



OCTOBER 15, 2018

UDA

AFFORDABLE HOUSING TOOLKIT

*APA-PA Annual Conference
Erie, PA*

WHAT IS AFFORDABLE HOUSING?

Families paying more than 30% of their income for housing are considered cost burdened.

They may have difficulty affording necessities such as food, clothing, transportation and medical care.

An estimated 12 million renter and homeowner households now pay more than 50% of their annual incomes for housing.

A family with one full-time worker earning the minimum wage cannot afford the local fair-market rent for a 2-bedroom apartment anywhere in the United States. (HUD.gov)

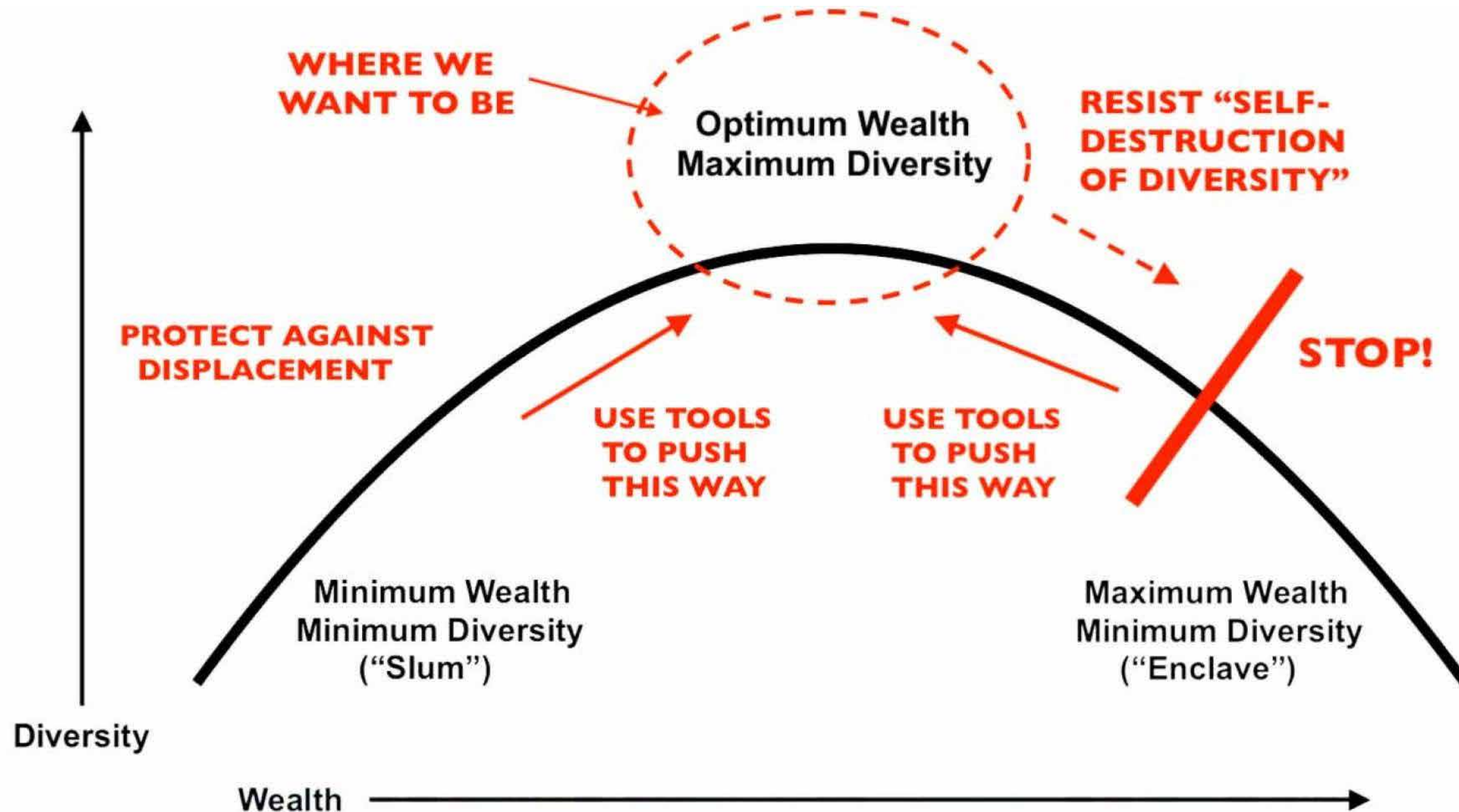


HOW CAN HOUSING BE A SOURCE OF EQUITY?

- 1. Housing as a Safety Net**
(in particular for extremely low-income families)
- 2. Housing as a Platform**
(relationship between housing, neighborhood and family outcomes)
- 3. Housing as a Building Block for Inclusion**
(in both diversity of housing available and the process by which citizens participate in creating)
- 4. Housing as an Asset Class**
(policy and finance disproportionately benefits higher income brackets)

