



Executive Summary



STATE LAND USE and GROWTH MANAGEMENT REPORT 2010



Fellow Pennsylvanians:

The Governor's Center for Local Government Services has an important statutory responsibility to report on land use and growth management trends in the Commonwealth every five years. This report fulfills that responsibility. It is the first update after the inaugural report in 2005.

The report talks about change. The latter half of the decade brought an economic recession and with it dramatic declines in building and development in Pennsylvania—plus more fiscal stress for state and local governments. Pennsylvania's population is one of the oldest in the nation. The average size of households continues to decrease as they are more comprised of one or two persons and less of families with children. Our state is diverse and land use issues vary from region to region. Marcellus Shale natural gas, not foreseen in the 2005 report, is a major issue today.

Planning and the character of land use and development play an important role in addressing the above issues. Pennsylvania and its communities need to look to the future; understand demographic, market, and technological changes; and be ahead of others in embracing new economic opportunities presented by these changes. We need to understand which community assets are most critical to both retaining and attracting people and businesses. These include not only basic infrastructure and services, but also historical, cultural, and natural features that make Pennsylvania stand out as a place to live, work, and enjoy. State and local governments must act strategically and cooperatively to invest shrinking resources in these priority assets.

I trust you will find the report insightful as we work collaboratively to address land use issues in a way that will provide all Pennsylvanians with the highest quality of life possible, whether they live in a rural community, a small town, a suburb, or a city. The Governor's Center for Local Government Services looks forward to working with state agencies, local governments, the business community, and other stakeholders to review the findings and put the recommendations into action.

Fred Reddig
Executive Director
Governor's Center for Local Government Services

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The 2010 State Land Use and Growth Management Report builds on the work of the inaugural 2005 report with an assessment of statewide and regional growth and development patterns and an evaluation of major contemporary land use issues. This report provides several new recommendations—and opportunities for the Commonwealth to positively impact future growth and development patterns.

State Land Use and Growth Management Report

“A comprehensive land use and growth management report to be prepared by the Center for Local Government Services and which shall contain information, data and conclusions regarding growth and development patterns in this Commonwealth and which will offer recommendations to Commonwealth agencies for coordination of executive action, regulation and programs.”

-Pennsylvania Municipalities Planning Code Section 107

Major Findings and Themes of the 2010 Report

PRE-RECESSION – DEVELOPMENT OUTPACED GROWTH

Prior to the current recession (pre-2008), the principal trend identified in the 2005 Land Use and Growth Management Report was still evident—Pennsylvania was developing but not growing. The most current (2005) land data from aerial imagery showed significant increases in developed land, mainly in suburbs and exurbs, at a time when population and the economy showed minimal growth.

- Between 1992 and 2005, urban (developed) land in Pennsylvania increased by 131.4 percent, from approximately 1.2 million acres in 1992 to almost 2.8 million acres in 2005. During this same time frame, Pennsylvania’s population only grew 4.5 percent. The economy, in terms of GDP constant dollars, grew 33 percent.
- Pennsylvania’s population grew by 3.4 percent between 2000 and 2010, compared to 9.7 percent national growth, and ranked 47th in the nation for natural increase (the addition of births and subtraction of deaths) between 2000 and 2009.
- Since 2000, city/borough population decreased at a slower pace and township population increased at a slower rate than in the prior three decades. The decentralizing pattern slowed, but continued.

Pennsylvania is growing slower than the nation, but consistent with the Northeast region.

CHANGING DEMOGRAPHIC DEMANDS

Demographic shifts affect future land use and the character of development. Pennsylvania already has a large proportion of senior citizens compared to other states—a trend which will continue. This trend will impact land use due to seniors' less mobile lifestyle; desire for closer-to-home health care and services; need for smaller, more community-connected housing; and preferred recreations. With the number of deaths approaching the number of births, for Pennsylvania to grow, its communities will need to be attractive to people outside of the state. The principal component of population change in the last decade has been in-migration from other countries, not other states, and in-migrants have been less educated and of lower income than out-migrants.

- In 2009, Pennsylvania ranked 6th in the nation with a median age of 39.9.
- Currently one out of every five Pennsylvanians is over the age of 60. By 2020 it is projected that this age group will account for 25 percent of the state's population.
- Pennsylvania's low tax burden coupled with a relatively low cost of living for the region makes it an attractive place for seniors to live and retire.
- Pennsylvania cities, boroughs, and older suburbs offer urban lifestyle opportunities which are increasingly becoming more popular among the 45-and-older baby boomer population. These communities also provide potential health benefits by offering more opportunities to walk.
- The average size of households continues to decrease as they are more comprised of one or two persons and less of families with children.





