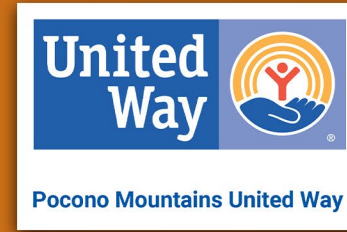




# **MORE FRONT DOORS:** **THE POCONO HOUSING SUMMIT**



## **"Housing: The Backbone of a Community's Ecosystem"**

**Keynote Speaker**

**Ira Goldstein, PhD**

*Senior Advisor, Policy Solutions  
Reinvestment Fund*





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# More Front Doors: The Pocono Housing Summit

November 20, 2024



# About Reinvestment Fund

- We are a national mission-driven financial institution that creates opportunity for underserved people and places through partnerships. We marshal the capital, analytics, and expertise necessary to build strong, healthy, and more equitable communities.
- Since 1985, Reinvestment Fund has made **\$3.2 billion** in cumulative investments and loans.
- We are supported by **830 investors** that include individuals, foundations, religious institutions, financial institutions, civic organizations and government.

## How we work:



Lending & Investing



Capacity Building & Capital Access Programs



Policy Solutions



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## Why Housing?

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# Housing is both a commodity, industry and sector quite unlike any other

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## *We expect so much of housing:*

- Shelter
- Foundational for family stability
- Vehicle through which (multi-generational) wealth is created
- Critical component of neighborhood vitality
- Foundation for opportunity
- Job creation / good wages
- Job training
- Economic development

## *And yet,*

- It needs to be Fair
- It needs to be affordable
- It needs to be high-quality
- It needs to be positive for the environment
- Access to it serves as a safety net for the poorest and most fragile populations

## Notwithstanding all of that:

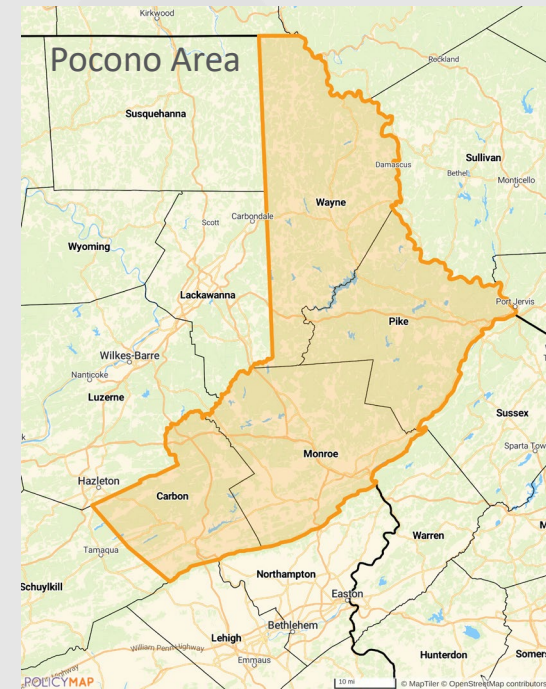
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- The production, rehabilitation, financing, regulation, and maintenance remains highly ***fragmented***.
- Components of the system are ***woefully underfunded and understaffed*** (e.g., local code enforcement, zoning and land use, historic preservation).
- There really is ***no overall housing policy***;
  - Especially from the federal government; but also to a degree, the state and local governments.
- Much of what passes for housing policy is ***a set of financing tools, subsidy streams, and financial vehicles*** around which there is a coalescence of interests – which come together to form “policy.”

***This is not a foundation on which we can address the national (state and local) housing crisis we now face)***

# Pocono Area Population, Housing and Economic Profile

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# Nationally, “residential fixed investment” contributes about 4% to the nation’s GDP; housing services about another 12%\*

*In the Poconos, all construction is about 3%# of the combined GDP  
- within the general range of the national figure*

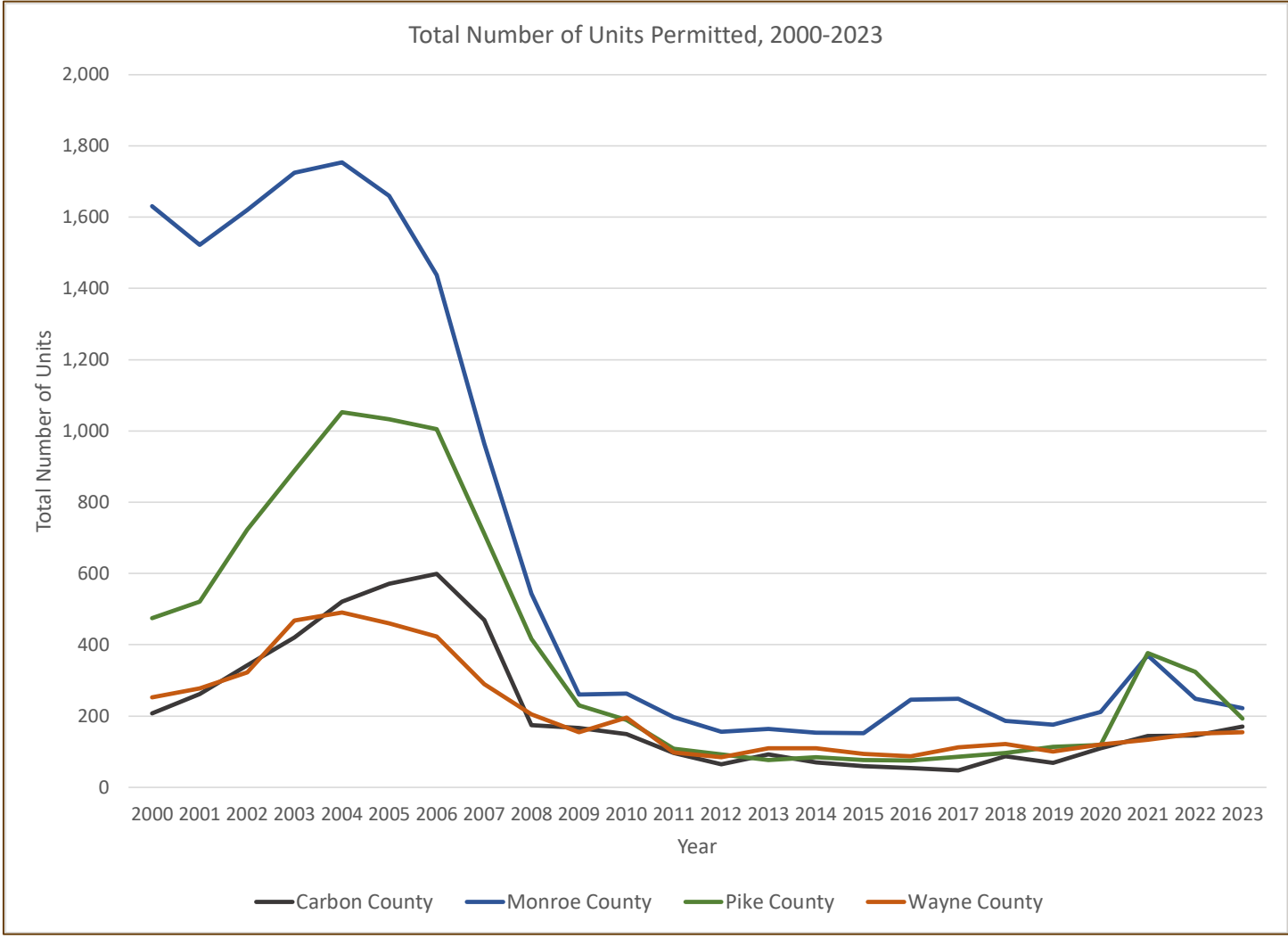
|                            | Monroe      |                      |                      | Pike        |                      |         | Carbon      |                      |         | Wayne       |                      |         |
|----------------------------|-------------|----------------------|----------------------|-------------|----------------------|---------|-------------|----------------------|---------|-------------|----------------------|---------|
|                            | GDP (\$000) | Construction (\$000) | Percent              | GDP (\$000) | Construction (\$000) | Percent | GDP (\$000) | Construction (\$000) | Percent | GDP (\$000) | Construction (\$000) | Percent |
| 2017                       | 7,597,383   | 201,211              | 2.6%                 | 1,385,421   | 67,079               | 4.8%    | 2,460,488   | 67,634               | 2.7%    | 1,797,595   | 131,051              | 7.3%    |
| 2018                       | 7,669,423   | 200,672              | 2.6%                 | 1,384,558   | 65,509               | 4.7%    | 2,540,311   | 63,597               | 2.5%    | 1,830,129   | 141,794              | 7.7%    |
| 2019                       | 8,263,470   | 209,691              | 2.5%                 | 1,409,587   | NA                   | NA      | 2,742,701   | 65,564               | 2.4%    | 1,873,582   | 135,536              | 7.2%    |
| 2020                       | 7,897,182   | 180,134              | 2.3%                 | 1,416,488   | NA                   | NA      | 2,546,008   | 64,883               | 2.5%    | 1,871,568   | 116,572              | 6.2%    |
| 2021                       | 8,360,429   | 193,508              | 2.3%                 | 1,387,426   | NA                   | NA      | 2,546,627   | 67,756               | 2.7%    | 1,885,326   | 117,234              | 6.2%    |
| 2022                       | 8,325,939   | 181,033              | 2.2%                 | 1,398,020   | NA                   | NA      | 2,480,417   | 55,777               | 2.2%    | 1,872,874   | 113,643              | 6.1%    |
| Poconos Combined (Ex Pike) |             |                      |                      |             |                      |         |             |                      |         |             |                      |         |
|                            |             | GDP (\$000)          | Construction (\$000) | Percent     |                      |         |             |                      |         |             |                      |         |
| 2017                       |             | 11,855,466           | 399,896              | 3.4%        |                      |         |             |                      |         |             |                      |         |
| 2018                       |             | 12,039,863           | 406,063              | 3.4%        |                      |         |             |                      |         |             |                      |         |
| 2019                       |             | 12,879,753           | 410,791              | 3.2%        |                      |         |             |                      |         |             |                      |         |
| 2020                       |             | 12,314,758           | 361,589              | 2.9%        |                      |         |             |                      |         |             |                      |         |
| 2021                       |             | 12,792,382           | 378,498              | 3.0%        |                      |         |             |                      |         |             |                      |         |
|                            | US (2022)   | 22,034,828           | 839,967              | 2022        | [In Millions]        |         |             |                      |         |             |                      |         |

