FINAL Report on the Housing Market in Venango County, Pennsylvania
czbLLC - February 2009

Sugar Creek - Fall 2008 - czb

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Statement by the czbLLC (czb) Team

Some of the most historic and beautiful homes and residential neighborhoods to be found anywhere in America are located in Venango County, Pennsylvania.

One would be hard-pressed to find a more impressive collection of historically significant grand homes than the ones located in the city of Franklin on Sibley, Wiley, and Adelaide. Such is the setting, in fact - the views, layout, home construction quality, walkability, and close proximity to downtown - that the residential fabric in Oil City South on the west side between 1st and 7th and State and Cowell is second to very few. Newer subdivisions in Franklin (Evergreen), Oil City (Oliver Manor, Hasson Heights), Cornplanter, and Sugarcreek all project impressive degrees of pride expressed through care of homes, involvement in the community, and commitment to place as noted during interviews we conducted, as do new developments throughout Cranberry Township and elsewhere in the county. Between these markets and their considerable strengths is some of the most attractive rural countryside on the eastern seaboard, as exemplified by the setting along the Allegheny River, the splendid *In-nan-ga-eh* creek itself, three state parks, and proximity to the Allegheny National Forest.

Unfortunately, these homes, neighborhoods, and settings are more the exception than the rule in Venango County. In Venango, where population loss reduces overall demand for housing, where an aging population is able to care less and less for their homes, and where multiple layers of government impede public sector creativity on these and other fronts, the result is a closed, shrinking, inwardly-looking system. It is a system full of abandoned homes, factories, and commercial space as powerful testaments to a market that must be rightsized to become healthy.

Indeed, high quality housing, and high standards of care being more the the exception than the rule, the county's housing market becomes prey to certain interconnected, self-fulfilling, and distinctly unhealthy forces which have hastened decline and dysfunction.

- Large amount of modest, functionally obsolete, older properties in advanced stages of disrepair;
- A cadre of slum landlords and their political patrons that see in a soft market the opportunity to further bleed such properties down to worthless exoskeletons, much like a former generation of Venango County manufacturers extracted everything of value before walking away from now empty factories outside of Oil City;
- A half-hearted commitment to code enforcement;
- A poverty housing industry that laudably aims to be responsive to the needs of the poor but which by concentrating social services where the poor are, actually helps cement a counterproductive dim future for those jurisdictions as viable housing markets; and
- An unforgiving topography of steep slopes that imposes prohibitive costs on new construction and adaptive re-use alike.

The statistical presentations and maps that follow, along with a narrative discussion of the issues, all point towards a healthy future for Venango County when it comes to housing, <u>provided considerable change occurs in public, private, and nonprofit sectors alike.</u> Absent the changes we recommend, the data suggest tomorrow's housing market in Venango County will be much like it is today.

Altogether, the changes required to create a healthy housing market hinge thematically on size: a small housing market but a higher level of property standards; a better-sized market more responsive to demand; and fewer layers of government taking a broader view and role in helping to establish new norms more conducive to stimulating healthy investment behaviors, instead of protecting old habits.

The Big Picture
czbLLC (czb) was retained by the Venango County Regional Planning Commission to evaluate the county's housing market. We were asked to prepare an analysis of the conditions in the county, and offer recommendations to the Commission on the related issues of housing and neighborhoods and market strength.

In evaluating market sales data, public perceptions about housing, and other statistical information, one question in particular kept surfacing: **if no intervention by the public sector were to occur in any form from this point forward, what would be the result?** This might be called a *do-nothing strategy*. That is, by doing nothing (changing none of the thinking or systems in place in Venango County), what happens? The best way to answer this question is to examine the status quo (what the housing market is like now) as a basis of looking forward. Present policies, individual household behaviors, and market activity *now* generates the following intertwined set of realities:

- Population loss (the number of people living in Venango County is less each year)
  - 56,126 in 2008, down from 57,565 in 2000. Projected to be 55,078 in 2013 (ESRI)
- Scarce capital reinvestment in existing housing stocks (rarely are homes significantly upgraded)
  - Building permits for home improvements and new construction are extremely low
    - Between only 1.6 to 2.1 permits/month for new construction in Cranberry (the strongest market in Venango) during the ten year period 1996-2007
- Marginal average standards of upkeep (the majority of homes require attention)
- Easy (and often exploited) market entry for inept investors and even slum landlords
- High tolerance for substandard property maintenance behaviors
  - 76 percent of county residents we interviewed felt that the conditions of the houses in their neighborhood were "good" to "excellent"
- Code enforcement efforts lacking sufficient resources
  - Properties deemed condemnable sit vacant, often for years
- Multiple layers of local government
  - There are three housing authorities when there should be one
  - There are three code inspection offices when there should be one
  - There are two cities, nine boroughs, 20 townships, and three Census-designated places, each with its own constituency, procedures, and self interest. This makes every decision that could smooth out the housing market unnecessarily cumbersome and disjointed.
- Stable to falling house prices
  - High values homes averaged $94,010 in 2002 and $101,025 in 2008, a loss against inflation by 2007 of $6,791
  - Average homes sold for $61,191 in 2002 and $66,300 in 2008, a loss against inflation of $3,877 by 2007
  - Low value homes sold for $52,331 in 2002 and $44,458 in 2008, a loss against inflation of $15,558.

All of the above will likely continue without changes in public policy, and concurrent changes in resident attitude towards housing and property. For this reason, the charge to public officials and residents alike is clear: if the systems that have given Venango County the above outcomes are not changed, these are the outcomes that will persist. For example, if this report engenders a discussion about the wisdom of having three housing authorities, and the three boards cannot themselves find a way to consolidate into one entity, then outcomes won't improve. For another, if the statutory environment remains as friendly to slum landlords in 2010 as it has been, the housing market will remain dysfunctional at the bottom. And if township management (Cranberry, Sandy Creek, Cornplanter, as examples) continues to think selfishly and parochially, content to offload the county's large population of poor families primarily into Oil City, Emlenton, Rouseville, Franklin, and Sugarcreek, these markets will not recover.

The above conditions - population loss, infrequent reinvestment in property, marginal property maintenance standards, half-hearted commitment to code compliance, and layered government are each part of the challenge facing Venango County. But these are also complex elements, none solely responsible for the problems, so no one holds the key to fixing the imbalance.

To begin to build a more functional, healthy housing market - against a tide of tough non-housing realities - understanding which factors shape the housing market (and thus which factors can be shaped by county policies and resident and private sector thinking and behavior) is important. It is the first step.

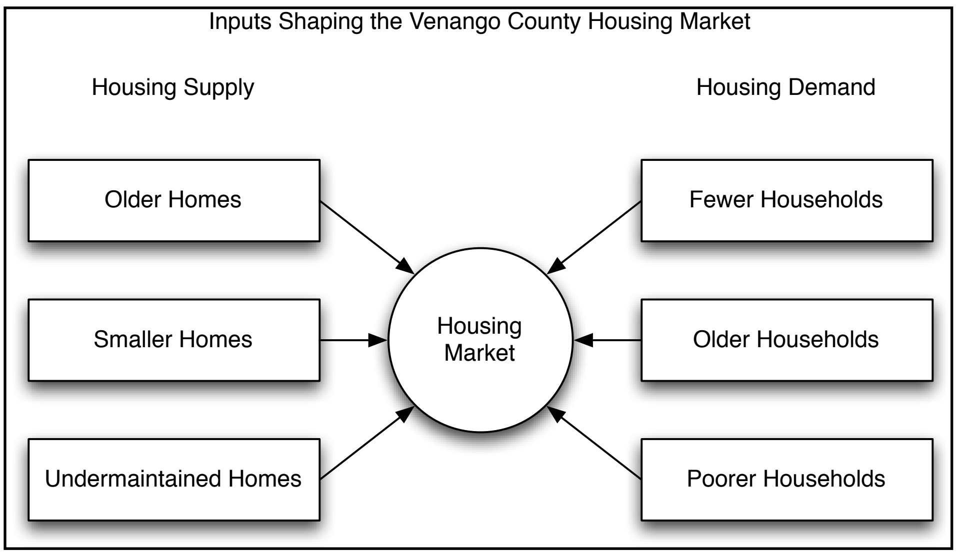


figure 1 - czb Report to Venango

The above chart illustrates six inputs that render the Venango County housing market dysfunctional.

On the supply side, older homes are not by themselves a problem, as demonstrated in the many historically significant residences throughout the county, and indeed in hundreds of healthy housing markets nationwide. But when a high percentage of the overall housing stocks are older, it means that the market is concluding it doesn't make much sense to build new. Plus, older homes are more expensive to maintain. Lacking a high percentage of households with the means to acquire, redevelopment, and then maintain older homes, only a few get upgraded and properly maintained. The effect is that housing markets appear worn and tired. When many of these homes are not just worn and tired, but also small, a higher rate of homes become functionally obsolete in the minds of housing consumers. Sellers have little choice but to drop their asking price; landlords have few alternatives but to reduce rents and maintenance. In sum, the supply of housing is dominated by old small homes that are costly to maintain and for which few buyers and renters have any interest.

On the demand side, there are fewer and fewer households year to year, but a constant supply of homes. This creates a large number of empty properties. Typically in substandard condition, abandoned property imposes a negative impact on neighboring property. Our analysis showed that a house for sale within 100 yards of a property located in the Venango County Repository would sell for $42,059 *less than the average sale price in the county during the period 2002-2008*. In other words, if an elderly owner who lives down the street from a property in the county repository that was previously a slum rental property, wishes to sell her home, all else being equal (size of home, # bedrooms, # baths, lot size), she will be able to get about $20.36/SF, far short of the $38.39/SF she would get two miles away.

Additionally on the demand side, household size continues to shrink while the median age of the county continues to rise. Older households mean a lower capacity to maintain any home, much less an older home on a steep grade. Lesser capacity to maintain sends one more signal to the market that the house one buys next to is not going to get that fresh coat of paint next spring, so the few buyers that are in the county have one more reason to think twice before buying, and ultimately one more reason to give Clarion or Butler county another look.

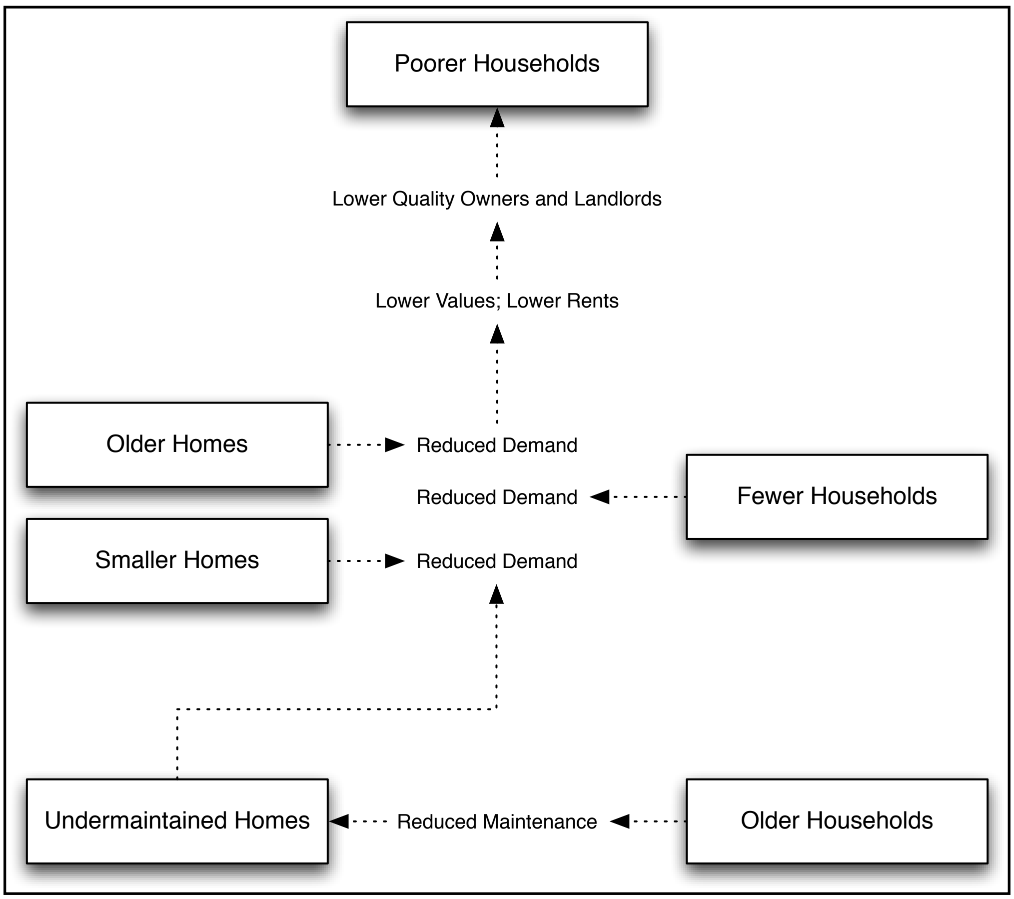


figure 2 - czb Report to Venango

Combined, the low-demand triggers at numerous points serve to reduce property values, which in turn create a more affordable housing stock. The county's average annual wage in 2000 was $20,883 (US Census) at a time when the average sale price in Venango was $61,199 (Allegheny Board of Realtors MLS). This is a ratio of wages-sale price of 2.93. A $522 monthly housing obligation in 2002 would have been sufficient to purchase a $62,000 mortgage at 7.5% (fully amortized over 30 years, with PMI and a sales price of $65,000).

In 2007, the average sale price was $72,715 (which subsequently fell to $65,933 in 2008), while the average wage was $20,532, generating a wages--sale price ratio of 3.54. The change in purchasing power meant that the average wage in 2007 was sufficient to purchase a $60,000 home. At 1.9 jobs/household - the County average - the reality of the county's housing market is overwhelming affordability.

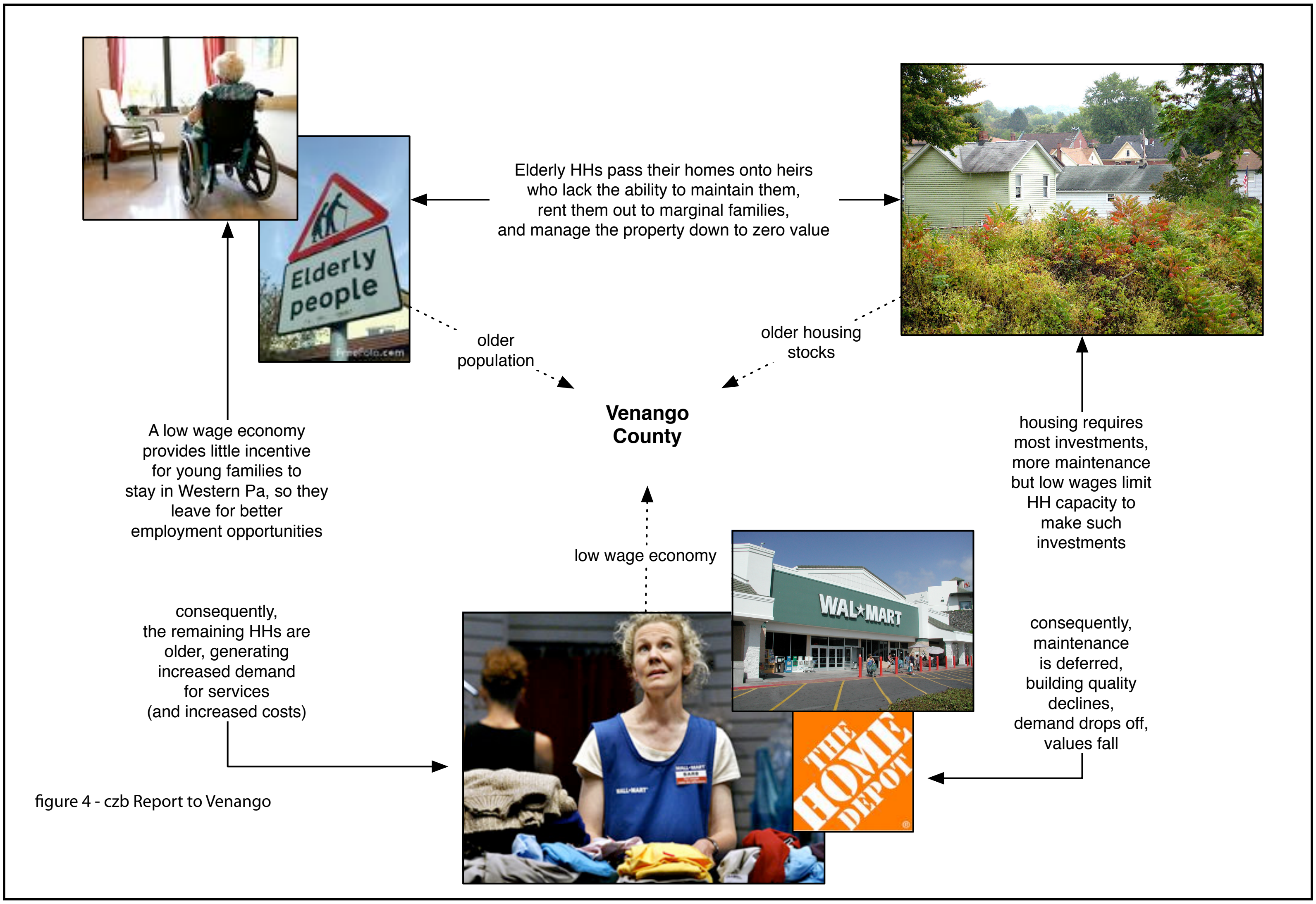


figure 4 - czb Report to Venango

Low cost of entry into the housing market - precipitated by declining population and other factors previously cited - renders the overall market very affordable for low-income households, and for owners who would rent to low income households. Thin capacity to maintain an already aged home already suffering from deferred maintenance however, creates numerous situations throughout the county typified by the stocks found in Silverly: older, especially worn, especially unattractive to all but the most at risk households with few choices owing to especially low incomes. As these main inputs on the supply side - older, smaller, undermaintained homes - mix with the main inputs on the demand side - fewer, older, poorer households - the resulting market has led to a cycle of disinvestment.

Over time it has come to make sense to minimally maintain an older property until an opportunity to sell comes along. When a sale has occurred in the last thirty years, the buyer is frequently a buyer with lower household income than the seller, or the buyer is an investor intending to rent the property. In either case the street suffers from a downgrading of the owner's capacity to take care of the property, and as ever lower levels of maintenance occur, amid virtually no major upgrades, its not just one street being affected but several streets.

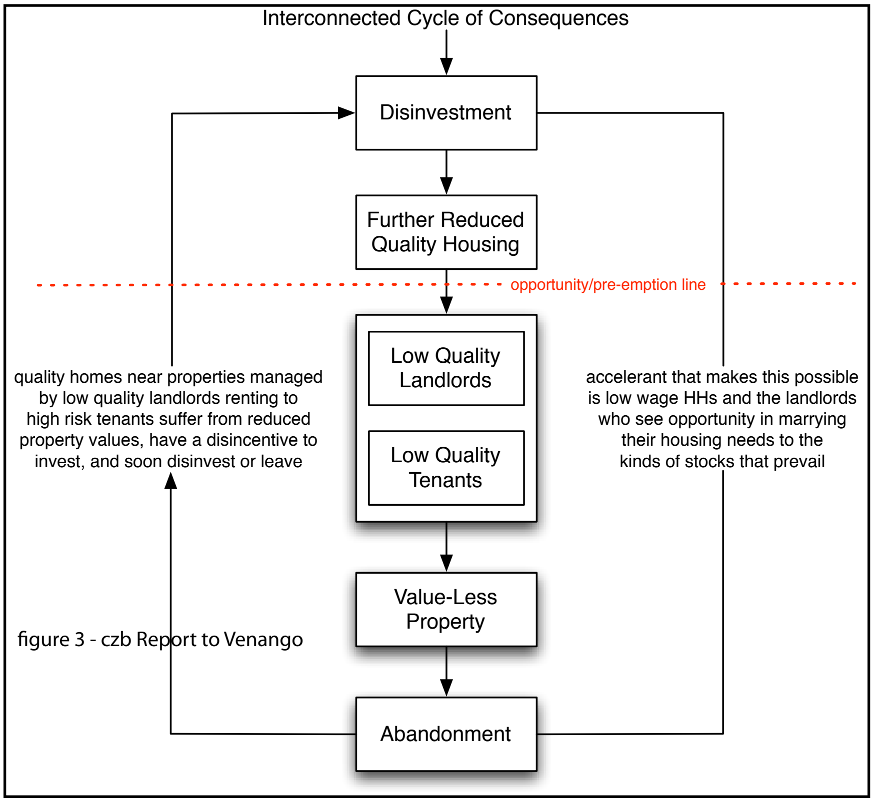


figure 3 - czb Report to Venango

This is typified by what's happened in Oil City North between Plummer and Bishop along Pearl, Oak, Washington, Bissell, Hoffman, and Hone. Its what's occurred in Oil City South on the east side between Pine and Grant along 2nd, 3rd, and 4th, and on Colbert, Plum, and Glenview in Silverly, and throughout Reno, Rouseville, Emlenton, Sugarcreek, and Franklin between Pearl and Chestnut and 13th and 15th. Its also the stage setter for the housing market in the county, inducing social service agencies to locate their efforts near those markets, and private developers to go elsewhere. Along the way, Venango County has evolved into two very differently positioned submarkets - the cities and boroughs on one hand, and the townships and census-designated places (CPDs)on the other. The cities and boroughs have more than their fair share of low-cost housing, the townships and census-designated places, less. Consequently, the cities and townships have a greater demand for services, and thus a higher millage, giving cities and boroughs an additional disadvantage in the marketplace.

table 1 - czb Report to Venango

Advantage (✓)	Cities and Boroughs	Townships and CDP	Source
Property Value (Rate of Increases)		✓	Allegheny Board of Realtors MLS
Safety		✓	UCR Stats
Age of Structures		✓	Census/ESRI
Size of Homes		✓	Census/ESRI
Tenure		✓	Census/ESRI
Poverty Rates		✓	Census/ESRI
Tax Rates		✓	County Records

As the townships have strengthened their hand, retail has followed, making it harder for it to make sense to have a business in downtown Franklin and Oil City.   As low wage businesses locate to the townships, employees find housing in low cost boroughs, poorer sections of the cities, and in mobile homes scattered throughout the county. Concentrations of low wage, at-risk households respond to lower housing values, maintenance falls off, and lower standards take root. Over time it no longer makes sense for strong households to stay due to lower quality neighborhoods and higher millage, so they depart either for the townships or they leave the county altogether

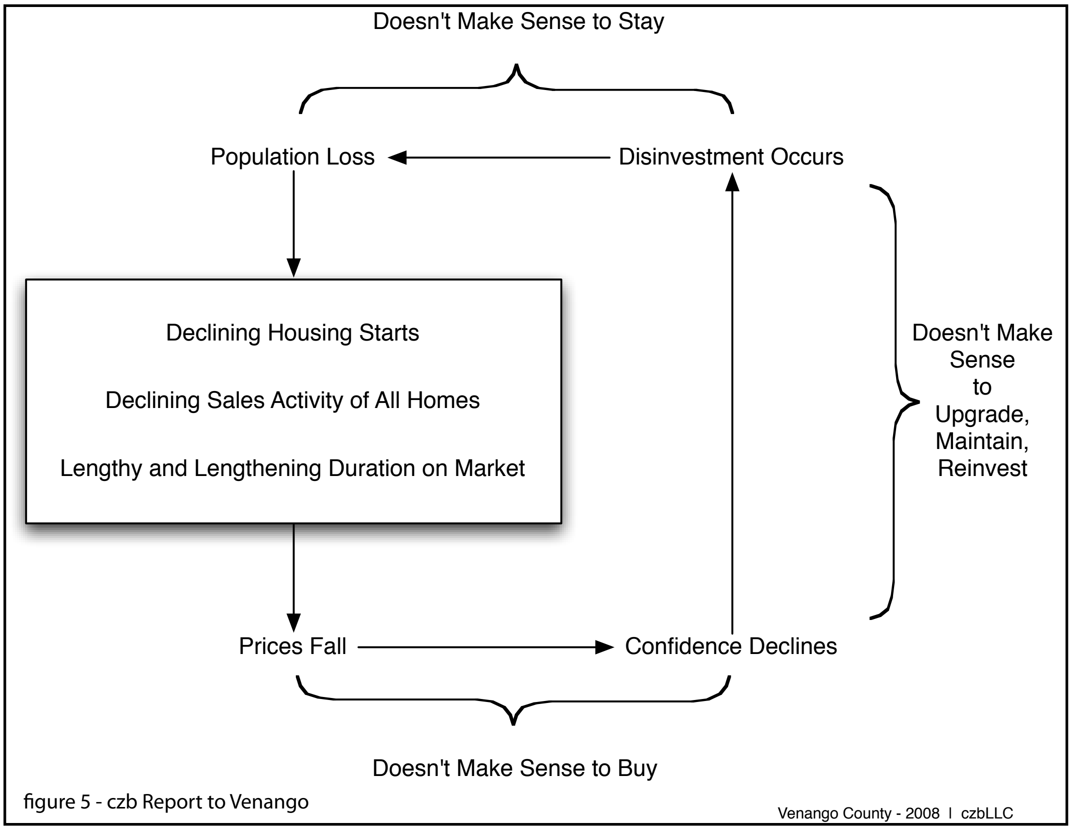


figure 5 - czb Report to Venango

The policy challenge for Venango County is to determine which of the inputs that give texture to the housing market that we have identified as 'fixable' are worthy of the effort to change. The work facing the county is more finesse than muscle: its not simply building housing for the aging population, for example, its that plus taking down obsolete housing in the same stroke, so the overall supply is not getting larger even as the composition of the supply is getting more responsive to the market.

table 2 - czb Report to Venango

Input	Issue(s)	Policy + Program Questions Facing Venango
Older Homes	• Expensive to maintain	• Develop a flow of resources to help owners upgrade?
Smaller Homes	• Unappealing to young families	• Develop a commitment to fund enlargement?
Undermaintained	• Years of deferred maintenance	• Fund catch up maintenance
Fewer HHs	• Lower levels of demand	• Begin downsizing the stocks (aggressive demolition)
Older HHs	• Aging require different housing	• Infill development of homes for older HHs; Capacity

In sum, the big picture story in Venango County is straightforward. The last time Venango County's population and housing supply were close to being in synch was between the end of World War II and 1950. Before that, 1910. That's 100 years of having too much housing supply. Over time that supply became not just too large, but older, and, eventually, unworkable for today's market. When housing demand outpaces supply, prices rise and an affordable housing shortage ensues. When there is too much supply, values fall. Both kinds of imbalances can be smoothed out over time, either through market forces curtailing production, or government intervention to incent affordability. The central imbalance in Venango County is too much supply.


Rouseville - Fall 2008 - czb

The consequence of so much distance between supply and demand is a dysfunctional housing market that works against those families that do take care of their homes, for they cannot easily sell when the time comes, when they do there is limited equity in the home, and while they live there, they are often neighbor to other owners who have concluded that its in their economic self-interest to let their homes degrade in quality. Markets with such large gaps between supply and demand also work against low income renters, because while the volume of housing is sufficient, quality in their price range is rare. For the low income renter in Venango County, the existence of an affordable place is less the challenge than the availability of an affordable place in safe and decent condition.

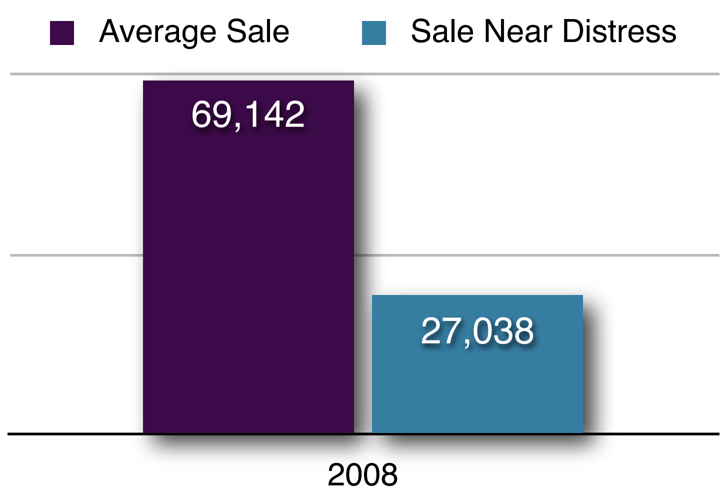
Such systems have beneficiaries though, and few in Venango County benefit more from its dysfunctional housing market than slum landlords and other owners without the skill set, financial bearing, or management experience needed to own and manage property to a high standard. With low acquisition prices, a steady stream of low-income customers lacking credit and savings to enter what is in fact an affordable first time buyer market, aspiring retrograde landlords face no regulatory barriers to their efforts to obtain and further grind down properties already at the furthest ends of their useful lives. Coupled with a self-referential worldview typical of a closed system, standards over time fall, often with little notice, until such time as suddenly it feels like half the street has "gone". Despite strong submarkets in the townships and in portions of the cities, this is where the housing market in Venango County is today.

Upending these and other consequences of Venango County's current housing market will require insight and courage. Fortunately, both exist among the county's admirable leaders.

The housing history of Venango County is one defined by rapid extractive industry job growth followed by housing starts, followed by job loss, followed by population loss, and decline in property values. This is a housing history not unique to Venango County. It is a housing history common to boom and bust markets that are also geographically distant from the influence of external drivers.

House above around the corner

If leaders in Venango County want a different future, many current policies and practices will have to change, and change substantially. Rental property ownership will have to be regulated like every other business; property will have to be routinely inspected and high standards will need to be instituted. Public housing will have to redefined, both in terms of management and oversight, and role in the local economy. Land usage will have to redefined, so that housing development in one part of the county, when it does happen, does not undermine another part to the point of dysfunction.



Source: Allegheny Board of Realtors

None of these and other changes will be easy. Ignoring them will not make the problem of housing market dysfunction go away. Long term trends resulting in population loss - the major input for market dysfunction - are going to continue. But a focused effort by committed leaders in the county to reduce the size of the housing supply while improving the supplies that are retained, coupled with consolidation of agencies and public sector efforts, along with efforts to deconcentrate poverty will yield valuable results. This focused effort will be discussed in greater detail subsequently.

Findings
Housing in Venango County is Very Affordable

Venango County's housing stocks have not been properly aligned with demand for more than 60 years.

For sixty years, more housing has existed in Venango County than there have been households to fill them. This trend has reached the point today where the current population of 56,126 (ESRI Estimate, 2008), consisting of 22,500 households (HHs), outpaces residential units (27,158) by more than four thousand. A poignant culmination of this trend is diminished demand for housing, the condition of which has steadily worsened. A 2003 Brookings Institution report (Committing to Prosperity) catalogued this and other trends that much of central and western Pennsylvania face.

Key indicators of sustained low demand are ever lower rates of new housing starts, lower volumes of sales activity, longer periods of time between sales listings and settlements, and increasing vacancy and abandonments rates. These in turn lead to reduced confidence about future value expressed in lower rates of capital improvements to existing homes, diminished patterns of ordinary maintenance, and, finally, self-fulfilling falling property values that, once more, both ratify existing and spread additional justification among property owners to minimally maintain and rarely upgrade their homes. When it does occur, nominal amounts of new construction in one part of Venango cannibalize another. If the county were growing in population, this would be good old fashioned competition.

But Venango County is essentially a closed system, a post extractive economy that is getting smaller and more insular by the year. As aggregate demand continues to shrink, housing gains in one area are invariably offset by losses in another. As a closed system, at best the two cancel each other out. More the case, losses actually become viral, rendering communities like the north side of Oil City bereft of many of the pre-requisites for a healthy community. As the strongest families leave, their wake is filled by more and more at-risk households, more and more problem landlords all too willing to own obsolete property, and a tortured version of accelerated depreciation.

In short, Venango County's housing stocks have not been properly aligned with demand for more than 60 years. Compounding this, numerous public efforts on the housing front do not function in light of market reality. Instead, they operate as if the housing challenge in the County is solved by more supply, when in fact, the housing challenge is anything but. One result of this is that today there are 5,312 more units of housing (10,470) affordable to HHs earning less than 50 percent of the area median income, than there are households at that income level (5,158).

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This overabundance of affordable supply drives home values down, reduces average contract rents, makes it less feasible to develop new affordable housing, and generates an increased probability that bottom-dwelling rental property owners will offer cheap supplies of poorly managed, poor quality rental housing to poorly situated struggling families.

A serious misstep has been to respond with more, new housing for the poor. In fact, the right response would have been, and remains, to remove low quality landlords from the housing market, enhance the credit worthiness of poor families, grow the incomes of poor families, incent targeted reinvestments in existing stocks located in neighborhoods showing signs of vitality, and simultaneously upgrade the stocks that are worth upgrading while removing problem properties aggressively.

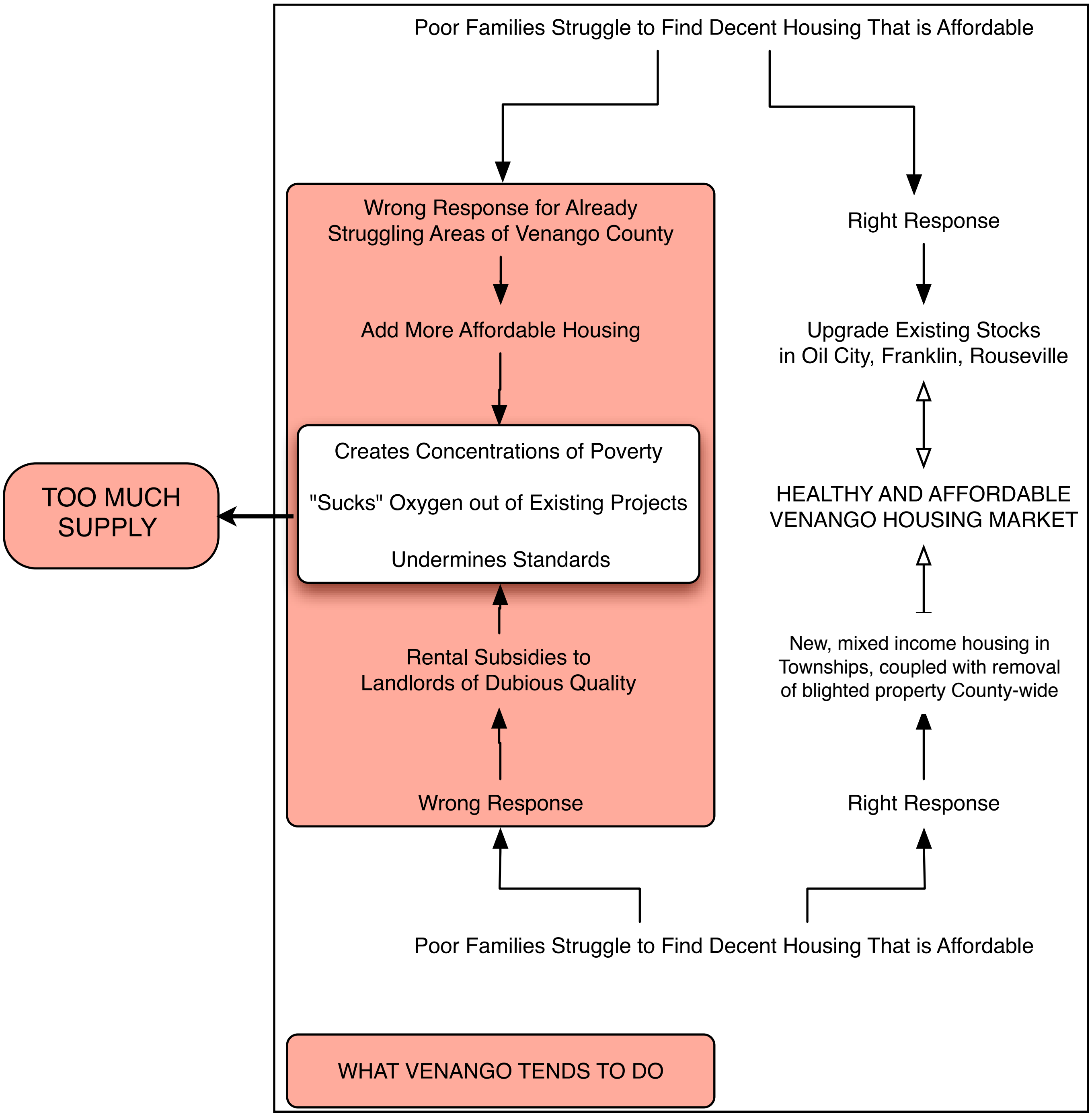
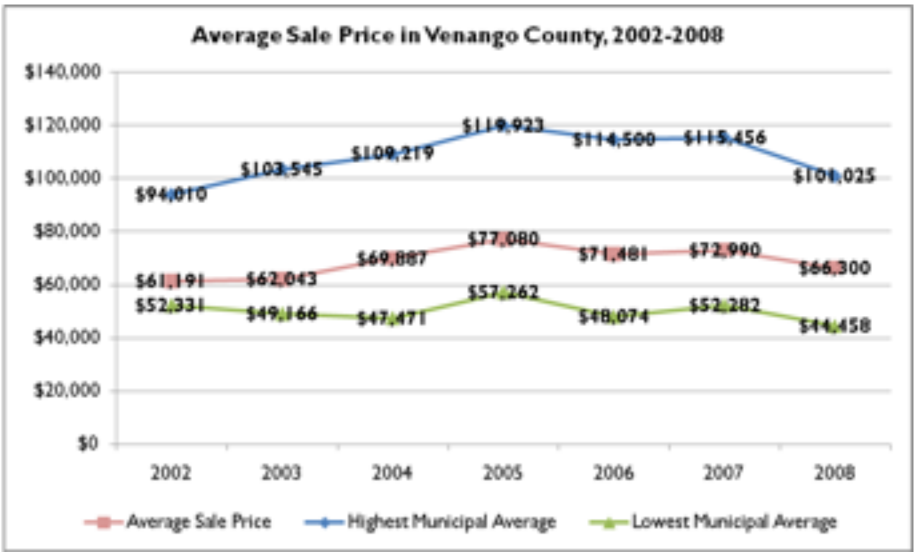
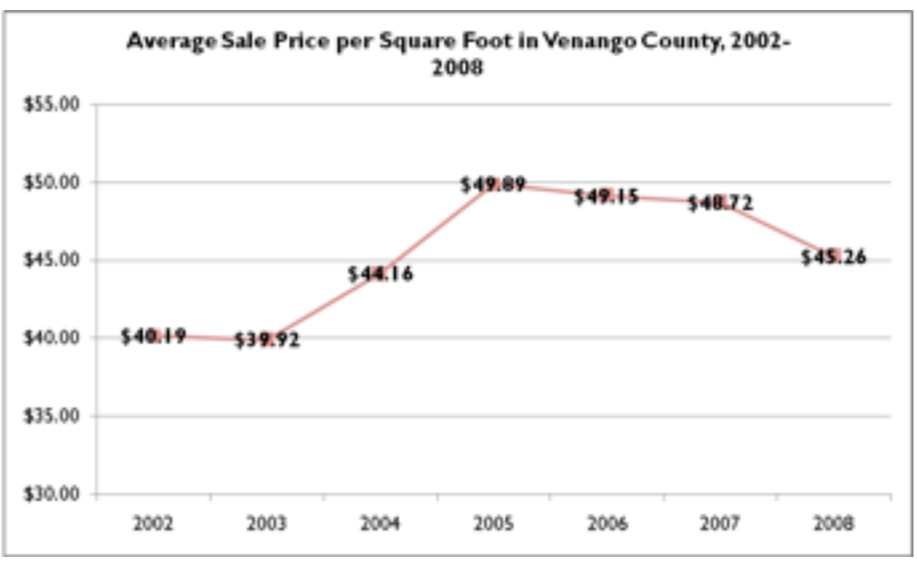


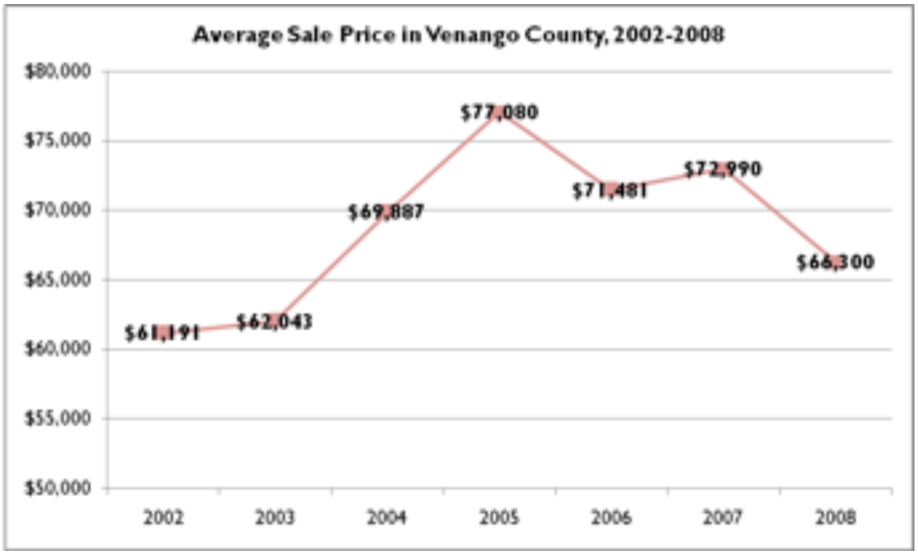
figure 6 - czb Report to Venango

Instead of interpreting too few quality units as too few units, the work should be to improve existing units. The bottom line is Venango County is affordable. The problem is not too few affordable units, its too few quality affordable units. The problem is not too few units, its too many affordable units all in the cities and boroughs, a settlement pattern that serves the parochial interests of the townships but undermines the *health of the urban markets. The problem is not therefore just a matter of too few units overall, or too many in the cities, its also too few affordable units in the townships.* Just as Venango County has more than its fair share of low-income households when compared to neighboring counties, the cities and boroughs within Venango County have more than their fair share of the low income units. Regardless, the bottom line is that housing in Venango County is affordable. Even when there was a spike in sales prices between 2003-2007, the maximum average sales price across the county was $77,080. Using a conservative 2.8 wages to sales price ratio, the wages need to compete for housing on the open market at the height of strength in the last five years were $27,528, or $13.25/hr at full time. A household with one part time minimum wage income at that time ($7.15/hr at 20 hours a week (1,040 hours) would have earned $7,436, and one full time wage earner earning $9.66/hr would have the income to buy a home.