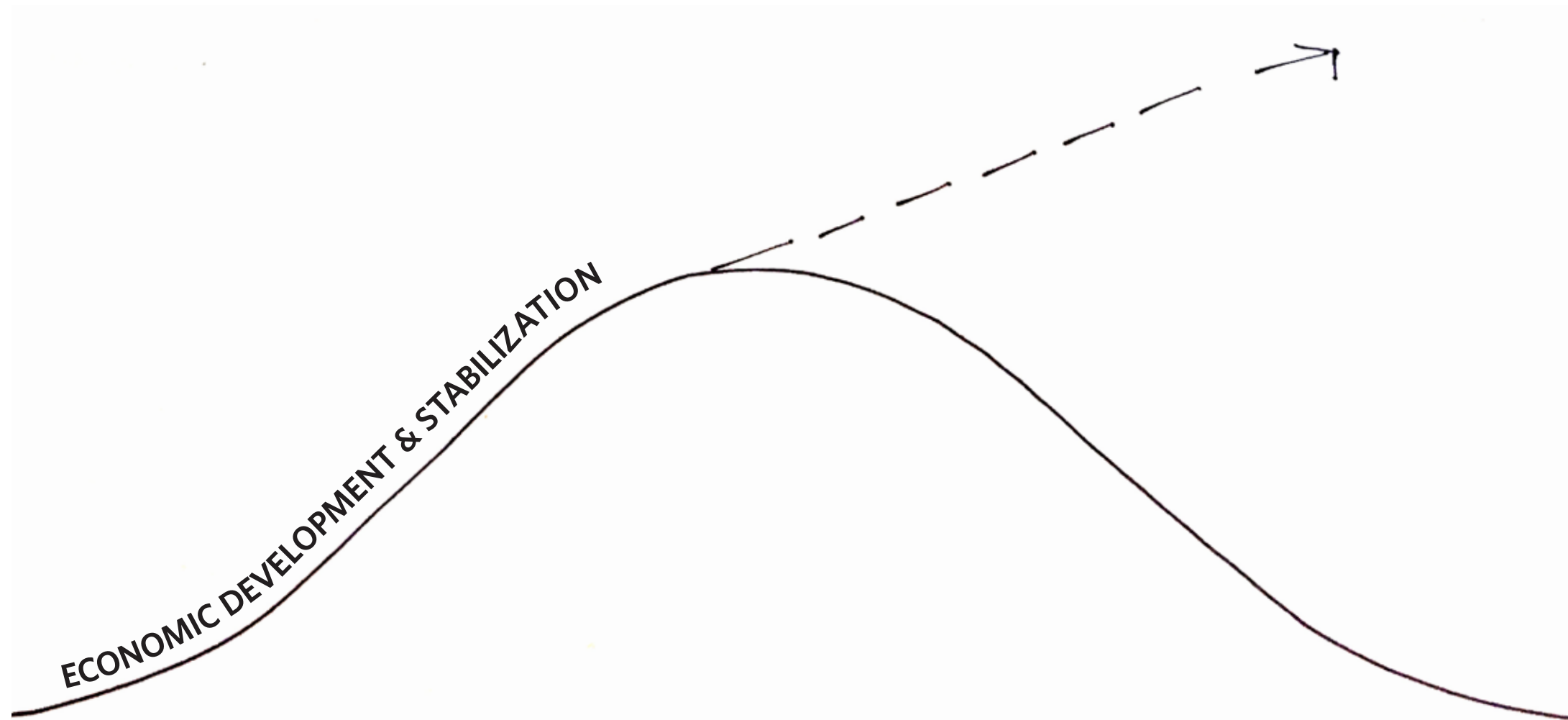


THE JACOBS CURVE



Source: Public Square

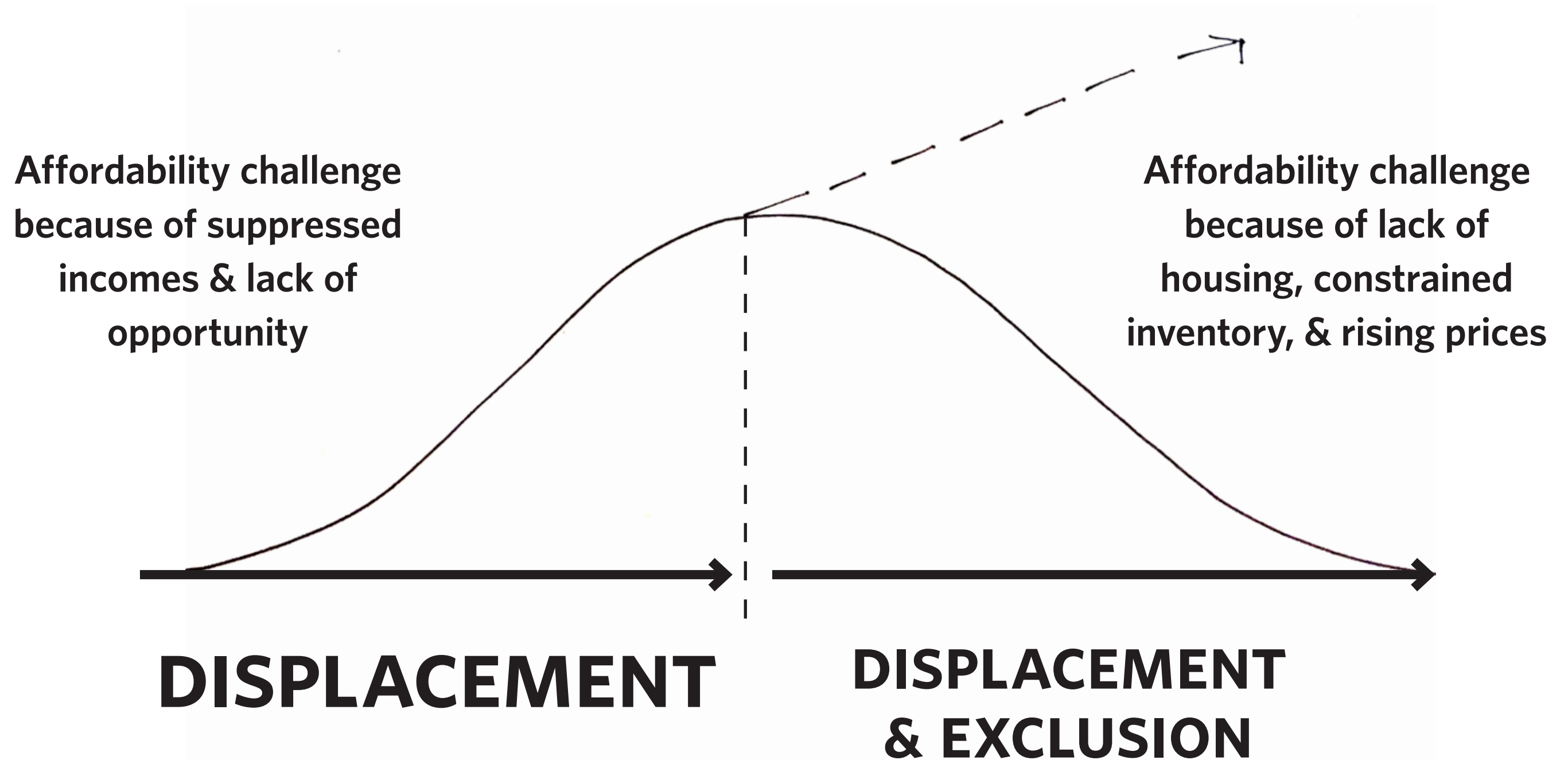
NEIGHBORHOOD ECONOMIC DEVELOPMENT



**Affordability challenge
because of suppressed
incomes & lack of
opportunity**

**Affordability challenge
because of lack of
housing, constrained
inventory, & rising prices**

NEIGHBORHOOD ECONOMIC DEVELOPMENT



ADDRESSING THE HOME-OWNER/ RENTER DIVIDE

IDENTIFYING COUNTER PRODUCTIVE BLAME

STABILITY NOT DEPENDENT ON EITHER OR

Home Ownership

- Stable
- Vested Interest
- Long-term
- Reinvestment

STABILITY

Rental

- Transient
- Low-Income
- Identifiable

STABILITY NOT DEPENDENT ON EITHER OR

Home Ownership

- Stable
- Vested Interest
- Long-term
- Reinvestment

Rental

- Good Management & Maintenance
- Self-Determining
- Support Services
- Meets Needs in Life Stages

STABILITY

Home Ownership

- High Risk
- Lapsed Upkeep
- Predatory

Rental

- Transient
- Low-Income
- Identifiable

OBJECTIVES OF AN AFFORDABLE HOUSING STRATEGY

1. Decrease the RISK of home ownership

- *Lowering the threshold*
- *Mitigating the risks*
- *Do not promote at any cost*
- *Smarter vetting, education, and selection*
- *Shared equity models*

2. Increase the QUALITY and VESTEDNESS of renting

- *Management and Support Services*
- *Rent Equity*

CINCINNATI, OHIO

CORNERSTONE EQUITY RENTAL PROGRAM

- Credit of ~\$66/month off of rent in exchange for in-kind contribution and code of conduct
- Fully vested after 5-years with an average of \$3,500
- Acts as home equity loan (Borrow 1-month's rent at 0% interest)



HOW RESIDENTS QUALIFY (EACH MONTH)

- Sign a Rent Equity Agreement
- Follow 'house rules' and code of conduct
- Pay rent on-time
- Participate in monthly association meeting
- Perform an in-kind property upkeep task
 - Carpentry, drywall, painting
 - Litter pick-up
 - Landscape/grounds maintenance (mowing)
 - Community organizing
 - Childcare



4 COMPONENTS OF AN AFFORDABLE HOUSING STRATEGY

PRESERVE & SUPPORT

INCREASE ACCESS

HOME OWNERSHIP



RENTAL



SUPPORT EXISTING HOME OWNERS

Who are the Partners?

1. Ensure homeowners have the resources to remain owners
 - *Rehab grants, home ownership counseling*
2. Expand rehab grants and emergency repairs programs
 - *Flexible funding sources that are not income restricted*
3. Address tax increases for long-term owners



SUPPORT FIRST-TIME HOME OWNERS

Who are the Partners?

1. Provide good education to prepare people to become owners
 - *Credit counseling, budgeting, home maintenance*
2. Connect first-time home buyers to financial assistance
3. Support non-profits focused on building new affordable home ownership



SUPPORT EXISTING RENTERS

Who are the Partners?

1. Preserve affordable housing that exists in the neighborhood
2. Make sure tenants have access to emergency support services and one-time rental assistance
3. Support local landlords who provide high-quality affordable housing with best practices and resources
4. Connect tenants at risk of eviction with pro-bono legal services, harassment protections



CREATE NEW ATTAINABLE HOUSING

Who are the Partners?

