



Housing Construction Costs

New residential designs | Policies for affordably-priced homes | Tools for municipalities

November 19, 2020

West Chester, PA

Welcome and Introductions

Chester County Officials & Staff

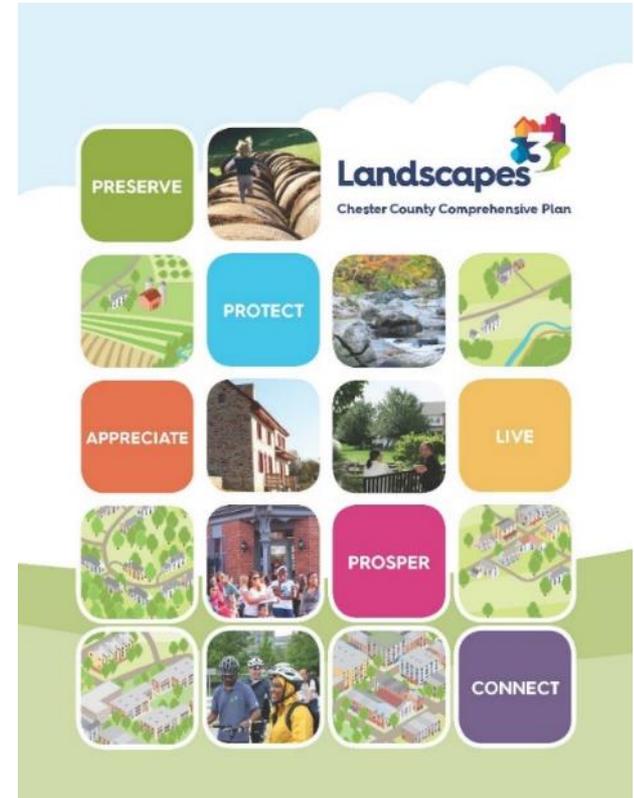
- **Brian N. O’Leary, AICP**
Chester County Planning Commission
- **Pat Bokovitz**
Chester County Department of
Community Development
- **Chester County Housing Choices Committee**

Speakers

- **Chris Patriarca, AICP**
Chester County Planning Commission
- **Neal Fisher, PE**
Hankin Group
- **Joe Scalise**
Borough of Kennett Square

County Comprehensive Plan

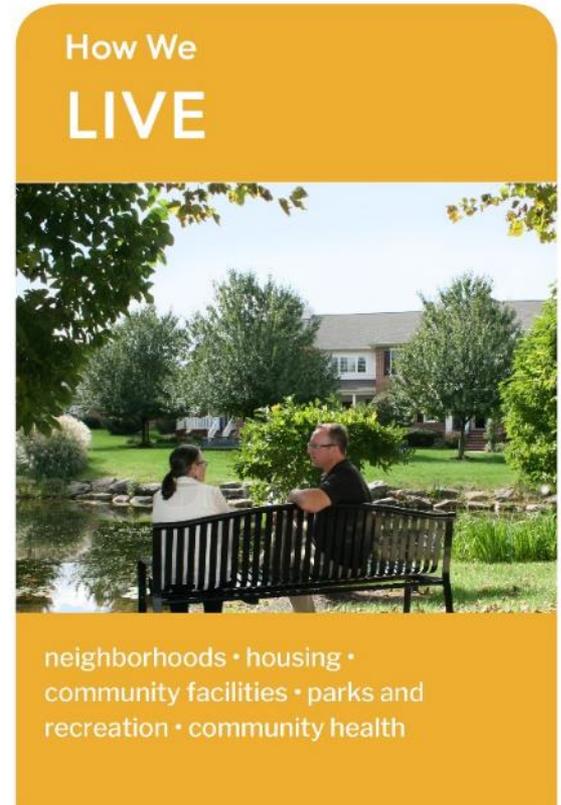
Landscapes3 seeks to balance growth and preservation.



