

Impact on Housing in Appalachian Pennsylvania as a Result of Marcellus Shale

November 2011

The purpose of the proposed research is to evaluate the impact of Marcellus Shale on housing, specifically, to evaluate the changes in the cost and stock of single family home, new construction, low income, and rental rates.

A project funded by the
Appalachian Regional Commission

The **INSTITUTE** for
Public Policy & Economic Development

*A partnership among Keystone College, King's College, Luzerne County Community College,
Marywood University, Misericordia University, Penn State Wilkes-Barre, The Commonwealth
Medical College, University of Scranton, & Wilkes University*

This project was funded through a cooperative agreement from the Appalachian Regional Commission to Wilkes University

Special Acknowledgements – A thank you to all the individuals who provided data and information to support this project through interviews, articles, and data. Special thanks to:

Steve Farrell – Classic Properties
Dennis Phelps - Trehab

Most notably, a very special thank you to **Neil Fowler** for his ongoing guidance and support in the development of this study.

Principal Investigators

Teri Ooms
Sherry Tracewski

Researcher

Kate Wassel

Associate Research Interns

Megan Fleming
Mark Lechmanik
Rachael Pompeii

David Hovey
Samantha Olson
Eric Swetts

Attributions for any portion of this study copied or reproduced in any form or any means should refer to The Institute for Public Policy & Economic Development at Wilkes University.

The Institute for Public Policy & Economic Development is owned and managed by Wilkes University

Note

The views expressed here do not necessarily reflect those of the educational partners, their offices, trustees or board members, or private businesses that fund or support The Institute for Public Policy & Economic Development nor do they reflect any personal opinions of the staff and/or research team.

7 South Main Street, Suite 201, Wilkes Barre, PA 18701
570.408.9850 * 570.408.9854 fax

120 Wyoming Avenue, Third Floor Scranton, PA 18501
570.207.0340 * 570.207.0340

www.institutepa.org

e:info@urbanstudies.org

Table of Contents

Research Methodology & Limitations..... 3
 County Selection..... 3
 Drill Rating 4
 Interviews..... 6
 Case Studies 7
 Limitations..... 7
Introduction..... 8
 Shale Development 8
Executive Summary 12
 Secondary Data 12
 Interviews..... 13
 Texas - Arkansas..... 13
 Issue Identification..... 14
 Policy Recommendations..... 15
 Conclusion 16
Blair County..... 18
 Demographics 18
 Employment & Wages 20
 Housing..... 22
Bradford County 31
 Demographics 31
 Employment & Wages 33
 Housing..... 35
Cambria County 43
 Demographics 43
 Employment & Wages..... 45
 Housing..... 47
Clearfield County..... 55
 Demographics 55
 Employment & Wages 57
 Housing..... 60
Clinton County..... 68

Demographics	68
Employment & Wages	70
Housing	72
Fayette County	79
Demographics	79
Employment & Wages	81
Housing	83
Forest County	90
Demographics	90
Employment & Wages	92
Housing	94
Luzerne County	101
Demographics	101
Employment & Wages	103
Housing	105
Lycoming County	113
Demographics	113
Employment & Wages	115
Housing	117
Susquehanna County	125
Demographics	125
Employment & Wages	127
Housing	129
Tioga County	137
Demographics	137
Employment & Wages	139
Housing	141
Wyoming County	149
Demographics	149
Employment & Wages	151
Housing	153
Pennsylvania Data Analysis Summary	161
Interviews	173
Analysis	174

Texas and Arkansas Data Summary	179
Case Study & Best Practices.....	182
Overall Summary, Analysis and Conclusions	185
Housing Issues Identified.....	186
State & Local Policy Considerations	188
Ordinances.....	188
Land banking	189
Trust Funds.....	190
Community Development Corporations	191
Loss Mitigation	192
Zoning Code.....	192
Federal Regulation	193
Conclusion	193
References.....	195
Appendix.....	197

Research Methodology & Limitations

County Selection

Counties were selected for inclusion in the study based on two criteria. First, only counties located in a Marcellus Shale region were possible options. Pennsylvania Department of Environmental Protection data and maps were used to determine eligible counties. The number of permits and wells were also taken into consideration. Because the study area consisted of twelve counties, we felt it was important to include those with varying levels of development.

Pennsylvania Marcellus Region



Source: Pennsylvania Department of Environmental Protection

Second, counties were selected for inclusion based on their economic status, as determined by ARC. Each Appalachian county is assigned one of five economic status designations based on its position in the national ranking. Those designations are as follows:

- **Distressed** - Distressed counties are the most economically depressed counties. They rank in the worst 10 percent of the nation's counties.
- **At-Risk** - At-Risk counties are those at risk of becoming economically distressed. They rank between the worst 11 and 25 percent of the nation's counties.
- **Transitional** - Transitional counties are those transitioning between strong and weak economies. They make up the largest economic status designation. Transitional counties rank between the worst 25 and best 25 percent of the nation's counties.
- **Competitive** - Competitive counties are those that are able to compete in the national economy but are not in the highest 10 percent of the nation's counties. Those ranking between the best 11 and 25 percent of the nation's counties are classified as competitive.
- **Attainment** - Attainment counties are the economically strongest counties and rank in the best 10 percent of the nation's counties.

The 12 counties are: Blair, Bradford, Cambria, Clearfield, Clinton, Fayette, Forest, Lycoming, Luzerne, Susquehanna, Tioga, and Wyoming.

Drill Rating

We created a rating system for the Marcellus Shale study area in order to assess each counties current level of activity. The system ranks counties by how many wells have been drilled with a rating of one being the lowest and five being the highest. Since many with knowledge about the potential for development have indicated in the past that it will occur for the next several decades, the rating system, leaves room from additional development.

Drill Rating by Wells Drilled				
Score	Category	Definition	Number of Counties	Counties
1	Little or no activity	0-100 wells drilled	6	Blair, Cambria, Clinton, Forest, Luzerne, Wyoming
2	Low activity	101-300 wells drilled	4	Clearfield, Fayette, Lycoming, Susquehanna
3	Mid-level Activity	300-500 wells drilled	0	
4	Very active	500-999 or more wells drilled	2	Bradford, Tioga
5	Extremely Active	Over 1000 wells drilled	0	

Data Definitions & Sources

In collecting, organizing, and analyzing the data, The Institute used a data mining process. Data mining is the process of analyzing data from different sources and summarizing it into useful information. It is the process of finding correlations or patterns among many fields within large databases. Data were broken out into the following categories: demographics, business/employment/wages, and housing.

Demographics

Demographic data were obtained from the U.S. Census Bureau and Decision Data Resources (a licensed proprietary database that collected data from a variety of sources). Population, race and ethnicity, household income, and educational attainment were examined for 2000 and 2010. Poverty data were measured from 2000 and 2009. We examined poverty status for residents of all ages and those under age 18.

Business, Employment, and Wages

Unemployment data were collected from 2005 through 2010 from the Pennsylvania Center for Workforce Information & Analysis, an informational database run by the Pennsylvania Department of Labor & Industry. Business patterns data were collected from the U.S. Census County Business Patterns. This data consists of paid employees, total establishments, and annual payroll. Data from 2003 through 2009 were examined. Next, annual and weekly pay were examined from 2001 through 2010. All data was collected from the Bureau of Labor Statistics.

Building Capacity

The County Business Patterns (CBP) measures the number of establishment, the number of employees (at March 12), size of establishment, quarter and annual payroll. The CBP is a database from the US Census Bureau. Non-employer Statistics, also a product of the US Census Bureau which provides annual data about businesses without paid employees. This data is entitled “non-employer.” Most non-employers are self-employed operations. The Census indicates that they are usually small unincorporated businesses operating full or part time. It is further stated that, “non-employers account for a majority of all business establishments, but average less than 4 percent of all sales or receipts.” The data used in this report is calendar year 2009.

Some of the CBP data are coded with letters. This is either to protect the identity of some of the firms or because the data did not meet Census publication standards. The legend is below.

Business Patterns Legend	
A	0-19 employees
B	20-99 employees
C	100-249 employees
E	250-499 employees
F	500-999 employees
G	1,000-2,499 employees
H	2,500-4,999 employees
I	5,000-9,999 employees
J	10,000-24,999 employees
K	25,000-49,999 employees
L	50,000-99,999 employees
M	100,000 or more employees
S	Withheld because estimate did not meet publication standards
D	Withheld to avoid disclosing data for individual companies data are included in higher level totals

Housing

Extensive research on housing data was performed for this study. The U.S. Census was used to track the number and status of housing units. Owner-occupied, renter-occupied, vacancy data, and home values were examined for 2000 and 2010. The U.S. Census was also used to track median mortgage and rent. In addition, the American Community Survey (ACS) was used to examine data for 2000 and 2005-2009. The ACS is an annual survey conducted by the U.S. Census in order to provide data in non-census years. The 2005-2009 estimates are a combined estimate of five years of annual data. This combined estimate was selected because there is a population threshold for annual estimates and not all counties in the study area met it. All counties did, however, meet the threshold for the five-year estimates. Building permits were also tracked. Because the data is consistent, we tracked each year from 2000 through 2010. This data was collected from the HUD.

Home sales were also a vital component of this study. Several avenues were explored for data collection. PolicyMap, a licensed proprietary database that collects data from a variety of sources, was used to gather home sales data from 2006 through 2010. The number of home sales, median sales price, and aggregate sales amount were tracked. In addition, we examined loan originations for the same time period. Origination data were broken out by use – whether such loans were used for a purchase or for a refinance.

Next, Fair Market Rent (FMR) data were collected. According to HUD, FMRs are primarily used to determine payment standard amounts for the Housing Choice Voucher program, to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment (HAP) contracts in the Moderate Rehabilitation Single Room Occupancy Program

(Mod Rehab), and to serve as a rent ceiling in the HOME rental assistance program. HUD annually estimates FMRs for 530 metropolitan areas and 2,045 non-metropolitan county FMR areas¹. FMRs were added to show each county's standards under the housing choice programs.

Affordable housing data for 2009 were collected from the National Low Income Housing Coalition. Such data show median renter income and determine how much of that income is required to pay fair market rents.

There is an integrated relationship between FMRs and 50th Percentile Rent Estimates. According to HUD, under certain conditions, 50th percentile rents can be used to set success rate payment standards. HUD has developed 50th percentile rents for this purpose. Only if the FMRs are set at the 50th percentile are these rents the same as the FMR.² Most of the areas within the study have FMRs set at the 40th percentile.

A search for affordable apartments by county was completed on HUD's website. HUD calls this search a "low rent apartment search". The purpose of this search was to determine the number of properties in each county and their size (per number of bedrooms). HUD provides only a listing of properties and does not include rent ranges. As such, for each county, we then conducted a search of PAHousingSearch.com (a Pennsylvania Housing Finance Agency supported apartment search site). An initial search of apartments that fell within FMR parameters was completed. The goal of this search was to determine (within those limits) how many properties with units were available in the county, prices, number of bedrooms, and whether or not interested parties would be placed on a wait list. Another search was then completed using parameters above FMR in order to determine how many properties did not fall within FMR limits.

Public housing and Section 8 voucher data were also collected. This data, which spanned 2005-2008, were retrieved from HUD. Public housing refers to government owned housing units while section 8 vouchers refer to privately owned units in which eligible residents receive a rent voucher. Public housing data showed total units, percentage occupied, people per unit, total people, and months waiting. Section 8 voucher data were also collected to determine total people, people per unit, rent per month, and number of months per wait list.

Much of the HUD data are older, therefore many changes are not yet reflected. FMR rent calculations can also easily be challenged because of the complex formula that uses non real time data.

Interviews

We utilized a purposive sample of 2-5 key informants in each county. A total of 32 key informants were interviewed across the twelve counties.

¹ **Error! Main Document Only.** Fair Market Rents for the Section 8 Housing Assistance Payments Program. U.S. Department of Housing & Urban Development Office of Policy Development & Research July 2007 (rev.)

² HUD User. 50th Percentile Rent documentation, www.huduser.org/portal/datasets/50thper/FY2012_50th_ReadMe.doc

Semi-structured interviews were conducted with key informants asking about awareness and perceptions of impacts on housing in their respective county. Also, key informants were asked to describe some of impacts of development, both positive and negative. Interviews were conducted between May and September 2011, either in person or via telephone, to accommodate the respondent's schedules. All interviews were audio-recorded. Due to time limitations in preparing this report, not all interviews were transcribed; instead, detailed notes were taken during and after the interviews. Subsequent listening to such interview recordings and a review of field notes provided key phrases taken verbatim. These quotations are noted in the analysis section with quotation marks and italics.

Certain individuals were targeted, including county/city housing authority representatives, realtors, county planning and development departments. We selected these individuals by identifying leaders within specific organizations and county-based leadership positions. This analysis does not provide a statistical summary or assess the prevalence of these views among participants.

Case Studies

Case studies on two counties in Texas and two counties in Arkansas were also completed. In Texas, Dimmit and La Salle Counties were chosen based on the number of wells in each county and the fact that they are experiencing many similar housing issues as those faced by Pennsylvania residents. In Arkansas, Faulkner and White Counties were chosen due to their number of wells and the fact that there has not been a significant effect on housing in those locations. The counties chosen present both ends of the spectrum. Data for these counties were collected from the 2000 and 2010 U.S. Census and from the 2005-2009 American Community Survey. Basic demographic data were collected, including population, household income and race/ethnicity. In addition, housing data such as tenure and occupancy, and mortgage and rent figures were included to examine housing trends.

Searches of newspapers, government agencies, and state and local organizations in these regions were performed via the internet. The goal of the searches was to determine if any housing issues exist in areas surrounding shale exploration. The searches also included programs and commissions set up to deal with housing issues in these regions.

Limitations

It is very early in shale development and data do not necessarily reflect changes that are a result of Marcellus Shale. The most recent demographic data is from 2010 and since even the most experienced counties only saw activity begin in 2008, it is difficult to infer that shale activities are a direct cause of any change. Instead, this data should be looked at as baseline information on the twelve counties.

Introduction

The presence of vast natural gas reserves in the region known as the Marcellus Shale – an area including much of Pennsylvania and stretching from New York to West Virginia – has been known for decades. This geography represents a large portion of Appalachia. However, recent emphasis on domestic energy production, coupled with new technologies that make the recovery of these natural gas reserves cost effective, have led to increasing interest and activity directed toward developing these resources.

Most of the counties within the Marcellus Shale area are rural in nature, and the potential impact of widespread gas development is expected to be profound. Such development can be an economic boon. However, housing in the shale area can be affected in a number of ways; some positive and some negative. This study explores those impacts.

Shale Development

The twelve counties we have identified for this study are in various stages of drilling: little or no activity to very active, as detailed below.

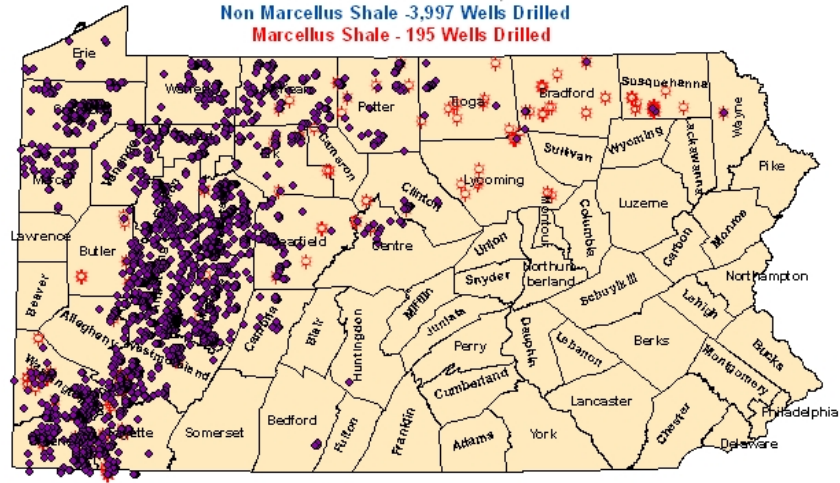
Drill Rating by Wells Drilled				
Score	Category	Definition	Number of Counties	Counties
1	Little or no activity	0-100 wells drilled	6	Blair, Cambria, Clinton, Forest, Luzerne, Wyoming
2	Low activity	101-300 wells drilled	4	Clearfield, Fayette, Lycoming, Susquehanna
3	Mid-level Activity	300–500 wells drilled	0	
4	Very active	500-999 or more wells drilled	2	Bradford, Tioga
5	Extremely Active	Over 1000 wells drilled	0	

Of the counties studied, the most stress is currently on Bradford and Tioga Counties with regard to rental increases, increases in homelessness and social service issues.

The first map below, prepared by the Pennsylvania Department of Environmental Protection identifies Marcellus and non-Marcellus wells drilled. It can be seen below that only 4.7 percent of the wells drilled in Pennsylvania were Marcellus. There was more concentration in the northeast part of the state as opposed to the western and southwestern part of Pennsylvania.

**Department of Environmental Protection
Bureau of Oil and Gas Management
Wells Drilled**

2008 Total Wells Drilled - 4,192
Non Marcellus Shale - 3,997 Wells Drilled
Marcellus Shale - 195 Wells Drilled



As Reported by Operators

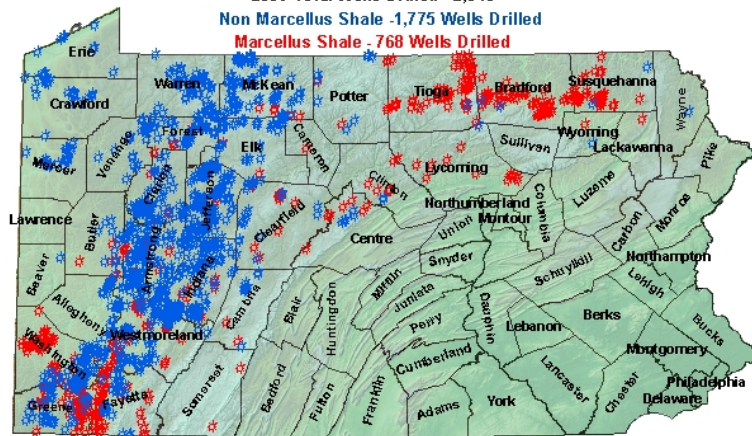
As of 12/31/2008

Source: Pennsylvania Department of Environmental Protection

In 2009, there were 65 percent or 1,649 less wells drilled in the state. At that time, 30 percent were Marcellus wells. In addition to the concentration in the northeast, there is now more development in the southwest. The non-Marcellus wells still dominate drilling and still focus on western Pennsylvania.

**Department of Environmental Protection
Bureau of Oil and Gas Management
Wells Drilled**

2009 Total Wells Drilled - 2,543
Non Marcellus Shale - 1,775 Wells Drilled
Marcellus Shale - 768 Wells Drilled

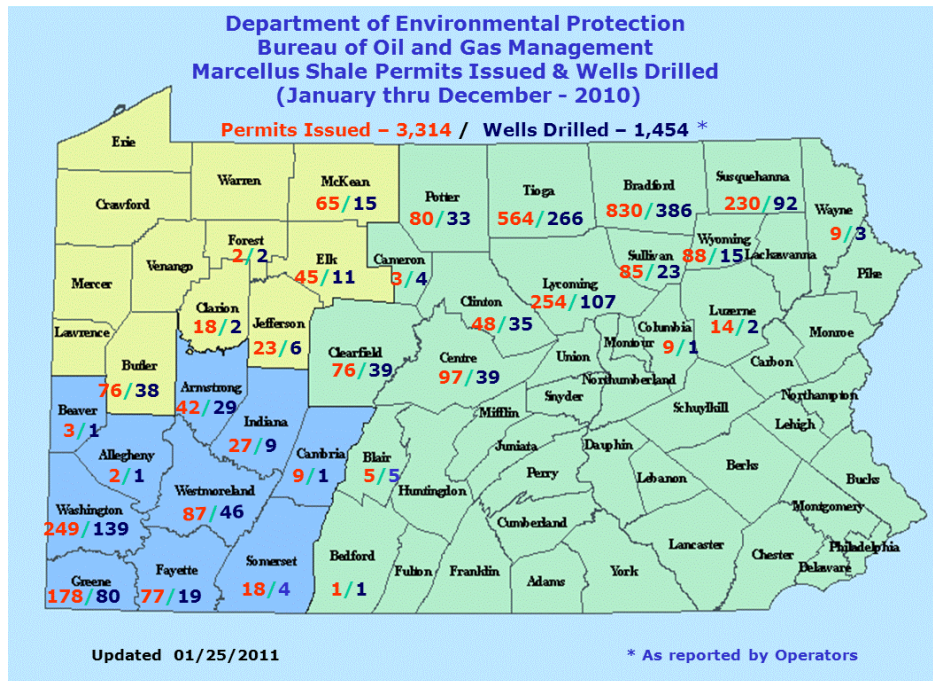


As Reported by Operators

Updated 01/25/2010

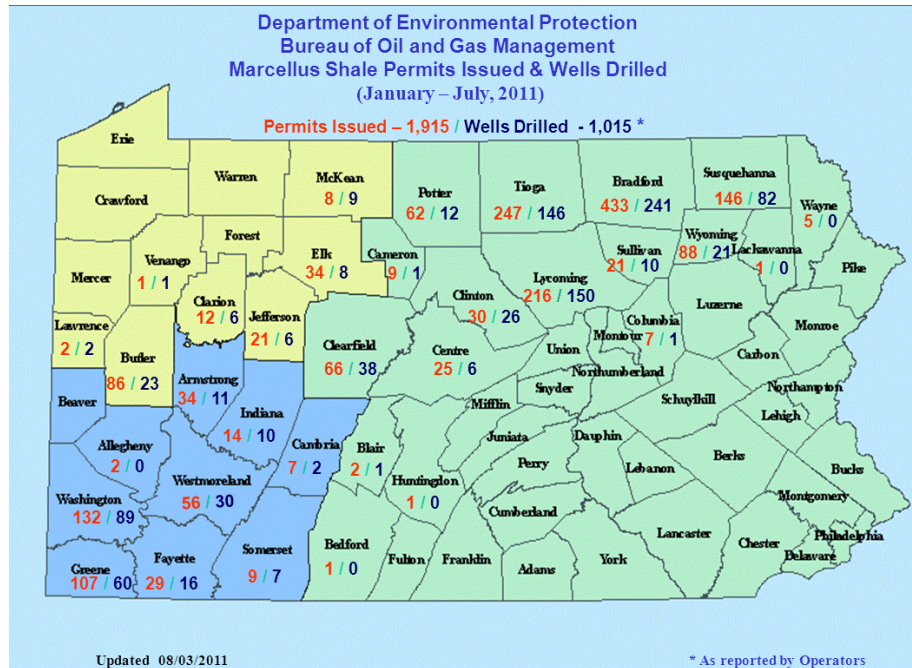
Source: Pennsylvania Department of Environmental Protection

By 2010, Marcellus wells drilled topped 1,450. Drilling is predominantly in Bradford, Susquehanna, Tioga, and Lycoming. Test wells in Luzerne County do not prove worthy of drilling. Greene and Washington County show growth in the southwestern part of the state.



Source: Pennsylvania Department of Environmental Protection

In only seven months of drilling in 2011- 1,015 wells were drilled in Pennsylvania, leading us to conclude that Marcellus wells could pass 1,700 this year should the current pace be matched. Drilling is concentrated in the same core counties as in 2010. Additionally, the permit activity shows continued growth in those same counties, therefore it is safe to assume the same six counties will continue to dominate Marcellus in the short term.



Source: Pennsylvania Department of Environmental Protection

The purpose of this research project is to evaluate the impact of Marcellus Shale in shale rich counties on housing, specifically, to evaluate the changes in the cost and stock of single family home, new construction, low income, and rental rates. Further research will evaluate the impacts on the availability of low income housing and what, if any, benefits to housing or economic development can result from the development of the shale industry. Finally, to evaluate the impact on housing and policy in 2-3 shale rich states to assess changes in the social, economic, and policy conditions resulting from gas well development in the Marcellus Shale formation.

In creating this study, we used for primary and secondary data to evaluate each county. Data came from federal, state, and private licensed databases. Additionally, qualitative interviews took place in each of the 12 counties in the study sample. The Institute correlated and analyzed datasets from this source.

The study sample consisted of 12 counties from northeastern to central and down to southwestern Pennsylvania. Some of the counties have experienced aggressive drilling and others are in the early stages. The 12 counties are: Blair, Bradford, Cambria, Clearfield, Clinton, Fayette, Forest, Luzerne, Lycoming, Susquehanna, Tioga, and Wyoming.

Policy recommendations have been developed as a result of the research findings.

Executive Summary

The research project was to evaluate the impact on housing as a result of Marcellus Shale drilling in twelve counties involved in various stages of drilling throughout the Commonwealth. The research data serves as a baseline for future longitudinal study; however some emerging trends and issues are noted in this research.

The study involved data collection from the 12 counties in Pennsylvania as well as counties in Texas and Arkansas. The 12 Pennsylvania counties are: Blair, Bradford, Cambria, Clearfield, Clinton, Fayette, Forest, Luzerne, Lycoming, Susquehanna, Tioga, and Wyoming. The Texas counties are Dimmit and LaSalle and the Arkansas counties are Faulkner and White.

Additionally, The Institute conducted 32 interviews. The interviews responded to a semi-structured questionnaire and represented the following sectors: housing authorities, realtors, social service agencies planning departments, nonprofits, economic development organizations and elected officials. The purpose of the in-state interviews was to secure real time information on housing and resulting social impacts, identified challenges and needs.

The Institute identifies limitations surrounding the availability of current and consistent county data and the time lag of existing secondary data. Also, existing datasets regarding realty transfer tax information included commercial and industrial. The Institute's Right-to-Know application was refused indicating no other data than what was on the website was available. Information requested from the Pennsylvania State Association of Realtors was found to have a flaw in it and could not be corrected by that entity in time for inclusion in this publication.

The Institute then synthesizes the information in order to identify specific problems, community needs, and state and local policy reform needed to mitigate the issues.

Secondary Data

Although we are keenly aware of issues facing many counties being explored and developed, at this point data cannot truly validate some of these issues. They have been slight population increase in Tioga County, the county with the second highest number of well but not Bradford which has the highest number of wells. Case study areas also have seen differing results in population. Arkansas counties experienced increases between 14 percent and 28 percent; however Texas counties saw decreases.

There are many negative effects of the recession and housing crisis that can be seen in the data. However, looking closely, it is apparent that in some cases shale development may have shielded some of those affects. For example, Wyoming County, maintained the lowest poverty rate in the study area. Since the county is advancing in the level of shale development, the development may be a reason for consistently low poverty numbers. Bradford and Tioga experienced the lowest unemployment for 2010 in the study area with 6.9 percent and 8.3 percent respectively. These counties have the first and second highest number of permits and wells so industry jobs may have also shielded them from increases as

significant as in other counties. In addition, building permits are higher in counties with a high number of wells.

The most significant issue observed in the data analysis is the issue of affordable housing. Counties that are experiencing significant shale development do not have an adequate number of affordable properties. This situation is exacerbated by the influx of gas workers that are in need of places to live. Also, renters in these counties earn significantly less than other counties in the study area and the state as a whole. Residents in the top two counties in terms of development have median incomes so low that they cannot afford a two bedroom FMR apartment.

Interviews

In summary, most participants became aware of shale development in their county or a nearby county three-four years ago. Most key informants were positive about the impacts on the economy in their prospective area but acknowledged there were some negatives. Several issues came to light during the interviews. First, in counties where shale drilling is in an advanced stage, there are many housing issues affecting residents. The issue of most concern is a dramatic increase in rents. Due to the influx of gas workers from other states (most in the region temporarily) there is a shortage of rental units. In addition, because these workers tend to earn more than local residents, they are willing to pay higher rents. Landlords have capitalized on this by increasing rents upwards of 100 percent to 150 percent. Since the existing local residents cannot afford this increase, this results in current local tenants being forced to move out while gas workers move in. Second, this causes a problem with regard to the Section eight housing choice voucher program administered. Many landlords that have participated in the program are dropping out and renting to gas workers in order to increase their profits. A third issue that was uncovered dealt with the sale of vacant lots. Several of the counties in the study area are rural in nature and often large vacant lots were sold by owners. According to many realtors we spoke to the sale of vacant lots has decreased quite dramatically. First, the asking price of this land has increased significantly since a buyer may potentially be able to lease this land to a gas company at some point.

A number of social service issues came to light as well. For example, social service agencies have had to take children from their parents because the parents cannot provide adequate and ongoing shelter. Additionally, tents have been supplied to people who have become homeless. The social service agency in one of the study counties is running out of money to supply families with tents.

Texas - Arkansas

In the four counties studied, located in the two other states, median household income increased from 14 – 23 percent and average household income from 25 - 54 percent from 2000 to the 2005-2009 ACS. During the same time period, the median mortgage increased from 26 – 63 percent and the median rent from 31 – 66 percent. In all counties income levels did not grow as fast as housing costs. The Arkansas Counties have been drilling since 2004 and have a combined 1,500 wells while the Texas Counties have been drilling since 2009 and have a combined 56 wells.

The programs and initiatives in other shale rich states have some similarities to Pennsylvania. Arkansas is more limited in its initiatives. However, Texas has more local and statewide programs. The Texas housing trust fund is mentioned later in this section. Texas has some local programs and private non-profit programs that operate without government funding. These resemble community development organizations as discussed later in this section.

Issue Identification

- Rising rental costs in counties in rapid drilling phases
- Limited or no new building
- Local housing agencies have no financial or human capacity to address new stock, redevelopment or other support issues
- Questionable evictions – no tenant protections
- Local construction industry capacity is questionable, regional picture brighter
- Redevelopment/infill opportunities
- Limited or no planning, land use, or zoning regulations

We know that as shale drilling expands, so does the need for temporary and permanent housing. In most cases, the housing stock needed is not readily available, and, therefore, with supply exceeding demand the costs rise and price out many in the market. Most average Pennsylvania residents are not natural gas lease holders nor do they work in the drilling industry (where in many cases wages are higher), therefore, average residents are priced out of the home purchase and rental market in shale rich counties with extensive drilling activity.

In order to mitigate these issues, many policy changes must occur, including special programs and financing instruments as well as changes in planning, zoning and community ordinances.

We must recognize that Pennsylvania's Marcellus Shale industry is in the early stages of its development and it will be superseded by additional shale exploration and development, including Utica [Shale], another Devonian Shale and Black River Shale, which lies below the Marcellus Shale. The Utica Shale, for example, is located several thousand feet below the Marcellus Shale and its footprint is more expansive. This will be even more cost effective for drilling companies because the infrastructure of drill pads, pipelines, rights-of-way, other investments and permit data will have already been in place for the Marcellus Shale. Given that there are other natural gas options and well production is long-term (some wells can produce for up to 50 years), Pennsylvania is looking at a "generational" cycle from shale, rather than a "boom and bust" cycle.

Since 2008, Marcellus Shale wells drilled have increased from roughly seven per month to 103 per month in 2011. Wells drilled from 2009 to 2010 more than doubled, and, at the current rate, there should be approximately 28 percent more wells drilled by the end of calendar year 2011 than in 2010. Bradford and Tioga Counties show the most wells drilled and rank four on the Marcellus Drill Rating scale. Clearfield, Clinton, Fayette, Lycoming, and Susquehanna Counties rank two on the scale. Blair, Cambria, Clinton, Forest, and Luzerne, and Wyoming Counties are at the lowest end of the scale as of July 2011.

Policy Recommendations

The policy recommendations outlined in this study include participation from the public, private, and non-profit sectors; identify a regional approach to development and implementation; and require state, local, non-profit, and private sector financial commitments.

They include rental ordinances requiring rental registrations and rent stabilization programs. Rent stabilization programs were once known to be big city solutions to big city problems. Any area that undergoes rapid growth is subjected to the same problems that have occurred in major cities. In an effort to reduce gentrification and homelessness, rent stabilization programs provide a solution to the problem without deterring private investment.

Land banking is a local option. This tool would be most effective if there were collaborations of multiple counties that agree on infill, high density development, inclusionary zoning, and redevelopment parameters. This would level the playing field for private developers and avoid county competition.

Housing Trust Funds are another tool. Currently, Pennsylvania has an unfunded trust fund. This requires immediate state intervention. Regional trust funds, formed through multi-jurisdictional and multi-county collaboratives are also encouraged.

Community Development Corporations (CDCs) are non-profit, community-based organizations that use local capital through the development of both residential and commercial property, ranging from affordable housing to shopping centers and even owning businesses. CDCs in shale drilling counties should be a regional or local response to specific issues. CDCs are 501(c) 3 non-profit corporations with full-time staff and volunteer boards. Funding can come from individual donors, Community Reinvestment Act (CRA) bank investments, foundations, or government. Long-term sustainability should come from proceeds of sold property. CDCs can adopt any number of strategies to solve local problems. For example:

- the purchase, renovation, and resale of blighted, abandoned or foreclosure property
- redevelopment of existing commercial structures into residential units
- new construction
- rehabilitation loans for low-income families

The CDC can offer loan programs, down payment assistance, collaborative funding with local banks or no financial assistance at all. The purpose of a local CDC is to identify local community development priorities. Most of the issues identified thus far have been the lack of available housing coupled with affordability. Additionally, some of these programs can be supplemented from counties. County redevelopment agencies across the country implement these kinds of programs as well.

NeighborWorks America is a national organization that was established by congress in the 1970s. NeighborWorks receives annual direct appropriations, as it is a congressionally chartered corporation. NeighborWorks America administers its own housing programs, but also funds local CDCs in their effort to create affordable housing and community improvement. NeighborWorks America offers grants, programs, training, and technical assistance. It currently identifies 235 housing partners serving

over 4,500 communities across the country. NeighborWorks America also works with financial companies to create more funding opportunities and loan programs.

The Department of Housing and Urban Development produces the Fair Market Rent Guidelines for use in determining Section 8 housing costs and implementing the Housing Choice Voucher program. HUD provides a detailed description of the data sources used to compile the 2012 FMRs. This data is located at the bottom of each FMR rent county page and presented here. The newly released 2012 guidelines were produced using data from the 2005-2009 5-year American Community Survey (ACS). Should the estimate be smaller than the US Census Bureau's margin for error, the state non-metro estimate is used (for 2-bedrooms). HUD also includes a mover adjustment factor. The Institute is concerned about the timeliness of the inputs. It is agreed that US Census data is a consistent source of data to use in that it is produced regularly, procured in the same manner of data collection and allows for equitable comparisons; however the information is dated and does not take into account any internal or external environmental factors that foster rapid change. Essentially, using 2009 data to calculate 2012 FMRs, presents an inaccurate assessment of the marketplace.

HUD allows entities to provide comment on FMRs for change. To that end it produces a document entitled "Preparing Fair Market Rent Comments Rental Housing Surveys A Guide to Assist Smaller Housing Agencies." This document identifies how housing authorities must collect and prepare data in order to comment on HUDs FMRs. The process certainly reflects a solid research methodology, but it puts the entire burden on small housing authorities. It is undetermined from the document the exact sample size that is acceptable and what happens after comments are submitted.

It is recommended that HUD re-evaluate their process for calculating FMR. Perhaps a blended approach of data collection using Census data and real time data or perhaps exemptions for counties that are experiencing unusual impacts would help mitigate current problems. HUD should also consider that local housing agencies do not necessarily have the fiscal resources to support annual market studies, therefore financial support, a modified market study, or some other collaborative process could be arranged.

Conclusion

Several of the counties in this study have not dealt with population growth or industry growth for the past 60 years. Most have had declining populations and economies; therefore, retrenching has been the norm. Given the fiscal situation of almost all Pennsylvania local governments, these counties are too impacted by finances and human capacity to take on the extra work. All systems are being strained. Most counties do not have land use plans or zoning codes. Some of the counties studied are in the early phases and will benefit from planning, studying best practices and lessons learned from more mature Marcellus Shale counties, and perhaps from new housing programs resulting from this study.

While the Marcellus Shale development has played a role in affecting various indicators within a county, the shale play is not necessarily the cause of a housing crisis in Pennsylvania. Any catalytic event causing growth or change would have affected these communities in the same way. Some established trends presented in the report demonstrate the decrease in housing affordability. The data also demonstrates

that the cost of housing has risen faster than income. Many issues like basic supply and demand and the global recession and housing crisis have also played a role. The quantitative data is not current enough to prove that the most active counties are experiencing the worst of the housing problems identified, however, the interview process with housing authorities, realtors, and other agency people on the local level do validate what the data leads us to conclude.

Even the most active drilling counties, like Bradford, have no new subdivisions for housing and no new low-income housing under construction. Another forthcoming challenge may be private developers trying to find land for development or finding land with an escalated price tag. Additionally, construction capacity in local counties is questionable. Many types of contractors are being used in well pad construction and commercial building leaving little or no capacity for housing construction (single, multi-family or apartments). Here again, a regional approach to problem resolution would serve most of the counties in the study well.

The rental ordinance should protect individuals from being evicted without justification. The rent stabilization programs will help to control current costs and minimize exorbitant increases, but is unlikely to restore recent losses in Section 8 housing stock. Therefore, other programs such as land banking and CDCs can come in and rebuild. The private sector should as well, if the exclusionary zoning ordinances are adopted.

While many of the recommendations above will only work if done on a local level, they will work best if implemented in regions or multiple counties joining together. This will provide economies of scale in costs, consistencies in regional economies, and promote collaboration not competition between the counties. The capacity issue still remains. This is where the Commonwealth must support the municipalities with access to technical assistance and program coordinators to help plan, form, and implement programs. The state can establish some minimum standards so the foundation, structure, and guidelines for each program are consistent, but then the local regions must have the flexibility to adapt them in order to solve specific problems at the local level, which may not be consistent statewide. The recommendation such as a land bank should be funded and coordinated on a statewide basis. This is another case where revenue from a severance tax can have a portion allocated to support these kinds of programs.

Blair County

Located in central Pennsylvania, Blair County is a fifth-class county that encompasses 531 square miles. It is designated as a transitional county by ARC. In terms of population, Blair is the study area's fourth largest county. Between January 2009 and July 2011, the county recorded a total of nine Marcellus Shale drilling permits and six wells, which places the county on the low end of shale development.

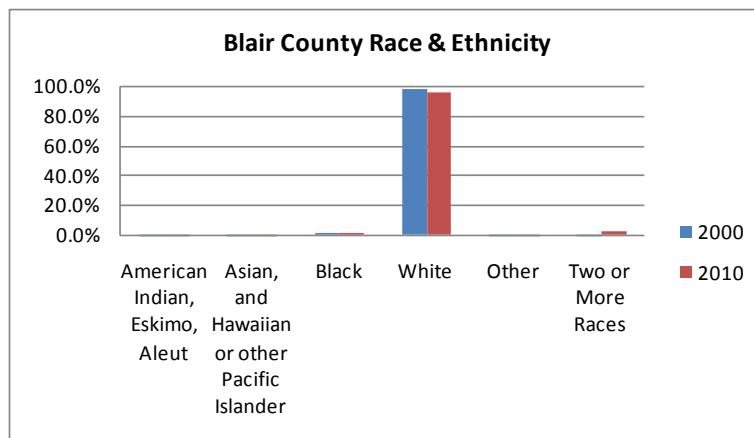
Demographics

Population

Between 2000 and 2010, Blair County experienced a 1.6 percent decrease in its population – from 129,144 to 127,089. Its growth rate has been slower than the Commonwealth of Pennsylvania average. The county is also aging. Over the same ten-year-period, all age groups over age 55 grew in number, while those below age 55 decreased.

Race and Ethnicity

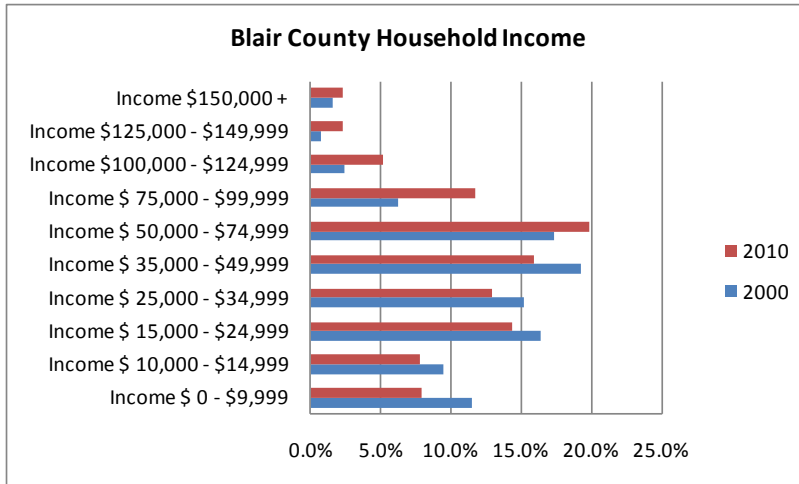
The county's racial and ethnic makeup is beginning to shift. From 2000 to 2010, its percentage of White/Caucasian residents decreased from 97.6 percent to 95.1 percent, while its number of Black/African American residents increased by one half of one percent; individuals who identify themselves as two or more races increased by 1.5 percent to 2.1 percent in 2010. In addition, the county's Hispanic/Latino population grew from 0.5 percent in 2000 to 0.8 percent in 2010. Blair County's population diversity is not representative of the race and ethnicity throughout Pennsylvania or the U.S., both of which are much more diverse.



Source: U.S Census Bureau & Decision Data Resources

Household Income

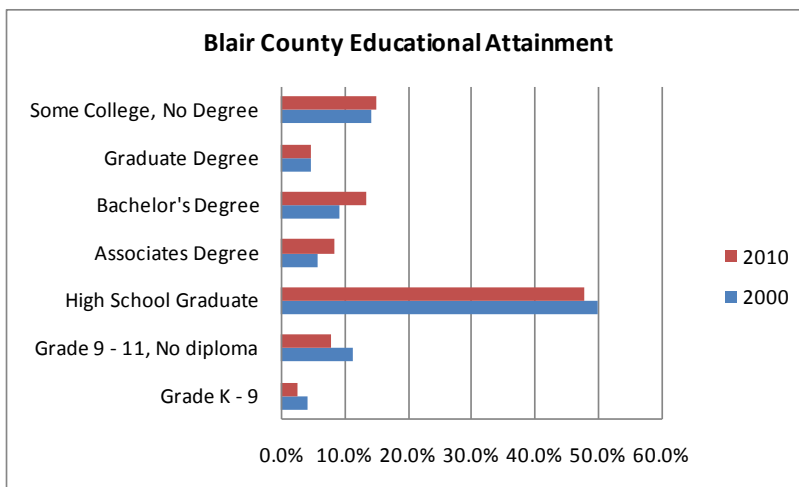
Household income in Blair County increased between 2000 and 2010. The highest percentage of residents fell into the \$50,000-\$74,000 income bracket. This differed from Pennsylvania as a whole, where the greatest percentage of households fell into the \$75,000-\$99,000 income bracket. Between 2000 and 2010, the county recorded a 90.4 percent increase in those earning between \$75,000-\$99,000 and a 112 percent increase those earning between \$100,000-\$124,000. The county's median household income increased from \$33,022 in 2000 to \$42,835 in 2010. Median household for the state as a whole was much higher – nearly \$50,000 in 2010.



Source: U.S Census Bureau & Decision Data Resources

Educational Attainment

Blair County residents have achieved higher levels of education over the decade examined. The number of those holding an Associate's degree increased by 44.6 percent, while the number of residents holding a Bachelor's degree grew by 46 percent. Over half of all Blair County residents over age 25 have earned a high school diploma. Blair County lags somewhat behind the Commonwealth of Pennsylvania in terms the number of those earning a Bachelor's or graduate degree.



Source: U.S Census Bureau & Decision Data Resources

Employment & Wages

Poverty

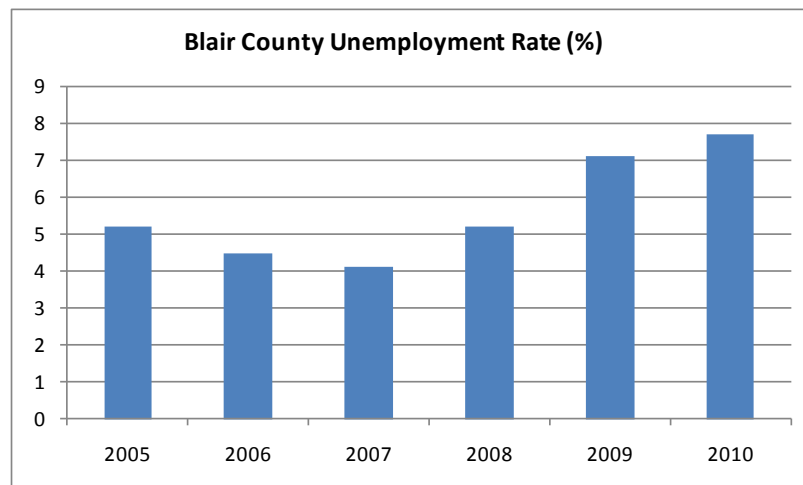
Between 2000 and 2009 the county's poverty rate increased dramatically, most significantly among children under age 18; the poverty rate for this group increased by 6.4 percent over the time period. In 2009, Blair County's poverty rate was much higher than that of both the Commonwealth of Pennsylvania and the nation, whose respective poverty rates were 12.5 percent and 14.3 percent.

Blair County Poverty			
All ages in poverty		Under age 18 in poverty	
2000	2009	2000	2009
11.6%	14.6%	15.8%	22.2%

Source: U.S Census Bureau

Unemployment

Due to the national economic crisis that began in 2008, unemployment in Blair County increased dramatically. While its unemployment rate hit a high of 7.7 percent in 2010, it managed to remain below the statewide unemployment rate of 8.7 percent the same year.



Source: The Center for Workforce Information & Analysis

Business Patterns

According to the U.S. Census Bureau's County Business Patterns, Blair County experienced an increase in its number of employees between 2005 and 2008, reaching 52,089 in 2008. A significant decrease occurred in 2009, lowering its overall number of workers to 49,683.

During all seven years examined nearly one-fifth of the county's workforce was employed in the health care and social assistance industry, followed closely by retail trade, then manufacturing. The county's total number of business establishments totaled 3,438 in 2009, with over half of such establishments employing between one and four individuals. Just two county business establishments employed 500-999 people, while one employed 1,000 or more. Annual payroll increased during each of the years examined.

Blair County Business Patterns							
	2003	2004	2005	2006	2007	2008	2009
Paid employees	50,054	49,870	50,445	51,122	51,585	52,089	49,683
Total establishments	3,275	3,318	3,295	3,334	3,323	3,271	3,220
Annual payroll (\$1,000)	\$1,319,004	\$1,369,170	\$1,398,217	\$1,443,351	\$1,523,357	\$1,592,960	\$1,539,031

Source: U.S. Census Bureau

Non-employee firms fluctuated during the period examined. The greatest number of such firms was observed in 2007, totaling 6,599, while the most current data reflect the lowest number of firms – totaling 6,059 for 2009. Receipts also fluctuated over the period examined; while they hit a high in 2007, they bottomed out in 2009.

Blair County Non-Employer Firms							
	2003	2004	2005	2006	2007	2008	2009
Firms	6,349	6,447	6,606	6,461	6,599	6,372	6,059
Receipts (\$1,000)	\$270,833	\$285,576	\$296,444	\$295,678	\$304,215	\$300,734	\$238,868

Source: U.S. Census Bureau

Annual and Weekly Pay

Both average weekly and average annual pay increased steadily in Blair County between 2001 and 2010. Figures for 2010 put the county's average weekly wage at \$660 and its average annual pay at \$34,305.

Blair County Annual & Weekly Pay		
	Average Annual Pay	Average Weekly Pay
2001	\$26,869	\$517
2002	\$27,360	\$526
2003	\$28,055	\$540
2004	\$29,115	\$560
2005	\$29,642	\$570
2006	\$30,394	\$585
2007	\$31,988	\$615
2008	\$32,986	\$634
2009	\$33,827	\$651
2010	\$34,305	\$660

Source: Bureau of Labor Statistics

Housing

Housing Units

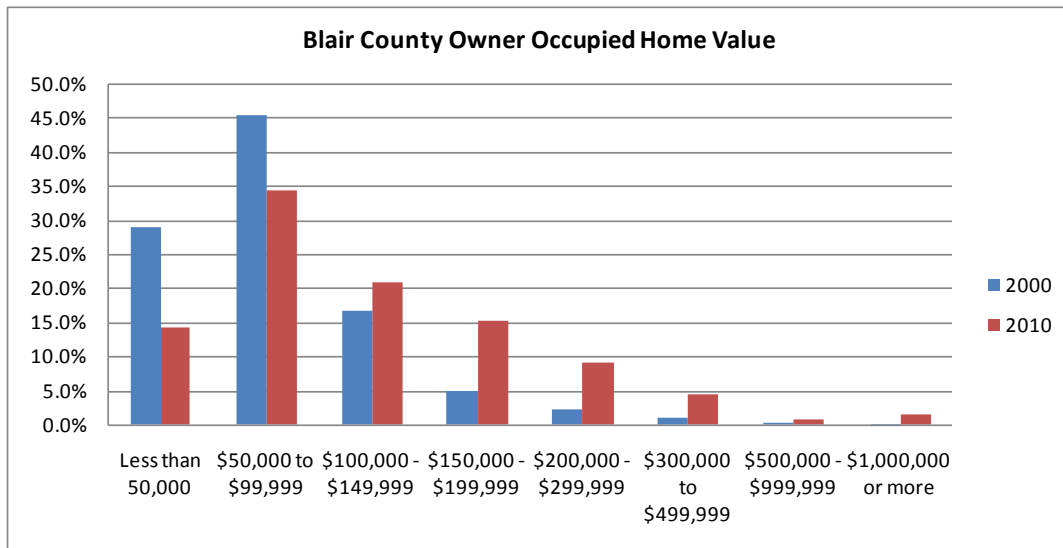
From 2000 to 2010, Blair County experienced a net increase of 1,215 total housing units. Also over the decade, the county's percentage of renter-occupied housing units increased slightly, while owner-occupied units decreased 3 percent. While the county's overall vacancy rate also rose from 6.4 percent in 2000 to 7.3 percent in 2010, its 2010 rate remained much lower than the state and nation, which totaled 9.9 percent and 11.4 percent, respectively.

Blair County Housing Units		
	2000	2010
Total Housing Units	55,061	56,276
Owner-Occupied	68.2%	65.2%
Renter-Occupied	25.4%	27.5%
Vacant	6.4%	7.3%

Source: Decision Data Resources & U.S Census Bureau

Home Values

The median value of owner occupied homes in Blair County rose from \$73,422 in 2000 to \$103,200 in 2010. From 2000 to 2010, there was an 11.1percent decrease in owner-occupied homes valued between \$50,000-\$99,999. Over the same time period, there was a 10 percent increase in owner-occupied homes valued between \$150,000-\$199,999 and a 3.4 percent increase in those valued between \$300,000-\$499,999.



Source: Decision Data Resources & U.S Census Bureau

Median Mortgage & Rent

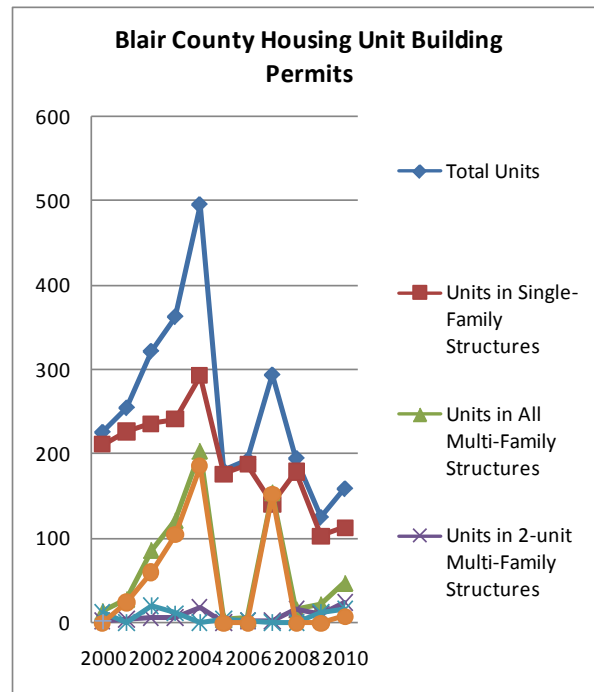
From 2000 to 2009, Blair County’s median mortgage increased to just over \$1,000, while its median monthly rent reached \$533. Its median mortgage and median rent fell well below state and national averages, which reached \$1,390 and \$763, respectively.

Blair County Mortgage and Rent		
	2000	2005-2009
Median Mortgage	\$756	\$1,002
Median Rent	\$411	\$533

Source: US Census Bureau

Building Permits

From 2000 to 2010, single family homes accounted for the vast majority of Blair County’s building permits. Its building permits reached an all-time high of 293 in 2005, and over 2,800 units were built between 2000 and 2010. Units in multi-family structures accounted for the second greatest number of building permits during most years examined, and also reached a high point in 2004, followed by declines through 2010.



Source: U.S Census Bureau

Home Sales

Homes sales in Blair County steadily declined between 2006 and 2010; such decline was likely due the national housing crises that began in 2006 and continues today. Although home sales decreased, home prices continued to grow through 2009 and reached an average high of \$82,000 before falling below \$75,450 in 2010. In the first quarter of 2011 home sales in Blair County reached \$25,417,773. The median sale price was \$74,500.

	Number of Home Sales				
	2006	2007	2008	2009	2010
Blair, PA (County)	3,751	3,249	2,791	1,220	422

Source: PolicyMap

Median Sale Price					
	2006	2007	2008	2009	2010
Blair, PA (County)	\$73,000	\$74,000	\$76,000	\$82,000	\$75,450

Source: PolicyMap

Home Loans

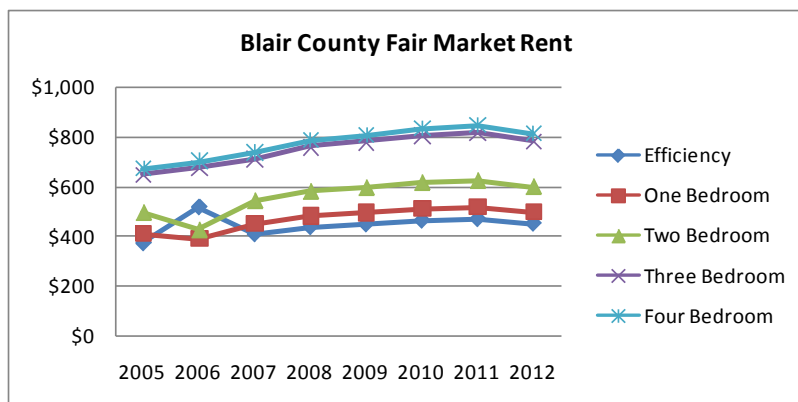
Between 2004 and 2009, the number of homes loans issued in Blair County decreased significantly. This again reflects the ongoing national housing crisis and overall weak economy. Although the total number of loans issued decreased, the median loan amount increased during each year examined. Median loan amounts in Blair County were well below state and national averages. In terms of how these loans were used, refinancing accounted for nearly two- thirds of all originations.

