

Testimony for the Senate Urban Affairs and Housing Committee

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**The Impact of the Natural Gas Industry on Housing in North central
Pennsylvania**

Presented By:

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Good morning Chairman Yaw and members of the Senate Urban Affairs and Housing Committee. My name is Jim Meehan and I appreciate and thank you for the opportunity to speak with you today regarding some of the challenges to affordable housing currently facing our region.

I am the Regional Housing Coordinator for Futures Community Support Services and the Self Determination Housing Project of Pa. My region includes: Tioga, Bradford, Sullivan, Wyoming, Susquehanna and Lycoming counties. My job is to be the single point of contact between providers and developers of affordable/accessible housing and the agencies that serve the populations that need that housing – people with disabilities, older adults and consumers of home and community waiver services. The Self Determination Housing Project of Pa. is a statewide group and I am one of ten Regional Housing Coordinators. I am also on the Board of Directors of The Housing Alliance of Pennsylvania.

North Central Pennsylvania is a region that historically has had a shortage of affordable housing – especially for our most economically vulnerable citizens. In response we have developed a good network of groups and individuals who have worked hard to create programs that are designed to overcome barriers to affordable housing and meet the needs of our neighbors. The key component in many of the plans has involved engaging private landlords in partnerships such as Master Leasing and Eviction Prevention programs.

The past few years have presented us with new regional housing challenges that none of us could have anticipated. The arrival of the Natural Gas industry brought with it an influx of workers from other areas. These companies and workers were willing and able to pay rents that were up to twice the Fair Market Rents of this region. (Please see the attachments: 1. 2011 HUD Fair Market Rents for Bradford County. 2. Rental ads from the classified section of the Daily Review for 9/24/10)

This rapid re-adjustment of our rental market has had numerous ripple effects:

1. What was once a growing number of private landlords willing to partner with community groups to create affordable housing has shrunk to only a few.
2. Because of the ability to now receive higher rents many landlords have withdrawn from participation in HUD's sec 8 rental assistance program.
3. People who have been long term, good tenants have had their rents doubled upon renewal of their leases. That makes their current housing unaffordable.
4. Our regional homeless rate has increase by 20%. Small counties without homeless shelters historically use hotels as temporary housing resources. Hotels in our region are booked full with gas industry workers leaving some Homeless Assistance Programs with nothing to offer homeless individuals and families.
5. Agencies are not able to effectively use their housing allocations because there is not enough affordable housing available.

It's important to note that most regional housing professionals do not blame private landlords for this situation. We understand that they are business people and like other area businesses are responding as business people to what the current market is offering. But the reality of this housing market is having an unexpected effect on safety and quality of life issues for many of our citizens who are not fortunate enough to be deriving any financial benefit from the Marcellus Play.

The following are examples of some of the situations that are occurring as a consequence of our current housing market.

- Lycoming Housing Authority reports that they are \$160,000 under budget because people who are awarded Sec 8 housing vouchers are increasingly not able to find landlords in the community to accept those vouchers. Under budget means their funding will be reduced next year. Under budget means people do not have housing.

- Domestic Violence Centers report that victims of Domestic Violence are returning to abusive homes because they cannot find affordable housing alternatives in the community.
- Older Adults with serious medical issues can receive Nursing Home Transition Waiver services in the community but as the supply of affordable housing decreases their other option is placement in a Nursing Home. Each Nursing Home Transition consumer in the community saves the State \$43,000 annually in Nursing Home costs.
- Bradford County Children Services reports a 10% increase in placements due to safety issues for children because the families are not able to find safe, affordable housing. These are not otherwise abusive or neglectful families. They are victims of the housing market.

In Pennsylvania we have numerous programs in place to be a safety net for children, people with disabilities and older adults. Historically these programs have been effective in helping our fellow citizens and have been, in many cases, proven to be cost savers for the state.

Affordable housing is a key component in the effectiveness of these programs. The serious lack of affordable housing in the “Marcellus Counties” diminishes the effective use of state monies and has negative consequences for the safety and quality of life of many of our citizens.

When people discuss the effects of the Marcellus Play, housing should be as much a part of the agenda as environmental, infrastructure and employment issues. Safe, affordable housing is the cornerstone of the sound base needed for both families and communities to prosper.

Thank you for the opportunity to address some of our regional housing concerns with this Committee.

