units in the city to date. HDC is the nonprofit organization responsible for creation of the Umbrella Works. This project involves 83 units of housing, 75 of which are targeted for low- and moderate-income residents.

Many new organizations are entering the housing field. Many of these groups are changing their focus from social services to housing production. These organizations

are gaining the experience necessary to begin to take on larger projects. For example, the Spanish-American Civic Association (SACA) has acquired 30 deteriorated properties. These properties will be rehabilitated and offered for sale and lease. The Lancaster Area Habitat for Humanity is also actively rehabilitating units in Lancaster City. Tabor Community Services traditionally provides credit counseling and emergency mortgage assistance. Tabor recently began work on a 26-unit project to help move the elderly and persons with disabilities into appropriate and permanent housing. Similar shifts are happening at Community Action Program (CAP), which has rehabilitated two units and is offering them for sale. There is a momentum among the non-



City leadership, combined with the expertise of the nonprofit Housing Development Corporation, and the financial support of federal and state government, local financial institutions and one local insurance company, made possible the successful adaptive reuse of this historic umbrella factory as an 83-unit apartment building.

profit corporations toward housing production and networking that can continue and grow into housing partnerships with the City. Like their private sector brethren, these developers face the same credit crunch, regulatory reviews and the marginal quality of many potential investments.

The purpose of public-private partnerships is to make these developers, both nonprofit and for-profit, successful. Lancaster City's efforts will enhance their willingness to take risks and tackle the next opportunity successfully. To do this, the City should focus on the following:

First, the City must build and administer a regulatory process that produces predictable results and exhibits flexibility in the face of changing conditions and technologies. Such a struc-

ture must be cost-effective for all parties. This is a commitment that City government can make and fulfill with existing resources.

The second hurdle is financial assistance. Recommendations include continued support through the CDBG and HOME Programs and technical assistance to nonprofits and developers in applying for Federal and State funding. In addition, the public sector can work to reduce operating and construction costs. For example, the City can offer tax incentives, directly provide certain infrastructure improvements or accept second mortgages on development property. Options such as these provide more flexibility than requiring bonds or letters of credit for improvements.

The third hurdle is the tough-

est for both the developer and the City as it requires the recruitment of a third partner. In the end, all projects need financing, and therefore, a lending partner.

Finding an appropriate lending partner has become a bewildering task as banking itself is undergoing significant changes. Regional banks are acquiring each other to become super-regional institutions. Regional banks are also acquiring local banks to become more attractive takeover targets. Locating credit is getting more complex. The goal for the City is to maximize local lending.

Enacted in 1977, and amended in 1989, the Community Reinvestment Act (CRA) requires banking institutions to make credit available in rough proportion to the amount of deposits drawn from an area. Lenders have a legal responsibility to ensure that negative perceptions, attitudes and prejudices do not systematically affect lending. The CRA regulations require banks to adopt or at least annually review a CRA statement. Additionally, banks must assess community credit needs. Information contained in this document can be useful in learning Lancaster's community credit needs.

The Federal Reserve evaluates institutions on their efforts to place credit into urban areas. However, banks are not required to make "bad loans." Banks will need to develop

"nontraditional" measurements of credit as they develop lending guidelines. For example, banks could use rent and utility payments as a credit measurement. Failure to perform sufficiently under the Act can interfere with a bank's ability to expand to new locations, merge with or acquire other banks. Therefore, the penalties of noncompliance with the CRA are most effective in a period of buyouts and acquisitions. As of this writing (1993) additional revisions to the Act are underway.

The Federal Reserve Bank of Philadelphia interviewed people about local credit practices and needs. The results were presented in a July 1993 publication, *The Lenders' Profile of Lancaster*. This profile surveys the recent lending activities of the banking community and provides a thorough listing of potential credit users in the nonprofit sector. According to the *Lenders' Profile*, most banks in the Lancaster area are complying with their CRA responsibilities. The City's role in this continuing process is fourfold.

Advocacy groups are often able to enhance effectiveness in providing credit to low and moderate income communities. In many larger cities, advocacy groups play a very active role in monitoring CRA performance. To date, analysis of CRA performance in Lancaster has been limited to newspaper reports. Lancaster City, with

the existing nonprofits, must continue to focus on the role of the lending community in city revitalization. The City should play a lead role in assisting banks to ascertain the credit needs and assist the banks in developing lending products that meet the needs. Careful review of the Home Mortgage Disclosure Act (HMDA) Reports will be a first step in monitoring lending practices.

Second, the City plays a role in ensuring that bankable deals are brought to the lending community. The inventory of available conversion, rehabilitation and reuse projects, together with private and nonprofit sectors, must always include a project that is "ready to go." Bankers should never be able to use the excuse that no one was ready to use their credit.

Third, the City is a major depositor. Lancaster City government should reward the positive performance of banks as lenders with deposits. Bankers should understand clearly that the City's business comes with some strings.

Fourth, the City's leadership has developed strong relationships with many in the local banking community. These connections, both formal and informal, will continue to play a strong role in financing the city's future economy and housing stock. For example, local banks traditionally play a role in providing contributions to parades and special civic events. They know the charac-

ter of their borrowers and often invest or lend their civic conscience. With the emergence of regional banks, many of these traditional expectations go unfulfilled.

Lancaster is facing "super-regional" banks whose definition of community often includes whole counties and regions. Often local decisions are made not only out of the county but out of state. However, the regional and super-regional banks provide other opportunities. A super-regional bank has the strength to place the loans into their own portfolio for a year or longer before attempting to sell them in the secondary markets. By bringing this strength to the table, banks can discuss relaxed underwriting requirements. Many larger banks are actively looking for small and mid-sized cities in which to place high profile CRA loans. These banks want to build a strong CRA record in the markets that can provide the greatest return or at least lose them the least money. Lancaster can help them in this regard.

The City of Lancaster can produce hundreds of rehabilitated, converted or new units with appropriate partnerships. Through leadership and entrepreneurial drive, Lancaster City can induce the for-profit and nonprofit development sectors to be continuously successful.

Realized Through Coordinating Partnerships

Lancaster City has the opportunity to be part of a county-wide effort to mobilize resources behind the production of affordable housing. The transformation of the Lancaster City/County Affordable Housing Task Force into a regional nonprofit organization will draw on the expertise of professionals in the City, County and national intermediary assistance organizations as the Enterprise Foundation of Columbia, Maryland. The combined nonprofit organization would include programs targeted at the production of at least 200 new affordable units each year. In addition, it will provide direct first-time buyer mortgage support, and more resources and professional counseling to other nonprofit housing producers.

Additionally, this organiza-

tion could provide an unparalleled opportunity for Lancaster City. Participation in such an approach has the potential to produce several benefits for the city that could not be achieved alone. One major benefit is that the Partnership represents the most focused, talented and experienced group of dedicated local leaders that has formed to date. Further, the Partnership may have access to additional funds in the private sector due to the participation of key individuals in fund-raising efforts. Any group that can find and appropriately expend more money in support of city housing must be supported. Finally, the regional approach will allow the City to tap into additional County resources. Whether through "Fair Share" discussions that lead to the location of subsidized housing outside the city or through the shifting of County funds to support additional home ownership in the city, the broad focus of

the group can only benefit the city in the end.

Guided By Appropriate Standards

Lancaster City must encourage pro-active land use planning. Outdated or excessive zoning, subdivision and building codes or engineering standards can easily take away what a plan or zone seems to offer.

The City seeks a reasonable balance between the need to protect the public health and safety and the need to provide dwellings and jobs. It has created a flexible residential development option, adopted national building code standards, and sought solutions to upper level reuse issues. The *New Comprehensive Plan* must ultimately lead to the creation of new zoning, land development and building regulations for it to yield the desired effects.

C. Neighborhood Enhancement Through Investment

Meeting the needs of the marketplace to ensure that the city can effectively compete with suburban housing markets will require an attention to detailed neighborhood concerns. The effective organization of all City resources from planning, inspection, public works, public safety, etc., will be required to meet the investment needs of the city's neighborhoods.

Following are issues that were most discussed by the public during meetings on housing and neighborhood enhancement. They include actions that the City can take with citizen participation to enhance neighborhoods.

Alleys

An example of a "citywide" issue that requires localized resolution is that of "common alleys." Every public meeting on this *Housing Plan* in neighborhoods brought pleas from residents for action. However, the actions discussed in various areas were quite different.

The very concept of a "common alley" creates confusion. A few "alleys" are actually small public streets. It is the City's responsibility to maintain these public alleys. Other alleys are owned by property owners whose land is traversed

by the alley. These are called private alleys, and are maintained by the property owner. The third type of alley is called a "common alley."

Private builders created common alleys when lots were subdivided. In effect, they were collective driveways, owned by the lot owners. However, each alley is controlled by an easement allowing each neighbor to use the alley to get to his or her lot. Often, these easements were not recorded in the deeds, making enforcement of their "provisions" more difficult. Besides inadequate recordation of the lot owners' actual rights to access, the principal failing was that the easements were not generally tied to a homeowners' association or to City government as a third party beneficiary. If they had been, it would allow some form of collective enforcement of the easements' terms. Over the years, the pavements have deteriorated, and in some areas, fences have been built within the easements.

Solution to Neighborhood Parking Needs

In many areas, especially in the northwestern area of the city, parking conflicts are severe. Franklin and Marshall College, major employers and residents compete for on-street

spaces in these neighborhoods. Irrespective of the alley issue, the City is interested in increasing the supply of spaces in this area. Possibly the most cost-effective way to add parking is to use public resources to restore several alleys for private use.

The key constraint has been the City's unwillingness to accept alleys as full public streets given width constraints. Bringing the alleys up to the City's engineering standards entails substantial costs. Because of the amount of money involved, the City has been unwilling to expend public money on improving a private easement. Further, if any of the lot owners objected, the resulting legal costs to support the enforcement of the easement by other lot owners could be expensive. This might raise the issue of spending public dollars to support an essentially private lawsuit. If the City were to take an easement for access in case of public emergency, it would obtain the right to maintain the easement without creating rights to general public access. As an emergency access, there is no reason the alley would be required to meet full public street specifications. While taking the easement will entail some procedural costs, the value of the easement taken

would be lessened as the land is already subject to an easement that restricts private use in the same manner.

The costs involved should be less than any other public effort to expand parking options in the area. Further, by satisfying the needs of residents without increasing the public supply of spaces, the "solution" doesn't attract more cars.

This approach is only appropriate where the lots are sufficiently deep enough to support on-lot parking in the rear without destroying the community's back yards.

Solution to Pedestrian Circulation and Open Space Needs

In other areas of the city, parents spoke about the need for alleys to serve as pedestrian links to schools and parks. With State highways and other busy roads splitting residential areas away from these facilities, parents are concerned about the safety of their children. In areas near schools and parks, the City may need to take an easement within the existing easement to allow for pedestrian public access within the same area used by adjacent lot owners for vehicular access. Consideration should be given to permitting bicyclists to ride two ways in public alleys, despite traffic patterns.

Where appropriate, the City's easement for non-motorized access would provide

the excuse necessary to remove fences, repave and/or construct a "sidewalk" that would serve to enhance the private functions of the alley as well.

Enhancement of Public Safety

In some areas of the city, residents want the alleys eliminated. Where crime and personal safety have become the overriding concern, residents fear the through-block access away from the view of street that alleys can provide. If alleys are to remain, residents want street lighting. In addition, many residents wanted dead-ended parking courts from each end of an alley that could preserve vehicular access to lots. The parking courts would contain a fence or wall that block through movements of vehicles or pedestrians.

Third Party Enforcement

Over the years, the City has taken possession of lots in a number of areas. On these blocks, the City has the right to enforce the existing easements as a property owner. This may make carrying out any of the first three approaches simpler where this condition exists.

This brief overview of the "alley problem" may have missed other possible solutions or constraints. The point is that the "right" answer varies throughout the city.

Parking

The automobile has changed the face of our society and altered the fabric of our cities. Accommodating its movements, storage and repair needs has become a central issue in "making cities livable." The needs of cars have caused the loss of structures and have negatively impacted the quality of life in neighborhoods by large and growing volumes of through traffic. The volumes of traffic often bring new and often incompatible uses into commercial districts. Transportation planning has inappropriately dominated housing policy in the past. Finding a balance that fairly accommodates the automobile within our residential neighborhoods is critical for the city to successfully compete with suburban housing stock for middle income buyers. Only 16% of the city's work force walks to work. Nighttime parking for workers who must drive to their jobs every day is a critical component of the housing product. The city has lost residents who have been consistently unable to park near their homes.

In addition, the needs of downtown residents must also fit within the total parking strategy for the downtown area. The Parking Authority should develop a comprehensive view of its responsibilities to manage the supply of parking opportunities to the diverse "users" that

it serves. For example, the garages should offer discounts or free overnight parking for residents to encourage and promote more efficient use of garage space in the city. While suburban shoppers often view garages as "unsafe" for people, urban residents often perceive them as the safest locations for the overnight storage of their vehicles.

The success of neighborhoods depends on the resolution of highly localized parking conflicts. A major employer in an area or a larger than average number of apartments in a particular neighborhood may create severe problems that only affect a few blocks. Finding a mechanism to discover these smaller areas of conflict and developing a response that includes all interests will be a key demand on government. Within the housing developments created in the southeastern area of the city under Urban Renewal, lots exist that could be used to meet the needs of the surrounding neighborhoods. The City should hold neighborhood meetings to determine if this suggestion is viable. Such examples may be a possible solution to some parking difficulties near Franklin and Marshall College. In the past, City-led discussions with St. Joseph Hospital led to marked improvement in the Hospital's management of its employees' parking behavior in the surrounding neighborhood. Similar initiatives with other



As the number of cars in Lancaster continue to increase, alternatives to on-street parking must be developed.

major employers and institutions will be needed over time.

A neighborhood specific solution developed for the north-central area of the city is presented starting on page 24. In short, there will be many alternatives and possibilities. Bringing them to fruition will require entrepreneurial action by the City.

Traffic Planning

The conversion of city streets to State highways and major connectors has had profound impacts on the quality of life in many residential areas. To a large extent, impacts have been inevitable. However, regional traffic planning has inappropriately dominated housing policies and neighborhood concerns.

