

Part 10: Strategic Housing Plan



PART 10

STRATEGIC HOUSING PLAN

Introduction

The Strategic Housing Plan for the Lehigh Valley defines and proposes a series of specific actions to address unmet affordable housing needs in Lehigh and Northampton Counties. This Plan defines:

- **A guiding vision.** A good strategic plan provides direction. The Affordable Housing Assessment defines where the Lehigh Valley is now. The Strategic Housing Plan provides a blueprint for where the region can be in five years and how it will get there.
- **Clear priorities.** There are many competing affordable housing needs in the Lehigh Valley. In a perfect world, each and every need would receive the full attention it deserves. However, with limited human and financial resources, practitioners must focus initially on those initiatives that are achievable within a reasonable period of time and have the greatest potential for positive change.
- **Executable tasks.** By their very nature, large housing initiatives are complicated. Sometimes, the needs they are intended to address seem insurmountable. Broadly worded goals and initiatives are sometimes difficult to convert to action. Complicated assignments become more manageable when they are broken down into a series of smaller, clearly defined tasks. Each task must be inherently doable.
- **Individuals and organizations responsible for execution.** This is the most difficult part of strategic planning. In the final analysis, progress depends on people and their drive to achieve. Everyone's plate is already full, yet the plan asks that they do more. Task specialization is a required element of strategic planning because when everyone is responsible, nobody is responsible. Responsibility for task execution must be cleanly delegated to specific parties. Every participating individual and organization must willingly take ownership of assigned tasks. In a world of distractions, participants must remain both focused and committed.
- **A timetable for implementation.** In order for persons to implement their assigned tasks, they need a defined timeframe in which to operate. Most people and organizations are at their peak of productivity when they are working to meet a deadline. In a broader sense, there are many external time constraints (such as funding deadlines) that drive projects. An effective strategic plan must define the big picture of events that lead to the successful conclusion of a task or project.
- **A mechanism for overall communication and coordination amongst participants.** Talented musicians need a conductor in order for the symphonic orchestra to perform in concert. Similarly, task driven individuals and organizations need to visualize how their piece of the puzzle relates to the bigger picture of housing in the Lehigh Valley. They need to be able to provide feedback to and receive direction from a higher authority that is charged with leading the overall effort and coordinating the activities of all participants while maintaining its sights on the big picture.

The Strategic Housing Plan for the Lehigh Valley includes a concise list of recommended actions. Fortunately, both counties have significant resources available to them to invest in these initiatives. Both counties have on hand significant Act 137 fund balances. Additionally, both counties will see their CDBG funding amounts increase this year.

The manner in which CDBG funds are distributed to Lehigh and Northampton Counties will change significantly in 2007, as follows:

- Currently, only Allentown, Bethlehem and Easton receive CDBG entitlement funds directly from HUD. Allentown and Bethlehem qualify as metropolitan city CDBG entitlement entities because they each have populations in excess of 50,000. Easton qualifies because it is a central city of a metropolitan area.
- Lehigh County, Northampton County and six other local units of government within the two counties currently receive CDBG funding from the Commonwealth of Pennsylvania under the terms of Act 179.
- In FY 2006, Lehigh County received \$685,715 in CDBG funds from the Commonwealth of Pennsylvania, as follows:
 - Lehigh County received \$581,844
 - Slatington Borough received \$103,871
- In FY 2006, Northampton County received \$1,172,172 in CDBG funds from the Commonwealth of Pennsylvania, as follows:
 - Northampton County received \$527,310
 - Bangor Borough received \$114,624
 - Northampton Borough received \$164,267
 - Plainfield Township received \$118,864
 - Upper Nazareth Township received \$103,774
 - Wilson Borough received \$143,333

Taken together, Lehigh County, Northampton County and the six local units of government within those two counties received \$1,857,887 in CDBG funds from the Commonwealth of Pennsylvania in FY 2006.

