

## HOUSING PRIORITIES

Throughout the early stages of the planning process, the project team found a number of common themes related to Housing listed below. Points 2 and 3 were also priorities of the Urban Design and Development Action Team:

1. Housing development needs to focus on a mix of homeownership and rentals, not just rental housing.
2. There is a perception that everyone in Homewood lives in poverty, but that is not the reality. Those who are above the poverty line don't qualify for some types of subsidized housing, but many still can't afford to maintain or rent their homes.
3. The needs of women in the community are unique. A majority of families in Homewood are headed by women, so development needs to be considered through the lens of gender. There should also be a bigger focus on women contractors.
4. Senior living is not kept up to standard.
5. Many buildings use antiquated heating sources, have deferred maintenance or are otherwise not up to current housing standards.

While not every detail of the core themes is able to be addressed within this section, the themes above directly influenced the existing conditions chapter outlined by top priorities.

### CHANGES TO HOUSING

Both photos to the right show changes to Homewood's housing stock - either through the addition of new-builds to the neighborhood (top) or through the renovation and rehabilitation of historic buildings (bottom)



*Figure 3.9 Newly built single-family homes on the 7300 block of Finance Street*



*Figure 3.10 A recently rehabilitated home made affordable by Operation Better Block, Inc*

## UNDERSTANDING THE PLAYERS

There are many different types of organizations who can be involved in building new housing, and many factors that influence what kind of housing will be built and who can afford to live in different parts of the city. This applies to every type of housing - rental or homeownership; single-family or multi-family; subsidized housing that is supported by the government to help make it affordable or market-rate housing. Each type of development needs many people to come together to make it happen, including banks, non-profit and for-profit developers, planners, funders, housing authorities, and others.

The graphics on the following pages illustrate some of the key players who might be involved in future housing strategies for Homewood and some questions that these players often ask when they are thinking about developing new housing in any location.

### Key questions that influenced recommendations:

- What questions do you have about housing in Homewood today and in the future?
- Did you have concerns or thoughts about past housing developments and how they could have been better?
- What types of housing do you think Homewood needs?



Figure 3.11 A resident welcoming stakeholders to the planning process



## MEET RESIDENTS' NEEDS

Throughout Pittsburgh, there are stark economic differences between homeowners and renters, and the two groups have very different needs. Renters earn less than homeowners, and real incomes for renters have not increased since 2000. Despite stagnant incomes, rents in Pittsburgh have steadily risen over time. This means that renter households have to spend more on rent, but have less real income to spend on other things. According to the U.S. Census Bureau, the Homewood neighborhood has over 1,500 single-family homes and out of 2,684 total housing units 58% of residents are renter occupied. Residents tend to have lower incomes than Pittsburgh as a whole; the median household income is \$19,642, which allows a monthly housing payment of about \$500. A large number of elderly residents and female-headed households with children live in Homewood.

### Key questions that influenced recommendations:

- What do these statistics suggest about housing needs in Homewood?
- Does the current housing available meet the needs of local residents?
- What new types of housing might Homewood need in the future?

