PITTSBURGH
HOUSING NEEDS ASSESSMENT

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Acknowledgements – ForgingPGH Working Group

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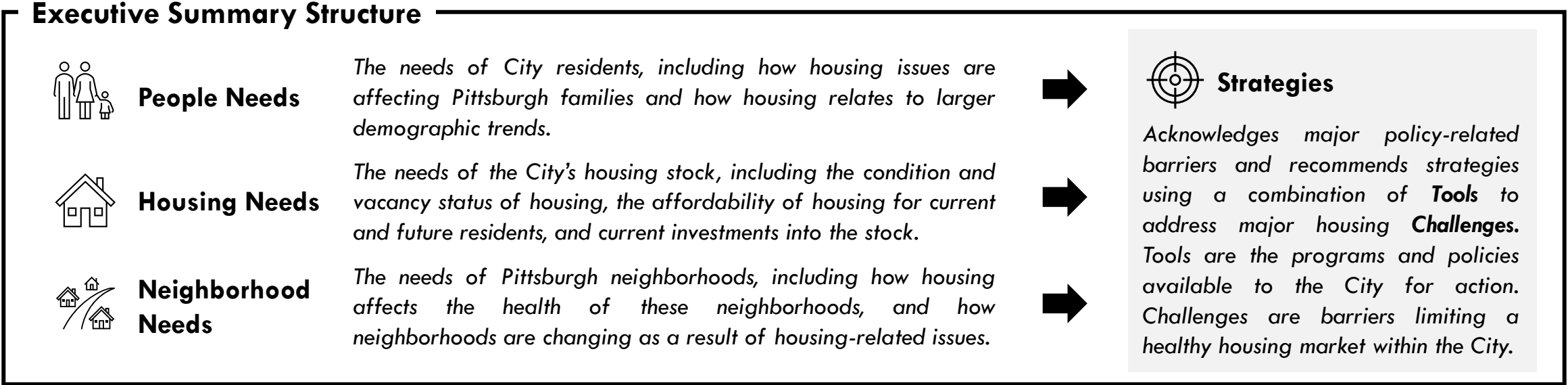**Housing Stock**

Housing Needs

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Housing Needs Assessment | Introduction

The City of Pittsburgh engaged HR&A Advisors to conduct an assessment of current and anticipated housing needs in Pittsburgh. The Pittsburgh Housing Needs Assessment seeks to (1) provide a comprehensive understanding of housing needs and conditions across all household incomes and housing typologies, and (2) establish an objective, data-driven resource on the housing market to guide future policy decisions. Key findings and needs are identified which should inform future phases of housing-related work in the City. This document also recommends specific programs and policies that the City and its partners should pursue to address these needs.

The Pittsburgh Housing Needs Assessment is organized around four sections: an Executive Summary and assessment sections for Demographics and Employment, Housing Stock, and Housing Needs. The Executive Summary condenses the results of the assessments into three needs narratives for People Needs, Housing Needs, and Neighborhood Needs. Recommended Strategies address all three needs, with each need integral to the City's continued economic growth, quality of life, and social welfare.

Executive Summary Structure

People Needs — *The needs of City residents, including how housing issues are affecting Pittsburgh families and how housing relates to larger demographic trends.*

Housing Needs — *The needs of the City's housing stock, including the condition and vacancy status of housing, the affordability of housing for current and future residents, and current investments into the stock.*

Neighborhood Needs — *The needs of Pittsburgh neighborhoods, including how housing affects the health of these neighborhoods, and how neighborhoods are changing as a result of housing-related issues.*

➡ **Strategies**

*Acknowledges major policy-related barriers and recommends strategies using a combination of **Tools** to address major housing **Challenges**. Tools are the programs and policies available to the City for action. Challenges are barriers limiting a healthy housing market within the City.*

Housing Needs Assessment | Changes Since 2015

The demographics and housing market in Pittsburgh has experienced significant changes since 2015. Below, we've highlighted some of the most important changes that have occurred from 2015 to 2019 (the time period for which data is available to reflect many of these changes). This data is explored in greater depth within the document.

	2015		2019	Change
POPULATION	306k	⇨	302k	-3.8k
HOUSEHOLDS	132k	⇨	138k	+5.7k
MEDIAN INCOME	$40k	⇨	$49k	+$9k
OWNER OCCUPANCY	48.8%	⇨	47.0%	-1.8%
SUPPLY GAP FOR RENTERS UNDER 30% AMI	14.2k	⇨	8.2k	-6k
RENTERS EARNING UNDER 30% AMI	22k	⇨	19k	-3k
MEDIAN HOME PRICE	$167k	⇨	$218k	+$51k
INDEFINITE VACANCY	6%	⇨	4.9%	-1.1%

Note: 2019 is the latest year for which American Community Survey data has been published
Source: American Community Survey, American Community Survey Public Use Microdata Sample

People Needs | Key Findings

1 **Pittsburgh Gaining Households, Mostly Upper Income**
While Pittsburgh's population is declining, there has been accelerating household growth in recent years, with an **additional 5.2k households added between 2016 and 2019,** outpacing the region and primarily driven by increases in high-income renter households.

2 **Low-Income Renters are Leaving Pittsburgh**
The number of **renter households earning less than 30% AMI decreased by over 3k** between 2015 and 2019. Given that incomes for less educated households grew more slowly than more educated households, this suggests many low-income renters are leaving the city.

3 **Greatest Housing Need for Low-Income Renters**
Housing needs are greatest for renters earning less than 30% AMI – there is a **supply gap of 8.2k housing units** priced affordably to this group. The supply gap drops to 2.9k for renters earning less than 50% AMI, with a 4.6k surplus for renters earning less than 60% AMI.

4 **Shrinking Supply Gap Caused by Fewer Low-Income Renters, Higher Regional Incomes**
While the supply gap remains high in 2019, this represents a **decrease from the 14.1k gap in 2015,** though this decrease does not indicate improving affordability, as it is primarily driven by many low-income renters leaving the city and a large increase in regional incomes.

5 **Losing Existing Black Households**
Black households were the **only racial or ethnic group to experience a decline in the number of households** in Pittsburgh since 2015. This decline is driven by the significant loss of existing middle-income and low-income Black households across both renters and homeowners.

6 **Black Homeownership Falling, Rising Elsewhere**
Since 2015, Pittsburgh **lost nearly 700 Black homeowners, a decline of 7%**, greater than the proportional loss in black renters. In the same period, the number of homeowners has risen amongst nearly every other racial and ethnic group.
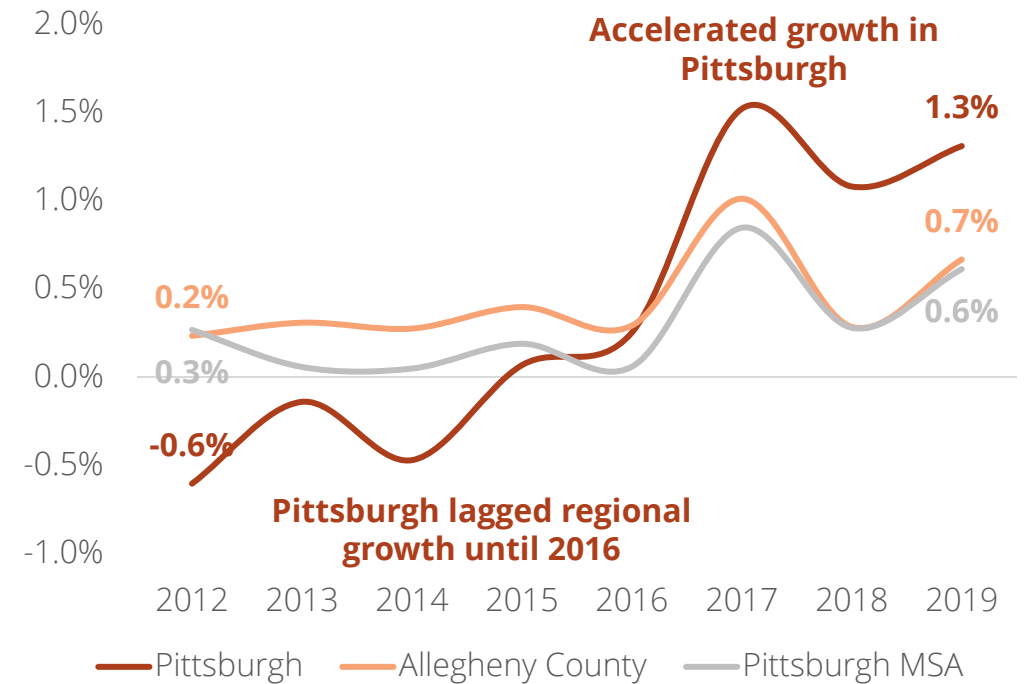
① Losing Population, Growing Households

While Pittsburgh's population is declining, there has been accelerating household growth in recent years, with an additional 5.2k households added between 2016 and 2019, outpacing the region and primarily driven by increases in high-income renter households.

The growth in households in Pittsburgh has primarily been fueled by high-income renter households. As of 2019, Pittsburgh has 138k households living in the city. Since 2010, 118% of net new households are 1-to-2 person renter households. Additionally, these households have significantly higher incomes and greater degrees of educational attainment compared to city-wide figures, indicating that these new households moving to the City of Pittsburgh do not necessarily mirror the existing demographics of the city.

Household growth in Pittsburgh has been concentrated near Downtown and in a few adjacent neighborhoods. The CBD, Strip District, Allegheny Center, and South Oakland all experienced household growth over 20% since 2010. These trends indicate that the new residents moving to the city tend to prefer neighborhoods closer to the core of the city, in line with many trends seen amongst high-income renters, nationally. This partially explains Pittsburgh's household growth rapidly surpassing the region as there is greater demand for more urban and denser locations from these renters.

Household Growth Rate (From Previous Year), 2011 - 2019

Accelerated growth in Pittsburgh

Pittsburgh lagged regional growth until 2016

— Pittsburgh — Allegheny County — Pittsburgh MSA

Source: American Community Survey; HR&A Advisors
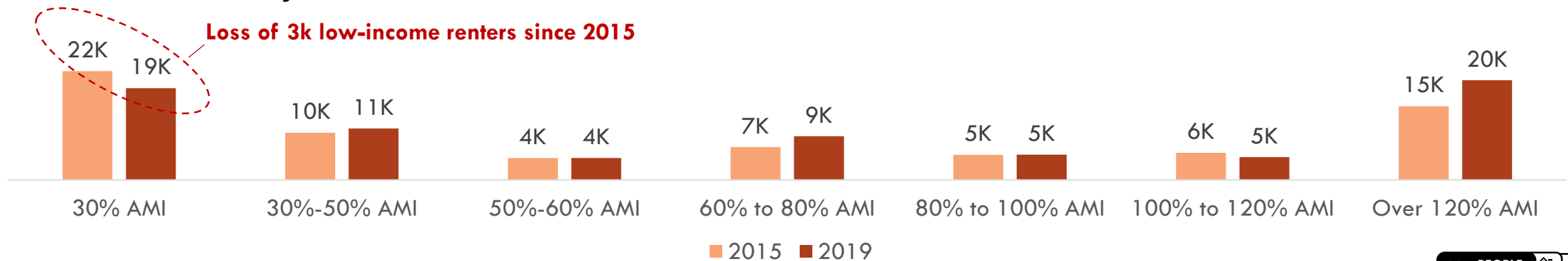
(2) Low-Income Renters are Leaving Pittsburgh

The number of renter households earning less than 30% AMI decreased by over 3k between 2015 and 2019. Incomes for less educated households grew more slowly than more educated households, and many low-income renters left the city.

Gross rents grew 16% since 2015, less than the growth rate in household income of those with at least some college education. However, rents in Pittsburgh are still unaffordable, as average gross rent is still unaffordable to the average Pittsburgher without a college degree. As such, many households in Pittsburgh struggle with affordability, and thus may be competing with new households for existing housing causing many residents to leave the city even if not necessarily priced out entirely.

Gross Rent and Household Income Increase by Educational Attainment, 2015-2019

Gross Rent	+16%
No College Degree	+10%
Some College	+18%
College Degree	+19%

Renter Households by AMI, 2015-2019

Loss of 3k low-income renters since 2015

	30% AMI	30%-50% AMI	50%-60% AMI	60% to 80% AMI	80% to 100% AMI	100% to 120% AMI	Over 120% AMI
2015	22K	10K	4K	7K	5K	6K	15K
2019	19K	11K	4K	9K	5K	5K	20K

■ 2015 ■ 2019

Source: American Community Survey; HR&A Advisors
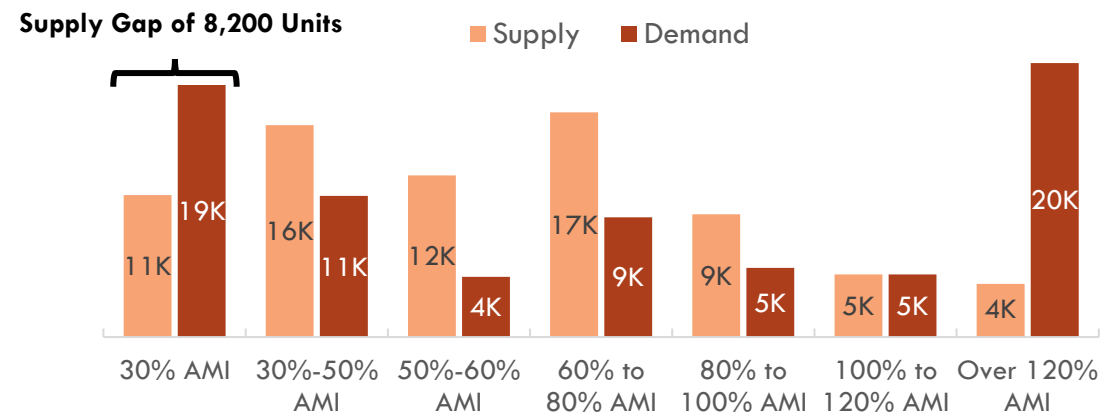
PEOPLE NEEDS

Housing needs are greatest for renters earning less than 30% AMI – there is a supply gap of 8.2k housing units priced affordably to this group. The supply gap drops to 2.9k for all renters earning less than 50% AMI, with a 4.6k surplus for renters earning less than 60% AMI.

The most critical supply gap is for under 30% AMI households as these units are harder for the market to produce at scale without subsidy. Many renters within this income range may have a history of eviction that makes it difficult to find quality housing.
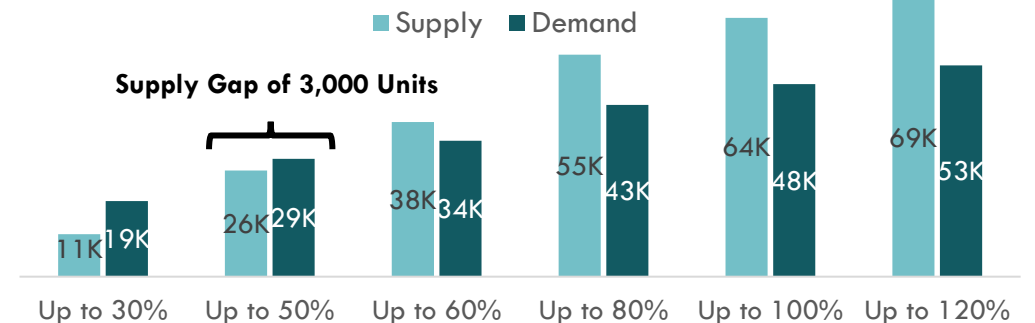
Cumulatively, there are approximately 3,000 households earning under 50% AMI that are paying more than 30% of their income for housing related costs. This trend is most acute for households earning under 30% AMI.

Over 2 in 5 renters in Pittsburgh are cost-burdened, spending more than 30% of income on housing, with over a quarter qualifying as extremely cost-burdened, spending over 50% of income on housing. These high figures are driven by the number and share of cost-burdened renters earning under $35K annually. More than 7 of 10 renter households earning less than $35k annually are paying more than 30% of their income in rent. This group comprises 82% of all cost-burdened renters and 95% of all extremely cost-burdened renters. For households earning between $35k and $50k, 4 in 10 renters are currently cost-burdened. However, the number of cost-burdened renters in Pittsburgh has decreased slightly from 2015.

Source: American Community Survey; HR&A Advisors

Rental Supply/Demand Gap by AMI Level, 2019

Supply Gap of 8,200 Units

■ Supply ■ Demand

	30% AMI	30%-50% AMI	50%-60% AMI	60% to 80% AMI	80% to 100% AMI	100% to 120% AMI	Over 120% AMI
Supply	11K	16K	12K		9K	5K	4K
Demand	19K	11K	4K	17K / 9K	5K	5K	20K

Cumulative Rental Supply/Demand Gap, 2019

■ Supply ■ Demand

Supply Gap of 3,000 Units

	Up to 30%	Up to 50%	Up to 60%	Up to 80%	Up to 100%	Up to 120%
Supply	11K	26K	38K	55K	64K	69K
Demand	19K	29K	34K	43K	48K	53K

PEOPLE NEEDS

While the supply gap remains high in 2019, this represents a decrease from the 14.1k gap in 2015, though this decrease does not indicate improving affordability as the decrease is primarily driven by many low-income renters leaving the city and a large increase in regional incomes.

On the supply side, the number of units affordable to 30% AMI has increased due to an increase in the number of subsidized units and a substantial rate of income growth compared to rents in the City of Pittsburgh. From 2015 to 2019, median income (which is used to set all AMI thresholds) grew 15% while median gross rents for lower-income households increased 10%. As such, there are some housing units that were not affordable at 30% AMI in 2015 that became in reach of under 30% AMI households simply because median income growth outpaced rent growth for many units.

The loss of low-income households in Pittsburgh has led to decreased demand for units at 30% AMI. Since 2015, the number of low-income households in Pittsburgh earning under $35K a year shrank nearly 4%, indicating that many of the lowest-income Pittsburghers are leaving the city entirely. As such, the shrinking of the affordable supply gap is indicative of residential displacement of existing lower-income households (who have left the city) with higher-income households (whose incomes are driving the increase in area median income).

Supply/Demand Gap for Renters Under 30% AMI, 2015 - 2019
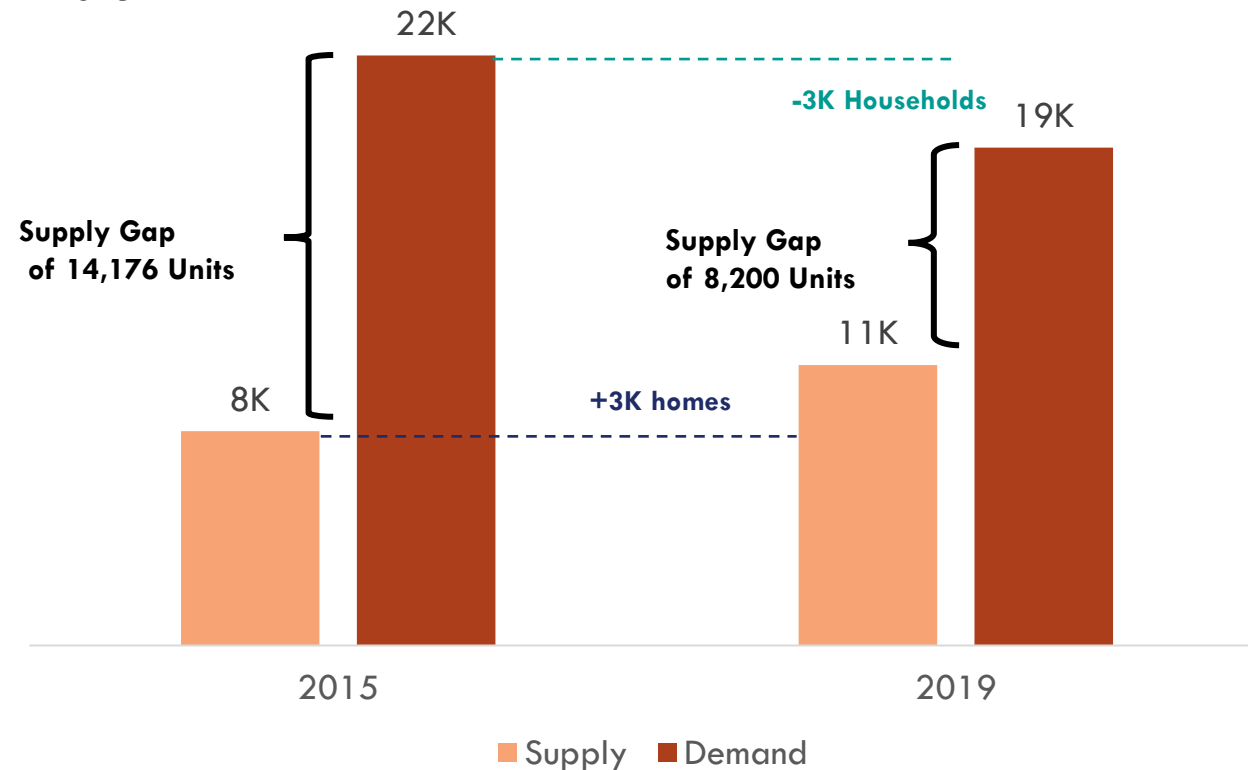
Supply Gap of 14,176 Units

Supply Gap of 8,200 Units

-3K Households

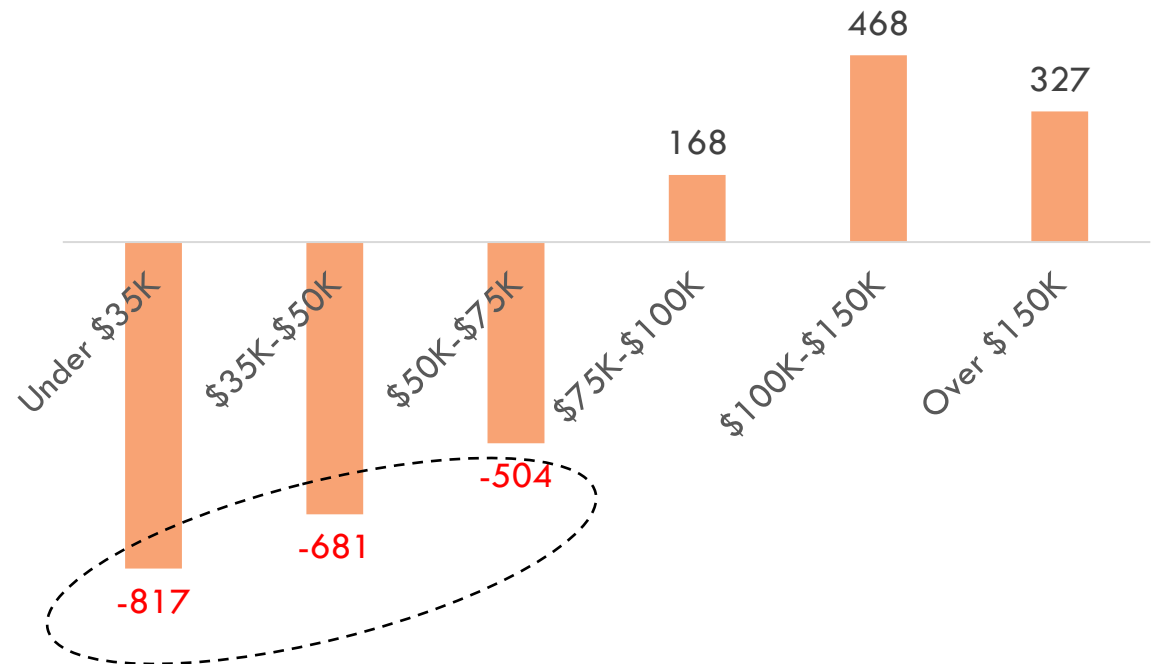+3K homes

22K

19K

11K

8K

2015

2019

■ Supply ■ Demand

⑤ Losing Existing Black Households

Black households were the only racial or ethnic group to experience a decline in the number of households in Pittsburgh since 2015. This decline is driven by the significant loss of existing middle-income and low-income Black households across both renters and homeowners.

Since 2015, Pittsburgh has lost nearly 350 Black renter households – the only racial or ethnic group to experience a decline. These losses were most pronounced at the lowest income levels, as the City lost over 1,000 Black renters earning under $50K annually, with some gains of Black renters at the highest income levels. What these trends indicate is that there is a loss of existing, low-income Black renters in the city who are being displaced by renters moving to Pittsburgh from elsewhere. In analyzing County data, the number of Black renters in the County grew by 2,000 indicating that many Black renters relocated from the City to the County.

Pittsburgh lost nearly 700 Black owner households since 2015 – also the only racial or ethnic group to decline since 2015. As indicated by both renter and owner trends – Black household loss was most significant amongst households earning under $75K, who are more likely to be existing, longer-term residents, with a loss of over 2,000 households.

**Change in Black Households by Income,** 2015-2019

Income	Value
Under $35K	-817
$35K-$50K	-681
$50K-$75K	-504
$75K-$100K	168
$100K-$150K	468
Over $150K	327

PEOPLE NEEDS

Since 2015, Pittsburgh lost nearly 700 Black homeowners, a decline of 7%, greater than the proportional loss in black renters. In the same period, the number of homeowners has risen amongst nearly every other racial and ethnic group.

The loss of Black homeowners was amongst low- to moderate-income owner households. Since 2015, Pittsburgh lost nearly 950 Black homeowners earning under $75K a year, more than the total number of Black homeowners lost. Over the same time period, Pittsburgh experienced some minimal growth in higher-income Black homeowners. Of these 950, about half had incomes between $50K-$75K a year, indicating that the loss is most pronounced amongst middle-income Black homeowners. In many cases, these homeowners are likely selling their homes to flippers who are then re-selling or renting these properties to other residents.

The increase in white homeowners was greater than the increase in homeowners overall, indicating that while nearly all minority groups saw homeowner increases, white high-income homeowners were the primary driver. Since 2015, Pittsburgh added nearly 2,700 white homeowners earning over $150K annually, more than the total number of white and total number of overall homeowners added in Pittsburgh. The dualling trends of loss of middle-income Black homeowners and gains in high-income white homeowners are indicative of the changing household dynamics in Pittsburgh.

Growth in Homeowners by Race/Ethnicity, 2015-2019

Source: American Community Survey; HR&A Advisors
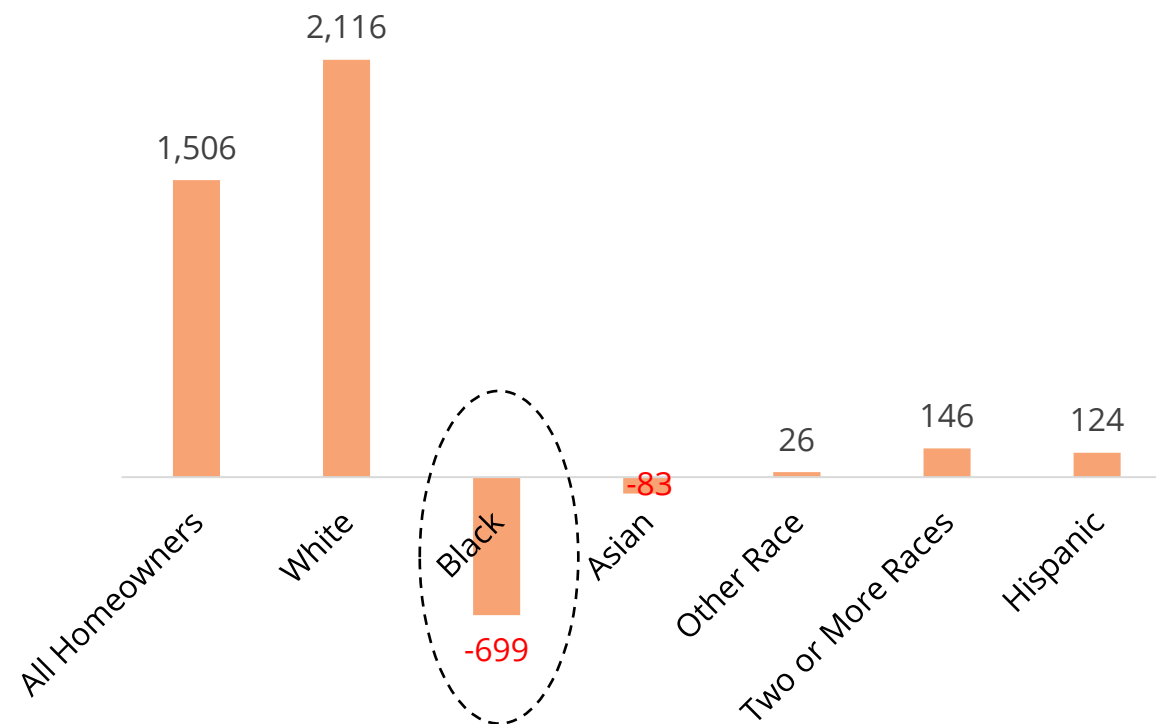
Housing Needs | Key Findings

Defines the needs of the City's housing stock, including the condition and vacancy status of housing, and the affordability of housing for current and future residents, and current investments into the housing stock.

1

Subsidized Housing Expands, Shifts Away From Public Housing

There are **22.6k subsidized housing units** in Pittsburgh today, or roughly one unit available for every two qualifying households. Since 2012, the number of subsidized units in Pittsburgh has increased by 14%, or 2,816 units.

2

New Housing is 90% Multifamily

New construction has shifted sharply to luxury multifamily rental, which comprises 90% of all new construction since 2015. While these new units are not affordable to most renters, **multifamily remains the largest source of affordable housing to low-income households**.

3

Majority of Single-Family Investment Activity is "Flipping"

While single-family construction has remained low since 2011, **annual home "flipping" activity more than tripled with prices remaining stable** around $200k per home. In 2019, 3x as many homes were "flipped" as built new, though more than half of flipped homes are sold to investors.

4

Market-Related Vacancy at Lowest Rate Since 1980

Vacancy has consistently trended downward since the Great Recession, with market-related vacancy decreasing by more than half in this time. Indefinite vacancy, **an indication of abandonment,** has been slower to recover, but began to decrease in 2015 after 30 years of consistent upward trajectory.

5

Multifamily Rental Dominates Future Housing Need

Pittsburgh is projected to **add 9,700 households over the next ten years, with almost ¾ as renters**. In total, about half of all new Pittsburgh households will be looking to rent multifamily, placing additional price pressure on this housing type.

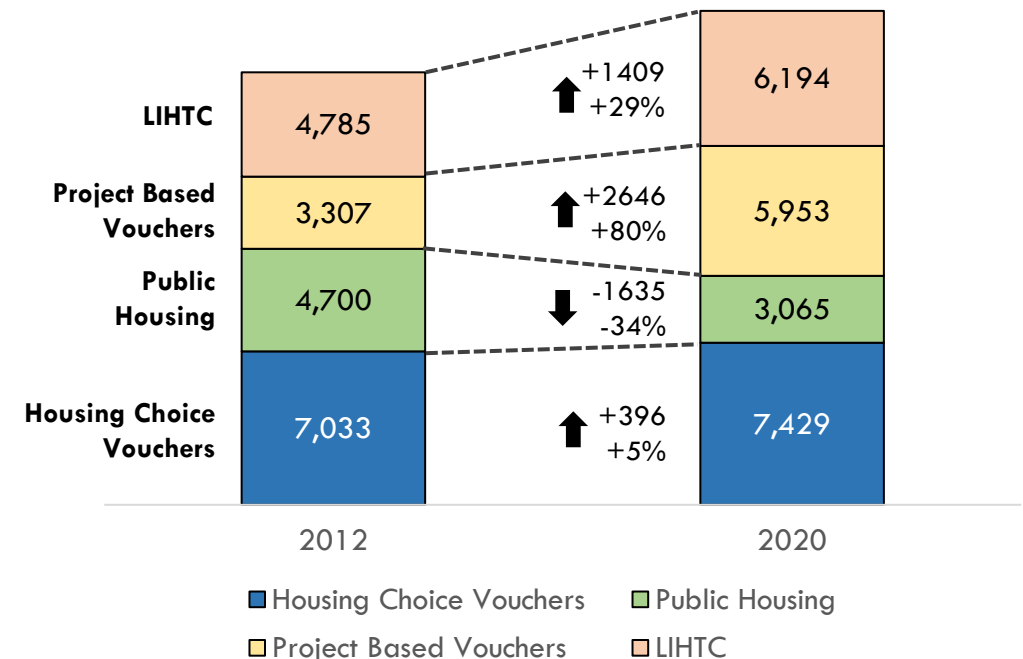# ① Subsidized Housing Expands, Shifts Away From Public Housing

There are 22,641 subsidized housing units in Pittsburgh today, or roughly two units available for every three qualifying households. Since 2012, the number of subsidized units in Pittsburgh has increased by 14%, or 2,816 units.

The increase in subsidized units since 2012 has primarily been due to over 1,409 LIHTC units and 2,646 Project Based Voucher units being constructed or rehabilitated in the city. This large increase has more than made up for loss of 1,635 Public Housing units in the same period. This shift from Public Housing to Project Based Vouchers is partially explained by the Pittsburgh Housing Authority's embrace of the Department of Housing and Urban Development's RAD program, which converts Public Housing to Project Based Voucher housing. The amount of housing subsidy available to renters through either of these programs is functionally the same, offering deep affordability to those earning less than 30% AMI.

Housing Choice Vouchers (HCV) saw a moderate increase of 5%, or 396 vouchers, since 2012. 11k households are currently on the HCV waiting list. While the number of families attempting to access HCV is high, only 3 out of 10 families that receive an HCV are able to find a rental and a landlord willing to accept the voucher within the allowed 120-day search period.

The Housing Opportunity Fund, which began in 2019, has allocated $10M annually to support affordable housing in Pittsburgh. As of 2021, about $19M of funds have been spent, helping to support the construction of LIHTC units, down payment assistance, home renovation, and for-sale home development.

Change in Share of Subsidized Housing, 2012 - 2020

	2012	Change	2020
LIHTC	4,785	↑ +1409 +29%	6,194
Project Based Vouchers	3,307	↑ +2646 +80%	5,953
Public Housing	4,700	↓ -1635 -34%	3,065
Housing Choice Vouchers	7,033	↑ +396 +5%	7,429

■ Housing Choice Vouchers   ■ Public Housing
■ Project Based Vouchers   ■ LIHTC

Source: Department of Housing and Urban Development; HR&A Advisors

New construction has shifted sharply to luxury multifamily rental, which comprises 90% of all new construction since 2015. While these new units are not affordable to most renters, multifamily remains the largest source of affordable housing to low-income households.
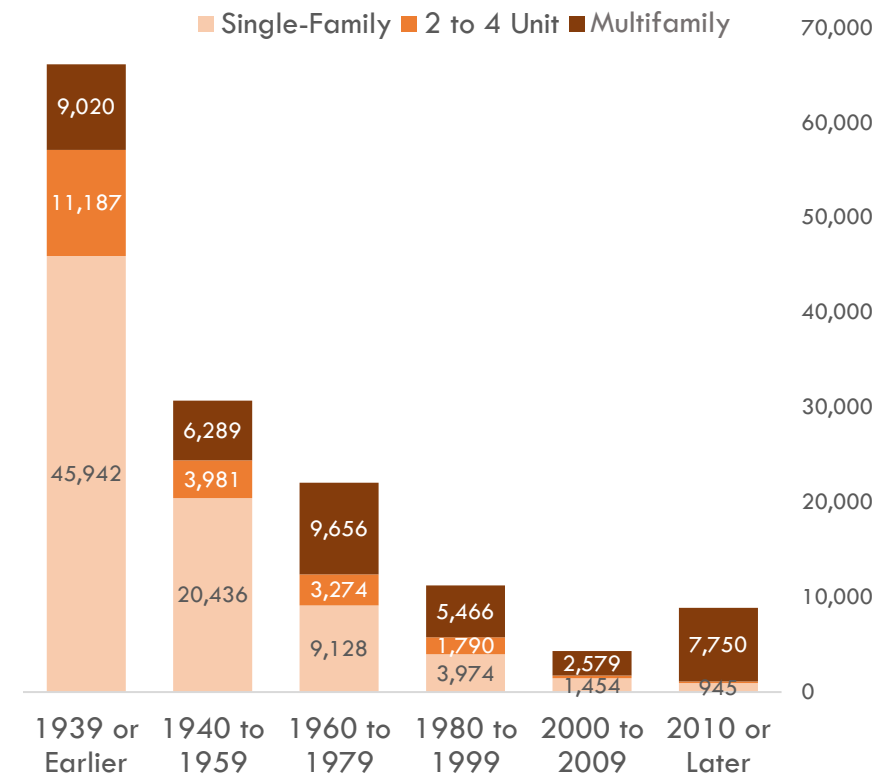
Housing construction has reversed a decades long decline, with housing stock shifting to less single-family and more multifamily. The 2010s was the most substantial construction period in Pittsburgh since the 1970s, which has largely consisted of multifamily rental. 90% of all new construction units over the past decade have been multifamily rental.

Multifamily rental development has increased significantly the past decade, especially since 2016. Since 2010, 7,750 multifamily units have been built in Pittsburgh, roughly equal to the number of units that were built between 1980 and 2010. Rents for newly constructed one-bedroom units average around $1,800, making them only attainable to households earning above 120% AMI. 66% of new construction multifamily units are one-bedroom or studio units, compared to 61% for those built prior to 2010.

New multifamily development in Pittsburgh has been well received by the market. Since 2010, net absorption in Pittsburgh generally kept apace with new deliveries, as vacancy stayed relatively stable over the past decade, averaging around 6.7%. Approximately half of all units that delivered in the Pittsburgh MSA since 2010 delivered in the City. However, the region still lags other fast-growing markets in multifamily construction, like Philadelphia and Atlanta.

Multifamily units comprise a majority (55%) of units affordable to households earning less than 30% AMI. This percent declines as incomes rise. For example, only 31% of households earning between 30% and 60% AMI rent in a multifamily unit.

Housing Units By Type and Year Built

Legend: ■ Single-Family ■ 2 to 4 Unit ■ Multifamily

Year	Single-Family	2 to 4 Unit	Multifamily
1939 or Earlier	45,942	11,187	9,020
1940 to 1959	20,436	3,981	6,289
1960 to 1979	9,128	3,274	9,656
1980 to 1999	3,974	1,790	5,466
2000 to 2009	1,454		2,579
2010 or Later	945		7,750

Source: American Community Survey; HR&A Advisors
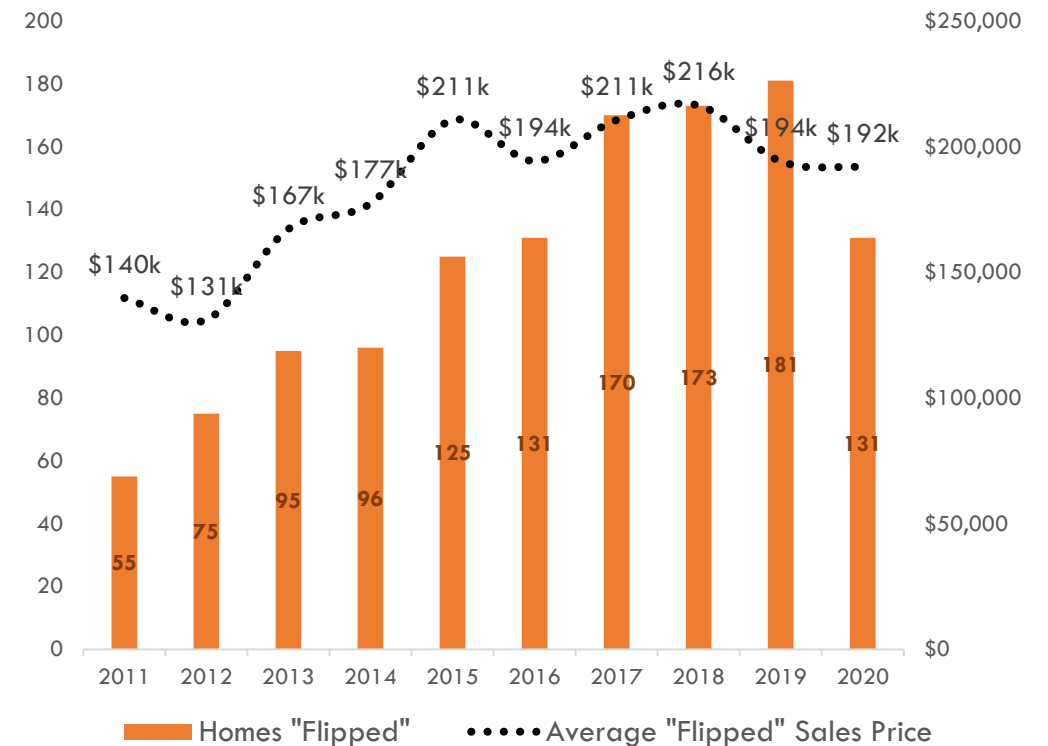
HOUSING NEEDS

While single-family construction has remained low since 2011 with prices doubling, annual home "flipping" more than tripled with prices remaining stable around $200k per home. In 2019, 3x as many homes were "flipped" as built new, though more than half of flipped homes are sold to investors.

Annual construction of single-family attached and detached homes has remained steady in the past decade while the average price of a new home has more than doubled. Home construction in both the City and Pittsburgh MSA has yet to recover from the Great Recession. In 2020, new construction housing permits were almost 1/3 of Philadelphia's and 1/9 of Atlanta's.

The number of homes professionally acquired, renovated, and sold ("Flips") increased every year from 2011 to 2019, with prices remaining affordable to Pittsburgh homebuyers earning 80% AMI. Prices of flipped product have remained steady around $200k since 2015 while annual production has continued to increase. Nearly 2x as many homes were flipped between 2016 to 2020 as in 2011 to 2015. The neighborhoods of Brookline, Sheraden, Brighton Heights, and Mount Washington saw the largest percent increases.

Homeowners continue to drive most of the home flipping market, but investors still play a significant role. From 2016 to 2019, investors purchased 43% of flipped properties, which were usually around $70k less than properties purchased by homeowners. More than half of flipped homes are unpermitted. Lower priced homes located in south Pittsburgh are most likely to be unpermitted, which could carry risks for those living in these properties.

Volume and Average Price of "Flipped" Homes, 2011 - 2019

Homes "Flipped":
2011: 55
2012: 75
2013: 95
2014: 96
2015: 125
2016: 131
2017: 170
2018: 173
2019: 181
2020: 131

Average "Flipped" Sales Price:
$140k, $131k, $167k, $177k, $211k, $194k, $211k, $216k, $194k, $192k

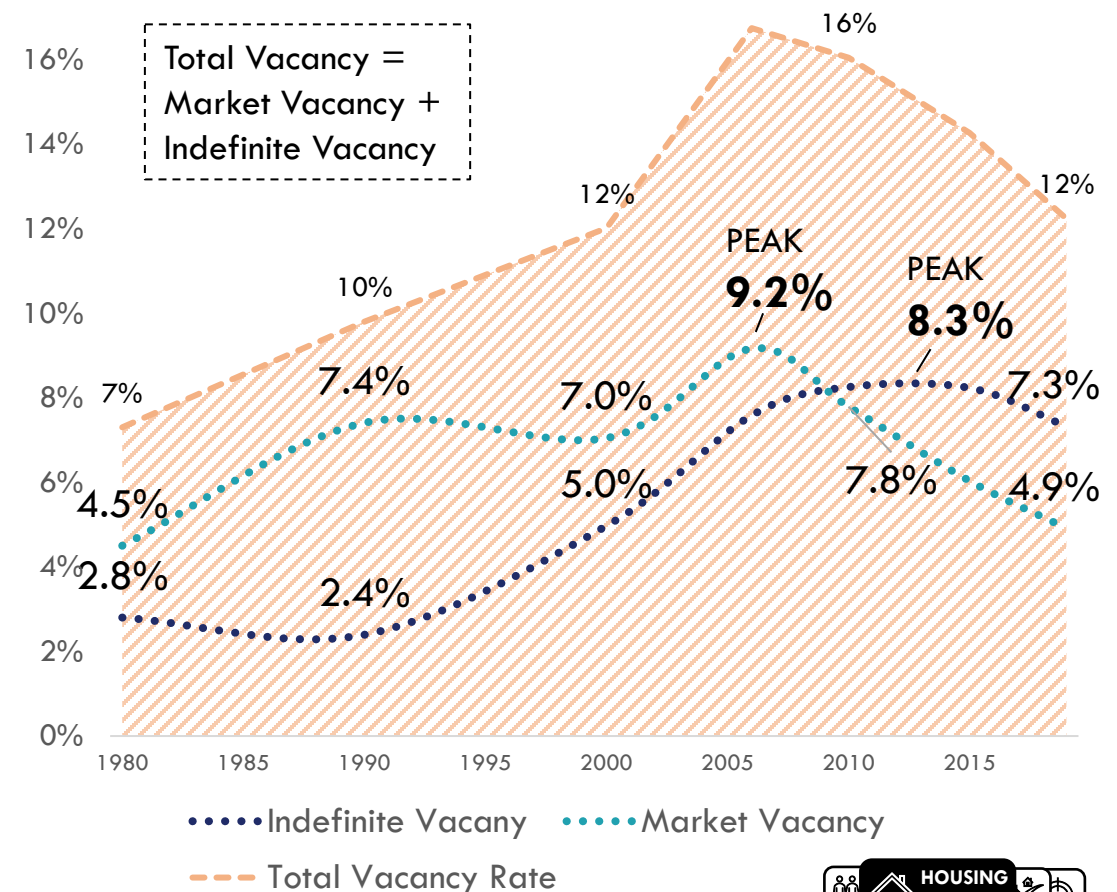*Source: Allegheny County Treasurer Office; HR&A Advisors*

④ Market-Related Vacancy at Lowest Rate Since 1980

Vacancy has consistently trended downward since the Great Recession, with market-related vacancy decreasing by more than half in this time. Indefinite vacancy has been slower to recover, but began to decrease in 2015 after 30 years of consistent upward trajectory.

Vacancy in Pittsburgh peaked during the Great Recession and has steadily declined since, driven by a mix of demolitions, decreasing total vacant units, and increasing total occupied units. Total vacancies declined from 26k in 2010 to 19k in 2019 while total occupied units increased from 135k to 138k. In this same period, the total number of housing units in Pittsburgh declined from 161k to 157k, indicating roughly 4k units were demolished.

