

Neighborhood Housing Market Analysis

NSP Neighborhoods
City of Erie, PA



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NEIGHBORHOOD HOUSING MARKET ANALYSIS

PHASE I: NSP NEIGHBORHOODS

City of Erie, PA

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1. Introduction

A. Purpose of the Housing Market Analysis

The City of Erie has prepared a Housing Market Analysis for the City neighborhoods participating in the Neighborhood Stabilization Program (NSP). NSP was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Through the purchase and redevelopment of foreclosed and abandoned homes and residential properties, the goal of the program is being realized. NSP1, a term that references the NSP funds authorized under Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008, provides grants to all states and selected local governments on a formula basis. The City of Erie was awarded \$2,089,416 in NSP1 funds from the PA Department of Community and Economic Development (PA DCED) which was a subrecipient of NSP 1 funds from HUD.

The purpose of this analysis is to determine if the current housing market in the NSP designated neighborhoods meet the Home Investment Partnerships Program (HOME) affordability regulations at 24 CFR 92.254(a)(5)(i)(B) for the City’s NSP program. Specifically, this market study is being undertaken to determine if housing units assisted with NSP1 funds can qualify under the presumed benefit section of the regulations to meet the resale restrictions of the NSP and HOME program during the period of affordability.

If housing conditions exist that provide evidence that that city meets the regulatory requirements, the City would not have to impose enforcement mechanisms, such as deed restrictions, on housing units assisted with NSP and/or HOME funds. This would make selling NSP1 assisted properties easier since they would be “presumed” to be sold to an affordable buyer and meet the affordability requirements under the NSP1 and HOME programs.

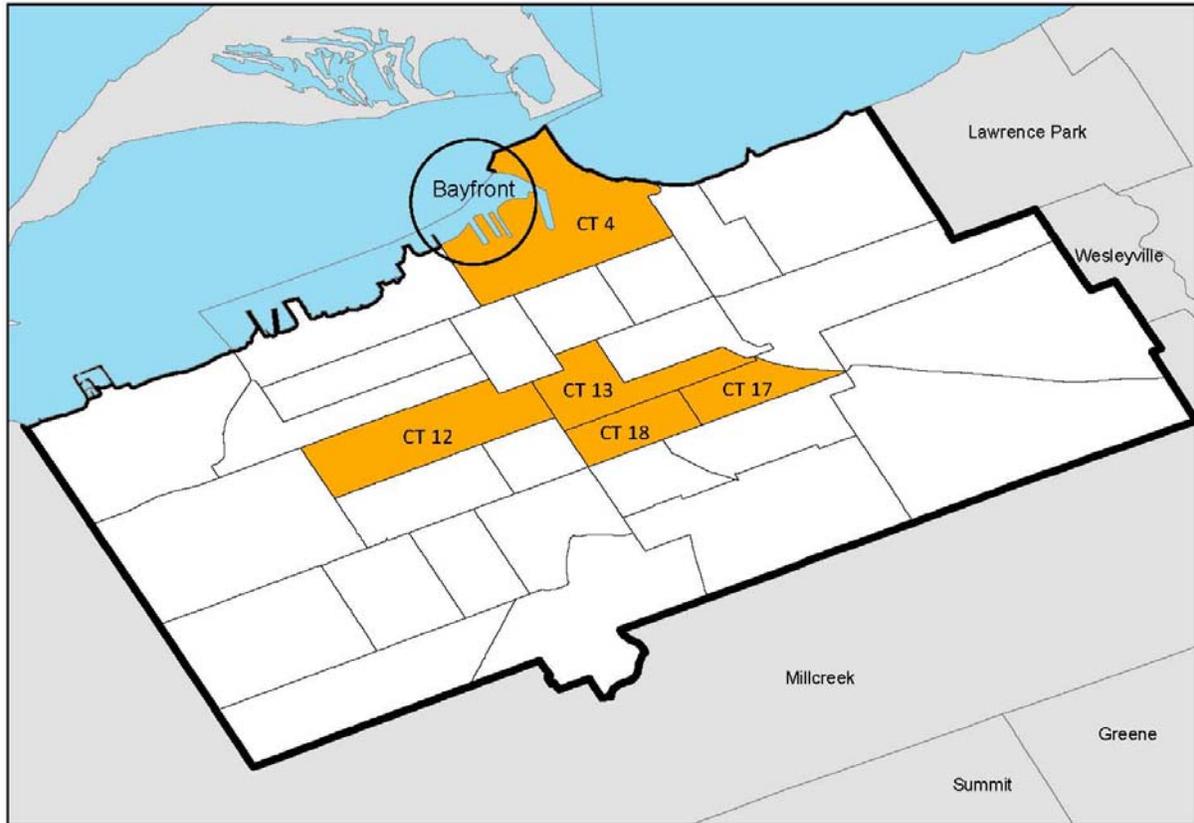
Specific neighborhoods that make up the City’s NSP1 target areas include SNOOPS, Central City, Little Italy, and the BEST neighborhood. The following figure provides a list of the NSP neighborhoods by census tract that are included in this analysis.

**Figure 1-1
Erie NSP Neighborhoods**

| Neighborhood | Census Tract |
|--------------|--------------|
| BEST | CT 4 |
| Little Italy | CT 12 |
| SNOOPS | CT 13 |
| Central City | CTs 17 & 18 |

The following map illustrates the NSP neighborhoods within the City of Erie.

**Figure 1-2
Map of Erie NSP Neighborhoods**



Legend

- Area Hydrology
- Erie City
- Surrounding Municipalities
- NSP Neighborhoods
- Erie City Census Tracts

B. Overview of HOME Program Regulations – Resale Restrictions and Retaining Affordability

To ensure the affordability of housing units assisted with federal funds such as NSP1 or HOME, the City of Erie must impose either resale or recapture provisions on the property, at its discretion. This is to protect the federal investment into the property and insure its affordability. The City of Erie has elected to impose resale requirements that comply with the standards outlined at 24 CFR 92.254(a)(5)(i)(B) and set forth in its most recent Consolidated Plan. Because NSP was provided as a development subsidy, recapture provisions do not apply.

Resale requirements must ensure the following:

- The housing will be available and affordable to a reasonable range of low-income homebuyers;



- A low-income homebuyer will occupy the housing as the family's principal residence, and
- The original HOME-assisted owner will be afforded a fair return on his/her investment.

Typically, deed restrictions, covenants running with the land, or other similar mechanisms can be used to impose the resale requirements. According to the regulations at 24 CFR 92.254(a)(5)(i)(B), certain housing may be presumed to meet resale restrictions during the period of affordability without the imposition of enforcement mechanisms by the participating jurisdiction, i.e. the City of Erie. The presumption must be based upon a market analysis of the neighborhood in which the housing is located. The market analysis must include the following:

- An evaluation of the location and characteristics of the housing and residents in the neighborhood in relation to housing and income, and
- An analysis of the current and projected incomes of neighborhood residents for an average period of affordability.

Currently, resale restrictions are hindering the willingness of local banks in the Erie area to underwrite mortgages for home owners participating in the NSP program. This has subsequently hindered the ability to sell the homes. This Housing Market Analysis has been undertaken to support the presumption that homes in the affected neighborhoods will remain affordable and available to low-income homebuyers.

C. Methodology

The firm of Mullin & Lonergan Associates, Inc. (M&L) was retained as consultants to conduct the Housing Market Analysis (HMA). M&L utilized a comprehensive approach to prepare the HMA involving the specific neighborhoods within the City of Erie. Data included in this report has been gathered from a variety of statistical sources and interviews. Statistical information from the U.S. Census Bureau's Decennial Census (1990, 2000, and 2010) and 2006-2010 American Community Survey (ACS) Five-Year Estimates has been collected, organized, and analyzed. Workforce and employment data from the Economic Research Institute was also utilized and analyzed. In addition, data on household projections by income and age of householders, including 2010 current year estimates and 2015 projections, were acquired from the Environmental Systems Research Institute (ESRI) and was analyzed as part of this report.

Interviews were conducted with local Realtors, local affordable housing developers, and area property managers to ascertain the current sales prices, rent levels and overall real estate conditions within these identified neighborhoods. The Consultants also completed field work in various neighborhoods throughout the City to determine general and physical neighborhood characteristics, including the presence of amenities such as schools, shops, parks, etc.



2. General Description of the NSP Neighborhoods

This section provides a general description of the NSP neighborhoods within the City of Erie, including a brief history of the communities, a description of each neighborhood's location relative to City landmarks and surrounding areas, and the presence of areas of concentration of minorities and/or low-income persons. This section also includes photos of the various NSP neighborhoods in Erie.

A. Neighborhood Descriptions – Locations, Boundaries, and General Characteristics

i. BEST Neighborhood – Census Tract 4

This area is bounded to the north by the Bayfront, on the east by East Avenue, on the south by 5th Street, and on the west by the Holland Street. It is located on the Bayfront and comprised of largely vacant, industrial land along the bayfront and older residential sections along the bluff. In addition, this neighborhood is located directly adjacent to the downtown and contains one of the City's largest employers, Erie Insurance. Block Groups 2, 3, and 4 of this Census Tract are primary residential. There are also some commercial uses along the eastern and western boundary. The area is also within walking distance of the Central Business District.

While this NSP neighborhood is primarily residential, the census block group that is directly on the Bayfront¹ is light industrial and a portion of it is designated as a Keystone Opportunity Zone (KOZ). Sitting below the bluff, upon which the residential neighborhood was built, this industrial area is largely inaccessible to neighborhood residents because of the area's topography and lack of access roads, other than State Street which connects with the Bayfront Access Road. There is no other direct access to the Bayfront from this area. In addition to Erie Insurance, this area is also the home of the Erie County Public Library, Maritime Museum, the Flagship Niagara, ship repair businesses, Erie Sand and Gravel, and Erie Coke Corporation.

Housing in the residential area is characterized by one or two story, single family, detached residences. This is one of the oldest neighborhoods in the City with most units being built prior to 1950. This neighborhood has also benefited from the work of the Bayfront East Side Taskforce (BEST), first formed in 1978 to act as a catalyst for revitalization and development in the East Bayfront neighborhood. BEST, organized by the leaders of Erie Insurance focused its efforts on a defined neighborhood, the East Bayfront, and had a number of successes in the 1980s. By the mid-1990s, the East Bayfront neighborhood was again experiencing deterioration and BEST reconstituted itself to become involved in the revitalization process.

Currently, BEST runs a very successful homeownership program within this neighborhood. BEST identifies and acquires vacant parcels of land and constructs single family homes on the parcels. Since 2004, more than 20 new homes have been build and sold to affordable first time home buyers. BEST has also developed a total of 4 rental units in this neighborhood.

Recently, the Central City Homeownership Choice Project was completed in this neighborhood, which involved the construction and/or rehabilitation of 50 affordable housing units.

Other neighborhood programs offered by BEST include home repair programs, promotion of home maintenance, commercial façade programs, and acquisition and demolition of vacant and blighted properties.

BEST has had a positive effect on the overall revitalization of this neighborhood and continues to be a valuable asset to this area of the City. Photos from this neighborhood are shown on the following page.

¹ Note: Figures 1-2 and 2-1 provide a geographic illustration of the Bayfront area in Erie.





Streetscapes within the BEST Neighborhood



New BEST First Time Homebuyer Home

The following map provides additional context and photos for the BEST neighborhood within the City of Erie.



Figure 2-1
Map of Census Tract 4, BEST



ii. Little Italy – Census Tract 12

The Little Italy neighborhood is generally bounded by West 15th Street, West 20th Street, Sassafras Street, and Cranberry Street. The neighborhood is also bisected by West 18th Street which is a major east/west thoroughfare in the City.

The Little Italy neighborhood is characterized by its Italian heritage. This was one of the first neighborhoods in the City and was settled by Italian immigrants. Today, Little Italy can be described as an older multi-heritage/multi-cultural neighborhood with a wealth of assets and resources. There are a number of large churches in Little Italy that provide a range of social and spiritual services. These include St. Paul’s Catholic Church and Holy Trinity Lutheran Church. There are also a number of social service organizations that provide various services to the neighborhood including the Trinity Center, Bethesda Community Place, Community Shelter Services and the Sisters of St. Joseph Neighborhood Network.

In addition to the churches and social service organizations, there are a number of businesses on both sides of West 18th Street that provide a range of services to both the neighborhood and the city as a whole. These include an Italian bakery and restaurant, a gelato store, a medical building and other service originated businesses.

This neighborhood also provides a mix of rental and for sale residential housing units. Since most of the units were constructed prior to 1950, there are a significant number of the units are in need of repair. There are also a number of vacant, dilapidated and boarded structures which are in need of substantial rehabilitation and in some cases demolition.

However, in recent years, there has been a concerted effort, by the Sisters of St. Joseph Neighborhood Network and other non-profits, to address housing in this neighborhood. There have been a number of units that have been constructed for both rental and for sale. There have also been a number of housing units that have been rehabilitated. The photos below provide some examples of housing located in this neighborhood.



Little Italy

The following map provides additional detail and context on the Little Italy neighborhood within the City of Erie’s NSP areas.



iii. SNOOPS – Census Tract 13

The SNOOPS neighborhood, which is located southeast of the central business district, is bounded generally by French and Wayne Streets, and 12th and 15th Streets. This neighborhood is a mix of older commercial and residential uses. Along the East 12th Street corridor between French and Parade Streets, the use is primarily commercial, including a Country Fair convenience store, Latino’s Restaurant and neighborhood-serving businesses. This neighborhood also has a number of religious and social service organizations that serve this neighborhood including St. Stan’s Catholic Church, St. Mary’s Catholic Church, the Family Worship Center, the St. Benedict Center, St. Martin Center (located two blocks south), and the Neighborhood Art House.

Some examples of neighborhood amenities include the following:

- Tim Horton’s/Cold Stone Creamery
- Lovell Place (mixed used building including market rate apartments and commercial tenants)
- The newly completed NSP rental property along 12 Street
- Pfeiffer Burleigh Elementary School
- Emmaus Soup Kitchen



Lovell Place (left) and New NSP Financed Rental Project (right)

The residential area is primarily older single-family homes, many of which have been converted to rental units in recent years. The majority of housing units in SNOOPS were built prior to 1950. Many of the residential units in this area are deteriorated and in need of significant repair. There are also a number of vacant, dilapidated and boarded structures which are in need of substantial rehabilitation and in some cases demolition.

In recent years, there have been a number of housing initiatives undertaken in this area to address the neighborhood condition. Some of these efforts include:

- The SNOOPS Elm Street Program- This includes funding for residential façade improvements.
- HANDS Mid-town Single-Family Homes – This project included 15 units of affordable rent to own single family housing units.



- The Housing Authority of the City of Erie – Construction of several condominium units along Parade Street.



Intersection in SNOOPS

The following map illustrates the location of census tract 13, the SNOOPS neighborhood, within the City of Erie and provides additional photos of this NSP neighborhood.



Figure 2-3
Map of Census Tract 13, SNOOPS



iv. Central City – Census Tracts 17 & 18

The Central City neighborhood is generally bounded by East 18th Street, East 26th Street, Peach Street, and Parade Street. The northern portion of the neighborhood is bounded by East 18th and East 21st Streets, and Peach and Parade Streets. This neighborhood is primarily dominated by large commercial land, residential property, and vacant parcels. The central portion of the neighborhood, intersected by East 22nd Street, contains single-family residential structures. Some of these housing units are in poor condition and are in need of rehabilitation and/or demolition. The majority of housing units in the Central City neighborhood were built prior to 1960.



Variety of Housing Conditions in Central City

The western portion of the neighborhood is a mix of industrial, light industrial, commercial, and mixed use. Some of the parcels in this section require minor to major rehabilitation. The area bounded by Parade Street and Holland Street between East 24th and East 26th Streets contains older, single-family homes many of which require rehabilitation.

The following map provides an illustration of the Central City neighborhood in the City of Erie, including additional photos of the neighborhood

B. Areas of Concentration of Minorities and Low Income Residents

In its most recent Five Year Consolidated Plan, the City of Erie defines areas of racial or ethnic minority concentration as geographical areas where the percentage of a specific minority or ethnic group is 10 percentage points higher than in the City overall. In Erie, Blacks accounted for 16.8% of the overall population in 2010. Therefore, an area of concentration of Black residents would include census tracts where Blacks comprised 26.8% or more of the population. This is the case in eight census tracts: 4, 7, 8, 13, 14, 15, 17, and 18. There were no other areas of racial concentration. However, Asian residents comprised 11% of the population in tract 18, which was significantly higher than the City's overall percentage of 1.5%.

