

Hilltop Housing Strategy

2020 Action Plan: Allentown

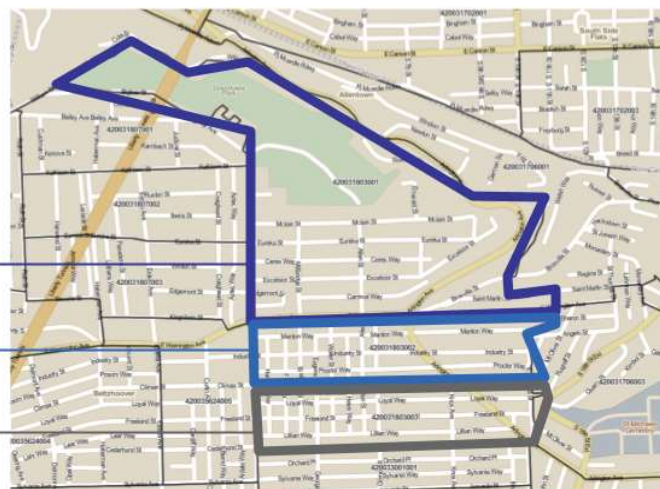
Executive Summary

Introduction

In 2013 the Hilltop Alliance, Fourth Economy, and Maynes Associates developed a housing market restoration strategy. Since that time, the Hilltop Alliance has made significant progress with investment, services, and support to 169 unique parcels on more than eleven acres. The 2013 strategy covered Allentown and Beltzhoover. The initial demonstration areas for Allentown were concentrated in the northern end of Allentown, primarily the 3001 Census Block Group.

Allentown

Census Block Groups
for Allentown



Building on the progress and momentum in that area, the Hilltop Alliance engaged Fourth Economy to update its analysis of the housing market in Allentown and to identify strategic interventions to restore the housing market in the remaining 3002 and 3003 Census Block Groups. Additional details on the housing market demand and supply are provided in the attached presentation. This Action Plan reviews the interventions made by the Hilltop Alliance since 2013 and then identifies the strategies and demonstration areas south of East Warrington Avenue.

Summary of Findings

Housing Market Supply

The majority of the housing units in Allentown and the area south of East Warrington Avenue are single-family homes and three-bedroom rowhouses. Based on current housing values, the average row house in Allentown is affordable for households with incomes of \$33,000 or more, the average single-family house requires a household income of at least \$54,000, and a three-bedroom house in Allentown is affordable for households with incomes above \$90,000.

With the exception of 2019, permitting activity has increased in Allentown since 2012, especially 2015-2018. Allentown had no permits recorded after May of 2019 at the time of this analysis. The peak activity was in 2018 with 67 permits with a recorded value of \$213,253. Overall this is an increasing amount of renovation and rehabilitation in the housing stock, with fewer new units. Furthermore, units in landslide-prone areas are in the process of being acquired and taken off the market. This will both reduce the supply and in the short-term increase vacancies.

Additional details about the housing market supply are provided in Appendix A.

Housing Market Demand

Population trends in the City of Pittsburgh have been volatile. The city has had a few years of gains that turned around declines that had stretched for decades, but those gains have been small and inconsistent. During this time, the population losses in Allentown have stabilized. In 2018, Allentown had an estimated 937 households and a population of 2,372.¹