Figure 3.12

## ARCHITECTURAL STYLES

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

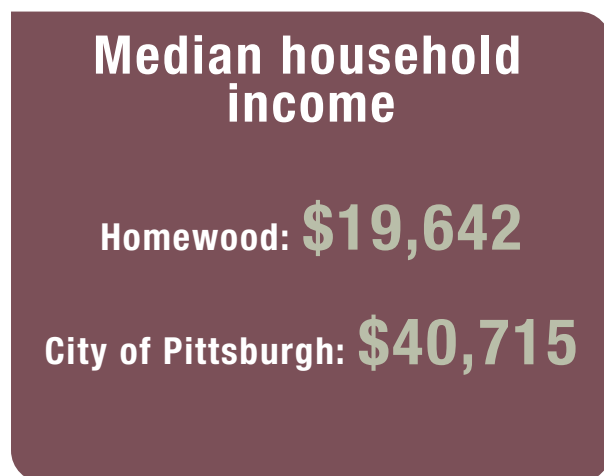


Figure 3.13

## UNITS IN PROPERTY

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

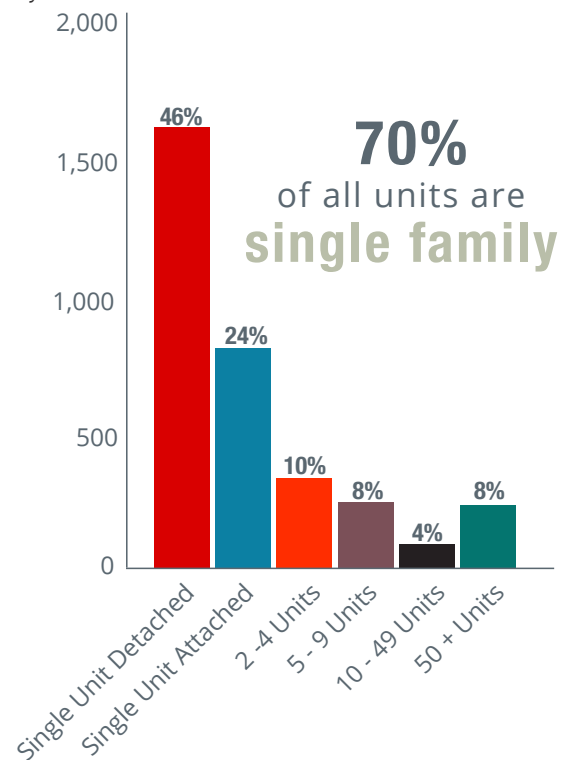
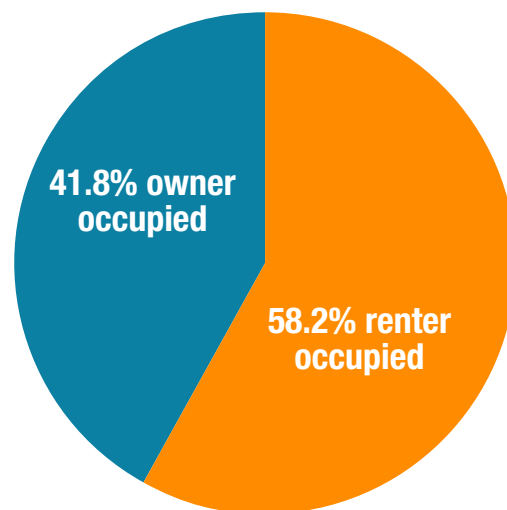


Figure 3.14

## RENTER & OWNER OCCUPIED

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates



Out of 2,684 total housing units

### ASSIST COST-BURDENED RESIDENTS

Every person, family, and household needs housing that is affordable for their income level. The U.S. Department of Housing and Urban Development recommends that families and households should pay no more than 30% of their income for housing costs, including rent or mortgage costs, insurance, and utilities. Households that pay more than 30% of their income are considered “Cost Burdened”: they have a “burden” because they are paying too much for housing and they do not have enough money left for other needs such as food, transportation, education, or medical expenses.

The graphs at left show details about Homewood’s renter households and homeowner households, divided by their income levels. The dotted amounts in each income category show what percentage of those households are cost-burdened. Many households who are making less than \$35,000 per year are cost-burdened, as are some households making \$35,000 - \$50,000 per year.

#### Key questions that influenced recommendations:

- In light of this issue, do we need more affordable housing in Homewood?
- What income levels should that housing serve?
- Who provides housing for residents at those income levels?
- What do renters and owners need?