1. Inclusionary requirement for affordable housing
2. Jobs-housing linkage fees
3. Change zoning to permit accessory dwelling units
4. Housing accelerator fund/bonds
5. New subsidized housing with high-quality management, paired with education about affordable housing



COMPONENTS OF AN AFFORDABLE HOUSING STRATEGY

**WHAT TOOLS ARE AVAILABLE IN THE
TOOLKIT?**

AFFORDABLE HOUSING TOOLKIT

ZONING & PLANNING

Incentive-Based Zoning

Inclusive Planning Process

Inclusionary Housing Zoning

Housing Education

Parking Reductions

Technical Assistance

Accessory Dwelling Units

Racial Equity Objectives

Tactical Urbanism

FINANCING/FUNDING

LIHTC

Affordable Housing Fund/ Loan Program

Assessment Districts (BID or TRID)

Jobs Housing Linkage Fees

TIF

Wealth Building Home Loans

Homeowner Rehab Grants

Tax Increase Relief for Residents

PARTNERSHIPS

Joint Development

Public-Private Partnerships

Funding for Infrastructure & Open Space

Land Control & Equity

TENANT SUPPORT

Representation in Eviction Cases

Emergency Services

One-time Rental Assistance

SOI Laws & Enforcement

SHARED EQUITY

Shared Equity Ownership

Community Land Trust

Housing Cooperatives

Rental Equity

PRESERVE & SUPPORT

BOTH

INCREASE ACCESS

OWNERSHIP

Housing Education

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RENTAL

SOI Enforcement

Representation in Eviction Cases

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LIHTC*

Inclusionary Housing Zoning

Incentive-Based Zoning

Parking Reductions

Accessory Dwelling Units

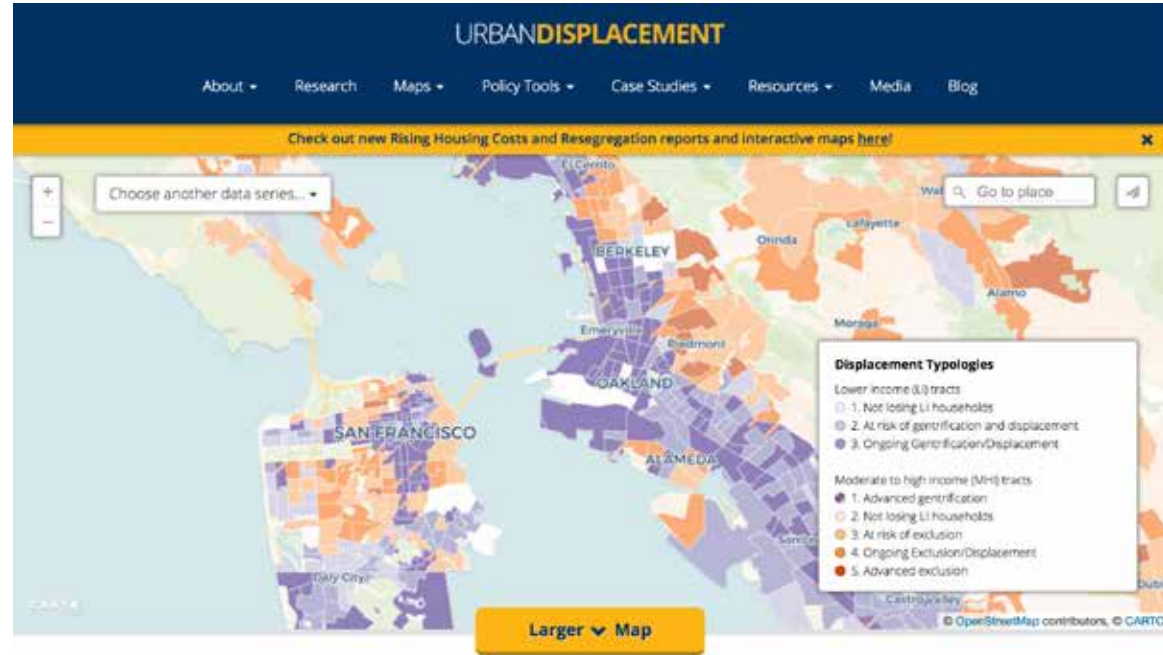
Jobs Housing Linkage Fees

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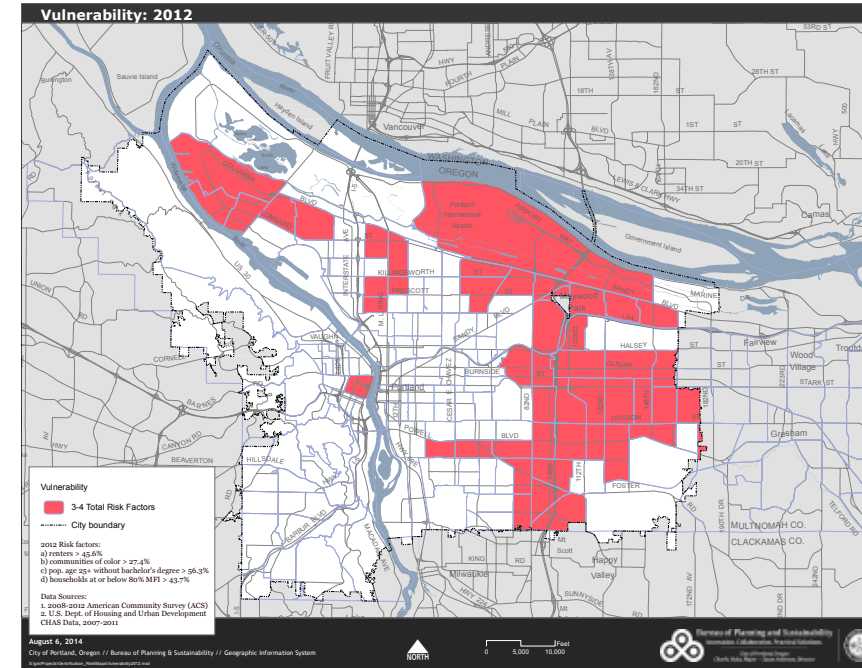
**DISPLACEMENT
& EXCLUSION
RISK CRITERIA**

NATIONAL BEST PRACTICES

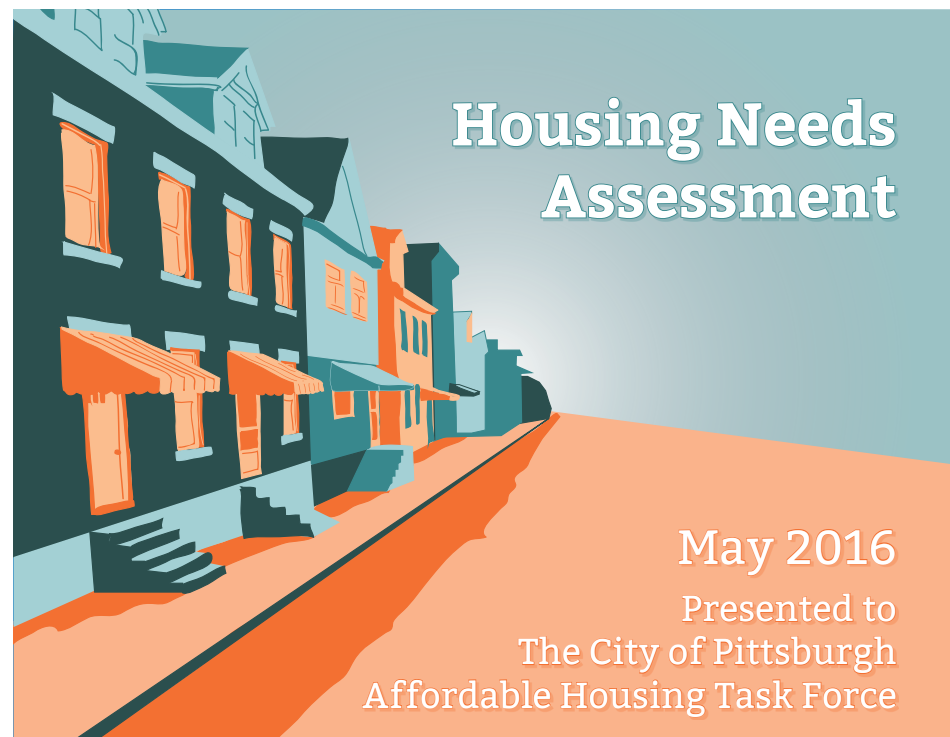
Urban Displacement Project (San Francisco)



Vulnerability Analysis (Portland)



