

Restoration Wilkinsburg

Building on the Momentum

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Executive Summary

The Borough of Wilkinsburg, like many communities in the region, has experienced a significant socioeconomic decline since its peak in the 1940s and 1950s. Recent GIS data and maps depicting the large number of abandoned structures, the high level of tax liens, the overabundance of vacant lots, the low real estate values and the prevalent crime in the area all point to a high level of economic and social distress throughout many parts of the Wilkinsburg community. The Pittsburgh History & Landmarks Foundation (PHLF) is developing various strategies to address these significant barriers to investment in the community. PHLF commissioned this report to investigate options for the Phase II residential housing redevelopment planned for the Hamnett Place neighborhood in Wilkinsburg.

This study concluded that there is a market for renovated homes in Wilkinsburg. In response to a survey conducted as part of the primary research for this report, an overwhelming majority of respondents indicated that they would purchase, or would consider purchasing a PHLF renovated home in the Hamnett Place neighborhood. In terms of count, over 350 people responded that they would be willing to purchase a fully renovated home in Wilkinsburg and over 250 would be willing to purchase a shell renovation with the Kitchen and Bathroom completed. In Phase II PHLF will be able to complete at maximum ten properties, indicating that demand is significantly greater than supply.

Considering the funding sources available for Phase II and the expected return on investment to PHLF at the price points concluded in this report, Phase II housing redevelopment is financially viable. Research indicates that the price point for a fully rehabilitated home in this neighborhood is \$100,000 - \$110,000 and the price point for a Kitchen and Bath shell rehab is \$70,000 - \$80,000. Despite concern raised in other communities that partially renovated homes are challenging to sell, this report recommends that PHLF invest in both full and shell rehab products in Phase II because the majority of survey respondents indicated they would purchase a shell product with kitchen and bathroom level completion. To ensure that renovated properties are attractive to a larger number of homebuyers PHLF should minimize the risk of unsold homes by completing the kitchen and bathroom in all shell rehabilitated homes.

In order to leverage development in Phase II and accelerate revitalization in the Hamnett Place neighborhood, this report presents three development strategies.

- Build on Strengths focuses development around areas of strategic strength such as the Crescent Apartment renovations, the urban garden movement on Holland Avenue and the PHLF restorations in Phase I. This strategy is the least risky to both PHLF and incoming homebuyers but has limited impact in terms of the number of properties renovated.
- Build on Opportunities focuses most of the development in Phase II on the most distressed streets. This strategy is based on the principle that addressing and reversing the major challenges in the neighborhood through housing restoration alleviates many obstacles to private investment currently impeding growth in Hamnett Place. This is a more risky strategy because it relies heavily on the success of Whitney Avenue.

- Build on Corners focuses on benchmarked examples of neighborhood revitalization that place renovated properties on strategic corner lots, designating a specific geographic area for development and allowing for private investment to fill in the remaining properties. This strategy creates visually appealing gateways into the neighborhood and signals to others that accelerated growth is occurring.

Although all of these strategies call for the renovation of a number of similar properties, the primary distinguishing characteristic is the risk involved in each approach. PHLF will need to evaluate internal organizational capacity for risk in order to choose between these three options using the decision matrix below.

	Number of Full Renovations	Number of Shell Renovations	Number of Demolitions	Cost	Potential Return	Risk
Build on Strength	3	4	4	\$1,475,000	\$580,000 - \$680,000	Low
Build on Opportunity	3	7	3	\$1,500,000	\$790,000 - \$890,000	High
Build on Corners	3	6	4	\$1,450,000	\$720,000 - \$810,000	High

This report also identifies six market groups that would be interested in purchasing either shell or complete rehabs. The Urban Pioneer is motivated by urban revitalization efforts and has a higher tolerance for risk than other demographics. The Bo-Ho or Bohemian Homosexual is artistic and motivated by the aesthetic appeal of a neighborhood. The Eco-Homesteader is interested in sustainability and is drawn to a community by opportunities to participate in urban agriculture. The Wilkinsburg Ties demographic either currently lives or works in Wilkinsburg or has a historic connection to the borough. The Start-Up Purchaser is a first time homebuyer who is motivated to purchase a home as an investment. The Retired Renovator is likely an older demographic with a life-long dream of historic restoration. A detailed description of the individual market segments and strategies for marketing PHLF properties to each group are included in the analysis.

PHLF has the opportunity to accelerate renewal in the Hamnett Place neighborhood through strategic housing redevelopment. This report concludes that not only is the development viable but it is needed. The future economic and social vitality of the Borough of Wilkinsburg is dependent upon housing revitalization efforts such as those proposed by PHLF in Phase II.

Project Description

Issue Defined:

PHLF has been active in restoring numerous historic structures in and around the Hamnett Place neighborhood of Wilksburg with the goal of developing a beachhead for revitalization efforts in the community. In the first phase of Hamnett restorations, four historic single and two-family dwellings were acquired and fully restored with funds totaling \$1 million dollars provided by the Sarah Scaife Foundation and the Allegheny County Department of Community and Economic Development. The success of this first phase prompted PHLF and its partners to raise funds for additional phases of development, and to continue the strategy of securing and restoring historic structures in the neighborhood that have the greatest likelihood of being catalysts for systemic change in the community.

Planning for a second and third phase of restoration efforts is currently underway, with over \$1.5 million already raised and nearly \$7 million out in funding requests. It is important to note that the Pennsylvania Housing Finance Agency recently awarded PHLF tax credits for the Crescent Apartments Development, a \$9 million dollar historic restoration project which will bring 27 new affordable and high quality rental units to Hamnett Place. This will be the largest development project to date in the Borough, and it will have a dramatic impact in the Hamnett Place corridor.

Scope of Work:

With the successful completion of the first phase of housing in Hamnett Place, PHLF and its partners are developing plans for the second and third phase of housing. Nearly 25 properties have been identified as potential restoration candidates but no acquisition has yet occurred in order to eliminate holding and liability costs. There are two central goals for the expansion of housing development in and around Hamnett Place. First, the targeted properties should build upon the existing strengths in the neighborhood i.e. near the homes that PHLF has already restored, near other community initiatives that are likely to attract new residents into the neighborhood, or near stable institutions such as churches and schools. There is also a strong interest in adjoining vacant lots to parcels with existing homes and developing better linkages between the Penn Avenue Main Street and Hamnett Place. Second, the funds raised for restoration should be stretched as far as possible. To help accomplish this, and to encourage private investment, PHLF is testing a shell rehab product. Instead of complete restorations, PHLF will offer a home which has been stabilized, secured and gutted. Private non-governmental funds will be used for this product, and thus income limitations and other restrictions will not apply.

Deliverables

1. Determine specific market segments of potential homebuyers in Wilksburg. Provide a detailed buyer profile and a strategy of contact for each segment.
2. Identify specific housing products PHLF should consider for Phase II and the price point associated with each product. Research potential funding opportunities available for buyers to afford the products at the determined price point.
3. Provide a menu of development options for Phase II drawing from benchmarked strategies of urban development.

4. Develop a phasing strategy for future housing redevelopment by prioritizing specific streets and products for consideration in Phase III.

Targeted Properties

PHLF selected a specific list of properties to be considered in Phase II. PHLF designated specific properties for restoration and demolition based on vacancy, ownership, tax delinquency and historic significance. Table 1 below shows the specific properties selected for restoration and details the estimated costs for full rehabilitation and shell rehabilitation. Table 2 shows the properties selected by PHLF for demolition.

Table 1: Targeted Properties for Restoration

Targeted Restoration Properties						
<i>Address</i>	<i>Address</i>	<i>Approx SF</i>	<i>Full Cost</i>	<i>Full Cost/SF</i>	<i>Shell Cost</i>	<i>Shell Cost/SF</i>
517	Jeanette	1,944	\$325,000	\$167	\$100,000	\$51
520	Jeanette	1,632	\$140,000	\$86	\$70,000	\$43
608	Mulberry	2,819	\$350,000	\$124	\$150,000	\$53
828 1/2, 830, 832	Holland	3,078	\$500,000	\$162	\$300,000	\$97
833	Holland	1,900	\$190,000	\$100	\$90,000	\$47
845	Holland	1,972	\$275,000	\$139	\$75,000	\$38
835	Rebecca	2,686	\$400,000	\$149	\$160,000	\$60
836	Rebecca	2,072	\$275,000	\$133	\$125,000	\$60
724	Whitney	2,677	\$200,000	\$75	\$100,000	\$37
718	Whitney	1,885	\$200,000	\$106	\$100,000	\$53
708	Whitney	not available	\$200,000	not available	\$100,000	not available
706	Whitney	3,485	\$260,000	\$75	\$130,000	\$37

Table 2: Targeted Properties for Demolition

Potential Demo Properties
<i>Address</i>
814 Holland
818 Holland
836 Holland
839 Holland
710 Lamar
708 Lamar
706 Lamar
702 Whitney
606 Mulberry

The map below plots the properties selected for Phase II development. Properties designated for full restoration are displayed in blue and properties designated for demolition are displayed in orange.

Map 1: Targeted Properties



Demolition Restoration

Product Description

PHLF completed four fully restored homes during Phase I in Hamnett Place. In Phase II, PHLF hopes to explore the possibility of leveraging funds and accelerating the growth by providing a shell product. Below are descriptions of the four different housing products investigated as well as specific information about the level of completion for each option.

Full Rehabilitation



- Exterior is fully restored
- Plumbing and water systems are installed
- Electrical is temporary to allow owner-specified location and number of outlets
- Insulation and drywall is installed
- Full kitchen and bathroom renovation

Shell Rehabilitation - Stud Option



- Exterior is fully restored
- Interior is gutted
- Plumbing and water systems are installed
- Electrical is temporary to allow owner-specified location and number of outlets
- No insulation or drywall is installed
- No kitchen and bathroom is installed

Shell Rehabilitation - Drywall Option



- Exterior is fully restored
- Interior is gutted
- Plumbing and water systems are installed
- Electrical is installed
- Insulation and drywall are installed
- No kitchen or bathroom fixtures are installed

Shell Rehabilitation - Drywall including Kitchen and Bathroom



- Exterior is fully restored
- Interior is gutted
- Plumbing and water systems are installed
- Electrical is installed
- Insulation and drywall are installed
- Basic kitchen and bathroom fixtures are installed

Funding Strategies

PHLF has two main sources of funding for Phase II development: Neighborhood Stabilization Program (NSP) Funding and private source funding. As a Federal funding source, the NSP funds have certain regulations which limit their use, while the private funds have no such restrictions. Recommended funding strategies address these differences.

Additionally, buyers who purchase shell rehabs are responsible for the remaining costs of renovating the interiors of the shelled homes. There are a number of public and private loan programs that can help finance these costs.

Neighborhood Stabilization Program (NSP) Funding

The U.S. Department of Housing and Urban Development (HUD) established NSP funds in order to stabilize neighborhoods that have suffered from foreclosures and vacancies (Neighborhood Stabilization Program Grants). The Allegheny County Economic Development department has made \$700,000 of these funds available to PHLF for Phase II development in Wilkesburg's Hamnett Place neighborhood. These funds may be used for acquisition costs, construction costs and professional development services in order to develop ownership units or they may be used for demolition.

According to NSP regulations the ownership units can be sold to households at or below 120% of the area median income as defined by HUD. According to HUD's 2009 figures a two person household can earn up to \$60,000 in annual income and still remain eligible (U.S. Department of Housing and Urban Development, 2009). At an annual income level of \$60,000 a household can afford a conservative mortgage of \$115,000 (Affordable Home Calculator, 2009). This figure is based on estimated taxes, average insurance costs, and estimated debt owed. These ownership units are also subject to additional requirements including: environmental review processes, Phase I environmental assessments, Energy Star Certification requirements, and Lead Safe Housing Rules (Neighborhood Stabilization Program Grants). In addition, NSP funds must be used within a certain time period, making it imperative that these funds are used early on in Phase II development.

Due to this timeline and government approval processes this study recommends that NSP funds be used for full rehab projects and demolition. Also, households within the NSP targeted income range can more easily finance full rehabs than shell rehabs. Based on available funds and the cost of full rehab it is estimated that PHLF can fully restore three homes with the use of NSP funds.

Private Funding

At this time PHLF has \$800,000 in private funds available for Phase II development. Beyond normal zoning and building code requirements, the use of private funds is largely unrestricted. Based on benchmarking research, focus group findings, and survey analysis this study determined that shell rehabs may take longer to sell and require additional investment from the purchaser. Because private funds lack a predetermined timeframe and income restrictions, this study recommends private funds be utilized for shell rehab projects as well as demolitions. It is estimated that PHLF can shell between four and nine homes, based on available private funds and estimated costs of shell rehabs.

Loan programs for Shell Rehab Purchasers

Purchase Improvement Loan

Between \$1,000 and \$15,000 is available for renovation through the Pennsylvania Housing Finance Agency (PHFA). The amount of financing is based on a completed appraisal which determines the marketable cost of repairs. Financing is available to those who qualify for a Keystone Home Loan or Keystone Home Loan Plus. This loan program allows buyers to purchase and renovate a home with one mortgage. In order to utilize these funds all renovations must be completed by a licensed contractor (Purchase Improvement Loan).

203 (k) Program

The U.S. Department of Housing and Urban Development provides financing for homeowners to purchase or refinance a property along with the cost of renovations through the HUD's 203 (k) Program. The maximum loan amount is based on the lesser value of:

- the home prior to rehabilitation plus the estimate costs of repair, or
- 110 percent of the post-rehabilitated value of the property.

Because the Wilkesburg housing market is depressed, the maximum loan calculation may not cover the full cost of interior rehabilitation. Fortunately, HUD exempts the market value limitation if "the property is located within an area which is subject to a community sponsored program of concentrated redevelopment" (UrbanDevelopment). This study recommends that PHLF work with the Borough to establish Hamnett Place as an area of concentrated development. This will allow potential shell rehab purchasers to maximize financing available through the 203 (k) Program.

