

A FIVE-YEAR AFFORDABLE HOUSING PLAN FOR FINEVIEW & PERRY HILLTOP



PREPARED BY:

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FIVE-YEAR AFFORDABLE HOUSING PLAN

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FOR

Fineview Citizens Council
Perry Hilltop Citizens Council

WITH SUPPORT FROM

The Buhl Foundation
ONE Northside

MARCH 2020



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EXECUTIVE SUMMARY

Fineview and Perry Hilltop Citizens Councils' operating vision is building a C.A.R.I.N.G. community that is Cooperative, Advocating, Respectful, Inspiring, Neighborly and Gracious. In support of that vision, their shared 2018 *Community Plan* identified a need to focus on affordable homes, help existing residents and prevent displacement.

The Housing Working Group (HWG), comprised of residents from both neighborhoods, was formed to advance the housing goals and strategies identified in the Community Plan. After the planning process concluded, the HWG quickly set to work visiting vacant, publicly-owned buildings and parcels in Perry Hilltop and Fineview, and building a database to collect their observations. The group also researched the potential of Community Land Trusts (CLTs) as a way to promote affordable-homeownership, build equity, and prevent resident displacement.

The HWG worked with Burlington Associates, a national consulting cooperative founded to support CLTs, to explore the mechanics of creating a land trust to serve Fineview and Perry Hilltop. The highly-motivated, volunteer-based HWG was set on using a shared-equity development model to benefit local residents, but they needed additional information to guide the formation of a CLT for their neighborhood.

Just a year after completing the Community Plan, Fineview and Perry Hilltop Citizens Councils (FCC & PHCC) decided to work with planning and development consultants to create a strategic, prioritized, data-driven plan for preserving and meaningfully expanding the neighborhood's inventory of affordable homes. This *Five-Year Affordable Housing Plan* is a road map for achieving that goal.

PROJECT GOALS

- Provide long-term, quality, affordable homes, both for-rent and for-sale, and protect vulnerable populations from displacement.
- Protect and support existing homeowners and create new affordable homeownership opportunities, targeting the income levels of existing neighborhood residents (30-50% of PGH AMI).
- Create a small amount of affordable commercial in existing neighborhood business districts.
- Build organization capacity to accomplish the goals of this plan.



Cover of the 2018 *Community Plan* developed by Fineview and Perry Hilltop Citizens Councils.

During this planning process, it became clear that the housing plan should target the creation of permanently-affordable, workforce housing to serve households with income levels between 30-50% of the area median income for the Pittsburgh region or AMI. This income range is somewhat lower than the 60-80% AMI standard used for many affordable homes, but it reflects the actual need and income levels of current neighborhood residents. It also became clear that, based on the number of households that are cost-burdened - spending more than 30% of their annual income on housing - there is already a deficit of 400 affordable homes in the neighborhood.

To ramp up the supply of affordable homes in Fineview and Perry Hilltop, FCC & PHCC will need to adopt a diverse and comprehensive approach to preserving and creating new, quality, affordable neighborhood homes.

This approach includes a pilot collaboration with the City of Bridges CLT, but it will likely also require FCC & PHCC to form working partnerships with other like-minded developers, city agencies and regional non-profits to adequately match the supply to the need.

From a planning and urban design perspective, there are good reasons to focus development efforts at three key areas: Fineview at Lanark Street, Perrysville Avenue at Wilson Avenue, and Perrysville Avenue at Charles Street. All three focus areas include a mixed-use zoning district, potentially allowing a higher density of development than in surrounding residential areas, and providing the ability to incorporate commercial development. Additionally, revitalized neighborhood business districts could provide important amenities and employment opportunities for area residents. A final lesson learned through the planning process is that FCC & PHCC will need in-house real estate staff to implement the recommendations outlined in this document.

This multi-pronged community and neighborhood development plan recommends several concurrent stabilization efforts that together begin to address residents' need for affordable homes. A brief summary of strategic recommendations follows:

1. **Expand the Citizens Councils' real estate capacity with dedicated, in-house expertise.** This staff person would work to advance potential projects, in three targeted neighborhood areas, as described in the Development Action Plan section of this document. Also, build partnerships to more-effectively increase the inventory of affordable homes in Fineview and Perry Hilltop.
2. **Create a pilot Community Land Trust project.** By working with the City of Bridges Community Land Trust, FCC & PHCC will benefit from their expertise, funding and track record to more quickly expand the supply of affordable neighborhood homes.
3. **Preserve and expand affordable residential and commercial rental through a Community Land Trust and other approaches,** such as: purchasing multi-family buildings and investor portfolios, acquiring mixed-use buildings at targeted focus areas, and partnering with housing developers to create additional affordable rental units.
4. **Advance Phase II of the Allegheny Dwellings redevelopment project.** Work with affordable housing developers, the Housing Authority, and the URA to



Photo from a Housing work session: part of the 2018 Community Planning process. Photo by FCC & PHCC.

develop 75 new, affordable housing units. Apply for the Choice Neighborhoods Program to advance future phases of Allegheny Dwellings' redevelopment.

5. **Create an Acquisition & Development Fund to enable the FCC & PHCC to take the steps necessary to stabilize the neighborhoods on a long-term basis.** A fund could be created and managed in-house by FCC & PHCC, or the organizations could benefit from existing, shared resources that partners would make available for specific projects and to achieve specific goals.
6. **Continue community support for existing renters, homeowners and landlords.** FCC & PHCC play a critical role, connecting people to resources and education relating to a wide range of topics, from paying real estate taxes, to clearing titles and finding supportive housing for loved ones.

The FCC, PHCC and HWG have hit the ground running. At the time of this writing, the group is already drafting the terms of a collaborative working relationship with the City of Bridges, and group leaders are actively working to secure funding to hire a real estate staff position to advance key development projects. With in-house real estate capacity, and in collaboration with experienced partners, the FCC & PHCC should have great success in expanding the range of affordable options for potential home buyers and renters alike.

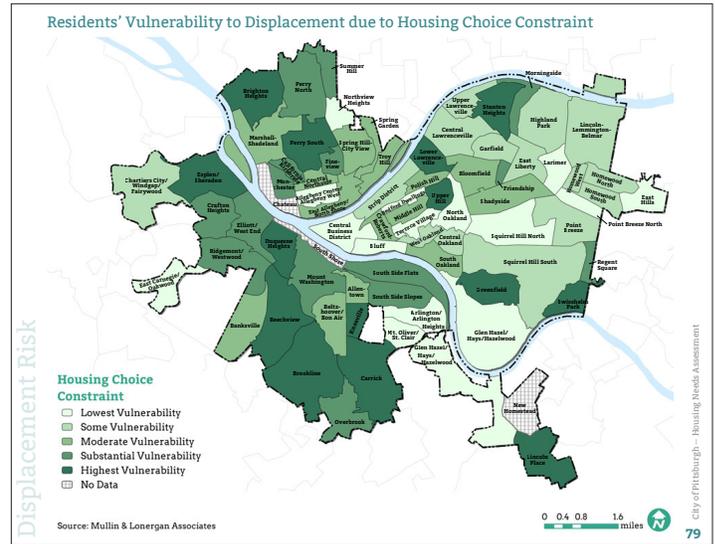
PROJECT OVERVIEW

BACKGROUND

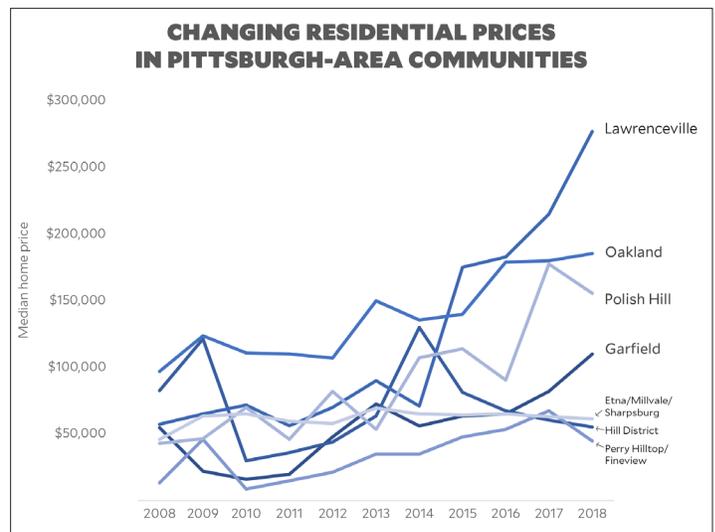
The Fineview and Perry Hilltop areas of Pittsburgh are priority zones for implementing affordable housing intervention tools because of need and viability. The 2016 City of Pittsburgh *Housing Needs Assessment* describes Perry Hilltop as one of the most cost-burdened neighborhoods in the city, exacerbating for its residents the effects of the citywide shortage of affordable homes and displacement risk due to rising housing costs. *Workforce Housing for the Northside: Data-Informed Strategies for Pittsburgh's Northside Neighborhoods* (2019), commissioned by The Buhl Foundation, identifies Fineview and Perry Hilltop as Northside neighborhoods that both need intervention and hold substantial development opportunity.

The graph at right, *Changing Residential Prices in Pittsburgh-Area Communities*, shows that residential prices in Fineview and Perry Hilltop are still far below "hot market" neighborhoods such as Lawrenceville. But the real estate market is changing rapidly. The graph shows that from 2010-2018, the median sales price rose by \$31,000. The average sales price rose even more dramatically, going from \$30,000 to \$85,000, increasing 280% from 2009 to 2018. By 2018, more than 25% of for-sale neighborhood homes were out of the price range that most local households could afford.

Beyond having demonstrated economic challenge and opportunity, Fineview and Perry Hilltop are also areas where there is profound community momentum and a shared vision for change around community development and housing. FCC & PHCC already responded to the affordable housing deficit, articulating a set of housing-specific goals in their 2018 *Community Plan*,



Map from the *Housing Needs Assessment* report showing Residents' Vulnerability to Displacement due to Housing Choice Constraint.



Source: *Public Source* at publicsource.org/community-land-trusts-new-to-pittsburgh-shaped-by-pittsburgh/

including: expanding the supply of affordable homes and opportunities for affordable homeownership, preventing resident displacement, and permanently preserving land affordability. FCC & PHCC began acquiring strategic vacant parcels and the buildings they contain, with the intent of incorporating them into a system that would ensure housing affordability in the neighborhoods. Most target properties are residential, though some are commercially-zoned or mixed-use, opening up the possibility for community-controlled commercial spaces and development.

While FCC & PHCC were getting organized and moving their plans forward, ONE Northside was doing their own research and seeking ways to catalyze and support sustainable change on the Northside. Their *Workforce Housing* report identified Fineview and Perry Hilltop as a focus area and workforce housing as a solution. With The Buhl Foundation's support, a planning- and development-focused consultant team, consisting of Studio for Spatial Practice, Valentina Vavasis Consulting and Ariam Ford Consulting, was hired in June of 2019 to help identify and prioritize crucial next steps in FCC & PHCC's strategic process, and create a five-year action plan for expanding affordable housing in the neighborhoods. This document summarizes the consultants' process, findings and recommendations for acquiring and developing key properties and outlines a sustainable business plan to support those efforts.

THIS PLANNING STUDY

This *Five-Year Affordable Housing Plan* is the culmination of six months of research, planning and discussions with community members. The plan provides a road map for FCC & PHCC to permanently preserve and expand the inventory of affordable neighborhood homes, through a focused and geographically-distributed approach to acquiring, renovating and building new affordable housing units in Fineview and Perry Hilltop. This research also takes into account several different "partnering" approaches that can extend the capacity of FCC & PHCC while still preserving community control over development outcomes. Most importantly, this research is tuned specifically to the needs of local residents who, due to increasing real estate values and a diminishing supply of Public Housing units throughout Pittsburgh, may face displacement from their community.



Photo from the July 2019 Community meeting in Perry Hilltop where residents participated in interactive exercises to help establish community development priorities. Photo by SfSP.



Photo from the August 2019 Fineview Outreach Session at the Catoma Overlook. Photo by SfSP.

PROCESS



Fineview walking and driving tour, June 2019. Photo by SfSP.

PHASE 1: RESEARCH & ASSESSMENT

The consulting team reviewed the recently-completed Community Plan and other research relating to Fineview and Perry Hilltop, and built a robust geodatabase with information about the neighborhoods' physical landscape as well as property ownership, tax delinquencies, acquisition trends over time, and survey information collected previously by community members. This data was used to identify promising target areas for preserving and expanding the pool of affordable neighborhood homes. Census data for Fineview and Perry Hilltop was also analyzed to gain a more complete understanding of who lives in the neighborhoods, and how their housing needs can best be met.

There were several opportunities for community input, and some of the most important conversations occurred during monthly meetings of the Housing Working Group (HWG). The HWG, comprised of members of both the FCC & PHCC, has diligently worked for more than a year to support homeowners and create affordable rental and homeownership opportunities for existing neighborhood residents.

At the July 10th HWG meeting, a wealth of information about the neighborhoods' geography, demographics and real estate market was presented. The wealth of vacant land was discussed as an opportunity for developing new affordable homes, particularly in or near neighborhood business districts with good public transit access. The transiency of Fineview and Perry Hilltop's affordable real estate market was presented in the context of stronger-market neighborhoods to the north and south. Publicly-owned, "priority acquisition properties" were mapped and the inventory was expanded to also include investor portfolios. Acquisition & Development Funds were discussed as a tool for acquiring privately-owned real estate. The consultant team also highlighted the fact that renovating occupied or recently-occupied houses and multi-family buildings is typically more cost-effective than complete rehabs or new construction, and lower construction costs mean more-affordable homes for potential buyers.

Perhaps the most important takeaway from the July 10th meeting was that existing residents would only be served by newly-available affordable homes if neighborhood-specific income levels guided the housing strategy. Homeownership through community land trusts is one way to ensure long-term

MEETING TIMELINE (2019-2020)

Phase 1

Research & Assessment

Housing Working Group
May 15th, 6 PM @ The Pittsburgh Project

Driving Tour of Neighborhoods

June 5th, Noon @ Arnold's Tea Shop

Housing Working Group

June 19th, 6 PM @ The Pittsburgh Project

Housing Working Group

July 10th, 6:30 PM @ SfSP Office

Phase 2

Prioritization & Budgeting

Community Gathering

July 23rd, 5:30 PM, 2246 Wilson Avenue

Fineview Outreach - Get Info at the Overlook!

August 20th, 5:30 PM @ Catoma Overlook

Housing Working Group

September 4th, 6:30 PM @ Marshall Avenue

Community Gathering

September 24th, 5:30 PM @ The Pittsburgh Project

Phase 3

Implementation Strategy

Housing Working Group

November 6th, 6 PM @ Marshall Avenue

Housing Working Group

November 20 participation via telephone

Phase 4

Final Prospectus & Documents

Housing Working Group

January 15th, 6 PM @ Marshall Avenue

Community Gathering

January 28, 5:30 PM @ The Pittsburgh Project

affordability. But in Fineview and Perry Hilltop, preserving and creating quality affordable rental units, along with robust rent-to-own programs, would be highly beneficial to serve the needs of current community members.

PHASE 2: PRIORITIZATION & BUDGETING

At the July 23rd Community Gathering in Perry Hilltop, residents weighed in on the type of housing development investments they would like to see, and identified where those investments should be made. They located where they would: build new housing, renovate houses, provide commercial space, and create open space. Three promising development focus areas were clearly identified: Fineview at Lanark Street, Perrysville Avenue at Charles Street, and Perrysville Avenue at Wilson Avenue.

In Fineview, residents provided additional guidance about the development they would like to see in and around Lanark Street. Neighbors indicated that they want to renovate existing houses and build new homes, with some preference for developing live-work units on the former WPXI parking lot site. They also expressed interest in expanding Fineview Playground to encompass adjacent parcels on Edenvale Street where there are condemned and deteriorating houses.

Within the three focus areas, the consultant team identified key parcels based on their location and prominence in the neighborhood, their proximity to public transit, and the opportunity they present for development. Preliminary “development action categories” were created and assigned to specific properties. Categories included: renovating residential and mixed-use buildings; creating new, affordable, single- and multi-family housing units; and acquiring properties for future development. The final development action types are described in the Development Action Plan section of this document.

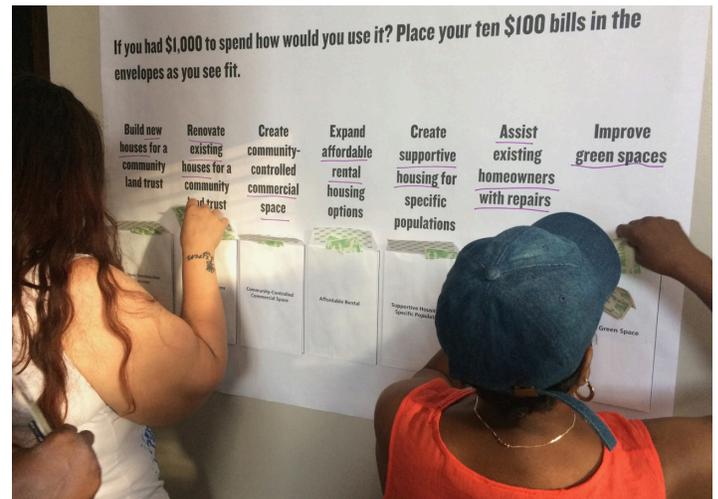
Budget development was another important part of this phase of work. The team drafted a five-year development budget including activity within all three focus areas. Generic proforma templates, with standard development expenses and costs, were also created for each project type. The consultant team also reviewed the organizations’ existing capacity and identified the financial and staffing resources that FCC & PHCC would need to successfully and sustainably execute the recommendations of this Affordable Housing Plan.

PHASE 3: IMPLEMENTATION STRATEGY

During this phase, the HWG made key decisions, opting to embark on a pilot project with the City of Bridges (CoB) Community Land Trust. CoB has experienced,

in-house staff dedicated to CLT work and stewarding the long-term needs of properties. Working with CoB will free up FCC & PHCC staff time to advance other affordable-housing development initiatives. Additional partnership opportunities were also explored to further extend the organizations’ capacity, and ensure that the inventory of affordable homes can be expanded more quickly throughout the neighborhoods

The team developed and refined plans for the three focus areas, incorporating HWG input. Within the three targeted focus areas, particularly within neighborhood business districts and along Lanark Street in Fineview, there is a need for public realm infrastructure improvements. Housing development projects should be complemented with improved public safety and street activation, sidewalk repairs, street lighting, quality open space, and destination signage.



At the July 23rd Community Gathering, residents voted with play money to express their preference for how development funds should be spent in their neighborhood. Three front-runners were identified: House Renovations, Affordable Rental, and Assist Existing Homeowners. Photo by SfSP.

In addition, FCC & PHCC recognized a need to promote affordable home development along with continued education and outreach around a range of issues including: workforce training and job creation; accessing social services; and connecting existing homeowners, renters and landlords with supportive programs. Affordability targets for housing development were also discussed as tool for leveraging the provision of affordable units as part of larger residential projects.

PHASE 4: PROSPECTUS & DOCUMENTS

Final project documentation was provided, in electronic formats, in February of 2020. Final deliverables include this report, a free-standing Prospectus document, a slideshow, spreadsheets, and raw data.

PEOPLE & PLACE



Fineview and Perry Hilltop community members in front of their gateway mural. Source: FCC & PHCC.