In 2010, Hispanics accounted for 6.9% of the City's population. Therefore, an area of ethnic concentration would include tracts where 16.9% or more of the population was Hispanic. This occurred in two census tracts citywide, including tracts 12 and 15.

Within the City's NSP neighborhoods, BEST (census tract 4), SNOOPS (census tract 13), and Central City (census tracts 17 and 18) are all areas of Black concentration. The population of SNOOPS is almost 58% Black. Little Italy is not an area of Black concentration, as only 21.5% of its population is Black. However, Little Italy is an area of Hispanic concentration, as almost 18% of the population is Hispanic.

**Figure 2-5
Areas of Minority and Ethnic Concentration, 2010**

| Census Tract | Total Population | White % | Minority Residents | | |
|---------------------|------------------|--------------|--------------------|--------------------------|-------------|
| | | | Black % | Asian/Pacific Islander % | Hispanic % |
| City of Erie | 101,786 | 75.0% | 16.8% | 1.5% | 6.9% |
| 4 | 2,696 | 59.8% | 27.0% | 2.6% | 10.1% |
| 12 | 2,509 | 61.5% | 21.5% | 1.7% | 17.9% |
| 13 | 1,549 | 28.8% | 57.5% | 3.4% | 12.4% |
| 17 | 2,880 | 48.5% | 36.4% | 3.9% | 13.6% |
| 18 | 2,395 | 29.7% | 49.6% | 11.0% | 9.2% |

Source: U.S. Census Bureau, Census 2010 Redistricting Data SF (P1, P2)

HUD provides the percentage of LMI persons in each census block group. In 45 of the City's 96 block groups, the percentage of LMI persons exceeds 51%. Of these 45 block groups, 20 were located in areas that were also identified as areas of minority concentration. The following figure provides a summary of LMI persons per block group in the City's NSP neighborhoods.



**Figure 2-6
Areas of Concentration of LMI Persons, 2010**

| Census Tract | Block Group | Universe | Low and Moderate Income Persons | |
|--------------|-------------|----------|---------------------------------|--------|
| | | | # | % |
| 4 | 1 | 222 | 164 | 73.87% |
| 4 | 2 | 1,289 | 917 | 71.14% |
| 4 | 3 | 871 | 507 | 58.21% |
| 12 | 1 | 1,486 | 1,057 | 71.13% |
| 12 | 2 | 1,191 | 979 | 82.20% |
| 13 | 1 | 920 | 681 | 74.02% |
| 13 | 2 | 976 | 890 | 91.19% |
| 17 | 1 | 663 | 443 | 66.82% |
| 17 | 2 | 1,333 | 750 | 56.26% |
| 17 | 3 | 1,025 | 777 | 75.80% |
| 18 | 1 | 1,526 | 1,153 | 75.56% |
| 18 | 2 | 1,149 | 791 | 68.84% |

Source: U. S. Dept. of Housing & Urban Development, 2010

MARKET OBSERVATION: *All of the NSP neighborhoods meet the criteria for areas of concentration of low to moderate income residents.*

3. Physical Characteristics of the NSP Neighborhoods

This section provides an overview of the physical characteristics of the City of Erie's NSP neighborhoods, including the age and condition of the housing stock and market trends associated with the for-sale housing market, including housing costs, days on market, etc. This section also includes a review of amenities in the neighborhoods, including the presence and condition of streets, sidewalks, and parks as well as community facilities and services such as daycares, churches, and grocery stores. Photos and maps have been included where applicable.

A. Housing Inventory

Across the State of Pennsylvania, approximately 31,161 housing units were added annually during the 1990s and almost 32,000 units were added annually during the 2000s. Erie County also experienced an increase in housing units over the last two decades.

In contrast, **the number of housing units in the City of Erie and within the City's NSP neighborhoods has declined.** Between 1990 and 2010, the City of Erie lost 634 housing units, or 1.4% of its housing stock. The decrease in housing units was even higher among the NSP neighborhoods. The SNOOPS neighborhood, which includes census tract 13, experienced the greatest decrease in housing units, losing almost 22% of its housing stock between 1990 and 2010. Census tract 17 in the Central City neighborhood experienced the lowest decline among the NSP areas and saw its number of housing units decrease over 7% during the same period. Part of this loss of housing units within the NSP area can be attributed to the age and condition of the housing stock. Many of the housing units have deteriorated significantly and have required demolition. The following figure highlights changes in the number of housing units from 1990 to 2010.

**Figure 3-1
Trends in Housing Inventory, 1990-2010**

| | 1990 | 2000 | Average Annual Change | Percent Change from 1990-2000 | 2010 | Average Annual Change | Percent Change from 2000-2010 |
|----------------------|-----------|-----------|-----------------------|-------------------------------|-----------|-----------------------|-------------------------------|
| Pennsylvania | 4,938,140 | 5,249,750 | 31,161 | 6.3% | 5,567,315 | 31,757 | 6.0% |
| Erie County | 108,585 | 114,322 | 574 | 5.3% | 119,138 | 482 | 4.2% |
| Erie City | 45,424 | 44,971 | -45 | -1.0% | 44,790 | -18 | -0.4% |
| BEST - CT 4 | 1,289 | 1,220 | -7 | -5.4% | 1,115 | -11 | -8.6% |
| Little Italy - CT 12 | 1,420 | 1,293 | -13 | -8.9% | 1,159 | -13 | -10.4% |
| SNOOPS - CT 13 | 834 | 734 | -10 | -12.0% | 663 | -7 | -9.7% |
| Central City - CT 17 | 1,229 | 1,205 | -2 | -2.0% | 1,139 | -7 | -5.5% |
| Central City - CT 18 | 1,104 | 1,027 | -8 | -7.0% | 934 | -9 | -9.1% |

Source: U.S. Census Bureau

Single-family housing units remain the predominant housing type available in the City of Erie. Specifically, single-family dwellings represented 60% of Erie's housing inventory. Multi-family housing units represented almost 40% of the City's housing stock while mobile homes accounted for 0.6%. Multi-family housing units were more prominent within the City's NSP neighborhoods. For example, multi-family housing units represented over 55% of the total housing units in BEST, census tract 4, and Little Italy,



census tract 12. Much of this can be attributed to absentee landlords acquiring larger single family units and subdividing them into multiple rental units. This has occurred in much greater frequency since 1990.

Census tract 13, the SNOOPS neighborhood, was the only NSP neighborhood that had more single-family housing units than the City overall, as almost 66% of its housing stock included single-family units. In addition, single-family housing units accounted for 55.1% and 52.4% of the housing stock in census tracts 17 and 18, respectively, in the Central City neighborhood. Mobile homes represented 1% of the housing inventory in census tract 18.

**Figure 3-2
Types of Housing Units, 2010**

| | Total Units | Single-family units | Multi-family units | | | | Total | Mobile home | Boat, RV, van, etc |
|----------------------|-------------|---------------------|--------------------|---------|----------|------------|-----------|-------------|--------------------|
| | | | 2 to 4 | 5 to 9 | 10 to 19 | 20 or more | | | |
| Pennsylvania | 5,537,308 | 4,159,320 | 506,255 | 187,564 | 141,614 | 301,906 | 1,137,339 | 239,848 | 801 |
| Erie County | 118,665 | 81,896 | 16,978 | 4,434 | 2,688 | 5,617 | 29,717 | 7,052 | 0 |
| Erie City | 45,172 | 27,008 | 11,872 | 2,219 | 910 | 2,889 | 17,890 | 274 | 0 |
| BEST - CT 4 | 1,183 | 519 | 538 | 9 | 38 | 79 | 664 | 0 | 0 |
| Little Italy - CT 12 | 1,194 | 528 | 505 | 104 | 0 | 57 | 666 | 0 | 0 |
| SNOOPS - CT 13 | 716 | 469 | 167 | 19 | 28 | 33 | 247 | 0 | 0 |
| Central City - CT 17 | 1,254 | 691 | 540 | 0 | 0 | 14 | 554 | 9 | 0 |
| Central City - CT 18 | 1,037 | 543 | 463 | 0 | 0 | 21 | 484 | 10 | 0 |

Source: US Census Bureau, 2006-2010 ACS 5-year Estimates



Housing Types in the BEST Neighborhood

The homeowner vacancy rate in the City of Erie was 2.2% in 2010, remaining relatively stable since 1990. By comparison, homeowner vacancy rates in the City's NSP neighborhoods ranged from a high of 6.1% in Little Italy to a low of 1.4% in the BEST neighborhood. Between 2000 and 2010, homeowner vacancy rates declined in BEST, SNOOPS, and census tract 18 of Central City. In contrast, vacancy rates increased among owner-occupied units in census tract 17 of Central City and Little Italy, census tract 12, during the same period.

Generally, a homeowner vacancy rate between 3% and 5% of the sales housing inventory is preferable because it allows some mobility and flexibility for households that are moving. A low rate of vacant-for-sale-only units impacts the affordability of housing because of a lower number of available units on the market at any given time, which causes a rise in home prices due to demand exceeding a limited supply.



Most of the NSP neighborhoods fall into the 3% to 5% range, with the exception of BEST which is slightly lower and Little Italy which is slightly higher. The following figure provides additional detail on homeowner vacancy rates

**Figure 3-3
Trends in Homeowner Vacancies, 2000-2010**

| | Housing Units | | Owner-occupied Units | | | |
|----------------------|---------------|-----------|----------------------|---------|----------------------------|------------------------|
| | Total | Occupied | Total | Percent | Vacant Units For Sale Only | Homeowner Vacancy Rate |
| 2000 | | | | | | |
| Pennsylvania | 5,249,750 | 4,777,003 | 3,406,337 | 71.3% | 55,891 | 1.6% |
| Erie County | 114,322 | 106,507 | 73,729 | 69.2% | 1,221 | 1.6% |
| Erie City | 44,971 | 40,938 | 22,997 | 56.2% | 501 | 2.1% |
| BEST - CT 4 | 1,220 | 1,028 | 421 | 41.0% | 19 | 4.3% |
| Little Italy - CT 12 | 1,293 | 1,043 | 314 | 30.1% | 19 | 5.7% |
| SNOOPS - CT 13 | 734 | 634 | 204 | 32.2% | 11 | 5.1% |
| Central City - CT 17 | 1,205 | 1,032 | 536 | 51.9% | 13 | 2.4% |
| Central City - CT 18 | 1,027 | 858 | 378 | 44.1% | 28 | 6.9% |
| 2010 | | | | | | |
| Pennsylvania | 5,567,315 | 5,018,904 | 3,491,722 | 69.6% | 64,818 | 1.8% |
| Erie County | 119,138 | 110,413 | 73,847 | 66.9% | 1,159 | 1.5% |
| Erie City | 44,790 | 40,913 | 21,408 | 52.3% | 473 | 2.2% |
| BEST - CT 4 | 1,115 | 997 | 354 | 35.5% | 5 | 1.4% |
| Little Italy - CT 12 | 1,159 | 971 | 216 | 22.2% | 14 | 6.1% |
| SNOOPS - CT 13 | 663 | 567 | 157 | 27.7% | 4 | 2.5% |
| Central City - CT 17 | 1,139 | 965 | 441 | 45.7% | 21 | 4.5% |
| Central City - CT 18 | 934 | 793 | 351 | 44.3% | 14 | 3.8% |

Source: U.S. Census Bureau

Rental vacancy rates are significantly higher than homeowner vacancy rates across the City of Erie and within the various NSP neighborhoods. In 2010, almost 1,500 renter units were vacant across the City, representing 7.1% of the rental housing stock. This vacancy rate was an improvement, however, from 2000 when the rental vacancy rate citywide was 9.6%. Among the City's NSP neighborhoods, rental vacancy rates ranged from 12.1% in census tract 17 of Central City to 7% in census tract 13 in the SNOOPS neighborhood. Rental vacancy rates in all of the NSP areas decreased between 2000 and 2010.

Generally, a rental vacancy rate of 5% to 9% is preferred because it allows mobility and greater choice for households that are moving. A lower rental vacancy rate exerts upward pressure on rents, negatively impacting the ability of lower-income households to find affordable housing because of a small number of available units in the marketplace at any given time. By 2010, the City of Erie, the BEST neighborhoods, and SNOOPS fell into the preferred 5% to 9% rental vacancy range. In contrast, Little Italy and census tract 18 of Central City had rental vacancy rates closer to 10% while the rate in census tract 17 of Central



City was above 12%. The following figure provides a summary of rental vacancy rates between 2000 and 2010.

**Figure 3-4
Trends in Rental Housing Vacancies, 2000-2010**

| | Housing Units | | Renter-occupied Units | | | Rental Vacancy Rate |
|----------------------|---------------|-----------|-----------------------|---------|--------------|------------------------|
| | Total | Occupied | Total | Percent | Vacant Units | |
| 2000 | | | | | | |
| Pennsylvania | 5,249,750 | 4,777,003 | 1,370,666 | 28.7% | 105,585 | 7.2% |
| Erie County | 114,322 | 106,507 | 32,778 | 30.8% | 2,796 | 7.9% |
| Erie City | 44,971 | 40,938 | 17,941 | 43.8% | 1,916 | 9.6% |
| BEST - CT 4 | 1,220 | 1,028 | 607 | 59.0% | 76 | 11.1% |
| Little Italy - CT 12 | 1,293 | 1,043 | 729 | 69.9% | 118 | 13.9% |
| SNOOPS - CT 13 | 734 | 634 | 430 | 67.8% | 38 | 8.1% |
| Central City - CT 17 | 1,205 | 1,032 | 496 | 48.1% | 76 | 13.3% |
| Central City - CT 18 | 1,027 | 858 | 480 | 55.9% | 62 | 11.4% |
| 2010 | | | | | | |
| Pennsylvania | 5,567,315 | 5,018,904 | 1,527,182 | 30.4% | 135,262 | 8.1% |
| Erie County | 119,138 | 110,413 | 36,566 | 33.1% | 2,771 | 7.0% |
| Erie City | 44,790 | 40,913 | 19,505 | 47.7% | 1,491 | 7.1% |
| BEST - CT 4 | 1,115 | 997 | 643 | 64.5% | 51 | 7.3% |
| Little Italy - CT 12 | 1,159 | 971 | 755 | 77.8% | 81 | 9.7% |
| SNOOPS - CT 13 | 663 | 567 | 410 | 72.3% | 31 | 7.0% |
| Central City - CT 17 | 1,139 | 965 | 524 | 54.3% | 72 | 12.1% |
| Central City - CT 18 | 934 | 793 | 442 | 55.7% | 48 | 9.8% |

Source: U.S. Census Bureau

MARKET OBSERVATION: *When owner and renter units are combined, an overall vacancy rate of 8.7% was reported in 2010 in the City of Erie. Vacancy rates were higher within the City’s NSP neighborhoods, ranging from a high of 16.2% in Little Italy to a low of 10.6% in BEST.*

MARKET OBSERVATION: *The high overall vacancy rates in the City’s NSP neighborhoods indicate a relatively stagnant and softening housing market.*

Census tracts 17 and 18 in Central City and census tract 13 in the SNOOPS area experienced overall vacancy rates of approximately 15% in 2010. Between 2000 and 2010, overall vacancy rates decreased in the City, BEST, Little Italy, and census tract 18 of Central City. The following photos provide examples of vacant units in Little Italy.



The following figures provide additional information on the overall vacancy rates between 2000 and 2010.