Market vacancy peaked during the Great Recession and has declined rapidly since. Indefinite vacancy peaked in the period after the recession and has been slower to decline. An important distinction to understand is the difference in market and indefinite vacancy. Market vacancy is defined as vacancy due to supply and demand changes while indefinite vacancy is vacancy driven by property conditions with indefinitely vacant properties not inhabitable in current conditions. Since 2015, there are 1,196 fewer indefinite vacant homes in Pittsburgh, driven by 886 demolitions. This change in indefinite vacancy indicates that there are now fewer homes becoming abandoned than being repurposed or demolished per year. As market conditions in Pittsburgh improved, there was a shift from focusing on demolitions of indefinitely vacant property to a focus on repurposing vacant properties into new homes.

Vacancy Rate by Type of Vacancy, 1980 - 2019

Total Vacancy =
Market Vacancy +
Indefinite Vacancy

Indefinite Vacany   Market Vacancy

Total Vacancy Rate

Source: American Community Survey; HR&A Advisors

⑤ Multifamily Rental Dominates Future Housing Need

Pittsburgh is projected to add 9,700 households over the next ten years, with almost ¾ as renters. In total, more than half of all new Pittsburgh households will be looking to rent multifamily, placing additional price pressure on this housing type.

Strong demand for new multifamily development is projected to continue. As previously discussed, the reversal in the decades long household decline in Pittsburgh was primarily driven by younger, affluent households, the vast majority of which are renters. Assuming these trends continue, with Pittsburgh continuing to attract these households based on continued strong job growth, the city will need to ensure that the robust multifamily development trends of the past five years continue into the future. Strategies to help support and promote multifamily development are discussed later in this report.

There is also strong demand for "missing middle" rental housing. Together, the need from single-family (nearly entirely single-family attached housing) and plex rental housing is approximately 1,900 units, equating to about a third of total rental housing. This illustrates that there is a need for a diversity of rental housing in Pittsburgh — particularly larger units serving families and other households requiring additional space. It should be noted that demand for housing by type may be somewhat overlapping — for example, households that have rented a single-family may also be interested in renting a larger (three-bedroom or larger) multifamily unit or plex unit if available.
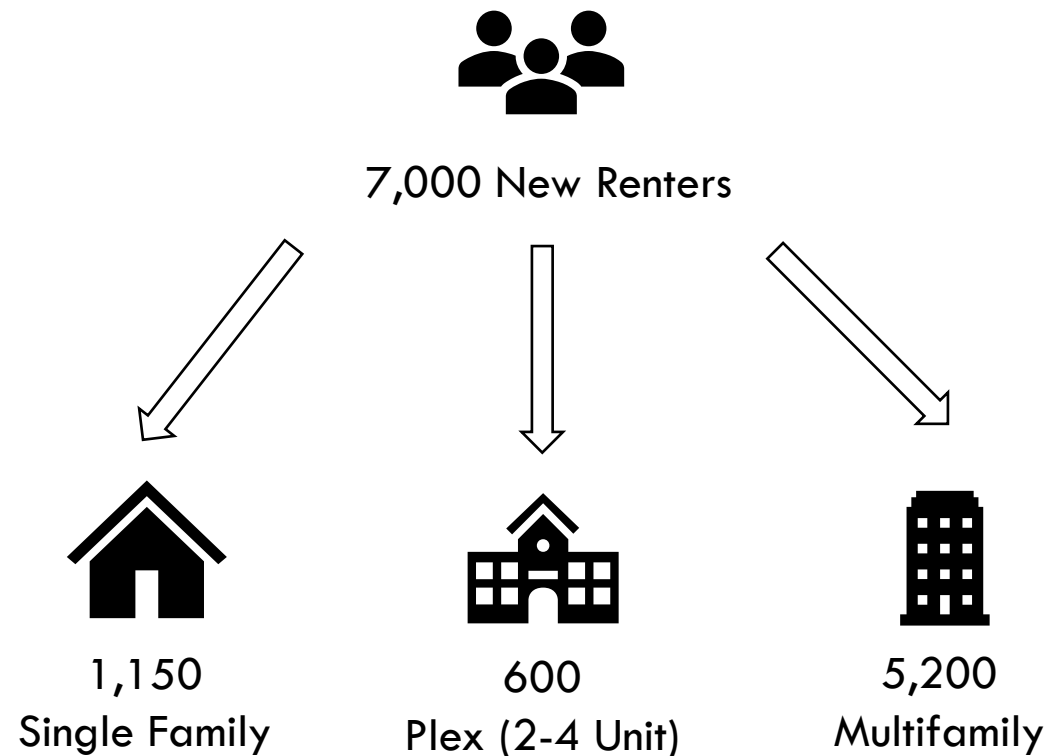
7,000 New Renters

1,150
Single Family

600
Plex (2-4 Unit)

5,200
Multifamily

HOUSING NEEDS

Neighborhood Needs | Key Findings

Defines the needs of Pittsburgh neighborhoods, including how housing affects the health of these neighborhoods, and how neighborhoods are changing.

1

Home Prices Increase Throughout City

Since 2016, **home price growth in Pittsburgh has outpaced the MSA**, with 4 out of 5 neighborhoods demonstrating moderate to strong price growth. Markets closest to the CBD, Strip District, East Liberty, and Lawrenceville demonstrated the most market momentum.

2

Renters Displaced by Rising Rents in Hottest Neighborhoods

Displacement of low-income households due to increasing rents was concentrated most heavily in **Lawrenceville, Brookline, Mount Washington, and the Hill District,** all neighborhoods with quickly accelerating housing markets.

3

Poor Housing Conditions Also Displacing Residents

Neighborhoods with **declining housing markets** and high vacancy, like Allentown, Knoxville, and Mt. Oliver, are also seeing **large losses in low-income populations** due to worsening neighborhood conditions.

4

Concentrated Poor Conditions Associated with Vulnerable Populations

The homeless and the low-income elderly residents vulnerable to shifts in the housing market are found near poor quality housing.

5

Many Neighborhoods Lack Income-Restricted, Affordable Housing

Income-restricted, affordable housing is concentrated in just a few neighborhoods. 12 neighborhoods contain over half of Pittsburgh's total affordable housing stock, with over half of the city's residential neighborhoods containing less than 10% of the total stock.

6

Rental Supply Gap Most Severe in High-Priced, Single-Family Areas

Traditionally high-priced neighborhoods like Squirrel Hill and Shadyside have the **greatest affordable housing gap**. Other quickly gentrifying portions of the city, like Lawrenceville, Bloomfield, Brookline, and Mount Washington, also show signs of a growing supply gap.
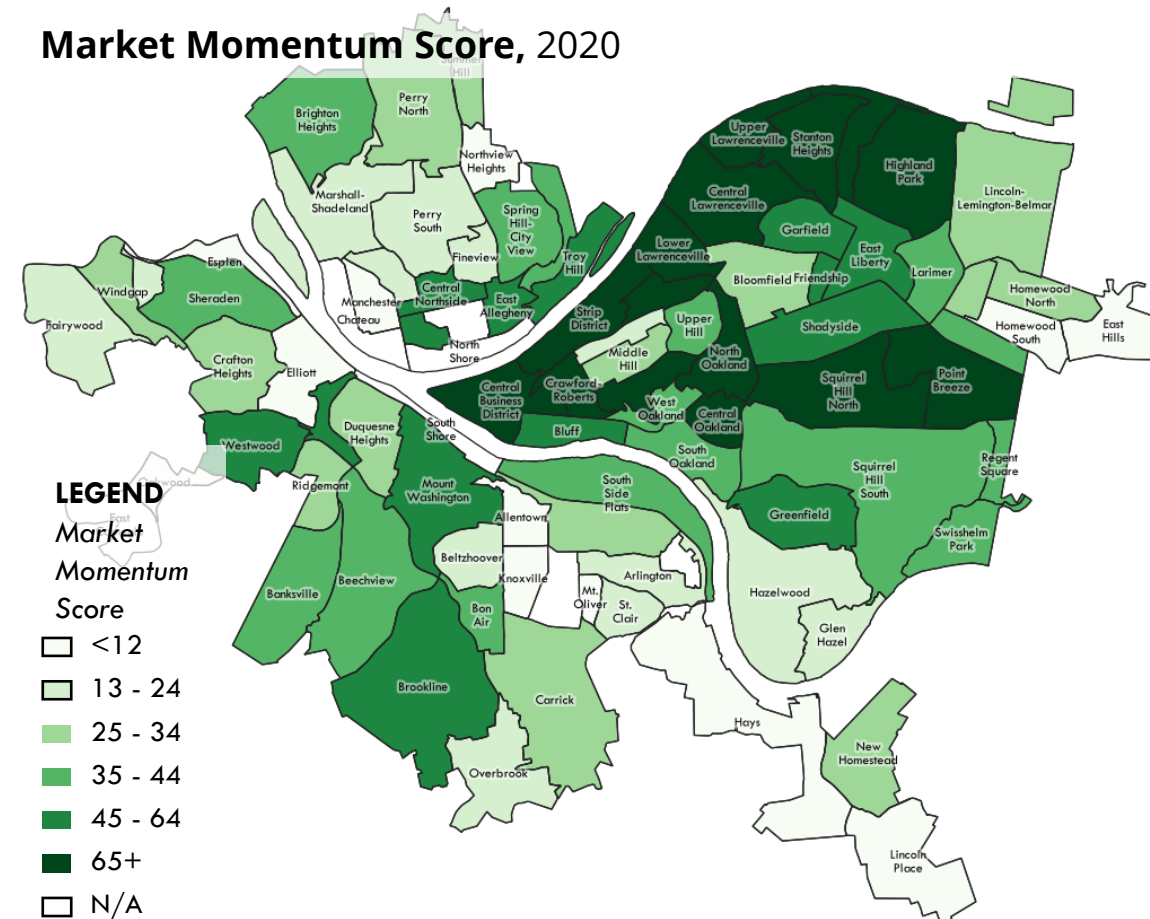
① Home Prices Increase Throughout City

Since 2016, home price growth in Pittsburgh has outpaced the MSA, with 4 out of 5 neighborhoods demonstrating moderate to strong price growth. Markets closest to the CBD, Strip District, East Liberty, and Lawrenceville demonstrated the most market momentum in this time.

Growth in high-income households and increased flipping activity has been the key drivers of market momentum in neighborhoods with escalating home prices. Since 2015, neighborhoods near the CBD, Strip District, East Liberty, and Lawrenceville have seen a significant influx of higher-income households earning over 100% AMI, with Lawrenceville and the Strip District experiencing nearly 20% increases in these households.

Relatedly, while Lawrenceville and the surrounding neighborhoods experienced significant flipping activity since 2011, this activity has intensified over the past five years with the number of annual flips increasing 31% and average sales prices increasing 31% to an average sales price of $301K, highest in the city. As such, the market momentum experienced in these neighborhoods is a result of new, higher-income households buying recently flipped homes at higher prices than found elsewhere in the city.

Conversely, only neighborhoods in southeast Pittsburgh saw consistent declines in home values, which when taken with accompanying trends in depopulation and vacancy, indicates a declining housing market.

*Market Momentum Score combines average sales price percentage increase and absolute increase from 2015 to 2020 into a single score, accounting for the increase in sales prices relative to a neighborhood's existing market.
Source: Allegheny Tax Assessor; HR&A Advisors

Market Momentum Score, 2020

LEGEND
Market Momentum Score

- ☐ <12
- 13 - 24
- 25 - 34
- 35 - 44
- 45 - 64
- 65+
- ☐ N/A

Displacement of low-income households due to increasing rents is concentrated most heavily in Lawrenceville, Brookline, Mount Washington, and the Hill District, and other neighborhoods with accelerating housing markets.

Pittsburgh has experienced rapid change in the household composition of the city as low-income households are forced out while high-income households immigrate from elsewhere. Lawrenceville in particular has seen significant new multifamily development that tends to serve the highest income renters, potentially driving up rents in the surrounding neighborhoods.

Loss of Households Earning Under $25K, 2015-2019
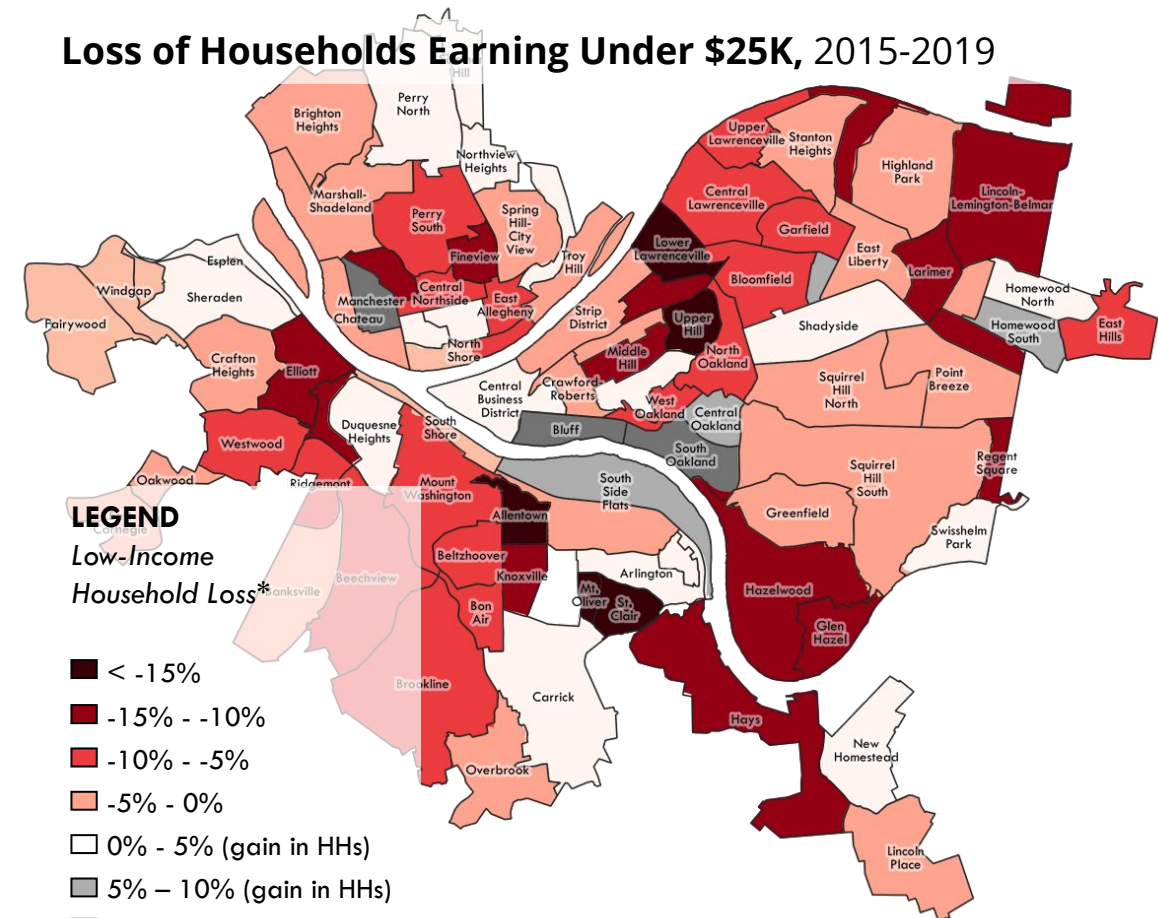
LEGEND
Low-Income Household Loss*

- ■ < -15%
- ■ -15% - -10%
- ■ -10% - -5%
- ■ -5% - 0%
- □ 0% - 5% (gain in HHs)
- ■ 5% − 10% (gain in HHs)
- ■ >10% (gain in HHs)

*Measured as total decrease in the number of households earning less than $25k annually between 2015 and 2019 as a percent of the that neighborhoods total number of households.
*Source: American Community Survey; HR&A Advisors*

NEIGHBORHOOD NEEDS

③ Worsening Housing Conditions Also Displacing Residents

Neighborhoods with declining housing markets and high vacancy, like Allentown, Knoxville, and Mt. Oliver, are also seeing large losses in low-income populations due to worsening neighborhood conditions and increasing vacancy.

While much attention is given to displacement caused by rising rents, deteriorating housing stock in many neighborhoods is also forcing households out of Pittsburgh. While the city-wide indefinite vacancy rate has started to decrease since 2015 after a 30-year increase, many neighborhoods have experienced continued growth in indefinite vacancy. These neighborhoods often have the lowest median household incomes in the city and have not experienced the same amount of investment as other neighborhoods over the past five years. As housing conditions continue to deteriorate, many households, particularly low-income households who do not have the means to make needed repairs, have been forced to leave Pittsburgh in pursuit of safe, habitable housing elsewhere.

Investor-owned, rental single-family, townhome, and 'plex units are 2.5X as likely to be in poor condition compared to owner-occupied properties of the same type. Neighborhoods where a large number of owner-occupied properties are being replaced by rentals, like Allentown, Mt. Oliver, and St. Clair, are experiencing greater population loss as a result of deteriorating housing conditions.
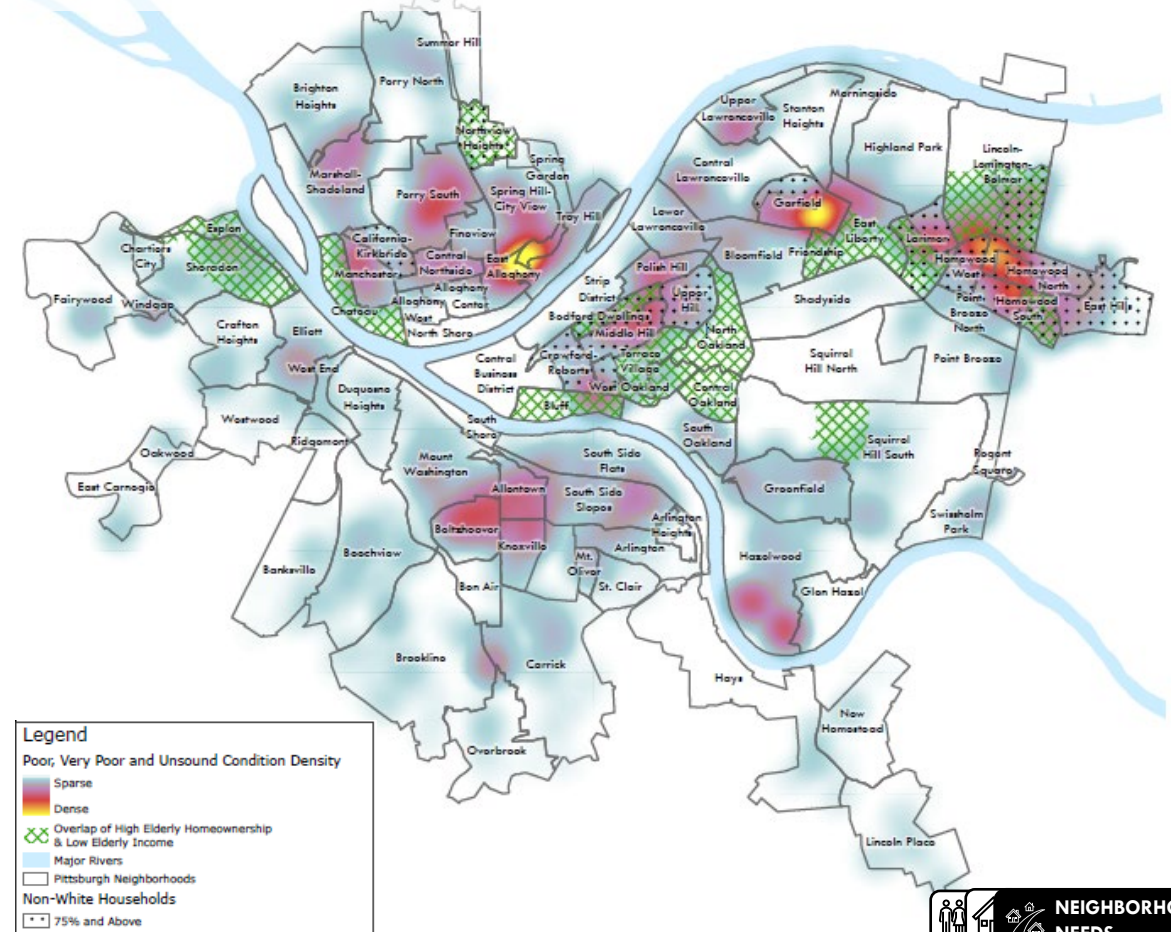
Percent of Homes Indefinitely Vacant, 2019

LEGEND

Percent of Indefinite Vacant Homes*

- ■ >15%
- ■ 10% - 15%
- ■ 6% - 10%
- ■ 3% - 6%
- □ 0% - 3%
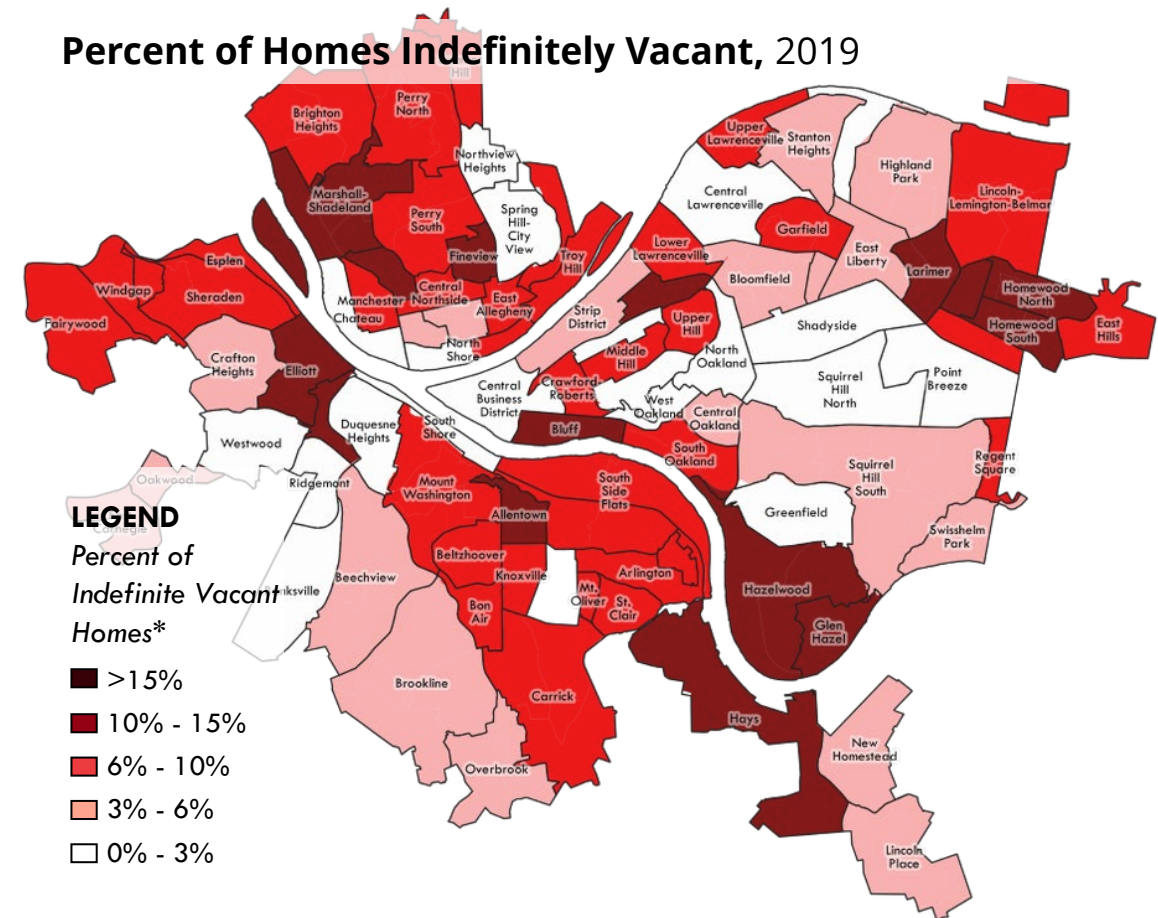
NEIGHBORHOOD NEEDS

The low-income elderly and non-white residents vulnerable to shifts in the housing market are found near poor quality housing.

The heat map to the right shows areas in yellow that are the highest concentrations of poor, very poor, and unsound buildings, overlaid with areas that show the highest concentrations of elderly homeowners. These areas should be the highest priority for targeted programs aimed at assisting elderly homeowners with home maintenance to avoid blight.

Areas with high concentrations of poor, very poor, and unsound building also tend to be located near neighborhoods with large non-white populations. This current pattern also illustrates historical patterns of underinvestment in non-white neighborhoods. As such, programs to address blight are critical to addressing racial inequity.

Concentration of Housing in Poor Condition, 2016

Legend
Poor, Very Poor and Unsound Condition Density
▮ Sparse
▮ Dense
⊠ Overlap of High Elderly Homeownership & Low Elderly Income
▮ Major Rivers
▯ Pittsburgh Neighborhoods
Non-White Households
⊡ 75% and Above

Source: eHoldings Inc

NEIGHBORHOOD NEEDS

④ Worsening Housing Conditions Also Displacing Residents

Worsening housing conditions, in additional to economic and market forces, are drivers of homelessness.

In 2020, there were 887 people found to be experiencing homelessness in Allegheny County, an increase of 113 from 2019. Blacks account for 55% of the homeless population. There were an additional 163 persons found to be living in locations not meant for habitation.

There are 11 homeless shelters currently located within the City of Pittsburgh. A new shelter is set to open in 2022, featuring a 42,000 sq ft, 5-story facility that will accept adults, their pets, and possessions year-round. It will offer 95 beds as part of the shelter, along with 45 units of single-occupancy housing, and a daily program connecting people to medical services, food, showers, mail, and other necessities. One of the big barriers for people accessing current resources is pets – most places do not allow pets. This facility will be the first of its kind in Pittsburgh.

Location of Existing/Planned Homeless Shelters, 2022

Legend

⌂ Second Avenue Commons*

⌂ Homeless Shelter

☐ Pittsburgh Neighborhoods

— Major Rivers

* Second Avenue Commons Opening 2022

Source: Shelterlist, eHoldings Inc
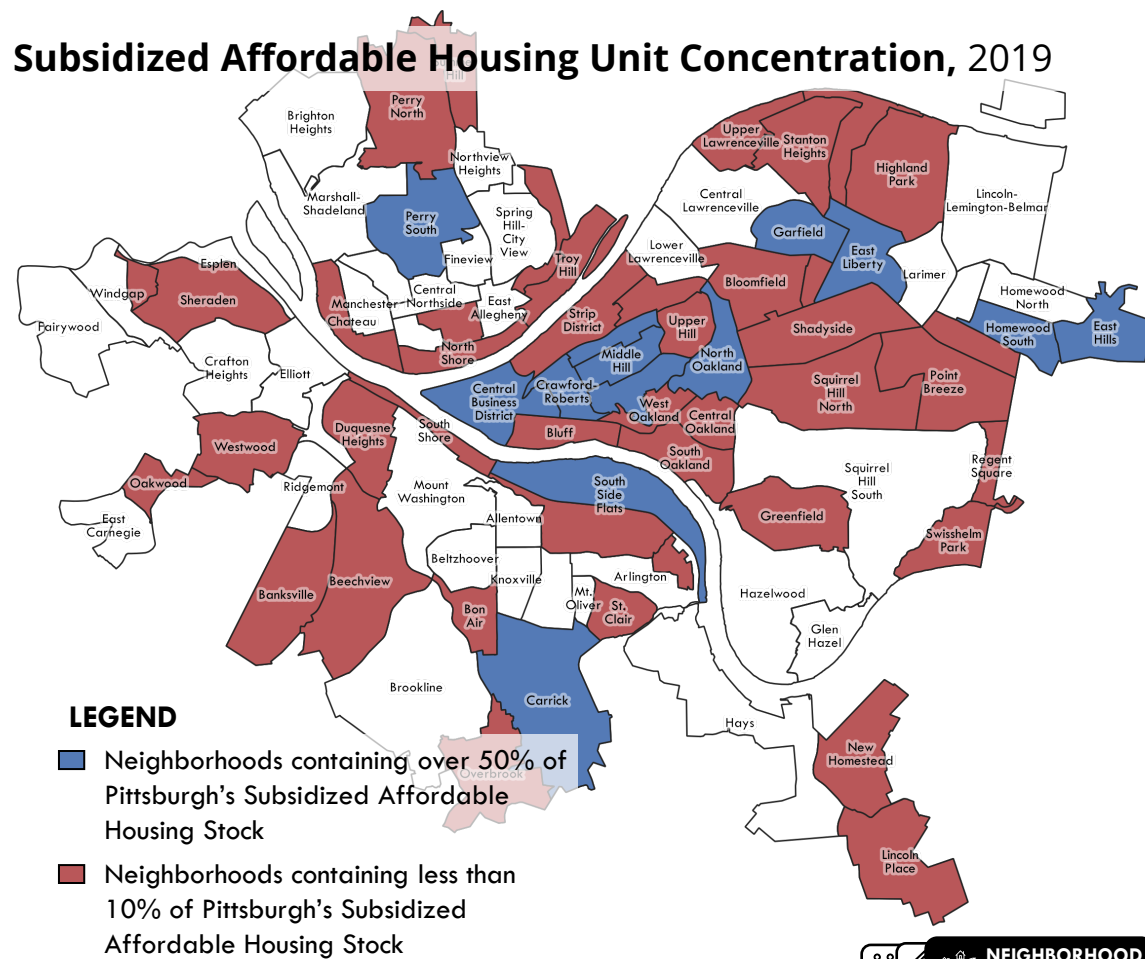
NEIGHBORHOOD NEEDS

Income-restricted housing is concentrated in just a few neighborhoods. Twelve neighborhoods contain over half of Pittsburgh's total affordable housing stock. Over half of the city's residential neighborhoods contain less than 10% of the total stock.

Income-restricted housing is defined as federally subsidized public housing, units associated with tenant- or project-based vouchers, and LIHTC units.

Almost 1 in 3 housing units in these 12 neighborhoods contain some kind of subsidy. These include units subsidized through Public Housing, Housing Choice Vouchers, Project Based Vouchers, or LIHTC. This is a much higher concentration than most of the city, but especially when compared to some of Pittsburgh's highest income neighborhoods. For the 43 neighborhoods containing less than 10% of the city's total subsidized affordable housing stock, about 1 in 30 housing units is subsidized.

Efforts to deconcentrate subsidized housing have been only partially successful. The 704 new LIHTC units that were built in Pittsburgh between 2015 and 2017 were all built within the 12 neighborhoods already containing the highest concentration of subsidized housing. Attempts to introduce a more diverse mix of incomes into neighborhoods with high concentrations of subsidized units have been only partially successful. From 2010 to 2019, about half of the 12 neighborhoods with the highest concentration of affordable housing had an increasing population.

Subsidized Affordable Housing Unit Concentration, 2019

LEGEND

- ■ Neighborhoods containing over 50% of Pittsburgh's Subsidized Affordable Housing Stock
- ■ Neighborhoods containing less than 10% of Pittsburgh's Subsidized Affordable Housing Stock

*Source: Department of Housing and Urban Development; HR&A Advisors*

NEIGHBORHOOD NEEDS

⑥ Supply Gap Most Severe in High-Priced Single-Family Areas

Traditionally high-priced neighborhood likes Squirrel Hill and Shadyside have the largest affordable housing supply gap. Other quickly gentrifying portions of the city, like Lawrenceville, Bloomfield, Brookline, and Mount Washington, also show signs of a growing supply gap.

Established, high-end residential neighborhoods have the most severe supply gap for low-income households. The neighborhood cluster centered around Squirrel Hill and Shadyside contains many low-income households who are not adequately served by the higher-end and high-priced housing stock that comprise much of these neighborhoods. Additionally, there has been less new development – both rental and for-sale – in these neighborhoods which has limited the growth in total housing stock and further exacerbated the neighborhoods' supply gap.

Quickly-gentrifying neighborhoods also have significant supply gaps, illustrating that new supply alone will not fully address the housing supply gap for low-income households. The neighborhood cluster centered around Mount Washington/Brookline and the cluster centered around Lawrenceville also have severe supply gaps for low-income households, despite experiencing significant new housing development. Much of this development has targeted high-income households, which can increase the overall housing supply in these clusters, but only serves a limited household base. As such, addressing the housing supply gap in these neighborhoods will require promoting a wider array of housing types and price points, in addition to other strategies detailed later in this report.

Severity of Supply Gap for 30% AMI Households by Neighborhood Cluster, 2019
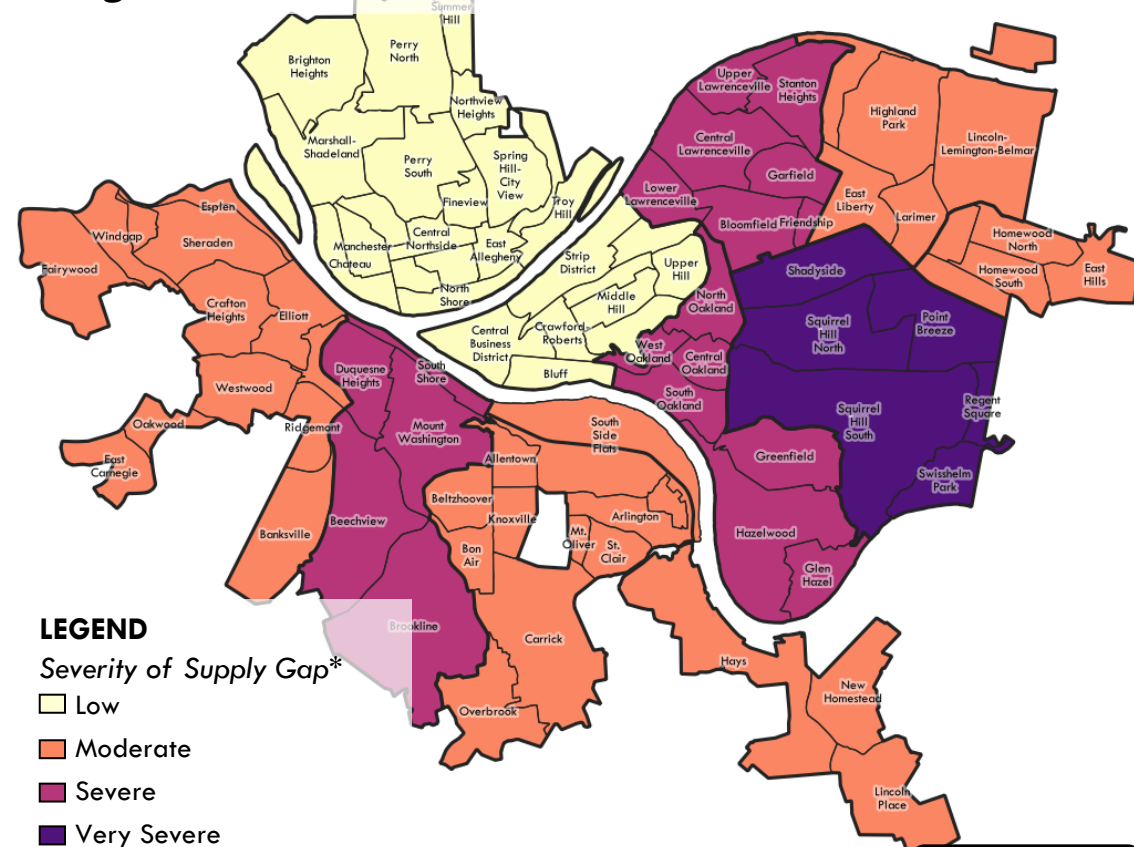
LEGEND

Severity of Supply Gap*

- ☐ Low
- 🟧 Moderate
- 🟪 Severe
- 🟪 Very Severe

*Measured as the total supply gap in rental units priced affordably for households earning less than 30% AMI as a percent of the total demand
Source: American Community Survey; HR&A Advisors

NEIGHBORHOOD NEEDS

Strategies | Barriers to Development

Defines the major regulatory or systemic barriers limiting greater market-rate and affordable housing development in high-demand locations within Pittsburgh.

1 **Multifamily Zoning**
Multi-unit residential (i.e. buildings with 4 or more units) development **is restricted to just 23%** of the City's total land area. Much of that lies in mixed use districts, such as the industrial mixed use, specially planned, and riverfront zoning districts.

2 **Minimum Lot Size and Parking Requirements**
Residential zoning districts have **minimum lot size per dwelling unit requirements, which in many cases, severely restricts** the ability to develop parcels. **Minimum parking requirements can also be prohibitive** to developing affordable housing.

3 **History of Redlining**
The **effects of redlining are still apparent today**, with many of the neighborhoods deemed "definitely declining" and "hazardous" from 1937, reflecting today's predominantly Black neighborhoods, where multi-unit residential development is permitted, and **areas with concentrations of housing in poor condition**.

4 **Historic Preservation**
Historic preservation guidelines are **often misunderstood** by local residents, property owners, and developers, which can complicate redevelopment and introduce new costs. Additional, renovation of historical buildings into multi-unit residential buildings is only **permitted in a limited number of historical districts**.

5 **Real Estate Economics**
The **costs associated with developing and operating** newly constructed rental housing necessitate rents at these properties that **often are only affordable to higher-income households**.
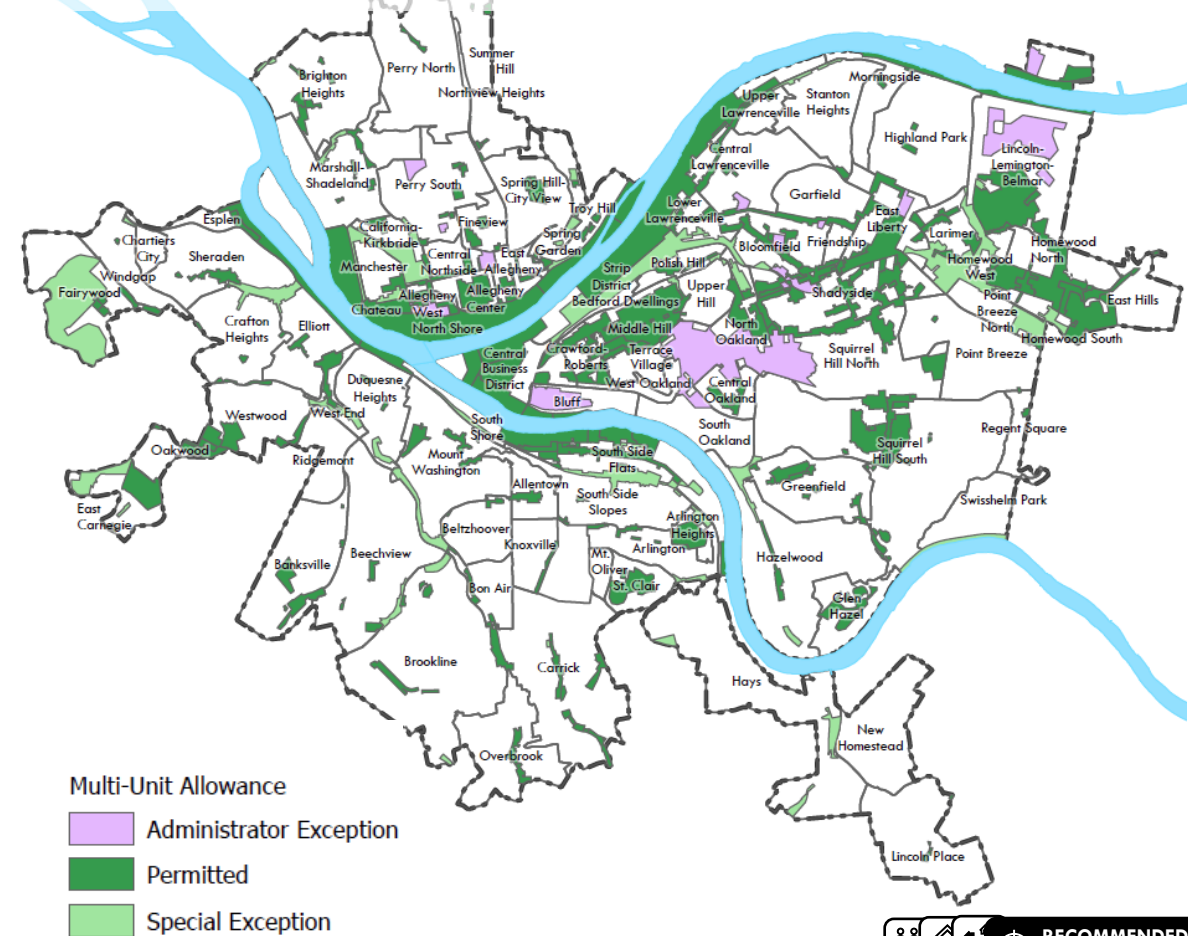
RECOMMENDED STRATEGIES

① Multifamily Zoning

Multi-unit residential (i.e. buildings with 4 or more units) development is restricted to just 23% of the City's total land area. Much of that lies in mixed use districts, such as the industrial mixed use, specially planned, and riverfront zoning districts.

By-right new construction multifamily is mostly limited to Pittsburgh's urban core. Areas that permit multi-unit residential development by-right, meaning that if the project meets the requirements of the zoning code, it is approved, are shown in dark green on the map. Multi-unit residential is permitted in several residential development districts, ranging from very low density to very high density, and a number of industrial mixed use, specially planned, and riverfront zoning districts. To a lesser extent, multifamily is also permitted as a special exception in some zoning districts (shown in light green), which requires an application and review process by the Zoning Board of Adjustment (ZBA). This process requires a public hearing, adjacent landowner notification, a longer review process, and possibly a Development Activities Meeting with the neighborhood Registered Community Organization (RCO). The final option for multifamily is through an administrator exception (shown in purple), which is similar to the Special Exception process.

Pittsburgh does not offer a TOD zoning district and multi-unit residential buildings are only permitted on 37% of land area located within a half-mile of a transit station. Creating a TOD zoning overlay would permit, and encourage, the creation of high-density, walkable, pedestrian-oriented mixed-use development, including multi-unit residential, around transit stations.

Source: City of Pittsburgh, Port Authority of Allegheny County

Multifamily Zoning Districts, 2021

Multi-Unit Allowance
- Administrator Exception
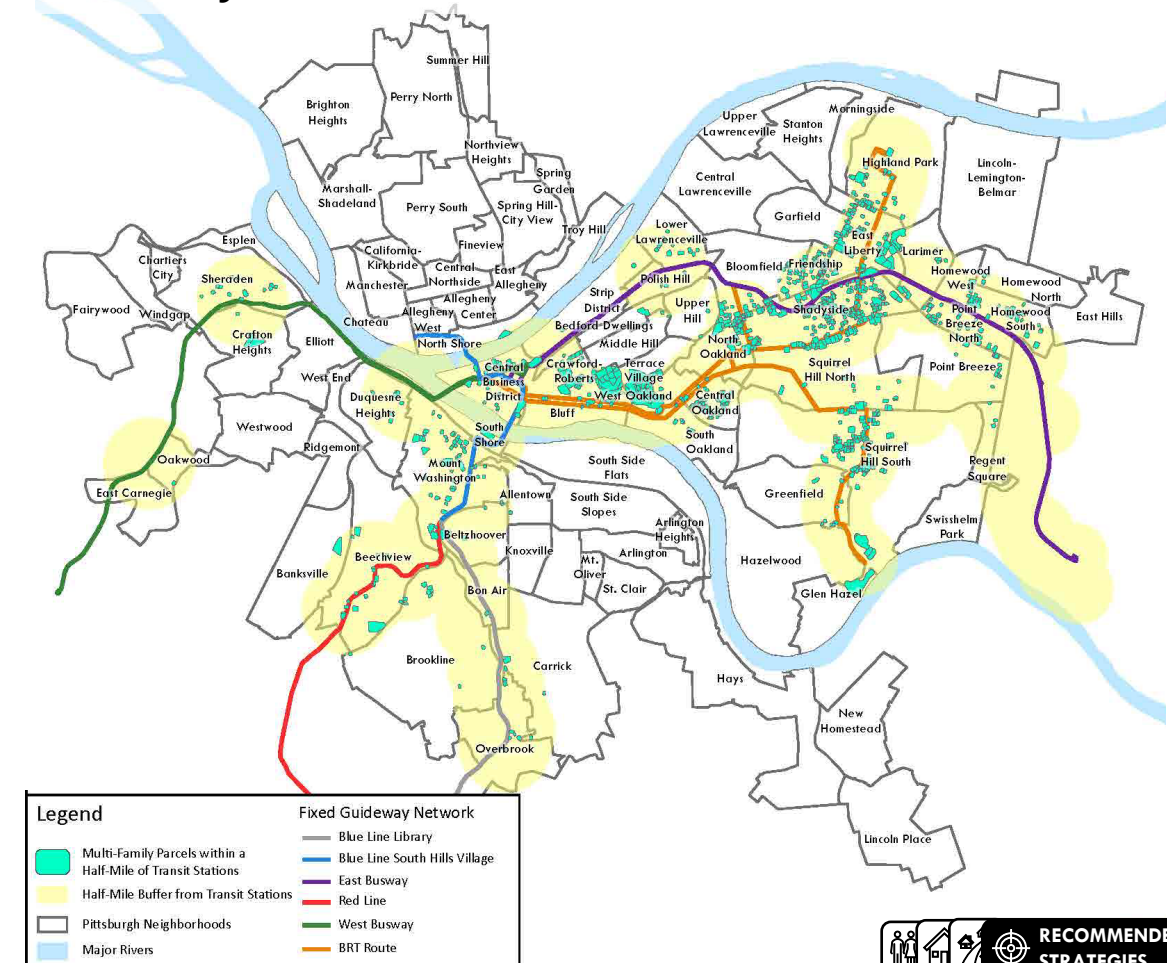- Permitted
- Special Exception

RECOMMENDED STRATEGIES

② Minimum Parking Requirements

The City's Zoning Ordinance requires one off-street parking space per dwelling unit for all residential developments, which increases development costs. Many households don't have access to a car and don't need the parking space.

Currently, about a quarter of all households in Pittsburgh, and over 35% of all renter households in Pittsburgh, do not own a car. As such, there are a large number of households who do not need a parking spot despite the requirement of one off-street parking space per dwelling unit. While the City's Zoning Ordinance does allow for reduced parking requirements for residential uses within certain districts (SP, PUD, Downtown, and Riverfront), it does not make allowances for reduced parking near mass transit stations.