PLANNING ISSUES VARY WIDELY BY REGION

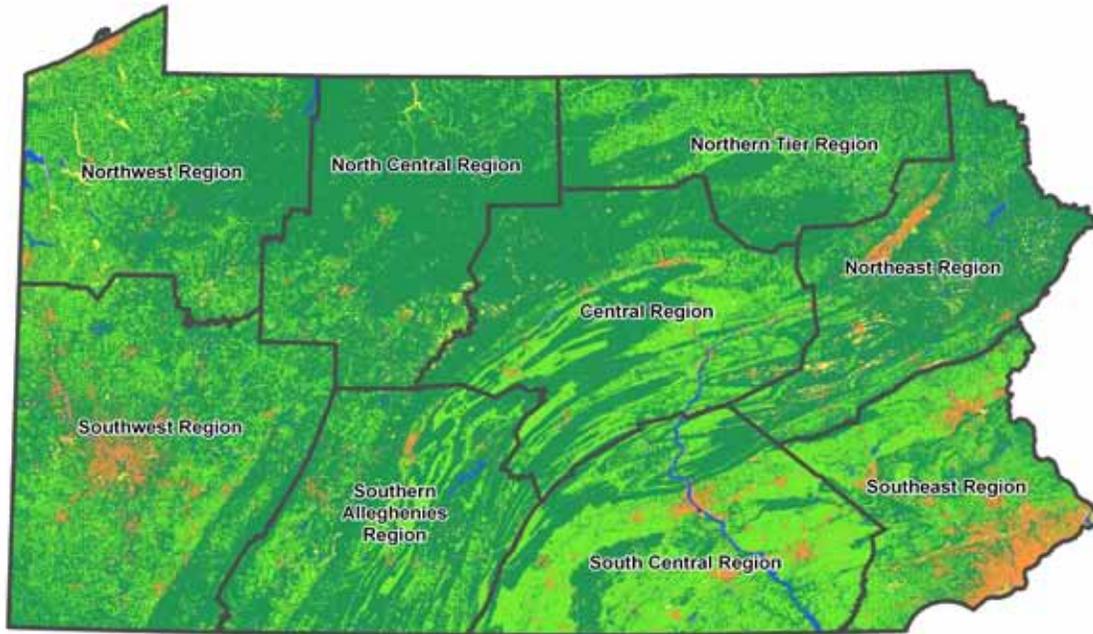
Pennsylvania is a tale of two states. Data and maps regularly depict a dividing line running from South Central Pennsylvania up through the Lehigh Valley and the Poconos. Areas to the south and east are experiencing more growth, better economic indicators, and a younger population than to the north and west. Clearly a one-size-fits-all policy approach won't work.

- Between 1970 and 2007, the Southeast and South Central regions experienced the greatest increase in population and housing, whereas the Southern Alleghenies and Southwest regions saw a loss in population and an increase in housing units.
- Pennsylvania's total developed land area increased from 4.1 percent of the state's total land area in 1992 to 9.6 percent in 2005—with the most significant acreage increases occurring in the Southeast and South Central regions. A total of approximately 500,000 acres of agricultural land was lost to development within these two regions.

- The Southeast region experienced the greatest percentage loss in acres of forest to developed land (20.4 percent), while three regions (Northern Tier, North Central, and Central) experienced less than a 2 percent loss. The Southeast Region also had the greatest percentage loss of acres of agricultural land to developed land (24.4 percent), while the Northern Tier had the lowest percentage loss with 4.9 percent.

Pennsylvania's different regions and municipality types are growing at different rates and changing in different ways.

