

**STRATEGIES TO PREVENT DISPLACEMENT OF RESIDENTS AND BUSINESSES
IN PITTSBURGH'S HILL DISTRICT**

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I. INTRODUCTION

Across the country a “back to the city” trend is occurring¹, whereby urban professionals and others are choosing to live in cities to take advantage of shorter commutes and cultural amenities. Cities with large percentages of vacant land or land and buildings with low market value are encouraging this trend by providing public subsidies for private development². Often the communities with significant vacant land are low income African, Latin, Asian and Native American (ALANA) neighborhoods close to center cities³. Without preventative strategies included in these community revitalization efforts, neighborhood residents and businesses face gentrification and other forms of displacement⁴.

This paper describes the Hill District of Pittsburgh, Pennsylvania, a predominately African American and low income neighborhood that has faced more than 75 years of disinvestment, urban renewal and benign neglect, but that is now seeing a great deal of development activity. It details anti-gentrification strategies that have been used locally and throughout the country to protect residents and businesses from displacement and briefly discusses the efforts of a neighborhood advocacy group (the Hill District Consensus Group) and community development law firm (Regional Housing Legal Services) to have these strategies adopted and implemented.

Neighborhood Background

Pittsburgh’s Hill District⁵ enjoys one of the best locations in the city, gently sloping upward from downtown, with magnificent views in every direction. It is strategically located between Downtown and Oakland, the economic and university centers of Pittsburgh, respectively. Because of its excellent location, the Hill District has considerable market potential for private investment.

The Hill has a rich history as a center of African-American culture in Pittsburgh and beyond. During the 1930s through the 1950s, the Hill was one of the most prosperous and influential Black neighborhoods in the country, and was nationally renowned for its thriving jazz scene. Harlem Renaissance poet Claude McKay called the Hill District “the crossroads of the world”. Neighborhood resident August Wilson won Pulitzer Prizes and international acclaim for his plays depicting life in the Hill District.

¹ R. A. (Mar 1st, 2011). Supply, supply, supply, don't forget supply. *The Economist*. http://www.economist.com/blogs/freeexchange/2011/03/migration_trends; Janis, M. (2008). Community Benefits: New Movement for Equitable Urban Development. *Race, Poverty and the Environment*. 15(1) p.73-75.

² Baxamusa, M. (2008). *Beyond the limits to planning for equity: The emergence of community benefits agreements as empowerment models in participatory processes*. Unpublished dissertation. Available from the University of Southern California. Accessed July 24, 2008 from <http://www.onlinecpi.org/downloads/CBA%20Dissertation.pdf>.

³ Janis, M., Id.

⁴ Anthony, C. (2008). Livable Communities. *Race, Poverty & Environment*. 15(1), p. 9-11

⁵ For the purposes of this paper, “Hill District” includes the city-designated neighborhoods of Lower Hill, Middle Hill, Upper Hill, Bedford, Terrace Village, Uptown and West Oakland.

Like many African-American communities, the Hill District was excluded from the post-war housing boom through the practice of mortgage redlining. As white residents were able to obtain low cost mortgages to buy new houses in newly built communities, the Hill District became more segregated and more disinvested. The principal government responses to the deteriorated housing stock in the Hill District were housing demolition, construction of public housing projects, and urban renewal.

In the 1950s and early 1960s, despite vehement protest from community residents, the city implemented plans to demolish the Lower Hill and replace existing homes and businesses with a cultural venue for more affluent Pittsburghers. The transformation centered upon a new “Civic Auditorium” which was to be anchored by the Pittsburgh Civic Light Opera. Thousands of buildings were demolished and over 8,000 residents were forced to relocate, most receiving little to no compensation for their homes. The grand vision for the Lower Hill Cultural Center did not pan out, however, as plans to build several other theater and arts complexes near the Civic Arena were abandoned in favor of large surface parking lots for commuters and event attendees. Subsequent urban renewal plans to remake the rest of the Hill were thwarted when residents who had seen too much of their neighborhood meet the wrecking ball stood firmly at Crawford Street and would not allow redevelopment to proceed beyond that point. Today, that spot is marked by a monument called “Freedom Corner”⁶.

The Hill District is only beginning to recover from the devastation wrought by mortgage redlining, out-migration, disinvestment and urban renewal, and it is now one of the lowest income, most physically deteriorated neighborhoods in the City. At the same time, the Hill District has retained a committed cadre of residents and organizations who are key assets for neighborhood revitalization.

