

Housing and Neighborhoods



Homes along East 4th Street on Bethlehem's South Side



Housing and Neighborhoods

■ The City's Housing and Neighborhood Vision

Bethlehem has maintained its tradition as a city of attractive and diverse neighborhoods. The City's housing-related goals include the following:

- Keep City neighborhoods safe, physically attractive and pedestrian-friendly.
- Ensure that new housing is well planned, well landscaped, and compatible with its surroundings in terms of density and design.
- Encourage construction of workforce housing for current and prospective City residents with a range of incomes.
- Encourage entities across the Lehigh Valley to continue treating affordable housing as a regional issue.
- Assist property owners in tackling housing rehabilitation needs, especially code-deficient conditions.
- Facilitate mixtures of residential and low-intensity non-residential uses in appropriate areas of the City.
- Encourage the deconversion of single-family homes that are now apartments back to one-unit structures.



Turnberry Mews condominiums on Linden Street
in North Bethlehem

■ Important Housing and Neighborhood Trends

Residential Construction Trends

Bethlehem has a diverse housing stock that includes single-family detached homes, apartments and a range of attached housing types, such as row homes, townhouses, and twins. Recently, the City has issued many more building permits for new apartments than new detached homes or new townhouses. These trends reflect the fact that Bethlehem is an urban area and indicate the current direction of the City's housing market.

Recently, several large, high-profile adaptive reuse projects have been completed, are under construction, or are in the planning stages. These projects include the Lehigh Riverport condominiums, which is a reuse of former manufacturing space along the Lehigh River and the proposed residential reuse of Martin Tower, Bethlehem Steel's former corporate headquarters.

A South Bethlehem Neighborhood





New apartments under construction at Woodmont Mews on Bethlehem's West Side



New in-fill housing in an older South Side Bethlehem neighborhood



A large residential component is also envisioned as part of future plans for the BethWorks project, although these plans are still conceptual today. Bethlehem's traditionally strong housing market is characterized by a low vacancy rate, virtually no concentrations of dilapidated units, and neighborhoods with organized civic groups.

The Affordable Housing Challenge

Affordable housing (also called workforce housing) is often defined as paying no more than 30% of gross income for housing expenses, including mortgage, rent, utilities, insurance and taxes. In their *Affordable Housing Assessment of the Lehigh Valley*, the Lehigh Valley Coalition on Affordable Housing reported that in 2006 only 49% of Lehigh Valley households could afford the area's median priced single-family home, based on this 30% rule.

Demand for affordable housing outstrips supply even in the lowest priced segment of the City's housing market. As of July 2007, 636 households were on the waiting list for the City's public housing units, although not all were current Bethlehem residents. An additional 394 households were waiting for Section 8 housing vouchers, which allow income-eligible households to occupy rent subsidized apartments.

Affordable housing is a Valley-wide problem. The Lehigh Valley Coalition report lists numerous challenges behind the affordable housing problem, including the following:

- **Market challenges** – The costs of developable real estate, construction, taxes and energy are continuing to rise.
- **Land use challenges** – Most of the Lehigh Valley's new housing is built in higher priced suburbs that have higher priced markets and where most development is limited to lower densities.
- **Financial challenges** – Private and non-profit financial resources designed to close the housing-income gap are inadequate and not fully coordinated with each other.

Affordable housing is a multi-faceted problem that the City and many others attempt to address with a variety of techniques; such as rent subsidies, public housing, housing rehabilitation, weatherization assistance, low interest loans, financial assistance for first-time home buyers, housing counseling, housing assistance for the elderly, zoning and land use policies, low-income housing tax credits, density bonuses for including affordable units in a new development, and a myriad of other tactics. Many public, non-profit and private entities work on the affordable housing challenge in the Lehigh Valley.

Subsidized Housing in Bethlehem

Public housing and other types of subsidized housing offer affordable shelter to eligible households. The Bethlehem Housing Authority (BHA) owns and operates 1,431 public housing units at 11 locations. BHA also manages 497 Section 8 housing units distributed across the City. There is not enough subsidized housing in Bethlehem to fully meet demand. There is typically a two-year wait to receive a unit in one of the City’s public housing developments and a 2½ to 3-year wait for a Section 8 unit.



