

AP



Downtown Pittsburgh from Fineview Overlook
WRT

APPENDIX II

MARKET STUDY

1. INTRODUCTION

In December 2020, HUD awarded a \$450,000 Choice Neighborhoods Initiative Planning Grant to the Fineview Citizens Council (FCC) and the Housing Authority of the City of Pittsburgh (HACP). HACP's Allegheny Dwellings complex--located on Letsche Street and Belleau Drive—is the public housing complex that is the focus of the planning effort. The Choice Neighborhood (CN) boundary—shown in Figures 1.1 and 1.2--includes all or parts of the Fineview, Perry Hilltop, California-Kirkbride, and Charles Street Valley neighborhoods. In 2019, Trek Development Group (Trek) completed Phase 1 of the redevelopment of Allegheny Dwellings, a 65-unit mixed-income community known as Sandstone Quarry. The remaining buildings at Allegheny Dwellings contain 174 units. Trek is working with HACP as the housing entity for this Choice Planning effort. Coordinated by planning consultant WRT, a significant amount of analysis and public outreach work has been completed to date. This summary market analysis documents market support for mixed-income residential development in the Choice Neighborhood.

FIGURE 1.1
ALLEGHENY DWELLINGS CHOICE NEIGHBORHOOD CONTEXT MAP

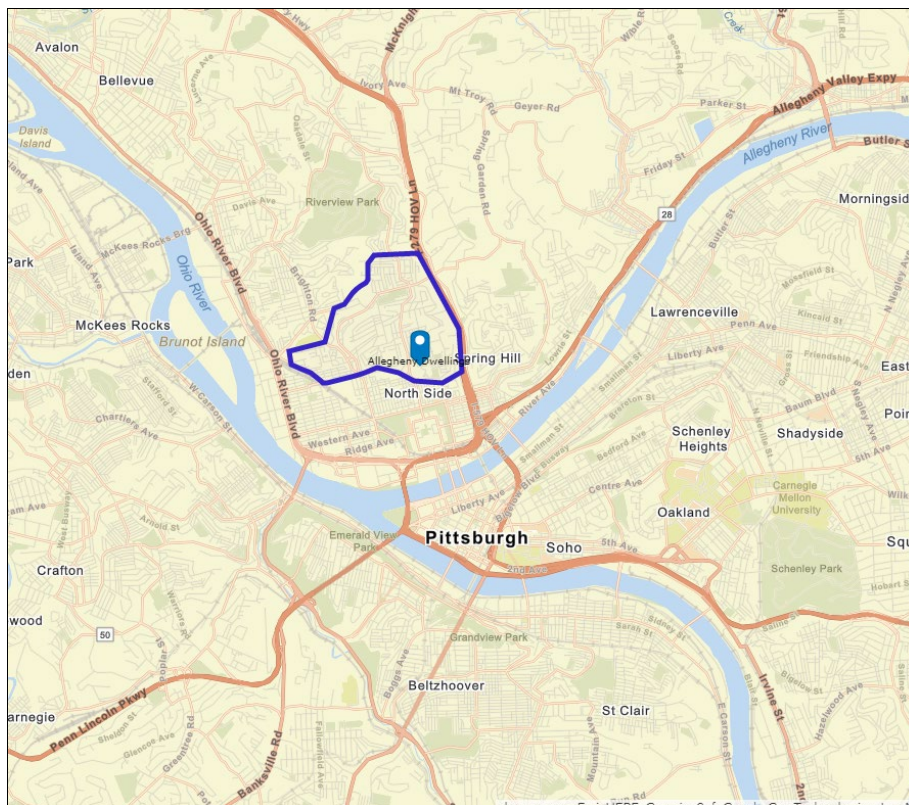
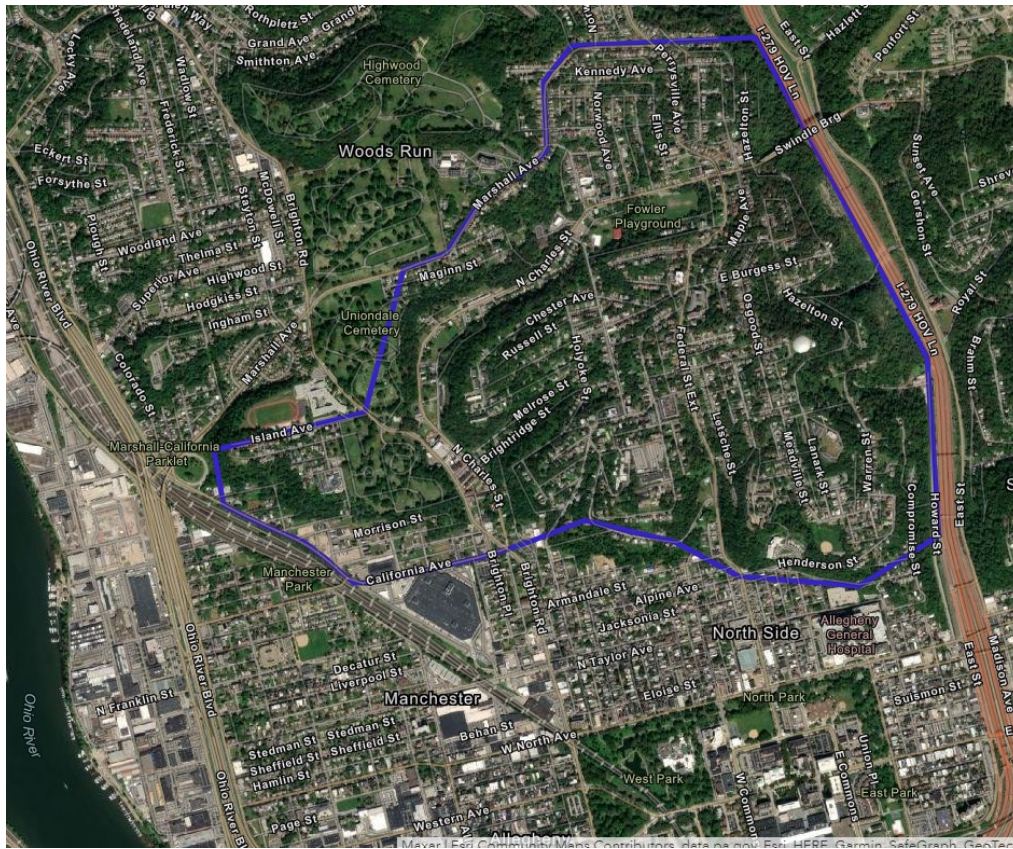


FIGURE 1.2
ALLEGHENY DWELLINGS CHOICE NEIGHBORHOOD AERIAL VIEW



Allegheny Dwellings: Existing Households

The remaining 174 units at Allegheny Dwellings are one- and two-bedroom apartments. HACP is allowing units to remain vacant in preparation for the redevelopment of the complex. Table 1.1 shows the breakdown of 144 occupied units as presented to the CN Housing Task Force in April 2022, including the “right-sized” unit requirements based on the household sizes of existing tenants. Tenant household size distribution based on an HACP 4/19/22 rent roll is shown in Table 2.2. These data—showing 139 households—show that 80% of current tenant households are small, with one or two persons.

TABLE 1.1
ALLEGHENY DWELLINGS: EXISTING UNITS BY TYPE AND REPLACEMENT NEEDS

UNIT TYPE	EXISTING NUMBER OF UNITS	NEEDED NUMBER OF UNITS BY TYPE (Bedroom Eligibility)	% BREAKDOWN BY UNIT TYPE
1-BEDROOM	16	50	29%
2-BEDROOM	128	75	43%
3-BEDROOM	-	17	10%
4-BEDROOM	-	2	1%
VACANT UNITS	30	*	17%*
TOTAL UNITS	174		

*Current vacant unit mix is: 28 two-bedroom; 2 one-bedroom units

Source: Housing Task Force #8 presentation 4/13/2022

TABLE 1.2
ALLEGHENY DWELLINGS TENANT HOUSEHOLDS BY SIZE

Household Size	Count	Percent
1 Person	50	36.0%
2 Persons	61	43.9%
3 Persons	15	10.8%
4 Persons	8	5.8%
5 Persons	5	3.6%
	139	100.0%

Source: HACP rent roll 4/19/2022

According to the 4/19/22 rent roll, 125 existing tenant households—90% of the total--have incomes below 30% AMI. Thirteen households have incomes in the 30% to 80% AMI range (including 11 with incomes between 30% and 60% AMI). One household has income over the 80% AMI public housing income limit.

Study Approach

To complete this market study RES undertook the following tasks:

- Collected and reviewed plans and background material about the neighborhood, Allegheny Dwellings, Pittsburgh, and the broader region.
- Conducted field visits to Allegheny Dwellings and the component neighborhoods in the CN.
- Defined a primary market area (PMA) within which housing in the CN will compete for renters and purchasers.

- Collected and analyzed economic and demographic data to understand housing demand dynamics in the PMA.
- Surveyed both existing income-restricted and market-rate housing options and planned and proposed additions to supply in the PMA.
- Reconciled supply and demand to identify supportable housing types and pricing with market support that could be components of an Allegheny Dwellings Neighborhood Transformation Plan.

Limitations of the Engagement

Real Estate Strategies, Inc. has not ascertained the legal and regulatory requirements applicable to the proposed project, including state and local government regulations, permits and licenses. No effort was made to determine the possible effect on the proposed project of present or future federal, state, or local legislation or of any environmental or ecological matters.

The information contained herein is based on estimates, assumptions and other information developed from research of the market, our knowledge of the real estate industry and other factors, including certain information provided by representatives of the client. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results will vary from those described, and the variations may be material. Further, RES has not evaluated management's effectiveness, nor are we responsible for future marketing efforts and other management actions upon which actual results will depend.

The information contained herein is intended for the use of the clients in developing a Transformation Plan for Allegheny Dwellings. The materials herein are based on economic conditions and supply and demand factors as of May 2022.

