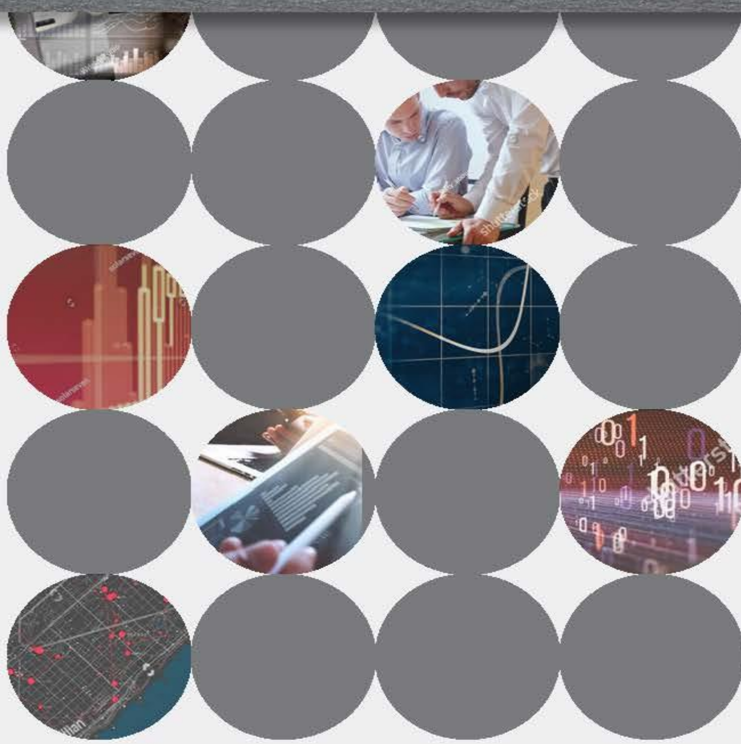
A Partnership Among Geisinger Commonwealth School of Medicine, Johnson College, Keystone College, Lackawanna College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Hazleton, Penn State Scranton, Penn State Wilkes-Barre, The Wright Center for Graduate Medical Education, University of Scranton, Wilkes University, and the business community

The Institute

Turning Information into Insight

THE INSTITUTE FOR PUBLIC POLICY & ECONOMIC DEVELOPMENT



Infill Development as a Solution to the Housing Crisis

2025

The Institute

Turning Information into Insight

The Institute is a non-profit economic and social innovation research and policy organization dedicated to empowering business and community leaders with research based strategies for informed decision making. We conduct independent, non-biased research to identify the opportunities, issues, and challenges unique to the region and to find innovative solutions to help solve the problems facing our communities. The Institute also offers a wide array of research, consulting, and support services to help organizations boost productivity, increase profitability and be successful in their missions.

Housing Task Force

Charlie Kasko, Classic Properties - Chair
Scott Constantini, AVP of Primary Care and Recovery Services, The Wright Center
Lisa Durkin, President & CEO, United Neighborhood Centers
Steven Farrell, Owner, Classic Properties
Patrick Fricchione, President & CEO, Simplex Homes
Dana Hanchin, HDC MidAtlantic
Carl J. Handman, AIA, Architect
Todd Pousley, NeighborWorks NEPA

The Institute Team

Teri Ooms, CEO
Jill Avery-Stoss, President
Sarah Bender, Research Analyst
Brigitte Guariglia, Research Analyst
Timothy Ooms, Research Analyst
Ethan Van Gorden, Research Analyst
Michael Shuba, Research Assistant
Jean Holmgren, Marketing and Communications Manager
Emily Bauer, Research & Administrative Coordinator

Academic Partners
Geisinger Commonwealth School of Medicine
Johnson College
Keystone College
King's College
Lackawanna College
Luzerne County Community College
Marywood University
Misericordia University
Penn State Hazleton
Penn State Scranton
Penn State Wilkes-Barre
The Wright Center for Graduate Medical Education
University of Scranton
Wilkes University

Signature Underwriters -
Andrew J. Sordoni Foundation
Luzerne County
Sordoni Family Foundation

Contributing Underwriters
Geisinger Health System
The Luzerne Foundation
PPL Electric Utilities

Supporting Underwriters
BlackOut Design
Empower
Greater Hazleton CANDO
Greater Scranton Chamber of Commerce
Highmark Blue Cross Blue Shield
KMLA Group
M&T Bank
Marty Wolff Business Solutions
Peoples Security Bank & Trust
PNC
Rosenn Jenkins & Greenwald LLP
UGI Utilities

Table of Contents

During the period this study was researched and prepared, from summer 2024 through early 2025, the most current available information was used. Changes in the political landscape in 2025 may affect the agencies referenced, their funding, and their programs and, thus, the recommendations in this report.