\* National figures from <https://www.nahb.org/news-and-economics/housing-economics/housings-economic-impact/housings-contribution-to-gross-domestic-product>

# Reinvestment Fund computation from U.S. Bureau of Economic Analysis, "[SAGDP9N Real GDP by state](#)" (accessed Friday, November 15, 2024).



# The building “boom” of the early 2000s subsided by 2010. The area experienced a small temporary bump up in Monroe and Pike circa 2020



Source: [www.census.gov/library/visualizations/interactive/bps-new-privately-owned-housing-unit-authorizations.html](http://www.census.gov/library/visualizations/interactive/bps-new-privately-owned-housing-unit-authorizations.html)



Notwithstanding the relative stability of the population and housing stock, like much of the country, the Pocono Area is missing nearly 1,800 housing units\*

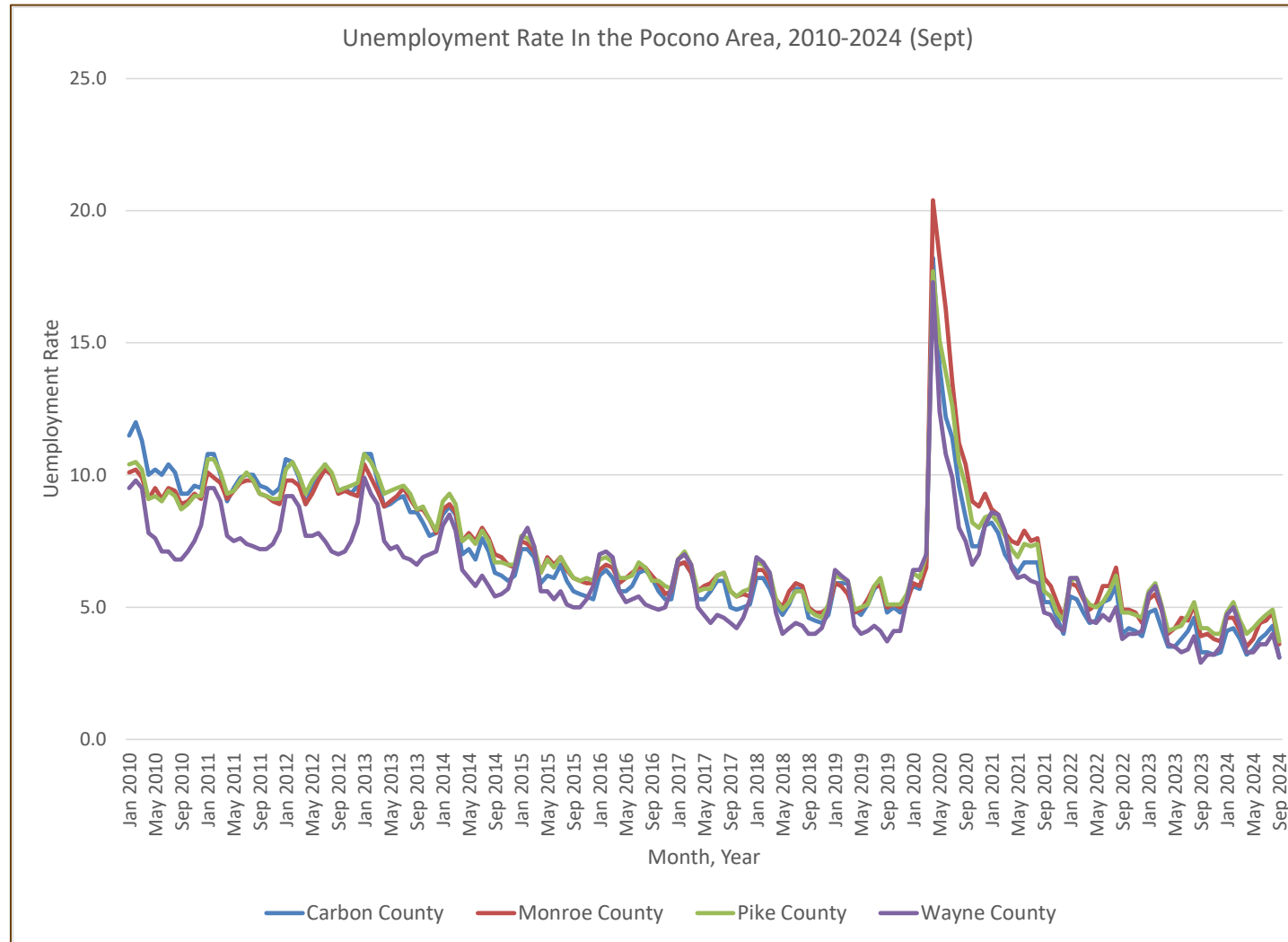
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Based on the “normal market” vacancy rates, we estimate that ***the Pocono Area (less Carbon) is short approximately 860 owner units and 900 renter units.*** Most of that shortage (nearly 1,200 units) is in Monroe County.

But aside from the raw number needed, it is important to ***understand the need as differentiated by general location, tenure (owner/renter) and price points (for sale, and rent).***

\* This estimate excludes Carbon County as there is insufficient information upon which to estimate. Also excluded from the estimation procedure are homes “vacant for seasonal, recreational or occasional use.”

# Unemployment rates are well off their COVID-era peaks and a relatively high proportion of workers are working



Source: Bureau of Labor Statistics



# The Pocono Area is dominated by employment in the Service Industry “supersector”; a substantial proportion of that employment is in Hospitality and Leisure

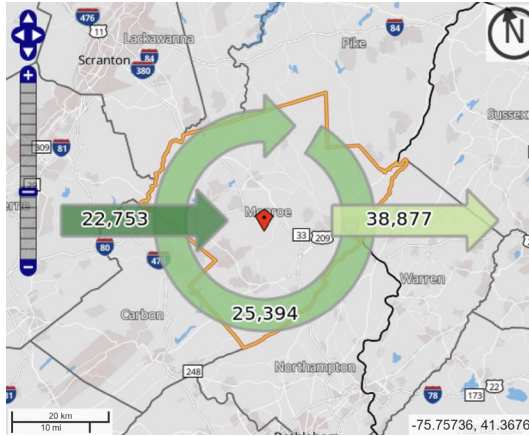
| Q1, 2024                          | Carbon County | Monroe County | Pike County  | Wayne County |
|-----------------------------------|---------------|---------------|--------------|--------------|
| Total Private Employment          | 14,272        | 46,260        | 9,250        | 11,551       |
| Total Service Employment          | 12,253        | 39,401        | 8,538        | 9,663        |
| Percent Service                   | <b>85.9%</b>  | <b>85.2%</b>  | <b>92.3%</b> | <b>83.7%</b> |
| <b>Leisure &amp; Hospitality</b>  | <b>3,638</b>  | <b>11,110</b> | <b>2,370</b> | <b>1,578</b> |
| <b>% L&amp;H (of all Service)</b> | <b>29.7%</b>  | <b>28.2%</b>  | <b>27.8%</b> | <b>16.3%</b> |
| Total Goods Producing             | 2,019         | 6,859         | 712          | 1,188        |
| Percent Goods Producing           | 14.1%         | 14.8%         | 7.7%         | 10.3%        |

| 2021              | Carbon County | Monroe County | Pike County | Wayne County |
|-------------------|---------------|---------------|-------------|--------------|
| Number of Workers | 28,646        | 64,271        | 22,363      | 21,456       |
| Age               |               |               |             |              |
| <= 29             | 20.7%         | 22.9%         | 21.0%       | 20.9%        |
| 30-54             | 51.7%         | 49.2%         | 49.2%       | 49.5%        |
| >= 55             | 27.6%         | 27.9%         | 29.8%       | 29.6%        |
| Income            |               |               |             |              |
| <= \$1250/mo      | 19.4%         | 20.0%         | 21.7%       | 19.9%        |
| \$1251-\$3333/mo  | 28.9%         | 30.3%         | 30.9%       | 32.8%        |
| >= \$3333/mo      | 51.7%         | 49.7%         | 47.5%       | 47.3%        |
| Race              |               |               |             |              |
| % White           | 94.6%         | 79.3%         | 87.8%       | 93.6%        |
| % Black           | 3.1%          | 15.4%         | 7.7%        | 3.7%         |
| Ethnicity         |               |               |             |              |
| % Hispanic        | 5.5%          | 14.9%         | 10.6%       | 4.8%         |
| Education         |               |               |             |              |
| % < HS Degree     | 9.8%          | 12.4%         | 11.3%       | 9.8%         |
| % HS Degree/GED   | 31.6%         | 29.2%         | 29.2%       | 32.7%        |
| % Some college+   | 58.5%         | 58.4%         | 59.5%       | 57.4%        |

