INTRODUCTION

The preparation of an effective housing strategy must first begin with research into the past and existing residential real estate sector in the form of a detailed housing market analysis. Usually, a market analysis is performed by a potential developer to determine the need for a particular type of residential building product as well as the number, size and amenities and price range. The analysis also needs to support the developer's plans when he approaches financial backers and institutions for funding to carry out his plan.

The preparation of a housing market analysis in conjunction with a comprehensive plan must consist of a much broader scope in that the subject municipality is trying to determine which types of housing it needs to retain and attract new residents as well as which types of residential building types it needs to support through targeted incentives and those which may need to be discouraged because of a negative impact on the municipal and/or school district budget.

A housing market analysis for Tarentum Borough should include, but not be limited to, answering the following questions:

What has been the historic role of the municipality in providing housing for its residents and the local area?

What is the current supply and demand of owner housing in Tarentum?

What is the current supply and demand of rental housing in Tarentum?

What current trends will affect the shape of the future housing market?

What policies need to be implemented to achieve the desired mix of housing?

Pennsylvania's Municipalities Planning Code (MPC) Section 301 (a) states that a Comprehensive Plan should, among other objectives, "meet housing needs of present residents and those families anticipated to live in the municipality as well as the accommodation of new housing in different dwelling types and at appropriate densities for households of all income levels." An accurate assessment of the housing market supply is a critical component to Tarentum Borough's Comprehensive Plan.

Housing can be a significant indicator of growth or decline in an area. The local housing supply can reflect development trends and housing conditions often mirror the local quality of life. Demographic trends and housing demand have been utilized as this basis for this housing strategy.

While there is no prescribed time period for a comprehensive plan, either in terms of defining past trends or future projections, we have made some deliberate decisions in both situations. As the date of the last comprehensive plan prepared for the municipality was 1964, we chose to start with the first decennial census prior to that time (1960) and to continue forward to the last decennial census of 2000. Because 1960 data was not available for all benchmark communities, the most recent ten year change was used with specific attention to 40 year change in Tarentum. This information will provide a database that can be easily updated once information is available from the 2010 census.

MARKET AREA

Tarentum Borough is situated along the Allegheny River in the northeast portion of Allegheny County, directly across the River from New Kensington and Arnold in Westmoreland County. It is approximately five miles from Allegheny County's border with Armstrong and Butler Counties. In addition to Allegheny and

Westmoreland Counties, the Pittsburgh MSA also consists of Beaver and Washington instead of Armstrong and Butler. However, it is our belief that statistics for the MSA will not be as reflective of the local housing market as the selected benchmark area because of the distance of Beaver and Washington.

In order to ensure the accuracy of our data, the analysis must begin with the delineation of the housing market itself. It is important to choose a market area that includes those nearby areas that are likely to be considered when housing is being purchased for the first time or when circumstances require a change in residence; for example, a change in employment or additional family members. A functional housing market may overlap local government boundaries, or several different housing markets may be contained within a single local authority area. Housing markets may also overlap. In the literature on housing market areas, different approaches can be found in defining them, for example, using travel-to-work areas and, more recently, making use of migration data. The most recent census indicates that the median travel time to work in the area is 22 minutes. Using average vehicle speeds ranging from 30 to 40 miles an hour, we would have an estimated travel distance ranging from eleven to fifteen miles. In addition, Census information on places of work indicates that 1,134, or 50.3%, of the total of 2,251 employed Borough residents work within the municipalities included in the target market area. This distance, in conjunction with other factors, led us to select nineteen municipalities from Allegheny and the three surrounding counties. A presentation of some draft information at an early public meeting also brought concurrence on the selection of the comparison areas from those in attendance.

The market area therefore includes the following counties and municipalities:

Allegheny County

Brackenridge Borough
East Deer Township
Fawn Township
Frazer Township
Harrison Township
Oakmont Borough
Springdale Borough
Tarentum Borough
West Leechburg Borough

Armstrong County

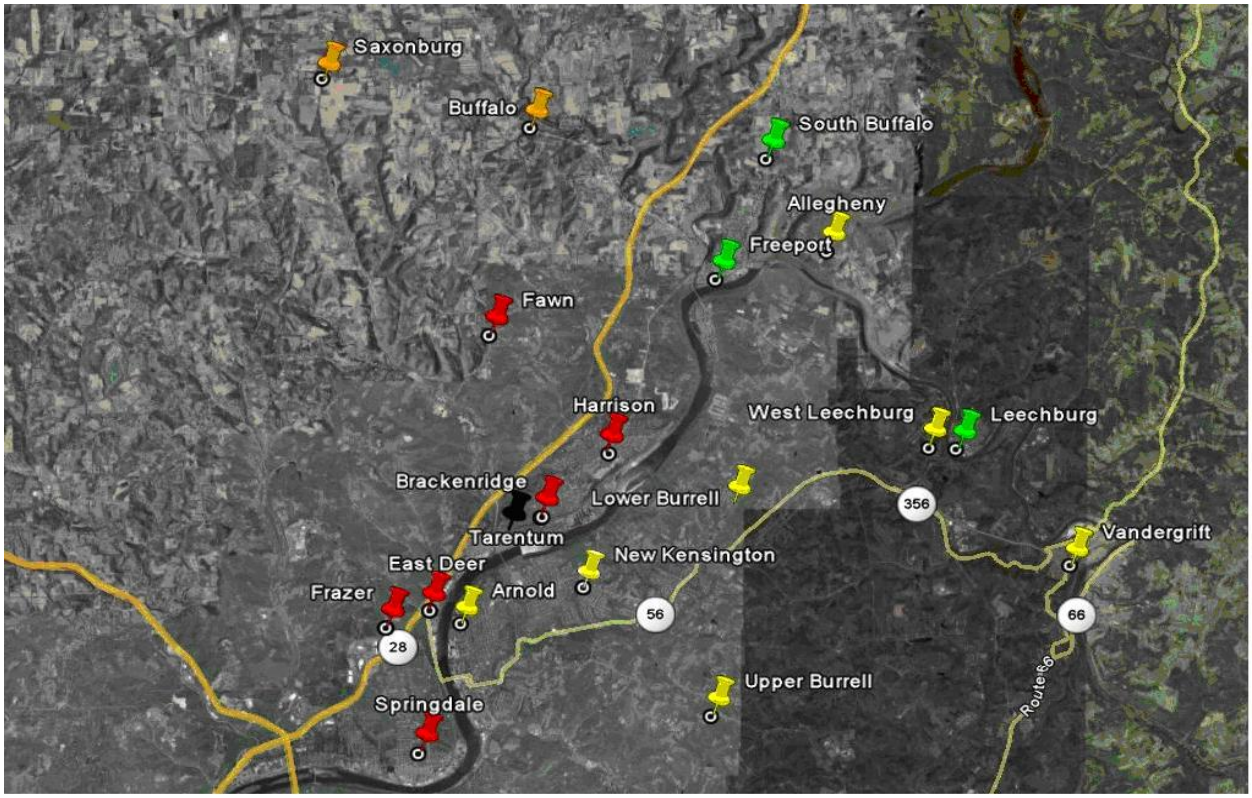
Freeport Borough
Leechburg Borough
South Buffalo Township

Butler County

Buffalo Township
Saxonburg Borough

Westmoreland County

Allegheny Township
Arnold City
New Kensington City
Lower Burrell City
Upper Burrell Borough
Vandergrift Borough



LOCATION OF COMPARISON COMMUNITIES MAP

HOUSING DEMAND

The demographics of the demand side are being analyzed from both a macro- as well as a micro perspective. The macro perspective includes the national and state levels as well as Allegheny and the three nearby counties of Armstrong, Butler, and Westmoreland. The City of Pittsburgh is also included at this level to compare these trends on our region's largest City as well as at the micro level for quick comparison with the municipalities in our target area. This is consistent with David Rusk's notion that as a region's central city goes, so goes the region.

MACRO

The US population stood at 179,323,175 in 1960 and rose to 281,421,906 in the year 2000, a 56.94 % increase. The national increase averaged 14.25 % over the four decennial censuses, with an actual increase of 13.12 % in the last ten years.

The Commonwealth of Pennsylvania population was 11,319,366 in 1960 and increased to 12,281,054 in 2000. These figures, while not comparable to the national increase show Pennsylvania did reflect positive population growth of 8.5 % in the 1960-2000 period and 3.36 % in the 1990-2000 period.

In terms of the four target market comparison counties, both Allegheny and Armstrong Counties lost population over the 1960-2000 period at rates of 21.3 % and 8.97 % respectively. At the same time, Butler and Westmoreland Counties experienced increases of 51.85 % and 4.92 %. However, during the

1990-2000 period only Butler County showed an increase in population at 14.52 % with Westmoreland showing only a minimal 0.09% decrease.