PEOPLE: DEMOGRAPHICS

General Population Characteristics

Although the population of the City of Pittsburgh overall is stabilizing, between the years 2013 and 2017, Fineview & Perry Hilltop lost population at an average of 30 residents per year. A dramatic decrease in population between 2015 and 2016 (+/- 138 individuals) may reflect displaced Allegheny Dwellings residents moving out prior to Phase I demolition, as the Housing Authority prepared for redevelopment. During that time period, Fineview and Perry Hilltop lost three times more individual residents than it did households, suggesting that larger familial households left the neighborhoods.

According to the 2018 Census Estimate Data, a majority of households in Fineview and Perry Hilltop now have only 1 person (63%). Nearly a quarter of the population lives in 2-person households, and only 12% of households have 3-4 people. With the goal of retaining the existing resident population, this data suggests that affordable homes should accommodate a range of household sizes, but especially smaller family units.

Between 2013 and 2017, the number of Black households rose by 10% while the number of White households decreased by 13%. In contrast to the majority of City neighborhoods, Fineview & Perry Hilltop are relatively integrated neighborhoods, with roughly 60% Black and 40% White residents.

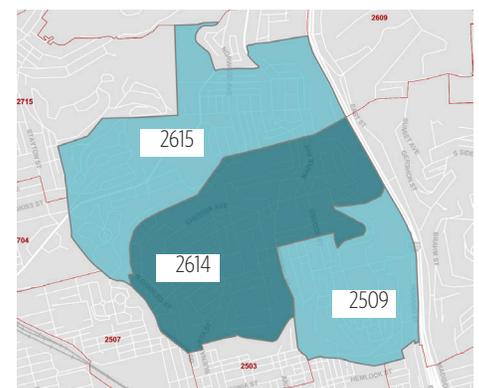
Income and Employment

As illustrated on the next page, in 2018 the median household income (MHI) of Fineview and Perry Hilltop residents - approximately \$34,000 per year for all households - is lower than for the City of Pittsburgh overall (\$47,000), and is less than one-half the HUD Median Family Income for a family of four in the Metropolitan Statistical Area, which sets housing subsidy levels. This can partly be explained by a tendency towards a small household size: most neighborhood households have only one income. Additionally, between 2013 and 2017, 22% of neighborhood households had an annual income of less than \$10,000.

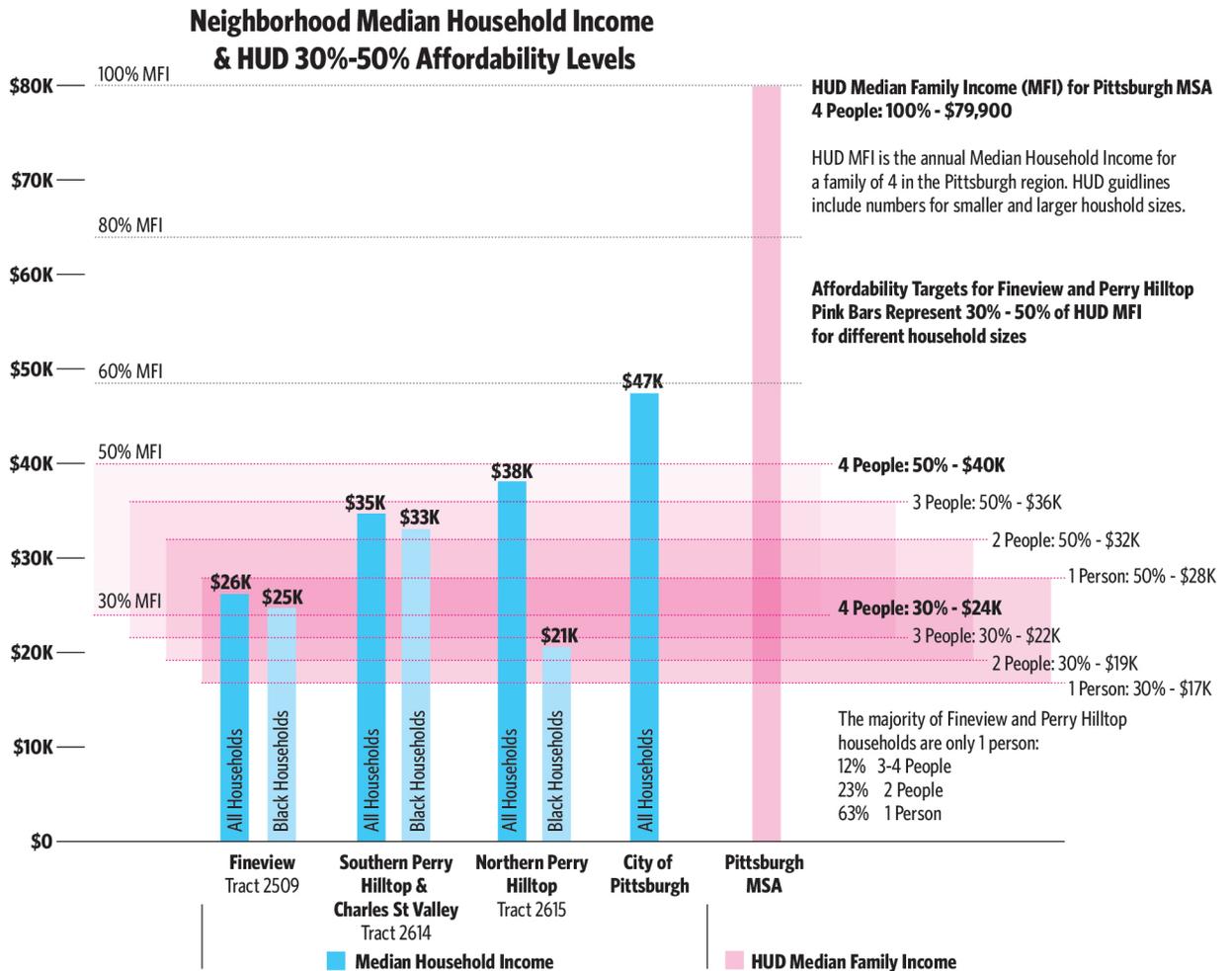
Between 2013 and 2017, the average income of White neighborhood households was nearly twice as much as the average income of Black households (\$40,389 vs. \$21,078). The income disparity is most evident in Northern Perry Hilltop, where the MHI for "All Households" is the highest of

Neighborhood	1940 Population	2010 Population	% Change
Fineview	4,192	1,285	-70%
Perry Hilltop	14,666	4,145	-72%

The population of Fineview and Perry Hilltop has dropped dramatically over time. There is room for growth in the neighborhoods. "Right-sized" populations would likely be somewhere between the historic high and the present-day relative low. Certain areas should not be rebuilt: steep wooded hillsides, landslide-prone slopes, and areas serving as natural green infrastructure, for example.



This map shows the Census tracts for the Fineview and Perry Hilltop area. Fineview is the 2509 Census Tract. The southern part of Perry Hilltop is Tract 2614: this area also includes the Charles Street Valley neighborhood (+/- 100 households). Census Tract 2615 is the northern part of Perry Hilltop. Source: The U.S. Census FactFinder website (2020).



the three Census Tract areas included in this study, but the MHI of Black Households is the lowest (\$38,000 vs. \$21,000). The unemployment rate for Black residents increased by 13%, between 2013 and 2017, while the unemployment rate for White residents decreased by 43%. In 2017, when the national unemployment rate was 4.1%, the overall unemployment rate in Fineview and Perry Hilltop was 14%.

There are two important takeaways from this research: 1. Black neighborhood households tend to have lower income levels, and are therefore at a higher risk for displacement, and 2. In addition to preserving and expanding access to affordable homes, FCC & PHCC need to continue efforts to promote education opportunities, workforce training programs, and other ways of connecting residents with quality jobs, to increase household incomes.

Homeownership

In 2016, 39% of Black neighborhood households owned their homes, while 66% of White households owned their homes. 60-80% or even 80%-100% of Area Median Income (AMI) are typical targets for affordable homeownership. The table above shows that the median income of Fineview and Perry Hilltop households entirely falls below that range. Meaningful CLT homeownership programs, for existing neighborhood residents, will need to target the 30-50% AMI range. To further expand homeownership for existing Fineview and Perry Hilltop residents, FCC & PHCC will have to promote rent-to-own programs that will help qualified residents prepare to become homeowners. The groups should also intentionally work to preserve and create new affordable rental units to retain the neighborhoods' existing population.

2009-2018 Home Sales Prices in Fineview & Perry South

Transit to Work

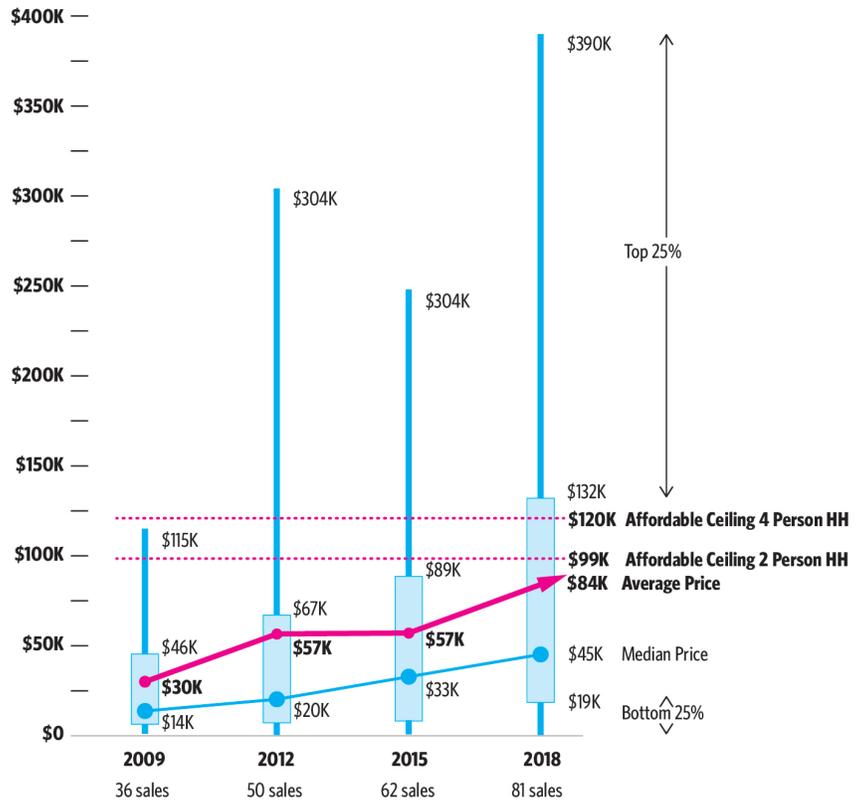
In 2017, 20% of employed residents used public transit to get to work, a 17% decline from 2013 that is likely due to fare increases. On average, 12% of Black residents and 4% of White residents rode buses to work. The number of employed homeowners using public transit to get to work increased by 13% over 5 years, while the number of renters decreased by 8%. Access to public transit is essential to provide all residents, but especially lower-income households, with a means with which to travel and go about their daily lives, regardless of whether they can afford a car.

PLACE: REAL ESTATE ANALYSIS

Fineview and Perry Hilltop have an important real estate advantage: a relatively-low median home sales price. In 2018, the median sale price of a house in Fineview and Perry Hilltop was \$45,000, a value that is likely within the price range that neighborhood households could afford to purchase. While a home may have a low up-front price tag, the cost of necessary repairs and maintenance can put the overall homeownership situation out of reach for many existing residents.

However, as the chart to the right illustrates, the real estate market is changing rapidly. From 2009-2018, the median sales price rose \$31,000. Because the top quarter of the market rose significantly, the effect on the average sales price was even more dramatic, going from \$30,000 to \$85,000, a 280% increase from 2009 to 2018. By 2018, more than a quarter of neighborhood homes on the market were more expensive than our target income range households could afford. These limits are discussed in detail in the next section.

The map on the next page illustrates the relatively stronger housing markets north and south of Fineview and Perry Hilltop. As prices continue rising in Observatory Hill and other areas in the Northside and City, buyers will seek more-affordable homes in the study area. As demand for homes in Fineview and Perry Hilltop increases, sales prices will also rise, making homeownership less attainable for existing residents. The stabilization approaches recommended in this study will help preserve and expand the supply of affordable homes in the neighborhood. Without intentional stabilization efforts, gentrification and resident displacement are likely outcomes, based on these trends.



Data: Allegheny County Real Estate Database - sales below \$100 excluded. Graphic created by SfSP.

Acquiring and renovating existing houses is the lowest-cost path to creating permanently-affordable, for-sale homes, likely in partnership with a CLT. This same approach can be used to expand the reserve of affordable rental properties. Existing multi-unit buildings and larger investor portfolios should be pursued to maximize the supply of affordable rental units. Affordable residential and commercial rental units could also be placed under the umbrella of a CLT to lock in their affordability for the long term. Another useful approach, using deed restrictions, requires a monitoring system for enforcement.

New construction, with higher upfront costs, is still a desirable approach for some areas. New single-family homes can help stabilize streets by reducing blight and vacancy. New multi-unit developments can be built either as affordable rental units, or as homeownership opportunities through cooperative- or shared-equity models of ownership, or as part of a diverse CLT portfolio.

The significant number of vacant properties is a key asset for the neighborhood. Underdeveloped parcels along public transit routes should be acquired, consolidated and developed into new affordable homes. The challenges inherent to developing on sloping or landslide-prone sites are more easily absorbed as part of higher-density, multi-story, multifamily housing development.

RESIDENTIAL SALES 2009 - FIRST QUARTER 2019

Observatory Hill has a relatively strong residential market with typical recent sales above \$120K and often in the \$200-300K range, moving northward.

The section of Perry Hilltop between Marshall Avenue and Charles Street, in contrast, has much lower sales, typically below \$40K with a few exceptions along Perrysville Avenue. This is an opportunity area for acquiring and rehabilitating single-family homes.

The section of Perry Hilltop, between W. Burgess Street and Perrysville Avenue, also has typical sales below \$40K, but has experienced significant investment from Oakglade Realty. There are several publicly-owned buildings. This is also an opportunity area for acquiring and rehabilitating single-family homes.

The section of Fineview, between Catoma Avenue and Marsonia Street, has higher sale values, typically in the \$80-\$160K range, in part because of new home construction over the last two decades. While it has less opportunities for acquisition, Fineview Citizens Council owns significant property on Lanark Street.

The strongest market in this area is found in the Central Northside / Mexican War Streets, with typical recent sales at \$200K and above. A strong hillside boundary separates these neighborhoods from Perry Hilltop and Fineview. However, some sales during the last decade indicate that the relatively stronger market may be expanding into southern Fineview and Perry Hilltop. Higher real estate values along the southern neighborhood edge are also driven by the postcard views of Downtown Pittsburgh.



Sales Price Range	Last Decade of Sales in Fineview & Perry Hilltop	
\$0 - \$10,000	331 Parcels - 42.8%	773 sales in the two neighborhoods in the last decade
\$10,001 - \$40,000	200 Parcels - 25.9%	
\$40,001 - \$80,000	108 Parcels - 14.0%	82.7% were transactions below \$80,000
\$80,001 - \$120,000	44 Parcels - 5.7%	88.4% were below \$120,000
\$120,001 - \$160,000	30 Parcels - 3.9%	
\$160,001 - \$200,000	21 Parcels - 2.7%	18 transactions or 2.3% were above \$320,000
\$200,001 - \$240,000	10 Parcels - 1.3%	
\$240,001 - \$280,000	6 Parcels - 0.8%	
\$280,001 - \$320,000	5 Parcels - 0.6%	
\$320,001 - \$360,000	10 Parcels - 1.3%	
\$360,001 - \$400,000	3 Parcels - 0.4%	
\$400,001 - \$440,000	0 Parcels - 0%	
\$440,001 and up	5 Parcels - 0.6%	

HOUSING AFFORDABILITY IN FINEVIEW & PERRY HILLTOP

2020 is a transitional time in the City of Pittsburgh, from a planning and real estate perspective. Property values have stabilized since the 2008 recession and are steadily increasing in many parts of the city. Our population is stabilizing, from a big-picture, numerical perspective (hovering around 300,000), but people are on the move. Higher-income, younger households are moving into the city and contributing to the displacement of long-term residents who can't afford rising rents and increasing home values. Household incomes are rising unevenly, with some groups experiencing wage stagnation and a general lack of economic opportunity. Further contributing to the growing affordable housing crisis, as neighborhoods have been "redeveloped" in recent years, several public housing projects have been torn down, dramatically reducing the inventory of affordable housing for vulnerable people. In addition, the financing that restricted some privately-held, subsidized affordable rental housing is expiring, allowing private owners to convert their restricted projects into market rate developments.

As wealthier residents move into the city, others are being pushed out, and the lowest-income population is forced to find housing wherever they can - oftentimes in surrounding municipalities where property values have remained relatively low, which decreases their access to education and work opportunities. Resident displacement uproots families from their community, disrupting social networks and support structures. These changes are currently affecting some neighborhoods more intensely and rapidly than others, with many East End neighborhoods experiencing a wave of market-rate housing development. To make Pittsburgh a livable city for everyone, a holistic approach to preserving and creating new affordable housing throughout the city is necessary and important.



Meadville Street homes. Photo by SfSP.

The daunting task at hand is proactively working now to expand the inventory of permanently affordable homes in Fineview and Perry Hilltop, so that as the cost of neighborhood real estate rises, existing residents will not be forced to move elsewhere. This report and action plan is an attempt at providing an informed, data-driven, and community-supported road map for preserving and increasing the inventory of permanently-affordable homes in the neighborhood over the next five years.

This chapter, Housing Affordability in Fineview & Perry Hilltop, includes the following sections:

- Defining Affordability
- Defining Affordability for the Neighborhood
- Affordable Homes: What is Here Already?
- Affordability Targets for Fineview & Perry Hilltop

DEFINING AFFORDABILITY

What Makes a Household?

A household refers to a single housing unit and all of the people that live in it. For example, a studio apartment, a half of a duplex and a mansion are all considered a single household. Family households have related residents, such as a husband, wife and children. People who aren't related who live together, such as roommates or unmarried couples, are a household. ¹

What is Median Household Income?

Median Household Income (MHI) is the income level earned by a given household where half of the homes in the area earn more and half earn less. Individual, higher incomes would skew the “average or mean” household income value upward, while the median income provides a more accurate picture of an area's actual economic status. In calculating median income, the Census Bureau looks at the incomes of only those people who are 15 or older. ¹

Comparative MHI for the Pittsburgh Area in 2018		
Source: Census Community Fact Finder Website		
AMI (HUD MFI for Pittsburgh MSA)	\$79,900	100%
Geographic Area	Median Household Income	% of AMI ⁴
All Households		
Pittsburgh MSA	\$59,710	75%
Allegheny County	\$59,899	75%
City of Pittsburgh	\$47,417	59%
Fineview (Tract 2509)	\$26,196	33%
Southern Perry Hilltop (Tract 2614)	\$34,696	43%
Northern Perry Hilltop (Tract 2615)	\$38,092	48%
Black FV + PH Residents (Single Race Only)		
Fineview (Tract 2509)	\$24,740	31%
Southern Perry Hilltop (Tract 2614)	\$33,047	41%
Northern Perry Hilltop (Tract 2615)	\$20,573	26%

What are Median Family Income Limits and AMI?