Examples abound of simple

improvements that would dramatically improve neighborhood conditions without severely limiting mobility. One example noted by residents occurred in the south-central area of the city. Chesapeake Street is a major collector, drawing on nearly half the city in channeling traffic to the south. It ends at Queen Street/Highland Avenue which is one-way northbound. Traffic snakes to the north where a left turn on a one-block long street through a residential area brings the traffic to Prince Street, which heads south.

This traffic movement is damaging the neighborhood in two ways. First, this residential area is bounded by Prince and Queen Streets. The fronts of all homes are virtually off-limits to children and any social gathering. The central

feature of the neighborhood is the presence of a quiet internal street and shared alleys. Alleys provide the safest north-south pedestrian route for many families. The Chesapeake shortcut splits this route. As the light on Queen changes, a pulse of a dozen or so cars make the turn quickly and speed through the neighborhood to Prince Street. When traffic gets heavier, it is not uncommon to have eight or nine cars stacked at Prince. This blocks the alley and creates nasty air quality conditions. In the interest of a quicker shortcut, a neighborhood has been sacrificed. Rerouting traffic to another street should be explored.

Similar situations abound in the city. In the north-central area, wide cartways exist for streets that are no more than a few blocks long. These streets need only service locally generated traffic, yet they too have become shortcuts. The City could dramatically decrease the amount of traffic penetrating these residential streets by reviewing traffic patterns. Other areas to review are potential use of one-way streets, limited turning directions at intersections, and reducing the number of travel lanes.

In some instances, the City should consider eliminating certain one-way restrictions. The one-way patterns may be channeling too much traffic through neighborhoods that could be more efficiently channeled through a two-way corri-

dor. In other areas, residents want one-way streets to allow for increased on-street parking.

To support cohesive, safe and pleasant residential and commercial neighborhoods, the City should form a task force to re-examine existing traffic patterns. For example, reduced speed limits, the conversion of one-way streets to two-way streets, and traffic origin-destination should all be re-examined.

The City must make every effort to work with the neighborhoods in defining locally relevant solutions. This may be best accomplished through direct efforts between the City's Planning and Traffic Bureaus and neighborhood groups or localized task forces than through a citywide task force.

Open Space and Neighborhood Recreation

Historically, there are many residential areas in the city that lack neighborhood open space and play areas. The City should support the Parks and Recreation Plan to continually identify needs, define solutions, and address long-term maintenance responsibilities.

Most of the need for new "pocket parks" occurs in neighborhoods untouched by large scale redevelopment or post-war new home construction. In these newer areas, small parks were included. The task facing the city today is to fit these

amenities within the existing context of the largely built-up older neighborhoods. An inventory of vacant lots or potentially vacant lots may yield appropriate locations for some areas. The discussion of the north-central area on page 24 suggests alternatives based on the availability of wide public rights-of-way.

Besides planning for new facilities, the City needs to focus on the interconnections between the city's open space resources. Many residents commented on the need for additional work on the South Duke Street corridor. Residents would like to see the demarcation of clear and pedestrian-friendly connections to the entrances of the County Park and to the Conestoga River. The corridor itself suffers in many locations from a lack of pedestrian orientation.

Saying that the city needs to have these additional parks does not mean that City government should be the prime actor. The process must be bottom-up, with neighborhood leaders taking the dominant role. Funding and design expertise will undoubtedly be the City's responsibility; however, location, amenities to be included, the organization, supervision and maintenance must come from the neighborhood. If a neighborhood cannot pull together to create and present a credible proposal to the City government, the park will not be viable in the end.

In reviewing proposals for new construction or conversions, the City should include an analysis of available recreational opportunities and the

provision of necessary facilities. Conversions of industrial or commercial properties to residential uses can potentially stress the capacity of local

parks. Contributions in-kind or in-fee to the parks may be necessary to address the imbalance.



The Northwest Corridor, an abandoned rail line, is an ideal location for a neighborhood park. Ground was broken in October 1993. The new park will provide much needed open space and recreation areas for neighborhood residents.

Neighborhood Planning: Examples of Local Solutions

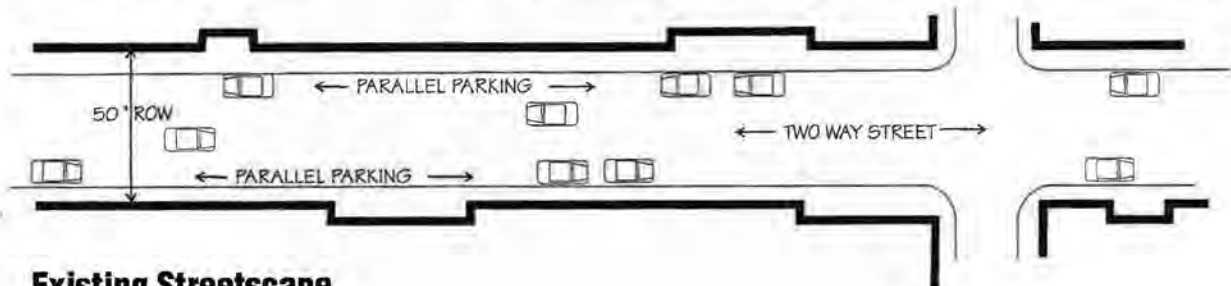
Two examples of a neighborhood-based entrepreneurial action by City government were developed for this Plan, based on the specific concerns of a single neighborhood. These examples from the north-central area of the city were not specifically endorsed by the residents of that area as a group nor by the City administration. They are intended to provide a useful illustration of the kinds of actions that can be expected from an entrepreneurial government. The examples involve neighborhood-based policies whose goal is to produce competitive housing products and livable neighborhoods.

The study area is divided by the very heavily traveled north-south streets of Prince, Queen, Duke and Lime Streets. It is divided by the less traveled east-west streets of Frederick, Clay, New and Ross Streets. These streets have wide rights-of-way, including two travel lanes and parallel parking.

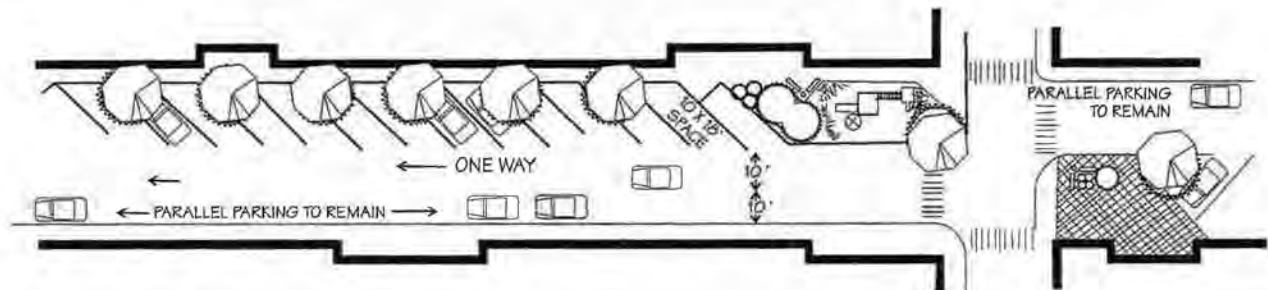
The two concerns that were most on people's minds in this area were the lack of sufficient parking and the total absence of neighborhood open space. Lancaster City's Parks and Recreation Plan identified the problem of open space. Both concerns may be addressed using the wide rights-of-way.

Parking and Tot Lots

The first graphic illustrates that a single travel lane would permit additional parking spaces by using angled parking on one side. Further, for the sacrifice of a few spaces on the ends, small tot lots or sitting areas can be created. These neighborhood corners would occur at the alley crossings, creating a quiet spot in the neighborhood. Switching the travel lane from side to side at the alley crossings would also serve to slow traffic through the residential area and discourage adventuresome shortcut seekers. The small triangles



Existing Streetscape



Proposed Alternative Streetscape

Drawing adapted from original art work by
John Rahenkamp Consultants, Inc. © JRC, Inc. 1993.

A New Comprehensive Plan for the City of Lancaster

created between the sidewalk and the parking spaces would create the opportunity for street trees. Many of these blocks have narrow sidewalks that have restricted greenery in the street.

This solution is cost-effective and serves as an example of entrepreneurship. The first phase can be done for the cost of a few cans of paint. Car stops and a new curb can be added at the time that the City needs to repave the street. Furnishings for the tot lot or sitting area can come from the residents, State grants, or the City as re-

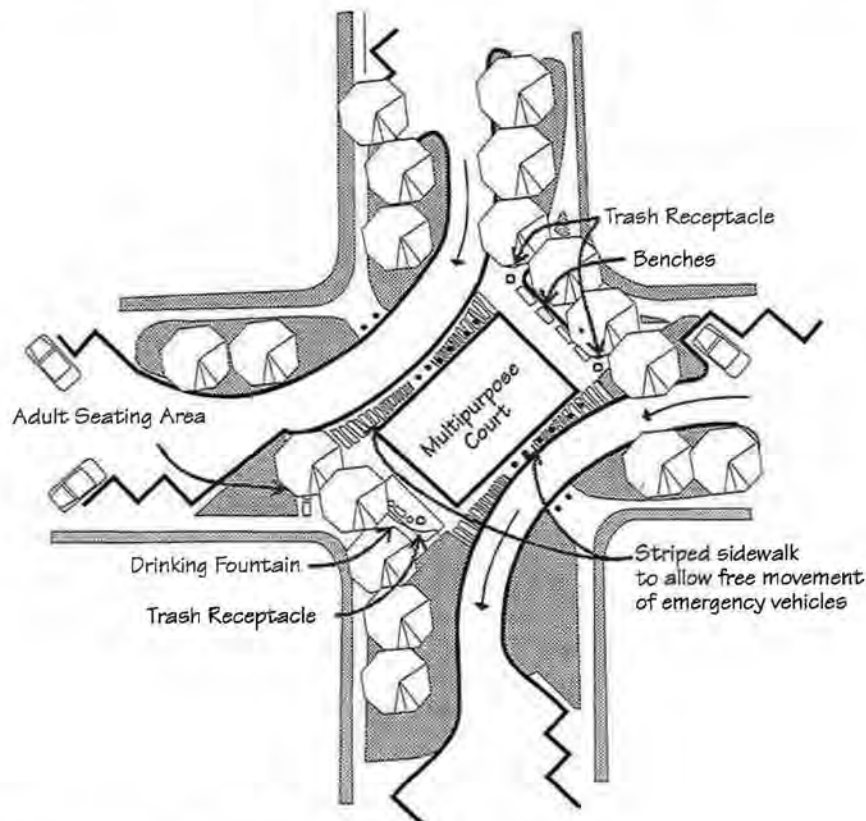
sources and time permits. In short, it is not capital intensive nor focused on the government for its total execution. In providing the use of its right-of-way, and creatively spending the already budgeted street maintenance moneys, the City can join in partnership with the neighborhood to produce a real change in the quality of life.

Intersection Parks

The second illustration is the result of a more aggressive pro-residential response that would be more dependent upon pub-

lic action. Large intersections provide an opportunity to create a park large enough for a basketball court or picnic area where traffic can be turned through a single travel lane in a single direction. Intersections of local one-way roads, such as an alley could allow for circulation patterns that create loops and further discourage through traffic on residential streets.

These two solutions are an example of the kinds of solutions that are possible with the development of neighborhood/City partnerships.



Intersection Improvement

Drawing adapted from original art work by John Rahenkamp Consultants, Inc. © JRC, Inc. 1993.

D. Building Neighborhood Spirit

Lancaster has a strong tradition of local self-help, block parties, Neighborhood Watch groups, park associations, and locally-based civic leadership. For City government to have a positive affect on the residential quality of life during a period of lean public resources, it must build upon these positive local traditions in ways that will foster, encourage and stimulate the continuation and expansion of neighborhood organizations.

There are four components that the City can use to build effective neighborhood leadership.

Provide Access to City Resources Through Neighborhood Groups

Clean-up days have become a very popular neighborhood organizing activity in the city. The most successful efforts have included the allocation of City personnel and support equipment or the volunteer participation of private haulers. Neighborhood groups should submit requests for City support of such events. Lancaster City can then assign the public works staff for these events scheduled throughout the year. This will aid long term personnel planning and scheduling

within City departments. In addition, it will show that groups have formalized access to resources that are otherwise unavailable.

Provide Access to City Budgeting and the Allocation of Resources

Portions of the City budget and the Capital Improvement Program (CIP) should include a formal comment period for neighborhood groups. The alteration of a right-of-way, as discussed above, is the outcome of a reassignment of street money. In short, local participation in forming specific requests will aid in the development of a more efficient and cost-effective pattern of expenditures. The City should ask neighborhood groups in advance for their ideas on the CIP or budget assignments. There should be a formal presentation to the leadership of local organized groups about the budget and the CIP before their final adoption by the City. Instead of expecting neighborhood groups to fit themselves into the public portion of a normal agenda, they should have their own "work session." By so doing, the City administration will engage neighborhood groups as partners in government.

Provide Access to City Hall to Address Emerging Problems

Community interviews revealed that there is a broad perception that "City Hall" is generally receptive yet distracted by its daily obligations. Sorting out departmental responsibilities and convincing a public employee to ignore his or her daily duties to focus on the caller's needs should not be the responsibility of the caller.

Neighborhood groups should have a formal first point of contact in City Hall. A knowledgeable insider with daily contact with the various department heads and key staff can get answers, provide insight and schedule a response. This "neighborhood liaison" must be an integral part of the entire effort to build neighborhood identity. This assignment will serve as a mechanism for changing how the City views its mission. It will help to assure that the City provides accurate and timely information about governmental policies, programs and pending issues to citizens. A liaison could also enlist citizens to volunteer and participate in governmental activities. It is a part of the shift to a pattern of entrepreneurial governance that is neighborhood based. This will also encourage a "customer service"

environment. The liaison position should be time-limited so that it serves as a catalyst and not a permanent fixture. This will require General Fund Budget allocation as it is not eligible for CDBG funding.

Citizen's access to government should also be improved through the many existing boards in the City. Serving on nearly a dozen separate boards, scores of local citizens are directly involved in the administration of the City. Yet, residents do not view these boards as a resource. Selection criteria should include a history of local involvement and visibility as well as technical expertise and a willingness to serve. Further, the City must include names and numbers in a published list of contacts. Neighborhood groups should know how to contact their community leaders on these groups. Finally, the City should encourage interaction among the boards. For example, an annual social event as a "thank-you" for board members can create contacts and a fellowship that ease the operation of government. Overlapping memberships and presentations from one board to another on some key issues can reinforce the notion that we are all working for the same goals.