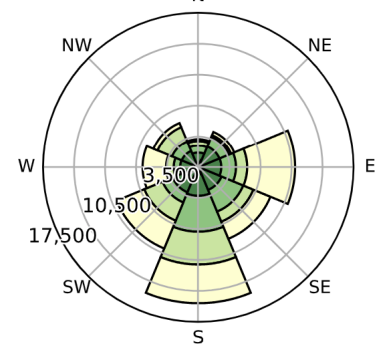
*Monroe and Pike Counties have an elevated share of workers without a HS degree*

Source: <https://data.bls.gov/maps/cew/us> (employment sector) & <https://onthemap.ces.census.gov/> (worker characteristics)

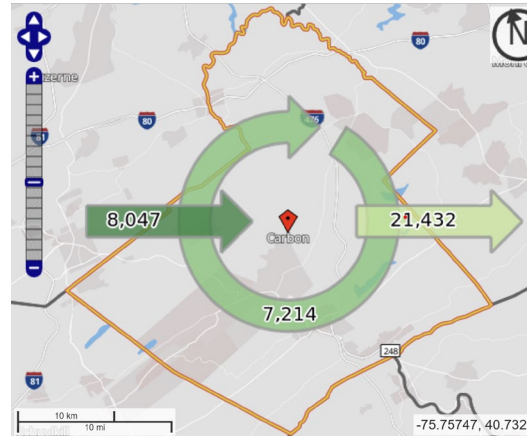
# Each of the Pocono Area counties exports workers to other parts of the region – and beyond



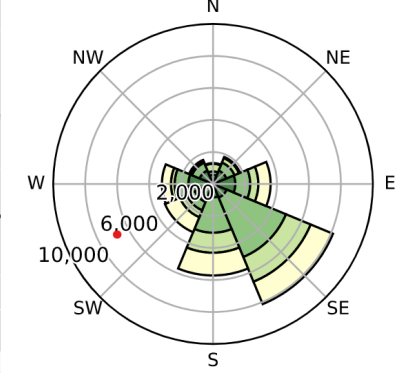
Job Counts by Distance/Direction in 2021  
All Workers



Monroe County

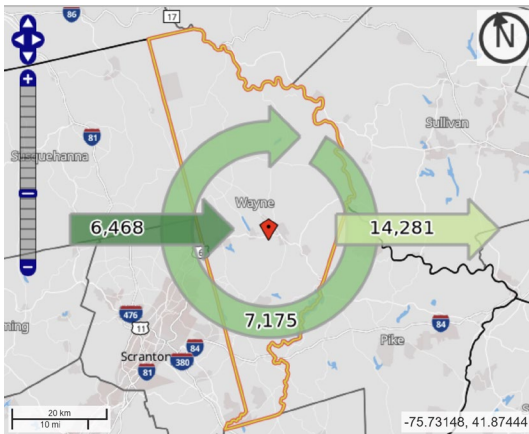


Job Counts by Distance/Direction in 2021  
All Workers

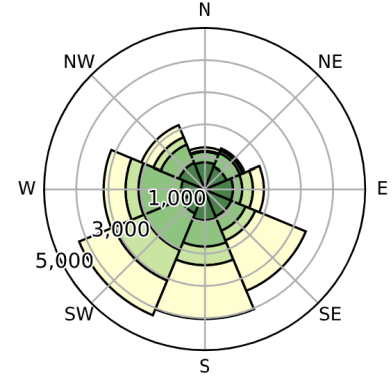


Carbon County

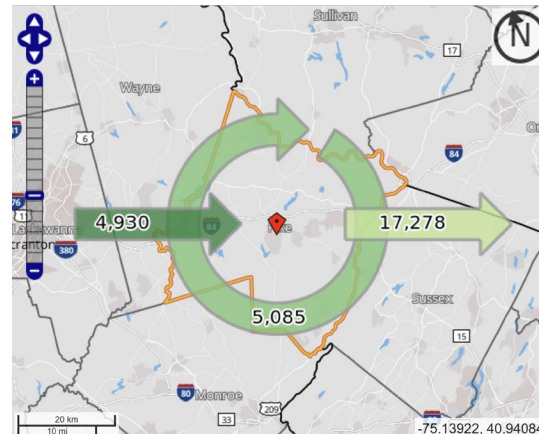
***In each county, more residents travel out of their county for work than those who come in. Many travel out more than 25 miles.***



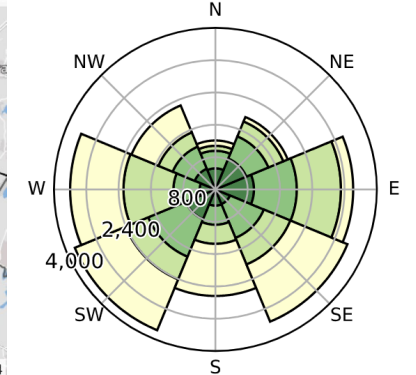
Job Counts by Distance/Direction in 2021  
All Workers



Wayne County



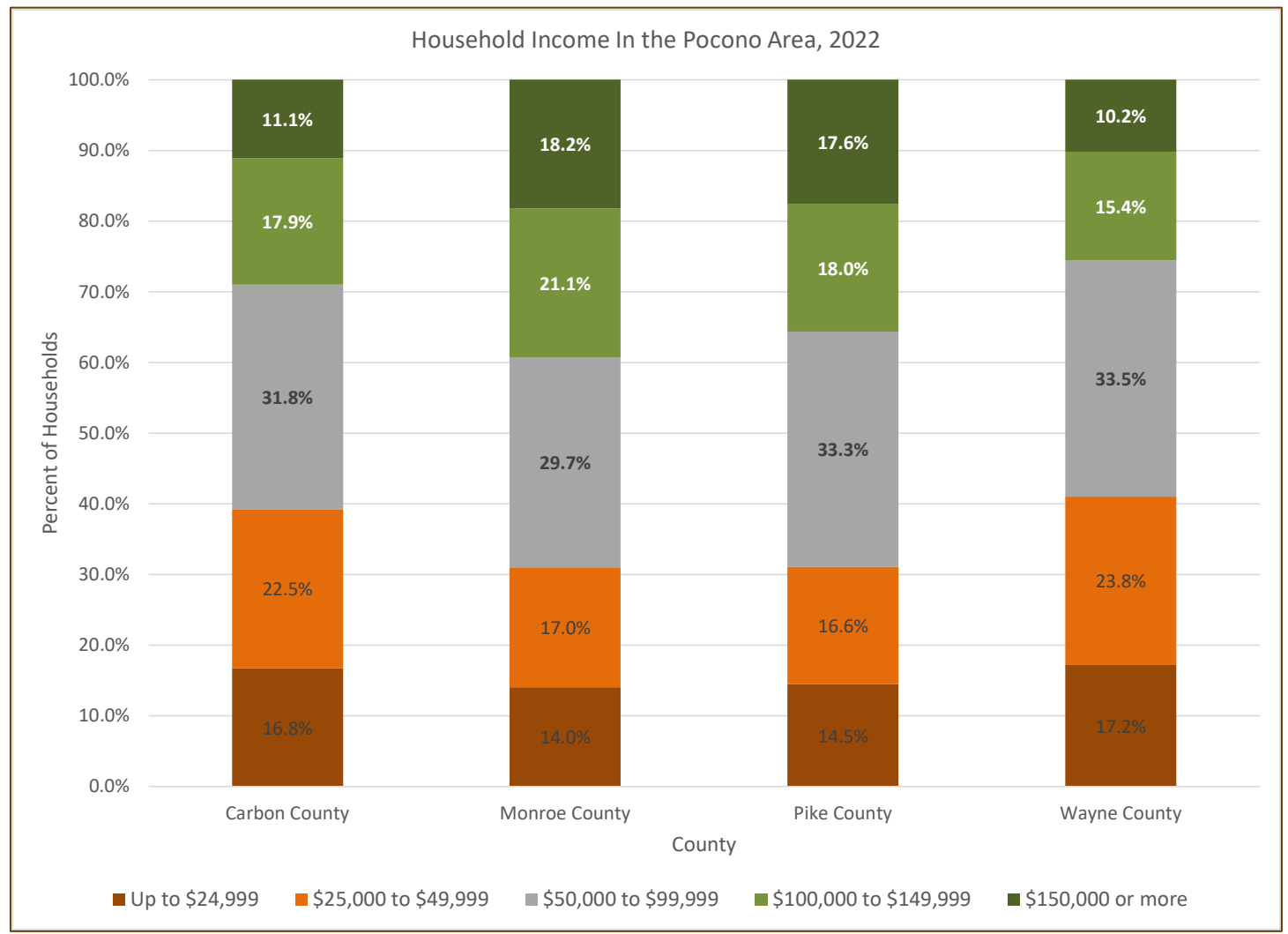
Job Counts by Distance/Direction in 2021  
All Workers