Figure 3.15  
**OWNER INCOMES AND COST BURDEN: HOMEWOOD (HOUSEHOLDS)**

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

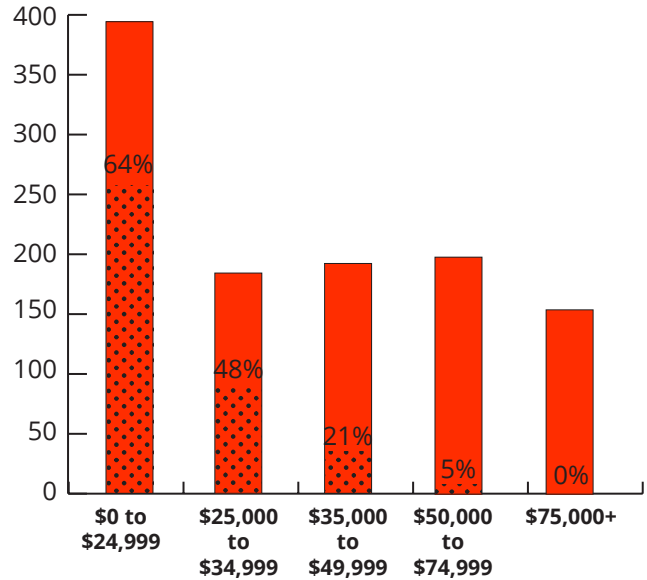
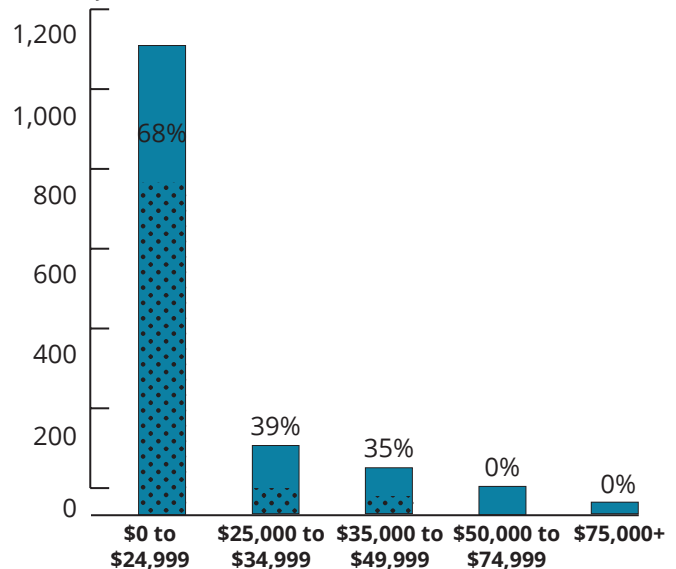


Figure 3.16  
**RENTER INCOMES AND COST BURDEN: HOMEWOOD (HOUSEHOLDS)**

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates



## PREVENT DISPLACEMENT

Residents of Homewood see rising housing prices in nearby neighborhoods and are concerned that Homewood might also become unaffordable to current residents in the future. One important priority is to prevent current residents from being displaced or forced out of their homes if housing values in Homewood rise.

An important question is who is currently at risk of displacement, and who is less at risk. Those who are behind on water bills or have delinquent property taxes could have their properties taken through action by collection agencies. Many Homewood residents who lose their homes get notices of action and walk away. Other income-restricted affordable housing will also not immediately change in price, though eventually most of these income restrictions do expire. Owners who have paid off their mortgages and have low monthly costs are less at-risk, though they can be displaced by rising property taxes.

Across the country, people who are particularly vulnerable to displacement when property values rise include:

- Seniors or residents on fixed incomes
- Owners who have not been able to keep up with repairs and might be inclined to take too low a pay-out for their home's value from "Cash for Homes" buyers
- Low-income renters who are not in income-restricted affordable housing

### Key questions that influenced recommendations:

- What types of new housing development or programs to help existing residents could help prevent displacement?
- What types of changes would indicate that property values are rising?
- Are there ways we can improve the neighborhood without risking displacement?

Figure 3.17

## INCOME-RESTRICTED HOUSING IN HOMEWOOD

Source: U.S. Department of Housing and Urban Development, HUD Open Data, Public Housing Buildings, updated June 2016

There are **201**  
Project-Based Voucher  
units in Homewood.