The Hill District has seen a great deal of development activity in recent years, and is poised to receive a great deal more. According to a recent neighborhood conditions report,⁷ there are at least 32 development projects currently under way in the Hill District or expected to break ground in the next year, and many more potential development projects are planned but have not yet received financing. The challenge facing the Hill District today is not how to attract investment into the neighborhood, but how to harness the neighborhood’s development potential and use it in a way that preserves the existing culture and benefits the existing residents.

The Challenge with Development

While development is necessary for any neighborhood to thrive, revitalization of historically disinvested neighborhoods such as the Hill District is often accompanied by the displacement of existing residents and a loss of cultural cohesion. Such displacement can occur either directly through forced relocation, or indirectly through market changes that price residents out of their own neighborhood.

⁶ City of Pittsburgh Department of City Planning (2008). *Request for proposals for a community based master plan for the Hill District neighborhood of Pittsburgh*.

⁷ Dewey & Kaye and 3 Rivers Connect, *Development in the Hill District: Research Findings and Analysis* (September, 2008, with development map revised by RHLS September, 2011).

As Mindy Thompson-Fullilove points out, American apartheid is both a system of separation and of serial forced displacement.⁸ The same structural conditions that tend to create disinvestment in communities of color also tend to displace long-time residents and businesses, if and when significant levels of investment finally do arrive. Decades of discriminatory housing policy and employment practices have left the Hill with lower household incomes and a higher percentage of renters than the City of Pittsburgh as a whole. These conditions make Hill District residents particularly vulnerable to forced relocation and to indirect displacement when property values increase. The challenge facing the Hill District today is how to manage the significant development interest in the neighborhood in a way that ensures that existing residents will be able to enjoy the benefits of a revitalized Hill.

Fortunately, the Hill District also has a remarkable legacy of insisting on displacement-free development through the work of the Hill District Consensus Group and partner organizations such as Regional Housing Legal Services. In the Bedford Dwellings HOPE VI, for example, community pressure led to a conscious effort on the part of the Housing Authority of the City of Pittsburgh (HACP), the City and the URA to avoid displacing the original public housing residents and homeowners who live in the development area.⁹

Building in Anti-Displacement Strategies via Master Planning

Master plans are a set of decisions and recommendations for future social and economic development for a given area. Hill District residents had long advocated for a comprehensive community plan, as locally community plans are honored by the city planning commission and can be formally adopted by City Council giving them more policy weight. Given the mass displacement that occurred in previous city controlled planning efforts, Hill District residents insisted that the proposed Hill District master plan be driven by the community. The Hill District Consensus Group worked to have this principle codified in enforceable policy via a community benefits agreement (CBA) formed between it the city, county and the Pittsburgh Penguins, surrounding a highly publicly subsidized hockey arena built for the team in the Lower Hill.

During the planning process community members and other stakeholders continually emphasized the need for clear strategies to prevent displacement, yet the various planning consulting teams seeking to be hired to complete the plan made it clear that it was up to the community to identify the strategies they want to be included. So Regional Housing Legal Services (on behalf of a local multi-service agency, Hill House Association) and the Hill Consensus Group began working together to identify and vet ‘tried and true’ anti-displacement strategies for both residents and businesses. Community members also urged that strategies be developed to re-claim the section of the neighborhood that was lost during previous urban renewal efforts (the Lower Hill).

The following sections detail the strategies that were identified. Anti-displacement strategies that require an allocation of resources (like an affordable housing trust fund) or legislative action (like rent control), or that would deprive homeowners of the appreciated value in their homes (like a community land trust) are not included. For each strategy, a specific example is provided and

⁸ Fullilove, et al., “Apartheid and the Developer’s Imperative in Post-Industrial American Cities” (2009).

⁹ Murphy, *The Housing that Community Built* (Shelterforce, November/December 2004).

language incorporating the strategy into the Master Plan is included. Local examples of anti-displacement strategies are used whenever possible¹⁰.

II. STRATEGIES TO PREVENT DIRECT DISPLACEMENT

Direct displacement generally occurs through either eminent domain or involuntary tenant relocation¹¹. Eminent domain involves a public entity taking private property, compensating the owner for the fair market value of the property, and relocating the property's residents. Under state and federal law, the displacing agency is required to identify a "comparable replacement dwelling" (housing that is at least as good as the original, in a neighborhood that is at least as desirable) and pay replacement housing assistance for up to 42 months. Tenant relocation generally involves a large landlord (such as HACP or a project-based Section 8 landlord) either evicting or "temporarily" relocating the tenants until replacement housing is built. Tenants may be entitled to a comparable replacement dwelling, safe and sanitary relocation housing, or no assistance at all, depending on whether there is government involvement and whether the relocation is "temporary" or "permanent".

