Affordable Housing, part 1: What does housing affordability look like in Bethlehem?

❧ Latest post in a series on Affordable Housing ❧

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Affordable Housing

by

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Affordable housing is perhaps the most important issue facing the Lehigh Valley and is one that everyone seems to agree is a problem. There's no easy solution, and I'm certainly not going to offer one, but as someone who spends a lot of time thinking about this topic (personally and professionally), I have a few thoughts to share as the discussion moves forward. The March 23rd Community Development Committee meeting addressed some of the data and potential solutions, but I think that there's an opportunity for a much broader conversation that brings folks from across the city together to think about the issue and what we'd like to see done about it. There is a lot of literature on affordable housing out there, and the administration has discussed some of the approaches that other (mostly large) cities have used in attempts to build more of it. However, what "affordable housing" means in any given community or neighborhood—or housing market—can vary significantly. We need strategies that take into consideration best practices but, most importantly, that consider the realities of the local market conditions, housing stock, land availability, and economic landscape.

I've broken down this initial analysis into three sections—an overview of what housing affordability looks like in Bethlehem, a discussion of the merits and drawbacks of focusing on new construction as a solution, and some brainstorming on approaches to increasing affordability of our housing stock beyond new construction. Thanks in advance for sticking it out until the end!

What does housing affordability look like in Bethlehem?

Note: All numbers in this article are from the US Census American Community Survey 2015-2019 5-Year Estimates, the Bethlehem Blight Study and MVA, and HUD.

We need to take a look at some numbers. To avoid our eyes glazing over at the sight of percentages and housing jargon, let's try to think of these numbers in terms of our friends, neighbors, coworkers, family members, and maybe ourselves. These are not abstract statistics; these are people you know and spend time with—these are the families next door, the person who checks you out at your corner store, your child's teacher, the elderly couple you see walking in the park—folks who work in every sector and live in every neighborhood in our city. As the numbers below show, housing affordability is an issue that affects a significant percentage of population, and before we think about how to address it, we need to understand the scope and magnitude of the challenge.

In Bethlehem, housing affordability is primarily an issue for renters. **48% of renters in Bethlehem are cost-burdened (**that is, they spend more than 30% of their income on housing costs). This is equivalent to **6,844 households** throughout our city. Naturally, the highest numbers of cost-burdened renters are found in the neighborhoods that have the highest percentage of renters in the city, which are mostly Southside neighborhoods, where 70% of households rent. Other areas with significant populations of cost-burdened renters include northeast Bethlehem, West Bethlehem, and the Kaywin area. **21% of renter households in our city are severely cost-burdened** (that is, they spend more than 50% of their income on housing)—this adds up to **2,963 households** throughout our city.

Lack of affordability is also an issue for homeowners, but on a smaller scale. **20% of homeowners in the city are cost-burdened**, most of whom live in north Bethlehem, where rates of homeownership are higher. This amounts to **2,944 households.** About **6%, or 881 homeowner households, are severely cost-burdened**.

So, what's the big picture? Well, if we add up our numbers, we see that 9,788 households—and let's round up to 10,000 for ease of discussion and recognition that the pandemic may have increased numbers a bit—

are paying more for housing than the federal government deems appropriate. **10,000 households, just in the city of Bethlehem, are paying more than 30% of their income in housing costs, regardless of whether they rent or buy.** If we just want to focus on those who are facing the greatest challenges to affording housing, we are talking about **3,844 households that pay more than half of their income toward housing.** These are families that regularly choose between food for their children, doctor visits, paying the rent, and paying the electric bill. These are families in every single one of our neighborhoods. These are folks living on Social Security and disability income who cannot work to bring in additional income but cannot find a place to live that they can afford that meets their needs. These are families who want to keep their children in their same school and provide stability, so they stay put and do the impossible to pay the rent. These are families and individuals that experience toxic stress due to the constant burden of making impossible decisions and the threat of eviction, and who are more vulnerable to landlords who don't make repairs or abuse their power. So, what can we do as a community to support these families, these individuals—our neighbors, friends, classmates, and family members—whose struggles with housing affordability lead to health problems, hunger, transiency among school-age children, and countless other consequences of an exclusionary market?

We know that there is no panacea when it comes to affordable housing, and permanent change will only come from the federal government in the form of subsidies, minimum wage hikes, and other policy changes. On the local level, our best solution requires the simultaneous, coordinated implementation of a broad range of strategies tailored to meet the specific needs of each neighborhood. Let's look at some ideas.

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