



**Urban Land
Institute**

Encouraging Market-Rate Housing Development in the Lehigh Valley

Addressing Density, Growth, and Demographics for a Thriving Region

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ULI TERWILLIGER CENTER FOR HOUSING

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The Terwilliger Center for Housing

- **Education:** Through case studies, awards, Urban Land articles, and other research publications we share thought leadership and best practices in the industry.
- **Awareness:** We program robust events for members to network, learn, and share.
- **Engagement:** We convene and engage members in advisory services, technical assistance panels, and roundtables to share their expertise and help solve local housing challenges.



Established in 2007 with a gift from longtime member and former ULI chairman, J. Ronald Terwilliger.

Our mission is to ensure that everyone has a home that meets their needs at a price they can afford.

Our goal is to catalyze the production and availability of a full spectrum of housing options.

Initiatives and Activities

- **Research:** Produce annual publications and data tools like the Home Attainability Index, a resource for understanding local housing needs.
- **Housing Awards:** Recognize and elevate innovative developments and policies that are positively impacting housing supply.
- **Housing Opportunity Conference:** Assemble a diverse mix of housing development stakeholders to learn and share best practices.
- **Technical Assistance:** Partner with DCs by providing grants and staff support for engagements on the housing issues facing their local communities.
- **Homeless to Housed:** Explore real estate solutions to the growing humanitarian and economic crisis impacting communities everywhere.



