



AHEAD OF THE CURVE



Altoona Housing Strategy & Downtown Investment Plan



ACKNOWLEDGEMENTS

This report, which contains conceptual floor plans, construction cost assumptions and pro formas under separate cover, is intended to serve as a tool for future economic development. It is the result of a process engaging individuals and groups heavily invested in providing more attractive opportunities for residents of the Altoona region, both presently and in the future, to live in the city's downtown core. The study team's deliverables have been made transparent to permit their assumptions to be modified to reflect new information as warranted in case-by-case situations.

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What is the Altoona Housing Strategy & Downtown Investment Plan?

The Altoona Housing Strategy & Downtown Investment Plan project was prepared for the City of Altoona and was sponsored by the Commonwealth of Pennsylvania's Department of Community and Economic Development as a direct result of the City's Act 47 status. The team commissioned to prepare the study consisted of real estate developers, architects, land-use specialists, economic / market researchers, and construction contractors who worked with a full range of Altoona stakeholders to demonstrate the existing real demand for residential housing in downtown Altoona. The result, presented here, together with separately bound specific case studies, reflects the contributions of all of the team members, including key representatives from the City of Altoona, the Altoona Blair County Development Corporation (ABCD Corporation), the Greater Altoona Economic Development Corporation (GAEDC), and the Allegheny Ridge Corporation (ARC).

"The Curve," referenced in the document's title, while apt, is not simply a means to connect the report to an iconic Altoona landmark. Instead, the term applies to developments and events – some already underway – that have the capacity to transform the community to a marked degree. The document's conclusions offer a chance to shape major components of a lifestyle change that will inevitably occur. Area employment opportunities will increase, and expansion is certain to occur downtown. The process will be accompanied by residential growth, either in Altoona's core or beyond its borders. And the nature of that growth is likely to mirror the changes forecast in the report: higher-priced units with more

amenities, for sale or rent, and preferably in walkable settings enjoying closer access to neighbors and to dining, entertainment, and recreational destinations. The challenge for city leaders, from both the public and private sectors, is to anticipate the developments ahead, plan for and possibly guide them, and move swiftly to gain from every opportunity they represent. Revitalizing Altoona's downtown core is a critical component of improving the region's economic health. Accordingly, the recommendations of this report are structured to improve the economic health of the city by revitalizing its core.

The report:

- + documents evidence of the existing demand for downtown housing based on both quantitative and qualitative survey data collected from major project stakeholders, including Penn State University Altoona (PSU), the University of Pittsburgh Medical Center Altoona (UPMC), the Altoona Area School District, and other local employers;
- + illustrates that new levels of market demand are already being demonstrated by several residential development projects that are achieving the forecasted rents determined in this report;
- + provides six case studies which include conceptual floor plans, construction cost assumptions, and relevant pro formas to be used by owners of candidate properties or as a model for others seeking tools for future development; and
- + introduces the City of Altoona to potential sources of gap funding to assist building owners with their implementation of development options.



BACKGROUND

The Altoona Downtown Housing Strategy consultant team conducted two multi-day workshops to interview a broad range of stakeholders likely to be interested in participating, shaping, or simply supporting residential development initiatives in downtown Altoona. Workshop attendees included building owners, local banks, realtors, developers, representatives from local public housing organizations, and representatives from Penn State Altoona, UPMC Altoona, and the Altoona Area School District. The purpose of these interviews – and the focus of the team’s efforts – was to develop six case studies and pro formas that could guide development activity for targeted sites. The case study approach was employed to illustrate that opportunities for development are available, and the six selected were chosen for their diversity and potential readiness for near-term implementation. The workshop discussions were informed and intense, and they resulted in consensus on the specified buildings and sites to be included as case studies. Also, as a result of the workshop’s effectiveness, the team was able to quantify and assess each case study in the form of conceptual test fits, (i.e., floor plans), with accompanying construction cost assumptions. The consulting team analyzed previous comprehensive studies and plans as a result of this report. The plans/studies analyzed are located in the appendix of this document. The goal throughout was to prioritize high-quality living options capable of attracting the demographics of the educational and medical market – the “Eds and Meds” segment – rather than a lower quality-and-price model more suitable to student housing.



“The Altoona Housing Strategy & Downtown Investment Plan is a very important part of the City’s Act 47 Recovery Plan. It will play a significant role in attracting new businesses to Altoona’s downtown, which will aid in its revitalization. I find it invigorating to have this opportunity to realistically dream about a positive future for the City of Altoona.”

Dr. Lori J. Bechtel-Wherry, Chancellor and Dean, Penn State Altoona

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FRAMEWORK



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VISION

“...to establish a downtown Altoona as a vibrant and inviting destination of choice for those who want to live, work, play, learn and grow in this Central Pennsylvania city.”

+ From GADEC Vision Statement

WHAT WE LEARNED



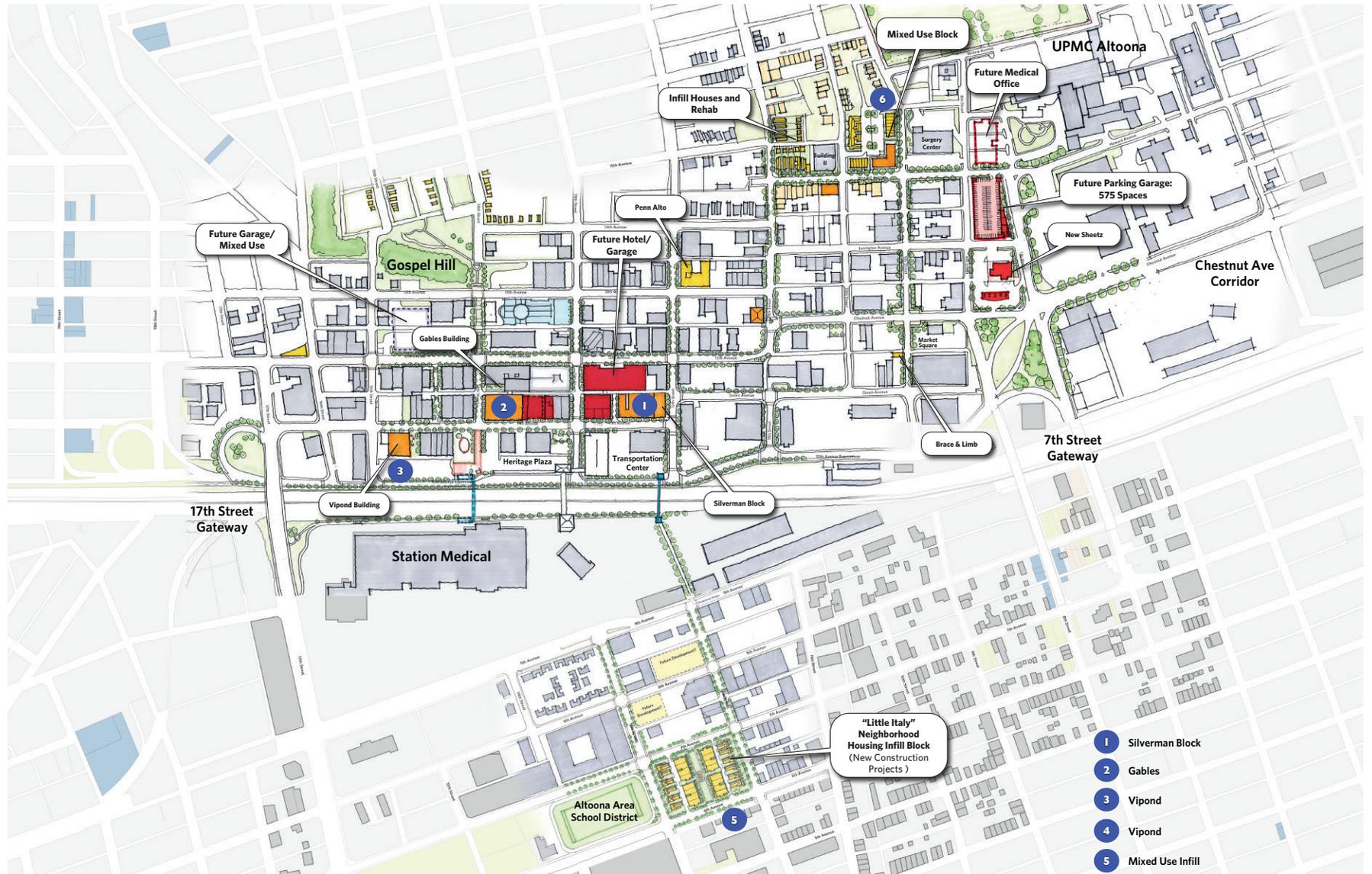
SURVEY + MARKETING



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FRAMEWORK



The goal of the project is to improve the economic health of downtown Altoona by revitalizing and increasing its residential capacity, in part, through the preservation and reuse of underutilized historic buildings and sites. The project recognizes that coordinating transportation and parking, identifying gap finance strategies, and providing connectivity throughout the urban core are crucial to revitalization efforts and are addressed later in this report.

Some of the opportunities cited can be implemented sooner with clear ownership / developer interest and resources. Others will be longer-term, requiring a more supportive market climate and new financial tools to close gaps and advance the market for residential downtown living. The six case studies presented can be applied to the specific properties they address, but also are capable of guiding follow-on renovation work and new construction projects of a similar nature. The design and construction cost estimates included assume upgrades and amenities that have been critical to the success of residential initiatives in other markets. But, in Altoona currently, they exist only in a very limited supply, thus creating a shortage of space suitable to the preferences of the expanding “Ed and Meds” workforce.

Through Fourth Economy’s survey work, the team identified the latent housing demand for the types and finishes at the rental / purchase prices required to make the project financially feasible. Having estimated the demand level, the team further identified priority scenarios, involving both new construction and adaptive reuse, to demonstrate the concept’s appeal in a phased or deliberate manner. Creating a critical mass of market demand will require time and promotional investment, and success will not be achieved overnight. But, as evidenced by similar developments

planned, completed, and marketed by the project team in other locations, the more challenging objectives are those that frequently yield the most satisfying results. Notably, most successful center-city revitalization projects are accomplished via a downtown-based organization charged with coordinating communications with the stakeholders.

Constructing new market-rate housing in dormant or sub-market conditions is an expensive proposition. And, as experienced in the region’s many industrial parks, financial gaps between project costs and available financing are to be expected. The study team has applied industry-standard cost estimating techniques in markets similar to Altoona with actual contractor experience in and around the city. The results have led to a general consensus on cost estimates that form the basis for the operating pro formas contained under separate cover. Conclusions reached from efforts to identify sources and financing techniques to address funding gaps where they occur are included in those companion documents as well. The findings could be applied both to the case studies contained as part of this study, and to additional project opportunities that may emerge.

Funding gaps in these types of developments could be substantial, perhaps exceeding 50 percent of an overall project budget. For example, in a similar renovation project of a 65,000 square-foot, mixed-use building in downtown Erie, the financing gap was 48 percent. In that instance, cooperative efforts to leverage public and private equities were undertaken by the City of Erie, the Erie Redevelopment Authority, and the County of Erie, as well as the state and federal governments. The gap was closed by using conventional debt, subordinate debt, or





equity, tax credits, partner equity, and grant dollars. Potential funding sources and other financing tools available for Altoona’s consideration include, but are not limited to:

- + New Market Tax Credits
- + Federal Historic Tax Credits
- + Pennsylvania Historic Preservation Tax Credits
- + Private foundation grants
- + Section 108 Loan Guarantee Provisions
- + Neighborhood Assistance Program and Enterprise Zone tax credits
- + Redevelopment Assistance Capital Program (RACP)
- + Keystone Communities Program loans
- + Keystone Historic Preservation Programs
- + Façade loans
- + Employee Assisted Housing Programs
- + LERTA Tax Abatement Programs

A subordinate loan from a bank may be required to access some of the sources listed. Filling any financing gaps encountered during the implementation process will require the involvement of key Altoona area organizations. Most prominently, they would include the Altoona Blair County Development Corporation, Greater Altoona Economic Development Corporation, City of Altoona, Altoona Area School District, Redevelopment Authority, Parking Authority, Blair County, Penn State Altoona, area developers, major property holders, and the local banking community. Together, their participation will be necessary to create the type and scope of financing programs tailored to development objectives. It is the study team’s strong recommendation that, to ensure a successful outcome, ABCD Corporation establishes housing as a central economic development priority and serves as a financing catalyst for the project. It is the study team’s strong recommendation that, to ensure a successful outcome, GAEDC be the development catalyst, working

with ABCD Corp on the financing initiatives, and that GAEDC establishes housing as a central economic development priority. Further, the team concurs with the existing Comprehensive Plan and recommends that GAEDC re-establish the former Main Street Program. As evidenced by the economic impact estimates prepared for each of the case study opportunities based on its cost and scope, those projects actually undertaken will produce a significant short-term and long-term benefit.

With the completion of project case study proposals and the formation of strategic financing and development partnerships for each, the focus will shift to leadership and collaborative public / private partnerships to make the projects truly “shovel ready.” These public / private relationships are crucial to the success of any scenario chosen for implementation.

A critical component of this process includes the development of an overarching vision that ties the focus areas together in a series of illustrations forming a comprehensive urban design of the area involved. This step is important to assist the planning department in its mission, as well as to permit both stakeholders and the public, alike, to envision what downtown Altoona could become. Specifics regarding this recommendation are included in this report.