All Originations	2004	2005	2006	2007	2008	2009
County (Blair)						
Number of Loans	3,519	3,265	2,861	2,522	2,166	2,549
Median Loan Amount	\$69,000	\$70,000	\$72,000	\$75,000	\$84,000	\$101,000
State (Pennsylvania)						
Number of Loans	421,712	404,927	368,872	306,428	241,601	320,234
Median Loan Amount	\$105,000	\$114,000	\$113,000	\$124,000	\$139,000	\$157,000
National						
Number of Loans	11,746,438	11,559,564	10,070,623	7,742,076	5,611,779	7,757,819
Median Loan Amount	\$147,000	\$161,000	\$163,000	\$168,000	\$170,000	\$176,000

Source: PolicyMap

Fair Market Rent

While there was a slight decrease in one- and two-bedroom units in 2006 and a decrease for 2012, overall, Blair County's Fair Market Rents (FMR) increased steadily between 2005 and 2011. The county's FMR for efficiencies increased slightly in 2006; this \$143 per month increase was followed by a sharp decrease to \$411 the following year, which was more in line with other fair market trends. In 2005, the county's FMR ranged from \$375 for an efficiency to \$672 for a four-bedroom apartment; by 2010 these figures increased to \$471 and \$ 844, respectively.



Source: Department of Housing and Urban Development

Fair Market Rent and Housing Affordability

The county's median renter income was \$22,143 for 2009 – more than \$7,000 less than the state average for the same year. The monthly rent that is considered affordable at that income is \$554. As such, a two or more bedroom unit in Blair County is then unaffordable for someone earning the median income. A renter would need an additional 13 percent to afford it.

Blair County Renter Income and Cost			
	Renter median income	Rent affordable at renter median income	Percent of median renter income needed to afford 2 bdrm FMR
Pennsylvania	\$29,342	\$734	114%
Blair County	\$22,143	\$554	113%

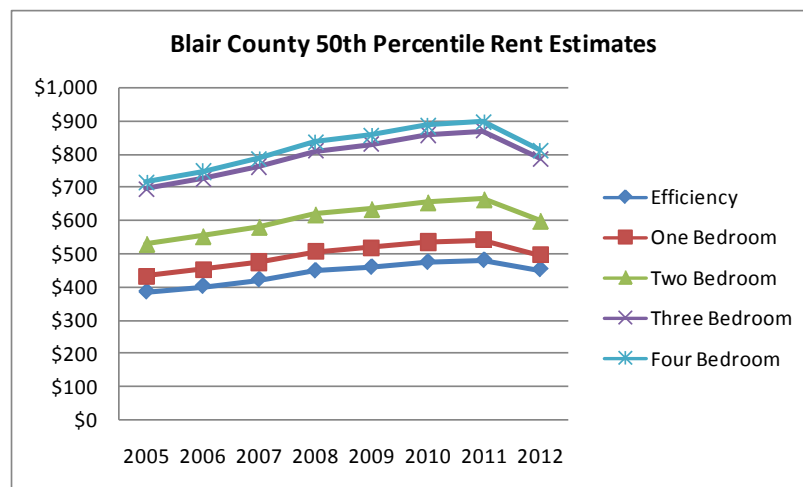
Source: National Low Income Housing Coalition.

Blair County Annual Income Needed to Afford FMR					
	Income needed to afford 0 bdrm FMR	Income needed to afford 1 bdrm FMR	Income needed to afford 2 bdrm FMR	Income needed to afford 3 bdrm FMR	Income needed to afford 4 bdrm FMR
Pennsylvania	\$24,434	\$27,821	\$33,476	\$41,698	\$47,160
Blair County	\$18,840	\$20,640	\$24,960	\$32,680	\$33,760

Source: National Low Income Housing Coalition.

50th Percentile Rent Estimates

Blair County's 50th percentile rent estimates are higher than FMR, since FMR are usually set at the 40th percentile. These rent estimates will decrease in 2012.



Source: Department of Housing and Urban Development

Affordable Housing Search

A search of HUD affordable housing database showed a total of 21 properties, only one of which had two- and three-bedroom units available. A search of PAHousingSearch.com was also completed and results showed 52 apartment properties that fell within the county's Fair Market Rent parameters (\$0-\$850). A total of 36 of the properties, all one- to three-bedroom, showed that interested parties would be placed on a wait list, indicating unavailability. The highest rent returned in the search was \$951. A second search was completed, this time using the highest and lowest rents amounts allowable (\$0-\$4,500). The same number of units was returned in the search.

Building Capacity

Blair County has 298 number of construction companies. Twenty-six of them identify themselves as single family contractors or buildings. Given the size of Blair County, that is a fair number. There does appear to be capacity for additional residential construction. There are nine operative builders. These are builders of duplexes, multi-family, apartments, condominiums, low income housing and single family units. These establishments primarily engaged in building new homes on land that is owned or controlled by the builder rather than the homebuyer or investor. The land is included with the sale of the home. If these builders are not single family builders, then there are nine operating in the county. Based on the data, Blair may be limited in the number and size of specialty contractors such as: siding, painting, concrete, and drywall.

Blair County Construction Capacity 2009						Number of establishments by employment-size class					
NAICS code	NAICS code description	Paid employees 1st Quarter	First-quarter payroll(\$1,000)	Annual payroll (\$1,000)	Total establishments	1-4	5-9	10-19	20-49	50-99	100-249
23----	Construction	2,139	\$16,392	\$79,236	298	183	47	46	18	3	1
236115	New single-family general contractors	71	\$350	\$1,660	17	13	1	3	0	0	0
236117	New housing operative builders	562	\$3,733	\$1,388	9	5	2	2	0	0	0
236118	Residential remodelers	191	\$734	\$3,813	54	44	8	1	1	0	0
236210	Industrial building construction	14	\$82	\$327	2	1	0	1	0	0	0
236220	Commercial and institutional building construction	548	\$4,735	\$22,743	25	7	4	6	6	1	1
237	Heavy and civil engineering construction	C	\$1,161	\$5,753	16	6	4	5	1	0	0
2371	Utility system construction	C	\$881	\$4,080	11	4	3	3	1	0	0
237110	Water and sewer line and related structures construction	B	D	D	4	2	0	2	0	0	0
237120	Oil and gas pipeline and related structures construction	A	D	D	1	0	1	0	0	0	0
237130	Power and communication line and related structures construction	66	\$582	\$2,578	6	2	2	1	1	0	0
237210	Land subdivision	A	D	D	1	1	0	0	0	0	0
237310	Highway, street, and bridge construction	A	D	D	2	0	1	1	0	0	0
237990	Other heavy and civil engineering construction	B	D	D	2	1	0	1	0	0	0
238	Specialty trade contractors	1,132	\$8,965	\$43,552	175	107	28	28	10	2	0
2381	Foundation, structure, and building exterior contractors	236	\$1,447	\$9,129	38	24	1	10	3	0	0
238110	Poured concrete foundation and structure contractors	B	S	\$916	4	3	0	0	1	0	0
238120	Structural steel and precast concrete contractors	A	D	D	1	0	0	1	0	0	0
238130	Framing contractors	A	D	D	1	0	0	1	0	0	0
238140	Masonry contractors	67	\$409	\$2,611	13	9	1	2	1	0	0
238150	Glass and glazing contractors	B	D	D	2	0	0	2	0	0	0
238160	Roofing contractors	84	\$432	\$3,702	11	6	0	4	1	0	0
238170	Siding contractors	A	S	\$116	4	4	0	0	0	0	0
238190	Other foundation, structure, and building exterior contractors	A	D	D	2	2	0	0	0	0	0
238210	Electrical contractors and other wiring installation contractors	287	\$2,600	\$12,337	29	13	6	6	3	1	0
238220	Plumbing, heating, and air-conditioning contractors	356	\$2,944	\$12,472	51	32	8	8	2	1	0
238290	Other building equipment contractors	21	\$296	\$1,044	3	1	1	1	0	0	0
2383	Building finishing contractors	B	\$888	\$3,098	24	18	4	0	2	0	0
238310	Drywall and insulation contractors	35	\$562	\$1,623	4	1	2	0	1	0	0
238320	Painting and wall covering contractors	B	\$255	\$1,087	7	5	1	0	1	0	0
238330	Flooring contractors	A	\$11	\$87	3	3	0	0	0	0	0
238340	Tile and terrazzo contractors	A	D	D	2	2	0	0	0	0	0
238350	Finish carpentry contractors	7	S	\$150	7	7	0	0	0	0	0
238390	Other building finishing contractors	A	D	D	1	0	1	0	0	0	0
238910	Site preparation contractors	106	\$656	\$4,259	22	13	7	2	0	0	0
238990	All other specialty trade contractors	28	\$134	\$1,213	8	6	1	1	0	0	0

Source: US Census Bureau

Blair County also has 843 self-employed companies. The majority are in residential building (181). There are 26 identified as non-residential contractors, i.e. commercial or industrial. Apartment complexes are identified as commercial. Given the inability to separate single family vs. multifamily; and to further evaluate capacity, it is undetermined whether this group of establishments has the capacity to support rapid growth. Additionally, there are several in specialty contracting as well.

Blair County Nonemployer Construction Capacity 2009

NAICS	NAICS Description	Firms	Receipts (\$1,000)
'23'	Construction	843	\$37,840
'2361'	Residential building construction	181	\$9,971
'2362'	Nonresidential building construction	26	\$1,573
'237'	Heavy and civil engineering construction	15	\$774
'2371'	Utility system construction	5	\$136
'23721'	Land subdivision	d	d
'23731'	Highway, street, and bridge construction	5	\$196
'23799'	Other heavy and civil engineering construction	d	d
'2381'	Foundation, structure, and building exterior contractors	81	\$2,987
'23821'	Electrical contractors and other wiring installation contractors	64	\$2,820
'23822'	Plumbing, heating, and air-conditioning contractors	45	\$3,528
'23829'	Other building equipment contractors	8	\$375
'2383'	Building finishing contractors	220	\$7,020
'2389'	Other specialty trade contractors	203	\$8,792

Blair County is classified as has having little or no activity (I) on the Marcellus Shale rating scale developed for this project. Blair has time to plan and prepare for growth and can monitor permit activity in order to project how quickly the play will develop in the county.

Public Housing/Vouchers

Blair County's public housing data were examined from 2005 to 2008. The vast majority of all units were occupied during all years. As seen in the table below, the wait lists to gain access to public housing increased from eight months in 2005/2006 to nearly double that (15 months) in 2008. The wait list for Section 8 certificates and vouchers followed the same path – increasing from 11 to 21 months between 2005 and 2008.

Blair County Public Housing					
	Total Units	Percent Occupied	People per Unit	Total People	Months Waiting
2005	622	94%	1.7	1,023	8
2006	622	96%	1.7	946	8
2007	622	96%	1.7	983	11
2008	622	94%	1.7	1,003	15

Source: Department of Housing and Urban Development

Blair County Section 8 Certificates and Vouchers				
	People per Unit	Total People	Rent Per Month	Months Waiting
2005	2	2061	202	11
2006	1.9	1901	211	15
2007	2	2091	218	21
2008	2	2,149	229	21

Source: Department of Housing and Urban Development

Point-In-Time Counts

Blair County’s number of emergency shelter beds increased from 13 to 21 from 2008 to 2010 . During the same time period, the total number of beds for transitional housing increased from 38 to 60, while beds for individuals decreased. Between 2008 and 2010 the number of families in transitional housing increased from 38 to 41.

Bradford County

Located in Pennsylvania's northern tier region, Bradford County is a sixth-class county that encompasses 1,152 square miles. It is designated as a transitional county by ARC. In terms of population, Bradford is the study area's seventh largest county. Bradford County is far along in its Marcellus Shale development. Between January 2009 and July 2011, the county recorded a total of 1,693 Marcellus Shale permits and 740 wells.

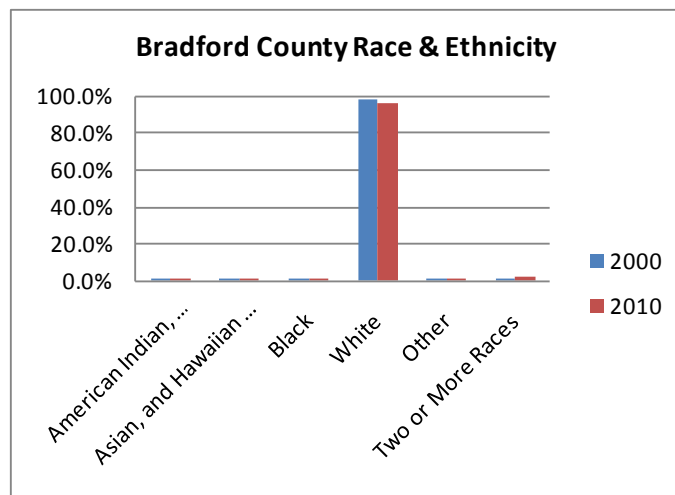
Demographics

Population

Bradford County recorded a 0.2 percent decrease in population between 2000 and 2010 – from 62,761 to 62,622. Its growth rate is slower than that of the Commonwealth of Pennsylvania average. Although the county experienced an increase in its number of residents between ages 20-24, Bradford County is generally growing older and experienced its greatest population increases in its 55-64 and 65-74 age groups. In 2010, the county's median age was 43, compared with 40 statewide.

Race and Ethnicity

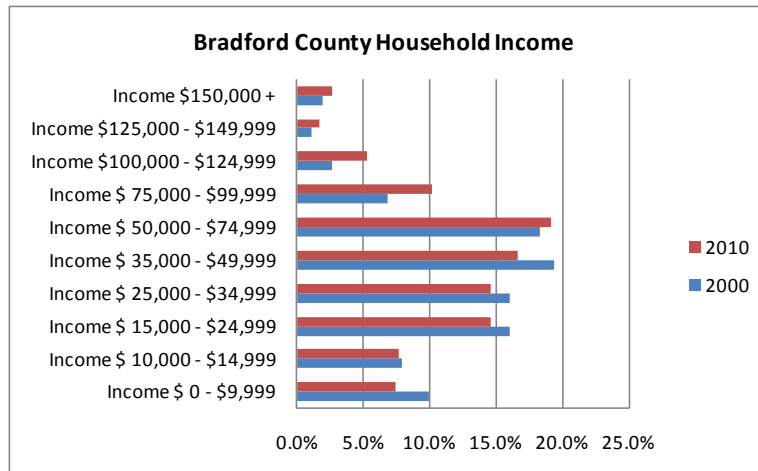
Similar to many other counties in the study area, Bradford County's racial and ethnic makeup is beginning to change. Although the county is still heavily White/Caucasian, it is experiencing significant increases in its Black/African American (+57.5 percent) and Hispanic/Latino (+42.9 percent) populations. In addition, its population of residents who identify as two or more races has increased by over 160 percent. The county's White/Caucasian population in 2010 was 96 percent, compared with 83 percent statewide.



Source: U.S. Census Bureau & Decision Data Resources

Household Income

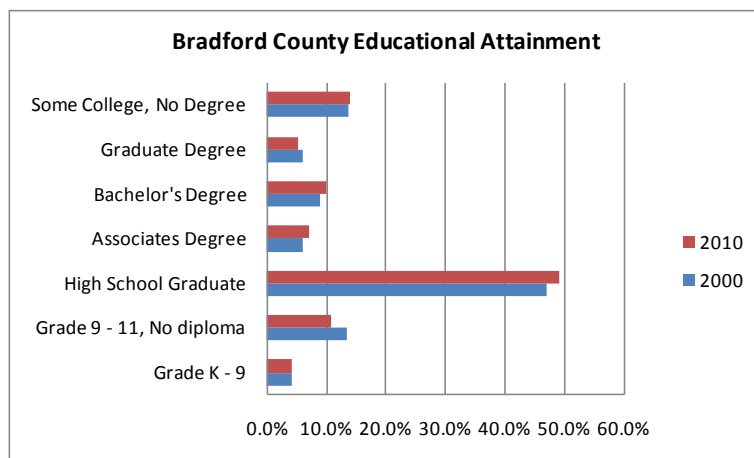
Bradford County's household income is increasing, as residents earning less than \$49,000 decreased across the board. Between 2000 and 2010, the county's number of residents earning \$100,000-\$124,000 more than doubled. Likewise, those earning \$125,000-\$149,000 increased by over 60 percent. The county's median household income increased from \$35,033 in 2000 to \$36,613 in 2010; for the same time period, the statewide median household income increased from \$40,127 in 2000 to \$49,371 in 2010. From this we can infer, however, that Bradford County's income is growing at a much slower rate than Pennsylvania as a whole.



Source: U.S Census Bureau & Decision Data Resources

Educational Attainment

While residents of Bradford County are achieving higher levels of education, nearly half have not attained higher than a high school diploma. Those residents holding an Associate's degree increased by 16 percent while the number of those holding a Bachelor's degree increased by 12.1 percent. While the county has made strides in educational attainment, gaps remain. It should be noted that the number of residents who have obtained a graduate degree decreased by more than 10 percent.

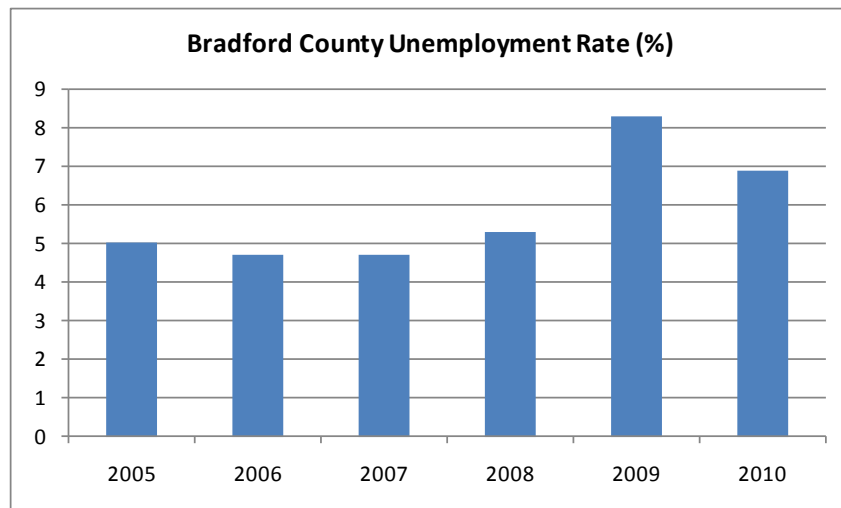


Source: U.S Census Bureau & Decision Data Resources

Employment & Wages

Unemployment

Due to the current weak economy, Bradford County's unemployment rate increased significantly; however, after hitting a six-year high of 8.3 percent in 2009, the county's unemployment rate decreased to 6.9 percent in 2010. Compared to Pennsylvania as a whole, Bradford County fared much better in 2010, when the state's unemployment rate averaged 8.7 percent.



Source: The Center for Workforce Information & Analysis

Poverty

From 2000 to 2009, the county's poverty rate increased among both age groups examined – including all ages, and those under age 18; however, those under age 18 experienced a larger increase, as their poverty rate grew from 15.3 percent in 2000 to 20.8 percent in 2009. Bradford County's poverty rate was higher in both categories than state averages for 2000 and 2009.

Bradford County Poverty			
All ages in poverty		Under age 18 in poverty	
2000	2009	2000	2009
11.0%	14.1%	15.3%	20.8%

Source: U.S. Census Bureau

Business Patterns

According to the U.S. Census Bureau's County Business Patterns, Bradford County experienced a steady decline in its number of employees between 2007 and 2009, after peaking in 2006 with 19,266 employees. Its manufacturing industry dominated, with the highest number of employees each year (4,200-6,200); this industry, however, also experienced a significant decline – losing nearly 2,000

workers during the years examined. Healthcare and social services followed manufacturing closely (4,000-4,500) and also experienced fluctuating employee numbers.

Bradford County Business Patterns							
	2003	2004	2005	2006	2007	2008	2009
Paid employees	18,694	18,490	18,938	19,266	18,093	17,597	17,314
Total establishments	1,314	1,344	1,350	1,336	1,359	1,345	1,341
Annual payroll (\$1,000)	\$517,298	\$525,933	\$537,253	\$572,437	\$572,088	\$575,424	\$581,033

Source: U.S Census Bureau

The number of non-employee firms fluctuated from 2003 to 2009. The highest number of firms of 3,918 was recorded in 2007, while the most recent data reflects the second lowest number of firms – at 3,661 in 2009. Receipts also fluctuated – reaching a high in 2006.

Bradford County Non-Employer Firms							
	2003	2004	2005	2006	2007	2008	2009
Firms	3,651	3,699	3,695	3,828	3,918	3,756	3,661
Receipts (\$1,000)	\$121,936	\$130,458	\$135,796	\$149,650	\$147,203	\$147,101	\$133,541

Annual and Weekly Pay

Bradford County’s average weekly and average annual pay increased each year between 2001 and 2010. The average weekly pay in 2010 was \$708, while the county’s average annual pay was \$36,821.

Bradford County Annual & Weekly Pay		
	Average Annual Pay	Average Weekly Wage
2001	\$28,070	\$540
2002	\$29,034	\$558
2003	\$29,784	\$573
2004	\$30,226	\$581
2005	\$30,973	\$596
2006	\$32,307	\$621
2007	\$33,480	\$644
2008	\$34,799	\$669
2009	\$35,157	\$676
2010	\$36,821	\$708

Source: Bureau of Labor Statistics

Housing

Housing Units

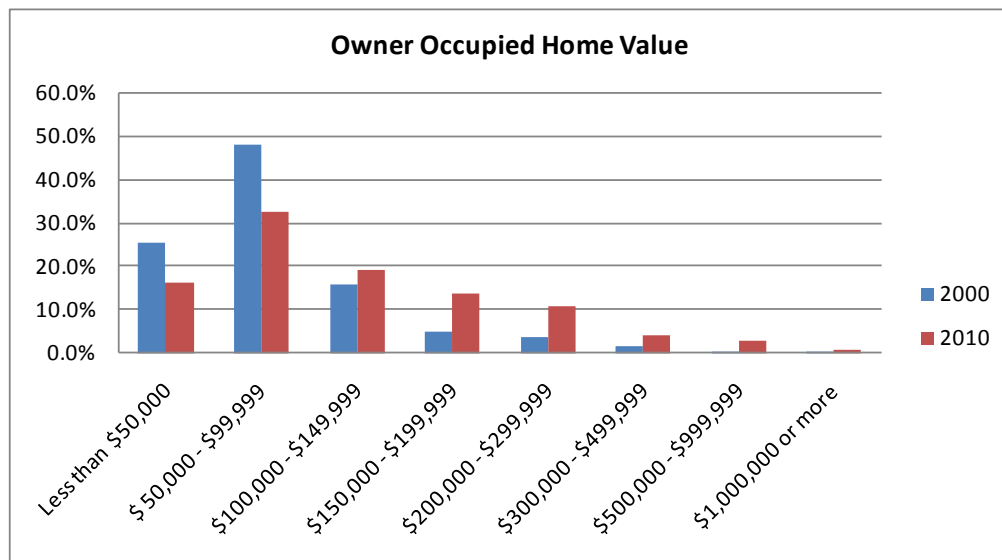
From 2000 to 2010, Bradford County experienced a small rise in its total number of housing units, with a net increase of 1,315. In that same time period, the percentage of renter-occupied housing units increased slightly, while owner-occupied units decreased by 1.7 percent. The county's overall vacancy rate also rose from 14.7 percent to 15.6 percent.

Bradford County Housing Units		
	2000	2010
Total Housing Units	28,664	29,979
Owner-Occupied	64.4%	62.7%
Renter-Occupied	20.9%	21.7%
Vacant	14.7%	15.6%

Source: Decision Data Resources & U.S Census Bureau

Home Values

The median value of owner-occupied homes in Bradford County rose from \$73,831 in 2000 to \$102,400 in 2010. From 2000 to 2010, there was a 15.7 percent decrease in owner-occupied homes valued between \$50,000-\$99,999. During the same time period, there was an 8.7 percent increase in owner-occupied homes valued between \$150,000-\$199,999, and a 2.8 percent increase in those valued between \$300,000-\$499,999. The county's median home value increased from \$73,821 in 2000 to \$102,400 in 2010. Bradford County's home values fell far below Pennsylvania's in 2010, which reached a median value of \$179,900.



Source: Decision Data Resources & U.S Census Bureau

Median Mortgage & Rent

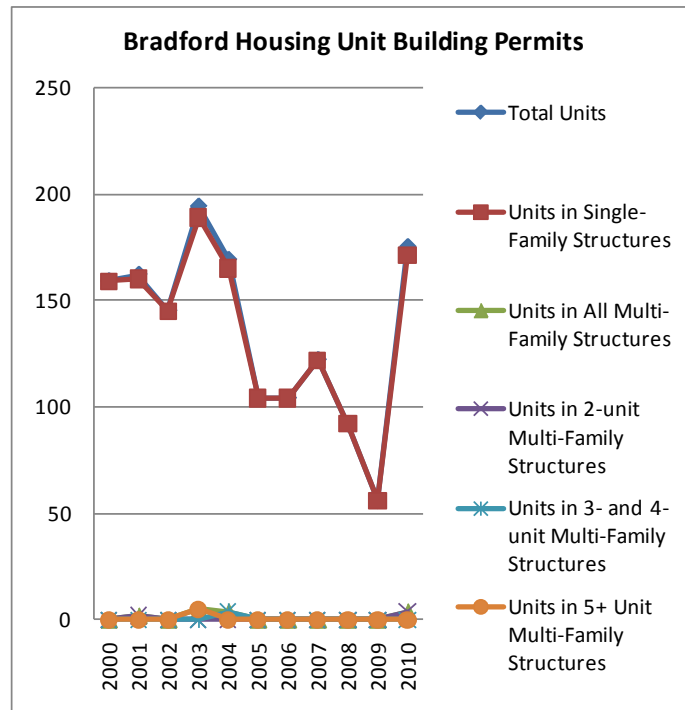
Bradford County’s median mortgage increased from \$783 in 2000 to just over \$1,000 between 2005 and 2009; median rent also grew from \$414 in 2000 to \$532 between 2005 and 2009. Its median mortgage and rent figures fell far below the state and national average for 2010, of \$1,390 and \$763, respectively.

Bradford County Mortgage and Rent		
	2000	2005-2009
Median Mortgage	\$783	\$1,061
Median Rent	\$414	\$532

Source: Decision Data Resources & U.S Census Bureau

Building Permits

After several years of near steady decline, between 2009 and 2010, Bradford County experienced a tremendous increase in building permits, particularly for single family homes, which tripled.



Source: U.S Census Bureau

Home Loans

Due to the nationwide housing crisis, the number of homes loans in Bradford County decreased between 2004 and 2009. While the county’s median loan amount increased by more than \$20,000 during the period examined, median loan amounts in Bradford County fell well below state and national

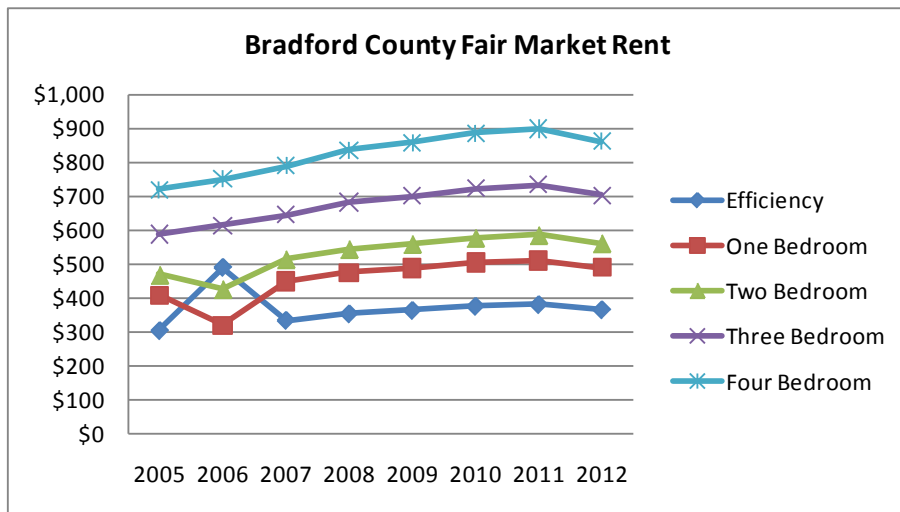
averages.³ In terms of how these loans were used, refinancings accounted for nearly two thirds of all originations.

All Originations	2004	2005	2006	2007	2008	2009
County (Bradford)						
Number of Loans	1,066	979	913	777	565	800
Median Loan Amount	\$72,000	\$78,000	\$78,000	\$84,000	\$85,000	\$95,500
State (Pennsylvania)						
Number of Loans	421,712	404,927	368,872	306,428	241,601	320,234
Median Loan Amount	\$105,000	\$114,000	\$113,000	\$124,000	\$139,000	\$157,000
National						
Number of Loans	11,746,438	11,559,564	10,070,623	7,742,076	5,611,779	7,757,819
Median Loan Amount	\$147,000	\$161,000	\$163,000	\$168,000	\$170,000	\$176,000

Source: PolicyMap

Fair Market Rent

Fair Market Rents (FMR) and 50th Percentile Rent Estimated increased steadily between 2005 and 2012. There was a slight decrease in FMR in one and two bedroom units in 2006, while an increase occurred in efficiencies that same year.



Source: Department of Housing and Urban Development

Fair Market Rent and Housing Affordability

The median renter income in Bradford County is \$24,866— which is over \$4,400 less than the state average. The monthly rent considered affordable at that income is \$622. A renter with a median income would need 94 percent of that income to afford a two bedroom apartment.

³ Home sales data was not available for this county

Bradford County Renter Income and Cost			
	Renter median income	Rent affordable at renter median income	Percent of median renter income needed to afford 2 bdrm FMR
Pennsylvania	\$29,342	\$734	114%
Bradford County	\$24,866	\$622	94%

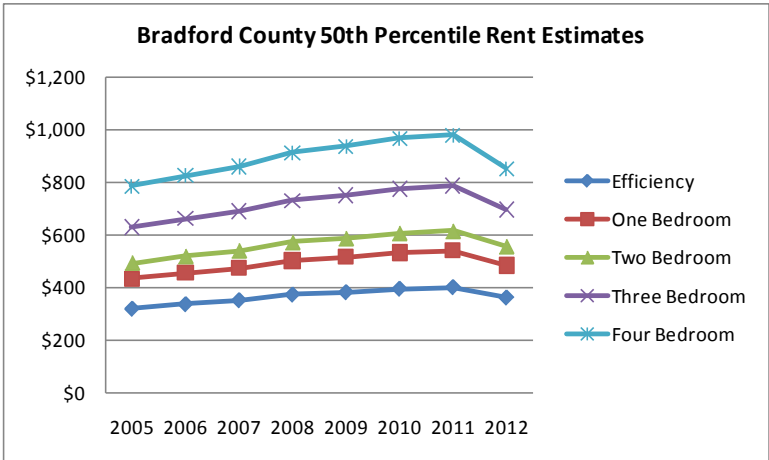
Source: National Low Income Housing Coalition

Bradford County Annual Income Needed to Afford FMR					
	Income needed to afford 0 bdrm FMR	Income needed to afford 1 bdrm FMR	Income needed to afford 2 bdrm FMR	Income needed to afford 3 bdrm FMR	Income needed to afford 4 bdrm FMR
Pennsylvania	\$24,434	\$27,821	\$33,476	\$41,698	\$47,160
Bradford County	\$15,280	\$20,480	\$23,480	\$29,360	\$35,960

Source: National Low Income Housing Coalition

50th Percentile Rent Estimates

Bradford County’s 50th percentile rent estimates are higher than FMR, since those rents are usually set at the 40th percentile. The 50th percentile rent estimated steadily increased through 2011 and decreased in 2012.



Source: Department of Housing and Urban Development

Affordable Housing

A search of HUD's affordable housing database showed a total three properties in Bradford County, the majority of which were one and two bedroom units. Only four subsidized apartments had three or four bedroom units and none in Bradford County contained a five bedroom unit. A search of PAHousingSearch.com was also completed. This search came back with ten apartment properties that fell within the Fair Market Rent parameters (\$0-\$850). A total of seven of the properties showed that interested parties would be placed on a wait list, indicating no availability. All properties were one to three bedrooms. The highest rent returned in the search was \$750. The second search was completed, this time using the highest and lowers rents amounts allowable (\$0-\$4,500). This search yielded 17 properties, indicating that FMR is not really representative of county prices. The highest rent returned in this search was \$1,800. There were a total of five properties with income restrictions. There were 12 properties without income restrictions. Eight of these were homes ranging in price from \$1,100 to \$1,800 for 3/2 bedroom and 2/1 baths; two mobile home trailers with 3/2 bedrooms and one bath at \$500 and two apartments ranging from \$397 for a one bedroom/one bath unit and \$431 for a two bedroom/one bath unit.

Building Capacity

Bradford County is limited in the number of construction companies and contractors (108) available to absorb the capacity needed in the short term. There are only 10 residential contractors and one who may be involved in multi-family construction. Bradford has a limited number of specialty contractors that would be needed for finishing construction. Additionally, there are only four poured concrete firms. Given demand by the drillers for this industry, it may be difficult for them to fulfill the demand with new housing development.

Bradford County Construction Capacity 2009

						Number of establishments by employment-size class			
NAICS code	NAICS code description	Paid employees for pay period including March 12 (number)	First-quarter payroll (\$1,000)	Annual payroll (\$1,000)	Total establishments	1-4	5-9	10-19	20-49
23----	Construction	398	\$2,601	\$14,200	108	80	16	8	4
236115	New single-family general contractors	61	\$410	\$1,972	10	5	3	1	1
236117	New housing operative builders	9	\$107	\$341	1	0	1	0	0
236118	Residential remodelers	37	\$199	\$1,004	18	15	3	0	0
236220	Commercial and institutional building construction	64	\$410	\$1,878	5	2	0	1	2
237	Heavy and civil engineering construction	5	\$37	\$497	5	5	0	0	0
2371	Utility system construction	A	D	D	4	4	0	0	0
237110	Water and sewer line and related structures construction	3	\$26	\$97	3	3	0	0	0
237130	Power and communication line and related structures construction	A	D	D	1	1	0	0	0
237210	Land subdivision	A	D	D	1	1	0	0	0
2381	Foundation, structure, and building exterior contractors	B	\$333	\$1,935	14	11	2	1	0
238110	Poured concrete foundation and structure contractors	A	D	D	4	3	1	0	0
238130	Framing contractors	A	D	D	1	1	0	0	0
238140	Masonry contractors	A	S	\$257	4	4	0	0	0
238160	Roofing contractors	A	D	D	2	2	0	0	0
238170	Siding contractors	A	D	D	2	1	1	0	0
238190	Other foundation, structure, and building exterior contractors	B	D	D	1	0	0	1	0
238210	Electrical contractors and other wiring installation contractors	9	\$31	\$131	3	2	1	0	0
238220	Plumbing, heating, and air-conditioning contractors	80	\$633	\$2,957	14	8	2	3	1
2383	Building finishing contractors	A	S	\$168	6	6	0	0	0
238310	Drywall and insulation contractors	A	D	D	3	3	0	0	0
238330	Flooring contractors	A	D	D	1	1	0	0	0
238340	Tile and terrazzo contractors	A	D	D	1	1	0	0	0
238350	Finish carpentry contractors	A	D	D	1	1	0	0	0
238910	Site preparation contractors	B	\$296	\$2,341	21	17	2	2	0
238990	All other specialty trade contractors	16	\$101	\$976	11	9	2	0	0

Source: U.S. Census Bureau

Bradford does have a number of sole proprietors, but their capacity to build or to hire employees to take on jobs may be challenged. Unemployment is extremely low in Bradford County due to the hiring by the natural gas companies. There again, capacity becomes a question.

Bradford County Nonemployer Construction Capacity 2009

NAICS	NAICS Description	Firms	Nonemployers Receipts (\$1,000)
'23'	Construction	667	\$29,477
'2361'	Residential building construction	217	\$11,715
'2362'	Nonresidential building construction	16	\$501
'237'	Heavy and civil engineering construction	14	\$933
'2371'	Utility system construction	d	d
'23721'	Land subdivision	d	d
'23731'	Highway, street, and bridge construction	d	d
'23799'	Other heavy and civil engineering construction	9	\$372
'2381'	Foundation, structure, and building exterior contractors	68	\$2,677
'23821'	Electrical contractors and other wiring installation contractors	25	\$1,117
'23822'	Plumbing, heating, and air-conditioning contractors	33	\$1,318
'23829'	Other building equipment contractors	6	\$244
'2383'	Building finishing contractors	131	\$5,286
'2389'	Other specialty trade contractors	157	\$5,686

Source: US Census Bureau

Bradford is rated as a very active county (4) on the scale. Bradford is already experiencing the growing pains as it comes to housing. Because drilling demands for contractors is high, Bradford may need to rely on builders from outside the county for support.

Public Housing/Vouchers

Public housing in Bradford County remained nearly at full occupancy between 2005 and 2008. The number of months residents had to wait for public housing increased slightly – from four to six months. Among those who used vouchers to assist with rent, the number of people per unit increased slightly as did the number of months on the waiting list. The waiting list was significantly longer for those housing vouchers than for public housing.

Bradford County Public Housing					
	Total Units	Percent Occupied	People per Unit	Total People	Months Waiting
2005	400	98%	1.2	451	4
2006	400	99%	1.2	452	3
2007	400	97%	1.2	441	6
2008	400	99%	1.1	449	6

Source: Department of Housing and Urban Development

Bradford County Section 8 Certificates and Vouchers				
	People per Unit	Total People	Rent Per Month	Months Waiting
2005	1.7	424	\$213	22
2006	1.8	419	\$239	33
2007	1.8	431	\$247	31
2008	1.8	452	\$243	25

Source: Department of Housing and Urban Development

Point-In-Time Counts

The number of families in emergency shelter and transitional housing increased between 2007 and 2009. In terms of the housing inventory, additional beds were needed for families in emergency shelter.

Cambria County

Located in western Pennsylvania, Cambria County is a fourth- class county that encompasses 700 square miles. It is designated as a transitional county by ARC. In terms of population, Cambria is the study area's second largest county. Between January 2009 and July 2011, the county had a total of 22 Marcellus Shale permits and five wells.

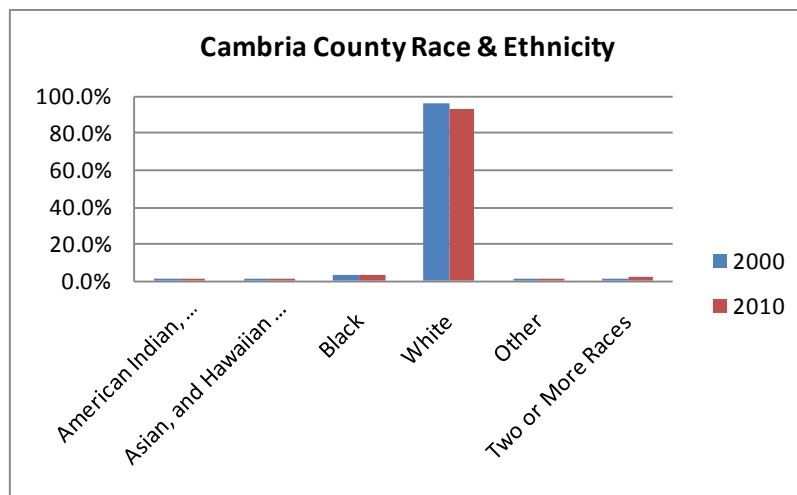
Demographics

Population

Cambria County's population is shrinking. Between 2000 and 2010, its number of residents declined from 152,598 to 143,679; its only population increases occurred in those between ages 45-64 and over 85. Between 2000 and 2010, the county's median increased from 41.2 to 43.7, which indicates that its population is aging. When compared with the Commonwealth of Pennsylvania, the median age of which is 40.2, Cambria County is somewhat older.

Race and Ethnicity

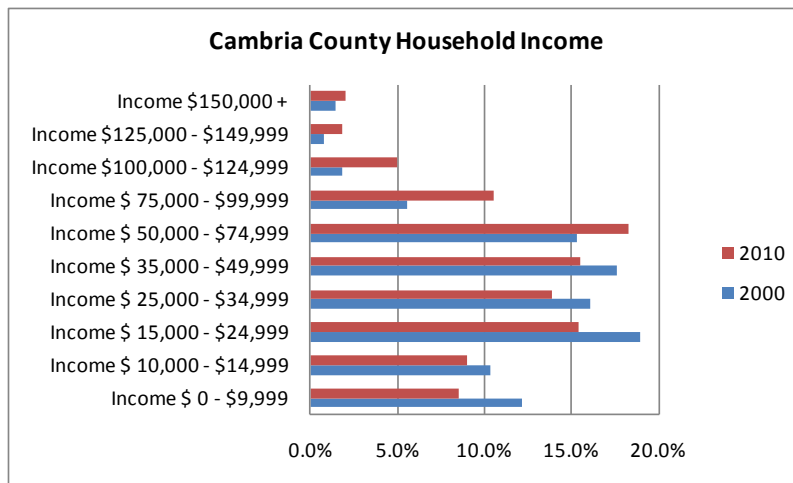
Cambria County remained dominantly White/Caucasian between 2000 and 2010; however, there was a 25 percent increase in its number of Black/African American residents and a nearly 50 percent increase in its Hispanic/Latino population. When compared with the state's 83.4 percent White/Caucasian population, Cambria County is far less racially/ethnically diverse.



Source: U.S Census Bureau & Decision Data Resources

Household Income

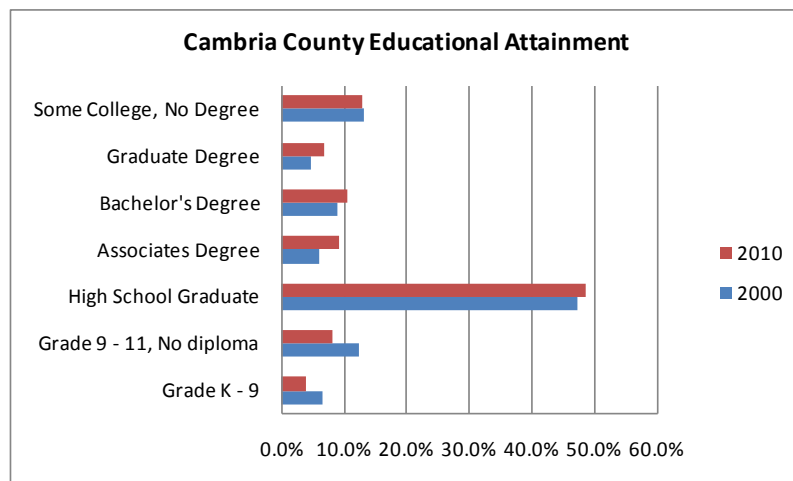
Over the decade between 2000 and 2010, major changes occurred in Cambria County’s household income statistics. There occurred a 165 percent increase in the percentage of population earning in the \$100,000-\$124,999 income range. Likewise, there was a 150 percent increase in the percentage of population earning in the \$125,000-\$149,999 income range. While the county’s median household income increased from \$30,188 in 2000 to \$37,871 in 2010, Cambria County still trailed the statewide median household income of \$53,205.



Source: U.S Census Bureau & Decision Data Resources

Educational Attainment

Cambria County residents are improving their educational attainment levels. Between 2000 and 2010, all levels of educational attainment increased. The most significant increase occurred among those residents who have earned Associate’s (+54.3 percent) and Master’s (+41.8 percent) degrees. Although the county has steadily increased its educational attainment over the last decade, it continues to trail the state average, which, in 2010 showed that nearly 18 percent of residents have earned a Bachelor’s degree and over 10 percent have earned a graduate or professional degree.



Source: U.S Census Bureau & Decision Data Resources

Employment & Wages

Poverty

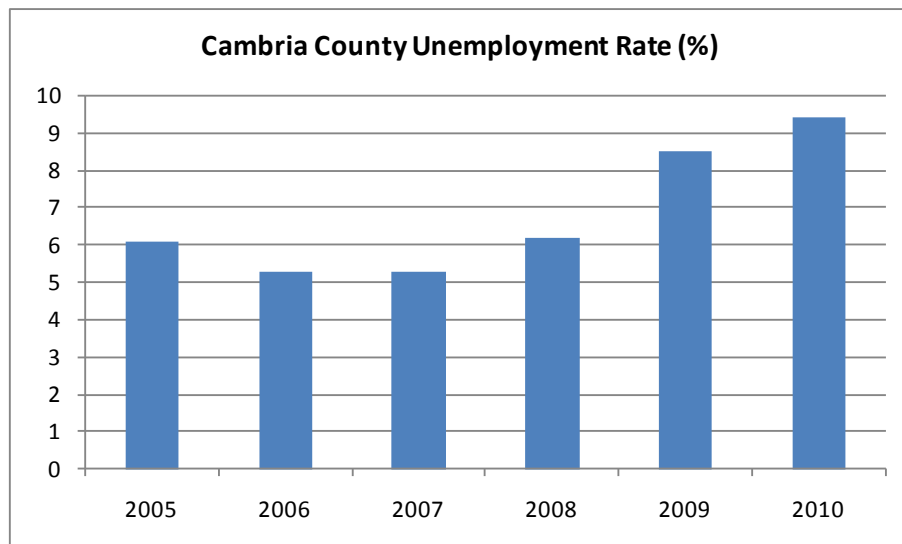
All of Cambria County's age groups experienced an increase in poverty between 2000 and 2009. Like the previous counties discussed in this report, the poverty status among children under the age of 18 increased at a higher rate than for all individuals. In 2009, Cambria County's poverty rates for all ages and for those under age 18 exceeded Pennsylvania's respective rates of 12.5 percent and 17.1 percent, respectively.

Cambria County Poverty			
All ages in poverty		Under age 18 in poverty	
2000	2009	2000	2009
11.8%	15.5%	16.0%	21.7%

Source: U.S. Census Bureau

Unemployment

In 2008, Cambria County began to see unemployment rate increases; such increases have continued through 2010, when they reached a six-year high of 9.4 percent. As a result, the county now has one of the highest unemployment rates among all counties examined. In 2010, Cambria County's unemployment rate exceeded that of the state (8.7 percent).



Source: The Center for Workforce Information & Analysis

Business Patterns

According to the U.S. Census Bureau's County Business Patterns, Cambria County's number of workers fluctuated between 2003 and 2009. The count reached a high in 2006 with a total of 51,450 employees, and a low in 2005 with 49,365 employees. Between 2005 and 2009, the county's healthcare and social assistance industry dominated - with over 11,000 employees each year. With more than 4,000 employees, retail trade followed, and with over 5,000 employees during all years, manufacturing ranked

third. Cambria County's business establishments totaled 3,439 in 2009. Over 49 percent of those establishments employed 1-4 individuals, just one establishment employed 500-999 people, and three employed 1,000 or more.

Cambria County Business Patterns							
	2003	2004	2005	2006	2007	2008	2009
Paid employees	48,591	49,596	49,365	51,450	50,742	51,313	50,616
Total establishments	3,518	3,519	3,538	3,558	3,552	3,486	3,439
Annual payroll (\$1,000)	\$1,201,944	\$1,282,319	\$1,344,709	\$1,454,640	\$1,437,559	\$1,524,060	\$1,554,874

Source: U.S Census Bureau

The county's number of non-employer firms varied throughout the period. The greatest number of firms and the highest receipts were observed in 2005, while the smallest number firms and lowest receipts were recorded in 2009.

Cambria County Non-Employer Firms							
	2003	2004	2005	2006	2007	2008	2009
Firms	6,569	6,768	6,859	6,748	6,955	6,860	6,537
Receipts (\$1,000)	\$231,475	\$238,400	\$259,504	\$256,722	\$262,903	\$257,693	\$220,838

Source: U.S Census Bureau

Annual and Weekly Pay

Over the ten years examined, Cambria County's average weekly and average annual pay steadily increased, without any decline. In 2010, the average annual pay in Cambria County was \$33,994, while the average weekly wage was \$654.

Cambria County Annual & Weekly Pay		
	Average Annual Pay	Average Weekly Wage
2001	\$26,094	\$502
2002	\$26,685	\$513
2003	\$27,691	\$533
2004	\$28,315	\$545
2005	\$29,335	\$564
2006	\$29,972	\$576
2007	\$31,384	\$604
2008	\$32,464	\$624
2009	\$33,238	\$639
2010	\$33,994	\$654

Source: Bureau of Labor Statistics

Housing

Housing Units

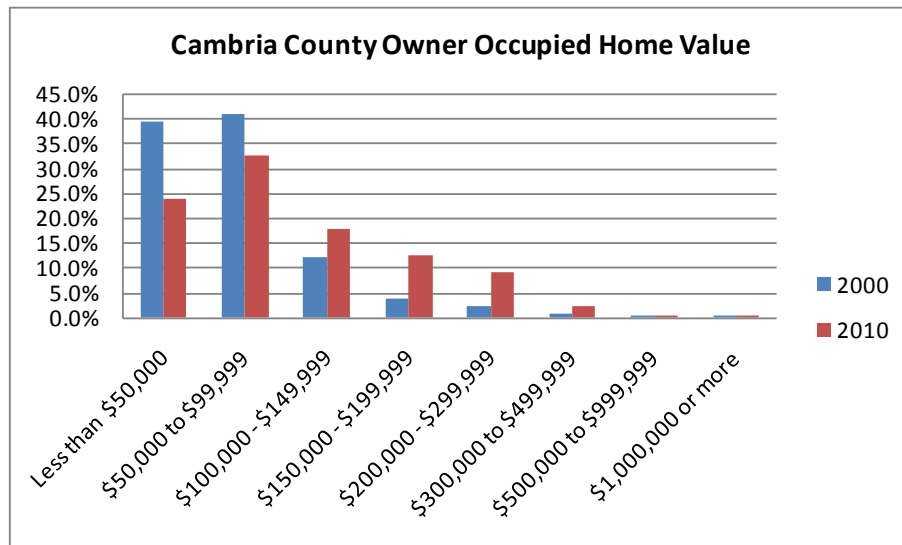
From 2000 to 2010, Cambria County experienced a small decrease in its total number of housing units, with a net loss of 146. In that same time period, the percentage of renter-occupied housing units increased slightly, while owner-occupied units declined 2.7 percent. The county's overall vacancy rate also rose from 8.0 percent to 10.2 percent. Its vacancy rate for 2010 exceeded the state's and nation's for the same year, which totaled 9.9 percent and 11.4 percent, respectively.

Cambria County Housing Units		
	2000	2010
Total Housing Units	65,796	65,650
Owner-Occupied	68.8%	66.1%
Renter-Occupied	23.2%	23.7%
Vacant	8.0%	10.2%

Source: Decision Data Resources & U.S Census Bureau

Home Values

The median value of owner-occupied homes in Cambria County increased from \$62,592 in 2000 to \$90,400 in 2010. From 2000 to 2010, there was an 8.2 percent decrease in owner-occupied homes valued between \$50,000 and \$99,999. In the same time period, there was an 8.9 percent increase in owner-occupied homes valued between \$150,000-\$199,999 and a 1.7 percent increase in those valued between \$300,000-\$499,999.



Source: Decision Data Resources & U.S Census Bureau

Median Mortgage and Rent

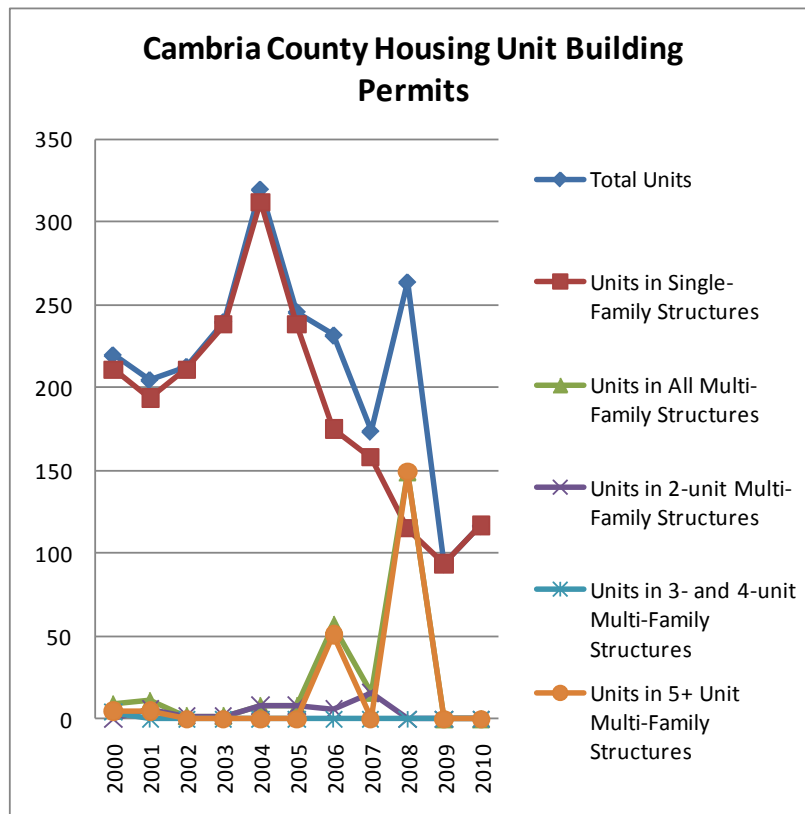
From 2000 to 2005-2009, Cambria County’s median mortgage increased by 31 percent, yet remained under the \$1,000 mark. Over the same time period, its median rent increased at a slightly faster rate – rising 35 percent. Both its median mortgage and median rent for 2005-2009 fell far below state medians of \$1,359 and \$531, respectively.

Cambria County Mortgage and Rent		
	2000	2005-2009
Median Mortgage	\$719	\$944
Median Rent	\$361	\$488

Source: U.S Census Bureau

Building Permits

Multi-family structures with 5 more units saw a tremendous amount of activity during the period examined. Although single family homes dominated, in 2008 building permits for structures with multiple units in Cambria County surpassed single family units and comprised more than half of all building permits issued.



Source: U.S Census Bureau

Home Sales

Homes sales in Cambria County steadily declined between 2006 and 2008, with a very slight increase in 2009. Median home prices also declined, hitting a low of \$22,250 in 2007, before recovering to \$34,250 in 2009. Median sale prices plummeted in 2008, but also recovered in 2009 and 2010. In Cambria County, 36.9 percent of loans originated for the purpose of purchasing a home in 2009, while 63.1 percent originated for refinancing. In the first quarter of 2011 home sales in Cambria County reached \$8,681,285. The median sale price was \$57,250.

	Number of Home Sales*				
	2006	2007	2008	2009	2010
Cambria, PA (County)	53	52	20	22	1,933

Source: PolicyMap

- Per Policy Map: The uptick in number of sales is due to better reporting, which does occur randomly across the US. The 4th quarter increase also suggests that it might be an increase of reporting, since it does not happen throughout the year.

