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The purpose of this study is to evaluate the impact of Marcellus Shale on housing, specifically, to evaluate the changes in the cost and stock of single family home, new construction, low income, and rental rates.

Issue Brief

The Impact on Housing in Appalchian Pennsylvania as a Result of Marcellus Shale – Social Services

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Appalachian Regional
Commission

Issue Brief

Marcellus Shale's Impact on Social Services

The Institute for Public Policy & Economic Development has created a series of briefs focusing on issues discovered in crafting the recent study released entitled, *The Impact on Housing as a Result of Marcellus Shale*. The study was funded by the Appalachian Regional Commission and is available in its entirety at www.institutepa.org. This brief explores social service impacts as related to housing.

The presence of vast natural gas reserves in the region known as the Marcellus Shale – an area including much of Pennsylvania and stretching from New York to West Virginia – has been known for decades. This geography represents a large portion of Appalachia. However, recent emphasis on domestic energy production, coupled with new technologies that make the recovery of these natural gas reserves cost effective, have led to increasing interest and activity directed toward developing these resources.

Of the counties studied, the most stress is currently on Bradford and Tioga Counties with regard to social service issues.

This information on social services in this brief comes from interviews conducted for the study. We utilized a purposive sample of 2-5 key informants in each county of the 12 counties in the study region. A total of 32 key informants were interviewed across the twelve counties.

Semi-structured interviews were conducted with key informants asking about awareness and perceptions of impacts on housing in their respective county. Also, key informants were asked to describe some of impacts of development, both positive and negative. Interviews were conducted between May and September 2011, either in person or via telephone, to accommodate the respondent's schedules.

Certain individuals were targeted, including county/city housing authority representatives, realtors, county planning and development departments. We selected these individuals by identifying leaders within specific organizations and county-based leadership positions. This analysis does not provide a statistical summary or assess the prevalence of these views among participants.

There are vast differences between counties that have little activity and those with a good deal of activity. In counties where shale drilling is in an advanced stage, there are many housing issues effecting residents. The issues of most concern are a dramatic increase in rents and the

shortage of affordable housing. Due to the influx of gas workers from other states (most in the region temporarily) there is a shortage of rental units. Because these workers tend to earn more than local residents, they are willing to pay higher rents. Landlords have capitalized on this by increasing rents upwards of 100 percent to 150 percent.

Children & Youth

As a result of the housing shortage, social service agencies are being affected. In the past, County Children & Youth Services in Bradford and Tioga Counties has placed children into foster care because of unsanitary or unsafe living conditions, *“but not usually because their families were being evicted”*. During the current housing shortage, landlords are evicting tenants who are behind on their rent *“a little more quickly”* than they did in the past. In addition, Bradford County Children & Youth Services has spent \$30,000 over the past year on rent subsidies for families who were at risk of being evicted from their homes, an amount that is 50 percent higher than Children & Youth Services normally spends in a year on rent subsidies.

Social service agencies have had to take children from their parents in Bradford County because the parents cannot provide adequate and ongoing shelter. *“Children and Youth is supporting 40 working families in various situations”* that could not afford rental increases. *“These aren’t indigents, these are people who are working, they just can’t pay \$1,500 to \$2,000 for a home or apartment...if they’ have kids we are trying to make sure they stay with a roof over their head”* Children & Youth Services in one county had to place children from various families in foster care, because the families were evicted from their residences and there was no housing available that their families could afford to move to. Some of the children were taken from their families because of below standard living conditions (such as living in a car) until the parent or guardian could find more reasonable accommodations.

Homelessness

A Bradford county department purchased and distributed tents for individuals to live in until they can find affordable housing. There are several cases of children living in the residence of an extended family member while parents stay in a backyard tent. *“We’ve bought tents for so parents could set them up in the backyard and the kids could stay with their aunt, uncle, neighbor in the house and the parents stay in the backyard.* In addition there are about 30 families who are “couch surfing” in one county. Many residents in Bradford and Tioga do not trust certain county agencies. *“A lot of people think that Children and Youth Services is out to snatch your kid from you and we have absolutely no interest in doing”*. Over the last year and a half a Bradford County agency has had to assist many children. *“We’ve had 16 kids in care because of homelessness...we can’t let*

them sleep in cars.” However, all of the children have been returned to their families. One official said, *“we’ve managed to get them out of placement.”*

Even organizations such as the Red Cross are facing issues assisting those in need because of the housing shortage. They are forced to house people in other counties or out of state, in areas that may not be close to their home. This in turn places a strain on those counties. According to one official, *“there’s nothing here.”* County officials are very frustrated that they are unable to help people find housing. *“Everything is grabbed and taken.”*

In September of 2011 there was a significant flood in Northeastern Pennsylvania, including the Northern Tier counties. Hundreds of homes were lost and many people are dislocated. One school district in Bradford County reported 147 kids made "homeless" due to the flooding. *“The home loss due to the flooding has greatly exacerbated the already critical housing shortage.”* County officials have identified nearly 140 individuals homeless due to the rent increases. Although this figure is down from six about months ago, it does not necessarily mean they have found local housing.

Elderly & Disabled

The elderly, the disabled and the mentally ill are directly impacted by the shortage of low income housing. Since the spring of 2009 residents with mental health problems were being evicted because they could not afford the rental increases. Some rents for example, 4,500 for a four bedroom house. *“We have absolutely no housing stock left in this [Bradford] county”.* These already vulnerable groups have become even more so over the past year. Human service agencies are being inundated with requests for assistance. Those in need of assistance include residents with mental health issues, the elderly, and those on medical assistance who are losing their homes because of increased rents. Of those living in senior high rises, 27 percent of population is under 60 and disabled This figure is increasing. The population is becoming more diverse. These people are becoming more diverse. Senior housing waiting list 6-12 months although homeless and elderly individuals get priority.

Workforce

The social services workforce is also being affected. Many social service providers are having difficulties hiring staff because the salaries are no longer competitive and budget cuts will not allow increases. Salaries for social services employees are traditionally on the low side. *“Some providers have openings as high as 40%.”* Individuals who are willing to take a position with a social service provider are often unable to simply because they cannot find a place to live.

Conclusion

Several of the counties in this study have not dealt with population growth or industry growth for the past 60 years. Most have had declining populations and economies; therefore, retrenching has been the norm. Given the fiscal situation of almost all Pennsylvania local governments, these counties are too impacted by finances and human capacity to take on the extra work. All systems are being strained. Social services agencies are traditionally underfunded and must stretch available funds to assist as many as possible. With the economic and housing situations facing the Commonwealth, they must try even harder to assist those in need. This coupled with the housing shortage and increased rents means most agencies are unable to help everyone who reaches out to them.

References

The Impact on Housing as a result of Marcellus Shale. Ooms, Teri and Sherry Tracewski. November 2011.

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