	1960	1990	2000	60/2000%	90/2000%	60/90%
US	179,323,175	248,791,000	281,421,906	56.94%	13.12%	38.74%
Pennsylvania	11,319,366	11,881,643	12,281,054	8.50%	3.36%	4.97%
Allegheny County	1,628,587	1,336,449	1,281,666	-21.30%	-4.10%	-17.94%
Armstrong County	79,524	73,478	72,392	-8.97%	-1.48%	-7.60%
Butler County	114,639	152,013	174,083	51.85%	14.52%	32.60%
Westmoreland County	352,629	370,321	369,993	4.92%	-0.09%	5.02%
City of Pittsburgh	604,332	369,879	334563	-44.64%	-9.55%	-38.80%

POPULATION CHANGES – 1960 to 2000
TABLE 1

The City of Pittsburgh experienced the highest rate of decline both over the forty year period from 1960 and in the most recent decade for the macro comparison areas. The City lost 44.4% of its population between 1960 and 2000, and 9.55% from 1990 to 2000. The City of Pittsburgh actually accounted for 64.47 % of the total population decrease in Allegheny County with the City's share of the County's population decreasing from 27.68% to 26.10 % at a rate of decrease more than double the County rate.

	1990	2000	90/00%
Allegheny County	1,336,449	1,281,666	54,783
City of Pittsburgh	369,879	334,563	35,316
	-27.68%	-26.10%	64.47%

PITTSBURGH/ALLEGHENY POULATION CHANGE
TABLE 2

MICRO

While the largest municipality in the region lost 44.64% of its population from 1960 to 2000, the nineteen municipalities in the market area experienced a median decrease of 24.66% over the forty year study period and a 5.08% decrease between 1990 and 2000. Only four municipalities experienced population increases between 1960 and 2000 and between 1990 and 2000. Among the comparison municipalities, East Deer showed the largest percentage decrease in population from 1960 at 52.46%, and Saxonburg Borough had the largest percentage increase over the same time at 85.96%. The changes over the last ten year period for the municipalities were -12.58% and +21.12% respectively.

	60/2000%	90/2000%
SAXONBURG	85.96%	21.12%
N M MEDIAN	-24.66%	-5.08%
EAST DEER	-52.46%	-12.58%
TARENTUM	-39.35%	-12.00%
OAKMONT	-7.24%	-0.72%

POPULATION CHANGE EXTREMES
TABLE 3

Tarentum lost 39.35% of its population over the forty year period, placing it above the market area average. In the last ten years, it showed a decrease of -12% compared to the study area median of -5.08%. For comparison, Oakmont lost only 7.9% of its population from 1960 to 2000, and only 0.72% from 1990 to 2000. While Tarentum began the forty period with a population of 8,232 and Oakmont at 7,504, their populations at the end of the period were 4,993 and 6,911 respectively.

	60/2000%	90/2000%
TARENTUM	-39.35%	-12.00%
N M MEDIAN	-24.66%	-5.08%
OAKMONT	-7.24%	-0.72%

CHANGE IN POPULATION
TABLE 4

AGE

Beyond simple changes in the population, there are other factors that must be considered in a housing analysis. One of these is the aging of the population, represented by both the median age of the population as well as the aging of certain age cohorts.

MACRO

In terms of median age, the nation as a whole had the youngest population figure with a median age of 29.5 years in 1960 and a median age of 35.3 in 2000. The City of Pittsburgh had the highest median age in 1960 at 33.9 years, but in 2000, the highest median age was 41.3 years in Westmoreland County. The only other area to have a median age above 40 years in 2000 was Armstrong County at 40.4. The largest percentage increase in the median age of the population over the forty year period is 30.7% in Westmoreland County. The largest percentage increase in the last ten years is a virtual tie between Butler and Armstrong Counties at 10.59% and 10.38% respectively. The City of Pittsburgh showed the smallest increase in the median age of the population with a 4.72% increase from 1960 to 2000 and an increase of only 2.9% from 1990 to 2000. In the year 2000, the median age in the US and the City of Pittsburgh were approximately equal at 35.3 and 35.5 years.

	1990	2000	90/00%
US	32.9	35.3	7.29%
Pennsylvania	35	38	8.57%
Allegheny County	36.6	39.6	8.20%
Armstrong County	36.6	40.4	10.38%
Butler County	34	37.6	10.59%
Westmoreland County	37.6	41.3	9.84%
City of Pittsburgh	34.5	35.5	2.90%

MEDIAN AGE
TABLE 5

In terms of age cohorts, the largest age group across all of the macro benchmarks is the 18 to 64 year old group. The second largest group in the US and the Commonwealth of Pennsylvania is the 5 to 17 year old group. However, the 65+ year old group was the second largest group in the other comparison areas except for Westmoreland County which was consistent with the national and state figures.

The largest increase in the age cohorts at the national and state levels was in the 5 to 17 year old age group, while the largest decrease was in the less than 5 years old group. In the 18 to 64 year old group, the US increased less than 1 % while the State decreased to the same degree. In the 65 year and older group the Pennsylvania figure increased by 1.3 5 while the US decreased by 1.6 %. All of the counties also saw a decrease in the size of the less than 5 year old group and a decrease in the size of the 65 year old and older group. All of the counties except Armstrong also saw growth in the 5 to 17 year group and a decrease in the 18 to 64 group.

The City of Pittsburgh saw a decline in both the youngest and the oldest age groups, but experienced growth in both the 5 to 17 and the 18 to 64 groups.

MICRO

In the micro view, the median age of residents in Tarentum in 2000 was 37.9 years, making it just .01 % less than the Pennsylvania figure of 38 years and was only a two year increase over the Borough's 1990 median age figure of 35.9 years. The median age in Tarentum was less than all comparison communities, except for the City of Pittsburgh. By comparison, the Borough of Oakmont had a median age of 44.7 years which was second only to Saxonburg in 2000, with an increase over the ten year period that was also second only to Saxonburg.

	1990	2000	90/00%
TARENTUM	35.9	37.9	36.90%
N M INDEX	38.5	41	40.00%
OAKMONT	41.2	44.7	43.70%

MEDIAN AGE
TABLE 6

Further delineation of the population into age cohorts provides a better look at the dynamics that accompany the median age. Rather than the usual breakdown of cohorts into years, four distinct cohorts were used in this planning effort. The 0 to 5 year cohort represents youngest children at a preschool age. The 5 to 17 year cohort represents school age youth who should be in the education system and require recreational services. The 18 to 64 year old age group represents homeowners or renters who are the primary source of income for their families and for Borough tax revenues. The 65 year and older group represent both a lower level of service needs which is also usually accompanied by a lower revenue of taxes due to exempt sources of income.

In terms of age cohorts, the Borough of Tarentum had higher percentages of residents in the less than 5 year old group and the 18 to 64 group than the median figures for the benchmark municipalities and Oakmont. Its percentage of residents in the 65 year old and older group was 26.9 % less than the benchmark median.

COHORT	TARENTUM	INDEX	OAKMONT
< 5	5.7%	5.3%	4.7%
5 to 17	16.3%	16.4%	14.6%
18 to 64	62.2%	57.6%	55.3%
65+	15.8%	21.6%	25.4%

AGE COHORTS
TABLE 7

While the Borough of Oakmont also had the 18 to 64 group as its largest age group, its 65 year and older group was the only group larger than the same cohort for Tarentum or the Index municipalities. In fact, this age group was 61% larger in Oakmont than it was in Tarentum.

In 2000, Tarentum's percentage of population in the less than five years of age group was 5.7%, only slightly higher than the benchmark median of 5.5%. The children in this group are of the preschool age, but will be entering the educational system. Tarentum ranked only slightly less than the 16.4% median for the 5 to 17 year old group at 16.3%. The fastest growing age cohort in Tarentum is the 18 to 64 age group which includes 62.2% of the population. This figure is lower than South Buffalo's high figure of 64.1%, but higher than the median of 57.9%. While Tarentum's 15.8% of population in the 65 years or older group ranked it fifth lowest among the other municipalities, it was almost 40% less than the benchmark median of 22.1%. For comparison, the median values of the benchmarks were consistent with the figures for the City of Pittsburgh and Allegheny County.

The fastest growing group over the period from 1960 to 2000 is the 65 years or older group, but even this group contracted in the most recent ten year period. The 18 to 64 group was the only other cohort to grow, both in the 40 and ten year periods. Both the under five and the 5 to 17 year groups decreased over both periods, although the rates decreased in both cases to rates of 5% or less. Tarentum experienced the highest rate of decline of all comparison locations in the 65+ senior cohort with an 18.97% decline from 1990 to 2000. The changes in the size of the cohorts show growth in the 18 to 64 year old group with a concurrent decrease in the younger cohorts. The change in the size of the senior cohort showed a

substantial decrease of 18.97% although it experienced a larger increase during the earlier part of the 40 year period. While the changes would indicate a decrease in the school age population, the increase in the young adult and middle age groups bodes well for increasing housing demand. The decline in the senior population needs to be examined further to determine if it is a short term trend or is based upon a lack of appropriate residential facilities for this cohort.