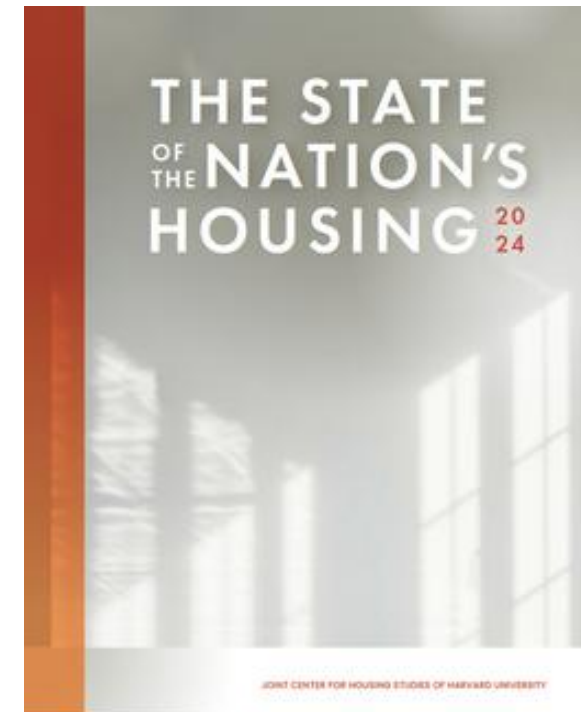
National Housing Trends

Meeting Housing Needs in the 2020's

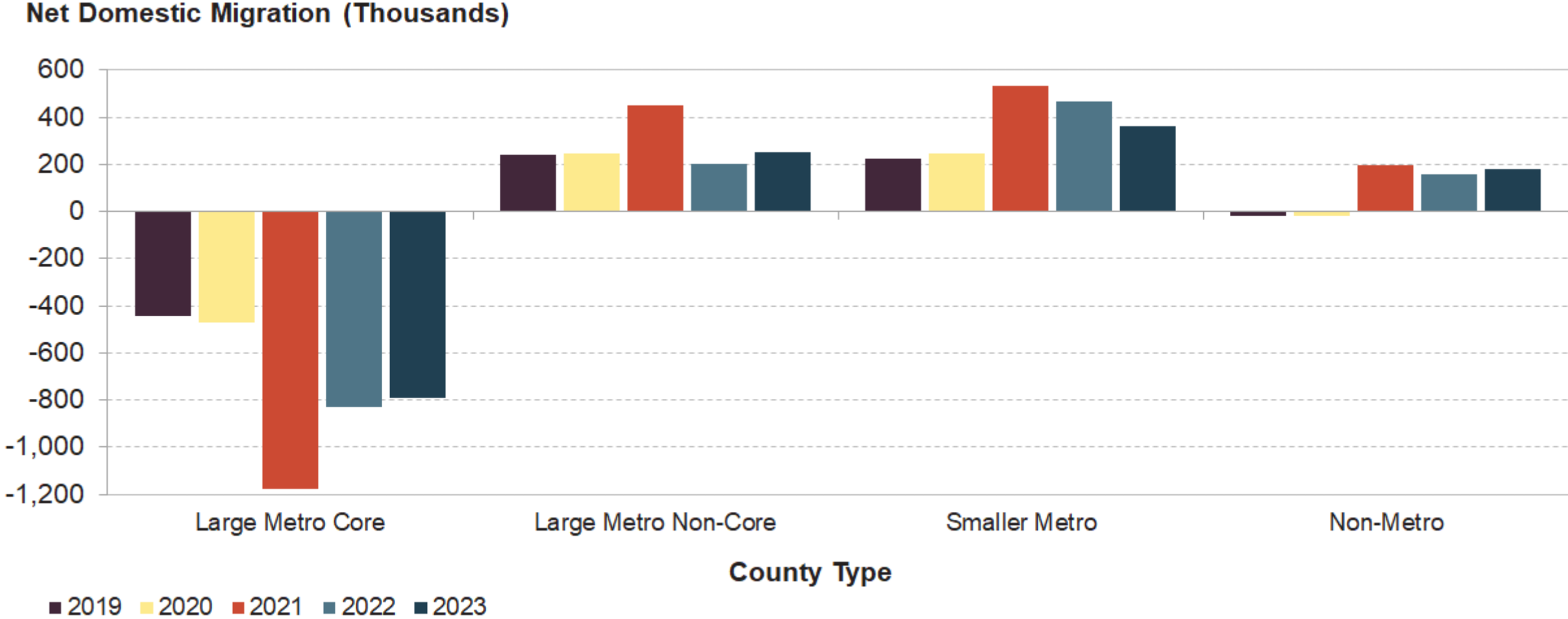
State of the Nation's Housing 2024

Highlights

- Home Prices Continue to Rise as For-Sale Inventory Hits Lowest Level in 30 Years
- Household Growth Driven by Millennial Homeowners and Gen Z Renters
- Cost of Homeownership Highest in More Than 30 Years
- Number of Cost-Burdened Renters Hits a Record High, as Number of Gen Z Renters Doubles
- More States Embrace Zoning Reform and Homelessness Hits Record High



Smaller Markets and Rural Areas Continued Pandemic-Era Migration Gains



Notes: Large metro areas have at least 1 million residents. Core counties contain either the largest city in the metro or any principal city with at least 250,000 residents. Non-core counties are all other counties in large metro areas.

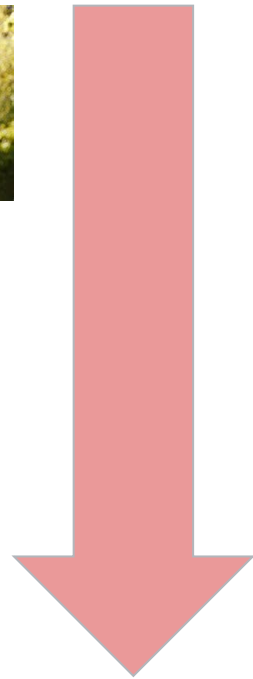
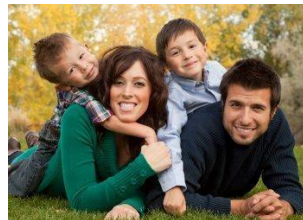
Source: JCHS tabulations of US Census Bureau, Population Estimates Program.