**194** are occupied  
(Homewood North Buildings  
and Sliver Lake Commons).

Source: U.S. Department of Housing and Urban Development, HUD Open Data, Housing Choice Vouchers by Tract, last updated September 2017

**286** Homewood  
households utilize  
Section 8 Vouchers.

Source: U.S. Department of Housing and Urban Development, HUD Open Data, Low-Income Housing Tax Credit Properties, last updated June 6, 2017

There are **120**  
Low-Income Housing  
Tax Credit  
units in Homewood.

**104** are one-bedroom  
units (as of June 2017).

## UNDERSTAND THE HOUSING MARKET

One of the issues that Homewood faces in developing new housing is the fact that it costs more to build a new home than that home will sell for on the market. This is called a *financial gap*, and many communities across the country have it. It is usually caused by a combination of:

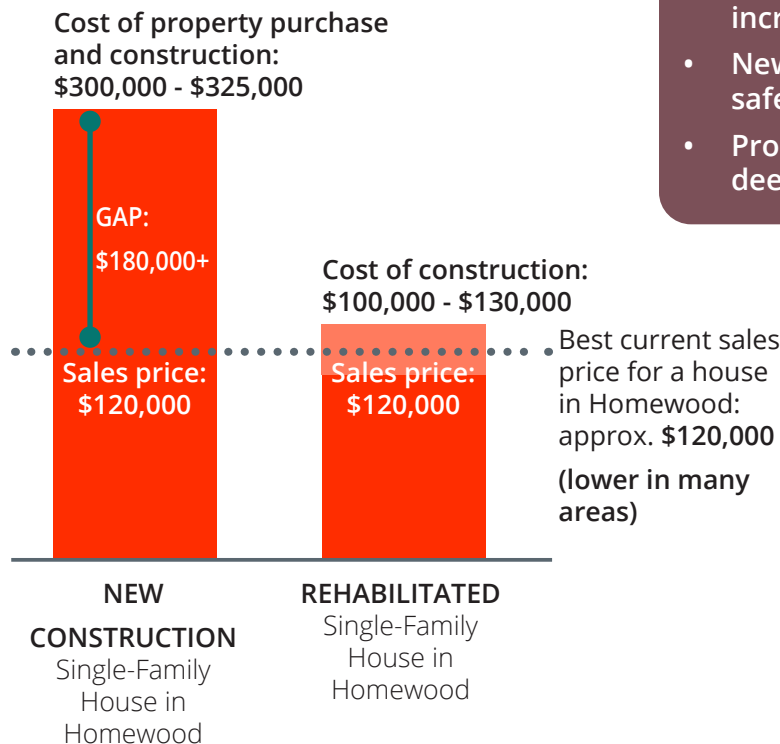
- High construction costs;
- Residents with lower-incomes cannot afford to pay as much to purchase a home
- Low “comparable values” or comps. Banks look at recent sales prices of similar homes in an area to get these comps, which determine how much they are willing to loan for the mortgage of a particular house. If other homes have sold for low values, then the bank will value a new home at a relatively low price even if it was expensive to build.

The diagram below shows why it would be difficult to build many units of new single-family housing on vacant land in Homewood right now: developers would need to find about \$180,000 in extra funds for each property

Figure 3.18

### COSTS AND SALES PRICES FOR NEW CONSTRUCTION AND REHAB IN HOMEWOOD

Source: Zillow



in order to make up the difference between construction cost and sales price. Rehabilitating existing properties is often cheaper, but it depends on the size and condition of that property. Some reasons why construction costs are high in Homewood and Pittsburgh are also shown below.

#### Key questions that influenced recommendations:

- What resources can fill the financial gap for rehab or new construction?
- Do we want sales prices to go up to close the gap?
- Would multi-family or rental housing be more financially doable to build?

