

Housing Resource Panel – SWOT Analysis *Allegheny Places – The Allegheny County Comprehensive Plan*

**University Center for Social and Urban Research
University of Pittsburgh
October 2005**

Introduction

As part of the Allegheny County Comprehensive plan, the Housing Resource Panel conducted a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis of Allegheny County's housing market. The SWOT analysis was designed to facilitate planning and strategic thinking for organizations. It can be used for organizational analysis or for market, industry, or sector analysis, such as housing.

The SWOT analysis first identifies the strengths and weaknesses of the internal environment.

- *Strength:* An area of demonstrated competency and proven performance. Or, slack resources (excess capacity) with potential for mobilization or reallocation
- *Weakness:* An area of demonstrated incompetence, mediocrity, or lack of distinctive achievement. Or, limits on resources that prevent them from being mobilized.

The SWOT analysis then addresses threats and opportunities posed by the external environment (such as mortgage rates, changing demographic composition, public policies, labor force, employment and unemployment):

- *Threat:* An area that poses an obstacle; something that must be overcome.
- *Opportunity:* A possibility due to favorable circumstances; an area that provides an edge.

The research team distributed the SWOT analysis worksheet to all members of the Housing Resource Panel. Organizations were asked to complete a separate SWOT analysis for three housing areas: Market-Rate Housing, Affordable Housing, and Political Environment and Governmental Structure (e.g. government structure, fiscal policies and practice). The worksheet links the internal environment to the external environment through a 2x2 table that jointly places strengths and weaknesses in the context of threats and opportunities. The table below presents the SWOT analysis worksheet with the corresponding connections between the internal and external environment. As illustrated in the table, the 2 x 2 construction yields the following four potential outcomes:

- 1) Areas in which the internal environment possesses *strengths* and *opportunities* exist in the external environment represent a comparative or competitive advantage.
- 2) Areas in which the internal environment possesses *strengths*, but *threats* that exist in the external environment represent mobilization issues. One potential response is to mobilize strengths and minimize threats.
- 3) Areas in which the internal environment possesses *weaknesses*, but *opportunities* that exist in the external environment represent a situation in which the response is to invest in areas where weaknesses are minimal or divest in areas where weaknesses are strong.
- 4) Areas in which the internal environment possesses *weaknesses* and *threats* exist in the external environment represent damage control issues.

SWOT ANALYSIS		EXTERNAL ENVIRONMENT	
INTERNAL ENVIRONMENT	STRENGTHS	OPPORTUNITIES	THREATS
		Comparative or competitive advantage	Mobilization
	WEAKNESSES	Invest in areas with minimal weaknesses Divest in areas with major weaknesses	Damage control

SWOT Analysis Summary

The following discussion summarizes the key findings from the SWOT analysis. The discussion identifies key themes that emerged from the completed SWOT analyses and from a meeting with members of the Housing Resource Panel. The analysis represents input from public and nonprofit housing agencies, as well as advocacy groups.¹

¹ The overall response rate was approximately 22%.

The SWOT analysis identified several cross-cutting themes:

- The county's housing stock is aging and diverse.
- Housing is relatively affordable, though geographically concentrated and not affordable for certain groups. There are also concerns of poor housing quality in some areas and a lack of support/funding for affordable housing.
- The county has experienced changing demographics, including population loss, a decline in public housing tenants, and increasing housing needs for elderly households.
- The county has an available supply of developable land through vacant property and Brownfields. These areas are, however, often expensive to develop.
- The county's housing stock includes design variety, both creative and conservative. An identified weakness in the housing stock is the lack of accessible design.
- The county faces aging and inadequate infrastructure.
- Persons with disabilities and aging households experience difficulties locating accessible affordable and market-rate housing.
- The political and governmental environment has multiple governments and multiple housing authorities. There is a lack of coordination between the city and county.
- The county has a diverse tax structure, high in some areas with others facing a shrinking tax base.
- The county's scattered site and mixed-income housing is a relatively new housing policy, not integrated well in current markets, but can present a better quality of life.
- Community Development Corporations and government support also factor into the county's housing market. They are generally involved and provide political leadership. Housing and housing-related agencies note insufficient expertise for many smaller organizations. DCED and URA, COGs,
- Current and potential funding issues – such as Community Development Block Grant (CDBG), threats to CDBG, increasing construction costs, limited funding, and underutilization of federal and state projects – affect the housing market.
- The county lacks coordinated planning at the regional level, particularly in the housing arena.
- Environmental issues include: use of green space in market rate housing, inclusion of green space in infill development, lack of leadership, advocacy of sustainable development groups, and sprawl.

Components of the SWOT Analysis by Key Areas

The key areas for attention in the SWOT analysis – market rate housing, affordable housing, and the political environment – are analyzed below. Following the discussion is a presentation of a summary of individual comments in each area by internal and external environment and strengths and weaknesses.

Market Rate Housing

Allegheny County has a relatively affordable diverse housing stock. Population loss, combined with housing vacancies and development strengthen the market-rate housing market. Although the housing market is relatively affordable, the affordability is not realized by all population segments (e.g. elderly households). In addition aging housing stock, topography, and infrastructure present challenges for the County. Opportunities exist from addressing these issues, along with housing development policies, including zoning, development regulations, and vacant property acquisition. Housing segregation, vacant properties, declining house values, and crime rates are noted as threats to some of the strengths of Allegheny County's market rate housing. These threats are not persistent across all areas within the County. Other issues include population loss and infrastructure deficits. The double negatives for the County's market rate housing include transportation issues, inadequate affordable housing, school system deficiencies, and multiple municipal governments.