Requiring a one-to-one ratio of parking per dwelling unit can significantly increase development costs which in turn puts upward pressures on housing costs as developers need to ensure these additional costs are covered by revenues. In areas well-served by existing transit, a one-to-one ratio of parking to dwelling unit may be unnecessary. Eliminating or reducing parking requirements near transit stations may lead to developers reducing the number of parking spaces built, thus lowering the cost of building this new housing. For example, the City of Seattle found that reducing and eliminating minimum parking requirements around transit saved $537 million in direct construction costs (more than $20,000 per unit), allowing for lower cost housing to be developed. However, the market will likely dictate the number of parking spaces constructed, so removing minimum alone may not significantly reduce parking and development costs.

Multifamily Residential Near Transit Stations, 2021

Legend

- Multi-Family Parcels within a Half-Mile of Transit Stations
- Half-Mile Buffer from Transit Stations
- Pittsburgh Neighborhoods
- Major Rivers

Fixed Guideway Network
- Blue Line Library
- Blue Line South Hills Village
- East Busway
- Red Line
- West Busway
- BRT Route

Source: American Community Survey, City of Pittsburgh, Port Authority of Allegheny County, Transfers Magazine

RECOMMENDED STRATEGIES

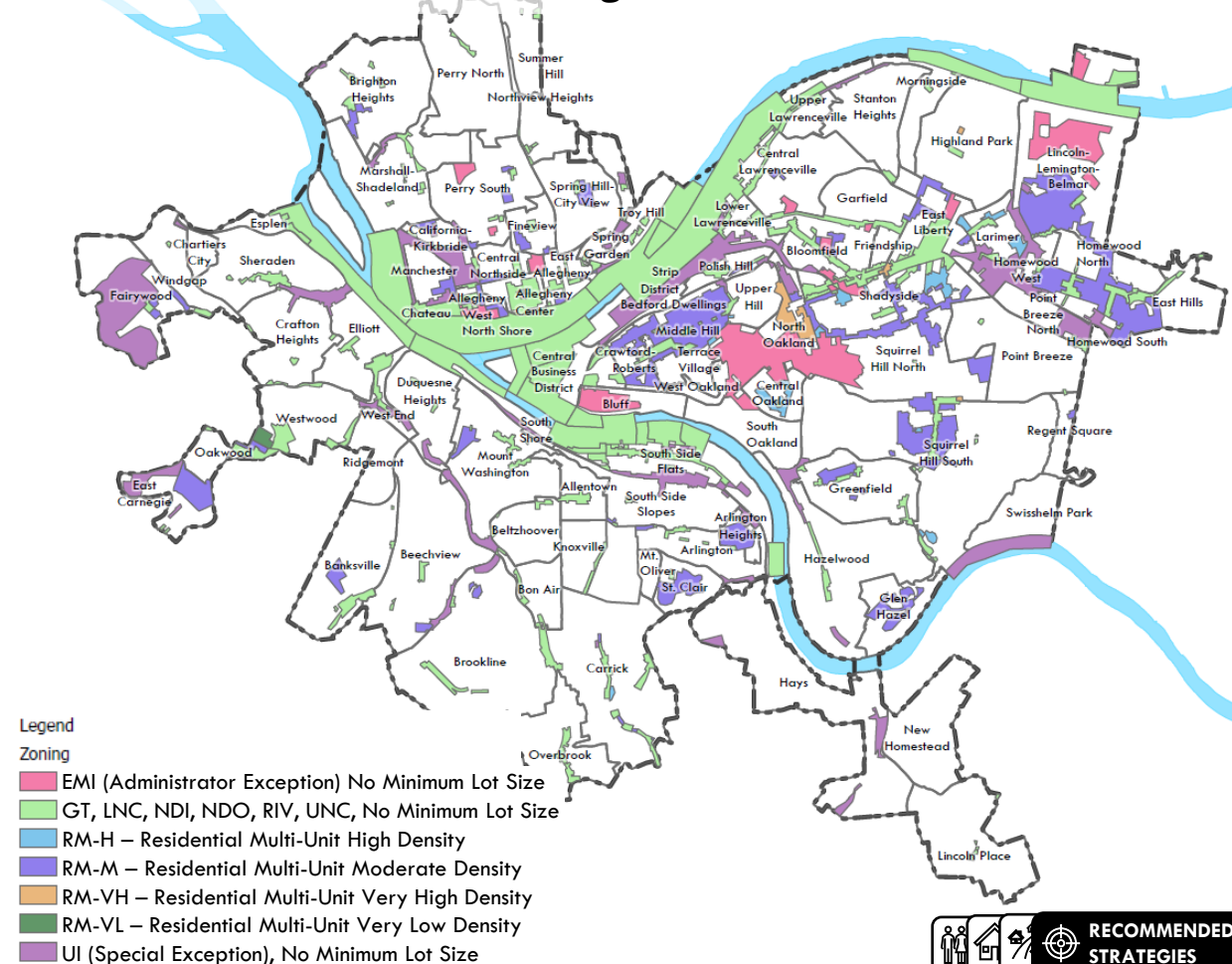The Residential Multi-Unit zoning districts have a minimum lot size per dwelling unit, which in many cases, severely restricts the ability to develop parcels.

Minimum lot sizes can be a hindrance to developing residential, particularly multifamily, in many neighborhoods. While there are no minimum lot size requirements for multifamily in the riverfront and mixed-use districts, there is a minimum lot size per unit for the following residential districts:

- RM-VH Residential Multi-Unit, Very High Density: 400 SF/unit; 81% of existing parcels are too small to accommodate four units
- RM-H Residential Multi-Unit, High Density: 750 SF/unit; 72% of existing parcels are too small to accommodate four units
- RM-M Residential Multi-Unit, Moderate Density: 1,800 SF/unit; 89% of existing parcels are too small to accommodate four units
- RM-VL Residential Multi-Unit, Very Low Density: 8,000 SF/unit; 11% of existing parcels are too small to accommodate four units (note: there is only one small district, comprised of nine parcels, in Westwood)

Source: City of Pittsburgh, Port Authority of Allegheny County

Multi-Unit Residential Zoning Districts, 2021

Legend

Zoning

- EMI (Administrator Exception) No Minimum Lot Size
- GT, LNC, NDI, NDO, RIV, UNC, No Minimum Lot Size
- RM-H – Residential Multi-Unit High Density
- RM-M – Residential Multi-Unit Moderate Density
- RM-VH – Residential Multi-Unit Very High Density
- RM-VL – Residential Multi-Unit Very Low Density
- UI (Special Exception), No Minimum Lot Size

RECOMMENDED STRATEGIES

② Minimum Lot Sizes for Single Family Residential

Similarly, single-family residential zoning districts also have a minimum lot size per dwelling unit, which in many cases, severely restricts infill development opportunities.

Similar to multifamily development, minimum lot sizes can be a hindrance to infill development in single-family residential neighborhoods. The table below shows the required minimum lot size for single family homes in residential districts. As shown, the required minimum lot sizes are often times smaller than the majority of existing parcels within each district. This can be cumbersome for homeowners and developers as variances would be required for infill development.

Residential Zones R1D, R1A, R2, & R3	Minimum Lot Size Required	Total Parcels Below Minimum	Percentage of Parcels Below Minimum
Very Low Density	8,000 sf	10 of 15	67%
Low Density	3,000 sf	68/216	31%
Moderate Density	3,200 sf	958/1499	64%
High Density	1,800 sf	595/944	62%
Very-High Density	1,200 sf	885/1069	80%

Source: City of Pittsburgh, Port Authority of Allegheny County

Share of Parcels Smaller than Required Lot Size, Single Family Residential Districts, 2021
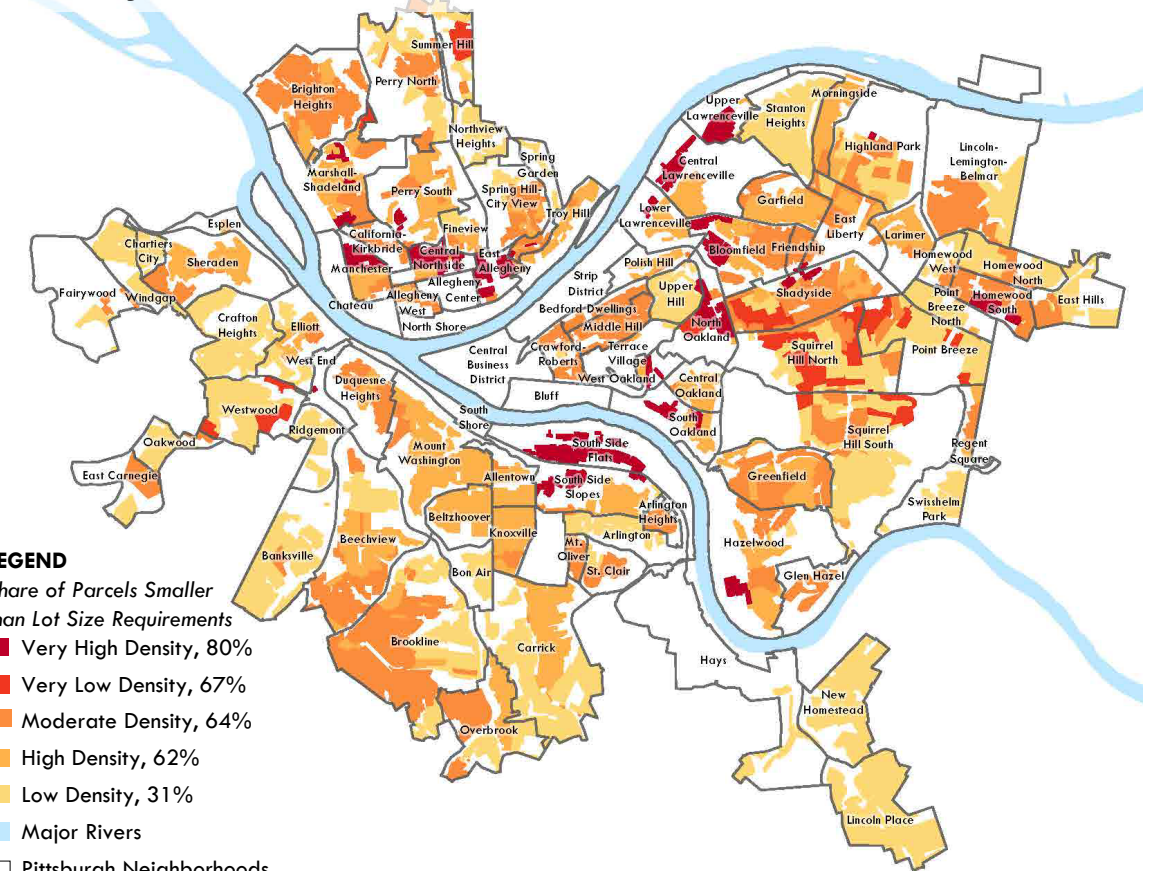
LEGEND
Share of Parcels Smaller than Lot Size Requirements
- Very High Density, 80%
- Very Low Density, 67%
- Moderate Density, 64%
- High Density, 62%
- Low Density, 31%
- Major Rivers
- Pittsburgh Neighborhoods

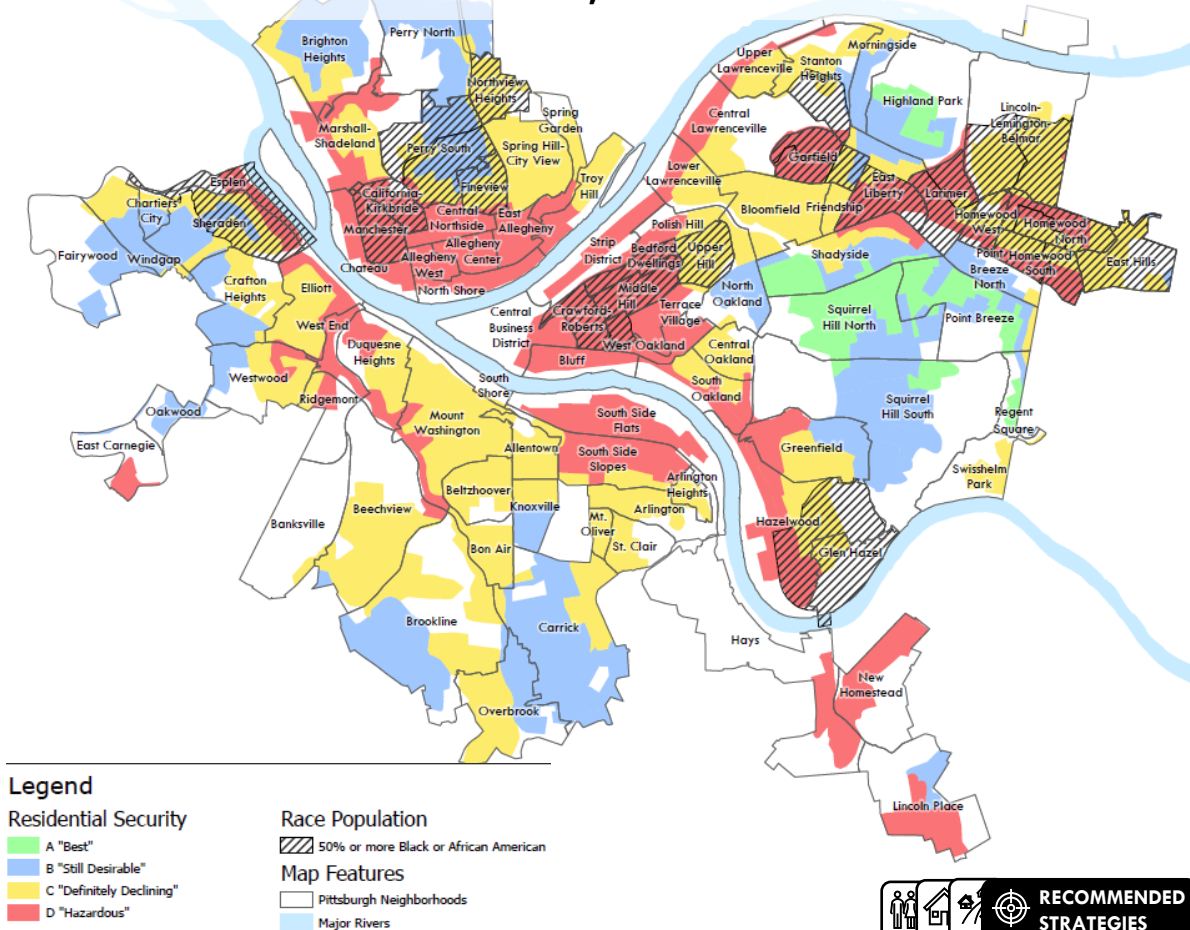RECOMMENDED STRATEGIES

The effects of redlining are still apparent today, with many of the "definitely declining" and "hazardous" neighborhoods from 1937, reflecting today's predominantly Black neighborhoods, where multi-unit residential development is permitted, and areas with concentrations of housing in poor condition.

The practice of redlining, which made it difficult or impossible for people in certain neighborhoods (red/yellow areas on the map) to obtain mortgages and/or sell their homes, continues to heavily influence demographic and housing patterns today. Although the practice of redlining ended in 1968, many of these neighborhoods once designated as "hazardous" are today home to the city's largest concentrations of Black and African American residents and are also the areas where multi-family residential not only exists, but is permitted via the City's zoning ordinance. Additionally, many of these same neighborhoods, such as East Allegheny, Garfield, and Homewood, contain high concentrations of housing in poor condition.

Pittsburgh residents received nearly $12 billion in home loans between 2007 and 2019, but only 6.8% of that went to minority residents and of that, just 3.5% to African-Americans. Shadyside, a predominantly white neighborhood, received more in bank loans ($1 billion) than all of the City's minority neighborhoods combined. In addition, more than 500 banks (out of the 906 analyzed) made zero loans to African-Americans. The two City districts (6 and 9) which encompass 17 minority neighborhoods combined, accounted for less than 6,000 loans (8% of total).

Formerly-Redlined Neighborhoods with 50% or more Black or African American Residents, 2021

Legend

Residential Security
- A "Best"
- B "Still Desirable"
- C "Definitely Declining"
- D "Hazardous"

Race Population
- ▨ 50% or more Black or African American

Map Features
- ☐ Pittsburgh Neighborhoods
- Major Rivers

Source: PGH Lending Database, Western Pennsylvania Regional Data Center, US Census Bureau

RECOMMENDED STRATEGIES
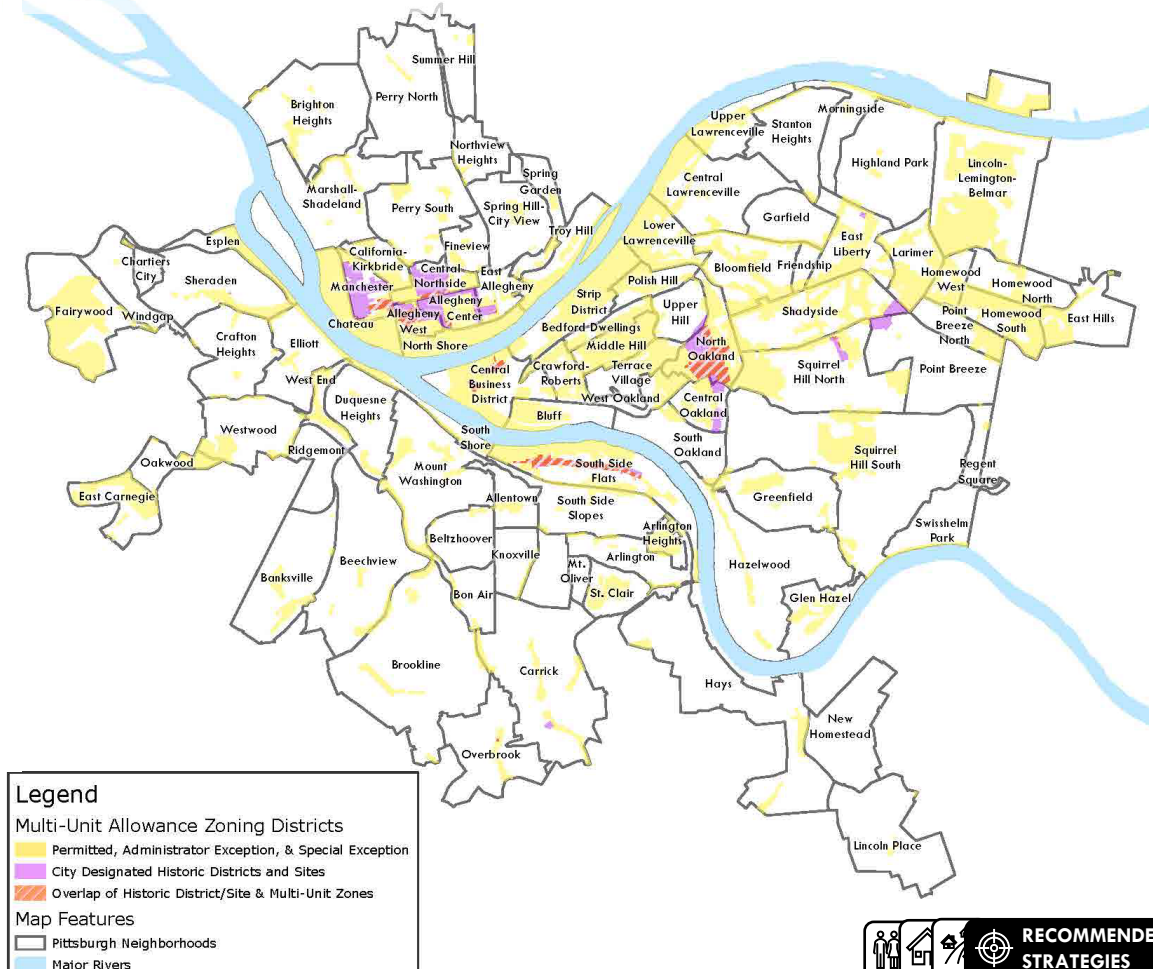
Historic preservation guidelines are often misunderstood by local residents, property owners, and developers, which can complicate redevelopment and introduce new costs.

The City of Pittsburgh is home to 15 historic districts. These districts are set up to preserve, rehabilitate, and continue to use historic buildings. In areas with a historic designation, the Historic Review Commission oversees any potential demolition, addition to, or alteration of the exterior of structures. Applicants may prove substantial economic hardship, which if granted, authorizes the Director of DCP to provide incentives such as property tax relief, loans or grants, acquisition, building and safety code modifications, and/or changes in applicable zoning regulations.

Not permitting the redevelopment of historic buildings into adaptive reuse, particularly multi-unit residential, can be restrictive on property owners and the continued economic viability of these structures. The renovation of historic buildings into multi-unit residential buildings is only permitted in the historic districts within the Central Business District, Southside Flats, and portions of North Oakland, Manchester, and Allegheny West. Multi-unit residential is extremely limited in the historic districts in the Central Northside and Allegheny Center, while not at all permitted in those in Central Oakland, Squirrel Hill North, Shadyside, Point Breeze, East Liberty, or Carrick.

Historic Districts & Multi-Unit Residential Zones, 2021

Legend

Multi-Unit Allowance Zoning Districts
- Permitted, Administrator Exception, & Special Exception
- City Designated Historic Districts and Sites
- Overlap of Historic District/Site & Multi-Unit Zones
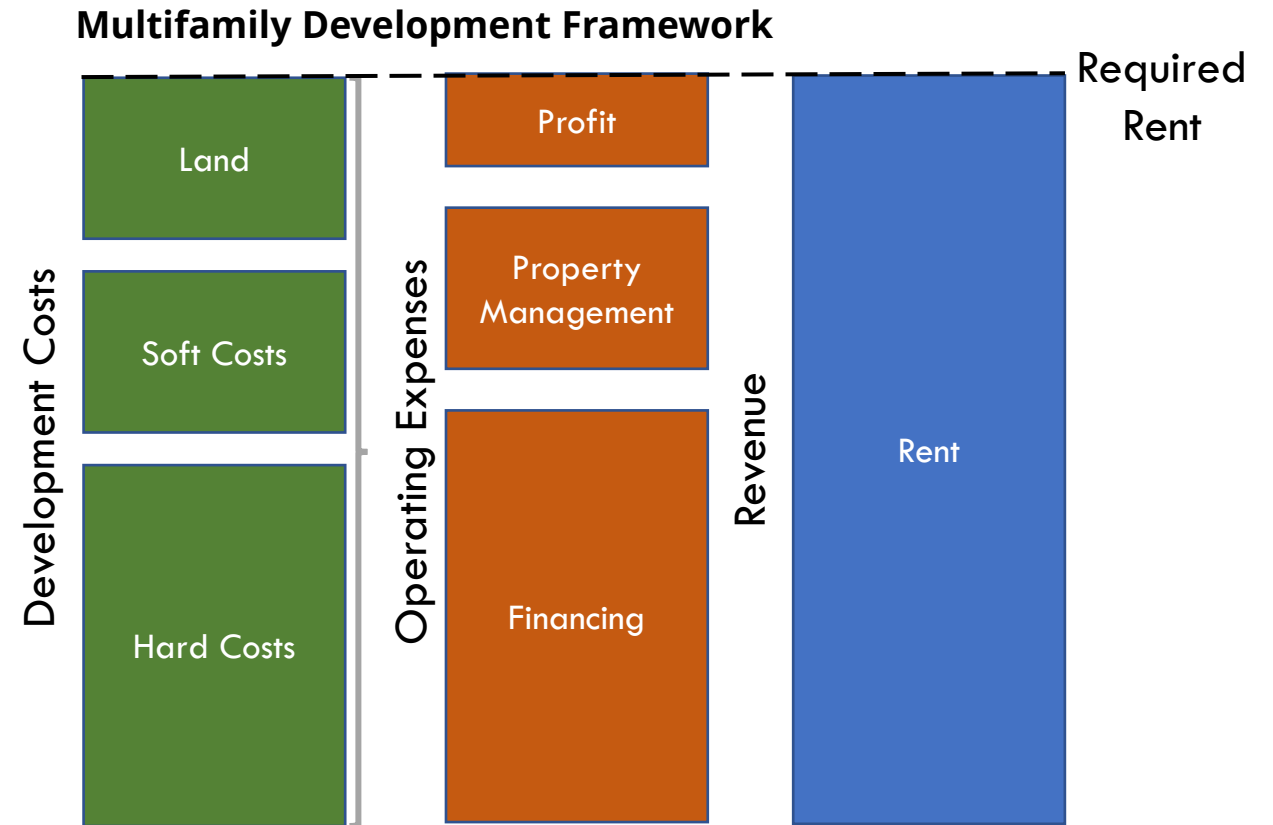
Map Features
- Pittsburgh Neighborhoods
- Major Rivers

Source: City of Pittsburgh Cultural Heritage Plan

RECOMMENDED STRATEGIES

The costs associated with developing and operating newly constructed rental housing necessitate rents at these properties that often are only affordable to higher-income households.

The rental rates newly constructed multifamily communities charge are directly related to development costs and operating expenses. Development costs consist of the costs of acquiring land, costs associated with construction materials and labor (hard costs), and costs associated with design, permitting, and planning (soft costs). Operating costs consist of financing costs, usually the debt service payments used to pay off loans taken out to finance construction and/or permanent operations, project management including maintenance and repairs, and profit for the developers and other investors, typically around 15% to compensate for time, effort, and expertise. These costs help to dictate the required revenue, generated by rental income, needed to cover all costs.

Real estate economics necessitate that rents charged by constructed, market-rate properties that are affordable only to high-income households. For example, Glasshouse is a 319 units multifamily property built in 2019 in South Shore. Currently, rents for a two-bedroom apartment are around $3,000 per month, which are affordable to households earning $125,000 per year, assuming the household spends no more than 30% of income on rent.

Multifamily Development Framework

Development Costs: Land, Soft Costs, Hard Costs

Operating Expenses: Profit, Property Management, Financing

Revenue: Rent

Required Rent

Note: Analysis for Glasshouse assumes household spends $150 per month, or 5% of rent, on utilities in addition to rent
Source: CoStar, HR&A Advisors

RECOMMENDED STRATEGIES

Strategies | Challenges

The City of Pittsburgh must address the following challenges to attain a healthier housing market that provides affordable housing opportunities for a variety of lifestyles, incomes, and tenure.

Adapting to Accommodate Growth

Since 2016, **Pittsburgh's reversal of a decades-long decline in total households** indicates a change in the nature of the housing market. Along with an increase in the number of households, **incomes have grown, outpacing rent increases for many Pittsburgh households.** Driving this rise in households and incomes is the growth of the region and the **7,000 additional jobs in the city.**

Pittsburgh's status as an attractive destination for young, educated renters has **fueled the rise in multifamily rental construction and created new competition for housing.** That construction has been concentrated in a small number of neighborhoods. To accommodate growth over the next decade, **Pittsburgh needs a more diverse range of housing options built across a broader range of neighborhoods to accommodate growth and reduce competition for housing.**

Fostering Neighborhood Reinvestment

The poor conditions of Pittsburgh's existing housing is not meeting residents' needs. The housing stock that has suffered from **decades of underinvestment and neighborhoods filled with blighted housing are driving residents out of their homes and the city in search of safe, habitable housing.**

While the number of vacant properties is falling citywide for the first time since 1980, **almost half** of Pittsburgh neighborhoods still have **10% or more of their housing stock vacant.**

Investments to improve housing quality have largely been limited to multifamily housing in a select few neighborhoods and a modest number of 'flips' of single-family homes. **Pittsburgh needs to expand investment in existing homes while maintaining affordability.**

Supporting Homeownership

Pittsburgh's massive decline in homeownership, triggered by the Great Recession, has **stabilized since 2015 but not improved to pre-Recession levels.** The dream of homeownership remains elusive for most renters, as they struggle to afford it and compete with investors for the limited supply of move-in ready housing.

Existing owners also continue to struggle to hang on to their homes, particularly Black homeowners. Pittsburgh has **lost over 700 Black homeowning households since 2015,** proportionally greater than the loss in Black renters.

To support homeownership, Pittsburgh will need to stabilize and protect existing owners and expand access to homeownership to a wider number of residents.

Protecting Vulnerable Renters

While conditions for low-income renters have in some instances improved since 2016, households earning less than 30% AMI still face a **supply gap of 8,200 units** and over **70% of these households are cost-burdened.**

Quality affordable housing options **remain uncommon.** Those that are available are heavily concentrated in neighborhoods with major issues. Many **landlords refuse to accept Housing Choice Voucher holders,** a program with a waitlist above 11k.

Pittsburgh will need to preserve existing affordable housing and add to it, as well as protect the rights of tenants to remain in their homes.

RECOMMENDED STRATEGIES

Strategies | Tools

Any effective housing strategy requires a comprehensive approach that incorporates Land Use, Subsidy, and Tenants' Rights.

Land Use

Land use policies shape where housing is located, what housing looks like, and how much housing is built.

Benefits
- Increase access to opportunity
- Redress racial segregation
- Increase housing supply to limit market pressure
- Support affordability without additional demands on local funding

Limitations
- Will not decrease rent
- May create unintended development pressure
- Will not meet the needs of low-income households
- Can face political and public approval barriers

Subsidy

Public subsidy is necessary to make the development and preservation of homes affordable to lower-income households feasible.

Benefits
- Create tangible and direct impact
- Serve the lowest-income households
- Maximize the benefits of local public funding for the community

Limitations
- Require increases in taxes or other funding to pay
- Require an approach and practice of efficient and accountable deployment

Tenants' Rights

Tenants' rights tools help low-income renters hold power over their housing and counter predatory and unjust practices primarily through legal action.

Benefits
- Cushion market pressures on existing tenants to increase housing stability
- Form an equitable and balanced relationship between landlords and tenants

Limitations
- Will not create new affordable homes
- Often requires action at the state level

RECOMMENDED STRATEGIES

OVERVIEW

Pittsburgh has experienced significant housing growth over the past ten years and will continue growing into the future. This growth has primarily been concentrated in just a few neighborhoods, where zoning and market conditions support new development. Based on estimates of future population growth and existing preferences, Pittsburgh will need to add nearly 9,000 housing units over the next decade to absorb anticipated growth. Several City neighborhoods have prepared Neighborhood Plans that include recommendations to address housing, including affordable housing. The City should partner with existing community organizations to review the current zoning code and determine best practices to include in updates to implement the neighborhood plans.

Pittsburgh needs a more diverse range of housing options built across a broader range of neighborhoods to accommodate growth and reduce competition for housing. Land use tools, as part of a comprehensive strategy to accommodate growth, will expand new development beyond the few neighborhoods where it is currently concentrated.

TOOLS

Land Use

Multifamily By-Right: Change zoning and development processes to increase the production of multifamily housing and expand feasible by-right development, allowing for additional multifamily development to be developed in larger sections of the city.

- Reduce the required lot size per dwelling unit in certain areas to encourage medium to high density residential development.

- Expand multifamily residential zoning districts within close proximity of transit stations along the light rail system and busways.

- Reduce or eliminate off-street parking requirements for multifamily developments that are in walkable neighborhoods and within a half-mile of transit stations.

"Soft Density" and Infill By-Right: Change the City's zoning to allow "soft density" of 2–4-unit developments that fit neighborhood scale while limiting displacement of low-income communities. This type of development is prevalent in Pittsburgh today and will significantly increase the supply and diversity of housing. Allow for development by modifying (reducing) minimum lot size, set back requirements, and parking requirements.

Accessory Dwelling Units (ADUs): Increase the flexibility to permit Accessory Dwelling Unit (ADU) development and provide public funding to support affordability. This coupled with "Soft Density" By-Right will increase the number of residential units in traditionally lower density neighborhoods. The City adopted the Accessory Dwelling Unit Overlay District, which took effect on 9-10-18 and was in effect for two-years. The ADU Overlay District allowed for one ADU per lot, not to exceed two stories (30') in height, no minimum lot size and are exempt from on-site parking requirements. The City should review the effectiveness of this District by assessing the number of permits given and talking to the landowners to determine what hardships, if any, the regulations caused.

RECOMMENDED STRATEGIES

OVERVIEW

Pittsburgh's existing, historic housing stock is a major resource that few peer cities have access to. If preserved and reinvested into, this resource can serve as both an affordability and an inclusive growth tool. Pittsburgh's declining vacancies and increasing residential prices present an opportunity for the city to foster major public and private reinvestment in a housing stock that was largely neglected for decades.

Pittsburgh needs to expand investment in existing homes while maintaining affordability. Expanding "Soft-Density" By-Right and Infill By-Right would allow for investment in additional housing units, many of which are likely to be more affordable than traditional single-family homes. Additional sources of funding would enhance existing Owner-Occupied Rehab and Heir Title Assistance programs, helping existing homeowners and inheritors keep their properties while also decreasing blight and vacant properties.

TOOLS

Land Use

"Soft Density" and Infill By-Right: Change the City's zoning to allow "soft density" of 2–4-unit developments that fit neighborhood scale while limiting displacement of low-income communities. This type of development is prevalent in Pittsburgh today and will significantly increase the supply and diversity of housing. Allow for development by modifying (reducing) minimum lot size, set back requirements, and parking requirements.

Subsidy

Owner-Occupied Rehab: Historic redlining combined with current lending restrictions create a significant barrier to existing homeowners to reinvest and maintain their homes. Support existing homeowners by assisting income-qualified owners in making necessary home repairs. Such programs should also help fund repairs needed to allow seniors to stay in their homes and to address energy inefficiencies and health hazards such as lead remediation.

Heir Title Assistance: Pittsburgh has a number of older, legacy homeowners who may not have the means to navigate the legal system to pass home titles to descendants. As such, creating programs to assist the passing of titles from older, existing homeowners to heirs and addressing "tangled titles" will promote intergenerational wealth transfer.

RECOMMENDED STRATEGIES

OVERVIEW

Pittsburgh needs to expand investment in existing homes while maintaining affordability. Rehabilitation Programs provide subsidy to invest in renovations of existing housing stock in poor conditions into move-in-ready homes. Down Payment Assistance would help create or expand markets for acquisition, renovation, and sale in neighborhoods, while also ensuring these homes end up in the hands of homeowners and not landlords. Expanding the number and scale of Community Land Trusts would allow the organizations to promote the development and sale of homes at attainable prices in more neighborhoods. While a Land Bank was established in the City in 2014, it has yet to effectively manage the resale and redevelopment of underutilized property in the city. Increasing resources to the Land Bank will allow the entity to start to acquire and dispose of vacant and underutilized properties, at scale, for redevelopment. A Landlord Registry would allow the city to monitor landlords and keep track of investor purchases and the condition of these properties.

TOOLS

Subsidy

Rehabilitation Program: Pittsburgh is competing with the surrounding area for new homeowners and needs quality housing stock to attract and retain these households. Reinvestment in and rehabilitation of existing home creates move-in-ready housing that homeowners are looking for, increasing the number of households able to buy in the city.

Down Payment Assistance: Encourage homeownership and reinvestment in existing housing stock by providing redeemable credits to future homeowners that guarantee a reserved down payment for buyers. Many Pittsburgh residents struggle to access mortgage financing due to structural inequalities and these kinds of programs will help to address these issues.

Community Land Trusts: Pittsburgh already has a number of established Community Land Trusts, such as the City of Bridges and Oakland Land Trust that help to support the development of homes at prices attainable to low- and moderate-income buyers. Support the scaling and expansion of CLTs.

Land Bank: Pittsburgh already has a Land Bank that was created in 2014 and is responsible for acquiring, managing, and reselling blighted and/or abandoned property for redevelopment. Support increased funding and capacity for the Land Bank so it can fully fulfill its mission.

Tenants' Rights

Landlord Registry: Push to implement the recently approved landlord registry. Investors are responsible for a huge portion of recent home purchases. Requiring all landlords to register and pay a fee for rental units allows the city the ability to understand the rental housing environment. This will identify major landlords and hold them responsible for maintaining properties.

RECOMMENDED STRATEGIES

OVERVIEW

Homeownership is the number one path to wealth building. This issue has significant equity implications as Pittsburgh loses legacy black homeowners to new, mostly white homeowners. Supporting homeownership has two prongs: supporting existing homeowners and increasing access to homeownership for all households.

Pittsburgh will need to stabilize and protect existing owners and expand access to homeownership. This strategy would include advancing greater funding for entry-level housing affordable to first-time buyers earning up to 80% AMI through additional down payment assistance and gap funding opportunities. Additional funding for rehabilitation programs would allow for potential owners to purchase and renovate existing homes in Pittsburgh instead of moving elsewhere in the region. It also offers greater legal assistance to ensure heirs are able to inherit properties and emphasizes more tax support through a potential property tax abatement program.

TOOLS

Subsidy

Owner-Occupied Rehab: Support existing homeowners by assisting income-qualified owners in making necessary home repairs. Such programs should also help fund repairs needed to allow seniors to stay in their homes and to address energy inefficiencies and health-hazards such as lead remediation.

Rehabilitation Program: Pittsburgh is competing with the surrounding area for new homeowners and needs quality housing stock to attract and retain these households. Reinvestment in and rehabilitation of existing home creates move-in-ready housing that homeowners are looking for, increasing the number of households able to buy in the city.

Down Payment Assistance: Encourage homeownership investment into existing housing stock by providing redeemable credits to future homeowners that guarantee a reserved down payment for buyers. Many Pittsburgh residents struggle to access mortgage financing due to structural inequalities and these kinds of programs will help to address these issues.

Heir Title Assistance: Pittsburgh has a number of older, legacy homeowners who may not have the means to navigate the legal system to pass home titles to descendants. As such, creating programs to assist the passing of titles from older, existing homeowners to heirs and addressing "tangled titles" will promote intergenerational wealth transfer.

Community Land Trusts: Pittsburgh already has a number of established Community Land Trusts, such as the City of Bridges and Oakland Land Trust that help to support the development of homes at prices attainable to low- and moderate-income buyers. Support the scaling and expansion of CLTs.

Property Tax Abatement
Expand the existing homestead exemption or introduce a new, temporary property tax abatement for homeowners, to help alleviate financial pressure of owning homes in rapidly gentrifying areas. This will require working with the County to opt into existing state-wide program.

RECOMMENDED STRATEGIES

OVERVIEW

Pittsburgh has made tremendous progress in offering security to renters since the last Housing Needs Assessment (2016) through the authorization of the $10M annual Housing Opportunity Fund and introduction of Inclusionary Zoning in the Lawrenceville neighborhood.

Pittsburgh will need to preserve existing affordable housing and add to it, as well as protect the rights of tenants to remain in their homes. The Protecting Existing Renters strategy pushes these efforts further, expanding IZ to more neighborhoods, introducing Displacement Review as part of any changes to zoning, directing greater subsidy for acquisition of existing housing currently affordable below market, increasing the number of rental properties accepting vouchers, and implementing serious Tenants' rights reform through Right to Counsel, Tenant Opportunity to Purchase, and Landlord Registries.

TOOLS

Land Use

Inclusionary Zoning: Expand mandatory inclusionary zoning policy to new neighborhoods to increase the production of affordable homes as part of new development, with respect to market pressures.

Anti-Displacement Review: Create a process to review past building permits to understand displacement effects of redevelopment, and set up processes to analyze possible displacement effects from future zoning changes.

Subsidy

Gap Funding for Multifamily: Revise existing program to encourage acquisition and renovation of existing housing priced to serve a range of mixed-incomes.

Small Landlord Program: Expand program to provide assistance to small landlords across a variety of avenues – including repair programs and housing choice vouchers.

Tenants' Rights

Right to Counsel: Continue pursuing dedicated funding for the provision of legal services for tenants facing eviction and establish a citywide right to counsel in eviction cases.

Tenant Opportunity to Purchase: Allow tenants the opportunity to purchase a property and preserve its affordability at the time when an owner intends to sell.

Landlord Registry: Require all landlords to register and pay a fee for rental units – this allows the city the ability to understand the rental housing environment and who the major landlords are.

RECOMMENDED
STRATEGIES

Strategies | Implementation

Strategies for addressing Land Use will mostly require actions on the part of the City and various community development/advocacy organizations.

	Challenges Addressed	Time to Implement	Partners
Land Use			
Multifamily By-Right • Reduce the required lot size per dwelling unit in certain areas to encourage medium to high density residential development. • Expand multifamily residential zoning districts within close proximity of transit stations along the light rail system and busways. • Reduce off-street parking requirements for multifamily developments that are in walkable neighborhoods and within a half-mile of transit stations.	Adapting to Accommodate Growth; Fostering Neighborhood Reinvestment; Protecting Existing Renters	1 Yr. – 2 Yr.	City of Pittsburgh; Community Organizations
"Soft Density" and Infill By-Right: Permit by-right duplexes for all residential zoning categories in the city. Ease or remove minimum lot, parking, and setback requirements for infill development.	Adapting to Accommodate Growth; Fostering Neighborhood Reinvestment	1 Yr. – 2 Yr.	City of Pittsburgh; Community Organizations
Accessory Dwelling Units: The City should review the effectiveness of the previously established ADU Overlay District by assessing the number of permits given and talking to the landowners to determine what hardships, if any, the regulations caused.	Adapting to Accommodate Growth	6 Mo. - 1 Yr.	City of Pittsburgh; Community Organizations
Inclusionary Zoning: Expand mandatory inclusionary zoning policy to new neighborhoods or city wide.	Protecting Existing Renters	6 Mo. – 1 Yr.+	City of Pittsburgh
Anti-Displacement Review: Create a process to review future zoning changes to understand displacement effects of redevelopment.	Protecting Existing Renters	6 Mo. – 1 Yr.+	City of Pittsburgh

RECOMMENDED STRATEGIES

Strategies | Implementation

Strategies for addressing Subsidy will require action from a large variety of public and community-oriented organizations to secure and deploy needed funding.

	Challenges Addressed	Time to Implement	Partners
Subsidy			
Owner-Occupied Rehab: Increase funding available for the existing Homeowner Assistance Program.	Fostering Neighborhood Reinvestment; Supporting Homeownership	1 Yr. – 2 Yr.	URA
Rehabilitation Program: Increase funding available for the existing OwnPGH for-sale housing development program. Consider programs that allow seniors to make renovations needed to age in place.	Fostering Neighborhood Reinvestment; Supporting Homeownership	1 Yr. – 2 Yr.	URA; PHDC; Community Organizations
Down Payment Assistance: Expand funding available for the existing Down Payment and Closing Cost Assistance Program and consider reconfiguring the program to support deeper subsidy and greater rehabilitation.	Fostering Neighborhood Reinvestment; Supporting Homeownership	1 Yr. – 2 Yr.	URA
Heir Title Assistance: Increase funding available to the existing Legal Assistance Program and consider expanding the program to intervene in "tangled title" situations.	Fostering Neighborhood Reinvestment; Supporting Homeownership	1 Yr. – 2 Yr.	HHS, PHDC, RentHelpPGH, Community Justice Project

RECOMMENDED STRATEGIES

Strategies | Implementation

Strategies for addressing Subsidy will require action from a large variety of public and community-oriented organizations to secure and deploy needed funding.

	Challenges Addressed	Time to Implement	Partners
Subsidy			
Land Bank: Continue providing support in terms of funding and capacity to the Land Bank so it can start to acquire, manage, and resell blighted and underutilized properties for redevelopment.	Fostering Neighborhood Reinvestment	1 Yr. – 2 Yr.	URA; Pittsburgh Land Bank
Community Land Trusts: Establish Community Land Trusts in additional neighborhoods experiencing rapid housing price growth.	Fostering Neighborhood Reinvestment; Supporting Homeownership	1 Yr. – 2 Yr.	City of Pittsburgh; CDCs
Property Tax Abatement: Consider increasing amount of property tax exemption and expanding the program by working with the County to opt into existing State program.	Supporting Homeownership	1 Yr. – 2 Yr.	City of Pittsburgh, Allegheny County
Gap Funding for Multifamily: Increase funding available for newly created "Operation Keep My Neighbor" Preservation Fund.	Protect Existing Renters	1 Yr. – 2 Yr.	URA; Invest PGH; CDCs
Small Landlord Program: Increase funding available for existing Small Landlord Fund.	Protect Existing Renters	1 Yr. – 2 Yr.	URA, Property Owners

RECOMMENDED STRATEGIES

Strategies | Implementation

Strategies for addressing Tenants' Rights will require action from the City with support from numerous community and advocacy organizations.

	Challenges Addressed	Time to Implement	Partners
Tenants' Rights			
Right to Counsel: Dedicate funding for the provision of legal services for tenants facing eviction and establish a citywide right to counsel in eviction cases.	Protect Existing Renters	1 Yr. – 2 Yr.	City of Pittsburgh
Tenant Opportunity to Purchase: Allow tenants the opportunity to purchase a property and preserve its affordability at the time when an owner intends to sell.	Protect Existing Renters	1 Yr. – 2 Yr.	City of Pittsburgh
Landlord Registry: Despite legal setbacks, continue pursuing a Landlord Registry working with local property owners and advocacy groups to advocate for a strong and workable program.	Fostering Neighborhood Reinvestment; Protect Existing Renters	<6 Mo.	City of Pittsburgh; Advocacy Organizations such as PURR and Pittsburgh United

RECOMMENDED STRATEGIES

Executive Summary

Demographics and Employment

Housing Stock

Housing Needs

CHAPTERS

- Demographics
- Employment

Demographics | Key Findings

(1) **Households**
While Pittsburgh's population is declining, there has been accelerating household growth in recent years, with an **additional 5,256 households between 2016 and 2019.** Since 2016, Pittsburgh's household growth has been at a slightly higher pace than the region.

(2) **Tenure**
Since 2011, there has been net growth in renter households and net decline in owner households, **with 165% of net household growth consisting of renter households.**

(3) **Age**
The City is gaining a significant number of **young renters in the 24 to 35 age group** and a significant number of older **homeowners in the 65 or older age group**.

(4) **Household Income**
Pittsburgh is experiencing a greater rate of growth amongst **households earning between $50,000 and $150,000 or more,** while the City has had net loss in lower income households since 2011.