	Median Sale Price				
	2006	2007	2008	2009	2010
Cambria, PA (County)	\$63,000	\$40,450	\$22,250	\$34,250	\$60,000

Source: PolicyMap

Home Loans

Between 2004 and 2009, the total number of homes loans in Cambria decreased significantly; regardless, the median loan amount increased during each year examined –from \$60,000 in 2004 to \$82,000 in 2009. The county’s median loan amount was significantly lower than the state and the nation.

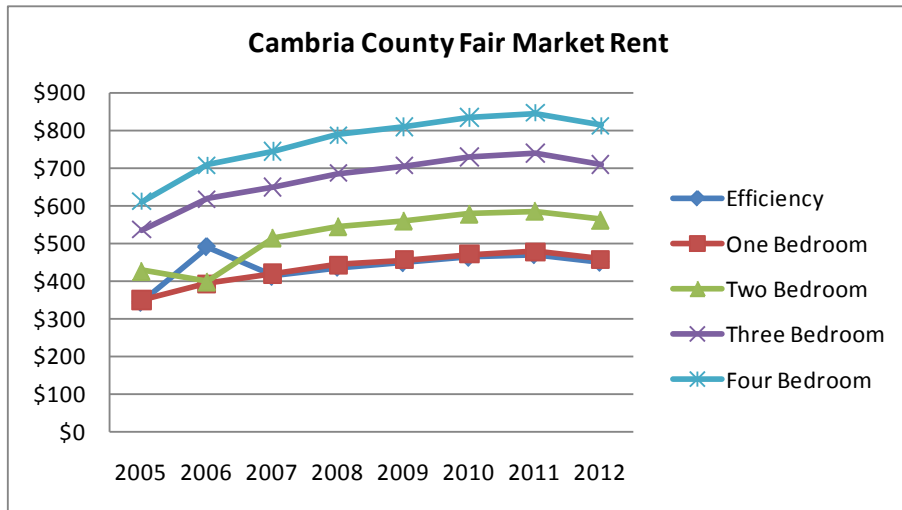
All Originations	2004	2005	2006	2007	2008	2009
County (Cambria)						
Number of Loans	3,444	2,926	2,923	2,590	2,222	2,381
Median Loan Amount	\$60,000	\$63,000	\$61,000	\$65,000	\$71,000	\$82,000
State (Pennsylvania)						
Number of Loans	421,712	404,927	368,872	306,428	241,601	320,234
Median Loan Amount	\$105,000	\$114,000	\$113,000	\$124,000	\$139,000	\$157,000
National						
Number of Loans	11,746,438	11,559,564	10,070,623	7,742,076	5,611,779	7,757,819
Median Loan Amount	\$147,000	\$161,000	\$163,000	\$168,000	\$170,000	\$176,000

Source: PolicyMap

Fair Market Rent

As was the case in previous counties examined, Cambria County’s FMRs increased between 2005 and 2011, with the exception of a slight decrease in two bedroom units in 2006. Also in 2006, there was a \$146 per month increase in efficiencies, followed by a sharp decrease to \$413 in 2007; this fluctuation mirrored other fair market trends. In 2005, Cambria County’s FMR ranged from \$345 for an efficiency

apartment to \$612 for a four-bedroom apartment. By 2010, these FMR's increased to \$470 and \$846, respectively. The U.S. Department of Housing and Urban Development's (HUD) 50th Percentile Rent Estimates proved to be more stable, with no real fluctuations during the years examined.



Source: Department of Housing and Urban Development

Fair Market Rent and Housing Affordability

Cambria County's median renter income was \$21,045 – \$8,300 less than the state average. The monthly rent affordable at that income is \$526; as such, in Cambria County, a two- or more bedroom unit is unaffordable for a person earning the median income. A renter would need to earn an additional 12 percent in order to afford the county's median rent.

Cambria County Renter Income and Cost			
	Renter median income	Rent affordable at renter median income	Percent of median renter income needed to afford 2 bdrm FMR
Pennsylvania	\$29,342	\$734	114%
Cambria County	\$21,045	\$526	112%

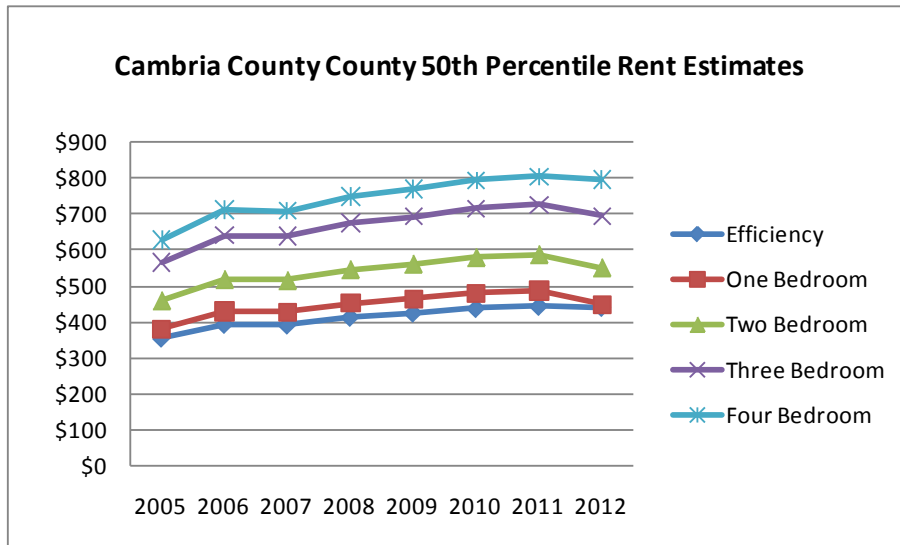
Source: National Low Income Housing Coalition

Cambria County Annual Income Needed to Afford FMR					
	Income needed to afford 0 bdrm FMR	Income needed to afford 1 bdrm FMR	Income needed to afford 2 bdrm FMR	Income needed to afford 3 bdrm FMR	Income needed to afford 4 bdrm FMR
Pennsylvania	\$24,434	\$27,821	\$33,476	\$41,698	\$47,160
Cambria County	\$18,800	\$19,120	\$23,480	\$29,560	\$33,840

Source: National Low Income Housing Coalition.

50th Percentile Rent Estimates

The 50th percentile rent estimates are higher than FMR since those they are usually set at the 40th percentile. As in the other counties examined, 50th percentile rent estimates proved to be more steady.



Source: Department of Housing and Urban Development

Affordable Housing

A search of HUD's affordable housing database showed a total of 15 properties in Cambria County, only a third of which contained two- and three-bedroom units. A search of PAHousingSearch.com was also completed. The search yielded 26 properties that included rental units, which fell within FMR parameters (\$0-\$850). Of the 26 returned, 17 showed that interested parties would be placed on a wait list. The highest rent returned in the search was \$1,006. A total of three properties had income restrictions. Three bedroom apartments ranged from \$620 to \$878 while two bedroom apartments ranged from \$530 to \$771 and one bedroom ranged from \$223 to \$503.

Building Capacity

Cambria has over 300 construction companies with approximately one-third specializes in residential construction. There appears to be a small number of contractors for multi-family programs (two identified under NAICS code 236116). There is also one identified under operative. The operative could build single, multi, or both. Specific information is not available and there are limited specialty and finishing contractors.

Cambria County Construction Capacity 2009

NAICS code	NAICS code description	Paid employees for pay		Annual payroll (\$1,000)	Total establishments	Number of establishments by employment-size class					
		First-quarter period including March 12 (number)	First-quarter payroll (\$1,000)			1-4	5-9	10-19	20-49	50-99	100-249
23----	Construction	1832	\$14,949	\$67,291	305	210	50	29	12	3	1
23611	Residential building construction	310	\$1,425	\$7,307	101	85	12	3	1	0	0
236115	New single-family general contractors	79	\$371	\$1,962	26	21	4	1	0	0	0
236116	New multifamily housing construction (except operative builders)	A	D	D	2	2	0	0	0	0	0
236117	New housing operative builders	A	D	D	1	0	0	1	0	0	0
236118	Residential remodelers	212	\$997	\$5,024	72	62	8	1	1	0	0
236210	Industrial building construction	7	\$44	\$193	2	1	1	0	0	0	0
236220	Commercial and institutional building construction	148	\$1,180	\$6,783	17	6	6	4	1	0	0
237	Heavy and civil engineering construction	155	\$1,873	\$11,596	17	9	4	2	1	1	0
237110	Water and sewer line and related structures construction	31	\$189	\$946	4	1	1	2	0	0	0
237130	Power and communication line and related structures construction	65	\$1,018	\$4,140	6	4	1	0	0	1	0
237210	Land subdivision	A	D	D	1	1	0	0	0	0	0
237310	Highway, street, and bridge construction	59	S	\$6,490	4	1	2	0	1	0	0
237990	Other heavy and civil engineering construction	A	D	D	2	2	0	0	0	0	0
2381	Foundation, structure, and building exterior contractors	196	\$1,309	\$6,253	39	30	2	5	2	0	0
238110	Poured concrete foundation and structure contractors	113	\$696	\$3,357	13	7	2	2	2	0	0
238130	Framing contractors	A	\$43	\$300	5	5	0	0	0	0	0
238140	Masonry contractors	33	\$223	\$1,123	11	9	0	2	0	0	0
238150	Glass and glazing contractors	B	D	D	3	2	0	1	0	0	0
238160	Roofing contractors	A	\$64	\$511	4	4	0	0	0	0	0
238170	Siding contractors	A	D	D	2	2	0	0	0	0	0
238190	Other foundation, structure, and building exterior contractor	A	D	D	1	1	0	0	0	0	0
238210	Electrical contractors and other wiring installation contractor:	228	\$2,288	\$10,886	22	14	2	3	2	1	0
238220	Plumbing, heating, and air-conditioning contractors	331	\$3,579	\$12,251	46	26	10	7	2	1	0
238290	Other building equipment contractors	8	\$39	\$181	2	1	1	0	0	0	0
2383	Building finishing contractors	309	\$2,286	\$7,944	26	15	5	3	2	0	1
238310	Drywall and insulation contractors	226	\$1,914	\$6,109	5	0	1	1	2	0	1
238320	Painting and wall covering contractors	A	\$66	\$424	5	3	2	0	0	0	0
238330	Flooring contractors	12	\$65	\$292	4	3	1	0	0	0	0
238340	Tile and terrazzo contractors	A	D	D	2	2	0	0	0	0	0
238350	Finish carpentry contractors	38	\$189	\$948	8	6	1	1	0	0	0
238390	Other building finishing contractors	A	D	D	2	1	0	1	0	0	0
238910	Site preparation contractors	93	\$489	\$2,444	27	20	5	2	0	0	0
238990	All other specialty trade contractors	47	\$437	\$1,453	6	3	2	0	1	0	0

Source: U.S Census Bureau

Cambria has a large number of self-employed residential contractors (212) and an additional 31 who could be engaged in multi-family construction. There does appear to be a large number of finishing and specialty nonemployee businesses, but their capacity cannot be determined.

Cambria County Nonemployer Construction Capacity 2009			
NAICS	NAICS Description	Firms	Receipts (\$1,000)
'23'	Construction	865	\$33,965
'2361'	Residential building construction	212	\$12,028
'2362'	Nonresidential building construction	31	\$1,486
'237'	Heavy and civil engineering construction	17	\$1,018
'2371'	Utility system construction	d	d
'23721'	Land subdivision	d	d
'23731'	Highway, street, and bridge construction	d	d
'23799'	Other heavy and civil engineering construction	d	d
'2381'	Foundation, structure, and building exterior contractors	74	\$2,362
'23821'	Electrical contractors and other wiring installation contractor	55	\$1,616
'23822'	Plumbing, heating, and air-conditioning contractors	39	\$1,762
'23829'	Other building equipment contractors	10	\$502
'2383'	Building finishing contractors	210	\$6,437
'2389'	Other specialty trade contractors	217	\$6,754

Source: U.S Census Bureau

Cambria is rated one on the Marcellus scale with little or no activity. Cambria has similar opportunities to Blair in that it has time to plan and prepare for changes.

Public Housing/Vouchers

Cambria County's total number of public housing units decreased between 2005 and 2008. The number of people per unit increased slightly, while the number of months individuals were waiting to gain access decreased from eight to three. During the same time period, the total number of people receiving Section 8 vouchers increased from 861 to 1,226, which resulted in a decline in the average number of months on a wait list.

Cambria County Public Housing					
	Total Units	Percent Occupied	People per Unit	Total People	Months Waiting
2005	1,519	90%	1.4	1,629	8
2006	1,522	93%	1.5	2,098	7
2007	1,512	95%	1.5	2,145	4
2008	1,505	97%	1.5	2,205	3

Source: Department of Housing and Urban Development

Cambria County Section 8 Certificates and Vouchers				
	People per Unit	Total People	Rent Per Month	Months Waiting
2005	2.3	861	253	30
2006	2.2	1,148	285	6
2007	2.2	1,217	267	5
2008	2.2	1,226	268	11

Source: Department of Housing and Urban Development

Point-In-Time Counts

Cambria County’s number of emergency shelter beds decreased from 35 in 2008 to 30 in 2010 for individuals, and increased from 23 to 30 for families. The total number of beds in transitional housing decreased for individuals from 19 to 7, while beds for families increased from and eight to 11.

Clearfield County

Located in Central Pennsylvania, Clearfield County is a sixth-class county that encompasses 2,284 square miles. It is designated as a transitional county by ARC. In terms of population, Clearfield is the study area's sixth largest county. Between January 2009 and July 2011, the county had a total of 214 Marcellus Shale permits and 104 wells.

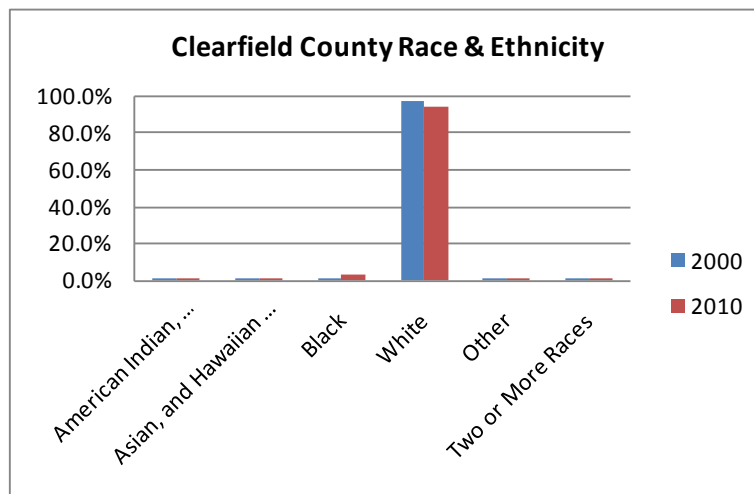
Demographics

Population

Between 2000 and 2010, Clearfield County experienced a 2.1 percent population decrease - from 83,382 to 81,642. The county is also aging. The number of residents in all groups under age 34 declined, while the number of those in nearly all groups over age 34 increased. The median age also increased between 2000 and 2010 - from 39.3 to 43.1. Compared to the Commonwealth of Pennsylvania, where the median age is 40.2, Clearfield County is somewhat older.

Race and Ethnicity

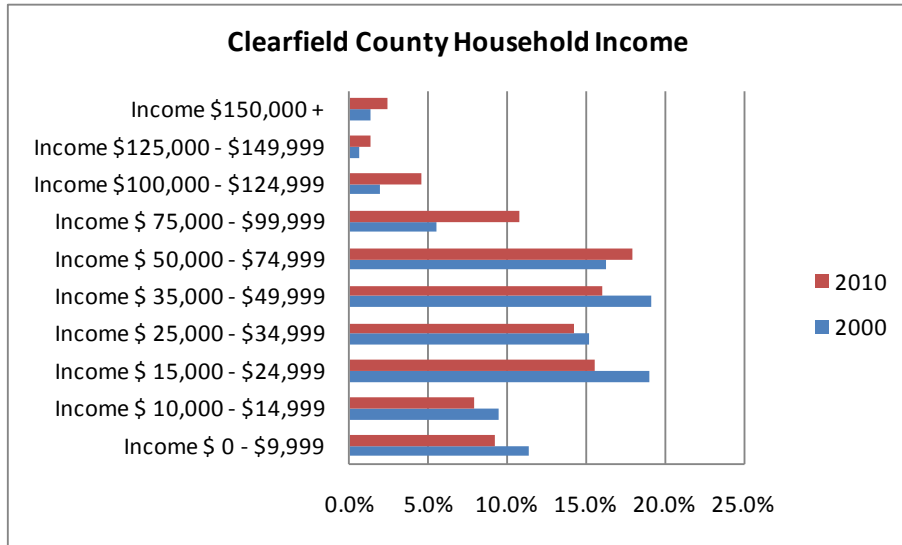
Clearfield County's racial and ethnic makeup is shifting. The percentage of White/Caucasian residents has decreased from 97.6 percent in 2000 to 95.1 percent in 2010. The percentage of Black/African American residents, as well as those who identify as two or more races each increased by more than 100 percent. Likewise, the county's Hispanic/Latino population grew by more than 90 percent. Nevertheless, Clearfield County still had a much higher White/Caucasian population than the state, which averaged 83.4 percent in 2010.



Source: U.S Census Bureau & Decision Data Resources

Household Income

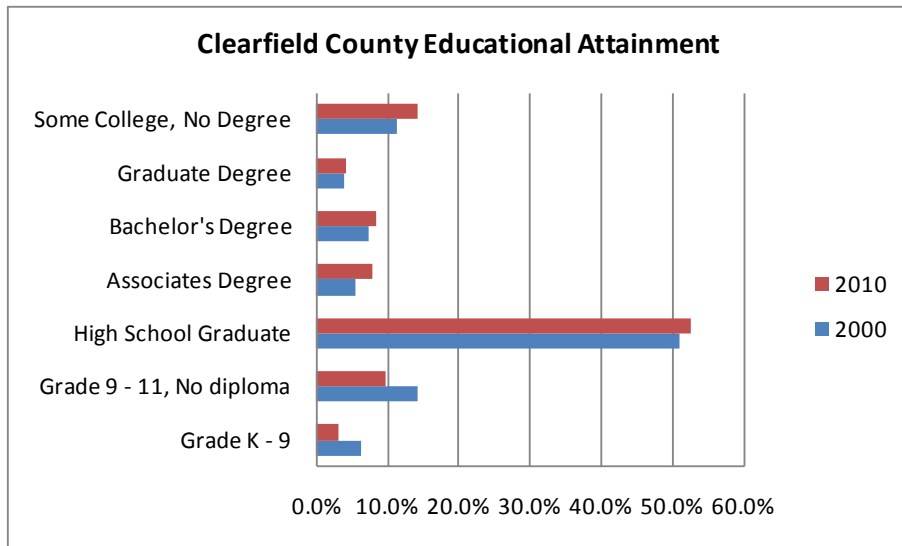
Between 2000 and 2010, the number of residents earning over \$50,000 increased. The percentage of those earning \$100,000-\$124,999 increased nearly 130 percent. Over the same ten years, the greatest decrease occurred among those earning between \$15,000-\$24,000, which shrunk by 18.3 percent. Clearfield County's median household income grew from \$31,430 in 2000 to \$37,325 in 2010, although it continued to fall below Pennsylvania's 2010 median household income of \$53,205.



Source: U.S Census Bureau & Decision Data Resources

Educational Attainment

From 2000 to 2010, the percentage of Clearfield County residents earning an Associate’s degree increased by 41 percent, which was the greatest increase among the educational attainment levels examined. The greatest decrease occurred among those with a K-9 education, which dropped from 6.3 percent to 3.2 percent. Although the county increased its educational attainment over the period, it still fell behind the Commonwealth, which in 2010 showed nearly 18 percent of residents with a Bachelor’s degree and over 10 percent with a graduate of professional degree.



Source: U.S Census Bureau & Decision Data Resources

Employment & Wages

Poverty

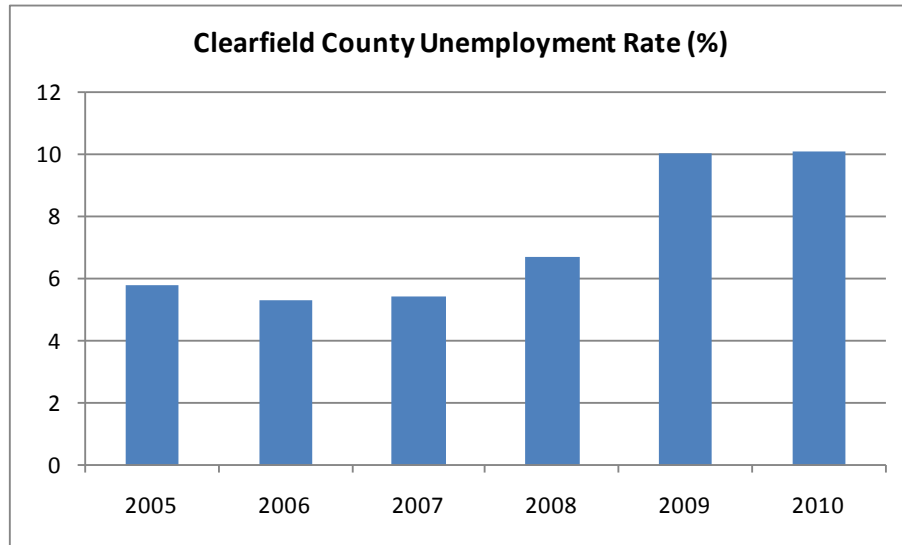
Similar to the other counties examined, from 2000 to 2009, Clearfield County’s poverty rate increased among all ages, as well as those under age 18. Poverty for all age groups increased by 2.3%, while poverty among those under age 18 increased by more than twice that. In 2009, Clearfield County’s poverty rates exceeded those of the Commonwealth, which reached 12.5 percent for all ages and 17.1 percent among those under age 18.

Clearfield County Poverty			
All ages in poverty		Under age 18 in poverty	
2000	2009	2000	2009
11.9%	14.2%	16.1%	21.6%

Source: U.S. Census Bureau

Unemployment

After a slight decline between 2005 and 2006, Clearfield County's unemployment rate increased during each year examined. The county was one of the few within the study area to see unemployment figures exceed 10 percent. In 2010, the county's unemployment rate also exceeded that of the Commonwealth, which was 8.7 percent.



Source: The Center for Workforce Information & Analysis

Business Patterns

According to the U.S. Census Bureau's County Business Patterns, Clearfield County's number of employees was very unstable, and fluctuated each year between 2005 and 2009. In 2009, the county's number of employees hit a five-year high of 25,837, and in 2007 it hit a low of 25,207. The county's healthcare and social assistance industry recorded the highest number of employees between 2005 and 2009, with over 5,000 workers each year. Retail trade followed, with over 4,000 employees and manufacturing ranked third with over 3,000 employees during all years. The county's total number of business establishments reached 1,937 in 2009. More than 50 percent of those businesses employed 1-4 people.

Clearfield County Business Patterns							
	2003	2004	2005	2006	2007	2008	2009
Paid employees	25,207	25,368	25,237	25,791	25,000	25,837	24,774
Total establishments	1,954	1,959	1,988	1,959	2,003	1,991	1,973
Annual payroll (\$1,000)	\$610,757	\$641,243	\$671,617	\$691,861	\$697,075	\$748,807	\$721,276

Source: U.S. Census Bureau

Non-employer firms experienced some growth during the middle phase of the years examined, but fell off in 2009, when the total number of firms hit a low.

Clearfield County Non-Employer Firms							
	2003	2004	2005	2006	2007	2008	2009
Firms	4,387	4,548	4,531	4,568	4,668	4,539	4,356
Receipts (\$1,000)	\$174,510	\$194,121	\$199,685	\$190,356	\$193,206	\$187,497	\$157,391

Source: U.S Census Bureau

Annual and Weekly Pay

Between 2001 and 2010, Clearfield County residents' average pay increased by nearly \$8, 000, while their weekly wages increased by \$152. The largest weekly wage increase occurred between 2007 and 2008, when the average jumped by \$25 per week.

Clearfield County Annual & Weekly Pay		
	Average Annual Pay	Average Weekly Wage
2001	\$24,990	\$481
2002	\$25,679	\$494
2003	\$26,191	\$504
2004	\$27,163	\$522
2005	\$28,134	\$541
2006	\$28,850	\$555
2007	\$30,419	\$585
2008	\$31,727	\$610
2009	\$32,321	\$622
2010	\$32,903	\$633

Source: Bureau of Labor Statistics

Housing

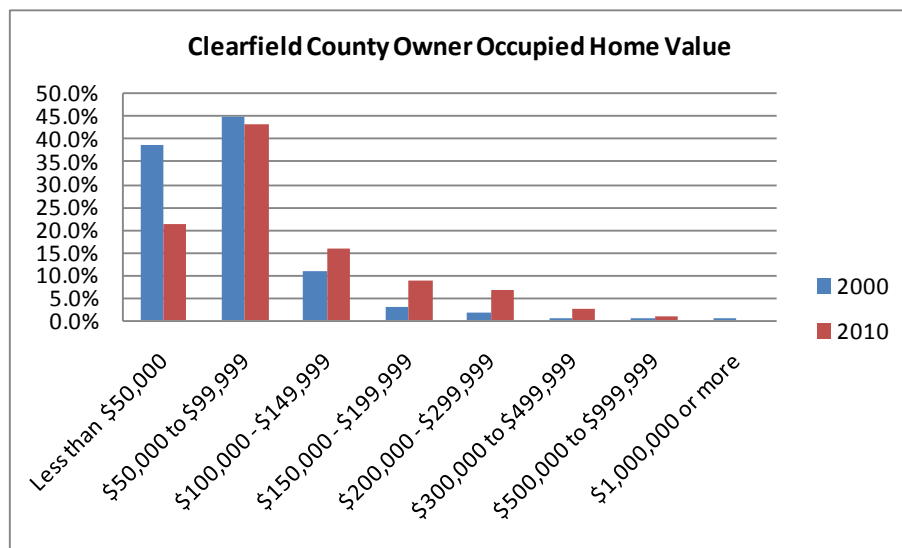
Housing Units

From 2000 to 2010, Clearfield County experienced a net increase of 789 in its total number of housing units. In that same time period, the percentage of renter-occupied housing units increased slightly, while owner-occupied units declined 4.4 percent. The county's overall vacancy rate also rose from 13.4 percent to 16.5 percent; its vacancy rate was higher than those of the state and the nation, which averaged 9.9 percent and 11.4 percent, respectively.

Clearfield County Housing Units		
	2000	2010
Total Housing Units	37,855	38,644
Owner-Occupied	68.6%	64.2%
Renter-Occupied	18.0%	19.3%
Vacant	13.4%	16.5%

Source: Decision Data Resources & U.S Census Bureau

The median value of owner-occupied homes in Clearfield County rose from \$62,405 in 2000 to \$80,600 in 2010. From 2000 to 2010, there was a 1.7 percent decrease in owner-occupied homes valued between \$50,000-\$99,999. In the same time period, there was a 5.7 percent increase in owner-occupied homes valued between \$150,000-\$199,999 and a 2.3 percent increase in those valued between \$300,000-\$499,999.



Source: Decision Data Resources & U.S Census Bureau

Median Mortgage and Rent

Since 2000 the median mortgage increased by 27.9 percent, yet remained under the \$1,000 mark. Median rent also increased at a bit of a faster rate – going up by 40.7 percent. From 2005 to 2009, the county’s median rent and median mortgage rates fell far below state averages of \$531 and \$1,359, respectively.

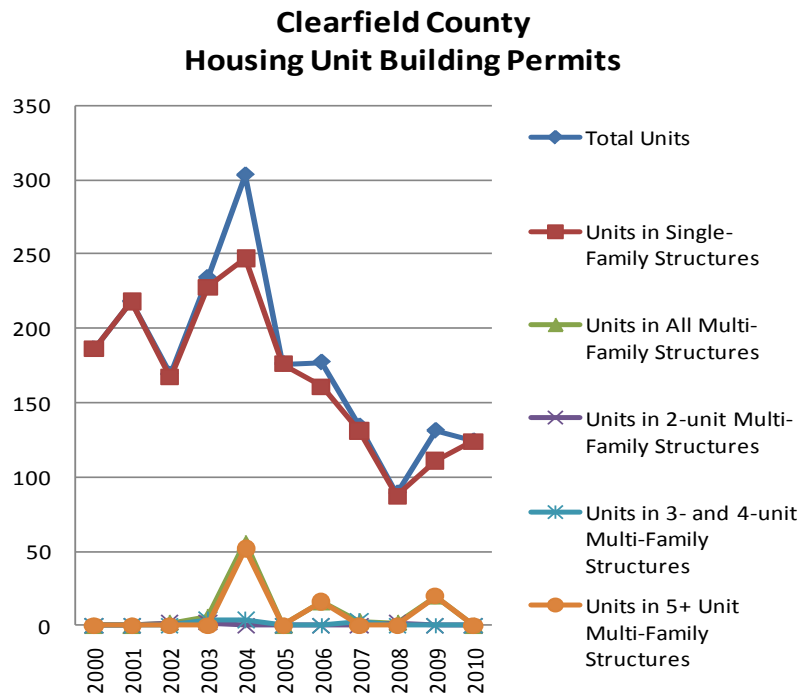
Clearfield County Mortgage and Rent		
	2000	2005-2009
Median Mortgage	\$736	\$941
Median Rent	\$376	\$529

Source: U.S Census Bureau

Building Permits

Single family units accounted for the vast majority of building permits issued in Clearfield County. However, units in five or more unit multi-family structures saw increased activity in 2004, 2006, and 2009. Permits for these units hit a ten-year high of 52 in 2004.

□



Source: U.S Census Bureau

Home Sales

Homes sales in Clearfield County declined steadily between 2006 and 2008, with a slight increase in 2009. Median home prices also declined, hitting a low of \$22,250 in 2007, before recovering in 2009 to \$34,250. Median sale prices plummeted in 2008, before recovering in 2009 and 2010. In the first quarter of 2011 home sales in Clearfield County reached \$13,995,312. The median sale price was \$57,000.

Clearfield County Number of Home Sales					
	2006	2007	2008	2009	2010
Clearfield, PA (County)	N/A	2	9	984	236

Source: PolicyMap

Clearfield County Median Sale Price					
	2006	2007	2008	2009	2010
Clearfield, PA (County)	N/A	N/A	\$20,000	\$59,900	\$58,950

Source: PolicyMap

Home Loans

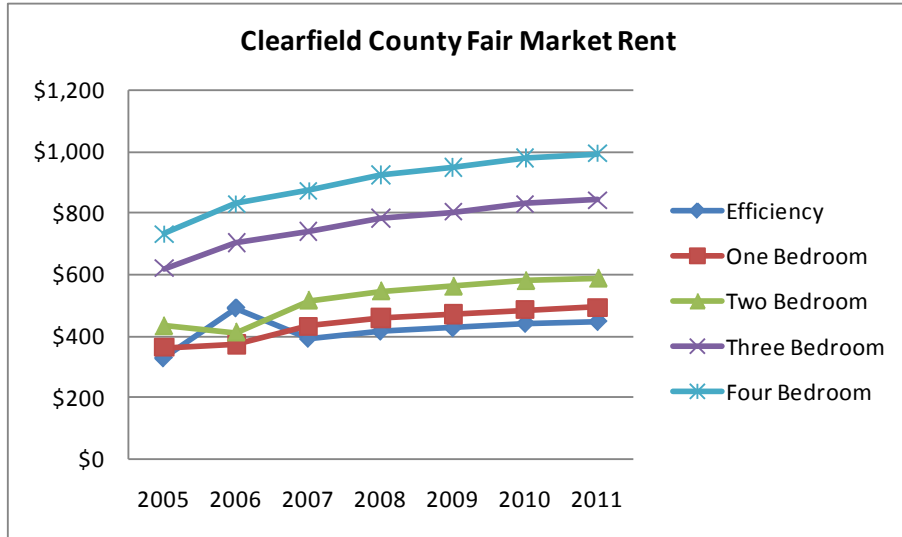
The number of homes loans in Clearfield County decreased between 2004 and 2008, but showed signs of improvement in 2009. The median loan amount increased during each year examined from \$55,000 in 2004 to \$78,000 in 2009. In 2009, 33.1 percent of loans in Clearfield County originated for the purpose of purchasing a home, while 66.9 percent originated for refinancing. The county's median loan amounts fell far below state and national averages

All Originations	2004	2005	2006	2007	2008	2009
County (Clearfield)						
Number of Loans	1,540	1,423	1,480	1,387	1,117	1,179
Median Loan Amount	\$55,000	\$60,000	\$56,000	\$60,000	\$65,000	\$78,000
State (Pennsylvania)						
Number of Loans	421,712	404,927	368,872	306,428	241,601	320,234
Median Loan Amount	\$105,000	\$114,000	\$113,000	\$124,000	\$139,000	\$157,000
National						
Number of Loans	11,746,438	11,559,564	10,070,623	7,742,076	5,611,779	7,757,819
Median Loan Amount	\$147,000	\$161,000	\$163,000	\$168,000	\$170,000	\$176,000

Source: PolicyMap

Fair Market Rent

Fair Market Rents (FMR) increased steadily between 2005 and 2011, with a slight decrease in one- and two-bedroom units in 2006. In 2005, FMR ranged from \$330 for efficiency to \$732 for a four-bedroom apartment. By 2010, these figures increased to \$447 and \$943, respectively.



Source: Department of Housing and Urban Development

Fair Market Rent and Housing Affordability

The county’s median renter income was \$21,550 – \$7,800 less than the state average. The monthly rent considered affordable at that income is \$539. In Clearfield County, a two- or more bedroom unit is considered unaffordable for those earning the median income or less. A renter would need an additional 9 percent in order to afford it.

Clearfield County Renter Income and Cost			
	Renter median income	Rent affordable at renter median income	Percent of median renter income needed to afford 2 bdrm FMR
Pennsylvania	\$29,342	\$734	114%
Clearfield County	\$21,550	\$539	109%

Source: National Low Income Housing Coalition.

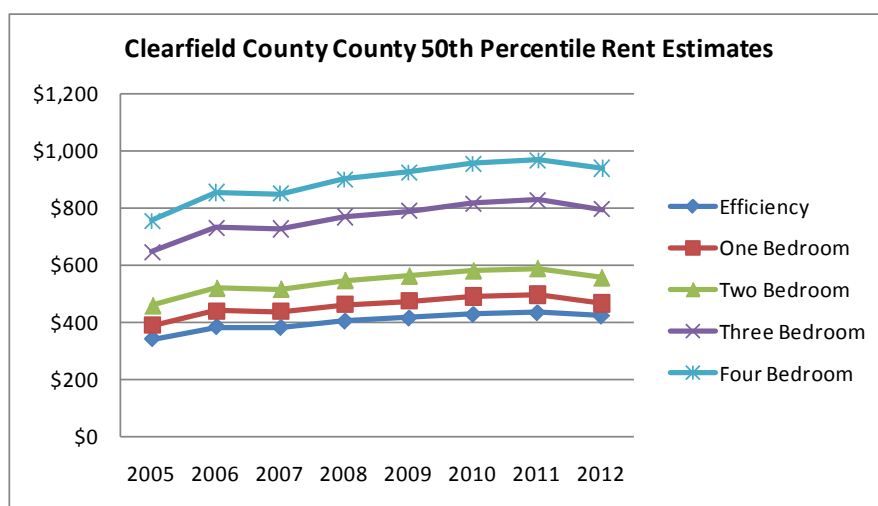
Clearfield County Annual Income Needed to Afford FMR

	Income needed to afford 0 bdrm FMR	Income needed to afford 1 bdrm FMR	Income needed to afford 2 bdrm FMR	Income needed to afford 3 bdrm FMR	Income needed to afford 4 bdrm FMR
Pennsylvania	\$24,434	\$27,821	\$33,476	\$41,698	\$47,160
Clearfield County	\$17,880	\$19,760	\$23,480	\$33,680	\$39,720

Source: National Low Income Housing Coalition.

50th Percentile Rent Estimates

The county's 50th percentile rent estimates are higher than FMR since those rents are usually set at the 40th percentile. As in the other counties examined, 50th percentile rent estimates proved to be steadier.



Source: Department of Housing and Urban Development

Affordable Housing Search

A search of HUD's affordable housing database showed a total of ten Clearfield County properties. Nearly all were one bedroom units, while just one contained three bedroom units. A search of PAHousingSearch.com was also completed. The search yielded eight properties with rental units that fell within FMR parameters (\$0-\$850). All but two showed that interested parties would be placed on a wait list. The highest rent returned in the search was \$808. All of the properties listed had income restrictions.

Building Capacity

Clearfield has over 160 construction firms. Eighteen are identified as single family contractors and there are two operatives who could work on multifamily, but it is undetermined if that is the case. There appears to be more balance between the types of construction and contractions. This does, however

include those contractors engage in infrastructure. If shale increases to the next stage, there may be a need to bring in contractors from neighboring counties to assist with development.

Clearfield County Construction Capacity 2009					Number of establishments by employment-size class					
NAICS code	NAICS code description	Paid employees for pay period including March 12 (number)	First-quarter payroll (\$1,000)	Annual payroll (\$1,000)	Total establishments	1-4	5-9	10-19	20-49	50-99
23----	Construction	914	\$6,930	\$35,185	165	119	26	6	12	2
236115	New single-family general contractors	62	\$265	\$1,582	18	12	6	0	0	0
236117	New housing operative builders	10	\$207	\$1,673	2	1	1	0	0	0
236118	Residential remodelers	46	\$142	\$1,341	29	27	2	0	0	0
236210	Industrial building construction	9	\$68	\$341	2	1	1	0	0	0
236220	Commercial and institutional building construction	98	\$713	\$3,110	8	3	2	2	0	1
237	Heavy and civil engineering construction	C	\$2,243	\$13,193	7	3	0	0	3	1
237110	Water and sewer line and related structures construction	106	\$1,303	\$5,816	4	1	0	0	3	0
237310	Highway, street, and bridge construction	C	D	D	2	1	0	0	0	1
237990	Other heavy and civil engineering construction	A	D	D	1	1	0	0	0	0
2381	Foundation, structure, and building exterior contractors	34	S	\$1,333	20	19	0	1	0	0
238110	Poured concrete foundation and structure contractors	A	D	D	2	2	0	0	0	0
238120	Structural steel and precast concrete contractors	A	D	D	1	1	0	0	0	0
238130	Framing contractors	A	D	D	3	2	0	1	0	0
238140	Masonry contractors	9	\$25	\$264	9	9	0	0	0	0
238160	Roofing contractors	A	D	D	1	1	0	0	0	0
238170	Siding contractors	A	S	\$117	3	3	0	0	0	0
238190	Other foundation, structure, and building exterior contractors	A	D	D	1	1	0	0	0	0
238210	Electrical contractors and other wiring installation contractors	85	\$674	\$2,602	12	7	3	0	2	0
238220	Plumbing, heating, and air-conditioning contractors	121	\$973	\$3,829	20	13	3	1	3	0
238290	Other building equipment contractors	51	\$254	\$1,116	4	1	2	0	1	0
2383	Building finishing contractors	B	\$342	\$1,519	15	12	1	1	1	0
238310	Drywall and insulation contractors	B	D	D	4	3	0	0	1	0
238320	Painting and wall covering contractors	7	S	\$158	4	4	0	0	0	0
238350	Finish carpentry contractors	11	\$79	\$365	5	4	1	0	0	0
238390	Other building finishing contractors	A	D	D	2	1	0	1	0	0
238910	Site preparation contractors	97	\$818	\$4,034	21	15	4	0	2	0
238990	All other specialty trade contractors	25	\$131	\$853	7	5	1	1	0	0

Source: U.S Census Bureau

Like the other counties, Clearfield has a large number of nonemployee construction firms (645). Their capacity cannot be determined. There are 148 focused on residential construction. There are ample finishing and specialty contractors.

Clearfield County Nonemployer Construction Capacity 2009

NAICS	NAICS Description	Firms	Receipts (\$1,000)
'23'	Construction	645	\$30,435
'2361'	Residential building construction	148	\$9,384
'2362'	Nonresidential building construction	16	\$1,291
'237'	Heavy and civil engineering construction	12	\$624
'2371'	Utility system construction	d	d
'23721'	Land subdivision	d	d
'23731'	Highway, street, and bridge construction	d	d
'23799'	Other heavy and civil engineering construction	7	\$512
'2381'	Foundation, structure, and building exterior contractors	77	\$3,337
'23821'	Electrical contractors and other wiring installation contractors	40	\$1,604
'23822'	Plumbing, heating, and air-conditioning contractors	41	\$2,340
'23829'	Other building equipment contractors	3	\$147
'2383'	Building finishing contractors	136	\$4,593
'2389'	Other specialty trade contractors	172	\$7,115

Clearfield is rated two on the scale with low activity (108 wells), however there are over 210 permits pulled for drilling. Clearfield can expect more impact in the short term.

Public Housing/Vouchers

During all years examined, public housing units in Clearfield County were at or nearly at capacity. As shown in the table below, the wait lists to gain access to public housing increased from six to seven months. The wait list for Section 8 certificates and vouchers increased more significantly, from 16 to 28 months.

Clearfield County Public Housing					
	Total Units	Percent Occupied	People per Unit	Total People	Months Waiting
2005	367	100%	1.9	677	6
2006	367	99%	1.9	700	7
2007	365	98%	1.9	697	7
2008	370	98%	1.9	690	7

Source: Department of Housing and Urban Development

Clearfield County Section 8 Certificates and Vouchers				
	People per Unit	Total People	Rent Per Month	Months Waiting
2005	2	590	\$256	16
2006	1.9	603	\$259	17
2007	2	629	\$265	14
2008	1.9	525	\$277	28

Source: Department of Housing and Urban Development

Point-In-Time Counts

The number of emergency shelter beds in Clearfield County increased from 17 in 2008 to 22 in 2010. The total number of beds in transitional housing increased for individuals from 4 to 0 while beds for individuals and 1 to zero for families for the same period.

Clinton County

Located in Central Pennsylvania, Clinton County is a sixth-class county that encompasses 903 square miles. Clinton County is designated as a transitional county by ARC. In terms of population, Blair is the study area's tenth largest county. Between January 2009 and July 2011, the county had a total of 119 Marcellus Shale permits and 73 wells.

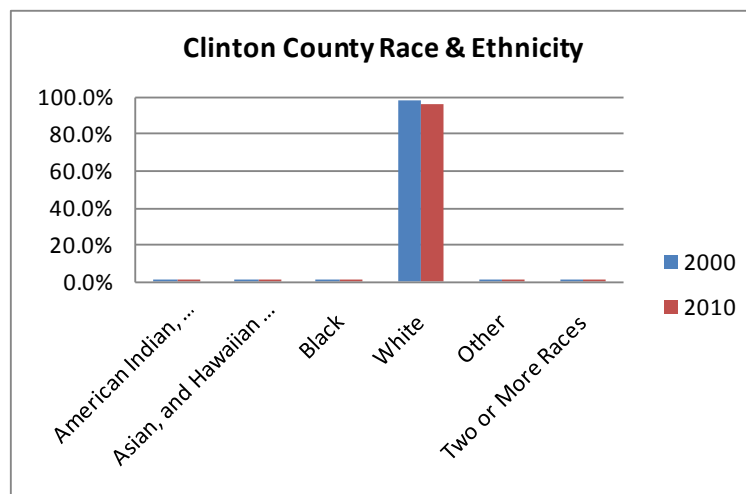
Demographics

Population

Between 2000 and 2010, Clinton County experienced a 3.5 percent increase in its population – from 37,914 to 39,238. Nearly all groups above age 45 grew, while all groups below age 24 shrunk. The county's median age increased from 37.8 in 2000 to 39.2 in 2010. The county is younger than the state average, which for 2010 had a median age of 40.

Race and Ethnicity

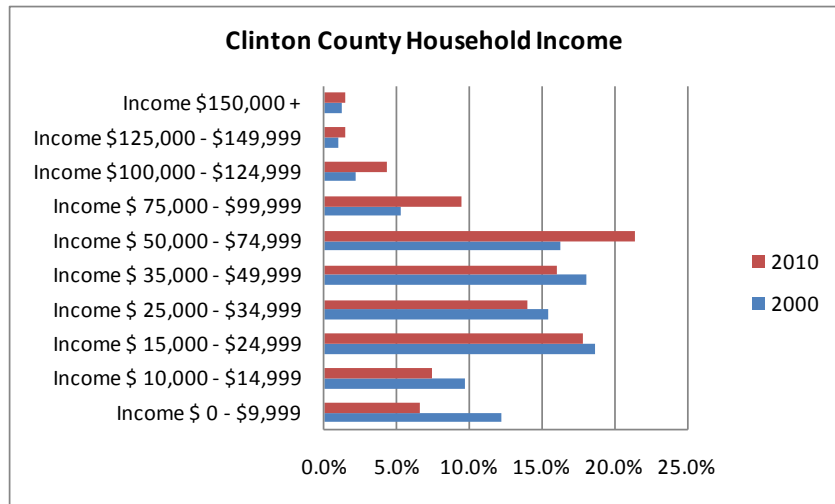
Although Whites/Caucasians accounted for the vast majority of the Clinton County's population, its racial and ethnic makeup is beginning to shift. From 2000 to 2010, there was a 200 percent increase in the percentage of residents who identify as two or more races. In addition, the county's Hispanic/Latino population increased from 0.5 percent to 1.1 percent - a 104 percent increase. In 2010, the percentage of Whites/Caucasians in Clinton County was 98.3 percent, compared with 83 percent statewide. Again, this county is far less ethnically diverse than the state and the nation.



Source: U.S Census Bureau & Decision Data Resources

Household Income

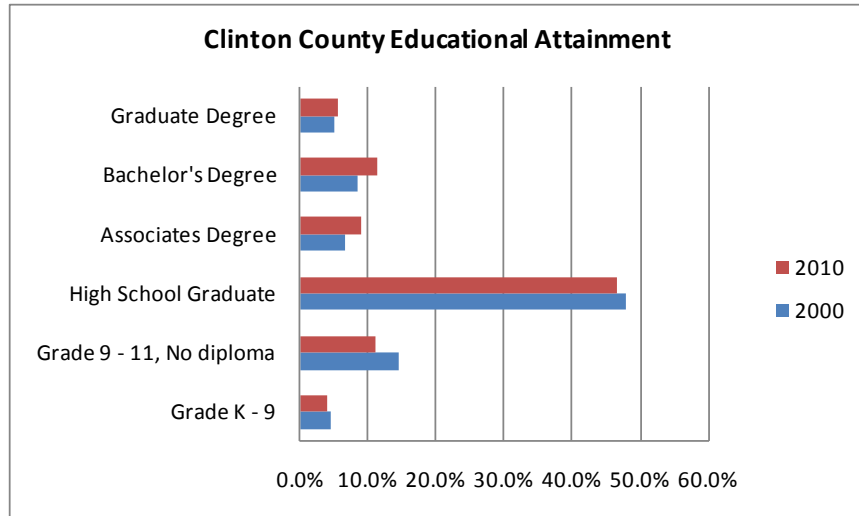
Between 2000 and 2010, the county’s household income increased significantly, with a 101 percent increase in the percentage of those earning between \$100,000-\$124,999 and an 80.2 percent increase in those earning between \$75,000-\$99,999. In 2010, the county’s average household income increased by 26 percent, and reached \$50,036. Its median household income also increased from \$31,104 in 2000 to \$38,695 in 2010. Comparatively, statewide median household income grew from \$40,127 in 2000 to \$49,371 in 2010. The county’s income is growing at a much slower rate than Pennsylvania as a whole.



Source: U.S Census Bureau & Decision Data Resources

Educational Attainment

Clinton County experienced a decrease in the percentage of residents who have attained a high school diploma as their highest level of education. Still, nearly half of its population over age 25 has not earned beyond a high school diploma. The greatest education attainment level increases occurred in the percentage of those earning Associate’s and Bachelor’s degrees, which grew by 38.5 percent and 35.6 percent, respectively. In 2010, the percentage of Clinton County residents with a bachelor’s degree was 11.4 percent, compared with 16.7 percent statewide.

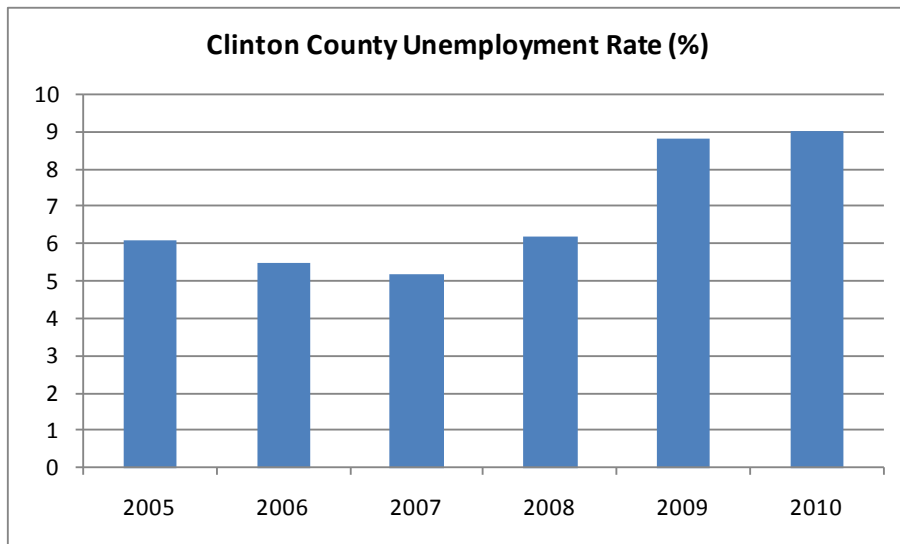


Source: U.S Census Bureau & Decision Data Resources

Employment & Wages

Unemployment

After unemployment rate decreases 2006 and 2007, Clinton County's unemployment rate saw a three year increase. In 2010, its unemployment rate hit 9 percent - one of the highest unemployment rates recorded among the counties examined in this report. Clinton County's 2010 unemployment rate also exceeded that of the state, which reached 8.7 percent.



Source: The Center for Workforce Information & Analysis

Poverty

Between 2000 and 2009, the county's poverty rate significantly increased. Poverty among all ages increased by 4.5 percent, while poverty among those under the age of 18 increased by 4.7 percent. Compared with the state, Clinton County's 2009 poverty rate of 16.3 percent for all ages and 21.7 percent for those under age 18 were slightly higher than Pennsylvania averages of 12.5 percent and 17.1 percent, respectively.

Clinton County Poverty			
All ages in poverty		Under age 18 in poverty	
2000	2009	2000	2009
11.8%	16.3%	17.0%	21.7%

Source: U.S Census Bureau

Business Patterns

According to the U.S. Census Bureau's County Business Patterns, between 2005 and 2008, Clinton County experienced an increase in its number of employees. A significant decrease then occurred in 2009, which lowered the county's total number of employees to 10,699.

During all five years, over a quarter of the county's workforce was employed in the manufacturing industry, followed closely by retail trade. Clinton County's total business establishments reached 3,438 in 2009. Over half of those establishments employed 1-4 individuals. Only two businesses employed 1,000 or more people.

Clinton County Business Patterns							
	2003	2004	2005	2006	2007	2008	2009
Paid employees	9,665	9,662	10,454	10,757	10,983	11,083	10,699
Total establishments	743	758	759	754	753	759	731
Annual payroll (\$1,000)	\$226,055	\$237,284	\$258,828	\$286,288	\$299,202	\$317,052	\$309,586

Source: U.S Census Bureau

Non-employer firms experienced some growth during the middle phase of the years examined, but , the total number of firms hit a low in 2003.

Clinton County Non-Employer Firms							
	2003	2004	2005	2006	2007	2008	2009
Firms	1744	1776	1843	1807	1857	1825	1777
Receipts (\$1,000)	\$67,098	\$69,778	\$66,487	\$65,129	\$67,789	\$70,643	\$65,226

Source: U.S Census Bureau

Annual and Weekly Pay

Between 2001 and 2010, Clinton County's average weekly pay and average annual pay increased steadily. In 2001, the average weekly wage was \$511; by 2010 it increased to \$653. Average annual pay topped out at \$33,973 in 2010.

Clinton County Annual & Weekly Pay		
	Average Annual Pay	Average Weekly Wage
2001	\$26,573	\$511
2002	\$28,562	\$549
2003	\$28,325	\$545
2004	\$28,177	\$542
2005	\$28,337	\$545
2006	\$28,869	\$555
2007	\$29,844	\$574
2008	\$31,060	\$597
2009	\$32,130	\$618
2010	\$33,973	\$653

Source: Bureau of Labor Statistics

Housing

Housing Units

From 2000 to 2010, Clinton County experienced an increase in the total number of housing units, with a net increase of 914. In that same time period, the percentage of renter-occupied housing units increased slightly, while owner-occupied units declined 3 percent. The county's overall vacancy rate also rose by 1.9 percent.

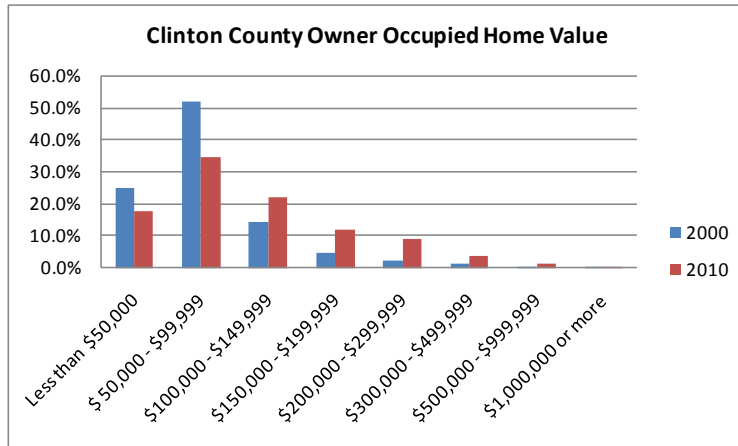
Clinton County Housing Units		
	2000	2010
Total Housing Units	18,166	19,080
Owner-Occupied	59.3%	56.3%
Renter-Occupied	22.0%	23.1%
Vacant	18.7%	20.6%

Source: Decision Data Resources & U.S Census Bureau

Home Values

The median value of owner-occupied homes rose from \$78,115 in 2000 to \$97,400 in 2010. From 2000 to 2010, there was a 17.5 percent decrease in owner-occupied homes valued between \$50,000-\$99,999.