Homeowners that receive financing through this program are not required to hire a licensed contractor, but are responsible for the following exhibits:

- a plot of the site plan
- a proposed interior plan of the dwelling, and
- a work write-up and cost estimate of renovations (UrbanDevelopment).

PHLF could potentially provide these services for an additional cost to purchasers of shell rehabs.

Construction Mortgage Program

This construction loan, available through private financing agencies, allows homeowners to finance construction costs similarly to the home mortgage process. A significant benefit of the construction loan program is that homebuyers are only responsible for interest payments during the construction phase. This program has typically been used for new home construction, but may have potential for shell rehabs.

Demolition

While funding for demolition is available through NSP and private funds, PHLF could utilize other county funding in order to offset cost. Federal Community Development Block Grants (CDBG) are available through the county's Safe Neighborhood Demolition Program. This program was developed in order to provide funding for the razing of unsafe buildings (Municipal Development, 2007).

Buyer Profiles

In order to reach potential buyers of PHLF renovated homes in Hamnett Place, Wilkinsburg, information obtained from two focus groups, several individual interviews, and community site visits was used to draft likely buyer profiles. Six types of likely buyers were identified based on the research information and community interactions: Urban Pioneers, Bo-Hos, Eco-Homesteaders, Wilkinsburg Ties, Start-Up Purchasers, and Retired Renovators. Each group has their own set of characteristics in regards to age, financials, lifestyle, motivation, wish list, and contact method. A detailed description of each buyer profile can be found below in the “Market Segments” section.

Based on the characteristics of each market segment and the research group’s familiarity with Pittsburgh universities, organizations and businesses, the research team developed likely ways to reach each segment. These methods were utilized to distribute an in-depth market survey. We recommend that PHLF take advantage of many of the same methods used to distribute the survey to market the renovated homes to potential homebuyers. For example, a good way to reach a likely buyer in the Start-Up Purchaser segment would be to contact local graduate programs since many first-time homebuyers are a younger, well-educated demographic.

The following market segment descriptions present each potential buyer profile and list likely affiliations that can be used to reach these likely buyers.

Market Segments

1. Urban Pioneer

The Urban Pioneer is interested in living in gritty, yet vibrant, urban neighborhoods. They thrive in communities with active neighbors and walkable amenities. Because they enjoy the urban environment, their aversion to crime is low and their tolerance for risk is high. They are comfortable in bustling areas. The age of this segment ranges from mid-20s to mid-60s, covering a wide variety of lifestyles and life stages. This market segment has money to invest in their properties, along with a willingness to provide sweat equity.

In order to survey the Urban Pioneer demographic, emails were distributed to various community and school groups including Carnegie Mellon University Alumni in Pittsburgh and Coro Fellows Pittsburgh. Additionally, the survey reached this group through the Park Place Neighborhood Newsletter and the GSPIA distribution list at the University of Pittsburgh. Refer to Table 3 for a summary of the Urban Pioneer segment.

Table 3: Urban Pioneer Market Segment

AGE	<ul style="list-style-type: none"> • 25 – 65 years old
FINANCIALS	<ul style="list-style-type: none"> • Saved money • Sweat equity
LIFESTYLE	<ul style="list-style-type: none"> • Non-Profit Profession • High Tolerance for risk and petty crime
MOTIVATION	<ul style="list-style-type: none"> • Potential for neighborhood change • Participation in initial phase of change
WISH LIST	<ul style="list-style-type: none"> • Transportation access • Walkable commercial amenities
CONTACT	<ul style="list-style-type: none"> • Graduate programs: Heinz College, Urban Lab, GSPIA • Fellowship programs: CORO Pittsburgh • Non-profits: Pittsburgh Cultural Trust

2. Bo-Ho (Bohemian-Homosexual)

The Bo-Ho segment is interested in living in affordable but eclectic neighborhoods. They thrive in communities with an active nightlife and an innovative sensibility. Because they are motivated by arts and culture, their professions are often non-traditional. They need an aesthetically stimulating environment to feel at home. The Bo-Ho is a younger demographic, interested in living an alternative lifestyle. The age of this segment ranges from mid-20s to mid-30s, covering a small portion of life stages. This segment has limited resources, but a willingness to invest their own creative energies into their property.

To survey the Bo-Ho demographic, contact was made primarily through emails to various arts and culture organizations including the Penn Avenue Arts Initiative, the Pittsburgh Cultural Trust, and the Office of Public Art. Additionally, the survey reached this group through message boards and the OutAtHeinz distribution list. Refer to Table 4 for a summary of the Bo-Ho segment.

Table 4: Bo-Ho Market Segment

AGE	<ul style="list-style-type: none">• 25 – 35 years old
FINANCIALS	<ul style="list-style-type: none">• Limited resources• Creative equity
LIFESTYLE	<ul style="list-style-type: none">• Non-traditional profession• No children
MOTIVATION	<ul style="list-style-type: none">• Affordable neighborhoods• Aesthetic environments• Creative communities
WISH LIST	<ul style="list-style-type: none">• Cultural events• Transportation access• Walkable commercial and entertainment amenities
CONTACT	<ul style="list-style-type: none">• GLBT groups: OutAtHeinz• Art organizations: Pittsburgh Filmmakers, Penn Avenue Arts Initiative

3. Eco-Homesteader

The Eco-Homesteader segment is interested in living in sustainable eco-neighborhoods. They thrive in communities with active community gardens, green space, and parks. Because they are motivated by the environment, their careers are often flexible, giving them the time to work on their garden property during the day. They need an environmentally-friendly community to feel comfortable. The Eco-Homesteader is a mid-life demographic interested in living an alternative lifestyle. The age of this segment ranges from mid-30s to mid-50s. This market segment has money to invest in their properties, along with a willingness to provide sweat equity.

In order to survey the Eco-Homesteader demographic, they were contacted primarily through emails to environmental and green initiatives including GTECH, Bike Pittsburgh, Grow Pittsburgh, and Construction Junction. Additionally, the survey reached this group through neighborhood newsletters and message boards. Refer to Table 5 for a summary of the Eco-Homesteader segment.

Table 5: Eco-Homesteader Market Segment

AGE	<ul style="list-style-type: none">• 35 – 55 years old
FINANCIALS	<ul style="list-style-type: none">• Saved money• Seed money
LIFESTYLE	<ul style="list-style-type: none">• Flexible career• Young family with children
MOTIVATION	<ul style="list-style-type: none">• Potential for self-sustainability• Participation in community garden projects
WISH LIST	<ul style="list-style-type: none">• Green space• Urban homestead
CONTACT	<ul style="list-style-type: none">• Agriculture projects: Garden Dreams, Grow Pittsburgh• Sustainable projects: Construction Junction, GTECH

4. Wilkinsburg Ties

The Wilkinsburg Ties segment is interested in stabilizing neighborhoods of Wilkinsburg. They feel a connection to Wilkinsburg from past experience, through friends, or through family. Because they are already familiar with the Borough, their motivations lie in the opportunity to improve it. They need a familiar community to feel comfortable. The age of this segment ranges from mid-20s to mid-60s, covering a wide range of life stages. This market segment has limited resources, but a willingness to invest their own sweat into their property to better the greater community.

The Wilkinsburg Ties demographic were contacted primarily through emails to Wilkinsburg residents and community members including the Borough Council and Neighbors Unite Wilkinsburg (NUW). Additionally, the survey reached this group through the Wilkinsburg Neighborhood Transformation Initiative (WNTI) and church groups. Refer to Table 6 for a summary of the Wilkinsburg Ties segment.

Table 6: Wilkinsburg Ties Market Segment

AGE	<ul style="list-style-type: none">• 25 – 65 years old
FINANCIALS	<ul style="list-style-type: none">• Limited resources• Sweat equity
LIFESTYLE	<ul style="list-style-type: none">• Low-wage profession• Young family with children
MOTIVATION	<ul style="list-style-type: none">• Ties to Wilkinsburg• Opportunity for community improvement• Potential for neighborhood change
WISH LIST	<ul style="list-style-type: none">• Property rehabilitation• Neighborhood stability• Lawn space
CONTACT	<ul style="list-style-type: none">• Community groups: NUW, WNTI, churches• Community leaders: Borough Council

5. Start-up Purchaser

The Start-up Purchaser is interested in becoming a first-time homeowner. They enjoy walkable amenities and accessible transportation. Because they are transitioning into a more permanent lifestyle, their motivations lie in affordable, high-quality properties. They need a welcoming community to commit to. The Start-up Purchaser segment is a younger demographic ranging from the mid-20s to mid-30s. This market segment has money to invest and a willingness to take financial risks.

In order to survey the Start-up Purchaser demographic, contact with local graduate schools and employers including Heinz College, GSPIA, Urban Lab, and West Penn Hospital was made. Additionally, the survey reached this group through Dollar Bank loan advisors and other Pittsburgh businesses like PNC and KDKA. Refer to Table 7 for a summary of the Start-up Purchaser segment.

Table 7: Start-Up Purchaser Market Segment

AGE	<ul style="list-style-type: none">• 25 – 35 years old
FINANCIALS	<ul style="list-style-type: none">• Saved money
LIFESTYLE	<ul style="list-style-type: none">• White-collar profession• Moderate to high-tolerance for risk
MOTIVATION	<ul style="list-style-type: none">• Transition to homeowner• Affordable, quality properties• Opportunity for neighborhood growth
WISH LIST	<ul style="list-style-type: none">• Transportation access• Walkable commercial amenities
CONTACT	<ul style="list-style-type: none">• Graduate programs: Heinz College, Tepper School, GSPIA• Employers: West Penn Hospital, PNC, KDKA

6. Retired Renovator

The Retired Renovator is interested in renovating and rehabilitating homes in an urban community. They thrive in neighborhoods with like minded neighbors and walkable commercial and healthcare amenities. Because they are retired, their schedule is flexible and they have a steady pension income. The Retired Renovator is an older demographic interested in transitioning from a suburban area to an urban environment. The age of this segment ranges from mid-50s to mid-60s, covering a small portion of life stages. This segment has saved money, high financial resources, and a willingness to invest in renovation projects.

In order to survey the Retired Renovator demographic, they were contacted primarily through emails to other development groups like the Northside, as well as survey distribution at a local hardware store. Additionally, the survey reached Wilkinsburg Borough Council members, local churches, and local advisory boards. Refer to Table 8 for a summary of the Retired Renovator segment.

Table 8: Retired Renovators Market Segment

AGE	<ul style="list-style-type: none">• 55 – 65 years old
FINANCIALS	<ul style="list-style-type: none">• Saved money• Steady retirement income
LIFESTYLE	<ul style="list-style-type: none">• Retired professional• Empty-nester• Moderate to high-tolerance for risk
MOTIVATION	<ul style="list-style-type: none">• Transition from suburb to urban area• Opportunity for renovation and rehabilitation
WISH LIST	<ul style="list-style-type: none">• Transportation access• Walkable commercial and healthcare amenities
CONTACT	<ul style="list-style-type: none">• Community groups: Borough Council, churches

Analysis of Survey Findings

A survey was designed to measure the price points for each of the different housing products in each of the six market segments. The goal of the survey was to provide PHLF with recommendations about which buyers to focus marketing efforts on and the price point at which full and shell products should be marketed.

Key Findings

1. Respondents looking to buy in the near future were willing to pay more for a home in Wilkinsburg.
 - Respondents under 45 years old had higher price points than those over 45.
 - Younger market groups, including Bo-Ho and Start-up had higher price points than older market groups (Retired Renovator, Wilkinsburg Ties).
2. The price point for a fully renovated home in Wilkinsburg is between \$100,000 and \$110,000.
3. A majority of survey respondents were interested in shell products with at least the drywall completed.
 - Almost 60% of survey respondents were not interested in purchasing the Studs Only product.
 - Over 60% of survey respondents showed some interest in purchasing the Drywall product.
 - Over 75% of survey respondents showed interest in purchasing the Kitchen & Bathroom product.
 - 10% more respondents indicated they “would definitely purchase” the Kitchen & Bathroom product over the Drywall product.
4. Survey respondents were looking to spend between \$50,000 and \$80,000 for a shell home and were looking to spend under \$50,000 of their own money to complete the home.
 - The Drywall price point is \$50,000 to \$70,000.
 - The Kitchen & Bathroom price point is \$70,000 to \$80,000

Figure 1 shows the breakdown of household incomes for the six buyer profiles. The Bo-Ho and Start-Up market segment tended to have lower incomes than the other four segments. The Urban Pioneer, Eco-Homesteader, and Wilkinsburg Ties segments had modal responses between \$25,000 and \$75,000 for household income. Only the Retired Renovator profile had a modal response for household income over \$100,000, with 31% of Retired Renovator respondents identifying their household income in this range.