HOUSEHOLD CHANGES

Changes in both the size and types of individual households are other factors of importance for analyzing the housing market.

MACRO

The national figure for median size of households fell 1.52 % from 2.63 persons in 1990 to 2.59 persons in 2000. At the state level, the decrease was more than double from 2.57 persons to 2.48 persons. Among the comparison counties, Westmoreland had the largest decrease at 4.74 % from 2.53 persons to 2.41 persons. Butler County had the largest size households in 1990 and 2000 at 2.65 and 2.55 persons respectively, while Allegheny County had the smallest households at 2.41 and 2.31 persons at the County level for the same time periods. Pittsburgh had smaller household sizes at both times as compared to the nineteen municipality benchmark.

In terms of household makeup in 2000, the national and state figures were consistent across the household types except in terms of single senior households where the US figure was 23.4 % and the State figure was 11.6 %. Allegheny County was the only County to fall below the national and state figures in terms of family households and couple households, but was higher than the US and Pennsylvania as well as the other Commonwealth counties in terms of female headed households.

The City of Pittsburgh was also lower than the national and state figures for family and couple households, but was higher for female headed households. In terms of single senior households it fell between the national and state figures.

MICRO

The median size of households in the comparison communities was 2.35 persons in 1990 and decreased 2.98 % to 2.28 persons in 2000. The household size in Tarentum was extremely close to the Index at 2.34 persons in 1990 and 2.28 persons in 2000. While no municipality saw an increase in the size of its households, Brackenridge remained constant at 2.28 persons over the ten year period, while Saxonburg had the largest decrease in the size of its households at 9.36 %. Oakmont had smaller households at both comparison times compared to the Index and Tarentum and had one of the larger percentage decreases at 5.02%.

	1990	2000	% Change
TARENTUM	2.34	2.28	-2.56%
NM INDEX	2.35	2.28	-2.98%
OAKMONT	2.19	2.08	-5.02%

MEDIAN HOUSEHOLD SIZE
TABLE 8

In the comparison of the local benchmark communities, the number of family, couple and female headed households was lower than both the national and state figures. The figure for single senior households was lower than the national figure of 23.4 %, but higher than the state figure of 11.6 %. Tarentum was lower than the Index in its percentage of family, couple and senior households, but higher on terms of female headed households.

HOUSEHOLD TYPE	FAMILY	COUPLE	FEMALE HEADED	SINGLE 65+
TARENTUM	60.20%	41.00%	14.00%	13.20%
NM INDEX	61.8%	47.8%	10.7%	16.5%
OAKMONT	54.80%	43.30%	9.00%	18.10%

HOUSEHOLD TYPES
TABLE 9

Oakmont Borough had the lowest percentage of family households at 54.8 % compared to the municipal benchmark and was second only to the 51.6 % figure for the City of Pittsburgh. Oakmont also was lower than the benchmark for both couple and female headed households, but had a higher percentage of single senior headed households.

Last, but certainly not least, is the ability of the population to afford housing as evidenced by changes in income. Household income has been selected as the variable in this case as it also allows an easy comparison with HUD income figures.

The state of Pennsylvania fell below the national median household income figures in both 1990 and 2000. The national figure increased at 39.7 %, while the State lagged behind slightly at a rate of 37.97 %. No County had a higher median household income than the national figure in 1990, but Butler County had a higher figure in 2000. Allegheny County had the second highest figures in both time periods followed by Armstrong and Westmoreland Counties.

Tarentum Borough fell below the median household income benchmark figures for both 1990 and 2000 and was second only to the City of Arnold for the same time periods. Tarentum did fall just below the median figure in terms of an increase in the income level at 34.93 %.

FUTURE DEMAND

In terms of future population projections, there are a number of scenarios provided by local sources. The first is the 2025 Trend Scenario developed as part of the Allegheny Places planning effort. The plan projects that over the next 20 years only a modest increase in the number of residents is expected. The County's population is projected to be 1.3 million in the year 2025, a 4% increase over the 2000 population. If development trends of the last ten years continued over the next twenty, Allegheny County would see construction of 50,000 new residences. This corresponds to a

medium rate of growth, or 2,500 new residences per year.

In the 2035 Transportation and Development Plan for Southwestern Pennsylvania prepared by the Southwestern Pennsylvania Commission, the overall regional population growth is projected to be nearly 470,000 by 2035, which is well under 1% per year. While each county's population is projected to grow in this period, with a projected decline in household size and growth in population the number of households in the region is projected to grow faster than population. Over 400,000 new households are projected by 2035.

Based upon existing trends, this Housing Strategy is based on the assumption that, for at least the short term, the primary trend will be a continuation of the current trends in population decline, although with a decrease in the rate of decline. The second trend is that the median household size will continue to decline due to the decline of two parent households as well as the increase in single person elderly households. While both of these trends will result in a decrease in the demand for housing, an increase in the number of households will result in an increase in demand. A successful housing strategy will need to balance these trends to create the appropriate mix of residential units in terms of size and price to meet the projected demand by the future Borough residents.

HOUSING SUPPLY

In order to provide a comprehensive view of the housing market, the analysis of the housing supply must go beyond a simple accounting of the number of units available, but must also include types of units, number of bedrooms, etc. that reflect the needs and tastes of the homeowner or renter.

UNITS

MACRO

As might be expected, a growing population results in an increasing demand for housing. At the national level, the number of housing units increased from 58,326,357 in 1960 to 115,904,641, a 98.7% increase. The Commonwealth of Pennsylvania also showed an increase during the same period, but at a lower rate of 46.56%. Increases in the number of residential units were also seen at the county level, with the smallest percentage increases in Allegheny County at 16.02% and Armstrong County with 25.28%. Westmoreland County exceeded the expansion rate in Pennsylvania with an increase of 48.26%. Butler County saw an increase that was only 1% lower than the national rate at 98.13%. However, the City of Pittsburgh experienced a significant decrease in the number of units from 196,168 in 1960 to 163,366 in 2000, a 16.72% decrease.

While the macro view was consistent except for Pittsburgh, there is evidence that the increase in the other comparison areas is slowing and may be poised for a change. Butler County continued to experience growth in the number of new housing units with an 18.3% increase in the 1990 to 2000 period, which was greater than the national increase of 13.34%. All other areas showed single digit increases with the Commonwealth at 6.31%, and Westmoreland and Butler Counties at 4.89% and 1.98% respectively. Allegheny County showed only a minor increase in the percentage of new units of only a 0.50% in the last ten years of the study period. The City of Pittsburgh saw an actual decrease of 3.99% in the most recent decade, but the figure is consistent with the average decrease over the forty year period, indicating

that the decrease is at least not increasing if it is not ready to change.

Beyond the increase in the number of housing units, there was also some change in the mix of owner and renter occupied housing units. The percentage of owner occupied units was 56.23% at the national level in 1960 and increased to 60.24% in 2000. At the same time the percentage of renter occupied units decreased from 34.68% to 30.77% during the same time period. The percentage of vacant units tripled from 1960 to 1990 and even though the number increased 1990 to 2000, the percentage decreased because of the larger increase in new units. Pennsylvania saw a negligible increase in the percentage of owner occupied from 63.91% in 1960 to 64.89% in 2000. The percentage decrease in renter occupied units was closer to the magnitude of decrease at the national level going from 29.63% to 26.11%. The percentage of vacant units doubled from 4.35% in 1960 to 8.95% in 1990. The increase slowed to a percentage of 9.01% in 2000.

The four county study area showed a similar pattern of increase in the percentage of owner occupied units and decrease in renter occupied units. The 2000 percentage of owner occupied units ranged from a low of 61.69% in Allegheny County to a high of 73.40% in Butler County. As would be inferred, the percentage of renter occupied units was highest in Allegheny County, but Armstrong, Butler and Westmoreland Counties had a virtually identical percentage of renter occupied units in 2000 at 20.37%, 20.86% and 20.47% respectively. While Westmoreland County started the study period with the highest percentage of vacant units at 4.15% in 1990, Armstrong ended the period in that position at 10.44%. Butler County actually saw the largest rate of increase in vacant units at nearly 3,500%.

The City of Pittsburgh saw a decrease in the percentage of owner occupied units from 46.81% in 1990 to 45.86% in 2000. At the same time the percentage of renter occupied units also decreased from 49.2% to 42.12%. The percentage of vacant units tripled from 3.99% to 12.01%.