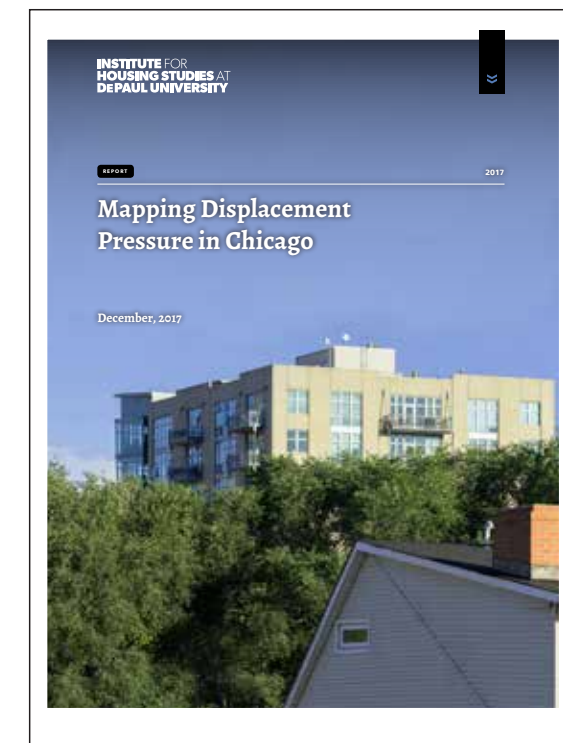
Housing Vulnerability Index (Pittsburgh)



Gentrification Analysis (Philadelphia)



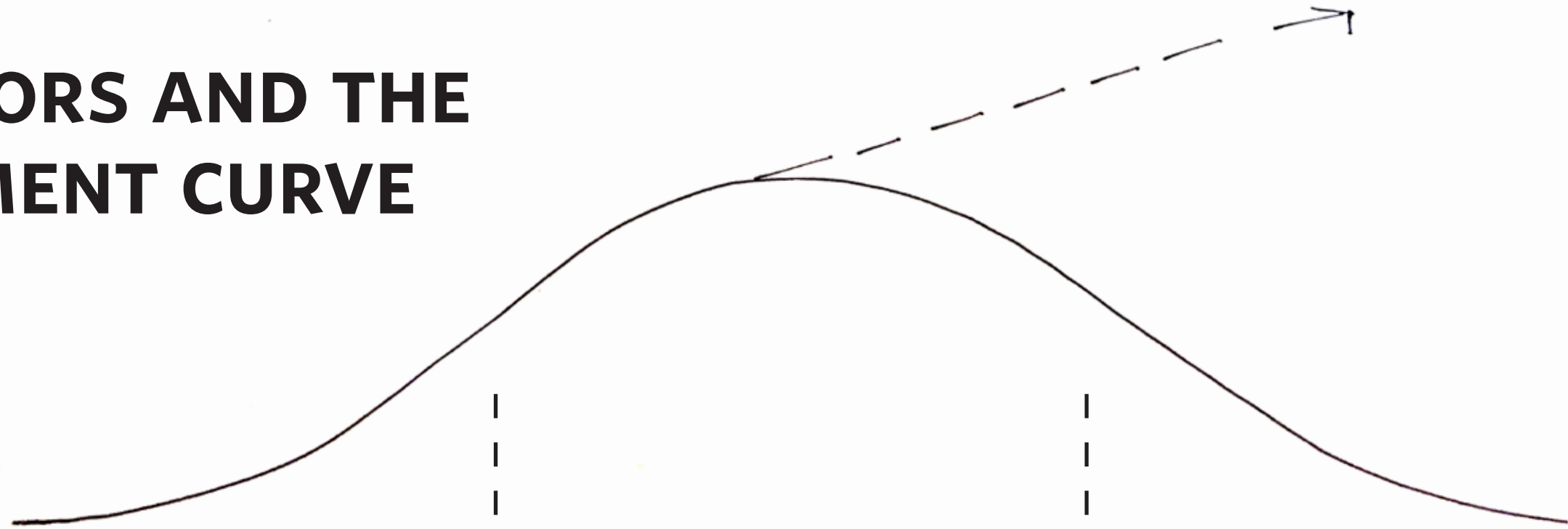
Mapping Displacement Pressure (Chicago)



VULNERABILITY & DISPLACEMENT RISK FACTORS

- Low Median Incomes compared to City, County, and MSA
- High poverty rates
- High percentage of 25+ population without a bachelor's degree
- High concentration of communities of color (CoC)
- Frequent mortgage denial
- Frequent foreclosures
- High % of population living in different housing 1-year ago
- High eviction rate
- Rental percentage higher than MSA averages
- Change in rental vacancy rates
- Change in median rent
- Increase in proportion of high income households

RISK FACTORS AND THE DEVELOPMENT CURVE



- Low Median Incomes
- High poverty rates
- Low educational attainment
- High concentration of communities of color
- Frequent mortgage denial
- Frequent foreclosures
- High turnover & eviction rate

- High rental percentage
- Change in rental vacancy
- Change in median rent
- Increase in high income households

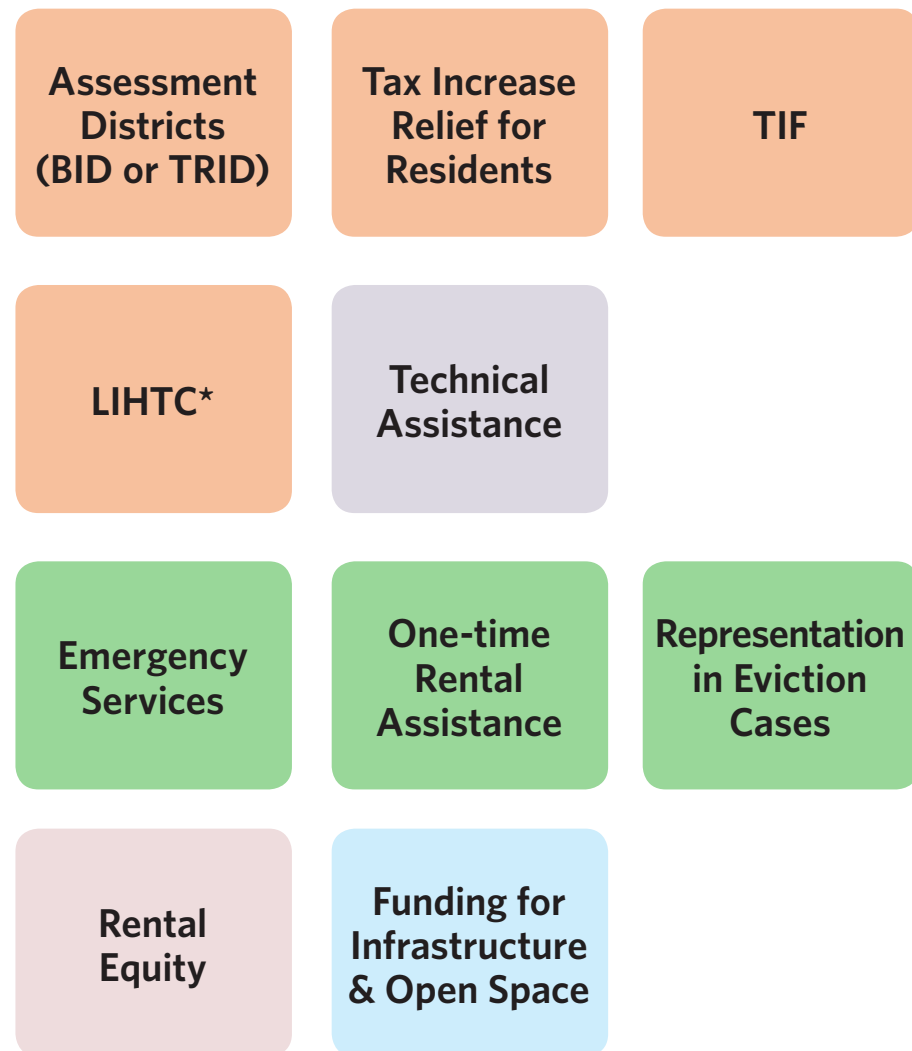
- High median incomes
- Developer interest
- High land costs

DISPLACEMENT

DISPLACEMENT & EXCLUSION

TOOLS AND THE DEVELOPMENT CURVE

CRITICAL ON LEFT SIDE Prevent Displacement, Stabilize



EFFECTIVE ACROSS CURVE Prevent Displacement, Advance Equity



CRITICAL ON RIGHT SIDE Protect affordability in profitable market, leverage private \$\$