#### Why Are New Homes So Costly?

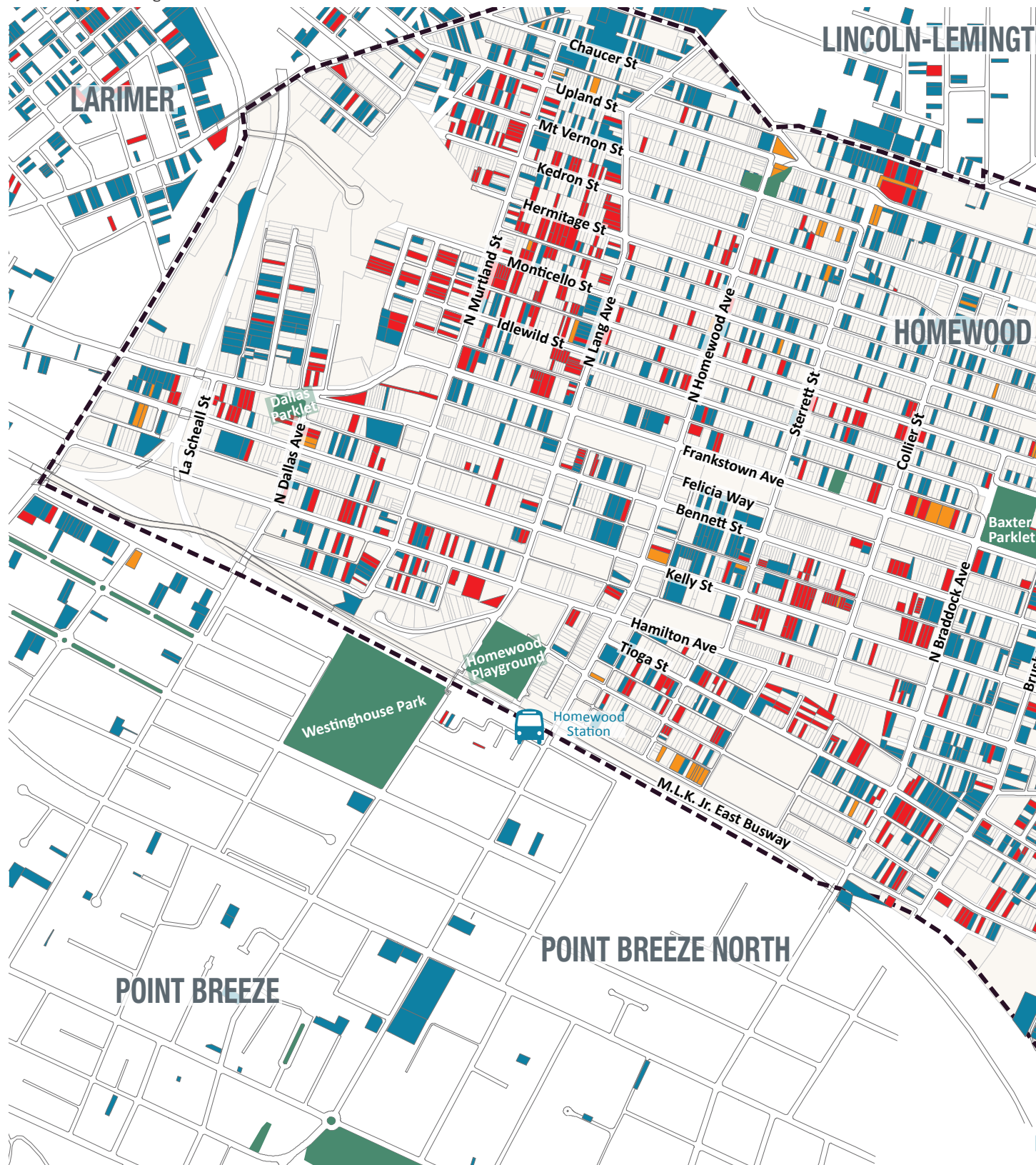
- Environmental issues like underground streams and lead contamination
- Sunken foundations from previous homes
- Costs of labor and materials have increased
- New building codes maintain safety but cost more to follow
- Problems with purchasing due to deeds/titles/liens