Area Median Income, or AMI, is a generic term used in the affordable housing field to determine the income eligibility requirements of federal housing programs for a geographic area. It is calculated by the U.S. Department of Housing and Urban Development (HUD) based on the median income of a family of four (FMI) over a particular geography, in our case the Pittsburgh Metropolitan Statistical Area (MSA) including all of Allegheny, Butler, Beaver, Westmoreland, Washington and Fayette Counties.

HUD then prorates MFI by family size for various income levels less than the median income and creates yearly Income Limits. These are used as income thresholds for various housing assistance and subsidy programs and are often referred to as percentages of area median income or AMI. The chart below shows the AMI-based HUD income limits for our area in 2019, for different household sizes. ²

% AMI Income Limits for the Pittsburgh Area in 2019 Based on Household Size				
source: huduser.gov/portal/datasets/il.html				
Median Family Income for Pittsburgh MSA Family of 4	Household Size	30% AMI	50% AMI	80% AMI
\$79,900	1	\$16,800	\$28,000	\$44,750
	2	\$19,200	\$32,000	\$51,150
	3	\$21,600	\$36,000	\$57,550
	4	\$25,750	\$39,950	\$63,900
	5	\$30,170	\$43,150	\$69,050

Why is % of AMI Important?

Eligibility for publicly-subsidized housing programs, such as Housing Choice Vouchers and Public Housing units, is based on HUD's income limit thresholds. Other affordable housing programs may also use targeted % of AMI of household income levels to determine program eligibility. For example, the first round of Community Land Trust houses in Lawrenceville were available to households with income levels between 60-80% of AMI.

Who is Cost-Burdened?

Anyone spending more than 30% of their income on housing is considered to be “cost-burdened.” They experience what is called “constrained housing choice,” typically resulting from an inadequate supply of affordable homes in an area and limited household income. In 2016, 42.8% of Perry South residents and 62.6% of Fineview residents were cost-burdened. ³ As the table to the left illustrates, the MHI of neighborhood residents is significantly lower than for the City, County and Region. The MHI of White neighborhood households is relatively higher than for Black neighborhood residents, who are more cost-burdened than the overall population and are more likely to experience displacement.

¹ See <https://www.census.gov/programs-surveys/cps/technical-documentation/subject-definitions> for more information.

² Note that the HUD Income limits are adjusted relative to the Department of Health and Human Services poverty guidelines and are sometimes adjusted up from the exact percentage of AMI.

³ City of Pittsburgh Housing Needs Assessment report.

⁴ Comparison is for reference only since AMI is representative of a family of four, which is larger than most households in the neighborhood.

DEFINING AFFORDABILITY FOR THE NEIGHBORHOOD

Perry Hilltop and Fineview have a significant number of households making well below the area median income who are "cost-burdened" or spending more than 30% of their income on housing.¹ Cost-burdened renters are vulnerable to displacement from rising housing costs, as they already have trouble paying rent at current rates while meeting other basic needs. It is important to note that a much higher percentage of Black neighborhood residents are cost-burdened than the population overall.

Median household income for the City of Pittsburgh and region has consistently risen in recent years. The cost of housing in Fineview and Perry Hilltop is also rising, though not at the same pace as for the City of Pittsburgh overall. The number of overall real estate transactions is also rising each year. Meanwhile, the median household income of Fineview and Perry Hilltop residents has held flat, meaning that their relative purchasing power is decreasing over time.

At the same time that the City of Pittsburgh gained more than 8,000 new residents between the ages of 25 and 44, between 2014 and 2018, nearly 7,000 Black residents moved out of Pittsburgh during that same time period.² Pittsburgh's Black population - disproportionately cost-burdened by rising rents, a reduction in public housing units, and a growing income gap - is literally being displaced and replaced by wealthier demographic groups.

60% of Perry Hilltop & Fineview's population is black. To achieve the community's stated housing goals of:

- Expanding the affordable housing supply and opportunities for affordable homeownership, and
- Preventing resident displacement,

it will be essential to implement strategies that benefit the full range of low-income households, and create circumstances that enable the neighborhood to continue being one of the most racially-diverse neighborhoods in Pittsburgh. In parallel with affordable housing education, advocacy and development efforts, PHCC & FCC will also will need to continue work in the areas of Education and Access to Jobs to help close the wealth gap that exists between White and Black neighborhood households.

This affordable housing plan is especially mindful of the residents whose income falls at the lower end of the income range, many of whom are renters, and are less likely to qualify for mortgages due to income and credit-level guidelines. This housing plan is tailored to the existing neighborhood's population and its needs. For this reason, FCC & PHCC's affordable housing plan lays out a wide range of potential affordable housing strategies that would benefit potential homeowners and renters alike. This plan also suggests that there are opportunities for creating uniquely-affordable housing opportunities through a range of initiatives, including: rent-to-own programs, cooperatively-owned multi-family housing, and a Community Land Trust that targets homeowners as well as residential and commercial renters.

The following sections outline specific guidelines for affordable residential rent targets, for Perry Hilltop and Fineview, followed by affordable for-sale home price targets.



Langley Street homes. Photo by SfSP.

Homeownership vs. Rental Characteristics in 2018			
Source: U.S. Census www.census.gov/data.html			
Geographic Area	# Occupied Housing Units	Owners	Renters
Fineview + Perry Hilltop: All Households			
Fineview (Tract 2509)	604	42%	58%
Southern Perry Hilltop (Tract 2614)	959	47%	53%
Northern Perry Hilltop (Tract 2615)	763	47%	53%
Fineview + Perry Hilltop Residents: Black Residents			
Geographic Area	% of Owned Units by Black Households	% of Rented Units by Black Households	
Fineview (Tract 2509)	28%	85%	
Southern Perry Hilltop (Tract 2614)	48%	87%	
Northern Perry Hilltop (Tract 2615)	61%	63%	

¹ City of Pittsburgh Housing Needs Assessment report

² wesa.fm/post/pittsburgh-rapidly-losing-black-residents-population-estimates-show#stream/0

Affordable Rent: Adjustments for Family Sizes

This chart indicates maximum rents that are considered “affordable,” assuming that 30% of family income is spent on rent. This chart is based on the 2019 Area Median Income (AMI) for the Pittsburgh Metropolitan Statistical Area. 100% or \$79,900 represents the area median income for a family of four. The rows indicate a percentage adjustment for family size (i.e. 100% for a family of four). The columns indicate the percentage of Area Median Income based on standard categories of 30%, 50%, 60%, 80% and 100% of AMI, and then the maximum rent that a family at each income bracket can afford.



Langley Street homes. Photo by SfSP.

RENTS: Adjustments for Family Sizes

Household Size	Size Adjustment	30% AMI	Maximum Monthly Rent (30%)	50% AMI	Maximum Monthly Rent (30%)	60% AMI	Maximum Monthly Rent (30%)	80% AMI	Maximum Monthly Rent (30%)	100% AMI	Maximum Monthly Rent (30%)
1	70%	\$16,800	\$420	\$28,000	\$700	\$33,550	\$839	\$44,750	\$1,119	\$55,930	\$1,398
2	80%	\$19,200	\$480	\$32,000	\$800	\$38,350	\$959	\$51,150	\$1,279	\$63,920	\$1,598
3	90%	\$21,600	\$540	\$36,000	\$900	\$43,150	\$1,079	\$57,550	\$1,439	\$71,910	\$1,798
4	100%	\$25,750	\$644	\$39,950	\$999	\$47,950	\$1,199	\$63,900	\$1,598	\$79,900	\$1,998
5	108%	\$30,170	\$754	\$43,150	\$1,079	\$51,800	\$1,295	\$69,050	\$1,726	\$86,292	\$2,157
6	116%	\$34,590	\$865	\$46,350	\$1,159	\$55,600	\$1,390	\$74,150	\$1,854	\$92,684	\$2,317
Targeted Affordable Housing Income Range for Perry Hilltop & Fineview											

Housing Authority of the City of Pittsburgh (HACP) 2019 Contract Rent

This chart shows the Housing Authority's housing choice voucher rent rates for 2019. Only families earning 50% or less of AMI qualify for housing choice vouchers. These rents are tied to the type of housing rented, rather than to family size. Note that depending on the family size and unit type they rent, housing choice voucher rents may be higher or lower than the rents shown in the previous table.

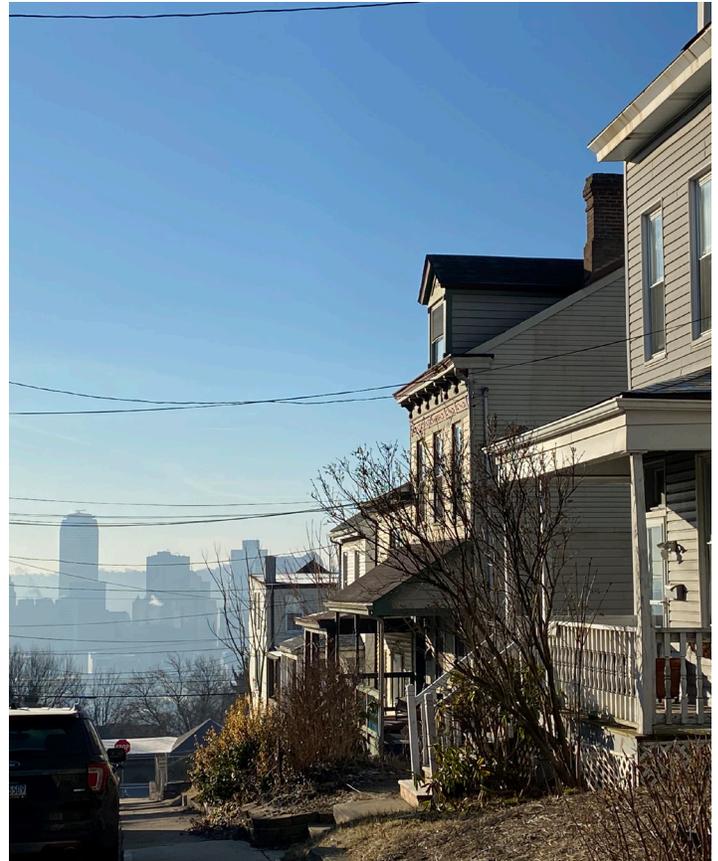
Housing Authority of the City of Pittsburgh (HACP) 2019 Contract Rent Amounts for Housing Choice Voucher Program						
Maximum rent charged by a Landlord accepting housing choice vouchers			Source: https://hacp.org/doing-business/landlord-resources/			
Bedroom Size	Efficiency	1	2	3	4	5
GROSS LEASE CAP						
Maximum Contract Rent if Landlord paying all utilities	\$657	\$777	\$978	\$1,213	\$1,341	\$1,542
APARTMENT						
Maximum Contract Rent if Tenant paying gas and electric	\$566	\$676	\$855	\$1,070	\$1,175	\$1,356
Maximum Contract Rent if Tenant paying all utilities	\$437	\$544	\$688	\$867	\$937	\$1,081
TOWNHOUSE/ROWHOUSE						
Maximum Contract Rent if Tenant paying gas and electric	\$550	\$658	\$833	\$1,041	\$1,143	\$1,320
Maximum Contract Rent if Tenant paying all utilities	\$421	\$526	\$666	\$838	\$905	\$1,045
SINGLE FAMILY DETACHED						
Maximum Contract Rent if Tenant paying gas and electric	\$542	\$647	\$820	\$1,023	\$1,124	\$1,297
Maximum Contract Rent if Tenant paying all utilities	\$413	\$515	\$653	\$820	\$886	\$1,022
2018 NEW AND MODERN APARTMENTS/TOWNHOUSE						
Maximum Contract Rent if Landlord paying all utilities	\$841	\$943	\$1,165	\$1,478	\$1,622	\$1,867

Affordable Homeownership: Assumes 30% of Gross Household Income is Available for Housing

The purpose of this table is to estimate the maximum home price that could be afforded by families at different income levels, possibly under a land trust scenario (hence the “CLT Lease Payment,” which is small). The two left columns indicate various income brackets and the number of households, combined in Fineview and Perry Hilltop, in those brackets in 2017; this is to provide a general idea of the number of families that might fall into these brackets. To the right, the column entitled “Households AMI %” indicates roughly where the % AMI levels match the income brackets for a family of 2. In other words, in 2019 30% of AMI for a family of 2 is \$19,200 which falls in the \$15,000 - \$19,999 bracket.

The columns that follow assume that the family spends 30% of its income on a home, including various housing-related expenses. The purpose of these deductions is to arrive at an affordable mortgage based on the family income. This chart assumes a 95% mortgage, at a 5.0% interest rate over 30 years. Using this calculation, a 50% AMI family of two can afford a house that costs \$99,840.

Keep in mind that with all estimates of this kind, the assumptions determine the outcome. However, for planning purposes, it was necessary to make some assumptions in order to start honing in on possible homeownership prices that might be affordable to our target families.



Houses in Fineview with downtown Pittsburgh view. Photo by SfSP.

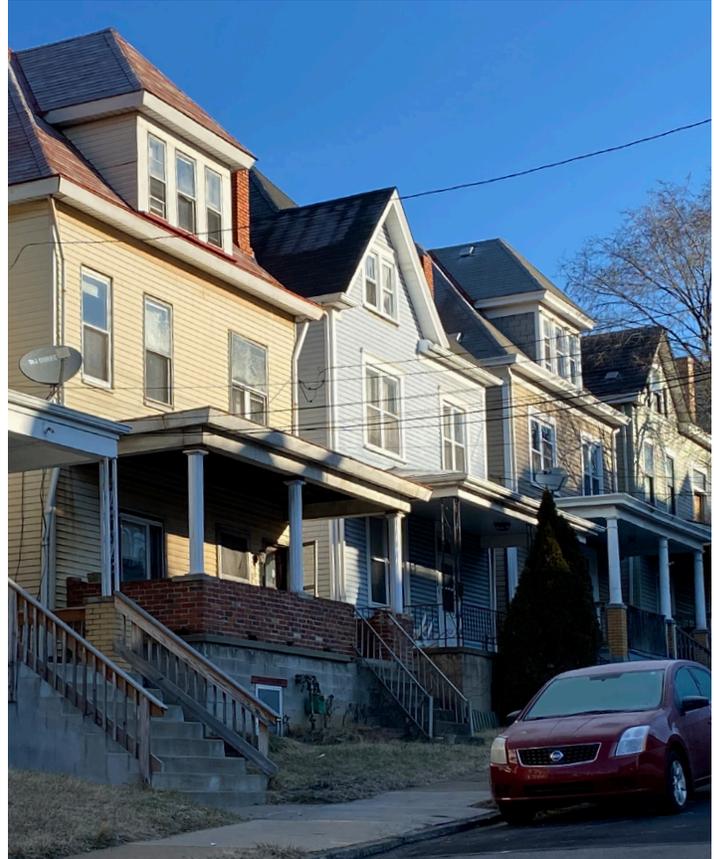
AFFORDABLE HOME OWNERSHIP: Assumes 30% Of Gross Income is available for housing (excluding utilities)

	INCOME RANGE	2017 FV / PH # Households	Households AMI %	Total # Households	Maximum \$ Available (30%)	Less CLT Lease Payment	Less Insurance	Less Taxes*	Remaining for Mortgage	Maximum Mortgage**	Maximum House Price
Targeted Affordable Housing Income Range for Perry South & Fineview	Less than \$10,000	505									
	\$10,000-\$14,999	212									
	\$15,000-\$19,999	179	30% AMI	896	\$480	\$20	\$85	\$186	\$189	\$35,238	\$37,093
	\$20,000-\$24,000	174									
	\$25,000-\$29,000	155									
	\$30,000-\$34,000	96	50% AMI	425	\$800	\$20	\$85	\$186	\$509	\$94,848	\$99,840
	\$35,000-\$39,000	157	60% AMI	157	\$959	\$20	\$85	\$186	\$668	\$124,421	\$130,969
	\$40,000-\$44,999	111									
	\$45,000-\$44,999	121									
	\$50,000-\$59,999	114	80% AMI	346	\$1,279	\$20	\$85	\$186	\$988	\$184,031	\$193,717
	\$60,000-\$74,999	177	100% AMI								
	\$75,000-\$99,999	153									
	\$100,000-\$124,000	85									
	\$125,000-\$149,000	43									
\$150,000-\$199,999	38										
\$200,000 or more	12										

* Assumes \$100,000 @ .0223 ** Assumes 5% rate over 30 years

Affordable Homeownership: A Local Lender assumes 43% of Gross Household Income is Available for Mortgage & Other Debt

The purpose of this table is the same as the previous table – to estimate the maximum home price various households could afford under a land trust or other model. In the previous table, it was assumed that 30% of the household’s income was spent on housing. In this table, it is assumed that 43% of the household’s income is spent on total debt including mortgage, auto and credit card, which is the underwriting standard of a local land trust mortgage lender. The result of these assumptions is that the families can afford higher-priced homes than are shown in the previous table. However, a higher level of non-housing debt will quickly lower the mortgage that would be affordable to the family.



Houses on West Burgess Street. Photo by SfSP.

**AFFORDABLE HOME OWNERSHIP:
A Local Lender Assumes 43% Of Gross Income Can Be Used For Mortgage and Other Debt Such as Credit Card and Car**

	INCOME RANGE	2017 FV / PH # Households	Households AMI %	Maximum \$ Available (43%)	Less CLT Lease Payment	Less Insurance	Less Taxes*	Less Credit Card	Less Car Payment	Remaining for Mortgage	Maximum Mortgage**	Maximum House Price
Targeted Affordable Housing Income Range for Perry South & Fineview	Less than \$10,000	505										
	\$10,000-\$14,999	212										
	\$15,000-\$19,999	179	30% AMI	\$688	\$20	\$85	\$186	\$100	\$100	\$407	\$75,848	\$79,840
	\$20,000-\$24,000	174										
	\$25,000-\$29,000	155										
	\$30,000-\$34,000	96	50% AMI	\$1,147	\$20	\$85	\$186	\$100	\$100	\$866	\$161,289	\$169,778
	\$35,000-\$39,000	157	60% AMI	\$1,374	\$20	\$85	\$186	\$100	\$100	\$1,093	\$203,676	\$214,395
	\$40,000-\$44,999	111										
	\$45,000-\$49,999	121										
	\$50,000-\$59,999	114	80% AMI	\$1,833	\$20	\$85	\$186	\$100	\$100	\$1,552	\$289,117	\$304,334
	\$60,000-\$74,999	177	100% AMI									
	\$75,000-\$99,999	153										
	\$100,000-\$124,000	85										
	\$125,000-\$149,000	43										
	\$150,000-\$199,999	38										
\$200,000 or more	12											

* Assumes \$100,000 @ .0223 **Assumes 5% rate over 30 years

AFFORDABLE HOMES: WHAT IS HERE ALREADY?

A wide range of affordable homes already exist within Fineview and Perry Hilltop. The challenge is that the supply does not meet the existing and future demand for housing that can be obtained at a rate that will be stable, predictable and available for the long term, as property values rise with market interest. Furthermore, like many Pittsburgh neighborhoods, the large number of older houses in poor condition creates additional risk for resident displacement.

The purpose of this section is to provide an overview summary of the types and quantity of affordable homes that currently exist in Fineview and Perry Hilltop. Three types of traditional affordable housing programs have been successfully deployed in Fineview and Perry Hilltop and an overview of each of the following is provided below: Public Housing, Supportive Housing for the Elderly, and Tenant-Based Housing Choice Vouchers. It should be noted that the success all of these programs depends on the quality of the management of the properties.