(5) **Tenure Income Gap**
Owners earn about 2x more than renters. While the median renter income has increased due to gains in upper-income renters, median homeowner income increased due to losses of lower-income owners.
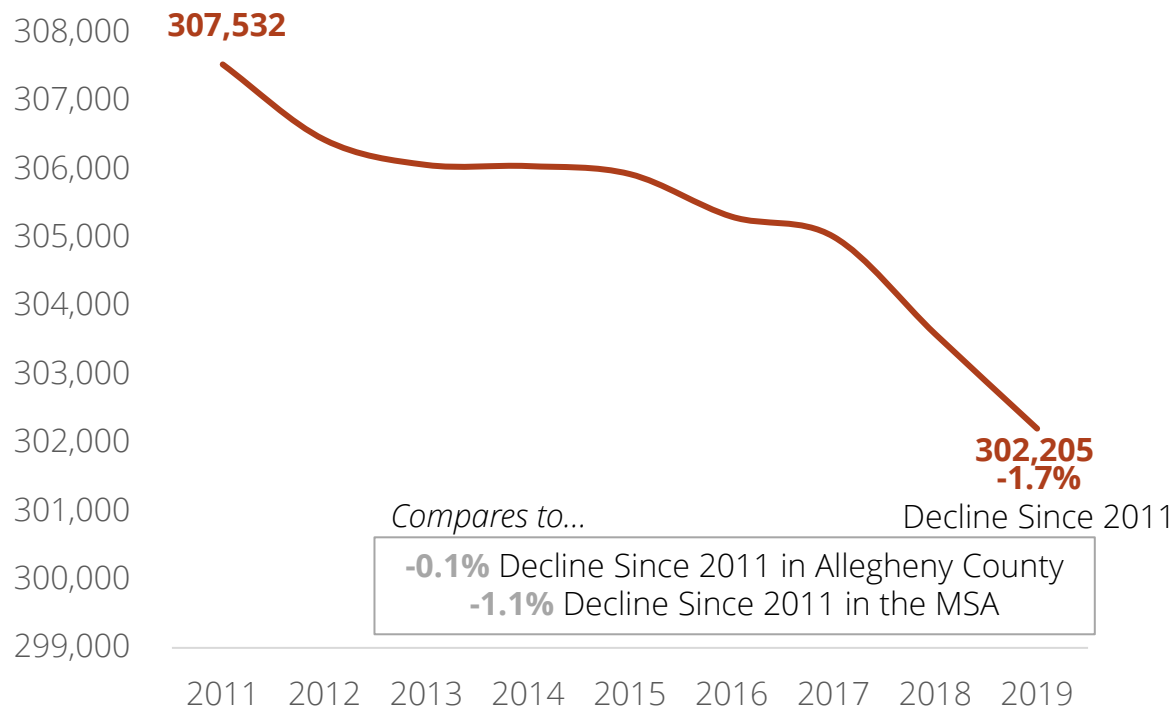
(6) **Equity**
Pittsburgh has been rapidly losing both owner and renter Black households, with a 14% decline in black owner households since 2011 and a 5% decline in renter households.
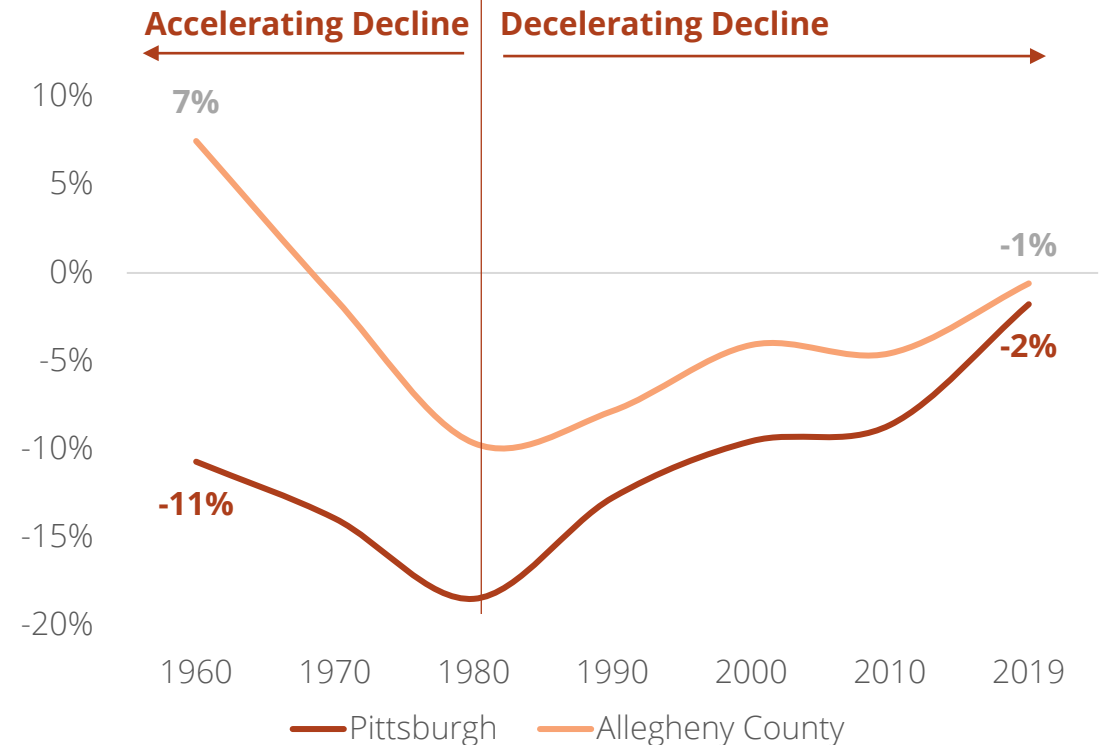
DEMOGRAPHICS

Population decline has largely stabilized in the past decade for both Pittsburgh, Allegheny County, and the metro area.

Population has declined in both the City and the region since 1950, though the City's population is declining at a faster rate – with the 2019 population about 55% less than the peak in 1950. Despite this decline in the region, in more recent years, the rate of decline is decelerating and has begun to stabilize.

Population in Pittsburgh, 2011 - 2019

Population Growth Rate (From Previous Year), 1960 - 2019

307,532

302,205
-1.7%
Decline Since 2011

Compares to…
-0.1% Decline Since 2011 in Allegheny County
-1.1% Decline Since 2011 in the MSA

2011 2012 2013 2014 2015 2016 2017 2018 2019

Accelerating Decline | **Decelerating Decline**

7%

-1%

-2%

-11%

1960 1970 1980 1990 2000 2010 2019

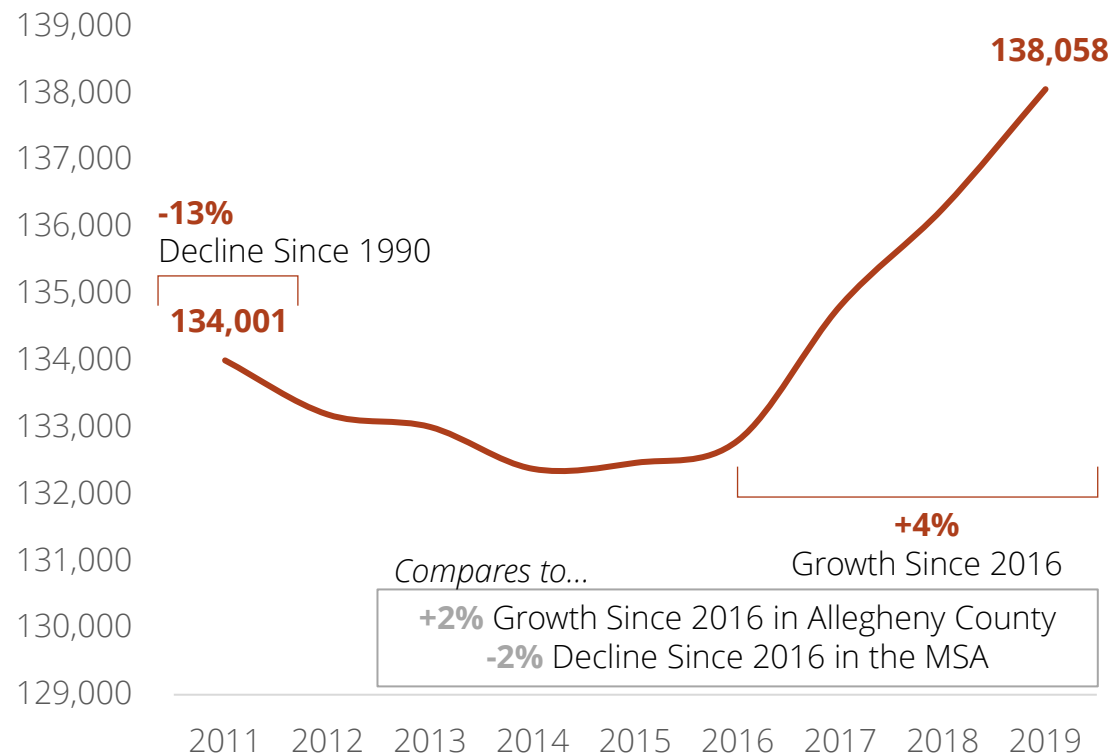—— Pittsburgh —— Allegheny County

*Source: American Community Survey *There is a gap in historical data for the MSA, but the trends follow closely to the County.*
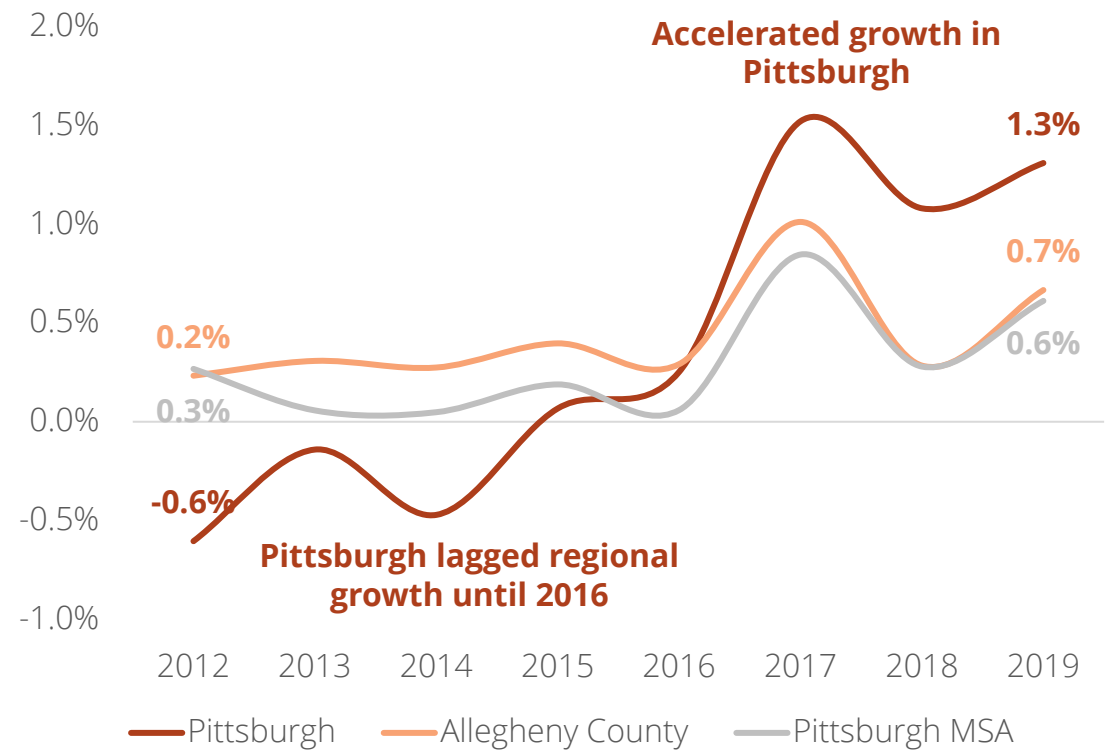
After decades of decline, the number of households in Pittsburgh began to grow for the first time in 2015.

There had been a relatively steep decline in the number of Pittsburgh households since 1990. However, in recent years, Pittsburgh began gaining households again, outpacing regional growth rates.

Households in Pittsburgh, 2011 - 2019

-13%
Decline Since 1990

134,001

138,058

+4%
Growth Since 2016

Compares to...
+2% Growth Since 2016 in Allegheny County
-2% Decline Since 2016 in the MSA

Household Growth Rate (From Previous Year), 2011 - 2019

Accelerated growth in Pittsburgh

1.3%

0.7%

0.6%

0.2%

0.3%

-0.6%

Pittsburgh lagged regional growth until 2016

— Pittsburgh — Allegheny County — Pittsburgh MSA

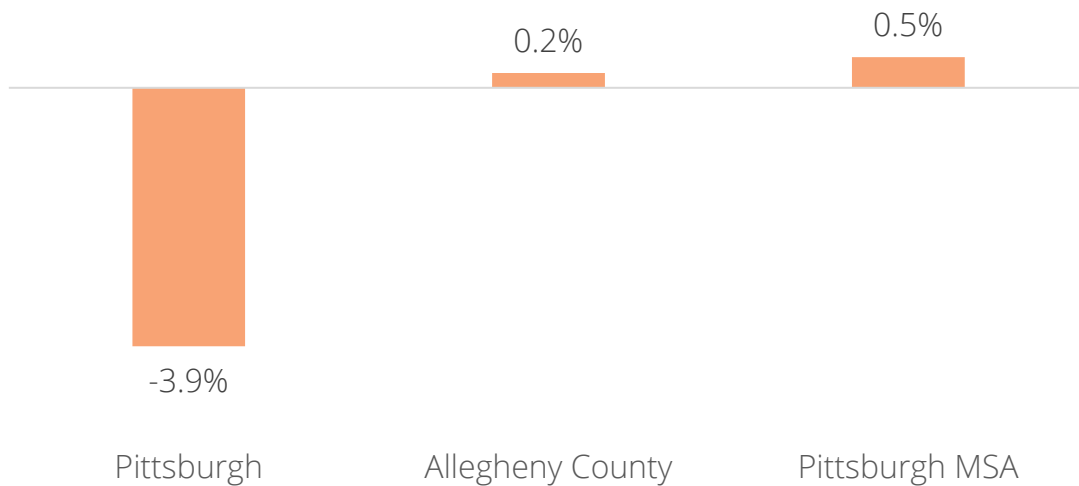DEMOGRAPHICS

While the whole region is gaining renter households, only the City has lost homeowners since 2011.

Pittsburgh has historically been a renter-majority city, however these trends become more pronounced over the last ten years as renters accounted for nearly 165% of net household growth.

Change in Owner Households, 2011 - 2019

	0.2%	0.5%
-3.9%		
Pittsburgh	Allegheny County	Pittsburgh MSA
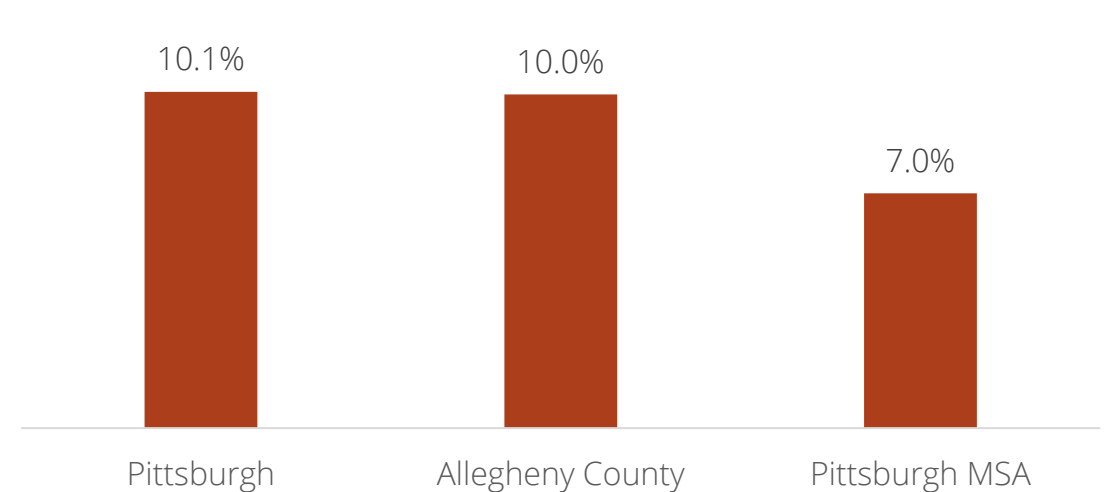
47%
Of Households in Pittsburgh are homeowners, 2019

Change in Renter Households, 2011 - 2019

10.1%	10.0%	7.0%
Pittsburgh	Allegheny County	Pittsburgh MSA

53%
Of Households in Pittsburgh are renters, 2019

Source: American Community Survey
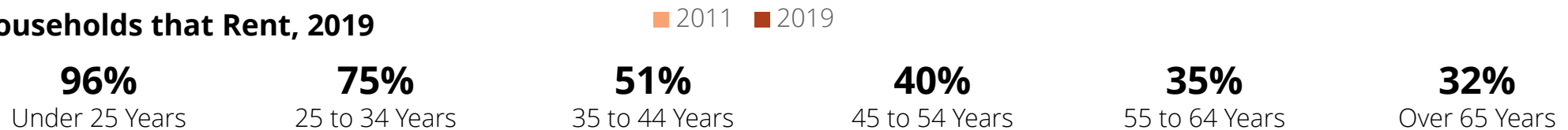
DEMOGRAPHICS

The renter population skews younger and has grown rapidly since 2011.

Between 2011 and 2019, Pittsburgh gained 6,680 renter households. This is due to the significant growth in young householders, aged 25 to 34.

Renter Households by Age of Householder, 2011 - 2019

+6,681 (+10%)
Total Change in Renters

+6,743 — **101%** of Net Change in Renter Households

+141

+812

-2,047

+1,147

-115

| Under 25 Years | 25 to 34 Years | 35 to 44 Years | 45 to 54 Years | 55 to 64 Years | Over 65 Years |

■ 2011 ■ 2019
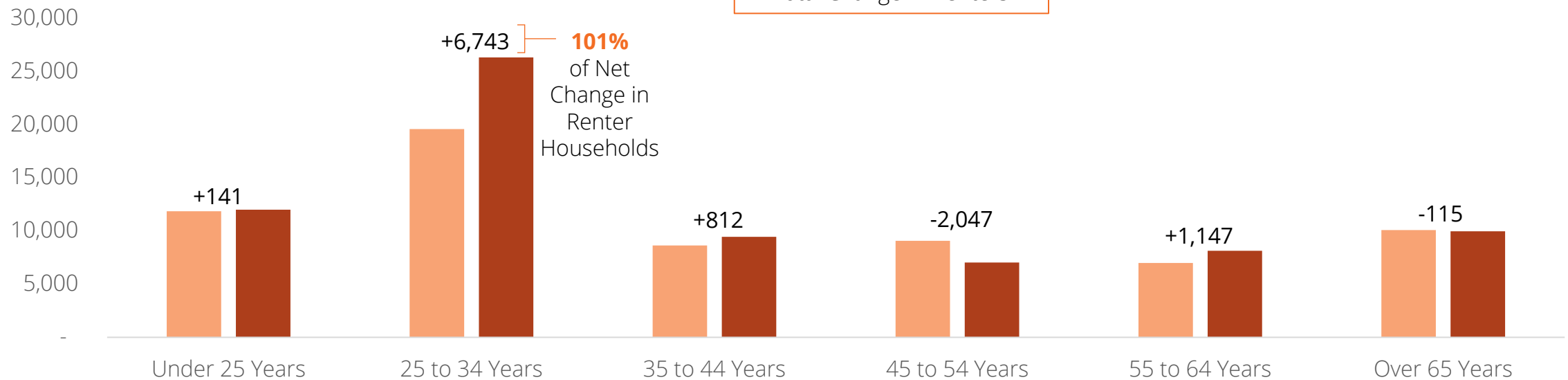
Share of Households that Rent, 2019

| **96%** | **75%** | **51%** | **40%** | **35%** | **32%** |
| Under 25 Years | 25 to 34 Years | 35 to 44 Years | 45 to 54 Years | 55 to 64 Years | Over 65 Years |

Source: American Community Survey

DEMOGRAPHICS

Pittsburgh is losing homeowner households, particularly in the 35 to 54 age group.

Between 2011 and 2019, Pittsburgh lost 2,225 owner households. This loss was concentrated in households with householders aged 35 – 54, while the City gained homeowners in households with householders aged 25 to 34 and 55 or older.
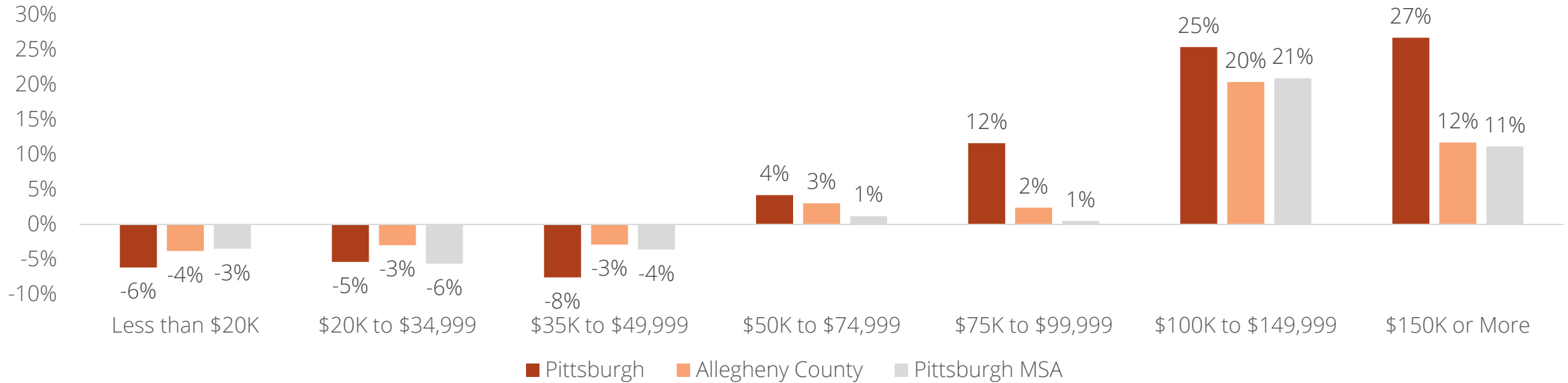
Owner Households by Age of Householder, 2011 - 2019

-2,224 (-4%)
Total Change in Owners

45%
of Net Change in Owner Households

+1,172

32%
of Net Change in Owner Households

+827

-739

-4,421

+577

-40

| | 2011 | 2019 |

| Under 25 Years | 25 to 34 Years | 35 to 44 Years | 45 to 54 Years | 55 to 64 Years | Over 65 Years |

Homeownership Rate, 2019

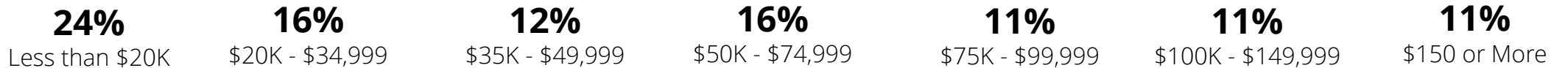| **4%**	**25%**	**49%**	**60%**	**65%**	**68%**
Under 25 Years	25 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	Over 65 Years

Source: American Community Survey

DEMOGRAPHICS

The City is both losing households earning less than $50k and gaining households earning more $150k faster than in the MSA.

Between 2011 and 2019, household growth in Pittsburgh is concentrated in relatively high earners while the City has had a net decline in low-income households. Despite this shift in demographics, a quarter of households still earn less than $20,000 annually.

Change in Households by Income, 2011 - 2019

■ Pittsburgh   ■ Allegheny County   ■ Pittsburgh MSA

Share of Households by Income, Pittsburgh, 2019

| 24%	16%	12%	16%	11%	11%	11%
Less than $20K	$20K - $34,999	$35K - $49,999	$50K - $74,999	$75K - $99,999	$100K - $149,999	$150 or More

Source: American Community Survey

DEMOGRAPHICS

Pittsburgh is rapidly gaining higher-income renters while losing both low-income renters and owners.

Since 2011, the shift to more renter households has been concentrated in high-income households. The City has had a net loss in owner households.

Change in Owners by Income in Pittsburgh, 2011 - 2019
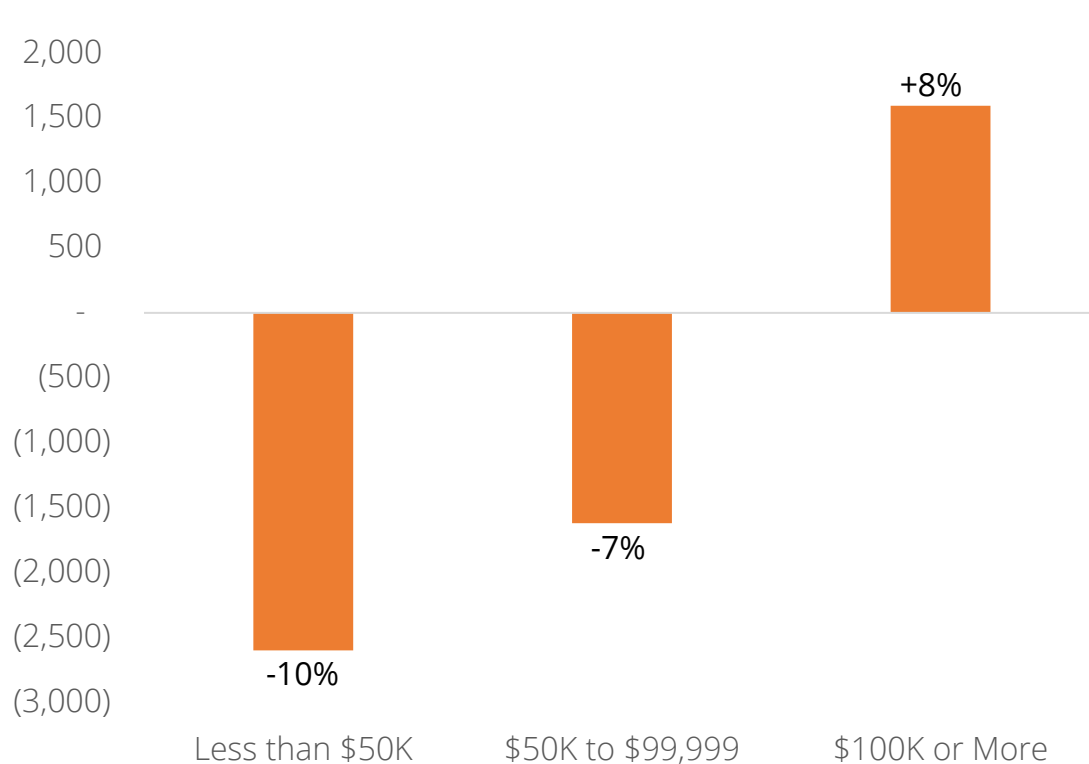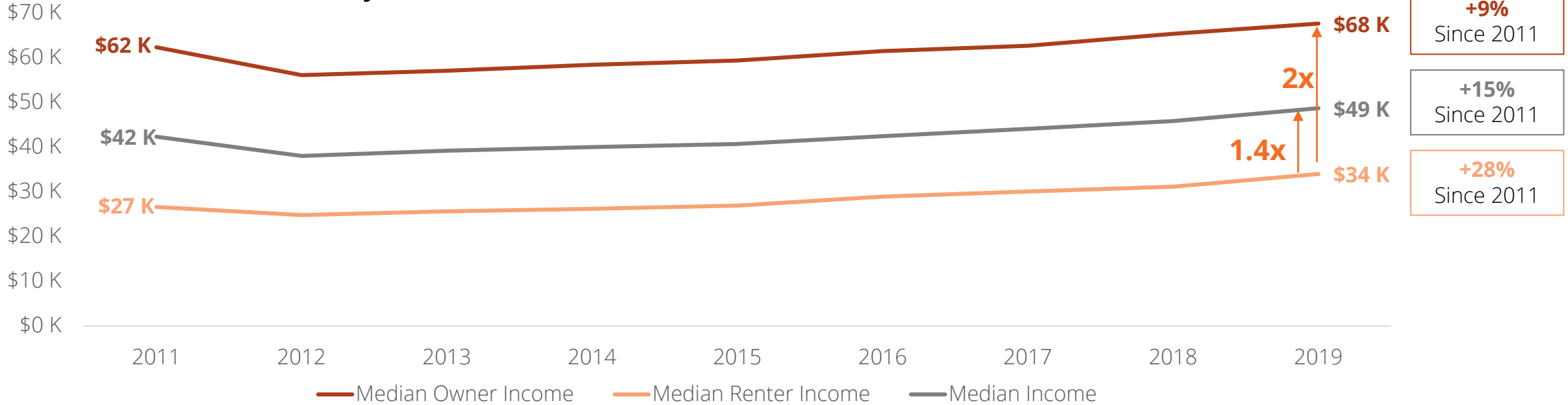

Change in Renters by Income in Pittsburgh, 2011 - 2019

Source: American Community Survey

DEMOGRAPHICS

While the median renter household income has increased over time, renters still earn 2x less than owner households.

Owner median incomes are higher in the MSA and County than Pittsburgh, but growing at a similar pace. Renter median incomes are similar in scale in Pittsburgh and the region, however, renter median income is growing more rapidly in Pittsburgh.

Median Household Income by Tenure, 2011 - 2019

$70 K		
$60 K	**$62 K**	**$68 K** +9% Since 2011
$50 K		**2x** $49 K +15% Since 2011
$40 K	**$42 K**	**1.4x**
$30 K	**$27 K**	**$34 K** +28% Since 2011
$20 K		
$10 K		
$0 K		

2011   2012   2013   2014   2015   2016   2017   2018   2019

— Median Owner Income   — Median Renter Income   — Median Income

Median Income, 2019

$61K → +8%
Allegheny County Since 2011

$60.5K → +8%
MSA Since 2011

Median Renter Income, 2019

$35.5K → +16%
Allegheny County Since 2011

$34K → +15%
MSA Since 2011

Median Owner Income, 2019

$80K → +8%
Allegheny County Since 2011

$75K → +8%
MSA Since 2011

Source: American Community Survey

DEMOGRAPHICS

Pittsburgh has lost a significant number of Black households, both renters and homeowners.

Since 2015, Pittsburgh has experienced significant loss of both Black renter and owner households. Compared to the County, the degree of black owner household loss is more pronounced in the City. Additionally, the County gained Black renters, likely indicating Black renter households left Pittsburgh for the surrounding County.

**Change in Households by Race of Householder and Tenure, Pittsburgh 2015-2019**

	Owner		Renter	
	Total Change ('15-19)	Percent Change ('15-19)	Total Change ('15-19)	Percent Change ('15-19)
Black Alone	-699	-7%	-340	-2%
White Alone	+2,116	4%	+3,264	8%
Asian Alone	-83	-6%	+827	17%
Other Race Alone	+26	9%	+95	18%
Hispanic or Latino	+146	18%	+435	24%
Two or More Races	+124	16%	+238	17%

*Source: American Community Survey; *Each racial group may include households with Hispanic or Latino ethnicity*

DEMOGRAPHICS

Black renter loss was mostly low-income households while Black owner loss was mainly middle-income households.

Black renter loss was primarily concentrated amongst households earning less than $50K a year, while Black owner households also experienced significant loss in the $50K-$75K income category in addition to smaller losses in lower income categories.

Change in Black Households by Income and Tenure in Pittsburgh, 2015-2019

■ Change in Owners   ■ Change in Renters

Source: ACS Public Use Microdata Sample

DEMOGRAPHICS
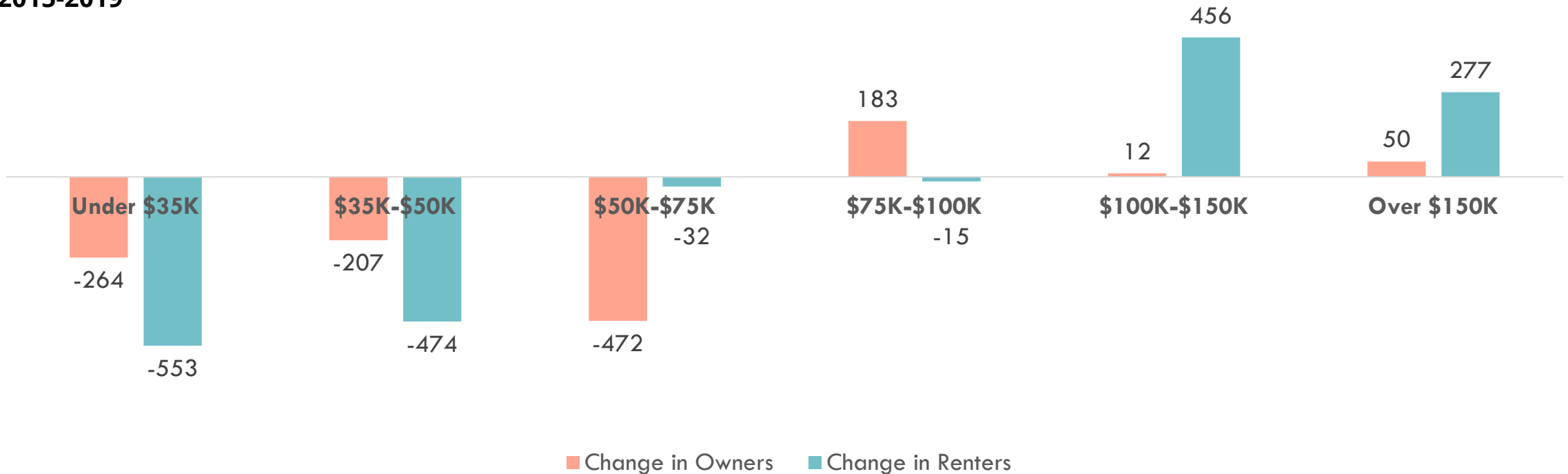
Black homeowners experienced more severe declines at lower income levels and smaller growth rates at higher-income levels.

Compared to white owner households in similar income categories, Black households experienced more significant decline at lower incomes and less growth at higher incomes, indicating that incomes are not the only factor in Black household loss and white household gain since 2015.

Change in Owner Households by Race and Income in Pittsburgh, 2015-2019

■ Change in Black Households   ■ Change in White Households

DEMOGRAPHICS
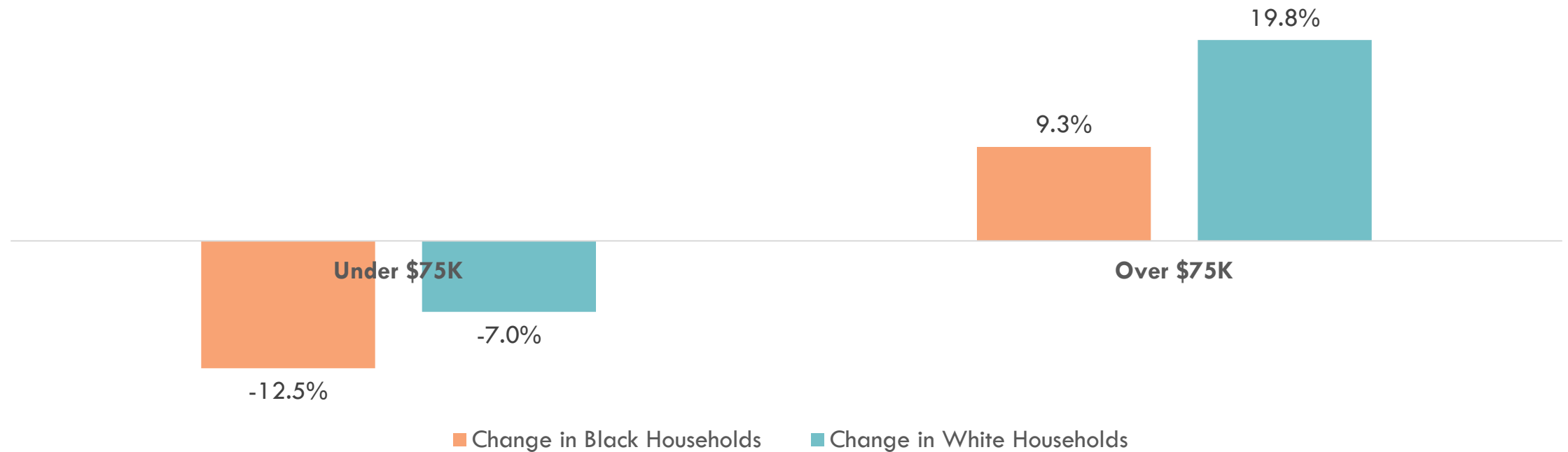
Employment | Key Findings

1   **Job Growth**
While Pittsburgh experienced job loss due to the COVID-19 pandemic, job growth had been steady in recent years. Between 2014 and 2019, **Pittsburgh created about 8,515 new jobs, a 3% increase**, many of which are located downtown.

2   **Where City Workers Live**
25% of Pittsburgh's workers also live in the City, indicating Pittsburgh jobs serve both City residents and the broader region.

3   **Industry Trends**
Healthcare is both the most prominent industry in Pittsburgh and the fastest growing industry, offering jobs at a range of income levels. However, **Pittsburgh is losing jobs in many of the lowest paying industries**, such as educational services, which has historically been a top employer.

4   **Job Growth by Population Served**
The City's **newly created jobs offer earning growth potential, but are primarily accessible to those with a Bachelor's degree or higher.** The City has a net loss in jobs that require only a high school degree or less and aligned with this trend, the City is losing relatively low earning jobs (<$50K annually).

5   **Jobs and Housing Units**
Pittsburgh is adding more jobs than housing units, which works well when there is high vacancy but may eventually cause increased demand across a spectrum of housing typologies.

EMPLOYMENT

Job growth is concentrated near Downtown, the Southside, and East Liberty.
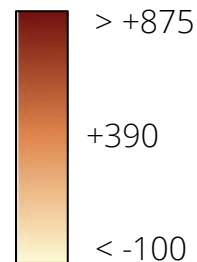
307,235
Total Jobs, 2019*

+3%
Job Growth, 2014 - 2019
or **+8,515 Jobs***
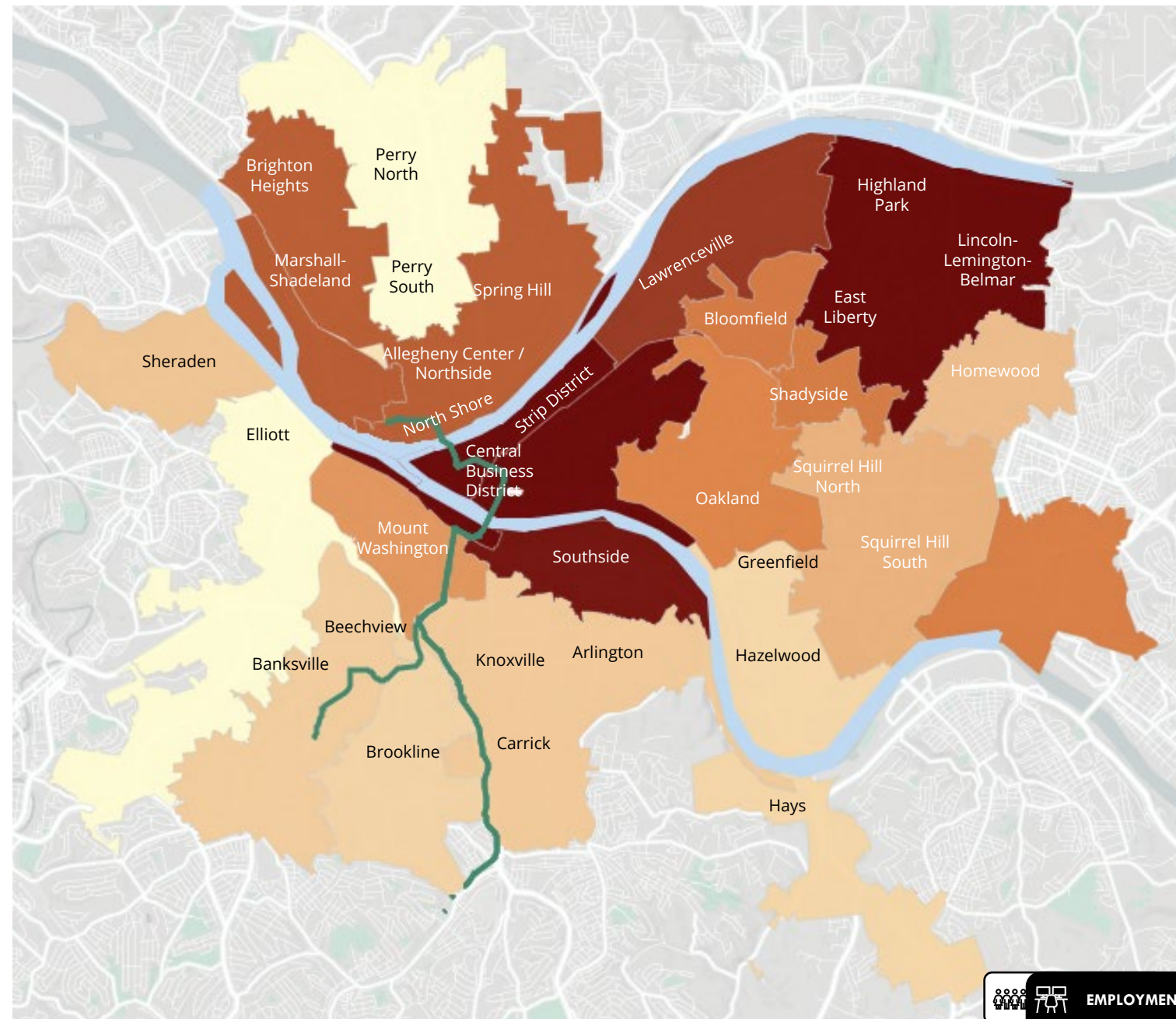
-3%
Job Loss, 2019 - 2020
or **+9,210 Jobs***

Source: EMSI   *Due to data limitations, data does not perfectly align with City boundaries. All data is at the zip code level and is cut as closely to City boundaries as possible.*

Absolute Change in All Jobs, 2014 - 2019

Key:

Absolute Change in Jobs

> +875

+390

< -100

— Light Rail Route

Bus routes and stops not shown due to extensive coverage across the City.

EMPLOYMENT

Only 25% of workers in Pittsburgh also live in the City, indicating City jobs primarily serve residents outside City limits.

Additionally, no one municipality or township accounts for more than 2.5% of all workers commuting into Pittsburgh, indicating that Pittsburgh draws from a wide region for workers.

Where Pittsburgh Residents Work, 2018

54% of residents also work in the City

	Count	Share
Pittsburgh city	**68,518**	**54.4%**
All Other Locations	42,576	33.8%
Ross township	2,367	1.9%
Robinson township	2,314	1.8%
Green Tree borough	2,094	1.7%
Monroeville municipality	1,606	1.3%
O'Hara township	1,579	1.3%
Findlay township	1,333	1.1%
Moon township	1,217	1.0%
Bethel Park municipality	1,204	1.0%
McCandless township	1,200	1.0%

Where Pittsburgh Workers Live, 2018

25% of workers also live in the City

	Count	Share
All Other Locations	162,935	59.2%
Pittsburgh city	**68,518**	**24.9%**
Penn Hills township	6,853	2.5%
Ross township	6,030	2.2%
Mount Lebanon township	5,761	2.1%
Shaler township	5,382	2.0%
McCandless township	4,608	1.7%
Bethel Park municipality	4,473	1.6%
Baldwin borough	3,826	1.4%
Monroeville municipality	3,419	1.2%
Plum borough	3,331	1.2%

Source: LEHD

EMPLOYMENT

Nearly two-thirds of all jobs in Pittsburgh have average earnings below the City average of $73,000.

