

# The pandemic rapidly changed Bethlehem's housing market

## MEDIAN SALES PRICE

**\$182K**  
May 2019



**\$302K**  
May 2023

## MEDIAN RENT

**\$1,354**  
May 2019



**\$1,910**  
May 2023

Bethlehem's  
\$62,146 median household  
income didn't keep pace

## What it costs to live in Bethlehem

**\$100K**

The income  
needed to afford  
a \$300,000  
average home

**\$50K**

The income  
needed to  
affordably rent a  
one-bedroom  
apartment

**Housing  
that is  
affordable  
costs no  
more than:**

**30%**

of gross income  
including  
utilities

When housing is affordable, a household has money left to pay for other necessities like food, transportation and health care.

## WHAT IS COST BURDEN?

**30%**

Paying more than  
of your household  
income on housing

**8,300**

low-income  
Bethlehem  
households  
are cost-  
burdened

**69%**

of those  
households  
are renters

**1 in 5**



Bethlehem renters  
are extremely  
cost- burdened

## WHAT IS EXTREME COST BURDEN?

**50%**

Paying more than  
of your household  
income on housing

16 of the Lehigh Valley's top 20 jobs pay median wages too low to afford the median rent for any size housing

Single-Income Households with the following occupations can typically afford

14 of the Lehigh Valley's typical dual-income households cannot afford the median rent for a two bedroom

Dual-Income Households with the following occupations can typically afford

# The most affected households



Unsheltered | Sheltered | Supportive Housing

High Market Rental | Homeownership

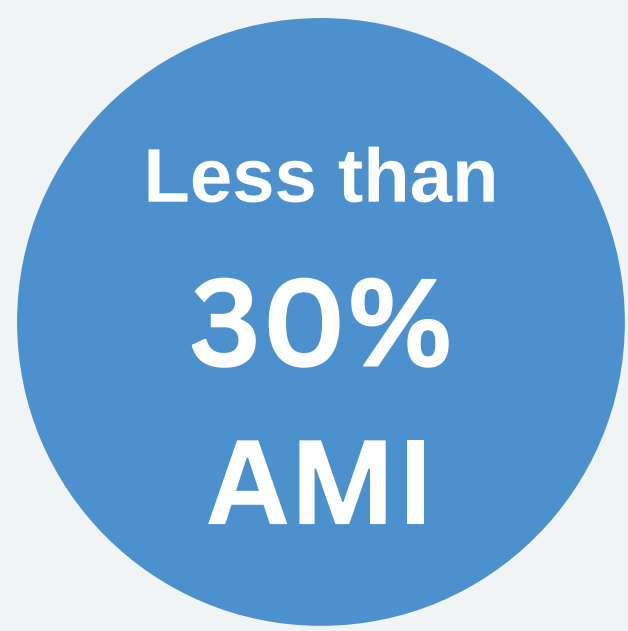
Public Housing | Section 8 Vouchers

Homeownership Assistance | Resident Ownership | Cooperative Ownership | Community Land Trusts