**Figure 3-5
Overall Housing Vacancies, 2000-2010**

| | Total Housing Units | Total Vacant Units | |
|----------------------|---------------------|--------------------|-------|
| | | # | % |
| 2000 | | | |
| Pennsylvania | 5,249,750 | 472,747 | 9.0% |
| Erie County | 114,322 | 7,815 | 6.8% |
| Erie City | 44,971 | 4,033 | 9.0% |
| BEST - CT 4 | 1,220 | 192 | 15.7% |
| Little Italy - CT 12 | 1,293 | 250 | 19.3% |
| SNOOPS - CT 13 | 734 | 100 | 13.6% |
| Central City - CT 17 | 1,205 | 173 | 14.4% |
| Central City - CT 18 | 1,027 | 169 | 16.5% |
| 2010 | | | |
| Pennsylvania | 5,567,315 | 548,411 | 9.9% |
| Erie County | 119,138 | 8,725 | 7.3% |
| Erie City | 44,790 | 3,877 | 8.7% |
| BEST - CT 4 | 1,115 | 118 | 10.6% |
| Little Italy - CT 12 | 1,159 | 188 | 16.2% |
| SNOOPS - CT 13 | 663 | 96 | 14.5% |
| Central City - CT 17 | 1,139 | 174 | 15.3% |
| Central City - CT 18 | 934 | 141 | 15.1% |

Source: U.S. Census Bureau

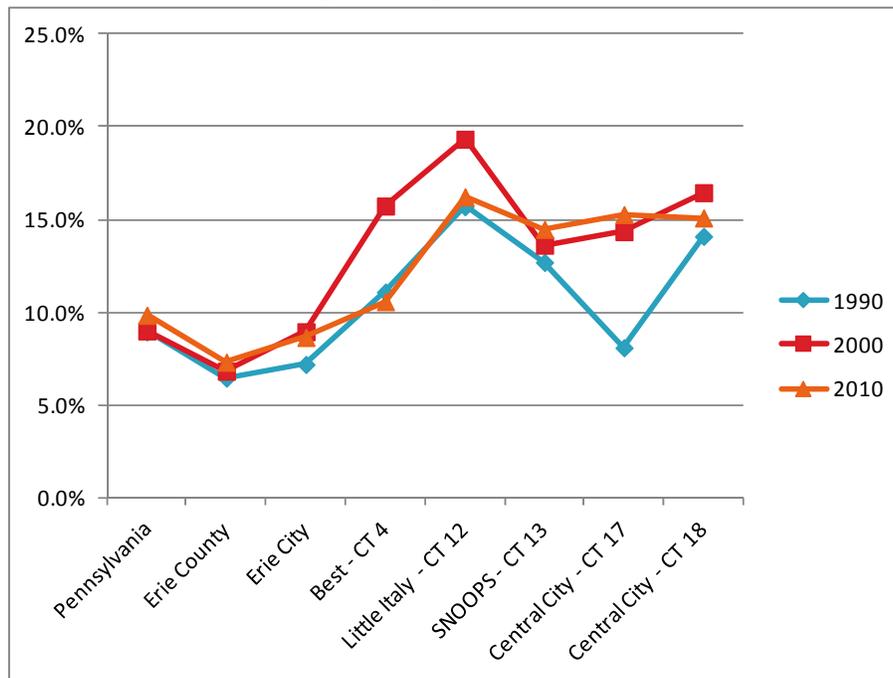
Notes: Total vacancy rate is calculated as the total number of vacant units divided by total housing units. Total vacancy rates, while calculated differently than rental or homeowner vacancy rates, can provide an indication of the increase or decrease in the total number of vacant housing units in a market.



Vacant Housing Units in Little Italy



**Figure 3-6
Housing Vacancy Trends, 1990-2010**



MARKET OBSERVATION: *High vacancy rates exert more downward pressure on home prices in both the short and long term. Rising vacancy rates also provide a disincentive to developers in wanting to create new market rate units within the neighborhood.*

Furthermore, developers would not be able to secure private financing to allow for the construction of new housing units. The likelihood of new, market rate units being developed in these neighborhoods would be difficult until the vacancy rates improve significantly. Until these conditions change, it is likely these areas will continue to qualify as LMI areas.

A softening housing market is further indicated by the relatively low number of new single-family building permits issued within the City’s NSP neighborhoods between 2009 and 2011. Almost 200 building permits were issued over the last three years in the City’s NSP neighborhoods. The majority of these permits, or 87%, were for additions or alterations to existing residential units. Only 26 of the 199 permits issued between 2009 and 2011 were for new single-family residential units. The majority of these 26 single-family units were affordable for lower income households.

The high number of residential building permits issued for additions and alterations to existing housing units indicates that property owners within the NSP neighborhoods are making investments in their homes, ultimately helping to improve neighborhood conditions. The following figure provides additional information on the building permits issued in the NSP neighborhoods.



**Figure 3-7
Single-Family Residential Building Permits Issued, 2009-2011**

| | 2009 | | 2010 | | 2011 | | Total |
|----------------------|----------|---------------------------------------------|----------|---------------------------------------------|----------|---------------------------------------------|------------|
| | 1-Family | Additions/ Alternations - Residential | 1-Family | Additions/ Alternations - Residential | 1-Family | Additions/ Alternations - Residential | |
| BEST - CT 4 | 2 | 5 | 2 | 18 | 2 | 18 | 47 |
| Little Italy - CT 12 | 4 | 12 | 2 | 13 | 2 | 13 | 46 |
| SNOOPS - CT 13 | 1 | 2 | 0 | 3 | 0 | 3 | 9 |
| Central City - CT 17 | 0 | 19 | 1 | 19 | 1 | 19 | 59 |
| Central City - CT 18 | 1 | 11 | 4 | 9 | 4 | 9 | 38 |
| TOTAL | 8 | 49 | 9 | 62 | 9 | 62 | 199 |

Source: City of Erie Bureau of Code Enforcement

In addition to the private housing market, there is a substantial amount of affordable public housing throughout the City of Erie. The Housing Authority of the City of Erie (HACE) manages a total of 2,139 units of public and affordable housing in the Erie. Most of the HACE's units are located in one of the City's 15 public and affordable housing developments, while an additional 343 of these homes are located at scattered sites throughout the City. As of December 2010, 2,079 units were occupied and 60 were vacant, representing a vacancy rate of 2.8%.

HACE's public housing stock offers a wide variety of unit types for different household types. However, households waiting for a one- and two-bedroom units account for over 80% of all public housing applicants compared to less than 15% of applicants who are waiting for a unit with three or more bedrooms.

HACE is also the administrator of the Section 8 Housing Choice Voucher program for the City of Erie. As of January 2011, there were 994 Section 8 voucher holders. These vouchers enable households to find rental apartments throughout the area and pay no more than 30% of their monthly income for rent. The demand for this housing assistance program is demonstrated by its lengthy waiting list of approximately 1,260.

In addition to the public and private housing markets, there is a substantial assisted housing inventory in the City of Erie. Privately-assisted housing is privately-owned but affordable due to the funding source used to develop the housing units. This type of subsidized housing differs from public housing that is owned by a government entity. Eligible resident households typically include those who are elderly (either 55 or 62 years of age or older), low income (80% of median income or less), or disabled. Financing for these affordable housing units typically comes from state and federal sources such as the Low Income Housing Tax Credit Program (LIHTC), the U.S. Department of Agriculture's Section 515 Program, and HUD's Section 202 (elderly), Section 811 (disabled), and Section 236 and Section 221 (d) (family) Programs.

HUD's Picture of Subsidized Households dataset contains records on the number of subsidized units by type for 2000 and 2008. Comparisons between the two years are based on an assumption of consistent data collection and reporting methods. HUD's records show an overall 20.4% increase in subsidized rental units in Erie. The largest increase was among Section 236 units, which grew 46.1%. Public housing units and Section 8 voucher holders also increased 22.8% and 10.8%, respectively. By comparison, other assisted multi-family units decreased by more than a third during this period.



**Figure 3-8
Subsidized Units by Type, 2000 and 2008**

| Number of Units | 2000 | 2008 | % Change |
|-------------------------------|--------------|--------------|--------------|
| Public Housing* | | | |
| Total | 1,430 | 1,852 | 29.5% |
| Assisted Housing | | | |
| LIHTC | 500 | 597 | 19.4% |
| Section 236 | 425 | 789 | 85.6% |
| Section 8 Voucher Holders | 931 | 1,044 | 12.1% |
| Other Assisted Multi-Family | 293 | 213 | -27.3% |
| Total Subsidized Units | 3,579 | 4,495 | 25.6% |

*HUD records classify properties differently than the local Housing Authority, resulting in figures that differ here from the public housing inventory described earlier in the AI. Additionally, some sites are classified different in 2000 than 2008.

Source: HUD Picture of Subsidized Households, 2000 and 2008

MARKET OBSERVATION: *Within the City’s NSP neighborhoods, there are almost 400 units of subsidized and assisted housing.*

The subsidized units include public housing units. The following figure provides a listing of subsidized housing units located within the various NSP neighborhoods.

**Figure 3-9
Assisted Housing Inventory in NSP Neighborhoods, 2010**

| Project Name/Address | Total Units | Subsidized Units | Elderly Units | Family Units | Accessible Units | General Units |
|----------------------------|-------------|------------------|---------------|--------------|------------------|---------------|
| Better Homes for Erie East | 20 | 0 | 0 | 20 | 0 | 0 |
| Better Homes for Erie West | 20 | 0 | 0 | 20 | 0 | 0 |
| Better Homes Old | 12 | 0 | 0 | 12 | 0 | 0 |
| Center City Apartments | 20 | 0 | 0 | 18 | 20 | 0 |
| Erie Independence House | 12 | 12 | 0 | 0 | 12 | 0 |
| Highpoint Towers | 132 | 132 | 132 | 0 | 0 | 0 |
| Independence House | 12 | 0 | 12 | 0 | 12 | 0 |
| Mid-City Towers | 132 | 132 | 132 | 0 | 0 | 0 |
| Poux Apartments | 10 | 10 | 0 | 0 | 0 | 10 |
| Saint Hedwig Apartments | 9 | 9 | 7 | 0 | 2 | 0 |
| Sharp Apartments | 10 | 0 | 0 | 8 | 2 | 0 |
| Stairways Gage Housing | 7 | 7 | 6 | 0 | 1 | 0 |
| Total | 396 | 302 | 289 | 78 | 49 | 10 |

Source: Pennsylvania Housing Finance Agency, 2010



B. Physical Condition of Housing

The age of a residential structure demonstrates the time the unit has been in the inventory and the duration of time over which substantial maintenance is necessary. The age threshold commonly used to signal a potential deficiency is represented by the year built with units that are 50 years old or over (i.e. built prior to 1960) used as the threshold. However, the age of a structure alone cannot be used to determine the condition of housing. Many older units are well-maintained. Older units, however, have a greater need for maintenance, including the replacement of expensive building systems. Newer housing units that have bigger rooms and modern amenities generally have higher sales values reflecting a preference for newer units. Geographic locations with a variety of new housing types are often more attractive to new households, but generally less affordable to lower income households.



New Tax Credit Development in Little Italy

MARKET OBSERVATION: The housing inventory in Erie is relatively old. Approximately 88% of housing units in the BEST neighborhood and in Little Italy, respectively, were built prior to 1960.

Almost three-quarters of the City's housing stock was built prior to 1960. By comparison, only about 7% of the City's housing stock was built during the last decade. The presence of older housing units and a lack of new housing units being built are trends that are also evident within the City's NSP neighborhoods. The number of housing units constructed since 2000 was minimal across the NSP neighborhoods. According to the US Census, no new housing units were built in the last decade within Central City, including both census tracts 17 and 18. According to City records, new housing units were building using funds from the Pennsylvania Housing Finance Agency in Central City. In addition, units built since 2000 attributed to between 2% and 4% of the housing stock in SNOOPS, Little Italy, and BEST. The following chart provides additional information on year structure built.



**Figure 3-10
Year Structure Built, 2010**

| | Pennsylvania | Erie County | Erie City | BEST - CT 4 | Little Italy - CT 12 | SNOOPS - CT 13 | Central City - CT 17 | Central City - CT 18 |
|---------------------|------------------|----------------|---------------|--------------|----------------------|----------------|----------------------|----------------------|
| Built 2000 or later | 384,203 | 6,692 | 1,163 | 27 | 46 | 24 | 0 | 0 |
| Built 1990-1999 | 516,857 | 11,060 | 1,068 | 16 | 0 | 34 | 18 | 0 |
| Built 1980-1989 | 547,902 | 9,968 | 1,741 | 38 | 0 | 42 | 28 | 0 |
| Built 1970-1979 | 709,691 | 17,403 | 4,057 | 10 | 9 | 33 | 43 | 60 |
| Built 1960-1969 | 557,650 | 11,912 | 3,766 | 49 | 94 | 19 | 108 | 91 |
| Built prior to 1960 | 2,821,005 | 61,630 | 33,377 | 1,043 | 1,045 | 564 | 1,057 | 886 |
| TOTAL UNITS | 5,537,308 | 118,665 | 45,172 | 1,183 | 1,194 | 716 | 1,254 | 1,037 |

Source: US Census Bureau, 2006-2010 ACS 5-year Estimates

Another variable used to identify housing condition is overcrowding, which is directly related to the wear and tear sustained by the residential structure. Occupancy at levels greater than one person per room (1.01) is used by the Census Bureau as the threshold for defining living conditions as substandard. Finally, a lack of complete plumbing facilities is identified as a variable with the sharing of facilities between households used as an index of deficient housing conditions.

MARKET OBSERVATION: Across the City of Erie and within the various NSP neighborhoods, more rental units than owner units were overcrowded in 2010.

Almost 2% of occupied housing units in the City of Erie were overcrowded. Among the 664 overcrowded units in the City, 55.7% were renter-occupied housing units. By comparison, over-occupancy rates were higher among the NSP neighborhoods, with the exception of Little Italy, or census tract 12. Overcrowded rates ranged from 7.5% in census tract 17 of Central City to 0.9% in Little Italy. In BEST, Little Italy, and SNOOPS, none of the owner-occupied housing units were over-crowded. The following figure provides over-occupancy statistics for 2010.

**Figure 3-11
Overcrowded Housing Units, 2010**

| | Pennsylvania | Erie County | Erie City | BEST - CT 4 | Little Italy - CT 12 | SNOOPS - CT 13 | Central City - CT 17 | Central City - CT 18 |
|----------------------------------|--------------|-------------|-------------|-------------|----------------------|----------------|----------------------|----------------------|
| Total Occupied Housing Units | 4,940,581 | 108,252 | 40,124 | 1,057 | 997 | 650 | 863 | 746 |
| Owner-Occupied Units | 3,508,612 | 74,895 | 22,185 | 369 | 318 | 276 | 444 | 339 |
| Overcrowded Units | 23,706 | 607 | 294 | 0 | 0 | 0 | 53 | 33 |
| Renter-Occupied Units | 1,431,969 | 33,357 | 17,939 | 688 | 679 | 374 | 419 | 407 |
| Overcrowded Units | 31,940 | 462 | 370 | 27 | 9 | 38 | 12 | 22 |
| Total Overcrowded Units | 55,646 | 1,069 | 664 | 27 | 9 | 38 | 65 | 55 |
| % of Total Occupied Units | 1.1% | 1.0% | 1.7% | 2.6% | 0.9% | 5.8% | 7.5% | 7.4% |

Source: US Census Bureau, 2006-2010 ACS 5-year Estimates

MARKET OBSERVATION: Only 0.5% of the occupied housing units in the City of Erie lacked complete plumbing facilities in 2010.

Among the City’s NSP neighborhoods, no housing units lacked complete plumbing facilities in BEST or Central City, including both census tracts 17 and 18. In contrast, almost 6% of housing units in Little Italy and over 5% of units in SNOOPS lacked complete plumbing. All of the units lacking complete plumbing in Little Italy were renter-occupied units. The following figure provides additional information on units lacking complete plumbing.

**Figure 3-12
Occupied Units Lacking Complete Plumbing Facilities, 2010**

| | Pennsylvania | Erie County | Erie City | BEST - CT 4 | Little Italy - CT 12 | SNOOPS - CT 13 | Central City - CT 17 | Central City - CT 18 |
|---------------------------------------|--------------|-------------|-------------|-------------|----------------------|----------------|----------------------|----------------------|
| Total Occupied Housing Units | 4,940,581 | 108,252 | 40,124 | 1,057 | 997 | 650 | 863 | 746 |
| Owner-Occupied Units | 3,508,612 | 74,895 | 22,185 | 369 | 318 | 276 | 444 | 339 |
| Lacking Complete Plumbing Facilities | 13,316 | 106 | 22 | 0 | 0 | 14 | 0 | 0 |
| Renter-Occupied Units | 1,431,969 | 33,357 | 17,939 | 688 | 679 | 374 | 419 | 407 |
| Lacking Complete Plumbing Facilities | 9,862 | 268 | 191 | 0 | 59 | 19 | 0 | 0 |
| Total Units Without Complete Plumbing | 23,178 | 374 | 213 | 0 | 59 | 33 | 0 | 0 |
| % of Total Occupied Units | 0.5% | 0.3% | 0.5% | 0.0% | 5.9% | 5.1% | 0.0% | 0.0% |

Source: US Census Bureau, 2006-2010 ACS 5-year Estimates

Locally, the City of Erie has adopted ordinances regulating property maintenance in both residential and commercial areas. The City is currently enforcing the 2009 International Property Maintenance Code, which was adopted in September 2009. The Property Maintenance Team responds to complaints regarding the upkeep of properties and regularly patrols the City to identify violations. When property maintenance violations are identified, enforcement action is taken. This may include warnings and Notices to Appear in Magisterial Court. When the City receives a complaint regarding a potential code enforcement violation, one of the City’s Code Enforcement Officers will perform an inspection of the property. If violations are observed, the owner/resident will be notified of the violations and instructed to correct the violation(s).