Affordable Housing

Several strengths and opportunities arise from exploring Allegheny County's affordable housing market. The County has strengths in subsidized housing variety -- Section 8, scattered site and mixed income housing -- and the movement from large scale public housing communities. The affordable housing market is also met with strong community ties and social connections. Despite the strengths that provide opportunities in the County, the affordable housing market also possesses some weaknesses. These areas can be addressed to strengthen the affordable housing market. First, there are many agencies working in the area of affordable housing, but some lack the necessary expertise. Second, the affordable housing market is not accessible for persons with disabilities and is also geographically concentrated within certain areas of the county. Third, since Section 8 is not a protected class, Section 8 households are concentrated within certain regions of the county. Fourth, the county currently has three different housing authorities operating within the county and does not possess an integrated housing plan for subsidized or private housing. Many affordable housing issues noted as Weaknesses and Opportunities were also noted as Strengths and Threats. These include: three housing authorities within the county, nonprotection of Section 8 households, and demographic changes. NIMBYism (Not In My Backyard) also provides a threat to the development and dispersion of affordable housing. Regulatory barriers and funding changes at the federal and local levels combine to segregate affordable housing units and low-income households. Substandard or low quality housing remains an affordable housing concern within the county. Increased construction costs and

NIMBYism provide barriers to affordable housing development. The rise of predatory lending poses a threat to the County's affordable housing market.

Political Environment

The political environment and government structure of the County are viewed as having strong leadership, positive public-private partnerships, funding opportunities (though potentially limited), and strong departments (e.g. ACDOED and URA). The process of consolidated planning with community input is also viewed as a positive. Though funding exists, it is limited and federal policies (such as cuts in CDBG funding) may further jeopardize the County's housing market. Other weaknesses in the county include inadequate policies to protect green space and workforce reduction. As noted earlier, the 130 municipalities within the county pose a threat to the County's housing market. There is no housing plan across municipalities and no uniform or county-wide zoning codes. The disconnect between government structures in the City of Pittsburgh and the remainder of Allegheny County is also seen as a threat that can be addressed. The 130 municipalities within Allegheny County were also noted as a Weakness and Threat. Other issues include sprawl, low political participation, limited federal resources, zoning regulations, and population and business loss. Income issues also arise in the lack of a living wage and nonprotection of Section 8 residents.

MARKET-RATE HOUSING

Strengths and Opportunities

- Diverse housing stock
- Relatively affordable
- Housing developments downtown and in northern region of the county
- Changing demographics (e.g. population loss)
- Brownfield development and abandoned/vacant properties
- Creative designs and use of “re-habitable” housing units

Weaknesses and Opportunities

- Crime/public safety concerns
- Abandoned/vacant property
- Older housing stock
- Insufficient/aging infrastructure in older communities (roads, sewers, water, utilities, transportation, etc.)
- Changing demographics (e.g. population loss)

Strengths and Threats

- Insufficient, affordable and safe housing for all populations (e.g. elderly)
- Aging housing stock – maintenance and enforcement
- Aging infrastructure
- Transportation access (housing-jobs)
- Available vacant land
- Conservative housing design

Weaknesses and Threats

- Use of green space
- Transportation
- Poor school performance in some areas
- Multiple municipal governments
- Lack of social and transportation infrastructure
- High property taxes
- Location and approach to some development projects

AFFORDABLE HOUSING

Strengths and Opportunities

- Development of “community life” communities
- Variety of affordable housing programs (e.g. first-time buyers and underserved populations)
- Familial ties to communities
- Scattered site/mixed income housing
- Increasing demand
- Government support and CDC involvement

Strengths and Threats

- Lack of expertise of some agencies developing affordable housing
- Regulatory hurdles
- Three housing authorities in one county
- Section 8 – not a protected class
- Scattered site/mixed income housing
- NIMBYism
- Population loss
- Aging infrastructure
- Segregated housing

Weaknesses and Opportunities

- Limited funding
- Duplication of services among smaller agencies
- Insufficient expertise among smaller agencies to develop housing
- Decline in public housing population (vacancies)
- Section 8 not a protected class
- Mixed income development relatively new
- Insufficient accessible safe affordable housing (elderly, persons with disabilities)

Weaknesses and Threats

- Predatory lending
- Increased construction costs
- Decreased funding (particularly at the federal, state, and local levels)
- No comprehensive housing plan
- NIMBYism
- Slum landlords
- Lack of integrated affordable housing units
- Three housing authorities in one county
- Inadequate approach to development in some areas – lack of concern for adjacent communities

POLITICAL ENVIRONMENT

Strengths and Opportunities

- Limited funding availability
- Political will at county level to reverse decline
- County Executive
- New Pittsburgh Mayor
- Consolidated planning with community input
- CDBG funding
- County DCED and city URA departments
- Use of COG's
- Involvement of grassroots organizations and CDC's

Strengths and Threats

- Development in certain areas with high personal and property crimes
- No model for county-wide zoning codes
- No unified/comprehensive housing plan
- Lack of support for affordable housing development for low-income households
- Sprawl – advocacy of sustainable development groups
- Lack/absence of interaction between the County and City
- Aging infrastructure
- Shrinking tax base
- Lack of design for accessible (barrier free) housing

Weaknesses and Opportunities

- Section 8 waiting lists
- Limited funding and threats to CDBG funding
- Lack of private sector investment
- Lack of accountability for implementing the consolidated plan
- Eminent domain and green space development
- Underutilization of federal and state projects/programs
- 130 municipalities in the county
- Lack of organized leadership – environmental and preservation groups

Weaknesses and Threats

- Tax structure – e.g. tax incentives for businesses and developers don't adequately address housing issues
- Limited funding at the federal level
- No regional plan
- School segregation
- Lack of coordination between the City and County
- 130 municipalities
- Inadequate approach to riverfront development
- Budget allotments at the municipal level
- Low political participation among certain populations (e.g. minorities)