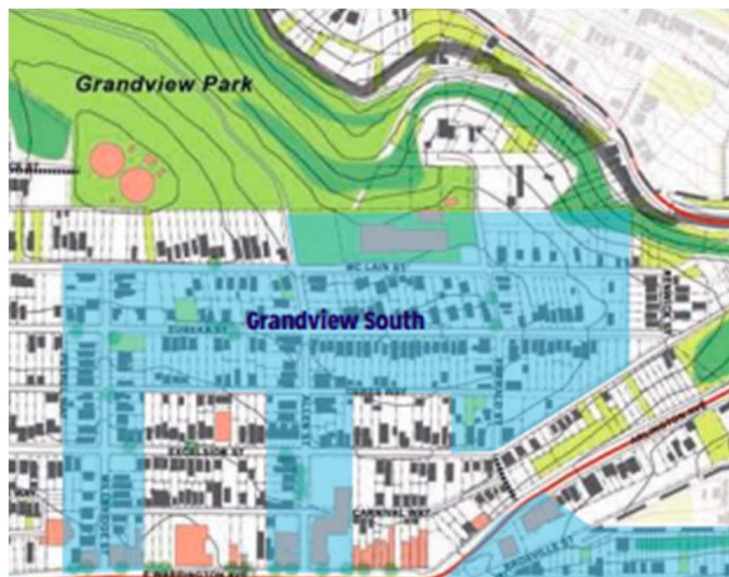
Allentown has larger households than the city of Pittsburgh. The average household size in Allentown is 2.5 people compared to less than 2 people per household for the rest of the city. These household sizes will impact the future demand for housing in Allentown. If Allentown attracts larger households similar to its existing residents, then maximum demand is for 100 housing units in the next five years. If Allentown attracts smaller households more like the city as a whole, then the maximum demand will be approximately 300 units. These are net new units, so if there are additional demolitions the actual number of units absorbed could be higher. There are mixed signals in terms of the trends in owner and renter housing. A rising number of units have converted to rental properties, but there are also indicators that home ownership has risen as well.

Additional details about the housing market demand are provided in Appendix A.

¹ Census estimates average a margin of +/- 335 people for the annual estimates for the Allentown Census Tract (42003180300). Census ACS (5Y) 2014-2018.

Hilltop Alliance Progress

In nearly 200 engagements since 2013, the Hilltop Alliance has worked on 169 unique parcels that total 11.68 acres. The Hilltop Alliance used a variety of tools and programs to provide property maintenance and renovation for new homeowners, as well as preparing properties for market sales. Most of these efforts are concentrated in the area identified in the 2013 strategy as Grandview South.



Strategies and Demonstration Areas

The 2020 Action Plan Update identifies four strategies and four demonstration areas. Each demonstration area was defined by the current market conditions (owner occupancy, tax delinquency, vacancy, physical conditions (slopes/landslide prone), and other property features such as the presence of alleys and small-lot parcels. A primary strategy and at least one secondary strategy were defined for each demonstration area.

New Affordable Housing: Areas with a concentration of vacant land and tax delinquent properties (more than 3 years) that are not sloped. The primary area is Bel-Allen with Saint John's as a secondary area.

Maintain and Preserve Ownership: Areas with less vacant land, more owner occupancy, and not much tax delinquency. Ownership should be preserved throughout the area, but the primary area is East of Arlington.

Preserve Existing Affordable Housing: Areas with significant ownership, some tax delinquency and fewer sloped parcels. These areas would be hard to build new, and the existing stock is likely to be threatened physically and financially. Lilian Slopes is the primary area with East of Arlington as the secondary area.




Rethinking Alleys: Vacant properties with primary addresses in alleys cannot access the same redevelopment financing mechanisms as other parcels. Strategies to better leverage alley

properties include the expansion of side-lots, consolidation of alley parcels with adjacent parcels and land-banking. Saint John’s is the primary area for rethinking alleys with secondary areas in Bel-Allen and East of Arlington.

The alignment of the strategies and demonstration areas is outlined below, and more detail is provided in the Strategies and Demonstration Areas section on page 6.

