



WORKFORCE HOUSING AND ECONOMIC GROWTH IN FAYETTE COUNTY, PENNSYLVANIA

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On behalf of the Fayette County Economic Development Office, I want to thank you for giving me this time to speak on such an important matter as this. Housing is vital to the future of Pennsylvania and in my opinion even more important to Fayette County. I know that all housing falls under the a true need in the entire Commonwealth but I am glad that this hearing is focusing on Workforce Housing. As a boarder county we have even more barriers than most counties in the state.

When I was asked to speak, I asked myself the following questions:

1. Why is Workforce Housing so important to the economic growth of Fayette County?

Workforce housing in my mind refers to homes that are affordable to working individuals and families, often those earning too much to qualify for subsidized housing but still unable to afford market-rate homes. Typical occupations include teachers, healthcare workers, first responders, service workers, and middle-income employees.

a. Attracts and retains workers

- Workers need nearby, affordable housing so they can **live close to employment centers** rather than commuting long distances or leaving the area. Without it, businesses may struggle to hire and retain employees, slowing economic growth.

b. Reduces turnover and increases productivity

- Workers who live near their jobs are more likely to stay, reducing recruitment and training costs for employers. This stability supports sustained business operations and growth.

c. Boosts local spending and tax revenue

- When workers have stable housing, they spend more money locally on goods and services, helping Fayette's tax base and economic vibrancy.

d. Supports community and quality of life

- Workforce housing strengthens neighborhoods, improving school stability, civic participation, and community engagement.

2. What can the Fayette County do to assist builder, homeowners and business succeed in creating additional Workforce Housing in the County?

a. Local zoning and regulatory reforms

- Update zoning codes to allow a wider range of housing types, such as townhomes, duplexes, and smaller single-family homes especially near job

centers, transit, and services. This “gentle density” helps developers build workforce housing more cost-effectively.

b. Provide financial incentives

- Offer *tax abatements, fee waivers, or fast-track permitting* for developments that include workforce housing units. These incentives reduce financial risk for builders and can make projects that serve the “missing middle” more feasible.

c. Use public land and partnerships

- The county can identify publicly owned land for workforce housing projects or partner with nonprofits and private developers through *public-private partnerships*, lowering land costs and stimulating construction.

d. Establish targeted funding tools

- Create or expand local funds or financing programs that offer low-interest loans, gap financing, or grant support to workforce housing builders and buyers.

e. Employer engagement

- Encourage local employers to participate in housing solutions — for instance, *employer-assisted housing programs* that help employees buy or rent locally.

f. Coordinate economic & housing planning

- Integrate housing goals into the county’s broader economic development strategy (as reflected in the new comprehensive planning processes underway).

3. What can the Commonwealth of Pennsylvania do to assist builder, homeowners and business succeed in creating additional Workforce Housing in the State?

a. Expand state funding programs

- Increase funding for housing programs like the *Pennsylvania Housing Affordability and Rehabilitation Enhancement (PHARE) fund*, which supports the creation of housing choices, including workforce units.

b. Leverage state policy and incentives

- Provide *state tax credits, development incentives, and bond financing* specifically targeted to workforce (middle income) housing development, not just low-income housing.

c. Streamline regulations and permitting

- Reduce administrative barriers by standardizing and simplifying zoning and permitting processes statewide to encourage more housing production.

d. Strengthen technical assistance

- Offer technical support to counties and municipalities — such as planning grants, workforce housing toolkits, and model ordinances — to help local governments implement workforce housing strategies.

e. Connect workforce housing with workforce development

- Link housing policy with workforce training and economic advantages (e.g., workforce grants, career pipelines, childcare assistance) so that workers can both *live and thrive economically* in Pennsylvania.

f. Promote regional coordination

- Support regional approaches that recognize housing and job markets cross municipal boundaries — aligning housing production with regional transportation, jobs, and infrastructure planning.

4. With Fayette County bordering both West Virginia and Maryland , both of which are seeing a consistent growth in workforce housing and high-end housing what can both Fayette County and the commonwealth do to attach those builders and housing development to Fayette County

a. Why Housing Is an Economic Development Issue

- Housing availability is now one of the top barriers to job growth in southwestern Pennsylvania.
- Employers cannot recruit or retain workers without nearby, attainable housing.
- Neighboring states — West Virginia and Maryland — are actively capturing housing growth that could be occurring in Pennsylvania.
- Housing investment directly strengthens:
 - Workforce availability
 - Local tax bases
 - School enrollment stability
 - Community reinvestment

BOTTOM LINE:

IF PENNSYLVANIA WANTS TO COMPETE FOR JOBS, IT MUST COMPETE FOR HOUSING.

b. Why Fayette County Is a Strategic Opportunity

- Fayette County borders two fast-growing housing markets and sits within commuting distance of: Pittsburgh, Morgantown, Western Maryland employment centers.
- Land and construction costs remain lower than surrounding states, creating strong ROI potential.
- The county has existing infrastructure corridors ready for housing expansion.
- Demand exists for:
 - Workforce housing (teachers, healthcare workers, first responders)
 - Market-rate and higher-end housing for professionals and remote workers

KEY MESSAGE:

FAYETTE COUNTY IS WELL-POSITIONED BUT NEEDS STATE PARTNERSHIP TO STAY COMPETITIVE.

c. What Developers Are Telling Us

- Developers compare Pennsylvania projects directly against WV and MD.

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- Key concerns include:
 - Lengthy approval and permitting timelines
 - Limited incentives for *middle-income* housing
 - Upfront infrastructure costs
- Developers will build where:
 - Costs are predictable
 - Incentives are clear
 - Approvals are timely

REALITY:

PENNSYLVANIA IS OFTEN LOSING PROJECTS AT THE FINAL DECISION STAGE.

WHAT THE COMMONWEALTH CAN DO RIGHT NOW

A. Create Workforce Housing Incentives

- a. Establish a state workforce housing tax credit for mixed-income developments.
- b. Expand eligibility of existing programs (PHARE, DCED tools) beyond strictly low-income housing.
- c. Allow flexibility for developments serving middle-income workers.

WHY IT WORKS:

WORKFORCE HOUSING FILLS THE “MISSING MIDDLE” AND SUPPORTS JOB GROWTH.

B. Invest in Housing-Enabling Infrastructure

- Expand PA SITES, Business in Our Sites, or similar programs to support:
 - Water and sewer extensions
 - Road access
 - Site preparation for residential development

“Pennsylvania doesn’t lack demand — we lack competitiveness. With targeted incentives and infrastructure support, Fayette County can capture housing growth that is currently leaving the state.”

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