MICRO

Unlike the increases experienced at the national, state and county levels, the majority of the target market experienced decreases in the number of units both over the 40 and ten year comparison periods. Since 1990, East Deer Township had the largest percentage decrease in the number of residential units at 7.08 % while Saxonburg Borough had the largest increase at 22.93 %. The median change among the benchmark communities was an increase of 0.96 % over the 40 year period and a decrease of 1.21 % during the last ten years, resulting in an increase in the total number of units in all nineteen target communities over the 1990 to 2000 period of only 693 units, or 1.68%. Tarentum Borough saw the number of its housing units decrease 3.51 % from 2,649 to 2,556 over the last ten tear census period with an 11.22 % decrease between 1960 and 2000. For comparison, Oakmont Borough saw a 40.12 % increase in its residential units between 1960 and 2000, with an increase of only 2.9 % over the latest ten year period. Building permit information indicates that from 1990 through 2007, 3,052 new residential units were added in the entire target area with 2,529 or 82.86 % being single family units and 523 or 17.14 % being multifamily units. Over the same time period, Tarentum added a total of only 17 new residential units while Oakmont added 184. These figures do not include the Tarentum Senior Housing Phase II that developed 72 units of better-quality affordable housing while

demolishing one high-rise that resulted in the elimination of a number efficiency apartments and others that lacked modern amenities.

In terms of housing types, single family detached structures were the predominant type in Tarentum in both 1990 and 2000 at 59.21 % and 54.07 % respectively. In 2000, duplexes ranked second at 18.51 and three or four unit structures ranked third at 10.64 %. The greatest percentage increase from 1990 to 2000 was 70.29 % in duplex structures, with structures of 50 or more units accounting for the second largest percentage increase at 46.13 %. The largest decreases were 89.78 % in units in 20 to 49 unit structures and 57.87 % in single unit attached structures.

TARENTUM	1990	2000
1 unit det	59.21%	54.07%
1 unit att	7.62%	3.21%
2 units	10.87%	18.51%
3 or 4	8.96%	10.64%
5 to 9	3.81%	4.15%
10 to 19	4.31%	4.85%
20 to 49	2.25%	0.23%
50+	2.97%	4.34%
Mobile	0.00%	0.00%

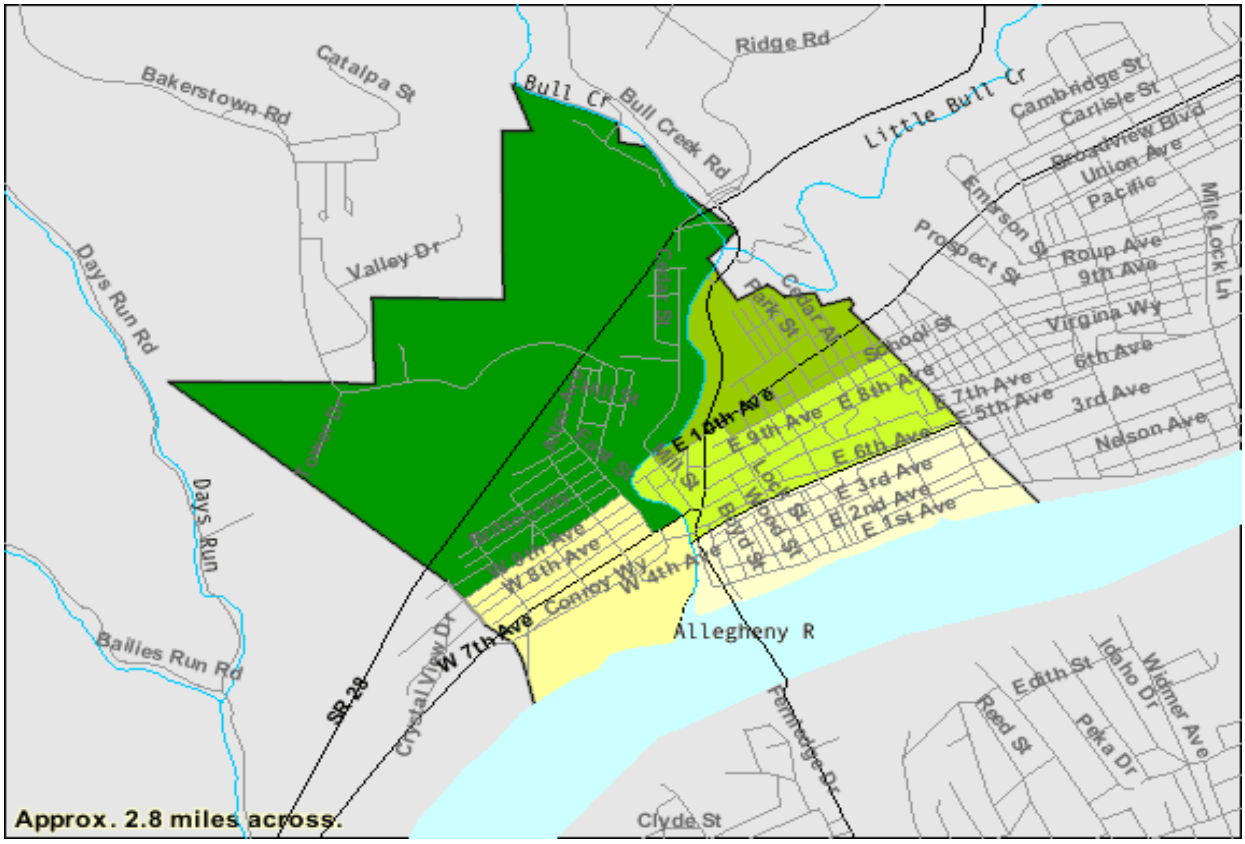
CHANGE IN RESIDENTIAL UNIT TYPE
TABLE 10

In terms of tenure, Tarentum had the lowest owner occupancy rate of 48.08 %, which was greater than the municipal median index of 64.66 %. Within the target area, Buffalo Township had the highest owner occupancy rate at 88.13 % and also had the lowest vacancy rate of 1.15 %. Oakmont had a higher owner occupancy rate, but also had a higher renter occupancy rate due to its low vacancy rate at 3.09 %. For comparison, the City of Pittsburgh had an owner occupancy rate of only 45.86 % and a vacancy rate of 12.01 %.

TENURE	TARENTUM	INDEX	OAKMONT
OWNER	48.08%	64.66%	56.04%
RENTER	36.82%	25.37%	39.34%
VACANT	11.54%	4.83%	3.09%

TENURE COMPARISON
TABLE 11

The percentage of owner occupied units in Tarentum decreased both from 1960 to 2000 and from 1990 to 2000 at rates of 18.61 % and 3.91 % respectively. The percentage of renter occupied units also decreased over the same time periods at rates of 24.9 % and 14.92 %. The difference is accounted for by an increase in the percentage of vacant units from 2.61 % in 1960 to 11.54 % in 2000, an increase of 293.33 % over the 40 year period. An increase in the percentage of renter occupied residential units is usually considered a negative attribute of a housing market, although in certain circumstances it can be representative of special housing needs such as that for student housing near a college.