County Comprehensive Plan

County Housing Policy

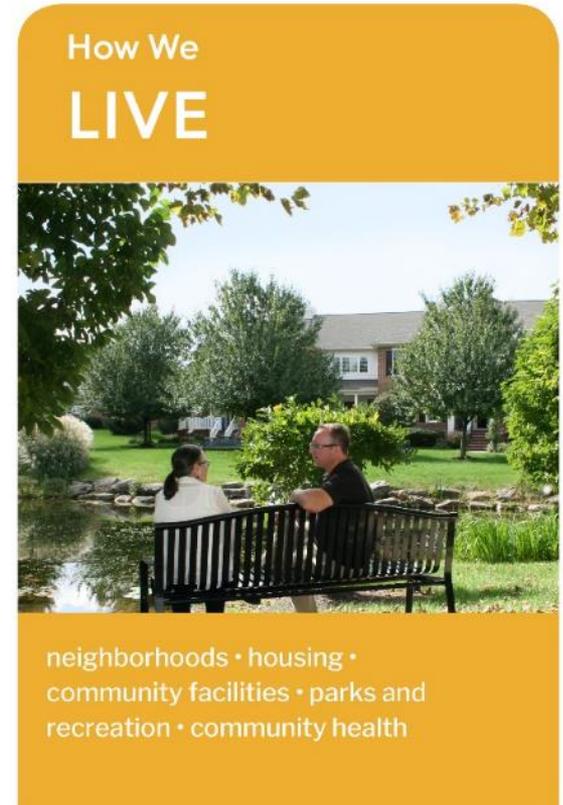
Housing is addressed within the **LIVE** goal area of *Landscapes3*.



County Comprehensive Plan

County Housing Policy

“With a growing disconnect between housing costs and incomes within the County, and with employers in need of more workers, it is imperative to increase affordable housing options for all ages and abilities.”





homes

Chester County

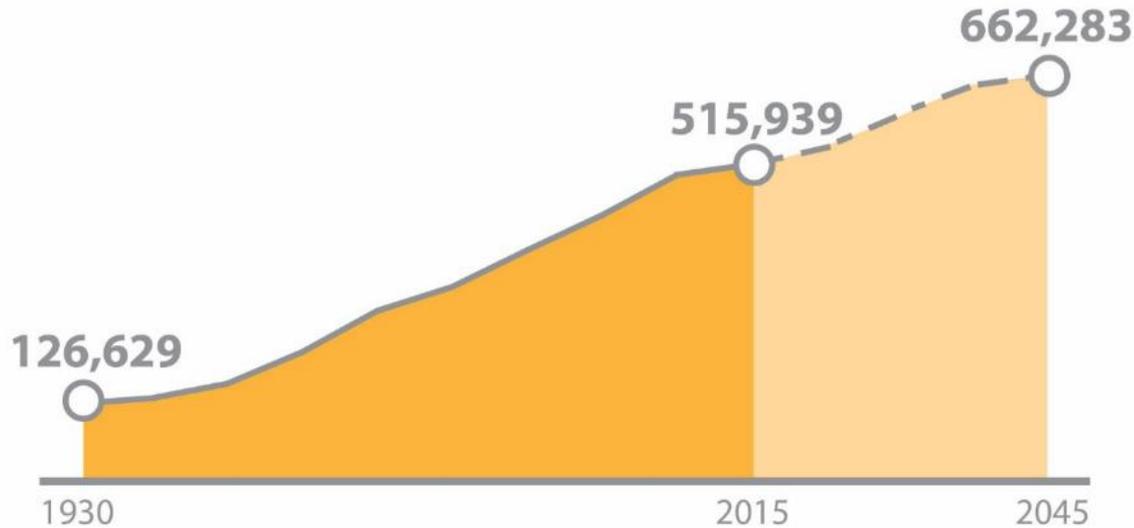
Attractive
Affordably-priced
Adaptable
Aging-friendly
Accessible



Why do we care?