2. ALLEGHENY DWELLINGS CHOICE NEIGHBORHOOD OVERVIEW

Location

The CN is located on Pittsburgh's Northside immediately north of the City's Central Northside neighborhood and its revitalizing Mexican War Streets historic district. As shown in Figure 2.1, the topography of the Northside changes dramatically between Central Northside and the CN; steep slopes define the southern edge of the CN. Central Northside and the neighborhoods to the south—East and West Allegheny, Manchester, Chateau, and the North Shore—are located on relatively flat land that facilitated development in a dense urban street grid pattern. Within the CN, the Fineview and Perry South neighborhoods were developed on hilltops and buildable slopes. Many streets in these neighborhoods offer dramatic city views; steep wooded slopes are located throughout Fineview and Perry South. Charles Street Valley and California-Kirkbride are at lower elevations and offer some areas of level topography. Federal Street and N. Charles Street connect the CN to the neighborhoods to the south.

FIGURE 2.1
NORTHSIDE NEIGHBORHOODS TOPOGRAPHIC MAP



Public Transit

Port Authority of Allegheny County (PAAC) bus routes 8 (Perrysville), 11 (Fineview), and 15 (Charles) provide transit service to the CN and connect residents with employment opportunities in the southern part of the Northside as well as in downtown Pittsburgh.

Shopping and Services

The CN is primarily residential in character. Older commercial nodes at Perrysville Avenue and Charles Streets and Perrysville Avenue and Wilson Street are minimally occupied but each offers a small convenience store. The nearest major supermarket is Giant Eagle at 318 Cedar Avenue in East Allegheny. A commercial area along Brighton Road between North and Pennsylvania Avenues includes a Rite-Aid pharmacy and a Dollar General. Restaurants are located around Allegheny Commons and in the entertainment area along the Allegheny River. Breadworks Bakery is located on Brighton Road within the CN and produces bread for retail purchase onsite and for distribution to area restaurants and sales outlets.

Education

The Pittsburgh Public Schools neighborhood school serving the CN is King PreK-8 at 50 Montgomery Place. Students in grades 9-12 would attend Perry High School at 3875 Perrysville Road north of the CN. Propel Northside is a K-8 charter school at 1805 Buena Vista Street at the edge of the CN. The Community College of Allegheny County (CCAC) Allegheny Campus is located at 8008 Ridge Avenue at the base of Brighton Road. Triangle Tech, a post-secondary technical and vocational school, is in the CN at 1940 Perrysville Avenue. The adjacent Clayton Academy campus (1901 Clayton Avenue) is a Pittsburgh Public Schools short-term education program for students with chronic disruptive behavior issues.

Recreation

The Northside has extensive parkland for both passive and active recreation. The 259-acre Riverview Park is north of the CN and can be accessed from Perrysville Avenue. Allegheny Commons Park is located below North Avenue in Allegheny West. Within the CN, Fowler Park and Pool and the Fineview Fields provide active recreation options.

Cultural institutions on the Northside include the National Aviary, the Children's Museum of Pittsburgh, the Andy Warhol Museum, the Carnegie Science Center, and the Mattress Factory contemporary art museum. A Carnegie Library is located at 1230 Federal Street. These recreational and cultural assets can be accessed by public transit.

Health Care

Allegheny General Hospital (AGH) is located at Sandusky Street and North Avenue immediately south of the CN. This 576-bed academic medical center is both a health care resource and a major employer near the CN. In 2020, AGH opened a new 90,000-square-foot cancer center on its campus, the flagship of a \$300 million investment expand access to cancer care in Western Pennsylvania.

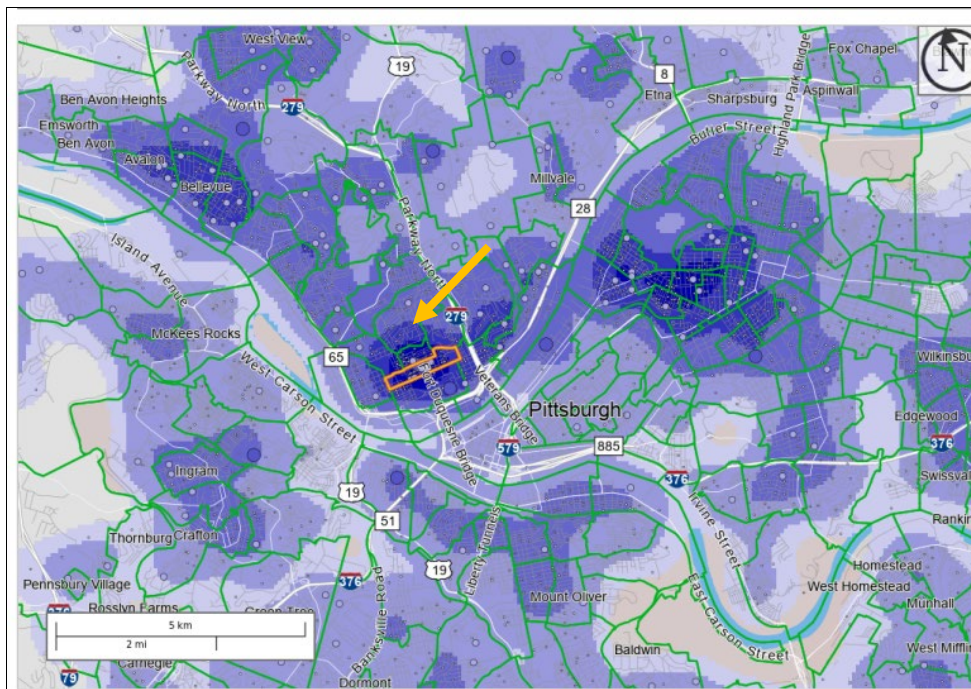
Employment Opportunities

In addition to AGH, the southern end of Pittsburgh's Northside offers substantial employment opportunities for CN residents with a range of educational and skill levels. The entertainment district on the North Shore includes several professional sports venues as well as the Rivers Casino. PNC Park, home of the Pittsburgh Pirates baseball team, is between Allegheny Center and the Allegheny River; Heinz Field, home of the Pittsburgh Steelers and University of Pittsburgh Panthers football teams, is north of North Shore Drive. Several hotels operate near the Casino and sports complex, and a new hotel is under construction. The Pittsburgh Post Office and Distribution Center is at 1001 California Avenue on the edge of the CN. The Chateau industrial area, which extends northwest along the north shore of the Ohio River, is home to a range of industrial and distribution operations. Pittsburgh's downtown and the Uptown and Oakland neighborhoods to the east are employment hubs as well.

Commuting Patterns

The US Census Bureau OnTheMap application offers heat maps showing where employees working in a specified geography live. Figure 2.2 below shows where employees working in the AGH census tract live. Although employees live throughout the CN, a greater concentration live in the southern part of the neighborhood within walking distance of the Hospital. Sandstone Quarry, the first phase of the Allegheny Dwelling redevelopment, has been successful in attracting AGH employees to both its income-restricted and the unrestricted market-rate units.

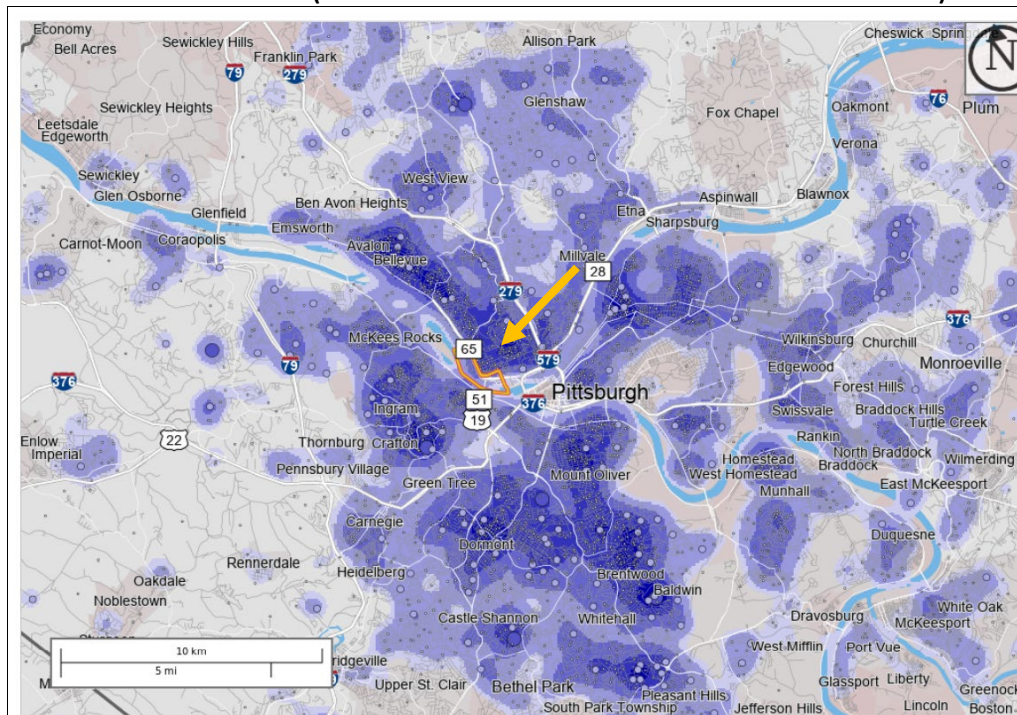
FIGURE 2.2
ALLEGHENY GENERAL HOSPITAL EMPLOYEES: PLACE OF RESIDENCE 2019
(ARROW INDICATES CHOICE NEIGHBORHOOD LOCATION)



Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics for Census Tract 2206 (highlighted)

Figure 2.3 shows the place of residence for employees working in the census tract that includes the Rivers Casino complex and the adjacent Chateau industrial area. These workers live throughout the CN.

