

An Analysis of Regulatory Barriers to Housing Affordability

Lancaster County, Pennsylvania



Lancaster County Planning Commission
Lancaster Housing Opportunity Partnership



AN ANALYSIS OF REGULATORY BARRIERS TO HOUSING AFFORDABILITY IN LANCASTER COUNTY

2009

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Table of Contents

Acknowledgements.....	ii
Table of Contents.....	iv
Part I: Introduction.....	1
Part II: Executive Summary.....	2
The Need for Affordable Housing	3
Report Summary	4
Focus Groups.....	4
Surveys of Municipal Land Use Regulations.....	4
Recommendations	5
Conclusion.....	5
Part III: The Need for Housing Affordability	6
What Is Affordable Housing and Why Do We Need It?.....	6
Increases in Housing Price and Income: Estimates and Projections	7
Affordable Housing Need: Population Groups and Demographic Trends	9
Local Housing Conditions.....	10
National Economic Conditions and Their Impact on Local Conditions	10
Part IV: Overview of Regulations Related to Housing and Development	11
Land Supply	12
Lot Requirements, Setbacks, and Density.....	13
Housing Types.....	13
Limitations on Manufactured Housing/Mobile Home Parks	14
Accessory Dwelling Units/Secondary Dwelling Units	14
Infrastructure and Development Standards	15
Parking Standards.....	15
Landscaping, Buffering, and Parkland and Open Space Dedication	16
Fees.....	16
Other Barriers	16
Part V: Specific Analysis	18
Land Supply.....	19
Total Land Zoned for a Residential Use	20
Inside Designated Growth Areas – Urban Municipalities	20
Inside Designated Growth Areas – Suburban Municipalities	20
Inside Designated Growth Areas – Semi-Rural Municipalities	21
Inside Designated Growth Areas – Rural Municipalities.....	21
Summary – Land within Designated Growth Areas	22
TABLES.....	23
Setbacks, Lot Requirements and Density	25
Single-Family Detached Housing	25
Single-Family Semi-Detached	27
Townhouses.....	28
Multi-Family Housing.....	29

Housing Types	34
Housing Types as Permitted in Zoning Regulations.....	34
Minimum Habitable Floor Area Requirements for Different Housing Types	36
Manufactured Home Parks	37
Accessory Dwelling Units/Secondary Dwelling Units and Conversions.....	39
Provisions by Municipal Type	40
Restrictions on Accessory Dwelling Units.....	41
Restrictions on Conversion Units.....	43
Infrastructure and Development Standards	44
Local Access Roads and Sidewalks	45
Collector Roads and Sidewalks.....	45
Parking.....	46
Landscaping, Buffering, and Parkland and Open Space Dedication.....	48
Parkland Dedication	48
Open Space, Landscaping, and Buffering.....	49
Fees.....	50
Review Fees	50
Impact Fees	51
Parks and Recreational Fee in Lieu.....	52
Other Fees	53
Plan Processing Procedures.....	53
Focus Groups.....	55
Developers Summary	58
Municipal Staff Summary	60
Part VI: Conclusions and Recommendations	63
Action Recommendations	63
Conclusion.....	63



Part I: Introduction

In 2006, representatives of several non-profit organizations, government entities, and housing industry associations organized a summit on housing affordability in Lancaster County. The 2006 Housing Summit, recommended in *Choices*, the Housing Element of the Lancaster County Comprehensive Plan, was an educational event designed to increase public awareness of important housing issues.

The concept of creating a coalition to focus on housing issues was introduced at the Housing Summit, and came to fruition shortly thereafter. Members of the new Housing Coalition began meeting on a regular basis in order to pursue a public education initiative on the importance of affordable housing.

In late 2006 and 2007, the group created a short informational video on housing affordability in Lancaster County. The video focused on personal stories, and was designed to “put a face on affordable housing.” The video was widely distributed, and was also used to create several short television spots which were run throughout Lancaster County, as well as in other parts of the state.

The Housing Coalition held its second Housing Summit in 2007. The second Summit resulted in the identification of priority action steps to address the lack of affordable housing throughout Lancaster County. These priorities reflected the overwhelming concern of the Summit participants with existing regulatory barriers to affordable housing.

In an effort to begin implementation of the priority action steps from the 2007 Housing Summit, the Housing Coalition joined forces with the Lancaster Housing Opportunity Partnership (LHOP), to form the Taskforce on Regulatory Barriers to Affordable Housing, also known as the “Joint Committee.” LHOP and the Housing Coalition shared the common goals of increasing awareness of the importance of affordable housing and working for change to improve housing opportunities for low and moderate income families and individuals in Lancaster County.

Part II: Executive Summary

EXECUTIVE SUMMARY: REGULATORY BARRIERS TO HOUSING AFFORDABILITY

The Regulatory Barriers to Housing Affordability study focuses on identifying local land use regulatory barriers to the implementation of the *Lancaster County Comprehensive Plan* as it relates to housing, and on recommending ways that these barriers can be changed to promote greater housing affordability and housing choice throughout the County. The Vision for *Choices, the Housing Element of the Lancaster County Comprehensive Plan*, is as follows:

An adequate supply, and diversity, of housing opportunities will be available in Lancaster County to give current and future residents greater choice in housing type and tenure, location, and price for a place to call home.

A community experiences an affordable housing shortage when the housing stock does not include a range of housing opportunities to meet the demand for housing at all price points. Shortages of housing for workers near job centers can create inefficiencies within local economies by increasing transportation costs, time spent in transit, road congestion, and pollution.ⁱ There is even evidence to suggest that excessive regulation in local housing markets may inhibit job growth, as those markets are often less able to respond to changes in housing demand.ⁱⁱ

When housing costs are universally high and housing choices are limited, many households may have difficulty finding a home that is both within the appropriate price range and is also suitable for a certain lifestyle. As a result, households may need to sacrifice other necessities such as medical care or nutritious foods, move somewhere more affordable, double up with family or friends, or seek the refuge of a homeless shelter.

National and statewide studies of the relationship between zoning and other land use regulations and housing affordability have often concluded that certain policies can have an impact on housing price or on the availability of affordable housing options. This report examines existing residential land use regulations in a sampling of urban, suburban, semi-rural and rural municipalities throughout Lancaster County.

Though the aim of this study is to identify ways in which local land use regulations may contribute to the lack of affordable housing opportunities, it is extremely important to recognize that a change in local land use regulations alone will not result in the production of more affordable housing in the community. A multitude of factors contribute to housing price and

ⁱ US Department of Housing and Urban Development. [A Review of Regulatory Barriers to Employer Ability to Recruit and Retain Employees](http://www.huduser.org/Publications/pdf/review_regbarrier.pdf). July, 2008. http://www.huduser.org/Publications/pdf/review_regbarrier.pdf

ⁱⁱ Saks, Raven E. "Job Creation and Housing Construction: Constraints on Metropolitan Area Employment Growth." [Federal Reserve Board, Finance and Economics Discussion Series](#), No. 2005-49. 2005.

availability, thus a variety of programmatic and financing mechanisms will also need to be employed to truly promote affordable housing development. These types of mechanisms will be the focus of future reports.

THE NEED FOR AFFORDABLE HOUSING

Choices, the Housing Element of the County Comprehensive Plan provides demographic projections on the growth of households in Lancaster County through the year 2030. These projections indicate that there will be a significant growth in the number of cost-burdened households, or households spending more than 30 percent of total household income on housing costs. While 22 percent of all households in the year 2000 were cost burdened, projections suggest that if trends continue this number will increase to 28 percent in 2010, 33 percent in 2020, and 38 percent in 2030.ⁱⁱⁱ Similarly, the number of severely cost burdened households, or those spending more than 50 percent of total household income on housing costs, are also expected to increase from about 8 percent in the year 2000 to 13 percent 2030.

Estimates from the American Community Survey support these projections, and in fact indicate that the number of cost-burdened households is increasing at a greater rate than was anticipated. The ACS estimates that the percentage of households spending more than 30 percent of monthly income on housing costs increased from 26.2 percent in 2004 to 30.6 percent in 2007.^{iv} According to this estimate, in 2007, Lancaster County had already surpassed the percentage of cost-burdened households that had been projected for the year 2010.

Choices also includes estimates of the number of households earning less than 80 percent of the area median income through the year 2030. This population is particularly vulnerable to housing cost burden, particularly when few viable and affordable housing options exist in the community. From 2000 to 2030, the number of households earning 80 percent or less of the area median income is expected to grow by about 27,499, to reach a total of 93,051 households in 2030. Based on this estimate, about 40 percent of the total households in the County will be earning 80 percent or less of the area median income, and will be in search of more affordable housing options. Within this income group, roughly 46 percent of households are expected to rent a home, while the remaining 54 percent are expected to own, so a variety of housing types and tenures will be necessary to meet housing demand.

ⁱⁱⁱ Lancaster County Planning Commission. *Choices: the Housing Element of the Lancaster County Comprehensive Plan*. April 2006. [pgs 4-10].

^{iv} American Community Survey. Online www.census.gov. Years 2004 to 2007. Accessed 10/8/2008. Original data is from the ACS, and these percentages were calculated by LCPC staff. The calculations of percentage of “households spending more than 30 percent of monthly income on housing costs” do not include households that have no income or households that pay no rent; however, these household types are included in the total number of households.

REPORT SUMMARY

This report is based on two major sources of information: focus group meetings with municipal officials and representatives from the development community, and a survey of the zoning regulations of 20 municipal governments representing urban, suburban, semi-rural and rural communities throughout the county.

Focus Groups

In an effort to provide a more qualitative perspective on regulatory barriers to housing affordability, housing developers and municipal representatives were invited to share their thoughts on housing regulation, approval processes, density, and related topics. Participants included developers and municipal staff, while no elected municipal officials chose to participate.

The groups generally agreed on the importance of denser, more efficient land use and development. They also agreed that community opposition often serves to delay projects and increase development costs.

However, there was less of a consensus between the groups on the impact that land use regulations and approval processes have on the costs of development. Developers identified fees charged on a per-unit basis, lack of appropriately zoned land, infrastructure costs, parking requirements, inspection procedures, constant need for ordinance amendments, inconsistent ordinance terminology and organization, as well as time, cost, legal fees, and uncertain outcomes related to the conditional use approval process as the major regulatory factors contributing to higher housing costs. Municipal staff, on the other hand, acknowledged that infrastructure costs and recreational fees could increase the cost of development, but maintained that fees were not unnecessarily high and that regulations were in place to preserve quality of life and ensure sound development practices.

Surveys of Municipal Land Use Regulations

A survey of land use regulations in 20 municipalities throughout Lancaster County representing urban, suburban, semi-rural and rural communities indicated the following potential barriers to housing affordability:

- **INFRASTRUCTURE**
 - » Mismatch between land that is zoned for the development of multi-family housing types and land that is serviced by the infrastructure necessary to support multi-family housing types.
 - » Disparity between requirements related to the provision of sidewalk, street, and parking, and actual demand.
- **PROCESS AND STANDARDS**
 - » Variation in definitions, contents, organization, and methods for measuring different standards among municipal zoning ordinances.
 - » Common requirement of special exception/conditional use process for accessory dwelling units, townhouses, and multi-family housing types.

- **LOT AND AREA REQUIREMENTS**
 - » Duplicative or contradictory effect of width, depth, setback, lot coverage, and lot area requirements for one use or within one district.
 - » Disagreement of density requirements and land capacity.
- **FEES**
 - » Uneven impact of per-unit fees on high and low density development, and multi-family and single-family housing.
 - » Disparity in review fees and fees-in-lieu of parkland dedication in different municipalities.
- **LAND AVAILABILITY AND OCCUPANCY REQUIREMENTS**
 - » Limited availability of land for the development of townhouses, multi-family housing types, manufactured housing parks, and conversion/accessory dwelling units.
 - » Limitations on the occupancy and habitable floor area of dwelling units, particularly accessory dwelling units.

RECOMMENDATIONS

Based on the surveys of local land use regulations, this report, in summary, recommends the following:

- LCPC should develop specific guidelines and recommendations to assist municipalities in reducing potential regulatory barriers to housing affordability. LCPC should work with local municipal governments to adopt these standards.
- LCPC should produce a range of model residential zoning districts and regulations which address the issues identified within this report and promote residential densities consistent with density targets identified in *Balance*.
- Significant community outreach efforts are necessary to explain the importance and community benefits of housing affordability. The LHOP Advocacy Committee, working in partnership with other organizations whose mission is also to promote affordable housing opportunities for all residents of Lancaster County, should take the lead on this effort.

CONCLUSION

The provision of a range of housing options, particularly those at the affordable end of the spectrum, is a crucial component in the economic health and stability of a community. As such, it is vital that we come together and work towards the goal of providing greater housing choice and affordability in Lancaster County. Realization of this goal will require a multi-pronged approach, as there are a variety of factors that contribute to housing price and affordability. By furthering our own research and knowledge of land use regulations, working together with developers and municipal officials alike to create mutually agreeable solutions, and increasing public awareness and support for affordable housing, we can begin to address the potential regulatory barriers to housing affordability.

Part III: The Need for Housing Affordability

WHAT IS AFFORDABLE HOUSING AND WHY DO WE NEED IT?

Housing is typically considered to be “affordable” if a household spends less than 30 percent of its total monthly income on housing costs. A household that pays 30 percent or more of its monthly household income towards housing costs is described as being cost burdened, while a household that pays 50 percent or more is described as being severely cost burdened.⁷ Using this definition, a dwelling unit that is “affordable” to one family may not be affordable to another; thus an adequate supply of affordable housing refers to a community’s ability to provide a diverse supply of housing of various styles and at various costs.

A community experiences an affordable housing shortage when the housing stock does not include a range of housing opportunities to meet the demand for housing at all points along the price spectrum. As long as there is available housing at all points, each household will be able to find a home that is appropriate for its needs. When housing costs are universally high and housing choices are limited, many households may have difficulty finding a home that is both within the appropriate price range and is also suitable for a certain lifestyle. As a result, households may need to sacrifice basic necessities such as medical care or nutritious food, move somewhere more affordable, double up with family or friends, or seek the refuge of a homeless shelter.

Affordable housing is one of the most fundamental staples in our community and our local economy. Shortages of housing for workers near job centers can create inefficiencies within local economies by increasing transportation costs, time spent in transit, road congestion, and pollution.⁸ When households have difficulty finding housing within their own communities, they may be forced to look farther and farther away from their place of employment. This may cause employees to spend longer periods of time commuting, thus contributing to overall pollution and road congestion, since a greater number of cars will be on the road for longer periods of time. Lengthier commutes may also reduce worker productivity by limiting the flexibility of their work schedule.

⁷ These definitions are probably the most widely used and accepted because they are used by the Federal Department of Housing and Urban Development; however, it is important to note that even these definitions are very general and may not accurately reflect housing cost burden. High-income households may be able to spend 40 percent of their monthly income on housing and still be able to afford luxuries, whereas low- and extremely low-income households may spend only 20 percent of total monthly income on housing and still have trouble affording basic necessities such as food and clothing. Thus, the “30 percent” standard probably understates housing cost burden on the lower half of the income spectrum, while over-stating it on the upper half of the income spectrum.

⁸ US Department of Housing and Urban Development. [A Review of Regulatory Barriers to Employer Ability to Recruit and Retain Employees](http://www.huduser.org/Publications/pdf/review_regbarrier.pdf). July, 2008. http://www.huduser.org/Publications/pdf/review_regbarrier.pdf

There is even evidence to suggest that excessive regulation in local housing markets may inhibit job growth, as those markets are often less able respond to changes in housing demand.⁹ Shortages of affordable housing may limit the ability of industries that employ low- or middle-income workers to locate within a community because the housing needs of the industry's potential workforce could not be met.¹⁰

Ultimately, affordable housing is a positive investment in the community. The presence of housing choice ensures that people who currently live within our community may continue to do so, and people who work here will be able to live here as well. By promoting housing opportunity we affirm the value and importance of the role that college students or recent graduates, young families with small children, employees of our local restaurant or grocery store, policemen, teachers, and firemen, play in our community. All are vital, and all of them play a critical role in making our community safe, healthy, and economically competitive.

INCREASES IN HOUSING PRICE AND INCOME: ESTIMATES AND PROJECTIONS

In 2007, the Lancaster County Planning Commission computed a Housing Affordability Index to measure the relationship between median income and median home sale price. The Index, computed at the municipal level, also allowed for a comparison of median home sale prices between the municipalities of the county. An index of one indicated that the median single family housing price in that municipality was affordable to a household earning the county median income, or \$52,064 in 2006. An index greater than one indicated that a household earning less than the median income for the county could afford to buy a home in that municipality. Out of sixty municipalities, only eighteen, or less than one-third, received an index of one or greater. The Housing Affordability Study demonstrated the significant mismatch in our county between income and home sale prices, and the disparity in home values between municipalities.

