

Flood Recovery Task Force, Inc. Housing Needs
Study Proposal. R73 May



PEAT, MARWICK, MITCHELL & CO.

HOUSING NEEDS STUDY
Proposal to
FLOOD RECOVERY TASK FORCE, INC.

May, 1973

PEAT, MARWICK, MITCHELL & Co.

CERTIFIED PUBLIC ACCOUNTANTS

1500 WALNUT STREET

PHILADELPHIA, PA. 19102

May 8, 1973

Cont. by Rudy 001

Mr. Andrew Shaw, Jr.
Executive Director
Flood Recovery Task Force
Hotel Sterling
Wilkes-Barre, Pennsylvania 18701

Dear Mr. Shaw:

We wish to thank you for your letter of April 24, 1973, in which you outlined three major areas of assistance that you require as a result of the June, 1972 flood of the Pennsylvania Wyoming Valley.

This letter proposal responds to the aspects of the subject letter related to housing. We believe the water and sewer, education, health, and transportation services must be considered as relevant to housing decisions.

BACKGROUND

According to the Flood Recovery Task Force, there is a critical need for at least 5,250 permanent housing units within the Wyoming Valley. As a basis for responding to this need, your agency seeks a market feasibility study aimed at providing the private housing sector with data upon which building and housing investment decisions can be made. The study sought is expected to consider historical local housing trends, current median family income, and other local *available* economic indices, as well as zoning and sub-division controls that are currently considered restrictive by housing developers in the Wyoming Valley.

In addition, you wish an independent evaluation of existing housing market liabilities with respect to availability or lack of adequate local funds for

financing new housing. As part of this analysis you desire a review of the coordination aspects of local and state funding for housing programs, an analysis of the impact of zoning and sub-division regulations on the efforts of private developers to construct, and an indication of the impact that local housing code standards would exert on the existing housing stock, and especially on housing that have been rehabilitated as a result of the 1972 flood.

UNDERSTANDING
THE PROBLEM

Based on PMM&Co.'s recent consulting experience in the Wilkes-Barre-Scranton area, and after a first hand inspection of flood damage in the Wyoming Valley, we understand the problem outlined in the subject letter to revolve around the establishment of appropriate goals and objectives for constructing new housing, the demand for which may be heavily influenced by a multiplicity of local governments which tend to fragment housing developers' efforts and mass production housing, as well as an attitude of Wyoming Valley residents that the area's continued economic viability may be in question.

PMM&Co. would develop its study approach in two phases. The first phase would attempt to analyze and assess the need for new housing in the Wyoming Valley, investigate the possibilities for joint housing production ventures between private developers and local political subdivisions; review historical regional data as a basis for estimating future housing demands given the expected industrial development capabilities of the area; and examine the probability of expanded recreational development which should stimulate the northeastern Pennsylvania region economy on a year-round basis.

Under the assumption that Phase I analysis can confirm the need for new housing, we would proceed in Phase II to investigate the availability of local resources as a basis for financing needed housing and related services; outline a program for

recommending improvements in the coordination of local, state and Federal housing program opportunities; and develop planning guidelines for land use and related services necessary to support the planned housing programs.

STUDY APPROACH

Phase I of our proposed study approach involves five sub-tasks. Depending on the results of Phase I, we would propose a Phase II for identifying funding resources and then outlining an appropriate action plan.

PHASE I - MARKET ANALYSIS

Phase I would be subdivided into five tasks as follows:

1. Review existing housing data utilized in establishing the need for "at least 5,250" permanent housing units, and evaluating other pertinent data on housing in the Wyoming Valley available through local, regional and state agencies.
2. Consider historical housing trends, utilizing the Economic Development Council of Northeastern Pennsylvania and other available data, in light of recent PMM&Co. research on median family income, age distribution, family composition, anticipated industrial development and expanding year round recreation markets as developed for the Northeastern Pennsylvania Coliseum proposed for construction in Plains Township.
3. Confirm or re-estimate where necessary the market demand for new housing in the Wyoming Valley utilizing the evaluation of historical and expected local housing trends based on research development in previous tasks.
4. Allocate the housing demand identified by number of units per year, type (single family and multi-family) (high rise or garden), sale value or rental range, number of rooms, and required amenities based on age group demands (singles, young marrieds, empty-nesters, elderly).
5. Analyze what have been categorized as either inadequate or unduly restrictive local zoning and subdivision controls in light of housing demands enumerated in task 4, and based on available studies, assess overall status of related services, such as health facilities, school capacity, roads, water and sewer, etc. This information could be used as a basis for recommending changes that will enable local governments and housing developers to cooperate in implementing study recommendations.