C. Housing Costs

Between 2006 and 2009 (the last full year for which data is available), the number of units sold fell 7.8%, from 915 to 844. As of November 15, 2010, only 651 units had been sold.

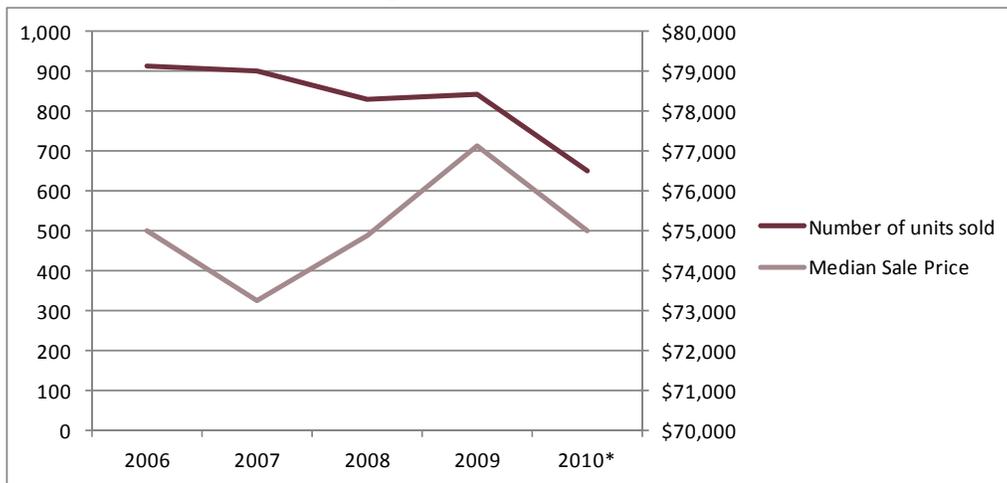
Since 2006, the median days a house is on a market increased from 41 to 50 days, while the median sales price remained relatively stagnant. After peaking at \$77,125 in 2009, median sales price decreased back to \$75,000 in 2010. Additionally, as shown on the chart below, since 2008, the median sales price has declined each year compared median list price.

**Figure 3-13
Citywide Housing Market Trends, 2006-2010**

| | 2006 | 2007 | 2008 | 2009 | 2010** |
|---------------------------------|----------|----------|----------|----------|----------|
| Single-Family Properties | | | | | |
| Number of Units Sold | 915 | 900 | 829 | 844 | 651 |
| Median Days on Market | 41 | 50 | 53 | 49 | 50 |
| Median List Price | \$78,000 | \$73,000 | \$75,000 | \$79,900 | \$79,900 |
| Median Sale Price | \$75,000 | \$73,250 | \$74,900 | \$77,125 | \$75,000 |
| MSP as % MLP* | 96% | 100% | 100% | 97% | 94% |

*Median Sales Price as a percent of Median List Price
 **2010 data reflects sales through November 15, 2010
 Source: Greater Erie Board of Realtors, Inc

**Figure 3-14
Housing Market Trends, 2006-2010**



Source: Greater Erie Board of Realtors
 Note: 2010 data reflects sales through November 15, 2010

MARKET OBSERVATION: *The softening of the housing market has decreased sales prices of homes and has led to homes taking longer to sell.*

According to more recent data available from Trulia.com, the NSP neighborhoods in Erie generally have properties with lower market values. Zip codes 16502, 16508, 16503, and 16504 (all within or directly around the NSP areas) represented some of the lowest listed median sales prices in the City. For example, zip code 16503 had the lowest median sales prices so far this year, with a median sales price of \$26,691.² In addition, there are approximately 329 homes currently for sale in and around the City's NSP areas (zip codes 16502, 16503, 16504, and 16508). Data available from Realtor.com reflected similar trends, with properties directly in or around the NSP neighborhoods being sold at much lower prices.

² Source: www.trulia.com; Note: Data is for homes sold through week ending May 9, 2012.



4. Demographic Profile of Residents

Population and household growth trends are a driving force of regional housing markets. Variables such as diversifying and expanding population, decreasing household size, new household formation, and migration determine housing demand. While demographics are not the only primary determining factor in future trends of a housing market, they are a key indicator of the size and nature of demand for housing. The following section includes a detailed demographic profile of the characteristics of residents living in Erie's NSP neighborhoods. Specific data on population, households, age, race and ethnicity, income, employment, poverty, education, public assistance, and housing tenure is featured throughout the demographic profile.

A. Population Trends

Unlike the State of Pennsylvania and Erie County, the City of Erie has experienced gradual population decline over the past two decades. Between 1990 and 2010, the City's population decreased by almost 7,000 residents, or 6.4%. Rates of population decline were even higher among the City's NSP neighborhoods. For example, the SNOOPS neighborhood, census tract 13, lost over a quarter of its population between 1990 and 2010. By comparison, census tract 17 in Central City experienced the lowest rate of population decline among the NSP neighborhoods at 8.1%.

**Figure 4-1
Population Trends, 1990-2010**

| | 1990 | 2000 | 2010 | % Change 1990-2010 |
|--------------------------|------------|------------|------------|-----------------------|
| Pennsylvania | 11,881,643 | 12,281,054 | 12,702,379 | 6.9% |
| Erie County | 275,572 | 280,843 | 280,566 | 1.8% |
| Erie City | 108,718 | 103,717 | 101,786 | -6.4% |
| NSP Neighborhoods | | | | |
| BEST - CT 4 | 3,003 | 2,909 | 2,696 | -10.2% |
| Little Italy - CT 12 | 2,931 | 2,728 | 2,509 | -14.4% |
| SNOOPS - CT 13 | 2,099 | 1,830 | 1,549 | -26.2% |
| Central City - CT 17 | 3,135 | 3,024 | 2,880 | -8.1% |
| Central City - CT 18 | 2,727 | 2,576 | 2,395 | -12.2% |

Source: U.S. Census Bureau

Most of the population lost during the last two decades has been among the White population in Erie. As a result, the City is becoming more racially and ethnically diverse. While the City's overall population has declined, the non-White minority population in Erie and within the majority of the City's various NSP neighborhoods has grown as a share of the total population. Between 1990 and 2010, Erie's minority population increased by almost 68%. Among the NSP neighborhoods, the minority population more than doubled in the BEST neighborhood (census tract 4) and Central City (census tract 17). The SNOOPS neighborhood was the only NSP neighborhood to experience a decline in its minority population, which decreased 26% over the same period. The following figure provides an overview of population trends by race and ethnicity between 1990 and 2010.



**Figure 4-2
Population by Race and Ethnicity, 1990-2010**

| | Total Population | Race | | | | | | Hispanic | |
|----------------------|------------------|------------|---------|-----------|---------|------------|---------|----------|---------|
| | | White | | Black | | Other Race | | Number | Percent |
| | | Number | Percent | Number | Percent | Number | Percent | | |
| 1990 | | | | | | | | | |
| Pennsylvania | 11,881,643 | 10,520,201 | 88.5% | 1,089,795 | 9.2% | 271,647 | 2.3% | 232,262 | 2.0% |
| Erie County | 275,572 | 257,879 | 93.6% | 14,304 | 5.2% | 3,389 | 1.2% | 3,364 | 1.2% |
| Erie City | 108,718 | 93,556 | 86.1% | 13,086 | 12.0% | 2,076 | 1.9% | 2,606 | 2.4% |
| BEST - CT 4 | 3,003 | 2,473 | 82.4% | 472 | 15.7% | 58 | 1.9% | 57 | 1.9% |
| Little Italy - CT 12 | 2,931 | 2,344 | 80.0% | 492 | 16.8% | 95 | 3.2% | 172 | 5.9% |
| SNOOPS - CT 13 | 2,099 | 603 | 28.7% | 1,397 | 66.6% | 99 | 4.7% | 132 | 6.3% |
| Central City - CT 17 | 3,135 | 2,464 | 78.6% | 599 | 19.1% | 72 | 2.3% | 107 | 3.4% |
| Central City - CT 18 | 2,727 | 1,189 | 43.6% | 1,459 | 53.5% | 79 | 2.9% | 113 | 4.1% |
| 2000 | | | | | | | | | |
| Pennsylvania | 12,281,054 | 10,484,203 | 85.4% | 1,224,612 | 10.0% | 572,239 | 4.7% | 394,088 | 3.2% |
| Erie County | 280,843 | 255,282 | 90.9% | 17,202 | 6.1% | 8,359 | 3.0% | 6,126 | 2.2% |
| Erie City | 103,717 | 83,550 | 80.6% | 14,724 | 14.2% | 5,443 | 5.2% | 4,572 | 4.4% |
| BEST - CT 4 | 2,909 | 2,255 | 77.5% | 525 | 18.0% | 129 | 4.4% | 116 | 4.0% |
| Little Italy - CT 12 | 2,728 | 1,878 | 68.8% | 526 | 19.3% | 324 | 11.9% | 356 | 13.0% |
| SNOOPS - CT 13 | 1,830 | 585 | 32.0% | 1,086 | 59.3% | 159 | 8.7% | 183 | 10.0% |
| Central City - CT 17 | 3,024 | 1,752 | 57.9% | 976 | 32.3% | 296 | 9.8% | 257 | 8.5% |
| Central City - CT 18 | 2,576 | 806 | 31.3% | 1,502 | 58.3% | 268 | 10.4% | 217 | 8.4% |
| 2010 | | | | | | | | | |
| Pennsylvania | 12,702,379 | 10,406,288 | 81.9% | 1,377,689 | 10.8% | 918,402 | 7.2% | 719,660 | 5.7% |
| Erie County | 280,566 | 247,569 | 88.2% | 20,155 | 7.2% | 12,842 | 4.6% | 9,518 | 3.4% |
| Erie City | 101,786 | 76,327 | 75.0% | 17,141 | 16.8% | 8,318 | 8.2% | 7,005 | 6.9% |
| BEST - CT 4 | 2,696 | 1,611 | 59.8% | 729 | 27.0% | 356 | 13.2% | 271 | 10.1% |
| Little Italy - CT 12 | 2,509 | 1,544 | 61.5% | 540 | 21.5% | 425 | 16.9% | 449 | 17.9% |
| SNOOPS - CT 13 | 1,549 | 446 | 28.8% | 891 | 57.5% | 212 | 13.7% | 192 | 12.4% |
| Central City - CT 17 | 2,880 | 1,398 | 48.5% | 1,047 | 36.4% | 435 | 15.1% | 391 | 13.6% |
| Central City - CT 18 | 2,395 | 711 | 29.7% | 1,189 | 49.6% | 495 | 20.7% | 220 | 9.2% |

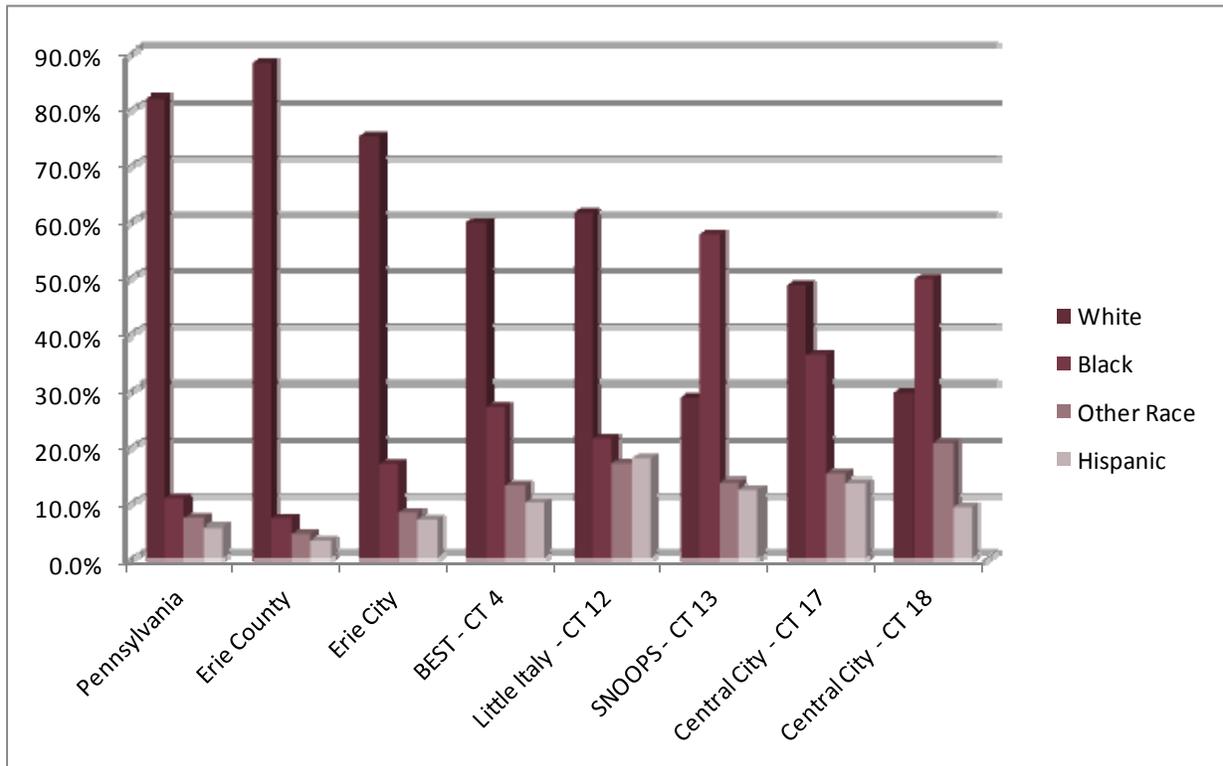
Source: US Census Bureau

Blacks remain the largest minority group and comprised over two-thirds of the City's non-White population in 2010. Among the City's NSP neighborhoods, SNOOPS (census tract 13) and census tract 18 of the Central City neighborhood contain a large concentration of Black residents. In 2010, over 57% of residents in SNOOPS were Black compared to almost half of the population in census tract 18.

The City's Hispanic population more than doubled from 1990 to 2010. Hispanic residents comprised 6.9% of Erie's population in 2010, compared to 2.4% in 1990. The City's NSP neighborhoods all contain a higher percentage of Hispanics than the City overall. The percentage of Hispanic residents ranges from a low of 9.2% in census tract 18 of the Central City neighborhood to a high of almost 18% in Little Italy, or census tract 12. The following figure highlights the race and ethnicity of residents in 2010.



**Figure 4-3
Population by Race and Ethnicity, 2010**



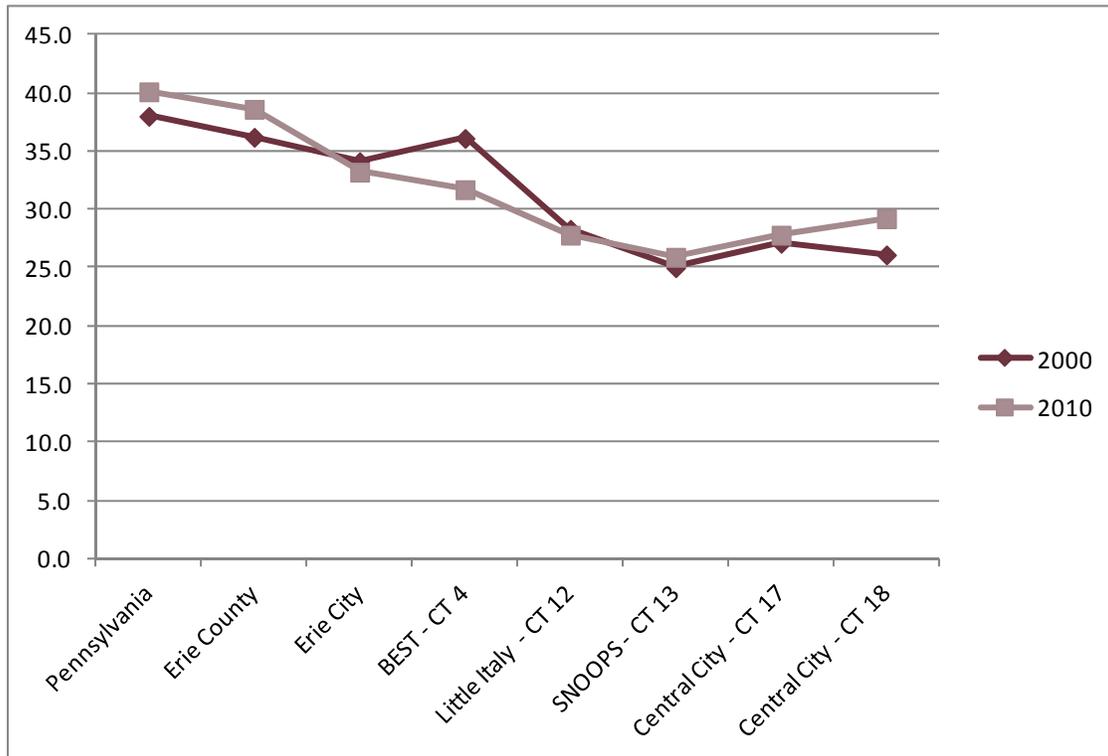
Source: U.S. Census Bureau

B. Trends in Age

Contrary to state and countywide trends, the median age of Erie residents has gotten younger over the last decade. The median age of a City resident in 2010 was 33.2. By comparison, it was 38.6 for all County residents and 40.1 across Pennsylvania. The median ages of residents living in Erie’s NSP neighborhoods were younger than the City’s overall median age of 33.2. Among the NSP neighborhoods, residents in the SNOOPS neighborhood (census tract 13) were the youngest, with a median age of 25.9. Residents in the BEST neighborhood (census tract 4) were the oldest, with a median age of 31.7. The following figure highlights trends in median age between 2000 and 2010.