Lehigh County's population (not including the City of Allentown and the portion of the City of Bethlehem in Lehigh County) surpassed the 200,000 mark and will qualify for the first time as a HUD "urban county". This means that Lehigh County will begin to receive its CDBG funding directly from HUD rather than through the Commonwealth of Pennsylvania. Lehigh County is expected to receive approximately \$1.2 million in CDBG funds from HUD beginning in FY 2007. This is an increase of roughly \$514,000 over the amount of CDBG funds received from the Commonwealth of Pennsylvania in FY 2006.

Likewise, Northampton County's population (not including the City of Easton and the portion of the City of Bethlehem in Northampton County) surpassed the 200,000 mark and will qualify for the first time as a HUD "urban county". This means that Northampton County will begin to receive its CDBG funding directly from HUD rather than through the Commonwealth of Pennsylvania. Northampton County is expected to receive approximately \$1.8 million in CDBG funds from HUD beginning in FY 2007.

This is an increase of approximately \$627,000 over the amount of CDBG funds received from the Commonwealth of Pennsylvania in FY 2006.

In 2007, Allentown, Bethlehem and Easton will continue to receive CDBG funds directly from HUD.

The primary advantage of urban county status is the flexibility of designing the local CDBG program to address local needs without the added bureaucracy of State oversight. For example, if affordable housing is considered to be a high priority need, each county can budget a substantial portion of its CDBG entitlement amount for housing activities. These priorities are set when each county prepares its Five Year Consolidated Plan for submission to HUD. CDBG funds can be used for property acquisition and rehabilitation of dwelling units occupied by households with incomes at or below 80% of median household income. Under certain circumstances, CDBG funds can also be used for new construction of affordable housing.

Beyond CDBG, urban county status provides both Lehigh and Northampton with an opportunity to affect how federal HOME funds are distributed in the Lehigh Valley. HOME provides formula grants to States and localities that communities use—often in partnership with local nonprofit groups—to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people. HOME is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households.

Currently, federal HOME funds are distributed to projects in the Lehigh Valley through the Commonwealth of Pennsylvania. Pennsylvania operates a competitive HOME program. Each year, applications for financial assistance under the HOME Program are submitted to the state by local units of government. The Pennsylvania Department of Community and Economic Development (PA DCED) awards HOME funds to the projects that, in its opinion, are most deserving.

It would be beneficial to both Lehigh and Northampton County to receive HOME funds directly from HUD rather than through the Commonwealth of Pennsylvania. In the federal HOME vernacular, entitlement entities are referred to as “participating jurisdictions” or “PJs” for short. PJ status would be important to the Lehigh Valley inasmuch as it offers guaranteed annual funding and the flexibility to design the HOME program to address local needs.

In order for Lehigh and Northampton to qualify for direct HOME grants from HUD, each county must have a local public housing authority and each county must be able to demonstrate the capacity to administer the HOME program. If either county’s initial formula allocation is less than \$750,000 it must make up the difference between its initial allocation amount and \$750,000 in order to be designated a PJ. This amount is lowered to \$500,000 in years in which the Congressional appropriation for the HOME Program is less than \$1.5 billion. In order to make up any shortfall, Lehigh and Northampton may request the Commonwealth of Pennsylvania to transfer a portion of the state’s HOME allocation such that each county meets the threshold grant amount established by HUD. The Commonwealth is generally supportive of such requests because they expand the flow of federal HOME funds to projects in Pennsylvania.

In any event, Lehigh and Northampton County should prioritize affordable housing as a local community development need and exhaust all administrative measures to maximize the flow of federal CDBG and HOME funds to the Lehigh Valley.

