

Greater Hazelwood Housing & Business District Action Plan

HAZELWOOD  INITIATIVE INC.



Greater Hazelwood
Community Collaborative

January, 2020



Acknowledgments

This plan benefited from the support and input of many individuals and organizations, including neighborhood residents, business owners, local organizations, and strategic partners. Although they are too numerous to name, ***we sincerely thank the many individuals and organizations who provided input and offered support during the development of this plan.***

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- Cletus Helton, C&Ds Kitchen
- Odell Minniefield, Jr., Jadell Minniefield Construction
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Executive Summary

Plan Objectives

This plan address two important issues in Greater Hazelwood: housing affordability and business district vibrancy. The objectives for both issues are outlined below.



Housing Affordability

The objectives of the Housing Action Plan:

- **“Development without displacement” in the Greater Hazelwood housing market.**
- **Affordability for all residents of the neighborhood who want to remain in Greater Hazelwood.**
- **Development of a mix of housing options, including affordable units for both renter- and owner-occupied housing.**
- **Alleviation of current housing cost burdens and mitigation of the risk of future cost burdens.**



Business District Vibrancy

The objectives of the Business District Action Plan:

- **Development of a diverse, compact, and robust business district on the Second Avenue corridor in central Hazelwood.**
- **Identification of business opportunities at the intersection of neighborhood resident preferences and market realities.**
- **Promotion of businesses that serve both nearby workers and neighborhood residents.**
- **Focus on local entrepreneurship, ownership, and workforce development opportunities for residents of Greater Hazelwood.**



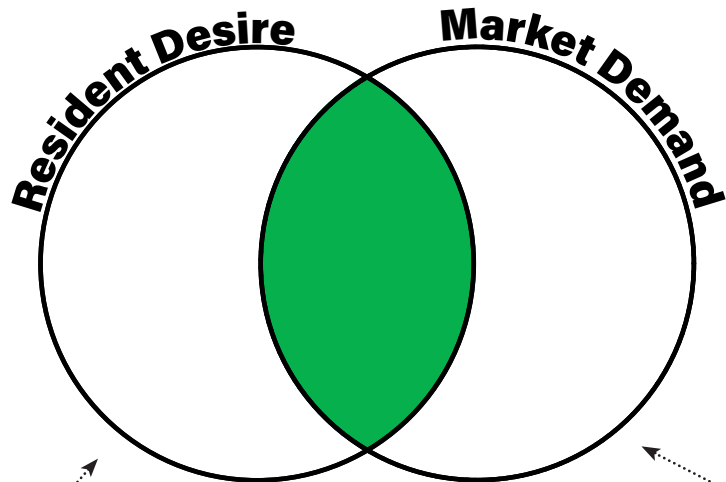
Business District Analysis

In order to achieve the objectives of the business district strategy plan, the community must identify two key constraints to successful business development. Those are: "Resident Desire" (Do residents want a particular type of business in Greater Hazelwood?) and "Market Demand" (Is there sufficient spending potential to make a particular type of business likely to be successful in the neighborhood?) This plan seeks to identify potential business development that falls in both categories, as demonstrated by the diagram to the right.

Desire for businesses in Greater Hazelwood

Through community engagement, stakeholder interviews, previous planning work accomplished during the development of the Greater Hazelwood Neighborhood Plan, and discussions with the Business District Advisory Committee, the project team identified businesses that were widely desired among local residents. Key businesses that residents desire include:

- **Grocery Store/Food Retail**
- **Restaurants** (particularly full-service restaurants with healthy offerings)
- **Small, Diverse Retail Offerings**
- **A Gas Station**



Demand for businesses in Greater Hazelwood

Promoting business development that residents desire is vital to the development of a successful business district in Hazelwood, but for new businesses to be successful, there must be sufficient market demand to support them. In order to determine what type of businesses are most likely to have sufficient demand, the project team conducted a Market Leakage Analysis for retail business types in Greater Hazelwood (summarized below). In total, there is significantly more spending by local residents than there is business activity—meaning that many sales dollars currently “leak” out of the neighborhood. This is true overall and for most specific business categories.

However, a sales gap does not necessarily mean a new business has enough market demand to move into an area.

For instance, even with a sales gap of almost \$7 million in food retail specifically, there is likely not enough activity to accommodate the minimum threshold of market demand for a supermarket to be developed in Hazelwood.

Total Local Retail Sales: \$6.7 Million

Total Resident Retail Spending: \$32.9 Million

Retail Gap in Greater Hazelwood: **\$26.2 Million**



Business District Action Plan Overview

Strategy 1. **Develop Key Sites and Key Businesses**

The Business District Action Plan begins by identifying several key sites and areas for future development on or near the Second Avenue corridor. Successful development will require the right mix of housing and business activity, an awareness of location-specific design concerns, greater density, and the inclusion of businesses that are likely to be successful according to the criteria previously laid out (resident desire and market demand). Particularly critical sites and particularly critical business types are explored in more detail—including the development of restaurants and diverse retail offerings on the 4800 block of Second Avenue, the development of food-oriented market on the Hazelwood Initiative-owned lot at 4915 Second Avenue, and the development of a gas station on Irvine Street in the northern area of the neighborhood.

Strategy 2. **Strategically Manage Hazelwood's Streetscape**

Second Avenue is the living room of the community. A successful business district must have inviting, safe, and accessible public space. This should include adaptive streets and transit infrastructure as well as public amenities and green space. These features will serve residents as well as attracting customers from outside of the neighborhood.

Strategy 3. **Cultivate a District Identity**

Hazelwood developed a robust business district in the late-nineteenth and early-twentieth century, but mid-century population loss and industrial disinvestment led to the district's decline. Now, with the proposed development of Hazelwood Green, the neighborhood is slated for future growth. As it grows, the Hazelwood business district must preserve its legacy buildings and cultural identity. By relying on a strong set of existing development guidelines and investing in public art, signs, and other branding elements, the district can maintain a strong identity.

Strategy 4. **Develop the "On Ramp" for Greater Hazelwood's Business District**

In addition to physical development, a successful business district on Second Avenue will require a variety of programmatic and technical support programs. This strategy include the creation of new events and programs that support local entrepreneurs, a partnership with the URA's Catapult program to establish a small business development retail space in the business district, technical assistance programs for local businesses, and the development of stronger partnerships between local businesses and workers with businesses on Hazelwood Green.



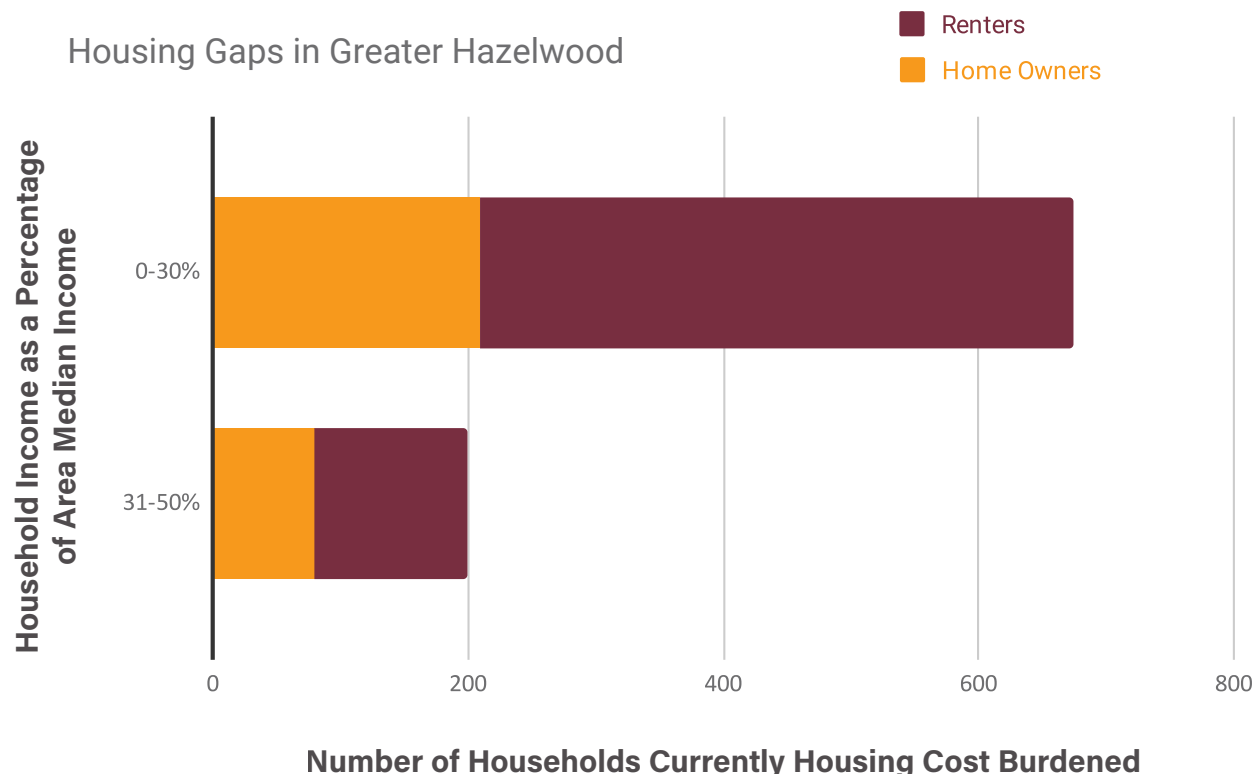
Housing Affordability Analysis

Income and Poverty in Greater Hazelwood

Greater Hazelwood is a low-income community, with high levels of poverty. From 2013-2017, Greater Hazelwood's estimated median household income was around \$20,000 – less than half of the city of Pittsburgh's median household income of \$44,000, and even lower still than the Pittsburgh Metro Area's median of \$56,000. Similar to Pittsburgh, about half of the neighborhood's households own their home, and the other half rent. As in most, places, renters tend to be lower-income households, but in Hazelwood there is a particularly high concentration of low-income rental households with household incomes below \$15,000 annually.

Housing Gaps Analysis

A "cost-burdened" household refers to a household paying more than 30% of income in housing costs (which include not only rent/mortgage, but also utilities, insurance, taxes, and so forth). Of Greater Hazelwood's approximately 2,000 households, around 900 currently face a housing cost burden—i.e., lack affordable housing. The graphic below shows how those cost-burdened households are split across two dimensions: tenure (whether they rent or own) and income tier relative to Area Median Income (AMI). One objective of the strategies in the Housing Affordability Plan is to close these existing gaps. But as the neighborhood develops, it is very likely that, absent preemptive action, housing costs will go up and these affordability gaps will widen, particularly among renters. Another objective, therefore, is to mitigate the negative effects of development on the neighborhood's housing market in the long-term.



Source: HUD, 2018. The data used above is the Comprehensive Housing Affordability Strategy (CHAS) dataset, which is a custom tabulation created for the US Department of Housing and Urban Development (HUD); These are based on five years of survey data from the US Census Bureau, collected from 2011-2015.



Housing Affordability Action Plan Overview

Strategy 1. **Encourage New Residential Homeownership Opportunities**

This strategy focuses on the development of homeownership opportunities for low-income and middle-income residents in Greater Hazelwood. Developing pathways—and reducing barriers—to homeownership through a mix of current and new programs will help to assure long-term affordability in the neighborhood for these households. This includes an expansion of the current Rehab for Resale program, development of a new rent-to-own program, a partnerships with the City of Bridges Land Trust and/or similar organizations, financial education and support, and the long-term encouragement of affordable owner-occupied housing on Hazelwood Green.

Strategy 2. **Provide Support for Existing Homeowners**

Current homeowners in Hazelwood include many long-term, even life-long residents, even many multi-generational homes. Support for existing homeowners represents an important part of the overall housing challenge in Hazelwood in the coming years. By establishing financial support systems, homeowner education programs, and physical resources through a tool lending library, Hazelwood Initiative and its partners can support both homeowners and their homes as the neighborhood changes.

Strategy 3. **Expand Affordable Rental Housing Opportunities in Hazelwood**

The majority of the affordability gap falls on renter households. New affordable rental housing is vital if the neighborhood is going to close its current affordability gaps and mitigate future housing cost burdens. Through new development, preservation of existing housing, and partnerships with both landlords and organizations committed to long-term affordable renter housing, this strategy envision steps that can be taken in the next ten years to significantly increase the availability of affordable rental housing in the neighborhood in the future.

Strategy 4. **Limit Speculation and Displacement**

As the neighborhood develops, residents will face risks of displacement. (While renter households are primarily the residents at risk of displacement, homeowners who don't want to move from their homes may also face pressure.) To mitigate that risk, this strategy outlines programs including a tax abatement, renter equity program, and additional partnerships to develop permanently affordable rental housing.

Strategy 5. **Planning Initiatives and Other Related Programmatic Recommendations**

In order to lay the groundwork for the above strategies, two planning recommendations are important. First, neighborhood organizations should advocate for the establishment of the Pittsburgh Land Bank, to ease the process of property acquisition. Second, the neighborhood should work with the URA to designate parts of the neighborhood as a redevelopment area, making it easier to achieve long term affordability and environmental remediation.



Section i.

Background

**How this was plan developed, who participated,
and what context is important to understand the
strategies and recommendations that it includes**

Section i. **Background**

About This Plan

This plan, originally conceived as two separate strategy plans, addresses two important issues in Greater Hazelwood: housing affordability and business district vibrancy. Because these issues are so interrelated, the plans were developed together as one. However, this document still includes two distinct sections: the Business District Action Plan (Section III) and the Housing Action Plan (Section IV).

Work started in May 2019, beginning with analysis and public engagement, and concluded in November 2019. Throughout the process, work was guided by input from the plan's key partners.

The strategies included were designed to focus on actions that can be taken in the next ten years, but it is also intended to be a living document. As work progresses and economic conditions change, this plan and the project outlined within it should (and inevitably will) adapt. New partnerships will be formed — and new projects identified — which were not yet able to be articulated in this document.

The project team's aim was to provide the partner organizations with a strategic plan that is specific enough to guide near-term work, but adaptable enough to still be relevant as things inevitably take shape in unforeseen ways in the coming years. For questions about this work, or to get involved, please contact [Hazelwood Initiative](#).

The Project Team

This plan was created for, and with the support of, Greater Hazelwood Community Collaborative (GHCC), Hazelwood Initiative (HI), and their partners.

The project consultants included:

- **Fourth Economy Consulting**
- **Evolve Environment and Architecture**
- **Mullin & Lonergan Associates**
- **BW3—Black Women Wise Women, LLC**

Plan Objectives

See below the most critical objectives that guided the work in the two focus areas.



Housing Affordability

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Business District Vibrancy

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The Process

Phase 1 | Background Research and Analysis

At the beginning of the project, the consultant team sought to understand what research and analysis existed that might inform strategy development. Some of this related to the Greater Hazelwood Neighborhood Plan, the Second Avenue Corridor Study, and other planning efforts that were either underway or had been completed in recent years. The team also conducted original analysis where needed – to quantify both key housing statistics and business market analysis data. The team also looked at physical design considerations.

Phase 2 | Public Engagement

Building on the analysis and research conducted in the first phase, the team met with representatives of Hazelwood Initiative (HI), Greater Hazelwood Community Collaborative (GHCC), and other partners to better understand issues and conditions in the neighborhood. The team held two initial public meetings to generate public input through both structured activities and open dialogue. An advisory committee of local business owners was formed to support the development of the business district strategies. All of this input was important in formulating the strategies detailed in this document.

Phase 3 | Draft Strategy Development

Based on initial analysis—quantitative and qualitative—and the input received through public engagement, the project team worked with GHCC, Hazelwood Initiative staff, and other partners to develop an initial draft of potential strategies addressing both *housing affordability* and *business district vibrancy*.

Phase 4 | Stakeholder and Partner Engagement

Initial draft strategies identified key potential partnerships that would need to be developed for the outlined work to be successful. Therefore, key stakeholders and potential partners were interviewed, and their input was used to refine the draft strategies. These stakeholders and partners included local residents, city and regional organizations, potential partners, institutions, local landlords, and business owners/representatives.

Phase 5 | Strategy Revision and Plan Development

Based on input from partners and stakeholders, strategies were refined. The project team then worked with organizational partners to finalize the action plan—looking at each strategy through the critical lens of the following questions: “Do this plan’s partners have the capacity to make [a given strategy] work? If so, is that strategy likely to significantly impact housing affordability and/or business district vibrancy?” Strategies that were identified as meeting those criteria are included in the following plan.



BACKGROUND INFORMATION:

GREATER HAZELWOOD NEIGHBORHOOD PLAN OUR HANDS. OUR PLAN.

Formally adopted by the City in November 2019 (near the end of the period of study for this project), the Greater Hazelwood Neighborhood Plan serves as the guiding document for all planning and development in Greater Hazelwood.

The Neighborhood Plan was developed with robust public engagement and was adopted with widespread community support. The City of Pittsburgh, Urban Redevelopment Authority, and various other key regional bodies and institutions have signed on to support the work and community priorities outlined in the plan, with a shared vision of future success in mind (see below).

The Neighborhood Plan is organized into four chapter areas, and in total the document includes 161 specific programs and projects. The strategies in this plan were developed to correspond to the projects, programs, and community priorities identified by the Neighborhood Plan, but the strategies in this plan are more specific in their focus—with the two objectives of this plan, *housing affordability* and *business district vibrancy*, driving the development of strategies. They are meant to articulate actionable work, broken into discrete components, that HI and its partners can undertake in the near future.

Below: **the North Star Vision Statement from the Neighborhood Plan**

“Greater Hazelwood is a diverse and welcoming community for people of all incomes and backgrounds. Our future is driven by the leadership of community residents, resulting in a community with thriving families and households; affordable, high-quality residential options; family-sustaining career opportunities; successful businesses and business owners; and a fully-integrated Hazelwood Green.

Our community fosters opportunities to build generational wealth and community health to ensure current and future generations benefit from the neighborhood’s growth and prosperity. We build strong partnerships with stakeholders throughout the region, while protecting and celebrating the unique landscape, history, culture and spirit of Greater Hazelwood.

”

Key Priorities from the Neighborhood Plan

The following page includes the key priorities from each of the four areas of the Neighborhood Plan that most closely relate to the strategies that follow in this plan. (The Neighborhood Plan includes many other priorities, projects, and programs than are mentioned below.)

Community

Increase residents' housing security.

This priority area includes projects and programs focused on existing residents — both owners and renters.

Improve access to fresh and healthy food.

This priority area addresses the need for more food options in the neighborhood. It relates closely to the proposed development of food-related businesses in this plan.

Development

Prevent displacement through innovative, affordable, and targeted housing.

This priority includes moving renter households into homeownership and the creation of new permanently affordable housing, both central to the housing strategies in this plan.

Support community-led and -driven development.

This priority area articulates the need for local planning efforts and partnerships, addressing both housing activity and business district development. Strategy D.10.1, specifically, addresses the development of a housing action plan (this document).

Create a strategy to enhance the Second Avenue business district.

This priority focuses on developing a compact and vibrant business district on second avenue, which is the central objective of the business district strategies in this plan.

Determine and achieve an affordability goal for Greater Hazelwood.

Addressing affordability in Greater Hazelwood will require collaboration and support among many partners.

Make Greater Hazelwood into a hub for entrepreneurs and small businesses.

This priority suggests the need for various business supports, including both financial and technical support.

Mobility

Improve neighborhood walkability and bikeability.

This priority focuses on physical improvements to the neighborhood, especially on the Second Avenue Corridor, which are mentioned among the business district strategies in this plan. Another critical component of walkability and bikability is commercial; people must have destination to which they can walk and bike.

Infrastructure

Encourage new development to go green — throughout the neighborhood.

This priority area seeks to encourage sustainable development in Hazelwood, considering not only how buildings and physical space are designed, but also how community space is programmed, what businesses are present, and so forth.



BACKGROUND INFORMATION: **SR 885/SECOND AVENUE MULTIMODAL CORRIDOR STUDY** SUMMARY AND FINDINGS

The Southwestern Planning Commission recently completed a Corridor Planning Study for State Route 885, from downtown Pittsburgh to the Glenwood Bridge. This study includes the Hazelwood Business District and the study findings are key to understanding the district's future potential.



Possible sidewalk configurations:
Current condition, 12.5' sidewalk
Wider roadway & bumpouts, 11' sidewalk
BRT bus lanes / parking lane, 9' sidewalk

IMAGES: SPC PA 885 Corridor Study

There will be growth.

The Study assumes that there will be growth and desired connectivity between Downtown, Oakland, the South Side, Greater Hazelwood (including Hazelwood Green), and Squirrel Hill. The study models three levels of growth—low, moderate, and high—as described by the level of build-out on Hazelwood Green.

Take away: Hazelwood should expect growth, but the rate of change is not certain.

Plan for density and transit.

The study identifies the reciprocal relationship between density and transit. Mixed-use housing and transit-oriented development in Hazelwood brings more potential riders to the system. Ample transit service brings more people to support transit-oriented development.

Take away: Sites that have provide easy access to transit service should be planned for density and held until the market supports their development.

Traffic changes when it gets to Hazelwood.

The study finds that 885 functions as a fairly quick route to and from the city and is a backbone connecting to the major nodes of the South Side, Oakland, and Downtown. However, the speed and traffic pattern change in Hazelwood's business district because of lane patterns, parking, and the frequency of cross streets.

Take away: Hazelwood will have more visibility if traffic volume increases on SR 885, but, similar to high volume communities like Mount Lebanon, it will continue to be challenged to manage that traffic in a way that is consistent with the safety and quality of life goals of a business district. Hazelwood should pay close attention to proposals that optimize traffic flow at the expense of district quality.

SR 885 is a trunk, but the branches are long.

While SR 885 is a trunk line, most of the things it is connecting to, like the South Side and Oakland, are not directly adjacent and many are not easily accessible by walking or biking.

Take away: Hazelwood is one of the few destinations that are immediately accessible from SR 885. While it is good to be unique, it presents challenges because most of the other clusters of development are most easily accessed by car. Transit and protected bike trails or passages are critical to encourage people to connect without cars.



Existing: Currently, the highest transit-supportive densities are in the Central Business District and Oakland.



Low Growth: Minor amounts of infill.



Medium Growth: About 2/3 of Hazelwood Green development



High Growth: All development at Hazelwood Green, Pittsburgh Technology Center, Southside, and infill development within the Hazelwood community.

DENSITY AND TRANSIT

Pittsburgh neighborhoods represent all levels of density. Greater development density supports higher levels of transit investment.



EXISTING CONDITIONS: WALK ACCESSIBILITY TO SECOND AVE AT HAZELWOOD AVE



FILL IN THE GAPS APPROACH: WALK ACCESSIBILITY TO SECOND AVE AT HAZELWOOD AVE



■ <= 10 Min
 ■ <= 20 Min
 ■ <= 30 Min
 ■ <= 40 Min
 ■ <= 50 Min
 ■ <= 60 Min
 ■ No Access

Exhibit 10: Existing Transit Boarding/Alighting Data



Exhibit 29: Corridor-Wide Typical Section Transitions



Excerpts from
SPC Route 885
Existing Conditions
Assessment

IMAGES: SPC PA 885
Corridor Study

BACKGROUND INFORMATION:

HAZELWOOD GREEN

PRELIMINARY LAND USE DEVELOPMENT PLAN

Hazelwood Green, as most readers of this document will already know, is a major development site on the northwestern riverfront area of Greater Hazelwood. The 178-acre site is owned by Almono LLC, a partner to this plan.

Almono laid out their vision and specific development plans for the site in the Preliminary [Land Use Development Plan](#) (PLDP), which was formally adopted in 2018, and will drive development activity on the site in the coming years.

The PLDP outlines the future anticipated development patterns for the entire site, which consists of three districts—the River District, the Mill District, and the Flats District. Future anticipated development is then further articulated into specific development blocks. (See the land use map to the right for reference.)

The expected development patterns and timeline—indeed, even just the expectation of development—for Hazelwood Green will have significant impacts on Greater Hazelwood’s business district and housing market in the coming years. As such, plans for the site and input from Almono’s representative were closely referenced in the development of the strategies that follow in this plan.

THE HAZELWOOD GREEN VISION

“The Hazelwood Green development site is envisioned as a place where people thrive, new ideas are forged, and the ecological condition is regenerated. It is a living laboratory—a platform for experimentation that advances Pittsburgh’s evolving innovation economy for a full spectrum of workers. It serves as a transformative model for sustainable community development that is adaptable and resilient to fast-changing markets and natural conditions that are reshaping our society.”



Image from PLDP

PRINCIPLES FOR DEVELOPMENT

- Advance Human wellbeing
- Inspire Innovation
- Regenerate the Ecology
- Create Resilient Places



Section ii.

Analysis & Key Takeaways

Background data and research, findings from community engagement activities, and qualitative analysis on both the housing market and the business district in Greater Hazelwood

Section ii. **Key Analysis & Takeaways**



Housing Affordability Analysis

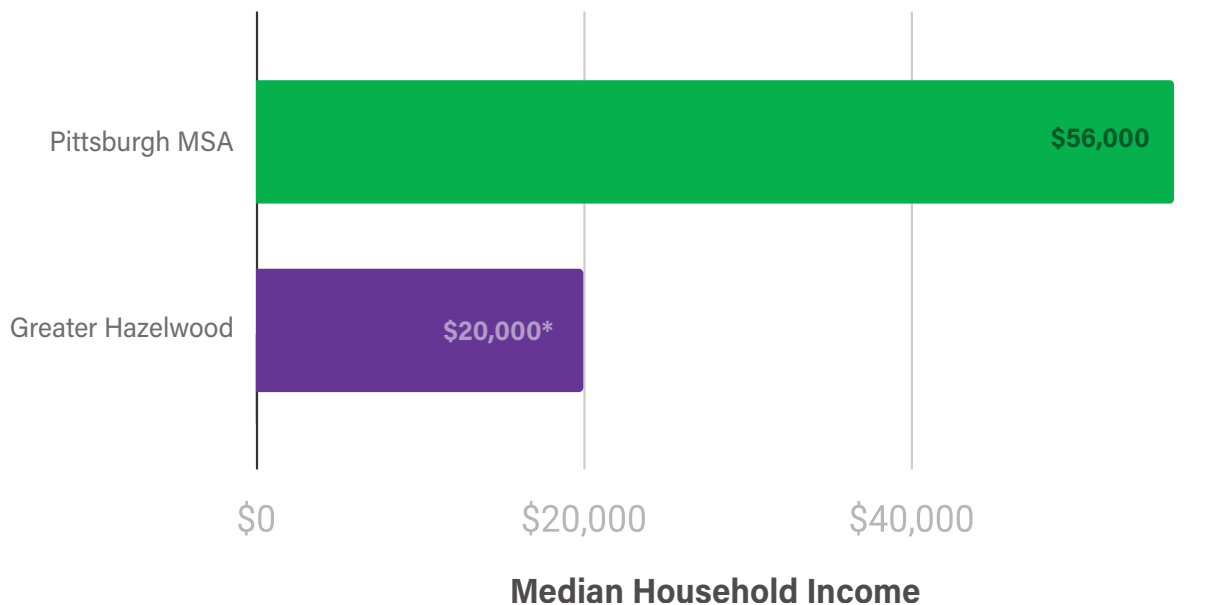
Income in Greater Hazelwood

Introduction

The following section conveys the key findings from the *background research and analysis* and *public engagement* phases of this project. It includes information related to both the Housing Action Plan and the Business District Action Plan. Key figures and takeaways presented here are also referenced, therefore, in Sections III and IV of this report.

From 2013-2017, Greater Hazelwood's estimated median household income was around \$20,000—less than half of the city of Pittsburgh's median household income of \$44,000, and even lower still than the Pittsburgh Metro Area's median of \$56,000. In other words, nearly half of Greater Hazelwood's households make less than \$20,000 a year. Further, only one third of Hazelwood households earn more than \$45,000 annually.

Figure 1. *Median Household Income, Greater Hazelwood vs. MSA*



* Note: because Greater Hazelwood does not align cleanly with Census geographies, this figure is approximated based on available Census ACS estimates.

Source: 2013-2017 US Census Bureau ACS Estimates

How does this relate to AMI?