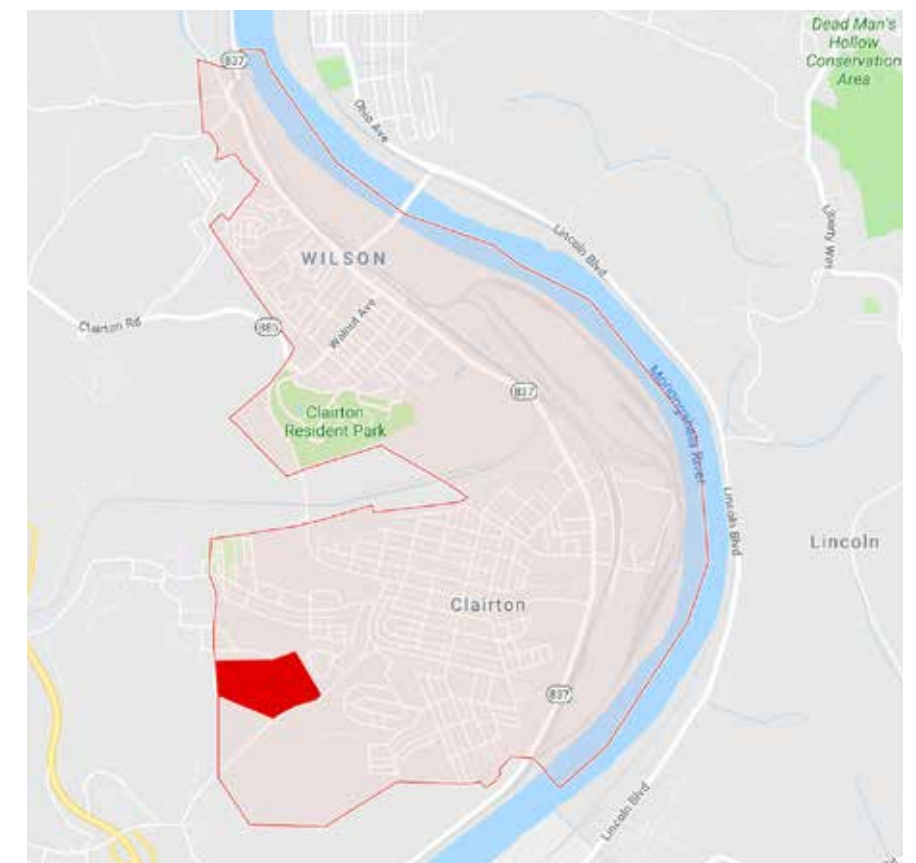
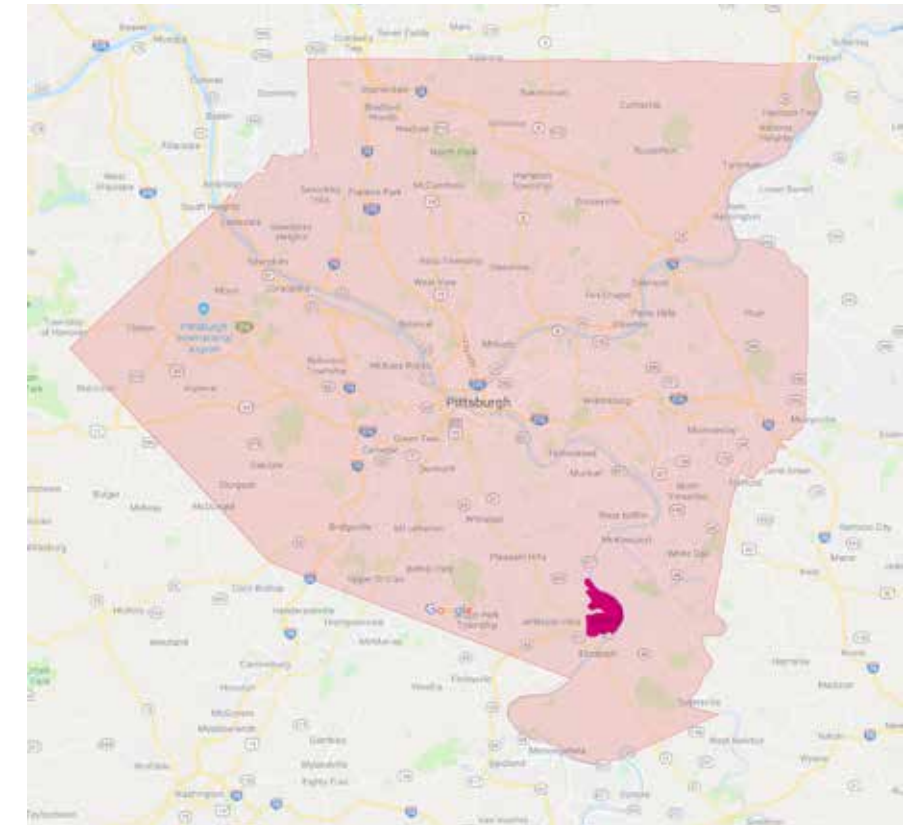


CASE STUDY CLAIRTON, PA

**REVITALIZATION IN A COMMUNITY WITH
EXTREMELY LIMITED RESOURCES**

CLAIRTON COMMUNITY PROFILE

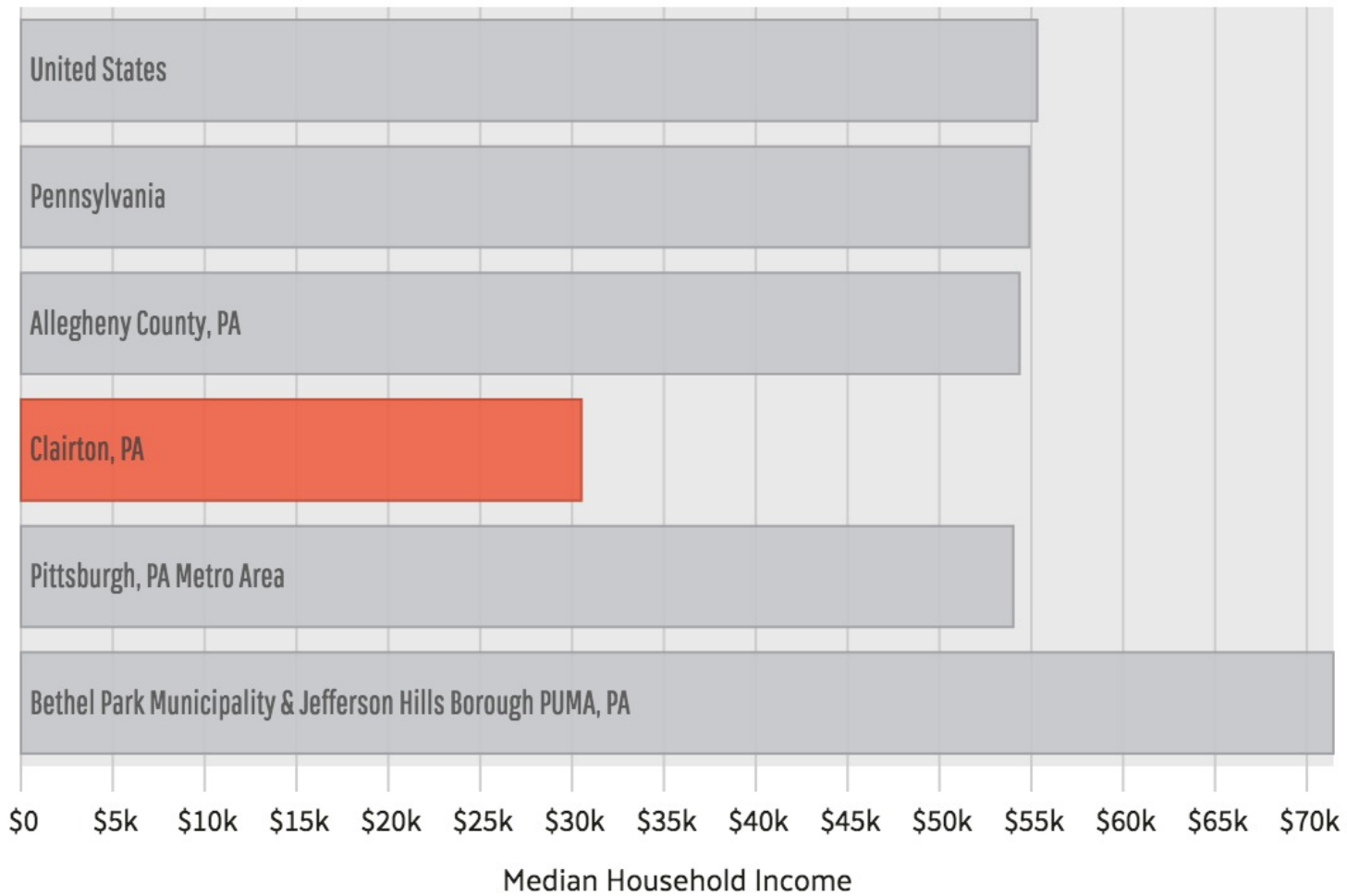
- 6,700 people
- 43.9% non-white
- 30.3 % below poverty level
- Total Housing units (3,873)
 - Century Townhomes 425 units (>10% of housing in the city)
- 24.2% Vacant
 - Century Townhomes 44% vacant
- 59% owner-occupied, 41% rental
 - Century Townhomes 20% owner-occupied, 80% rental)