FIGURE 2.3
RIVERS CASINO COMPLEX AND CHATEAU INDUSTRIAL AREA EMPLOYEES:
PLACE OF RESIDENCE 2019 (ARROW INDICATES CHOICE NEIGHBORHOOD LOCATION)



Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics for Census Tract 9806 (highlighted)

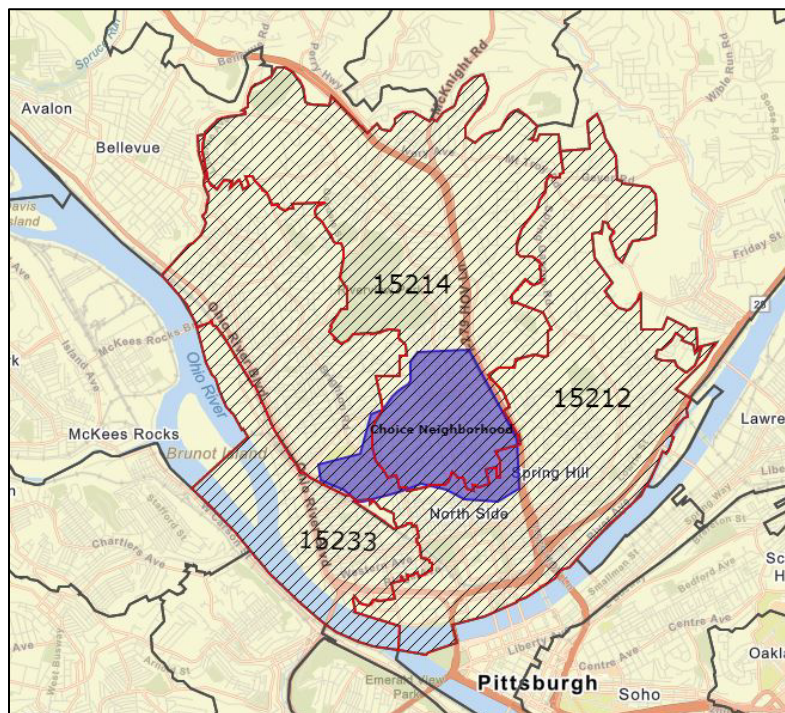
Employment levels are stable on the Northside, and the business types located in this part of Pittsburgh require on-site (versus remote) work. Expansion of the type and quality of housing in the CN, particularly within a close walk to a bus route, would create additional residential options for Northside workers who would prefer a shorter commute.

3. RESIDENTIAL PRIMARY MARKET AREA DEMOGRAPHIC CHARACTERISTICS

Market Area Definition

A Primary Market Area (PMA) is the area within which housing in the Allegheny Dwellings CN will compete for tenants and home buyers. The PMA includes the three zip codes that make up Pittsburgh's Northside: 15212, 15214, and 15233. The City line and the Ohio/Allegheny River create boundaries that make this part of Pittsburgh distinct. Map 3.1 shows the boundaries of the PMA and the location of the CN.

FIGURE 3.1
PRIMARY MARKET AREA



Economic and Demographic Characteristics

The tables below provide a demographic overview of the PMA. Current year estimates and five-year projections are from data vendor Claritas.

Population

Between 2010 and 2022, the PMA population declined by 1.5%. Because the PMA population declined by nearly 15% between 2000 and 2010, the relatively low rate of loss since 2010 represents a positive trend. The City of Pittsburgh experienced the same pattern of declining losses through 2022. The populations of both the PMA and the City are projected to grow over the next five years.

TABLE 3.1 POPULATION TRENDS

Primary Market Area			
Total Population			
Census 2000	54,425		
Census 2010	46,363		
Current Year Estimates - 2022	45,666		
Five Year Projections - 2027	46,124		
<i>Change - 2000 to 2010</i>	-8,062	-14.8%	
<i>Estimated Change - 2010 to 2022</i>	-697	-1.5%	
<i>Projected Change - 2022 to 2027</i>	458	1.0%	

City of Pittsburgh			
Total Population			
Census 2000	334,576		
Census 2010	305,704		
Current Year Estimates - 2022	304,768		
Five Year Projections - 2027	308,758		
<i>Change - 2000 to 2010</i>	-28,872	-8.6%	
<i>Estimated Change - 2010 to 2022</i>	-936	-0.3%	
<i>Projected Change - 2022 to 2027</i>	3,990	1.3%	

Sources: Census; Claritas; Ribbon Demographics

Households

Household trends in the PMA and Pittsburgh show growth since 2010; continued household growth is projected over the next five years. The PMA is projected to gain 408 households between 2022 and 2027, while the household count in Pittsburgh overall is expected to grow by more than 3,000. Average household size has declined since 2000 in both geographies, but this trend is expected to moderate over the next five years. Household growth is a component of demand for new or substantially renovated housing units.

TABLE 3.2
HOUSEHOLD GROWTH TRENDS AND AVERAGE HOUSEHOLD SIZE

Primary Market Area			
Total Households			
Census 2000	22,332		
Census 2010	20,615		
Current Year Estimates - 2022	20,966		
Five Year Projections - 2027	21,374		
<i>Change - 2000 to 2010</i>	<i>-1,717</i>	<i>-7.7%</i>	
<i>Estimated Change - 2010 to 2022</i>	<i>351</i>	<i>1.7%</i>	
<i>Projected Change - 2022 to 2027</i>	<i>408</i>	<i>1.9%</i>	
Average Household Size 2000	2.31		
Average Household Size 2010	2.13		
Average Household Size 2022	2.06		
Average Household Size 2027	2.05		
City of Pittsburgh			
Total Households			
Census 2000	143,754		
Census 2010	136,217		
Current Year Estimates - 2022	139,647		
Five Year Projections - 2027	142,665		
<i>Change - 2000 to 2010</i>	<i>-7,537</i>	<i>-5.2%</i>	
<i>Estimated Change - 2010 to 2022</i>	<i>3,430</i>	<i>2.5%</i>	
<i>Projected Change - 2022 to 2027</i>	<i>3,018</i>	<i>2.2%</i>	
Average Household Size 2000	2.17		
Average Household Size 2010	2.07		
Average Household Size 2022	2.01		
Average Household Size 2027	2.00		

Sources: Census; Claritas; Ribbon Demographics

Population Age

The PMA population is older than the City of Pittsburgh population overall. As shown in Table 3.3, the 2022 estimated PMA median age is 39.9 years compared with the City median age of 36.9 years. Pittsburgh is home to the University of Pittsburgh and Carnegie Mellon University as well as smaller undergraduate institutions. There are no residential colleges or universities in the PMA; this may contribute to the differing age patterns between the geographies. An Allegheny County Community College (ACCC) campus is within the PMA boundaries. ACCC students are typically commuters so the presence of this institution does not impact the age profile of the surrounding neighborhoods. The median ages in both the PMA and the City have been climbing since 2010, and this trend is projected to continue over the next five years as households at the leading edge of the Baby Boom generation moves into their 80s.

TABLE 3.3
POPULATION DISTRIBUTION BY AGE

Primary Market Area							
Population By Age							
	Census 2010		2022 Estimates		2027 Projections		
0 to 4 Years	2,801	6.0%	2,881	6.3%	2,755	6.0%	
5 to 9 Years	2,325	5.0%	2,526	5.5%	2,542	5.5%	
10 to 14 Years	2,498	5.4%	2,432	5.3%	2,488	5.4%	
15 to 17 Years	1,655	3.6%	1,380	3.0%	1,512	3.3%	
18 to 20 Years	1,675	3.6%	1,211	2.7%	1,334	2.9%	
21 to 24 Years	2,684	5.8%	1,569	3.4%	1,671	3.6%	
25 to 34 Years	7,168	15.5%	7,363	16.1%	5,817	12.6%	
35 to 44 Years	5,862	12.6%	7,086	15.5%	7,752	16.8%	
45 to 54 Years	7,241	15.6%	5,271	11.5%	5,699	12.4%	
55 to 64 Years	5,926	12.8%	5,897	12.9%	5,369	11.6%	
65 to 74 Years	3,271	7.1%	4,957	10.9%	5,859	12.7%	
75 to 84 Years	2,261	4.9%	2,133	4.7%	2,310	5.0%	
85 Years and Up	996	2.1%	960	2.1%	1,016	2.2%	
Median Age (Years)	39.1		39.9		41.4		

City of Pittsburgh							
Population By Age							
	Census 2010		2022 Estimates		2027 Projections		
0 to 4 Years	15,109	4.9%	15,219	5.0%	14,509	4.7%	
5 to 9 Years	13,026	4.3%	14,186	4.7%	14,569	4.7%	
10 to 14 Years	12,848	4.2%	13,876	4.6%	14,208	4.6%	
15 to 17 Years	8,816	2.9%	9,225	3.0%	9,721	3.1%	
18 to 20 Years	25,148	8.2%	20,231	6.6%	19,863	6.4%	
21 to 24 Years	32,597	10.7%	21,103	6.9%	18,531	6.0%	
25 to 34 Years	51,740	16.9%	49,434	16.2%	42,162	13.7%	
35 to 44 Years	31,990	10.5%	47,526	15.6%	52,110	16.9%	
45 to 54 Years	37,894	12.4%	30,906	10.1%	36,786	11.9%	
55 to 64 Years	34,385	11.2%	32,526	10.7%	29,954	9.7%	
65 to 74 Years	19,689	6.4%	29,404	9.6%	33,706	10.9%	
75 to 84 Years	15,115	4.9%	13,644	4.5%	14,773	4.8%	
85 Years and Up	7,347	2.4%	7,488	2.5%	7,866	2.5%	
Median Age (Years)	33.8		36.9		39.0		

Sources: Census; Claritas; Ribbon Demographics

Housing Tenure Trends

The tenure data in Table 3.4 show relative stability in the relationship of owner- and renter-occupancy in each geography over time. The PMA has a majority of owner-occupants—nearly 53%—while the City overall has a preponderance of renters.

TABLE 3.4
HOUSEHOLD TENURE TRENDS

Primary Market Area							
Households by Tenure							
2010 Owner		10,997	53.3%				
2010 Renter		9,618	46.7%				
2022 Owner		11,101	52.9%				
2022 Renter		9,865	47.1%				
2027 Owner		11,288	52.8%				
2027 Renter		10,086	47.2%				
City of Pittsburgh							
Households by Tenure							
2010 Owner		64,807	47.6%				
2010 Renter		71,410	52.4%				
2022 Owner		65,685	47.0%				
2022 Renter		73,962	53.0%				
2027 Owner		66,892	46.9%				
2027 Renter		75,773	53.1%				

Sources: Census; Claritas; Ribbon Demographics

Household Income

Table 3.5 provides the distribution of households by income in the PMA and the City of Pittsburgh. The estimated 2022 median PMA household income of \$56,679 is 3% lower than the City median income of \$58,433. However, the data show that households in a range of middle- and upper-income bands live in the PMA. These income patterns suggest the opportunity to build on the current income diversity surrounding the CN and to create a stable mixed-income neighborhood with housing opportunities for households in a variety of income bands.