Executive Summary

The potential for infill development is explored in this report. It is researched from an economic perspective, and it encompasses findings from The Institute's earlier study of blight in Northeastern Pennsylvania. Alternative housing arrangements, such as nonprofit housing, increased density, multi-family units, alley housing, and modular housing are also addressed. This report will further explore alternative housing opportunities through infill development and examine the existing barriers affecting the regional housing market.

The regional workforce is growing as a result of in-migration, and remote work is also bringing new residents to the area. Population growth, coupled with limited new construction, creates a demand for existing stock. Costs for homes and rentals have risen since the COVID-19 pandemic and may continue to rise as the region grows economically. If the region fails to expand the housing market with new and diverse options, limited availability will persist, and affordability will remain a challenge.

Various types of infill development can be explored to revitalize and reconnect communities while promoting diversity, urbanism, and sustainability. In urban areas, opportunities exist for adaptive reuse and mixed-use developments near public transportation. Rural areas offer potential for the expansion of manufactured, modular, and other housing options, making homeownership more accessible for first-time buyers.

Options such as manufactured housing may provide crucial support for the region's housing market, but challenges exist in financing, zoning, and public perception. Manufactured homes, unlike modular units, are not considered permanent structures that qualify for traditional financing, though installation costs are higher for modular units.[i] Other alternatives, such as accessory dwelling units, alley housing, townhouses, and condominiums, can diversify housing options in Northeastern Pennsylvania.

Financing for these alternative housing types is unconventional and differs from traditional mortgage structures. Non-traditional loan options do exist, but homebuyers must be informed about them during the decision-making process. Regional institutions that assist low- to middle-income and first-time homebuyers can play a key role in overcoming to information and access. A case study from Rancho Cucamonga highlights how a nonprofit organization has successfully supported manufactured housing development and homeownership. Additionally, establishing a Community Development Financial Institution (CDFI) is recommended as a financing solution.

Research Methodology

The data and information used in this report came from a variety of secondary sources including prior Institute studies and regional indicators. The sources include the U.S. Census Bureau's Decennial Census and American Community Survey 5-year estimates, as well as data sets from the Zillow Research. Additional information was gleaned from the Pocono Housing Summit held in November 2024.

Introduction

The low cost of living has long been one of Northeastern Pennsylvania's greatest competitive advantages, particularly regarding worker and business attraction. However, limited development and population growth have created upward pressure on housing costs. Additionally, wages have risen, but they have not increased at a rate comparable to inflation. Solutions such as infill development offer opportunities to mitigate the housing crisis by utilizing existing resources and infrastructure.

Infill development involves repurposing vacant or underutilized land to meet community needs, such as housing. It helps avoid unnecessary sprawl while fostering sustainability, appropriate density use, and connectivity. More specifically, infill development refers to utilizing vacant lots within existing neighborhoods, whether due to blight, undeveloped properties, or the demolition of previous structures. These parcels, situated between existing developments, vary in size and present opportunities for revitalization.

Urban infill development can take various forms, including mixed-use development (a combination of residential and commercial spaces within a single development), transit-oriented development (located near public transit hubs to reduce reliance on personal vehicles), and adaptive reuse (the preservation of existing structures, which avoids the environmental impact of new construction).[ii] Infill development has the potential to offer numerous benefits to the region, but several challenges must be addressed to ensure its success and long-term sustainability. Key considerations include the cost and availability of land, effective collaboration among stakeholders and the community, and assessing existing infrastructure and proximity to essential resources.

In suburban areas, infill development could be improved by the ability to produce manufactured housing, including single and multi-family units, accessory dwelling units, and modular housing – all of which could be accomplished in Pennsylvania. Manufactured housing offers several advantages, such as predictable pricing, shorter construction timelines, lower development costs, faster move-in times, and fewer weather-related delays compared to site-built homes. However, challenges arise from zoning ordinances and regulatory restrictions.

In rural areas, ongoing development must be balanced with rural land conservation efforts, including agriculture and forested land. Development should occur within developed areas or adjacent to them. The challenge lies in the density regulations outlined in the community's zoning code, which govern the type of development and the potential for adaptive reuse.

Expanding affordable housing in the region is essential to accommodate the existing population as well as incoming residents. Lawmakers, stakeholders, and community members must collaborate to address barriers to infill development and establish a path toward developing and sustaining affordable housing.

Regional Characteristics

Inventory

Understanding the supply of homes built by year at both the regional and state levels helps guide urban planning, assess housing demand, and inform infrastructure development. The region has experienced minimal development in recent decades, contributing to the ongoing housing shortage.