Naturally-Occurring Affordable Housing | Low-Market Rental | Workforce Housing

## Income

\$62,146 - Area Median Income for a four-person household



<\$18,644



\$18,644-\$31,073



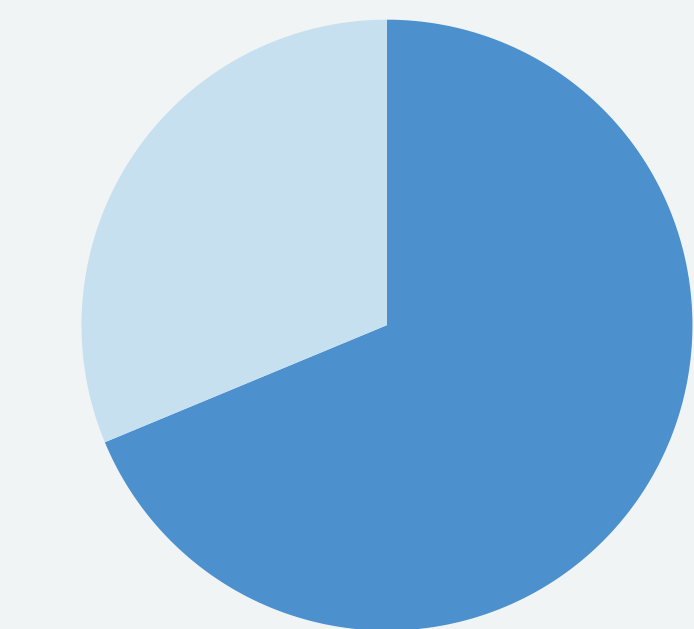
\$31,073-\$49,717



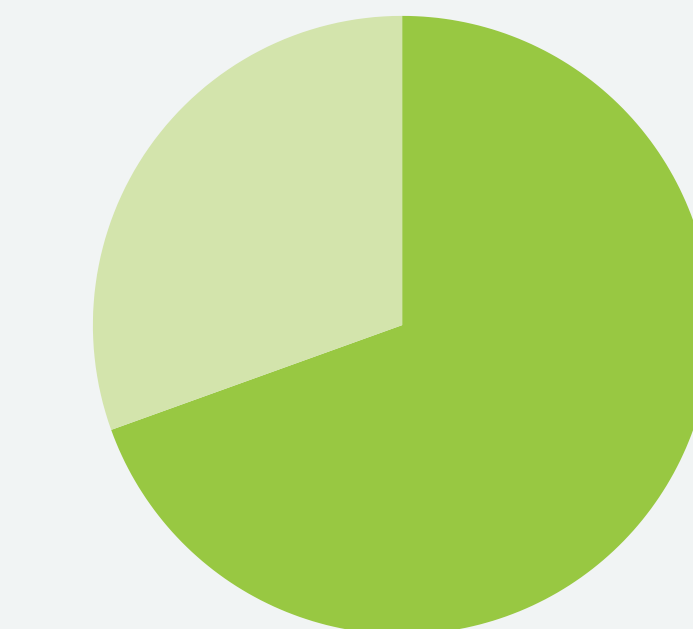
\$49,717-\$62,146

## Housing Cost Burden

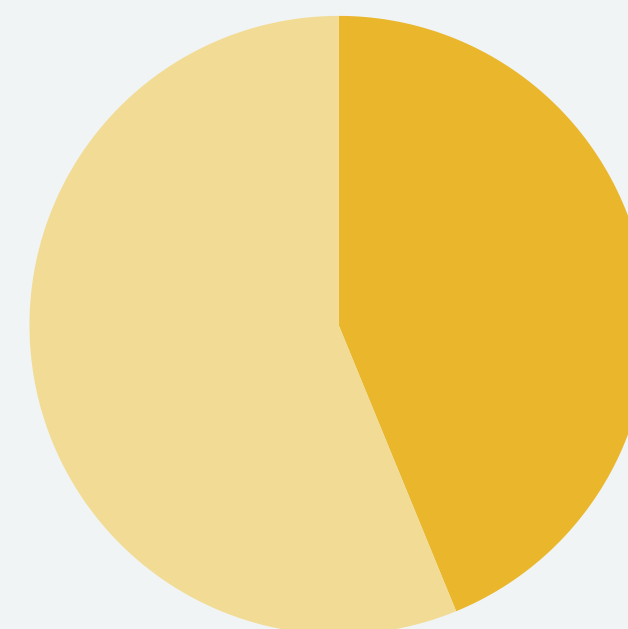
When a household is paying more than 30% of pre-tax household income on housing costs.