Public Housing, Including Sandstone Quarry

Built by the Pittsburgh Housing Authority in 1943, as temporary housing quarters for defense workers during World War II, Allegheny Dwellings has provided affordable housing for many families and households over time. A portion of this public housing apartment community was recently torn down and replaced with new, mixed-income housing units, reducing the volume of affordable housing in the study area by 52 units. The Housing Authority of the City of Pittsburgh (HACP) plans to also redevelop the remaining portion of Allegheny Dwellings in the future. Part of the future redevelopment project will involve the creation of new, replacement affordable housing units elsewhere in Fineview and Perry Hilltop.

As shown in the table on the next page, Phase I of the redevelopment is complete. The new units on Sandusky Court, called Sandstone Quarry, are owned by the Housing Authority, but were developed and are privately managed by Trek Development Group. This ownership/management model, also applied at other redevelopment sites throughout the city, is a direct result of the Housing Authority divesting development and management responsibilities to the private market. This project was redeveloped using Low-Income Housing Tax Credits (LIHTC). The tax credits are claimed by the developer over a 10-year period, and the property must be maintained as affordable housing for a minimum of 30 years.



The remaining portion of Allegheny Dwellings Public Housing, located on Belleau Drive in Fineview. Photo by SfSP.



Sandstone Quarry: Phase I of the Allegheny Dwellings Replacement Housing. Source: www.rdcollab.com/places/sandstone-quarry/ (Accessed 02/12/20)

The LIHTC program has historically benefited many individual renters in need of affordable housing, but at the end of 30 to 35 years (depending on the State and year placed into service), rental rates are no longer restricted and can jump to market-rate levels. During the compliance period, a percentage of the units are restricted to be “affordable,” with residents paying no more than 30% of their income toward rent. With its prime location and views of downtown Pittsburgh, Sandstone Commons may not be a part of a permanent affordable housing solution for the neighborhood after the compliance period ends, depending on the legal structures in place. With the Housing Authority continuing to own the property, it should be possible to maintain some level of affordability over time.

Forty-five of Sandstone Quarry's apartment units are part of a Project-Based Voucher Site-Based Community, meaning that eligible households with an income below 50% AMI can apply for subsidized housing there.

It is essential that the affordable units that were “lost” during Phase I of the of Allegheny Dwellings redevelopment are replaced, within the Fineview and Perry Hilltop neighborhoods, in a manner that is least disruptive to existing residents. Ideally, portions of the remaining Dwellings would only be torn down after new units are complete and ready for occupancy. This study identifies several possible locations where a quantity of adjacent, underutilized properties could be acquired and assembled to create affordable, multi-unit housing development sites with good access to public transit. Direct access to public transit is essential as a way to connect lower-income, bus-dependent populations with opportunities to get to work, school and shopping, and to link vulnerable populations with the rest of the City.

Supportive Housing for the Elderly

Three privately-owned and -managed senior apartment buildings are located on Perrysville Avenue, in Perry Hilltop. These facilities were built using funding from the U.S. Department of Housing & Urban Development’s (HUD) Section 202 Supportive Housing for the Elderly program. The program allows residents to live independently in an environment providing support activities such as cleaning, cooking and transportation.

Perrysville Plaza (2403 Perrysville) has 100 1-bedroom units that are available to low-income elderly as well as mobility-impaired people. Steelworkers Tower Senior Apartments (2639 Perrysville) has 79 rent-subsidized apartment units that are available to low-income households with at least one member 62 years or older.

	HACP Demolition	Planned new units	# of new units that are affordable	# of new units that are market-rate	Cumulative loss of affordable
Phase I Complete	97	65	45	20	52
Phase II	0	115	75	40	-23
Phase III	175	120	80	40	72
Phase IV	0	72	72	0	0
Totals	272	372	272	100	



Steelworkers Tower Apartments. Photo by SFSF.



West Burgess Street homes. Photo by SfSP.

Upper Rooms Apartments (2334 Perrysville), part of a larger, mixed-income, Reformed Presbyterian Home complex, is a 26-unit independent living apartment building. Upper Rooms Apartments provides rent-subsidized housing for income-qualifying seniors.

As part of the Section 202 program, HUD provides interest-free capital advances to private, nonprofit sponsors, to finance the development of supportive housing for the elderly. The capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years. These apartment buildings provide an important reserve of affordable housing units, serving the specific needs of seniors and mobility-impaired people. Nationally, there is a huge waiting list for this type of units and a surge in demand is expected as baby boomers age. All three of these facilities participate in the Project-Based Housing Choice Section 8 program. The vouchers are assigned to specific units within the facilities to provide federally-subsidized, supportive housing for very low-income households.

Tenant-Based Housing Choice Vouchers

The tenant-based housing choice voucher (HCV) program, commonly referred to as Section 8, is a federal subsidy program available to residents who make no more than 50% of the area median income (equal to \$39,950 for a family of four in 2019). HCVs allow qualified applicants to rent an apartment, at an affordable rate, on the private rental market, thereby increasing affordable housing

choices for low-income families. According to the HACP, approximately 10,000 Tenant-Based HCVs are available in the City, which would serve about 3% of the population. As of 2018, there are 267 rental units in the project study area where housing choice vouchers are accepted, serving 542 very low-income residents.

Several Fineview and Perry Hilltop landlords accept HCVs. The program is currently attractive to many property owners because the established rental rates - based on Area Median Income rather than local neighborhood income levels - are higher than the going market rental rate. This means that qualified property owners can theoretically earn more, per unit, by renting to housing-choice tenants than by renting to the general public. This situation will likely change as market-rate rents and property values increase in Fineview and Perry Hilltop.

Housing Choice Vouchers are a good tool to help expand the pool of affordable housing, but they are tied to mobile individuals and are not permanently bound to any specific location or neighborhood. Because of the growing, city-wide demand for affordable housing, and the declining inventory of affordable housing units, many low-income households are being forced to look outside their current neighborhood - and even beyond City limits - to find a place to live. The Tenant-Based HCV program helps with housing affordability, but it doesn't contribute to a pool of permanently-affordable neighborhood homes.

¹ hacp.org/housing/home-ownership/

Housing Choice Vouchers can also be used to help low-income families become homeowners. The HACP Homeownership Program provides the financial literacy and financial assistance needed to purchase a home within Pittsburgh's city limits.¹ The program is open to: low-income housing residents, housing choice voucher holders, and families who are not receiving but are eligible to receive HACP rental assistance. Families who may not have adequate funds for a down payment and other up-front loan closing costs are encouraged to participate. FCC & PHCC should look to partner with HACP to expand the use of housing choice vouchers to help increase affordable homeownership in Fineview and Perry Hilltop.



Perry Hilltop Homes. Photo by SfSP.

Affordable Housing in Fineview & Perry Hilltop	
Source: Analysis by Studio for Spatial Practice 2020	
	# of Affordable Housing Units
Allegheny Dwellings	175
Sandstone Quarry	45
Perrysville Plaza	100
Steel Workers Tower	79
Upper Rooms	26
Tenant-Based Housing Choice Vouchers	267
Total	692

Approximate Affordable Housing Deficit in Fineview & Perry Hilltop				
Source: Analysis by Studio for Spatial Practice 2020				
Neighborhood	# Occupied Housing Units (2018)	% Cost Burdened Households (2016)	Approximate Affordable Housing Need	Existing Subsidized Housing Units
Fineview	604	62.6%	378	-
Perry South	1,722	42.8%	737	-
Total	2326		1115	692
APPROXIMATE AFFORDABLE HOUSING DEFICIT = +/- 423 Units				

What Do We Need?

As the *Affordable Housing in Fineview & Perry Hilltop* table indicates, there are currently +/- 692 affordable housing units in Fineview and Perry Hilltop. According to the *U.S. Census American Community Survey (ACS) 5-Year Estimate for 2018*, there is a total of 2326 occupied housing units in this study area. By these counts, 29% of all existing occupied housing units in the study area provide a form of subsidized affordable housing.

As noted above, 42.8% of Perry South residents and 62.6% of Fineview residents were cost-burdened in 2016, spending more than 30% of their household income on housing. As the *Approximate Affordable Housing Deficit in Fineview & Perry Hilltop* table indicates, there is a housing deficit of approximately 423 housing units. The actual number may be higher as real estate prices have been rising in the neighborhoods. The only way to close this gap is with a mix of approaches, including: preserving higher-density affordable rental units, making existing homes permanently affordable and building new multi-unit affordable housing.

AFFORDABILITY TARGETS FOR FINEVIEW & PERRY HILLTOP

To aid existing neighborhood residents, and limit displacement, affordable homes in Fineview and Perry Hilltop should be financially accessible to households with incomes between 30% and 50% of Pittsburgh's Area Median Income (AMI) range.

Developers wanting support from Fineview and Perry Hilltop Citizens Councils, for their projects, should maximize affordability targets by using vouchers and other forms of subsidies.

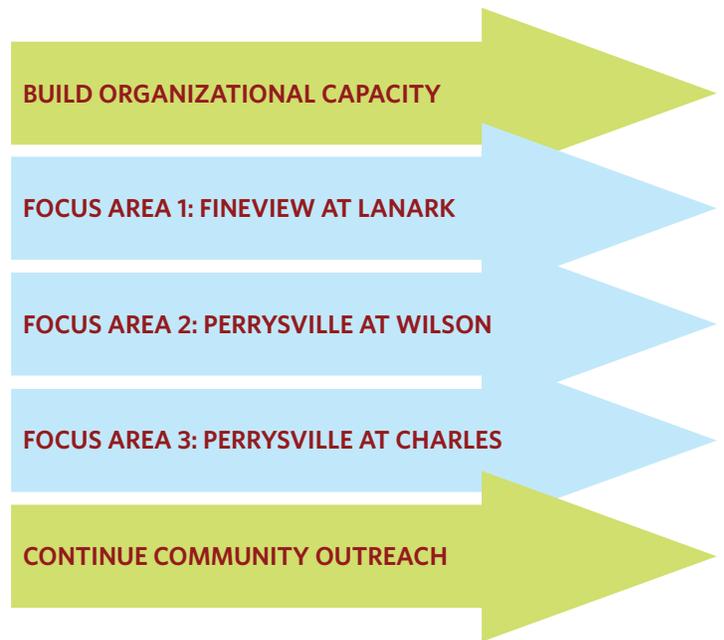
HOUSING DEVELOPMENT STRATEGIES

HOW DO WE GET THERE?

There are several key strategies that the Fineview & Perry Hilltop Citizens Councils should pursue in the near term, to achieve their affordable housing goals:

1. Expand the Citizens Councils' Real Estate Capacity
2. Create a Pilot Community Land Trust Project
3. Preserve and Expand Affordable Residential and Commercial Rental
4. Advance Phase II of the Allegheny Dwellings Redevelopment
5. Create an Acquisition & Development Fund
6. Continue Community Support

Each of these Strategies is explored below.



A diagram showing concurrent efforts to advance this *Five-Year Affordable Housing Development Plan*.

1. EXPAND THE CITIZENS COUNCILS' REAL ESTATE CAPACITY

Add a Dedicated, Real Estate Staff Person

A first priority of Fineview & Perry Hilltop Citizens Councils is increasing their organizational capacity so that they can effectively pursue the goals and strategies outlined in this document. As illustrated in the table below, the organizations currently share a full-time Executive Director and an Outreach Director, and have the support of a full-time AmeriCorps VISTA service volunteer. Existing staffing capacity, with the support and participation of committed, highly-involved residents, enabled FCC & PHCC to jointly develop a *Community Plan* (2018) and this *Affordable Housing Plan*, while simultaneously sustaining monthly community gatherings, and continuing to support residents with a range of programs and resources. As it stands, the existing staff and volunteer capacity is fully committed to existing organizational and outreach functions. FCC & PHCC will need sustained, consistent, in-house, real estate expertise to effectively move forward the affordable housing strategies outlined in this plan. FCC & PHCC also need some funds to train existing staff, attend conferences, etc.

Collaborate with a Regional Property Recycling Nonprofit

Another way to expand the organization's real estate capacity is by building new, productive partnerships with other organizations that are also dedicated to preserving and expanding the inventory of permanently-affordable homes in Pittsburgh. FCC & PHCC are already developing a working arrangement with the City of Bridges Community Land Trust, to participate in a pilot project that will result in the creation of six affordable, for-sale homes in Fineview.

Another regional nonprofit, dedicated to land and property recycling, is currently under formation. Informally referred to here as "NewCo." NewCo's primary goal is partnering with existing community organizations to prevent the displacement of low-income residents due to market forces, slum landlords, deteriorating properties, and other causes. In cases where NewCo provides replacement housing for residents who need to relocate, the new housing will be ready before the resident vacates their current housing; in other words, the resident should only have to move once.

NewCo will collaborate with existing nonprofit community organizations to make sure their undertakings are consistent with neighborhood plans and are driven by neighborhood-specific affordability goals. NewCo will



Members of the Fineview and Perry Hilltop community. Photo by FCC & PHCC.

provide construction expertise to help evaluate the quality and cost of acquisition candidates. Properties will be disposed of through various methods which might include sale to neighborhood organizations or to private interests with affordability restrictions.

Although the exact details of this partnership are not completely known at this time, working with NewCo appears to be a very promising way for FCC & PHCC to expand its capacity and achieve scale in the efforts described in this Plan.

2. CREATE A PILOT COMMUNITY LAND TRUST PROJECT

In general, CLTs create quality, permanently affordable housing while still allowing low- and moderate-income residents to build equity as homeowners. CLT homes are owned by a homeowner, who leases the land from the land trust. Because CLTs retain ownership of the underlying land, leases dictate that CLT housing remains permanently affordable, even as original beneficiaries of affordable homes sell and move on. In every land trust model, the original homeowner's equity appreciation at sale is capped in some way. Most CLTs use a 99-year land lease, making it a more effective way to use subsidy to guarantee longer-term affordability than other programs.

PHCC & FCC have long been interested in pursuing a community land trust model to promote affordable homeownership and operate rent-to-own programs. A CLT is particularly appropriate for a neighborhood with long-term residents that is at risk of gentrification but is currently affordable. FCC & PHCC did extensive research and training over the past two years and were prepared to launch a neighborhood-based land trust.

During that same time, however, the City of Bridges (CoB) regional CLT emerged as a spin off to land trust activities undertaken by the Lawrenceville Corporation.

The funding community has supported the idea of a regional CLT as a way to gain efficiencies of scale. CoB has been building its staff, funding, technical knowledge and experience, and has established positive relationships with the City, banks, and foundation community. After extensive discussions about the resources needed to launch and maintain a successful land trust, while also undertaking other real estate initiatives, FCC & PHCC agreed to work with the CoB on a pilot project. This partnership should help FCC & PHCC increase their pool of affordable housing units more quickly. The pilot project will include six properties on the western side of Lanark Street, in Fineview, that are already owned by the FCC. The project will be a combination of renovations and new-home construction, with the goal of creating for-sale, affordable homes.

A Memorandum of Understanding is being crafted to designate the roles of each partner as well as ensure that CLT housing in Fineview and Perry Hilltop specifically targets the income-levels of existing neighborhood residents. Because of the affordable prices of land and existing homes in the study area, as compared to Lawrenceville in particular, similar or less subsidy can lead to affordable homeownership opportunities for Fineview and Perry Hilltop families earning between 30% and 50% of City AMI. Rent-to-own projects can help reach residents at these income levels.

After the pilot project is complete, all involved parties will assess whether future partnerships with the CoB are in the best interest of the Fineview and Perry Hilltop community. This could be the beginning of an expanding partnership or it may make sense to consider creating a local or Northside-wide CLT.

3. PRESERVE AND EXPAND AFFORDABLE RESIDENTIAL & COMMERCIAL RENTAL

Preserve and expand affordable rental, for residents and businesses, through a Community Land Trust and other approaches.

Purchase Multi-Family Buildings and Investor Portfolios

If FCC & PHCC can acquire existing investor portfolios and multi-family buildings, they can quickly and efficiently preserve or expand the total number of affordable units in Fineview and Perry Hilltop. Already-occupied units are generally most attractive for acquisition because there



800 McCandless Avenue in Lawrenceville, a CLT home developed by the City of Bridges. Source: cityofbridgesclt.org, accessed on February 21, 2020.

may already be a tenant, providing a source of income. If units are already- or recently-occupied, there will likely also be less up-front expenses relating to renovation costs. If FCC & PHCC do acquire these properties, it will also be important to help improve the residents' quality of life. FCC & PHCC should partner with a service provider that can do intensive outreach.

There are many built-in development cost savings and efficiencies inherent to multi-unit rehabilitation or new construction projects, as opposed to renovating unique, scattered-site, single-family houses. With multi-unit renovation or new construction projects, materials can be purchased in bulk and stored together, and construction tradespeople can be moved from unit to unit, limiting mobilization and overhead costs.

Acquire Mixed-Use Buildings at Targeted Focus Areas

The Community of Fineview and Perry Hilltop would like there to be community-controlled commercial space in the neighborhoods. All three development focus areas have the potential for mixed-use or commercial development. The Perrysville Avenue at Wilson Avenue and Perrysville Avenue at Charles Street focus areas have existing mixed-use and commercial buildings that could be renovated and reactivated with storefront businesses paying affordable rent. Some of the buildings already have residential, upstairs tenants, which would provide a built-in revenue source for whatever entity acquires and holds the properties. FCC & PHCC is already working with the URA to gain ownership of several key mixed-use properties at the Perrysville Avenue at Wilson Avenue focus area. Additionally, revitalized neighborhood

business districts could provide important amenities and employment opportunities for area residents, helping to increase residents' income and possibly decrease wealth disparities between people of color and white residents.

Partner with Housing Developers to Create Additional Affordable Rental

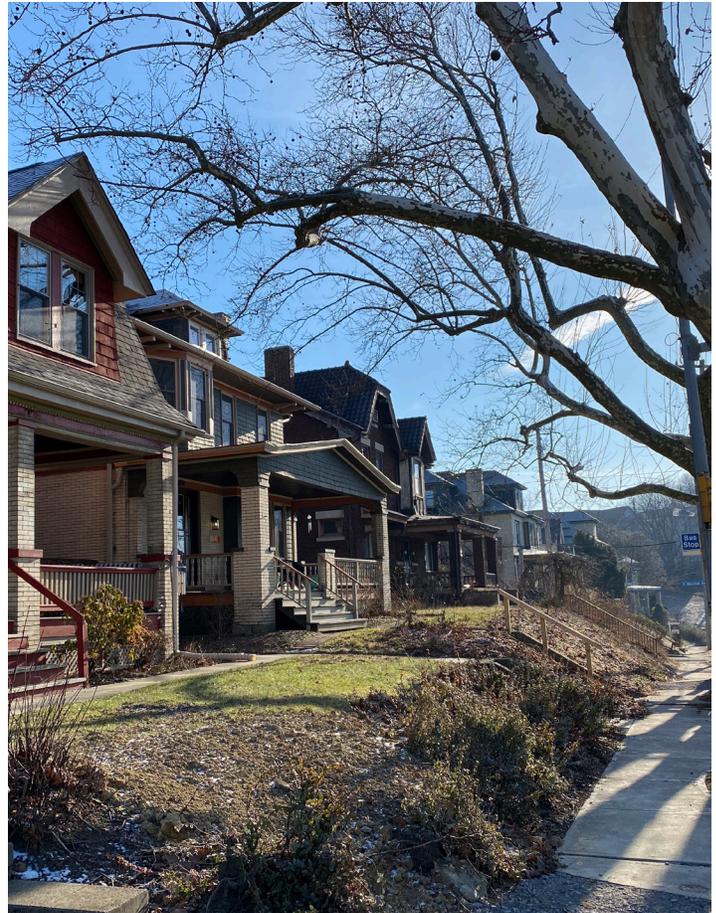
If all of the Phase I development Action Items described in this report are implemented, in 2-3 years, approximately 40 residential units will be added to the supply of long-term affordable homes in the neighborhood. This research suggests that there is already a deficit of +/- 423 affordable homes in the neighborhood, based on a comparison of "cost-burdened" households in the community with the existing supply of subsidized housing units in Fineview and Perry Hilltop.