The preceding graphic and text captures the clear disparity between incomes in Greater Hazelwood and the wider area, but it focuses on Median Household Income (the midpoint of annual household income across all households in an area). Much of US housing policy is based on a related (but distinct) definition, and one that is far more nuanced: Area Median Income. Formally, the US Department of Housing and Urban Development (HUD) now labels this Median Family Income (MFI), and it is calculated by family size for what HUD calls Fair Market Rent areas. Generally, these are multi-county regions and they are often equivalent to metropolitan area designations, as is the case in Pittsburgh. Within a given area, that income rate determines what constitutes affordable housing for a given family. The problem in places like Hazelwood—which face

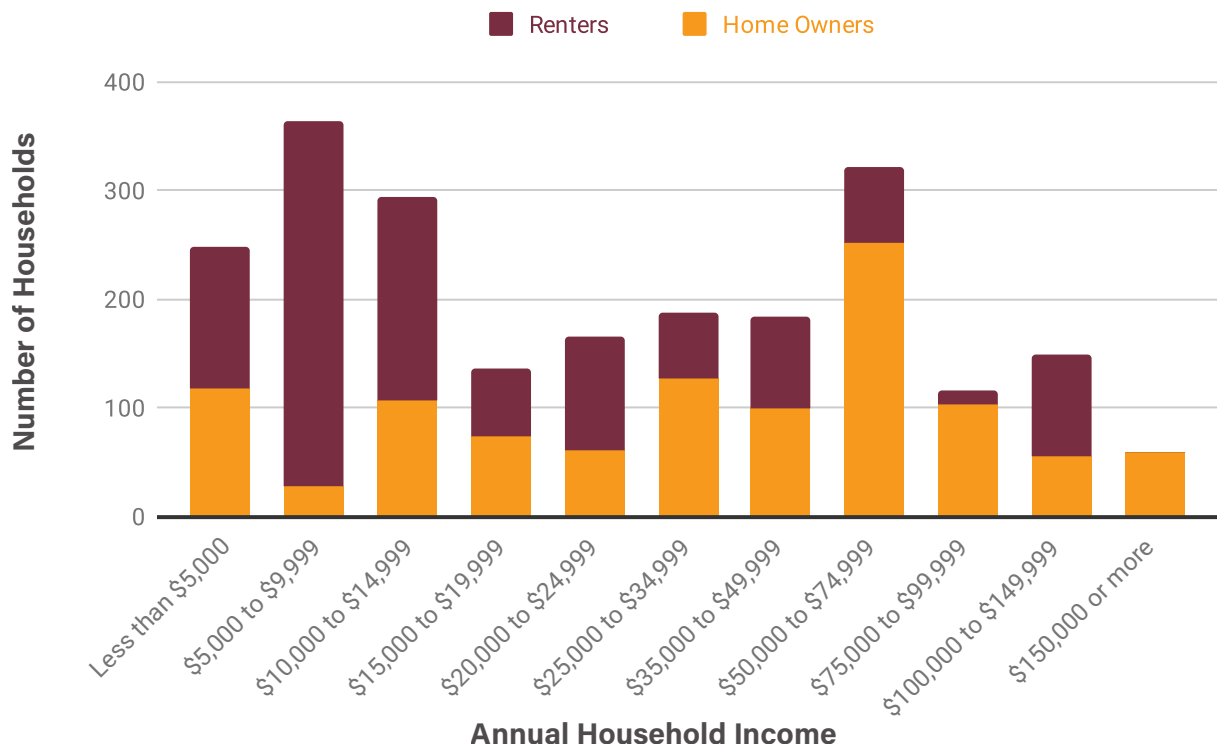
concentrated poverty and depressed economic activity, leaving incomes far below the wider region—is that there is likely to be a distinction between what is “affordable” relative to the local area, and what is affordable relative to the region.

While there is not enough data available to directly translate HUD’s MFI calculations down to households living in the area of Greater Hazelwood, we can be confident—based on overall Median Household Income, high rates of poverty, and other related measure—that a local calculation in Greater Hazelwood’s would generate a much lower threshold for affordability.

Income by Housing Tenure

Another lens through which to explore affordability in Greater Hazelwood is to look at housing tenure, i.e., whether a given household owns or rents the home they live in. The graphic below (Figure 2) captures incomes in the area across housing tenure.

Figure 2. Household Income by Tenure, Greater Hazelwood



Source: 2013-2017 US Census Bureau ACS Estimates

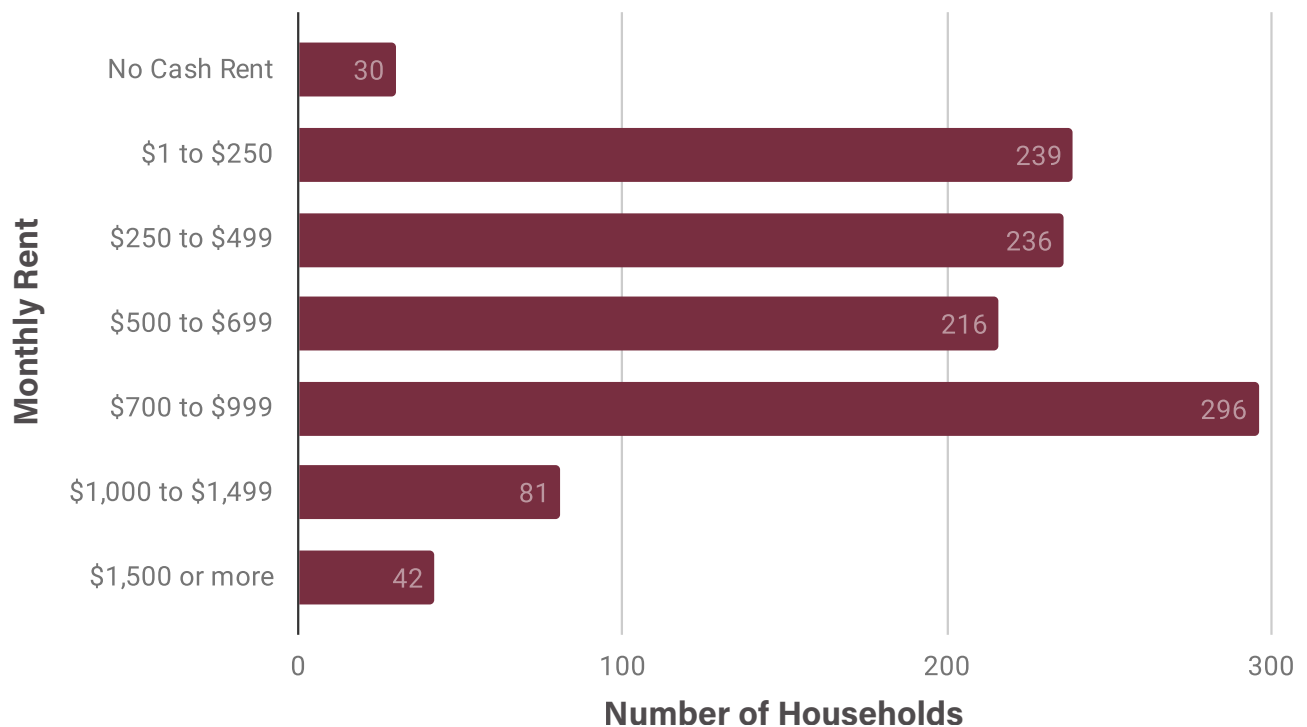
As seen in Figure 2 on the preceding page, there is a significant concentration of very low-income renter households (with less than \$15,000 in annual income). Indeed, these households account for 57% of renter households in the area. Some of this is driven by the 280 units of public low-income housing in Glen Hazel, managed by the Housing Authority of the City of Pittsburgh. Many households living in those units fall into this income range, but that only accounts for part of the low-income renter population in the area. Many of the rest live in privately owned housing. Among those who do, 273 households in the area (as of December, 2018) utilize the Housing Choice Voucher Program (commonly known as Section 8).

Rental Housing Cost

Most of the low-income residents in Greater Hazelwood are renters and most of those renters have low incomes. In terms of the housing stock, 51% of the occupied structures in Greater Hazelwood are occupied by renters. This percentage is comparable to the city's percentage of renter-occupied structures.

In 2017, rents were less expensive than the city average. Greater Hazelwood had more rents below \$500 per month while the city had a larger proportion of rents exceeding \$1,000. These rents, which demonstrate what the inhabitant pays (i.e., in a subsidized unit, figures should not include the subsidy), reflect a mix of subsidized housing and naturally-occurring affordable housing. Figure 3 shows the distribution of rents in Greater Hazelwood, based on the most recent data available from the US Census Bureau.

Figure 3. Households by Rent in Greater Hazelwood



Source: 2013-2017 US Census Bureau ACS Estimates

Owner-Occupied Housing

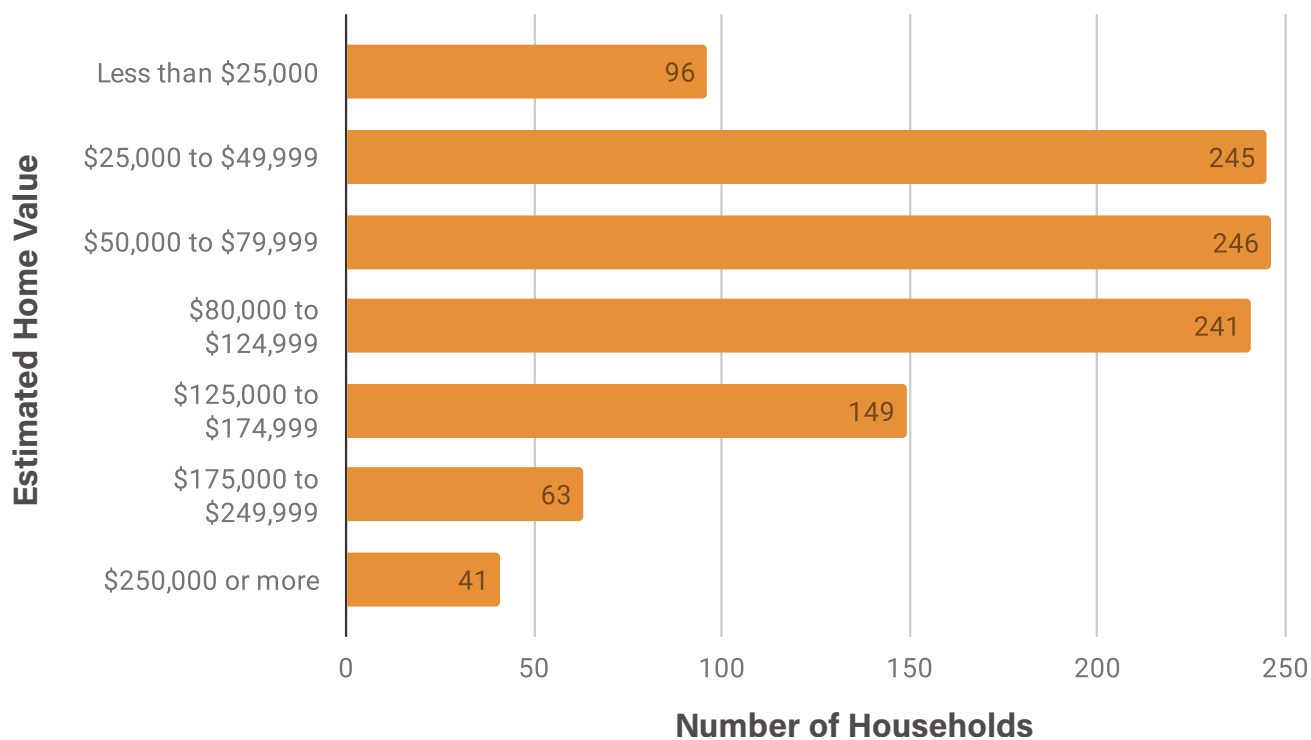
The other half (49%) of Hazelwood's households are occupied by their owners. These are generally higher-income households than those occupied by renters, a condition that is true both in Hazelwood and generally. Overall, more than half of the owner-occupied housing in Greater Hazelwood is valued at less than \$80,000, which is 73% of the median home value in Pittsburgh.

As seen earlier in Figure 2, Greater Hazelwood has a large group of homeowners with household incomes between \$50,000 and \$74,999. Between 2000 and 2010, the median home value in the eastern census tract in the Greater Hazelwood area rose from \$49,395 to \$60,400. The western census tract saw median home value rise from \$56,222 to \$70,500 in that same time period. Yet, the same period that saw average home value increase by \$12,642 also saw median household income in each census tract drop.

Homeownership in Greater Hazelwood is also concentrated by race, with only 21% of African-American households owning their own homes. This is a lower rate of African-American homeownership than in Pittsburgh (33% homeownership among African-American households), despite a similar rate of ownership overall.

Homes in Greater Hazelwood are also old. Over 60% of houses in the neighborhood were constructed prior to 1920; only 6% were constructed after 1959. According to the 2010 Census, the median year built for housing in Greater Hazelwood was 1910, a decade older than the City's median year of construction. The age of Hazelwood's homes is a concern due to their increased cost of maintenance, high cost of utilities due to poor energy efficiency, questionable tenant comfort, and their potential to harbor toxins such as lead, asbestos, or mold.

Figure 4. *Owner Households by Value in Greater Hazelwood*



Source: 2013-2017 US Census Bureau ACS Estimates

Housing Gaps Analysis: Greater Hazelwood Today

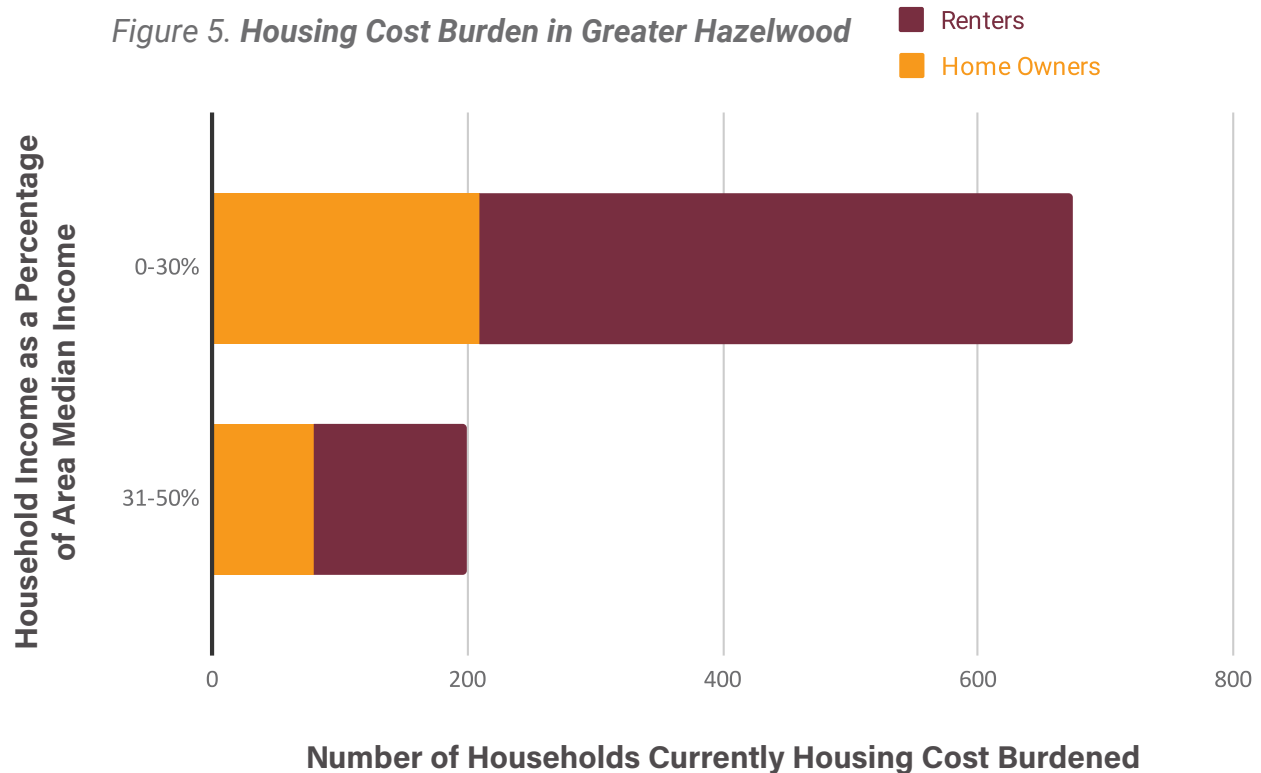
A housing gaps analysis quantifies the level of housing needs based on income tiers and tenure. The analysis takes into consideration affordability but not housing condition. The implication of this is that a household could live in a unit that is technically affordable, but which is substandard in its condition. The output of the analysis can be used to inform policy decisions as related to investment activities and target markets.

Of the approximately 2,100 Greater Hazelwood households, **nearly 900 households face cost burdens** (i.e., these households are putting more than 30% of their income towards housing costs, including utilities and rent/mortgage). Many of these (530 households) are **severely**

cost-burdened, meaning that they are paying more than 50% of income in housing costs.

So these estimates suggest that **today** roughly one in five Hazelwood households face a highly unsustainable financial condition with their housing costs. These households are, as might be expected, mostly concentrated among extremely low-income renters. But, it should be emphasized, these households do **not** include subsidized units, for public housing subsidies, including vouchers, are set based on income to avoid a housing cost burden for recipient households.

The most pressing takeaway here is both simple and critical: **today's housing market in Hazelwood is not affordable for its residents, and with development on the horizon, that condition will likely only worsen in the coming years, if significant actions are not taken.**



Source: HUD, 2018. The data used above is the Comprehensive Housing Affordability Strategy (CHAS) dataset, which is a custom tabulation created for the US Department of Housing and Urban Development (HUD); These are based on five years of survey data from the US Census Bureau, collected from 2011-2015.

Community Engagement: Growth Scenarios

In order to gauge local residents' perspectives on the potential benefits and pitfalls of future growth in Hazelwood, participants in a community meeting were asked to take part in a future scenario visioning exercise. Participants were given a description of a future growth scenario in Hazelwood, including a series of specific economic and demographic data describing conditions in that scenario.

The four scenarios were labeled as follows:

Scenario A.) Moderate Neighborhood Growth, Retail Development

Scenario B.) Main Street-Led Growth

Scenario C.) Large Scale Development, Rentals + Big Commercial

Scenario D.) Isolated Island, Limited Development

Output from the scenario activity is aggregated below. The four scenarios are shown as columns, matrixed across six key goals from the Neighborhood Plan, shown as rows. The higher the rating for a particular cell, the **more challenging** participants rated that goal in the context of that scenario. Overall, the most challenging goals were "No Displacement" and "Limit Speculation." However, the scenario most broadly disliked was the lowest growth scenario. The takeaway from these two corresponding outputs might reasonably be stated as followed: **while the issues that Hazelwood residents most worry about are speculation and displacement, they do desire growth and development in the neighborhood; this reinforces the Neighborhood Plan's vision of "Development without Displacement."**

Output from Future Scenario Activity:

	Scenario A	Scenario B	Scenario C	Scenario D	Average for all Scenarios
No Displacement	4.0	3.9	3.9	2.8	3.7
Wealth Building	2.8	3.2	2.4	4.0	3.1
Shared Culture	2.6	3.4	3.1	3.3	3.1
Stabilize Physical Assets	2.8	2.4	1.9	4.2	2.8
Limit Speculation	3.5	3.7	3.9	3.5	3.7
Additional Amenities	2.4	2.3	1.5	4.1	2.5
Average for all Goals	3.0	3.1	2.8	3.6	



Business District Analysis

The following section analyzes the context that was used to develop business district action strategies. It begins by exploring the current retail business activity in the business district. It then examines the estimated market activity of those businesses in aggregate by category, alongside estimated spending by area residents. This information (the market analysis) helps us to identify what business types have the potential to succeed based on the market in Greater Hazelwood.

We then explore the output of the community engagement phase of this project that relates to the development of businesses in the area. This—along with other similar work accomplished through the development of the Neighborhood Plan and qualitative understanding developed through stakeholder interviews—allows us to estimate the level of resident desire for different types of businesses. By combining these two layers of understanding (market demand and resident desire), we can prioritize business development that is both wanted by the local community and likely to succeed financially.

Current Retail Businesses

The following table lists the retail businesses active on or near the Second Avenue corridor at the time of analysis for this study. Relative to the population of the neighborhood, the business district is fairly sparse. However, there are several important businesses that serve both residents and visitors. There are also a few exciting businesses that were being planned/developed in the neighborhood at the time of writing. While some of the following strategies (in Section III) speak to the opportunity for development of new businesses, other strategies are focused on supporting businesses that currently exist in the neighborhood. Existing businesses are an important part of the economic foundation on which future development in the area can build.

Category	Business Name
Auto Repair Services	Abriola Auto Stores
Auto Repair Services	Automotive Medic
Auto Repair Services	Kruszka's Auto
Bakery/Cafe	La Gourmandine
Beauty/Barbershops & Supplies	Monae's Hair Studio
Pharmacy	Elizabeth Pharmacy
Pharmacy	Rite Aid Pharmacy
Restaurants	Italian Village Pizza
Restaurants	Jozsa Corner Hungarian Restaurant
Restaurants	C&D's Kitchen
Specialty Food/Grocer	Dylamato's Market
Garden/Nursery	Floriated Interpretation

Market Analysis

The market analysis for the Hazelwood business district identified a gap between resident expenditures and local sales within the business district. Hazelwood residents spend an estimated \$6.7 million in the corridor annually. In total, residents expend \$32.9 million annually in retail goods and services. There is a \$26.1 million gap between resident expenditures and local sales within the business district. This finding, when combined with the development of Hazelwood Green—which is expected to bring between 200 and 300 employees to the neighborhood daily in the coming years (as well as other occasional visitors related to business activity)—means the business district can absorb much more local spending.

Total Local Sales (Sales in Business District)	Total Resident Expenditures (All Resident Expenditures)	Total Gap (Resident Expenditures - Local Sales)
\$6,700,000	\$32,900,000	\$26,200,000

The market analysis can help meet resident needs and support local buying power by allowing Hazelwood Initiative to be strategic in the development of the business district. By identifying resident demand for goods and services and assessing assets on the corridor, Hazelwood Initiative can assist existing businesses in meeting that demand. At the same time, Hazelwood Initiative can work with new and relocating business owners that are well-suited to meet resident needs and even target business retention and recruitment to meet resident needs.

The market analysis was developed to provide Hazelwood Initiative and stakeholders with tools to engage with local government, future consultants, developers, and others about the market potential of the corridor. It was also developed to help Hazelwood Initiative and stakeholders consider what it will take to rise above market challenges and build out amenities that the community wants or needs, but that may take work to achieve.

In order to estimate retail and service surplus and leakage on the corridor, Fourth Economy matched business subcategories to consumer expenditure categories. A summary of this information is below.

Existing Businesses in the District	Estimated Sales	Resident Expenditures	Local Sales Gap
Pharmacy	\$3,500,000	\$1,140,000	-\$2,360,000
Auto Repair Services	\$1,500,000	\$1,430,000	-\$70,000
Restaurants	\$800,000	\$5,260,000	\$4,460,000
Bakery/Cafe	\$375,000	\$680,000	\$310,000
Specialty Food/Groceries	\$300,000	\$6,970,000	\$6,670,000
Garden/Nursery/Hardware	\$250,000	\$2,460,000	\$2,210,000
Beauty/Barber Shops & Supplies	\$200,000	\$1,220,000	\$1,020,000
Total	\$6,725,000	\$17,940,000	\$11,220,000

Market Card Activity

Based on information from the market analysis, an activity was developed to spur conversation between business owners, local government, funders, and residents to further digest and begin to use the data. During the workshop, participants determined which business types were desired and which were not, and then prioritized businesses that they want to see as part of the business district.

Building on this conversation, residents began

to discuss whether each business type was represented appropriately on the corridor, and, if not, what other options may exist. This meant thinking through what kinds of businesses there may be room for on the corridor as well as what would find success most easily and which kinds of businesses may need more support. The workshop was a first step in building capacity for the community to hold similar activities in the future, and participants shared an optimism for the future of the corridor at the conclusion of the workshop.

Business Category	Resident Desire (1-5)	
Grocery Store (Large)	4.8	↑ more desired
Restaurants (Full Service)	4.7	
Gas Station & Convenience Stores (GetGo, Sheetz)	4.5	
Laundry	4	
Restaurants (Limited Service, Fast Food, Take Out)	3.7	
Specialty Food/Grocer	3.5	
Apparel	3.3	
Beauty/Barber Shops & Supplies	3.2	
Sporting Goods, Hobby, Book, or Music Store	2.8	
Bakery/Cafe	2.7	
Local Hardware (Ace, Rolliers)	2.7	less desired ↓
Medical Services	2.5	
Bars and Drinking Establishments	2.3	
Technology (Cell Phones, Computers, and Electronics)	2.2	
Pharmacy	1.5	
Auto Repair Services	1.3	
Convenience Store (Stand-alone Convenience Store)	1.3	
Appliances	1.2	
Furniture	1.2	
Vape Shops	1	

Note: while this represents one attempt to quantify the level of interest in particular types of business across different categories, these results should be taken in context. As participants engaged in this activity, they also provided comments explaining their thinking. This added layer of commentary, as well as other input from residents and stakeholders, was

Other Business Suggestions

In addition to those business categories that were specifically ranked through the market card activity, residents participating in public engagement activities were encouraged to suggest additional types of business that they would like to see on the Second Avenue corridor. Among others, residents suggested live music or entertainment spaces, community spaces (especially youth- focused), recreational amenities, a bike store/shop, a co-working space and/or other entrepreneurial support businesses, and adult daycare.

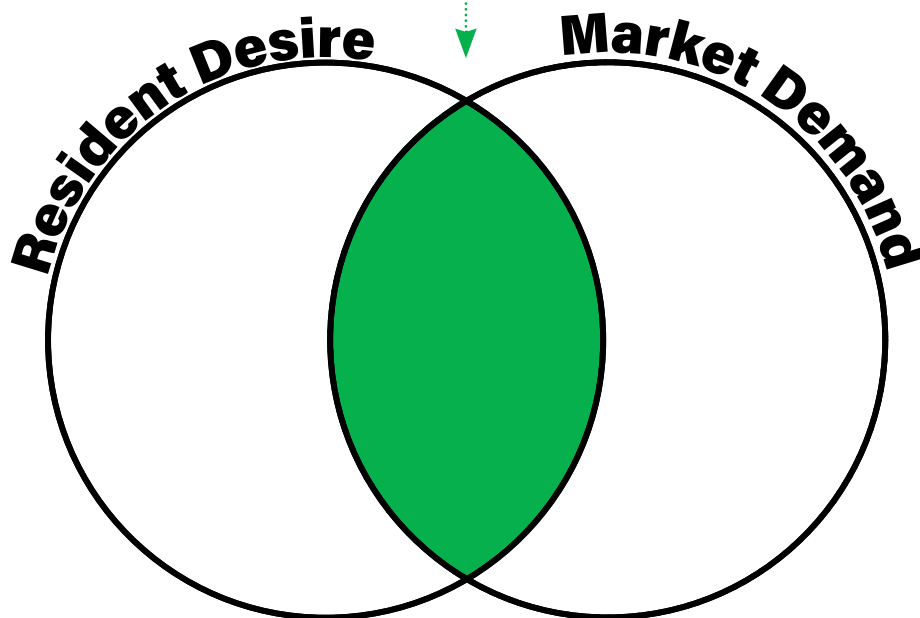
Combining the Data: **Resident Desire and Market Demand**

As noted, the data presented in the previous table should not be considered a strict a representation of residents' desire for specific businesses in the neighborhood. These data were, after all, based on input from a relatively small sample of individual participants. The activity also involved a more nuanced discussion, the details of which are lost in the high-level summary.

Nevertheless, that input, along with other input from residents and key stakeholders, allowed the project team to capture themes related to residents' desire for business activity in the neighborhood: which business are generally wanted and which are not, which are contentious, and what particular characteristics are necessary to make a certain business type successful.

By combining this understanding with market analysis data, we can center our business district strategies on businesses that seem likely to fall into **both of the overlapping criteria**, as captured in the diagram below, of being highly desired by residents and having sufficient market demand to be successful in the area.