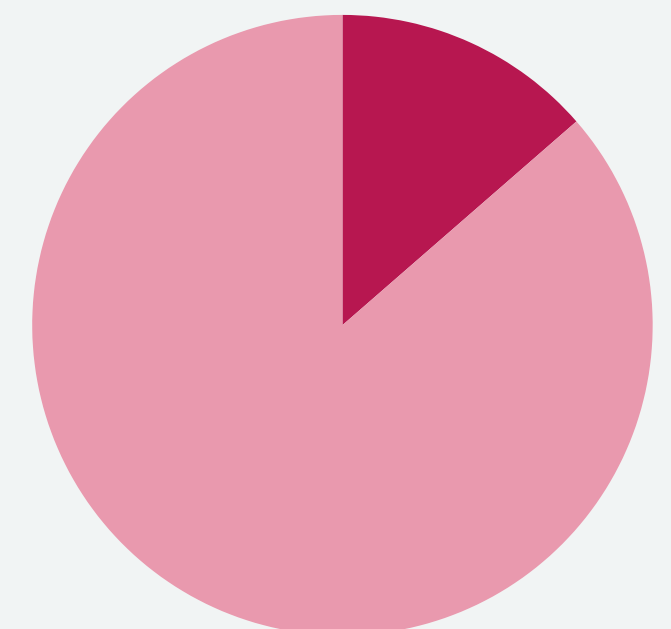
Cost Burdened (68.8%)



Cost Burdened (69.5%)