Pike County

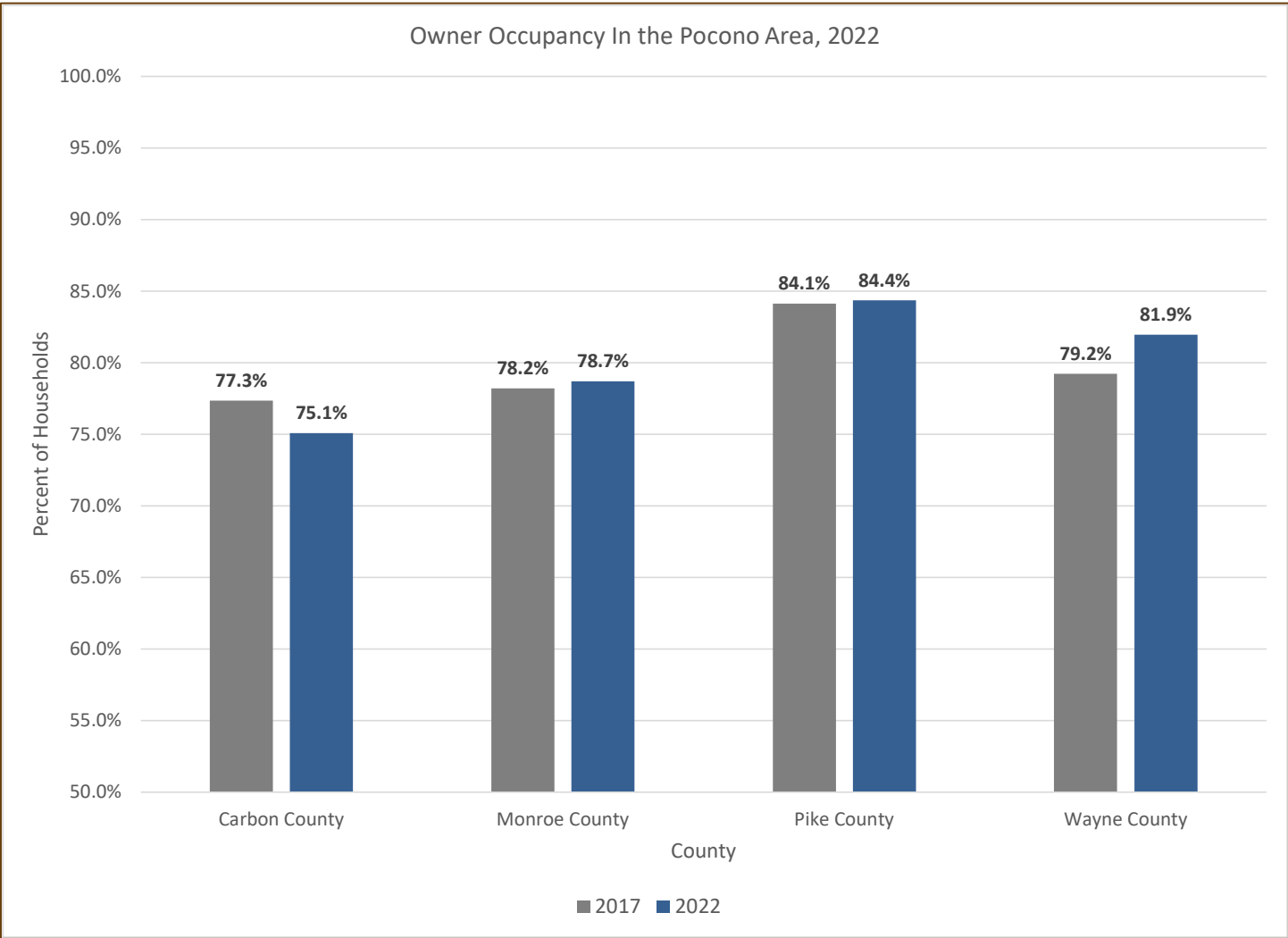
Source: <https://onthemap.ces.census.gov/>

# Incomes are generally modest, but important to the cost of housing, a significant share of households (greater than 30%) have incomes under \$50,000



Source: U. S. Census, American Community Survey (2018-2022)

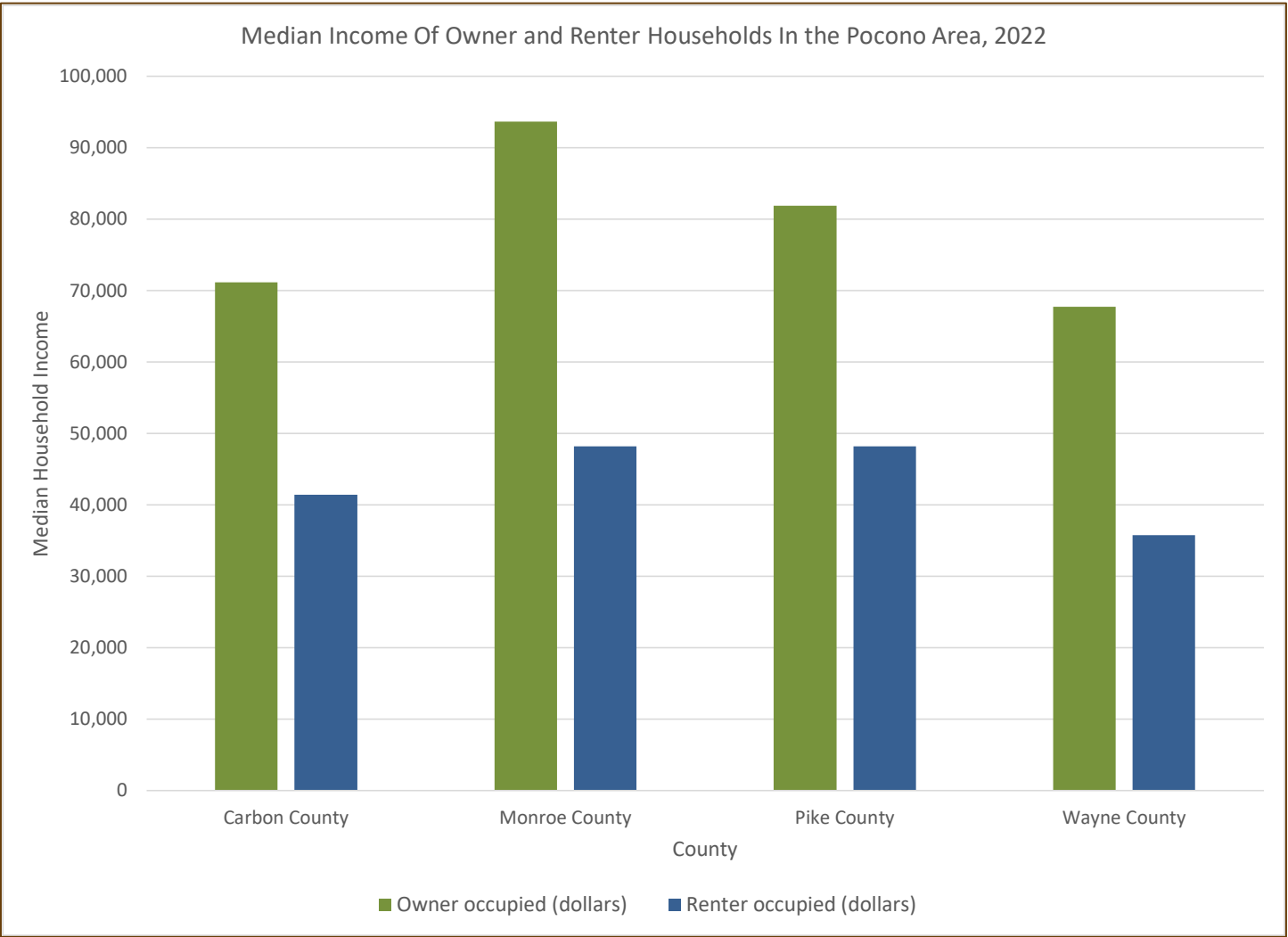
# Homeownership rates are high and relatively stable over the last five years