REPORT:
More Young
Americans
Achieving
Homeownership
By Changing
Locks On Airbnb



Mismatch: Housing Supply & Demographic Changes

“NUCLEAR FAMILY” HOUSEHOLDS

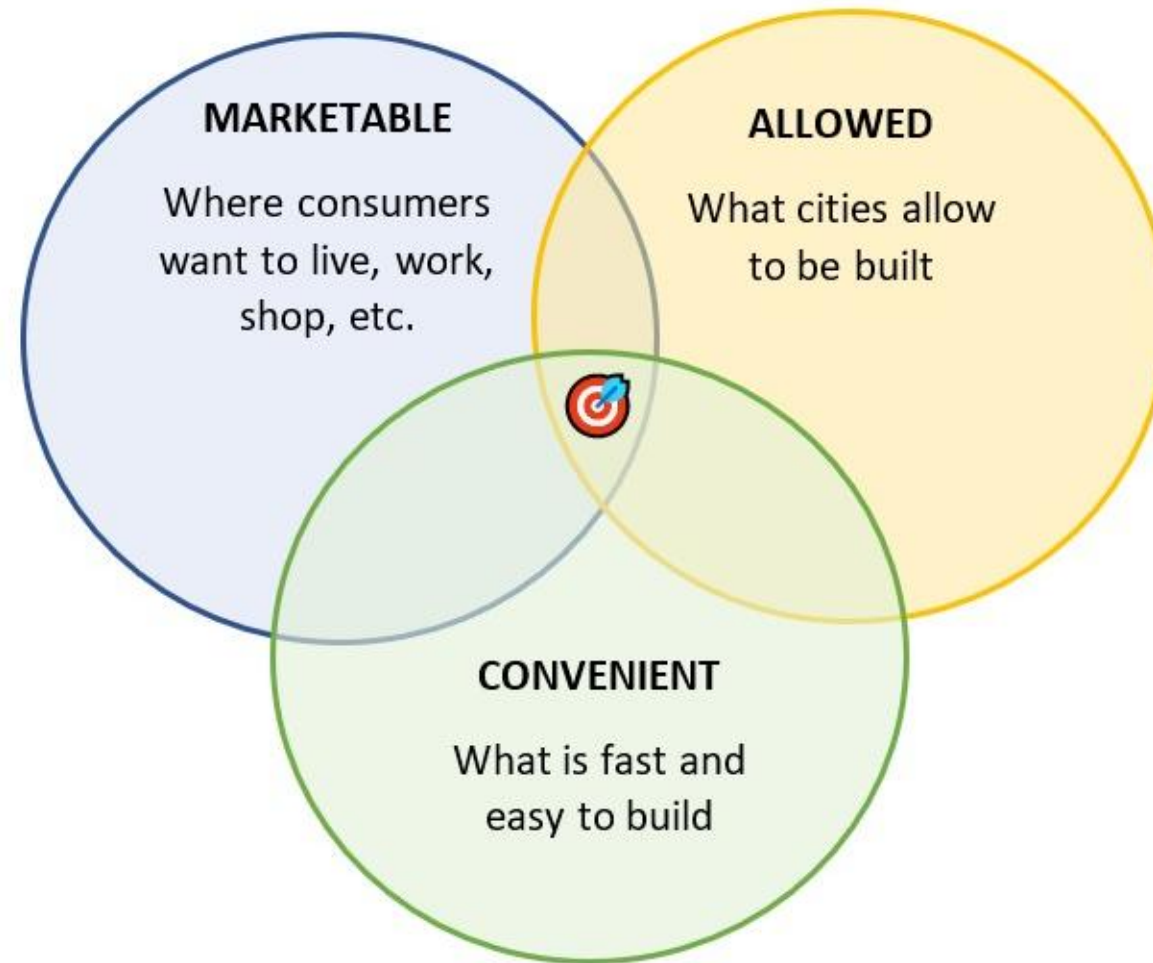


**Multigenerational living
& aging in place**



What Gets Built?

Marketable, Allowed, and Convenient

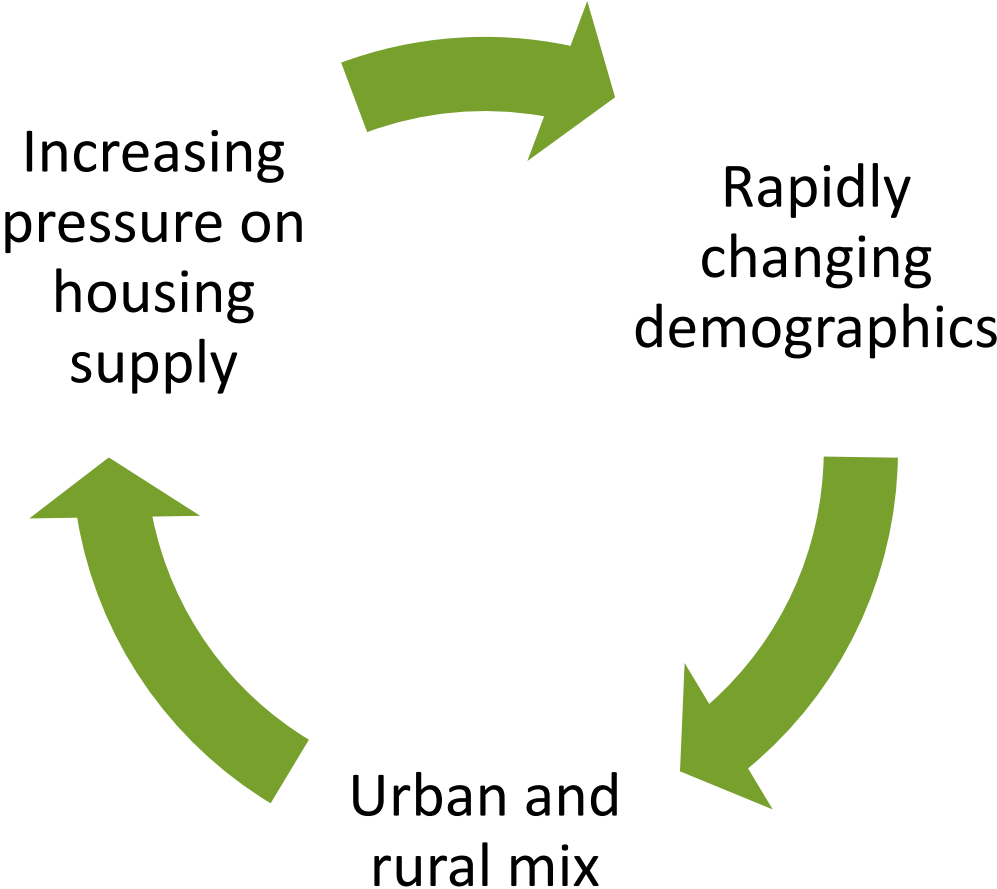


Source: Matt Hoffman, AIA
Director of Urban Design
MBL Planning + Architecture

ULI'S HOME ATTAINABILITY INDEX

LEHIGH VALLEY REGION

A growing region with diverse housing needs



Courtesy lehigh.edu

ULI ATTAINABILITY INDEX

- » Provides a **high-level snapshot** of the extent to which a housing market provides a range of choices attainable to the regional workforce;
- » Identifies **gaps in home attainability** and provides better context to understand residential markets;
- » Provides context by connecting housing costs to the wages earned by specific occupations in a region through an **Occupational Analysis** (based on data from the Bureau of Labor Statistics database);
- » Explicitly **identifies** and highlights **racial, socioeconomic, and intraregional disparities and inequities**; and
- » Enables **national and regional comparisons** to inform housing production, policy, and financing decisions.