PHASE II -
FINANCING SOURCES

On the assumption that substantial new housing demands in the Wyoming Valley could be documented, PMM&Co. would proceed with Phase II in three steps, as follows:

- . Review existing local private resources for financing required housing, and quantify the amounts expected to be available in 1974. In addition, determine the applicability of current local and Pennsylvania Housing Finance Agency programs available for financing new housing in the Wyoming Valley, and evaluate possibilities of attracting Federal housing funds through either the Nixon Administration's proposed Urban Community Development Revenue Sharing program, or similar legislation currently under consideration in the Congress that would establish "block grants" for community development.
- . Analyze the availability of existing viable financing and construction vehicles within the Wyoming Valley to act as a catalyst for new housing production and financing, and assess overall potential major sources of Federal and state funds.
- . Depending on results of research conducted in Phase II (tasks 1 and 2), PMM&Co. would recommend necessary improvements in housing production and financing capabilities that would enable the Flood Recovery Task Force to coordinate the implementation of an appropriate housing action plan. Recommended improvements could range from better procedures for coordinating existing programs and agencies to the outline for creating a Housing Development Corporation that would serve as a new catalyst for housing production and financing within the Wyoming Valley.

PROGRESS MEETINGS
AND REPORTS

Progress meetings will be held at least every four weeks, and will report on progress to-date, present specific items for discussion, and outline plans for the ensuing period.

At the conclusion of this engagement, we will present our findings and recommendations in an oral report, which will provide an opportunity to explain and discuss our recommendations in full. We will subsequently document our findings and recommendations in a formal written report.

STAFFING

The undersigned would assume overall partnership responsibility for the success of this engagement. Additional technical assistance would be provided by Mr. John Wander, Principal in our Washington office, who has extensive experience in program planning and implementation. Consultants from both our Philadelphia and Washington consulting staffs would be assigned to the project as needed. Resumes of the expected participants are included as exhibits herein.

ESTIMATE OF
TIME AND FEE

Our fees are based on the amount of time we spend working on a project. We estimate that we would require three to four months to complete Phase I and one to two months to complete Phase II.

Our fee for this engagement is estimated as follows:

Phase I	-	\$15,000 - 20,000
Phase II	-	\$20,000 - 25,000

In addition we are reimbursed for out-of-pocket expenses incurred for travel, subsistence, report reproduction and the like. Naturally, we would endeavor to minimize both fee and expenses. It is our practice to submit progress billings at four-week intervals.

* * * * *

We appreciate the opportunity of responding to your request for proposal. We are in a position to initiate the study program outlined within 30 days. If you have any questions or comments, please contact the undersigned.

Very truly yours,

PEAT, MARWICK, MITCHELL & CO.

Robert J. Monteverde
Robert J. Monteverde, Partner

RJM:glw

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PEAT, MARWICK, MITCHELL & CO.

Robert J. Monteverde
Robert J. Monteverde, Partner

RJM:glw

ROBERT J. MONTEVERDE

Mr. Robert J. Monteverde is partner-in-charge of the Firm's governmental consulting practice in the Philadelphia office. He has had 20 years of experience in consulting in a wide variety of fields with a major emphasis on public sector systems and related studies. His principal engagements which are pertinent to this study are:

- . Pennsylvania Department of Public Welfare. Project manager on several engagements to review management practices of Philadelphia CBA, Pennsylvania DPW data processing, analysis of causes for caseload increases, and projections of caseload growth.
- . Pennsylvania Department of Education. Responsible for study to develop a five year master plan for the design and implementation of an educational management information system.
- . Puerto Rico Department of Education. Project manager on a study to develop the first totally integrated state/local educational cost accounting and financial control system in the United States.
- . Maryland Advisory Council for Higher Education. Project manager on a study to develop, program and implement a comprehensive higher education facilities planning system for institutions within the State.
- . Regional Planning Council of Baltimore. Project manager of a study intended to lead to the formulation of legislation to authorize the construction of a rapid transit system. The study investigated sources of financing, the relative contributions of each feasible source, and the socio-economic effects of drawing on these sources on the immediate and adjacent regions affected by the proposed project.
- . Pennsylvania Liquor Control Board. Project manager of a comprehensive study to design and implement a total management information system.
- . Florida Department of Transportation. In charge of a four-year project to design and implement a comprehensive management organization, including PPBS, fiscal management system, and project management system.
- . Luzerne County CEO. In charge of a project to develop systems to support necessary management information needs.
- . Pittsburgh Model Cities Agency. In charge of a current project to evaluate MCA's education component.
- . U.S. Post Office Department. Design, develop and test a statistically valid sample to estimate mail revenues and volumes, by class.