Source: U. S. Census, American Community Survey (2018-2022)



Across the Pocono region, the typical income of owners is 70%+ greater than that of renters; it is difficult for renters to become owners



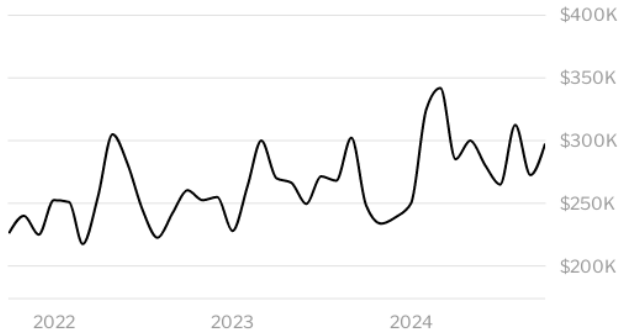
Source: U. S. Census, American Community Survey (2018-2022)





# Single family home prices (source: Redfin) increased substantially over the last 5 years in the Pocono Area – prices are out of reach for the typical Pocono Area resident

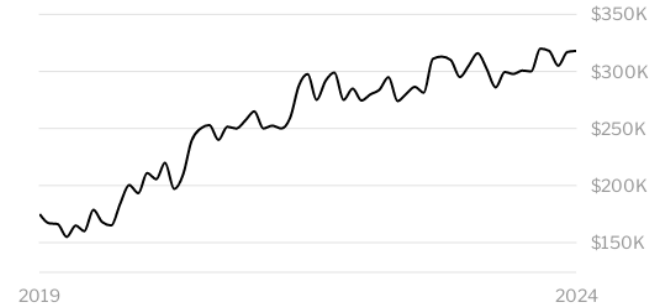
Median Sale Price of Single Family Homes in Carbon County, PA



Based on Redfin calculations of home data from MLS and/or public records.

- Carbon County, PA

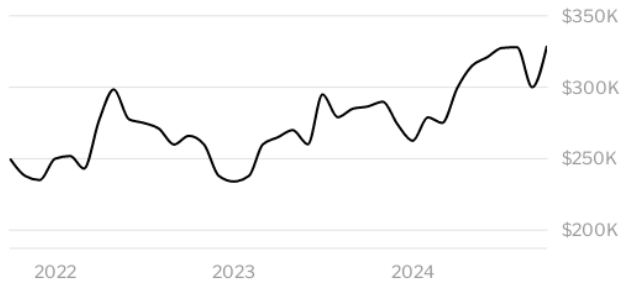
Median Sale Price of Single Family Homes in Monroe County, PA



Based on Redfin calculations of home data from MLS and/or public records.

- Monroe County, PA

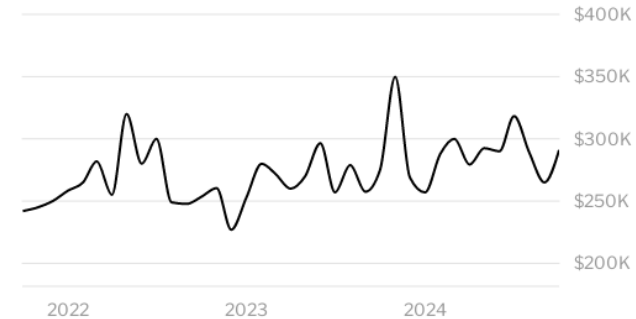
Median Sale Price of Single Family Homes in Pike County, PA



Based on Redfin calculations of home data from MLS and/or public records.

- Pike County, PA

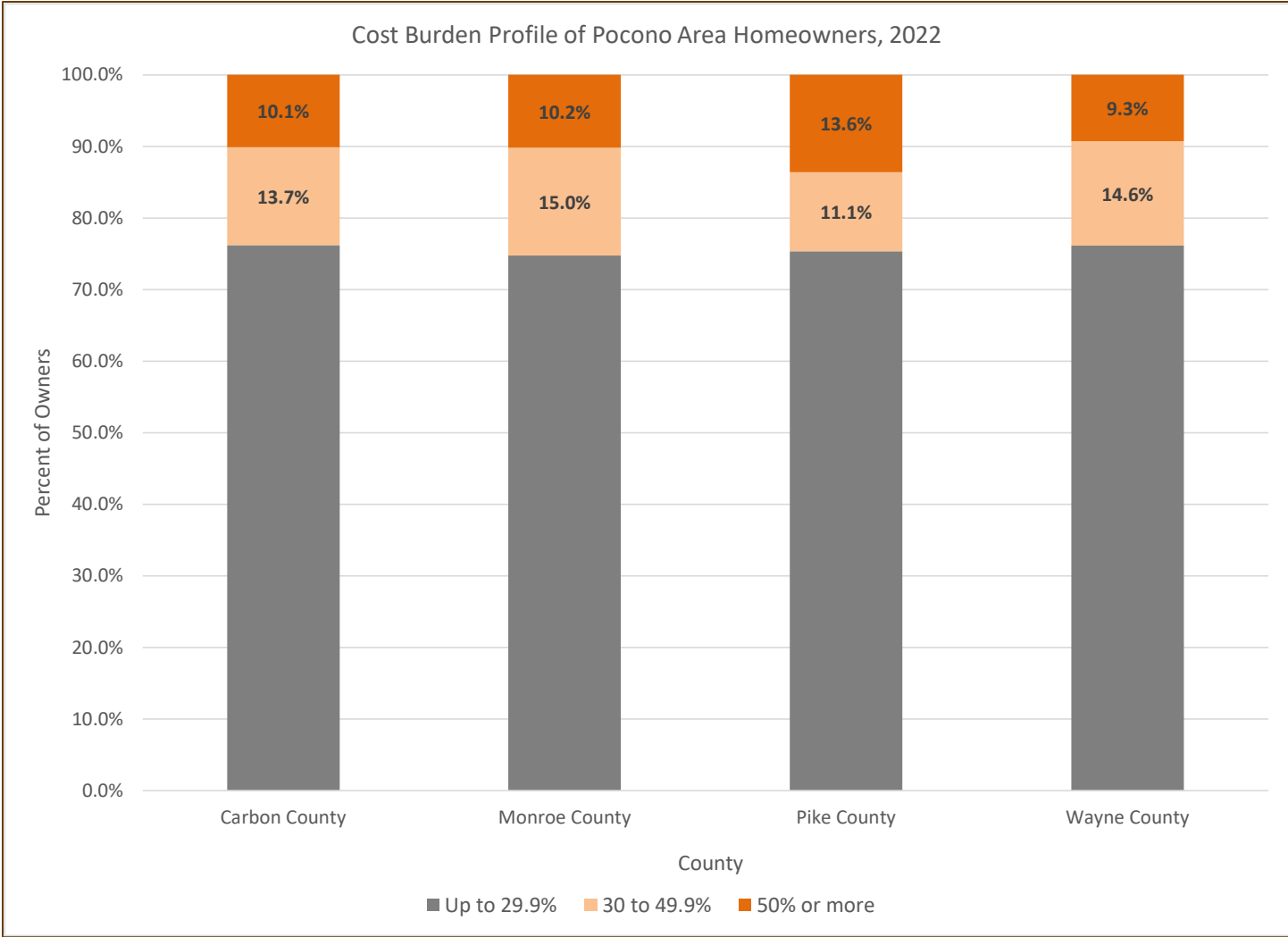
Median Sale Price of Single Family Homes in Wayne County, PA



Based on Redfin calculations of home data from MLS and/or public records.