Our work across the county confirms two takeaways from this. First, while the above scenario puts a low wage family in striking distance of the average priced home in Venango County, that same family can more than afford the large number of homes priced between $35,000 - $65,000 on the market at any given moment in time. Second, therefore, what's in the way is less an issue of adequate income, than savings and qualifying credit.



To test the sense of housing affordability, a snapshot of active listings can be helpful. In the fall of 2008 at two points in October, there were 360 active listings. Of these, 49.7 percent (179) of the single family homes for sale were priced between $50,000-$150,000, meaning one in two listings required no more than $30/hr in total household wages.

With an estimated 2007 median household income of $39,069, a household at 100% AMI (area median income) could afford a home listed for $109,393. At 60 percent of AMI ($23,441), a family could afford a home listed at $65,635. At any point in time in October 2008, there were 145 single family homes for sale, of which we deemed 101 to be habitable. The total listings affordable to a family at 60% AMI constituted 40.2 percent of the total, commensurate with the percentage of the county's population with that degree of purchasing power (41%). But because roughly 30 percent of those listings were probably not habitable without significant investments, <u>the real challenge is not the number of homes that are affordable, but the quality of what is affordable</u>.

Of course averages tell only part of the story and can obscure other important truths. There are two in particular that deserve mention. First, though true that at any given time in the fall of 2008 two in five listings were affordable to HHs at 60% AMI, and that these HHs comprised roughly 40 percent of the population, it is also the case that listings in the townships - principally Rockland, Sandycreek, Frenchcreek, Cornplanter, and Cranberry - were out of reach for many, where average prices per square foot ranged between $57-95. The corollary of course is that listings in Rouseville averaged $28,055, Silverly $29,983, Oil City North $29,504, and Emlenton $43,469. Second, the unequal distribution of valuable property - cities and boroughs on the short end, townships and CDPs on the other - creates a significant policy challenge. On the one hand there are 5,312 more units of housing (10,470) affordable to HHs earning less than 50 percent of the area median income ($15,627), than there are households at that income level (5,158) (not listings, but total inventory). On the other hand, some number of units are needed to shelter the hardest to house populations. A greater number of affordable units can be obtained in the lower cost markets (Rouseville, Oil City North, Silverly, Emlenton), helping address the unmet shelter needs of the hardest to house. On the other, these are exactly the neighborhoods that already have more than their fair share of at-risk households, more than their fair share of low-cost housing, and more than their fair share of subsidized housing, and ultimately more than their fair share of indicators of continued decline, as shown below:

Cluster* - Sale Price**	Cluster* - Days on Market	Place Name	Place Type	Average Sale Price	Average Sale Price per Sq Ft	Average Days on Market	Abandonment Rate	HOship Rate	Demand Rank
1	4-6	Rouseville borough	Borough	$28,055.60	$23.37	195.9	6.3%	77.1%	7
1	4-6	Silverly	Neighborhood	$29,983.77	$23.38	170.5	3.7%	57.6%	7
1	4-6	Oil City North	Neighborhood	$29,504.21	$21.16	201.9	4.2%	62.6%	7
2	4-6	Oil City city	City	$50,438.51	$29.49	190.8	4.3%	62.5%	7
2	4-6	Emlenton borough	Borough	$43,469.23	$22.22	159.2	1.1%	63.1%	7
2	4-6	Oil City South	Neighborhood	$51,289.87	$30.12	185.1	4.7%	61.5%	7
2	1-3	Clintonville borough	Borough	$55,633.33	$31.49	129.0	0.0%	61.5%	7
3	4-6	Utica borough	Borough	$65,700.00	$39.64	221.1	0.0%	83.1%	6
3	4-6	Clinton township	Township	$72,485.71	$53.10	164.1	0.7%	91.9%	6
3	4-6	Cooperstown borough	Borough	$70,345.00	$43.29	172.6	0.0%	95.7%	6
3	4-6	Franklin city	City	$62,382.98	$36.86	198.2	1.3%	57.4%	6
3	4-6	Pleasantville borough	Borough	$70,992.06	$44.02	159.9	2.4%	84.4%	6
3	4-6	Oilcreek township	Township	$78,502.29	$51.51	164.1	2.0%	90.8%	6
3	1-3	Irwin township	Township	$76,200.00	$50.72	139.4	0.9%	82.2%	5
3	1-3	Allegheny township	Township	$94,300.00	$41.46	77.0	2.2%	82.9%	5
3	1-3	Mineral township	Township	$81,756.82	$55.04	133.8	0.7%	88.7%	5
3	1-3	Sugarcreek borough	Borough	$60,633.95	$44.42	151.5	1.3%	83.9%	5
3	1-3	Polk borough	Borough	$70,348.13	$42.00	131.2	0.0%	74.2%	5
4	4-6	Rockland township	Township	$81,724.88	$69.88	174.3	1.0%	89.8%	4
4	4-6	Sandycreek township	Township	$103,092.42	$69.43	170.6	1.1%	88.6%	4
4	4-6	Oakland township	Township	$102,491.32	$62.29	210.2	0.8%	92.3%	4
4	4-6	Oliver Manor (Oil City	Neighborhood	$107,071.57	$52.80	177.3	0.7%	74.1%	4
4	4-6	Cornplanter township	Township	$83,062.69	$54.78	162.1	1.1%	89.1%	4
4	4-6	Pinegrove township	Township	$90,376.45	$59.16	169.7	0.3%	88.1%	4
4	4-6	President township	Township	$75,226.00	$66.21	175.9	0.6%	90.9%	4
4	4-6	Jackson township	Township	$90,285.00	$56.03	159.1	1.1%	79.9%	4
4	1-3	Richland township	Township	$87,816.67	$58.62	105.8	0.0%	85.4%	3
4	1-3	Frenchcreek township	Township	$95,825.49	$71.08	138.7	1.4%	87.1%	3
4	1-3	Barkeyville borough	Borough	$115,000.00	$55.18	136.0	0.0%	84.8%	3
4	1-3	Cranberry township	Township	$83,562.12	$57.07	158.3	1.3%	80.6%	3
5	4-6	Plum township	Township	$119,342.67	$81.02	176.3	0.0%	88.7%	2
5	4-6	Victory township	Township	$104,422.22	$89.80	167.1	1.2%	81.3%	2
5	4-6	Cherrytree township	Township	$103,928.57	$77.23	159.3	3.1%	88.5%	2
5	1-3	Scrubgrass township	Township	$119,206.67	$94.75	131.2	2.7%	84.5%	1
5	1-3	Canal township	Township	$116,259.88	$66.84	140.8	3.9%	90.3%	1

**Cluster Score of 3 = Just below average; Cluster Score of 4 or More = Above average*

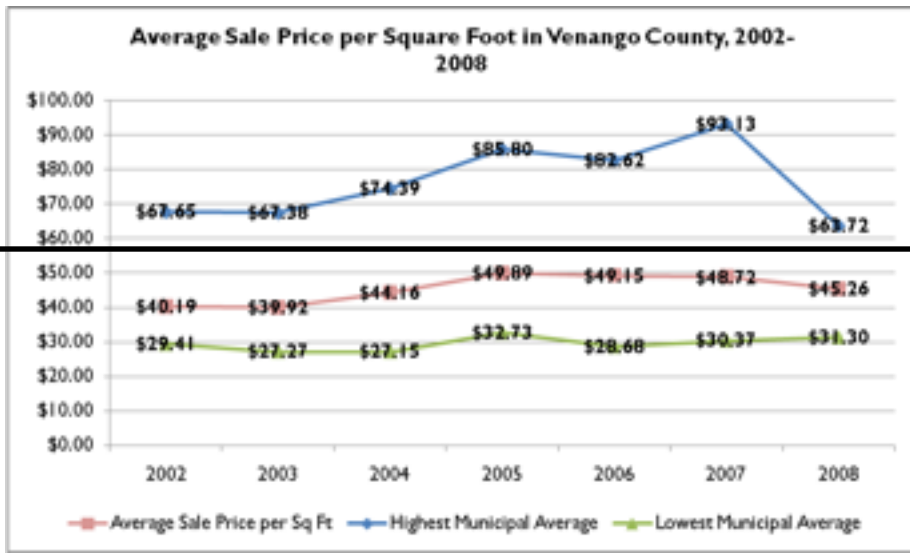
***"Cluster - Sale Price" reflects both the average sale price per square foot and the average sale price in each municipality. The Z Scores for these two variables were averaged and then converted into a composite Cluster Score.*

Closing Year	Average Sale Price (Countywide)	Highest Municipal Average*	Lowest Municipal Average*
2002	$61,191	$94,010 in Rockland township	$52,331 in Oil City
2003	$62,043	$103,545in Sandycreek township	$49,166 in Oil City
2004	$69,887	$109,219 in Sandycreek township	$47,471 in Oil City
2005	$77,080	$119,923 in Sandycreek township	$57,262 in Oil City
2006	$71,481	$114,500 in Frenchcreek township	$48,074 in Oil City
2007	$72,990	$115,456 in Cornplanter township	$52,282 in Oil City
2008	$66,300	$101,025 in Sandycreek township	$44,458 in Oil City

**Note: Only municipalities with at least 10 sales in a given year were considered for these highest and lowest categories (Period was 2002-2008).*

We also evaluated *relative* affordability, to see a comparison across submarkets in the county. Using a conservative 2.8 wage to housing sales price multiplier, the chart below illustrates the degree to which housing across the county in selected areas was affordable.

Jurisdiction	2007/8 Value	Income Needed	Hourly Needed
Oil City	66,957	23,913	11
Franklin	79,949	28,553	14
Emlenton	96,468	34,453	17
Rouseville	59,207	21,145	10
Seneca	114,278	40,814	20
Clintonville	74,338	26,549	13
Sugar Creek	82,457	29,449	14
Hasson Heights	115,590	41,282	20

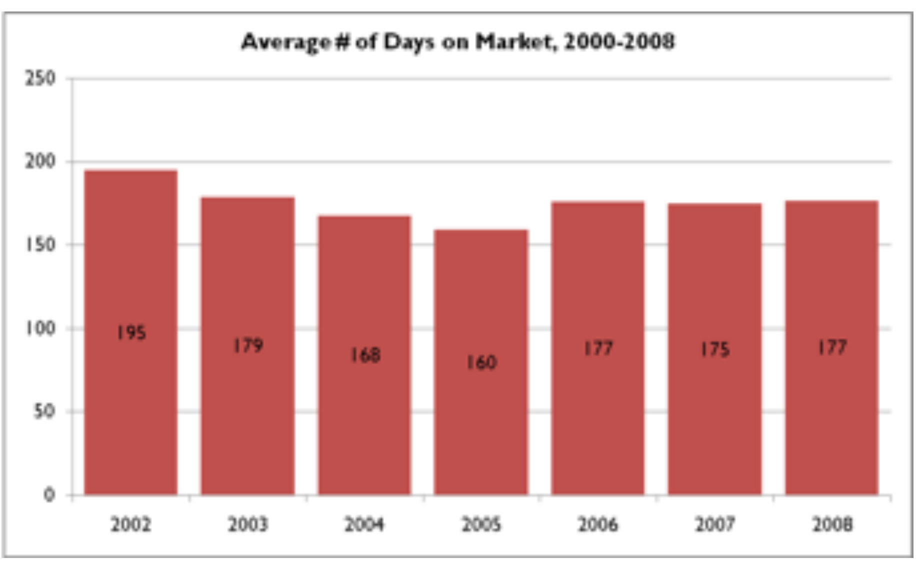


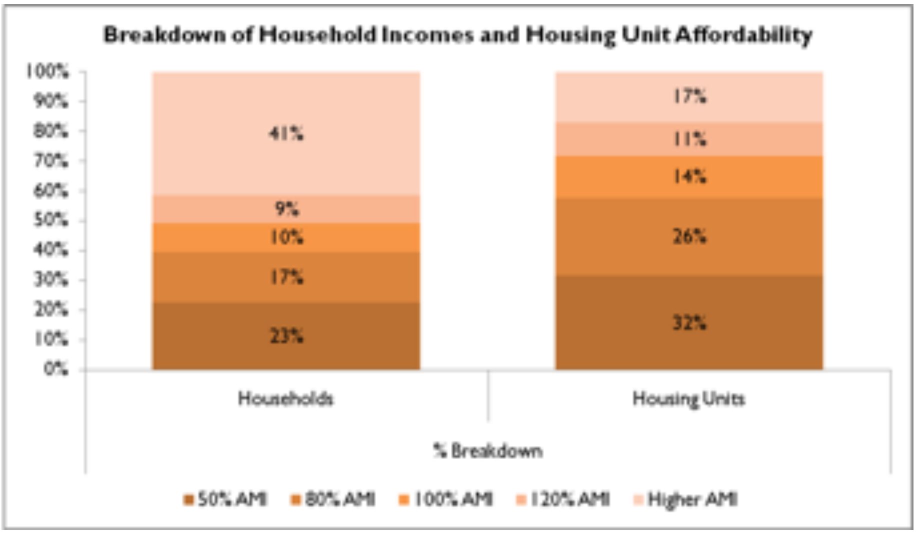
Tendencies

Townships

Boroughs

Cities

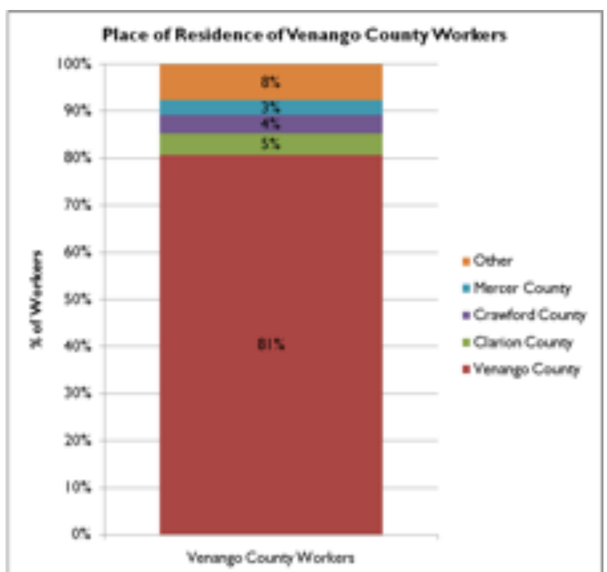




The above graph illustrates the current portion of households at various income levels and the portion of **owner-occupied** housing units affordable to households at those income levels. Both breakdowns are based on 2000 Census data which is brought current using wage trends and property sales trends in Venango County. According to Census County Business Patterns, the average annual wage in Venango County fell by 6.4% between 2000 and 2007:

Year	Average Annual Wage
2001	$21,559
2002	$20,883
2003	$20,715
2004	$20,768
2005	$21,066
2006	$21,181
2007	$20,532

Since roughly 80% of Venango County workers reside in Venango County (according to the Bureau of Transportation Statistics), it was assumed that household incomes followed a similar trend (in other words, declined by 6.4% between 2000 and 2007).



According to MLS data, the average sale price in Venango County increased 1.3% annually between 2002 and 2008.

Closing Year	Average Sale Price
2002	$61,199.54
2003	$62,191.67
2004	$70,067.64
2005	$76,847.78
2006	$71,646.26
2007	$72,715.54
2008	$65,933.42

Therefore, it was assumed that **owner-occupied** property values rose 9% (or 1.3% times 7) between 2000 and 2007. To bring 2000 Census data on rent levels current (to 2007), this analysis referred to changes in HUD's Fair Market Rents for the county. According to historical data from HUDUser.org, Fair Market Rents rose at the following levels:

FMR in Venango County	Bedrooms				
	0	1	2	3	4
2000	283	360	431	563	629
2007	396	433	516	652	739
% Change (2000-2007)	40%	20%	20%	16%	17%

As of 2000, the bulk of Venango County's rental units included 1 to 3 bedrooms:

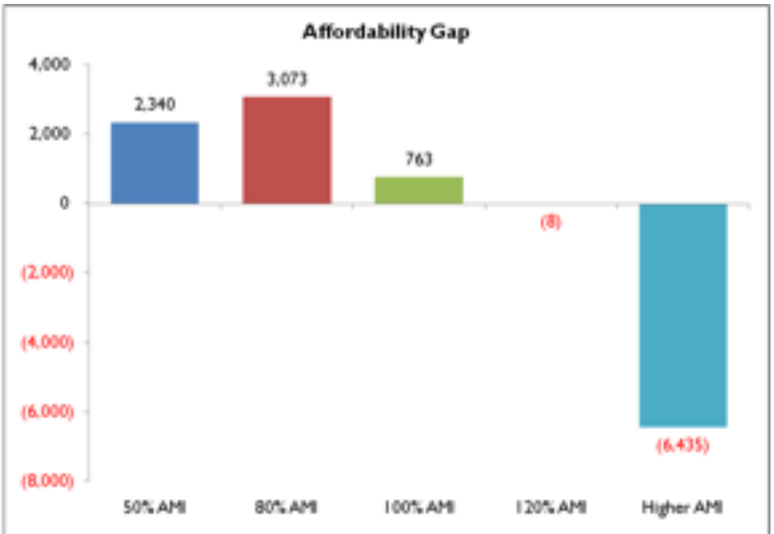
	Venango County	
Renter occupied:	5,369	
No bedroom	84	2%
1 bedroom	1,417	26%
2 bedrooms	2,047	38%
3 bedrooms	1,392	26%
4 bedrooms	318	6%
5 or more bedrooms	111	2%

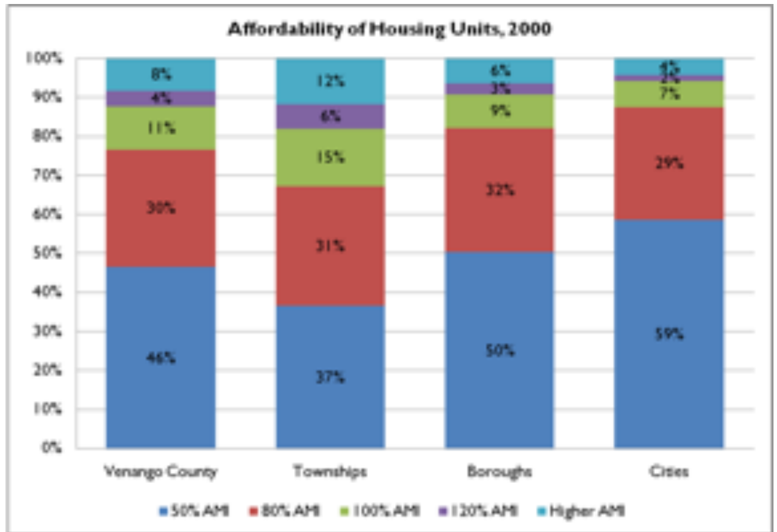
These percentages were applied to the increases in FMR to generate a weighted average rental increase for all rental housing in Venango County, which equaled 19%. Therefore, it was assumed that rents rose 19% between 2000 and 2007. Taking all of these assumptions into account, the data suggest that the main "affordability gaps" (available units minus existing households) affect households earning more than 120% of the area median income – meaning too few units exist at prices these households could afford to pay for housing. This is the essence of market dysfunction: stable two income households at 120 of the AMI have less product in their sightlines than households between 40-80 percent of AMI.

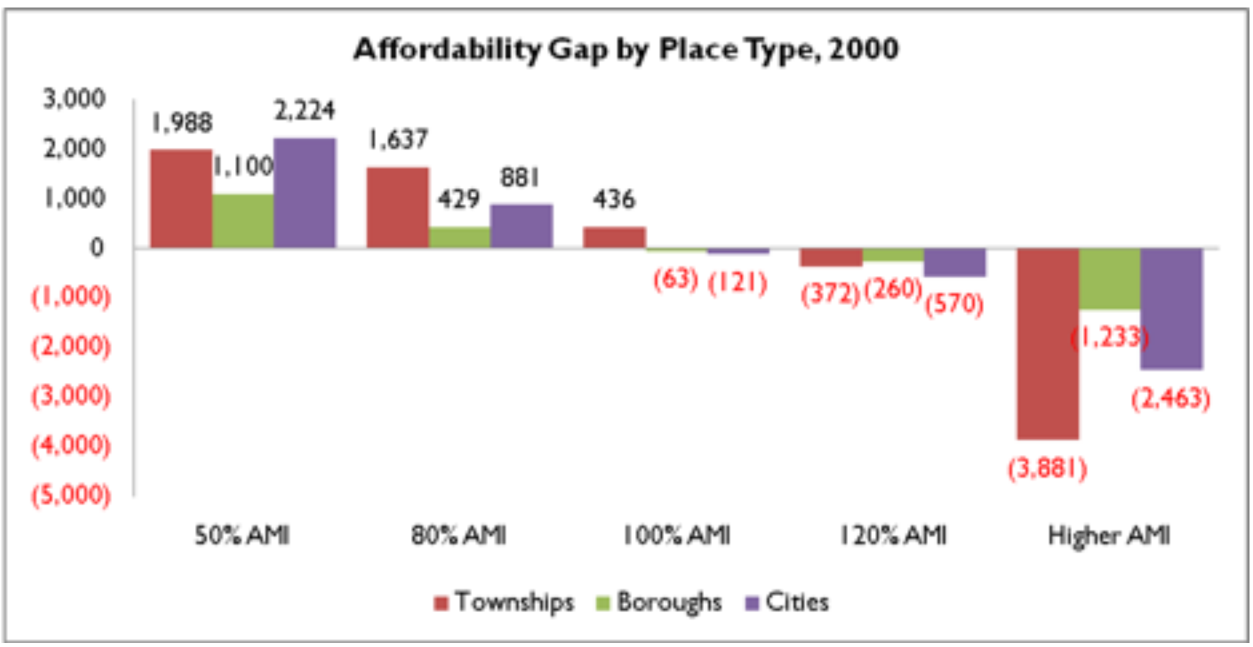
	Income (2007)	Maximum Purchase Price (2007)	Maximum Rent (2007)
50% AMI	$15,103	$45,310	$378
80% AMI	$24,165	$72,496	$604
100% AMI	$30,207	$90,620	$755
120% AMI	$36,248	$108,744	$906

Note: The 268 difference between the number of households and the number of units stems from the fact that values and rent levels were used for *specified* units (as opposed to *all* units). Also, rental units without cash rent were considered to be affordable to households below 50% AMI.

	Households	All Housing Units	*Specified Owner Units*	*Specified Renter Units*	Affordability Gap
50% AMI	5,158	7,497	*5,489*	*2,008*	2,340
80% AMI	3,852	6,925	*4,528*	*2,396*	3,073
100% AMI	2,228	2,990	*2,449*	*542*	763
120% AMI	2,125	2,117	*1,993*	*125*	-8
Higher AMI	9,426	2,991	*2,919*	*71*	-6,435
	22,788	22,520	*17,378*	*5,142*	-268


Affordability Gap
4,000
2,000
0
(2,000)
(4,000)
(6,000)
(8,000)
2,340
3,073
763
(8)
(6,435)
50% AMI
80% AMI
100% AMI
120% AMI
Higher AMI


Affordability of Housing Units, 2000
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Venango County
Townships
Boroughs
Cities
46%
30%
11%
4%
8%
37%
31%
15%
6%
12%
50%
32%
9%
3%
6%
59%
29%
7%
50% AMI
80% AMI
100% AMI
120% AMI
Higher AMI


Affordability Gap by Place Type, 2000
3,000
2,000
1,000
0
(1,000)
(2,000)
(3,000)
(4,000)
(5,000)
1,988
1,100
2,224
1,637
429
881
436
(63)
(121)
(372)
(260)
(570)
(3,881)
(1,233)
(2,463)
50% AMI
80% AMI
100% AMI
120% AMI
Higher AMI
Townships
Boroughs
Cities

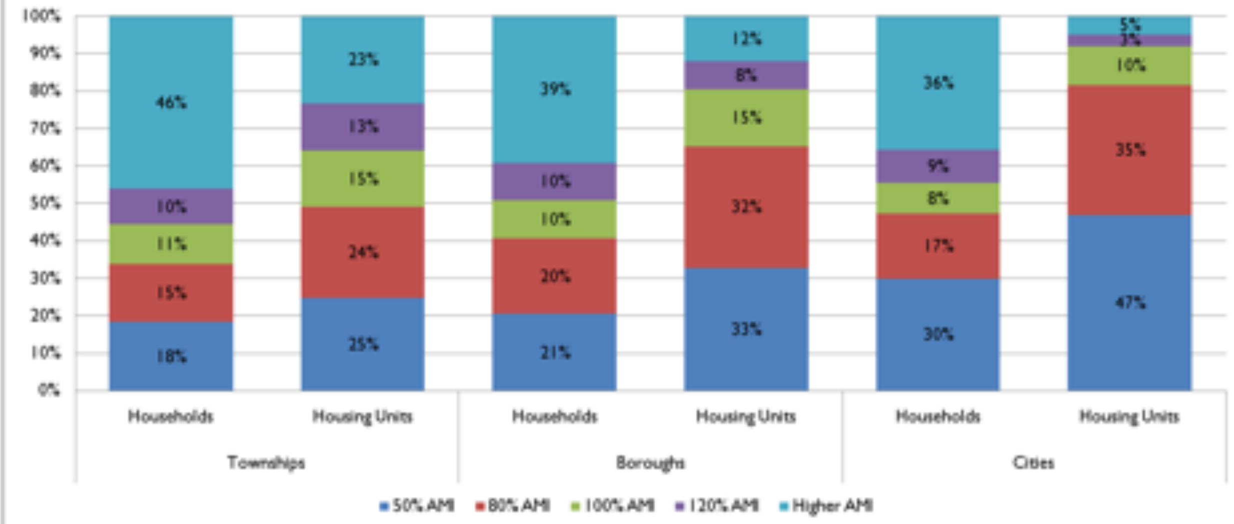
While data from 2000 are eight years old, our judgement is that, based on permit activity the last eight years, a rise and fall in values, and general income consistency, the portrait depicted by 2000 census data remains on target for the purposes of crafting policy in Venango County.

Affordability Snapshot (2000)	Households					Housing Units					Affordability Gap				
	50% AMI	80% AMI	100% AMI	120% AMI	Higher AMI	50% AMI	80% AMI	100% AMI	120% AMI	Higher AMI	50% AMI	80% AMI	100% AMI	120% AMI	Higher AMI
Venango County	5,158	3,852	2,228	2,125	9,426	10,470	6,798	2,479	923	1,849	5,312	2,947	251	-1,202	-7,576
Allegheny	12	9	16	21	51	34	30	20	17	7	22	21	4	-4	-44
Barkeyville	7	16	8	11	51	23	39	16	3	12	16	23	8	-8	-38
Canal	57	64	39	35	183	146	111	50	25	36	89	46	11	-10	-148
Cherrytree	95	113	57	57	274	209	187	69	38	81	113	74	12	-19	-193
Clinton	48	47	19	28	127	109	63	37	19	39	62	16	18	-9	-88
Clintonville	80	45	24	8	68	130	72	9	6	2	50	27	-15	-2	-65
Cooperstown	26	29	16	22	91	65	99	15	3	3	39	70	-1	-19	-87
Cornplanter	184	143	131	88	490	364	318	195	61	96	180	175	64	-27	-394
Cranberry	647	388	302	244	1,264	1,061	922	353	164	296	415	534	52	-80	-969
Emlenton	88	52	33	22	131	148	109	28	22	11	60	57	-5	0	-120
Franklin	928	542	240	244	1,094	1,613	948	269	50	150	685	406	29	-194	-944
Frenchcreek	104	102	72	56	335	224	197	116	39	89	120	95	45	-17	-245
Irwin	100	73	61	47	217	153	136	79	36	67	53	63	18	-10	-150
Jackson	97	52	46	50	179	174	150	56	10	28	77	98	10	-40	-151
Mineral	30	31	19	25	89	88	57	21	7	22	58	26	1	-17	-66
Oakland	61	119	50	51	293	187	169	93	51	72	126	50	42	-1	-222
Oil City	1,414	817	407	445	1,699	2,953	1,292	257	70	180	1,538	475	-150	-376	-1,519
Oilcreek	67	54	34	27	146	127	109	29	22	35	60	55	-5	-5	-112
Pinegrove	94	84	39	60	230	187	118	100	40	54	93	34	61	-20	-176
Pleasantville	77	64	29	29	146	144	135	41	11	10	67	71	13	-18	-137
Plum	60	54	46	44	178	152	133	57	15	26	92	79	11	-29	-151
Polk	24	50	19	20	77	111	61	17	1	4	87	11	-2	-19	-73
President	55	65	35	17	75	113	67	32	7	21	58	1	-3	-9	-53
Richland	52	54	33	28	125	103	61	42	17	54	51	7	10	-10	-71
Rockland	103	111	83	69	202	210	190	77	24	46	107	79	-7	-45	-157
Rouseville	57	49	14	18	55	149	40	6	3	3	92	-9	-8	-16	-51
Sandycreek	97	99	65	72	496	226	221	153	76	135	129	122	88	4	-361
Scrubgrass	57	50	31	29	146	100	80	37	20	69	44	31	5	-9	-78
Sugarcreek	386	424	235	231	826	1,042	610	185	61	186	656	186	-51	-170	-640
Utica	23	26	3	7	21	57	19	2	0	0	34	-7	-1	-7	-21
Victory	28	25	19	20	68	69	57	18	5	14	41	32	-1	-15	-54

The table below provides a powerful illustration of the housing market, and housing affordability, articulating the percentage of housing stocks affordable to various households at several income levels. Even in Cranberry Township, a flagship Venango County market, two in five properties had values in 2000 that were affordable to households at 50% AMI. The red flag for policy makers is that 62 percent of the stocks in Oil City were affordable to households at this income level, a figure far higher in Silverly and Oil City North. Bottom line? No more affordable housing is needed in the cities or boroughs, and not much is needed in the townships.

% of Units Affordable to Households at...	**50% AMI**	**80% AMI**	**100% AMI**	**120% AMI**	**Higher AMI**
Venango County	46%	30%	11%	4%	8%
Townships	37%	31%	15%	6%	12%
Boroughs	50%	32%	9%	3%	6%
Cities	59%	29%	7%	2%	4%
Allegheny township	31%	28%	18%	16%	7%
Canal township	40%	30%	14%	7%	10%
Cherrytree township	36%	32%	12%	6%	14%
Clinton township	41%	24%	14%	7%	15%
Cornplanter township	35%	31%	19%	6%	9%
Cranberry township	38%	33%	13%	6%	11%
Frenchcreek township	34%	30%	17%	6%	13%
Irwin township	32%	29%	17%	8%	14%
Jackson township	42%	36%	13%	2%	7%
Mineral township	45%	29%	11%	4%	11%
Oakland township	33%	30%	16%	9%	13%
Oilcreek township	40%	34%	9%	7%	11%
Pinegrove township	37%	24%	20%	8%	11%
Plum township	40%	35%	15%	4%	7%
President township	47%	28%	13%	3%	9%
Richland township	37%	22%	15%	6%	19%
Rockland township	38%	35%	14%	4%	8%
Sandycreek township	28%	27%	19%	9%	17%
Scrubgrass township	33%	26%	12%	7%	22%
Victory township	42%	35%	11%	3%	9%
Barkeyville borough	25%	42%	17%	3%	13%
Clintonville borough	59%	33%	4%	3%	1%
Cooperstown borough	35%	53%	8%	2%	2%
Emlenton borough	47%	34%	9%	7%	3%
Pleasantville borough	42%	40%	12%	3%	3%
Polk borough	57%	32%	9%	1%	2%
Rouseville borough	74%	20%	3%	1%	2%
Sugarcreek borough	50%	29%	9%	3%	9%
Utica borough	73%	24%	2%	0%	0%
Franklin city	53%	31%	9%	2%	5%
Oil City	62%	27%	5%	1%	4%

Assuming that incomes and rents rose at the same rate countywide (only county-level data was available for these two indicators since 2000) and assuming that values rose in line with increases in sales prices (as reported by MLS), Venango County municipalities remain largely affordable.



Income Level of Households and Affordability of Housing Units in Venango County Places, 2007-2008

MLS data indicated that prices rose accordingly:

Place Type	Average Sale Price, 2002	Average Sale Price, 2008	% Change
Borough	$63,718.92	$77,827.13	22%
City	$55,113.68	$54,457.17	-1%
Township	$69,846.63	$86,351.74	24%

The above chart is a critically important portrayal of the kind of housing market Venango County has. **While boroughs and townships experienced solid growth in the average sale price of home from 2002-2008, cities experienced an actually *loss of one percent*. During this same period of time, fair market rents rose from $451 to $525 for a two bedroom unit across the county (16.4 percent)**

Buying a Home is Especially Affordable

The affordability of housing in Venango County is profound. At no time during our study were we unable to locate homes affordable to the very lowest income households. Below is what we determined to be a typical profile opportunity in Oil City.

624 Bissell Avenue - Oil City, Pa

Beith Associates Listing

Purchase price	**$24,900**
% down payment	**10%**
Down payment	$2,490
Loan amount	$22,410
Interest rate	**7.00%**
Mortgage length (years)	**30**
Payment with principal	$149

Loan Amount	6.50%	6.75%	7.00%	7.25%	7.50%
-$27,590	-$174	-$179	-$184	-$188	-$193
-$2,590	-$16	-$17	-$17	-$18	-$18
$22,410	$142	$145	$149	$153	$157
$47,410	$300	$308	$315	$323	$331
$72,410	$458	$470	$482	$494	$506
Loan increment	**$25,000**	**Interest increment**	**0.25%**		

	6.50%	6.75%	7.00%	7.25%	7.50%
P + I	$142	$145	$149	$153	$157
Taxes	$77	$77	$77	$77	$77
PITI	$219	$223	$226	$230	$234
Income					
Monthly	$730	$742	$754	$767	$780
Annual	$8,756	$8,904	$9,054	$9,205	$9,358
Hourly HH	$4.21	$4.28	$4.35	$4.43	$4.50

The property listed here is a property readily found in Franklin, Oil City, Rouseville, Utica, Emlenton, Clintonville, Polk, Pleasantville, President, or Sugarcreek. It is a starter home with a low down payment threshold ($2,400), low settlement/closing costs, and a very affordable mortgage payment. We estimate the Bissell Avenue property is an affordable home ownership option to any person in Venango County with a full time job at $5/hr, and modest savings.

At no time during our study were we unable to locate homes affordable to the very lowest income households. Below is what we determined to be a typical profile opportunity in Franklin.

808 Buffalo Street - Franklin, Pa

Purchase price	**$57,900**
% down payment	**10%**
Down payment	$5,790
Loan amount	$52,110
Interest rate	**7.00%**
Mortgage length (years)	**30**
Payment with principal	$347

Beith Associates Listing

Loan Amount	**6.50%**	**6.75%**	**7.00%**	**7.25%**	**7.50%**
$2,110	$13	$14	$14	$14	$15
$27,110	$171	$176	$180	$185	$190
$52,110	$329	$338	$347	$355	$364
$77,110	$487	$500	$513	$526	$539
$102,110	$645	$662	$679	$697	$714
Loan increment	**$25,000**		**Interest increment**		**0.25%**

	6.50%	6.75%	7.00%	7.25%	7.50%
	Payment				
P + I	$329	$338	$347	$355	$364
Taxes	$139	$139	$139	$139	$139
PITI	$468	$477	$486	$494	$503
Income					
Monthly	$1,561	$1,590	$1,619	$1,648	$1,678
Annual	$18,735	$19,079	$19,428	$19,779	$20,134
Hourly HH	$9.01	$9.17	$9.34	$9.51	$9.68

The property listed here is a property readily found in Franklin, Oil City, Rouseville, Utica, Emlenton, Clintonville, Polk, Pleasantville, President, or Sugarcreek. It is a starter home with a moderate down payment threshold ($5,790), moderate settlement/closing costs, and an affordable mortgage payment. We estimate the Buffalo Street property is an affordable home ownership option to any person in Venango County with a full time job at $9.25/hr, and modest savings.