Of all the housing units within Lackawanna County, only 343 were built after 2020 and 3,976 were built after 2010. Within Luzerne County, 499 homes were built after 2020 and 4,636 were built after 2010. In Wayne County, 168 new homes were built after 2020, and 1,511 new homes were built since 2010.

Homes by Year Built

Year Built	Lackawanna	Luzerne	Wayne	Pennsylvania
2020 or later	343	499	168	33,803
2010 to 2019	3,633	4,137	1,343	283,064
2000 to 2009	5,673	9,663	3,742	465,357
1980 to 1999	15,067	22,848	10,791	1,079,505
1960 to 1979	20,887	36,863	7,645	1,298,834
1940 to 1959	18,210	29,370	2,791	1,168,321
1939 or earlier	36,200	47,632	5,574	1,450,779

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates 2023

For Sale Inventory: Recent Trends

	Scranton/Wilkes-Barre/Hazleton Metro Area	United States
Q1 2019	2,319	1,436,028
Q2 2019	2,403	1,594,960
Q3 2019	2,608	1,682,555
Q4 2019	2,458	1,545,515
Q1 2020	2,011	1,310,230
Q2 2020	1,772	1,312,654
Q3 2020	1,795	1,317,722
Q4 2020	1,495	1,132,280
Q1 2021	1,253	904,424
Q2 2021	1,457	931,468
Q3 2021	2,034	1,061,416
Q4 2021	2,008	984,249
Q1 2022	1,362	736,968
Q2 2022	1,416	860,568
Q3 2022	1,857	1,075,621
Q4 2022	1,894	1,024,513
Q1 2023	1,406	850,178
Q2 2023	1,307	877,857
Q3 2023	1,333	946,986
Q4 2023	1,292	959,905

Source: Zillow Research - Average for Each Quarter

The Scranton/Wilkes-Barre/Hazleton metro area's for-sale inventory declined over the four-year period analyzed, from 2,447 in 2019 to 1,335 in 2023. From 2022 Q4 to 2023 Q4 there was an overall decrease of 31.8 percent, following a decrease of 6.7 percent from 2021 Q4 to 2022 Q4.

The number of building permits issued in a year and value of new construction built are indicators of the strength of a region's housing market. The number and type of permits issued can reflect housing development and direction. In addition, construction costs impact overall home values.

Lackawanna County issued 187 building permits in 2023, a 0.2 percent increase from the previous year but a 7.4 percent decrease from values recorded a decade prior. New construction costs for the county have increased by 6.9 percent from 2022 to 2023. Luzerne County issued 231 building permits in 2023, an 18 percent decrease from the previous year but a 19.1 percent increase from values recorded a decade prior. The value of new construction costs decreased by 10.7 percent from 2022 to 2023. Wayne County has also experienced an increase in the number of permits. The county issued 134 building permits in 2023, an 8.2 percent increase from the previous year and a 21.8

percent increase from values recorded a decade earlier. The county's new construction costs decreased by 5.4 percent from 2022 to 2023.

Value

Understanding the trends in typical home value and rent can aid in the assessment of housing affordability while revealing the temperature of the housing market. Comparison across the region and state, as well as the U.S., can help identify larger trends in typical home values and rent.

Lackawanna County home values increased 24.1 percent between 2022 and 2023, and 10.2 percent from 2021 to 2022. These values are considerably larger than the 3.9 percent increase from 2018 to 2019. Luzerne County home values have also increased from 2022 to 2023 (by 23.7 percent). They increased 12.0 percent from 2021 to 2022. From 2018 to 2019 the county only experienced a 6.6 percent increase. From 2022 to 2023, Wayne County had the lowest increase of home values of 5.5 percent. It had the largest increase from 2021 to 2022, however (20.1 percent). From 2018 to 2019 Wayne County home values only increased by 3.5 percent, the smallest increase for this period.

Typical Home Value

	2000	2010	2018	2019	2020	2021	2022	2023
Lackawanna County	ND	$102,698	$115,280	$119,822	$129,001	$149,093	$164,233	$203,867
Luzerne County	$63,709	$94,211	$100,433	$107,104	$116,572	$135,887	$152,159	$188,290
Wayne County	$80,325	$138,351	$152,086	$157,473	$168,725	$215,943	$259,437	$273,682
Pennsylvania	$89,287	$143,806	$164,746	$172,531	$185,421	$210,854	$232,218	$253,762
United States	$113,743	$155,117	$214,851	$226,476	$241,516	$279,263	$323,117	$342,941

Source: Zillow Research ZHVI (Zillow Home Value Index). Each value is the average of all available monthly data.

Increases for typical market rent for the Scranton/ Wilkes-Barre/ Hazleton Metropolitan Area have fluctuated over the series. From 2022 to 2023 these values rose by 3.5 percent. From 2021 to 2022 they rose 11.4 percent, and from 2020 to 2021 they rose 13.6 percent. On average, typical market rent for the region experienced an increase of 7.8 percent from year to year.