- Wayne County, PA

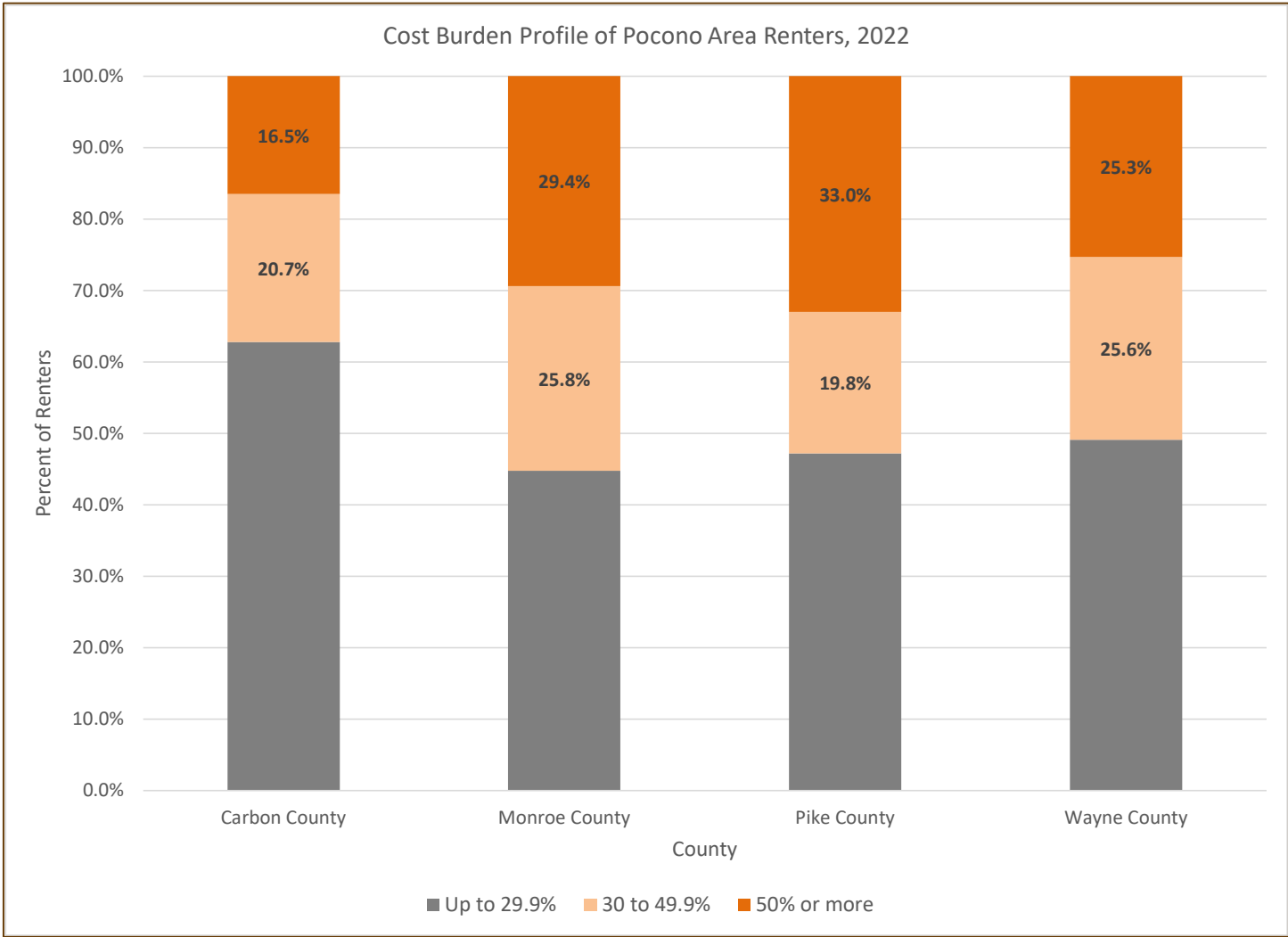
# A substantial portion of Pocono Area homeowners are cost burdened – and severely cost burdened



Source: U. S. Census, American Community Survey (2018-2022)



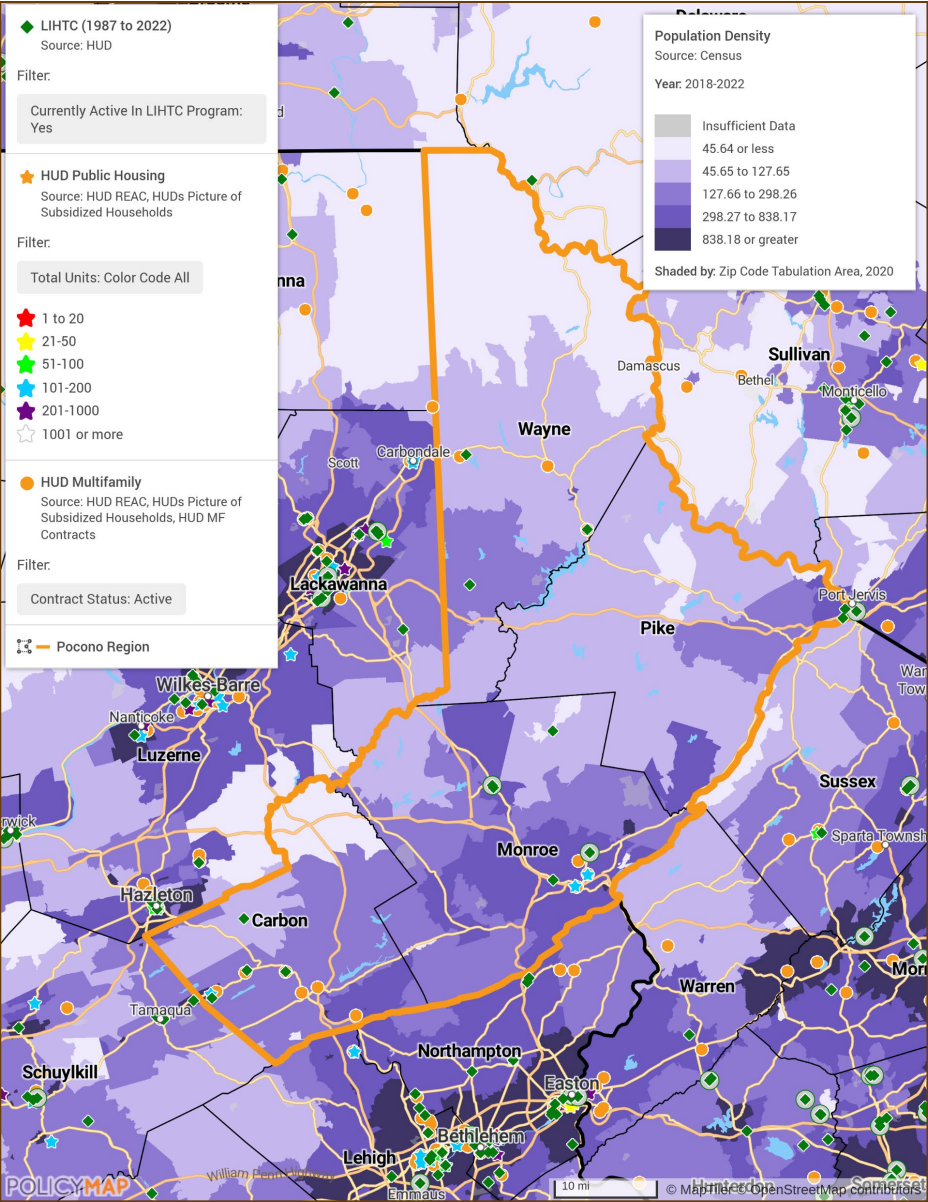
# An even greater percentage of renters are burdened; much higher shares are severely burdened (spending > 50% of income on housing)



Source: U. S. Census, American Community Survey (2018-2022)



# Affordable housing developments are limited; some are already, or will in the next few years, lose their term of affordability



*\* Eastern PA CoC (2023):*  
 863 Sheltered HHs  
 276 Transitional Hsng  
 221 Unsheltered  
 1,365 Total