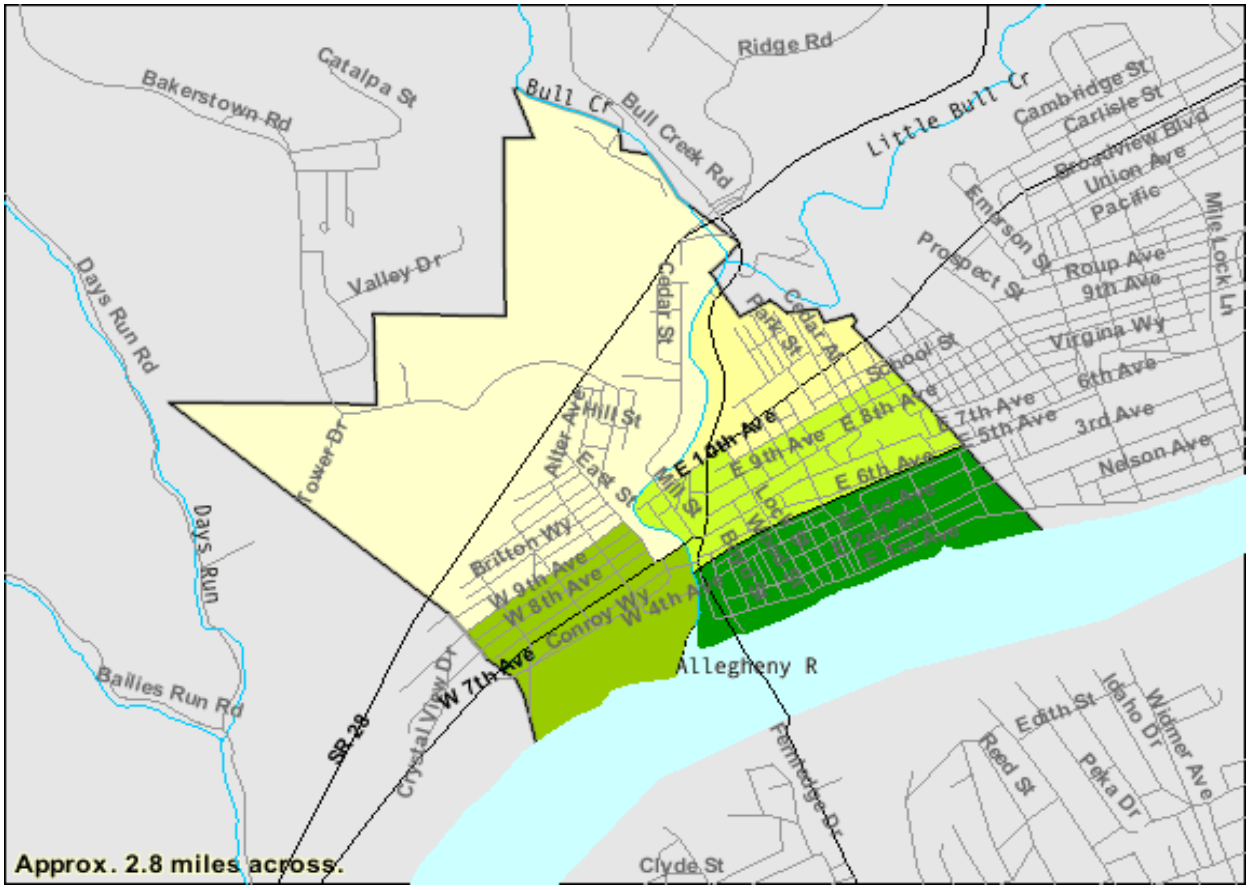


PER CENT	41.1%	43.6%	52.2%	73.3%	77.6%
CODE					

PERCENT OF OCCUPIED HOUSING UNITS THAT ARE OWNER-OCCUPIED
MAP 2

In Map 2, the vacancy rate for all units is shown with the First Ward having the largest percentage of vacant units for this category. The lower portions of the Second and Third Ward also have high percentages of overall vacancy in excess of 10%.

While residents would be aware of this pattern through their day to day experience, the highest percentage of owner-occupied housing is located in the upper areas of the Second and Third Wards. The areas closest to the river have the lowest owner occupancy rates while the area at the nexus of the First and Second Wards contains the middle level of owner-occupied units.



PER CENT	22.4%	22.7%	47.8%	56.4%	58.9%
CODE					

PERCENT OF OCCUPIED HOUSING UNITS THAT ARE RENTER-OCCUPIED 2000
MAP 3

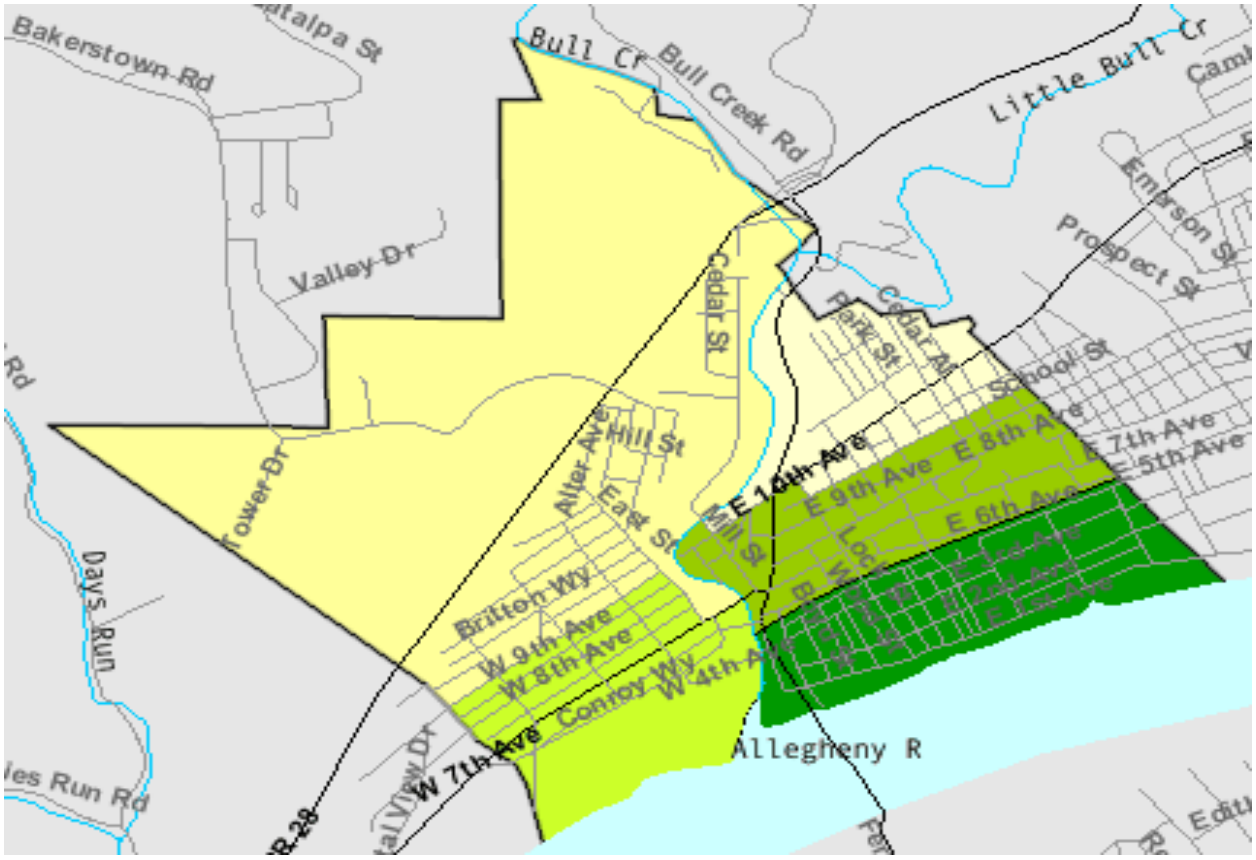
The census blocks with the largest percentage of rental vacancy rates are concentrated in the First Ward area between East 6th and 3rd Avenues. While there are other areas in the Second Ward with high rental vacancy rates, this does not necessarily indicate that there are a large number of rentals in these areas or that the overall vacancy rates in these areas are large.

A further analysis of the tenure information can be made relative to the breakdown of the vacant units as to whether they are available for sale or for rent. In Tarentum, the percent of vacant units available for rent was 56.7 %, which was higher than the percentage in Oakmont and nearly twice the Index figure. The percentage of its vacant units for sale was 14.5 %, which was lower than the figures for both the benchmark index and Oakmont. Brackenridge had the highest percentage of vacant units for rent at 62.6 % and West Leechburg had the highest percentage of units for sale at 48.4 %.

TENURE	TARENTUM	INDEX	OAKMONT
Vacant for rent	56.7%	28.90%	33.1%
Vacant for sale	14.5%	16.70%	17.2%
Rental vacancy rate	18.9%	7.90%	3.7%
Owner vacancy rate	4.4%	2.20%	1.4%