The team strongly urges that, in addition to developing new financial tools to advance these projects, investment in the areas around project focal points should be addressed as well. Examples include designing a “complete-street” infrastructure by creating an open space network to improve green space, planting street trees, and strengthening pedestrian connections to adjacent neighborhoods. In Altoona specifically, consideration should be given to restoring activity to the main street business district along 12th Avenue by: changing one-way traffic to two-way traffic where possible to create better entry portals into the city; redesigning intersections to reduce confusion and vehicular / pedestrian conflicts; evaluating existing public transportation and overall parking inventory versus demand; and emphasizing and promoting available assistance programs for renovation strategies for adjacent blocks and buildings. The prioritization of supporting projects, such as a new parking garage, is critical to freeing up surface lots for development, both downtown and around the hospital.

Hotel Narrative

During the review process for potential housing in the Silverman Block (Brett, Columns and Penn Central), an alternative use for a hotel was evaluated with a hotel consultant. While the buildings do not lend themselves to a hotel from architectural planning perspective, the adjacent parking lots on the same block hold potential. Consultant Paul DeCourt reviewed the existing market and concluded:

- + Altoona is an underserved market with no hotel located in the downtown area.
- + Downtown market demand is growing with an expanding regional hospital, a branch campus of Penn State University, the headquarters of Sheetz Corporation, Norfolk Southern Railroad, and growing investment in Pennsylvania shale oil extraction.
- + This proposal would complement existing cultural destinations such as the Mischler Theatre and Southern Alleghenies Museum of Art.
- + The available land is owned by the Altoona Parking Authority, is centrally located.
- + The City has applied for State financing of a 270-car parking garage that could be constructed adjacent to the hotel site and made available for hotel use.

The presence of a hotel would provide additional confidence in private investment in adjacent properties. The hotel could employ up to 120 employees, further increasing demand for nearby housing.

Altoona lauded as top metro area

By WALT FRANK

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A national publication Monday recognized the Altoona metropolitan area as among the top metropolitan areas in the United States for new and expanded facilities in 2013.

According to Site Selection magazine, the Altoona metropolitan area tied for first place in the 50,000 to 200,000 population categories with Sioux City, Iowa, and Dubuque, Iowa.

The local recognition was included in the annual New Plant Scoreboard published in conjunction with Site Selection's annual Governors Cup rankings.

Site Selection's New Plant Data Base focuses on new corporate facility projects with significant impact. New facilities and expansions must meet at least one of three criteria: involve a

"It is encouraging. It gives you a sense of pride and also gives you a sense of accomplishment when you work on projects, some which take months or years."

*Marty Marasco, president and CEO,
Altoona-Blair County Development Corp.*

Marasco said 2013 was a positive year for the Altoona area.

"We saw a lot of activity. We saw some companies begin to make inquiries about projects that they had talked about, and some have come to fruition," Marasco said. "It is encouraging. It gives you a sense of pride and also gives you a sense of accomplishment when you work on projects, some which take months or years. You see the fruition of your efforts."

Centre in Hollidaysburg, which is expected to lead to the creation of 50 to 75 jobs.

Some of the other projects on the list include: the construction of a terminal and office building for CLI Transport, a Sheetz Inc. subsidiary, a \$5.5 million project that will lead to 16 to 20 new jobs; Marcellus GTL LLC of Gilberton's plans to build a plant near Duncansville that would turn natural gas into gasoline and propane, which is expected to lead to the creation of 30 new jobs; and Core

or another either in financing or assisting them. There are a number of ways we help. We are designing the business park. In most we are involved in financing or working with them on a location," Marasco said.

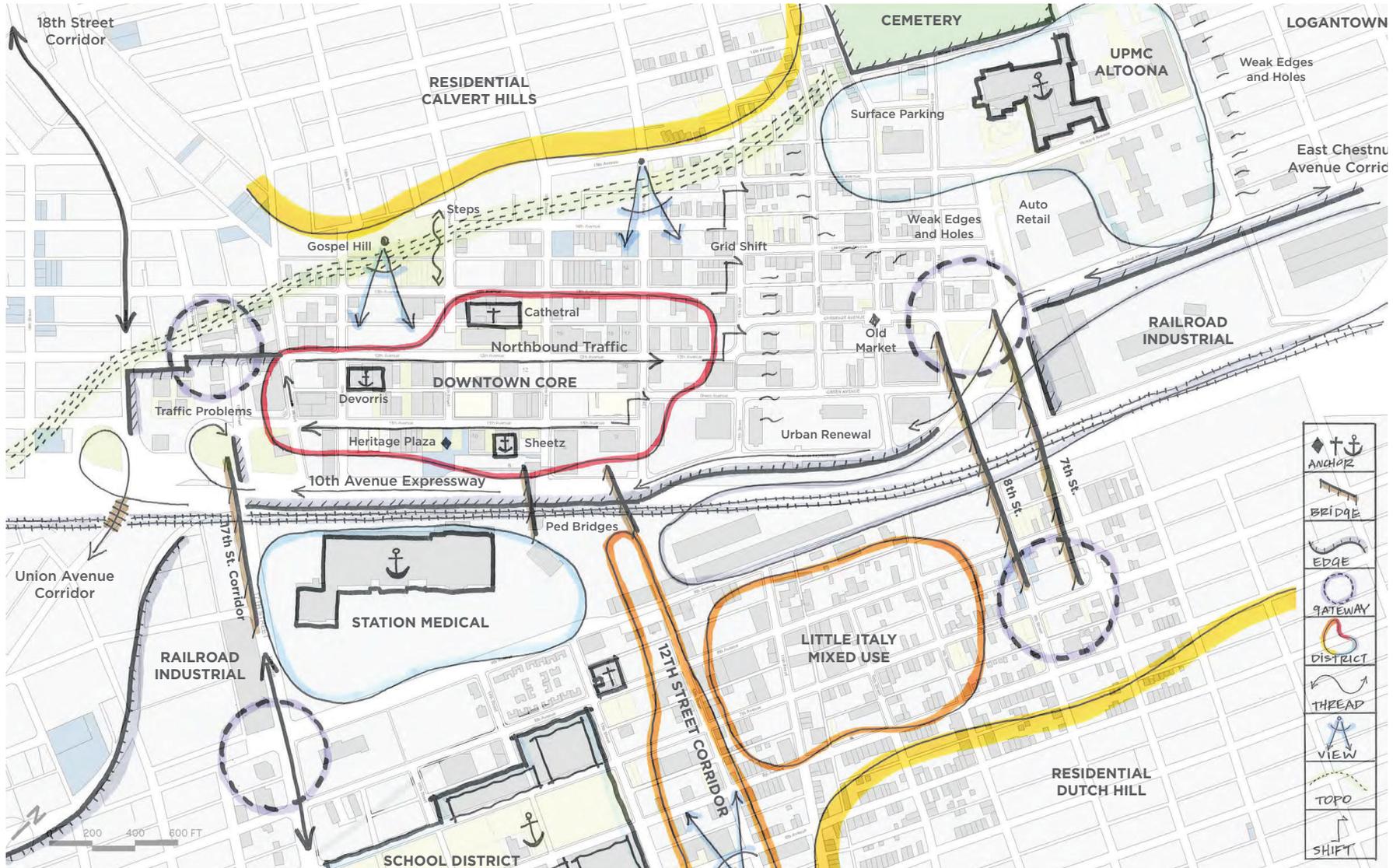
The national recognition should be beneficial.

"It gives us national recognition to show we are competing from the investment side with other areas throughout the country. It gives a positive image of the area compared to other areas of comparable size throughout the country," Marasco said.

"Places looking to grow, this gives them an outside view of our area, of the things we promote here on a daily basis. We gauge our success by the people going to work every day in our community," ABCD Corp. marketing manager Matthew Fox said.



URBAN ANALYSIS DIAGRAM



WHAT WE LEARNED



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The team met with landowners; building developers; small business owners; housing advocates; community and faith-based organizations; businesses, banking, and real estate communities; and educational and medical institutions. Consensus was reached that there is an emerging housing market seeking high-end residential living options and that plans should focus on downtown Altoona's next generation of residents. There are people who want to live close to employment destinations and who favor walking or biking as the means to access these amenities. Successful developments including Legacy Suites, the Casanave Building, and the Artificial Limb Building demonstrate the presence of a definable demographic with the income level and willingness to pay for higher-end housing.



It was also concluded that this renter / buyer profile would respond to an inventory of retrofitted apartment / loft spaces offering open floor plans with finishes, such as concrete counters, industrial kitchens, exposed ductwork, and structural systems. Newly constructed townhouse / cottage options with open two- and three-bedroom floor plans, alley-located garages, open kitchens, and front porches would attract strong interest as well. Amenities also drive location. With Penn State Altoona's emerging downtown presence and its increasing student enrollment and program growth, improved connectivity and access to surrounding neighborhoods is a critical and healthy complement to the core downtown inventory demand.

Urban Design: Getting Ahead of the Curve to a More Livable Downtown

It is important that development of these housing and urban design strategies not happen in a vacuum, but be integrated with each other in both large- and small-scale applications. The unique urban character and quality of life of downtown Altoona is an integral component for investments that support recruitment efforts and growth of the city's educational and health care sectors.

The principal focus of the Altoona Downtown Strategic Housing + Downtown Investment Plan is to provide new residential living options in the center-city portion of downtown and to create a mixed-use neighborhood to the south of UPMC Altoona, an area now largely devoted to surface parking. The plan's center-city recommendations employ historic tax credits to repurpose existing historic buildings as anchors for new housing options, and the changes proposed for both sites respond to increasing market preferences to live in walkable locations offering residential choices consistent with distinct community history and character.

PUBLIC OPEN SPACE DIAGRAM



QUALITIES OF LIVING OPTIONS



Apartment / Loft:

- ✦ Open Plan
- ✦ Simple White Box
- ✦ Concrete Counters
- ✦ Industrial Kitchens
- ✦ Exposed Systems / Structure



Townhouse / Cottage:

- ✦ Block-Scale Neighborhood
- ✦ Open Plan
- ✦ Alley Garage
- ✦ Wood Floors
- ✦ Open Kitchens
- ✦ Porches

Multimodal Transportation Improvements

A balanced relationship between transportation and parking is key to establishing a downtown residential profile capable of attracting young professionals, empty nesters, and cultural tourists, while also allowing business to flourish. American cities are rapidly seeing increases in their populations of younger Millennials who prefer not to be as auto-dependent as generations preceding them. Statistics of “vehicle miles traveled” are beginning to reflect this demographic change, and the statistics indicate that change is occurring in many urban areas.

Connectivity to & from Surrounding Areas

7th & 17th Gateways

The arrival experience to downtown should be improved by developing more innovative approaches to road design and visual clarity and wayfinding. At 7th Street, the opportunity exists to connect with future UPMC planning activities and streetscape developments leading to the hospital.

Greening Streets into Little Italy / Dutch Hill + Other Neighborhoods

Pedestrian experience and safety should be a very high priority to protect investments in new residential options downtown. Beyond the important auto-oriented gateways outlined above, the pedestrian experience can be improved with the presence of wide, safe sidewalks and generous plantings of street trees.

PSU Altoona / Amtran / PSU

A bus shuttle system is an important part of connecting patients, employees, and residents to key downtown locations and adjacent neighborhoods. A long-term plan for growth should be developed in anticipation of center-city residential growth.

Expanded Bike Routes

The existing bikeway is a good start but could use additional improvements in connectivity, safety and legibility. The study team recommends creating a bike advocacy organization to further increase interest in downtown as a location to live and work.

Enhance Existing Pedestrian Bridges

While the team views the addition of a third pedestrian bridge as a necessary catalyst for future dining and retail activity, a higher priority should be assigned to improving the condition and effective utilization of the two existing bridges. Given that federal and state resources are available both through Penn Dot and the Commonwealth Finance Agency, a comprehensive proposal to tap these funding opportunities should be an early component of the development plan.

A more detailed study by an urban designer and a complete-streets experienced transportation planner is needed to develop these concepts further. They are complex, but necessary, steps on the path to supporting a revitalized downtown.

Conceptual Parking Analysis

The consultant team reviewed previous parking studies in Downtown Altoona and also examined the impact of the proposed residential development case studies on the overall parking demand. The parking load assumed by the team was one space per residential unit. Approximately 134 new spaces would need to be created in the City Center District to support renovations to the Vipond, Gables and Brett/Penn Central buildings. While the two new infill development case studies provide parking on site, both developments have the potential to shift parking demand to adjacent properties. All developments will require further study as each case study is implemented.

The Downtown Altoona Parking Master Plan (2000) demonstrated that there was a significant parking deficit in Downtown. With additional demand associated with the new developments of Penn State Altoona, a potential hotel, and the expansion of UPMC Altoona, the consultant team strongly recommends that the potential parking shortage in town be addressed through the creation of new structured parking in strategic locations and around UPMC Altoona. The potential sites are indicated on the parking analysis diagram.

It is the team's recommendation that a thorough internal investigation be completed to include consideration of options such as decking existing surface lots, the feasibility of constructing a new garage, leasing opportunities with private landowners (i.e. local churches) and the possibility of designating local ancillary streets for permitting. It should be noted that resolving the potential parking shortage should be a priority whether development of the residential case studies proceed immediately or downtown commercial growth continues. From a development policy perspective, the team would discourage demolishing blighted structures to create additional surface parking.