Basis for Recommended Strategies

This Strategic Plan is based on five over-arching and interrelated themes:

- **The Lehigh Valley needs people who need affordable housing.** People who fill critical jobs in the region's communities cannot afford to live where they work. Creating affordable housing opportunities for these households is a priority.
- **The urban/suburban divide further exacerbates the concentration of minorities, low income households and poor quality housing in the cities and boroughs.** Higher income households who can afford housing in the Lehigh Valley are choosing to live in the suburban and rural townships where housing is new and good quality schools can be found. Affordable housing opportunities need to be created in these areas.
- **There is a need to continue to diversify the housing stock in the Lehigh Valley.** Although decreasing as a percentage of all housing types, the single family dwelling unit does not adequately address the needs of the growing one-person, non-family and single parent households.
- **Home owners tend to re-invest in their homes if they feel their neighbors and their neighborhood are worth it.** Research indicates that home owners are discouraged from making improvements to their homes if they feel their neighbors will not do the same. Facilitating targeted neighborhood revitalization, including housing rehabilitation, will improve the existing (and affordable) housing stock and increase the stability and market value of existing neighborhoods.
- **Developers need incentives to build affordable housing units for first-time homebuyers.** Realtors have indicated that the supply of decent and affordable housing units for first-time homebuyers is very limited. But with a stronger demand for high-end housing, developers will need financial incentives to build smaller, more affordable units.

Strategic Housing Plan

Included below are the 18 recommendations offered through this report. Following each recommendation is the name of the entity or entities identified as the most appropriate vehicles for implementation of the recommendation.

Land Use Recommendations

- **Develop a model inclusionary housing ordinance.** (*Lehigh Valley Planning Commission; Lehigh County*) The ordinance, developed by LVPC, could provide financial and other incentives to developers in exchange for the provision of a percentage of housing units set aside for households with incomes at or below 80% of the area median income.

For an inclusionary ordinance to be effective, there must be specific incentives offered in exchange for specific measures to be undertaken by a developer. For

example, the ordinance might require a developer to set aside at least 5% of all single family housing units in a project to be sold for no more than \$135,000 each. For a multi-family development plan consisting of a minimum number of units, a specified percentage of the units (usually 5% to 10%) would be required to be set aside for households under a specified income threshold.

In exchange for providing the required set asides, a developer would be awarded one or more of the following incentives:

- Impact fee waivers or reductions
- Planning fee waivers or reductions
- Streamling and priority processing
- Density bonuses, and
- Local funding to assist with the construction of the housing units made affordable to households at or below 80% of the area median income.

A specific inclusionary housing ordinance would new to be developed for each county. The percentages and dollar amounts used here are presented as examples only.

- **Encourage municipal officials to revise their local zoning ordinances to reflect more opportunities for affordable housing development.** (*Lehigh Valley Planning Commission*) Using cost-benefit analyses, illustrate how multi-family housing and clustered single family developments can be more cost-effective to local elected officials. Encourage local units of government to revise their ordinances to reflect housing densities that are consistent with the Lehigh Valley Comprehensive Plan. Other development standards that encourage affordable housing include:
 - The provision of density bonuses to developers who agree to build affordable housing
 - The requirement that affordable housing units, built as part of a market rate subdivision, be scattered throughout the development and indistinguishable from market rate units
 - Reductions in building setbacks and height requirements
 - The requirement that for every 25 market rate housing units developed in a project, at least 5% of the units to be developed must be affordable to households with incomes of 80% of the area median income or less. (In 2006, this was equivalent to \$52,720 for a family of four.)
 - Expedited review and permitting processes for projects including affordable housing units.
- **Conduct workshops with local government planners and builders** (*Bi-County Affordable Housing Policy Advisory Committee*) to:
 - Define the affordable housing challenge facing the Lehigh Valley
 - Sensitize participants to affordable housing issues and solutions
 - Participate in a roundtable discussion of best practices.

- **Use the designated Urban Areas as incentives for affordable housing project applications.** (*Lehigh County; Northampton County*) These geographic locations include areas where infrastructure exists or could be expanded most cost-effectively, such as around boroughs and cities. Within these Urban Areas, county resources (such as new CDBG funds and ACT 137 funds) would be targeted to:
 - Facilitate affordable housing opportunities within market rate and mixed income developments
 - Prevent further sprawl beyond current infrastructure
 - Focus the limited public resources in a way which will provide the largest physical impact, and
 - Preserve more open space and agricultural areas.
- **Provide relief from impact fees to developers who build affordable housing units but encourage their use to the maximum extent possible on market rate housing.** (*Municipalities*)
- **Advocate amending the MPC to require Fair Share Housing.** (*Lehigh Valley Planning Commission; Lehigh County; Northampton County; Bi-County Affordable Housing Policy Advisory Committee, Housing Authorities; Redevelopment Authorities*) As a long-term goal, work to amend the MPC to require all municipalities to provide the opportunity for their fair share of affordable housing units, including new family units, new elderly units, the adaptive re-use of underutilized buildings, homebuyer assistance, housing rehabilitation and other creative mechanisms.