Robert J. Monteverde, Continued

Some other representative governmental assignments which Mr. Monteverde has accomplished include:

- . Board of Education (Philadelphia). Review of treasury and preaudit functions.
- . Air Materiel Command. Analysis of logistics support program, through man-machine simulations, with The RAND Corporation.
- . National Aeronautics and Space Administration. Design and implement financial management system for Langley Research Center.
- . Alabama Highway Department. Responsible for project to design and install a complete computer-oriented financial management information and control system.
- . Pennsylvania Priorities Commission. Served as Co-Chairman by appointment of Governor Shafer.
- . Blue Ribbon Defense Panel. Served on U.S. Navy Subcommittee of AICPA Advisory Committee.
- . University of Delaware. In charge of a project to design, develop and implement a fully computerized financial management system.

Mr. Monteverde holds degrees of B.S. and M.S. in industrial administration from Carnegie-Mellon University. He is a Certified Public Accountant and is an active member of several professional organizations including The Institute of Management Sciences and Operations Research Society of America.

JOHN A. WANDER

Mr. Wander is a principal responsible for the Environmental and Research and Development Department of Peat, Marwick, Mitchell & Co.'s Washington, D. C., office. Since 1961 he has provided consulting assistance to both government and industry clients. He is responsible for consulting projects involving the management of major research and development efforts. His engagements have included complete management studies of client organizations involved in the design, manufacture, and sale of commercial and defense products. He has also conducted organizational reviews; designed and implemented management information systems for monitoring cost, schedule, and technical performance during design, development and production; assisted in the preparation of long-range project management plans; and outlined market feasibility studies.

Mr. Wander is currently assisting the development of the Inter-American Institute of Ecology. This major consulting engagement has involved completion of a nationwide inquiry and study of institutional needs, development of an organizational plan for completing multi-disciplined ecological studies, and development of an entire operational and start-up plan. This effort also involves the development of a founding body of over 40 interested scientists at major universities and organizations in the United States, Canada and South America. He has participated in the design and implementation of a management information system for NASA's Langley Research Center, and has consulted for a number of the Navy's oceanographic and ASW programs. Mr. Wander was recently principal in charge of a study on the administrative and fiscal requirements of a model financial reporting system, an implementation plan to achieve simplification of administrative and fiscal requirements, and the administrative and legal constraints involved in the simplification. Mr. Wander has also assisted the General Accounting Office to plan and implement the project evaluation techniques for completing a study of the effectiveness of the Department of Defense in managing their major systems acquisitions.

The Congressional Procurement Commission has recently requested that Mr. Wander provide special consulting assistance to them in the analysis of major procurement policies and procedures for all Federal departments and agencies.

Prior to joining PMM&Co., Mr. Wander was a manager of the Boeing Company's Commercial Jet Division during program start-ups, where he was responsible to the Director of Finance for the training and supervision of industrial engineers conducting operations analyses and implementing cost and manpower control programs and budgets for engineering design, development and production.

Mr. Wander received the degree of Bachelor of Arts from Minnesota State College, where his major field of study was corporate finance. He has since done advanced work in finance and production management at the University of Washington.

J. TERRY RADIGAN

Mr. Radigan, a manager with the marketing and economic analysis group in the Washington, D. C. office of Peat, Marwick, Mitchell & Co., is responsible for the Firm's work in the areas of land-use planning and development. His primary areas of competence are in:

- . the selection of appropriate approaches to the determination of project economic and financial feasibility;
- . the preparation of site development plans that consider the size, type, mix and phasing of recommended facilities;
- . the determination of applicable cost-benefit analyses;
- . the projection of estimated income, expenses, cash flow and working capital requirements necessary for successful project development; and
- . the design of action programs responsible for the successful planning, implementation and funding of suggested projects.

Since joining the Firm, Mr. Radigan has directed a study involving the planning and development of approximately 4,000 acres of lake-oriented recreation facilities and second homes, a study of future boat user demand and resulting marina requirements on the Hudson River, and the feasibility of a new concept in centralized hotel development. He is currently engaged in selecting "target" industries that will be attracted by what is expected to be one of the largest industrial air parks in the mid-Atlantic states.