WORKFORCE ACCESS TO HOUSING

MODEST WORKFORCE INCOMES FACE INCREASED HOUSING COSTS

Income Category	Occupations with Wages Typically in This Income Category	Median Annual Wage
<\$35,000/year	Childcare Workers	\$27,670
	Home Health and Personal Care Aides	\$28,170
	Waiters and Waitresses	\$28,275
	Maids and Housekeeping Cleaners	\$28,750
	Retail Salespersons	\$29,315
	Janitors and Cleaners, except Maids and Housekeeping Cleaners	\$30,135
	Security Guards	\$30,330
\$35,000–\$50,000/year	Nursing Assistants	\$35,315
	Laborers and Freight, Stock, and Material Movers, Hand	\$35,915
	Emergency Medical Technicians	\$36,160
	Automotive Service Technicians and Mechanics	\$47,180
	Bus Drivers, Transit and Intercity	\$47,530
\$50,000–\$75,000/year	Heavy and Tractor-Trailer Truck Drivers	\$49,870
	Two-Income Households (Janitor and Security Guard)	\$60,465
	Middle School Teachers, except Special and Career/Technical Education	\$61,320
>\$75,000/year	Two-Income Households (Truck Driver and Home Health Aide)	\$78,040
	Registered Nurses	\$79,120
	Two-Income Households (Childcare Worker and Middle School Teacher)	\$88,990

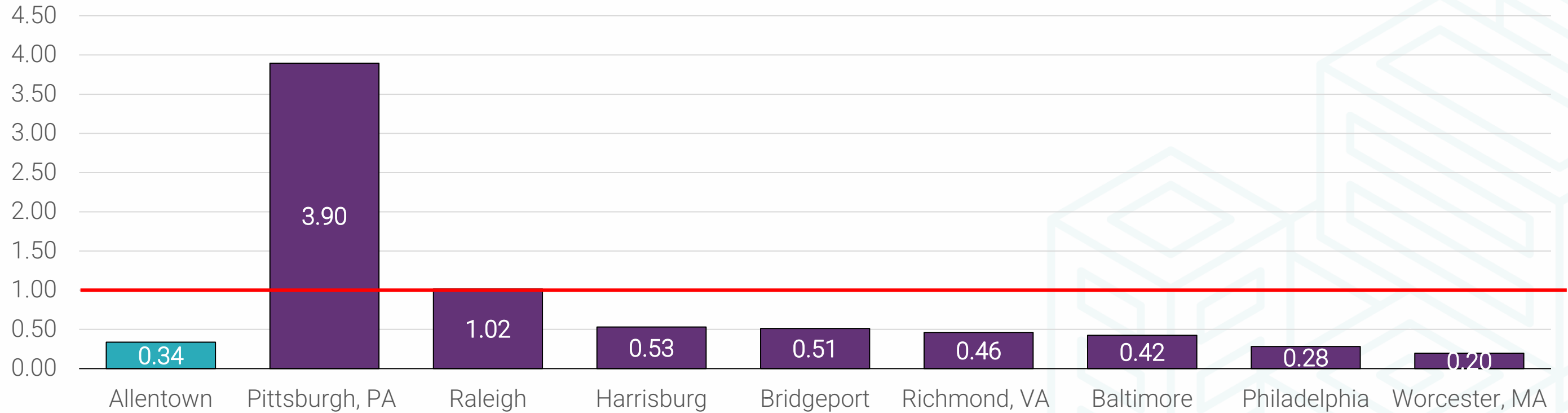
80% of Median Income or Less

120% of Median Income or Less

HOUSING PRODUCTION BY MSA

HOW DO OTHER MARKETS STACK UP?