Typical Market Rent

	2018	2019	2020	2021	2022	2023
Scranton/ Wilkes-Barre/ Hazleton Metropolitan Area	$847	$882	$926	$1,052	$1,172	$1,213
United States	$1,484	$1,544	$1,574	$1,709	$1,934	$1,943

Source: Zillow Research ZORI (Zillow Observed Rent Index). Each value is the average of all available monthly data.

Population and Tenure

Population estimates are used for state and local planning for resource allocation, and for social and economic development. Estimates are used to measure health and well-being as well as living conditions.

From 1990 to 2010, Lackawanna and Luzerne Counties experienced population decreases of 4,602 and 7,231, respectively. Over the next decade, both counties saw slight increases in population. This growth remained steady from 2020 to 2022. Wayne County saw the most significant increase in population since 1990, with an estimated 12,878 growth from the period 1990 to 2010 and minimal decrease of 1,667 over the next decade. Pennsylvania experienced an increase in population from 1990 to 2010 and reached a peak during the pandemic in 2020.

Population Overview							
	1990	2000	2010	2020	2021	2022	2023
Lackawanna	219,039	213,295	214,437	215,896	215,529	215,672	215,834
Luzerne	328,149	319,250	320,918	325,594	324,825	325,396	325,978
Wayne	39,944	47,722	52,822	51,155	51,244	51,227	51,189
Pennsylvania	11,881,643	12,281,054	12,702,379	13,002,700	12,970,650	12,989,208	12,986,518

Source: U.S. Census Bureau Decennial Census 1990, 2000, 2010 and 2020 ; American Community Survey 5yr. Estimates

Across Lackawanna, Luzerne, and Wayne Counties – as well as Pennsylvania – the average household size is 2.4 people. Despite some minor fluctuation, this figure has remained relatively stable for the past decade. There has been some variation in household composition, however. For example, single-parent family households and households composed of seniors living alone have increased in number since 2020.

Housing tenure refers to the breakdown of people who own their homes versus those who rent. Housing tenure serves as a valuable tool for understanding evolving housing preferences as well as potential affordability challenges. Homeownership increased in all three counties as well as the Commonwealth between 2020 and 2021. Shares of renters decreased during that period. Rates have since remained relatively steady.

Housing Tenure: Owner to Renter Comparison								
	2020*		2021		2022		2023	
	Owner	Renter	Owner	Renter	Owner	Renter	Owner	Renter
Lackawanna	63.0%	37.0%	65.3%	34.7%	65.4%	34.6%	65.4%	34.6%
Luzerne	65.4%	34.6%	67.6%	32.4%	67.3%	32.7%	67.8%	32.2%
Wayne	79.5%	20.5%	80.7%	19.3%	81.9%	18.1%	81.9%	18.1%
Pennsylvania	67.3%	32.7%	69.2%	30.8%	69.2%	30.8%	69.3%	30.7%

*Source: U.S. Census Bureau, American Community Survey 5 Year Estimates and Decennial Census**

Affordability

Throughout Northeastern Pennsylvania and across the Commonwealth, median income for renter households has gradually increased, along with median rent at the county and state levels. Among the three counties analyzed, Luzerne has maintained the lowest median rent and median income for renter households. Lackawanna County had the second lowest median rent for the three counties, but in 2020 it exceeded Wayne County's median rent by $8. Wayne County has maintained the highest median rent, which gradually increased, but the median income for renter households did not rise as the same rate. This has led to a rent-to-income ratio of 31.3 percent, exceeding the state's ratio.

Rental Affordability						
	1990*	2000*	2010	2020	2021	2022
Lackawanna						
Median Income for Renter Households	$15,406	$20,846	$25,497	$32,843	$34,182	$37,757
Median Rent	$322	$440	$623	$799	$844	$917
% of Income for Rent	25.1%	25.3%	29.3%	29.2%	29.6%	29.1%
Luzerne						
Median Income for Renter Households	$14,858	$20,630	$23,473	$31,042	$33,784	$35,644
Median Rent	$318	$434	$599	$772	$824	$904
% of Income for Rent	25.7%	25.2%	30.6%	29.8%	29.3%	30.4%
Wayne						
Median Income for Renter Households	$17,387	$21,201	$25,978	$33,490	$34,331	$35,716
Median Rent	$382	$481	$691	$791	$852	$933
% of Income for Rent	26.4%	27.2%	31.9%	28.3%	29.8%	31.3%
Pennsylvania						
Median Income for Renter Households	$18,250	$24,601	$28,051	$37,702	$40,098	$43,796
Median Rent	$404	$531	$739	$958	$1,013	$1,110
% of Income for Rent	26.6%	25.9%	31.6%	30.5%	30.3%	30.4%
*Source: U.S. Census Bureau, American Community Survey 5-year Estimates and Decennial Estimates**						

Housing affordability is somewhat more manageable for homeowners than for renters. These costs have risen annually, but the percentage of income spent on housing remains below 20.0 percent. Median monthly owner costs include mortgage payments, real estate taxes, various insurances, utilities, fuels, mobile home expenses, and condominium fees. Additionally, median income for homeowners has steadily increased, helping to offset the impact of rising housing costs.