Diagram | **Resident Desire and Market Demand**

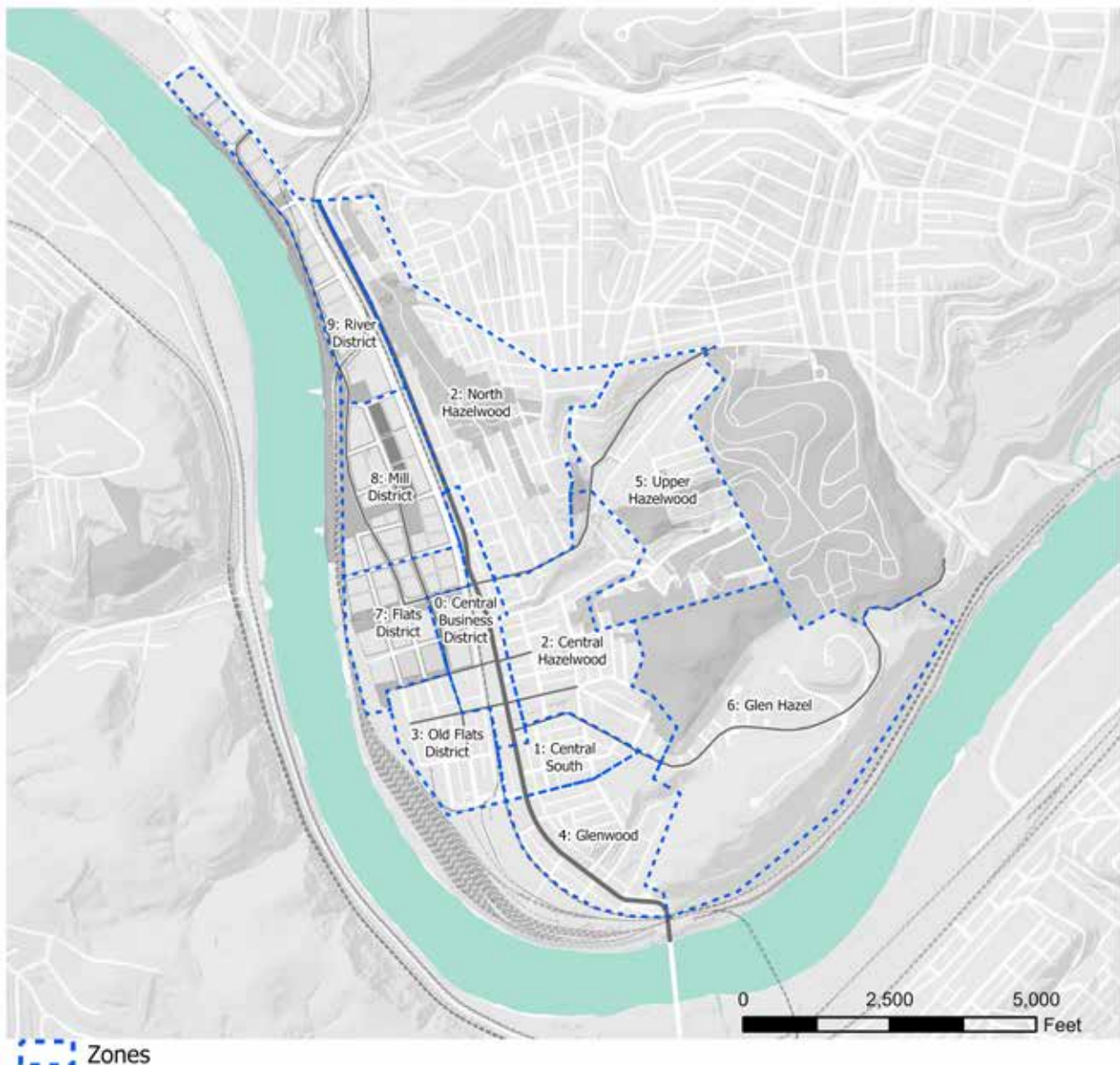


Greater Hazelwood Neighborhood Zones

Throughout the strategies outlined in the following two sections of this plan, we will reference “neighborhood zones” in Greater Hazelwood. These should not be confused with formal jurisdictions or planning zones determined by the City of Pittsburgh, nor should they be considered strict boundaries. The colloquial names used as labels below are approximate, and this is not an attempt to “brand” or rename any areas in the neighborhood. Instead, the zones are useful simply because they allow us to consistently refer to particular areas within the neighborhood. They are also adapted from a set of intra-neighborhood zones that HI and its partners already refer to in their work.

The map below shows the zones as referenced throughout this document. Note that zones 7, 8, and 9 refer to the three development areas within Hazelwood Green.

Map. Greater Hazelwood Neighborhood Zones





Section iii.



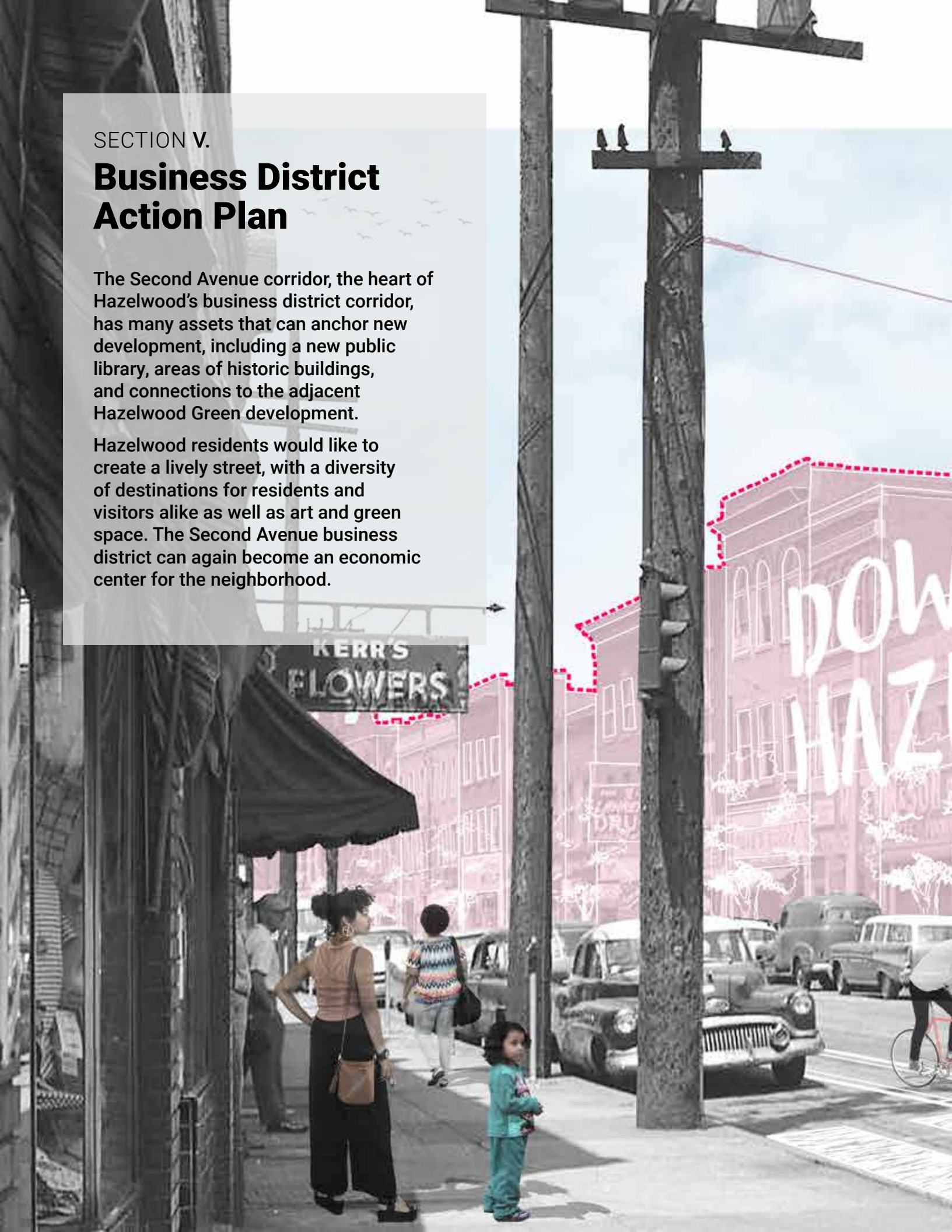
Business District Action Plan

SECTION V.

Business District Action Plan

The Second Avenue corridor, the heart of Hazelwood's business district corridor, has many assets that can anchor new development, including a new public library, areas of historic buildings, and connections to the adjacent Hazelwood Green development.

Hazelwood residents would like to create a lively street, with a diversity of destinations for residents and visitors alike as well as art and green space. The Second Avenue business district can again become an economic center for the neighborhood.





1018
THE FUTURE OF
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CAR STOP

INTOWN
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Welcome
To
Hazelwood



Second Avenue Business District

Key Areas and Sites

In each area of the Second Avenue business district there are specific concerns that need to be addressed, but there are also unique opportunities to improve the surrounding neighborhood, including:

- weaving Hazelwood Green into the community
- creating access to greenways and parks
- providing a diversity of commercial spaces and multifamily residential development

Second Avenue Areas

Three areas are defined by their distinct character and development strategies:

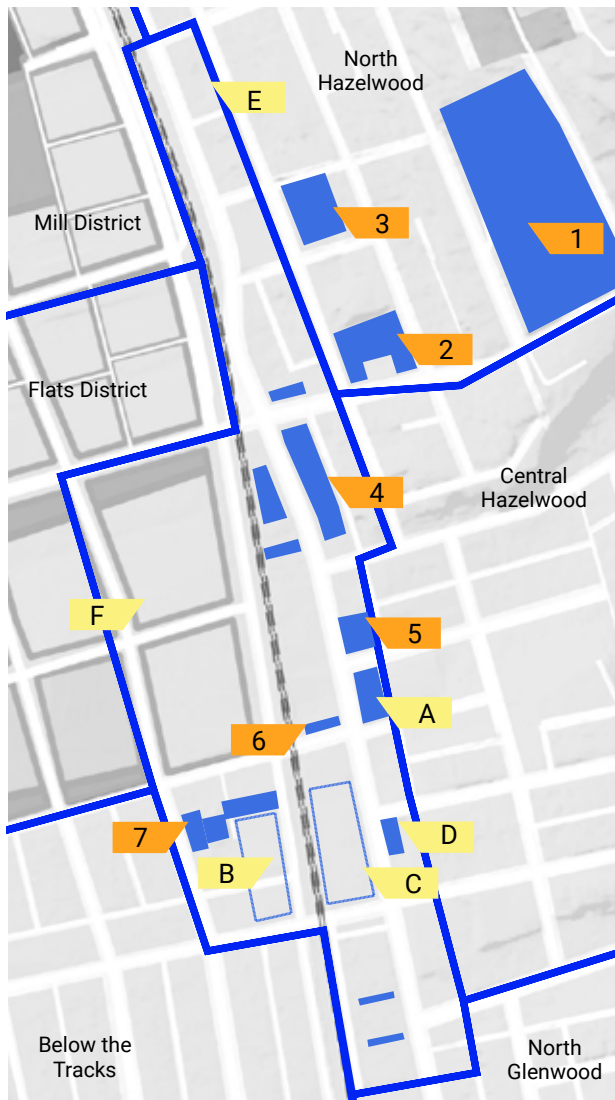
Irvine Street the continuation of Second Avenue north of Hazelwood Avenue is characterized by development on only one side of the street (with the Hazelwood Green site on the other) and the largest concentration of vacant property in the neighborhood.

Second Avenue's main street lies between Hazelwood Avenue and Elizabeth Street and has accessible cross streets to areas "below the tracks" to the west and on the flats and slopes to the east

Second Avenue's residential area is south of Elizabeth Street. It is primarily residential but has some commercial properties. The area has limited access "below the tracks" and more access to Glen Hazel and homes on the slopes



Second Avenue has distinct development areas that create a unique main street. The areas adjacent to the avenue can grow the corridor into a more robust district.



Development of key sites can create a vibrant and active commercial district. Most of the key sites are located in the “main street” area of Second Avenue.

Key sites typically share one or more of these characteristics:

- are highly visible or create a sense of entry
- can create a cluster of complimentary uses
- stabilize or preserve significant existing buildings
- best developed in coordination or as part of a master-plan
- currently controlled by Hazelwood Initiative or partners

Second Avenue Sites

Near-term projects are sites that are currently controlled by Hazelwood Initiative, the City of Pittsburgh, or other partners.

- 1 Gladstone School Renovation
- 2 Historic Library Renovation
- 3 Former YMCA
- 4 4800 Block URA Development
- 5 4915 Second Avenue (HI)
- 6 4948 Second Ave
- 7 LACO Buildings

Long-term projects are opportunities to work with existing owners to find shared vision and should be considered for the long term development of the district.

- A Hazelwood Towers Frontage
- B Gloster Street Site
- C 5000 Block of Second Avenue
- D Tipton Parking Lot
- E Irvine Street Vacant Lots
- F Hazelwood Green

Housing That Supports the Avenue

Multi-use projects with housing on the upper stories will be an important tool for development in the current market conditions. Today, there is little demand for new retail spaces and the cost to build new Class B commercial space on complicated sites likely exceeds the potential rental income. Fortunately, the creation of new housing is a neighborhood goal and aligns with the available opportunities.

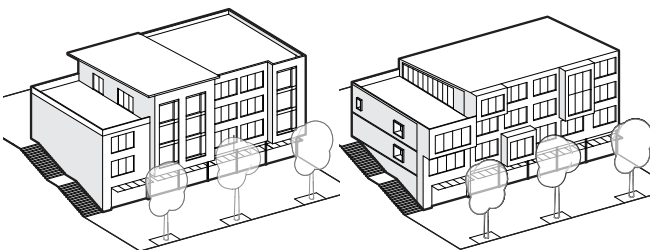
Off the Avenue Housing

The majority of new housing can be produced near to the avenue or on the avenue. Nearby sites include:

Irvine Street. Multistory mixed use with commercial on the lower levels and residential accessed from Chatsworth Street.

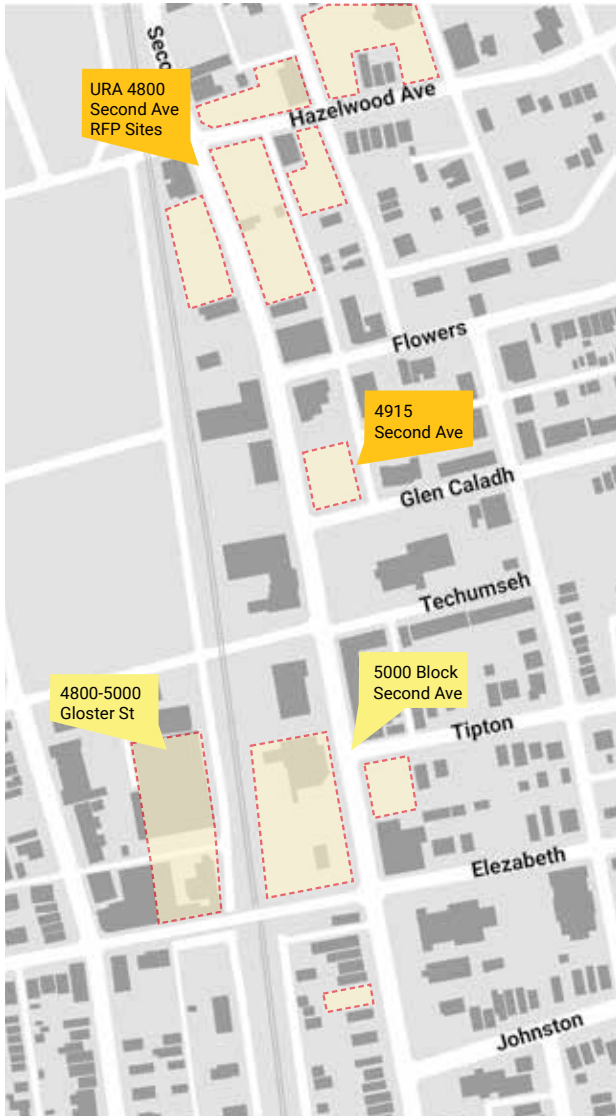
Sylvan Street / Greenway District. Vacant lots near to transit and the business district, views, and access to the Hazelwood Greenway may make this area attractive to market rate residential development. To encourage the creation of more units and to make construction more affordable, the area should be zoned for multi-unit structures.

“Off the avenue” sites. Sites that are “off the avenue” are located near the main corridor of the Second Avenue business district, but they are not located directly on Second Avenue. These sites offer opportunities for housing. Although, some sites have environmental liabilities, like proximity to working industrial sites, that might inhibit their development.



Development of potential housing sites near to the Second Avenue business core would help support main street businesses.

Buildings on Irvine Street, north of the core business district, can have commercial entries on the first floor and residential entries on Chatsworth on the second floor.
IMAGE evolveEA



Housing on Second Avenue appeals to people who value being close to services, shops, employment, and transit.

Buildings with first floor commercial and upper floor residential.. IMAGE evolveEA

Most of the development that is currently proposed for Second Avenue has housing integrated into the project. The weak real estate market requires subsidies to kick-start development, thus most of the current projects include affordable housing. If the market strengthens, housing projects may be developed without subsidy would not be required to include affordable units.

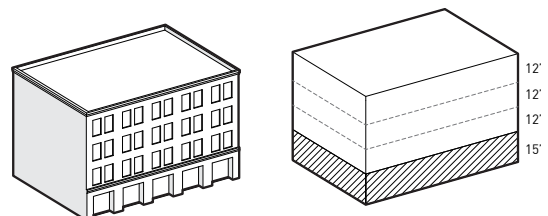
Second Avenue Housing

Projects currently underway are expected to produce:

- 55-85 units 4800 Block of Second Ave RFP
- 10-15 units 4915 Second Ave (if housing is pursued on site)
- TOTAL up to 100 potential housing units in aggregate based based on 1,000-15,00 square foot units (calculated based on range similar to developer proposals for 4800 Second Ave RFP)

Future development on vacant or low density sites could produce more housing units:

- 40-61 units 5000 block of Second Ave .
- 35-54 units 4800-5000 block on Gloster St.
- TOTAL 75-116 potential housing units in aggregate based based on 1,000-15,00 square foot units (calculated for range similar to developer proposals for 4800 Second Ave RFP)





Main Street as the Heart of Hazelwood

Second Avenue is the core of Hazelwood's business district. New housing and attractions will serve the community and bring visitors that grow Hazelwood businesses.

Second Ave TODAY

Walking on Second Avenue can be unpleasant with heavy traffic, poor quality sidewalks, large curb cuts, and ambiguous parking zones.

Many of Second Avenue's intersections are unfriendly to pedestrians and cyclists.

Second Ave has significant gaps that can make the district seem empty.

There are few park or plaza areas on Second Ave to host visible neighborhood activities.

Second Ave TOMORROW

Improve the Sidewalk Zone

Street trees and sidewalk furniture can give the district an identity and make Second Avenue more welcoming. Sidewalks should be replaced, large curb cuts should be reduced, and curb markings should be improved for pedestrian safety.

Improve Intersections as Gateways

Key intersections should be improved with signals and branded crosswalks for safety, connectivity, and to create a stronger district identity.

Densify Development

Vacant land should be developed for multi-story, mixed-use buildings to provide space for new businesses and increased population. Low-density sites, such as large parking areas or properties with small buildings, are also opportunities for bring more people and businesses to Second Avenue.

Establish Public Space

Existing parking lots, like the one in front of Hazelwood Towers, can be transformed to active public spaces, bringing people to the avenue and creating a place for community expression. New parking lots should not front onto Second Avenue, to prioritize outdoor retail displays, cafes, and other active uses.

◀ Second Ave TODAY

Today, the business district has significant vehicular traffic and few basic services. Many services desired by the community are not available. Although there are few vacant storefronts along the corridor, there are many large gaps with vacant or underutilized lots.

▶ Second Ave TOMORROW

People from the neighborhood and from Hazelwood Green visit Second Avenue's historic core daily. The area is known regionally as a destination with unique places and offerings. Stores, services, and mixed use buildings add density and road improvements enable better public transit.



4800 Second Avenue

Gateway to the District

East and West. The Urban Redevelopment Authority is working with the community to find a developer to build mixed-use buildings for the lots along the 4800 block of Second Avenue. This will create a gateway into the district from the north, as well as a gateway to the newly opened east-west connection to Hazelwood Green.

4900 Second Avenue

Market & Square

East. Development of HI-controlled sites can consolidate parking and create community-serving spaces like a market. Public parklets can bring residents to the avenue.

West. Low-density sites are opportunities for future denser, mixed-use development.

5000 Second Avenue

Historic Core

East. This block has the most intact historic buildings and should be preserved.

West. The Carnegie Library and other community services should be preserved and given more presence on the street. Low density sites are opportunities for future denser, mixed-use development.

Growth on Second Avenue

Successful business districts enable choices of where to go (amenities) and how to get there (infrastructure). New buildings and businesses on Second Avenue can create clusters of attractions to visit and future investment in infrastructure will create a mobility network of safe streets and sidewalks.

TODAY



Second Avenue today. Second Avenue is disconnected from the “below the tracks” neighborhood area and has relatively few businesses that draw residents or visitors to the business district. Key proposed projects are still geographically separate from each other and not yet linked with infrastructure improvements.

Community Assets
Primary Intersections
Secondary Intersections
Commercial Structures



1-5 YEARS



Near-term connections.

PennDOT road improvements along Second Avenue create safer intersections and better sidewalks. Projects at key sites begin to fill in gaps in business district frontage on and near Second Avenue.

5-15 YEARS



Corridor to district. Sidewalk and road improvements at Gloster and Tecumseh Streets connect the commercial area “below the tracks” to Second Avenue. Hazelwood Green is connected at Lytle Street, and Hazelwood’s business corridor becomes a district.



Towers Park and Community Market Urban Design



Hazelwood Square is a series of landscaped spaces that unite important community places like the library, Hazelwood Towers, and historic structures with newly developed sites.

- Hazelwood Square would include a coordinated effort by a number of property owners, including:
- The former S&R Market site (4915 Second Avenue), now vacant and owned by Hazelwood Initiative.
- Hazelwood Towers street frontage
- The existing buildings on the 5000 block which is the last full-block remnant of the historic business district.
- Hazelwood Center/Carnegie Library and its outdoor spaces on Tecumseh
- Properties on the corner of Second Avenue and Tecumseh Street and the current Rite Aid pharmacy

1 COMMUNITY MARKET

Bring the community's preferred uses into the heart of the district.

This location is ideal for a community market. See page 45 for more information.

Open the market space to nearby green space (see below) and encourage complimentary uses during events and daily operation.

Create active first floors where people can learn about neighborhood happenings.

Create a shared parking strategy with HI's current office building and consider an off-site strategy.

2 NEW [PARK]ING

Put activity, not cars, on Second Avenue.

New green space on Second Avenue could provide a place for all ages to gather, define a distinctive center for the Hazelwood business district, and communicate arts or cultural identity. HI and partners should consider an agreement with the owners of Hazelwood Towers to redevelop the front edge of the property for public green space, working with the owners and residents to reorganize parking to avoid any negative impacts on residents.



The Tuckaseegee Art Garden in North Carolina features native plants and was created from an expanse of an asphalt parking lot in front of the former mall that was converted to an office building. The park references the Native American word for flowing water, paying homage to local history.

Consider converted paved areas adjacent to Second Avenue into parks and multiuse green spaces.

Reorganize parking as needed to accommodate residents, possibly using vacant, city-owned properties adjacent to the Hazelwood Towers site.

Integrate bus stops and transit infrastructure, including a card station.

Investigate funding for green stormwater infrastructure.

Work with neighbors to create a "neighborway" or slow traffic street on Tecumseh between Second Avenue and Gertrude.

3 HAZELWOOD LEGACY BUILDINGS

Preserve the historic fabric on Second Avenue.

Encourage facade renovations to repair legacy buildings.

Cultivate small businesses with programs for business support and affordable real estate programs.

4 HAZELWOOD CENTER / CARNEGIE LIBRARY

Bring community organizations to the street.

Develop a regular series of community events in Towers Park and create a presence for the library in the Square.

Activate the library/Hazelwood Center's outdoor spaces. Consider a direct reconnection of the upper plaza to the street.

5 GREENSPACE GATEWAY

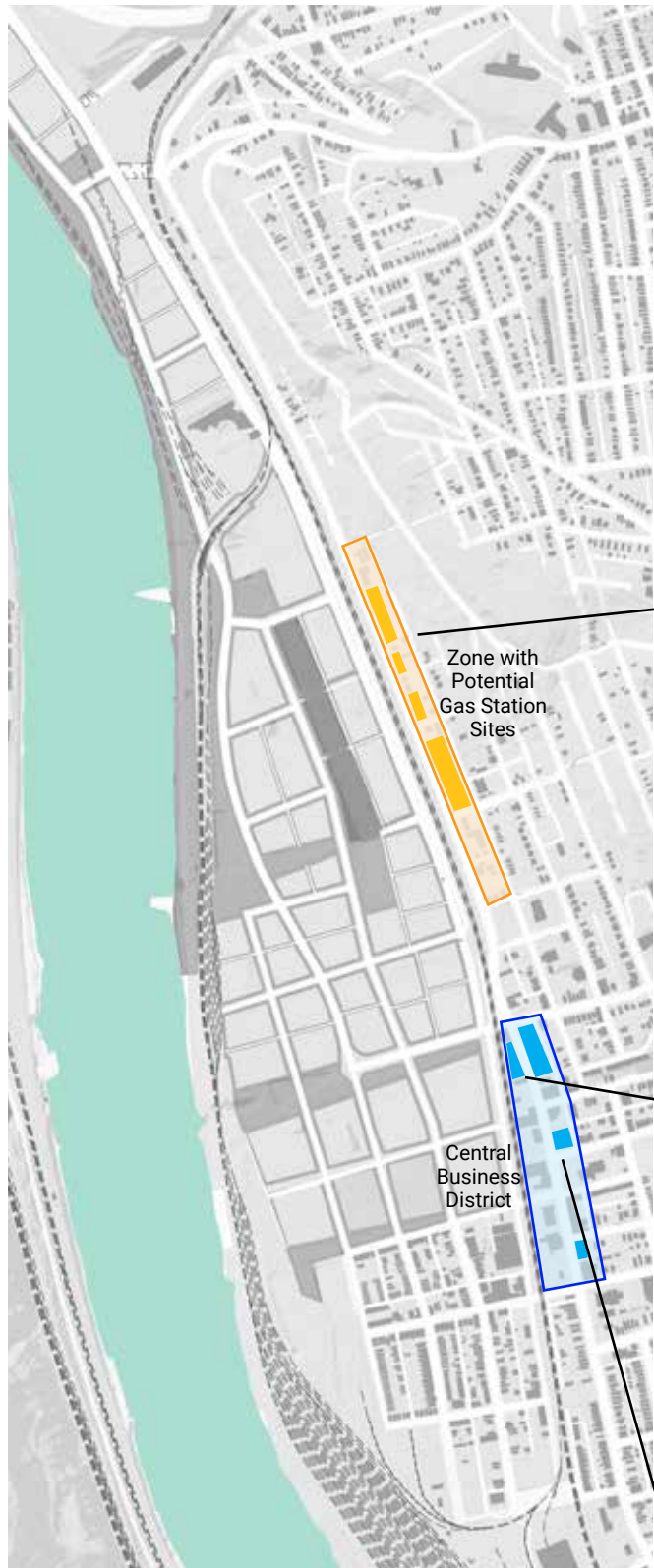
Redevelop Tecumseh as a linear park for more impact.

Consider future redevelopment of low-density site for mixed use. A mixed-use development could include retail with apartments or commercial space above. Consider a redevelopment with pedestrian amenities and public space adjacent to Tecumseh Street.

Build sidewalks and green rainwater conveyance to connect Lytle Street to Gertrude Street with a linear greenspace. Include signage and bike improvements and connect to the bikeway at Gloster Street..

What We Heard

Desired Businesses



Gas Station | Potential Sites on Irvine Street



Restaurants and Mixed Retail | Potential Site: 4800 Block



Market or Food Venue | Potential Sites: 4800 and 4900 Blocks

Food-Oriented Market

Due to a variety of factors, there is not likely to be enough demand for a large grocery retailer in Greater Hazelwood in the near future. (This could change with substantial population growth at Hazelwood Green.) However, *there is significant unmet demand for groceries and food businesses*, which might accommodate a small-to-medium-sized food market. Food retailers generally require high-density, walkable areas, or they need to supply large parking lots to attract auto-dependent clientele. The 4915 Second Avenue site, in the middle of the business district, might be ideal for a small food-oriented market.

In the short term, the site could host a temporary market, such as a seasonal farmers' market. This would help to establish demand and change shopping patterns. In the long term, the site could be home to a permanent, year-round market space.

Restaurants and Mixed Retail

There is significant demand already in the neighborhood for a variety of retail businesses, especially full-service restaurants. This demand will likely grow as employment on Hazelwood Green expands. Restaurants are risky because they are equipment-intensive and are expensive to build, but they do well in clusters, for people are attracted to places where they have many food choices. Restaurants can also share kitchen or back-of-house facilities when in clusters. The same clustering principal applies to other retail businesses. For this reason, the largely vacant 4800 block is ideal for the development of dense retail, especially full-service restaurants.

Gas Stations

Gas stations perform best in high traffic with easy access. Most gas stations sell more than gas, with a significant portion of their sales coming from fast or packaged food and alcohol—especially for the large gas stations chains that have enjoyed widespread success over the last decade. In some places without other food-oriented retail, a gas station market is the main source of groceries and is a round-the-clock gathering place, but gas stations can generate nuisance traffic, litter, and pollution. For these reasons, we recommend the development of a small-to-medium sized gas station located on Irvine Street, north of the Second Avenue business district.



Desired Business

Food-Oriented Market

In addition to more restaurants, there is significant demand and desire among local residents for a grocery store. Attempts to develop a large, full-service grocery store in Hazelwood in recent years were unsuccessful, but Dylamato's Market, located in the southern stretch of Second Avenue near the Glenwood section of the neighborhood, has recently been successful in attracting a mix of business from local residents and drivers along the heavily trafficked Second Avenue corridor. Still, considerable local sales are estimated to leak out of the neighborhood (more than \$6 million annually). And as Hazelwood Green develops, additional local demand will be created.

