

Allegheny County Controller Chelsa Wagner's

TAXPAYER ALERT

Affordable Housing

April 2018



In 2016, the City of Pittsburgh's Affordable Housing Task Force identified a need for more than 17,000 new affordable housing units in the City, defined as being accessible to those earning at or below 50 percent of Pittsburgh's median household income.

In an effort toward beginning to meet this need, the City initiated an Affordable Housing Trust Fund that will dedicate \$10 million per year to developing and preserving affordable housing. Identifying funding for this purpose was a contentious process due to a limited menu of options for local governments to increase revenue without state approval. The source ultimately agreed to—an increase in the City's realty transfer tax by .5 percent this year and another .5 percent in 2020—could, ironically, put a home purchase in the City out of reach for some prospective buyers.

Absent from this debate has been any mention of Allegheny County's Affordable Housing Fund, which was authorized by state law in 1992 and brings in more than \$1 million per year from fees attached to the recording of deeds and mortgages. Currently, this Fund has a balance of nearly \$4.4 million, and in recent years has contributed minimally to the actual development of affordable housing.

In fact, the largest expenditure from the Fund in 2017, \$188,805, went toward rent payments for the County's Department of Economic Development in a Downtown office tower. This amount would pay the annual rent on an affordable apartment in Pittsburgh for about 30 families.



Also in 2017, more than \$50,000 from the Fund went toward administrative and computer services, and more than \$18,000 toward an internship program.

Allegheny County Affordable Housing Fund

Year	\$ Spent on Housing	\$ Spent on Admin.	Added to the fund balance
2015	\$725,687	\$187,463	\$258,447
2016	\$105,789	\$205,793	\$788,413
2017	\$146,526	\$315,228	\$730,692

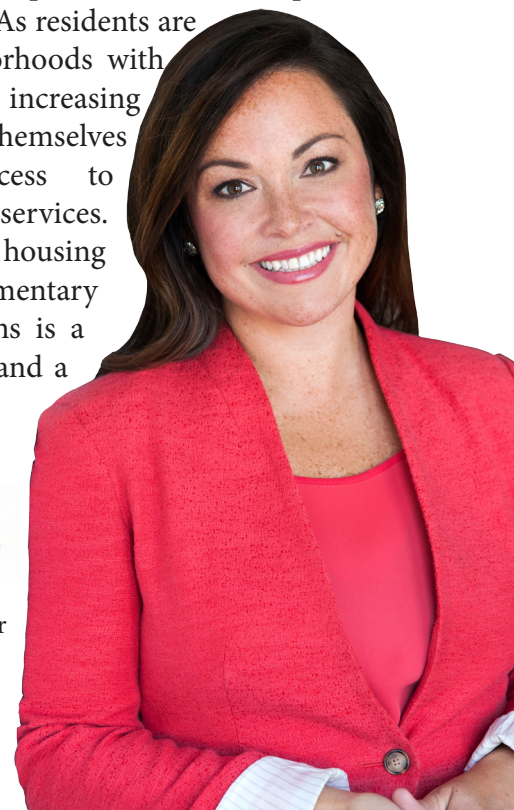
Current Fund Balance \$4,379,818

Together, these expenditures appear to significantly exceed the portion of collected funds which are permitted by state law to be dedicated to administrative costs, and certainly stray from the intended purpose of these funds. (See reverse)

The County must redirect these scarce public dollars to help address the well-documented problem of a lack of affordable housing. While the amounts collected and maintained in the County Fund are small in the overall scope of this issue, to allow them to languish in our bank account or be spent on extraneous purposes that do not help a single vulnerable family is unconscionable.

The County should focus on helping to meet not only the increasingly acute affordable housing need in the urban core, but to promote the development of units near public transit hubs in outlying areas. As residents are pushed out of neighborhoods with strong transit access by increasing costs, they often find themselves without reliable access to jobs, education and services. Providing affordable housing without complementary access to transit options is a disservice to residents and a poor investment.

Chelsa Wagner
Allegheny County Controller



Get Updates From Our Office



@AlleghenyController



@AC_Controller



Falconhurst Apartments in Wilkesburg

Projects that have received support through the Allegheny County Affordable Housing Fund include:

- \$202,300 for the Falconhurst Apartments, 50 affordable units in the historic Hamnett Place neighborhood of Wilkesburg completed in 2016.
- \$64,249 for the Orchard Park Apartments, 44 affordable units in the City of Duquesne completed in 2015.
- \$9,800 in 2015 for the McKeesport Housing Corporation, which distributes grants to landlords of low-income residents to make apartments more accessible for elderly and disabled residents.

1 affordable housing unit = \$6,367.50 per year

Key



100 Affordable Housing Units



10 Affordable Housing Units



5 Affordable Housing Units



1 Affordable Housing Unit

2017 Revenue: \$1.192M



187 affordable units for one year

Spent On Administration: \$315,228



49.5 affordable units for one year

Spent On Housing: \$146,526



22.5 affordable units for one year

Added To Fund Balance: \$730,692



115 affordable units for one year



Current Fund Balance: \$4,379,818

688 Affordable Units for one year