Tax Policy Recommendations

- **Appeal tax assessments on tax credit properties.** (*Low Income Housing Tax Credit Owners*) Affordable housing developments typically operate on razor-thin cash flows. Tenant incomes and rents are restricted. Therefore, landlords cannot arbitrarily raise rents to cover increases in operating costs. Even small increases in utilities or insurance can create imbalance in the operating budget. Relief from real estate taxes is one of the few variables in the operating budget that can enable the landlord to balance the budget. Thankfully, a new state law enacted in 2003 provides specific guidance to assessing or establishing the value of affordable housing developments, particularly projects financed in part with equity from the sale of federal housing tax credits.

Act 39 of 2003 (HB 1854) instructs assessors to consider rent restrictions and affordability restrictions in arriving at the actual value of subsidized housing developments. Furthermore, the new law instructs assessors to utilize the income approach to value rather than the comparable sales approach to value when assessing affordable housing developments. This eliminates the previous practice of considering tax-related benefits in valuing tax credit projects.

As a result, owners of existing tax credit developments can retroactively appeal their tax assessments to reduce real estate taxes. A reduction in real estate taxes can create an added level of breathing room in the operating budget. Every owner of an existing tax credit development should consider this option.

- **Organize a workshop on valuing tax credit developments.** (*Lehigh County; Northampton County*) County assessors are an important cog in the affordable housing wheel. As such, they should be sensitized to affordable housing needs in the Valley. In order to promote the concept of establishing reasonable assessed valuations for new tax credit housing, assessors from both Lehigh and Northampton Counties, together with developers and owners of affordable housing, should organize a workshop on valuing new tax credit developments in order to expand awareness and implementation of the new law. A legal expert on tax assessments should be invited to facilitate the workshop.

Act 137 Housing Trust Fund Recommendation

- **Establish policy guidelines for the administration, distribution and investment of Act 137 funds.** (*Lehigh County; Northampton County*) Both Lehigh and Northampton County have enacted housing trust fund legislation. Northampton County has established a competitive RFP process for the award of Act 137 funds to actual projects. Lehigh County is in the process of establishing a competitive RFP process for its Act 137 Program. The general recommendations that follow are designed to assist both counties in avoiding some of the errors made by other Pennsylvania counties in administering local Act 137 programs.

Some Pennsylvania counties over-regulate their Act 137 programs while other counties have little or no programmatic framework. The goal for Lehigh and Northampton would be to achieve a delicate balance between over-regulation and under-regulation.

State enabling legislation does not require a county to establish written guidelines relative to the use of Act 137 funds. But without some type of guidelines, local officials have no way of objectively reviewing project proposals. Guidelines and application forms provide applicants with an understanding of the framework for decision-making, i.e., they help developers to understand the County's process and funding priorities.

However, the primary advantage of a housing trust fund is the flexibility it offers in terms of addressing affordable housing needs. Compared to state and federal funding programs, there are few limitations under Act 137 on how the funds can be used. For example, there are no statutory or regulatory requirements relative to prevailing wage rates, environmental review, maximum subsidy, long term affordability, etc. When creating written guidelines, caution must be exercised to preserve the flexibility of the program. Needs will invariably change over time, and the guidelines need to be worded generally enough to withstand the test of time without requiring continual amendment. Eventually, there will be a worthwhile project being considered that is constrained in some manner by state and/or federal regulation, and it will be expeditious to utilize Act 137 funds to fund some aspect of the project that is difficult to finance with mainstream types of state and federal assistance.