**Figure 4-4
Trends in Median Age, 1990-2010**



Source: U.S. Census Bureau

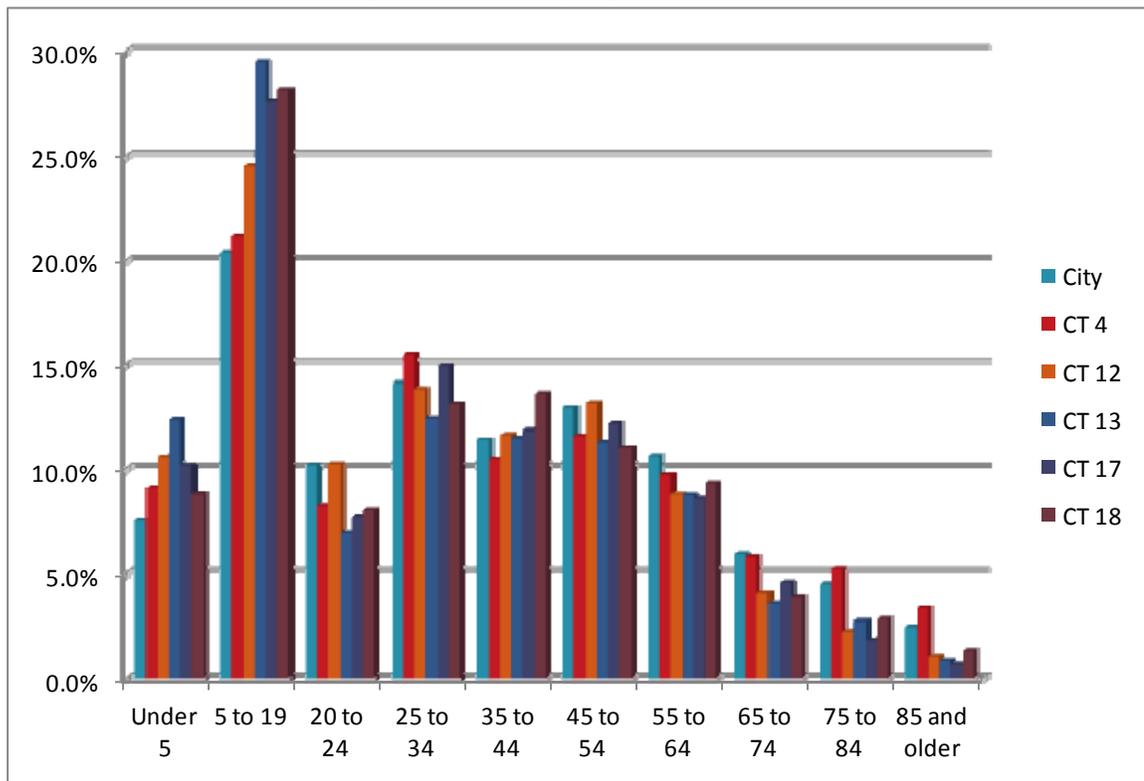
In 2010, the 44 and under age cohort represented almost 64% of the City of Erie's total population. By comparison, persons ages 44 and under represented over 70% of the total population in Little Italy (70.7%), SNOOPS (72.7%), and Central City, specifically census tracts 17 (72.2%) and 18 (71.6%).

Between 1990 and 2010, the following age cohorts experienced growth as a percentage of the citywide population: ages 20-24, ages 45-54, ages 55-64, and ages 85 and older. The majority of NSP neighborhoods experienced growth as a percentage of their respective total population in age cohorts 5-19, 45-54, and 85 and older.

The school age population, which includes ages 5 to 19, remained the largest age cohort in both the City of Erie and the various NSP neighborhoods between 1990 and 2010. In addition, the primary labor force age cohort has grown slightly over the past two decades, as a percentage of the total population. Persons between the ages of 25 and 54 comprise the majority of a region's labor force. In Erie, this labor force cohort represented 38.5% of the total population. Among the NSP neighborhoods, the labor force cohort represented 35.2% of the population in SNOOPS and almost 39% of the population in Central City, census tract 17. The following figure provides a summary of 2010 population statistics by age cohort for the City and the City's NSP neighborhoods.



**Figure 4-5
Percentage of Persons by Age Cohort, 2010**



Source: U.S. Census Bureau

C. Household Trends

Every household needs a dwelling. The Census Bureau defines “population” as “all people, male and female, child and adult, living in a given geographic area.” The term “household” is defined to include “all the people who occupy a housing unit.” The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated people who share living arrangements.

When describing housing markets and housing need, focusing the discussion on *households* is much more relevant and accurate because each household requires a dwelling unit while several people may comprise the same household and live in the same housing unit. In other words, calculating housing need on the basis of the number of households in a geographic area is much more accurate than calculating housing need based on the number of *persons*.

Between 1990 and 2010, the number of households declined both in the City and within Erie’s NSP neighborhoods. In contrast, the number of households increased in Erie County and across the state. In 2010, there were 40,913 households residing in the City of Erie, a decrease of almost 3% since 1990. Among the NSP neighborhoods, the SNOOPS neighborhood, census tract 13, experienced the highest percentage decrease in households over the past two decades, as the number of households declined over 22%. During the same period, the City’s BEST neighborhood, census tract 4, experienced the lowest amount of decline in number of households at 13%.



**Figure 4-6
Household Trends, 1990-2010**

| | 1990 | 2000 | Average Annual Change | Percent Change from 1990-2000 | 2010 | Average Annual Change | Percent Change from 2000-2010 |
|----------------------|-----------|-----------|-----------------------|-------------------------------|-----------|-----------------------|-------------------------------|
| Pennsylvania | 4,495,966 | 4,777,003 | 28,104 | 6% | 5,018,904 | 24,190 | 5% |
| Erie County | 101,564 | 106,507 | 494 | 5% | 110,413 | 391 | 4% |
| Erie City | 42,131 | 40,938 | -119 | -3% | 40,913 | -3 | 0% |
| BEST - CT 4 | 1,146 | 1,028 | -12 | -10% | 997 | -3 | -3% |
| Little Italy - CT 12 | 1,197 | 1,043 | -15 | -13% | 971 | -7 | -7% |
| SNOOPS - CT 13 | 728 | 634 | -9 | -13% | 567 | -7 | -11% |
| Central City - CT 17 | 1,130 | 1,032 | -10 | -9% | 965 | -7 | -6% |
| Central City - CT 18 | 948 | 858 | -9 | -9% | 793 | -7 | -8% |

Source: U.S. Census Bureau

Similar to trends relative to number of households, the average household size has decreased in the City of Erie and within the City's NSP neighborhoods. This trend is also evident at the county and statewide levels. In 2010, the average household size in the City of Erie was 2.36 persons, a decrease from 3.13 persons in 1990. Among the City's NSP neighborhoods, Central City, including census tracts 17 and 18, had the highest average household size of roughly three persons per household. The BEST neighborhood, census tract 4, had the lowest average household size at 2.48 persons per household. All of the NSP neighborhoods had an average household size above the citywide average.

**Figure 4-7
Average Household Size, 1990-2010**

| | 1990 | 2000 | 2010 |
|----------------------|------|------|------|
| Pennsylvania | 3.10 | 2.48 | 2.45 |
| Erie County | 3.16 | 2.51 | 2.42 |
| Erie City | 3.13 | 2.39 | 2.36 |
| BEST - CT 4 | 3.05 | 2.30 | 2.48 |
| Little Italy - CT 12 | 3.19 | 2.57 | 2.53 |
| SNOOPS - CT 13 | 3.52 | 2.89 | 2.73 |
| Central City - CT 17 | 3.32 | 2.93 | 2.98 |
| Central City - CT 18 | 3.38 | 2.99 | 3.01 |

Source: U.S. Census Bureau

In addition to decreasing household size, the composition of households is changing from traditional married-couple families to single-parent households and non-family households. Overall, households containing both a husband and a wife with children are declining while non-family households (in which the members of a household are not related to each other), single person households, and single-parent households are increasing as a percentage of the total population. The following figure provides a summary of trends in household type citywide and within the NSP neighborhoods from 1990-2010.



**Figure 4-8
Trends in Household Type, 1990-2010**

| | 1990 | | 2000 | | 2010 | |
|---------------------------------------|--------|--------|--------|--------|--------|--------|
| | # | % | # | % | # | % |
| Erie City | | | | | | |
| Total Households | 42,131 | 100.0% | 40,938 | 100.0% | 40,913 | 100.0% |
| Married Couple w/ Children | 8,476 | 20.1% | 6,633 | 16.2% | 5,360 | 13.1% |
| Single-Parent w/ Children | 5,120 | 12.2% | 5,331 | 13.0% | 6,671 | 16.3% |
| Married Couple w/o Children | 10,230 | 24.3% | 9,088 | 22.2% | 7,622 | 18.6% |
| Non-Family Households | 15,307 | 36.3% | 16,445 | 40.2% | 17,998 | 44.0% |
| BEST - Census Tract 4 | | | | | | |
| Total Households | 1,146 | 100.0% | 1,028 | 100.0% | 997 | 100.0% |
| Married Couple w/ Children | 171 | 14.9% | 110 | 10.7% | 98 | 9.8% |
| Single-Parent w/ Children | 194 | 16.9% | 182 | 17.7% | 236 | 23.7% |
| Married Couple w/o Children | 204 | 17.8% | 150 | 14.6% | 101 | 10.1% |
| Non-Family Households | 470 | 41.0% | 476 | 46.3% | 463 | 46.4% |
| Little Italy - Census Tract 12 | | | | | | |
| Total Households | 1,197 | 100.0% | 1,043 | 100.0% | 971 | 100.0% |
| Married Couple w/ Children | 157 | 13.1% | 152 | 14.6% | 99 | 10.2% |
| Single-Parent w/ Children | 250 | 20.9% | 216 | 20.7% | 250 | 25.7% |
| Married Couple w/o Children | 161 | 13.5% | 118 | 11.3% | 86 | 8.9% |
| Non-Family Households | 529 | 44.2% | 436 | 41.8% | 439 | 45.2% |
| SNOOPS - Census Tract 13 | | | | | | |
| Total Households | 728 | 100.0% | 634 | 100.0% | 567 | 100.0% |
| Married Couple w/ Children | 102 | 14.0% | 64 | 10.1% | 56 | 9.9% |
| Single-Parent w/ Children | 243 | 33.4% | 193 | 30.4% | 203 | 35.8% |
| Married Couple w/o Children | 88 | 12.1% | 66 | 10.4% | 43 | 7.6% |
| Non-Family Households | 230 | 31.6% | 212 | 33.4% | 206 | 36.3% |
| Central City - Census Tract 17 | | | | | | |
| Total Households | 1,130 | 100.0% | 1,032 | 100.0% | 965 | 100.0% |
| Married Couple w/ Children | 263 | 23.3% | 169 | 16.4% | 143 | 14.8% |
| Single-Parent w/ Children | 233 | 20.6% | 255 | 24.7% | 302 | 31.3% |
| Married Couple w/o Children | 207 | 18.3% | 171 | 16.6% | 135 | 14.0% |
| Non-Family Households | 340 | 30.1% | 309 | 29.9% | 286 | 29.6% |
| Central City - Census Tract 18 | | | | | | |
| Total Households | 948 | 100.0% | 858 | 100.0% | 793 | 100.0% |
| Married Couple w/ Children | 155 | 16.4% | 119 | 13.9% | 129 | 16.3% |
| Single-Parent w/ Children | 260 | 27.4% | 236 | 27.5% | 227 | 28.6% |
| Married Couple w/o Children | 158 | 16.7% | 130 | 15.2% | 77 | 9.7% |
| Non-Family Households | 271 | 28.6% | 254 | 29.6% | 258 | 32.5% |

Source: U.S. Census Bureau

Between 1990 and 2010, the number of married couple families with children in the City of Erie decreased from 8,476 to 5,360, representing just 13.1% of all households by 2010. In contrast, the number of single-parent households with children and non-family households increased by 30.3% and 17.6%, respectively, during the same period.



Within the City's NSP neighborhoods, single-parent households and non-family households make up the majority of the household population. Since 1990, both single-parent and non-family households have increased as a percentage of total households in BEST, Little Italy, SNOOPS, and census tract 18 of the Central City neighborhood. On the contrary, the percentage of non-family households in census tract 17 in Central City remained stable between 1990 and 2000 while single-parent households increased as a percentage of household population in this tract.

D. Housing Tenure

Between 2000 and 2010, the homeownership rate in the City decreased from 56.2% to 52.3%. Homeownership rates in the City's NSP neighborhoods have also decreased over the last decade. In fact, homeownership rates in BEST, Little Italy, SNOOPS, and Central City are lower than the citywide rate of 52.3%. Homeownership rates range from a high of 45.7% in census tract 17 in Central City to a low of 22.2% in Little Italy, or census tract 12. The following figure provides housing tenure statistics from 2000 to 2010.

**Figure 4-9
Housing Tenure, 2000-2010**

| | Housing Units | | Owner-Occupied Units | | Renter-Occupied Units | | Vacant Units | |
|----------------------|---------------|-----------|----------------------|----------|-----------------------|----------|--------------|-----------|
| | Total | Occupied | Number | Percent* | Number | Percent* | Number | Percent** |
| 2000 | | | | | | | | |
| Pennsylvania | 5,249,750 | 4,777,003 | 3,406,337 | 71.3% | 1,370,666 | 28.7% | 472,747 | 9.0% |
| Erie County | 114,322 | 106,507 | 73,729 | 69.2% | 32,778 | 30.8% | 7,815 | 6.8% |
| Erie City | 44,971 | 40,938 | 22,997 | 56.2% | 17,941 | 43.8% | 4,033 | 9.0% |
| BEST - CT 4 | 1,220 | 1,028 | 421 | 41.0% | 607 | 59.0% | 192 | 15.7% |
| Little Italy - CT 12 | 1,293 | 1,043 | 314 | 30.1% | 729 | 69.9% | 250 | 19.3% |
| SNOOPS - CT 13 | 734 | 634 | 204 | 32.2% | 430 | 67.8% | 100 | 13.6% |
| Central City - CT 17 | 1,205 | 1,032 | 536 | 51.9% | 496 | 48.1% | 173 | 14.4% |
| Central City - CT 18 | 1,027 | 858 | 378 | 44.1% | 480 | 55.9% | 169 | 16.5% |
| 2010 | | | | | | | | |
| Pennsylvania | 5,567,315 | 5,018,904 | 3,491,722 | 69.6% | 1,527,182 | 30.4% | 548,411 | 9.9% |
| Erie County | 119,138 | 110,413 | 73,847 | 66.9% | 36,566 | 33.1% | 8,725 | 7.3% |
| Erie City | 44,790 | 40,913 | 21,408 | 52.3% | 19,505 | 47.7% | 3,877 | 8.7% |
| BEST - CT 4 | 1,115 | 997 | 354 | 35.5% | 643 | 64.5% | 118 | 10.6% |
| Little Italy - CT 12 | 1,159 | 971 | 216 | 22.2% | 755 | 77.8% | 188 | 16.2% |
| SNOOPS - CT 13 | 663 | 567 | 157 | 27.7% | 410 | 72.3% | 96 | 14.5% |
| Central City - CT 17 | 1,139 | 965 | 441 | 45.7% | 524 | 54.3% | 174 | 15.3% |
| Central City - CT 18 | 934 | 793 | 351 | 44.3% | 442 | 55.7% | 141 | 15.1% |

Source: U.S. Census Bureau

*Calculated as a percent of total occupied units.