At no time during our study were we unable to locate homes affordable to the very lowest income households. Below is what we determined to be a typical profile opportunity in Rouseville.

105 Main Street - Rouseville, Pa

Purchase price	**$74,500**
% down payment	**10%**
Down payment	$7,450
Loan amount	$67,050
Interest rate	**7.00%**
Mortgage length (years)	**30**
Payment with principal	$446

Beith Associates Listing

Loan Amount	**6.50%**	**6.75%**	**7.00%**	**7.25%**	**7.50%**
$17,050	$108	$111	$113	$116	$119
$42,050	$266	$273	$280	$287	$294
$67,050	$424	$435	$446	$457	$469
$92,050	$582	$597	$612	$628	$644
$117,050	$740	$759	$779	$798	$818
	Loan increment	**$25,000**		**Interest increment**	**0.25%**

	6.50%	6.75%	7.00%	7.25%	7.50%
	Payment				
P + I	$424	$435	$446	$457	$469
Taxes	$144	$144	$144	$144	$144
PITI	$567	$578	$590	$601	$612
Income					
Monthly	$1,891	$1,928	$1,965	$2,003	$2,041
Annual	$22,692	$23,135	$23,583	$24,036	$24,493
Hourly HH	$10.91	$11.12	$11.34	$11.56	$11.78

The property listed here is a property readily found in Franklin, Oil City, Rouseville, Utica, Emlenton, Clintonville, Polk, Pleasantville, President, or Sugarcreek. It is a starter home with a moderate down payment threshold ($5,790), moderate settlement/closing costs, and an affordable mortgage payment. We estimate the Main Street property is an affordable home ownership option to any person in Venango County with a full time job at $11.50/hr, and modest savings.

Of course, affordability is not just a function of how much it costs to buy a home. Affordability has to do with the cost of both owning a home, as well as renting. And affordability is a function of many factors. The market for buying a home, as the data show clearly, is favorable. Based on an estimated 2008 HUD Median Income (AMI) of $48,500, and our generalized rule of thumb (conservative) wage to house value ratio of 2.8, a household in Venango County at 100% of the 2008 HUD AMI, could afford a home listed at $135,800. With further refinements, we have determined that a family earning the HUD MFI (median family income) for 2008 could stretch to $142,500 depending on the millage) In sum, the data in this report clearly demonstrate that for the household at 100% AMI, the carrying costs of a mortgage needed to own a home in Venango County is within reach.

czb Home Purchase Affordability Summary for Venango County - 2008					
Soures: ESRI, HUD					
	100 AMI	80 AMI	60 AMI	50 AMI	30 AMI
Population	56,126				
Households	22,778				
HH Size	2.46				
# Jobs (2003)	22343				
Estimated Jobs/HH	0.98				
2008 HUD MFI	48,500	38,800	29,100	24,250	14,550
Monthly	4,042	3,233	2,425	2,021	1,213
Maximum PITI*	1,132	905	679	566	340
Maximum House Value to Buy	135,800	108,640	81,480	67,900	40,740
Mortgage that Maximum PITI Buys**	142,500	114,500	85,700	71,500	42,600
Average Percent of Listings Below Maximum (Fall 2008)	77.22%	67.50%	55.00%	44.00%	21.30%
Listings	278	243	198	158	77
Hourly Wage Needed/Job	$23.77	$19.02	$14.26	$11.89	$7.13
Savings Needed (est)	16,296	13,036.8	9,777.6	8,148	4,888.8
* Front Ratio of 28%					
** Based on a combined Millage of .25					

The extreme affordability of the home buying market in Venango County is a function of a wage to house value ratio that is very favorable. This favorability is connected to three important trends. First, a high home ownership rate (averaging 81% across the county), even in Oil City and Franklin (57-63 percent). Second, a low rate of residence in mobile homes (12%). And third, when ownership is so readily affordable, the rental market becomes distorted. First, homes for sale become so affordable that poorly capitalized investors can (and do) purchase inexpensive housing to rent out. Second, the households not buying when homes are so inexpensive are those that truly cannot, in other words the most financially hard-pressed in the county. When one in five listings for sale is affordable to a family that has one full time worker earning $7.25/hr, those who are unable to buy tend to have the following characteristics.

Barriers to Entering Housing Market as Buyers in Venango County, PA

What the above chart demonstrates is that below the red line, owning a home is a function of income. To the extent that savings capacity is a derivative of income, then savings becomes a barrier for many. The chart also illustrates that other barriers also factor into buying capacity: court and legal issues as well as credit worthiness. If the red line were higher in the table, it would illustrate a stronger housing market with affordability challenges. In the case of Venango County, there are three main types of housing consumers: buyers/owners, renters able to secure an apartment on their own, but unable to penetrate the market as a buyer, and renters unable to secure housing without assistance. The latter group is generally the group beneath the red line. From a policy perspective, down payment assistance and home purchase counseling can generate more buyers, but it still unlikely to reach the lowest income buyers.

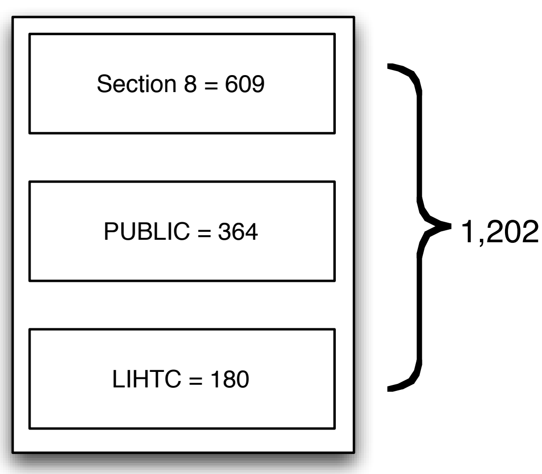
For households unable to penetrate the Venango County housing market as buyers, or for those for whom renting makes more sense, renting is also extremely affordable, when rents are compared to incomes. The best way to understand the Venango County rental market is to understand the following generalities:

1. The entry price to owning a home is extremely low. This means nearly every household in the county can afford to do so, based on their wages. Buyers tend to fall into two classes:
   - **a.** Buyers with incomes above 100% AMI tend to buy or live in homes valued above $125,000. They live everywhere in the county but the higher the income the more likely they are to buy and live in the townships, boroughs, and CDPs (census designated place) , and especially in the townships.
   - **b.** Buyers with incomes below 100% AMI tend to buy or live in homes valued between $50,000 - $100,000 in Franklin or Oil City, or in some of the boroughs

2. Those who cannot buy or who are not ready to buy, rent. This market has three classes.
   - **a.** Renters who are able to secure high quality market rate apartments managed by reputable companies. They tend to rent apartments in apartment complexes in the townships, mainly in Cranberry.
   - **b.** Renters who are unable to secure high quality market rate apartments managed by reputable companies. These households have options in terms of quantity, but in general the options they have range from adequate to very undesirable. They tend to rent older, single family attached and detached homes in Oil City, Franklin, Emlenton, and Rouseville, and tend to rent from poor quality landlords.
   - **c.** Renters who are unable to secure any kind of apartment (in a complex or in an older home) with out assistance of some kind. For these households, they have very limited options, as there are a limited number of subsidized units.

Population	56,126
Households	22,778
Housing Units	27,158
Total Units/HH	1.19
Owner Occupied	17,364
Renter Occupied	5,414
Total Occupied	22,778
Non Occupied Units	4,380

4,212
Non-Subsidized
Rental Units in
Venango County



In the absence of an updated American Community Survey for Venango County, it is not possible to generate a definitive determination of the precise location of each of the rental properties. However, by aligning parcel map information with assessor data, we have been able to generate a dependable portrait of the degree to which rental units are dispersed throughout the county, and make some determination based on that as to how those units affect neighborhood health.

Based on our determination of the composition of the subsidized rental market, about one in five occupied rental properties are subsidized. Our judgment is that the units owned or managed by the three housing authorities are in good condition, and are equal or better than the markets they are in. In other words, the housing authorities are good neighbors. Our judgment is that the four tax credit projects in the county are in good condition and generally well managed, and they are good neighbors as well. When rental property is a problem, it is when it is owned and managed by the private market, a market with very little oversight in the county.

	Total	Vacant (11-08)	Vacancy	LIHTC	Private Non TC	Oil City HA	VCHA	FHA	Total
Evergreen	100	6	6.00%		100				
Dale Avenue	40	2	5.00%					40	
Oak Hill	120	4	3.33%		120				
Cherry Hill	20	5	25.00%				20		
Franklin Commons	32	0	0.00%	32					
Franklin House	88	0	0.00%	88					
Pin Oak	100	0	0.00%		100				
Seneca Woods	40	0	0.00%		40				
Seneca Court	24	0	0.00%	24					
Clintonville LTD	32	0	0.00%		32				
Bridgeview Apartments	36	0	0.00%	36					
Colonial Manor	56	0	0.00%					56	
Franklin Towers	88	0	0.00%		88				
Luther Place	49	3	6.12%		49				
Moran Towers	48	0	0.00%				48		
Silverly Apartments	30	0	0.00%				30		
Towne Towers	100	0	0.00%				100		
Elk Street Home	4	0	0.00%		4				
Ranch St Commons	12	0	0.00%		12				
Sugar Valley Lodge	70	1	1.43%		70				
Fairweather Lodge	3	0	0.00%		3				
Century Terrace	50					50			
The Caring Place	40	0	0.00%		40				
Scattered Site	20	0	0.00%			20			
Subsidized Units	1202		1.86%	180	658	70	198	96	1,202
Section 8 Certificates						167	330	112	609
Public Housing Units						70	198	96	364
LIHTC Units				180					180
Total Occupied Rental Units in Venango County									5,414
Total Subsidized Rental Units in Venango County									1,202
Non-Subsidized Rental Units in Venango County									4,212
Percent of Occupied Rental Units Receiving Government Subsidy									22.20%

Source: Housing Agencies and ESRI 2008

Despite Overwhelming Affordability, The Very Poor Are Very Challenged in Venango County

The availability of affordable housing as measured by the income-housing cost ratio is an important benchmark in determining how affordable a market is. In strong housing markets, high ratios indicate a large percentage of households are unable to secure financing to purchase a home without assistance, and in very strong markets even assistance won't bridge cost gaps.

In weak housing markets the ratio of income to housing costs puts home ownership within reach of even moderate income households. This is the case in Venango County. As mentioned, when a market is overwhelmingly affordable, as is the case in Venango County, and especially in the cities and boroughs, the probability increases that the remaining households that are renting are genuinely struggling. When home prices are so low, as is the case in Venango County, and the result is a high preponderance of at-risk households in the rental market, as is also the case, wear and tear on properties increases, and in markets where stocks are older and smaller, abandonment tends to be a problem. This is shown in the below table.

	2000 Census	2008 ESRI	Δ (change)	Note
Population	57,565	56,126	-1439	
Total Households in the County	22,747	22,778	+31	< HH size
Total Units (Occupied or Vacant)	26,904	27,158	+254	.94% increase
Vacant Units	4,157	4,380	+223	5.36% increase
For Rent at Any Given Moment		434		
For Sale (Listed) at Any Given Moment		310		
Rented/Sold but Not Occupied (Yet)		282		
Seasonal		2,711	"Seasonals" impact values amid speculative pressures; we found little such pressure	
Other Vacancy		621		
Total Occupied Housing Units	22,747	22,778	+31	.14% increase
Owner Occupied Units	17,386	17,364	+22	.13% increase
Renter Occupied Units	5,361	5,414	+53	.99% increase

1. Despite a spike in housing sales volume and average sales price during the period 2004-2007, both sales volume and price by 2008 settled back to 2004 levels.
2. Similarly, household data from 2000 barely changed at all between 2000 and 2008; the variance in owner occupancy was barely one tenth of one percent. In almost every category, in fact in almost every demographic, social, economic, and housing characteristic, there appears to be very little change between 2000 figures established by the US Census and 2008 estimates by ESRI and other projections. **There is one exception:** *the increase in the number of vacant housing units, which rose from an already very high level of 15.45 percent to 16.12 percent (an increase of 223 more vacancies). Such high vacancy levels indicate extremely weak market conditions.*

HOME OWNERSHIP AFFORDABILITY									
2008 HUD FMI $48,500		HOURLY WAGE RANGE		AMI	ESTIMATED # HHs in Venango County	Maximum Affordable Monthly Housing Payment	Maximum Affordable Loan (2.8)	ESTIMATED CUMULATIVE # Housing Units Able to Afford TO BUY	Units Needed to Catch Up if D>S
$48,500				100.00%					
Low	High								
$200,000	+			412%	256	$5,000	$560,000	17,364	
$150,000	$199,999			361%	306	$4,375	$489,999	16,930	-16,624
$100,000	$149,999			258%	1,174	$3,125	$349,999	16,317	-15,143
$75,000	$99,999			180%	2,894	$2,187	$244,999	15,603	-12,709
$50,000	$74,999			129%	4,755	$1,562	$174,999	14,591	-9,836
$35,000	$49,999			88%	3,835	$1,062	$118,999	9,550	-5,715
$25,000	$34,999			62%	3,805	$750	$83,999	7,241	-3,436
$15,000	$24,999			41%	3,317	$500	$55,999	2,319	998
$0	$14,999			15%	3,436	$187	$20,999	422	3,014
HHs 80% - 100% AMI					**Approximate #**				
$38,800	$48,500	$18.65	$23.32		3835	$970	$108,640	7,241	-3,406
HHs 50% - 80% AMI					**Approximate #**				
$24,250	$38,800	$11.66	$18.65		3805	$606	$67,900	3,728	77
HHs 30% - 50% AMI					**Approximate #**				
$15,000	$24,250	$7.21	$11.66		3317	$375	$42,000	1,588	1,729
HHs 0% - 30% AMI					**Approximate #**				
$0	$15,000	$0.00	$7.21		3436	$0	$0	1,588	1,848

For low-income households in Venango County, the data show that housing is priced low enough that an hourly wage of $7.13 and $4,888 in savings is sufficient to become a home owner, sufficient to purchase a starter home.

The good news is that the housing market is readily accessible to families with very low incomes. This is because of the excess number of units in circulation affordable to HHs with slightly more income. For example, a family in Venango County earning $30,000 (one wage earner at approximately $14/hr) would be just above 60% AMI. ESRI estimates suggest that in 2008 there were 3,805 households in this cohort. Based on ESRI estimates of 2008 home values, there were approximately 7,241 housing units valued at less than $84,000, *an excess of 3,436 units*. To some extent, these units become available to households with lower wages, as owners seeking to sell drop their prices.

The bad news is that for households without an ability to overcome downpayment and credit hurdles, the rental market appears to be overwhelmed with poor quality housing options, mainly in the form of older homes that have been undermaintained for long periods of time, with very high heating costs and usually on undesirable streets.

In spite of the tremendous affordability of the Venango County housing market, we have concluded that without assistance of some kind, families with incomes below 30% AMI will not find decent housing.

They will live in mobile homes (12-15 percent % of county structures), rent inadequate units, or be in and out of homelessness. Households at or below 30% AMI *will* have access to almost 1,200 units of subsidized housing in the county. But the bottom line is that vacancy rates for these units are less than two percent, and in our view represent very temporary vacancy. By contrast, many of the available but poor quality private market homes for rent are vacant, a clear indication of substandard quality.

There are additional housing resources for these families, beyond public housing, tax credit units, and Section 8 apartments. Easter Seals operate three homes for 10 people, the United Community Independence Project operates 8 homes for 26 people, and Diversified Family Services operates one facility. Again though, there are no vacancies in these units, either, an indication of high housing cost burdens for the <u>most</u> financially pressed Venango County families.

RENTAL AFFORDABILITY

				2008 ESRI Estimated Renter HHs	czb Estimated HH Income Based on 30%	AMI	Type
2000 Rents		2007/8 czb Estimate		5,414			
	100		$119	287	$4,760	10%	Needs Subsidy
100	149	$119	$177	282	$7,092	15%	Needs Subsidy
150	199	$179	$237	417	$9,472	20%	Needs Subsidy
200	249	$238	$296	655	$11,852	24%	Needs Subsidy
250	299	$298	$356	985	$14,232	29%	Needs Subsidy
300	349	$357	$415	872	$16,612	34%	Market
350	399	$417	$475	725	$18,992	39%	Market
400	449	$476	$534	303	$21,372	44%	Market
450	499	$536	$594	135	$23,752	49%	Market
500	549	$595	$653	76	$26,132	54%	Market
550	599	$655	$713	27	$28,512	59%	Market
600	649	$714	$772	32	$30,892	64%	Market
650	699	$774	$832	16	$33,272	69%	Market
700	749	$833	$891	22	$35,652	74%	Market
750	799	$893	$951	0	$38,032	78%	Market
800	899	$952	$1,070	5	$42,792	88%	Market
900	999	$1,071	$1,189	0	$47,552	98%	Market
1000	1249	$1,190	$1,486	0	$59,452	123%	Market
1250	1499	$1,488	$1,784	0	$71,352	147%	Market
1500	1999	$1,785	$2,379	5	$95,152	196%	Market
2000		$2,380		5	$0	NA	Market
TOTAL RENTAL HOUSEHOLDS				**5,414**			
TOTAL RENTAL HOUSEHOLDS NEEDING SUBSIDY				**2,626**	**48.50%**		
TOTAL RENTAL HOUSEHOLDS RECEIVING SUBSIDY				**1,202**	**22.20%**		
	DIFFERENCE			**1,424**			

FMR = $525/2BR (2008) (HUD User)

Whereas the home buyer market in Venango County is especially accessible to low income families (who can marshall the downpayment and credit requirements) - we project the rental market short by more than 1,400 ***<u>quality</u>*** units to meet the housing needs of very low-income HHs (those below 30% AMI). Fortunately, the number of vacant units in the county - 4,380 - more than offsets this problem.

The County is Not One Housing Market; So Policies Should be Strategic

Most jurisdictions have varied submarkets. Venango County is no different. The townships are healthy housing markets that saw a 24 percent increase in the value of home sales from 2002-2008. By contrast the cities experienced a -1 percent decrease.

Why is this so important?

In our experience as neighborhood planners, neighborhoods that are in trouble are those neighborhoods with too many poor residents. Neighborhoods with some poor residents do fine. The schools are good. The streets are safe. Housing is well maintained. Housing values rise steadily. Equity is dependable. In our experience this remains the case so long as the percentage of households at or below the poverty level remains below 15 percent. This is not an ironclad rule. Poor elderly households are quite different from poor families where the head of household is a single parent.

What really weakens the Oil City housing market (Franklin as well) is that its poverty rate is 52% higher than the county's; any housing activity that fails to remedy this would be highly problematic

What is most important is the combination of factors that place households at risk, the concentration of these households, and the degree to which such concentrations are close to or distant from the median rate throughout the wider area. For example, Oil City's poverty rate stands at about 19%. This is very high indeed. As is the county's average of 12.5 percent. It is true that what weakens the Oil City housing market is a 19% poverty rate, or Franklin's at 17.3%. But what really weakens the Oil City housing market (Franklin as well) is that its poverty rate is 52% higher than the county's, any housing activity that fails to remedy this would be highly problematic. Such differentials trigger and maintain tremendous downward pressure on property values, making it harder for anyone in those markets to sell their homes at rates sufficient to buy their next property, or, in the case of so many seniors, enable them to move to an assisted living facility. Resulting downward pressure occurs in the value of owner-occupied housing as well as rental rates:

	Poverty Rates	2008-2008 Values	2008 Sales Average	Income Needed to Buy	Hourly Wages Needed		
Township	9.60%	22.00%	$86,351	$30,840	$14.83		
Boroughs	17.80%	21.00%	$77,827	$27,795	$13.36		
Cities	18.20%	-1.00%	$55,113	$19,683	$9.46		
		1 BR		2 BR		3 BR	
	Poverty Rates	Low	High	Low	High	Low	High
Township	9.60%	$700	$900	$495	$900	$900	$1,500
Boroughs	17.80%	$240	$650	$250	$750	$400	$900
Cities	18.20%	$225	$625	$240	$750	$390	$900

The implication in the above chart is clear: where rates of poverty are high, housing values are low. Where rates of poverty are high, rents are low. Where rents are low, the capitalized value of property is low. When excessive subsidy is used to generate affordability in an already weak market, a rental property will never be able to be returned to market conditions unless the market remains overly weak. In short, there are twin housing goals at odds with one another. On the one hand, there is a legitimate need <u>countywide</u> for rental assistance to an additional 1,437 families.

On the other hand, as these are the most at-risk families in the county, and since access to the ownership market is easy given low prices, assistance to *these* families cannot be permitted to occur as a matter of policy in the very places that already have more than their fair share of at risk households.

To be clear, the *county* is short rental assistance for 1,424 families. But Oil City, Franklin, Polk, Utica, Rouseville, and Emlenton, already have more than their fair share of at-risk households. Below is the cluster scores for jurisdictions, showing relative strength in socio-economic terms. At the bottom, four sections of Oil City are shown separately to articulate how they would compare.

Cluster* - Poverty Rate	Cluster* - % of Owners 65+	Cluster* - Home-ownership Rate	Place Name	Poverty Rate	% of Owners 65+	Homeownership Rate	% Non-Hispanic White	% Born in PA	Median Household Income	People Rank
1-3	1-3	4	Oakland township	3.3%	22%	92%	98%	90%	$39,293	2
1-3	1-3	4	Sandycreek township	5.0%	25%	89%	90%	83%	$46,723	2
1-3	1-3	4	Canal township	6.2%	24%	90%	99%	89%	$36,484	2
1-3	1-3	4	Frenchcreek townshi	7.4%	25%	87%	97%	88%	$38,813	2
1-3	1-3	4	Cherrytree township	7.5%	27%	89%	98%	92%	$36,193	2
1-3	1-3	4	Mineral township	7.7%	15%	89%	98%	89%	$37,500	2
1-3	4-6	4	Allegheny township	7.9%	35%	83%	99%	87%	$37,500	3
1-3	1-3	4	Plum township	8.2%	27%	89%	99%	88%	$37,800	2
1-3	1-3	5	Cooperstown borough	8.4%	27%	96%	100%	84%	$37,143	2
1-3	1-3	3	Victory township	9.0%	28%	81%	98%	89%	$35,096	1
1-3	1-3	4	Oilcreek township	9.1%	26%	91%	99%	92%	$34,107	2
1-3	1-3	3	Irwin township	10.0%	21%	82%	99%	90%	$34,615	1
1-3	4-6	4	Cornplanter townshi	10.1%	30%	89%	99%	91%	$36,066	3
1-3	1-3	4	Pinegrove township	10.6%	27%	88%	99%	92%	$36,467	2
1-3	4-6	4	Sugarcreek borough	10.8%	30%	84%	100%	90%	$31,952	3
1-3	1-3	4	Clinton township	11.2%	26%	92%	97%	86%	$37,361	2
1-3	4-6	4	Pleasantville borough	11.4%	36%	84%	99%	88%	$32,426	3
1-3	1-3	3	Cranberry township	11.8%	28%	81%	99%	91%	$34,547	1
1-3	4-6	4	Richland township	11.9%	30%	85%	98%	91%	$33,661	3
4-6	1-3	4	Rockland township	12.7%	28%	90%	99%	92%	$31,129	4
4-6	4-6	4	Barkeyville borough	12.7%	31%	85%	100%	91%	$41,500	5
4-6	1-3	1	Clintonville borough	13.4%	25%	62%	97%	89%	$22,083	4
4-6	1-3	3	Jackson township	13.7%	20%	80%	99%	90%	$34,338	4
4-6	4-6	4	President township	13.9%	37%	91%	99%	91%	$26,172	5
4-6	4-6	4	Scrubgrass township	14.3%	33%	84%	96%	87%	$37,083	5
4-6	4-6	1	Emlenton borough	14.6%	35%	63%	99%	85%	$30,455	5
4-6	4-6	1	Franklin city	17.3%	29%	57%	95%	85%	$27,063	5
4-6	4-6	1	Oil City city	19.0%	29%	62%	97%	87%	$29,060	5
4-6	4-6	3	Rouseville borough	25.2%	50%	77%	97%	93%	$22,917	5
4-6	4-6	4	Utica borough	29.2%	31%	83%	99%	93%	$22,875	5
4-6	4-6	3	Polk borough	35.0%	33%	74%	96%	93%	$33,929	5
	4-6	1	Oil City Silverly		34%	58%	98%			5
	4-6	1	Oil City North		31%	63%	97%			5
	4-6	1	Oil City South		29%	61%	97%			5
	4-6	3	Oil City Oliver Manor		34%	74%	99%			5

Venango County as a whole has an affordable housing challenge for high risk households at the bottom of the income ladder: those earning 30% AMI or less who also lack sufficient savings for a downpayment ($4,888) on a starter home of $42,000, or the creditworthiness to obtain financing. These households - approximately 2,626 - are also constrained on the rental side, as first and last month's payments for rent become burdensome, as does the challenge of security deposit, and utility deposits. Once more, the households needing rental assistance in Venango County are by and large a very challenged group. They are now living predominantly in the cities and townships, the result of which overly burdens those jurisdictions.

Solving a *countywide problem* should be solved on a *countywide basis*. When the broad range of indicators of market health are applied, the following ranking of Venango County jurisdictions results, with clear housing policy implications.

Below is the cluster scores for jurisdictions, showing relative strength in housing stock terms. At the bottom, four sections of Oil City are shown separately to articulate how they would compare.

Cluster* - % Vacant, Seasonal	Cluster* - Population	Property Type Category**	Place Name	% Vacant, Seasonal	Population	% Single-family	% Multifamily	% Mobile Home	Median Year Built
3	3	1 - Single Family	Cherrytree township	6%	1,544	81%	1%	17%	1971
3	3	1 - Single Family	Cooperstown borough	4%	467	90%	3%	7%	1964
3	3	1 - Single Family	Oakland township	4%	1,565	83%	0%	16%	1971
3	3	1 - Single Family	Pinegrove township	9%	1,336	80%	1%	19%	1959
3	3	1 - Single Family	Pleasantville borough	2%	850	84%	6%	10%	1947
3	3	1 - Single Family	Richland township	13%	741	83%	2%	15%	1951
3	3	1 - Single Family	Rouseville borough	5%	474	89%	5%	6%	1939
3	3	2 - Multifamily	Emlenton borough	4%	781	78%	21%	1%	1939
3	3	2 - Multifamily	Polk borough	0%	1,012	79%	13%	8%	1948
3	3	3 - Mobile Home	Barkeyville borough	14%	259	75%	2%	23%	1949
3	3	3 - Mobile Home	Canal township	6%	986	72%	0%	27%	1967
3	3	3 - Mobile Home	Clintonville borough	4%	541	45%	20%	35%	1968
3	3	3 - Mobile Home	Frenchcreek township	12%	1,673	76%	2%	22%	1967
3	3	3 - Mobile Home	Irwin township	11%	1,287	69%	1%	29%	1973
3	3	3 - Mobile Home	Jackson township	7%	1,161	59%	1%	40%	1975
3	3	3 - Mobile Home	Oilcreek township	12%	817	79%	1%	20%	1970
3	3	3 - Mobile Home	Plum township	13%	1,060	74%	0%	25%	1963
3	4	1 - Single Family	Cornplanter township	10%	2,687	89%	2%	9%	1958
3	4	1 - Single Family	Sandycreek township	5%	2,388	83%	1%	16%	1968
3	5	1 - Single Family	Sugarcreek borough	3%	5,331	83%	5%	11%	1949
3	6	2 - Multifamily	Franklin city	0%	7,212	64%	33%	2%	1939
3	6	2 - Multifamily	Oil City city	0%	11,504	70%	30%	0%	1939
3	6	3 - Mobile Home	Cranberry township	3%	7,014	76%	10%	14%	1959
4+	3	1 - Single Family	Allegheny township	31%	303	86%	0%	14%	1958
4+	3	1 - Single Family	President township	65%	543	82%	0%	16%	1956
4+	3	1 - Single Family	Scrubgrass township	41%	792	84%	0%	15%	1964
4+	3	1 - Single Family	Utica borough	29%	202	82%	7%	11%	1941
4+	3	3 - Mobile Home	Clinton township	29%	745	74%	0%	26%	1969
4+	3	3 - Mobile Home	Mineral township	23%	523	65%	0%	34%	1974
4+	3	3 - Mobile Home	Rockland township	48%	1,349	77%	0%	22%	1966
4+	3	3 - Mobile Home	Victory township	47%	418	67%	0%	32%	1974
			Venango County	10%	57,565	75%	13%	12%	

**Cluster Score of 3 = Just below average; Cluster Score of 4 or More = Above average*

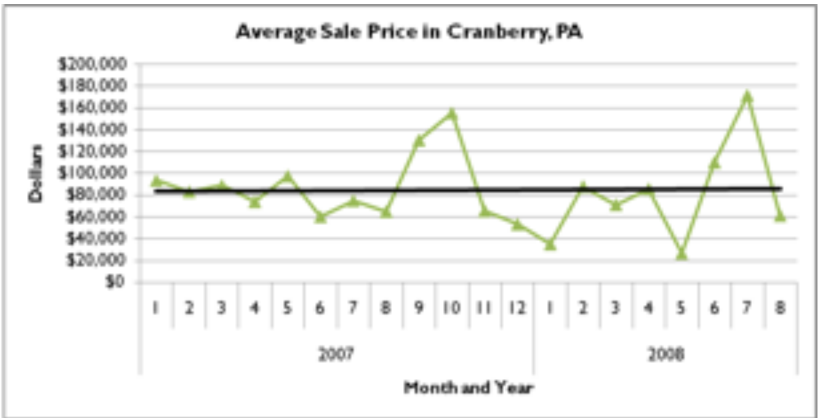
***"Property Type Category" reflects the type of housing that is present at a percentage most above the average percentage.*

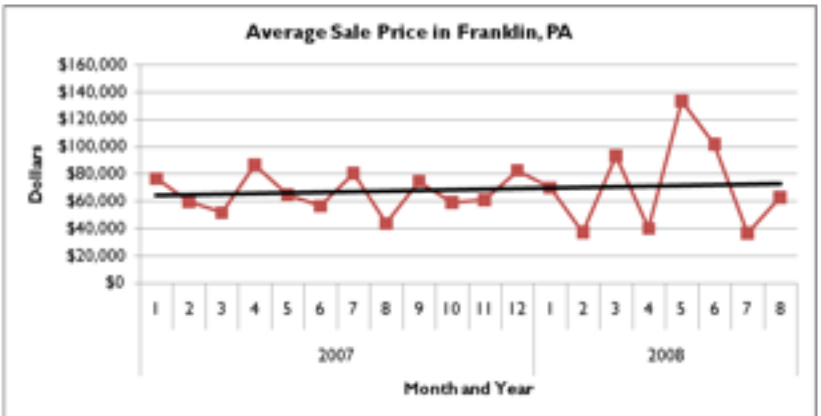
The above and below typologies were developed using 2000 Census figures.

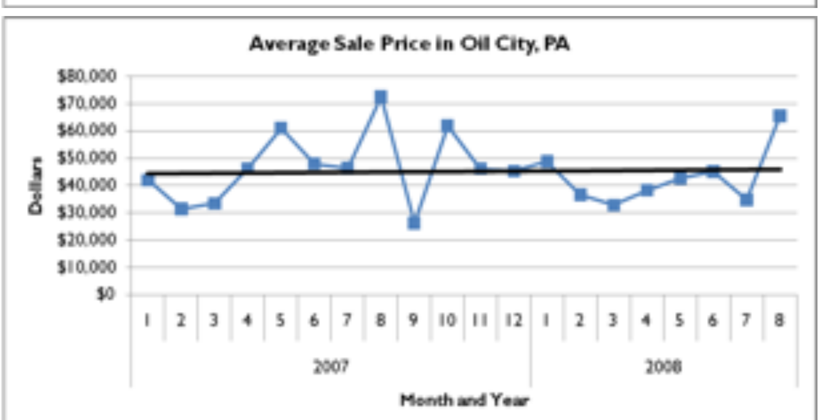
What results are concentrations of poverty, concentrations of poor quality landlords in response to weak households, concentrations of social services, and concentrations of market-damaging subsidy. The impacts are disastrous for housing markets: sales prices induced by such concentrations are 61% lower than the county average.

The resulting impacts on taxes are clear: townships have a lower burden and can offer prospective buyers tremendous value. A $74,500 3 bedroom house in Rouseville will incur a monthly mortgage (PITI) payment of $590 of which $144 is for taxes. The same house in Cranberry Township would pay $104 less per month simply because of the municipal millage. This difference can be applied to buying more house, saving the difference, or something else. The continual placement of low-income housing in the cities and boroughs has not served the public interest in those communities. It has served the interests of the townships that have been successful in keeping out of their communities populations of hard-to-serve households, and it has served the interests of the agencies that serve these populations. The typologies contained here illustrate the relationships between various "people", "place", and "demand" indicators of market strength. Given the broad spectrum of market types in Venango County, these breakdowns are probably the most important policy tools we can offer.

Place Name	Demand Rank	People Rank	Combined	School Millage	Municipal	County	Total Millage
Canal township	1	2	1.5	17	0.92	5.565	23.485
Victory township	2	1	1.5	17	1.199	5.565	23.764
Cherrytree township	2	2	2	12.73	4	5.565	22.295
Cranberry township	3	1	2	11.95	1.94	5.565	19.455
Plum township	2	2	2	12.43	0.37	5.565	18.365
Frenchcreek township	3	2	2.5	17	0.9	5.565	23.465
Irwin township	5	1	3	17	0.19	5.565	22.755
Oakland township	4	2	3	16.61	1.09	5.565	23.265
Pinegrove township	4	2	3	11.95	0.9	5.565	18.415
Richland township	3	3	3	9.84	0.813	5.565	16.218
Sandycreek township	4	2	3	17	1.392	5.565	23.957
Scrubgrass township	1	5	3	9.84	0.6	5.565	16.005
Cornplanter township	4	3	3.5	16.61	3.1	5.565	25.275
Mineral township	5	2	3.5	17	0.568	5.565	23.133
Allegheny township	5	3	4	12.73	0.826	5.565	19.121
Barkeyville borough	3	5	4	17	2.4	5.565	24.965
Clinton township	6	2	4	17	0.453	5.565	23.018
Cooperstown borough	6	2	4	10.773	2.417	5.565	18.755
Jackson township	4	4	4	10.773	0.55	5.565	16.888
Oilcreek township	6	2	4	12.73	1.148	5.565	19.443
Rockland township	4	4	4	11.95	1.5	5.565	19.015
Sugarcreek borough	5	3	4	10.773	3.54	5.565	19.878
Oil City Oliver Manor	4	5	4.5	16.61	9.6	5.565	31.775
Pleasantville borough	6	3	4.5	12.73	2.37	5.565	20.665
President township	4	5	4.5	16.61	0.825	5.565	23
Polk borough	5	5	5	17	3.242	5.565	25.807
Clintonville borough	7	4	5.5	17	1.099	5.565	23.664
Franklin city	6	5	5.5	17	9.2	5.565	31.765
Utica borough	6	5	5.5	17	1.5	5.565	24.065
Emlenton borough	7	5	6	9.84	4.812	5.565	20.217
Oil City city	7	5	6	16.61	9.6	5.565	31.775
Oil City North	7	5	6	16.61	9.6	5.565	31.775
Oil City Silverly	7	5	6	16.61	9.6	5.565	31.775
Oil City South	7	5	6	16.61	9.6	5.565	31.775
Rouseville borough	7	5	6	16.61	6.9	5.565	29.075







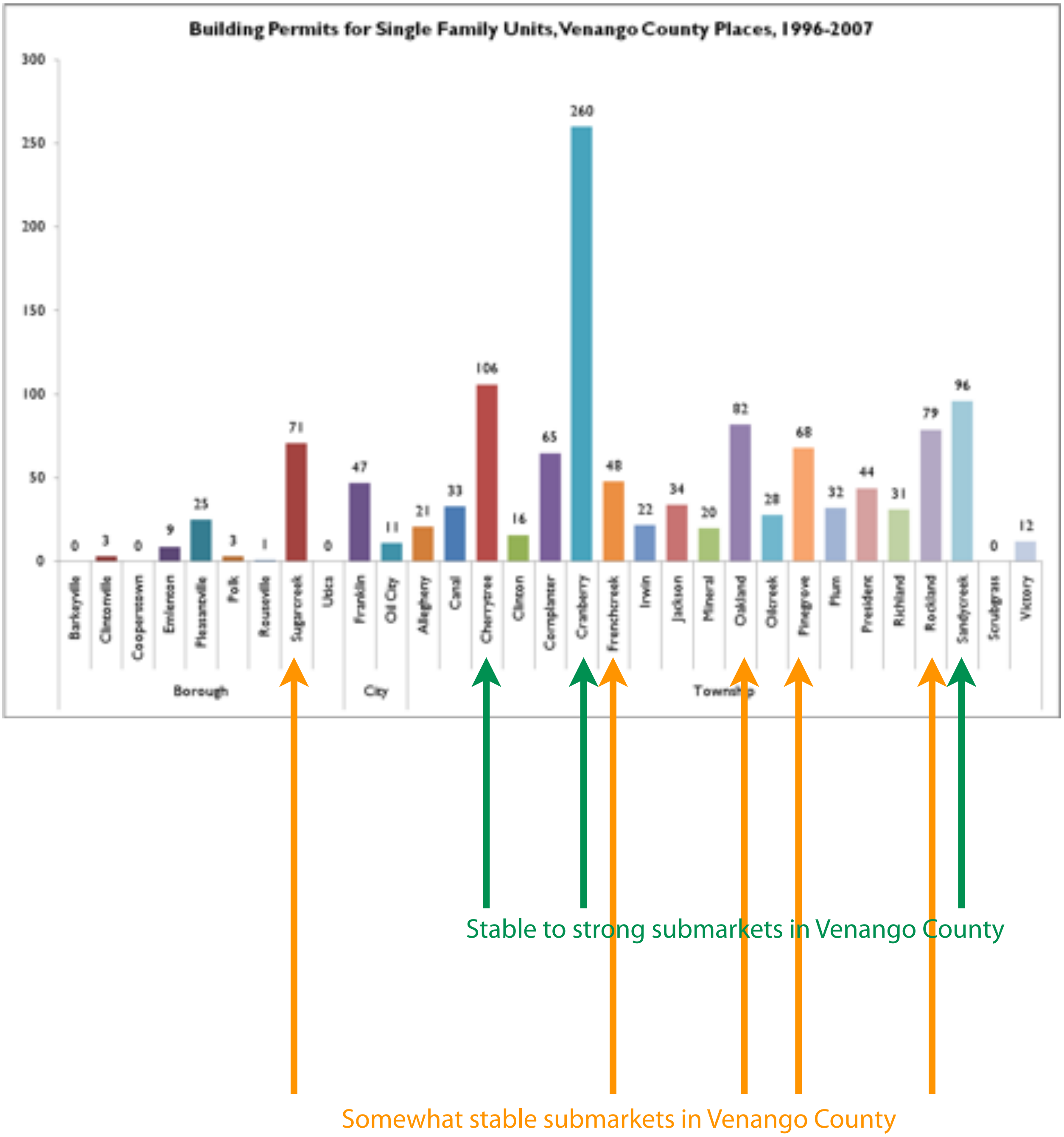
Sales during 2007 and the first half of 2008 demonstrate some of the submarkets in Venango County:

Cranberry is basically an $80,000 market, Franklin a $70,000 market, Sugar Creek a $60,000 market, and somewhat further back, Oil City at $45,000.