Among Pittsburgh's top five job industries by size, three have average earnings below the City average household income. Additionally, nearly 2/3rds of all jobs have average earnings below the City average.
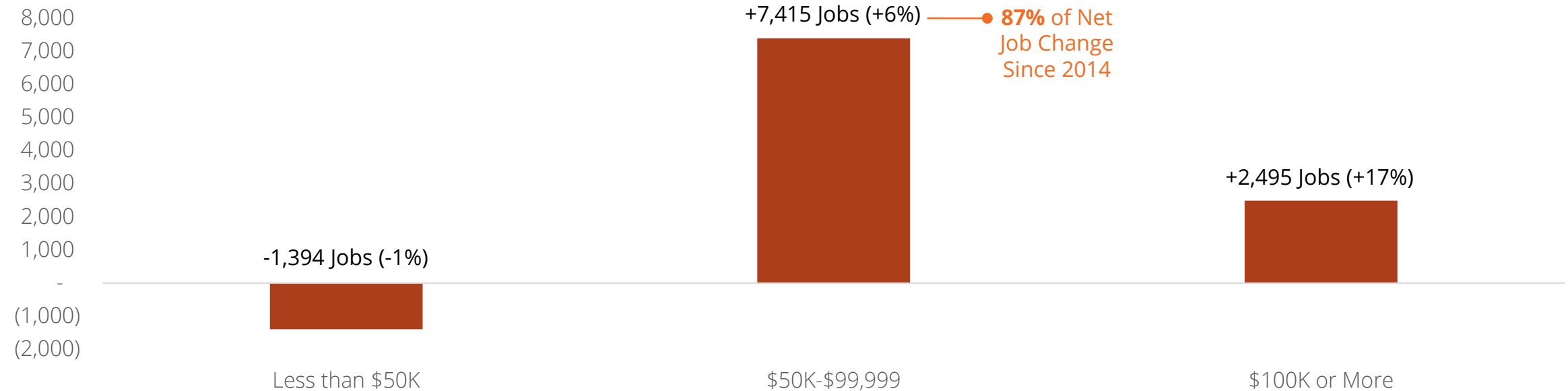
Jobs by Industry, 2019
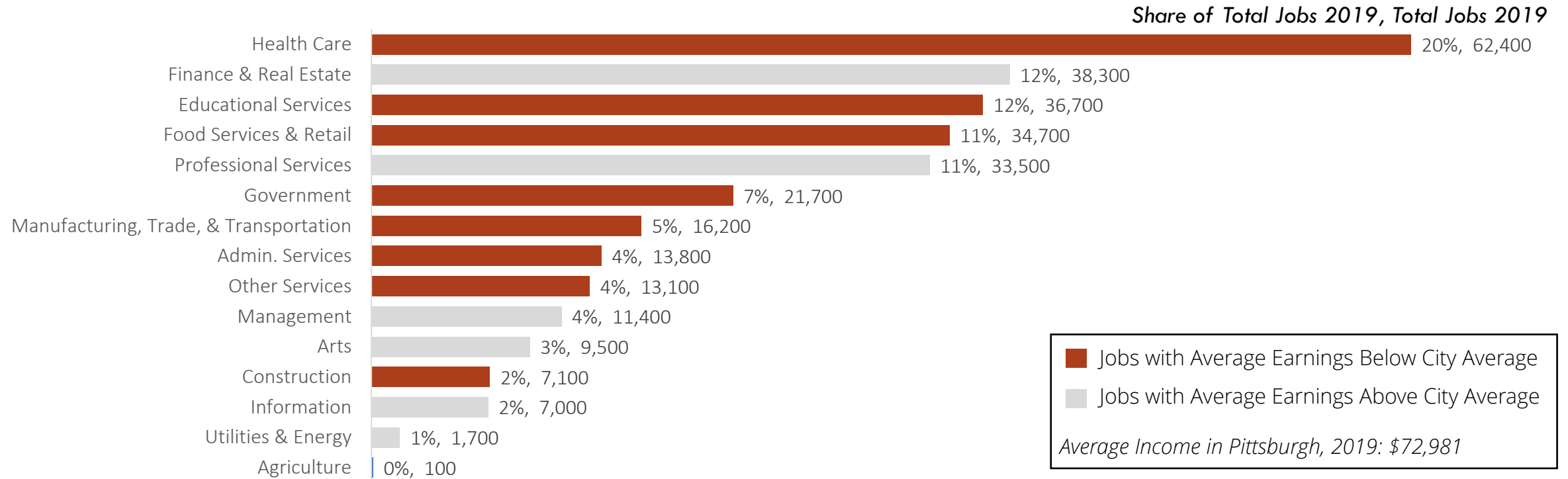
Share of Total Jobs 2019, Total Jobs 2019

Industry	Share, Total Jobs
Health Care	20%, 62,400
Finance & Real Estate	12%, 38,300
Educational Services	12%, 36,700
Food Services & Retail	11%, 34,700
Professional Services	11%, 33,500
Government	7%, 21,700
Manufacturing, Trade, & Transportation	5%, 16,200
Admin. Services	4%, 13,800
Other Services	4%, 13,100
Management	4%, 11,400
Arts	3%, 9,500
Construction	2%, 7,100
Information	2%, 7,000
Utilities & Energy	1%, 1,700
Agriculture	0%, 100

■ Jobs with Average Earnings Below City Average
□ Jobs with Average Earnings Above City Average

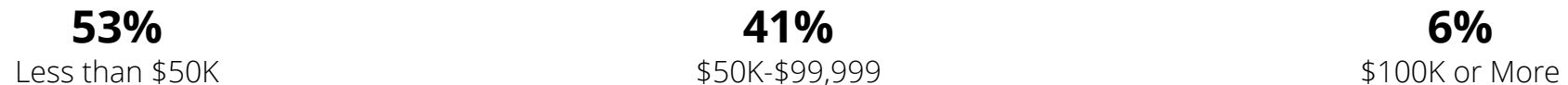*Average Income in Pittsburgh, 2019: $72,981*

EMPLOYMENT

Pittsburgh is gaining many middle- and high-income jobs, but is losing lower-income jobs.

87% of net job change has been for jobs paying between $50-$99K annually, with an additional 17% of net job growth coming from high-income jobs paying over $100K annually.

Change in Jobs by Median Earnings, 2014 - 2019

+7,415 Jobs (+6%) ———● **87%** of Net Job Change Since 2014

+2,495 Jobs (+17%)

-1,394 Jobs (-1%)

| 8,000 |
| 7,000 |
| 6,000 |
| 5,000 |
| 4,000 |
| 3,000 |
| 2,000 |
1,000
(1,000)
(2,000)

Less than $50K $50K-$99,999 $100K or More

Share of Jobs by Median Earnings, 2019

| **53%** | **41%** | **6%** |
| Less than $50K | $50K-$99,999 | $100K or More |

EMPLOYMENT

Pittsburgh is creating jobs that serve those with a Bachelor's degree or higher.

This indicates that new jobs in Pittsburgh are not readily accessible to many residents, as only about 38% of all adult Pittsburgh residents have a Bachelor's degree or higher.

Change in Jobs by Entry-Level Education Requirement, 2014 - 2019
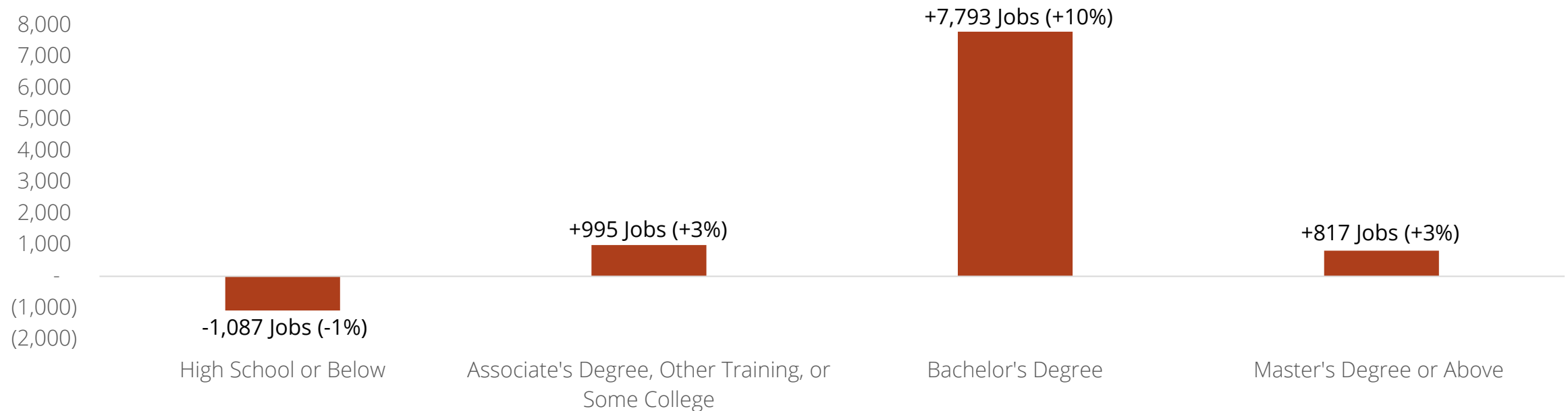
Share of Jobs by Entry-Level Educational Requirement, 2019

51%	**11%**	**28%**	**10%**
High School or Below	Associate's Degree or Similar	Bachelor's Degree	Master's Degree or Above

EMPLOYMENT

The City has created more jobs than housing units since 2014. This is particularly pronounced in the Northside.

+8,515
Net Change in Jobs, 2014-2019*

+4,840
Net Change in Housing Units, 2014-2019*

Key:

■ High Job Growth, High Growth in Housing Units

■ High Job Growth, Low Growth in Housing Units

■ Low Job Growth, High Growth in Housing Units

■ Low Job Growth, Low Growth in Housing Units

— Light Rail Route

Source: EMSI *Due to data limitations, data does not perfectly align with City boundaries. All data is at the zip code level and is cut as closely to City boundaries as possible. Within City limits, 2,369 housing units were added between 2014-2019.*

Change in Jobs Relative to Change in Housing Units, 2014 - 2019
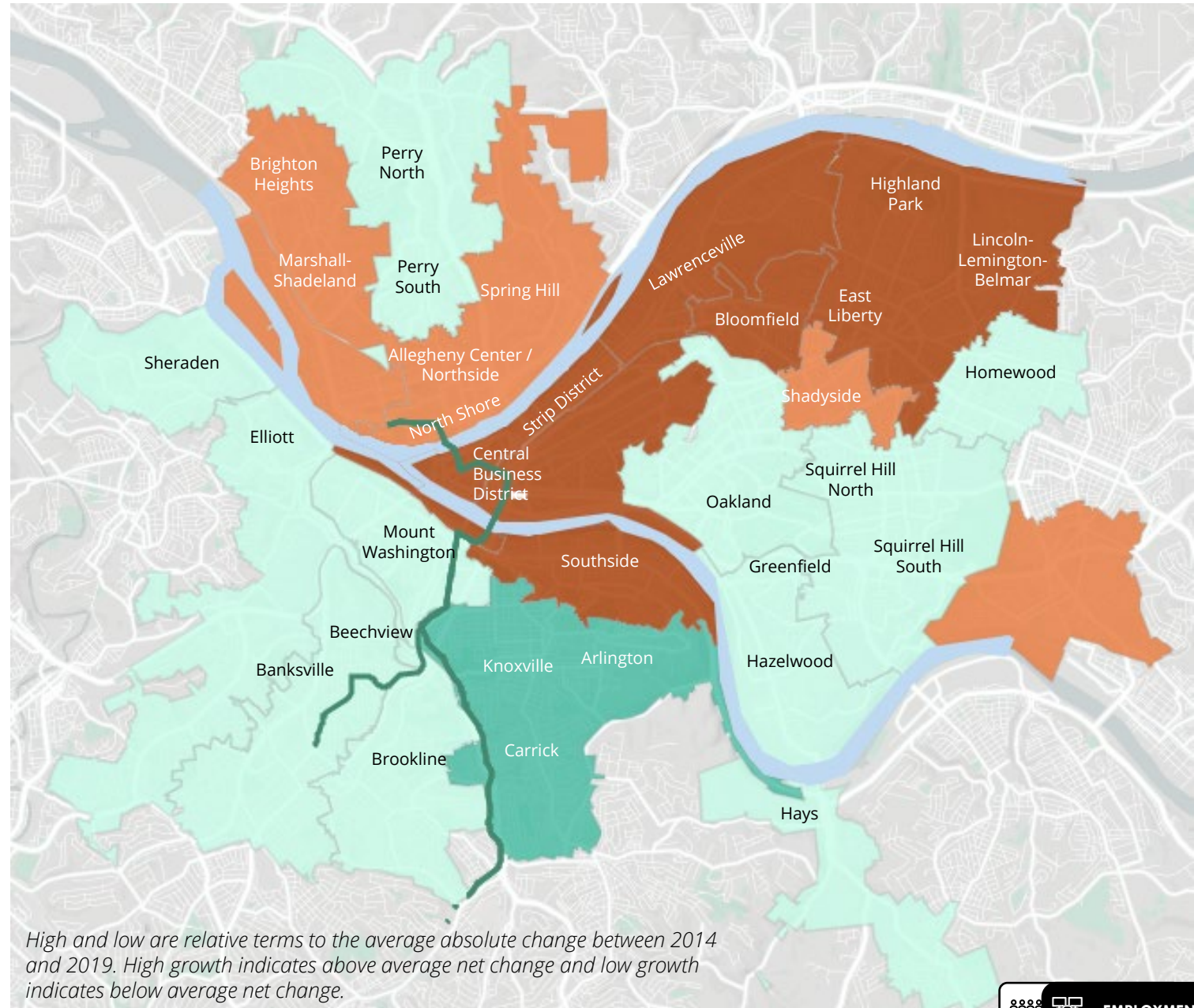
High and low are relative terms to the average absolute change between 2014 and 2019. High growth indicates above average net change and low growth indicates below average net change.

EMPLOYMENT

Executive Summary

Demographics and Employment

Housing Stock

Housing Needs

CHAPTERS

- Housing Programs
- Vacancy
- Rental Housing
- Ownership Housing

Housing Programs | Key Findings

(1) **Housing Choice Vouchers**
7,429 Pittsburgh households use Housing Choice vouchers, forming the largest share of the City's annual federal housing subsidy at 45%.

(2) **Transitioning Public Housing**
The number of Public Housing units in the city has **decreased by 35% since 2012** while Project Based vouchers have increased by 85% during this time, replacing much of this lost stock.

(3) **Concentrated Subsidy**
Subsidy in Pittsburgh, both tenant- and project-based, has historically been concentrated in the **Hill District and Northwest Pittsburgh**. This concentration has increased since 2016.

(4) **Closing Gaps**
The Housing Opportunity Fund has provided $27M in subsidy between 2018 and 2020, $12M of which has been used as gap funding for affordable rental preservation and new construction projects.

Pittsburgh offers a range of programs, many of which are run by the URA.

Pittsburgh Housing Programs by Organization, 2020

URA

- Low-Income Housing Tax Credit (LIHTC)
- Pittsburgh Development Fund (PDF)
- Pittsburgh Housing Construction Fund (PHCF) and For-Sale Development Program (FSDP)
- Neighborhood Stabilization Program (NSP1)
- Home Accessibility Program for Independence (HAPI)
- Homeowner Assistance Program (HAP)
- Housing Stabilization Program (HSP)
- Down Payment and Closing Cost Assistance Program (DPCCAP)
- Small Landlord Fund (SLF)
- Rental Gap Program (RGP)
- Community Development Investment Fund (CDIF)
- Community Housing Development Organization (CHDO)
- Community Acquisition and Rehab Loan Program
- Residential Façade Program
- Legal Assistance Program (LAP)
- Pittsburgh Land Bank
- OwnPGH (Homeownership programs)

ACTION HOUSING INC

- Weatherization
- MyPlace Youth Program
- Mortgage Assistance Program
- Affordable Home Repairs
- Housing Connector
- Emergency Rental Assistance Program

Housing Authority of the City of Pittsburgh (HACP)

- Housing Choice Voucher Program (Section 8)
- Housing
- Senior housing
- Privately Managed Housing
- Home Ownership

Allegheny County Housing Authority (HCHA)

- Housing Choice Voucher Program
- Public Housing

Organizations are not arranged in any particular order

HOUSING PROGRAMS

Several City neighborhoods have prepared Neighborhood Plans that include recommendations to address affordable housing.

The EcoInnovation District

• Update zoning to include the proposed Uptown Public Realm District seeks to simplify the existing code but also incentivize new development in ways that help to address some major issues in the community including affordability, stormwater, energy and preservation.

The Manchester Chateau Neighborhood Plan

• Complete and implement the TRID study.

• Update zoning to promote Western Avenue as a vibrant, mixed-use district with residential units above ground floor commercial.

• Develop a housing trust.

The Greater Hazelwood Neighborhood Plan

• Complete a zoning review analysis and strategy.

• Prevent displacement through innovative, affordable, and targeted housing.

The Oakland Plan

• Ensure a mix of rental and for sale housing is available for residents at a wide range of income levels, and provide a variety of affordable and healthy housing options for students.

• Prioritize public housing investments in Central, South, and West Oakland.

• Regulations, policies, and programming supports the creation and improvement of existing buildings to provide housing options for families of all income levels.
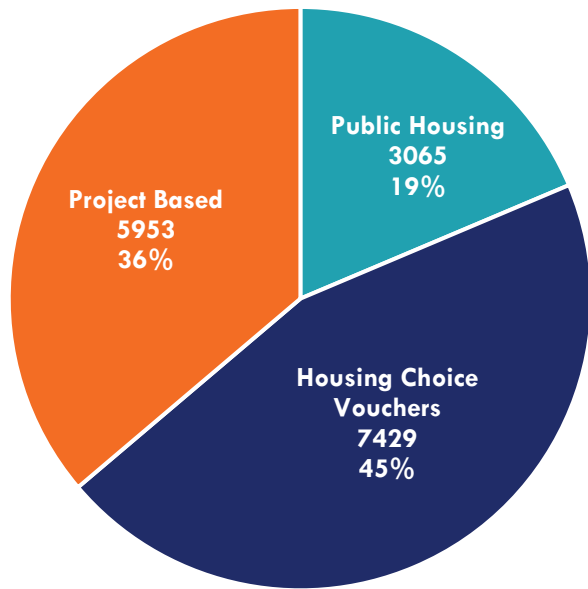
The Greater Hill District Master Plan

• Creating family-friendly housing without displacement.

HOUSING PROGRAMS

Housing Choice vouchers serve 7,429 Pittsburgh households, the largest share of the City's annual federal housing subsidy at 45%.
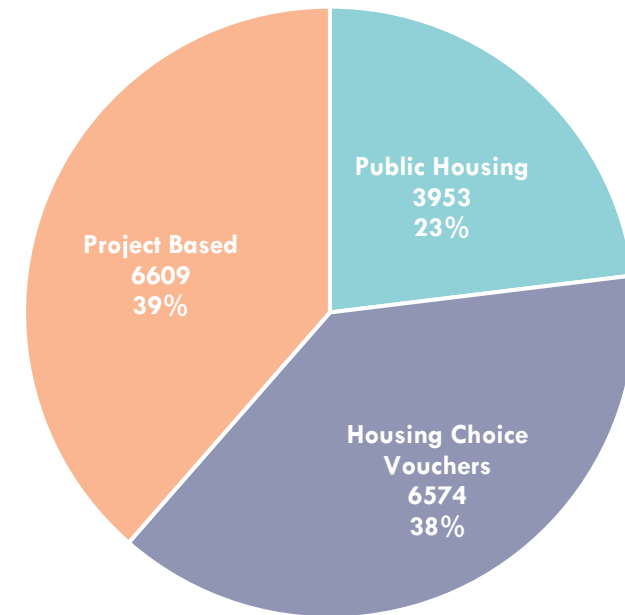
This is in slight contrast to Allegheny County as project-based vouchers make up a slightly larger share of subsidized units. However, the largest difference between these geographies is that a larger share of units in Allegheny are public housing units.

Units Supported by Annual Federal Housing Subsidy, 2020

Pittsburgh
16,447 units are supported annually

Allegheny County (non-city)
17,136 units are supported annually

Pittsburgh pie chart:
- Public Housing 3065 19%
- Housing Choice Vouchers 7429 45%
- Project Based 5953 36%

Allegheny County pie chart:
- Public Housing 3953 23%
- Housing Choice Vouchers 6574 38%
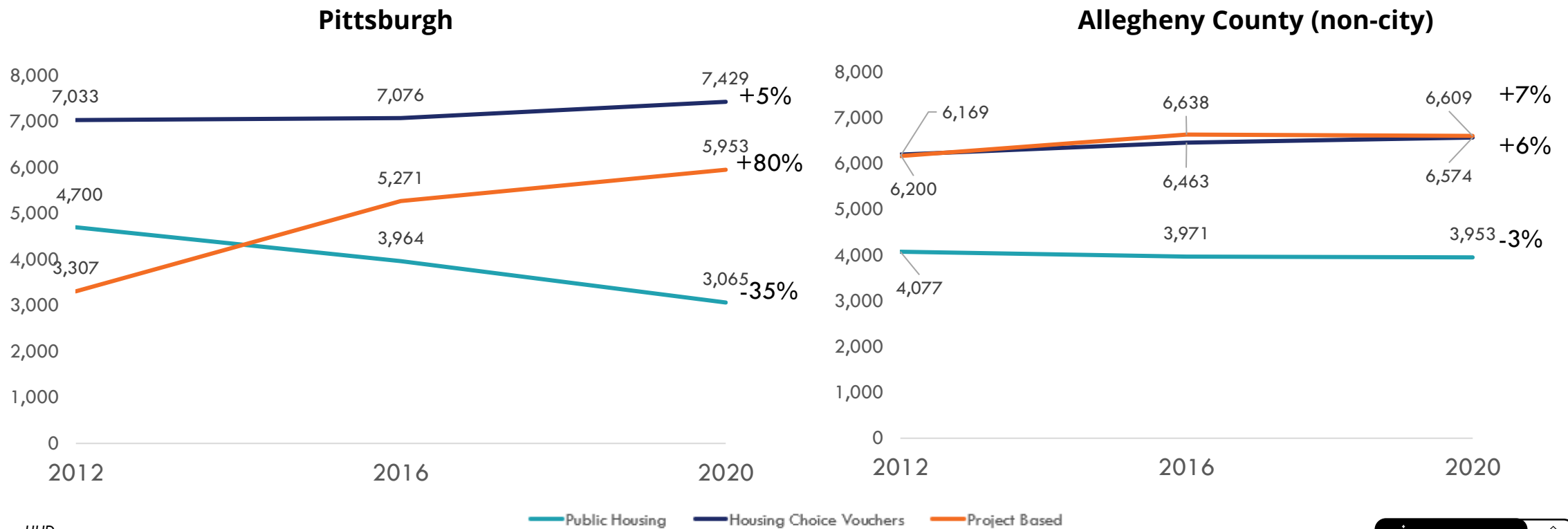- Project Based 6609 39%

Source: HUD

HOUSING PROGRAMS

The City's transition away from public housing into mixed-income, Project-Based subsidy has left less traditional public housing.

These trends are mirrored in Allegheny County, however the decline in public housing and increase in project-based vouchers is much less pronounced in the County than in the City of Pittsburgh.

Units Supported by Annual Federal Housing Subsidy, 2011 - 2020

Pittsburgh

- 7,033
- 7,076
- 7,429 +5%
- 4,700
- 5,271
- 5,953 +80%
- 3,307
- 3,964
- 3,065 -35%

2012 — 2016 — 2020

Allegheny County (non-city)

- 6,169
- 6,638
- 6,609 +7%
- 6,200
- 6,463
- 6,574 +6%
- 4,077
- 3,971
- 3,953 -3%

2012 — 2016 — 2020

Public Housing — Housing Choice Vouchers — Project Based

Source: HUD

Subsidy in Pittsburgh has historically been concentrated in the Hill District, North, and West Pittsburgh

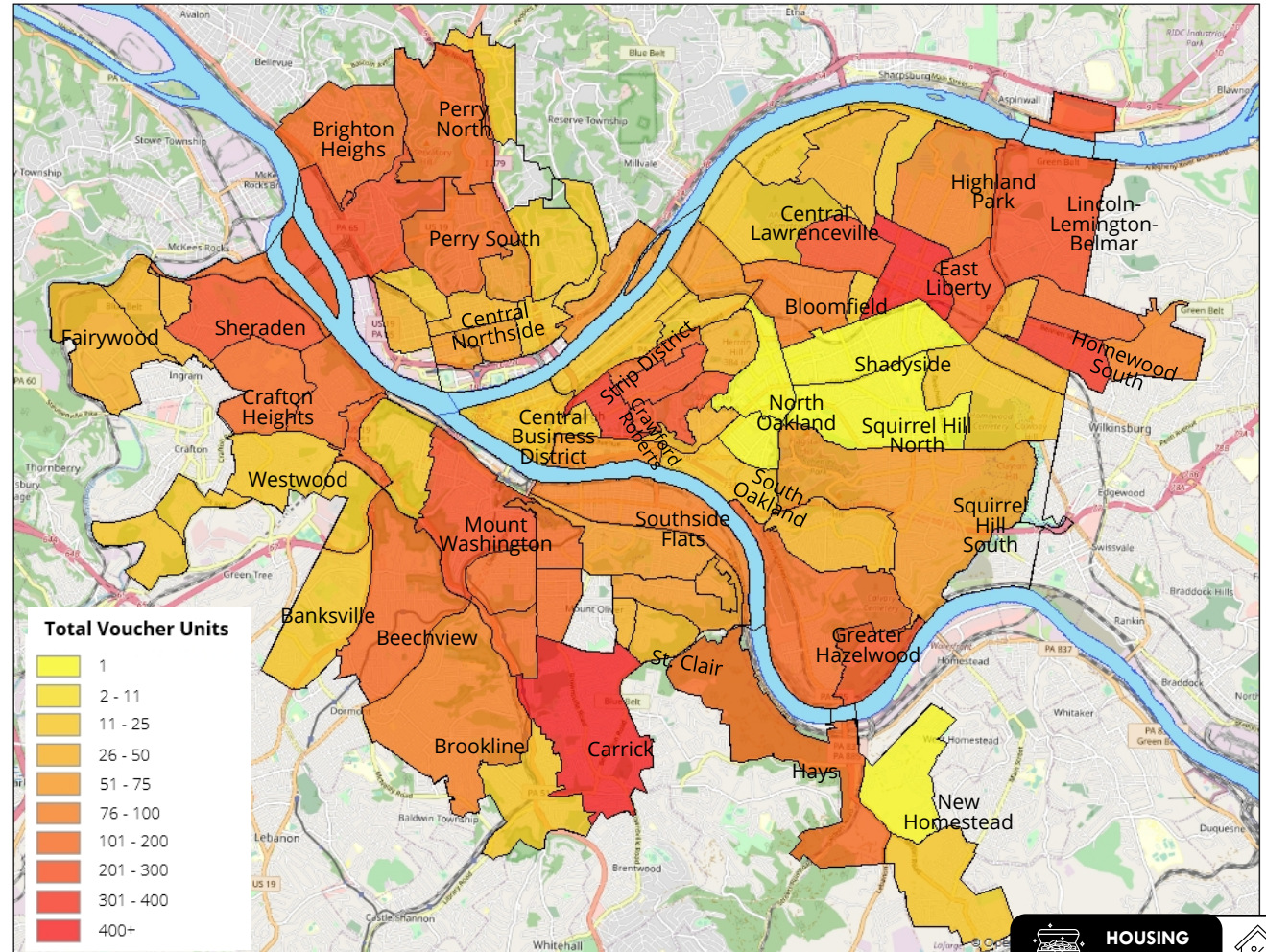## Neighborhoods with the most HCVs

Neighborhood	Total Voucher Units (2020)
Carrick	481
East Liberty	437
Crawford-Roberts	396
Homewood South	335

Neighborhoods with the least HCVs

Neighborhood	Total Voucher Units (2020)
Shadyside	<10
Squirrel Hill North	<10
North Oakland	<10
Central Oakland	<10
New Homestead	<10

Source: HUD

Total Housing Choice Voucher (HCV) Units, 2020

CBD and Lawrenceville saw the largest losses of HCVs, while the Hill District, Northeast, and South neighborhoods saw the largest gains

Neighborhoods with largest losses of HCVs

Neighborhood	Change in HCVs
Central Business District	-83
Knoxville	-62
Esplen	-38
Lawrenceville	-32
Shadyside	-20

Neighborhoods with largest gains of HCVs

Neighborhood	Change in HCVs
Carrick	+216
Homewood South	+179
Crawford Roberts	+178
Terrace Village	+116
Larimer	+101

Source: HUD

Change in Total Housing Choice Voucher (HCV) Units, 2016 - 2020

Change in Total Voucher Units
- -83
- -82 - -50
- -49 - -5
- -4 - 5
- 6 - 50
- 51 - 100
- 101 - 216

HOUSING PROGRAMS
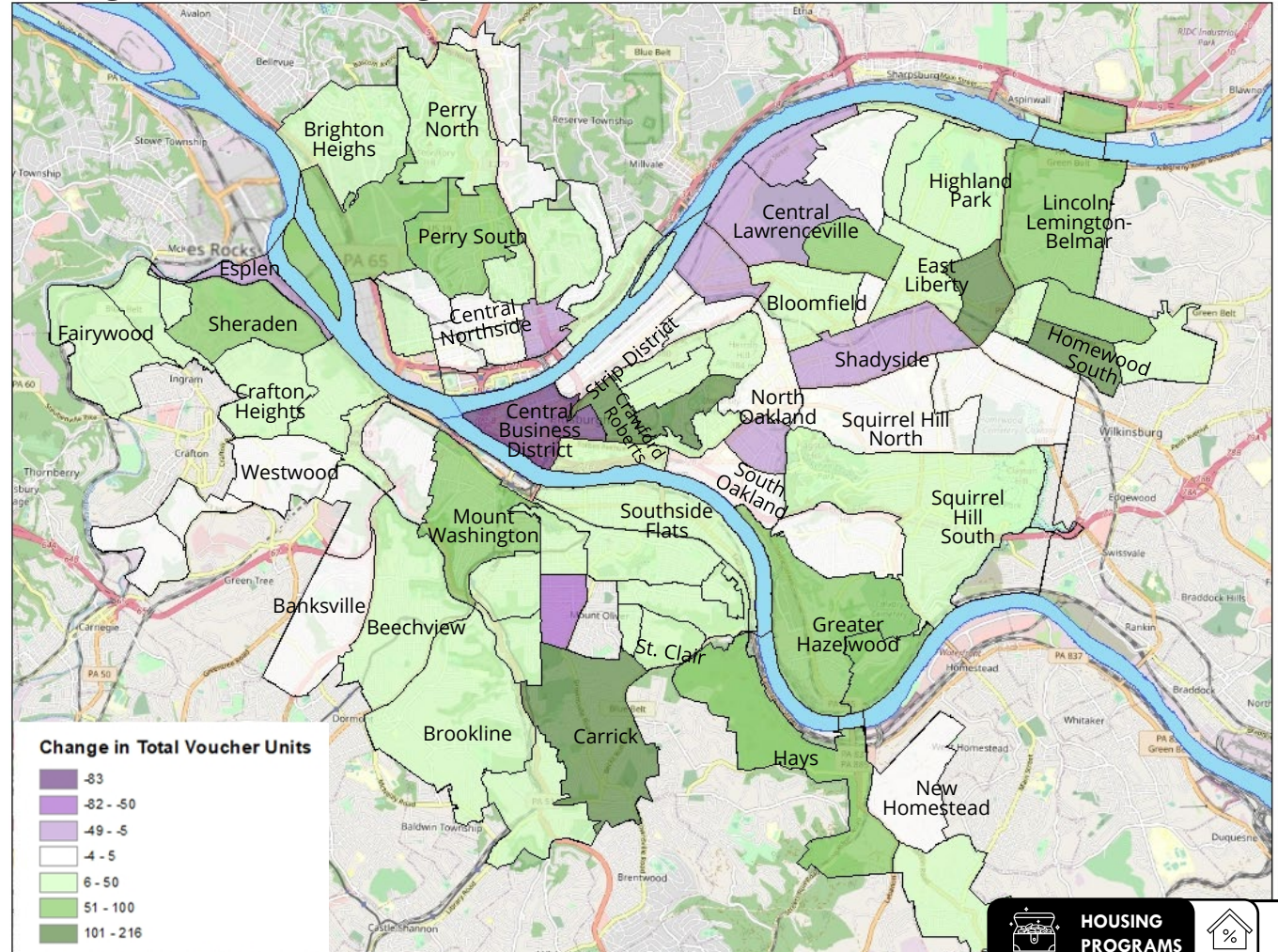
LIHTC units are scattered around the City with concentrations near the Hill District, East Liberty, and Oakland.

The LIHTC projects providing the highest number of low-income units are located in:

Neighborhood	Units
Middle Hill	511
East Liberty	509
North Oakland	457
South Side Flats	269
Crawford-Roberts	217
Lower Lawrenceville	160
Central Northside	140
Mount Washington	128

Source: HUD

LIHTC Low-Income Units by Neighborhood, 2020

LEGEND
LIHTC Units
- 0
- 1-24
- 25-74
- 75-149
- 150 - 299
- 300+

HOUSING PROGRAMS
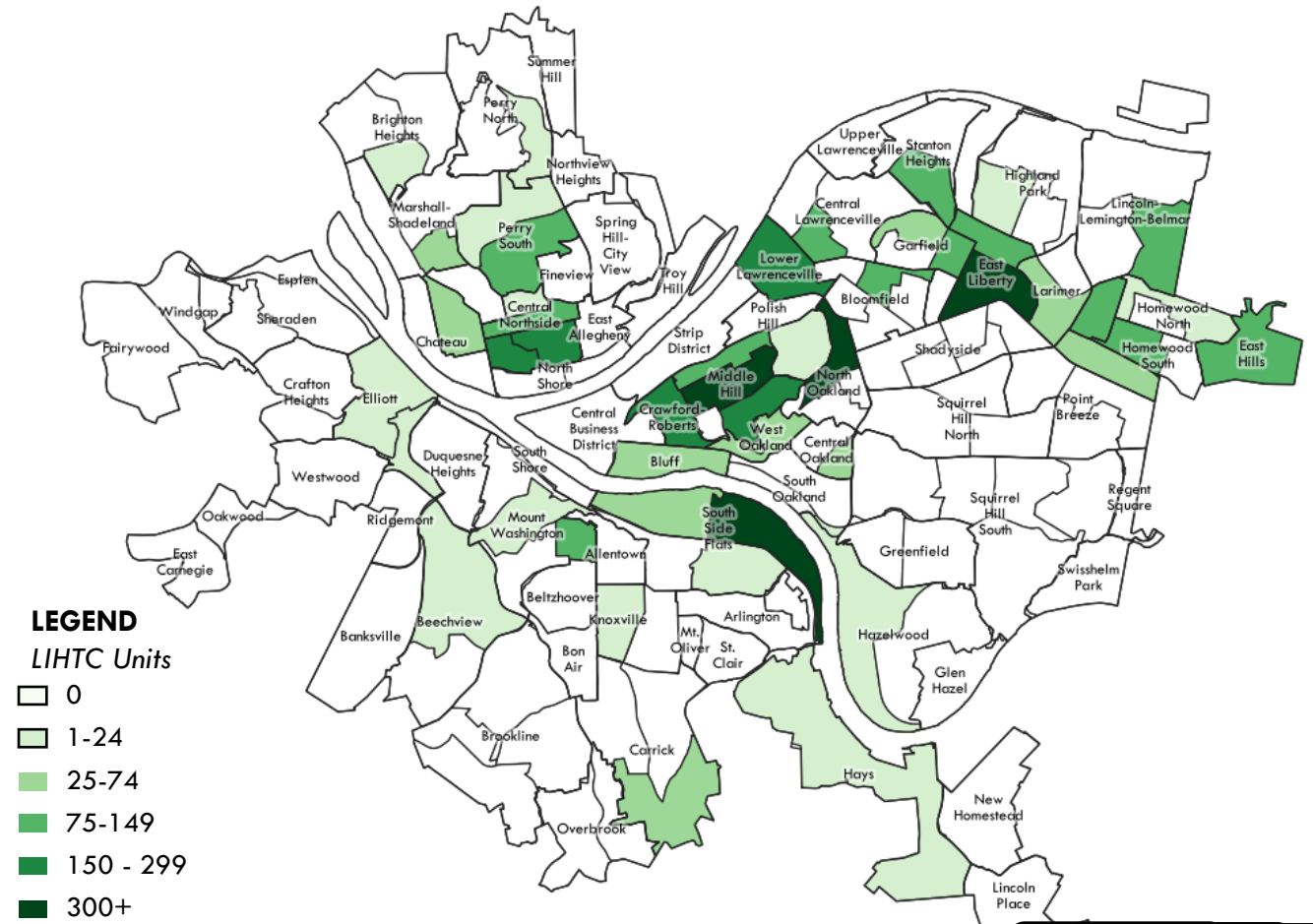
704 new LIHTC units have been built since 2015, with most concentrated in the Hill District and northeast neighborhoods.
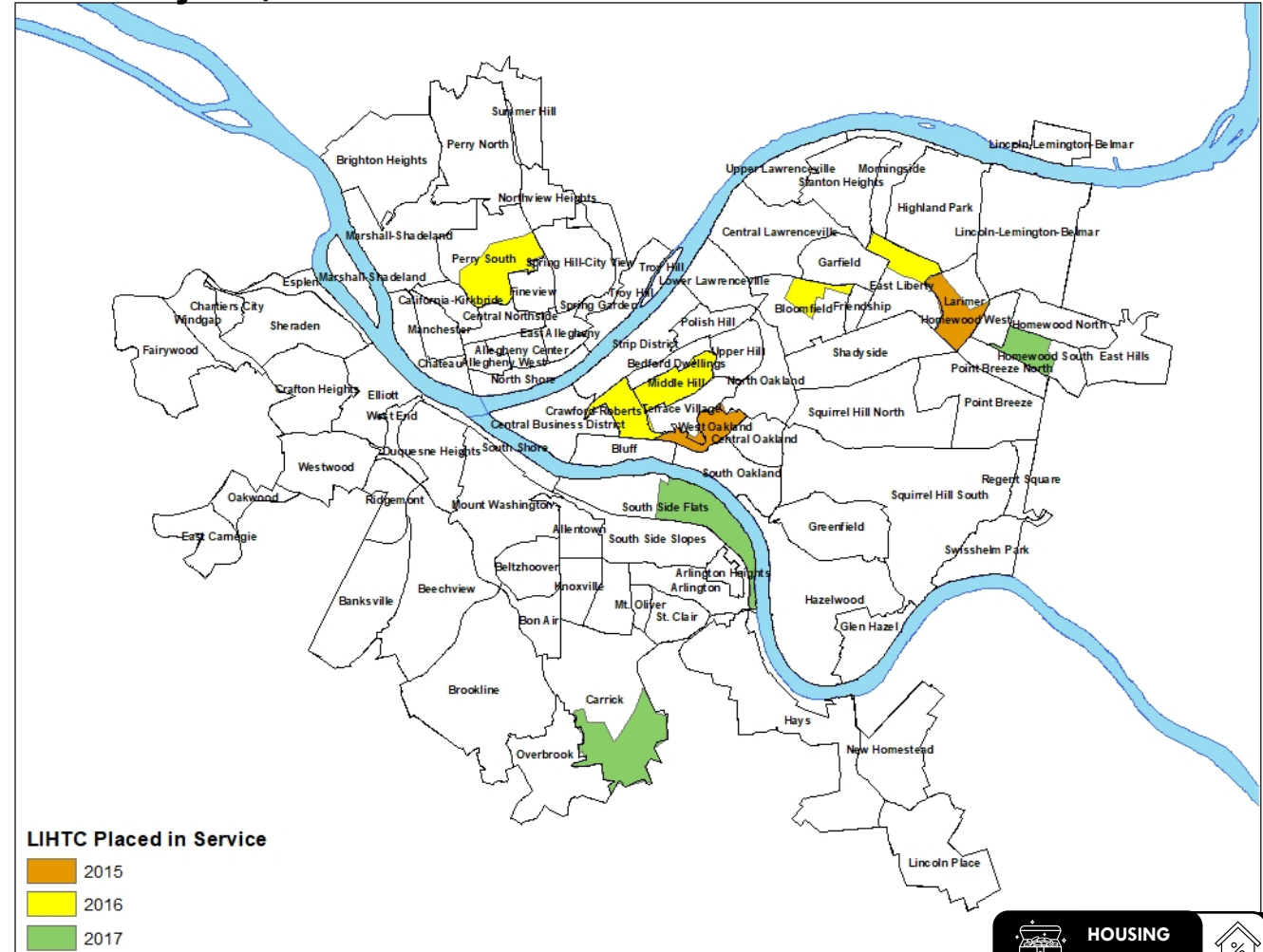
There have been 12 projects placed in service since 2015, in the following neighborhoods:

Neighborhood
Perry South
Crawford Roberts
Middle Hill
West Oakland
Bloomfield
East Liberty
Larimer
Homewood South
Southside Flats
Carrick

Source: HUD

LIHTC Projects, 2015 - 2017

LIHTC Placed in Service
- 2015
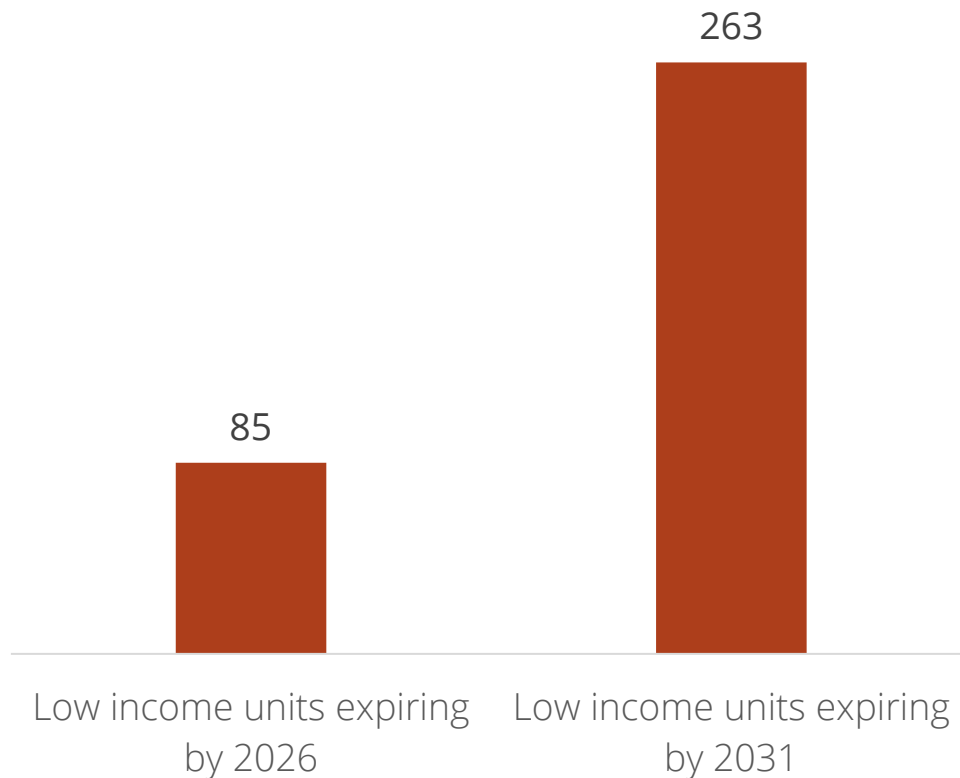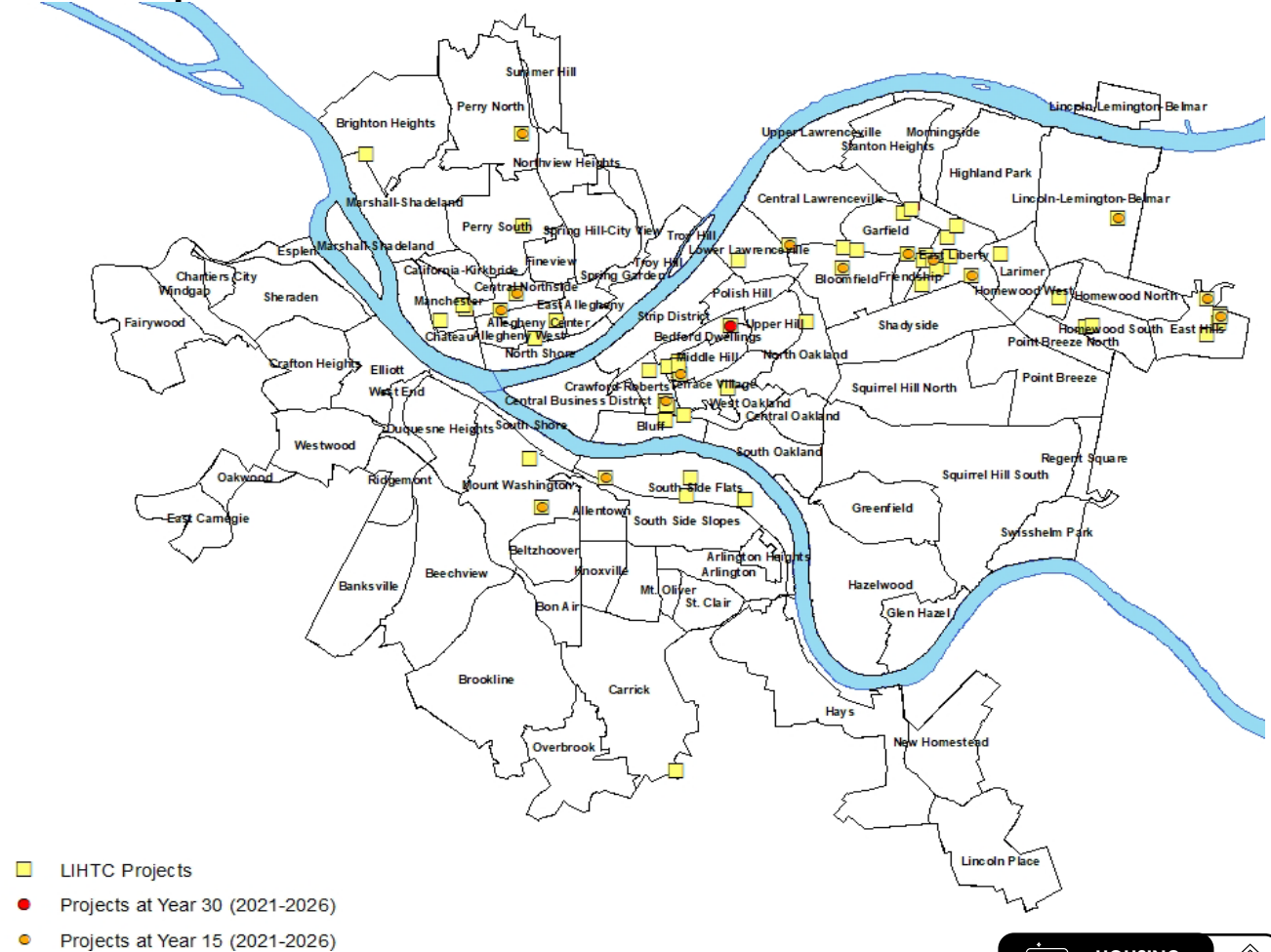- 2016
- 2017

There are 85 low-income tax credit units set to expire by 2026 and another 263 by 2031.

These units represent 2% and 6% of all LIHTC units currently in service.

Total Low-Income Tax Credit Units Set to Expire

263

85

Low income units expiring by 2026   Low income units expiring by 2031

Soon to Expire Low-Income Tax Credit Units

LIHTC Projects
Projects at Year 30 (2021-2026)
Projects at Year 15 (2021-2026)

The Housing Opportunity Fund Rental Gap Program has crucially provided gap funding for many of these LIHTC projects.

HOF Leveraged Funds (2019)

HOF Expended Funds (2019)

HOF Program	HOF Funds	Non-HOF Funds	Funding Sources	HOF Funds Expended	Total Count of Affordable Units Created/Preserved
Rental Gap Program (RGP)	$1,940,000	$58,800,244	Low Income Housing Tax Credit Equity, Bank Financing, HOME, PHFA Housing Affordability and Rehabilitation and Enhancement Fund, Housing Authority City of Pittsburgh	$1,940,000	103
For-Sale Development Program (FSP)	$370,000	$1,626,950	Bank Financing, Corporate Sponsorship, URA Pittsburgh Housing Construction Fund, Local Philanthropy Grants, PHFA Housing Affordability and Rehabilitation and Enhancement Fund	$370,000	7
Housing Stabilization Program (HSP)	$290,256	-	-	$290,256	151
Down Payment and Closing Cost Assistance Program (DPCCAP)	$435,000	$7,177,372	Housing Authority City of Pittsburgh	$435,000	65
Homeowner Assistance Program (HAP)	$259,372	$49,575	Federal Home Loan Bank & CHOICE Neighborhoods	$259,372	14
				Total: $3,294,628	340

Source: eHoldings Inc

HOUSING PROGRAMS

In 2019, a majority of gap assistance went to rental preservation projects, like Lemington Home and Parkview Manor projects.