Recent estimates from the American Community Survey indicate that the value of housing in Lancaster County continues to increase above the rate at which income increases. The ratio of home value to median household income for Lancaster County in 2005 was 3.22. By 2006, this ratio had increased to 3.30, and by 2007 to 3.42. This is an indication that people who have not been able to afford a home in Lancaster County are likely being pushed farther and farther away from that opportunity.

Even the homeowner population, which tends to be wealthier than the overall population, will find buying a new home to be more and more of a strain on their finances. Whereas in 2000 the ratio of median home value to median income of homeowner households was a low 2.25, by 2005 and 2006 it had increased to 2.64 and 2.77 respectively. American Community Survey

⁹ Saks, Raven E. "Job Creation and Housing Construction: Constraints on Metropolitan Area Employment Growth." Federal Reserve Board, Finance and Economics Discussion Series, No. 2005-49. 2005.

¹⁰ US Department of Housing and Urban Development. A Review of Regulatory Barriers to Employer Ability to Recruit and Retain Employees.

estimates from 2007 put the ratio at 2.83. Thus, while a home at the average value is still affordable for a homeowner household earning the average income, it is important to recognize that trends are shifting towards the unaffordable side of the spectrum.

As part of *Choices*, the Housing Element of the County Comprehensive Plan, the Lancaster County Planning Commission created demographic projections on the growth of households in Lancaster County through the year 2030. One of the most important findings was the projected growth in the number of cost-burdened households, or households spending more than 30 percent of total household income on housing costs. While 22 percent of all households in the year 2000 were cost burdened, projections suggested that if trends continued this number would increase to 28 percent in 2010, 33 percent in 2020, and 38 percent in 2030.¹¹ Similarly, the number of severely cost burdened households, or those spending more than 50 percent of total household income on housing costs, was also expected to increase from about 8 percent in the year 2000 to 13 percent 2030.

American Community Survey estimates support the LCPC projections, and in fact suggest that the number of cost-burdened households is increasing at a greater speed than was anticipated. The ACS estimated that the percent of occupied housing units in which households were spending more than 30 percent of monthly income on housing costs increased from 26.2 percent in 2004 to 30.6 percent in 2007.¹² According to this estimate, by 2006 Lancaster County had surpassed the percentage of cost-burdened households that was projected for the year 2010.

Growth in the total number of cost-burdened households is highest among homeowner households. In 2004, the ACS estimated that only about one in five homeowner households were spending more than 30 percent of their income on housing; by 2007 more than one in four were cost-burdened.¹³ Trends within rental households were less consistent, but overall showed a slight decrease in the percentage of cost-burdened households, from 45 percent in 2004, down to about 40 percent in 2005 and 2006, and up to 41.3 percent in 2007.

Choices also includes estimates in the number of households earning less than 80 percent of the area median income through the year 2030. This population is particularly vulnerable to housing cost burden, particularly when few viable and affordable housing options exist in the community. From 2000 to 2030, the number of households earning 80 percent or less of the area median income is expected to grow by about 27,499, to reach a total of 93,051 households in 2030. Based on this estimate, about 40 percent of the total households in the County will be earning 80 percent or less of the area median income, and will be in search of more affordable

¹¹ Lancaster County Planning Commission. *Choices: the Housing Element of the Lancaster County Comprehensive Plan*. April, 2006. Page 4-10.

¹² American Community Survey. Online www.census.gov. Years 2004 to 2007. Original data is from the ACS, and these percentages were calculated by LCPC staff. The calculations of percentage of “households spending more than 30 percent of monthly income on housing costs” do not include households that have no income or households that pay no rent; however, these household types are included in the total number of households.

¹³ *Ibid.*

housing options. Within this income group, roughly 46 percent of households are expected to rent a home, while the remaining 54 percent are expected to own, so a variety of housing types and tenures will be necessary to meet housing demand.

AFFORDABLE HOUSING NEED: POPULATION GROUPS AND DEMOGRAPHIC TRENDS

Choices states that one reason for the growth in the number of cost-burdened households may be simple demographic trends. The Baby-Boomer Generation is aging and will begin to enter the retirement phase of life (age 65) around the year 2010. Many of these households will begin to transition from peak income-earners to fixed-income earners, which may limit the ability of these households to cope with significant cost-of-living increases, especially in housing and utility costs. In addition to the traditional housing costs, this population may also require home alterations to increase accessibility, or other assistance. The large size of this generation will cause the population in elderly and fixed income households to increase in proportion to the general population, thus potentially increasing the number of below-market elderly households.

Another demographic group that may find itself increasingly susceptible to the rising housing and living costs are young people and recent graduates of institutions of higher-education. Between 1993 and 2004, the average debt of graduating students in the United States increased by 108 percent, or 58 percent when accounting for inflation.¹⁴ In 2004, the average student graduated with a debt of \$19,200. For students graduating from a four-year institution in Pennsylvania, the average debt was \$22,776 – the eighth highest average debt of 46 states.¹⁵ The increasing burden of college debt on young people, coupled with typically low-wages in entry level jobs, will undoubtedly impact not only their ability to purchase property and qualify for new loans, but even their ability to afford decent rental housing.

People who lack a college degree may not enter the workforce having incurred thousands of dollars of debt, but they will enter it with different challenges. Median earnings vary significantly based on educational attainment; in general, the more education one has, the higher one's earning potential will be. In Lancaster County in 2007, the median salary for high school graduates was \$33,177, whereas for college graduates the median salary was \$41,988.¹⁶ The median income disparity between those without a high school degree and those with a graduate of professional degree totaled more than \$25,000 a year.¹⁷

People with disabilities are another population group that often has difficulty finding appropriate housing. People with physical or mental disabilities may require special living conditions, which could include special designs for or physical alterations to the dwelling unit, or staff to assist with day-to-day activities. People who require special accommodations may thus be

¹⁴ Project on Student Debt. "Quick Facts". Online: http://projectonstudentdebt.org/files/File/Debt_Facts_and_Sources.pdf.

¹⁵ Ibid.

¹⁶ American Community Survey. 2005-2007, 3-Year Estimates. www.census.gov.

¹⁷ It should also be noted that the median annual income for females is typically more than \$15,000 less than that of males who have attained a comparable level of education.

unfairly burdened with even greater housing costs than people who do not require such accommodations.

Low- and moderate-income people are disproportionately affected by a shortage of affordable housing. Using the definitions from *Choices*, moderate-income households earn between 81 and 115 percent of the county Area Median Income, or between \$42,739 and \$60,679.¹⁸ Low-income, or below-market households, earn 80 percent or less of AMI, or less than \$42,739. Households earning below \$60,679 tend to have less flexibility in their budgets, and are thus more vulnerable to steep increases in housing prices or rent. These income brackets may include people who work as ambulance drivers, security guards, dental assistants, preschool teachers, secretaries, nursing aides, cooks, waiters/waitresses, or in other occupations which contribute significantly to the health, well-being, and happiness of people within a community.¹⁹

LOCAL HOUSING CONDITIONS

High home values, coupled with the tightened credit market, have caused many families to find themselves unable to move or buy a home. Home sales declined by about 36 percent from August of 2007 to August of 2008, dropping from 617 to 392.²⁰ The median selling price also declined slightly from \$182,500 in August of 2007 to \$177,000 in August of 2008; however, this is not necessarily an indication that home values are declining, but may suggest that the more affordably priced homes are selling more easily than are the more expensive homes.

While overall demand for market rate housing appears to be on the decline, in large part because of the current state of the economy, not-for-profit home builders are finding that community need is far exceeding their resources. Habitat For Humanity, as an example, reported that between September of 2007 and September of 2008, applications for their affordable housing program increased by 100 percent, shooting up from 270 to 540 applicants.²¹

NATIONAL ECONOMIC CONDITIONS AND THEIR IMPACT ON LOCAL CONDITIONS

Many of the trends observed in our local community reflect the overall economic crises occurring in our nation. National (and local) unemployment rates are at an all time high, as are foreclosure rates in many metropolitan areas throughout the country. Unless current trends are reversed soon, homeownership opportunities may be further restricted by lenders unwilling or unable to finance home mortgages or lend money to builders and developers.

¹⁸ American Community Survey. 2007 Estimate. www.census.gov.

¹⁹ Center for Workforce Information and Analysis. "Pennsylvania Occupational Wages: Lancaster County Labor Market Area." May 2007. http://www.paworkstats.state.pa.us/wages/PA_ow.xls.

²⁰ Mekeel, Tim. "24-yr. low for home sales here." Lancaster New Era, online. 10/02/2008.

²¹ Scott, Jeannette. "Shelter from the storms: No housing crisis for families moving into new Habitat homes." Lancaster Sunday News, online. 09/28/2008.

Part IV: Overview of Regulations Related to Housing and Development²²

National and statewide studies of the relationship between land use regulations and housing development conclude that certain regulations can have an impact on the availability of affordable housing options. This report will attempt to determine whether land use regulations in Lancaster County have an impact on housing price and availability, and if so, which ones may have the greatest impact. This section of the report will briefly evaluate conclusions from other research on the impact of regulations. A more detailed examination of existing regulations in Lancaster County will follow in Part IV.

Zoning and other land use regulations at the local level may inhibit the provision of a variety of affordable housing options. However, such regulations are not the only factors affecting housing prices. A multitude of factors and forces contribute to housing price and availability, including labor and material costs, availability of financing for buyers and developers, land values, changes in population, demographics, migration, and other local economic factors such as unemployment rates and income.²³ Consumer preferences and expectations related to housing size, quality, and amenities, as well as federal or state priorities and corresponding policies may also contribute to the availability of specific types of housing.²⁴

Because there are a number of variables contributing to housing cost, it is important to recognize that the absence of regulation will not necessarily create housing affordability. In places where production costs and housing demand are both high, a townhouse on a small lot or an apartment may still be out of reach for a working family. A multitude of factors contribute to housing price and availability, thus a variety of programmatic and financing mechanisms will also need to be employed to truly promote affordable housing development.

It is important to note that land use regulations do not exclusively produce costs and barriers: most regulations were created for the public good and in order to maintain a high standard of development.²⁵ Whereas reasonable regulations can ensure the health and safety of residents of a community, excessive regulation may artificially elevate housing prices without an equal increase in benefits. This report attempts to focus on where the costs of particular regulations potentially outweigh the benefits.

²² This section is based primarily on two documents:

PA Department of Community and Economic Development. "Reducing Land Use Barriers to Affordable Housing." Planning Series #10. August, 2001.

US Department of Housing and Urban Development. "Creating a Task Force on Regulatory Barriers to Affordable Housing." 2007.

²³ American Planning Association. "Practice: Affordable Housing." Zoning Practice. Issue 2: February, 2008. [pg 4].

²⁴ Anthony, Jerry. "The Effects of Florida's Growth Management Act on Housing Affordability." Journal of the American Planning Association. Volume 69, Number 3: Summer 2003.

²⁵ American Planning Association. "Practice: Affordable Housing." Zoning Practice. Issue 2: February, 2008. [pg 4].

The document “Reducing Land Use Barriers to Affordable Housing” which is produced by the Pennsylvania Department of Community and Economic Development (DCED) and the Governor’s Center for Local Government Services, provides an overview of the various standards, planning strategies, and processing procedures that may contribute to limiting the supply of affordable housing, either intentionally or unintentionally. Examples of barriers noted in these documents include, but are not limited to²⁶:

1. Land Supply
2. Lot Requirements, Setbacks, and Density
3. Housing Types
4. Manufactured Housing/Mobile Home Parks
5. Accessory Dwelling Units/Secondary Dwelling Units
6. Infrastructure and Development Standards
7. Parking Standards
8. Landscaping, Buffering, and Parkland and Open Space Dedication
9. Fees
10. Plan Processing Procedures (refer to Part IV)

Land Supply

There are several regulations that may impact the availability of land that is available for residential development. The most apparent way in which land supply for residential development is limited is the failure to zone enough land to accommodate estimated population growth.²⁷ Commercial or industrial uses, and even low-impact, low-density residential uses may be preferred due to their ability to produce revenue while requiring minimum amounts of services in return. Land zoned for medium and high density residential development may be limited, though demand for high density housing types may be great.²⁸

Though a parcel of land may be zoned for residential development, it does not follow that the land can be developed or will be immediately used for that purpose. Often, residentially zoned land is engaged in another productive use which the owner may not give up for years or possibly decades. The land may also have certain environmental constraints that would preclude residential development. Additional barriers may exist within the zoning ordinance that may act to discourage development of the land to its fullest potential, or to the density for which it is zoned. Therefore, it is possible for a zoning map to appear to provide adequate opportunities for residential development when in reality limited or no immediate opportunities exist.

²⁶ US Department of Housing and Urban Development. “Creating a Task Force on Regulatory Barriers to Affordable Housing.” 2007.

Pennsylvania Department of Community and Economic Development. “Reducing Land Use Barriers to Affordable Housing.” Planning Series, number 10: August 2001.

²⁷ “Reducing Land Use Barriers to Affordable Housing.” [pg. 3].

²⁸ Ibid.

Additionally, unreasonable limitations may be placed on mixed-housing type developments or mixed-use designs.²⁹ Planned Residential Developments and Traditional Neighborhood Developments, which are enabled in the Pennsylvania Municipalities Planning Code, may be permitted only on excessively large tracts of land that are often difficult to assemble or acquire within the municipality. Because these development types are enabled through special regulations that allow for higher densities and reduced infrastructure requirements, they are more likely to contain some affordable housing component.³⁰

Lot Requirements, Setbacks, and Density

Low maximum density requirements minimize the number of lots available for development. The more land that is required per residential unit, the more expensive the unit is likely to be. One national study of zoning requirements in a variety of different settings estimated that excessive lot-size requirements were responsible for about 75 percent of the cost of “excessive” regulation.³¹

Minimum setbacks, including front, side, and rear setback requirements may contribute to larger lot sizes, and may act as a kind of secondary density limit.³² Side yards provide functional and emergency access to backyards, and front yards act as a transitional space to separate private from public space. However, in some cases front and side yard setback requirements are in excess of what is needed to provide access and/or privacy. Particularly in residential neighborhoods that experience little through traffic and no high-speed or truck traffic, lengthy setbacks may not be necessary to ensure safety or to limit sound penetration.

Housing Types

The structural type of a housing unit can have a significant impact on housing price. Detached units, which stand independently, are generally more expensive to produce than are other housing types. Semi-detached, attached, and multi-family units may share walls or ceilings with other units which can decrease the cost per unit. According to one local home builder, a townhouse will generally cost about 10 percent less than a single family detached home assuming unit size, materials, amenities, and applicable regulations are the same. However, the production cost may also vary among housing units of the same type depending on those very same variables. Special regulations for specific housing types may also be applicable which may drive up construction costs of some housing types. For example, in multi-family housing types sprinklers or elevators may be required which will increase costs.

Because housing types such as apartments or townhouses are more likely to be affordably priced, the exclusion of such housing types could reduce the availability of affordable housing options within a community. Zoning ordinances typically specify the types of housing units that are

²⁹ “Reducing Land Use Barriers to Affordable Housing.”[pg 3].

³⁰ Ibid.

³¹ American Planning Association. “Practice: Affordable Housing.” Zoning Practice. Issue 2: February, 2008. [pg.7].

³² Ibid.

allowed within each zoning district. Single-family detached homes are the most commonly permitted residential use, whereas other housing types may be permitted in only one or two zoning districts within a given municipality. Some housing types may be required to go through a special process in order to request a conditional use or special exception, which may increase the time and cost associated with the planning and review phase of the development. Ultimately, housing type restrictions may limit a developer's ability to profitably meet market demand for specific housing types.

Within many jurisdictions, it is possible that there simply is not enough land that is available to be developed for a variety of housing types. For example, if single-family housing is permitted in all zoning districts, while apartments are permitted in only one zoning district, it is much more likely that single-family detached units will be the more common housing type developed in that municipality. Even if multi-family housing is a permitted use within one zoning district, that land may still be developed into single-family detached homes. In short, it is possible that there is far more land available for single-family detached units than for other housing types which may be more affordable.

Limitations on Manufactured Housing/Mobile Home Parks

As per the Pennsylvania Municipalities Planning Code, jurisdictions in Pennsylvania are required to provide for mobile homes and mobile home parks.³³ Regulations governing mobile home parks may contain several barriers, including excessive minimum total acreage, limited land zoned for Mobile Home Park development, excessive buffers, and low densities that render the properties unaffordable to their target demographic. Individual mobile homes, or manufactured housing, must be permitted on individual lots in the same way as other single-family detached units are permitted.³⁴

Accessory Dwelling Units/Secondary Dwelling Units

Zoning ordinances often do not allow for accessory dwelling units, which are also known as multi-generational housing units, elder cottages, ECHO housing, extended family housing, accessory apartments, etc. These housing units are typically secondary dwelling units on one property, which may be attached to, contained within, or separate from the primary residence. Such dwelling units may provide a more affordable housing option for single, young, disabled or elderly people who require only a small living space. In some cases, habitation of such secondary dwelling units may be unnecessarily limited to those who are related by blood or marriage to the occupants of the primary dwelling unit, or fit certain age or ability criteria. Access to adequate sewer or water facilities may also be a limiting factor for these types of affordable units.