With regard to planned industrial park development assignments, Mr. Radigan has directed his attention to developing an acceptable set of parameters by which a community can judge what type of industry best complements its objectives (increased tax base, high wage employment, and/or diversified economy), while at the same time preparing the standard socio-economic profiles necessary in attracting desirable industry into the area. Using these analyses as a base, land and building space absorption forecasts are prepared, budget and accounting systems established, cash flow projected and a financial plan formulated.

His previous experience includes Director of Marketing Research for the National Restaurant Association as well as several years in residential real estate sales of both tract and non-tract homes. He was employed for approximately five years in industrial management by McDonnell-Douglas Corporation.

Mr. Radigan holds the Bachelor of Arts degree in economics from Georgetown University and the Master of Business Administration degree from the Graduate School of Business, St. Louis University. He has also done graduate work in industrial and labor relations at Fordham University and in data processing at The American University.

NEIL J. McALOON

Mr. McAloon is a senior consultant in Peat, Marwick, Mitchell & Co.'s Philadelphia office. During the four and one-half years he has been on the consulting staff he has worked extensively with governmental and non-profit clients. Listed below are some of the representative projects in which Mr. McAloon has participated.

New Jersey Department of Community Affairs. Developed and assisted in the implementation of a program management and project costing system for the local planning assistance programs administered by the State.

Pennsylvania Economy League/SEPTA. Studied planning organizations and projects of major U. S. and Canadian urban mass transit agencies.

Commonwealth of Pennsylvania. Conducted a system study and operational audit of certain facets of the State's welfare department. Analyzed welfare caseloads and costs and projected budget requirements for future years.

Illinois Department of Revenue. Designed and implemented the clerical processing system utilized in the collection, recording and administering of the State's income tax.

Florida Commission for Tax Reform. Participated in a study of the state and local revenue systems.

U. S. Department of Transportation. Developed the fully allocated costs of rail passenger service between New York and Washington for both conventional and metroliner service.

Prior to joining PMM&Co. Mr. McAloon was employed by the Bank of New York in the commercial lending area and served for three years as a company grade officer in the U. S. Marine Corps. He has also taught management courses in the LaSalle College Evening Division.

Mr. McAloon received a BA degree from the University of Pennsylvania and an MBA degree from the University's Wharton Graduate School. He is a Certified Public Accountant in Pennsylvania and an active member of the American Institute of CPAs where he serves on the Committee on Management Advisory Services of the Philadelphia Chapter.

JAMES E. REYNOLDS

Mr. Reynolds is a senior consultant in the Management Consulting Department of Peat, Marwick, Mitchell & Co.'s Philadelphia office. As a member of the Firm's Philadelphia Office, he has been consulting to state and local governments. Engagements in which he has been heavily involved and which provide relevant experience in the context of this project include:

- . Pittsburgh Model Cities Program. Project manager of a contract to evaluate agency's education program and four projects. This project was conducted in two phases and covered a period of seven months.
- . Pittsburgh Model Cities Program. Project manager of a contract to develop baseline data systems on community needs and problems in the model neighborhood area.
- . Wilkes-Barre Model Cities Agency. Project manager of a contract to evaluate Social Services Agencies in Wilkes-Barre, Pennsylvania, in which the concern was to assess model neighborhood residents' perception of service delivery systems.
- . Luzerne County Community Action Agency. Project manager of a contract to develop an internal monitoring and reporting system.
- . Luzerne County Government. Served as lead consultant responsible for developing a cost allocation plan to comply with Federal Circular A-87.
- . Commonwealth of Pennsylvania, Department of Public Welfare. Served as a consultant in which assistance was provided to develop a forecasting model to project caseload growth and cash grant payments.
- . Model Cities Agencies, Region II. Provided technical assistance in designing and implementing management information systems.
- . Pennsylvania Program for Women and Girl Offenders, Inc. Project manager of a contract to design and analyze the criminal justice system in Pennsylvania.