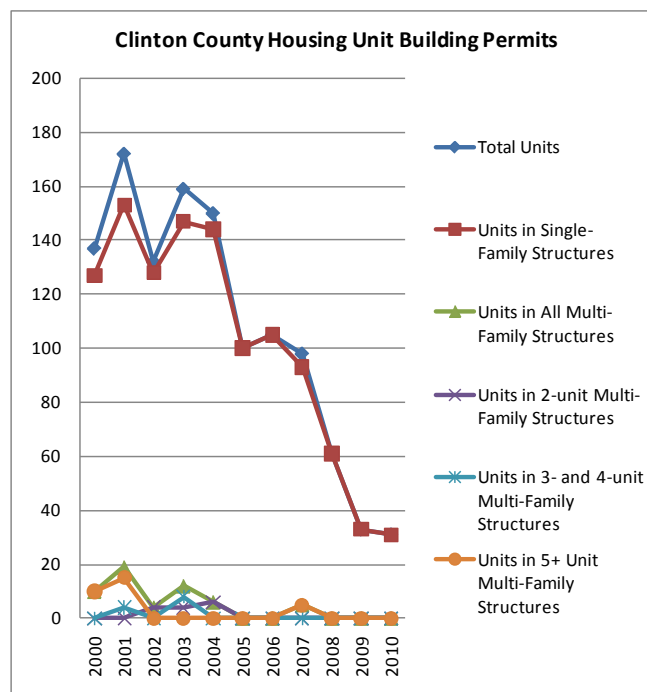
In the same time period, there was a 7 percent increase in owner-occupied homes valued between \$150,000-\$199,999, and a 2.4 percent increase in those valued between \$300,000-\$499,999. Clinton County's 2010 home values fell far below the Commonwealth, which recorded a median home value of \$179,900.



Source: Decision Data Resources & U.S Census Bureau

Building Permits

During all years examined, single family homes accounted for the vast majority of Clinton County's building permits. The county's building permits reached an all-time high of 172 in 2001. A vast decline began in 2005; by 2010, its number of building permits sunk to just 31. Units in multi-family structures generally followed the same trend.



Source: U.S Census Bureau

Home Sales

Between 2006 and 2010, Clinton County's homes sales declined steadily; such decline was most likely due the national housing crises that began in 2006 and continues today. Median home prices began to decline in 2009 and hit a five year low of \$75,000 in 2010. In the first quarter of 2011 home sales in Clinton County reached \$8,548,484. The median sale price was \$75,500.

Number of Home Sales					
	2006	2007	2008	2009	2010
Clinton, PA (County)	757	696	552	480	99

Source: Policy Map

Median Sale Price					
	2006	2007	2008	2009	2010
Clinton, PA (County)	\$77,000	\$82,750	\$82,450	\$80,000	\$71,000

Source: Policy Map

Home Loans

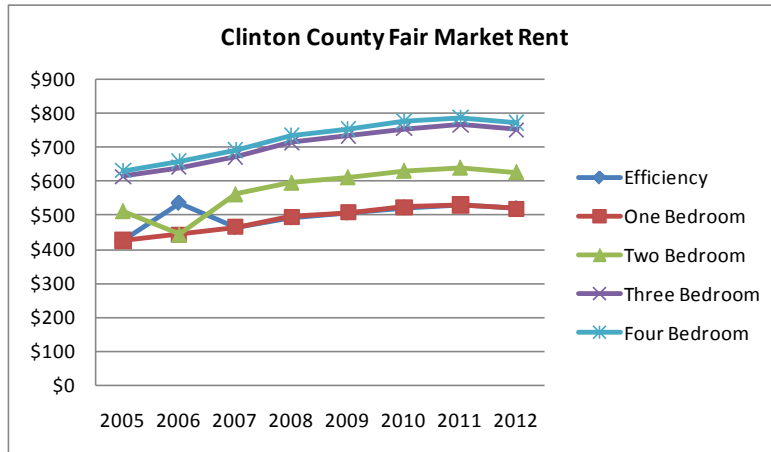
Between 2004 and 2009, the number of homes loans in Clinton County decreased by about a third. This again reflects the ongoing national housing crisis. Although the number of loans decreased, median loan amounts in Clinton County increased during each year examined – from \$71,500 in 2004 to \$98,500 in 2009. In terms of how these loans were used, refinancing accounted for nearly two thirds of all originations.

All Originations	2004	2005	2006	2007	2008	2009
County (Clinton)						
Number of Loans	910	905	906	749	616	614
Median Loan Amount	\$71,500	\$75,000	\$75,500	\$82,000	\$95,000	\$98,500
State (Pennsylvania)						
Number of Loans	421,712	404,927	368,872	306,428	241,601	320,234
Median Loan Amount	\$105,000	\$114,000	\$113,000	\$124,000	\$139,000	\$157,000
National						
Number of Loans	11,746,438	11,559,564	10,070,623	7,742,076	5,611,779	7,757,819
Median Loan Amount	\$147,000	\$161,000	\$163,000	\$168,000	\$170,000	\$176,000

Source: PolicyMap

Fair Market Rent

Clinton County's Fair Market Rents (FMR) increased steadily between 2005 and 2011, with a slight increase in efficiency units in 2006. In 2005, FMR ranged from \$425 for an efficiency unit to \$631 for a four bedroom apartment. By 2010, these figures increased to \$530 and \$787, respectively. The 50th Percentile Rent Estimates showed steady increases each year.



Source: Department of Housing and Urban Development

Fair Market Rent and Housing Affordability

The county's median renter income in 2009 was \$23,342 – \$6,000 less than the state average. The rent affordable at that income is \$584. In Blair County, a two or more bedroom unit is, hence, unaffordable for someone earning the median income or less. A renter would have to earn an additional 10 percent in order afford it.

Clinton County Renter Income and Cost

	Renter median income	Rent affordable at renter median income	Percent of median renter income needed to afford 2 bdrm FMR
Pennsylvania	\$29,342	\$734	114%
Clinton County	\$23,342	\$584	110%

Source: National Low Income Housing Coalition.

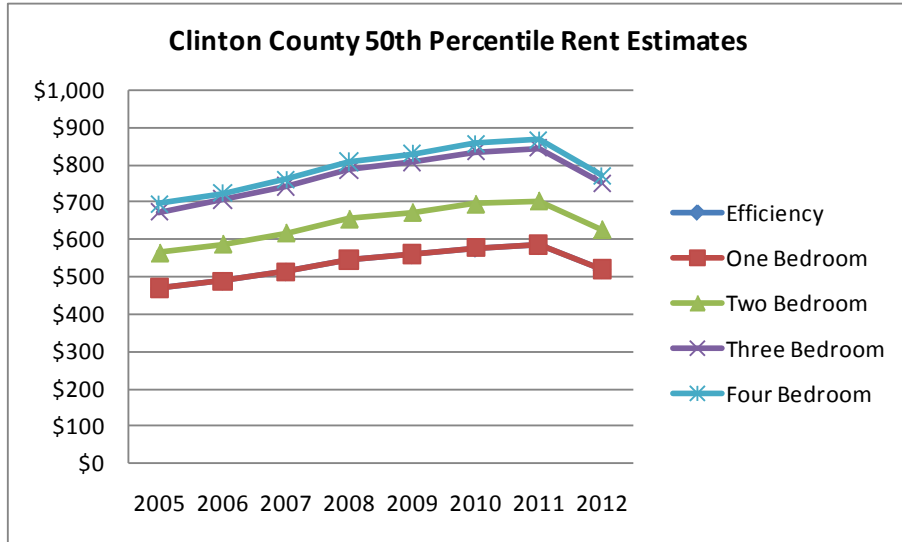
Clinton County Annual Income Needed to Afford FMR

	Income needed to afford 0 bdrm FMR	Income needed to afford 1 bdrm FMR	Income needed to afford 2 bdrm FMR	Income needed to afford 3 bdrm FMR	Income needed to afford 4 bdrm FMR
Pennsylvania	\$24,434	\$27,821	\$33,476	\$41,698	\$47,160
Clinton County	\$21,200	\$21,240	\$25,600	\$30,640	\$31,480

Source: National Low Income Housing Coalition.

50th Percentile Rent Estimates

Clinton County's 50th percentile rent estimates are higher than FMR, since those rents are usually set at the 40th percentile. These rent estimates will see a decrease in 2012.



Source: Department of Housing and Urban Development

Affordable Housing Searches

A search of HUD's affordable housing database showed a total three properties, just one of which had 2 through 5+ bedroom units available. A search of PAHousingSearch.com was also completed. This search came back with 17 properties that fell within the Fair Market Rent parameters for the county (\$0-\$800). Nearly half of those (8) showed that interested parties would be placed on a wait list, indicating there was no availability. Three properties contained three bedroom units. The highest rent returned in the search was \$767. A second search was completed, this time using the highest and lowest rent amounts allowable (\$0-\$4,500). The search returned the same number of units. A total of four of the properties had income restrictions. The rest ranged in price from \$375 for a one bedroom apartment to \$2,800 for a six bedroom house.

Building Capacity

Clinton County has only 82 construction firms with approximately 46 percent engaged in residential construction and only 400 employees across all sectors. Shale development is increasing in Clinton County and therefore, construction services may be challenged by demand.

Clinton County Construction Capacity 2009					Number of establishments by employment-size class					
NAICS code	NAICS code description	employees for pay	First-quarter payroll (\$1,000)	Annual payroll (\$1,000)	Total establishments	1-4	5-9	10-19	20-49	50-99
23----	Construction	414	\$2,524	\$13,631	82	53	18	8	2	1
23611	Residential building construction	76	\$384	\$1,965	27	20	6	1	0	0
236115	New single-family general contractors	B	\$100	\$648	10	8	2	0	0	0
236117	New housing operative builders	A	\$11	\$56	1	1	0	0	0	0
236118	Residential remodelers	52	\$273	\$1,261	16	11	4	1	0	0
2362	Nonresidential building construction	37	\$291	\$1,872	4	0	2	2	0	0
236210	Industrial building construction	5	D	\$434	1	0	1	0	0	0
236220	Commercial and institutional building construction	32	S	\$1,438	3	0	1	2	0	0
237	Heavy and civil engineering construction	110	\$718	\$4,166	5	2	0	2	0	1
2371	Utility system construction	B	\$288	\$1,724	3	1	0	2	0	0
23711	Water and sewer line and related structures construction	A	D	D	2	1	0	1	0	0
237110	Water and sewer line and related structures construction	A	D	D	2	1	0	1	0	0
237120	Oil and gas pipeline and related structures construction	A	D	D	1	0	0	1	0	0
237310	Highway, street, and bridge construction	B	D	D	1	0	0	0	0	1
237990	Other heavy and civil engineering construction	A	D	D	1	1	0	0	0	0
2381	Foundation, structure, and building exterior contractors	45	\$132	\$1,063	10	7	2	1	0	0
23811	Poured concrete foundation and structure contractors	A	D	D	1	0	0	1	0	0
238110	Poured concrete foundation and structure contractors	A	D	D	1	0	0	1	0	0
238140	Masonry contractors	A	S	\$305	5	5	0	0	0	0
238160	Roofing contractors	A	S	\$270	3	1	2	0	0	0
238170	Siding contractors	A	D	D	1	1	0	0	0	0
238210	Electrical contractors and other wiring installation contractors	B	\$379	\$1,703	8	6	1	0	1	0
238220	Plumbing, heating, and air-conditioning contractors	B	\$243	\$934	8	3	5	0	0	0
238290	Other building equipment contractors	A	\$0	\$8	1	1	0	0	0	0
2383	Building finishing contractors	20	S	\$319	9	8	1	0	0	0
238310	Drywall and insulation contractors	10	S	\$161	3	2	1	0	0	0
238320	Painting and wall covering contractors	A	D	D	2	2	0	0	0	0
238330	Flooring contractors	A	D	D	2	2	0	0	0	0
238340	Tile and terrazzo contractors	A	D	D	1	1	0	0	0	0
238350	Finish carpentry contractors	A	D	D	1	1	0	0	0	0
238910	Site preparation contractors	56	\$307	\$1,601	10	6	1	2	1	0

Source: U.S. Census Bureau

Like the other counties, Clinton has a fair number of nonemployee construction operations (281). There does appear to be a limited number of specialty, plumbing and finishing contractors should demand continue to grow.

Clinton County Nonemployer Construction Capacity 2009

NAICS	NAICS Description	Firms	Receipts (\$1,000)
'23'	Construction	281	\$14,372
'2361'	Residential building construction	67	\$4,659
'2362'	Nonresidential building construction	10	\$289
'237'	Heavy and civil engineering construction	8	\$392
'2371'	Utility system construction	d	d
'23721'	Land subdivision	5	\$213
'23731'	Highway, street, and bridge construction	d	d
'23799'	Other heavy and civil engineering construction	d	d
'2381'	Foundation, structure, and building exterior contractors	26	\$1,711
'23821'	Electrical contractors and other wiring installation contractors	9	\$160
'23822'	Plumbing, heating, and air-conditioning contractors	13	\$271
'23829'	Other building equipment contractors	1	\$1,764
'2383'	Building finishing contractors	81	\$3,796
'2389'	Other specialty trade contractors	66	\$3,041

Source: U.S. Census Bureau

Clinton County is also rated as little or no activity (1) with 76 wells drilled. There have been 119 permits pulled through the study period.

Public Housing/Vouchers

Clinton County's public housing data were examined for 2005 to 2008. The vast majority of all units were occupied during all years. As shown in the table below, wait lists to gain access to public housing fluctuated during the period. Clinton County does not have a Section 8 certificate or vouchers program.

Clinton County Public Housing					
	Total Units	Percent Occupied	People per Unit	Total People	Months Waiting
2005	457	95%	2	873	10
2006	457	94%	2	855	6
2007	457	92%	2	844	10
2008	457	97%	2	874	7

Source: Department of Housing and Urban Development

Point In Time Counts

Between 2008 and 2010, Clinton County's number of beds in emergency shelters increased from four in the family category and three in the individuals category to six and five, respectively. The point in time counts should on individual in emergency shelter in 2009. There were no transitional housing beds available in Clinton County 2010.

Fayette County

Located in central Pennsylvania, Fayette County is a fourth-class county that encompasses 794 square miles. It is designated as an at-risk county by ARC. In terms of population, Fayette is the study area's third largest county. Between January 2009 and July 2011, the county recorded a total of 194 Marcellus Shale permits and 90 wells.

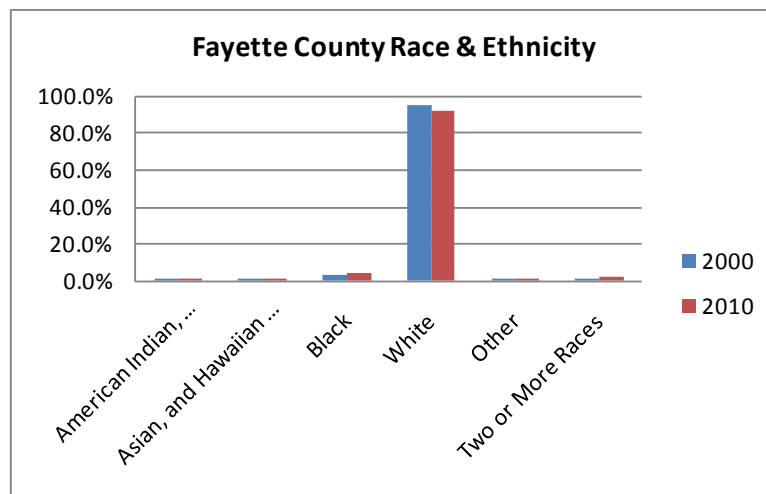
Demographics

Population

Fayette County experienced an 8.1 percent population decrease between 2000 and 2010 – from 148,644 to 136,606. This was the largest population decrease among the counties examined. The county is also aging. The most significant population increase occurred in the 55-64 age group (+45.1 percent), followed by the 85 and over age group, which grew 42.8 percent. The most significant population decrease occurred in the 5-14 age group (-15.1 percent). Between 2000 and 2010, the county's median age increased from 40.2 to 43.1. The county is older than the Commonwealth of Pennsylvania average, where, in 2010, the median age was 40.

Race and Ethnicity

The county's White/Caucasian population declined from 95.3 percent in 2000 to 92.6 percent in 2010. On the other hand, its percentage of population who classify themselves as other and two or more races increased by 272 percent and 247 percent, respectively. Compared with the state's White/Caucasian population of 83 percent in 2010, Fayette County remains far less racially/ethnically diverse.

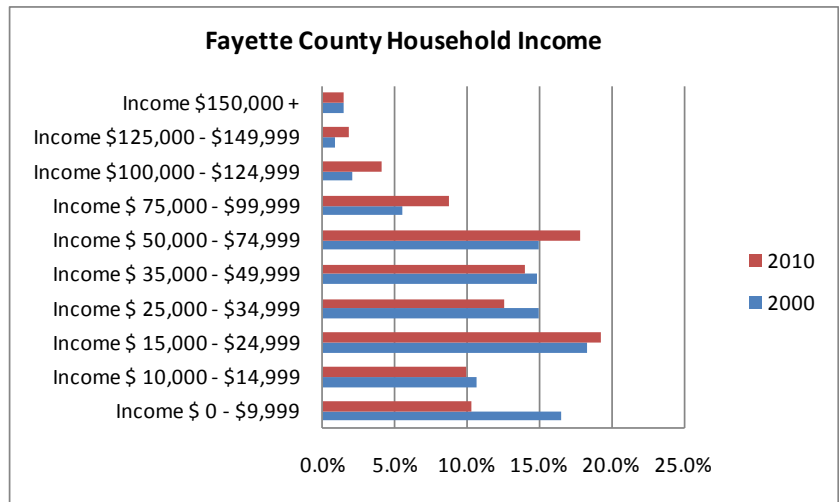


Source: U.S Census Bureau & Decision Data Resources

Household Income

Over the past decade, household income for Fayette County residents increased significantly. Between 2000 and 2010, the county recorded a 90.4 percent increase in those earning between \$75,000-\$99,000 and a 112 percent increase those earning between \$100,000-\$124,000. Over the time period, average household income increased by 22 percent, from \$37,400 to \$45,617, and median household income

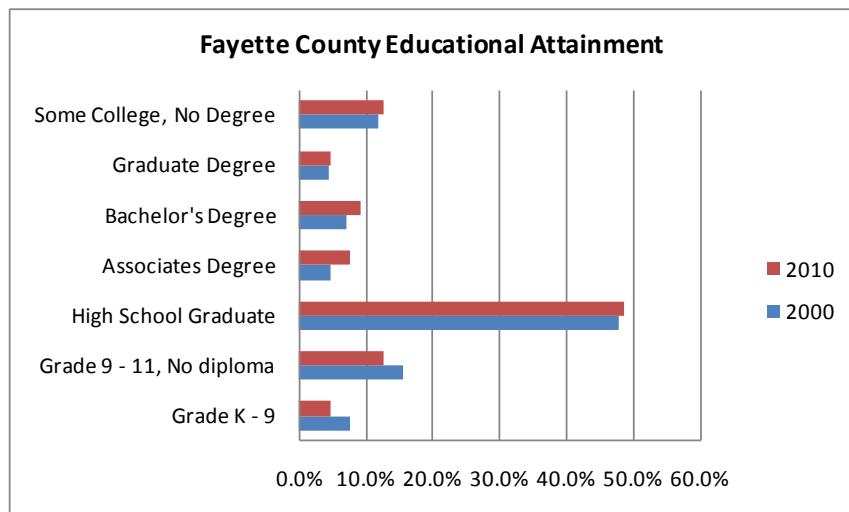
increased from \$27,600 in 2000 to \$33,613 in 2010. Comparatively, Pennsylvania’s median household income grew from \$40,127 in 2000 to \$49,371 in 2010.



Source: U.S Census Bureau & Decision Data Resources

Educational Attainment

In terms of education, the county’s greatest strides were made in its percentage of residents who have obtained an Associate’s degree, which grew from 4.8 percent in 2000 to 7.6 percent in 2010. The greatest decrease occurred among those age 25 and older who have a Kindergarten through ninth grade education, which dropped by 38.5 percent. In 2010, the percentage of Fayette County residents with a Bachelor’s degree was 9.3 percent, compared with 16.7 percent statewide.

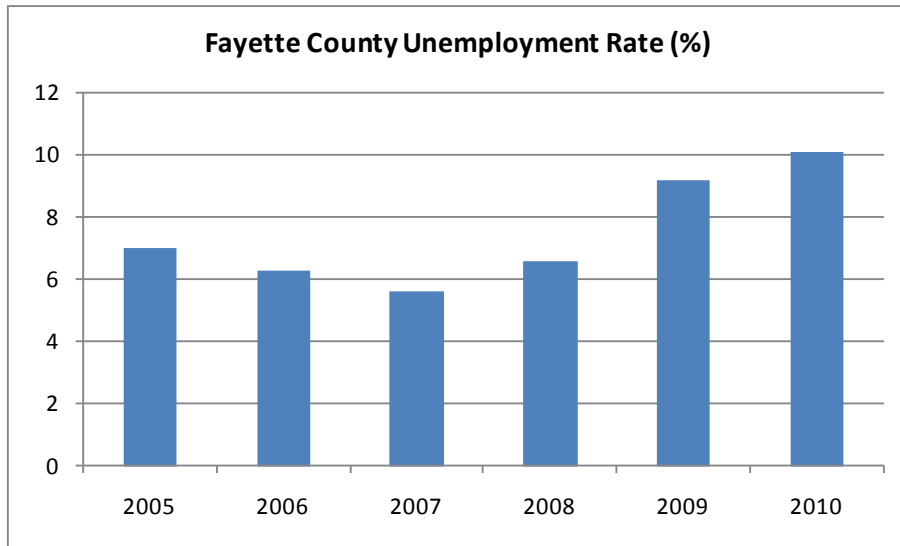


Source: U.S Census Bureau & Decision Data Resources

Employment & Wages

Unemployment

Fayette County followed a similar trend to that of Clinton County, with two consecutive years of unemployment decreases, followed by a significant increase. In 2010, the county's unemployment rate reached 10.1 percent, which is one of the highest unemployment rates within the study area; its unemployment rate for 2010 also exceeded that of Pennsylvania, which reached 8.7 percent.



Source: The Center for Workforce Information & Analysis

Poverty

Poverty increased among all ages in Fayette County from 15.1 percent in 2000 to 17.3 percent in 2009, and among those under age 18 from 22.7 percent in 2000 to 26.6 percent in 2009. Fayette County's poverty rates were significantly higher than the 2009 state averages of 12.5 percent for all ages and 17.1 percent for those under age 18.

Fayette County Poverty			
All ages in poverty		Under age 18 in poverty	
2000	2009	2000	2009
15.1%	17.3%	22.7%	26.6%

Source: U.S. Census Bureau

Business Patterns

Fayette County recorded an increase in its number of employees from 36,017 in 2005 to 39,227 in 2008. A more than 2,100 decrease in employees then occurred in 2009. From 2005 through 2009, more than 20 percent of paid employees worked in the health care and social assistance industry, nearly 18 percent worked in retail trade, and nearly 14 percent worked in manufacturing – all of which comprised the county’s top industries. Fayette County recorded 2,746 business establishments in 2009; more than 50 percent of which employed 1-4 individual, and two of which employed 1,000 or more people.

Fayette County Business Patterns							
	2003	2004	2005	2006	2007	2008	2009
Paid employees	36,081	36,453	36,017	36,903	37,541	39,227	37,098
Total establishments	2,831	2,816	2,817	2,785	2,782	2,753	2,746
Annual payroll (\$1,000)	\$828,438	\$860,830	\$864,651	\$912,606	\$1,006,180	\$1,110,701	\$1,074,279

Source: U.S Census Bureau

Annual and Weekly Pay

Between 2001 and 2010, Fayette County’s average weekly pay jumped from \$456 to \$622 per week. In addition, annual wages increased from \$22,732 to \$32,362.

Fayette County Annual & Weekly Pay		
	Average Annual Pay	Average Weekly Wage
2001	\$23,732	\$456
2002	\$24,463	\$470
2003	\$25,587	\$492
2004	\$26,301	\$506
2005	\$27,035	\$520
2006	\$28,092	\$540
2007	\$29,714	\$571
2008	\$30,774	\$592
2009	\$31,409	\$604
2010	\$32,362	\$622

Source: Bureau of Labor Statistics

Housing

Housing Units

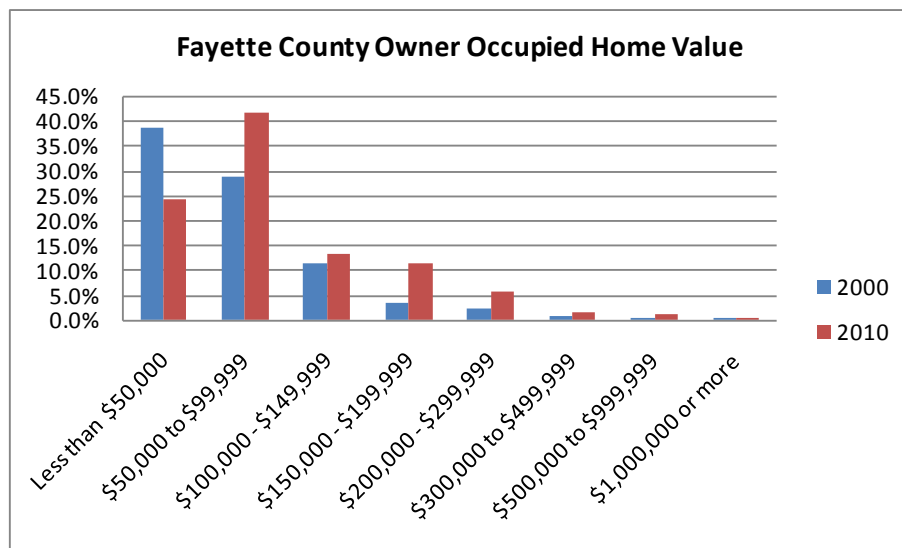
From 2000 to 2010, Fayette County experienced a net loss of 3,717 total housing units. In that same time period, its percentage of renter-occupied housing units increased slightly, while owner-occupied units declined 1.9 percent. The county's overall vacancy rate also grew by 1 percent.

Fayette County Housing Units		
	2000	2010
Total Housing Units	66,490	62,773
Owner-Occupied	66.0%	64.1%
Renter-Occupied	24.2%	25.1%
Vacant	9.8%	10.8%

Source: Decision Data Resources & U.S Census Bureau

Home Values

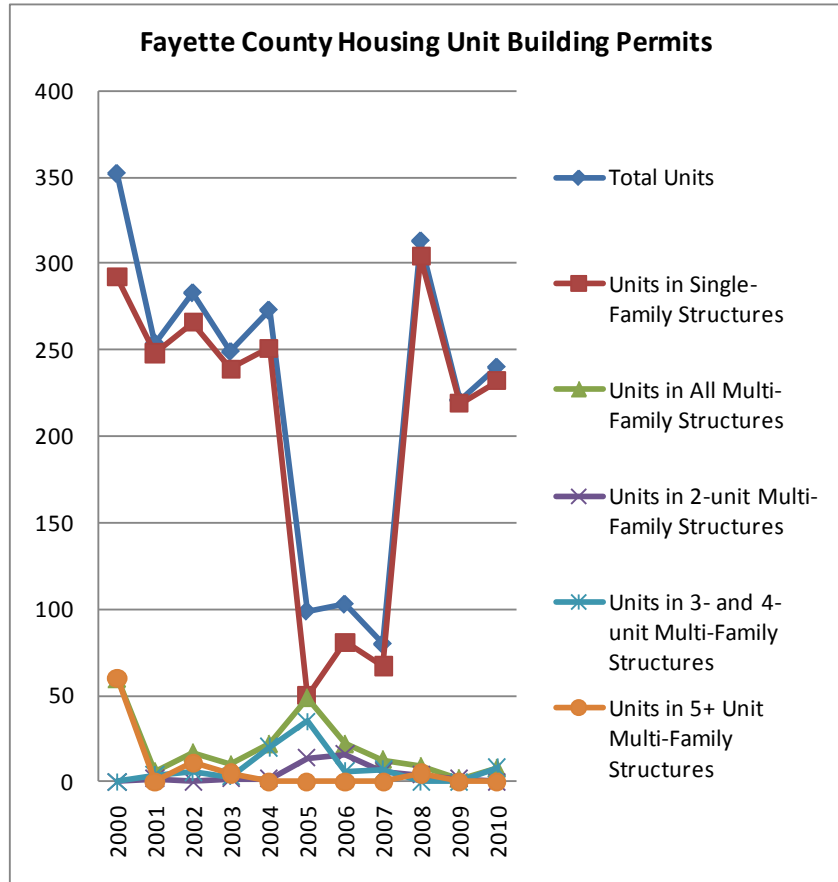
The median value of owner occupied homes in Fayette County rose from \$63,812 in 2000 to \$79,600 in 2010. From 2000 to 2010, there was a 14.2 percent decrease in owner-occupied homes valued between \$50,000-\$99,999, a 7.9 percent increase in owner-occupied homes valued between \$150,000-\$199,999, and less than a 1 percent increase in owner-occupied homes valued between \$300,000-\$499,999. Fayette County's home values fell far below the Commonwealth of Pennsylvania, which, in 2010, recorded a median value of \$179,900.



Source: Decision Data Resources & U.S Census Bureau

Building Permits

Fayette County’s building permits fluctuated in number more than any other county examined. After four years of permits exceeding 250, they dropped from 273 in 2004 to 99 in 2005, and remained low until 2008, when the number of permits increased to 313.



Source: U.S Census Bureau

Home Sales

Homes sales in Fayette County declined steadily between 2006 and 2010. After a slight decline in 2007, median home prices recovered in 2008 and 2009 before dropping to \$67,000 in 2010.

Number of Home Sales					
	2006	2007	2008	2009	2010
Fayette, PA (County)	2,105	1,944	1,616	1,571	1,243

Source: PolicyMap

Median Sale Price					
	2006	2007	2008	2009	2010
Fayette, PA (County)	\$63,800	\$60,000	\$67,450	\$72,500	\$66,500

Source: PolicyMap

Home Loans

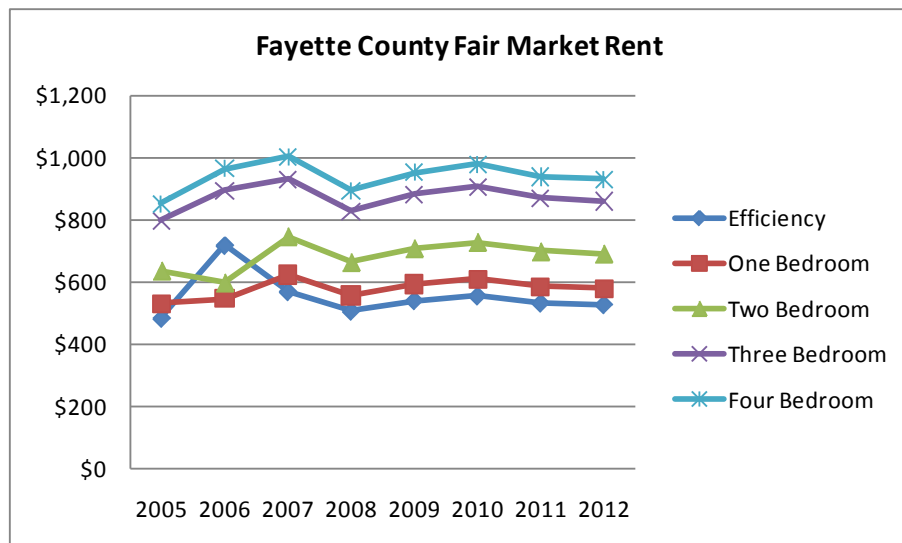
Between 2004 and 2009, the number of homes loans in Fayette County decreased by nearly 50 percent. Again, this is reflective of the ongoing national housing crisis. Although the number of home loans declined, the median loan amount increased during each year examined. In terms of how these loans were used, refinancing accounted for nearly two-thirds of all originations.

All Originations	2004	2005	2006	2007	2008	2009
County (Fayette)						
Number of Loans	2,941	2,503	2,305	1,932	1,477	1,634
Median Loan Amount	\$64,000	\$69,000	\$68,000	\$73,000	\$80,000	\$92,000
State (Pennsylvania)						
Number of Loans	421,712	404,927	368,872	306,428	241,601	320,234
Median Loan Amount	\$105,000	\$114,000	\$113,000	\$124,000	\$139,000	\$157,000
National						
Number of Loans	11,746,438	11,559,564	10,070,623	7,742,076	5,611,779	7,757,819
Median Loan Amount	\$147,000	\$161,000	\$163,000	\$168,000	\$170,000	\$176,000

Source: PolicyMap

Fair Market Rent

Fair Market Rents (FMR) in Fayette County fluctuated between 2005 and 2011. As in other counties examined, in 2006 Fayette County recorded a slight decrease in two-bedroom units and a slight increase in efficiencies. In 2005, FMR in Fayette County ranged from \$484 for an efficiency to \$853 for a four-bedroom apartment. By 2010, these figures increased to \$533 and \$933, respectively. The county's 50th Percentile Rent Estimates all declined in 2008 – a trend not seen in many of the counties studied.



Source: Department of Housing and Urban Development

Fair Market Rent and Housing Affordability

Median renter income in Fayette County during 2009 was \$20,638 – over \$8,700 less than the state average. The rent affordable at that income is \$516. In Fayette County, a two- or more bedroom unit is then unaffordable for someone earning a median income. A renter would need an additional 36 percent in order to afford it.

Fayette County Renter Income and Cost			
	Renter median income	Rent affordable at renter median income	Percent of median renter income needed to afford 2 bdrm FMR
Pennsylvania	\$29,342	\$734	114%
Fayette County	\$20,638	\$516	136%

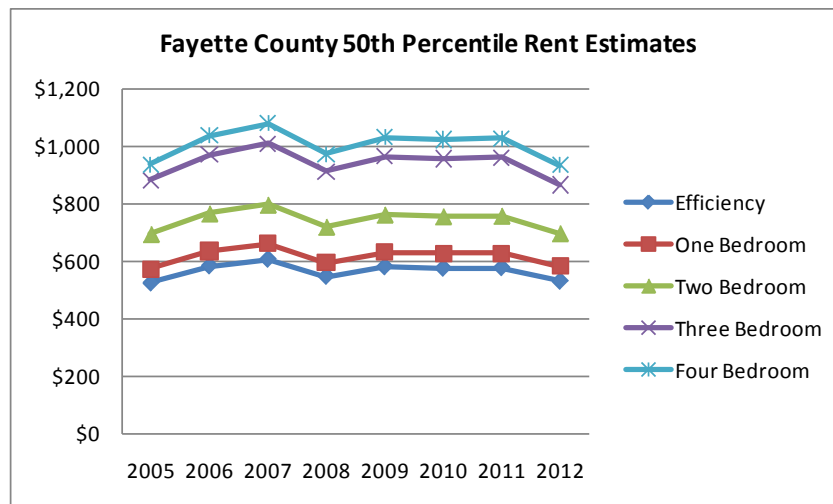
Source: National Low Income Housing Coalition.

Fayette County Annual Income Needed to Afford FMR					
	Income needed to afford 0 bdrm FMR	Income needed to afford 1 bdrm FMR	Income needed to afford 2 bdrm FMR	Income needed to afford 3 bdrm FMR	Income needed to afford 4 bdrm FMR
Pennsylvania	\$24,434	\$27,821	\$33,476	\$41,698	\$47,160
Fayette County	\$21,320	\$23,400	\$28,000	\$34,800	\$37,560

Source: National Low Income Housing Coalition.

50th Percentile Rent Estimate

Fayette County's 50th percentile rent estimates are higher than FMR, since those rents are usually set at the 40th percentile. These rent estimates will see a decrease in 2012.



Source: Department of Housing and Urban Development

Affordable Housing Searches

A search of HUD affordable housing database returned a total thirteen properties, with five properties having multiple bedroom units available. A search of PAHousingSearch.com was also completed. This search came back with nineteen properties that fell within the county's FMR parameters (\$0-\$950). A total of eleven properties showed that interested parties would be placed on a wait list, indicating unavailability. The highest rent returned in the search was \$1,088, slightly higher than the maximum FMR. A second search was completed, this time using the highest and lowest rents allowable (\$0-\$4,500). Three additional units were available within these parameters. All but two properties had income restrictions. The last two units were \$750 each for a three bedrooms.

Fayette has a fair number of construction companies (256). One of the challenges is the limited number of concrete companies, there are only four. Many of these companies are already being used to capacity by the drillers; therefore their ability to take on additional work is compromised.

Fayette County Construction Capacity 2009						Number of establishments by employment-size class						
NAICS code	NAICS code description	Paid employees for pay period including March 12 (number)	First-quarter payroll (\$1,000)	Annual payroll (\$1,000)	Total establishments	1-4	5-9	10-19	20-49	50-99	100-249	250-499
23----	Construction	2043	\$16,896	\$75,268	256	167	45	23	15	2	3	1
236	Construction of buildings	309	\$2,202	\$12,907	74	57	11	1	5	0	0	0
236115	New single-family general contractors	B	\$298	\$1,325	21	17	4	0	0	0	0	0
236117	New housing operative builders	A	\$355	\$480	3	2	1	0	0	0	0	0
236118	Residential remodelers	59	\$275	\$1,853	33	30	3	0	0	0	0	0
236210	Industrial building construction	34	\$336	\$2,092	4	3	0	0	1	0	0	0
236220	Commercial and institutional building construction	147	\$1,208	\$7,157	13	5	3	1	4	0	0	0
237	Heavy and civil engineering construction	592	\$7,309	\$29,038	20	7	5	1	4	2	0	1
2371	Utility system construction	541	\$6,984	\$25,654	14	4	3	1	3	2	0	1
237110	Water and sewer line and related structures construction	186	\$2,022	\$10,771	9	3	2	0	2	2	0	0
237120	Oil and gas pipeline and related structures construction	B	D	D	2	0	0	1	1	0	0	0
237130	Power and communication line and related structures construction	E	D	D	3	1	1	0	0	0	0	1
237210	Land subdivision	A	D	D	3	2	1	0	0	0	0	0
237310	Highway, street, and bridge construction	B	\$278	\$3,088	3	1	1	0	1	0	0	0
238	Specialty trade contractors	1142	\$7,385	\$33,323	162	103	29	21	6	0	3	0
2381	Foundation, structure, and building exterior contractors	235	\$1,470	\$7,116	30	21	6	2	0	0	1	0
238110	Poured concrete foundation and structure contractors	3	S	\$71	4	4	0	0	0	0	0	0
238120	Structural steel and precast concrete contractors	A	D	D	2	1	1	0	0	0	0	0
238130	Framing contractors	A	D	D	1	0	1	0	0	0	0	0
238140	Masonry contractors	23	\$115	\$755	15	13	1	1	0	0	0	0
238150	Glass and glazing contractors	A	D	D	1	0	1	0	0	0	0	0
238160	Roofing contractors	26	\$155	\$1,057	4	2	1	1	0	0	0	0
238170	Siding contractors	A	D	D	1	1	0	0	0	0	0	0
238190	Other foundation, structure, and building exterior contractors	C	D	D	2	0	1	0	0	0	1	0
238210	Electrical contractors and other wiring installation contractors	208	\$1,028	\$4,339	26	20	2	3	0	0	1	0
238220	Plumbing, heating, and air-conditioning contractors	268	\$2,195	\$8,511	29	16	7	4	1	0	1	0
2383	Building finishing contractors	108	\$507	\$1,801	27	20	4	2	1	0	0	0
238310	Drywall and insulation contractors	55	\$259	\$825	8	5	1	1	1	0	0	0
238320	Painting and wall covering contractors	29	\$160	\$585	8	5	2	1	0	0	0	0
238330	Flooring contractors	A	D	D	3	3	0	0	0	0	0	0
238340	Tile and terrazzo contractors	A	D	D	3	3	0	0	0	0	0	0
238350	Finish carpentry contractors	13	\$69	\$315	5	4	1	0	0	0	0	0
238910	Site preparation contractors	242	\$1,762	\$8,360	32	14	7	8	3	0	0	0
238990	All other specialty trade contractors	81	\$423	\$3,196	18	12	3	2	1	0	0	0

Source: U.S. Census Bureau

Fayette has a large number of nonemployer firms. About 20 percent are in residential building construction and there are equal percentages. There is a large number representing finishing and specialty trade contractors. There are 114 contractors engaged in foundation, structure, and exterior work.

Fayette County Nonemployer Construction Capacity 2009			
NAICS	NAICS Description	Firms	Receipts (\$1,000)
'23'	Construction	1019	\$42,716
'2361'	Residential building construction	239	\$12,765
'2362'	Nonresidential building construction	31	\$522
'2371'	Utility system construction	6	\$234
'23721'	Land subdivision	5	\$545
'23731'	Highway, street, and bridge construction	2	\$107
'23799'	Other heavy and civil engineering construction	5	\$185
'2381'	Foundation, structure, and building exterior contractors	114	\$4,100
'23821'	Electrical contractors and other wiring installation contractors	53	\$2,116
'23822'	Plumbing, heating, and air-conditioning contractors	61	\$2,834
'23829'	Other building equipment contractors	7	\$94
'2383'	Building finishing contractors	252	\$8,129
'2389'	Other specialty trade contractors	244	\$11,085

Source: U.S. Census Bureau

Fayette is rated as low activity (2) with 108 wells drilled and 194 permits pulled.

Public Housing/Vouchers

Fayette County's public housing data from 2005 to 2008 were examined. The county had some of the lowest occupancy rates within the study area. The wait lists to gain access to public housing remained stable, and even decreased in 2008. Between 2005 and 2008, the wait list for Section 8 certificates and vouchers varied greatly. During each year, residents spent over two years waiting.

Fayette County Public Housing					
	Total Units	Percent Occupied	People per Unit	Total People	Months Waiting
2005	1523	82%	1.9	2314	5
2006	1523	83%	1.9	2355	5
2007	1510	86%	1.8	2348	5
2008	1,451	93%	1.9	2,492	4

Source: Department of Housing and Urban Development

Fayette County Section 8 Certificates and Vouchers				
	People per Unit	Total People	Rent Per Month	Months Waiting
2005	2.2	1,910	244	26
2006	2.2	1,876	265	30
2007	2.1	1,976	263	26
2008	2.1	1,906	281	31

Source: Department of Housing and Urban Development

Point In Time Counts

Between 2008 and 2010, the number of beds in emergency shelter increased from twelve to eighteen for families, and from 20 to 24 for individuals. The point in time counts should on individual in emergency shelter in 2009. There were no transitional housing beds in Fayette County in 2010.

Forest County

Located in northwestern Pennsylvania, Forest County is an eighth class county that encompasses 531 square miles. It is designated as a distressed county by ARC. Forest is the smallest county in the study area in terms of population. Between January 2009 and July 2011 the County had a total of seven Marcellus Shale permits and six wells.

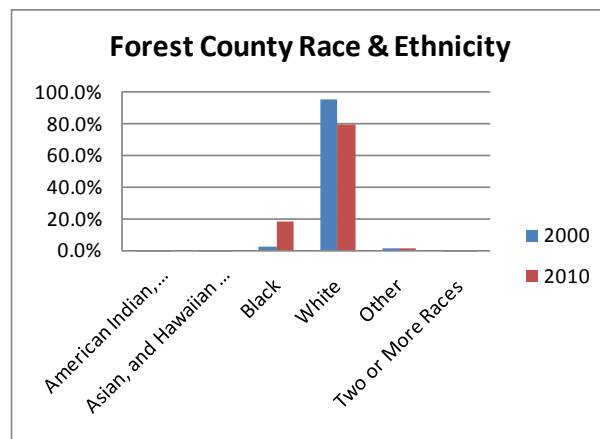
Demographics

Population

Between 2000 and 2010, Forest County experienced a 56 percent increase in its population from 4,946 to 7,716. Forest County is not an aging county. The age group with the highest increase is age 20-24 with 200 percent increase from 2000 to 2010. Age group 25-34 saw a 68.1 percent increase. The largest decrease was in the 5-14 age group with a decrease of 47.9 percent.

Race and Ethnicity

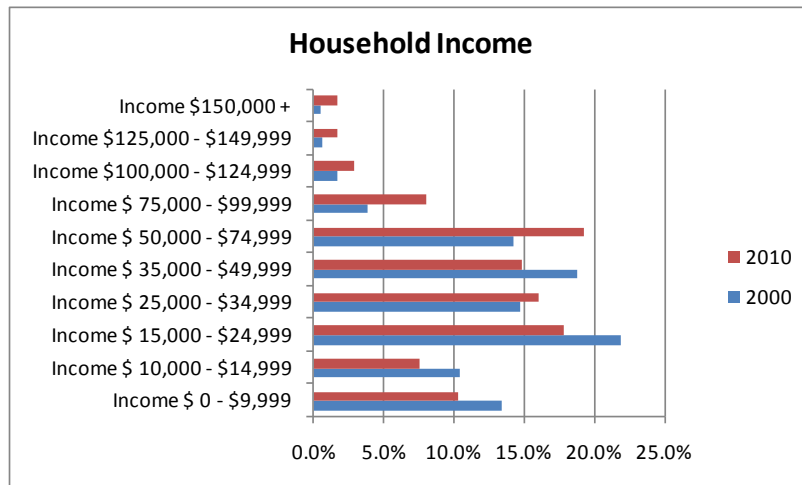
The racial and ethnic makeup of Forest County is beginning to shift. From 2000 to 2010, its percentage of White/Caucasian residents has decreased from 95.9 percent to 79.7 percent. The number of Black/African American residents has increased from 2.2 percent to 17.9 percent and individuals that identify themselves as two or more races have decreased by .1 percent from 2000 to 2010. In addition, the counties Hispanic/Latino population increased from 1.2 percent in 2000 to 4.8 percent in 2010.



Source: U.S Census Bureau & Decision Data Resources

Household Income

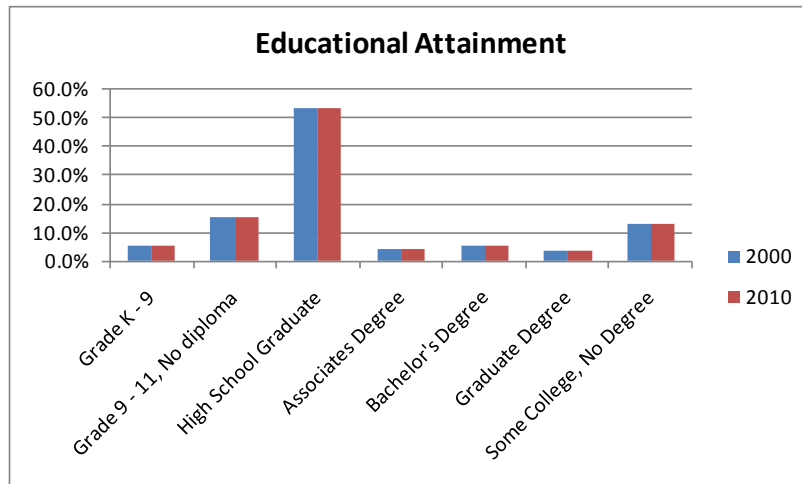
Household income in Forest County varied among different income ranges between 2000 and 2010. The county saw a 111.6 percent increase in those making \$75,000-\$99,999 and a 67.1 percent increase in the number of residents \$100,000-\$124,999. But residents making \$35,000-\$49,999 saw a 21 percent decrease. Overall, the average household income has seen an increase of 23.5 percent between 2000 and 2010.



Source: U.S Census Bureau & Decision Data Resources

Educational Attainment

Forest County residents have achieved approximately the same levels of education from 2000 to 2010. There is no significant increase or decrease in Educational Attainment for the residents.



Source: U.S Census Bureau & Decision Data Resources

Employment & Wages

Poverty

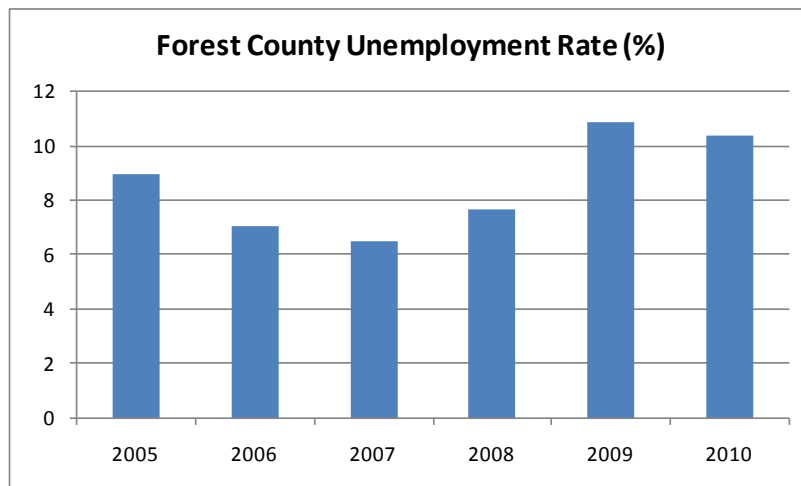
Between 2000 and 2009 the poverty rate increased dramatically; most significantly for all ages. Poverty, for that group, increased by 8.6 percent during the period.

Forest County Poverty			
All ages in poverty		Under age 18 in poverty	
2000	2009	2000	2009
13.80%	22.40%	24.70%	30.70%

Source: US Census Bureau

Unemployment

Due to the national economic crisis that began in 2008, unemployment in Forest County increased. The county topped out at an unemployment rate of 10.4 percent in 2010 — almost three full percent above the statewide unemployment rate of 8.7 percent that same year.



Source: The Center for Workforce Information & Analysis

Business Patterns

According to the U.S. Census Bureau's County Business Patterns, Forest County experienced an increase in its number of employees in 2007 reaching 1,416. A decrease occurred in 2008 lowering the number of employees to 1,266 and then decreased further in 2009 to 1,180.

Since Forest County is very small, there are some industries where data is unavailable. From 2006 – 2009, Manufacturing accounted for 18.0 percent - 24.0 percent of employees (NAICS 62). This figure was followed Accommodation and Food Services (NAICS 44) which accounted for 9.0 percent-13.0 percent of the workforce from 2006-2009. Healthcare and Social Assistance accounted for 29.7 percent-32.9 percent of employees during the years of 2007-2008. Most establishments' employment size class is the 1-4 range with 58.56 percent. The only industry with 1 establishment size of 100-249 and 1 establishment in the 250-499 range is the Health Care and Social Assistance industry.

Forest County Business Patterns							
	2003	2004	2005	2006	2007	2008	2009
Paid employees	1,251	1,228	1,143	1,128	1,416	1,266	1,180
Total establishments	134	128	120	116	119	117	111
Annual payroll (\$1,000)	26,158	30,921	30,990	33,528	44,031	38,903	32,717

Source: US Census Bureau

Non-employee firms fluctuated slightly during the period. Overall, Forest County ended up with an increase from 2003-2009. The county's high was 2004 with 338 firms and its lowest period was 316 in 2008.

Forest County Non-Employer Firms							
	2003	2004	2005	2006	2007	2008	2009
Firms	306	338	331	324	326	316	322
Receipts (\$1,000)	\$11,508	\$12,196	\$13,798	\$13,105	\$13,458	\$13,581	\$11,815

Source: US Census Bureau

Annual and Weekly Pay

Both average weekly and average annual pay increased steadily in Forest County between 2001 and 2010. Figures for 2010 put the county's average weekly wage at \$685. Average annual pay topped out at \$35,628 in 2010. The numbers for 2010 are preliminary.

Forest County Annual & Weekly Pay		
	Average Annual Pay	Average Weekly Wage
2001	\$22,630	\$435
2002	\$23,269	\$447
2003	\$25,252	\$486
2004	\$26,001	\$500
2005	\$29,641	\$570
2006	\$30,882	\$594
2007	\$32,738	\$630
2008	\$33,450	\$643
2009	\$34,442	\$662
2010	\$35,628	\$685

Source: Bureau of Labor Statistics

Housing

Housing Units

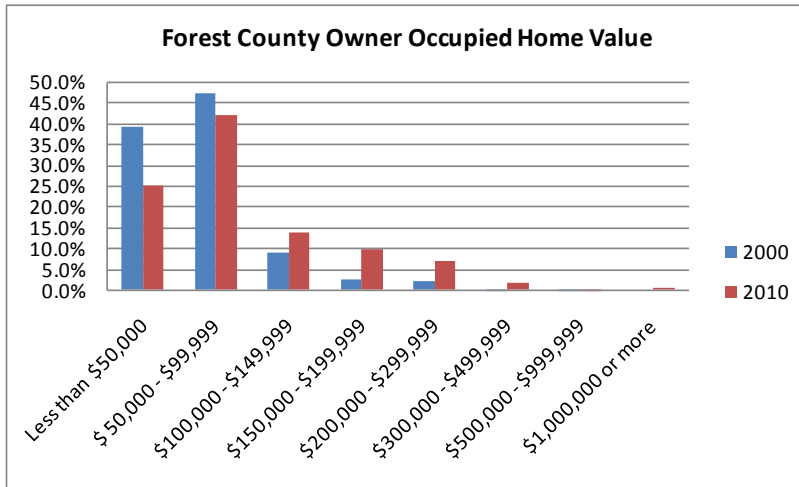
From 2000 to 2010, Forest County experienced a small rise in the total number of housing units in the county, with a net increase of 59. In that same time period, the percentage of renter occupied housing units increased by 1.1 percent, while owner occupied units saw a larger 4.5 percent increase. The vacancy rate dropped by 5.6 percent.

Forest County Housing Units		
	2000	2010
Total Housing Units	8,701	8,760
Owner-Occupied	19.0%	23.5%
Renter-Occupied	4.0%	5.1%
Vacant	77.0%	71.4%

Source: Decision Data Resources & U.S Census Bureau

Home Values

The median value of owner occupied homes rose from \$57,263 in 2000 to \$78,900 in 2010. From 2000 to 2010, there was an 5 percent decrease in owner occupied homes valued at \$50,000-\$99,999. In the same time period there was a 7.3 percent increase in owner occupied homes valued at \$150,000-\$199,999 and a 1.7 percent increase in the \$300,000-\$499,999 range.



Source: Decision Data Resources & U.S Census Bureau

Median Mortgage & Rent

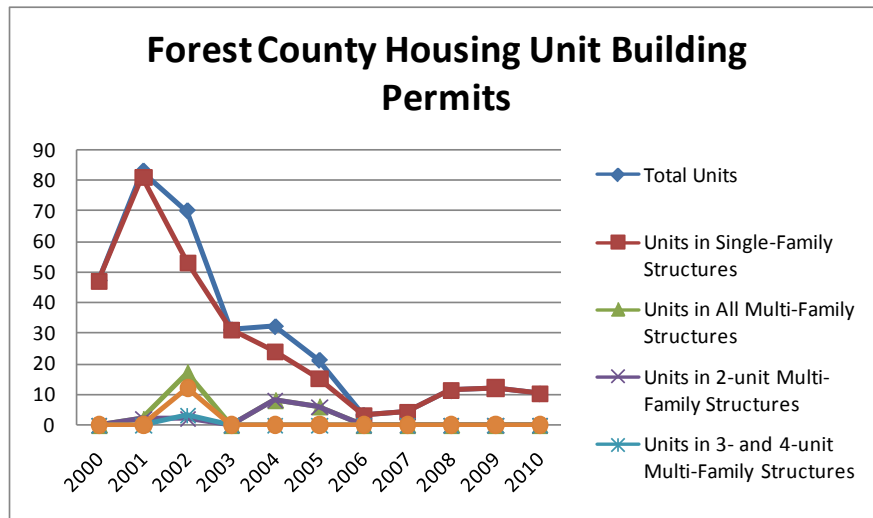
From 2000 to 2009 Forest County’s median mortgage increased to \$888 from \$608, while its median monthly rent reached \$473. Both fell below well below the state and national averages for 2010, which reached \$1,390 and \$763 respectively.