The challenge in meeting this demand locally is twofold. First, shopping patterns already exist among residents of the neighborhood absent a local grocery store. In other words, while residents state a strong (nearly unanimous among those engaged at public meetings) desire for a local grocery store, the existing pattern of shopping at outside stores will make it more difficult to attract development of a significant market. Further, because of the challenging topography of the neighborhood, many residents would not have walkable access to a centrally located store location—meaning they would have to choose between a trip by bus or car to their current grocery store, or a trip by bus or car to the “local” grocery store—a further challenge in demonstrating demand to a would-be grocery developer.

Second, traditional full-service supermarkets require a minimum threshold of activity to support a business. Often this requires more than \$10 million in annual sales. Although Greater Hazelwood's \$6 million in grocery retail surplus spending sounds significant, it likely would not meet the threshold for a large retail chain. This is especially true given Hazelwood's location relative to other nearby neighborhoods. It is unlikely that a significant number of shoppers living in nearby neighborhoods would change their shopping patterns, whereas many Hazelwood residents would likely continue shopping elsewhere. (That is likely to change somewhat as Hazelwood Green grows and employment on the site increases.)

Therefore, a market that allows for small food-based vendors to have a physical presence in the neighborhood would serve as an alternative to a full-service grocery store. This approach has the added benefit of supporting local businesses, creating a destination, and contributing to the unique character and culture of Hazelwood. Existing business owners, such as Dylamato's and Community Kitchen, could help anchor the market and/or connect Hazelwood Initiative with prospective tenants. Furthermore, Hazelwood Initiative could establish relationships with organizations such as CRAFT (The Center for Regional Agriculture, Food, and Transformation at Chatham University) and Fulton Commons (a new commissary kitchen in Manchester) to identify emerging food businesses who may be looking for a permanent space.

The viability of such a market would require careful planning. Markets require a high level of management, and smaller, start-up businesses often struggle to pay market rents. Most successful public markets across the country are publicly owned. Furthermore, many nonprofits in Pittsburgh have had limited success owning and managing real estate, as they tend to prioritize mission over strong financial management. Though a publicly owned market in Hazelwood is unlikely, there may be other models that are mission-driven and would limit financial risk for Hazelwood Initiative. For instance, Hazelwood Initiative could become an equity investor along with other private investors in the development. This would allow them some leverage and control over the business model.

Initial subsidy will be required to lower the debt load so that the market could more quickly become sustainable, and eventually cover the cost of a market manager. It is critical that the space be run by a separate, experienced entity. Furthermore, combining the market with an anchor tenant and/or housing would help increase the financial viability of the development.

Where

A market/incubator for food-based businesses should be considered for the east side of the 4900 block of Second Avenue (4915 Second Avenue). As this is currently a vacant lot (owned by Hazelwood Initiative), this would be new construction.

Next Steps

Hazelwood Initiative should conduct a more thorough feasibility study to determine the appropriate business model. As existing partners in development, the URA and/or The Progress Fund could be advisors. Hazelwood Initiative should also maintain information on local food-related entrepreneurs or producers who could be interested in utilizing a shared market. In the near term, a temporary market or outdoor space could be used to activate the site and begin to establish shopping patterns for residents.

Timeline

A feasibility study should be conducted in the next 1-2 years. Given that this will probably require significant new development, it is likely that a market would not be active before 2023. It is possible that a short-term activation of the 4915 Second Avenue lot could coincide with its eventual use, similar to the short-term entrepreneurial retail incubator proposed for the 4800 block in the following strategy. That temporary use could be active as soon as 2021, and would presumably be seasonal (active spring through fall).

Examples of Other Food Markets

The Oasis Market | Erie, PA

Opened in early 2018, the Oasis Market is a small, food-oriented market for multiple vendors. It is a 501(c)3 and is designed to serve as both a market for customers and an incubator for businesses.



Greensboro Farmers Curb Market Greensboro, NC

A large, year-round, indoor multi-vendor space with a mix of produce and other goods, this non-profit market also hosts an incubator program called Kitchen Connects, GSO.



Wild Ramp | Huntington, WV

The Wild Ramp, in West Huntington, WV, is a community-supported market with a mission to provide a viable economic outlet for local food producers and access to locally grown agricultural products. The 2,400-sf market anchors the Antique District and has a pavilion and park across the street for outdoor programming. The rear of the building has a pull-in farmers market pavilion that hosts a weekly farmers market.



Desired Business

Restaurants

Hazelwood is fortunate to already have strong food-based anchors: Dylamato's, C&D's Kitchen, La Gourmandine, Community Kitchen Pittsburgh, and Jozsa Corner. Many of these anchors have conveyed an interest in working to create a more robust food-based business district. Creating a cluster of food-based businesses would support the growth of these existing businesses, serve resident needs, draw traffic from employees located on the Hazelwood Green site, and generally attract more visitors and vitality to the business district.

Furthermore, both community input and market analysis have shown a demand for more fresh and prepared food vendors in the neighborhood. Currently Greater Hazelwood resident spending on restaurants is estimated to exceed local sales volume by over \$4 million. Likewise, resident spending on groceries and non-prepared food is estimated to exceed local sales volume by over \$6 million. And neither of these estimates consider demand from employees on the Hazelwood Green site, which is expected to have over 200 employees by 2020, and even more in future years.

Both restaurants and grocery businesses should therefore be high priorities for development in the Second Avenue corridor in the near future.

Restaurants should serve both a lunchtime crowd (cognizant of the concentration of demand coming from Hazelwood Green) and local residents in the evening. The focus of development should be on full-service (or "sit-down," as opposed to fast food) restaurants, to develop a strong character of place within the district. Restaurants have a role other than satisfying our basic need of hunger; they also create social spaces that can either support or discourage neighborhood integration. Staff, cost, cuisine, and culture all play a role in a restaurant's

ability to bring residents and Hazelwood Green workers together. A developer should be selected that has a track record of working closely with community-based organizations to identify tenants that reflect the values of community.

Further, it is critical that the restaurant components of development on the 4800 block (along with other general commercial retail tenants, noted in strategy 3) be encouraged as quickly as possible, to establish a pattern of activity that draws people from the Hazelwood Green site.

Where

Given the space requirements and buildout costs associated with full-service restaurants, the 4800 block development is the most likely opportunity for this use.

Next Steps

As Hazelwood Initiative is a member of the review committee for this development, their role will initially will be to advocate for a mixed use development plan that could accommodate the inclusion of restaurants. Going forward, once a developer is selected and specific tenants are being considered, HI should advocate for restaurants and other retail that could serve both neighborhood residents and employees on the Hazelwood Green site in the near future.

Timeline

Developer proposals for the 4800 block will be reviewed in late 2019. The development process, however, may not begin for a year or more. As soon as it is feasible to do so, Hazelwood Initiative should encourage restaurant/retail development on the 4800 block to establish a pattern of use by the employees at the Hazelwood Green site.

Desired Business

Gas Station

In public engagement, the development of a gas station was rated as highly desirable by local residents. To some extent, this reflected a desire for convenience store fare. But it also reflects the relative distance neighborhood residents have to travel now to get gas.

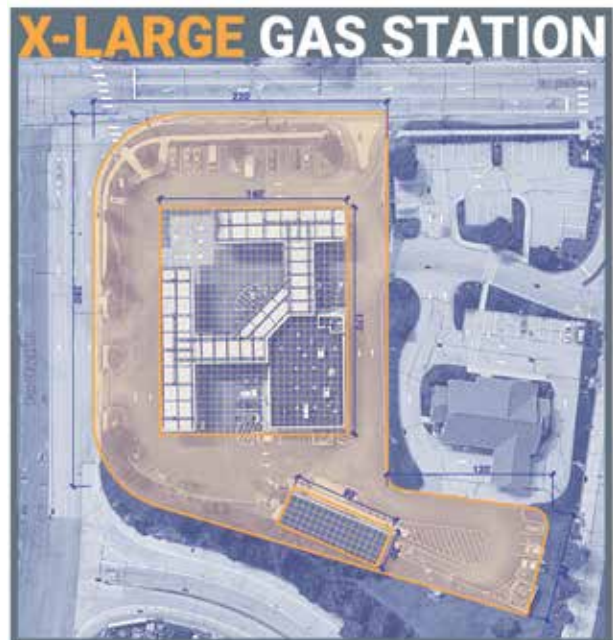
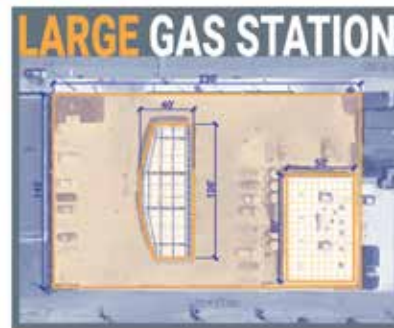
Further, the Second Avenue corridor offers significant through-traffic that would be advantageous to a gas station developer. And that will likely increase in coming years with more people working on and visiting the Hazelwood Green site.

For these reasons, it makes sense to promote the development of a gas station in or near the neighborhood. However, it is important to the design, walkability, traffic flow, and character of the business district that the development of a gas station not take place in the core of the neighborhood.

Instead, the ideal location of a gas station in Hazelwood would be north of the business district on Irvine St., adjacent to the Hazelwood Green site (as shown on page 44). Traffic flow presents a challenge here—as it would anywhere on Irvine Street/Second Avenue—but if a gas station were far enough removed from the main district, and if the right transportation planning were in place (likely a traffic light), a gas station here could provide residents, employees, and passers-through with a valuable amenity.

Timeline

There is likely sufficient demand already to support the development of a gas station in this area, and as long as the location does not conflict with the planning described in this document and the Neighborhood Plan, Hazelwood Initiative should support its development as soon as is feasible. Likely, this will take place in the next 5 years.



Strategically Manage Hazelwood's Streetscape

A network of well-maintained streets, sidewalks, and open spaces can connect people to the business district. Hazelwood can work with the city and private property owners to create quality public space in and near the business district.

The following principles can contribute to the revitalization of Second Avenue.

Consider Second Avenue the living room of the community.

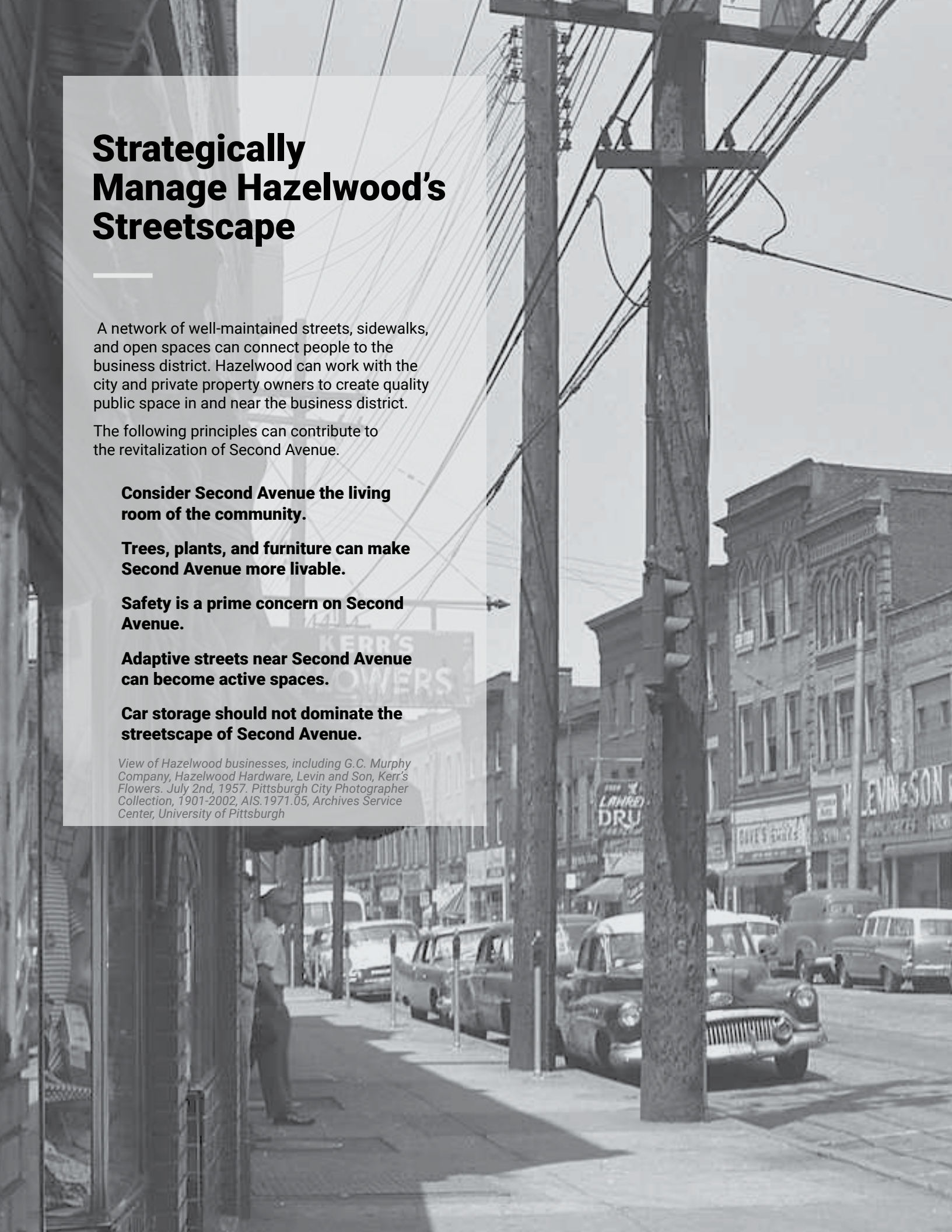
Trees, plants, and furniture can make Second Avenue more livable.

Safety is a prime concern on Second Avenue.

Adaptive streets near Second Avenue can become active spaces.

Car storage should not dominate the streetscape of Second Avenue.

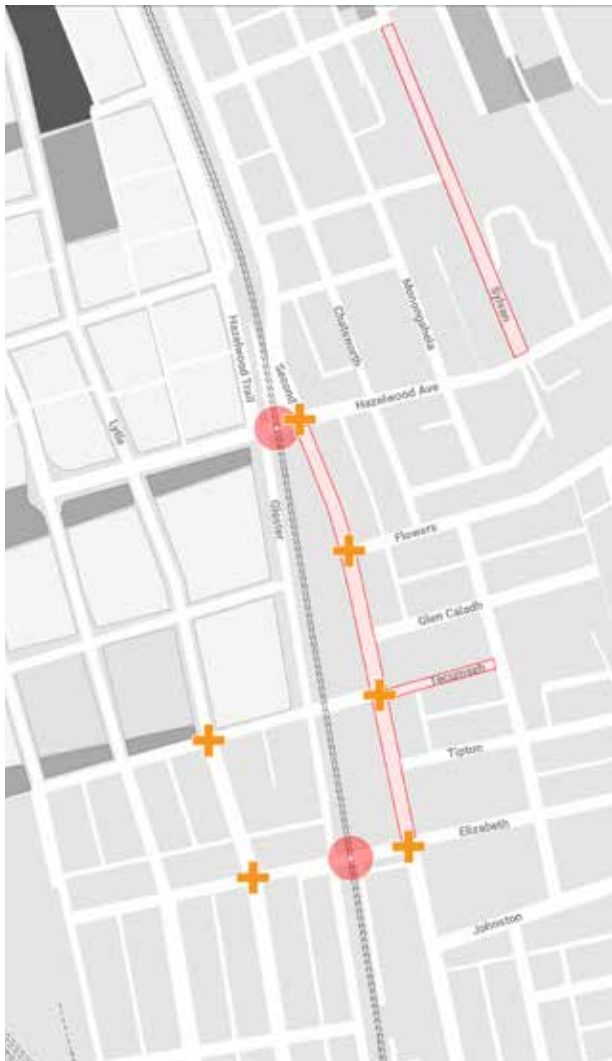
View of Hazelwood businesses, including G.C. Murphy Company, Hazelwood Hardware, Levin and Son, Kerr's Flowers. July 2nd, 1957. Pittsburgh City Photographer Collection, 1901-2002, AIS.1971.05, Archives Service Center, University of Pittsburgh





Consider Second Avenue as the living room of the community.

Successful commercial streets have high-quality infrastructure that invites people to stop their cars, walk from their homes blocks away, or linger with friends. Better sidewalks, intersections, and public spaces, including street furniture, bus shelters, signage, and other amenities would give Hazelwood residents and visitors places for activities and would increase safety.



Understand Hazelwood's street types.

Understand the street types near to Second Avenue and how they might offer opportunity for business district activity. PennDOT and the Department of Mobility and Infrastructure each categorize streets by the level of service and their physical characteristics. PennDOT's has policies for its corridors that integrate multimodal transportation and enhance community use. DOMI is developing new street types like the *neighborway*, that emphasizes community use of car use.

Manage sidewalks zones for visible activity.

Commercial district sidewalks support many different activities and, while wide sidewalks are ideal, even narrow sidewalks can support outdoor retail activities, passers by, and parking. Sidewalk zones can be increased in places through programs like the city's Spark program that permits the sidewalk to be extended into parking spaces to create new gathering places. San Francisco's [Parket Manual](#) is one of the most comprehensive guides to parklet design.

Store owners who use their sidewalks for display of merchandise, seating, or other activity help to build the vibrancy of a district and invite people to stop and visit. Encourage sidewalk events and daily use of sandwich signs, as well as user-friendly storefronts that are accessible and visible from the street.

Encourage store owners to light their facades with lighting that also illuminates the sidewalk. Encourage lit letters or signage that demonstrates district businesses, even when they are not open for business.

Next Steps

Educate business owners on facade best practices and on the benefits of actively using the sidewalk zone.

Timeline

Short-term activity like encouraging active use of sidewalks can occur immediately. Long term improvements like storefront renovations, window replacement, or lighting upgrades may take 3-5 years and would be accelerated with a loan or grant program for property owners.

 **Improve Safety**

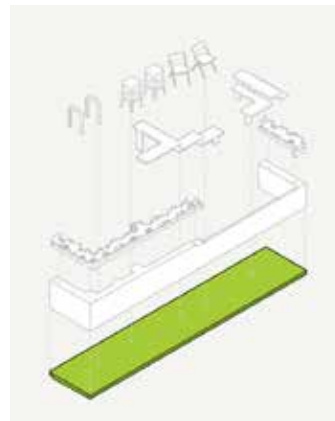
 **Improved Rail Crossings**

 **Branded Sidewalks**



Typical small sidewalk.

IMAGE: evolveEA



Parklet function and components.

IMAGES: San Francisco's Parklet Manual.



Section through Second Avenue at the Carnegie Library.

Trees, plants, and furniture can make Second Avenue more livable.

People will feel more welcome and will stay longer in Hazelwood's business district if they have places to sit, shelter from the elements, and a sense of enclosure and protection from traffic.

Plan for the long-term care of trees and planters.

Hazelwood's sidewalks average 8-10' in width and have adequate area for planters and street furniture. In some communities, each business cares for their own planter, which can lead to uneven results but allows for creative expression. Other commercial districts have a business improvement district agreement or other organization that installs and maintains sidewalk plantings, hanging baskets, or other living material.

Strategically place street furniture.

Street furnishings includes benches, lights, trash cans, and even parking pay stations. The locations and materials of street furnishings should be carefully considered for durability and to make sure that their placement does not impede pedestrians or look cluttered. The City of Pittsburgh has some furnishing standards for trashcans and lights, which can be adopted or adapted to the district's identity.

Next Steps

Do an inventory of existing street furniture like trashcans, trees, tree pits, bike racks, and benches, noting their condition. Analyze existing use patterns as well as projected development patterns to identify gaps in furnishings and furnishings that need to be upgraded or replaced. Plan for a consistent furnishing style and incorporate neighborhood branding into a furnishing package.

Sign up with the city or nonprofits like Tree Pittsburgh to plant street trees on Second Avenue and throughout the neighborhood.

Timeline

Street furnishing implementation can take 5-10 years and depends on investment by city departments and PennDOT. Street furnishing studies and neighborhood branding and design should be completed in advance of any major roadwork along Second Avenue. This process could be guided by a local business association or by local community groups in coordination with city departments like the Department of Planning, Urban Redevelopment Authority, and Department of Mobility and Infrastructure.



- ★ Furnishing Sites
- + Improve Safety
- Bus Stops
- Improved Rail Crossings

Public Space

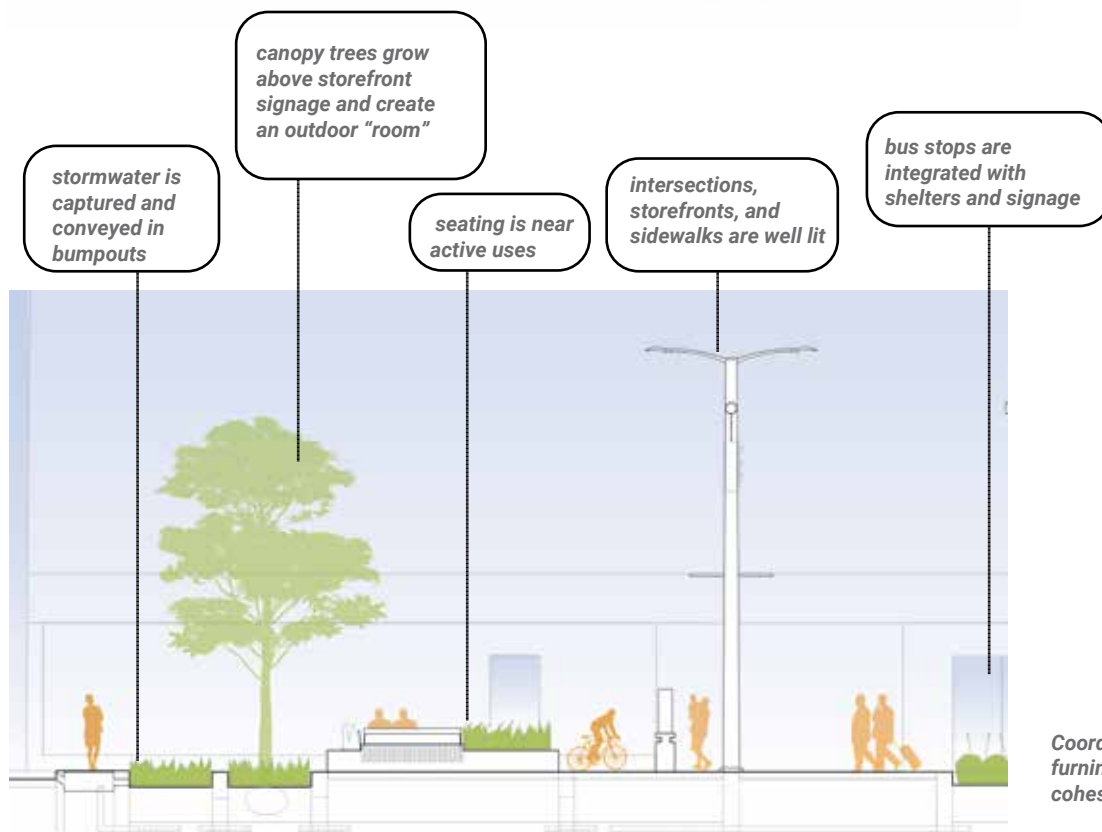


Street furnishings include tree grates, streetlights, trash cans, and benches, and need to be coordinated with equipment such as parking kiosks, bike racks, etc.,



Street furnishings can be designed to support different functions. They can add to safety, supply information, become a destination, or serve as an important piece of infrastructure.

IMAGE evolveEA



Coordinate sitewalk furnishings to create a cohesive experience.

IMAGE evolveEA

Safety is a prime concern on Second Avenue.

Hazelwood's goal is to plan streets that are safe for 8-year-olds and 80-year-olds. Business owners, the City of Pittsburgh, and neighborhood groups can contribute by caring for their own property and coordinating for larger improvements.



Improve paving quality.

Sidewalks on Second Avenue should share a common paving standard that is easy to maintain or replace and, in the future, this work may be done through a business district organization that is supported by local businesses. In other areas of the district, the sidewalks will need to be maintained by individuals. Financial and technical assistance by a community organization would help owners comply with the codes and adopt district standards.

Design safe intersections and calm traffic.

PennDOT controls the major intersections along Second Avenue and the SPC Second Avenue Corridor Study indicated that all of the intersections have potential for safety improvements. Because the business district is an anomaly on an otherwise car-dominated roadway, the community should be firm in advocating for pedestrian-oriented improvements that continue to slow traffic.

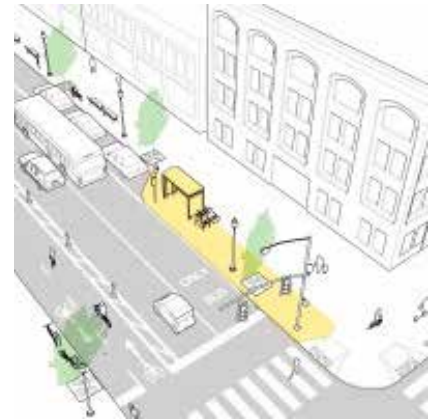
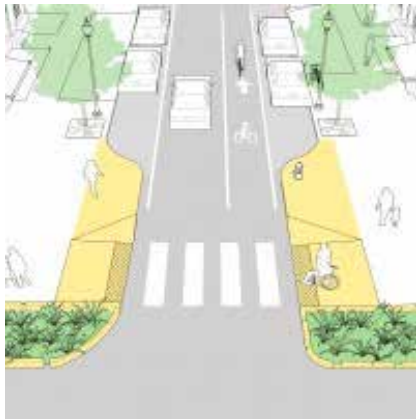
Next Steps

Create a neighborhood Safe Streets committee and work with the Department of Mobility and Infrastructure to map safety incidents, complaints, and other data on safety issues in Hazelwood. Survey residents to understand how they travel, where they travel to, and how often they travel. Consider using questions from the Green Building Alliance's Make My Trip Count survey so that you can compare the results to regional data.

Timeline

Safety concerns are an ongoing issue and have long time horizons. Gather data early to inform PennDOT processes and revisit it every 2-3 years during periods of development to understand the evolution of safety issues.





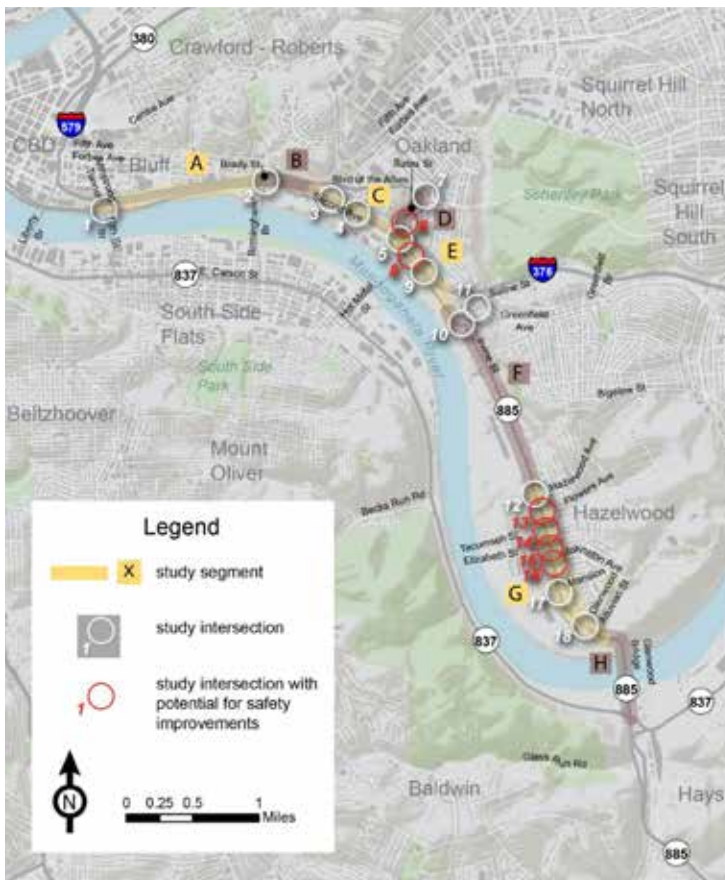
*Traffic calming curb extensions that may be appropriate in Hazelwood.
Gateway | Pinchpoint | Bus bulb*

IMAGES: NACTO Urban Street Design Guide



*Sidewalk conditions show
avoidance of high traffic by
residents and visitors.*

IMAGES: SPC Route 885
Corridor Planning Study



*Map shows intersections
that are candidates for
improvements.*

IMAGES: SPC Route 885
Corridor Planning Study

Adaptive streets near Second Avenue can become active spaces.

Today, Hazelwood's streets are designed primarily for cars, trucks, and buses. Tomorrow's vision for the neighborhood's streets includes bikes, pedestrians, and future modes of travel.

Neighborhood streets can also host community events and activities, reclaiming "moving through" space as "stay and engage" space.



Plan for adaptive streets.

Adaptive streets use the public right-of-way for more than cars with designation of bike lanes, walking streets, and parking space parks. The City of Pittsburgh has a program to designate small parks, or SPARKS, on parking spots in neighborhood business districts. Bike lane networks should be considered throughout the neighborhood on streets like Gloster and Sylvan.