HOF Development Programs, 2019

Project	New/ Preservation	Total Residential Units	Total Accessible Units	Total HOF Units	AMI Level of HOF HH	Number of units occupied by tenants w/ a disability - HOF Funded Units ONLY	Occupied in 2019	Average Rent Per Unit
Parkview Manor	Rental Preservation	15	15	5	all at 30% AMI	5	Yes	$992.00
Riverview Tower	Rental Preservation	191	20	20	all at 30% AMI	14	Yes	$773.75
Lemington - 1625 Lincoln Ave	Rental Preservation	54	54	54	30% and 50%	N/A	No	
Mellon's Orchard Residential	Residential Building	47	24	24	30% and 50%	N/A	No	
City of Bridges Land Trust	Fixing Up For-Sale	6	0	6	80% AMI	N/A	No	
Module Building	New For-Sale	1	0	1	80% AMI	N/A	No	

Source: eHoldings Inc

HOUSING PROGRAMS

Over 193 households have been served by HOF's down payment program and 232 by the Homeowner Assistance Program.
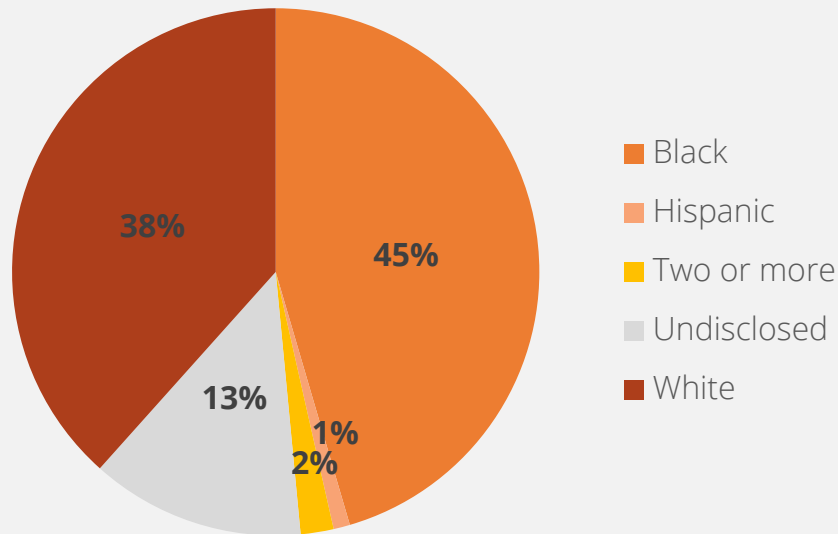
HOF Consumer Programs

Down Payment

$6,652
Average Down Payment

$147,466
Average Sales Price

Program Use by Race

- Black
- Hispanic
- Two or more
- Undisclosed
- White

45%
1%
2%
13%
38%

Homeowner Assistance

$28,869
Average Amount

$70K-150K
Average Home Value

Program Use by Race

- Black
- Undisclosed
- White

45%
30%
25%
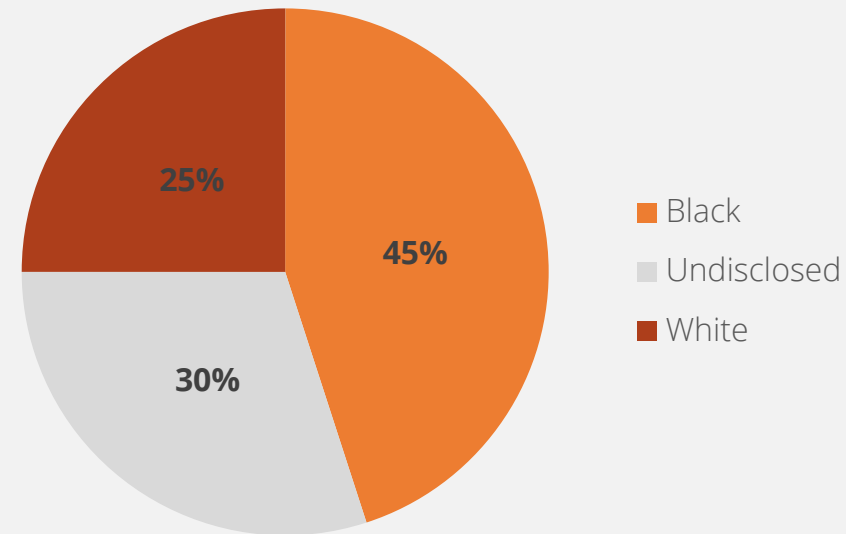
Type of Rehab:

- Roof Repairs/ Replacement
- Foundation/ Structural/ Retaining Wall
- New Windows/Doors
- New Flooring
- Bathroom/ Kitchen Remodel

Source: eHoldings Inc

HOUSING PROGRAMS

Vacancy Summary | Key Findings

1 **Market Vacancy**
Vacancy has consistently trended downward since the Great Recession, with market-related vacancy decreasing by more than half in this time.
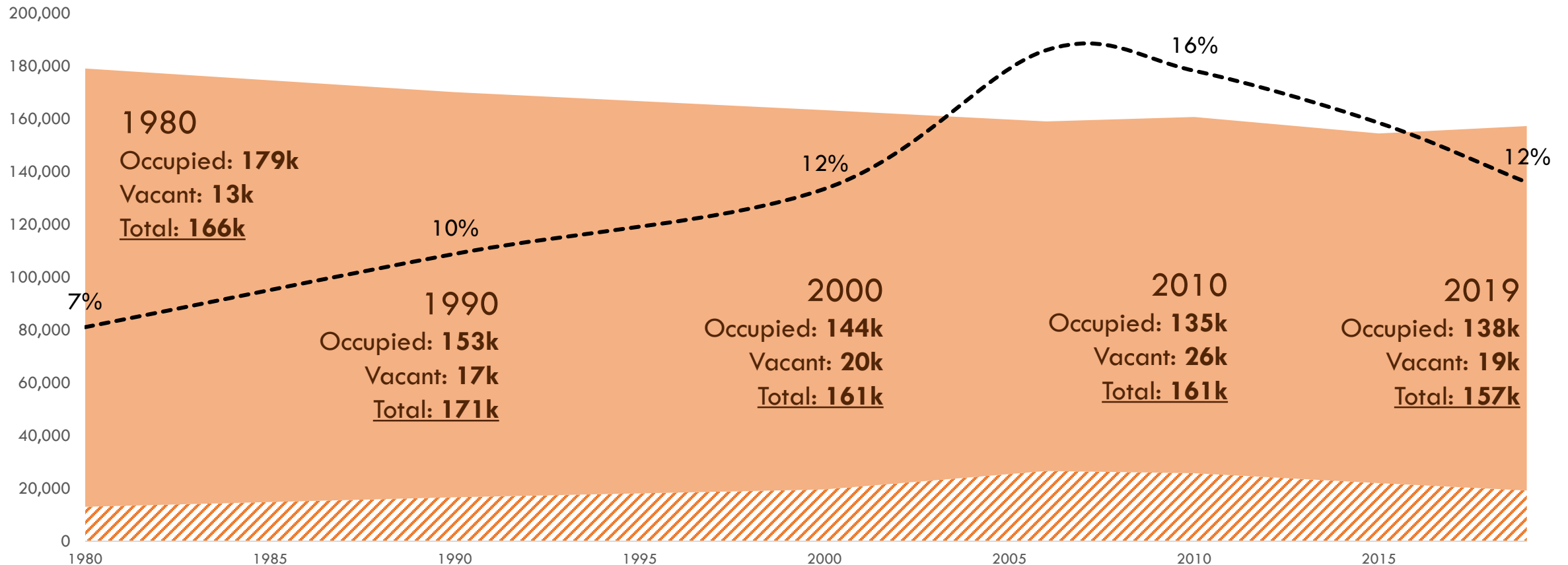
2 **Indefinite Vacancy**
Indefinite vacancy has been slower to recover, but began to **decrease in 2015** after 30 years of consistent upward trajectory. Indefinite vacancy is now greater than market-related vacancy for the **first time in Pittsburgh's history**.

VACANCY

Vacancy in Pittsburgh peaked during the Great Recession and has steadily declined since. While the number of housing units has decreased since 2010, occupied housing units have increased.

Housing Vacancy Rate, Pittsburgh

1980
Occupied: **179k**
Vacant: **13k**
Total: **166k**

7%

10%

1990
Occupied: **153k**
Vacant: **17k**
Total: **171k**

12%

2000
Occupied: **144k**
Vacant: **20k**
Total: **161k**

16%

2010
Occupied: **135k**
Vacant: **26k**
Total: **161k**

12%

2019
Occupied: **138k**
Vacant: **19k**
Total: **157k**

Source: American Community Survey, American Census

Total Vacant   Total Occupied   Vacancy %

VACANCY

Since 2015, there are 1,196 fewer indefinite vacant homes in Pittsburgh, driven by 886 demolitions.

Market and Indefinite Vacancy Rate, Pittsburgh

Total Vacancy = Market Vacancy + Indefinite Vacancy

Legend:
- •••• Indefinite Vacany
- •••• Market Vacancy
- ‒ ‒ Total Vacancy Rate

PEAK **9.2%**

PEAK **8.3%**

7%

16%

12%

10%

7.4%

7.0%

7.3%

5.0%

4.5%

7.8%

4.9%

2.8%

2.4%
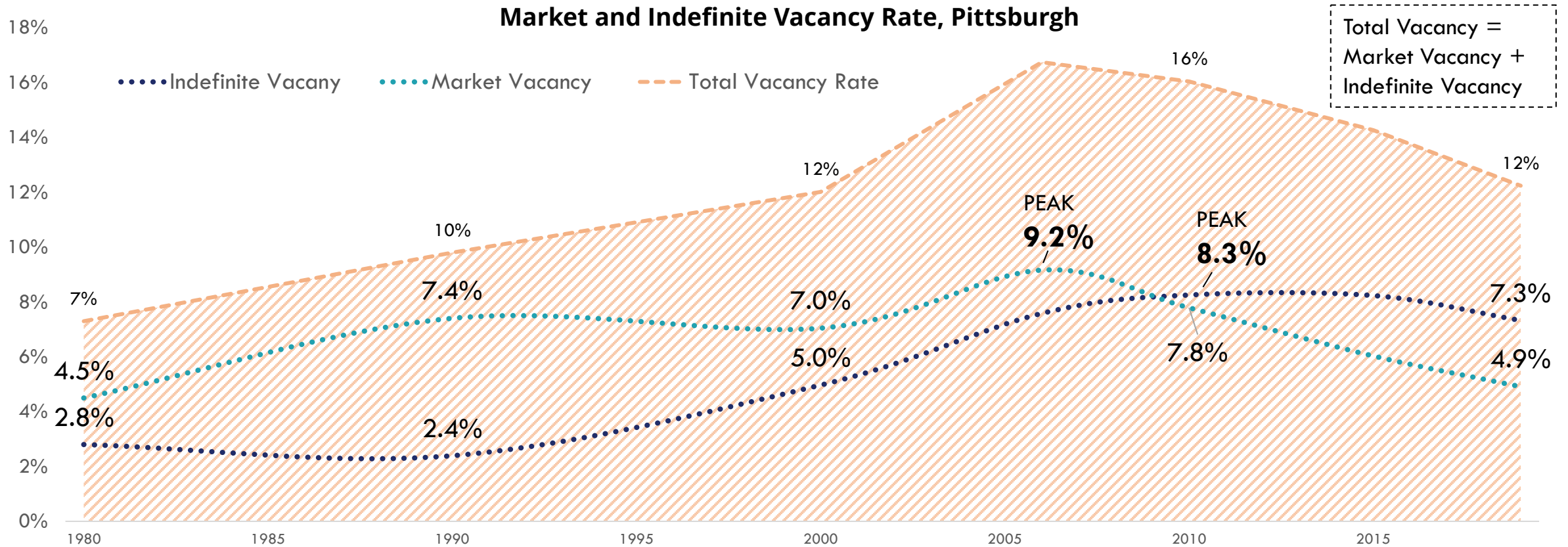
Source: American Community Survey, American Census
*Market Vacancy is defined as homes that are temporarily vacant and usually being actively leased or are seasonally vacant.
**Indefinite Vacancy is defined as homes with no short-term intention of being placed back on the market.

VACANCY

Rental Housing Summary | Key Findings

(1) **Multifamily New Construction**
The housing stock in Pittsburgh has shifted towards building **more multifamily units and fewer single-family homes** over the past decade. In this time, 90% of new construction units have been built as multifamily rental. Since 2010, **7,750 multifamily units** have been built in Pittsburgh, roughly equal to the number of units built between 1980 and 2010. Since 2015, the share of Pittsburgh residents renting in a multifamily home has **increased by 2%.**

(2) **Multifamily Rents**
Class A, newly constructed properties are performing well, with stable absorption and vacancy, with 2019's **5% multifamily vacancy being the lowest in decades.** This number edged up during 2020, but has declined in the past 6 months. Class B multifamily has performed even better during this time, with **Class B rents increasing 6% more than Class A properties over the past decade**. These units are more likely to be older, larger, and have more bedrooms.
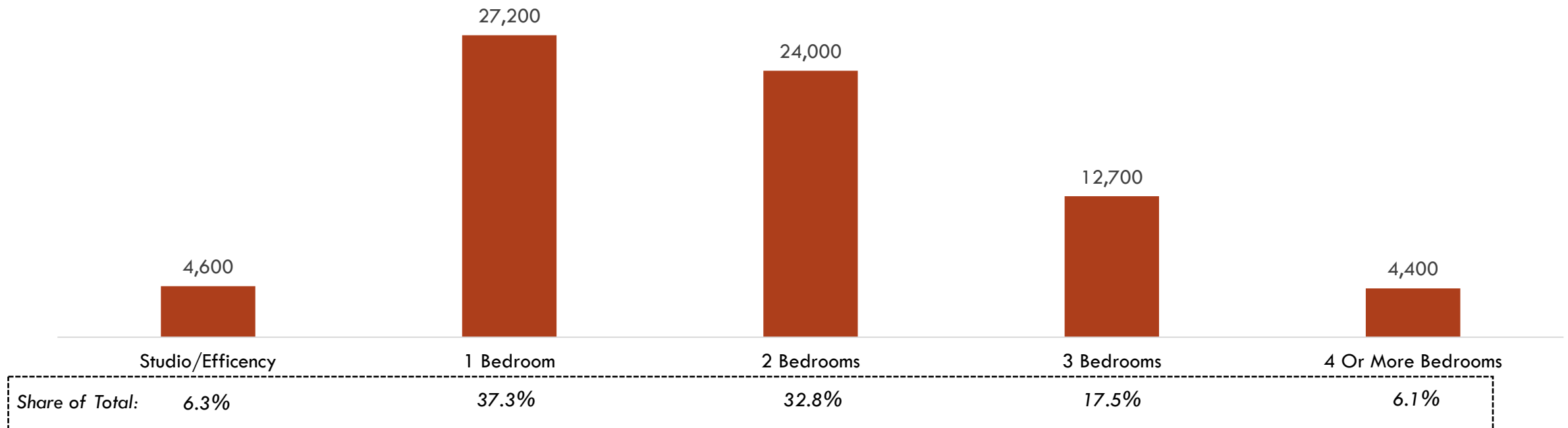
(3) **Single-Family and 2 - 4 Unit Rental**
Single-family and 2 – 4 Unit rentals account for **55% of the rental housing stock.** Attached Single-Family is the only single-family rental housing type to increase its share since 2015.

One-bedroom units are the biggest share of rental units which primarily serve one- and two-person households.

One-bedroom apartments account for the largest share of all rental units, accounting for approximately 37% of all rental units. However, one-person households account for half of all rental households, slightly less than the combined share of studio/efficiency units and one-bedrooms, units that serve these households.

Rental Housing by Bedroom Count, 2019

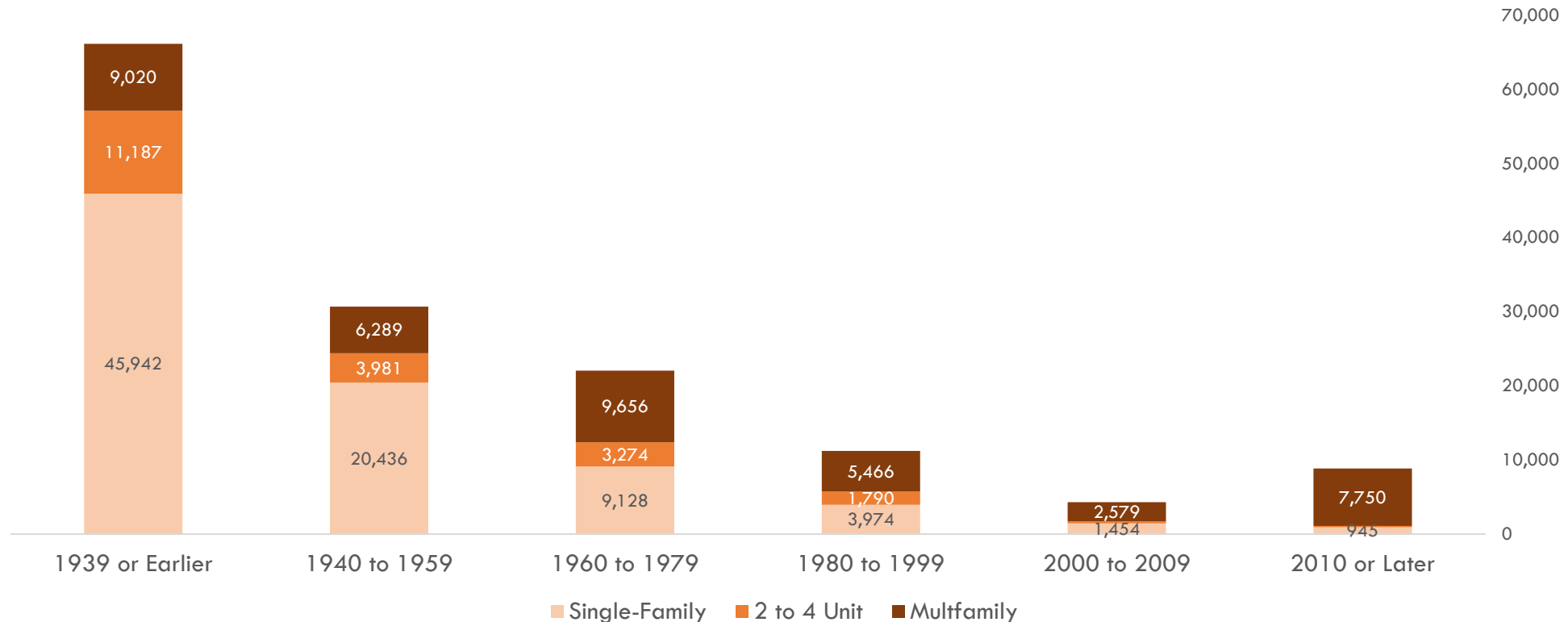|	Studio/Efficency	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Or More Bedrooms
	4,600	27,200	24,000	12,700	4,400
Share of Total:	6.3%	37.3%	32.8%	17.5%	6.1%

Source: American Community Survey

RENTAL HOUSING

Housing construction has reversed a decades-long decline, with housing stock shifting to less single-family and more multifamily.

The 2010s was the most substantial construction period in Pittsburgh since the 1970s, which has largely comprised of multifamily rental. Multifamily rental has accounted for 90% of all new construction over the past decade.
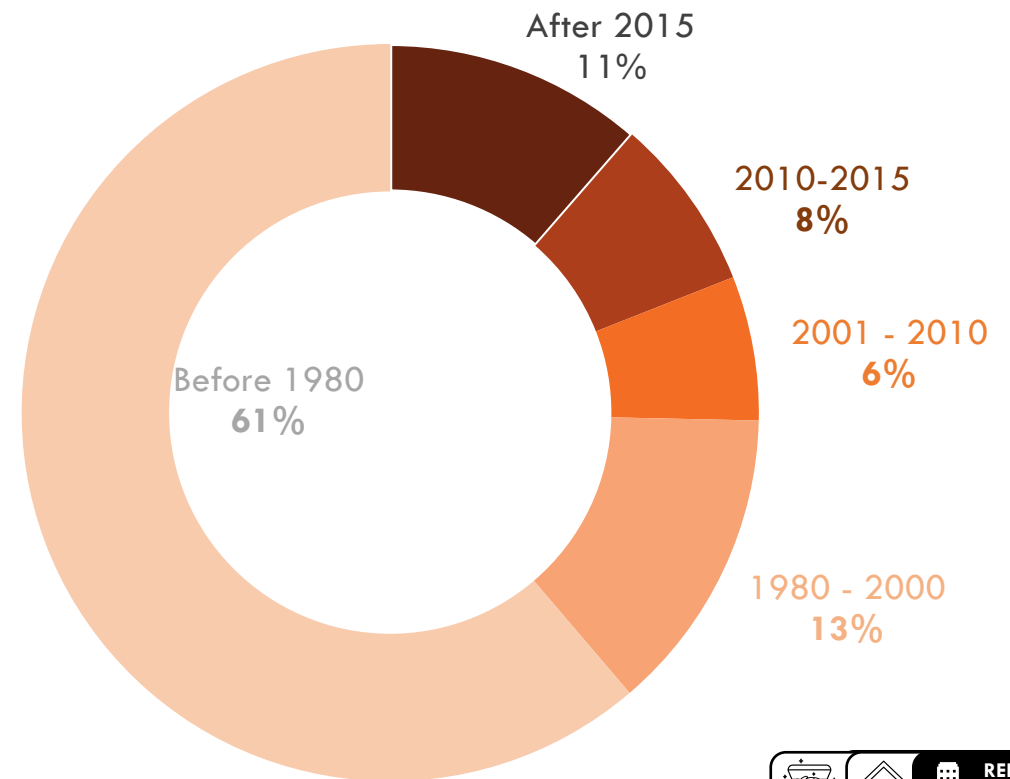
New Construction Single-Family and Multifamily Units

Legend: Single-Family | 2 to 4 Unit | Multifamily

Period	Single-Family	2 to 4 Unit	Multifamily
1939 or Earlier	45,942	11,187	9,020
1940 to 1959	20,436	3,981	6,289
1960 to 1979	9,128	3,274	9,656
1980 to 1999	3,974	1,790	5,466
2000 to 2009	1,454		2,579
2010 or Later	945		7,750

Source: American Community Survey

RENTAL HOUSING

Multifamily rental development has significantly increased in the past decade, especially since 2016.

Since 2010, 7,750 multifamily units have been built in Pittsburgh, roughly equal to the number of units that were built between 1980 and 2010.

**Count and Share of Units by Year Built, City of Pittsburgh**

Year Built	Units	Share
After 2015	4,644	11%
2010-2015	3,106	8%
2001 - 2009	2,579	6%
1980 - 2000	5,466	13%
Before 1980	24,965	61%
	40,760	100%

After 2015
11%

2010-2015
8%

2001 - 2010
6%

1980 - 2000
13%

Before 1980
61%

Source: CoStar

RENTAL HOUSING

New multifamily development in Pittsburgh has been well received by the market.

Since 2010, net absorption in Pittsburgh generally kept apace with new deliveries, as vacancy stayed relatively stable over the past decade, averaging around 6.7%. Approximately half of all units that delivered in the Pittsburgh MSA since 2010 delivered in the City. However, the region lags other fast-growing markets in multifamily construction.

Deliveries, Absorption, and Vacancy; Pittsburgh

Deliveries Units — Absorption Units — Vacancy Percent
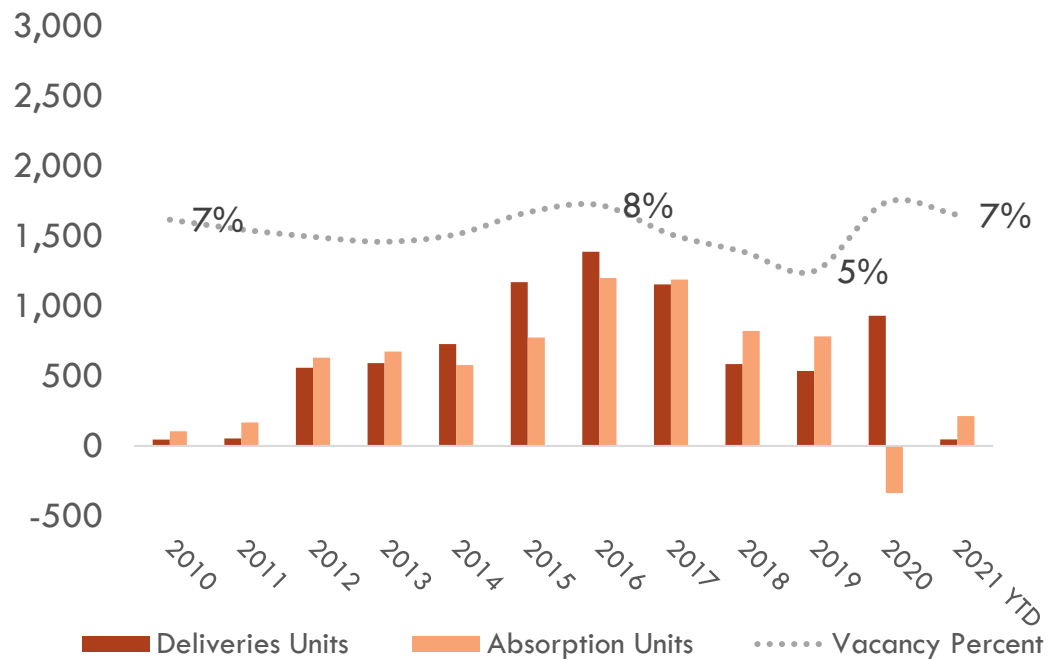
Deliveries; Pittsburgh MSA
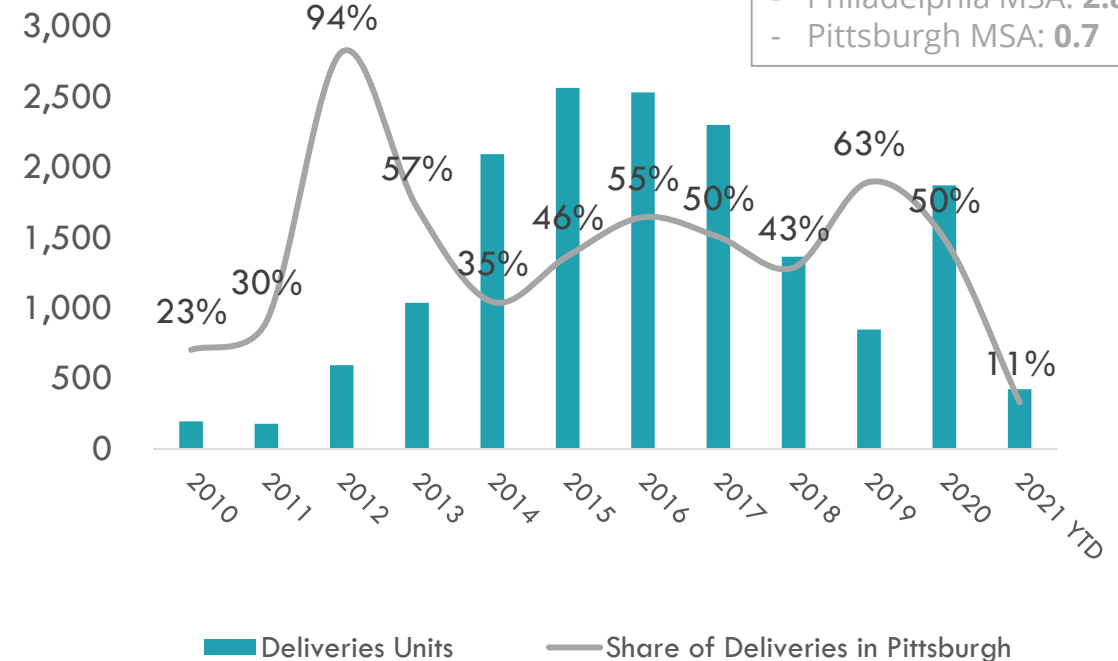
Multifamily Construction Permits Per 1000 people (2018 – 2020)…

- Atlanta MSA: **3.7**
- Philadelphia MSA: **2.8**
- Pittsburgh MSA: **0.7**

Deliveries Units — Share of Deliveries in Pittsburgh

Source: CoStar

RENTAL HOUSING

Class B rent has risen faster than at Class A properties, which experienced the least amount of rent growth.

Additionally, Class C rent growth has slightly outpaced Class A, indicating that more-affordable properties may quickly becoming out of reach for many renters.

Rent Growth, 2010-2021 YTD, Pittsburgh

Class A
13.9%
Rent Growth

2010 Avg. Rent: $1,610
2021 Avg. Rent: $1,834 (+$224)

Class B
21.3%
Rent Growth

2010 Avg. Rent: $1,033
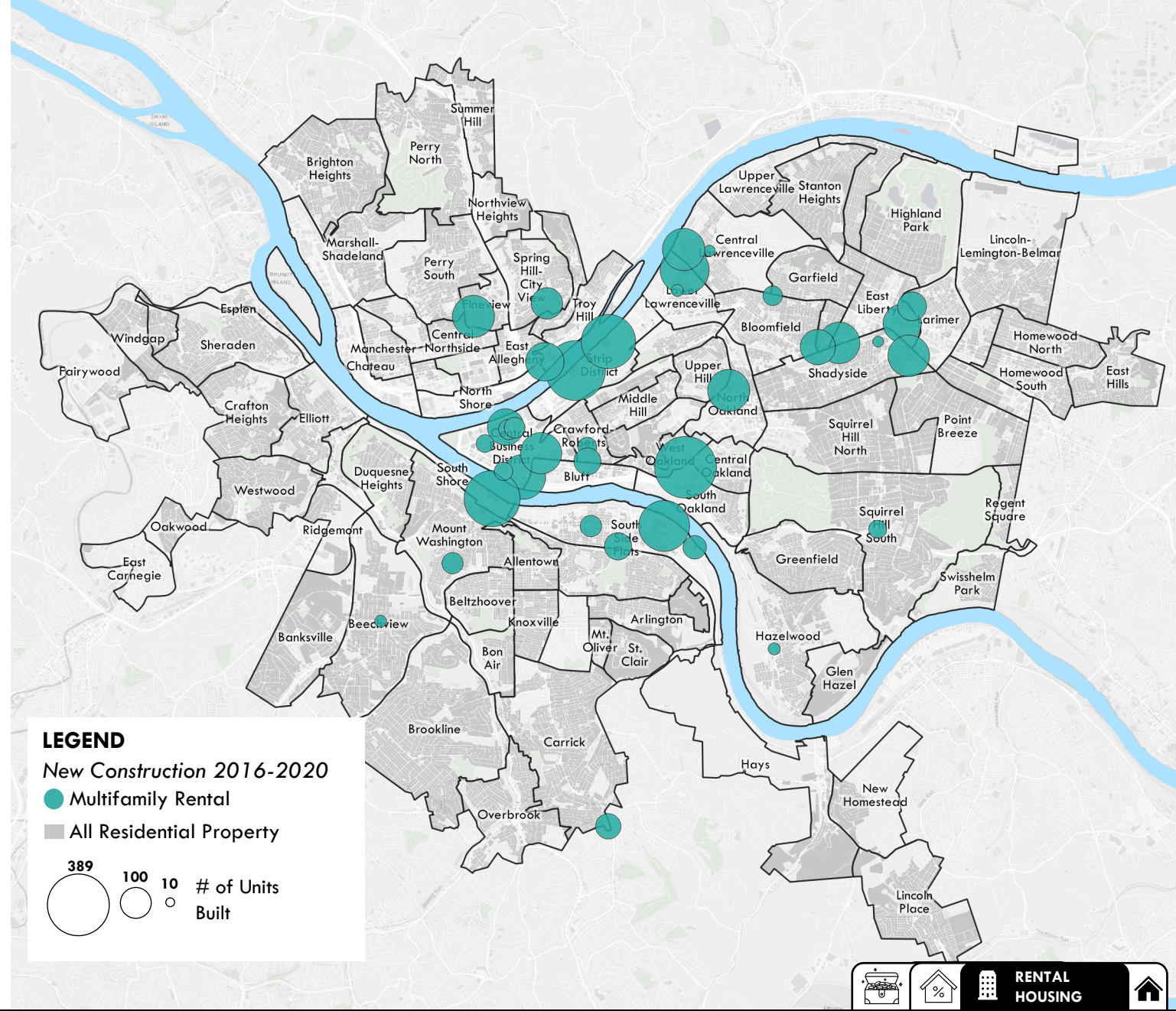2021 Avg. Rent: $1,253 (+$220)

Class C
16.3%
Rent Growth

2010 Avg. Rent: $903
2021 Avg. Rent: $1,050 (+$147)

Source: CoStar

RENTAL HOUSING

Multifamily new construction has been concentrated primarily around the CBD and East Liberty.

New Construction Multifamily Rental, 2016 to 2020
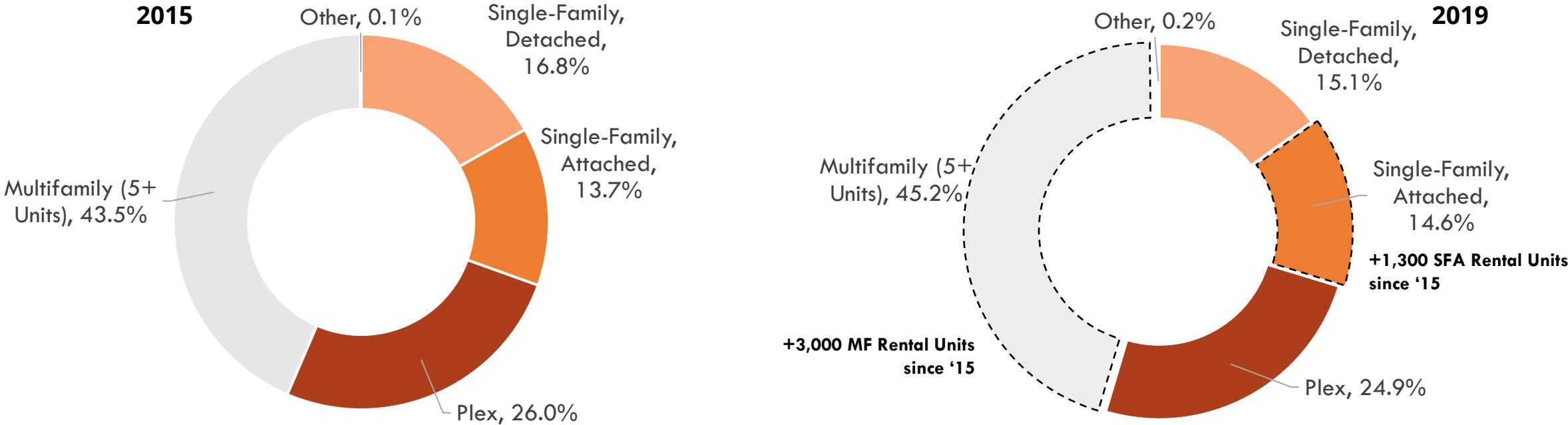
LEGEND

New Construction 2016-2020

⬤ Multifamily Rental

▨ All Residential Property

389 100 10   # of Units Built

Source: American Community Survey, Allegheny Tax Assessor; HR&A Advisors

RENTAL HOUSING

Pittsburghers are most likely to rent in single-family and 2-4 unit ("plex") homes, though the share renting multifamily has increased since 2015.

Since 2015, Pittsburgh has added approximately 1,300 net new rental single-family attached homes and 3,000 net new rental apartments, comprising nearly all of the net new rental housing stock since 2015. These figures are in line with national trends which have seen increased multifamily development and increases in single-family rentals.

Share of Renter-Occupied Units by Building Type, 2015-2019

2015

Other, 0.1%

Single-Family, Detached, 16.8%

Single-Family, Attached, 13.7%

Multifamily (5+ Units), 43.5%

Plex, 26.0%

2019

Other, 0.2%

Single-Family, Detached, 15.1%

Single-Family, Attached, 14.6%

+1,300 SFA Rental Units since '15

Multifamily (5+ Units), 45.2%

+3,000 MF Rental Units since '15

Plex, 24.9%

RENTAL HOUSING

Ownership Housing Summary | Key Findings

1 **Housing Market**
The growth of home prices in the City of Pittsburgh **outpaced the Pittsburgh MSA** from 2011 to 2020, with the Pittsburgh MSA showing relatively robust growth during this period compared to other major metros. Housing markets closest to the **CBD, Strip District, East Liberty, and Lawrenceville** have demonstrated the most market momentum since 2016, with many neighborhoods in this section of Pittsburgh seeing **double-digit annual price growth**.

2 **Single-Family New Construction**
Annual single family new construction has remained **largely low and stable** over the past decade while **prices have more than doubled**.
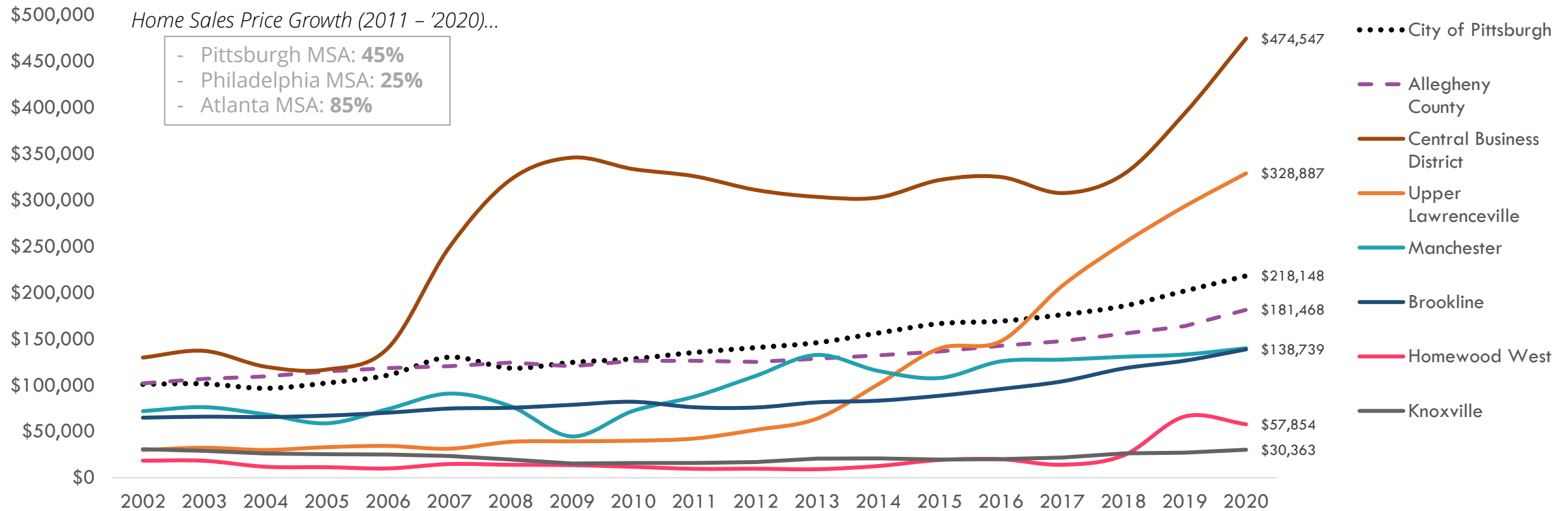
3 **"Flipped" Housing**
Flipped housing has **formed a greater share of housing investment** since 2016, with annual production averaging above 150 units. Since 2016, **2x as many single-family homes have been flipped** compared to new construction. Prices have remained stable during this period, with a majority of flipped properties remaining **affordable to households earning more than 80% AMI.**

OWNERSHIP HOUSING

Neighborhoods located closest to the CBD and North Pittsburgh have seen the highest home price growth.

Between 2011 and 2020, average home sales in the City of Pittsburgh increased 61% from $135k to $218k, outpacing Allegheny County during the same period.

Pittsburgh and Example Neighborhood Sales Price Growth, 2015 – 2020 (Non-adjusted)

Home Sales Price Growth (2011 – '2020)...
- Pittsburgh MSA: **45%**
- Philadelphia MSA: **25%**
- Atlanta MSA: **85%**

Legend:
- City of Pittsburgh
- Allegheny County
- Central Business District — $474,547
- Upper Lawrenceville — $328,887
- Manchester — $138,739
- Brookline — $181,468
- Homewood West — $57,854
- Knoxville — $30,363

City of Pittsburgh: $218,148

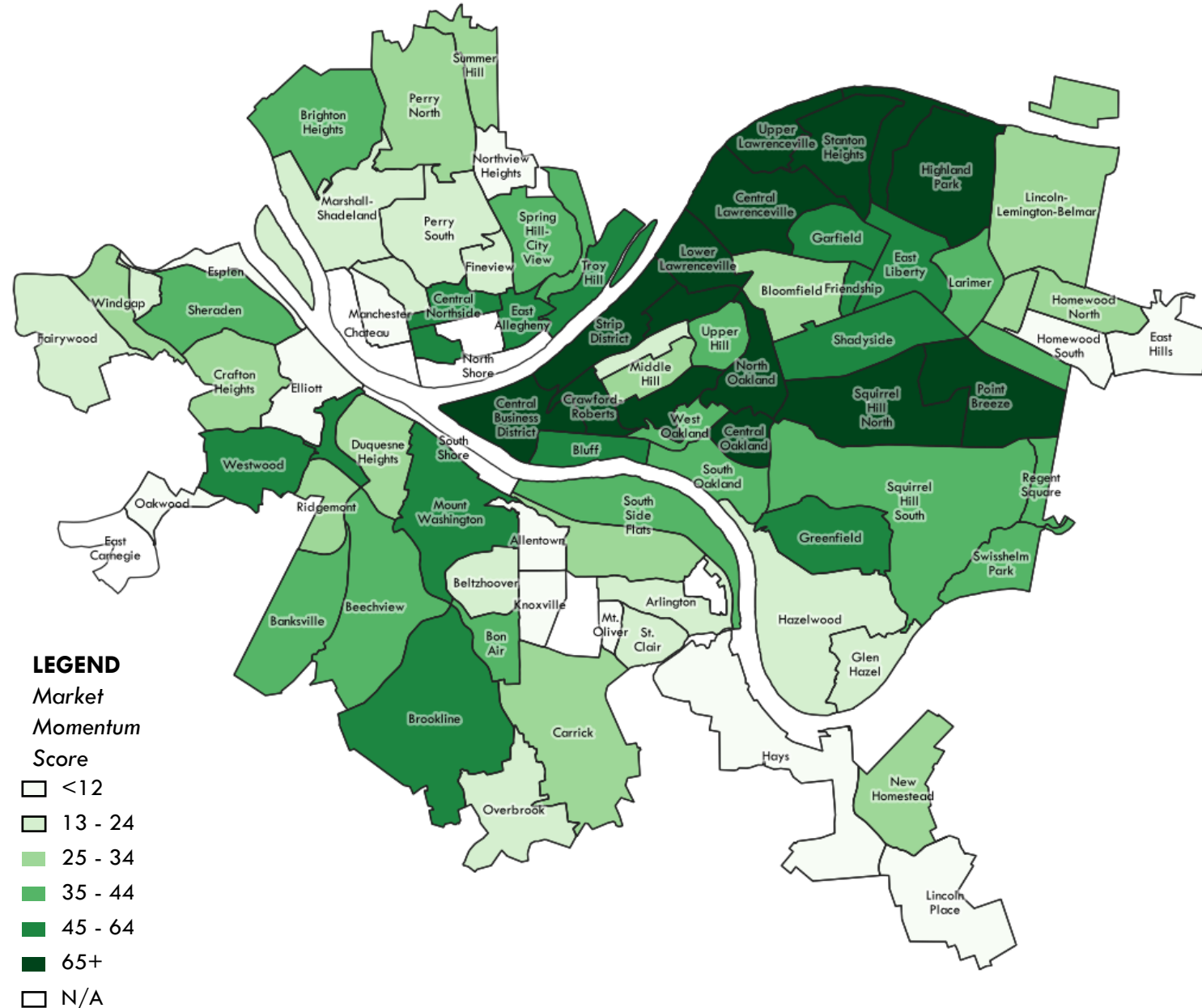*Source: Allegheny Tax Assessor; HR&A Advisors, Zillow*

OWNERSHIP HOUSING

Since 2014, the CBD and the North Side neighborhoods have joined as major growth centers, reversing a decades-long decline.