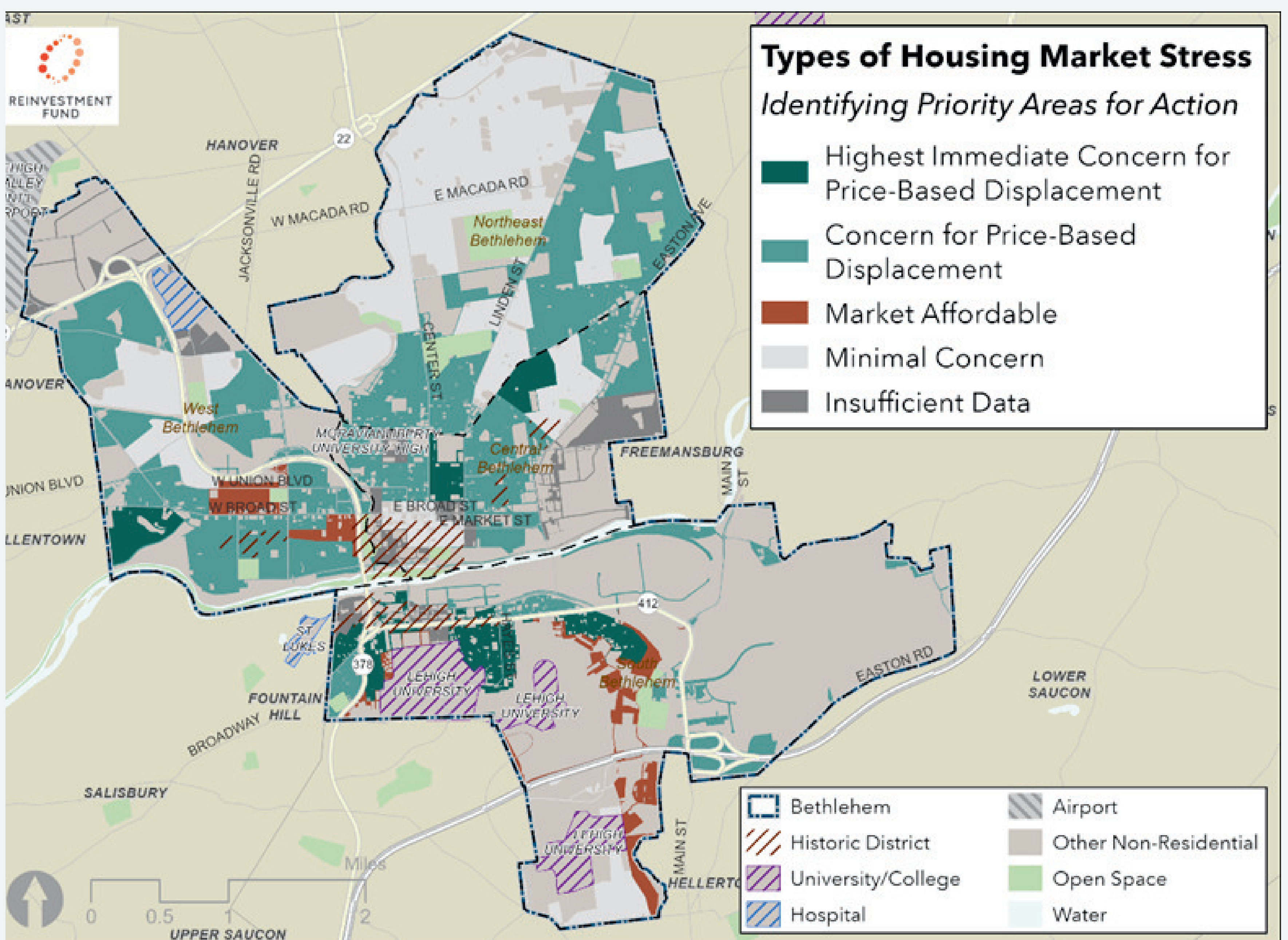


Cost Burdened (43.8%)



Cost Burdened (13.6%)

## Priority Areas for Action



# Bethlehem's 2% Rental Vacancy Rate Signals a Crisis

# 74%

of cost-burdened  
low-income  
households are  
renters.

# 1,052

New rentals  
are needed  
to get back  
to a 7%  
vacancy rate



## Access to affordable rental housing is the most acute need in Bethlehem.



# Update Zoning & Land Use

To encourage a variety of housing types and infill development



"Missing Middle homes fit into the fabric of all sorts of places, span a useful range of density and height, and are often both the least expensive and most versatile way to meet housing needs."

**Daniel Herriges | Strong Towns**

## Zoning Update

- Identify areas, parcels and project types that warrant by-right affordable housing development.
- Increase development opportunities in higher-value neighborhoods.

# ADU Pilot Program

The City plans to test a program allowing accessory dwelling units (ADUs) in targeted neighborhoods.

ADUs can gently increase neighborhood density and increase scattered-site development. Thoughtful planning can create neighborhood environments similar to the pre-1950s when they were more common.

Some ADUs will be market rate.

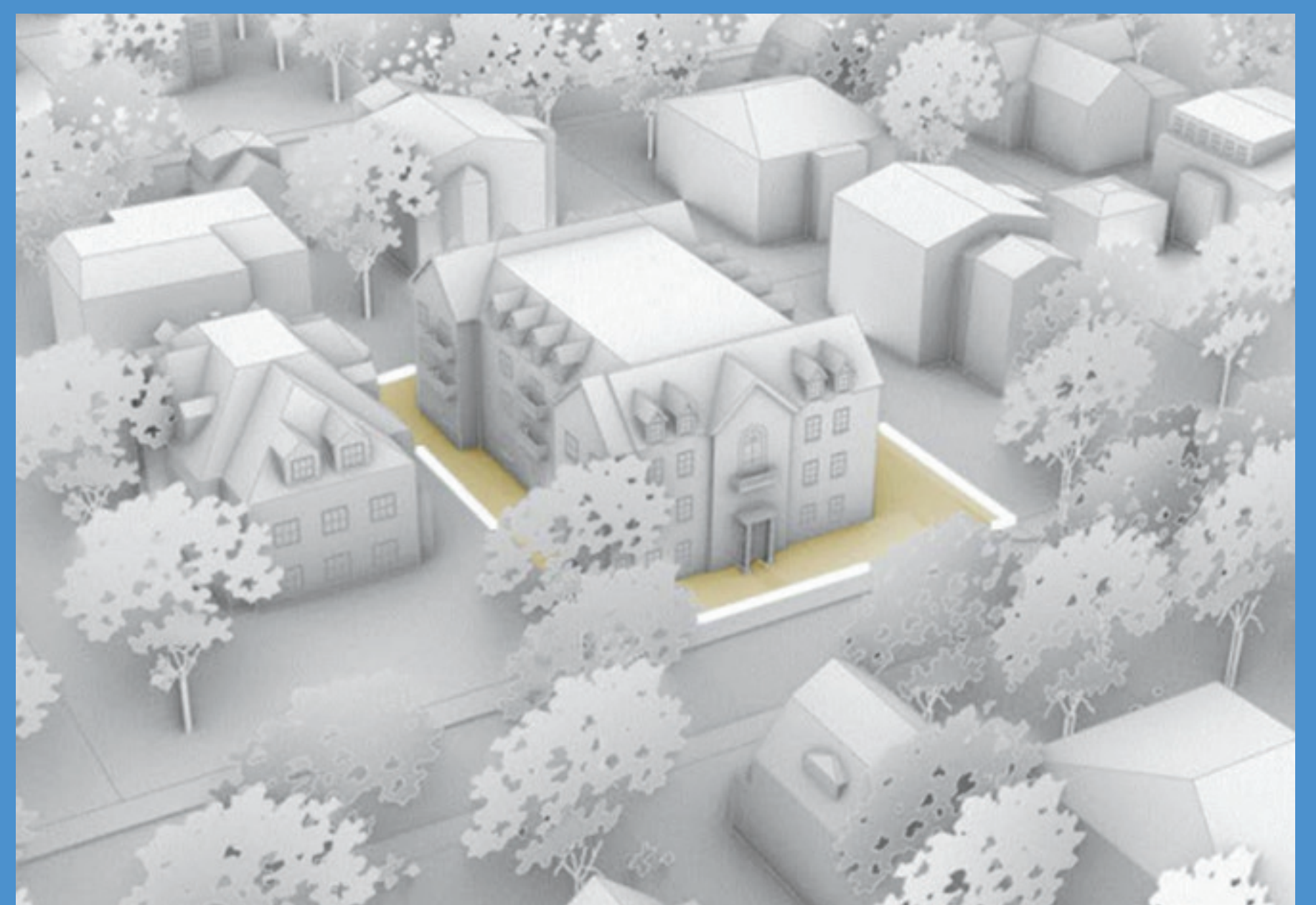
It is estimated about 20 units could be built over the next five years.