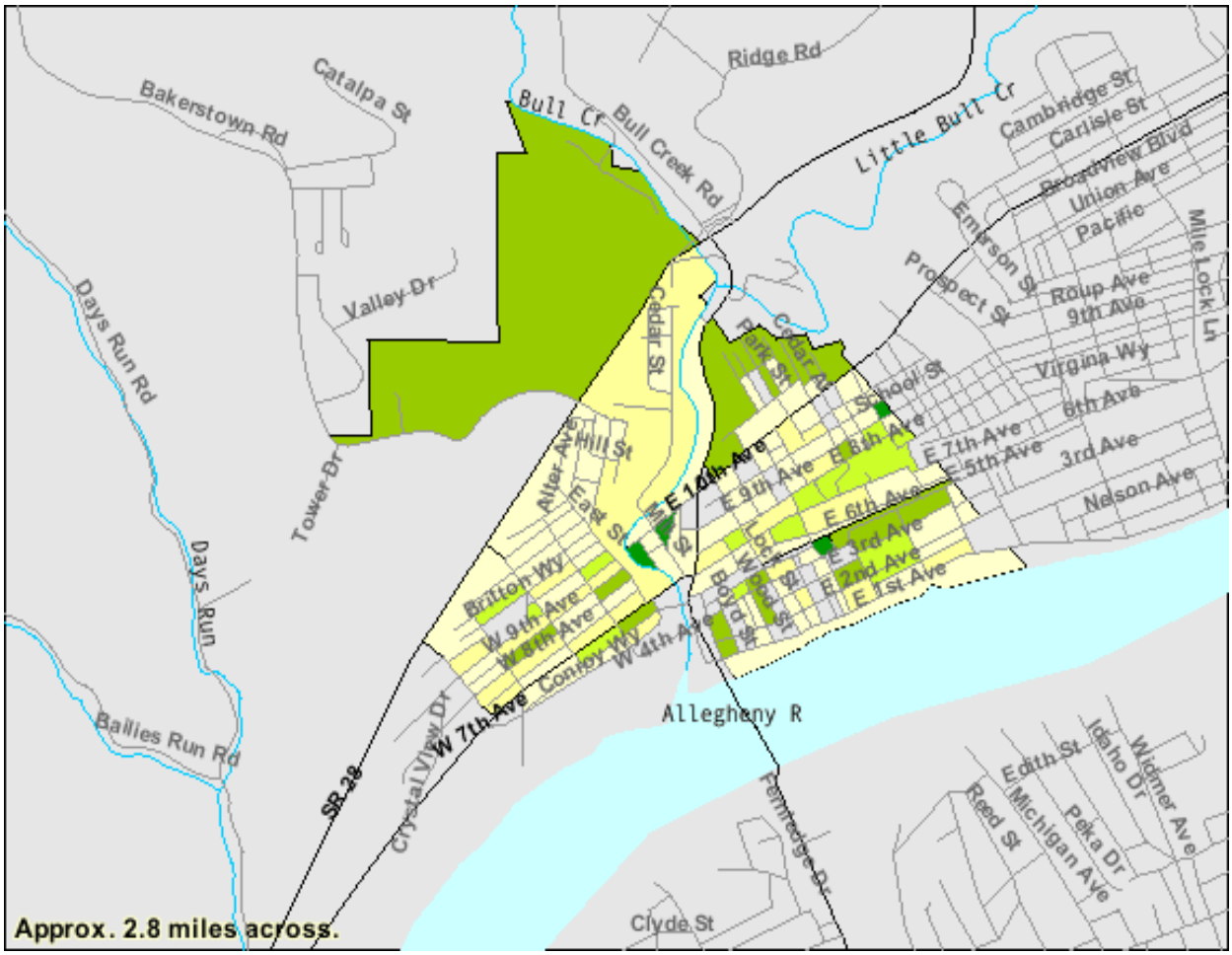
VACANCY COMPARISON
TABLE 12

While the vacancy level for owner occupied units indicates a strong market for these units, the rental market is much weaker. The higher vacancy rates also coincide with the older areas of the Borough, making the units less desirable to potential renters.



PER CENT	5.80%	8.10%	15.80%	18%	21.70%
CODE					

VACANT HOUSING UNITS
BY BLOCK GROUP
MAP 4



PER CENT	0.0% to 4.0%	5.9% to 16.7%	17.9% to 29%	33.3% to 50%	73.3% to 100%
CODE					

RENTAL VACANCY RATES 2000
MAP 5

In a more detailed look at rental vacancies by census blocks, Block Groups 3, 4, and 5 account for 85.5% of the total residential vacancies in the Borough. The 124 vacant units within these seven Blocks account for nearly 1/3 of all vacancies.

BLOCK GROUP	BLOCK	VACANT UNITS	TOTAL UNITS	% VACANT
3	3010	4	11	36.36%
	3024	27	36	75.00%
	3027	23	39	58.97%
4	4004	21	58	36.21%
	4014	23	67	34.33%
5	5010	12	38	31.58%
	5022	14	30	46.67%

VACANT UNITS AT BLOCK AND BLOCK GROUP LEVEL
TABLE 13

Number of Bedrooms

MACRO

According to the 2000 Census, a three bedroom residential unit was the most common configuration for owner occupied units at the national, state, local county, and in the City of Pittsburgh. Two bedroom units were the second most common except in Pennsylvania and Butler County where four bedroom units were second in number. In renter occupied units, two bedroom units were the preferred choice in all macro comparison areas except the City of Pittsburgh, where one bedroom units were predominant.

Two bedroom units were the most common configuration in vacant residential units. Three bedroom units had the second highest vacancy rate in all areas except Allegheny County and the City of Pittsburgh, where one bedroom units had the second highest vacancy rate. As might be expected, in owner occupied units, the lowest percentage of units were studios and one bedroom units. Conversely, rentals in five and four bedroom configurations were the least common units. Vacant unit configurations had the lowest percentage of five bedroom, studio, and four bedroom units in that order.

MICRO

Within the benchmark municipalities, the bedroom configurations were consistent with the dominant macro trends, with three bedroom and two bedroom units most common as owner occupied units and two bedroom and one bedroom units most common in rentals. In terms of vacant units, three bedroom units were the most common at 42.1%, with one bedroom and four bedroom units in a virtual tie for second at 23.9% and 23.6% respectively. It should be noted that at the micro level, there are very few studio and five bedroom units available for rent or for sale.

In Tarentum, while owner occupied unit bedroom configurations were consist with macro and micro trends, renter occupied units varied for those trends. While two bedroom rental units were the most common at 40.6%, their predominance was minimal to the occurrence of one bedroom rentals at 40.49%. Two bedroom units were the most commonly vacant, followed by one bedroom and two bedroom units.

There were no studio owner occupied units or five bedroom rentals in Tarentum in 2000 and there were no vacancies in this configuration for the rentals or the owner occupied units.

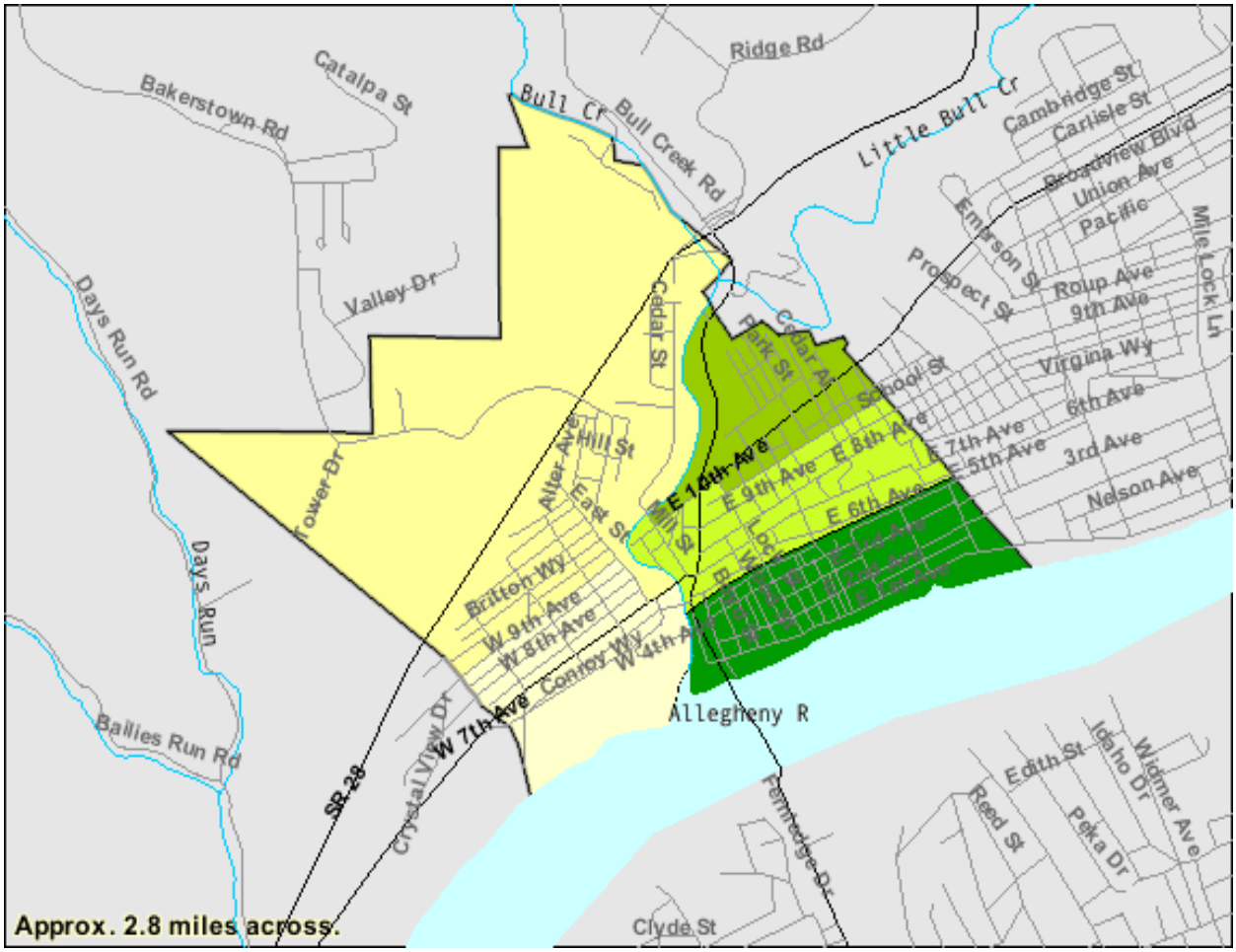
	OWNER			RENTER			VACANT	
	1990	2000		1990	2000		1990	2000
bdroom 0	0.00%	0.00%		2.08%	2.55%		2.27%	0.0%
bdroom 1	4.93%	3.50%		31.37%	40.49%		**45.08%**	33.7%
bdroom 2	27.44%	34.34%		**44.76%**	**40.60%**		33.71%	**37.8%**
bdroom 3	**47.07%**	**45.16%**		18.63%	12.43%		14.02%	21.2%
bdroom 4	15.40%	14.81%		3.16%	3.93%		4.92%	7.3%
bdroom 5+	5.16%	2.20%		0.00%	0.00%		0.00%	0.0%