4th Street Commons Apartment Building - An Alliance for Building Communities Project

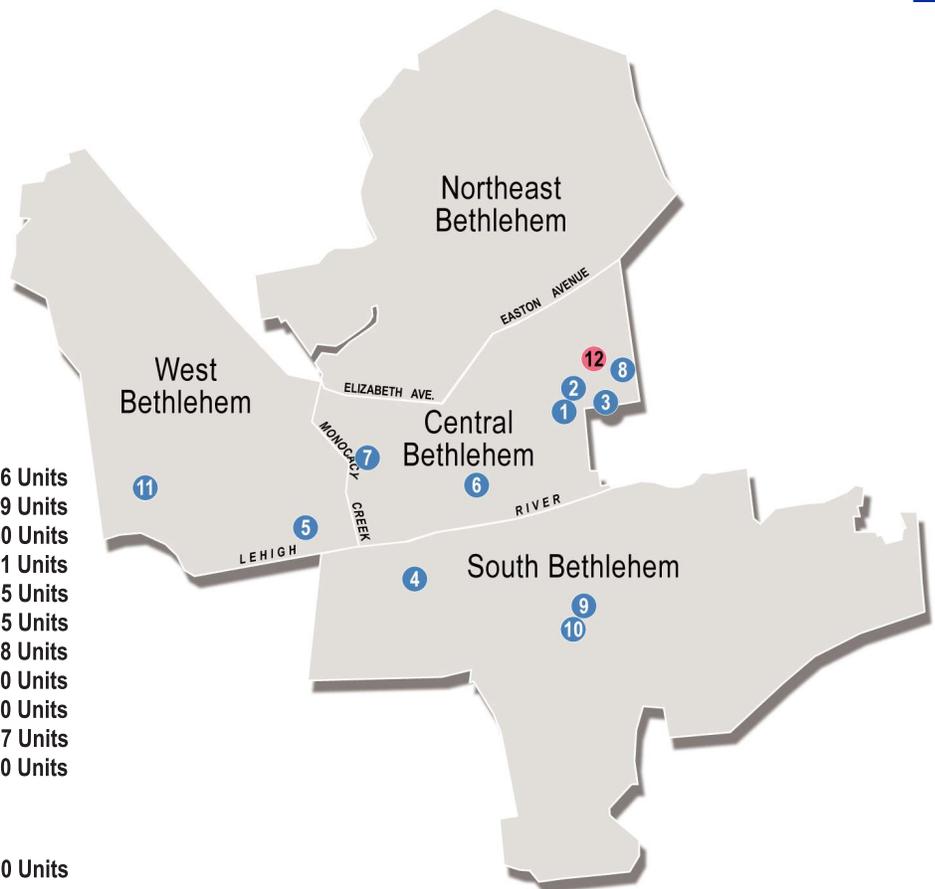
Bethlehem Housing Authority's Subsidized Housing Developments

Existing Developments

- 1 - **Pembroke** - 1429 Fritz Drive 196 Units
- 2 - **Marvine** - 1429 Fritz Drive 389 Units
- 3 - **Pfeifle Homes** - 1429 Fritz Drive 50 Units
- 4 - **Litzenberger House** - 225 E. 4th Street 101 Units
- 5 - **Bodder House** - 645 Leibert Street 65 Units
- 6 - **Bartholomew House** - 512 Elm Street 65 Units
- 7 - **Monocacy Tower** - 645 Main Street 148 Units
- 8 - **Fairmount** - 1429 Fritz Drive 120 Units
- 9 - **Lynfield I** - 1889 Lynfield Drive 100 Units
- 10 - **Lynfield II** - 1889 Lynfield Drive 97 Units
- 11 - **Parkridge** - 1926 Brookside Drive 100 Units

Proposed Development

- 12 - **Bayard** - Bayard and Woodbine 20 Units





Bethlehem Housing Authority's subsidized housing at Lynfield



Well-maintained properties add to neighborhood value



However, it should be understood that not everyone on the waiting list is a Bethlehem resident. People from any location can sign up and people can sign up for multiple locations. BHA has proposed a 20-unit public housing development at Bayard Street and Woodbine Street. It is now awaiting federal approval and funding.