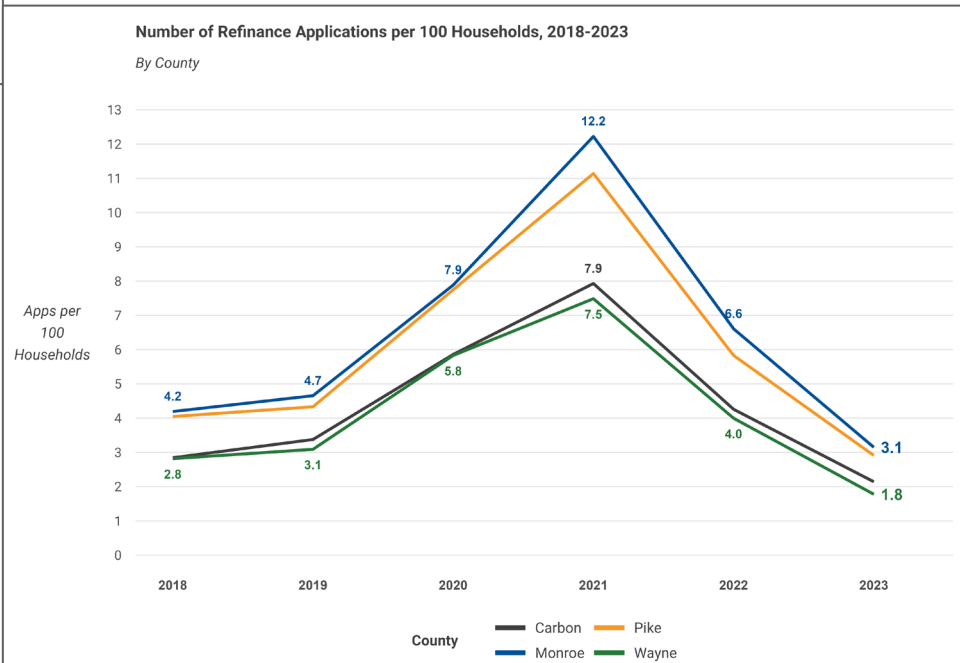
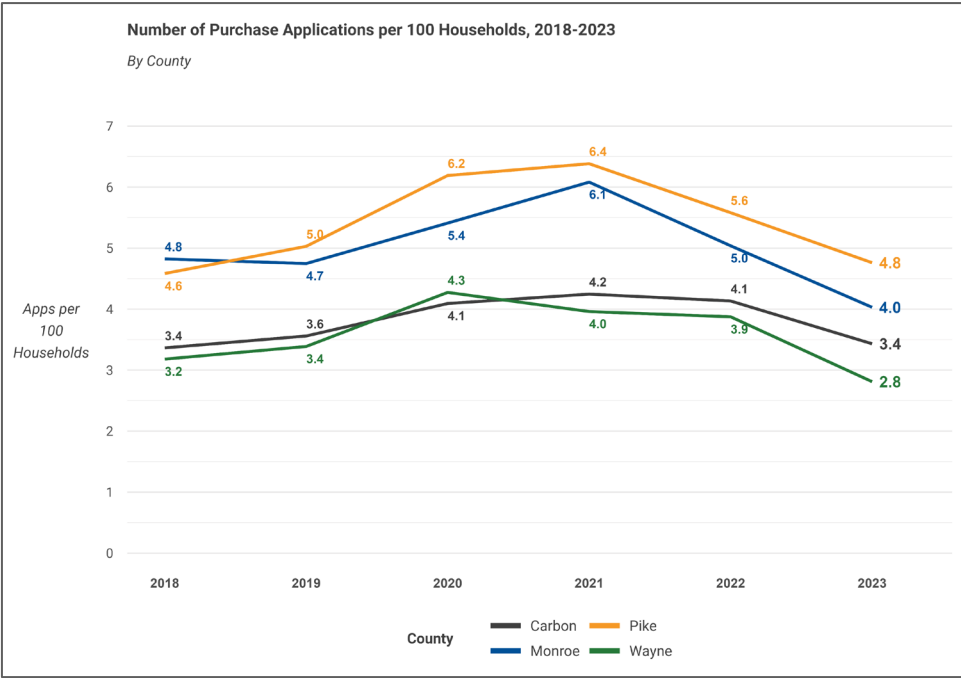
Source:  
<https://www.hudexchange.info/programs/coc/coc-homeless-populations-and-subpopulations-reports/?filter Year=&filter Scope=Coc&filter State=PA&filter CoC=PA-509&program=Coc&group=PopSub>

*\* Includes more than the Pocono Area*

Source: PolicyMap & HUD Picture Of Subsidized Housing (circa 2023)

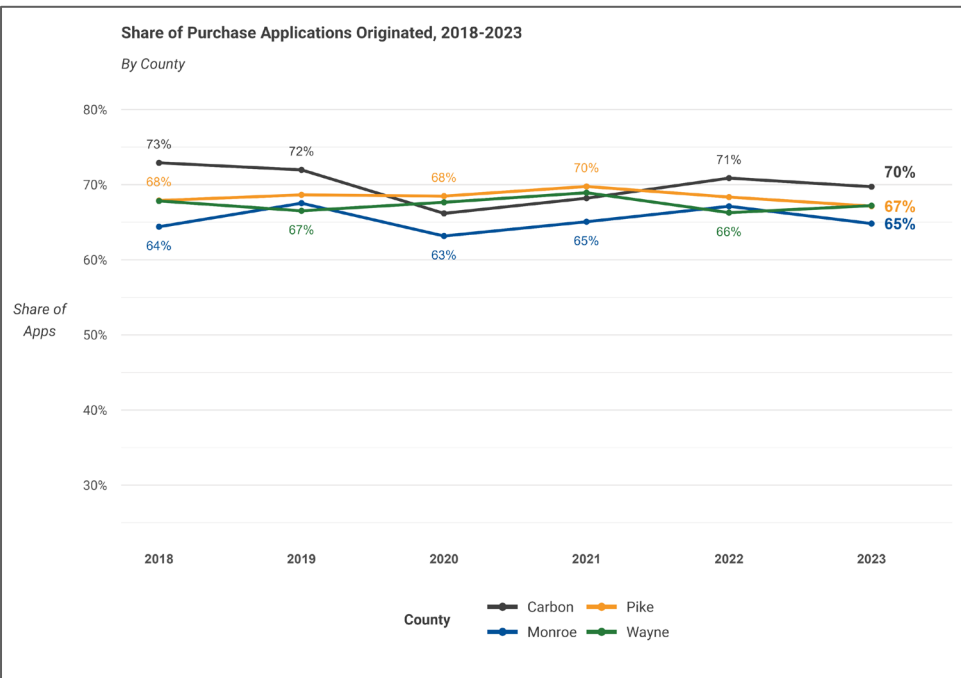


# Purchase and refinance mortgage application volume peaked in 2021 when interest rates were very low. As rates rose, volume—esp. refinance—dropped substantially

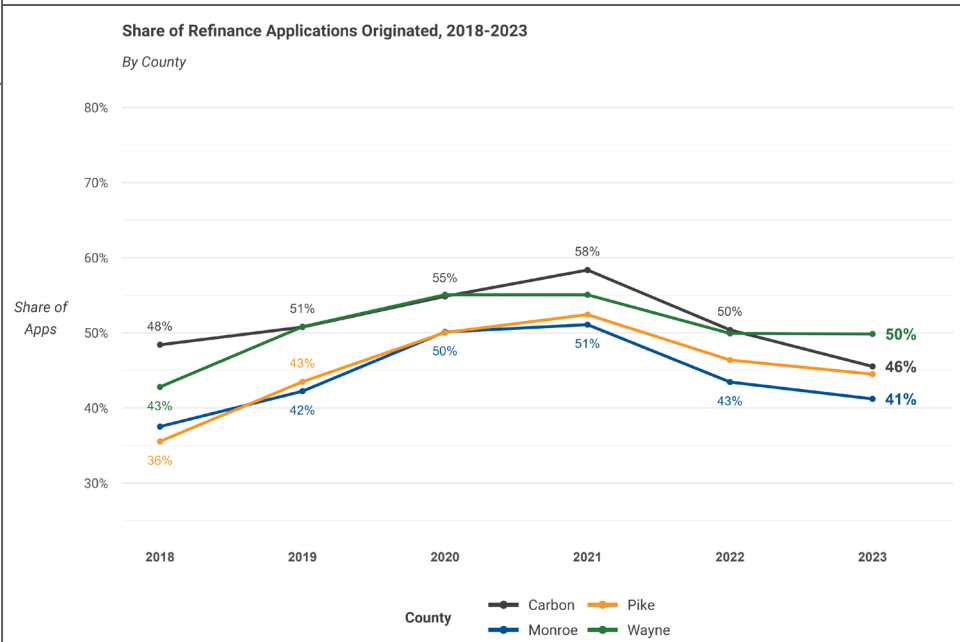


Source: Reinvestment Fund analysis of the Home Mortgage Disclosure Act databases for 2018-2023

# People across the Pocono area were more successful applications for home purchase mortgages than they were with mortgage refinances