³³ Section 604A(4) To provide for the use of land within the municipality for residential housing of various dwelling types encompassing all basic forms of housing, including single-family and two-family dwellings, and a reasonable range of multifamily dwellings in various arrangements, **mobile homes and mobile home parks**, provided, however, that no zoning ordinance shall be deemed invalid for the failure to provide for any other specific dwelling type.

³⁴ "Reducing Land Use Barriers to Affordable Housing." [pgs. 7-8]

Infrastructure and Development Standards

Many jurisdictions use uniform development requirements, regardless of the type or density of the development.³⁵ Standards may require excessively wide streets, which are often thought to be necessary for emergency vehicle access. However, wider streets may cost more to build and maintain, and may also increase the volume of storm water, thus necessitating more significant storm water management systems. They will also require pipes and other underground utilities to extend for longer distances at greater expense. Where wider streets are required, the costs will inevitably be passed on to the buyer.

The amount of land available for development may be limited by sewer and water access.³⁶ Where no water or sewer service is available, larger lot sizes are typically required in order to provide enough space for a septic tank, drain field, and adequate separation distance from an on-site water system. This will ultimately result in fewer housing units and greater land expense for the buyer. Where a developer is required to install public or shared sewer and water, the price of this infrastructure is typically passed on to the buyer. In some cases, development is not possible or must be delayed due to insufficient capacity at local waste treatment facilities.

Sidewalks can provide safe access for pedestrians to a variety of locations, increasing the likelihood that residents will walk rather than drive to nearby destinations. Traditional sidewalks are a vital element of any downtown or walkable community. However, they are unfortunately expensive for developers to install and for homeowners to maintain and replace. In highly rural settings with minimum foot traffic and few commercial or recreational destinations within walking distance, the provision of sidewalks on both sides of the street may increase costs without an equal increase in benefits.

Parking Standards

Some jurisdictions may require a per-unit parking requirement that is in excess of what a typical household would be expected to use, or may impose minimum stall widths on all parking spaces which are much larger than necessary for most vehicles.³⁷ Because surface parking is a land-intensive use, parking requirements will probably have the most significant impact on housing prices in places where land values are very high. Excessive parking requirements will increase impervious surface area, which may increase the need for storm water management, which in turn, further increases the costs of development. Parking requirements may also vary depending on housing type. Often townhouses, apartments, and other multi-family dwelling types, which are typically some of the most affordable housing options within a community, are required to provide as much, or even more parking as single-family detached housing units. Such regulation

³⁵ American Planning Association. "Practice: Affordable Housing." *Zoning Practice*. Issue 2: February, 2008. [pg 5]

³⁶ "Reducing Land Use Barriers to Affordable Housing." [pg. 3]

³⁷ *Ibid.* [pg. 9].

runs counter to national trends, which indicate that low-income households on average have fewer cars and make fewer trips than do moderate- and high-income households.³⁸

Landscaping, Buffering, and Parkland and Open Space Dedication

Buffering may be required in inappropriate or unnecessary locations, such as between different residential uses or housing types.³⁹ In some cases, certain residential uses are singled out with buffering requirements while others are not. Required buffers may be exceptionally wide, or may require excessive amounts and types of plantings. Jurisdictions may also require significant parkland or open space dedication in excess of what is necessary for the community or the development, or in a manner that is not compliant with the Municipalities Planning Code.

Fees

Review or impact fees are typically one-time fees applicable to new construction. According to HUD, flat impact fees are often applied uniformly across a municipality, regardless of housing types, value, or realistic estimates of impact. This method has the effect of placing a greater share of the burden on smaller housing units, even though these housing units will generally create less of an impact than do larger housing units. HUD describes this as a “regressive effect; that is, flat fees fall disproportionately on those with lower incomes than with higher ones.”⁴⁰

Other Barriers

Overall, many of these potential barriers represent a lack of flexibility in regulations. Overly prescriptive regulations, which may limit the ability of the developer to work with unique site limitations, respond to local preferences and demand, or select the most cost-effective development plan, may be partially responsible for increasingly unaffordable housing prices. Some regulations may not produce the types of housing or communities that people want, or that local residents would hope to see in their communities.

In addition to traditional land use and zoning barriers, other regulations may also have an impact on the availability of affordable housing. Property taxes, for example, are often a hidden or unexpected cost of buying a home for first-time homebuyers. In Pennsylvania, property tax millage rates vary significantly both by municipality and by school district, and may significantly impact a homeowner’s ability to afford a home.

Availability and ease of transportation is another factor that may contribute to cost of living. In places where public transportation is not conveniently available, or is not available at all, households will essentially be forced to rely on private transportation. While private

³⁸ US Department of Transportation. “Summary of Travel Trends: 2001 National Household Travel Survey.” <http://nhts.ornl.gov/2001/pub/STT.pdf>. December 2004. [pg. 33].

³⁹ “Reducing Land Use Barriers to Affordable Housing.” [pg 7]

⁴⁰ US Department of Housing and Urban Development. “Impact Fees and Housing Affordability: A Guide for Practitioners.” June 2008. www.huduser.org. [pg. 12].

transportation is convenient, the cost of purchasing, insuring, maintaining, and fueling a private vehicle may quickly place a significant strain on household finances. In remote locations, costs may also be augmented by the long distances that are necessary to travel in order to reach work, school, daycare, the grocery store, or other important destinations. The lack of public transportation in less urbanized areas may thus impact the ability of a household to afford decent housing.

Part V: Specific Analysis

In an effort to determine how land use regulations have affected housing affordability in Lancaster County, the regulations of twenty municipalities in the County were surveyed. These municipalities included a mix of urban, suburban, semi-rural, and rural communities.⁴¹ Urban municipalities included only boroughs, while those identified as suburban included municipalities in which a significant portion of the land area fell within urban growth areas established and adopted by Lancaster County through its growth management plan, Balance. Semi-rural municipalities contained some mix of urbanized and rural lands, and generally had some portion of land that fell within an urban or village growth area. Rural municipalities did not contain urban growth areas, but may have included village growth areas. Rural municipalities were primarily composed of agricultural and natural uses.

Several factors related to planning, zoning and fee structure were compared, including the following:

Regulations

1. Land Supply
2. Lot Requirements, Setbacks, and Density
3. Housing Types
4. Manufactured Housing
5. Accessory Dwelling Units/Secondary Dwelling Units
6. Infrastructure and Development Standards
7. Parking Standards
8. Landscaping, Buffering, and Parkland and Open Space Dedication
9. Fees
10. Plan Processing Procedures

In addition to the quantitative analysis of land use regulations, a more qualitative study was conducted in the form of three focus groups with municipal officials and developers around Lancaster County. A summary of the discussion and comparison of key findings of these focus groups comprises the second half of the specific analysis.

⁴¹ This study uses the categories of urban, suburban, semi-rural, and rural as identified in Appendix B of *Choices, the Housing Element of the Lancaster County Comprehensive Plan*.

LAND SUPPLY⁴²

Land is one of the most fundamental requirements for housing development. As such, it is important to ensure that adequate land is available for development. The methodology used for this portion of the study offers a generalized look at land available for residential development and the basic characteristics of that land, particularly zoning and water and sewer service. This data provides a basis for general comparison between municipalities and municipal types.

Lancaster County Geographic Information System (GIS) data on zoning, designated growth areas, and water and sewer service areas was used to estimate the amount of vacant, buildable land that is zoned for residential development. Land in residential, mixed use, and village zoning districts has been included in the study while land in agricultural, conservation, commercial, industrial, and other zones in which residential uses are accessory or are not permitted at all, was excluded.⁴³ In addition, this analysis looked specifically at standard zoning districts, and excluded overlays and optional districts such as cluster developments, Traditional Neighborhood Developments (TND's) and Planned Residential Developments (PRD's).⁴⁴

Once GIS figures were calculated, Lancaster County Planning Commission staff used municipal zoning ordinances to identify how various housing types are permitted in each of the residential districts within each surveyed municipality. Because the majority of municipal zoning ordinances require water or sewer service as a condition of permitting multi-family housing options, such as apartments and townhouses, LCPC staff calculated how much land exists that is not only zoned

⁴² The data from this portion of the project was compiled by the Lancaster County Geographic Information System (GIS) Department. Final numbers were produced using the most up-to-date layers as of April, 2009. The data was derived from the following GIS layers: Lancaster County growth areas, land use/land cover, municipal boundaries, municipal zoning boundaries (as of November, 2008), parcel boundaries, and water/sewer lines. Parcels are identified as having water and/or sewer service if any part of the parcel falls within a 200 foot buffer of a water or sewer service line, with the exception of urban municipalities, in which the study assumes all areas have access to water/sewer. No additional assumptions or calculations of pipe capacity or franchise areas have been used. Land is determined to be vacant based on the land use/land cover layer, which is derived from aerial photography taken in 2005. Because the land use/land cover data was only updated several years ago, it is possible that this method overestimates the amount of land that is vacant and available for development. It should be noted that this data was compiled using definitions from a version of the LCPC Growth Tracking system that is currently in the process of being updated, thus the boundaries, definitions, data sources, and methodology used in this document may not be consistent with future LCPC Growth Tracking Reports. Current "vacant land" is derived from land that has been designated as either a "Concentrated Building Area" or a "General Building Area" as per the definitions given in *Balance, the Growth Management Element of the Lancaster County Comprehensive Plan*.

⁴³ Zoning districts that do not allow residential uses, that allow only conversions or second-story residential uses, or that allow residential uses only as uses secondary to another purpose (as in the case of agriculture or industry) have not been included. This is based on the assumption that the majority of housing units will not be located in these districts.

⁴⁴ These options and overlays have been excluded in an effort to minimize complexity of the GIS land analysis. However, because these special districts have been excluded, it is possible that this study underestimates the potential for multi-family and town house development. This is due to the fact that some municipalities allow multi-family or townhouse housing types within special overlay districts that require a conditional use hearing, but not within a district under the standard zoning or as a use permitted by right.

for multi-family development, but also has access to the infrastructure that would render such development feasible.

TOTAL LAND ZONED FOR A RESIDENTIAL USE

As expected, the amount of land zoned for residential uses as a percentage of total land area is highest in urban municipalities and lowest in rural municipalities. An average of 65.4 percent of all land is zoned for residential uses in the surveyed boroughs, while that figure is about 38.2 percent in suburban municipalities, 14.0 percent in semi-rural municipalities, and 7.8 percent in rural municipalities. In terms of the absolute amount of land zoned for residential uses, suburban municipalities generally contain the most land, though several semi-rural municipalities rival or even exceed suburban municipalities. The average surveyed suburban municipality contains about 5,000 acres of residentially-zoned land, while this figure is about 3,175 acres, 1,265 acres, and 580 acres in semi-rural, rural, and urban municipalities, respectively.

INSIDE DESIGNATED GROWTH AREAS – URBAN MUNICIPALITIES⁴⁵

Among surveyed urban municipalities, the amount of vacant, residentially-zoned land within designated growth areas ranges from about 73.0 to 152.6 acres per municipality. As a percentage of total land in the municipality, these acreages constitute between 6.8 to 18.6 percent of the total land area of the municipality. Vacant, residentially-zoned land within designated growth areas constitutes an average of 12.9 percent of the total land in surveyed urban municipalities.

About 45.2 percent of all vacant, residential land in the surveyed urban municipalities is zoned for multi-family and/or townhouse development. Relatively significant variation exists between individual municipalities; in some municipalities as little as 25.0 percent is zoned for multi-family/townhouse development, while this figure is as great as 100.0 percent in others.

INSIDE DESIGNATED GROWTH AREAS – SUBURBAN MUNICIPALITIES

The amount of vacant land zoned for residential development within designated growth areas in surveyed suburban municipalities ranges from about 325 to 2,300 acres per municipality. As a percentage of total land in the municipality, these acreages span from about 3.1 to 15.4 percent of the total land area of the municipality. Vacant, residentially-zoned land constitutes an average of 10.1 percent of the total land in surveyed suburban municipalities.

In total, about 14.4 percent of vacant residentially-zoned land within designated growth areas is zoned for the development of apartments, townhouses, or other multi-family housing types. This percentage varies from 13.8 to 16.5 percent in individual municipalities.

In total within the surveyed suburban municipalities, about 63.5 percent of the vacant, residentially-zoned land within designated growth areas has access to both water and sewer

⁴⁵ All land located within urban municipalities, or incorporated cities or boroughs, is assumed to have access to water and sewer. It is possible that some portions of the boroughs do not have access to these utilities.

service. Of the remainder of land, about 18.7 percent has either water or sewer service area, and about 17.8 percent lacks access to both water and sewer service.

Of the land that is zoned for townhouse and/or multi-family development, about 80.1 percent has access to water and sewer, 13.7 percent has access to water or sewer, and about 5.5 percent lacks access to both water and sewer. This means that land with water/sewer access is more likely to be zoned for multi-family development. However, it also means that there is still land within designated growth areas in suburban municipalities which is zoned to allow for multi-family housing yet may lack the infrastructure to support multi-family housing types.

INSIDE DESIGNATED GROWTH AREAS – SEMI-RURAL MUNICIPALITIES

Among semi-rural municipalities, the amount of vacant, residentially-zoned land within designated growth areas ranges from about 212 acres to 1,655 acres. As a percentage of total land in the municipality, these acreages constitute from about 1.6 percent of the total land to 5.3 percent of the total land area of the municipality. Vacant, residentially-zoned land constitutes an average of 3.5 percent of the total land in surveyed semi-rural municipalities.

About 30.4 percent of all vacant, residential land in the surveyed semi-rural municipalities is zoned for multi-family and/or townhouse development. Significant variation exists between individual municipalities; in some municipalities as little as 13.4 percent is zoned for multi-family/townhouse development, while this figure is as great as 95.4 percent in others.

In total in the surveyed semi-rural municipalities, about 30.1 percent of vacant, residentially-zoned land within designated growth areas has access to water and sewer service. Of the remaining land, about 36.3 percent has access to water or sewer but not both, and about 33.6 percent lacks access to water and sewer service.

Of the land that is zoned for multi-family and/or townhouse development, about 35.1 percent has both water and sewer access, about 35.3 percent has access to water or sewer, service but not both, and about 29.6 percent lacks access to water and sewer service.

In summary, about 30.1 percent of all vacant residential land has access to water and sewer, but about 35.1 percent of land zoned for multi-family/townhouse development has access to both water and sewer. This means that land with both water and sewer access is more likely to be zoned for multi-family or townhouse housing development. However, it also means that the majority of land zoned for multi-family/townhouse development in semi-rural municipalities may lack the infrastructure required to support it. Water and sewer service may therefore act as a significant factor in limiting the development of more affordable housing options in semi-rural municipalities.

INSIDE DESIGNATED GROWTH AREAS – RURAL MUNICIPALITIES

Among rural municipalities, the amount of vacant, residentially-zoned land within designated growth areas ranges from 0 to 382.3 acres. As a percentage of total land in the municipality,

these acreages constitute from about 0 to 2.9 percent of the total land area of the municipality. Vacant, residentially-zoned land within urban growth areas constitutes an average of 1.3 percent of the total land in surveyed rural municipalities. It is important to note that this does not mean that some rural municipalities do not zone any land for residential uses; rather, some rural municipalities do not have designated growth areas due to their highly agrarian nature.

About 64.8 percent of all vacant, residential land within designated growth areas in the surveyed rural municipalities is zoned for multi-family and/or townhouse development. Extreme variation exists between individual municipalities; in some municipalities there is no land zoned for multi-family/townhouse development, while in other municipalities all land is zoned for multi-family/townhouse development.

None of the vacant, residentially zoned land in the surveyed rural municipalities has access to both water and sewer. About 36.7 percent have access to water or sewer but not both, while the majority of the land, or 63.3 percent, lacks access to both water and sewer.

Because of the lack of public water/sewer service in rural areas, there is no land in the surveyed rural municipalities which are zoned for multi-family/townhouse development and have access to both water and sewer service. The land is nearly evenly divided between land that has either water or sewer, or neither. About 50.6 percent has access to water or sewer, service but not both, and about 49.4 percent lacks access to water and sewer service.

SUMMARY – LAND WITHIN DESIGNATED GROWTH AREAS⁴⁶

The greatest amount of land that is available for residential development among surveyed municipalities is located in suburban and semi-rural municipalities. As a percentage of the total municipal land area urban municipalities have the most land zoned for residential development. It is important to remember that zoned land is not necessarily available for development, due to the fact that land may be actively engaged in another use. Additionally, land that is zoned to allow townhouse and/or multi-family development will not necessarily be developed as townhouses or multi-family housing. Other barriers or factors may prohibit this development, or render it less profitable than other types of development. Housing type is also not directly linked with housing price, therefore the production of multi-family or townhouse development will not necessarily increase affordable housing opportunities.