Units Added Per New Households



TRENDS IN LEHIGH VALLEY

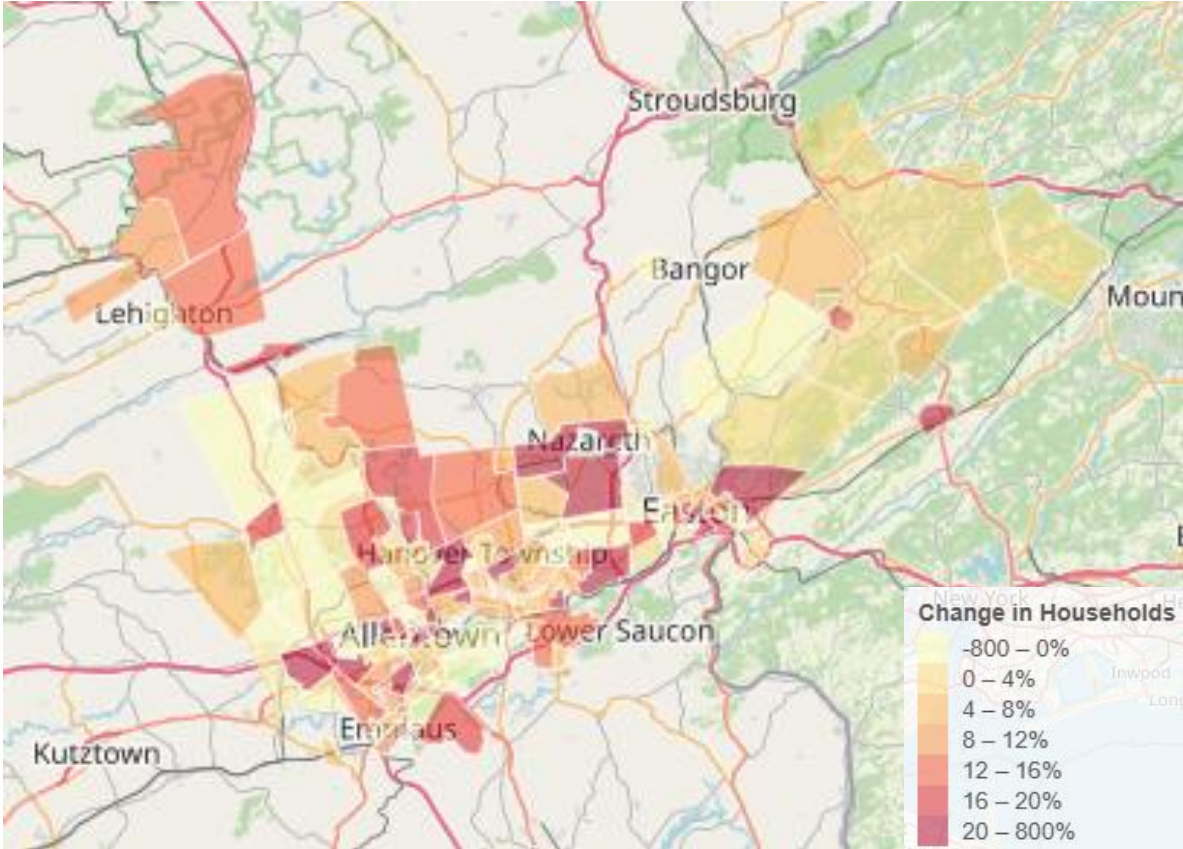
2025 INDEX PREVIEW

ALLENTOWN-BETHLEHEM-EASTON, PA-NJ MSA

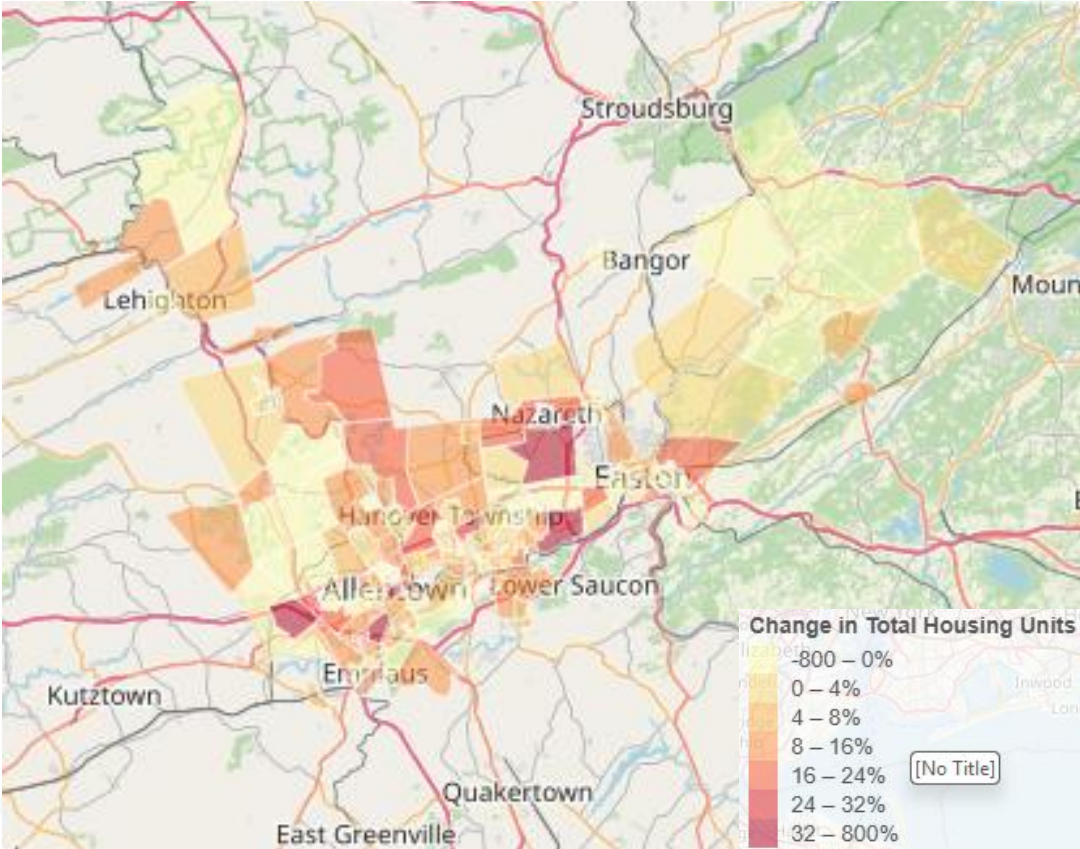
POPULATION GROWTH

NEW HOUSEHOLDS OUTPACE HOUSING PRODUCTION IN THE REGION

Growth in Households



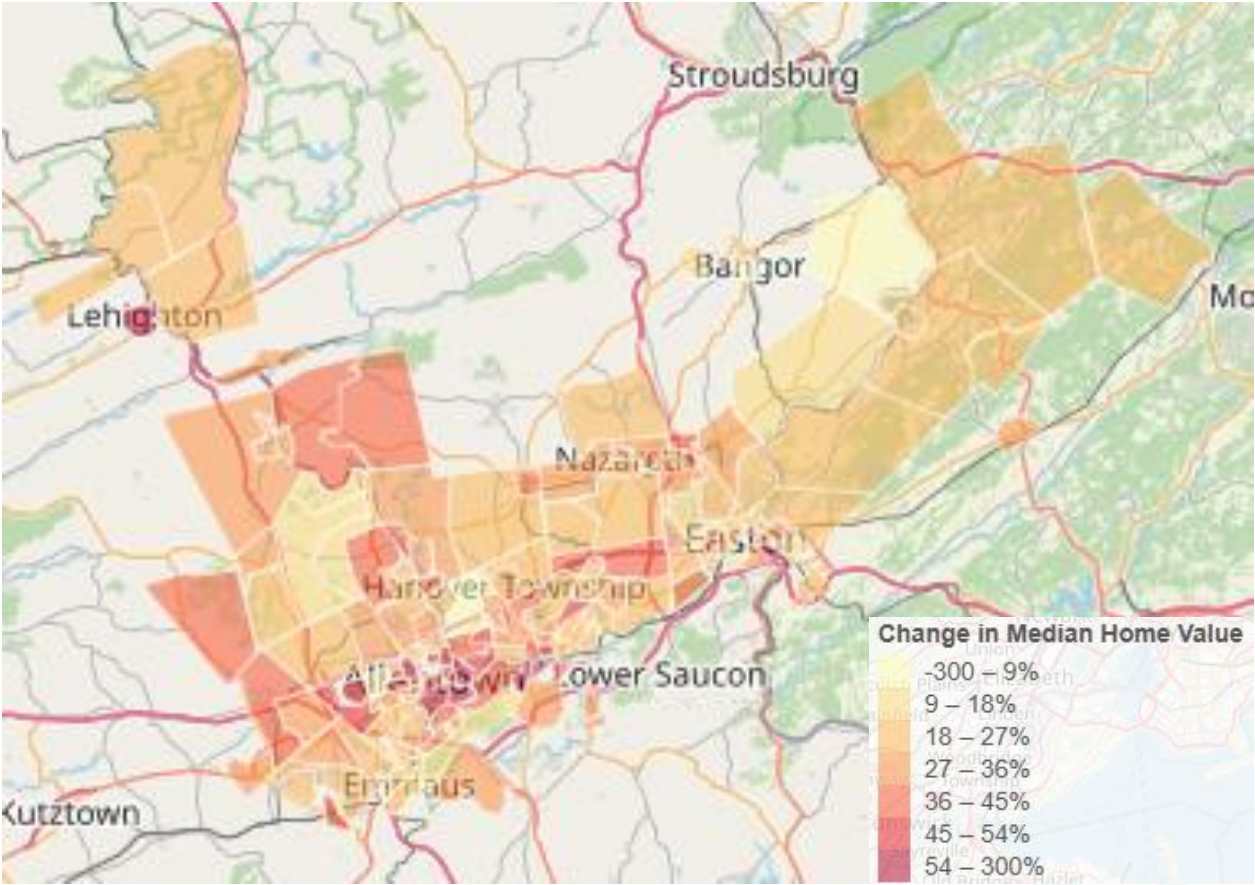
Growth in Units



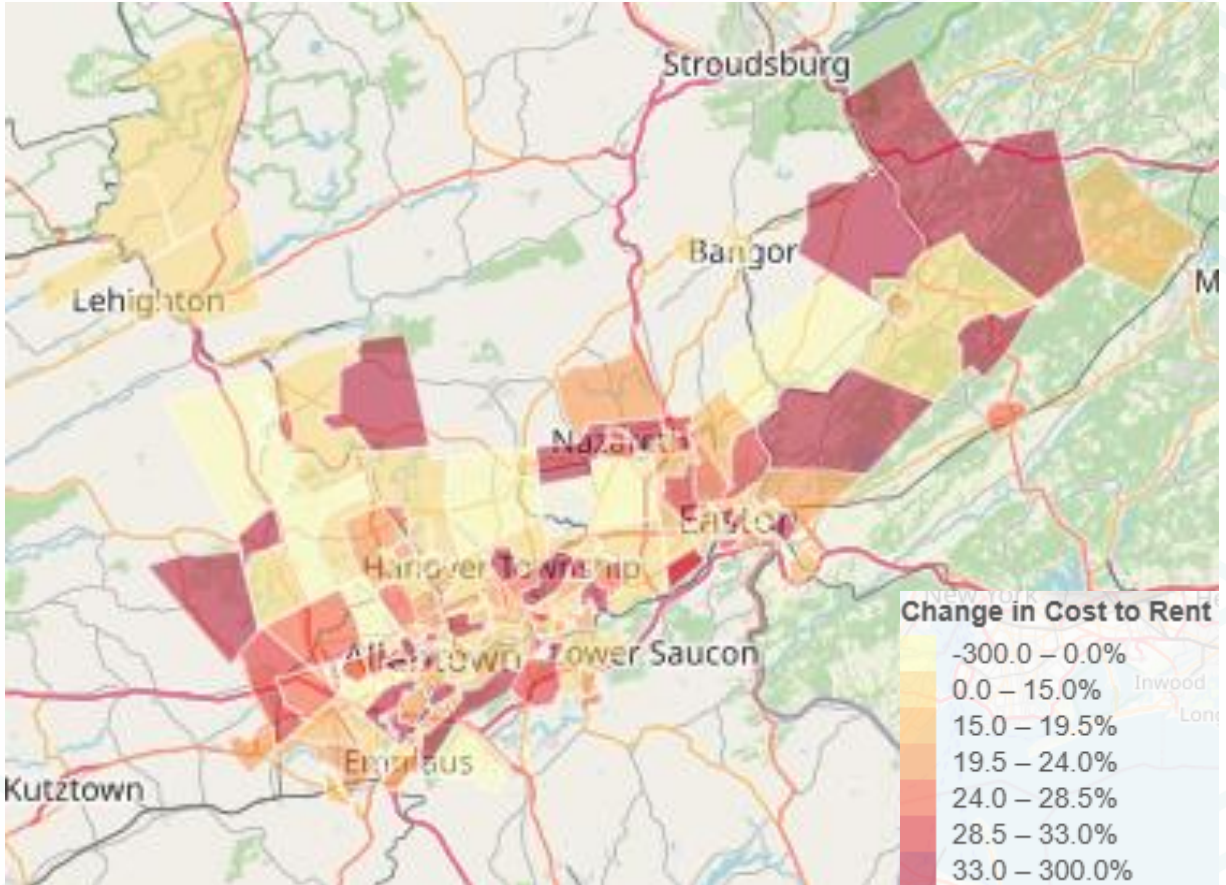
INCREASING UNAFFORDABILITY

REGIONAL FOR-SALE AND RENT GROWTH IN THREE YEARS

Median Home Value, 2020-2023



Cost to Rent, 2020-2023



POLICY SOLUTIONS

What are some ways to tackle the country's housing shortage?





Nate Stallings for deChase Miksis

“

REFORM zoning and other regulations to unleash housing production

CONNECT resources that maximize the impact of housing investments

LEVERAGE land, finance, and the adaptive reuse of outmoded buildings to create new opportunities for residential development.

”



Montgomery County Planning Dept.

Implement Zoning Reform

Diversify housing supply

- **Montgomery County, MD: Attainable Housing Strategies plan** supports mixed-income neighborhoods by legalizing townhouses, courtyard apartments, and small multifamily buildings.
- **Raleigh, NC's 2021 Missing Middle Zoning Reforms** eliminated single-family zoning restrictions, allowing duplexes, townhomes, and cottage courts citywide.



Sightline Institute Middle Homes Photo Library

Make Infill Easy

Add accessory dwelling units

- **Arlington County, Virginia** reduced restrictions on lot sizes, setbacks, and parking requirements for ADUs to make it easier to build them.
- **Colorado** offers financial support for ADUs such as grants, low-interest loans, and tax incentives for homeowners who construct ADUs for long-term rental to low- and middle-income tenants.
- **Washington State** streamlined the approval process for ADUs, making it easier for homeowners to add these units to their properties.