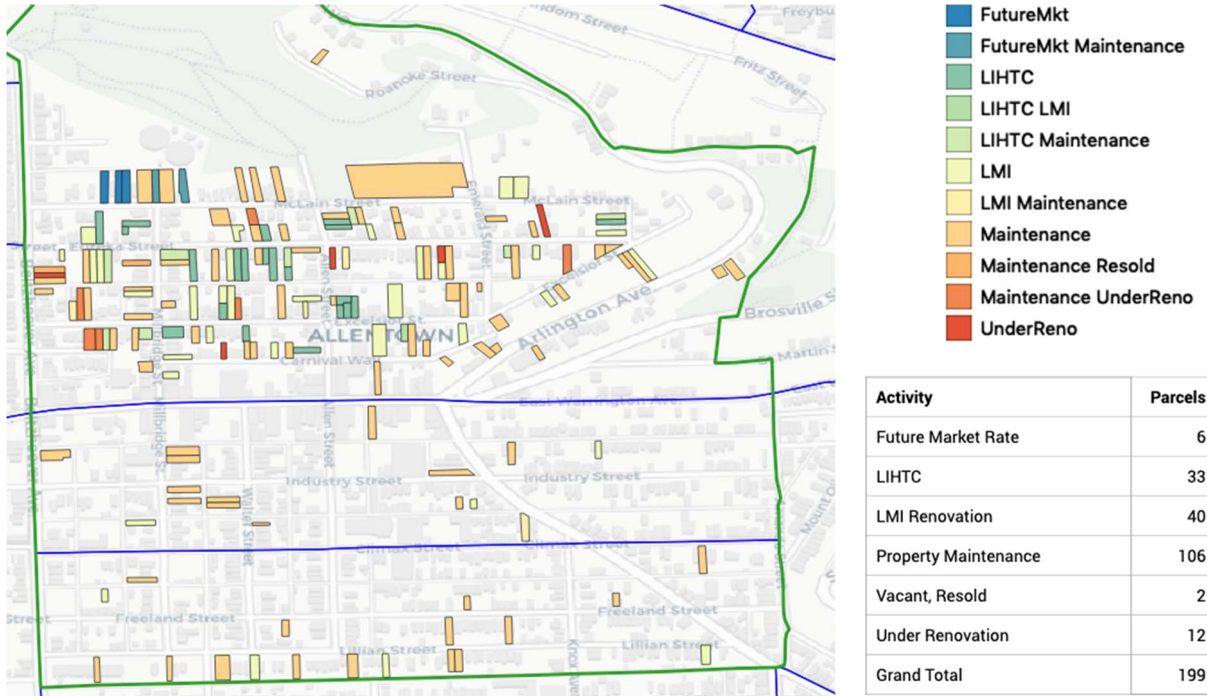
Aligning Strategies and Demonstration Areas

Each demonstration area has one primary secondary and at least one secondary strategy

	 Bel-Allen	 East of Arlington	 Lilian Slopes	 Saint Johns
Build New Affordable	Primary			Secondary
Maintain and Preserve Ownership	Secondary	Primary	Secondary	Secondary
Preserve Existing Housing		Secondary	Primary	
Rethinking Alleys	Secondary	Secondary		Primary

Hilltop Alliance Progress

The Hilltop Alliance has conducted 199 projects on 169 unique parcels. In many cases, several projects or interventions have applied to the same property. The map below shows the concentration of the Hilltop Alliance’s efforts in the Grandview South area, which also corresponds to Census Block Group 3001.



The Hilltop Alliance’s efforts have helped to stabilize the housing market in Grandview South, which was selected as a priority in 2013 because it was better positioned to begin restoring the housing market. A few strategic investments have been made in the other two block groups, but the relative strength of Grandview South indicates that this is the time to begin to build on that strength in the remaining residential areas of Allentown.

Block Group	Average Sale Price	Average Fair Market Value	Sum of Fair Market Value
3001	\$15,468	\$33,781	\$4,560,500
3002	\$35,177	\$18,044	\$288,700
3003	\$12,411	\$18,633	\$335,400
Grand Total	\$17,009	\$30,678	\$5,184,600

Strategies and Demonstration Areas

Defining Demonstration Areas

Allentown is a hilltop neighborhood. Its topography generates a number of challenges for building with landslide prone areas, steep slopes, and undermining. Therefore, one of the most important criteria is to identify which parcels are easiest for building and redevelopment - these are the Buildable parcels. Other parcels can be redeveloped, but they have more challenges and are generally better suited to preservation rather than new construction or significant rebuilding.