TABLE 3.5
HOUSEHOLD INCOME DISTRIBUTION

Primary Market Area						
Households by Income						
			2022 Estimates		2027 Projections	
Less than \$15,000			3,028	14.4%	2,644	12.4%
\$15,000 - \$24,999			2,004	9.6%	1,788	8.4%
\$25,000 - \$34,999			1,884	9.0%	1,778	8.3%
\$35,000 - \$49,999			2,630	12.5%	2,426	11.4%
\$50,000 - \$74,999			3,507	16.7%	3,293	15.4%
\$75,000 - \$99,999			2,528	12.1%	2,618	12.2%
\$100,000 - \$124,999			1,810	8.6%	1,974	9.2%
\$125,000 - \$149,999			1,229	5.9%	1,469	6.9%
\$150,000 - \$199,999			1,166	5.6%	1,548	7.2%
\$200,000 - \$249,999			576	2.7%	835	3.9%
\$250,000 - \$499,999			434	2.1%	707	3.3%
\$500,000 and up			170	0.8%	294	1.4%
Median Income			\$56,679		\$65,571	

City of Pittsburgh						
Households by Income						
			2022 Estimates		2027 Projections	
Less than \$15,000			20,493	14.7%	18,235	12.8%
\$15,000 - \$24,999			13,544	9.7%	12,182	8.5%
\$25,000 - \$34,999			12,226	8.8%	11,401	8.0%
\$35,000 - \$49,999			16,240	11.6%	15,647	11.0%
\$50,000 - \$74,999			21,702	15.5%	20,231	14.2%
\$75,000 - \$99,999			15,831	11.3%	16,156	11.3%
\$100,000 - \$124,999			11,547	8.3%	12,449	8.7%
\$125,000 - \$149,999			7,741	5.5%	9,240	6.5%
\$150,000 - \$199,999			8,296	5.9%	10,260	7.2%
\$200,000 - \$249,999			4,568	3.3%	6,100	4.3%
\$250,000 - \$499,999			4,659	3.3%	6,602	4.6%
\$500,000 and up			2,800	2.0%	4,162	2.9%
Median Income			\$58,433		\$67,136	

Sources: Census; Claritas; Ribbon Demographics

Households by Race and Hispanic Origin

Table 3.6 shows the distribution of households by race and Hispanic ethnicity in the PMA and Pittsburgh as a whole. Both geographies have diverse populations with small but growing Hispanic communities.

TABLE 3.6

HOUSEHOLDS BY RACE AND HISPANIC ORIGIN

Primary Market Area							
Population By Race and Ethnicity							
	Census 2010		2022 Estimates		2027 Projections		
White Alone	27,817	60.0%	26,192	57.4%	25,890	56.1%	
Black/African American Alone	16,406	35.4%	16,153	35.4%	16,333	35.4%	
American Indian/Alaskan Native Alone	91	0.2%	117	0.3%	129	0.3%	
Asian Alone	426	0.9%	782	1.7%	963	2.1%	
Native Hawaiian/Pacific Islander Alone	16	0.0%	22	0.0%	24	0.1%	
Some Other Race Alone	374	0.8%	523	1.1%	592	1.3%	
Two or More Races	1,233	2.7%	1,877	4.1%	2,193	4.8%	
Hispanic/Latino	860	1.9%	1,481	3.2%	1,764	3.8%	
City of Pittsburgh							
Population By Race and Ethnicity							
	Census 2010		2022 Estimates		2027 Projections		
White Alone	201,766	66.0%	192,850	63.3%	191,643	62.1%	
Black/African American Alone	79,710	26.1%	76,504	25.1%	76,448	24.8%	
American Indian/Alaskan Native Alone	584	0.2%	619	0.2%	655	0.2%	
Asian Alone	13,465	4.4%	20,479	6.7%	23,710	7.7%	
Native Hawaiian/Pacific Islander Alone	86	0.0%	105	0.0%	117	0.0%	
Some Other Race Alone	2,405	0.8%	3,288	1.1%	3,719	1.2%	
Two or More Races	7,688	2.5%	10,923	3.6%	12,466	4.0%	
Hispanic/Latino	6,964	2.3%	11,395	3.7%	13,469	4.4%	

Sources: Census; Claritas; Ribbon Demographics

4. PMA HOUSING SUPPLY CONDITIONS

Tenure and Occupancy Characteristics

Claritas estimates that there are a total of 25,590 housing units in the PMA in 2022. Of these, 18.1% were vacant. As noted in the previous section, 52.9% of the PMA's occupied housing units were owner-occupied and 47.1% were renter-occupied. The City of Pittsburgh has a 13.2% residential vacancy rate; 53% of the City's households rent.

TABLE 4.1
HOUSING UNITS: OCCUPANCY AND TENURE 2022

Housing Unit Summary Current Year Estimates - 2022 Primary Market Area			Housing Unit Summary Current Year Estimates - 2022 City of Pittsburgh		
	Number	Percent		Number	Percent
Housing Units	25,590	100.0%	Housing Units	160,856	100.0%
Vacant Housing Units	4,624	18.1%	Vacant Housing Units	21,209	13.2%
Renter-Occupied	9,865	47.1%	Renter-Occupied	73,962	53.0%
Owner-Occupied	11,101	52.9%	Owner-Occupied	65,685	47.0%
Total Occupied:	20,966	100.0%	Total Occupied:	139,647	100.0%
Source: Claritas; Ribbon Demographics			Source: Claritas; Ribbon Demographics		

Sources: Esri; RES

WRT compiled 2021 data on housing units within the CN boundaries, which is shown in Table 4.2. These data show the homeownership rate for the CN overall is below the overall PMA levels, however, in the CN as a whole and in three of the four component neighborhoods, the homeownership rate exceeds 40%. Of note is the fact that California-Kirkbride has the lowest homeownership rate but the highest owner-occupied home values relative to the other neighborhoods within the CN. For all areas, the average owner-occupied home value is notably higher than the median value, indicating the presence of significantly higher value units within the geography.

TABLE 4.2

CHOICE NEIGHBORHOOD HOUSING DATA BY COMPONENT NEIGHBORHOOD

	2021 % Owner Occupied	2021 % Renter Occupied	2021 % Vacant Housing Units	2021 Median Home Value	2021 Average Home Value
Choice Neighborhood	41.93	58.07	24.97	\$92,037	\$127,962
Neighborhood within CN					
Perry Hilltop	43.39	56.61	26.19	92,600	130,410
Fineview	44.04	55.96	26.94	95,278	129,668
California-Kirkbride	29.21	71.16	19.58	111,667	138,636
Charles St Valley	43.67	56.33	18.21	73,182	82,071

Source: WRT

Note: Home value is for owner-occupied units only

TABLE 4.3
HOUSING UNITS BY STRUCTURE TYPE: 2022 ESTIMATES

Housing Units by Units in Structure Current Year Estimates - 2022 Primary Market Area			Housing Units by Units in Structure Current Year Estimates - 2022 City of Pittsburgh		
Unit	Number	Percent	Unit	Number	Percent
I Unit Detached	12,162	47.5%	I Unit Detached	69,868	43.4%
I Unit Attached	4,686	18.3%	I Unit Attached	24,495	15.2%
2 Units	2,253	8.8%	2 Units	14,240	8.9%
3 to 4 Units	1,762	6.9%	3 to 4 Units	12,034	7.5%
5 to 19 Units	1,652	6.5%	5 to 19 Units	15,966	9.9%
20 to 49 Units	669	2.6%	20 to 49 Units	7,002	4.4%
50 or More Units	2,344	9.2%	50 or More Units	16,497	10.3%
Mobile Home	48	0.2%	Mobile Home	692	0.4%
Other	14	0.1%	Other	62	0.0%
Total:	25,590	100.0%	Total:	160,856	100.0%
Source: Claritas; Ribbon Demographics			Source: Claritas; Ribbon Demographics		

Residential Structure Types

In the PMA, 65.8% of housing units are single-family (attached or detached) dwellings. In the City of Pittsburgh overall, 58.6% of residential units are single-family. 2015-2019 American Community Survey (ACS) data compiled by WRT indicate that nearly 66% of structures in the CN are single-family detached or attached. More than 71% of the housing stock in Perry Hilltop and nearly 80% of the units in Charles Street Valley are single-family detached or attached. Two-thirds of the units in California-Kirkbride are single-family. In Fineview, single-family units make up 48% of the housing stock.

Residential Units by Age

Nearly 51% of PMA housing units were constructed before 1940; only 3.1% of the market area's housing stock was built in 2010 or later. In comparison, more than five percent of the housing stock in the City of Pittsburgh overall was constructed in 2010 or later.

TABLE 4.4
HOUSING UNITS BY YEAR STRUCTURE BUILT: 2022 ESTIMATES

Housing Units by Year Structure Built Current Year Estimates - 2022			Housing Units by Year Structure Built Current Year Estimates - 2022		
Primary Market Area			City of Pittsburgh		
Year	Number	Percent	Year	Number	Percent
2014 or Later	660	2.6%	2014 or Later	6,515	4.1%
2010 - 2013	135	0.5%	2010 - 2013	1,581	1.0%
2000 - 2009	583	2.3%	2000 - 2009	4,716	2.9%
1990 - 1999	1,164	4.5%	1990 - 1999	5,497	3.4%
1980 - 1989	1,238	4.8%	1980 - 1989	6,979	4.3%
1970 - 1979	1,707	6.7%	1970 - 1979	10,901	6.8%
1960 - 1969	2,157	8.4%	1960 - 1969	13,742	8.5%
1950 - 1959	2,912	11.4%	1950 - 1959	20,679	12.9%
1940 - 1949	2,059	8.0%	1940 - 1949	14,138	8.8%
1939 or Earlier	12,975	50.7%	1939 or Earlier	76,108	47.3%
Total:	25,590	100.0%	Total:	160,856	100.0%
Source: Claritas; Ribbon Demographics			Source: Claritas; Ribbon Demographics		

Rental Housing Supply

Income-Restricted Rental Housing

RES identified 972 existing income-restricted PMA units for family/general occupancy and another 324 income-restricted units in the PMA development pipeline, all part of the major Northside Residences rehabilitation initiative undertaken by Northside Associates/Mistick Construction. There are an additional 1,057 income- and age-restricted (senior) units in the PMA. In addition to the efforts to redevelop Allegheny Dwellings, HACP is planning the rehabilitation of the scattered site Manchester public housing to the south of the CN, as well as the eventual redevelopment of the Northview Heights public housing complex located in the PMA on the east side of I-279. A summary of general occupancy affordable properties is provided in Table 4.5. Many of the properties have unit-based rent subsidies allowing tenant households to pay 30% of their incomes for rent and utilities. Income-restricted housing units in the three PMA zip codes are fully occupied with waiting lists. Some buildings may have turnover vacancy as management processes households from the waiting list.