Forest County Mortgage and Rent		
	2000	2005-2009
Median Mortgage	\$608	\$888
Median Rent	\$337	\$473

Source: US Census Bureau

Building Permits

During all years examined single family homes accounted for the vast majority of building permits. Building permits in Forest County reached an all-time high in 2001 with 83. A total of 324 units were built between 2000 and 2010. Units in single-family structures accounted for the most building permits during all years also experiencing a high point in 2001 and a decline though 2010



Source: U.S Census Bureau

Home Sales

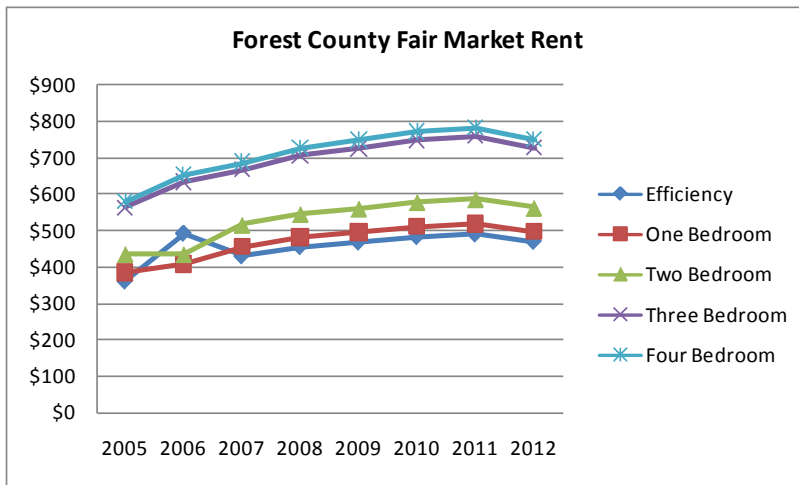
Home sale data in Forest County is not available.

Home Loans

Home sale data in Forest County is not available.

Fair Market Rent

While there were some slight decreases from 2005 – 2007 in some types of units and there is a decrease in 2012 overall, Forest County’s Fair Market Rents (FMR) increased from 2007 – 2011. In 2012, the FMRs run from \$469 in an efficiency to \$750 in a four bedroom. This increased from \$362 in an efficiency in 2005 to \$581 in a four bedroom in the same year, but decreased from \$489 and \$782, respectively in 2011.



Source: Department of Housing and Urban Development

Fair Market Rent and Housing Affordability

The county’s median renter income was \$20,596 for 2009 almost \$9,000 less than the state’s median income for the same year. The monthly rent that is considered affordable at that income is \$515. As such, a two or more bedroom unit in Forest County is then unaffordable for someone earning the median income. A renter would need an additional 14 percent more in income to afford it.

Renter Income and Cost			
	Renter median income	Rent affordable at renter median income	Percent of median renter income needed to afford 2 bdrm FMR
Pennsylvania	\$29,342	\$734	114%
Forest County	\$20,596	\$515	114%

Source: National Low Income Housing Coalition.

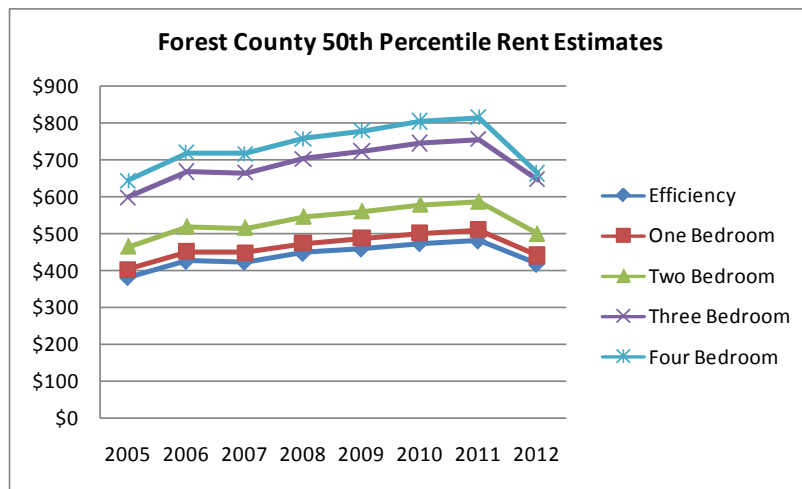
Annual Income Needed to Afford FMR

	Income needed to afford 0 bdrm FMR	Income needed to afford 1 bdrm FMR	Income needed to afford 2 bdrm FMR	Income needed to afford 3 bdrm FMR	Income needed to afford 4 bdrm FMR
Pennsylvania	\$24,434	\$27,821	\$33,476	\$41,698	\$47,160
Forest County	\$19,560	\$20,760	\$23,480	\$30,440	\$31,280

Source: National Low Income Housing Coalition.

50th Percentile Rent Estimates

Forest county's 50th percentile rent estimates are lower than its FMR. These also show a decrease from 2011 levels. As a matter of fact the 2012 levels are almost equal to the 2005 levels.



Source: Department of Housing and Urban Development

Affordable Housing Search

A search of HUD affordable housing database showed a total of 21 properties, only one of which had two- and three-bedroom units available. A search of PAHousingSearch.com was also completed and results showed 52 apartment properties that fell within the county's Fair Market Rent parameters (\$0-\$850). A total of 36 of the properties, all one- to three-bedroom, showed that interested parties would be placed on a wait list, indicating unavailability. The highest rent returned in the search was \$951. A second search was completed, this time using the highest and lowest rents amounts allowable (\$0-\$4,500). The same number of units was returned in the search.

Building Capacity

Forest County has a limited number of construction companies representing all sectors (10). All total they employ 33 people. This demonstrates that these are small firms. Growing construction demand would require growth and/or support from businesses outside the county.

Forest County Construction Capacity 2009

NAICS code	NAICS code description	Paid employees for pay period including March		Annual payroll (\$1,000)	Number of establishments by employment-size class			
		12 (number)	First-quarter payroll (\$1,000)		Total establishments	1-4	5-9	10-19
23----	Construction	33	S	\$1,014	10	8	1	1
23611	Residential building construction	A	\$35	\$314	5	5	0	0
236115	New single-family general contractors	A	S	\$274	3	3	0	0
236118	Residential remodelers	A	D	\$40	2	2	0	0
237110	Water and sewer line and related structures construction	A	D	D	1	1	0	0
238220	Plumbing, heating, and air-conditioning contractors	A	D	D	1	0	1	0
238910	Site preparation contractors	A	D	D	3	2	0	1

Source: U.S. Census Bureau

Forest County also has a small number of nonemployee firms —38 in total. Most notably nonresidential (1) electrical and plumbing (8) and finishing contractors (3) are limited.

Forest County Nonemployer Construction Capacity 2009

NAICS	NAICS Description	Firms	Receipts (\$1,000)
'23'	Construction	38	\$1,384
'2361'	Residential building construction	8	\$311
'2362'	Nonresidential building construction	1	\$2
'237'	Heavy and civil engineering construction	d	d
'2371'	Utility system construction	d	d
'2381'	Foundation, structure, and building exterior contractors	3	\$102
'2382'	Building equipment contractors	8	\$228
'23821'	Electrical contractors and other wiring installation contrac	d	d
'23822'	Plumbing, heating, and air-conditioning contractors	d	d
'2383'	Building finishing contractors	3	\$71
'2389'	Other specialty trade contractors	13	\$535

Source: U.S. Census Bureau

Forest County has only six wells drilled to date and only seven permits pulled. Fayette’s growth may not be as rapid as other counties.

Public Housing/Vouchers

Forest County's has no public housing data. The wait list for Section 8 certificates and vouchers decreased from four to two months between 2005 and 2008.

Forest Section 8 Certificates and Vouchers				
	People per Unit	Total People	Rent Per Month	Months Waiting
2005	1.8	42	272	4
2006	1.8	48	280	2
2007	1.9	42	255	4
2008	1.8	46	254	2

Source: Department of Housing and Urban Development

Point-In-Time Counts

Forest County's has no emergency shelter beds or transitional housing and therefore, no families in traditional housing from 2008 to 2010.

Luzerne County

Luzerne County is a third-class county located in northeastern Pennsylvania. In terms of population, it is the study area's largest county. It is designated as a transitional county by ARC. Between January 2009 and July 2011, the county recorded a total of fifteen Marcellus Shale permits and two wells.

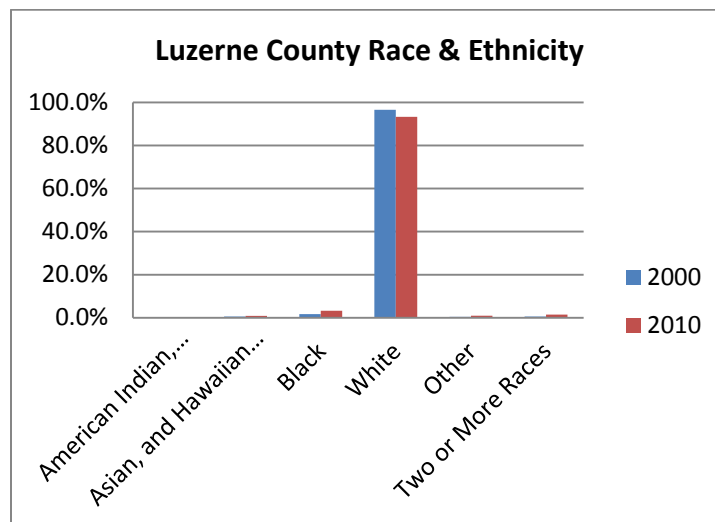
Demographics

Population

After several decades of decline, between 2000 and 2010, Luzerne County's population grew 0.5 percent. The county is also aging, as most groups over age 45 increased, while those under 45 decreased.

Race and Ethnicity

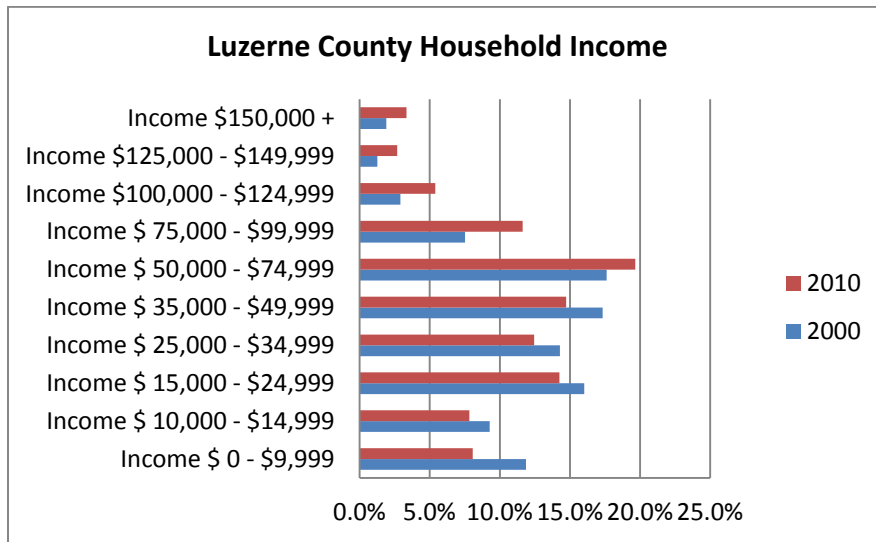
Luzerne County's racial and ethnic makeup is beginning to shift. Between 2000 and 2010, its Hispanic/Latino population exploded - increasing by nearly 400 percent. The county has also experienced a 94 percent increase in its Black/African American population, a 112 percent increase in those who identified themselves as other, and a 151 percent increase in those who identified themselves as two or more races. While the county is becoming more racially and ethnically diverse, it is much less diverse than both Pennsylvania and the nation.



Source: U.S. Census Bureau & Decision Data Resources

Household Income

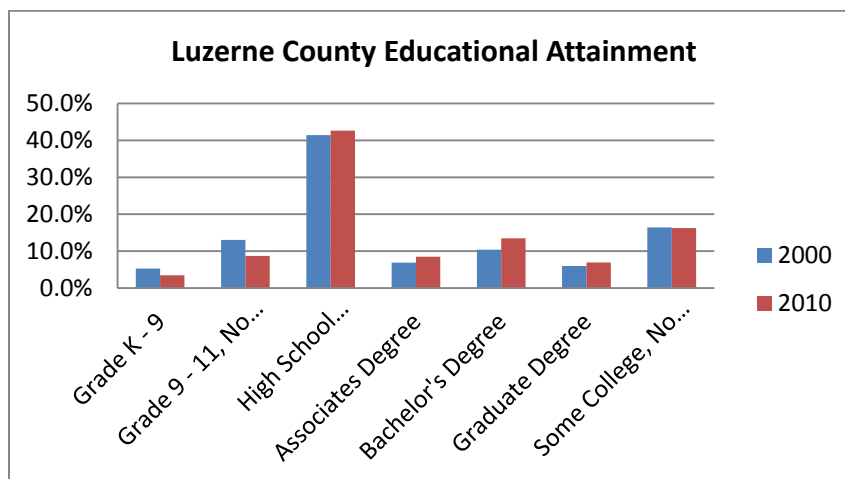
Between 2000 and 2010, Luzerne County experienced an 85 percent increase in households earning between \$100,000-\$124,999, and a 111 percent increase those earning between \$125,000-\$149,000. The largest decrease in household income occurred among those earning below \$9,999. This differed from Pennsylvania as a whole, where the greatest percentage of households earned between \$75,000-\$99,000.



Source: U.S Census Bureau & Decision Data Resources

Educational Attainment

From 2000 to 2010, the county recorded a 30 percent increase the percentage of residents over age 25 who has earned a Bachelor’s degree. Its percentage of residents who did not graduate from high school decreased across the board. Nevertheless, Luzerne County lags somewhat behind the Commonwealth of Pennsylvania in terms of its percentage of residents who earned a Bachelor’s or graduate degree.



Source: U.S Census Bureau & Decision Data Resources

Poverty

Like many other counties examined, from 2000 to 2009, Luzerne County's poverty rate increased, particularly among those under age eighteen. Among all ages, the county's poverty rate grew from 9.4 percent in 2000 to 13.1 percent in 2009; among those under age eighteen, its poverty rate grew from 12.9 percent in 2000 to 19.3 percent in 2009. By comparison, Luzerne County's 2009 poverty rate was much higher than that of both the Commonwealth of Pennsylvania and the nation, which were 12.5 percent and 14.3 percent, respectively.

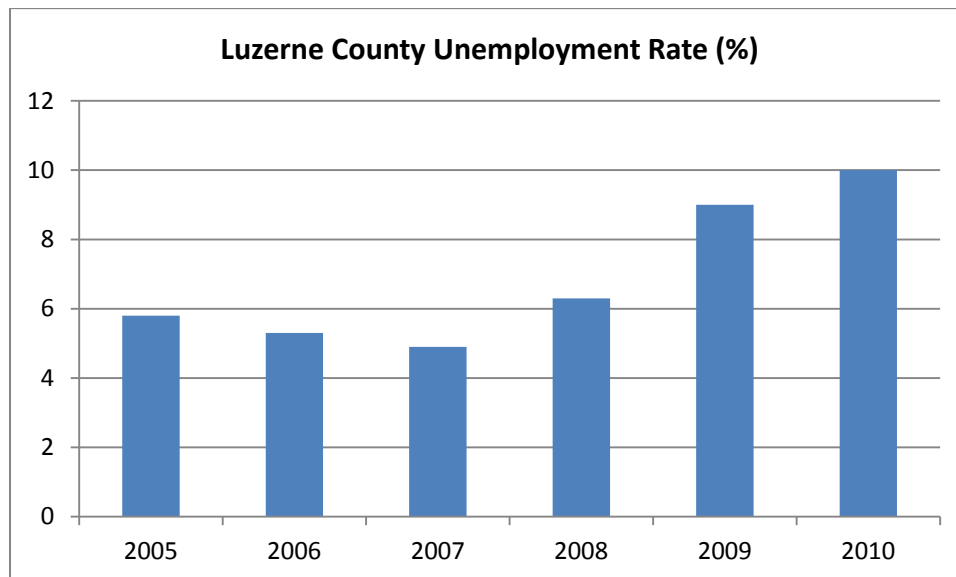
Luzerne County Poverty			
All ages in poverty		Under age 18 in poverty	
2000	2009	2000	2009
9.4%	13.1%	12.9%	19.3%

Source: U.S. Census Bureau & Decision Data Resources

Employment & Wages

Unemployment

From 2005 through 2010, Luzerne County's unemployment rate also grew from 5.8 percent to 10 percent. Among the counties studied, Luzerne County was one of only three whose unemployment rates reached 10 percent. Its lowest unemployment rate during the time span was 4.9 percent in 2007. The county's 2010 unemployment rate also exceeded Pennsylvania's rate of 8.7 percent for the same year.



Source: The Center for Workforce Information & Analysis

Business Patterns

According to the U.S. Census Bureau's County Business Patterns, between 2006 and 2009, Luzerne County experienced a decrease in its number of paid employees, which reached a six year low of 124,158 in 2009. The county reached its high point in 2006 with nearly 130,000 paid employees.

During all five years examined, the greatest percentage of the county's workforce (nearly 20 percent) was employed in the health care and social assistance industry, followed closely by the retail trade and manufacturing industries. Although it employed the third highest number of people, the manufacturing industry actually lost employees over the time period examined. In 2009, Luzerne County recorded a total of 7,379 business establishments – the greatest number of business establishments among all counties studied. In addition, Luzerne County had the highest number of large establishments – a total of fifteen, which employed between 500-999 people and six employing 1000 or more.

Luzerne County Business Patterns							
	2003	2004	2005	2006	2007	2008	2009
Paid employees	123,599	125,682	125,643	129,972	128,627	128,177	124,158
Total establishments	7,599	7,711	7,790	7,684	7,705	7,529	7,379
Annual payroll (\$1,000)	\$3,502,182	\$3,605,352	\$3,663,914	\$3,841,074	\$4,211,296	\$4,150,685	\$4,003,864

Source: U.S Census Bureau

From 2003 through 2009, the county's non-employee firms fluctuated. The highest number of such firms (16,785) was observed in 2007, while 2003 marked the lowest number of firms (14,699). Receipts largely grew over the period examined and hit a high in 2008, before decreasing in 2009.

Luzerne County Non-Employer Firms							
	2003	2004	2005	2006	2007	2008	2009
Firms	14,699	15,092	15,437	16,041	16,785	16,520	15,913
Receipts (\$1,000)	\$649,889	\$682,953	\$715,606	\$769,391	\$772,198	\$773,874	\$676,851

Source: U.S Census Bureau

Annual and Weekly Pay

Between 2001 and 2010, Luzerne County's average weekly and average annual pay increased steadily. Figures for 2010 put the county's average weekly wage at \$682 and its average annual pay at \$36,137.

Luzerne County Annual & Weekly Pay		
	Average Annual Pay	Average Weekly Wage
2001	\$28,924	\$556
2002	\$29,732	\$572
2003	\$30,419	\$585
2004	\$31,620	\$608
2005	\$32,143	\$618
2006	\$32,832	\$631
2007	\$34,575	\$665
2008	\$34,892	\$671
2009	\$35,463	\$682
2010	\$36,137	\$695

Source: Bureau of Labor Statistics

Housing

Housing Units

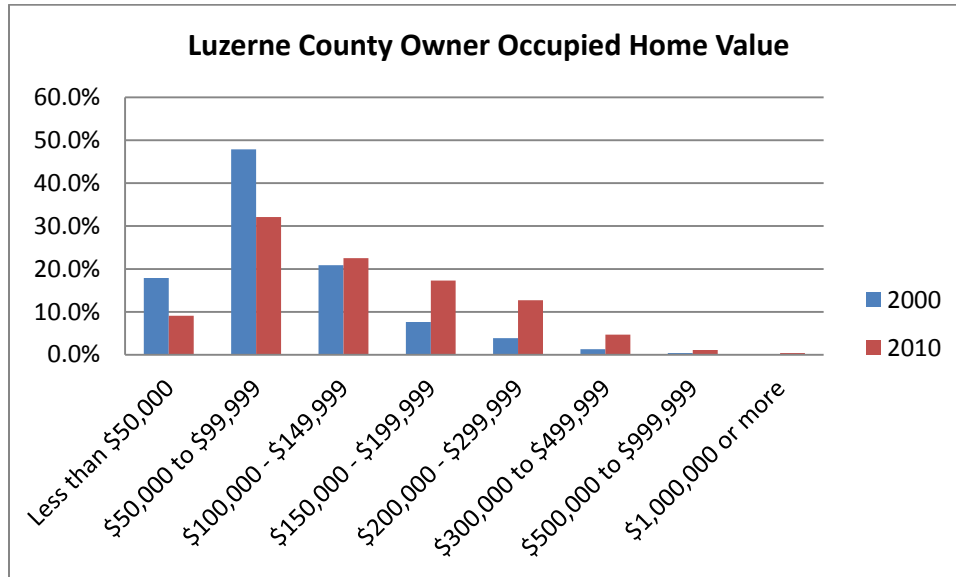
From 2000 to 2010, Luzerne County experienced an increase in its total number of housing units from 144,686 to 148,748 – a net increase of 4,062. During the same time period, the percentage of renter-occupied housing units increased 1.6 percent, while owner-occupied units decreased 3.2 percent. The county's vacancy rate rose 1.6 percent.

Luzerne County Housing Units		
	2000	2010
Total Housing Units	144,686	148,748
Owner-Occupied	63.5%	60.3%
Renter-Occupied	26.8%	28.4%
Vacant	9.7%	11.3%

Source: Decision Data Resources & U.S Census Bureau

Home Values

The county’s median value of owner-occupied homes rose from \$84,670 in 2000 to \$117,400 in 2010. Over the decade, there was a 15.8 percent decrease in owner-occupied homes valued between \$50,000-\$99,999, a 9.7 percent increase in those valued between \$150,000-\$199,999 and a 3.4 percent increase in those valued between \$300,000-\$499,999 range.



Source: Decision Data Resources & U.S Census Bureau

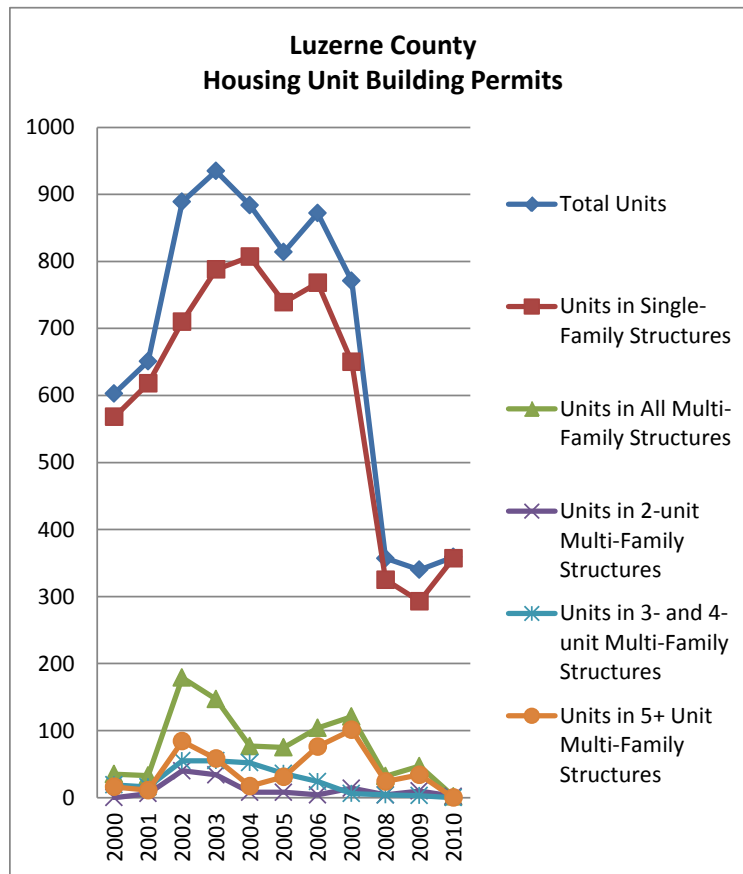
Median Mortgage & Rent

From 2000 to 2005-2009, Luzerne County’s median mortgage increased to \$1,156, while its median monthly rent reached \$585. Its median mortgage and median rent fell well below state and national averages for 2010, which reached \$1,390 and \$763, respectively.

Luzerne County Mortgage and Rent		
	2000	2005-2009
Median Mortgage	\$865	\$1,156
Median Rent	\$434	\$585

Building Permits

During all years examined, single family homes accounted for the vast majority of Luzerne County's issued building permits. The county's building permits reached an all-time-high of 889 in 2005. Nearly 7,500 units were built between 2000 and 2010. Single-family homes in 5+ unit, multi-family structures accounted for the second greatest number of building permits issued during most years – and reached a high of 101 permits issued in 2007.



Source: U.S. Census Bureau

Home Sales

Between 2006 and 2010, the county's home sales fell more than 30 percent. Such decline was most likely due the national housing crises that began in 2006 and continues today. Median home prices fluctuated though 2009 and reached a five-year high of \$89,300 in 2007. In the first quarter of 2011 Luzerne had 606 sales and the median sales price was \$69,250.

Number of Home Sales					
	2006	2007	2008	2009	2010
Luzerne, PA (County)	11,470	3,437	4,795	4,412	3,732

Source: PolicyMap

Median Sale Price					
	2006	2007	2008	2009	2010
Luzerne, PA (County)	\$83,820	\$89,300	\$80,000	\$85,000	\$84,000

Source: PolicyMap

Home Loans

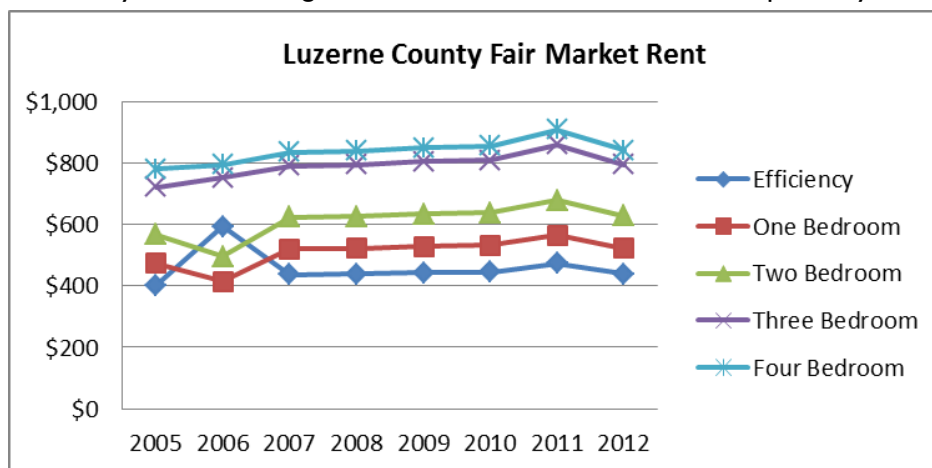
Between 2004 and 2008, the number of homes loans issued in Luzerne County decreased significantly. This again reflects the national housing crisis and overall weak economy. However, the county experienced an increase in home loans issued in 2009. Although the total number of loans issued decreased, the median loan amount increased during each year examined. Median loan amounts were well below state and national averages. In terms of how these loans were used, home refinancings accounted for nearly two-thirds of all originations.

All Originations	2004	2005	2006	2007	2008	2009
County (Luzerne)						
Number of Loans	9,120	8,557	8,077	6,861	5,040	5,758
Median Loan Amount	\$77,000	\$81,000	\$85,000	\$90,000	\$100,000	\$115,000
State (Pennsylvania)						
Number of Loans	421,712	404,927	368,872	306,428	241,601	320,234
Median Loan Amount	\$105,000	\$114,000	\$113,000	\$124,000	\$139,000	\$157,000
National						
Number of Loans	11,746,438	11,559,564	10,070,623	7,742,076	5,611,779	7,757,819
Median Loan Amount	\$147,000	\$161,000	\$163,000	\$168,000	\$170,000	\$176,000

Source: PolicyMap

Fair Market Rent

While there was a slight decrease in one- and two-bedroom units in 2006 and a decrease for 2012, overall, Luzerne County's Fair Market Rents (FMR) increased steadily between 2005 and 2011 and decreased in 2012. In 2005, the county's FMR ranged from \$375 for an efficiency to \$672 for a four-bedroom apartment; by 2010, these figures increased to \$471 and \$ 844, respectively.



Source: Department of Housing and Urban Development

Fair Market Rent and Housing Affordability

The county’s median renter income was \$24,576 for 2009 – more than \$5,000 less than the state average for the same year. The monthly rent that is considered affordable at that income is \$614. As such, a two- or more bedroom unit in Luzerne County is then unaffordable for someone earning the median income. A renter would need to earn additional 11 percent in order to afford it.

Renter Income and Cost			
	Renter median income	Rent affordable at renter median income	Percent of median renter income needed to afford 2 bdrm FMR
Pennsylvania	\$29,342	\$734	114%
Luzerne County	\$24,576	\$614	111%

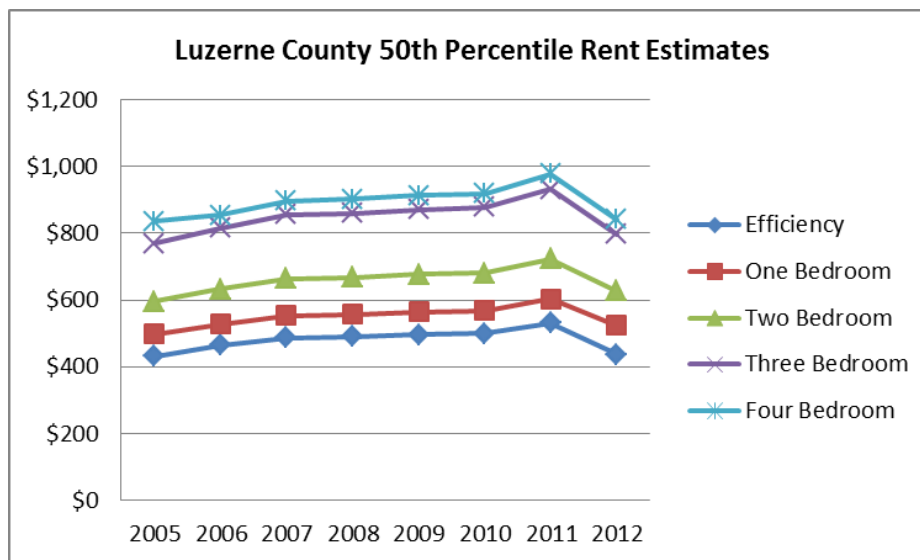
Source: National Low Income Housing Coalition.

Annual Income Needed to Afford FMR					
	Income needed to afford 0 bdrm FMR	Income needed to afford 1 bdrm FMR	Income needed to afford 2 bdrm FMR	Income needed to afford 3 bdrm FMR	Income needed to afford 4 bdrm FMR
Pennsylvania	\$24,434	\$27,821	\$33,476	\$41,698	\$47,160
Luzerne County	\$18,960	\$22,640	\$27,160	\$34,440	\$36,360

Source: National Low Income Housing Coalition.

50th Percentile Rent Estimates

Luzerne County’s 50th percentile rent estimates were higher than FMR, since FMR are usually set at the 40th percentile. Such rent estimates will decrease in 2012.



Source: US Housing and Urban Development

Affordable Housing Search

A search of the U.S. Department of Housing and Urban Development's (HUD) affordable housing database showed a total of 25 properties. Eleven such properties had two-bedroom units and seven properties had three-bedroom units. A search of PAHousingSearch.com was also completed and results showed 144 apartment properties that fell within the county's FMR parameters (\$0-\$850). A total of 29 of the properties had income restrictions and 43 showed that interested parties would be placed on a wait list, indicating unavailability. A second search was then completed, this time using the highest and lowest rent amounts allowable (\$0-\$4,500). The search returned the same number of units. Price ranges for apartments ranged from \$376-\$577 for one-bedroom units; \$400-\$975 for two-bedroom units; and \$500-\$800 for three-bedroom units.

Building Capacity

Luzerne County is currently one of the "non active" counties in the study. There are over 600 construction firms and 4700 employees in the industry. Luzerne only has one multi-family contractor [although several may be hiding in the operative category 236117]. The county appears to have capacity in all other areas.

Luzerne County Construction Capacity 2009						Number of establishments by employment-size class					
NAICS code	NAICS code description	Paid employees for pay period including March 12 (number)	First-quarter payroll (\$1,000)	Annual payroll (\$1,000)	Total establishments	1-4	5-9	10-19	20-49	50-99	100-249
23----	Construction	4734	\$45,184	\$204,736	619	416	85	63	37	14	4
236115	New single-family general contractors	145	\$881	\$3,377	56	48	7	1	0	0	0
236116	New multifamily housing construction (except operative build	7	\$7	\$96	1	0	1	0	0	0	0
236117	New housing operative builders	64	\$448	\$2,055	9	5	2	1	1	0	0
236118	Residential remodelers	376	\$3,576	\$13,069	95	78	9	6	1	0	1
236210	Industrial building construction	12	\$74	\$326	4	3	1	0	0	0	0
236220	Commercial and institutional building construction	664	\$7,019	\$33,773	33	10	7	6	8	1	1
237	Heavy and civil engineering construction	659	\$5,712	\$32,876	31	14	5	3	4	4	1
2371	Utility system construction	187	\$1,508	\$9,472	14	6	4	1	3	0	0
237110	Water and sewer line and related structures construction	B	D	D	10	5	4	0	1	0	0
237120	Oil and gas pipeline and related structures construction	B	D	D	1	0	0	0	1	0	0
237130	Power and communication line and related structures construct	B	D	D	3	1	0	1	1	0	0
237210	Land subdivision	A	\$30	\$134	3	3	0	0	0	0	0
237310	Highway, street, and bridge construction	406	\$2,473	\$16,507	10	2	1	2	1	3	1
237990	Other heavy and civil engineering construction	B	\$1,701	\$6,763	4	3	0	0	0	1	0
2381	Foundation, structure, and building exterior contractors	430	\$2,944	\$14,596	87	66	12	4	3	2	0
238110	Poured concrete foundation and structure contractors	64	\$401	\$2,403	18	13	5	0	0	0	0
238120	Structural steel and precast concrete contractors	A	D	D	1	0	0	1	0	0	0
238130	Framing contractors	A	D	D	7	7	0	0	0	0	0
238140	Masonry contractors	89	\$326	\$2,400	36	30	4	1	1	0	0
238150	Glass and glazing contractors	C	D	D	2	0	0	0	0	2	0
238160	Roofing contractors	85	\$467	\$2,310	10	4	2	2	2	0	0
238170	Siding contractors	20	\$76	\$376	11	10	1	0	0	0	0
238190	Other foundation, structure, and building exterior contractors	A	D	D	2	2	0	0	0	0	0
238210	Electrical contractors and other wiring installation contractors	565	\$6,067	\$25,821	55	35	9	5	2	3	1
238220	Plumbing, heating, and air-conditioning contractors	963	\$11,192	\$42,272	99	53	13	18	12	3	0
238290	Other building equipment contractors	59	\$970	\$4,578	4	0	0	3	1	0	0
2383	Building finishing contractors	499	\$3,677	\$16,854	79	49	15	12	2	1	0
238310	Drywall and insulation contractors	151	\$1,300	\$5,129	17	12	3	1	0	1	0
238320	Painting and wall covering contractors	142	\$982	\$4,893	27	16	7	3	1	0	0
238330	Flooring contractors	43	\$195	\$985	7	4	1	2	0	0	0
238340	Tile and terrazzo contractors	23	\$207	\$769	7	5	1	1	0	0	0
238350	Finish carpentry contractors	C	\$898	\$4,593	18	10	2	5	1	0	0
238390	Other building finishing contractors	A	\$95	\$485	3	2	1	0	0	0	0
238910	Site preparation contractors	270	\$2,521	\$13,496	42	31	4	4	3	0	0
238990	All other specialty trade contractors	21	\$96	\$1,547	24	24	0	0	0	0	0

Source: U.S. Census Bureau

Luzerne County has a high number of nonemployee construction businesses (1932) with diversity in the foundation, specialty and finishing areas. Additionally, there are over 480 residential building construction businesses. These businesses produce almost \$36 million in revenue.

Luzerne County Nonemployer Construction Capacity 2009			
NAICS	NAICS Description	Firms	Receipts (\$1,000)
'23'	Construction	1932	\$97,292
'2361'	Residential building construction	485	\$35,790
'2362'	Nonresidential building construction	51	\$2,433
'23721'	Land subdivision	14	\$1,314
'23731'	Highway, street, and bridge construction	6	\$192
'23799'	Other heavy and civil engineering construction	15	\$825
'2381'	Foundation, structure, and building exterior contractors	182	\$9,202
'23821'	Electrical contractors and other wiring installation contractors	123	\$5,407
'23822'	Plumbing, heating, and air-conditioning contractors	151	\$7,266
'23829'	Other building equipment contractors	13	\$487
'2383'	Building finishing contractors	518	\$17,801
'2389'	Other specialty trade contractors	374	\$16,575

Source: U.S. Census Bureau

Luzerne County is also rated as low or no activity (I), with two wells drilled and 15 permits. Test wells in Luzerne County have not been proven to be not worth pursuing at this time. Therefore, Luzerne may not necessarily expect drilling growth, however it can expect pipeline activity and being one of the more urban counties in the northeast, may end up with its businesses meeting demand in the northern counties.

Public Housing/Vouchers

The county's public housing data were examined from 2005 to 2008. The vast majority of all units were occupied during all years. As illustrated in the table below, the wait lists to gain access to public housing fluctuated, reaching a four year high of nine months in 2008. The wait list for Section 8 certificates and vouchers followed the same path, but decreased overall during the period – from 25 months in 2005 to 17 month in 2008.

Luzerne County Public Housing					
	People			Total People	Months Waiting
	Total Units	Percent Occupied	per Unit		
2005	3261	90%	1.6	4629	7
2006	3261	92%	1.7	4901	9
2007	3263	92%	1.7	4962	6
2008	3,253	92%	1.7	5,018	8

Source: Department of Housing and Urban Development

Luzerne County Section 8 Certificates and Vouchers				
	People per Unit	Total People	Rent Per Month	Months Waiting
2005	2.4	4637	275	25
2006	2.4	5065	295	12
2007	2.4	5132	290	18
2008	2.4	5,178	309	17

Source: Department of Housing and Urban Development

Point In Time Counts

In 2010 Luzerne County had 42 individuals/13 families in emergency shelter and 42 individuals and 17 families in transitional housing

Lycoming County

Located in the northern tier of Pennsylvania, Lycoming County is a fifth class county that encompasses 1,215 square miles. Lycoming is the fifth largest county in the study area in terms of population. Between January 2009 and July 2011 the County had a total of 576 Marcellus Shale permits and 141 wells.

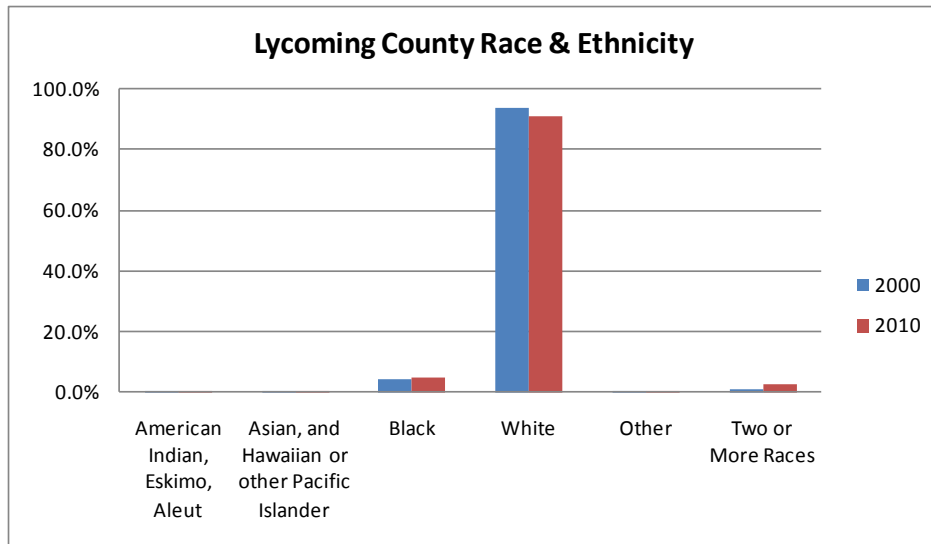
Demographics

Population

Lycoming County saw a 3.3 percent decline in its population between 2000 and 2010. As with many of the counties in the Commonwealth, Lycoming is aging, seeing increases in nearly all age groups above 45.

Race and Ethnicity

In terms of racial and ethnic makeup, Lycoming has experienced an increase in those who identify themselves as “Other” or “Two or More Races” increasing by 189.5 percent and 201.2 percent respectively. The White/Caucasian population decreased by nearly 3 percent between 2000 and 2010.



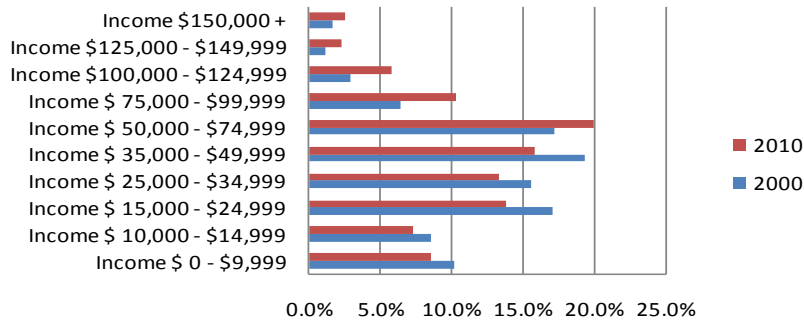
Source: U.S Census Bureau & Decision Data Resources

Household Income

Households making over \$100,000 increased more than 100 percent while households making less and \$49,999 all decreased. The largest decrease occurred in the \$15,000-\$24,999 bracket.

□

Lycoming County Household Income

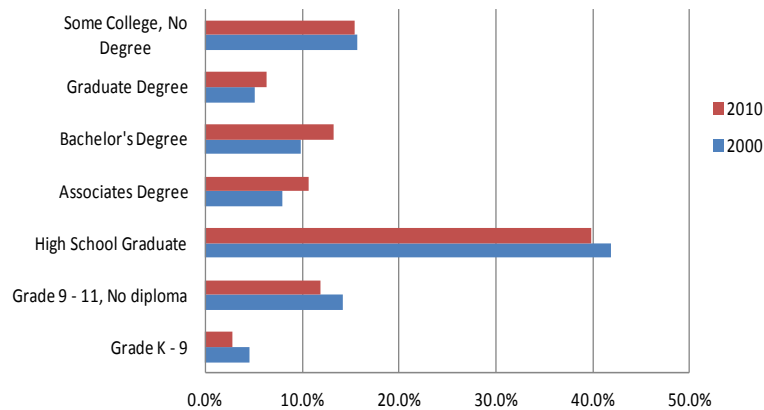


Source: U.S Census Bureau & Decision Data Resources

Educational Attainment

Residents over the age of 25 with an associates and bachelor’s degrees have both increased by over 30 percent during the period examined. Graduate degree recipients have increased by 21 percent.

Lycoming County Educational Attainment



Source: U.S Census Bureau & Decision Data Resources

Poverty

Between 2000 and 2009 the poverty rate increased significantly, most significantly in children under the age of 18. Lycoming County's poverty rate was higher than that of both the Commonwealth of Pennsylvania and the nation, whose respective poverty rates were 12.5 percent and 14.3 percent.

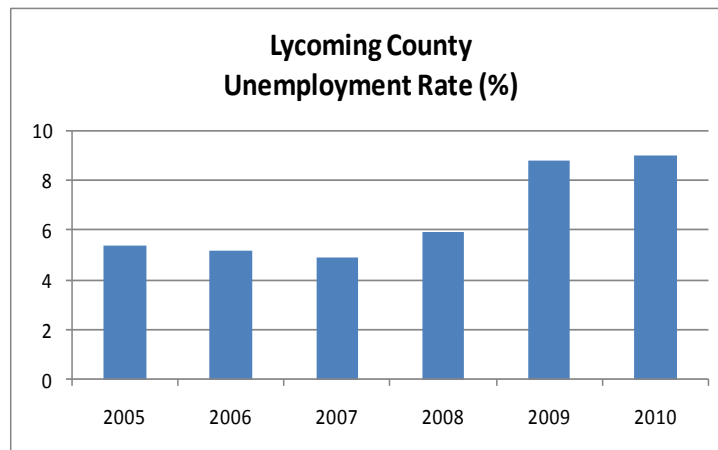
Lycoming County Poverty			
All ages in poverty		Under age 18 in poverty	
2000	2009	2000	2009
10.3%	14.7%	14.6%	20.0%

Source: U.S Census Bureau

Employment & Wages

Unemployment

Lycoming County followed the very same trend as many other counties, hitting a six year low in 2007 followed by annual increases. The county's highest unemployment of the period occurred in 2010 with 9 percent, slightly higher than the statewide rate of 8.7 percent.



Source: The Center for Workforce Information & Analysis

Business Patterns

Lycoming County experienced a steady increase in its number of employees through 2008. In 2009 the number of employees dropped by 3,000. This is most likely due to layoffs occurring in the region. The manufacturing industry had the highest number of employees among all industries. Health Care and Social Assistance followed closely behind. Business establishments in Lycoming County totaled 2,805 in 2009. Nearly half of those establishments employed 1-4 individuals. Only one business employed 1,000 or more people.

Lycoming County Business Patterns							
	2003	2004	2005	2006	2007	2008	2009
Paid employees	46,410	46,158	45,757	46,213	46,413	46,554	43,559
Total establishments	2,798	2,810	2,803	2,813	2,854	2,845	2,805
Annual payroll (\$1,000)	\$1,236,881	\$1,271,502	\$1,278,067	\$1,311,934	\$1,363,808	\$1,375,439	\$1,332,035

Source: U.S Census Bureau

Non-employer firms fluctuated during the period examined. The greatest number of such firms was observed in 2007 and 2008, totaling 6,582. The number of firms fell by almost 300 from 2008 to 2009. Receipts also fluctuated over the period examined; while they hit a high in 2008, they increased significantly from 2004.

Lycoming County Non-Employer Firms							
	2003	2004	2005	2006	2007	2008	2009
Firms	6027	6238	6362	6415	6582	6582	6292
Receipts (\$1,000)	\$224,590	\$233,038	\$242,412	\$242,790	\$260,052	\$261,748	\$240,156

Source: U.S Census Bureau

Annual and Weekly Pay

Both average weekly and average annual pay increased steadily between 2001 and 2010. Figures for 2010 put the county's average weekly wage at \$660. Average annual pay topped out at \$34,464 in 2010.

Lycoming County Annual & Weekly Pay		
	Average Annual Pay	Average Weekly Pay
2001	\$27,801	\$535
2002	\$27,988	\$538
2003	\$28,846	\$555
2004	\$30,050	\$578
2005	\$30,699	\$590
2006	\$31,431	\$604
2007	\$32,506	\$625
2008	\$33,340	\$641
2009	\$34,188	\$657
2010	\$35,464	\$682

Source: Bureau of Labor Statistics

Housing

Housing Units

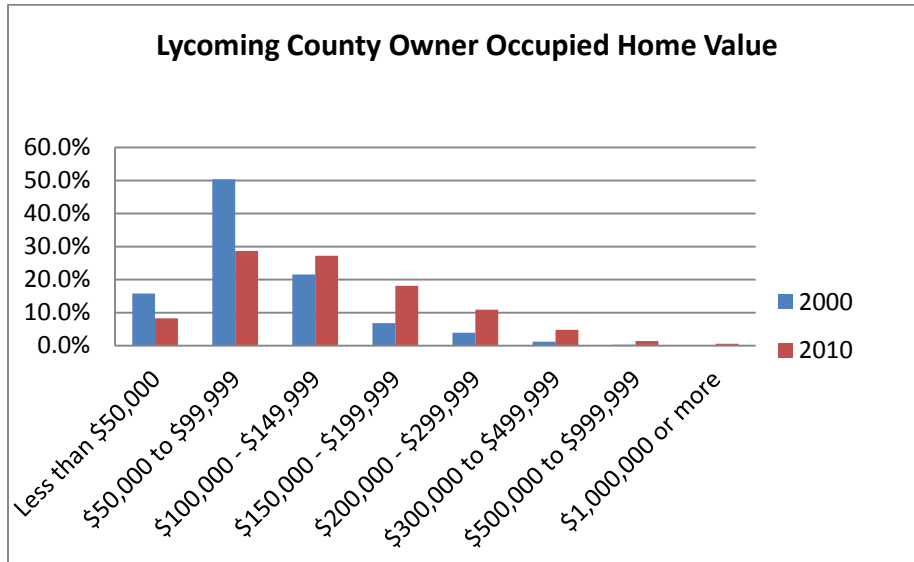
From 2000 to 2010, Lycoming County saw a small increase in the total number of housing units in the county, with a net gain of 36. In that same time period, the percentage of renter occupied housing units increased slightly, while owner occupied units saw a 1.6 percent decrease. The overall vacancy rate also rose by less than 1 percent.

2000 Lycoming County Housing Units		
	2000	2010
Total Housing Units	52,464	52,500
Owner-Occupied	62.2%	60.6%
Renter-Occupied	27.4%	28.3%
Vacant	10.4%	11.1%

Source: Decision Data Resources & U.S Census Bureau

Home Values

The median value of owner occupied homes rose from \$86,111 in 2000 to \$126,500 in 2010. From 2000 to 2010, there was a 21.7 percent decrease in owner occupied homes valued at \$50,000-\$99,999. In the same time period there was an 11.3 percent increase in owner occupied homes valued at \$150,000-\$199,999 and a 3.6 percent increase in the \$300,000-\$499,999 range.



Source: Decision Data Resources & U.S Census Bureau

Median Mortgage & Rent

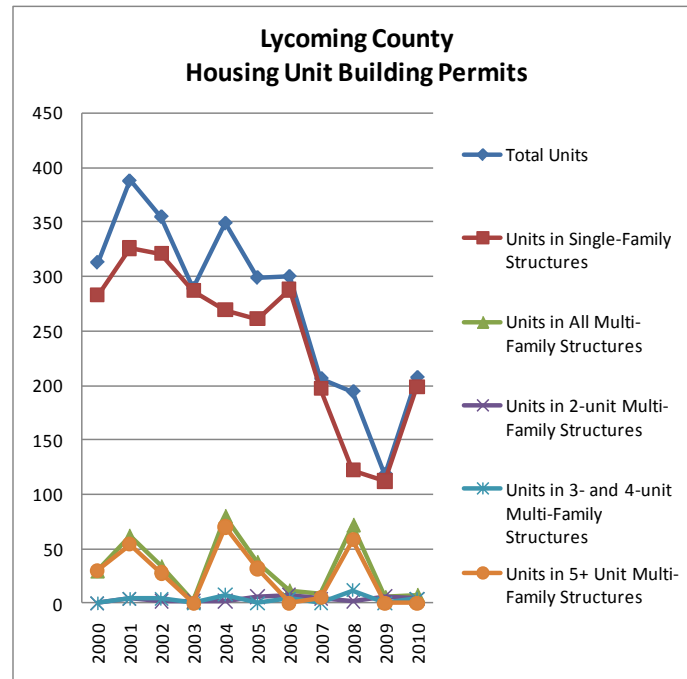
From 2000 to 2009, Blair County’s median mortgage increased to just over \$1,100, while its median monthly rent reached \$585. Its median mortgage and median rent fell well below state and national averages for 2010, which reached \$1,390 and \$763, respectively.

Lycoming County Mortgage and Rent		
	2000	2005-2009
Median Mortgage	\$848	\$1,128
Median Rent	\$449	\$585

Source: US Census Bureau

Building Permits

During all years examined single family homes accounted for the vast majority of building permits. Building permits in Lycoming County reached an all-time high in 2005 with 293. Over 2,800 units were built between 2000 and 2010. Units in multi-family structures accounted for the second most building permits during most years also experiencing a high point in 2004 and a decline though 2010.



Source: U.S Census Bureau

Home Sales

Homes sales in Lycoming County steadily declined between 2006 and 2010. This decline was most likely due the national housing crises that began in 2006 and continues today. Although sales decreased, home prices continued to grow through 2009 increasing to \$82,000 before falling below \$80,000 in 2010.

Number of Home Sales					
	2006	2007	2008	2009	2010
Lycoming, PA (County)	2,139	2,017	476	N/A	N/A

Source: PolicyMap

Median Sale Price					
	2006	2007	2008	2009	2010
Lycoming, PA (County)	\$96,000	\$95,000	\$85,900	N/A	N/A

Source: PolicyMap

Home Loans

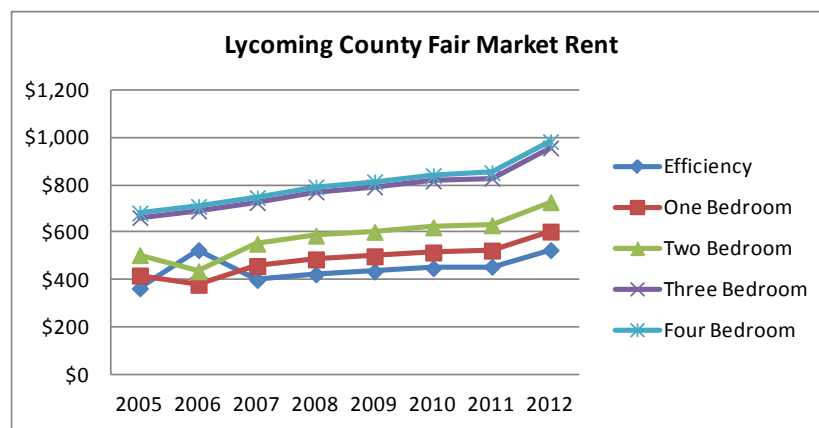
The number of homes loans in Lycoming decreased significantly between 2004 and 2008 and increased in 2009. This again reflects the ongoing housing crisis that is occurring nationally. Although the number of loan decreased the median loan amount increased during each year examined. Median loan amounts in Lycoming County were well below state and national averages. In terms of how these loans were used, refinancing accounted for nearly two- thirds of all originations.

All Originations	2004	2005	2006	2007	2008	2009
County (Lycoming)						
Number of Loans	3,542	3,146	2,931	2,502	1,952	2,381
Median Loan Amount	\$78,000	\$82,000	\$81,000	\$88,000	\$95,000	\$105,000
State (Pennsylvania)						
Number of Loans	421,712	404,927	368,872	306,428	241,601	320,234
Median Loan Amount	\$105,000	\$114,000	\$113,000	\$124,000	\$139,000	\$157,000
National						
Number of Loans	11,746,438	11,559,564	10,070,623	7,742,076	5,611,779	7,757,819
Median Loan Amount	\$147,000	\$161,000	\$163,000	\$168,000	\$170,000	\$176,000

Source: PolicyMap

Fair Market Rent

Fair Market Rents (FMR) steadily increased between 2005 and 2011. There was a slight decrease in one and two bedroom units in 2006. Efficiencies saw a slight increase during the same year. In 2005 FMR ranged from \$365 for efficiency to \$682 for a four bedroom apartment. By 2010 these figures increased to \$456 and \$ 852 respectively.