Most Market Momentum
- Upper Lawrenceville
- Strip District
- Lower Lawrenceville
- North Oakland
- Point Breeze

Least Market Momentum
- Elliott
- Mt. Oliver
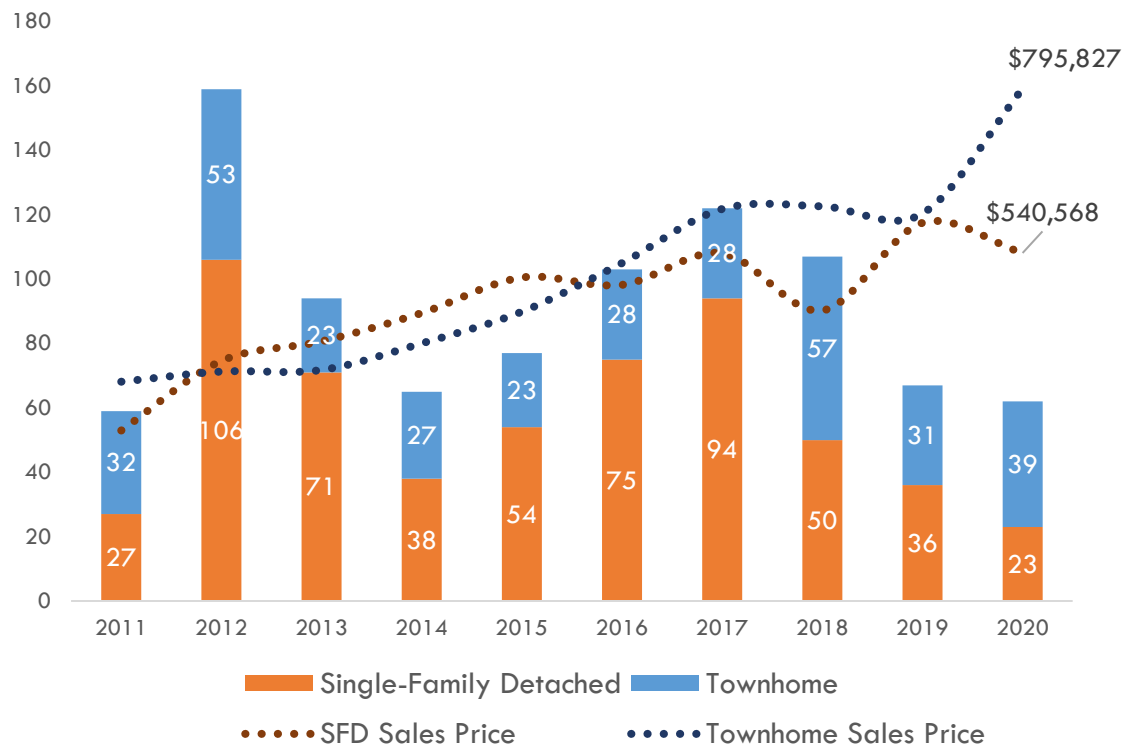- Manchester
- Homewood South
- Allentown

Neighborhoods Demonstrating the Most Market Momentum, 2020

LEGEND

Market Momentum Score

- ☐ <12
- ☐ 13 - 24
- ☐ 25 - 34
- ☐ 35 - 44
- ☐ 45 - 64
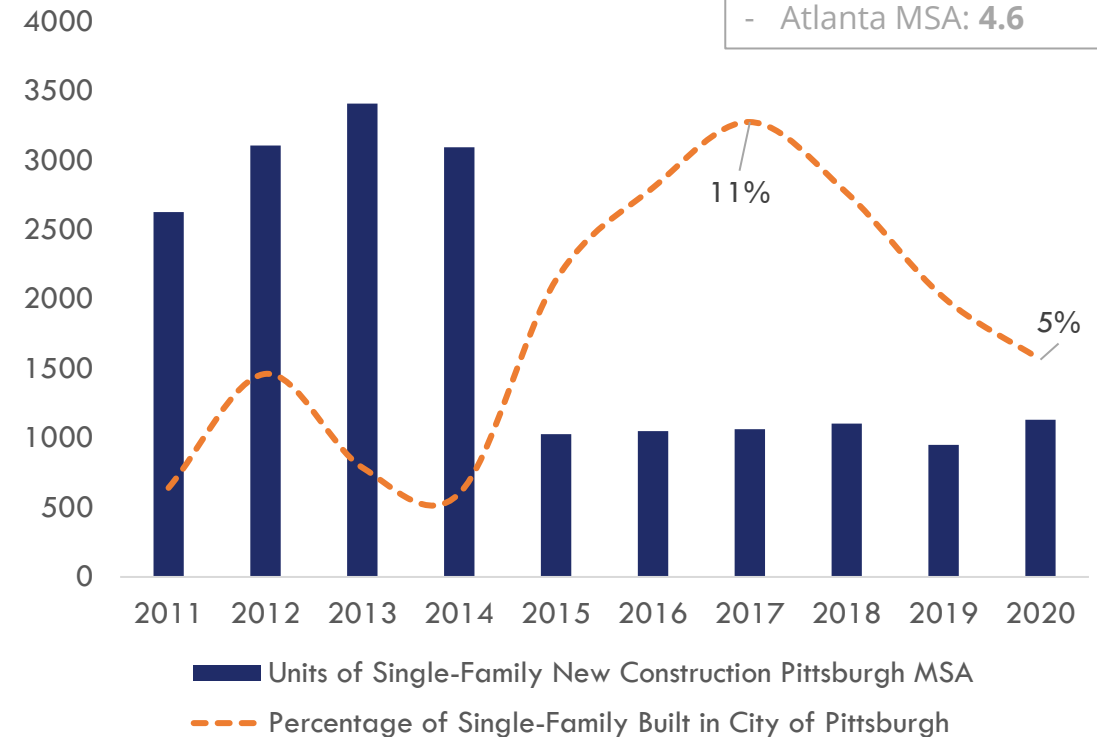- ☐ 65+
- ☐ N/A

OWNERSHIP HOUSING

Annual construction of single-family attached and detached homes has remained steady in the past decade while the average price of a new home has more than doubled.

Home construction in both the City and Pittsburgh MSA has yet to recover from the Great Recession. In 2020, new construction housing permits are almost 1/3 of Philadelphia's and 1/9 of Atlanta's.

Single-Family Construction Permits per 1000 People (2020)...

- Pittsburgh MSA: **0.5**
- Philadelphia MSA: **1.3**
- Atlanta MSA: **4.6**

New Construction Single-Family Detached and Attached, 2011 – 2020

Legend:
- Single-Family Detached
- Townhome
- SFD Sales Price
- Townhome Sales Price

New Single-Family Construction for Pittsburgh MSA, 2011 – 2020

Legend:
- Units of Single-Family New Construction Pittsburgh MSA
- Percentage of Single-Family Built in City of Pittsburgh

Source: Allegheny County Tax Assessor, American Census

OWNERSHIP HOUSING

Since 2016, owner-occupied housing has been built in only a few neighborhoods, in the Central Business District, East Liberty, and Lawrenceville.

LEGEND

New Construction 2016-2020

● Single-Family Detached + Attached

● Multifamily Condo
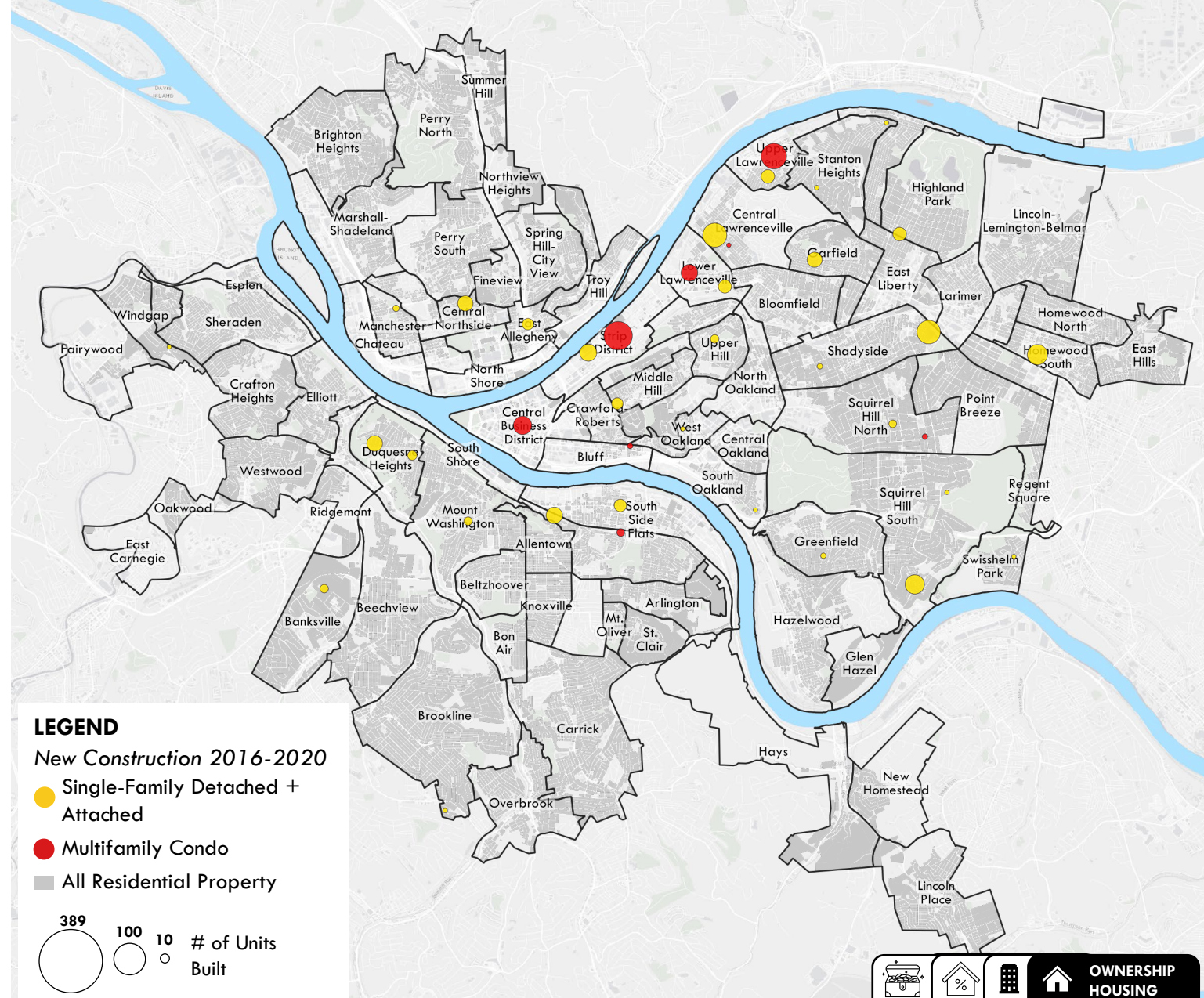
▢ All Residential Property

389   100   10   # of Units Built

Source: American Community Survey, Allegheny Tax Assessor; HR&A Advisors

OWNERSHIP HOUSING

The number of homes professionally acquired, renovated, and sold ("Flips") increased every year from 2011 to 2019, with prices remaining affordable to Pittsburgh homebuyers earning greater than 80% AMI.

Prices of flipped product have remained steady around $200k since 2015 while annual production has continued to increase. A drop off in 2020 is the result of large drops in acquisitions and purchases in the period immediately following the outbreak of Covid-19.

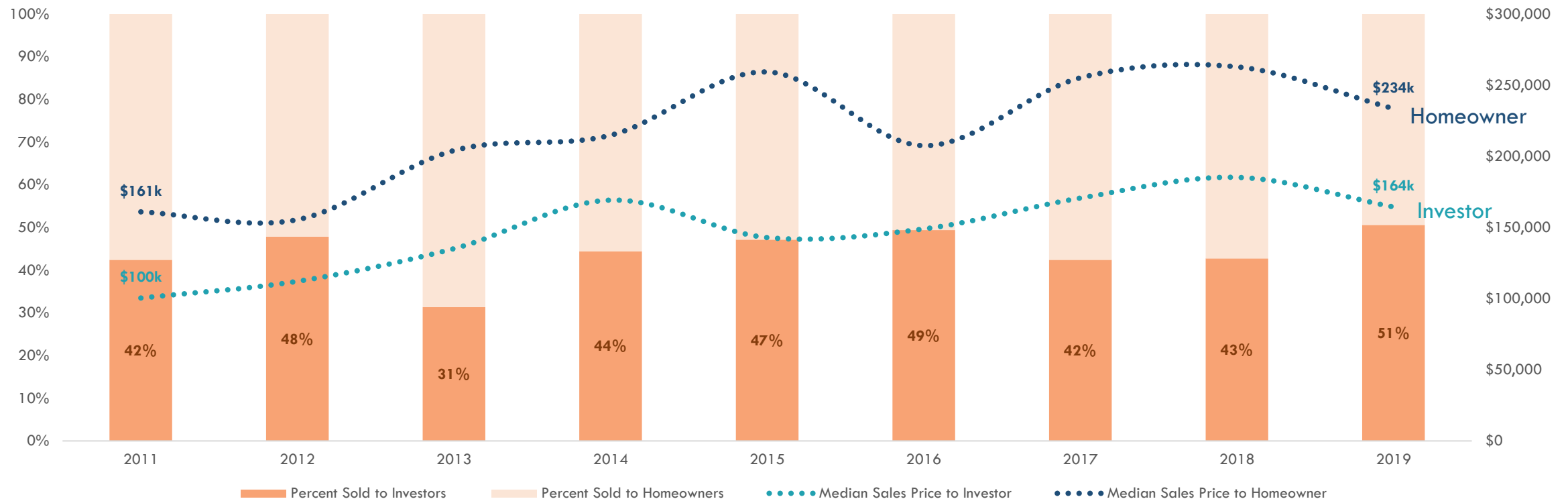**Number of Homes "Flipped" and Sales Prices, 2011 – 2020 (Inflation Unadjusted)**

Legend: ■ Homes "Flipped"   ····· Average "Flipped" Sales Price

OWNERSHIP HOUSING
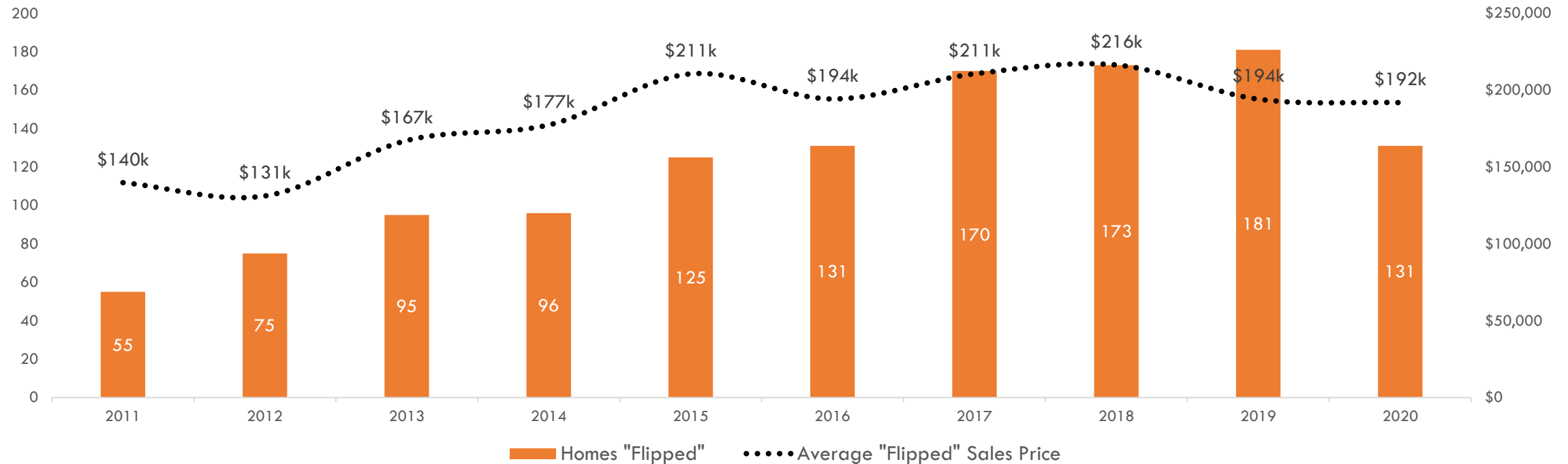
Homeowners continue to purchase most flipped homes, but investors purchase a significant share.

From 2016 to 2019, investors purchased 43% of flipped properties, which were usually around $70k less than properties purchased by households intending to be owner-occupants.

Percent and Price of Flipped Homes Sold to Investors and Homeowners, 2011 - 2019

Legend: Percent Sold to Investors | Percent Sold to Homeowners | Median Sales Price to Investor | Median Sales Price to Homeowner

Data labels: 2011: 42%, $100k, $161k; 2012: 48%; 2013: 31%; 2014: 44%; 2015: 47%; 2016: 49%; 2017: 42%; 2018: 43%; 2019: 51%, $164k (Investor), $234k (Homeowner)
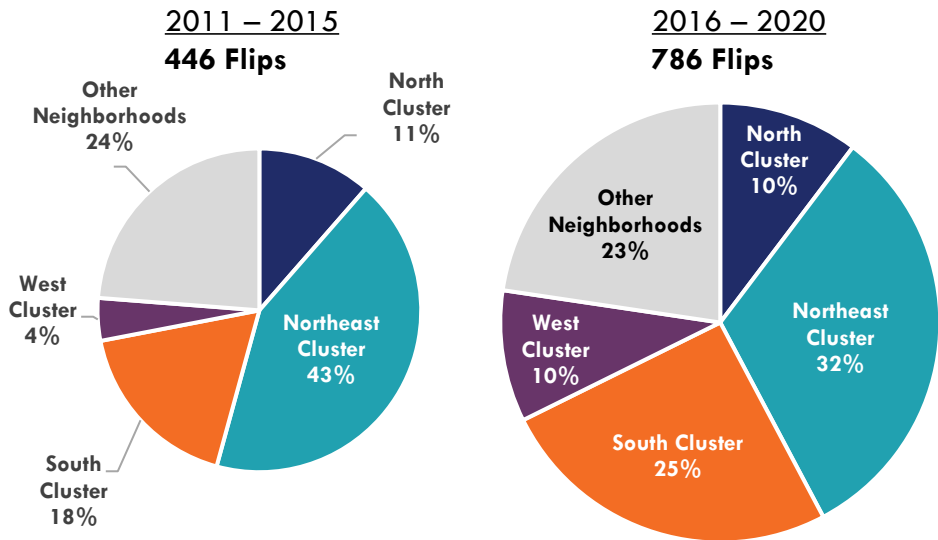
Source: Allegheny County Treasurer Office; HR&A Advisors

OWNERSHIP HOUSING

Flipping has increased the most in the South and West clusters, and many of these are investor-owned.

Most homes flipped in these neighborhoods are affordable to households earning between 60% – 80% AMI, for both ownership and rentals.

**Number of Flipped Homes by Geographic Cluster, 2011 – 2015, 2016 – 2020**

2011 – 2015
446 Flips

- Other Neighborhoods 24%
- North Cluster 11%
- Northeast Cluster 43%
- South Cluster 18%
- West Cluster 4%

2016 – 2020
786 Flips

- Other Neighborhoods 23%
- North Cluster 10%
- Northeast Cluster 32%
- South Cluster 25%
- West Cluster 10%

Home Flipping Clusters Analysis

LEGEND

Sales Price ('15 – '20)

- ● <$100k
- ● $100k – 150k
- ● $150k – 200k
- ● $200k – 300k
- ● $300k+

- ⬛ All Residential Property
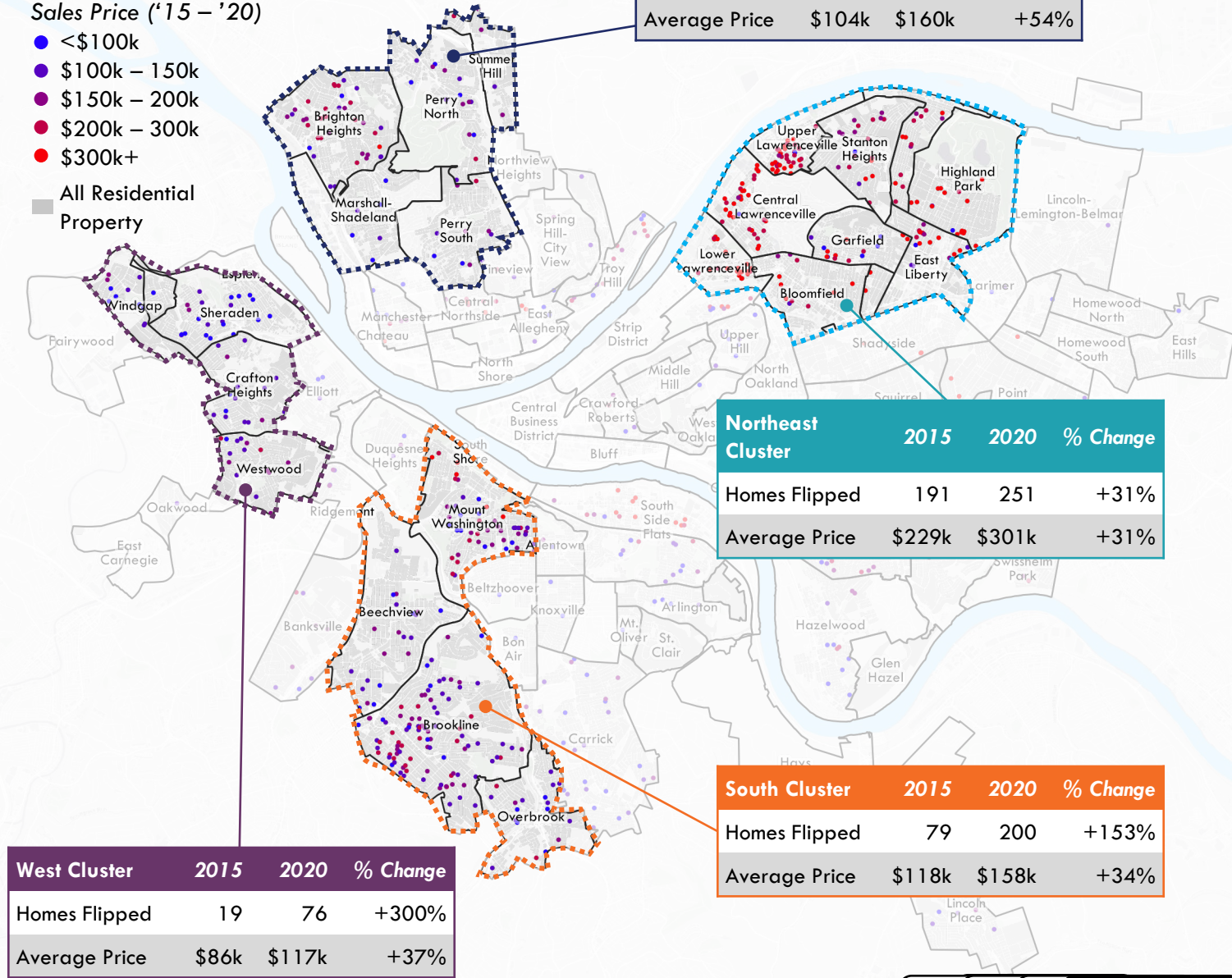
North Cluster	2015	2020	% Change
Homes Flipped	51	81	+59%
Average Price	$104k	$160k	+54%

Northeast Cluster	2015	2020	% Change
Homes Flipped	191	251	+31%
Average Price	$229k	$301k	+31%

South Cluster	2015	2020	% Change
Homes Flipped	79	200	+153%
Average Price	$118k	$158k	+34%

West Cluster	2015	2020	% Change
Homes Flipped	19	76	+300%
Average Price	$86k	$117k	+37%

OWNERSHIP HOUSING

Executive Summary

Demographics and Employment

Housing Stock

Housing Needs

CHAPTERS

- Current Housing Need
- Future Housing Need

CURRENT NEEDS

Current Housing Needs Summary | Key Findings

1 **Income vs. Rent**
Rent has **increased faster than incomes for those with no college education** but increased slower than incomes for all other educational groups.

2 **Low-Income Renter Population**
The renter population of Pittsburgh has **shifted towards higher-income renters** over the past five years, with a **16% decline in households earning less than 30% AMI**.

3 **Housing Supply Gap**
Cumulatively, there is a supply gap of 11,126 units at 50% AMI or below, with the **most severe gap falling on households earning less than 30% AMI**. Since 2015, the gap for 30% renter households shrunk from 14k to 8k, primarily due to rising regional incomes.
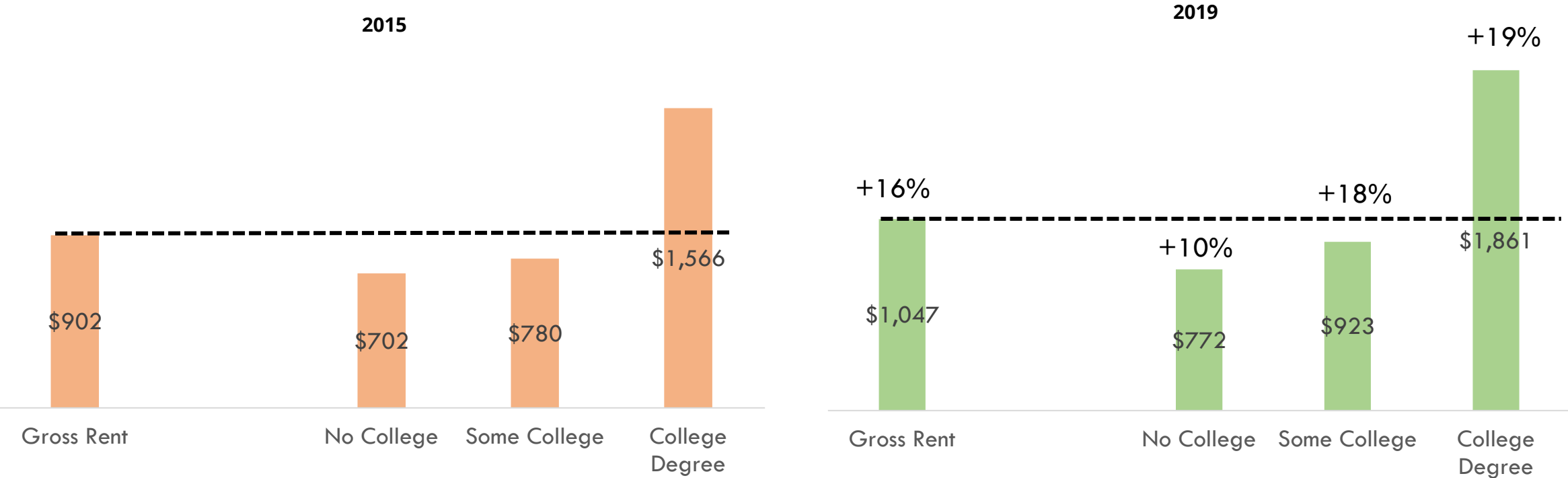
4 **Cost Burden**
Nearly **half of all renters in Pittsburgh are cost-burdened**, with over a quarter qualifying as extremely cost-burdened. Additionally, **approximately 20% of all owners are cost-burdened** with 10% qualifying as extremely cost-burdened.

CURRENT NEEDS

Despite moderate income growth, those without a college degree continue to struggle to afford rent in Pittsburgh.

In both 2015 and 2019, renters with no college education or with less than a four-year degree struggled to afford rent, with average affordable rents below gross rents in the city. By contrast, the average college graduate can afford nearly double gross rent.

Comparison of Average Gross Rent to Affordable Rent

2015

Gross Rent — $902
No College — $702
Some College — $780
College Degree — $1,566

2019

Gross Rent — $1,047 (+16%)
No College — $772 (+10%)
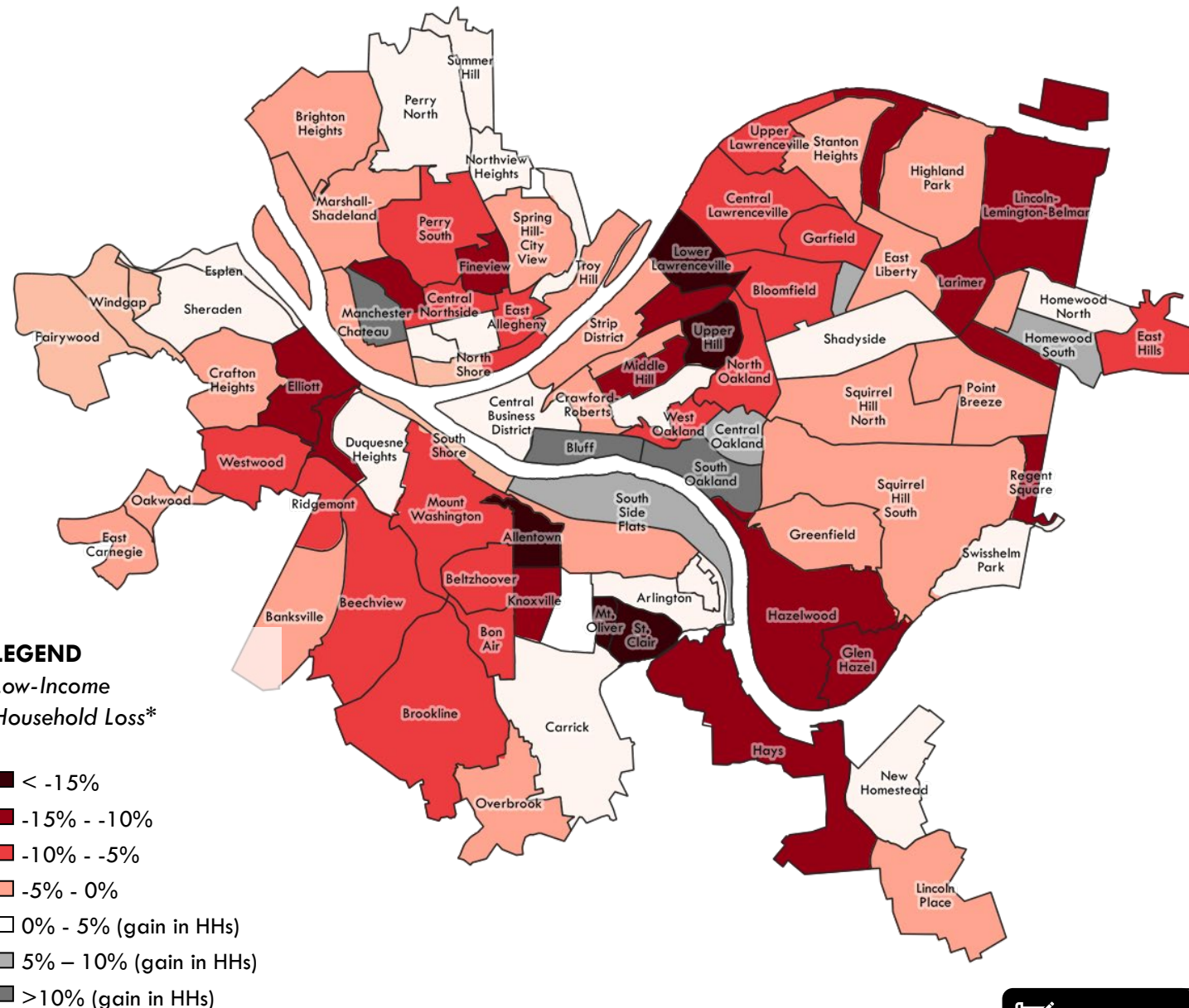Some College — $923 (+18%)
College Degree — $1,861 (+19%)

Note: Average gross rent is inclusive of utility costs. Affordable rent calculated as 30% of median monthly income.
Source: 2019 American Community Survey PUMS data

CURRENT NEEDS

Since 2015, low-income households have left neighborhoods with both strong and weak market momentum.

Neighborhoods such as Lower Lawrenceville and the Hill District have significant market momentum – with rising housing costs forcing out low-income households. On the other hand, neighborhoods with high indefinite vacancy and other poor housing conditions, such as Allentown and Mt. Oliver, also experienced low-income household loss as residents leave in search of better-quality housing. These differing trends illustrate how the housing market in Pittsburgh squeezes out low-income households from both directions.
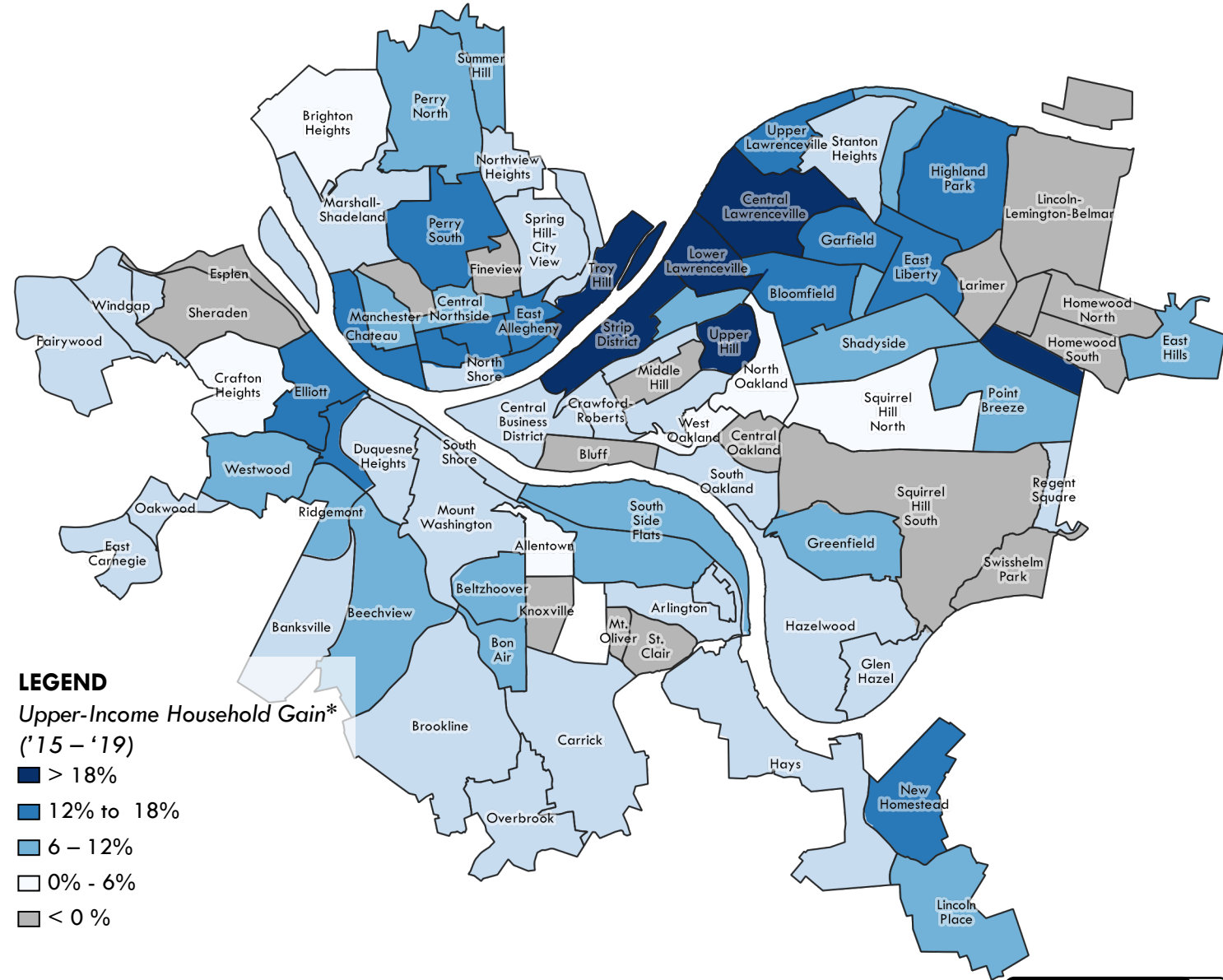
*Measured as total decrease in the number of households earning less than $25k annually between 2015 and 2019 as a percent of the that neighborhoods total number of households.
Source: Allegheny Tax Assessor; HR&A Advisors*

Loss of Households Earning Under $25K, 2015-2019

LEGEND
*Low-Income
Household Loss**

- ■ < -15%
- ■ -15% - -10%
- ■ -10% - -5%
- ■ -5% - 0%
- □ 0% - 5% (gain in HHs)
- ▨ 5% – 10% (gain in HHs)
- ▨ >10% (gain in HHs)

CURRENT NEEDS

Neighborhoods near the Strip District and Lawrenceville have attracted the most upper-income households since 2015.

Mirroring trends discussed earlier in this report, many of the central neighborhoods in Pittsburgh – including the Strip District, Lawrenceville, and the Hill District – have experienced significant market momentum and new development activity for both rental and homeownership. This new development has helped to attract a significant number of upper-income households, many of whom moved to Pittsburgh for new job opportunities as the city's economy evolves.

*Measured as total increase in the number of households earning more than $60k annually between 2015 and 2019 as a percent of the that neighborhoods total number of households.
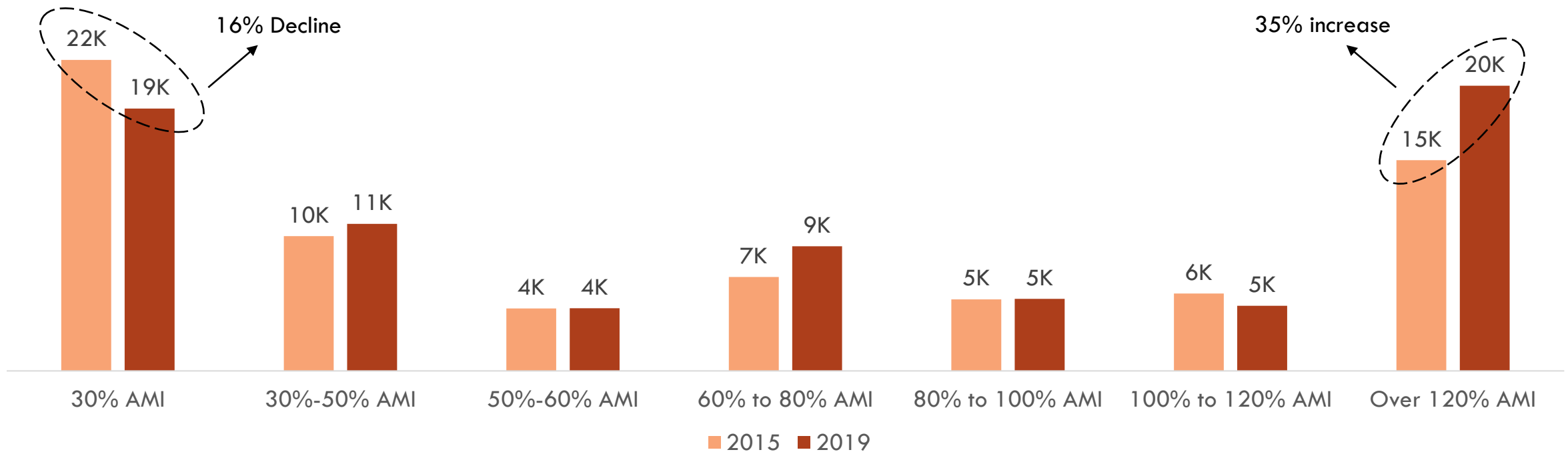Source: Allegheny Tax Assessor; HR&A Advisors*

Gain in Households Earning Over $60K, 2015-2019

LEGEND
Upper-Income Household Gain
('15 – '19)
- ◼ > 18%
- ◼ 12% to 18%
- ◼ 6 – 12%
- ◻ 0% - 6%
- ◻ < 0 %

CURRENT NEEDS

The renter population of Pittsburgh has shifted towards higher-income renters over the past five years.

Since 2015, Pittsburgh has gained over 5,300 renters making over 120% AMI, a 35% increase, by far the largest change of any renter group. Additionally, the city lost approximately 3,000 renters earning less than 30% AMI indicating displacement.

Renter Household by AMI
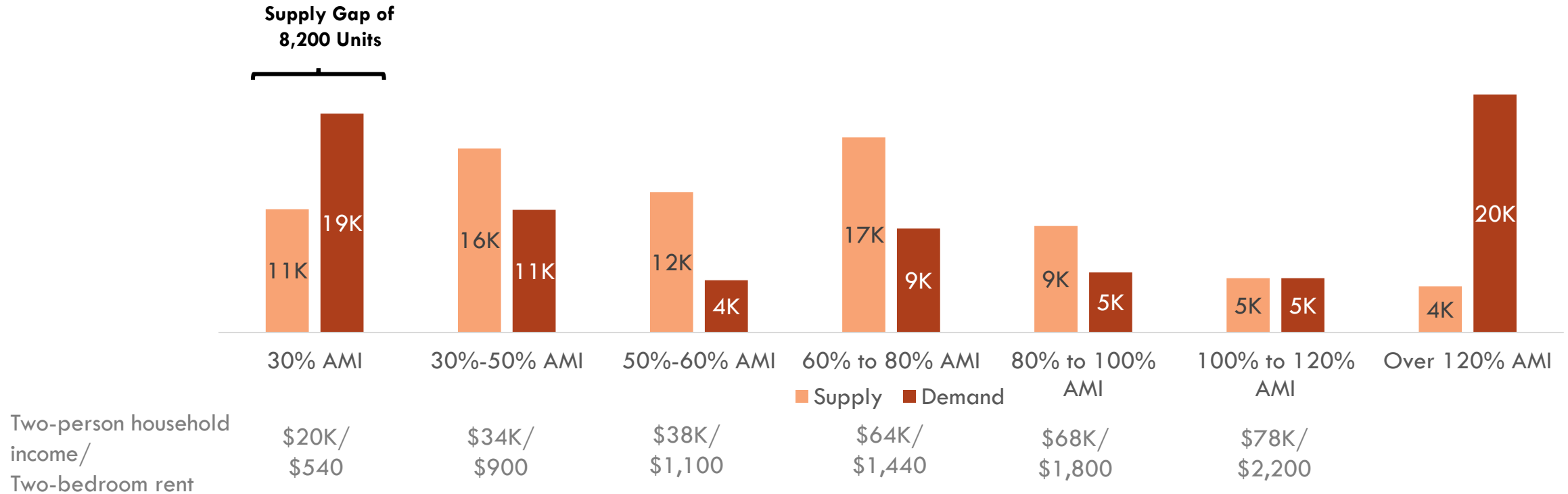
16% Decline
22K
19K

35% increase
20K
15K

10K 11K
4K 4K
7K 9K
5K 5K
6K 5K

30% AMI   30%-50% AMI   50%-60% AMI   60% to 80% AMI   80% to 100% AMI   100% to 120% AMI   Over 120% AMI

■ 2015 ■ 2019

CURRENT NEEDS

There is a supply gap of 8,200 rental units affordable to households earning under 30% AMI.

The most critical supply gap to help address is for households earning under 30% AMI as these units are harder for the market to produce without subsidy at scale. At the other end of the income spectrum, there is a shortage of units priced for households earning above 120% AMI which could cause these households to compete with, and potentially outbid, lower-income households at lower rents.
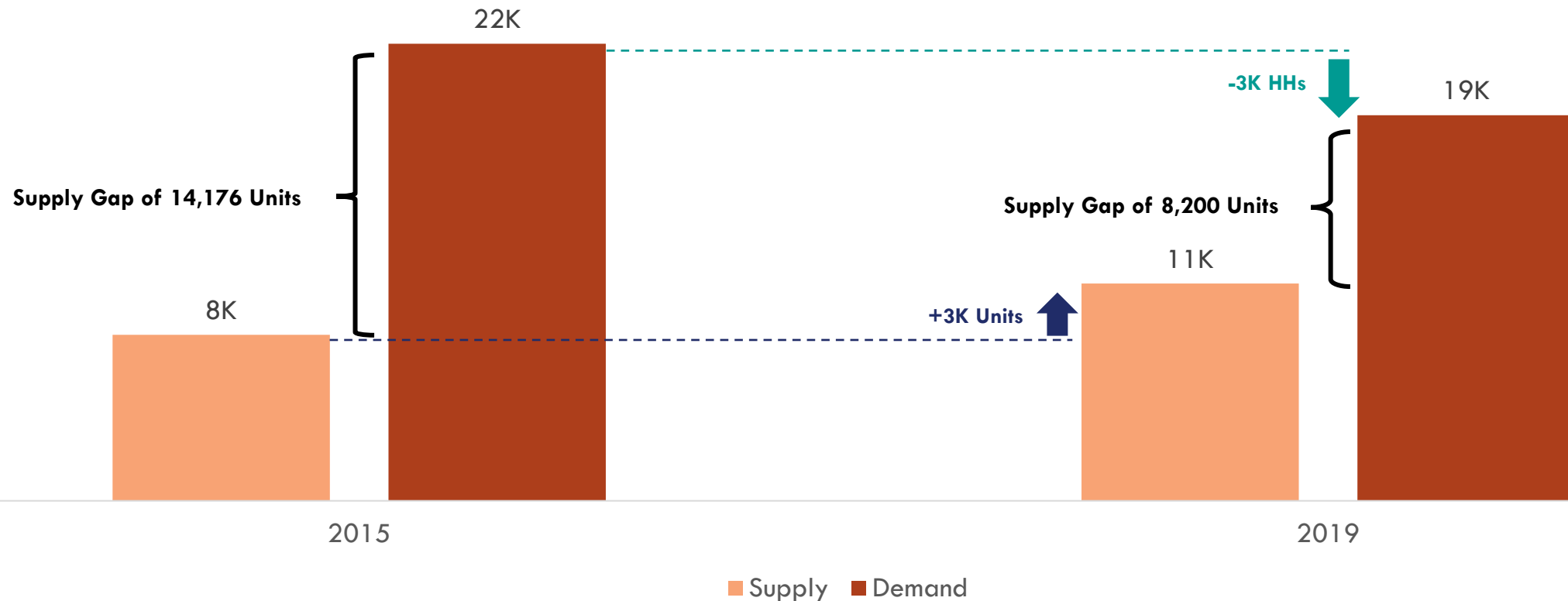
Rental Supply/Demand Gap by AMI Level

Supply Gap of 8,200 Units

	30% AMI	30%-50% AMI	50%-60% AMI	60% to 80% AMI	80% to 100% AMI	100% to 120% AMI	Over 120% AMI
Supply	11K	16K	12K	17K	9K	5K	4K
Demand	19K	11K	4K	9K	5K	5K	20K

Supply   Demand

| Two-person household income/ Two-bedroom rent | $20K/ $540 | $34K/ $900 | $38K/ $1,100 | $64K/ $1,440 | $68K/ $1,800 | $78K/ $2,200 | |

Source: American Community Survey PUMS data

CURRENT NEEDS

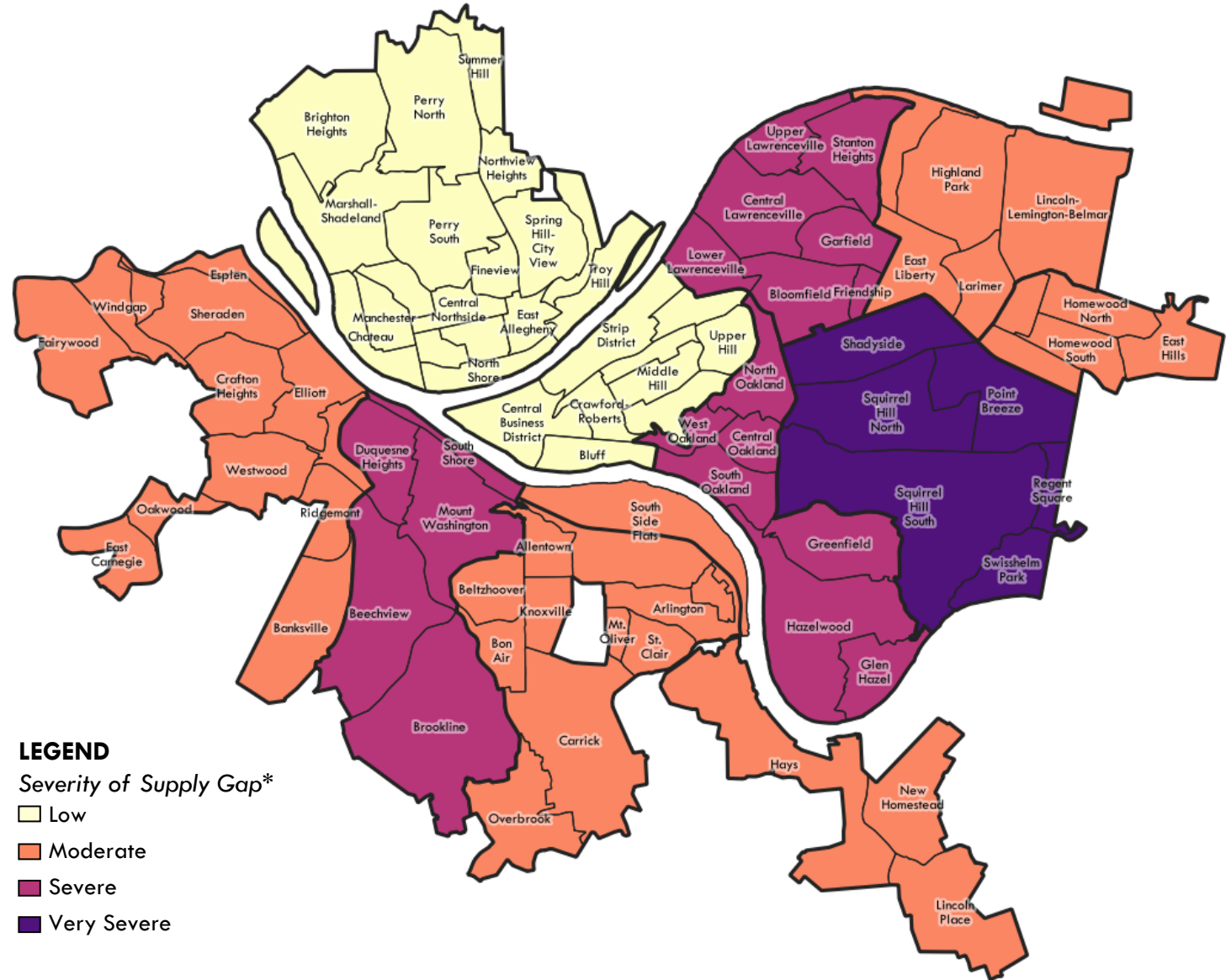# Since 2015, the supply gap of units priced below 30% AMI has declined from 14,176 units to 8,200 units.