As suggested in the Development Action Plan chapter of this document, the inventory of permanently-affordable, quality homes in the neighborhood could be grown more quickly in partnership or cooperation with a housing developer specializing in creating affordable housing units. Based on conversations with a local non-profit that develops, owns and manages affordable housing in Pittsburgh, Low-Income Housing Tax Credits can often be effectively used to create affordable apartment buildings containing 30-50 residential units. A single project of this size could double the number of affordable homes created in the neighborhoods during the Phase I time frame. Recent examples of this type of development include *Penn-Mathilda Apartments* in Friendship/Garfield, and *Uptown Lofts on Fifth* in Pittsburgh's Uptown neighborhood. Affordable rental units can also take the form of single-family homes, though per-unit development costs would be higher than for units built as part of an apartment building or buildings.

When partnering with housing developers to build new, affordable homes in Fineview and Perry Hilltop, FCC & PHCC can assist with property acquisition, building community support for a project, and helping the project clear zoning or other regulatory hurdles.

4. ADVANCE PHASE II OF THE ALLEGHENY DWELLINGS REDEVELOPMENT

FCC & PHCC should work with affordable housing developers, the Housing Authority, and the URA to advance Phase II of the Allegheny Dwellings redevelopment. Phase II of the redevelopment project is proposed to include 75 new, affordable housing units, with 45 of those units replacing affordable units that were lost during the Phase I work.



Perry Hilltop streetscape. Photo by SfSP.

When the rest of Allegheny Dwellings is redeveloped, and affordable units are replaced within the Fineview and Perry Hilltop neighborhoods, it must be done in a manner that is minimally disruptive to existing residents. Portions of the Dwellings should only be torn down after new units are complete and ready for occupancy. This study identifies several possible locations in Perry Hilltop where a quantity of adjacent, underutilized properties could be acquired and assembled to create affordable, multi-unit housing development sites with good access to public transit. FCC & PHCC can play an important role in this process, as an advocate for affordable housing redevelopment, as a community-based organization that can help acquire and hold parcels, and as a forum for building community consensus to support a project.

Apply for the Choice Neighborhoods Program

FCC & PHCC should work with the Housing Authority, the URA and other stakeholders to apply for the Choice Neighborhoods Program as a way to advance future phases of Allegheny Dwellings' redevelopment. HUD's Choice Neighborhoods Program leverages public and

private dollars to support locally-driven strategies that address struggling neighborhoods with distressed public or HUD-assisted housing. The program requires a comprehensive approach to neighborhood transformation, helping communities revitalize severely-distressed public and/or assisted housing and catalyze critical neighborhood improvements.

The Program focuses on three core goals:

1. **Housing:** Replace distressed public and assisted housing with high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood;
2. **People:** Improve outcomes of households living in the target housing related to employment and income, health, and children's education; and
3. **Neighborhood:** Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families.

To achieve these core goals, successful program applicants have in place a comprehensive neighborhood revitalization strategy, or "Transformation Plan." The Transformation Plan is the guiding document for revitalizing public and/or assisted housing units, while simultaneously directing the transformation of the surrounding neighborhood and creating positive outcomes for families.

Two Choice Neighborhood Grant Programs are available:

- Planning Grants support the development of a Transformation Plan, as described above.
- Implementation Grants support communities that have undergone a comprehensive local planning process and are ready to implement their "Transformation Plan" to redevelop the neighborhood.

The Larimer/East Liberty Choice Neighborhoods Initiative was awarded \$30M, in 2016, to revitalize the neighborhood. The initiative resulted in replacing the East Liberty Gardens and Hamilton Larimer housing complexes with a revitalized neighborhood including 334 new housing units and a new park.



New homes built as part of the Larimer/East Liberty Choice Neighborhoods Initiative. Source: ura.org, accessed on February 21, 2020.

5. CREATE AN ACQUISITION & DEVELOPMENT FUND

FCC & PHCC need additional funds to acquire and develop property in order to implement this plan. An Acquisition & Development Fund would be used to directly purchase available land and buildings within the three neighborhood focus areas. Acquisition funds provide organizations and affordable housing developers with the means to act quickly to acquire property as it becomes available, rather than having to wait for traditional public funding cycles to make permanent financing available. An Acquisition & Development Fund would be an important tool, whether FCC & PHCC partner with others or create their own fund.

In some models, affordable housing developers acquire properties directly using up-front financing provided through the fund; in others, the steward of the loan fund purchases the property for eventual transfer to a project sponsor. Loans are typically issued on a short-term basis at below-market interest rates and replaced by permanent financing once it is arranged. Related predevelopment costs are also generally allowable expenses, including costs associated with conducting appraisals and environmental assessments, securing title and zoning approvals, and hiring development consultants.

Property acquisition funds can be capitalized with multiple funding streams, including public funds, foundation support, and financing provided by Community Development Financial Institutions and private financial institutions.¹

If FCC & PHCC partner with others, they may be able to access funding to jump-start property acquisition and development at key neighborhood areas. Once this relationship is established, FCC & PHCC may decide that they do not need to set up their own, independent acquisition and development fund. The pros and cons of having an independent acquisition and development, versus partnering with others to leverage theirs, should be carefully considered by the Housing Working Group, the FCC & PHCC Boards and the Executive Director. A \$3,000,000 acquisition and development fund is anticipated to be needed to implement Phase I of the recommendations outlined in this *Affordable Housing Plan*, over the next two to three years.

6. CONTINUE COMMUNITY OUTREACH

Connect residents to resources and programs to help maintain homes, clear titles, prevent eviction, etc.

FCC & PHCC are partnering with Rebuilding Together and The Pittsburgh Project to make sure existing residents can repair their homes. The organizations are partnering with NeighborWorks Western PA to assist residents with financial education and home buying skill-building, to help build a pipeline of future homeowners.

FCC & PHCC have been connecting residents to existing housing resources provided by The Urban Redevelopment Authority (URA). These programs are often changing to become more efficient or meet different needs. Several URA programs are available and outlined below:

- The URA Center for Housing Opportunities partnered with Neighborhood Legal Services to provide individuals with *Housing Legal Assistance* in the areas of tangled-title clearing for eligible homeowners, and eviction prevention for vulnerable renters.
- The *Homeowner Assistance Program* (HAP) provides financial assistance up to \$30,000 to homeowners at or below 50% AMI for rehabilitating and improving residential owner-occupied properties within the City of Pittsburgh. Some additional support will be available for homeowners under 80% AMI. HAP provides deferred 0% interest loans that may be used for the following: bringing homes into compliance with City of Pittsburgh codes, undertaking energy efficiency improvements, and making eligible general property improvements.



Community Surveyors. Photo by FCC & PHCC.

- The *HAP+ Program* provides financial assistance up to \$30,000 to homeowners between 51% AMI and 80% AMI for rehabilitating and improving residential owner-occupied properties within the City of Pittsburgh. HAP+ provides 0% interest loans that may be used for the same purposes as the HAP program.
- The URA's *Housing Stabilization Program* aims to avert crisis, providing short- or long-term financial assistance to those at risk of homelessness through evictions.

Connect renters to rent-to-own programs and other opportunities for homeownership

Rent-to-own programs for home-buying, when done well, can provide a stepping stone to owning a home, for families and individuals who don't have a perfect credit rating, or who don't have a sizeable down payment on-hand. Program participants qualify for rent-to-own homes the same as they would for a rental unit. Each month, a percentage of the rent goes towards down-payment assistance. As months go by, the assistance amount grows and may be converted into a down payment for a home. Mortgage-assistance and credit-building counseling may be part of an effective rent-to-own program. As part of the program, there may be opportunities or requirements for prospective home buyers to learn about the responsibilities involved with maintaining and owning a home for the long-term. With rent-to-own programs, there is no obligation to buy the house. Renters can always leave at the end of the lease term.

The URA's *Down Payment and Closing Cost Assistance Program* helps to stimulate homeownership by provides

¹ /act/housing-policy-library/property-acquisition-funds-overview/

financial assistance to eligible first-time home buyers in the City who are interested in purchasing an existing or newly constructed residential unit. Potential homeowners with incomes below 80% of the AMI can receive up to \$7,500 for down payment and closing cost assistance in the form of a 0% interest, 5-year deferred loan. Potential homeowners with incomes between 80% and 115% AMI can receive up to \$5,000 for down payment and closing cost assistance in the form of a 0% interest, 10-year deferred loan. No payments are made during the term of the loan if residency requirements are met. FCC & PHCC should explore down-payment and closing-cost assistance programs offered by different financial institutions.

Educate Homeowners About Predatory Home Buyers

For many of us, our house is our single-largest source of equity. Unfortunately, there are many predatory companies whose business is purchasing homes for a below-market price and then either flipping them for a profit, or renting them as investment properties. Some companies send postcards and post advertisements, while others cold call homeowners asking if they will sell their home. Some homeowners fall victim to predatory home buyers who offer to purchase homes at prices that are below market value, but they don't realize it. Many elderly homeowners, in particular, who may not know what their house is worth, lose precious money in the sales transaction.

A newer, just-as-abusive scare tactic practiced by predatory home buyers involves calling building code violations into the City. Vulnerable homeowners, when contacted by the City to address a code issue, are often intimidated by the City's attention and may be embarrassed by their inability to maintain their house, especially if they are elderly or on a fixed income. After receiving a call from the City, some homeowners are relieved to sell their home to the first person who offers to buy it - in many cases the very same person or company that reported the building code violation in the first place. It's standard practice for the purchase price to once again, be below market value.

FCC & PHCC can work to educate homeowners and spread the news about these abusive practices, and to

2020 Housing Opportunity Fund Allocation Plan

		Area Median Income (AMI) Level			Total	
		30% AMI and all below	50% AMI and all below	80% AMI and all below		
	Required Allocation, %	50.0%	25%	25%		
	Required Allocation, \$	\$4,500,000	\$2,250,000	\$2,250,000		
Rental Gap Financing (RGP)	Building/fixing up affordable rental units	\$2,980,000	\$1,520,000	\$ -	RGP	\$ 4,500,000
Housing Stabilization Program (HSP)	Helping renters stay in their homes	\$ 685,000	\$ 330,000	\$ -	HSP	\$ 1,015,000
Down Payment Assistance (DPCCAP)	Making it easier to buy a home	\$ -	\$ -	\$ 500,000	DPCCAP	\$ 500,000
Homeowner Assistance Program (HAP)	Helping homeowners keep up with repairs	\$ 835,000	\$ 400,000	\$1,250,000	HAP	\$ 2,485,000
For-Sale Development Program (FSDP)	Building/fixing up homes for sale	\$ -	\$ -	\$ 500,000	FSDP	\$ 500,000
Administration					Admin	\$ 1,000,000
		Total Allocation <30% AMI	Total Allocation <50% AMI	Total Allocation <80% AMI	Total Allocation	
Total		\$ 4,500,000	\$ 2,250,000	\$ 2,250,000	\$10,000,000	

The URA Board approved the Housing Opportunity Fund 2020 Annual Allocation Plan on January 16. This is the third allocation plan presented by HOF since its inception in 2016. The Housing Opportunity Fund programs will likely change from year to year due to improvements and demand from the community. Source: ura.org, accessed on February 21, 2020.

help homeowners understand that their homes have value. There are programs available through Rebuilding Together Pittsburgh and The Pittsburgh Project to help low-income homeowners make needed repairs to their houses. The goal is often helping homeowners age in place for as long as they can take care of themselves. Keeping the house maintained, and keeping it from deteriorating due to neglect, is an important part of that process.

FCC & PHCC can also work with homeowners to set up a process through which private homes transition into the Community Land Trust when the homeowner is unable or uninterested in continuing to live in the house. There are variations on this idea. For example, a CLT could acquire a home from a homeowner and allow them to live in the house for a minimal rent until they are no longer able to stay in the house. In this scenario, the CLT would assume all maintenance and payments associated with the property: taxes, roof repairs, basic utilities, etc.

It's important that FCC & PHCC help homeowners stay in their homes for as long as they are able, and then help all residents transition into a next-stage housing solution, as best fits the situation. Some of the approaches described above protect the residents, while also protecting the integrity of the housing stock and potentially helping to grow the supply of affordable homes in the neighborhood.

Educate Landlords & Developers About Incentives to Preserve and Create New Affordable Homes

FCC & PHCC should actively encourage landlords to accept Housing Choice Vouchers. Federally-subsidized HCVs allow qualified applicants to rent an apartment at an affordable rate, on the private rental market, thereby increasing affordable housing choices for low-income families. As of 2018, there are 267 rental units in the project study area where Section 8 Vouchers are accepted, serving 542 very low-income residents. The HCV program is currently attractive to many property owners because the established rental rates are higher than the going market rental rate. Qualified property owners could theoretically earn more, per unit, by renting to HCV tenants than by renting to the general public.

The Urban Redevelopment Authority offers several programs to nonprofit developers or developers with nonprofit partners to create or preserve affordable housing units:

- The *Rental Gap Program* provides loans for creating and/or preserving four or more affordable rental units.
- The *For-Sale Development Program* provides low-interest rate construction financing and/or grants for the purpose of increasing the supply of affordable housing for homeownership.
- The *Rental Housing Development and Improvement Program* (RHDIP) provides a flexible source of funding for the acquisition, new construction and rehabilitation of non-owner occupied residential rental housing primarily for low- and moderate-income households. The RHDIP is designed to: increase the supply of decent and affordable housing and eliminate health, safety and property maintenance deficiencies, as well as ensure compliance with applicable codes and standards. Projects must include 4 or more units.

Partner w/ Social Service Providers for Supportive Housing

FCC & PHCC should continue building partnerships and collaborative relationships between housing providers and behavioral health practitioners. Although addressing homelessness was not a stated goal of this study, one driving motivation for this work is minimizing the displacement of existing residents.



Catoma Street view including the Historic Landmark Heathside Cottage. Photo by SfSP.

Housing First¹ is an evidence-based approach that centers on ending homelessness by providing permanent housing first and then providing services as needed and requested for people with serious mental illness and other disadvantages. In Los Angeles, CA, in 1988, the "Housing First" Program for families was launched in response to a sharp increase in the number of homeless families with children. Housing First is a model that, when supported by HUD and used by nonprofit agencies, provides housing as well as wraparound case management services to the tenants.

There should be a wide range of affordable home types within the neighborhoods so that all people can find a place to call home. Single-room occupancies (SROs), for example, can provide basic shelter to individuals with low incomes and possibly needing some form of treatment or support services.

FCC & PHCC can also help residents with life transitions, such as when an elderly couple is ready to sell their home and move into an assisted-living facility. Ideally, those residents can find a new place to live within the boundaries of their neighborhood.

¹ en.wikipedia.org/wiki/Housing_First

DEVELOPMENT ACTION PLAN

THREE FOCUS AREAS

When the project began, various sources of real estate data were evaluated. Hard data included property ownership, building conditions, property values, and location within the housing market. Softer data was gathered using driving and walking tours, discussions with neighbors and other community members, and an intense study of physical urban conditions.

Three target areas for affordable housing investment were identified based on the following criteria:

1. Existing FCC & PHCC property ownership
2. Publicly-owned vacant buildings with potential for rehabilitation
3. Clusters of investor-owned houses with estimated values between \$20K-\$60, in fair or better condition
4. Areas zoned as Local Neighborhood Commercial (LNC), Multifamily (RMM), and Neighborhood Office District (NDO) where larger, affordable multifamily projects and mixed-use development could occur
5. Areas where recent or ongoing investment can be reinforced, and key visible corridors
6. Areas within a short walking distance to existing route 8 and route 11 Port Authority bus stops
7. Areas outside of existing or future greenways and away from the steepest slopes

The following, recommended real estate focus areas must be viewed in the context of the organizations' capacity. FCC & PHCC have fewer than five staff people, a very-engaged Board of Directors and committees, and genuine representation by and for the community. As a result, precious staff and volunteer time needs to be strategically focused on projects that will have the greatest impact

towards reaching community goals. Through many discussions, the primary community goal was determined to be preserving long-term housing affordability for both rental and for-sale housing. Some areas were selected primarily based on existing ownership and current FCC/PHCC projects, while others areas anticipate sites where larger-scale development could happen with partners. The three target areas are described below.

Fineview at Lanark Street

Fineview is a neighborhood with several obvious strengths. It has a recently-refurbished overlook with a gorgeous view of the downtown Pittsburgh. The City is currently rehabilitating Fineview Park and Playground. Fineview has many beautiful, historic homes with a great deal of natural green space. In addition, FCC owns more than a dozen vacant lots and homes that are ripe for rehabilitation and new construction. The first step is to building, rehabilitating or disposing of already-owned property into ready-to-occupy, affordable, single-family homes on Lanark Street.

The concentration of FCC-owned properties makes this area ideal for intense real estate activity. It was decided that this area would be best-suited for a six-house pilot program with the City of Bridges CLT. Factors to consider, when developing Lower Lanark Street, include: lot sizes, views of downtown, existing property conditions, and public realm improvements to make Lanark Street more attractive and physically accessible for everyone.

Community members clearly expressed a desire for either a community space or a small market or food establishment to serve the neighborhood. Zoning, parcel size, and proximity to the neighborhood park led to the selection of land at the corner of Lanark and Television Hill as a possible site, to be implemented as part of the development of a set of live-work town houses units along Upper Lanark Street.

THREE DEVELOPMENT FOCUS AREAS

Perrysville Avenue at Wilson Avenue

Perrysville Avenue at Wilson Avenue is a key intersection in the neighborhood and one of two nodes of mixed-use development with Local Neighborhood Commercial (LNC) zoning. Wilson and West Burgess Avenues are relatively-intact residential streets where Oakglade Realty has made significant investment to stabilize existing homes and maintain affordable rents. The Odell Robinson Funeral Home is a stable commercial anchor and there is a small but active convenience store. Across the street is a small commercial strip development with Triangle Tech and the Allegheny County Office of Children, Youth & Families and Court of Common Pleas - Children's Court. The intersection has good bus service and can serve as a secondary commercial anchor with quiet, neighborhood-serving businesses or offices in storefront spaces. The URA/City own several key parcels that would be great future homes for neighborhood-based businesses, with affordable, for-rent apartments upstairs. At Perrysville and Wilson Avenues there is also a significant quantity of vacant land that could be developed into new, quality, affordable, single-family homes in a future phase of development. This is a good, centrally-located, potential future location for FCC & PHCC offices.