So-called "temporary" relocation is rarely temporary – nationally for the HOPE VI program, only 24% of relocated residents return to the redeveloped site.¹² Relocation of low income families often destroys the social networks that those families depend upon for survival, and it can take years to rebuild those networks in a new location. By the time the new housing is built, few families will want to go through that experience again, even if it means living in better housing. Many low-income people are also "hard to house" (e.g., elderly, disabled, or otherwise ill-equipped to navigate the private housing market) and are at risk of losing their temporary housing before permanent housing is built. This creates a perverse result, where residents who require the greatest support and are in the most need of stable housing are uprooted from their social networks and thrown unsupported into the private housing market, while those who are best able to handle the private housing market without non-housing supports are generally also the best able to return to the revitalized community.

Numerous studies have documented the link between involuntary relocation a wide range of personal and social ills, including the onset of depression, the aggravation of mental illness, increased substance abuse, domestic violence, marital breakdown, accidents and disease,¹³ decreased academic performance,¹⁴ and homelessness.¹⁵

¹⁰ Section VII of this paper contains the language that was ultimately included in the Hill District Master Plan.

¹¹ Great Communities Collaborative (2007). *Preventing Displacement*. Available from <http://greatcommunities.org/intranet/library/sites-tools/great-communities-toolkit/PreventingDisplacement.pdf>

¹² Kingsley (2009) "From Despair to HOPE: Hope VI and the New Promise of Public Housing in America's Cities, Appendix A: Scope and Status of HOPE VI Programs", Cisneros and Engdahl, Eds..(Brookings Institution Press.

¹³ Bartlett (1997) "The Significance of Relocation for Chronically Poor Families in the USA"

¹⁴ Hartman, et al, (2003) "Student Mobility: How Some Children Get Left Behind"

¹⁵ Center for Community Change (2003), "A HOPE Unseen: Voices from the Other Side of HOPE VI"

The following strategies have been used to prevent direct displacement:

Build-First - Bedford Hill HOPE VI. Bedford Additions was a large public housing community in the Hill District that was demolished and redeveloped as scattered site, mixed income housing. Replacement housing was built in the surrounding neighborhood before residents were required to move. This made it possible for most residents to make a single move to new housing in the same neighborhood. (So-called “good standing” requirements for the new housing did result in the relocation of some existing residents, but residential displacement was far less than in most HOPE VI developments.)

On-Site Relocation - Second East Hills. Second East Hills is a large project-based Section 8 community in the East Hills neighborhood, that was “gut rehabbed” into townhouse apartments. Significant vacancies made it possible to consolidate occupancy on one part of the site while the new housing was being rehabilitated.

Master Lease - Three Rivers Manor. Three Rivers Manor was a high rise for seniors that was located where PNC Park stands now. The Sports and Exhibition Authority paid to lease a block of apartments at Allegheny Dwellings a couple of blocks away while replacement housing was built in the neighborhood.

Condemnation Free Development – Bedford Hill HOPE VI. The original development plan proposed acquiring contiguous sites for new housing in the development area adjacent to Bedford Additions, but due to significant community opposition the City and URA agreed not to use eminent domain to acquire owner-occupied houses. As a result, some homeowners received assistance repairing their homes, and those who wanted to sell were able to negotiate better terms than would otherwise have been the case.

III. STRATEGIES TO PREVENT INDIRECT DISPLACEMENT OF RESIDENTS

Neighborhood revitalization is usually accompanied by increased property values. This can be a good thing for property owners who are able to hold on to their properties, but many low-income people and businesses can find themselves priced out of their homes and their neighborhood due to higher rents, higher taxes, and an increased demand for property. Tenants who are faced with higher rents may be forced to move unless their incomes keep up with the increased costs. Homeowners who lack clear title to their family homes or are unable to resolve tax or mortgage delinquencies can lose their homes due to increased demand for property in the neighborhood.

Strategies to prevent indirect residential displacement necessarily involve preserving, improving or creating affordable housing in the neighborhood. This requires a number of determinations, including what is affordable, what kinds of affordability should be supported, and what income levels should be targeted. Once community consensus is reached around these issues, there are a number of affordability strategies that can be included in the Master Plan.

What is affordable? Housing is generally considered to be affordable if total housing costs (rent/mortgage, utilities, taxes, insurance and ongoing maintenance costs) do not exceed 30% of a household’s gross income.