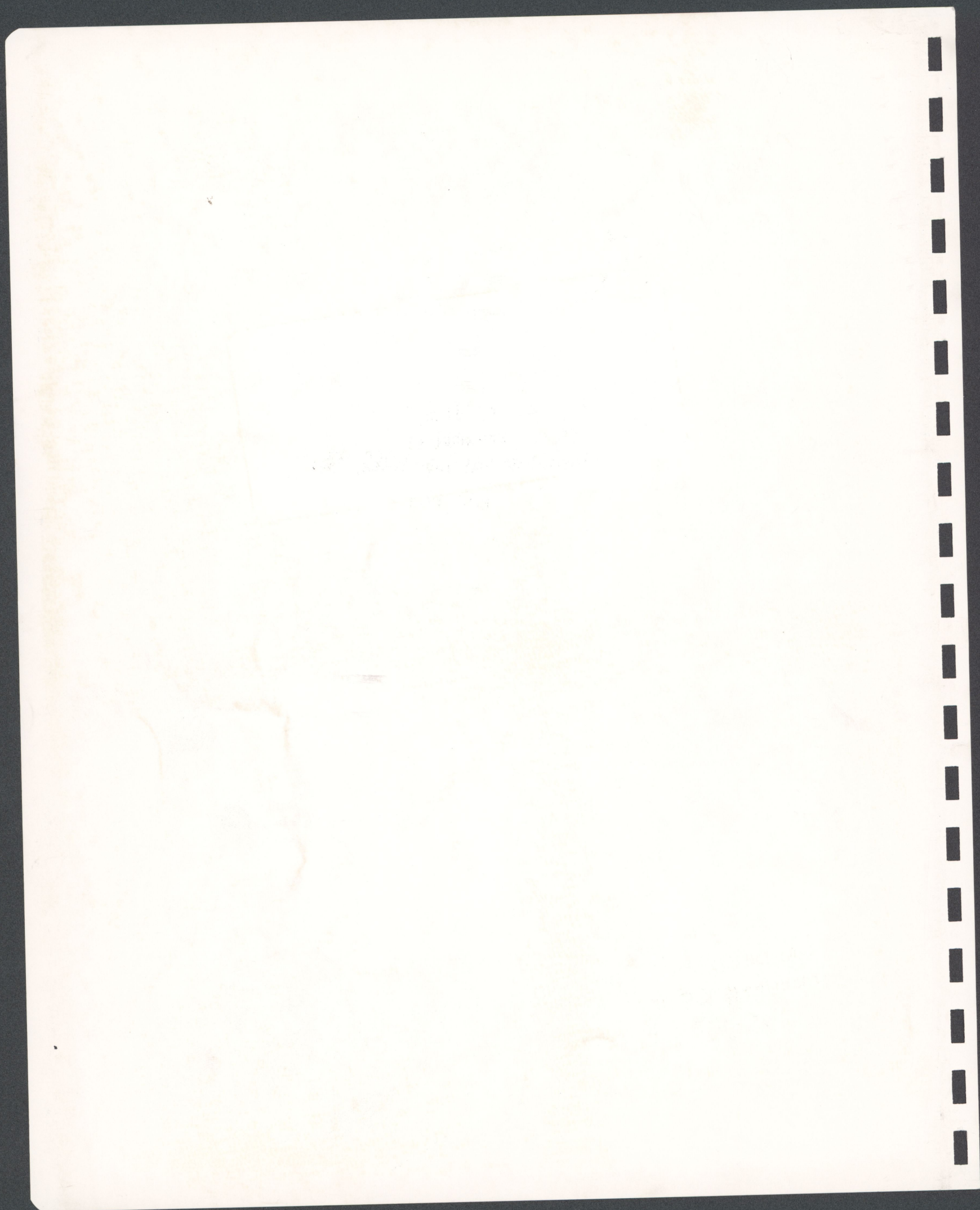
The Firm has also granted permission to Mr. Reynolds on several occasions to serve as a guest lecturer on urban affairs and planning at Kent State University, Institute of African-American Affairs and at State College of New York at Old Westbury. Also, he serves as a member of the Philadelphia Urban Coalition's Economic Development Task Force.

Previous to joining the Firm, Mr. Reynolds was with the Cleveland Department of Public Utilities where he was appointed by the Mayor to serve as Executive Assistant. In this position, he was responsible for management of the fiscal affairs of the divisions of water and heat, water pollution control, light and power, and engineering. His projects included computer installation cost accounting and PPBS.

James E. Reynolds, Continued

Earlier he was with the Council for Economic Opportunities in Greater Cleveland, where he managed the grants for nine poverty programs. He was responsible for program organization, planning, budgetary control and performance audits.

He received a B.S. degree in Education from Ball State University, M.A. in Sociology from Kent State University, and M.S. in Public Management from Case Western Reserve University.



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