Perrysville Avenue at Charles Street

Perrysville Avenue at Charles Street is the most active commercial intersection in Perry Hilltop. It has several active commercial businesses including a busy convenience store. It has excellent bus access going north-south on PAT Route 8, and circulating through the neighborhood on PAT Route 11. Despite its prominent location, the block looks and feels run down with several vacant, boarded

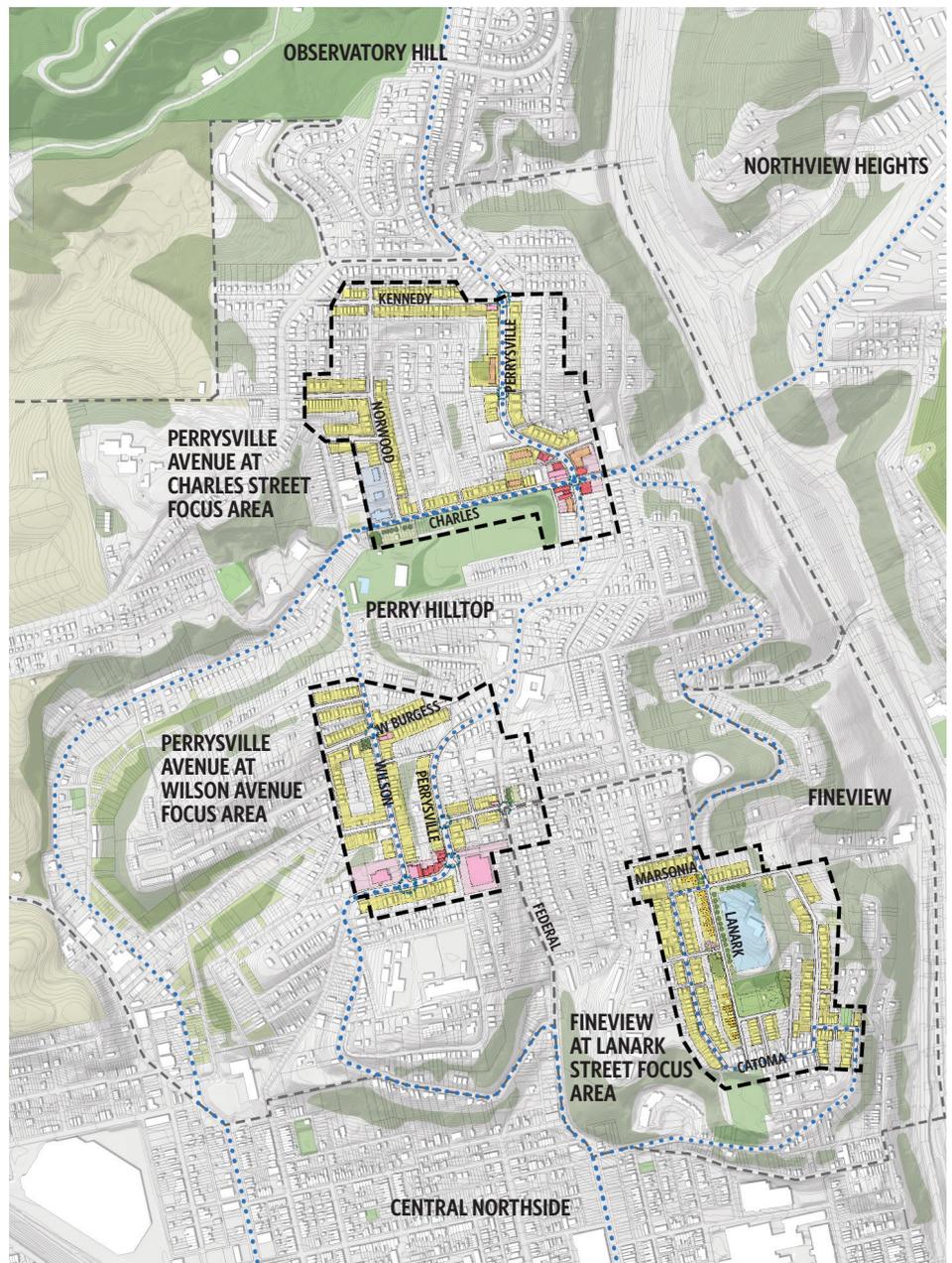
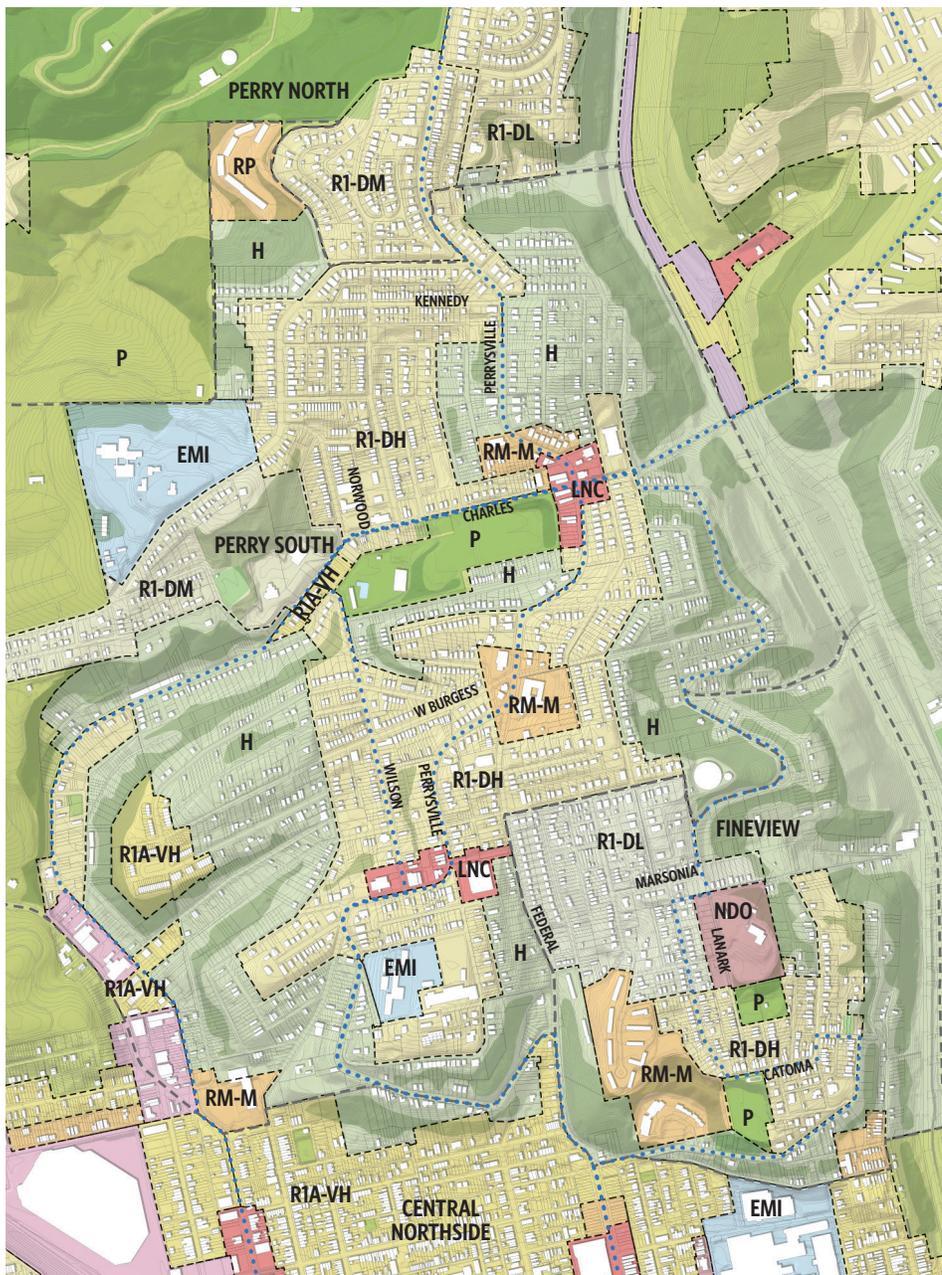


Diagram by SfSP.

up or underutilized properties. This intersection has great potential as a commercial center for more active businesses such as restaurants, coffee, and hair salons. In addition, it has been the subject of a fair amount of real estate speculation in the past two years. We believe that FCC & PHCC can activate this corner by purchasing several key parcels and setting a higher standard for conduct, maintenance and uses by occupants - owners and tenants alike.

This intersection is also at the center of a concentration of multi-family buildings, and has areas zoned LNC and Multi-Unit Residential Moderate Density (RM-M), which would allow for higher-density future development. This, combined with the commercial and transportation amenities, suggests that it is an excellent prospect for Allegheny Dwellings replacement housing.

EXISTING NEIGHBORHOOD ZONING

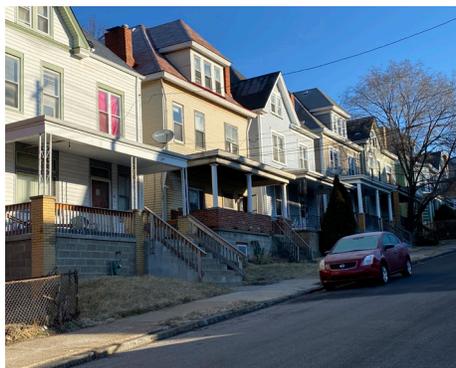


From a planning and urban design perspective, there are good reasons to focus development efforts at: Fineview at Lanark Street, Perrysville Avenue at Wilson Avenue, and Perrysville Avenue at Charles Street.

All three focus areas include a mixed-use zoning district, potentially allowing a higher density of development than in surrounding residential areas, and providing the ability to incorporate commercial development. Revitalized neighborhood business districts could provide important amenities and employment opportunities for area residents.

Zoning District	Notes
RI-A-VH: Single-Unit Attached Residential Very High Density	Exists only in a few places
RI-DH: Single-Unit Detached Residential High Density	Majority of houses have this designation
RI-DM: Single-Unit Detached Residential Moderate Density	Marshall Avenue only
RI-DL: Single-Unit Detached Residential Low Density	Northwestern section of Fineview
RM-M: Multi-Unit Residential Moderate Density	Allegheny Dwellings and a few significant nodes
LNC: Local Neighborhood Commercial (mixed use)	Perrysville Avenue at Wilson Avenue and Perrysville Avenue at Charles Street
NDO: Neighborhood Office (mixed use)	Former WPXI Antenna site and adjacent FCC land
EMI: Educational/Medical Institution	Triangle Tech site
UI: Urban Industrial	Charles Street Valley
P: Parks and Open Space	Fowler Field, Fineview Park and Overlook
H: Hillside	A significant number of residential blocks have this designation - new houses are still possible

EXISTING CONDITIONS: NEIGHBORHOOD PHOTOS



Fineview photographs. Top: houses overlooking the confluence of the rivers. Middle: Houses along Lanark Street. Bottom: Former parking lot off Lanark Street. Photos by SfSP.

Neighborhood photos at and near the Perrysville Avenue at Wilson Avenue focus area. Top/middle: mixed-use buildings on Perrysville Avenue near Wilson Avenue. Middle/bottom: Houses along West Burgess Avenue. Photos by SfSP.

Neighborhood photos at and near the Perrysville Avenue and Charles Street focus area. Top/middle: mixed-use buildings at the intersection of Perrysville Avenue and Charles Street. Middle: Kennedy Avenue houses. Bottom: Perrysville Avenue at Marshall Avenue. Photos by SfSP.

DEVELOPMENT ACTION TYPES

The consultant team established the following development Action Type Categories to organize recommendations for preserving and expanding the inventory of permanently-affordable housing in Fineview and Perry Hilltop.

The first set of categories, FCC & PHCC Actions, includes projects that would likely be led by the community groups, or implemented in close partnership with another organization. A key affordable housing approach for these projects would be integrating new, for-sale or rent-to-own housing into a community land trust (CLT), though other strategies may also be used.

The second set of categories, listed under Development Partnerships, includes potentially-larger projects that would be led by outside developers. FCC & PHCC would act as community partners to coordinate and influence the projects, and to advance the goals of the Community Plan. Larger projects would use a different set of affordability tools, potentially including LIHTC, HUD Choice Neighborhoods and limited-equity cooperatives, to create new, affordable homes. These projects would include, but should not be limited to, the future phases of Allegheny Dwellings replacement housing.

FCC & PHCC Actions

The primary focus of FCC & PHCC actions is creating permanently affordable housing through acquisition, renovation and new construction. In the short term, the focus will be on property already controlled by FCC, or in the process of being acquired from the City of Pittsburgh or Urban Redevelopment Authority. FCC & PHCC have begun a pilot partnership with the City of Bridges CLT to build and renovate six new houses on Lanark Street in the Fineview development focus area. If the partnership is successful, other new construction and renovation projects could also be routed into the City of Bridges regional CLT.

A secondary focus of FCC & PHCC actions is acquiring and holding key vacant parcels to help advance larger affordable housing projects where a development partner will be required.

SN Single-Family House Renovation

Renovate single-family houses for resale with either deed restrictions or as part of a CLT.

SR Single-Family House Construction (<10 units)

Build new single-family houses for sale with either deed restrictions or as part of a CLT.

MR Multi-Family Rental Renovation

Renovate existing multi-family buildings with units for rent or for sale. Rental units could use a variety of subsidy tools to establish affordability. For-sale units could be structured as cooperative housing, or as condominium units tied to a CLT.

MN Multi-Family Rental New Construction

Build one or more new multi-family buildings with a limited number of units (< 10) for rent or for-sale. Rental units could use a variety of subsidy tools to establish affordability. For-sale units could be structured as cooperative housing, or as condominium units tied to a CLT. This type of project could also be treated as mixed-use with a community space, or a small commercial space, integrated into the ground floor area.

CR Mixed-Use Building Renovation or New Construction

Build one or more new multi-family buildings with a limited number of units (< 10) for rent or for sale.

H Acquire and Hold for Future Development

Hold key strategic parcels of vacant land for future affordable housing projects.

T Transfer Ownership

Sell an existing building or lot owned by FCC or PHCC to another developer, with deed restrictions to advance community goals.



The action plan prioritizes properties already under FCC/PHCC site control, such as 9 Lanark Street, which has a full renovation plan underway. Photo by SfSP.

Development Partnerships

The following Actions are potential projects that would likely be led by developer "partners" where FCC & PHCC would act as a community representative to coordinate and influence projects, and advance the goals of the Community Plan. For example, FCC & PHCC will work with Trek Development, the Housing Authority and the URA to redevelop future phases of Allegheny Dwellings. This project could potentially be advanced through a HUD Choice Neighborhood Grant. PHCC & FCC may also pursue partnerships with other affordable housing developers, such as STEL (Southern Tier Environments for Living), ACTION Housing, or others, potentially using LIHTC and other tools for promoting the development of affordable homes.

The following Actions will be assigned to targeted corridors where either past planning, existing zoning, and/or existing property ownership, suggests that there is an opportunity or need for a larger-scale intervention.

- SP** Single-Family Home Construction: > 10 units
Build 10 or more new, single-family homes.
Depending on the partner, these could potentially become part of a CLT.
- MP** Multi-Family Rental-New, Large Scale: > 10 units
Build one or more new, multi-unit apartment buildings that include some affordable apartment units.
- CP** New Mixed-Use Building (Commercial First Floor with Apartments Above)
Build one or more new, mixed-use buildings that would include some affordable apartment units and commercial space.

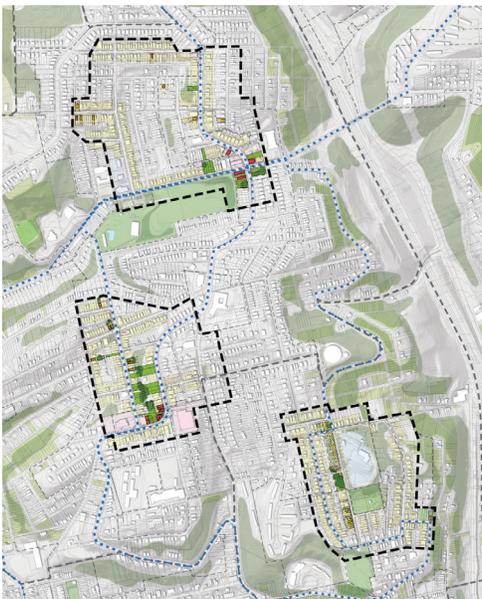
Action Type Assignment

The action types have been assigned to the three focus areas, following a broader urban design strategy, based on past planning, existing ownership and zoning, proximity to public transit, and relationships with other existing community assets.

In general FCC & PHCC actions are focused on land or buildings under existing or anticipated site control. The general assumption is that buildings with site control should be renovated to preserve the neighborhood fabric, and because rehab projects are less expensive than new construction. In limited cases, specific buildings are recommended for demolition and new construction. As some properties advance to the next phase of development, it may become clear that some additional buildings are not feasible to renovate.

The action plan also identifies a number of properties for immediate acquisition. These properties tend to be vacant buildings or land adjacent to existing parcels under site control, or in a few cases, they may be geographically strategic vacant parcels that could be useful to help advance a development partnership. The vast majority of parcels recommended for acquisition are publicly owned vacant lots.

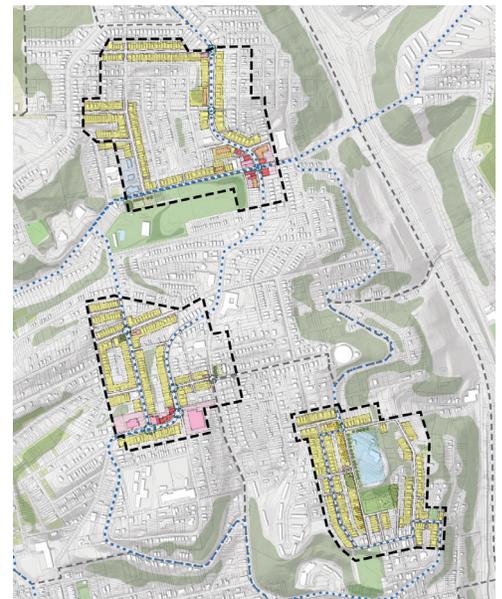
In limited cases, occupied, privately-owned, mixed-use or multi-family buildings, in key locations, are recommended for acquisition and possible renovation as a means for quickly expanding the stock of community-controlled, affordable homes and commercial spaces.



An urban design strategy (left) is proposed for each Development Focus Area.

Based on this, a Five-Year Action Plan (right) outlines specific development projects.

Diagrams by SfSP.

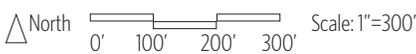


FINEVIEW AT LANARK STREET FOCUS AREA - EXISTING CONDITIONS



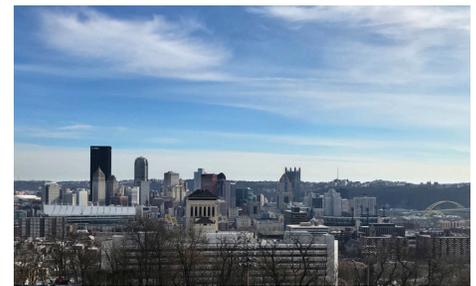
MAP KEY

- Focus Area
- Buildings
- Existing NDO Mixed-Use District
- City Steps
- Park / Garden
- Wooded Slopes
- - - Port Authority Bus Route
- Bus Stop
- Zoning District Boundaries
- R1-DH: Single-Unit Detached Residential High Density
- R1-DL: Single-Unit Detached Residential Low Density
- NDO: Neighborhood Office (mixed use)
- Contours every 5'



OVERVIEW

Fineview is a hilly, green neighborhood known for impressive views of downtown Pittsburgh, the annual Step Challenge, and unique, historic architecture. There are limited ways to access the neighborhood by car, due to the steep hillsides. Change came to Fineview with the first phase of the Allegheny Dwellings redevelopment project, in 2016. Real estate values are higher in Fineview than in Perry Hilltop because of its dramatic, scenic views, and because of its close proximity to stronger markets in the Central Northside and Mexican War Streets neighborhoods.