Though interconnected, there is *no single* Venango County housing market. Cherrytree ,Cranberry, Sandy Creek are all functional parts of a less than functional whole, deriving some of their functionality through the off-loading of social problems onto already challenged areas.

Treating the "whole" of the county's affordable housing challenge (housing *needs* for the very hard to house poor) from the perspective of there being one housing market would be problematic.

Single-Family Construction in Venango County, 1996-2007

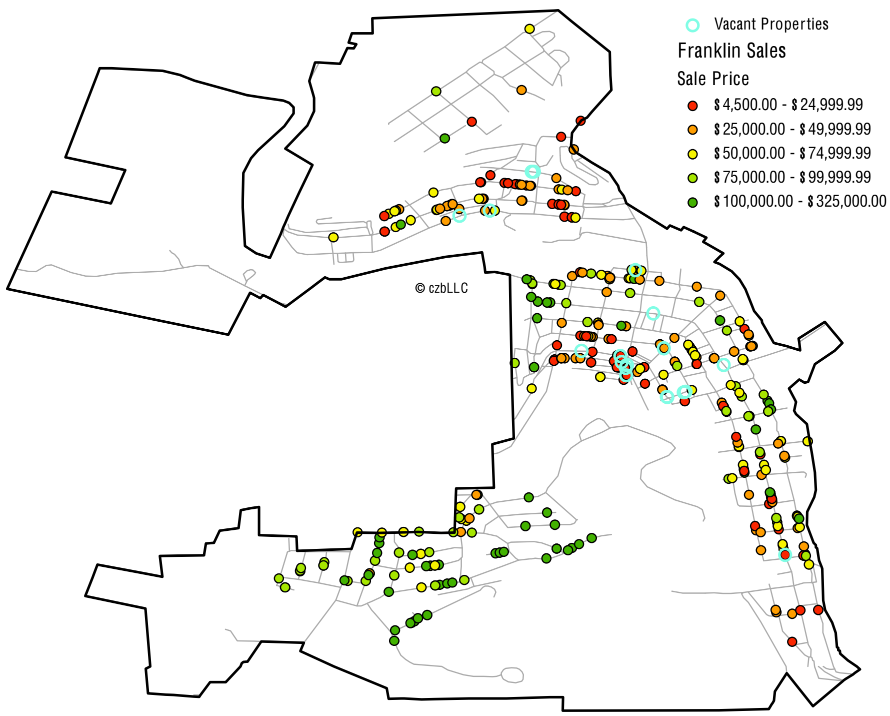


To appreciate the degree to which soft market conditions prevail in Venango County, and the <u>extent to which demand is geographically uneven</u>, consider that in the period 1996-2007 the number of single family construction permits pulled averaged 8.7 per month *countywide*, and that 43 percent of this activity was in Cherrytree, Cranberry, and Sandycreek.

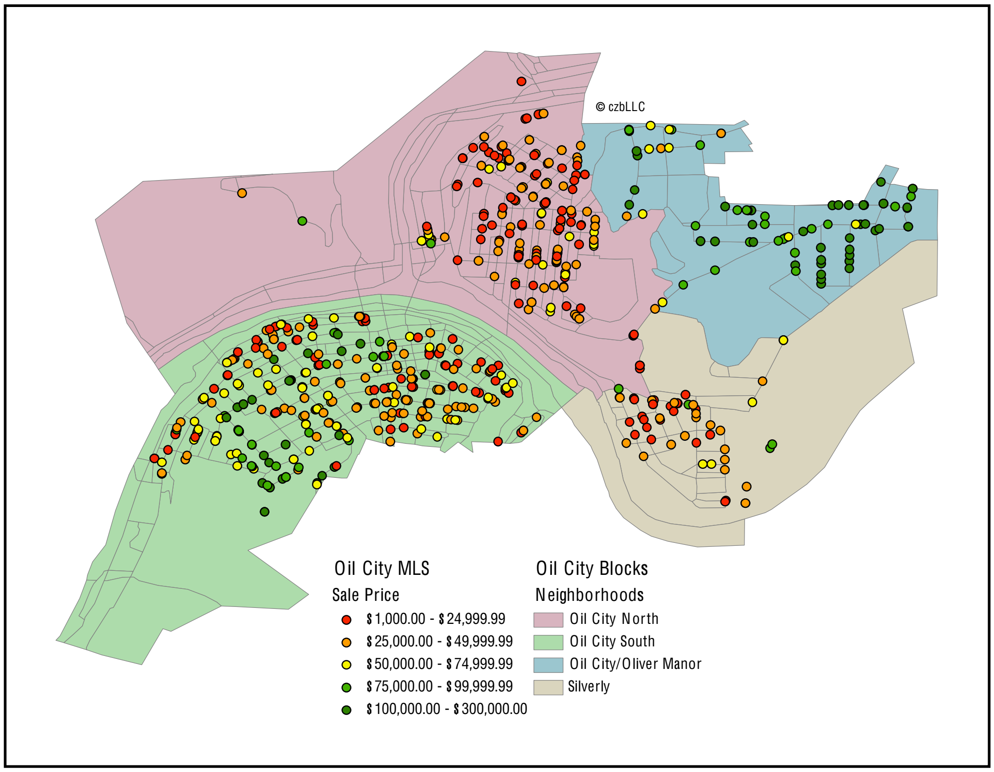
The below map provides a zoom lens view of Oil City, which further makes the case about market differentiation.

Just as Venango County is not one housing market - in general, the County is comprised of stable to strong townships, struggling boroughs, and distressed cities - nor are individual municipalities monochromatic, either.

Franklin has very strong streets - Buffalo, Liberty, and Elk between 15th and 16th, as well as Sibley, Adelaide, and Brownsylvania, for example - but also some very challenged blocks as well, like Eagle, New, and Myrtle. Franklin is not one market; overall it is a weak submarket in Venango County, but it has important strengths, and serious problems.



The same is true for Oil City, which comprise, along with Emlenton and Rouseville, the weakest submarkets in Venango County. But for all its weaknesses - and they are considerable, parts of Oil City are vibrant. The western portion of Oil City South is quite remarkable, with sustained sales during the period 2002-2008 firmly in the $75,000 - $100,000 range, which is still below the county average during the same time, but much stronger than the whole of Oil City. In general, Venango County is a weak market, but it has stable submarkets like Cranberry. In general, Oil City - our example - is a very weak market, but has stable submarkets like Oil City South between Orange and Cowell and along West 1st, and strong submarkets like Oliver Manor.



This is important to policy makers in Venango County because any strategy to intervene in the County market must be mindful to not solve specific cohort challenges in ways that damage the overall county, and any corollary in any single municipality must be likewise prudent. Because Oil City is the largest market, with the most derelict housing, the highest number of at-risk households, the highest level of social services, and the lowest valued property, it will be the submarket with the greatest pressure to respond to the housing challenges faced by hard to house families. In our view, a housing challenge faced by a specific cohort of families solved in Silverly for example, in ways that perhaps worsen the Silverly submarket would be a failure.

We believe that the leadership in Venango County will openly acknowledge that the County's housing market is generally weak, and that it will also acknowledge that some parts are very weak, like Oil City's North Side, and some parts are doing well, or really well like Cranberry, Hasson Heights, or Cherrytree. We predict however that the temptation will be great to address market weakness on one hand, and affordability challenges for the poor on the other, in the same manner as has been tried in the past. We predict that the temptation will come in the form of an argument that it is possible to build the County out of its weak housing situation: to build senior housing for the elderly who want to leave their current homes, and to build affordable housing for low-income families who cannot penetrate the market without subsidy. We predict that when confronted with multi-jurisdictional challenges that undermine regional decision-making, low acquisition costs in markets like Oil City and Rouseville, resistance to low-income housing in the townships, and the availability of state and federal subsidy to make such ventures pencil out in the short run, it will be very hard for those in authority in Venango County to exercise leadership and choose the wiser course of right-sizing the market, instead of the easier course of building more product.

How County authorities factor in the challenge of succession will prove telling.

Disposition and Succession is an Issue
To determine what kind of an effort might be required to "right" a dysfunctional housing market, there is a clear order to what must occur. First the market must be understood. It must be described. In this report, the market has been articulated as weak and dysfunctional. This is based on the following meta issues:

1. Continued population decline has and continues to reduce the demand for housing of all kinds. (decline of 2.5 percent from 2000 - 2008)
2. Aging housing stocks that, as the population has declined, have deteriorated and have been abandoned. (housing vacancy has gone from 15.5% of the stocks to 16.1%)
3. Aging population with both special requirements of the housing they live in, and who in turn themselves profoundly affect the housing they live in through reduced levels of care and property upgrades.

Population decline plus older housing stocks plus an aging population become compounded problems when, as is the case for Venango County, the market is far from other markets. It is, as has been noted, something of a closed system.

The narrative arc of the data surface two potential interpretations of the Venango County housing market.

One is that it is a weak market whose chief characteristic is declining demand owing to the factors cited above. This is the interpretation we have concluded is correct. This is also the interpretation that leads us to conclude that the central problem to be addressed is the demand-related challenge of *right-sizing the housing supply and housing-related systems in Venango County to be responsive to the demographic and socio-economic realities of a much small community now and for the foreseeable future.*

The other is that it is a weak market who chief characteristic is that 10,558 households earn no more than $38,800 a year and for these households, no matter how "weak" the overall market may be, housing remains expensive. So expensive, from this viewpoint's perspective, that the central problem is *how to find housing or housing-related resources for these households*. This latter interpretation follows from recognition that in spite of 1,189 subsidized housing units in the county, there remains at least 1,437 households with incomes below 30% AMI, the amount we believe is necessary for a family to successfully navigate the Venango County housing market without assistance.

In truth, both interpretations are valid. Venango County's housing market is weak. It is out of balance and the degree of abandonment and deteriorated housing conditions, coupled with extreme affordability in some submarkets, renders the overall market dysfunctional: it often no longer makes sense to invest in upgrading one's home. And its also true that in spite of low prices, thousands of County residents still cannot afford a decent place to live without subsidy.

To "right" a weak market, housing stocks must become more attractive to housing consumers. There are several housing consumers in the Venango County market. In the first interpretation of the housing market, the challenge in responding to each cohort is really how do so while repairing the system that generated the problems in the first place. In the second interpretation of the housing market, the challenge is to be responsive to the cohort without regard to system consequences. In the case of the latter, a 'typical' market analysis is called for, which will demonstrate absorption rates and construction costs but overlook the underlying issues while determining how to "feasibly" get new product financed and on the street, ostensibly in response to customer demand. This is the approach generally taken by affordable housing advocates at one end of the spectrum and market rate builders at the other. The market rate home building community wants to know *who out there wants what kind of a home and where can it be feasibly built*? The affordable housing advocates want to know *who out there can't afford what the market's building/built, and how can we get products for our customers*?

These are reasonable questions, however in Venango County in 2008, a county with an older population getting older and smaller, old houses getting more distressed, and a great distance between Venango County and strong markets that could provide demand, taking the approach that would logically follow from these questions would only exacerbate the underlying conditions.

This is why an ordinary, or conventional approach won't due. To reiterate, the conventional approach would seek to understand where in the back and forth swing between demand and supply is an opportunity to exploit? Where is there an unserved population with an appetite for a product not being built? In Venango County we have identified five "cohorts", each with a legitimate concern about the market: each aspires to obtain a product not readily available. The conventional approach would attempt to figure out how to solve this problem, and this would not be unreasonable. But the solutions to these "shortages" would leave unresolved the larger issue: succession, as follows:

		Housing Cost Burdened?	Desired Product	Does Product Exist?	Conventional Response	Prototypical Example
Seniors	Currently in Older House	N	New, Clustered Assisted Living	N	Build It	Colonial Manor
Middle Income Professionals	Currently in Newer but not New House	N	Newer, Upscale Suburban Home	N	Build It	Oliver Manor
Working MatureFamilies	Currently in Older House	N	Newer, Upscale Suburban Home	N	Build It	Dogwood Dr/ Franklin
Young Familes	Currently Renting in Houses or Apts	N	Starter Home in Good Condition	N	Build It	Scattered
The Poor	Currently Renting in Houses or Apts	Y	Starter Home in Good Condition	N	Build It	Silverly Avenue

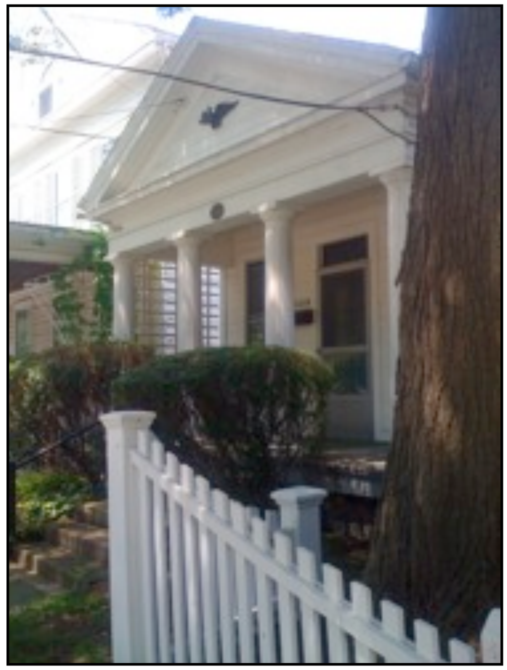
In each of the scenarios shown above, a "success" in meeting the housing aspirations of any of these cohorts leave unanswered the "now what?" question. When seniors vacate their older home on Buffalo Street for a new clustered assisted living facility perhaps built in Seneca or Sandycreek or near the medical center, who moves into their home in Franklin? When a middle income professional that has lived in and outgrown their home in Oliver Manor, who is the buyer able to move into their place? When a young family living in a modest 1950s cottage style home on Laurel or Dogwood Drive wants to move up, they have to sell their home in the same way that the elderly mother who might move to Luther Place must sell in Oil City first. Were Venango County either growing or near to stronger markets, the market would largely connect these dots of its own volition. This not being the case, any public policy effort that attempted to address unmet demand would be wise to ask: *who can and would buy what needs to be sold to finance demand and facilitate a move*? If the response to an unmet demand for housing creates a vacancy, or otherwise facilitates a reduction in the quality of the next generation of resident in that home, the outcome is likely to worsen an already weak market condition.

Standards Reflect and Contribute to a Dysfunctioning Market

There comes a point in the history of some housing markets where the supply of housing so outpaces demand - in qualitative as well as quantitative terms - that owners begin to disinvest. If this occurs while others are disinvesting because of economic pressures (job loss, wage reduction), the housing stocks of a market can be dealt a double blow. If a sizable portion of the stocks were modest - either in size or construction quality - to begin with, it can be a triple whammy. Over time a property suffers from wear and tear that is not addressed through routine maintenance, and eventually repairs become costly major projects that can exceed a family's capacity to address them. When it comes time to sell, the share of the market that such a property commands has become smaller, and prices fall. Subsequent buyers become evermore financially shaky until the what was an owner-occupied property becomes a rental with a lower capitalized value owing to lower rents. To raise the value, landlords cut back further on maintenance, until the property can no longer be squeezed and still meet code or be viably rented, during which time ever weaker tenants occupy, and frequently create still more problems for the property.

In most markets this is normal, and impermanent: properties have life cycles. New properties command high market share, forcing older properties to compete. Older properties that fail to do so, fall in value and price until they become a good buy. So long as the period of time during which property has been fallow is not so great that the condition of the property makes it infeasible to recover, or that the location of the property is near external markets that can impose demand for such products on a locality, recovery generally ensues. In Venango neither has been the case, and along the way, in our view, local expectations of maintenance have come in line with actual maintenance. That is, we think Venango County has for so long had such high proportions of property in disrepair, that it has become the new norm. When really nice homes in really stable submarkets like Hasson Heights and Oliver Manor are *both* the places everyone points to as genuine exemplars *and* they actually are tired and need attention, then standards have truly fallen. This is too not suggest those places are not stable good neighborhoods. But if the best neighborhoods in the county have their share of deferred maintenance, standards are an issue. Remarkably, in our informal survey of Venango 'leaders', only low income rental properties in Oil City were rated by long term Venango County residents to be in "less than acceptable condition". Our view is that over time residents in Venango County have simply gotten used to substandard properties, substandard marketing, substandard competition.

To be sure, the prevailing low standards in some parts of the county are not the sole benchmark of the county's housing market. As we have noted repeatedly, stable and strong markets do exist and in such areas plentiful housing and non-residential property in good order exists. Few Main Streets in America come close to the restored small town grandeur as exhibited on Liberty Street in Franklin or in the blocks near the County Seat.



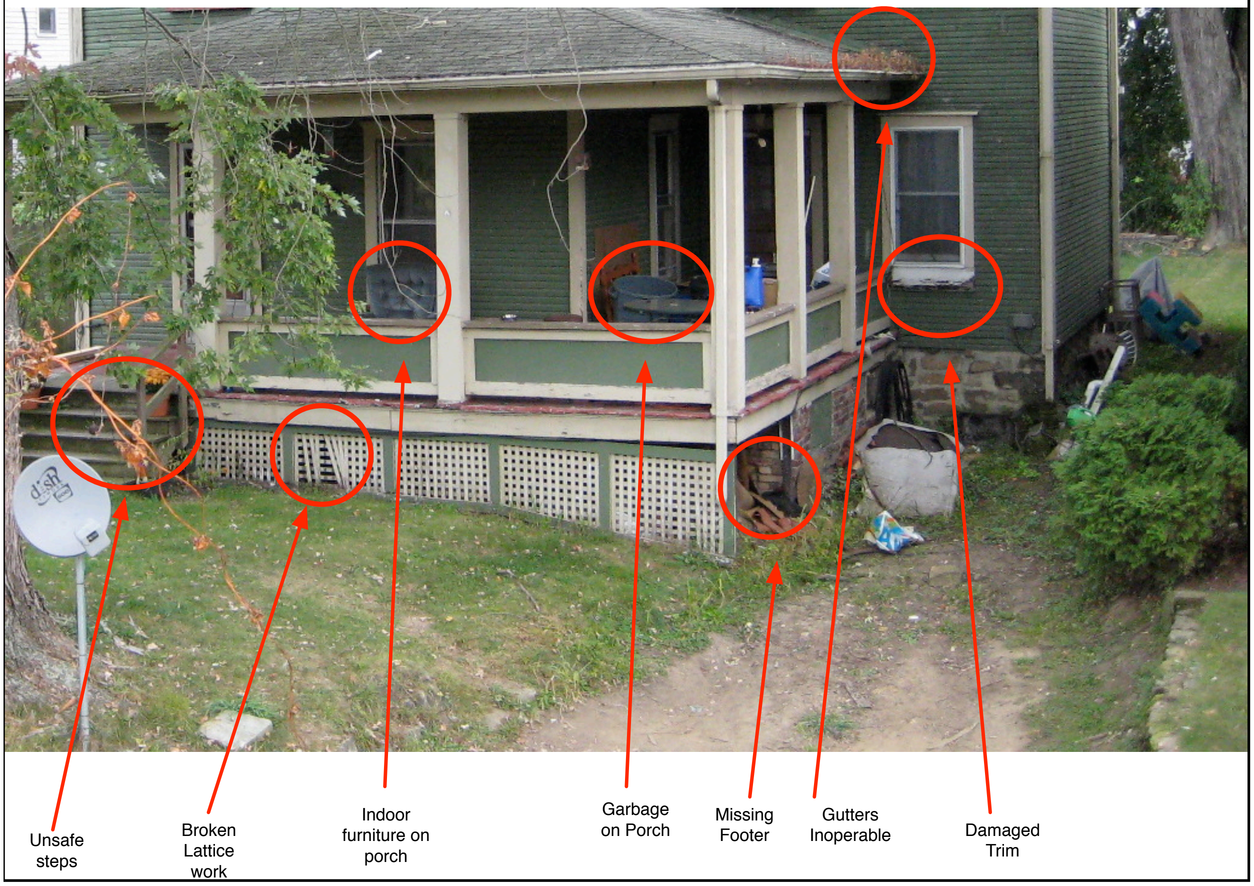
But the owners of these properties suffer when it comes time to sell because the owners of others nearby reduces market share, and eventually, value. This is one important hallmark of dysfunction.

Owner of the property on the left will suffer the consequences of the disinvestment behaviors of their neighbors.

Another more pressing indicator of dysfunction is sheer prevalence of what from a distance appears to be minor disrepair, so minor at a glance that it might not appear to be a problem. On close examination, the property has been neglected for some time, and there is little indication of any looming burst of energy to remedy the situation. What compounds this is a lack of concern about such conditions by neighbors and bypassers, and lack of a presence by an overwhelmed code enforcement office lacking sufficient resources to genuinely dent the problem.

Typical Venango County Property

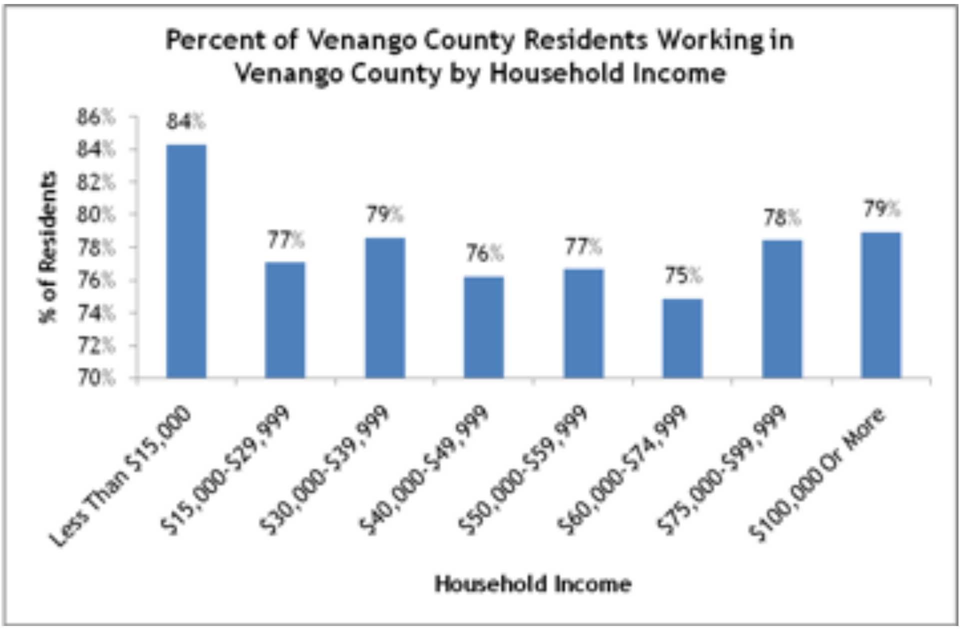
Not in violation of any codes; no outstanding citations; no warrants; no complains on file; no frustrations expressed by neighbors.

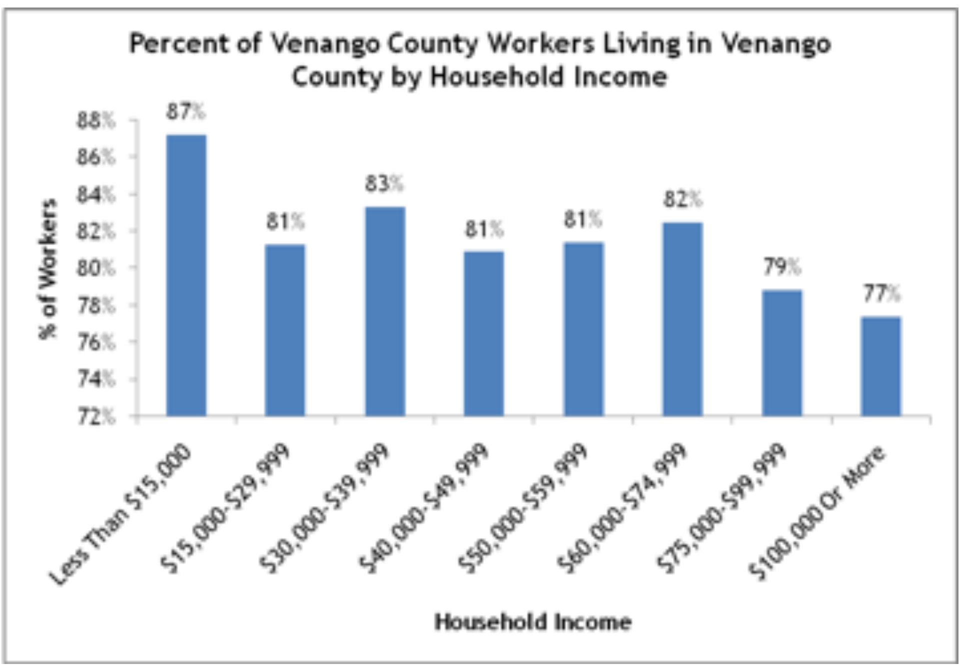


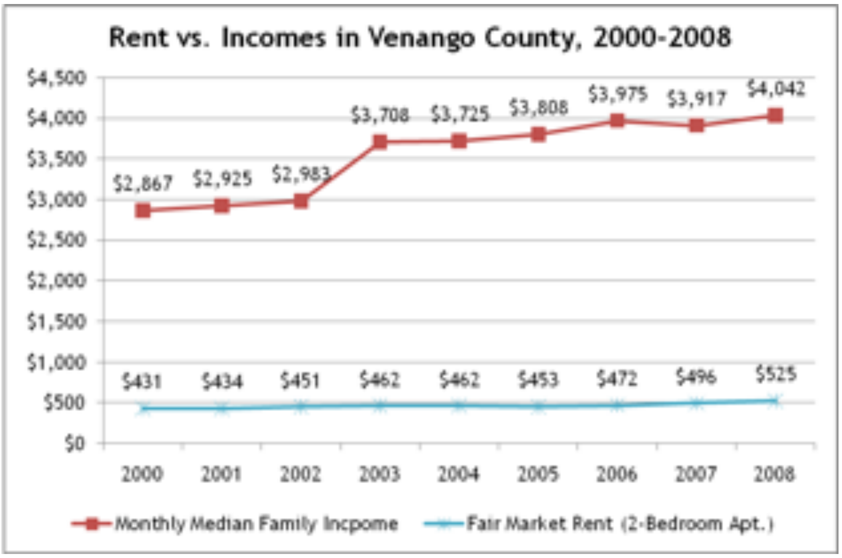
When the owner of this property attempts to sell, they will face a market with one of two characteristics, neither favorable. One will accept the sad condition of the property, the consequence of which is that the next owner will continue to defer maintenance. The other won't and will either fail to make an offer or make an offer lower than what the owner needs to transition to their next phase of life. While this is occurring, other owners, principally on Wabash and Plum (in Oil City) that have done a good job of keeping up their homes, will suffer. Upgrades they have made will not generate gains at the time of sale. This is a failure of the market, and a failure of public policy (code enforcement, and concentration of at-risk households). It is the culminating result of a wrong-sized market for decades not addressed except through poorly crafted, uncoordinated public policies and a layered bureaucracy on top of a low wage economy miles from strong markets. Seemingly harmless, and arguably the protected domain of private property owners, in our view such outcomes are not benign, and are harmful to thousands of middle income owners trying to keep their homes up, their neighborhoods safe, and their cities fiscally sound.

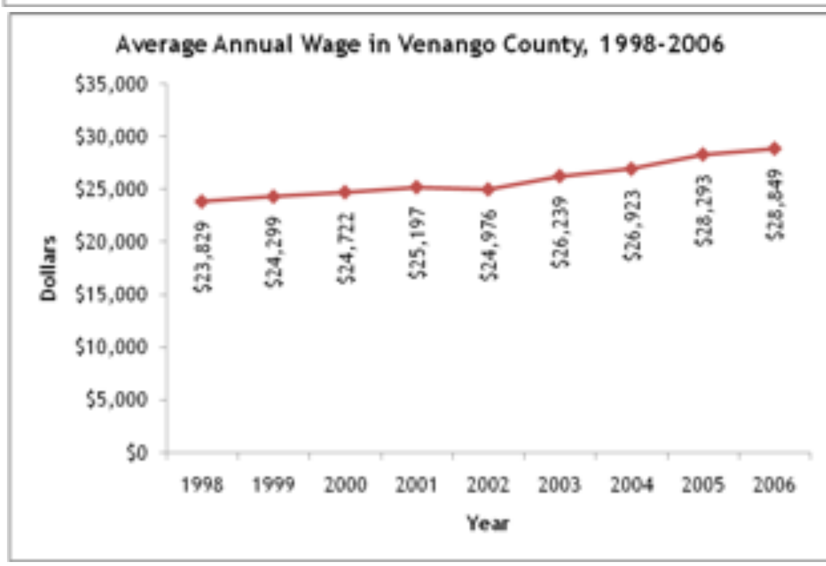
Quantitative Data

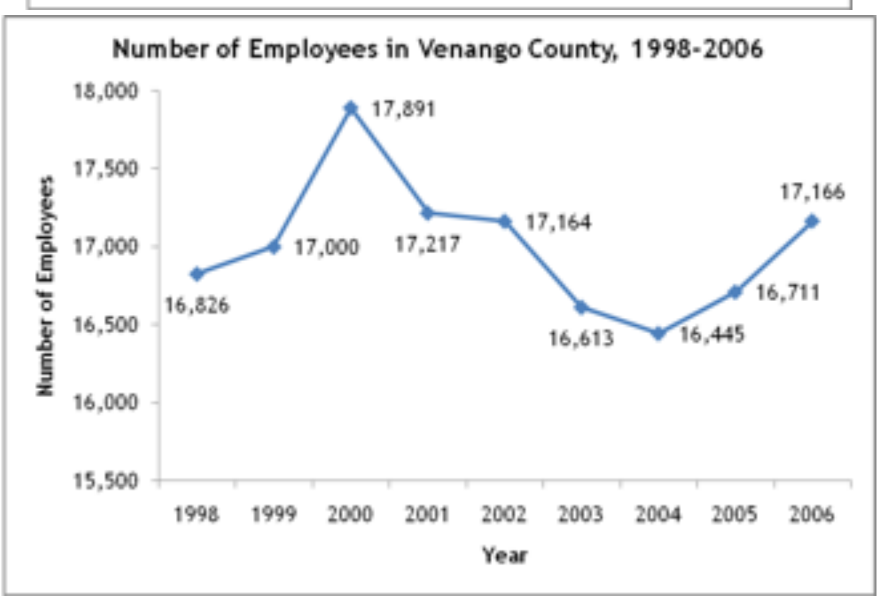
Tables and charts and raw data are on a CD-ROM delivered to the Venango County Regional Planning Commission. What follows are data tables and sets that frame the issues.

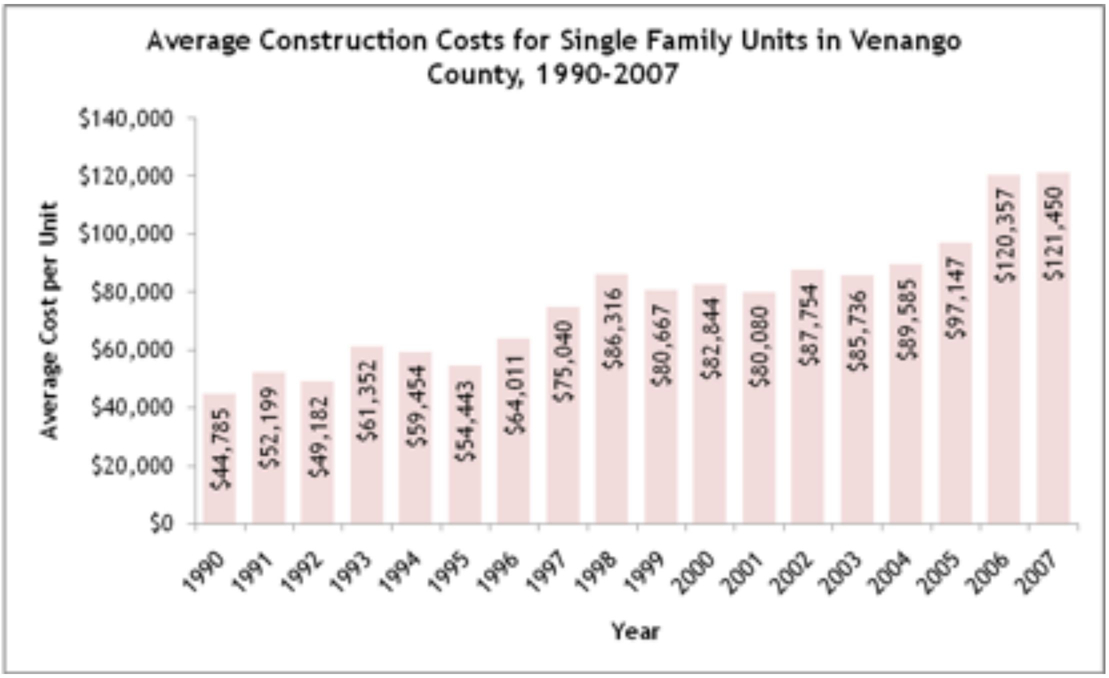




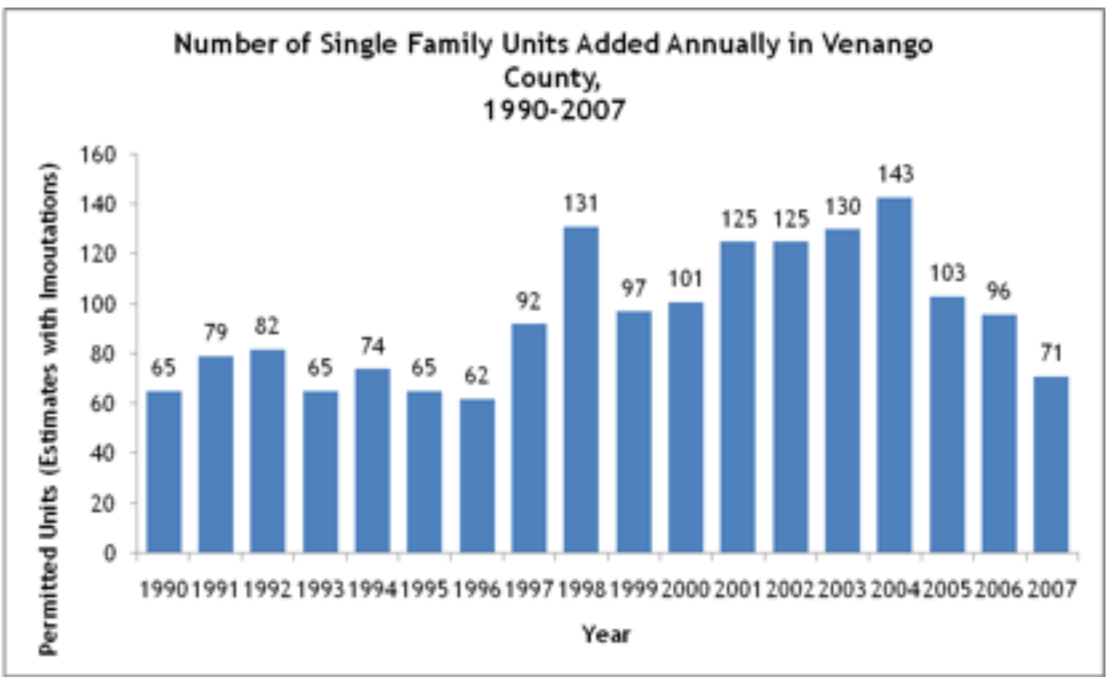

Rent vs. Incomes in Venango County, 2000-2008
$4,500
$4,000
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$0
$2,867
$2,925
$2,983
$3,708
$3,725
$3,808
$3,975
$3,917
$4,042
$431
$434
$451
$462
$462
$453
$472
$496
$525
2000
2001
2002
2003
2004
2005
2006
2007
2008
Monthly Median Family Incpome
Fair Market Rent (2-Bedroom Apt.)