Figure 1

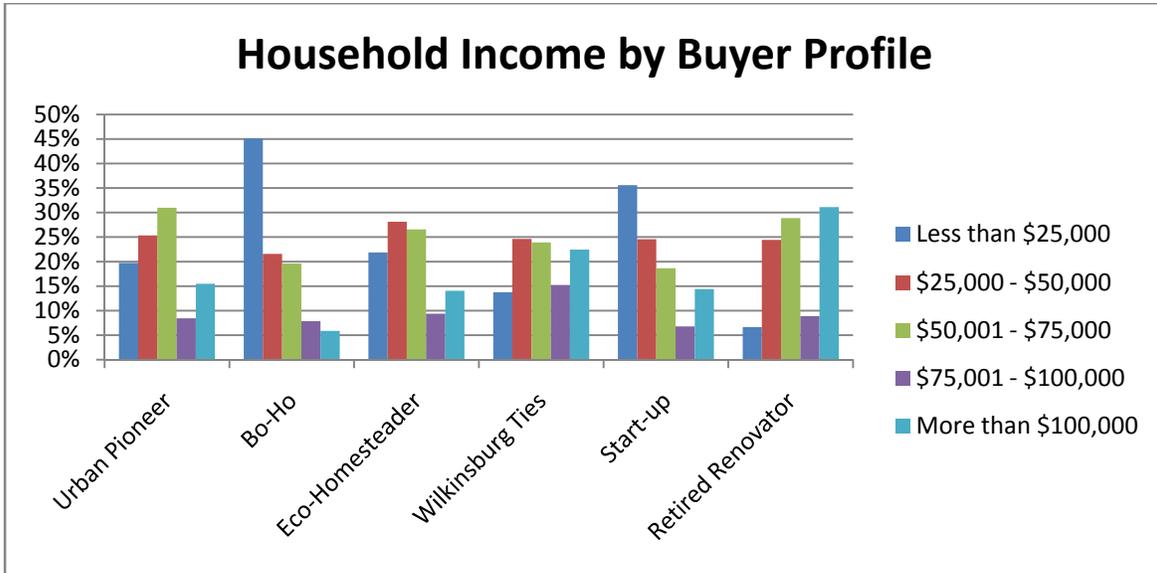


Figure 2 displays the career tracks of each market segment. A majority of survey respondents self-identified themselves on a non-profit or public service career path, and this result was reflected when the data was cross-sectioned by market group. Only the Bo-Ho group, where 32% of respondents identified themselves in an artistic or creative career path displayed a different modal response.

Figure 2

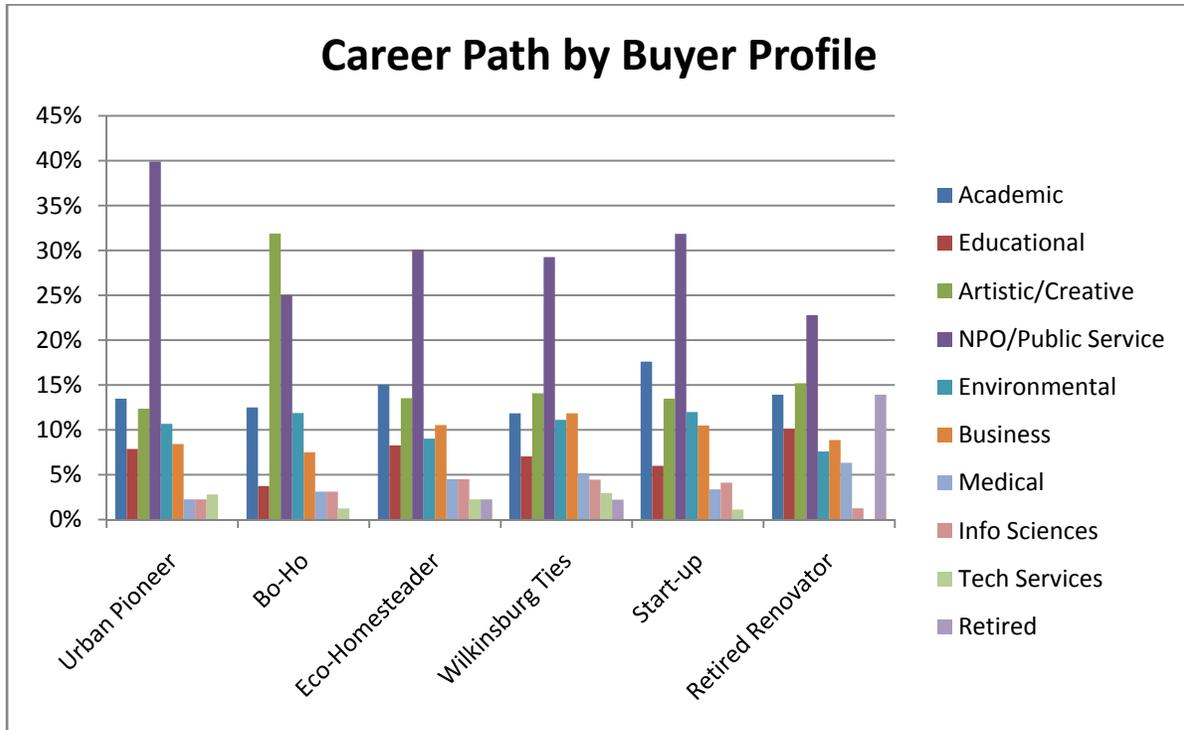
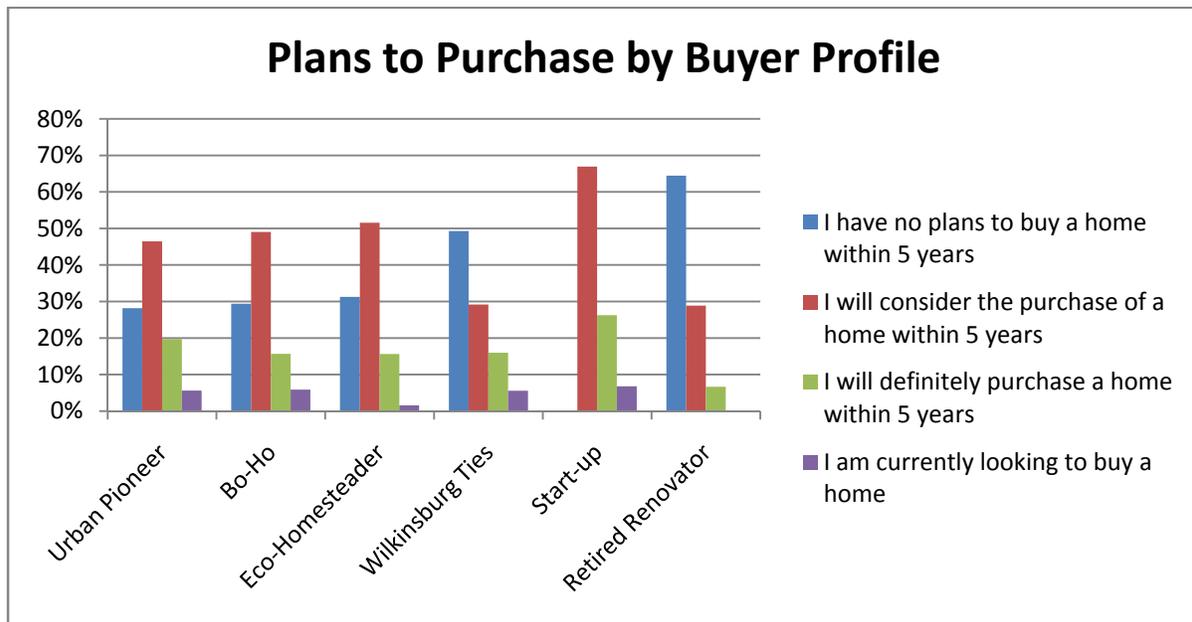


Figure 3 below displays the short term plans to purchase a home for each market segment. As expected, the Start-up Homebuyer market had the highest distribution of respondents in the short-term home market. An overwhelming majority of Retired Renovators do not have plans to purchase in the short-term, meaning they are not involved in the short-term home market and are therefore not willing to pay as much for a home as someone currently looking. The Retired Renovators group is heavily weighted towards the older survey respondents, and therefore reflects the lower price points for respondents over 45 years old. Retired Renovators and Wilkinsburg Ties, the groups with high proportions of respondents not in the short-term home market, had lower price points than the other respondents.

Figure 3



Full Renovation Price Point is \$100,000 to \$110,000

In PHLF's Phase I development in the Hamnett Place neighborhood, four fully renovated homes were successful in moving off the market. The survey indicates the current price point for a fully renovated home in Hamnett Place is between \$100,000 and \$110,000 (Wilkinsburg, 2009). Table 9 breaks down the percentage of responses for each price point by market segment. The top two percentages for each group are highlighted; this indicates the two most likely price points for that segment.

Table 9: Percentage of Buyer Profile Responses for Full Rehab Price Point

	Urban Pioneer	Bo-Ho	Eco-Homesteader	Wilkinsburg Ties	Start-up	Retired Renovator
Under \$80,000	20%	2%	14%	15%	8%	16%
\$80,000- \$89,999	13%	14%	14%	18%	14%	16%
\$90,000- \$99,999	15%	16%	14%	14%	10%	22%
\$100,000- \$109,999	23%	24%	21%	13%	21%	20%
\$110,000- \$119,999	4%	8%	7%	9%	7%	0%
\$120,000- \$129,999	8%	10%	10%	8%	12%	2%
\$130,000- \$150,000	6%	16%	6%	5%	12%	4%
Over \$150,000	1%	4%	1%	3%	3%	9%

The \$100,000 - \$110,000 price range received consistently high response rates across each market segment, and was the high point for four of them. Since PHLF is only attempting to move a small number of houses in Phase II, the survey provides ample evidence to conclude that PHLF could successfully market fully renovated homes in the \$100,000 to \$110,000 price range. Table 9 also shows the higher price point for the Bo-Ho segment and the lower price points for the Wilkinsburg Ties and Retired Renovator market segments. The most striking was modal response for the Wilkinsburg Ties segment in the \$80,000-\$90,000 range, a distinct variation from other groups which clustered around \$100,000-\$110,000. Bo-Hos and Start-ups, those with the highest investment in the short-term home market, also had the highest average response points, with about 25% of each group responding with a price point over \$120,000.

Survey Respondents Were Not Interested in the Studs Only Product

The most important finding from the survey was the level of completion that buyers would be comfortable purchasing from PHLF. From Phase I, PHLF already knew they would be able to move fully renovated homes. The variable in Phase II development was the shell rehab product. It was unclear if buyers would be willing to purchase a home that was not fully completed. From the survey, there appeared to be some buyers willing to consider purchasing products at each level of renovation. The level of buyer comfort rose significantly as more work was done to the interior of the homes. For the Studs Only Option, 58.8% of survey respondents stated that they would not purchase the product (Wilkinsburg, 2009).

Once the interior was developed beyond the Studs Only level, buyers were increasingly willing to consider purchasing the product. Table 10 shows that for both the Drywall Only and Kitchen & Bathroom options, a majority of respondents would consider purchasing the product.

A significant jump in responses also occurred between the Drywall and Kitchen & Bathroom options amongst respondents that “Would Definitely Purchase.” More than double the respondents would purchase the Kitchen & Bathroom product as than would purchase the Drywall option. Since a majority of respondents across all market and demographic groups were unwilling to purchase the Studs Only option, PHLF is not recommend to market this product.

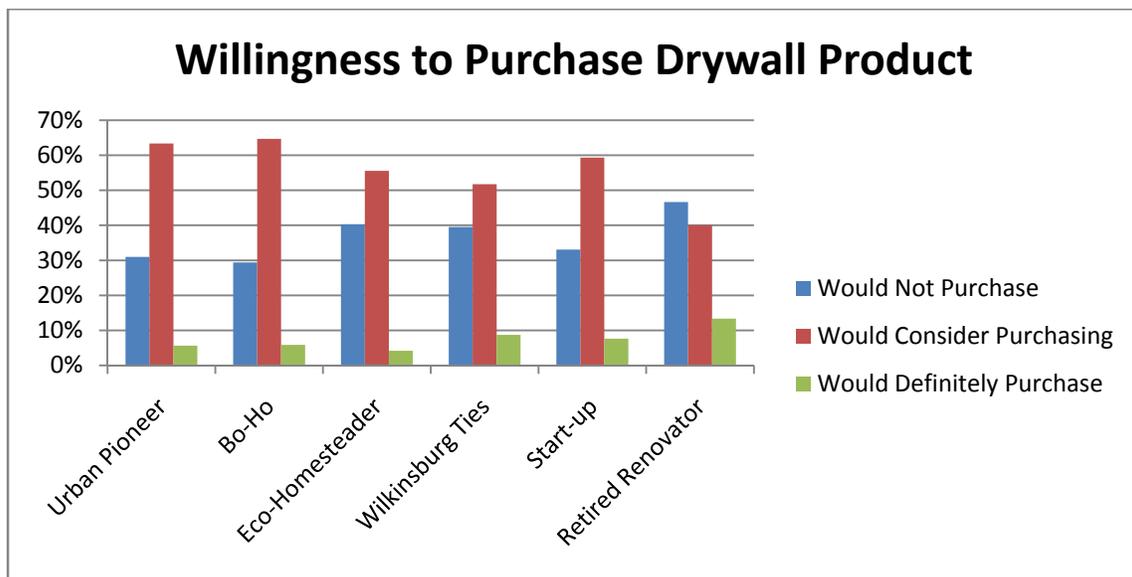
Table 10: Aggregate Comfort with Purchasing Shell Products

	Would Not Purchase	Would Consider Purchasing	Would Definitely Purchase
Studs Only	58.8%	36.3%	5.0%
Drywall Only	39.8%	52.3%	7.9%
Kitchen & Bathroom	24.0%	57.9%	18.1%

Drywall Price Point is \$50,000 to \$70,000

Survey results indicate that a majority of respondents would consider purchasing the Drywall Only option. Across the six market segments, a majority of respondents reported they would at least consider purchasing the product. However, in each market group, a large portion of respondents (between 30 and 47 percent) said that they would not be willing to purchase the Drywall Only product. Figure 4 shows that between 29 and 47 percent of each market group, and about 40% of total respondents, were not willing to purchase the Drywall Only option (Wilkinsburg, 2009). There may be a market of people willing to purchase this product, but the very low response rate of people who would definitely purchase the product makes the Drywall product a riskier option for PHLF.