CHANGE IN BEDROOM CONFIGURATIONS
TABLE 14

THE MARKET

Since 1990, saw 1,236 residential units sold with 66 units being the median number sold annually. This represents a median of 6.5 % of the total number of sales that occurred in the sixteen* municipality benchmark area over the nineteen year period. The median value for units sold in Tarentum since 1990 is $33,000 with the comparison area figure of $60,000. In terms of foreclosures, both Tarentum and the comparison area experienced a threefold increase in the median number of foreclosures from the 2000 to 2008 period as compared to the time from 1990 to 1999. The number of foreclosures in Tarentum was approximately 10% of the total comparison area numbers in both timeframes.

For comparison, the Borough of Oakmont saw a total of 1946 units sold over the nineteen year period with a median number of annual sales at 107 units. The median sales price of units in Oakmont is $97,000. The number of foreclosures is approximately 50% of the Tarentum figures during both the 1990s and the 2000s.



MED VALUE	$ 41,700	$ 47,100	$ 47,200	$ 50,000	$ 51,900
CODE					

MEDIAN VALUE OF SPECIFIED OWNER-OCCUPIED HOUSING UNITS
MAP 6

RENT LEVELS

In researching rent levels, there were a limited number of examples of properties available for rent in Tarentum to provide statistical data. Examples of 2008 rentals are shown in Table 13.

UNIT TYPE	RENT
Studio	$375
1 Bedroom	$455
2 Bedroom	$495 - $610

TARENTUM RENT LEVELS
TABLE 15

Although limited in number, these figures appear to be reliable as they are comparable to inflation adjusted census figures wherein the 1990 median monthly contract rent was $228 and in 2000 it was $353.

There is a wider range of rental information available for the comparison communities. For the benchmark communities, the cost is typically $300 for a one-bedroom unit to $500 for a two-bedroom unit. There are no studio units available, but three-bedroom units are available and generally in the $600 to $1000+ range.

Beyond simple housing statistics, there are also specific measures that are used to evaluate the health of housing markets. One of these is known as the absorption rate, which is a calculation of the average number of homes sold over a particular period of time.

The absorption rate is found by dividing the number of listings that are sold by the number of new listings that come onto the market. This number is written in a percentage. If the absorption rate is above 50%, that means the inventory level is shrinking. If the absorption rate is below 50%, the market is not absorbing the inventory, and thus the inventory level will be increasing. In Tarentum, the median annual number of residential sales has been 66.5, with the monthly of sales being 5.5 units. In November and December of 2008 there were 28 homes on the market, which is consistent with historic listing levels. Based on these numbers, it would have taken approximately five months to sell the active listings and the absorption rate was in excess of 200%. However, the number of sales through December of 2008 is down to 28 units, indicating that the monthly of sales has dropped to 2.3 units or less than half of the previous rate. The absorption rate is down to 100% and it will now take one year to sell the active listings or "deplete the inventory", which is more consistent with current conditions. The amount of inventory also typically determines market. A "neutral market" is normally six months of inventory. An inventory of less than six months is a "sellers market", and conversely, an inventory of more than 6 months is a "buyers market."

Absorption Rates are the best means of tracking market performance. They are usually used to indicate "overall market performance", or how an entire market is doing. Absorption Rates are also used to indicate market performance by price range, or how **a** particular price n a market is doing.

OCCUPANT AND UNIT PROFILE

OCCUPANT

Based on the 2000 Census data, the typical residential property owner is a male headed household, with the head of the head of household being age 37.9, and contains 2.3 persons. The household income is $26,895.

OWNER OCCUPIED UNIT

The typical owner-occupied unit is a single family detached structure with three bedrooms and a value of $47,200.

RENTER OCCUPIED UNIT

The typical renter-occupied unit is a single family detached structure with either one or two bedrooms and a contract rent of $388.

AFFORBABILITY

Affordability is also an important aspect of a strong housing market. With the 80% of median

income figure being $35,700 for Allegheny County, approximately 60% of Tarentum residents would be considered low and moderate income. Almost 24% of the population would fall under the $13,400 very low income level.

Also important in the issue of affordability is the local real estate taxation burden. When Tarentum is compared to the other benchmark communities based upon a standard housing value of $50,000, it ranks sixth highest in terms of real estate tax costs. However, using this figure ignores the fact of relative values wherein $50,000 is higher than the median value of housing in Tarentum and is much less than the median value in other communities if housing is available at that price level at all. Utilizing the 2000 median census value for each municipality and applying the local tax rates, Tarentum ranks third lowest, making it very affordable in terms of local tax rates.

COUNTY	TAX	SCHOOL DISTRICT	TAX	MUNICIPALITY	TAX	TOTAL TAX	COMMON RATIO	TAX ON $50,000	$50,000 RANK	2000 CENSUS MED VALUE	TAX ON MED VALUE	MV RANK
Allegheny	0.00469	Highlands	0.02371	Brackenridge	0.00549	0.03389	100%	$ 1,695	16	$ 53,800	$ 1,823.28	7
	0.00469	Highlands	0.02371	Tarentum	0.00548	0.03388	100%	$ 1,694	**15**	$ 47,200	$ 1,599.14	**3**
	0.00469	Highlands	0.02371	Fawn	0.0035	0.0319	100%	$ 1,595	11	$ 83,600	$ 2,666.84	18
	0.00469	Highlands	0.02371	Harrison	0.0055	0.0339	100%	$ 1,695	16	$ 76,500	$ 2,593.35	16
	0.00469	Deer Lakes	0.024035	East Deer	0.0039	0.032625	100%	$ 1,631	14	$ 52,000	$ 1,696.50	5
	0.00469	Deer Lakes	0.024035	Frazer	0.00155	0.030275	100%	$ 1,514	10	$ 84,900	$ 2,570.35	15
	0.00469	Riverview	0.02336	Oakmont	0.00392	0.03197	100%	$ 1,599	12	$ 113,200	$ 3,619.00	20
	0.00469	Allegheny Valley	0.02223	Springdale (Borough)	0.0055	0.03242	100%	$ 1,621	13	$ 69,700	$ 2,259.67	13
Armstrong	0.0155	Freeport Area	0.048	Freeport	0.009	0.0725	50%	$ 1,813	19	$ 52,200	$ 1,892.25	8
	0.0155	Leechburg Area	0.05713	Leechburg	0.01057	0.0832	50%	$ 2,080	20	$ 59,500	$ 2,475.20	14
	0.0155	Freeport Area	0.048	South Buffalo	0.0047	0.0682	50%	$ 1,705	18	$ 92,500	$ 3,154.25	19
Butler	0.0275	Freeport Area	0.159	Buffalo	0.0045	0.1910	10.42%	$ 995	2	$ 133,000	$ 2,646.99	17
	0.0275	South Butler Area	0.1149	Saxonburg	0.007	0.1494	10.42%	$ 778	1	$ 109,500	$ 1,704.64	6
Westmoreland	0.02099	Kiski Area	0.07748	Allegheny	0.013	0.11147	19.8%	$ 1,104	4	$ 101,000	$ 2,229.18	12
	0.02099	New Kensington - Arnold	0.0719	Arnold	0.03475	0.12764	19.8%	$ 1,264	8	$ 50,500	$ 1,276.27	1
	0.02099	New Kensington - Arnold	0.0719	New Kensington	0.02624	0.11913	19.8%	$ 1,179	6	$ 69,000	$ 1,627.55	4
	0.02099	Burrell	0.0787	Upper Burrell	0.007	0.10669	19.8%	$ 1,056	3	$ 102,300	$ 2,161.05	10
	0.02099	Burrell	0.0787	Lower Burrell	0.01575	0.11544	19.8%	$ 1,143	5	$ 94,100	$ 2,150.85	9
	0.02099	Leechburg Area	0.09204	West Leechburg	0.022	0.13503	19.8%	$ 1,337	9	$ 82,500	$ 2,205.72	11
	0.02099	Kiski Area	0.07748	Vandergrift	0.026	0.12447	19.8%	$ 1,232	7	$ 53,800	$ 1,325.90	2

REAL ESTATE TAX COMPARISON
TABLE 16

Beyond the issue of simply having sufficient income to cover the cost of mortgage payments and related housing costs, more recently there has been research into the cost of housing in conjunction with the cost of transportation. The Center for Neighborhood Technology has developed an index that incorporates a variety of housing and transportation related costs to provide a "true" cost of housing when travel to work is factored into overall housing affordability costs. In this index, Tarentum scores a figure of 44.14% of income when housing and transportation costs are combined. This is below the Center's "target" figure of 45%.