Encourage diverse modes.

According to studies like the SPC Second Avenue Corridor study, Hazelwood residents will likely have increased access to bus service, a developing bike trail network, and improvements to main thoroughfares in the region. Hazelwood should refer to the Neighborhood Plan and should consider having a mobility manager position to manage planning and construction projects that will be led by stakeholders like DOMI, PennDOT, and Hazelwood Green. In addition, the "last mile" connections to Hazelwood's more remote areas need to be implemented along with major projects.

Model ways to create street activity.

Communities whose main street is also a regional thoroughfare often have side streets that are well used as temporary or permanent event venues. Consider where such events could happen, to have visibility from main street but be safely removed from them.

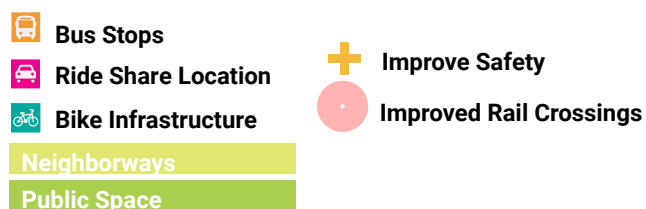
East Tecumseh could become a slow street or neighborway (see page XX) and West Tecumseh might become a place for events, taking advantage of an adjacent open space and HG redevelopment, as well as redevelopment of the adjacent historic warehouses.

Next Steps

Prototype short term improvements like SPARK parking space parks, painted crosswalks, or slow streets with festivals or temporary installations. Locate these for high visibility by residents and commuters to show investment in the community.

Timeline

Mobility improvements can take years or decades. Identify an ongoing staff role to advocate for, partner with, and/or manage long term bike/ pedestrian projects, studies, and initiatives.



Remote areas of Hazelwood have little access to public transit and need to be considered in "last mile" mobility development.



Bus stop showing best practices, including: far-side bus stop, adequate passenger drop off area, clear crosswalks, shelters, and signage.

IMAGES: NACTO Urban Street Design Guide
Corridor Planning Study



Side streets can become staging areas for festivals. Consider designing in the infrastructure (power, right-of-way clearance, etc.) when making roadway investment.

Successful short-term street installations can be made permanent in future infrastructure investment.

IMAGES: Charles Town Arts and Cultural District Plan, evolveEA



Car storage should not dominate the streetscape of Second Avenue.

In many cities, cars have more affordable real estate than people. Hazelwood's parking situation will be dynamic as businesses grow on and off main street and as PennDOT and others make infrastructure changes to the corridor.



Put parking in the back.

The 2005 Second Avenue Design Guide's recommendations for rear parking are still appropriate today. Future development along Second Ave should keep parking to the back and street parking in the front. Vacant lots near but not adjacent to Second Ave should be considered for surface lots once development reaches critical density. New mixed-use development should consider integrated structured parking.

Share parking where possible.

Gloster Street should be improved to provide street parking for walking access to Second Ave to help build a relationship between both sides of the railroad tracks.

Hazelwood Green will also be required to have parking for any commercial uses along Lytle. Work with Hazelwood Green to ensure that commuter/ retail/ community parking balances are balanced and rebalanced as new development is integrated. Use a dynamic demand model to identify where parking can be shared to benefit all parties and reduce the need for surface or structured parking.

Next Steps

Revisit the guidelines and prepare a lot-based parking supply and demand assessment. Compare it to estimated development requirements if the district were at maximum build out.

Timeline

The study can happen in the first year. Implementation will take at minimum a decade of planning and construction.

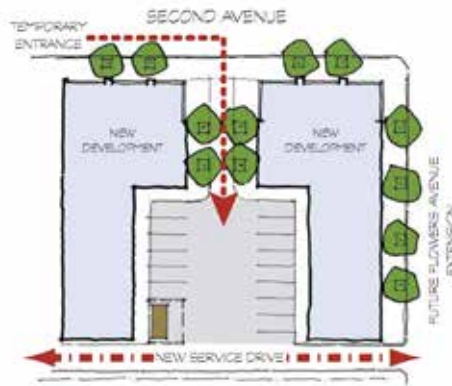
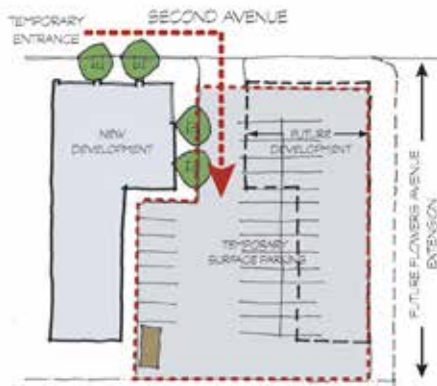
Existing Buildings

Potential Development Sites

Existing Parking

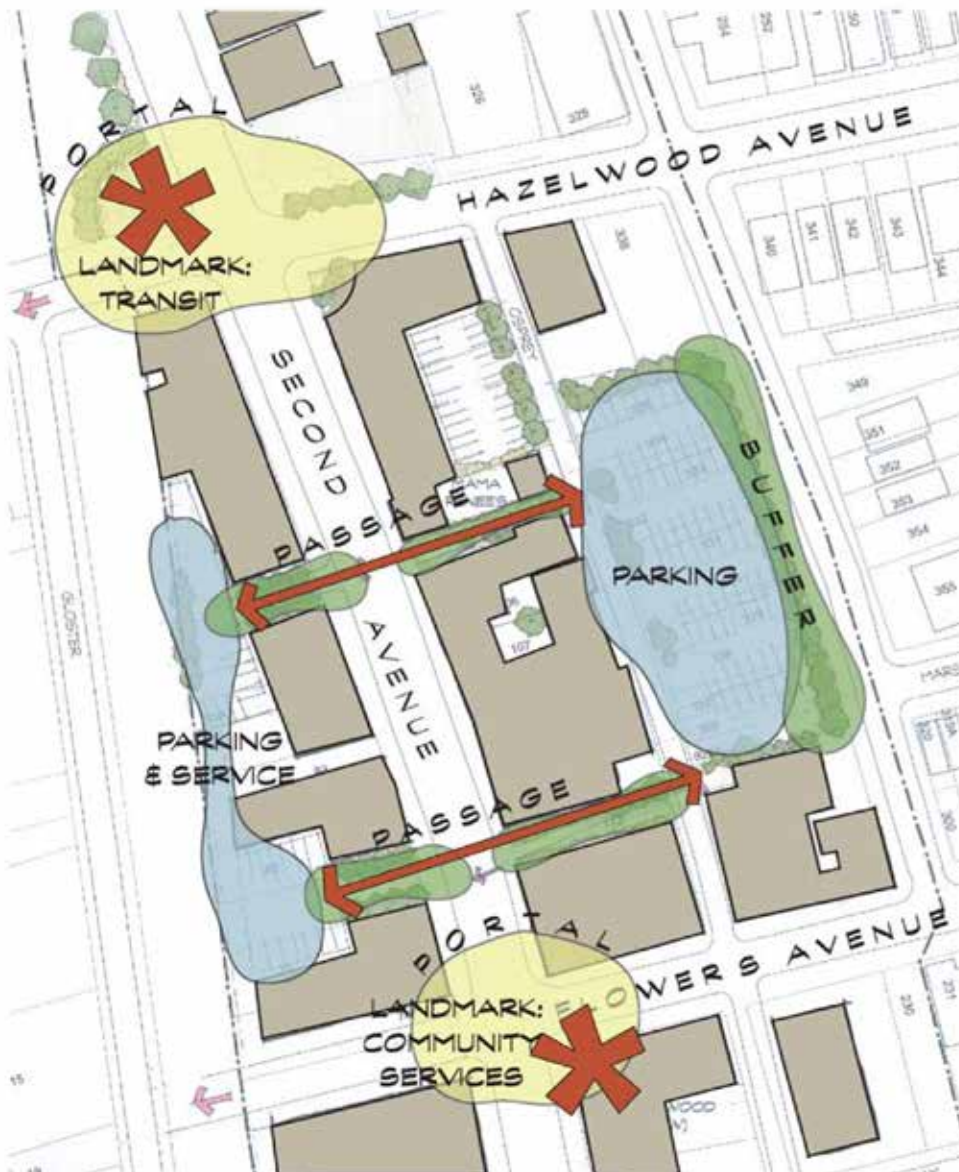
Possible Future Parking

Street Parking



Parking strategies for near- and long-term treatment of surface lots along Second Avenue.

IMAGES: Loysen Plan



Long-term parking expansion off of Second Avenue and onto secondary streets

IMAGES: Loysen Plan

Strategy

Cultivate a District Identity

Second Avenue is the front door of the community and will be reinvented as infill projects and road improvements are

completed. Businesses, buildings, activities, and institutions all contribute to a sense of place. By cultivating the appearance and activity on Second Avenue with an inclusive development process, Hazelwood will have a renewed identity that reflects the spirit of the community.

Principles to guide this development include:

Care for Hazelwood's legacy buildings.

Use the existing guidelines to inform new development.

Use public art on the Avenue to celebrate Hazelwood.

Invest in district branding, wayfinding, and signs





Care for Hazelwood's legacy buildings.

Hazelwood has buildings that speak to its history and add character to the neighborhood. A concerted effort to care for existing buildings throughout the neighborhood will ensure these buildings are affordable, healthy, and contribute to the community for years to come.



Use historic designation as a redevelopment tool.

The designation of buildings to the City of Pittsburgh's historical register would protect the most important historic assets in Hazelwood. The Department of City Planning can help guide nominators through the process and groups like Preservation Pittsburgh or Pittsburgh History and Landmarks Foundation can also offer assistance to building owners.

Enforce codes.

Code enforcement is an effective tool to make sure that building owners understand and meet their responsibility. Code enforcement can also have unintended consequences and should be used with programs that offer technical or financial assistance for owners who may want to make changes but be unable to due to lack of knowledge or resources. Identify historically significant buildings and ensure that code compliance maintains the integrity of the building.

Next Steps

Inventory historic buildings or significant structures in Hazelwood and consider adding important structures to the city registry.

Timeline

This is a 3-5 year process, beginning with projects that are easy to develop and quick wins. Identify buildings that can be occupied with relatively low levels of investment and qualify for historic designation. Also identify buildings that need triage through critical improvements, and make those changes to preserve the building stock. Find developers and partners to invest in these larger and more complicated projects.

Significant Buildings



Former Carnegie Library



Former Gladstone School



Laco Building



Former Woods Home



The last intact block in Hazelwood.



St. Anns Toman Catholic Church



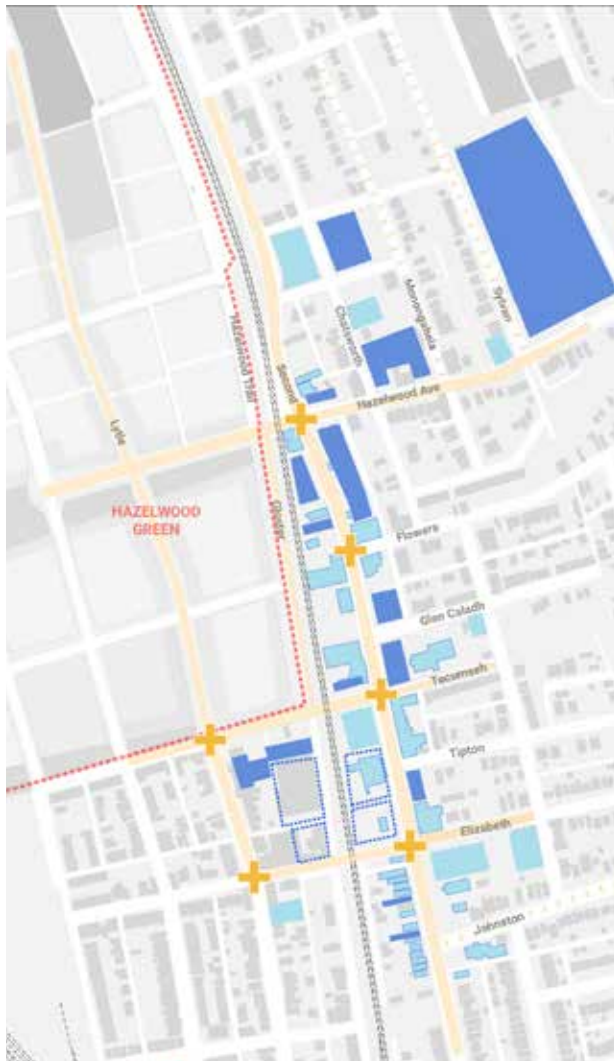
St. Stephen Catholic Church



Three Rivers Village School

Use the existing guidelines to inform new development.

Hazelwood's 2005 Design Guidelines describe how main street structures can contribute to Second Avenue's vibrant places. The lower floor retail and upper floor uses are based on principles that can be applied to historic design as well as contemporary design on Second Avenue.



Revisit the existing design guidelines.

The Hazelwood Second Avenue Design Strategy (2005) developed by Loysen + Kreuthmeier Architects is a valuable document for the planning and design of

infill development and streetscape in Hazelwood's business district. The document lays out clear guidelines for the built environment and best practice principles for new construction. The Design Strategy's best practices are still relevant today and include recommendations for building form, engagement with the street, signage, and other design issues.

Actively engage others to use the guidelines.

The design guides should be given to all developers or property owners who are considering improvements. A few steps to ensure that new development observes the guidelines include:

- Include guide as an appendix with all Requests for Proposals.
- Have physical printed copies publicly available at HI's offices and create a semi-permanent display at the public library.
- Bundle the guide with other central business district resources online.
- Offer workshops for property owners to assist with design, planning, and implementation.
- Bring business owners from other successful commercial districts like Penn Avenue or Butler Street, where small-scale development made a big contribution to district success.

Next Steps

Revisit the guidelines by preparing a summary presentation for use internally by HI and a version that can be given to external parties. Identify a point-person to act as a main street resource.

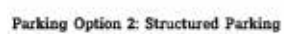
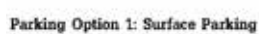
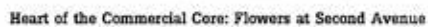
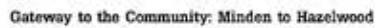
Timeline

Integrating the guidelines takes relatively little time or resources. The guidelines can be (re) initiated quickly, but they need to be maintained long term to ensure that they are actually implemented.

+ Improved Intersections

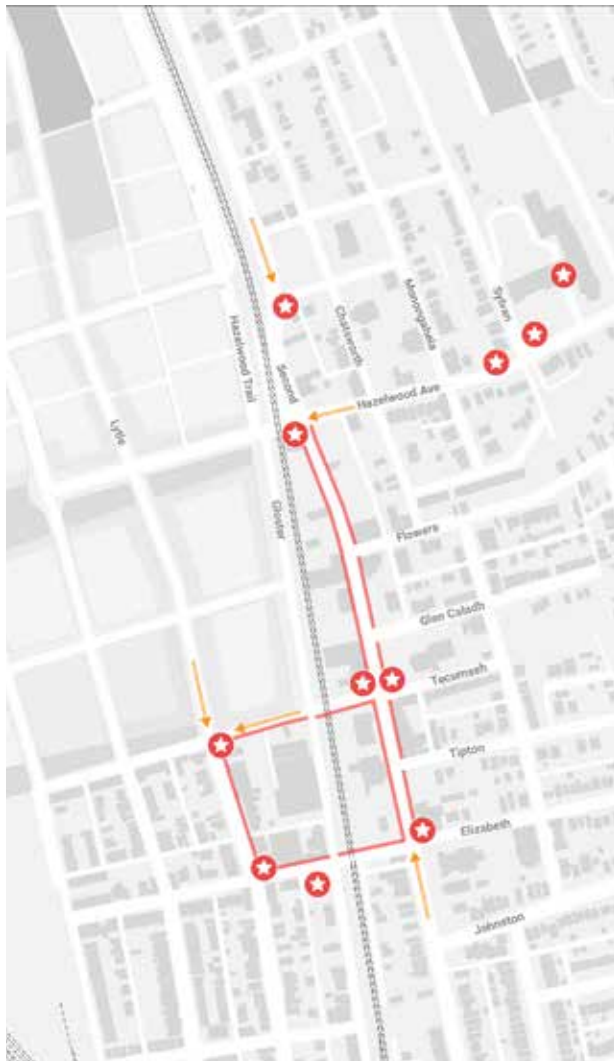
Active or Potential Project Sites

Business District Buildings



Use public art on the Avenue to celebrate Hazelwood.

The creation and exhibition of art is a great way to build community and create a dynamic neighborhood identity. Hazelwood has many talented residents and its relative affordability has attracted other artists. Celebrating Hazelwood's artistic expression can become a core to the business district identity.



Put art in public places.

Make art in public places key to the business district identity and provide formal and informal opportunities for this. Storefronts for art, installations, murals, and art events are permanent and temporary ways to communicate community identity.

Consider coordinating a series of art destinations in the Greenway and in remote landmarks or destinations to encourage people to explore and appreciate the neighborhood.

Inventory existing organizations & efforts.

Create an inventory to discover the makers and artistic enterprises in the neighborhood. Convene people to share ideas and resources and to participate in a "Hazelwood makes" arts campaign. Identify opportunities for people to share their work with a larger audience by featuring them in programming and places throughout the community.

Have a broad definition art to be inclusive of many forms of cultural expression. This creates an on-ramp for creators and artists who may not consider themselves as such and opens opportunities for more people.

Find start up and sustaining funding.

This activity is not likely to happen without a campaign or additional staff. Grants from Artplace America and the National Endowment for the Arts enable communities to plan for arts and cultural districts, hire personnel, and have activities for a period of time to establish stability for later efforts.

Next Steps

Secure a grant for arts and cultural district planning or arts programming from Artplace America or the National Endowment for the Arts. Convene interested community members and start an inventory of existing artists. Solicit from residents who are interested in producing at events or in programs.

Timeline

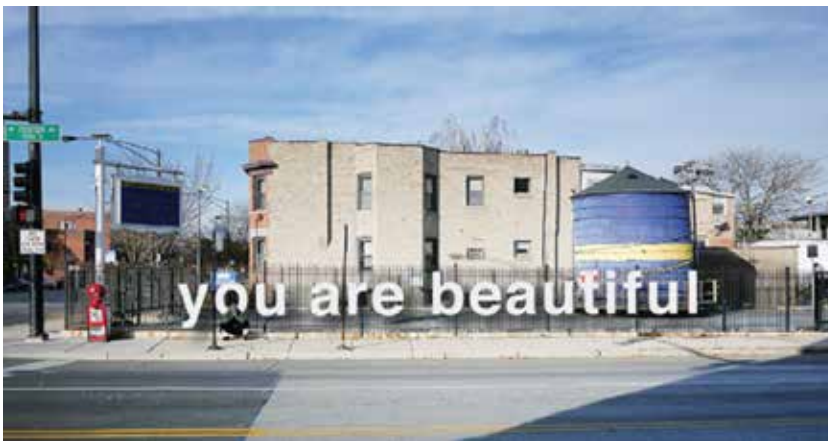
This is a 3-5 year project, contingent on funding. Early action projects such as mural painting or temporary exhibits can build on existing efforts like the Office of Public Art's Artist Residency for Art in the Public Realm at Hazelwood's Carnegie Library.

★ Existing and Potential Art Sites

→ District Entrances

Active Sidewalks

Business District Buildings



TOP ROW Build on existing Hazelwood youth and arts programs.

MIDDLE ROW Artist John Pena's Larimer Stories put neighborhood narratives on a billboard-like structure at one of the neighborhood's entries. Graham Projects' Brooklyn storefront gathered feedback on the community by encouraging people to record their daily experiences.

BOTTOM ROW Artist-in-residence Mark Hoffman's large graphics in Andersonville, Chicago, placed messages on permanent and temporary structures to communicate community identity

Invest in district branding, wayfinding, and signs

Thriving business districts develop unique identities that can be captured with visual brands and signage. Hazelwood has to communicate to its residents, to people who are passing through main street, and to others in neighboring communities who may need an invitation to visit.



Develop a brand guide and a place-based and online identity.

Community identity packages include websites and directories for businesses and community events. Identity can also be applied to streetscape elements including signage, crosswalk paintings, murals, bike racks, etc.

For both virtual and physical identity systems, establish a fund for replacement or renewal of elements. Design simple details, materials, and web infrastructure to minimize long term maintenance.

Reflect community identity in an inclusive process.

Organizations like business improvement districts, community development corporations, chambers of commerce, or clusters of businesses typically lead the development of a neighborhood identity package. Work with existing and potential business owners to develop an inclusive identity and visual brand for Hazelwood's business district. Encourage businesses to participate in the brand's development and to take shared ownership of later efforts. Align the brand with business clusters that may be developing, such as a cluster of food businesses, arts and production businesses, etc.

Adjacency to Hazelwood Green means that the identities of the two areas are intertwined. As it builds out, Hazelwood Green's brand will be easily identifiable and national in character. Hazelwood should consider how its brand relates to that of Hazelwood Green. Does it align with, complement, or intentionally not align with the emerging Hazelwood Green brand?

Design timeless elements and plan for tomorrow.

Look for fun and creative ways to use Hazelwood's brand including signage, crosswalk paintings, murals, bike racks, etc. Set money aside for replacement or renewal of elements and design simple details to minimize long term maintenance.

Next Steps

Secure a grant for wayfinding from the city, foundations, or through more comprehensive programs like the National Endowment for the Arts "Our Town" program. This program could be managed by a main street manager or fellowship position.

Timeline

This is a 2-3 year project, contingent on partial or comprehensive funding. Development of a brand and guide takes 9-12 months with an inclusive process. Signage design and installation could take six months from the time funding is secured for design and installation.

Develop the “On Ramp” for Greater Hazelwood’s Business District

Leverage Technical Assistance Providers to Support Local Businesses

Resource Fair

Pittsburgh is fortunate to have many existing programs that Hazelwood Initiative and its partners can lean on to support the development of Hazelwood-based businesses. By working with these partners, Hazelwood Initiative can strengthen its understanding of the community’s budding entrepreneurs. The URA has strong relationships with many resource and technical assistance providers in the city and beyond, and can organize resource fairs to bring these providers to Hazelwood. Such an event would serve as a way to launch “an increased focus on growing Hazelwood businesses, and would be a way to gauge interest in and demand for additional services.

Promoting Opportunities

Ultimately, leveraging technical assistance resources should be a two-way street. Hazelwood Initiative and its partners should be knowledgeable enough about resources to be able to provide referrals to entrepreneurs (see “Create a Clear Entrypoint” below). Hazelwood Initiative already does this to some extent. For instance, they support neighborhood entrepreneurs by helping them to access and attend classes through the University of Pittsburgh’s Small Business Development Center. However, with additional capacity, this role could become more robust and formalized.

For example, the URA’s Micro-Enterprise Loan Program provides between \$5,000 and \$30,000 for most costs except real estate acquisition and is targeted towards women- and minority-owned businesses. Hazelwood Initiative could take a more proactive role in advertising this opportunity to local entrepreneurs and small businesses. At least two

Hazelwood businesses have already utilized this program, and could be engaged to help advocate for other businesses to take advantage of it.

Another way that Hazelwood Initiative could support small businesses in taking advantage of existing resources is through its role as a trustee of Kiva Pittsburgh. Kiva offers 0% interest loans up to \$10,000 to any entrepreneur. There are no fees and the term is up to 36 months. As a trustee, Hazelwood Initiative can conduct a business assessment of borrowers in order to publicly vouch for them for the Kiva program. Hazelwood Initiative can also assist through the application and fundraising process.

Small Business Hub

It will also be beneficial for those technical assistance providers to have a presence in the neighborhood. For instance, Chatham’s Center for Women’s Entrepreneurship (CWE) offers free, one-on-one business counseling, and does so in partnership with community-based organizations. Hazelwood Initiative could partner with CWE to host regularly occurring counseling sessions in the neighborhood. CWE also works with community organizations to host trainings and workshops, depending on demand.

To be most effective, it would be advantageous for a single, dedicated space to be developed for use by the various technical assistance providers. This space could also have a computer with desktop shortcuts to online resources, as well as paper information on available resources.

In an effort to continue to strengthen connections with the Glen Hazel neighborhood, explicit efforts should be made to ensure that residents of Glen Hazel are included in outreach about these opportunities. Furthermore, the community/recreation room at Glen Hazel could be used for programming.

Where

Either the Hazelwood Initiative office or the Carnegie Library branch in Hazelwood could serve as a central resource hub.

Next Steps

Work with the URA to host a small business resource fair; determine the feasibility of utilizing the Hazelwood Initiative office or the Library as a space to host technical assistance providers.

Timeline

This would require some up-front capacity to organize and establish, but limited ongoing capacity to maintain. Therefore, this could be implemented in 2020.

The Catapult Program has already had two successful cohorts of entrepreneurs in their East Liberty Space on Second Avenue.



Catapult incubator launches second cohort of women- and minority-led businesses

Next Pittsburgh | September 23, 2019

www.nextpittsburgh.com/city-design/catapult-incubator-launches-second-cohort-of-women-and-minority-led-businesses/

Create a Small Business Incubator

The URA's Catapult: Start Up to Storefront program is a 12-month, cohort-based technical assistance program for aspiring and established entrepreneurs. In partnership with Circles of Greater Pittsburgh and Paramount Co-op, the program provides monthly seminars and one-on-one coaching. In addition, the URA works with a neighborhood-based organization to identify a physical space in which the businesses can test the market. As the program enters its third round, Hazelwood Initiative could work with the URA to bring this program to Hazelwood. While businesses would likely not be restricted to those based in Hazelwood, preference could be given to local entrepreneurs and those interested in permanently locating in Hazelwood.

The primary requirement for this program is the availability of space for approximately seven or eight businesses to have a "storefront" (not all participants want or are in need of space), as well as programming space.

Where

There is currently no publicly or Hazelwood Initiative-owned space on Second Avenue that could be easily renovated to accommodate the Catapult program. Given the need to begin establishing shopping patterns for employees of Hazelwood Green, and simply to activate the currently vacant 4800 block, temporary structures could be built on the site. Furthermore, it is the goal of the URA to assist graduates in finding permanent space, and there could be an opportunity to designate space within the 4800 block development for graduates of the program.

Next Steps

Hazelwood Initiative should work with the URA to determine the legal and financial viability of developing temporary structures on the 4800 block.

Timeline

The next cohort of the Catapult program would begin in 2020, though the timing is flexible. Hazelwood Initiative should continue working with the URA in late 2019 and early 2020 to determine if it is feasible to develop a temporary entrepreneurial space through the Catapult Program in 2020.

Create a Clear Entrypoint and Dedicated Champion for Business Owners

Website

The neighborhoods that have had the greatest success in developing their business districts are clearly “open for business.” At a minimum, this should include an up-to-date page on Hazelwood Initiative’s website highlighting available properties, technical assistance resources, and updates on plans for and physical improvements to the business district.

Business District Manager

However, in order to be most effective, Hazelwood Initiative will need a dedicated point of contact for both current and prospective business owners. This business district manager would be responsible for understanding all of the resources available, and referring entrepreneurs and business owners to the appropriate technical assistance and service providers. From business district development, to regional economic development, the most effective approach is always to nurture the growth of existing entrepreneurs and small businesses. Beyond acting as a referral source, a business district manager would be responsible for helping entrepreneurs and small businesses with whatever they need to grow and thrive in Hazelwood.

Events

The one thing that every business needs is customers. However, we know that in today’s economy, the model for retail businesses is changing. With the ability to purchase nearly anything online, experiences are becoming essential to supporting main street businesses. Community organizations play a critical role in organizing events that draw potential customers to the business district. For example, some businesses in the Lawrenceville neighborhood make a quarter of their annual sales during the Cookie Tour. These events don’t need to be high-cost (e.g. First Friday style events) and businesses can contribute to defray the costs. This should be part of the business district manager’s responsibilities.

Business Directory + Hazelwood Green Partnerships

As Hazelwood Green continues to develop, this role will be particularly important in acting as a liaison between existing businesses and Hazelwood Green tenants, employees, and residents. For instance, Almono LLC currently puts together a directory of Hazelwood amenities for prospective and current tenants; however, the effectiveness of this directory would be greater if Hazelwood Initiative had dedicated capacity to help identify and include local business information as well as other community assets. The URA’s Biz Buzz program is a potential source of funding for this work. The more that Hazelwood Initiative can work with existing businesses to develop proactive and creative ways to market their business to Hazelwood Green employees, the stronger those connections will become.

Funding

Beyond these roles, nearly all of the work recommended in this strategy would be expedited if Hazelwood Initiative were to be able to employ a business district manager. However, to effectively shepherd this work will require a level of experience and expertise, as well as long-term commitment, that merits a senior-level salary. Business district manager positions are typically funded through the state’s Neighborhood Partnership Program, ACBO, or through philanthropic support. Neighborhood Allies provides funding for this type of work as well, but only to its target neighborhoods, of which Hazelwood is not currently one. Earned revenue is of course another source. For instance, Lawrenceville Corporation funds their business district manager in large part through their membership program. For Hazelwood Initiative, if the development of a food-oriented market is deemed viable, and enough subsidy is available to limit debt, it could ultimately provide a source of revenue to support a market manager/business district manager.