In achieving the balance between the need for a written framework and the desire to preserve flexibility on the use of funds, it is generally recommended that the guidelines describe a wide range of eligible uses of Act 137 funds, such as:

- Homeownership new construction
- Rent-to-own (lease-purchase) projects
- New construction of rental housing
- Rehabilitation of rental housing
- Rental assistance
- Homeowner rehabilitation.

In other words, the guidelines should not exclude particular types of affordable housing projects. The above project categories could be introduced as the “type of project-check the box” question within the application package.

In its instructions to applicants, the County may wish to define the programmatic features that will be given priority for funding. For example, the guidelines might give added weight to:

- Projects that permit the county to recapture Act 137 funds (loans and loan guarantees)
- Projects that leverage significant public and private funds
- Projects that address needs that are identified in the Lehigh Valley Affordable Housing Assessment and/or the Five Year Consolidated Plan
- High visibility, high impact projects
- HOME-assisted projects where Act 137 funds will constitute matching funds for HOME regulatory purposes.

Generally speaking, it would be preferable to extend Act 137 funding to larger, high impact projects that are experiencing a financing gap. In determining whether a financing gap truly exists, the county should review the transaction in sufficient detail to insure that Act 137 funds will not supplant other available sources of funds.

By establishing general priorities rather than a fixed, point-based selection criteria, the county will maintain maximum flexibility in selecting projects for funding. Generally speaking, the county should select dynamic projects that address a critical need and results in a measurable impact.

Most funding sources want to be the last source of cash to the project. Developers need to start securing financial commitments somewhere, and an early Act 137 commitment may facilitate the developer’s efforts to secure financing from other sources. For this reason, Act 137 guidelines should not insist that all sources of funds be firmly committed at the time of application. However, the Act 137 commitment letter should establish conditions that provide an “out” to the county should the project not materialize within a reasonable period of time. Performance measures might include reasonable deadlines for securing financing commitments, commencing construction, completing construction and achieving initial occupancy. Failure on the part of the developer to meet these deadlines would not necessarily result in the retraction of the County’s Act 137 funding commitment. However, written performance measures would provide the county with the ability to re-evaluate slow moving projects in order to decide whether or not to extend the Act 137 funding commitment.

Finally, both counties should resist the temptation to allocate Act 137 funds for staff salaries and benefits. There are usually other sources of funds available for administrative support. Act 137 funds are too valuable as a source of wild card funding for development projects.

Tax-Exempt Mortgage Revenue Bond Financing Recommendation

- **Utilize tax-exempt mortgage revenue bonds to create a bi-county pool of funds for homeowner rehabilitation financing.** (*Housing Authorities; Redevelopment Authorities*) A redevelopment authority or a housing authority would issue the bond. Bond proceeds would be loaned to homeowners to improve their properties. Each participating homeowner would grant a mortgage and note as collateral for the transaction. The bonds would be backed by the recorded mortgages. Certain income restrictions would apply in order for the bonds to address a public purpose. Furthermore, sources of subsidy could be used to create various tiers of borrowers based on household income. For example, CDBG funds could be used to subsidize or “buy down” the rate of interest on transactions targeted to households below 80% of median income. In terms of timing, it is most advantageous to issue the bonds when interest rates are low in order to lock in a low tax-exempt rate. As homeowners repay their loans, the authority would use the repayments to service the debt on the bonds.

Administrative Policy Recommendation

- **Place the administrative responsibilities of the new CDBG program and the Act 137 Housing Trust Fund in the responsibility of one professional in each county.** (*Lehigh County; Northampton County*) Ideally, there would be one administrative entity in each county that would be charged with the responsibility of carrying out CDBG, HOME and Act 137 activities. This will insure a coordinated and systematic approach to implementing the Strategic Housing Plan. One single application should be developed for all three funding programs to streamline the applicants’ preparation as well as the counties’ review and approval processes. Finally, by placing the administrative duties of the three financing mechanisms with a single entity, applications can be reviewed and approved with the best possible mix of resources rather than cobbled together from three different entities working on different timelines, in different locations and with different priorities.