**Calculated as a percent of total units.

MARKET OBSERVATION: Homeownership rates have fallen across the City of Erie and within the NSP neighborhoods.



Since 2000, the number of vacant housing units in Erie decreased from 4,033 to 3,877. By 2010, vacant housing units represented less than 9% of the City’s total housing stock. However, vacancy rates were higher in the City’s NSP neighborhoods. In 2010, vacancy rates ranged from a high of 16.2% in Little Italy (census tract 12) to a low of 10.6% in the BEST neighborhood (census tract 4).

Characteristics of homeowners and renters by age of the householders include the following:

- The youngest households are predominantly renters.
- There are more renters than owners found among the 25-34 age cohort.
- By age 55, renter rates begin to fall significantly and continue decreasing as households age.
- Among the City’s NSP neighborhoods, homeownership rates are highest in the Central City, specifically census tracts 17 and 18 while rental rates are highest in Little Italy, census tract 12, and SNOOPS, census tract 13.

**Figure 4-10
Housing Tenure by Age of Householder, 2010**

| Age of Householder | City of Erie | | CT 4 - BEST | | CT 12 - Little Italy | | CT 13 - SNOOPS | | CT 17- Central City | | CT 18 - Central City | |
|--------------------|--------------|--------|-------------|--------|----------------------|--------|----------------|--------|---------------------|--------|----------------------|--------|
| | % Own | % Rent | % Own | % Rent | % Own | % Rent | % Own | % Rent | % Own | % Rent | % Own | % Rent |
| 15 to 24 | 0.7% | 7.2% | 0.3% | 7.6% | 0.5% | 10.0% | 0.5% | 9.0% | 0.8% | 6.2% | 0.8% | 4.8% |
| 25 to 34 | 6.3% | 11.4% | 4.1% | 19.8% | 1.4% | 17.6% | 2.5% | 16.4% | 5.4% | 14.9% | 4.5% | 12.4% |
| 35 to 44 | 8.5% | 7.5% | 4.8% | 12.7% | 3.5% | 14.8% | 4.1% | 16.6% | 8.4% | 11.9% | 6.9% | 15.8% |
| 45 to 54 | 11.2% | 8.0% | 8.3% | 12.2% | 4.7% | 17.2% | 6.0% | 14.1% | 10.9% | 10.1% | 9.2% | 10.5% |
| 55 to 64 | 11.4% | 5.6% | 6.8% | 7.3% | 5.0% | 11.2% | 7.1% | 8.8% | 9.8% | 6.8% | 11.0% | 7.3% |
| 65 to 74 | 6.7% | 3.2% | 5.4% | 3.1% | 2.8% | 4.6% | 2.3% | 4.8% | 6.7% | 2.8% | 4.7% | 3.0% |
| 75 to 84 | 5.2% | 2.7% | 3.8% | 1.3% | 3.0% | 1.9% | 4.4% | 2.3% | 2.7% | 0.8% | 5.2% | 1.0% |
| 85 and older | 2.2% | 2.0% | 1.9% | 0.4% | 1.2% | 0.4% | 0.9% | 0.4% | 0.9% | 0.7% | 2.0% | 1.0% |
| All Households | 52.3% | 47.7% | 35.5% | 64.5% | 22.2% | 78.8% | 27.7% | 72.3% | 45.7% | 54.3% | 44.3% | 55.7% |

Source: U.S. Census Bureau

In the City of Erie, White households were more likely to be homeowners than minority households. In addition, Black households had the highest rates of homeownership among all minorities across the City. By comparison, White households were more likely to be renters than owners in the following NSP neighborhoods: BEST, Little Italy, and SNOOPS. Homeownership and rental rates were fairly even in census tracts 17 and 18 in the Central City neighborhood. Among minority households in the City’s NSP areas, Black households had the highest rate of homeownership among all minorities. The following figure provides data on housing tenure by race and ethnicity.

**Figure 4-11
Housing Tenure by Race and Ethnicity, 2010**

| Race of Householder | City of Erie | | CT 4 - BEST | | CT 12 - Little Italy | | CT 13 - SNOOPS | | CT 17- Central City | | CT 18 - Central City | |
|------------------------|--------------|--------|-------------|--------|----------------------|--------|----------------|--------|---------------------|--------|----------------------|--------|
| | % Own | % Rent | % Own | % Rent | % Own | % Rent | % Own | % Rent | % Own | % Rent | % Own | % Rent |
| White | 46.4% | 34.5% | 26.4% | 40.2% | 18.0% | 52.0% | 10.6% | 22.8% | 28.0% | 28.4% | 18.0% | 18.0% |
| Black | 4.5% | 9.7% | 7.5% | 17.0% | 2.5% | 16.6% | 16.2% | 41.3% | 14.8% | 19.4% | 24.1% | 27.5% |
| AIAN | 0.1% | 0.2% | 0.1% | 0.1% | 0.2% | 0.7% | 0.0% | 0.4% | 0.0% | 0.2% | 0.1% | 0.1% |
| Asian/Pacific Islander | 0.3% | 0.7% | 0.3% | 2.0% | 0.2% | 1.0% | 0.4% | 1.9% | 0.4% | 1.8% | 0.4% | 6.4% |
| Some Other Race Alone | 0.6% | 1.2% | 0.9% | 2.0% | 0.6% | 4.5% | 0.4% | 3.4% | 1.6% | 2.5% | 1.1% | 1.3% |
| Two or More Races | 0.4% | 1.3% | 0.3% | 3.2% | 0.7% | 2.9% | 0.2% | 2.6% | 0.9% | 2.1% | 0.5% | 2.4% |
| Hispanic | 1.3% | 3.3% | 1.7% | 4.9% | 2.6% | 12.7% | 0.9% | 8.5% | 3.8% | 6.9% | 2.9% | 3.7% |

Source: U.S. Census Bureau

E. Income

Income represents the total funds available to a household. The Census defines income as the sum of the amounts reported separately for wages plus interest, dividends, or net rental or royalty income or income from estates and trusts; Social Security income; Supplemental Security Income; public assistance including general assistance and Temporary Assistance to Needy Families (TANF); retirement, survivor, and disability pensions; and, all other income. The term “real income” refers to income that has been adjusted for inflation.

Income trends can reveal the financial capacity of a region to support new housing construction, modernization of older housing units, and regular maintenance of existing units. Lower income households will have greater difficulty meeting the most basic of needs such as food and clothing, and generally have less disposable income to save toward a down payment to rent or purchase a home, or to make necessary repairs to an older housing unit.

Median household income (MHI) is often the benchmark against which housing affordability is measured. The median household income is the middle of the income range: one-half of all households in an area have an income higher than the median and the other half have an income lower than the median.

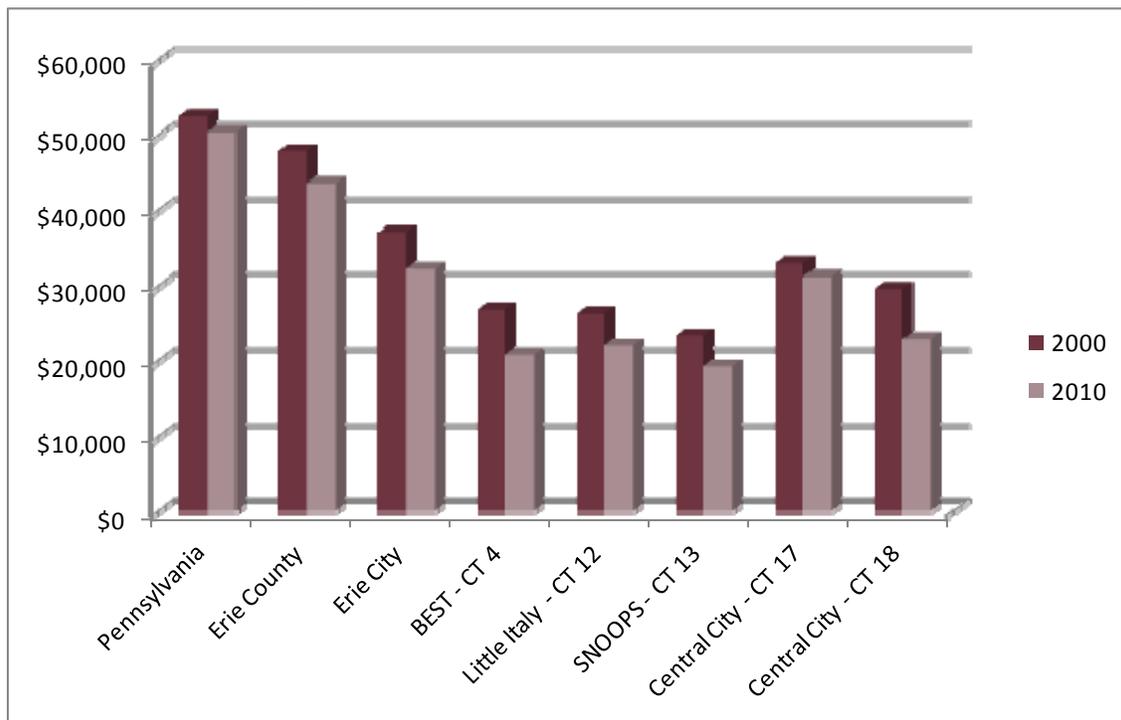
Household income levels are significantly higher across the state and county. The MHI in the City of Erie in 2000 was \$37,155. Similar to state and county trends, by 2010, the City’s MHI declined over 13% to \$32,218. Real median household income levels were even lower among the City’s NSP areas. The MHI declined by almost 23% in census tract 18, part of the Central City neighborhood, between 2000 and 2010. In contrast, the MHI only declined 5.4% in census tract 17, also part of Central City. Among the NSP neighborhoods in 2010, SNOOPS (census tract 13) had the lowest MHI at \$19,267. By comparison, census tract 17 in Central City had the highest MHI at \$31,208. The City’s NSP areas qualify as LMI areas. This trend is expected to continue over the next several years. The following figures provide additional information on real median household incomes in the City and NSP areas in 2000 and 2010.

Figure 4-12
Change in Real Median Household Income, 2000-2010

| | 2000 | | 2010 | | % Change 2000-2010 |
|----------------------|-------------------|-----------------|-------------------|-----------------|-----------------------|
| | Actual Dollars | 2010 Dollars | Actual Dollars | 2010 Dollars | |
| Pennsylvania | \$40,106 | \$52,493 | \$50,398 | \$50,398 | -4.0% |
| Erie County | \$36,627 | \$47,940 | \$43,595 | \$43,595 | -9.1% |
| Erie City | \$28,387 | \$37,155 | \$32,218 | \$32,218 | -13.3% |
| BEST - CT 4 | \$20,491 | \$26,820 | \$20,815 | \$20,815 | -22.4% |
| Little Italy - CT 12 | \$20,085 | \$26,288 | \$22,160 | \$22,160 | -15.7% |
| SNOOPS - CT 13 | \$17,944 | \$23,486 | \$19,267 | \$19,267 | -18.0% |
| Central City - CT 17 | \$25,199 | \$32,982 | \$31,208 | \$31,208 | -5.4% |
| Central City - CT 18 | \$22,650 | \$29,646 | \$22,981 | \$22,981 | -22.5% |

Source: US Census Bureau, 2000 Census; 2006-2010 5-year ACS Estimates

Figure 4-13
Change in Real Median Household Income, 2000-2010



Source: US Census Bureau, 2000 Census; 2006-2010 5-year ACS Estimates

In addition to wages and self-reported income, other sources of income include public assistance and Supplemental Security Income. Public assistance income includes general assistance and Temporary Assistance to Needy Families (TANF). In addition, Supplemental Security Income (SSI) is a nationwide



U.S. assistance program administered by the Social Security Administration that guarantees a minimum level of income for needy aged, blind, or disabled individuals.

The following figure provides information on the number of persons receiving public assistance and SSI. A larger percentage of residents in the City of Erie and within the City's NSP neighborhoods receive public assistance or SSI. In 2010, 2,702 City residents, or 6.7%, received public assistance income while an additional 3,764 residents, or 9.4%, received SSI. Among the City's NSP neighborhoods, the percentage of the total population receiving public assistance income ranged from a high of over 27% in census tract 18 to a low of 5.9% in census tract 17, both located in the Central City neighborhood. Almost 21% of residents in SNOOPS, census tract 13, and Central City, census tract 18, received SSI, compared to 7.5% of residents in Little Italy, census tract 12.

**Figure 4-14
Other Sources of Income, 2010**

| | Total Population | Persons w/ Public Assistance Income | | Persons w/ Supplemental Security Income | |
|----------------------|------------------|-------------------------------------|----------------|-----------------------------------------|----------------|
| | | # | % of Total Pop | # | % of Total Pop |
| Pennsylvania | 4,940,581 | 158,481 | 3.2% | 219,808 | 4.4% |
| Erie County | 108,252 | 4,468 | 4.1% | 6,488 | 6.0% |
| Erie City | 40,124 | 2,702 | 6.7% | 3,764 | 9.4% |
| BEST - CT 4 | 1,057 | 213 | 20.2% | 163 | 15.4% |
| Little Italy - CT 12 | 997 | 104 | 10.4% | 75 | 7.5% |
| SNOOPS - CT 13 | 650 | 102 | 15.7% | 133 | 20.5% |
| Central City - CT 17 | 863 | 51 | 5.9% | 153 | 17.7% |
| Central City - CT 18 | 746 | 203 | 27.2% | 154 | 20.6% |

Source: US Census Bureau, 2000 Census; 2006-2010 5-year ACS Estimates

In 2010, about one-third of all households in the City of Erie had incomes in the \$25,000-\$49,999 range and the \$50,000-\$99,999 range, respectively. In addition, 6.3% of all households in Erie earned incomes of \$100,000 or more while 18.1% of households earned less than \$15,000. When compared to citywide trends relative to the distribution of households by income level, trends were somewhat different within the City's NSP neighborhoods. For example, the NSP neighborhoods all had a higher percentage of households earning less than \$15,000 and \$15,000-\$24,999 than the City overall. Thus, a higher percentage of residents in these neighborhoods are lower income. The following figure provides a summary of the 2010 estimates for the distribution of households by income level in the City and among the NSP neighborhoods.



**Figure 4-15
Distribution of Households by Income, 2010**

| | Less than \$15,000 | \$15,000-\$24,999 | \$25,000-\$49,999 | \$50,000-\$99,999 | \$100,000 or more |
|----------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| Erie City | 18.1% | 13.8% | 29.8% | 31.9% | 6.3% |
| BEST- CT 4 | 25.7% | 21.0% | 28.9% | 20.8% | 3.6% |
| Little Italy - CT 12 | 32.4% | 21.2% | 31.6% | 12.7% | 2.1% |
| SNOOPS - CT 13 | 39.1% | 18.1% | 31.7% | 7.7% | 3.4% |
| Central City - CT 17 | 24.9% | 17.4% | 34.6% | 21.9% | 1.3% |
| Central City - CT 18 | 29.5% | 17.5% | 34.6% | 17.4% | 1.0% |

Source: ESRI; Calculations by Mullin & Lonergan Associates, Inc.

By 2015, the number of households is projected to remain relatively stable across the City of Erie and within the City’s NSP areas. Specifically, the number of households citywide is projected to decline 1.2% between 2010 and 2015. Within the City’s NSP neighborhoods, the number of households is projected to decline by a high of 2.7% in Little Italy (census tract 12) and 2% in SNOOPS (census tract 13). The number of households earning less than \$50,000 is projected to decline in the City and throughout the NSP neighborhoods. In contrast, the number of households earning \$50,000 or more is projected to increase citywide and in the NSP areas. The following figure provides 2010 estimates and 2015 projections on the number of households by income level.