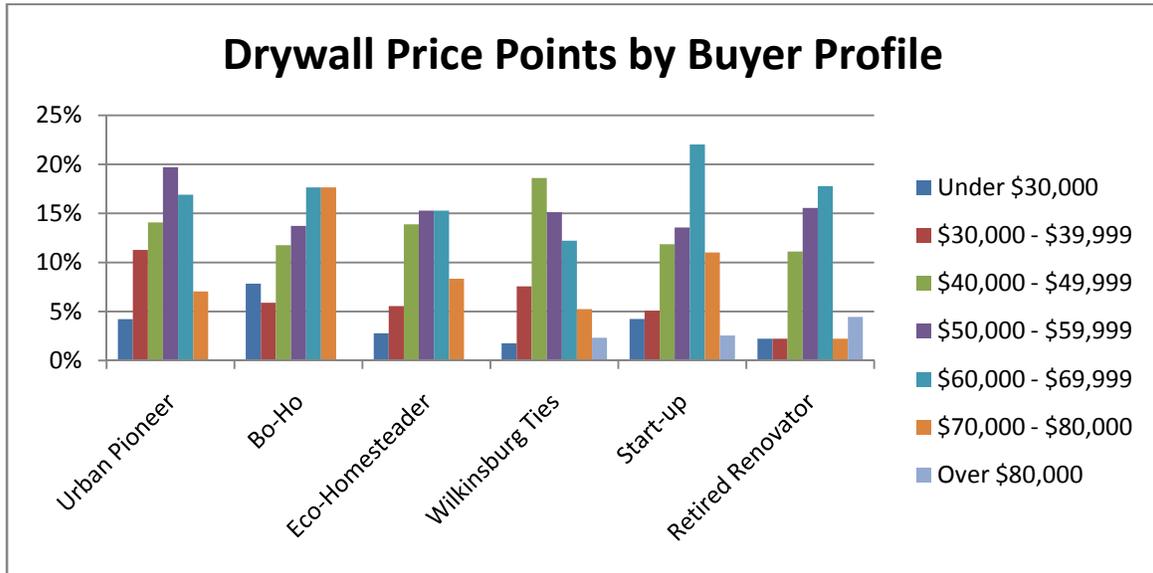
Figure 4



If PHLF decides to renovate the shell products to the drywall level, Figure 5 indicates market price points between \$50,000 and \$70,000. Overall, 31% of survey respondents said they would be willing to pay between \$50,000 and \$70,000 for the Drywall Only option (Wilkinsburg, 2009). Across our six market segments, a variety of modal price points existed for the Drywall option. Urban Pioneers had a modal response in the \$50,000 - \$60,000 range while Bo-Hos, Eco-Homesteaders, Start-ups, and Retired Renovators all had their high points in the \$60,000 - \$70,000 range. A pattern consistent with their

preferences for the fully renovated homes, the Wilkinsburg Ties market group had slightly lower price points, in this instance \$40,000 - \$50,000, than the other market segments.

Figure 5



In Phase II of the development, PHLF will be attempting to move between six and ten homes. Since the market response for comfort in purchasing the Drywall option was not overwhelming, this study concludes that a less developed product such as the Drywall Only option will be more difficult to move than the Kitchen and Bathroom option.

Through benchmarking research and interviews, this study found that shell homes are very difficult to move in established markets, let alone in emerging markets like Wilkinsburg. Additional findings indicated that the higher level of completion on a house, the easier it is to sell. These findings were reflected by the hard data in the survey, as respondents became increasingly interested in purchasing shell homes with each increase in interior completion. Since PHLF's shell rehabs are being built in a neighborhood without an established housing market, the Drywall option may be too risky for PHLF to market.

Kitchen & Bathroom Price Point is \$70,000 to \$80,000

Interviews and focus groups indicate that of all the shell options, potential buyers are most interested in the Kitchen & Bathroom option. The survey showed that respondents are looking to spend under \$50,000 of their own money to complete a shell product. Research suggests that a Kitchen & Bathroom option could be completed for under \$50,000. With this option, the buyer would not have to design and build their own kitchen and bathroom, but would only have to make minor cosmetic improvements to the house. This presents a more viable option to market in Hamnett Place, and the survey data supports this hypothesis.

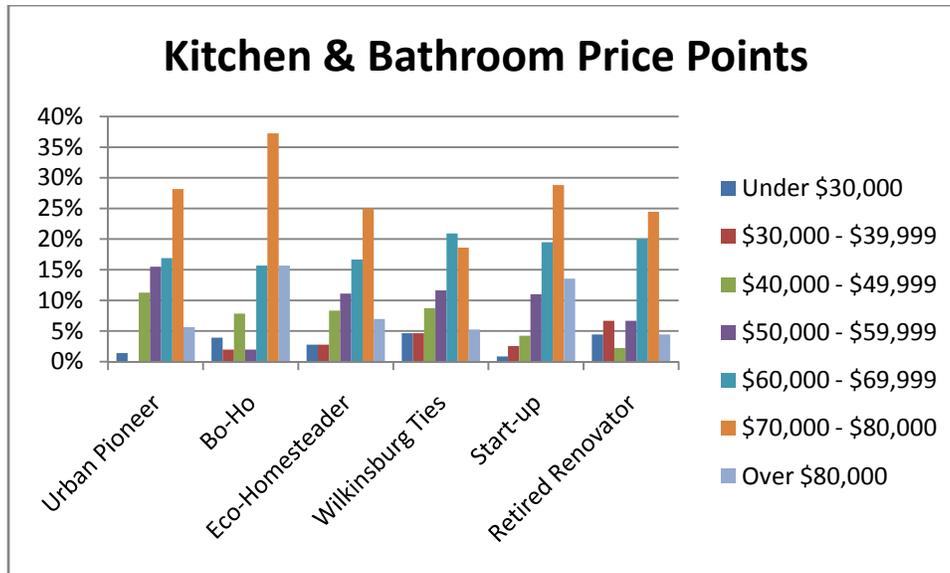
Figure 6



As opposed to the responses for the Drywall option, the Kitchen & Bathroom product presents PHLF with a less risky and more marketable option. Figure 6 shows the distribution of willingness to purchase the Kitchen & Bathroom product. Within each market segment, the amount of “would definitely purchase” responses increased by about ten percent between the Drywall and the Kitchen & Bathroom option. Additionally, all six market segments saw a 10-15% drop in the number of respondents saying they would not purchase the product. The largest increase in respondents that would definitely purchase the Kitchen & Bathroom option came in the Bo-Ho group; where only 5.9% of respondents said they would definitely purchase the Drywall option. When asked the same question about the Kitchen & Bathroom product, 27.5% of the Bo-Ho market segment indicated they “Would Definitely Purchase.”

Since all six market segments saw dramatic shifts away from the “Would Not Purchase” and into the “Would Definitely Purchase” categories between the Drywall option and the Kitchen & Bathroom option, this reveals a tipping point in the market. At the point where a renovated home has a fully restored Kitchen & Bathroom, buyers feel drastically more comfortable with this purchase. Therefore, this study recommends that PHLF renovate the interior of their shell products to the Kitchen & Bathroom level.

Figure 7



For the Kitchen & Bathroom product, buyers across most of the market groups had a modal price point in the \$70,000 to \$80,000 range. Figure 7 above shows that this result was consistent in every group except the Wilkinsburg Ties group, who had lower price points than the others for every product available. On the aggregate level, 22.5% of all survey respondents said they would be willing to purchase the Kitchen & Bathroom option at this price. Since the \$70,000 to \$80,000 price point was consistent on the aggregate level and within the market segments, PHLF should be able to move these houses and maximize their return on investment if they market them at this price point.

Benchmarking Analysis

The purpose of benchmarking was to identify cities nationwide that are either similar to Wilkinsburg in terms of demographics or have experimented with shell products. The group hoped to draw lessons from housing renovation projects in other cities based on census data research. Therefore, cities were studied and compared to Wilkinsburg in terms of population, unemployment rate, per capita income, medium household income and medium home values. More than 30 cities nationwide were identified to have similar demographics to Wilkinsburg based on these variables. Subsequently each city was researched to determine if they had developed similar shell or rehabilitated housing programs such as what PHLF was hoping to accomplish in Phase II. Please refer to Appendix A for a complete list of these cities. Based on the research, this study concluded that shell rehabilitations are rare but have been attempted.

Benefits of Shell Products

Shell products offer a lot of benefits to a developer and to a community. Shelled homes allow for a developer to impact more homes in the neighborhood because funds are leveraged. Shells can more quickly improve the safety and security of the area as more houses are stabilized, accelerating the change in a neighborhood through façade renovation. In addition, shells provide customers with more

options for personal customization since buyers are able to self-design the interior of the house. Shells also benefit the city in that they increase home ownership rates at a faster rate than investing in a small number of complete renovations and thus increase the tax base for the city. Overall, shells have the capacity to accelerate neighborhood development.

Challenges of Shell Products

Despite the long list of advantages to producing a shell product, the benchmarking research indicated that shells pose some potential challenges. Appraisers are unfamiliar with shells making it necessary for the developer to engage in an education campaign to explain how a shell product can fit onto the traditional appraisal process. In addition banks need to be included in a similar education campaign to highlight the value of shell products.

Some research also suggested that shells products have a much more narrow market than full renovations requiring a significant human capital investment on the part of the developer who must show the property. Interviews with individuals involved with the North Side Denny Row housing project indicate that they showed the shelled row houses to at least 10 potential buyers before there was a sale. PHLF will have to consider the human costs in addition to the capital costs associated with a shell strategy.

Finally, the change in the economy in recent years has reduced the salience of previous successful shell sales. It is difficult to use benchmarking analysis to draw conclusions about the potential success of PHLF since the recent housing crisis and credit restrictions have changed banks and individuals willingness to accept risk.

Please refer to the Interviews Conducted section for full details of the above research findings.

Neighborhood Analysis

Over the course of this study, neighborhood analysis was conducted to geographically identify and understand the strengths, weaknesses and opportunities in this area. This analysis is based on focus group feedback, survey results and suggestions from Advisory Board members. The goal was to provide the research team with context in which to create development strategies for Phase II.

Strengths in Hamnett Place

As evident in Map 2, one of the greatest assets in this area is the Crescent Apartment development on the corner of Jeanette Street and Rebecca Avenue. The apartments are in the process of being renovated by PHLF. The renovated Crescent Apartments will add significant value to the neighborhood by developing new residential units that will attract new owners to this neighborhood and helping to revitalize the area.

There are a few privately renovated homes on Whitney Avenue that are considered strengths on this street. In addition, Whitney Avenue has direct access to the busway. Public transportation not only provides the Wilkinsburg residents with access to downtown and to their work, but also the mobility to other parts of the city. This is especially vital for people without other means of transportation.

Another major advantage of this neighborhood is the urban garden on Holland Avenue. The urban garden is an area of strength because it attracts like-minded people and ties the community together when special events are held such as the Harvest Festival in the fall. Other areas of strength in the Hamnett Place include Phase I PHLF restorations on Jeanette Street and Holland Avenue.

Map 2: Analysis of Strengths



Weaknesses in Hamnett Place

Map 3 presents a summary of areas of weaknesses in Hamnett Place. In the analysis of strengths, the busway was identified as an area of strength; however, the busway can also be seen as a weakness. Based on our focus group feedback, the busway divides the neighborhood into two, lessening the sense of community in this area.

Whitney Avenue is another area that can both be regarded as an advantage and as a weakness. According to focus groups and interviews, vandalism and drug activity is prevalent on Whitney Avenue. Participants in the focus groups also reported that the number of unsupervised children on Whitney Avenue create problems for current residents. These aspects of Whitney Avenue could prevent potential buyers from investing in a home. Other areas of weaknesses of Hamnett Place include vacant and unmaintained housing stock on Franklin Avenue and Holland Avenue.

Map 3: Analysis of Weaknesses



Opportunities in Hamnett Place

The third area of analysis focused on areas identified as having potential. Specifically, these are areas that potential buyers might view as favorable locations because of their potential for further improvement. Please refer to Map 4 for a complete list of areas that were identified.

The Falconhurst building on Kelly Avenue was identified as an opportunity. Located adjacent to the Crescent Apartments, it can benefit from the potential success of that new development and provide possible opportunities for further development onto Mulberry Street.

Similar to the Falconhurst which builds on the strengths of the Crescent Apartments, the lot on the corner of Jeanette Street has potential as a park or community space. Some current residents indicated in focus groups and individual interviews that the vacant lot has the potential to serve as an ideal recreational area or green space for the neighborhood because of its seclusion from traffic and central positioning in the neighborhood.

Both Whitney and Holland Avenue have numerous consecutive lots under consideration in Phase II. This creates the potential for clustered development that could lead to a critical mass of development. An interesting location to point out, based on the focus group respondents, was the corner of Rebecca Avenue and Center Street. It is currently empty, and focus group participants would like to see some commercial development to this corner such as a coffee shop.

Map 4: Analysis of Opportunities



Development Strategies

Based on PHLF's list of targeted lots, available funding and the neighborhood analysis, three development strategies were created. These strategies are Build on Strengths, Build on Opportunities, and Build on Corners.

Build on Strengths

The Build on Strengths development strategy is based on traditional urban design principles, where investment is targeted near areas of strength in the neighborhood. In this scenario, development is concentrated near other PHLF developments including the Crescent Apartments, the Housing Resource Center and Phase I rehabs located on Jeanette Street and Holland Avenue. Development is also located close to other neighborhood assets such as the strong housing stock on Rebecca Avenue, Center Avenue, and Coal Street, along with the urban garden movement on Holland Avenue.

The Build on Strengths map, Map 5, illustrates that 517 and 520 Jeanette Street are recommended full rehab projects. By making these properties full rehabs a significant amount of investment is located near other Pittsburgh History & Landmark Foundation developments.

This strategy also recommends that 833 Holland, located next to an empty lot, be fully renovated. By fully restoring this property, this development strategy helps to build on the urban garden energy found along Holland Avenue. This strategy also recommends that demo properties be located on Holland Avenue as existing residents along this street have demonstrated an enthusiasm for urban gardening. We expect that existing owners would be willing to take responsibility for the upkeep of these demolished lots, reducing the need for centralized maintenance by PHLF or the Borough. This lot could also be considered a good candidate for a community garden.

The Build on Strengths, Map 5, shows that recommended shell rehab properties are strategically located near the full rehab properties and in other areas of neighborhood strength.