Overview of Buildable Potential for all Parcels - Sloped

Buildable parcels are not landslide prone and have a slope less than 25 percent

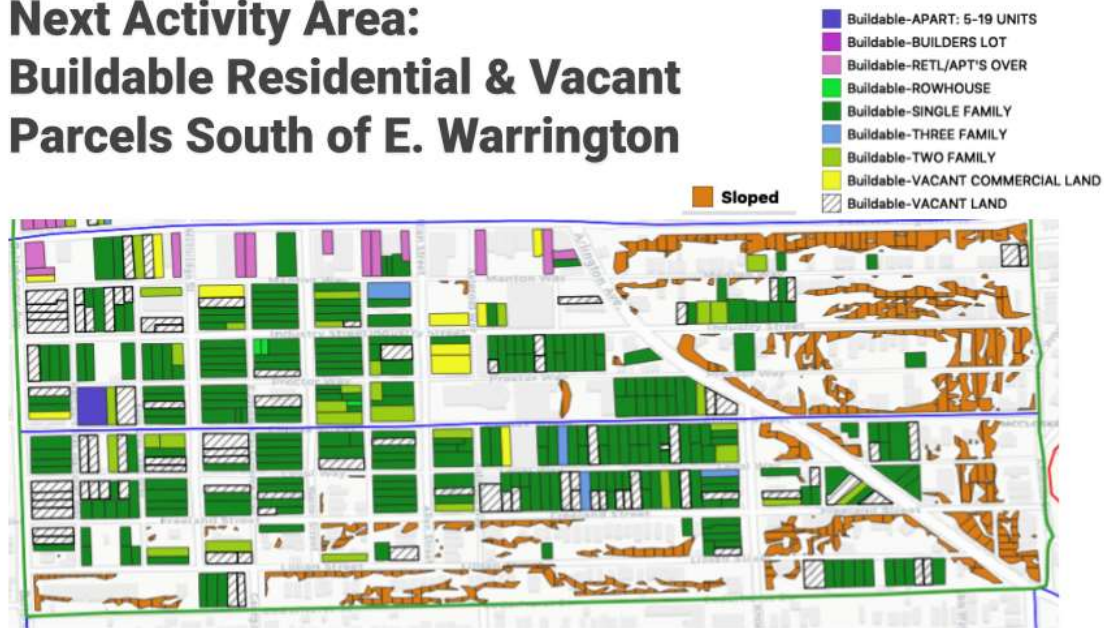
Steep Slope parcels are not landslide prone but have a slope that is 25 percent or more on at least a portion of the parcel.



Source: Nov 2019 Assessment, City of Pittsburgh Landslide Prone and Steep Slope GIS files.

After considering the buildable potential of the parcels, the existing land use is another factor that drives the potential for redevelopment. Much like the rest of Allentown, single-family homes are the primary land use, but there are also a number of multi-family land uses across the area south of East Warrington Avenue.

Next Activity Area: Buildable Residential & Vacant Parcels South of E. Warrington



Source: Nov 2019 Assessment, City of Pittsburgh Landslide Prone and Steep Slope GIS files.

Across Allentown, there are 227 total tax delinquent parcels and of those, 217 are residential. The parcels that are delinquent more than three years are potentially parcels at risk of significant decline, and which can be publicly acquired. Of the parcels that are delinquent more than three years, there are 128 total, including 123 residential. A total of 90 residential parcels that have been tax delinquent more than three years are located in the block groups south of East Warrington. Block Group 3 has the most parcels that are delinquent but the average amount of city tax that is delinquent is only \$218, the lowest of all 3 block groups.