This decline was caused by multiple factors including: 1) a loss of households earning under 30% AMI; 2) AMI growth exceeding rent growth at the lowest rental levels; and 3) effort to increase number of affordable units constructed in Pittsburgh.

Rental Supply/Demand Gap Under 30% AMI

22K

-3K HHs

19K

Supply Gap of 14,176 Units

Supply Gap of 8,200 Units

11K

+3K Units

8K

2015

2019

■ Supply ■ Demand

Source: American Community Survey PUMS data

CURRENT NEEDS

The supply gap is most severe for areas of Pittsburgh that contain older housing stock and are seeing substantial market momentum.

The most severe supply gap for households earning less than 30% AMI is clustered around Squirrel Hill and Shadyside – established residential neighborhoods that have seen significant market momentum over the past few years, but not as much development activity as neighborhoods to the north such as East Liberty and Lawrenceville. Alleviating the supply gaps in these neighborhoods will likely require interventions to help support additional development at prices affordable to those earning less than 30% AMI in these neighborhoods.
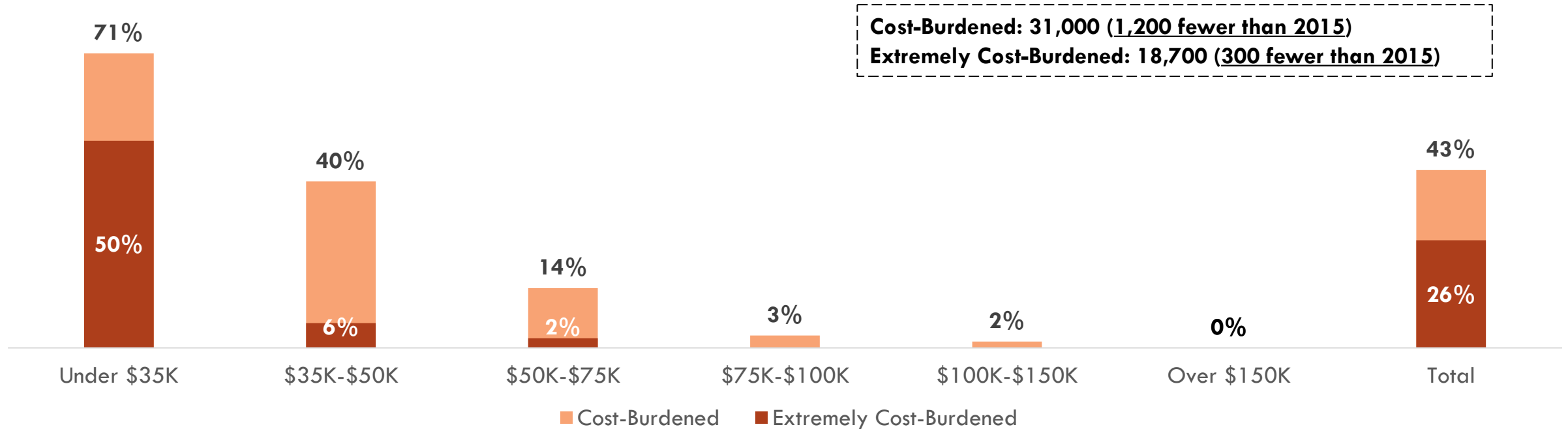
LEGEND
*Severity of Supply Gap**
- ☐ Low
- ☐ Moderate
- ☐ Severe
- ☐ Very Severe

*Measured as the total supply gap in rental units priced affordably for households earning less than 30% AMI as a percent 30% AMI as a percent of the total demand
Source: American Community Survey; HR&A Advisors

CURRENT NEEDS

Nearly half of all renters in Pittsburgh are cost-burdened, with over a quarter qualifying as extremely cost-burdened.

These high figures are driven by the number and share of cost-burdened renters earning under $35K annually. This group comprises 82% of all cost-burdened renters and 95% of all extremely cost-burdened renters. However, the number of cost-burdened renters in Pittsburgh has decreased slightly from 2015, largely due to many low-income renters leaving Pittsburgh.

Share of Renters That Are Cost-Burdened by Income

Cost-Burdened: 31,000 (1,200 fewer than 2015)
Extremely Cost-Burdened: 18,700 (300 fewer than 2015)

	Under $35K	$35K-$50K	$50K-$75K	$75K-$100K	$100K-$150K	Over $150K	Total
Total	71%	40%	14%	3%	2%	0%	43%
Extremely Cost-Burdened	50%	6%	2%				26%

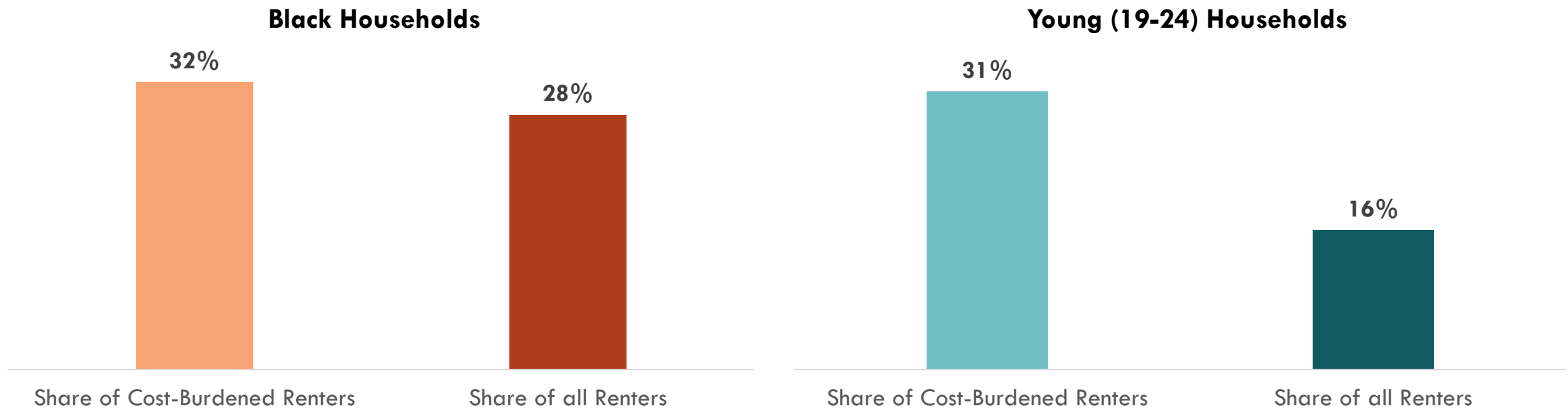Legend: ■ Cost-Burdened ■ Extremely Cost-Burdened

Note: Cost-burdened is defined as spending 30% or more on housing, while extremely cost-burdened is defined as spending 50% or more of income on housing
Source: American Community Survey PUMS data

CURRENT NEEDS

Black and young households are disproportionately cost-burdened.

Compared to their share of all renter households, Black households and young households aged 19-24 make up a disproportionate share of cost-burdened households.

Share of Cost-Burdened Renter Households and All Renter Households

Black Households

32%

28%

Share of Cost-Burdened Renters

Share of all Renters

Young (19-24) Households

31%

16%

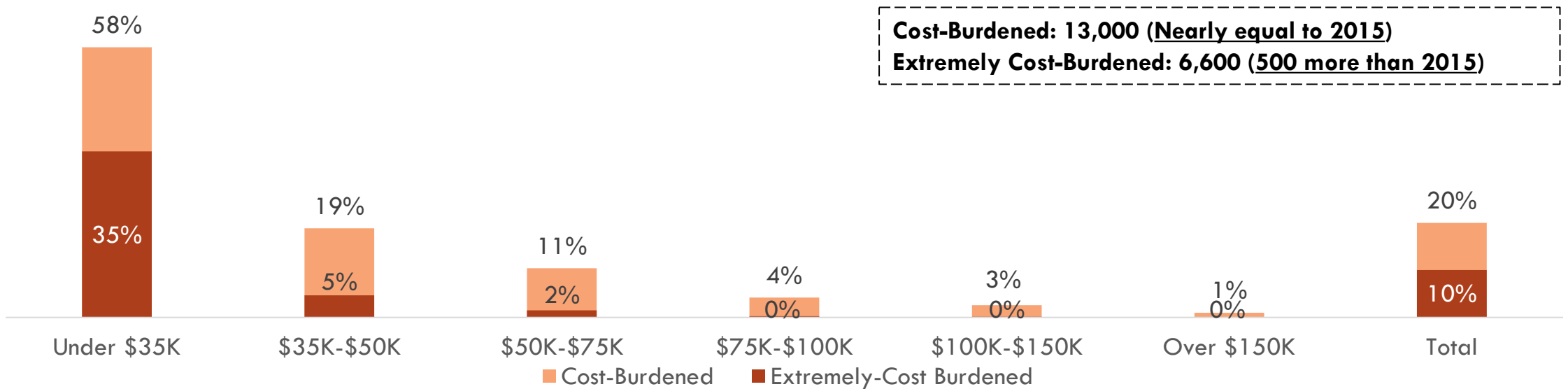Share of Cost-Burdened Renters

Share of all Renters

Note: Cost-burdened is defined as spending 30% or more on housing, while extremely cost-burdened is defined as spending 50% or more of income on housing
Source: American Community Survey PUMS data

CURRENT NEEDS

A smaller share of owners are cost-burdened, but affordability is an issue for low-income owners.

Compared to renter households, significantly fewer owner households are cost-burdened. However, significant shares of homeowners earning under $35K are cost-burdened and extremely cost-burdened, accounting for 75% of all cost burdened households and over 90% of all extremely cost-burdened households. While the number of cost-burdened households remained roughly constant from 2015, the number of extremely cost-burdened households increased, driven by an increase in the number of extremely cost-burdened households earning under $50K.

Share of Owners That Are Cost-Burdened by Income

Cost-Burdened: 13,000 (Nearly equal to 2015)
Extremely Cost-Burdened: 6,600 (500 more than 2015)

	Under $35K	$35K-$50K	$50K-$75K	$75K-$100K	$100K-$150K	Over $150K	Total
Total	58%	19%	11%	4%	3%	1%	20%
Extremely-Cost Burdened	35%	5%	2%	0%	0%	0%	10%

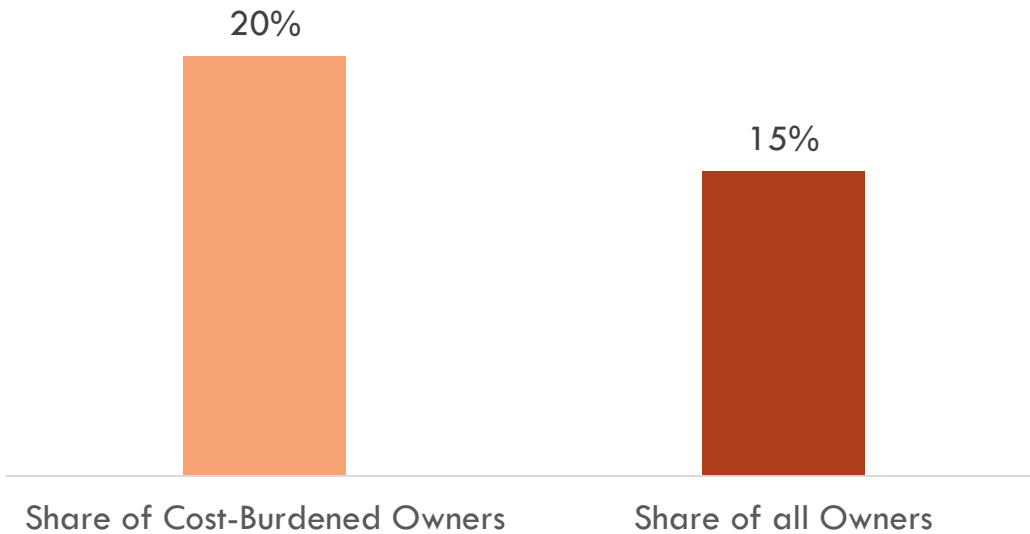Legend: Cost-Burdened ■ Extremely-Cost Burdened

Note: Cost-burdened is defined as spending 30% or more on housing, while extremely cost-burdened is defined as spending 50% or more of income on housing
Source: American Community Survey PUMS data

CURRENT NEEDS

Black and older households are disproportionately cost-burdened.
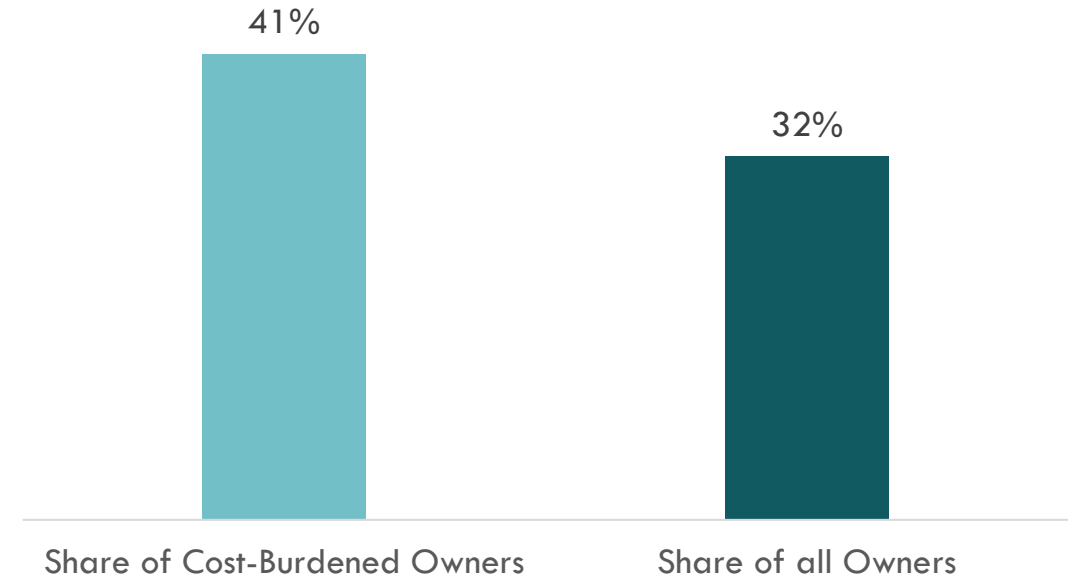
Compared to their share of all owner households, Black households and older households aged 65+ make up a disproportionate share of cost-burdened households.

Share of Cost-Burdened Renter Households and All Renter Households

Black Households

- 20% — Share of Cost-Burdened Owners
- 15% — Share of all Owners

Older (Aged 65+) Households

- 41% — Share of Cost-Burdened Owners
- 32% — Share of all Owners

Note: Cost-burdened is defined as spending 30% or more on housing, while extremely cost-burdened is defined as spending 50% or more of income on housing
Source: American Community Survey PUMS data

CURRENT NEEDS

Future Housing Needs Summary | Key Findings

① Continued Need for Rental Housing
Based on forecasted population growth trends and current trends in city vs. county residence, Pittsburgh **will add almost 10,000 new households over the next ten years**. Based on recent tenure preferences of new households, **nearly three-quarters of these new households will be renters**.

② Multifamily Largest Need But Diversity Needed
Based on historical trends in housing choice, the **largest housing need will be for new multifamily units**, however there will also be significant need for single-family rental homes, indicating that Pittsburgh will need to **invest in a variety of rental housing types**.

③ Optimistic Post-Covid Future
Near-term effects of Covid-19 on the housing market have **largely subsided or are milder than initially considered**. Still, inflationary pressures on rents and housing costs could have long-term impacts on the market.

FUTURE NEEDS

Allegheny County is forecasted to growth moderately over the next 30 years.

According to population forecasts provided by University of Pittsburgh's Center for Social and Urban Research, Allegheny County's population is forecasted to grow 0.5% annually between 2020 and 2050. While forecasts for the City of Pittsburgh were not available, historically Pittsburgh has accounted for approximately 25% of the County's population.

Forecasted Population in Allegheny County
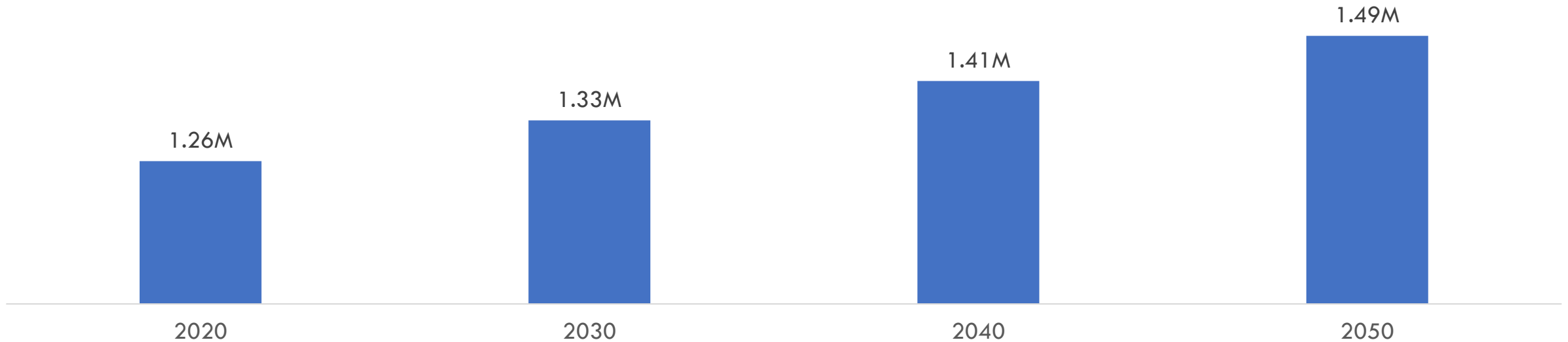
1.26M	1.33M	1.41M	1.49M
2020	2030	2040	2050

Source: University of Pittsburgh Center for Social and Urban Research, Social Explorer

FUTURE NEEDS

Pittsburgh is projected to continue to add households over the next two, ten, and twenty years.

Based on historical household growth in Pittsburgh, forecasted population growth in Allegheny County, the share of Allegheny County population in Pittsburgh, and projected changes in population per household in Pittsburgh based on historical trends, Pittsburgh is forecasted to continue to add households over the next two, ten, and twenty years.

Forecasted Household Growth in Pittsburgh

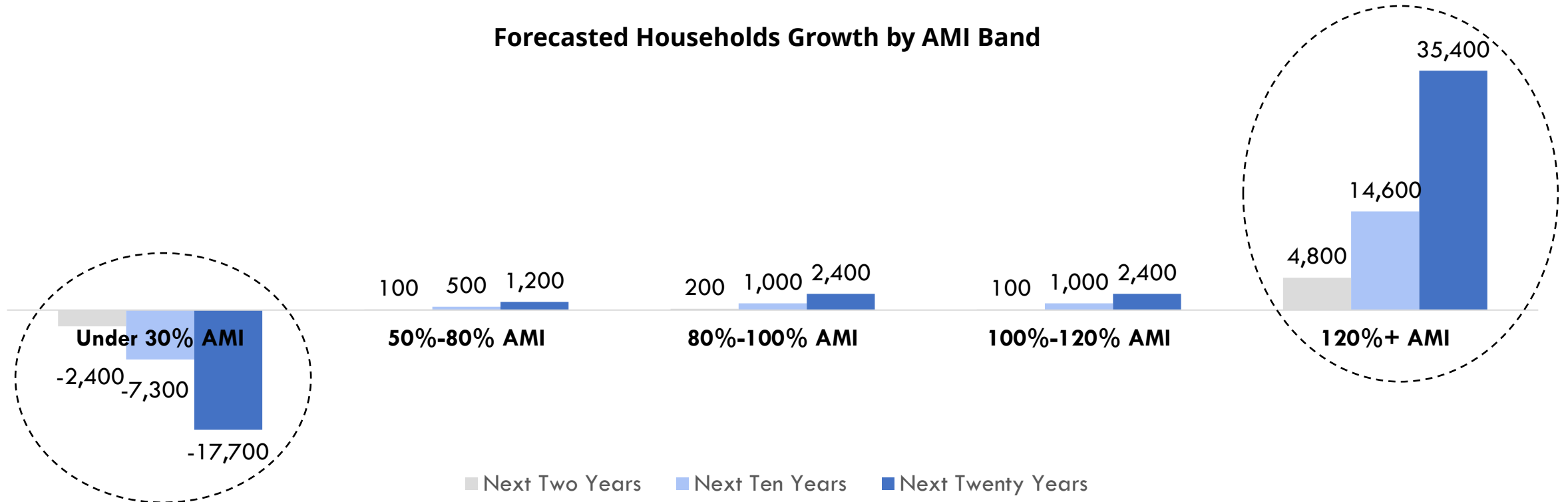| Next Two Years	Next Ten Years	Next Twenty Years
+2,800 Households	+9,700 Households	+24,000 Households

Notes: Forecast periods are inclusive of previous periods (i.e., ten-year forecast is inclusive of two-year forecast)

Source: University of Pittsburgh Center for Social and Urban Research, Social Explorer, HR&A Advisors

FUTURE NEEDS

Pittsburgh is forecasted to continue losing low-income households and gaining households at the highest-incomes.

If recent trends around household growth by AMI band are to continue, Pittsburgh is forecasted to continue to lose households earning below 30% AMI and gain households earning 120% AMI or more. Over the next twenty years, this would account for a decline of over 70% of low-income households and a 67% increase in the number of households earning 120% AMI.
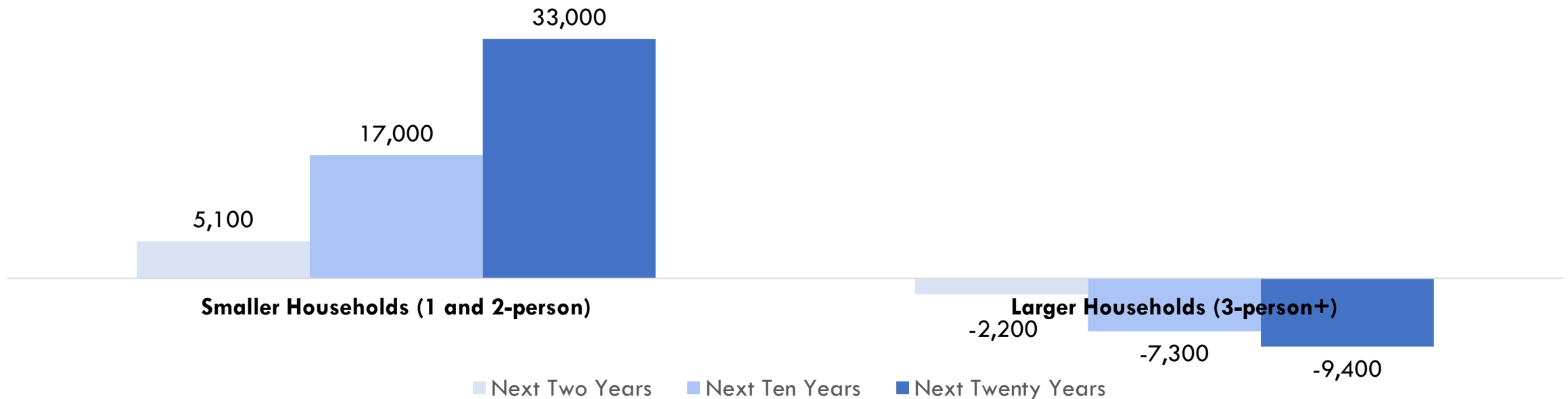
Forecasted Households Growth by AMI Band

Next Two Years   Next Ten Years   Next Twenty Years

Notes: Forecast periods are inclusive of previous periods (i.e., ten-year forecast is inclusive of two-year forecast)

Source: University of Pittsburgh Center for Social and Urban Research, Social Explorer, HR&A Advisors

FUTURE NEEDS

Smaller households are forecasted to dominate household growth in Pittsburgh.

If recent trends around household growth by household size continue, Pittsburgh is forecasted to continue to gain smaller 1 and 2-person households and lose larger, 3-person and larger households, many of whom are families. This continues to underscore the need for more one-bedroom units in Pittsburgh.

Forecasted Households Growth by Household Size

Smaller Households (1 and 2-person)

33,000

17,000

5,100

Larger Households (3-person+)

-2,200

-7,300

-9,400

■ Next Two Years ■ Next Ten Years ■ Next Twenty Years

Notes: Forecast periods are inclusive of previous periods (i.e., ten-year forecast is inclusive of two-year forecast)

Source: University of Pittsburgh Center for Social and Urban Research, Social Explorer, HR&A Advisors

FUTURE NEEDS

Future household growth is forecasted to be renter-dominated.

As Pittsburgh continues to attract affluent, smaller households, much of the demand for new housing stock will be for rental units.

Forecasted Demand for New Housing Units By Tenure

	Next Two Years	Next Ten Years	Next Twenty Years
Ownership Units	**+700 Units**	**+2,600 Units**	**+5,800 Units**
Rental units	**+2,000 Units**	**+7,000 Units**	**+17,300 Units**

Notes: Forecast periods are inclusive of previous periods (i.e., ten-year forecast is inclusive of two-year forecast). Adjustment was made to future housing unit needs based on historical relationship between housing unit and household trends

Source: University of Pittsburgh Center for Social and Urban Research, Social Explorer, HR&A Advisors

FUTURE NEEDS

Multifamily units, including units in smaller plex buildings, will comprise the bulk of future housing needs.

Given that future housing demand will be renter-dominated, future demand will predominately consist of multifamily units. However, future demand for single-family units will outpace recent building trends, indicating Pittsburgh needs to continue to promote the building of new housing across all unit types.

Forecasted New Housing Units By Type

Multifamily			Single-Family		
Next Two Years	Next Ten Years	Next Twenty Years	Next Two Years	Next Ten Years	Next Twenty Years
+1,800 Units	+6,500 Units	+14,800 Units	+900 Units	+3,100 Units	+8,400 Units

Notes: Forecast periods are inclusive of previous periods (i.e., ten-year forecast is inclusive of two-year forecast). Adjustment was made to future housing unit needs based on historical relationship between housing unit and household trends

Source: University of Pittsburgh Center for Social and Urban Research, Social Explorer, HR&A Advisors

FUTURE NEEDS

Renter housing needs will predominately be multifamily but additional single-family development is also needed.

In focusing on the next ten years, new multifamily units, predominately serving renters, will be needed to accommodate future growth. However, additional single-family development, which tend to be larger and have more bedrooms, will also be a large component of demand for both owners and renters. This underscores the need to build larger dwellings at rates that exceed historical development trends.
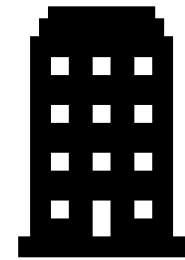
	Single-Family	Plex	Multifamily
Owner Housing Needs	1,900	600	100
Renter Housing Needs	1,150	600	5,200

FUTURE NEEDS

Near-term effects of Covid-19 on the housing market have largely subsided or are milder than initially considered.

However, impacts from future inflation or changes in the current trajectory of the pandemic may shift future expectations.

Evictions in Pittsburgh still below pre-pandemic rates

National and state-wide eviction moratoriums expired in August and September 2021, respectively. While the number of eviction fillings increased slightly in September and October, the weekly average number of fillings over this time period is over 50% less than pre-pandemic levels. While it is possible these numbers may rise over time, the continued low rate of evictions is encouraging.

-55%

(Decrease in eviction filings in August 2021 compared to pre-pandemic averages)

Communities of color more likely to experience eviction

While evictions in the City remain below historical averages, zip codes with a higher-than-average share of Black and Latinx population experienced more evictions than neighborhoods with a higher-than-average share of white population. Mt. Oliver, where the population is majority minority, has experienced the most evictions since the end of the moratoriums in August 2021.

26

(Number of evictions in Mt. Oliver since August 2021, most of any neighborhood in Pittsburgh)

Pittsburgh's unemployment is slightly above pre-Covid levels

After peaking at 16.6% in April 2020, unemployment in Pittsburgh has declined to 6.5% in August 2021, slightly above the pre-pandemic rate of 5.8% in March 2020. While unemployment remains elevated over historically low levels pre-pandemic, the continuing effects of unemployment on Pittsburgh's housing market are anticipated to be marginal moving forward.

6.5%

(Unemployment in Pittsburgh MSA, August 2021)

Development pipeline in Pittsburgh remains robust.

While multifamily markets were challenged during much of 2020 into Q1 2021, demand outlook for housing remains strong, with a development pipeline of over 10,000 units, roughly unchanged since pre-Covid. Additionally, rents and home prices have appreciated, indicating strong demand though 2021. These trends are likely to continue at Pittsburgh's economy continues to recover to pre-pandemic levels.

10,000 Units

(Under construction or in planning stages)

Source: MultihousingNews, EMSI, FRED, Evictionlab.org, HR&A Advisors

FUTURE NEEDS

Appendix

Housing Needs Assessment | Methodology

To accomplish the goals of this needs assessment, HR&A deployed a methodology that summarized local, regional, and national demographic and employment trends within the City, analyzed housing stock and market conditions, and estimated existing and future housing needs.

DEMOGRAPHIC AND EMPLOYMENT

Includes a comprehensive **Demographics** analysis of local data and trends on population, age, race, household size, employment, wage growth, and labor force and an **Employment Trends** analysis, which summarizes major changes and trends with employment for Pittsburgh.

HOUSING STOCK

Includes an assessment of **existing housing market conditions,** including data and trends on tenure, dwelling type, condition, age of units, home price, and rents. We also provided an **analysis and inventory** of new multifamily and single-family housing developments, as well as a deep dive into the market for home **"flipping",** the presence of existing **housing programs** in the City, and the stock of **permanently affordable housing.**
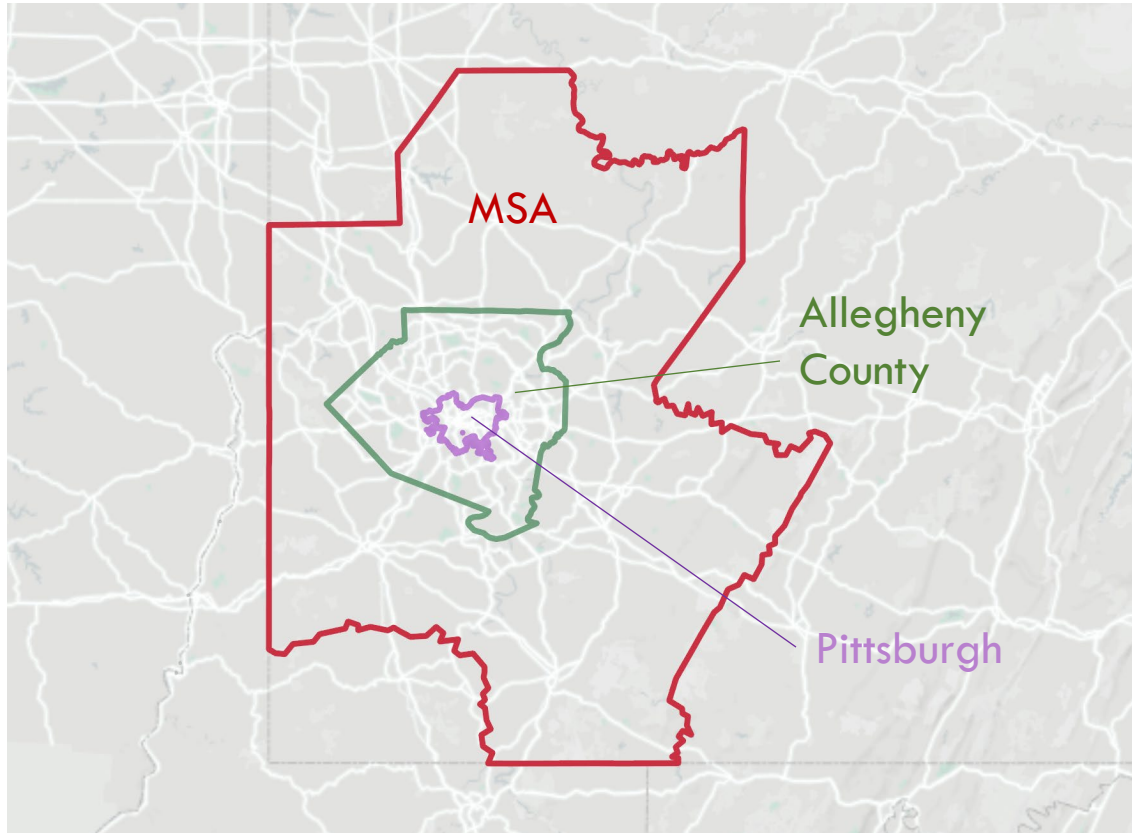
HOUSING NEEDS

Includes a **Cost-Burden Assessment,** in which we identified the percentage of households that are "housing cost-burdened" and "extremely housing cost-burdened". This led to a **housing supply gap analysis** which determined the difference in supply and demand for housing at different income levels. This section also includes a forecast of **future household and housing unit growth** in Pittsburgh based on projections of population growth in Allegheny County and share captured by the City of Pittsburgh.

Housing Needs Assessment | Methodology: Geographies Studied

Demographic, economic, and housing data was analyzed in the City of Pittsburgh against the regional comparison areas of Allegheny County and the Metropolitan Statistical Area (MSA). For parts of the analysis, trends were analyzed at the neighborhood level.
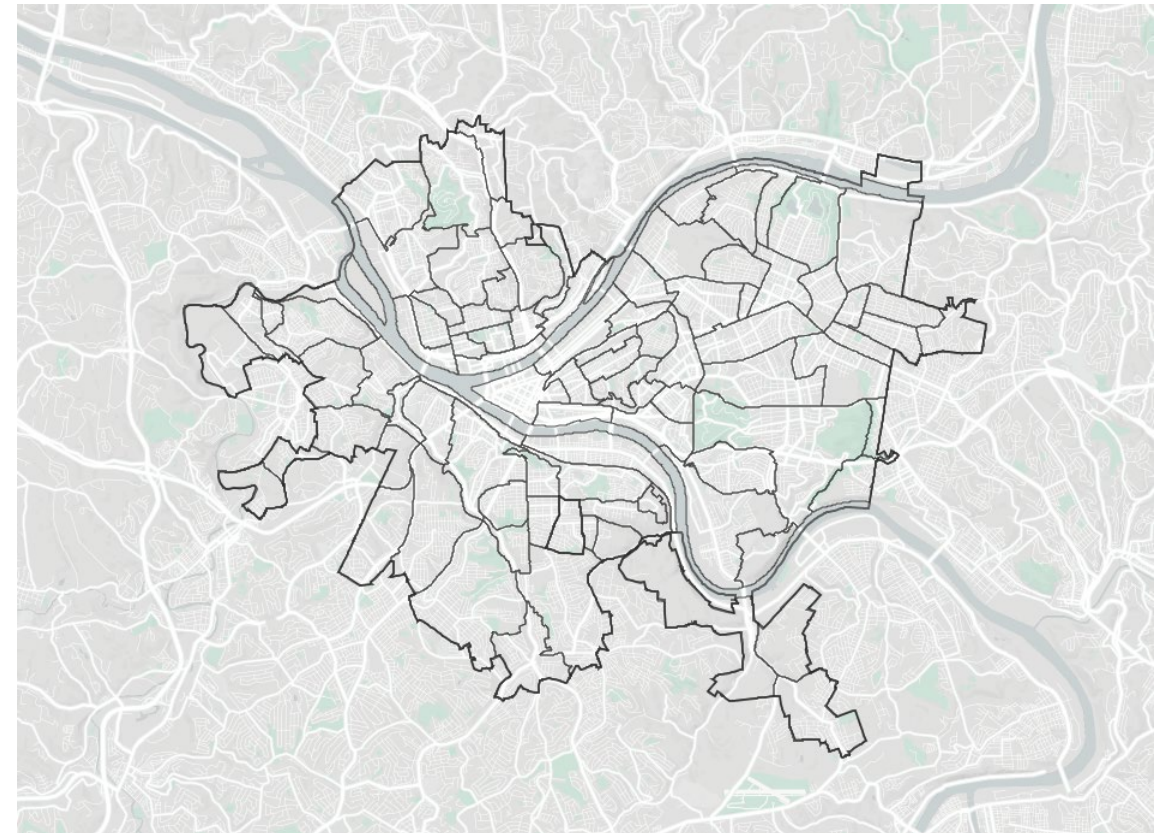
Regional Comparison Study Areas
MSA, Allegheny County, and the City of Pittsburgh

Neighborhood Comparison Study Areas
Neighborhoods and the City of Pittsburgh

Housing Needs Assessment | Methodology: Data Sources

Numerous data sources and precedent documents were reviewed and analyzed for the 2021 Housing Needs Assessment.

Data Sources Used

Allegheny County Tax Assessor

Allegheny County Treasurer Office

American Community Survey

American Community Survey Public Use Microdata

CBRE Research

Census Longitudinal Employer-Household Dynamics

City of Pittsburgh

CoStar

Department of Housing and Urban Development (HUD)

EMSI

Evictionlab.org

PGH Lending Database

Port Authority of Allegheny County

Shelterlist

Social Explorer

University of Pittsburgh Center for Social and Urban Research

Western Pennsylvania Regional Data Center

Zillow

Precedent Documents Reviewed

2016 Pittsburgh Housing Needs Assessment

City of Pittsburgh Cultural Heritage Plan

City of Pittsburgh Zoning Ordinance

Market Value Analysis by the URA 2021

The EcoInnovation District Plan

Manchester-Chateau Neighborhood Plan

The Greater Hazelwood Neighborhood Plan

The Oakland Plan

Homewood Community Plan

Greater Hill District Master Plan

DCP Historic Districts Maps/Guidelines

Housing Needs Assessment | Glossary

Apartment Class: Multifamily buildings are categorized based on a set of factors including year built and rent charged. Class A properties tend to be new and "luxury" while Class B and C apartment buildings are older and may have deferred maintenance.

Area Median Income (AMI): Measure represents the midpoint in the distribution of household incomes within a specific geographic region. Throughout this report, AMI is used to describe "housing affordability" for households that fall within specified income limits. The corresponding affordable rent/mortgage payment (including utilities) is equal to 30% of the income limit divided by 12 months. Note that for analysis utilizing AMI for years other than 2021, the appropriate historical AMI limits were used for that given year.

AREA MEDIAN INCOME LIMITS AND AFFORDABLE RENT
Pittsburgh Metropolitan Statistical Area, 2021

Category	1-Person	2-Person	3-Person	4-Person	5-Person	6-Person	7-Person	8-Person
30% AMI (Affordable Rent)	$17,850 ($450/mo)	$20,400 ($510/mo)	$22,950 ($575/mo)	$26,500 ($660/mo)	$31,040 ($775/mo)	$35,580 ($890/mo)	$40,120 ($1,000/mo)	$44,660 ($1,120/mo)
50% AMI (Affordable Rent)	$29,700 ($740/mo)	$33,950 ($850/mo)	$38,200 ($960/mo)	$42,400 ($1,060/mo)	$45,800 ($1,145/mo)	$49,200 ($1,230/mo)	$52,600 ($1,315/mo)	$56,000 ($1,400/mo)
80% AMI (Affordable Rent)	$47,500 ($1,190/mo)	$54,300 ($1,360/mo)	$61,100 ($1,530/mo)	$67,850 ($1,700/mo)	$73,300 ($1,830/mo)	$78,750 ($1,970/mo)	$84,150 ($2,104/mo)	$89,600 ($2,240/mo)
100% AMI (Affordable Rent)	$59,400 ($1,490/mo)	$69,900 ($1,750/mo)	$76,400 ($1,910/mo)	$84,800 ($2,120/mo)	$91,600 ($2,290/mo)	$98,400 ($2,460/mo)	$105,200 ($2,630/mo)	$112,000 ($2,800/mo)

Note: Monthly affordable rent or mortgage payment per unit assumes that a household does not spend more than 30% of their income on housing costs.
Source: HUD FY 2021 Income Limits Summary; HR&A Advisors

Housing Needs Assessment | Glossary

By-Right Development: Development allowed under the zoning code without requiring City approval such as a variance or re-zoning.

Cost-Burdened: Under a standard set by the U.S. Department of Housing and Urban Development, a household is considered cost-burdened when it spends 30% or more of its gross income on gross housing costs, whether for renter or ownership housing.

Extremely Cost-Burdened: A household is considered extremely cost-burdened when it spends 50% or more of its income on housing costs, often leaving the household with very little money to cover other costs of daily living.

Housing Affordability: As defined by the HUD, housing is considered "affordable" if total housing costs (rent or mortgage, including utilities) represent no more than 30% of the occupying household's income. Therefore, housing can be affordable or unaffordable at any income level or housing type, though housing affordability tends to decrease as housing costs increase and household incomes decrease.

Housing Choice Vouchers (HCVs): Program funded by HUD and administered by state and local public chousing agencies where eligible households receive a voucher that allows these residents to rent a rental unit of their choice that participates in the program where the difference between that households affordable rent (30% of income) and the rent changed by the property owner is subsidized by HUD. Eligible households must earn 50% AMI or less, and by law, public housing authorities must provide 75% of available vouchers to households earning under 30% AMI.

Low-Income Housing Tax Credit (LIHTC): The Low-Income Housing Tax Credit Program is a federal program that provides a dollar-for-dollar tax credit to support the development of affordable rental housing. The LIHTC program distributes federal income tax credits to developers through states' individual Housing Finance Agencies (HFA), which determine which projects receive tax credits under their federal allocation. There are two general types of credits that can be awarded, 9% credits and 4% credits. 9% credits are higher-value credits that cover a greater percentage of projects' development costs (generally 70% to 80%), and are awarded on a competitive basis. 4% credits are lower-value credits that cover a lower percentage of projects' development costs (generally 30% to 40%), and are generally awarded to any projects that are financed with tax-exempt bonds and meet specific programmatic requirements.

Multi-Unit (Multifamily): A lot containing two or more attached or detached dwelling units. Multi-unit includes rental apartments, condominiums, and senior living.

Plex Housing: Two-to-four dwelling units that are located in a single building on a single lot. Units can be located on top of one another and share one or more vertical walls.

Project-Based Vouchers: Under this program, HUD enters into Housing Assistance Payments (contracts with private owners to provide affordable housing to low income tenants. Under the contracts, tenants pay 30 of their adjusted monthly income for rent and utilities, and HUD pays the owner the difference between the tenants' payment and the agreed upon contract rent. New residents of Project-Based units must have incomes of at or below 80% AMI, and 40% of units must have incomes at or below 30% of AMI.

Public Housing: Type of affordable housing that has been traditionally owned by a local government agency, generally a designated public housing authority. HUD provides federal aid to these agencies to operate housing for residents, who pay rents that they can afford.

Single Unit (Single-Family) Attached: Two or more dwelling units in a row in which each unit is located on an individual lot and has its own front and rear access to the outside, no unit is located over another unit, and each unit is separated from any other unit by one or more vertical common walls (i.e. townhomes).

Subsidized Housing: Income-restricted housing that serves lower- and moderate-income households, often created through government subsidies such as the Low-Income Housing Tax Credit (LIHTC) or inclusionary zoning policies.

Supply Gap: A housing supply gap exists when housing supply does not meet housing demand (need). Supply gaps can differ based on tenure, housing type, and income. In this document, a supply gap is used to describe the situation in which households at a given AMI level are paying more than they should on housing (>30%) because the housing stock does not provide sufficient affordability at that income level. Therefore, a supply gap indicates cost-burden for households at certain AMI levels.

Zoning: Zoning is a planning tool deployed by local governments that regulates a building's use, size, and shape, as well as other factors, such as parking, signage, accessory structures, and landscaping.

PITTSBURGH
HOUSING NEEDS ASSESSMENT

Final Report | January 2022