Federal CDBG and HOME Program Recommendations

- **Affordable housing should become the priority of the new CDBG program in both Lehigh and Northampton Counties.** (*Lehigh County; Northampton County*) Ironically, while this study was being prepared both Lehigh and Northampton Counties received notification from HUD that beginning in federal fiscal year 2007 they would qualify for urban county entitlement status under the Community Development Block Grant (CDBG) Program. Entitlement designation reflects the fact that both counties (exclusive of the three cities) have surpassed the 200,000 mark in population. Preliminary projections are that

Lehigh County will qualify for approximately \$1.2 million and Northampton will qualify for approximately \$1.8 million in CDBG funding annually.

The completion of the Affordable Housing Assessment for the Lehigh Valley is timely in that it dovetails nicely with the prospect of CDBG funding. Each county will be required to prepare and submit a Five Year Consolidated Plan (CP) to HUD. As part of the CP, each county must identify and prioritize its housing and community development needs. This report will provide some of the background information required in the CP.

Although CDBG funds can be used for a wide variety of public facility improvements, public infrastructure improvements and public service activities, it is strongly recommended that affordable housing should become the emphasis of the new CDBG program. In terms of housing, CDBG funds can be used to acquire sites for affordable housing, extend infrastructure to housing sites and to rehabilitate existing housing units. In limited circumstances, CDBG funds can be used to finance the construction of new housing. CDBG funds can be combined with State HOME funds and local Act 137 funds to carry out larger housing initiatives.

- **Establish the eligibility of both Lehigh County and Northampton County as a HOME Participating Jurisdiction (PJ).** (*Lehigh County; Northampton County*) Receiving HOME funds directly from HUD instead of PA DCED will provide both counties with the right of self-determination in terms of the type and location of projects that will receive HOME assistance. In addition, PJ status will enable each county to expand the capacity of its community housing development organizations (CHDOs) through the provision of CHDO operating assistance.

Capacity-Building Recommendations

- **Establish a mechanism to provide pre-development financing to nonprofit affordable housing developers.** (*Lehigh County; Northampton County*) Federal HOME funds and County Housing Trust funds are ideal sources which can be utilized to help build capacity of area non-profit developers. Qualified Community Housing Development Organizations (CHDO) would also be eligible for CHDO operating funds which is a qualified use of Federal HOME funding. Each county should create a predevelopment loan program to assist non-profits with necessary funding for upfront costs such as feasibility studies, option money to purchase sites, market studies, environmental reports, architectural schematics, and application filing fees. Predevelopment loan funds could be repaid once the non-profit successfully obtains project financing and a loan closing.
- **Encourage partnerships between nonprofit and for-profit developers.** (*Lehigh County; Northampton County*) Partnerships between for-profit and non-profit developers can take on many different forms. Often the local non-profit has the vision and neighborhood relationships necessary to facilitate the creation of affordable units. However, most of the area non-profits lack available human and financial resources required to successfully compete for program funds. Joint venture arrangements between non-profits or for-profits will often provide the solution to close the divide between a goal and the means to accomplish the

goal. In addition to human and financial resources the for-profit partner can impart valuable experience and expertise to their non-profit partner.

An example of such a partnership already exists in the Lehigh Valley. The Allentown Housing Authority is currently partnering with a private for-profit developer to construct new rental and for-sale units that will be financed in part under HUD's HOPE VI Program. The Authority is using its legal and organizational capacity to secure federal funds for both construction and operating subsidy. The Authority will pass these funds to the private developer through a written agreement. Upon completion of construction, the private developer will own and operate the rental units and will convey the sales units to qualified buyers. The end result is privately owned affordable housing that was made possible through the provision of public subsidy.

But mutually beneficial non-profit/for-profit partnerships are not limited to HUD HOPE VI projects. For example, an inexperienced non-profit organization may control a site for the development of new affordable rental housing, but lack the development experience to apply for tax credits and construct housing. The local non-profit may select a for-profit partner to carry out those aspects of the project where the non-profit lacks expertise. In this example, both the non-profit organization and the for-profit organization bring skills and resources to the project. Based on the relative sharing of risk and reward, the non-profit and the for-profit would negotiate a written agreement wherein the duties and responsibilities of each entity are clearly defined. Based on the relative level of effort and resources committed, the agreement would include a formula for sharing the developer's fee and guarantees.