Provide Access to the City Planning Process

The City should formally in-



The give and take of public meetings can ensure that neighborhood groups have access to local government.

volve neighborhoods into the review process for applications before the Planning Commission. The notification procedures should be refined to ensure that all groups are periodically made aware of projects and zoning changes under consideration by the Commission.

As important as neighborhood participation in the review is, this stage is too late if the process is to function smoothly. The demise of a project begins with City leaders encouraging the private sector to embark on a new project or major rehabilitation. The investors organize, prepare plans and submit the project for review. All parties act surprised at the strength of the opposition from a neighborhood. Consequently, the project slowly dies as "design changes" whittle away at the feasibility of the proposal and

time erodes the support of investors. The City government loses credibility as a partner and the private sector passes on opportunities to invest in the City.

The review phase should ensure that a plan fits within the parameters set by plans for the area, and applicable building and development codes. Whether a project should occur should have been dealt with long before the plans are reviewed. Neighborhood involvement must begin in the planning stages. The City must create localized future use plans that will involve the neighborhoods in developing responsible long-term strategies for dealing with the transitions and changes facing the city.

As discussed above, the city is subject to several strong trends in market demand. In

particular, surplus industrial and commercial properties will bring changes in land use patterns to many areas of the city.

Locally based, detailed plans that are worked out ahead of time will be critical in efforts to attract private investors. Oth-

erwise, Lancaster will be placed at a serious competitive disadvantage.

Conclusion

By building a system of governance that routinely displays the benefits of neighborhood

organization, and organizes and channels neighborhood responsibilities, the City will encour-

age the enhancement of the civic spirit. This is a necessary component of a successful city.



E. Direct Consumer Assistance

Historically, City government's responsibility for housing issues involved efforts to create an affordable supply and manage the maintenance of the housing stock. In the coming decade, the City's participation in direct consumer support will need to include a strong role in providing education and counseling. Additionally, financial support will be needed to meet the needs of low- and moderate-income residents who are struggling to make the transition to home ownership.

Information to Assist the Marketplace Function Smoothly

Credit counseling, home ownership training, renter mediation and other forms of educational assistance are important components of the public services needed to enhance residential communities. For example, both Tabor Community Services and Neighborhood Services of Lancaster provide intensive credit counseling. The City must continue to support the nonprofits and public sector agencies that provide these important services.

A second form of assistance through information is the marketing of the city and its neighborhoods. Realtors who highlight the benefits of city life and the positive attributes of the various neighborhoods can

stimulate interest in home ownership in the city. Support for housing fairs, neighborhood tours and holiday open houses will increase the visibility of the city's housing products to current and future residents.

Many realtors, civic leaders and developers expressed a willingness to participate in a standing task force and pool resources to ensure a successful marketing program. For a small investment of time to organize and initiate a partnership and a modest investment on a printing budget, the City can create a vibrant and active voice in the community. This would require a General Fund Budget allocation.

a loan program backed by a

Homebuyer Assistance Strategy

Many current homeowners were the middle income buyers of the 1950's and 1960's when Federal credit policies and a growing economy made home ownership easily attainable. Since that era, we have seen interest rates and closing costs rise (although interest rates dropped in the early 1990's). We have seen mortgage companies and banks tighten credit reviews. In short, we have experienced fewer home ownership opportunities. Faced with this new reality, local governments and major employers have begun to view solid guarantee, the City is not



A lease-purchase arrangement, arising out of a partnership between SACA Development Corporation (a nonprofit housing agency), the Pennsylvania Department of Community Affairs, and the City, has made homeownership possible for a happy city resident.



Lancaster's diverse housing stock can meet the needs of many different homebuyers.

homebuyer assistance as a missing part of their housing and personnel strategies.

Unfortunately, many have interpreted homebuyer assistance as an attack on renters or on landlords as inherently bad neighbors. Neither is true nor central to the desire for a home ownership policy. The purpose of the policy is to overcome the hurdles that stand in the way of ownership opportunities. The goal is to help urban renters become urban home owners and to bring suburban renters into urban home ownership. The affordability gap in the county's suburban areas and the reasonable prices of quality homes in the city provides a strong opportunity to meet the needs of moderate income families for permanent homes in the City of Lancaster. The following aggressive three-part program to help homebuyers

will provide a competitive advantage for the city.

a. Create and Sponsor an Employer-Assisted Housing Program

Although retaining employees in high housing cost regions in the 1980's was a critical problem for many employers, Lancaster's employers have not experienced dramatic difficulties in recruiting employees. However, many have concluded that supporting a home ownership program in the city will both benefit their employees and serve to strengthen the neighborhoods in which they are property owners. Given that the motivation is largely civic and personnel-benefit based, the program cost must be modest for employers.

The City is currently exploring a program based on a "3/2 mortgage." This mortgage permits a home purchaser to include a 2% "gift" with their own 3% contribution to meet the required 5% down payment. The closing costs can also come from the "donor." The program is based upon the ability of the City to grant a loan for the 2% and closing costs that is unsecured by the property. Just like any other consumer loan, the home purchaser repays this loan monthly. The City would be protected by an insurance fund supported by an employer based fee. As each employee takes a loan, the employer would be asked to make a one-time payment into the fund. The current proposal would require a \$500 contribution from the employer that would give the employee a \$4,000 - \$6,000 loan from the City. The loan amount would depend on the cost of the property and closing costs. As the program evolves and develops a track record, larger employers could be permitted to offer their "full faith and credit" as a guarantee of the employee's loan rather than pay the premium.

Creating a pool of money to lend out is the key to building an employer-assisted housing program. For income eligible applicants, the City could use HOME funds. To provide loans to middle-income buyers, the City could include the program in its bonded indebtedness. As

at financial risk. It serves as the intermediary between the capital markets and individual buyers.

b. Build a Moderate-Income Down Payment Assistance Plan

The Partners for Affordable Housing and the Lancaster City/County Housing Task Force have both set priorities for the need for some form of down payment assistance. This assistance would increase the home ownership opportunities of moderate income households. These are households that are currently paying rent at a level that can support a mortgage, yet cannot become homeowners without an adequate down payment.

The Partners and the City/County Housing Task Force have identified the necessary components of a down payment assistance program. At this time, the Partners are developing their approach to funding and creating operational details. This Task Force will look to the City for support, including significant financial contributions. The City should be an active participant in the program which will make residents the recipients of grants and loans, making ownership a realistic possibility. Like all partnerships, the City must compare the contributions expected

from it to the benefits that its residents are likely to receive.

c. Use CRA-Based Leverage with Private Financial Institutions

The Lenders' Profile of Lancaster, published by the Federal Reserve Bank of Philadelphia, reported that two credit needs were most frequently identified by residents as deficient. They are mortgage financing for low- and moderate-income buyers and small business loans for start-up and growing companies. New opportunities for lenders to improve their performance in these areas were suggested, including additional loans requiring low down payments and providing combination acquisition and rehabilitation loans. In addition, the authors

suggest increased participation in FHA, VA and PHFA loan programs, and reduced fees or lower rates to homebuyers who had completed credit counseling courses. CoreStates, Mellon and PNC successfully captured a larger share of the mortgage market in lower income areas than their respective share of citywide lending. Again, the flux in the banking industry enhances the importance of the CRA in stimulating lending in urban areas. The City should continue its efforts to induce banks to provide sufficient credit on reasonable terms to the city's residents.



The reasonable prices of quality homes in the city provide homebuyers with the maximum housing for the dollar.

II. Goals and Methods: A Framework for Governance

This *Housing Plan* is a continuing transition to a new approach to City governance. Policies in the postwar period sought aggressively to change the face of the city through public action and with substantial public resources. As those resources slowly disappeared, so too did the commitment of government to work for change, moving the city to the other extreme. Success in the city's immediate future will require the reawakening of public action toward aggressive goals, yet will rest on strategies that draw on resources outside government.

As discussed above, the Baker Plan of 1945 set the foundation for housing policies for nearly 40 years. The City eliminated substandard housing through demolition and reconstruction. The Lancaster City Redevelopment Authority (RACL) was formed in 1957 to carry out this approach. The RACL spent over \$14 million in Federal funds in acquiring land and buildings. A total of \$30 million eventually passed through the hands of the Authority. Major projects included Church-Musser, Crosstown, Higbee, North Queen Street, Duke Street and Adams. The Authority demolished over 1,000 structures, and relocated more than 1,000 families and 200 businesses.

At the same time, the Baker Plan identified rehabilitation in "stable" neighborhoods as

critical to maintaining the housing stock. Funding through the Authority supported the rehabilitation of over 1,500 homes.

A third leg of the Baker Plan was the construction of new units on vacant lands created by demolition. As a result of the plan, successful development of thousands of new units through private sector construction of new "in-the-city" housing successfully competed with construction in the suburbs. In addition, the Lancaster City Housing Authority played a major role in producing affordable housing during this period. The Hickory Tree Heights complex was its first project, completed in 1950. Subsequently the Housing Authority completed Susquehanna Court (1963), Franklin Terrace (1965), Church Street Towers (1967), and Farnum Street East (1978). Smaller, scattered site

developments occurred from 1972 through 1975. In total, the Housing Authority had created 562 affordable units in the city.

By 1978, changes in Federal funding put the Housing Authority out of the construction business and into rent subsidization through the Section 8 program. Similarly the Redevelopment Authority lost its direct funding by 1974, when Federal funds shifted into Block Grants. In essence, the period of aggressive intervention by the City's authorities halted with the loss of direct Federal support.

City government played a small role in the administration of these policies. Historically, Lancaster's City government has had an emphasis on public works maintenance. City policies for housing were limited to those contained in the

Housing Management Plan of 1981. The focus of this plan was the continuation of aggressive inspection efforts coupled with funding for rehabilitation loans and grants. The City also channeled some of its Federal dollars to nonprofits that, at the time, were primarily engaged in the provision of social services such as counseling, employment training and day care.

Momentum in the housing sector was lost. Active leadership had been based in the authorities, and with their diminished role, a leadership vacuum was created and City Hall was slow to respond. In fairness, the City government historically had never provided such leadership. Developing an institutional shift in focus and purpose would take time. Time was also necessary to allow the scars of aggressive redevelopment to heal. Many in the city

had developed an aversion to heavy-handed public actions that destroyed buildings, changed neighborhoods, and relocated people and businesses. It is not surprising that a new consensus and a new style of governance have taken time to develop.

Today Lancaster faces new challenges, needs and opportunities. Through the development of the *New Comprehensive Plan* and this *Housing Plan*, the people of the city have identified an agenda. The task that now faces the City is to govern in a style and form that can carry out these goals in a time of limited public resources. The issues and goals identified by the citizens of Lancaster can best be tackled through partnerships between the City's government and its citizens. Seeking out appropriate partnerships will require an

entrepreneurial government.

The essence of the entrepreneurship is risk—a willingness to expend current effort to achieve a future goal. The entrepreneur in the private sector uses knowledge to actively uncover an opportunity, organizes investors behind an action plan, and is measured by his/her results in the marketplace. The combination of risk acceptance, alertness and leadership are also the basis for successful government. Lancaster's government must be active in searching out solutions, both small and large. It must organize stakeholders (corporations, merchants, residents, and other governments) around action plans to produce results. Businesses locating in Lancaster, expanding in the city, and residents choosing to live in the city will decide Lancaster City's success.

Lancaster City Housing Philosophy

This *Housing Plan* is based on a “housing philosophy” that can, in concert with an entrepreneurial orientation of government, produce ongoing decisions and actions that will result in a better Lancaster. The “philosophy” or policy shall be:

PROVIDE ADEQUATE SHELTER THAT IS:
MARKET-DRIVEN
NEIGHBORHOOD BASED,
LEVERAGED THROUGH PARTNERSHIP,
TO ACHIEVE
DIVERSITY IN OUR CITIZENRY,
A STRONG FISCAL FOUNDATION AND
A HIGH QUALITY OF LIFE.

This policy divides in the middle between the things that the City wants to achieve—its goals, and the way in which those goals should be achieved—its methods.

A. The Goals: Measuring Achievement

Provision Of Shelter: Housing Diversity

Section 301 of the Pennsylvania Municipalities Planning Code (MPC) provides the legal framework for the preparation of a Comprehensive Plan. A necessary element of any comprehensive plan is:

A Plan to meet the housing needs of present residents and of those individuals and families anticipated to reside in the municipality, which may include conservation of presently sound housing, rehabilitation of housing in decline and the accommodation of expected new housing in different dwelling types and at appropriate densities for households of all income levels.

This legal framework provides guidance in two directions.

First, the City's responsibility to provide "different dwelling types ... at appropriate densities" applies to "all income levels." The City of Lancaster has a responsibility to plan for the needs of middle and upper income households as an equally important component of this *Housing Plan*.

Second, the MPC requires a plan for the housing needs of those "individuals and families

anticipated to reside" in the city in the future.

The needs of all income groups and a fairness to the next generation should guide decision-making within City government. The diversity of housing values, neighborhoods and architectural types provides opportunities for households that grow, adapt, change and give birth to new households over generations.

Fiscal Diversity

A government functions in many ways like any private corporation. It receives income from a variety of sources and it must efficiently use that income to provide a "product." For private industry, there is a direct and immediate link between the quality and value of the product and the income that the company receives. Government is not motivated by the singular desire to increase its revenues. Government seeks to meet the needs of citizens as its highest motivation. Yet, there is a stronger link between government's product and its income than observers recognize.

Lancaster City's government depends on revenue from many sources. Many of those sources are other levels and agencies of government, primarily State and Federal. As important as

these sources are, they are not the entire budget. A review of the City's 1992 General Fund Budget revealed that 39% of the City's total operating budget comes from local real estate taxes, and 11% comes from the Earned Income Tax. Combined, nearly 50% of the City's resources are determined directly by the city's own demographics. Many miscellaneous sources of income are locally derived as well, including fines and fees.

City leaders should continue to discuss policies in terms of moral, legal and political objectives. They must also view City programs and expenditures as investments in the "product." A 10% increase in real estate assessments citywide would create \$1 million in extra resources. Lancaster City could use these resources to support City initiatives or reduce the tax burden on residents. Similarly, expanding employment increases the Earned Income receipts.