Specific Parking Options for Renovation Case Studies:

For downtown housing developments, it is typical that the tenant pays for parking spaces. The developers will be required to secure spaces, either through ownership or lease, but that cost can be passed on to the tenant over and above the base rent. The team has outlined specific parking opportunities for each of the case studies below.

The Gables Building

The logical solution for this development option would be to repair the existing garage to accommodate the 42 proposed residential units. Further investigation into structural or maintenance repairs will likely be required in order to make this structure fully operational. An allocation of resources should be identified in this study's final development budget to address the repairs necessary in this aging structure.

Brett/Penn Central Buildings

Currently 116 surface lots exist adjacent to these proposed case studies. The team's recommendation for a downtown hotel next to these buildings would also benefit the proposed residential renovation plans. Preliminary concepts of constructing a hotel illustrate that 320 could be included in the hotel garage: 116 to replace the existing surface lot, 150 spaces needed per hotel- key, and 54 spaces to accommodate the proposed additional housing totals from the adjacent buildings per the case studies. Note that even without a hotel development the existing surface lot could accommodate the additional residential units proposed for these buildings. Also the existing parking garage associated with the city's Transportation Center could also accommodate parking needs of the residential units in lieu of a new garage immediately adjoining Brett/Central





Vipond Building

An existing surface parking lot exists behind the Vipond Building. While it is utilized at full capacity during the school year, the team's recommends that 12 spaces for the Vipond residential development be allocated in this lot via residential permit parking that would be paid for directly by the tenant. The City would then need to determine whether there could be alternate permit/leasing arrangements to support the offset parking demand for Penn State Altoona students who currently use the lot. Private leasing options with adjacent property owners (i.e. churches) or designating local ancillary streets to accommodate the 12 spaces needed for this case study should be considered.

Mixed Use Development Proposal at UPMC Altoona

The mixed use development proposal at UPMC Altoona is predicated on the concept that some of the existing surface parking that currently exists around the facility would be better developed as higher density mixed-use and residential development. With increasing growth of UPMC Altoona, it is strongly recommended that a structured parking solution be developed in conjunction as part of an overall institutional master plan. Two sites have been identified for a future structured parking garage for UPMC Altoona. With each potential structured parking garage site there is a strong potential for new mixed-use and medical office development.

Neighborhood Housing Block Parking

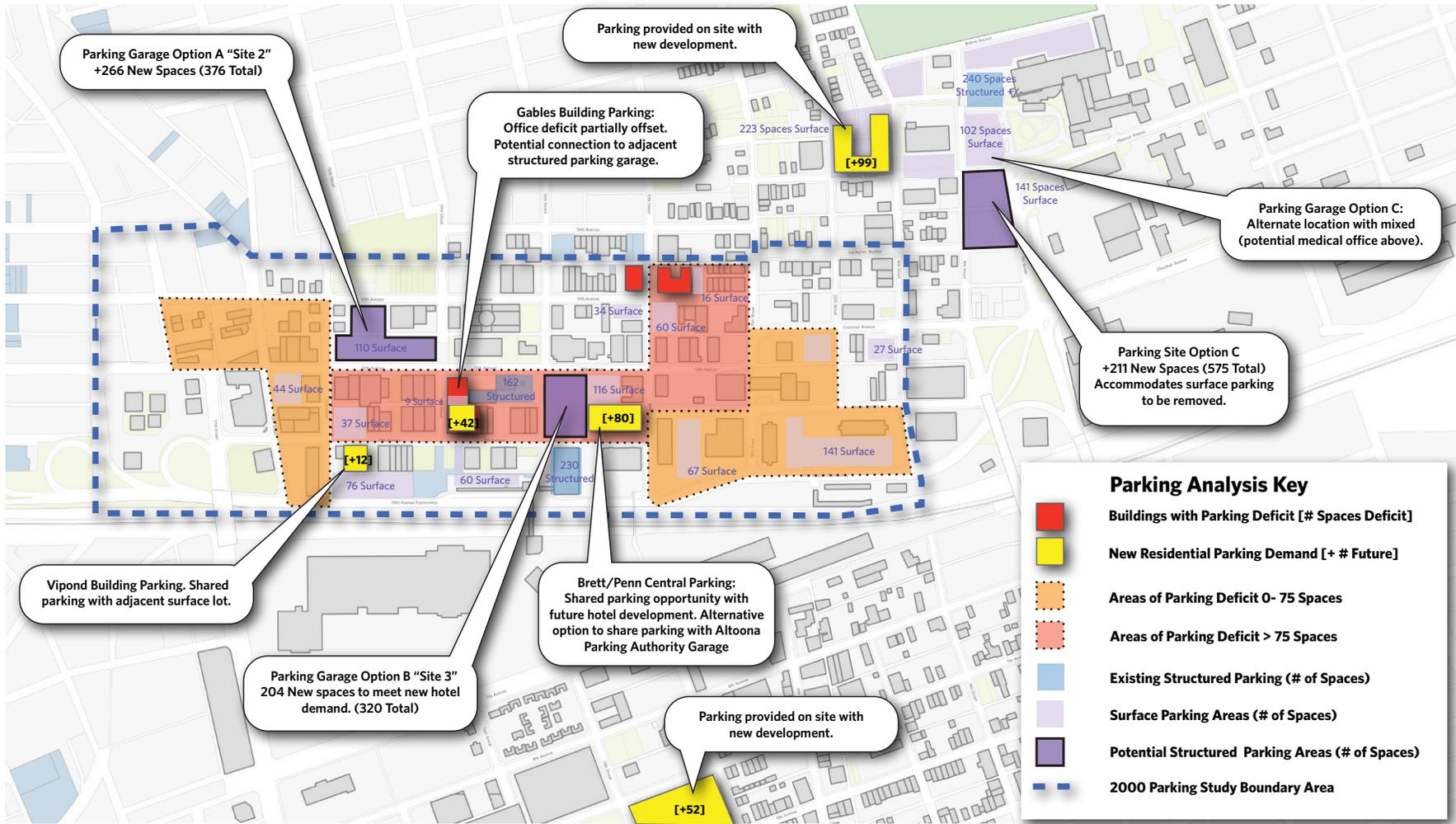
Parking to support the new construction case study Dutch Hill/Little Italy neighborhood would be self supporting, meaning that individual garages would be constructed with the proposed homes so these two case studies would not have any implications or require off-site spaces to accommodate the total number of units to be constructed. However depending upon the final site selections, some negotiations would need to take place with the Altoona Area School District to make sure that this does not adversely impact their parking demand. Many of the sites in this neighborhood have been converted to surface parking lots.

Parking Financing Options

Although the team acknowledges that it is an expensive endeavor to construct a new parking garage should the internal analysis deem it necessary, it can be accomplished with public subsidies such as RACP funds or through a TIF. Generally speaking and for budget assumption purposes, construction costs are based on the total number of units (including any commercial space) and then by applying applicable zoning code to generate parking ratios for the total required. Based on today's construction costs, that number is then multiplied by \$25,000 per structured space. Similar to the pro formas included in each of the residential case studies, typically over fifty-percent of the total structured parking garage cost could require subsidy.

In summary, the team feels that this issue of developing parking for the new Downtown residential development projects can be solved, and should not be seen as an impediment to these projects moving forward. In most instances existing resources can be used to meet demand. While there is currently a parking shortage in Downtown Altoona, the recent Parking Master Plan proposals have identified sites and approaches to meet future demand.

CONCEPTUAL PARKING ANALYSIS PLAN





Small “Catalytic” Residential Projects

Smaller-scale projects, such as the Vipond, Limb Building, the Legacy Suites, Casanave Building and, 818 12th Street, represent opportunities to incrementally test the market and build support for financing downtown projects. These projects offer a do-it-yourself approach that will reduce costs and provide visible examples of change underway downtown, even as larger projects, taking time to become financially attractive to investors, are being planned. From an urban design perspective, it is common for early adopters, such as Randy Green, to create a small market that attracts young people who have no interest in suburban style housing choices. As the team learned in the testimony at the City Council hearing, there is a small, but passionate, segment of young residents that want to stay in the city center and help revitalize it as “home.”



New Construction Mixed-Use Urban Infill

The city has very few vacant lots. It has a surplus of surface parking lots that support recent projects and growth in banking, social services, and health care. These lots add convenience but, having replaced, substandard, or poorly maintained residences, often are poorly landscaped and poorly located. One result is a shrinking tax base. In the areas south of UPMC, the pattern of residential conversion to parking should be reversed, keeping the parking supply closer to the UPMC core. By incorporating structured parking into a new medical office building, distant parking lots can be converted to diverse, mixed-use development. The examples illustrated will define the edge of the medical campus and focus efforts to rehabilitate existing housing stock, and add new single-family infill as has been done in older neighborhoods in Pittsburgh and Erie. More collaboration among stakeholders and attention to design quality will be required for this mix of affordable and market rate units to be successful.

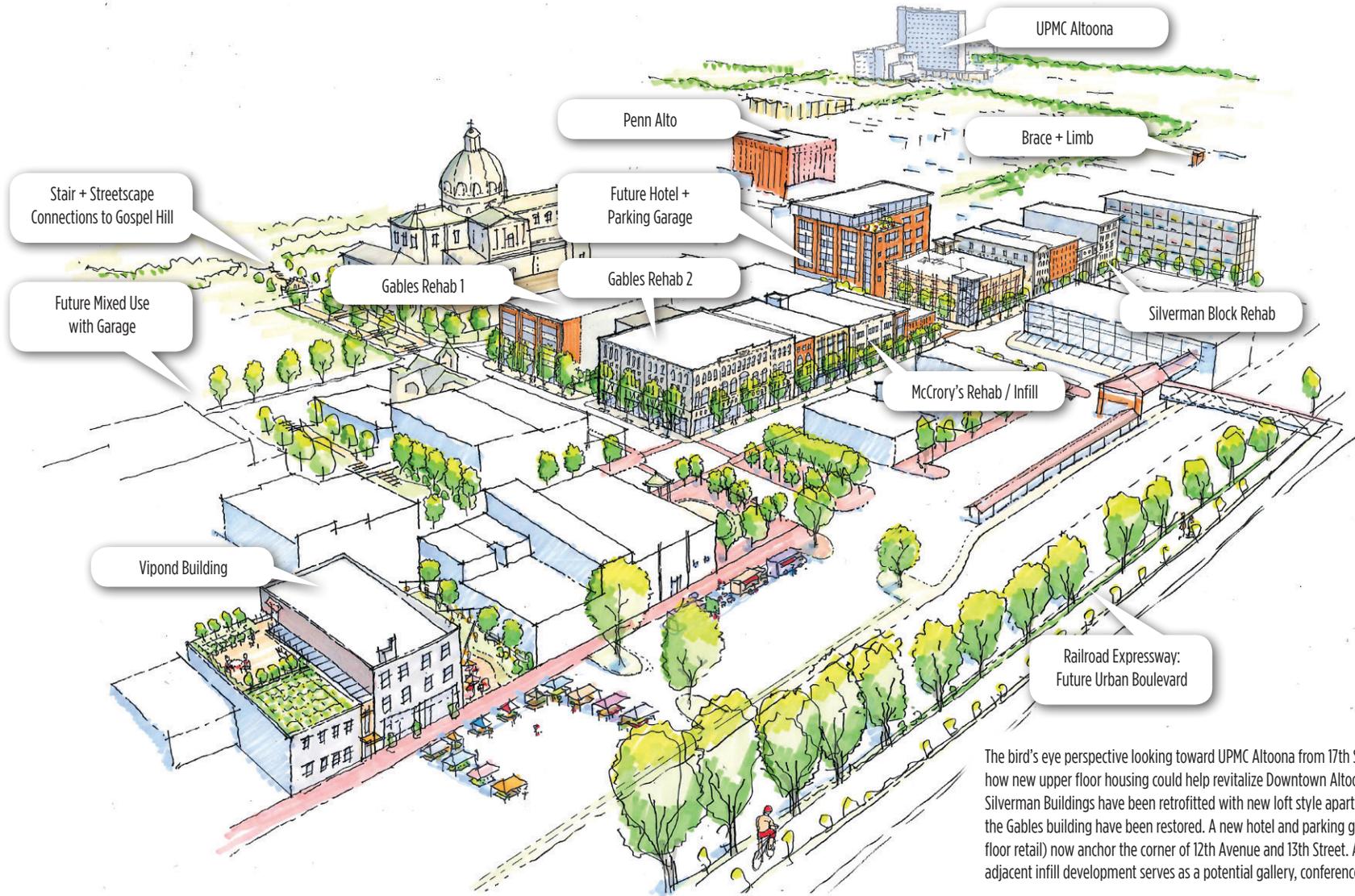


Revitalization of Senior & Low-Income Housing

Today, senior-living high rises and low-income housing blocks are recognized as meeting their basic purpose to provide shelter. However, they are often isolated and lack a sense of community. From an urban design perspective, these urban renewal structures are often being demolished or made over to connect them more effectively to a community’s life. The strength of these buildings near the core is their location.