Figure 3.19

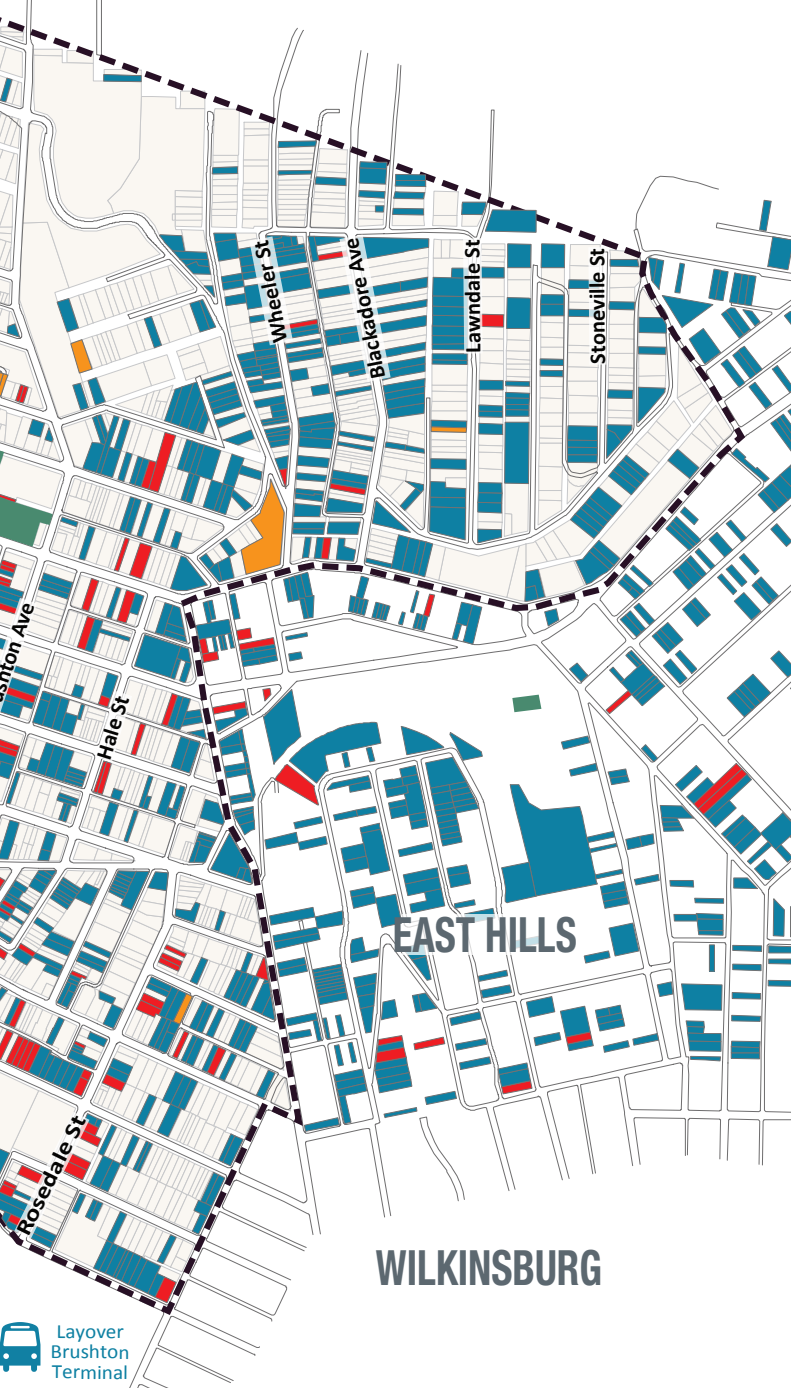
### VACANT LAND

Source: City of Pittsburgh GIS



ON-BELMAR

PENN HILLS



Layover  
Brushston  
Terminal

**ADDRESS VACANCY**

Rebuilding vacant homes and re-using lots to revitalize the neighborhood has been mentioned as a goal in many previous planning efforts, and community organizations and residents have already begun to act on both these strategies. However, the large number of remaining vacant properties within Homewood continue to affect the neighborhood’s character and the community’s well-being. As the map shows, the City owns a significant portion of vacant properties. Additionally, many privately owned properties have tangled titles or deceased owners. These ownership models create expensive hurdles to acquiring a vacant property.