Housing Affordability						
	1990*	2000*	2010	2020	2021	2022
Lackawanna						
Median Income for Owner Households	$29,522	$42,701	$57,450	$71,168	$76,002	$82,757
Median Monthly Owner Costs	$620	$939	$893	$894	$954	$1,009
% of Income for Owner Costs	25.2%	26.4%	18.7%	15.1%	15.1%	14.6%
Luzerne						
Median Income for Owner Households	$28,037	$40,640	$52,633	$67,991	$71,542	$76,985
Median Monthly Owner Costs	$545	$865	$791	$837	$864	$935
% of Income for Owner Costs	23.3%	25.5%	18.0%	14.8%	14.5%	14.6%
Wayne						
Median Income for Owner Households	$26,555	$37,840	$51,014	$63,892	$65,332	$67,705
Median Monthly Owner Costs	$611	$876	$842	$850	$875	$917
% of Income for Owner Costs	27.6%	27.8%	19.8%	16.0%	16.1%	16.3%
Pennsylvania						
Median Income for Owner Households	$33,762	$47,611	$61,948	$78,737	$83,453	$90,350
Median Monthly Owner Costs	$681	$1,010	$978	$1,044	$1,086	$1,155
% of Income for Owner Costs	24.2%	25.5%	18.9%	15.9%	15.6%	15.3%

Monthly Owner Costs (SMOC) includes mortgage payment, real estate taxes, various insurances, utilities, fuels, mobile home costs, and condominium fees. Includes only housing units with a mortgage.

*Source: U.S. Census Bureau, American Community Survey 5-Year Estimates and Decennial Estimates**

Although the median monthly costs have steadily increased for homeowners and renters, housing insecurity is more prevalent for renters. Households are considered insecure when living expenses exceed 30.0 percent of their incomes.

Types of Housing

A general internet search for 'manufactured homes in NEPA' revealed approximately 10 such establishments in the broader region – and about half of which are located in the tri-county study area.[iii]

Manufactured Housing

Manufactured housing consists of units fully constructed in a factory, adhering to national standards set by the U.S. Department of Housing and Urban Development (HUD) Code of 1976. These homes are installed on-site following the manufacturer's installation policy and are available as single-family, multi-family, tiny homes, and accessory dwelling units (ADUs). Before federal standards were established, these homes were known as 'mobile homes,' designed for relocation. The term 'mobile homes' is now outdated, however, as modern manufactured homes are built to higher standards and are often more permanent in nature.

Manufactured housing is constructed in sections and offers a variety of architectural styles. These homes have evolved beyond the traditional single- and double-wide designs, providing homeowners with options for floor plans, add-ons, and exterior styles to suit their needs. They are not as customizable as modular homes, but manufactured homes have significantly advanced from the standard single-wide rectangular shape of traditional mobile homes.

Manufactured housing could help address housing demand in the region, but various regulations and restrictions must be considered. In Pennsylvania, zoning requirements differ by municipality, making it essential to understand local regulations before purchasing land for manufactured housing. Restrictions may include lot size requirements, zoning designations, setback regulations, foundation specifications, and land use permits.

Modular Housing

Modular homes, like manufactured homes, are factory-built but differ significantly in code requirements, financing, style, and development process. The key distinction is that modular homes must be placed on purchased land, assembled as site-built homes, and comply with local and state building codes. Financing is more conventional because modular homes are classified as real property, though they are typically more expensive than manufactured homes. They offer greater customization, with styles ranging from tiny homes to two-story colonials. Constructed off-site, modular homes are then transported and placed on a permanent foundation that can accommodate a crawl space or basement.[iv]

Photo from Simplex Homes Photo Gallery

Alley Housing and Accessory Dwelling Units

Small-scale infill development options include alley housing and accessory dwelling units (ADUs). Alley housing can be fashioned in standalone or row-style, transforming traditional alleys into residential extensions. This approach is widely used in major U.S. cities to increase population density.[v] ADUs are secondary housing units built on the same properties as existing homes. ADUs have grown in popularity as homeowners use them as ‘in-law’ suites or ‘granny flats,’ and for rental income through platforms like Airbnb and VRBO. Financing for alley homes and ADUs depends on the type of unit, aligning with options available for modular or manufactured homes.