According to BHA's 2007 *Strategy for Expanding the Supply of Affordable Housing*, there are an additional 1,470 affordable rental units in Bethlehem not administered by BHA. These include apartment developments built with federal tax credits and other types of public subsidies. These privately-owned apartments are only subject to rent restrictions for a finite period. Beyond that time, the owner can continue under the program or allow rents to rise to market level. Conversion of rent-restricted units to market rate units and the fact that Federal public housing subsidies do not keep up with inflation are two on-going affordable housing issues.

City Housing Conditions

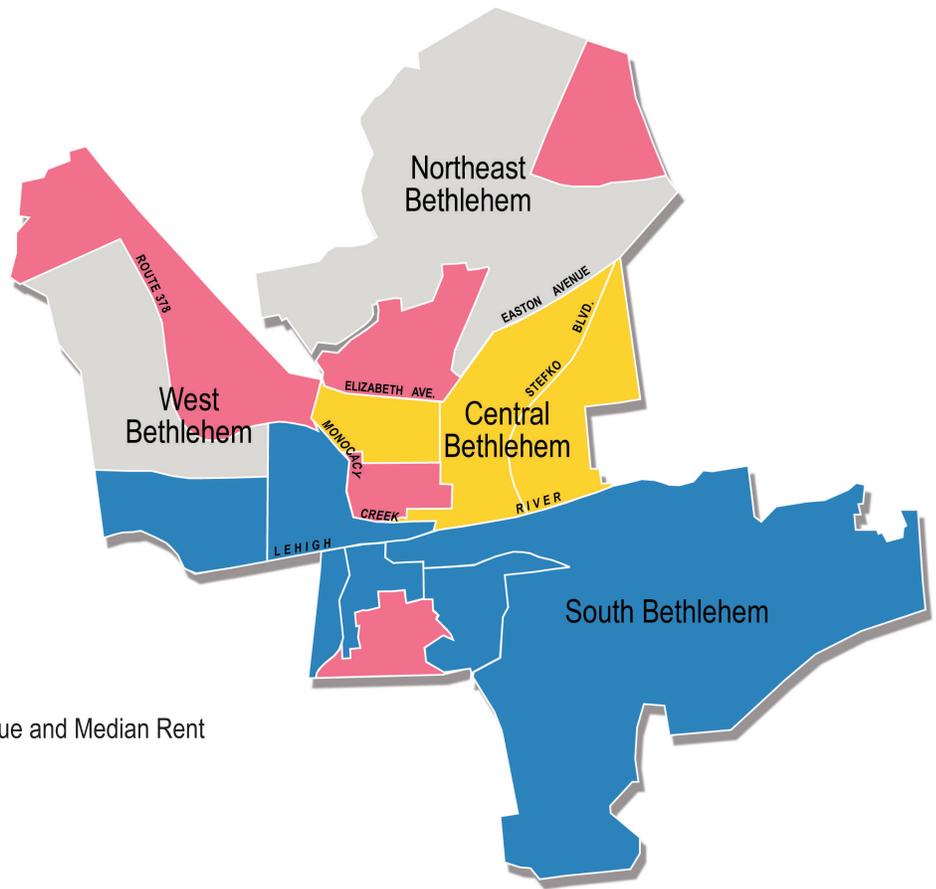
No valid measures exist to accurately quantify or pinpoint the substandard housing units in Bethlehem. "Substandard housing" is a subjective term; it means different things to different people. Median housing value and median rent statistics reported by the U.S. Census are one proxy measure. Home and rent values by themselves are not definitive indicators of housing conditions. However, concentrations of lower values areas in a part of the City may signal that more substandard housing exists there than elsewhere.