Map 5: Build on Strengths



The Build on Strengths strategy utilizes

- \$655,000 of available NSP funds for full rehabs
- \$660,000 of available private funds for shell rehabs
- \$160,000 in combined NSP and private funds for demolition

This leaves \$5,000 in remaining NSP funds and \$20,000 in remaining private funds to be used for future phases of development. Detailed estimated construction costs are found in Table 11 below.

Table 11: Detailed construction costs

Full Rehab Recommendations	Estimated Construction Costs	Shell Rehab Recommendations	Estimated Construction Costs	Demo Property Recommendations	Estimated Demolition Costs
517 Jeanette	\$ 325,000	828 1/2, 830, 832 Holland	\$ 300,000.00	814 Holland	\$ 40,000.00
520 Jeanette	\$ 140,000	835 Rebecca	\$ 160,000.00	818 Holland	\$ 40,000.00
833 Holland	\$ 190,000	836 Rebecca	\$ 125,000.00	836 Holland	\$ 40,000.00
		845 Holland	\$ 75,000.00	839 Holland	\$ 40,000.00
Cost of Full Rehabs	<u>\$ 655,000</u>	Cost of Shell Rehabs	<u>\$ 660,000.00</u>	Cost of Demolition	<u>\$ 160,000.00</u>
Available NSP Funds	\$ 700,000.00	Available Private Funds	\$ 800,000.00		
Remaining NSP Funds	\$ 5,000.00	Remaining Private Funds	\$ 20,000.00		

The principal strength of this development strategy is that it continues the momentum of other PHLF development, while building on other neighborhood assets. The Build on Strengths strategy also clusters development in an effort to establish a critical mass of investment. By creating this critical mass of strong development, this strategy may appeal to more homebuyers and could be considered a less risky option for PHLF.

While this strategy may appeal to more homebuyers, it does impact a smaller number of homes because funding is spent on the more costly rehab properties. Build on Strengths also fails to address the more distressed streets in the Hamnett Place neighborhood including Whitney Avenue. Additionally, this development strategy recommends that 828, 830, and 832 Holland Avenue, a triplex, be rehabbed as a shell property. Through benchmarking, focus group and survey research this study found that shell rehabs will be harder to sell than fully rehabbed properties potentially making this particular property especially difficult to move on the open market.

Despite some limitations, clustering investment and creating a critical mass of strength, is a development strategy that poses less risk for both PHLF and potential buyers. This low risk investment for potential buyers will most likely appeal to the Startup and Retired Renovator market groups.

Build on Opportunities

The Build on Opportunities development strategy focuses development primarily on Whitney Avenue. Whitney Avenue lends itself to concentrated investment for three principle reasons:

- A number of Whitney Avenue properties are on the targeted properties list
- Whitney Avenue is one of the more distressed streets in the Hamnett Place neighborhood, and could potentially benefit from concentrated investment
- Busway access and the ability to connect across the busway barrier could potentially appeal to a number of home buyers.

This development strategy also builds on the potential of other Pittsburgh History & Landmark Foundation development and the urban garden movement on Holland Avenue.

The Build on Opportunities map, Map 6, illustrates that recommended full rehabs are located exclusively on Whitney Avenue in order to build on the opportunities of that street. Like the Build on Strengths development strategy this approach recommends demo properties on Holland Avenue in order to foster the urban garden movement. Remaining available private funds are used to disperse shell rehab properties throughout the neighborhood.

Map 6: Build on Opportunities



The Build on Opportunities development strategy leverages all available funds for Phase II development. This strategy utilizes

- \$660,000 of the available NSP funds for fully rehabbed properties
- \$720,000 of private funds for shell rehabs
- \$160,000 in combined NSP and private funds for demolition.

Detailed estimated construction costs are found in Table 12 below.

Table 12: Detailed construction costs

Full Rehab Recommendations	Estimated Construction Costs	Shell Rehab Recommendations	Estimated Construction Costs	Demo Property Recommendations	Estimated Demolition Costs
708 Whitney	\$ 200,000	517 Jeanette	\$ 100,000.00	814 Holland	\$ 40,000.00
718 Whitney	\$ 200,000	520 Jeanette	\$ 70,000.00	836 Holland	\$ 40,000.00
724 Whitney	\$ 200,000	835 Rebecca	\$ 160,000.00	839 Holland	\$ 40,000.00
		836 Rebecca	\$ 125,000.00		
		833 Holland	\$ 90,000.00		
		845 Holland	\$ 75,000.00		
		706 Whitney	\$ 130,000.00		
Cost of Full Rehabs	\$ 600,000	Cost of Shell Rehabs	\$ 750,000.00	Cost of Demolition	\$ 120,000.00
Available NSP Funds	\$ 700,000.00	Available Private Funds	\$ 800,000.00		
Remaining NSP Funds	\$ -	Remaining Private Funds	\$ -		

A major strength of the Build on Opportunities strategy is that it improves the greatest number of properties of any other recommended development strategy. More properties are improved in this strategy, because every available fund is leveraged and investment is focused on the most affordable properties. A further strength of this development strategy is that a number of these properties are clustered together on Whitney Avenue. This strategy has the potential to turn a distressed street into a neighborhood asset which can accelerate the spread of positive development throughout the surrounding streets.

While recommended full rehabs are clustered on Whitney Avenue, shell rehabs are dispersed throughout the neighborhood. Due to the concentration of development on Whitney Avenue alone, this strategy may appeal to less home buyers than the Build on Strength development strategy, making Build on Opportunities a riskier investment for PHLF. This strategy could also be considered more risky because it calls for the largest number of shell rehabs and places the success of Phase II largely on the success of Whitney Avenue.

Buying properties within this development strategy is also a riskier investment for potential homebuyers as rehabs are not strategically located near current neighborhood strengths. However, this development strategy could appeal to potential buyers based on its community development value. The Build on Opportunities strategy makes a concerted effort to improve the neighborhood's weaknesses, in order to improve the neighborhood as a whole. This development strategy will attract homebuyers with a higher tolerance for risk and those who are motivated by community change. This strategy will most likely appeal to homebuyers in the Urban Pioneer or Eco-Homesteader market groups.

Build on Corners

Interviews with Friendship Development Associates and Franklin West Properties demonstrated the successful use of a Build on Corners development strategy in nearby communities. A Build on Corners strategy targets development on strategic corners in order to create impactful gateways throughout the neighborhood. This strategy focuses development on the corner of Whitney Avenue and Center Avenue, the corner of Holland Street and Coal Street and the corner of Jeanette Street and Rebecca Avenue.

Map 7 illustrates that Whitney Avenue will be framed by 726 Whitney, which has already been restored, followed by a recommended full rehab at 724 Whitney. The second recommended full rehab will help form a Holland Avenue gateway at 845 Holland Avenue. The final full rehab has been advantageously located at 520 Jeanette Street. The corner of Jeanette and Rebecca has the potential to become a recognized gateway for the Hamnett Place neighborhood. This gateway will be framed by the Crescent Apartments and the Housing Resource Center, followed by Phase I Pittsburgh History & Landmark Foundation rehabs and the recommended full rehab at 520 Jeanette.

Shell rehabs are purposefully located near these corners in order to help form these important gateways. As in the other development strategies, recommended properties for demolition have been located on Holland Avenue in order to accelerate the urban garden energy found there.

Map 7: Build on Corners



In order to fund the Build on Corners development strategy, PHLF would utilize

- \$615,000 of available NSP funds for full rehab
- \$675,000 of available private funds for shell rehabs
- \$160,000 in combined NSP and private funds for demolition.

Detailed estimated construction costs can be found in Table 13 below.

Table 13: Detailed construction costs

Full Rehab Recommendations	Estimated Construction Costs	Shell Rehab Recommendations	Estimated Construction Costs	Demo Property Recommendations	Estimated Demolition Costs
520 Jeanette	\$ 140,000	517 Jeanette	\$ 100,000.00	814 Holland	\$ 40,000.00
845 Holland	\$ 275,000	835 Rebecca	\$ 160,000.00	818 Holland	\$ 40,000.00
724 Whitney	\$ 200,000	836 Rebecca	\$ 125,000.00	836 Holland	\$ 40,000.00
		833 Holland	\$ 90,000.00	839 Holland	\$ 40,000.00
		708 Whitney	\$ 100,000.00		
		718 Whitney	\$ 100,000.00		
Cost of Full Rehabs	\$ <u>615,000</u>	Cost of Shell Rehabs	\$ <u>675,000.00</u>	Cost of Demolition	\$ <u>160,000.00</u>
Available NSP Funds	\$ 700,000.00	Available Private Funds	\$ 800,000.00		
Remaining NSP Funds	\$ 45,000.00	Remaining Private Funds	\$ 5,000.00		

The foremost strength of this development strategy is that it targets highly visible properties. Existing residents, those passing through the neighborhood and most importantly potential homebuyers will be able to see the investment being made in the Hamnett Place neighborhood. By restoring and beautifying corners this development strategy creates high impact gateways throughout the neighborhood streets. These gateways will eventually lead to private investment further down along these key streets, improving the overall quality of the neighborhood.

While this strategy has a number of strengths, it does not concentrate investment on anyone street. This strategy of dispersed development will most likely appeal to the least number of homebuyers and is the most risky development strategy for PHLF, in addition to being the most risky investment for potential homebuyers. While this strategy is more risky, it does have the potential to improve the overall aesthetics of the neighborhood by strategically locating rehabs in highly visible areas. By highlighting the neighborhood investment this strategy has high potential to change stereotypes about Hamnett Place and Wilkinsburg. For these reasons this development strategy will most likely appeal to the Bo-Ho and Urban Pioneer market groups.

Summary of Development Strategies

These development strategies are alike in a number of ways because of the parameters: funding is limited and the targeted properties list only addresses a few streets in the Hamnett Place neighborhood. In each development strategy, a comparable number of properties are impacted. Also, each strategy concentrates demolition along Holland Avenue in order to build on the urban garden movement found there. While these development strategies share similar characteristics, each has a distinct area of focus. This main focus imparts marked areas of strength, weakness, and levels of risk for both PHLF and for potential buyers. It is these marked characteristics that will appeal or deter certain segments of the market.

The Build on Strengths development strategy is the least risky for potential homebuyers and has the most potential for a return on investment. This strategy will most likely appeal to the Startup and Retired Renovator market groups. The Build on Opportunities strategy is considerably more risky for homebuyers, but has the potential to foster community change throughout the entire neighborhood. The Urban Pioneer and Eco-Homesteader market groups will be attracted to this strategy for this potential. The Build on Corners development strategy does not create a critical mass of development, but it does have the potential to change the aesthetics of the entire Hamnett Place neighborhood through strategic placement of visible investment. Both the Bo-Ho and Urban Pioneer market groups will be attracted to this potential for aesthetic change. The Wilkinsburg Ties market group is the most broadly defined, therefore parts of this group may be attracted to any one of these development strategies based on individual preferences.

Phasing Strategy

Phase III may occur in the next 3 to 5 years, depending on the time it takes to rehab and then sell the houses from Phase II.

Return on Investment

Depending on the development strategy chosen in Phase II, there are different monetary values for the return on investment. Assuming that all Phase II full renovations and shell products are sold for the price points established by the survey than the return on investment from each strategy would be as follows:

- For Build on Strengths \$580,000 to \$680,000
- For Build on Opportunities \$790,000 to \$890,000
- For Build on Corners \$720,000 to \$810,000

While the Build on Strength is a more “tried and true” development strategy, of all the options it generates the least amount in returns. Despite the fact that the Build on Opportunities strategy is a more risky endeavor it would have a greater payout if Phase II is successful.

Priorities for Phase III

Again, the priorities of which streets, and subsequently which houses on these streets, to tackle in Phase III is reliant on the strategy chosen for Phase II. If Whitney Avenue was not addressed in Phase II, it needs to be addressed in Phase III as that will help solidify the revitalization in the neighborhood. Lamar Avenue is also an important street due to its current condition and proximity to Jeanette Street.

Mulberry Street is an obvious extension to Phase I and II development. Houses on Mulberry Street are not only close in proximity to Hamnett Place, the Housing Resource Center and the Crescent Apartments, but the houses on Mulberry Street are highly visible to the public. Rehabs on this street could symbolize the growth of the project to elsewhere in the community.

Finally, Franklin Avenue needs to be addressed. With rehabs on Mulberry Street, Franklin Avenue would be connected to the efforts in Hamnett Place. At this time it is not clear that the Hamnett Place has the critical mass necessary to combat such a street; however, Franklin would be an impediment to future development in the area if it is not addressed in Phase III.

Other Recommendations

Eco-Homestead

The study’s survey and focus groups shows that there is a market of buyers interested in an eco-homestead. An eco-homestead is comprised of a rehabbed home with an adjacent side lot that the buyer could use to plant an urban garden. This is a single product that PHLF would market. Given individuals already residing in the neighborhood, particularly on Holland Ave, there appears to be a market already drawn to this area. If PHLF creates a handful of eco-homestead products, the Housing Resource Center may want to include information and resources for residents on how to get started, cultivate and maintain urban gardens.

Due to the locations of targeted properties in Phase II, it was not feasible to create an eco-homestead product. However, Phase III could produce these products and attract the potential buyers found through the survey.

Side Lot Program

Similar to the eco-homestead recommendation, there are existing residents in the neighborhood interested in acquiring lots next to their current house. Providing a means, perhaps in the Housing Resource Center, that allows current residents to purchase side lots adjacent to their property, could alleviate typical problems that come along with vacant lots.

Partnerships

Given the amount of effort put forward in Hamnett Place, it is recommended that PHLF partner with local groups and organizations to ensure long term sustainability. Partnering would not only bring resources into the neighborhood but it would also spread the word of revitalization occurring in Hamnett Place. Benchmarking research suggests that word-of-mouth is one of the most powerful marketing tools available, especially when trying to move a limited number of houses. Partnering extends the network of individuals aware of Hamnett Place, which will not only benefit PHLF in selling the houses but also aid in the revitalization of Wilkinsburg.