Water and sewer service is most prevalent in urban and suburban municipalities, and far less common in semi-rural and rural municipalities. For this reason, provision of water and sewer represents a significant challenge to the provision of a diverse housing stock in rural and semi-rural municipalities. In general, land that is zoned for multi-family and/or townhouse development is more likely than vacant residential land overall to have access to both water and sewer service. However, in suburban municipalities about 20 percent of the land zoned for multi-family and/or townhouse development lacks water or sewer service, and the same is true of

⁴⁶ Total percentages may not add to 100 due to rounding.

about 65 percent of that land in semi-rural municipalities. On a municipality-by-municipality basis, it appears that some municipalities zone land that is served by both water and sewer for single-family detached housing, while simultaneously zoning land without water or sewer service for multi-family development.

Suburban municipalities have the greatest amount of land available for residential development, as well as the greatest percentage of vacant land with access to both water and sewer service; yet suburban municipalities also display the lowest percentages of land zoned for multi-family and/or townhouse development. Because special districts such as TND's and PRD's are not considered, it is possible that land available for multi-family and townhouse development has been underestimated in municipalities that offer a variety of these options.

TABLES

	<i>Average total acres of residential land per municipality</i>	<i>Range among surveyed municipalities</i>
Urban	579.6	[400.3 to 1,078.8]
Suburban	5,004.4	[2,672.6 to 9,705.1]
Semi-rural	3,176.5	[816.6 to 9,025.6]
Rural	1,265.6	[660.4 to 1568.7]

	<i>Percent of total land that is zoned for a residential use</i>	<i>Range among surveyed municipalities</i>
Urban	65.7	[46.0 to 80.1]
Suburban	38.2	[25.1 to 63.0]
Semi-rural	14.0	[9.6 to 29.0]
Rural	7.8	[5.0 to 10.6]

	<i>Range of acres of vacant, residential land within designated growth areas in surveyed municipalities</i>
Urban	73.0 to 152.6
Suburban	324.9 to 2,295.4
Semi-rural	212.2 to 1,654.8
Rural	0.0 to 382.3

	Average percent of total land that is vacant, residential land within designated growth areas	Range among surveyed municipalities
Urban	12.9	[6.8 to 18.6]
Suburban	10.1	[3.1 to 15.4]
Semi-rural	3.5	[1.6 to 5.3]
Rural	1.3	[0.0 to 2.9]

	Average percent of all vacant, residential land within designated growth areas that is zoned for multi-family and/or townhouse development	Range among surveyed municipalities
Urban	45.2	[25.0 to 100.0]
Suburban	14.4	[13.8 to 16.5]
Semi-rural	30.0	[13.4 to 95.4]
Rural	64.8	[0.0 to 100.0]

	Percent of vacant, residential land within designated growth areas by water/sewer service in surveyed municipalities		
	<i>W & S</i>	<i>W or S</i>	<i>No W/S</i>
Urban	100	---	---
Suburban	63.5	18.7	17.8
Semi-rural	30.1	36.3	33.6
Rural	---	36.7	63.3

	Percent of all vacant, residential land within designated growth areas that is zoned for multi-family and/or townhouse development, by water/sewer service in surveyed municipalities		
	<i>W & S</i>	<i>W or S</i>	<i>No W/S</i>
Urban	100	---	---
Suburban	80.1	13.7	5.5
Semi-rural	35.1	35.3	29.6
Rural	---	50.6	49.4

Potential barriers include:

- Land zoned for townhouse and multi-family development may lack the infrastructure necessary to support these housing types.
- Land that does have access to water and sewer service and thus could potentially support townhouse/multi-family development may not be zoned to permit these housing types

SETBACKS, LOT REQUIREMENTS AND DENSITY

Setbacks and lot requirements have been evaluated by housing type and municipal type in an effort to see how municipalities with different density requirements permit each major type of housing. Lot area requirements have been surveyed for all primary residential, mixed commercial/residential, and village/urban districts.⁴⁷ Unless otherwise specified, the lot requirements for housing types in this section are applicable to lots that have public/shared water and sewer access. The four main housing type categories that were evaluated include:

- Single-Family Detached
- Single-Family Semi-Detached/Duplex
- Townhouse/Single-Family Attached
- Multi-Family/Apartments

In comparing lot sizes and densities, it is important to remember that municipalities may include several different measurements within a single standard which may complicate accurate comparison. For example, a municipality might list several different minimum lot sizes as appropriate for different housing types, yet place the same maximum density on all of these types, thus practically nullifying the effect of the minimum lot size. As an example, if municipality A sets a minimum lot size of 7,000 square feet but a maximum density of 5 DU/A (or 8,712 square feet/unit), and municipality B sets a minimum lot size of 6,000 square feet but a maximum density of 4DU/A (10,890 square feet/unit), municipality A may realistically be developed at a greater density, though municipality B technically has a smaller lot area requirement. The same may be true of additional setback requirements or lot coverage requirements, which may render it impossible to develop to the maximum density or fit a dwelling on a lot of the minimum allowable size.

SINGLE-FAMILY DETACHED HOUSING

Lot requirements for single-family detached dwelling units are generally larger than for single-family semi-detached and townhouse units. With a few exceptions, urban municipalities tend to have the smallest lot size and setback requirements for single-family detached units as compared with regulations in other municipal types, as well as the least degree of variation between

⁴⁷ Lot and area requirements for agricultural, conservation, floodplain, commercial, industrial, and other districts in which residential uses are not a primary use have not been included. Special overlay districts such as cluster, TND's, and PRD's have also been excluded.

municipalities. Municipal regulations are much less consistent in suburban, semi-rural, and especially rural municipalities. As an example, whereas the rear yard setback regulations in all five surveyed urban municipalities are within a 5 foot range of each other, the comparable range is 25 feet in suburban municipalities, 20 feet in semi-rural municipalities, and 30 feet in rural municipalities. This is probably not surprising, considering that rural municipalities may contain village areas as well as agricultural areas, thus requiring a variety of standards.

Water/sewer service is a significant determining factor for lot area requirements in rural and semi-rural municipalities, and even to some extent in suburban municipalities. In all but one municipality, single-family detached without water or sewer service require a lot size of at least one acre or more, often with corresponding increases in setback requirements.⁴⁸ This is due to the significant land needs of private septic system leach fields.

In areas with water/sewer service, minimum lot sizes for single-family detached housing range from 5,000 to 20,000 square feet. Urban municipalities generally require the smallest minimum lot sizes, with the five surveyed urban municipalities ranging from 5,000 to 12,500 square feet. Suburban municipalities are clustered at the larger end of the spectrum, ranging from 7,000 to 20,000 square feet. Rural and semi-rural municipalities have minimum lot sizes ranging anywhere from 5,000 to 20,000 square feet.

Though urban municipalities generally permit the smallest lot sizes, they also have lot coverage requirements that are more restrictive than in other municipal types. Whereas the highest maximum lot coverage percentage in any of the urban municipalities is 50 percent, the corresponding percentages are 60, 70, and 75 percent in suburban, semi-rural, and rural municipalities, respectively. Particularly in the urban municipalities, a small minimum lot size may not be attainable if the lot coverage maximum is set very low.

Additionally, urban municipalities often require minimum lot widths that may be greater than existing development. Given that boroughs and urban areas in the county are more likely to contain long, narrow lots it is surprising to find that urban areas do not permit the narrowest lot widths. Ranges for urban and suburban municipalities are similar, spanning from 40 to 100 and 50 to 100 feet, respectively. Both the smallest and largest minimum lot width requirements are found in rural and semi-rural municipalities, which range from 30 to 175 feet.

The range for required front setbacks generally spans from a low of 10 feet to a high of 50 feet. However, many rural and semi-rural municipalities use variable front setbacks based on road type. In these municipalities, front setback minimums can reach as high as 200 feet on busy roads. Front setbacks are generally both the most consistent and the lowest in urban municipalities, ranging from 20 to 30 feet, while in both urban and suburban municipalities front setbacks most commonly fall between 20 and 35 feet.

⁴⁸ The Department of Environmental Protection (DEP) may require a larger lot size than the municipal zoning ordinance in order to ensure adequate infiltration capacity. This is particularly relevant in areas with certain soil types or existing groundwater problems.

Side setbacks for single-family detached homes in surveyed municipalities range from 5 to 20 feet, with ranges remaining generally consistent across municipal types. The most commonly used side setback among surveyed municipalities is 10 feet. It is important to recall that even small differences in side setbacks can significantly increase lot size, due to the fact that side setbacks are applicable twice.

Rear yard requirements range from 10 to 50 feet, and vary significantly even within municipalities of the same type. Urban municipalities have the most consistent regulations, with minimum rear setbacks ranging only from 25 to 30 feet. Regulations within suburban, semi-rural, and rural municipalities fall both higher and lower than the requirements within urban municipalities.

Rural municipalities are the most likely to use lot depth requirements in addition to lot width and total area requirements. While generally the product of lot widths and lot depth requirements should equal the minimum lot area, this is not always the case in surveyed rural municipalities. For example, if multiplying the minimum lot width and lot depth results in a lot area of 12,000 square feet, then a stated minimum lot area of 10,000 square feet is meaningless as the depth/width requirements render it impossible to create a lot of that area given other requirements.

SINGLE-FAMILY SEMI-DETACHED

Single-family semi-detached housing is permitted in surveyed municipalities at minimum lot sizes ranging from 3,000 to 16,500 square feet. With the exception of one urban and one rural municipality, all surveyed municipalities permit a minimum lot size of less than 8,000 square feet. More than a quarter of surveyed municipalities provide minimum density requirements in addition to lot size requirements.

Maximum lot coverage requirements for single-family semi-detached housing units are similar to those for single-family detached housing units, ranging from 25 to 75 percent. Urban, semi-rural, and rural municipalities maintain the same ranges for single-family detached as for single-family semi-detached. These ranges change slightly in suburban municipalities, ranging from 25 to 65 percent, which means that some suburban municipalities increased the permitted lot coverage for single-family semi-detached while others reduced it.

Front yard setbacks for single-family semi-detached housing units are consistent with requirements for other single-family housing types in different municipal types. It appears that generally municipalities maintain similar or uniform front yard setbacks among all single-family housing types. These setbacks commonly range from 20 to 30 feet, though in some cases, particularly in rural areas, front setbacks may reach as high as 200 feet depending on road type.

Side setbacks for single-family semi-detached housing units range from 3 to 25 feet. Urban municipalities generally allow the most minimal side setbacks, with all but one of the surveyed urban municipalities requiring 10 feet or less. Rural municipalities consistently require between

10 and 15 foot setbacks. Suburban and semi-rural municipalities most frequently require either 10 or 25 foot setbacks, and are the only municipal types to require side setbacks of greater than 15 feet.

Rear yard setback requirements range from 20 to 40 feet. Overall, the lowest and most consistent setback ranges are found semi-rural municipalities, in which all rear yard setback requirements fall between 20 and 30 feet. Urban and suburban municipalities most commonly require setbacks of between 25 and 35 feet, while the range for rural municipalities is between 20 and 40 feet.

Requirements for lot width at the setback line range from 20 to 200 feet. The more common lot width requirements fall between 30 and 60 feet, with municipalities requiring more than 100 feet being the exception rather than the rule.

All of the zoning ordinances of surveyed rural municipalities contain lot depth requirements, whereas most other municipal types do not specify lot depth. Minimum lot depths in rural municipalities range from 80 to 150 feet. Of the few urban, suburban, and semi-rural municipalities that use lot depth requirements, the majority require a depth of 100 feet.

TOWNHOUSES

Whereas most housing types seem to be permitted on smaller lots and on greater densities in urban municipalities, townhouses appear to be the exception. Lot requirements for townhouses in the surveyed municipalities are generally less stringent in semi-rural, suburban, and even rural municipalities than in urban municipalities.

Minimum lot area requirements for townhouses range from 2,000 to 10,000 square feet per unit. Whereas the majority of suburban and semi-rural municipalities permit townhouses at a minimum lot size of 2,000 square feet per unit, only one of the surveyed urban municipalities allows a lot size of 2,000 square feet and most require at least 3,500 square feet per unit. Though semi-rural municipalities in general allow for the lowest lot size per unit, they are also the most likely to impose additional density requirements that decrease allowable density.

Maximum lot coverage percentage regulations for townhouses range from a high of 85 percent to a low of 30 percent. Urban municipalities allow the lowest percentage of lot coverage, with a range of 30 to 60 percent, while semi-rural municipalities allow the highest percentage of lot cover with a range of 60 to 85 percent. This means that townhouses in urban municipalities will likely require larger lot sizes in order to comply with lot coverage requirements.

Front yard setbacks for townhouses are consistent with requirements for other single-family housing types in different municipal types. It appears that generally municipalities maintain similar or uniform front yard setbacks among all single-family housing types.

Required side yard setbacks for end units range from 5 to 30 feet. Standards among suburban, semi-rural, and municipalities are very consistent, ranging from 10 to 15 feet. Urban municipalities have highly inconsistent regulations, with setbacks ranging from 5 to 30 feet.

Required rear yard distances range from 15 to 40 feet. All surveyed urban and suburban municipalities require rear yard setbacks between of 25 and 35 feet. Semi-rural municipalities generally required rear yard setbacks between this 25 to 35 foot range, while regulations among rural municipalities are much less consistent. Setbacks in rural municipalities range from 20 to 40 feet, with municipalities spread across the range.

In additional to typical lot area requirements, many municipalities also require additional setbacks for the interior of parcels on which townhouses (and multi-family housing) is to be constructed. The most common guidelines require 30 to 50 feet between the front, rear, and sometimes sides of buildings, as well as additional setbacks from interior roads. Many municipalities also limit the number of townhouses that may be constructed in one row, typically to six or eight units.

Of the surveyed municipalities, townhouses are generally permitted at greater densities, smaller lot sizes, and with a greater permitted percentage of lot cover in suburban and semi-rural municipalities. Urban municipalities are more likely to impose larger lot area, side and rear setback, and lot width requirements and to permit a smaller percentage of lot cover than are other municipal types.

MULTI-FAMILY HOUSING

For multi-family housing, setback and lot area requirements tend to be particularly stringent and more regulated than other housing types. Multi-family housing types are typically more affordable to produce and purchase because they require less land. However, in many places the potential savings may be reduced by greater setback and larger lot requirements for multi-family housing types.

Minimum lot sizes for multi-family housing units and apartments may be determined in several different ways⁴⁹:

- Assign certain lot acreage per housing unit, such as 3,000 square feet per dwelling unit.
- Assign a base lot size, regardless of the number of units.
- Assign a base lot size and add additional area on for every additional unit, such as 10,000 square feet plus 2,000 square feet for every housing unit.
- Assign an overall maximum lot density, such as 12 dwelling units per acre.

⁴⁹ In some cases, municipal zoning ordinances fail to specify whether the minimum lot size required is a per-unit or a per-structure requirement. This is a potential source of error or inconsistency in the data.

Many times a municipality may use one method to determine minimum lot sizes for single-family housing units, while using a different method for multi-family housing. For the purposes of this comparison, density was determined by computing the per-unit lot size for a building containing 6 dwelling units. The lot sizes listed in this document are thus not the minimum lot size for any single unit or structure but rather the minimum lot size for a structure containing six multi-family/apartment units.

Minimum lot size for a six-unit multi-family building ranges from a low of 12,000 square feet to a high of 87,120 square feet in areas with water/sewer service. While a suburban municipality allows the smallest lot area among surveyed municipalities, urban municipalities are the most likely to permit a six-unit multi-family housing development on a lot of 20,000 square feet or less. Semi-rural municipalities are the most likely to require a minimum lot size of 2 acres (87,120 square feet). At least one municipality in each of the urban, suburban, and semi-rural groups requires a minimum lot size of 87,120 regardless of the number of units; however the greatest requirement among rural municipalities is 60,000 square feet.

In the vast majority of the surveyed municipalities, water and sewer service is a requirement for multi-family and apartment housing types. A few exceptions exist among rural municipalities; one of the surveyed municipalities provides specific lot area requirements for multi-family housing units in areas without water or sewer service, and two municipalities specify that multi-family housing must have sewer service but does not require water service. The municipality that does not require water or sewer service adheres to the common practice of requiring at one acre of lot area per unit in order to accommodate the leach field of an on-lot septic system. This means that a multi-family housing structure with six units would require a minimum lot area of 261,360 square feet, or six acres, if built in an area without sewer service.

Maximum lot cover requirements⁵⁰ for multi-family housing types range from a high of 70 percent to a low of 20 percent. Urban and suburban municipalities tend to have mid-range lot cover requirements, generally ranging from 40 to 65 percent. The range for semi-rural municipalities is slightly larger, spanning from 40 to 70 percent, while rural municipalities generally require much lower lot coverage, or between 20 and 50 percent. Suburban and semi-rural municipalities are the most likely to allow a lot coverage percentage of 60 percent or greater.