“Deep subsidy” vs. “shallow subsidy”. Deep subsidy affordability means that the amount of a household’s subsidy fluctuates with changes in household income. Shallow subsidy affordability means that the rent or mortgage payment is set at a level that is considered to be affordable to a fictional household of a certain size and income. Examples of deep subsidy programs are public housing and Section 8. The principal shallow subsidy program in existence today is the low income housing tax credit program, (e.g., Crawford Square). Deep subsidies are generally only available for rental housing, although some housing authorities provide deep subsidies in their Section 8 homeownership program.

“Project-based” vs. “tenant-based” subsidy. Project-based subsidies (such as public housing, project-based Section 8 and low income housing tax credits) are attached to the housing, while tenant-based subsidies (such as Section 8 vouchers) follow the tenant. If managed well, project-based subsidies can be a valuable asset to a neighborhood. They offer longer-term affordability and provide a reliable stream of income that an affordable housing landlord can borrow against to finance improvements to the property. Vouchers are relatively ineffective at preserving neighborhood affordability, because landlord participation in the program is usually voluntary and rent caps set by HUD limit vouchers to relatively low-rent housing.

Income targeting. Different affordable housing programs serve people at different levels of income. Deep subsidy programs (public housing, project-based Section 8 and tenant-based Section 8) are available to “low-income” households (those earning at or below 80% of area median income or AMI), but due to their deep subsidies they are particularly helpful for “extremely low-income” households (at or below 30% AMI). The low income housing tax credit program is a shallow subsidy program that serves households with incomes at or below 60% AMI, although deeper income targeting is encouraged.

Area median income levels are published by HUD every year. The 2011 annual income limits in the Pittsburgh metropolitan statistical area for a family of four are:

Low Income (80% AMI): \$51,200
Very Low Income (50% AMI): \$32,000
Extremely Low Income (30% AMI): \$19,200

The following strategies have been used to preserve, improve or create affordable housing:

Inclusionary Zoning. Hundreds of municipalities throughout the country have adopted inclusionary zoning ordinances, which require that housing developments over a certain size contain at least some affordable units. ***Montgomery County, Maryland's***¹⁶ inclusionary zoning law is the oldest in the country. 12.5% to 15% of all housing in developments of 35 units or larger must be affordable to low-income people, with a minimum affordability period of 20 years for rental units and 10 years for for-sale. ***San Mateo County, California***¹⁷ requires that at least 20%

¹⁶ History of the Moderately Priced Dwelling Unit (MPDU) Program in Montgomery County, Maryland (2004). http://www.montgomerycountymd.gov/dhctmpl.asp?url=/content/dhca/housing/housing_P/mpdu/history.asp

¹⁷ Housing Leadership Council of San Mateo County (2003). http://www.hlcsmc.org/initiative_sel_all.php

of all rental and for-sale housing developments of 5 or more units be affordable, with half affordable to low-income households and half affordable to very low-income households. Inclusionary zoning laws like these have produced thousands of affordable housing units throughout the country. **Philadelphia** is considering an inclusionary affordable housing ordinance that would require that at least 10% of all housing in developments of 20 units or larger in the City be affordable.

Affordable Rehab for Re-sale – Open Hand Ministries. Open Hand Ministries is a faith-based partnership that rehabilitates vacant houses in stabilizing areas of East Liberty and Garfield for sale to low-income families. Local churches conduct outreach to their congregations to identify low-income families who want to become homeowners. They also provide support for the families throughout the home buying process and in owning the home. Community development organizations identify and acquire vacant houses that meet each family's needs. Open Hand rehabilitates the houses, using volunteer labor and donated materials whenever possible. The purchase price is affordable to the low-income families.

Subsidy Preservation – North Beach HOPE VI. North Beach was a severely distressed, 229-unit public housing community in San Francisco. Like many HOPE VI developments, North Beach was redeveloped as a larger (341-unit) mixed-income community, but North Beach was unique in that 100% of the original public housing subsidy was preserved.

Tenant Ownership. One way to preserve affordable rental housing in an appreciating market is to provide tenants with an ownership interest. This can be done in a number of ways. *Limited equity cooperatives* give tenants cooperative ownership and control over their housing. A *lease purchase agreement* gives individual tenants the right to purchase their home for a set buy-out price after a set amount of time, while an *installment land sale contract* allows tenants to build equity and purchase their home over time. A *right of first refusal* gives a tenant association the right to buy their housing before it can be sold to anyone else. ***North Side Properties*** took advantage of a creative financing mechanism where the owner paid into a pool of funds that could be used to finance a tenant purchase at a later date. The tenant organization, Northside Coalition for Fair Housing, was able to use this fund to buy out some of the properties' investors. NCFH now owns a majority of the company that owns their homes. The tenants don't control the day-to-day operations, but they do control major decisions and can make sure that their properties continue to be well-maintained and affordable over the long term.