The reverse is also true. Currently, the City is being pounded by tax appeals on industrial properties, many of which are no longer the sites of highly productive companies.

Investments, both public and private, in housing quality, neighborhood improvements, or public safety can increase City resources. The failure to

intervene in declining neighborhoods will result in declining resources for all city residents.

Quality of Life

To enhance the "Quality of Life" is the ultimate goal of every plan. "Quality of life" stands for the principle that housing and housing needs are part of the larger context of the

New Comprehensive Plan. Housing goals must fit within the broader context of the City's overall objectives, such as strengthening neighborhoods, increasing employment, improving public safety, and enhancing the human environment.

In addition, "quality of life" conveys that housing is more than shelter. Today, housing provides a haven, while remain-

ing open to community involvement and neighborliness. Housing also provides for our long term financial security and, increasingly, provides the location for our primary entertainment activities. Housing is part of our social fabric. When housing is deficient, it becomes a central part of our social service needs.



Friendly, helpful neighbors strengthen Lancaster's quality of life.

B. Methods: How To Achieve Our Goals

The two key issues that defined the various approaches have been the amount of public resources available and whose vision guided the process.

The best-known approaches were the large scale urban redevelopment/renewal strategies. These approaches to planning formed the basis for housing policy in Lancaster from the 1940's through the 1980's. These approaches were very much government driven. Neighborhood groups were typically not consulted, nor were potential consumers of the new structures consulted in planning efforts. This approach to housing issues stands as the opposite to the approach taken by this Plan.

To be successful through the 1990's and into the next century, Lancaster's housing strategy must be Market-Driven, Neighborhood Based, and Leveraged through Partnerships.

Market Drive: Meeting Consumer Needs

Following the urban renewal approach came the "Neighborhood Preservation" approach. The Neighborhood Preservation approach has succeeded in blocking the significant and overreaching changes caused by urban renewal. However, both urban renewal and neigh-

borhood preservation are based on a war over *things*—the physical artifacts that define daily life—and fail to emphasize the *needs of the people* that occupy those spaces. Beyond the preservation of structures, the people within them and their needs must be the focus of public intervention in the housing market. Both approaches have broken their connection to the fundamental purpose of planning: meeting the real needs of people.

Public involvement is critical to a successful plan. Similarly, the need for political consensus and the leveraging of private resources to public goals requires that meaningful involvement be at the root of any planning process.

Fortunately, we have data and insight into the real needs of Lancaster's citizens. The marketplace provides a current assessment of the desirability of housing within the city. We can readily compare the "product" that sells quickly to the house that sits vacant. Real estate transfer records show that over 600 homes were sold in 1992. Census data shows that there are more than 2,500 moves each year, including renters. Just to maintain current population levels and real estate values, the city needs to attract a minimum of 600 new households. To increase home ownership or to improve real

estate values, demand must increase beyond this level. The large number of elderly homeowners also means that the City must attract increasing numbers of buyers in the long term.

In prioritizing its actions, the City must fulfill the needs of its citizens as consumers before addressing their preferences as residents. Success comes one household at a time. The nature of the city in 2050 will be decided by literally hundreds of thousands of individual household decisions. To be successful, the City must act like a developer marketing a large scale new community or the landlord of a shopping mall in seeking the mix of elements/components that can produce successful "products." To achieve this, the City must include partners such as the Lancaster County Association of Realtors (LCAR), the Building Industry Association of Lancaster County (BIA), and the Real Estate Investors of Lancaster (REIL).

Assessing Consumer Demand: The Need for a New Approach

The single most important source of housing demand is local employment. Of key importance is the number of jobs, average wages paid, and location. Second in importance are sources of housing demand that

are not tied to local employment opportunities, such as retirees, commuters to other areas, or "special needs" populations. Finally, the third aspect is the market share that the new community can expect to achieve. Can it capture more than already exists? These same factors drive housing demand within the City of Lancaster.

In the post-World War II era, high wage manufacturing jobs, coupled with favorable mortgage lending practices, enabled many to become homeowners. Incomes derived in manufacturing supported nearly 68% of the city's housing stock in an era of single-worker households. By 1990, no more than 31% of the stock was supported by that source.

The change in employment patterns would not be important if wages in the expanding sectors were equivalent. However, the most rapidly growing employment sectors, retail trade and services, provide sig-

nificantly lower wages. Retail trade provides only 54% of the county's average worker's wage. Services provide only 88% as compared to manufacturing which still provides 126% of the average wage in the county. The city cannot expect high incomes generated by manufacturing jobs to fill its housing demand.

Finally, employment growth has been most rapid in the suburban areas surrounding the city. Increasing numbers of city residents are working in retail and service jobs in the suburbs (reverse commuting).

In short, the city's neighborhoods are competing on a daily basis with new home production in the surrounding areas. Meeting the competition will require a renewed focus on neighborhood enhancement, centered on issues such as parking availability, usable open space, lack of traffic noise, etc. Housing in the city must offer a true value to these knowl-

edgeable consumers in terms of affordable prices and acceptable amenities.

Neighborhoods: Building Blocks of Public Policy

With over 55,000 citizens and over 21,000 households, the City of Lancaster is a large political jurisdiction. Yet within the city lies a variety of smaller communities with very diverse characteristics and needs. To be successful, the City's housing goals and policies must be both sensitive and responsive to this diversity.

An entrepreneurial approach to governance requires that City government have a regular mechanism to learn about the needs of local areas and, in turn, to communicate the City's response. Strong and cohesive neighborhood organizations are the focal point for effective governmental intervention, public opinion determination,

Manufacturing Employment Base As A Source of Housing Demand

	<u>1950</u>	<u>1990</u>	<u>Net</u>
Total Jobs	29,374	25,188	-4,186
Manufacturing Jobs	13,036	6,842	-6,194
Manufacturing Jobs as a Percent of Housing Units	44%	27%	
Housing Units	19,157	22,468	3,500
Manufacturing as a Percent of Housing	68%	31%	

consensus building, and implementation. Such neighborhood groups can serve as the point of first contact for newcomers, ongoing intermediaries between citizen needs and City departments. Neighborhood groups can serve as the source of public consensus on neighborhood improvements and funding priorities. Neighborhood groups can also serve as the prime organizers of the community's volunteer labor.

Neighborhood enhancement rates among the top five goals presented in the *Introduction to the Comprehensive Plan*. The Citizen's Agenda outlined in the *Introduction*, stresses the need to encourage the formation of neighborhood associations to deal with the issues of property maintenance, home ownership, and neighborhood appearance.

Every report on the city, from resident task forces and outside consultants alike, iden-

tifies functioning neighborhoods as central to any set of solutions.

What is Neighborhood: Where is Your Neighborhood?

While "neighborhood" is clearly Lancaster's buzzword for the 1990's, many citizens are currently unable to identify the neighborhood to which they belong. By far, the "neighborhood" most often described by individual Lancastrians during workshops throughout the city is their *block*.

The City of Lancaster has over 1,000 blocks. A system of community involvement and governance based on such a fragmented structure would be unworkable. A central theme for the City must be the encouragement of new neighborhood identities.

Critical to sustaining neighborhoods is the willingness of the citizens to take a stake in the central organizing "idea." Citizens need to claim the park, the historic district, the school, or the market as their own. This not only breeds an identity for the neighborhood, but also implies responsibility. While City government can provide a fertile environment for such groups to form, the geographic bounds of each neighborhood organization must come from within. The City cannot force citizens, or areas to accept boundaries created by others.

The benefit of a neighborhood based housing strategy is

the assurance that housing policies, housing improvements and construction, and infrastructure improvements are responsive and appropriate to neighborhood needs. Realistic goals can be established based on the characteristics of each neighborhood. For City government, this becomes an effective means for delivery of services and measuring the success of policies. For citizens, it encourages community identification, political involvement and empowerment.

Leverage Through Leadership and Partnerships

With diminishing public resources and the increasing need for action, the public sector has, by necessity, discovered the value of working with the private sector. Similarly, with financing becoming more difficult, the private sector has discovered the value of a public sector partner.

Although there are many successful partnerships, the vast majority of self-identified public-private partnerships in this country languish. The key to achieving success lies with the level and type of leadership that takes on the responsibility for a successful outcome.

A true partnership is an organization that is formed to achieve certain specified ends. Therefore, the partners must have a common agenda to allow the separate resources of



Lancaster's Neighborhood Watch Program helps build neighborhoods by bringing people together to fight crime.

the partners to be used together toward a single goal. Further, the partners must bring adequate resources to the table. Sometimes, partnerships can provide the tools necessary to leverage the needed resources.

In forging partnerships, the City must move beyond the simple joint venture with a developer-partner. Besides developers and real estate professionals, potential partners could include major employers, banks, hospitals, colleges, and other levels of government in the right venture. These actors can be effectively drawn to commit their energies and resources behind ventures that will result

in public benefit.

The primary purpose that government seeks to achieve in joining or forming a partnership is to leverage its resources. A partnership that cannot get more for the city than the City invests, is simply a waste of public resources. To be successful in the 1990's, the City must seek to engage in partnerships that are organized toward realistic ends. Successful partnerships must include partners that can muster the needed resources, and that contain an individual willing and able to provide the leadership spark necessary to pull the enterprise together.

Not all partnerships must be grand efforts with the traditional private sector. In working with neighborhoods, the City can provide the leadership and start-up capital that can produce self-sustaining long-term results.

Providing access to City government and its decision-making processes for formal neighborhood groups creates a partnership of governance that can be very powerful. Neighborhood partnerships are built on citizen directed local action in full partnership with City government.

III. Demographics and Housing: Challenges and Opportunities

A. Demographic Trends

Population and Household Size

The population of the City of Lancaster grew steadily during 1890 through 1950, when the population peaked at 63,774. The most rapid increase occurred during the 1930's as rural poverty drove millions into our nation's cities. This trend continued into the 1940's and early 1950's. However, the 1950 population figure includes an increase due to annexations, making long term comparisons problematic. A modest decline followed during the succeeding three decades. In 1980, the population stood at 54,725. The 1990 U. S. Census reported that population has begun a slight rebound over the last decade, reaching 55,551. In fact, Lancaster is one of only five cities in Pennsylvania that has experienced an increase.

Lancaster's population decrease during the 1950's and 1960's was the result of conscious policy. The Comprehensive Municipal Plan of 1945

called for the elimination of urban overcrowding and blighted conditions. These conditions were assumed to be a result of the mass migration of the "rural surplus" into the city in the 1930's and 1940's. These areas contained large families in small spaces. Their elimination and replacement by newer dwellings that provided more living area per person led to a reduction in the "holding capacity" of each acre of land effected.

While redevelopment typically reduced the number of dwelling units, the development of some vacant lands permitted the city to continue its constant increase in the total number of units. As this source of new supply began to diminish, conversions of nonresidential structures and lands to residential uses have increased.

A reduction of household size caused Lancaster's continuing increase in number of dwelling units and a 30-year decline in population. A final trend impacting household size

is the combination of wealth and family ties. As incomes rise and ethnicity is lost, family size tends to decrease as the grandparents no longer live with their children. Extended families have become a rarity. However, recent immigrants have retained the extended family. As recent immigrants of modest means expand, the population will rise within the same housing stock.

Small area population projections are very difficult to calculate. While planners can estimate birth rates, family size, death rates, and even migration patterns, in the end the supply of housing and its condition is often the greatest determinant of where people chose to live. The County's *Draft Growth Management Plan* suggests that Lancaster City should experience a rate of population increase of 7%. This translates to 3,705 new people living in the city by the year 2010. The County planners also analyzed vacant lands with the potential for in-fill

development during the period. To the extent that this projected increase is anticipated due to new construction, it is safe to expect that the actual population increase will exceed this estimate as family size rebounds in the city.

In short, the city has shown a remarkable strength in sustaining an increase of households throughout its history. The city's ability to sustain that growth is dependent on the continuing ability of the city to provide desirable places to live, work and play.

Race and Ethnicity

The ethnic origins of Lancasterians have reflected the vast migrations that served to populate our nation. At its founding, the city was refuge to Germans and Scotch-Irish. Through the 19th and early 20th Century, the city was home to waves of Irish, southern Europeans, eastern Europeans and others in succession. In the 1930's and early 1940's, the city was the destination of second and third generation Americans, euphemistically called "rural surplus." Southern Blacks were also part of the great rural to urban move of this period and became a significant and steady part of the city's population.

For nearly 30 years, Lancaster's pattern of ethnic origin and race remained constant as mass migrations to central Pennsylvania diminished.

However, Lancaster is again part of a great migration. During the 1950's, a large migration from Puerto Rico began. The primary destination for the first generation immigrants had been to the industrial cities of the northeastern coastline. With the collapse of industrial employment in the northeast over the last decades, internal migration began. Immigrants have begun to migrate to cities that have been more successful in retaining industry.