Front setback requirements range from 10 to 200 feet.⁵¹ Among urban, suburban, and semi-rural municipalities, however, the highest required front setback is 50 feet, and most common

⁵⁰ In most municipalities, lot cover requirements are defined as the percentage of land on a parcel that is covered by impervious surfaces, including buildings and surface paving.

⁵¹ Some municipalities, especially those in rural areas, assigned front setback guidelines based on the road type on which the property was situated, thus two properties of the same building type located within the same zoning district may be required to provide different front setbacks. The maximum of 200 feet is likely the setback required along one specific, major thoroughfare.

setbacks are either 25, or 50 feet. It should be noted that front setbacks for multi-family housing are often significantly greater than what would be required for other housing types.

Side setbacks for multi-family housing units range from 8 to 50 feet. Suburban and semi-rural municipalities tend to have the higher side setback requirements with most requiring in excess of 20 feet, while the majority of urban and rural municipalities require side setbacks of less than 20 feet.

Ranges for rear setback requirements among all municipal types are generally consistent, spanning from 20 to 50 feet. Within each municipal type, typically about half of the municipalities require a setback of 50 feet, whereas half of the municipalities require 25 or 30 feet. Overall, setback requirements within municipal types vary significantly.

Lot width requirements for multi-family housing types in the surveyed municipalities range from 60 to 200 feet. In general, the lowest lot width requirements are found in rural municipalities, in which the range of lot widths is 80 to 100 feet. Suburban and semi-rural municipalities all fall between 100 and 200 feet, with the majority of municipalities requiring either 100 or 200 feet. Lot width requirements are the most inconsistent among urban municipalities, in which minimum lot widths range from a low of 60 to a high of 200 feet.

It is relatively common for municipalities to require a 50 foot buffer on each side of a multi-family building. In addition to traditional front, side, and rear setback requirements, many municipalities also maintain requirements for interior lot distance between two buildings on the same site, including distances between the faces, sides, and backs of buildings. These interior distance requirements between buildings commonly fall between 30 and 80 feet. Requirements might also apply for minimum and maximum distances to parking facilities, or setbacks from the perimeter boundary of the development. Municipalities may also limit the number of housing units in each building.

DENSITY SUMMARY

<i>Average Maximum Estimated Density Permitted</i>	<i>Urban</i>	<i>Suburban</i>	<i>Semi-Rural</i>	<i>Rural</i>
Single-Family Detached	3.4	2.9	2.4	2.8
Single-Family Semi-Detached	5.4	5.0	4.5	4.1
Townhouse	9.3	7.5	7.6	8.3
Multi-Family	9.9	7.1	8.3	7.8

Density often seems to be a simple and straight-forward concept but in practice measurements and definitions of density can be convoluted. There are two main types of density that planners refer to: These terms are defined in *Balance, the Growth Management Element of the Lancaster County Comprehensive Plan*, as follows:

- **Gross Density** refers to the average number of housing units allocated per gross unit of land (i.e. the total area within the deeded property lines of the development site without exception and inclusive of streets, rights-of-way, etc.)
- **Net Density** is determined by dividing the aggregate number of residential units within property lines by the total number of acres within the same property lines. Because the land area is measured within residential property lines, all other lands such as streets, common open spaces, and utility rights-of-way are excluded from the acreage calculation.

The methodology employed for this study estimates gross density, or overall density of a parcel or land, assuming water and sewer service. The estimated density is based on municipal regulations and a standardized development scenario.⁵² Gross density has been used because it considers the total amount of land consumed as a result of residential development, rather than considering only the land consumed in private lots but not the ancillary requirements.⁵³

Municipalities may define “density” in different ways. Some rely on *net density*, whereas others use *gross density*. However, municipalities may also use a definition that is a cross between the two types, perhaps excluding land area in road rights of way but including parks and open space, parking, sidewalks, and access lanes in the density calculation

Whether a municipality chooses to use net or gross density can have a significant impact on the number of units which are permitted on a lot. For example, take a 10 acre parcel of which two-thirds (or about 6.6 acres) is developable land. Whereas a maximum net density of 5 units per acre could yield up to about 33.3 dwelling units, a maximum gross density of 5 dwelling units per acre could produce as many as 50 units on the same parcel.

Where municipalities employ a minimum lot size in addition to a maximum density requirement, these two standards could produce different results. Take the same 10 acre parcel, and assume a maximum net density of 5 units per acre and a minimum lot area requirement of

⁵² Density was approximated by assuming that about 2/3 of the land on any given parcel will be subdivided into lots on which residences will be constructed, whereas about 1/3 of the land will be used for road rights of way, parks or open space, storm water BMP’s, etc. Gross density may be lower if ½ the land is used for road rights of way, parks or open space or higher if only ¼ is used for such infrastructure.

⁵³ Average densities have been calculated on the basis of the number of zoning districts in which a specific housing type is permitted, not on the amount of land available within each zoning district. For example, if two zoning districts within a municipality permit single-family semi-detached housing units, one at a minimum lot size of 3,000 square feet and the other at 4,000 square feet, the average lot size for that housing type in that municipality is 3,500 square feet. This means that the actual municipal-wide development density may be lower than estimated if more land is zoned for the smaller minimum lot size, or higher than estimated if more land is zoned for the larger minimum lot size.

It is important to recall that for the purposes of this study, only primary residential districts in which residential development is a principal goal or purpose have been surveyed. Special districts and overlays such as Traditional Neighborhood Developments, Planned Residential Developments, and cluster developments have not been included. In these optional districts, maximum densities may be higher than in base zoning districts. Density bonuses in exchange for certain amenities may also allow developers to build to higher densities. Thus the “average” densities may be higher should a developer choose to build under a special or overlay district.

6,000 square feet per unit. Recall that a maximum net density of 5 dwelling units per acre will produce about 33.3 dwelling units on a 10 acre parcel, given the previous assumptions. A minimum lot area of 6,000 square feet per unit could produce up to 48.4 units. Because the more restrictive requirement takes precedence, only 33 dwelling units will be permitted on the lot, despite the fact that the minimum lot area regulations that might appear to be less restrictive.

On the basis of this average density methodology, several trends emerge. First, the more walls a housing type shares, the higher the permitted density for that housing type is likely to be. Housing units with shared walls lend themselves to higher density because some yard space between units has been eliminated. For example, compare townhouse units which share two side walls with neighboring units (with the exception of end units), and single-family semi-detached housing units which share only one wall with a neighboring dwelling unit. In all cases the average density of townhouse units is higher than the average density of single-family semi-detached housing units.

However, there are a few instances in which this rule does not hold true. In both suburban and rural municipalities, townhouse dwelling units on average are permitted at higher densities than are multi-family dwelling units. In many municipalities, maximum allowable densities for townhouse and multi-family housing types are the same.

Another general trend is that housing types are permitted at higher densities in urban areas and at lower densities in rural areas. While this is true for single-family detached and single-family semi-detached housing types, it is not true for townhouse and multi-family dwelling units. Suburban municipalities on average permit townhouse and multi-family housing types at densities lower than the average densities for those housing types in all other municipal types. Townhouse units are permitted at the lowest average densities in suburban and semi-rural municipalities, while multi-family housing types are permitted on average at lower densities in suburban and rural municipalities.

In general, suburban and semi-rural municipalities tend to permit lower maximum densities for townhouse and multi-family housing types than either urban or rural municipalities. Suburban and semi-rural municipalities are also the municipal types with the greatest availability of vacant, residential land with access to water to water and sewer service.

Potential barriers include:

- Methods of establishing density requirements are not consistent across municipalities.
- Various regulations for lot size and setbacks may have a duplicative or contradictory effect when compared with density requirements.
- Setback requirements may be excessive. Inconsistency in regulations of municipalities of the same type suggests that not all regulated setback distances are necessary.
- Maximum lot cover requirements may act to prevent developments from attaining permitted density.

- The more specific the lot size and setback requirements, the more difficult infill and redevelopment may be.
- Large interior lot and perimeter setback requirements for townhouses and multi-family housing may not be necessary.
- Limitations on the number of units per structure may unnecessarily decrease the lot density.

HOUSING TYPES ⁵⁴

HOUSING TYPES AS PERMITTED IN ZONING REGULATIONS

Zoning ordinances may limit the housing types that are permitted throughout the municipality and within individual zoning districts. There are two main reasons why housing type is important. First, as indicated in the previous section of this report, greater density and efficiency of development is generally easier to achieve with housing types that share walls or ceilings. In theory, the greater number of units per acre the lower the land cost per unit will be. Lower land costs hold the potential to decrease housing price. Second, shared walls and/or ceilings may reduce material and construction costs per unit. Together, these factors can potentially create savings for developers which may in turn be passed on to residents. Limitations on housing type may limit the price range of housing options within a municipality.

Participants in both the municipal staff and developer focus groups addressed the issue of housing type. Municipal staff believed that permitting certain housing types would not necessarily result in the production of these units; in many cases, developers simply would not take advantage of the full development potential. Municipal staff also attested to their openness to accepting housing types that are not in their ordinances if developers would be willing to work with them. Developers, on the other hand, felt that they had received different treatment from a municipality for plans containing “less desirable” housing types. They also indicated that conditional use or special exception processes for certain housing types can act as a deterrent for building those housing types.

⁵⁴ This section refers often to special exceptions and conditional uses. These terms are defined in l in the following way :

Special Exception: ‘A special exception is a permission granted an applicant to use land in a district for a purpose other than that generally permitted outright in that district. The permission or special exception is granted by the zoning hearing board in accordance with the standards contained in the zoning ordinance...A special exception is a use envisioned by the ordinance, and, if the express standards and criteria established by the ordinance are met, the use is one permitted by the ordinance.’

Conditional Use: “A conditional use is nothing more than a special exception that falls within the jurisdiction of the governing body rather than the zoning hearing board...Uses, which could be provided as conditional uses rather than as special exceptions, are often those uses that could have a direct effect upon the lives of all persons within the community.”

Source: Governor’s Center for Local Government Studies. “Special Exceptions, Conditional Uses, and Variances.” Planning Series #7. Eighth Edition: August, 2001. Pgs 2 and 6.

Developer focus group participants also identified the use of standard definitions across municipal zoning ordinances as one potential way in which to reduce the cost of development. Surveyed municipal zoning ordinances do show a significant degree of variation in terms, definitions, organization, and level of specificity in referring to housing types. This variation is especially problematic for single-family semi-detached, two-family detached, duplexes, and two-family semi-detached units. In some cases, municipalities use one general term to refer to all of these housing types, while in other cases each type is distinguished and allowed in different ways. This is also true of accessory housing units, which may be referred to as elder cottages, ECHO, extended family housing, or dawdy houses. Comparison between municipalities is complicated by the variety of definitions for the same housing type and the variety of terms for the same housing types.

In the vast majority of surveyed municipalities, single-family detached dwelling units are permitted within all residential zoning districts, and in many cases in agricultural, commercial, mixed-use/village, and even conservation districts.

Single-family semi-detached, two-family detached (duplexes), and two-family semi-detached are very rarely permitted within the lowest-density residential district, but are commonly permitted in medium and high-density districts. In the majority of municipalities, these housing types are permitted in far fewer zoning districts than are single-family detached dwelling units. Urban municipalities are far more likely to allow single-family semi-detached in the lowest-density residential district, though even in two of the five urban municipalities surveyed this housing type is permitted only in the highest-density zoning district. Three of the five rural municipalities surveyed allow these housing types in only one zoning district, though these municipalities tend also to maintain the simplest zoning district structure with the fewest zoning districts.

Attached dwellings, otherwise known as townhouses or row homes, are also commonly allowed only in the medium or high density residential districts. In more than half of the surveyed municipalities, this housing type is permitted by right, and the remaining 40 percent of the municipalities permit them only by special exception. Only in one rural municipality are attached units not provided for in any common zoning district, though townhouses are permitted within that municipality's cluster development option. In most cases attached dwellings are permitted in fewer zoning districts than are detached and semi-detached dwellings.

Multi-family housing is permitted in about half of the surveyed municipalities as a special exception or conditional use. Of the municipalities that allow multi-family housing only as a special exception/conditional use, two allow it as a permitted use in one zoning district. Urban and rural municipalities are those most likely to allow multi-family housing as only a special exception/conditional use, while suburban municipalities were more likely to allow it as a permitted use.

Accessory dwelling units, including Secondary Housing Units, ECHO Housing, Elder Cottages, and Granny Flats, tend to be found most commonly in agricultural districts. While accessory dwelling units are permitted in only one of the surveyed urban municipalities and in only two suburban municipalities, they are commonly allowed in semi-rural and rural municipalities.

Rather than permitting accessory dwelling units, which in most municipalities are temporarily converted spaces, urban municipalities tend to allow more permanent conversions. Conversions, also known as two-family conversions, multi-family conversions, and conversion apartments, are most commonly permitted as special exceptions though three of the surveyed municipalities require a conditional use hearing.

In the great majority of municipalities, manufactured/mobile home parks are permitted in only one zoning district, typically as a special exception or conditional use. None of the surveyed municipalities permit manufactured/mobile home parks in more than two zoning districts. The location of mobile home parks is fairly inconsistent across municipalities; whereas some allow mobile home parks only in the highest-density residential area, others allow them only in the lowest-density districts.

MINIMUM HABITABLE FLOOR AREA REQUIREMENTS FOR DIFFERENT HOUSING TYPES

In addition to general regulations governing where certain housing types may be placed, most ordinances also specify minimum and/or maximum floor area requirements for all or specific housing types. Because smaller housing units hold the potential to be more affordable, regulations that do not allow for smaller housing units may unnecessarily limit housing affordability. This does not appear to be a significant limiting factor for most housing types, but may be an issue for accessory dwelling units and conversions.

For single-family detached housing units, minimum habitable floor area requirements range from 600 to 900 square feet. The vast majority of municipalities that specify a minimum habitable floor area for single-family detached housing units, or about 70 percent, set this minimum at 700 square feet. This standard is the same for single-family detached, duplexes (also known as single-family semi-detached), and townhouses in most municipalities.

For multi-family housing units, minimum habitable floor area requirements range from 400 to 800 square feet. Only about 20 percent of surveyed municipalities that specify a minimum floor area requirement for all housing types listed the same requirement for multi-family housing types as for single-family housing types. The most common minimum requirement among surveyed municipalities is 400 square feet.

While minimum habitable floor area requirements are generally straightforward and consistent for common single-family and multi-family housing types, these regulations vary significantly for conversion or accessory dwelling units. Minimum habitable floor area requirements for conversion apartments range from 250 to 1,130 square feet. For conversion apartments, there

are several different ways in which minimum floor area is determined, though the majority of surveyed municipalities provide a minimum floor area requirement. One municipality determines minimum habitable floor area based on the number of bedrooms, resulting in a range of 500 to 1,130 square feet. Several municipalities also list either a minimum or a range of floor area requirements, with additional conditions related to the square footage of the original dwelling unit.

For accessory dwellings, the majority of surveyed municipalities allow a maximum area of 900 square feet. The range of maximum floor area requirements is 800 to 1,000, though there are several different ways in which municipalities present floor area requirements for accessory dwelling units. Only one municipality specifies a minimum, rather than a maximum square footage requirement. Only two of the surveyed municipalities provide a range of acceptable floor areas, and one specifies that the total area of the accessory dwelling unit should compose less than 40 percent of the area of the principal dwelling unit.

Potential barriers include:

- The use of conditional use for specific housing types may increase the cost and time associated with developing traditionally affordable housing types.
- Single-family semi-detached housing units are often excluded from low- and medium-density zoning districts, even in urban municipalities and those with water/sewer access.
- Special exception/conditional uses are commonly required for multi-family housing types in relatively high-density, urban areas.
- Inconsistency in housing type definitions between municipalities could be confusing for developers working in the region.
- Developers may choose not to build the full range of housing types permitted in a zoning district.
- Large minimum floor area requirements may unnecessarily limit the ability of developers to build smaller housing units with greater potential for affordability.

MANUFACTURED HOME PARKS⁵⁵

⁵⁵ According to the US Department of Housing and Urban Development, Title 42 The Public Health and Welfare, Chapter 70 Manufactured Home Construction and Safety Standards, Section 5402 Definitions, <http://www.hud.gov/offices/hsg/ramh/mhs/csp.cfm>, Manufactured Homes are defined in the following way: “A structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein; except that such term shall include any structure which meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the Secretary and complies with the standards established under this chapter; and except that such term shall not include any self-propelled recreational vehicle.”

Among surveyed municipalities, manufactured or mobile home parks are typically permitted in only one zoning district; only three of the surveyed municipalities permit manufactured home parks in more than one zoning district and no municipality permits them in more than two zoning districts. Manufactured home parks are permitted in zoning districts ranging from low-density residential to high-density residential, and in a few cases in commercial, industrial, and agricultural zones. In only one of the surveyed municipalities are mobile home parks permitted by right; in the majority of ordinances they are permitted as a conditional use, and a few are permitted as special exceptions.