Owner-Occupied Rehab – Clairton Southside. Clairton's Southside neighborhood revitalization was a comprehensive revitalization of what had been one of the lowest-income, most physically deteriorated neighborhoods in Allegheny County. The latest phase of the revitalization effort included free repairs and energy efficiency upgrades for owner-occupied homes, to help extend the impact of publicly funded development projects in the neighborhood and to help lower their utility costs. About 20% of all owner-occupied homes in the neighborhood were assisted. Homeowners received an average of \$20,000 per home in repairs to address health and safety issues, energy efficiency (such as new thermal windows) and other owner-requested repairs. Lower maintenance and utility costs will help homeowners cope with property tax increases that are likely to result from significant investment in the neighborhood. **Philadelphia** also provides grants of up to \$20,000 per home for basic systems (health and safety) and exterior repairs.

Equity Protection – Clairton Southside. Over half of the participants in the Southside owner occupied rehab program had serious property tax or mortgage delinquencies, and about 1/5 of the applicants for the program lacked clear legal title to their homes. These homeowners were given free “equity protection” services to help them obtain and protect ownership of their homes. Homeowners with tax or mortgage delinquencies received help negotiating affordable payment plans with lienholders, and those who lacked legal ownership received free legal help to obtain clear legal title to their homes.

IV. STRATEGIES TO PREVENT INDIRECT DISPLACEMENT OF BUSINESSES

Increased property values can also result in the displacement of existing businesses. Business owners who are faced with higher rents or property taxes may be forced to move unless their incomes keep up with the increased costs. Businesses can also find it harder to survive if their customers are priced out of the neighborhood. Strategies to prevent indirect displacement of businesses are similar to those that can be used to prevent indirect displacement of residents:

Inclusionary Business Development – San Jose development agreement with CIM California Urban Real Estate Fund. The City of San Jose required the developer of a \$140 million mixed use development project to (1) set aside at least 10% of all retail spaces for locally-owned small businesses, and (2) use best efforts to achieve a retail mix of 30% local, 30% regional, and 30% national companies.

National Chain Retail Restrictions – San Francisco Planning Code. All proposed business developments in neighborhood commercial districts that include national chain retail (called “formula retail” in the ordinance) are subject to neighborhood notification requirements and heightened review by the planning commission. Review criteria include whether similar goods or services are already available within the business district and the compatibility of the proposed business with the character of the neighborhood. Formula retail is defined as one of at least a dozen outlets in the U.S. that share common features such as standardized array of merchandise, trademark, architecture, or décor. It excludes grocery stores.

Cooperative Marketplace – Portland Saturday Market. Portland Saturday Market is an outdoor market for local artisans in Portland, Oregon. It attracts an estimated 750,000 visitors each year. The market is a mutual benefit corporation, which means that all members share in the cost and governance of the market, but keep all profits from the items they sell. Similar projects exist in Philadelphia (El Mercado, Reading Terminal Market) and in Minneapolis (Mercado Central). UJAMAA Collective is planning a similar cooperative marketplace to support the work of women artists, producers and manufacturers in the Hill District.

V. STRATEGIES TO BUILD ECONOMIC SELF-SUFFICIENCY

Indirect displacement (gentrification) is caused by a combination of increased costs and stagnant incomes. If residents’ incomes keep pace with increases in rent, property taxes and household needs, then neighborhood revitalization will not cause displacement.

The following strategies have been used to increase the earning capacity of existing low-income residents:

First Source Hiring. There are hundreds of first source hiring programs in use throughout the country. First source programs recruit and screen low-income job-seekers, coordinate job training and support services, and most importantly, have agreements with local employers to hire new employees through the first source center before advertising positions to the public at large. ***East Palo Alto, California***¹⁸ requires all developments receiving over \$50,000 in subsidies to hire low-income city residents through a city-wide first source center, with penalties for any business that fails to meet a 30% safe harbor threshold (at least 30% of all new hires must be low-income city residents). On construction projects, the city went from fewer than 5% employment of low-income city residents to 23% in just two years. On permanent jobs, over 40% of new hires are now low-income city residents.