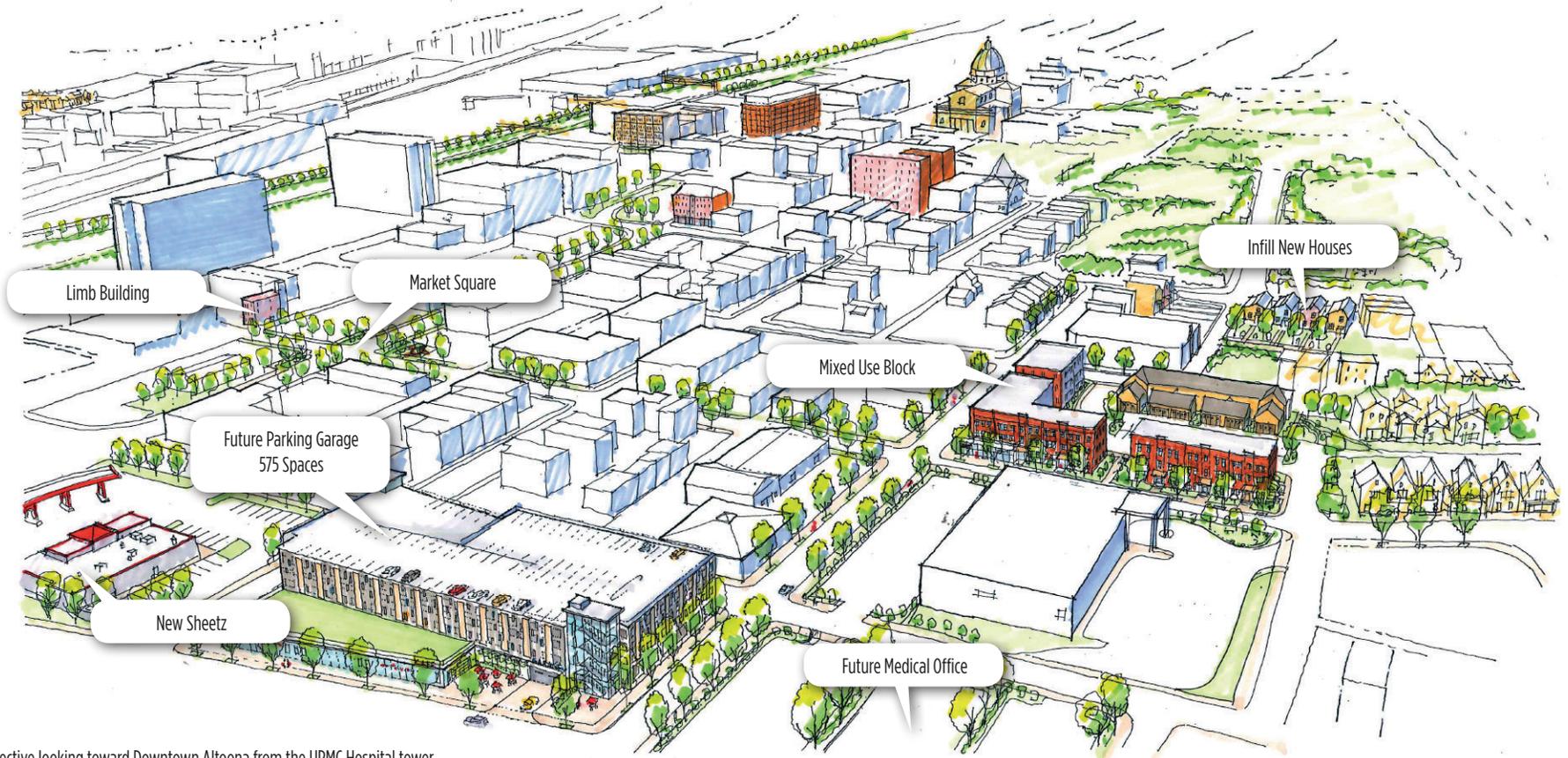
In the coming decades, as demographic and lifestyle choices change, these high-rise structures will require updates to contribute to the vitality and character of the city. The Altoona Housing Authority and the city’s leadership should take advantage of the high-rise locations to make them more visually attractive, connected, and, where possible, multigenerational. Research has shown that multigenerational living provides many benefits, especially in the context of the Eds and Meds resources of Altoona.

Taking an artful and green approach to façade makeovers is a common, but creative and innovative, technique for economic development. An example is the work of Albanian Mayor Edi Rama, whose city’s bland, post-war housing blocks have been transformed by the artful use of color and pattern.



The bird's eye perspective looking toward UPMC Altoona from 17th Street presents a vision of how new upper floor housing could help revitalize Downtown Altoona. The Vipond, Gables and Silverman Buildings have been retrofitted with new loft style apartments. The historic facades of the Gables building have been restored. A new hotel and parking garage complex (with ground floor retail) now anchor the corner of 12th Avenue and 13th Street. A restored McCrorry's Building and adjacent infill development serves as a potential gallery, conference and classroom facility.

Streetscape improvements connect these new initiatives to the Medical District and Gospel Hill neighborhoods. An urban boulevard replete with street trees and a bicycle pedestrian trail has been developed along 10th Avenue to provide opportunities for exercise and "trainspotting". The parking lot behind the Vipond Building serves as space for temporary events, food trucks and pop up retail.



The bird's eye perspective looking toward Downtown Altoona from the UPMC Hospital tower shows how strategic infill housing development can attract new young professionals to Downtown Altoona. New mixed use housing and retail anchors the corner of Howard Avenue and 9th Street, providing a catalyst for future rehab and infill housing in the neighborhood around Calvary Cemetery. Much of the surface parking that currently surrounds the hospital has been consolidated into a structured parking garage, allowing opportunities for medical office building and hospital expansion.

7th Street has been transformed into an entry corridor for UPMC Altoona with the addition of the New Sheetz store and ground floor retail adjacent to the garage. Howard Avenue, Chestnut Avenue and 9th Street streetscape improvements help connect these improvements back to downtown and make the district walkable and pedestrian friendly.

SURVEY & MARKETING +

As Fourth Economy's survey analysis substantiates, the educational and health care markets both create and define the size, character, purchase prices, and rental rates of the latent, unaddressed housing market.

Numbers that Matter

355 the highly conservative annual estimate of the number of people within the existing market who can both afford and are likely to live in Altoona's urban core if the right housing product were brought on line. This number is expected to grow each year as Altoona's employment drivers, such as Penn State Altoona, UPMC, the Altoona Area School District, and Sheetz, continue to grow.

186 the estimated number of market rate units able to be developed as part of the case studies examined in this study. A quick review of the math indicates that the potential market for these units exceeds the case studies' immediate capacity.

2000+ Altoona's expanded market potential for urban living based on income levels and a desire to live in newer apartments or condos.



\$1100 the projected top monthly rental / lease rate expected for the new housing products envisioned in this study. This number is based on Altoona's current market lease rates, wage growth, and affordability data.

\$1300 the top monthly rental / lease rate currently being realized in a new open loft style apartment project just outside of Altoona, proving the demand and price point within current market conditions.



Housing is Economic Development

Housing is as important to successful economic development as industrial sites and infrastructure improvements were decades ago. A quality and diverse housing stock helps to attract and retain talent across all age groups and stations in life. This is especially important to Altoona and Blair County, where the 40-plus age cohort outnumbers the under-40 population by almost three to one. Consequently, future population growth and an increased Altoona employment base will result from new residents moving into the area.

Expanding a permanent resident base to support retailers, restaurants, service providers, cultural events, and commercial activity generally is the key objective for all urban housing revitalization strategies. These are complex interventions requiring economic developers, city officials, and property owners to play critical roles. Fortunately, the desire to live in urban settings is a growing national trend. The Urban Land Institute (ULI) has noted many recent studies point toward a substantial future demand for urban living in the coming years.

- + As of the middle of this past decade, A.C. Nelson – now at the University of Utah—predicted demand for nearly 20 million attached housing units in the United States by 2025.
- + Consumer research conducted by Bethesda, Maryland-based Robert Charles Lesser & Co. indicates that 77 percent of Generation Y plans to live in an urban core. Furthermore, due to a variety of demographic factors, there exists a 12 million unit undersupply of attached housing.
- + The U.S. Environmental Protection Agency indicates that an increasing percentage of housing permits in many metropolitan areas is occurring in the urban core.

- + The National Multi Housing Council says that 66 percent of new households created between 2008 and 2015 will be renters, and 86 percent of new households formed between 2000 and 2040 will not have children.
- + Further, A.C. Nelson estimates that the rental housing market will add nine to 12 million units by 2020, increasing the nation’s rental housing to 41 percent.
- + The National Association of Realtors believes there is unmet demand for urban living.

“...Various prognostications point to a major boost for the apartment market in the coming years; indeed, this boost is materializing already. Developers, brokers, and investors around the country are finding that conditions on the ground in metro areas across the nation are responding to these changing demographics – an early indication of future hot market sectors.”

Urban Land Institute 2011

The issue of supply and demand is a key point that impacts both the national and local markets. The 2014 National Realtor’s Survey revealed that a majority of respondents still favor a suburban lifestyle, with 57 percent expressing that preference. But 39 percent did choose apartments and condos located in more walkable neighborhoods. While this may suggest that there is smaller demand for apartments and condo living overall, data also suggests that generally the supply is not keeping up with even that level of demand, especially when considering what is available both in terms of quality and quantity.

An April 2014 article in the national urban planning publication *Planetizen* entitled “America’s Apartment Shortage: 8 Million Units” by Shane Phillips, summarized the supply and demand challenge effectively:

The follow-up question (to the National Realtor’s survey) is are we providing enough apartments and condos to meet the needs of the 39 percent of Americans – more than 120 million of them – who would prefer a walkable apartment to a car-dependent detached home. The answer, sadly, is a resounding no, to the tune of a nearly eight million unit shortage of apartments and townhouses.

In fact, even a shortage of eight million units may be understating the need: according to the 2012 American Community Survey there are approximately 60 million individuals living in buildings with two or more units, and another 20-25 million in single-unit attached homes. Since multifamily and renter-occupied homes tend to house a smaller number of people, that means that only 28 percent of Americans are currently living in multifamily buildings – 30 million fewer residents than consumer preferences would predict. And even that is an understatement, since many existing apartment complexes are completely unwalkable, forcing residents into a car-dependent lifestyle.

The Altoona Market: Chickens & Eggs

This national supply experience is also one shared with Altoona. The City’s housing stock is primarily characterized by older, single-family detached and row houses. Less than 20 percent of the housing stock in all of Blair County is classified as multi-unit (two or more units) with many of those serving as senior care residences and low-to-moderate income options. According to the U.S. Census, more than 80 percent of Altoona’s housing stock was constructed before 1980, with a significant portion of those houses built during the height of the region’s prominence in the rail industry – 1920 to the 1950s. Altoona’s Comprehensive Plan reaffirmed the housing need and opportunity at several points:

“Current downtown housing options appear to be fully subscribed and there is potential to capture more... Upper floor housing is increasingly popular on the national level and within most urban places... There is also investor desire to expand the downtown housing market with market rate housing.”

Altoona Comprehensive Plan – Positively Altoona

IMPACT OF POTENTIAL HOUSING UNITS

		Sale	Rental	Subtotal	Job Impact	Operational Impact	Total Taxes
New Construction	NH Housing Block	28	0	28	19	\$2,240,651	\$156,356
	Mixed Use Block	6	46	52	112	\$10,529,710	\$527,458
Rehabilitation	Vipond 12	0	12	12	71	\$6,398,117	\$291,936
	Gables	0	42	42	101	\$14,080,560	\$675,506
	Brett	0	56	56	64	\$5,856,350	\$282,475
	Penn Central	0	28	28	135	\$11,974,000	\$536,711
		34	184	218			



That plan goes on to suggest that with Altoona's "flat population and household growth experienced from 2000 to 2010 (and projected through 2015)," the demand for new housing products is likely to remain limited and driven by those already within the existing market.

So, with a limited demand for new housing yet also virtually no supply, the question is "If you build it, will they come to rent or purchase?" Like many smaller cities, Altoona faces this classic "chicken-egg" conundrum. With no urban-style lofts, open-concept apartments, or higher-end urban housing inventory to provide context, how does the team demonstrate that demand exists?

The challenge of this market analysis was to estimate the level of potential or latent demand that might exist within Altoona's current market. The guiding questions to answer were: If new, higher-end housing were developed, how many units could the market support? To what scale could the existing sites or buildings accommodate this product? How many people may be interested? What would lease rates be and, more importantly, how many residents can afford them?

With the market challenge defined, four key factors were investigated: The existing condition and functionality of Altoona's central business district (CBD) housing stock; a comparative understanding of the region's housing affordability; regional wage data and employment trends; and consumer sentiment, especially among Altoona's largest economic drivers.