The majority of municipalities require a minimum area of 5 acres in order to construct a manufactured home park. In some cases, however, the minimum required area is as high as 10 contiguous acres.

Maximum allowable density in manufactured home parks ranges from 1 dwelling unit per acre to 8 dwelling units per acre, while the most common maximum density is 5 DU/A. Explicit minimum lot sizes range from 2,500 square feet per lot to 7,000 per unit, though in reality 43,560 square feet would be the largest minimum lot size due to unit per acre density requirements. Densities of only 1 DU/A are typically only required if the manufactured home park would have no form of a public, community, or shared sewer system. The most common minimum lot size requirement is 4,250 square feet.

In most cases, some form of public, community, or shared sewer system is required in manufactured home parks while subsurface absorption systems are prohibited. There are a few rural municipalities which permit private septic systems, with corresponding increases in the minimum lot size required.

Manufactured home parks are subject to significant landscaping and buffering requirements. Most surveyed ordinances require a buffer of at least 50 feet between any structure within the manufactured home park and the park boundary, or a continuous 50-foot vegetative buffer around all manufactured home park boundaries. The buffer usually is required to contain dense vegetation as well as a 6 foot visual screen, such as a fence.

The minimum habitable floor area requirements for manufactured homes range from 400 to 800 square feet. Some municipalities do not specify a minimum floor area requirement. According to HUD, some manufactured housing units may contain as few as 320 square feet; thus a minimum floor area requirement of between 400 and 800 square feet may exclude the use of some manufactured homes.⁵⁶

Several (six) municipalities maintain Manufactured Home Park Ordinances separately from their zoning or subdivision and land development ordinances; in many cases, these ordinances are not readily accessible to county planning staff and thus are not included in the study.

⁵⁶ US Department of Housing and Urban Development. *Manufacturer's Fact Sheet*.
<http://www.hud.gov/offices/hsg/ramh/mhs/mfsheet.cfm>.

Parking requirements are consistent with what is required for other housing types, and in some cases even less than what is required in general within the municipality. Most municipalities require two parking spaces per unit, though a few municipalities require only one parking space. The most substantial standard requires the provision of two parking spaces per unit in addition to 4/10 of a space per unit for visitor parking.

Most manufactured/mobile home parks are required to use approximately 25 percent of the gross acreage of the park as passive/active recreational space. Open space requirements range from 10 to 30 percent of the gross acreage, though municipalities requiring only 10 percent usually specify that the 50-foot vegetative buffer is not to be included in the calculation of the open space. For a five-acre parcel of land, an open space requirements of 25 percent in addition to a 50-foot vegetative buffer on all property boundaries could have the effect of reducing the developable parcel area by more than 50 percent.⁵⁷

Potential barriers include:

- Open space and vegetative buffer requirements may be greater for manufactured home parks than for other housing types, and may significantly limit land available for development.
- Minimum floor area requirements may exclude smaller mobile/manufacture homes.
- Manufactured/mobile home parks are permitted in few zoning districts, limiting land availability.

ACCESSORY DWELLING UNITS/SECONDARY DWELLING UNITS AND CONVERSIONS

Many municipalities attach a host of special regulations to accessory dwelling units. These regulations may be intended to restrict the use of accessory dwelling units, track the existence of such units, limit overcrowding, or uphold existing bulk and lot requirements. In some cases, stringent regulation of such units are the primary way in which older communities with low levels of new residential development can control the proportion of renter occupied to homeowner occupied housing units. This may also be one way in which communities try to preserve the integrity of their historic residences.

In general, there are two main ways in which one parcel or dwelling unit may be changed in order to create more housing units.⁵⁸ These include:

⁵⁷ The exact percentage would vary depending on the exact lot measurements. The land area available for development would also be further reduced by infrastructure.

⁵⁸ A third residential accessory use was temporary housing for migrant farm laborers. Such regulations were not tracked as part of this study because these residences are intended for seasonal use only, as opposed to year-round occupancy.

- Accessory Dwelling Unit – The creation or addition of a secondary dwelling unit on a parcel, either within an existing dwelling unit, attached to an existing dwelling unit, or incorporated into a residential accessory structure. Structural types may also include temporary manufactured homes.
- Conversion Unit – The result of the permanent division of one dwelling unit into two or more dwelling units.

However, terminological consistency is lacking across municipal zoning ordinances. Though these two basic types exist, terms and definitions varied widely throughout the municipalities. The following are among the terms used by the surveyed municipalities:

- Accessory Apartment
- Accessory Dwelling Unit
- Accessory Farm Dwelling
- Double-Family Farm Dwelling
- Elder Cottage
- ECHO
- ECH
- Extended Family Housing
- Granny Flat
- Unit for Care of Relative
- Conversion
- Conversion Apartment
- Conversion Apartment House
- Conversion Farmhouse
- Multi-Family Conversion
- Residential Conversion
- Two-Family Conversion

PROVISIONS BY MUNICIPAL TYPE

Of the surveyed municipalities, the rural and semi-rural municipalities are most likely to contain a variety of secondary housing options, and urban municipalities are the least likely to make any type of alternative housing provisions available.

Of the five surveyed urban municipalities, only three contain provisions for any conversion or accessory dwelling types. Conversions are provided for in three urban municipalities, whereas accessory dwelling units are provided for in only one municipality. Conversions are provided for in either one or two zoning districts, typically only in the densest residential zoning district. In most cases conversions are permitted as a special exception, though in one municipality they are permitted as a use by right. Urban municipalities are less likely to allow conversions or accessory dwelling units, less likely to allow them in a variety of zoning districts, and also less likely to allow them as a permitted use.

Suburban municipalities offer a wider variety of these housing types than do urban municipalities. In some cases, a single suburban municipality may allow conversions and/or accessory dwelling units in two different ways: one set of regulations is designed for use in rural and agricultural areas in order to accommodate farm families, whereas another set is designed for use in mixed-use, village, or high-density residential areas. Most of the five surveyed urban municipalities allow conversion units in all high density and mixed commercial/residential zoning districts, while a few allow them in agricultural districts as well. Accessory dwelling units that are unrestricted by occupancy limitations⁵⁹ are generally permitted only within special overlay districts that require conditional use hearings. All surveyed suburban municipalities permit some type of accessory dwelling unit that is designed for elderly/family use. Three of the five townships permit these units in all residential zoning districts, while the remaining two permit them only in agricultural zoning districts. Occupancy-restricted dwelling units are permitted either by right or special exception, and one municipality requires a special exception only if a new unit is being constructed as a secondary dwelling unit on a lot.

Rural and semi-rural municipalities are the most likely to provide a variety of secondary dwelling options in many residential and agricultural districts. Provisions for accessory dwelling units with occupancy restrictions are included in all ten surveyed rural/semi-rural municipalities, with some municipalities permitting multiple types of accessory dwelling units. In most cases, accessory dwelling units are permitted as a special exception, though in several instances they are a permitted use in a limited number of zoning districts. One municipality permits accessory dwelling units only as a conditional use. The majority of surveyed rural/semi-rural municipalities permit conversions, though always as a special exception and in one case as a conditional use. The number of zoning districts in which these types are permitted varies significantly in rural and semi-rural municipalities, ranging from only one zoning district up to six (or all zoning districts in which residential uses are permitted).

RESTRICTIONS ON ACCESSORY DWELLING UNITS

In most municipalities the occupancy of accessory dwelling units is restricted by one or more measures, specifically related to the number of occupants, age of occupants, or relationship of the occupants to the owner of the principal dwelling unit. Other restrictions may apply to structural type, square footage, and exterior appearance of a unit or building.

Most municipalities allow this housing type for express purpose of housing elderly, handicapped or disabled family members of a principal dwelling unit. Many ordinances specify that the owner of the property must not only be related to the resident of the accessory dwelling unit, but that

⁵⁹Including limitations on the age or ability status of the occupants of the accessory dwelling unit, or relationship to the resident of the primary dwelling unit.

(s)he must also reside on the property.⁶⁰ Exact requirements for proof of disability and occupant age vary, though minimum allowable age generally begins between 50 and 62 years.

Unrestricted accessory housing units, or those for which there are no restrictions on the age or relationship or the occupant, are generally permitted only in special residential districts such as Planned Residential Developments or other overlays which require a conditional use hearing and must go through a detailed planning and community participation process.

Ordinances often limit the number of people who may reside in the accessory dwelling unit. About half of the surveyed municipalities limit the number of residents per accessory dwelling unit to two persons. Two of the surveyed municipalities restrict the number of bedrooms to two. Occupancy restrictions are very common in rural municipalities, but are not generally present in urban municipalities.

Almost without exception, accessory dwelling units are required to obtain some type of temporary license or occupancy permit on an annual basis. Most municipalities also require an annual renewal fee.⁶¹

In the event that the accessory dwelling unit should become vacant, most municipalities require the unit to be either removed (in the case of manufactured homes) or incorporated into the principal dwelling unit (in the case of additions or conversions) within a specified period of time. The exact length of time varies from 90 days to 12 months. The occupancy permit or right to utilize the accessory unit typically expires with vacation of the unit, death of the occupant, or transfer of ownership of the property.

Nearly all accessory dwelling units for which occupancy is restricted are required to provide only one parking space per dwelling unit. Two municipalities allow for flexibility in the parking requirement, with one specifying that parking should be provided on an as-needed basis and the other waiving the parking requirement in instances where the applicant can prove that the resident would not operate a vehicle.

There are several different structural ways in which municipalities permit the accessory unit to be provided. Rural and semi-rural municipalities encourage more temporary and removable structures, commonly allowing transportable mobile homes to be used as temporary (restricted) accessory dwelling units, though this permission is generally accompanied by larger minimum lot

⁶⁰ According to the "Special Exceptions, Conditional Uses, and Variances" document produced by the PA Department of Community and Economic Development, which was cited previously in this document, municipalities should "be careful of imposing an owner-occupancy condition because the personal identity of an occupant has no relationship to public health, safety, or welfare," [pg. 5].

⁶¹ Fees for accessory dwelling units are typically adjusted annually by the municipality and adopted by resolution, rather than as part of the zoning ordinance.

area requirements. Urban and suburban municipalities more commonly promote interior conversions with no visible change to the exterior of the structure.⁶²

RESTRICTIONS ON CONVERSION UNITS

Of the twenty surveyed municipal zoning ordinances, sixteen contain provisions for one or two types of conversion dwelling unit. Municipalities tend to be much more explicit with minimum lot sizes, habitable floor areas, or original dwelling habitable floor areas when permitting permanent conversions.

The majority of municipalities also require that the conversion of a single unit should not change the exterior of a building. Most municipalities also limit conversions to single-family detached or single-family semi-detached housing units, excluding the conversion of other housing types. Two ordinances require the principal structure on the lot to have been occupied for at least fifteen years before it could be subdivided.

Minimum lot areas for conversion units range from 3,000 square feet to 2 acres. Some municipalities base the lot size on the number of units, while others base the size of the newly created lot on the number of bedrooms contained within the new dwelling unit. Of the surveyed municipalities, urban municipalities generally require between 4,000 and 10,000 square feet, suburban municipalities require between 10,000 and 20,000 square feet, and rural and semi-rural municipalities require anywhere from 3,000 square feet and 2 acres of lot area. About half of the surveyed municipalities that have provisions for conversion units contain such minimum lot area requirements.

About half of the twenty surveyed municipalities have minimum original habitable floor area requirements for original buildings in order to permit two-family or multi-family conversions. These requirements range from 3,000 to 4,000 total square feet. In place of minimum floor area requirements, some municipalities specify that the floor area of the new unit should not compose more than a certain percentage of the original unit, or should not reduce the area of the original dwelling to less than a specified floor area.

Seven of the twenty surveyed municipalities place some type of floor area requirement on individual conversion units. In most cases, the minimum floor area is set between 300 and 800 square feet. One municipality placed a maximum floor area requirement on conversion units, and one municipality assigned minimum floor area square footage requirements based on the number of bedrooms in the unit.⁶³

Many municipalities may be hesitant to permit permanent conversions of dwelling units because of the potential for the destruction of historic structures. Only one municipality directly

⁶² More information on minimum habitable floor area requirements can be found under the Housing Types section of this document.

⁶³ More information on minimum habitable floor area requirements can be found in the Housing Types section of this document.

addressed this issue by creating a special section on the conversion of historic structures. These conversions are permitted in different zoning districts than are other types of conversions, and are only permitted where any structural or architectural alterations would not change the historic character and status of the structure.

Potential barriers include:

- Occupancy restrictions may exclude young or unrelated people from occupying accessory dwelling units.
- Conversions or accessory dwelling units may not be permitted within a municipality, or may only be permitted in a limited number of zoning districts.
- Accessory dwelling units and conversions may be permitted only as a special exception or even a conditional use, adding time and expense to the approval process.
- Minimum floor area, lot area, or original building area requirements may unnecessarily limit the provision of accessory or conversion dwelling units.
- Terminological inconsistency in municipalities across the county may lead to confusion about what conversions/accessory dwelling unit types are permitted

INFRASTRUCTURE AND DEVELOPMENT STANDARDS⁶⁴

Infrastructure costs were identified by the developer focus group as one of the greatest contributing factors to housing cost and pricing. Because developers in Pennsylvania are almost always required to provide infrastructure for new developments, the costs incurred in building infrastructure are passed on directly to the homebuyer. Infrastructure generally refers to roads, sidewalks, and water and sewer pipes. This study will look briefly at municipal-level road and sidewalk requirements.

There are a variety of ways in which municipalities assign road and sidewalk requirements. For the purposes of this study, requirements have been fit generally into two categories: local access and collector roads.⁶⁵ It should be noted, however, that municipalities may also have unique regulations for Planned Residential Developments (PRDs), Traditional Neighborhood Developments (TNDs) and other special overlay or specifically designed zoning districts.

⁶⁴ The terms “cartway” and “right of way” appear throughout this section, and have been defined below as they are defined in the Lancaster County Subdivision and Land Development Ordinance. It is important to note that individual municipalities may use different definitions in their respective ordinances.

Cartway – The surface of a street, drive, or alley available for vehicular traffic. [This term generally excludes paved areas of roadway dedicated to shoulders or on-road parking.]

Right of Way -- The total width of any land reserved or dedicated as a street, alley, pedestrian way, or for other public or private use.

⁶⁵ For seven of the twenty surveyed municipalities, street and sidewalk requirements were determined the Lancaster County Planning Commission and are contained with the County Subdivision and Land Development Ordinance. Because all of these municipalities have the same regulations, this section essentially compares only fourteen regulations.

LOCAL ACCESS ROADS AND SIDEWALKS

For local access roads, most municipalities require one or two lanes. Only one of the surveyed municipalities requires two lanes, and one municipality requires a minimum of one lane but provides no maximum number of lanes.

The majority of municipalities which do not fall under the Lancaster County Subdivision or Land Development Ordinance, or six of the surveyed municipalities, require a minimum cartway width of 34 feet. The County ordinance allows a minimum cartway width of between 10 and 20 feet, depending on development density and average daily traffic. Minimum requirements of the remaining municipalities range from 9 to 30 feet. Rural and semi-rural municipalities tend to have narrower minimum cartway width requirements than do urban and suburban municipalities, though two of the five surveyed suburban municipalities have minimum requirements that are less than those of many rural municipalities.

All municipalities require a right of way width of at least 50 feet, with the exception of one suburban municipality which requires a width of only 32 feet.

All subdivision and land development ordinances from the surveyed municipalities, including those that fall under the County subdivision and land development ordinance require some type of sidewalk in residential areas. Subdivision of a single lot, particularly in agricultural areas, is generally exempted from the requirement. The County ordinance determines road and sidewalk requirements by the density of development and average daily traffic, which makes it unique from the subdivision and land development ordinances of most municipalities. In low-density districts sidewalks are not required, in medium density districts they are required on one side, and in high density districts they are required on both sides. In most municipalities, sidewalks are required on both sides of the street. Three municipalities, including two rural municipalities and one borough, require sidewalks only on the lot or street frontage side of a property. The vast majority of municipalities require a sidewalk width of 4 feet; only two municipalities require 5 foot sidewalks.⁶⁶

COLLECTOR ROADS AND SIDEWALKS

For collector roads, the majority of municipalities require 1-2 traffic lanes. Three municipalities, two of which are suburban, require two lanes. Municipalities that fall under the County Subdivision and Land Development Ordinance require one to three lanes, depending on density and average daily traffic.

⁶⁶ The Americans with Disabilities Act sets many standards to create an accessible environment. Where accessible sidewalks are required, sidewalks may need to be at least 5 feet in width; however, accessible sidewalks are not required in all locations. *ADA Standards for Accessible Design*, Part 36. Nondiscrimination on the Basis of Disability by Public Accommodations in Commercial Facilities, Part 4.3.2.1 Location:

At least one accessible route within the boundary of the site shall be provided from public transportation stops, accessible parking, and accessible passenger loading zones, and public streets or sidewalks to the accessible building entrance they serve. The accessible route shall, to the maximum extent feasible, coincide with the route for the general public.