62% OF HOUSEHOLDS BELOW 80% AMI

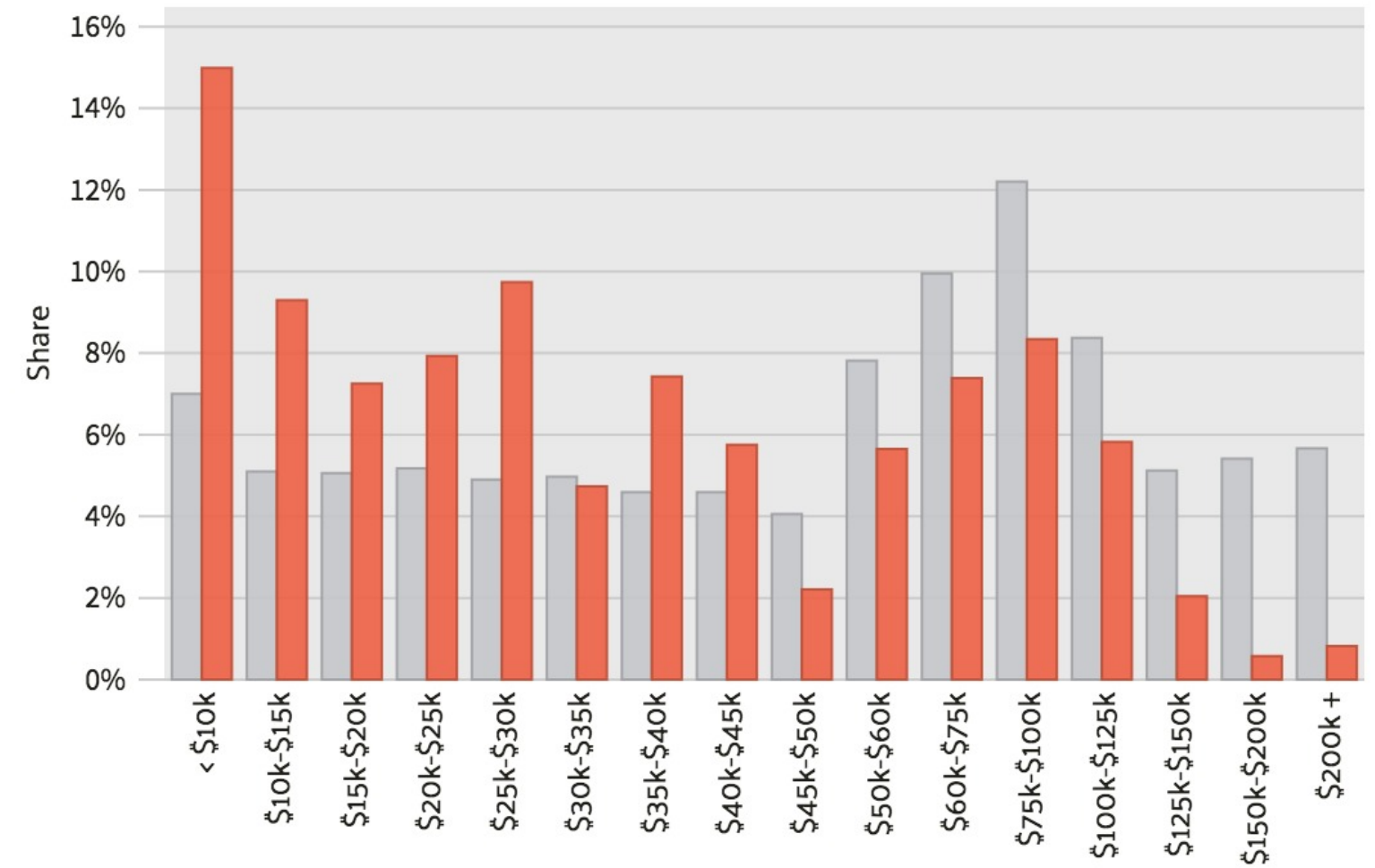
Median Household Income in Clairton = \$30,500

Median Household Income in MSA = \$54,020



Dataset: ACS 5-year Estimate
Source: Census Bureau

DATAUSA



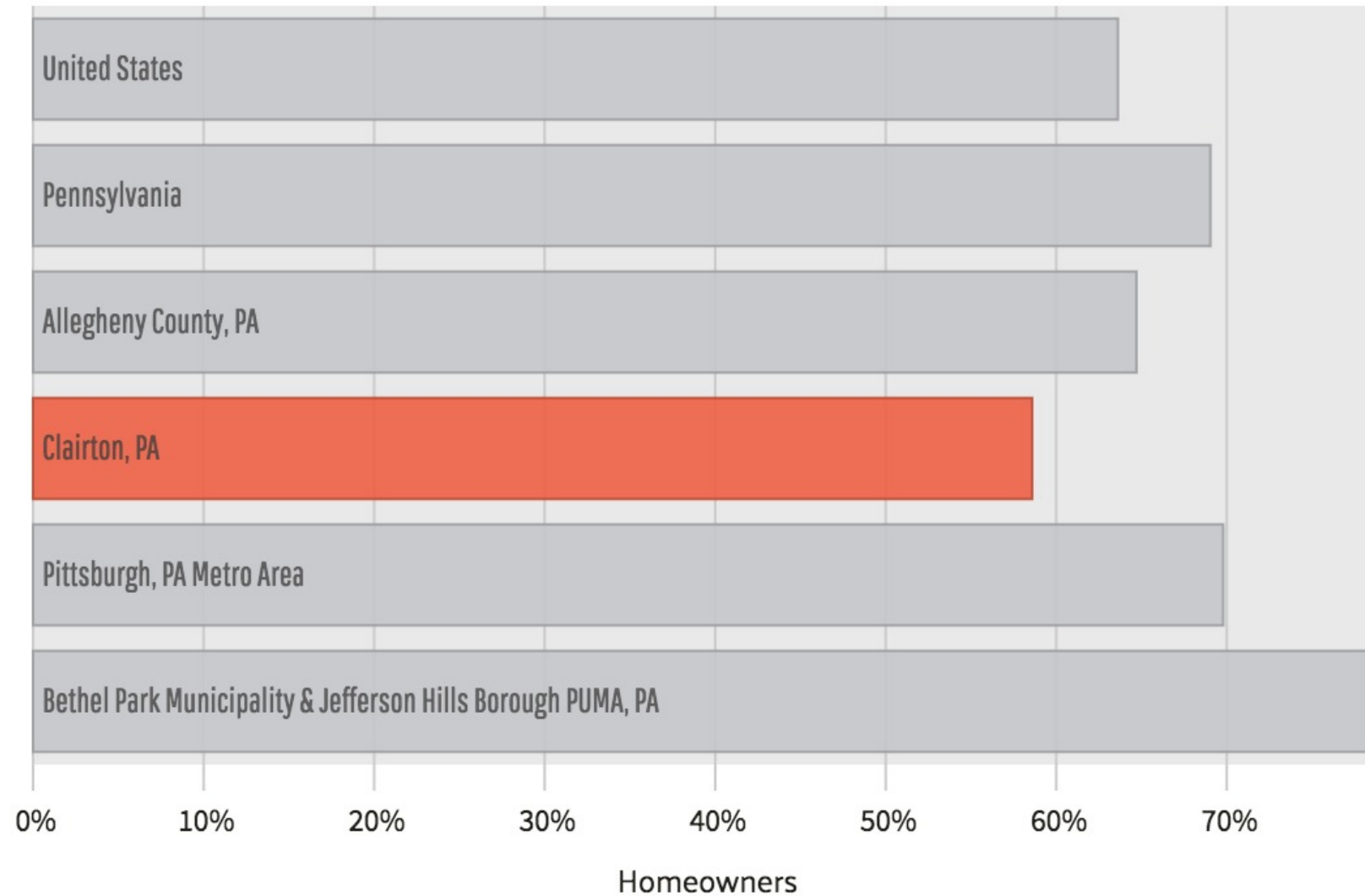
Dataset: ACS 5-year Estimate
Source: Census Bureau