Wage Standards. Over 100 jurisdictions throughout the country have adopted living wage requirements. Living wage laws typically require that in order to receive government subsidies, businesses must agree to pay their workers a family-sustaining wage. ***The City of Pittsburgh's living wage law*** (which does not take effect until Allegheny County adopts a similar law) set the living wage at \$9.34 per hour plus full benefits, which at the time was the wage that a family of four with two full-time wage earners would need to earn in order to afford basic living needs. According to the National Low Income Housing Coalition, the Pittsburgh "housing wage" (the amount that a full-time worker would need to earn in order to afford rent for a 2-bedroom apartment in Pittsburgh) is \$13.65 per hour.

VI. STRATEGIES FOR RECLAIMING THE LOWER HILL

To ensure that development in the Hill District benefits existing residents and to reintegrate the Lower Hill back into the neighborhood, the Master Plan Management Committee (a committee of community and public stakeholders charged with overseeing the planning process) has adopted the following language for inclusion in the Master Plan. This language was developed in consultation with private developers who are undertaking development projects in the Hill; and with the planning consultants who were retained to write the Hill District Master Plan (Sasaki Associates and Stull & Lee):

Right-to-Return for Children and Grandchildren of Displaced Residents - Hamtramck, Michigan¹⁹. African-American former residents of Hamtramck filed a class action lawsuit against the city for racially discriminatory urban renewal efforts that resulted in their displacement. The city was ordered to develop affordable replacement housing and to give displaced residents first priority to return. In 2007, the court ordered that children and grandchildren of displaced residents are eligible for the affordable housing. The city is developing replacement housing (both for-sale and rental), notifying displaced residents and their families, and securing subsidies to make the replacement housing affordable to returning residents.

¹⁸ East Palo Alto Redevelopment Agency (2001) First Source Hiring and Local Business Enterprise Policy http://www.ci.east-palo-alto.ca.us/economicdev/pdf/FSH_Policy_8-29-01mod_.pdf

¹⁹ JRJ Consulting (2009). The History of Garret. <http://www.jrjconsulting.com/r31hamtramcklawsuit.html>

This strategy can be combined with a high *Inclusionary Affordable Housing* requirement such as that used in Boston's Chinatown (see below), along with a preference for existing residents of the Hill District to help ensure the Lower Hill is developed in a way that is culturally and psychologically connected to the neighborhood.

Public Benefit Criteria - Boston, Massachusetts (Chinatown). Boston's Chinatown lost one-third of its housing and one-half of its land area in the 1950s and 1960s to make way for highway construction and urban renewal projects. The neighborhood is now in a position to reclaim much of that area. The *Chinatown Zoning District* establishes public benefit criteria for new development in "planned development areas", which include the reclaimed area and an adjoining part of the neighborhood. The public benefit criteria include (1) a 50% affordable housing requirement for new residential development, (2) various opportunities for local residents and businesses with respect to economic development projects on public land, (3) the construction of community facilities, (4) the construction of cultural facilities, and (5) the rehabilitation of existing historical and cultural buildings.

Co-Ownership Requirements – Clairton Southside. The Sanders Task Force, which was established to allocate a portion of Allegheny County's community development block grant funding over a seven year period, procured a developer for the initial phases of the Clairton Southside neighborhood revitalization effort, and required that developer to enter into a joint venture partnership with the local community organization to undertake the development. As a joint venture partner, the community organization (CEDCC) was able to ensure that all aspects of the development (e.g., lease-purchase arrangements, admissions criteria, housing sales prices, and employment/contracting opportunities) benefited existing residents of the community.

These strategies can be combined with the *Inclusionary Business Development* approach used by the City of San Jose, mentioned above (requiring the developer of a \$140 million mixed use development project to set aside at least 10% of all retail spaces for locally-owned small businesses and use best efforts to achieve a mix of local, regional and national retail).

VII. RECOMMENDATIONS

A. NON-DISPLACEMENT STRATEGIES

The following Non-Displacement Strategies are intended to govern development activities and public funding decisions affecting the Greater Hill District, in order to ensure that existing residents of the Hill District and Uptown will enjoy the benefits of a revitalized neighborhood. The strategies are designed to prevent displacement by supporting the economic self-sufficiency and housing stability of existing residents.

Economic Opportunities

First Source Hiring. All developers must meet with a sanctioned Hill District based employment center or program to review project based job descriptions and establish realistic, mutually agreed upon hiring goals. Developers must agree to interview pre-qualified Hill District residents before advertising to the public at large and to provide a hiring priority for Hill District residents.

Enhanced MBE/WBE Commitments. All developers must commit to a MBE participation rate of 30% and WBE participation rate of 15% on all contracts, including but not limited to pre-construction services (architectural, engineering, urban planning, market and traffic study consultants, and other real estate consultants), supply contracts and construction. Particular consideration must be given to Hill District businesses in fulfilling these requirements.