Parcels More than 3 Years Tax Delinquent

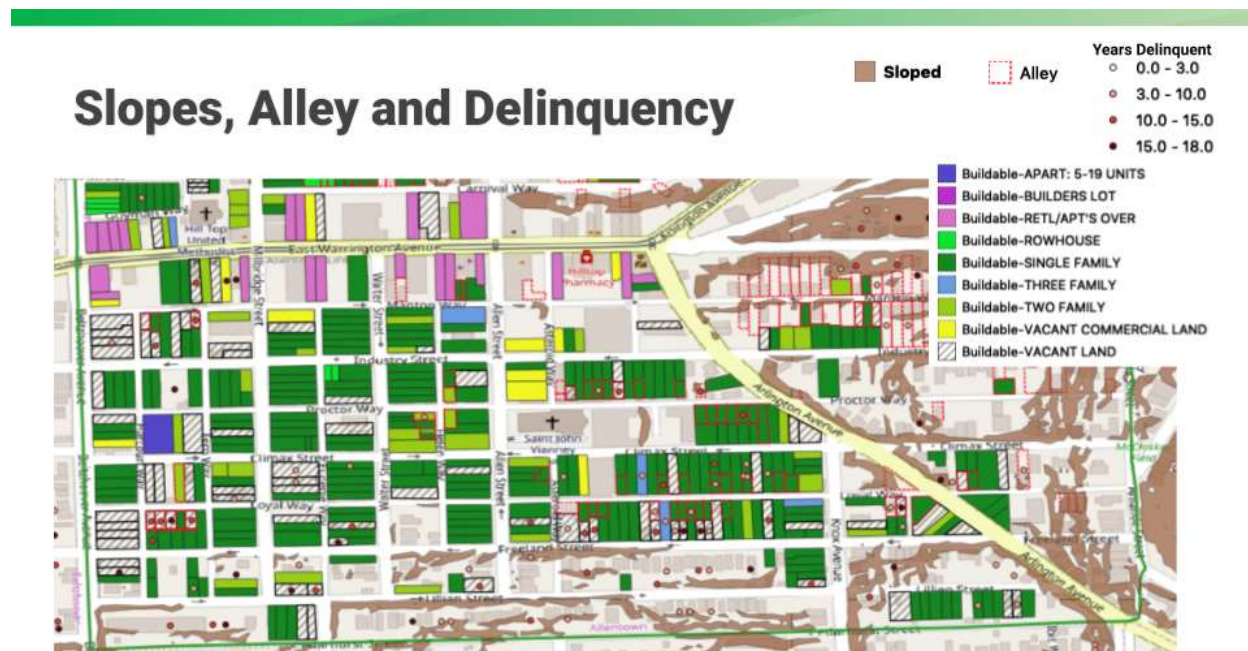
Location	Commercial	Residential	Grand Total
Block Group 1	2	33	35
Block Group 2	3	19	22
Block Group 3		71	71
Grand Total	5	123	128

Average Amount Tax Delinquent (>3 years)

Location	Commercial	Residential	Grand Total
Block Group 1	\$790	\$386	\$410
Block Group 2	\$1,326	\$243	\$361
Block Group 3		\$218	\$218
Grand Total	\$1,058	\$284	\$318

Source: City of Pittsburgh Finance - Tax Delinquency. NOTE: Amounts do not include county and school taxes, or PWSA liens.