Ensure that There is a Place for Local Businesses in New Development

A common reason that revitalizing business districts lose local businesses is the cost of rent. Either local businesses can not afford to locate in high-cost new developments, or they get priced out of the neighborhood as property taxes/values, and therefore rents, increase.

Zoning

Zoning can be a powerful tool to incentivize the type of development the community is trying to support. Across the country, municipalities are beginning to find ways to support local small businesses through zoning. While restricting chain and large footprint businesses (such as in San Francisco, Palm Beach, Cambridge, and Jersey City) has been the primary tactic, Portland's Commercial Affordable Tenanting Program is offering floor area ratio and height bonuses to those developers who provide affordable space for local minority- and women-owned businesses. The Greater Hazelwood Neighborhood Plan recommends a zoning study as part of the strategy to revitalize the Second Avenue commercial corridor. Opportunities to create affordable commercial space for local businesses should be considered as part of that study.

Incentives for Set-Asides

Municipalities and public redevelopment agencies around the country are beginning to leverage their power as land/property owners to encourage set-asides for small, locally-owned businesses. The City of Boulder recently required affordable commercial space be part of a development on land that it owned. Part of Portland's efforts, described above, include three publicly supported developments that have set-asides for women- and minority-owned businesses, and, in some cases, additional incentives and technical assistance. Given the large amount of land owned by the city and URA in Hazelwood, there is an opportunity to work with developers to ensure that a portion of future development be, if not explicitly set aside for local and/or women- and minority-owned businesses, developed with small enough commercial footprints that small

business owners could reasonably afford rents.

Empower the Community to be Advocates

At the most basic level, ensuring that new development reflects the vision of the community will only happen if the community itself demands

it. Omicello Cares is working with Neighborhood Allies to ensure that residents and community stakeholders understand the development process and are able to be active participants. Hazelwood Initiative and its partners could actively encourage Hazelwood stakeholders to participate in this program. Other communities, such as Lawrenceville, have adopted processes by which proposed development is reviewed

at community meetings and letters of support for zoning changes or liquor applications are only given when the development is in line with the community's vision. Additional site-specific visioning or planning for desired uses may be necessary to ensure that demands are clear.

For instance, in Homewood, planning had long been underway for a "non-bar, third space" when the opportunity to develop Everyday Cafe came about; that pre-planning was essential to integrating the cafe into the new development.

Where

Ideally, whatever tools or policies are developed would be applicable to any new development in the Second Avenue business district.

Next Steps

Hazelwood Initiative should initiate meetings with the URA, the Department of City Planning, Almono LLC, and Allegheny County to explore what tools and policies could be used to support affordable commercial space in Hazelwood.

Timeline

These types of policy changes require lengthy political processes. Furthermore, once development is underway, there is little to no opportunity to retroactively apply these policies. Therefore, the sooner that the Hazelwood Initiative can begin working with City Planning, the URA, and the county to determine the most viable model, the more likely that these policies

will be implemented in time to be effective.

Support the Development of Service Businesses and Connect Them to Contracting Opportunities

Existing main street businesses and other future commercial businesses (including tenants of Hazelwood Green and the forthcoming 4800 block redevelopment) represent contracting opportunities for Hazelwood-based service businesses, e.g. cleaning, handyman services, landscaping, catering, etc. Almono LLC has already expressed a commitment to utilizing local service businesses, and has already contracted with Floriated and P.O.O.R.L.A.W. However, to successfully support the growth of

Hazelwood-based businesses through contracting opportunities will require an effort to both spur demand (e.g. through partnerships with Almono LLC), as well as to increase supply (e.g. through technical assistance to service businesses).

Small businesses often face challenges to securing larger contracts, including having the proper financial and legal systems in place and having a consistent level of staffing. One program that could act as a model for Hazelwood in growing the capacity of service businesses is the URA's LandCare program. Started in 2016, the URA partnered with Grounded Strategies to develop a way to distribute its contracts for vacant land maintenance among local women- and minority-owned businesses, and Hazelwood has been one of the five neighborhoods in which this program was implemented. Grounded Strategies' primary role in the LandCare program was to work closely with the contractors to provide day-to-day support and technical assistance. The Riverside Center for Innovation's BizFit Program and the Hill District CDC's BLAST program also offer models that could be adapted.

A similar program could be developed in which Hazelwood Initiative identified neighborhood-based service providers and partnered with a technical assistance provider to grow their capacity to manage bigger contracts.

While Hazelwood Initiative could simply help to promote these businesses so that other local businesses could utilize their services, such a program would be more effective if Hazelwood Initiative were able to partner with the URA to

guarantee contracts with the developers of URA-owned property, and/or with Almono LLC to guarantee contracts at Hazelwood Green.

This program would represent another opportunity to strengthen connections with the Glen Hazel community. As opportunities to grow service businesses are identified, efforts could be supported by hiring and workforce development initiatives in partnership with HACP.

Next Steps

Hazelwood Initiative should convene a meeting with Almono LLC and the URA to both better understand Almono's existing small business contracting experience, opportunities for additional contracting at Hazelwood Green or as part of URA-developed properties, and how the URA could tailor existing programs to support the growth of Hazelwood-based service providers.

Timeline

The topography and geographical separation of the Greater Hazelwood area—reinforced by the well-known designation of Glen Hazel as a separate area (indeed, formally a separate neighborhood)—poses a significant challenge to the goal of creating a well-connected neighborhood. Some of the ways that this action plan proposes HI address that challenge involve place-based projects and investments in physical spaces, but it will also be important to link the economic infrastructure across the neighborhood. In addition to the current renovation work being done in Glen Hazel public housing (through its 2019 RAD conversion), HACP would like to host workforce development programming in its community/recreation room in Glen Hazel. Ideally, this will require a physical renovation, but it will also require capacity, and Hazelwood Initiative can partner with HACP to provide programmatic support. Furthermore, HI can act as a liaison between workforce training participants and local businesses or groups, strengthening the connection between the Second Avenue corridor and Glen Hazel.



Section iv.



Housing Affordability Action Plan



Section iv.

Housing Action Plan

Overview

The Greater Hazelwood neighborhood has a need for a broad mix of housing types for households at all income levels. But, the need for additional, high-quality affordable housing, especially for those low-income households who are below 50% of Area Median Income (AMI), is significant and immediate.

The affordable housing need in Hazelwood is based on a variety of factors: the number of low-income households living in the neighborhood, a significantly lower median household income compared to the City of Pittsburgh as a whole, the high number of cost-burdened households for both rental and owner households, and the overall quality of the housing stock, which is aging and partly dilapidated. Using cost burden as a proxy to measure the affordable housing gap in Hazelwood, we find that a significant gap exists for households making up to 50% of AMI—e.g., for a family of four, up to \$38,000 annually.

Based on 2015 Comprehensive Housing Affordability Strategy (CHAS) data made available by HUD, there are a total of 879 households in Hazelwood with incomes at or below 80% of AMI who are cost burdened (paying more than 30% of their income towards housing costs, which include rent/mortgage, utilities, insurance, taxes, and interest). Nearly all of those households (99%) earn below 50% of AMI and over three-quarters earn at or below 30% of AMI. Therefore, the majority of those needing affordable housing in Hazelwood today are extremely low-income households.

Additionally, household incomes in Greater Hazelwood are significantly lower than the surrounding area—with median household income in Greater Hazelwood at approximately \$20,000 compared to the Pittsburgh Metro Area household median income of \$56,000 (based on the most recent ACS data available). Furthermore, the Hazelwood average household size is slightly small at 2.18 persons, compared to the regional average of 2.32 persons.

For the purpose of this housing plan, affordable housing is defined as housing that is code-compliant, available for households at all income levels (including low-income and extremely low-income households), and priced so that no more than 30% of household income go to housing and housing-related costs. HUD specifies that affordable housing applies to households making less than 80% AMI in household income, but in Hazelwood, the need is mostly concentrated below the even-lower threshold of 50% AMI.

For housing to be considered affordable based on the above described definition for Hazelwood residents, a household of four making \$60,800 annually would need to pay no more than \$1,520 per month for all housing and housing-related costs. A household earning less than \$47,544 annually should pay no more than \$1,188 per month for housing costs.

Closing the Current Gap

In order to close the current affordable housing gap in Greater Hazelwood, approximately 900 units of affordable housing must be added in Greater Hazelwood over the next ten years. Of those, there is an immediate, short-term need over the next 5 years for approximately 500 units of affordable housing for households who are severely cost-burdened (meaning they pay

more than 50% of income in housing costs). Additionally, there is a medium-term (within the next 10-15 years) need for an additional 400 units of affordable housing units for households who are cost-burdened, paying between 30% and 50% of their income in housing cost.

Long-Term Need

The level of longer-term affordable housing need in Greater Hazelwood over the next 10- 20 years will depend on market conditions, regional trends, the development of Hazelwood Green, and development patterns elsewhere in the neighborhood. However, one thing is clear:

development in the area will likely coincide with an increased need for affordable housing.

Longer-term strategies are beyond the purview of this plan to outline in detail, however, in order to accommodate that anticipated future need that will accompany development, we propose that Greater Hazelwood require at least 20% of housing units in any large development projects be made affordable in the coming years.

That affordable housing should be concentrated among low- income households. However, during this period, there may also be a need for additional middle-income housing, including for households making 60-80% of AMI and between 80-100% of AMI.

Finally, this document also includes aspirational needs and goals for beyond 20 years that will also change and vary based on market conditions and development pressures on the area.

Housing Strategies

The strategies that follow are designed to address the short, medium, and long-term affordable housing needs within Greater Hazelwood. Higher priority, and more detailed discussion, is given to the short and medium-term affordable housing needs, given the current conditions within the neighborhood. The longer-term goals, while still important and worthy, will need to be tracked against emerging real estate market conditions over the next 20 years. Nonetheless, both the current need and the expected future need for affordable housing in Greater Hazelwood are significant, and neither should be dismissed.

The strategies are broken down into four critical focus areas, including: encouraging new homeownership opportunities, expanding rental housing opportunities, limiting speculation and displacement (including strategies to protect existing homeowners), and longer term planning initiatives. Each strategy provides various projects and/or programs aimed at addressing the overall affordable housing needs in the neighborhood and will also outline the current challenges, potential partners or partnerships to pursue, and, to the extent possible, costs and sources of funds to help with implementation.

The strategies also recognize that no one community group, public/private entity, developer, or non-profit organization could possibly achieve all of the goals and objectives of this plan. Partnerships, planning, advocacy, coordination, and a focused, community-driven effort by the Greater Hazelwood Community Collaborative (GHCC), Hazelwood Initiative, and their partners, will be required to implement these strategies.

Overview of Strategies, Impacts, Timeline, and Target Areas

The table below reviews the housing affordability strategies—each discussed in more detail in the following section—to provide an initial glimpse of how they come together to close the current affordable housing gap in Hazelwood.

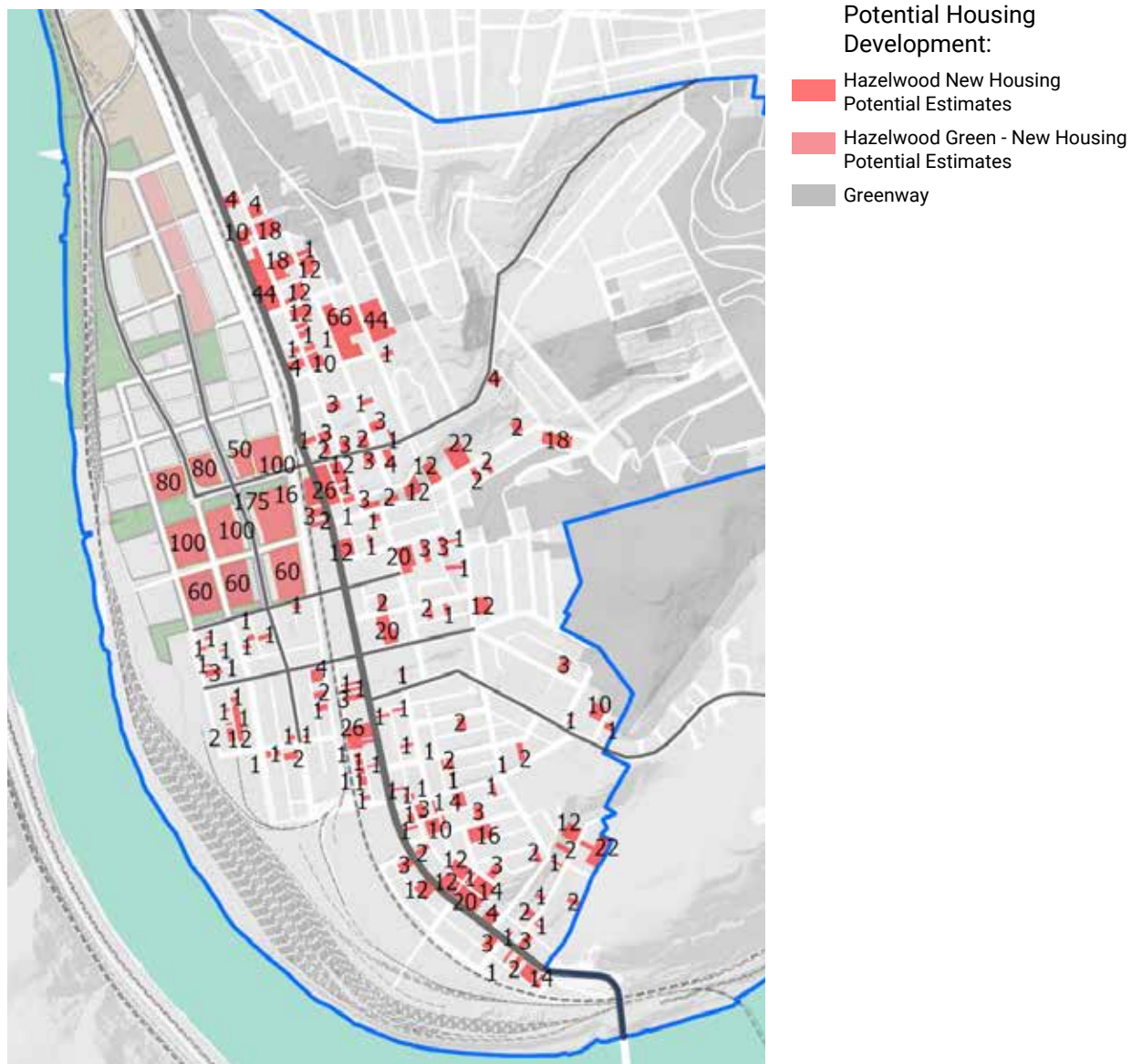
Project	Number of Units proposed	Timeline	Target Area
Existing Rehabilitation for Resale Program	10 units per year	short term, ongoing	Zones 2, 3 and 4
Rent-to-Own Development	5 units per year	medium–long term	Zones 3 and 4
Partnership with Community Land Trust for Permanently Affordable Homeownership	10 units per year	medium term	Zones 3 and 4
HACP Homeownership Program	5 units per year in near-term	short term, ongoing	Zones 2, 3, and 5
Expand Incentives for Owner-Occupied Home Rehabilitation	10-15 units per year	short–medium term	Zones 2 and 3
Establish Rental Property Acquisition and Rehabilitation Program	7-10 units per year	short–medium term	Zones 1, 2, 3, and 4
Create New Affordable Rental Housing (Gladstone)	45-55 units total	short–medium term	Zone 2
New Affordable Rental Housing (Hazelwood Green Plus Neighborhood-Wide)	600+ units total	long term	Zones 7, 8, and 9, plus neighborhood-wide
Continue Affordability on Units with Expiring Subsidy	95 units total	short–medium term	Zone 2
Establish a Rental Equity Program	10 units per year	medium–long term	neighborhood-wide

Potential New Housing Development Sites

The map below captures the estimated potential housing development for new housing in the neighborhood, including for development blocks within Hazelwood Green. The numbers represent the potential number of units within multifamily housing development that could be constructed out on a given site, based on the amount of area available.

Vacant land and Hazelwood Green provide the greatest opportunity to increase housing stock through new construction and increase Hazelwood's population density.

Note: these estimates do not consider site-specific conditions, and they are only meant to be used to gauge approximate build-out capacity across the neighborhood.



Strategy

Encourage New Residential Homeownership Opportunities

Expanding housing choice in the neighborhood by offering new opportunities for homeownership helps to build owner equity and physical and emotional investment in the community. It helps to improve the condition of the overall housing stock. Promoting affordable homeownership opportunities in Greater Hazelwood could help to relieve the cost burden among renter households and diversify the housing portfolio of the neighborhood.

The following elements outline a comprehensive approach to encouraging new residential homeownership in Greater Hazelwood. The strategies will include a mix of new programs and initiatives and existing programming already being implemented in the neighborhood.

Continue Existing Rehab for Resale Program

This program seeks to preserve existing unsubsidized affordable housing through the acquisition and rehabilitation of units that may be at risk of rising sale prices. Currently, Hazelwood Initiative (HI) is already offering this program in the neighborhood. Development subsidies (i.e., a construction cost write-down) to the developer ensure purchase price and ongoing housing costs remain affordable. Soft secondary financing (i.e., a soft second mortgage for the buyer) can be made available to offset increases in housing costs or assist with down payment and closing costs while simultaneously preserving the market

value of the home. A soft second lien can be recorded against the property and held by HI and can be forgiven over a period of time, or repaid at the sale of the property. The major residential areas of Greater Hazelwood, where HI is already implementing this program, should continue to be the short-term target area. HI should continue to acquire, rehabilitate, and sell between 3-5 units each year. Longer term, HI should consider moving to pockets of Greater Hazelwood where renter occupancy and vacancy are high, such as Zone 4a and 4b (Glenwood), so as to balance out the residential mix in those neighborhoods and promote stability and longer-term investment. Additionally, HI should look to partner with other organizations, such as the Housing Authority and/or other non-profits, institutions, and public organizations, to expand the capacity of this program to address the longer-term needs.

As development continues in the neighborhood, it is likely that middle-income housing opportunities will become a need. Middle-income housing generally refers to housing for households earning between 80% and 120% AMI. Given ever-changing market conditions, it is difficult to project those needs at this time; however, the market should be monitored closely during development. And middle-income households are particularly well-suited financially for strategies that transition households and families into homeownership, including the Rehab for Resale program.

The primary challenge with this strategy comes with the difficulty in identifying creditworthy/mortgage-ready buyers; however, identifying partner agencies that are willing to relax lending standards allows nontraditional buyers an opportunity for homeownership. These options, coupled with appropriate and necessary financial literacy, credit counseling, and other supports necessary to maintain stable homeownership, make it possible for this project to not only continue having an impact but to expand its impact in the future.

Funding Sources

- City of Pittsburgh CDBG/HOME
- NeighborWorks
- Federal Home Loan Bank (FHLB) AHP
- PHFA PHARE
- URA Housing Opportunity Fund

Goal

Homeownership efforts should target households in the 50-80% AMI range, the income range in which homeownership is more likely to become financially feasible. While the immediate housing affordability gap is mostly concentrated among the 0-50% AMI households, expanded homeownership has an important role to play in maintaining long-term affordability. Also, household incomes are not fixed over time, and for households whose incomes could increase through expanded employment opportunity, this work should be seen as a complement to the workforce development initiative being undertaken in the neighborhood.

HI should engage additional partners and increase funding capacity to expand the program to 10 units per year by years 5 to 10. Years 1 and 2 should continue developments in Zone 2, aiming for 3-5 units. Years 3 and 4 should see development of 6-8 units in Zones 2 and 3. By year 5, 10 units per year should be achieved, primarily in Zones 3 and 4a/4b.

Challenges to Implementation

The length of time it takes to acquire properties and/or land for development is an important challenge to this work. Acquiring a property from the city's property reserve can take up to 5 years to convey clear title. To alleviate this challenge, HI should advocate that the city begin operation of its established land bank, which would allow for quicker property acquisition at tax sales. The other key challenge is the purchase ability of the qualified pool of buyers in Hazelwood. However, the financial education and literacy programs described in this section, in addition to subsidies from HI and partner organizations, could help to increase the pool of potential credit-worthy candidates for the program.

Consider Rent-to-Own Project Development

A successful rent-to-own program provides households with an opportunity to save, while working to improve financial literacy, repair their credit, complete homebuyer education, and establish sustainable employment. A newly rehabilitated or constructed unit is made available for a short- to medium-term lease (generally a 36-month maximum), with eventual purchase by the tenant. Development subsidies keep rents affordable, with a portion of the rent paid by the household deposited in an escrow account, to be used toward down payment and/or closing costs for the purchase.

Individual Development Accounts (IDA) help households develop assets, increase individual savings, save for future home purchase, and/or save for future home repairs. Financial institutions holding an IDA will often make matching contributions, further expanding resources available to prospective buyers that would normally not be available. IDAs can take a variety of forms. Accounts may or may not be

interest bearing; accounts could be owned by a financial institution or a non-profit community or economic development corporation.

A targeted lease-purchase program, if carried out in the short term, should focus on the areas where Hazelwood Initiative is currently carrying out Rehab for Resale projects to enhance homeownership potential in Hazelwood, i.e., mostly Zones 2 and 3 in the near term.

Funding Sources

- City of Pittsburgh CDBG/HOME
- FHLB AHP
- PHFA PHARE
- URA Resources
- Land Bank
- Community Development Financing Institutions

Goal

Lease-purchase development should be explored as a medium- to long-term strategy, dependent on how other immediate homeownership tactics play out. For instance, if the Rehab for Resale program begins to falter due to lack of credit-worthy buyers or market conditions that do not support straight homeownership opportunities, implementation of a rent-to-own project could be prioritized as an alternative. Establishing long-term goals for such a program is difficult and would be dependent on a number of items including the likelihood of identifying potential partners, increasing the capacity of HI, and the commitment of funding to this type of program. Ideally, the first 2 years of implementation of this strategy would be used to identify and secure a partnership to assist in the establishment of the program and to prepare program guidelines, policies, and procedures. Years 3 and 4 should be spent securing funding

for this program and getting households signed up for the program. Years 5-10 should be targeted for full implementation of this program with the goal of assisting 10-15 households per year with rental assistance and moving 5-7 households per year from rental to homeownership in the long term. Target areas in the longer term could include Zone 3 and Zone 4.

Challenges to Implementation

Because incomes in Greater Hazelwood are so low, identifying good candidates for a lease-purchase program who can accumulate sufficient assets, establish good credit or repair existing poor credit, and be ready to purchase a home in 2 to 3 years can be a challenge. Particularly, there is a high number of 0-30% AMI renter households that would likely not be well-positioned for homeownership, nor may these households wish to be homeowners.

Potential Partnership

Cleveland Housing Network or other non-profit housing developer

A lease-purchase program without a partner agency would require a program manager to identify properties for acquisition and to manage the construction/rehabilitation process. Additionally, a property manager should conduct intake and evaluation of potential program participants and make referrals for appropriate credit/financial counseling, as well as handle day-to-day and emergency maintenance requests. Viable options for this longer-term strategy include: partnering with the Cleveland Housing Network; building capacity at Hazelwood Initiative, which is a city-certified Community Housing Development Organization (CHDO); or developing a partnership with the Housing Authority of the City of Pittsburgh.

Another potential partnership could be a Community Land Trust. City of Bridges Community Land Trust currently works elsewhere in the city and could be engaged in Greater Hazelwood to expand homeownership incubation programs.

Partner with the City of Bridges Community Land Trust and Other Organizations to Create Permanently Affordable Homeownership Opportunities for Greater Hazelwood Residents

There are several models of Community Land Trusts offering permanently affordable homeownership and rental opportunities for low-income households. City of Bridges currently offers the Buyer Initiated Down Payment Assistance Program, which provides potential buyers with grant funding to close the affordability gap for homeownership.

In one scenario, buyers are the driving force, identifying units of their choosing for purchase. At the closing table, City of Bridges retains ownership of the land, while the buyer retains ownership of the structure and signs a ground lease for the land. Upon resale, the maximum sale price is capped to maintain permanent affordability.

Alternatively, the Land Trust can enter into contracts with developers to rehabilitate existing or build new units on ground owned by the Land Trust. The units are then marketed to low- to moderate-income households for sale. In this scenario, too, at the closing table City of Bridges retains ownership of the land while the buyer retains ownership of the structure and signs a ground lease for the land. Upon resale, the maximum sale price is capped to maintain permanent affordability. The current formula used by City of Bridges to cap sales price is tied to the Pittsburgh Metro AMI. As has been demonstrated in this plan, Hazelwood median income is significantly less than that of the metro

region; therefore, a formula should be considered that reflects the income and market in Greater Hazelwood rather than the Pittsburgh Metro region.

Other organizations, in addition to City of Bridges, could potentially provide similar partnerships helping gain control of vacant properties in the neighborhood that could be developed into homeownership opportunities for residents.

Goal

The first year of implementation should be focused on engaging the City of Bridges Community Land Trust or other similar groups in Greater Hazelwood and advocating the establishment of a functioning Pittsburgh Land Bank (which is, itself, a key strategic action in the final section of this plan). Public input and dialogue will be critical to engaging City of Bridges in Hazelwood. Outreach meetings introducing the concept of a land trust (or similar model) and setting expectations for how it will impact the Greater Hazelwood community are necessary for a successful partnership and implementation.

Years 2 through 3 should see initial acquisition, and the beginning of rehabilitation or new construction work. By years 4 and 5, 5 units could reasonably be sold per year. In a rehabilitation-focused model, it is estimated that the total acquisition and rehabilitation cost per unit is under \$200,000 (private acquisition cost of \$20,000 or less, possibly through a Land Bank, and rehab cost of around \$180,000), with a maximum purchase price of \$125,000 for this program. For the new construction of units under this type of program, the estimated cost is nearer to \$300,000 per unit for the same maximum purchase price, thus requiring more subsidy or other funding.

Efforts to establish land trusts should focus on homeownership in Zone 3. Maintaining affordability in this part of Hazelwood will be critical, as it is directly adjacent to Hazelwood Green, and site

control is a key component to maintaining that affordability. Zone 4 should also be a target as the vacancy rate is high and the quality of the housing stock is poor. The targeted population should be renter households with income of 50-80% AMI.

Challenges to Implementation

The primary challenge is the length of time it takes to acquire properties with clean title and/or land for development. Acquiring a property from the city's property reserve can take up to 5 years to convey clear title. To alleviate this challenge, HI should advocate the city begin operation of its established land bank, which would allow for quicker property acquisition at tax sales (the last strategy in this plan).

Partner with the Housing Authority of the City of Pittsburgh (HACP) to Promote and Utilize their Homeownership Program

For current Public Housing (PH) residents and Housing Choice Voucher (HCV) holders, or those eligible for either program (PH households earning below 80% AMI or HCV holders earning below 50% AMI), HACP offers households up to \$8,000 in assistance toward closing costs and up to \$52,000 in assistance through a second mortgage with no monthly payments. To maintain affordability and to encourage stability, HACP will forgive the loan if the buyer remains in good loan standing and continues to occupy the home as a primary residence for at least ten years. The program requires participation in financial literacy and credit counseling programs. Additionally, the program requires current and steady employment (for non-disabled and/or non-elderly heads of household), minimum income requirements, first-time homebuyer status, and positive rental history. HI and HACP should coordinate targeted marketing efforts to current Glen Hazel residents and those

living in Greater Hazelwood who hold Housing Choice Vouchers to encourage them to take advantage of the homeownership program. Moving PH and HCV residents towards homeownership opportunities allows additional low-income families to receive assistance through the HACP programs, resulting in fewer cost-burdened households.

In the first year of implementation of this plan, HI should begin discussions with the HACP about how this program can align with the overall homeownership goals of this housing plan and begin to market this program to current PH and HCV holders currently residing in Greater Hazelwood. Initial conversations with the Housing Authority have been positive and indicate that a partnership that targets Hazelwood has potential. Additionally, years 1 and 2 can be used to help current residents become mortgage-ready. Overall homeownership goals over the 10-year period should be established in year 1 as part of discussions with the HACP. HACP has established a city-wide goal of 30 participants in 2019 and has committed to that same figure moving forward. In partnership with HI, the HACP has indicated willingness to target efforts and assistance to the Greater Hazelwood area.

Challenges include continued funding of this program by the HACP and setting up current PH and HCV residents with financial literacy and credit repair programs so they are mortgage-ready to participate in the program. Homeownership efforts should be focused on households earning greater than 50% AMI, so as to promote stability and successful homeownership. Minimum income and employment thresholds established by the HACP help to ensure homeownership-ready households are chosen for participation in the program.

Funding Sources

- HACP Homeownership Program

Goal

Move 5 households per year to homeownership through the HACP program.

Challenges to Implementation

Lack of credit-worthy households living in Hazelwood, coupled with a large population of households in the 0-30% AMI income tier have the potential to make implementation challenging. There are a number of potential renters in the 30-50% AMI income bracket that, with appropriate counseling and support, may be successful homeowner households.

