

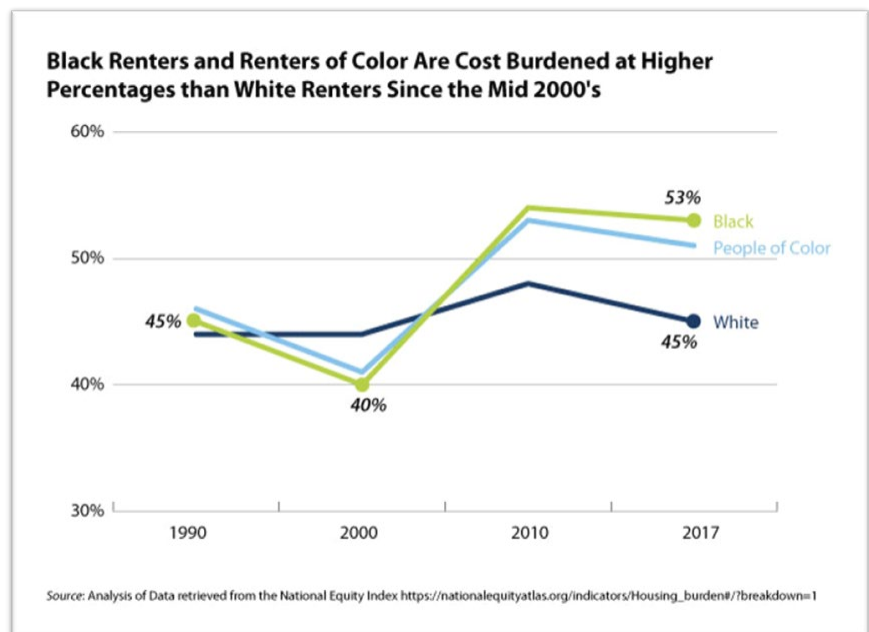
Funding for Affordable Housing in Mayor Peduto’s Proposed 2021 Budget



Pittsburgh has a moral and ethical responsibility to address inequities that leave many residents struggling to access affordable housing. This year has put a greater strain on low-income and cost-burdened¹ households as an estimated 2,600² residents—or more—face eviction in the New Year. Without budget and policy changes to fund affordable housing and protections to renter households, Pittsburgh will fall short of being a livable city for all residents.

State of Affordable Housing: The Affordable Housing Task Force (AHTF) identified a deficit of 14,896 affordable units for households earning 30% of the median household income or less in 2016. There has been little progress in renter affordability with the share of renters who are “cost burdened” remaining close to 50%. Additionally, Black people and other of-color renters in the Pittsburgh metro area are cost-burdened at a higher rate than white renters.³ Measures to address affordable housing still fall short as the Housing Choice Voucher program—a federal subsidy distributed by the Housing Authority of the City of Pittsburgh—has a waiting list of over 9,000 households with only 5,600 households now using vouchers.

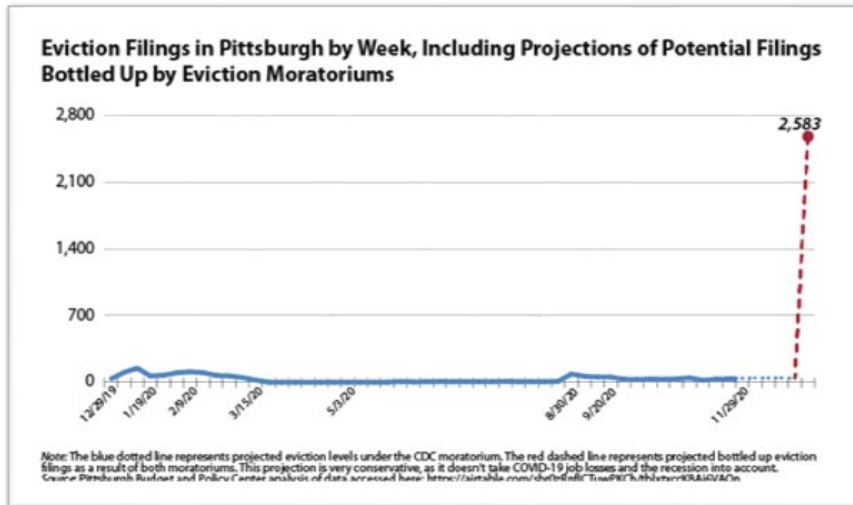
The COVID-19 recession and pandemic have not improved housing affordability as thousands of residents are out of work and face eviction. The PA eviction moratoria gave temporary relief from March to August. Before the pandemic there were 89 evictions per week in Pittsburgh. The CARES Act, the Centers for Disease Control, and state moratoriums reduced eviction filings to near zero, but the lifting of the CDC moratorium on December 31st could precipitate a wave of evictions in early 2021.



¹ “Cost burdened” is defined by HUD as paying more than 30% or more on housing cost.

² This is a conservative estimate as it only calculates the potential “pent up” demand based on historical data, but does not account for the loss of jobs and income as the result of COVID-19.

³ Black people were cost burdened at 53% compared to 43% of white renters cost burdened from the mid-2000’s until 2017.



The City’s Response: The City of Pittsburgh has adopted recommendations of the Affordable Housing Trust Fund (AHTF) with the formation of the Housing Opportunity Fund (HOF), which is funded at \$10 million a year and managed by the Urban Redevelopment Authority (URA). The HOF targets the most vulnerable households—50% of funds are dedicated to households earning 30% of the area median

income (AMI) or less, and a quarter to households below 50% and 80% of AMI—but it cannot address the needs of all households. This is evident because rental assistance and the Housing Opportunity Fund’s Homeowner Assistance Program (HAP) each ran out of funds part way through the year. The city must anticipate the coming eviction crisis and put more funding into affordable housing.

Recommendations: There are actions the city can take to increase affordable housing and face the looming eviction crisis, including

- Doubling the funding (\$10-million increase) to the HOF, which already targets low-income and cost-burdened communities, can be partly achieved through its funding source - the Realty Transfer Tax which is projected to generate over \$15 million.
- The URA manages over 80% of affordable housing spending in the capital budget and the mayor’s commitment to double URA affordable housing funding should be fulfilled.⁴
- Adopt a 10%-15% incentivized mandatory, inclusionary affordability requirement city-wide as recommended by the Inclusionary Housing and Incentive Zoning Exploratory Committee.
- Prepare for the potential wave of evictions in early 2021 through judicial or legislative action to maintain an eviction moratorium in the city and provide financial support to renters.

The city budget is a reflection of our values. To create a more equitable budget we must support the populations that have been historically disadvantaged and those impacted the most during the COVID-19 pandemic and recession. By making people our priority and investing in measures to increase affordable housing, Pittsburgh can be a city where all residents thrive.

For the full report, please go to: https://krc-pbpc.org/research_publication/budgeting-our-values-analysis-pgh-2021-budget-proposal/.

⁴ The URA has requested (not yet approved as of 12/10/2020) \$5 million that would be directed towards 415 affordable housing units.