Average Annual Wage in Venango County, 1998-2006
Dollars
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0
$23,829
$24,299
$24,722
$25,197
$24,976
$26,239
$26,923
$28,293
$28,849
1998
1999
2000
2001
2002
2003
2004
2005
2006
Year


Number of Employees in Venango County, 1998-2006
Number of Employees
18,000
17,500
17,000
16,500
16,000
15,500
16,826
17,000
17,891
17,217
17,164
16,613
16,445
16,711
17,166
1998
1999
2000
2001
2002
2003
2004
2005
2006
Year



Average Construction Costs for Single Family Units in Venango County, 1990-2007
Average Cost per Unit
$140,000
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$0
$44,785
$52,199
$49,182
$61,352
$59,454
$54,443
$64,011
$75,040
$86,316
$80,667
$82,844
$80,080
$87,754
$85,736
$89,585
$97,147
$120,357
$121,450
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
Year



Number of Single Family Units Added Annually in Venango County,
1990-2007
Permitted Units (Estimates with Imoutations)
160
140
120
100
80
60
40
20
0
65
79
82
65
74
65
62
92
131
97
101
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143
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71
1990
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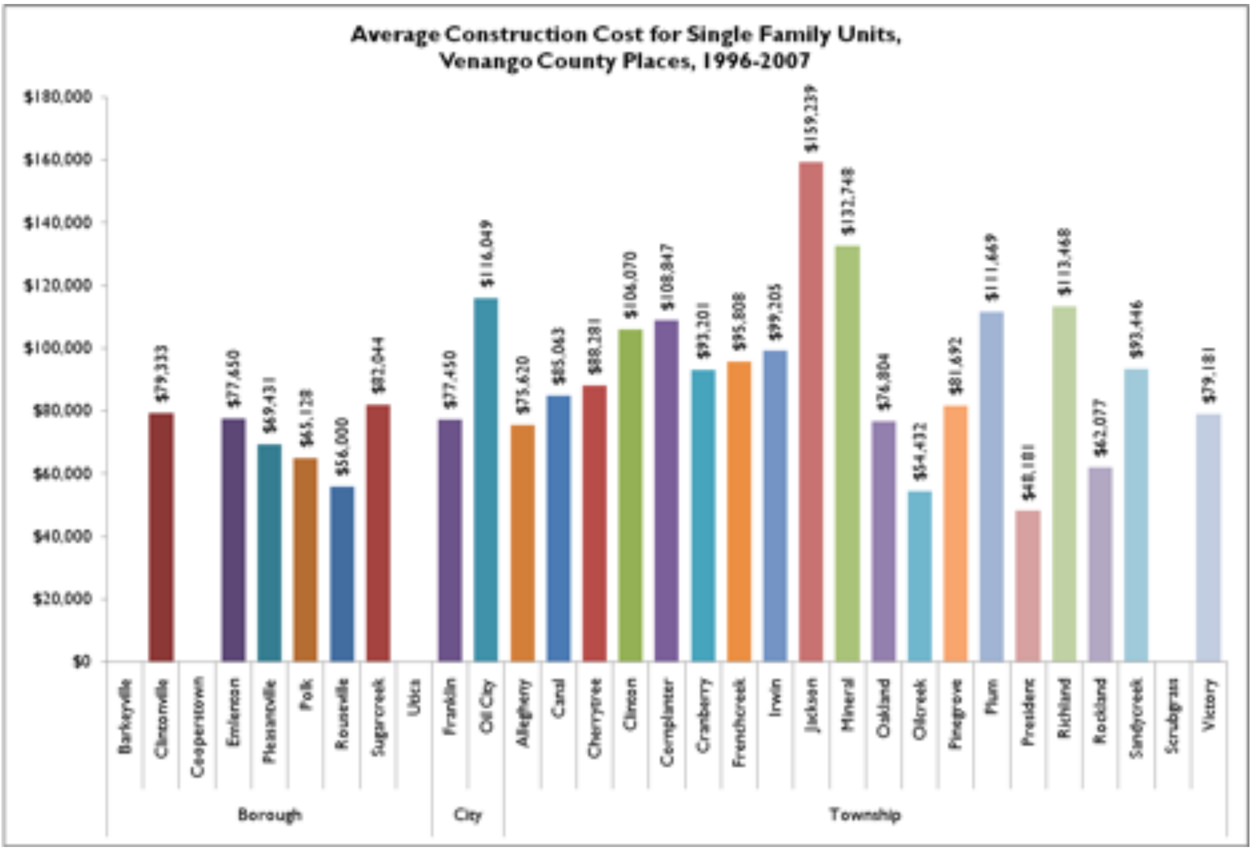
Year


Average Construction Cost for Single Family Units,
Venango County Places, 1996-2007
$180,000
$160,000
$140,000
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$0
$79,333
$77,650
$69,431
$65,128
$56,000
$82,044
$77,450
$116,049
$75,620
$85,063
$88,281
$106,070
$108,847
$93,201
$95,808
$99,205
$159,239
$132,748
$76,804
$54,432
$81,692
$111,669
$48,181
$113,468
$62,077
$93,446
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Barkeyville
Clintonville
Cooperstown
Emlenton
Pleasantville
Polk
Rouseville
Sugarcreek
Utica
Franklin
Oil City
Allegheny
Canal
Cherrytree
Clinton
Cornplanter
Cranberry
Frenchcreek
Irwin
Jackson
Mineral
Oakland
Oilcreek
Pinegrove
Plum
President
Richland
Rockland
Sandycreek
Scrubgrass
Victory
Borough
City
Township

Venango County, PA Jurisdictions
There are multiple jurisdictions within Venango. The smallest unit is a Borough, then a Township, and finally, incorporated Cities. Sugarcreek, despite its size and population, is a borough.

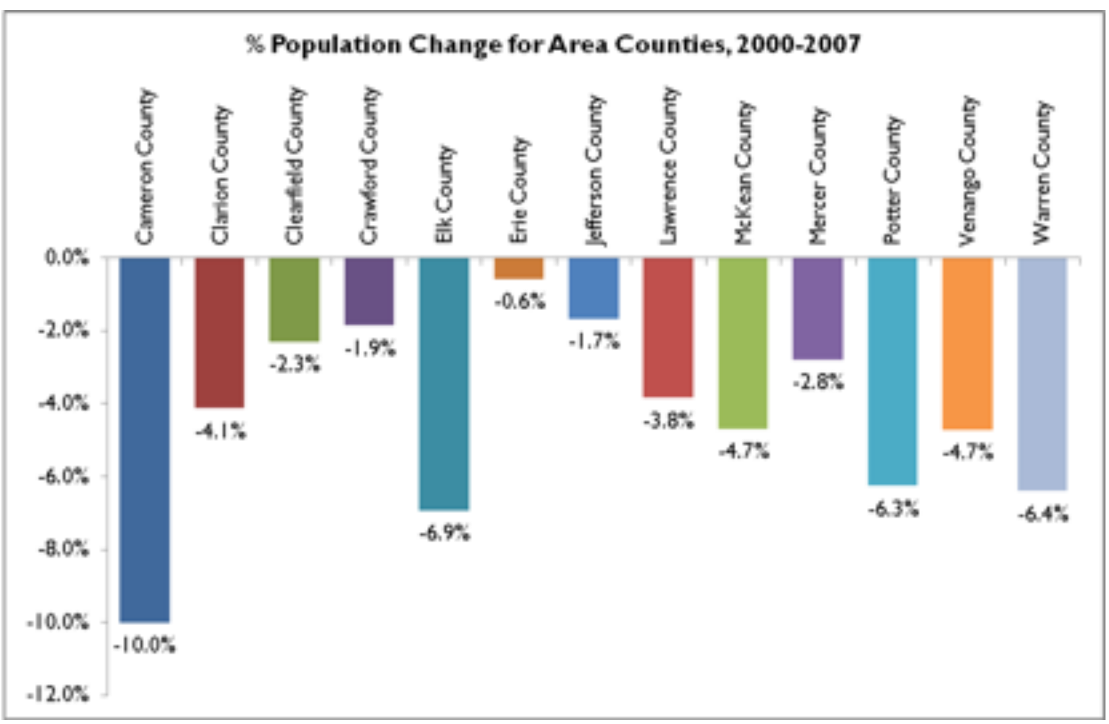
Population and Projections (County Level)
Venango County is typical of 'Rust Belt' jurisdictions across Ohio, Michigan, Indiana, Pennsylvania, and parts of NY. Conditions in Venango County, while very challenging, are not unique. The population has been dropping since the 1950's (despite a slight uptick in the 1970's).

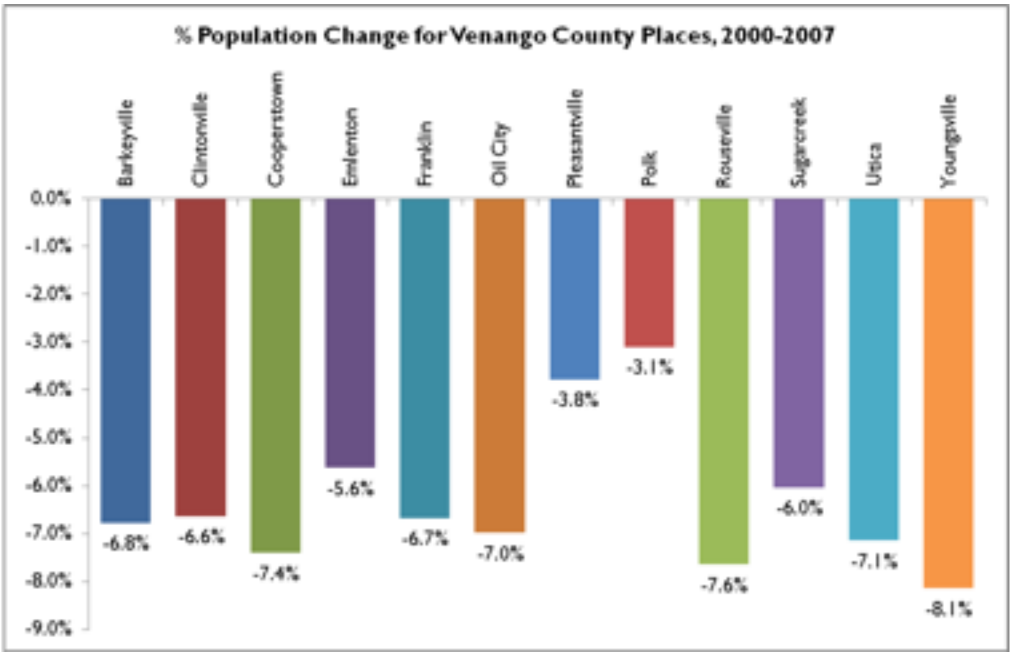
1950	1960	1970	1980	1990	2000	2008 (Est.)	Numeric Change	Percent Change
65,328	65,295	62,353	64,444	59,381	57,565	56,126	(-9,202)	(-14.1%)

Source: US Census, ESRI Business Analyst

	2000	2008 (Estimate)	2013 (Projection)	# Change	% Change
Population	57,565	56,126	55,078	(-2487)	(-4.3%)
Households	22,747	22,778	22,550	(-197)	(-0.9%)
Families	15,926	15,539	15,122	(-804)	(-5.0%)
Persons / Household	2.45	2.38	2.36	(-0.09)	(-3.7%)

Source: ESRI Business Analyst





Age Characteristics and Projection

Venango County is not only losing population, it is losing families. The percentage of residents under 18 and those in the 30 – 50 years old cohorts are dropping faster than the population as a whole. The loss of families will have significant impact on Venango County, particularly on the type of housing in demand. School districts will also have to struggle with falling enrollments. Existing and prospective new businesses will likely be challenged to find employees, making Venango County less desirable for economic development, thus exacerbating the population decline. An older population also requires more public services, resulting in higher expenses for local government.

Age Projection

	2000 #	2000%	2008 #	2008%	2013 #	2013%	# Change	% Change
<18	13,947	24.20%	11,955	21.30%	11,374	20.70%	(-2,573)	(-0.5%)
19-24	3,316	5.80%	3,767	6.70%	3,457	6.30%	141	0.50%
25-29	2,956	5.10%	3,228	5.80%	3,014	5.50%	58	0.40%
30-34	3,395	5.90%	3,004	5.40%	3,042	5.50%	(-353)	(-0.4%)
35-39	4,148	7.20%	3,317	5.90%	3,002	5.50%	(-1146)	(-1.7%)
40-44	4,844	8.40%	3,793	6.80%	3,376	6.10%	(-1,468)	(-2.3%)
45-49	4,596	8.00%	4,515	8.00%	3,914	7.10%	(-682)	(-0.9%)
50-54	3,055	6.90%	4,700	8.40%	4,448	8.10%	1393	1.20%
55-59	3,125	5.40%	4,269	7.60%	4,877	8.90%	1751	3.50%
60-64	2,780	4.80%	3,309	5.90%	4,005	7.30%	1255	2.50%
65-69	2,602	4.50%	2,576	4.60%	2,892	5.30%	290	0.80%
70-74	2,667	4.60%	2,172	3.90%	2,139	3.90%	-528	0.70%
75-79	2,022	3.50%	1,891	3.40%	2,139	3.90%	117	0.40%
80-84	1,299	2.30%	1,567	28%	1,562	2.80%	263	0.50%
85+	1,067	1.90%	1,343	2.40%	1,550	2.80%	483	0.90%
Median	**40.2**		**42.7**		**44.4**			

Source: ESRI Business Analyst

Another gauge of the population characteristics is through school enrollments. A decreasing and aging population will result in lower school enrollments. This can have a significant impact on schools as they struggle to provide services with a reduced budget.

2005 – 2006 Enrollment in Area School Districts

	Cranberry	Franklin	Oil City	Titusville	Valley Grove	Allegheny-ClarionValley (Part)	Forest (Part)	Penncrest (Part)
K	92	124	197	294	79	57	45	268
1	93	136	166	179	87	54	51	281
2	97	125	151	137	76	61	25	265
3	104	102	164	149	68	63	54	285
4	95	123	162	148	78	64	43	263
5	98	127	154	145	76	85	42	298
6	97	138	179	162	73	80	59	279
7	112	178	179	167	79	91	58	339
8	128	201	202	179	98	108	55	333
9	116	211	234	188	72	71	55	362
10	117	195	208	168	76	97	68	312
11	110	198	193	186	59	74	68	342
12	131	188	210	174	69	59	66	305

Source: National Center for Education Statistics

Education

Venango County has a less educated population than the state of Pennsylvania as a whole. The percentage of the population with a Bachelors degree is less than half the state's level and the percentage with a Masters is barely half. This presents an additional challenge for the community to compete for new employers and businesses looking for an educated labor force. For Venango County, where housing affordability challenges are really problems of low incomes, this is especially salient.

	Venango County #	Venango County %	Pennsylvania #	Pennsylvania %
< 9th Grade	2,485	6.3%	452,069	5.5%
Some HS, no Diploma	4,990	12.7%	1,044,065	12.6%
HS Graduate	19.471	49.5%	3,150,013	38.1%
Some College	5,068	12.9%	1,284,731	15.5%
Associate Degree	2,213	5.6%	487,804	5.9%
Bachelors Degree	3,265	6.3%	1,153,383	14.0%
Masters or Above	1,874	4.8%	694,248	8.4%

Housing Characteristics
Source: ESRI Business Analyst, czbLLC

Units by Structure

	1990 #	1990%	2000 #	2000%	% Change
Total	**26,962**	**100%**	**26,904**	**100%**	**(-0.02%)**
1, Detached	19,228	71.30%	19,917	74.00%	0.35
1, Attached	267	1.00%	259	1.00%	(-0.3%)
2	1,441	5.30%	1,287	4.80%	(-1.12%)
3 or 4	808	3.00%	792	2.90%	-0.20%
5 to 9	529	2.00%	479	1.80%	(-0.99%)
10 to 19	360	1.30%	250	0.90%	(-3.58%)
20+	433	1.60%	637	2.40%	3.94%
Mobile Home	3,338	12.40%	3,221	12.00%	(-0.36%)
Other	558	2.10%	62	0.20%	(-19.73%)

Source: 2000 US Census

Housing Age and Condition

Household Income Characteristics

	2000 #	2000%	2008 #	2008%	2013 #	2013%
< $15,000	4,663	20.50%	3,436	15.10%	2,911	12.90%
$15,000 - $24,999	4,074	17.90%	3,317	14.60%	2,581	11.40%
$25,000 - $34,999	3,485	15.30%	3,805	12.30%	2,552	11.30%
$35,000 - $49,999	4,176	18.30%	3,835	16.80%	3,483	15.40%
$50,000 - $74,999	4,013	17.60%	4,755	20.90%	5,045	22.40%
$75,000 - $99,999	1,351	5.90%	2,894	12.70%	3,233	14.30%
$100,000 - $149,999	759	3.30%	1,174	5.20%	1,911	8.50%
$150,000 - $199,999	108	0.50%	306	1.30%	426	1.90%
> $200,000	159	0.70%	256	1.10%	408	1.80%
Median Income	**32,501**		**41,778**	**28.5% Increase**	**48,804**	**50.1% Increase**

Source: US Census, ESRI Business Analyst

Poverty

Venango County has a higher Poverty Rate than the State as a whole. Over 10 percent of families in the County are below poverty rate. In addition, single mothers are at a significant risk of being in poverty, with nearly 35 percent with children under 18 and nearly 50 percent with young children (under 5 years old.) This creates a challenge for the County providing services for this at risk population.

	Owner #	Owner %	Renter #	Renter %
Total	22,747	100.0%	5,369	100.0%
1, Detached	15,087	66.3%	2,110	39.3%
1, Attached	108	.0.5%	119	2.2%
2	245	1.1%	835	15.6%
3 or 4	61	0.3%	600	11.2%
5 to 9	9	0.04%	387	7.2%
10 to 19	0	0.0%	223	4.2%
20+	8	0.04%	596	11.1%
Mobile Home	1,856	8.2%	499	9.3%
Other	4	0.02%	0	0.0%

Poverty Rate

	Venango County #	Venango County %	Pennsylvania #	Pennsylvania %
Families	1657	10.4%	250296	7.8%
With related children < 18	1279	17.3%	188366	12.1%
With related children < 5	645	24.7%	88081	15.3%
Female Householder, no Husband	782	34.4%	134.560	24.9%
With related children < 18	706	47.9%	118782	34.9%
With related children < 5	355	70.2%	55163	47.4%
Individuals				
> 18 Years	4913	11.5%	882372	9.8%
> 65 Years	830	9.1%	164095	9.1%

Employment Characteristics

The Bureau of Labor Statistics tracks a variety of data related to employment. The following table relates general employment characteristics of Venango County. As expected given the declining population, the total number of employees and business establishments in the County has declined since 2001. New business recruitment and expansion will be a critical component in efforts to stabilize the County population. One bright point is the steadily rising wages.

Employment and Establishment Statistics

	Total Employees	Total Establishments	Avg. Annual Wage	Avg. Weekly Wage	Unemployment (Sept. 1st, unadjusted numbers)
2001	21,559	1,394	$26,799	$515	4.5%
2002	20,883	1,325	$27,105	$521	4.8%
2003	20,715	1,334	$27,657	$532	5.1%
2004	20,768	1,363	$29,226	$562	5.5%
2005	21,066	1,396	$29,980	$577	4.7%
2006	21,181	1,394	$31,006	$596	4.3%
2007	20,532	1,373	$31,470	$605	4.2%
2008 Preliminary	20,277	1,361	N/A	$625	5.2%

Source: Bureau of Labor Statistics

The Pennsylvania Department of Labor and Industry publishes monthly 'snapshots' for each County in the State. This information for the County shows a an adjusted unemployment rate for the County that is higher than report by the BLS and a much higher number in the Civilian Labor Force.

Labor Force

	Venango County	Pennsylvania
Civilian Labor Force	26,700	6,444,000
Employed	25,100	6,077,000
Unemployed	1,600	367,000
Unemployment Rate	5.9%	5.7%

Source: Pennsylvania Center for Workforce Information and Analysis

Civilian Employed by Industry

	Venango County #	Venango County %	Pennsylvania #	Pennsylvania %
Total Employment 16 Yrs Old +	24,487	100.0%	5,653,500	100.0%
Management / Professional	6,256	25.5%	1,841,175	32.6%
Service	4,087	16.7%	838,137	14.8%
Sales / Office	5,880	24.0%	1,525,131	27.0%
Farming / Fishing / Forestry	170	0.7%	26,722	0.5%
Construction / Extraction / Maintenance	2,297	9.4%	500,898	8.9%
Production / Transportation	5,797	23.7%	921,437	16.3%

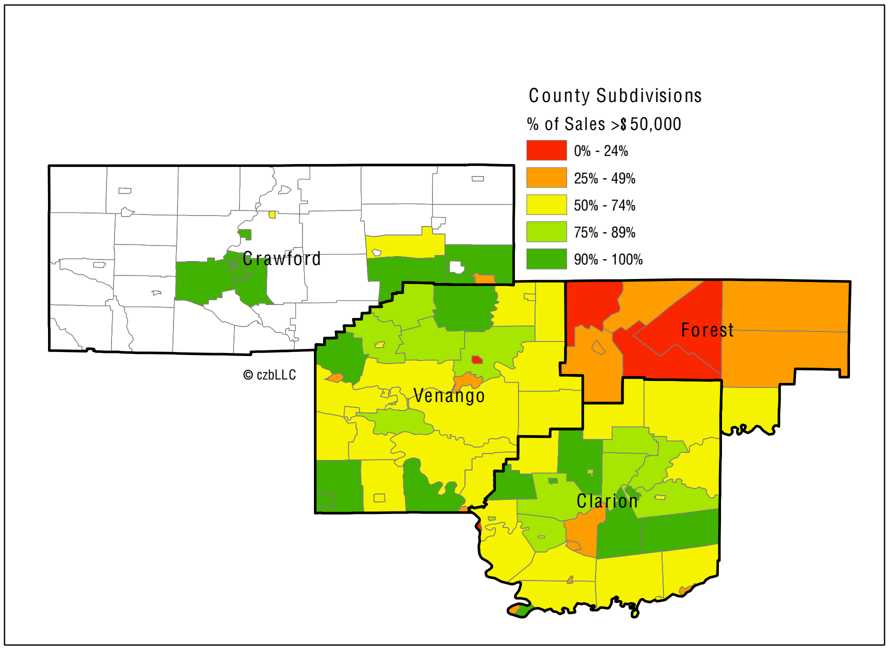
Source: 2000 US Census

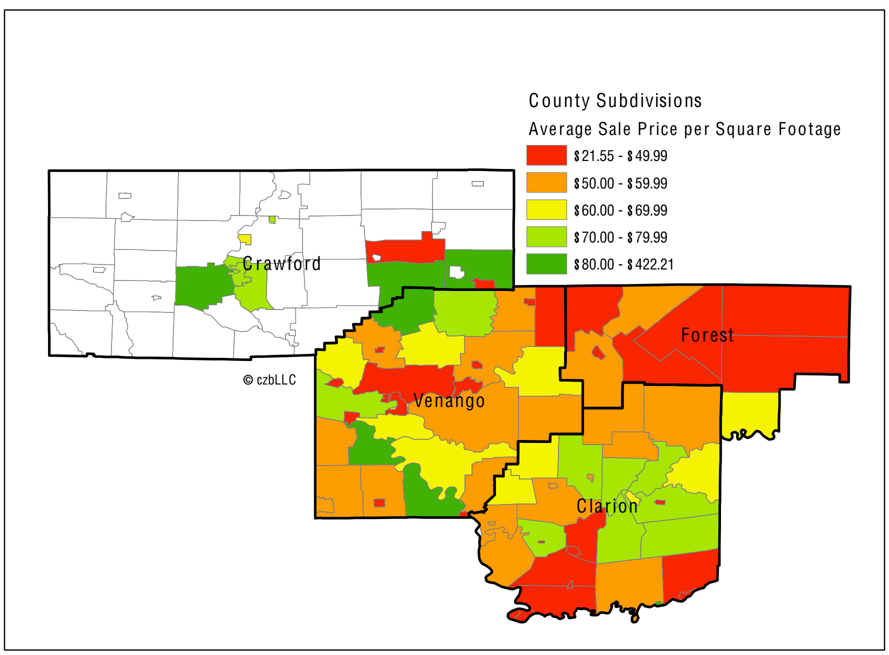
Venango County has a higher percentage of jobs in blue collar fields than the State. The following table presents a more detailed analysis of the employment breakdown of Venango County versus the State as a whole.

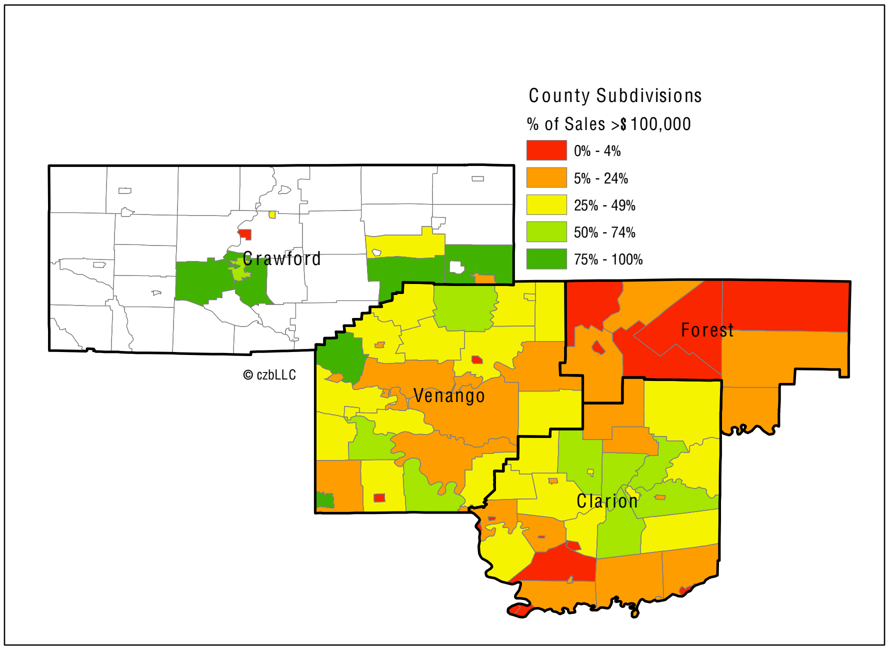
	Venango Employment	Venango County	Pennsylvania
Agriculture, Forestry, Fishing, Hunting	41	$30894	$24684
Mining	91	$32648	$53434
Utilities	134	$86349	$86922
Construction	505	$29024	$45092
Manufacturing	4386	$43874	$47293
Wholesale Trade	582	$36092	$55748
Retail Trade	2901	$19068	$23096
Transportation and Warehousing	683	$33875	$36087
Information	196	$27382	$52979
Finance and Insurance	608	$39262	$62092
Real Estate and Rental and Leasing	134	$17625	$39237
Professional and Technical Services	273	$30952	$65284
Management of Companies and Enterprises	34	$41903	$81595
Admin / Support	727	$20844	$27418
Educational Services	93	$19076	$40790
Health Care and Social Assistance	3513	$31011	$36979
Arts, Entertainment, and Recreation	110	$9040	$23352
Accommodation and Food Services	1326	$10949	$13431
Other Services, except Public Adminstration	720	$14629	$24142
Federal Government	123	$47776	$56730
State Government	1471	$43062	$45012
Local Government	1883	$32515	$38343

Source: Pennsylvania Center for Workforce Information and Analysis 2007 Annual Average

Sales Data 2002-2008 (Market Data from the Allegheny Board of Realtors)