Housing in Chester County Today and Tomorrow

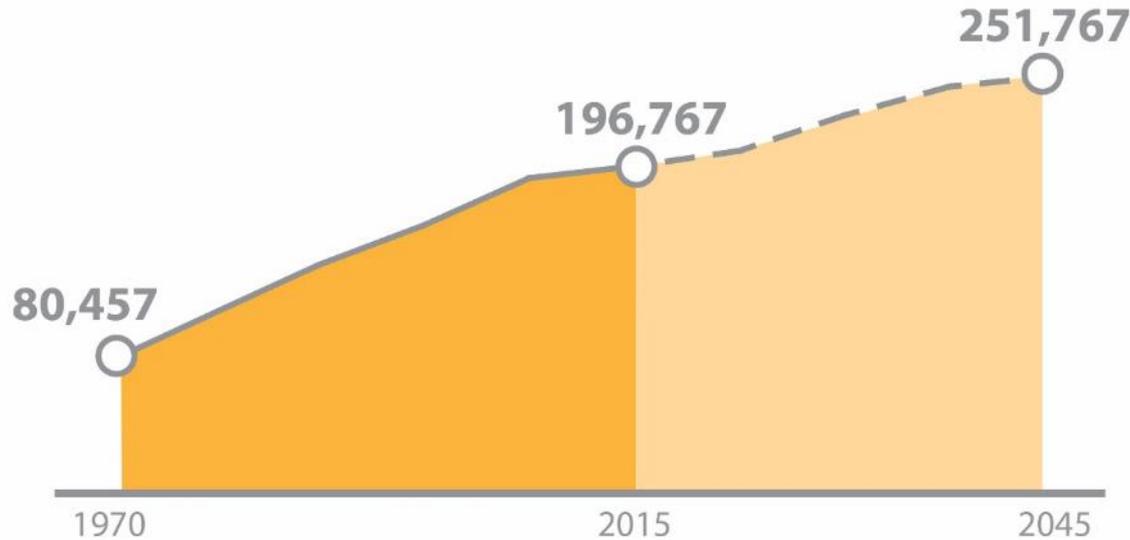
Population Change, 1930-2045



Source: US Census,
DVRPC Population
Forecast

The county is projected to add over **146,000** people from 2015 to 2045, a **28.5%** increase from the county's 2015 population of **516,000** people.