Methodology

Interviews Conducted

Interviews were a critical component of methodology for this report, as it became evident that shell products were scarce in neighborhood revitalization projects. Interviews were conducted in both individual and group settings and through various means of communication such as telephone, in person and panel discussions. Through the conducted interviews the challenges facing PHLF as they move into a shell product became clearer; however, the interviews also highlighted funding solutions, successful development strategies and other critical aspects of revitalization.

Interviews Regarding Finances

Appraiser, Steven Faiello

Met September 28 at 833 Holland Avenue.

He was unaware of a shell product and was unsure how the appraisal process would go. He had never done any nor were there any recent shells else in the city for getting assessment values; this would require him to look elsewhere which potentially is a disadvantage as the demographics of the neighborhood will be different. His hesitancy and unfamiliarity with a product reiterates the notion that proper education of the vision and product is needed to get the buy-in of these individuals.

Allegheny County | Economic Development, Nathan Wetzel

Met October 1, 2009 at the Regional Entrepreneur Building.

In his discussion of funding for shell products, he believes that with a more complete product, like the Kitchen and Bathroom, funding may not be as much of a challenge. He recommended that PHLF do shells with strictly private money and use county assistance to acquire the property. Possible sources of funding he mentioned were the Home Improvement Loan Program and the 203 (k).

Dollar Bank, Becky Yago & Ray Garafalo

Met October 1, 2009 at the downtown Dollar Bank Headquarters.

For shell products, they felt that those were appropriate for higher-end units, but if focusing on affordable housing than a finished product is more practical. Their bank would be “reluctant to negotiate with buyers of shells who were not financially established.” They also felt that the gay community (part of the Bo-Ho market segment) might be a potential market of buyers for Wilksburg.

Interviews Regarding Residential Rehabs/Shells

Bloomfield-Garfield Corporation’s Deputy Director, Aggie Brose:

Spoke October 9, 2009 via telephone.

Her discussion on the buyer market reemphasized that the best means of reaching the buyer is through word-of-mouth. PHLF needs to get their message out on who they are, who to contact if a person is interested in a house, and what products (shell and renovations) are currently being developed.

East Baltimore Development Inc, Vice President of Real Estate Development Dennis Miller

Spoke October 6, 2009 via telephone.

For the shell product one must have the momentum going in the neighborhood. With visible change there will be a market of buyers who want to partake with a shell product because they will still see it as early enough to be involved in shaping the area. However, he cautions trying to sell multiple shells in a single area at once; it may be harder to create the vision of the neighborhood.

Franklin West Properties, Carolyne West

Spoke October 9, 2009 via telephone.

Franklin West implemented a corner strategy as that allowed them control of the area, while the rest of the street was filled in by private investment. Being willing to work with the current neighbors is important otherwise new residents will be ostracized.

Friendship Development Associates, Female Full-time Staff Member:

Spoke October 6, 2009 via telephone.

Friendship Development Associates utilized a corner development strategy. They saw corner houses as prominent displaces that revitalization was occurring in the community. Eventually the private market filled in the streets, and they focused their attention to Penn Avenue shops. Additionally, the buyers in the neighborhoods were people who either lived in the area and were invested in the neighborhood (like Wilksburg Ties) or who were “creative design” individuals who saw the potential (mixture of urban pioneers and Bo-Ho).

Historic Richmond Foundation, Director of Preservation Amy Swartz

Spoke October 6, 2009 via telephone.

Their markets of buyers have been localized to a radius of less than 10 miles or from near-by neighborhoods, usually historical. These individuals tend to want to be involved in the community, so a Housing Resource building that acts as a gathering spot for the community may draw these types of buyers. Selling the Housing Resource could attract this demographic of urban pioneers meets Wilksburg ties.

Indiana Historic Landmarks, Director of the Western Regional Office Tommy Kleckner

Spoke October 1, 2009 via telephone.

He believes that there is not a demand for these shell products in today’s real estate market. Potential buyers can purchase a foreclosed house for the same price as a shelled product that they would still have to invest money into. Full rehabs are habitable upon purchase and will expand the market of buyers.

New York City Department of Parks & Recreation: Jennifer Greenfeld

Presented October 21, 2009 at the Green Infrastructure Symposium sponsored by the Western Pennsylvania Conservancy.

Part of her discussion focused on turning vacant lots into green lots. Her message was that there were high returns socially and economically. Adding trees and green space adds 17% to the value of the surrounding homes, in comparison to a vacant lot that subtracts 20% of value while holding other variables constant. Her presentation reinforced that demolition of houses can be turned into value by making it a side lot that can be packaged as a garden for an eco-homesteader.

Northside's Denny Row: Mark Masterson & Mark Fatla

Met October 18, 2009 at the Northside Community Development Fund Building.

The Denny Row project suggests that when looking for financing one must be creative. Back in the 1990s Mr. Fatla worked with National City to create a program called National Purchase Rehab. For unknown products like a shell you find a bank to work with, educate them on the revitalization efforts in Wilkinsburg, and the appraiser will follow. For shells, banks may understand the concept if they saw PHLF as the "site developer"; this is a concept that the bank is already familiar with. Mr. Fatla offered a development strategy, similar to Build on Corners and Build on Strengths. In order to engage the community you need to build in visible places, but also to build from strength so that one can get better market prices. Another important lesson was to understand the market niche. Each row house was shown on average to 10 potential buyers before being sold; this was even the case with understanding the market and having good word-of-mouth within the community.

Over-the-Rhine Foundation in Cincinnati, Executive Director, Mike Morgan

Spoke October 5, 2009 via telephone.

Their strategy was to build on strengths and cluster development; in a sense they tackle half a block at a time and move up the street. The problem of community backlash may occur with such a strategy because it does not address the neediest areas first. In terms of their buyer, he believes there is a large percent of first time homeowners on the market that are urban pioneers. According to him this is a demographic trend nationwide as the younger generation is more inclined to seek out an urban environment with walk-able cities. Although this generation does not know the "first thing about developing a city", they want to be part of the change. Therefore this is a good market to sell to and one should gear price points towards them.

Remax Real Estate Agent, David Gardner

Spoke September 25, 2009 via telephone.

He described civic minded individuals who see potential in revitalization as likely buyers in urban neighborhoods. If these urban pioneers are aware of the rehabilitation activity, they may be drawn into the neighborhood for they may perceive that there is still opportunity to enter the revitalization on the "ground floor".

Interviews with Wilkinsburg or PHLF Stakeholders

Action Housing, Director of Development Melana Mears

Met October 7, 2009 at the Action Housing Building.

They have found a market with young hipster individuals that sound similar to our Bo-Ho demographic. An important aspect of developing in Wilkinsburg was to make new residents aware on the tax abatement program. Due to the high millage, the abatement is a great deal in the beginning but as the years pass the property tax becomes higher and higher, making it a challenge for people with tight budgets.

Borough Manager of Wilkinsburg, Marla Marcinko:

Met October 5, 2009 at the Wilkinsburg Municipal Building.

Given the high property taxes, the abatement program may be an incentive to new homeowners. It is important though that there is proper education and marketing of the program, perhaps by the Resource Center. Similarly, there is the perception that resources are targeted to specific areas. There may be backlash from the other neighborhoods that development continues in Hamnett Place as other places continue to decline. This was reinforced by the focus groups which stated that there is a street-by-street turf mentality. Although little can be done to change overall perceptions, active participation in the community as a whole would alleviate some tension other neighborhoods may have towards Hamnett Place and PHLF.

Office of Public Art, Lea Donatelli and Renee Piechocki

Met October 7, 2009 at the downtown Office of Public Arts Building.

Within such a small area, Wilksburg has a large amount of public art in terms of murals. There is no need for murals, in fact the community is 'saturated' and there is still some resentment from the Whitney Tunnel mural that didn't have any community involvement. If public art were to be considered in the area, community involvement from identifying the site for the project to the construction of it is vital.

Rothchild Doyno Collaborative, Ken Donyo

Met September 23, 2009 at Hamburg Hall.

He provided some future activities that would help with marketing. A sponsored PHLF House Tour, similar to what Bloomfield does in the fall, would be powerful. It would allow people in the neighborhood, like Mindy's urban garden, to get exposure as well as provide a new image to what is being done in Wilksburg. This type of event would take sponsors and partnering, both important to ensuring that even as Hamnett Place is revitalized, projects elsewhere in the community can begin to re-invent themselves.

Southwestern PA Commission, Coordinator of Regional Transit Projects, Tom Klevan

Spoke September 23, 2009 via telephone.

He discussed creating Transit Revitalization Investment District (TRID). A TRID would provide funding to the borough, which would finance a market study to investigate the potential of a transit oriented development. He also suggested Wilksburg and PHLF utilize the busway as a selling point for private investors.

Focus group methodology and design

Focus groups were initially identified as one of the best research tools to begin to gauge the sentiments of current and potential residents of Hamnett Place. PHLF provided a list of people to interview or invite to a focus group. The list was split into two sections, the first were individuals who could speak about existing conditions in Wilksburg and the second half were new and potential residents that had expressed an interest in moving into Wilksburg. Both focus groups were held at Cali's restaurant located in Regent Square near Wilksburg. The owner of Cali's is a Wilksburg resident.

Focus Group 1: Current Residents

Focus Group 1: Current Residents took place on September 25, 2009. Sample questions from both focus groups can be found in Appendix B. Five individuals attended the focus group for current residents. All

participants lived in Wilkinsburg except one person who lived in Stanton Heights. At the end of the first focus group a Cali's waiter who lived in Wilkinsburg and listened to the conversation offered his feedback on the neighborhood as well.

The focus group began with the distribution of colored pens with maps of the Hamnett Place neighborhood including the surrounding streets. Participates were asked to use a blue pen to identify properties, streets, or public spaces that need improvement (problematic, unsafe, run-down); the green pen indicated properties, streets, or public spaces that are satisfactory (secure, safe, well-maintained); the red pen indentified properties, streets or public spaces with little to no potential for improvement and/or should be demolished and repurposed. The information gathered from the map exercise helped to inform the neighborhood analysis, development strategy, and phasing strategy. A copy of this map can be found in Appendix C.

After the map activity, the facilitators asked focus group participants a series of questions broken into four categories: existing conditions, the neighborhood, motivation, and challenges and solutions. Questions on existing conditions encouraged participants to discuss their experiences on a street-by-street perspective. Neighborhood questions discovered how current residents felt about their neighborhood, and how they interacted with other members of their community. Questions about motivation pinpointed the reasons for why current residents decided to move to Wilkinsburg. Finally, questions relating to challenges and solutions in the neighborhood encouraged current residents to voice their ideas for solutions to some of the challenges facing the Hamnett Place neighborhood and Wilkinsburg in general.

The first focus group provided feedback on the needs and problems of Hamnett Place that PHLF should consider when marketing later phases of housing development. Current residents fear gentrification and do not fully understand the mission, motivation, and purpose of PHLF. Better communication is needed between PHLF and current residents. This lack of understanding about PHLF is exacerbated by the unreliable and inconsistent method of communication between the Borough Council and current residents. Current residents want to learn how to make their homes more energy efficient and improve the facades of their homes. Perhaps PHLF could work with current residents living in historically significant houses to improve the façades. Some participants also expressed an interest in acquiring a side-lot for a garden but do not know how to obtain one. PHLF might be able to work with current residents in later development phases to help them acquire a side-lot. The lack of green spaces, petty crime (for example, theft of bikes and vandalism), high taxes, and underperforming public schools are some of the central problems of Wilkinsburg according to current residents.

Focus Group 2: New and Potential Residents

Focus Group 2: New and Potential Residents held on October 2, 2009 was more challenging than *Focus Group 1: Current Residents*. The turnout was low, possibly due to the G20 Summit and poor weather. A total of three residents (one new resident) talked to us that evening. Two individuals one current resident and one potential resident invited to participate in the second focus group arranged individual interviews. The focus group started with a worksheet that showed two different stages of shell

renovation and asked participants to select a price range they would be willing to pay for each level of completion. The responses from the worksheet exercises helped guide the content of the survey. Questions from the first focus group were adapted to the second focus group because there were no potential residents in the second focus group. Questions specifically relating to purchasing a home in Wilkinsburg were asked retrospectively.

The response from the second group revealed that Holland Avenue has several ecologically focused residents, some more immersed in eco-friendly living than others. These residents incorporate innovative environmentally friendly tools and appliances into their homes and gardens. In the process of “greening” the neighborhood, they hope to revitalize their community. Based on feedback from the first focus group, other residents could easily perceive their individual agendas as aggressive and exclusive if there is not better communication and collaboration among residents. As a result, street-by-street communities may develop rather than a collective Hamnett Place community. In later development phases, PHLF could build on the Holland Avenue green movement by creating eco-homesteads (renovated house with adjacent side-lot for gardening) on Holland Avenue.

One focus group participant suggested that PHLF should have a more competitive bidding process for contractors renovating homes due to issues with delayed completion of some homes in Phase I. Another focus group participant suggested that the Housing Resource Center have two sections, one for current residents and another for new and potential residents, with relevant program information for each group. The Housing Resource Center could be the equivalent of a consumer review center for Hamnett Place by providing customer feedback on local contractors and general “How-To” home improvement information.

Survey design, distribution methodology, and limitations

Information gathered from focus groups and benchmarking lead to the development of potential buyer profiles. However, the characteristics of the buyer profiles were based on limited research and assumptions. To provide PHLF with a clearer understanding of potential buyers and how to reach them a survey was developed. The intention of survey was not to be statistically significant but to confirm or refute assumptions:

- Characteristics of the buyer profiles
- Gauge an individual’s level of familiarity with PHLF and Hamnett Place
- Gain an understanding of people's assumptions about the cost of renovating a home
- Identify the most valuable community amenities for individuals

The survey was created through SurveyMonkey.com and then distributed to individuals, universities, community and student groups, as well as independent organizations. The survey link was sent to individuals through email, posted on relevant websites like Grow Pittsburgh, and distributed through list serves such as the Heinz School at Carnegie Mellon and Graduate School of Public and International Affairs (GISPA) at the University of Pittsburgh. A paper copy of the survey was distributed at a dog park in Wilkinsburg, the East End Co-op, and a local hardware store, Winschel Hardware. The survey was

broken into six sections, introduction, house restoration, community aspects, family and lifestyle, personal information, and project description. A copy of the paper version can be found in Appendix E.