The following map shows the census tracts in Bethlehem where housing values and/or median rents were lower than the Citywide medians according to the 2000 U.S. Census. The median value and median rent refer to the midpoints. Half of the housing values (or rents) in the City are above and half are below the median. The City can use this information to help identify areas that may be in need of more housing assistance.



**Census Tracts With Median Values
Less Than Citywide Median**

-  Less Than Median Value
-  Less Than Median Rent
-  Less Than Both Median Value and Median Rent



Source: 2000 U.S. Census



A dilapidated house being razed

Bethlehem provides grants and low-interest loans for housing rehabilitation, mainly using Federal funds. Recently, the City has funded about 25 to 30 housing rehabs per year, despite the rising costs of home repairs. A variety of improvements are eligible for these funds, with an emphasis on fixing code violations first. The mix between grants and loans that the City provides to an applicant is based on the applicant's income.





Town-Gown Housing Concerns



Student housing at Moravian College

Some Bethlehem residents are concerned about the spread of Lehigh University and Moravian College students into nearby neighborhoods. From time to time, residents complain about the behavior of students in off-campus housing. Bethlehem has a “three strikes and you’re out” law that applies to rental units with three to five unrelated tenants, many of which house students. Landlords must evict any tenant convicted of disruptive behavior three times in one year. There is concern that this policy may be too lenient given the slim chance of a student amassing three convictions in a single year.

Bethlehem inspects all rental units with three to five unrelated tenants once per year to help ensure these apartments remain habitable. All other rental units in the City are inspected upon change of occupancy.

Both Lehigh and Moravian have taken steps to address concerns about off-campus housing. Lehigh has recently constructed apartment-style student housing to attract more students to live on campus. Lehigh also instituted a rule requiring sophomores to live on campus. Previously, only freshmen were required to do so.

Lehigh University’s apartment-style student housing



Moravian requires all students to live on campus. However, there is a shortage of housing and approximately 150 students live off campus. The off campus students must register their housing location with the College. The school has broken ground for a new residence hall on the east end of its South Campus north of Lehigh Street. However, Moravian projects a shortage of dorm space will still exist even when the new residence hall is occupied. The City maintains on-going discussions with both Lehigh and Moravian regarding student housing issues.

Smart Growth

In communities across the nation, there is a growing concern that current development patterns – dominated by what some call “sprawl” – are no longer in the long-term interest of our cities, existing suburbs, small towns, rural communities, or wilderness areas. Though supportive of growth, communities are questioning the economic costs of abandoning infrastructure in the city, only to rebuild it further out.

Spurring the smart growth movement are demographic shifts, a strong environmental ethic, increased fiscal concerns, and more nuanced views of growth. The result is both a new demand and a new opportunity for smart growth.

The features that distinguish smart growth in a community vary from place to place. In general, smart growth invests time, attention, and resources in restoring community and vitality to center cities and older suburbs. New smart growth is more town-centered, is transit and pedestrian oriented, and has a greater mix of housing, commercial and retail uses. It also preserves open space and many other environmental amenities.



Well-maintained sidewalks are an important element for walkable neighborhoods

Smart Growth Principles

- Create Range of Housing Opportunities and Choices
- Create Walkable Neighborhoods
- Foster Distinctive, Attractive Communities with a Strong Sense of Place
- Make Development Decisions Predictable, Fair and Cost Effective
- Mix Land Uses
- Preserve Open Space, Farmland, Natural Beauty and Critical Environmental Areas
- Provide a Variety of Transportation Choices

Source: Smart Growth Online – A Service of the Smart Growth Network



Housing and Neighborhood Strategies

Strategies For Promoting Smart Growth and Well-Planned Residential Development

Universal Design

Universal Design (also called Inclusive Design, Accessible Design or just Accessibility) refers to designs of both residential and non-residential facilities that accommodate the widest range of potential users, including people with mobility problems, visual impairments, and other special needs.

Although Universal Design standards address the needs of people with disabilities, it is a comprehensive concept that can benefit all users. For example, increased walkway widths, low-floor buses and smooth walking surfaces improve convenience for all travelers, not just those with impairments. Curb ramps are important for people using handcars, scooters, baby strollers and bicycles, as well as wheelchair users. Automatic door openers are another example of a Universal Design feature.