- **Provide a one-day affordable housing workshop for regional affordable housing professionals.** (*Bi-County Affordable Housing Policy Advisory Committee*) A one-day workshop would help to educate local affordable housing professionals about the Federal HOME program and its potential impact within the Lehigh Valley. The workshop sessions could also highlight how to utilize other local, state, and federal resources. Lenders such as the Pennsylvania Housing Finance Agency, Pennsylvania Department of Community Affairs, and the Federal Home Loan Bank could also present program information. An afternoon session should be devoted to the mechanics of successfully structuring an affordable housing development.
- **Encourage participation with the region's housing and redevelopment authorities.** (*Lehigh County; Northampton County*) The local housing authorities and redevelopment authorities may have access or knowledge of available sites for acquisition. Furthermore, municipal officials should also be encouraged to share information about vacant and distressed properties which may lend themselves to an adaptive re-use. Mixed use programs could be utilized to promote the development and potential revitalization of depressed areas, while at the same time providing valuable experience to the non-profit developer.
- **Provide the necessary resources to get the job done.** (*Lehigh County; Northampton County*) Perhaps the quickest way to help create capacity is to provide the necessary financial resources to insure that the project gets completed in a timely manner. A major detriment to building capacity is the cost and length of time it takes to maneuver through the funding maze and to obtain necessary

permits. Lehigh and Northampton Counties should strategically fund projects at levels which would make them most competitive on the state or federal level. The “band aid” approach of providing small amounts of funding to several projects almost guarantees failure for all, as opposed to providing sufficient levels to the projects most ready to proceed.

The following chart illustrates a five-year implementation schedule for the recommended strategies and lists the entities which will be primarily responsible for getting the job done.

Figure 10-1

Strategy	Lead Responsible Entity	IMPLEMENTATION SCHEDULE																					
		2007				2008				2009				2010				2011					
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Land Use																							
Develop model inclusionary ordinance	LVPC, LC	■																					
Encourage revision of municipal ordinances	LVPC	■																					
Conduct AH workshops	BCAHPAC			▲									▲									▲	
Give priority to AH projects in Urban Areas	LC, NC	■																					
Provide relief from impact fees for AH units	Municipalities	■																					
Advocate amending MPC	LVPC, LC, NC, BCAHPAC, Hsg/Red. Auth.	■																					
Tax Policy																							
Appeal tax assessments on LIHTC units	LIHTC Owners	■																					
Conduct workshop on valuing tax credit projects	LC, NC		▲										▲									▲	
Act 137 Housing Trust Fund																							
Establish Act 137 guidelines	LC, NC	■																					
Tax-Exempt Revenue Bond Mortgage Financing																							
Utilize bonds to create pool of homeowner rehab financing	Hsg/Redev. Auth.	■																					
Administrative Policy																							
Combine administration of CDBG and Act 137	LC, NC	■																					
CDBG & HOME Programs																							
Make affordable housing the CDBG priority	LC, NC	■																					
Establish counties as a HOME PJ	LC, NC	■																					
Capacity-Building																							
Provide pre-development financing to NPOs	LC, NC	■																					
Encourage NPO and FPO partnerships	LC, NC	■																					
Conduct workshop for regional AH professionals	BCAHPAC		▲					▲					▲					▲					▲
Collaborate with Housing / Redevelopment Authorities	LC, NC	■																					
Provide adequate resources	LC, NC	■																					

▲ A one-time scheduled event
 ■ An on-going activity

LVPC - Lehigh Valley Planning Commission
 LC - Lehigh County
 NC - Northampton County
 BCAHPAC - Bi-County Affordable Housing Policy Advisory Committee
 LIHTC - Low Income Housing Tax Credits
 Hsg/Redev. Auth. - Public Housing Authority / Redevelopment Authority