**Figure 4-16
Distribution of Households by Income, 2010-2015**

| | Erie City | | BEST - CT 4 | | Little Italy - CT 12 | | SNOOPS - CT 13 | | Central City - CT 17 | | Central City - CT 18 | |
|-------------------------|---------------|---------------|-------------|------------|----------------------|------------|----------------|------------|----------------------|------------|----------------------|------------|
| | 2010 | 2015 | 2010 | 2015 | 2010 | 2015 | 2010 | 2015 | 2010 | 2015 | 2010 | 2015 |
| Less than \$15,000 | 7,164 | 6,490 | 246 | 222 | 310 | 286 | 233 | 223 | 238 | 219 | 234 | 214 |
| \$15,000-\$24,999 | 5,452 | 4,623 | 201 | 176 | 203 | 182 | 108 | 100 | 166 | 142 | 139 | 122 |
| \$25,000-\$34,999 | 5,615 | 4,540 | 165 | 148 | 135 | 117 | 134 | 117 | 178 | 149 | 138 | 118 |
| \$35,000-\$49,999 | 6,135 | 4,849 | 111 | 85 | 168 | 144 | 55 | 48 | 152 | 126 | 137 | 117 |
| \$50,000-\$74,999 | 7,341 | 9,167 | 117 | 154 | 101 | 143 | 30 | 47 | 155 | 213 | 86 | 125 |
| \$75,000-\$99,999 | 5,252 | 5,638 | 82 | 96 | 21 | 26 | 16 | 19 | 54 | 63 | 52 | 63 |
| \$100,000-\$149,999 | 1,859 | 2,772 | 30 | 46 | 14 | 26 | 5 | 7 | 0 | 0 | 8 | 15 |
| \$150,000 and higher | 657 | 925 | 4 | 6 | 6 | 8 | 15 | 23 | 12 | 19 | 0 | 0 |
| Total Households | 39,475 | 39,004 | 956 | 933 | 958 | 932 | 596 | 584 | 955 | 931 | 794 | 774 |

Source: ESRI; Calculations by Mullin & Lonergan Associates, Inc.

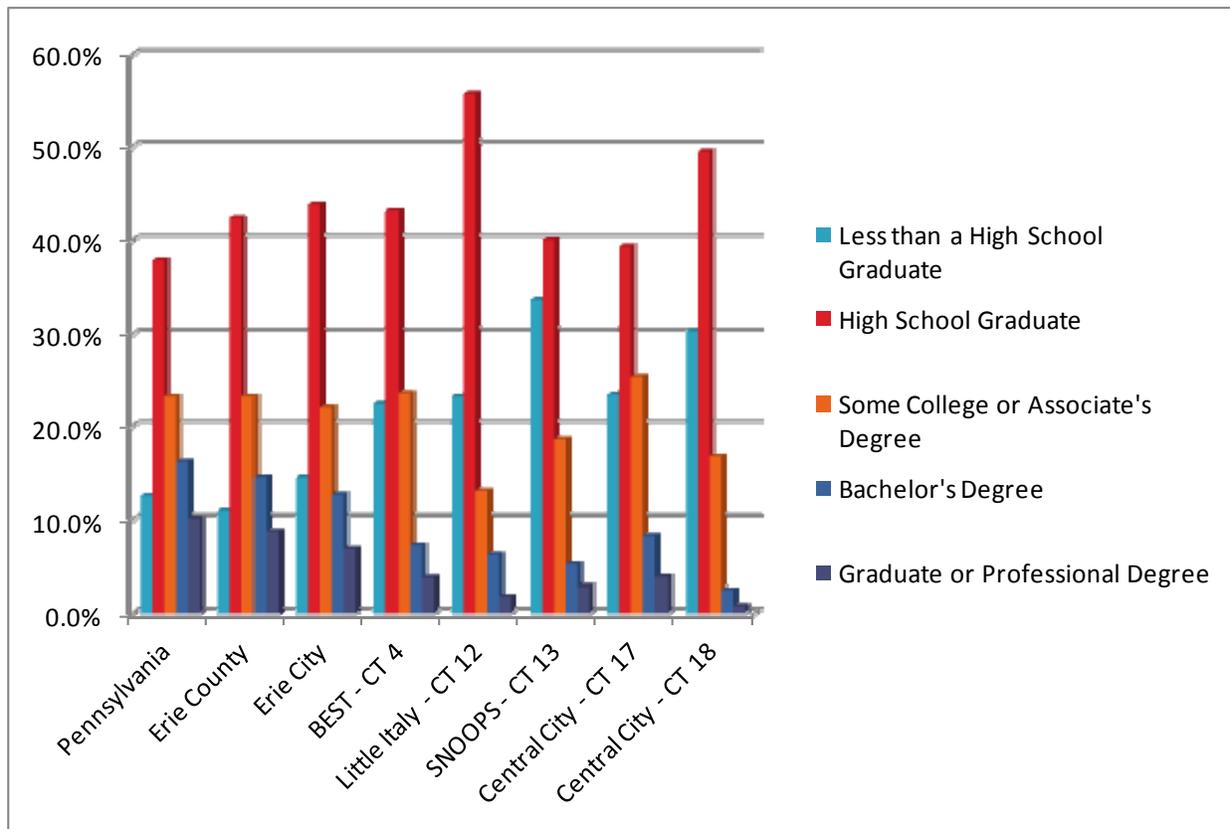
F. Educational Attainment

An educated workforce supports economic development. Decisions by employers regarding where to locate are based in part on the availability of a qualified workforce. The availability of a qualified workforce will support the location of jobs that require higher skills that are likely to pay higher wages. A higher-skilled, higher-wage workforce will have more housing options.

Typically, lower unemployment and higher earning capacity are associated with higher-educated individuals. The following figure illustrates the educational attainment levels of the population residing in the state, county, City of Erie, and the City’s various NSP neighborhoods.

In 2010, almost 15% of City residents did not have a high school diploma. Compared to the citywide rate, the percentage of residents without a high school diploma was higher in the NSP areas. Over 30% of residents in SNOOPS (census tract 13) and census tract 18 of Central City did not have a high school diploma. In addition, nearly one in four residents in BEST, Little Italy, and census tract 17 of Central City did not graduate from high school. Almost 13% of Erie residents had a bachelor's degree in 2010. By comparison, the percentages of residents with a bachelor's degree were considerably lower among the NSP neighborhoods. Only 2.5% of residents in census tract 18, Central City, had a bachelor's degree while over 8% of residents in census tract 17 had a bachelor's degree. Lower levels of educational attainment may be linked to lower median household incomes and higher unemployment levels of persons living in the City's various NSP areas.

Figure 4-17
Educational Attainment Levels, 2010



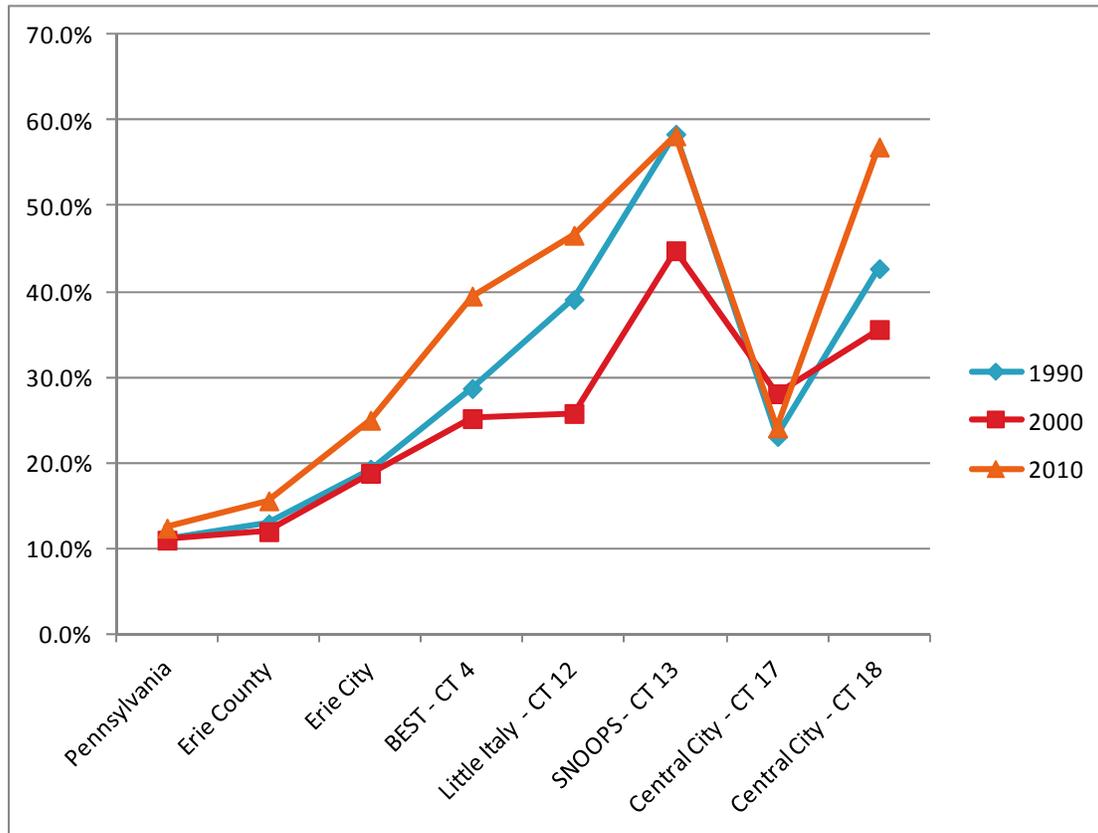
Source: US Census Bureau, 2006-2010 5-year ACS Estimates

G. Poverty

In 2010, the rate of poverty in the City of Erie was double the poverty rate for Pennsylvania. Between 1990 and 2010, the citywide poverty rate increased from 19.3% to 25%. Poverty rates were significantly higher in the City's NSP neighborhoods, with the exception of census tract 17 in Central City, where the poverty rate was 24%. By comparison, poverty rates ranged from 58.2% in SNOOPS (census tract 13) to 56.9% in census tract 18 to 46.6% in Little Italy to 39.5% in BEST. The following figure illustrates the differences in poverty rates among Erie's NSP neighborhoods and across the City, Erie County, and the state, including the increases in poverty rates in the City and several of the NSP neighborhoods over the last two decades.



Figure 4-18
Trends in Poverty Rates, 1990-2010



Source: US Census Bureau, 2006-2010 5-year ACS Estimates

H. Employment

Employment and economic trends are important to the understanding of the housing market because of the relationship between jobs, income, and housing. An area that is adding jobs attracts new households. Conversely, an area that is declining as an employment center might lose population and households over time. Trends in employment and wages impact housing demand and supply.

According to PNC Bank's Northwest PA Market Outlet for the Fourth Quarter of 2011, the regional economy of Northwest Pennsylvania remains ahead of the national recovery pace relative to jobs. While conditions have slowed since late 2010, manufacturing industry gains have led to sustained growth in service industry jobs through the third quarter of 2011. PNC Bank projects that Northwest PA's labor market recovery should continue into 2012, albeit at a slower pace than the past two years. Furthermore, the economy in Northwestern PA is projected to perform at a pace similar to that of the nation as a whole over the next two years.

While the labor force expanded throughout the State between 2000 and 2010, the civilian labor force declined in Erie County, the City of Erie, and within the City's NSP neighborhoods. Between 2000 and 2010, the City's labor force decreased from 48,667 to 47,323, a decline of 2.8%. Among the City's NSP neighborhoods, the labor force declined almost 29% in the SNOOPS neighborhood (census tract 13). In contrast, the labor force remained relatively stable in census tract 12, Little Italy, decreasing 1.2%.



Between 2000 and 2010, the City's overall unemployment rate increased from 8.1% to almost 10%. Compared to the City's unemployment rate of 9.9% in 2010, unemployment rates were higher among the City's NSP areas, ranging from a high of 22.4% in Central City (census tract 17) to a low of 11.9% in SNOOPS (census tract 13). The following figure provides a summary of the employment trends between 2000 and 2010.

**Figure 4-19
Civilian Labor Force, 2000-2010**

| | Civilian Labor Force | Total Employed | Total Unemployed | Unemployment Rate |
|----------------------|----------------------|----------------|------------------|-------------------|
| 2000 | | | | |
| Pennsylvania | 5,992,886 | 5,653,500 | 339,386 | 5.7% |
| Erie County | 137,337 | 129,325 | 8,012 | 5.8% |
| Erie City | 48,667 | 44,729 | 3,938 | 8.1% |
| BEST - CT 4 | 1,261 | 1,158 | 103 | 8.2% |
| Little Italy - CT 12 | 1,061 | 910 | 151 | 14.2% |
| SNOOPS - CT 13 | 734 | 587 | 147 | 20.0% |
| Central City - CT 17 | 1,255 | 1,051 | 204 | 16.3% |
| Central City - CT 18 | 936 | 836 | 100 | 10.7% |
| 2010 | | | | |
| Pennsylvania | 6,124,729 | 5,670,584 | 454,145 | 7.4% |
| Erie County | 133,004 | 122,415 | 10,589 | 8.0% |
| Erie City | 47,323 | 42,619 | 4,704 | 9.9% |
| BEST - CT 4 | 1,052 | 924 | 128 | 12.2% |
| Little Italy - CT 12 | 1,048 | 902 | 146 | 13.9% |
| SNOOPS - CT 13 | 523 | 461 | 62 | 11.9% |
| Central City - CT 17 | 1,185 | 919 | 266 | 22.4% |
| Central City - CT 18 | 736 | 663 | 73 | 9.9% |

Source: US Census Bureau, 2000 Census; 2006-2010 5-year ACS Estimates

Erie County's largest employers include the General Electric Company, UPMC Hamot Medical Center, Erie Indemnity Company, Saint Vincent Health Center, State government, the City of Erie School District, Wal-Mart, the federal government, Erie County government, and the Dr. Gertrude A. Barber Center, Inc.

The top employment sectors by industry in the City of Erie in 2010 were health care and social assistance, manufacturing, and retail trade. Health care and social assistance employs the highest number of persons in the City (7,872) and accounts for 17.9% of all jobs. Over 1,300 persons, almost 17% of those employed, worked in the manufacturing industry in 2010. Another 5,819 persons, or 13.2%, worked in retail trade.

Trends in employment by industry were similar among the City's NSP neighborhoods. The industries employing the most workers in 2010 included manufacturing, retail trade, health care and social assistance, and accommodation and food services. Over a quarter of those employed in the City's Central City neighborhood, including census tracts 17 and 18, respectively, worked in the manufacturing industry. Almost a quarter of those employed in census tract 13, the SNOOPS area, worked in retail trade.

**Figure 4-20
Employment by Industry, 2010**

| | Erie City | BEST - CT 4 | Little Italy - CT 12 | SNOOPS - CT 13 | Central City - CT 17 | Central City - CT 18 |
|----------------------------------------------------------|---------------|-------------|----------------------|----------------|----------------------|----------------------|
| Agriculture, forestry, fishing and hunting | 157 | 0 | 0 | 0 | 0 | 0 |
| Mining, quarrying, and oil and gas extraction | 30 | 0 | 0 | 0 | 9 | 0 |
| Construction | 1,446 | 71 | 29 | 0 | 19 | 68 |
| Manufacturing | 7,382 | 227 | 190 | 69 | 279 | 184 |
| Wholesale trade | 1,030 | 68 | 44 | 28 | 18 | 0 |
| Retail trade | 5,819 | 164 | 50 | 112 | 101 | 92 |
| Transportation and warehousing | 1,225 | 18 | 0 | 20 | 24 | 43 |
| Utilities | 238 | 0 | 0 | 0 | 0 | 0 |
| Information | 1,142 | 0 | 23 | 0 | 34 | 8 |
| Finance and insurance | 1,648 | 28 | 34 | 11 | 11 | 40 |
| Real estate and rental and leasing | 431 | 0 | 0 | 0 | 10 | 0 |
| Professional, scientific, and technical services | 1,153 | 29 | 6 | 0 | 18 | 0 |
| Management of companies and enterprises | 19 | 0 | 0 | 0 | 0 | 0 |
| Administrative and support and waste management services | 2,208 | 14 | 119 | 22 | 16 | 0 |
| Educational services | 3,835 | 47 | 35 | 52 | 58 | 54 |
| Health care and social assistance | 7,872 | 145 | 171 | 43 | 215 | 118 |
| Arts, entertainment, and recreation | 903 | 0 | 0 | 34 | 42 | 0 |
| Accommodation and food services | 3,759 | 47 | 115 | 83 | 26 | 0 |
| Other services, except public administration | 2,368 | 38 | 72 | 8 | 79 | 49 |
| Public administration | 1,417 | 54 | 35 | 0 | 11 | 23 |
| Total | 44,082 | 950 | 923 | 482 | 970 | 679 |

Source: U.S. Census Bureau 2006-2010 5-year ACS Estimates

I. Demographic Overview related to Local Housing Market

Demographic data has a direct correlation to the condition and overall health of the local housing market especially as it relates to residents' income, educational attainment, and poverty status. In the NSP areas, demographic trends would seem to indicate that the overall housing values in these areas are affordable to those persons living there and do not seem likely to increase significantly in value in the near future. This would be evident by the following demographic observations for these NSP areas:

- Between 1990 and 2010, there has been a 3% decline in the number of households in the NSP neighborhoods.
- Since 1990, the number of married coupled households with children has decreased in the NSP neighborhoods, while single parent and non-family households make up the majority of households in these areas of the City.
- Median family income, a benchmark for measuring housing affordability, has declined by 13% (\$32,218) in the City since 2000. Furthermore, the real median income in the NSP neighborhoods declined by an average of 16.8% (or \$23,286) since 2000 with the lowest being the Central City area (\$19,267). This is much lower than Erie County and the State of PA over the same period of time.
- Nearly 16% of NSP neighborhood households in 2010 received some form of public assistance income.
- In the NSP neighborhoods, nearly half (49.3%) of all households in 2010 earned less than \$25,000 per year.