Prior to distributing the survey through the internet the team consulted with Greg Lagana, a survey expert at the Center for Economic Development (CED) at Carnegie Mellon University, to get his feedback on the overall survey design. His suggestions helped us to reword questions for clarity and improve the overall flow of the survey by reordering questions. After the survey link was distributed another survey design expert at Carnegie Mellon University, Dr. David Dausey, was consulted. Dr. Dausey provided useful feedback on the limitations of the survey and offered suggestions on additional survey strategies. Some of the limitations he identified include:

- The structure of the questions did not always effectively ask about the respondent’s comfort level with risk.
- The survey was long and a shorter survey may have gotten a better response.
- Some sections contained redundant or irrelevant questions particularly in those that focus on lifestyle or family.
- Questions about price points could be difficult to determine without context.
- The survey did not capture a representative group of individuals who may not have internet access like the Retired Renovators.

The survey was primarily sent through email or posted on organization websites. Table 14 below details the survey response for each buyer profile. Dr. Dausey suggested that the best methodology for collecting survey responses is to use a combination of phone and internet outreach. Despite the ubiquity of the internet, using the phone to survey a population is the best way to reach a range of socio-economic groups. Due to timing, developing a phone survey strategy and an abbreviated survey to reach a wider socio-economic range was not possible. Although the team distributed the survey to a wide range of list serves, the respondents were skewed towards individuals who were white, female, and well educated. This skew may be due to the fact that many of the respondents indicated they received the survey through a University list serve.

Table 124: Survey response by Buyer Profile

Buyer Profile	Survey Responses
Urban Pioneer	71
Bo-Ho	51
Eco-Homesteader	72
Wilkinsburg Ties	266
Start-Up	118
Retired Renovator	45

PHLF hopes to sell between five and ten homes either fully restored or partially restored. The number of houses PHLF hopes to sell is relatively small and the positive response rate from individuals who would

consider purchasing a renovated home or shell is relatively high therefore, adding a phone survey seemed unnecessary. Perhaps in later phases of development a phone survey strategy might be useful for PHLF. Despite the limitations of the survey, both Mr. Lagana and Dr. Dausey were very supportive of the survey in general and although some areas were problematic it accomplished the overall objective of the survey: to provide PHLF with better insight into the profile of a potential buyer.

The final survey results were examined on November 25, 2009 and revealed a total of 436 individuals started the survey and 303 completed it. Below is a table of survey responses by buyer profile. Please note that respondents may qualify for more than one profile.

Conclusion

The Borough of Wilkesburg continues to face a series of challenges to revitalization. The Pittsburgh History & Landmarks Foundation (PHLF) has developed various strategies to tackle these considerable impediments to development. This report outlined several recommendations to PHLF as to how Phase II should be structured, financed, implemented and marketed.

It has been determined that there is a market for renovated homes in Wilkesburg, significantly higher than the potential number of homes available for restoration. Phase II housing redevelopment, as it is currently envisioned, is financially viable when taking into consideration the price points gleaned from survey data. This report also recommends that PHLF complete all shell rehabs to the level of Kitchen and Bathroom renovation to make the product appealing to a larger number of homebuyers and minimizing the risk to PHLF.

This report offered three development strategies for Phase II each with different levels of risk and uncertainty.

- Build on Strength focused development around areas of strategic strength
- Build on Opportunities focused development on the most distressed streets
- Build on Corners focused on renovating properties on strategic corner lots

In order to select a final strategy for Phase II, PHLF will need to assess the organizational tolerance for risk.

This report also identifies six market groups that would be interested in purchasing both shell and complete renovations: Urban Pioneer, Bo-Ho, Eco-Homesteader, Wilkesburg Ties, Start-Up Purchaser and Retired Renovator. Each demographic group responded in the majority that they would be interested in purchasing a renovated PHLF home, creating an opportunity for PHLF to market to these specific groups using outreach strategies outlined in this report.

PHLF has the chance to accelerate rejuvenation in the Hamnett Place neighborhood by investing in full and shell rehabilitated homes. This report concludes that action by PHLF in Phase II is not only feasible but critical. The Borough of Wilkesburg is in need of development leadership supported by the expertise and motivation of the Pittsburgh History & Landmarks Foundation.

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Appendix A: Analysis of Benchmarked Cities

	Population	Unemployment Rate %	Per Capita Income	Med HH Income	Medium Home Value	Shell/Rehab?
Wilkinsburg Borough, PA	\$ 19,196	6.8	\$ 16,890	\$ 26,621	\$ 53,600	Yes
Baltimore, MD	639,493	7.7	21,440	36,304	130,900	No
St. Louis, MO	352,389	9.9	19,422	33,221	115,700	No
Alsip, IL	19,725	9.2	20,498	47,963	141,200	No
Bellwood Village, IL	20,535	9.2	19,420	52,856	116,300	No
Hanover Park Village, IL	39,230	9.2	22,127	62,158	222,800	No
Palos Hill, IL	17,665	9.2	25,331	52,329	174,000	No
Mayfield Ht., OH	19,386	9.3	24,392	37,236	125,900	No
Solon, OH	23,728	9.3	43,969	94,369	280,100	No
Dayton, OH	146,762	12.3	16,564	28,381	80,800	No
Troy, NY	47,763	9.1	19,031	34,981	118,100	Rehab
Saginaw Township, MI	25,581	11.8	27,870	46,790	137,900	No
Delaware, OH	32,145	7.2	23,221	47,713	166,500	No
Forest Park, OH	19,463	8.1	21,820	49,298	98,100	No
Carteret Borough, NJ	20,709	8.0	18,967	47,148	135,500	No
Middlesex Borough, NJ	13,717	8.0	27,834	60,723	164,200	No
Auburn Hills, MI	19,146	11.1	25,294	46,080	159,000	No
Birmingham, MI	19,291	11.1	59,314	80,861	318,000	No
Hazel Park, MI	18,963	11.1	16,723	37,045	77,000	No
East Moline, IL	21,994	7.9	21,294	37,628	96,200	Rehab
Rock Island, IL	37,332	8.2	20,773	37,186	90,500	Rehab
Roselle Borough, NJ	21,688	9.1	24,723	57,166	296,400	No
Summit, NJ	22,041	9.1	72,081	117,986	726,400	No
Union Township, NJ	57,700	9.1	28,057	68,979	359,900	No
Pittsburgh, PA	296,324	6.8	22,512	32,344	78,400	No
Buffalo, NY	263,030	10.5	18,534	28,127	61,200	No
Cincinnati, OH	302,147	8.3	22,478	31,916	125,900	No
Cleveland, OH	405,014	11.5	15,907	27,007	88,900	No
Bloomington, IN	73,483	7.4	19,780	58,019	15,960	Yes
Richmond, VA	200,158	7.7	25,587	51,329	51,329	Yes

Appendix B: Sample of Focus Group Questions

SEPTEMBER 25, 2009 FOCUS GROUP: CURRENT RESIDENTS

Existing Conditions

This set of questions seeks to encourage focus group participants to discuss their experiences on a street-by-street perspective.

- 1) Can you describe a positive experience you have had on your street since you moved into the neighborhood, such as an interaction with an immediate neighbor, the larger community, friends and family visiting your new home?

The Neighborhood

This set of questions seeks to discover current resident's perspective on the feel of the neighborhood. We would like to hear how their interactions with other members of the community impact their experience with the neighborhood. These questions give current residents a chance to voice what they would like to see more of in the future.

- 1) What types of community activities would you like to see?

Motivation

This set of questions seeks to pinpoint the reasons for why current residents decided to move to the community.

- 1) Why did you decide to purchase a house in Hamnett Place? What attracted you to the community?

Challenges and Solutions

These questions seek feedback from current and potential residents about challenges they see and potential solutions they have considered.

- 1) On your street, do you have vacant houses? If yes, do empty houses impact your sense of security in the neighborhood?

OCTOBER 2, 2009 FOCUS GROUP: POTENTIAL RESIDENTS

The Neighborhood

This set of questions seeks to discover what examples of community activities are of interest to potential residents.

- 1) What types of community building activities would you like to see in the Hamnett Place neighborhood?

Existing Conditions

This set of questions seeks to encourage focus group participants to discuss their thoughts on the current conditions of Hamnett Place.

- 1) What value do you place on the current school districts in Hamnett Place?

The House

This section seeks to learn what considerations focus group members think about when purchasing a new home.

- 1) If you would be interested in a shell rehab, what level of completion would you be comfortable finishing on your own?

Motivation

This set of questions seeks to pinpoint the reasons for why potential residents want to move to the community.

- 1) How did you find out about Hamnett Place? Were you referred by an estate agent, attended an open house, or another method?

Appendix C: Focus Group 1 September 25, 2009

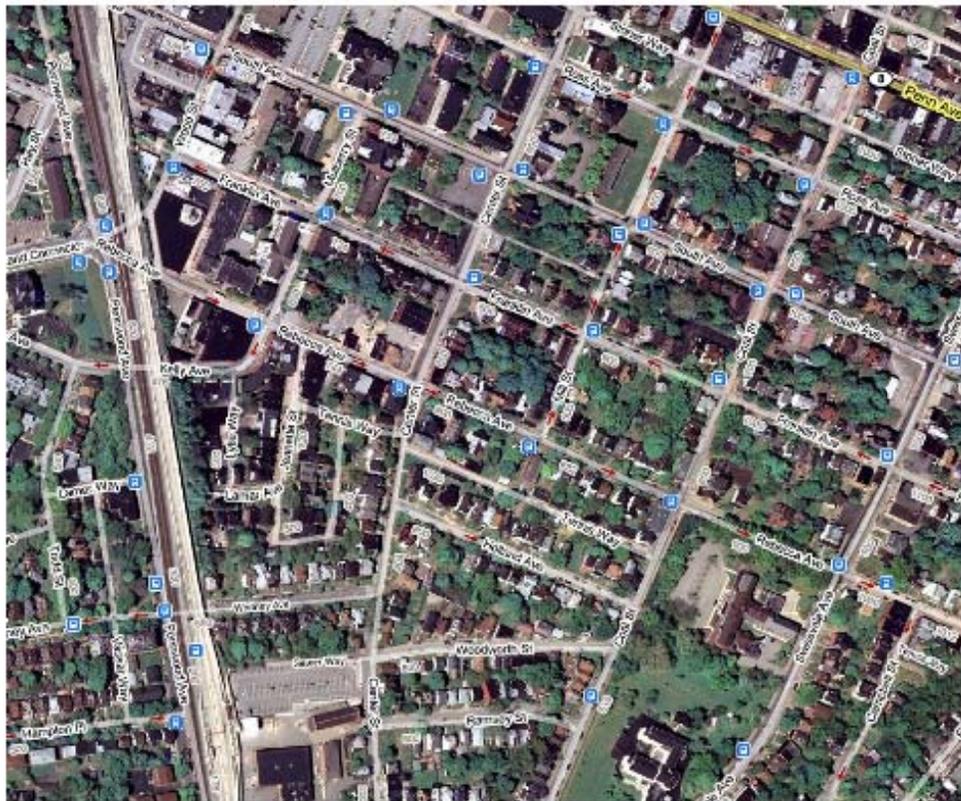
Welcome to the Current Residents focus group for the Restoration Wilkinsburg project!

The map below shows Hamnett Place neighborhood and some surrounding streets.
Please mark the maps to indicate the following:

Blue= properties, streets, or public spaces that need improvement (problematic, unsafe, run-down)

Green= properties, streets, or public spaces that are satisfactory (secure, safe, well-maintained)

Red= properties, streets, or public spaces with little to no potential for improvement/ should be demolished and repurposed



Please provide any additional comments, Thank you!

Appendix D: Focus Group 2 October 2, 2009



What would you expect this level of completion to sell for in Wilkinsburg? Circle a range.

\$40,000 to \$50,000

\$50,000 to \$60,000

\$60,000 to \$70,000

What is the highest you are willing to pay for interior drywall completion?



What would you expect this level of completion to sell for in Wilkinsburg? Circle a range.

\$20,000 to \$30,000

\$30,000 to \$40,000

\$40,000 to \$50,000

What is the highest you are willing to pay for exterior basic interior stabilization?