Townhouses and Condominiums

Townhouses and condominiums (condos) are common in the suburban areas of the region. Townhouses are typically tall, multi-level homes with at least one shared wall, often arranged in a row. Unlike row homes, which are identical to their neighbors, townhouses can vary in design within a complex. They can be rented or owned, featuring private entrances, outdoor spaces, and either on-site or street parking.[vi] This style remains popular among first-time homebuyers, though considerations such as proximity to neighbors may influence purchasing decisions.

Financing

Financing a manufactured home is more complex than financing a modular home, which qualifies for a traditional mortgage. The classification of a manufactured home as either ‘real’ or ‘personal’ property determines financing options. If the home is movable, it is considered personal property and is typically financed through a conventional loan or retail installment contract, though FHA and VA loans may also be options. If classified as real property, meaning it is permanently affixed to owned land, financing options resemble those for a modular home. The choice to purchase or lease land further influences the available financing arrangements.[vii]

Complementing the efforts of land banks, many communities also have Community Development Financial Institutions (CDFIs). Unlike traditional financial institutions that operate for private profit, CDFIs prioritize mission-driven investments – often centered on affordable housing, business development, and broader community revitalization efforts. These entities aim to foster economic growth in under-resourced communities. Collaboration with CDFIs may yield an alternative to traditional financing for manufactured homes.

Zoning Regulations and Restrictions

State law allows municipalities to regulate land use independently, but inconsistencies among them create obstacles to housing development. There are 40 municipalities in Lackawanna County, 76 municipalities in Luzerne County, and 28 municipalities in Wayne County – most of which adhere to their own unique and varied ordinances; inconsistencies among them lead to confusion among builders. Some municipalities lack R-3 zoning or multi-family housing options, and some have excessive numbers of residential districts. To mitigate these challenges, counties and municipalities should consider updating and standardizing zoning districts and permitted uses to simplify regulations.[viii] For example, implementing a uniform R-1, R-2, and R-3 zoning model would streamline the development process and provide clear guidelines on permitted housing types within each district.[ix]

While variations in land use will remain across communities, broader standardization could provide significant advantages. It is a key means of improving housing accessibility. Larger municipalities and county codes generally follow standardized residential zoning, but smaller communities often have more complex district classifications.

Transportation is another challenge to the distribution of manufactured housing. Retailers and manufacturers must adhere to state regulations for oversized vehicles and ensure that home designs do not exceed height, width, and weight limits. Special transportation permits and restricted routes further complicate delivery. To address these limitations, manufacturers and installers can transport manufactured homes in sections and assemble them on-site.[x]

Building Codes

In 1999, Pennsylvania adopted the Uniform Construction Code (UCC). The codes are evaluated every three years and cover all elements of the construction process. There are two codes governing residential development: the International Residential Code (IRC) for 1-2 unit structures and the International Building Code (IBC), which covers three or more units.[xi]

These codes are enforced by municipalities. Many hire independent contractors to fulfill this role, while some employ staff; those without internal resources use the Pennsylvania Department of Labor & Industry. As a result, enforcement is fragmented, leading to differing interpretations and additional challenges for developers.[xii] This situation is further complicated by resistance against changes and updates to the code.

Regional Resources

Local organizations such as NeighborWorks Northeastern PA and United Neighborhood Centers of Northeastern Pennsylvania (UNC) aim to revitalize neighborhoods and address the housing needs in the community. UNC's community development subsidiary "constructs new, and adapts older, buildings by using public and private funding sources and developing cooperative relationships with local government entities and private investors."[xiii] NeighborWorks is committed to neighborhood revitalization and sustainable homeownership, with services encompassing homebuyer assistance and Elder Cottage Housing Opportunities (ECHO housing). These housing units are "small, separate, manufactured residences that are temporarily placed in the side or rear yard of an older adult's friend or family member. It is an affordable housing option, meaning that the resident will pay no more than 30% of their income on rent."[xiv] These organizations may function as catalysts in the development of affordable housing and assist with the guidance of manufactured and modular housing options.

Such organizations may also support a community land trust (CLT), a nonprofit corporation that holds land on behalf of a place-based community. The land held may support community assets such as affordable housing. Both organizations serve the broader northeast Pennsylvania region from their locations in Scranton.

Further, there are housing authorities in each county that should be active players in housing strategies and included in collaborative efforts to improve housing.