Minimum cartway width requirements for collector roads in municipalities with their own subdivision and land development ordinances range from 28 to 40 feet. Minimum cartway width under the County ordinance ranges from 16 to 36 feet, depending on development density. Apart from those municipalities under the County ordinance, none of the surveyed municipal ordinances permit a cartway width of less than 28 feet. The majority of municipalities require a minimum cartway width of between 34 and 36 feet.

Minimum right of way widths range from 50 to 80 feet in municipalities not under the County ordinance. The County ordinance minimum right of way width ranges from 40 to 60 feet, depending on density. Apart from the County ordinance, none of the surveyed municipalities permit a right of way width of less than 50 feet. The vast majority of municipal subdivision and land development ordinances require a right of way width of between 50 and 60 feet, while only two urban municipalities require a width greater than 60 feet. Again, greater minimum required widths exist in urbanized areas.

Most municipalities in the county require sidewalks on both sides of residential developments along collector roads. Some municipalities do specify minimum densities for which sidewalks are required. Three municipalities require sidewalks on all street or lot frontages, rather than simply on both sides. The County Subdivision and Land Development Ordinance bases sidewalk requirements on development density, so while sidewalks are not required in areas with low-density developments, they are required on one side of the street in medium-density districts and on both sides of the street in high-density districts.

The vast majority of municipalities, including all of those falling under the County SLDO, require a minimum sidewalk width of four feet. Only two municipalities, including one borough and one suburban municipality, require a sidewalk width of five feet.

Potential barriers include:

- Sidewalks may be required on both sides of the street, even in low-density and rural settings that lack walkable destinations.
- Sidewalk width requirements may be higher than necessary.
- Excessive minimum cartway width requirements may increase the cost of infrastructure, in addition to increasing the likelihood of speeding and risks to pedestrian safety.
- Excessive right of way widths may cause increased setbacks for residential units, which may cause an increase in minimum lot sizes.

PARKING

On average, surveyed municipalities require two parking spaces per dwelling unit. In more than half of the surveyed municipalities, the same parking requirement is applied to all dwelling units,

regardless of the dwelling type.⁶⁷ For housing types such as nursing/retirement homes, accessory dwelling units, boarding houses, group homes, and manufactured/mobile homes located within manufactured/mobile home parks, many municipalities require less than two parking spaces per unit. However, there is some variation in the way in which municipalities choose to assign parking requirements by housing type.

About 30 percent of the surveyed municipalities require different housing types to provide different numbers of parking spaces. In these municipalities, two-family detached, two-family semi-detached, duplexes, townhouse/row homes, and/or multi-family dwellings are required to provide more parking per dwelling unit than are single-family detached dwelling units. For example, some municipalities require housing types other than single-family detached to provide 2.5 or 3 parking spaces per unit, or 2 spaces plus a certain fraction of the total required spaces. None of the surveyed municipalities requires fewer parking spaces for attached or multi-family housing types than for single-family detached units.

Parking is a necessary amenity, but it is important to use reasonable parking requirements that reflect actual demand within the municipality. Census 2000 data shows that only one of the surveyed municipalities averages more than two vehicles per occupied dwelling unit, four municipalities average exactly two vehicles per dwelling unit, and the remaining two-thirds of municipalities average less than two vehicles per dwelling unit.⁶⁸ Though seventy-five percent of surveyed municipalities average between 1.6 and 1.9 vehicles per housing unit, only one municipality actually requires less than 2 parking spaces per housing unit.

Census data also indicates that the average number of vehicles per housing unit for renter occupied housing units in these municipalities is commonly at least 0.5 vehicles less than for homeowner occupied housing units. However, six of the surveyed municipalities require more parking spaces for semi-detached, attached, and multi-family housing types, even though these housing types are far more likely to be renter-occupied and thus possess fewer vehicles per housing unit.

There is also some degree of variation in the size requirements for residential parking spaces. Most municipalities require parking spaces to contain around 180 square feet. Parking space width ranges from 8 to 9 feet, while length ranged from 18 to 23 feet. The difference in the area of the lowest and highest measurements would result in more than a 60 square foot differential

⁶⁷ Single family detached, single-family semi-detached, duplexes, townhouses, and multi-family dwelling units.

⁶⁸ Though the Census does not offer data on the number of vehicles available based on units in structure (i.e. housing type), it does show that the average number of vehicles available in Lancaster County is substantially lower for renter households than for homeowner households, and that multi-family housing types in the county overwhelmingly tend to be renter-occupied.

per parking space, a difference which could translate into a significant land and/or cost disparity for larger developments.⁶⁹

Potential barriers include:

- Minimum requirements for the provision of parking spaces may exceed what is necessary.
- Minimum requirements for a single parking space may be higher than necessary.
- Some municipalities require more parking spaces per unit for multi-family housing types, though available data suggests that these housing types typically require less parking than do single-family housing types.

LANDSCAPING, BUFFERING, AND PARKLAND AND OPEN SPACE DEDICATION

PARKLAND DEDICATION

Parkland dedication requirements for surveyed municipalities range from a low of 0.02 acres per dwelling unit to 0.25 acres per dwelling unit.⁷⁰ All but one of the surveyed municipalities that requires parkland dedication require between 0.02 and 0.04 acres of parkland per dwelling unit. Suburban municipalities in general require the greatest amount of parkland per dwelling unit, while rural municipalities typically require the least amount of parkland. With one significant exception, parkland requirements in urban municipalities are generally more in line with the low rural requirements than with the higher suburban requirements.

Six of the surveyed rural or semi-rural municipalities have not adopted their own parks and recreation plans, and thus are not able to require parkland dedication or fees-in-lieu for the purpose of land acquisition. Municipalities that do not have their own parks plans or mandatory dedication ordinances tend to be rural municipalities with little new development or little need for park space.

Greenscapes, the Green Infrastructure Element of the Lancaster County Comprehensive Plan, recommends the provision of parkland at a ratio of 10 acres per 1000 residents. Given that the average household size in Lancaster County in the year 2000 was approximately 2.64, one-thousand residents would be expected to reside in about 378 housing units. If 10 acres of open space should be provided for these 378 housing units, the average acreage of parkland per

⁶⁹ In “Reducing Land Use Barriers to Affordable Housing”, the Department of Community and Economic Development reports that stall dimensions could potentially be reduced to a minimum of 8’x16’ [pg. 9].

⁷⁰ The 1991 County Subdivision and Land Development Ordinance (SLDO) assigns parkland dedication on the basis of projected new residents rather than dwelling units, requiring 0.25 acres per 100 projected units. However, because municipalities must adopt their own parks and recreation plans in order to require parkland dedication or fees-in-lieu payments, the standards listed in the County SLDO are not applicable to any municipality.

housing unit should be approximately 0.026. All of the suburban municipalities require parkland dedication at a rate higher than this recommended rate.

It is possible, however, that municipalities have chosen to calculate parkland needs based on average municipal household size rather than average countywide household size, which could account for some slight variation in parkland dedication requirements. Municipalities may also be considering existing parkland in this calculation, so that municipalities with fewer than recommended existing acres of parkland may require more dedicated land per new housing unit in order to meet the recommendation overall.

OPEN SPACE, LANDSCAPING, AND BUFFERING

Most cluster, Planned Residential Community districts/overlays, and Traditional Neighborhood Development districts/overlays require a certain percentage of land to be set aside for recreational and/or open space. It should be noted, however, that the meaning of the open-space set-aside varies significantly from municipality to municipality. In conservation clusters and overlays designed to protect natural features of the land, open space might include land with characteristics such as floodplains, steep slopes, and wetlands. In village clusters or more urban overlays in which open space is to be used primarily for recreation, municipalities may limit the amount of open space that may contain environmentally sensitive areas.

The required dedicated percentage might also vary in meaning depending on the definition. For example, in some cases the dedication percentage may be exclusive of roads and other infrastructure, while in other cases the dedication percentage is to be derived from the full acreage of the parcel. In districts where perimeter buffers are required, the open space set aside may be inclusive or exclusive of any additional setback requirements.

The most common open space set-aside is 30 percent of the total acreage of the parcel, though requirements range from a low of 20 percent to a high of 75 percent. The highest open space set-asides are required in districts specifically designed for the purpose of preserving some natural features, whereas lower open space requirements are more common where development is intended create a more village-like atmosphere.

Several municipalities base the open-space requirement on the specific mix or number of housing types constructed within the development. In general, the greater the percentage of townhouse and/or multi-family housing units or mix of housing types provided, the greater the percentage of open space required. Though typically townhouse and multi-family housing types may be permitted on a smaller lot per-unit, in some cases the higher open space requirement for these housing types may negate the impact of the smaller lot size.

Many municipalities require some kind of screening, buffer, or additional setback at locations where residential uses adjoin commercial, industrial, or other potentially disruptive uses that could compromise the privacy of a residence. Buffers may consist merely of a planting strip or vegetative screen planting, or a more significant setback than is required in the general lot

requirements of the zone. Some municipalities require special buffering requirements of multi-family housing types, or treat multi-family housing the same as an industrial, commercial, or other similar use rather than as a typical residential use.

Landscaping and buffering requirements are almost universally present in standards for manufactured home parks. In many cases, landscaped buffer strips of a width of 35 to 50 feet are required around all boundaries of the manufactured home park. At the very least, screening on at least 5 or 6 feet in height is generally required around the perimeter of the manufactured home park, in order to screen the view of the park from the road.

Potential barriers include:

- Parkland dedication requirements may be in excess of county-recommended standards, or of actual need in the municipality.
- Landscaping and buffering requirements may exist for multi-family housing types or manufactured housing parks, where none exist for other single-family housing types.
- Inconsistent definitions of open space, in which some include buffers or environmentally sensitive areas while others do not, may be confusing.

FEES

Fees are one way for municipalities to generate income from new growth without raising taxes on all residents. Municipal officials participating in the focus group discussion felt that fees are generally not burdensome to developers and are necessary in order to provide key services to residents. On the other hand, developers identified unit-specific fees, such as sewer, water, traffic impact, park and recreation fees, as one regulatory factor that may inhibit efficient development. Because per-unit fees are the same regardless of the cost of development density or unit cost it is more difficult to achieve affordability even at higher densities. Fee types examined for this study include review fees, impact fees, and parks and recreation fees-in-lieu.

REVIEW FEES⁷¹

Most surveyed municipalities charge a nominal fee for both preliminary and final subdivision plans. In general, these fees appear mainly to be reasonable and designed merely to cover the cost of review. Residential fees may be assigned in several different ways:

- A base fee only
- A per-unit fee only
- A base fee in addition to a per-unit/lot fee
- A base fee in addition to a per acre fee

⁷¹ Based on information that was compiled by Lancaster County Planning Commission staff in 2007 from municipal resolutions and ordinances containing/establishing fee schedules.

In most cases, municipalities assign a base fee of between \$100 and \$400, in addition to a per unit fee of between \$10 and \$50 per unit. For a 50-unit development, review fees for preliminary or final subdivision plan review range from about \$400 to about \$2,800, or an average per-unit cost of between \$8 and \$56, or \$16 and \$112 per unit if both a preliminary and final plan review are required. Some municipalities may also distinguish between subdivision and land development plans, though most treat them as one plan. Many municipalities also charge a small fee for submission of a sketch plan, though in all surveyed municipalities this fee is less than \$400 per plan. Sketch plan fees range from \$0 to \$400.

The majority of municipalities charge fees at least to some extent on a per-unit basis; of the surveyed municipalities, only about 10 percent charge a flat fee without any type of per-unit component. Most municipalities also do not differentiate between housing unit type. One surveyed municipality charges fees by acre rather than by unit, though this is only applicable to multi-family dwellings. In this case, the denser the development, the lower the fees will be.

IMPACT FEES

Municipalities are enabled by the Section 504-A of the Pennsylvania Municipalities Planning Code to enact an impact fee ordinance. Essentially, fees must be based on the projected costs of roadway or transportation improvements that will be required as a result of increased traffic attributable to new development.⁷²

Implementation of a traffic impact fee ordinance generally requires a significant investment of municipal resources. Determination of the value of the impact fee to be applied to a developer may entail background research, studies, projections, and a commitment of staff time.⁷³ Consequently, it may be somewhat costly to enact and administer traffic impact fees. As a result, high-growth municipalities with substantial professional staff and resources are generally the most likely to make use of the impact fee ordinance.

Traffic impact fees are not very commonly used by municipalities in Lancaster County and only one of the surveyed municipalities has implemented such a fee. In this municipality, the applicant must estimate the number of peak hours trips generated by the project using a pre-prescribed formula, then multiply the cost per trip by the number of peak hours trips. The cost per trip has been calculated by the municipality, and varies depending on the location of the project within the municipality. Projects may also qualify for credits against the cost of the impact fee, in cases where the developer donates land for future transportation improvements, renovates existing structures, or uses TDR's, cluster development, or Planned Residential Development.

⁷² Pennsylvania Municipalities Planning Code. Act of 1968, P.L. 805, No. 247 as reenacted and amended. Seventeenth Edition, January, 2003.

⁷³ Lancaster County Planning Commission. *Smart Growth Toolbox*. "Traffic Impact Fees." <http://www.co.lancaster.pa.us/toolbox>.

PARKS AND RECREATIONAL FEE IN LIEU

Most municipalities require some type of parkland dedication or set aside as new subdivisions are created. Rather than committing land to the municipality, developers are often permitted to give a fee in lieu. Parks and recreation fee formulas vary significantly by municipality, and seven of the twenty surveyed municipalities do not offer a fee-in-lieu option for parkland dedication. These municipalities tend to be the most rural municipalities, which in many cases lack a parks plan and are therefore not enabled by the Municipalities Planning Code to offer the fee-in-lieu option.

Most municipalities charge fair market value for a certain percentage of an acre for each dwelling unit. For example, fair market value x .03 acres per dwelling unit. However, some municipalities may charge fair market value for a certain percentage of the total parcel acreage, or may charge a flat rate per dwelling unit. One municipality establishes a flat land value, rather than relying on independent fair market values on a parcel-by-parcel basis.

The variety of different methods used for establishing the fee in lieu payment complicate comparison, so in order to assess the impact of the parks and recreation fees in lieu, three different development scenarios have been applied to the fee formulas in order to determine the impact based on different densities, land areas, and projected numbers of residents.⁷⁴

- For a 100-acre, 100-unit development with a density of 1 dwelling unit per acre, the park fees range from a mere \$17,500 to \$625,000, or a per-unit cost of between \$175 and \$6,250.
- This range is the same for a 50-acre, 100-unit development at twice the density of the previous scenario.
- For a 50 unit, 100 acre development with a density of only 0.5 dwelling units per acre, the park fees would range from \$8,750 to \$500,000, or a per-unit cost of \$175 and \$10,000.

The ranges for these different scenarios may be slightly misleading, however; in all but two municipalities, the per-unit fee in lieu does not exceed \$2,000 in any of the scenarios. The two municipalities with the highest fees are both located primarily within designated growth areas, with one being a high-growth township and the other being a built-out urban area with little opportunity for the expansion or acquisition of parkland.

This brief analysis of fee in lieu costs for parkland indicates that most payment formulas assign costs based on the number of units without consideration of the total acreage or density. Only one of the surveyed municipalities bases the fee-in-lieu cost on the acreage of the parcel rather

⁷⁴ The four development scenarios were not equally applicable to all municipalities, as one assumption of the model was a land value of \$25,000 per acre, and some municipalities surveyed used a pre-determined land value as part of their municipal fee calculation.

than the number of units, and this is the only municipality in which the fee is lower for the higher-density development.

Suburban municipalities tend to charge larger fees than do rural municipalities. Rural areas are much more likely to forgo the fees, possibly as a result of lacking the administrative capabilities to levy such a fee. Fees in more urban municipalities vary significantly and fall on both sides of the spectrum.

OTHER FEES

There are several other fees which developers will incur during the development process which are not discussed in depth within this study. These other fees might include hearing fees should the project require a conditional use, special exception, variance, or a rezoning. Engineering and inspection fees are also charged to the developer, and as per the MPC these fees should not be greater than the actual cost of inspection to the municipality. Public water and sewer connection fees will be determined by the appropriate authorities, though the municipality may charge a fee for the establishment of an on-lot system. Construction permit fees, as well as fees related to storm water management, are also generally applicable to new development.

Potential barriers include:

- Review fees may not accurately reflect the cost of review, and may unnecessarily increase developer costs.
- Fees do not encourage compact and efficient development; fees charged on a per-unit basis have a more significant financial impact on dense and sustainable development than on large-lot, low density development.

PLAN PROCESSING PROCEDURES

Plan processing procedures are generally dictated by the Pennsylvania Municipalities Planning Code. However, in addition to standard time and scheduling requirements, other factors such as ordinance consistency and specificity may unnecessarily complicate the approval process. Both developers and municipal officials who participated in the focus group discussions identified plan processing procedures as one area in which regulatory changes could potentially reduce the cost of development.