TABLE 4.5
INCOME RESTRICTED FAMILY/GENERAL OCCUPANCY UNITS: PMA

Project Name	Address	ZIP Code	Number of Affordable Units	Total Units	Comments
Operating Properties:					
HACP Manchester Redevelopment	Scattered Sites	15233	86	86	HACP will renovate these units (RAD/LIHTC)
Hodgkiss Superior Washburn Streets	1400 Hodgkiss Street	15212	40	52	
Widows Home Apartments	308 N. Taylor Avenue	15212	24	24	
Allegheny Commons East	255 E. Ohio Street	15212	127	136	
Sandstone Quarry	1677 Sandusky Court	15212	47	65	First phase of Allegheny Dwellings redevelopment
Three Rivers Manor	125 Rhine Pl.	15212	198	209	
Northview Heights	533 Mt. Pleasant Road	15214	<u>450</u>	<u>450</u>	87 units in highrise to be replaced with mid-rise new construction
Total Operating Units			972	1,022	
Funded and Under Construction:					
Northside Properties	Scattered Sites	15233	<u>324</u>	324	Under construction (LIHTC). All will have rent subsidies
Total PMA General Occupancy Affordable Units			1,296		

TABLE 4.6
INCOME-RESTRICTED SENIOR UNITS: PMA

Project Name	Address	ZIP Code	Number of Affordable Senior Units	Comments
Operating Properties:				
St. Georges Close	3505 Mexico Street	15212	18	
West Park Court (55+)	710 W North Avenue	15212	106	
The Allegheny (55+)	401 W Commons	15212	71	
Perrysville Plaza Apartments	2403 Perrysville Avenue	15214	101	
Northview Midrise	250 Pennfort Street	15214	87	Replacement planned
Sheptytsky Arms Apartments	3505 Mexico Street	15212	54	Rehab planned (LIHTCs reserved)
Riverview Manor	1500 Letort	15212	98	
Saint Ambrose Manor	1235 Yetta Avenue	15212	100	
Lynn Williams Apartments	3710 Brighton Road	15212	42	
Pressley Street Hi-Rise	601 Pressley Street	15212	274	
The Upper Rooms	2334 Perrysville Avenue	15214	26	
Steelworkers Towers	2639 Perrysville Avenue	15214	80	
Pennsylvania Bidwell Apartments	1014 Bidwell Street	15233	<u>160</u>	
Total PMA Affordable Senior Rental Units			1,057	

HACP maintains waiting lists for all public housing complexes including both age-restricted and family complexes. As of May 2022, there were 3,244 households on the public housing site preference waiting lists (398 of these households are seniors). 5,231 households (including 313 senior households) are on HACP's waiting list for housing choice vouchers (HCV).

Market-Rate Rental Housing

The rental apartment market in the Pittsburgh metro area overall is very tight. REIS reports that the Q2 2022 metro area rental vacancy rate was 3.8%, lower than the national average vacancy level of 4.5%. The Pittsburgh metro Q2 vacancy rate declined from 4.5% in Q2 2021. With available units in short supply, metro area average Q2 rents have increased 16.7% year-over-year (matching the national Q2 year-over-year rent growth rate). Throughout the metro area, spiking rents and the decline in rental housing affordability is a challenge for households at most income levels. Low- and moderate-income households—with relatively lower levels of discretionary income—are disproportionately affected, particularly now that consumer prices for many goods and services are rising due to inflation.

The market-rate rental housing stock in the PMA consists primarily of a combination of single-family homes, and small multi-family buildings including both walk-ups and smaller elevator buildings. RES identified only seven larger professionally managed market-rate buildings in the PMA. These include:

- Bracken House: 100 Anderson Street, Pittsburgh, PA 15212
- Heinz 950: 950 Progress Street, Pittsburgh, PA 15212
- Heinz Lofts: 300 Heinz Street, Pittsburgh, PA 15212
- Park View: 10 Allegheny Center, Pittsburgh, PA 15212
- Schoolhouse Apartments: 500 Tripoli Street, Pittsburgh, PA 15212
- The Bradberry: 1130 Reddour Street, Pittsburgh, PA 15212
- Stables Lofts: 840 W. North Avenue, Pittsburgh, PA 15233

None of these buildings is in the CN. Bracken House, Heinz 950, and Heinz Lofts are near the Allegheny Riverfront. Park View is at Allegheny Commons, and Stables Lofts, School House Apartments and The Bradberry are close to W. North Avenue. The Bradberry, a historic renovation of one of Pittsburgh's first apartment buildings, is the first building in Trek's larger mixed-use rehabilitation of the Garden Theater block on North Avenue at Federal Street. Stable Lofts is an adaptive reuse that is on W. North Avenue in Allegheny West.

Information on these PMA market-rate properties are presented in Table 4.7. Occupancy rate trends for the PMA market-rate inventory are lower than metro-wide levels; none of the seven PMA properties has an occupancy level below 97%.

Apartment rents in the PMA vary widely, depending on age/condition of the structure, whether it is professionally or privately owned or managed, and location within the PMA (rents are higher in the southern part of the market area, and generally decline moving northward).

TABLE 4.7: PMA MARKET-RATE MULTIFAMILY APARTMENTS

Name/Address	Total Units	Year Built/ Style	Unit Types (BR/BA)	Unit Sizes (SF)	Monthly Rent	Utilities Included in Rent	Occupancy Rate	Amenities/Comments
Bracken House 100 Anderson Street Pittsburgh, PA 15212	232	1997 Elevator	1 BR/1 BA 2 BR/2 BA	679-817 1,086-1,179	\$1,820-\$1,975 \$2,424-\$2,732	WST**	97%	Clubhouse, heated pool with sundeck, business center, fitness center, private balcony/patio, storage. Some units have fireplaces. Buildings have four stories. Pets allowed with \$250 fee plus
Heinz 950 950 Progress Street Pittsburgh, PA 15212	151	2017 Adaptive Reuse	1 BR/1 BA 2 BR/2 BA	443-666 956-1,098	\$1,421-\$1,699 \$2,029-\$2,319	WST	98%	Refrigerator, stove, dishwasher, microwave, washer/dryer in unit climate controlled garage parking: \$50 for 1st space/\$110 for 2nd space.
Heinz Lofts Heinz Lofts 300 Heinz Street Pittsburgh, PA 15212	266	2005 Adaptive Reuse	1 BR/1 BA 2 BR/1 BA	573-908 946-1,213	\$1,501-\$1,877 \$1,700-\$2,504	Trash	99%	Microwave, dishwasher, washer/dryer in unit. Business center, fitness center, exercise pool, hot tub, community room, dry cleaning, storage, garage parking, on-
Park View 10 Allegheny Center Pittsburgh, PA 15212	810	1970 Elevator	Studio 1 BR/1 BA 2 BR/1 BA 3 BR/2 BA	415-630 670-890 1,000-1,020 1,625	\$970-\$1,185 \$1,305-\$1,665 \$1,845 \$2,555	Heat hot water, air conditioning	98%	Assigned parking, resident lounge, pet friendly, sun decks and garden area, fitness center, laundry facilities, business center, game room, outdoor patio and BBQ grill, on-site management, and maintenance, and 24/7 concierge.
Schoolhouse Apartments 500 Tripoli Street Pittsburgh, PA 15212	77	1989 Elevator	1 BR/1 BA 2 BR/2 BA	805-1,095 1,250-1,425	\$900-\$1,175 \$975-\$1,425	WST Hot water	97.4%	Dishwasher, washer/dryer hookups, central laundry room, fitness center, internet café. Garage parking available.
The Bradberry 110 Reddour Street Pittsburgh, PA 15212	16	2019 Rehab	1 BR/1 BA 2 BR/1.5 or 2 BA	565-780 900-1,065	\$1,425-\$1,695 \$1,750-\$1,850	Trash	100%	Dishwasher, washer/dryer in unit. Tenant will be able to access amenities in the adjacent new construction building 6 W. North when completed.
Allegheny City Stable Lofts 840 W. North Avenue Pittsburgh, PA 15233	36	2021 Adaptive Reuse Elevator	1 BR/1BA 2 BR/2 BA	750-1,095 1,040 - 1,180	\$1,399 - \$2,145 N/A	WST	98%	Dishwasher, washer/dryer in unit, parking garage, fitness center, pet washing station, electric car charging station. Some units have balconies.

Source: RES Advisors interviews with property management and supplemental internet research, June-August 2022

**WST: water, sewer, trash

- One-bedroom rents in professionally-managed buildings range from \$1,300 to \$1,975; in older private rentals the range is \$900 to \$1,300.
- Rents for two-bedroom apartments range from \$1,700 to over \$2,700 in professionally managed buildings and \$975 to \$1,500 in private rentals.
- Three-bedroom rentals are typically privately managed single-family homes; rents advertised range broadly from \$1,300 to \$2,500.
- Relatively few four-bedroom single-family homes are available. Listing rents for properties advertised in May 2022 were \$2,000 to \$2,200 for renovated properties and \$1,300 to \$1,500 for older unrenovated homes.

Rents for apartments in market-rate multifamily buildings usually include water and sewer; tenants pay for gas and electricity. Increasingly landlords are requiring apartment tenants to pay for cold water. In single-family home rentals, tenants typically pay all utilities.