Establish and Promote Homebuyer Financial Education and Credit Repair Programs

Financial literacy is critical to successful homeownership. Promoting financial literacy for renters and homeowners alike increases the likelihood of housing stability. Coupling financial education and credit repair programs with homeownership incentives such as down payment assistance, favorable financing terms, and/or a sales price write down makes homeownership opportunities available to otherwise non-traditional buyers. Financial literacy curriculum includes household budgeting, understanding a real estate transaction and loan financing, and repairing credit history.

Housing counseling agencies that are already HUD and/or PHFA certified provide efficient and effective implementation of a financial education program. Local programs offered through the Urban League of Greater Pittsburgh “Operation HOME” Program and the Neighborhood Allies Financial Empowerment Centers also provide free financial education. HI should partner with these groups to bring educational programs directly to

Greater Hazelwood residents. This program should be used in conjunction with all homeownership strategy items to ensure stability in housing. HI should continue its existing partnership with Circles of Greater Pittsburgh, which provides pre-purchase counseling for potential homeowners, and also prepares families to maintain their home and finances once they’ve moved in. Programming includes ongoing financial management, estate planning, and basic home maintenance.

Funding Sources

- City of Pittsburgh CDBG/HOME
- Urban League Operation HOME
- Circles of Greater Pittsburgh (via Hazelwood Initiative NPP funding)

Encourage Affordable Homeownership Opportunities on Hazelwood Green

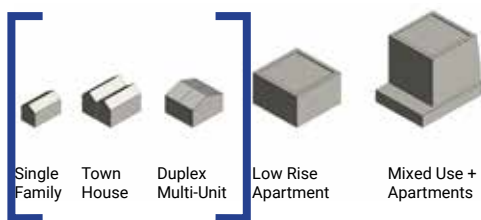
Current land use on the Hazelwood Green site allows for townhouse development, which could accommodate some affordable homeownership opportunities in the long term. Although Almono LLC has indicated that any development of this sort would not take place until future phases of the Hazelwood Green project (possibly in around ten years), consideration should be given to reserving a certain percentage of units for affordable homeownership. A strategy should be developed at a future stage of the build out when market conditions are better known.

More detail on proposed affordable development on Hazelwood Green can be found in the “Create New Affordable Rental Opportunities” strategy in this plan. (The majority of new housing on the site, including new affordable housing, is expected to be rental housing.)

Encourage New Residential Home Ownership



Vacant Lots Small
Single Family Residential



Existing

Hazelwood's single-family residential stock is currently valued within affordable ranges. Some need significant investment to meet basic livability standards. Others may be in stable condition and well maintained, but may not be up to current codes or may have floor plans and amenities that do not meet current market standards (size, amenities, number of bedrooms, etc.)



Opportunity

The existing housing stock provides an opportunity for ownership. Loan and grant programs can make ownership or renovation more accessible to a wider income range. Single vacant lots can provide 'new build' opportunities that may be affordable with subsidy, or may be market rate. Areas with good mobility access and/or views may have better appraisals.

Vacant Lots Small
Single Family Residential
Accessible to Transit
View / Greenway
New Development (mix)
Node

Strategy

Provide Support for Existing Homeowners

Greater Hazelwood is a low-income neighborhood. Households in Greater Hazelwood have a median household income of around \$20,000. Further, 28% of all households in Greater Hazelwood have incomes less than \$10,000. Many of these low-income households are renters, but many are also homeowners. Over 300 owner-occupied households in Greater Hazelwood face a housing cost burden. 2015 HUD/census data indicate that there are 425 owner households earning below 50% Area Median Income. Of these households, 150 are cost-burdened (paying between 30% and 50% of income in housing costs) and 145 are severely cost-burdened (paying more than 50% of income on housing costs).

As development continues on Hazelwood Green and in other parts of Hazelwood, increasing property values and tax assessments will drive the cost of housing up to a point where the housing is no longer affordable for households that previously did not face cost burdens. Generally, this will not hurt existing homeowners, whose potential home sale values will increase. But it will be critical to protect the existing unsubsidized housing that is affordable to current homeowners.

Build Financial Support Mechanisms to Expand Incentives for Homeowners to Maintain or Rehabilitate Their Homes.

Hazelwood Initiative should consider building on its existing owner-occupied housing rehabilitation programming, which currently is dormant due to funding constraints.

Providing housing rehabilitation incentives in the form of grants, low-interest/deferred loans, tax abatements, or a combination of the above to low-income homeowners who can't afford required repairs helps to preserve the city and the neighborhood's existing housing stock. Assisting owners to make required repairs before further deterioration makes the property unfit for sale or occupancy further promotes preservation, but also helps protect the owner's equity and prevent displacement. Pittsburgh's Rebuilding Together program currently operates a rehabilitation program for homeowners in Hazelwood, using sponsorship funding and volunteer labor to complete code-related home repairs and make health and safety improvements. To preserve equity for the owner, the most effective form of assistance in the short term (as development occurs) would be grant funding for the repairs, as opposed to any type of loan financing. Longer-term implementation of the program (beyond ten years) could include a deferred loan program, where the assistance is recorded as a lien against the property and repaid at sale or transfer.

Home rehabilitation is often a "good kind of contagious," spreading to other homeowners in a single block. HI should continue this partnership to maximize the impact of the program, creating a positive influence on home values in a concentrated area while preserving existing housing and creating equity. Rehabilitation assistance should be coupled with maintenance education (described in "Establish Homeowner Maintenance Education Workshops" on the

following page) to help homeowners maintain the improvements and further preserve the quality, condition and equity of the home.

Funding Sources

- City of Pittsburgh CDBG/HOME
- FHLB AHP; PHFA PHARE
- URA Housing Opportunity Fund (Homeowner Assistance Program)

Goal

Year one should focus on creating and/or maintaining existing partnerships that implement these programs. Years 1 and 2 should focus on identifying and securing additional resources. Years 3 through 5 should aim to achieve 10 rehabilitations/year, while years 5 to 10 could see up to 15 completions per year. The program should focus on Zones 2 and 3, where the primary concentrations of existing homeownership exist, but the program should be open to all homeowners in the neighborhood based on income guidelines.

Establish Homeowner Maintenance Education Workshops

According to census data, over 60% of the housing stock in Hazelwood is over 100 years old. High maintenance costs, coupled with high utility costs resulting from energy inefficient construction, unnecessarily exacerbate the cost burden a household faces and expedite the rate at which older housing deteriorates. An effective means of preserving existing unsubsidized affordable housing is to equip homeowners and renters alike with knowledge and resources to perform routine upkeep of their homes. Doing so prevents unnecessary decline and deterioration, and decreased property value and loss of equity.

Curriculum topics could include tools and basics, home systems, home structure, energy efficiency/weatherization, and outdoor elements. Any participant in the home repair or first-time homebuyer programs should receive the workshop training. To assist in offsetting the cost of maintenance, the program should be coupled with the rehabilitation program described in the previous strategy, and homeowners should be encouraged to take advantage of the tool lending library, if established, as described in the following strategy.

A good example of a similar model program is the Community Homeworks in Kalamazoo, MI. This program offers workshops designed to help homeowners learn how to maintain and repair their home, increase safety and comfort, and save money. Classes are organized into 4 main tracks: Tools & Basics, Home Systems, Home Structure, and Outdoor Elements. Topics are offered on a rotating basis, allowing participants the opportunity to choose workshops that meet their needs. Homeowners can begin to understand the basics of how a heating or plumbing system works, or get some practical information about how to tackle basic light fixture repairs, or learn how to add value to their home with energy savings or cosmetic improvements.

Funding Sources

- City of Pittsburgh CDBG
- Foundations
- Private donations

Establish a Tool Lending Library

Tool libraries empower homeowners and renters alike by making tools, space, and expertise available to everyone. Coupled with maintenance workshops, tool libraries help low-income homeowners maintain their homes and prevent minor repairs from becoming major deterioration at little or no cost.

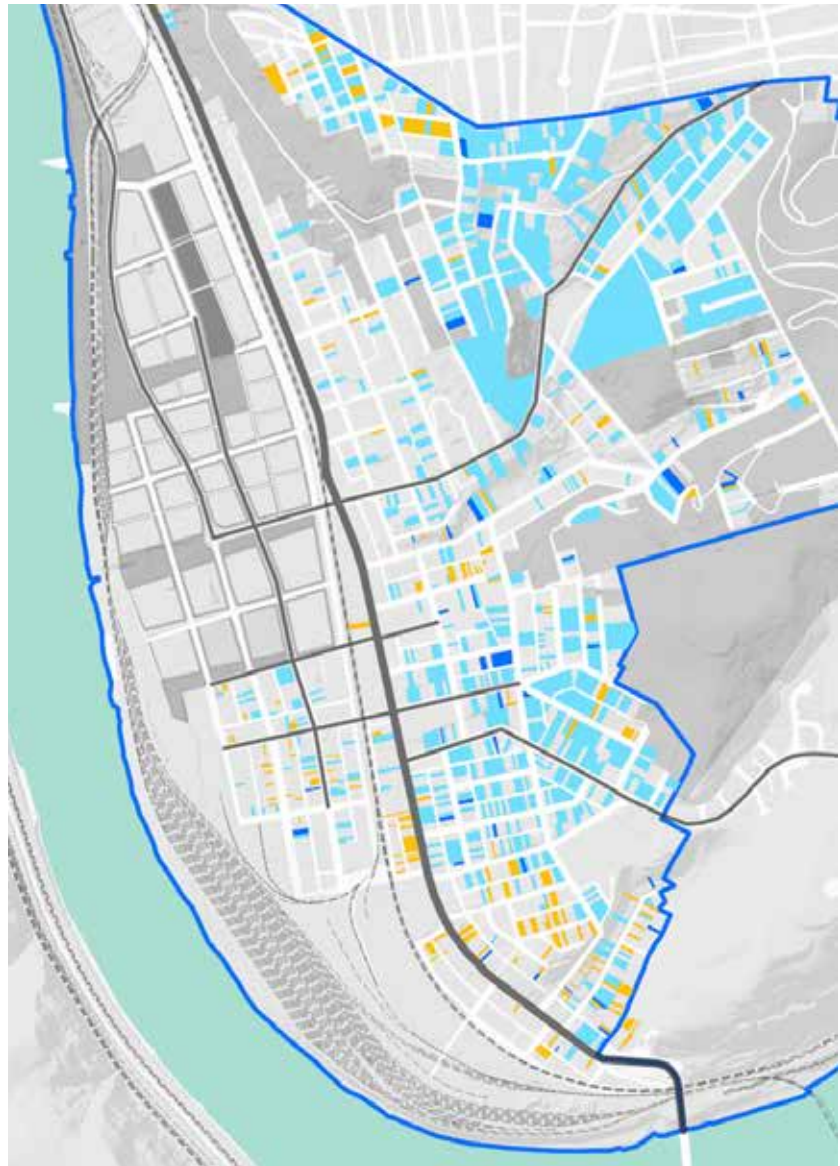
Good examples of this type of program include the Millvale Community Library, which offers the Maria Mongelluzzo Tool Library, a county-wide resource. It is a collection of hand and power tools, ladders, and more that can be checked out for one week at a time for free. For members outside of Millvale, a donation is recommended.

Another example of a model program is the Carlisle Tool Library, which offers hand and power tools from putty knives and socket wrenches to power drills and circular saws. While borrowing is free, a monthly or yearly membership is recommended. The Tool Library keeps an online inventory of tools, as well as due dates, so homeowners are aware of what is available and when.

Partnerships/sponsorships could be obtained to offset the cost of providing tools and maintaining space. The first year of plan implementation should focus on soliciting sponsorships (e.g., from Home Depot or Lowes), as well as soliciting volunteers/donations for stocking the inventory.

Support Existing Homeowners

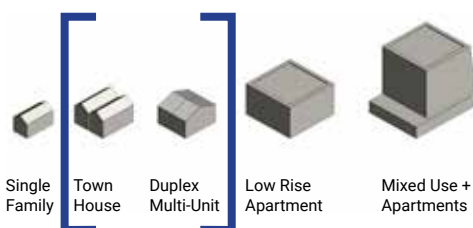
High Grade - Good Condition
Medium Grade
Low Grade - Poor Condition



Existing

Hazelwood has areas of stable homeownership where home condition is medium to low grade (there are few highly graded/new homes in Hazelwood). These areas tend to have modest but well maintained homes that are considered affordable.

Homeowners in areas with concentrated investment property have their home values adversely affected by those landlord's lack of maintenance. These homes may not appraise despite any improvements, robbing the homeowner of value.





High Grade - Good Condition
Medium Grade
Low Grade - Poor Condition
Vulnerable areas

Data sets:
list data set reference

Opportunities

Hazelwood housing is in flux. Constant monitoring and use of homeowner assistance programs and funds can harness the dynamics of unit improvement and property values.

Homeowners with medium- to low-grade housing may be at risk of displacement or have additional cost burden due to the cost of home maintenance and repair.

Even without improvements, property values could inflate, raising the risk of displacement.

Tax abatement programs could relieve tax burden. The impact of taxes may be less than commonly believed. Conversely, increased home equity would enable borrowing for repairs.

Lastly, there are vulnerable areas where homes in or near to areas of concentrated poor-quality housing may have difficulty getting appraisals and financing. This may limit homeowner equity and funds for reinvestment. Loan funds are important in these areas.

Strategy

Expand Affordable Rental Housing Opportunities Hazelwood

The existing demographics of Hazelwood indicate that this strategy is critically important. Given the significant number of low-income households living in the neighborhood, an immediate and focused approach to address the need for additional affordable rental housing must be implemented over the next 5-7 years.

Based on 2015 CHAS data made available by HUD, there are a total of 879 households in Hazelwood with incomes at or below 80% of AMI who are cost burdened (paying more than 30% of their income towards housing costs). Of those, 875 households earn at or below 50% of AMI, and 77% of those 875 households earn at or below 30% of AMI. Of the 879 cost-burdened households in Hazelwood, there are approximately 585 renter households who are cost burdened and have a household income at or below 50% of AMI.

Additionally, household incomes in Greater Hazelwood are significantly lower than the surrounding area—with median household income in Greater Hazelwood at approximately \$22,500 in 2017 compared to the Pittsburgh Metro Area household median income of \$76,000 (based on recent ACS data). Furthermore, the average household size in Hazelwood is small at 2.18 persons. The Pittsburgh Metro AMI, adjusted to 2.18 persons, is \$59,430. Nearly 45% of Hazelwood households have incomes below 30% of the adjusted Pittsburgh Metro AMI—which provides further evidence of the need for additional affordable housing alternatives in Hazelwood.

The following programs and projects are aimed at helping to address this need for additional affordable housing in Greater Hazelwood.

Establish the Hazelwood Affordable Rental Preservation Program

The Greater Hazelwood neighborhood is in need of additional affordable rental units that are in good condition. To address this need, it is recommended that the Hazelwood Affordable Rental Preservation Program (HARPP), which is currently in the final stages of planning, be established in the neighborhood and expanded in the coming years to address the need. The program is designed to acquire existing rental units, by HI and/or HI and a partner, from existing landlords within Hazelwood. Once acquired, the units will be renovated as needed and preserved indefinitely for affordable rental housing. The current goal of this program is to acquire between 60 and 65 units—including 1, 2, and 3-bedroom units—in 3 phases over the next 5 years. Going forward, this model could be used to acquire further units, either through HI or through a partner organization.

Program Target Area

This program should be targeted for Zones 1, 2, and 3.

Rents

To keep these units affordable, rents would have to include some sort of subsidy such as a Housing Choice Voucher (preferably project based) and/or have rent set at affordable levels. A good guide for affordable rents by bedroom size would be the lower of the HUD fair market rents, or the rents published by HUD annually for the Housing Choice Voucher program. In no event should a household pay more than 30% of their income towards monthly rent. Any naturally occurring affordable units that are part of this program should include some sort of long-term affordability mechanism, such as a deed restriction, that would guarantee longer affordable rents for each unit.

Project Total Development Cost Estimates and Funding Sources

The overall total development cost estimates for each phase would be approximately \$2,225,000 or \$6,750,000 for all three phases. Potential sources of funds for this type of program would include the Federal Home Loan Bank (FHLB) AHP funds, local foundations, URA Housing Opportunity Fund, private bank loans (including construction loans), City of Pittsburgh CDBG and HOME funds, and other state or local funds as needed.

Program Partners

In order to help implement this program, HI should look to identify and partner with local landlords or other agencies to expand the program and ensure that the units are able to be acquired and rehabilitated in a timely and efficient way.

Potential Program Constraints

Potential constraints of this program include: fundraising requirements for renovation costs, the logistical challenges of renovation occupied units, and, if expanded in the future, the identification of units to be acquired and funding

to allow for both acquisition and rehabilitation. The current schedule assumes all funding can be secured in a timely fashion. The timeframe may need to be adjusted based on the ability to secure funds and/or the ability to secure a local landlord partner willing to participate.

However, all units should be reasonably expected to be completed within the 10 year period (i.e., the term of focus for this plan). Other constraints would include the ability to secure Housing Choice Voucher tenants or Project Based Vouchers for individual units to insure the units are able to be rented at affordable levels and finding a property management company to assist in the overall operation and management of the properties.

Create New Affordable Rental Housing Through the Preservation of Existing, Historic Buildings

Preservation of existing structures and historic structures is an important strategy to help preserve the urban context of the neighborhood. The following section provides an overview of potential structures that could be saved and/or redeveloped to include housing.

Work with Local Landlords and Owners of Existing Affordable Housing Developments to Ensure Continued Affordability of Current and Expiring Subsidized Units Within the Neighborhood

Based on the current affordable housing inventory in Hazelwood, the only existing affordable housing development that is currently at risk of having its subsidy expire is Hazelwood Tower, which is located at 111 Tecumseh Street.

This development includes 95 units of affordable elderly housing and each unit has a project based voucher attached—meaning each tenant only pays 30% of their income towards rent. The project based voucher subsidies included in this development are set to expire in April of 2024.

It is recommended that the community work with the private owner of this development (possibly in partnership with HACP) on a strategy that would prevent these units from converting to market rate in 2024. The strategy could involve working through HUD to extend the HAP/project based vouchers beyond 2024.

Another strategy could involve a full refinancing of the development that would also include the rehabilitation of the units as part of the extension of the project based vouchers for a period beyond 2024.

Create New Affordable Rental Housing Opportunities

In addition to the preservation and rehabilitation of the existing rental housing in the neighborhood, there is a significant need for additional, new affordable rental housing in Hazelwood. This strategy will outline specific projects to help address this overall housing need.

Gladstone Development

Hazelwood Initiative is currently in the process of redeveloping the vacant, historic Gladstone School located at 327 Hazelwood Avenue into a mixed-income residential development. HI has partnered with The Community Builders, Inc., a not-for-profit developer, and the Center of Life to help implement this project. Listed below is an overview of the project.

Residential Development

The Community Builders and HI will rehabilitate approximately 52,000 square feet of the Gladstone building into a total of between 45-55 affordable, general occupancy rental units. HI and The Community Builders have recently submitted a PHFA Low Income Housing Tax Credit (LIHTC) in November 2019. The proposed unit mix will include between 35-40 one-bedroom units and between 8-12 two-bedroom units.

Since tax credits will be used, all of the proposed affordable units will have to be income tiered. The current projections indicate that approximately 51% of the units will be targeted to households below 50% of AMI, and approximately 31% units will be targeted to households below 60% of AMI. The balance of the units will be targeted to households that can afford the market rate. All of the affordable units must remain affordable for a period of at least 45 years per PHFA tax credit requirements. Rents for this development

are still being determined but will have to be made affordable to households at or below 60% of AMI and meet PHFA's tax credit rent limits.

Upon completion, the development will also achieve Enterprise Green Communities Certification that will result in high indoor air quality and lower utility costs for both the tenants and the owner.

The proposed total development cost of this project is expected to be between \$15,000,00 and \$18,000,000. Actual hard and soft costs are still being estimated and will not be available until after the submission of the PHFA tax credit application. The sources of funds being proposed for this project include tax credit equity, historic tax credit equity, URA Housing Opportunity funds, FHLB funds, amortized debt, and reinvested developer fees.

Should this project obtain commitments from all of its proposed funding sources, including a tax credit reservation, the timeline for completion of this project is estimated to be the following:

November, 2019 - Submit tax credit application to PHFA

May/June 2020 - PHFA awards tax credits to the project

July/December 2020 - HI/Community Builders close on all proposed financing

January-December 2021 - Rehabilitation of units/Obtain Certificate of Occupancy and Place units in service

October 2021-March 2022 - Rent-up of proposed units by income eligible households

Potential constraints for this project include obtaining tax credit reservations. Typically, tax credit applications do not obtain credits following the initial submission of the tax credit application.

If this occurs, the timeline for this project may have to be increased by a year or more.

Hazelwood Green

Hazelwood Green is a 178-acre site located along the Monongahela River in the Hazelwood neighborhood and currently owned by Almono LP, which is a partnership between three Pittsburgh foundations: the Richard King Mellon Foundation, the Heinz Endowments, and the Benedum Foundation. Planning for this former steel mill site has been ongoing since 2002. In 2018, groundbreaking for the first development phase began. The Advanced Robotics for Manufacturing Institute and Carnegie Mellon University's Manufacturing Initiative will be located in the former historic shell of the Mill 19 steel building. Completion of this phase of the project is anticipated by the end of 2019.

Overall, the Hazelwood Green site is proposing 30.6 acres of urban open space, 98.2 acres of development land, total building area of 7,996,000 sf (4,359,000 sf of non-residential space and 3,637,00 sf of residential space) and 3,500 proposed dwelling units over a 10 to 20-year period. There are 3 proposed phases of development, which include the Mill District, the River District, and the Flats district.

An RFP was issued for a developer of the Mill District in late 2018. The Mill District is proposing a total of 2,749,800 sf of building area (1,749,800 of non-residential sf and 1,000,00 sf of residential building area) including 1,050 dwelling units. At this time, affordable housing units are not being proposed for this phase. All of the proposed dwelling units will be market rate.

It should be noted that, presently, little is known about the current market conditions for the site. Almono LLC has indicated that although the development site calls for 3,500 units upon full buildout, because the market conditions are not currently known it is therefore uncertain how many

units of housing will be developed in a given time frame. and unlikely that housing development will happen in the next 5 years, or possibly longer.

Given the scale and density of development proposed for this site, existing neighborhood organizations are encouraged to partner with Almono LLC to include affordable housing as part of the overall goals of this site development.

Suggested Affordable Housing Strategy for this Site

As market conditions become known, the community should consider partnering with Almono LLC to create both for sale and rental affordable housing units on the Hazlewood Green site to make this development a true mixed-income and mixed-use site. One strategy that should be considered is to monitor and track the development and absorption rate of the market-rate units. Quick absorption rates indicate a hot market, Should this begin to happen, a conversation and agreement should be had between the developer and the community regarding the development of affordable units on the site.

Given the prospect of over 3,500 units to be developed on the site, the goal for affordable housing development goal should be at least 20% of the total units developed after the initial market-rate units have been rented and/or sold. The actual number and type of affordable units to be developed should be an ongoing and negotiated discussion between the community and the developer.

Any affordable housing development goals should also target a percentage of units dedicated for incomes at or below 60% AMI and for affordable units for incomes under 80% of AMI for this site. The units targeted for households at or below 60% of AMI should be mostly rental units and those between 60% AMI and 80% AMI should be homeownership units. Ideally, there would be more rental units since the current number of households

under 30% AMI is so high in Hazelwood and there is an identified need for this type of housing.

To ensure that affordable housing is incorporated into the Hazelwood Green site, the community should begin immediate negotiations with Almono LLC on a developer agreement/signed MOU that outlines the terms, conditions, timeline and number of affordable housing units to be created. This should be done within the first 6-12 months of the implementation of this plan and should include an ongoing discussion of the housing market conditions. Ideally, the affordable units should be developed within 10-15 years of development on the Hazelwood Green site.

The community should also consider including a requirement in the negotiated agreement that, upon the buildout of a certain percentage of the site (say 30-35%), all remaining development phases must include the development of a percentage of affordable housing units. This language, and any other related terms and conditions, should be required to be included in any/all RFPs issued for the site.

After initial review of the current site plan, it appears as if affordable housing could be initially targeted for lots 62, 63, and 64. Lots 62 and 63 should be targeted for the development of homeownership.

Constraints

The biggest constraints of this project are the unknown market conditions and demand for the market-rate units that are being proposed for the site. If the housing market slows down it may take more time to obtain full project build-out, which could hinder the development of affordable housing units.

Another big obstacle would be securing financing for the development of this high number of affordable units within a projected 10-15-year

window. Funders may not be willing or able to provide funding commitments that would allow for such a large number of affordable units on the site.

Finally, getting the property owner to agree to the proposed number of affordable units to be constructed within a 10-year period may be difficult given the unknown demand for market rate units. The overall goal and/or timeframe for completion of the affordable units may need to be adjusted over time to address issues that may arise.

Central Business District

The central business district along Second Avenue in Hazelwood offers several potential sites that should be considered for either infill mixed-use development or new, larger-scale mixed-use development. This area should also consider a mixed-income approach for any development that occurs in this area.

Additionally, due to the proximity of the business district to the Hazelwood Green site, the community should continue to monitor for any potential development pressures that could raise the risk of this area converting to a majority of market-rate housing units over the next 5 to 10 years. The community should also work to ensure that any market rate development occurring in the business district include an affordable housing element to address the need for additional rental housing in the neighborhood.

Potential partners in development along the corridor might include institutions or universities, including Carnegie Mellon University, which has recently invested in Hazelwood Green as well as the nearby Pittsburgh Technology Center.

Potential development sites and strategies include the following:

4915 Second Avenue

HI currently owns this vacant site. Although proposed uses for this site are not yet finalized, HI should consider developing this site as a food-oriented market (as articulated in the Business District Action Plan).

The market could be developed as part of a mixed-use structure, which could potentially include upper floor residential space. Sources of funds to be used for the residential use would be dependent on the type of housing to be constructed.

4800 Block, Second Avenue

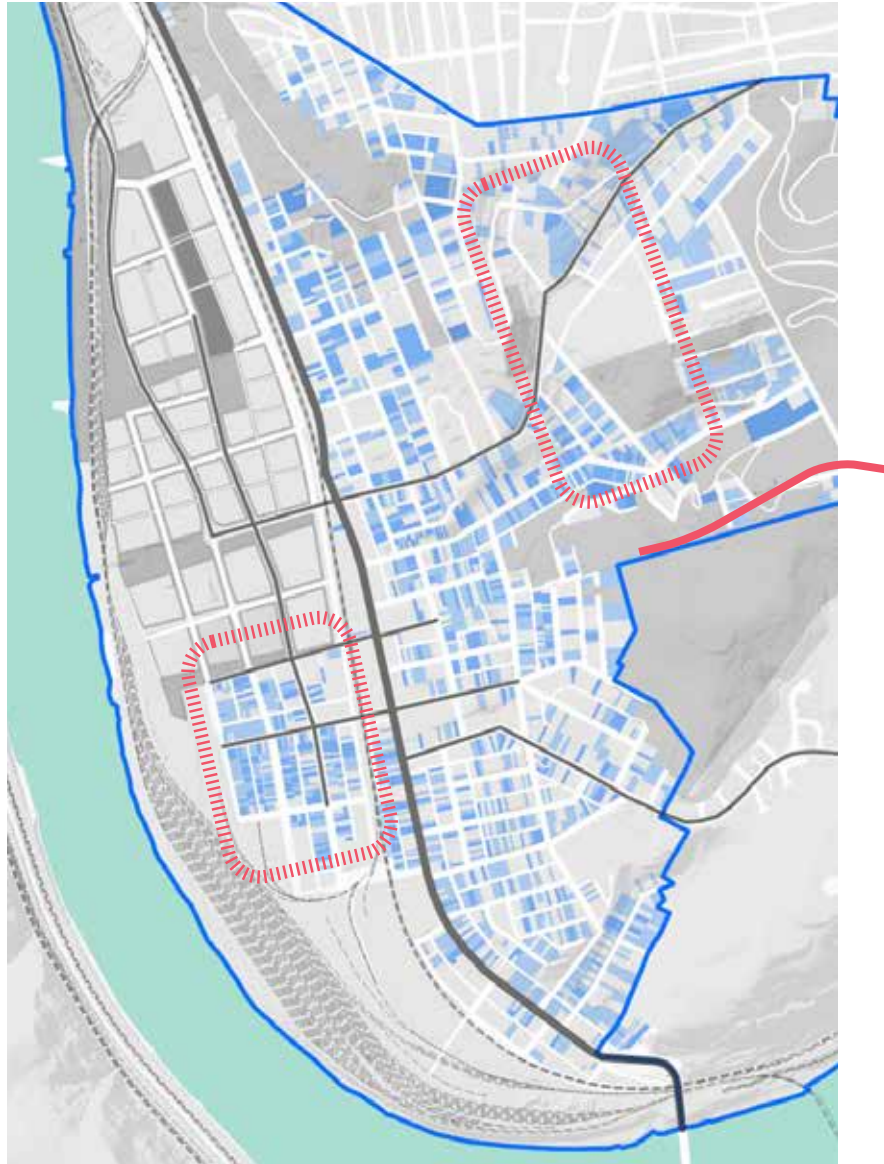
The Urban Redevelopment Authority of Pittsburgh (URA) is working through an RFP process in which it requested proposals from developers to purchase and redevelop 30 lots owned by the city and/or URA, as well as a parcel owned by HI, along the 4800 block of the Second Avenue corridor in the heart of the business district. The goal of this RFP was to select redevelopers or developers who can complete a high-quality mixed-use project that is reflective of the concepts and principles contained in the community's neighborhood plan

Based on analysis of this block and the parcels included in the URA's RFP, approximately 51 units of residential units could be created.