In their search for new locations, Puerto Ricans have largely favored the northeast to maintain the separateness of their culture. While the Census treats "Hispanic" as a category, national origins are important to the people themselves. Given that Cuban culture dominates Florida and Mexican/Central American culture dominates the southwestern areas of the United States, Puerto Ricans have tended to stay in the north-

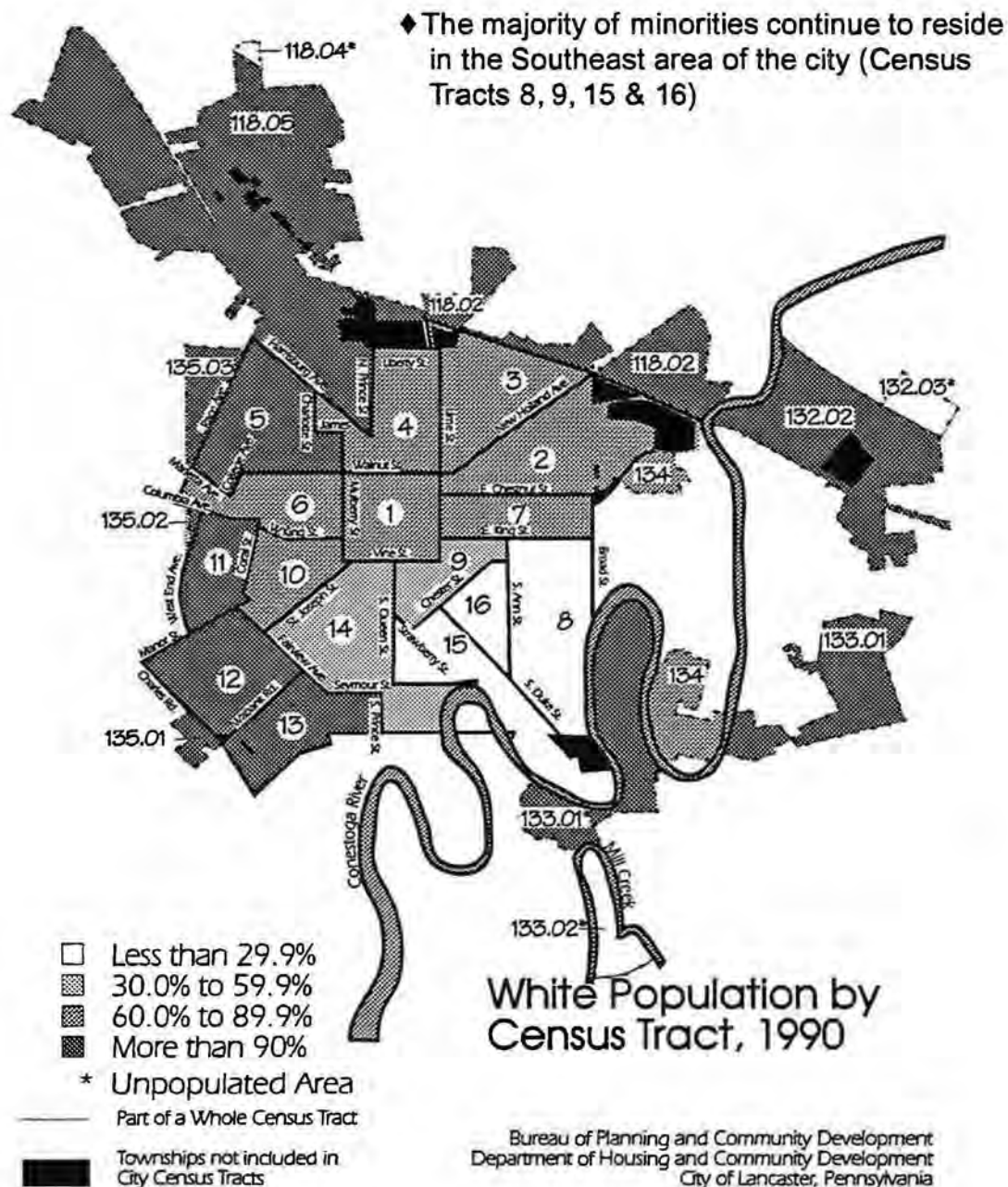
east rather than follow jobs to the south and southwest.

According to *Latinos in Pennsylvania: Summary Report and Recommendations*, published by the Pennsylvania Governor's Advisory Commission on Latino Affairs, Pennsylvania's Latino population will continue to increase due to high birth rates and early family formation. Additionally, continuing migration from the coastal cities will add to the Latino population. At this time, Reading and Lancaster have the highest proportion of Latino residents. Allentown and Bethlehem have the highest growth rates and Philadelphia contains the largest Latino population.

The table below reports the Census breakdown for race and ethnicity in 1990. For 1990, the Census adopted new ethnic classifications, distinguishing "Hispanic" from "race." This has made comparisons from

Race and Ethnicity in Lancaster City

	<u>Lancaster City</u>	<u>Percent of City</u>
White	39,368	70.87%
Black	6,802	12.24%
American Indian, etc.	137	0.25%
Asian/Pacific Islander	1,091	1.96%
Other	8,153	14.68%
Hispanic (any race)	11,420	20.56%



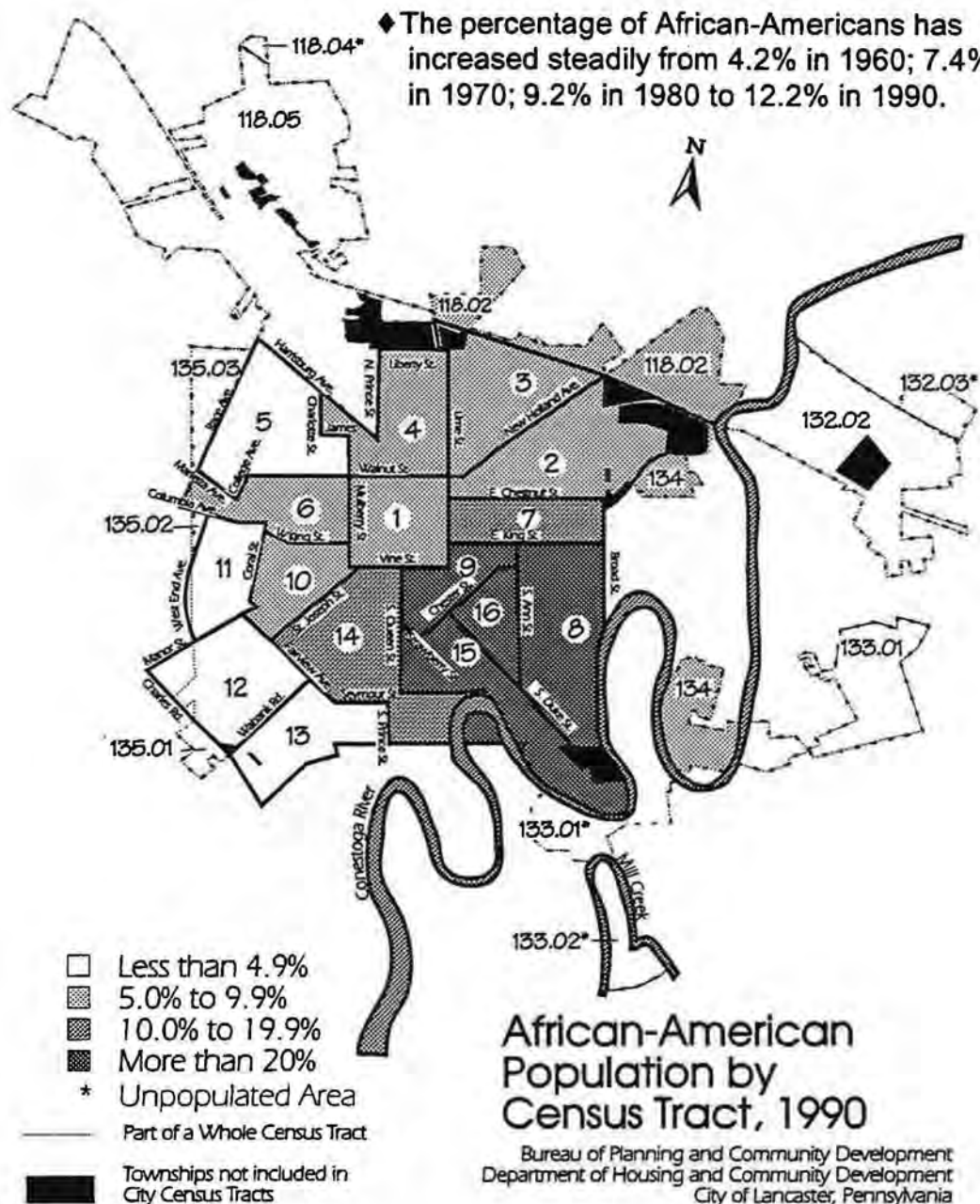
one Census to the next problematic. Further, it is likely that any under-counts of population fall disproportionately among the Hispanic and Black populations.

Seven of every ten Lancas-

trians is White. Black Lancas-trians make up 12% of the population, and other races combine to make up 17%. Further, two of every ten are Hispanic. The city houses most of the county's racial and ethnic

minorities as do most cities.

On pages 44, 45, and 46 are maps that illustrate the racial composition of the city by tract. While the category patterns are consistent from map to map, the keys that show the range

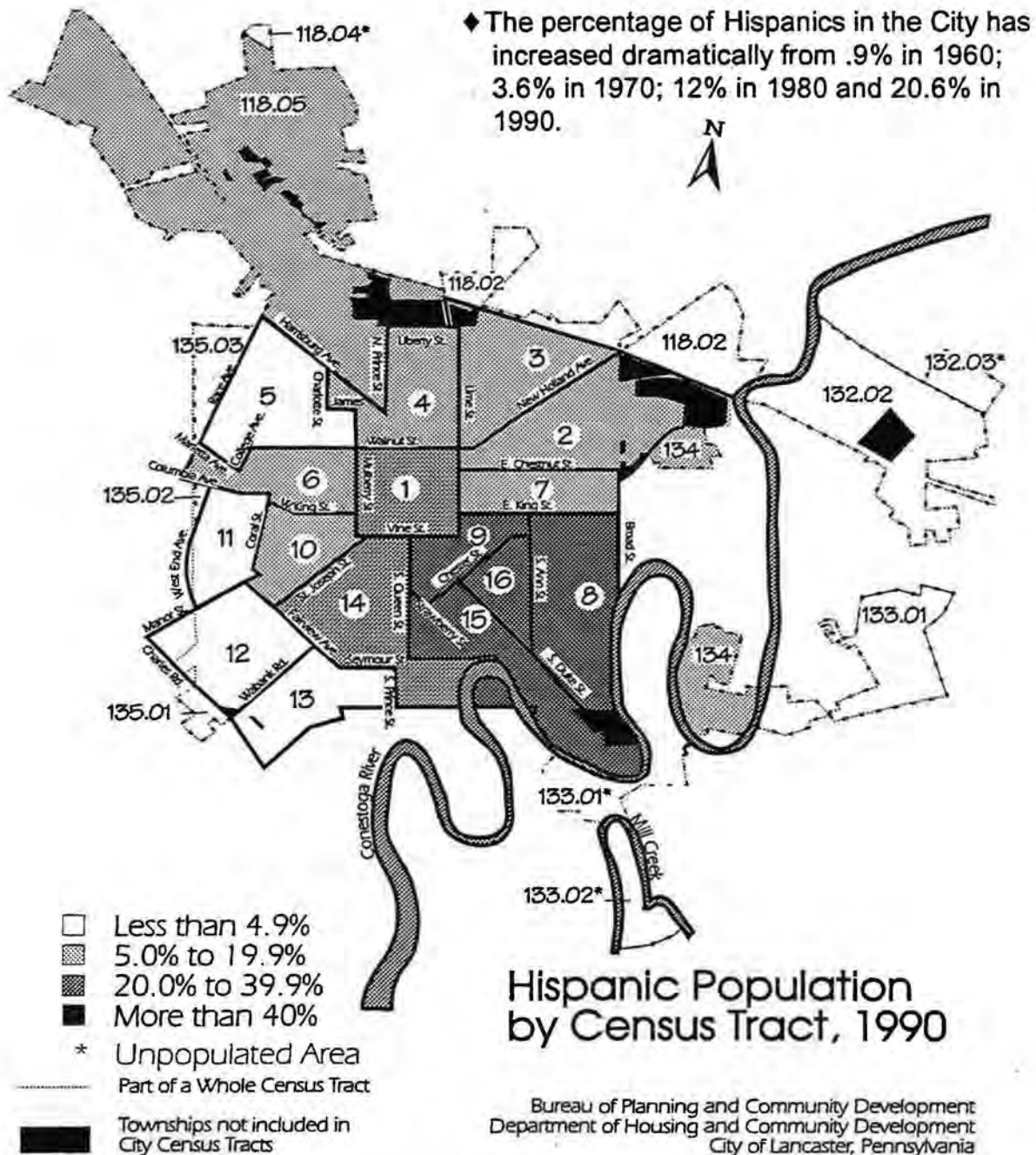


represented by each pattern varies. The darkest pattern on the "White Population" map indicates an area in which Whites represent more than 90% of the tract's population. The darkest pattern on the "Female-Headed

Households" map signifies that more than 25% of the tract is female-headed.

Age distribution indicates that Lancaster is a city that is very young. Simultaneously, "age of head of household" sta-

tistics show that older residents have a very strong effect on the city's housing markets. The table on page 47 presents the age characteristics of the population of the City of Lancaster and Lancaster County.



The city is most atypical in the number of 18 to 24 year olds. Due to the typical life-cycle of housing consumption, this is to be expected. The city is the primary location in the regional housing market for a

young person's first apartment, and often, first home.

The surprise is the disproportionate number of young children. The map on page 48 illustrates the distribution of young children by tract. Across all eth-

nic and racial lines, there are more young families in the city than there have been for a long time.

While less surprising, there is a rising share of the elderly in the city. Those aged 65 and

older comprise over 12% of the city's population; those age 55 and older comprise nearly 20% of the total population. While this trend is occurring nationally, it is a notable result in an urban area. Before the baby boom, the largest demographic surge was generated by the returning veterans of the First World War and the affluence of the 1920's. However, in most urban areas nationally, this group led the "white flight" or rush to the suburbs. Lancaster City has been able to retain many older residents due to its quality of life. Other successful smaller cities have experienced this demographic pattern.

Beyond demanding unique and increased services, this population also has distinct housing needs, as well. Household size for these "empty nesters" is much smaller, while disposable income tends to increase for a time. As the householders age beyond 65, household size decreases rapidly, reducing to one person per household; income drawn from social security and pensions levels off; and demand for medical and other specialized services increases. This older population is largely concentrated in the north-central part of the city from Walnut Street to Liberty Street, and in the area southwest of Fairview Avenue. Additional concentrations occur from the center of the city radiating north along New Holland Avenue, and west along King Street.

The age distribution of the population has a great impact on the need for parks, schools and other services. The presence of children in larger families influences housing demand as well. However, a key indicator of housing demand is not the distribution of ages, but the age of the head of household.