Specific time limitations are established for scheduling of plan or zoning approvals. For preliminary and final approval of plats, the governing body/planning agency must render a decision within 90 days of the next regular meeting following the plat submission, provided that the meeting is scheduled within 30 days of the submission.⁷⁵

In Lancaster County, the County Planning Commission has made some provisions to reduce the time required for general review processes. Some types of minor plans may be expedited by a

⁷⁵ Pennsylvania Municipalities Planning Code, Eighteenth Edition, 2005, Section 508. Approval of Plats.

waiver of the county's right to formal review.⁷⁶ Certain minor land development plans may forgo review by the Lancaster County Planning Commission, though LCPC staff may still comment on the review and the applicant is still required to pay review fees. Because the plans do not go before the Planning Commission, the time period for approval may be significantly reduced by as much as one month in some cases and therefore has the potential to reduce holding costs. Plans that may qualify for this expedited process include, but are not limited to, proposals to subdivide two or less lots for single-family residential development or the creation of a multi-family residential building with less than five residential units.

The MPC also lays out time limitations for special exception and conditional use hearings, however the time period required may be subject to some variation depending on the frequency of municipal meetings or volume of requests, as well as community interest and participation. The first hearing must be scheduled within 60 days of the receipt of the application by the municipality, and each hearing thereafter must be scheduled within 45 days of the previous hearing. Applicants have 100 days from the date of the first hearing to make their case, and opponents have 100 days after the completion of the applicant's original case to express their objections. The board must render a decision within 45 days of the last hearing. Thus, the maximum time period required for a decision may be nearly 300 days; however, both the applicant and the opposition may be granted additional presentation time, provided that each group is granted equal opportunity and time to rebuff.⁷⁷ Special exception and conditional use hearings may require a great amount of time and expense without offering a great degree of certainty in the outcome. As a consequence, they may act as a deterrent for developers hoping to build housing or development types that require these processes.

Conditional use and special exception hearings often constitute a barrier to affordable housing because they are required more frequently for housing types that are the most likely to be affordable. If a parcel of land is zoned to allow single-family detached and semi-detached housing uses as permitted uses but townhouses and apartments as special exceptions or conditional uses, the added time and expense of additional hearings for approvals may constitute a disincentive for a developer to consider constructing the more affordable housing type.

Because plan processing procedures and time frames are so specifically delineated within the Municipalities Planning Code, there is little that municipalities may do to significantly reduce the length of time required for special exceptions or conditional uses. However, one way to reduce the time required for approval is a reduction in the use of special exception and conditional uses wherever possible, as these processes generally add time and expense to the approval process.

⁷⁶ This is applicable only in review municipalities, or municipalities which make independent land use decisions. It is not available to approval municipalities which rely on the County Planning Commission to make final land use decisions.

⁷⁷ Pennsylvania Municipalities Planning Code, Eighteenth Edition, 2005, Section 908. Hearings.

In addition to the extra time required for approval, both special exceptions and conditional uses may add a degree of subjectivity and uncertainty to the approval process. This may be especially true of conditional use hearings, as requirements for a conditional use are not generally as defined as are requirements for a special exception. In the case of both processes, the responsible body may “attach such reasonable conditions and safeguards, in addition to those expressed in the ordinance, as may be deemed necessary to implement the purposes of this act and the zoning ordinance.”⁷⁸ The potential exists for a municipality to require additional amenities above and beyond the stated requirements of the ordinance. Because this section of the MPC is so open to interpretation, it is not always clear what constitutes a “reasonable condition.” This may further result in time-consuming and costly litigation.

One other factor which may impact the time and cost of the approval process is the significant variation in the requirements of municipal zoning and subdivision and land development ordinances across the county.⁷⁹ Each municipal zoning ordinance is unique and may contain different definitions for terms ranging from housing types, to density, to open space. Ordinances may also be organized in different ways, so that relevant sections may not be immediately apparent or easy to find. Because there is so little consistency, a developer must familiarize himself with an entirely new set of regulations each time he wishes to pursue a development in a new municipality. Given that there are sixty municipalities just within Lancaster County, variation in standards and requirements could cause confusion and time delays. Additionally, ordinances may contain vague or inadequate descriptors and regulations which require clarification, and may even result in appeals or other legal proceedings.

Potential barriers include⁸⁰:

- Variation or vagueness among the requirements of municipal zoning ordinances may result in submissions that do not meet the requirements of the ordinance and subsequent delays for the developer.
- Special exception and conditional use hearings may add time, costs, and uncertainty to the approval process. These processes are especially likely to be required for townhouses or multi-family housing types or higher density development, acting as a disincentive for developers to build these more affordable housing types.

FOCUS GROUPS

For the purposes of this study three focus group meetings were held, one each with for-profit developers, municipal staff, and municipal elected officials. About twenty representatives were invited from each group to participate in a two-hour, facilitated discussion on the topics related to regulatory barriers to affordable housing. Of the many invitees, six developers, three municipal staff persons, and no municipal elected officials chose to participate in the discussion.

⁷⁸ Pennsylvania Municipalities Planning Code, Eighteenth Edition, 2005, Sections 912.1 and 913.2.

⁷⁹ “Reducing Land Use Barriers to Affordable Housing.” [Pgs. 10-13].

⁸⁰ Ibid. [Pgs. 10-13]

As a result, the issues discussed in this document come only from developers and municipal staff.⁸¹

The municipal staff and developers agreed on several issues. Both groups seemed to be amenable to higher-density development, though both saw some type of barrier to it. Municipal staff seemed to agree that high-density development was entirely appropriate in the right location, but admitted that “dense development” in their municipalities was often not achieving goals established by the County Planning Commission. According to some municipal staff persons, municipal planning commissions and/or the governing body were not necessarily in agreement about the value of higher-density development; however dynamics could change rapidly based on the composition of these bodies. Those who had been involved longer in the politics and municipal decision-making tended to be more open to “non-traditional” housing development.

Developers expressed the opinion that municipalities perceived high density housing as a threat to municipal and school district financial viability. Developers saw several regulations, especially costs and fees that are charged on a per-unit basis, as a significant barrier to the profitability of high-density housing. Both developers and municipal officials also saw community opposition as a potential barrier.

Both municipal staff and developers acknowledged that there were several regulations that could impact the cost of development. Developers felt strongly about this issue and listed a variety of factors that increased their development costs, including infrastructure costs, parking requirements, lack of appropriately zoned land, constant need for ordinance amendments, inspection procedures, farmland preservation, inconsistent ordinance terminology and organization, and time, cost, and legal fees associated with the conditional use approval process. Municipal staff recognized infrastructure and recreational fees, but generally maintained that fees were not unnecessarily high and that regulations were in place to preserve quality of life and ensure sound development practices.

The two groups disagreed to some extent on the treatment of developments containing different housing types. Municipal staff maintained that all housing types were treated essentially the same, and did not feel that the approval process were different for multi-family and single-family development. Municipal staff did admit that typically apartments or townhouses require a conditional use hearing, which may add at least two months onto a project. Developers commented that even when zoning ordinances allowed for the type of housing they were proposing to build, some municipalities might treat it differently than other developments, or make it less of a priority.

Municipal staff and developers seemed to have different perceptions of the conditional use process. Municipal staff believed that conditional use was an excellent tool for working with developers in order to tailor development to the unique characteristics of each parcel. They

⁸¹ One separate interview was conducted with a non-profit housing developer. The responses obtained from this interview have been included in the Developer Focus Group results.

further believed that developers appreciated the conditional use process, and municipal staff person even stated that four out of five developers (s)he had worked with liked the conditional use process. Municipal staff people also recognized, however, that it could add time and uncertainties to the process. While developers conceded that conditional use could be a valuable tool if used in a fair and appropriate way by the municipality, there seemed to be a great deal of reluctance to go through such a process due to the uncertainties involved. They further believed that some municipalities used conditional uses to force developers to provide certain amenities, or to purposefully stall or even stop the development.

DEVELOPERS SUMMARY⁸²

1. *What are the greatest factors contributing to cost and pricing in housing developments?*
 - a. Infrastructure costs (water, sewer, etc.) are large in any development, especially if the developer has to foot the bill. Those costs are passed straight to the homeowner, rather than the municipality providing them and spreading the cost out to the entire tax base.
 - b. PennDOT specifications add to the cost of development, and require processes to run in series rather than in parallel, so things cannot be completed concurrently.
 - c. Excessive state regulations, specifically for storm water management.
 - d. Time and legal fees associated with project approval, specifically the fact the developers must cover their own and any municipal legal fees.
 - e. Parking requirements, specifically in urban locations, ask for too many spaces per unit, and often force the provision of additional infrastructure.
 - f. Inconsistent inspection procedures or interpretation of inspection requirements, resulting in time setbacks and costly corrections.
 - g. Any regulation dictating architectural style and materials, including historic preservation requirements. This is more relevant to infill development.
 - h. Land and density issues; there is not enough land available for development that is zoned to accommodate high density, and existing land is extremely expensive.
 - i. Farmland preservation may be an issue due to limitations placed on abutting properties.
 - j. Sprinkler systems are required for some multi-family housing types.

2. *What regulatory changes could reduce the cost of development?*
 - a. Streamline the process.
 - b. Do away with conditional uses, and go by permitted-use or special exception instead. Conditional use can work when it is used to add flexibility to the process, but not when it is used merely to coerce concessions out of a developer or purposely delay projects. Specific, by-right regulations are the easiest way to go.
 - a. Use straight-forward, detailed ordinances so that developers know what is expected of them from the outset.
 - b. Other states have forward-looking road development, in which the municipality builds roads before development occurs.
 - c. Ordinances in all municipalities should at least match in terms of their densities, definitions, and terminology. Municipalities would also save money on the planning process by using some type of standardized format.

⁸² Included with the comments of for-profit developers who participated in the Focus Groups are the comments of one non-profit housing developer, who was interviewed separately.

- d. Ordinances should not attempt to dictate architectural style.
- e. TDR's add to the cost of housing. If density could be achieved without having to purchase TDR's, the product would be more affordable.

3. Are there any regulatory issues that prevent higher density development?

- a. Municipalities zone land for higher density on steep slopes or other difficult tracts, knowing it is not feasible to build at maximum allowable densities. Some municipalities deliberately work against density.
- b. Unit-specific fees, such as sewer, water, traffic impact, park and recreation fees. These fees are all the same no matter the cost of the unit or the density, which makes it harder to achieve affordability even at higher densities.
- c. Higher densities typically mean the municipality and school district will need to pay more for resident services. Incorporating commercial development into residential development helps to offset the cost to the municipality of providing those additional services.
- d. We have plenty of ordinances in this county that are supposed to create high density, but they don't work. There is little use in having these ordinances if you have to go back and effect amendments in order to make them work.

4. Additional Comments:

- a. Disparities often between comprehensive planning efforts and the actual zoning regulations that govern development. Municipalities create strong comprehensive plans, often regionally, but do not implement them at the critical level.
- b. Developments containing "less desirable" permitted housing types are sometimes placed at the bottom of the list, and will receive different treatment from the municipality.
- c. At least one change or addition to local regulations is usually required in every new development, including but not limited to exceptions on parking, changes in zoning, or exceptions for non-traditional building/construction methods.
- d. When a change is required to a local regulation, it may slow the approval process by at least three to six months.
- e. Property taxes are a significant issue in some places, as even the least expensive of units may be taxed thousands of dollars annually. This is an even bigger issue for subsidized housing, which are still taxed at the assessed value rather than the subsidized price.

MUNICIPAL STAFF SUMMARY

1. *Relative to your ordinances, do you feel the costs that you assign have any impact on affordability? How are fees and other costs determined –on a per-unit basis or otherwise?*
 - a. Not particularly – costs are still relatively low even when you start adding the sewer, water, park and recreation, permit fees.
 - b. Developers seem to think so. The reason that the process has got so cumbersome is what happened with cheap growth – there were not enough regulations in place and as a result the quality of development was abysmal.
 - c. Costs go beyond the ordinance. Many times, residents from surrounding neighborhoods want to be in the process and want the ability to give their input at every step.
 - d. Infrastructure costs are spread throughout the development, so that is a total rather than a per-unit cost.
 - e. Water, sewer, and parking fees increase costs and are per-unit fees.
 - f. Commercial/residential mixed use, with apartments over commercial spaces for example, also drive up costs due to stringent building code requirements, such as the addition of sprinkler systems.
 - g. Property owners and developers balk at park and recreational fees, but that space is so valuable to a community and for all residents. Open space is important for affordable housing communities, though it does increase the cost of housing. Even if the municipality wanted to sacrifice park fees for the sake of housing affordability, we might have a hard time selling that to other residents.
2. *How could these costs be reduced?*
 - a. Reduce the size of the roads and build narrower streets, though this could cause ancillary parking problems.
 - b. Reduce sidewalk requirements.
 - c. Create a steep-slope ordinance to help developers better cope with such properties.
 - d. Fast track the process – that is something that we are looking at right now. And maybe that fast track is going to be that we do some flip-flopping ordinance, where what we really want is going to be the permitted-use.
3. *Do your land use ordinances allow for development of a variety of housing types? For affordable housing?*
 - a. Ordinances allow for a variety of housing types, though they are segregated into different zoning districts.
 - b. We try to focus certain housing types only where infrastructure exists.
 - c. Even if land is available for development of a variety of housing types, developers won't always take advantage of it.

- d. Our municipality is opened to unique housing types, even if they are not specifically in the ordinance we are still willing to work with the developer. Most municipalities are willing to work with a developer.
 - e. We are not willing to allow cheap housing in an effort to build affordable housing.
5. *How is high density development viewed in your community?*
- a. Municipal staff tends to be supportive of high density development.
 - b. Communities, the general public, typically don't tend to appreciate or support Smart Growth or higher density. The strategic planning process has helped people to get involved with and understand the decisions municipalities make. People change their minds when they understand.
 - c. Farmers don't typically like development, but at the same time, they want to be able to sell land to developers.
 - d. Because of turnover and changes in the municipal Planning Commission and governing body, there are often inconsistent feelings about density. Sometimes the Planning Commission is for high density and the governing body against, sometimes it is the other way around – it really just depends. Typically the governing body hears more complaints from constituents and is more likely to be against it.
 - e. There is a trust factor – you have to build a relationship with the developer. If they are trying to sneak density past you, it's not going to go over very well.
6. *Is the development process different for multi-family and single-family development? For affordable housing?*
- a. It depends on the district, because each zoning district is different. Zoning districts need to be different in order to match existing development or infrastructure, or to deal with specific geographic features.
 - b. When the use is not a permitted-use, then you get into conditional-use hearings. Uses that are permitted will generally take the same length of time. If you have to go through a hearing, you are adding at least two months onto a project. We don't look at multi-family developments differently than we look at single family developments. Even when they are going on where a non-permitted use is a special exception, they are looked at the same way; it is just that the process is a little different.
 - c. From the staff perspective, it is not treated differently; it is once you get it out into the public—that is when is being treated differently.
7. *Additional Comments*
- a. When developers do try to use subsidies in order to achieve affordability, regulations governing those subsidies may not be consistent with what the municipality or zoning call for. For example: public entities may prefer to

concentrate affordable housing units for management purposes, rather than spreading them throughout a development as planners might prefer.

- b. In some cases, great projects do not work out because banks will not provide loans if the project is unique or untested.

Part VI: Conclusions and Recommendations

This study provides a foundation for understanding how local land use regulations can act as potential barriers to the development of affordable housing opportunities in Lancaster County. Yet, while the removal of land use regulatory barriers may not necessarily guarantee the development of affordable housing, it cannot be achieved without it, and it remains a critical step in ensuring the provision of affordable housing opportunities for all of Lancaster County's residents.

ACTION RECOMMENDATIONS

- LCPC should develop specific guidelines and recommendations to assist municipalities in reducing potential regulatory barriers to housing affordability.
- LCPC should produce a range of model residential zoning districts and regulations which address the issues identified within this report and promote residential densities consistent with density targets identified in *Balance*.
- Significant community outreach efforts are necessary to explain the importance and community benefits of housing affordability. Lancaster Housing Opportunity Partnership, working in partnership with other organizations whose mission is to promote or provide affordable housing opportunities for all residents of Lancaster County, should take the lead on this effort.

CONCLUSION

The provision of a range of housing options, particularly those at the affordable end of the spectrum, is a crucial component of the economic health and stability of a community. As such, it is vital that we come together and work towards the goal of providing greater housing choice and affordability in Lancaster County. Realization of this goal will require a multi-pronged approach, as there are a variety of factors that contribute to housing price and affordability. By furthering our own research and knowledge of land use regulations, working together with developers and municipal officials alike to create mutually agreeable solutions, and increasing public awareness and support for affordable housing, we can begin to address the potential regulatory barriers to housing affordability.

AN ANALYSIS OF REGULATORY BARRIERS TO HOUSING AFFORDABILITY IN LANCASTER COUNTY

Lancaster County Planning Commission

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2009