Source: Victoria Transport Policy Institute

1. Use the City’s review of land development proposals for new housing projects and zoning ordinance revisions to promote smart growth:
 - Neighborhoods with convenient sidewalks.
 - Neighborhoods with accessible common open space.
 - Adaptive reuse of underutilized commercial buildings.
 - Mixed residential/non-residential uses where appropriate.
 - Traditional neighborhood design, a site planning and building style that features the best features of older neighborhoods, such as front porches, rear garages and short front yard setbacks.
2. Work closely with BethWorks to ensure its planned residential component anchors a true mixed use area, as now envisioned. Amend current zoning of this area as needed to permit mixed residential / non-residential uses.
3. Review zoning regulations to ensure the City is adequately encouraging a mixture of residential and low-intensity non-residential uses in appropriate locations.
4. Investigate and consider using incentives other municipalities employ to encourage Universal Design practices. These are design techniques that account for the needs of the widest possible range of people, including people with special needs.

BethWorks Master Plan and its residential components



Source: SANDS BETHWORKS - July 2007

Strategies For Preserving Neighborhoods and Rehabilitating More Housing

5. Continue to enforce zoning regulations governing the conversion of one-unit structures into apartments. Update these regulations, as necessary.
6. Further address absentee landlord problems by:
 - Requiring landlords to submit a list of all adult residents to the City tax office to ensure tenants pay their City per capita tax.
 - Assess the legality of a rental license surcharge for out-of-county rental property owners, based on the added enforcement and administrative cost.
 - Continue full enforcement of the City rental registration and “three strikes” laws.
7. Strive for a bigger impact of housing rehabilitation funds by concentrating a certain proportion of such funds into predesignated housing rehab target areas based on:
 - Current locations of substandard housing.
 - Early intervention strategies in areas showing initial signs of disinvestment.
 - Highly visible properties, such as corner properties and heavily-traveled corridors.
8. Provide more public information on property owners’ obligations to keep their sidewalks passable and in good repair.
9. Ensure the City’s zoning ordinance adequately addresses issues of compatibility between commercial uses and adjacent residential uses on the edge of non-residential districts.



A well-maintained corner property on Bethlehem’s South Side

Strategies For Encouraging More Affordable Housing

10. Initiate a multi-faceted approach to create more affordable “workforce” housing:
 - Provide additional zoning incentives, such as density bonuses for including a certain percentage of affordable units in a new development



An example of low-to-moderate income housing



Habitat for Humanity affordable housing development on South Mountain



- Acquire land and/or underutilized buildings that can be turned over or sold at a write down price to developers of affordable workforce housing.
- Encourage more substantial programs in which major employers help their employees buy a home in an area close to their workplace. Moravian College, among others, currently does this. (Note: This type of initiative should also be considered a strategy for preserving neighborhoods, not just an approach to making housing more affordable.)
- Seek more favorable financing programs and interest rates from local private lenders within targeted areas.
- Expand counseling programs for prospective first-time home buyers.
- Utilize and better publicize federal, state, and county governmental programs available to assist with settlement costs.

- 11.** Continue targeting federal and county grant funds towards low-to-moderate income housing providers.
- 12.** Support the affordable housing recommendations contained in the Lehigh Valley Coalition on Affordable Housing's recent *Affordable Housing Assessment of the Lehigh Valley*:
 - Coordinate the two counties' administration of affordable housing efforts.
 - Develop a comprehensive funding strategy that uses private, public, and non-profit sources.
 - Adopt ordinance amendments that will promote affordable housing and streamline its review.
 - Encourage land use polices that could create more affordable housing.
 - Promote affordable housing by educating local leaders on affordable housing needs and addressing local concerns about affordable housing.
- 13.** Continue to advocate that Lehigh Valley municipalities treat affordable workforce housing as a region-wide issue.
- 14.** Consider the important role that upper floors of commercial buildings can play in providing affordable housing convenient to personal services and in providing customers for businesses in older areas.