- The percentage of households in the NSP neighborhoods that did not graduate from high school is significantly higher than the City as a whole.
- Poverty rates in the NSP neighborhoods were significantly higher when compared to the City as a whole in 2010. Twenty-five percent (25%) of all City of Erie residents were living in poverty in 2010. However, NSP neighborhoods poverty rates in 2010 averaged 45%.
- Unemployment rates in the NSP neighborhoods were higher in 2010 when compared to the City as a whole. The City's unemployment rate in 2010 was 9.9% while the NSP neighborhoods average unemployment rate in 2010 was 16%.



5. Household Projections

This section of the report includes an analysis of 2010 estimates and 2015 projections of households by income. Household projections by income group were obtained from the Environmental Systems Research Institute, Inc. (ESRI). The data is based on the 2000 Census but is updated annually by ESRI's demographers. The 2010 estimates and 2015 projections will be used to forecast potential demand for housing and overall projected growth in the City of Erie's NSP neighborhoods. This information will also add to the overall analysis in terms of the future affordability of the NSP neighborhoods. Figure 5-1 on the following page lists the projected change in the total number of households by income group between 2000 and 2015.

A. Household Projections by Income

Throughout the City of Erie, increases are projected to occur among higher income households while lower income households are projected to decline. By 2015, higher income households will outnumber lower income households by more than 2 to 1 in the City. Between 2010 and 2015, the number of households above 80% of median household income is projected to increase by more than 1,000 households citywide while the number of lower income households is projected to decline by more than 1,500 households.

Similar trends are evident among the City's NSP neighborhoods. Within the BEST neighborhood, the number of households above 80% of median is projected to increase by 26 households while the number of lower income households is projected to decline by 49 households between 2010 and 2015. Additionally, the number of households earning above 80% of median income is projected to increase by 19 households in Little Italy, census tract 12, and census tract 17 of Central City, respectively. Among the NSP neighborhoods, SNOOPS will experience the least amount of growth among households earning about 80% of median, as the number of upper income households will increase by 6 in this tract. Lower income households are projected to decline by 45 households in Little Italy, by 43 households in census tract 17 of Central City, by 37 households in census tract 18 of Central City, and by 18 households in SNOOPS.

The household projections provided by ESRI are consistent with Erie's population decline over the last few decades. Based on these household projections, there is fairly little demand for new affordable housing in the City of Erie and within the City's NSP neighborhoods. In addition, these household projections indicate that the housing values and the overall real estate market in the City, and within the NSP areas, will remain fairly stable over the next five years.

MARKET OBSERVATION: There will not be a significant increase or decline in housing prices in the NSP areas.



**Figure 5-1
Projected Change in Households by Income Category, 2000-2015**

| | 2000 Census | 2010 Estimate | 2015 Projection | Change from 2010 to 2015 | | Overall Change from 2000-2015 | |
|--------------------------------------------------------------------------|----------------|------------------|--------------------|-----------------------------|---------|----------------------------------|---------|
| | | | | Number | Percent | Number | Percent |
| Extremely Low & Very Low Income Households (0% to 65% of MHI) | | | | | | | |
| Erie City | 10,486 | 7,164 | 6,490 | -674 | -9.4% | -3,996 | -38.1% |
| Best - CT 4 | 423 | 246 | 222 | -24 | -9.8% | -201 | -47.5% |
| Little Italy - CT 12 | 406 | 310 | 286 | -24 | -7.7% | -120 | -29.6% |
| SNOOPS - CT 13 | 303 | 233 | 223 | -10 | -4.3% | -80 | -26.4% |
| Central City - CT 17 | 312 | 238 | 219 | -19 | -8.0% | -93 | -29.8% |
| Central City - CT 18 | 300 | 234 | 214 | -20 | -8.5% | -86 | -28.7% |
| Low Income Households (65% to 80% of MHI) | | | | | | | |
| Erie City | 7,497 | 5,452 | 4,623 | -829 | -15.2% | -2,874 | -38.3% |
| Best - CT 4 | 226 | 201 | 176 | -25 | -12.4% | -50 | -22.1% |
| Little Italy - CT 12 | 219 | 203 | 182 | -21 | -10.3% | -37 | -16.9% |
| SNOOPS - CT 13 | 140 | 108 | 100 | -8 | -7.4% | -40 | -28.6% |
| Central City - CT 17 | 202 | 166 | 142 | -24 | -14.5% | -60 | -29.7% |
| Central City - CT 18 | 181 | 139 | 122 | -17 | -12.2% | -59 | -32.6% |
| All Households up to 80% of MHI | | | | | | | |
| Erie City | 17,983 | 12,616 | 11,113 | -1,503 | -11.9% | -6,870 | -38.2% |
| Best - CT 4 | 649 | 447 | 398 | -49 | -11.0% | -251 | -38.7% |
| Little Italy - CT 12 | 625 | 513 | 468 | -45 | -8.8% | -157 | -25.1% |
| SNOOPS - CT 13 | 443 | 341 | 323 | -18 | -5.3% | -120 | -27.1% |
| Central City - CT 17 | 514 | 404 | 361 | -43 | -10.6% | -153 | -29.8% |
| Central City - CT 18 | 481 | 373 | 336 | -37 | -9.9% | -145 | -30.1% |
| All Households above 80% of MHI | | | | | | | |
| Erie City | 22,925 | 26,859 | 27,891 | 1,032 | 3.8% | 4,966 | 21.7% |
| Best - CT 4 | 423 | 509 | 535 | 26 | 5.1% | 112 | 26.5% |
| Little Italy - CT 12 | 421 | 445 | 464 | 19 | 4.3% | 43 | 10.2% |
| SNOOPS - CT 13 | 323 | 255 | 261 | 6 | 2.4% | -62 | -19.2% |
| Central City - CT 17 | 525 | 551 | 570 | 19 | 3.4% | 45 | 8.6% |
| Central City - CT 18 | 387 | 421 | 438 | 17 | 4.0% | 51 | 13.2% |

Source: U.S. Census Bureau; ESRI; Calculations by Mullin & Lonergan Associates, Inc.

B. Household Projections by Age

Between 2010 and 2015, the number of households in the following age cohorts is projected to increase citywide: ages 25-34, 55-64, and 65-74. On the contrary, projections indicate a decline in the number of households in age cohorts 15-24, 35-44, 45-54, 75-84, and 85 years and older. Within the City's NSP neighborhoods, similar trends are evident. Generally, the number of households in age cohorts 35-44, 55-



64, and 65-74 are expected to increase in the various NSP neighborhoods. BEST and Little Italy are the exception to this rule, as the number of householders between the ages of 35-44 is expected to decline. In addition, the household population of persons age 85 or older remains relatively stable and unchanged in the NSP areas between 2010 and 2015. The number of householders in age cohorts 15-24, 25-34, 45-54, and 75-84 are expected to decline in the NSP neighborhoods. The following figure provides 2010 estimates and 2015 projections for age of householders in the City of Erie and the NSP areas.

**Figure 5-2
Projected Change in Household by Age Group, 2010-2015**

| | Erie City | BEST - CT 4 | Little Italy - CT 12 | SNOOPS - CT 13 | Central City - CT 17 | Central City - CT 18 |
|-----------------------|---------------|-------------|----------------------|----------------|----------------------|----------------------|
| 2010 | | | | | | |
| 15 to 24 | 2,732 | 95 | 87 | 62 | 98 | 85 |
| 25 to 34 | 6,365 | 193 | 204 | 119 | 178 | 141 |
| 35 to 44 | 6,946 | 189 | 166 | 104 | 197 | 157 |
| 45 to 54 | 7,698 | 161 | 191 | 112 | 204 | 150 |
| 55 to 64 | 6,313 | 122 | 118 | 94 | 155 | 131 |
| 65 to 74 | 4,149 | 84 | 98 | 57 | 65 | 64 |
| 75 to 84 | 3,616 | 79 | 63 | 38 | 38 | 45 |
| 85 and older | 1,656 | 33 | 31 | 10 | 20 | 21 |
| All Households | 39,475 | 956 | 958 | 596 | 955 | 794 |
| 2015 | | | | | | |
| 15 to 24 | 2,463 | 84 | 78 | 55 | 85 | 69 |
| 25 to 34 | 6,429 | 177 | 202 | 128 | 191 | 152 |
| 35 to 44 | 6,387 | 183 | 153 | 92 | 178 | 142 |
| 45 to 54 | 6,818 | 148 | 168 | 86 | 171 | 131 |
| 55 to 64 | 6,988 | 138 | 122 | 117 | 172 | 137 |
| 65 to 74 | 5,040 | 93 | 118 | 64 | 83 | 86 |
| 75 to 84 | 3,247 | 77 | 61 | 32 | 33 | 35 |
| 85 and older | 1,632 | 33 | 30 | 10 | 18 | 22 |
| All Households | 39,004 | 933 | 932 | 584 | 931 | 774 |

Source: ESRI; Calculations by Mullin & Lonergan Associates, Inc.



6. Housing Affordability

This section of the housing market analysis includes an assessment of the affordability of the for-sale housing market in the City of Erie's various NSP neighborhoods. This section also provides an overview of current average conventional and FHA mortgage terms and provides evidence that the market will remain affordable for the foreseeable future.

A. Affordability

One method used to determine the inherent affordability of a housing market is to calculate the percentage of homes that could be purchased by households at the median income level.³ The median household income in the City of Erie was \$32,218 in 2010. With this income, a household could purchase a home selling for \$94,065, which is well above the median sales price of \$75,000 in 2010. This suggests that persons earning the median household income in Erie would be able to afford more than half of the homes on the market. The following assumptions were made to determine this affordability statistic:

- The mortgage was a 30-year fixed rate loan at a 5.0% interest rate,
- The buyer made a 10% down payment on the sales price,
- Principal, interest, taxes, and insurance (PITI) equaled no more than 30% of gross monthly income,
- Property taxes were assessed at the City's 2010 rate of 3.45687% of the property's assessed value, and
- There was no additional consumer debt (credit cards, loans, etc.).

Given these assumptions, a household would have to earn \$26,336 annually to afford a house selling at the median sales price of \$75,000. In 2010, households earning between 65% and 120% of median household income in Erie earned between \$20,942 and \$38,662. The following figure provides a summary of the incomes, monthly mortgage payments, and maximum affordable purchase prices for households earning between 65% and 120% of the median household income in Erie.

Additionally, households earning between 65% and 80% of MHI can afford a maximum purchase price of \$57,515 to \$73,180. The maximum affordable purchase price for households earning between 80% and 120% of median household income ranges from \$78,400 to \$114,960. This would seem to indicate that the majority of for sale housing units within the NSP neighborhoods would be affordable to households under 80% median income given the average purchase price in the NSP neighborhoods is under \$74,000.

³ Joe Light, "Last of the Red-Hot Markets," Money Magazine December 2007: 53-56.



**Figure 6-1
Housing Affordability by Income Level, 2010**

| % of Median Household Income | Income | Monthly Mortgage Payment | | | | Maximum Affordable Purchase Price |
|------------------------------------------|----------|-------------------------------|-------------------|-----------------------------|--------------------|-----------------------------------|
| | | Mortgage Principal & Interest | Real Estate Taxes | Homeowner's Insurance & PMI | Total PITI Payment | |
| 65% | \$20,942 | \$278 | \$166 | \$80 | \$524 | \$57,515 |
| 70% | \$22,553 | \$303 | \$181 | \$80 | \$564 | \$62,735 |
| 75% | \$24,164 | \$328 | \$196 | \$80 | \$604 | \$67,960 |
| 80% | \$25,774 | \$354 | \$211 | \$80 | \$645 | \$73,180 |
| 85% | \$27,385 | \$379 | \$226 | \$80 | \$685 | \$78,400 |
| 90% | \$28,996 | \$404 | \$241 | \$80 | \$725 | \$83,620 |
| 95% | \$30,607 | \$429 | \$256 | \$80 | \$765 | \$88,845 |
| 100% | \$32,218 | \$454 | \$271 | \$80 | \$805 | \$94,065 |
| 105% | \$33,829 | \$480 | \$286 | \$80 | \$846 | \$99,290 |
| 110% | \$35,440 | \$505 | \$301 | \$80 | \$886 | \$104,510 |
| 115% | \$37,051 | \$530 | \$316 | \$80 | \$926 | \$109,615 |
| 120% | \$38,662 | \$555 | \$331 | \$80 | \$966 | \$114,960 |
| 2010 Median Sales Price: \$75,000 | | | | | | |

Sources: 2006-2010 American Community Survey; Greater Erie Board of Realtors, Inc; Erie County Assesment Office; Calculations by Mullin & Lonergan Associates, Inc.

7. Conclusions

A. Meeting the HOME Program Presumed Benefit Standard for Affordability

As was stated in the Introductory section of this document, the purpose of this analysis was to determine if the current housing market in the NSP designated neighborhoods meet the Home Investment Partnerships Program (HOME) affordability regulations at 24 CFR 92.254(a)(5)(i)(B) for the City's NSP program. Specifically, this market study was undertaken to determine if housing units assisted with NSP1 funds can qualify under the presumed benefit section of the regulations to meet the resale restrictions of the NSP and HOME program during the period of affordability.

Various market observations that are contained in this analysis provide evidence that the Erie Housing Market is affordable and meets the requirements at 24 CFR 92.254(a)(5)(i)(B). These housing market observations include:

- All of the NSP neighborhoods are in areas of concentration of low to moderate income residents as defined by HUD.
- An overall vacancy rate of 8.7% was reported in 2010 in the City of Erie. Vacancy rates were higher within the City's NSP neighborhoods, ranging from a high of 16.2% in Little Italy to a low of 10.6% in BEST.
- The high overall vacancy rates in the City's NSP neighborhoods indicate a relatively stagnant and softening housing market.
- High vacancy rates exert more downward pressure on home prices in both the short and long term.
- Rising vacancy rates provide a disincentive to developers in wanting to create new market rate units within the neighborhood.
- Within the City's NSP neighborhoods, there are almost 400 units of subsidized and assisted housing.
- The housing inventory in Erie is relatively old. Approximately 88% of housing units in the BEST neighborhood and in Little Italy, respectively, were built prior to 1960.
- Across the City of Erie and within the various NSP neighborhoods, more rental units than owner units were overcrowded in 2010.
- Only 0.5% of the occupied housing units in the City of Erie lacked complete plumbing facilities in 2010.
- The overall softening of the housing market has decreased sales prices of homes and has led to homes taking longer to sell since 2008.
- Between 1990 and 2010 there has been a 3% decline in the number of households in the NSP neighborhoods.
- Since 1990, the number of married coupled households, with children, has decreased in the NSP neighborhoods, while single parent and non-family households make up the majority of households in these areas of the City.
- Median family income, a benchmark for measuring housing affordability, has declined by 13% (\$32,218) in the city since 2000. Furthermore, the real median in the NSP neighborhoods declined by an average of 16.8% (or \$23,286) since 2000 with the lowest being the Central City



area (\$19,267). This is much lower than Erie County and the State of PA over the same period of time.

- Nearly 16% of NSP neighborhood households in 2010 received some form of public assistance income.
- In the NSP neighborhoods, nearly half (49.3%) of all households in 2010 earned less than \$25,000 per year.
- The percentage of households in the NSP neighborhoods that did not graduate from high school is significantly higher than the city as a whole.
- Poverty rates in the NSP neighborhoods were significantly higher when compared to the City as a whole in 2010. 25% of all City of Erie residents were in poverty in 2010. However, NSP neighborhoods poverty rates in 2010 averaged 45%.
- Unemployment rates in the NSP neighborhoods were higher in 2010 when compared to the City as a whole. The City's unemployment rate in 2010 was 9.9% while the NSP neighborhoods average unemployment rate in 2010 was 16%.

Based on the above market observations, conditions exist in the NSP neighborhoods which meet the HOME regulatory requirements at 24 CFR 92.254(a)(5)(i)(B) for presumed benefit. Therefore, the City would not have to impose enforcement mechanisms, such as deed restrictions, on housing units assisted with NSP and/or HOME funds in the NSP neighborhoods over the next five years. The resale of NSP and or HOME assisted units in the NSP would be presumed benefit under the HOME regulations