Homeowner Support

Owner-Occupied Rehab. In allocating housing and community development resources for the Hill District, the City and URA should prioritize the rehabilitation of owner-occupied homes through grants to low-income homeowners.

Equity Protection Services. In allocating housing and community development resources for the Hill District, the City and URA should prioritize "equity protection" services to help existing homeowners resolve tax, title and mortgage issues.

Condemnation-Free Development. Except in the case of a substantial and imminent threat to health or safety, eminent domain may not be used to acquire occupied property for redevelopment.

Renter Support

Build First. Except in the case of a substantial and imminent threat to health or safety, all proposals for the redevelopment of an occupied rental property must minimize the involuntary displacement of residents to the greatest extent feasible, by, for example, building replacement housing first before requiring residents to move, by relocating residents on-site and redeveloping the site in phases, or by master leasing temporary relocation housing (preferably in the Hill) for those who may choose to return to the redeveloped property.

Support for Tenants in Redevelopment. All plans to redevelop publicly subsidized housing in the Hill District must include a comprehensive plan to support existing tenants in the transition to new, mixed-income housing. At a minimum, the plan should provide for a multi-disciplinary team of professionals to respond to the multiple needs of families in transition.

Preserving Affordability

Inclusionary Affordable Housing. Overall housing development plans must include a mix of owned and rental housing suited for all income levels. For rental housing developments of 10 or more units (other than in the Lower Hill District), at least 10% of all units must, to the greatest extent feasible and subject to the regulations associated with any housing assistance resources utilized, be affordable to very low-income households (at or below 50% AMI). For for-sale housing developments of 10 or more units (other than in the Lower Hill District), at least 10% of all units must, to the greatest extent feasible and subject to the regulations associated with any housing assistance resources utilized, be affordable to low-income households (at or below 80% AMI). In allocating housing and community development resources, the City and URA should encourage a higher percentage of affordability and/or the use of deep subsidies to achieve deeper income targeting.

One for One Replacement. All plans to redevelop publicly subsidized housing in the Hill District must include, to the greatest extent feasible, a plan to preserve the existing project-based rental subsidy.

Community Ownership/Equity

Priority to Acquire Vacant and Publicly-Owned Property. In disposing of vacant and publicly-owned property, the City and the URA should give priority to community groups and service organizations based in the Hill District with the capacity to develop such properties in a timely manner.

Co-Ownership Requirements. All development projects receiving a subsidy from or through the City, County or URA should provide co-ownership opportunities for Hill District community-based organizations (CBOs) or Hill District faith-based organizations. The CBO or faith-based organization should have an interest in the ownership, profits, developer fee and/or cash flow. If the CBO or faith-based organization provides development services beyond helping to secure community and government support for the project, the organization should receive a higher level of interest in the ownership, profits, developer fee and/or cash flow. In addition, the CBO or faith-based organization that has an ownership interest should have the ability to approve or reject major project decisions, and retain a right of first refusal to acquire the project if it is sold.

B. STRATEGIES FOR RECLAIMING THE LOWER HILL

The following Strategies for Reclaiming the Lower Hill, are intended to govern land use and development activities in the Lower Hill District, in order to ensure that the Lower Hill is developed in a way that reintegrates the area into the cultural fabric of the community, provides housing and job opportunities for Hill District residents, and serves as a catalyst for market-driven investment throughout the neighborhood.

Design Strategies

Neighborhood Design Guidelines. Development in the Lower Hill District should reflect the social, cultural and historical characteristics of the Hill District. The Civic Arena should be demolished.

Entrance. The western entrance to the neighborhood should be marked at the intersection of Centre Avenue and Washington Place with a prominent structure that honors the history and culture of the Hill District, which could be combined with the artwork by Walter Hood adjacent to the new arena.

Housing Strategies

Inclusionary Affordable Housing. All housing development plans for the Lower Hill must, to the greatest extent feasible and subject to the regulations associated with any housing assistance resources utilized, provide that at least 30% of all units must be affordable to very low-income households (at or below 50% AMI). If public funding is used or if project-based subsidy is available, at least half of the affordable units must, to the greatest extent feasible and subject to the regulations associated with any housing assistance resources utilized, be affordable to extremely low-income households (at or below 30% AMI). In allocating housing and community development resources, the City and URA should encourage a higher percentage of affordability and/or the use of deep subsidies to achieve deeper income targeting. To the extent possible, HACP should make project-based subsidy available for mixed-income housing development in the Hill District, particularly the Lower Hill.