County Subdivisions
% of Sales >$100,000
0% - 4%
5% - 24%
25% - 49%
50% - 74%
75% - 100%
Crawford
Forest
Venango
Clarion
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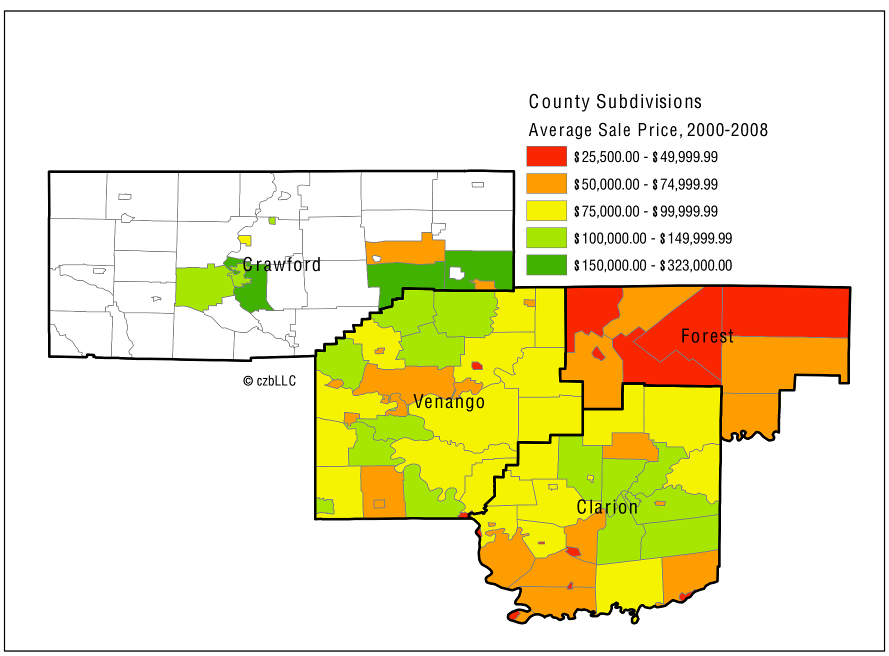
County Subdivisions
Average Sale Price, 2000-2008
$25,500.00 - $49,999.99
$50,000.00 - $74,999.99
$75,000.00 - $99,999.99
$100,000.00 - $149,999.99
$150,000.00 - $323,000.00
Crawford
Forest
Venango
Clarion
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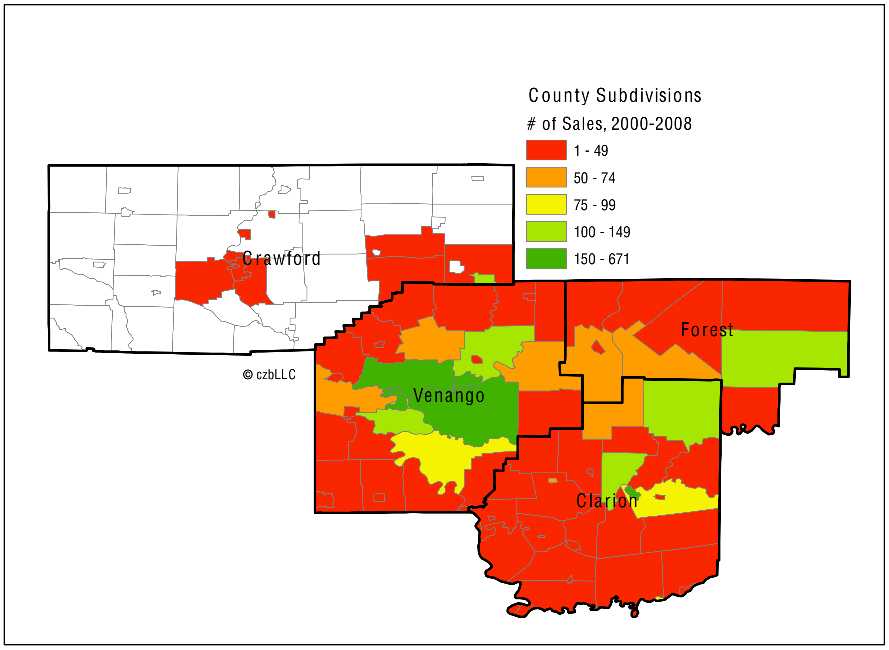
County Subdivisions
# of Sales, 2000-2008
1 - 49
50 - 74
75 - 99
100 - 149
150 - 671
Crawford
Forest
Venango
Clarion
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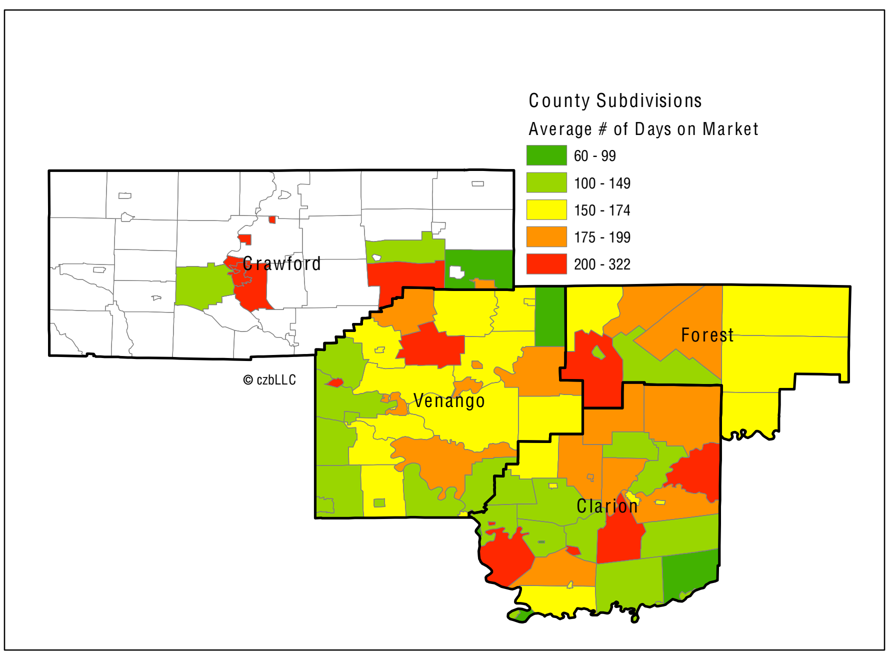
County Subdivisions
Average # of Days on Market
60 - 99
100 - 149
150 - 174
175 - 199
200 - 322
Crawford
Forest
Venango
Clarion
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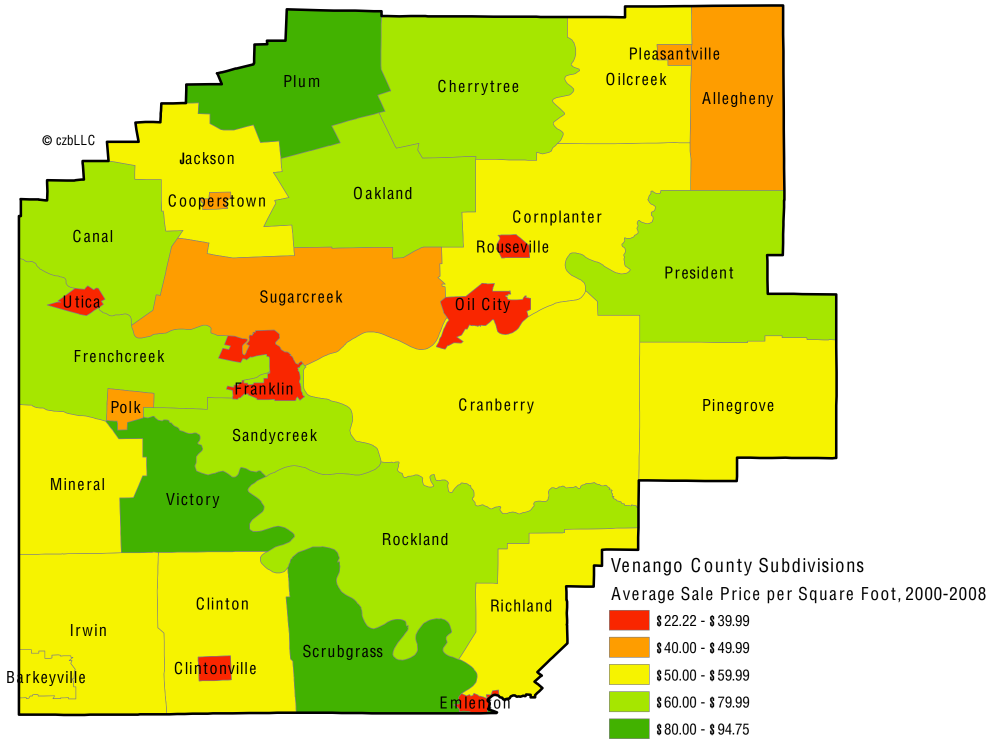
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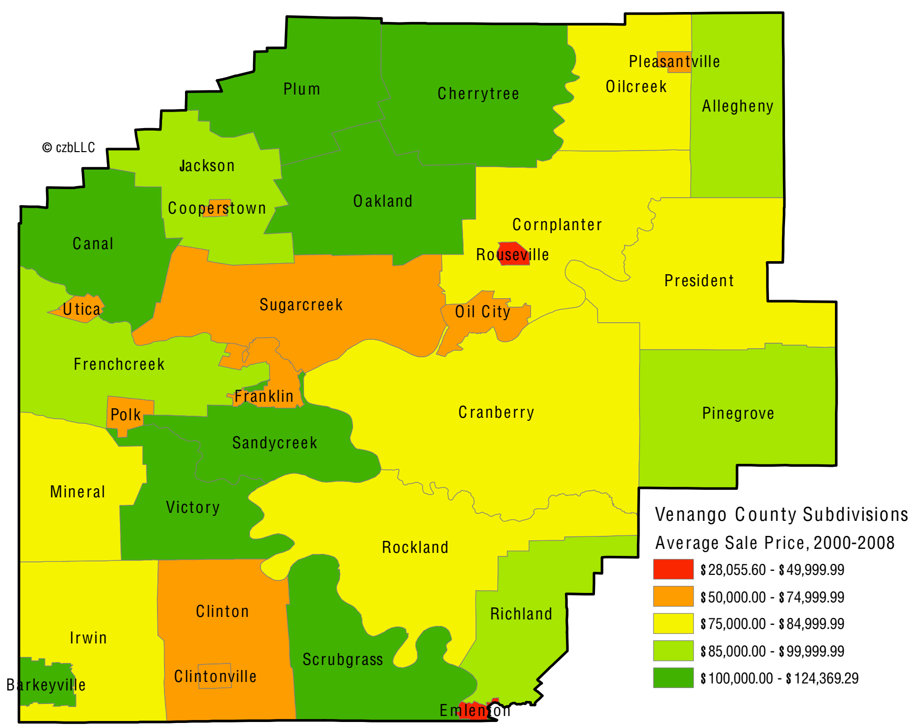
Plum
Cherrytree
Pleasantville
Oilcreek
Allegheny
Jackson
Cooperstown
Oakland
Canal
Cornplanter
Rouseville
President
Utica
Sugarcreek
Oil City
Frenchcreek
Franklin
Polk
Cranberry
Pinegrove
Sandycreek
Mineral
Victory
Rockland
Clinton
Irwin
Richland
Barkeyville
Clintonville
Scrubgrass
Emlenton
Venango County Subdivisions
Average Sale Price per Square Foot, 2000-2008
$22.22 - $39.99
$40.00 - $49.99
$50.00 - $59.99
$60.00 - $79.99
$80.00 - $94.75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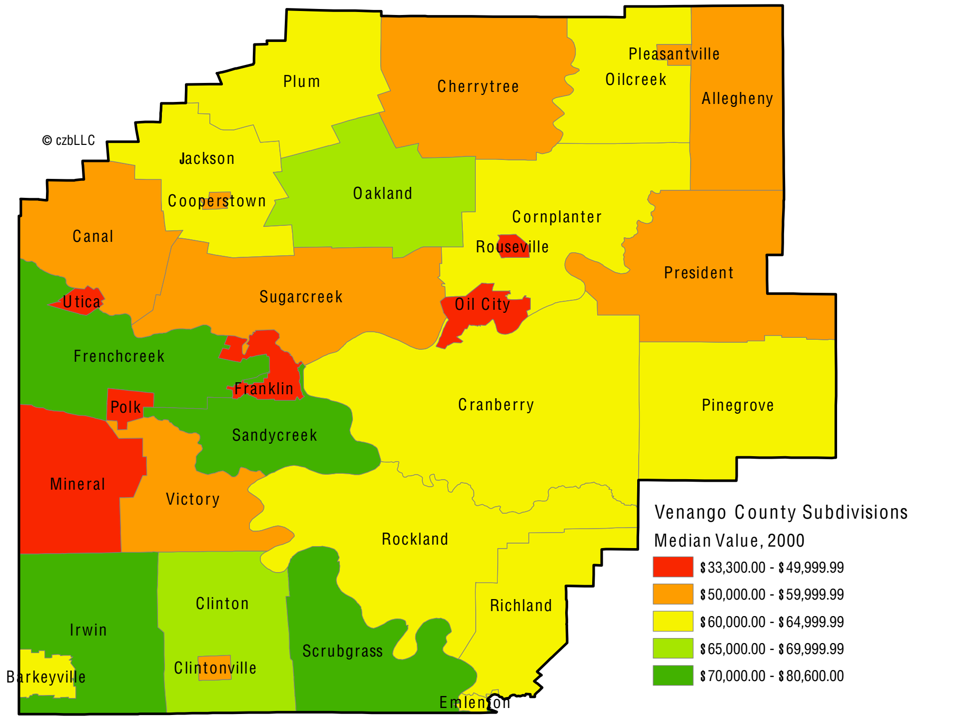
Sandycreek
Mineral
Victory
Rockland
Clinton
Irwin
Richland
Barkeyville
Clintonville
Scrubgrass
Emlenton
Venango County Subdivisions
Average Sale Price, 2000-2008
$28,055.60 - $49,999.99
$50,000.00 - $74,999.99
$75,000.00 - $84,999.99
$85,000.00 - $99,999.99
$100,000.00 - $124,369.29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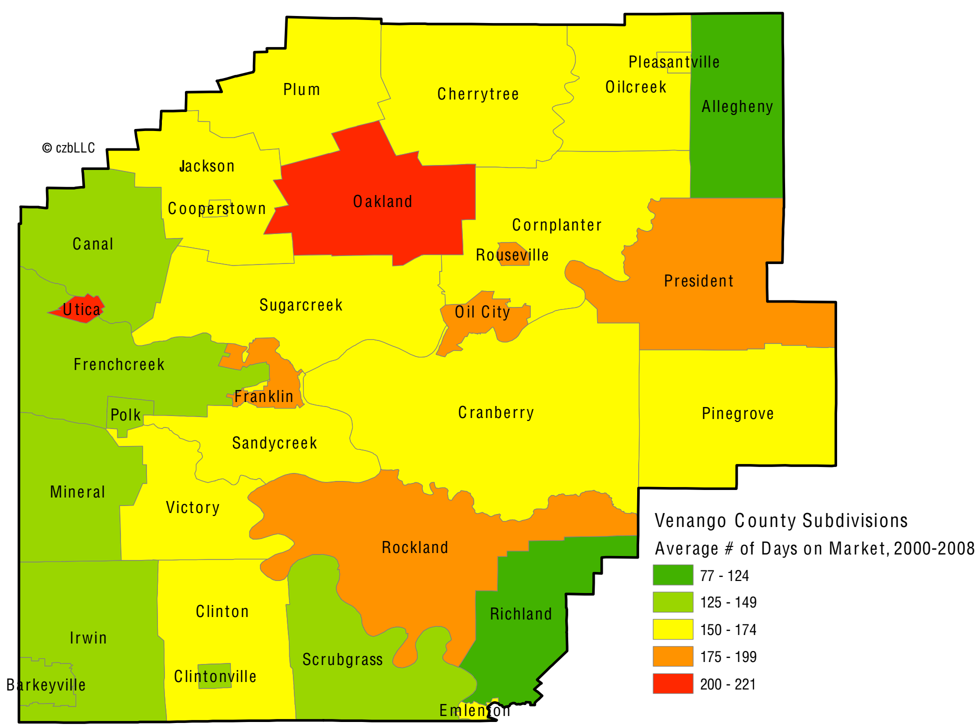
Cranberry
Pinegrove
Sandycreek
Mineral
Victory
Rockland
Clinton
Richland
Irwin
Scrubgrass
Clintonville
Barkeyville
Emlenton
Venango County Subdivisions
Median Value, 2000
$33,300.00 - $49,999.99
$50,000.00 - $59,999.99
$60,000.00 - $64,999.99
$65,000.00 - $69,999.99
$70,000.00 - $80,600.00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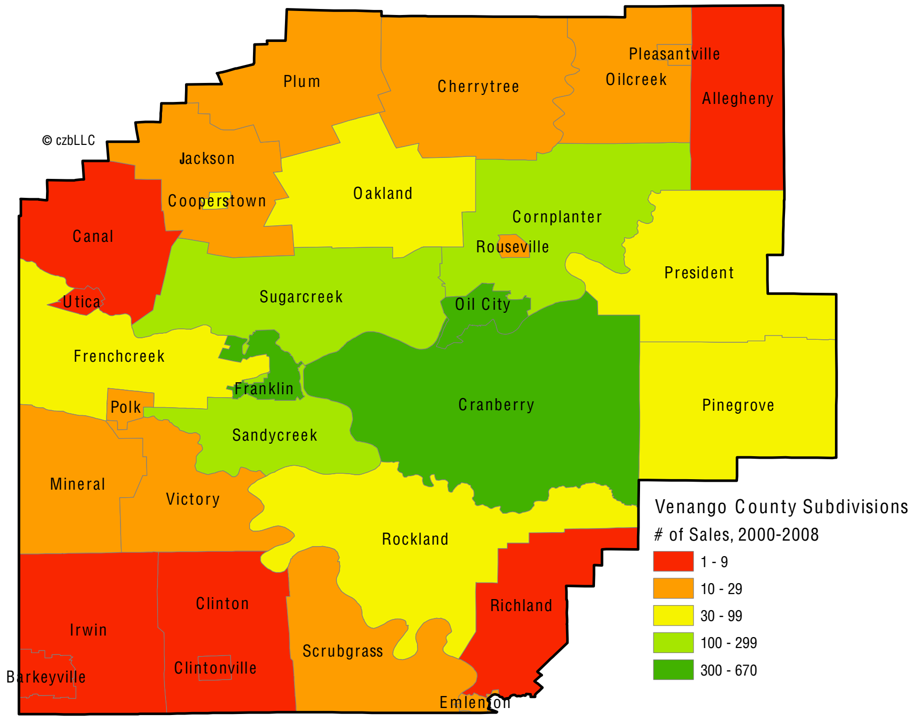
Pinegrove
Sandycreek
Mineral
Victory
Rockland
Clinton
Richland
Irwin
Scrubgrass
Clintonville
Barkeyville
Emlenton
Venango County Subdivisions
Average # of Days on Market, 2000-2008
77 - 124
125 - 149
150 - 174
175 - 199
200 - 221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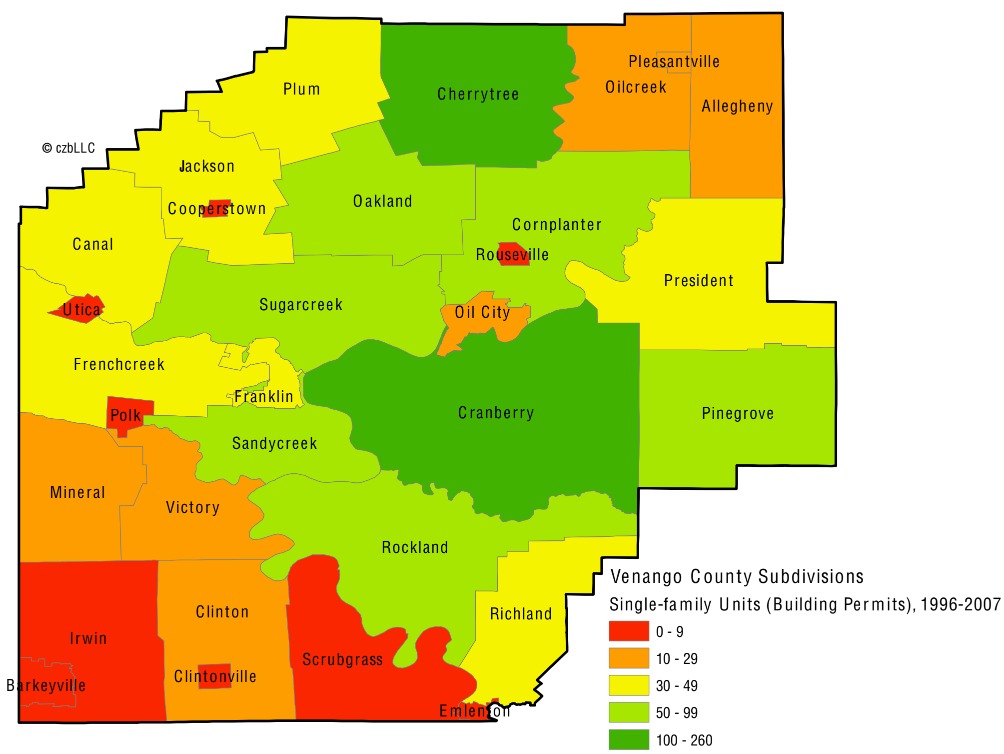
Victory
Rockland
Clinton
Richland
Irwin
Scrubgrass
Clintonville
Barkeyville
Emlenton
Venango County Subdivisions
# of Sales, 2000-2008
1 - 9
10 - 29
30 - 99
100 - 299
300 - 670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Rockland
Clinton
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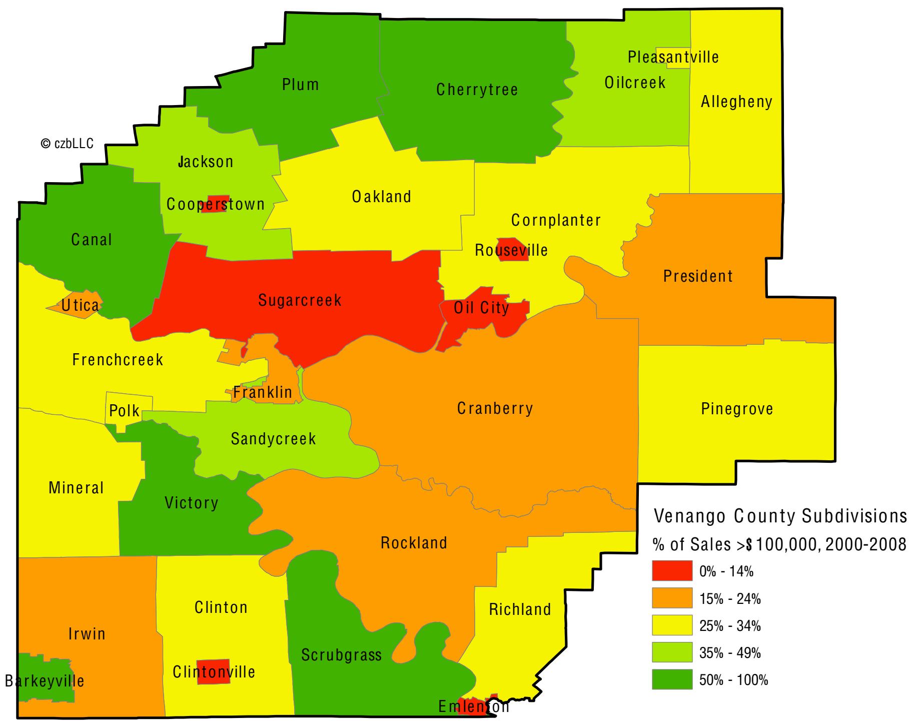
Irwin
Scrubgrass
Clintonville
Barkeyville
Emlenton
Venango County Subdivisions
Single-family Units (Building Permits), 1996-2007
0 - 9
10 - 29
30 - 49
50 - 99
100 - 260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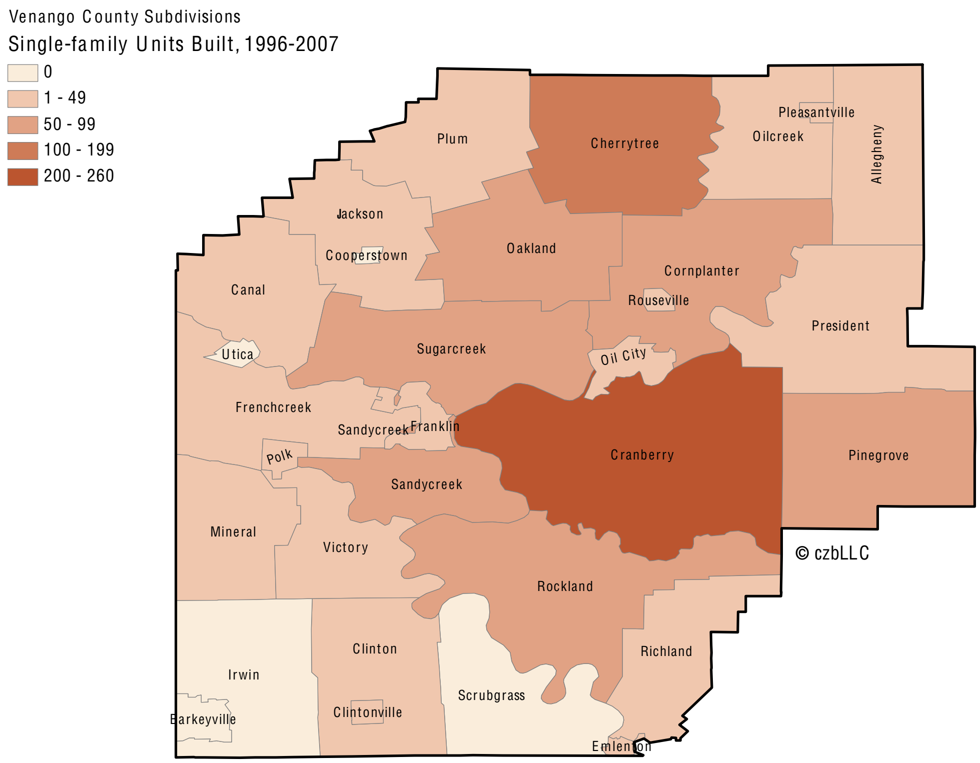
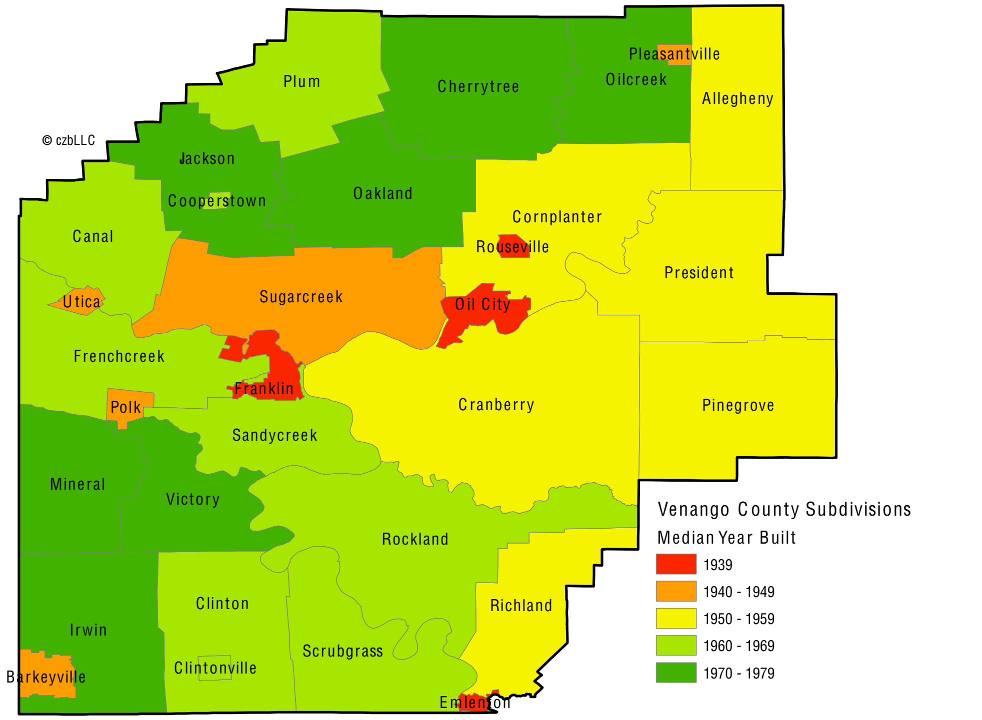
Polk
Sandycreek
Mineral
Victory
Rockland
Venango County Subdivisions
% of Sales >$100,000, 2000-2008
0% - 14%
15% - 24%
25% - 34%
35% - 49%
50% - 100%
Clinton
Irwin
Richland
Scrubgrass
Clintonville
Barkeyville
Emlenton

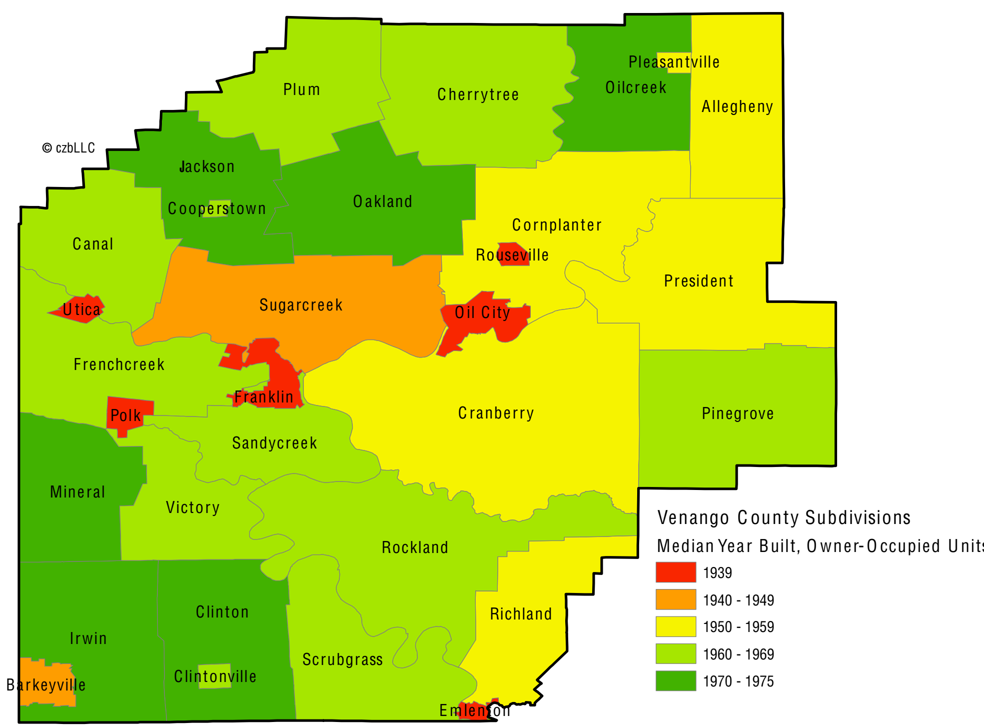
Permitting Data



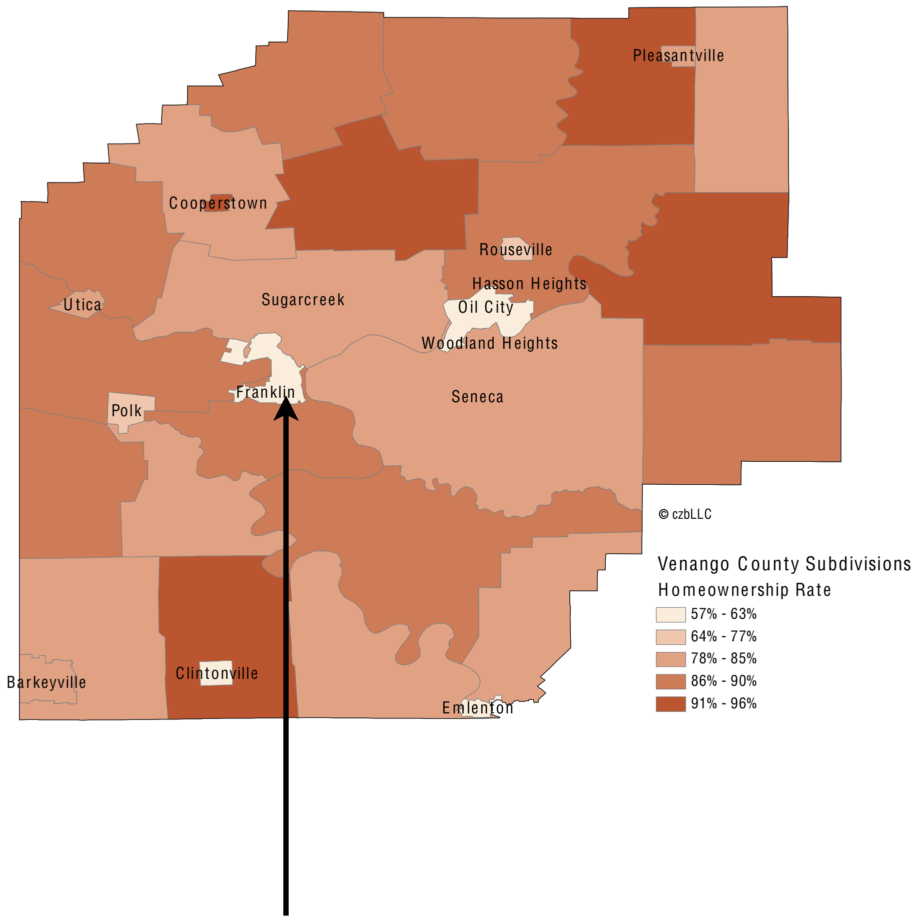


Year Built

Year Built; Owner Occupied

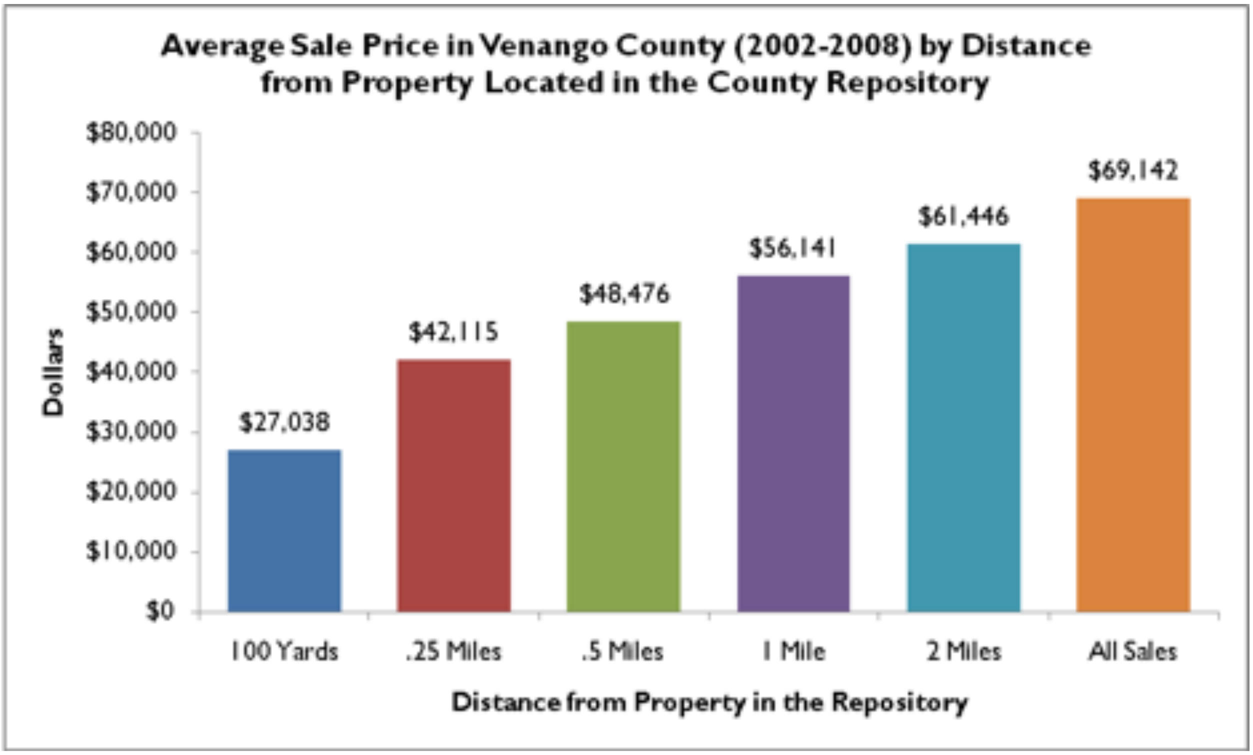


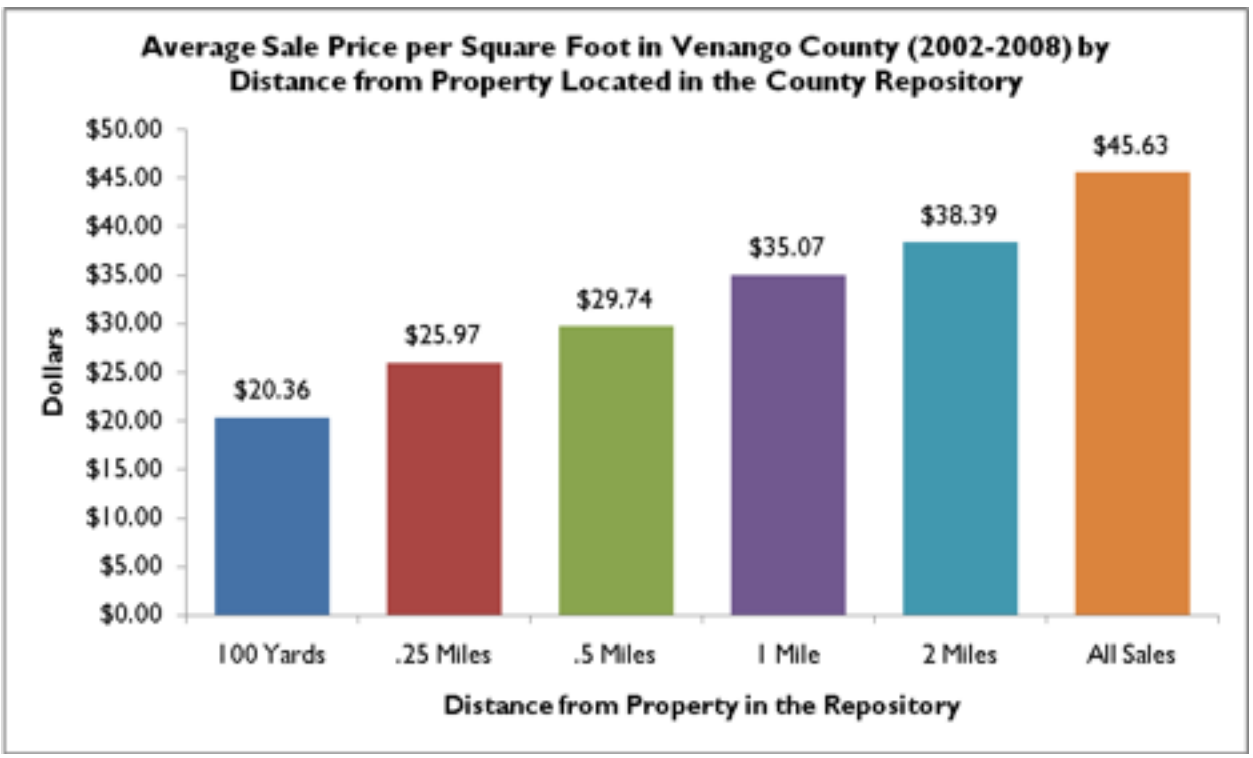
Home Ownership Rates



“white” shaded areas have HO rates below 57%

Effects of Repository Property on Neighbors Capacity to Sell





Culture of Poverty
It is our sense that in Venango County a culture of poverty has taken root. Prospects for good wages for those without a complete high school education are grim. As housing prices are already among the very lowest in the nation, and as the overwhelming percentage (88.47%) of Venango County households already can afford housing in the county, those who cannot suffer less from a housing market priced to high, than from employability that is too low and too few jobs overall. If the leadership in Venango County take nothing away from this report and any dialogue that follows, it is this point, that jobs and job readiness are the greater of the challenge than is housing.

Employability is a derivative not only of education and skills. It is also a function of work readiness. Our discussions in the county have led us to conclude there is a serious drug and alcohol problem in the county, one that thwarts employment. A bright spot we noted in this report is that wages have actually been rising. But we understand that jobs frequently go unfilled for want of job ready (sober) job applicants and employees. The resulting circumstance is a household is in - unable to secure housing with insufficient income, is not in this case a housing problem, but a work readiness challenge.

To respond to either of the above with housing unit production programs makes no sense. It undermines market forces, aggregates hard to house people in neighborhoods already bearing an unfair burden, and sidesteps larger thornier issues not resolved through bricks and mortar. It also engenders the creation, and perpetuation, of a social services network that through well-meaning efforts to stitch together every conceivably kind of housing and housing-related form of assistance (first and last month's rent, security deposits, utility deposits, and so on), creates an expectation that such services are the rule and not the exception.

When this is combined with 31 municipalities, each with its own parochial interests, agencies and programs tend to become atomized, each filling what becomes an indispensable niche in the quilt that over time, moves from being a housing safety net that was at one time temporary to a more permanent part of a housing market. This is reasonable in the case of senior housing and housing for the disabled, in measured doses that are economically and architecturally woven into the neighborhood fabric. But when the income problems of the very hard to house are creatively redescribed as housing problems the cure for which is more housing or more subsidy in a market overbuilt by several thousand units and overly saturated with subsidy, we believe it is time to change policy and program gears and go in a more market-oriented direction shaped by regional governance.

The net result of thinking of housing challenges faced by very hard to house populations as housing problems is to invariably "dump" such households where land and houses are cheap and where resistance is comparatively tolerable. With so many jurisdictions under one roof, this ensures that weak markets will get weaker.

Part of the work leaders in Venango County face is not just raising the money to start the kinds of small projects we recommend, or even opt for those we counsel against, but, instead, to think differently about housing and neighborhoods and poverty than in the past. There was a time when Pearl Street was a magnificent middle income street for working families, in the shadow of St. Joseph's, overlooking a tough but functional city and a challenged but stable county. Arguably its time to rethink how such streets and resident life there and nearby factor into policy making in the County.

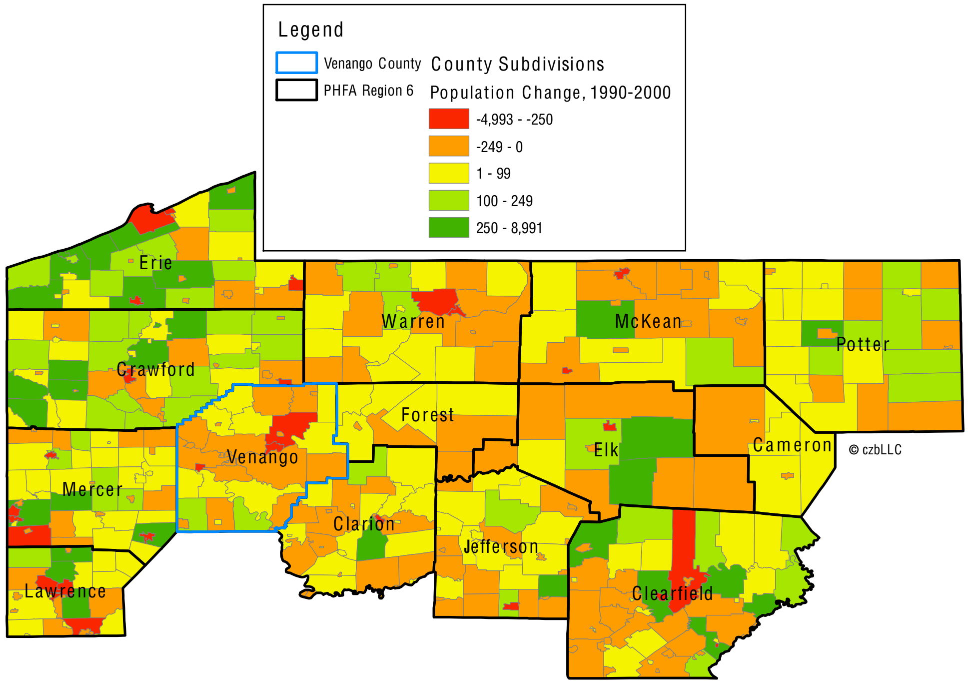
County Subdivision	Poverty Rate		Median Year Built (All Units)		Median Year Built (Owner-Occupied Units)		# of Sales	Average Sale Price		Average Sale Price per Square Foot	
	Value	Cluster Score	Value	Cluster Score	Value	Cluster Score		Value	Cluster Score	Value	Cluster Score
Allegheny township	7.9%	3	1958	3	1952	3	3	$94300	4	$41.46	3
Barkeyville borough	12.7%	4	1949	3	1948	3	1	$115000	5	$55.18	4
Canal township	6.2%	3	1967	4	1966	4	8	$116260	5	$66.84	4
Cherrytree township	7.5%	3	1971	4	1965	4	14	$103929	4	$77.23	5
Clinton township	11.2%	3	1969	4	1971	5	7	$72486	3	$53.10	3
Clintonville borough	13.4%	4	1968	4	1960	4	3	$55633	2	$31.49	2
Cooperstown borough	8.4%	3	1964	4	1964	4	30	$70345	3	$43.29	3
Cornplanter township	10.1%	3	1958	3	1958	3	127	$83063	4	$54.78	4
Cranberry township	11.8%	3	1959	3	1957	3	302	$83562	4	$57.07	4
Emlenton borough	14.6%	4	1939	2	1939	2	13	$43469	2	$22.22	2
Franklin city	17.3%	4	1939	2	1939	2	427	$62383	3	$36.86	2
Frenchcreek township	7.4%	3	1967	4	1967	4	51	$95825	4	$71.08	4
Irwin township	10.0%	3	1973	5	1973	5	5	$76200	3	$50.72	3
Jackson township	13.7%	4	1975	5	1975	5	20	$90285	4	$56.03	4
Mineral township	7.7%	3	1974	5	1974	5	11	$81757	3	$55.04	4
Oakland township	3.3%	2	1971	4	1972	5	53	$102491	4	$62.29	4
Oil City city	19.0%	4	1939	2	1939	2	671	$50439	2	$29.49	2
Oilcreek township	9.1%	3	1970	4	1970	4	38	$78502	3	$51.51	3
Pinegrove township	10.6%	3	1959	3	1966	4	31	$90376	4	$59.16	4
Pleasantville borough	11.4%	3	1947	2	1952	3	17	$70992	3	$44.02	3
Plum township	8.2%	3	1963	4	1965	4	15	$119343	5	$81.02	5
Polk borough	35.0%	6	1948	3	1939	2	24	$70348	3	$42.00	3
President township	13.9%	4	1956	3	1957	3	55	$75226	3	$66.21	4
Richland township	11.9%	3	1951	3	1950	3	6	$87817	4	$58.62	4
Rockland township	12.7%	4	1966	4	1962	4	76	$81725	3	$69.88	4
Rouseville borough	25.2%	5	1939	2	1939	2	25	$28056	1	$23.37	2
Sandycreek township	5.0%	2	1968	4	1968	4	105	$103092	4	$69.43	4
Scrubgrass township	14.3%	4	1964	4	1960	4	15	$119207	5	$94.75	6
Sugarcreek borough	10.8%	3	1949	3	1949	3	260	$60634	3	$44.42	3
Utica borough	29.2%	6	1941	2	1939	2	7	$65700	3	$39.64	3
Victory township	9.0%	3	1974	5	1968	4	18	$104422	4	$89.80	5

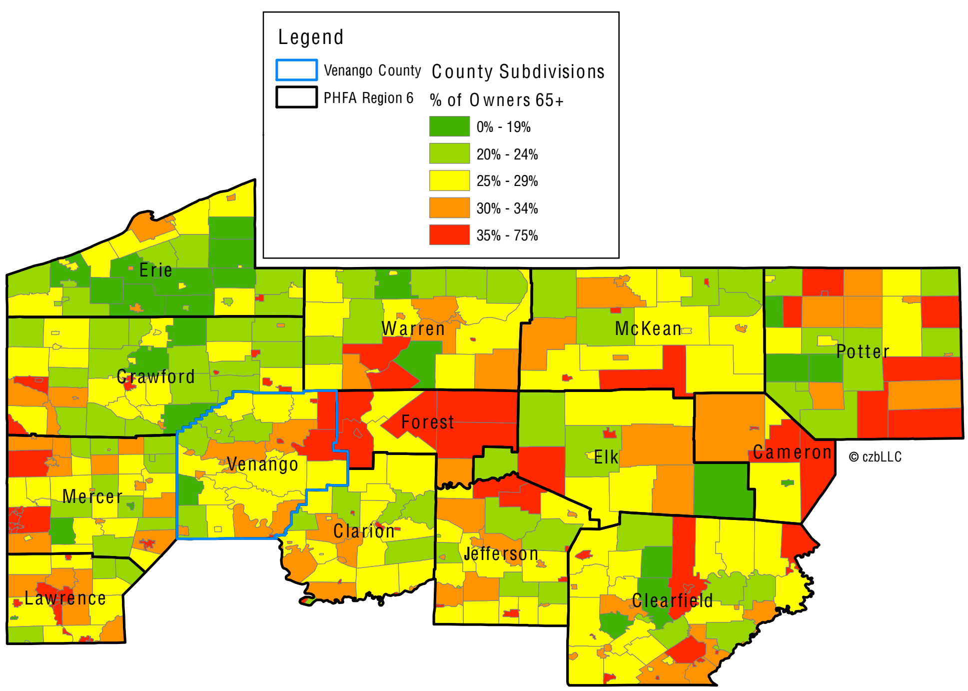
Cluster Score Definitions

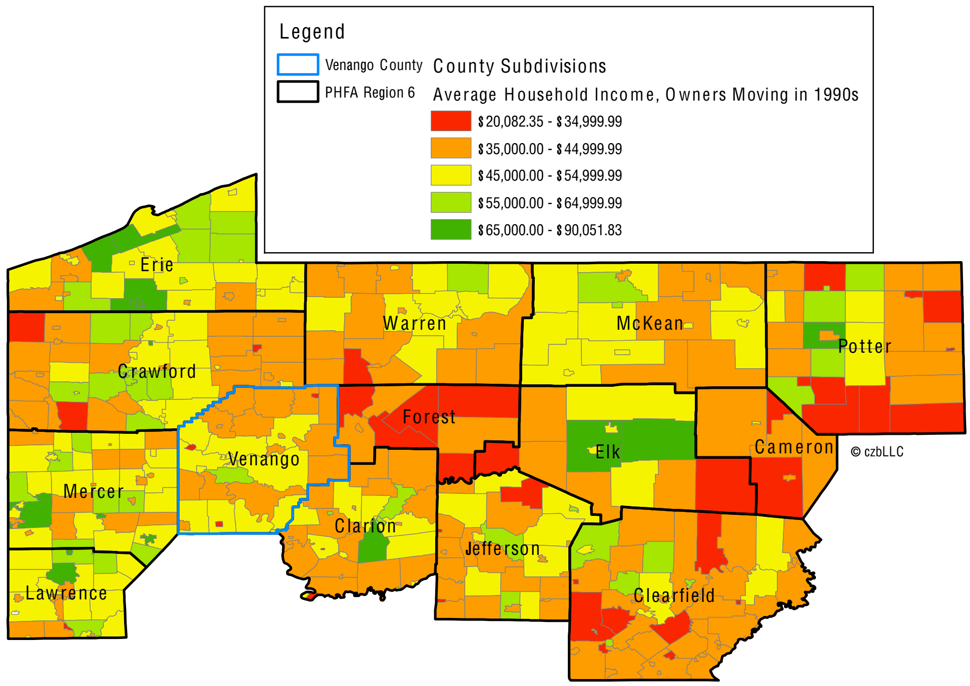
1 =Well below average
2 =Below average
3 =Average (-)
4 =Average (+)
5 =Above average
6 =Well above average