Case Studies

Alley Housing – Bethlehem, PA

The City of Bethlehem has taken an innovative approach to address its lack of affordable housing. In 2024, officials implemented an alley home project that allows homeowners to put small accessory dwellings on their properties to raise rental income. The rental income can help existing homeowners maintain older homes and reduce blight, and the smaller alley homes increase affordable rental options in the area. The project is a partnership between the city, Lehigh University, and Community Action Lehigh (a nonprofit fighting poverty in the Greater Lehigh Valley). The U.S. Department of Housing and Urban Development provided some funding.[xv]

These tiny homes, either accessory dwellings or standalone on their parcels of land, are taking hold in many communities nationwide. Density increases as smaller homes are added to existing lots, often requiring adjustments to zoning ordinances. This option improves affordability as well as availability, and it can be combined with shared equity or community land trust models. A shared equity model is a form of property financing in which the buyer purchases a portion of the property, and a third party provides the remaining share as an equity loan. A community land trust is a model in which an organization retains ownership of the land, and development occurs through a community-based process.

Neighborhood Partnership Housing Services NPHS – California

Neighborhood Partnership Housing Services Inc. (NPHS), a nonprofit organization based in Rancho Cucamonga, California, operates across multiple municipalities in the Inland Empire region. NPHS focuses on three key areas: financial education, social services, and community development.

In addition to serving as a Community Development Financial Institution (CDFI), NPHS runs Homes by NPHS, a licensed manufactured housing dealer that provides an alternative approach to delivering manufactured homes. This for-profit enterprise offers manufactured housing in the form of single-family homes, assists property owners with the development of accessory dwelling units (ADUs), and acts as a dealer for other nonprofits engaged in similar housing initiatives.[xvi]

Neighborhood in Bloom – Virginia

This program was implemented in Richmond, Virginia, to channel local, federal, and nonprofit funds into revitalizing neighborhoods that could elicit private investment in the future. Once the neighborhoods were selected, the city collaborated with nonprofit organizations to purchase vacant homes and lots, construct new housing, rehabilitate existing properties, and provide homebuyers with counseling, down payment assistance, and maintenance support. The program also promoted long-term sustainability by enforcing local codes and increasing police presence. A study by the Richmond Federal Reserve Bank found that after five years, *Neighborhoods in Bloom* had a measurable positive impact on home prices and proved to be a cost-effective strategy for community revitalization.[xvii]

Conclusion and Recommendations

Population growth, coupled with limited new construction, puts considerable pressure on the region's housing stock. Costs for homes and rentals have risen since the COVID-19 pandemic, and they may continue to rise as Northeastern Pennsylvania grows economically. Various types of infill development offer solutions to this challenge. More specifically, manufactured and modular housing options – including accessory dwelling units – may present relatively affordable opportunities to individuals interested in moving toward homeownership. Barriers that inhibit manufactured and modular housing from expanding within the region largely involve financing and zoning regulations. Regional leaders can help mitigate these challenges by acting on the following recommendations.

Reform and Regionalize Zoning

Standardizing residential districts is essential for improving housing development. Larger municipalities and county codes generally follow standardized residential zoning, but smaller communities often have more complex and inconsistent district classifications. Some lack R-3 districts or multi-family housing options, while others have more than three residential districts. Adopting a uniform R-1, R-2, and R-3 model would simplify the process for developers, providing clarity on permitted housing types and streamlining development efforts.

The establishment of a regional planning authority is recommended to enhance community land use planning. This authority would help implement standardized codes and processes, including those pertaining to building codes.

Establish a CDFI

Northeastern Pennsylvania lacks a CDFI designed to offer lending opportunities for the purchase of manufactured homes. The presence of a CDFI could help meet this need, either functioning as an alternative to traditional lending options or partnering with other financial institutions to offer services that complement those traditional lending opportunities. A CDFI may also with other community organizations to offer technical assistance and support new development.

Engage in Adaptive Reuse

Numerous abandoned nonresidential properties, including former factories, warehouses, and commercial sites are located throughout Northeastern Pennsylvania. Many of these structures reflect the region's industrial history and were left vacant following population declines in the 1980s, 1990s, and 2000s. With recent population growth and an aging housing stock, there is a need to repurpose these abandoned properties into housing. Converting old industrial and commercial buildings into multi-family housing will help address the region's housing shortage. Zoning restrictions often prohibit such conversions, however – particularly when properties are located in industrial zones. That is why municipalities should review and update their zoning ordinances to allow for adaptive reuse and ensure that developers can take advantage of these underutilized properties.

Implement Non-Profit Housing or Shared Equity Models

Northeastern Pennsylvania is home to community organizations that are recognized stewards for affordable housing. Existing expertise may inform the development of a community land trust focused on affordable housing. There are various types of CLTs, supporting multi-family, cooperatives, limited equity condominiums, and even manufactured or modular homes.