Establish Prepared Renter Education Program (PREP).

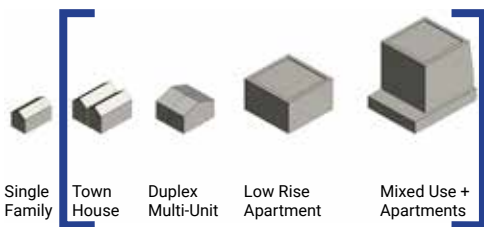
Renter education is critical to preventing displacement and ensuring successful, sustainable long-term tenancy. The program curriculum would cover affordability; navigating negative rental, criminal, and/or credit history; locating housing; how to manage difficult neighbors; and how to manage landlord relationships.

Expand Affordable Rental Housing Opportunity



Corporate Ownership

Nonlocal Ownership



Single
Family

Town
House

Duplex
Multi-Unit

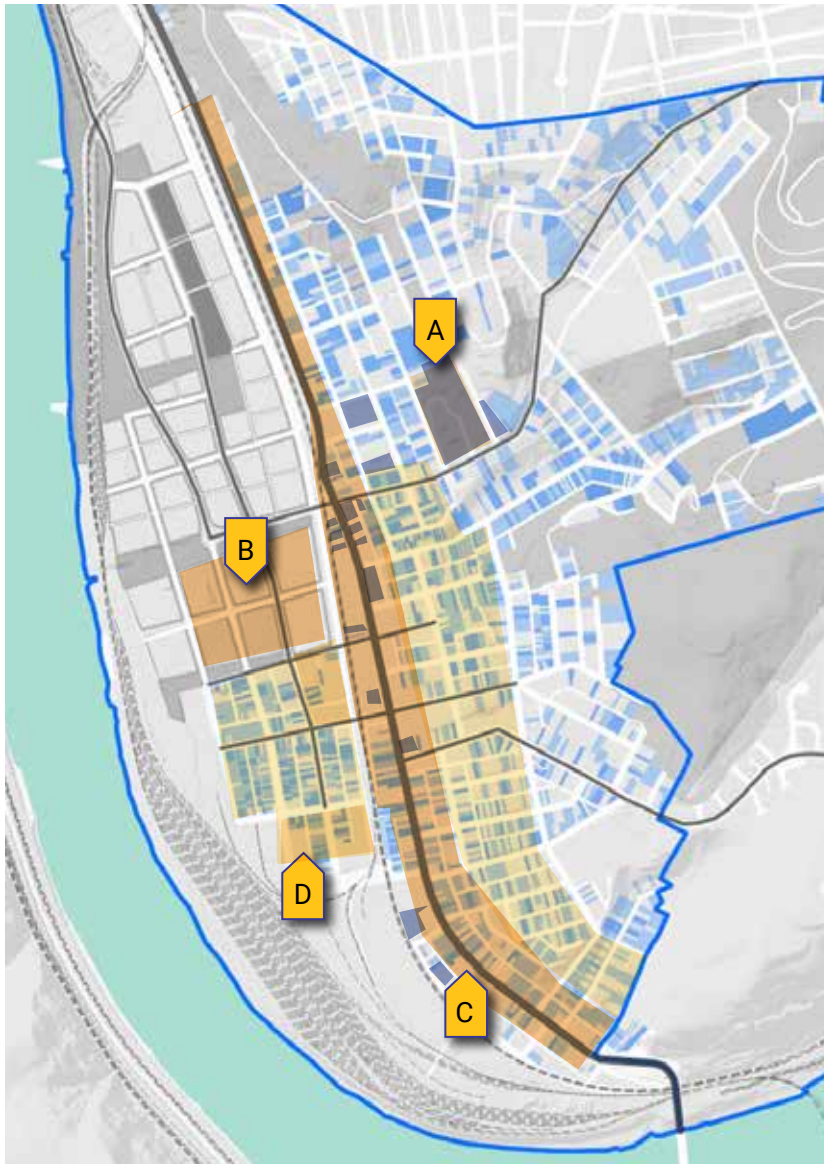
Low Rise
Apartment

Mixed Use +
Apartments

Existing

Property with corporate owners or mailing addresses other than the property address are most likely to be rental units. There are areas of concentrated rental units, including the area west of Second Avenue and in areas that may have environmental challenges like Flowers Avenue, or in disconnected areas like west of Gladstone.

Additional data is needed to know the full extent and location of existing rental housing.



TARGET AREAS

- A. Gladstone Development
- B. Hazelwood Green
- C. Central Business District
- D. Target areas at risk of converting to market rate as a result of local development pressures

Opportunity

Households requiring affordable units would benefit from lower cost of living by being car-free or car-lite, so access to transit lines is of great value when considering rental opportunities. New opportunities for affordable housing reside mostly on flat sites that are well connected to mobility corridors. HI owns many parcels in these areas.

Programs to support existing tenants or landlords will likely be dispersed throughout the neighborhood.

Corporate Ownership
Nonlocal Ownership
Small Site Opportunity
Large Site Opportunity
HI/City-Controlled Large Site

Strategy

Limit Speculation and Displacement

In Partnership with the City of Pittsburgh, Establish a Tax Abatement for At-Risk, Long-Term Owners

As Greater Hazelwood continues to develop, property values will begin to rise, increasing tax assessments and putting long-time, low-income property owners at risk of displacement, which, even with high property values, may not be desired.

Working with the city to freeze real estate property taxes would allow long-term—in many cases, generational—owners to remain in Hazelwood.

Philadelphia operates a Longtime Owner Occupant Program (LOOP), which provides a tax abatement to residents who have owned their homes for at least ten years and whose taxes have tripled in one year due to rising property values. Similarly, a tax freeze would prevent owners from losing their homes over tax increases in gentrifying neighborhoods. Legislation at the state level was introduced in 2019 that would offer protections for long-term owners. The community should monitor this legislation and encourage the city to advocate the adoption and implementation of the legislation.

Develop a Permanently Affordable Rental Property Partnership

As previously mentioned, there are several models of Community Land Trusts offering permanently affordable housing opportunities for low-income households. The neighborhood should consider working with the City of Bridges, Community Land Trust or other organizations with a similar mission to access funding they can offer homeowners to close the affordability gap for rental housing. Through this strategy, land and building owners can be the driving force, identifying land or buildings of their choosing for purchase. At the closing table, City of Bridges or a similar group can retain ownership of the land, while the building owners would retain ownership of the structure and sign a long-term ground lease for the land. The ground lease would likely be for 99 years and would require that the rental units within the building remain affordable during the full term of the land lease.

Alternatively, a land trust or similar group could enter into contracts with developers to rehabilitate existing units or build new units on property owned by the land trust. This could potentially include innovative construction techniques to accommodate efficient use of space and a variety of future adaptations of buildings. (One potential partner for this type of work is Module Housing, a modular design-build startup company in Pittsburgh.) The units would then be marketed to low- and moderate-income households for rent. In this scenario, too, at the closing table, City of Bridges or a similar organization would retain ownership of the land while the owners of the existing structure would retain ownership of the

structure and sign a ground lease for the land. The rents in the building would be capped to maintain permanent affordability during the term of the ground lease. As has been demonstrated in this plan, Hazelwood household income is significantly less than the surrounding area; therefore, rent rates should be set to reflect income and market conditions in Greater Hazelwood specifically.

Constraints to Implementation

The major constraint of this type of program would be finding a partner organization, such as City of Bridges, to agree to participate in the program. Other constraints would be acquiring land and/or buildings within the neighborhood that would become part of the land owned by the land trust. Funding the acquisition of land would also be an initial barrier to implementing this program. Finally, establishing program guidelines would take time and technical capacity to develop.

Timeframe

The community should work with City of Bridges and/or other partners to establish this type of program within five to seven years.

Establish a Rental Equity Program to Build Wealth for Renters.

HI and/or other community partners should consider the establishment of a rental equity program for local low-income renters in Greater Hazelwood. The Renter Equity Program involves an apartment property with a shared equity component built into the lease agreement for various properties within this neighborhood.

Lease requirements for tenants participating in this type of program would include on-time rent payments and maintenance of interior and exterior common areas. In return, tenants earn equity credits toward a cash payment

from the owner/landlord. Lower-income renters can build wealth through their equity credits, develop ownership skills through their care and maintenance of the property, and help to stabilize the neighborhood. After 5 years, renters are vested in the program and can use the cash to start a business, go to school, or offer it as collateral for small loans with non-predatory interest rates.

This type of program should be considered by HI or other landlords willing to participate for any future rental units acquired, rehabilitated, and rented in the neighborhood.

Funding Sources

There are no upfront funding sources needed for this program since the funding would come from the agreed-upon portion of charged rents that would be put into escrow on behalf of the owner for future use by the tenant. With that said, to assist in the implementation and offset the long-term costs of maintenance, administration, and forgone rent, a foundation may be able to provide funding and resources to reduce the operating costs, and assist or match the amount escrowed, enhancing the overall program.

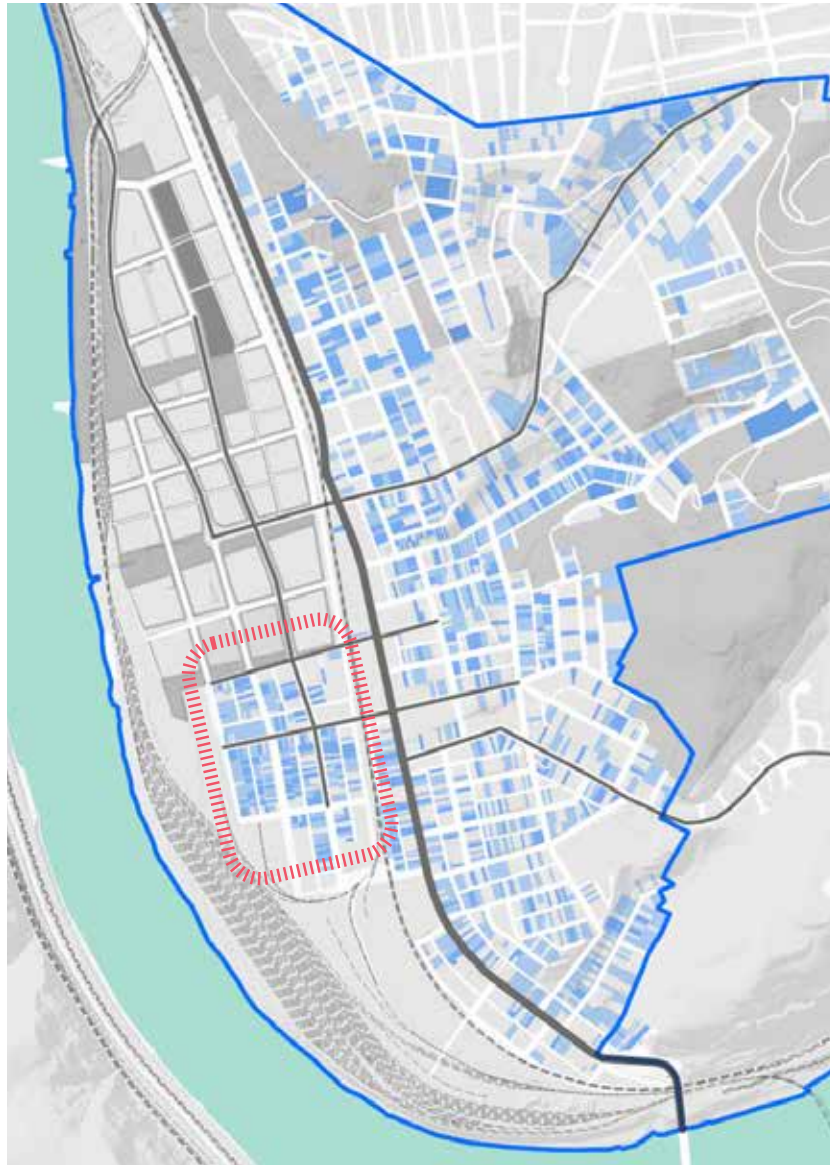
Constraints

The major constraint to success would be finding willing landlords to participate in the program. Additionally, work would need to be done to prepare a lease agreement that would take into account the program guidelines. It may also require philanthropic or municipal resources to reduce the operating costs and allow for rent set-asides.

Example of Similar Existing Program

The Over the Rhine Neighborhood in Cincinnati, Ohio implemented a similar program and can be used as a guide for establishing this type of program.

Limit Speculation and Displacement



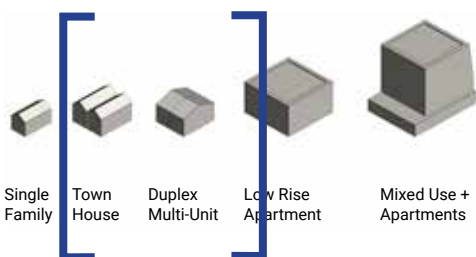
Corporate Ownership

Nonlocal Ownership

Area of Known Speculation

Existing

Property with corporate owners or mailing addresses other than the property address are most likely to be rental units. Rental unit price increases or the conversion of rentals to sale units are the most likely sources of displacement.



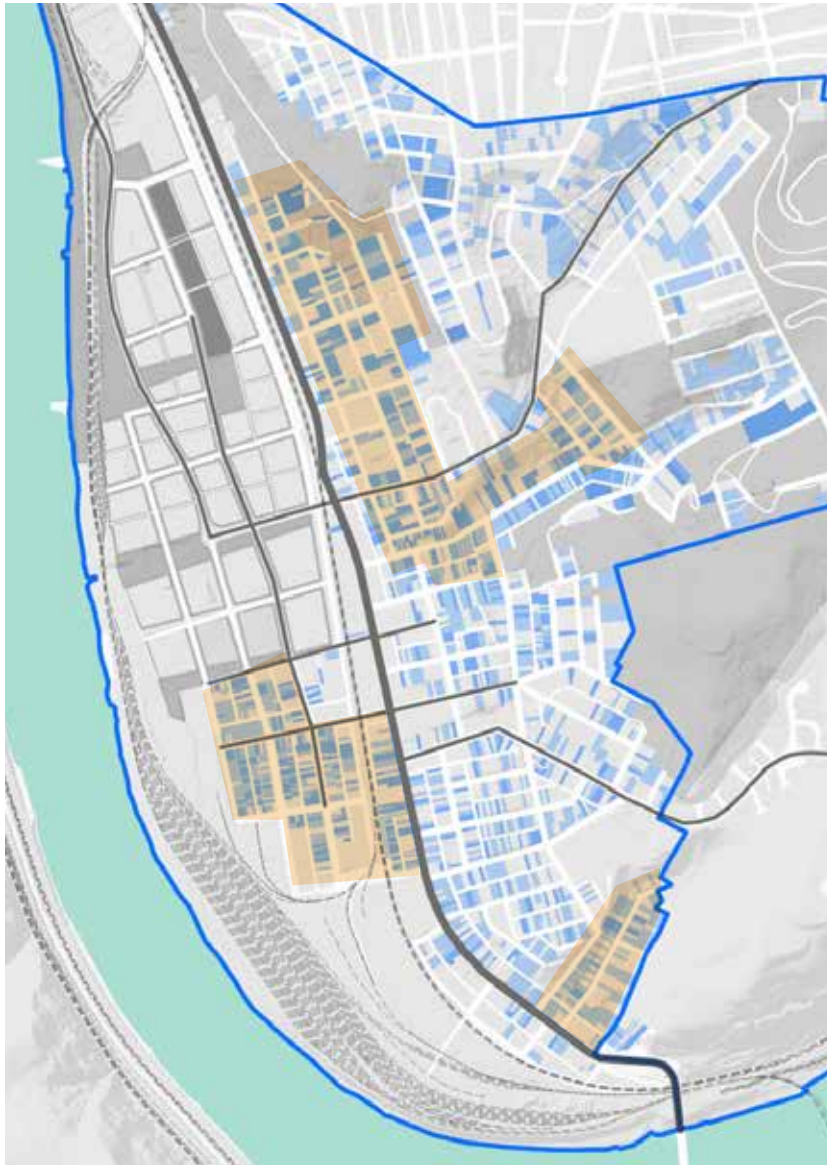
Single
Family

Town
House

Duplex
Multi-Unit

Low Rise
Apartment

Mixed Use +
Apartments



Opportunity

Tracking real estate transactions and preemptive control of units on the market can protect existing tenants.

Areas with attached units, units in poor condition, or units in proximity to redevelopment or amenities may be targets for speculative aggregating of properties.

Tenant protection programs should be established in these areas. Community Land Trust or homeowner on-ramp programs will be effective for any properties that HI or partners control.

Corporate Ownership

Nonlocal Ownership

Multiple Risk Factors

Strategy

Planning Initiatives and other Related Programmatic Recommendations

Work with the City of Pittsburgh and URA to Establish and Utilize a Land Bank

A functioning land bank in the city is critical to help address real estate tax delinquencies, generational ownership, and unclear titles. Further, it would dramatically help reduce the time it would take HI, a community land trust, or other developer from acquiring property at a tax sale or from the property reserve for development of affordable units.

Once the land bank is able to convey clear title, reuse options include the creation of new affordable units, rehabilitation and resale, sale to a private non-profit developer, creation of parklets or community gardens, or clearing the land and combining it with other vacant parcels to create larger development areas

The city's land bank is established, but is not currently functioning. Hazelwood Initiative and partners should continue to advocate the quick implementation of an existing entity in the hope that during the first year of plan implementation, the land bank will be up and running. It can then be used as a tool to implement a variety of strategies contained in this chapter.

Partner with the Urban Redevelopment Authority to designate and certify certain redevelopment areas in accordance with PA Urban Redevelopment Law.

It is recommended that GHCC, Hazelwood Initiative, and community partners work with the URA to

carry out future redevelopment planning and the designation of certain areas as Redevelopment Areas under the PA Urban Redevelopment Law. As partners, this approach would open the door for the local community to take advantage of certain powers that the Redevelopment Authority has under the PA Urban Redevelopment Law that a private entity does not. These powers would include allowing for acquisition of difficult-to-acquire parcels, declaring/certifying area(s) as blighted, creating redevelopment area plans and proposals under the PA Urban Redevelopment Law, and bridging the gap between the public and private sectors from a development perspective.

The community should consider Zone 3 a target for certification as a blighted area under the PA Urban Redevelopment Law and the creation of a certified redevelopment area plan. This would allow for planning for the area that would guide future development and help to address various environmental justice issues facing this part of the neighborhood.

According to the EPA's EJSCREEN tool, Zone 3 ranks in the 80th percentile for proximity to hazardous materials and in the 95th percentile for particulate matter. Given these factors, as well as the already poor quality of the housing stock in this area, this part of Hazelwood should be evaluated to determine whether housing development is an appropriate strategy in the area.

A certification of blight and development of a Redevelopment Area Plan, by the URA, would be the beginning of a larger planning effort in this part of Hazelwood that could inform future land use. Formal certification of existing blighting influences could also help to identify sites for potential demolition, environmental issues to be

remediated, land acquisition targets, development constraints, and recommended zoning/land use changes. This planning effort would also take into account housing needs and appropriate use, all while considering the neighboring Hazelwood Green development and potential impacts on this zone within the neighborhood.

Overview of Housing-Related Financial Resources Available

- City of Pittsburgh Federal Community Development Block Grant Program
- City of Pittsburgh Federal HOME Investment Partnerships Program
- Federal Home Loan Bank Affordable Housing Program (AHP)
- Pittsburgh Urban Redevelopment Authority (URA) Housing Opportunity Fund
- URA Neighborhood Initiative Fund
- URA Rental Gap Fund
- Opportunity Zone Funds (via investors and developers)
- URA Community Development Investment Fund (CDIF)
- Local Foundations (RK Mellon, Hillman, McCune, Heinz Endowments)
- Developer Fees/Program Income from other completed projects
- Housing Authority of the City of Pittsburgh Housing Choice Vouchers (HCV) including project based vouchers
- Housing Authority of the City of Pittsburgh Homeownership Program funding
- Commercial financing
- Pennsylvania Housing Finance Agency (PFHA) Loan Programs
- PHFA Low Income Housing Tax Credits (both 9% and 4%)
- PHFA Pennsylvania Housing Affordability and Rehabilitation Enhancement (PHARE) funds
- PHFA Community Revitalization Fund Tax Credit Program for mixed-use projects in commercial corridors (see project examples here: https://www.phfa.org/forms/crfp/crf_awarded_project_summaries_2018.pdf)
- PHFA Construction Loan Program
- Private investor equity as part of tax credit projects
- PA DCED Resources including:
 - Neighborhood Partnership Program
 - Neighborhood Assistance Program
 - Keystone Communities Program

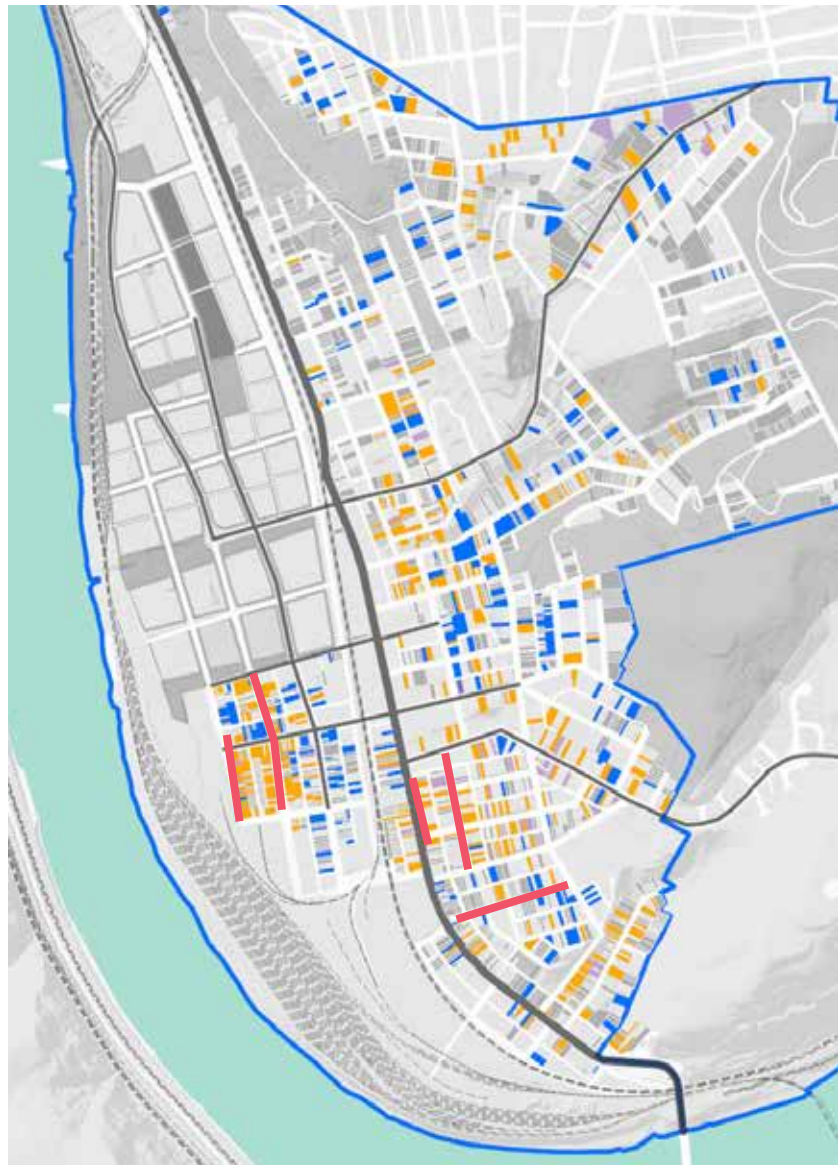
Programmatic Recommendations: Energy

Encourage Weatherization and Energy Upgrades to the Housing Stock

Most of Hazelwood's houses were built prior to weatherization and insulation. Building envelope upgrades would lessen the cost burden for energy. Brick buildings are more difficult to insulate; framed buildings can be insulated more easily. Insulation upgrades need to be done with care to prevent moisture and problems with old wiring.

Neighborhood partners should promote weatherization through programs that encourage participation as blocks or districts.

In addition to weatherization, many houses are candidates for solar photovoltaic (PV) panels. Solar is most likely to be installed by homeowners, so it may be appropriate to focus on high homeownership areas, mostly zones 1,2, and 5.



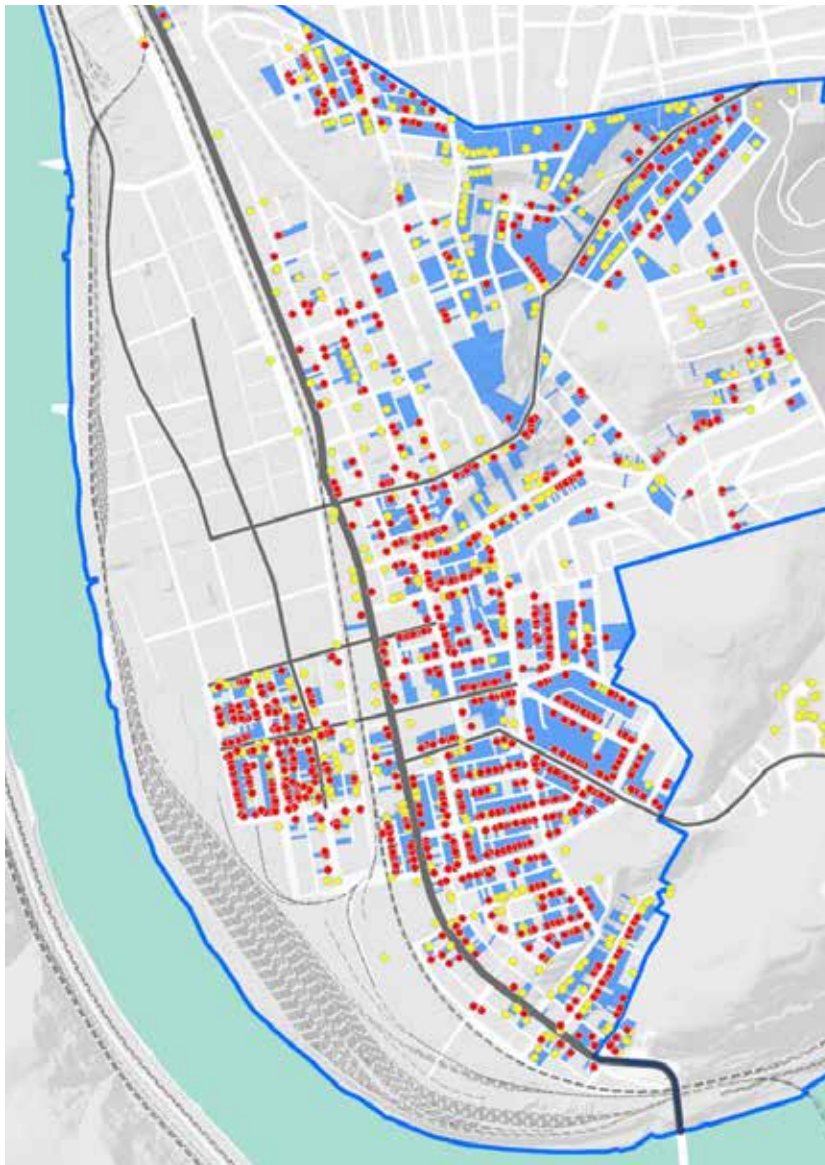
Brick Construction

Frame Construction

Other Types

Solar Zone: >50% Roofs Face South

Programmatic Recommendations: Environmental



Assess and Remediate Environmental Contamination

Older homes in Hazelwood face contamination from lead paint and lead in soil, as well as lead pipes, asbestos, or possibly radon. Some homeowners have taken remedial action, but it is likely that rental units or units in poor repair have not been updated. In addition, laws have been recently updated with new remediation requirements. According to the Allegheny County Health Department, Pittsburgh residents have greater exposure to lead from flaking paint than lead in water.

Hazelwood Initiative and other neighborhood partners should work with groups like Conservation Consultants Inc. (CCI) to test for lead paint, lead in soil, asbestos, radon, and other hazardous conditions. They should help homeowners or tenants procure construction services and find funding sources to assist cost-burdened households. They should also work with PWSA to prioritize testing for cost burdened households as well as testing in rental units.

Units built prior to 1970

Service lines unknown

Possible lead service lines