Poverty Cluster	Average Median Year Built (All Units)	Average Median Year Built (Owner-Occupied Units)	Average Sale Price	Average Sale Price per Square Foot
2	1969.5	1970.0	$102792	$65.86
3	1963.1	1962.8	$87636	$58.77
4	1955.0	1953.2	$77041	$51.35
5 or 6	1942.7	1939.0	$54701	$35.00

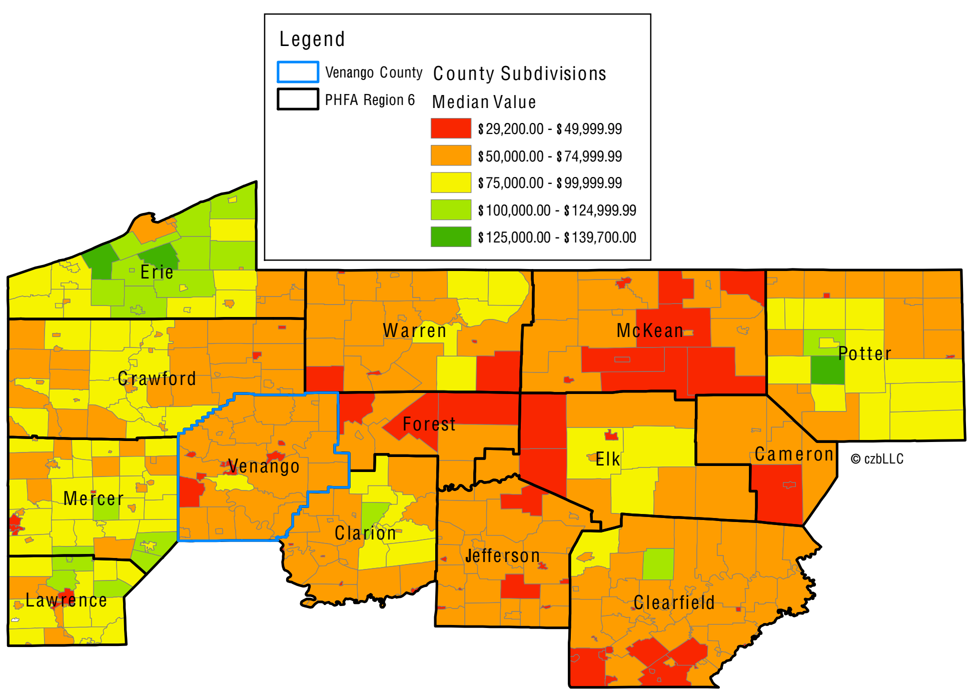
Socioeconomic Data: Regional







Legend
Venango County
PHFA Region 6
County Subdivisions
Average Household Income, Owners Moving in 1990s
$20,082.35 - $34,999.99
$35,000.00 - $44,999.99
$45,000.00 - $54,999.99
$55,000.00 - $64,999.99
$65,000.00 - $90,051.83
Erie
Warren
McKean
Potter
Crawford
Forest
Venango
Elk
Cameron
Mercer
Clarion
Jefferson
Lawrence
Clearfield
© czbLLC



Legend
Venango County
PHFA Region 6
County Subdivisions
Median Value
$29,200.00 - $49,999.99
$50,000.00 - $74,999.99
$75,000.00 - $99,999.99
$100,000.00 - $124,999.99
$125,000.00 - $139,700.00
Erie
Warren
McKean
Potter
Crawford
Forest
Venango
Elk
Cameron
Mercer
Clarion
Jefferson
Lawrence
Clearfield
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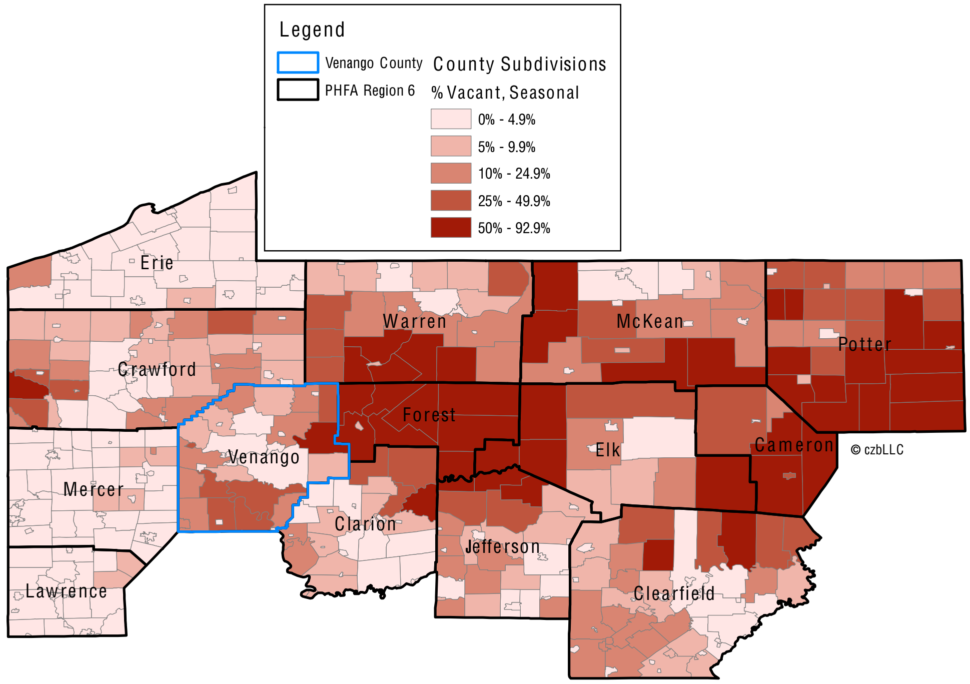
Legend
Venango County
PHFA Region 6
County Subdivisions
% Vacant, Seasonal
0% - 4.9%
5% - 9.9%
10% - 24.9%
25% - 49.9%
50% - 92.9%
Erie
Warren
McKean
Potter
Crawford
Forest
Venango
Elk
Cameron
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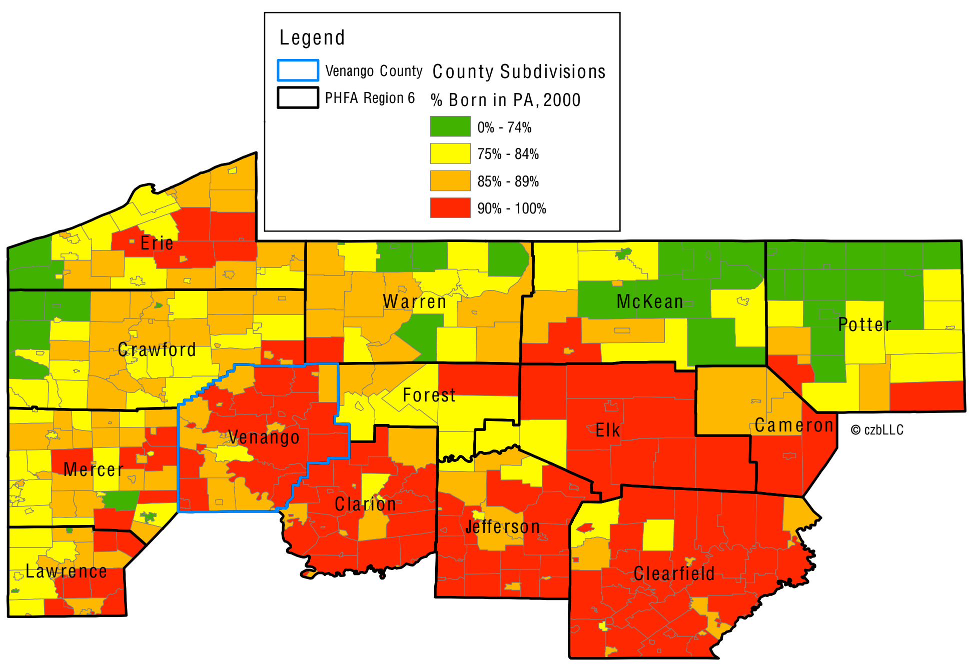
Mercer
Clarion
Jefferson
Lawrence
Clearfield


Legend
Venango County
PHFA Region 6
County Subdivisions
% Born in PA, 2000
0% - 74%
75% - 84%
85% - 89%
90% - 100%
Erie
Warren
McKean
Potter
Crawford
Forest
Venango
Elk
Cameron
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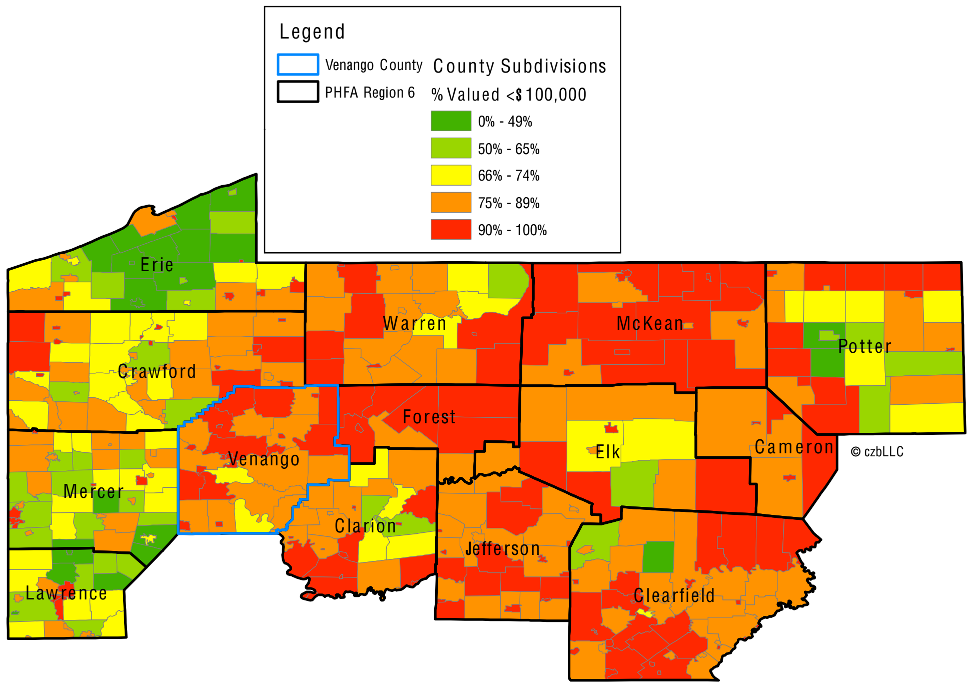
Mercer
Clarion
Jefferson
Lawrence
Clearfield


Legend
Venango County
PHFA Region 6
County Subdivisions
% Valued <$100,000
0% - 49%
50% - 65%
66% - 74%
75% - 89%
90% - 100%
Erie
Warren
McKean
Potter
Crawford
Forest
Venango
Elk
Cameron
Mercer
Clarion
Jefferson
Lawrence
Clearfield
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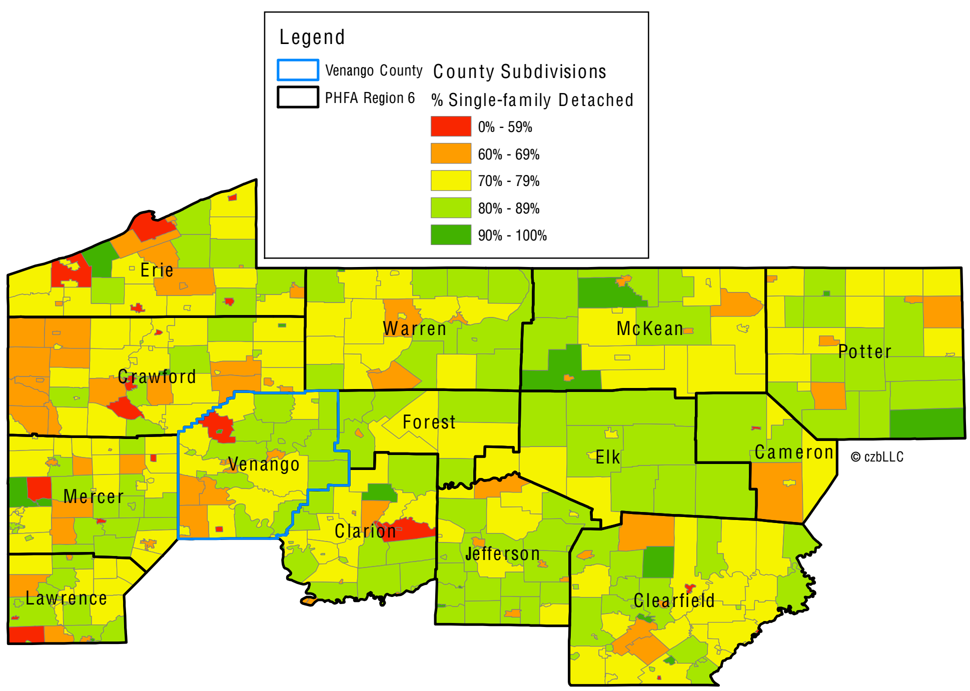
Legend
Venango County
PHFA Region 6
County Subdivisions
% Single-family Detached
0% - 59%
60% - 69%
70% - 79%
80% - 89%
90% - 100%
Erie
Warren
McKean
Potter
Crawford
Forest
Venango
Elk
Cameron
Mercer
Clarion
Jefferson
Lawrence
Clearfield
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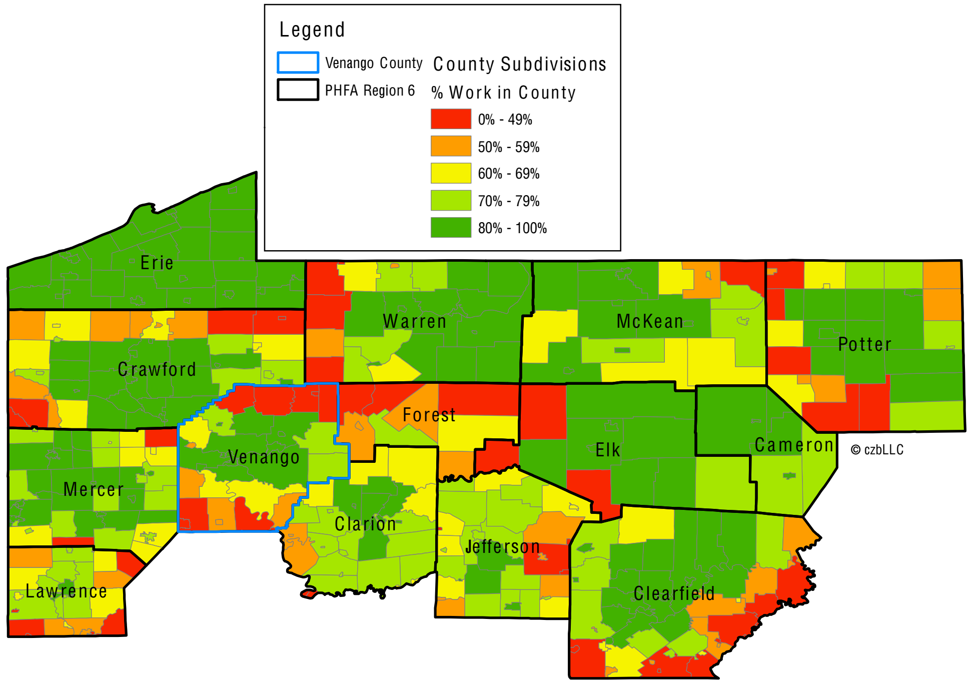
Legend
Venango County
PHFA Region 6
County Subdivisions
% Work in County
0% - 49%
50% - 59%
60% - 69%
70% - 79%
80% - 100%
Erie
Warren
McKean
Potter
Crawford
Forest
Venango
Elk
Cameron
Mercer
Clarion
Jefferson
Lawrence
Clearfield
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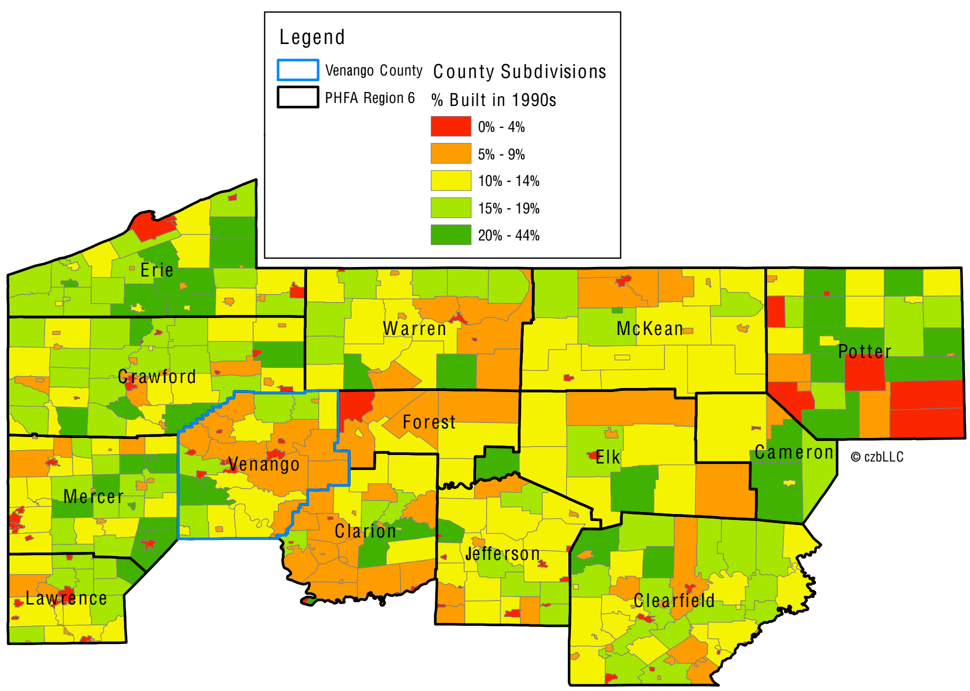
Legend
Venango County
PHFA Region 6
County Subdivisions
% Built in 1990s
0% - 4%
5% - 9%
10% - 14%
15% - 19%
20% - 44%
Erie
Warren
McKean
Potter
Crawford
Forest
Venango
Elk
Cameron
Mercer
Clarion
Jefferson
Lawrence
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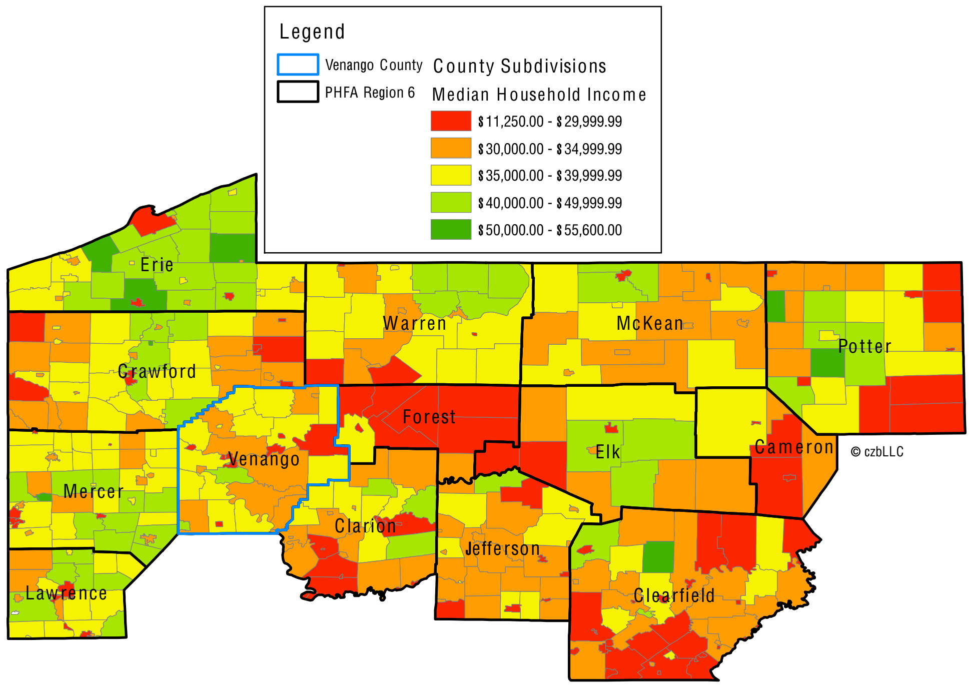
Legend
Venango County
PHFA Region 6
County Subdivisions
Median Household Income
$11,250.00 - $29,999.99
$30,000.00 - $34,999.99
$35,000.00 - $39,999.99
$40,000.00 - $49,999.99
$50,000.00 - $55,600.00
Erie
Warren
McKean
Potter
Crawford
Forest
Venango
Elk
Cameron
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Clarion
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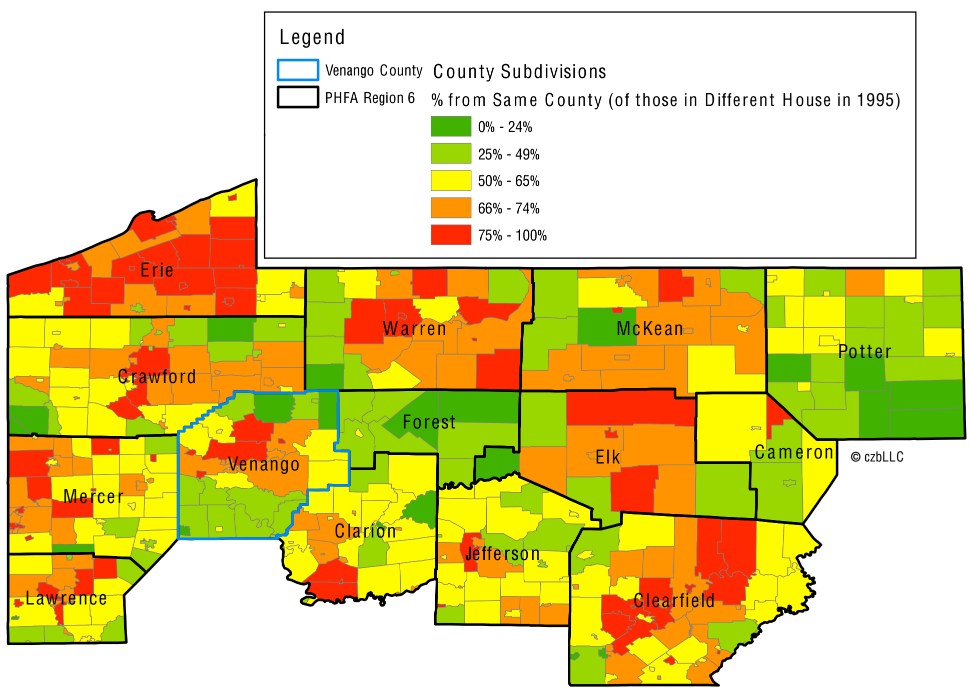
Legend
Venango County
PHFA Region 6
County Subdivisions
% from Same County (of those in Different House in 1995)
0% - 24%
25% - 49%
50% - 65%
66% - 74%
75% - 100%
Erie
Warren
McKean
Potter
Crawford
Forest
Venango
Elk
Cameron
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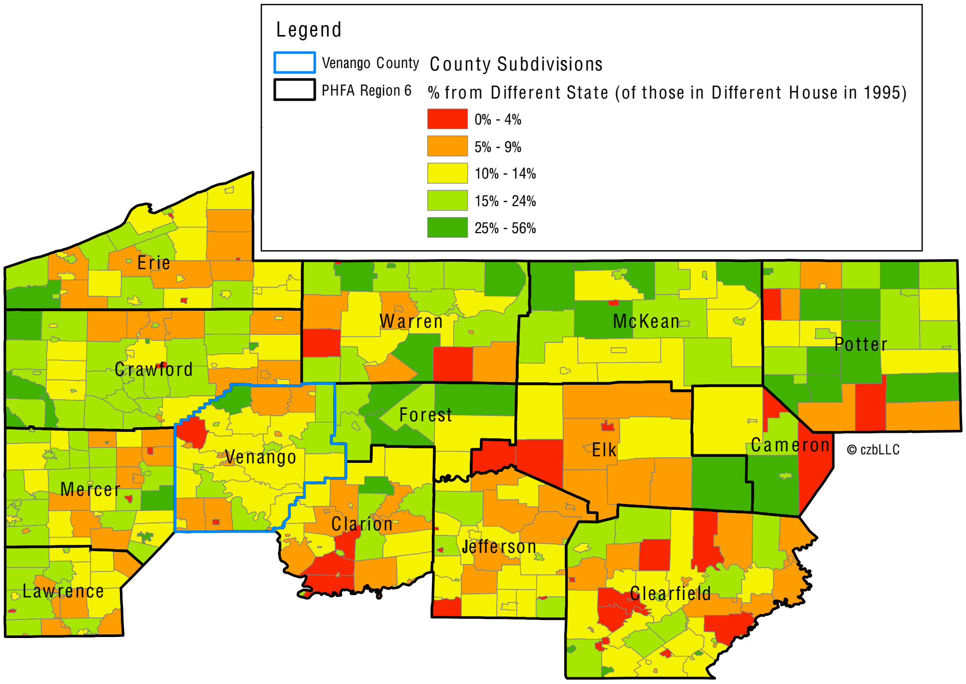
Mercer
Clarion
Jefferson
Lawrence
Clearfield


Legend
Venango County
PHFA Region 6
County Subdivisions
% from Different State (of those in Different House in 1995)
0% - 4%
5% - 9%
10% - 14%
15% - 24%
25% - 56%
Erie
Warren
McKean
Potter
Crawford
Forest
Venango
Elk
Cameron
Mercer
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Qualitative Data

On behalf of czbLLC, Cornell University's Survey Research Institute conducted a telephone survey of residents of Venango County, Pennsylvania to assess the opinions of residents on the general state of housing and urban development in Venango County. The survey also examined current and future housing demand in Venango County.

All interviews were conducted using a Computer Assisted Telephone Interviewing (CATI) software system. Data collection began on September 24, 2008 and was completed on October 19, 2008. In total, 100 surveys were completed.

Results

Collectively, respondents had lived in their current home for an average of 19 years. The average homeowner purchased their home for approximately $61,000, and estimate that it is currently worth $94,000, for a gain of $33,000. Monthly rent in Venango appears to average about $450, with little recent change in rent indicated by current renters.

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Q1. Years living in current home	100	0	80	18.66	17.084
Q22. Price of home when originally purchased	66	1000	320000	60986.36	64063.958
Q23. Estimated current sale price of home	69	10000	320000	94333.33	62490.156
Q26. Value of typical home	74	8000	250000	86770.27	49200.609
Q27. Monthly rent-initially	13	230	675	450.42	119.420
Q28. Monthly rent-now	13	224	695	455.33	125.620
Q33. Year of birth	96	1915	1982	1950.20	15.106

Table 2. Where did you move from when you moved into this home?

	Frequency	Percent	Cumulative Percent
	68	68.0	68.0
Atlanta	1	1.0	69.0
Belleview	1	1.0	70.0
Bradenton	1	1.0	71.0
Brookville	1	1.0	72.0
Buffalo	1	1.0	73.0
Cleveland	1	1.0	74.0
Colorado	1	1.0	75.0
Denton	1	1.0	76.0
Erie	1	1.0	77.0
Grandy	1	1.0	78.0
Greenville	1	1.0	79.0
Indiana	1	1.0	80.0
Jersey City	1	1.0	81.0
Kenton	1	1.0	82.0
Kittanning	1	1.0	83.0
Knoxville	1	1.0	84.0
Milton	1	1.0	85.0
New Port Richey	1	1.0	86.0
Norfolk	1	1.0	87.0
Philadelphia	2	2.0	89.0
Pittsburgh	2	2.0	91.0
Pleasantville	1	1.0	92.0
Polk	1	1.0	93.0
Sanford	1	1.0	94.0
Spartanburg	1	1.0	95.0
Stanford	1	1.0	96.0
Titusville	2	2.0	98.0
Union Beach	1	1.0	99.0
Youngstown	1	1.0	100.0
Total	100	100.0	

Table 3. State moved from

	Frequency	Percent	Cumulative Percent
	82	82.0	82.0
CO	1	1.0	83.0
FL	4	4.0	87.0
GA	1	1.0	88.0
IL	1	1.0	89.0
NC	2	2.0	91.0
NJ	2	2.0	93.0
NY	1	1.0	94.0
OH	3	3.0	97.0
TN	1	1.0	98.0
TX	1	1.0	99.0
VA	1	1.0	100.0
Total	100	100.0	

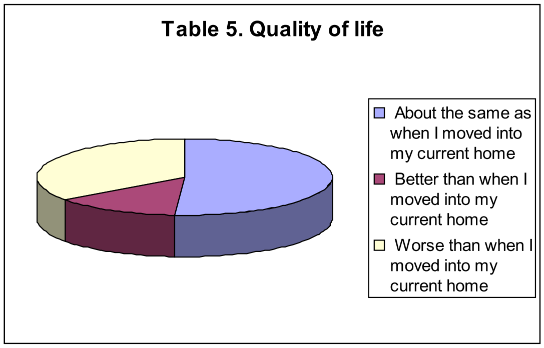
Table 4 explores the motives which caused people to relocate to their current residence. Twenty-eight percent of those surveyed relocated as a result of a change in their family. Eighteen percent responded that other reasons caused them to relocate. Thirteen percent moved because of a job change.

Table 4. Reason moved into current home

	Frequency	Percent	Cumulative Percent
Family change (divorce, marriage, other)	28	28.0	28.0
Job change	13	13.0	41.0
Retirement	8	8.0	49.0
Cost of living in previous area was too expensive	3	3.0	52.0
Size of previous home was too small	12	12.0	64.0
Size or previous home was too large	4	4.0	68.0
Previous home was too much to maintain	1	1.0	69.0
New neighborhood was a better fit for myself and/or my family	13	13.0	82.0
Other reason	18	18.0	100.0
Total	100	100.0	

Table 5 measures the respondents' quality of life preceding their move and in their present location. The majority of respondents stated that their quality of life either remained the same (51 percent) or worsened (35 percent) after their relocation.

Table 5. Quality of life



Respondents were asked to evaluate the change in the values of their homes in Table 6. Approximately one-third stated that their home value had decreased. Nearly a third replied that the value had remained the same. Just over a third noted an increase in their home value.

Table 6. Real estate values

	Frequency	Percent	Cumulative Percent
About the same as when I moved into my current home	30	30.0	32.3
Higher than when I moved into my current home	32	32.0	66.7
Lower than when I moved into my current home	31	31.0	100.0 (99.0)
Total	93	93.0	
Missing/Do not know	7	7.0	
Total	100	100.0	

Respondents rated the best places to live in the area in Table 7. Forty-two percent chose a township like Cranberry, 24 percent chose Franklin, and 14 percent chose Oil City.

Table 7. Best place to live

	Frequency	Percent	Cumulative Percent
Franklin	24	24.0	27.0
Oil City	14	14.0	42.7
One of the boroughs (like Clintonville) - please specify	9	9.0	52.8
One of the townships (like Cranberry)- please specify	42	42.0	100.0
Total	89	89.0	
Missing/Do not know	11	11.0	
Total	100	100.0	

Table 8 reflects the residents' opinion regarding the quality of their home. Respondents display a positive impression regarding the overall quality of homes. Fifty percent rated their home quality to be good and 32 percent answered that it was excellent.

Table 8. Overall quality of home

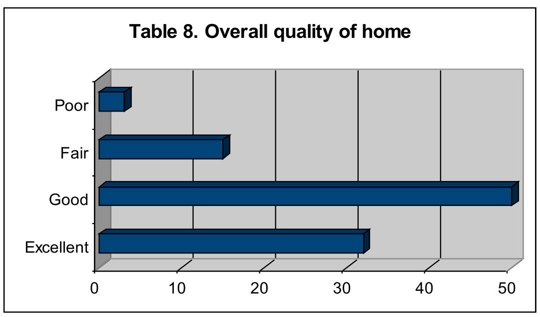
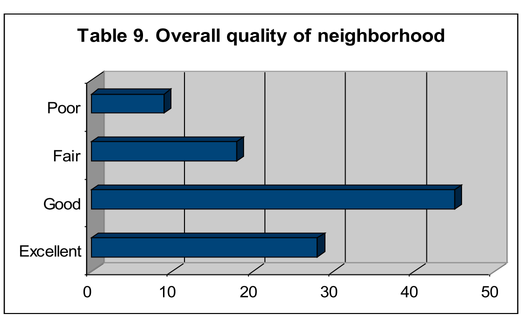


Table 9 shows that the overall neighborhood quality was perceived positively, but was not ranked as favorably as the home quality. Forty-five percent rated the neighborhood quality as good while 28 percent rated it as excellent.

Table 9. Overall quality of neighborhood



In Table 10, the majority of respondents viewed the condition of houses in the neighborhood as good. Sixteen percent saw them as fair and 15 percent rated them as excellent.

Table 10. Condition of houses in neighborhood

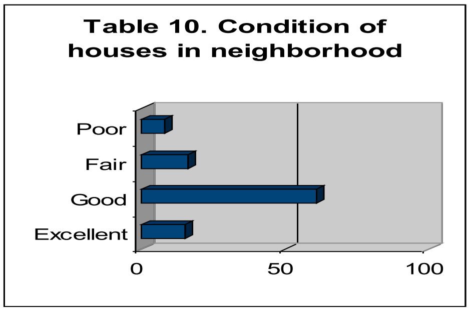


Table 11 rates residents' perceived safety of their neighborhoods. Just over half of the respondents viewed neighborhood safety as being good. Thirty-two percent rated it as excellent.

Table 11. Safety of neighborhood

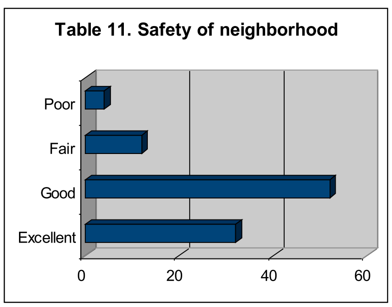


Table 12 shows that the quality of schools in the neighborhood was viewed as being positive. Fifty-eight percent rated them as good and 16 percent viewed them as excellent. Twelve percent rated the schools as fair.

Table 12. Quality of schools in neighborhood

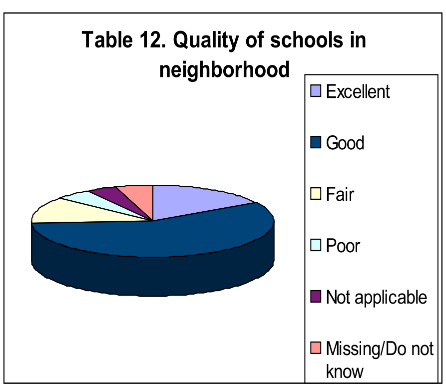


Table 13 compares how respondents feel their neighborhood schools compare to those in the rest of the county. The majority of respondents (60 percent) view their neighborhood schools as somewhat better than those in the rest of the county. Twenty-seven percent thought they were much better than the rest of the county.

Table 13. Comparison with rest of county

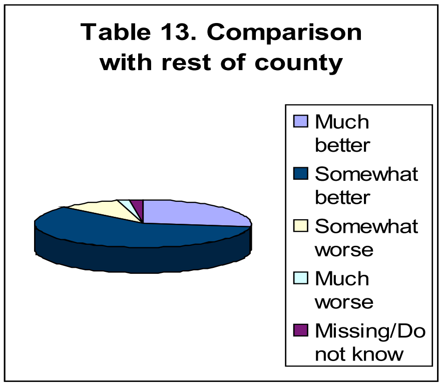


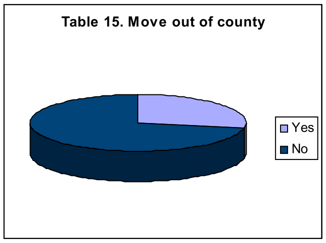
Table 14 reflects how respondents view the earnings of their neighbors compared to their own. A variety of answers were received. Thirty-five percent chose not applicable. Twenty-two percent thought that neighbors were making more money, while 18 percent stated that their incomes were about the same. Another 16 percent thought that they made less money than their neighbors.

Table 14. Neighbors' earnings compared to respondent

	Frequency	Percent	Cumulative Percent
Earning about the same income as me and other longer time residents	18	18.0	19.8
Making more money than me or other longer time residents	22	22.0	44.0
Making less money than me and other longer time residents	16	16.0	61.5
Not applicable (there are few newcomers)	35	35.0	100.0
Total	91	91.0	
Missing/Do not know	9	9.0	
Total	100	100.0	

Table 15 shows that a firm majority of the respondents would not move out of the county. Twenty-eight percent said that they would.

Table 15. Move out of county



Forty-three percent of respondents in Table 16 rated their county as somewhat better than nearby counties. Another 15 percent rated their county as much better and 20 percent rated it as somewhat worse.

Table 16. Compared to nearby counties

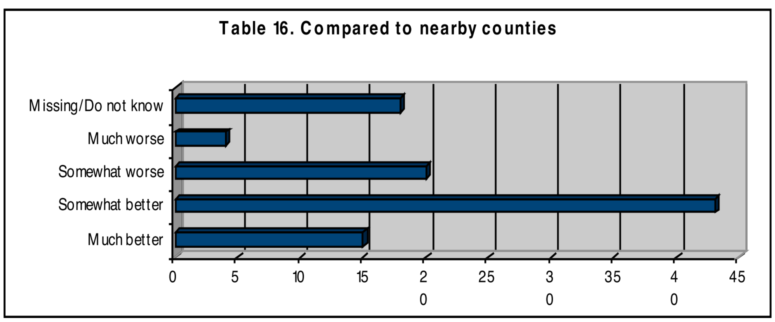


Table 17 rates how good of an investment buying property in Venango County is perceived to be. With regards to a long-term investment (5+ years), 43 percent of respondents viewed buying property to be a somewhat good investment. Twenty-eight percent rated it as a somewhat bad investment and 15 percent thought it was a very good investment.