## What do other types of gentle increases in density look like?



Smaller multi-family buildings, duplexes, triplexes, cottage courts



Design prototype for a 4-story apartment building within a 3-story single family district.

**ADUs are not automatically affordable**

**That requires partnerships and financial support.**

**The City plans to develop a technical help program and predevelopment financing for eligible affordable projects.**

**Historic housing type seen all over Bethlehem. A new partnership with the City, Lehigh University and Community Action Lehigh Valley aims to usher in their revival.**

**Pilot would allow a qualifying homeowner to get a deed-restricted affordable alley house built -- by CALV -- for free on their property.**

**The trial program would build three to five alley houses.**

**Alley Houses**





# Offer Incentives to Create and Preserve Affordable Housing

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Public funding can “close the gap” on desirable but otherwise infeasible projects.

## Can fund:

- Acquisition costs
- Predevelopment financing
- Construction financing
- Permanent debt

Revolving Loan Fund

## Targets

Medium and large-scale projects of 10 units or more





# Landlord Incentive Program

Housing Choice Vouchers (HCVs) help tenants bridge the gap between their income and market-rate rents. But HUD's reimbursement rates lag behind market-rate rents, diluting the power of the voucher.

**The City plans to partner with housing authorities to cover the gap between market-rate rents and HCV values.**



This stopgap measure would last roughly **three years**, until new project-based and Bethlehem Housing Authority-managed units come online.