Existing Conditions in the Urban Core

The interviews and focus groups conducted with downtown property owners, developers, and real estate agents cited previously were complemented by site visits to existing rental properties to obtain a firsthand perspective on the character and functionality of the current housing market. Beyond those activities, an independent data scan included a review of current property listings, their lease rates, and their square footage. Additional housing data sources included the U.S. Census Bureau and the City's Comprehensive Plan. The research results were combined to generate a profile of existing housing offerings and future trends:

- + Current rental rates range from \$375 for one-bedroom apartments to \$900 for those with two- and three-bedrooms
- + While there are some student residents and business and professional tenants living in the urban core, there is also strong interest from younger families in search of affordable housing options
- + There is a high occupancy rate in Altoona's urban center, estimated to be between 80 and 90 percent
- + 50 to 60 market-rate units are currently available within downtown
- + 10 to 12 additional market rate units are in development
- + There is a large senior and low-to-moderate income demographic in Altoona, with an estimated 1,700 residing in subsidized units
- + Overall there is a limited quantity of market rate apartments / condominium options
- + The current housing inventory generally offers low- to mid-level finishes
- + While there are some improvements and repairs that need to be made, the supporting roads, water / sewer, and telecommunications infrastructure is generally in good working condition and has the capacity to accommodate new residents
- + Some supporting amenities such as food / beverage establishments are in place.
- + While there is a growing student population in the area and some housing does, and can, accommodate student residents, officially designated student housing requires a higher standard for construction and operation and should be considered a "specialty market"



Major investments have been made within the CBD in recent years. Penn State Altoona has expanded its continuing education functions, creating nursing and communications labs for its degree programs; relocated its alumni development offices; and, most recently, developed a new entrepreneurial center. The recent UPMC purchase of the Altoona Regional Health System has spurred conversations on reimagining the current facilities plan. These developments, together with major parking improvements and the expansion of the medical center complex, account for an estimated \$30 million in new investment. But while those actions have resulted in interest in Altoona overall, the city's CBD housing market has remained defined by its senior assisted-living population and lower-income resident base. Stakeholders agree that a different approach is needed to jump-start a new market and diversify its range of housing options. And, again, a dedicated, downtown organization or Main Street Manager, having a local and accessible presence, could help educate both large and small property owners on the programmatic tasks associated with a successful development.

Housing Affordability Data

Understanding how Altoona's housing costs compare to the state and the nation provided insights into the income level needed for current residents to buy or lease new housing products. A 2013 report prepared by the National Low Income Housing Coalition (NLIHC) was the primary source for this information. The NLIHC report compared housing affordability for all states, counties, and Metropolitan Statistical Areas (MSAs). Based on several data inputs and methods, the NLIHC produced a housing affordability index, with an index of 1.0 considered "affordable."

The NLIHC estimated Altoona's Fair Market Rent (FMR) for a two-bedroom apartment to be \$611 per month less than Pennsylvania's FMR of \$895 for the same size unit. A resident in Altoona would need to earn \$11.75/hour or \$1,880/month to afford a two-bedroom apartment at FMR. The NLIHC estimates the mean hourly wage for current renters in Altoona is \$8.66 or \$1,385/month, less than the required income needed.

Based on the existing wage levels and FMR estimate, NLIHC's methodology produces an affordability index for the Altoona MSA of 1.4, or already slightly unaffordable for the population at large. Recognizing that the newer housing product envisioned for the city would likely demand even higher rents and purchase prices, it is assumed that the majority of current renters would generally not contribute to the future market demand.





Wage & Employment Trends

Without some evidence of higher wages and positive employment trends to support a market for newer, urban-style housing products, it would be difficult to justify any major investments in new housing products. With the affordability data collected, the focus on wages and employment became even more important.

Altoona has conducted several studies in recent years documenting wage changes and industry sector trends. Altoona’s most current comprehensive plan entitled *Positively Altoona* (2013) notes that, “Altoona was by far the top work destination for area residents...one out of every three persons employed in the Altoona 10-mile radius lived within the City of Altoona in 2009. This is up from 26.9 percent in 2007 and 29.8 percent in 2005.”

The plan goes on to document that “despite flat growth trends and an aging population...the rise of household incomes in Altoona appears to be outpacing that of the County and...region over the 2000-2015 period. Similarly, increasing educational attainment levels bode well for household income and job potential.”

In addition an existing literature review, the consultant team utilized the U.S. Census Bureau’s Center for Economic Studies Longitudinal Employer-Household Dynamics (LEHD) database to gather job count, wage information, private sector employment and commuter information for Blair County – Altoona’s general market area – for the period 2007 to 2011. Unlike broader census data that captures all residents who live in the region but work outside of it, the LEHD-collected data focuses on people working within the market region. This provides a more accurate picture of the economic profile during any given period. The most recent year data available from this source is 2011. It is important to note that more recent overall employment data does exist, but it is often estimated and will vary from actual job counts within the Altoona market area.

With a total job count of 59,168, Blair County has realized a net increase of 1,929 jobs between 2007 and 2011. This growth occurred despite a period of national recession. Increasingly, workers are also earning more money. Workers earning more than \$40,000 per year increased by 2,786 during this period, to 17,268, or 30 percent of the employment total. While these gains were made in all age categories, the largest were made by workers under the age of 30 and workers above the age of 55. The health care, manufacturing and government sectors – which include Penn State Altoona – realized the largest increase of workers earning more than \$40,000 per year, representing 60 percent of the total.

Beyond the overall job count and wage numbers, special attention was given to Altoona’s key economic drivers. In light of their proximity to Altoona’s CBD, large employment levels, and history in attracting new employees from outside of the region, the project team identified the Altoona Area School District, Sheetz Corporation, UPMC, and Penn State Altoona as key market influencers.

Interviews with representatives from each of these employers suggest that positive hiring and higher wage trends will continue within their respective organizations. Penn State plans to grow the campus to a total enrollment of 5,000 students, an increase of approximately 1,200 students over current levels. This growth is expected to require additional staffing in all areas. UPMC also anticipates attracting specialty physicians and support staff as they undergo master planning processes and new service orientations. Sheetz Corporation has continued to grow in recent years as it expands market share in the southeastern states. And, the Altoona Area School District expects to hire 25 to 35 new staff and support faculty per year over the next five years, in part to address new program expansion, but largely to address staffing turnover resulting from retirements.

Demonstrating a growing number of workers and the potential for new additions in and around Altoona’s CBD who are capable of affording the type of units envisioned for this study is critical to determining potential or latent demand for this new urban living product.

Consumer Sentiment

Finally, the consulting team administered a survey to gauge consumer sentiment regarding general, higher-density living options and the desire to live in downtown Altoona specifically. Recognizing that the housing product envisioned in this study would likely appeal to a more narrow constituency – one that could both afford and be attracted to the type of lifestyle urban living offers – the decision was made to focus the survey towards Altoona’s key employment drivers – those that are generally viewed as paying higher wages and the ability to attract additional new workers with advanced degrees from outside the region. Again, the focus included the Altoona Area School District staff and faculty; Penn State Altoona staff, faculty, and students; UPMC; and Sheetz Corporation. The survey was distributed directly to faculty, staff, and students through these organizations’ email lists. The survey link was also made available on the City of Altoona’s website and publicized in local media. A full report of the survey results was provided to the project managers.

Some highlights of the survey include:

- + The survey was completed by 465 respondents, of which 69 were students. Sixty-five percent of respondents were married and 48 percent do not plan on having children. Half reported an income of \$35,000 per year or higher, with 25 percent earning more than \$60,000 annually. Forty-three percent were between the ages of 25 and 45.
- + Of the total respondents, 242 were currently non-home owners who move approximately once every five years. This group spends approximately 16 minutes driving to work and is generally open to the idea of living in apartments or townhomes.

While Altoona generally has a very stable residency base, 207 of the survey respondents expect to move within the next five years. Generally, these responses suggest that among the higher income earners, there is greater proclivity and ability to move. The team can assume, based on the hiring trends, that as retirements or advancements occur within the key market drivers, some individuals will move out



of the market completely and create opportunities for new residents from outside of the market to move in. Similarly, as resident employees stay within the market and advance in their careers, movement from apartments and townhomes to single-family homes will occur.

We can also assume that not all retiring employees will move out of the market. Rather, national data suggests that many “empty-nesters” and senior residents will downsize from single-family homes to apartment and condo living. A greater portion of Baby Boomers are also gravitating towards less expensive locations in climates other than warm-weather locations. The *New York Times* reported on this trend, noting that, while some will always head to warmer climates and more expensive locales upon retirement...“many Boomers who do not view retirement as a permanent vacation are turning to nontraditional, and less expensive, retirement spots for their second act. They are especially attracted to college towns that offer opportunities for culture, as well as work, which many expect to continue, though on their own terms and at their own pace.”





The survey suggests there is movement within the market, especially among those who are able to afford the type of units envisioned for this study. Just as important, there appears to be support for apartment / condominium living, with 125 respondents expressing interest in those options within the area generally, and 74 in Altoona’s CBD specifically. When these demand levels are compared to a total housing capacity of 186 units identified as part of this study, it is evident how a small demand for apartments and condos can quickly exceed the supply – a local trend aligned with the national data and trends.

Methodology

With the wage and employment data collected, stakeholder interviews completed, and an understanding of national housing trends acquired, a model was developed to project the potential or latent demand. Using the survey findings to generalize to the broader Blair County population, the consulting team was able to combine the research to estimate the size of the population most likely interested in moving to a downtown Altoona apartment or condo in the next one to five years.

To estimate the size of this population, or the potential constituency of the project, the consulting team began by looking at the income and wage data available through the U.S. Census. The first step was to isolate those Blair County residents most likely able to afford higher rents usually associated with the type of development proposed in these case studies – in this case, residents earning greater than \$35,000 in per capita income. Because the wage data selected for this study did not categorize wage earners at this income level, a two-step process was required.

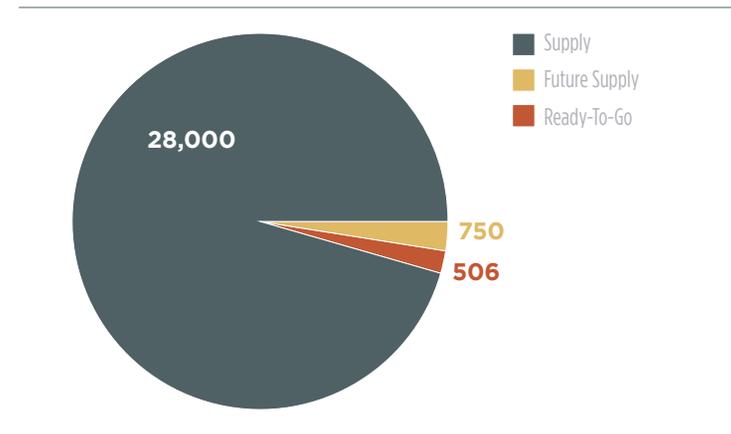
First, all workers earning over \$3,333 per month (\$39,996 per year) were identified; their total was 17,268. Next, all 25,564 workers earning \$1,251 to \$3,333 per month were identified. To estimate the percentage of workers in this second category earning \$35,000 per year or more, the U.S. Census estimate of 35 percent of the U.S. population making below \$35,000 was applied. This step reduced the original total of 25,564 workers to 11,225. Combining these two totals, the total Blair County worker population earning \$35,000 or more is approximately 28,493.

Next the team multiplied that total by 28.24 percent, which was the percentage of survey respondents under the age of 34 and over the age of 55 who indicated they were likely to move during the one- to five-year timeframe. These age cohorts were considered to be most likely to have an interest in urban-style living options based on national trends and surveys. The time period was chosen because it is a realistic “window” for the development of one or more of the case studies examined in this study. This calculation produced a new population size of 8,046.

That total was then further reduced by multiplying it by 27.48 percent – the percentage of respondents who expressed a preference for condos or apartments. The new total was 2,211.

Finally, the team isolated from this population those most likely to move to a downtown Altoona location. Approximately 16.03 percent of survey respondents expressed a specific interest in moving to the downtown area. The new total population of Blair County residents making over \$35,000 with an expressed interest in living in an apartment or condo located in Altoona’s CBD was 355.

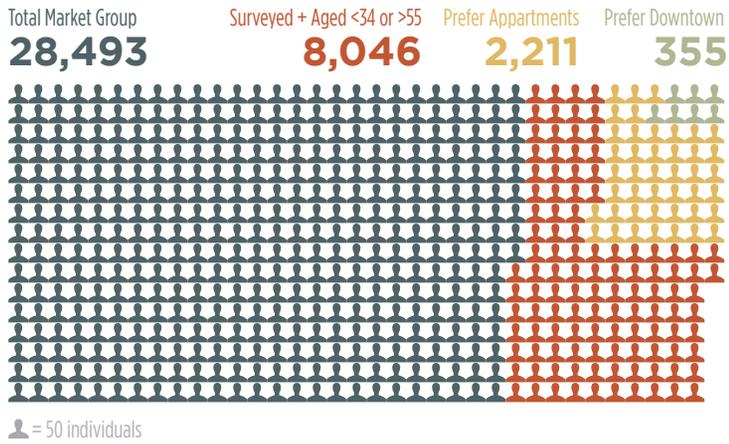
MARKET OPPORTUNITY BY THE NUMBERS



Holding all other things constant, and based upon previous growth rates of residents in this category, it can be assumed this number will increase by 8.8 percent per year or about 31 new prospective candidates for the type of housing envisioned. This is without any programmatic promotion or marketing. Applying an estimate of future retirements and new hires resulting from Altoona's primary market drivers, the model assumes a churn within this target constituency of 120 workers. This means that while this core market constituency is expected to grow by 31 year-to-year, the total could increase or decrease by an additional 120 people as retirements and new hires occur.

This model did not consider the potential for retirees or empty nesters to move into or stay in the Altoona market. Nor did it consider the propensity for recent college graduates to work and live in Altoona's CBD. It relied only on known wage, employment trends and the original survey data to calculate the projections, therefore establishing a very narrow baseline estimate.