Table 17. Investment outlook

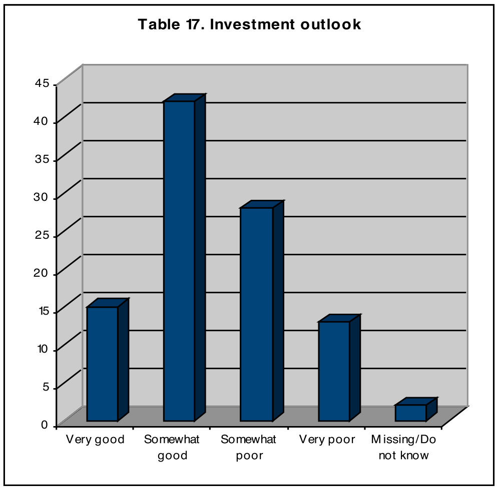


Table 18 shows a solid majority of 87 percent felt it is better to own a home than rent.

Table 18. Better to rent or own?

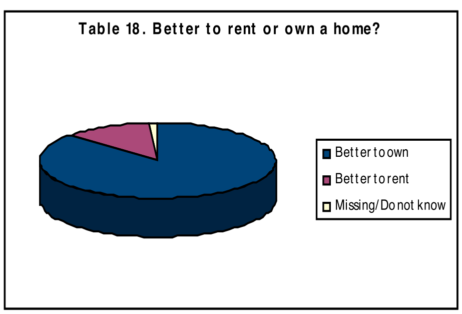


Table 19 shows the likelihood of respondents moving out of Venango County in the next 2 years. Two-thirds of respondents are certainly staying in Venango County for at least the next two years. An additional 21 percent will likely stay.

Table 19. Likelihood of moving out of Venango next 2 yrs

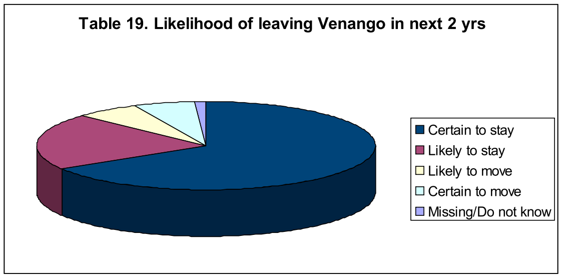


Table 20 reflects the various reasons residents might relocate. Of the 12 percent who are likely to move or are certain to move, twenty-five percent would move because the taxes are too high and nearly 17 percent would relocate because of a lack of city services.

Table 20. Primary reason for moving

	Frequency	Percent	Cumulative Percent
Mortgage/rent payments are too expensive	1	1.0	8.3
Taxes are too high	3	3.0	33.3
Fed up with lack of city services	2	2.0	50.0
Size of home is too small	1	1.0	58.3
Size of home is too large	1	1.0	66.7
Home is too much to maintain	1	1.0	75.0
Job change	1	1.0	83.3
Other reason	2	2.0	100.0
Total	12	12.0	
Missing/System	88	88.0	
Total	100	100.0	

Table 21 shows how many respondents currently rent or own their home. Eighty-six percent of those surveyed own their homes and 13 percent rent.

Table 21. Own or rent currently

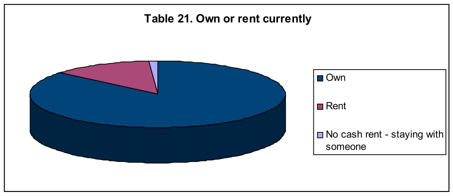


Table 22 presents the respondents' previous housing arrangement. Forty-six percent owned their previous home and 34 percent rented.

Table 22. Rent/own previously

	Frequency	Percent	Cumulative Percent
Rent	34	34.0	42.5
Own	46	46.0	100.0
Total	80	80.0	
Missing/Do not know	6	6.0	
System	14	14.0	
Total	20	20.0	
Total	100	100.0	

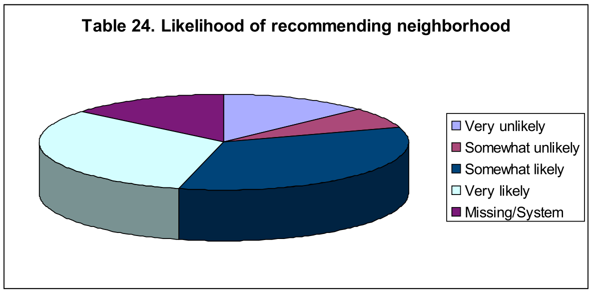
Table 23 compares the amount owed on their mortgage to the current value of their home. Over three-quarters of respondents said that the value of their home is more than what they owe on their mortgages.

Table 23. Owe more than value of home

	Frequency	Percent	Cumulative Percent
Yes	5	5.0	6.1
No	77	77.0	100.0
Total	82	82.0	
Missing/Refused	4	4.0	
System	14	14.0	
Total	18	18.0	
Total	100	100.0	

Table 24 reflects whether the respondents would recommend their neighborhood to others. Sixty-eight percent of respondents had positive perceptions of their neighborhood and would recommend it to others. Thirty-four were somewhat likely and 32 were very likely to do so.

Table 24. Likelihood of recommending neighborhood



Future plans for renting or buying a home are illustrated by Table 25. Few respondents provided answers regarding their plans to either buy or rent in the next two years. Nine respondents plan to continue to rent and 3 plan to purchase a home.

Table 25. Plan to buy/rent

	Frequency	Percent	Cumulative Percent
Continue to rent	9	9.0	75.0
Buy a home	3	3.0	100.0
Total	12	12.0	
Missing/Do not know	2	2.0	
System	86	86.0	
Total	88	88.0	
Total	100	100.0	

Those who were likely to buy their next home stated the type of home in Table 26. Of the thirteen who supplied answers, 62 percent plan to purchase a single-family unattached home. Eight percent plan to purchase a single-family row house.

Table 26. Type of home likely to buy

	Frequency	Percent	Cumulative Percent
Single-family unattached home	8	8.0	61.5
Single-family row house	1	1.0	69.2
Other (please specify)	4	4.0	100.0
Total	13	13.0	
Missing/Do not know	1	1.0	
System	86	86.0	
Total	87	87.0	
Total	100	100.0	

Table 27 shows the location of a future home purchase. Forty percent said this future purchase would likely be in Franklin. Oil City, a borough like Clintonville, and a township like Cranberry each received a 20 percent response.

Table 27. Location of home purchase

	Frequency	Percent	Valid Percent	Cumulative Percent
Franklin	4	4.0	40.0	40.0
Oil City	2	2.0	20.0	60.0
One of the boroughs (like Clintonville) please specify which	2	2.0	20.0	80.0
One of the townships (like Cranberry) please specify which o	2	2.0	20.0	100.0
Total	10	10.0	100.0	
Missing/Do not know	4	4.0		
System	86	86.0		
Total	90	90.0		
Total	100	100.0		

Table 28 shows the main reasons reported by respondents who rent regarding why they have not purchased a home. Respondents cited various reasons. These responses included preferring less responsibility, the high cost of a down payment, and not liking the properties which fall within their budget.

Table 28. Main reason have not purchased a home

	Frequency	Percent	Cumulative Percent
Prefer renting a home-not having the responsibilities	3	3.0	21.4
High down payment requirement	1	1.0	28.6
Homes I can afford are poor quality, or too small	2	2.0	42.9
I cannot qualify for a loan (credit, work history, etc)	2	2.0	57.1
Cheaper to rent	3	3.0	78.6
Other	3	3.0	100.0
Total	14	14.0	
Missing/System	86	86.0	
Total	100	100.0	

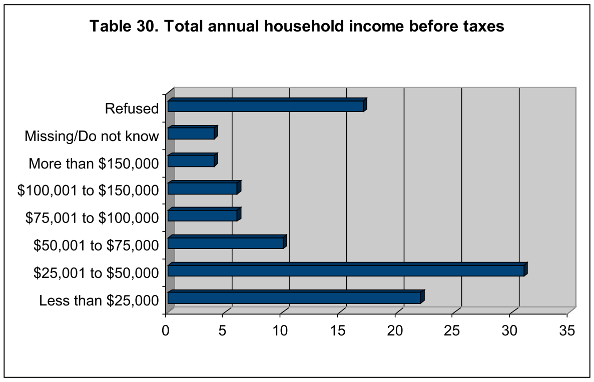
In terms of the demographics of the sample, respondents ranged in age from 26 to 97 years of age, while the average respondent to the survey was 58 years of age (shown in Table 1). The number of people in each household is reported in Table 29. Forty percent of the respondents had households with two residents. Twenty-two percent were single-member households.

Table 29. Number of people in household

	Frequency	Percent	Cumulative Percent
1	22	22.0	22.4
2	39	39.0	62.2
3	17	17.0	79.6
4	12	12.0	91.8
5	4	4.0	95.9
6	3	3.0	99.0
7	1	1.0	100.0
Total	98	98.0	
Do not know	1	1.0	
Refused	1	1.0	
Total	2	2.0	
Total	100	100.0	

Table 30 shows the total annual income of respondents before taxes. Thirty-nine percent of those who stated their annual household income made between $25,001 and $50,000. Twenty-eight percent made less than $25,000.

Table 30. Total annual household income before taxes



The work status of the primary earner is shown in Table 31. When asked the work status of the primary earner of the household, 52 percent said full time and 37 percent said retired.

Table 31. Primary earner work status

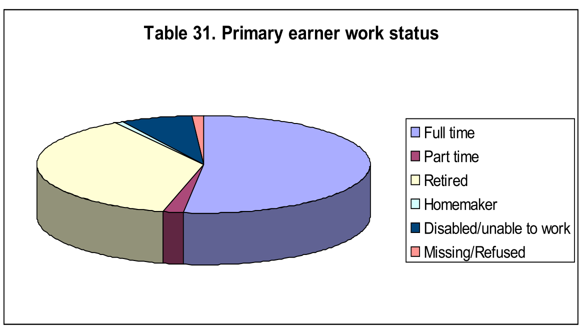


Table 32 shows the 17 different ZIP codes of the respondents. Thirty-seven percent lived in 16301 and 19 percent lived in 16323.

Table 32. ZIP code (reported)

	Frequency	Percent	Cumulative Percent
16023	1	1.0	1.0
16233	1	1.0	2.0
16301	37	37.0	39.8
16317	4	4.0	43.9
16319	3	3.0	46.9
16323	19	19.0	66.3
16327	1	1.0	67.3
16341	5	5.0	72.4
16342	2	2.0	74.5
16346	8	8.0	82.7
16354	7	7.0	89.8
16362	2	2.0	91.8
16363	1	1.0	92.9
16364	1	1.0	93.9
16373	3	3.0	96.9
16374	2	2.0	99.0
16633	1	1.0	100.0
Total	98	98.0	
Missing/Do not know	1	1.0	
Refused	1	1.0	
Total	2	2.0	
Total	100	100.0	

Conclusion

The respondents clearly have a positive opinion of Venango County and the quality of life available there. Most are interested in remaining in Venango County and see property as an adequate investment opportunity.

The majority of respondents rated Venango County as somewhat better than the surrounding counties. Further research might be done to explore why respondents are so unlikely to relocate out of Venango County even though Venango County was not rated as being vastly superior to the neighboring counties. That so many of the properties are old, obsolete, poorly maintained, and property values are low and falling speaks to the previously raised issues about standards.

Recommendations

The data - qualitative and quantitative - paint an admittedly bleak picture of the housing market in Venango County. But bleak is not hopeless, and many markets in America are arguably without any hope, given a range of factors. Despite clear and powerfully articulated problems, Venango County has clear advantages over neighboring counties, and has considerable assets to work with.

We are confident, the key is to recognize that the housing conditions in Venango County are largely derivatives of the need for economic development that brings higher numbers of jobs to middle wage workers - principally more jobs paying $15-25/hr will go a long way towards addressing the housing challenges at the lower end of the market, and more jobs paying $50-75,000 in the middle tier of professional workers will generate demand for products between $180,000-$200,000, thereby creating succession capacity.

Again, the extent of soft market conditions in Venango County's housing market means there really isn't a *housing* solution. Rather, interventions should be organized around managing the supply of housing that now exists in ways that remove problem stocks, enable blocks of residents to organize and collectively promote and engage in higher standards of care, and orient policies in the county that help distribute the housing challenge fairly.

What follows are our recommendations:

Without a broad-based change in employment, the real estate market will surely stay much as it has over the last twenty years. There will be little real growth and likely only modest decline. That decline will primarily take place in the older, low-income parts of the Oil City and in scattered locations in Sugarcreek and Franklin. What is needed is a measured format that gives the various governmental agencies some direction while also creating a path for community and civic action. A fully successful workplan cannot be implemented without the following:

- Buy-in from the various agencies on ways to manage the status quo better
- Agreement and cooperation to find State resources for small no-growth communities, especially in the issue areas of demolition and property management, implementing such careful acquisition and disposition strategies as recently adopted by the Commonwealth of Pennsylvania; in effect placing large parcels in receivership
- Creation of an entity or staff function that facilitates community/civic input and projects

The key terms are as follows. They are derived from our many years of working in older communities similarly challenged.

GOALS

Manage:	housing as part of maintaining quality of life
Create:	means for small-scale high impact activities

ACTIONS

Preserve:	the historic texture of the communities
Conserve:	quality housing stock
Target:	blighted houses (structures)
Remove:	abandoned, unsafe houses (structures)
Control:	lots and vacant sites
Support:	green initiatives

VALUES and TACTICS

Protect:	equity of good property owners
Assist:	elderly and disabled
Celebrate:	pride of community
Promote:	stable homeownership
Involve:	residents and landlords
Cooperate:	communities and agencies working together or consolidating
Balance:	a county with a balance of life quality throughout

Other useful terminology: repair, restore, upgrade, improve, incent, impact

Capacity
A major hurdle facing Venango County, aside from recognizing and addressing the fact that the housing market problems are, at root, derivatives of economic development challenges, is capacity.

1. The county presently lacks an entity with a track record for acquiring and rehabilitating homes, preparing strong renters to become buyers, and packaging the range of loan products in partnership with local lending institutions to facilitate mortgage activity at the lower end of the market.
2. Furthermore, there is no development or asset management entity in the county besides the housing authorities with a track record of managing a large volume of scattered site rental properties.
3. Finally, there is no entity with a track record of working closely with existing owners to facilitate large scale weatherization and other home improvements badly needed in the county.

These capacity challenges, plus the need for an entity capable of functioning as a receiver in the case of acquiring and disposing of large volumes of distressed properties, all have to be addressed.

Note on Capacity and Infill Prototyping
We attempted to rationalize an infill strategy. We do think for example it is possible to acquire a half dozen problem properties at a time on problem streets, which would be the first step towards creating new housing products, removing blighting influences, and hoping to spur additional activity. Such efforts on Hoffman, Butternut, and Hone, for example, could remove eyesores strategically. With enough subsidy, the removal of six consecutive properties, there, or on Grove or Haines also in Oil City, could create 50-60,000 square feet of buildable area on which three or four new homes could be built.

<u>We concluded however this is not an appropriate solution.</u> First, available subsidies would likely hem the effort to building units for households below 80% of median, the last thing Oil City North needs. Second, if enough resources were raised to bypass this hurdle, marketing a product to households at 100-120% AMI in this neighborhood would not be possible, given superior product and setting in these household's price range in nearby Cornplanter Township. Third, the families that would be ideal targets for such work, would be leaving other homes in the county and it is not at all clear to us that behind them, are good quality tenants. While the market is free to ebb and flow - as it should - public policy and programs must be mindful of consequences.

Far better to acquire problem properties and demolish them, and re-green challenged submarkets while holding the land in receivership, than to build product for which there is questionable demand. This, plus creative and strategic rehabilitation, will be far more beneficial.

Example Workplan
The principal benchmarks of this workplan are two-fold. The first is that all actions in this workplan should build housing values or stop further price erosion. The second is that these actions should conserve housing stock and livability whenever possible. The overall language would use the key words above which move away from supply language to demand language and away from new development to conservation and preservation.

Maintaining Affordable Housing

Goal: **To conserve housing units, especially for households with greater needs**

Possible Action: **Repair of housing for usability and energy efficiency**

Example Activities: **Facilitating smaller scale repairs**
Grants to owners or volunteers
Focus on senior, low-income, handicapped households
20 per year (approximately 10 are emergency actions)
$200 to $300 each

Total Cost: $5,000

Encouraging larger scale repairs
Grants to owners or volunteers
Focus on senior, low-income, handicapped households
3 per year
$1,500

Total Cost: $4,500

Promoting countywide "Green Housing" initiatives
Weatherization/Energy Audits
Grants to owners
10 per year
$1,500

Total Cost: $15,000

Disposition of Vacant Parcels from Demolition
Greening Franklin, Oil City, and Rouseville

Each of the above-listed activities, and all activities in this report merit far larger volumes. With more resources, the above modest initiatives could easily be many times larger. But capacity remains the single implementation challenge.

Removing Blighted Structures

Goal:	**To address negative impact of blighted structures**
Possible Action:	**Clearance and improvements at site of blighted structures**
Example Activities:	**Facilitating quick response blight removal**

Annual actions to remove community-prioritized blighted houses
Government initiated demolitions with liens placed
$10,000 per site
6 per year

Total Cost: $60,000

Completing smaller scale demolitions

Removal of blighted outbuildings, fences, etc
Property owner approved demolitions coordinated with projects
$1,000 per site
10 per year

Total Cost: $10,000

Completing larger scale demolitions

Actions to remove blighted or abandoned houses with State funds
Government initiated demolitions with liens placed
$10,000 per site
25 each funding cycle

Total Cost: $250,000

Preserving and Improving Rental Property

Goal: **To improve the quality of rental housing**

Possible Action: **Improved and Coordinated Code Enforcement on Rentals**

Example Activities: **Developing multi-jurisdictional common standards**

Use of a single uniform code, which provides consistent, easily understood information to owners

Total Cost: Within current budgets

Creating shared staff opportunities

Single administrative unit with contracted costs to jurisdictions based on number of units inspected

Total Cost: Met by fees and additional funding

There are three code enforcement/compliance/inspection offices in Venango County. There should be one. Instead of three offices in different jurisdictions, there should be an operating county-wide, with staff for new construction, and staff for code compliance and enforcement.

Facilitating court actions and follow-up

Court fines used to follow-up legal rulings

Total Cost: Met by fees and fines

Improving rental registration process

Charge higher fees per unit per year
Expanded follow-up on continuous rentals

Total Cost: Met by fee structure

Missing in Venango County is a legal obligation to register rental property as a business, so that all rental property records are in one location, and a single county-wide database is in service. An inspection every two years is recommended for a property and owner to be in good standing.

Goal: **To preserve and enhance public and publicly-subsidized rental property**

Possible Action: **Coordination or Consolidation of Housing Authorities/Policies**

Example Activities: **Promoting policy coordination and standardization**

Intake standards vary across the three housing authorities. Why continue a system where poor quality tenants can - and do - game the social service system by bouncing from one landlord (public or private) to the next. A single county-wide housing authority with a single set of asset management practices would level set standards for property. A single county-wide housing authority with a single set of tenant screening devices would set and communicate the minimum in the county. Coupled with a requirement of private apartments to be registered and regularly inspected would begin to eliminate the sieve in the system that allows too many problem tenants in the county to aggregate in the most at-risk neighborhoods.

Total Cost: Met by current budgets

Achieving administrative consolidation

Three agencies is three times the overhead; these are funds that can be put to alternative use. Three agencies also trifurcates the understanding of the county as a housing market with submarkets. Each agency becomes more responsive to *its tenants* and *its properties* than to the whole of the county's housing market as it pertains to low-income residents.

Total Cost: Met by current budgets

Goal: **To stabilize rental properties through better management and tenancy**

Possible Action: **Support of a More Stable Tenant Pool**

Example Activities: **Providing tenant budgeting and other training**

Classes for renters on budgeting and on roles and responsibilities of a tenant and with such classes being voluntary or required by landlord for continued or new tenancy. Very low-income families in Venango County are especially prone to credit problems. This is a very strongly recommended action.

Est Cost: $150 for a series

Developing and using a uniform application and vetting process

Work with current landlord group and with other landlords, either voluntary or through code or court action

Total Cost: Unknown

Possible Action: **Support to Improve Standards of Landlord Actions**

Offering management training for landlords

Continue or expand current programs through the local landlord association. The current arrangement in the county is not helpful to data analysis. Records when they exist are difficult to come by; coherent analysis of the rental market is very difficult, and planning becomes difficult because of this. Incenting private sector landlords to share records through common associations, the costs of which would be underwritten in part by the county, would be very helpful.

Total Cost: Use current volunteer support

Providing workshops on property codes and responsibilities

Provision of training classes on codes and on landlord responsibilities as means of minimizing conflict and improving compliance

Total Cost: Use code compliance staff and staff of housing authorities

Conserving and Improving Homeowner Properties

Goal: **To set higher standards of residential property upkeep and improvement**

Possible Action: **Facilitate actions to upgrade properties and make upkeep easier**

Example Activities: **Providing Paint and Materials Grants**

Institute a small grants program of free paint and materials for low-income households willing to paint according to an agreed-upon plan;
Anticipated to average $250 per house for 10 houses annually

Total Cost: $2,500

Promoting Volunteer Painting/Repair Projects

Large, 5 annually at $300 per house
Includes paint, materials, etc (Insurance is issue.)

Total Cost: $1,500

Small, 10 annually at $100 per house
Paint for door, shutters, window trim, front fences, handrails, etc

Total Cost: $1,000

Facilitating Community Self-help Initiatives

Large scale neighborhood clean-up, 1 annually
Remove overgrowth, collapsed fences, etc

Total Cost: $1,200

Small-scale projects, 4 annually at $600 each
Dumpster for bulk rash removal, coop buys of plants, subsidized small curb appeal actions

Total Cost: $2,400

Coordinating Residential Home Improvements

Assist homeowners to get bulk prices and/or joint bids for driveway paving, gutter repair and installation, concrete repairs, house numbers, porch lights, banners, etc

Assist neighborhood groups to develop tool and ladder sharing systems, welcome programs to help new owners, and bulk buying

Total Cost: Sponsorship by a civic group or business

Preserving Neighborhoods as Places of Choice

Goal: **To strengthen neighborhoods as places to live and invest**

Possible Action: **Conservation of Neighborhoods through Positive Actions**

Example Activities: **Supporting more resident leaders and groups**

Identify current or potential neighborhood leaders and groups and use available mentors, new workshops or other means of building successful groups and leaders

Total Cost: Depends on scale, availability of local volunteers

Encouraging Neighborhood Identity and Pride Projects

Assist at least one neighborhood a year define its identity and take actions to market itself internally and externally and undertake projects to reinforce shared projects

Total Cost: Unknown, but could be through grants or business ` sponsors

Goal: **To encourage and support more stable homeownership**

Possible Action: **Improvement of Housing through Strengthened Homeownership**

Examples Activities: **Offering pre and post-purchase homebuying counseling/classes**

Replicate national training classes based on non-profit and HUD models and consider enhancing with IDA or employer assistance incentives

Total Cost: Volunteer through banks and real estate professionals and/or a contract with a regional training program

Providing rehab loans to new and current home owners

In conjunction with a bank or nonprofit, provide 5% loans to owners earning up to 120% of median for property rehab that includes at least $1,500 in exterior upgrades

Average loan $15,000, 8 loans per year for $120,000

Total Cost: Local lenders oversee program with modest subsidy of perhaps 20% of each loan, which would mean about $24,000 a year of recoverable funds

Offering budgeting classes to homebuyers and homeowners

Use conventional national training formats for those considering but not ready for homeownership and for those households at risk of foreclosure; provide at least three trainings annually

Total Cost: Local lenders or nonprofit groups provide training support along with fee of $25 per participating household, which is waived and met by government if the household is low-income qualified

Goal: **To improve the livability of the neighborhoods**

Possible Action: **Address and Improve Vacant Houses and Lots**

Example Activities: **Establishing a local landbank and County Receivorship**

Acquire and manage vacant houses and lots for short-term and long-term re-use; include mechanisms for maintenance to minimize negative impact; seek to manage at least one dozen properties at all times

Typical annual minimal cost per building is $1,500 and $500 per lot

Expected annual cost is $12,000

Total Cost: $12,000 with local sponsors/volunteers assisting

Offer sale of abandoned houses for rehab

Identify better quality, well-located abandoned houses and make available to either for profit, and not-for-profit renovators for repair and resale or rent under an approved plan; costs to clear titles is unknown

Total Cost: Use of current staff for identifying properties, creating rehab plan and overseeing sale; legal costs unresolved

Rationalizing vacant lots

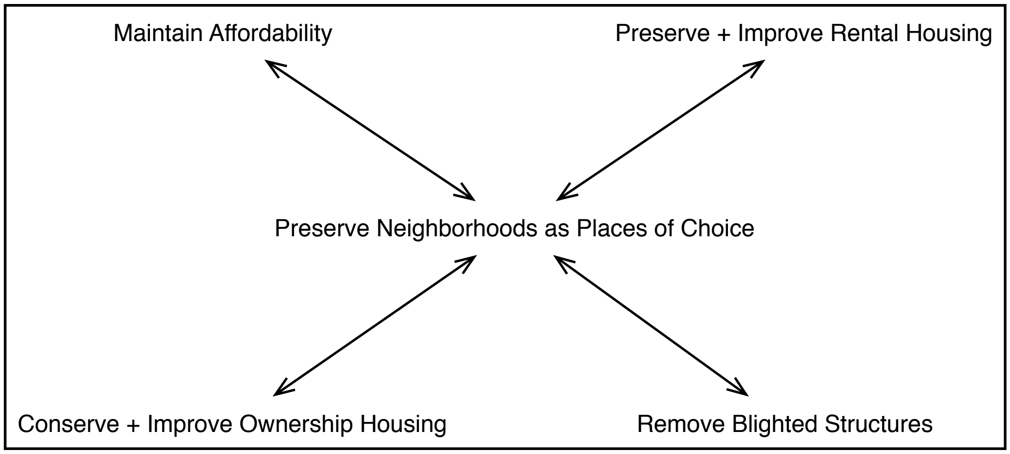
Identify publicly owned or easily acquired lots and determine if buildable and not; create re-use strategies as appropriate, including sale to others (such as neighbors) or sponsorship (by neighbors or groups) under a tax-free status until re-use, clarify value of unbuildable lots.

Total Cost: Use of current staff

Greening vacant lots

Ample evidence nationwide supports the belief that vacant urban lots can add value to the market by being transformed into open space. If a vacant lot in Oil City, for example, were acquired, it may be wiser to "green" the lot than to unndertake infill development. Greening can take many forms but the underlying principle is that the lot is no longer designated as buildable, the resulting space is "managed", the lot is returned to a semi-natural state, native vegetation is cultivated, and the space becomes a public asset.

Execution
Related to capacity is the work of execution. We have listed five sets of focused, and inter-related efforts we think are important to undertake:



To accomplish the work associated with each of these related efforts, an organization will be to created, either from scratch, or by reviving an existing but dormant entity, or modifying the mission of another. An organization capable of working on these fronts will need to develop or contract the capacity to acquire and develop real estate, work with existing owners to facilitate property improvements, engage in community organizing, deliver financial literacy training to existing and prospective homebuyers, and do so without additionally growing the supply of housing when such an activity could undermine market stability. We believe the main focus of the work of such an entity, though all five activities are related, is the work of stabilizing a soft market. This is more about removing problem property while upgrading existing homes, than anything else. The ability to buy, hold/bank, and demolish vacant or dilapidated property is the highest priority. To accomplish this, such an organization would require, at a minimum, a functioning board of directors, and three full time staff comprised of an Executive Director, a housing rehab specialist and demolition coordinator, and an administrative assistant. We believe a organization that worked county-wide, would be very beneficial. A new nonprofit such as Venango County Housing and Neighborhoods could function on a shoestring budget of approximately $225,000 per year operating costs plus project costs (approximately $500,000/year)

Skeleton Budget	Base	Direct	Indirect	Subtotal	Pct	Total
Staffing						
Executive Director	55000	11550	12100	78650	1	78650
Housing Rehab Specialist	40000	8400	8800	57200	1	57200
Administrative Assistant	30000	6300	6600	42900	1	42900
Contraced Services						
Homebuyer Counseling	40000	8400	8800	57200	0.25	14300
Subtotal						193050

This approach does not build new housing. It is designed to stabilize the markets in the County and to work countywide. New housing development at market rates can be adequately done by the private sector. New affordable housing is not necessary. Such an organization could take several forms, but the operative recommendation is that the entity works countywide, enjoys countywide support, and is overseen by a board of directors with countywide authority. Such as organization could (and would recommend) plausibly be a membership organization. Such an organization, operating countywide, could work in tandem with a new, streamlined single housing authority, or a new streamlined countywide single code enforcement and permitting office, sharing office expenses to reduce overhead. Alternatively, such an entity could be a joint venture of local lenders and employers. But the important numbers to be mindful of are as follows:

USES

1. Approximately $200,000 - $225,000 a year in operating expenses
2. Approximately $200,000 - $250,000 a year in property demolition
3. Approximately $200,000 a year in homebuyer initiatives

SOURCES

1. Approximately $400,000 a year in funding from state and federal sources
2. Approximately $100,000 a year in funding from local philanthropy
3. Approximately $100,000 a year in revolving loan funds

		Unit	Volume	Direct	Indirect Hours	Indirect	Total
Maintaining Affordable Housing							
	Small Home Repairs	250	20	5000	250	8000	13000
	Large Repairs	1500	3	4500	250	8000	12500
	Weatherization	1500	10	15000	250	8000	23000
Removing Blighted Structures							
	Quick Response Blight Remova	10000	6	60000	200	6400	66400
	Outbuilding Removal	1000	10	10000	200	6400	16400
	Larger Scale Demolition	10000	25	250000	200	6400	256400
Preserving and Improving Rental Property							
	x Jurisdictional Standards				300	9600	9600
	Court Actions				80	2560	2560
	Rental Registration				100	3200	3200
	Policy Coordination				222	7104	7104
	Tenant Budget Coordination				80	2560	2560
Preserving Home Owner Properties							
	Paint/Materials Grants/Coordina	250	10	2500	160	5120	7620
	Volunteer Repair Projects	300	5	1500	80	2560	4060
	Large Scale Neighborhood Clea	1200	1	1200	80	2560	3760
	Small Scale Clean up	600	4	2400	80	2560	4960
	Small Residential Home Improv	200	80	16000	40	1280	17280
Preserving Neigborhoods as Places of Choice							
	Resident Leadership Development				300	9600	9600
	Homebuying Counseling (subcontract)				200	6400	6400
	Rehab Lending/New Residents	15000	8	120000	600	19200	139200
	Budgeting Classes (subcontract)				40	1280	1280
	Landbanking/Receivorship	2000	6	12000	80	2560	14560
	Abandoned Lot Management				240	7680	7680
Administration					2000	64000	64000
				557300		193024	693,124
Legal						10000	
Accounting						20000	
Office Expenses						TBD	
						223024	

Glossary of Terms

ACS (The American Community Survey) is a project of the U.S. Census Bureau that replaces the long form in the decennial census. It is an ongoing statistical survey, and thus more current than information obtained by the long form. Many Americans found filling out the long form to be burdensome, intrusive, and its unpopularity was a factor in the declining response rate to the decennial census. In 1995, the Bureau began a process to change the means of demographic, housing, social, and economic information from the census long form to the ACS. Testing began in 1996, and the ACS program began producing test data in 2000, 2001, and 2002. The full program is expected to be implemented by 2010.

Affordability In the U.S., households are commonly defined in terms of the amount of realized income they earn relative to the Area Median Income or AMI.[14] Localized AMI figures are calculated annually based on a survey of comparably-sized households within geographic ranges known as metropolitan statistical areas, as defined by the US Office of Management and Budget.[15] For U.S. housing subsidies, households are categorized by federal law as follows:[16]

- Moderate income households earn between 80% and 120% of AMI.
- Low income households earn between 50% and 80% of AMI.
- Very low income households earn no more than 50% of AMI.
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Some states and cities in the United States operate a variety of affordable housing programs, including supportive housing programs, transitional housing programs and rent subsidies as part of public assistance programs. Local and state governments can adapt these income limits when administering local affordable housing programs; however, U.S. federal programs must adhere to the definitions above. For the Section 8 voucher program, the maximum household contribution to rent can be as high as 40% gross income.[17]

Average, of a data set refers to a measure of the "middle" or "expected" value of the data set. There are many different descriptive statistics that can be chosen as a measurement of the central tendency of the data items. An average is a single value that is meant to typify a list of values. If all the numbers in the list are the same, then this number should be used. If the numbers are not all the same, an easy way to get a representative value from a list is to randomly pick any number from the list. However, the word 'average' is usually reserved for more sophisticated methods that are generally found to be more useful. The most common method is the arithmetic mean. There are many other types of averages, such as median (used most often to describe house prices and incomes). [2]The average is calculated by combining the measurements related to a set and to compute a number as being the average of the set.

AMI (Area Median Income)

CDP (A census-designated place (CDP) is a type of place (a concentration of population) identified by the United States Census Bureau for statistical purposes. CDPs are delineated for each decennial census as the statistical counterparts of incorporated places such as cities, towns and villages. CDPs are communities that lack separate municipal government, but which otherwise physically resemble incorporated places. CDPs are delineated solely to provide data for settled concentrations of population that are identifiable by name but are not legally incorporated under the laws of the state in which they are located. The boundaries of a CDP have no legal status.[1]

Cluster/Cluster Score In statistics, a standard score is a dimensionless quantity derived by subtracting the population mean from an individual raw score and then dividing the difference by the population standard deviation. This conversion process is called standardizing or normalizing.

Standard scores are also called z-values, *z*-scores, normal scores, and standardized variables. The standard score indicates how many standard deviations an observation is above or below the mean. It allows comparison of observations from different normal distributions, which is done frequently in research. The standard score is not the same as the z-factor used in the analysis of high-throughput screening data, but is sometimes confused with it. The standard deviation is the unit of measurement of the z-score. Standard Deviation In statistics, standard deviation is a simple measure of the variability or dispersion of a data set. A low standard deviation indicates that all of the data points are very close to the same value (the mean), while high standard deviation indicates that the data is "spread out" over a large range of values.

ESRI (pronounced /iː ɛs ɑr aɪ/ or pronounced /ˈɛzri/) is a software development and services company providing Geographic Information System (GIS) software and geodatabase management applications. The headquarters of ESRI is in Redlands, California. ESRI was founded as Environmental Systems Research Institute in 1969 as a land-use consulting firm. ESRI products (particularly ArcGIS Desktop) have a one-third of the global market share,[2] and are used by nearly 80 percent of GIS users worldwide from all professions.[3]

Fair Market Rent (FMR) is a term in real estate that indicates the amount of money that a given property would command, if it were open for leasing at the moment. The term is primarily used in the United States.

Fair market rent is an important concept both in the Housing and Urban Development's ability to determine how much of the rent is covered by the government for those tenants who are part of Section 8, as well as by other governmental institutions.[1]

Fair market rent is sometimes used by appraisal districts to determine tax rates. [2]

Household The United States Census definition similarly turns on "separate living quarters", i.e. "those in which the occupants live and eat separately from any other persons in the building" [1]. A *householder* in the U.S. census is the "person (or one of the people) in whose name the housing unit is owned or rented (maintained);" if no person qualifies, any adult resident of a housing unit is a householder. The U.S. government formerly used the term **head of the household** and **head of the family** to describe householders; beginning in 1980, these terms were officially dropped from the census and replaced with *householder*. [2]

HUD (The United States Department of Housing and Urban Development, also known by the term **HUD**, is a Cabinet department of the United States federal government. Although its beginnings were in the House and Home Financing Agency, it was founded in 1965 to develop and execute policy on housing and cities. The department was established on September 9, 1965 when President Lyndon Johnson signed the Department of Housing and Urban Development Act Pub.L. 89-174 into law. It stipulated that the department was to be created no later than November 8, 60 days following the date of enactment. The actual implementation was postponed until January 13, 1966, following the completion of a special study group report on the federal role in solving urban problems.

Income, refers to consumption opportunity gained by an entity within a specified time frame, which is generally expressed in monetary terms.[1] However, for households and individuals, "income is the sum of all the wages, salaries, profits, interests payments, rents and other forms of earnings received... in a given period of time."[2] For firms, income generally refers to net-profit: what remains of revenue after expenses have been subtracted.[3] In the field of public economics, it may refer to the accumulation of both monetary and non-monetary consumption ability, the former being used as a proxy for total income.[1]

Mean has two related meanings: It is sometimes stated that the 'mean' means average. This is incorrect if "mean" is taken in the specific sense of "arithmetic mean" as there are different types of averages: the mean, median, and mode. For instance, average house prices almost always use the median value for the average. These three types of averages are all measures of locations. Other simple statistical analyses use measures of spread, such as range, interquartile range, or standard deviation. For a real-valued random variable *X*, the mean is the expectation of *X*. Note that not every probability distribution has a defined mean (or variance); see the Cauchy distribution for an example. For a data set, the mean is the sum of the observations divided by the number of observations. The mean is often quoted along with the standard deviation: the mean describes the central location of the data, and the standard deviation describes the spread.

MHI (Median Household Income) is commonly used to provide data about geographic areas and divides households into two equal segments with the first half of households earning less than the median household income and the other half earning more.[1] The median income is considered by many statisticians to be a better indicator than the average household income as it is not dramatically affected by unusually high or low values."[2] Household income is not to be confused with family or personal income. Household income is often the combination of two income earners pooling the resources and should therefore not be confused with an individual's earnings. Even though the term family income may sometimes be used as a synonym for household income, the U.S. Census Bureau defines the two differently. While household income takes all households into account, family income only takes households with two or more persons related through blood, marriage or adoption into account.

PITI In relation to a mortgage, PITI (pronounced like the word "pity") is an acronym for a mortgage payment that is the sum of monthly principal, interest, taxes, and insurance. That is, PITI is the sum of the monthly loan service (principal and interest) plus the monthly property tax payment, homeowners insurance premium, and, when applicable, mortgage insurance premium and homeowners association fee. For mortgagers whose property tax payments and homeowners insurance premiums are escrowed as part of their monthly housing payment, PITI therefore is the monthly "bottom line" of what they call their "mortgage payment" (although actually, in more precise terms, it is a combined mortgage,-tax,-and-insurance payment). Another way in which lenders try to minimize the risk of default is by requiring that PITI not be more than a certain maximum percentage of the borrower's monthly gross income—that is, they specify maximum debt-to-income ratios (DTIs). The two DTIs that lenders are most interested in are 1) the ratio of PITI to monthly gross income; and 2) the ratio of all debt service (PITI + payments for credit cards, car loans, student loans, etc.) to monthly gross income. The specific maximum values that a lender will allow for each of those DTIs depend on country, region, and era. In general, the maximum DTI limits have risen over the years as lenders have learned empirically how much credit they can safely extend to borrowers while keeping defaults below certain levels.

Wage A wage is a compensation, usually financial, received by a worker in exchange for their labor. Compensation in terms of wages is given to worker and compensation in terms of salary is given to employees. Compensation is a monetary benefits given to employees in returns of the services provided by them.