**Key questions that influenced recommendations:**

- How do we address vacant properties when building new homes is so expensive?
- How can we create joint strategies for vacant properties that work together to increase quality of life?
- What processes are in place to acquire City owned vacant properties?
- What are the most important factors in deciding what to do with a vacant structures?
- Since vacancy is widespread, how do we decide where to start rebuilding with the resources we have?

- Project Boundary
- Green Space
- Vacant Property (privately owned)
- Vacant Property (URA owned)
- Vacant Property (City owned)
- 🚌 Public Transit

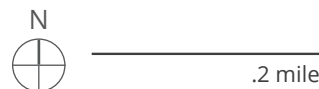
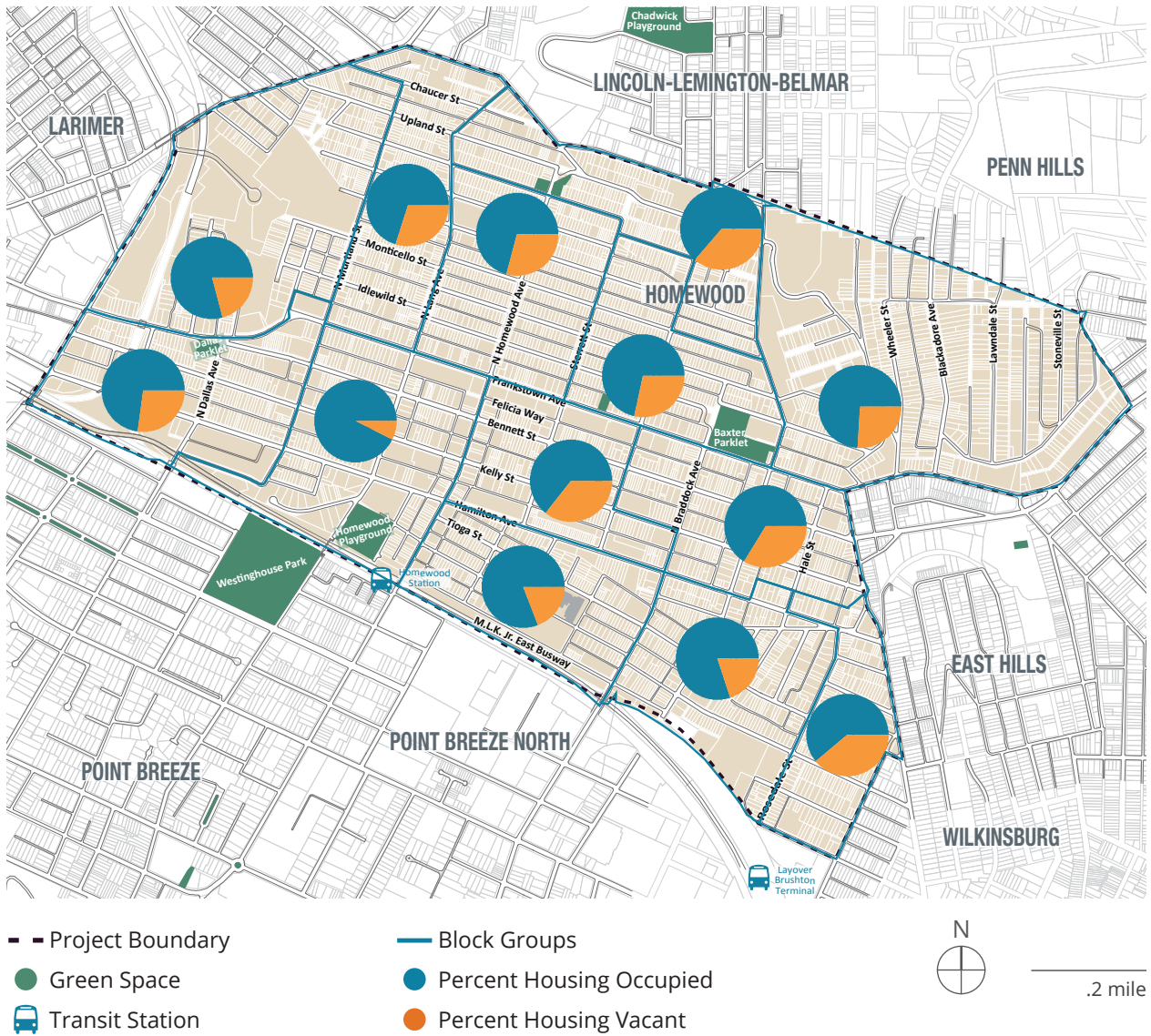