The age of the head of household often determines the housing unit preferences. In general, as households mature, they go through stages. The first stage is young couples, then the addition of children, the emptying of the nest, and the eventual downsizing of the aging parent's household. Even-

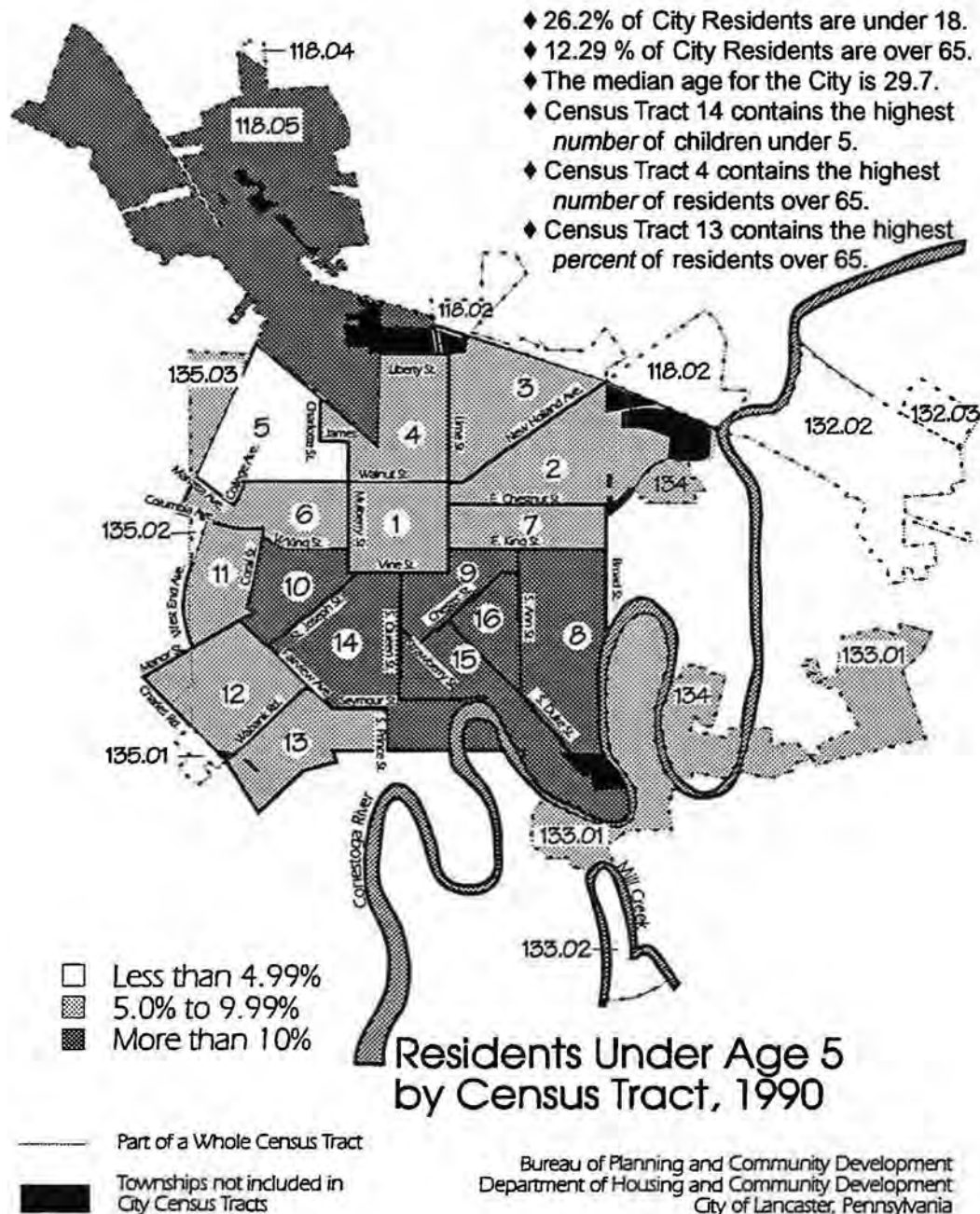
tually, the household usually consists of a single occupant. Different housing considerations emerge with each of these stages.

As one would expect from the distribution of age in the population, the number of households peaks in the 25 to 34 age range. Two-thirds of these households are renters. The number of owner-occupied households peaks in the 35 to 44 age range. Of note, the percentage of home ownership increases with age until 75. Even in this high age category, the ownership rate remains over 50%.

Nearly 30% of all owner-

Age Distribution in Lancaster City

<u>Age of Group</u>	<u>Lancaster City</u>	<u>Percent of City</u>
Less than 6	4,692	8.45%
6 to 17	9,859	17.75%
18 to 20	3,515	6.33%
21 to 24	4,429	7.97%
25 to 44	17,758	31.97%
45 to 54	4,457	8.02%
55 to 59	1,956	3.52%
60 to 64	2,091	3.76%
65 and over	6,794	12.23%
75 and over	2,853	5.14%
Total	55,551	100.00%



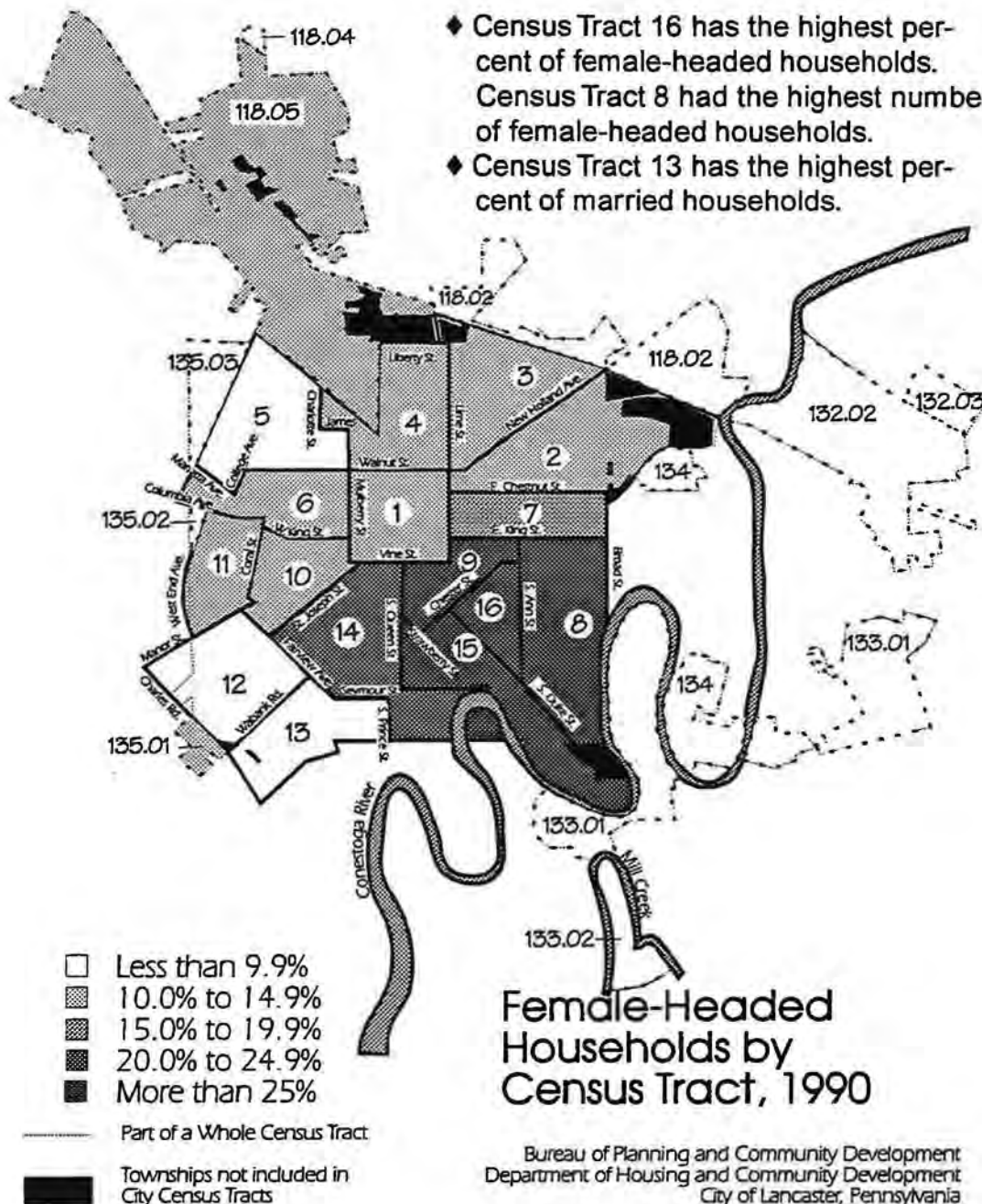
Residents Under Age 5 by Census Tract, 1990

occupied units, and 14% of all units are owned by households headed by someone over 65 years of age. This clearly shows that substantial turnover from one generation to the next is

about to happen in many areas of the city. This has three implications for the *Housing Plan*. First, the elderly need an age appropriate place to locate within the city if they are to be

retained as city residents. Second, current renters need to be convinced to purchase in the city. Third, financing for mortgages needs to be in place.

A New Comprehensive Plan for the City of Lancaster



Family Type

In addition to household size and age, the composition of the family is a more subtle determinant of housing need. As

defined by the Census, a family consists of a householder and one or more other persons living in the same household who are related to the householder by blood, marriage, or

adoption. Families are necessarily subsets of households. In the City of Lancaster, families number 12,534 and represent nearly 60% of all households. Families can be headed

by a married-couple, or headed by either a male or female householder. Across the nation, the number of families with female heads of household, many with children, is increasing, and this trend is affecting Lancaster as well.

The map on the previous page illustrates the distribution of female-headed households by census tract. Over 16% of

all families in the city are female-headed. However, they are highly concentrated in the southeastern area of the city. More than 25% of the families in this area are headed by females, with one tract having over 40%. These Census tracts also have the greatest concentration of children under the age of five. Clearly, housing policy in this area must focus

on the special needs and limitations of this family type.

While the incidence of female-headed households is highest in the southeast, the phenomenon is growing throughout the city. Many real estate sales people specialize in the relocation of recently divorced, suburban women into affordable homes in the city.

B. Conditions of the Housing Stock

According to the 1990 Census, the City of Lancaster's housing stock consists of 22,468 units. This represents an increase of 2.35% over the 1980 figure of 21,952. The city's rate of growth peaked in the 1930's. During that decade, the city experienced an increase of 26% in its housing stock. The slowing of the growth rate has been due in most part to the geographical constraints of the city itself. Through the early 1940's, the city provided ample vacant land for new homes. Annexations up through the late 1960's also served to increase the capacity of the city to grow. While new construction continued through the 1960's and 1970's, the loss of units through urban renewal attenuated the growth in the total number of units.

As discussed, there has been a continuing increase in the number of units and households. Changing household sizes created the population fluctuations of the last decades. Further, market conditions that affected the supply of housing and its detailed characteristics have impacted the nature of the population living in the city.

There has been a tendency among the civic leadership in the city to accept and adopt "big city" sociological explanations for local phenomenon. Yet, "white flight" makes little sense as a causal explanation

when the Black population remained relatively small and quite constant throughout the period of rapid suburbanization. The surge in the Hispanic population is quite recent and followed the suburbanizing trends. The inability of the geographically constrained city to provide living space for a rapidly expanding population has meant that suburban growth has been inevitable. Proportionally, new construction in the marketplace has increasingly occurred outside the city. As they were first marketed, communities of twins, townhouses and detached homes in the southwestern part of the city competed favorably with equivalent product in suburban townships. It must be concluded then, that it is not the "city" which cannot

compete, but the lack of available and competitive products.

For all of the nostalgia about older homes, housing stock becomes obsolete over time. The modern need for larger closets; the desire for larger and more bathrooms; the trends toward increased glass surfaces and vaulted entries are all part of the housing demand. Neighborhoods, too, become obsolete. As our wealth as a society has increased, we have increased the amount of living space per capita (room sizes) and the amount of private open space (yard and common play areas) that we demand. Those with the economic means tend to locate in areas where housing is being built to acquire the latest trends in housing.

Fortunately, tastes change and are never uniform among



Row homes make up 51% of Lancaster's dwelling units.

all consumers. Increasingly, studies are finding that the current generation is attracted by a more urban feel. The materials and craftsmanship of the past are highly valued. The cost of owning and operating multiple automobiles in a family is increasing. In addition, the housing stock is not static. Renovations can add closets and bathrooms. Appropriate investments in neighborhood-based amenities—parking and play areas chief among them—can make the existing “product” more competitive.

Housing Conditions

The combination of a changing and changeable stock, shifting tastes, and entrepreneurial action by City government creates the opportunities for home ownership and neighborhood revitalization. Unfortunately, the Census does a poor job of describing the market-relevant features that would help to form a picture of the competitiveness of the housing stock with new communities. The Census attempts to measure the pres-

ence or absence of critical building systems but fails to evaluate the condition of those systems or their adequacy.

According to the 1990 Census, the housing stock in Lancaster City is generally sound. Less than 2% of units in the city lack complete plumbing or complete kitchen facilities. The 1990 Census records 168 units lacking complete plumbing, and 267 units lacking complete kitchen facilities. Nearly all (99%) of the housing units in the city are on community water and sewer systems. Another “quality” indicator is the number of units heated and fueled by either utility gas, electricity, or fuel oil. These units total 20,545 and represent 91% of the housing units.

The Census misses not only those consumer features that can aid in building a marketing strategy for city homes, it also misses the slow deterioration of major building systems in an aging housing stock. The City’s ongoing need to fund rehabilitation programs is tied to the ongoing need to refresh

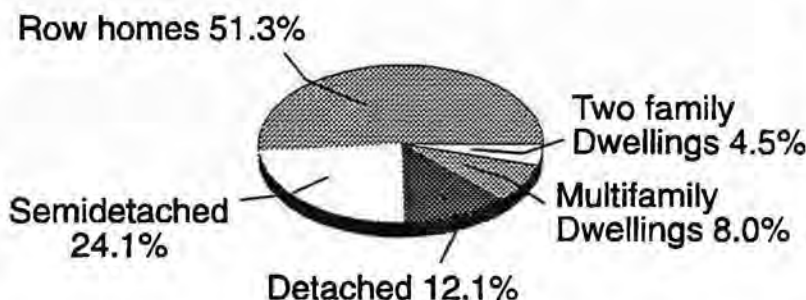
and replace existing building systems, such as roofs, electrical wiring, plumbing, etc.

Sixty percent of the city’s housing stock is single-family, either as detached homes or attached in twin or row homes. Single-family detached units comprise 10% of the stock. The remaining 40% of the units exist in a multi-family arrangement of two or more units per structure, while a small number (1.2%) are mobile homes or trailers.