Source: Department of Housing and Urban Development

Fair Market Rent and Housing Affordability

The county's median renter income was \$24,591 for 2009 – almost \$5,000 less than the state average for the same year. The monthly rent that is considered affordable at that income is \$615. As such, a two or more bedroom unit in Lycoming County is then unaffordable for someone earning the median income. A renter would need an additional 3 percent to afford it.

Renter Income and Cost			
	Renter median income	Rent affordable at renter median income	Percent of median renter income needed to afford 2 bdrm FMR
Pennsylvania	\$29,342	\$734	114%
Lycoming County	\$24,591	\$615	103%

Source: National Low Income Housing Coalition.

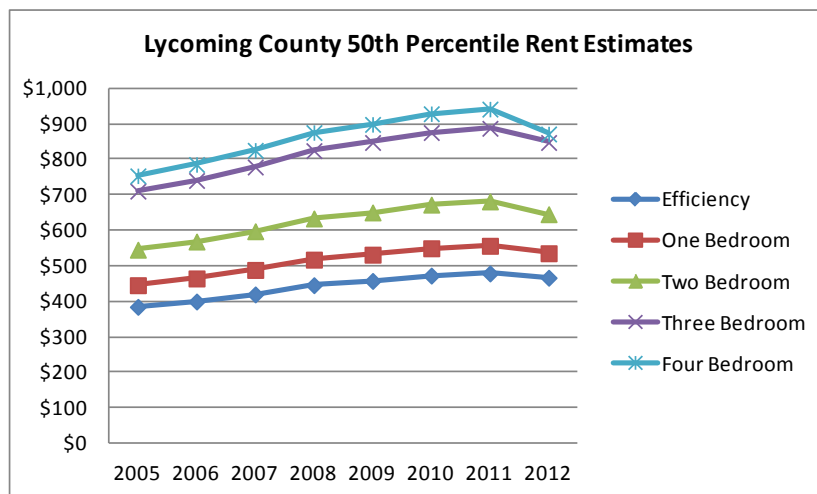
Annual Income Needed to Afford FMR

	Income needed to afford 0 bdrm FMR	Income needed to afford 1 bdrm FMR	Income needed to afford 2 bdrm FMR	Income needed to afford 3 bdrm FMR	Income needed to afford 4 bdrm FMR
Pennsylvania	\$24,434	\$27,821	\$33,476	\$41,698	\$47,160
Lycoming County	\$18,240	\$20,960	\$25,240	\$33,160	\$34,080

Source: National Low Income Housing Coalition.

50th Percentile Rent Estimates

Lycoming County's 50th percentile rent estimates are higher than FMR, since FMR are usually set at the 40th percentile. These rent estimates will decrease in 2012.



Source: Department of Housing and Urban Development

Affordable Housing Search

A search of HUD affordable housing database showed a total of six properties, only four of which had two- and three-bedroom units available. A search of PAHousingSearch.com was also completed and results showed 32 apartment properties that fell within the county's Fair Market Rent parameters (\$0-\$850). A total of 26 of the properties showed that interested parties would be placed on a wait list, indicating unavailability. The highest rent returned in the search was \$825. A second search was completed, this time using the highest and lowest rents amounts allowable (\$0-\$4,500). 62 properties were returned in the search. The highest rent returned in the second search was \$4,000.

Building Capacity

Lycoming County has over 250 firms with over 2000 employees. The capacity of Lycoming County may be challenged as a result of the increased drilling and other forms of commercial construction currently occurring in the county. There are 18 builders identified as commercial and industrial. It is undetermined as to whether or not they have the ability and capacity to focus on multi-unit projects.

Lycoming County Construction Capacity 2009						Number of establishments by employment-size class					
NAICS	NAICS Description	Employees for	First-Quarter Payroll (\$1,000)	Annual Payroll (\$1,000)	Total Establishments	1-4	5-9	10-19	20-49	50-99	100-249
23----	Construction	2001	\$16,324	\$82,468	256	163	42	28	14	7	2
	236115 New single-family general contractors	70	\$412	\$2,230	26	22	3	1	0	0	0
	236117 New housing operative builders	5	\$33	\$156	2	2	0	0	0	0	0
	236118 Residential remodelers	111	\$640	\$2,896	41	34	6	1	0	0	0
	236220 Commercial and institutional building construction	258	\$2,525	\$10,566	18	6	3	6	2	1	0
	237 Heavy and civil engineering construction	457	\$3,434	\$23,404	15	5	3	1	3	1	2
	237110 Water and sewer line and related structures construction	A	\$45	\$254	5	3	2	0	0	0	0
	237120 Oil and gas pipeline and related structures construction	A	D	D	1	0	0	1	0	0	0
	237130 Power and communication line and related structures construction	C	D	D	1	0	0	0	0	0	1
	237210 Land subdivision	A	D	D	1	1	0	0	0	0	0
	237310 Highway, street, and bridge construction	293	\$2,027	\$17,352	7	1	1	0	3	1	1
	2381 Foundation, structure, and building exterior contractors	201	\$1,084	\$6,069	31	20	7	2	1	1	0
	238110 Poured concrete foundation and structure contractors	B	D	D	6	4	1	0	1	0	0
	238120 Structural steel and precast concrete contractors	A	D	D	1	1	0	0	0	0	0
	238130 Framing contractors	A	D	D	1	1	0	0	0	0	0
	238140 Masonry contractors	22	\$50	\$412	10	9	1	0	0	0	0
	238150 Glass and glazing contractors	A	D	D	2	2	0	0	0	0	0
	238160 Roofing contractors	58	\$160	\$1,468	8	2	4	2	0	0	0
	238170 Siding contractors	A	D	D	2	1	1	0	0	0	0
	238190 Other foundation, structure, and building exterior contractors	B	D	D	1	0	0	0	0	1	0
	238210 Electrical contractors and other wiring installation contractors	159	\$1,415	\$6,312	24	17	1	3	2	1	0
	238220 Plumbing, heating, and air-conditioning contractors	346	\$3,730	\$14,730	33	18	3	8	2	2	0
	238290 Other building equipment contractors	62	\$789	\$3,000	7	2	2	1	2	0	0
	2383 Building finishing contractors	106	\$691	\$3,009	26	17	7	2	0	0	0
	238310 Drywall and insulation contractors	B	S	\$861	7	4	3	0	0	0	0
	238320 Painting and wall covering contractors	33	\$222	\$1,015	8	5	2	1	0	0	0
	238330 Flooring contractors	A	D	D	3	3	0	0	0	0	0
	238340 Tile and terrazzo contractors	A	D	D	1	0	0	1	0	0	0
	238350 Finish carpentry contractors	23	\$168	\$735	6	4	2	0	0	0	0
	238390 Other building finishing contractors	A	D	D	1	1	0	0	0	0	0
	238910 Site preparation contractors	145	\$931	\$5,921	25	16	4	3	2	0	0
	238990 All other specialty trade contractors	81	\$640	\$4,174	8	4	3	0	0	1	0

Source: U.S. Census Bureau

Lycoming has 962 nonemployee firms in the county. There are a fair number of residential (214), finishing (324), and specialty contractors (191). Given the sheer volume, these nonemployee firms may be in a position to assist with development.

Lycoming County Nonemployer Construction Capacity 2009			
NAICS	NAICS Description	Firms	Nonemployer Receipts (\$1,000)
23	Construction	962	\$44,542
2361	Residential building construction	214	\$12,566
2362	Nonresidential building construction	24	\$1,388
23721	Land subdivision	6	\$491
23731	Highway, street, and bridge construction	2	\$1,022
23799	Other heavy and civil engineering construction	8	\$709
2381	Foundation, structure, and building exterior contractors	95	\$4,040
23821	Electrical contractors and other wiring installation contractors	48	\$2,173
23822	Plumbing, heating, and air-conditioning contractors	45	\$2,468
23829	Other building equipment contractors	5	\$181
2383	Building finishing contractors	324	\$12,139
2389	Other specialty trade contractors	191	\$8,365

Source: U.S. Census Bureau

Lycoming has 294 wells drilled and 577 permits pulled ranking it as a number two on the scale. Given the permit data, Lycoming can anticipate additional drilling and stress on its construction capacity.

Public Housing/Vouchers

Public housing data were examined from 2005 to 2008. The vast majority of all Lycoming units were occupied during all years. As can be seen in the table below, the waiting lists to gain access to public housing fluctuated but remained fairly low. The waiting list for Section 8 Certificates on Vouchers followed also fluctuated but much more broadly. In 2008 residents spent 81 months waiting for section 8 vouchers.

Lycoming Public Housing					
	Total Units	Percent Occupied	People per Unit	Total People	Months Waiting
2005	539	91%	2	961	5
2006	455	100%	1.9	858	10
2007	648	67%	1.9	829	12
2008	435	98%	1.9	809	9

Source: Department of Housing and Urban Development

Lycoming Section 8 Certificates and Vouchers				
	People per Unit	Total People	Rent Per Month	Months Waiting
2005	2.1	1262	284	8
2006	2.1	1118	272	81
2007	2.1	1059	275	45
2008	2	1,058	278	19

Source: Department of Housing and Urban Development

Point-In-Time Counts

Lycoming County’s number of emergency shelter beds decreased from 31 to 14 from 2008 to 2010 . During the same time period, the total number of beds for individual transitional housing increased from 43 to 54, while beds for families decreased. Between 2008 and 2010 the number of families in transitional housing decreased from 28 to 24.

Susquehanna County

Located in Central Pennsylvania, Susquehanna County is a fifth-class county that encompasses 531 square miles. It is designated as a transitional county by Appalachian Regional Commission (ARC). In terms of population, Susquehanna is study area's eighth largest county. Between January 2009 and July 2011, the county recorded a total of 531 Marcellus Shale permits and 234 wells.

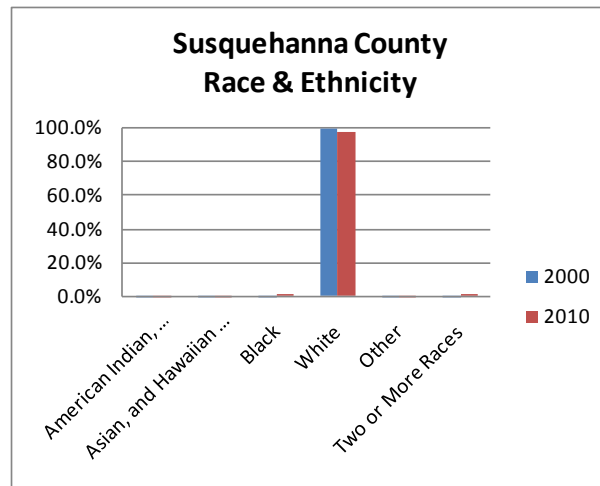
Demographics

Population

Susquehanna County experienced a 2.6 percent population increase from 42,238 in 2000 to 43,356 in 2010. The county is also aging. Over the decade examined, all groups above age 55 grew, while all groups below age 55 declined

Race and Ethnicity

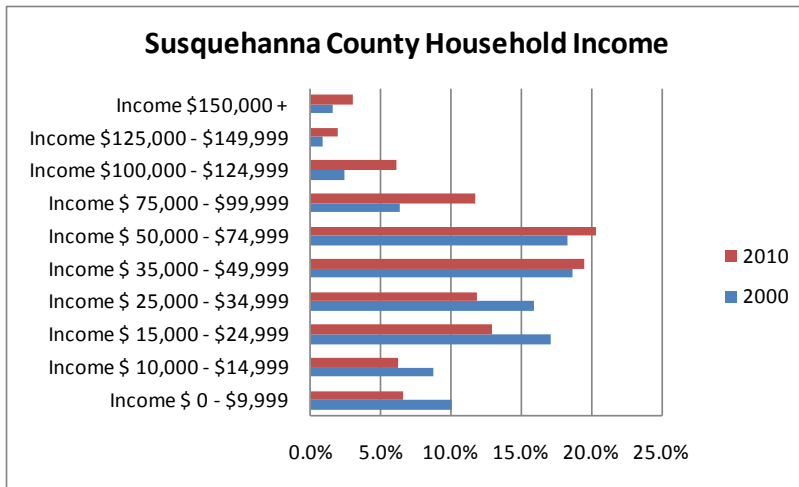
Although Susquehanna County is still nearly 97 percent White/Caucasian, it is slowly becoming more racially and ethnically diverse. From 2000 to 2010, its Black/African American population grew to 0.8 percent - a 150 percent increase. As in several of the other counties studied, residents who identify as either other or two or more races experienced significant increases of 158.8 percent and 160 percent, respectively. In addition, over the decade examined, its Hispanic/Latino population increased 64 percent. The county's diversity, however, is not representative of the racial/ethnic makeup of either the Commonwealth of Pennsylvania or the nation, which are both much more diverse.



Source: U.S Census Bureau & Decision Data Resources

Household Income

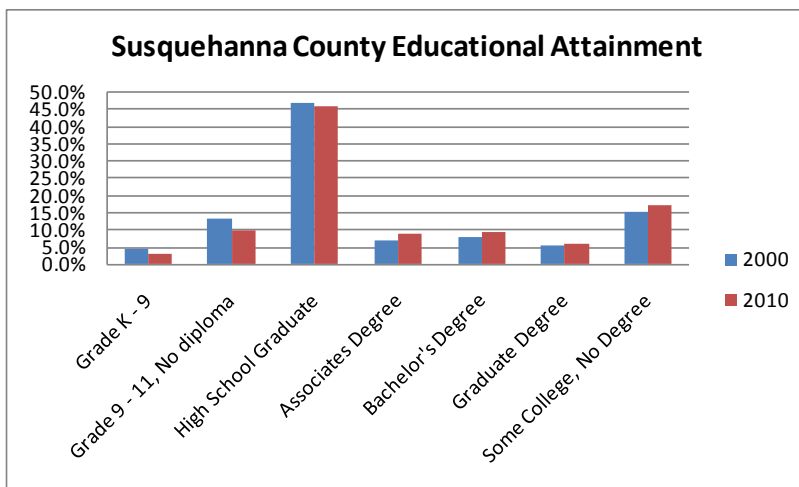
Between 2000 and 2010, household income in Susquehanna County increased. It should be noted, however that one such increase occurred in those earning between \$35,000-\$49,000; Susquehanna County was one of the only counties in the study area to experience an increase in this income range. The number of households earning more than \$100,000 increased by nearly 100 percent. The county's median household income increased from \$33,755 in 2000 to \$43,610 in 2010; by comparison, Pennsylvania's median household income reached nearly \$50,000 in 2010.



Source: U.S Census Bureau & Decision Data Resources

Educational Attainment

The county's percentage of residents over age 25 who have obtained a high school diploma decreased between 2000 and 2010, while the number of post high school graduates increased. The county experienced a 33 percent increase in the number of residents earning an Associate's degree, and a 13.2 percent increase in those earning a Bachelor's degree. In terms of educational attainment, Susquehanna County lags behind the Commonwealth of Pennsylvania.



Source: U.S Census Bureau & Decision Data Resources

Poverty

In 2009, nearly 22 percent of Susquehanna County residents under age 18 were living in poverty, compared with 17 percent statewide. This figure was much higher than the county's percentage of residents of all ages living in poverty, which also increased by 3 percent since 2000. In 2009, the county's poverty rate for residents of all ages was much higher than both the state and the nation, which were 12.5 percent and 14.3 percent, respectively.

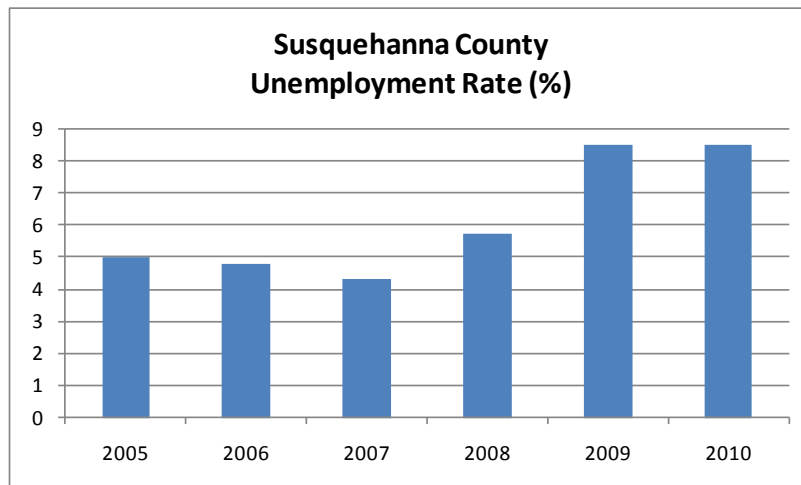
Susquehanna County Poverty			
All ages in poverty		Under age 18 in poverty	
2000	2009	2000	2009
10.8%	13.8%	15.9%	21.7%

Source: U.S. Census Bureau

Employment & Wages

Unemployment

From 2005 to 2010, Susquehanna County's unemployment rate increased from 5% to 8.5%. The county's unemployment rate hit a low of 4.3 percent in 2007 and a high of 8.5 percent in 2009. Overall, however, the county's unemployment rate remained lower than the state average unemployment rate of 8.7 percent in 2010.



Source: The Center for Workforce Information & Analysis

Business Patterns

According to the U.S. Census Bureau's County Business Patterns, between 2005 and 2007, Susquehanna County experienced an increase in its number of employees, which remained steady in 2008. In 2009, a significant decrease occurred, which lowered the number of employees by more than 10 percent. Between 2003 and 2009, the county's retail trade employed the greatest number of people. While the healthcare and social assistance industry followed, it lost nearly 25 percent of its employees over the time period. The county's total number of business establishments totaled 883 in 2009; the county was the only one in the study area without any business establishment employing 1,000 or more people.

Susquehanna County Business Patterns							
	2003	2004	2005	2006	2007	2008	2009
Paid employees	6,113	6,421	6,215	6,547	6,985	6,986	6,268
Total establishments	825	859	862	839	889	896	883
Annual payroll (\$1,000)	\$131,31	\$139,06	\$150,78	\$153,53	\$160,86	\$160,80	\$141,60
	5	7	5	7	1	8	3

Source: U.S. Census Bureau

Non-employee firms fluctuated during the period examined. The highest number of firms was observed was 3,639 in 2007, while the lowest number of firms was 3,149 in 2003. Receipts also fluctuated, hitting a high for the period in 2007 and a low in 2003.

Susquehanna County Non-Employer Firms							
	2003	2004	2005	2006	2007	2008	2009
Firms	3,149	3,258	3,268	3,503	3,639	3,530	3,355
Receipts (\$1,000)	\$124,076	\$140,364	\$142,216	\$165,474	\$167,756	\$164,807	\$141,770

Source: U.S. Census Bureau

Annual and Weekly Pay

Between 2001 and 2010, Susquehanna County's average weekly and average annual pay increased steadily. Figures for 2010 put the county's average weekly wage at \$577, and its average annual pay at \$29,984.

Susquehanna County Annual & Weekly Pay		
	Average Annual Pay	Average Weekly Wage
2001	\$22,509	\$433
2002	\$22,919	\$441
2003	\$23,601	\$454
2004	\$24,434	\$470
2005	\$24,488	\$471
2006	\$25,232	\$485
2007	\$26,066	\$501
2008	\$26,416	\$508
2009	\$27,321	\$525
2010	\$29,984	\$577

Source: Bureau of Labor Statistics

Housing

Housing Units

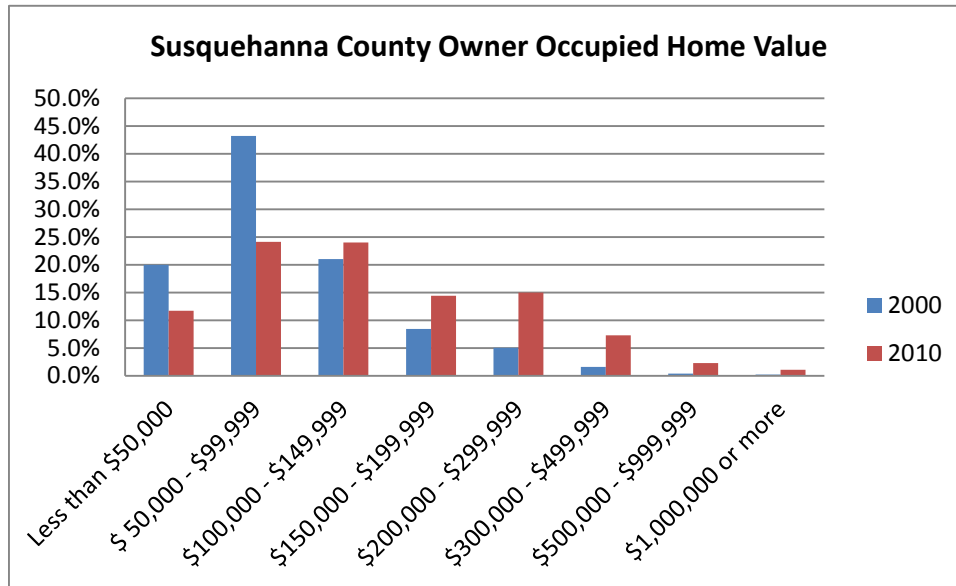
From 2000 to 2010, Susquehanna County experienced an increase in its total number of housing units, with a net gain of 1,139. In the same time period, the percentage of renter-occupied housing units increased by 1.4 percent, while owner-occupied increased just .4 percent. The county's overall vacancy rate also rose by 1.8 percent. Its 2010 vacancy rate was much higher than the state and the nation, which totaled 9.9 percent and 11.4 percent, respectively.

Susquehanna County Housing Units		
	2000	2010
Total Housing Units	21,829	22,968
Owner-Occupied	60.2%	60.6%
Renter-Occupied	15.5%	16.9%
Vacant	24.3%	22.5%

Source: Decision Data Resources & U.S Census Bureau

Home Values

The median value of owner-occupied homes in Pennsylvania increased from \$81,688 in 2000 to \$125,600 in 2010. During the decade, there was also a 19.1 percent decrease in owner-occupied homes valued between \$50,000-\$99,999, a 5.9 percent increase in owner-occupied homes valued between \$150,000-\$199,999, and less than a 5.7 percent increase in owner-occupied homes valued between \$300,000-\$499,999.



Source: Decision Data Resources & U.S Census Bureau

Median Mortgage & Rent

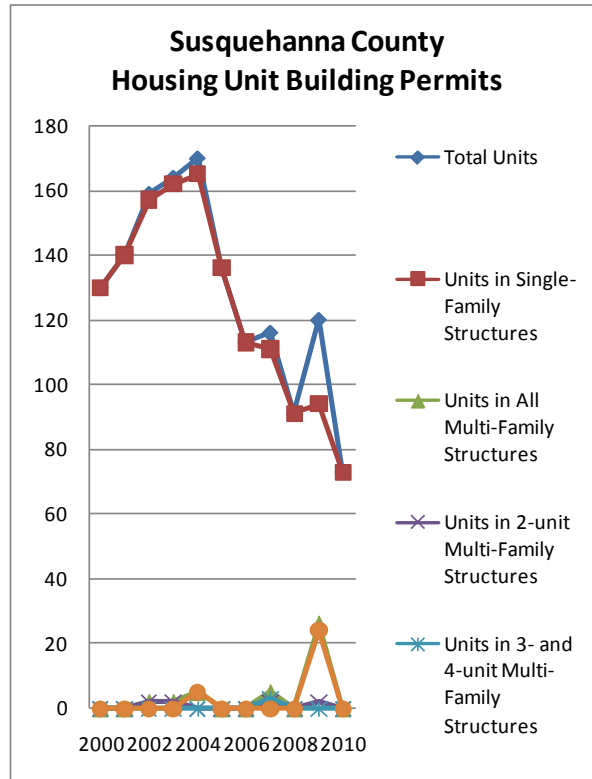
From 2000 to 2005-2009, the county’s median mortgage increased from \$829 to just over \$1,100, while its median rent increased from \$427 to \$572. These figures were well below state and national averages in 2010. which had a median mortgage of \$1,390 and a median rent of \$763.

Susquehanna County Mortgage and Rent		
	2000	2005-2009
Median Mortgage	\$829	\$1,134
Median Rent	\$427	\$572

Source: Decision Data Resources & U.S Census Bureau

Building Permits

During all years examined, single-family homes in Susquehanna County accounted for most building permits issued. The county's number of building permits reached a high of 170 in 2004 and a low of 70 in 2010. Over 1,400 units were built between 2000 and 2010.



Source: U.S. Census Bureau

Home Loans

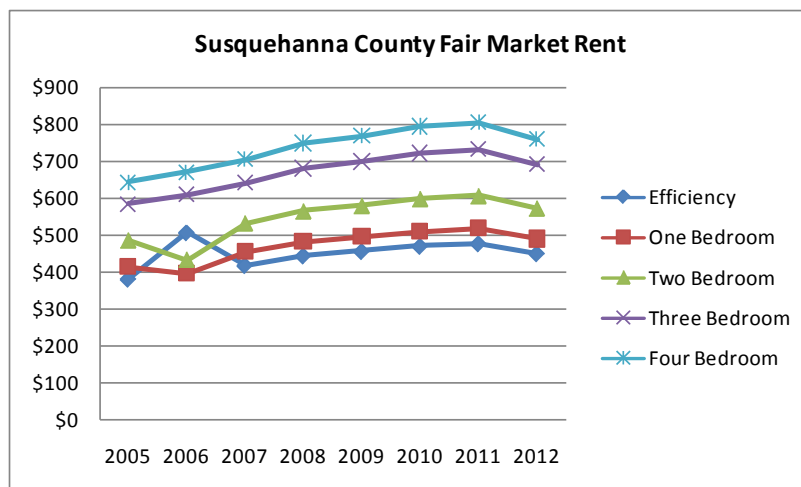
Between 2004 and 2008, the number of homes loans in Susquehanna County declined steadily. This is, again, reflective of the national housing crisis. In 2009, however, the number of home loan originations increased. Although the number of loans decreased, the median loan amount increased during each year examined. Median loan amounts in Susquehanna County were well below state and national averages. In terms of how these loans were used, home refinancing accounted for nearly two-thirds of all loan originations.

All Originations	2004	2005	2006	2007	2008	2009
County (Susquehanna)						
Number of Loans	980	1,013	888	805	588	792
Median Loan Amount	\$77,000	\$80,000	\$77,500	\$90,000	\$94,000	\$113,000
State (Pennsylvania)						
Number of Loans	421,712	404,927	368,872	306,428	241,601	320,234
Median Loan Amount	\$105,000	\$114,000	\$113,000	\$124,000	\$139,000	\$157,000
National						
Number of Loans	11,746,438	11,559,564	10,070,623	7,742,076	5,611,779	7,757,819
Median Loan Amount	\$147,000	\$161,000	\$163,000	\$168,000	\$170,000	\$176,000

Source: PolicyMap

Fair Market Rent

Fair Market Rents (FMR) in Susquehanna County increased steadily between 2005 and 2011. In 2006, there was a slight decrease in one- and two-bedroom units and a slight increase in efficiencies. In 2005, FMR ranged from \$381 for an efficiency to \$644 for a four-bedroom apartment. By 2010, these figures increased to \$477 and \$806, respectively.



Source: Department of Housing and Urban Development

Fair Market Rent and Housing Affordability

Susquehanna County's median renter income was \$25,342 – nearly \$4,000 less than the state average. The rent affordable at that income is \$643; at that income, a two- or more bedroom unit in Susquehanna County is just barely affordable.

Susquehanna County Renter Income and Cost			
	Renter median income	Rent affordable at renter median income	Percent of median renter income needed to afford 2 bdrm FMR
Pennsylvania	\$29,342	\$734	114%
Susquehanna County	\$25,737	\$643	94%

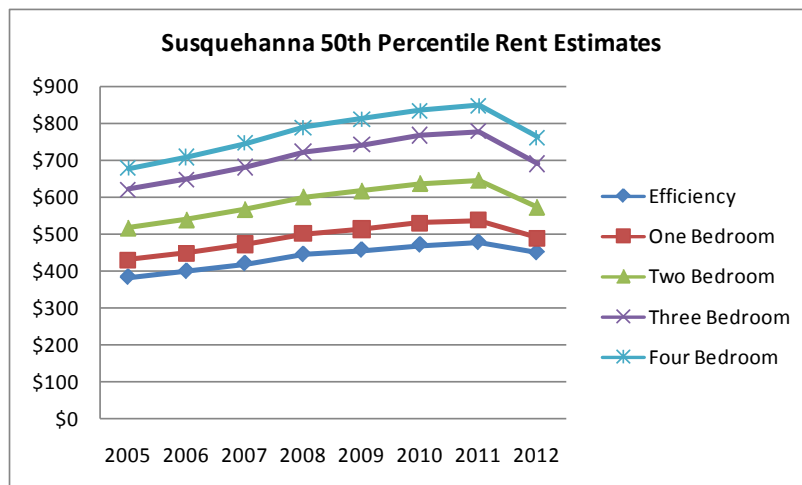
Source: National Low Income Housing Coalition.

Annual Income Needed to Afford FMR					
	Income needed to afford 0 bdrm FMR	Income needed to afford 1 bdrm FMR	Income needed to afford 2 bdrm FMR	Income needed to afford 3 bdrm FMR	Income needed to afford 4 bdrm FMR
Pennsylvania	\$24,434	\$27,821	\$33,476	\$41,698	\$47,160
Susquehanna County	\$19,080	\$20,760	\$24,320	\$29,240	\$32,240

Source: National Low Income Housing Coalition.

50th Percentile Rent Estimates

Susquehanna County's 50th percentile rent estimates were higher than FMR since those rents are usually set at the 40th percentile. These rent estimates will see a decrease in 2012.



Source: Department of Housing and Urban Development

Affordable Housing Search

A search of the U.S. Department of Housing and Urban Development’s (HUD) affordable housing database showed a total five properties, only one of which had two-bedroom units available. All units were listed for the elderly. A search of PAHousingSearch.com was also completed. This search came back with seven apartments, all of which were one- to three-bedroom units that fell within the county’s FMR (\$0-\$806). Three such properties showed that interested parties would be placed on a wait list, indicating unavailability. The highest rent returned in the search was \$773. A second search was completed, this time using the highest and lowest rents allowable (\$0-\$4,500); the search returned the same number of units. All but one of the seven properties had income restrictions. The remaining property was a two bedroom modular unit for \$500 per month.

Building Capacity

Susquehanna has a small number of construction firms (102). They appear to be spread out over a number of construction categories. But as shale development continues, Susquehanna may have a shortage of construction companies to build and meet demand of new single or multifamily residential units.

Susquehanna County Construction Capacity 2009						Number of establishments by employment-size class			
NAICS code	NAICS code description	Paid employees for pay period including March 12	First-quarter payroll (\$1,000)	Annual payroll (\$1,000)	Total establishments	1-4	5-9	10-19	20-49
23----	Construction	329	\$2,363	\$13,018	102	80	13	6	3
236115	New single-family general contractors	54	\$302	\$1,355	15	10	3	2	0
236118	Residential remodelers	28	\$104	\$512	16	15	1	0	0
236220	Commercial and institutional building construction	20	\$169	\$821	4	2	1	1	0
237	Heavy and civil engineering construction	3	S	\$225	3	3	0	0	0
237310	Highway, street, and bridge construction	A	D	D	2	2	0	0	0
237990	Other heavy and civil engineering construction	A	D	D	1	1	0	0	0
2381	Foundation, structure, and building exterior contractors	52	\$516	\$21,996	11	9	1	0	1
238110	Poured concrete foundation and structure contractors	6	\$40	\$433	5	4	1	0	0
238130	Framing contractors	A	D	D	2	2	0	0	0
238140	Masonry contractors	B	D	D	3	2	0	0	1
238160	Roofing contractors	A	D	D	1	1	0	0	0
238210	Electrical contractors and other wiring installation contractors	45	\$427	\$2,259	10	7	1	1	1
238220	Plumbing, heating, and air-conditioning contractors	23	\$122	\$529	8	6	1	1	0
2383	Building finishing contractors	29	\$153	\$885	9	7	2	0	0
238310	Drywall and insulation contractors	A	D	D	1	1	0	0	0
238340	Tile and terrazzo contractors	A	D	D	1	1	0	0	0
238350	Finish carpentry contractors	20	\$128	\$550	5	3	2	0	0
238390	Other building finishing contractors	A	D	D	2	2	0	0	0
238910	Site preparation contractors	45	\$345	\$2,376	19	16	2	0	1
238990	All other specialty trade contractors	30	\$208	\$1,060	7	5	1	1	0

Source: U.S. Census Bureau

Susquehanna has a large number of nonemployer operations with over 220 in residential construction. There are a number of finishing (139) and specialty (105) contractors in this category.

Susquehanna County Nonemployer Construction Capacity 2009

NAICS	NAICS Description	Firms	Receipts (\$1,000)
'23'	Construction	638	\$31,573
'2361'	Residential building construction	224	\$11,379
'2362'	Nonresidential building construction	26	\$1,779
'237'	Heavy and civil engineering construction	11	\$650
'2371'	Utility system construction	1	d
'23721'	Land subdivision	1	d
'23731'	Highway, street, and bridge construction	1	d
'23799'	Other heavy and civil engineering construction	8	\$469
'2381'	Foundation, structure, and building exterior contractors	72	\$3,546
'23821'	Electrical contractors and other wiring installation contractors	25	\$1,016
'23822'	Plumbing, heating, and air-conditioning contractors	33	\$1,729
'23829'	Other building equipment contractors	3	\$23
'2383'	Building finishing contractors	139	\$4,484
'2389'	Other specialty trade contractors	105	\$6,967

Source: U.S. Census Bureau

Susquehanna County has 266 wells and 531 permits pulled. Susquehanna is currently rated low activity, but has incredible potential based on permit data. Susquehanna County will likely need construction support to meet driller needs as well as any new type of residential construction.

Public Housing/Vouchers

Susquehanna County's public housing data were examined from 2005 to 2008; the vast majority of units were occupied during all years. The wait lists to gain access to public housing and to receive a Section 8 voucher or certificate decreased from 16 months in 2005 to 6 months in 2008.

Susquehanna Public Housing					
	People				
	Total Units	Percent Occupied	per Unit	Total People	Months Waiting
2005	43	84%	2.4	88	8
2006	43	98%	2.5	107	5
2007	69	100%	2.6	172	7
2008	43	98%	2.7	186	7

Source: Department of Housing and Urban Development

Susquehanna Section 8 Certificates and Vouchers				
	People per Unit	Total People	Rent Per Month	Months Waiting
2005	2.2	523	278	16
2006	2.1	486	296	7
2007	2.1	576	304	7
2008	2	502	319	6

Source: Department of Housing and Urban Development

Point-In-Time Counts

During the period examined, there was no accurate count of Susquehanna County’s number of emergency shelter beds.

Tioga County

Located in northern Pennsylvania, Tioga County is a fifth-class county that encompasses 531 square miles. It is designated as a transitional county by Appalachian Regional Commission (ARC). In terms of population, Tioga is the study area's fourth smallest county. Between January 2009 and July 2011, the county recorded 526 Marcellus Shale permits and 1,111 wells.

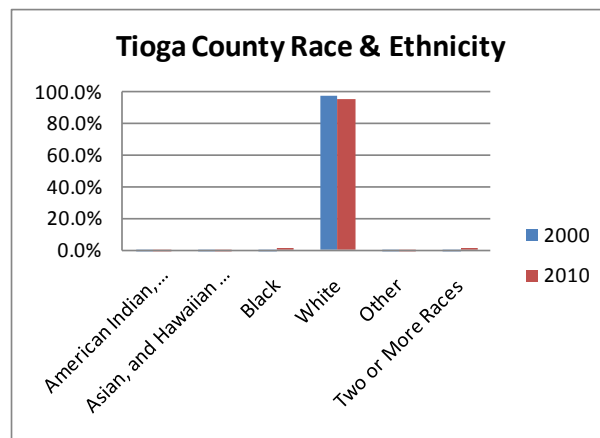
Demographics

Population

Tioga County experienced a 1.5 percent population increase from 41,373 in 2000 to 41,981 in 2010, which was slightly below the state's 1.7 percent population increase over the same time period. The county's greatest population increases occurred in the 55-64 and 65-74 age groups, which grew by 26.4 percent and 24.4 percent, respectively. The greatest population decreases occurred in those age groups between 5-19 years (-20 percent).

Race and Ethnicity

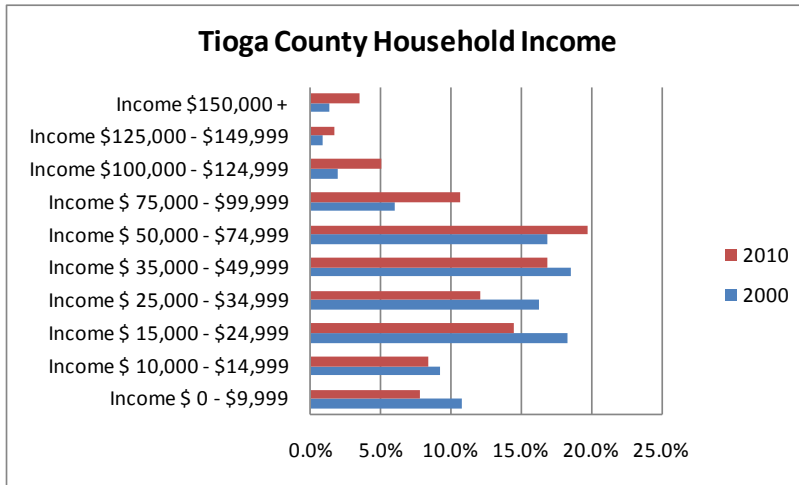
The county's percentage of White/Caucasian residents decreased from 98.1 percent in 2000 to 96.1 percent in 2010. Its Black/African American population increased by 68 percent during the time period, and by 2010 represented 1 percent of the county's total population. In addition, those residents who identified as being of two or more races increased 195 percent and its Hispanic/Latino population grew 55.8 percent. While Tioga County is becoming more racially/ethnically diverse, it remains much less diverse than both the state and the nation.



Source: U.S Census Bureau & Decision Data Resources

Household Income

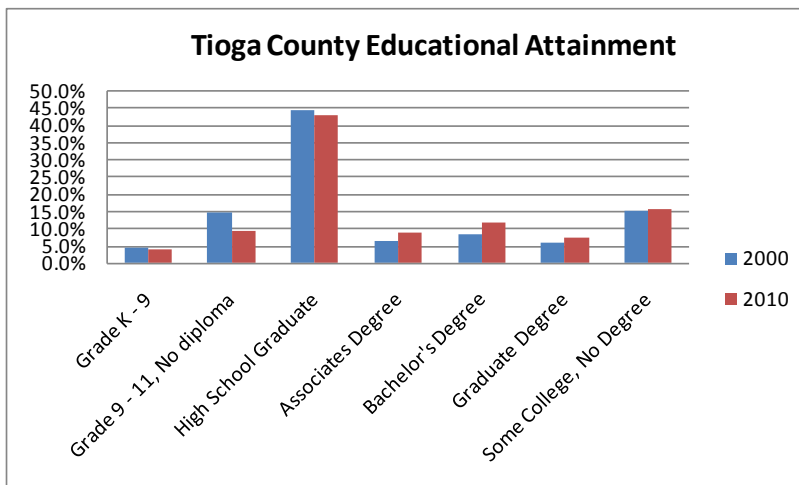
As was the case in several other counties within the study area, Tioga County experienced the greatest household income gain among those residents earning more than \$100,000, while households earning less than \$9,999 decreased 27 percent. The county’s median household income increased from \$32,097 in 2000 to \$40,179 in 2010, compared with \$50,000 statewide.



Source: U.S Census Bureau & Decision Data Resources

Educational Attainment

Over the past decade, Tioga County residents have achieved higher education attainment levels. The number of residents over age 25 holding a Bachelor’s degree increased 37.2 percent. The most significant educational attainment level decrease occurred among those reaching only grades 9-11 (-35.5 percent). Tioga County remains somewhat behind the state in terms of educational attainment, with fewer residents attaining a Bachelor’s or graduate degree.



Source: U.S Census Bureau & Decision Data Resources

Poverty

Between 2000 and 2009, Tioga County's poverty rate increased dramatically - most significantly among children under age 18, which grew 5.2 percent to 22.4 percent. At 16 percent in 2009, poverty among all ages was also higher in Tioga County than in the Commonwealth and the nation.

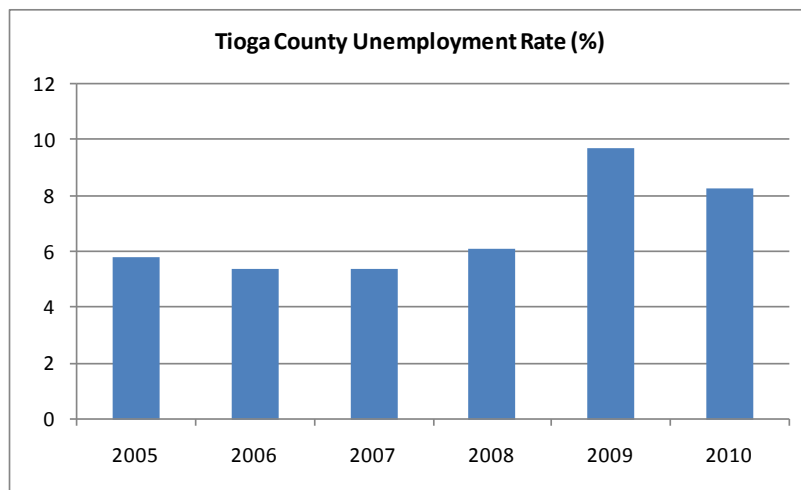
Tioga County Poverty			
All ages in poverty		Under age 18 in poverty	
2000	2009	2000	2009
11.7%	16.0%	17.2%	22.4%

Source: U.S Census Bureau

Employment & Wages

Unemployment

From 2005 to 2010, Tioga County's unemployment rate increased dramatically, due, in large part, to the national economic crisis that began in 2008. The county's unemployment rate topped out at 9.7 percent in 2009. However, the county saw signs of hope with an unemployment rate decrease to 8.3 percent in 2010, which was below the state average of 8.7 percent the same year.



Source: The Center for Workforce Information & Analysis

Business Patterns

According to the U.S. Census Bureau's County Business Patterns, Tioga County experienced a decrease in its number of employees between reaching 9,455 in 2009. Between 2003 and 2009, nearly 25 percent of the county's workforce was employed in the manufacturing industry. Its number of business establishments totaled 851 in 2009. More than 75 percent of these establishments employed between one and nine people.

Tioga County Business Patterns							
	2003	2004	2005	2006	2007	2008	2009
Paid employees	10,056	10,078	10,032	9,921	9,951	9,713	9,455
Total establishments	860	856	853	851	860	855	851
Annual payroll (\$1,000)	\$232,303	\$245,067	\$243,650	\$252,868	\$253,050	\$263,774	\$269,176

Source: U.S. Census Bureau

Non-employee firms fluctuated during the period examined. The highest number of firms of 2,710 was recorded in 2007, while the most current data reflects the lowest number of firms – 2,608 in 2009. Receipts also fluctuated, hitting a high in 2008.

Tioga County Non-Employer Firms							
	2003	2004	2005	2006	2007	2008	2009
Firms	2664	2626	2638	2597	2710	2636	2608
Receipts (\$1,000)	\$87,661	\$89,596	\$92,614	\$92,999	\$100,661	\$107,388	\$90,238

Source: U.S. Census Bureau

Annual and Weekly Pay

Between 2001 and 2010, Tioga County's average weekly and average annual pay increased steadily. Figures for 2010 put the county's average weekly wage at \$625. Average annual pay topped out at \$32,523 in 2010.

Tioga County Annual & Weekly Pay		
	Average Annual Pay	Average Weekly Wage
2001	\$24,647	\$474
2002	\$25,571	\$492
2003	\$26,399	\$508
2004	\$27,581	\$530
2005	\$27,810	\$535
2006	\$28,296	\$544
2007	\$29,596	\$569
2008	\$30,067	\$578
2009	\$31,020	\$597
2010	\$32,523	\$625

Source: Bureau of Labor Statistics

Housing

Housing Units

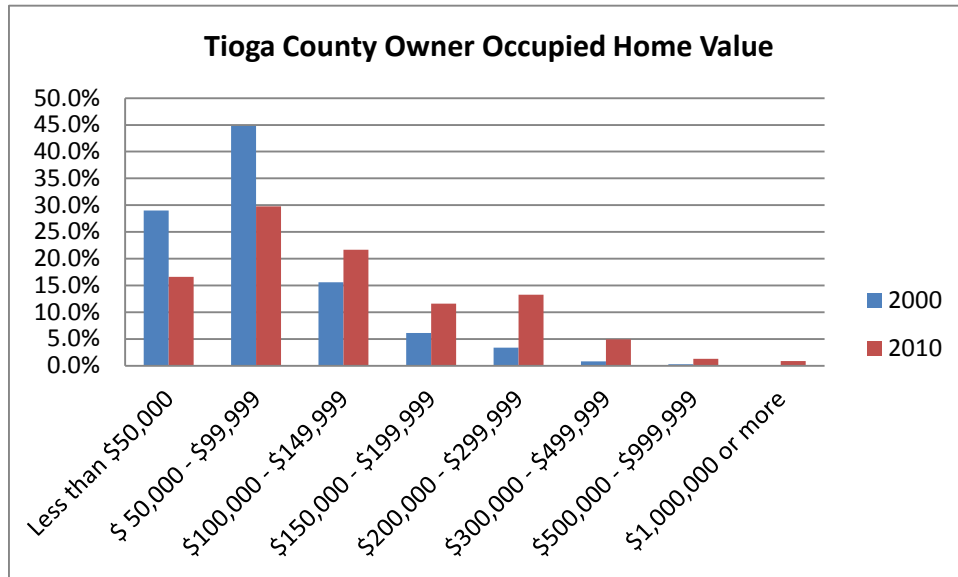
From 2000 to 2010, with a net increase of 1,471, Tioga County experienced a small increase in its total number of housing units. During the same time period, the percentage of renter-occupied housing units increased slightly, while owner-occupied units decreased 2.6 percent. The county's overall vacancy rate also rose by 1.7 percent; its 2010 vacancy rate was much higher when compared to the state and the nation's, which totaled 9.9 percent and 11.4 percent, respectively.

Housing Units		
	2000	2010
Total Housing Units	19,893	21,364
Owner-Occupied	61.0%	58.4%
Renter-Occupied	19.1%	19.9%
Vacant	20.0%	21.7%

Source: Decision Data Resources & U.S Census Bureau

Home Values

Tioga County’s median home value for owner-occupied units grew from \$71,944 in 2000 to \$107,900 in 2010. During the same time period, there was a 15 percent decrease in owner-occupied homes valued between \$50,000-\$99,999, a 5.5 percent increase in owner-occupied homes valued between \$150,000-\$199,999, and a 4.1 percent increase in owner-occupied homes valued between \$300,000-\$499,999.



Source: Decision Data Resources & U.S Census Bureau

Median Mortgage & Rent

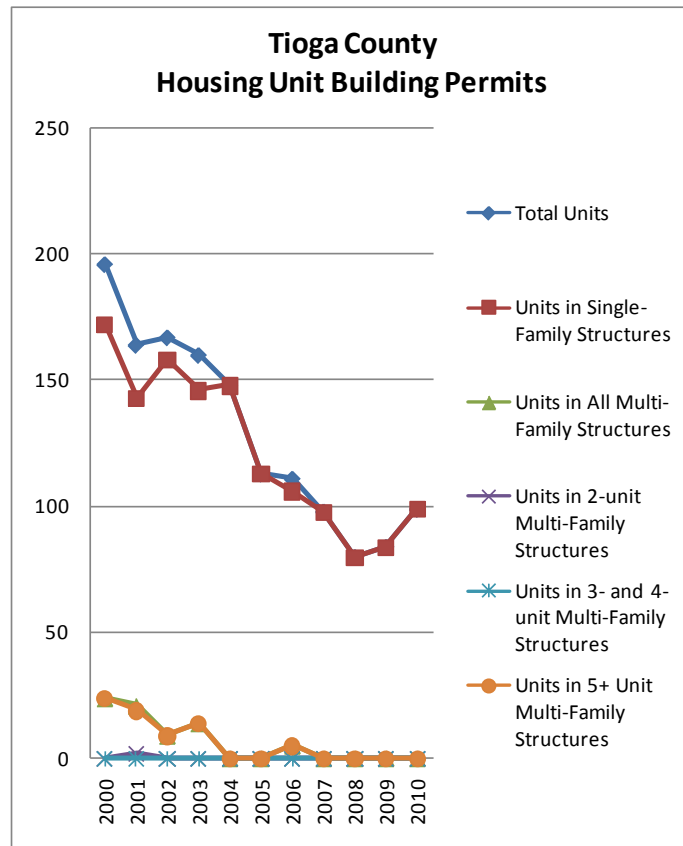
From 2000 to 2005-2009, the county’s median mortgage increased from \$759 to just over \$1,000, while its median rent grew from \$421 to \$561. These figures were well below state and the national averages for 2010.

Tioga County Mortgage and Rent		
	2000	2005-2009
Median Mortgage	\$759	\$1,080
Median Rent	\$421	\$561

Source: Decision Data Resources & U.S Census Bureau

Building Permits

From 2000 to 2010, single-family homes accounted for the vast majority of Tioga County’s building permits. The county’s number of building permits declined steadily through 2008, but began to increase in 2009. During each year examined, units in multi-family structures accounted for the second highest number of building permits issued.



Source: U.S Census Bureau

Home Sales

Tioga County’s number of homes sales remained steady between 2006 and 2010, ranging from 358 to 431. The county’s median home prices increased in 2008, before falling in 2009. In 2010, the median home sale price decreased to near its 2006 level, which was the lowest in the years examined.

Number of Home Sales					
	2006	2007	2008	2009	2010
Tioga County, PA	429	421	431	358	39

Source: PolicyMap

Median Sale Price					
	2006	2007	2008	2009	2010
Tioga County, PA	\$69,700	\$71,900	\$78,000	\$70,250	\$70,000

Source: PolicyMap

Home Loans

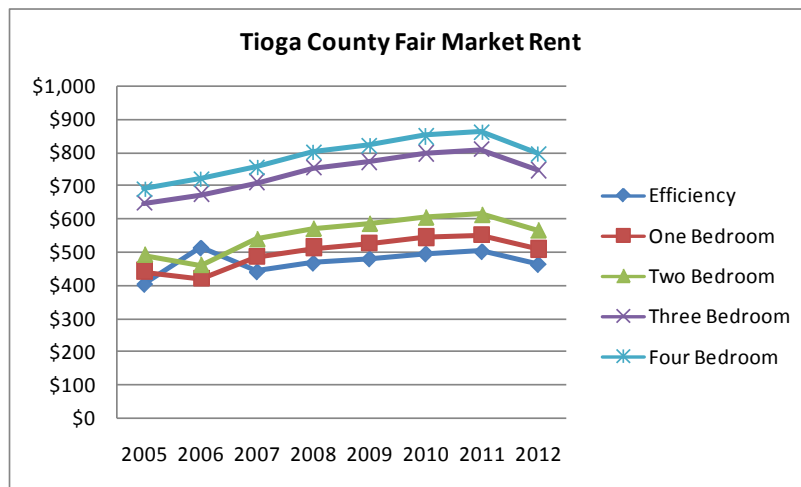
Between 2004 and 2009, the county's number of homes loans decreased significantly. This again reflects the ongoing housing crisis. Although the number of home loans decreased, the median loan amount increased during each year examined. Nevertheless, the county's median loan amounts were well below state and national averages.

All Originations	2004	2005	2006	2007	2008	2009
County (Tioga)						
Number of Loans	622	575	609	560	497	624
Median Loan Amount	\$70,000	\$71,000	\$73,000	\$80,000	\$84,000	\$82,500
State (Pennsylvania)						
Number of Loans	421,712	404,927	368,872	306,428	241,601	320,234
Median Loan Amount	\$105,000	\$114,000	\$113,000	\$124,000	\$139,000	\$157,000
National						
Number of Loans	11,746,438	11,559,564	10,070,623	7,742,076	5,611,779	7,757,819
Median Loan Amount	\$147,000	\$161,000	\$163,000	\$168,000	\$170,000	\$176,000

Source: PolicyMap

Fair Market Rent

Between 2005 and 2011, Tioga County's Fair Market Rents (FMR) increased. In 2005, FRM ranged from \$404 for an efficiency to \$692 for a four-bedroom apartment. By 2010, these figures increased to \$505 and \$862, respectively.



Source: Department of Housing and Urban Development

Fair Market Rent and Housing Affordability

The median renter income was \$21,553 – close to \$8,000 less than the state average. The rent affordable at that income is \$539. In Tioga County, a two- or more bedroom unit is unaffordable for one earning the median income. A renter would need to earn an additional 14 percent in order to afford it.

Tioga County Renter Income and Cost			
	Renter median income	Rent affordable at renter median income	Percent of median renter income needed to afford 2 bdrm FMR
Pennsylvania	\$29,342	\$734	114%
Tioga County	\$21,553	\$539	114%

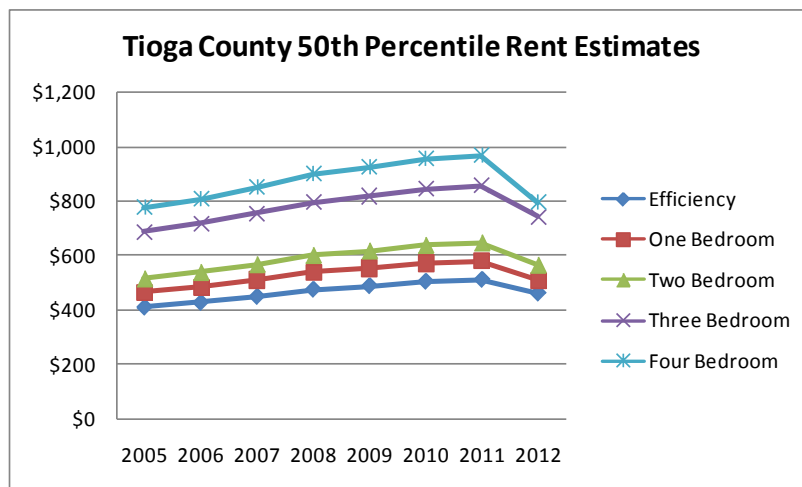
Source: National Low Income Housing Coalition

Tioga County Annual Income Needed to Afford FMR					
	Income needed to afford 0 bdrm FMR	Income needed to afford 1 bdrm FMR	Income needed to afford 2 bdrm FMR	Income needed to afford 3 bdrm FMR	Income needed to afford 4 bdrm FMR
Pennsylvania	\$24,434	\$27,821	\$33,476	\$41,698	\$47,160
Tioga County	\$20,120	\$22,080	\$24,560	\$32,280	\$34,480

Source: National Low Income Housing Coalition

50th Percentile Rent Estimates

The county's 50th Percentile Rent Estimates ranged from \$413 to \$778 in 2005 and from \$514 to \$969 in 2011.