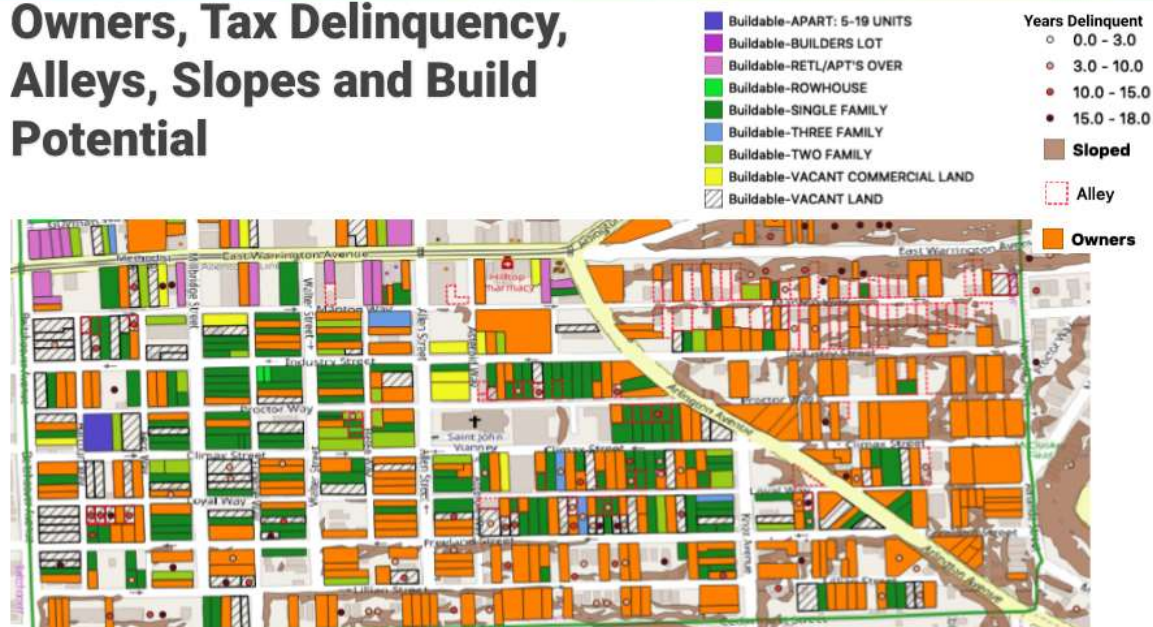
The ease of building on a parcel in Allentown is partly a function of the slopes, which is why so much concern has gone into identifying the buildable potential of each parcel. In order to make the most of limited resources, the Hilltop Alliance should focus its investment capital in the properties that require less subsidy. Less expensive preservation and maintenance efforts can be targeted to the houses that are situated on more physically challenged parcels. Some of the challenges in the neighborhood are related to the financing tools and programs that can apply to different parcels. Alley parcels are a restricted or limiting category for some financing tools; therefore, these properties have to be considered separately. The following map shows the buildable parcels by land use, with slopes, tax delinquency and alleys identified.



Source: Nov 2019 Assessment, Steep Slope, Pittsburgh Finance - Tax Delinquency.

Preservation of home ownership is a key priority for the Hilltop Alliance and community leadership in Allentown, for many reasons: building a stable population who is invested in the community for the long-term, promoting community wealth-building (including turning renters into homeowners), counterbalancing the trend of the past 5 years that shows a spike in the percentage of rental properties, and serving residents who have invested their lives in the community, through challenging times. In Allegheny County, the homestead exemption applies to a homeowner's primary residence, which by definition are owner-occupied homes. In addition, homes where the tax address and the property address match, are also likely owner-occupied. Owner occupied homes are distributed throughout the 3002 and 3003 block groups, which means that creating, maintaining and preserving ownership is a community-wide strategy and priority.

Owners, Tax Delinquency, Alleys, Slopes and Build Potential



Source: Nov 2019 Assessment, Steep Slope, Pittsburgh Finance - Tax Delinquency.

Strategies for Housing Market Restoration

The demonstration areas were defined by the current market conditions (owner occupancy, tax delinquency, vacancy, physical conditions (slopes/landslide prone), and other property features such the presence of alleys and small-lot parcels. A primary strategy and at least one secondary strategy were defined for each demonstration area.

New Affordable Housing

Areas with a concentration of vacant land and tax delinquent properties (more than 3 years) that are not sloped. The primary area is Bel-Allen with Saint John's as a secondary area.

Next Steps

1. Review the vacant parcels identified in the accompanying spreadsheet.
2. Prioritize parcels for acquisition, such as the vacant parcels with tax delinquency.
3. Estimate the acquisition costs based on the fair market value, outstanding liens and delinquency and court costs.
4. Work with neighborhood residents to identify the priority locations for new affordable housing.
5. Assemble development team and financing options.

Maintain and Preserve Ownership

Areas with less vacant land, more owner occupancy, and not much tax delinquency. Ownership should be preserved throughout the area, but the primary area is East of Arlington.

Next Steps

1. Review the vacant parcels identified in the accompanying spreadsheet.
2. Conduct outreach to the owners on the parcels identified as owner-occupied.
3. Verify if they have the homestead exemption and assist them to get it.
4. Work with the owners to resolve outstanding delinquencies.
5. Work with the owners to identify maintenance issues and financing/funding strategy for those issues.

Preserve Existing Affordable Housing

Areas with significant ownership, some tax delinquency and fewer sloped parcels. These areas would be hard to build new, and the existing stock is likely to be threatened physically and financially. Lilian Slopes is the primary area with East of Arlington as the secondary area.