ESTIMATING THE MARKET





Place Branding Altoona

Ahead of the Curve has illustrated a number of tangible opportunities to build a housing market in Downtown Altoona, through the development of detailed case studies for six properties. The principle of “rooftops before retail” has proven to be wise advice for cities trying to revitalize their downtown cores. The question is not where to start but who can start? The capacity of the market to support projects is there but will require collaboration and commitments from banks, foundations and government to fill the naturally occurring financial “gap” that occurs when trying to jumpstart attractive downtown living alternatives.

The research conducted on the Altoona market by Fourth Economy demonstrate there is latent demand for high quality housing options not available in the city. When new employees arrive in Altoona to work for PSU-A or UPMC-A, they are often looking for authentic urban living within walking distance of their employers. Likewise young graduates who want to stay in Altoona and are taking their first job, cannot find the downtown living environments they experience in cities like Pittsburgh or Philadelphia.

Our recommendations for branding downtown Altoona focus on the following themes and subthemes which can become the framework on which a brand can built.



Potential Overarching Themes

- + Get Ahead of the Curve!
- + Be a Downtown Pioneer!
- + Next Stop: Downtown!

Potential Subthemes

- + **Existing Cultural Destinations:** Emphasize the attractions that already exist In Downtown Altoona you can walk to: two museums, PSU-A, UPMC-A and the theater.
- + **Accessibility:** Walkability, connections to Transit, Cycling lanes; that want to be near Eds, Culture & Meds.
- + **Creating a Place that Matters:** Focus on the quality of the historic architecture and opportunities to revitalize high quality buildings that overlook breathtaking mountain ridge views. Likewise, the opportunity to create innovative new urban housing enclaves in Little Italy and around the UPMC campus.
- + **Urban Pioneers:** Develop a campaign in the spirit of the Levi’s “Go Forth: The next American frontier is all around us” <http://www.youtube.com/watch?v=2YyvOGKu6ds>
- + **Cultivate Real Estate Entrepreneurs:** Focus on Millennials and Baby Boomers that are interested in building something meaningful and creating as sense of community in the city. Work with Sheetz to develop DIY real estate courses and mentorship. DIY Culture: Develop promotional and financing programs around early adopters and DIY culture that is common to millennials looking for that first loft, not a soulless apartment or subdivision.
- + **Revitalize Main Street Program** to focus on retail that support early adopters in residential development. We would encourage valuing the unconventional creative and inclusive approaches to economic development funding.
- + **Connecting & Outreach:** Invite urban innovators to learn and be inspired by people like Eve Picker of No-Wall productions or the Design Center in Pittsburgh. Architects, Artists, Designers, and other “creative class” professionals are needed to get people to see the opportunities ahead. Breakdown boundaries between the traditional economic development world and those outside it.

Altoona Benchmark Project: Legacy Suites

Project Dashboard
No. of Units = 8

Type of Units = 6 -1 BRs and 2-2 BRs

Average Rent = \$920 /mo plus utilities

Area : 9,000 total SF located at 439 Lotz Avenue, Lakemont Section of Altoona

Construction Cost / SF = \$70 includes all expenses (including initial purchase of building)

Financing = 100% Private Funding

Tenant Profiles: Professionals, Doctor



LEGACY SUITES AT LAKEMONT
814.414.3299 | thelegacysuites.com





Nate Diehl



Altoona Benchmark Project: Limb & Brace Building

Project Dashboard
Units: 3

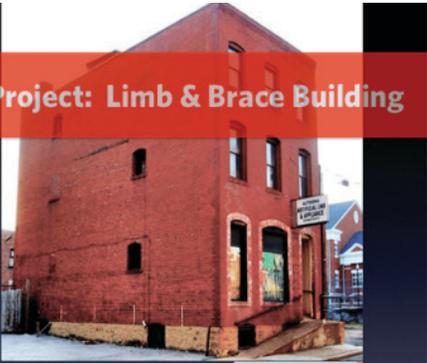
Types: 1 & 2 Bedroom Units

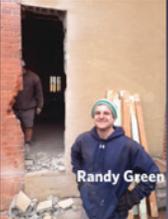
Average Rent: \$750-\$850

Area: 1150 sq per unit , 3450 sq total plus basement

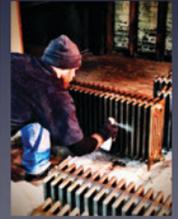
Construction Cost/SF \$67-70 sq ft

Financing Type: Private with GAEDC façade loan: \$30,000
ABCD Upper Floor Housing Loan: \$50,000





Randy Green







NEXT STEPS



32



Altoona benefits from strong residential market demand, institutional anchors, and an available building stock. These factors create a climate for successful redevelopment. Moving from plan to action requires a clear implementation strategy and next steps. Our team recommends the following:

Designate GAEDC as Development Catalyst for the Downtown Housing Initiative – A single point to coordinate the public sector involvement in downtown housing is necessary as is its physical location and presence in downtown. Recommending GAEDC fulfill its leadership responsibilities, it should work with ABCD Corp to identify financing options, incentives and resources to help private developers. GAEDC should consider restructuring its current composition to include young professionals and representatives who have a vested interest in downtown including those like Randy Green who have housing development projects underway. Further, in addition to the res-establishment of the Main Street Program, which could be funded through the assistance of a NAP tax credit, the team feels that it is crucial to the projects' successes that GAEDC move its meetings to downtown to demonstrate its commitment to that location.

Market the Economic Benefits of Downtown Housing – The economic analysis included in our planning project demonstrates that housing is economic development. Our models project that through direct and indirect economic impact, the benefits to the local economy and taxing bodies is significant. Given the City's Act 47 status, every potential new investment must be viewed from a cost / benefit perspective. Investment in downtown housing will grow the tax base and is a fiscally responsible investment decision.

Assemble Public Resources to Support Early Stage Housing Development – Financial gaps are to be expected in early stage housing developments. As our analysis has shown, public investment in filling these gaps is supported by the return on investment. Just as public financing was necessary to develop office and industrial parks in the Altoona region, public financing is necessary for downtown housing development. This

report has highlighted some of the public resources that are available, and the city and ABCD Corporation should pursue these resources at both the state and federal level. Typically, a number of different financing programs are layered together to finance and early stage project.

Establish a Steering Committee that Reflects a Broad Cross Section of Public, Private, and Institutional Interests – Improving downtown involves more than developing housing. Public space improvements and a district-wide parking solution are other components that need to be coordinated. Re-establishing a Main Street Program will help to oversee and coordinate these improvements.

The benefit of a diverse Downtown Steering Committee is that it will bring stakeholders together to share information and coordinate plans. The team recommends that this committee be comprised of downtown developers, property owners, business owners, public sector officials, representatives from ABCD Corporation, and institutional interests, such as UPMC Altoona and Penn State University.

Prioritize a Demonstration Project – Maintaining positive momentum is critical in changing the perception of downtown. There are projects that are currently underway, such as Randy Green's Artificial Limb Building Project and Judy Coutts' project at 820 12th Street, but these projects should be augmented by implementing one of the case studies in this report as a demonstration project. Actual project action demonstrates that interest in downtown housing is real, and it creates interest from other developers to become involved in the early stages of the revitalization process.

This planning effort is not an end to itself. The team has gathered the data, created tools, and outlined next steps for a seamless transition into the implementation stage. Success requires a sense of ownership from local leaders, developers, and economic development practitioners to drive the process forward.

Summary & Conclusions

Demographic and economic changes impact the way that communities develop. In downtown Altoona, as documented by the team's quantitative and qualitative research, regional trends are resulting in a demand for higher-end housing with amenities that justify their costs. Early-stage projects already underway will establish the higher rental rates the team anticipates; it is important that this momentum be continued through the development of other catalytic projects.

From stakeholder sessions, consensus emerged around six case study projects. These included two new construction projects that were entitled Neighborhood Housing Block and Mixed-Use Block, respectively. Four adaptive re-use projects were explored, including the Vipond, Gables, Brett, and Penn Central buildings. Schematic plans, construction estimates, and pro formas were prepared for each of these case-study projects and can serve as models for future conversion initiatives. The team's calculations of the taxation impact of these projects will be useful in determining the viability of future conversion undertakings as well.

Renovating historic structures for new uses is an expensive proposition. Downtown Altoona, with a handful of these projects already begun, is still in the early stages of this market cycle. Large financing gaps are to be expected. This study documents a variety of financing mechanisms through which these gaps can be filled. Public-private partnerships are key in this regard.

Cities of various sizes across Pennsylvania and in other states have made a conscious decision to invest public resources in downtown housing. As noted, the economic rationale for this public investment is substantial. This report reflects a methodology and approach to facilitating the provision of new housing options in downtown Altoona. The work done on the case studies is intended to be a dynamic tool rather than a static report. In that regard, each of these cases contains information that can be useful to sponsor or developers of other sites. And each completed project will add to downtown's continued momentum to make future projects and improvements more achievable.

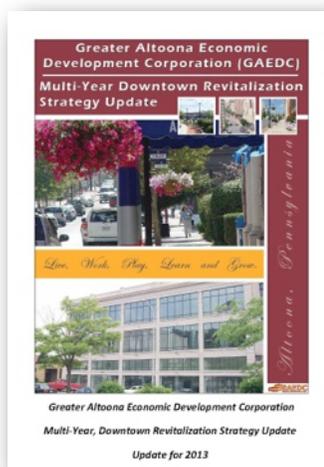
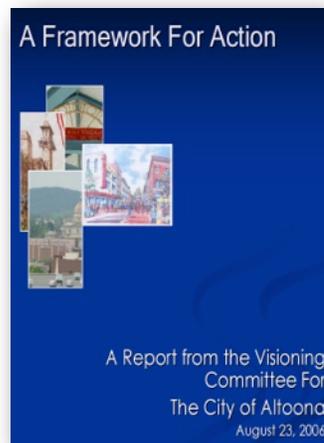
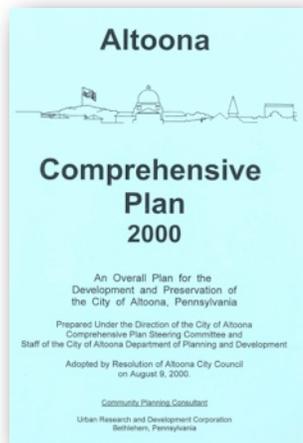
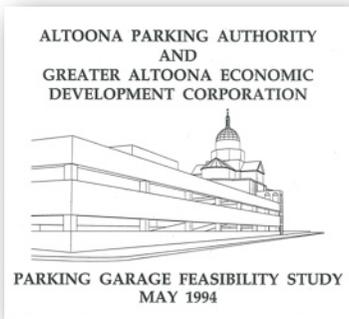
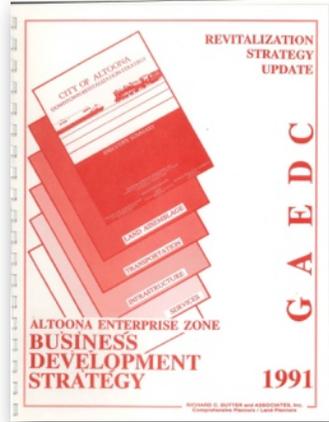
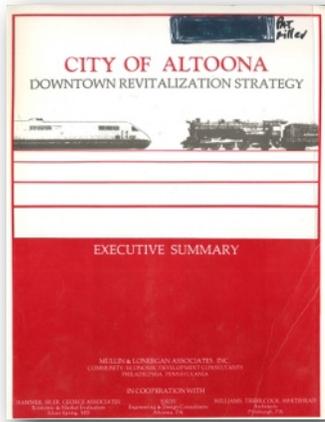




A. Previous Planning Studies

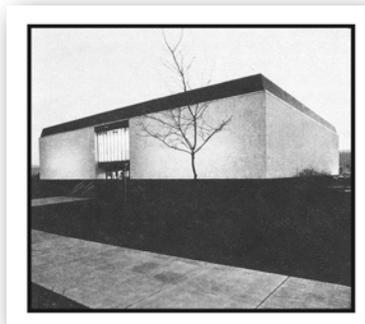
Previous Planning Studies

AHEAD OF THE CURVE Altoona Housing Strategy & Downtown Investment Plan



Previous Planning Studies

AHEAD OF THE CURVE Altoona Housing Strategy & Downtown Investment Plan



Tenth Avenue Urban Renewal Project

Year: 1965

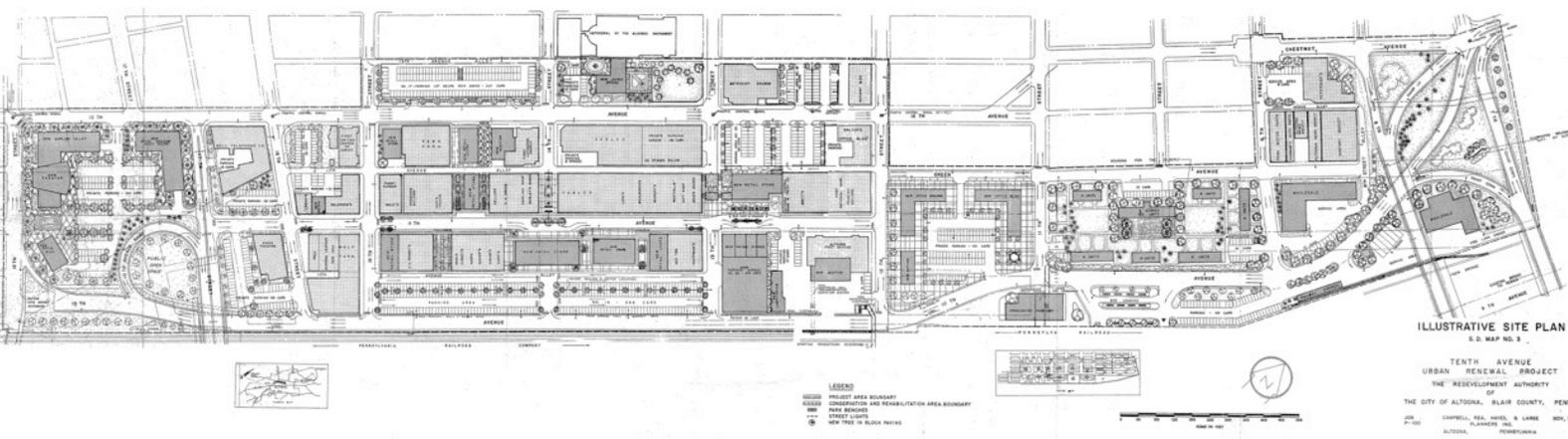
Author: Campbell - Rea - Hayes & Large

Prepared For: Prepared for the City of Altoona

Description: Urban Design Master Plan

Major Recommendations:

- Proposed a major automobile connector along 10th Ave.
- Create a pedestrian friendly center city shopping district with new retail stores.
- New parking garage along 12th Ave. (near Cathedral).
- New public library building at 17th Street and 6th Ave.
- New office building complex at 12th Street and Green Ave.
- New offices, theater and bowling alley at 12th Ave. and 17th St.
- New mid rise residential units at 11th and Green Ave.



