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📍 Pittsburgh Mayor Bill Peduto, seated on steps, with URA staff members and community leaders at a renovated home on North Fairmont Street in Garfield. Photo courtesy of the City of Pittsburgh

Pittsburgh finds a new use for tax credits: affordable housing

👤 Justin Vellucci 📅 February 24, 2020 📁 City Design, East Liberty, Garfield, Larimer, Latest News

For years the City of Pittsburgh has taken advantage of the federal New Markets Tax Credit Program (<https://www.cdfifund.gov/programs-training/Programs/new-markets-tax-credit/Pages/default.aspx>) to spur commercial development in low-income neighborhoods. Now it's using the tax credits to create provide more affordable housing.

Last week, Pittsburgh officials celebrated the creation of the first 26 residential units that were built or renovated through the use of \$7 million in tax credits.

The 26 homes are located in East Liberty, Garfield and Larimer, and 18 of them will be sold to families with incomes at or below 80% of the area's median income, according to the Urban Redevelopment Authority of Pittsburgh (URA (<https://www.ura.org>)).

The New Markets Tax Credit Program was created by Congress in 2000 to aid development in economically distressed communities. Since 2011, Pittsburgh has received \$188 million in tax credits, which has primarily been used for commercial development.

But officials say they see the tax credit program as a way to help provide affordable housing, a key area of need in the city. As part of the new program, all the low-income homebuyers will receive pre-purchase counseling, homebuyer education and support to help them succeed.

In remarks after touring one of the homes in Garfield, URA Deputy Director Diamonte Walker (<https://www.nextpittsburgh.com/next-up/next-up-diamonte-walker-on-helping-more-pittsburghers-launch-a-business-and-own-their-first-home/>) said the project is not a one-time deal.

"The New Markets Tax Credit is a wonderful tool and what we are doing is adding to this notion of making homeownership available in high-growth areas — we have to address this at scale," Walker said. "We need to not look at this as a flash in the pan. The goal is to build upon this ... to make it scalable, to create opportunities for more people."



Left to right: Lindsay Powell, assistant chief of staff for Mayor Bill Peduto; Maelene Myers, executive director of East Liberty Development Inc.; and Diamonte Walker, deputy director of the URA. Photo by Ted Melnyk.

Mayor Bill Peduto reiterated that sentiment during Thursday's tour.

"This is a great model that the city and URA hope to replicate with other community-based organizations citywide, as we search for new methods to boost affordable, for-sale housing opportunities for all," said Peduto.

Partners for the project include the City of Pittsburgh, Pittsburgh Urban Initiatives, East Liberty Development, Inc., U.S. Bank and Open Hand Ministries.

"This is certainly not the URA in isolation," Walker said. "Without partners, we certainly couldn't do this."

Pittsburgh Urban Initiatives is an arm of the URA and administers the tax credit program. Among the projects that have been funded through the program are the SHOP 'n SAVE grocery store in the Hill District, the Women's Center & Shelter of Greater Pittsburgh, Schoolhouse Electric & Supply Co (<https://www.nextpittsburgh.com/neighborhoods/east-liberty/50-million-tax-credits-development/>). 's East Liberty expansion and the East End Cooperative Ministry's Community House.

U.S. Bank donated \$15,000 to Open Hand Ministries for its Circles program, which prepares area families for homeownership.

"U.S. Bank believes everyone deserves an opportunity to achieve financial stability, and access to a home that's safe and affordable is a critical part of that," says Jennifer Westerbeck, vice president with U.S. Bancorp Community Development Corporation, the tax credit and community development subsidiary of U.S. Bank. "We're proud to play a role in making these affordable homes available to area residents. They will change the lives of the families who live in them and help build a thriving neighborhood."

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