Source: Department of Housing and Urban Development

Affordable Housing Search

A search of the U.S. Department of Housing and Urban Development’s (HUD) affordable housing database showed only one property, which had one-, two-, and three-bedroom units available. A search of PAHousingSearch.com was also completed. This search came back with seven apartment properties that fell within the county’s FMR parameters (\$0-\$862). Five such properties showed that interested parties would be placed on a wait list, indicating unavailability. All properties were one- to three-bedroom units. A second search was completed, this time using the highest and lowest rents allowable (\$0-\$4,500). The search returned two extra units with rents of \$1,500 a month. Five were income based and two were not. These included a three bedroom house for \$1,500 per month and a single room to rent for \$85 per day.

Building Capacity

Tioga has a limited number of construction firms (67) and may find itself with a shortage. Most notably there are very few concrete, roofing, siding (6), electrical and other specialty contractors. Many of these had to be coded and could not be quantified due to the limited number of firms where identity may end up being disclosed.

Tioga County Construction Capacity 2009					Number of establishments by employment-size				
NAICS code	NAICS code description	Paid emplo yees	First-quarter payroll (\$1,000)	Annual payroll (\$1,000)	Total establishments	1-4	5-9	10-19	20-49
23----	Construction	213	\$1,283	\$8,133	67	54	8	4	1
236115	New single-family general contractors	29	\$157	\$739	6	4	1	1	0
236118	Residential remodelers	26	\$92	\$963	16	15	1	0	0
236220	Commercial and institutional building construction	7	\$41	\$203	1	0	1	0	0
237	Heavy and civil engineering construction	B	\$345	\$1,893	5	2	1	2	0
2371	Utility system construction	B	\$301	\$1,719	4	1	1	2	0
237110	Water and sewer line and related structures construction	A	D	D	2	0	1	1	0
237120	Oil and gas pipeline and related structures construction	A	D	D	1	1	0	0	0
237130	Power and communication line and related structures construction	A	D	D	1	0	0	1	0
237210	Land subdivision	A	D	D	1	1	0	0	0
238	Specialty trade contractors	115	\$648	\$4,335	39	33	4	1	1
2381	Foundation, structure, and building exterior contractors	A	\$84	\$892	11	11	0	0	0
23811	Poured concrete foundation and structure contractors	A	D	D	1	1	0	0	0
238110	Poured concrete foundation and structure contractors	A	D	D	1	1	0	0	0
238130	Framing contractors	A	D	D	2	2	0	0	0
238140	Masonry contractors	A	D	D	1	1	0	0	0
238160	Roofing contractors	A	\$11	\$311	4	4	0	0	0
238170	Siding contractors	6	\$73	\$502	3	3	0	0	0
2382	Building equipment contractors	B	\$310	\$1,417	15	12	2	1	0
238210	Electrical contractors and other wiring installation contractors	A	D	D	2	1	0	1	0
238220	Plumbing, heating, and air-conditioning contractors	B	\$161	\$765	12	10	2	0	0
238290	Other building equipment contractors	A	D	D	1	1	0	0	0
238330	Flooring contractors	A	D	D	1	1	0	0	0
238910	Site preparation contractors	49	\$236	\$1,854	9	6	2	0	1
238990	All other specialty trade contractors	8	\$18	\$171	3	3	0	0	0

U.S. Census Bureau

Tioga has over 450 nonemployee firms. There appears to be nice diversity in the types of firms and it is an \$18 million dollar industry, but capacity is undetermined.

Tioga County Nonemployer Construction Capacity 2009			
NAICS	NAICS Description	Firms	Receipts (\$1,000)
'23'	Construction	463	\$18,199
'2361'	Residential building construction	113	\$5,075
'2362'	Nonresidential building construction	20	\$1,236
'237'	Heavy and civil engineering construction	9	\$241
'2371'	Utility system construction	d	d
'23721'	Land subdivision	d	d
'23799'	Other heavy and civil engineering construction	4	\$138
'2381'	Foundation, structure, and building exterior contractors	54	\$2,119
'23821'	Electrical contractors and other wiring installation contractors	25	\$623
'23822'	Plumbing, heating, and air-conditioning contractors	25	\$1,544
'23829'	Other building equipment contractors	5	\$208
'2383'	Building finishing contractors	110	\$3,446
'2389'	Other specialty trade contractors	102	\$3,707

U.S. Census Bureau

Tioga County is ranked as very active. It is the second most drilled county in the study with 534 wells drilled and over 1100 permits pulled. Tioga is already under enormous stress with housing stock and affordability and the county has limited contractors within its boundaries to meet construction needs for new housing.

Public Housing/Vouchers

Tioga County's public housing data were examined from 2005 to 2008. Most units were full during the period, while the number of months spent waiting increased. The wait list for Section 8 certificates or vouchers increased in 2006, before leveling off in 2007 and 2008.

Tioga County Public Housing					
	People				
	Total Units	Percent Occupied	per Unit	Total People	Months Waiting
2005	462	97%	1.4	626	3
2006	462	99%	1.4	624	4
2007	458	100%	1.4	616	6
2008	458	98%	1.4	644	9

Source: Department of Housing and Urban Development

**Tioga County Section 8 Certificates
and Vouchers**

	People per Unit	Total People	Rent Per Month	Months Waiting
2005	2	395	236	10
2006	1.9	364	237	15
2007	2	378	261	11
2008	1.8	348	261	11

Source: Department of Housing and Urban Development

Point-In-Time Counts

During the years examined, there was no accurate count for Tioga County's number of emergency shelter beds.

Wyoming County

Wyoming County is a seventh-class county located in northeastern Pennsylvania. In terms of population, Wyoming is the study area's second smallest county. It is designated as a transitional county by Appalachian Regional Commission (ARC). Between January 2009 and July 2011, the County had a total of 187 Marcellus Shale permits and 37 wells.

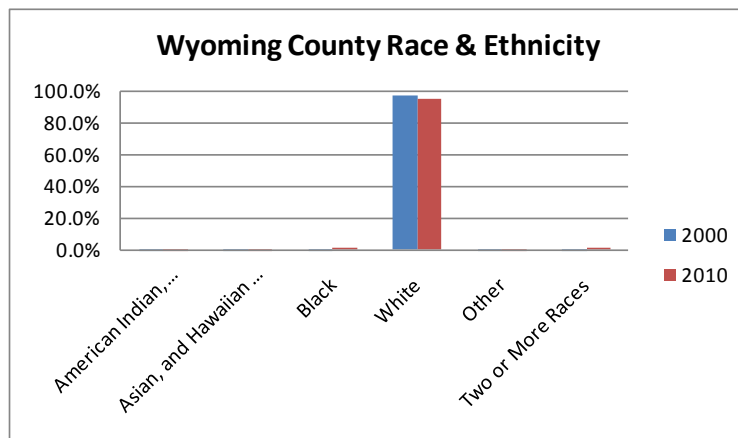
Demographics

Population

Between 2000 and 2010, Wyoming County experienced a 0.7 percent population increase - from 28,080 to 28,276. The county is also aging. All groups above age 45 increased, and its median age grew from 37.8 to 42.1.

Race and Ethnicity

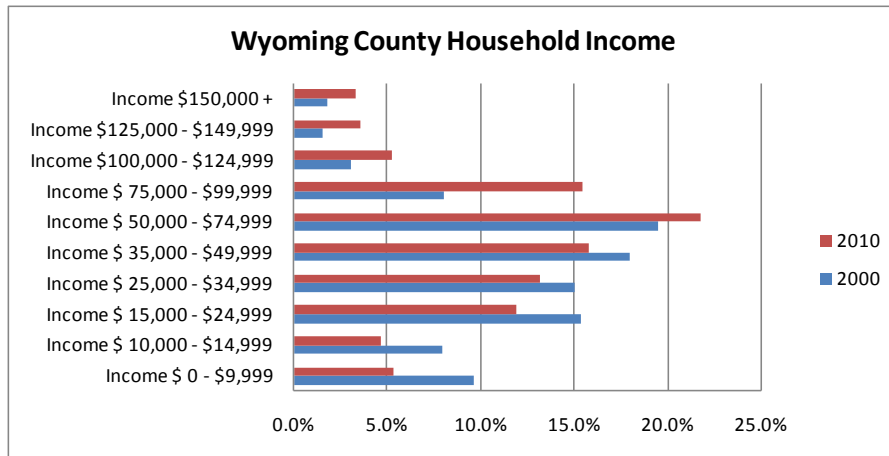
The county's racial and ethnic makeup is beginning to shift. From 2000 to 2010, its percentage of White/Caucasian residents decreased from 98.3 percent to 96.1 percent, its percentage of Black/African American residents increased by 102 percent, and its Hispanic/Latino population increased 88.1 percent. While the county is becoming more diverse, it is much less diverse than both the Commonwealth of Pennsylvania and the nation.



Source: U.S Census Bureau & Decision Data Resources

Household Income

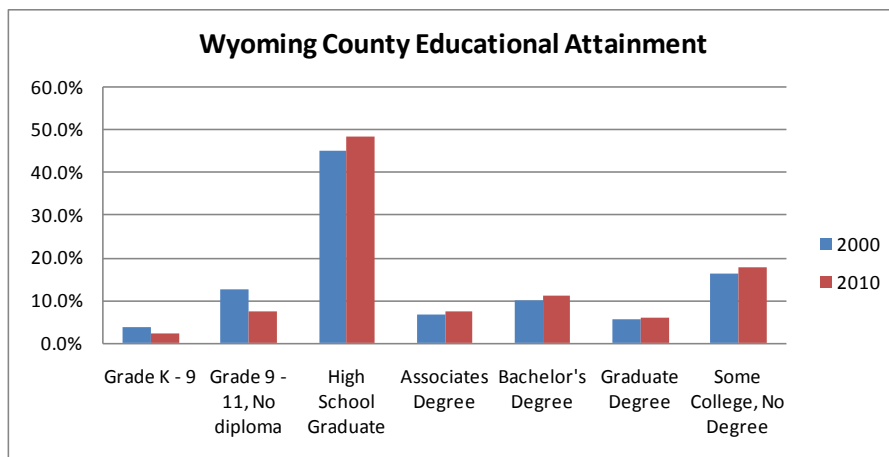
Over the decade examined, Wyoming County's household income significantly increased. The highest percentage of Wyoming County residents fell into the \$50,000-\$74,000 income bracket; statewide, the largest percentage of residents earn between \$75,000-\$99,000. Between 2000 and 2010, the number of Wyoming County households earning between \$125,000 and \$149,999 increased 129.4 percent, and median household income increased from \$27,600 to \$33,329. Statewide, median household income was \$50,000 in 2010.



Source: U.S Census Bureau & Decision Data Resources

Educational Attainment

From 2000 to 2010, Wyoming County residents made strides in increasing educational attainment levels. Those increases, however, were among the study area's lowest. Wyoming County residents over age 25 with a Bachelor's degree increased 12.9 percent, while with an Associate's degree increased 10.4 percent. Wyoming County is somewhat behind the Commonwealth in terms of educational attainment, with only 11.1 percent of residents holding a bachelor's degree in 2010, compared to 16.7 percent statewide.



Source: U.S Census Bureau & Decision Data Resources

Poverty

Between 2000 and 2009, Wyoming County's poverty rate increased dramatically - most significantly in the children under age 18. Poverty among those under age 18 grew 6.8 percent to 19.6 percent, which was among the highest poverty rates in the twelve-county study area; this compares with a 14.3 percent rate for this group statewide, and a 17 percent rate nationwide. Wyoming County's 2009 poverty rate for all ages was also much higher than that of both Pennsylvania and the nation, where poverty rates for this group were 12.5 percent and 14.3 percent, respectively

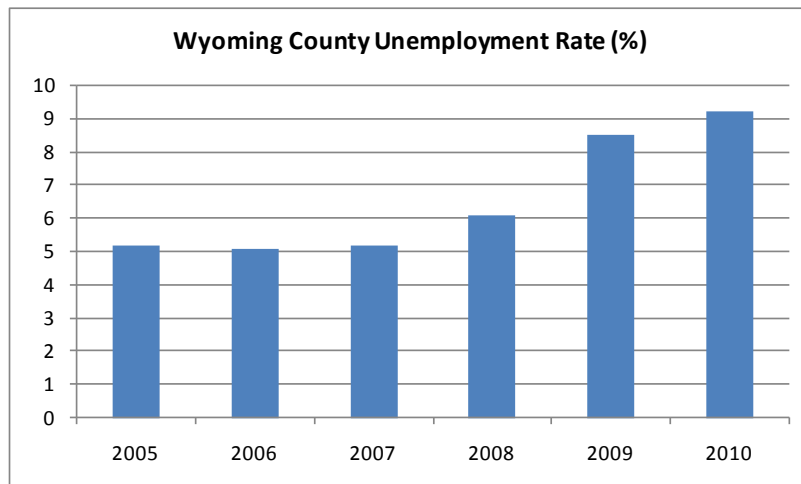
Wyoming County Poverty			
All ages in poverty		Under age 18 in poverty	
2000	2009	2000	2009
9.5%	12.8%	12.8%	19.6%

Source: U.S Census Bureau & Decision Data Resources

Employment & Wages

Unemployment

Due to the national economic crisis, Wyoming County's unemployment rate increased between 2005 and 2010. The county topped out at an unemployment rate of 9.2 percent in 2010, which was slightly above the statewide unemployment rate of 8.7 percent that year.



Source: The Center for Workforce Information & Analysis

Business Patterns

According to the U.S. Census Bureau's County Business Patterns, between 2005 and 2009, Wyoming County's number of employees fluctuated – reaching a five-year-high of 8,468 in 2008. The county's manufacturing industry employed the greatest number of people during all years examined. Its retail and healthcare industries were the only sectors with over 1,000 employees each. In 2009, Wyoming County recorded a total of 615 business establishments; the retail industry recorded having the greatest number of business establishments at 114.

Wyoming County Business Patterns							
	2003	2004	2005	2006	2007	2008	2009
Paid employees	8,455	8,473	8,070	8,354	8,225	8,468	8,288
Total establishments	620	646	655	651	629	610	615
Annual payroll (\$1,000)	\$275,722	\$277,027	\$290,462	\$285,864	\$272,952	\$294,990	\$291,972

Source: U.S. Census Bureau

The county's number of non-employee firms fluctuated during the period examined. The highest number of firms (2,081) was observed in 2003 and 2005, while 2009 data reflect the lowest number of firms (1,819). Receipts also fluctuated, hitting a high in 2004 and a low in 2009.

Wyoming County Non-Employer Firms							
	2003	2004	2005	2006	2007	2008	2009
Firms	2,081	2,062	2,081	1,848	1,882	1,888	1,819
Receipts (\$1,000)	\$83,972	\$84,807	\$83,512	\$78,732	\$79,158	\$81,426	\$72,041

Source: U.S. Census Bureau

Annual and Weekly Pay

Both average weekly and average annual pay in Wyoming County increased steadily between 2001 and 2010. Figures for 2010 put the county's average weekly wage at \$756. Its average annual pay topped out at \$39,317 in 2010.

Wyoming County Annual & Weekly Pay		
	Average Annual Pay	Average Weekly Wage
2001	\$31,496	\$606
2002	\$32,460	\$624
2003	\$32,823	\$631
2004	\$34,405	\$662
2005	\$34,863	\$670
2006	\$35,993	\$692
2007	\$36,842	\$709
2008	\$37,744	\$726
2009	\$37,898	\$729
2010	\$39,317	\$756

Source: Bureau of Labor Statistics

Housing

Housing Units

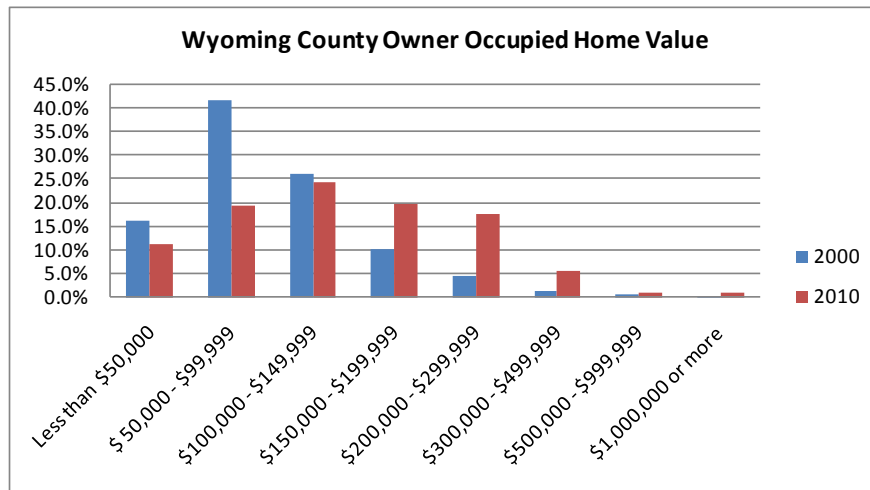
From 2000 to 2010, Wyoming County experienced a slight increase of 541 in its total number of housing units. In the same time period, its percentage of renter-occupied housing units increased slightly, while owner-occupied units declined 1.8 percent. The county's overall vacancy rate also fell by 0.2 percent; its 2010 vacancy rate was much lower than state and national averages of 9.9 percent and 11.4 percent, respectively.

Wyoming County Housing Units		
	2000	2010
Total Housing Units	12,713	13,254
Owner-Occupied	66.8%	63.9%
Renter-Occupied	17.9%	19.6%
Vacant	15.4%	16.5%

Source: Decision Data Resources & U.S Census Bureau

Home Values

The median value of owner occupied homes in Wyoming County rose from \$93,585 in 2000 to \$136,600 in 2010. From 2000 to 2010, there was a 21.9 percent decrease in owner-occupied homes valued between \$50,000-\$99,999, a 9.5 percent increase in owner-occupied homes valued between \$150,000-\$199,999, and a 4.3 percent increase owner-occupied homes valued between \$300,000-\$499,999.



Source: Decision Data Resources & U.S Census Bureau

Median Mortgage & Rent

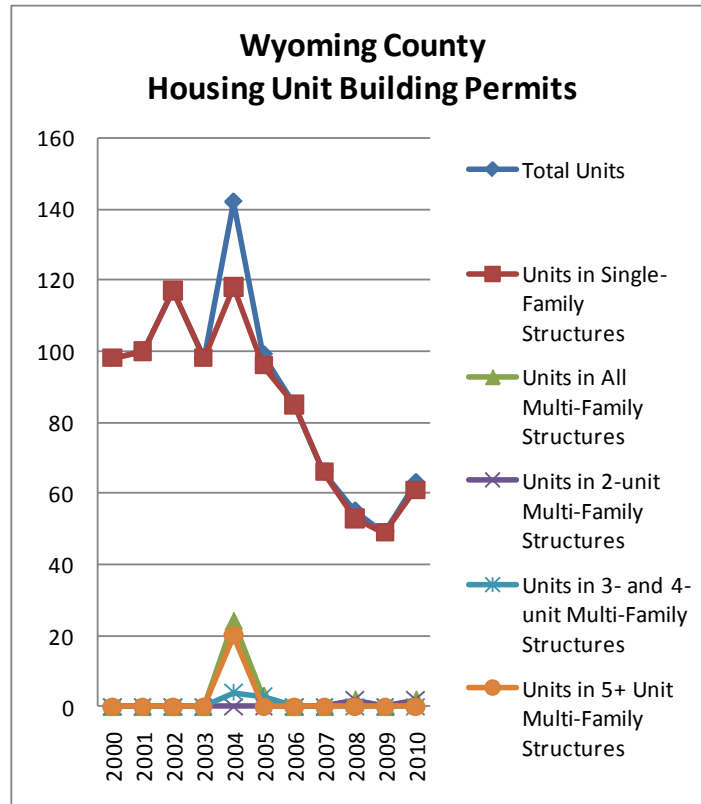
Between 2005 and 2009, the county’s median mortgage increased to \$1,174 , while its median rent was just over half that at \$600. These figures were well below state and national averages for the same timeframe. in 2010 which had a median mortgage of \$1,390 and a median rent of \$763.

Wyoming County Mortgage and Rent		
	2000	2005-2009
Median Mortgage	\$931	\$1,174
Median Rent	\$470	\$600

Source: Decision Data Resources & U.S Census Bureau

Building Permits

Between 2000 and 2010, single-family homes accounted for the vast majority of Wyoming County’s total building permits. The county’s building permits reached an all-time-high of 142 in 2004. A total of 972 units were built between 2000 and 2010. Units in multi-family structures accounted for the second highest number of building permits during most years, and also reached a high point in 2004, followed by declines through 2010



Source: U.S Census Bureau

Home Sales

Wyoming County home sales declined in 2007 and remained steady for the three years that followed. The greatest number of sales (400) occurred in 2006. Median sale prices grew to \$130,000 in 2009, followed by a slight decline to \$129,187 in 2010.

Number of Home Sales					
	2006	2007	2008	2009	2010
Wyoming County, PA	3,751	3,249	2,791	1,220	422

Source: PolicyMap

Median Sale Price					
	2006	2007	2008	2009	2010
Wyoming County, PA	\$120,000	\$118,000	\$120,000	\$130,000	\$129,187

Source: PolicyMap

Home Loans

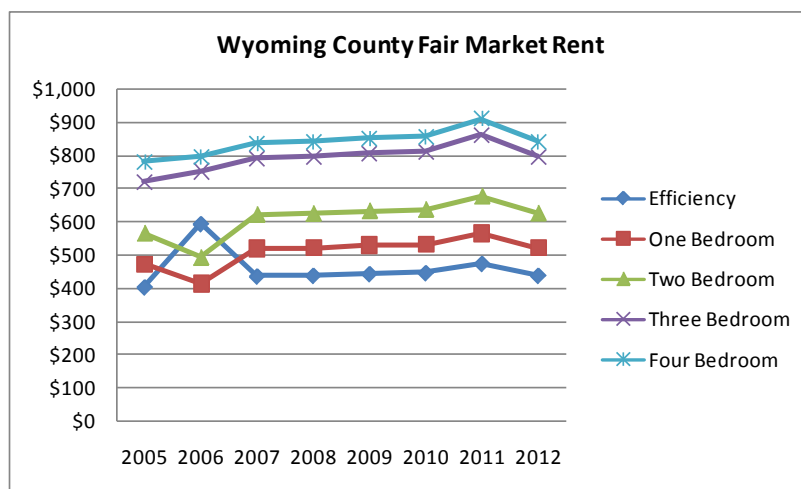
The number of homes loans in Wyoming decreased from 750 in 2004 to 416 in 2008; in 2009, the county there was an increase of 126 loan originations to total 578.

All Originations	2004	2005	2006	2007	2008	2009
County (Wyoming)						
Number of Loans	750	730	680	548	416	578
Median Loan Amount	\$93,500	\$93,000	\$100,000	\$107,500	\$106,000	\$120,000
State (Pennsylvania)						
Number of Loans	421,712	404,927	368,872	306,428	241,601	320,234
Median Loan Amount	\$105,000	\$114,000	\$113,000	\$124,000	\$139,000	\$157,000
National						
Number of Loans	11,746,438	11,559,564	10,070,623	7,742,076	5,611,779	7,757,819
Median Loan Amount	\$147,000	\$161,000	\$163,000	\$168,000	\$170,000	\$176,000

Source: PolicyMap

Fair Market Rent

Fair Market Rents (FMR) in Wyoming County increased steadily between 2005 and 2011. In 2006, there was a slight decline in one- and two-bedroom units; the same year, there was a slight increase in efficiencies. In 2005, the county's FMR ranged from \$403 for an efficiency to \$780 for a four-bedroom apartment. By 2010, FMR reached \$474 for an efficiency and \$909 for a four-bedroom apartment. In 2012, FMR reached \$444 for an efficiency and \$844 for a four-bedroom apartment.



Source: Department of Housing and Urban Development

Fair Market Rent and Housing Affordability

Median renter income in Wyoming County in was \$29,342 – just under \$2,000 more than the state average. The rent affordable at that income is \$790. In Wyoming County, an average two-bedroom unit costs \$679 per month and an average three-bedroom unit costs \$861 per month. This means that a two-bedroom unit is affordable to a resident earning the median income, while a three-bedroom unit is unaffordable.

	Renter median income	Rent affordable at renter median income	Percent of median renter income needed to afford 2 bdrm FMR
Pennsylvania	\$29,342	\$734	114%
Wyoming County	\$31,614	\$790	86%

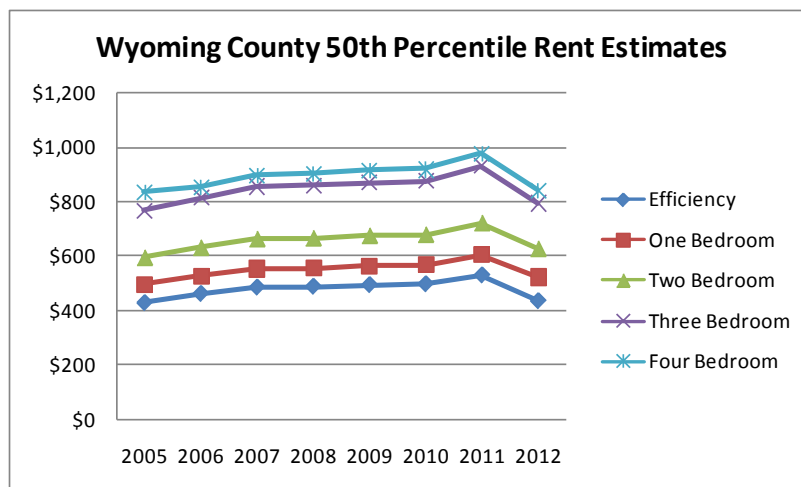
Source: National Low Income Housing Coalition

	Income needed to afford 0 bdrm FMR	Income needed to afford 1 bdrm FMR	Income needed to afford 2 bdrm FMR	Income needed to afford 3 bdrm FMR	Income needed to afford 4 bdrm FMR
Pennsylvania	\$24,434	\$27,821	\$33,476	\$41,698	\$47,160
Blair County	\$18,960	\$22,640	\$27,160	\$34,440	\$36,360

Source: National Low Income Housing Coalition.

50th Percentile Rent Estimates

Wyoming County's 50th Percentile Rent Estimates ranged from \$431 to \$835 in 2005 and from \$531 to \$977 in 2011.



Source: Department of Housing and Urban Development

Affordable Housing Search

A search of the U.S. Department of Housing and Urban Development’s (HUD) affordable housing database showed one Wyoming County property with two- and three-bedroom units available. A search of PAHousingSearch.com was also completed. This search came back with two properties that fell within the county’s FMR parameters of \$0-\$909, and both were two-bedroom units. The highest rent returned in the search was \$1,300. A second search was completed, this time using the highest and lowest allowable rent amounts (\$0-\$4,500). The search returned the same results.

Building Capacity

Wyoming County is another county with a significant amount of shale development and a limited number of firms. It appears underrepresented in most sectors.

Wyoming County Construction Capacity 2009						Number of establishments by employment-size class			
NAICS code	NAICS code description	Paid employees for	First-quarter payroll (\$1,000)	Annual payroll (\$1,000)	Total establishments	1-4	5-9	10-19	20-49
23----	Construction	287	\$2,079	\$11,508	62	47	6	5	4
236	Construction of buildings	C	S	\$4,453	21	17	1	1	2
23611	Residential building construction	B	\$529	\$2,396	19	16	1	1	1
236115	New single-family general contractors	B	\$131	\$550	8	7	1	0	0
236117	New housing operative builders	B	D	D	2	1	0	0	1
236118	Residential remodelers	22	\$100	\$744	9	8	0	1	0
236220	Commercial and institutional building construction	B	D	D	2	1	0	0	1
237110	Water and sewer line and related structures construction	A	D	D	1	1	0	0	0
237310	Highway, street, and bridge construction	A	D	D	1	1	0	0	0
237990	Other heavy and civil engineering construction	A	D	D	1	0	1	0	0
238	Specialty trade contractors	171	\$1,132	\$6,778	38	28	4	4	2
2381	Foundation, structure, and building exterior contractors	B	\$82	\$619	5	3	1	1	0
238110	Poured concrete foundation and structure contractors	A	D	D	1	0	0	1	0
238140	Masonry contractors	A	D	D	1	0	1	0	0
238160	Roofing contractors	A	D	D	1	1	0	0	0
238170	Siding contractors	A	D	D	1	1	0	0	0
238190	Other foundation, structure, and building exterior contractors	A	D	D	1	1	0	0	0
2382	Building equipment contractors	71	\$614	\$2,887	12	7	2	2	1
238210	Electrical contractors and other wiring installation contractors	40	\$422	\$2,053	4	1	1	1	1
238220	Plumbing, heating, and air-conditioning contractors	A	\$104	\$398	7	6	1	0	0
238290	Other building equipment contractors	A	\$88	\$436	1	0	0	1	0
2383	Building finishing contractors	A	\$13	\$117	5	5	0	0	0
238320	Painting and wall covering contractors	A	D	D	1	1	0	0	0
238330	Flooring contractors	A	D	D	1	1	0	0	0
238350	Finish carpentry contractors	A	D	D	1	1	0	0	0
238390	Other building finishing contractors	A	D	D	2	2	0	0	0
2389	Other specialty trade contractors	B	\$423	\$3,155	16	13	1	1	1
238910	Site preparation contractors	34	\$204	\$2,007	13	11	1	1	0
238990	All other specialty trade contractors	B	\$219	\$1,148	3	2	0	0	1

Source: U.S. Census Bureau

Wyoming County has over 300 nonemployee firms. There appears to be more specialty trade contractors (225 in total) than most.

Wyoming County Nonemployer Construction Capacity 2009

NAICS	NAICS Description	Firms	Receipts (\$1,000)
'23'	Construction	318	\$15,739
'2361'	Residential building construction	79	\$4,679
'2362'	Nonresidential building construction	8	\$337
'23721'	Land subdivision	3	\$614
'23799'	Other heavy and civil engineering construction	3	\$111
'2381'	Foundation, structure, and building exterior contractors	47	\$1,791
'23821'	Electrical contractors and other wiring installation contractors	8	\$349
'23822'	Plumbing, heating, and air-conditioning contractors	17	\$1,154
'23829'	Other building equipment contractors	1	\$1
'2383'	Building finishing contractors	63	\$2,370
'2389'	Other specialty trade contractors	89	\$4,333

Source: U.S. Census Bureau

Wyoming County has only 27 wells drilled, but it has 187 permits pulled. Therefore, the county can expect significant additional growth. Wyoming County has already experienced some challenges with housing as a result of it being geographically adjacent to Susquehanna County. This existing stress coupled with new growth will challenge Wyoming County's capacity even further.

Public Housing/Vouchers

The number of months spent waiting to gain access to public housing in Wyoming County increased from six months in 2005 to ten months in 2008. The wait list for Section 8 certificates or vouchers experienced a significant decline from 88 months in 2005 to 15 months in 2008.

Wyoming Public Housing					
	Total Units	Percent Occupied	People per Unit	Total People	Months Waiting
2005	64	100%	2.5	156	6
2006	65	98%	2.6	161	8
2007	39	92%	2.6	93	10
2008	65	100%	2.7	105	10

Source: Department of Housing and Urban Development

Wyoming Section 8 Certificates and Vouchers				
	People per Unit	Total People	Rent Per Month	Months Waiting
2005	1.7	408	299	88
2006	1.8	590	288	8
2007	1.8	659	301	10
2008	1.8	649	338	15

Source: Department of Housing and Urban Development

Point-In-Time Counts

There is no accurate count of the number of emergency shelter beds in Wyoming County during the time-period examined.

Pennsylvania Data Analysis Summary

The data collected for this report were obtained to provide a baseline for tracking changes in housing stock and affordability over time as these communities respond to natural gas development pressures. All attempts were made to get the most up to date information as possible.

The following datasets are examined in this study:

Demographics

- Population: 2000 and 2010
- Race and Ethnicity: 2000 and 2010
- Household Income: 2000 and 2010
- Educational Attainment: 2000 and 2010

Employment & Wages

- Unemployment: 2005-2010
- Business Patterns: 2005-2010
- Annual and Weekly Pay: 2001-2010

Housing

- Housing Units: 2000 and 2010
- Home Values: 2000 and 2010
- Building Permits: 2000-2010
- Home Sales: 2006-2010
- Median Home Price: 2006-2010
- Home Loan Originations by Purpose: 2004-2009.
- Fair Market Rent: 2005-2012
- 50th Percentile Rent Estimates: 2005-2012
- Housing Affordability: 2005-2009 Estimate
- Affordable Housing Search 2011
- Public Housing: 2005-2008
- Section 8 Vouchers: 2005-2008
- Point-In-Time Counts

The below data is a summary of the 12 county reports that follow this section. The purpose of providing a summary is twofold. First, a summary allows the reader to examine the changes in the entire study area. Although each county is fundamentally different and each one is in varying phases of shale development, a high level summary helps to frame the study area as one. Second, the summary may serve as a standalone piece for a reader interested only in a high level summary. One limitation of the data analysis is the effect of the recession and the national housing crisis. Several of the datasets track data during the years in which these occurred. Additionally, not all datasets were available for each county and there is a 12-24 month lag time in the currency of some of the data.

Permits & Wells

The number of Marcellus Shale permits and wells varies greatly by county. Forest County, with seven permits and six wells has seen the least development thus far, while Tioga County has seen the most development with 1,111 permits and 526 wells in the same period. The level of development has a significant impact on the changes each of these counties has seen.

Permits & Wells 2009 through July 2011										
	2009		2010		2011		Total		Rank	
	Permits	Wells	Permits	Wells	Permits	Wells	Permits	Wells	Permits	Wells
Blair	2	0	5	5	2	1	9	6	11	9
Bradford	430	113	830	386	433	241	1693	740	1	1
Cambria	6	2	9	1	7	2	22	5	9	11
Clearfield	72	27	76	39	66	38	214	104	5	5
Clinton	41	12	48	35	30	26	119	73	8	7
Fayette	88	55	77	19	29	16	194	90	6	6
Forest	5	4	2	2	0	0	7	6	12	10
Luzerne	1	0	14	2	0	0	15	2	10	12
Lycoming	107	24	254	107	216	150	577	281	3	3
Susquehanna	155	60	230	92	146	82	531	234	4	4
Tioga	300	114	564	266	247	146	1111	526	2	2
Wyoming	11	1	88	15	88	11	187	37	7	8

Source: Pennsylvania Department of Environmental Protection

Demographics

Of the 12 counties examined, Luzerne has the highest population while Forest County has the lowest. In terms of changes, the largest percentage decrease occurred Fayette County (-8.1 percent) while the largest percentage increase occurred in Forest County (+56 percent). Forest County's population increase was most likely related to their increase in institutional residents. The huge percentage is relative to the small population size, so that should be taken into consideration during evaluation. Counties with some of the highest numbers of wells and permits e.g. Bradford and Lycoming showed decreases between 2000 and 2010. Tioga, which has over 1,100 permits and 500 wells saw a 1.5 percent increases. The Commonwealth experienced a 2 percent increase for the period. Only Clinton and Susquehanna counties surpassed that. While some of the core shale counties saw population increases, some did not.

Population			
County	2000	2010	% Change
Blair	129,144	127,089	-1.6%
Bradford	42,458	41,995	-1.1%
Cambria	152,598	143,679	-5.8%
Clearfield	83,382	81,642	-2.1%
Clinton	37,914	39,238	3.5%
Fayette	148,644	136,606	-8.1%
Forest	4,946	7,716	56.0%
Luzerne	319,250	320,918	0.5%
Lycoming	120,044	116,111	-3.3%
Susquehanna	42,238	43,356	2.6%
Tioga	41,373	41,981	1.5%
Wyoming	28,080	28,276	0.7%

Source: U.S. Census Bureau

Race and ethnicity is shifting. Every single county examined showed a decrease in the percentage of those who identify themselves as white. Increase occurred mainly in four categories: African American, Hispanic/Latino, Other, and Two or More Races. In some counties these figures increase as much as 250 percent during the ten year period examined. None of the counties had the same diversity of that of the Commonwealth.

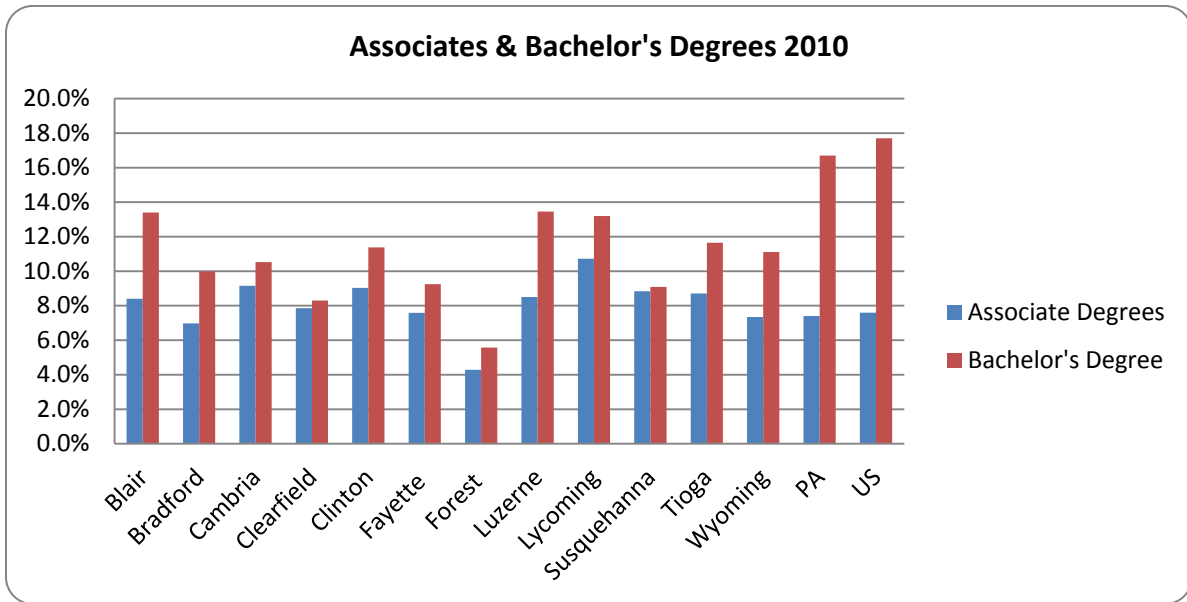
As one would expect, household income increased between 2000 and 2010. In nearly all counties, a plurality of residents was in the “\$50,000-\$74,999” category in 2010. In 2000, the highest percentage of residents fell into either “25,000-\$34,999” or “\$35,000-\$44,999” category. In 2010, Blair County dominated in all categories of income while Forest had the lowest. All counties in the study area have a lower mean household income, median household income, and per capita income when compared to the Commonwealth. The same was the case when the study area was compared to the U.S. Looking at income in terms of shale development status, we did not see significant changes in income in the top five counties. The data show that median household income did not increase as fast as median rents and mortgages in each of the counties examined.

Income Summary 2010			
	Mean Household Income	Median Household Income	Per Capita Income
Blair	\$54,523	\$42,835	\$22,735
Bradford	\$50,506	\$39,813	\$21,028
Cambria	\$51,450	\$37,871	\$22,200
Clearfield	\$48,193	\$37,325	\$20,665
Clinton	\$50,035	\$38,695	\$21,391
Fayette	\$45,617	\$33,329	\$19,318
Forest	\$41,938	\$33,874	\$18,620
Luzerne	\$55,393	\$42,263	\$23,751
Lycoming	\$53,768	\$42,050	\$22,905
Susquehanna	\$54,520	\$43,610	\$23,558
Tioga	\$49,376	\$40,179	\$20,934
Wyoming	\$60,360	\$49,085	\$24,788
Pennsylvania	\$65,878	\$49,288	\$26,374
United States	\$68,259	\$50,046	\$26,059

Source: U.S. Census Bureau

Poverty data were examined for residents of all ages and residents under the age of 18. Poverty increased quite significantly between 2000 and 2009 given drastic changes in the economy that occurred between those two periods. The poverty level for residents of all ages ranged from 9 percent to 15 percent. By 2010 the range increased to 13 percent to 22 percent respectively. Poverty in children tends to be much higher. Those figures ranged from 12 percent to 25 percent in 2000 and increased to 19 percent to 30 percent in 2009 respectively. Only one county, Wyoming, managed to stay below the 20 percent level. Several counties experienced higher poverty level than the Commonwealth average.

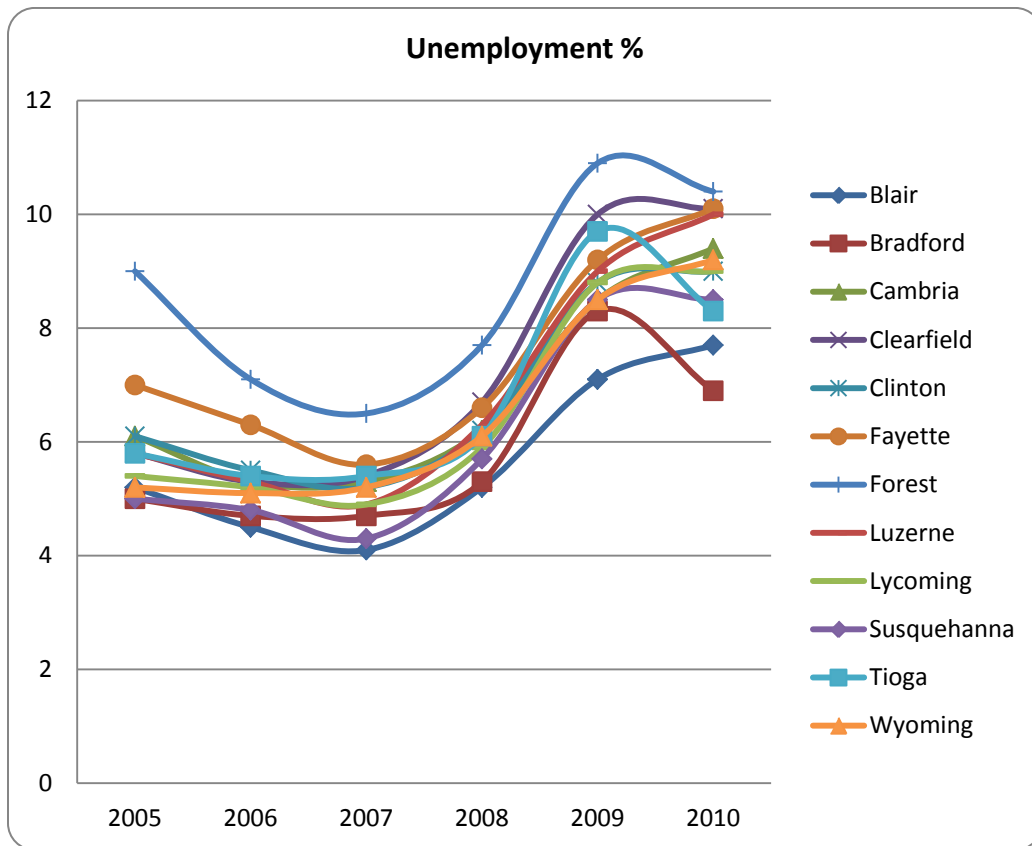
All Counties saw impressive increases in educational attainment. The largest increases were in the number of residents that received associates and bachelor’s degrees. The top three counties with the largest increases in bachelor’s degrees are Blair (+46 percent), Tioga (+37.2 percent), and Lycoming (+33.2 percent). The below chart further examined bachelor degree attainment in 2010. All counties in the study fell behind the Commonwealth and the U.S. which had 7.4/7.6 percent associates degrees and 16.7/17.7 percent bachelor’s degrees in 2010.



Source: U.S. Census Bureau

Employment & Wages

Nearly all of the datasets examined in the secondary data analysis saw the effects of the national recession. Unemployment was no exception. Unemployment figures began to rise in 2008 in every county in the study area. Many counties approached and even surpassed an unemployment rate of 10 percent. Bradford County, one of the counties experiencing the most development, maintained the lowest unemployment rate with 6.9 percent while Forest County dealt with the highest with 10.4 percent.



Source: The Center for Workforce Information

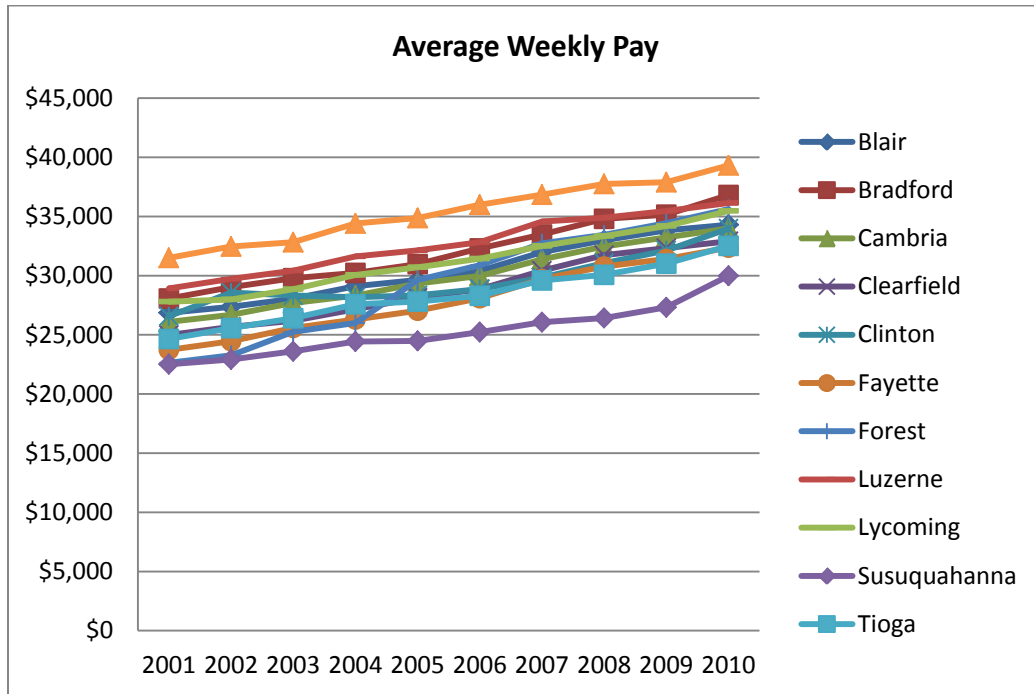
The number of employees were also affected by the recession and showed decreases during the period examined: 2005-2009. Although the number of employees fluctuated from year to year, there was an overall decline. Employment by industry data showed that retail trade dominated in several counties, employing the highest number of people.

The next dataset examined was establishments by size. All counties showed that significant portion of their business establishments employed 1-4 people. Luzerne County had the highest number of establishments by far, nearly double that of the next highest county. In terms of large establishment, most of the counties in the study area contained some establishments with 250 or more employees.

Establishments by Size 2009										
	Total			'10-	'20-	'50-	'100-	'250-	'500-	'1000
	Establishments	'1-4'	'5-9'	19'	49'	99'	249'	499'	999'	or
										more'
Blair	3220	1575	688	475	300	100	57	22	2	1
Bradford	1341	730	285	193	89	22	12	6	2	2
Cambria	3439	1694	785	478	328	91	42	17	1	3
Clearfield	1973	1028	429	260	170	55	24	4	2	1
Clinton	731	375	161	98	59	21	10	6	1	0
Fayette	2746	1424	598	356	236	79	41	6	4	2
Forest	111	65	25	13	3	3	1	1	0	0
Luzerne	7379	3735	1528	1015	630	241	165	44	15	6
Lycoming	2805	1350	635	413	249	84	50	19	4	1
Susquehanna	883	551	174	106	38	11	2	1	0	0
Tioga	851	474	175	121	54	13	10	4	0	0
Wyoming	615	359	121	78	36	11	7	1	1	1

Source: U.S. Census Bureau

Average annual and weekly pay increased in all counties between 2001 and 2010. Wyoming County had the highest average annual/weekly pay among all counties in the study area while Cambria had the lowest.



Source: Bureau of Labor Statistics

Housing

The U.S. Census five year estimate for median mortgage and rent are below. The highest mortgages during this period were in Wyoming County as were the highest rents. The lowest figures for mortgages and rents were both in Forest County.

Median Rent & Mortgage 2005-2009 Estimate		
	Median Mortgage	Median Rent
Blair County	\$1,002	\$533
Bradford County	\$1,061	\$532
Cambria County	\$944	\$488
Clearfield County	\$941	\$529
Clinton County	\$1,023	\$595
Fayette County	\$921	\$503
Forest County	\$888	\$473
Luzerne County	\$1,156	\$585
Lycoming County	\$1,128	\$585
Susquehanna County	\$1,134	\$572
Tioga County	\$1,080	\$561
Wyoming County	\$1,174	\$600

Source: U.S. Census Bureau

In 2008, building permits began to decrease in several counties because of the economic and housing crisis occurring nationwide. Luzerne County experienced the largest drop that year – decreasing by nearly 50 percent from 2007. In 2010, many of the counties in the study area began to see an increase in building permits suggesting those housing markets could be beginning to recover. It did not appear that shale development has had much of an impact as of yet on residential home building. Several of the counties with a high number of wells also experienced an increase in building permits between 2009 and 2010.

Housing Unit Building Permit Totals												
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Blair	226	255	322	363	496	180	193	294	195	125	159	2,808
Bradford	159	162	145	194	169	104	104	122	92	56	175	1,482
Cambria	220	205	213	240	320	246	232	174	264	94	117	2,325
Clearfield	186	218	169	234	303	176	177	134	89	131	124	1,941
Clinton	137	172	132	159	150	100	105	98	61	33	31	1,178
Fayette	352	254	283	249	273	99	103	80	313	221	240	2,467
Forest	47	83	70	31	32	21	3	4	11	12	10	324
Luzerne	603	651	889	935	884	814	872	771	357	340	359	7,475
Lycoming	313	388	355	289	349	299	300	206	194	118	207	3,018
Susquehanna	130	140	159	164	170	136	113	116	91	120	73	1,412
Tioga	196	164	167	160	148	113	111	98	80	84	99	1,420
Wyoming	98	100	117	98	142	99	85	66	55	49	63	972

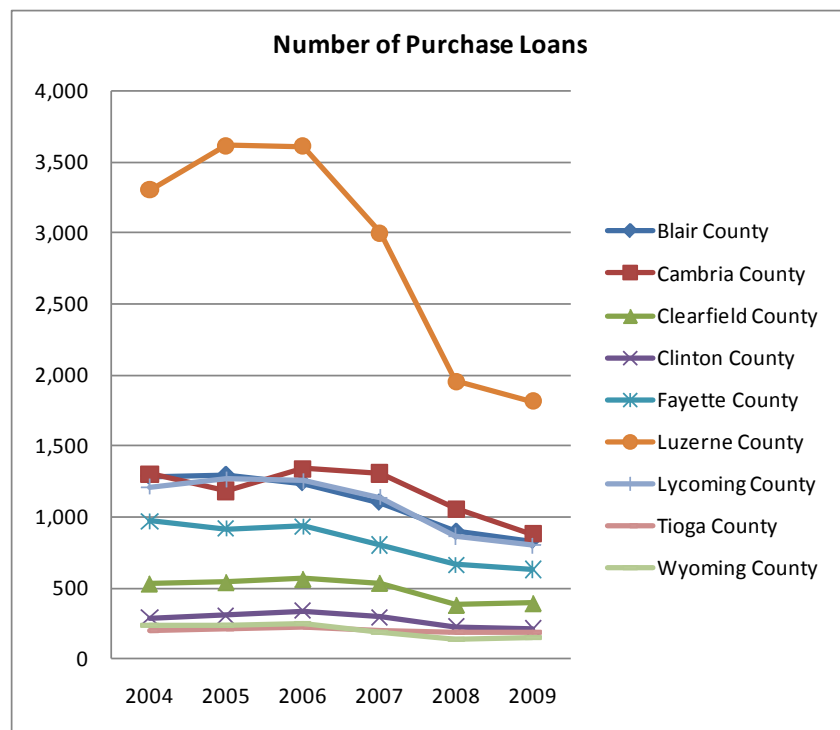
Source: U.S. Census Bureau

Home sales fluctuated through the 2006-2010 period. Median home prices were a bit less predictable than home sales and fluctuated throughout the period. Wyoming County showed the highest median prices as the only county to go over the \$100,000 mark each year. The lowest median sale prices occurred in Clearfield County.

Median Sale Price⁴					
	2006	2007	2008	2009	2010
Blair County	\$73,000	\$74,000	\$76,000	\$82,000	\$75,450
Cambria County	\$63,000	\$40,450	\$22,250	\$34,250	\$60,000
Clearfield County	N/A	N/A	\$20,000	\$59,900	\$58,950
Clinton County	\$77,000	\$82,750	\$82,450	\$80,000	\$71,000
Fayette County	\$63,800	\$60,000	\$67,450	\$72,500	\$66,500
Luzerne County	\$83,820	\$89,300	\$80,000	\$85,000	\$84,000
Lycoming County	\$96,000	\$95,000	\$85,900	N/A	N/A
Tioga County	\$69,700	\$71,900	\$78,000	\$70,250	\$70,000
Wyoming County	\$120,000	\$118,000	\$120,000	\$130,000	\$129,187

**Data for Bradford, Forest, and Susquehanna were unavailable.*

While the number of home loans decreased between 2004 and 2010, the median loan amount increased in nearly all of the counties in the study area. Many of the counties began to see an increase in the number of originations in 2010. The majority of these originations were for refinancing purposes (60 percent-75 percent) rather than for home purchases. Purchases continued to decline in 2010 in nearly all counties. Exceptions include Clearfield and Wyoming Counties.



Data for Bradford, Forest, and Susquehanna were unavailable.

⁴ Bradford, Forest, and Susquehanna County data was not available.

Fair market rents, which are determined by HUD are revised each year. Fair market rents varied in all twelve counties although they all followed a very similar pattern. For example, in 2006 efficiencies saw a significant increase in terms of rental cost while one and two bedrooms apartments saw a decrease. Fayette and Luzerne counties had some of the highest rents while Bradford and Clearfield saw some of the lowest fair market rents. FMRs in each county in the study area experienced a decrease for 2012 which is devastating in several areas. The 2012 FMR uses 2009 data inputs to calculate rents. Given the changes in the drilling counties since then as identified by the wells drilled, the FMRs do not adequately affect the current market.

Housing affordability varied throughout the study area. Nearly all of the counties had median rent incomes too low to afford Fair Market Rent rates. The number of affordable units also varied greatly depending on population. The counties with the most challenges in the area include Fayette County in which a rent are median income would need 136 percent of that income to afford a two bedroom unit at FMR. Housing affordability in many counties is getting significantly worse due to shale development. Only two counties fell below the 100 percent mark: Susquehanna and Tioga.