Downtown Views from Catoma Overlook. Photo by FCC.



Lanark Street houses. Photo by SFSP.

FINEVIEW AT LANARK STREET FOCUS AREA - URBAN DESIGN STRATEGY



MAP KEY

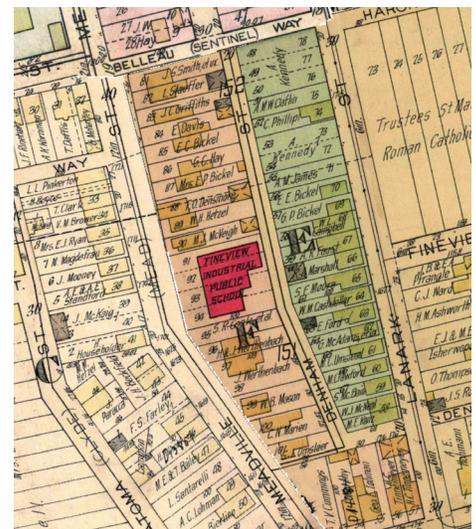
- Focus Area
- Affordable Housing Investment Focus Area: Home Renovations & New Construction
- Existing Mixed-Use
- Strengthen Mixed-Use Node
- Green & Improve Intersection Safety
- Open Space Improvement

North Scale: 1"=300'

URBAN DESIGN STRATEGY

Revitalize FCC properties on Lanark and Carrie Streets. Renovate existing houses, build new homes where houses are missing, and replace degraded houses with new residential units. Lanark Street connects Fineview Park to the Catoma Overlook, and Carrie Street is a neighborhood gateway.

Stabilize Warren Street by acquiring and renovating houses. Demolish condemned properties along Edenvale, a dead-end street tucked into the hillside. Incorporate the parcels into an expanded Fineview Park or Greenway.



1923 Sanborn Map showing Lanark Street housing.

PERRYSVILLE AVENUE AT WILSON AVENUE FOCUS AREA - EXISTING CONDITIONS



MAP KEY

- - - Focus Area
- Buildings
- Existing LNC Mixed-Use District
- City Steps
- Park / Garden
- Wooded Slopes
- Port Authority Bus Route
- Bus Stop
- Zoning District Boundaries
- R1-DH: Single-Unit Detached Residential High Density
- R1-DL: Single-Unit Detached Residential Low Density
- LNC: Local Neighborhood Commercial (mixed use)
- Contours every 5'

North Scale: 1"=300'

OVERVIEW

The north side of Perryville Avenue, between Wilson and Clayton Streets, is lined with handsome mixed-use buildings. These semi-occupied structures comprise a moment of building density along the mostly residential, ridge top corridor. Some buildings are occupied with tenants living in upstairs apartments. The corner storefront at Perry and Wilson has a convenience store, but all remaining storefronts are vacant. Oakglade Realty has an extensive portfolio of residential properties in the neighborhood, providing a supply of affordable rental units.



Perryville Avenue mixed-use buildings; Wilson Street view

PERRYSVILLE AVENUE AT WILSON AVENUE FOCUS AREA - URBAN DESIGN STRATEGY



MAP KEY

- Focus Area
- Affordable Housing Investment Focus Area: Home Renovations & New Construction
- Existing Mixed-Use Building
- Strengthen Mixed-Use Node
- Green & Improve Intersection Safety
- Open Space Improvement

North Scale: 1"=300'

URBAN DESIGN STRATEGY

Revitalize the existing LNC district. Focus on renovating and activating existing, vacant, mixed-use buildings along Perrysville Avenue, between Wilson and Clayton Streets. This part of the neighborhood is well-served by public transit.

Work with development partners to acquire key, strategic parcels and acquire one or more mixed-use buildings.

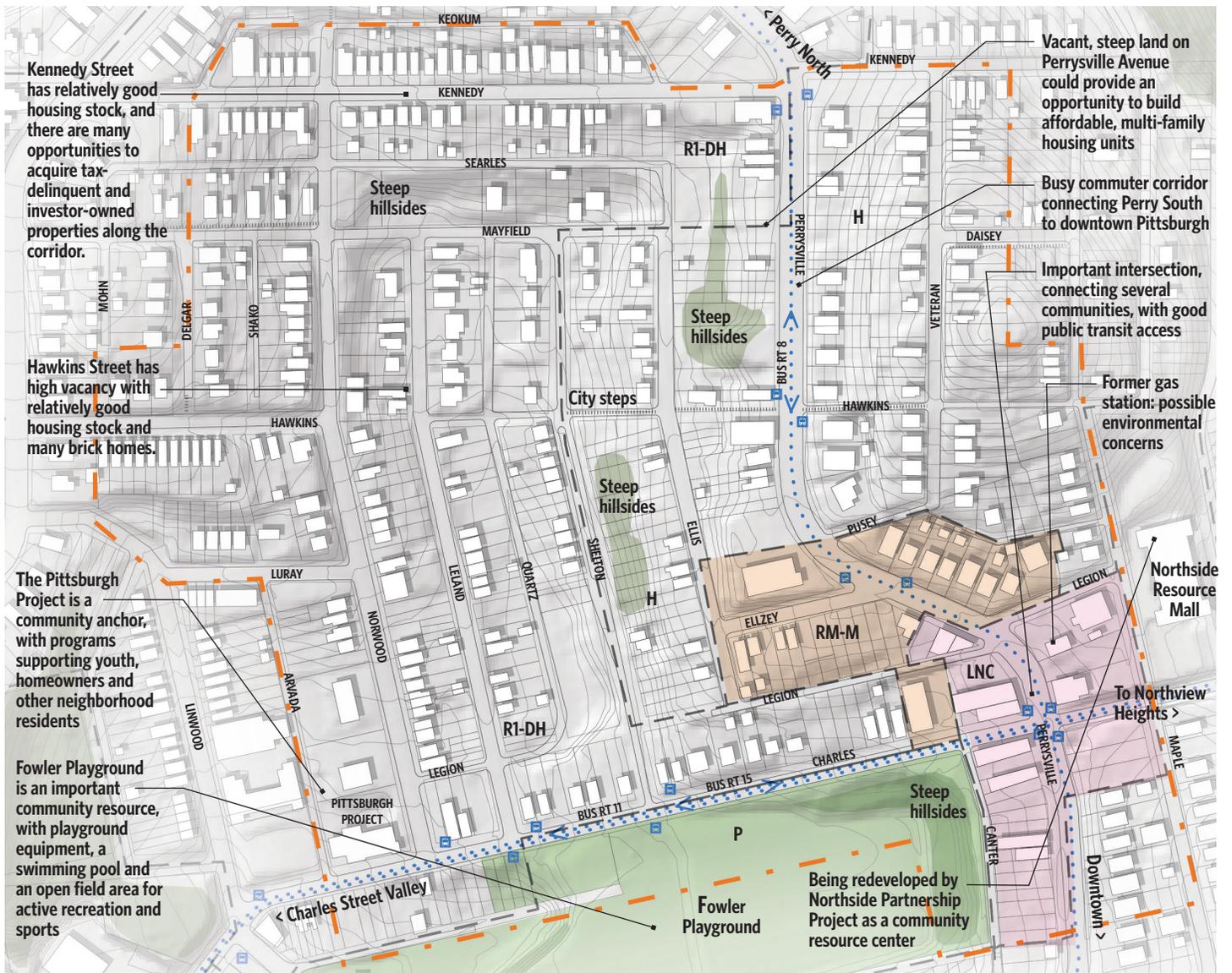
There is strong potential for building new mixed-use, multi-story structures on vacant parcels. New affordable housing units and

storefront spaces could be developed here using the existing LNC zoning.

Strengthen targeted streets with affordable housing investment. Work with partners to renovate existing houses and build new units.

Work with the City to promote pedestrian safety along Perrysville. The *City of Pittsburgh Neighborhood Traffic Calming Program* could be a good resource to pursue to improve quality of life by increasing the safety and comfort of residents and people traveling through the neighborhood.

PERRYSVILLE AVENUE AT CHARLES STREET FOCUS AREA - EXISTING CONDITIONS



MAP KEY

- Focus Area
 - Buildings
 - Existing LNC Mixed-Use District
 - Existing RM-M Multi-Family District
 - City Steps
 - Park / Garden
 - Wooded Slopes
 - ... Port Authority Bus Route
 - Bus Stop
 - Zoning District Boundaries
 - RI-DH: Single-Unit Detached Residential High Density
 - RM-M: Multi-Unit Residential Moderate Density
 - LNC: Local Neighborhood Commercial (mixed use)
 - Contours every 5'
- North 0' 100' 200' 300' Scale: 1"=300'

OVERVIEW

Perrysville Avenue at Charles Street is an important neighborhood crossroads. Three bus routes provide good public transit access, connecting residents with downtown Pittsburgh and other Northside destinations. Existing three- and four-story buildings express the continuing importance of Perrysville Avenue as a commuter route and the potential for renewed activity, retail destinations and residential density. There are also opportunities for renovating single-family houses on selected, surrounding neighborhood streets.



Perrysville & Charles Intersection; Perrysville Corridor View

PERRYSVILLE AVENUE AT CHARLES STREET FOCUS AREA - URBAN DESIGN STRATEGY



MAP KEY

- Focus Area
- Affordable Housing Investment Focus Area: Home Renovations & New Construction
- Existing Mixed-Use Building
- Existing LNC Mixed-Use District
- Existing RM-M Multi-Family District
- New Affordable Apartment Building
- New Mixed-Use Building
- Green & Improve Intersection Safety
- Open Space Improvement

North
0'
100'
200'
300'
 Scale: 1"=300'

URBAN DESIGN STRATEGY

Revitalize existing Local Neighborhood Commercial and Multi-Family districts with a focus on activating mixed-use properties and increasing residential density along the Perrysville corridor, especially at the Charles Street intersection. Perrysville Avenue and Charles Street are both well-served by public transit, connecting the Perrysville ridge top, Charles Street Valley and Northview Heights communities.

Work with development partners to acquire key, strategic parcels and acquire one or more mixed-use buildings in the vicinity of the

Perrysville Avenue and Charles Street intersection. Focus Allegheny Dwellings Phase II funds into building replacement housing here. More than 100 units of new affordable housing units could be developed here using the existing RM-M and LNC zoning.

Strengthen targeted streets with affordable housing investment. Work with partners to renovate existing houses and build new units.

Create a full park revitalization strategy. Strengthen Fowler Field's connectivity and visibility as a destination. Complete Fowler Park's Sports Building.

OTHER AFFORDABLE HOUSING DEVELOPMENT TOOLS

Additional tools that the FCC & PHCC should consider using to support Acquisition & Development include:

- Conservatorship
- Historic Preservation Tax Incentives Programs
- Opportunity Zones
- Government-Owned Properties

Additional tools the FCC & PHCC can use to help Preserve and Create New Affordability include:

- Deed Restrictions
- Cooperative Housing

SUPPORT ACQUISITION & DEVELOPMENT

Conservatorship

Ten years after the Pennsylvania General Assembly passed the Abandoned and Blighted Property Conservatorship Act, the process has been implemented state-wide and continues to generate interest from private residents, local businesses and community organizations. The Conservatorship Act allows the parties most adversely impacted by problem properties an opportunity to do something about them. Conservatorship can be used to address blighted, vacant and abandoned properties whose owners have been unwilling or unable to maintain, making properties that could not have been accessed through any other method available for productive reuse by new, responsible owners.

Used thoughtfully and respectfully, conservatorship can be a great tool for achieving affordable, quick site control, enabling communities to address blight and ensure that future development is in line with a community's goals and vision.

Historic Preservation Tax Incentives Programs

The Federal Historic Preservation Tax Incentives Program, commonly known as the Federal Historic Tax Credit program, provides a 20% federal tax credit to property owners who undertake a substantial rehabilitation of a historic building with a commercial or other income-producing use, while maintaining its historic character. These tax incentives have been used to help revitalize communities across the United States.

The National Park Service (NPS) certifies a building is historic, and therefore eligible for the program, and that the proposed rehabilitation will preserve the building's historic character. This tax incentives program has helped revive abandoned or underutilized schools, churches, retail stores, apartments, houses, offices, and other buildings across the country. The program has aided in redeveloping entire downtowns and neighborhoods, and supported community revitalization, job creation, affordable housing, small businesses, farms and Main Street development, among other economic benefits.

Basic information about Historic Preservation Tax Credits is provided below:

- Buildings need to first be certified as historic structures by the NPS, a process that is vastly simplified for buildings located within already-certified National Register Districts.
- Rehabilitation work has to meet the Secretary of the Interior's Standards for Rehabilitation, as determined by the NPS.
- Tax Credits are only available to properties that will be used for a business or other income-producing purpose, and a "substantial" amount must be spent rehabilitating the historic building.

- The amount of credit currently available under the Federal Historic Preservation Tax Credit is 20% of qualifying project rehabilitation expenses.
- The Pennsylvania Historic Preservation Tax Credit program can also provide up to 25% of qualified expenditures, and can be increased to 30% in connection with a workforce housing project. In PA, the total tax credits awarded to a qualified taxpayer may not exceed \$500,000, and credits are capped state-wide at \$5,000,000 in any fiscal year. PA Historic Preservation Tax Credits are limited, competitive, awarded on a “first-come, first-served” basis, and allocated to projects in each region of the commonwealth.



A historic photograph of A&P groceries and Robinson's Pharmacy, located at the corner of Wilson and Perrysville Avenues (from July 24, 1962). Source: www.historicpittsburgh.org (accessed 2/14/20).

National Register status for a Building or a District is entirely separate and unrelated to restrictions and guidelines associated with City-designated historic districts. For example, Pittsburgh's Lawrenceville neighborhood (including Upper, Middle and Lower Lawrenceville) was recognized as a National Register Historic District in 2019. Because the neighborhood is not a City Historic District, rehabilitation, renovation, and new construction projects in the neighborhood do not have to comply with historic preservation guidelines and are not required to be reviewed by the City's Historic Review Commission and Staff. Only owners or developers seeking to access Historic Preservation Tax Credits have to adhere to the Secretary of the Interior's Historic Preservation standards for rehabilitation. Projects making use of federal funding, and projects that potentially jeopardize significant sites or building fabric, will also need to be studied for their impact on historic materials.

Although projects claiming Historic Preservation Tax Credits are in no way required to provide affordable housing units, 20% tax credits towards a building rehabilitation project can help to dramatically reduce development costs and projects could theoretically sustain lower-than-market rental rates.

Because the tax credit requires rehabilitation work to meet the Secretary of the Interior's Standards, some historically-appropriate construction methods and materials can be more expensive than contemporary equivalents. But the Standards also require that modifications to buildings be sensitive and limited. Original, extant building fabric is valued, as opposed to extreme makeovers, helping to keep the construction scope and budget in check.

The contiguous row of houses at 2501-2531 Charles Street, located in the adjacent, Charles Street Valley neighborhood, were rehabilitated by Northside

Associates (circa 1984) using Historic Preservation Tax Credits. Together, 2501-2531 Charles Street comprises the nationally-recognized Charles Street Rowhouse District: each of the 25 row houses included were deemed to be architecturally-significant, contributing parts of the district.

The Charles Street project is also interesting as a case study example of the built-in development cost savings and efficiencies inherent to multi-unit rehabilitation projects, as opposed to renovating scattered-site, single-family houses. The Charles Street Rowhouses likely benefited from efficiencies during construction because each of the 25 units is adjacent to, and architecturally related to, the other units. The rehabilitation was likely treated as a multi-unit renovation project: materials could have been purchased in bulk and stored together, and construction tradespeople likely moved efficiently from unit to unit, limiting mobilization costs.

Additionally, these Rowhouses provide a valuable source of affordable rental units near Perry Hilltop. North Side Associates is currently in their third phase of renovating the properties. They have 20-year, tenant-based Section 8 Housing Choice voucher agreements on some of the units. They are applying for 4% tax credits from PHFA for this latest phase of renovation, which will ensure 40-year affordability compliance. Northside Coalition for Fair Housing also has veto power over major decisions related to the properties, helping to ensure the long-term affordability of these housing units.

Opportunity Zones

Qualified Opportunity Zones (OZ) were created by the 2017 Tax Cuts and Jobs Act. According to the irs.gov website, these zones were designed to spur economic

development and job creation in distressed communities throughout the country by providing tax benefits to entities investing capital into these communities.

The local lead OZ organization is the Urban Redevelopment Authority (URA) of Pittsburgh. Per the URA website, six census tracts on the North Side of Pittsburgh (#2504, 2507, 2409, 2614, 2615, 2715) are Opportunity Zones, bounded between Highways 65 on the West and I-279 and the East. OZ tracts must meet certain poverty thresholds based on the percent of households in poverty and tract household median income. All of Fineview and Perry Hilltop are within Qualified OZ boundaries

The OZ program gives investors the opportunity to defer the majority of capital gains on investments, by investing realized profits into low income communities. The funds must be invested via an "Opportunity Zone Fund." The investor holding period determines the extent to which previously-earned capital gains taxes are reduced: a holding period of 5 years results in a 10% reduction, a 7-year hold results in a 15% reduction and a 10-year hold results in complete forgiveness of capital gains taxes. Because the program is new, there is some uncertainty about how the program will work in practice.

PNC Bank is one of the first Pittsburgh banks to establish an OZ Fund. In meetings with FCC/PHCC staff, a representative of PNC Bank indicated that it is seeking larger projects (\$5m+ development cost) and would be interested in combining OZ equity investments with debt financing (i.e. loans).

Any investor will expect a regular return on equity during the OZ investment period, which would be 10 years if the investor is trying to maximize tax savings. Equity returns in the market vary greatly and are always compared against other investment opportunities (i.e. REITS, stock market, etc.). It is assumed that a Community Reinvestment Act (CRA) lender, such as PNC or another socially-responsible investor, may accept a lower return on equity than would a private-market investor, in exchange for an investment offering societal benefits, such as affordable housing or small business incubation.

For the purposes of this plan, it is our assumption that the OZ program will not be a major factor in the funding of real estate in these communities. This is due to the estimation that, until the neighborhoods are at the brink of gentrification, a market-rate return on equity may not be achievable. In addition, it may not be desirable as it could work against the goals of maintaining affordability in the community. However, it

is recommended that the organizations maintain close communications with institutions involved in the OZ program in case a neighborhood project arises for which an OZ equity investment is a good fit. There may be a socially-responsible investor that would be a good fit for a particular project if they were willing to limit their returns in order to further the goals of this plan.

Government- and Bank-Owned Properties

FCC & PHCC can pursue a formal or informal agreement with the City, County or URA that they have first right of refusal to purchase any properties that are to be sold in their neighborhoods through any channel. A similar arrangement can be made with banks affiliated with neighborhood properties.