DATAUSA

HIGHER THAN AVERAGE PERCENTAGE OF RENTERS

Percentage Renters in Clairton = 41.1%

Percentage Renters in Pittsburgh MSA = 30.2%



Dataset: ACS 5-year Estimate
Source: Census Bureau

DATAUSA

PROPERTY VALUES

Median Property Value in Clairton = \$47,000

Median Property Value in Pittsburgh MSA = 148,600



Dataset: ACS 5-year Estimate
Source: Census Bureau

DATAUSA

PROPERTY VALUES IN CENTURY TOWNHOMES

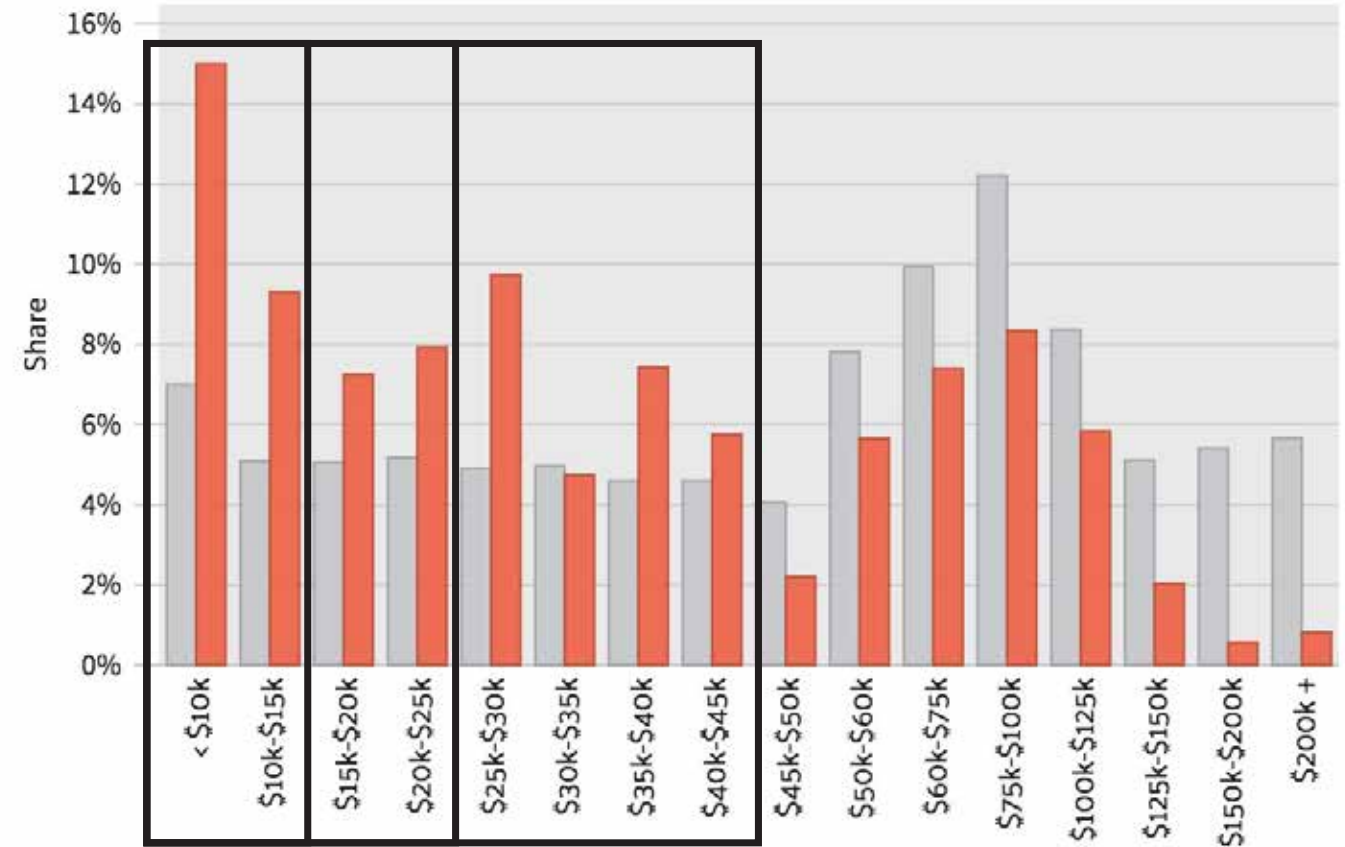
\$5,000 - \$15,000



- Average rent for 2-BR at Century Townhomes is \$550 to \$650.
- Fair Market Rents for Pittsburgh Metro range from \$621 to \$1,214

CLAIRTON MEDIAN HOUSEHOLD INCOME (\$30,500)

ALLEGHENY COUNTY - 2018 AMI					
INCOME LIMIT CATEGORY	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5-PERSON
30% AMI	\$16,000	\$18,250	\$20,780	\$25,100	\$29,420
50% AMI	\$26,600	\$30,400	\$34,200	\$38,000	\$41,050
80% AMI	\$42,200	\$48,650	\$54,750	\$60,800	\$65,700
100% AMI	\$52,750	\$60,810	\$68,440	\$76,000	\$82,120



24% 40% 62%

- How metropolitan AMI hurts low income households
 - Largest income bracket is people who make less than \$10,000/year
 - Rents are lower than Tax Credit Rents
 - Larger families don't have proportionally higher incomes

CENTURY TOWNHOMES



"ONE WATER METER FOR 425 HOMES"

PITTSBURGH POST GAZETTE, JUNE 11TH

- PA American Water shut off on May 10, 2018
- Accumulated debt over multiple ownerships
- Housing built in 1940s as war production housing, then sold to individual owners
- Flat rate of \$150/month water fee adds to housing burden, adding an additional +25% of rent



One water meter for 425 homes plus three bankruptcies: A world of problems in Clairton community

Antonella Crescimbeni/Post-Gazette

 KATE GIAMMARISE AND JOYCE GANNON
Pittsburgh Post-Gazette

JUN 11, 2018 8:16 AM



Water still flows from the faucets at Century Townhomes, a 425-unit apartment complex in Clairton.

But an ongoing legal battle in bankruptcy court over hundreds of thousands of dollars in unpaid water bills could shape the site's future and have lasting impact on residents there.

When Pennsylvania American Water shut off the taps at the complex for about six hours last month, it was the latest twist in a years-long utilities saga for the properties.

For residents, the problem has meant unexpected water shutoffs and ongoing uncertainty.

ADVERTISEMENT

100 DAYS OF
Wellness

 GATHERING PLACE
TULSA'S RIVERFRONT PARK

Four Quick Questions

According to a New York Times investigation, White House envoy Jared Kushner paid almost no income tax for several years. Do you think Kushner should face repercussions for his actions?

Source: www.post-gazette.com

OCCUPIED UNITS



- OCCUPIED
- HABITABLE
- VACANT, NOT HABITABLE

RENOVATED (WATER LINES SEPARATED)



- ALREADY RENOVATED
- WATER NOT SEPARATED (REQUIRES RENO)

TENURE (RENTER VS. OWNER OCCUPIED)



- RENTER OCCUPIED
- HOME OWNER OCCUPIED
- OTHER / NOT CONFIRMED

COMMUNITY VISION PROCESS



CENTURY TOWNHOMES — WHAT ARE THE STRATEGIES?