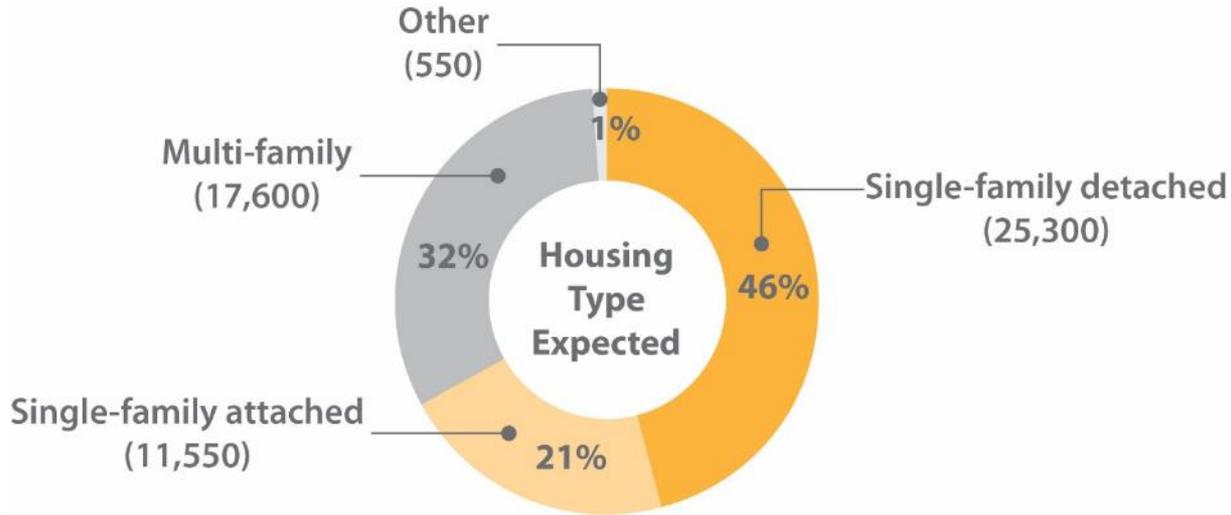
Housing Unit Change, 1970-2045



Source: US Census
CCPC analysis

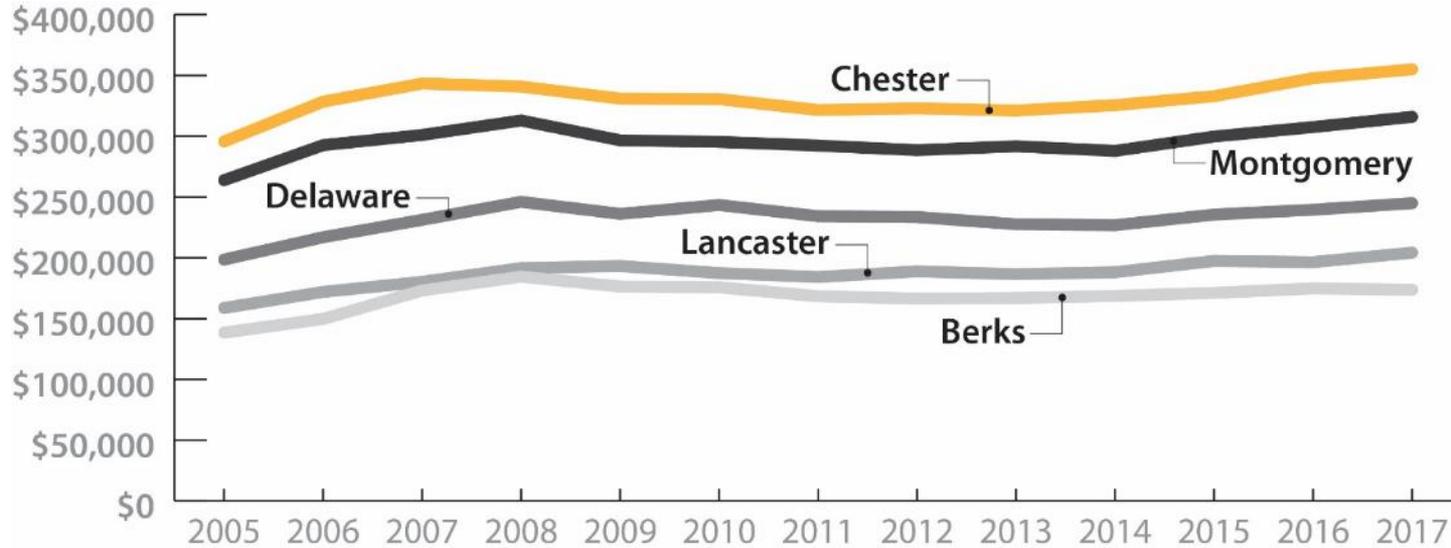
To accommodate new population growth, the county will need **55,000** new homes.

Housing Type Expectations



The County is expected to continue to see significant growth in construction of both single-family attached and multi-family units.

Median Housing Value

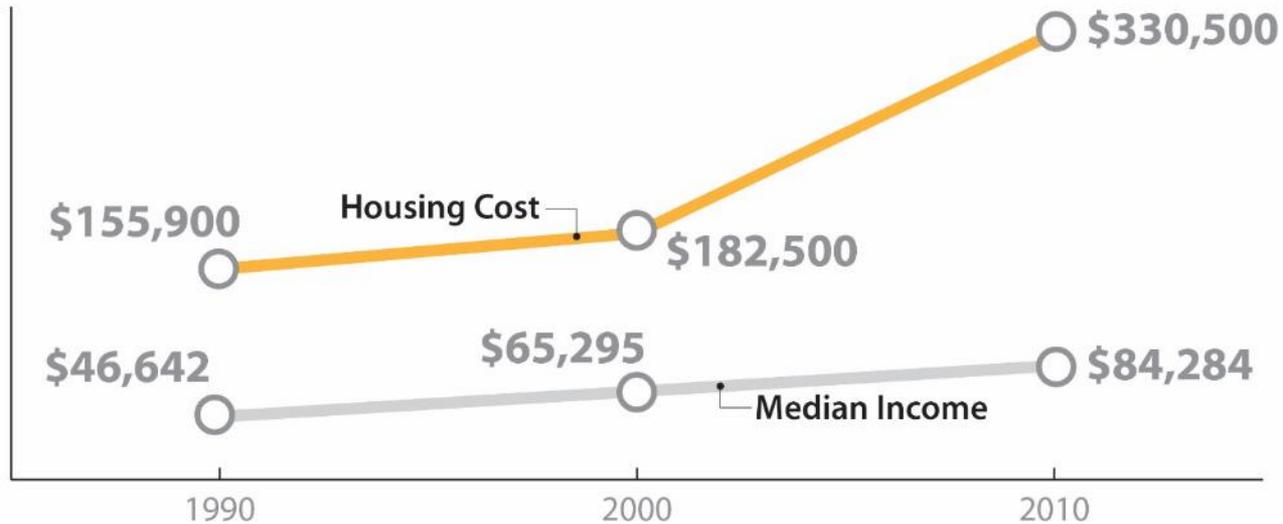


Source: US Census

The median housing value in 2019 was **\$355,000**, which is the highest in the state.

Source: Chester County Housing Report

Household Income



Source: US Census

Household income has not kept pace with increases in housing costs.

What Occupations Can Afford

2019 Chester County Median Sale Price: \$355,000



accountant

\$85,420



truck driver

\$56,280



farmworker

\$35,050

Average Annual
Income

% of Home Sales
Affordable

38%

8%

2%



Construction Costs

Can costs in Chester County be mitigated to encourage affordably priced housing?