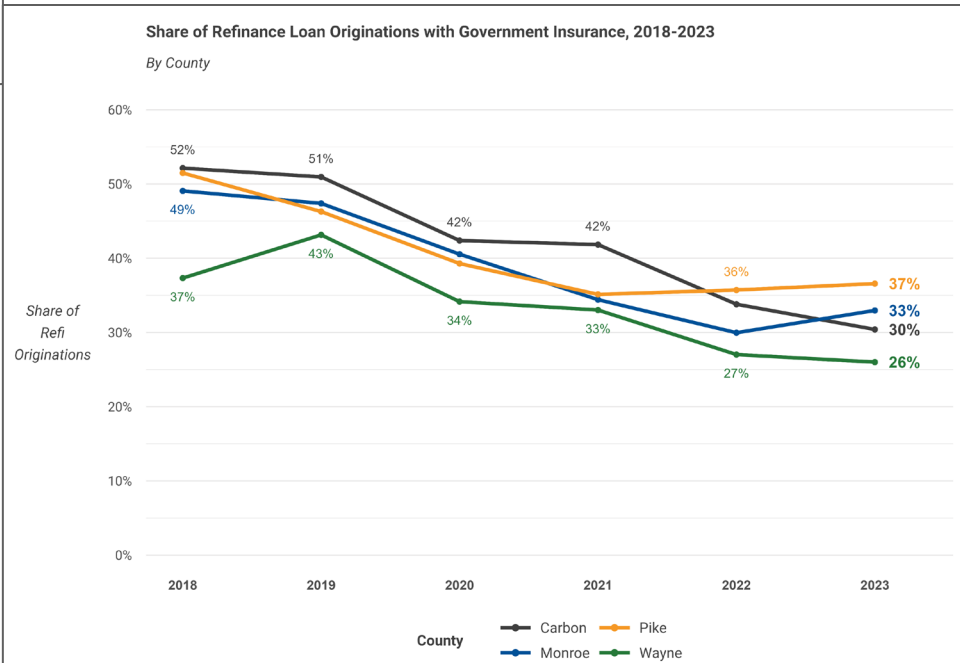
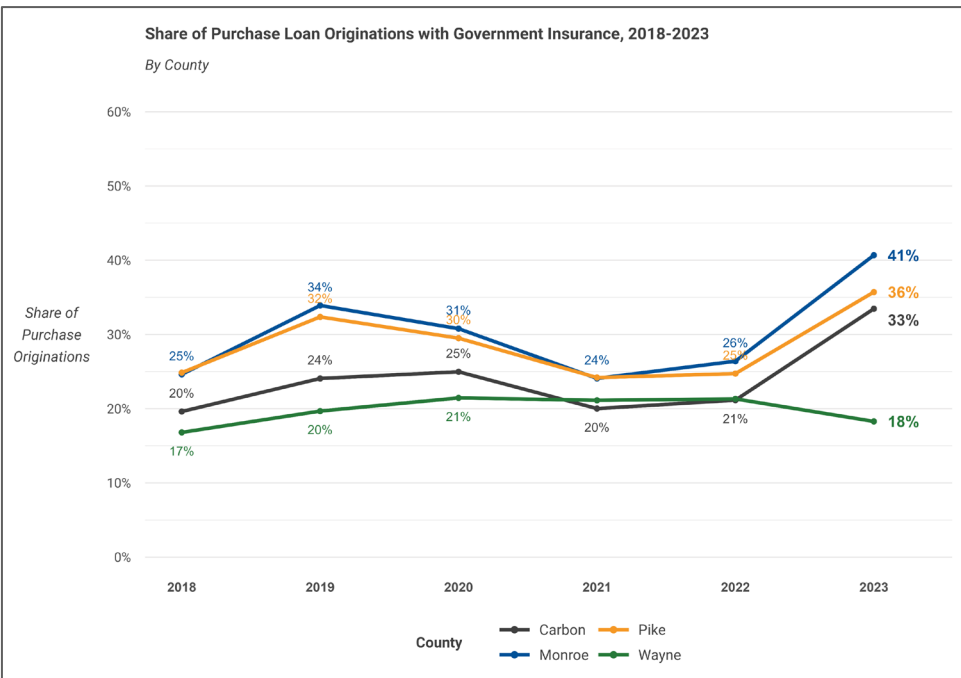


In general, Monroe County applicants had the lowest chance of having a mortgage originated.



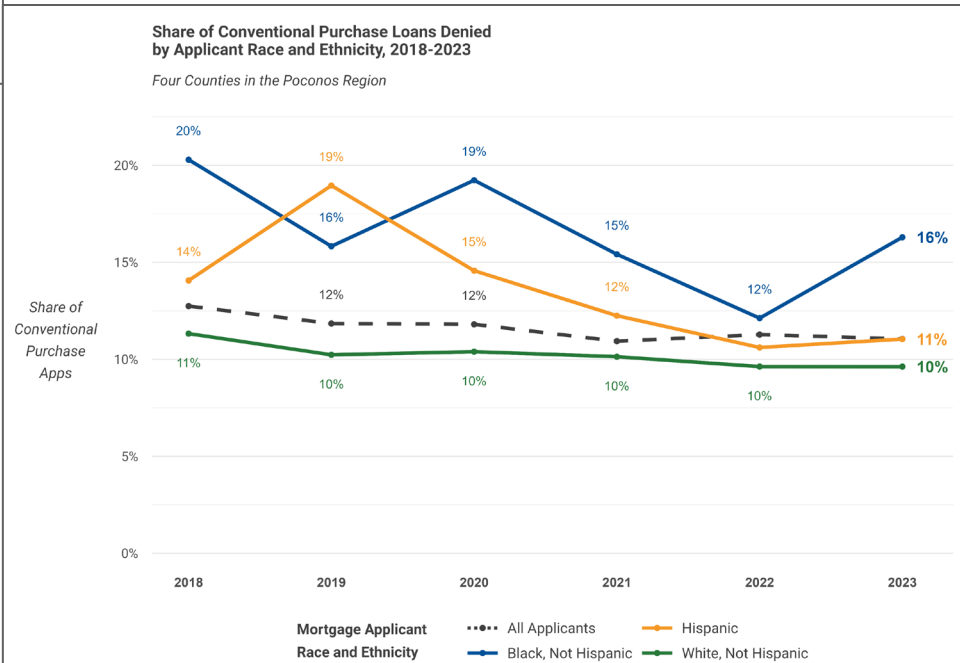
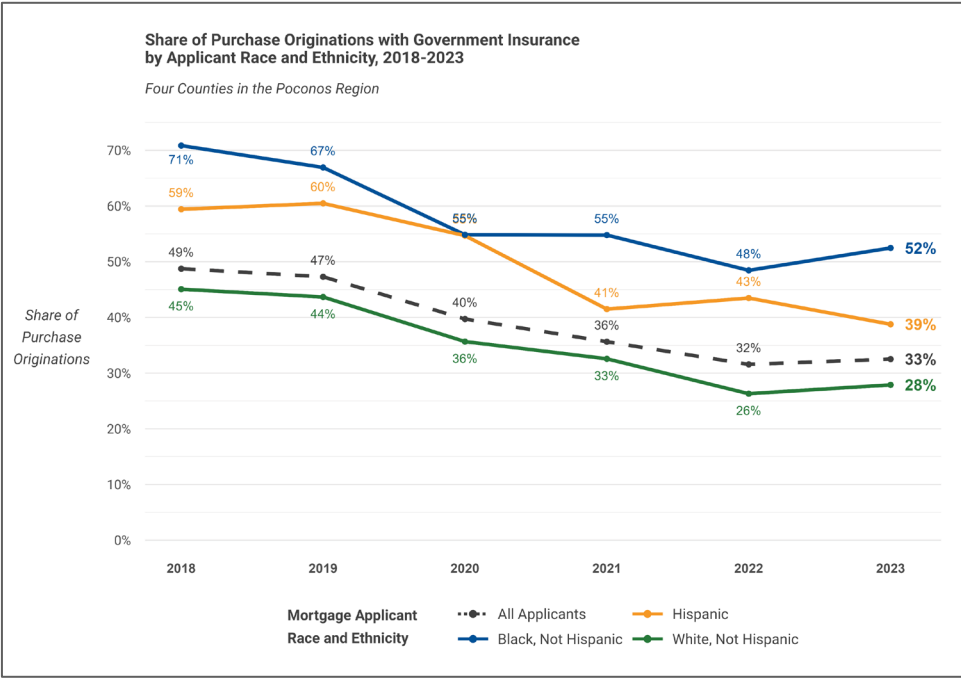
Source: Reinvestment Fund analysis of the Home Mortgage Disclosure Act databases for 2018-2023

# Except for Wayne county, there is a growing propensity for homebuyers to rely on government-insured loans; these loans are on the decline with refinances



Source: Reinvestment Fund analysis of the Home Mortgage Disclosure Act databases for 2018-2023

# Racial and ethnic minority group members are more reliant on government insured loans – and they are more likely to be denied than White applicants



Source: Reinvestment Fund analysis of the Home Mortgage Disclosure Act databases for 2018-2023



**What ~~can~~ must we do?**

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# At the national level

## The National Housing Crisis Task Force calls for, among other things:

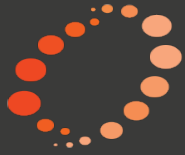
- “...*treat the housing crisis like a true crisis.*”
- “The federal government is the only entity in the United States that can wholly address the depth and breadth of the housing crisis...it must also both play the inside game of Washington, D.C investments and reforms and the outside game of harnessing the full energies and resources of a federated system.”
- “The federal government must *treat the production of housing as an industry, not just a set of consumers of existing financial products*, and spur innovation across that industry.”
- “..the federal government should *consider unclogging, fast-tracking, and waiving some requirements to ensure that much-needed housing gets built-* as it often does in a crisis.”
- The federal government must “...have as an operating principle that all federal agencies, their programs and funding streams, including the financial regulatory agencies, are critical resources and vehicles to support a fair and functioning housing market.”



## And at the state and local level

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- Must prioritize our needs – ***when everything is a priority, nothing is a priority.***
- Need to recognize that whatever happens at the federal level, we are a federated system, and the actual implementation of policy happens in and through states and local governments, and for- and not-for-profit actors;
  - ***Must coordinate – and cooperate locally and across governmental units***
- One traditional tool for creation of affordable housing faces an uncertain (at least) near term future: LIHTC. With corporate tax rates expected to fall, the value of these credits will be impaired.
- If production is a critical issue – which I think it is – we must find ways to ***produce the most housing, of the tenure types people want/need and at price points that they can afford, and in locations where it is needed.***
- ***Some-one or some-thing needs to organize, set priorities, coalesce the financial tools, and ensure that housing gets produced, maintained and serves as many of your agreed-upon fundamental purposes for your region's housing market.***



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