Previous Planning Studies

AHEAD OF THE CURVE Altoona Housing Strategy & Downtown Investment Plan



Downtown Revitalization Strategy: Economic and Market Evaluation

Year: 1986

Author: Hammer - Siler - George Associates

Prepared For: Prepared for City of Altoona

Description: Comprehensive Economic Analysis

Goals:

Study Components:

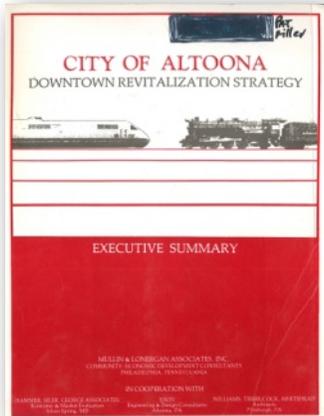
Residential Market Analysis
Office Market Analysis
Absorption Analysis
Industrial Analysis
Tourism
Retail Analysis
Parking Analysis

Major Recommendations:

- Revitalize Downtown core to attract office demand from outside Altoona Market.
- No new office space to be developed, too much office space.
- Promote tourism in Altoona to increase the market--great source of economic potential.
- Two different retail strategies for Downtown Altoona (specialty and discount). Specialty retail is preferred, but will require a lot of effort.
- Create a Merchants Association, unified marketing strategy

Previous Planning Studies

AHEAD OF THE CURVE Altoona Housing Strategy & Downtown Investment Plan



Downtown Revitalization Strategy: Executive Summary

Year: 1986

Author: Mullin & Lonergan Associates

Prepared For: Greater Altoona Economic Development Corporation (GAEDC)

Description:

Comprehensive Economic Analysis

Goals:

- Strengthen Altoona as a focal point within Blair County.
- Strengthen City tax base, local economy and jobs.
- Link development nodes through transportation initiatives.
- Improve downtown streetscape and overall city image.
- Create a development plan.
- Create organizational structure to foster public private partnerships.

Themes:

- Strengthen image as “a place to be” before it’s too late; window of opportunity for change is limited.
- Create an environment conducive to pedestrian activity and life.
- Railroad as birth and opportunity for rebirth.
- Create a focal point for urban activity.
- Improve the image of the City of Altoona.

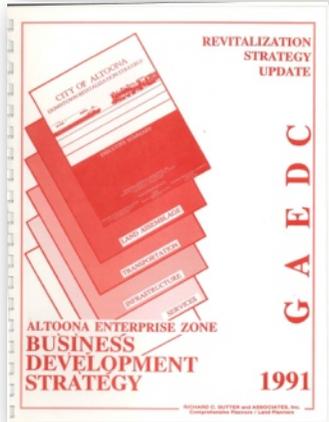
Urban Design Recommendations:

- Strengthen 12th Street as governmental, financial and cultural district.
- Strengthen Eleventh Ave. as the specialty retail core.
- Rehabilitate residential district along Lexington and Fourteenth Ave.
- Create an entry portal at 17th Street Gateway.
- New “focal point” at 11th Ave. & 14th Street (Heritage Plaza).
- Landscaping at the Intersection of 9th Street & Chestnut Ave.
- Pedestrian enhancements along 12th Street to connect Little Italy to Downtown.
- Pedestrian Bridge to link Railroad Museum to downtown.
- Create new pedestrian connection Station Mall & 14th Street Public Open Space.
- Create plaza or parklet behind Mishler Theatre.

“The local populace is finding it increasingly difficult to separate and distinguish between the financial feasibility of the project and the fundamental desirability of the project from the standpoint of an urban design objective.”

Previous Planning Studies

AHEAD OF THE CURVE Altoona Housing Strategy & Downtown Investment Plan



Revitalization Strategy Update: Altoona Enterprise Zone Business Development Strategy

Year: 1991

Author: Richard Sutter and Associates

Prepared For: Greater Altoona Economic Development Corporation (GAEDC)

Description:

Update to the Original Enterprise Zone Study 1986

Goals:

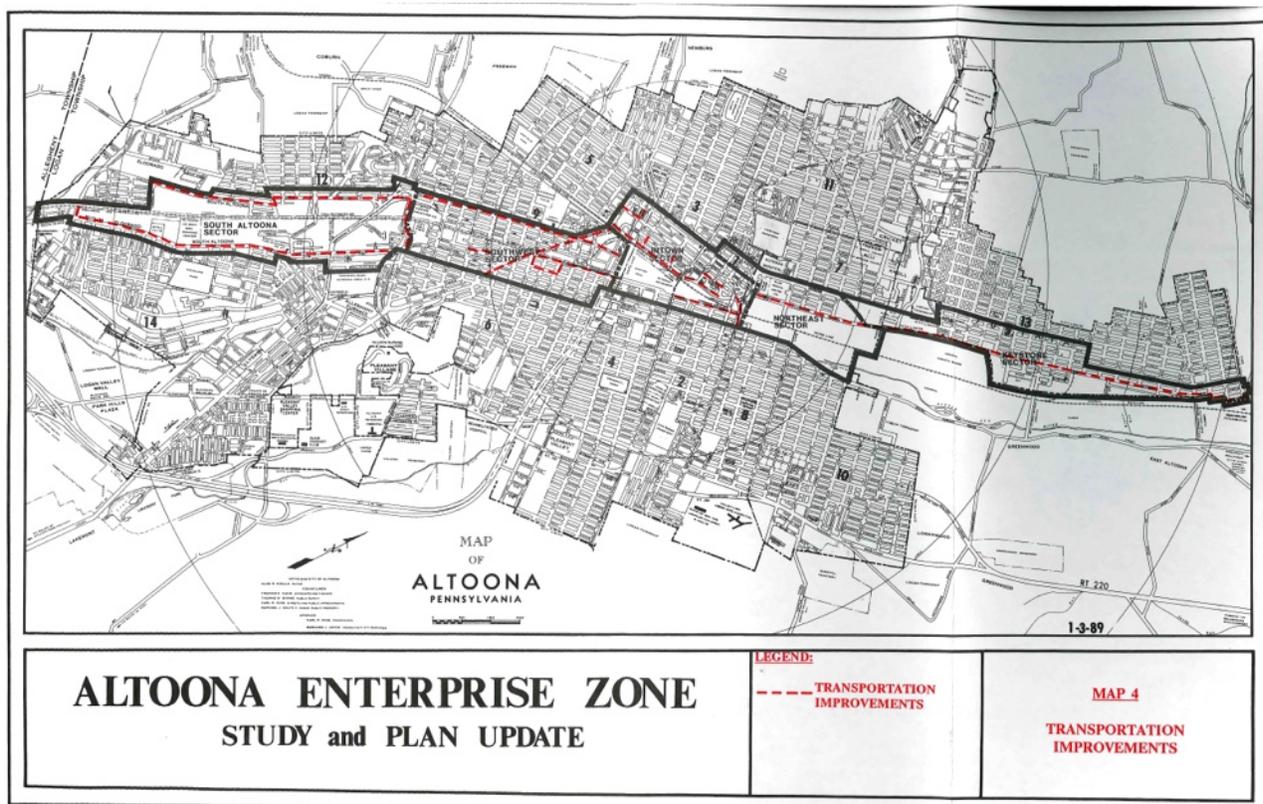
- Promote Downtown Economic Development in the City's Enterprise Zones.

Key Recommendations:

- Improve Land Assemblage Process for Future Redevelopment.
- Transportation Improvements to Enterprise Zones.

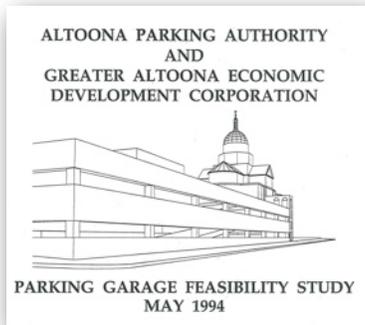
Notes:

- INtown Sector corresponds to the City Center Neighborhood.
- Northeast Sector corresponds to the area around the UPMC Altoona District.



Previous Planning Studies

AHEAD OF THE CURVE Altoona Housing Strategy & Downtown Investment Plan



Downtown Parking Master Plan and Parking Garage Feasibility Study

Year: 2000

Author: Rich and Associates

Prepared For: Prepared for City of Altoona Parking Authority

Analysis:

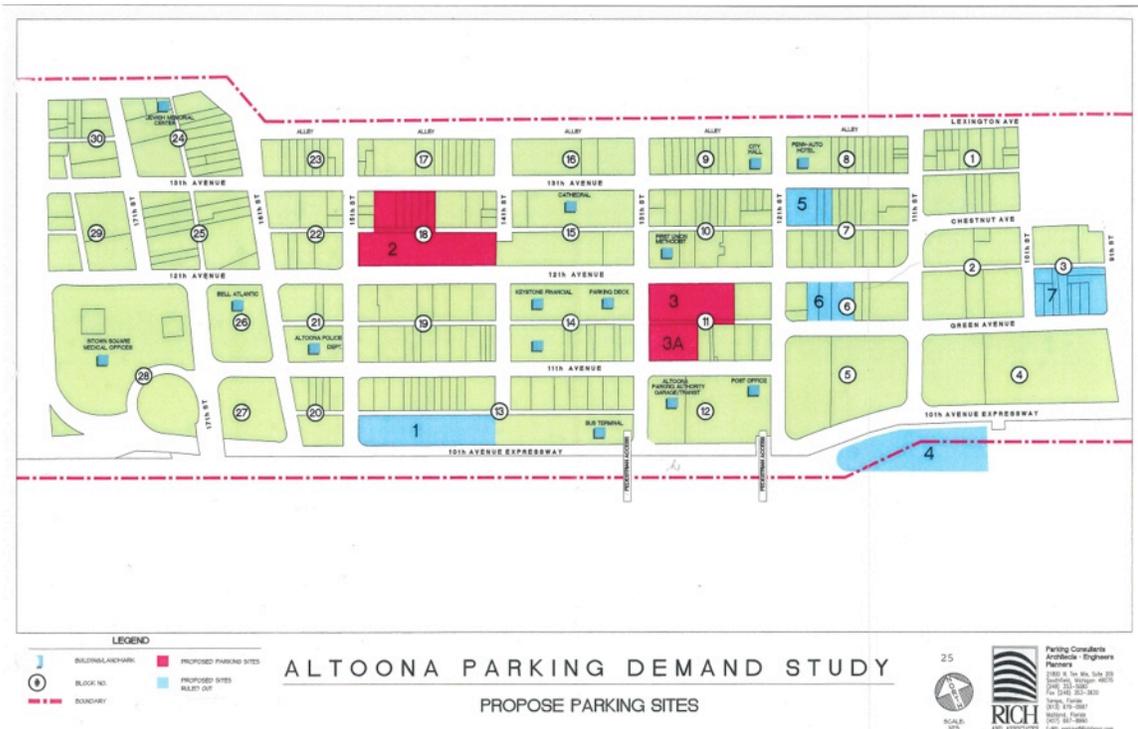
Study concludes there is a parking shortage in Altoona:

Parking Deficit:	Year 2000:	1040 Spaces
	Year 2005:	1633 Spaces
	Year 2010:	1719 Spaces

Parking Recommendations:

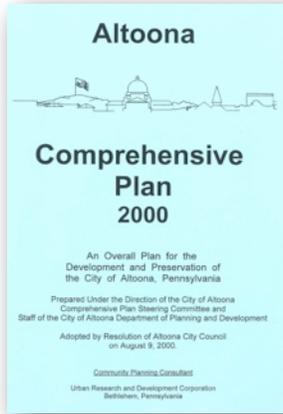
2 Options for new parking garage:

- Site 2 (12th Ave. near Cathedral) + 348 Spaces
- Site 3 Silverman Block + 388 Spaces



Previous Planning Studies

AHEAD OF THE CURVE Altoona Housing Strategy & Downtown Investment Plan



Altoona Comprehensive Plan

Year: 2000

Author: Urban Research and Development Corporation

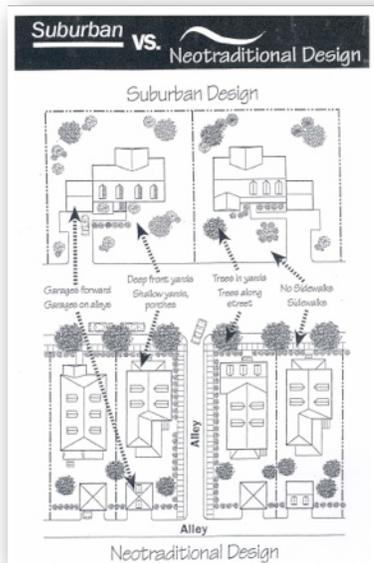
Prepared For: City of Altoona Department of Planning and Development

Description:

Comprehensive Master Plan

Land Use and Housing Recommendations:

- Expand “upward not outward”.
- Encourage parking garages, not surface parking.
- Support housing initiatives that encourage middle income households to locate in Altoona.
- Encourage rehab through loan programs rather than grants.
- Opportunity for job training with housing rehab programs.
- “De-convert” apartments back into single family homes.
- Develop strategies and mechanisms to assemble parcels for larger developments.
- Encourage historic preservation/rehab initiatives and historic districts.