Costs of Construction

Costs include:

- Land
- Materials
- Labor
- Utilities
- Infrastructure
- Engineering and architecture



Municipal Costs

- Municipalities establish regulatory controls designed to protect the health, safety, and general welfare of its residents.
- These regulations are found in municipal codes, zoning ordinances, and building codes.



Development Review Process

Development review process can impact overall construction costs:

- Outdated ordinance requirements
- Submission requirements
- Fees



Ordinance Requirements

- Municipalities should review and amend codes as to remain contemporary while ensuring the health, safety, and general welfare of residents and businesses.
- Municipalities should ensure all defined terms utilized across different ordinance chapters are consistent to reduce interpretation conflicts.



Zoning Requirements

- The MPC mandates all zoning ordinances provide for all basic forms of housing.
- This has further been affirmed through the Surrick case adjudicated by the Pennsylvania Supreme Court in 1977. This court ruled a municipality shall provide for its “fair share” of all housing types.



Zoning Map

- Municipalities should consider evaluating their zoning maps to determine if adequate acreage is available for higher density development.
- The relative lack of land zoned for higher density development can add significant costs through zoning amendments and the delay from the amendment process.



Cluster Development

- Most municipalities in the County have cluster development provisions.
- Clustering allows for homes to be constructed on smaller lots in exchange for preservation of contiguous areas of open space.
- This in turn can reduce costs through reductions in infrastructure costs.
- Most municipalities require a large acreage for this option.



Flexible Landscaping & Parking Standards

- Having ordinance provisions to determine parking on a case-by-case basis can result in savings while still requiring sufficient parking.
- Detailed landscaping provisions should be within Subdivision and Land Development and not Zoning Ordinances.
- Requirements should be for flexibility in design and planting types to best address unique site needs.



Submission Requirements

- Many municipalities require large format, printed copies of all review materials.
- Consideration should be given to allowing digital submissions through the review process to reduce the time in distributing materials to various review agencies.
- Fee schedules should be regularly evaluated to determine if they are “reasonable and necessary charges” as allowed by the MPC.



Infrastructure

- As part of new projects, developers must implement public infrastructure for the project to be viable.
- Regulations and standards for infrastructure are controlled by the municipality.
- Most infrastructure requirements are included as part of the Subdivision and Land Development Ordinance, and this does allow for some flexibility.
- Standards should reflect contemporary needs.



Street Widths

- A municipality may want to consider narrower street requirements based on anticipated use and demand for them.
- Narrower street widths can result in cost reduction for the developer responsible for their installation and for the municipality for their on-going maintenance if dedicated.
- The narrower widths also result in additional cost savings of associated infrastructure (i.e. subbase, BMPs, etc.).



Stormwater Management

- Mandates to mitigate the impacts of stormwater continue to evolve.
- The developer invests significant capital in development of BMPs as part of a project, and the municipality must monitor these facilities to ensure MS4 compliance.
- Ordinance should allow for flexibility in design of BMPs for developers to evaluate new technologies that may reduce costs while maintaining MS4 compliance.
- Emphasis should be on infiltration.



Sanitary Sewers

- Act 537 planning is undertaken by municipalities to plan for future extensions of sanitary sewers.
- Expansions are generally completed by developers.
- Infrastructure requirements and standards should be regularly evaluated.
- Municipalities should regularly review their charge of Equivalent Dwelling Units (EDUs) to ensure they are not inconsistent with what is allowed by the state.



Bonuses

- Bonuses are discretionary for a municipality, and can impact costs.
- Bonuses can allow developer to more effectively utilize their land assets.
- Any bonuses provided should directly implement other defined community goals.



Bonuses

- Density bonuses affords additional units in excess of what is permitted. The additional units allows cost savings through spreading infrastructure costs over more units.
- Height bonuses affords the developer the ability to create additional units without the need for additional land.
- Flexible lot and bulk standards allow for greater creativity in lot layout. Having flexible standards may more effectively avoid environmental and other sensitive areas as well as reduce the need to request variance relief.
- Use bonuses can result in the creation of more of the “missing middle” housing types that may not typically be allowed in a specific district.

eTools

- The Chester County Planning Commission has developed eTools that may be helpful in addressing construction costs through municipal policy. These eTools include:
 - [Affordably-Priced Homes](#)
 - [Accessory Dwelling Units](#)
 - [Affordable Housing Bonuses](#)
 - [Cluster Development](#)
 - [Compact Development Design](#)
 - [Housing Diversity](#)
 - [Mini-Homes](#)

Panel Discussion

Speakers

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