Next Steps

1. Review the vacant parcels identified in the accompanying spreadsheet.
2. For the parcels that are not owner-occupied, identify the tenants and the owners.
3. For tenants:
 - a. Identify tenants that may be cost-burdened.
 - b. Connect them with support options, as needed.
4. For owners
 - a. Work with the owners to resolve outstanding delinquencies.
 - b. Work with the owners to identify maintenance issues and financing/funding strategy for those issues.

Rethinking Alleys

Strategies to better leverage alley properties include the expansion of side-lots, consolidation of alley parcels with adjacent parcels and land-banking. Saint John's is the primary area for rethinking alleys with secondary areas in Bel-Allen and East of Arlington.





Next Steps

1. Review the vacant parcels identified in the accompanying spreadsheet.
2. Contact adjacent property owners that may be interested in a side-lot or consolidating parcels.
3. For parcels with no or few adjoining parcels, determine the potential to acquire and consolidate the parcels with parcels facing primary streets.
4. Remaining parcels can be land-banked for future side-lots or consolidation.

The following section considers each demonstration area and summarizes the key statistics for each area.

Aligning Strategies and Demonstration Areas

Each demonstration area has one primary secondary and at least one secondary strategy

	 Bel-Allen	 East of Arlington	 Lilian Slopes	 Saint Johns
Build New Affordable	Primary			Secondary
Maintain and Preserve Ownership	Secondary	Primary	Secondary	Secondary
Preserve Existing Housing		Secondary	Primary	
Rethinking Alleys	Secondary	Secondary		Primary

Bel-Allen



The area east of Beltzhoover Ave., west of Allen St., south of Warrington Ave., north of Lillian St.

Allen-Beltzhoover	Number	City Tax Delinquent Amount	Acres	Total Fair Market Value
Total	214	\$10,114	14.59	\$6,907,900
Not owner occupied	157	\$6,867	11.02	\$4,924,000
Likely Owner Occupied	15	\$3,056	0.87	\$494,300
Owner Occupied	42	\$191	2.7	\$1,489,600

Primary Strategy

New Affordable

Secondary Strategies

Maintain and Preserve Ownership
Rethinking Alleys



New Affordable Housing

Areas with a concentration of vacant land and tax delinquent properties (more than 3 years) that are not sloped. The primary area is Bel-Allen with Saint John's as a secondary area).

Next Steps

1. Review the vacant parcels identified in the accompanying spreadsheet.
2. Prioritize parcels for acquisition, such as the vacant parcels with tax delinquency.
3. Estimate the acquisition costs based on the fair market value, outstanding liens and delinquency and court costs.
4. Work with neighborhood residents to identify the priority locations for new affordable housing.
5. Assemble development team and financing options.

East of Arlington

The area east of Arlington Ave.

East Arlington	Number	City Tax Delinquent Amount	Acres	Total Fair Market Value
Total	291	\$10,921	20.41	\$6,987,500
Not owner occupied	194	\$7,679	13.26	\$3,709,300
Likely Owner Occupied	23	\$2,313	1.82	\$941,100
Owner Occupied	74	\$928	5.33	\$2,337,100



Alley Properties in East Arlington

Total: 76

Not Owner Occupied: 59

Likely Owner Occupied: 2

Owner Occupied: 15

Primary Strategy

Maintain and Preserve Ownership

Secondary Strategies

Preserve Existing Housing

Rethinking Alleys

Maintain and Preserve Ownership

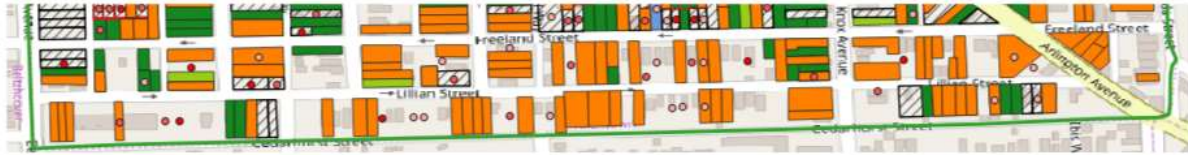
Areas with less vacant land, more owner occupancy, and not much tax delinquency. Ownership should be preserved throughout the area, but the primary area is East of Arlington.