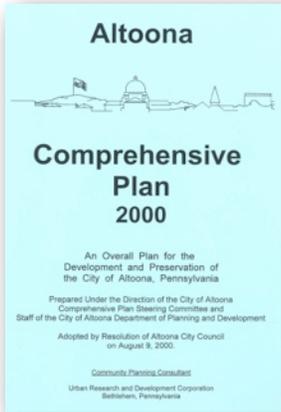


Economic Development Recommendations:

- Attract new economic activity / key businesses (phone and data, health care, food processing, fabrication, distribution and warehousing).
- Explore tax credits (LERTA), Tax Increment Finance strategies to support business development.
- Support small businesses/incubators.
- Streamline agency regulations.
- Explore code revisions to encourage adaptive reuse and rehab.
- Pursue Keystone Opportunity Grants.
- Improve downtown appearance to attract new investment.
- Address Penn Alto problems, impediment to Downtown investment.
- Increase tourism and visitors to Altoona.
- Promote Arts and Culture as economic catalyst.

Previous Planning Studies

AHEAD OF THE CURVE Altoona Housing Strategy & Downtown Investment Plan



Altoona Comprehensive Plan

Year: 2000

Author: Urban Research and Development Corporation

Prepared For: City of Altoona Department of Planning and Development

Description:

Comprehensive Master Plan

Transportation Recommendations:

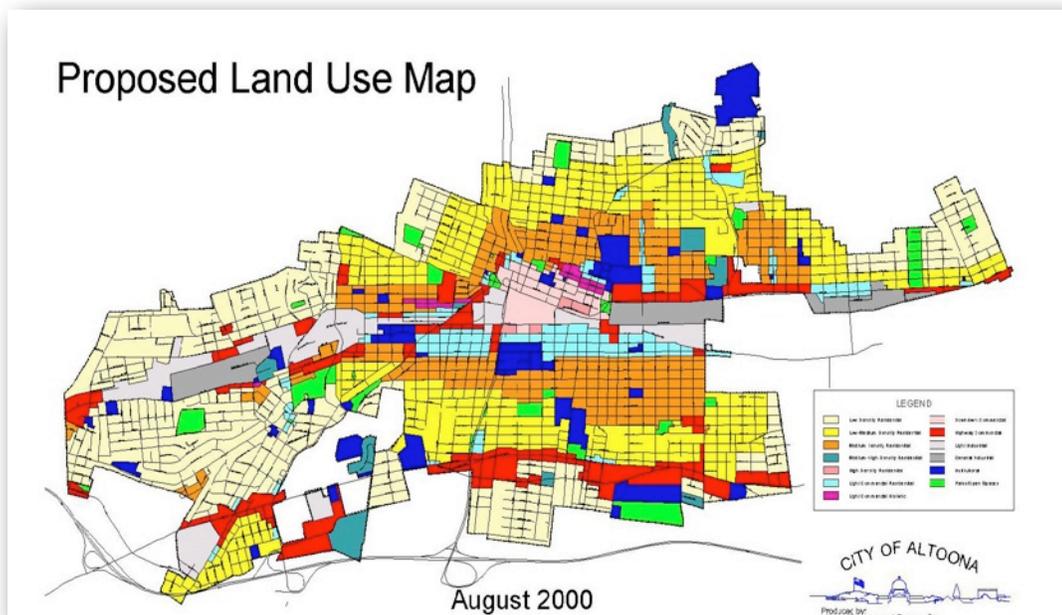
- Support Air Transportation links to Altoona.
- Encourage traffic calming along 6th/7th/8th/9th Ave.
- Develop 17th Street Transportation Improvement at 12th Ave.
- Complete 10th Ave. Extension.
- Improve pedestrian and bike access in City.
- Support High Speed Rail projects.

Community Building Recommendations:

- No new parks or open space initiatives.
- Connect Altoona to system of regional Trails.
- Develop after school and youth development programs.
- Explore joint police force with surrounding communities.
- Explore user fees for tax exempt and non profit organizations.

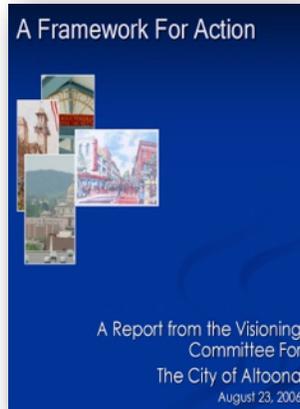
Natural Features Recommendations:

- Limit development in steeply sloped and flood prone areas.
- Preserve open space and scenic areas around Altoona.



Previous Planning Studies

AHEAD OF THE CURVE Altoona Housing Strategy & Downtown Investment Plan



A Framework For Action: A Report from the Visioning Committee for the City of Altoona

Year: 2006

Author: The Visioning Committee For The City of Altoona

Prepared For: Mayor Wayne Hippo

Description:

Policy recommendations designed to encourage greater economic development activity in Downtown Altoona.

Key Recommendations:

- Create market rate class-one living options for age cohort 24-49.
- Target State College/Centre County marketplace for new residential development.
- Monitor and maintain existing spaces downtown.
- Promote mixed use (ground floor retail + reuse vacant upper floors) for residential.
- Develop pedestrian and bike friendly transportation policies.
- Develop design standards for new construction and redevelopment.
- Encourage preservation and rehab.
- Encourage Alleghenies tourism.
- Link downtown redevelopment efforts with adjacent neighborhoods.
- Encourage higher density market rate housing Downtown.



or



Previous Planning Studies

AHEAD OF THE CURVE Altoona Housing Strategy & Downtown Investment Plan



Leveraging New Investment for Catalytic Change: Housing Strategy Recommendations for the Altoona Community

Year: 2009

Author: GSP Consulting

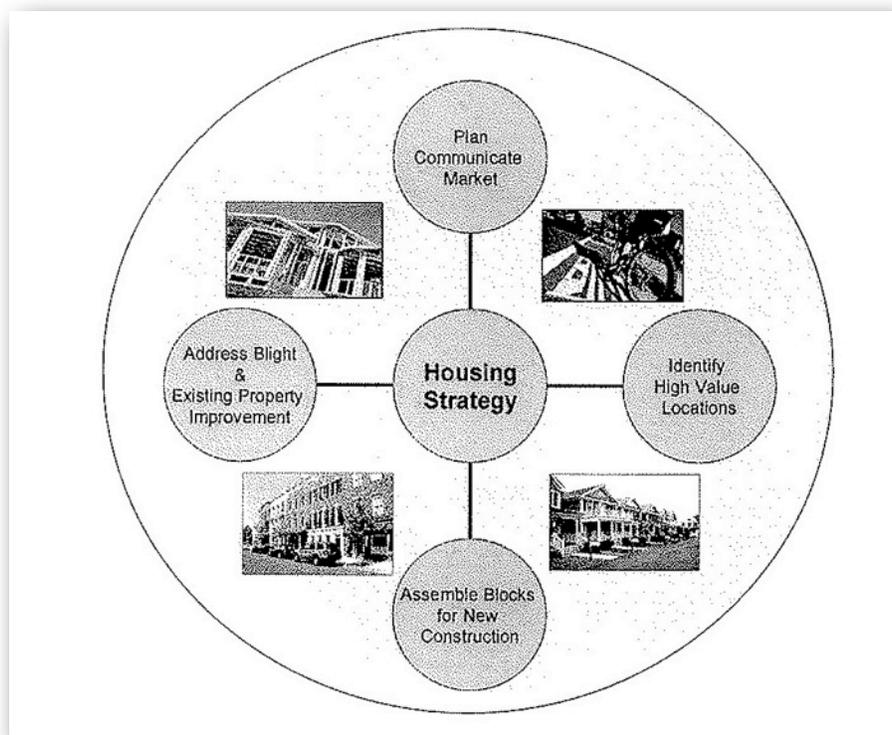
Prepared For: Altoona Blair County Development Corporation

Description:

Strategic planning and research relating to new housing options in Altoona

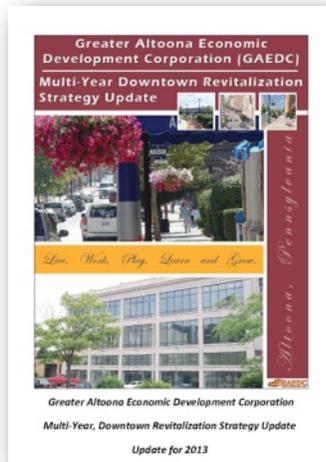
Key Findings and Recommendations:

- Housing Development is an Economic Development/Strategic Planning Priority.
- New higher density workforce housing should be developed.
- Develop public private partnerships to address at risk housing.
- Develop housing strategy benchmarks and metrics.
- Leverage regional linkages and connect to Centre County Housing Market.
- Green housing initiatives will create new housing market opportunities.
- There is a need to diversify Housing Stock.



Previous Planning Studies

AHEAD OF THE CURVE Altoona Housing Strategy & Downtown Investment Plan



Multi-Year, Downtown Revitalization Strategy Update

Year: 2013

Author: GAEDC Strategic Planning Committee

Prepared For: Greater Altoona Economic Development Corporation (GAEDC)

Description:

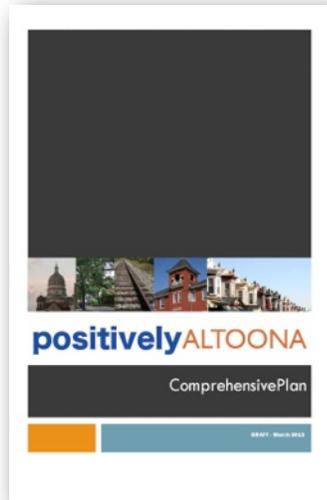
Update to the Multi-year Downtown Revitalization Strategy

Key Findings and Recommendations:

- Enhance the physical appearance of the central business district.
- Market the unique characteristics to shoppers, investors, new businesses, tourists, youth, and others.
- Build consensus and cooperation among the groups that play a role in downtown and providing the necessary resources.
- Strengthen and diversify the economic base of the central business district.

Previous Planning Studies

AHEAD OF THE CURVE Altoona Housing Strategy & Downtown Investment Plan



Positively Altoona Comprehensive Plan

Year: 2013

Author: Environmental Planning and Design

Prepared For: City of Altoona Department of Planning and Development

Description:

Comprehensive Master Plan

Plan Benchmarks and Goals:

1. Instill pride in Altoona.
2. Build new community partnerships.
3. Spur local economic development.
4. Promote transportation options for convenient, healthy living.
5. Improve the infrastructure and appearance of the City.
6. Incorporate sustainable development principles.
7. Invest for future generations.

Key Proposals:

1. Follow the Commonwealth of Pennsylvania's Act 47 Plan for Altoona.
2. Establish a City Strategic Planning Committee to improve communication and coordination.
3. Investigate the advantages of creating a City-focused community land bank.
4. Create a showcase neighborhood for redevelopment.
5. Upgrade critical infrastructure.
6. Support and, where possible, expand incentive programs for local businesses.
7. Define a unique brand for the City.
8. Initiate a campaign to highlight the City's assets and change outside perceptions of the City.
9. Develop stronger and more predictable code enforcement.
10. Continue to compare City finances and spending patterns.
11. Maintain the Blighted Property Demolition Program.
12. Hold neighborhood meetings and complete at least simple neighborhood strategic plans.

Community Building and Collaboration Recommendations:

- Develop working relationships with community and faith based groups.
- Create a Database of volunteer opportunities.

Transportation Recommendations:

- Promote Altoona Transportation Center as Regional Transit Hub.

Land Use and Housing Recommendations:

- Showcase Neighborhoods: Logantown and Lower Fairview.
- Create smaller neighborhood strategic plans.
- Expand housing rehabilitation programs.
- Expand Downtown Housing to encourage business and retail development.