Figure 3.20

### HOUSING OCCUPANCY BY CENSUS BLOCK GROUP

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates



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## FUND HOUSING DEVELOPMENT AND REHABILITATION

We know that because of high construction costs, lower income levels, and low comps, many types of housing in Homewood will need extra funding or *subsidy* to be built. There are many types of subsidies that come from different levels of government. All programs are targeted to serve a certain income level that is usually below the median income for an area. Many programs also have specific types of housing that are preferred or required. For example, Low-Income Housing Tax Credits are the largest source of subsidy for affordable housing in the country. LIHTC only funds rental housing development, and usually LIHTC criteria favor multi-family developments or single-family developments with many different homes included.

New Markets Tax Credits, meanwhile, focus on creating commercial activity but can also be used for housing. All projects using NMTC as a funding source must have at least 20% commercial uses in the property. The Community Development Block Grant program and HOME Investments Partnership program

are both federal sources that are granted to local governments, like the City of Pittsburgh, and can be used flexibly for multiple purposes, including homeownership, rental, and even repairs to owner-occupied houses. However, due to federal funding cuts, the amount of funding available has decreased in recent years.

Local governments can also do things like issue bonds or create housing trust funds to create subsidies for new housing. Pittsburgh has created a Housing Opportunity Fund to provide subsidies and funded it initially with \$10 million citywide.

### Key questions that influenced recommendations:

- What are the available sources of subsidy, and what do they fund?
- How does the availability of funding affect opportunities to accomplish goals set in the Cluster Plan, and to meet the needs of Homewood’s residents?

## FUNDING SOURCES FOR HOUSING DEVELOPMENT, REHABILITATION, AND OCCUPANCY

SOURCE	TENURE TYPE	BENEFIT	FEATURES
Housing Opportunity Fund	Rental, ownership, owner-occupied rehab, counseling	Many different types of projects can benefit	Community land trust ownership favored
Low Income Housing Tax Credit (LIHTC)	Rental	Multi-family units, scattered site single-family	15-30 years of affordability before expiration; prefers larger projects
New Market Tax Credits	Rental	Mixed-Use multi-family	20% must be commercial; prefers larger projects
HOME and CDBG Block Grants	Rental, ownership, owner-occupied rehab	Flexible	Based on City’s Consolidated Plan. Federal resources being cut.
Project Based Voucher (PBV)	Rental	Multi-family or single-family	
Housing Choice Voucher (HCV/Section 8)	Rental	Provides rent assistance to individuals	Long waiting lists that are rarely open; landlords do not have to accept
Philanthropy	Rental, ownership	Meets gaps and needs that other sources don’t	Prefers projects that already have other sources



Figure 3.21  
**CLUSTER PLAN HOUSING RECOMMENDATIONS**

Source: OBB Cluster Plan