**Almost 1K  
Lehigh Valley  
Housing Choice  
Vouchers  
are not in use.**

# **Build Partnerships with Institutions**

**Such as the Bethlehem Housing Authority, to Support New Housing and Community Investment**

**A community needs housing that is affordable for all to be able to grow economically.**

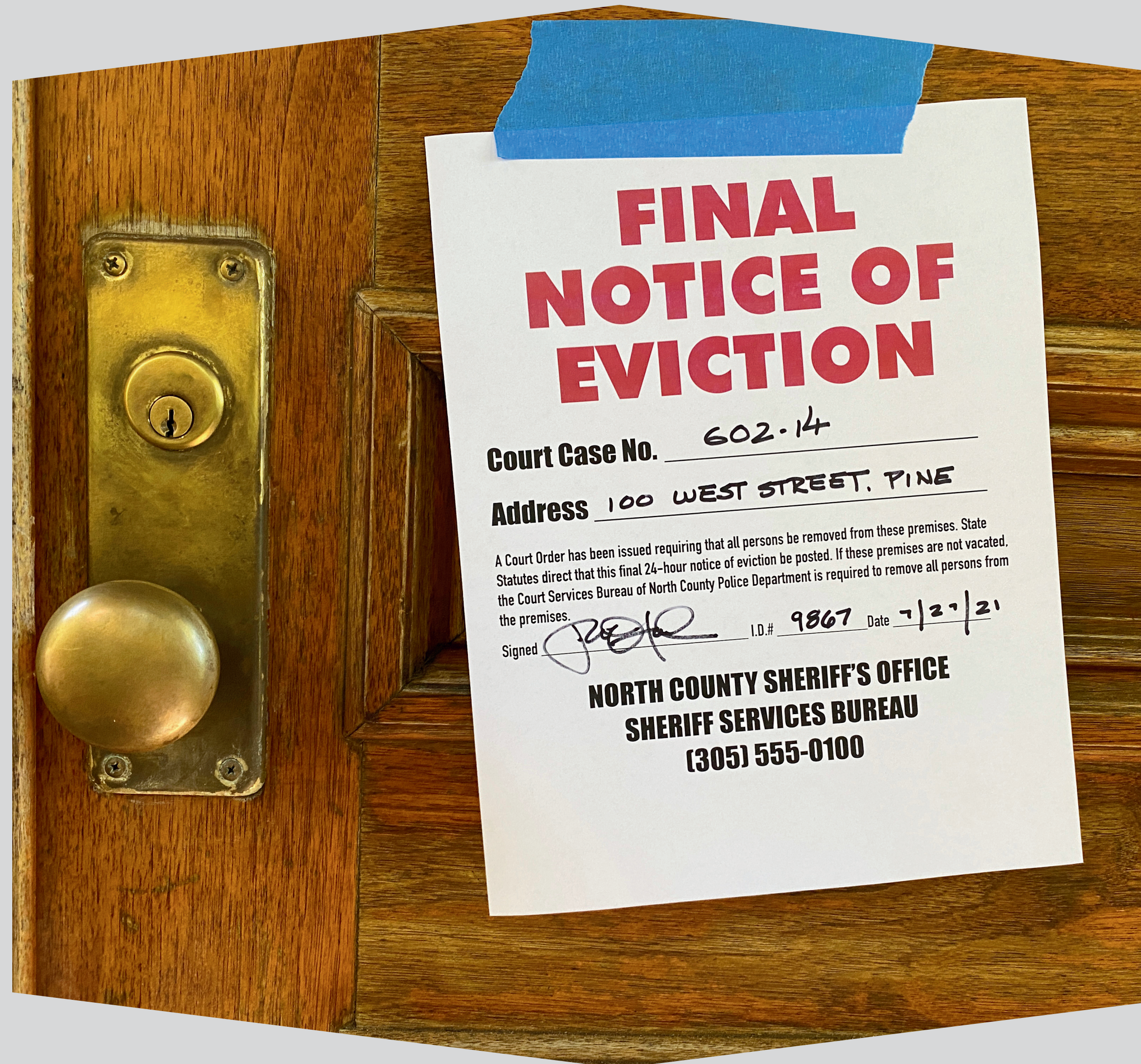


**Hospital-built employee housing in Nantucket**

**Nationally, many health systems are investing in workforce housing in recognition of the inextricable link between affordable, quality housing and good health.**

