



Penn Plaza Residents Drive Agreement on East Liberty Relocation and Affordable Housing Plans

Includes support for affordable housing development in area, and creates a new standard for developments threatening to displace long term residents across Pittsburgh

PITTSBURGH, PA (September 28, 2015) Residents of Penn Plaza worked with local government leaders and Action United to reach an agreement today with the owners of the East Liberty apartment complex to secure relocation help, and forge commitments to support construction of affordable housing across East End neighborhoods including East Liberty, Larimer, Lincoln-Lemington and Homewood.

Residents of the two Penn Plaza buildings will move out in two phases in 2016 and 2017 with monetary support from the owners, Pennley Park South.

Furthermore Pennley Park South has committed a portion of tax monies generated by the site's redevelopment to support affordable housing and small businesses in the greater East Liberty neighborhood.

The Penn Plaza tenant council approved the relocation offers from Pennley Park South September 20, and further agreements were reached Monday in a Memorandum of Understanding signed among the City, the Urban Redevelopment Authority, Pennley Park South and the tenant council.

The agreement follows 10 weeks of community-driven talks about the future of the Penn Plaza site. Sparked by a July 18 meeting of residents at East Liberty Lutheran Church, Mayor William Peduto, Representative Ed Gainey and Councilman Rev. Ricky Burgess all called for the community to come together with the building's owner to seek a resolution. At the meeting Mayor Peduto announced the developers had agreed to hold off on tenant evictions while all sides talked, and thereafter meetings were held weekly

with tenants, Action United and the developers at the Mayor's Office.

The agreement creates a new standard for developments across Pittsburgh that threaten to displace long-term residents. And it follows moves this month by the URA to provide new financing tools to make affordable housing available for residents in East Liberty and other eastern neighborhoods of the city.

"This is an agreement that helps us reach two critical goals: providing comfort to Penn Plaza residents worried about finding new homes, and creating new commitments for all residents of East Liberty that they will be able to remain in the neighborhood and share in its growth," Mayor Peduto said.

"I want to thank the Mayor's office for sitting down with us and helping us to negotiate with the Gumbergs. I also want to thank the Gumbergs for coming to the table and working with us to reach an agreement that works for all," said Penn Plaza tenant council president Lillian Grate. "It truly sets a precedent not only for us residents but for future development as well."

"We were pleased to work with all the stakeholders on a blueprint that sets the standard for development in the city. We want to thank the residents, the Mayor and Kevin Acklin for all their hard work," said attorney Jonathan Kamin on behalf of Larry Gumberg, president of Pennley Park South.

In July, Penn Plaza ownership notified residents, many of them with low to moderate incomes, that they would have 90 days to relocate and make way for redevelopment of the East Liberty site.

Through the new agreement with the tenant council Pennley Park South will do relocations in two phases, one in 2016 and the other in 2017, and pay relocation assistance to all residents.

Under the agreement residents of a building at 5704 Penn Avenue will receive relocation assistance from Pennley Park South and have until Feb. 28, 2016, to move to new homes. They will be additionally aided by a relocation consultant provided by the City, who will have an office at Penn Plaza and assess resident needs and help them find new housing.

Residents of a building at 5600 Penn Avenue will receive relocation assistance from Pennley Park South and have until March 31, 2017, to move into new homes. All residents will receive a preference in opportunities to return to affordable housing in the area.

"I want to congratulate the residents of Penn Plaza and representatives of the Mayor's Office for working together to solve an affordable housing issue that is needed in the community," Rep. Gainey said. "This is the type of cooperation we need going forward. Thank you Mayor Peduto, and thank you to the Gumbergs for setting a precedent and coming to the table and making a deal."

"We have all negotiated in good good faith and as result this agreement is a needed step of protection for the residents of Penn Plaza," said Councilman Rev. Burgess. "It is my hope that all interested parties can continue to work together to preserve affordable housing in the East End communities."

The agreement provides the City new tools to make further long-term investments in affordable housing across East Liberty and adjacent East End neighborhoods. It includes plans -- subject to approval by area taxing bodies -- for a new Local Economic Revitalization Tax Assistance (LERTA) district in East Liberty, similar to one created last year in the Hill District.

Pennley Park South, which plans to build a mixed-use retail and housing development at Penn Plaza, agreed to commit 50% of the tax increment created by the redevelopment to the LERTA fund, which would be devoted to affordable housing and small business in Greater East Liberty district (including East Liberty, Larimer, Lincoln-Lemington and Homewood).

An advisory committee comprised of East Liberty residents and community leaders will review investments by the fund and make spending recommendations to the URA board. The City agreed to sell a two acres of land it owns in the Penn Plaza redevelopment site to Pennley Park South for appraised market value, and with the proceeds of the sale devoted to the East Liberty affordable housing fund.

The City, in partnership with the Urban Redevelopment Authority, is also committing to make affordable housing units at least 20% of the redevelopment of the nearby Mellon's Orchard site along Euclid Avenue. The URA will select a developer through a competitive bidding process that includes representation from the Penn Plaza tenant council on the selection committee. Penn Plaza tenants will also be provided a preference for occupying the Mellon's Orchard affordable units.

Today's agreement includes high commitments to affordable housing at the Mellon's Orchard site: It requires that 20% of the housing be at or below 50% Area Median Income (AMI); and 50% of the housing be at ranges of 30% to 120% AMI. In further support of affordable housing in the East Liberty area the URA board [agreed September 10](#) to dedicate a portion of the tax increment created by development within phase two of the East Liberty Transit Revitalization Investment District (ELTRID) to fund

affordable housing in the greater neighborhood.

The work to secure affordable housing around the greater East Liberty area will parallel that of the Mayor's Affordable Housing Task Force, which is evaluating programs and initiatives to produce affordable units and preserve existing ones citywide.

"Today's announcement does not solve the growing issue of securing affordable housing across Pittsburgh, but it moves the ball substantially and creates a structural vehicle to build upon our collective efforts to continue to address the issue in the future," said Kevin Acklin, the Mayor's Chief of Staff and the chairman of the URA board.

"This deal achieves the immediate needs that were put on the table. It doesn't solve the overall issue of affordable housing but it lays the groundwork," said Bill Bartlett, Western Pennsylvania director of Action United. "I look forward to working with the City on creating the future policies that will further address the problem."

"This is just a start but I'm glad this will be a model," said Carmen Brown of the Lincoln Lemington Community Consensus Group/ LLCCG. "The Gumbergs have started a model for the entire East Liberty area."

Through today's agreement Pennley Park South will comply with recommendations of Affordable Housing Task Force for development of housing on Penn Plaza, and will submit an application to URA to develop Mellon Orchard. If that application is successful Pennley Park South has committed to achieving 20% affordable housing at 50% AMI across both development sites.

The developers additionally agreed to MBE/WBE participation at the Penn Plaza redevelopment; to comply with Section 3 hiring of local workers; and to monthly progress meetings with the Penn Plaza tenant council and the City.

A copy of the memorandum signed today by all parties [is available here](#).

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