Single-family units are the predominant unit type throughout the city. However, multi-family housing dominates the central commercial and transportation corridor, especially from Vine Street north to Liberty Street and west along King Street. Not surprisingly, this area contains the greatest number of structures with 10 or more units.

Similarly, the City of Lancaster offers a variety of unit sizes and numbers of bedrooms per unit. Most units are three-bedroom, followed by a nearly even mix of one- and two- bedroom units. The city also contains a high proportion (17%) of larger homes that offer four or more bedrooms.

Housing Types in the City



Overcrowding

Crowded conditions exist when a household includes more than one person for each room. As would be expected, the average household size for renters is smaller than for home

owners. Yet, while household sizes are smaller for renters, renters are likely to have less living space per person and are more likely to live in overcrowded conditions.

Reported overcrowding impacts a very small percentage of the city's housing stock. Yet it is likely that any under-reporting of population in the city by the Census would have occurred in the areas most likely to be overcrowded. Knowledgeable social service providers suggested that as many as 15,000 people may have gone uncounted by the Census. As overcrowding can significantly

affect neighborhood quality, alleviating overcrowded conditions will remain a central focus of housing policy.

Public Supply of Housing

Because of the *National Affordable Housing Act of 1990*, cities and counties are required to prepare a *Comprehensive Housing Affordability Strategy* (CHAS). Published in 1991, the *Lancaster Consolidated CHAS* includes a full itemization of public support for housing maintenance and production in the city. *An Assessment Report*

on Housing Needs, Programs and Public/Private Partnership Opportunities, prepared by the Enterprise Foundation in 1991 includes a full listing of the various initiatives led by nonprofits in the city, including their roles in housing production.

This *Housing Plan* does not seek to duplicate the extensive ongoing efforts of the CHAS. However, the City faces policy choices in allocating its very finite resources that impact upon the policies incorporated in the CHAS.

C. Employment Characteristics

As employment trends drive incomes, and incomes determine housing affordability, a brief review of significant economic trends is warranted. The 1990 Census reported total employment for the City of Lancaster to be 25,188. After three decades of declining employment, this figure represents an increase of 8% over the 1980 total of 23,308. The decrease in jobs provided in the city mirrors the population trends, including the positive shift in the 1980's. In fact, the ratio of the total number of persons in the population per job in the city has remained quite constant.

The city has matched population changes to the number of jobs in the city. However, the significant increase in labor force participation rates, primarily due to the increase in working women, has largely been absorbed through employment gains *outside* the city. The city has been remarkably successful in replacing jobs lost; however, fully 90% of the net increase in county employment has occurred outside of the city in the past decade. Hence, the city has shifted from a "net importer" of workers from the suburbs to a "net exporter" of workers to jobs in the surrounding municipalities.

Even more significant than the location of employment has

been the shift in the types of jobs that have been growing. Employment in nondurable manufacturing plummeted in the 1950's and has remained steady. Durable manufacturing grew through 1960 and has fallen significantly in every decade since. The sectors that experienced the largest gains since 1980 are the following: agriculture, forestry and fisheries, construction, retail trade, and the service sector. The service sector includes business and repair services, health services, educational services and other professional and related services.

Unfortunately, the expanding services do not support the same level of average wages traditionally supported in manufacturing. The average wage in manufacturing has significantly exceeded the county average. In contrast, wages in retail sales have been lower than the average since 1953, and have been decreasing relative to the average. Services also remain below the average, although the average wage in the service sector has been rising over time. Unfortunately, this rise in the average is anecdotally believed to be based on increasing salaries for lawyers, doctors, etc. and not for secretaries, janitors, etc.

As a result of this informa-

tion, the housing policy must address three issues. First, to maintain household incomes, more people in each family are now working, which results in fewer parents at home, or available for community activities. Second, increasing numbers of city residents commute to the suburbs. Transportation policies must reflect this need for the city to retain these households. Third, incomes available per household and the length of time at a particular job are both decreasing. This negatively affects the ability of families to obtain mortgages.

Building on the employment rebound of the 1980's and capitalizing on the emergence of new employers, employment must remain an important goal of the City's *New Comprehensive Plan*. Providing a supply of suitably located land that can meet modern site planing demands for industrial, warehouse, and flex/office uses should remain a priority. Conversely, the City should set a lower priority for the use of large, vacant tracts for residential development. Residential conversions of commercially obsolete structures in the more built-up areas of the city will continue to provide the most significant share of new housing units in the city.

D. Income, Values and Affordability

Household Income

The net effect of job availability, wage rates, and the number of workers in each household is the income available to the household for shelter and other needs. The city's median household income in 1990 was \$22,210. This represents an increase of 78% over the past decade, rising from \$12,507 in 1980. Of note, one in three households earns an income less than \$15,000 and one in five households earns an income below \$10,000. This proportion remains a significant indicator of poverty; however, the presence of many older households prevents the simplistic use of this statistic. There are many older households in the city with limited incomes that own their homes and/or have other assets that are not reported as "income." As important as these sources of income are, Lancaster must continue to deal with many families in need of public assistance.

At the other end of the income distribution, more than one in four households have incomes over \$35,000 and nearly half have household incomes more than \$25,000. *While poverty is a key issue for the city, it does not define the city nor most of its neighborhoods.*

1990 Census data shows that poverty in the city is not predominantly a "minority" issue. Also, there is a very substantial minority middle class in the city.

Income statistics are relevant to housing policy in two ways. First, the Census reports the number of households spending "too much" for housing. By definition, households spending more than 29% of their income for a home that they own or more than 30% of their income for rent are paying "too much." The number of households that own their home and that spend over 29% of their income on housing is 1,418, representing 15.5% of homeowners. Renters in the same situation number 4,659 and represent 41.8% of renters. Historically, planners use these statistics as an indicator of the number of households that may be at risk of becoming homeless. Recent statistics, however, have begun to track the increasing number of middle- and upper-income households choosing to spend more than the traditional limits or are currently receiving less income than they once did. By directing a disproportionate amount of household income toward housing, these households have difficulty establishing savings, and become vulnerable to even temporary set-

backs, such as layoffs or illness.

The striking percentage of renters in this situation shows that while the median rent puts the renter within reach of the median priced unit in the city, obstacles to home ownership will continue to exist for many. These obstacles include saving a down payment and keeping up with necessary repairs.

Rooted in this housing cost/income gap is the increasing demand for the city's shelters, for rental assistance and for affordable senior housing. Thankfully, the city does not have a highly visible street-bound homeless population. However, the School District of Lancaster notes an increasing number of students that it classifies as homeless, such as students living in shelters, doubled up with extended families, or living with non-related individuals.

Values and Affordability

The median value of owner-occupied units in the City of Lancaster in 1990 was \$59,200. An annual income of approximately \$19,000 is required to purchase the median priced home, assuming an interest rate of 8% and a down payment of 10%. The median household income for the city was

\$22,210, well within qualifying range of the median priced owner-occupied house. According to the Lancaster County Association of Realtors, the sales price of units sold in the city in 1992 averaged \$65,300. At this price, given the same assumptions, an income of \$20,880 would be required to qualify.

The median monthly rent for the renter-occupied units in the City of Lancaster was \$390 per month. Renting is often the only option for many of the nation's urban population. However, a quick calculation translating the median monthly rental payment into a monthly mortgage payment at 8% fixed for 30 years results in an affordable mortgage of \$53,150. This mortgage is 90% of the median priced owner-occupied unit; with a down payment of

10%, the median monthly rent equates to the median priced unit. These statistics show that there is a very real prospect of turning current urban renters into urban homeowners.

In recent decades, housing affordability has suffered throughout the nation. The coming of age of the baby boom generation has increased housing demand. Simultaneously, the cost of land available for more affordable housing in most suburbs has resulted in higher costs. Increasing material costs for new construction have also caused an increase in housing prices and rents. This rise in cost has been significantly greater than the rise in incomes over the same period. Housing affordability has become the most critical shelter issue in many regions. Yet, in Lancaster the differen-

tial in increases is more muted. The median household income increased by 78% since 1980. The median housing price has increased 92% over the past decade, and the median rent has increased 101%. Some Lancasterians have been priced out of the market, and that is a tragedy for those households. However, the city remains one of the most affordable housing markets in the northeast, with a close match between the median income and median house values and rents.

The increase in housing values demonstrates that investments in the city have yielded long term gains, either in the value of individual homes or the value of rental units. This increase in values contrasts with the fears expressed by mortgage bankers that there are recent declines in housing prices in some areas of the city. Some areas of the city have seen decreases of 30% in the past several years. Statewide, the current recession has decreased housing values by 5% to 10%. For the most part, the shifts experienced within Lancaster are part of this larger economic dislocation. However, there are areas of the city that are experiencing decreases in home value based upon the decline of the neighborhoods. Stemming these place-specific trends is a central goal of this *Housing Plan*.



The cost of housing has been increasing faster than household income. While household income has increased 78% since 1980, the median housing price has increased 92% and the median rent 101%.

A New Comprehensive Plan for the City of Lancaster

Home Ownership Rates

Currently, the owner-occupied/renter-occupied split is 47.2% to 52.8%. The ratio of owner-occupied to renter-occupied units peaked at the end of the 1920's at 54.9%. During the 1930's, ownership rates fell dramatically, reaching their historical low of 41.9% in 1940. With Federal support for inexpensive mortgages and the postwar prosperity, ownership rates began a two-decade long climb, peaking in 1960 at 54.6%. The rate has slowly eroded over the last three decades, falling to 51.9% in 1970, 49.8% in 1980 and finally, 47.2% currently. Diminishing Federal supports, the slowly increasing gap between incomes and values, soaring interest rates, and sequential recessions slowly brought the rate down.

The total number of owned dwellings has remained essentially constant from 1960 to 1990. The ratio has slipped as the total number of units in the city has increased, primarily in the rental category. This effect can be explained in one of two ways. New units built in the city have been largely owner-occupied which masks the fact that some areas are undergoing a transition to increased rentership. It is likely that this was the case in the earlier period. In the alternative, the new units developed have been largely rental. It is likely that this has been the case in the

recent decade as conversions of industrial and commercial structures have dominated the supply of new housing.

As previously indicated, home ownership rates rise dramatically with age. In the city, the rate rises to nearly 55% of households with a head of household between ages 45 and 54. Above age 55, the rate climbs to nearly 65% and erodes slightly after age 75. Similarly, ownership rates are expected to increase with incomes.

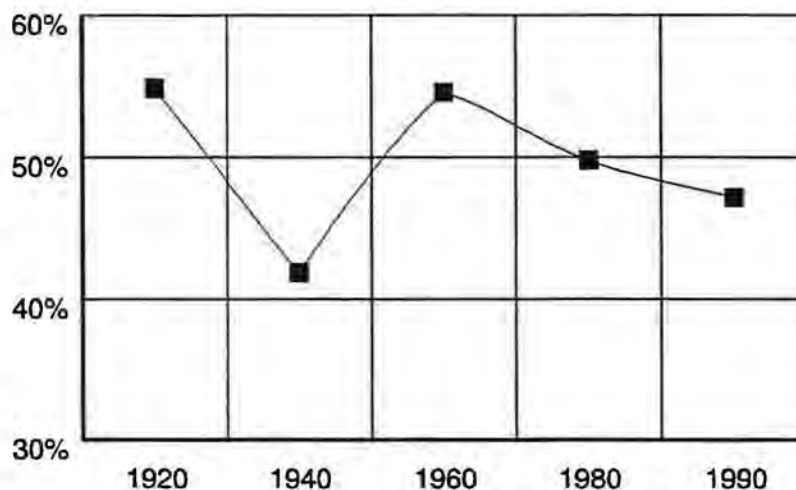
The ownership rate also shows a significant variance among races and ethnic groups. White households of all ages and incomes are in an owner-occupied unit 52.7% of the time, compared to only 32.2% of Black households. Additionally, 45.3% of Asian or Pacific Islander households are homeowners, and 22.1% of Hispanic households own their homes. Realizing the goal of home ownership in the city for the

growing minority middle class will be critical in the City's efforts to increase the total rate.

The map on page 59 provides a geographic look at home ownership rates in the city. The center swath of the city, from Vine Street north to Liberty Street, east to Lime Street and west to Mulberry Street, exhibits less than 25% home ownership. The demographic composition of this largely rental area includes a large 65+ population in rental units. The population is predominantly White, and structurally contains a predominance of multi-family units (two or more units at one address).

At the other end of the spectrum, the goal of greater than 50% home ownership is a reality in the southwestern and northeastern parts of the city. Again, these areas have sizable populations of 65+ persons and are predominantly White; yet well over two-thirds of the structures here are either single-

City Home Ownership Rate



family detached or attached homes. The northwestern and southeastern quadrants of the city have home ownership rates that range from 25% up to 50%.

Half the Census tracts making up these areas (tracts 5, 7, 14 and 15) have home ownership rates between 44% and 48%, near the citywide rate. Thus, a

home ownership goal is not out of reach for most of the city, and can be targeted based on a neighborhood-based approach to appropriate areas.

IV. Future Markets: Constructing A Housing Strategy

Age, family size and composition, income, stability of employment, education, and cultural expectations all influence the kinds of housing people seek and the neighborhoods they choose. To be useful, planners must analyze the

Census data to create broader socioeconomic descriptions of “typical” consumers, which define the characteristics of “submarkets.” By combining basic demographics with interviews and other sources, a rounded picture of the needs of

“typical” consumers can be developed. Combined with projections, this Plan can then fulfill the requirement to plan for those “anticipated to reside” in the city’s future.

A. Assessing Consumer Needs: Meeting The Competition

The most direct way to understand the consumer’s choice is to compare what they sold to what they bought. Further insight can be gained by simply asking a recent buyer what factors made their choice for them. As part of the process of developing the *Housing Plan*, the consultants interviewed many community leaders. Some were recent arrivals, whose attraction to the city confirmed a number of assets in the city’s favor. Surprisingly, a number of these community leaders had moved out of the city in the last several years. All recited the same list of urban ills. However, each had their own spe-

cific reason that actually triggered their individual decision to move.

Crime was certainly key in several moves. Yet, while important in a few instances, and cited by all as part of the background causes, crime was not typically the motivating factor.

Several families simply got tired of trying to find convenient parking. Lancaster lost several community leaders due to the long term lack of attention paid to this problem. If several key leaders whose lives are committed so strongly to the city were lost in this way, then how many more had the same motive?