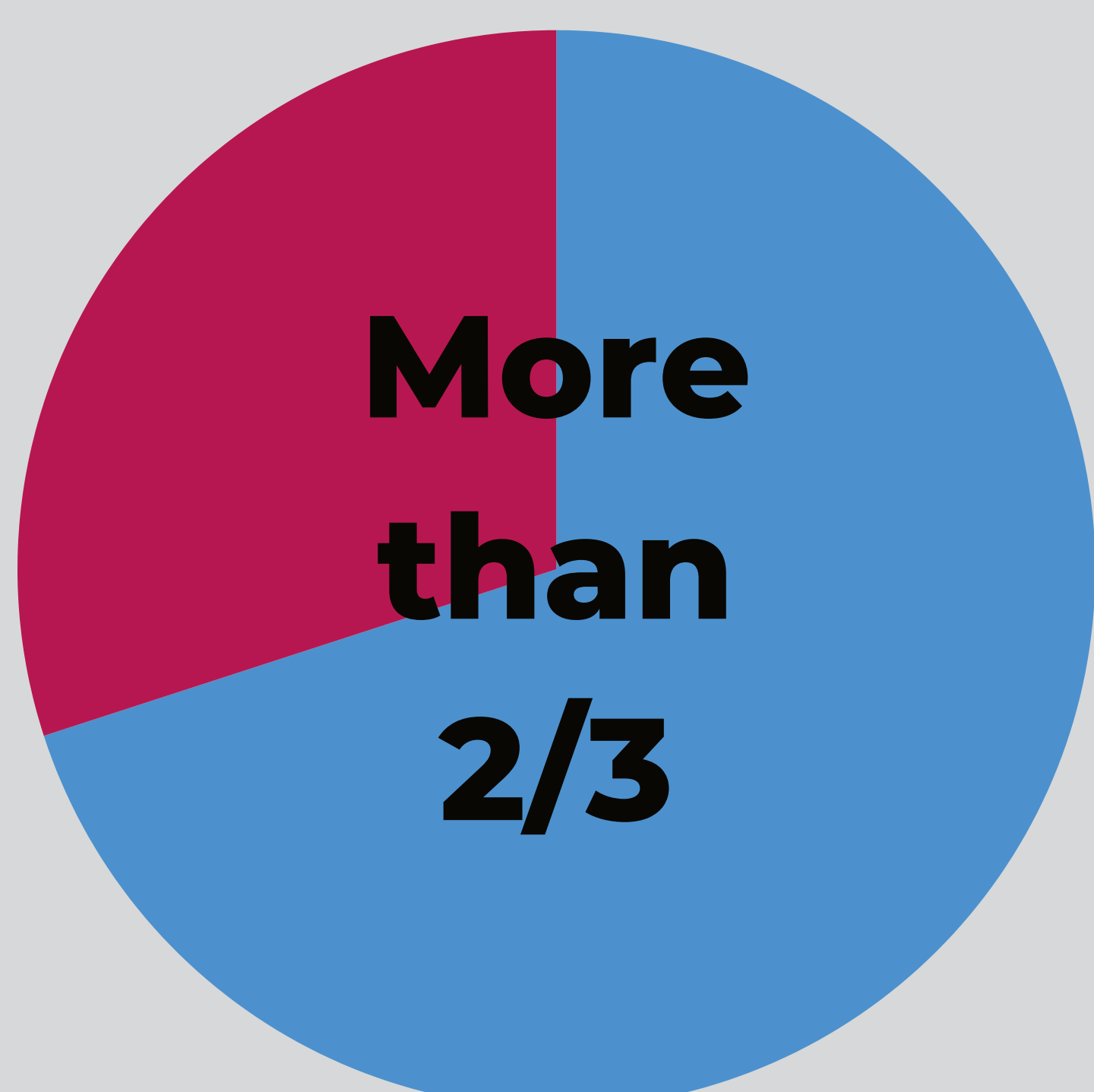
# Protect tenants at-risk of displacement and increase the supply of deeply affordable units

Partner with New Bethany, Community Action Development Bethlehem and North Penn Legal Services to provide court representation, mediation and rental funding



“ The most affordable house is the one someone is living in right now ”

Karen Black



Of renters earning less than 50% of AMI experience housing challenges

# State law limits what a city like Bethlehem can do to create more housing that is affordable.

- Bethlehem can't mandate projects include affordable housing.
- It can't stop landlords from raising rents or require they participate in mediation.
- Or force townships to build more multi-family housing.



