

Testimony for the Senate Subcommittee on Housing
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Chairman, Senator, and members of the Subcommittee—My name is Kellie Goodman Shaffer, and I serve as President of the Bedford County Chamber of Commerce. I appreciate the opportunity to speak with you today about what we see on the ground in Bedford County regarding housing—and what we need from the Commonwealth to help us build and retain a stable workforce and thriving communities.

Housing is no longer just a “quality of life” issue. In Bedford County, it is an economic development issue—one that impacts whether employers can hire, whether young families can stay, and whether communities can plan responsibly for the future.

The housing reality in Bedford County: demand without inventory

First, we have a basic supply problem. Real estate inventory is not keeping pace with demand. That’s true for homeownership and rentals. When a property hits the market—especially something that’s move-in ready and priced for a working household—it often attracts immediate interest, multiple offers, and fast escalation.

The result is a bottleneck: workers who want to live here can’t find suitable housing, and longtime residents who want to downsize or relocate within the county can’t find their next step.

Infrastructure costs: the “hidden wall” to housing production

Second, in rural counties like ours, infrastructure is the make-or-break factor. Even when land exists and zoning may allow housing, the cost of water and sewer investments—and the timing of those investments—often becomes the wall that stops a project.

Small municipalities and authorities face enormous costs for treatment capacity, line extensions, and compliance. For many communities, the rate base is small. That means a major infrastructure upgrade, even a necessary one, can push rates upward dramatically or simply become financially impossible without outside support.

And when infrastructure capacity is limited—or uncertain—developers cannot proceed, lenders get cautious, and projects stall.

Return on investment: why private developers can’t “make the math work”

Third, we need to be honest about the economics of building in rural Pennsylvania. We often hear “why doesn’t the private sector build more?” The answer is that in many cases, the return on investment is too thin—or too risky—for private developers to justify the project.

Construction costs, labor, site prep, stormwater requirements, and interest rates have all increased. But Bedford County is not a market where rents or sale prices can rise indefinitely. There is a ceiling—because wages here are tied to rural incomes.

So developers face a squeeze: high upfront costs and limited revenue potential. Without some form of gap financing, infrastructure participation, tax abatement, or program support, many projects simply don't pencil out.

Demographic competition: cash buyers vs mortgage-bound local families

Fourth, Bedford County is experiencing demographic pressure that is often misunderstood. We have retirees and near-retirees moving from larger cities and suburbs—many of whom have sold homes at higher price points. They frequently arrive with cash on hand, able to purchase quickly and competitively.

At the same time, many local buyers—young families, teachers, nurses, skilled trades workers—are tied to mortgage constraints. They're dealing with down payment requirements, appraisals, debt-to-income ratios, and interest rates. So even when they can afford a monthly payment in theory, they lose out in competition to cash offers and fast closings.

This is not a critique of newcomers; many contribute greatly to our communities. But it *is* a reality shaping our market, and it places local workforce households at a disadvantage.

Modern expectations: Gen Z and first-time buyers need different product types

Fifth, our housing product often doesn't match what the next generation needs. Bedford County has beautiful historic housing stock, and we value it. But many Gen Z renters and first-time buyers are looking for housing that is modern, efficient, and lower-maintenance—with functional layouts, reliable broadband access, and updated systems.

Older homes can absolutely be part of the solution, but rehabilitation can be expensive and difficult for first-time buyers to finance. And many young households want options beyond single-family homes: new rentals, townhomes, and mixed-use village-style development.

If we want to keep young people and attract workforce talent, we have to offer housing that meets modern expectations.

Economic mismatch: rent levels vs local incomes

Finally, and most importantly, we are seeing an economic mismatch: average rents rising faster than average family incomes. For many households, rent is consuming too much of the monthly budget, leaving less for childcare, transportation, healthcare, and savings.

When rent climbs beyond what working families can reasonably pay, the impacts show up everywhere: employee turnover, longer commutes, and declining enrollment in some communities. And employers—especially hospitals like UPMC, hospitality like Omni Bedford

Springs, manufacturers, and small businesses—feel it first. They are competing for workers, but housing scarcity and cost become a barrier to recruitment and retention.

What we need from the Commonwealth

So what can the Commonwealth do?

1. **Invest in rural infrastructure capacity**—water, sewer, and related planning—through programs that recognize small rate bases and high per-household costs.
2. **Support public-private housing partnerships** that address the “gap” between construction costs and what local incomes can sustain.
3. **Incentivize missing-middle housing**—starter homes, townhomes, small multifamily, and workforce rentals—so communities aren’t forced into only luxury or only subsidized options.
4. **Strengthen tools for rehabilitation and modernization** of existing housing stock, especially programs that make it feasible for first-time buyers to purchase and improve older homes.
5. **Coordinate housing with workforce strategy**, because in rural counties, these are inseparable.
6. **Take a realistic look at code requirements** compared to neighboring states and easing the burden on ground-up construction, making Pennsylvania more competitive for new housing development.

Closing

Bedford County is ready to be part of the solution. We have employers investing, communities planning, and residents who want to stay. But housing is the foundation. Without attainable housing—supported by realistic infrastructure investment and development economics—we will continue to lose momentum.

As the largest business association in our area, we are committed to working to better educate our community on the importance of workforce housing and informing our citizens on the messaging and language related to this important issue in hopes that our communities will enthusiastically accept future projects for the betterment of the entire region.

On behalf of the Bedford County Chamber of Commerce, thank you for your attention to this issue and for your leadership. We welcome the chance to collaborate with you to craft rural-focused solutions that help our communities grow responsibly and keep Pennsylvania’s workforce rooted where it belongs.

Thank you.