Alternatively, shared equity programs operated under nonprofits may help provide financing for low-income families to purchase homes. Under this model, the homeowner and nonprofit share in an appreciation, which is then reinvested in the nonprofit to help others.

Endnotes

---

[i] Gaiski , M. (2024, November 20). *Manufactured Housing: Affordable Solutions to Housing Supply* [PowerPoint Slides Presentation]. Pennsylvania Manufactured Housing Association. https://assets.simpleviewinc.com/simpleview/image/upload/v1/clients/poconos/More_Front_Doors_1D_Manufactured_Modular_and_More_40ce63bc-85b2-407e-b1c6-6ab18f021aff.pdf

[ii] "Mastering the Basics of Infill Development." *ATC Research*, atcresearch.co/guest-blog/mastering-the-basics-of-infill-development/. Received December 3, 2024.

[iii] Google. (n.d.). Google search. https://www.google.com/search?sca_esv=20799f764cffe4c8&rlz=1C1GCEA_enUS1097US1097&tbm=lcl&sxsrf=AHTn8zqLKLJNoeTZx0T1sL_wjtHs1vmlSQ%3A1747844123019&q=Manufactured%2Bhomes%2Bin%2BNEPA&rflfq=1&num=10&sa=X&ved=2ahUKEwjW-8zg-rSNAxWHvokEHWQeCxUQjGp6BAgoEAE&biw=1280&bih=551&dpr=1.5#rlfi=hd:;si:;mv:[[42.519510243496455,-71.08827493091582],[39.12965865650355,-81.23638276908416]]

[iv] Chesney, C. (2024, October 23). *Modular vs. Manufactured Homes: What's the Difference?* Retrieved December 9, 2024, from https://www.rocketmortgage.com/learn/modular-versus-manufactured-homes

[v] (2019, January 19). *What is an Alley House? What is the purpose of an Alley?* HPD Construction. Retrieved December 10, 2024, from https://www.hpdconsult.com/what-is-an-alley-house-what-is-the-purpose-of-an-alley/

[vi] Rocket Mortgage (2024, October 16). *What is a Townhouse? Everything you need to know?* Rocket Mortgage. Retrieved December 10, 2024, from https://www.rocketmortgage.com/learn/townhouse

[vii] Reed, C. (2023, July 10). *Comparing the Costs of Manufactured and Site-Built Housing*. Joint Center for Housing Studies of Harvard University. Retrieved December 9, 2024, from https://www.jchs.harvard.edu/blog/comparing-costs-manufactured-and-site-built-housing

[viii]"Scranton Zoning Ordinance." Scrantonpa.gov. City of Scranton. Accessed January 20, 2023. https://scrantonpa.gov/wp-content/uploads/2022/08/1993-Zoning-Ordinance-compressed.pd

[ix] "Zoning Ordinances." Wilkes-Barre PA. Wilkes-Barre City, 2012. https://www.wilkes-barre.city/planningzoning/pages/zoning-ordinances-zoning-map.

[x] Pennsylvania Code (2024, October 26). *Special Vehicles - Load Restrictions*. The Pennsylvania Code. Retrieved December 11, 2024, from https://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/067/chapter179/s179.11.html

[xi] "Pennsylvania Department of Labor and Industry (2022, October 26). *Uniform Construction Code (UCC)*. Commonwealth of Pennsylvania. Retrieved May 14, 2025, from https://www.pa.gov/agencies/dli/programs-services/labor-management-relations/bureau-of-occupational-and-industrial-safety/uniform-construction-code-home.html"

[xii] IBID

[xiii] *Housing counseling*. United Neighborhood Centers of Northeastern Pennsylvania. (2023, August 18). https://www.uncnepa.org/housing/

[xiv] *Elder cottage housing opportunity*. NeighborWorks Northeastern PA. (n.d.). https://www.nwnepa.org/programs/aip/echo.html

[xv] Christman, Makenzie. "Bethlehem's Alley House Program gets $850,000 to address affordable housing crisis." LehighValleyNews.com. Retrieved from: Bethlehem's Alley House Program gets $850,000 to address affordable housing crisis | LehighValleyNews.com o August 29, 2024.

[xvi]Joint Center for Housing Studies of Havard University (n.d.). *Overcoming Barriers to Manufactured Housing: Promising Approaches from Five Case Studies*. Retrieved December 19, 2024, from https://www.jchs.harvard.edu/sites/default/files/research/files/harvard_jchs_pew_report_3_2024.pdf

[xvii] United States EPA (n.d.). *Attracting Infill Development in Distressed Communities: 30 Strategies*. U.S. Environmental Protection Agency. Retrieved December 19, 2024, from https://www.epa.gov/sites/default/files/2015-05/documents/fresno_final_report_042215_508_final.pdf