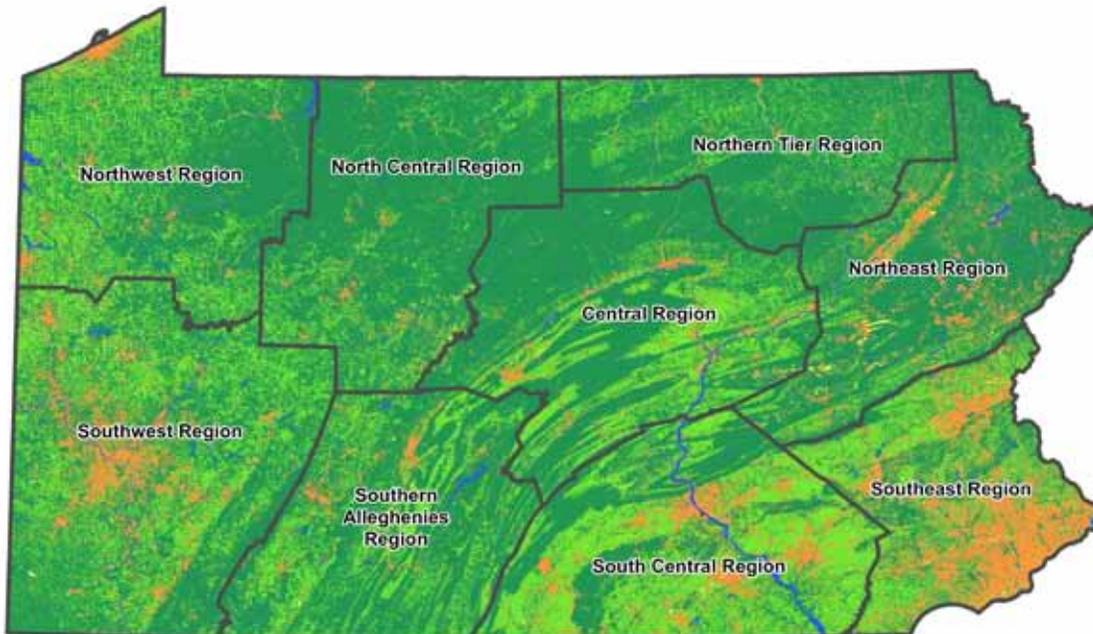
Land Cover Composite Map of Pennsylvania, 1992



Source: U.S. Geological Survey



Land Cover Composite Map of Pennsylvania, 2005



Source: U.S. Geological Survey



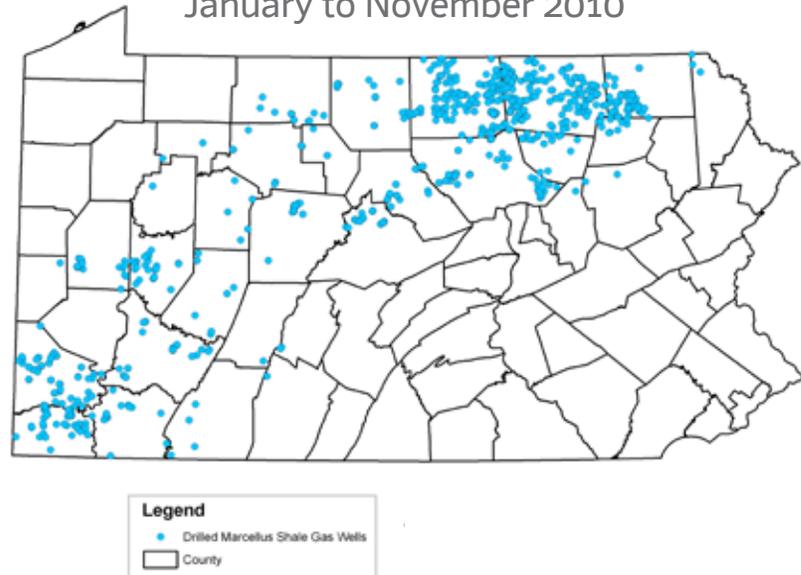
NATURAL RESOURCE MANAGEMENT AND GROWTH

There are large-scale natural resource issues that will have an impact on land use and development. This includes major natural gas exploration and well activity related to the Marcellus Shale, Total Maximum Daily Load (TMDL) for the Chesapeake Bay Program (and potentially for other watersheds in the future), and energy costs and demands for conservation.

- Sudden expansion in the natural gas industry is introducing environmental, infrastructure, economic, and social impacts, as well as an influx in population to primarily rural areas of the state.

- Bradford, Susquehanna, and Tioga counties are likely to continue as “hot spots” for Marcellus Shale activity in the next several years.

Marcellus Shale Gas Wells Drilled,
January to November 2010



INADEQUATE CAPACITY TO ADDRESS GROWING NEEDS

Government fiscal capacity to deal with these matters is declining at both the state and local levels. At the local government level, the burdens of employee pensions and health care, energy costs, and growing government responsibilities are forcing deferred maintenance of infrastructure (roads, water and sewer systems, and parks) and service cuts. Reliable infrastructure is critical to a community's ability to attract investment in homes and businesses. Fiscal stress is becoming more of a reality for all levels of government, not just inner cities and boroughs.

- In 2008, 44.5 percent of municipalities were operating at a deficit. More than half (58.4 percent) of Pennsylvania's cities fell into this category as did 50 percent of townships of the first class. Many boroughs (44 percent) and townships of the second class (43.4 percent) were also operating at a deficit.
- As of November 2010, 19 municipalities (11 cities, 6 boroughs, and 2 townships) were classified as Act 47 distressed communities.