PROGRAMS AND INCENTIVES

A strong housing market based upon a sound and affordable housing stock, including low tax rates, makes Tarentum a desirable place to live. Reduction in the number of vacancies means more revenues for the Borough not only in terms of taxes and utility usage; but also, in terms of local income taxes. Fewer vacancies also mean fewer opportunities for the use of unoccupied properties in illicit activities which also reduces municipal service expenditures. A higher home owner occupancy rate also means a financial stake in maintaining properties and usually a stronger commitment to community.

Based upon review of the Borough's recently revised Zoning Ordinance, it appears that a number of issues mentioned at the public meetings conducted during the course of the preparation of this report are related more to enforcement than to a lack of existing regulations. Some modification of the RD and SP classifications made be made as the result of the adoption of this report.

DISTRICT	PERMITTED	CONDITIONAL	SPECIAL
R1	Single- family Planned residential development	None	Accessory apartment to single family
R2	Single- family Two-family dwelling Townhouse dwelling	None	Conversion of single family to multifamily Family care Group care Boarding house Accessory apartment to single family
R2A	Single- family Two-family dwelling Townhouse dwelling	None	Conversion of single family to multifamily Accessory apartment to single family
C1	None	Garden dwelling Multifamily, multistory dwelling	Conversion of single family to multifamily Residences above commercial or nonprofit use
RD	Existing dwelling units	Riverfront multifamily	None
SP	Planned residential	Mobile home park	None

ZONING DISTRICTS PERMITTING RESIDENTIAL USES
TABLE 17

HOUSING INCENTIVES

In the absence of a perfect market, there will usually be some mismatch in the housing supply and demand that requires the introduction of incentives to reduce market inefficiencies and achieve policy goals. There are two general types of incentives available to stimulate the housing market: direct and indirect. Direct incentives involve the infusion of cash, either on the front end or during the life of the project to increase project "feasibility."

There are also passive incentives usually reduce risk such as mortgage insurance or mortgage guaranties. Tax abatement programs that reduce taxes on new construction or on rehabilitated properties minimize the impact of new taxes that result from the investment in housing, thus reducing costs associated with the provision of housing and increasing the cash flow to the investor and/or decreasing costs to the occupant. In either case, the object is to increase the marketability of the project or property. Specific incentives are reviewed in the recommendations section for use in the implementation of the suggested strategy.

RECOMMENDATIONS

The data suggests that there is a healthy housing market in Tarentum Borough. The local market has demonstrated the capacity to absorb the sales of 66 residential units annually, with the majority of these being single family homes. There has been relatively little activity in terms of new residential new construction with the exception of 72 senior housing units completed late in 2007. However, the high rental vacancy rate indicates that there is a structural mismatch of demand and supply for this market. As a result of this information, the following strategy is proposed:

IMPLEMENTATION STRATEGY

In designing a residential development strategy, there are a number of components that can be incorporated into the program. This document suggests four primary component:

Acquisition and Conversion (1 to 5 years)

The first involves a component that reduces the supply of units for which there is no market. In this component, a survey of Tarentum is conducted to identify properties for which there is a functional mismatch in supply and demand such as too few or too many bedrooms. These properties also include those that have been most recently utilized in non-residential occupancy such as commercial and industrial uses and former public use structures such as school buildings, churches, etc. A number of these structures exist in Tarentum and the buildings and receive special mention in the County Comprehensive Plan. "*Allegheny Places recommends that municipalities that have a number of vacant, abandoned, and under-utilized structures conduct an inventory to identify the structures, note any exceptional qualities (e.g., architectural, historic and/or community value), evaluate the condition of the structure, and note the potential for re-use, if any (pgs. 4D-10; 4D-12).*"

HUD Incentive Programs

HUD's new Neighborhood Stabilization Program will provide emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program (NSP) provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem

the decline of house values of neighboring homes.

The Allegheny First-time Homebuyers Program offers low-interest mortgages to eligible first-time homebuyers. Applicants may also apply for closing cost and down payment assistance.

The Allegheny Targeted Area Homebuyer Program provides low-interest mortgages to qualified homebuyers in targeted census tracts to help increase homeownership.

The Allegheny Home Improvement Loan Program (AHILP) provides funding assistance that enables low-income homeowners to improve their homes.

Third Ward Housing Component (1 to 10 years)

The third component is one that is associated with the redevelopment of the Borough's Third Ward. A large portion of the Third Ward has been identified as blighted and is underproductive in terms of its return to the Borough. While this strategy is discussed in detail in the Third Ward Redevelopment Plan, this component of the strategy consists of two primary scenarios: high and mixed density development. In the high density scenario, a new urbanism approach is utilized in the entire area between 7th Avenue and the riverfront. In the mixed density scenario, medium density development is undertaken in the area between 7th and 4th Avenues, with high density development being used in the area between the railroad tracks and the riverfront. An additional variation involves a Transit Oriented Development scenario.

County Incentive Programs

Allegheny County CDBG Program utilizes a federal funding allocation to undertake projects that meet specified national program objectives. The Community Infrastructure Tourism Fund (the "CITF") will provide grants to allow municipalities, authorities and councils of government to carry out important infrastructure related development. The CITF will also provide a combination of loans and grants for the acquisition and development of key sites for future use by businesses, private developers and others. The CITF is intended to provide financial assistance to municipalities, authorities, developers and non-profits to stabilize or correct existing infrastructure problems, and plan and prepare sites for future use. EPA Brownfield Assessment Program (ARTEZ) is an extension of an existing program offered in the Allegheny River Town Enterprise Zone that utilizes federal funding to conduct Phase I and II environmental assessments and limited remediation activity.

Main Street Residential (1 to 5 years)

One of the areas where there is a concentrated number of vacant units is in the proposed Borough's proposed Main Street Main district. According to the survey conducted by the Community Technical Assistance Center, there are 58 mixed-use properties in the area designated as MS1, or primary Main Street district. Of this number, there are 33 properties listed as partially occupied that contain 104 residential units. While not all of the units are vacant, there are a sufficient number in a relatively compact area to create a synergistic effect with the Main Street commercial revitalization. Not only can the use of these normally unused properties result in additional income for the property owner, but they can also create a captive market for goods and services available from Main Street businesses. A conceptual program could include incentives for the renovation of vacant residential units in the mixed use structures or the purchase of complete properties by a nonprofit with subsequent renovation and rental of both the commercial and residential units. The area

designated as MS2 would also benefit from this program.

Main Street Incentive Programs

Allegheny Valley Bank offers an Upstairs/Downstairs program that provides financing that covers both the commercial and residential parts of a mixed-use project. In addition, the Pennsylvania Housing Finance Agency has created the Mixed Use Facility Financing Initiative within its Homeownership Choice Program. The Initiative recognizes that there are many properties located within commercial corridors throughout the Commonwealth that consist of street level storefronts with residential apartment space in upper floors. Rehabilitation of these mixed-use buildings provides a means of stabilizing and revitalizing commercial corridors and surrounding residential neighborhoods by attracting and retaining businesses, providing increased housing opportunities for local residents.

ELM STREET PROGRAM

The fourth component involves the utilization of the Pennsylvania Department of Community and Economic Development's Elm Street Program to target revitalization in the neighborhoods contiguous to the Main Street district. The Elm Street Program was initiated by the Pennsylvania Department of Community and Economic Development to extend the benefits of the Main Street Program to the areas within ½ mile of the commercial district by utilizing the same approaches used in the revitalization of the commercial corridor in the residential areas. The area most likely to be designated would be the remainder of 7th Avenue not designated as Main Street and the parallel areas of 8th and 9th Avenues.

PA DCED Incentive Programs

The Pennsylvania Department of Community and Economic Development Elm Street Program provides financial support for area specific residential revitalization similar to the Main Street Program .

NOTES