Right to Return. All housing development plans for the Lower Hill District must provide an admissions preference for displaced persons to the greatest extent possible, including persons who were displaced in the Lower Hill urban renewal effort and their descendents.

Business Development Strategies

Inclusionary Business Development. All commercial or retail development plans for the Lower Hill District must include market-tested strategies to achieve a goal of at least 20% of the commercial or retail floor area for businesses that are majority owned by Hill District residents or are currently located in the Hill District, and for businesses that were displaced from the Lower Hill by urban renewal.

Neighborhood-Scale Retail. All commercial or retail development plans for the Lower Hill District must commit best efforts to achieve a balanced retail mix of local, regional and national companies.

VIII. STRATEGY ENFORCEMENT

When completed, the Hill District Master Plan will guide future development activities and the allocation of public resources in the Hill District. With the anti-displacement strategies included in the Greater Hill District Master Plan they can be enforced at county, city and neighborhood levels. Methods for enforcement include the project selection and development activity support and zoning and land use approval. More detail is provided below.

Project Selection and Development Activities.

The City, County and Urban Redevelopment Authority (URA) are required under the Hill District Community Benefits Agreement (CBA) to “use the Hill District Master Plan to guide their decisions regarding project selection and development activities in the Hill District”. At a minimum, this means that the following activities must be consistent with the Master Plan:

- the award of public development subsidies for projects in the Hill District
- the disposition of City-owned and URA-owned property in the Hill District

The City, County and URA would not be obligated to fund an activity just because it is identified in the Master Plan, but they would be required to give priority to such activities, consistent with other program funding requirements. They would also be required to refuse to fund an activity that is inconsistent with the Master Plan. With respect to disposition of publicly-owned property in the Hill, the City, County and URA would not be obligated to sell property to any particular entity, for any particular use, or for a below-market price, but they would be required to ensure that the property will be used in a manner that is consistent with the Master Plan. This provision does not apply to property that is being sold for a reason other than development (e.g., sideyard), not does it apply retroactively to the Development Agreement between the Allegheny County Sports and Exhibition Authority (SEA) and the Pittsburgh Penguins with respect to the “28 acres” portion of the Lower Hill.

Zoning and Land Use.

Developers who want to build or substantially alter a structure or change the use of a property in the City of Pittsburgh must obtain zoning and land use approval for their development plans.

Under the Pittsburgh Zoning Code, uses are either permitted by right, permitted as conditional uses (subject to approval by City Council), permitted by special exception (subject to approval by the Zoning Board of Adjustment), or not permitted. In addition, Site Plan review is required for certain kinds of development in certain zoning districts, and Project Development Plan review is required for all developments in GT districts, including the “28 acres” portion of the Lower Hill (most of the land that the neighborhood lost to urban renewal in the 1950s and 1960s). If the Master Plan is “duly accepted” by the Department of City Planning, then when a developer seeks a conditional use, special exception, project development plan review or site plan review the City’s decision will be guided by the Master Plan.

Community Enforcement

Ensuring that anti-displacement strategies are implemented also calls for strong community coalitions that can pressure policy-making bodies to act. Across the country community coalitions have developed principles for accountable development and as well as processes for community review and approval of development projects. Community coalitions have been strengthened where labor-community partnerships have been forged that unite residents and workers around their mutual interest in improving quality of life in the work place and in the neighborhoods in which workers live to good success²⁰.

IX. CONCLUSION

Efforts to prevent displacement are occurring around the country and have had some level of success. By exploring efforts that have been successful in other localities, community residents and advocacy organizations do not have to re-invent the wheel and can show developers and municipalities the potential win-win opportunities that can be created from development that does not displace existing residents and businesses. What may be beneficial for future research and strategy development is an analysis of the long-term social and economic impact of anti-displacement strategies, so that best practices can be developed. Such information would be useful to community residents, planning bodies, and professionals including lawyers, social workers, developers and planners working in urban, low-income ALANA communities. Additional strategies and best practices may be gleaned from examining the efforts of indigenous people across the globe who are fighting for equitable development in their home lands.

²⁰ Figueroa Corridor Coalition for Economic Justice. (2003). *We Shall Not Be Moved: Posters and the Fight Against Displacement in L.A.'s Figueroa Corridor*. Retrieved January 30, 2009 from <http://www.saje.net/atf/cf/%7B493B2790-DD4E-4ED0-8F4E-C78E8F3A7561%7D/Weshallnotbemoved.pdf>