Next Steps

1. Review the vacant parcels identified in the accompanying spreadsheet.
2. Conduct outreach to the owners on the parcels identified as owner-occupied.
3. Verify if they have the homestead exemption and assist them to get it.
4. Work with the owners to resolve outstanding delinquencies.
5. Work with the owners to identify maintenance issues and financing/funding strategy for those issues.

Lillian Slopes

The area containing the high-sloped lots on Lillian St., east of Beltzhoover Ave., west of Arlington Ave, north of Cedarhurst St.



Lillian Slopes	Number	City Tax Delinquent Amount	Acres	Total Fair Market Value
Total	177	\$9,202	11.02	\$3,502,800
Not owner occupied	114	\$6,089	6.69	\$1,704,100
Likely Owner Occupied	14	\$2,641	0.99	\$276,700
Owner Occupied	49	\$473	3.34	\$1,522,000

Primary Strategy

Preserve Existing Housing

Secondary Strategies

Maintain and Preserve Ownership

Preserve Existing Affordable Housing

The area south of East Warrington has some significant ownership, some tax delinquency and fewer sloped parcels. These areas would be hard to build new, and the existing stock is likely to be threatened physically and financially. Lillian Slopes is the primary area with East of Arlington as the secondary area.

Next Steps

1. Review the vacant parcels identified in the accompanying spreadsheet.
2. For the parcels that are not owner-occupied, identify the tenants and the owners
3. For tenants
 - a. Identify tenants that may be cost-burdened
 - b. Connect them with support options, as needed
4. For owners
 - a. Work with the owners to resolve outstanding delinquencies
 - b. Work with the owners to identify maintenance issues and financing/funding strategy for those issues.

Saint John's



The area containing Saint John's Vianney Parish, east of Allen St., west of Arlington Ave., south of Warrington Ave., north of Lillian St.

Saint Johns	Number	City Tax Delinquent Amount	Acres	Total Fair Market Value
Total	172	\$9,707	11.29	\$8,340,700
Not owner occupied	132	\$9,160	8.74	\$7,043,800
Likely Owner Occupied	8	\$408	0.87	\$545,400
Owner Occupied	32	\$139	1.68	\$751,500

Primary Strategy
Rethinking Alleys

Secondary Strategies
New Affordable
Maintain and Preserve Ownership



Rethinking Alleys

Alley properties cannot use the same financial mechanisms for redevelopment as other parcels that face primary and secondary streets. Strategies to better leverage alley properties include the expansion of side-lots, consolidation of alley parcels with adjacent parcels and land-banking. Saint John's is the primary area for rethinking alleys with secondary areas in Bel-Allen and East of Arlington.

Next Steps

1. Review the vacant parcels identified in the accompanying spreadsheet.
2. Contact adjacent property owners interested in a side-lot or consolidating parcels.

Rethinking Alleys



Alleys are spread throughout the neighborhood, and are present in all locations except for the Lillian Slopes.



	Count	Total Tax Delinquent Amount	Acres	Total Fair Market Value
Bel-Allen	20	\$631	0.61	\$278,100
Not Owner Occupied	16	\$631	0.45	\$191,300
Likely Owner Occupied	1	\$0	0.02	\$25,500
Owner Occupied	3	\$0	0.14	\$61,300
East Arlington	76	\$3,728	4.89	\$1,262,500
Not Owner Occupied	59	\$2,533	3.98	\$799,800
Likely Owner Occupied	2	\$591	0.07	\$67,100
Owner Occupied	15	\$604	0.84	\$395,600
Saint Johns	43	\$2,370	1.46	\$599,200
Not Owner Occupied	30	\$2,231	0.98	\$385,200
Likely Owner Occupied	3	\$0	0.1	\$41,900
Owner Occupied	10	\$139	0.38	\$172,100
Grand Total	139	\$6,729	6.96	\$2,139,800

Appendix A: Market Data