Small Regulatory Changes, Big Impacts

Modest changes can transform housing supply

- Minneapolis rezoned commercial corridors as priority locations for higher residential density, leading to the redevelopment of 40- to 50-unit buildings.
- Portland, Oregon's Housing Regulatory Relief Project includes a set of zoning code amendments that temporarily waive or reduce some zoning code standards for five years, along with more permanent amendments to zoning regulations.
- In Texas, the "Shot Clock" law aims to expedite local review processes for new residential construction, by requiring local decisions on permit applications within two weeks of review deadlines. If they fail to do so, developers can take their applications to a third-party reviewer.



Brianne Rothstein

Leverage Land

Make land more widely available for housing development

- Atlanta's mayoral **Affordable Housing Strike Force** is designed to bring together city agencies to collaboratively make available hundreds of underused or vacant acres for housing development. Participating agencies include the city of Atlanta, MARTA, Atlanta Public Schools, Atlanta BeltLine, Atlanta Housing, Invest Atlanta, Metro Atlanta Land Bank, and the Atlanta Land Trust.
- In Chicago, the **Chi Block Builder** program simplifies the purchase and redevelopment of vacant city-owned lots with a user-friendly online portal and clear guidelines. A dedicated website includes a map of over 2,200 vacant lots the city has made ready for sale.

David Wakely Photography

Money Matters

Boost housing production with state and local funding incentives

- **The Worcester Housing Now Initiative** in Massachusetts aims to help multifamily property owners with technical and financial resources to address deferred maintenance issues--many of which include sanitary, building and fire code violations.
- **Cleveland, Ohio's updated Residential Tax Abatement Program** makes new construction homes built in the city's weaker markets eligible for 15-year, 100 percent tax abatements on the improvements if they meet permitting and green building standards. Single-family homes, multifamily buildings, and condominiums are all eligible.
- **Michigan's Housing Tax Increment Financing (TIF)** program makes funds available for nearly any type of for-sale or rental residential development on brownfield sites around the state.



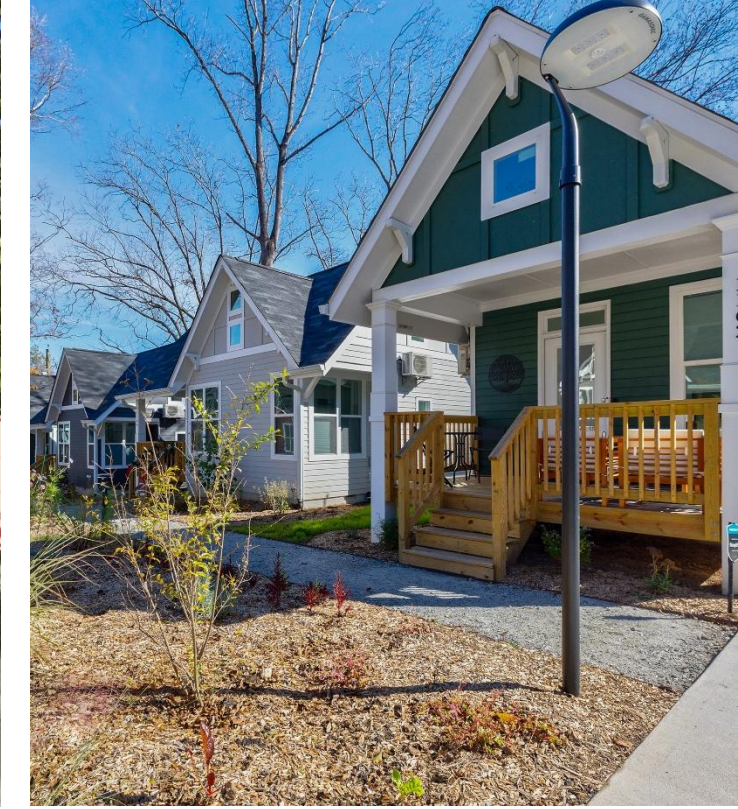
Michigan Community Capital

BEST PRACTICES



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Development Examples

- Density comes in many forms
- Power of partnerships
- Infill housing for growing communities

Wendell Falls

Wendell, North Carolina

- **New missing middle housing** development, 15 miles east of downtown Raleigh
- **A master-planned community** offering cottages, townhomes, and small apartments within a walkable environment.
- **Mixes market-rate and affordable homes** near retail, jobs, and schools.



McNeill Burbank



Chattanooga Missing Middle

Chattanooga, TN

- **181 infill units** developed in two walkable urban neighborhoods
- **Context-sensitive, small-scale multifamily** while still increasing density
- **Building types include** duplexes, quadplexes, sixplexes, cottage courts, small-scale apartment buildings, as well as single-family detached homes
- **Units are for households up to 120% AMI**

Chelsea Heights

Silver Spring, Maryland

- Located in downtown Silver Spring, near jobs, shops, and public transit.
- Provides higher-density housing in an established residential neighborhood.
- 63 three- and four-story townhomes designed to blend with surrounding single-family homes.
- Achieves higher density while maintaining neighborhood character.
- Includes workforce housing options to support diverse income levels.



Montgomery Planning (M-NCPPC)

THANK YOU
HOUSING@ULI.ORG



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