Market-Rate Sales Housing

The home sales market in the PMA varies by zip code/neighborhood as shown by the following August 2022 statistics reported by Realtor.com. Home sales prices in 15212 (Central Northside, East Allegheny, Allegheny West, California-Kirkbride) and in 15233 (Manchester) are significantly higher than prices in 15214, the zip code that includes most of the CN. The average days on market (DOM) were similar in all three zip codes. While median sales prices in 15212 and 15233 have increased substantially year-over-year, the median sales price in 15214 has declined over the past 12 months.

- In 15214, which includes most of CN and neighborhoods to the north, 77 residential properties were for sale with a median listing price of \$175,000. List prices ranged from \$3,500 to \$495,000. For properties sold in August 2022, the median sales price was \$143,000 down 11.2% from August 2021. Average DOM for homes sold in August dropped from 49 in 2021 to 47 in 2022.
- In 15212, which includes neighborhoods to the south, east, and west of the CN, 188 residential properties were for sale with a median listing price of \$209,900. List prices ranged from \$4,000 to \$2.2 million. For properties sold in August 2022, the median sales price was \$287,400, up nearly 44% from August 2021. Average DOM for homes sold in August dropped from 58 in 2021 to 48 in 2022.
- In 15233, which includes the Manchester neighborhood, 23 properties were for sale with a median listing price of \$495,000. List prices ranged from \$59,000 to \$2.0 million. For properties sold in August 2022, the median sales price was \$355,000 up 51% from August 2021. Average DOM for homes sold in August 2022 was 50. No DOM data for 2021 are available.

Table 4.8 details the 25 home sales within the boundaries of the CN that occurred in the six-month period from March through August 2022. These data are compiled by the National Association of Realtors and reported on Realtor.com. Sales that did not involve a real estate broker are not included.

TABLE 4.8
HOME SALES IN ALLEGHENY DWELLINGS CHOICE NEIGHBORHOOD: MARCH-AUGUST 2022

Address	Zip Code	Beds	Bath	Square Feet	Sales Price	Sale Date	Year Built	Comments
224 Luray Street	15214	3	1	2,240	\$ 12,000	7/20/2022	1915	shell
417 E. Burgess Street	15214	3	2.5	1,188	\$ 32,000	3/20/2022	1925	partially rehabbed
1965 Federal Street Ext	15214	3	1	1,253	\$ 39,000	8/9/2022	1910	
125 Hawkins Ave	15214	4	2	1,720	\$ 43,500	7/20/2022	1920	shell
310 Marsonia Street	15214	3	3.5	2,772	\$ 58,794	6/9/2022	1930	
527 McClintock Ave	15214	4	3.5	2,024	\$ 65,000	4/1/2022	1900	needs work
2627 Linwood Ave	15214	4	2	1,926	\$ 73,000	3/30/2022	1920	needs work
3 Russell Street	15214	2	1	1,400	\$ 75,000	6/2/2022	1900	
1891 Clayton Ave	15214	2	1	1,080	\$ 75,000	3/10/2022	1957	garage
517 McClintock Ave	15214	3	2	2,108	\$ 82,000	3/7/2022	1920	partially rehabbed
311 Marsonia Street	15214	2	1	1,520	\$ 83,000	6/20/2022	1916	
672 Chester Ave	15214	2	1	1,020	\$ 90,000	3/4/2022	1983	garage
856 Brightridge Street	15214	2	1	1,170	\$ 124,900	6/17/2022	1900	multi-unit
2223 Wilson Ave	15214	4	1	1,925	\$ 150,000	May-22	1910	updated
1524 Warren Street	15212	3	1.5	1,530	\$ 175,000	5/13/2022	1920	
1306 Stranmore Street	15212	3	2	1,485	\$ 190,000	3/22/2022	1887	rehabbed
422 Catoma Street	15212	3	1.5	1,664	\$ 205,000	5/20/2022	1900	
404 Catoma Street	15212	3	2	n/a	\$ 225,000	3/2/2022	1940	
1807 Meadville St	15214	3	1.5	1,484	\$ 265,000	4/11/2022	1992	
420 Catoma Street	15212	3	1.5	1,594	\$ 268,000	5/13/2022	1900	
2406 Wurzell Ave	15214	2	2	2,254	\$ 300,000	3/11/2022	1930	multi-unit
129 Marshall Ave	15214	4	2.5	2,668	\$ 325,000	6/27/2022	1895	
2492 Perrysville Ave	15214	4	3.5	3,092	\$ 325,000	5/3/2022	1905	
2449 Lyzell St	15214	3	1	1,620	unknown		1910	

Source: Realtor.com

Note: This table does not include multiple sales of lots and houses on Lanark Street in Fineview. These properties will be part of an affordable homeownership initiative undertaken by the Fineview Citizens Council and the City of Bridges Community Land Trust.

The sales data in the CN suggest the following:

- Most of the sold homes are at least 90 years old. The age of the buildings means that homeowners need adequate funds and/or specific skills to maintain these homes.
- Most homes that sold for under \$100,000 were either shells or needed substantial rehabilitation.
- The properties that are selling have two, three, or four bedrooms.
- Nearly two-thirds of the sold properties have more than one bathroom. Most of the sales with only one bathroom were two-bedroom homes.

A review of listing materials for both the sold houses and current listings showed that a number of properties are being specifically marketed to investors rather than prospective owner-occupants. Because many investors are purchasing properties with cash, they are less sensitive to rising interest rates than low- and moderate-income homebuyers, particularly first-time purchasers.

Over the past two decades, most new residential homeownership development on the Northside has been either rehabilitation or infill construction of single-family units rather than larger scale communities. Two developments--Columbus Square in Manchester and Federal Hill in Central Northside--are new construction for-sale communities that were developed with public subsidy over the last 10-15 years.

- The 50-unit Federal Hill initiative was developed under PHFA's former Homeownership Choice program between 2008 and 2014; households with incomes up to 115% AMI were eligible to purchase these units. These units were built on several blocks of Federal Street extending north to Alpine Street immediately south of the CN boundary. The most recent resale—a three-bedroom, 1.5-bathroom home with 1,724 square feet—sold for \$382,500 (June 2022).
- Columbus Square is not an income-restricted community; this 31-unit development was URA-funded to incentivize redevelopment of a brownfields site. Construction began in 2011 and the final eight lots are being marketed now. The product types include three- and four-bedroom (2.5 or 3.5 bathrooms) single family homes with garages. Listing prices range from \$495,000 to \$540,000

Infill new construction of single-family homes is taking place in the northernmost blocks of Central Northside adjacent to the CN (but separated by topography). Asking prices are \$500,000 to \$700,000. The Manchester neighborhood has also seen new construction of individual infill units.

5. HOUSING DEMAND

Demand for new or substantially rehabilitated housing in the CN planning area will be a function of: household growth; the need to replace housing units that are damaged, deteriorated and/or obsolete; household age and income patterns in the PMA; and the degree of housing cost burden for existing PMA residents.

Demand Generated by Household Growth

From 2022 to 2027, the PMA is projected to gain 408 households. Assuming tenure splits remain constant, the rental percentage of five-year demand from household growth would equal 192.

TABLE 5.1
HOUSEHOLD CHANGE BY AGE COHORT: 2022-2027

<i>Projected Change - 2022 to 2027</i>										
Income	Age 15 - 24 Years	Age 25 - 34 Years	Age 35 - 44 Years	Age 45 - 54 Years	Age 55 - 64 Years	Age 65 - 74 Years	Age 75 - 84 Years	Age 85+ Years	Total	Percent Change
Total	60	-800	400	278	-340	639	128	43	408	1.9%
Percent Change	7.3%	-22.9%	10.0%	9.0%	-9.0%	18.1%	8.1%	6.3%	1.9%	
<i>Source: Claritas; Ribbon Demographics</i>										

The aging of both the Baby Boom and Millennial generations leads to growth being concentrated in the 35-44, 45-54, and 65+ age cohorts. The 35-44 age cohort is a key first-time homebuyer demographic.

Replacement Demand

Additional demand for new or substantially renovated housing units will be generated by the need to replace older housing units that are deteriorated, obsolete or lost from the inventory. Replacement demand can be met either by new construction or, when financially feasible, rehabilitating and updating existing housing units. To calculate replacement demand, RES used HUD's Components of Inventory Change (CINCH) data set, which provides data on the percentage of housing stock lost from inventory due to factors such as fire, disaster, deteriorated condition, and conversion to non-residential use. For the U.S. overall, the most recent CINCH data (2015-2017) indicate that an average of 0.8 percent of the nation's housing stock is lost each year, including 0.5 percent of occupied units.

RES applied the 0.5 percent occupied housing replacement factor to the number of renter-occupied units in the PMA in 2022: 9,865 units. This calculation produces an annual PMA replacement demand of approximately 50 housing units, or 250 units over five years. Because of the limited amount of new construction that has occurred in the PMA, new or gut-rehabilitated housing in the CN should be able to

capture a significant share of PMA replacement demand, particularly if some of the housing program is located on offsite opportunity areas in addition to rebuilding units on-site at Allegheny Dwelling.

Gross Rental Demand Estimates

Together, demand from household growth and replacement demand total gross five-rental demand of 440 to 450 units. Assuming a coordinated transformation plan is implemented in the CN, it is likely that the neighborhood could capture a large percentage of this demand—70% to 75%--or approximately 350 rental units. These could be accommodated through new construction and, where financially feasible, substantial rehabilitation of older residential units.

Demand by Household Income, Size, Tenure and Age

Ribbon Demographics, in partnership with Claritas, has developed proprietary tabulations of households by household income, size, tenure, and age (HISTA Tabulations). These data are particularly useful in identifying the number, type, and pricing of housing units that can be supported in a market area. Tabulations are provided separately for owner and renter households, working age and senior households, and for household sizes ranging from 1 to 5+ persons.