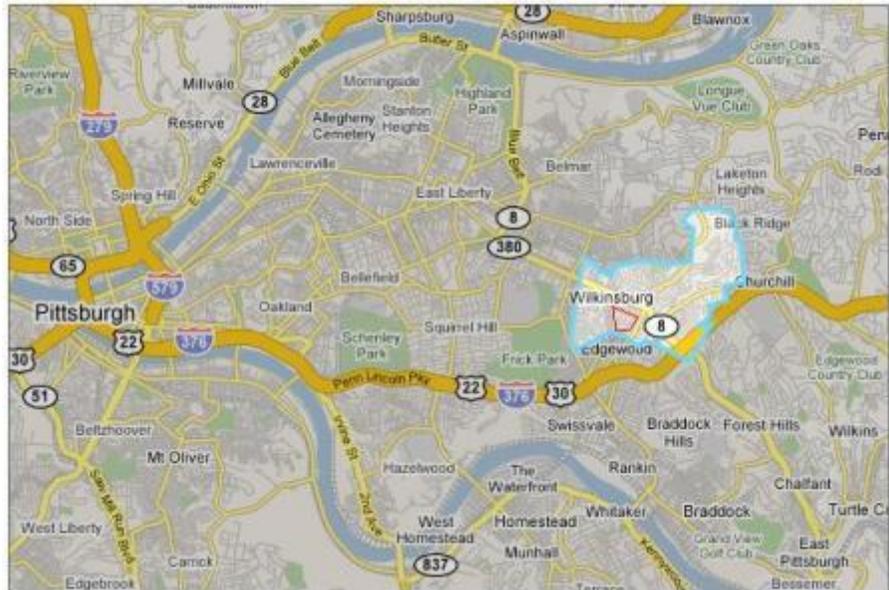
Appendix E: Survey Questions

Restoration Wilkinsburg Systems Survey

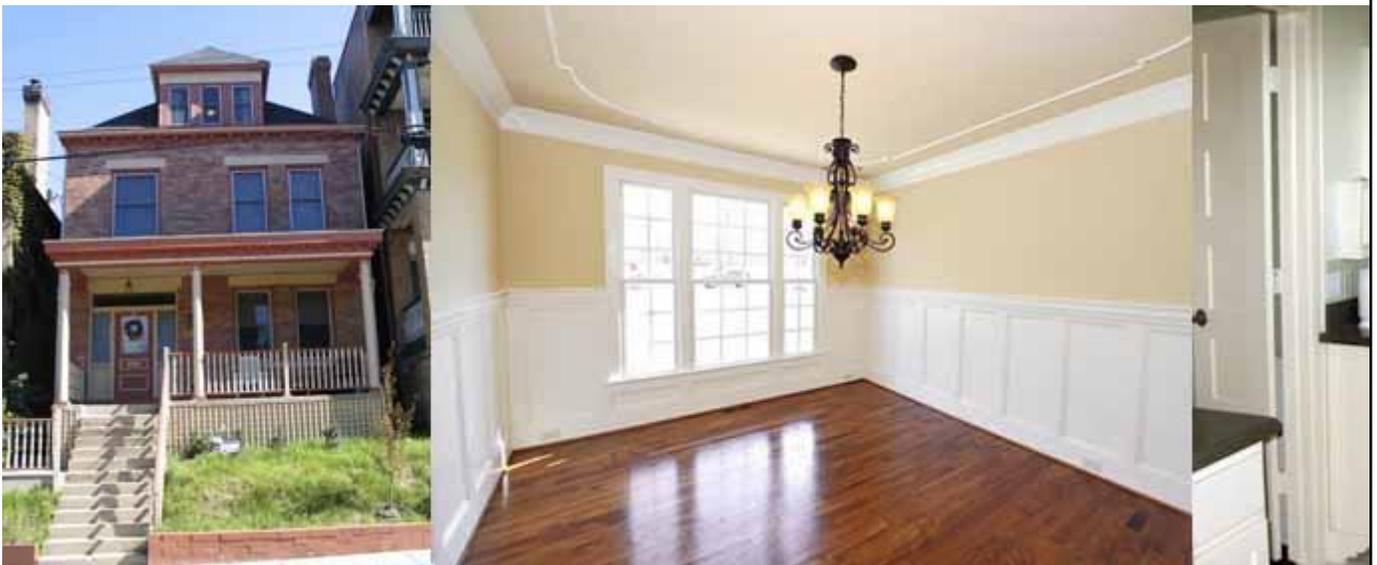
1. Start Here

This survey was created by a graduate student group conducting research for Pittsburgh History & Landmarks Foundation (PHLF). PHLF has already completed one phase of housing restoration in the Hamnett Place neighborhood in Wilkinsburg. PHLF and its partners are currently developing plans for the second and third phases of housing restoration in this area. Your responses to this survey will help inform recommendations to PHLF.

We appreciate your time and input. Thank you!



Here is an example of a fully renovated house in Hamnett Place, Wilkinsburg.



Restoration Wilkinsburg Systems Survey

* 1. How much would you pay for a fully renovated house like this in Hamnett Place, Wilkinsburg?

Under \$80,000

\$100,000- \$109,999

\$130,000- \$150,000

\$80,000- \$89,999

\$110,000- \$119,999

Over \$150,000

\$90,000- \$99,999

\$120,000- \$129,999

Would not purchase

Restoration Wilkinsburg Systems Survey

2. House Restoration

Here are three examples of partially renovated homes in Hamnett Place, Wilkinsburg.

Please look at each and answer the following questions.

Option 1: Studs Only

Exterior is fully restored

Interior is gutted

Plumbing and water systems are installed

Electrical is temporary to allow owner-specified location and number of outlets

NO insulation or drywall is installed

NO kitchen and bathroom installed



*** 1. Please rate your level of comfort in purchasing and finishing the Studs Only Option.**

Would Not Purchase

Would Consider Purchasing

Would Definitely Purchase

*** 2. How much would you be willing to pay for the Studs Only Option in Hamnett Place, Wilkinsburg?**

Would not purchase

\$40,000 - \$49,999

\$70,000 - \$80,000

Under \$30,000

\$50,000 - \$59,999

Over \$80,000

\$30,000 - \$39,999

\$60,000 - \$69,999

Restoration Wilkinsburg Systems Survey

*** 3. Considering the purchase price of the Studs Only Option, how much would you expect to spend to complete the house?**

Would not purchase

\$70,000 - \$89,999

\$130,000 - \$149,999

Under \$50,000

\$90,000 - \$109,999

Over \$150,000

\$50,000 - \$69,999

\$110,000 - \$129,999

Option 2: Drywall Only

Exterior is fully restored

Interior is gutted

Plumbing and water systems are installed

Electrical is installed

Insulation and drywall are installed

NO kitchen or bathroom fixtures



*** 4. Please rate your level of comfort in purchasing and finishing the Drywall Only Option.**

Would Not Purchase

Would Consider Purchasing

Would Definitely Purchase

*** 5. How much would you be willing to pay for the Drywall Only Option in Hamnett Place, Wilkinsburg?**

Would not purchase

\$40,000 - \$49,999

\$70,000 - \$80,000

Under \$30,000

\$50,000 - \$59,999

Over \$80,000

\$30,000 - \$39,999

\$60,000 - \$69,999

Restoration Wilkinsburg Systems Survey

*** 6. Considering the purchase price of the Drywall Only Option, how much would you expect to spend to complete the house?**

Would not purchase

\$70,000 - \$89,999

\$130,000 - \$149,999

Under \$50,000

\$90,000 - \$109,999

Over \$150,000

\$50,000 - \$69,999

\$110,000 - \$129,999

Option 3: Basic Kitchen & Bathroom

Exterior is fully restored

Interior is gutted

Plumbing and water systems are installed

Electrical is installed

Insulation and drywall are installed

Basic kitchen and bathroom fixtures are installed



*** 7. Please rate your level of comfort in purchasing and finishing the Basic Kitchen & Bathroom Option.**

Would Not Purchase

Would Consider Purchasing

Would Definitely Purchase

*** 8. How much would you be willing to pay for the Basic Kitchen & Bathroom Option in Hamnett Place, Wilkinsburg?**

Would not purchase

\$40,000 - \$49,999

\$70,000 - \$80,000

Under \$30,000

\$50,000 - \$59,999

Over \$80,000

\$30,000 - \$39,999

\$60,000 - \$69,999

Restoration Wilkinsburg Systems Survey

*** 9. Considering the purchase price of the Basic Kitchen & Bathroom Option, how much would you expect to spend to complete the house?**

Would not purchase

\$70,000 - \$89,999

\$130,000 - \$149,999

Under \$50,000

\$90,000 - \$109,999

Over \$150,000

\$50,000 - \$69,999

\$110,000 - \$129,999

10. What would you choose to do with a vacant house next to yours?

Tear down vacant house to make side lot for my house

Restore the vacant house

I do not have a preference

Other (please specify)

Restoration Wilkinsburg Systems Survey

3. Community Aspects

- * 1. Wilkinsburg recently started a 10-year property tax abatement program where new homeowners would pay only a percentage of property taxes until year 11.

For a home valued at \$100,000 the total savings would be \$29,150 during these 10 years.

Would this 10-year property tax abatement program increase the likelihood of you moving to Hamnett Place, Wilkinsburg?

I would move there regardless of a tax abatement program.

Yes, I would consider moving there.

No, I would still not consider moving there.

- * 2. Please rate the significance of the following aspects when considering the purchase of a new home.

	Very Significant	Somewhat Significant	Neutral	Not Very Significant	Not at all Significant
Green Space	<input type="checkbox"/>				
Property Taxes	<input type="checkbox"/>				
Proximity to Stores and Restaurants	<input type="checkbox"/>				
Public Transportation	<input type="checkbox"/>				
Quality of Housing	<input type="checkbox"/>				
Safety and Security	<input type="checkbox"/>				
School District	<input type="checkbox"/>				
Walkability	<input type="checkbox"/>				

Other Aspects (please specify)

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*** 3. Please indicate how frequently you currently use the following community amenities.**

	Daily	1-3 times per week	1-3 times per month	Several times per year	Never use
Basketball Courts	€	€	€	€	€
Community Center	€	€	€	€	€
Community Gardens	€	€	€	€	€
Housing Resource Center	€	€	€	€	€
Parks	€	€	€	€	€
Playgrounds	€	€	€	€	€
Sports Fields	€	€	€	€	€

*** 4. How often would you like to interact with your neighbors?**

Daily

1-3 times per week

1-3 times per month

Several times per year

Never

How would you like to interact with your neighbors? (optional)

5. What are some positive aspects of Wilkinsburg and/or Hamnett Place? (optional)

6. What are some negative aspects of Wilkinsburg and/or Hamnett Place? (optional)

Restoration Wilkinsburg Systems Survey

4. Family and Lifestyle

* 1. What are your plans for purchasing a home within the next 5 years?

- I have no plans to buy a home within 5 years
- I will consider the purchase of a home within 5 years
- I will definitely purchase a home within 5 years
- I am currently looking to buy a home

* 2. Where would you consider buying a house within the next 5 years? (Check all that apply)

- | | | |
|---------------------------------------|--|--|
| <input type="checkbox"/> Braddock | <input type="checkbox"/> Highland Park | <input type="checkbox"/> Point Breeze |
| <input type="checkbox"/> Bloomfield | <input type="checkbox"/> Homewood | <input type="checkbox"/> Regent Square |
| <input type="checkbox"/> Crafton | <input type="checkbox"/> Lawrenceville | <input type="checkbox"/> Shadyside |
| <input type="checkbox"/> Cranberry | <input type="checkbox"/> Millvale | <input type="checkbox"/> Squirrel Hill |
| <input type="checkbox"/> East Liberty | <input type="checkbox"/> Monroeville | <input type="checkbox"/> Wilkinsburg |
| <input type="checkbox"/> Friendship | <input type="checkbox"/> Mt. Lebanon | <input type="checkbox"/> None of these |

* 3. What types of activities do you enjoy? (Check all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Cultural events | <input type="checkbox"/> Park-related |
| <input type="checkbox"/> Gardening projects | <input type="checkbox"/> Pet-related |
| <input type="checkbox"/> House restoration | <input type="checkbox"/> Sports-related |
| <input type="checkbox"/> Interior decorating | |
| <input type="checkbox"/> Other (please specify) | |

* 4. Do you have children?

If yes, what is the age range of the youngest?

- | | |
|---|---|
| <input type="radio"/> newborn - 5 years | <input type="radio"/> Adult children |
| <input type="radio"/> 5-11 years | <input type="radio"/> No, do not have plans for children |
| <input type="radio"/> 12-14 years | <input type="radio"/> No, but have plans for children in the future |
| <input type="radio"/> 15-18 years | <input type="radio"/> No and undecided |

Restoration Wilkinsburg Systems Survey

5. What type of school do/did your children attend?

Homeschool

Parochial

Private

Public

Other (please specify)

Restoration Wilkinsburg Systems Survey

5. Personal Information

* 1. What is your gender?

Male

Transgender

Female

Rather not say

* 2. What is your age range?

Under 22

35 to 45

Over 65

22 to 30

45 to 55

Rather not say

30 to 35

55 to 65

* 3. What is your race?

White

Asian, Pacific Islander

Black, African American

American Indian or Alaska Native

Spanish, Hispanic, Latino

Rather not say

Other (please specify)

* 4. In which country do you hold citizenship?

* 5. What is the highest level of education you have entered or completed?

Less than High School

Bachelor's Degree

High School or GED

Master's Degree

Some College

Doctoral Degree

Associate's Degree

Professional Degree (MD, JD)

Restoration Wilkinsburg Systems Survey

* 6. Where do your professional interests lie? (You can check more than one)

- Academic (college, university, research)
- Educational (nursery, K-12, libraries)
- Artistic/Creative (visual, performance, music, design)
- Non-Profit or Public Service (public, private, state, federal)
- Environmental or Agricultural
- Other (please specify)
- Business (research, management, consulting)
- Medical (research, treatment, assistance)
- Information Sciences (communication, data analysis, programming)
- Technical Services (Web page design, Web-based programming)
- Retired

* 7. What is your total yearly household income? (include all earners in your household)

- Less than \$25,000
- \$25,000 - \$50,000
- \$50,001 - \$75,000
- \$75,001 - \$100,000
- More than \$100,000

Restoration Wilkinsburg Systems Survey

6. Project Description

* 1. How familiar are you with Pittsburgh History & Landmarks Foundation (PHLF)?

- Never heard of PHLF
- Heard of PHLF but unfamiliar with purpose
- Familiar with PHLF projects
- Directly interacted with PHLF

Expand on response (optional)

* 2. What is your familiarity with Hamnett Place and Wilkinsburg? (Check all that apply)

- Currently live in Hamnett Place
- Used to live in Wilkinsburg
- Heard of Hamnett Place
- Currently live in Wilkinsburg
- Used to work in Wilkinsburg
- Heard of Wilkinsburg
- Currently work in Wilkinsburg
- Never heard of Hamnett Place
- Used to live in Hamnett Place
- Never heard of Wilkinsburg

Expand on your experience with Hamnett Place or Wilkinsburg (optional)

* 3. What is your primary mode of communication?

- Direct mail
- Phone (mobile)
- E-mail
- Phone (text message)
- Phone (land-line)
- Social network (i.e. Facebook, Twitter)
- Other (please specify)

4. How did you receive this survey?