**No single community can solve the housing crisis. It requires regional thinking and collaboration.**

**Bethlehem plans to support and advocate for more regional planning. This could include lobbying for changes to state law.**

**16** of the Lehigh Valley's **top 20** jobs pay median wages too low to afford median rent for any size of housing:

**16 de los 20** empleos principales de Lehigh Valley pagan salarios medios demasiado bajos para pagar el alquiler medio de viviendas de cualquier tamaño:

**Single-Income Households** with the following occupations can typically afford:

**Fast-food Workers / Trabajadores de comida rápida**

\$484 per month

**Cashiers / Cajeros**

\$489 per month

**Servers / Camareros**

\$523 per month

**Retail Sales / Vendedores de tienda**

\$588 per month

**Home Health and Personal Care Aides / Asistentes de atención personal y de salud**

\$591 per month

**Janitors and Cleaners / Personal de limpieza**

\$620 per month

**Stockers / Reponedores**

\$633 per month

**Nursing Assistants / Asistentes de enfermería**

\$759 per month

**Customer Service Representatives / Representantes de servicio al cliente**

\$761 per month

**General Laborer and Material Movers / Trabajadores generales y transportistas de materiales**

\$762 per month

**Office Clerks / Empleados de oficina**

\$789 per month

**Administrative Assistants / Asistentes administrativos**

\$793 per month

**Assemblers and Fabricators / Ensambladoras y fabricantes**

\$795 per month

**Industrial Truck and Tractor Operators / Operadores de camiones y tractores industriales**

\$807 per month

**Maintenance and Repair Worker / Trabajadores de mantenimiento y reparación**

\$972 per month

**Tractor-Trailer Truck Drivers / Conductores de camiones con remolques**

\$1,024 per month

*Median One-Bedroom Rent / Alquiler medio de vivienda de una habitación*

\$1,465 per month

**Secondary School Teachers / Maestros de escuelas secundarias**

\$1,504 per month

**Elementary School Teachers / Maestros de escuelas primarias**

\$1,619 per month

**Registered Nurses / Enfermeras registradas**

\$1,621 per month

*Median Two-Bedroom Rent / Alquiler medio de vivienda de dos habitaciones*

\$1,750 per month

**General and Operations Managers/ Gerentes generales y de operaciones**

\$2,040 per month

**14** of the Lehigh Valley’s typical dual-income households cannot afford the median rent for a two bedroom:

**14** de los hogares típicos de doble ingreso de Lehigh Valley no pueden pagar el alquiler medio de una vivienda de dos habitaciones:

**Dual-Income Households** with the following occupations can typically afford:

**Fast-food Workers / Trabajadores de comida rápida**

\$968 per month

**Cashiers / Cajeros**

\$978 per month

**Servers / Camareros**

\$1,046 per month

**Retail Sales / Vendedores de tienda**

\$1,175 per month

**Home Health and Personal Care Aides / Asistentes de atención personal y de salud**

\$1,181 per month

**Janitors and Cleaners / Personal de limpieza**

\$1,240 per month

**Stockers / Reponedores**

\$1,266 per month

**Nursing Assistants / Asistentes de enfermería**

\$1,465 per month

**Customer Service Representatives / Representantes de servicio al cliente**

\$1,517 per month

**General Laborer and Material Movers / Trabajadores generales y transportistas de materiales**

\$1,521 per month

**Office Clerks / Empleados de oficina**

\$1,524 per month

**Administrative Assistants / Asistentes administrativos**

\$1,578 per month

**Assemblers and Fabricators / Ensambladoras y fabricantes**

\$1,585 per month

**Industrial Truck and Tractor Operators / Operadores de camiones y tractores industriales**

\$1,591 per month

**Maintenance and Repair Worker / Trabajadores de mantenimiento y reparación**

\$1,614 per month

**Tractor-Trailer Truck Drivers / Conductores de camiones con remolques**

\$1,750 per month

*Median One-Bedroom Rent / Alquiler medio de vivienda de una habitación*

\$1,943 per month

**Secondary School Teachers / Maestros de escuelas secundarias**

\$2,048 per month

**Elementary School Teachers / Maestros de escuelas primarias**

\$3,008 per month

**Registered Nurses / Enfermeras registradas**

\$3,238 per month

*Median Two-Bedroom Rent / Alquiler medio de vivienda de dos habitaciones*

\$3,238 per month

**General and Operations Managers/ Gerentes generales y de operaciones**

\$4,080 per month