TABLE 5.2
PMA RENTER HOUSEHOLDS BY INCOME AND SIZE: 2022¹

Renter Households						
Aged <62						
Year 2022 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	540	240	153	70	35	1,038
\$10,000-20,000	383	111	76	32	16	618
\$20,000-30,000	444	122	183	49	62	860
\$30,000-40,000	342	153	82	7	60	644
\$40,000-50,000	324	83	35	83	15	540
\$50,000-60,000	174	149	35	29	24	411
\$60,000-75,000	345	232	16	113	20	726
\$75,000-100,000	276	319	91	53	56	795
\$100,000-125,000	211	251	29	29	32	552
\$125,000-150,000	87	164	52	9	19	331
\$150,000-200,000	174	65	60	17	13	329
\$200,000+	<u>140</u>	<u>45</u>	<u>70</u>	<u>21</u>	<u>11</u>	<u>287</u>
Total	3,440	1,934	882	512	363	7,131

¹ The PMA renter household total in the HISTA model is 9,872 versus the 9,865 total household figure presented earlier in this report. This is a result of rounding calculations occurring in individual spreadsheet cells that add to the HISTA total and does not impact the findings of this demand analysis.

Renter Households						
Aged 62+ Years						
Year 2022 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	361	50	7	14	6	438
\$10,000-20,000	574	62	12	19	10	677
\$20,000-30,000	229	34	44	8	6	321
\$30,000-40,000	153	39	26	10	10	238
\$40,000-50,000	119	35	33	5	7	199
\$50,000-60,000	106	23	27	4	3	163
\$60,000-75,000	107	19	18	8	4	156
\$75,000-100,000	72	9	12	4	8	105
\$100,000-125,000	87	12	11	6	8	124
\$125,000-150,000	92	18	10	2	9	131
\$150,000-200,000	29	20	12	0	0	61
\$200,000+	<u>88</u>	<u>13</u>	<u>16</u>	<u>6</u>	<u>5</u>	<u>128</u>
Total	2,017	334	228	86	76	2,741

Sources: Claritas, Ribbon Demographics

As shown in Table 5.2, there are an estimated total of 7,131 non-senior renter households in the PMA in 2022. The HISTA tabulations allow analysis of the number of households in a market area by AMI level. Data are segmented by several age groups cohorts, which assists in estimating demand for both general occupancy and age-restricted housing. For reference Table 5.3 provides the FY2022 HUD maximum income limits at various AMI levels.

RES has analyzed demand at different income levels separately for renter households headed by an individual younger than 62 and for households with householder 62 and older, the standard HUD minimum age to occupy senior housing. Although the estimates focus on renter households, the HISTA data helps to quantify the number of higher-income renter households who may be the target market for first-time buyer homeownership units.

TABLE 5.3
FY2022 HUD INCOME LIMITS: PITTSBURGH METRO AREA

	Household Size							
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% AMI	\$19,920	\$22,770	\$25,620	\$28,440	\$30,720	\$33,000	\$35,280	\$37,560
50% AMI	\$33,200	\$37,950	\$42,700	\$47,400	\$51,200	\$55,000	\$58,800	\$62,600
60% AMI	\$39,840	\$45,540	\$51,240	\$56,880	\$61,440	\$66,000	\$70,560	\$75,120
80% AMI	\$53,120	\$60,720	\$68,320	\$75,840	\$81,920	\$88,000	\$94,080	\$100,160
100% AMI	\$66,400	\$75,900	\$85,400	\$94,800	\$102,400	\$110,000	\$117,600	\$125,200
120% AMI	\$79,680	\$91,080	\$102,480	\$113,760	\$122,880	\$132,000	\$141,120	\$150,240

Source: HUD FY 2022 MTSP limits (HUDUser.org); RES

AMI=Area Median income

PMA Renter Households Age 15-61 by AMI Level and Unit Size

Renter households headed by individuals ages 15 to 61 (“non-senior” or “working age” households) typically occupy family or general occupancy housing units. Table 5.4 below provides the AMI level distribution of non-senior renter households in the PMA.

An estimated 3,385 PMA households younger than 62 had incomes below 60% AMI during 2022. These households are the primary targets for income-restricted affordable rental housing. Households with incomes below 30% AMI generally require tenant vouchers or unit-based rent subsidies to afford safe and decent housing. There are approximately 1,900 PMA households in this lowest income band. Almost 1,100 households have incomes between 30% and 50% AMI and would be prospective tenants for general occupancy LIHTC units without rent subsidies. Nearly 400 working age households have incomes between 50% and 60% AMI. An additional 780 households are estimated to have incomes between 60% and 80% AMI and could be targets for affordable homeownership programs (if subsidy is deep enough, households at 50% AMI could also be targeted for affordable homeownership). Renter households with incomes between 80% and 120% AMI are the likely profile of first-time home purchasers of homes without income restrictions.

TABLE 5.4
2022 RENTER HOUSEHOLDS AGES 15-61 BY AMI LEVEL: PMA

PMA Renter Households Age 15-61 By Income Range during 2022

Income Range (AMI)	Households	
	Number	Percent
0 - 30% AMI	1,902	26.7%
30 - 50% AMI	1,086	15.2%
50 - 60% AMI	397	5.6%
60 - 80% AMI	780	10.9%
80 -120% AMI	1,178	16.5%
120% AMI +	1,787	25.1%
Totals	7,131	100.0%

Source: Claritas; Ribbon Demographics; RES

Table 5.4 presents estimates of the unit sizes required by PMA households in each income band. The split between studio and one-bedroom units is an arbitrary allocation set by data vendor Ribbon Demographics. Typically, one-person households prefer apartments with a separate bedroom if they are able to afford the rent (this is particularly true of senior households).

TABLE 5.4
UNIT SIZE REQUIREMENTS FOR PMA RENTER HOUSEHOLDS AGE 15-61

Estimated Unit Size Requirements - 2022 PMA Renter Households Age 15-61

	0 - 30% AMI		30 - 50% AMI		50 - 60% AMI		60 - 80% AMI		80 - 120% AMI		120% AMI +		TOTAL	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Studio	230	12.1%	139	12.8%	57	14.3%	96	12.3%	129	11.0%	209	11.7%	860	12.1%
One Bedroom	882	46.4%	522	48.1%	209	52.6%	386	49.5%	600	51.0%	947	53.0%	3,547	49.7%
Two Bedroom	373	19.6%	198	18.3%	58	14.6%	131	16.7%	270	22.9%	429	24.0%	1,459	20.5%
Three Bedroom	332	17.4%	177	16.3%	56	14.0%	126	16.1%	136	11.6%	174	9.8%	1,001	14.0%
Four Bedroom	86	4.5%	49	4.5%	18	4.5%	42	5.3%	42	3.6%	28	1.5%	264	3.7%
Totals	1,902	100.0%	1,086	100.0%	397	100.0%	780	100.0%	1,178	100.0%	1,787	100.0%	7,131	100.0%

Source: Claritas; Ribbon Demographics; RES

As the estimates by income range show, more than 1,900 non-senior households have incomes below 30% AMI. An estimated 58% of these households could occupy small units—studios or one-bedroom apartments. One in four of these extremely low-income households requires a two-bedroom unit and 22% of these extremely low-income households require units with at least three bedrooms. This income band has the highest percentage of households (21.9%) requiring larger units (3+ bedrooms), although the proportion of working age households in the 60-80% AMI cohort is close at 21.4%.

[PMA Renter Households Age 62+ by AMI Level and Unit Size](#)

Table 5.5 provides estimates of the number of PMA senior (age 62+) renter households by AMI range. A total of 1,745 PMA senior households are renters with incomes below 60% AMI. An estimated 42.3% of PMA senior renters have incomes below 30% AMI.

TABLE 5.5
2022 RENTER HOUSEHOLDS AGES 62+ BY AMI LEVEL

PMA Renter Households Age 62+
By Income Range during 2022

Income Range	Households	
	Number	Percent
0 - 30% AMI	1,158	42.3%
30 - 50% AMI	424	15.5%
50 - 60% AMI	163	6.0%
60 - 80% AMI	243	8.9%
80 - 120% AMI	259	9.4%
120% AMI +	494	18.0%
Totals	2,741	100.0%

Source: Claritas; Ribbon Demographics; RES

TABLE 5.6
UNIT SIZE REQUIREMENTS FOR PMA RENTER HOUSEHOLDS AGE 62+

Estimated Unit Size Requirements - 2022 PMA Renter Households Age 62+ By Income Range														
	0 - 30% AMI		30 - 50% AMI		50 - 60% AMI		60 - 80% AMI		80 - 120% AMI		120% AMI +		TOTAL	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Studio	233	20.1%	71	16.7%	25	15.5%	39	15.9%	48	18.7%	89	18.0%	504	18.4%
One Bedroom	759	65.5%	240	56.6%	90	55.0%	136	55.8%	157	60.7%	299	60.6%	1,680	61.3%
Two Bedroom	87	7.5%	56	13.3%	28	17.0%	38	15.4%	23	9.0%	58	11.8%	290	10.6%
Three Bedroom	65	5.6%	49	11.5%	19	11.4%	27	11.3%	24	9.4%	41	8.3%	225	8.2%
Four Bedroom	15	1.3%	8	2.0%	2	1.1%	4	1.6%	6	2.2%	7	1.4%	42	1.5%
Totals	1,158	100.0%	424	100.0%	163	100.0%	243	100.0%	259	100.0%	494	100.0%	2,741	100.0%

Source: Claritas; Ribbon Demographics; RES

Despite the Ribbon Demographics distribution of small households between studio and one-bedroom units, seniors often consider studio units undesirable because they have accumulated furniture and possessions that may not be accommodated in a smaller space. This is compounded in instances where households have rent subsidy based on their income. For the subsidized renter, the costs of renting a studio and a one-bedroom apartment are identical. Some seniors and non-elderly households with disabilities may, however, prefer a smaller unit that is easier to maintain. Demand for affordable senior units with two bedrooms is far lower than for smaller units; demand for units with three or four bedrooms typically is accommodated in properties for general occupancy.

Reconciling Renter Demand and Income-Restricted Supply

Table 5.5 provides 2022 estimates of PMA renter households ages 15 to 61 by income band. An estimated 1,900 households in this age cohort have incomes below 30% AMI, and 3,385 households in this age cohort have incomes below 60% AMI (typically, the highest income band in LIHTC housing). There are an estimated 1,296 income-restricted family/general occupancy rental apartment units in the PMA (some of these are under construction as part of the Northside Properties initiative). The current supply of affordable units for families/general occupancy is inadequate to meet the demand in the lowest AMI band. The income-restricted inventory serves approximately 38% of income eligible households.