PRESERVE & CREATE NEW AFFORDABILITY

Deed Restrictions

Perry Hilltop Citizens Council has had some success using property-based deed restrictions to expand the inventory of affordable homes in Perry Hilltop. In recent years, PHCC has sold properties to Oakglade Realty at below-market rates in exchange for deed restrictions. Oakglade agreed to a development timeline, and to renting the properties at affordable Section 8 (or comparable) rents. Oakglade can only sell the property to PHCC or to someone who makes less than 100% of city median income, at which point the deed restriction would be lifted. Deed restrictions can take many forms, depending on the intended outcomes.

Oakglade Realty's deed-restricted properties will likely not be permanently affordable - but they represent a good compromise. In the future, FCC & PHCC would be interested in working with other property owners and investors who are willing to develop affordable housing units with a similar deed-restriction. The organizations can require a similar deed restriction by any private party to whom they sell properties, in exchange for a below-market sale price or rent.

Cooperative Housing

FCC & PHCC should explore the pros and cons of the cooperative housing model as a way to create new affordable housing opportunities in Fineview and Perry Hilltop. Housing co-ops in the United States date to the 19th century, but took off after World War II, when the Federal Housing Administration ensured that veterans could get a housing unit at 1% interest. Housing cooperatives, or co-ops, provide an alternative to traditional methods of acquiring a primary residence and building equity.

Co-op shareholders buy into a corporation that owns the property, with the exclusive right to use one of the housing units. Buyers take out a "share loan," instead of a mortgage, to purchase co-op shares. In addition to loan payments to the lender, co-op residents each pay a monthly maintenance fee: a share of the costs of running and maintaining the property. Prices rise when the cost of goods and services go up. Co-ops are often less expensive than apartments, and may be attractive from an affordability perspective.

Co-ops must abide by fair housing laws, but they can be more restrictive than other housing options when it comes to ownership requirements. Rules for purchasing co-op shares are set by the shareholders. New buyers may be required to meet specific income-level qualifications, in addition to demonstrating an ability to meet the financial obligations of the co-op purchase.

Several Pittsburgh co-op examples are described below. Also review Diana Nelson Jones' *Pittsburgh Post-Gazette* article about Pittsburgh Coops (February 23, 2014) for more information.

- *Belmar Gardens*, in Lincoln-Lemington-Belmar, was the nation's first housing cooperative built with an FHA-insured mortgage. The initial units were built in 1952 when Belmar Gardens was incorporated by a group of African-Americans who were unable to get mortgages through banks. Belmar Gardens celebrated their Mortgage Burning in August of 1995 when they paid off their mortgage. The 118-unit co-op currently operates with reserves, has a long waiting list, and is among the most stable residential areas in Lincoln-Lemington-Belmar. It remains predominantly black, with a mix of young and old but few children. Residents pay utilities, water and sewer expenses. Carrying fees cover other needs and have not increased significantly over the years.
- *Sheraden Park*, built in 1965, is a 188-unit co-op in Sheraden. It was built with a federal mortgage insurance guarantee with reduced interest for people of lower and moderate incomes. Sheraden Park is now mortgage-free, operates with reserves and rarely has a vacancy, while much of Sheraden has lost property value and struggles with foreclosure and blight. The Sheraden Park co-op's average unit price of \$21,000 (as per 2014 *Post-Gazette* article) is less than half the average cost of a housing unit in greater Sheraden. Most units sell by word of mouth or on the Internet, and there is a diverse mix of residents: 30-35% Asian



Belmar Gardens, cooperative housing in Lincoln-Lemington-Belmar, was incorporated by a group of African-Americans who were unable to get mortgages through banks. Source: belmargardens.com (accessed 2/14/20).

or Asian-American, 10-12% African-American and a mix of elderly, singles and single parents.

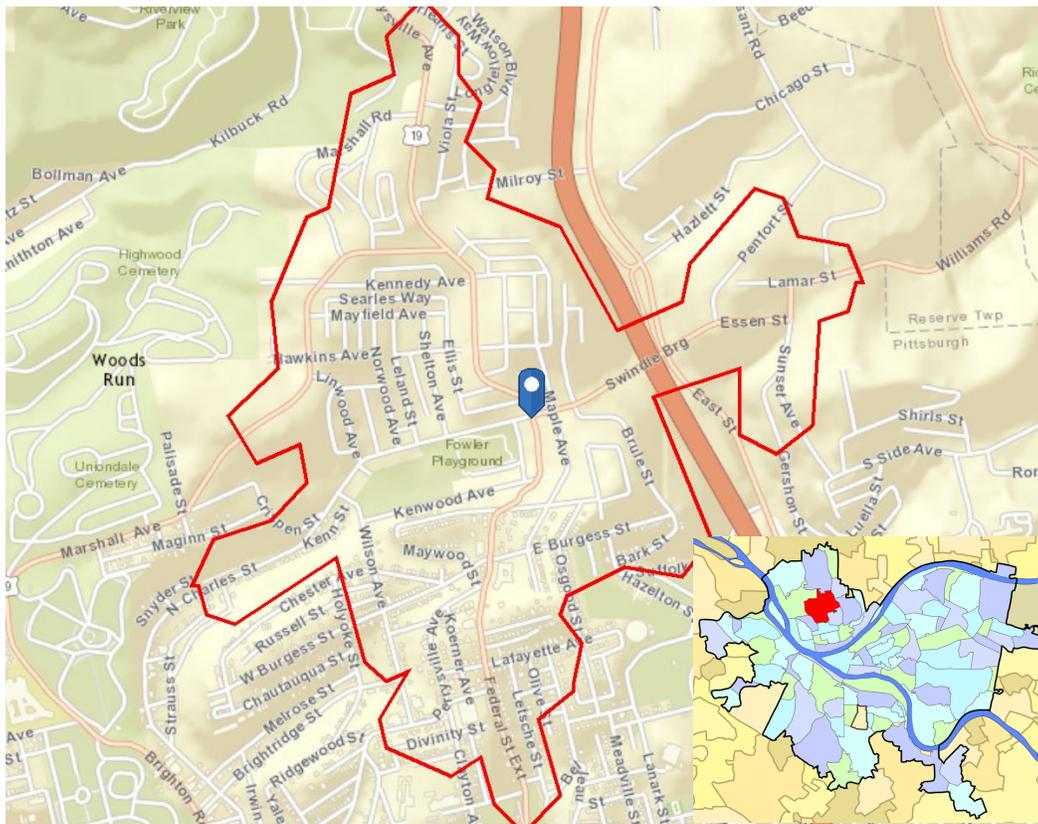
- Other co-ops in Pittsburgh include the higher-end *Bristol Apartments*, built in 1957, and *University Park Apartments*, in 1958, both in Oakland. Several other cooperatives operate in the metropolitan area, including *Chatham Village*, in Mount Washington.

Cooperatives were first established to resist price inflation and speculation. The FHA still insures mortgages for co-ops, but few banks offer mortgages for individuals to buy into them because the amounts are relatively small: most people get personal loans. Property values at Sheraden Park and Belmar Gardens are far below local comparables. But there is very little turnover, in part because equity is so far below what people would need to buy anything comparable elsewhere, and residents' monthly co-op payments are a fraction of what most people spend on a mortgage. Both Sheraden Park and Belmar Gardens have had a stabilizing presence in their neighborhoods. During the 2008 housing recession, many home and condo owners were adversely impacted. In contrast, very few foreclosures hit cooperative housing.

Cooperative multi-family or multi-unit housing could be an important part of a broader palette of affordable housing tools used in Fineview and Perry Hilltop. Co-ops could be developed as part of a community land trust, or independently. The cooperative ownership model seems to be a relatively accessible way for residents to build equity. Co-ops are also attractive to individuals who value homeownership but are unwilling, unable or uninterested in taking on all of the responsibilities of maintaining a property over time.

APPENDIX

Perrysville Avenue Commercial District Perry Hilltop/Perry South



2019 Business Summary (2 Minute Drive Time)

Number of Businesses:
32

Number of Employees:
370

Employees/Residential
Population Ratio*:
0.9:1

Major Commercial Industries:
Health and Personal Care stores,
Apparel and Accessories, Food and
Beverage Stores

For more information on the
neighborhood, visit:



Marketplace Profile**	Retail Potential (Demand)	Retail Sales (Supply)	Retail Gap	Leakage/ Surplus Factor	Number of Business
Motor Vehicle & Parts Dealers	\$6,966,550	\$0	\$6,966,550	100.0	0
Furniture & Home Furnishing Stores	\$1,161,283	\$0	\$1,161,283	100.0	0
Electronics and Appliance Stores	\$1,071,788	\$0	\$1,071,788	100.0	0
Building Materials, Garden Equip. & Supply Stores	\$1,937,014	\$0	\$1,937,014	100.0	0
Food and Beverage Stores	\$6,282,855	\$1,459,438	\$4,823,417	62.3	4
Health and Personal Care Stores	\$2,079,428	\$331,429	\$1,747,999	72.5	1
Gasoline Stations	\$3,365,287	\$0	\$3,365,287	100.0	0
Clothing & Clothing Accessories Stores	\$1,811,931	\$73,252	\$1,738,679	92.2	1
Sporting Goods / Hobby / Music / Book Stores	\$939,631	\$0	\$939,631	100.0	0
General Merchandise Stores	\$4,959,979	\$0	\$4,959,979	100.0	0
Nonstore Retailers	\$669,569	\$0	\$669,569	100.0	0
Food Services & Drinking Places	\$3,375,973	\$0	\$3,375,973	100.0	0

**Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. The Leakage/Surplus Factor measures the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. The NAICS is used to classify businesses by their primary type of economic activity.

*This ratio indicates the number of employees working in the area versus the number of residents. A higher ratio indicates more commercial presence.

Perrysville Avenue Commercial District

Demographic Data	2010	2019	2024 (Projected)
Population	3,914	3,919	3,924
Households	1,652	1,666	1,671
Median Age	38.0	39.4	40.0
% 0-9	13.6%	13.5%	13.3%
% 10-14	7.2%	6.8%	7.0%
% 15-24	14.0%	12.4%	11.9%
% 25-34	12.1%	12.5%	12.1%
% 35-44	10.7%	10.6%	11.4%
% 45-54	14.4%	11.7%	11.0%
% 55-64	12.5%	13.2%	11.9%
% 65+	15.5%	19.4%	21.5%
Median Household Income	***	\$29,067	\$32,937
Average Household Income	***	\$45,039	\$52,311
Per Capita Income	***	\$20,066	\$23,243
Total Housing Units	2,175	2,167	2,174
% Owner Occupied Units	36.0%	33.6%	33.1%
% Renter Occupied Units	40.0%	43.2%	43.8%
% Vacant Housing Units	24.0%	23.1%	23.1%
Median Home Value	***	\$84,718	\$93,651

Traffic Count Profile	Closest Cross-Street	Count
*Perrysville Ave	N Charles St	4,020
Swindell Brg	Hazelton St	4,140
Swindell Brg	Magurie St	2,104
Marshall Ave	Danbury St	5,499
I-279	Swindell Brg	3,166

Note: This profile measures the number of vehicles which travel through streets nearest to commercial corridor epicenter on a daily basis. All counts from 2015 unless otherwise noted.
*From 2009.

2019 Households by Disposable Income	
<\$15,000	30.3%
\$15,000—\$24,999	19.7%
\$25,000—\$34,999	12.9%
\$35,000—\$49,999	14.3%
\$50,000—\$74,999	12.1%
\$75,000—\$99,999	4.4%
\$100,000—\$149,999	5.4%
\$150,000+	.9%
Median Disposable Income	\$25,051

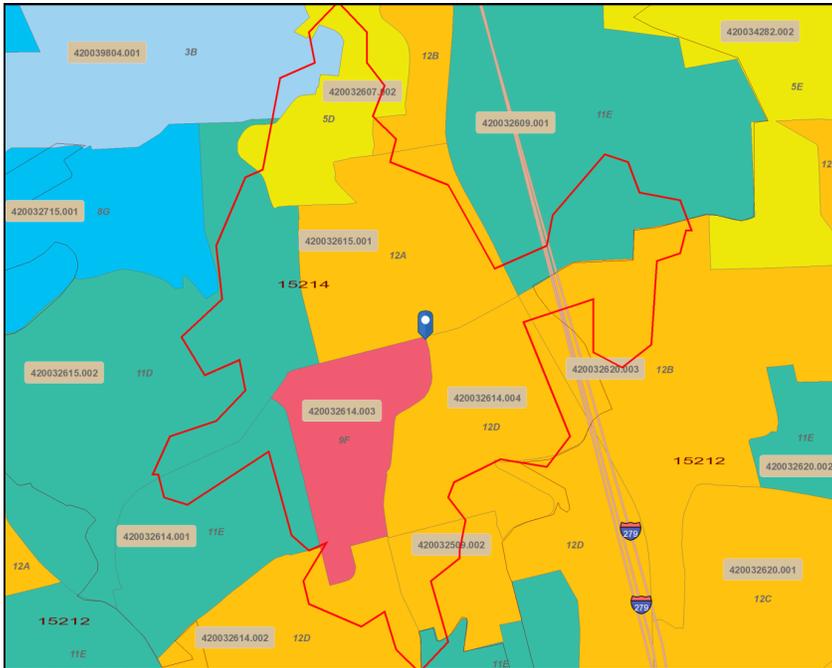
Note: Disposable income is after-tax household income.

2018 Educational Attainment (Ages 25+)	
No High School Diploma	9.7%
High School Diploma or Some College	55.4%
Associates Degree	10.3%
Bachelor's Degree	15.6%
Graduate or Professional Degree	9%

Spending Potential Index	
Apparel and Services	54
Computers and Accessories	53
Education	49
Entertainment / Recreation	52
Food at Home	55
Food Away from Home	53
Health Care	54
Household Furnishing and Equipment	52
Personal Care Products and Services	53
Shelter	53
TV/Video/Audio	54
Travel	48
Vehicle Maintenance & Repair	54

Note: The Spending Potential Index is household-based, and represents the asset value or amount spent for a product or service relative to the national average of 100. Values higher than 100 indicate spending above the national average, and values lower than 100 indicate lower spending than the national average.

Perrysville Avenue Commercial District



ESRI Tapestry Segmentation Area Profile

Neighborhood Quick Facts*

- 21st largest neighborhood in Pittsburgh by area
- 9th highest median HH income by neighborhood
- 3rd highest acreage of parks per capita by neighborhood (55.4 acres per person)

* The Walk Score is a measure between 0 and 100 that measures the ease of accessing amenities and running errands by walking. For more information, see <http://www.walkscore.com/>

TAPESTRY SEGMENT DESCRIPTIONS

Modest Income Homes

Families in this urban segment may be nontraditional; however, their religious faith and family values guide their modest lifestyles. Many residents are primary caregivers to their elderly family members. Jobs are not always easy to come by, but wages and salary income are still the main sources of income for most households. Reliance on Social Security and public assistance income is necessary to support single-parent and multigenerational families. High poverty rates in this market make it difficult to make ends meet. Nonetheless, rents are relatively low (Index 73), public transportation is available, and Medicaid can assist families in need.

Family Foundations

Family and faith are the cornerstones of life in these communities. Older children, still living at home, working toward financial independence, are common within these households. Neighborhoods are stable: little household growth has occurred for more than a decade. Many residents work in the health care industry or public administration across all levels of government. Style is important to these consumers, who spend on clothing for themselves and their children, as well as on smartphones.

Social Security Set

Social Security Set is an older market located in metropolitan cities across the country. Over one-third of householders here are aged 65 or older and dependent on low, fixed incomes, primarily Social Security. In the aftermath of the Great Recession, early retirement is now a dream for many approaching the retirement age; wages and salary income in this market are still earned. Residents live alone in low-rent, high-rise buildings, located in or close to business districts that attract heavy daytime traffic. But they enjoy the hustle and bustle of life in the heart of the city, with the added benefit of access to hospitals, community centers, and public transportation.

Set to Impress

Set to Impress is depicted by medium to large multiunit apartments with lower than average rents. These apartments are often nestled into neighborhoods with other businesses or single-family housing. Nearly one in three residents is 20 to 34 years old, and over half of the homes are nonfamily households. Although many residents live alone, they preserve close connections with their family. Income levels are low; many work in food service while they are attending college. This group is always looking for a deal. They are very conscious of their image and seek to bolster their status with the latest fashion. Set to Impress residents are tapped into popular music and the local music scene.

Note: ESRI is an independent geographic information systems (GIS) corporation and is not affiliated with the Urban Redevelopment Authority of Pittsburgh. This analysis utilizes socioeconomic and marketing data to identify distinct segments of the population, map where they reside, and describe their socioeconomic qualities and consumer preferences. **More information on tapestry segments and segment descriptions can be found at: <http://www.esri.com/library/whitepapers/pdfs/community>**

Perrysville Avenue Commercial District

Business District Programs

The Pittsburgh Micro-Enterprise Loan Program

The Micro-Enterprise Loan Program is part of the Urban Redevelopment Authority of Pittsburgh's (URA) strategy to promote opportunities for groups who have not had ready access to business financing in the City of Pittsburgh, including minority- and women-owned businesses. The program is part of the URA's strategy to create new jobs, encourage new business start-up and expansion and grow the City of Pittsburgh's tax base by assisting entrepreneurs and stimulating business growth in the city.

For more information about applications and eligibility, visit:
<https://www.ura.org/pages/access-to-capital>

Neighborhood Business District Program

This program strives to ensure the health of the City's traditional neighborhood commercial districts using the National Main Street Center's Four Point Approach which considers: economic restructuring, promotion, design and sustainability.

To learn more about this program, contact [Josette Fitzgibbons](mailto:Josette.Fitzgibbons@ura.org) at (412) 255-6686 or visit:
<https://www.ura.org/pages/neighborhood-business-district-program>

Façade Improvement Programs

Restored storefronts improve the pedestrian environment, attract more customers, and encourage economic development and investment. The URA offers several different façade improvement programs designed for commercial building owners and tenants to improve their storefronts. Your location determines your building's façade improvement program eligibility.

For more information about applications and eligibility, contact [Quianna Wasler](mailto:Quianna.Wasler@ura.org) at (412) 255-6550 or visit:
<https://www.ura.org/pages/facade-improvement-programs>



Featured Business: Perrysville Ave Project



Type of Business: The revitalization of four commercial storefronts

URA Program Utilized: Community Development Investment Fund (CDIF) Grant, Street face Program

URA Investment: \$98,000

Private Investment: \$1,600,000

Total Project Investment: \$1,700,000

Contacts

Urban Redevelopment
Authority of Pittsburgh:
www.ura.org

Northside Leadership
Conference:
www.pittsburghnorthside.com

All data from ESRI Business Analyst 2018 unless otherwise noted.
*Data applies to neighborhood boundary and not study area. Source: PGHNSAP, Dept. of City Planning

For More Information:
For additional market value analysis data, contact [Josette Fitzgibbons](mailto:Josette.Fitzgibbons@ura.org) at jfitzgibbons@ura.org
Department of City Planning SNAP Neighborhood Data: <http://www.pittsburghpa.gov/dcp/snap/>
Pittsburgh Neighborhood Community Indicator Systems (PNCIS) ACS 2005-2009 Neighborhood Profiles:
http://www.ucsur.pitt.edu/neighborhood_reports_acs.php