- Existing annual unmet transportation needs are estimated to total \$2.3 billion (local and state needs), rising to almost \$5 billion by 2020. Water and wastewater systems have combined capital needs of \$36.5 billion in the next 20 years.
- Land Use Planning and Technical Assistance Program (LUPTAP) grants have been provided to 470 local government grantees and 25 regional or statewide grantees since the start of the program in 2000. Budget cuts beginning in fiscal year 2009-2010 reduced LUPTAP funding to less than 10 percent of prior levels, limiting planning help available to local governments.

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Areas of Recommendation... Opportunities for the Future Pennsylvania

Planning is a Local Government Function

In Pennsylvania, planning and regulation of land use and development are—appropriately—local government functions. It makes sense for multiple municipalities to work together to deal with issues that cross municipal boundaries, such as economic and development markets, transportation, and environmental systems.

Planning is Essential

Community planning is an essential local government function, even though not mandated by state law (in most instances). Planning is how a community learns of and adapts to change. It sets priorities for community services and improvements most important for attracting people and businesses. It guides spending decisions. A well-done plan is the springboard for desired development and community improvements.

Recommendation Area 1: Local Governments Need Resources for Planning

The track record shows that where the Commonwealth, counties, or local organizations provide funding and hands-on technical assistance, local government plans get results—community revitalization projects, better designed development, innovative development regulations, and investments in priority infrastructure and community assets.

Opportunities for the Commonwealth:

- Develop and maintain a best practices web resource library to share successful practices in planning.
- Enhance planning guidance and develop a training program.
- Coordinate geospatial data and technologies to better inform and assist local governments in decision making.
- Continue the State Planning Board as a non-partisan forum for assessing needs related to land use and growth management.
- Continue the Interagency Land Use Team as a coordination point for state agency funding and permitting actions related to land use and growth management.
- Continue DCED's Land Use Planning and Technical Assistance Program.

Pennsylvania's **Land Use Planning and Technical Assistance Program (LUPTAP)** has a 10-year record of success, and has funded:

- comprehensive plans for 46 counties, 142 partnerships of multiple municipalities, and 69 individual municipalities;
- 74 projects to modernize and improve land use ordinances; and
- 164 strategic plans spurring economic development, revitalization, and community improvements in downtowns, highway corridors, and small communities.

Recommendation Area 2: Strategic Investment

A strategic approach to investment is crucial to the future of Pennsylvania's communities. It is fiscally smart, if not absolutely necessary. It focuses a community's limited resources on assets most critical to attracting desired development and enhancing quality of life. It results in a win-win of development that both provides real economic growth and is sustainable over the long term.

Opportunities for the Commonwealth:

- Evaluate the effectiveness of the Keystone Principles and Criteria and continue to implement them through state agency programs.
- Continue the Community Action Team (CAT) approach to deliver Commonwealth financial and technical assistance to local governments.
- Target state investments to important assets identified through local community planning.
- Provide flexible revenue sources for local governments beyond real estate and income taxes.
- Reevaluate and strengthen Commonwealth infrastructure financing programs.

The [Keystone Principles and Criteria](#) were developed by the Interagency Land Use Team and adopted in 2005 by the Governor's Economic Development Cabinet. They include 10 basic principles, a set of core criteria, and preferential criteria for each principle. Twenty-three state agencies have incorporated them as evaluation or scoring factors in financing programs.



Recommendation Area 3: Green and Walkable

Pennsylvania's growth opportunity is green and walkable. Changing demographics suggest there is an emerging market for development that is green (energy and environmentally conscious) and walkable (compact, affordable, mixed-use, and favoring pedestrians). This is a win-win scenario. Pennsylvania CAN attract growth AND sprawl less.

Opportunities for the Commonwealth:

- Embrace a policy to facilitate green and walkable development and capture related market opportunities.
- Realign state funding, program, and permitting priorities to assist green and walkable development throughout the state.
- Promote standards and tools for green and walkable development such as LEED, LEED-ND, revised local zoning and development ordinances, expedited permitting, and tax and development bonuses.
- Establish a designation program to encourage communities to become greener and more walkable—a designation that can be marketed to attract residents and businesses.

Green and walkable development can occur in all community types—cities, boroughs, and townships of all sizes. It can take the form of redevelopment, infill, and greenfield development.

Recommendation Area 4: Emerging Areas

Five other emerging issue recommendation areas identified in the 2010 report include:

- Marcellus Shale Natural Gas Industry – Provide financial and technical assistance to help local governments address impacts.
- Resource Protection Programs – Initiate a state effort to better integrate natural resource and farmland protection programs.
- Chesapeake Bay Program – Monitor impacts of TMDL implementation on land use and development.
- Intergovernmental Cooperation – Continue to offer state aid for shared local government services and programs, and promote more options for voluntary intergovernmental initiatives.
- Development Permitting Processes – Convene a discussion on ways to streamline and coordinate development permitting processes.



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