For PMA senior renter households 62 years old and older during 2022, Table 5.6 identifies an estimated 1,745 renter households with incomes ranging from 0-60% AMI. The supply of PMA age- and income-restricted rental housing totals 1,057 units. The current supply of affordable senior housing in the PMA will accommodate about 60% of income-eligible seniors aged 62 and older. Several caveats should be noted. First, some senior properties accept households 55 and older, so the count of eligible renter households might be higher than presented. Second, many senior properties accept non-elderly disabled people, which again means that the units are not available for seniors 62+, further strengthening the demand for additional housing units serving this population.

Given the mismatch between income-eligible households and the supply of affordable housing, it is not surprising that the 2015-2019 ACS data show that an estimated 2,248 PMA renter households (22.5% of all renter households) are severely cost-burdened, paying over 50% of income for rent and utilities.

For-Sale Housing Demand

Although the analysis above is focused on rental demand, there are sufficient numbers of existing PMA renter households with incomes between 50% and 80% AMI to consider incorporating a home-ownership component targeted to first time buyers into the Choice housing strategy. The solid homeownership rate in the CN as well as growth in the number of households in the 35-44 age cohort, would support demand for a for-sale product.

6. CONCLUSIONS AND RECOMMENDATIONS

The analysis of supply and demand conditions impacting a Choice Neighborhoods housing strategy in the Allegheny Dwellings CN finds sufficient demand to support a **five-year Choice housing development program of up to 350 rental units**, including new construction and, where financially feasible, substantial rehabilitation of older residential units. The analysis, along with community input, suggests development potential for a limited **affordable homeownership development component** in the housing strategy in addition to the rental development program.

The CN has a solid proportion of homeownership. Although much of the existing single-family housing stock dates from the late 19th and early 20th centuries, many of these homes are attractive and generously sized, comfortably accommodating family households. The age and size of these homes makes maintenance and home repair critical for the comfort, safety, and equity-preservation of existing homeowners. Home repair programs can help avoid or correct deterioration of structures which can negatively impact the quality of life for nearby residents and the ability to attract investment in the neighborhood by owner-occupant homebuyers. **Home repair funding and home maintenance/repair training** initiatives would complement new housing production and help to preserve the existing level of homeownership in the CN.

Rental Housing Development Recommendations

Table 6.1 below summarizes unit and building types recommended as components of the Allegheny Dwellings Choice Neighborhood housing strategy. To guide the proportion of the development program for each unit type, there are recommended percentage ranges that were developed based on the HISTA demand analysis provided in Section 5.

TABLE 6.1
RECOMMENDED RENTAL HOUSING UNIT AND BUILDING TYPES

Unit Type	Building Type	% of Total	Tenure
0 BR/1 BA	--	0%	--
1 BR/1 BA flat	Multifamily	40-50%	Rental
2 BR/1 or 2 BA flat	Multifamily	35-45%	Rental
3 BR/1.5 or 2.5 BA	Townhouse	10-15%	Rental
4 BR/2 or 2.5 BA	Townhouse	1-2%	Rental

Source: RES

Based on the market research completed, RES offers the following recommendations for new rental units produced in the CN:

- Pittsburgh has successful examples of newer mixed-income housing developments. Multifamily product types include both mid-rise mixed-use structures and New Urbanist units that suggest traditionally scaled neighborhood housing designs but include a mix of stacked flats and bilevel townhouse units. These building types have received broad market acceptance as both income-restricted and unrestricted units. Both versions of these mixed-income multifamily product type would have market support in the CN.
- Some of the two-bedroom market-rate units should have two bathrooms to attract individuals sharing a unit. This is particularly important for the unrestricted units.
- Three-bedroom affordable and market-rate units should have at least 1.5 baths; two or 2.5 bathrooms would be preferable. Four-bedroom townhouse units should have two or 2.5 bathrooms.
- Key features and amenities recommended for new residential developments include kitchens with ranges, refrigerators, dishwashers, and garbage disposals; in-unit washers and dryers; window blinds; security systems; and off-street parking.
- Because extraordinary views are available at many locations within the CN, consideration should be given in both site plans and building designs to provide views to as many units as possible.
- Depending on the number of units at a single location, additional amenities on-site will be needed. Other mixed-income properties have community rooms, fitness facilities, computer rooms, and playgrounds/tot lots.
- On the Northside, Trek's mixed-income Sandstone Quarry development has been successful with 27% unrestricted units. Most newer mixed-income apartment properties in Pittsburgh have 20–30% market-rate units. RES recommends that at least 25% of additional non-replacement units in the CN be offered without income restrictions.
- The recommended development program is focused on general occupancy units. The comparison of supply and demand show a much broader gap between the count of eligible working age households and the available income-restricted supply. There is a significant quantity of affordable senior housing in the PMA but, although a gap exists, the need appears more pronounced in the working age cohorts.

Sales Housing and Homeownership Preservation Recommendations

RES reviewed the *Five-Year Affordable Housing Plan for Fineview and Perry Hilltop* released in February 2020 immediately before the onset of the COVID-19 pandemic in the United States. This report (the Five-Year Plan) contains extensive analysis and recommendations regarding strategies to create long-term and, ideally, permanent housing affordability to combat documented displacement risk in these two neighborhoods, and by extension adjacent parts of the Allegheny Dwellings CN. The data collected for this Choice Housing market study largely mirror the demographic trends and housing needs identified in the Five-Year Plan.

The typical target income range for affordable homeownership programs is 60-80% AMI. AMI levels are set based on an entire metropolitan area. The Five-Year Plan emphasizes the need for affordable homeownership options that more closely address the income profile of Fineview and Perry Hilltop:

households with incomes in the 30-50% AMI range. To achieve this, the Five-Year Plan presents two permanent affordability options—a community land trust (CLT) approach and limited equity cooperatives (LEC). Because City of Bridges CLT is already operating in Pittsburgh and has had success attracting gap funding, the Five-Year Plan concluded that the most efficient approach to implementing an affordable homeownership program with permanent affordability would be to partner with this group.

Home sales in the Federal Hill and Columbus Square developments document potential market-rate interest in new construction product near the southern end of the CN, however, neither offers the level of affordability desired by the CN community. Recent production by the City of Bridges CLT and Rebuilding Together Pittsburgh are better examples of efforts to target homes to households with incomes substantially below 80% AMI.

RES recommends a dual strategy to preserve and enhance the number of homeowners in the CN during the five-year Choice implementation time frame. One component is a five-year program of approximately 16 affordable new construction homeownership units targeted for prospective buyers with incomes from \$40,000 to \$70,000, assuming subsidies sufficient for this level of activity can be identified. These new homes should be clustered in a relatively small area to maximize their impact. This product type could be appropriate in Charles Street Valley, where enough vacant land exists to create a critical mass of new units. The modest number of new homes is a function of the high per-home subsidies anticipated for the homes to be affordable and limitations on available subsidies. The Community Land Trust model could be useful for aggregating multiple funding sources to make home prices as low as possible to reach households at the lower end of this range and to ensure the permanent affordability for these units.

Table 6.2 on the following page summarizes the recommended components of the Allegheny CN housing development program and shows unit counts for a 275 rental unit/16 homeownership unit scenario. Because demand was identified for approximately 350 rental units, this component could be scaled up proportionally if enough property is available to develop (or if financially feasible, to rehabilitate existing units) at this scale. Table 6.3 shows a potential unit distribution if the total number of rental units can be maximized.

Finally, the overall CN housing strategy should include home repair training and funding for local homeowners, both to preserve the current level of homeownership in the CN and to maintain and improve to quality of the existing housing stock.

TABLE 6.2
PRELIMINARY DEVELOPMENT PROGRAM SUMMARY: 275 RENTAL UNITS

<u>Recommended development program components</u>				<u>275 rental unit program + 16 affordable homeownership units</u>					
Unit Type	Building Type	% of Total	Tenure	Replacement Occupied	Replacement Unoccupied*	Additional LIHTC	Unrestricted	Total	%
0 BR/1 BA	--	0%	--					0	0%
1 BR/1 BA flat	Multifamily	40-50%	Rental	50	2	40	32	124	45%
2 BR/1 or 2 BA flat	Multifamily	35-45%	Rental	75	28	10	8	121	44%
3 BR/1.5 or 2.5 BA	Townhouse	10-15%	Rental	17		10	1	28	10%
4-BR/2.5 BA	Townhouse	1-2%	Rental	2				2	1%
				144	30	60	41	275	100%
				52%	11%	22%	15%		
2 BR/1.5 BA	Townhouse		Affordable For Sale					8	
3-BR/2.5 BA	Small lot SFD or duplex		Affordable For Sale					<u>8</u>	
								16	

Source: RES

* Distribution could be changed to include more 1 BR and fewer 2 BR if allowable

NOTE: 20 of the replacement occupied units may be project-based vouchers (PBV) complying with all HACP standards and requirements

TABLE 6.3
PRELIMINARY DEVELOPMENT PROGRAM SUMMARY: 350 RENTAL UNITS

<u>Recommended development program components</u>				<u>350 rental unit program + 16 affordable homeownership units</u>					
Unit Type	Building Type	% of Total	Tenure	Replacement Occupied	Replacement Unoccupied*	Additional LIHTC	Unrestricted	Total	%
0 BR/1 BA	--	0%	--					0	0%
1 BR/1 BA flat	Multifamily	40-50%	Rental	50	2	70	40	162	46%
2 BR/1 or 2 BA flat	Multifamily	35-45%	Rental	75	28	30	10	143	41%
3 BR/1.5 or 2.5 BA	Townhouse	10-15%	Rental	17		20	6	43	12%
4 BR/2 or 2.5 BA	Townhouse	1-2%	Rental	2				2	1%
				144	30	120	56	350	100%
				41%	9%	34%	16%		
2 BR/1.5 BA	Townhouse		Affordable For Sale					8	
3-BR/2.5 BA	Small lot SFD or duplex		Affordable For Sale					<u>8</u>	
								16	

Source: RES

* Distribution could be changed to include more 1 BR and fewer 2 BR if allowable

NOTE: 20 of the replacement occupied units may be project-based vouchers (PBV) complying with all HACP standards and requirements