- Pro-bono, inclusive workshop to create community vision and priorities
- State legislation to prevent the single tap issue from continuing
- Pursuing infrastructure funding sources street repaving and park improvements
- PPP with local philanthropies and builders to donate renovation time, materials, and to build amenities
- Working with the City and HOA to implement low cost tactical ideas (painting doors, striping parking, painting crosswalks)



AFFORDABLE HOUSING TOOLKIT

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- Parking Reductions
- Technical Assistance
- Accessory Dwelling Units
- Racial Equity Objectives
- Tactical Urbanism

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- LIHTC
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- Jobs Housing Linkage Fees
- TIF
- Wealth Building Home Loans
- Homeowner Rehab Grants
- Tax Increase Relief for Residents

PARTNERSHIPS

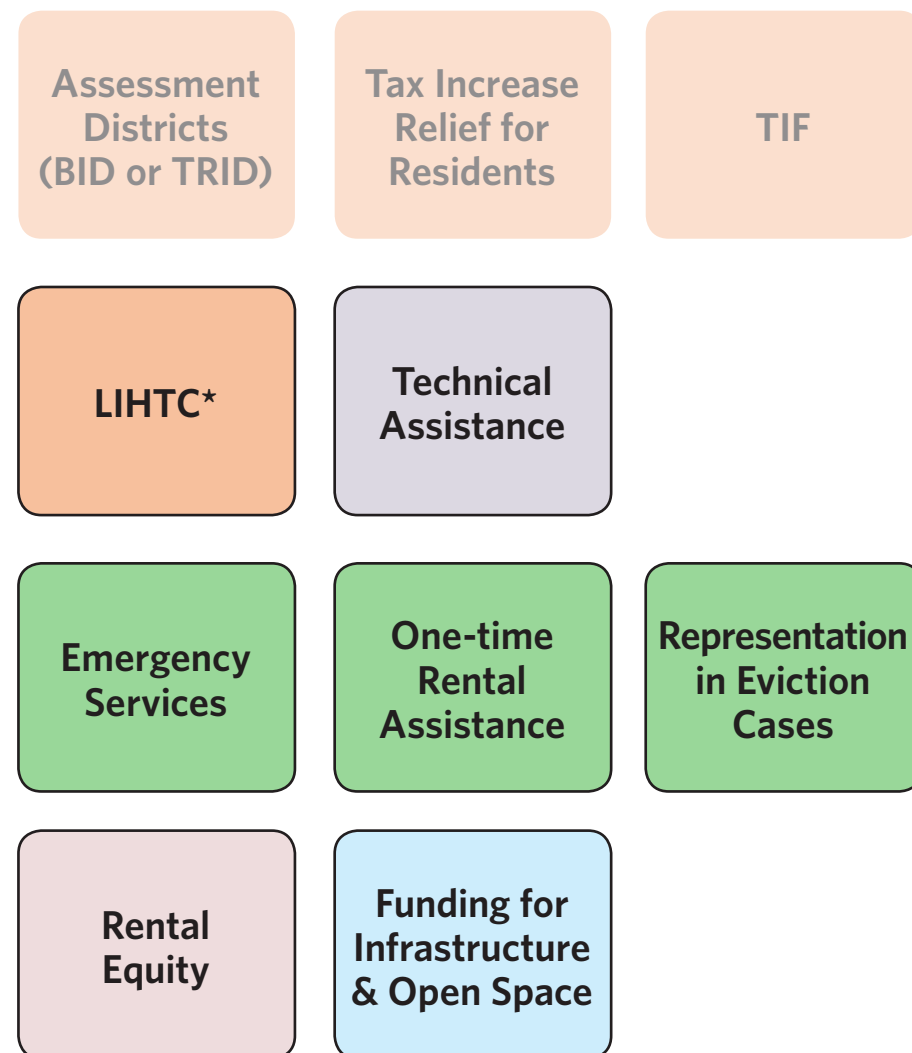
- Joint Development
- Public-Private Partnerships
- Funding for Infrastructure & Open Space
- Land Control & Equity

TENANT SUPPORT

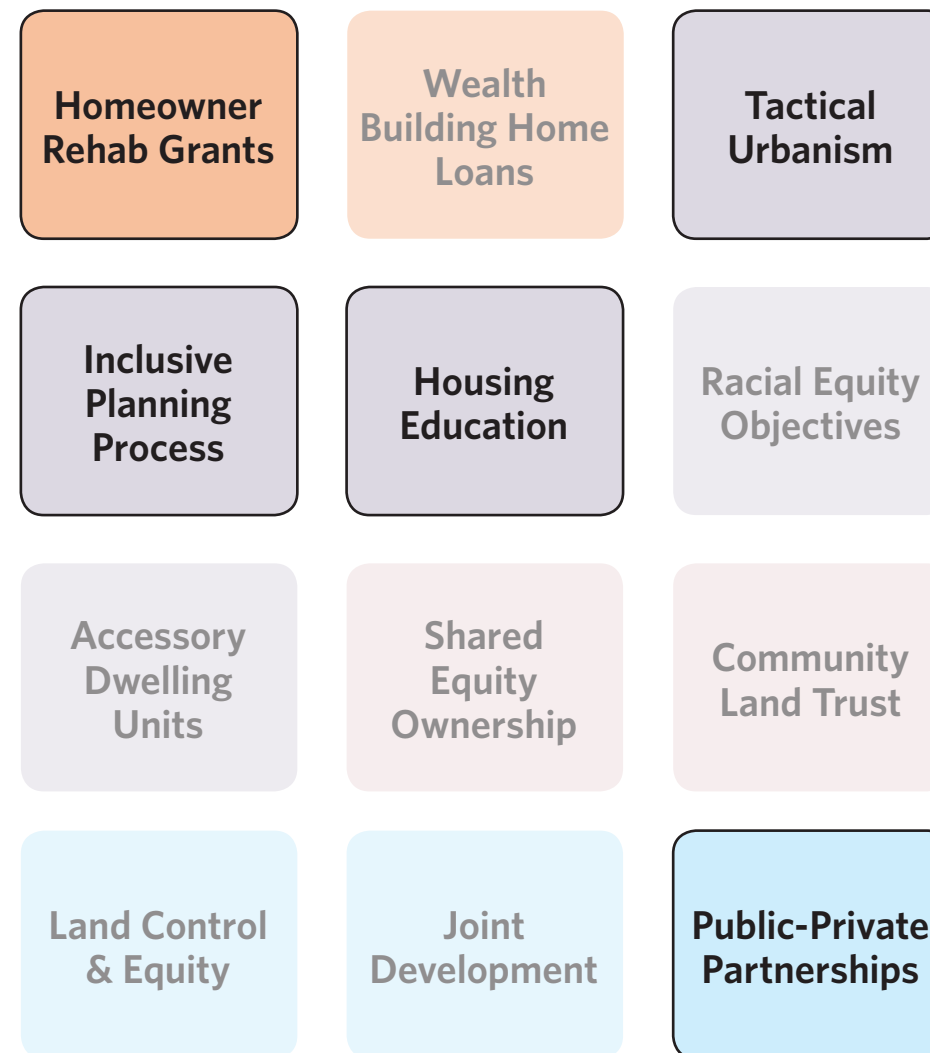
- Representation in Eviction Cases
- Shared Equity Ownership
- Emergency Services
- Community Land Trust
- One-time Rental Assistance
- Housing Cooperatives
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- Rental Equity

TOOLS AND THE DEVELOPMENT CURVE

CRITICAL ON LEFT SIDE Prevent Displacement, Stabilize



EFFECTIVE ACROSS CURVE Prevent Displacement, Advance Equity



CRITICAL ON RIGHT SIDE Protect affordability in profitable market, leverage private \$\$



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CENTURY TOWNHOMES COMMUNITY VISION



CENTURY TOWNHOMES (TODAY)



CENTURY TOWNHOMES COMMUNITY VISION



QUESTIONS & DISCUSSION

**WHAT TOOLS WORK WELL IN YOUR COMMUNITY?
WOULD YOU RECOMMEND ANY ADDITIONS
OR REFINEMENTS TO THE TOOLKIT?**

UDA

Creating a sense of place through collaboration, context, and community.