Renter Income and Cost			
	Renter median income	Rent affordable at renter median income	Percent of median renter income needed to afford 2 bdrm FMR
Pennsylvania	\$29,342	\$734	114%
Blair County	\$22,143	\$554	113%
Bradford County	\$24,866	\$622	94%
Cambria County	\$21,045	\$526	112%
Clearfield County	\$21,550	\$539	109%
Clinton County	\$23,342	\$584	110%
Fayette County	\$20,638	\$516	136%
Forest County	\$20,596	\$515	114%
Luzerne County	\$24,576	\$614	111%
Lycoming County	\$24,591	\$615	103%
Susquehanna County	\$25,737	\$643	94%
Tioga County	\$21,553	\$539	114%
Wyoming County	\$31,614	\$790	86%

Source: National Low Income Housing Coalition

A search of PAHousingSearch.com was completed within FMR parameters in order to ascertain the number of affordable properties in each county. The number of properties ranges by county size and population. Each of the counties contained several properties with waiting lists for interested parties. Waiting lists show that there is not currently enough affordable housing in the study area.

A search of HUD's affordable housing unit data base showed that some of the counties with the least amount of drilling have the highest number of properties. These include Blair and Luzerne Counties. Counties that have some of the highest number of wells have virtually no affordable housing. These include Bradford and Tioga.

HUD Affordable Properties by Number of Bedrooms						
	Total Properties	Number of Properties with 1 Bedroom Units	Number of Properties with 2 Bedroom Units	Number of Properties with 3 Bedroom Units	Number of Properties with 4 Bedroom Units	Number of Properties with 5+ Bedroom Units
Blair	21	20	11	7	3	0
Bradford	3	3	1	1	0	0
Cambria	15	13	7	4	1	0
Clearfield	10	9	3	3	0	0
Clinton	3	3	1	1	1	1
Fayette	13	12	9	5	1	0
Forest	0	0	0	0	0	0
Luzerne	25	24	11	7	2	0
Lycoming	6	4	4	3	1	0
Susquehanna	5	5	1	0	0	0
Tioga	1	1	1	1	0	0
Wyoming	1	1	1	1	0	0

Source: Department of Housing and Urban Development

Next, public housing and section eight (housing choice) vouchers were examined in order to gauge the need for housing assistance in each county. Occupancy rates remained somewhat steady in all of the counties between 2005 and 2008, with most seeing rates over 90 percent each year. Although there were some slight variations in the number of units, those too remained somewhat stable. The number of months spent on a waiting list generally decreased from the start of the period to the end. Vouchers followed a similar pattern although there was most fluctuation in this housing assistance category. This fluctuation includes the total people receiving vouchers which changed quite significantly in some counties. The number of months spent waiting for a housing voucher was much higher than compared to public housing. Residents in some counties experienced wait times of over five years. Because FMRs are primarily used to determine payment standard amounts for the Housing Choice Voucher program, to determine initial renewal rents.

Although there were some fluctuations in transitional housing and emergency shelter, homelessness did not increase overall in the study area. Many of the counties in rural in nature and do not generally see a high number of homeless residents.

Interviews

In the summer and fall of 2011, interviews were conducted with housing authorities, realtors, and county planning/development departments to obtain information on how area housing was being affected by natural gas exploration and development. These interviews provided important windows into experiences in these areas and established baseline qualitative data from which we can assess future changes. We intend to re-visit these groups as development progresses to identify major changes in perceptions of the impacts and to ascertain the kinds of strategic actions these respondents have taken to address their concerns.

Each county in the study is at a very different phase of the industry's development. In counties where development is in its infancy, including Blair, Cambria, Forest, and Luzerne Counties, we experienced difficulties in getting targeted participants to consent to an interview or, in some cases, to get them to speak to our interviewers at all.

In summary, most interview participants became aware of Marcellus Shale development in their respective county or a nearby county about three to four years ago. Most key informants were positive about the industry's impacts on the local economy but acknowledged that there were also some negatives. Several issues came to light during the interviews. First, in counties where shale drilling is in an advanced stage, residents are facing many housing issues. Specifically, the issue of most concern is a dramatic increase in rent prices. Due to the influx of gas workers from other states (most of who are in the region temporarily), there is a shortage of rental units. In addition, because these workers tend to earn more than local residents, they are willing to pay higher rents. Landlords have capitalized on this by increasing rents upwards of 100 percent-150 percent. Since the local residents cannot afford such increases, local tenants are being forced to move out while gas workers move in. Second, this causes a problem with regard to the Section 8 Housing Choice Voucher Program. Many landlords who have previously participated in the program are dropping out and renting to gas workers in order to increase their profits. A third issue that was uncovered deals with the sale of vacant lots. Several of the counties in the study area are rural and large vacant lots were often sold by owners. According to many realtors, the sale of vacant lots has decreased quite dramatically. This is due to two main factors. First, the asking price of such land has increased significantly, since a buyer may potentially be able to lease this land to a gas company at some point. Second, many times a seller desires to retain the property's mineral rights. Because many banks do not allow this and instead require a sharing of mineral rights, buyers are often only interested in such purchase if they can retain all mineral rights.

In the analysis section, we summarize qualitative data collection efforts to describe the views of local leaders in each of the twelve Pennsylvania counties studied. This information examines the range of experiences within these counties from the perspective of individuals charged with serving their constituents in multiple capacities, and who have access to information about the current effects of the industry's development on multiple sectors within their communities.

Analysis

A summary of interviews is provided in the text below which details (in their view) main housing impacts in each county. The impacts identified by key informants revolve around the effects of Marcellus Shale development on the local economy, real estate (homes and vacant land), and rental units.

Blair County

With six wells and fifteen permits, Blair County is in the early stages of development and classified as having little or no activity. Participants indicated that they have not seen any impact in their respective organizations; however, they expected to see an impact in the future, given the situations they have heard about in other counties within the study area. As one interviewee said, “*I’m expecting that as they move their way down around here that we’ll start feeling it a little more. We’re on the edge of it*”. Another participant indicated that, while there has been a bit more planning activity such as requests for water lines, there has not been any difference in housing development. Yet another participant said there have been some impacts on business facilities but no impact on housing.

Bradford County

Bradford County has the study area’s greatest number of permits and wells – 1,693 and 754, respectively. It is classified as very active. According to interviewees, there has been a significant impact on area housing. Participants indicated that rent has increased dramatically – often doubling and tripling. Those interviewed stated that this was a result of increased housing demand by gas workers (those working directly for natural gas companies as well as those working for secondary and tertiary industries). With high demand for rental units, the market adjusted and, as a result, rents increased. Although no specific detail was given, according to one source, landlords are backing out of rental agreements because they can ask higher rents from gas workers. In addition, we heard of several cases where landlords increased rent up to 150 percent once a lease agreement expired. Because participants in the Section 8 Housing Choice Voucher Program are low-income, the vast majority cannot afford such dramatic rent increases. As a result, they are forced to find housing elsewhere. According to one source, “*Traditional low income renters are getting squeezed out of the market.*” The county’s Section 8 voucher utilization is currently around 85 percent, meaning that 15 percent are not able to find affordable housing within Bradford County. Human service agencies are being inundated with requests for assistance. Those in need of assistance include residents with mental health issues, the elderly, and those on medical assistance who are losing their homes because of increased rents. One agency is supporting 40 working families that could not afford rental increases. Nearly 20 children were recently taken from their families because of below standard living conditions (such as living in a car) until the parent or guardian could find more reasonable accommodations. One county department purchased and distributed tents for individuals to live in until they can find affordable housing. There are also several cases of children living with extended family while parents stay in a backyard tent.

According to a Bradford County realtor, the real estate market has been significantly affected.

The number of land sales dropped 40 percent. In the past, many people came to the area to purchase land for recreation, such as hunting or fishing. Currently, many who own land are not selling in hopes of cashing in off of future royalties. Many who want to sell land, however, wish to retain mineral rights. In

terms of housing, a realtor told us that one would have to spend at least \$100,000 for livable properties because many properties are old and must be refurbished.

For very different reasons, both renters and land owners are moving out of Bradford County. Some renters are leaving the county due to the lack of affordable housing. In many cases, those unable to afford such significant increases have little choice but to leave. Also, those who have moved to the county for its quality of life or aesthetic value are now leaving because of the changing landscape and the hustle and bustle that was absent from the area just a few years ago.

Cambria County

With 22 permits and five wells, Cambria County is in the very early stages of its gas industry development and is classified as having little or no activity. Interviewees made clear that they have not seen any change. One exception is the current wait-list for housing assistance; none of the participants, however, attributed this to shale development. More than likely, it has to do with ongoing national economic and recession-related problems.

Clearfield County

With 214 permits and 108 wells, Clearfield County has experienced some shale development. The county is classified as having mid-level activity. One participant affiliated with an area housing agency indicated that the Section 8 voucher program is being affected by development. Shale employees that can pay landlords top dollar have taken up units that voucher users can rent. Residents participating in the voucher program are taking more time to find homes. While participants have a total of 120 days to use vouchers, they are spending that entire period finding suitable and affordable rental units. This interview indicated there were no cases of anyone in the program not being able to find a place to rent and no vouchers were going unused. Overall, the respondent was very positive towards shale development, despite any housing issues.

Clinton County

Clinton County has a total of 119 permits and 76 wells and is classified as having little or no activity. Respondents suggested that there has not yet been any significant impact on housing. Overall, interview participants did not reference any significant housing issues related to Marcellus Shale drilling and exploration. While Clinton County does have public housing, it does not participate in the Section 8 program. As such, the county is shielded from many of the issues other counties are experiencing with regard to low-income rental units. Similar to participants in other counties in the early stages of development, one respondent stated, *“Every indication is that we should experience that same type of thing here, it’s just that the exploration in our particular area lagged behind others.”* Another interviewee, however, knew of instances of gas workers looking for housing and willing to pay top dollar, yet there have been no cases of displacement of lower-income renters. Another participant discussed his perception of home sales in Clinton County, suggesting that home sales have been negatively impacted along certain stretches of road due to increased traffic related to the natural gas industry.

Another participant discussed his experience as a landlord and his unwillingness to increase the rent he charges tenants should he be presented with that opportunity. This participant told a story about a

person from another county within the study area being priced out of his/her apartment and moving into one of the units he owns. This participant indicated that he had a disinterest in renting to gas workers because they party and ruin apartments.

Fayette County

With 194 permits and 90 wells, Fayette County is starting to see some noteworthy development; however, the county is classified as having little or no activity. Fayette County interviewees indicated that there was not much activity. An area realtor said that although rental units are filling up with gas workers, price increases have not been much of an issue. This participant talked about several cases of gas workers renting homes for their families, although thus far home and vacant lot sales have not been seriously impacted. Interestingly though, the sale of vacant lots has not decreased as it has in other counties because banks do not discourage sellers from retaining mineral rights as many do in the northern tier.

Forest County

Forest County is in the very early stages of development, with twelve permits and ten wells. The county is classified as having little or no activity. Two realtors interviewed stated that there was not much activity in the county at this point. Both said that their work has not been impacted, and shale development has had neither a positive nor negative effect on real estate.

Luzerne County

Luzerne County is in the very early stages of shale development and has little or no activity. It has 15 permits and two wells – the study area’s fewest number of wells. Luzerne County interviewees indicated that the housing market has not yet been impacted by shale, but has been negatively impacted by the overall weak economy. There have been a few cases of sellers questioning whether it’s prudent to retain mineral rights. Currently, no one in Luzerne has held rights and sold successfully. Vacant land purchases have been impacted, as owners are holding their land in hopes of exploration hitting them. Asking prices have increased in rural areas, as owners feel land is worth more. There has not been any negative impact on home values as of yet. There has been some rental activity in the Back Mountain area, as landlords who are anticipating changes are increasing their rents, although such instances are not happening to the degree that they are occurring in other areas.

Luzerne County’s residential building has not been impacted one way or another. Although many individuals are talking about the possibility, there has been no additional activity. According to a housing agency in Luzerne County, there has been no impact on housing attributable to natural gas development.

Lycoming County

Lycoming County has 577 permits and 294 wells. It is classified as having mid-level activity. All study participants from this county agreed that there is a housing shortage. They also said they had not seen any housing prices negatively impacted by development. A county commissioner felt that the housing shortage was more an issue of availability of funding than the influx of gas workers. The commissioner stated that federal regulations on banks are keeping them from lending. This keeps both developers and individuals from building and puts stress on the housing and rental markets. A realtor said he first heard

about Marcellus Shale development by word of mouth and that most people didn't think it would have much of an impact in the beginning. He said that shale drilling is positive for some people and negative for others. It has complicated his business because people are more concerned with retaining their mineral rights.

A participant who works in economic development is most concerned about local renters being priced out of their homes. This participant has seen an increase in need, both at her job and in her personal experience. One positive aspect of the development that this interviewee saw was the renovation of older homes in the community that are now being used as rentals. However, there was some concern expressed that the rent prices on such homes is too high for the average resident.

Susquehanna County

Susquehanna County has experienced significant development with 531 permits and 266 wells. Again, such development is impacting county housing. A realtor indicated that she became aware of shale development when residential sellers didn't want to part with mineral rights. Appraisals and mortgaging has been impacted, in that banks will not grant a mortgage without the property's mineral rights. Few people coming into the area are purchasing homes and the rental market has been completely changed. For example, a few years ago, a small three-bedroom house would cost a tenant \$600/month; it now costs \$1,200-\$1,500 per month. According to the realtor, landlords are seeing increases in utilities and taxes, so they are justified in increasing rents. According to one participant, "*Landlords are finally able to capitalize on market – get into positive flow. They were just breaking even before – now can make money.*"

A study participant involved in planning and development suggested his work has lessened in terms of subdivisions because residents are not selling land in hopes that they can lease it to a gas company. In addition, one participant said that many people do not want to live in "gas country." Although hotels are filled with gas workers, tourism is down because many have heard about water contamination issues and are not interested in fishing in potentially hazardous waters.

Tioga County

With 1,111 permits and 534 wells, Tioga County is classified as being very active. The county seems to be experiencing most of the housing issues that are occurring as a result of shale development. One participant said the county has seen an influx of workers from gas companies. These workers have absorbed available housing and the market responded by increasing rental rates. Rents have increased from \$400-\$500 to \$1,000-\$1,800 per month, depending on the area. More workers are scheduled to come to the area to build pipelines and further develop the gas industry. This participant said, "*It's a crisis.*" Although no specific details were given, according to one source, people are backing out of agreements because they can get more from gas workers.

A Tioga County-based university is also experiencing some issues with housing availability and affordability for its students. Participants reported that some students were transferring to different institutions because they could not find housing. There have been cases of secondary education teachers from out of the county taking positions within the county and being unable to find housing. As a result, they must commute an hour or so to work. Several participants discussed land values increasing due to

the possibility of mineral leasing. One participant described prices as ridiculous and cited the example of an asking price of \$8 million for 30 acres of land.

In the case of Bradford County, both renters and land owners are moving out of the county. Some renters are leaving due to a lack of affordable housing because those who are unable to afford significant increases have little choice but to leave in many cases. Also, those who moved to the county for quality of life or aesthetic quality are leaving because of the changing landscape and the hustle and bustle that was absent from the area only a few years ago.

Wyoming County

Wyoming County has 187 permits and 37 wells and is classified as having little or no activity. Participants in Wyoming County discussed the issues they are seeing with the Section 8 Housing Choice Voucher Program. Specifically, rental prices have dramatically increased and there is an availability issue, as many landlords are finding reasons to make tenants move. According to one interviewee, “*They are purposely trying to get rid of them; they are looking for reasons to terminate [the lease].*” Another interviewee suggested that this problem is spilling over into other counties where significant development is not occurring. Lackawanna and Luzerne Counties are the destination of many Wyoming County residents who are unable to find affordable housing. One respondent suggested that something similar happened in the county several years back when a large corporation was building a facility. This participant said that landlords reacted very similarly to how they are now. Finally, the interviewee discussed the state of the economy and mentioned how this is a particularly difficult time for these issues to be going on.

The county’s land development has also been impacted. Very few areas are being subdivided because residents are not interested in selling their land, in hopes that they will benefit from shale development by leasing property to gas companies.

Texas and Arkansas Data Summary

The following datasets are examined in this study:

Demographics

- Population: 2000 and 2010
- Race: 2000 and 2010
- Household Income: 2000 and 2010

Housing

- Housing Units: 2000 and 2010
- Mortgage: 2000 and 2005-2009
- Rent: 2000 and 2005-2009

Demographics

Of the four counties examined, Faulkner County has the highest population while La Salle County has the lowest. In terms of changes, the largest percentage increase occurred in Faulkner County (+28.39 percent) while the largest percentage decrease occurred in Dimmit County (-5.91 percent).

Population			
County	2000	2010	% Change
Faulkner	86,014	110,430	28.39%
White	67,165	76,556	13.98%
Dimmit	10,248	9,642	-5.91%
La Salle	5,866	5,802	-1.09%

Source: U.S. Census Bureau

Race and ethnicity is slightly shifting. All four counties examined showed decrease in the percentage for those who identify themselves as white. Increase occurred mainly in two categories: Black/African American and Other. In some counties these figures increased as much as 92.2 percent during the ten year period.

As one would expect, household income increased between 2000 and 2010. In Faulkner County and White County, a plurality of residents was in the “\$75,000-\$99,999” category in 2010. In Dimmit County and La Salle County, a plurality of residents was in the “Less than \$10,000” category in 2010. In 2000, the highest percentage of residents fell into the “Less than \$10,000” category for White, Dimmit and La Salle counties. In 2000, the highest percentage of residents fell into the “\$40,000 to \$49,999” category for Faulkner County. All four counties saw an increase in median income of over 15 percent between 2000 and 2010.

Income Summary 2010		
County	Average Household Income	Median Household Income
Faulkner	\$61,211	\$43,509
White	\$54,311	\$37,834
Dimmit	\$36,675	\$25,905
La Salle	\$47,182	\$26,414

Source: U.S. Census Bureau

Housing

The U.S. Census five year estimate for median mortgage and rent are below. The highest mortgages during this period were in Faulkner County as were the highest rents. The lowest mortgages during this period were in Dimmit County. The lowest rents during this period were in La Salle County. All four counties experienced increases of over 25 percent. The highest median mortgage and rent increases occurred in La Salle County with 62.7 percent and 65.9 percent respectively.

Median Mortgage & Rent 2005-2009 Estimate		
County	Median Mortgage	Median Rent
Faulkner	\$1,051	\$652
White	\$901	\$555
Dimmit	\$817	\$478
La Salle	\$950	\$458

Source: U.S. Census Bureau

The percentage of owner occupied homes decreased between 2000 and 2010 in all four counties examined. Faulkner County experienced the largest decrease with -7.3 percent. Rental occupancy increased for the same period in all four counties with the largest increased occurring in White County. Vacancies also increased for the period – over 9 percent in all counties.

Texas/Arkansas Occupancy 2010				
	Faulkner County	White County	Dimmit County	La Salle County
Owner Occupied	58.7%	61.8%	56.9%	51.1%
Renter Occupied	32.7%	28.5%	21.7%	19.2%
Vacant	8.6%	9.7%	21.4%	29.7%

Source: U.S. Census Bureau

Analysis

Although we are keenly aware of issues facing many counties being explored and developed, at this point data cannot truly validate some of these issues. There has been a slight population increase in Tioga County, the county with the second highest number of wells, but not Bradford which has the highest number of wells. Case study areas also have seen differing results in population. Arkansas counties experienced increases between 14 percent and 28 percent, however Texas counties saw decreases.

There are many negative effects of the recession and housing crisis that can be seen in the data. However, looking closely, it is apparent that in some cases development may have shielded some of those affects. For example, Wyoming County, maintained the lowest poverty rate in the study area. Since the county is advancing in the level of shale development, the development may be a reason for consistently low poverty numbers. Bradford and Tioga experienced the lowest unemployment for 2010 in the study area with 6.9 percent and 8.3 percent respectively. The counties have the first and second highest number of permits and wells so industry jobs may have also shielded them from increases as significant as seen in other counties. In addition, building permits are higher in counties with a high number of wells.

The most significant issue observed in the data analysis is the issue of affordable housing. Counties that are experiencing significant development do not have an adequate number of affordable properties. This situation is exacerbated by the influx of gas workers that are in need of places to live. Also, renters in these counties earn significantly less than other counties in the study are and the state as a whole. Residents in the top two counties in terms of development have median incomes so low that they cannot afford a two bedroom FMR apartment.

Case Study & Best Practices

The case studies developed focused on LaSalle and Dimmit Counties in Texas, and Faulkner and White Counties in Arkansas. Searches of newspapers, non-profits, and state and local organizations in these regions were performed via the Internet. The goal of such searches was to determine if any housing issues exist in areas surrounding shale exploration. The searches also included programs and commissions established to deal with housing issues within these regions.

This section of the report examines existing programs in LaSalle and Dimmit Counties in Texas (Eagle Ford Shale) and Faulkner and White Counties in Arkansas (Fayetteville Shale) to help residents struggling with housing costs. Newspaper searches in both regions produced very little that focused on housing. Eagle Ford Shale in Texas appears to have been more affected by the influx of gas workers, as local newspapers are beginning to report on rising rents and rental shortages. Arkansas does not appear to be facing many gas related housing issues at this point.

Both regions have several programs that assist low-income homebuyers and homeowners with financing for purchases and home repairs. Programs also exist, which provide incentives to developers and apartment owners who rent to low-income tenants. However, beyond the Section 8 programs that exist in Texas and Arkansas, there are not any additional programs for renters.

Below is a brief overview of the programs available in each state, with emphasis on those available to residents in LaSalle and Dimmit Counties, as well as Faulkner and White Counties.

Programs

Arkansas

Bethlehem House

The Bethlehem House is a non-profit shelter and food pantry located in Faulkner County, Arkansas. It offers assistance and transitional housing for homeless individuals and families. "Bethlehem House seeks to encourage, equip, and motivate homeless individuals and families to take the necessary steps to change their life situations."

Habitat for Humanity of White County (Habitat)

Habitat is a non-profit organization that "is dedicated to eliminating substandard housing and homelessness in White County, Arkansas, by building decent, affordable housing for people in need in our community." Habitat relies on volunteers and donations in order to build and renovate homes for low-income community members.

White River Area Agency on Aging

The White River Area Agency on Aging services five counties in Arkansas, including White County. The agency assists low-income residents, age 62 and older, with housing. The agency offers one-bedroom apartments in one of its complexes for 30 percent of the resident's adjusted gross monthly income. It currently operates six complexes in White County.

Arkansas Development Finance Authority (ADFA)

ADFA has a wide range of programs for low-income homebuyers, homeowners and developers. The HomeToOwn program helps provide low-interest mortgages to low- and moderate-income individuals who are buying their first homes. Down payment assistance of up to \$6,000 is available to help low-income residents cover closing costs. The Arkansas Dream Down Payment Initiative also provides assistance of up to \$10,000 to low-income residences and can be used for upfront costs when buying a home. The Mortgage Credit Certificate Program is a tax credit of up to \$2,000 per year based on interest paid on a homeowner's mortgage. The HOME Program is for homeowners with incomes below 80 percent of the median adjusted income for their family size compared to local incomes. The home "must be the owner's principal residence and must be valued at or below 95 percent of the median area purchase price."

Both the HOME program and Low Income Housing Tax Credit Program provide funds to developers or property-owners who rent to low-income tenants. The Low Income Housing Tax Credit Program gives a tax credit of about 9percent of the "total project costs minus the land cost" if the project is financed by conventional means. The amount falls to 4percent if the project is "financed with tax-exempt bond financing and or other Federal funds."

Texas

Neighborhood Housing Services of Dimmit County, Inc. (NHSDC)

NHSDC is a community-based, non-profit organization operating in Dimmit County, Texas. The organization was founded in 1986 "to combat economic, social and housing deterioration." NHSDC helps to secure funding and loans for individuals who do not qualify for a traditional mortgage. Additionally, NHSDC assists small businesses and agri-business with grants and loan assistance.

County of Dimmit Housing Rehabilitation Program

Through a \$500,000 grant from the Texas Department of Rural Affairs, Dimmit County created a Housing Rehabilitation Program. This program is estimated to be able to reconstruct a total of nine homes. Applicants are asked to contact the Office of Grants and Planning with proof of residency and income.

Texas State Affordable Housing Corporation (TSAHC)

TSAHC is a non-profit organization that operates without any government assistance. TSAHC provides homebuyers and homeowners with a number of services. Such services include low-interest mortgages and foreclosure prevention assistance. TSAHC also helps homebuyers apply for the Texas Mortgage Credit Program. The program provides assistance to "professional educators, Texas heroes and homebuyers whose income is at or below 80 percent of median income who have not owned a home within the last three years unless purchasing a home in a targeted GO Zone or disaster area." Those who qualify receive a tax credit of 35 percent of the annual interest paid on their mortgage. The credit has a cap of \$2,000.

Texas Department of Housing & Community Affairs (TDHCA)

TDHCA provides several programs to homebuyers, homeowners, developers and non-profits to promote safe and adequate housing for low-income Texans. One such program is the HOME Investment Partnerships Program. TDHCA describes HOME in this way. “The HOME Investment Partnerships Program (HOME) provides grants and loans to help local governments, non-profit agencies, for-profit entities, and public housing agencies provide safe, decent, affordable housing to extremely low, very low, and low-income families. HOME allocates funds through four basic activities: homebuyer assistance, rental housing development, owner-occupied housing assistance, and tenant-based rental assistance. The program has a 15 percent set-aside for community housing development organizations and a 10 percent set-aside for special needs, including the homeless, elderly, persons with disabilities, and persons with AIDS.”

The Texas “Bootstrap” Loan Program provides \$3 million for mortgages for “very low-income families” Each family is eligible for up to \$45,000 and must perform at least 65 percent of the labor to build or renovate their home. The loan can be combined with other funding sources up to \$90,000. Loan funding comes from the Housing Trust Fund Program, which assists non-profits and individuals performing new construction and home improvements. The program’s goal is to make adequate housing accessible to low-income families.

Articles

The Eagle Ford Shale in South Texas has caused small towns to experience dramatic increases in business, success and population. Such success comes with problems, including an insufficient number of homes, hotels rooms and apartments to house all of the incoming workers. Landlords are allowing leases to run out and doubling or tripling their rent to benefit from the population boom. Older people on fixed incomes and those unable to work in the fields are being especially affected because they are unable to reap the benefits of this successful industry like others are able to. Permanent housing, not just hotels, must be built to support incoming workers and their families.

Among housing problems, towns in South Texas are also experiencing water shortages and damage to roads and infrastructure because of the worker influx.

Alongside housing costs, cost of living has dramatically increased as well. Commodities, food, and gas pricing have all increased. In one article, the only solution that is presented was the building of low-income housing to assist those who are increasingly unable to live in South Texas due to inflated cost of living and housing.

Overall Summary, Analysis and Conclusions

During the interview process, The Institute learned that many counties in the little or no activity stage of development did not notice any major changes in their communities — of any type. Some noted a few new businesses, but no changes to the housing market. One consistent theme, however, regardless of a county's drilling stage was that positive impacts on the economy are visible.

Looking only at the data in the most active counties, we cannot conclude with 100 percent certainty that housing is in crisis. The reason behind this is the lag in the data. The data shows that changes are occurring and when compared to the county's stage of drilling, we start to see patterns. Patterns show a correlation between very active drilling and higher cost of housing. County transfer tax data shows increases in common level ratio in most counties in the study area, but not all – even the very active counties. However, when we look at income as compared to housing costs, we can see housing costs rising more than income. This denotes an increased cost of living. Taking that into account and connecting it to the information learned in the interview process, we find that in the most active drilling counties a crisis exists. There are many housing issues effecting residents. The issue of most concern is a dramatic increase in rents. Due to the influx of gas workers from other states (most in the region temporarily) there is a shortage of rental units. In addition, because these workers tend to earn more than local residents, they are willing to pay higher rents. Landlords have capitalized on this by increasing rents upwards of 100 percent to 150 percent. Since the existing local residents cannot afford this increase, this results in current local tenants being forced to move out while gas workers move in. Second, this causes a problem with regard to the Section eight housing choice voucher program administered by many counties and municipalities. Many landlords that have participated in the program are dropping out and renting to gas workers in order to increase their profits.

A search of HUD's affordable housing unit data base showed that some of the counties with the least amount of drilling have the highest number of properties. These include Blair and Luzerne Counties. Counties that have some of the highest number of wells have virtually no affordable housing. These include Bradford and Tioga.

There are many negative effects of the recession and housing crisis that can be seen in the data. However, looking closely, it is apparent that in some cases development may have shielded some of those affects. For example, Wyoming County, maintained the lowest poverty rate in the study area. Since the county is advancing in the level of shale development, the development may be a reason for consistently low poverty numbers. Bradford and Tioga experienced the lowest unemployment for 2010 in the study area with 6.9 percent and 8.3 percent respectively. The counties have the first and second highest number of permits and wells so industry jobs may have also shielded them from increases as significant as in other counties. In addition, building permits are higher in counties with a high number of wells.

The most significant issue observed in the data analysis is the issue of affordable housing. Counties that are experiencing significant development do not have an adequate number of affordable properties. This situation is exacerbated by the influx of gas workers that are in need to places to live. Also renters in

these counties earn significantly less than other counties in the study are and the state as a whole. Residents in the top two counties in terms of development have median incomes so low that they cannot afford a two bedroom FMR apartment.

A number of social service issues came to light as well. For example, social service agencies have had to take children from their parents because the parents cannot provide adequate and ongoing shelter. Additionally, tents have been supplied to people who have become homeless. The agency in one of the study counties is running out of money to supply families with tents.

In the four counties studies, located in the two other states, median household income increased from 14 – 23 percent and average household income from 25 - 54 percent from 2000 to the 2005-2009 ACS. During the same time period, the median mortgage increased from 26 – 63 percent and the median rent from 31 – 66 percent. In all counties income levels did not grow as fast as housing costs. The Arkansas Counties have been drilling since 2004 and have a combined 1,500 wells while the Texas Counties have been drilling since 2009 and have a combined 56 wells.

The programs and initiatives in other shale rich states have some similarities to Pennsylvania. Arkansas is more limited in its initiatives. However, Texas has more local and statewide programs. The Texas housing trust fund is mentioned later in this section. Texas has some local programs and private non-profit programs that operate without government funding. These resemble community development organizations as discussed later in this section.

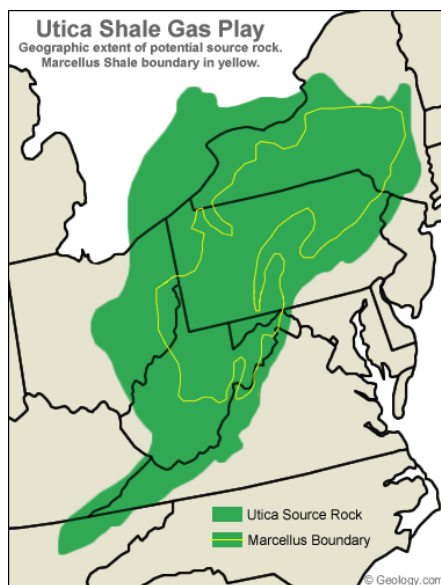
Housing Issues Identified

- Rising rental costs in counties in rapid drilling phases
- Limited or no new building
- Local housing agencies have no financial or human capacity to address new stock, redevelopment or other support issues
- Questionable evictions – no tenant protections
- Local construction industry capacity is questionable, regional picture brighter
- Redevelopment/infill opportunities
- Limited or no planning, land use, or zoning regulations

This section synthesizes the current problems and potential problems faced by twelve Pennsylvania counties in various stages of Marcellus Shale development. We know that as shale drilling expands, so does the need for temporary and permanent housing. In most cases, the housing stock needed is not readily available, and, therefore, with supply exceeding demand the costs rise and price out many in the market. Most average Pennsylvania residents are not natural gas lease holders nor do they work in the drilling industry (where in many cases wages are higher), therefore, average residents are priced out of the home purchase and rental market in shale rich counties with extensive drilling activity.

In order to mitigate these issues, many policy changes must occur, including special programs and financing instruments as well as changes in planning, zoning and community ordinances.

We must recognize that Pennsylvania's Marcellus Shale industry is in the early stages of its development and it will be superseded by additional shale exploration and development, including Utica [Shale], another Devonian Shale and Black River Shale, which lies below the Marcellus Shale. The Utica Shale, for example, is located several thousand feet below the Marcellus Shale and its footprint is more expansive. This will be even more cost effective for drilling companies because the infrastructure of drill pads, pipelines, rights-of-way, other investments and permit data will have already been in place for the Marcellus Shale. Given that there are other natural gas options and well production is long-term (some wells can produce for up to 50 years), Pennsylvania is looking at a "generational" cycle from shale, rather than a "boom and bust" cycle.



Source: Geology.com

Since 2008, Marcellus Shale wells drilled have increased from roughly seven per month to 103 per month in 2011. Wells drilled from 2009 to 2010 more than doubled, and, at the current rate, there should be approximately 28 percent more wells drilled by the end of calendar year 2011 than in 2010. Bradford, Lycoming, Susquehanna and Tioga Counties show the most wells drilled. Blair, Cambria, Forest, and Luzerne Counties are at the low end of the spectrum. Clearfield, Clinton, Fayette, and Wyoming Counties are in the middle.

State & Local Policy Considerations

Ordinances

Rent Stabilization

Rent control programs protect tenants in privately-owned residential properties from excessive rent increases by mandating reasonable and gradual rent increases, while at the same time ensuring that landlords receive a fair return on their investment. Sometimes called rent leveling or rent stabilization, rent control helps to maintain affordability and prevent displacement in booming economic cycles.

Across the nation, communities in a number of states have successfully enacted rent control laws to maintain affordability and prevent tenant displacement. Rent control is primarily used in communities where neighborhoods are anticipating or experiencing rampant gentrification. While it was once a “big city” fix, rent stabilization is now being used in small and mid-sized communities. New York and Los Angeles were chosen because both of their programs have been in existence the longest and have had several evaluation and refinement processes. When a community has a high percentage of renters and an inadequate supply of affordable housing, a rent stabilization policy prevents income-based discrimination.

The City of Los Angeles has been enforcing a rent stabilization program since 1979, which is administered by the Los Angeles Housing Department (LAHD). The LA program covers all rental housing units build before 1978, which are located within city limits. The program excludes single family homes. The program identifies allowable annual rent increases, with amounts based on the current year’s Consumer Price Index (CPI). It includes a minimum and maximum increase, established at three and eight percent. If a tenant leaves voluntarily or if they violate the rental agreement and are evicted, the law does not apply. Landlords can adjust rent to pay for utility costs, or other fees and maintenance. LAHD administers a rental registration program to monitor properties. It also identifies regulations on tenant evictions and identifies landlord responsibility to pay certain expenses for an evicted tenant.

In 2007, LA hired a consultant to complete a study on its program. The study determined that 40 percent of all housing units in the city and 66 percent of all rental units must comply with the ordinance. The study uncovered that many low-income residents were unaware of the rent increase limitations or eviction protections the law enabled. The study also recommended tools, resources, and a streamlined process to help landlords better understand and comply with the program. The study recommended refinements to the rental increase policy, which essentially allowed landlords to bank annual rent increases. An appropriate ceiling was put in place to protect tenants. The “floor” increase was eliminated and instead it was tied to the CPI (in order to be in concert with the market). In order to encourage investment in rental properties and maintain the quality of the product, the consultant recommended having the program reimburse 75-100 percent of renovation costs as opposed to 60 percent. An evaluation on the impact of these changes has yet to be completed.

New York City

New York City has a two-pronged rent regulation program, which includes rent control and rent stabilization. Both protect tenants from large annual rent increases, while allowing property owner to make a reasonable profit and to maintain their buildings. Rent control began in NYC in the 1940s and limits the rent an owner may charge for an apartment, and restricts the right of any owner to evict

tenants. Tenants are also entitled to receive essential services. Owners are not required to offer renewal leases, as they are considered "statutory" tenants. Rent control applies to multi-family units built before 1947. Rent stabilization applies to buildings built after 1947 and before 1974. Rent stabilization goes beyond the financial benefits of rent control and mandates annual leases, services and specific eviction criteria. The Department of Housing & Community Renewal (DHCR) administers the program. Under the rent stabilization program, there is a Rental Guidelines Board that sets annual rates. Differing from LA, New York state law also establishes vacancy lease increases for new tenants. Also, rents may be increased during a lease term if:

There is written consent of the tenant in occupancy, if the owner increases services or equipment, or makes improvements to an apartment; DHCR approves, if the owner installs a building-wide major capital improvement; or In cases of hardship with DHCR approval.

Rent may also be reduced if the owner fails to provide services, or make necessary repairs to the unit or building.

The rent control operates under the Maximum Base Rent (MBR) system. A maximum base rent is established for each apartment and adjusted every two years to reflect changes in operating costs. Owners, who certify that they are providing essential services and have removed violations, are entitled to raise rents up to 7.5 percent each year until they reach the MBR. Tenants may challenge the proposed increase on the grounds that the building has violations or that the owner's expenses do not warrant such increase.

For NYC's rent controlled apartments, rents may also be increased because of increases in fuel costs (considered a pass through expense) and in some cases, to cover higher labor costs. Outside NYC, the New York State Division of Housing and Community Renewal (DHCR) determines maximum allowable rates of rent increases under rent control. Owners may periodically apply for these increases. Rents may also be increased inside or outside of NYC in any one of three ways described above.

Rental Ordinance

A rental ordinance serves as a mechanism to create a registry of properties that assists with the implementation of a rent stabilization program, but also serves as a tool to ensure that property owners maintain not only the rental unit, but also the entire structure and the façade/landscaping. It is the purpose of an ordinance to protect and promote the public health, safety and welfare of citizens, to establish rights and obligations of owners, landlords, property managers, tenants, and occupants relating to the rental of rental units and to encourage both owners and occupants to maintain and improve the quality of rental housing within the community. A rental ordinance should also state that owners, managers, and occupants share responsibilities to obey the various codes adopted to protect and promote public health, safety and welfare. As means to those ends, a rental ordinance should provide for a system of inspections; issuance and renewal of occupancy license; and sets penalties for violations.

Land banking

A land bank is a public or private non-profit organization formed for the purpose of purchasing foreclosed, blighted, delinquent, or abandoned properties for future development or redevelopment. The bank collects and manages the property. The bank can sell the property to public, private, or non-

profit developers to develop the property for specific uses or rehabilitate and sell the property. Land banking is more commonly used for residential properties, but has also been a tool in commercial development. Land banks are usually publicly-funded, but they may also operate with private investments. Land banks may be formed on both statewide and local levels.

A land bank, either at the county or multi-county level in shale areas, could work to:

- Alleviate high development costs – In areas where the cost of living, property and housing are increasing and supply is limited, land banking can disperse property without huge mark-ups in order to encourage development.
- Put properties back on the tax rolls – Abandoned, blighted and delinquent properties do not contribute to tax rolls, which causes strain on local government and school districts. Additionally, maintenance, repair and public safety costs increase with blighted or abandoned properties, causing further drain on municipal finances.
- Help maintain proper land use – The land bank can acquire and develop property in accordance with a community’s land use plan (or if it does not have one, it can utilize the land bank’s plan to ensure that growth addresses community needs and adheres to zoning laws.
- Create affordable housing – Since land banks can make inexpensive purchases, they can turn properties at a small profit. Selling without huge markups keeps properties affordable.
- Help deter crime and squatters — Statistics demonstrate that fires and crime take place in abandoned and blighted properties. Abandoned properties increase the likelihood of the occurrence of illegal activities. In addition, abandoned properties attract homeless populations seeking shelter. Not only does this further complicates the economy and safety of a neighborhood or region, but also causes a drain on public safety resources and tax dollars.
- Maintain property values – Abandoned or blighted properties affect values of surrounding properties. Additionally, such properties may lead to the out-migration of primary homeowners worried about property values and their close proximity to blighted or abandoned properties.

For all of their positive economic and community development benefits, land banks face challenges. Primarily, it requires significant capital resources to purchase, maintain, and rehabilitate properties. Land Banks should not only rely on public and private investment, but also actively evaluate property purchases, property management and/or rehabilitation, and sales prices to ensure revenue derived from business activity.

Trust Funds

Housing trust funds provide funding for single-family homes and multi-family rental units. Such trust funds provide funds to governments, housing authorities, non-profit organizations, or quasi-public entities (not individuals). Housing trust funds also help to support acquisition, construction or rehabilitation of affordable housing units for those earning below a certain percentage of the average median income or for those with special needs. Depending on the state’s authorizing legislation, trust funds can provide rent subsidies, first-time home owner assistance, mortgage insurance and mortgage subsidies. Most housing trust funds provide both grants and loans, depending upon need or circumstances. Loans with flexible, deferred repayments or forgivable repayments are common. Housing trust funds are usually administered by a state agency. Housing trust funds work best when there is an

ongoing and dedicated government funding source (this can be tax revenue, development fees, or general fund sources). Such funding allows for long-term consistency in program delivery. Annual appropriations carry a high degree of political risk, which is not to say that additional appropriations or other types of funding shouldn't be part of the allocation. Indeed, such funding sources would be beneficial to cover startup costs, one-time investments or short-term special projects.

The state of Texas has a housing trust fund. In addition to the uses mentioned above, Texas allocates monies for homeless programs and adds for-profit organizations to its list of eligible applicants.

On November 23, 2010, Pennsylvania Governor Ed Rendell signed into law [House Bill 60](#), which created the Affordable Housing Trust Fund. Under this law, the [Pennsylvania Housing Finance Agency](#) (PHFA) can build, rehabilitate and/or preserve housing for low- to moderate-income people, the elderly and those with disabilities. Pennsylvania's Housing Trust Fund currently has no appropriations attached, but will rely on the National Housing Trust Fund, which is poised to distribute \$1 billion to the states, of which Pennsylvania is expected to receive \$35 million; 30 percent of the money is targeted to those at 50 percent of area median income (about \$30,000 a year or less).

Given the economic changes in Pennsylvania's core drilling counties, the recession, and stiffer lending requirements, a housing trust fund is a viable solution, adequate and ongoing funding is a must if we truly want to address the housing issues just beginning in the Commonwealth.

Community Development Corporations

Community Development Corporations (CDCs) are non-profit, community-based organizations that use local capital through the development of both residential and commercial property, ranging from affordable housing to shopping centers and even owning businesses. CDCs in shale drilling counties should be a regional or local response to specific issues. CDCs are 501(c) 3 non-profit corporations with full-time staff and volunteer boards. Funding can come from individual donors, Community Reinvestment Act (CRA) bank investments, foundations, or government. Long-term sustainability should come from proceeds of sold property. CDCs can adopt any number of strategies to solve local problems. For example:

- the purchase, renovation, and resale of blighted, abandoned or foreclosure property
- redevelopment of existing commercial structures into residential units
- new construction
- rehabilitation loans for low-income families

The CDC can offer loan programs, down payment assistance, collaborative funding with local banks or no financial assistance at all. The purpose of a local CDC is to identify local community development priorities. Most of the issues identified thus far have been the lack of available housing coupled with affordability.

NeighborWorks America is a national organization that was established by congress in the 1970s. NeighborWorks receives annual direct appropriations, as it is a congressionally chartered corporation. NeighborWorks America administers its own housing programs, but also funds local CDCs in their effort to create affordable housing and community improvement. NeighborWorks America offers

grants, programs, training, and technical assistance. It currently identifies 235 housing partners serving over 4,500 communities across the country. NeighborWorks America also works with financial companies to create more funding opportunities and loan programs.

Loss Mitigation

The loss mitigation process is an opportunity for mortgagors and mortgagees to work with an independent consultant to evaluate programs, loan modifications, and other initiatives that would allow the homeowner the opportunity to stay in their home and satisfy their obligation. As of September 2011, Pennsylvania Housing Finance Agency (PHFA) has no resources to fund this type of program. Many banks have their own loss mitigation departments and specialists, but an independent, third party may be the best homeowner advocate. A state-run program should be implemented to provide these services.

Zoning Code

Mixed use development/redevelopment/infill

In order to rebuild downtowns and neighborhoods, communities are blending land “uses.” Housing, combined with services, schools, recreation, and jobs built near public transit, create mixed uses or multi use development. It promotes redevelopment of existing land and buildings, as opposed to new construction. This new type of zoning limits sprawl, reduces congestion, and rebuilds/revitalizes neighborhoods and downtowns by allowing residents to be closer to goods and services they need on a daily basis. Additionally, it helps landlocked communities to increase/improve existing housing stock. Zoning code can also establish zones for residential/mixed-use districts that require affordable housing to occur in that zone. The designation of these zones makes affordable housing development easier by eliminating the need to obtain a special use permit or undergo a zoning change approval process.

High density development

Increasing the maximum allowed density for infill areas and new development in a community’s zoning regulation can also be an incentive. Higher densities permit more intensive development of a parcel and allow the developer the opportunity to spread development costs over more units. Local governments can also provide to developers of infill sites “density bonuses,” which designate a certain percentage of housing units as affordable. As such, localities can both encourage efficient land use and promote the inclusion of affordable housing units within a project.

Inclusionary Zoning

Inclusionary zoning (IZ) is a tool used to ensure the low to moderate income housing is developed. A community with inclusionary zoning sets guidelines for housing affordability based on size of developments. It requires developers to make a percentage of housing units in new residential developments available to low- and moderate-income households. The housing units, whether rentals or for sale, should be comparable in size and structures. Various incentives are then provided to developers. For example, developers could receive non-monetary compensation in the form of density bonuses, zoning variances, and/or expedited permits that reduce construction costs. Connecting the production of affordable housing to private market development, IZ expands the supply of affordable housing while dispersing affordable units throughout a city or county to broaden opportunity and foster

mixed-income communities. A single development can require a specific number of units be tied to several income groups. For example, X number of units to low-income, X number of units to moderate-income and the remainder at market rate. IZ should be mandatory. IZ can be adopted on a local or state level. The larger the geographical area for IZ, the more effective the policy. Therefore, in Pennsylvania, adjacent communities or multiple counties would be the best approach since it is anticipated that there will be a spillover effect with regard to increasing housing costs (i.e., those counties located adjacent to drilling counties may see an increased demand for housing and therefore the same gentrification could occur in non-drilling counties that occurs in drilling counties).

Federal Regulation

Fair Market Rents

The Department of Housing and Urban Development produces the Fair Market Rent Guidelines for use in determining section 8 housing costs and implementing the Housing Choice Voucher program. HUD provides a detailed description of the data sources used to compile the 2012 FMRs. This data is located at the bottom of each FMR rent county page and presented here. The newly released 2012 guidelines were produced using data from the 2005-2009 5-year American Community Survey (ACS). Should the estimate be smaller than the US Census Bureau's margin for error, the state non-metro estimate is used (for 2-bedrooms). HUD also includes a mover adjustment factor. The Institute is concerned about the timeliness of the inputs. It is agreed that US Census data is a consistent source of data to use in that it is produced regularly, procured in the same manner of data collection and allows for equitable comparisons; however the information is dated and does not take into account any internal or external environmental factors that foster rapid change. Essentially, using 2009 data to calculate 2012 FMRs, presents an inaccurate assessment of the marketplace.

HUD allows entities to provide comment on FMRs for change. To that end it produces a document entitled "Preparing Fair Market Rent Comments Rental Housing Surveys A Guide to Assist Smaller Housing Agencies." This document identifies how housing authorities must collect and prepare data in order to comment on HUDs FMRs. The process certainly reflects a solid research methodology, but it puts the entire burden on small housing authorities. It is undetermined from the document the exact sample size that is acceptable and what happens after comments are submitted.

It is recommended that HUD re-evaluate their process for calculating FMR. Perhaps a blended approach of data collection using Census data and real time data or perhaps exemptions for counties that are experiencing unusual impacts would help mitigate current problems. HUD should also consider that local housing agencies do not necessarily have the fiscal resources to support annual market studies, therefore financial support, a modified market study, or some other collaborative process could be arranged.

Conclusion

Several of the counties in this study have not dealt with population growth or industry growth for the past 60 years. Most have had declining populations and economies; therefore, retrenching has been the norm. Given the fiscal situation of almost all Pennsylvania local governments, these counties are too impacted by finances and human capacity to take on the extra work. All systems are being strained.

Most counties do not have land use plans or zoning codes. Some of the counties studied are in the early phases and will benefit from planning, studying best practices, and lessons learned from more mature Marcellus Shale counties, and perhaps from new housing programs resulting from this study.

Even the most active drilling counties, like Bradford, have no new subdivisions for housing and no new low-income housing under construction. Another forthcoming challenge may be private developers trying to find land for development or finding land with an escalated price tag. Additionally, construction capacity in local counties is questionable. Many types of contractors are being used in well pad construction and commercial building leaving little or no capacity for housing construction (single, multi-family or apartments). Here again, a regional approach to problem resolution would serve most of the counties in the study well.

The rental ordinance should protect individuals from being evicted without justification. The rent stabilization programs will help to control current costs and minimize exorbitant increases, but is unlikely to restore Section 8 housing stock. Therefore, other programs such as land banking and CDC can come in and rebuild. The private should as well, if the exclusionary zoning ordinances are adopted. While many of the recommendations above will only work if done on a local level, they will work best if implemented in small regions or multiple counties joining together. This will provide economies of scale in costs, consistencies in regional economies, and promote collaboration not competition between the counties. The capacity issue still remains. This is where the Commonwealth must support the municipalities with access to technical assistance and program coordinators to help plan, form, and implement programs. The state can establish some minimum standards so the foundation, structure, and guidelines for each program are consistent, but then the local regions must have the flexibility to adapt them in order to solve specific problems at the local level, which may not be consistent statewide. The recommendation such as a land bank should be funded and coordinated on a statewide basis. This is another case where revenue from a severance tax can have a portion allocated to support these kinds of programs.

References

Alexander, Frank S. 2008. Metropolitan Policy Program. Brookings Institution. "Land Banking as Metropolitan Policy." (October 2008): pages 3-9.

Arkansas Development Finance Authority. 2011. <http://www.state.ar.us/adfa/listing.html>

Bethlehem House. 2011. <http://www.bethlehemhouse.net/>

City of Los Angeles Housing Department. 2011. <http://www.LAHD.lacity.org>

Collette, Mark. 2011. "Eagle Ford Shale enriches but also challenges South Texas boomtowns." October 8, 2011. <http://www.caller.com/news/2011/oct/08/eagle-ford-shale-enriches-but-also-challenges/>

County of Dimmit Housing Rehabilitation Program. Undated. <http://www.dimmitcounty.org/public-notices/county-of-dimmit-housing-rehabilitation-program-2>

Department of Housing and Urban Development. (2011). "2012 Fair Market Rent Documentation System." http://www.huduser.org/portal/datasets/fmr/fmrs/FY2012_code/2012summary.odn

Department of Housing and Urban Development Office of Policy Development and Research Economic and Market Analysis Division. (2011). "Rental Housing Surveys A Guide to Assist Smaller Housing Agencies in Preparing Fair Market Rent Comments." November 1998: pages 1-63.

First Southwest Capital. 2008.

<http://www.fschousing.com/Docs/NewsRoom/1121200893058PM4OBA45BMQJV5ESFXPLZM45.pdf>

Habitat for Humanity of White County. 2011. <http://www.habitatwhitecoar.org/>

Hiller, Jennifer. 2011. "Eagle Ford boom brings tricky problems." September 29, 2011. <http://www.chron.com/business/article/Eagle-Ford-boom-brings-tricky-problems-2195719.php>

Housing Authority of the City of Los Angeles. 2011. <http://www.HACLA.org>

Housing Policy.org. 2011. "Land Banking." 2011. <http://www.housingpolicy.org/index.html>

Housing Policy.org. 2011. "Zoning Codes." 2011. <http://www.housingpolicy.org/index.html>

Housing Policy.org. 2011. "Loss Mitigation." 2011. <http://www.housingpolicy.org/index.html>

MacCormack, John. 2011. "Eagle Ford boom runs up rents in South Texas." September 22, 2011. <http://www.chron.com/business/energy/article/Eagle-Ford-boom-runs-up-rents-in-South-Texas-2183856.php>

National Congress for Community Economic Development. 2011. <http://www.ncced.org>

Neighborhood Housing Services of Dimmit County. 2011. http://nfs.nw.org/report/nworeport_print.aspx?orgid=8157

NeighborWorks America. 2011. <http://www.nw.org/network/aboutUs/aboutUs.asp>

[Pennsylvania](#) Association of Realtors. 2010. “PA House bill creates state Housing Trust Fund.” (November 10, 2010). <http://www.parjustlisted.com/archives/6080>

PolicyLink. 2011. “Inclusionary Zoning.” <http://www.policylink.org>

PolicyLink. 2011. “Housing Trust Funds.” <http://www.policylink.org>

New York City Rent Guidelines Board. 2011. “Rent Regulation Reform Act 1997.” (June 1997). <http://www.housingnyc.com/html/resources/reform.html>.

New York City Rent Guidelines Board. 2003. “Rent Law of 2003.” (June 19, 2003). <http://www.housingnyc.com/html/resources/renewal2003.html>

New York City Rent Guidelines Board. 2011. “Rent Act of 2011.” (August 19, 2011). <http://www.housingnyc.com/html/resources/rent2011.html>

Schumaker, D. National Association of Realtors. 2011. “Field Guide to Housing Trust Funds.” June 2011. <http://www.realtor.org/library/library/fg322>

Texas Department of Housing & Community Affairs. 2011. <http://www.tdhca.state.tx.us/overview.htm#csbg>

Texas Department of Housing and Community Affairs. 2011 “Housing Trust Funds.” <http://www.tdhca.state.tx.us/hf/index.htm>

Texas State Affordable Housing Corporation. 2011. <http://www.tsahc.org/home/default.php>

Appendix

The Impact on Housing as a Result of Marcellus Shale Interview Questions

Name
Title
Organization

Key Informant Interview Questions

1. First, just tell me a little about yourself.
 - What do you do in county/community? Position/role
2. How did you first become aware of Marcellus Shale exploration/development?
 - How long have you known about it?
 - Where did you hear about it?
 - What strikes you about how these sources talk about gas exploration/ development?
3. How has the work of your organization been affected by development of natural gas in the Marcellus?
 - How has the work you do been affected?
4. How would you describe the rental/real estate market in your county over the past year, five years, ten years?
5. Can you talk about some of the local real estate issues in the county before Marcellus Shale development began (2008 and prior)? Discuss how it changed once development started.
6. Do you believe Marcellus Shale drilling activities have had an impact on rentals in the county? Please describe. Would you describe this impact as positive or negative?
7. Do you believe Marcellus Shale drilling activities have had an impact on the real estate purchase in the? Please describe. Would you describe this impact as positive or negative?
8. Have you encountered any instances of Marcellus Shale drilling activities negatively effecting home values?

Have you seen an increase in individuals needing public housing/housing assistance? If yes, do you believe any of that additional need to due to Marcellus shale development?
9. Can you identify any programs or initiatives proposed or ongoing to assist with housing issues and homelessness?
10. Would you be willing to share any hard data with us on recent sales/rentals, trends, or other real estate or county records so that we may use them in our research?
11. Would you be willing to refer/introduce us to other individuals/organizations that might be interested in talking with us for this study?