Convenient play areas for their children lured at least three families interviewed in suburban townhouse communities. These were not families that could afford the typical large lot single-family home in an exclusive suburb that one typically thinks pulls families from the city. They were attracted by the availability of a usable tot lot, not the need to privately own a large yard. Again, the city lost key people because its recreational programs are deficient in this regard. Ever since 1929, the city has known that there are too few small parks available to residents close enough to their

homes. This provides an opportunity to form an attachment or a feeling of collective ownership. Implementation of the City's *Parks and Recreation Plan* will play an important role in making neighborhoods competitive.

All of the people interviewed quoted the impact of traffic on neighborhoods. The heavy flow of vehicles on some routes makes streets feel unsafe for young parents and "unsleepable" for adults. Singular among the priorities that must be developed to support neighborhood housing is the protection of neighborhoods from transportation impacts. If transportation oriented policies dominate governmental action,

allowing the City's housing goals to be secondary considerations, the city will fail to achieve the quality of life for its residents. It is only by making neighborhood concerns equal to or more important than moving people from suburb to suburb that progress can be made.

Two couples were what real estate agents call "new house people." They wanted the latest in housing features and design, and finally reached a point in their life that they had the resources to do it. And several were following the life-cycle pattern that is generally expected. They came to the city for their first apartment, married and bought homes or con-

tinued renting, had a child, and moved to the traditional single-family home in the suburbs by the time the first child reached school age. Half of these families intended to return to the city once the kids left and the other half thought they would remain in the suburbs through retirement.

These interviews suggested that there will be some households that could afford a move to the suburbs and want a suburban lifestyle. However, the city could have retained many of these families. Many more new families will be attracted to the city, if the City looks through the eyes of the consumer in setting policy.

B. Housing Markets of the Future

The Traditional "Blue Collar" Base

Employment in manufacturing has dropped while housing supply has increased. Although the number has dropped, manufacturing based employment will continue to sustain a third of the households in the city. There will be changes in many neighborhoods in the city, but the size and strength of the remaining third means that the city will continue to benefit from the presence of solid, working class neighborhoods.

The Urban Dwellers

Every city lures its share of well-to-do professionals that are attracted by the architecture, or are motivated by social

philosophies. This group is a critical component of a vibrant city. Their needs must remain a high priority as they have high discretionary incomes and could choose to live anywhere.

Young Renters

The city is the prime location in the region for a young person's first apartment. The availability of an affordable housing stock, several theater companies, and restaurants attract the youth of the region. The city's greatest asset is the new renters. Today's young renters must become tomorrow's homeowners and investors if the city is to continue to be a vibrant and successful community. That renters continue to come to the city

for their first adult residential experience gives the city the opportunity to retain them. Cities in decline have lost their connection to a continuing influx of future citizens.

The Elderly: Demand In Transition

In 1990, over 12% of the city's population was over age 65. Another 20% was over 55. While some of these households have moved to smaller, more easily managed dwellings, many are still in large, single-family homes. This suggests two sets of appropriate policies for Lancaster.

Increasing services available to the elderly in their neighborhoods, including local seniors' centers, medical services and social outreach activities, will be needed to retain them as residents. Without these services, they may be forced into premature decisions to leave the city for retirement oriented communities or health care facilities outside the city. Meeting their immediate needs in and near their existing homes will allow them to defer such a move.

Ultimately, age-appropriate housing types will be needed. Long time city residents who will be in need of age-appropriate housing types present an



Rosewood Square, in the southwest area of the city, is an example of successful housing development in the city.

opportunity for the city. Often, they have been life-long supporters of the city and are committed to it. The availability of age-appropriate housing near their old neighborhoods and friends will allow them to remain productive residents of the city. Ignoring these needs will result in the loss of this tremendously valuable resource.

With a strong internal market to justify the development of age-appropriate housing, expanded marketing opportunities may then be pursued. The surrounding suburbs are aging as well. There is a strong undercurrent of doubt among many Lancastrians about whether "suburbanites" would ever choose to retire to the city. Yet, the same pattern is happening throughout the country in small cities. A strong magnet for many "empty-nesters" is the ability to walk to services and amenities.

The city's reach can extend beyond the immediate area as well. Currently, there is strong "Florida rebound." Many retirees who fled the cold North for the warmth of the Southeast have discovered that leaving friends and family was not wise. These realizations are prompting many to return. Yet, many retirees in the Northeast do want to move some distance away from their original homes. Lancaster, as a very pleasant and walkable community, with excellent health care, can com-

pete successfully in this regional marketplace. With competitive products at affordable prices, the city can expect to capture the share of this migration for a more urban setting.

First Time Homebuyers

The city contains many middle income renters who have been long term residents of the city and are finally looking to get off the rental treadmill. Their rents are generally sufficient to become homeowners in the city. If the City can successfully provide a mechanism to get them over the down payment hurdle, the city can attract these families as city residents. In urban areas with a deteriorated housing stock, sweat equity programs have been very successful. The quality of Lancaster's housing

stock, however, is too good to be given away! Programs such as employer-assisted mortgages, together with credit counseling services, will be needed to help these potential buyers to get over the hurdle.

The availability of enhanced mortgage packages or reduced closing costs will enable the city to attract a growing number of suburban renters to urban home ownership. Exclusionary zoning, the increasing cost of building materials, and the hidden real estate taxation buried in condominium dues continue to make ownership opportunities in the city more competitive. In 1992, the average city home sold for \$65,300. The average value of attached single-family homes (townhouse or rowhouse) in the municipalities nearest the city was approximately \$85,000. New townhouses had starting prices



Lancaster's housing stock will continue to provide haven and security for future generations.

of approximately \$90,000, and required substantial monthly condominium fees.

An "Ownership Strategy" that seeks to capture renters as long term owners produces both public and private benefits. Individual wealth accumulation through home ownership can help these households build an asset base. It also generates a tax savings and allows the household to participate in potential appreciation. From a public perspective, an owner is much less likely to move. They have proven to be more likely to get involved in community activities and become community leaders.

The opportunity to use home ownership as a marketing tool to attract and keep residents is not an "anti-renter" campaign. The goal is to provide ownership opportunities for those who are ready for the responsibility of home ownership.

Young Families

Favorable pricing and mortgage incentives will provide earlier home ownership oppor-

tunities for many young families. However, the product must meet their needs to convince them to stay. The community must work diligently to introduce small parks into family oriented residential areas, provide streets safe for pedestrians, and meet their needs for neighborhood based amenities.

The Minority Middle Class

Racism has not been a major issue in the politics of the city, but it is affecting the city's ability to retain this important group of people. Pointing out middle class "flight" in the minority community is not meant as a criticism of these families. It is a call for increased efforts to provide ownership opportunities in quality neighborhoods for the growing population of successful minority business and professional people.

The Hispanic/Latino Migration

Latino migration to Lancaster is expected to continue. Expanded job prospects

and housing availability will stimulate greater immigration. In the future, Latinos will represent a larger proportion of property owners, both as homeowners and landlords. Fewer economic opportunities and housing affordability will reduce immigration.

Lower Income Households

These strategies mentioned above will not be enough to meet the special needs of the economically disadvantaged. A central part of the City's overall involvement in housing must continue to be directed toward the implementation of the Comprehensive Housing Affordability Strategy (CHAS). This must include the continued support of neighborhood-based nonprofit developers and counseling groups, support for shelters, and production initiatives.

Conclusion

The Lancaster Community is faced with the choice of taking positive action to address its housing issues and to protect and enhance its desirable community character or permit the beginning signs of socio-economic decline without intervention. The citizens of Lancaster have made it clear throughout the citizen participation process of the *New Comprehensive Plan* that they care deeply about their community. Attendance at the various neighborhood meetings and public forums during the process illustrated that many people want to see Lancaster continue to grow and prosper. The *Housing Plan* for the *New Comprehensive Plan for the City of Lancaster* serves as a guide to ensure that the community works as partners with an entrepreneurial spirit to protect and preserve Lancaster's special qualities.

Glossary

Building Industry Association of Lancaster County (BIA): The trade association for home builders in Lancaster.

Building Officials and Code Administrators (BOCA) International: Founded in 1915, BOCA is the original professional association of construction code officials. It publishes model codes and provides training to members.

Capital Improvement Program: Lancaster City's budget for capital (long-term) expenditures. It includes items such as vehicles, buildings, and other major purchases.

Community Action Program (CAP): A public nonprofit 501 (c) (3) corporation whose mission is to ensure access to essentials for people who are in the lowest end of the economic spectrum. CAP runs a variety of programs, including the Child Development Program, Child Care, Outreach and Transportation, Adult Socialization and Recreation, Housing Development, Food and Nutrition Services, the WIC program, and the Shelter for Abused Women.

Community Development Block Grant Program (CDBG): A Federal Program which provides funds for local programs and improvements. These programs must primarily benefit low and moderate income people.

Community Reinvestment Act (CRA): A Federal law which requires banking institutions to make credit available in rough proportion to the amount of deposits drawn from an area.

Comprehensive Housing Affordability Strategy (CHAS): A comprehensive planning document that identifies the City's overall needs for affordable and supportive housing and outlines a strategy to address those needs

Comprehensive Resource Inventory: A listing of all historic structures, which classifies historic structures by levels of historic significance.

Easement: A grant by a property owner to the general public, a municipality, a person or a specific group of persons to use a designated strip or parcel of land for specific purposes.

Enterprise Foundation: A private, nonprofit institution which assesses low-income housing and community service needs, resources and existing programs in communities across the country. The Enterprise Foundation is located in Columbia, Maryland.

Entrepreneur: One who begins an enterprise. An entrepreneur demonstrates a willingness to expend current effort to achieve a future goal.

Federal Reserve Bank: A Federal institution which provides financial services to member banks.

Habitat For Humanity: A nationwide organization which helps low-income people purchase homes. Habitat's trademarks are the use of volunteer labor to build and rehabilitate homes and the use of "sweat equity," the practice of requiring the future homeowner to help with the building or rehabilitation project. Habitat is active in the Lancaster area.

Historic District - Local: A designated area where exterior improvements, signage and facade changes are reviewed by the Historical Architectural Review Board and City Council with the intent of protecting neighborhoods that have been determined to be architecturally and/or historically significant.

Historic District - National Register: An area designated by the federal government possessing historical and architectural qualities worthy of preservation and eligible for special incentive programs aimed at preservation.

Historical Architectural Review Board (HARB): A seven member advisory body appointed by City Council empowered to review the impact of planned exterior changes to a building on the architectural and/or historical character of the building and the Historic District.

Home Mortgage Disclosure Act of 1975: A law requiring certain financial institutions to report on the number of mortgage and home improvement loans they originate by census tract. The purpose of the law is to determine if financial institutions are providing loans in all parts of their service areas.

HOME Investment Partnership (HOME) Program: A federal funding program which allocates funds to State and local governments to enable public-private partnerships to provide more affordable housing. Under the HOME Program, money is channelled to developers who produce low-income, primarily rental, housing.

Homeowner Rehabilitation Assistance Program: A program which makes available financial and technical assistance for the rehabilitation of eligible standard owner-occupied housing units in the City of Lancaster.

Housing Development Corporation (HDC): A private, nonprofit, Lancaster-based housing corporation. HDC provides a wide range of services, from development ventures to property management. It is the largest landlord in Lancaster

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County and focuses particularly on low- and moderate-income housing and housing for the elderly.

Housing Management Plan (HMP): A Lancaster City housing plan which was in effect from 1981 to 1991. The HMP was developed at the end of active urban renewal in Lancaster. It provided both housing inspections and housing rehabilitation.

Infill: The practice of building new housing on small vacant lots in already developed areas.

Lancaster City/County Affordable Housing Task Force: A coalition of public and private agencies and organizations concerned about the supply of low-income housing in Lancaster City and County.

Lancaster City Housing Authority: The Authority which owns and manages Lancaster's publicly owned housing. It is a separate entity from the City government.

Lancaster City Planning Commission: An official body of Lancaster City, appointed by the Mayor, that acts upon subdivision and land development plans and is responsible for the development and amendment of comprehensive plans and zoning and land development ordinances.

Lancaster City Redevelopment Authority: A public agency which works with the Vacant Property Reinvestment Board in providing for the rehabilitation of deteriorated properties.

Lancaster County Association of Realtors (LCAR): The trade group for Lancaster County Realtors.

Lancaster County Planning Commission: A planning commission, made up of county residents, dealing with planning issues throughout the county. The County Planning Commission reviews the activities of local planning commissions, and fulfills the planning function in municipalities which do not have a local planning commission. See Planning Commission.

Partners for Affordable Housing: A United Way-sponsored public-private coalition seeking to expand affordable housing.

Pennsylvania Municipalities Planning Code (Act 247) - A law which enables municipalities to plan for future growth, manage energy resources and promote public safety, health and welfare through the adoption of local codes and ordinances regulating the use and development of land.

Planning Commission: A local government agency comprised of resident volunteers which is responsible for the planning functions of the local government, as set forth in the *Pennsylvania Municipal Planning Code*. Among a planning commission's duties are preparing comprehensive plans, zoning ordinances, and subdivision ordinances for the approval of the local government body. In addition, a planning commission administers a municipality's land development and subdivision code.

Pocket Park: A small park built in a previously developed area, often making use of otherwise unusable small parcels of land.

Real Estate Investors of Lancaster (REIL): A group of landlords and property owners in Lancaster County.

Reverse Mortgage: A financial option which allows a homeowner with a paid off mortgage to receive a monthly income from a bank in exchange for the bank holding title to the property.

Right-of-Way: A line or lines delineating the extent or dimensions of the width of a public or private street or alley and which abuts two or more lots or property lines.

SACA Development Corporation: A nonprofit housing provider. It is the development arm of the Spanish American Civic Association.

Spanish American Civic Association (SACA): A nonprofit corporation working for the improvement of conditions for Latinos in Lancaster.

Transaction Based Inspection System: A system of housing inspection which is activated when a property is sold or a rental property is rented to a new tenant.

Urban Renewal: A federal government program which gave communities money to eliminate slums and blight. This program is no longer in existence. It radically changed the character of many cities across the country.

Vacant Property Reinvestment Board: A Lancaster City board which seeks to return deteriorated properties to the active housing market.

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